

The Low-Income Housing
Tax Credit at Year 30:

*Recent Investment
Performance (2013-2014)*



A CohnReznick LLP Report

Tax Credit Investment Services

DECEMBER 2015

COHN **REZNICK**
ACCOUNTING • TAX • ADVISORY

Introduction

This is the fourth in a series of periodic reports issued by CohnReznick LLP that address the performance of properties financed with federal low-income housing tax credits (housing tax credits) and the investment funds organized to acquire interests in such properties.

To compile and analyze the data required for the assessment, CohnReznick requested the participation of every active housing tax credit syndicator and some of the nation's largest institutional investors. Thirty-three housing tax credit syndicators and three of the nation's largest investors, and three affordable housing organizations participated in the survey. A complete list of study participants appears on the Acknowledgements page. This effort would not have been possible without the support of these organizations. CohnReznick analyzed data collected from more than 20,000 housing tax credit properties, focusing on how they performed during 2013 and 2014. For a more extensive discussion of the methodology employed to collect and analyze property data, please refer to Appendix A.

We are grateful to the housing credit industry for its continuing support of CohnReznick's campaign to promote a deeper understanding of the housing tax credit program, its strengths, and the critical role it plays in the development of affordable housing.

COHNREZNICK LLP
December 2015

Report Restrictions

CohnReznick has used information gathered from the housing credit industry participants listed on the Acknowledgements page of this report to compile this study. The information provided to us has not been independently tested or verified. As a result, we have relied exclusively on the study participants for the accuracy and completeness of their data. No study can be guaranteed to be 100% accurate, and errors can occur. CohnReznick does not guarantee the completeness or the accuracy of the data submitted by study participants and thus does not accept responsibility for your reliance on this report or any of the information contained herein.

The information contained in this report includes estimations, approximations, and assumptions and is not intended to be legal, accounting, or tax advice. Please consult a lawyer, accountant, or tax advisor before relying on any information contained in this report. CohnReznick disclaims any liability associated with your reliance on any information contained herein.

To ensure compliance with the requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

Acknowledgements



Table of Contents

Index of Figures	5
Chapter 1: Executive Summary	8
Chapter 2: Fund Investment Performance	11
Chapter 3: Property Performance	27
Appendices	236
Appendix A – Survey Methodology	236
Appendix B – Glossary	242
About Us	244

Index of Figures

Chapter 1

Chapter 2

FIGURE 2.1.1

FIGURE 2.1.2

FIGURE 2.2.1

FIGURE 2.3.1

FIGURE 2.3.2

FIGURE 2.4.1

FIGURE 2.4.2

FIGURE 2.4.3(A)

FIGURE 2.4.3(B)

FIGURE 2.5.1

FIGURE 2.5.2

FIGURE 2.5.3

FIGURE 2.5.4

FIGURE 2.5.5

FIGURE 2.6.1

FIGURE 2.6.2

Chapter 3

FIGURE 3.1.1(A)

FIGURE 3.1.1(B)

FIGURE 3.1.1(C)

FIGURE 3.1.1(D)

FIGURE 3.1.2

FIGURE 3.1.3

FIGURE 3.1.4

FIGURE 3.1.5(A)

FIGURE 3.1.5(B)

FIGURE 3.2.1(A)

FIGURE 3.2.1(B) & (C)

FIGURE 3.2.2(A)

FIGURE 3.2.2(B)

FIGURE 3.2.2(C)

FIGURE 3.2.2(D)

FIGURE 3.3.1.1(A)

FIGURE 3.3.1.1(B)

FIGURE 3.3.1.1(C)

FIGURE 3.3.1.1(D)

FIGURE 3.3.1.2(A)

FIGURE 3.3.1.2(B)

FIGURE 3.3.1.2(C)

FIGURE 3.3.1.2(D)

FIGURE 3.3.1.3(A)

FIGURE 3.3.1.3(B)

FIGURE 3.3.1.4(A) & (B)

FIGURE 3.3.1.4(C) & (D)

Executive Summary

Fund Investment Performance

Portfolio Composition by Fund Type

Average Multi-Investor Fund Size Since 2000

Syndicated Fund Market Composition Since 2000

Weighted Average Fund Yields Since 2000

Weighted Average Fund Yields vs. Treasuries Since 2000

Fund Yield Variance since 2000

Percentage Positive/Negative Yield Variance Since 2000

Weighted Average Fund Yield Variance by Fund Type Since 2000 (by %)

Weighted Average Fund Yield Variance by Fund Type Since 2000 (by BPS)

Initial Years' Credit Delivery Variance

Initial Years' Credit Delivery Variance by Fund Type

Percentage Incidence of Negative Credit Delivery Variance

Percentage Incidence of Negative Credit Delivery Variance by Fund Type

Magnitude of Negative Total Credit Variances

Median Working Capital Reserves Since 2000

Median Working Capital Reserve Balance by Fund Year Closing

Property Performance

Overall Portfolio Performance (2013-2014)

Overall Portfolio Performance Seven-Year Trend (2008-2014)

Overall Occupancy Portfolio Performance Seven-Year Trend

Overall DCR and Per Unit Cash Flow Portfolio Performance Seven-Year Trend

Median Physical and Economic Occupancy

Median Debt Coverage Ratio

Median Per Unit Cash Flow

Net Equity Price vs. Hard Debt Ratio – 9% Credit

Net Equity Price vs. Hard Debt Ratio – 4% Credit

Overall Portfolio Underperformance 2013–2014

Overall Portfolio Underperformance 2008–2014

Distribution of 2013 and 2014 Physical Occupancy

Distribution of 2013 and 2014 Economic Occupancy

Distribution of 2013 and 2014 Debt Coverage Ratio

Distribution of 2014 Per Unit Cash Flow

Median Physical and Economic Occupancy by Region

Median 2014 Physical Occupancy by Region Map

Median 2014 Economic Occupancy by Region Map

Physical and Economic Occupancy Underperformance by Region

Median Physical and Economic Occupancy by State

Median 2014 Physical Occupancy by State Map

Median 2014 Economic Occupancy by State Map

Physical and Economic Underperformance by State

Median Physical and Economic Occupancy by MSA

Physical and Economic Underperformance by MSA

Median Physical and Economic Occupancy by Property Age

Physical and Economic Occupancy Underperformance by Property Age

Index of Figures (continued)

FIGURE 3.3.1.5(A) & (B)	Median Physical and Economic Occupancy by Property Type
FIGURE 3.3.1.5(C) & (D)	Physical and Economic Occupancy Underperformance by Property Type
FIGURE 3.3.1.6(A) & (B)	Median Physical and Economic Occupancy by Property Size
FIGURE 3.3.1.6(C), (D) & (E)	Physical and Economic Occupancy Underperformance by Property Size
FIGURE 3.3.1.7(A) & (B)	Median Physical and Economic Occupancy by Tenancy Type
FIGURE 3.3.1.7(C) & (D)	Physical and Economic Occupancy Underperformance by Tenancy Type
FIGURE 3.3.1.8(A) & (B)	Median Physical and Economic Occupancy by Developer Type
FIGURE 3.3.1.8(C) & (D)	Physical and Economic Occupancy Underperformance by Developer Type
FIGURE 3.3.1.9(A) & (B)	Median Physical and Economic Occupancy by Credit Type
FIGURE 3.3.1.9(C), (D) & (E)	Physical and Economic Occupancy Underperformance by Credit Type
FIGURE 3.3.1.10(A) & (B)	Median Physical and Economic Occupancy by Development Type
FIGURE 3.3.1.10(C) & (D)	Physical and Economic Occupancy Underperformance by Development Type
FIGURE 3.3.1.11(A) & (B)	Median Physical and Economic Occupancy by Availability of Rental Assistance
FIGURE 3.3.1.11(C) & (D)	Physical and Economic Occupancy Underperformance by Rental Assistance
FIGURE 3.3.1.12(A) & (B)	Median Physical and Economic Occupancy by Availability of Property Tax Relief
FIGURE 3.3.1.12(C) & (D)	Physical and Economic Occupancy Underperformance by Property Tax Relief
FIGURE 3.3.1.13(A) & (B)	Median Physical and Economic Occupancy by Hard Debt Ratio Range
FIGURE 3.3.1.13(C) & (D)	Physical and Economic Occupancy Underperformance by Hard Debt Ratio Range
FIGURE 3.3.2.1(A), (B) & (C)	Median DCR and Per Unit Cash Flow by Region
FIGURE 3.3.2.1(D), (E) & (F)	DCR and Per Unit Cash Flow Underperformance by Region
FIGURE 3.3.2.2(A), (B) & (C)	Median DCR and Per Unit Cash Flow by State
FIGURE 3.3.2.2(D), (E) & (F)	DCR and Per Unit Cash Flow Underperformance by State
FIGURE 3.3.2.3(A)	Median DCR and Per Unit Cash Flow by MSA
FIGURE 3.3.2.3(B)	DCR and Per Unit Cash Flow Underperformance by MSA
FIGURE 3.3.2.4(A) & (B)	Median DCR and Per Unit Cash Flow by Property Age
FIGURE 3.3.2.4(C) & (D)	DCR and Per Unit Cash Flow Underperformance by Property Age

FIGURE 3.3.2.5(A) & (B)	Median DCR and Per Unit Cash Flow by Property Type
FIGURE 3.3.2.5(C) & (D)	DCR and Per Unit Cash Flow Underperformance by Property Type
FIGURE 3.3.2.6(A) & (B)	Median DCR and Per Unit Cash Flow by Property Size
FIGURE 3.3.2.6(C), (D) & (E)	DCR and Per Unit Cash Flow Underperformance by Property Size
FIGURE 3.3.2.7(A) & (B)	Median DCR and Per Unit Cash Flow by Tenancy Type
FIGURE 3.3.2.7(C) & (D)	DCR and Per Unit Cash Flow Underperformance by Tenancy Type
FIGURE 3.3.2.8(A) & (B)	Median DCR and Per Unit Cash Flow by Developer Type
FIGURE 3.3.2.8(C) & (D)	DCR and Per Unit Cash Flow Underperformance by Developer Type
FIGURE 3.3.2.9(A) & (B)	Median DCR and Per Unit Cash Flow by Credit Type
FIGURE 3.3.2.9(C), (D) & (E)	DCR and Per Unit Cash Flow Underperformance by Credit Type
FIGURE 3.3.2.10(A) & (B)	Median DCR and Per Unit Cash Flow by Development Type
FIGURE 3.3.2.10(C) & (D)	DCR and Per Unit Cash Flow Underperformance by Development Type
FIGURE 3.3.2.11(A) & (B)	Median DCR and Per Unit Cash Flow by Availability of Rental Assistance
FIGURE 3.3.2.11(C) & (D)	DCR and Per Unit Cash Flow Underperformance by Rental Assistance
FIGURE 3.3.2.12(A) & (B)	Median DCR and Per Unit Cash Flow by Availability of Property Tax Relief
FIGURE 3.3.2.12(C) & (D)	DCR and Per Unit Cash Flow Underperformance by Property Tax Relief
FIGURE 3.3.2.13(A) & (B)	Median DCR and Per Unit Cash Flow by Hard Debt Ratio
FIGURE 3.3.2.13(C) & (D)	DCR and Per Unit Cash Flow Underperformance by Hard Debt Ratio

Chapter 4

FIGURE 4.1	Cumulative Foreclosure Rate
FIGURE 4.2	Annual and Cumulative Foreclosure Rate
FIGURE 4.3	Annual LIHTC Foreclosure Rate vs. Conventional Multifamily Delinquency Rate
FIGURE 4.4	Cumulative Foreclosure Rate by Credit Type
FIGURE 4.5	Leverage Ratio Distribution of Foreclosed Properties
FIGURE 4.6	Main Causes of Foreclosure
FIGURE 4.7	Hypothetical Foreclosure Analysis

Executive Summary



Photo courtesy of Red Stone Equity Partners

The Low-Income Housing Tax Credit (housing credit) program will reach its 30th anniversary in 2016, making it the longest tenured federal affordable housing program in history. During that period the program has financed the construction or rehabilitation of roughly 2.8 million apartment units across the country.¹ Over the years, CohnReznick has tracked the economic performance of these properties and of the investments that financed their development. This report takes that body of work and updates it through performance data reported for calendar year 2014.

These are the major findings from our updated analysis of the performance of housing credit properties:

- All of the basic metrics: occupancy, debt coverage ratio (DCR), and per unit per annum cash flow have continued to improve since our last study in 2012 and, in general, since 2008 when we began collecting performance data. Physical occupancy improved from 97.0% in 2012 to 97.5% in 2014; DCR improved from 1.30 to 1.33 over the same period and per unit per annum cash flow improved from \$498 to \$597.
- For the first time we have succeeded in gathering information from survey respondents concerning economic as well as physical occupancy. During the recession years, when housing credit properties somewhat counter-intuitively turned in stronger results, we speculated that the demand for affordable housing was driving up economic occupancy.

¹ <http://www.rentalhousingaction.org/>

- The survey shows that for calendar year 2014 median physical occupancy was 97.5% and median economic occupancy was 96.6%. The fact that there is just a 90 basis point difference between these data points demonstrates very powerfully how the demand for affordable housing units has lowered the turnover rate in housing credit properties, reduced the costs associated with units turning over, and lowered the loss in rental income associated with rent skips.
- We have also speculated in recent years that the increases in debt coverage ratios and per unit cash flow was attributable, in part, to better operating expense underwriting than was the case earlier in the life of the program. To test this, we asked the Ohio Capital Corporation for Housing, one of our survey respondents and a highly regarded state equity fund sponsor to test the accuracy of its operating expense underwriting in 2014 versus 2004. What they reported to us was that on a five-year look-back basis, their projection of operating expenses was variant by 32%, on average, for the property investments they made in the five-year look-back period ending 2004 and just 9% variant for the properties they invested in during the five-year look-back period ending in 2014. Despite the underwriting gaps evidenced in 2004, OCCH's portfolio continued to perform and has never lost a project to foreclosure. We have no way of knowing whether other survey respondents made similar advances in estimating operating expenses, but it seems clear to us that the housing tax credit industry has made great strides in improving the accuracy of its underwriting of operating expenses. CohnReznick will delve deeper into an analysis of operating expenses in a forthcoming report.
- Another very promising trend in the data is the decreasing number of housing credit properties that are "underperforming," by which we mean either reporting physical occupancy below 90% or failing to achieve breakeven operations. When that data point was examined in 2005, roughly 35% of all housing credit properties were operating below breakeven (less than 1.00 DCR). That percentage, which has been decreasing in recent years, has fallen to 16.9% for calendar year 2014. Further, the great majority of properties that did not achieve breakeven operations in 2014 failed to do so by relatively modest amounts.
- Over the years we have been asked whether for-profit developers do a better job of operating housing credit projects than non-profit developers do (and vice versa). We have closely examined the occupancy, debt coverage, and per unit cash flow metrics, pitting one group against the other, and have determined that occupancy is slightly higher in properties developed by non-profit developers and cash flow is slightly higher in properties operated by for-profit developers. Given the subtle differences in the types of housing credit projects each group gravitates toward, we conclude that there is no meaningful difference in performance between the two groups.
- Investors are continuing to realize the investment benefits they have been promised as the average housing credit investor has realized 98.4% of the credits it was promised through calendar year 2014.

One of the most striking observations the data permit us to make is to show the incredible strength in the demand of housing credit properties. We have a shortfall in the number of affordable housing apartments that is estimated to be 7.1 million in this country.² When we look at occupancy and segment it by property type, property size, financing type, new construction versus rehab, and any other characteristic, we consistently see strong occupancy in every sector. We conclude from this data that the need for additional affordable housing exists in virtually every part of the country.

It is our expectation that the favorable growth in per unit cash flow and debt coverage ratios cannot be sustained in future years. With economic occupancy at the level it was in 2014, there is very little room for additional growth in rental income. In addition, the favorable interest rate environment we have been the beneficiaries of will not last forever. Interest rates have already begun to grow and, as that growth continues, the opportunity to refinance challenging properties will not be available at least at the levels we have enjoyed in recent years. CohnReznick is committed to continuing this effort and reporting on industry performance data periodically.

² Source: National Low Income Housing Coalition. Housing Spotlight, Volume 5, Issue 1, March 2015.
http://nlihc.org/sites/default/files/Housing-Spotlight_Volume-5_Issue-1.pdf

CHAPTER 2:

Fund Investment Performance



Photo courtesy of R4 Capital LLC

In the housing credit equity market, investors choose between one of two primary investment approaches: direct investment or syndicated investment. Under a direct investment model, an investor directly owns a limited partner interest in a partnership that owns an underlying property, with the developer or an affiliate typically assuming the general partner role. The direct investment approach is usually feasible only for investors that have sufficient internal resources dedicated to the acquisition, underwriting, and asset management of housing tax credit investments. Consequently, this approach is favored by a handful of large institutional investors. Conversely, syndicated investments are sourced, organized, and managed by third-party intermediaries known as syndicators. Investors own the limited partner interests in funds organized by the syndicator, and the fund in turn owns the limited partner interests in underlying property partnerships.

2.1: The Role of the Syndicator

To accommodate the demand for housing credits and to take advantage of economies of scale, a syndicator typically acquires equity interests in a number of property partnerships. Because developers of property partnerships need capital to finance their housing credit developments (and because they typically have no use for the tax benefits), the developers assign the rights to the future benefits (housing credits and losses) generated by the properties in exchange for cash. In a syndicated fund, a syndicator provides a limited amount of initial capital to the developer to secure the property investment, with the intention of syndicating the future stream of benefits generated by the properties to fund investors in exchange for their equity investment. The syndicator originates potential

property investments, performs underwriting, and presents the potential investment to investors. In addition to acting as an intermediary between the developer and the investor, the syndicator provides ongoing asset management of the property partnerships, ensuring compliance with housing tax credit regulations and a steady stream of tax benefits to investors. In the years since the inception of the housing credit program, the lasting impact of the syndication model has been to streamline the process of pairing investment equity with property partnerships by syndicators bridging the gap between developers and investors.

Syndicators are compensated for their services through fee payments referred to as the “load.” A fund’s load is the percentage of the total equity investment used as reimbursement and compensation for various services, including organizational and offering expense, acquisition fees and expense, and asset management and partnership management fees. The size of a fund’s load can vary from fund to fund and can be sensitive to current market conditions. We believe that roughly 75% of all housing credit investments are acquired in syndicated form, principally because of the 15-year term of these investments.

2.1.1: Fund Investment Options

There are two primary investment options when working with a syndicator: proprietary funds and multi-investor funds. Proprietary fund investments are designed to manage the equity capital of a single investor. Multi-investor funds, as their name suggests, look more like mutual funds, since they are organized to raise capital from a handful of investors to 20 or more. Investors had a third option in the years between 1995 and 2013 – they could invest in either a proprietary fund or a multi-investor fund and have their yield guaranteed by a creditworthy guarantor (typically an insurance company). The principal benefit of investing on a guaranteed basis was more favorable accounting treatment. In 2014, the Financial Accounting Standards Board revised the accounting rules to put guaranteed and non-guaranteed investments on the same footing. As a result, this particular investment execution has all but disappeared. Because of the small number of recent guaranteed yield investments, we have omitted their inclusion in the following discussion of investment yield and credit delivery.

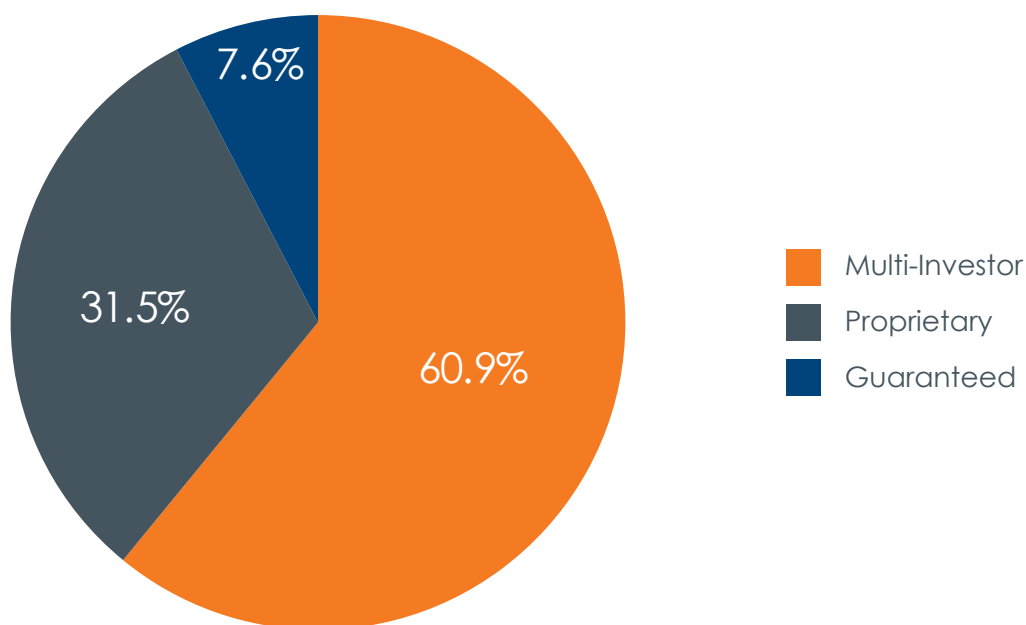
Twenty-nine survey respondents provided data for nearly 1,700 low-income housing tax credit funds. For purposes of the following figures, we have removed all funds that were closed before 2000, because a portion of the property partnerships in which these funds were invested had likely already surpassed the 15-year compliance period as of the effective date of this report.

Proprietary funds are typically sought out by single investors with a desire for a higher level of control over the location of the properties they finance. The Community Reinvestment Act (CRA) requires banks to make qualified community development investments in areas in which they collect deposits, and they consequently receive CRA “credit” for doing so. Therefore, one of the primary investment motivations for banks to make housing credit investment is to earn CRA credit through their housing credit investments. The principal advantage of a multi-investor fund is risk diversification. A multi-investor fund can be composed of a number of investors, all of whom share risk and rewards based upon their proportional equity contribution to the fund.

