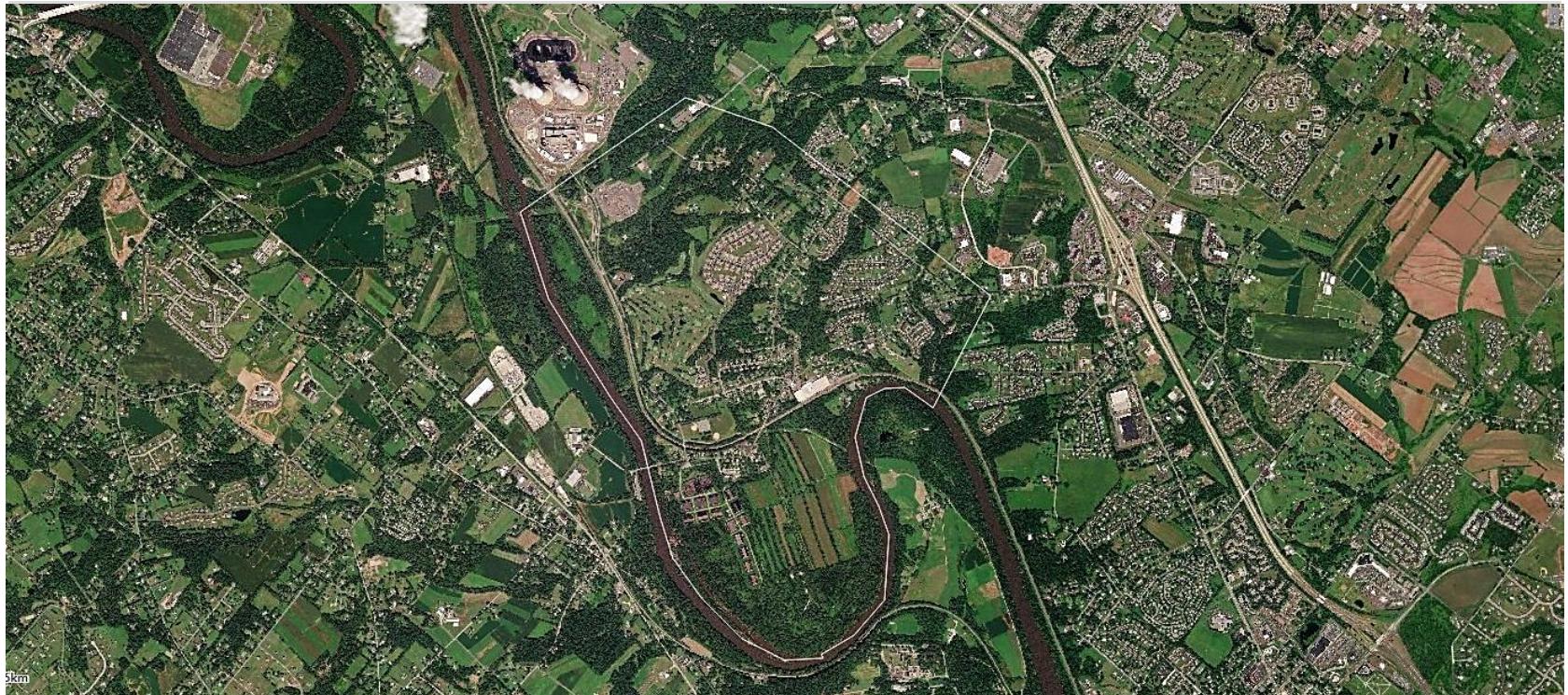




Linfield Village Master Plan MARKET STUDY

Limerick Township, PA

December 10, 2020



ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™

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EXECUTIVE SUMMARY

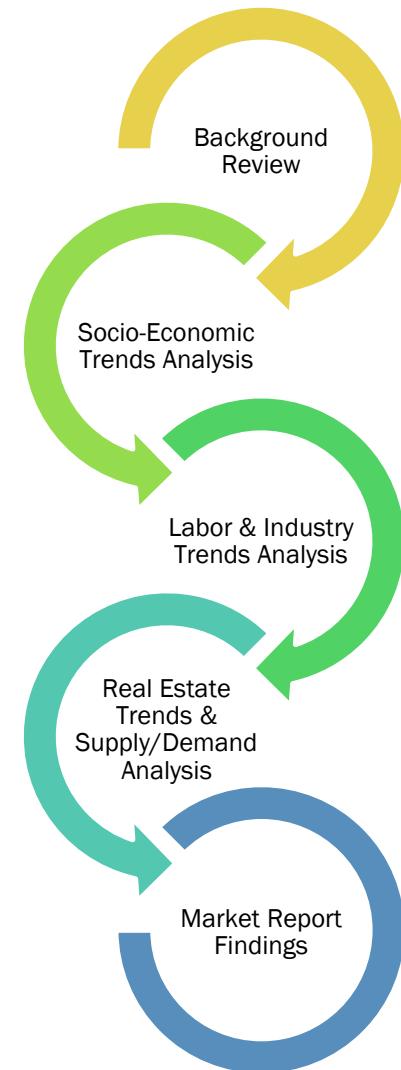
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Project Scope

Located in Limerick Township, Linfield Village is one of the Township's historical villages. Currently, Linfield Village contains many residentially scaled buildings, several parcels of significant open space, and some industrial uses including the 197-acre Publicker redevelopment site (home to a former whiskey distillery). Despite these substantial resources and its charming character, the Village is currently disconnected and ill-defined, with little continuity and few unifying features. Limerick Township engaged Simone Collins Landscape Architecture, in collaboration with Pennoni Associates and Traffic Planning & Design, to complete a master plan for Linfield Village. The goal of the Linfield Village Master Plan is to direct growth in a sustainable manner while preserving and enhancing the Village's historical resources and human scale.

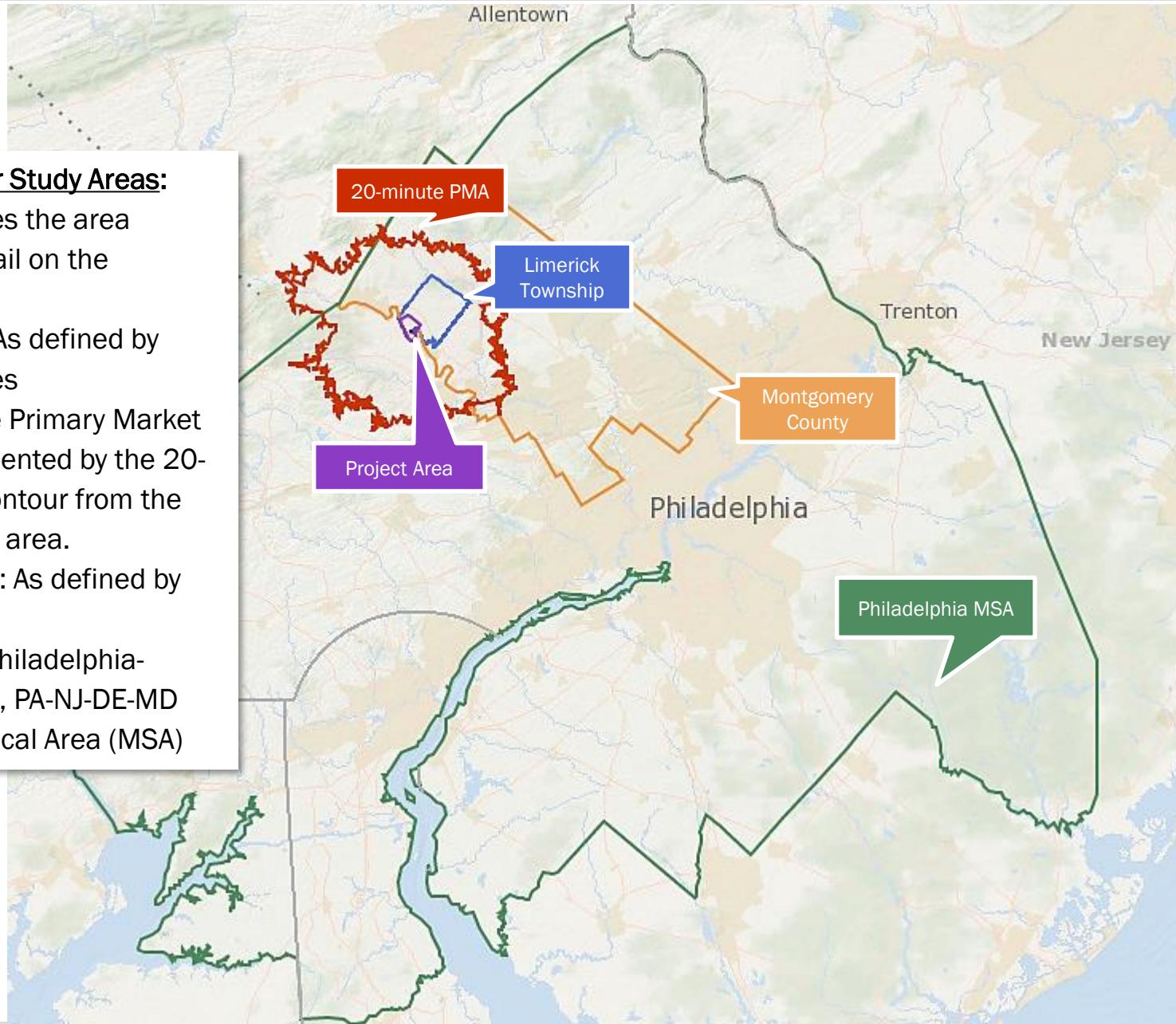
In support of the Linfield Village Master Plan, Simone Collins hired 4ward Planning to conduct a market study of the Linfield Village project area. To identify potential near-term market drivers, the market study first analyzes socio-economic, and labor and industry trends within the project area's primary and secondary market areas. To evaluate near-term real estate opportunities within the project area, the real estate trends and supply/demand analysis identifies local inventory, occupancy, and pricing factors. The master plan also examines existing zoning and development regulations in Linfield Village to explore potential opportunities for infill development/redevelopment.



Study Areas

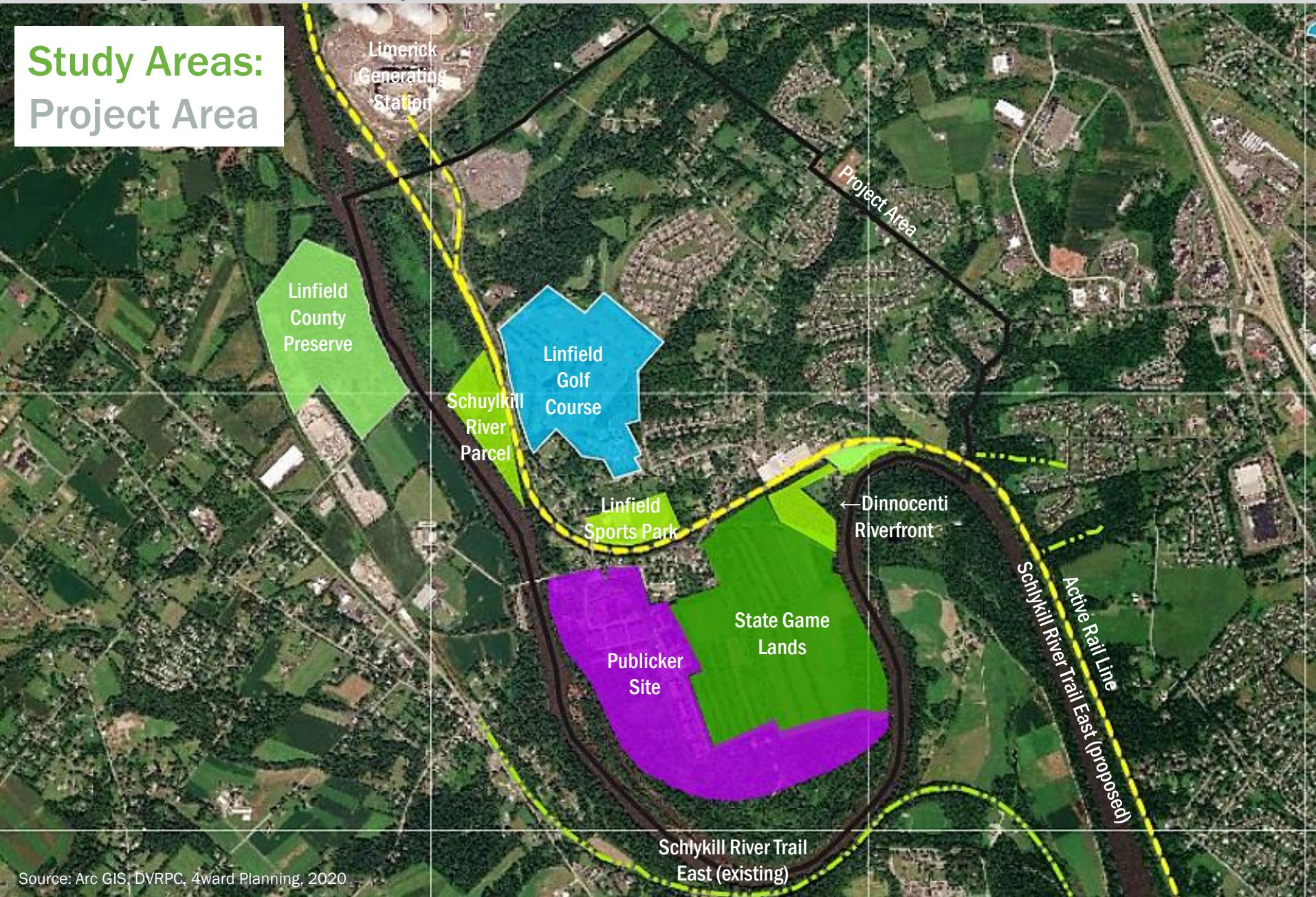
Socio-Economic & Labor Study Areas:

- **Project Area:** Includes the area defined in more detail on the following page
- **Limerick Township:** As defined by municipal boundaries
- **20-Minute PMA:** The Primary Market Area (PMA) is represented by the 20-minute drive-time contour from the center of the project area.
- **Montgomery County:** As defined by county boundaries
- **Philadelphia MSA:** Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area (MSA)



Source: Esri; 4ward Planning Inc., 2020

Study Areas: Project Area



Study Takeaways

Multi-Family Residential

While population growth in the Township has been relatively flat over the past decade (0.4 percent per year), it is expected to increase over the next five years (1.2 percent per year). By 2024, total population within the 20-minute PMA is projected to increase by approximately 12,690 residents and 9,360 workers. According to data provided by Limerick Township and Montgomery County, there are approximately 2,450 housing units in the development pipeline within the 20-minute PMA. Assuming that all pipeline units are built, there will be net demand for approximately 4,880 residential units in the 20-minute PMA by 2024. Assuming that between five and ten percent of this demand could be met locally, the project area could accommodate between 240 and 490 units by 2024. Given the Publicker site's large size, both multi-unit structures (e.g., duplexes, fourplexes, etc.) and multi-family housing could be easily accommodated.

However, the site is located far from basic retail services, public transit, and employment centers, which make its location less attractive to potential multi-family residents who are increasingly preferring to live in walkable communities and/or near public transit.

Shifting senior housing demand

Age-restricted housing (e.g. the Villas at Linfield National Golf Club) represents single-family homes or apartments dedicated to those primarily ages 55 and older. Over the past two decades, age-restricted housing has represented 21 percent of all units built in the County. While these units accommodate seniors able to “age in place,” there will likely be an oversupply of these units in the County over the next decade as the region’s population grows older and housing needs and preference change. As a result, existing age-restricted development may shift to “age-targeted” development, providing amenities and design appealing to both active adults and young families, without mandating a specific resident age. According to Esri, the County’s population of residents ages 55 and older will increase by 18,890 persons by 2024, should drive demand for senior housing and long-term care properties, which typically offer a spectrum of hospitality and medical care services. Given the relatively high median net worth among senior households within the County, seniors in the PMA likely have sufficient financial means to afford certain senior housing options, a positive sign for potential senior housing development.

Study Takeaways (continued)

Existing office vacancies will limit new demand

According to first-quarter data provided by Avison Young, the project area is located in the West Montgomery County office submarket, a submarket with negative net absorption, no new office space under construction, relatively low average office asking rents, and high office vacancy rates – all metrics suggesting weak office demand within the project area. Based on job growth within the professional, scientific, and technical service (PSTS); finance and insurance, management of companies and enterprises; and other services sectors, combined, and job growth within the health care and social assistance sector, there will be a net new demand for approximately 135,740 square feet of professional office space and 92,980 square feet of medical office space within the PMA by 2024.

However, some of the PMA's new office space demand could potentially be accommodated by the existing 259,400 square feet of office and office/retail space, and 73,340 square feet of available medical office space currently for sale or for lease within the PMA.

Furthermore, given the Publicker site's distance to basic retail services, public transit, and employment centers, the site is likely undesirable to potential office workers.

Consequently, the study area, generally, and the Publicker site, in particular, are not likely to see any interest for professional or medical office development.

Study Takeaways (continued)

Location undesirable for major retail development

According to data provided by Esri, the Township is experiencing a “surplus” of retail sales in some retail categories (e.g., grocery stores; restaurants/eating establishments; beer, wine, and liquor stores; and health and personal care stores) - meaning either that people travel from outside the trade area to shop/dine or people living within the trade area consume more than would be typically expected given their income levels. Based on retail supply/demand analysis, while there is demand within the PMA to support new retail stores, restaurants, and eating establishments in particular, there is an ample supply of existing and pending retail space in the PMA. Based on February 2020 data provided by LoopNet (a national provider of real estate data), there is approximately 646,790 square feet of retail building space available for lease or sale in the PMA.

Given Publicker’s limited visibility (a critical component to the success of most retail businesses), and low traffic counts along the arterial roadway leading to the property, the site is not likely to see any type of

conventional retail or personal service business development.

Entertainment, and Pop Up Events

Notwithstanding the noted challenges for establishing conventional retail and services, the Publicker site’s unique character (e.g., hulking brick buildings within a setting of overgrown vegetation, could make for an interesting setting for pop-up entertainment and food events (e.g., small festivals with food trucks and artisans). Example regional events include the annual Chester County Blues Barbecue held at the Wyndson Farm in Elverson, and the bi-annual Phoenixville Food Festival held in Phoenixville.

Further, some of the large multi-story buildings could be artfully painted with murals and serve as a complimentary backdrop to such events.

An interpretive walkway could be provided within a portion of the site, educating visitors on the historic use of the site - perhaps offering an opportunity for area distillers to sample their offerings.

Study Takeaways (continued)

Light industrial uses are less than ideal

According to February 2020 data provided by LoopNet, there is approximately 811,000 square feet of industrial space available within the PMA, with much of this inventory characteristic of either warehouse or flex space and located near Pottstown. According to fourth-quarter 2019 data provided by Newmark Knight Frank, the average asking R&D/flex rent in the County (\$20.87 per square foot per year) is relatively high, compared to that in the southeastern Pennsylvania submarket (\$12.78 per square foot per year).

However, the average asking rent price for flex building space in the PMA (\$7.90 per square foot per year) is much lower than that in the County - suggesting the demand for flex space in the PMA is not as strong.

Further, given the constrained arterial access to the Publicker site (a two-lane country road), light industrial uses would not be an ideal use. Further, sanitary and stormwater sewer systems would have to be brought into the site at a considerable cost, which could make light industrial development financially unfeasible.

Potential makerspace

In recent years, there has been a nationwide renaissance of small-scale and artisanal manufacturing. This sector includes artists, artisans, makers, brewers, and fabricators, as well as more traditional light manufacturers. While the abandoned warehouse buildings on the site are massive in size and do not lend themselves to adaptive reuse, there could be an opportunity for one of its smaller buildings to host makerspace, a collaborative workspace that provides access to tools, technology, education, events, and services for makers of varying skill levels.

Indeed, such a space or spaces would be complimentary to the earlier suggested events, as makers and artisans would have opportunity to showcase their products and services to event patrons.

BACKGROUND REVIEW

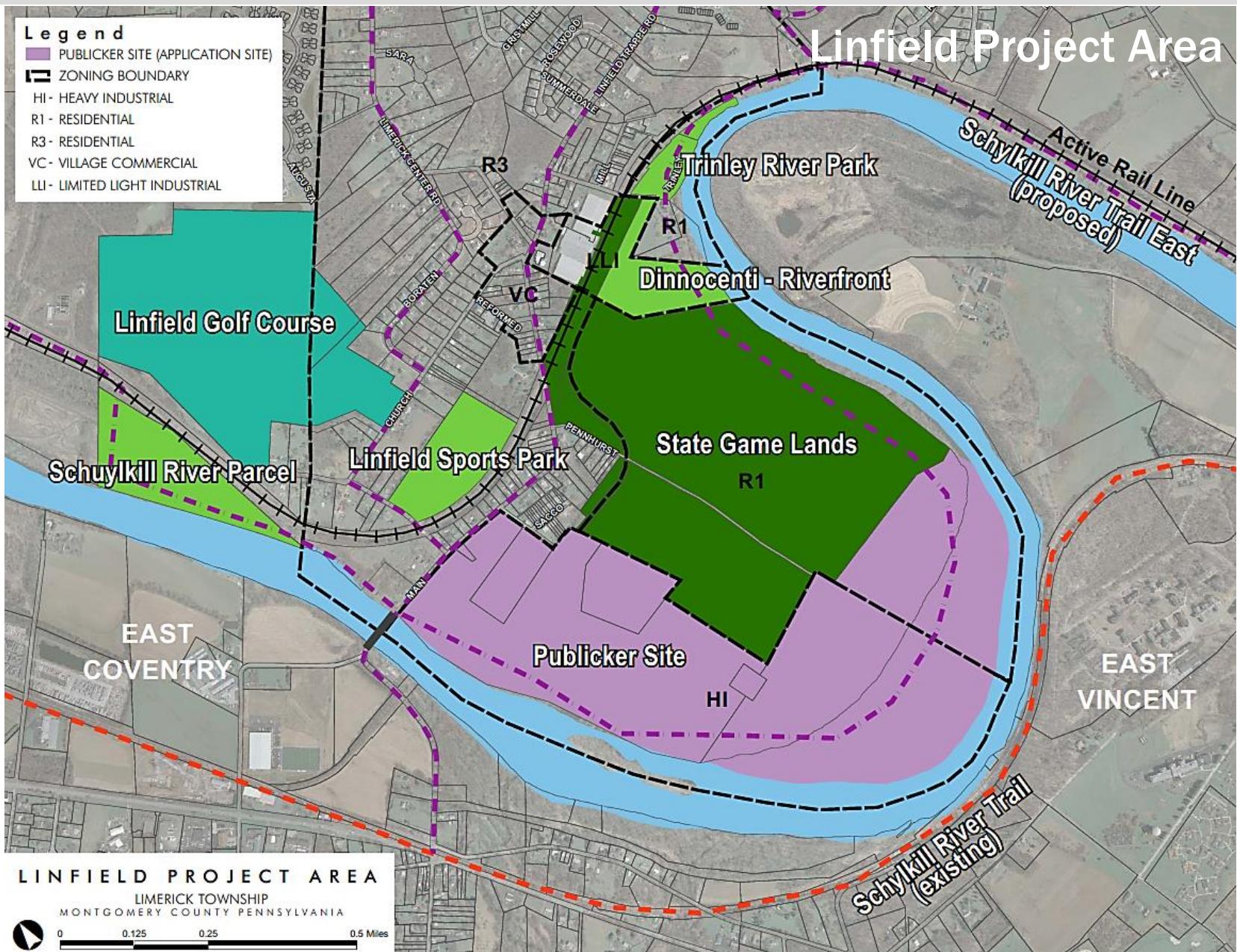
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Background: Existing Zoning and Market Observations

As illustrated in more detail in the map on the following page, the Linfield Master Plan project area contains five zoning Districts (HI: Heavy Industrial; R-1: Residential; VC: Village Commercial; LLI: Limited Light Industrial; R-3: Residential). The following outlines initial market observations previously provided by Simone Collins and presented by the two project focus areas.

- **Publicker:** Currently zoned as a HI, the 197-acre Publicker parcel is home to a former whiskey distillery that has sat vacant for about 60 years. Existing roadways in and out of Linfield need major improvements to allow adequate access for any type of large-scale redevelopment to occur on this site. To support estimated redevelopment costs (e.g., \$17M in acquisition costs; \$14.6M in demolition costs; and \$11M to \$13M in roadways improvement costs), current redevelopment concepts for this parcel have focused on high-density, mixed residential development (up to 1,000 units with some commercial). Surrounded on three sides by the Schuylkill River oxbow, high-rise residential on this site could offer extensive views of the river and take advantage of nearby open space and trails (e.g., 150-acre State Game Lands, 16-acre Linfield Sports Park, 99-acre Linfield Golf Course, 22.5-acre Schuylkill River Parcel and the Schuylkill River Trail, and six-acre Trinley River Park). Although there is an unused rail spur to the site from the Norfolk Southern freight line, high demolition costs create obstacles for potential warehousing or distribution uses. While there may be significant gaps in some sectors of the entertainment market, the site's costs are too high to make an entertainment use a viable stand-alone redevelopment project.
- **Linfield Village:** Linfield Village, one of the Township's historical villages, contains many residentially scaled buildings, some industrial uses, and several parcels of significant open space including the 150-acre state game lands. Infill residential could be attractively completed in the historical setting of the old portion of the Village. Without large-scale residential development on the Publicker site, commercial uses in the Village (within the portions zoned VC) are likely strictly limited to infill service and eatery/bar types of development.



Source: Simone
Collins Landscape
Architecture, 2019

Background: Previous Studies

The following outlines previous planning efforts within the Linfield project area. In particular, the Linfield Master Plan will respond to the 2009 Comprehensive Plan recommendations (which had substantial public participation) and the 2014 Linfield Visioning Meeting's community comments and suggestions.

- **Limerick Township Comprehensive Plan (2009):** Linfield Village was identified as one of the Township's four growth areas and one of its two historical villages. The Comprehensive Plan also suggests that sustainable development, including infill, should promote and enhance the village's identity and sense of place, protect and enhance its historical character, enhance preservation and use of nearby open spaces, enhance the historical streetscape and human-scale development, and promote the adaptive reuse of old industrial sites and existing architecture.
- **Limerick Township Greenway and Trails Master Plan (2013):** Currently part of the Township's official map, the plan identifies four major trails through Linfield, plus a connection to the regional Schuylkill River Trail via the Main Street Bridge.
- **Linfield Visioning Meetings (2014):** In May 2014, the Township conducted two preliminary "visioning" meetings with residents and business owners, attended by the Township Linfield Master Plan Committee, 20 members of the Linfield Volunteer Fire Company, and over 100 members of the general public. The overwhelming sentiment from both meetings was that a Master Plan for Linfield Village was needed.
- **Schuylkill River Park Master Plan (2016):** The passive development of Schuylkill River Park will bring additional recreational opportunities to Linfield Village and provide waterfront access and recreation opportunities, which are currently limited.

Background: Linfield Master Plan Goals

As identified by Limerick Township, the goals for the Linfield Master Plan include the following:

- ***Support Local Planning that will Lead to Redevelopment:*** This is the key purpose of the Master Plan.
- ***Improve Quality of Life to Attract Residents and Businesses:*** Quality of life improvements are critical for current residents and businesses, and as a catalyst in attracting new investment and stakeholders.
- ***Enhance Transportation Infrastructure:*** The current roadway system does not support anything beyond infill development in the Village. Any substantial redevelopment of the Publicker site would require meaningful improvements to existing roadways.
- ***Enhance Other Infrastructure:*** There are issues with water, sewer, electric, cable, and other services in Linfield. The master plan should offer substantive solutions for these utilities.
- ***Reduce Congestion by Promoting Alternate Modes & Mixed Uses:*** The many planned trails can help mitigate Linfield's traffic congestion. Mixed uses may also shorten trips from residential to commercial/service destinations in the Village.

MARKET ANALYSIS

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Socio-Economic Trends Analysis

Key Findings: Socio-Economic Trends Analysis

Aging regional population suggest shifts in near-term housing demand

Over the next five years, total population within the 20-minute PMA is projected to increase by approximately 12,690 residents, with adults over age 62 (largely representing older empty-nesters and mostly retired persons) growing the fastest. The shifting and aging of the region's population will present opportunities for new housing types, especially as older empty-nesters downsize from single-family housing to multi-family rental units and/or require housing with supportive health services.

Relatively high household incomes and spending are favorable

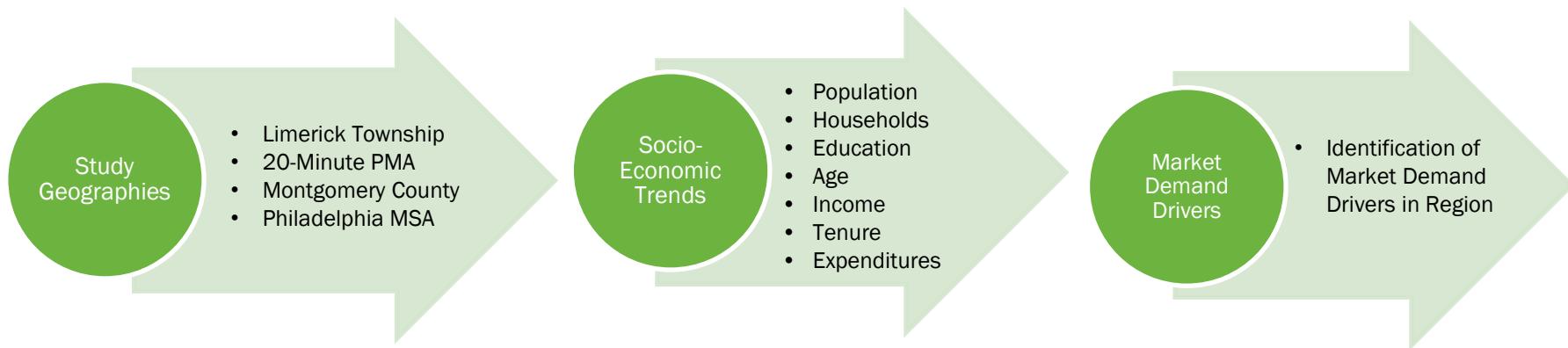
Consistent with relatively high levels of household income, on average, PMA households spend approximately 130 percent of what national households spend on selected household goods and services. Furthermore, over the next five years, households earning more than \$100,000 per year are expected to grow the fastest within all geographies. Both are favorable trends for potential market-rate housing, retail, and entertainment uses in the local area.

