Harbor Steps Northwest	
Map Nos.:	B-226
Tax Parcel Nos.:	197620-0070
Property key:	4317
Address	1301 1st Avenue
Zoning:	DMC-170
Property rights:	No apparent restrictions, view protection easement in favor of prope 1652)
Previous sale:	N/A
Proximity to project:	300± feet to waterfront park
Ownership:	EQR-Harbor Steps, LLC
Description:	15,360 SF site on the northeast corner of Western Avenue and Unive improved with a 115-unit apartment building constructed in 2000, w and 115-stall basement parking structure.

INCOME ANALYSIS Before	Year Built	2000
	Parking	115

Potential Gross Income

	Units	**SF NRA**	**Total NRA**	**Rent**	**Rent/SF**
Studio	16	518	8,288	$2,020	$3.90
1-bedroom	73	759	55,407	$2,600	$3.43
2-bedroom	26	1,105	28,730	$3,475	$3.14
Total apartments	115	804	92,425	$2,717	$3.38
	GBA	**NRA**			
Retail	13,591	12,631		SF NRA @	$32.00
Restaurant	0	0		SF NRA @	$0.00
Other	0	0		SF NRA @	$0.00
Other	0	0		SF NRA @	$0.00
Subtotals	13,591	12,631			
Parking Area/Stalls	39,354	0	115	stalls @	$300.00
Basement	0	0		SF NRA @	$0.00
Other	0	0		SF NRA @	$0.00
Other				1.0%	of PGI
Total Bldg Area & Gross Income	184,094	114,388		SF NRA @	$40.26

Less: Vacancy/credit allowance @	4.0%	of apartment revenue
	5.0%	of commercial revenue
	0.0%	of parking revenue
Total vacancy/credit allowance		
Effective gross income		

Less: Operating expenses		
Management fee @	5.0%	of total EGI
Parking operating expenses @	0.0%	of parking EGI
Apartment operating expenses	27.0%	of apartment EGI
Structural maintenance/reserve	$0.25	per SF of GBA

Total operating expenses		$10.84	28.0%
Net operating income			
Indicated Value			
Land Value			
	15,360	SF @	$1,250.00
Residual Improvements	114,388	SF NRA @	$513.50
	184,094	SF GRA @	$319.07

Special Benefit Summary

	Land			
	Per SF	**Total**	**Improved**	**% Change**
Without LID	$1,250.00	$19,200,000	$58,738,000	N/A
With LID				
Scenario A1	$1,287.50	$19,776,000	$60,138,000	2.38%
Scenario A2	$1,287.50	$19,776,000	$60,731,000	3.39%
Scenario B1	$1,287.50	$19,776,000	$60,714,000	3.36%
Scenario B2	$1,287.50	$19,776,000	$60,110,000	2.34%
Percent change in land value	3.00%		$60,423,000	2.87%
Summary				
Without LID	$1,250.00	$19,200,000	$58,738,000	N/A
With LID	$1,287.50	$19,776,000	$60,305,000	2.67%

Harbor Steps Northwest

Scenario A: Rental and Vacancy Rate Changes

erty owner (per AFN 20130517-

ersity Street, zoned DMC-170,
vith 12,631 SF of retail space

		INCOME ANALYSIS After	Year Built	2000		
		Potential Gross Income				
			Units	**SF NRA**		
	$387,840	Studio	16	518		
	$2,277,600	1-bedroom	73	759		
	$1,084,200	2-bedroom	26	1,105		
	$3,749,640	Total apartments	115	804		
			GBA	**NRA**		
per SF =	$404,192	Retail	13,591	12,631	SF	
per SF =	$0	Restaurant	0	0	SF	
per SF =	$0	Other	0	0	SF	
per SF =	$0	Other	0	0	SF	
	$404,192	Subtotals	13,821	15,817		
/month	$414,000	Parking Area/Stalls	39,354	0	115	
per SF =	$0	Basement	0	0	SF	
per SF =	$0	Other	0	0	SF	
	$37,496	Other				
/SF =	$4,605,328	Total Bldg Area & Gross Income	184,094	114,388	SF	
	($149,986)	Less: Vacancy/credit allowance			of apartment	
	($20,210)				of commercial	
	$0				of parking	
	($170,195)	Total vacancy/credit allowance				
	$4,435,133	Effective gross income				
		Less: Operating expenses				
	($221,757)	Management fee @	5.0%	of total EGI		
	$0	Parking operating expenses @	0.0%	of parking EGI		
	($971,907)	Apartment operating expenses	27.0%	of apartment EGI		
	($46,024)	Structural maintenance/reserve	$0.25	per SF of GBA		

$10,780	($1,239,687)		Total operating expenses
	$3,195,446		Net operating income
			Indicated Value
Capitalized @	4.10%		
Indicated value	$77,937,716		
(R)	**$77,938,000**		
Per DU	$677,722		
			Land Value
per SF =	$19,200,000		15,360
per SF =	$58,738,000		**Residual Improvements**
			Special Benefit Summary