Figure 2.1.1 illustrates the 1,400 funds (closed in 2000 or later) organized by fund type and presented as a percentage of total gross equity.

Portfolio Composition by Fund Type

FIGURE 2.1.1

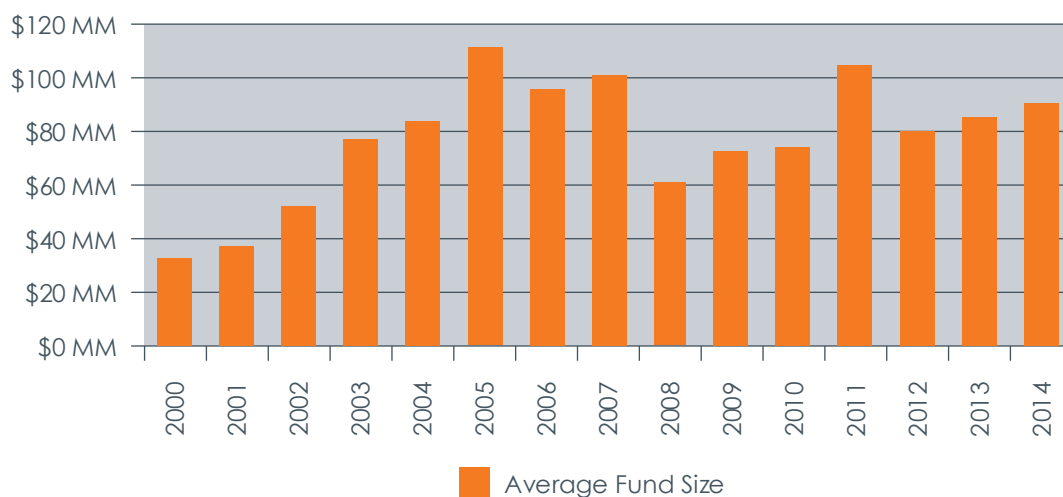


Out of approximately 1,400 housing credit funds, there were 577 multi-investor funds representing 60.9% of the surveyed gross equity with a \$78.3 million average fund size. The 511 proprietary funds in the portfolio represented 31.5% of the total fund portfolio gross equity, with a \$48.4 million average fund size. The average size difference between multi-investor and proprietary funds is driven by the fact that multi-investor funds are typically larger to accommodate multiple investors. The remaining funds were originated as guaranteed yield investments that accounted for a total of 7.6% of the total portfolio gross equity.

The size and characteristics of multi-investor funds have evolved over time. Multi-investor funds generally increased in average size between 2000 and 2007, in the lead-up to the national recession. In 2008, when proprietary funds dominated the equity market, the average multi-investor fund was \$60 million. In the intervening years however, the multi-investor fund market has rebounded, and the average fund size is once again at pre-recession levels and growing. In 2014, the average multi-investor fund was completed with \$90.5 million in equity. Figure 2.1.2 illustrates the average multi-investor fund size since 2000.

Average Multi-Investor Fund Size Since 2000

FIGURE 2.1.2



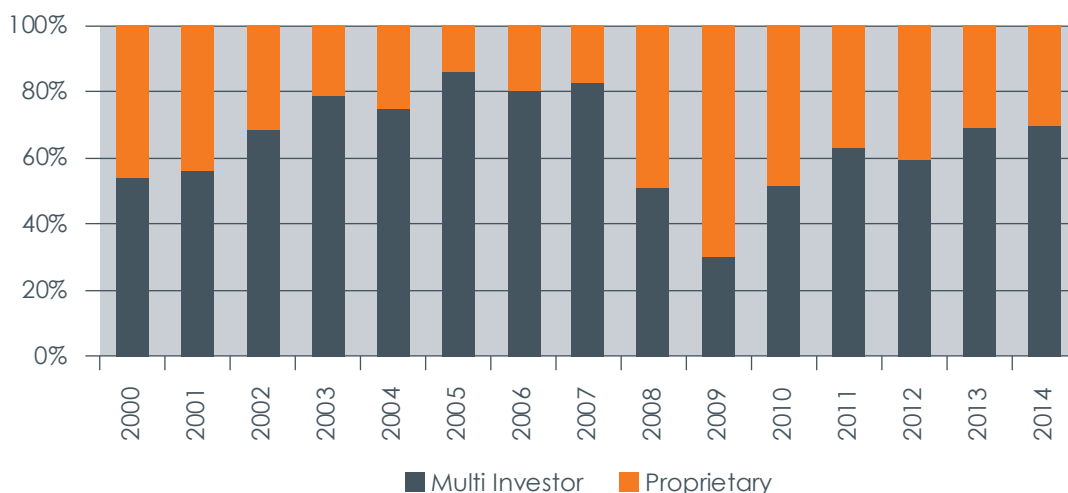
2.2: The Impact of CRA and Other Considerations

The manner in which syndicators originate investments in property partnerships has changed very little since the inception of the program. However, the investment considerations that influence fund composition have become much more complicated as the program matured. For instance, at the height of the recession, housing credit investors that remained active were almost entirely focused on meeting their CRA obligations, and thus deployed their capital predominantly through proprietary fund executions. Consequently, the percentage of proprietary funds reached its high point at 69.7% in 2009, when the housing credit equity market was at its lowest point in a decade. As the equity market recovered, the multi-investor fund market also rebounded, exchanging places with proprietary funds and reaching 69.8% in 2014. While multi-investor funds have regained their market share, the investor market has become increasingly dominated by CRA-motivated investment, and thus, the appearance and composition of multi-investor funds have also been evolving. Multi-investor funds are increasingly using tiered pricing for specific CRA investments. In the past, property investments in "CRA Hot" markets (where many banks have overlapping CRA demand and thus credit pricing is higher than average) proved to be difficult to place in a multi-investor fund because of the impact on yield.³ This relatively new structure affords investors the traditional multi-investor fund benefit of risk diversification, with the traditional proprietary fund benefit of asset selection for CRA purposes. Figure 2.2.1 illustrates the historical gross equity percentage split between multi-investor and proprietary fund investments since 2000.

³ The terms "CRA Hot" and "CRA Not" are discussed extensively in the May 2013 CohnReznick report, *The Community Reinvestment Act and Its Effect on Housing Tax Credit Pricing*.

Syndicated Fund Market Composition Since 2000

FIGURE 2.2.1



A relatively new consideration when choosing between a proprietary or multi-investor fund execution has been the authorization of the proportional amortization method of accounting for housing credit investments. In January 2014, the Accounting Standards Update (ASU 2014-01) authorized the proportional amortization method of accounting for investments in qualified affordable housing projects.⁴ Investors realize three tangible benefits by switching to the new accounting method: (1) increased pre-tax net earnings, (2) improved efficiency ratios, and (3) increased predictability of investment amortization. As of the first quarter of 2015, an overwhelming majority of the largest U.S. banks had adopted the new method.

To qualify for the use of proportional amortization accounting, five criteria must be met. One of these is of particular relevance to investors that chose to invest using the proprietary fund model. One of the qualifying criteria provides that investors must not have the ability to exercise "significant influence over the operating and financial policies" of the operating entity. While the Financial Accounting Standards Board did not define what "significant influence" means, most practitioners believe that veto rights over property selection, the ability to approve or disapprove property budgets, and control over the release of cash reserves are the types of limited partner rights that could disqualify an investor from accounting for proprietary fund investment using the proportional amortization method.

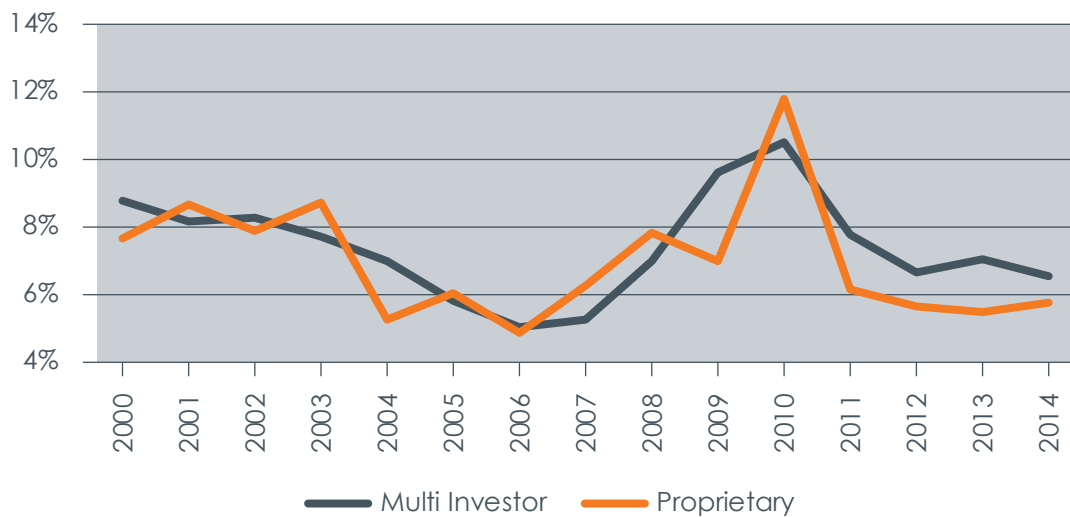
⁴ For more information on ASU 2014-01 consult CohnReznick's Final Standard Issued on Accounting for Affordable Housing Tax Credit Investments – An In-Depth Look issued in January 2014. (http://www.cohnreznick.com/sites/default/files/pdfs/AH_TaxCreditInvestments.pdf)

2.3: Fund Yields

Since the end of the recession, the housing credit equity market has witnessed tax credit pricing increase at a sharp pace; consequently, investment yields have been in free fall. Housing credit yields are inversely related to the price at which housing tax credits trade; so as prices have risen, as has been the trend for the past five years, investment yields have steadily decreased. While the velocity of the reduction in yields appears to be slowing, yields for current multi-investor funds are averaging 4.94%, which was consistent with the 5.02% weighted average original yield of all the funds offered in 2006 - the previous highwater mark for the housing tax credit market. Figure 2.3.1 illustrates the original weighted average yields by year and fund type since 2000.

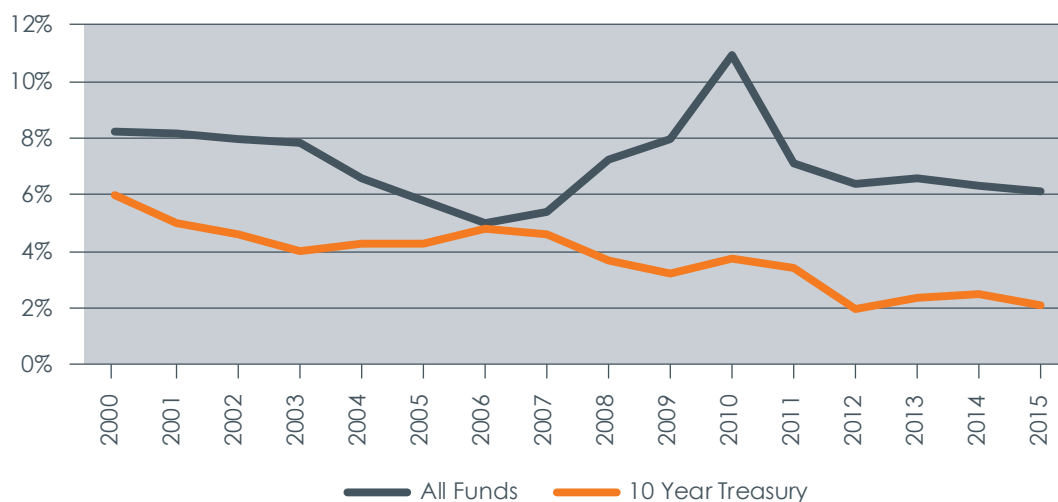
Weighted Average Fund Yields Since 2000

FIGURE 2.3.1



Despite the relatively low yields currently offered in the market (by historic standards), housing credit fund investments still represent a significant premium to 10-year Treasury yields. Since nearly converging in 2006, housing credit yields and treasury yields have diverged and have run in near parallel fashion, with an approximate 400 basis point buffer since 2011. Figure 2.3.2 illustrates the historical relationship between housing tax credit fund yields and 10-year Treasury security yields (adjusted for an after-tax rate equivalent of a 35% tax rate).

Weighted Average Fund Yields vs. Treasuries Since 2000 **FIGURE 2.3.2**



2.4: Fund Yield Variance Analysis

It is important to consider the performance of housing tax credit funds in terms of actual income tax benefits realized versus the originally projected benefits. We have chosen to present investment performance in terms of yield, overall tax credit delivery, and the initial years of tax credit delivery relative to originally projected amounts.

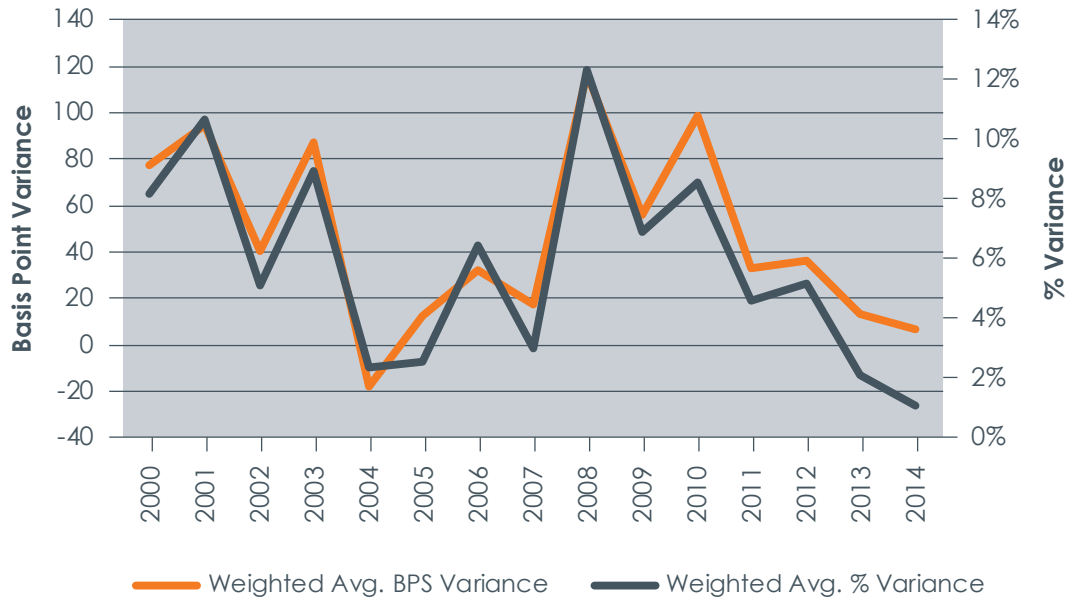
As we have defined the term, yield variance measures the difference between the originally projected yield at investment closing and the most current yield projection (December 31, 2014, for purposes of our survey). A positive variance indicates a greater than originally projected yield. We removed housing credit funds with credit enhancement ("guaranteed funds") from this analysis because guaranteed funds are structured with yield maintenance mechanisms that ensure a predictable yield to investors.

On a weighted average basis (where yield variances for individual funds are aggregated and weighted by equity), survey respondents reported a positive 6.29% variance, or a positive 56 basis point variance between actual and projected yields. Achieving projected yields is a major objective for housing credit investors; however, the individual components of yield computation have a significant impact on their calculation. Yield can be maintained naturally or artificially by pre-negotiated investment provisions in a number of ways. A more favorable yield can be generated for instance as a result of an underperforming portfolio that generates higher than expected operating losses, or if equity pay-in schedules are adjusted to postpone capital contributions, or if under the terms of so-called adjustor provisions, remaining investor capital contributions are reduced to the extent necessary in order to re-establish the target yield.

Figure 2.4.1 illustrates the historical annual yield variance expressed in basis points as well as a percentage.

Fund Yield Variance Since 2000

FIGURE 2.4.1



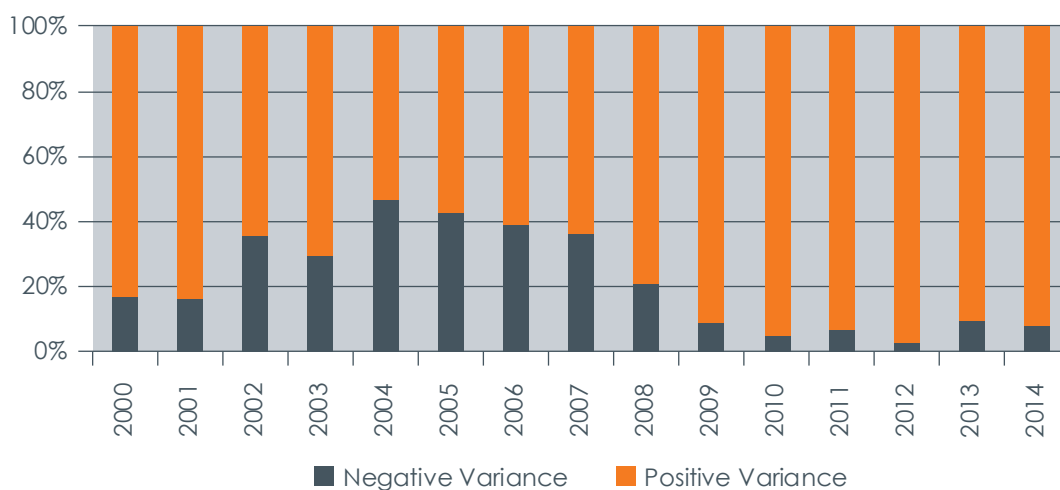
The figure shows that yield variance, while almost entirely positive in each year on a weighted average basis, has been consistently decreasing in magnitude since 2010. It is also important to note that the more recently closed funds have less operational history, and thus less opportunity to develop yield variance. We would expect that as the recent funds mature, yield variances will increase.

Figure 2.4.2 illustrates the fact that the incidence of negative yield variance has also steadily declined. While still relatively “young” funds, those offered in the post-recession era at least currently have a significantly lower incidence of negative yield variance than their predecessors. When we isolate the analysis only on those funds for which we were provided both yield and total credit variance data, for funds with positive yield variances, 53% also had positive total credit delivery variances. We surmise, then, that for the majority of the portfolio of funds, the positive yield variances were not driven by operating losses.

Conversely, for the subset of funds that failed to meet their yield targets, 63% also fell short of their projected total credit delivery.

Percentage Positive/Negative Yield Variance Since 2000

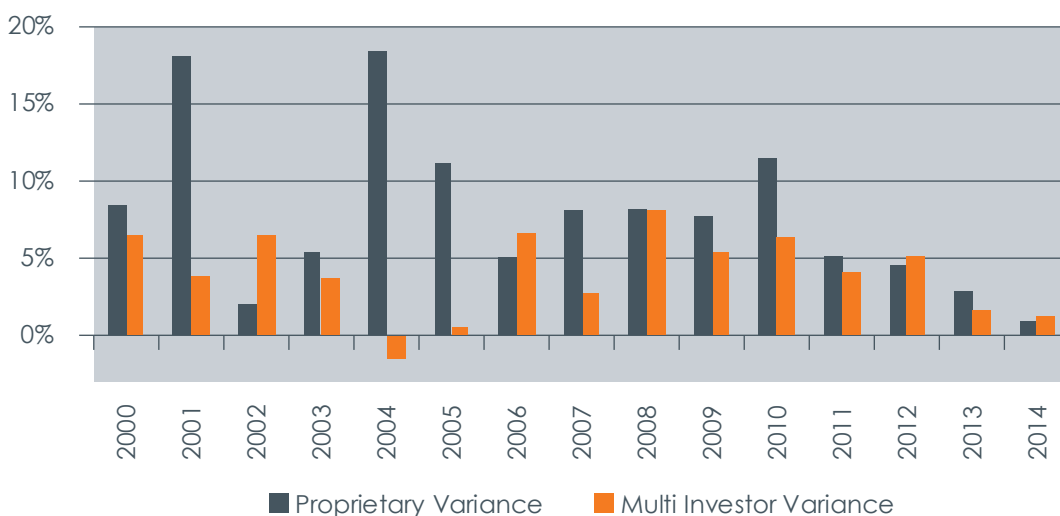
FIGURE 2.4.2



Figures 2.4.3(A) and 2.4.3(B) illustrate the weighted average fund yield variance by year and by fund type.

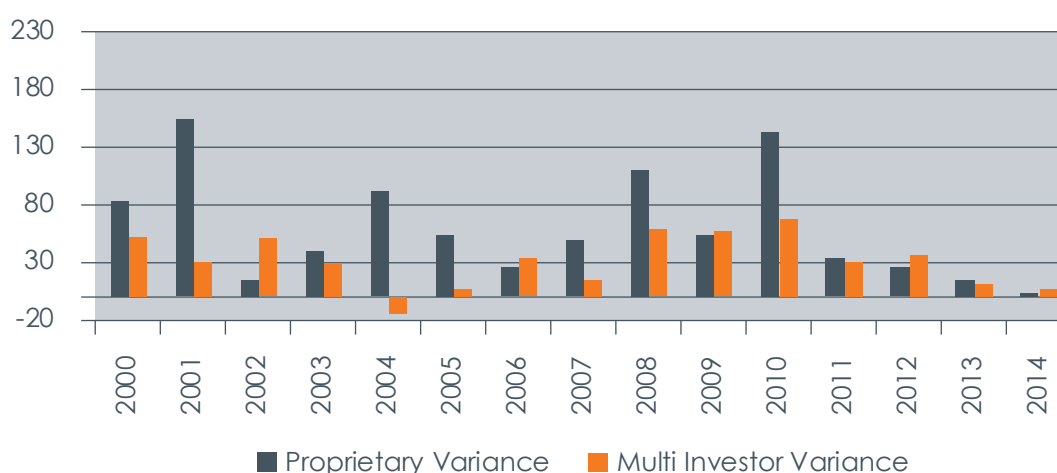
Weighted Average Fund Yield Variance by Fund Type Since 2000 (by Percentage)

FIGURE 2.4.3(A)



Weighted Average Fund Yield Variance by Fund Type Since 2000 (by Basis Points)

FIGURE 2.4.3(B)



As Figures 2.4.3(A) and (B) indicate, aside from a few outlier years since 2000, proprietary funds have reported larger weighted average yield variances than their multi-investor counterparts. We note, however, that the magnitude of the variance between the two fund types could be affected by the manner in which syndicators define “original” yields, especially for proprietary funds that tend to be less specified at closing. We hesitate to draw too many conclusions from this comparison, given the differences in the methodologies that syndicators use to track proprietary yield data.