29 percent of PMA households with some preference for multi-family

According to Esri's top 20 Tapestry Segments (a proxy term for distinct socio-economic consumer groups), 29 percent of PMA households have some preference for living in multi-family housing, with 26 percent of these households preferring rental housing.

Methodology: Socio-Economic Trends Analysis

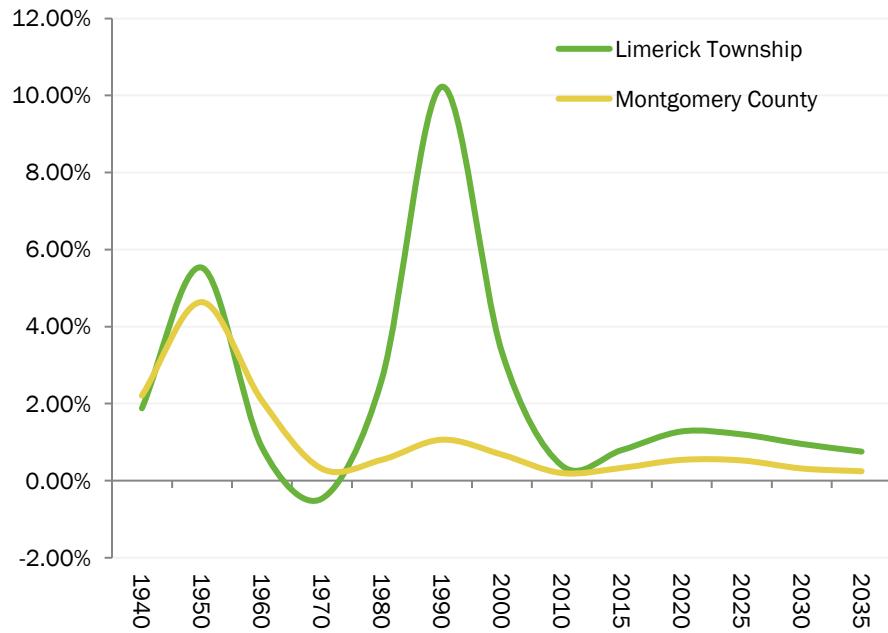
In order to understand baseline conditions within the project area, 4ward Planning analyzed socio-economic trends in Limerick Township, the 20-minute PMA (the primary market area), Montgomery County (the secondary market area), and the Philadelphia MSA. Using a combination of published government data (U.S. Census Bureau, American Community Survey 5-Year Estimates) and proprietary analysis software (Esri Community Analyst), 4ward Planning prepared a series of data tables comparatively illustrating socio-economic trends for the four market areas. The primary market area (PMA) typically represents the catchment area where 70 percent or more of consumer patronage originates, while the secondary market area represents a relatively large catchment area from which the prospective development area could, potentially, compete for new residents. Socio-economic trends associated with population, households, educational attainment, and age cohorts were analyzed. Additionally, we analyzed income distribution, residential tenure rates (owner-occupied versus renter-occupied), and consumer expenditure estimates. Demographic data for each market area is displayed for 2010, 2019 (estimated), and 2024 (projected).



Population Trends and Forecasts

Until 1980, population growth in Limerick was comparable to that in Montgomery County. In the 1990s, however, Limerick's population doubled, and its growth rate was roughly 10 times the County's rate. According to population forecast data provided by the Delaware Valley Regional Planning Commission (DVRPC), from 2020 to 2024, the Township is expected to grow by another 4,350 residents or at 1.1 percent per year, compared to just 0.4 percent per year in the County.

Annualized Population Change



Population Growth Trends and Forecasts

Year	Limerick Township			Montgomery County		
	Population	Change	Percent Annual Change	Population	Change	Percent Annual Change
1930	2,656	-	-	265,804	-	-
1940	2,769	113	0.4%	289,247	23,443	0.9%
1950	3,290	521	1.9%	353,068	63,821	2.2%
1960	5,110	1,820	5.5%	516,682	163,614	4.6%
1970	5,556	446	0.9%	624,080	107,398	2.1%
1980	5,298	-258	-0.5%	643,377	19,297	0.3%
1990	6,691	1,393	2.6%	678,111	34,734	0.5%
2000	13,534	6,843	10.2%	750,097	71,986	1.1%
2010	18,074	4,540	3.4%	800,764	50,667	0.7%
2015	18,432	358	0.4%	808,593	7,829	0.2%
2020	19,167	735	0.8%	821,932	13,339	0.3%
2025	20,395	1,228	1.3%	844,011	22,079	0.5%
2030	21,623	1,228	1.2%	866,090	22,079	0.5%
2035	22,658	1,035	1.0%	879,697	13,607	0.3%
2040	23,516	858	0.8%	890,336	10,639	0.2%
Change 2020-2024		4,349	1.1%	68,404		
2020-2024						

Source: US Census Bureau; DVRPC; 4ward Planning Inc., 2020

Near-Term Population Growth

As illustrated to the right, all geographies experienced relatively flat population growth between 2010 and 2019 (increasing by less than 0.75 percent per year). In the near term, the rate of population growth in all geographies is expected to increase, with Limerick Township's population projected to grow by 1.2 percent per year through 2024. Over the next five years, total population within the 20-minute PMA is forecasted to increase by approximately 12,690 residents (representing new household formation and near-term housing demand).

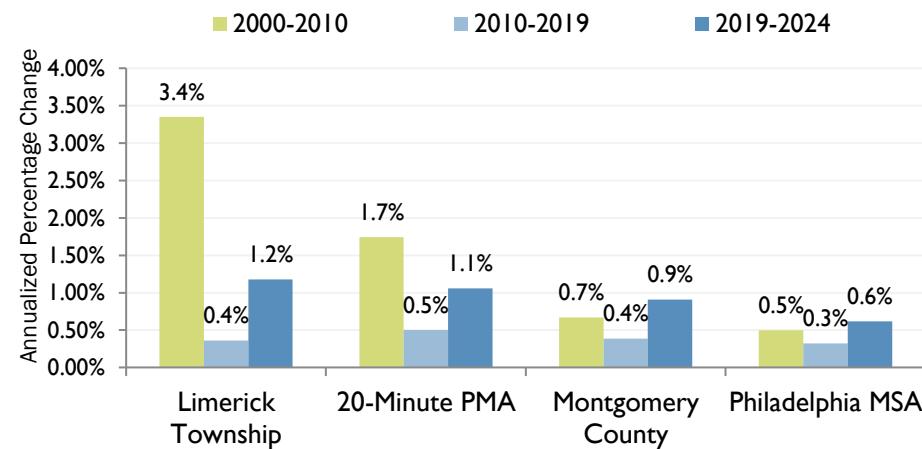
Population by Geography

	2000	2010	2019 (Estimated)	2024 (Forecasted)	Net Change (2019-2024)
Limerick Township	13,534	18,070	18,658	19,758	1,100
20-Minute PMA	195,915	230,037	240,381	253,070	12,689
Montgomery County	750,097	800,355	828,250	865,905	37,655
Philadelphia MSA	5,687,144	5,968,851	6,140,648	6,330,339	189,691

Annualized Growth Rate Assumptions

Strong Positive Growth	Greater than	1.50%	annually
Modest Positive Growth	Between	1.50% and 0.75%	annually
Flat Growth	Between	0.75% and -0.75%	annually
Modest Negative Growth	Between	-0.75% and -1.50%	annually
Strong Negative Growth	Less than	-1.50%	annually

Annualized Percentage Change, Total Population

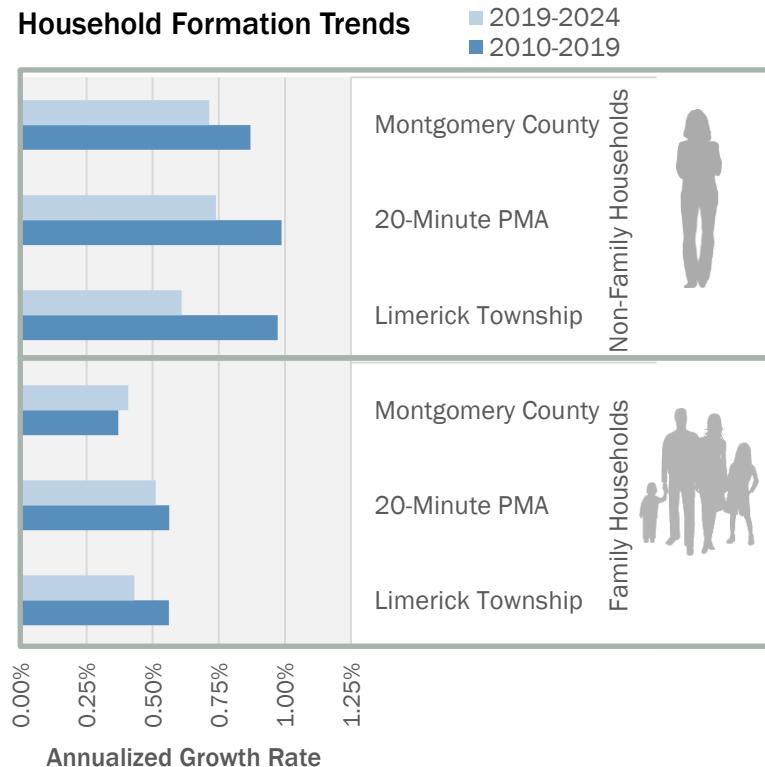


Source: US Census Bureau; Esri; 4ward Planning Inc., 2020

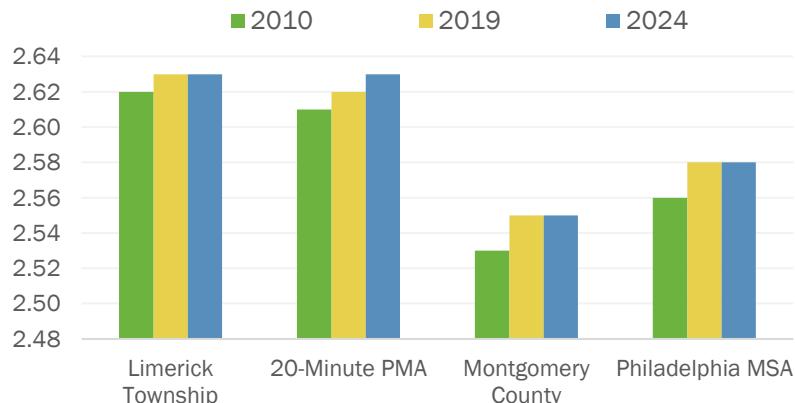
Household Formation

As illustrated in the chart to the right, although growth among both family and non-family households (with unrelated or unmarried people) in all geographies is expected to remain relatively flat through 2024, the rate of non-family household formation (top right) in all geographies is expected to be slightly stronger, compared to the rates of family household growth (bottom right). As illustrated below, average household size in all geographies is expected to remain relatively flat over the next five years.

Household Formation Trends



Household Size Trends



Households by Geography

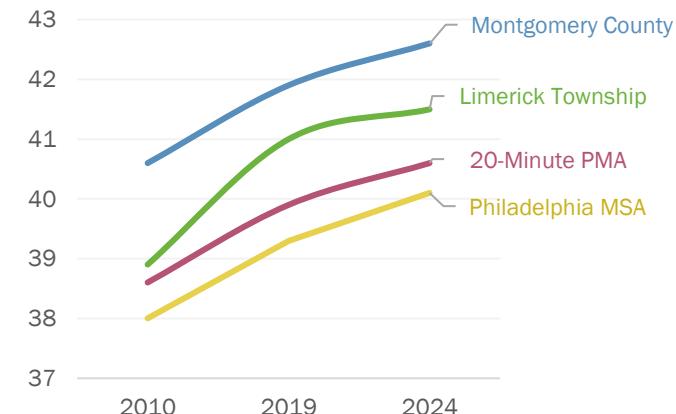
	2000	2010	2019 (Estimated)	2024 (Forecasted)	Net Change (2019-2024)
Limerick Township	5,143	6,891	7,316	7,494	178
20-Minute PMA	72,037	85,836	91,170	93,825	2,655
Montgomery County	286,098	307,943	322,657	330,868	8,211
Philadelphia MSA	2,134,402	2,261,724	2,344,093	2,389,485	45,392

Sources: US Census Bureau; Esri; 4ward Planning Inc., 2020

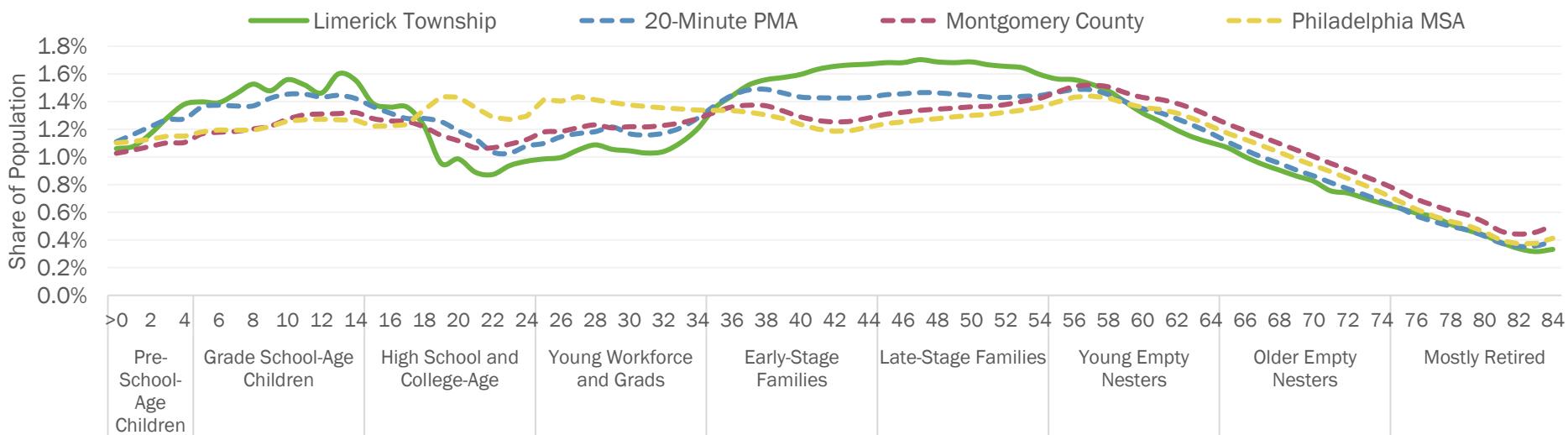
Age Distribution

As illustrated in the chart to the right, the median age in the study area (41 years) is slightly higher than that in the PMA (40 years) but slightly lower than that in the County (42 years). Although the median age in all geographies is expected to increase through 2024, the median age in County will remain higher than that in the Township. As illustrated below, compared to the other geographies, the study area has higher shares of persons representing early- and late-stage families (ages 35 to 54), and slightly lower shares of persons representing young and older empty-nest (ages 55 to 74).

Median Age 2010-2024



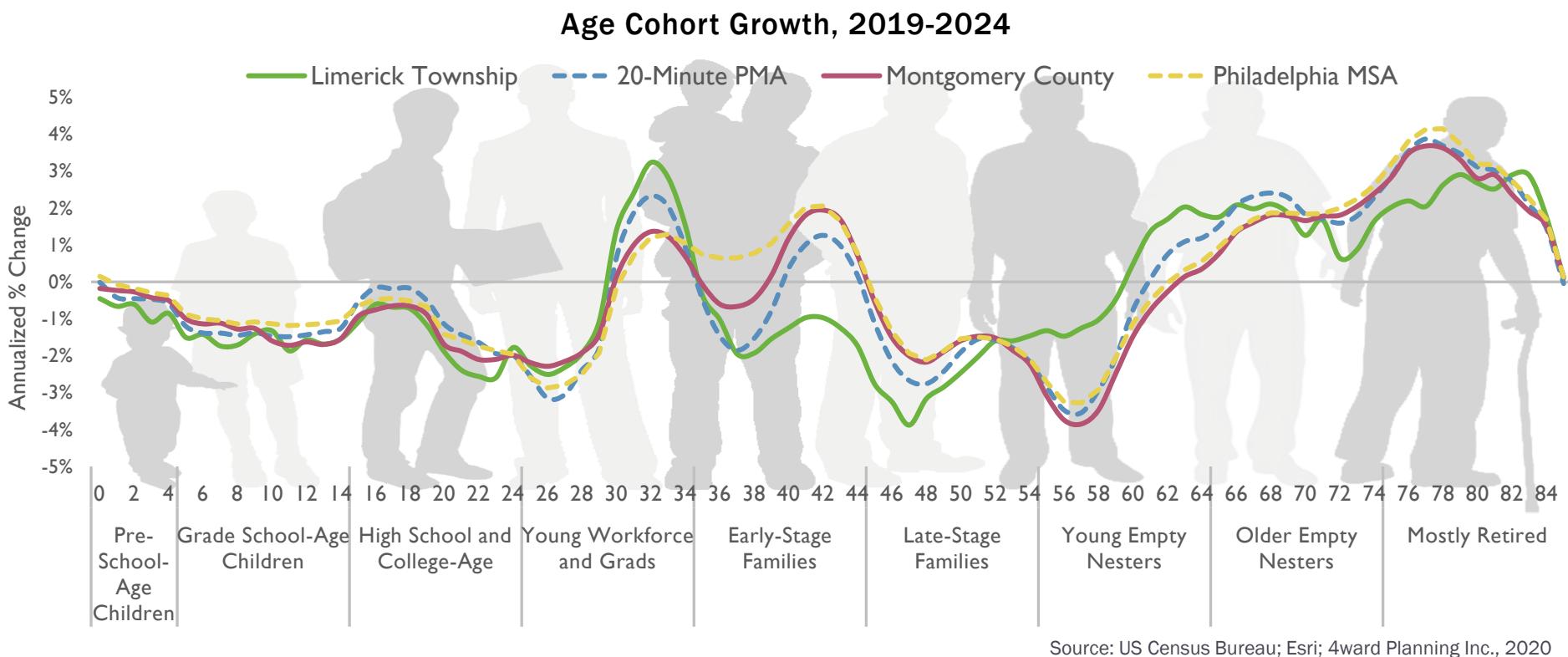
Age Distribution, 2019



Source: Esri; 4ward Planning Inc., 2020

Age Cohort Growth Patterns

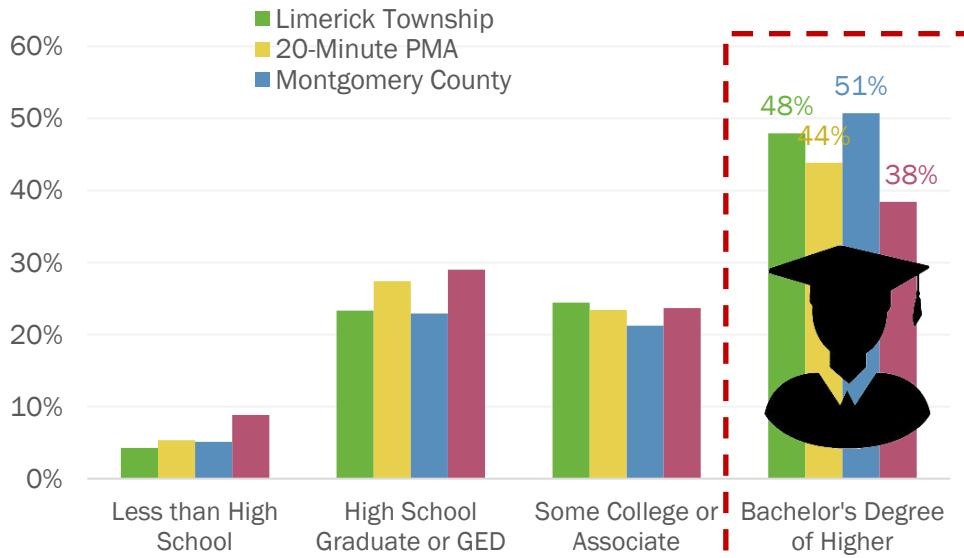
Through 2024, all geographies are expected to experience the fastest population growth among adults over age 62 (largely representing older empty-nesters and mostly retired persons). To a lesser extend, all geographies are also expected to see some growth among adults ages 30 to 34 (largely representing young workforce and grads) and adults ages 35 to 44 (largely representing early-stage families). The shifting and aging of the region's population, overall, will present opportunities for new housing types, especially as older empty-nesters downsize from single-family housing to multi-family rental units and/or require housing with supportive health services.



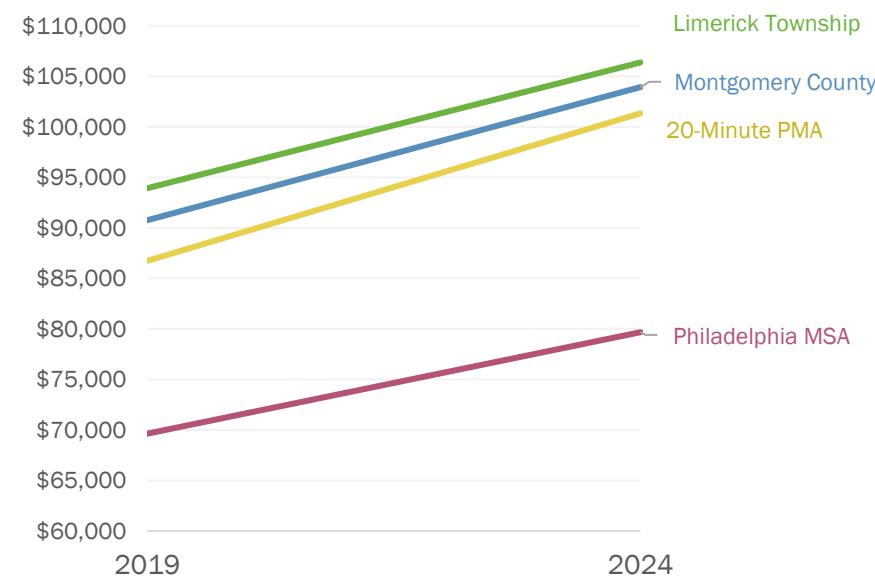
Educational Attainment & Income

The chart below comparatively illustrates estimated 2019 educational attainment across all three geographies. Educational attainment is highest in Montgomery County, where 51 percent of adult residents 25 and older hold a bachelor's degree or higher level of education (compared to 48 and 44 percent within the study area and PMA, respectively). Since median household income is often correlated with educational attainment, it is a bit surprising that 2019 median household income in the Township (\$93,935) is slightly higher than that within the County (\$90,762). Although median household income in all geographies is projected to rise over the next five years, it is expected to remain the highest in the Township.

Educational Attainment (% of Adult Population) 2019



Median Household Income 2019-2024

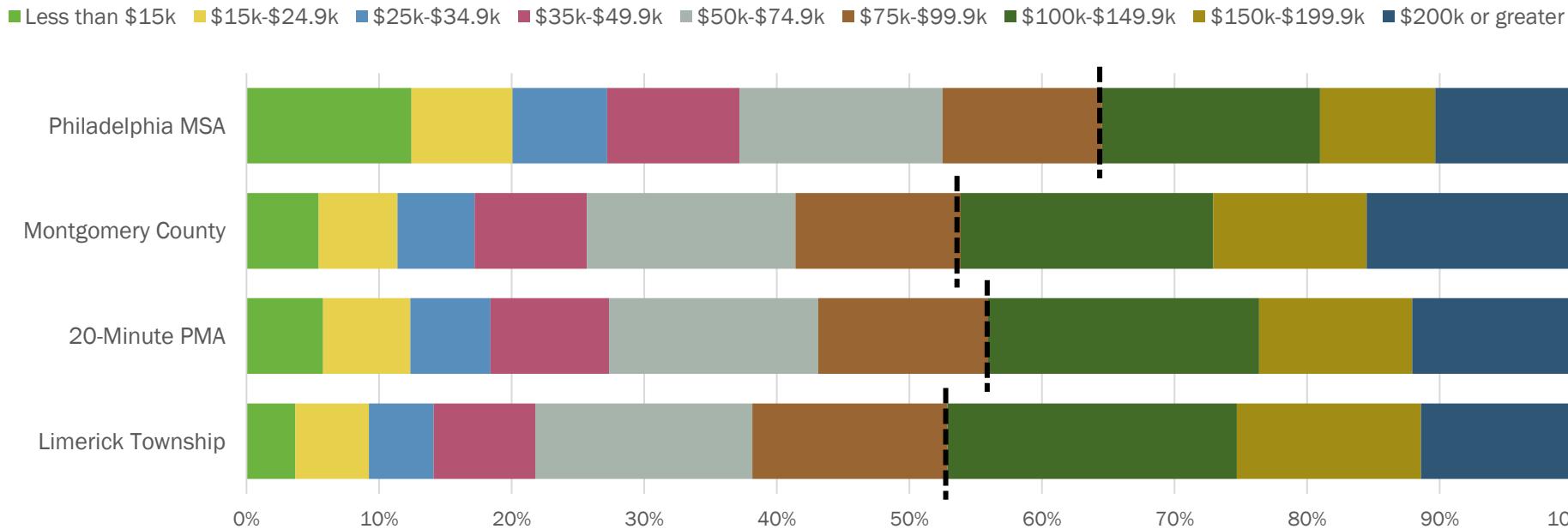


Source: Esri; 4ward Planning Inc., 2020

Income Distribution

As shown in the chart below, in 2019, just slightly more than half of Limerick Township's households earned less than \$100,000 per year (53 percent) and slightly less than half earned more than \$100,000 per year (47 percent). Over the next five years, households earning more than \$100,000 per year are expected to grow the fastest within all geographies – a favorable metric for market-rate housing.

Median Household Income, 2019

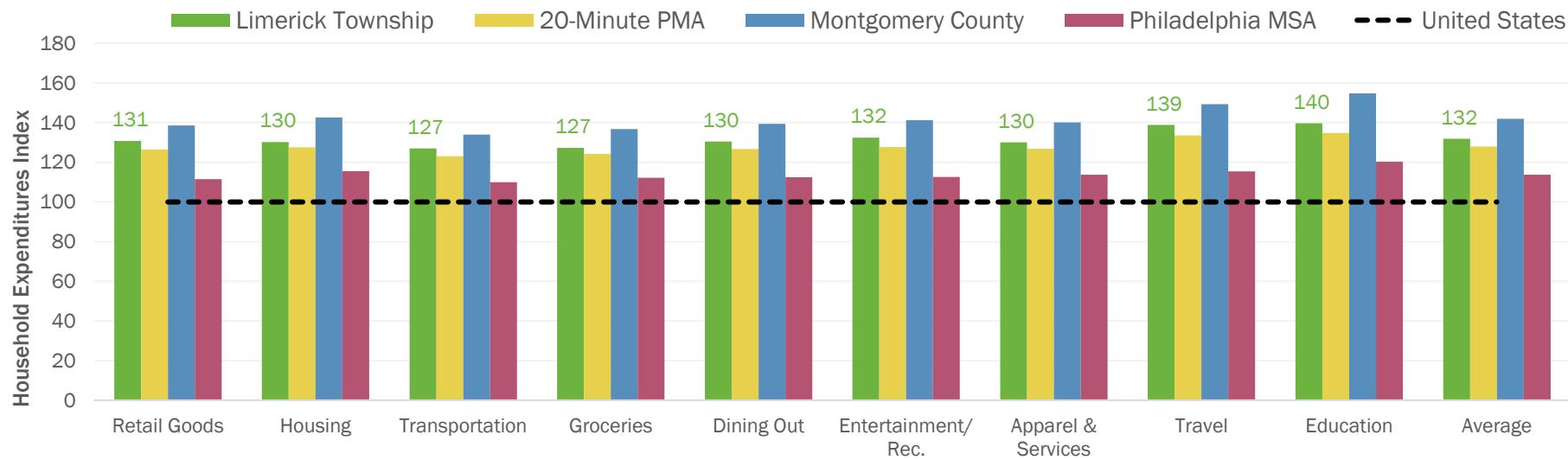


Sources: US Census Bureau; Esri; 4ward Planning Inc., 2020

Household Consumer Expenditures

Consistent with relatively high levels of household income, 2019 average household expenditures within both the Township and the PMA are higher than national average household expenditures on a range of goods and services. On average, PMA households (indicated in yellow) spend approximately 130 percent of what national households (indicated in black) spend on selected household goods and services – a favorable trend for potential convenience retail and entertainment uses in the project area.

2019 Average Household Expenditures by Geography



Source: Esri; 4ward Planning Inc., 2020

Tapestry Segments: An Overview

Esri's Tapestry Segmentation process classifies U.S. residential neighborhoods into 65 unique segments based on demographic variables such as age, income, home value, occupation, household type, education, and other consumer behavior, demographic, and socio-economic characteristics.

According to Esri, companies, agencies, and organizations have used segmentation to divide and group consumer markets to more precisely target their best customers and prospects. This targeting method is, purportedly, superior to using "scattershot" methods that might attract preferred groups. Segmentation explains customer diversity, simplifies marketing campaigns, describes lifestyles and life-stages, and incorporates a wide range of data.

Segmentation systems operate on the theory that people with similar tastes, lifestyles, and behaviors seek others with the same tastes - "like seeks like." These behaviors can be measured, predicted, and targeted. Esri's Tapestry Segmentation system combines the "who" of lifestyle demography with the "where" of local neighborhood geography to create a model of various lifestyle classifications or segments of actual neighborhoods with addresses - distinct behavioral market segments.

4ward Planning used Esri's Tapestry Segments to identify the top socio-economic groups exhibiting a strong propensity to live in multi-family housing.