Total Estimated Value	**Special Benefit**	**% Change**	
$77,938,000	N/A	N/A	
			Per DU
$79,914,000	$1,976,000	2.54%	$17,183
$80,507,000	$2,569,000	3.30%	$22,339
$80,490,000	$2,552,000	3.27%	$22,191
$79,886,000	$1,948,000	2.50%	$16,939

$77,938,000	N/A	
$80,081,000	$2,143,000	2.75%

Harbor Steps Northwest

Scenario B: Overall Capitalization R

					INCOME ANALYSIS After
					Potential Gross Income
			Low	**High**	
	Per DU	Per DU	2.50%	3.25%	
	$2,071	$2,086	$397,536	$400,445	Studio
	$2,665	$2,685	$2,334,540	$2,351,622	1-bedroom
	$3,562	$3,588	$1,111,305	$1,119,437	2-bedroom
	$2,785	$2,805	$3,843,381	$3,871,503	Total apartments
			2.50%	3.25%	
NRA @	$32.80	$33.04	$414,297	$417,328	Retail
NRA @	$0.00	$0.00	$0	$0	Restaurant
NRA @	$0.00	$0.00	$0	$0	Other
NRA @	$0.00	$0.00	$0	$0	Other
			$414,297	$417,328	Subtotals
	Per Month	Per Month	2.50%	3.25%	
stalls @	$307.50	$309.75	$424,350	$427,455	Parking Area/Stalls
	Per SF	Per SF	0.00%	0.00%	
NRA @	$0.00	$0.00	$0	$0	Basement
NRA @	$0.00	$0.00	$0	$0	Other
1.0%	of PGI		$38,434	$38,715	Other
NRA @	$41.27	$41.57	$4,720,462	$4,755,002	Total Bldg Area & Gross Income
revenue	4.00%	4.00%	($153,735)	($154,860)	Less: Vacancy/credit allowance @
revenue	5.00%	5.00%	($20,715)	($20,866)	
revenue	0.00%	0.00%	$0	$0	
			($174,450)	($175,727)	Total vacancy/credit allowance
			$4,546,012	$4,579,275	Effective gross income
					Less: Operating expenses
			($227,301)	($228,964)	Management fee @
			$0	$0	Parking operating expenses @
			($996,204)	($1,003,494)	Apartment operating expenses
			($46,024)	($46,024)	Structural maintenance/reserve

		($1,269,528)	($1,278,481)		Total operating expenses
		$3,276,483	$3,300,794		Net operating income
					Indicated Value
	Capitalized @	4.10%	4.10%		
		$79,914,222	$80,507,174		
	(R)	**$79,914,000**	**$80,507,000**		
	Per DU	$694,904	$700,061		
	% change	2.54%	3.30%		
					Land Value
SF @ $1,287.50	per SF =	$19,776,000	$19,776,000	3.00%	
		$60,138,000	$60,731,000		**Residual Improvements**
	Per SF NRA	$525.74	$530.92		
		$1,976,000	**$2,569,000**		**Special Benefit Summary**

Rates Changes

Year Built	2000

Units	SF NRA	Total NRA	Rent	Rent/SF		
16	518	8,288	$2,020	$3.90		$387,840
73	759	55,407	$2,600	$3.43		$2,277,600
26	1,105	28,730	$3,475	$3.14		$1,084,200
115	804	92,425	$2,717	$3.38		$3,749,640
13,591	12,631		SF NRA @	$32.00	per SF =	$404,192
0	0		SF NRA @	$0.00	per SF =	$0
0	0		SF NRA @	$0.00	per SF =	$0
0	0		SF NRA @	$0.00	per SF =	$0
13,821	15,817					$404,192
39,354	0	115	stalls @	$300.00	/month	$414,000
0	0		SF NRA @	$0.00	per SF =	$0
0	0		SF NRA @	$0.00	per SF =	$0
			1.0%	of PGI		$37,496
184,094	114,388		SF NRA @	$40.26	/SF	$4,605,328
4.0%	of apartment revenue					($149,986)
5.0%	of commercial revenue					($20,210)
0.0%	of parking revenue					$0
						($170,195)
						$4,435,133
5.0%	of total EGI					($221,757)
0.0%	of parking EGI					$0
27.0%	of apartment EGI					($971,907)
$0.25	per SF of GBA					($46,024)

					($1,239,687)	
					$3,195,446	
				Low	**High**	
			Capitalized @	3.97%	4.00%	
			Indicated Value	$80,489,833	$79,886,159	
			(R)	**$80,490,000**	**$79,886,000**	
			Per DU	$699,913	$694,661	
			% change	3.27%	2.50%	
15,360	SF @	$1,287.50	per SF =	$19,776,000	$19,776,000	3.00%
				$60,714,000	$60,110,000	
			per SF NRA	$530.77	$525.49	
				$2,552,000	**$1,948,000**	