2.5: Housing Credit Variance Analysis

Consistent with CohnReznick’s industry experience, the survey data we examined demonstrate that the aggregate variance in total housing credit delivery has been less than -2%. Investors were projected to receive \$76.8 billion in credits through 2014 and actually received \$75.6 billion.

The average housing credit investment derives approximately 75% of its net investment benefits from housing credits, with the balance originating from passive losses. Because housing tax credits are calculated based on qualified development costs, a property’s future delivery of tax credits is somewhat predictable. Additionally, most 9% credit investments are underwritten with significant excess eligible basis and are likely to have sufficient basis to support the allocated credits. In this context, the timing of tax credit delivery is more likely to create variances, because delays in the construction and lease-up of housing credit properties typically result in delayed delivery of housing credits. Our data suggest that such delays, while not uncommon in the early years of the program, have become less common over time. Figure 2.5.1 illustrates the total, first, second, and third years’ credit delivery variances in each of our assessments of the housing credit market.

Initial Years' Credit Delivery Variance

FIGURE 2.5.1

	2014	2012	2010
Total LIHTC	-1.6%	-0.8%	-0.4%
1st Year LIHTC	-12.8%	-7.1%	-16.3%
2nd Year LIHTC	-11.2%	-10.1%	-13.9%
3rd Year LIHTC	-5.8%	-6.5%	-8.5%

Figure 2.5.2 illustrates the housing credit delivery variance by investment type. The individual percentage variances were calculated by summing all of the actual credit amounts and dividing that total by the sum of all the originally projected credit amounts for each category.

Initial Years' Credit Delivery Variance by Fund Type

FIGURE 2.5.2

	All Funds	Multi Investor	Proprietary
Total LIHTC	-1.6%	-0.8%	-3.7%
1st Year LIHTC	-12.8%	-8.9%	-4.2%
2nd Year LIHTC	-11.2%	-14.4%	-5.9%
3rd Year LIHTC	-5.8%	-6.7%	-5.2%

The total housing credit delivery variance worsened in each of our subsequent studies from -0.4% to -0.8% to -1.6%. There is a significant gap between proprietary and multi-investor funds' first- and second-year variance of housing credit delivery. We presume the difference is attributable to the fact that proprietary funds are, on average, less specified than their multi-investor counterparts. Because proprietary funds tend to be less specified, comparing actual credit delivery results to original projections may not produce as objective an analysis as it does for multi-investor funds, and thus we have focused our analysis on the track record of multi-investor funds.

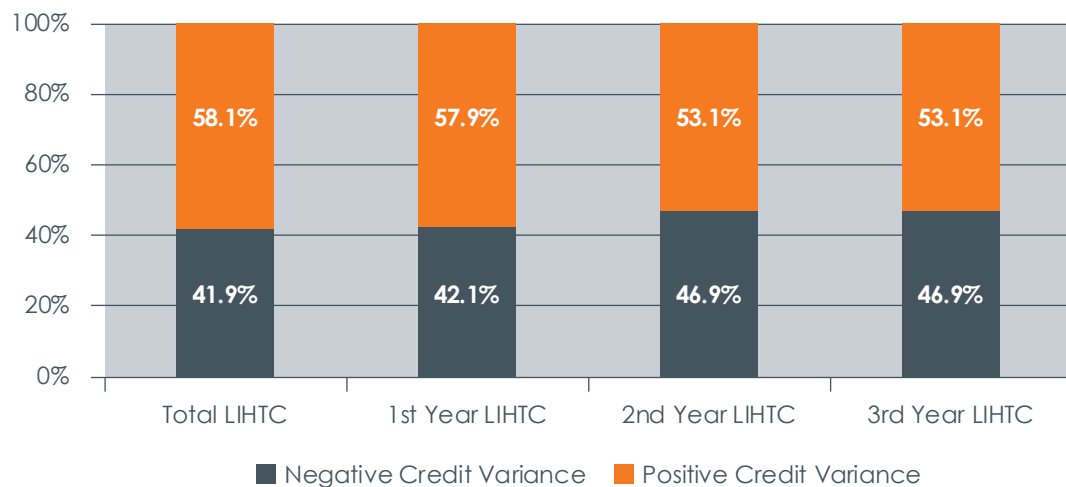


Photo courtesy of Stratford Capital Group

Figure 2.5.3 illustrates the incidence of negative credit variance for total and initial years' housing credits. The data suggest that it is not uncommon for a given fund to overestimate its initial years' credit amount. Negative variances in credit delivery in the early years are frequently dealt with through the adjuster mechanisms that syndicators negotiate for in the lower-tier partnership agreements which operate to reduce capital contributions and modulate any negative impact of a delayed credit delivery.

Percentage Incidence of Negative Credit Delivery Variance

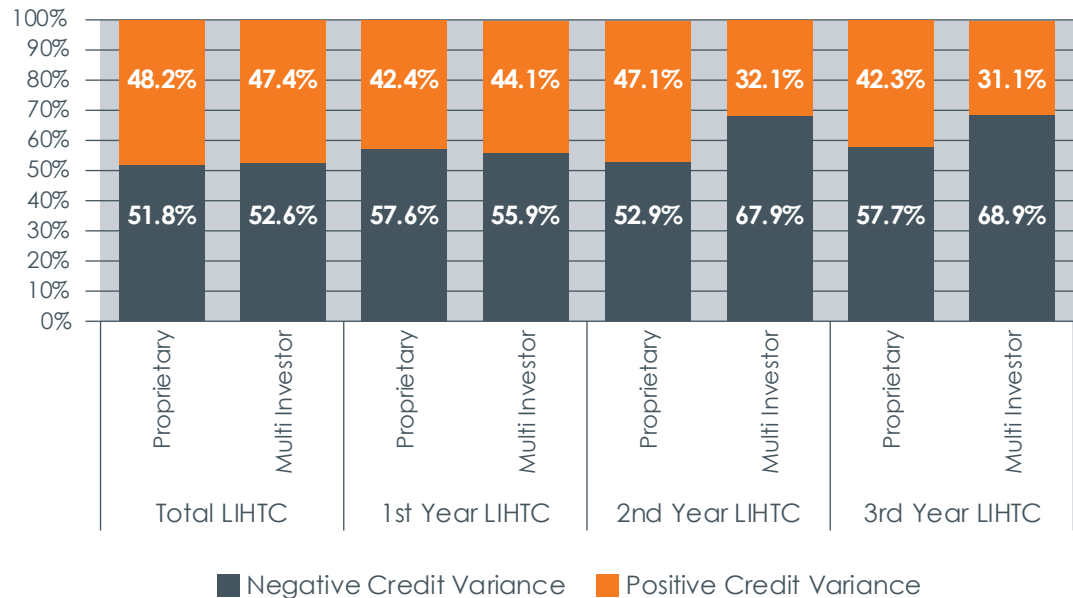
FIGURE 2.5.3



Notwithstanding our previous statement that proprietary funds tend to be less specified, and that comparing actual credit delivery results to original projections may not be as objective an analysis as it is for multi-investor funds, Figure 2.5.4 illustrates the percentage incidence of negative credit variance by fund type. While there is less than a 1% difference between the credit variance reported by multi-investor versus proprietary funds, proprietary funds generally outperformed multi-investor funds from an initial years' credit variance perspective. On average, proprietary funds reported 8% less negative credit variances in the first three years.

Percentage Incidence of Negative Credit Delivery Variance by Fund Type

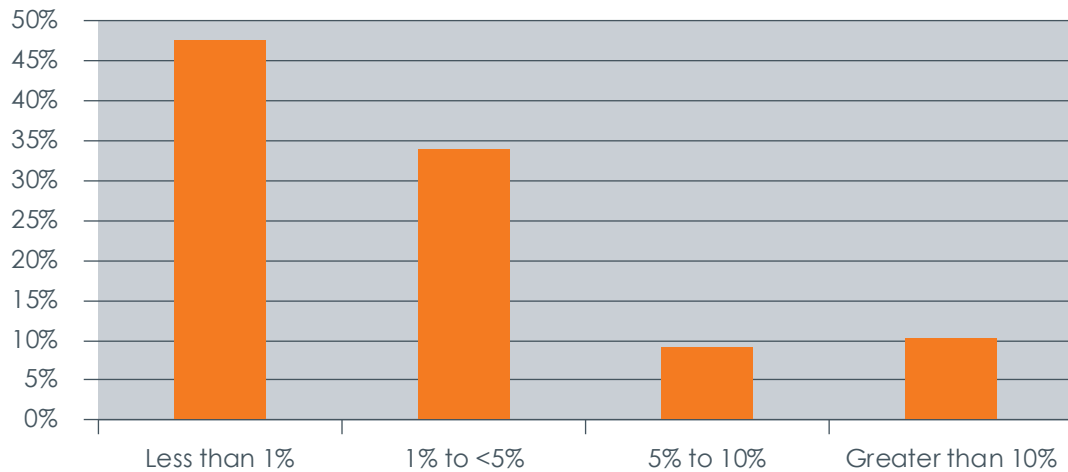
FIGURE 2.5.4



Despite the fact that the data show that 41.9% of all of the funds surveyed report negative total credit delivery versus the original projections, the magnitude of the delivery variance is fairly small. As Figure 2.5.6 illustrates, nearly 50% of all of the instances of negative credit delivery are lower than 1% of the originally projected total credit amount.

Magnitude of Negative Total Credit Variances

FIGURE 2.5.5



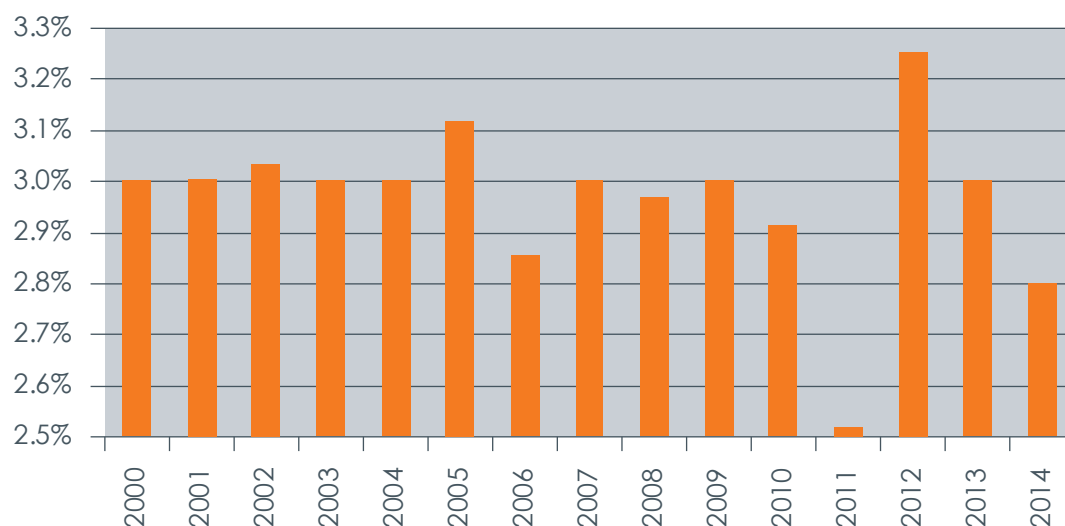
2.6: Working Capital Reserves

In addition to capitalizing reserves at the project entity level, most housing tax credit funds are structured with upper-tier working capital reserves.

What is the right size for a fund's working capital reserve? In a conventional operating business, the rule of thumb for working capital reserves is to size it to cover three months of operating expenses. In a housing tax credit fund, the working capital reserve is not only intended to cover fund expenses and asset management fees but also to finance project level deficits that cannot be funded from project-level resources such as project operating reserves and general partner advances. Historically, housing tax credit funds were structured with working capital reserves that represented, on average, between 3.0% and 4.0% of the gross equity proceeds. In the boom years between 2000 and 2010, most funds settled at the 3% level, with some syndicators attempted to push for a lower reserve level in order to boost fund yield and/or increase their profit margins. In the wake of the recent equity market crisis, there has been a noteworthy increase in reserve funding levels, as a result of heightened investor scrutiny. In today's market, most multi-investor corporate funds are being structured with a 3.5%–4.0% working capital reserve, with a movement toward the lower end of that spectrum.

Median Working Capital Reserves Since 2000

FIGURE 2.6.1

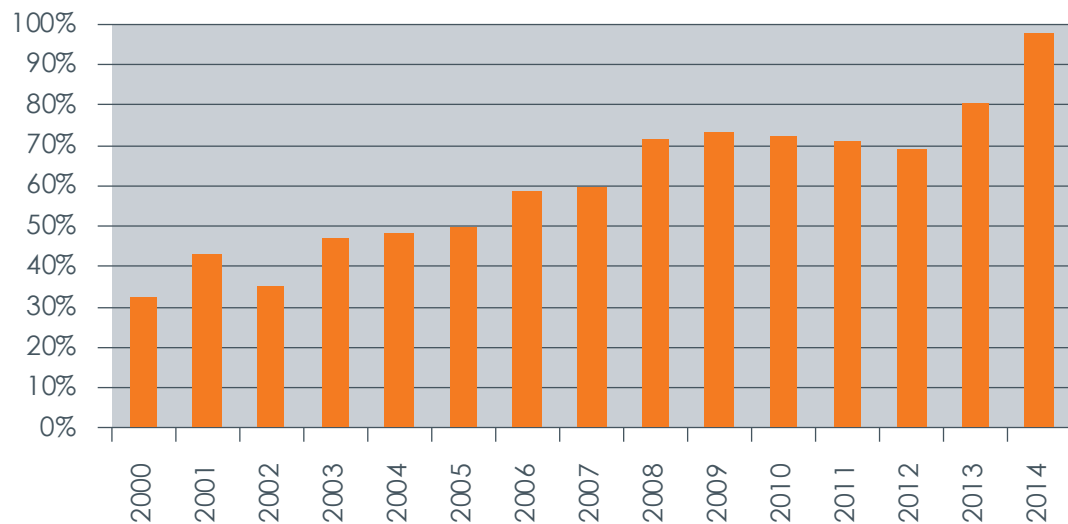


How are working capital reserves used? From the investor's perspective, the most critical use of working capital reserves is to provide an additional layer of safety to fund project deficits. Survey respondents reported that, of the properties that suffered from operating deficits in 2014, fewer than 2% of the deficits were financed using fund working capital reserves. In an overwhelming majority of the cases, deficits were funded from project operating reserves and/or advances made by the general partner/guarantor. Nonetheless, in order to ensure that the reserves are adequate for "rainy days," most fund reserves were structured in a way that limits their use to pay asset management fees. These so-called floor provisions typically provide that at least 1.0%–1.5% of gross equity remains earmarked for project deficit funding. Starting approximately five years ago, more fund syndicators begin to incorporate the Affordable Housing Investor's Council's recommendation to segregate working capital reserves into several buckets, including a minimum of 1.5% in the project needs reserve. The segregated reserve structure is a further enhancement to the floor provisions found in most fund partnership agreements.

What are the recent trends in managing working capital reserves? Ideally, working capital reserves should be sized to provide sufficient cushion against unexpected operating deficits and to finance adequately the payment of their fund-level expenses and asset management fees not funded from other sources over time. Survey respondents were asked to provide the current balance of their fund level working capital reserves. On average, funds that are in their final compliance years reported having 20% of their initial reserves remaining. Funds that are in the middle of their compliance period reported having between 40% and 60% of their initial reserve balances remaining. In a relatively few cases fund reserves have been fully depleted either because they were disproportionately used to pay fees or because of poorly underwritten lower-tier investments.

Median Working Capital Reserve Balance by Fund Year Closing

FIGURE 2.6.2



In an increasingly yield-compressed market, more syndicators have attempted to defer calling investor capital to fund working capital reserves in an effort to maintain yield. We advise that investors require full funding of at least the project needs reserve within five years of fund closing.

CHAPTER 3:

Property Performance



Photo courtesy of Hudson Housing Capital

CohnReznick measured the performance of the surveyed properties by using the following operating and financial metrics:

- *Physical occupancy*, defined as the number of occupied units divided by total number of revenue-producing units in a given property. The annual physical occupancy rate is equal to the monthly average over the stabilized period in the year.
- *Economic occupancy*, defined as annual collected rent (net of vacancies, concessions and bad debt) divided by annual gross potential rent.
- *Debt coverage ratio (DCR)*, defined as net operating income net of required replacement reserve deposits, divided by mandatory debt service payments.
- *Per unit cash flow*, defined as the cash flow available after making mandatory debt service payments and required replacement reserve contributions, divided by the total number of units within the property.
- *Incidence of underperformance*, defined as properties operating with less than 90% physical occupancy, less than 1.00 debt coverage ratio, or negative per unit cash flow.
- The incidence of project foreclosures.

In addition to analyzing these performance metrics for the overall surveyed portfolio on a national basis, CohnReznick dissected the dataset in more than a dozen different ways to further analyze the results, including by region, state, MSA, project age, property type, project size, tenancy type, developer type, credit type, development type, availability of rental assistance, availability of property tax relief, and level of hard debt. Moreover, we specifically assessed the level of underperformance, as measured by net equity, in each of the aforementioned segments in an attempt to highlight property characteristics that are more likely to cause underperformance.

3.1 Physical Occupancy, Economic Occupancy, Debt Coverage Ratio, and Per Unit Cash Flow

This chapter summarizes the 2013–2014 operating performance data for 20,516 surveyed properties (15,184 of which are stabilized properties) measured by median physical occupancy, economic occupancy, DCR, and per unit cash flow data. Properties with partial years of stabilized performance in 2013 and 2014 were removed from the dataset as incomplete; otherwise, annualized figures could inaccurately skew the DCR and cash flow results. As economic occupancy has become a more readily tracked data point by respondents, CohnReznick has reported on economic occupancy for the first time. As noted, physical occupancy rate is the proportion of a project's units that are occupied by tenants, whereas the economic occupancy rate is the proportion of a project's gross potential rent that is actually collected from tenants. We believe that the economic occupancy rate is a more valuable metric as it more accurately measures a property's economic performance.

3.1.1 Overall Portfolio Performance

Figure 3.1.1 (A) summarizes 2013–2014 operating results for the entire stabilized portfolio. All four major metrics illustrate strong performance. While the entire surveyed stabilized portfolio showed improved performance in both 2013 and 2014 on a national median basis, it is important to note that, consistent with the data samples collected in previous years, the Northeast and West Coast regions have the largest representation of properties in the survey sample, and thus their rather favorable performance has a somewhat outsized influence on overall portfolio performance⁵.

⁵ Regional performance is discussed in Section 3.3.1.1 of this report.

Overall Portfolio Performance (2013–2014)

FIGURE 3.1.1(A)

	2013	2014
Median Physical Occupancy	97.2%	97.5%
Median Economic Occupancy	96.3%	96.6%
Median Debt Coverage Ratio	1.32	1.33
Median Per Unit Cash Flow	\$571	\$597

Figures 3.1.1(B)-(D) present an expanded look at property performance for each of the seven years since 2008, the first year CohnReznick began collecting performance data. There is a clear and consistent upward trend for DCR and per unit cash flow over the seven-year period; physical occupancy has remained above 96% and steadily escalated since 2010. While there are only two years of available economic occupancy data, it establishes the trend that economic occupancy rates in recent years have been roughly 100 basis points lower than physical occupancy rates, indicating a fairly modest level of economic losses, which in turn supports strong DCR and cash flow performance. Based on our knowledge of previous industry studies, the 2014 results represent the highwater marks for each of the key performance metrics.