Source: Esri; 4ward Planning Inc., 2020

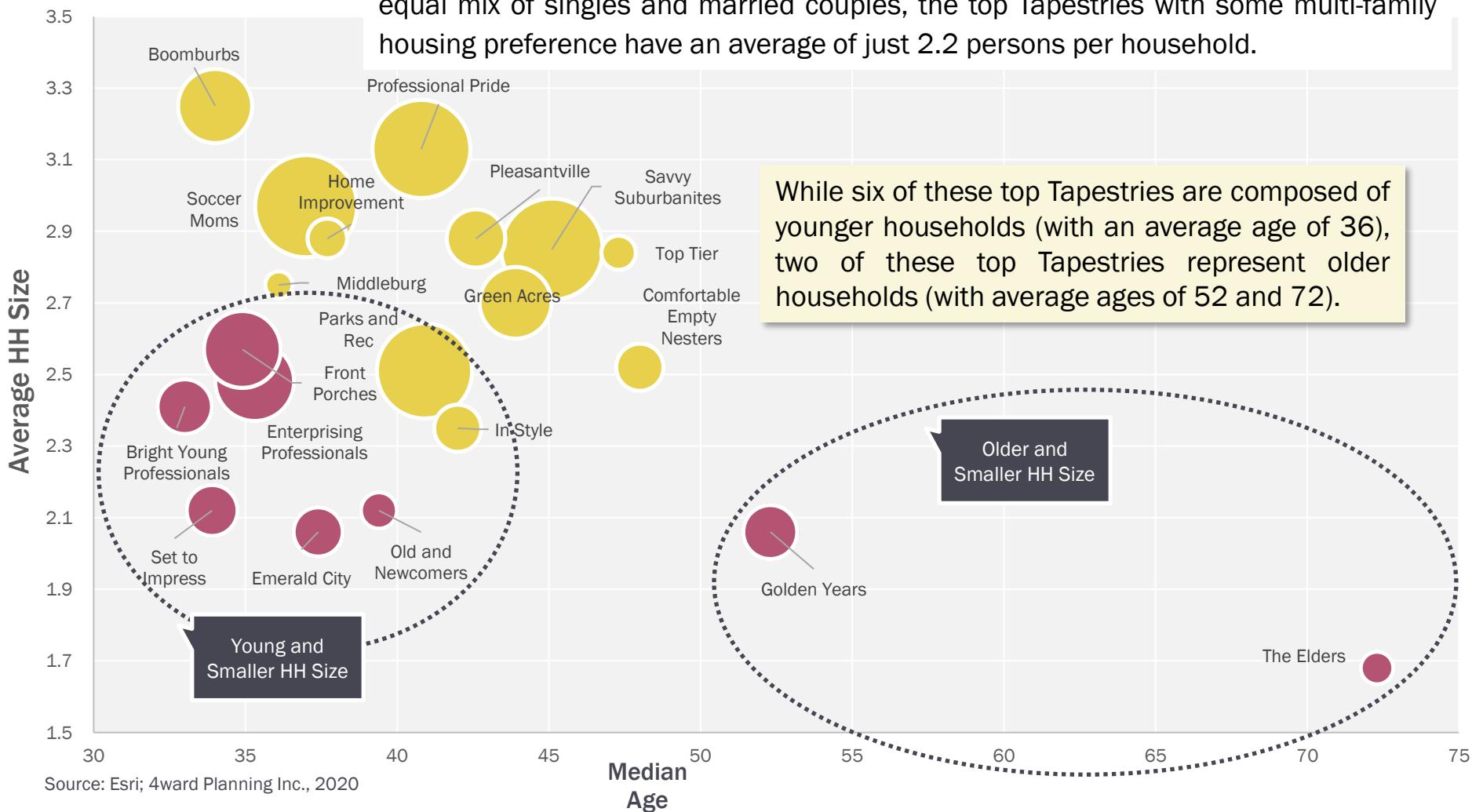
Top Tapestries: 20-Minute PMA

The chart below compares the top 20 Tapestry Segments by share of total households located within the PMA, along with key socio-economic metrics. Approximately 29 percent of PMA households have some preference for living in multi-family housing (for-sale or rental), with 26 percent of these households preferring rental housing.

Tapestry Segment	Household Type	Housing Type	Share of	2010-2019		Median	Average HH	Median HH	Median Net	% Renters
			Households	Ann. Pop Chg %	Age	Size	Income	Worth		
Soccer Moms	Married Couples	Single Family	11.1%	1.5%	37.0	3.0	\$90,500	\$284,500	15%	
Savvy Suburbanites	Married Couples	Single Family	11.0%	0.8%	45.1	2.9	\$108,700	\$518,100	9%	
Professional Pride	Married Couples	Single Family	10.3%	1.4%	40.8	3.1	\$138,100	\$551,800	8%	
Parks and Rec	Married Couples	Single Family	9.7%	0.4%	40.9	2.5	\$60,000	\$125,500	30%	
Enterprising Professionals	Married Couples	Multi-Units; Single Family	6.8%	1.5%	35.3	2.5	\$86,600	\$106,000	49%	
Front Porches	Married Couples	Single Family; Multi-Units	6.5%	0.6%	34.9	2.6	\$43,700	\$24,800	53%	
Boomburbs	Married Couples	Single Family	6.0%	3.5%	34.0	3.3	\$113,400	\$357,600	16%	
Green Acres	Married Couples	Single Family	5.7%	0.9%	43.9	2.7	\$76,800	\$267,700	14%	
Pleasantville	Married Couples	Single Family	3.8%	0.5%	42.6	2.9	\$92,900	\$339,300	17%	
Bright Young Professionals	Married Couples	Single Family; Multi-Units	3.4%	1.2%	33.0	2.4	\$54,000	\$34,200	57%	
Golden Years	Singles	Single Family; Multi-Units	3.3%	0.8%	52.3	2.1	\$71,700	\$184,000	37%	
Set to Impress	Singles	Multi-Unit Rentals; Single Family	3.0%	0.6%	33.9	2.1	\$32,800	\$12,200	72%	
Emerald City	Singles	Single Family; Multi-Units	2.8%	0.9%	37.4	2.1	\$59,200	\$52,700	52%	
Comfortable Empty Nesters	Married Couples	Single Family	2.6%	0.5%	48.0	2.5	\$75,000	\$293,000	13%	
In Style	Married Couples w/No Kids	Single Family	2.6%	0.9%	42.0	2.4	\$73,000	\$165,800	32%	
Home Improvement	Married Couples	Single Family	1.9%	0.7%	37.7	2.9	\$72,100	\$190,400	21%	
Old and Newcomers	Singles	Single Family; Multi-Units	1.6%	0.7%	39.4	2.1	\$44,900	\$30,900	55%	
Top Tier	Married Couples	Single Family	1.4%	0.7%	47.3	2.8	\$173,200	\$577,500	10%	
The Elders	Married Couples w/No Kids	SF; High-Rises; Mob. Hm/Seas.	1.3%	0.9%	72.3	1.7	\$42,800	\$250,900	19%	
Middleburg	Married Couples	Single Family	1.0%	1.4%	36.1	2.8	\$59,800	\$115,300	27%	

Source: Esri; 4ward Planning Inc., 2020

Top Tapestries: 20-Minute PMA



Top Tapestries: 20-Minute PMA



Enterprising Professionals



Front Porches



Bright Young Professionals



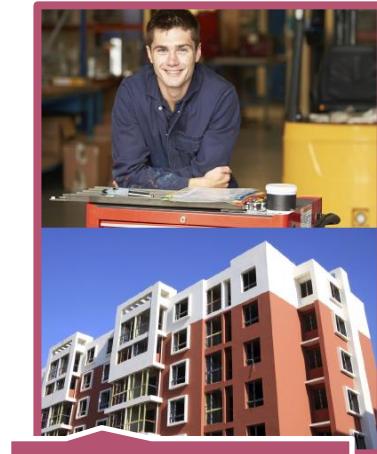
Golden Years



Set to Impress



Emerald City



Old and Newcomers



The Elders

Source: Esri; 4ward Planning Inc., 2020

Labor and Industry Trends Analysis

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Key Findings: Labor and Industry Trends Analysis

Health care, PSTS, and retail trade sectors dominate employment

The top three industrial sectors by total employment, within both Montgomery County and the Philadelphia MSA, are the health care and social assistance; professional, scientific, and technical service (PSTS), and retail trade sectors – which, combined, represent 39 percent of total employment in both the County and MSA.

Growth in health care sector provides low- and mid-wage job opportunities

By 2024, the health care and social assistance sector is expected to be the largest industry by new job growth within both the County and the MSA, adding 6,210 and 28,840 new jobs, respectively. Occupation growth opportunities in this sector present both relatively low-wage (e.g., home health aids) and mid-wage (e.g., registered nurses) opportunities.

Growth in PSTS sector provides mid- and high-wage job opportunities

By 2024, the professional, scientific, and technical, service (PSTS) sector is expected to be the second largest industry by new job growth within both the County and the MSA, adding 3,000 and 8,130 new jobs, respectively. Occupation growth opportunities in this sector present both mid-wage (e.g., accountants) and high-wage (e.g., general operations managers, software developers) opportunities.

Methodology: Labor and Industry Trends Analysis

4ward Planning closely examined labor market and industry trends within the Philadelphia MSA based on employment and average earnings trend data provided by the U.S. Census Bureau's Quarterly Workforce Indicators (QWI), and projected average industry and occupational employment growth rates provided by the Pennsylvania Center for Workforce Information and Analysis's 2016-2026 Long-Term Projections. The examination of projected industry and occupational employment data provides necessary insight into the amount of office square footage which might be demanded within the PMA (currently and prospectively) and the portion of that demand likely captured within the study area. 4ward Planning analyzed and presented key industry metric projections (e.g., office-using employment and wage growth) through 2024 for the Philadelphia MSA and, by extrapolation, the PMA. The industry trends analysis also includes the following metrics for Montgomery County, the Philadelphia MSA, and Pennsylvania, down to the three-digit NAICS level:

- Top six industry sectors by employment (absolute and percentage) (2019)
- Top six sectors by average monthly earnings (2018)
- Top six sectors by average number of new jobs created, (2019 – 2024)
- Top ten occupations by annual growth openings, (2019 – 2024)

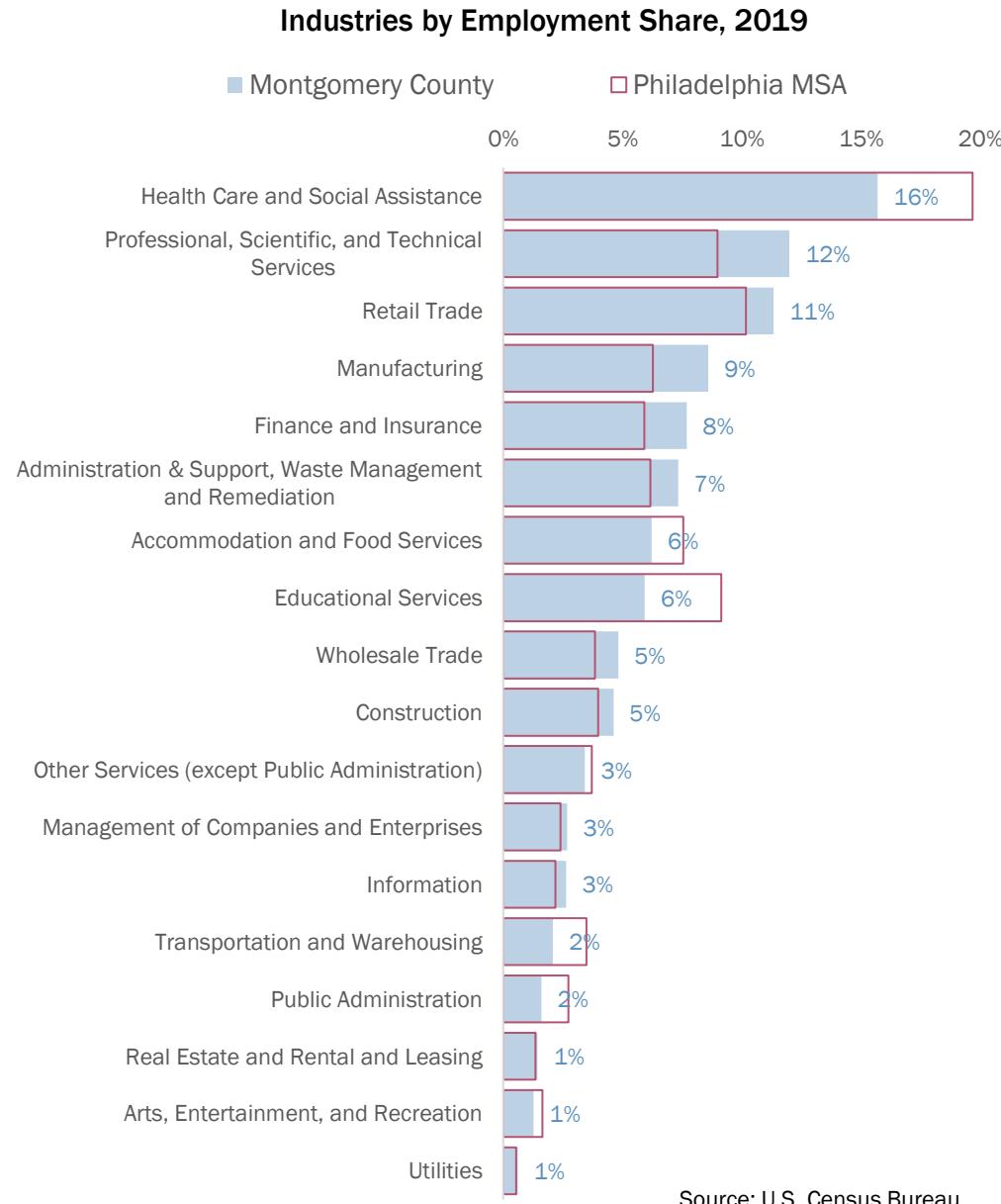


Employment Share

The top three sectors by total employment within Montgomery County are the health care and social assistance sector (16 percent); the professional, scientific, and technical, service (PSTS) sector (12 percent); and the retail trade sector (11 percent) -- which, combined, represents 39 percent of total employment in the County.

These three sectors also represent the top three sectors by total employment within the MSA. While the combined share is the same (39 percent of total employment in the MSA), the share within each sector is different. For example, the MSA has a higher share of jobs within the health care and social assistance sector (20 percent), and lower shares of jobs within both the PSTS sector (nine percent) and retail trade sector (10 percent).

These top three industries, by employment, feature a range of occupations and associated salaries and wages.

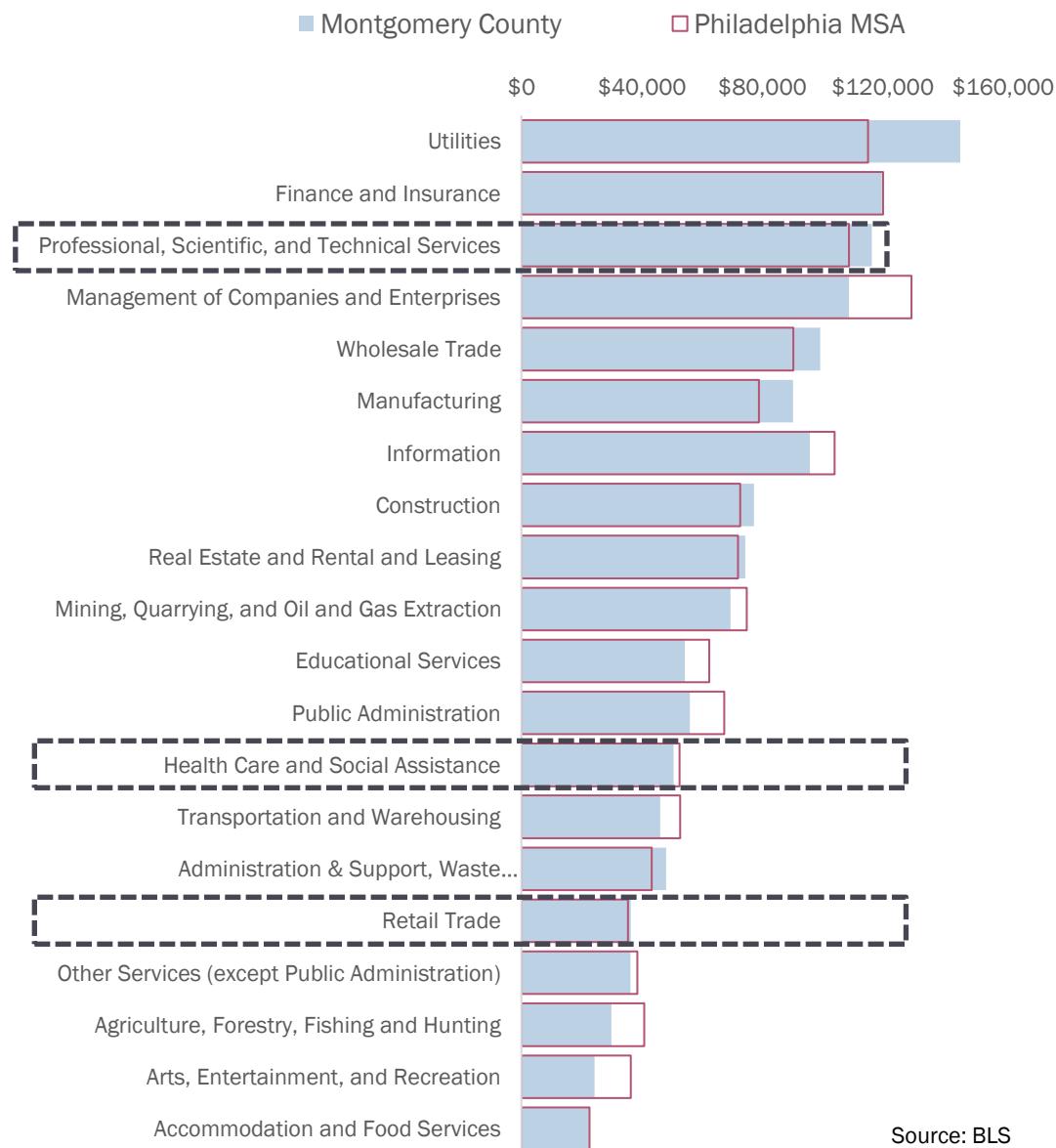


Earnings

The top three sectors by employment represent a range of average annual earnings. The health care and social assistance sector provides relatively mid- to low-average annual earnings (\$50,520 per year). While the PSTS sector provides relatively high average annual earnings (\$116,430 per year), the retail trade sector provides relatively low average annual earnings (\$36,340 per year).

Meanwhile, the accommodation and food services; and arts, entertainment, and recreation sectors are the lowest-paying industries in the County with average annual earnings in the low- to mid-\$20,000s.

Industries by Average Annual Earnings, 2018



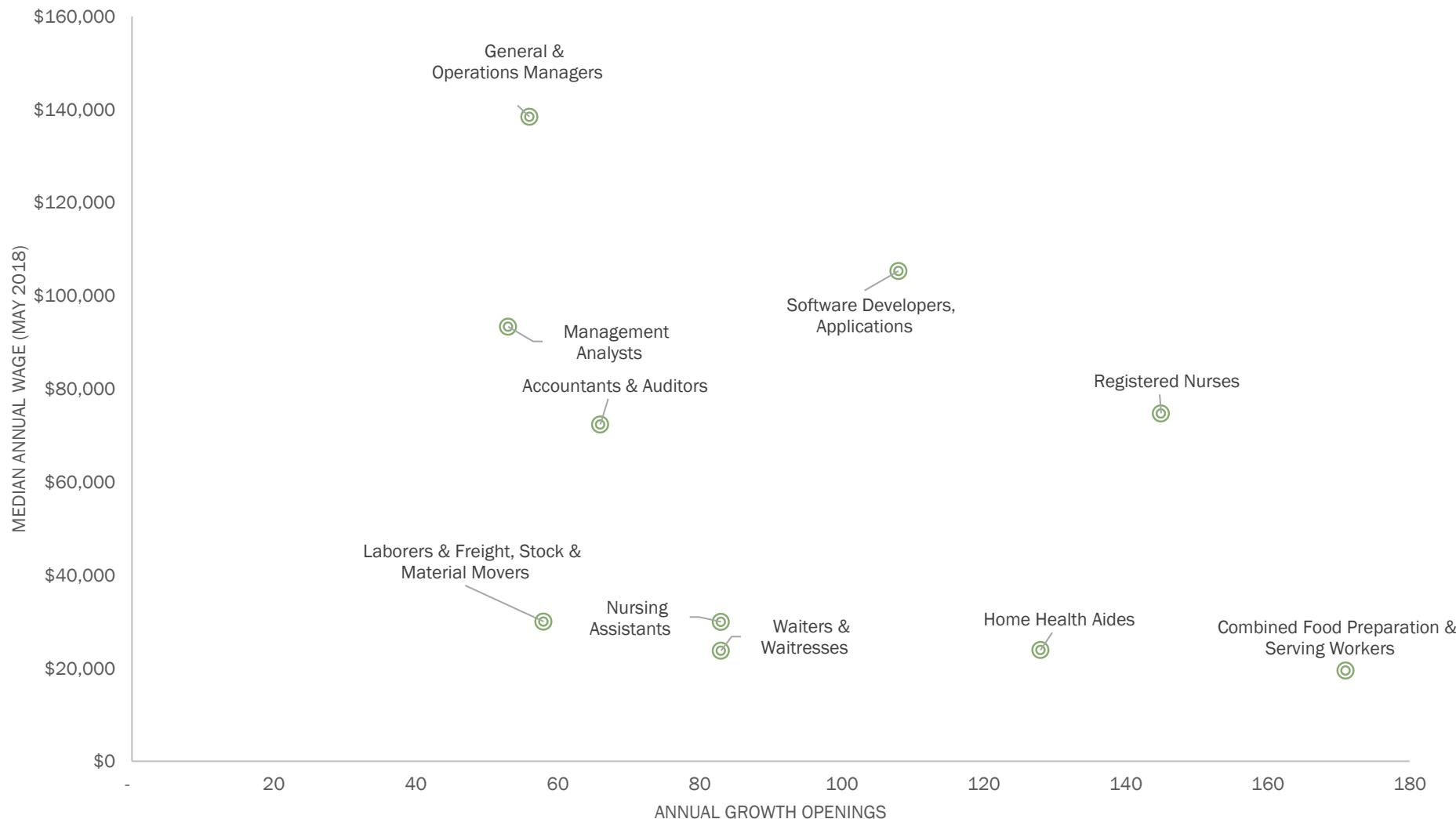
Employment by Top Six Industries: Montgomery County

The table below presents projected employment estimates for Montgomery County, based on estimated employment figures provided by the U.S. Census Bureau, and long-term employment growth projections provided by the Pennsylvania Center for Workforce Information an Analysis for Montgomery County. By 2024, the health care and social assistance sector is expected to be the largest industry by new job growth within the County, adding 6,210 new jobs by 2024. As illustrated on the following page, occupation growth opportunities in this sector present both relatively low-wage (e.g., home health aids) and mid-wage (e.g., registered nurses) opportunities. By 2024, the PSTS sector is expected to be the second largest industry by new job growth within the County, adding 3,000 new jobs. As illustrated on the following page, occupation growth opportunities in this sector present both mid-wage (e.g., accountants) and high-wage (e.g., general operations managers) opportunities. These employment opportunities will, in turn, create more demand for housing and consumer goods and services – some of which could be provided within the project area.

Industry	2019 Estimated Employment	2024 Projected Employment	Numeric Change	Annualized Change	Average Annual Earnings (2018)
Health Care and Social Assistance	82,120	88,330	6,210	1.5%	\$50,520
Professional, Scientific, and Technical Services	62,770	65,770	3,000	1.0%	\$116,430
Admin. & Support, Waste Management & Remediation	38,370	40,280	1,910	1.0%	\$22,420
Accommodation and Food Services	32,540	34,380	1,840	1.1%	\$48,030
Construction	24,180	25,370	1,190	1.0%	\$77,230
Finance and Insurance	40,260	41,210	950	0.5%	\$119,740
Educational Services	31,060	31,760	700	0.5%	\$54,280
Wholesale Trade	25,260	25,340	80	0.1%	\$99,280
Retail Trade	59,320	59,140	-180	-0.1%	\$36,340
Manufacturing	44,990	44,060	-930	-0.4%	\$90,210

Source: U.S. Census Bureau, QWI Explorer; PA Dept. of Labor and Industry, 2014-2024 Long-Term Projections, Montgomery County WDA

Top 10 Occupations by Annual Job Growth Openings: Montgomery County



Source: U.S. Census Bureau, QWI Explorer; PA Dept. of Labor and Industry, 2016-2026 Long-Term Projections, Montgomery County WDA

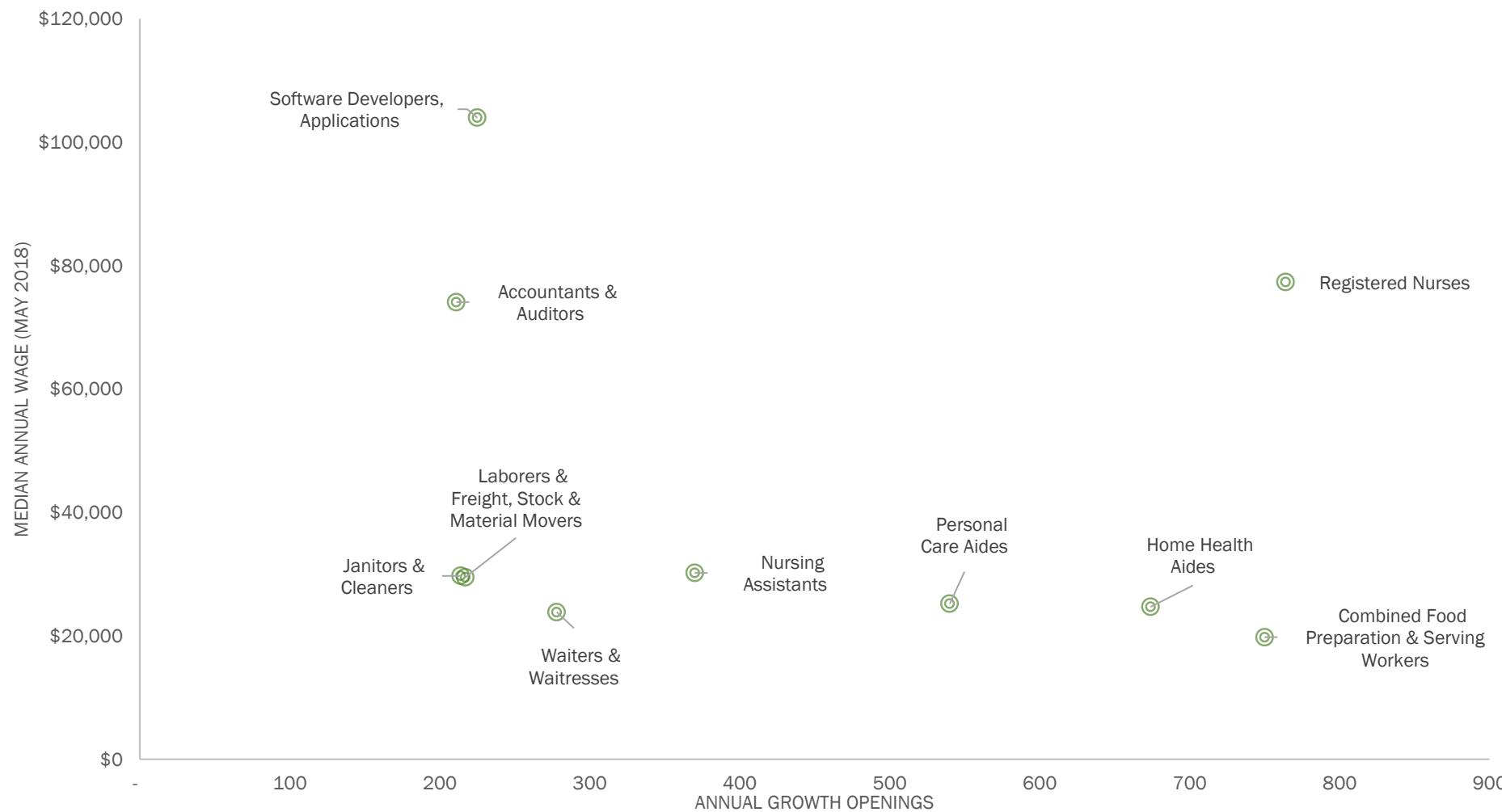
Employment by Top Six Industries: Philadelphia MSA

The table below presents projected employment estimates for the Philadelphia MSA, based on estimated employment figures provided by the U.S. Census Bureau, and long-term employment growth projections provided by the Pennsylvania Center for Workforce Information an Analysis for the Philadelphia MSA (for PA counties only). By 2024, the health care and social assistance sector is expected to be the largest industry by new job growth within the MSA, adding 28,840 new jobs by 2024. As illustrated on the following page, occupation growth opportunities in this sector present both relatively low-wage (e.g., home health aids) and mid-wage (e.g., registered nurses) opportunities. By 2024, the PSTS sector is expected to be the second largest industry by new job growth within the MSA, adding 8,130 new jobs. As illustrated on the following page, occupation growth opportunities in this sector present both mid-wage (e.g., accountants) and high-wage (e.g., software developers) opportunities.

Industry	2019 Estimated Employment	2024 Projected Employment	Numeric Change	Annualized Change	Average Annual Earnings (2018)
Health Care and Social Assistance	389,230	418,070	28,840	1.5%	\$52,570
Professional, Scientific, and Technical Services	177,600	185,730	8,130	0.9%	\$108,810
Accommodation and Food Services	149,380	157,310	7,930	1.1%	\$22,660
Admin. & Support, Waste Management & Remediation	121,840	127,870	6,030	1.0%	\$43,340
Educational Services	180,820	185,760	4,940	0.5%	\$62,440
Construction	78,660	82,630	3,970	1.0%	\$72,710
Finance and Insurance	116,920	119,690	2,770	0.5%	\$120,130
Wholesale Trade	75,890	76,500	610	0.2%	\$90,360
Retail Trade	201,330	200,930	(400)	0.0%	\$35,380
Manufacturing	123,950	121,800	(2,150)	-0.3%	\$78,880

Source: U.S. Census Bureau, QWI Explorer; PA Dept. of Labor and Industry, 2014-2024 Long-Term Projections, Philadelphia-Camden-Wilmington MSA(PA Counties Only)

Top 10 Occupations by Annual Job Growth Openings: Philadelphia MSA



Source: U.S. Census Bureau, QWI Explorer; PA Dept. of Labor and Industry, 2016-2026 Long-Term Projections, Philadelphia-Camden-Wilmington MSA(PA Counties Only)

REAL ESTATE ANALYSIS

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Methodology: Real Estate Supply and Demand

Our primary objective within this task is to gain an understanding of local supply, demand, occupancy, and pricing factors for a broad range of land uses within the primary market area, inclusive of retail/entertainment, residential (“missing middle” housing (town houses, duplexes, fourplexes and bungalows), condos and flats, senior housing (independent and assisted living), and office and light industrial. Using a variety of primary and secondary resources, 4ward Planning examined the competitive supply within the primary market area (existing and proposed) for each of the desired land uses and identified prospective opportunities and challenges for each of these land uses within the Linfield Village project area. Some of the land-use metrics to be examined for residential, retail, and office include the following: vacancy and absorption rates and trends; lease rates and residential price points; and building permit activity. Quantitative analysis is supplemented with active broker and developer interviews, in order to “ground truth” data findings.



Multi-Family Residential

Key Findings: Multi-Family Residential

Young and predominately single-family

Compared to the PMA and County, the Township's housing stock is relatively young. Approximately 58 percent of all housing was built after 1990 (compared to just 20 percent within the County). Furthermore, although 42 percent of permits issued from 1980 to 2019 were for dwellings with two units (multi-family units), the Township's housing stock remains largely composed of single-family housing (79 percent). Residential development in the project area is an opportunity to provide additional multi-family housing options.

489 proposed multi-family units in the Township since 2009

According to data provided by Montgomery County, approximately 1,090 residential units were proposed for development in Limerick Township from 2009 to 2019. Fifty-five percent of these were single-family units (either detached or attached) and 45 percent (489 units) were multi-family units.

Prospective unit capture of between 240 and 490 units by 2024

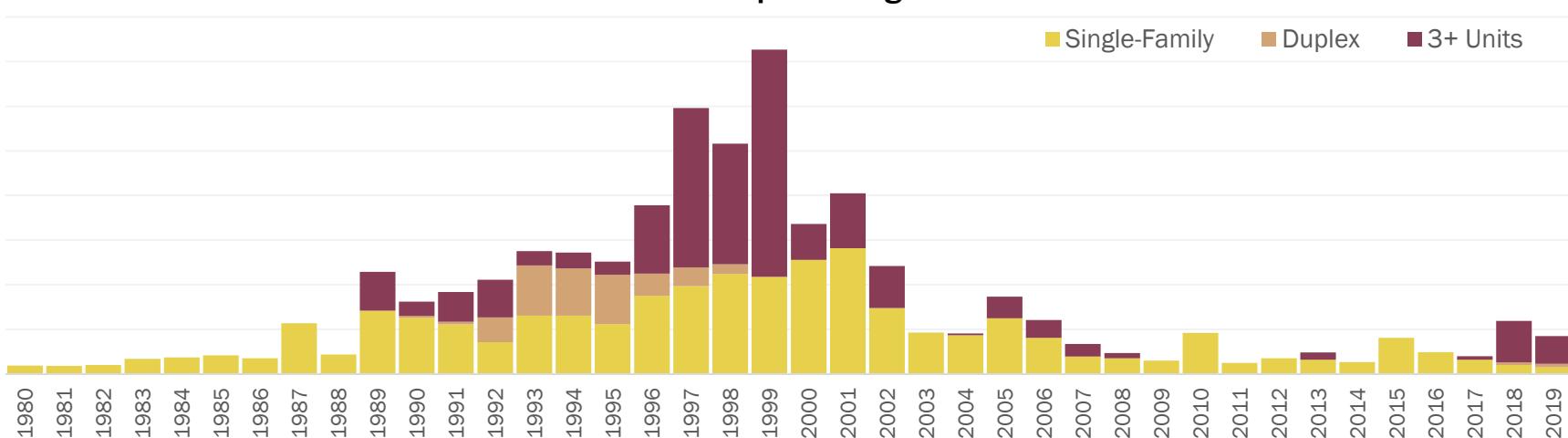
Largely due to existing pent-up demand from PMA workers who commute into the area (65 percent of PMA workers) and replacement of physically obsolescent housing, there will be net demand for approximately 4,880 residential units in the 20-minute PMA by 2024. Assuming that between five and ten percent of this demand could be met locally, the project area could accommodate between 240 and 490 units by 2024 (this assumes that the site will have sufficient sanitary and stormwater sewer capabilities).

Housing Permits

As illustrated below, residential growth in Limerick occurred not only at a remarkable rate during the 1990s, but with significant diversity. From 1980 to 2019, the Township issued a total of 6,371 building permits, with 58 percent of all permits (3,573) issued in the 1990s, alone. While 56 percent of all units issued from 1980 to 2019 were for single-family units, 44 percent were for dwellings with two units (multi-family units). Although the issuance of a building permit does not necessarily indicate a unit was built in the year the permit was issued, it is likely the majority of the units were eventually built.

	1980-1989	1990-1999	2000-2010	2010-19	Total	Share
Single-Family	505	1,496	1,176	408	3,585	56%
Duplex	-	508	-	14	522	8%
3+ Units	87	1,569	429	179	2,264	36%
Total	592	3,573	1,605	601	6,371	100%

Limerick Township Building Permits

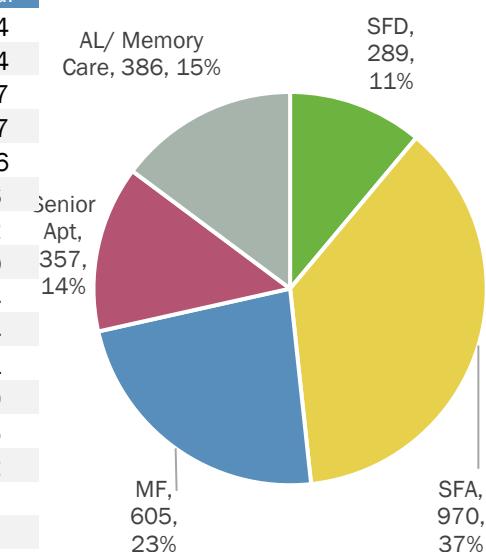


Source: DVRPC; U.S. Census Building Permits Survey

Housing Pipeline: 20-Minute PMA

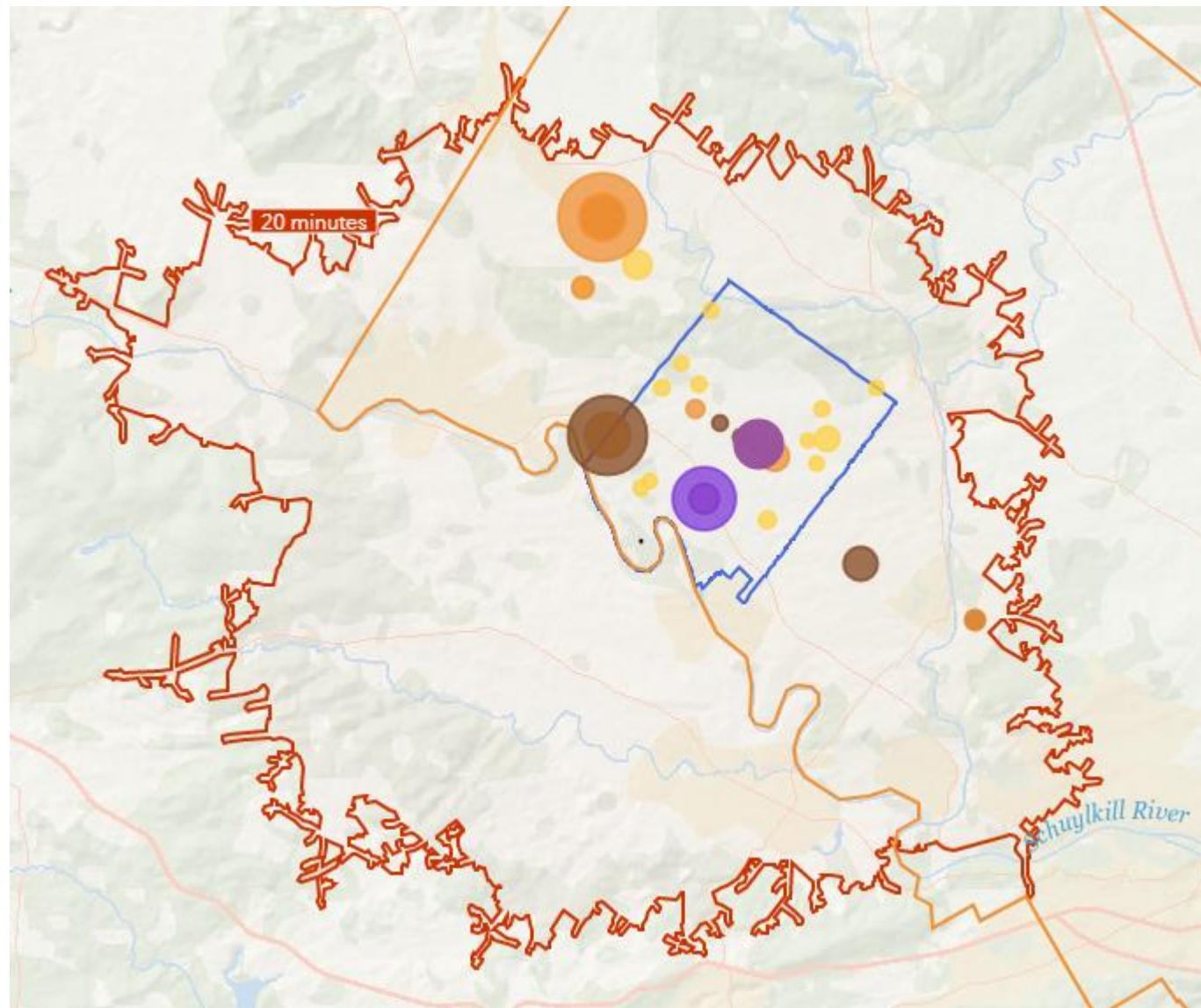
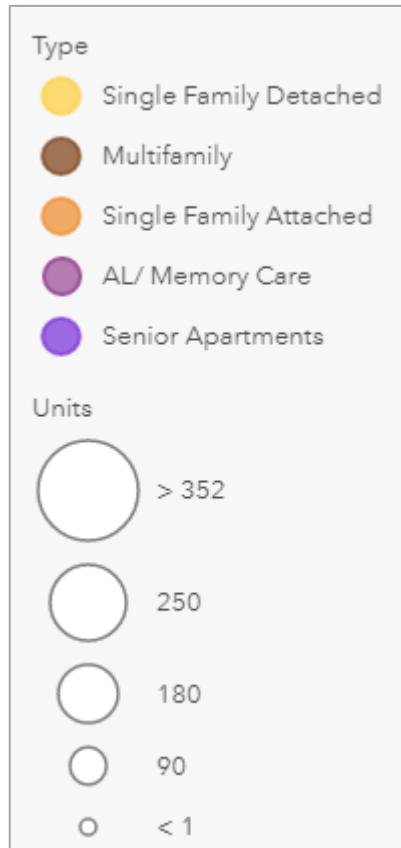
According to data provided by Limerick Township and Montgomery County, presented below and mapped on the following page, there are approximately 2,450 single and multifamily housing units (including senior housing units) in the development pipeline within the 20-minute PMA.

Name	Town	SFD	SFA	MF	Senior Apt	AL/ Memory Care	Total
New Hanover Town Center	New Hanover	89	352	123			564
Limerick Town Center	Limerick Township		156	32	123	153	464
Sanatoga Green	Lower Pottsgrove		147	310			457
Lewis Square (Phase 2)	Limerick Township				234	73	307
Everleigh at Limerick Pointe	Limerick Township		156				156
W. Seventh Avenue Tract	Trape			96			96
Moscarello Towns	Limerick Township		72				72
Hanover Crossing	New Hanover	70					70
Westwood Maguire	New Hanover	26	38				64
Moscariello at Crosskeys	Lower Providence		30	24			54
North Gate (Demcor)	Limerick Township	51					51
Piazza Realty Co., Inc	Limerick Township		19				19
Weaver Tract	Limerick Township	15					15
Gwynedd Glen, Inc.	Limerick Township			12			12
Fox Ridge Apartment Addition	Limerick Township			8			8
Ravens Claw Parcel A Subdivision	Limerick Township	7					7
Ely Subdivision	Limerick Township	6					6
Sunset Estates II	Limerick Township	6					6
Mango Way	Limerick Township	5					5
28 Brownback Road	Limerick Township	4					4
Coale Subdivision	Limerick Township	3					3
Henry Drive	Limerick Township	3					3
Glass	Limerick Township	2					2
Cane Subdivision	Limerick Township	1					1
William Rees	Limerick Township	1					1
Total		289	970	605	357	226	2,447



Source: Limerick Township; Montgomery County, 2020.

Housing Pipeline

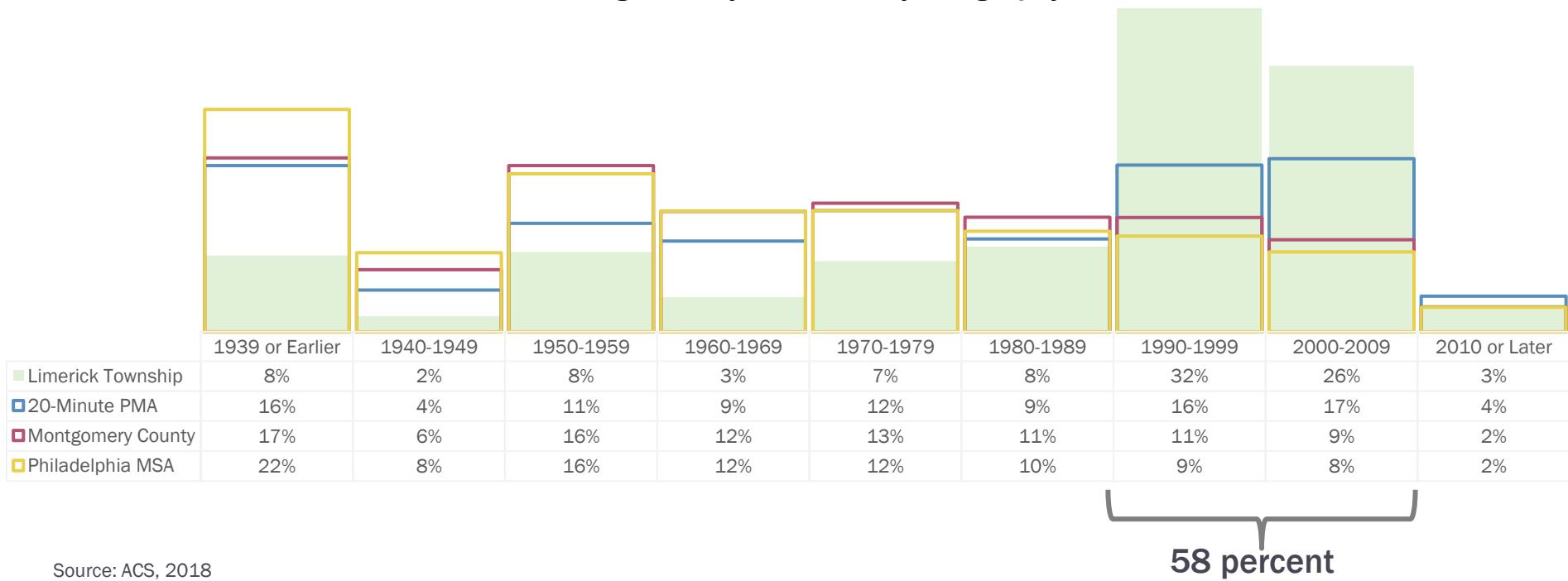


Source: Limerick Township; Montgomery County, 2020.

Housing Age

Approximately 58 percent of all housing in the Township was built between 1990 and 2010 (compared to 33 percent within the PMA and 20 percent within the County). Given the Township's relatively recent population and housing boom, the Township's housing stock is relatively young. The median home built in the Township was in 1994 (compared to 1978 and 1968 within the PMA and County, respectively). Younger housing stock combined with relatively high household incomes are indicative of a small share of a locality's housing stock being physically obsolescent and/or unmarketable.

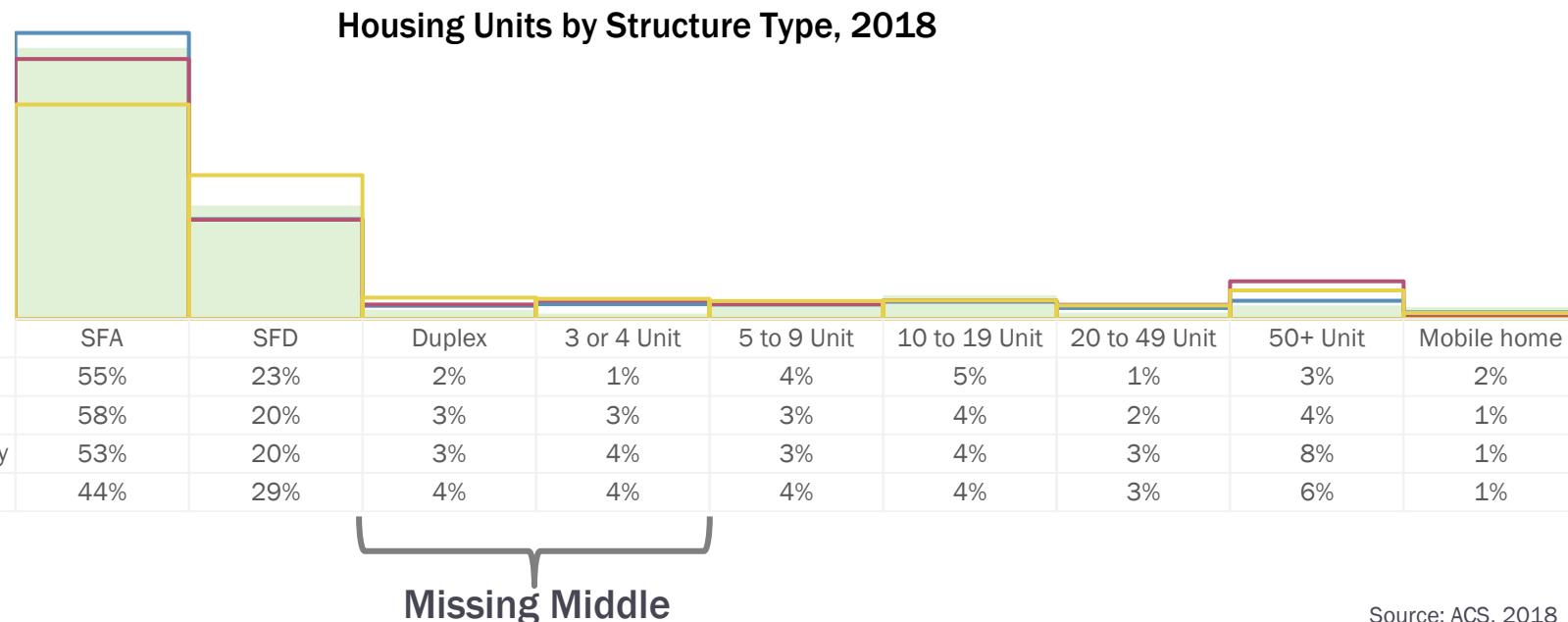
Share of Housing Units by Year Built by Geography, 2018



Source: ACS, 2018

Housing Choice

The Township's housing stock is largely composed of single-family housing (79 percent, including both attached and detached) and has a relatively low share of low-density multi-unit structures (e.g., two- to four-unit structures). In most walkable pre-1940s neighborhoods, lower-density multi-unit structures (e.g., duplexes, fourplexes, bungalow courts, and mansion apartments) were also integrated into blocks with single-family homes, providing more affordable and diverse housing choices, and generating sufficient density to support transit and locally serving commercial amenities. Although demand for housing in walkable neighborhoods is increasing among millennials and baby boomers, lower-density multi-unit structures have become much less common in newer suburban and urban development (hence the "missing middle"). Multi-unit residential development in the project area is an opportunity to provide more diverse housing options including missing middle housing.



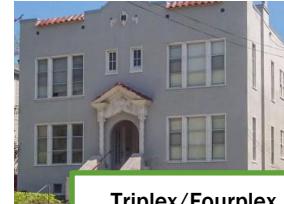
Housing Types: Missing Middle



Duplex: Side-by-Side



Duplex: Stacked



Triplex/Fourplex



Courtyard Apartments



Bungalow Court



Townhouse



Multiplex: Small



Live/Work

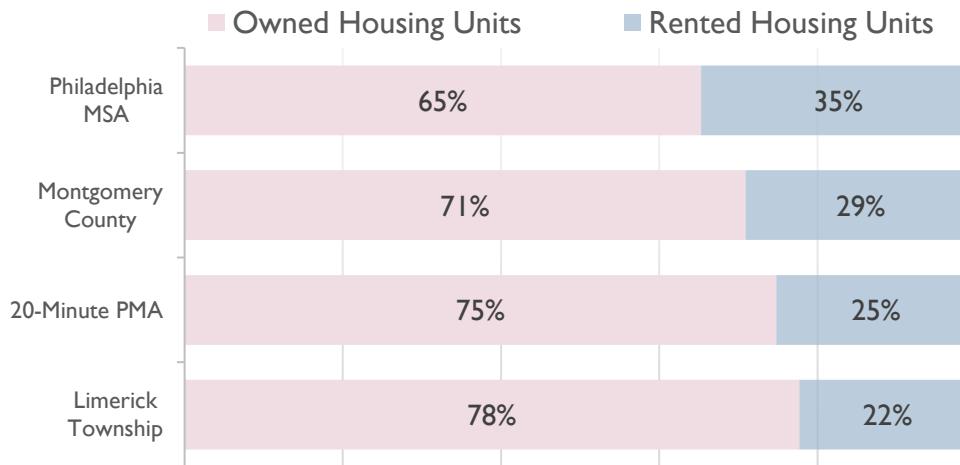


Source: Opticos Design, Inc

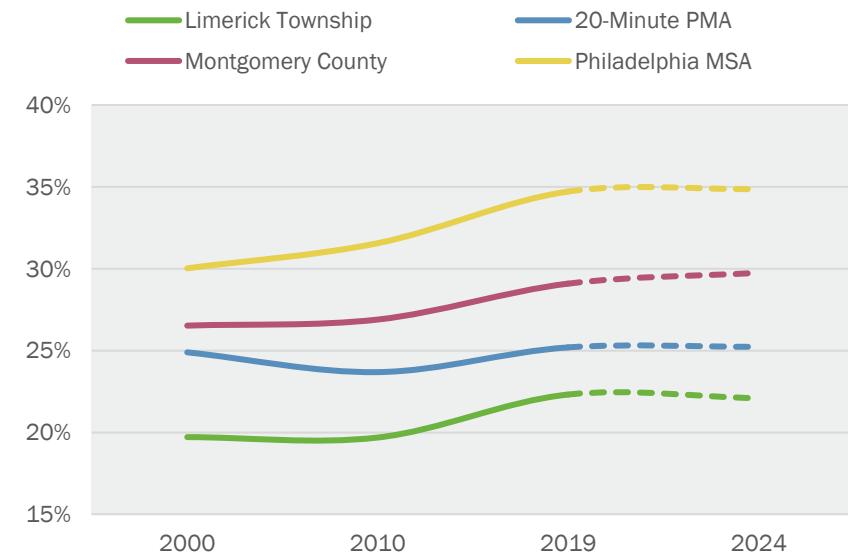
Housing Tenure Trends

As illustrated below, in 2019, nearly 78 percent of all occupied housing units in the study area was owner-occupied, a share slightly higher than those found in both the 20-minute PMA (75 percent) and County (71 percent). Since 2000, while the share of renter-occupied housing units in the Township increased, it remained relatively flat in the PMA.

Housing Tenure as Share of Total Occupied Units, 2019



Share Rented Occupied Housing Units

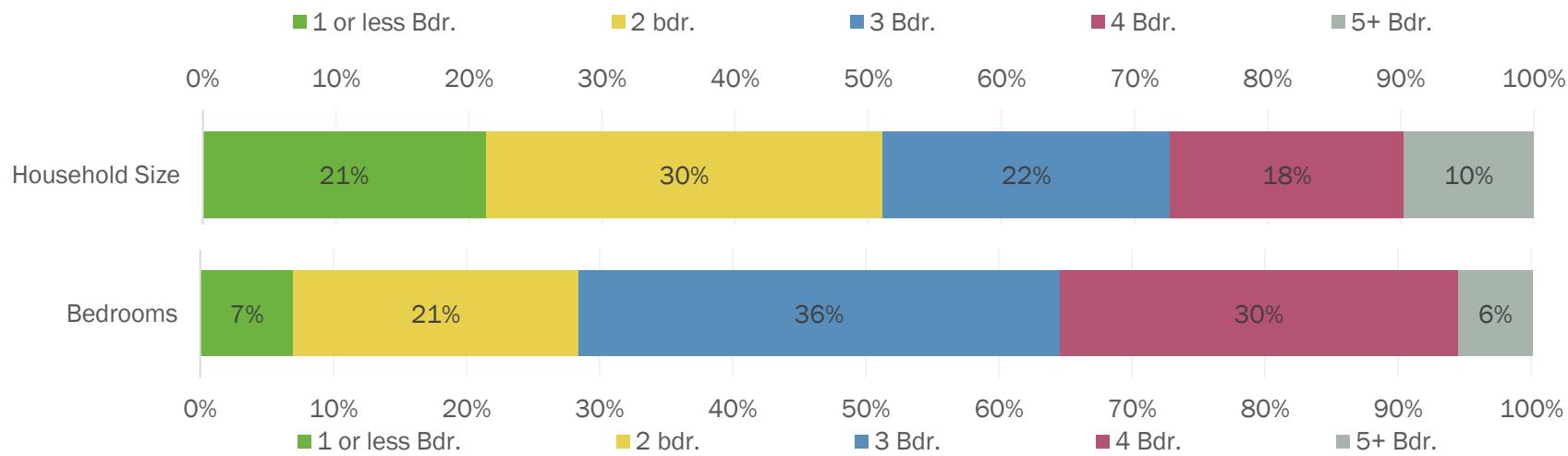


Source: Esri; 4ward Planning Inc., 2020

Household and Unit Size: Limerick Township

One way to measure whether the existing housing stock is suited to the local population is to compare household size to the number of bedrooms within dwelling units in the local inventory (unit size). The share of one-person households in the Township (21 percent) is much larger than the share of studio or one-bedroom units, combined (seven percent). Likewise, the share of one- and two-person households combined (51 percent) is much larger than the share of studio, and one- and two-bedroom units combined (28 percent). In other words, the mismatch between housing unit size and household size is most likely to occur among small households. With the average household size in the Township expected to stay relatively constant through 2024 (2.6 persons per household), the development of smaller residential units (studios, and one- and two-bedroom units) in the project area could help relieve the Township's existing shortage of small housing units, relative to household size.

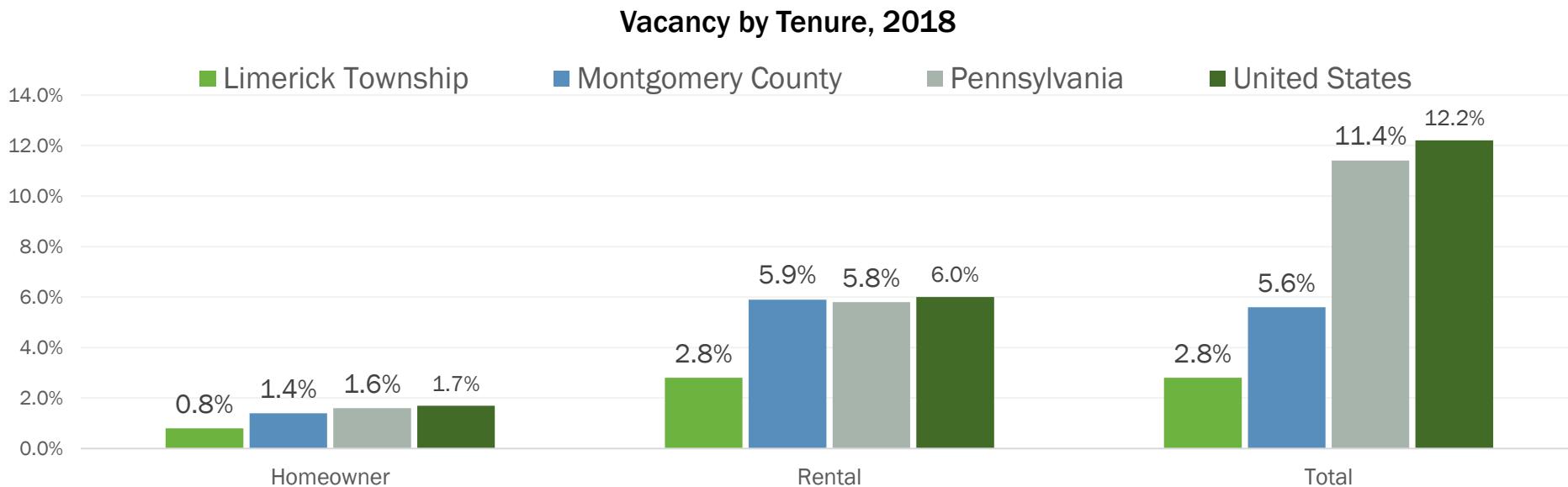
Household Size vs. Unit Size, 2018



Source: 2018 ACS 5-Year Estimates, B11016; DP04

Housing Vacancy By Tenure

In general, a vacancy rate of between four and seven percent is an indicator of a relatively healthy housing market. Although the total housing vacancy rate in the Township (2.8 percent in 2018) is relatively tight, this vacancy rate includes seasonal and other vacant units (units which are vacant due to a sales or leasing transition, repairs be conducted, or for the owner's personal reasons). The vacancy rate for ownership units within the Township was much lower (at 0.8 percent in 2018). The rental vacancy rate in the Township (2.8 percent in 2018) was also much lower than that with Montgomery County (5.9 percent).