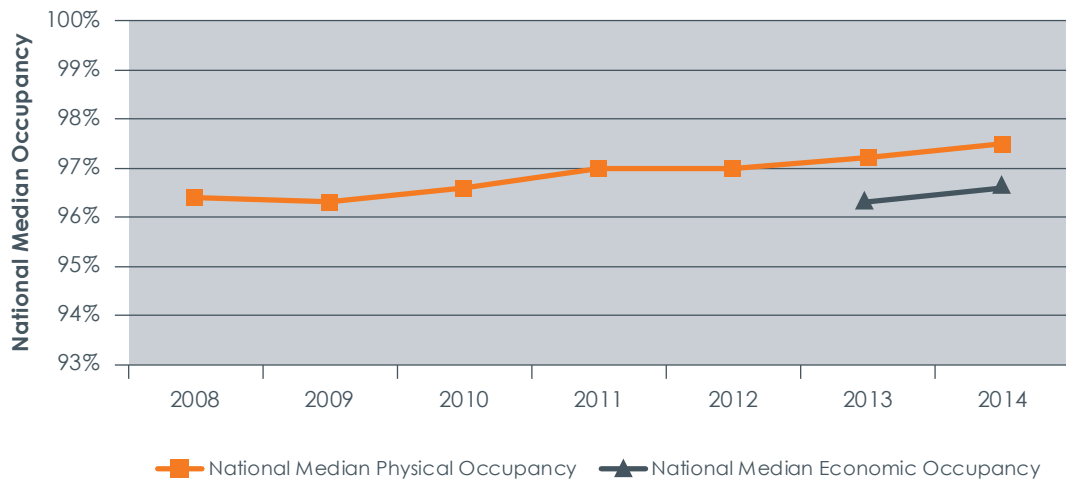
Overall Portfolio Performance Seven-Year Trend (2008–2014)

FIGURE 3.1.1(B)

	2008	2009	2010	2011	2012	2013	2014
Median Physical Occupancy	96.4%	96.3%	96.6%	97.0%	97.0%	97.2%	97.5%
Median Economic Occupancy	NA	NA	NA	NA	NA	96.3%	96.6%
Median Debt Coverage Ratio	1.15	1.21	1.24	1.28	1.30	1.32	1.33
Median Per Unit Cash Flow	\$250	\$341	\$419	\$464	\$498	\$571	\$597

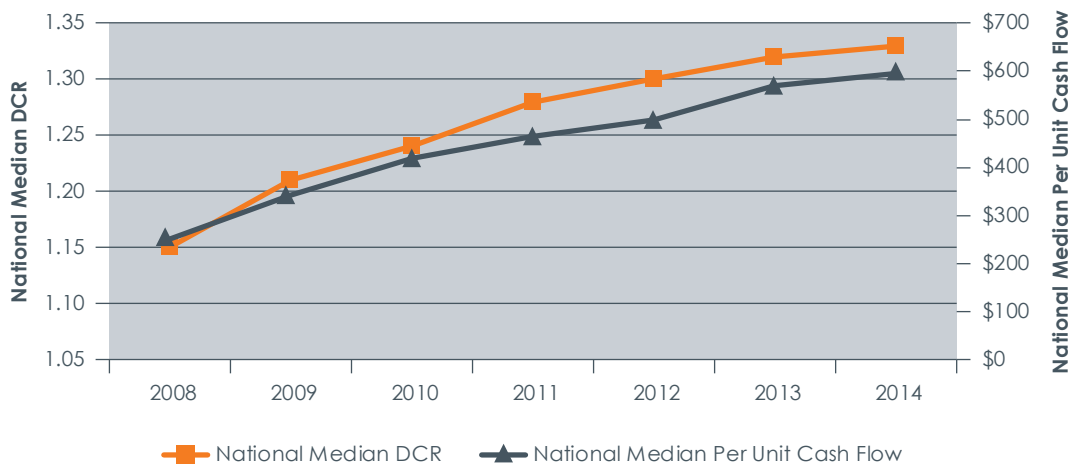
Overall Occupancy Portfolio Performance Seven-Year Trend

FIGURE 3.1.1(C)



Overall DCR and Per Unit Cash Flow Portfolio Performance Seven-Year Trend

FIGURE 3.1.1(D)



3.1.2 Physical and Economic Occupancy

Industry professionals generally underwrite housing tax credit property investments on the assumption that stabilized economic occupancy will be at least 93%; or 95% if the property is 100% subsidized and/or located in an unusually strong market. The assumed economic vacancy rate takes into account the periodic turnover of units, the ability to re-lease such units, and losses from rent skips and/or collection problems. While physical occupancy may be calculated at 95% or higher, housing tax credit properties have historically lost

an additional 1–2% of gross potential rent because of collection problems or other issues previously noted. As illustrated in Figure 3.1.2, historical performance data confirm that it has been a sound underwriting practice to assume an extra 1–2% economic losses beyond physical vacancy losses.

The survey data suggest that occupancy levels in housing credit properties continued to improve. In 2013, the median physical occupancy rate across the surveyed portfolio was 97.2%, which increased to 97.5% in 2014, the highest level observed since we began collecting data. While only two years' worth of economic occupancy data were available, it is clear that the median economic occupancy closely trailed behind the growth in median physical occupancy.

Median Physical and Economic Occupancy

FIGURE 3.1.2

	2013	2014
Median Physical Occupancy	97.2%	97.5%
Median Economic Occupancy	96.3%	96.6%

3.1.3 Debt Coverage Ratio

The term “debt coverage” refers to the relationship between net income (effective gross rental income less operating expenses and replacement reserve deposits) and mandatory debt service payments. For example, a project that reports \$115,000 of net rental income and \$100,000 of annual mandatory debt service is considered to have a 1.15 DCR. Most lenders' underwriting standards require that a housing credit property be able to generate net income that produces a debt coverage ratio of at least 1.15–1.20 as a condition of retiring a property's construction loan and converting to long-term permanent financing. To the extent that a property is financed with only “soft” debt, DCR measurements are not relevant. Soft debt refers to mortgage loans made by government agencies or other lenders that require current payments only to the extent that the project has sufficient cash flow (or in some cases, do not require any payments until the maturity of such loans even if there is surplus cash flow). Roughly 15% of the properties (by both property count and investor net equity) in our stabilized surveyed population were financed exclusively with soft debt, and were thus excluded from the DCR analysis.

The surveyed properties experienced a steady increase in median DCR between 2008 and 2015. Median DCR hovered around 1.15 between 2000 and 2008, increased to 1.21 in 2010 (notwithstanding the recession), further improved to 1.32 in 2013, and reached an all-time high of 1.33 in 2014. We expect that DCRs will continue to increase in the future, albeit at a slower pace.

Median Debt Coverage Ratio

FIGURE 3.1.3

	2013	2014
Median Debt Coverage Ratio	1.32	1.33

3.1.4 Per Unit Cash Flow

The cash flow that a property generates (expressed as annual cash flow per apartment unit) closely tracks the movement of a property's DCR. As noted, because a subset of surveyed properties were financed with soft debt only, the number of properties reporting per unit cash flow is larger than the number of properties reporting debt coverage ratios.

In the same way that median DCR has improved over the years, the data suggests that median per unit cash flow has increased in parallel fashion. For a large portion of the last decade, housing tax credit properties reported minimal levels of cash flow averaging between \$200 and \$250 per unit per annum, after paying hard debt service and making required replacement reserve deposits. As recently as 2008, median cash flow per unit among surveyed housing credit properties was \$250, which, as illustrated in Figure 3.1.4, more than doubled by 2013 and reached a new peak in 2014.

While per unit cash flow has significantly increased over the past seven years, the upward trend needs to be put into context. Because the median tax credit project was comprised of 78 units in 2014, the total sum of positive cash flow per property—also on a median basis—is less than \$44,000 per annum. Further, any excess cash flow is typically run through the cash flow waterfall specified under the property's partnership agreement to pay deferred developer fees, asset management fees, and/or interest on soft loans rather than distribute to the partners.

Median Per Unit Cash Flow

FIGURE 3.1.4

	2013	2014
Median Per Unit Cash Flow	\$571	\$597

3.1.5 Explanations for Continued Improvement of Property Performance

Because state agencies have a mandate not to allocate more credits than the amount needed to support a project's financial feasibility, housing tax credit projects are typically underwritten at 1.15–1.20 DCR to begin with, which affords a fairly modest buffer to breakeven. The data we have developed demonstrate that most projects are performing as projected or outperforming net income as underwritten.

In an attempt to identify factors that may have contributed to the continued performance improvement in housing tax credit properties, CohnReznick conducted research, designed quantitative analyses, and interviewed industry experts from participating organizations

to draw on their expertise. While no single factor can be singled out as an overriding contributor, CohnReznick believes that the enormous increase in the size of our national rent-burdened population has further fueled the huge unmet demand for affordable housing. Furthermore, the impact of lower hard debt service burdened properties reaching stabilization and more sophisticated expense underwriting are additional causes for improved property financial performance. Our findings are discussed in detail below

A rising number of renter households: According to a U.S. Census Bureau press release, homeownership rates have been steadily declining since reaching 69% at its peak in 2004. Conversely, the U.S. rental market has been booming and the percentage of homes occupied by renter households increased from less than 31% in the fourth quarter of 2004 to 36% in the fourth quarter of 2014. The 42 million renter-occupied households in 2014 represented a 2 million increase compared to the same time period in 2013.⁶ More cautious lending practices and increasing student loan burdens have become two of the many deterrents to homeownership in recent years.

A growing number of people living below the federal poverty line: The U.S. Census Bureau defines poverty according to annually calculated, before tax income thresholds that vary by family size and exclude capital gains and the value of non-cash benefits, such as those provided by food stamps, Medicare, Medicaid, or employer-provided fringe benefits. The official poverty thresholds do not vary geographically and are updated by the U.S. Census Bureau annually for inflation. For instance, a typical two-parent, two-child household earning less than \$24,008 annually is considered to be “in poverty” in 2014.⁷

In a recent report released by the U.S. Census Bureau, 46.7 million people, representing 14.8% of the United States’ population, were living in poverty as of 2014.⁷ Although the percentage of the poverty-stricken population has fluctuated over the years, the number of people living in poverty in 2014 is the highest since the Census Bureau began quantifying this statistic in 1959. The 46.7 million figure represents a marginal increase from 2013, a 7.1% increase from 2009, and a troubling 48% increase since 2000. The U.S. Census Bureau also found that median national household income was \$53,657 in 2014, which was 1.4% lower than the 2013 median, 6.5% lower than the 2007 median, and 7.2% lower than the median household income peak that occurred in 1999.

Unwavering demand for affordable housing fuels widening supply-demand gap: Every year, the National Low Income Housing Coalition (NLIHC) examines the availability of rental housing affordable to low-income renter households. NLIHC has found that the gap between the number of extremely low-income households and the number of rental homes that are both affordable and available has grown dramatically since the recession. In a March 2015 report, the NLIHC estimated that the number of extremely low-income renter households (those households earning no more than 30% of the area median income) rose from 9.6 million in 2009 to 10.3 million in 2013, which equates to one in every five renter households nationally in 2013.⁸ However, there were just 3.2 million affordable

⁶ Source: U.S. Census Bureau. U.S. Census Bureau News. January 29, 2015. <http://www.census.gov/housing/hvs/files/currenthvspress.pdf>

⁷ Source: U.S. Census Bureau. Income and Poverty in the United States: 2014. <http://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>

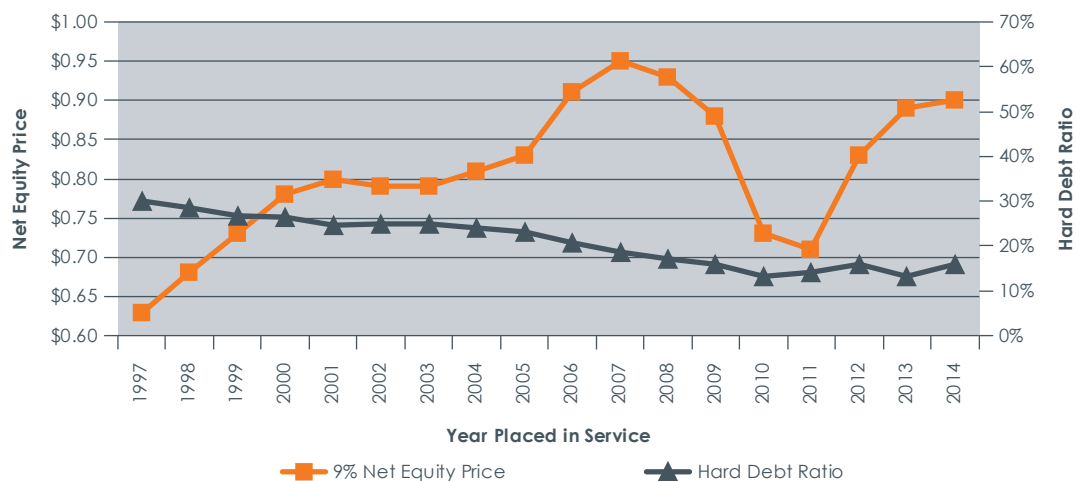
⁸ Source: National Low Income Housing Coalition. Housing Spotlight, Volume 5, Issue 1, March 2015. http://nlihc.org/sites/default/files/Housing-Spotlight_Volume-5_Issue-1.pdf

rental units available to these extremely low-income households (i.e., only 31 affordable units available to every 100 extremely low-income households), resulting in an absolute shortage of 7.1 million affordable units for extremely low income households.⁸ The current shortage represents a 4.4% increase from 2010, indicating that the growth in the extremely low-income population outpaced the addition of units affordable to these families.

Lower hard debt service burden: In the wake of the recession, the increase in tax credit pricing has generated more equity, which served to reduce the debt burden in new housing credit projects. We note, however, that as of the writing of this report, while pricing remains at very high levels, soft financing is becoming increasingly scarce, thus causing leverage ratios to steadily rise. In this study, however, over 48% of the surveyed stabilized properties reported less than 20% in hard debt. Figures 3.1.5(A) and 3.1.5(B) illustrate the correlation between tax credit pricing and hard debt ratio among surveyed properties. Four percent housing tax credit properties are presented separately from 9% housing tax credit properties, because they generate significantly fewer credits based on the same eligible basis, and thus are typically more heavily leveraged than 9% properties.

Net Equity Price vs. Hard Debt Ratio – 9% Credit

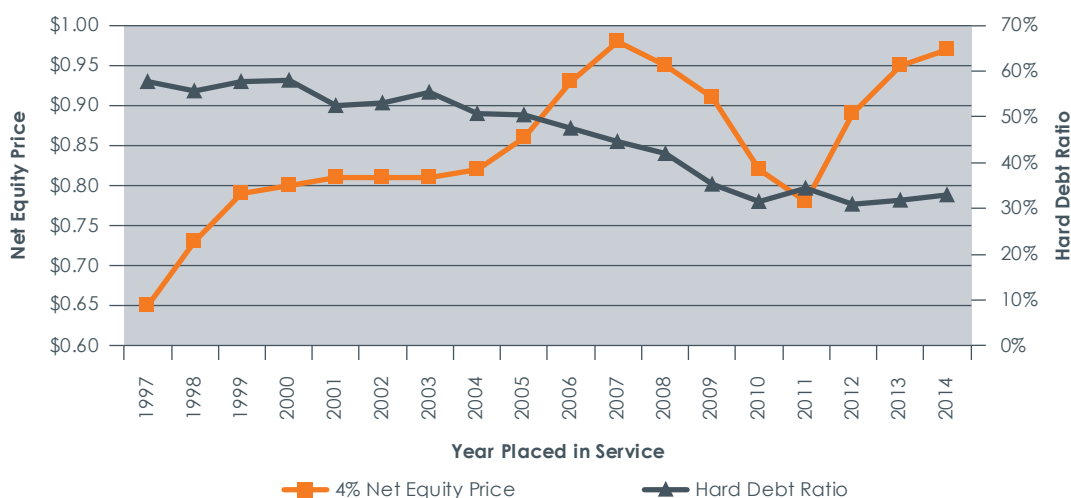
FIGURE 3.1.5(A)



⁸ Source: National Low Income Housing Coalition. Housing Spotlight, Volume 5, Issue 1, March 2015.
http://nlihc.org/sites/default/files/Housing-Spotlight_Volume-5_Issue-1.pdf

Net Equity Price vs. Hard Debt Ratio – 4% Credit

FIGURE 3.1.5(B)



A strong inverse relationship exists between the price paid for a property's housing credits and its level of hard debt. Using 9% properties as an example, in the late 1990s when housing tax credits were trading for less than \$0.80 per dollar of credit on a national level, approximately 33% of the permanent sources of development financing for housing tax credit properties were made up of hard debt. Over the past five years, as housing tax credit prices trended upward, the median hard debt ratio observed in 9% housing tax credit properties fell to as low as 15%. More recently, median hard debt in 9% deals has increased as soft debt becomes harder and harder to locate.

On a net equity basis, nearly 28% of the stabilized properties we surveyed were placed in service in 2010 or later, and 70% were placed in service in 2005 or later. A cohort of the surveyed properties was also refinanced at lower interest rates during the favorable interest rate environment in recent years. While we do not have a statistical basis for quantifying the impact from refinancing, it is clear that lower leverage and favorable interest rates have operated in concert to decrease housing tax credit properties' hard debt burden. We also know, anecdotally, that a large number of formerly troubled properties have been able to stave off foreclosure in the past couple of years because they were refinanced on more favorable terms.

More efficient expense underwriting: CohnReznick's industry experience and interviews with survey respondents allowed us to conclude that the housing tax credit industry, as a whole, has made significant strides in improving the underwriting of operating expenses. Participants indicated to us that the availability of benchmarked data from their own portfolios, state credit allocation agencies, and industry data providers have allowed them to improve their expense underwriting and shrink the variance between underwritten and actual expenses that typified the first generation of housing credit properties.

Perhaps the most illustrative example of the improvement of operating expense underwriting is seen in the Ohio Capital Corporation for Housing (OCCH) portfolio. OCCH is an industry leader in its use of portfolio data to inform its underwriting. Aided by the fact that it operates predominantly in Ohio, OCCH has used its previous experiences to inform its future projections of income and expenses. OCCH is the only syndicator, to our knowledge, able to look back at its past deals and assess the actual operating expenses incurred, and the variance to the original underwriting. Looking back 10 years ago, properties in OCCH's portfolio on average reported a 32% variance to the original projections. In 2014, the average operating expense variance of the OCCH portfolio precipitously decreased to 9%. Despite the underwriting gaps evidenced in 2004, OCCH's portfolio continued to perform and has never lost a project to foreclosure. The impact of OCCH's efforts to mine its portfolio for relevant operating expense data points is profound, and proves our assumption that the industry has significantly improved the projection of operating expenses.

3.2 Portfolio Underperformance

While overall portfolio performance is strong on a national basis, housing tax credit projects are, by design, underwritten with a narrow margin for error. Factors such as market fluctuations and weak development and management teams can easily drive a property's operations below breakeven. The quality of the underwriting (i.e., reasonableness of proposed rents and budgeted operating expenses) may also contribute to unanticipated deficits. CohnReznick analyzed the data obtained from respondents by isolating a cohort of properties we characterize as "underperforming" versus "performing." We define underperforming properties as those properties reporting one or more of the following criteria:

- Physical occupancy levels below 90%
- Economic occupancy levels below 90%
- A debt coverage ratio below 1.00
- Insufficient cash flow to cover operating expenses or negative cash flow

The term "operating underperformance" refers to cases in which a property suffers from low occupancy, operating deficits, or physical plant issues such as deferred maintenance. Syndicators and investors commonly maintain what is referred to as a "watch list" in connection with their asset management procedures. Watch lists track properties through a set of defined performance measures to ensure that "problem" properties are more closely monitored. Watch list criteria can vary from syndicator to syndicator; however, most respondents have adopted the criteria established by the Affordable Housing Investors Council (AHIC)⁹ as a baseline for measuring underperformance. Pursuant to AHIC standards, a property investment reporting below 90% economic occupancy or below 1.00 DCR should be placed on a watch list for close monitoring, in addition to being observed for other performance matters. In light of the fact that the focus of our work has been on stabilized properties, this report does not address construction or lease-up risks.

⁹ <http://www.ahic.org>

Because housing tax credit properties must conform to certain statutory requirements, they are also subject to rigorous compliance tests and layers of oversight by the IRS and state housing agencies. Given the added burden of these requirements, housing credit properties bear somewhat higher administrative costs than conventional multifamily apartment complexes. Failure to meet these requirements can have significant negative consequences for investors. For this reason we treat properties failing to comply with housing tax credit program requirements as properties that are technically underperforming.

Housing tax credit properties' underperformance can be traced to a number of causes. Low occupancy can be attributed to: soft market conditions, competition from other properties in close proximity to the housing credit property, ineffective tenant screening resulting in high eviction rates, and deteriorating property conditions that render some of the property's units uninhabitable or inferior to the competition. Although this chapter explores the common symptoms of underperformance of housing tax credit properties, diagnosing the underlying causes for underperformance tends to be a case-by-case exercise.

In addition to the static information presented, the report presents analysis related to both the duration and magnitude of underperformance. Clearly, chronic underperformance deserves more attention than pure operating volatility, as persistent underperformance is more likely to cause a loss on investment, while operating volatility can easily be triggered by a temporary drop in occupancy or DCR. Assuming all other indicators remain constant, should an investor be more concerned about a portfolio where 35% of the properties report below 1.00 DCR with an average per unit annual deficit of \$100 or a portfolio where only 15% of the properties report below 1.00 DCR with annual deficits that are much higher? In our experience, the length and the magnitude of operating deficits have proven to be much more important than the number of properties reporting deficits.

In the course of our analysis, we measured underperformance based on net equity as opposed to property count. Net equity speaks to the investors' risk exposure and approximates the amount of credits allocated to these nonperforming deals. Under the net equity method, however, 4% credit projects would carry less weight than 9% credit deals, and small-scale projects would also carry less weight than larger developments. As such, we have weighed the data by property count in addition to net equity when analyzing property underperformance by credit type and property size.

3.2.1 Overall Portfolio Underperformance

As reflected in Figure 3.2.1 (A), in 2014, 5.7% of the surveyed stabilized portfolio on a net equity basis operated at below 90% physical occupancy, 11.7% operated at below 90% economic occupancy, 16.9% operated at or below breakeven, and 17.8% incurred operating deficits, all of which were notable improvements from 2013. These results demonstrate continued improvement relative to data from previous study years as discussed later in this section.

Overall Portfolio Underperformance 2013–2014 (% of net equity)

FIGURE 3.2.1(A)

	2013	2014
Below 90% Physical Occupancy	7.5%	5.7%
Below 90% Economic Occupancy	15.5%	11.7%
Below 1.00 Debt Coverage Ratio	18.4%	16.9%
Below \$0 Per Unit Cash Flow	19.3%	17.8%

Consistent with improved overall portfolio performance, the incidence of underperformance has clearly been declining in recent years. Similar to property performance, a number of factors can be credited for this favorable trend, including increased demand for affordable housing, less volatility in operating expenses, lower turnover (with lower turnover costs), and the fact that many properties, somewhat counter-intuitively, generated higher rental income during the recession. The financial crisis that occurred during 2008–2009 appears to have had almost no adverse impact on the overall health of the housing tax credit inventory, which marks a striking difference compared to the impact of the recession on conventional multifamily housing. Figures 3.2.1(B)–(C) demonstrate this favorable trend over the last seven years.



Photo courtesy of Stratford Capital Group

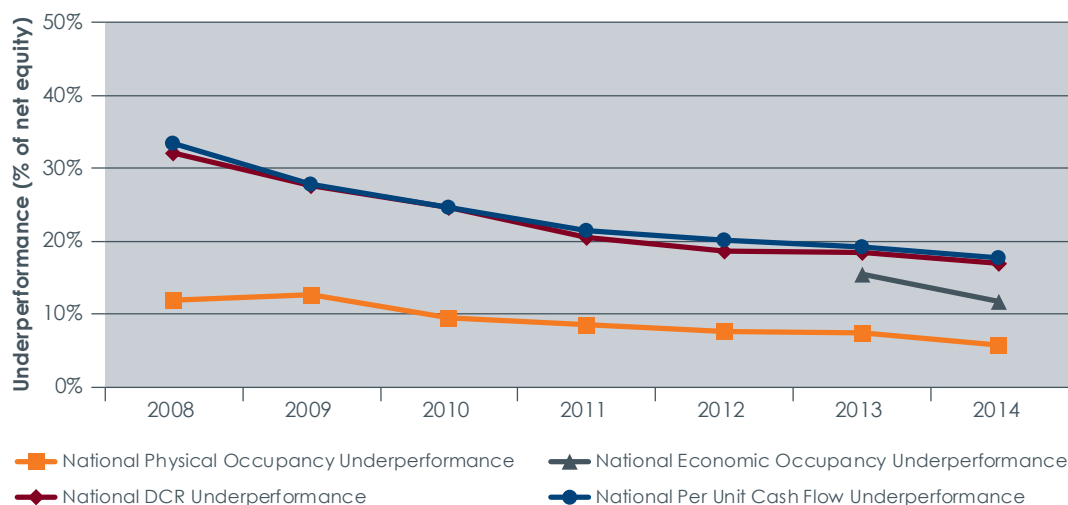
Overall Portfolio Underperformance 2008–2014 (% of net equity)

FIGURE 3.2.1(B)

	2008	2009	2010	2011	2012	2013	2014
Below 90% Physical Occupancy	11.9%	12.6%	9.5%	8.5%	7.6%	7.5%	5.7%
Below 90% Economic Occupancy	NA	NA	NA	NA	NA	15.5%	11.7%
Below 1.00 Debt Coverage Ratio	32.2%	27.6%	24.6%	20.5%	18.6%	18.4%	16.9%
Below \$0 Per Unit Cash Flow	33.4%	27.8%	24.7%	21.4%	20.2%	19.3%	17.8%

Overall Portfolio Underperformance 2008–2014 (% of net equity)

FIGURE 3.2.1(C)



As noted, the incidence of properties reporting negative cash flow generally corresponds to the incidence of properties reporting debt coverage below 1.00, with the exception of properties financed exclusively with soft debt. Furthermore, the spread between properties reporting occupancy and cash flow challenges indicates that high occupancy does not necessarily guarantee strong financial performance. While low occupancy is often a key driver of operating deficits, these deficits may be the result of a multitude of issues, including spikes in operating expenses, rent concessions, poor management, and higher than normal turnover.

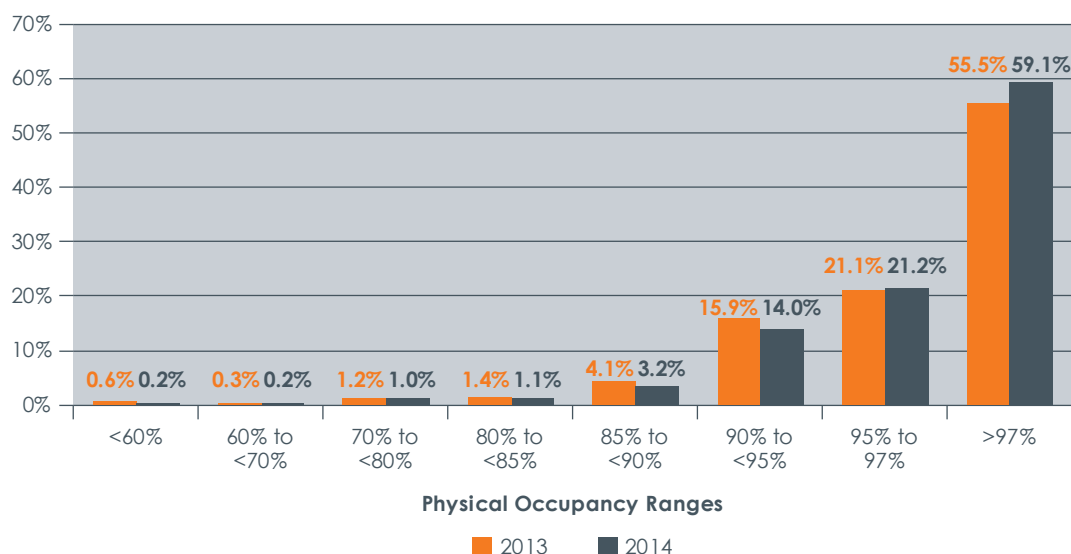
In addition to examining property underperformance on an overall portfolio basis, CohnReznick also takes a “deeper dive” in Chapter 3.3 by looking at property underperformance from multiple perspectives.

3.2.2 Severity of Underperformance

CohnReznick plotted the distribution of properties reporting underperformance measured by physical occupancy, economic occupancy, DCR, and per unit cash flow in order to ascertain the magnitude of underperformance. Of the 7.5% (2013) and 5.7% (2014) reporting physical occupancy below 90%, 5.5% (2013) and 4.3% (2014) were clustered within the 80–90% range. Only 2.1% and 1.4% of the surveyed stabilized properties were considered extreme underperformers reporting less than 80% occupancy in 2013 and 2014, respectively.

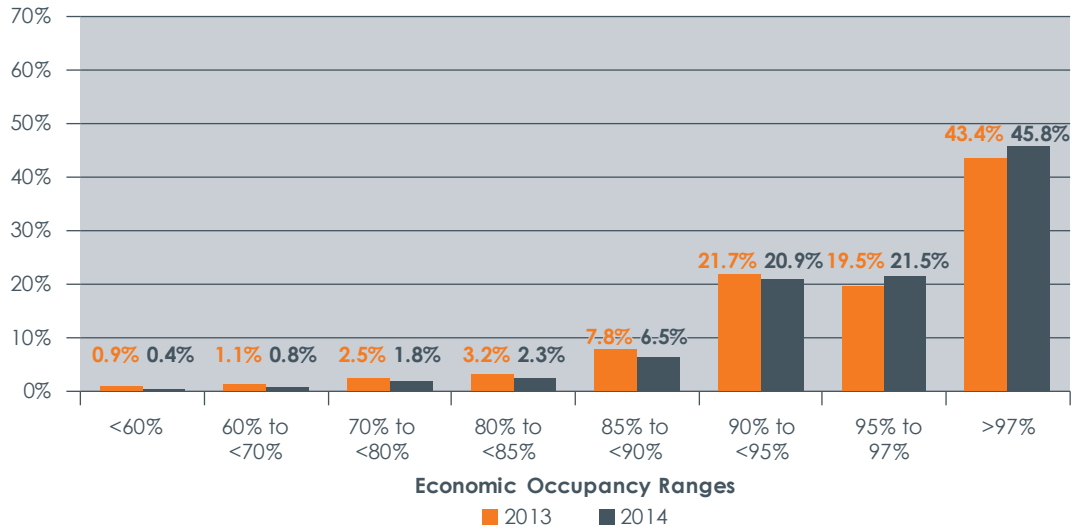
Similarly, in terms of economic occupancy underperformance, Figure 3.2.2(B) shows that in 2013 and 2014 respectively, of the 15.5% and 11.7% reporting economic occupancy below 90%, 11.0% and 8.8% were concentrated within the 80–90% range, leaving only 4.4% and 3.0% of the surveyed stabilized properties exhibiting below 80% economic occupancy.

Distribution of 2013 and 2014 Physical Occupancy FIGURE 3.2.2(A)



Distribution of 2013 and 2014 Economic Occupancy

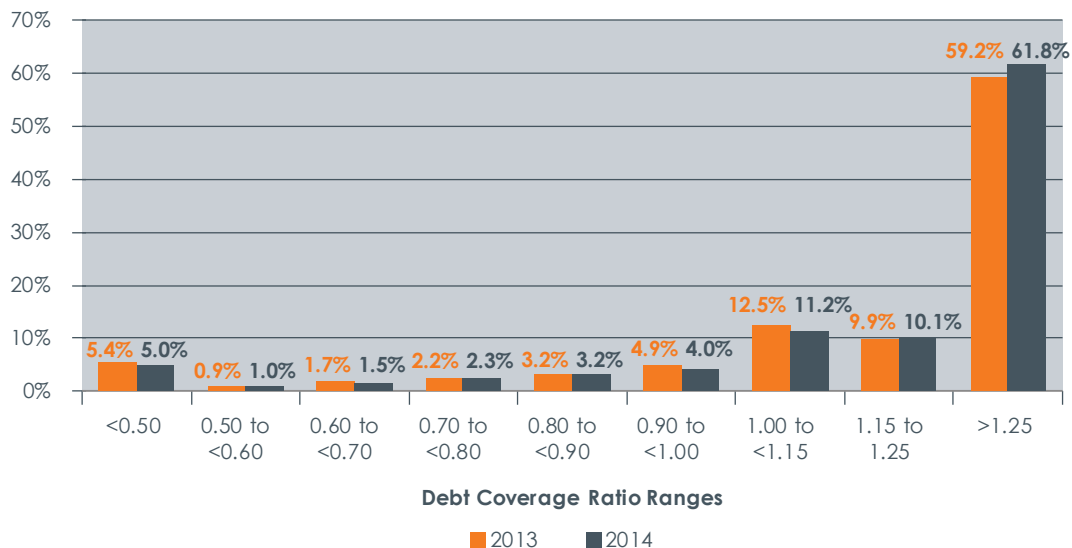
FIGURE 3.2.2(B)



While 17%–19% of surveyed housing credit properties experienced below 1.00 DCR and negative cash flow in 2013 and 2014, 7%–9% of the total properties were operating with 0.80 to 0.99 of DCR and -\$200 to \$0 of per unit cash flow. In 2013, a modest 5.4% of properties reported below 0.50 DCR and 10.8% reported per unit cash flow deficits that CohnReznick regards as material in amount (i.e. more than \$400 per unit); in 2014, these two statistics improved slightly to 5.0% and 10.2%, respectively. The low incidence of severely underperforming properties helps to explain that, in many cases, operating deficits incurred at low-income housing tax credit properties were funded through fee deferrals, operating deficit guarantee and reserves, or advances from the general partner or syndicators.

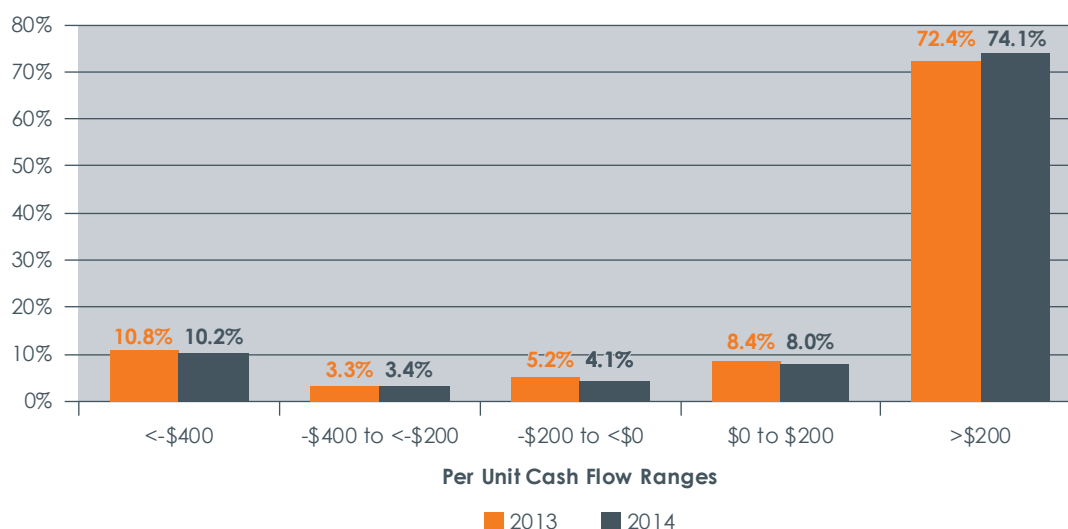
Distribution of 2013 and 2014 Debt Coverage Ratio

FIGURE 3.2.2(C)



Distribution of 2013 and 2014 Per Unit Cash Flow

FIGURE 3.2.2(D)



3.3 Segmented Analysis of Performance and Underperformance Data

Housing credit investors and lenders often ask whether property investments in certain geographic areas, of certain types, or other segmented criteria tend to perform better or worse than others. While housing credit investments provide investors with tax credit benefits, they are ultimately equity investments in operating real estate. A major component of the success of any real estate investment is its geographic location. Not surprisingly, CohnReznick found through careful analysis of the data that low-income housing tax credit properties in certain geographic areas, exhibit more favorable operating performance in the aggregate than properties in other areas. However, CohnReznick stresses that geographic location is just one of a number of factors that will ultimately lead to the success or failure of a given low-income housing tax credit property.

In this chapter, we take a closer look at 2013 and 2014 performance data in two main tranches: first by occupancy (physical and economic occupancy), and second by financial performance (DCR and per unit cash flow). Although economic occupancy is typically lower than physical occupancy because of collection issues, both measures are directly connected. DCR and per unit cash flow essentially measure the same indicator of property performance but presents the findings as two different metrics. A property operating with a DCR of exactly 1.00 translates directly into just enough cash flow to cover operating expenses, replacement reserve contributions, and mandatory hard debt service; properties with negative coverage naturally do not generate cash flow, and vice versa. In previous studies, we discussed occupancy side by side with DCR and per unit cash flow and found that they do not always directly correlate with each other. For instance, a property that is highly occupied could still be considered underperforming because of higher than anticipated operating expenses; conversely, a property with more than 10% vacancy may still break even, perhaps because it has a minimal level of hard debt. The

two tranches of data are then each segmented into the following categories, all of which could have an impact on the overall health of a project:

- 12 regional areas
- All 50 states, District of Columbia, and territories
- All MSAs
- Property age
- Property type*
- Property size
- Tenancy type
- Developer type*
- Credit type
- Development type
- Availability of rental assistance*
- Availability of property tax relief*
- Ranges of hard debt ratios*

The * denotes segments that represent newly added categories since prior CohnReznick studies. Within each of the segments above, while our analysis is focused on the 2013 and 2014 data, we have presented a four- or seven-year trend where data are available for reference purposes.

3.3.1 Physical and Economic Occupancy Performance

3.3.1.1 Median Physical and Economic Occupancy by Region

CohnReznick separated surveyed properties in the 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands into 12 regions. It is important to note that, consistent with the data samples gathered in the past, the East and West Coast regions have the largest representation of properties in the survey sample, and thus their performance has had the largest influence on overall national portfolio performance.

Figure 3.3.1.1 (A) presents, by region, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio.

Median Physical and Economic Occupancy by Region

FIGURE 3.3.1.1(A)

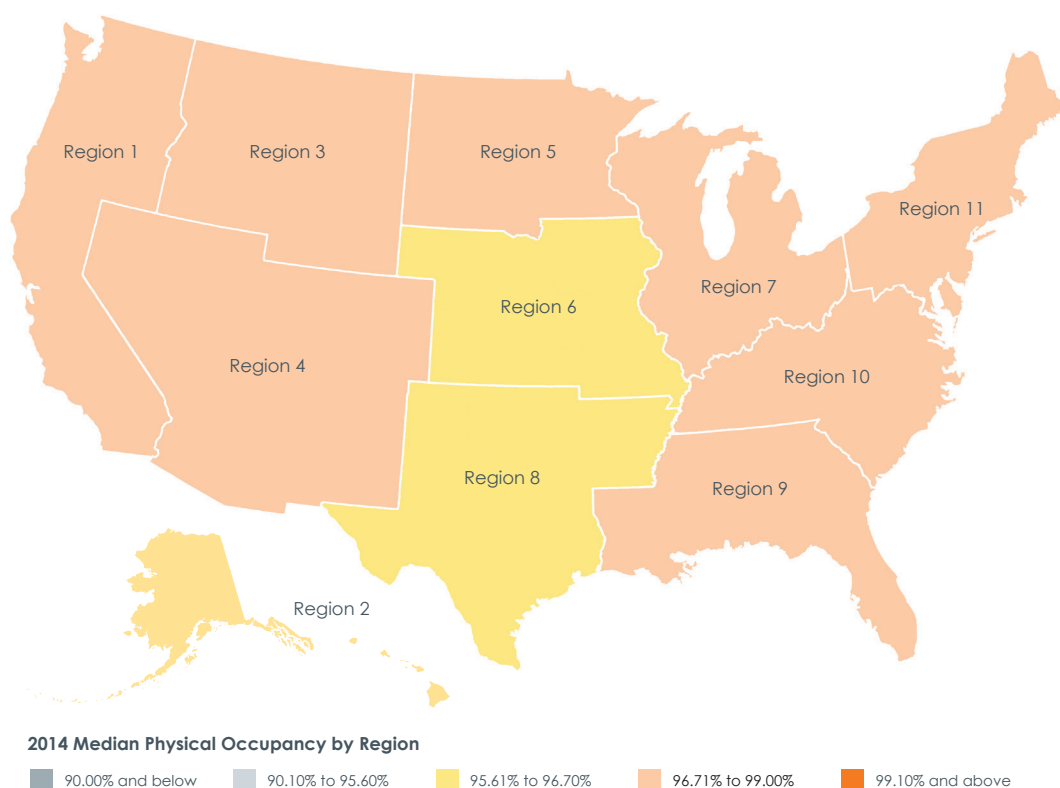
Region Number	Constituent States	% of Stabilized Portfolio	Median Physical Occupancy							Median Economic Occupancy	
			2008	2009	2010	2011	2012	2013	2014	2013	2014
Region 1	CA, OR, WA	18.9%	97.6%	97.0%	97.4%	97.9%	98.0%	98.1%	98.3%	97.3%	97.8%
Region 2	AK, HI	0.5%	96.7%	96.8%	97.0%	97.2%	97.5%	96.7%	96.7%	96.5%	96.0%
Region 3	ID, MT, WY	0.7%	95.4%	94.8%	95.0%	96.5%	96.7%	97.0%	97.3%	95.2%	95.6%
Region 4	AZ, CO, NM, NV, UT	4.5%	96.5%	96.0%	96.7%	97.0%	97.0%	97.0%	97.5%	95.8%	96.2%
Region 5	MN, ND, SD	2.0%	96.8%	96.7%	97.1%	98.0%	98.0%	98.0%	98.2%	97.0%	97.3%
Region 6	IA, KS, NE, MO	3.8%	95.0%	95.3%	95.8%	96.4%	96.3%	96.1%	96.7%	95.8%	95.7%
Region 7	IN, IL, MI, OH, WI	13.9%	95.3%	95.5%	95.8%	96.0%	96.2%	96.8%	97.0%	95.2%	95.8%
Region 8	AR, OK, TX	7.9%	95.8%	95.0%	95.8%	95.1%	95.8%	96.1%	96.5%	94.7%	95.0%
Region 9	AL, FL, GA, LA, MS	12.3%	95.2%	94.8%	95.6%	95.8%	96.0%	96.2%	97.0%	94.4%	95.3%
Region 10	KY, NC, SC, TN, VA, WV	8.2%	96.4%	96.3%	97.0%	97.0%	97.0%	97.2%	97.2%	96.3%	96.1%
Region 11	CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT	26.0%	97.0%	97.1%	97.2%	97.8%	98.0%	98.0%	98.0%	97.1%	97.1%
Region 12	GU, PR, VI	1.3%	99.6%	99.7%	99.4%	100.0%	99.9%	100.0%	100.0%	99.8%	99.2%

Region 12 (Guam, Puerto Rico, and the U.S. Virgin Islands) reported the highest median physical and economic occupancies of all 12 regions, which is consistent with CohnReznick's previous studies and not surprising given both the scarcity of affordable housing in these island locations and the fact that a significant number of all rental properties in those areas benefit from rental assistance. Region 1 (West Coast), Region 5 (Minnesota, North Dakota, and South Dakota) and Region 11 (Northeast) consistently outperformed the national median in both 2013 and 2014. The other eight regions, conversely, generally performed slightly below the national median in both 2013 and 2014. Most negative variances, however, are immaterial.

Figure 3.3.1.1 (B) & (C) illustrate each region's 2014 median physical and economic occupancy rates on a national map. The performance range of each region is indicated with a different color.

2014 Median Physical Occupancy by Region

FIGURE 3.3.1.1(B)



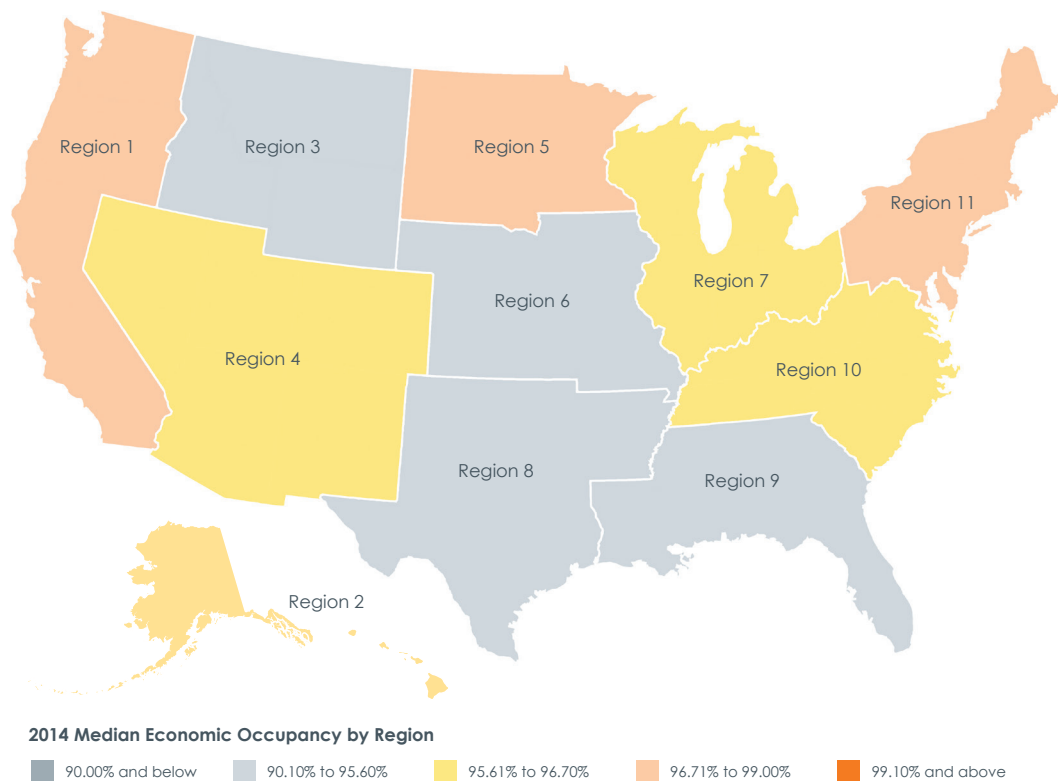
While strong occupancy in the coastal regions has been the case for decades, we were surprised by the data reported by the Minnesota-Dakota region when we first began to analyze property performance data segmented by region. We speculate that the high occupancy rates in the Minneapolis and St. Paul markets and the oil boom in North Dakota continued to boost the region's overall performance through 2014.