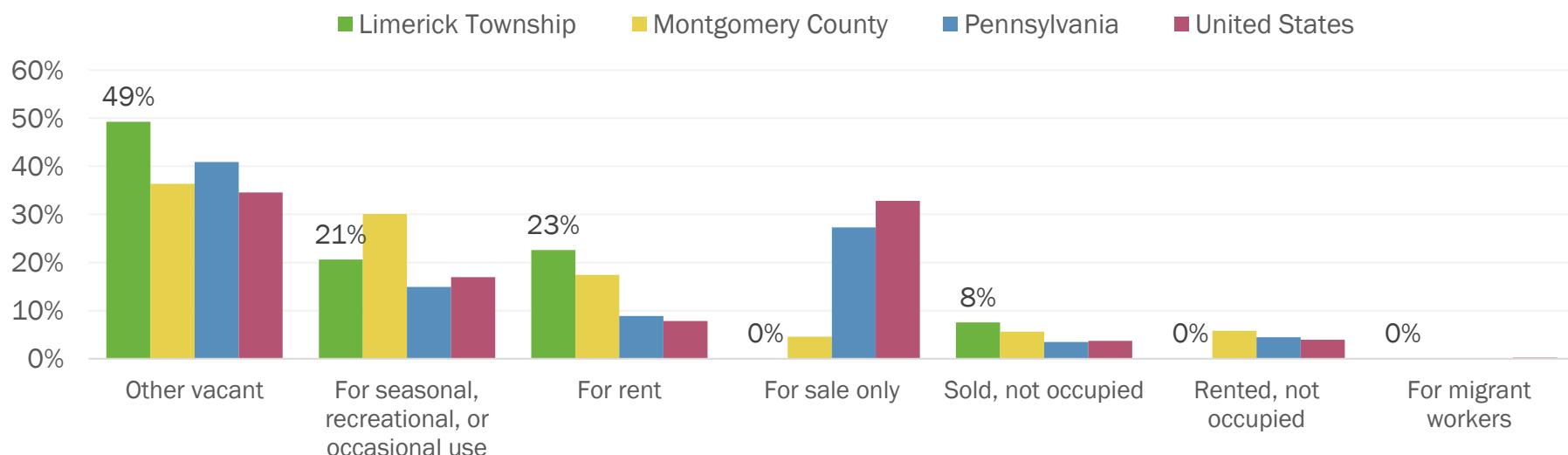
Note: Rental and homeowner vacancy rates do not include "other vacant" or "seasonal" units in the calculation of vacancy rates.

Source: 2018 American Community Survey 5-Year Estimates; 4ward Planning Inc., 2020

Detailed Housing Vacancy

The U.S. Census organizes vacant units into housing market classifications. For example, rental units are separated into vacant units offered "for rent," and those "rented, not occupied" (e.g., rent has been paid, but new renter has not moved in). Likewise, for-sale units are separated into vacant units offered "for sale only," and those "sold, not occupied" (e.g., unit has recently been sold but the new owner has not moved in). "For seasonal, recreational, or occasional use" units are vacant units used only in certain seasons or other occasional use. "Migrant units" (none in the study area) are vacant units intended for migratory workers. If a vacant unit does not fall into any of the above classifications, it is classified as "other vacant" (e.g., owner that does not want to rent or sell; or house is being used for storage, being foreclosed upon, or being repaired or renovated). The number of "other vacant" units in the Township represented 49 percent of all vacant units in 2018.

Detailed Housing Vacancy, 2018

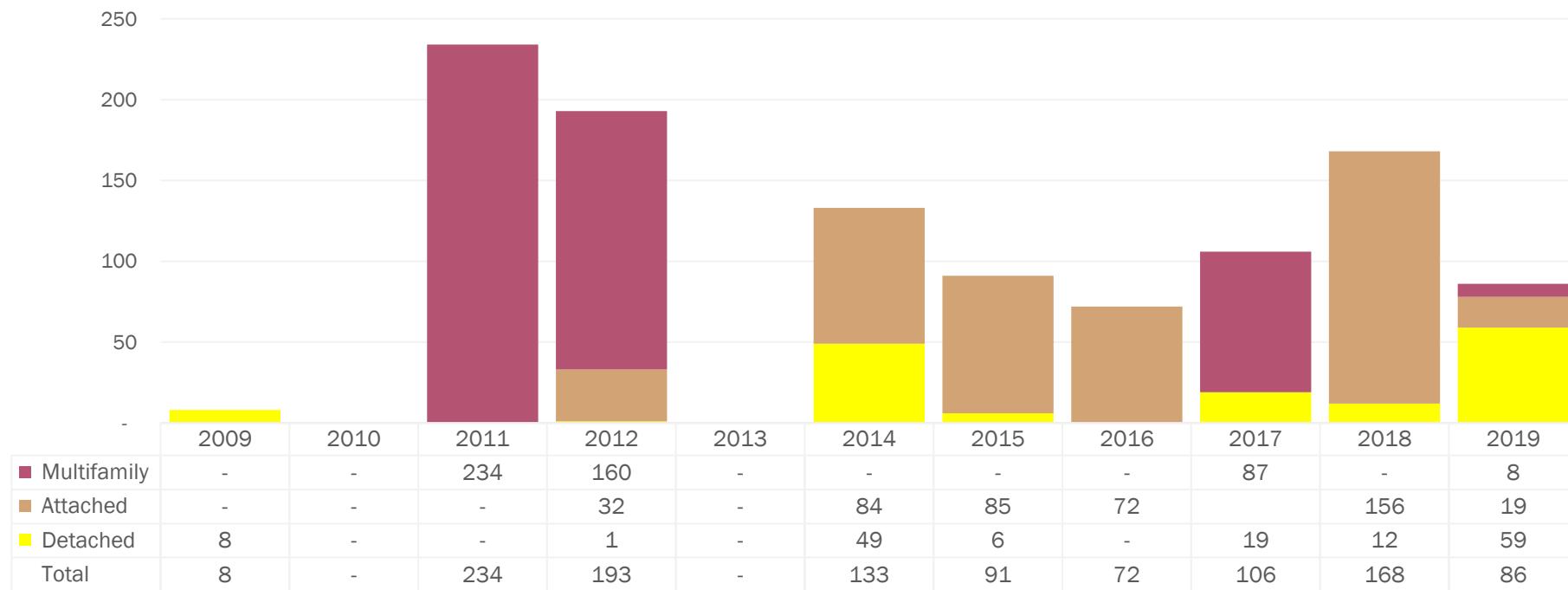


Source: 2018 American Community Survey 5-Year Estimates; 4ward Planning Inc., 2020

Proposed Housing Trends: Limerick Township

According to data provided by Montgomery County, summarized below, approximately 1,090 residential units were proposed for development in Limerick Township from 2009 to 2019. Fifty-five percent of these units were single-family (either detached or attached) and 45 percent were multi-family (489 units).

Proposed Residential Units: Limerick Township

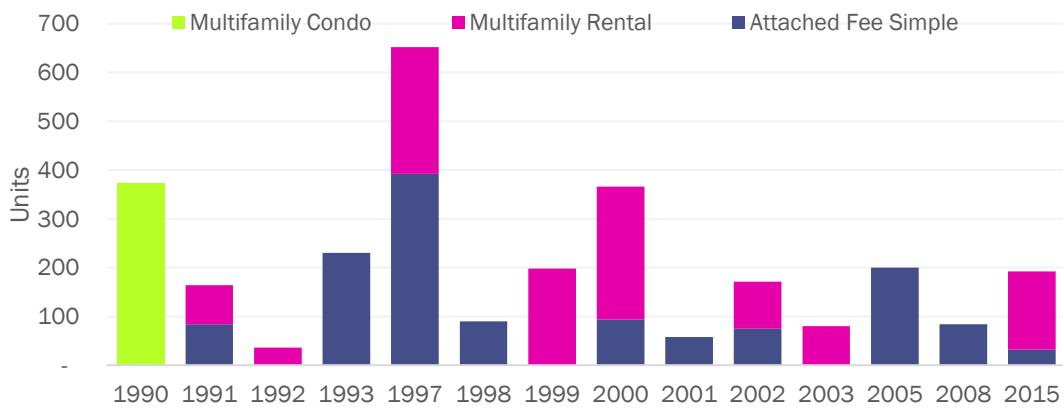


Source: Montgomery County, Annual Summaries of Subdivision, Land Development, and Zoning Activity, 2009-2019

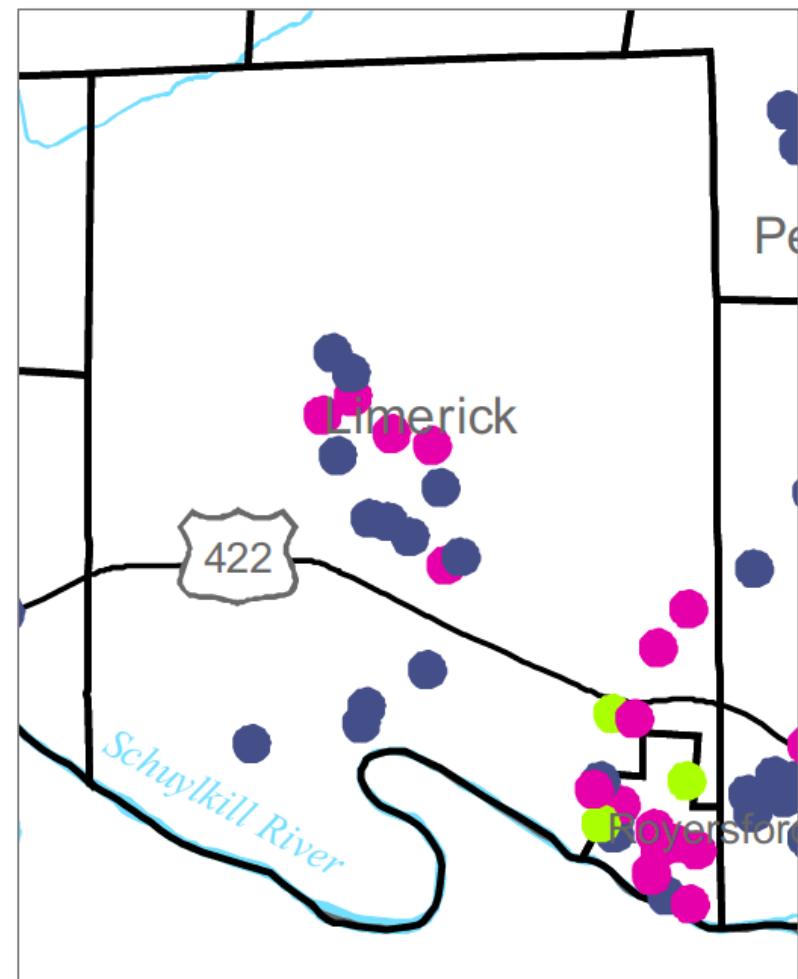
Multi-Family Housing Inventory: Limerick Township

According to 2019 data provided by the Montgomery County Planning Commission (MCPC), summarized below and mapped to the right (and on the following page), approximately 2,890 multi-family units were built in Limerick Township from 1990 to 2015. Forty-six percent of these units were attached fee simple units, 41 percent were multi-family rental units, and 13 percent were multi-family condo units (none were attached rental or attached co-op units).

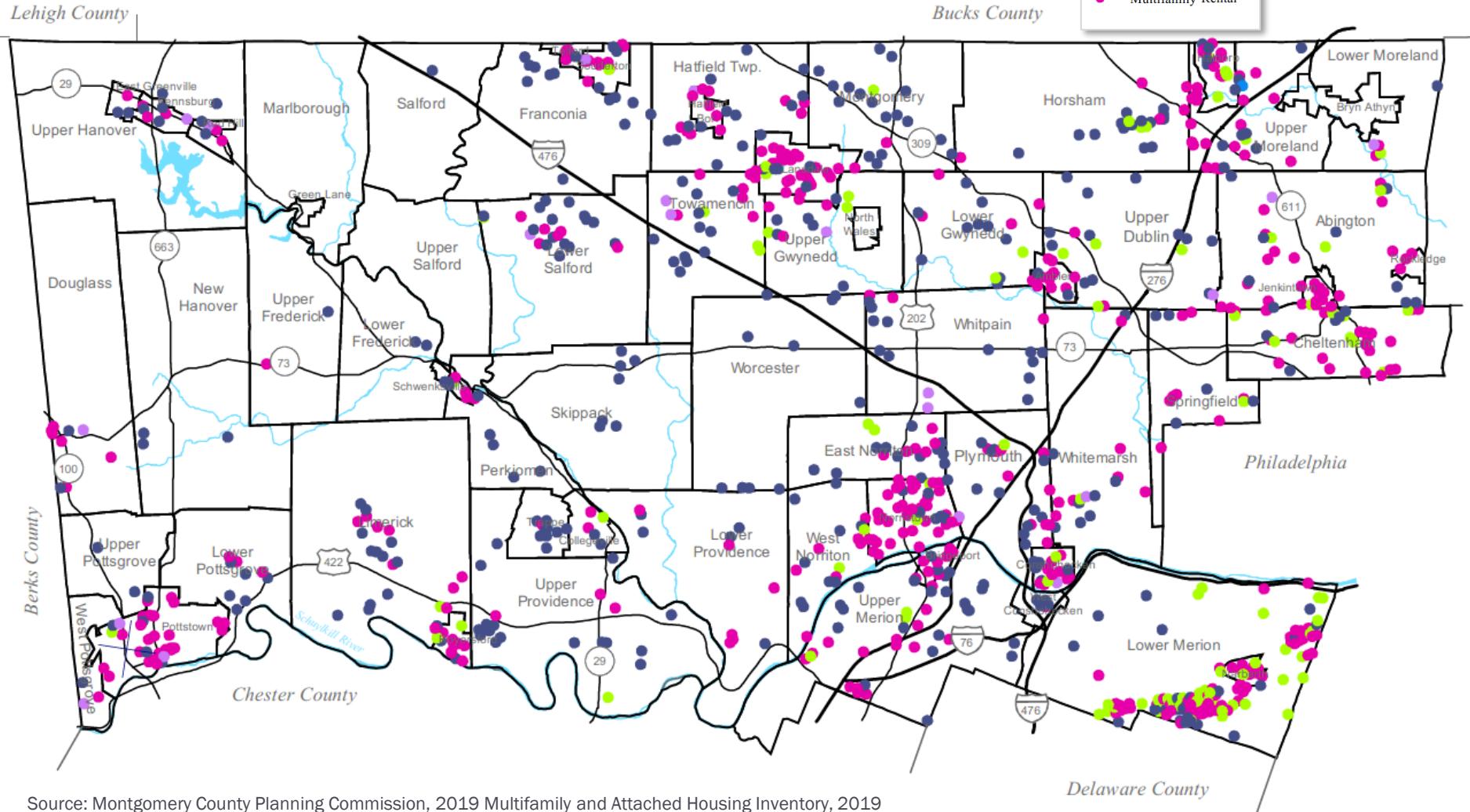
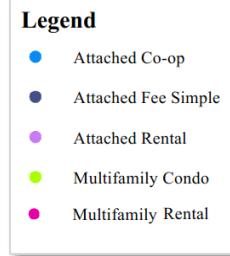
Multifamily and Attached Housing Development: Limerick Township



Source: 2019 Multifamily and Attached Housing Inventory, 2018



Multi-Family and Attached Housing Inventory



Source: Montgomery County Planning Commission, 2019 Multifamily and Attached Housing Inventory, 2019

Supply/Demand Analysis: Key Demand Scenario Assumptions

Net Household Formation from 2019 to 2024 Based on Esri's Household Growth Forecasts

Households within the 20-minute PMA are projected to increase by 2,655 from 2019 to 2024 (by 0.6 percent per year).

Employment Growth Based on Average Annual Growth Rate of 0.7 Percent over 2019 Base Employment

Based on 2019 employment data provided by Esri and average 2016 to 2026 industry employment growth-rate projections provided by the PA Department of Labor and Industry for Montgomery County, workers within the 20-minute PMA are expected to increase by 9,360 from 2019 to 2024 (by 0.7 percent per year).

Five of Every 100 PMA Workers Would Trade Commute for Adequate Housing Choice

Currently, approximately 65 out of every 100 workers commute from outside the 20-minute PMA. It is assumed that five out of every 100 of these workers would trade their commutes if adequate housing choice was available.

Total Housing Units Based on Existing Units in the Development Pipeline

According to data provided by Limerick Township and Montgomery County, there are approximately 2,450 single and multifamily housing units in the development pipeline within the 20-minute PMA.

20-minute PMA will Maintain a Natural Average Annual Housing Vacancy Rate of Four Percent

These units represent the supply of units in a given market that are not leased or occupied, allowing for housing turnover.

Remaining Vacant Housing within the 20-Minute PMA is Physically Obsolete or Unmarketable

With a projected housing vacancy rate of 5.2 percent, it is assumed the remaining share of vacant housing (1.2 percent) within the PMA is not available for sale or for rent, but is vacant due to repairs, foreclosure, or other personal reasons.

1.0 Percent of the PMA's Remaining Housing Stock Becomes Obsolete Annually

All housing stock gradually wears out over time and, on average, one out of every 100 units becomes obsolete, annually.

Supply/Demand Analysis: 20-minute PMA

Largely due to existing pent-up demand from PMA workers who commute into the area (65 percent of PMA workers) and replacement of physically obsolescent housing, there is currently a net demand for approximately 4,250 residential units in the 20-minute PMA. By 2024, this estimated net demand is expected to increase to approximately 4,880 units. Assuming between five and ten percent of this demand could be met locally, the project area could accommodate between 240 and 490 residential units by 2024.

Net Dwelling Unit (DU) Demand Through 2024

	2019	2024
Housing Demand Metrics		
<i>Estimated Households in 20-minute PMA (0.6% growth rate)</i>	91,170	93,940
Estimated Workers in 20-Minute PMA (0.7% growth rate)	129,520	134,120
Estimated Workers Residing Outside 20-Minute PMA (65%)	84,080	87,070
<i>Estimated Pent-Up Housing Unit Demand from Commuting Area Workers (5%)</i>	4,200	4,350
<i>Estimated Number of Naturally Occurring Vacant Housing Units (4%)</i>	3,840	3,940
Estimated Aggregate Housing Unit Demand in 20-Minute PMA	99,210	102,230
Housing Supply Metrics		
Estimated Housing Units in 20-Minute PMA	96,110	98,557
<i>Subtract Physically Obsolescent Units (1.2% of total units, 1% annual obsolescence rate)</i>	1,150	1,210
New Units to Add in 20-Minute PMA (based on existing development pipeline)	-	2,447
Estimated Net Marketable Housing Units in 20-Minute PMA	94,960	97,347
Net Housing Demand/Supply Calculation		
<i>Estimated Aggregate Housing Unit Demand in 20-Minute PMA</i>	<i>99,210</i>	<i>102,230</i>
<i>Subtract Estimated Net Marketable Housing Units in 20-Minute PMA</i>	<i>94,960</i>	<i>97,347</i>
Net Housing Unit Demand/(Excess Units)	4,250	4,883
Project Area Capture (10%)	425	488
Project Area Capture (5%)	213	244

Senior Housing

Key Findings: Senior Housing

517 age-restricted units within Limerick

According to data provided by Montgomery County, there are 517 age-restricted units within Limerick Township, including 29 single-family detached units, 258 single-family attached units, 80 multi-family units, and 150 mobile homes. Largely built between 2000 and 2008, these units represent single-family homes or apartments dedicated to those primarily over age 55. Completed in 2008, the Villas at Linfield National Golf Club gated community is the project area's only age-restricted development.

Likely oversupply of age-restricted units in County

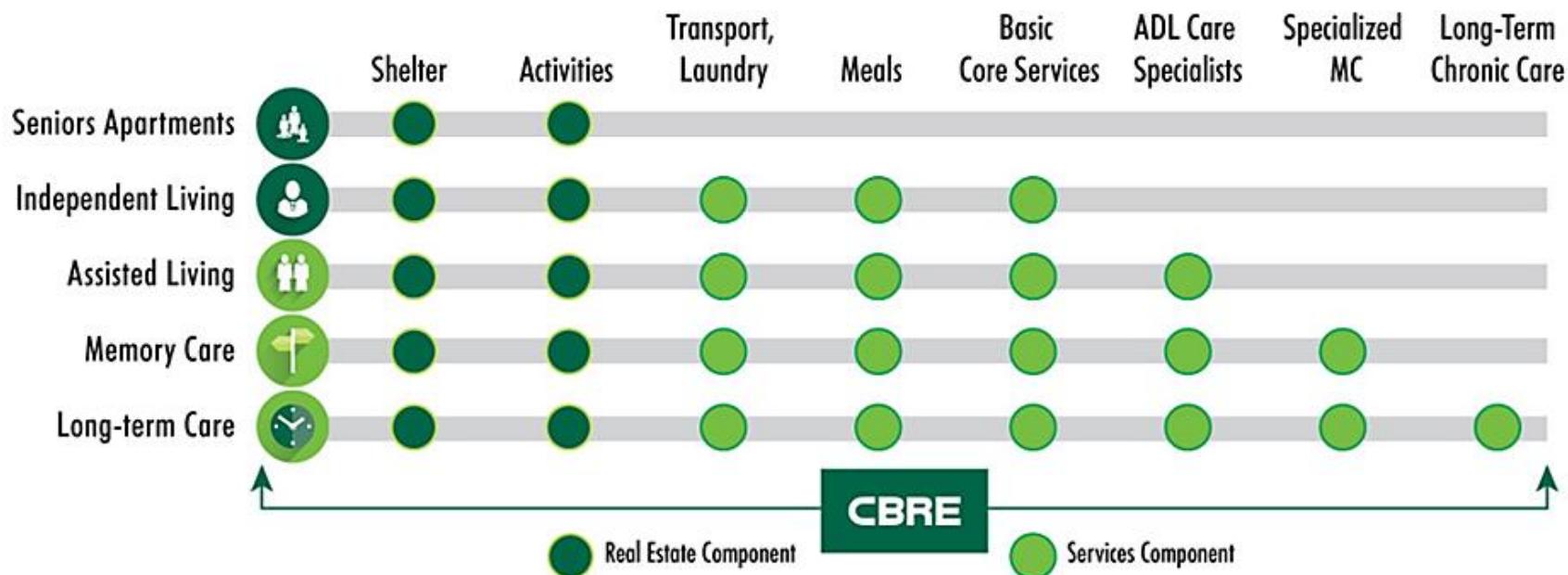
Montgomery County has seen a large number of age-restricted housing developments built or proposed over the past decades, with age-restricted units representing approximately 21 percent of all units built in the County over the past two decades. By 2024, as the region's population ages, and housing needs and preferences change, there will likely be an oversupply of age-restricted homes and apartments in the County. Consideration should be given to shifting these units to "age-targeted" development, providing amenities and design consistent with the needs of active adults while not mandating a specific resident age.

18,890 new County residents ages 55 or older by 2024

According to Esri, the population of County residents ages 55 years or older will increase by 18,890 by 2024. Specifically, there will be 6,900 new residents between ages 55 and 74; 10,650 new residents between ages 75 and 84; and 1,340 new residents ages 85 and older. The near-term increase in older residents in Montgomery County should drive demand for additional senior housing in the County.

Background: Defining Prospective Senior Housing Options

According to CBRE, an international commercial real estate services firm, the types of properties that facilitate the delivery of accommodation and care services to seniors are typically divided into five categories: senior apartments (SA), independent living (IL), assisted living (AL), memory care (MC), and long-term care (LTC) or Nursing Care (NC). Continuing Care Retirement Communities (CCRCs) represent a hybrid model, and typically offer all the care levels noted above on a single campus. The graphic below highlights the array of services offered across the different property types. Besides accommodation, senior housing and long-term care properties typically offer hospitality services, care services, and medical services. This spectrum of property types is commonly referred to as the Continuum of Care.



Source: CBRE; NIC Investment Guide

Background: Defining Prospective Senior Housing Options

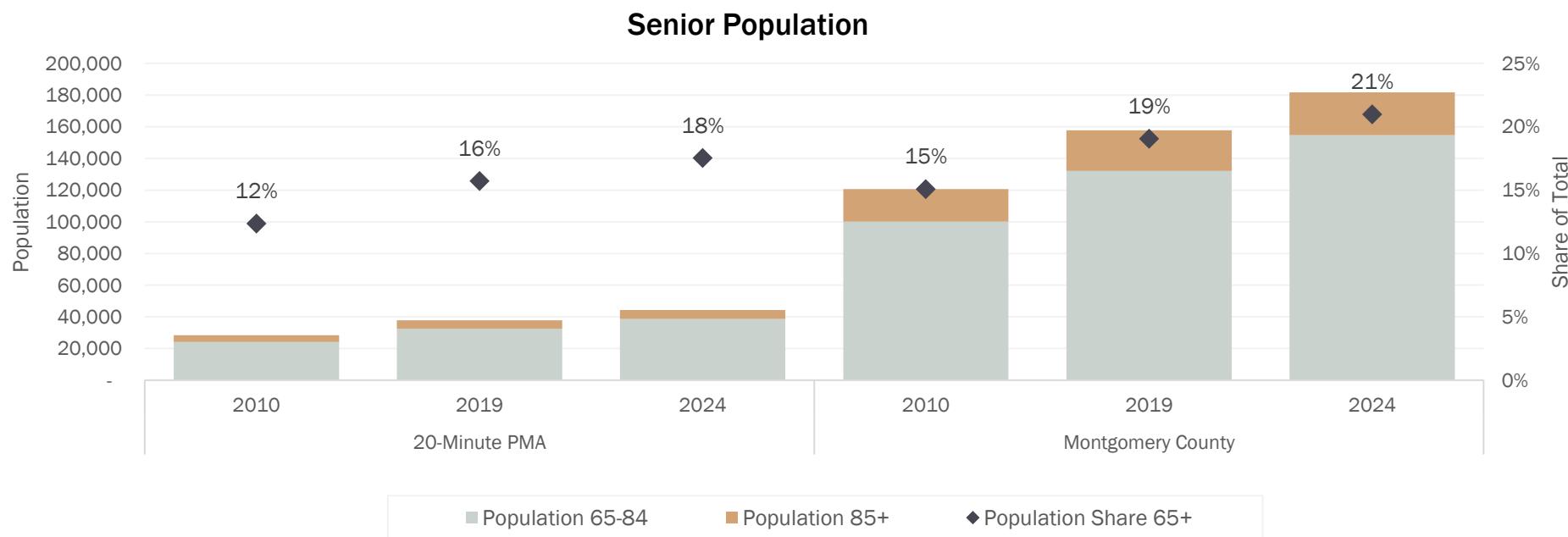
Each senior housing option has defining characteristics including building facility size and offerings, resident entry ages and length of stay, and occupancy metrics.

	Age-Restricted	Congregate Care			Healthcare
	Senior SF Homes or Apartments	Independent Living (IL)	Assisted Living (AL)	Memory Care	Long Term Chronic Care / Nursing Care
Building Facility	Have special access and common area designs	Similar to apartments but has commercial kitchen, dining room, and additional common-area amenities	Most units do not have a full kitchen, only dorm room-size refrigerator and microwave. Many units are studios.	Units do not have a full kitchen, only dorm room-size refrigerator and microwave. Many units are studios.	Units resemble hotel rooms and many rooms have shared occupancy
Typical Services Provided	Organized social activities	Restaurant-style dining, social activities, weekly house keeping, laundry and transportation	Independent living services plus assistance with bathing, eating, and dressing; medication reminders (no administration of medicine)	Assisted living services plus special behavior/memory care, secured access only	Assisted living services plus administration of medications. 24-hour care by RA, RN licensed personnel
Ideal Building Size	100 to 250 Units	100 to 150 Units	80+ Units	24 to 36 Units	120 Beds (70 Units)
Resident Entry Age	55 to 75	75 to 84 (avg. 80.6)	75 to 85 (avg. 87)	Included with AL	80 to 90
Average Length of Stay	5 to 12 Years	2.1 to 6.4 Years	1.4 to 3.4 Years	1.0 to 2.4 Years	30 Days to 2 Years
Avg. Current Quarter Stabilized Occupancy	NA	90.2%	90.1%	89.7%	88.1%
Share of Units/Beds (U.S.)	NA	23%	22%	7%	48%

Source: CBRE; Senior Housing & Care Market Insight; Q2 2019

Senior Housing Demand: Driven by Demographic Demand

After the region's baby boomer generation began turning 65 in 2011, the population of senior residents began increasing in significant numbers. In 2010, the population ages 65 and older accounted for just 12 and 15 percent of the total population in the PMA and County, respectively, compared to 16 and 19 percent in 2019. From 2019 and 2024, the population ages 65 and older will grow by 3.5 and 3.0 percent per year in the PMA and County, respectively. The population ages 65 and older in the PMA and County will more than double from 2010 to 2024. This projected growth in the senior population will have a significant impact on families, businesses, healthcare providers, and, most notably, demand for senior housing.