Since the discovery and extraction of oil from the Bakken formation in North Dakota in 2006, a significant number of jobs have been created, allowing the state to claim the lowest unemployment rate in the country in recent years, and to provide the state with \$1.6 billion in forecasted General Fund surplus for its 2013–2015 bi-annual budget cycle. Per U.S. Census Bureau estimates, North Dakota inhabitants increased more than 15% from 642,200 in 2000 to just below 740,000 in 2014. However, plunging energy prices since the end of 2014 present an uncertain future for a local economy that is anchored by the energy sector. An analysis from Reuters published in September 2015 reported that “producers, oilfield service providers and other energy companies across the state’s

western oil patch have cut employee hours, canceled projects and laid off staff, all hoping to weather the low-price storm."¹⁰ If the local oil industry does not rebound from its current state of contraction, we would expect the performance of housing credit properties in North Dakota to be negatively affected by the outflow of workers searching for jobs elsewhere.

2014 Median Economic Occupancy by Region

FIGURE 3.3.1.1(C)



Conversely, the Southeast and Midwest regions continued to report occupancy slightly below the national median. In particular, Region 8 (composed of Arkansas, Oklahoma, and Texas) in 2014 had the least favorable median physical occupancy of 96.5% and economic occupancy of 95.0%, although both rates represented a marginal improvement since 2013. Overall, all states and territories reported 2014 median occupancy rates that exceed the 93% or 95% industry standard underwriting assumptions.

¹⁰ Source: Reuters. Nearly half of hotel rooms in North Dakota oil capital sit empty. September 2, 2015. <http://www.reuters.com/article/2015/09/02/us-north-dakota-oil-hotels-idUSKCN0R222U20150902>

Underperformance — Physical and Economic Occupancy by Region

As noted, CohnReznick analyzed the data obtained from respondents by isolating a cohort of properties as “underperforming,” which in this context we define as those properties operating at below 90% physical and economic occupancy. Figure 3.3.1.1(D) illustrates occupancy underperformance by region, as measured by the percentage of net equity of the stabilized surveyed portfolio.

Physical and Economic Occupancy Underperformance by Region (% of net equity)

FIGURE 3.3.1.1(D)

Region Number	Constituent States	% of Stabilized Portfolio	Physical Occupancy below 90%		Economic Occupancy below 90%	
			2013	2014	2013	2014
Region 1	CA, OR, WA	18.9%	4.0%	2.7%	8.4%	4.5%
Region 2	AK, HI	0.5%	8.6%	4.2%	18.5%	5.9%
Region 3	ID, MT, WY	0.7%	8.9%	5.9%	18.1%	10.3%
Region 4	AZ, CO, NM, NV, UT	4.5%	10.1%	5.1%	22.9%	16.2%
Region 5	MN, ND, SD	2.0%	9.6%	7.2%	12.7%	13.5%
Region 6	IA, KS, NE, MO	3.8%	14.6%	12.0%	24.2%	20.9%
Region 7	IN, IL, MI, OH, WI	13.9%	10.4%	8.4%	22.5%	15.6%
Region 8	AR, OK, TX	7.9%	11.4%	9.5%	23.9%	17.2%
Region 9	AL, FL, GA, LA, MS	12.3%	10.7%	7.1%	26.4%	18.8%
Region 10	KY, NC, SC, TN, VA, WV	8.2%	8.6%	7.1%	16.7%	14.4%
Region 11	CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT	26.0%	3.8%	3.4%	8.1%	7.6%
Region 12	GU, PR, VI	1.3%	4.1%	1.4%	1.9%	5.3%

Region 6 (Iowa, Kansas, Nebraska, and Missouri) had the highest share of properties—14.6% and 12%—with physical occupancy underperformance in 2013 and 2014, respectively. Region 8 (Arkansas, Oklahoma, and Texas) had the second highest level of physical occupancy underperformance in both years, immediately followed by Regions 9 and 7. Nevertheless, the incidence of physical occupancy underperformance lessened between 2013 and 2014 in all regions, with all but Region 6's results coming in below 10%.

Underperformance in terms of economic occupancy is statistically more significant than physical occupancy. In 2013 and 2014, eight and seven regions, respectively, reported incidence of underperformance in excess of the national median, five of which were in excess of 20% in 2013, but only one was in excess of 20% in 2014. Notably, Region 9 (Southeast) reported the highest incidence of economic occupancy underperformance in 2013, a spot taken by Region 6 in 2014.

In keeping with our previous experience, the U.S. Territories, the Northeast, and the West Coast tend to have the lowest incidence of occupancy underperformance.

3.3.1.2 Median Physical and Economic Occupancy by State

Figure 3.3.1.2(A) presents, by state, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio.

Median Physical and Economic Occupancy by State

FIGURE 3.3.1.2(A)

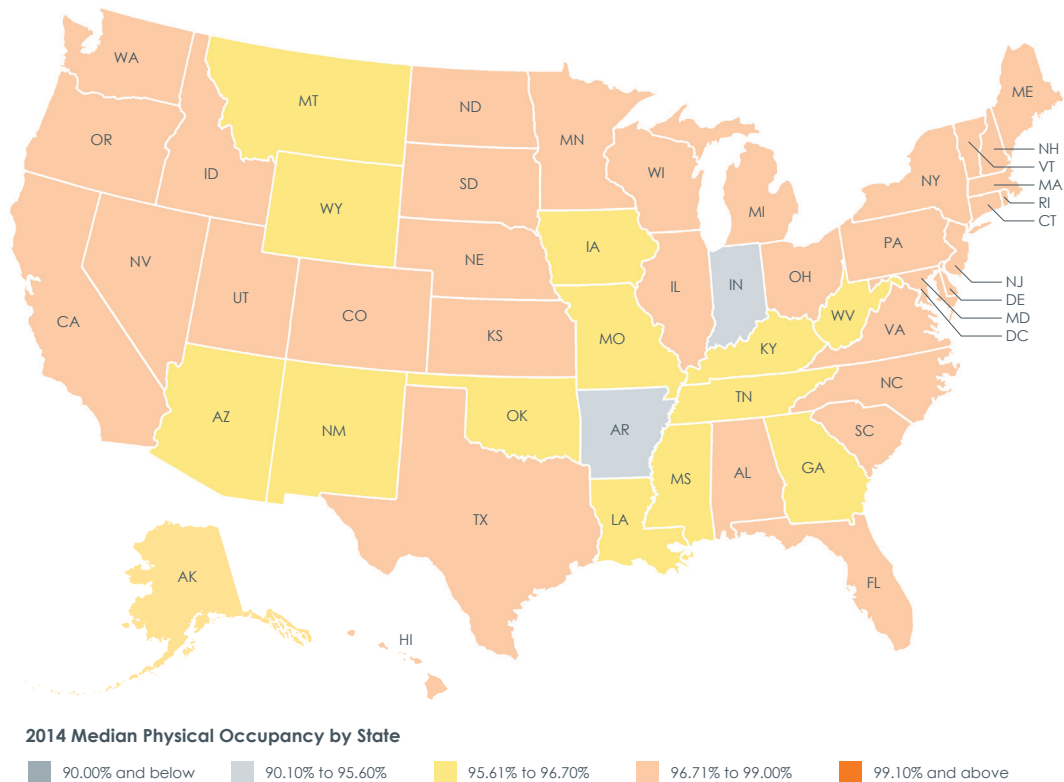
State	% of Stabilized Portfolio	Median Physical Occupancy							Median Economic Occupancy	
		2008	2009	2010	2011	2012	2013	2014	2013	2014
AK	0.2%	96.0%	95.5%	96.9%	97.0%	97.0%	96.9%	95.9%	96.2%	94.7%
AL	1.4%	95.0%	95.1%	95.5%	97.0%	97.0%	97.5%	97.3%	95.5%	95.7%
AR	0.7%	96.0%	96.0%	96.0%	95.3%	95.8%	95.3%	94.6%	93.9%	94.4%
AZ	1.3%	95.5%	94.9%	95.8%	95.8%	95.7%	95.9%	96.4%	94.0%	95.0%
CA	15.1%	97.9%	97.5%	97.9%	98.0%	98.1%	98.3%	98.6%	97.4%	97.9%
CO	1.4%	96.5%	96.3%	97.2%	97.9%	98.0%	98.3%	98.1%	97.0%	97.1%
CT	1.0%	96.6%	97.0%	97.0%	96.9%	96.0%	97.0%	97.3%	96.2%	96.4%
DC	0.9%	97.1%	96.9%	96.8%	98.0%	97.5%	97.6%	97.5%	96.9%	97.0%
DE	0.3%	96.0%	97.0%	96.0%	98.9%	98.0%	98.1%	98.0%	97.5%	97.4%
FL	4.7%	95.0%	94.6%	95.0%	95.0%	95.8%	96.8%	97.7%	93.8%	95.6%
GA	2.2%	94.8%	94.8%	95.3%	95.5%	95.4%	96.0%	96.7%	93.8%	94.1%
GU	0.1%	94.4%	85.1%	89.4%	94.0%	95.0%	97.5%	96.3%	95.5%	93.0%
HI	0.3%	99.0%	99.0%	99.0%	97.9%	98.3%	95.9%	97.5%	97.5%	97.3%
IA	1.2%	94.4%	94.1%	95.0%	95.3%	96.2%	95.8%	96.3%	95.2%	95.9%
ID	0.3%	93.8%	94.4%	94.0%	95.5%	96.1%	97.9%	98.1%	96.1%	96.0%
IL	3.8%	96.0%	96.7%	96.1%	96.6%	97.0%	96.9%	96.8%	95.3%	95.0%
IN	1.8%	94.0%	94.0%	94.4%	94.9%	95.3%	95.6%	95.6%	94.1%	94.0%
KS	0.7%	96.0%	96.0%	96.0%	97.0%	96.1%	96.1%	96.8%	95.7%	95.9%
KY	1.1%	96.5%	96.2%	96.1%	96.0%	96.6%	96.9%	96.8%	95.3%	95.6%
LA	2.6%	96.3%	96.0%	96.0%	96.0%	96.0%	95.8%	96.7%	96.0%	96.0%
MA	3.2%	96.2%	96.7%	97.0%	98.1%	98.2%	98.4%	98.4%	98.0%	97.9%
MD	1.9%	96.8%	97.0%	97.0%	98.0%	98.0%	97.6%	97.5%	97.0%	96.4%
ME	0.5%	97.5%	97.4%	97.2%	96.4%	97.2%	96.9%	97.1%	96.7%	97.1%
MI	2.7%	93.9%	94.0%	95.0%	95.2%	95.0%	96.0%	96.9%	94.4%	95.0%
MN	1.6%	97.2%	97.0%	97.2%	98.0%	98.0%	98.4%	98.4%	97.0%	97.7%
MO	1.3%	94.9%	95.3%	95.8%	96.0%	95.9%	95.7%	96.0%	95.0%	94.9%

State	% of Stabilized Portfolio	Median Physical Occupancy							Median Economic Occupancy	
		2008	2009	2010	2011	2012	2013	2014	2013	2014
MS	1.4%	95.3%	95.0%	96.0%	96.0%	96.0%	95.8%	96.0%	90.0%	91.9%
MT	0.2%	95.8%	94.4%	95.3%	97.3%	96.7%	96.7%	96.6%	95.2%	95.6%
NC	2.1%	97.0%	97.0%	97.2%	97.7%	97.9%	97.7%	97.3%	97.0%	96.3%
ND	0.3%	96.7%	97.4%	97.5%	98.8%	98.8%	98.6%	98.0%	97.6%	96.6%
NE	0.6%	95.4%	95.8%	96.0%	98.0%	97.0%	96.9%	97.3%	97.0%	96.3%
NH	0.5%	97.6%	97.0%	97.0%	97.3%	96.7%	96.4%	97.5%	96.6%	97.1%
NJ	2.8%	97.4%	97.3%	97.6%	98.0%	98.0%	98.0%	98.0%	97.1%	97.0%
NM	0.5%	95.8%	96.0%	96.6%	97.1%	97.0%	95.8%	96.0%	94.0%	94.9%
NV	0.7%	96.5%	96.0%	95.3%	95.2%	96.3%	96.7%	97.5%	96.8%	97.0%
NY	11.1%	97.3%	97.5%	97.5%	97.9%	98.0%	98.0%	98.3%	97.2%	97.5%
OH	3.9%	96.2%	96.1%	96.1%	97.5%	97.3%	97.4%	97.7%	96.6%	97.0%
OK	0.7%	95.7%	95.5%	96.0%	94.9%	95.0%	96.0%	95.8%	96.0%	94.4%
OR	1.1%	96.8%	96.1%	96.4%	97.7%	97.8%	98.0%	98.1%	97.5%	97.8%
PA	2.9%	97.0%	97.0%	97.0%	97.6%	98.0%	97.8%	97.6%	97.5%	97.4%
PR	1.2%	99.9%	99.5%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%
RI	0.5%	97.0%	97.0%	97.5%	97.2%	97.0%	97.7%	97.9%	96.3%	97.2%
SC	1.1%	96.0%	96.8%	96.4%	96.8%	97.0%	97.2%	97.9%	96.1%	96.0%
SD	0.2%	95.0%	95.5%	95.8%	95.1%	96.1%	95.9%	96.7%	95.2%	94.3%
TN	1.0%	95.6%	94.0%	95.0%	95.0%	96.2%	96.0%	96.7%	94.7%	95.1%
TX	6.5%	95.4%	95.1%	95.8%	95.3%	96.0%	96.4%	96.9%	94.6%	95.3%
UT	0.5%	97.7%	97.0%	97.0%	97.4%	97.0%	97.0%	97.8%	95.3%	96.1%
VA	2.4%	96.3%	96.2%	97.0%	97.1%	97.0%	97.5%	97.5%	96.8%	96.9%
VI	0.1%	99.0%	99.0%	99.2%	97.1%	98.0%	96.8%	94.9%	97.4%	95.6%
VT	0.4%	97.5%	97.1%	97.5%	97.0%	97.6%	98.4%	98.1%	97.1%	96.0%
WA	2.7%	97.0%	96.2%	97.0%	97.0%	97.2%	97.6%	97.6%	96.5%	97.3%
WI	1.8%	96.0%	95.9%	95.7%	96.0%	95.9%	97.0%	97.0%	96.0%	96.4%
WV	0.5%	96.0%	95.6%	95.4%	95.3%	95.8%	95.8%	96.9%	94.8%	95.2%
WY	0.2%	97.5%	96.0%	95.7%	96.0%	97.0%	96.0%	96.8%	94.0%	94.6%

Figures 3.3.1.2(B) & (C) illustrate each state's 2014 median physical and economic occupancy rates on a national map. The states were grouped and color-coded based on each state's median occupancy percentage.

2014 Median Physical Occupancy by State

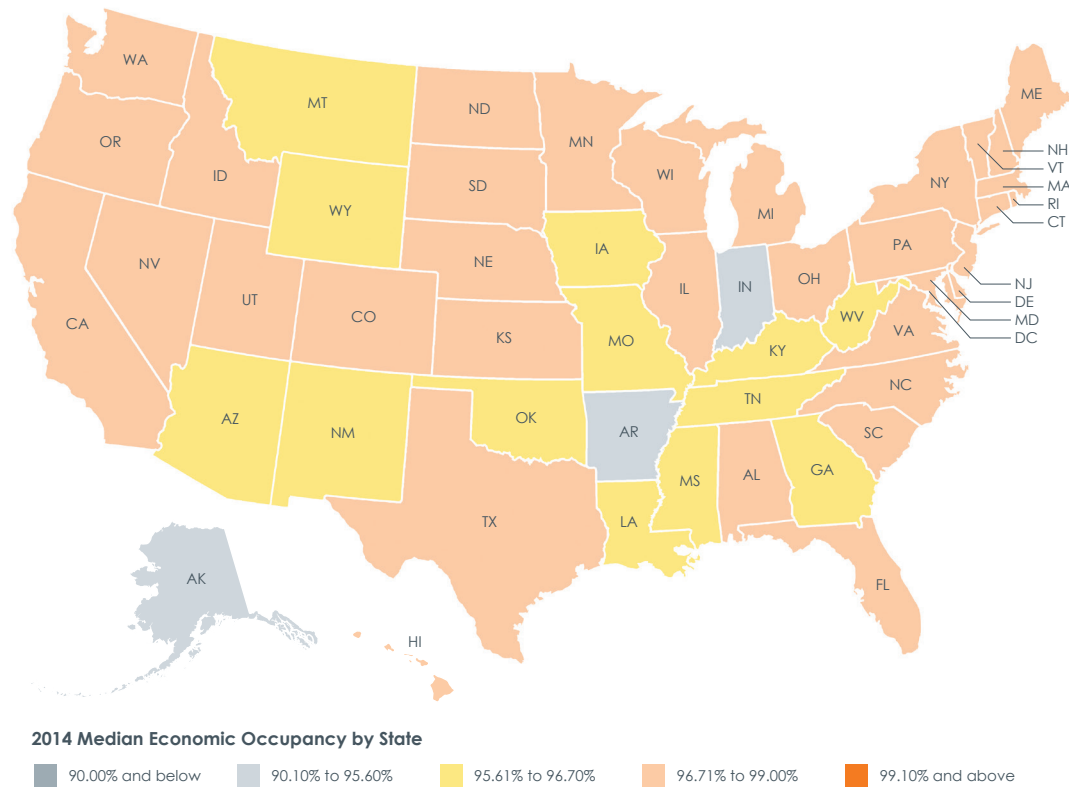
FIGURE 3.3.1.2(B)



In 2013 and 2014, median physical occupancy rates among surveyed stabilized housing credit properties ranged from 94.6% to 100% on a statewide level. In terms of economic occupancy, the surveyed results ranged from 90% to 100%. The State of Mississippi reported the least favorable level of economic occupancy in both years (90% in 2013 and just below 92% in 2014). Consistent with the findings of our last study, housing credit properties in Puerto Rico continued to report full physical occupancy, even though this year's sample size increased from 80 stabilized properties surveyed in our previous study to 134 stabilized properties. Similarly, states located on the East and West Coasts also continue to report strong occupancy, the majority of which were more than 97% physically and economically occupied.

2014 Median Economic Occupancy by State

FIGURE 3.3.1.2(C)



Underperformance — Physical and Economic Occupancy by State

Figure 3.3.1.2(D) illustrates occupancy underperformance by state, as measured by percentage of net equity of the stabilized surveyed portfolio.

Physical and Economic Occupancy Underperformance by State (% of net equity)

FIGURE 3.3.1.2(D)

State	% of Stabilized Portfolio	Physical Occupancy below 90%			Economic Occupancy below 90%	
		2012	2013	2014	2013	2014
AK	0.2%	4.6%	17.2%	8.4%	30.6%	11.7%
AL	1.4%	6.8%	12.5%	9.1%	20.5%	17.2%
AR	0.7%	23.4%	21.3%	19.9%	31.9%	22.5%
AZ	1.3%	11.8%	12.2%	4.3%	23.8%	12.6%
CA	15.1%	3.2%	4.4%	2.8%	8.3%	4.7%
CO	1.4%	3.1%	7.6%	4.3%	18.8%	12.9%
CT	1.0%	9.2%	3.9%	0.3%	11.4%	7.5%
DC	0.9%	2.4%	3.2%	3.5%	10.8%	10.5%
DE	0.3%	4.6%	5.7%	1.6%	19.5%	5.8%
FL	4.7%	14.6%	7.7%	4.0%	21.3%	15.5%
GA	2.2%	12.9%	16.8%	12.8%	36.6%	26.7%
GU	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
HI	0.3%	0.0%	0.0%	0.0%	6.0%	0.0%
IA	1.2%	9.1%	10.7%	11.6%	19.7%	15.7%
ID	0.3%	6.8%	4.8%	1.6%	2.6%	3.4%
IL	3.8%	7.6%	10.5%	11.9%	19.6%	18.6%
IN	1.8%	7.9%	15.0%	10.3%	31.5%	24.8%
KS	0.7%	12.1%	22.0%	16.9%	30.4%	23.0%
KY	1.1%	13.1%	11.8%	8.4%	28.3%	14.1%
LA	2.6%	9.9%	8.2%	5.5%	12.7%	10.2%
MA	3.2%	3.2%	2.5%	3.5%	6.0%	6.4%
MD	1.9%	5.2%	2.8%	2.1%	6.5%	7.5%
ME	0.5%	4.1%	12.8%	6.1%	11.3%	4.7%
MI	2.7%	13.8%	16.8%	10.5%	31.3%	20.2%
MN	1.6%	2.9%	10.6%	7.9%	13.4%	14.3%
MO	1.3%	16.2%	19.8%	13.5%	30.3%	28.3%
MS	1.4%	21.2%	13.4%	9.7%	52.9%	33.1%
MT	0.2%	8.9%	13.0%	10.7%	26.4%	21.7%
NC	2.1%	5.3%	5.2%	3.8%	9.6%	10.0%
ND	0.3%	5.1%	0.7%	4.5%	6.2%	9.2%
NE	0.6%	6.7%	3.8%	4.3%	14.8%	14.3%

State	% of Stabilized Portfolio	Physical Occupancy below 90%			Economic Occupancy below 90%	
		2012	2013	2014	2013	2014
NH	0.5%	7.0%	11.6%	6.5%	11.7%	14.7%
NJ	2.8%	5.1%	3.7%	6.8%	8.0%	8.3%
NM	0.5%	13.8%	11.6%	7.8%	41.3%	37.6%
NV	0.7%	18.8%	8.6%	6.8%	25.4%	16.4%
NY	11.1%	2.5%	3.8%	2.5%	6.6%	6.7%
OH	3.9%	6.2%	6.2%	4.7%	17.0%	7.3%
OK	0.7%	12.8%	17.6%	9.7%	29.7%	29.9%
OR	1.1%	2.9%	3.0%	4.0%	4.8%	2.7%
PA	2.9%	3.9%	2.8%	3.9%	9.0%	10.8%
PR	1.2%	0.0%	1.7%	1.6%	2.1%	6.0%
RI	0.5%	16.5%	3.8%	6.8%	25.5%	2.8%
SC	1.1%	3.7%	5.3%	4.6%	17.7%	10.3%
SD	0.2%	2.8%	13.3%	5.6%	12.3%	9.7%
TN	1.0%	10.7%	16.8%	18.5%	28.7%	26.7%
TX	6.5%	12.6%	9.9%	8.5%	22.6%	15.5%
UT	0.5%	5.2%	11.3%	4.4%	11.8%	12.1%
VA	2.4%	6.2%	7.1%	5.6%	13.2%	13.7%
VI	0.1%	0.0%	63.5%	0.0%	0.0%	0.0%
VT	0.4%	5.5%	2.0%	0.0%	5.6%	9.9%
WA	2.7%	2.5%	2.5%	1.2%	10.5%	4.3%
WI	1.8%	7.9%	6.5%	4.6%	11.6%	12.1%
WV	0.5%	12.7%	15.3%	9.0%	12.9%	18.7%
WY	0.2%	9.1%	11.1%	6.9%	30.7%	8.8%

In 2013, three states reported more than 20% of their portfolios operating below 90% physical occupancy: Arkansas at 21%, Kansas at 22%, and the U. S. Virgin Islands at 64%. It should be noted, however, that these three states collectively make up only 1% of the overall stabilized surveyed portfolio, measured by net equity. Furthermore, the significantly elevated rate of occupancy issues reported by the U.S. Virgin Island was based on a very limited sample of 10 stabilized properties totaling 376 units, one of which containing 102 units was not well occupied. However, the incidence of physical occupancy underperformance was below 20% for all states and territories in 2014. In comparison to the national median, 24 states reported lower incidence of physical occupancy underperformance than the nation in 2013, which increased to 25 states in 2014.

Consistent with earlier observations in this report, economic occupancy underperformance is once again more pronounced than physical occupancy underperformance. In both

2013 and 2014, 50% of the states reported levels of occupancy underperformance below the national median. In 2013, there were 20 states where at least 20% of the portfolio was operating at below 90% economic occupancy. Slightly more than half of Mississippi's stabilized surveyed portfolio (consisting of 172 stabilized properties) was found to experience economic occupancy troubles in 2013; Arkansas, New Mexico, Georgia, and Indiana (collectively representing 5.2% of the overall stabilized surveyed portfolio measured by net equity) each had approximately one-third of its portfolio operating below the 90% economic occupancy threshold. The number of states exhibiting economic occupancy underperformance in at least 20% of its portfolio decreased from 20 in 2013 to 11 in 2014. These 11 states reported elevated economic vacancy in 20% to 38% of their respective properties.

3.3.1.3 Median Physical and Economic Occupancy by MSA

Figure 3.3.1.3(A) presents, by MSA, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio. Results marked NA indicate that a meaningful sample size for that particular MSA could not be obtained. Overall, we were able to obtain the 2013 and/or 2014 physical and economic occupancy information for 839 of the MSAs. Based on the survey results, 43%–46% of the MSAs reported median physical and economic occupancy rates more favorable than the national median. Only 4%–6% of the MSAs reported median physical occupancy below 90%, and 11%–12% of the MSAs reported median economic occupancy below 90%.

The top five MSAs, determined by the size of the stabilized portfolio within each MSA as calculated by net equity, consist of:

- New York-Newark-Jersey City, NY-NJ-PA
- Los Angeles-Long Beach-Anaheim, CA
- San Francisco-Oakland-Hayward, CA
- Chicago-Naperville-Elgin, IL-IN-WI
- Philadelphia-Camden-Wilmington, PA-NJ-DE-MD

The top five MSAs collectively make up nearly 24% of the overall surveyed stabilized portfolio, with the New York MSA being the largest, taking up 10.7% in terms of net equity. Apart from the Chicago MSA, the other four top MSAs had median physical and economic occupancy rates that were generally greater than the national portfolio median. While slightly below the national median, the Chicago MSA reported median physical occupancy of 97% and economic occupancy of 96% in both years.

Median Physical and Economic Occupancy by MSA

FIGURE 3.3.1.3(A)

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Aberdeen, SD	0.01%	90.7%	94.4%	98.0%	94.7%
Aberdeen, WA	0.01%	95.7%	94.8%	100.0%	94.3%
Abilene, TX	0.02%	91.7%	91.7%	92.8%	87.9%
Ada, OK	0.00%	95.6%	94.4%	92.1%	93.7%
Adjuntas, PR	0.00%	100.0%	100.0%	100.0%	100.0%
Adrian, MI	0.01%	97.4%	98.7%	81.5%	91.2%
Aguadilla-Isabela, PR	0.05%	100.0%	100.0%	100.0%	100.0%
Akron, OH	0.23%	98.4%	98.8%	99.1%	98.6%
Alamogordo, NM	0.03%	94.2%	93.0%	92.2%	93.6%
Albany, GA	0.05%	96.2%	97.9%	97.6%	98.3%
Albany, OR	0.02%	99.2%	97.5%	98.9%	99.2%
Albany-Schenectady-Troy, NY	0.34%	97.9%	98.3%	98.0%	98.0%
Albemarle, NC	0.01%	NA	NA	NA	NA
Albert Lea, MN	0.01%	97.0%	95.0%	96.0%	96.0%
Albertville, AL	0.01%	98.1%	98.8%	100.0%	100.0%
Albuquerque, NM	0.13%	92.5%	92.5%	87.8%	86.5%
Alexandria, LA	0.07%	94.4%	98.0%	93.5%	95.3%
Alexandria, MN	0.00%	100.0%	100.0%	97.0%	95.0%
Allentown-Bethlehem-Easton, PA-NJ	0.12%	98.4%	98.7%	97.6%	98.1%
Alma, MI	0.02%	95.5%	95.5%	93.5%	96.0%
Alpena, MI	0.02%	98.4%	92.8%	97.9%	96.7%
Altoona, PA	0.01%	95.0%	98.1%	100.0%	100.0%
Altus, OK	0.00%	97.9%	95.8%	100.0%	100.0%
Amarillo, TX	0.04%	97.0%	96.0%	97.0%	95.0%
Americus, GA	0.01%	95.0%	96.8%	94.5%	97.1%
Ames, IA	0.02%	94.1%	96.5%	94.1%	95.4%
Amsterdam, NY	0.00%	NA	NA	NA	NA
Anchorage, AK	0.15%	97.0%	96.7%	97.1%	97.0%
Angola, IN	0.00%	93.0%	96.0%	94.0%	97.0%
Ann Arbor, MI	0.05%	97.5%	98.8%	98.3%	99.0%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Anniston-Oxford-Jacksonville, AL	0.01%	98.2%	99.4%	98.6%	98.4%
Appleton, WI	0.06%	98.1%	99.2%	98.1%	97.5%
Arcadia, FL	0.04%	84.6%	92.7%	75.4%	95.7%
Ardmore, OK	0.00%	99.7%	98.3%	100.0%	87.7%
Arecibo, PR	0.05%	100.0%	100.0%	100.0%	100.0%
Arkadelphia, AR	0.00%	94.6%	96.5%	95.0%	99.6%
Arkansas City-Winfield, KS	0.01%	84.7%	93.8%	89.7%	91.0%
Asheville, NC	0.13%	98.6%	99.0%	97.9%	97.3%
Ashtabula, OH	0.03%	99.3%	99.6%	99.4%	99.4%
Astoria, OR	0.02%	97.2%	98.2%	91.6%	97.5%
Atchison, KS	0.00%	97.7%	95.1%	98.2%	96.2%
Athens, OH	0.02%	98.8%	99.4%	95.3%	98.5%
Athens, TN	0.01%	NA	96.7%	NA	96.6%
Athens, TX	0.03%	89.4%	93.5%	86.9%	92.6%
Athens-Clarke County, GA	0.03%	90.9%	93.8%	88.2%	92.7%
Atlanta-Sandy Springs-Roswell, GA	1.29%	95.2%	96.2%	91.0%	93.5%
Atlantic City-Hammonton, NJ	0.06%	99.0%	97.0%	98.0%	97.6%
Auburn, IN	0.04%	95.3%	94.9%	83.1%	87.9%
Auburn, NY	0.01%	93.3%	93.3%	NA	NA
Auburn-Opelika, AL	0.06%	99.5%	98.7%	96.4%	97.5%
Augusta-Richmond County, GA-SC	0.15%	96.1%	96.7%	94.2%	94.5%
Augusta-Waterville, ME	0.02%	94.7%	92.7%	94.4%	89.7%
Austin, MN	0.00%	NA	NA	NA	NA
Austin-Round Rock, TX	0.50%	97.8%	98.3%	96.0%	97.6%
Bainbridge, GA	0.01%	97.2%	95.8%	100.0%	100.0%
Bakersfield, CA	0.31%	97.2%	98.3%	97.8%	97.9%
Baltimore-Columbia-Towson, MD	1.11%	97.3%	97.1%	96.8%	96.4%
Bangor, ME	0.05%	97.1%	95.8%	95.7%	96.2%
Baraboo, WI	0.01%	97.9%	97.6%	97.2%	97.8%
Bardstown, KY	0.00%	NA	NA	NA	NA
Barnstable Town, MA	0.08%	99.0%	98.6%	98.7%	98.2%
Bartlesville, OK	0.01%	93.5%	92.1%	93.5%	89.0%
Bastrop, LA	0.02%	99.1%	99.0%	97.7%	98.4%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Batavia, NY	0.00%	97.7%	96.0%	100.0%	98.5%
Baton Rouge, LA	0.23%	96.9%	96.6%	95.6%	94.7%
Battle Creek, MI	0.05%	94.2%	93.4%	89.9%	89.9%
Bay City, MI	0.02%	97.5%	96.1%	94.7%	94.0%
Bay City, TX	0.01%	96.2%	95.0%	93.4%	91.5%
Beatrice, NE	0.00%	84.8%	82.1%	85.0%	80.8%
Beaumont-Port Arthur, TX	0.20%	94.7%	93.0%	92.1%	92.8%
Beaver Dam, WI	0.02%	100.0%	100.0%	96.5%	97.9%
Beckley, WV	0.04%	95.9%	98.5%	96.9%	96.0%
Bedford, IN	0.00%	NA	NA	NA	NA
Beeville, TX	0.01%	NA	94.4%	NA	99.0%
Bellefontaine, OH	0.01%	95.1%	96.4%	95.0%	96.9%
Bellingham, WA	0.10%	97.1%	96.5%	97.5%	97.2%
Bemidji, MN	0.04%	100.0%	95.8%	95.8%	88.1%
Bend-Redmond, OR	0.08%	98.1%	98.1%	96.8%	97.8%
Bennettsville, SC	0.00%	94.0%	95.5%	88.5%	95.0%
Bennington, VT	0.00%	100.0%	99.5%	100.0%	99.6%
Berlin, NH-VT	0.00%	91.7%	92.4%	88.9%	91.5%
Big Rapids, MI	0.01%	88.2%	94.0%	79.0%	89.0%
Big Spring, TX	0.02%	96.7%	92.5%	90.2%	93.0%
Big Stone Gap, VA	0.02%	94.1%	97.2%	97.1%	94.8%
Billings, MT	0.02%	96.6%	95.6%	95.3%	94.6%
Binghamton, NY	0.04%	98.2%	97.9%	98.8%	99.1%
Birmingham-Hoover, AL	0.19%	98.8%	97.9%	97.1%	94.5%
Bismarck, ND	0.05%	100.0%	100.0%	100.0%	99.7%
Blackfoot, ID	0.00%	NA	NA	NA	NA
Blacksburg-Christiansburg-Radford, VA	0.07%	97.0%	96.6%	96.5%	95.7%
Bloomington, IL	0.02%	98.8%	98.0%	98.5%	95.8%
Bloomington, IN	0.02%	93.2%	97.8%	94.1%	96.4%
Bloomsburg-Berwick, PA	0.03%	97.9%	96.5%	98.3%	97.1%
Bluefield, WV-VA	0.02%	96.8%	96.1%	97.2%	95.5%
Blytheville, AR	0.01%	95.6%	100.0%	100.0%	100.0%
Bogalusa, LA	0.00%	99.0%	98.0%	99.0%	99.0%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Boise City, ID	0.07%	98.0%	98.5%	96.9%	96.0%
Boone, IA	0.01%	97.9%	97.3%	93.1%	98.3%
Boone, NC	0.00%	NA	NA	NA	NA
Borger, TX	0.01%	NA	93.8%	NA	89.0%
Boston-Cambridge-Newton, MA-NH	1.72%	98.3%	98.4%	97.9%	98.0%
Boulder, CO	0.07%	98.6%	98.9%	98.3%	97.9%
Bowling Green, KY	0.04%	97.3%	97.4%	97.3%	97.3%
Bozeman, MT	0.02%	97.9%	99.0%	99.0%	99.7%
Bradford, PA	0.00%	93.8%	100.0%	NA	NA
Brainerd, MN	0.06%	100.0%	100.0%	98.4%	97.3%
Branson, MO	0.05%	98.0%	95.8%	94.5%	93.9%
Bremerton-Silverdale, WA	0.05%	98.1%	96.5%	97.0%	95.8%
Brenham, TX	0.01%	95.8%	96.1%	94.8%	94.0%
Brevard, NC	0.01%	96.2%	97.5%	100.0%	98.5%
Bridgeport-Stamford-Norwalk, CT	0.28%	96.7%	98.0%	96.9%	97.7%
Brookings, OR	0.02%	100.0%	99.7%	99.8%	99.7%
Brookings, SD	0.01%	66.7%	94.5%	NA	92.0%
Brownsville-Harlingen, TX	0.22%	98.0%	98.0%	96.4%	97.1%
Brownwood, TX	0.00%	92.1%	100.0%	NA	NA
Brunswick, GA	0.02%	100.0%	98.6%	99.6%	99.1%
Bucyrus, OH	0.02%	97.2%	95.7%	NA	95.8%
Buffalo-Cheektowaga-Niagara Falls, NY	0.42%	97.0%	96.7%	98.0%	96.2%
Burley, ID	0.00%	NA	98.0%	NA	95.0%
Burlington, IA-IL	0.04%	94.3%	93.8%	81.2%	82.7%
Burlington, NC	0.04%	95.1%	94.6%	93.0%	92.0%
Burlington-South Burlington, VT	0.02%	100.0%	97.6%	97.9%	96.3%
Butte-Silver Bow, MT	0.01%	95.9%	97.5%	85.6%	85.0%
Cadillac, MI	0.01%	93.0%	94.0%	89.0%	89.0%
Calhoun, GA	0.01%	95.5%	98.3%	95.0%	97.8%
California-Lexington Park, MD	0.04%	97.5%	96.3%	96.0%	97.8%
Cambridge, MD	0.08%	96.0%	97.0%	95.0%	97.0%
Cambridge, OH	0.03%	97.9%	97.8%	NA	98.6%
Cañon City, CO	0.00%	100.0%	94.0%	94.0%	88.0%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Canton, IL	0.01%	NA	92.0%	NA	92.0%
Canton-Massillon, OH	0.09%	97.7%	96.8%	95.2%	97.1%
Cape Coral-Fort Myers, FL	0.07%	96.4%	98.2%	90.7%	95.1%
Cape Girardeau, MO-IL	0.03%	98.2%	97.8%	98.1%	98.1%
Carbondale-Marion, IL	0.04%	98.4%	98.0%	95.7%	93.3%
Carson City, NV	0.05%	97.8%	96.6%	94.0%	95.4%
Casper, WY	0.04%	98.0%	99.0%	97.0%	95.0%
Cedar Rapids, IA	0.09%	94.8%	95.9%	96.0%	94.8%
Cedartown, GA	0.02%	96.9%	96.6%	97.0%	94.8%
Celina, OH	0.01%	94.5%	97.9%	NA	96.6%
Centralia, IL	0.01%	95.0%	95.0%	94.0%	90.6%
Centralia, WA	0.07%	98.5%	96.8%	96.2%	96.2%
Chambersburg-Waynesboro, PA	0.04%	97.5%	96.1%	99.6%	97.2%
Champaign-Urbana, IL	0.03%	98.0%	99.0%	98.0%	99.0%
Charleston, WV	0.10%	96.1%	97.0%	94.5%	95.0%
Charleston-Mattoon, IL	0.01%	97.0%	98.0%	97.0%	97.0%
Charleston-North Charleston, SC	0.18%	98.0%	97.5%	96.7%	95.4%
Charlotte-Concord-Gastonia, NC-SC	0.46%	97.5%	97.6%	97.2%	95.9%
Charlottesville, VA	0.08%	97.8%	98.5%	96.9%	96.1%
Chattanooga, TN-GA	0.11%	97.1%	97.4%	94.6%	94.0%
Cheyenne, WY	0.05%	97.0%	98.0%	94.0%	94.5%
Chicago-Naperville-Elgin, IL-IN-WI	3.12%	97.0%	96.9%	96.0%	95.9%
Chico, CA	0.07%	98.7%	97.0%	99.2%	96.0%
Chillicothe, OH	0.02%	95.9%	96.0%	94.4%	96.0%
Cincinnati, OH-KY-IN	0.48%	97.0%	96.9%	92.0%	94.9%
Claremont-Lebanon, NH-VT	0.04%	97.7%	97.7%	96.2%	97.9%
Clarksburg, WV	0.02%	86.2%	99.0%	92.9%	94.8%
Clarksdale, MS	0.00%	94.4%	69.1%	57.0%	40.0%
Clarksville, TN-KY	0.07%	95.9%	97.5%	96.2%	96.2%
Clearlake, CA	0.01%	97.5%	98.2%	98.5%	99.2%
Cleveland, MS	0.02%	99.3%	100.0%	99.0%	99.2%
Cleveland, TN	0.01%	100.0%	98.4%	98.0%	95.2%
Cleveland-Elyria, OH	0.77%	97.9%	98.0%	97.8%	97.4%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Clewiston, FL	0.01%	83.0%	89.0%	67.0%	76.0%
Clinton, IA	0.01%	97.1%	98.7%	97.9%	97.8%
Clovis, NM	0.04%	94.8%	95.6%	95.0%	96.5%
Coamo, PR	0.00%	100.0%	100.0%	97.0%	100.0%
Coeur d'Alene, ID	0.09%	98.5%	99.2%	96.0%	96.7%
Coffeyville, KS	0.01%	90.0%	89.7%	82.9%	86.3%
Coldwater, MI	0.00%	87.5%	87.5%	92.8%	86.6%
College Station-Bryan, TX	0.04%	94.1%	95.7%	93.4%	94.5%
Colorado Springs, CO	0.07%	96.8%	98.2%	90.4%	93.1%
Columbia, MO	0.01%	93.1%	92.8%	94.0%	92.6%
Columbia, SC	0.12%	96.8%	98.1%	96.1%	96.3%
Columbus, GA-AL	0.07%	94.7%	95.2%	94.1%	92.9%
Columbus, IN	0.01%	NA	92.0%	NA	90.0%
Columbus, MS	0.04%	92.0%	97.0%	93.4%	96.8%
Columbus, NE	0.01%	98.0%	97.9%	98.7%	99.6%
Columbus, OH	0.84%	98.0%	98.1%	97.4%	98.2%
Concord, NH	0.07%	96.5%	97.4%	94.6%	96.8%
Connersville, IN	0.00%	97.1%	97.1%	NA	NA
Cookeville, TN	0.01%	99.1%	98.2%	91.6%	91.5%
Coos Bay, OR	0.01%	94.3%	94.5%	96.0%	97.3%
Cordele, GA	0.02%	98.2%	98.2%	NA	NA
Cornelia, GA	0.01%	95.6%	96.9%	93.9%	96.1%
Corning, NY	0.02%	96.0%	95.0%	96.0%	95.0%
Corpus Christi, TX	0.20%	97.9%	98.2%	97.0%	98.0%
Corsicana, TX	0.00%	93.2%	93.4%	93.1%	92.9%
Cortland, NY	0.01%	94.8%	100.0%	100.0%	99.8%
Corvallis, OR	0.01%	93.9%	87.8%	97.4%	97.6%
Coshocton, OH	0.01%	90.9%	86.9%	NA	83.7%
Crescent City, CA	0.04%	90.1%	93.8%	91.1%	88.7%
Crestview-Fort Walton Beach-Destin, FL	0.00%	95.5%	97.2%	95.4%	98.8%
Crossville, TN	0.00%	NA	NA	NA	NA
Cullman, AL	0.01%	95.0%	100.0%	100.0%	100.0%
Cullowhee, NC	0.00%	NA	NA	NA	NA