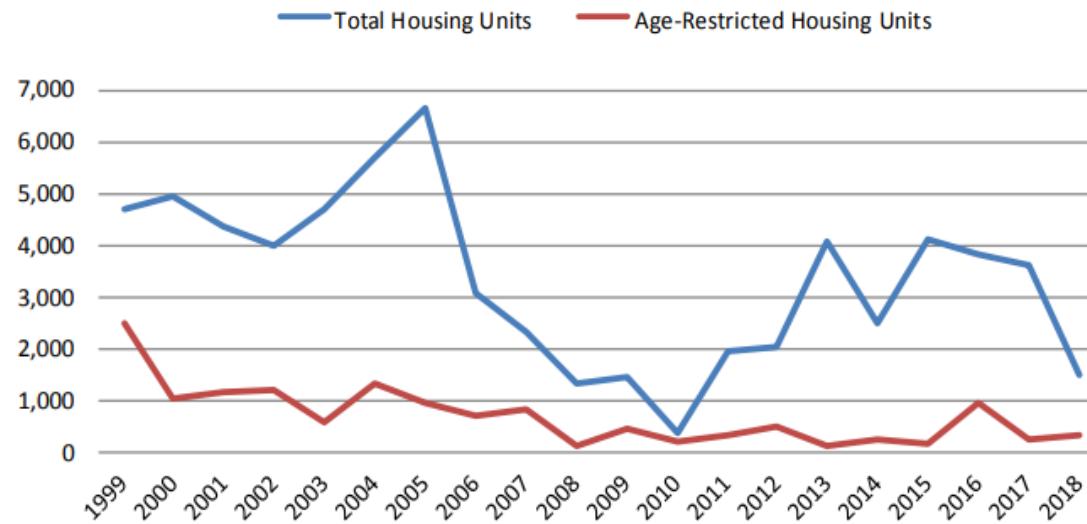


Source: Esri, 4ward Planning, Inc., 2020

Age-Restricted Housing: Montgomery County

Montgomery County has seen a large number of age-restricted housing developments (representing single-family homes or apartments for those primarily over age 55) built or proposed over the past decades, with age-restricted units representing approximately 21 percent of all units built in the County over the past two decades. As summarized in the chart below, there are currently 115 age-restricted developments with approximately 17,660 units in the County. Nearly 270 new age-restricted units were built in 2018 alone. Nursing homes, boarding homes, assisted living developments, age-targeted developments (open to residents of all ages but still with the amenities that would appeal to older residents), or proposed developments not yet under construction are not included in this inventory.

Proposed Age-Restricted Units: Montgomery County, 1999-2018



Note: According to Montgomery County, age-restricted units are those located within developments where a legal restriction requires either 1) that all residents are 62 years of age or older or 2) at least one person (per household) age 55 or older lives in at least 80 percent of the development's occupied units.

Source: Montgomery County Planning Commission, 2019 Age Restricted Inventory, Annual Summaries of Subdivision, Land Development, and Zoning Activity, 2009-2018

Age-Restricted Housing: Limerick Township

According to data provided by Montgomery County, summarized below, there are 517 age-restricted units within Limerick Township, including 29 single-family detached units, 258 single-family attached units, 80 multi-family units, and 150 mobile homes. These units were built between 2000 and 2008. Completed in 2008, the Villas at Linfield National Golf Club gated community is the project area's closest age-restricted development.

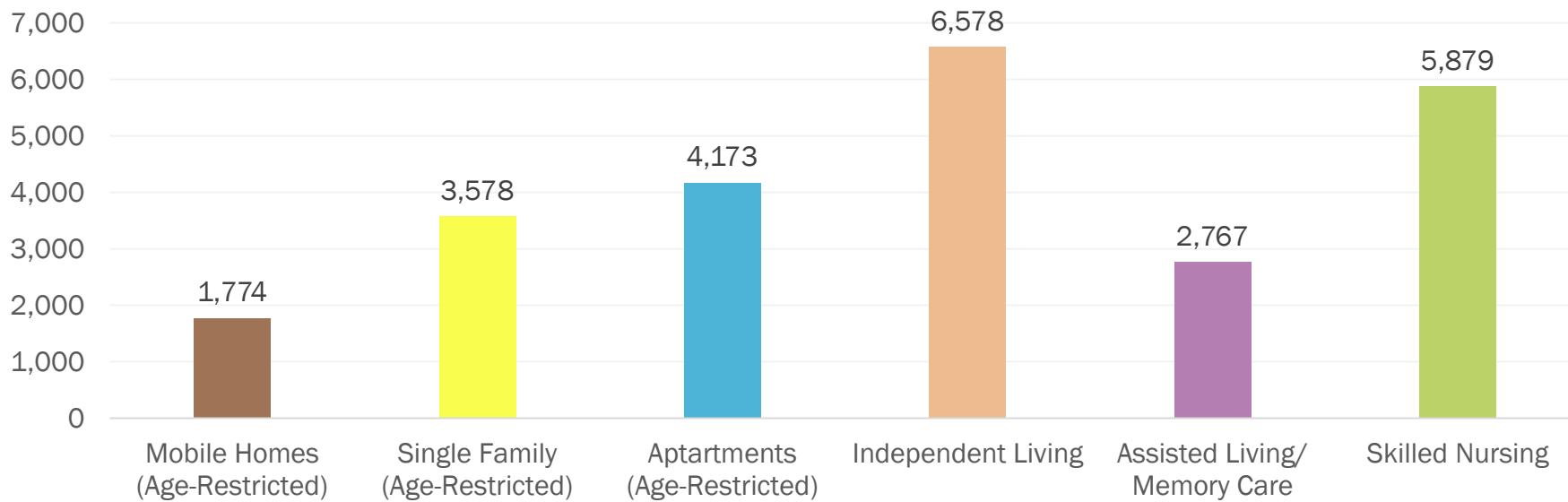
Age-Restricted Units: Limerick Township

Development Name	Year Built	Single Family Detached	Single Family Attached	Multi-family	Mobile Home	Total Units
Limerick Greene	2000	-	-	80	-	80
The Villas at Linfield National Golf Club	2005-2008	-	200	-	-	200
Village of Willow Run	2002-2003	-	-	-	150	150
William Penn Villas	2001	29	58	-	-	
Limerick Total		29	258	80	150	517
Montgomery Total		1,495	4,230	10,163	1,774	17,662

Source: Montgomery County Planning Commission, Montgomery County Board of Assessment Appeals; Esri, 4ward Planning, Inc., 2020

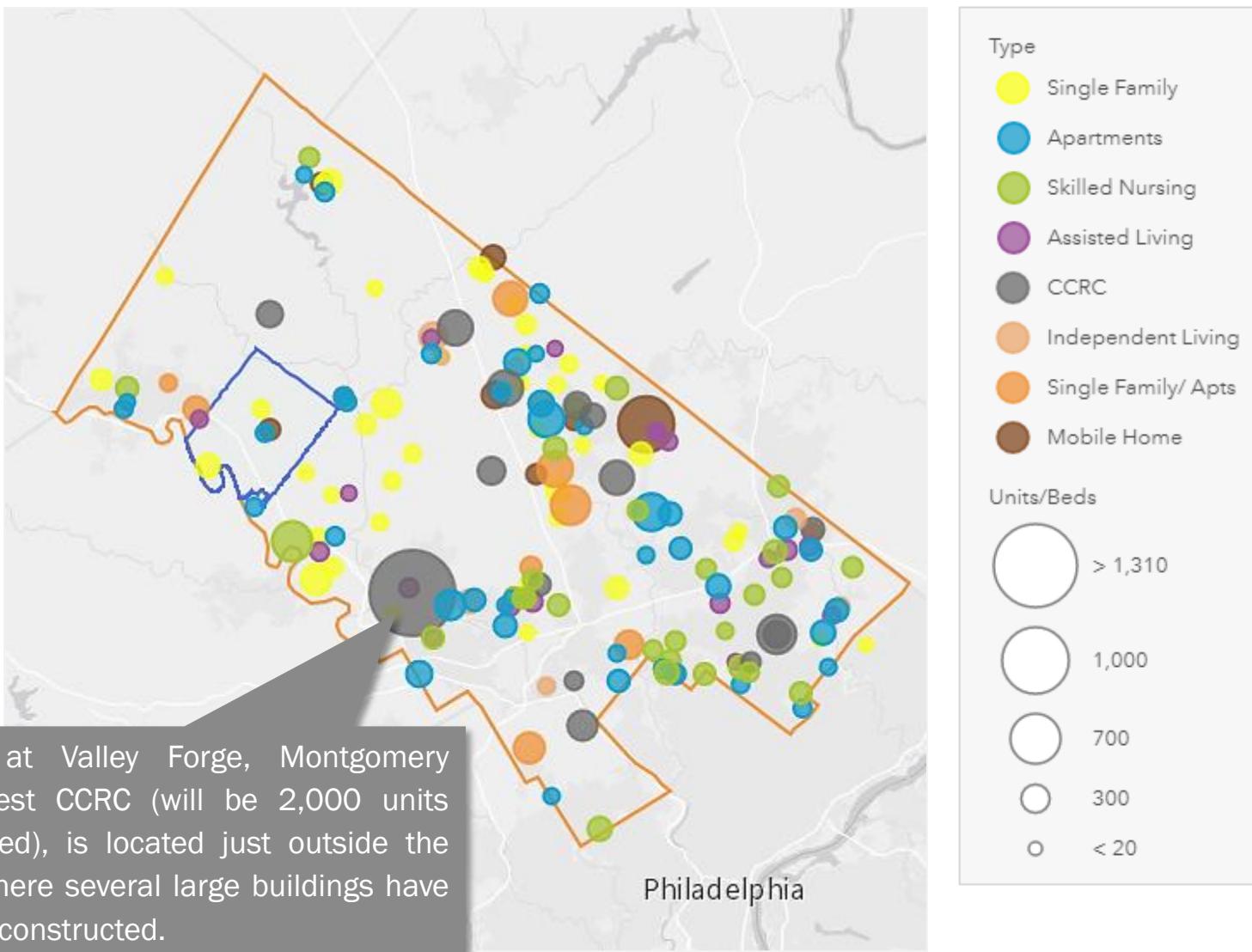
Senior Housing Inventory: Montgomery County

According to data provided by the Montgomery County Planning Commission (includes age-restricted mobile homes, single-family attached and detached homes, apartments, and some independent living units) and senior housing data provided by the Retirement Living Sourcebook (includes independent living, assisted living/memory care, and skilled nursing units/beds), 4ward Planning identified the existing spectrum of senior housing units/beds within the County. As presented below, there are approximately 20,220 senior housing units and 5,880 beds in the County. As mapped on the following page, some of these units/beds are included in continuing care retirement communities (CCRC), which fulfill a continuum of housing and aging care needs (e.g., independent living to skilled nursing). Approximately 2,530 units are income-restricted and 1,800 are under construction (e.g., Shannondell at Valley Forge, Rydal Waters).



Source: Montgomery County Planning Commission, 2019 Age Restricted Inventory; Retirement Living Sourcebook for PA-NJ-DE Spring/Summer 2019; Esri; 4ward Planning Inc., 2020

Senior Housing: Montgomery County (continued)

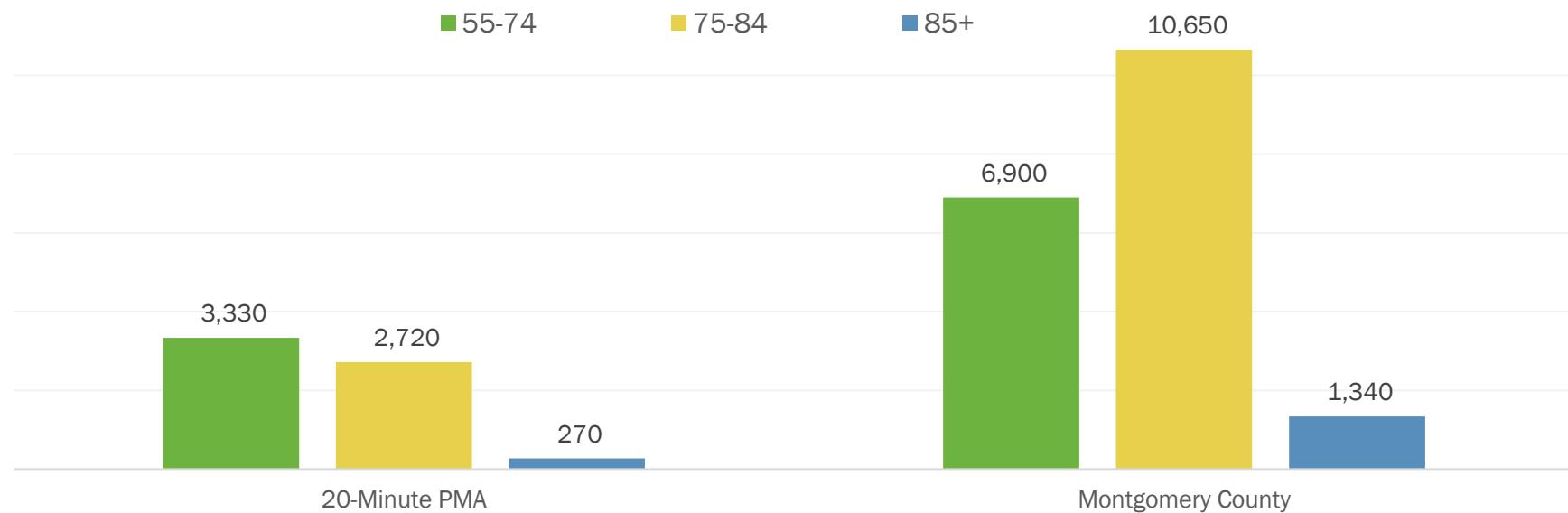


Source: Montgomery County Planning Commission, 2019 Age Restricted Inventory; Retirement Living Sourcebook for PA-NJ-DE Spring/Summer 2019; Esri; 4ward Planning Inc., 2020

Senior Housing Demand: Montgomery County

According to Esri, the population of County residents ages 55 and older will increase by 18,890 by 2024. As illustrated in the chart below, specifically, there will be 6,900 new residents between ages 55 and 74; 10,650 new residents between ages 75 and 84; and 1,340 new residents ages 85 and older. The near-term increase in older residents in Montgomery County should drive demand for additional senior housing within the County. While some potential patrons will come from beyond Montgomery County, senior housing research generally suggests that most patrons of senior housing facilities tend to migrate from within the local area in order to remain close to their existing networks of family, friends, and business associates.

Near-Term Population Growth, 2019-2024

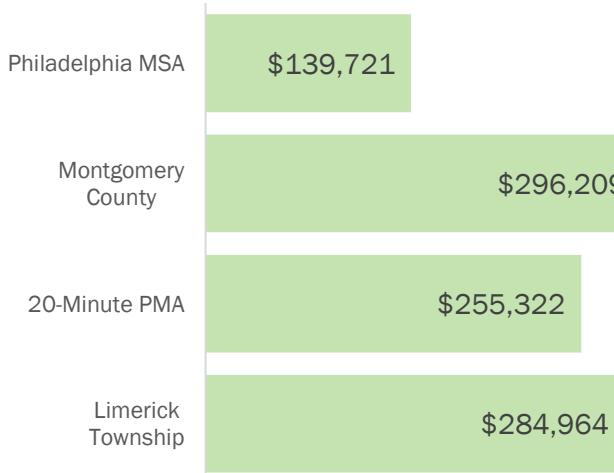


Source: Esri; 4ward Planning Inc., 2020

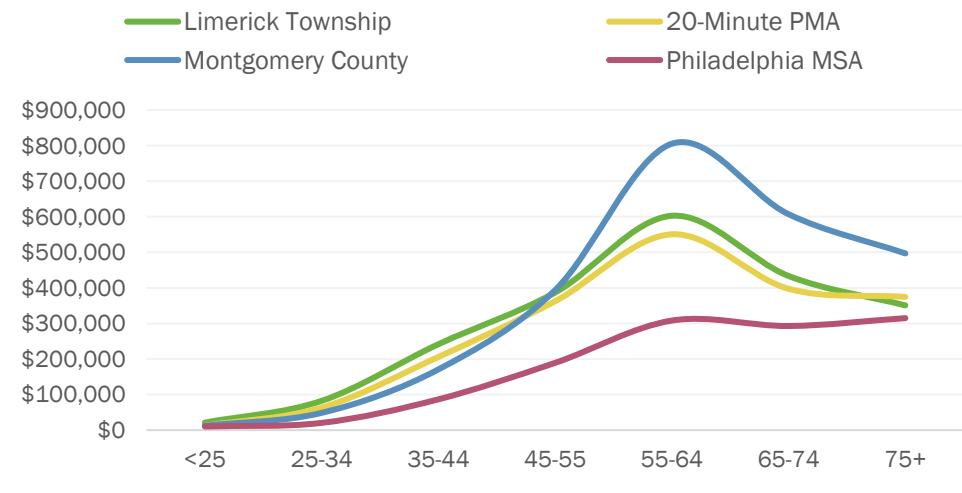
Median Net Worth

Relatively high median net worth can be an indicator that residents have sufficient financial means to secure senior housing accommodations – such as entrance fees for age-restricted and nursing home facilities. According to data provided by Esri, in 2019, all householders within the 20-minute PMA had a median net worth of approximately \$255,320, slightly more than the Township (\$284,960). As illustrated in the chart below (right), net worth in all geographies is generally highest among residents between ages 55 and 64. Given the relatively high median net worth among senior households within Montgomery County, seniors in the PMA likely have sufficient financial means to afford certain senior housing options (e.g., independent and assisted living), a positive sign for potential senior housing development.

Median Household Income and Net Worth, 2019



Median Net Worth and Householder Age, 2019



Source: Esri, 4ward Planning Inc., 2020

Retail

Key Findings: Retail

5.7 million GLA of major retail shopping center space in PMA

Based on 2019 data provided by the Directory of Major Malls, summarized below and mapped on the following page, there is approximately 5.7 million gross leasable area (GLA) of major retail shopping center space (complexes containing at least 200,000 square feet under roof) within the PMA, equivalent to 23.7 GLA per person. Both located 2.34 miles from the project area, the 549,155-square-foot Philadelphia Premium Outlets and the 189,810-square-foot Lakeview Shopping Centre are the two closest major shopping centers.

Township is experiencing a “surplus” of retail sales

According to data provided by Esri, the Township is experiencing a “surplus” of retail sales in some retail categories (e.g., grocery stores; restaurants/eating establishments; beer, wine and liquor stores; and health and personal care stores) - meaning either that people travel from outside the trade area to shop/dine or people living within the trade area consume more than would be expected given their income levels.

Demand within PMA to accommodate new restaurants

Retail categories experiencing leakage represent potential opportunities for new retailers to enter the trade area or for existing retailers to extend their marketing outreach to accommodate the excess demand. Based on retail supply/demand analysis, while there is insufficient net new retail demand within the Township alone to support new retail stores, there is sufficient demand within the larger PMA to support new retail stores, restaurants, and eating establishments, in particular.

Available Retail Space: 20-Minute PMA

Based on February 2020 data provided by LoopNet (a national provider of real estate data), summarized below and mapped on the following slide, there is approximately 646,790 square feet of available retail building space (553,810 square feet for lease and 92,990 square feet for sale) and 246 acres of commercial land available for sale within the PMA. As presented on the following page, the approved 165,000-square-foot Limerick Commons on Ridge Pike (just north of Township Line Road) is the largest retail building space available in the immediate area. This retail space would also make it challenging for any additional area retail to be successful.

Buildings for Lease

Type	Properties	SF	Average Price per SF
Retail	27	553,806	\$13.23

Buildings for Sale

Type	Properties	SF	Average Price	Average Price per SF
Retail	15	92,984	\$955,286	\$194

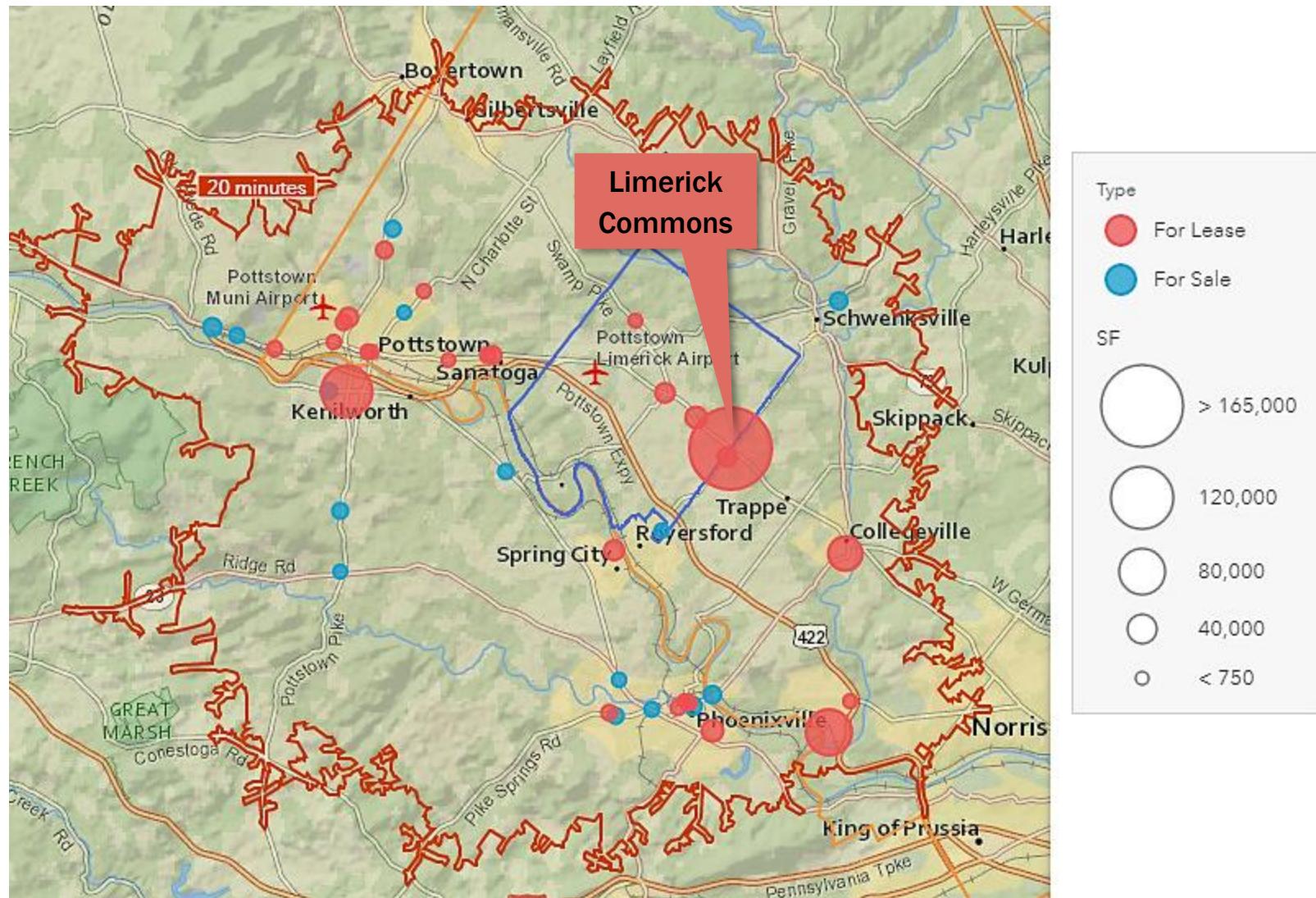
Land for Sale

Type	Properties	Acres	Average Price	Average Price per Acre
Commercial	25	246	\$1,413,033	\$500,162



Source: LoopNet, 4ward Planning, Inc., 2020

Available Retail Building Space: 20-Minute PMA



Source: LoopNet, 4ward Planning, Inc., 2020

Major Retail: 20-Minute PMA

Based on 2019 data provided by the Directory of Major Malls, summarized below and mapped on the following page, there is approximately 5.7 million gross leasable area (GLA) of major retail shopping center space (complexes containing at least 200,000 square feet under roof) within the PMA, equivalent to 23.7 GLA per person. Both located 2.34 miles from the project area, the 549,155-square-foot Philadelphia Premium Outlets and the 189,810-square-foot Lakeview Shopping Centre are the two closest major shopping centers.

Major Shopping Center Space: 20 Minute PMA

Name	Distance from Site (Miles)	GLA (SF)	Anchor
Lakeview Shopping Centre	2.34 SE	189,810	Giant Food, Marshalls, Kohl's
Philadelphia Premium Outlets	2.34 NE	549,155	NA
Gateway at Sanatoga	2.53 NW	412,000	Costco, Vacant
The Court at Upper Providence	3.85 NE	400,000	Target, Giant Food, Ross Dress For Less, A.C. Moore
Town Square Plaza	4.93 NW	215,610	NA
Providence Town Center	5.30 SE	777,317	Wegmans, Raymour & Flanigan, Dick's Sporting Goods, LA Fitness
Coventry Mall	5.36 NW	802,275	Boscov's, Vacant, Kohl's, Gabe's
Upland Square Shopping Center	6.16 NW	555,000	Target, Giant Food, AMC Theatres, LA Fitness
Marketplace at Oaks	8.13 SE	1,500,000	Greater Philadelphia Expo, Arnold's Family Fun Ctr, Lowe's, Target
The Promenade at Chester Springs	8.65 SW	129,900	NA
Audubon Square	10.07 SE	160,000	NA
Total		5,691,067	
GLA per Population (PMA)		23.7	

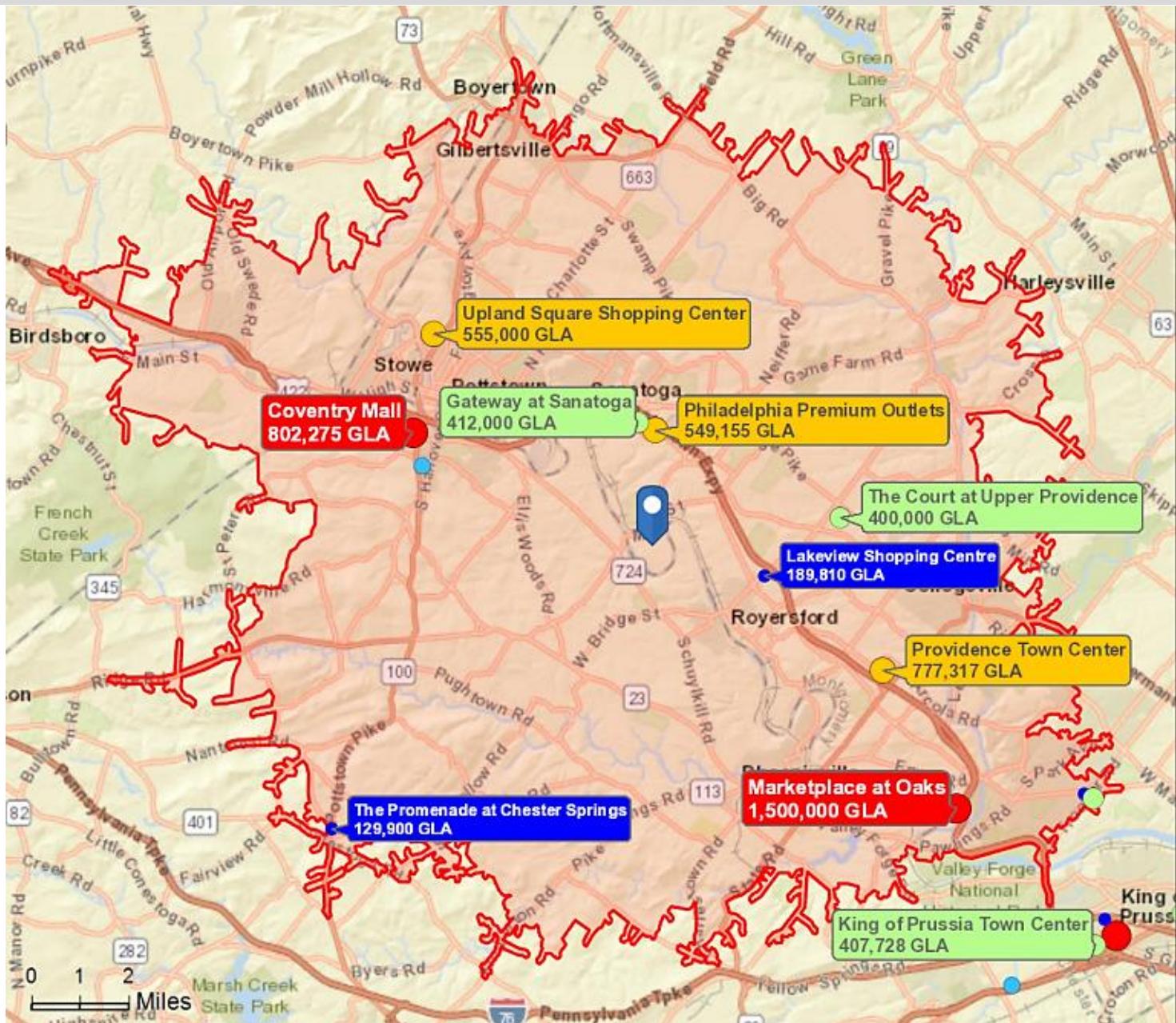
Source: Esri, Directory of Major Malls, Inc., June 2019

Major Retail: 20-Minute PMA (cont.)

Gross Leasable Area

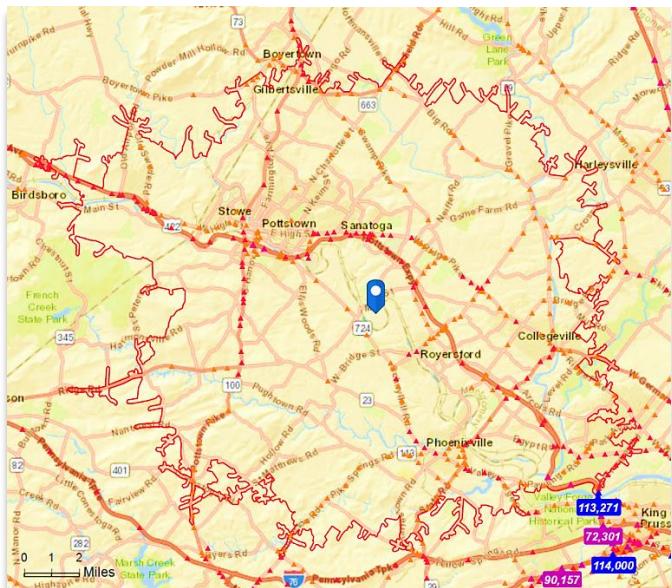
- Less than 200,000 sq ft
- 200,001 - 300,000
- 300,001 - 500,000
- 500,001 - 800,000
- More than 800,000

Source: Esri, Directory of Major Malls, Inc., June 2019



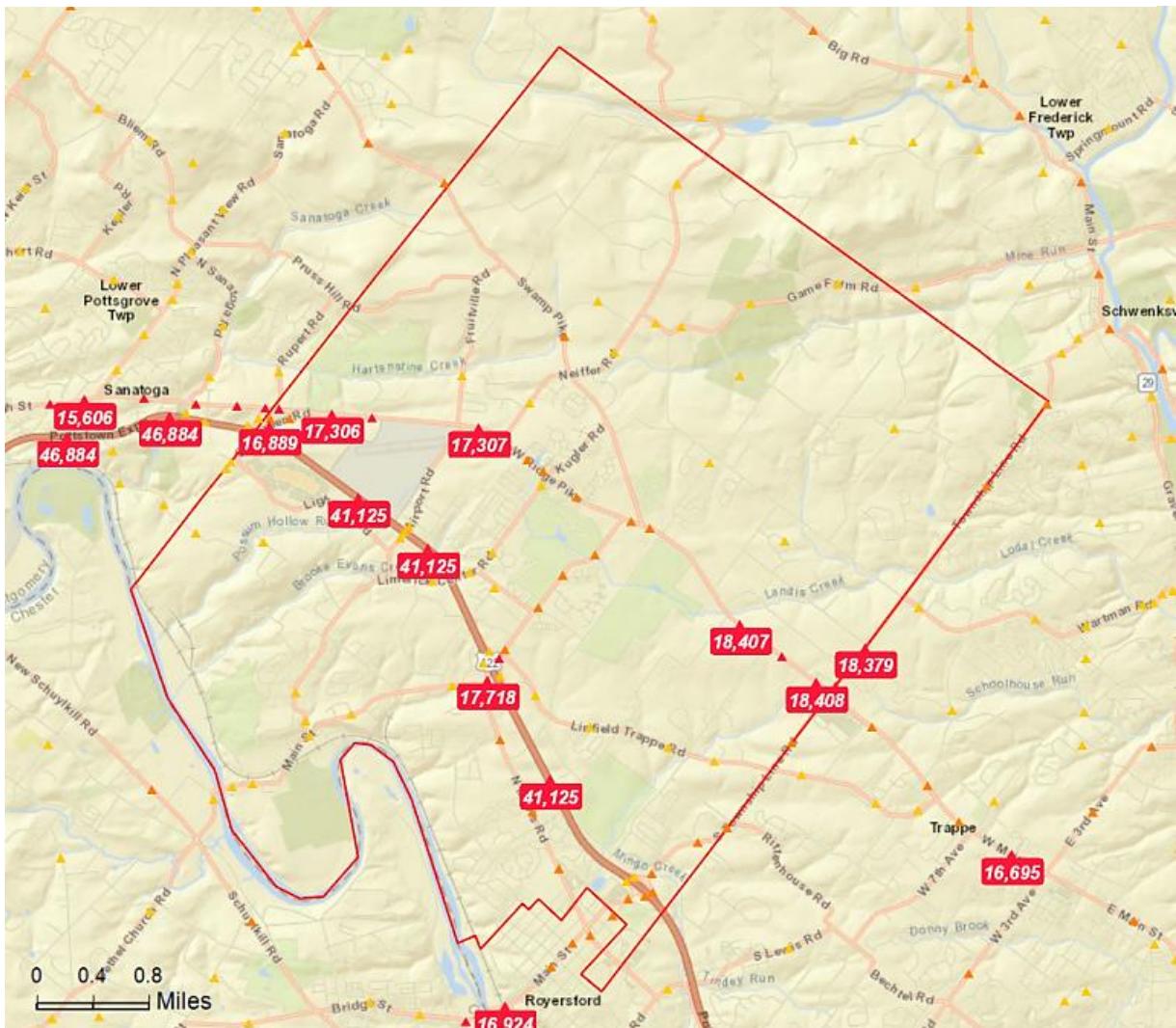
Traffic Counts

Based on 2019 data provided by Esri, compared to the PMA, traffic volumes in the Township (between 16,000 to 41,000 vehicles per day along U.S. Route 422) are relatively low (between 72,000 to 114,000 vehicles per day near King of Prussia). Given the Publicker site's limited vehicle access and low traffic counts, it is likely undesirable to potential major retail developers.



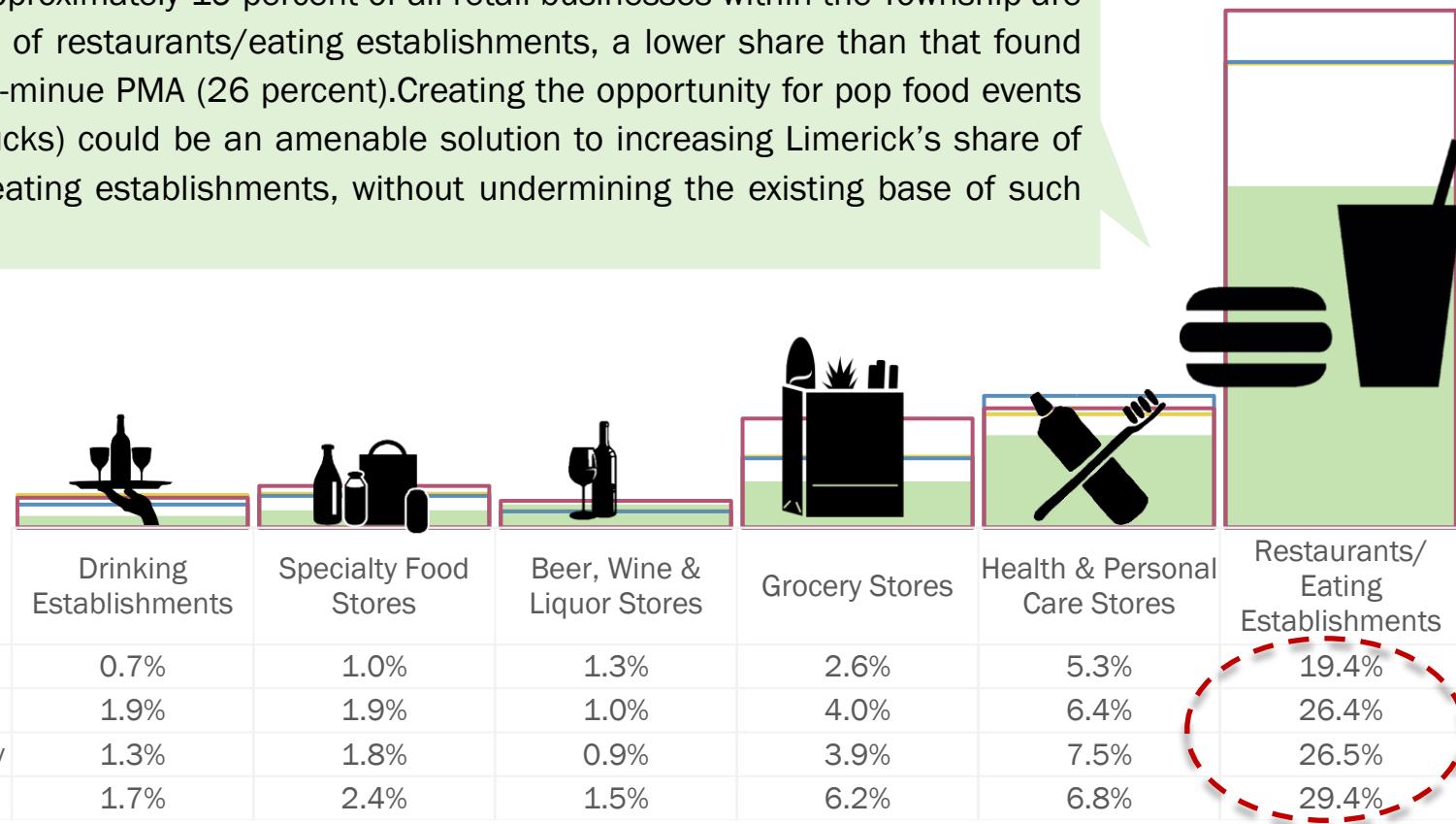
Average Daily Traffic Volume
▲ Up to 6,000 vehicles per day
▲ 6,001 - 15,000
▲ 15,001 - 30,000
▲ 30,001 - 50,000
▲ 50,001 - 100,000
▲ More than 100,000 per day

Source: Esri, 2019 Kalibrate Technologies (Q3 2019)



Estimated 2019 Business Mix

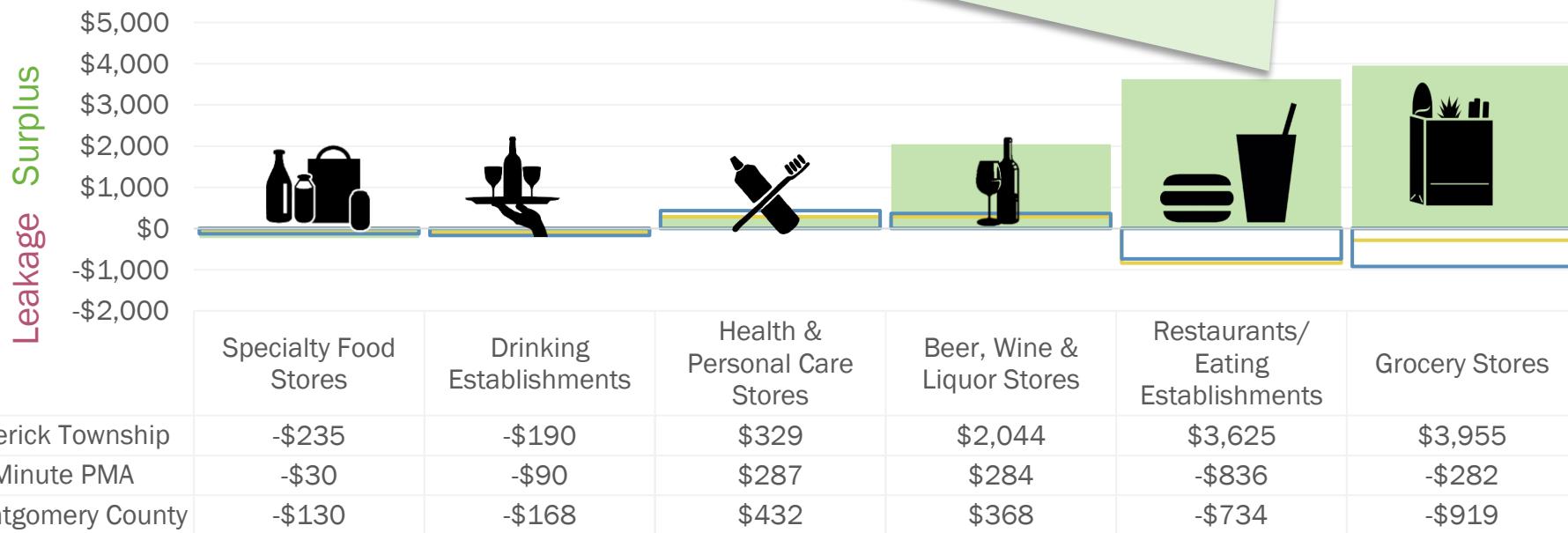
The chart below portrays the share of selected retail trade businesses within each geography. Approximately 19 percent of all retail businesses within the Township are characteristic of restaurants/eating establishments, a lower share than that found within the 20-minute PMA (26 percent). Creating the opportunity for pop food events (e.g., food trucks) could be an amenable solution to increasing Limerick's share of restaurants/eating establishments, without undermining the existing base of such businesses.



Source: Esri; 4ward Planning Inc., 2020

2019 Retail Gap per Household

According to data provided by Esri, the Township is experiencing a “surplus” of retail sales in some retail categories (e.g., grocery stores; restaurants/eating establishments; beer, wine and liquor stores; and health and personal care stores) - meaning either that people travel from outside the trade area to shop/dine or people living within the trade area consume more than would be expected given their income levels.



The Township is experiencing retail “leakage” of retail sales in some retail categories (e.g., specialty food stores, drinking establishments), meaning that either people living within the trade area shop outside the trade area, or people living within the trade area consume less than would be expected given their income levels.

Source: Esri; 4ward Planning Inc., 2020

Methodology: Retail Metric Assumptions

- 4ward Planning utilized various residential and commercial data sources to conduct a retail gap/leakage analysis within each geography.
- Esri retail marketplace data was the primary source for information on existing retail demand and sales.
- Retail metrics for average sales per square foot and size by category was adapted from data provided by BizStats, an online retail data service, to reflect currently observed neighborhood-retail supply trends. Retail metric assumptions are also presented in the table below.
- Accordingly, 4ward Planning developed a rough percent capture estimate for new commercial and/or mixed-use development demand within each geography.

Retail Category	Sales/SF	Median Size (SF)	Est. % Capture	Example Retailers
Grocery Stores	\$400	\$45,000	70%	Safeway, Whole Foods Market, Village Super Market
Specialty Food Stores	\$600	\$30,000	70%	The Fresh Market, Natural Grocers, Weis Markets
Beer, Wine & Liquor Stores	\$400	\$8,000	90%	Liquor Stores N.A.
Health & Personal Care Stores	\$1,000	\$17,000	90%	Rite Aid, Vitamin Shoppe, GNC
Restaurants/Eating Establishments	\$525	\$4,500	75%	Ruby Tuesday, Starbucks, Domino's Pizza
Drinking Establishments	\$500	\$2,500	80%	Brick House Tavern, Chili's Grill & Bar

Existing Retail Store Capture Estimates

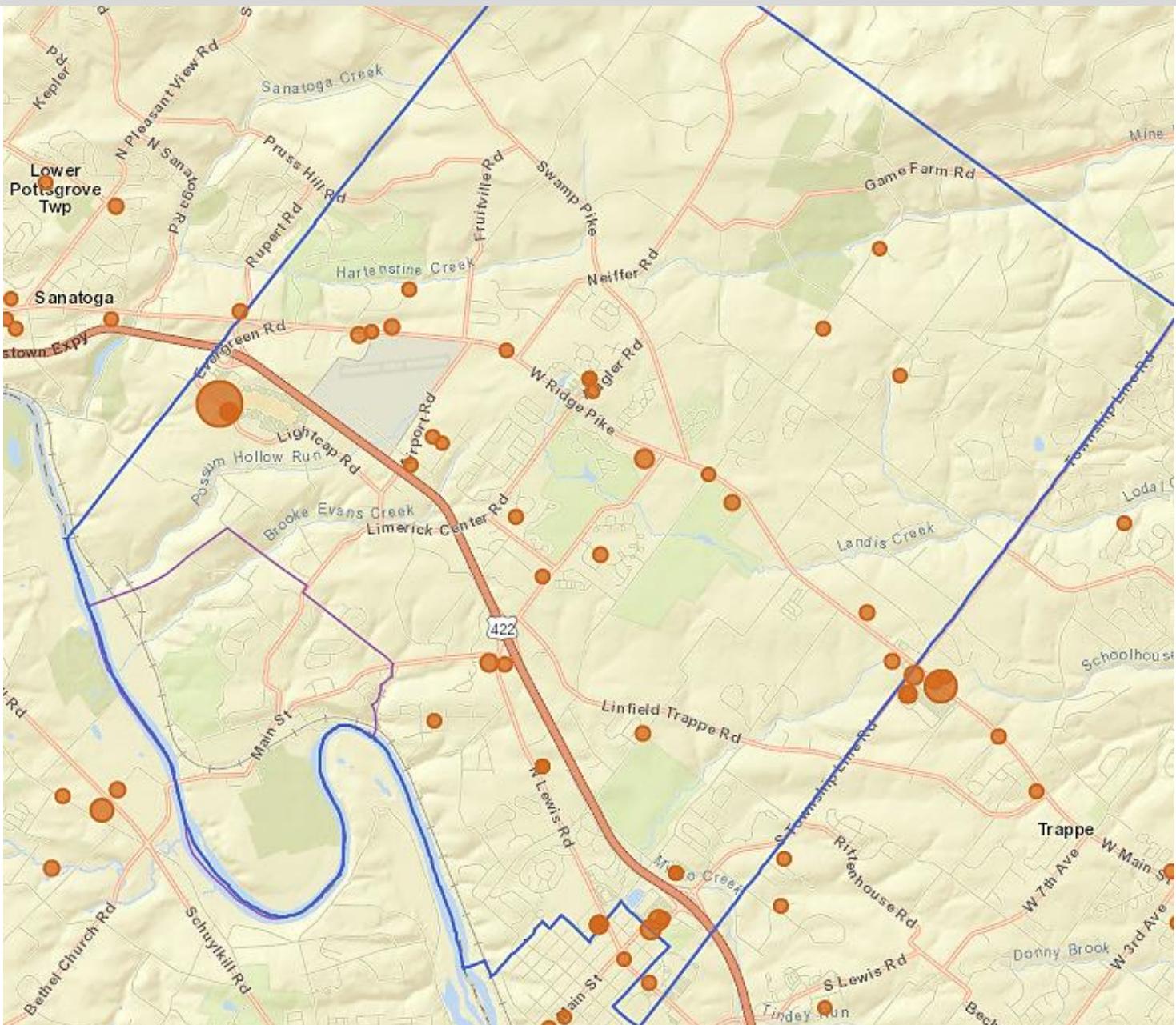
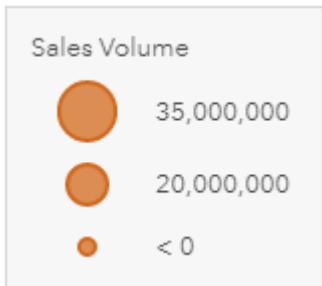
Based on the retail metric assumptions outlined on the preceding page, the table below compares existing supportable square-foot and store-equivalent estimates by selected retail category for each geography. Retail estimates presented in **red** represent retail categories experiencing a “surplus” of retail sales (supply exceeds the area’s demand) while estimates in **green** represent retail categories experiencing a “leakage” of retail sales (where demand exceeds supply). Retail categories experiencing leakage represent potential opportunities for new retailers to enter the trade area or for existing retailers to extend their marketing outreach to accommodate the excess demand. Based on retail supply/demand analysis, while there is insufficient net new retail demand within the Township alone to support new retail stores, there is sufficient demand within the larger PMA to support new retail stores, restaurants, and eating establishments, in particular.

	Limerick Township		20-minute PMA		Montgomery County	
	Supportable SF	Store Equivalent	Supportable SF	Store Equivalent	Supportable SF	Store Equivalent
Drinking Establishments	2,228	0.9	13,136	5.3	86,893	34.8
Specialty Food Stores	2,006	0.1	3,237	0.1	48,961	1.6
Health & Personal Care Stores	(2,166)	(0.1)	(23,525)	(1.4)	(125,306)	(7.4)
Beer, Wine & Liquor Stores	(33,646)	(4.2)	(58,282)	(7.3)	(266,986)	(33.4)
Restaurants/Eating Establishments	(37,891)	(8.4)	108,923	24.2	338,419	75.2
Grocery Stores	(50,635)	(1.1)	45,032	1.0	519,013	11.5
Total	(120,104)		88,521		600,994	

Source: 4ward Planning Inc., 2020

Retail Stores

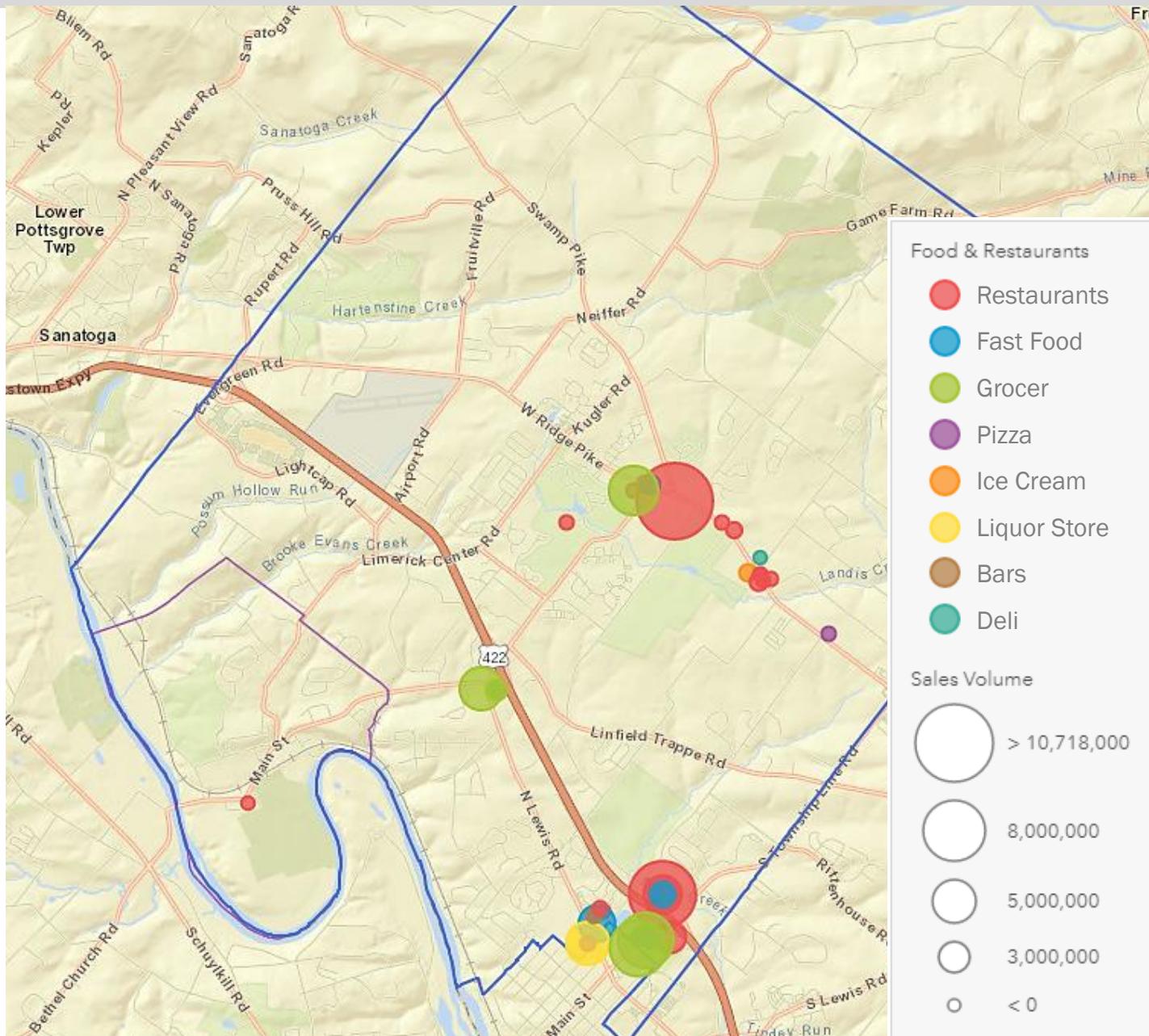
Based on 2019 data provided by Esri, there are no retail stores located within the project area.



Source: Esri, 2019

Restaurants

Based on 2019 data provided by Esri, most of Limerick Township's eating establishments are located either in the center of the Township along West Ridge Pike or near the Lakeview Shopping Centre. There is just one restaurant located within the project area.



Source: Esri, 2019

Commercial Office

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Key Findings: Commercial Office

Weak office demand in the submarket

According to first-quarter data provided by Avison Young, the project area is located in the West Montgomery County office submarket, a submarket with negative net absorption, no new office space under construction, relatively low average office asking rents (\$17.99 per square foot), and relatively high office vacancy rates (13.4 percent) – all metrics suggesting there is likely weak office demand within the project area.

305,000 square feet of available office space in PMA

Based on February 2020 data provided by LoopNet, there is approximately 305,000 square feet of available office building space within the PMA. Notably, the average office rent in the PMA (\$15.40 per square foot per year) is much lower than the average asking rent price in the three suburban Philadelphia submarkets representing the PMA (\$22.63 per square foot per year), suggesting that demand for office space in the PMA may not be as strong as those in the larger suburban Philadelphia office submarkets.

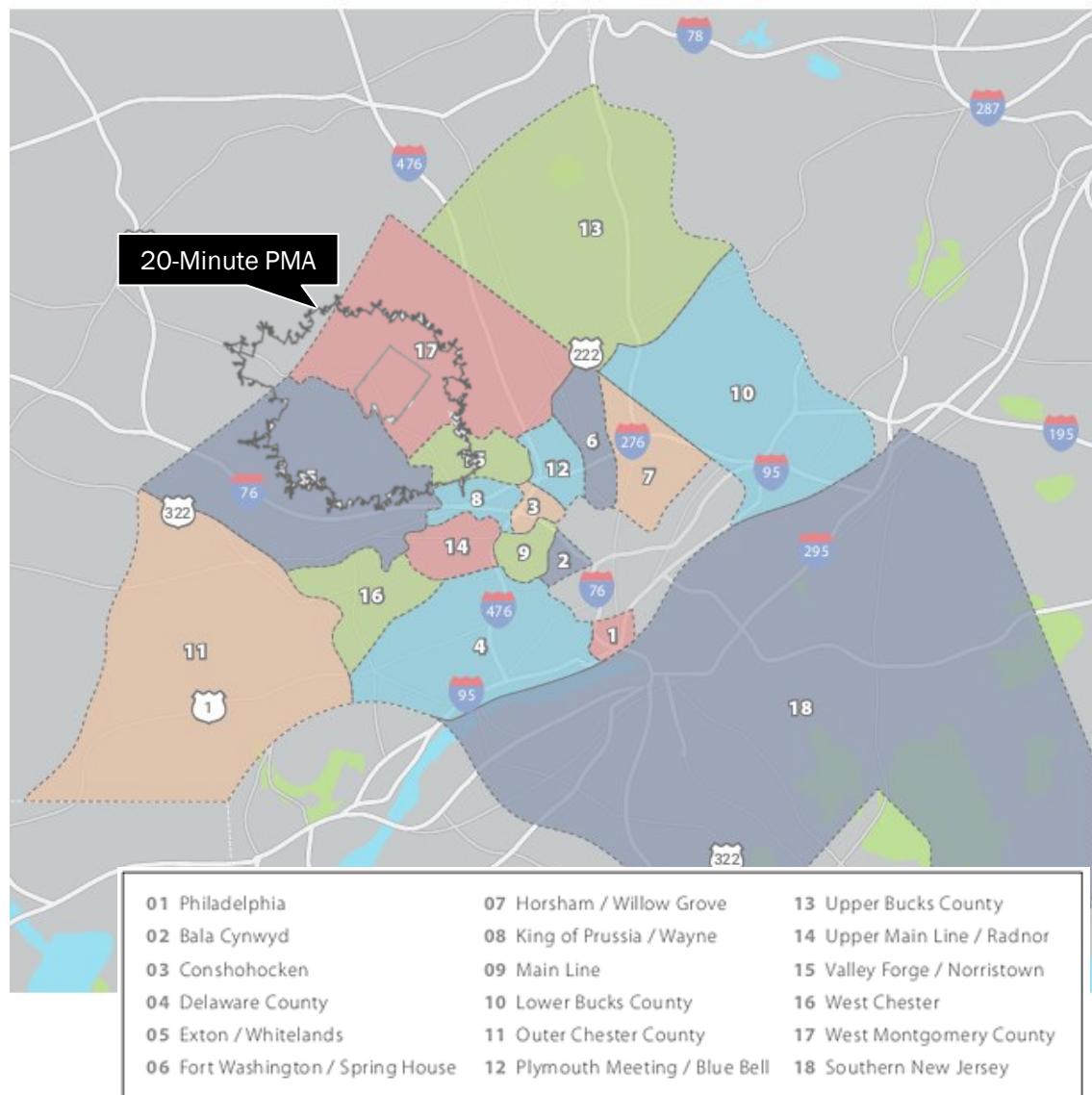
Existing office vacancies will limit new demand

Based on job growth within the PSTS; finance and insurance, management of companies and enterprises; and other services sectors, combined, and job growth within the health care and social assistance sector, there will be a net new demand for approximately 135,740 square feet of professional office space and 92,980 square feet of medical office space within the PMA by 2024. Some of the PMA's new office space demand could potentially be accommodated by the existing 259,400 square feet of available office and office/retail space, and 73,340 square feet of available medical office space currently for sale or lease within the PMA.

Office Market Characteristics: Philadelphia

The map to the right illustrates the office submarkets within the Philadelphia MSA, according to Avison Young. For purposes of analysis, office characteristics for the Suburban Philadelphia submarket (excludes the Philadelphia City Center and southern New Jersey submarkets) is presented in more detail on the following page. As highlighted to the right, the following three submarkets are assumed to generally represent the 20-minute PMA:

- Exton/Whitelands
- Valley Forge/Norristown
- West Montgomery County



Source: Avison Young, Philadelphia Office Market Report, Center City & Suburban Submarkets, 1Q 2019

Office Market Characteristics: Suburban Philadelphia

According to first-quarter data provided by Avison Young, presented below, there is over 17.1 million square feet of office space within the selected three suburban Philadelphia submarkets representing the 20-minute PMA, with 1.3 million square feet of this office space vacant (8.1 percent) and another 260,000 square feet under construction. The average asking office rent within the three submarkets is \$22.63 per square foot per year, less than the average asking office rent within the greater Suburban Philadelphia submarket (\$27.06 per square foot per year). Furthermore, the project area is located in the West Montgomery County office submarket, a submarket with negative net absorption, no new office space under construction, relatively low average office asking rents (\$17.99 per square foot), and relatively high office vacancy rates (13.4 percent) – all metrics suggesting there is likely weak office demand within the project area.

Suburban Philadelphia Office Characteristics, First Quarter 2019

Submarket	Inventory SF	Under Construction SF	Net Absorption SF	Vacancy SF Total	Vacancy Total	Leasing Activity SF	Asking Rent Overall	Asking Rent Class A
Exton /Whitelands	9,404,147	240,000	10,931	692,265	7.4%	79,941	\$26.76	\$27.89
Valley Forge / Norristown	4,561,712	20,000	4,125	271,892	6.0%	4,119	\$23.15	\$23.41
West Montgomery County	3,146,554	0	-2,787	421,844	13.4%	21,468	\$17.99	\$18.35
3 Submarkets (PMA)	17,112,413	260,000	12,269	1,386,001	8.1%	105,528	\$22.63	\$23.22
Suburban Philadelphia	80,113,469	1,255,715	-393,349	8,968,881	10.2%	1,032,119	\$27.06	\$28.51

Source: Avison Young, Philadelphia Office Market Report, Center City & Suburban Submarkets, 1Q 2019

Available Office Space: 20-Minute PMA

Based on February 2020 data provided by LoopNet, summarized below, there is approximately 213,290 square feet of available office building space for lease and 119,450 square feet for sale within the PMA. There is approximately 305,000 square feet of total available office building space within the PMA (some of this space is available either for sale and/or lease).

As mapped on the following slide, 73,200 square feet of available office building space is located in Limerick Township, largely located along North Lewis Road. The average office building sale price is \$130 per square foot. Notably, the average office rent in the PMA (\$15.40 per square foot per year) is much lower than the average asking rent price in the three suburban Philadelphia submarkets (\$22.63 per square foot per year), suggesting the demand for office space in the PMA may not be as strong as those in the larger office submarkets.

Buildings for Lease

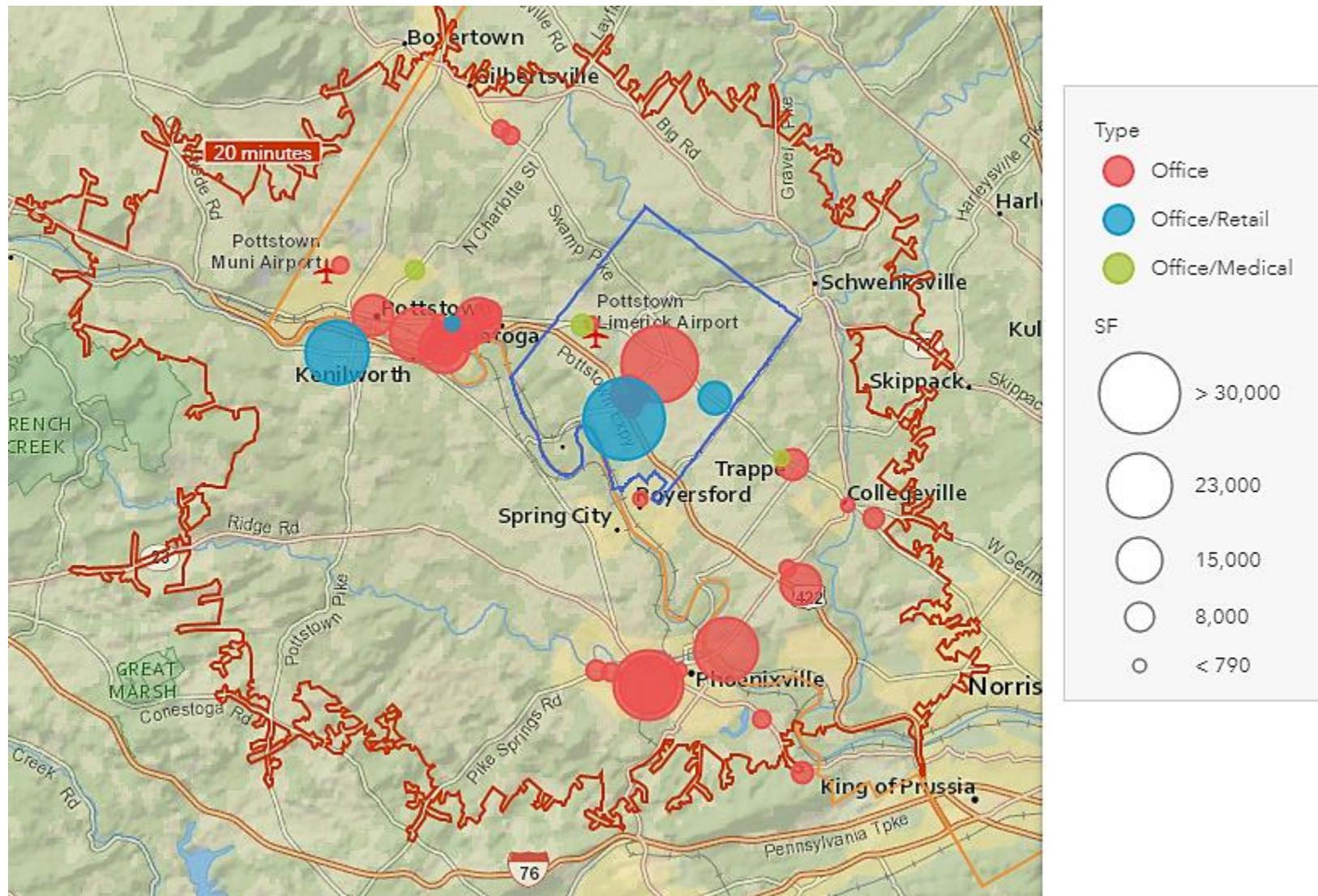
Type	Properties	SF	Average Price per SF
Office	20	139,750	\$14.67
Office/Retail	4	62,407	\$19.00
Medical Office	4	11,133	\$15.25
Total	28	213,290	\$15.40

Buildings for Sale

Type	Properties	SF	Average Price	Average Price per SF
Medical Office	6	62,202	\$1,172,373	\$135
Office	5	57,244	\$1,374,000	\$124
Total	11	119,446	\$1,264,022	\$130

Source: LoopNet, 4ward Planning, Inc., 2020

Available Office Building Space: 20-Minute PMA



Source: LoopNet, 4ward Planning, Inc., 2020

Methodology: Key Steps for Deriving Office Demand

Projecting 2024 Primary Jobs

To determine projected office space demand, primary jobs in the 20-minute PMA were projected through 2024, based on 2019 employment estimates provided by the Esri, and 2016 to 2026 employment by industry projections provided by the PA Department of Labor & Industry for Montgomery County.

Estimating the Number of Office Workers

A National Center for Real Estate Research study has estimated the percentage of employees in various industry sectors that typically work in office environments. Using these percentages, 4ward Planning estimated the number of capture-area employees that would likely require office space.

Determining Office Space Demand

Assuming a space requirement of 150 square feet per employee (a relatively conservative space requirement), the total demand for office space was estimated, based on the projected office workers for each year through 2024.

Office Supply/Demand: 20-Minute PMA, 2024

The table below depicts projected net new jobs, office workers, and office space demand (by square foot) by industry for the 20-minute PMA. By 2024, there will be approximately 3,490 new jobs and 1,930 new office workers, which will require approximately 290,060 square feet of new office space, the vast majority of which will likely be accommodated within currently vacant for-sale and for-lease office space (305,000 square feet).

	New Jobs	New Office Workers	New Office Space Demand (SF)
Health Care and Social Assistance	1,292	620	92,980
Professional, Scientific, and Technical Services	689	614	92,115
Construction	397	193	28,983
Accommodation and Food Services	358	27	3,984
Educational Services	255	144	21,665
Administration & Support, Waste Management & Remediation	250	88	13,175
Finance and Insurance	240	231	34,619
Arts, Entertainment, and Recreation	131	22	3,347
Other Services (except Public Administration)	131	52	7,862
Transportation and Warehousing	128	29	4,413
Real Estate and Rental and Leasing	75	34	5,115
Utilities	18	5	694
Wholesale Trade	13	4	578
Management of Companies and Enterprises	9	8	1,144
Mining, Quarrying, and Oil and Gas Extraction	-	-	-
Retail Trade	(75)	(21)	(3,176)
Public Administration	(22)	(10)	(1,428)
Retail Trade	(75)	(21)	(3,176)
Information	(58)	(40)	(6,050)
Manufacturing	(341)	(66)	(9,963)
Total	3,489	1,934	290,057

Source: Esri; PA Department of Labor & Industry; 4ward Planning Inc., 2020

Office Supply/Demand: 20-Minute PMA, 2024 (continued)

Office space demand varies by office subtype due to the nature of the businesses in those industries. For example, new office workers in the health care and social assistance sector (largest industry by net new workers in the PMA) may require medical office space, new office workers in the professional, scientific, and technical services (PSTS) sector (second largest industry by new workers in the PMA) may require professional office space. Development of the project area should consider the demand by office space subtype within the PMA, in making land-use decisions within the area. For example, based on job growth within the PSTS; finance and insurance, management of companies and enterprises; and other services sectors, combined, and job growth within the health care and social assistance sector, there will be a net new demand for approximately 135,740 square feet of professional office space and 92,980 square feet of medical office space within the PMA by 2024. Some of the PMA's new office space demand could potentially be accommodated by the existing 259,400 square feet of available office and office/retail space, and 73,340 square feet of available medical office space currently for sale or for lease within the PMA.

Office Subtypes	Industries	20-Minute PMA
Professional	Professional, Scientific, and Technical Services; Finance and Insurance, Management of Companies and Enterprises; Other Services	135,740
Medical	Health Care and Social Assistance	92,980
Limited	Construction; Agriculture; Mining	28,983
Institutional	Educational Services; Public Administration	20,236
Flex / Industrial	Transportation and Warehousing; Wholesale Trade	4,992
Commercial	Retail Trade, Accommodation and Food Services; Arts, Entertainment, and Recreation	979

Source: Esri; PA Department of Labor & Industry; 4ward Planning Inc., 2020

Industrial

Key Findings: Industrial

Relatively tight industrial market

According to fourth-quarter 2019 data provided by Newmark Knight Frank, a global commercial real estate services company, the average industrial vacancy rate within Montgomery County (6.0 percent) is slightly lower than that within the southeastern Pennsylvania submarket (6.4 percent). Reis forecasts that the average industrial vacancy rate within the Philadelphia MSA will decrease from 8.3 percent in 2019 to 6.7 percent by 2023. These metrics suggest the industrial market is tight and is expected to tighten further.

Relatively high average R&D/flex rent in County

According to fourth-quarter 2019 data provided by Newmark Knight Frank, the average asking R&D/flex rent in the County (\$20.87 per square foot per year) is relatively high, compared to that in the southeastern Pennsylvania submarket (\$12.78 per square foot per year). However, based on February 2020 data provided by LoopNet, the average asking rent price for flex building space in the PMA (\$7.90 per square foot per year) is much lower than that in the County, suggesting the demand for flex space in the PMA may not be as strong.

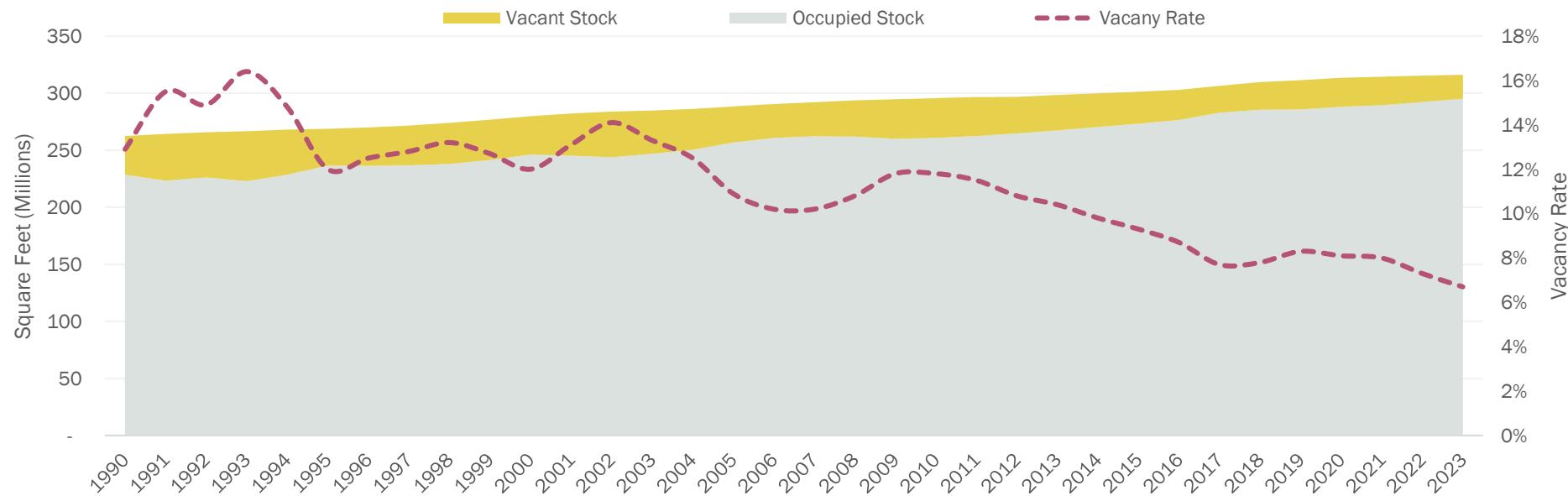
811,000 SF of available industrial space in the PMA

Based on February 2020 data provided by LoopNet, there is approximately 811,000 square feet of industrial space available within the PMA, with much of this inventory characteristic of either warehouse or flex space and located near Pottstown. The PMA also has 178 acres of industrial land available for sale.

Industrial Vacancy: Philadelphia MSA

According to third-quarter 2019 data provided by Reis, there is approximately 311.5 million square feet of industrial space within the Philadelphia MSA, with 8.3 percent of this space vacant (representing 25.8 million square feet). Reis forecasts that the average industrial vacancy rate within the MSA will decrease to 6.7 percent (representing 21.1 million square feet of vacant industrial space) by 2023.

Industrial Vacancy Trends and Forecasts: Philadelphia MSA

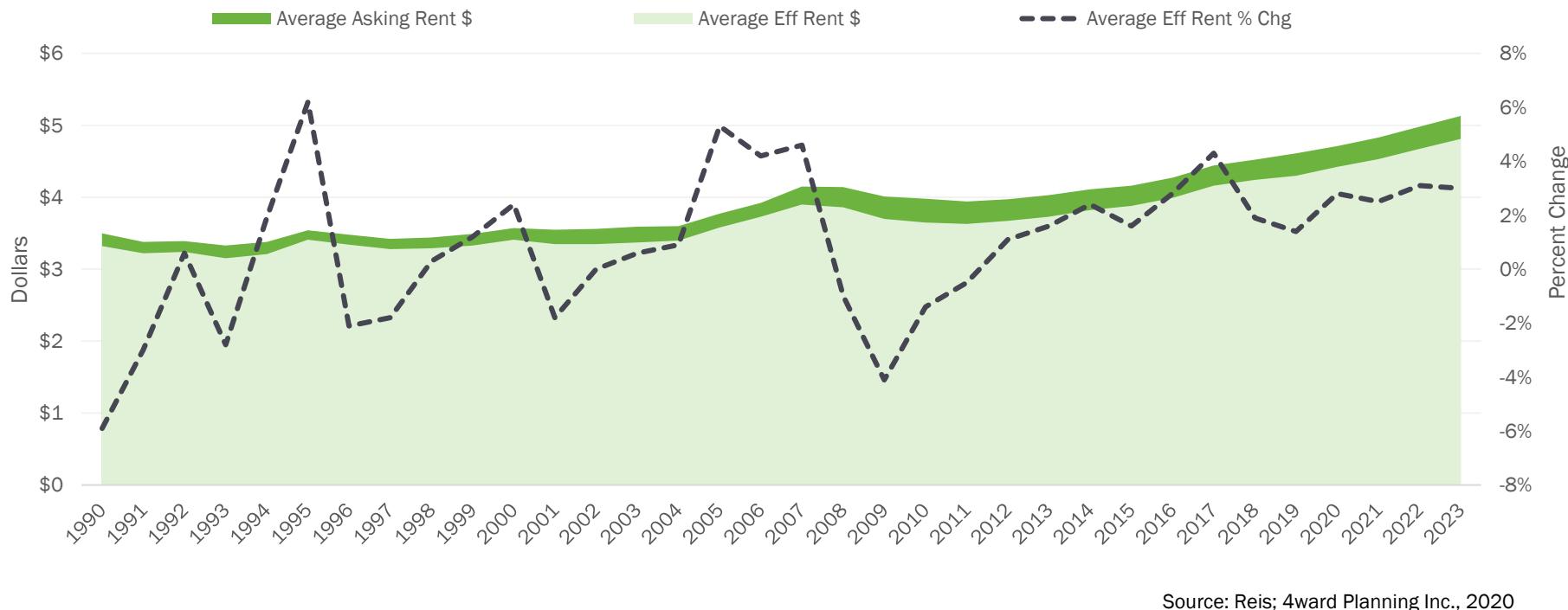


Source: Reis; 4ward Planning Inc., 2020

Industrial Rents: Philadelphia MSA

As of third-quarter 2019, average industrial asking and effective rents in the Philadelphia MSA market were approximately \$4.60 and \$4.30 per month, respectively. Reis predicts that industrial asking and effective rents within the MSA will continue to grow by 2.8 and 3.0 percent, respectively, per year through 2023.

Apartment Asking Rent Growth Trends and Forecasts: Philadelphia MSA



Source: Reis; 4ward Planning Inc., 2020

Industrial Market Characteristics: Southeastern PA

According to fourth-quarter 2019 data provided by Newmark Knight Frank, a global commercial real estate services company, Montgomery County has approximately 71.4 million square feet of industrial space (20 percent of the inventory located within the seven-county southeastern Pennsylvania submarket) with another 176,700 square feet under construction. As of fourth-quarter 2019, 139,364 square feet of industrial space had been absorbed in the County. The County's average industrial vacancy rate (6.0 percent) is slightly lower than that within the southeastern Pennsylvania submarket (6.4 percent). While the average asking warehouse rent in the County (\$4.77 per square foot per year) is relatively comparable to that in the southeastern Pennsylvania submarket, average asking R&D/flex rents in the County (\$20.87 per square foot per year) are relatively high, suggesting there may be strong demand for flex space in the County.

Southeastern PA Industrial Market Characteristics, 4Q 2019

County	Square Feet		Total Vacancy Rate	Absorption (SF)		Asking Rent (Price per SF)		
	Inventory	Under Construction		Qrt.	YTD	Warehouse	R&D/Flex	Total
Berks	27,789,749	597,600	26.0%	-57,595	615,214	\$4.26	\$5.67	\$4.37
Bucks	57,381,571	125,000	6.0%	-622,001	-376,752	\$5.91	\$8.19	\$6.32
Chester	37,342,175	183,217	4.7%	54,122	252,348	\$7.32	\$10.12	\$8.55
Delaware	29,204,193	95,000	4.4%	94,402	429,113	\$5.63	\$7.67	\$5.15
Lancaster	57,160,529	0	1.9%	1,007,366	799,010	\$4.11	\$9.46	\$4.63
Montgomery	71,367,026	176,700	6.0%	-174,331	139,364	\$4.77	\$20.87	\$10.36
Philadelphia	85,197,511	835,133	5.2%	86,672	345,779	\$5.12	\$6.35	\$4.73
Southeastern PA	365,442,754	2,012,650	6.4%	388,635	2,205,076	\$5.07	\$12.78	\$6.74

Source: Cushman & Wakefield, Philadelphia Industrial Marketbeat, 4Q 2019

Recent Notable Industrial Sales: Montgomery County

The bullets below highlight some of the recent notable industrial sales in Montgomery County, according to third- and fourth-quarter 2019 data provided by Cushman & Wakefield.



Hatfield Property (Warehouse)

- Maguire Hayden acquired the 324,795-square-foot warehouse property in Hatfield (currently leased to Penn Beer) and has plans to develop two new 150,000-square-foot warehouse distribution centers on the remaining 30 undeveloped acres.



Van Buren Property (Flex)

- Located just outside the PMA, Sandkris Properties Inc. paid \$32 million in October 2019 to purchase the 249,400-square-foot industrial building at the Park Pointe at Lower Providence Corporate Center in Norristown. The property consists of Class A, multi-use space and boasts such amenities as multiple outdoor seating, grab-and-go food service, an Internet café, and a new multi-purpose meeting room with the latest AV capabilities.



Mid-County Industrial Center (Warehouse)

- The Flynn Company plans to renovate and lease the 130,000-square-foot multi-tenant industrial warehouse building in Norristown. Suites ranging from 5,000 to 65,000 square feet are currently available, with rental rates ranging from \$4.50 to \$5.75 square feet NNN.

Source: Cushman & Wakefield, Philadelphia Industrial Marketbeat, 4Q 2019

Available Industrial Space: 20-Minute PMA

Based on February 2020 data provided by LoopNet, summarized below and mapped on the following slide, there is approximately 811,000 square feet of industrial space available within the PMA (689,390 square feet for lease and 195,750 square feet for sale with some buildings available for lease or sale), with much of this inventory located near Pottstown and characteristic of either warehouse or flex space. For industrial building space, the average lease price is \$6.31 per square foot per year and the average sale price is \$69 per square foot. Notably, the average rent price for flex building space in the PMA (\$7.90 per square foot per year) is much lower than the average asking rent price in the County (\$20.87 per square foot per year), suggesting that the demand for flex space in the PMA may not be as strong as that in the County. The PMA also has 178 acres of industrial land available for sale.

Buildings for Lease

Type	Properties	SF	Average Price per SF
Warehouse	10	372,622	\$5.69
Flex	10	189,480	\$7.93
Distribution	2	92,400	\$1.50
Manufacturing	1	23,000	\$2.75
Truck Terminal	1	6,885	\$8.71
Industrial Service	1	5,000	\$6.00
Total	25	689,387	\$6.31

Note: Some buildings are both available for lease and for sale.

Source: LoopNet, 4ward Planning, Inc., 2020

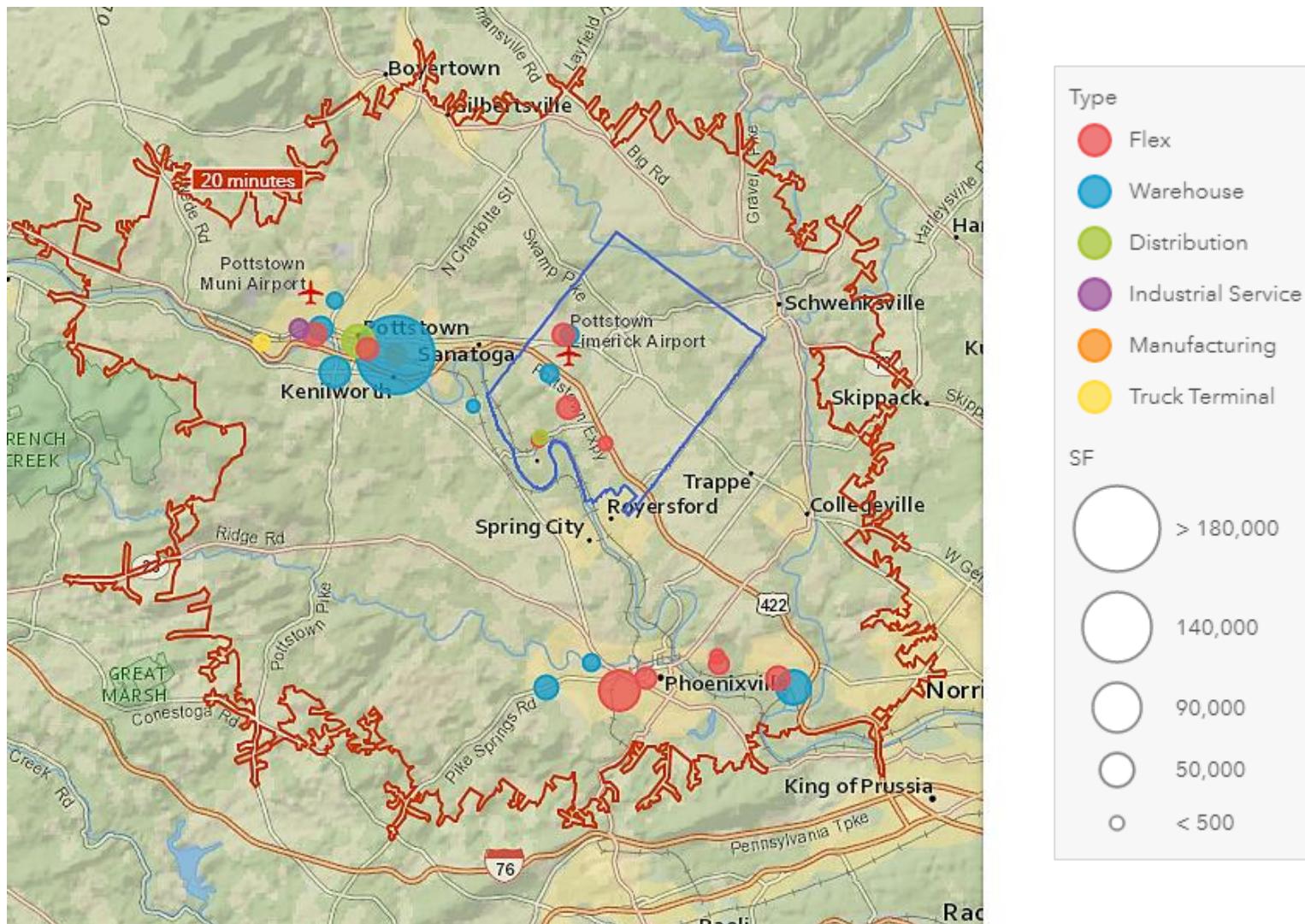
Buildings for Sale

Type	Properties	SF	Average Price	Average Price per SF
Warehouse	4	101,248	\$2,037,500	\$84
Flex	3	74,080	\$1,423,333	\$57
Industrial Service	1	16,925	\$675,000	\$40
Distribution	1	3,500	\$275,000	\$79
Total	9	195,753	\$1,485,556	\$69

Land for Sale

Type	Properties	Acres	Average Price	Average Price per Acre
Industrial	7	178	\$1,564,250	\$116,416

Available Industrial Building Space: 20-Minute PMA



Source: LoopNet, 4ward Planning, Inc., 2020

APPENDIX

Glossary of Terms: Socio-Economic

Employment by Industry: The industry is the type of activity that occurs at a person's place of work. Industries are classified through the North American Industry Classification System (NAICS), the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

Empty-Nester Household: A household in which one or more parents live after the children have left home, typically represented by ages 55 through 74.

Family: A family is a group of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people are considered members of one family.

Growth Rates: The chart below outlines how 4ward Planning defines growth rates. For example, flat growth reflects an annualized rate of change between -0.75 and 0.75 percent.

Strong Positive Growth	Greater than 1.50%	annually
Modest Positive Growth	Between 1.50% and 0.75%	annually
Flat Growth	Between 0.75% and -0.75%	annually
Modest Negative Growth	Between -0.75% and -1.50%	annually
Strong Negative Growth	Less than -1.50%	annually

Household: A household consists of all the people who occupy a housing unit. A house, apartment, or other group of rooms or a single room, is regarded as a housing unit when occupied or intended for occupancy as a separate living quarter. The count of households excludes group quarters and institutions.

Household Population: Household population, as compared to total population, excludes persons living in dormitories, penal facilities, hospitals, and other institutional settings.

Non-Family Household: A non-family household consists of a householder living alone (a one-person household) or a householder sharing the home exclusively with people to whom he/she is not related.

Primary Job: According to the U.S. Census, a primary job refers to the job an individual has which provides the greatest income. If an individual is employed by a single job, this would be considered a primary job. If an individual is employed at multiple jobs, including part-time employment, the job that provides the greatest income would be considered a primary job.

Metropolitan Statistical Area (MSA): Metropolitan statistical areas consist of the MSA or counties (or equivalent entities) associated with at least one urbanized area of at least 50,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties.

Source: US Census Bureau

Glossary of Terms: Senior Housing

Age Restricted

Refers to housing developments where a legal restriction requires that all residents are 62 years of age or older or developments where at least one person (per household) who is age 55 or older lives in at least 80% of the development's occupied units.

Age Targeted

Refers to housing developments with amenities attractive to older residents or empty nesters, but without any legal restrictions on the age(s) of residents.

Assisted Living (or Personal Care) Facility

A facility in which food, shelter, and personal assistance or supervision are provided for a period exceeding 24 hours for four or more adults who are not relatives of the operator, who do not require the services in or of a long-term care facility, but who do require assistance or supervision in matters such as dressing, bathing, diet, financial management, evacuation of a residence in case of an emergency, or medication prescribed for self-administration. These facilities are licensed by the PA Dept. of Public Welfare.

Continuing Care Retirement Communities (CCRCs)/Life Care

A facility which typically offers a variety of independent living arrangements for residents, together with medical and nursing services, full central dining accommodations, and educational, recreational, and social activities for those who wish to partake of them. Residents are sometimes required to pay a sizable entrance fee, as well as a substantial monthly charge, in return for all the services offered and use of their living accommodations. CCRCs are issued a Certificate of Authority by the PA Dept. of Insurance.

Independent Living Community

A housing complex—with multifamily units, attached homes, singles, or a combination of units—that is age restricted and caters to senior citizens, with minimal personal care services.

Long Term Care Nursing Home/Nursing Home

A facility licensed by the PA Dept. of Health that provides skilled or intermediate nursing care (or both) to two or more patients who are unrelated to the nursing home administrator, for greater than a 24-hour period.

Multifamily (MF)

A housing development consisting of one or more larger apartment-style buildings, with common entryways that serve the buildings' multiple dwelling units.

Single-Family Attached (SFA)

Housing units in which two or more units share a vertical party wall but have individual entryways into the units; many developments with attached units have common open spaces as well.

Single-Family Detached (SFD)

Housing units which stand alone on a lot and do not share any party walls.

Interview Contacts: Real Estate Professionals

After compiling a list of 12 local real estate professionals, 4ward Planning called and sent subsequent emails to each prospective contact, requesting brief telephone interviews regarding multi-family residential and senior living real estate trends in and around the NSH study area. Of those contacted, the following five brokers were responsive and willing to share their perceptions of the local market:

Pamela Butera

Keller Williams Real Estate
625 W. Ridge Pike
Building F
Conshohocken, PA, 19428
(215) 205-8130

Michael Lautensack

Del Val Realty & Property
Management
81 Lancaster Avenue
Suite 218
Malvern, PA19355
(610) 347-8029

Donna Moles

Charles L. Moles Real Estate
1121 W. Main Street
Norristown, PA 19401
(610) 275-2050

Rosemary Morrison

Long & Foster Real Estate Inc.
860 Penllyn-Blue Bell Pike
Blue Bell, PA, 19422
(215) 591-5653

Donna Young

Coldwell Banker
686 Dekalb Pike
Blue Bell, PA, 19422
(215) 740-0618



For more information, please contact:

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