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Cumberland, MD-WV	0.02%	98.1%	95.6%	95.8%	94.8%
Dallas-Fort Worth-Arlington, TX	1.33%	95.5%	96.2%	94.0%	94.0%
Dalton, GA	0.02%	98.0%	95.8%	95.0%	NA
Danville, IL	0.01%	97.7%	94.5%	97.4%	94.3%
Danville, KY	0.00%	95.1%	NA	87.0%	NA
Danville, VA	0.04%	97.0%	97.0%	97.0%	97.0%
Daphne-Fairhope-Foley, AL	0.09%	97.8%	97.2%	92.8%	95.2%
Davenport-Moline-Rock Island, IA-IL	0.22%	96.7%	96.9%	95.2%	95.4%
Dayton, OH	0.22%	96.0%	96.8%	89.7%	95.4%
Decatur, AL	0.02%	97.0%	97.2%	100.0%	100.0%
Decatur, IL	0.07%	84.8%	82.7%	90.0%	89.0%
Decatur, IN	0.01%	93.8%	90.0%	96.2%	82.5%
Defiance, OH	0.02%	96.1%	96.9%	NA	97.0%
Del Rio, TX	0.03%	94.1%	96.9%	94.0%	93.8%
Deltona-Daytona Beach-Ormond Beach, FL	0.17%	95.8%	97.2%	93.9%	96.0%
Deming, NM	0.02%	97.1%	97.6%	96.0%	95.0%
Denver-Aurora-Lakewood, CO	1.00%	98.4%	98.0%	97.0%	97.3%
DeRidder, LA	0.00%	85.4%	88.3%	83.8%	88.0%
Des Moines-West Des Moines, IA	0.51%	96.9%	96.8%	96.0%	96.5%
Detroit-Warren-Dearborn, MI	0.88%	96.3%	96.6%	93.7%	94.8%
Dickinson, ND	0.02%	98.3%	98.0%	98.2%	97.8%
Dixon, IL	0.01%	90.5%	89.0%	88.0%	87.5%
Dodge City, KS	0.02%	83.7%	97.5%	84.0%	93.4%
Dothan, AL	0.02%	99.2%	99.2%	100.0%	100.0%
Douglas, GA	0.00%	NA	NA	NA	NA
Dover, DE	0.03%	99.1%	99.3%	98.8%	98.7%
Dublin, GA	0.01%	97.9%	96.9%	98.7%	99.2%
DuBois, PA	0.00%	97.0%	98.0%	95.0%	96.0%
Dubuque, IA	0.05%	95.5%	98.1%	93.6%	97.7%
Duluth, MN-WI	0.09%	96.3%	97.6%	96.8%	97.0%
Dumas, TX	0.01%	NA	NA	NA	NA
Duncan, OK	0.01%	79.2%	88.7%	83.0%	82.7%
Dunn, NC	0.03%	95.0%	97.6%	95.7%	93.1%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Durango, CO	0.03%	95.7%	97.8%	94.0%	96.2%
Durant, OK	0.02%	87.4%	96.5%	88.4%	94.0%
Durham-Chapel Hill, NC	0.07%	95.9%	95.2%	96.0%	96.5%
Eagle Pass, TX	0.01%	98.3%	95.0%	95.1%	NA
East Stroudsburg, PA	0.00%	97.9%	98.1%	99.1%	98.3%
Easton, MD	0.02%	96.5%	94.4%	97.0%	95.5%
Eau Claire, WI	0.01%	98.4%	96.5%	98.2%	98.0%
Edwards, CO	0.01%	100.0%	100.0%	93.5%	97.5%
Effingham, IL	0.00%	NA	NA	NA	NA
El Campo, TX	0.00%	96.3%	100.0%	93.7%	95.8%
El Centro, CA	0.25%	99.0%	99.0%	97.0%	97.0%
El Dorado, AR	0.02%	93.8%	96.9%	94.1%	95.6%
El Paso, TX	0.32%	97.0%	96.9%	95.0%	95.9%
Elizabeth City, NC	0.03%	97.7%	97.4%	96.7%	97.1%
Elizabethtown-Fort Knox, KY	0.03%	94.8%	95.5%	94.7%	96.3%
Elk City, OK	0.00%	98.3%	100.0%	96.8%	94.4%
Elkhart-Goshen, IN	0.03%	95.5%	96.7%	96.3%	92.0%
Elkins, WV	0.01%	99.0%	98.5%	98.6%	94.5%
Elko, NV	0.02%	96.1%	96.4%	97.6%	100.0%
Ellensburg, WA	0.02%	92.9%	97.1%	91.6%	96.4%
Elmira, NY	0.01%	90.6%	97.4%	89.7%	95.3%
Emporia, KS	0.01%	97.7%	98.4%	92.7%	95.7%
Enid, OK	0.01%	95.0%	98.3%	50.2%	74.0%
Enterprise, AL	0.02%	97.3%	99.0%	93.6%	95.5%
Erie, PA	0.06%	98.2%	96.6%	97.1%	95.7%
Escanaba, MI	0.00%	100.0%	96.9%	90.7%	96.1%
Española, NM	0.01%	95.0%	93.2%	83.0%	90.0%
Eugene, OR	0.11%	99.1%	99.1%	98.4%	98.7%
Eureka-Arcata-Fortuna, CA	0.03%	95.4%	95.6%	94.0%	96.4%
Evanston, WY	0.00%	NA	NA	NA	NA
Evansville, IN-KY	0.07%	99.2%	98.7%	94.9%	95.2%
Fairbanks, AK	0.01%	90.5%	90.8%	91.2%	87.5%
Fairfield, IA	0.00%	95.4%	97.7%	96.4%	96.2%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Fairmont, WV	0.01%	95.7%	93.3%	97.3%	92.8%
Fallon, NV	0.00%	95.2%	85.7%	94.0%	97.2%
Fargo, ND-MN	0.09%	97.6%	98.3%	96.8%	96.4%
Faribault-Northfield, MN	0.01%	100.0%	100.0%	NA	99.0%
Farmington, MO	0.00%	95.8%	93.5%	100.0%	100.0%
Farmington, NM	0.04%	96.6%	96.9%	95.0%	96.4%
Fayetteville, NC	0.08%	97.9%	96.4%	97.3%	94.1%
Fayetteville-Springdale-Rogers, AR-MO	0.05%	98.5%	99.0%	94.4%	93.5%
Fergus Falls, MN	0.00%	99.6%	100.0%	98.9%	99.6%
Fernley, NV	0.01%	94.0%	96.4%	97.0%	92.4%
Findlay, OH	0.02%	98.7%	98.7%	98.4%	98.0%
Fitzgerald, GA	0.03%	98.3%	98.0%	97.2%	98.8%
Flagstaff, AZ	0.05%	94.0%	95.5%	93.2%	95.3%
Flint, MI	0.08%	94.9%	95.8%	92.1%	95.5%
Florence, SC	0.04%	97.5%	96.6%	97.0%	95.0%
Florence-Muscle Shoals, AL	0.05%	98.2%	96.3%	90.9%	96.6%
Fond du Lac, WI	0.05%	96.9%	97.0%	96.7%	94.9%
Forest City, NC	0.01%	98.0%	97.7%	93.7%	96.4%
Forrest City, AR	0.02%	95.2%	90.5%	95.0%	92.0%
Fort Collins, CO	0.08%	98.0%	98.6%	97.0%	97.7%
Fort Dodge, IA	0.01%	94.7%	98.3%	94.5%	98.3%
Fort Leonard Wood, MO	0.01%	94.7%	96.7%	94.0%	95.8%
Fort Madison-Keokuk, IA-IL-MO	0.03%	89.3%	94.5%	93.0%	92.4%
Fort Morgan, CO	0.00%	83.3%	91.7%	96.2%	98.3%
Fort Polk South, LA	0.00%	69.1%	83.0%	68.5%	81.4%
Fort Smith, AR-OK	0.05%	79.9%	95.6%	75.4%	92.0%
Fort Wayne, IN	0.18%	94.4%	96.3%	95.1%	94.6%
Frankfort, KY	0.00%	97.9%	99.0%	94.2%	95.4%
Fredericksburg, TX	0.01%	97.9%	94.5%	92.9%	92.4%
Freeport, IL	0.01%	100.0%	97.0%	84.0%	92.0%
Fremont, NE	0.02%	99.7%	100.0%	100.0%	99.5%
Fremont, OH	0.00%	98.8%	98.8%	NA	95.4%
Fresno, CA	0.34%	96.2%	96.8%	96.8%	95.9%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Gadsden, AL	0.02%	98.2%	92.9%	96.9%	97.3%
Gaffney, SC	0.01%	92.4%	87.5%	89.7%	89.7%
Gainesville, FL	0.05%	94.2%	95.0%	87.2%	89.4%
Gainesville, GA	0.01%	90.8%	90.8%	83.3%	83.7%
Gainesville, TX	0.01%	96.7%	97.7%	96.5%	100.0%
Galesburg, IL	0.02%	96.0%	97.4%	95.7%	95.2%
Gallup, NM	0.03%	96.1%	97.8%	96.0%	97.1%
Garden City, KS	0.01%	89.3%	99.3%	89.0%	97.7%
Gardnerville Ranchos, NV	0.00%	NA	NA	NA	NA
Georgetown, SC	0.02%	99.0%	98.0%	96.1%	95.9%
Gettysburg, PA	0.02%	99.3%	93.2%	99.0%	95.3%
Gillette, WY	0.03%	91.0%	96.0%	87.0%	94.0%
Glasgow, KY	0.01%	85.4%	80.6%	97.2%	90.6%
Glens Falls, NY	0.06%	95.3%	97.6%	96.0%	99.0%
Glenwood Springs, CO	0.03%	90.4%	93.9%	84.4%	97.7%
Gloversville, NY	0.02%	98.2%	97.9%	97.7%	98.0%
Goldsboro, NC	0.02%	97.3%	99.7%	98.5%	97.0%
Grand Forks, ND-MN	0.04%	97.9%	96.6%	98.9%	100.0%
Grand Island, NE	0.05%	99.2%	98.3%	99.0%	98.9%
Grand Junction, CO	0.03%	97.9%	99.0%	98.4%	98.7%
Grand Rapids-Wyoming, MI	0.09%	98.7%	98.4%	96.5%	96.5%
Grants Pass, OR	0.01%	99.2%	99.2%	98.0%	98.8%
Great Bend, KS	0.02%	98.2%	99.3%	99.5%	99.0%
Great Falls, MT	0.02%	NA	NA	NA	NA
Greeley, CO	0.03%	97.0%	97.1%	97.6%	98.2%
Green Bay, WI	0.06%	97.0%	98.0%	98.0%	99.0%
Greeneville, TN	0.02%	97.2%	81.5%	100.0%	61.7%
Greenfield Town, MA	0.01%	NA	90.9%	NA	90.9%
Greensboro-High Point, NC	0.18%	97.5%	96.0%	96.7%	95.0%
Greensburg, IN	0.00%	95.8%	95.6%	96.9%	94.6%
Greenville, MS	0.01%	94.4%	90.5%	86.2%	84.2%
Greenville, NC	0.03%	100.0%	98.7%	96.6%	97.3%
Greenville, OH	0.02%	97.9%	97.4%	94.0%	95.8%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Greenville-Anderson-Mauldin, SC	0.22%	97.0%	97.8%	96.0%	95.6%
Greenwood, MS	0.02%	95.4%	93.3%	84.5%	85.7%
Greenwood, SC	0.02%	95.8%	94.7%	89.7%	98.7%
Grenada, MS	0.02%	96.0%	96.0%	93.0%	88.0%
Guayama, PR	0.03%	100.0%	100.0%	99.0%	100.0%
Gulfport-Biloxi-Pascagoula, MS	0.47%	95.6%	94.2%	89.8%	91.1%
Guymon, OK	0.00%	NA	NA	NA	NA
Hagerstown-Martinsburg, MD-WV	0.07%	97.3%	98.0%	95.2%	96.9%
Hailey, ID	0.01%	95.7%	100.0%	99.6%	99.2%
Hammond, LA	0.06%	98.6%	98.0%	95.7%	91.6%
Hanford-Corcoran, CA	0.08%	98.0%	98.1%	96.4%	96.7%
Hannibal, MO	0.01%	95.1%	96.3%	97.4%	97.7%
Harrisburg-Carlisle, PA	0.07%	96.8%	94.9%	97.6%	95.6%
Harrison, AR	0.01%	100.0%	97.5%	NA	NA
Harrisonburg, VA	0.02%	92.0%	96.2%	87.0%	95.2%
Hartford-West Hartford-East Hartford, CT	0.28%	97.6%	97.2%	96.1%	96.0%
Hastings, NE	0.02%	99.3%	97.8%	99.4%	97.7%
Hattiesburg, MS	0.12%	95.6%	96.8%	93.3%	95.0%
Hays, KS	0.01%	96.2%	98.4%	96.0%	97.6%
Heber, UT	0.02%	89.5%	100.0%	90.4%	98.2%
Helena, MT	0.02%	99.3%	97.3%	99.3%	97.8%
Helena-West Helena, AR	0.01%	96.6%	99.0%	92.6%	95.3%
Henderson, NC	0.02%	93.3%	97.4%	94.0%	96.0%
Hereford, TX	0.02%	96.4%	95.8%	94.0%	96.1%
Hermiston-Pendleton, OR	0.02%	97.4%	96.8%	96.0%	97.4%
Hickory-Lenoir-Morganton, NC	0.04%	95.5%	94.6%	95.5%	89.0%
Hillsdale, MI	0.00%	88.0%	96.3%	81.8%	91.3%
Hilo, HI	0.11%	95.2%	97.5%	97.5%	95.4%
Hilton Head Island-Bluffton-Beaufort, SC	0.05%	98.6%	98.9%	98.7%	98.6%
Hinesville, GA	0.01%	92.8%	95.9%	93.6%	95.1%
Hobbs, NM	0.03%	97.5%	100.0%	99.8%	95.2%
Holland, MI	0.02%	100.0%	99.1%	96.3%	97.6%
Homosassa Springs, FL	0.00%	96.5%	95.3%	NA	NA

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Hood River, OR	0.01%	97.5%	95.8%	97.8%	96.9%
Hot Springs, AR	0.01%	94.0%	90.6%	94.0%	91.6%
Houma-Thibodaux, LA	0.04%	90.8%	93.0%	95.1%	90.8%
Houston-The Woodlands-Sugar Land, TX	1.77%	96.5%	97.9%	94.5%	95.8%
Hudson, NY	0.04%	98.6%	96.5%	98.5%	98.7%
Huntington, IN	0.00%	95.1%	94.2%	94.1%	94.1%
Huntington-Ashland, WV-KY-OH	0.11%	96.0%	97.9%	93.9%	96.7%
Huntsville, AL	0.11%	93.8%	95.8%	91.5%	89.3%
Huntsville, TX	0.02%	97.5%	93.9%	91.1%	84.5%
Huron, SD	0.01%	94.9%	88.9%	93.3%	89.9%
Hutchinson, KS	0.02%	99.2%	99.5%	99.0%	98.9%
Idaho Falls, ID	0.02%	97.1%	98.1%	97.0%	96.0%
Indiana, PA	0.01%	94.3%	97.0%	96.2%	95.9%
Indianapolis-Carmel-Anderson, IN	0.73%	95.1%	95.0%	92.0%	92.0%
Indianola, MS	0.01%	98.0%	100.0%	97.0%	98.0%
Ionia, MI	0.00%	100.0%	93.8%	88.4%	78.7%
Iowa City, IA	0.05%	95.8%	97.3%	96.7%	97.0%
Iron Mountain, MI-WI	0.00%	99.0%	99.0%	98.8%	98.5%
Ithaca, NY	0.08%	98.4%	98.3%	98.9%	97.9%
Jackson, MI	0.04%	95.8%	95.8%	93.8%	90.4%
Jackson, MS	0.39%	96.9%	98.0%	93.9%	95.9%
Jackson, OH	0.01%	95.5%	95.0%	98.3%	95.2%
Jackson, TN	0.04%	93.3%	92.7%	92.6%	92.1%
Jackson, WY-ID	0.01%	99.0%	97.8%	99.5%	98.0%
Jacksonville, FL	0.25%	95.2%	97.3%	92.1%	93.9%
Jacksonville, IL	0.02%	98.0%	96.5%	98.0%	100.0%
Jacksonville, NC	0.04%	98.3%	96.9%	97.5%	96.7%
Jacksonville, TX	0.01%	96.7%	94.7%	96.4%	93.2%
Jamestown, ND	0.00%	94.4%	90.7%	92.9%	90.4%
Jamestown-Dunkirk-Fredonia, NY	0.04%	96.0%	97.0%	98.0%	97.0%
Janesville-Beloit, WI	0.04%	96.7%	98.3%	94.1%	97.8%
Jasper, IN	0.01%	NA	NA	NA	NA
Jayuya, PR	0.00%	100.0%	100.0%	100.0%	99.9%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Jefferson City, MO	0.01%	98.7%	97.9%	99.9%	99.8%
Johnson City, TN	0.05%	98.0%	96.1%	99.1%	97.3%
Johnstown, PA	0.01%	99.0%	100.0%	97.0%	99.0%
Jonesboro, AR	0.03%	96.5%	97.9%	96.2%	98.6%
Joplin, MO	0.06%	97.3%	96.9%	97.0%	96.4%
Junction City, KS	0.02%	93.9%	95.4%	94.2%	92.8%
Juneau, AK	0.01%	96.4%	95.9%	96.6%	96.4%
Kahului-Wailuku-Lahaina, HI	0.01%	NA	NA	NA	NA
Kalamazoo-Portage, MI	0.09%	96.4%	96.8%	94.1%	93.8%
Kalispell, MT	0.02%	96.9%	97.0%	97.5%	96.7%
Kankakee, IL	0.02%	96.1%	93.0%	88.9%	95.5%
Kansas City, MO-KS	0.60%	96.0%	96.7%	94.3%	95.8%
Kapaa, HI	0.00%	NA	NA	NA	NA
Kearney, NE	0.02%	99.0%	92.6%	94.8%	93.5%
Keene, NH	0.10%	95.2%	97.9%	94.7%	97.6%
Kendallville, IN	0.00%	NA	NA	NA	NA
Kennett, MO	0.00%	95.5%	95.0%	100.0%	NA
Kennewick-Richland, WA	0.05%	96.0%	96.0%	95.4%	94.8%
Kerrville, TX	0.01%	96.6%	94.3%	94.1%	91.2%
Key West, FL	0.01%	97.7%	97.9%	93.3%	96.3%
Kill Devil Hills, NC	0.01%	98.6%	100.0%	98.0%	98.3%
Killeen-Temple, TX	0.09%	95.7%	94.7%	93.3%	92.8%
Kingsport-Bristol-Bristol, TN-VA	0.09%	98.6%	97.2%	98.3%	96.0%
Kingston, NY	0.13%	97.0%	99.0%	100.0%	100.0%
Kingsville, TX	0.03%	97.1%	96.3%	96.7%	95.3%
Kinston, NC	0.02%	96.0%	95.5%	89.6%	94.8%
Kirksville, MO	0.00%	NA	NA	NA	NA
Klamath Falls, OR	0.01%	89.5%	98.4%	91.7%	97.2%
Knoxville, TN	0.12%	95.8%	96.3%	96.1%	94.7%
Kokomo, IN	0.02%	96.4%	95.6%	93.6%	88.0%
La Crosse-Onalaska, WI-MN	0.00%	NA	NA	NA	NA
La Grande, OR	0.01%	93.6%	94.8%	91.6%	88.4%
Laconia, NH	0.03%	93.4%	93.9%	93.2%	93.5%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Lafayette, LA	0.24%	96.2%	97.2%	96.4%	96.7%
Lafayette-West Lafayette, IN	0.04%	98.0%	95.1%	94.0%	92.0%
LaGrange, GA	0.03%	97.0%	95.7%	98.0%	NA
Lake Charles, LA	0.15%	97.0%	96.0%	95.0%	95.0%
Lake City, FL	0.00%	98.0%	98.0%	97.0%	98.0%
Lake Havasu City-Kingman, AZ	0.08%	98.0%	98.3%	97.1%	98.4%
Lakeland-Winter Haven, FL	0.12%	97.0%	96.8%	94.0%	93.6%
Lancaster, PA	0.05%	98.6%	98.0%	97.4%	97.4%
Lansing-East Lansing, MI	0.07%	96.2%	96.3%	94.6%	92.4%
Laramie, WY	0.01%	92.0%	93.0%	89.0%	89.0%
Laredo, TX	0.06%	94.5%	96.9%	91.7%	94.6%
Las Cruces, NM	0.04%	96.3%	96.9%	95.4%	96.1%
Las Vegas, NM	0.01%	98.0%	98.0%	95.0%	96.0%
Las Vegas-Henderson-Paradise, NV	0.45%	96.5%	98.0%	95.7%	97.3%
Laurel, MS	0.05%	97.0%	98.0%	87.0%	95.7%
Laurinburg, NC	0.04%	98.1%	98.6%	99.0%	96.0%
Lawrence, KS	0.02%	96.9%	96.9%	97.0%	96.2%
Lawton, OK	0.02%	95.8%	96.9%	97.9%	98.6%
Lebanon, MO	0.00%	95.0%	93.0%	96.5%	99.5%
Lebanon, PA	0.03%	98.2%	99.1%	96.9%	98.6%
Levelland, TX	0.00%	NA	NA	NA	NA
Lewisburg, PA	0.01%	99.3%	98.1%	97.4%	98.3%
Lewisburg, TN	0.01%	98.0%	97.1%	100.0%	99.9%
Lewiston, ID-WA	0.01%	100.0%	97.9%	99.1%	96.4%
Lewiston-Auburn, ME	0.05%	97.2%	95.8%	97.8%	97.5%
Lewistown, PA	0.00%	96.0%	92.5%	96.0%	83.0%
Lexington, NE	0.00%	98.7%	100.0%	98.5%	97.9%
Lexington-Fayette, KY	0.15%	96.8%	96.8%	96.5%	96.6%
Liberal, KS	0.02%	84.8%	95.6%	85.0%	94.3%
Lima, OH	0.03%	98.3%	98.0%	93.8%	96.5%
Lincoln, IL	0.01%	NA	92.1%	NA	88.5%
Lincoln, NE	0.07%	97.9%	98.5%	97.4%	95.8%
Little Rock-North Little Rock-Conway, AR	0.25%	95.0%	93.8%	93.0%	93.7%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Lock Haven, PA	0.00%	94.5%	96.5%	94.5%	98.5%
Logan, UT-ID	0.08%	98.0%	98.8%	97.5%	98.3%
Logansport, IN	0.00%	NA	NA	NA	NA
London, KY	0.06%	98.7%	98.3%	95.2%	98.3%
Longview, TX	0.04%	93.6%	94.5%	95.3%	95.0%
Longview, WA	0.02%	98.1%	96.2%	97.7%	99.2%
Los Angeles-Long Beach-Anaheim, CA	4.34%	98.8%	99.0%	98.0%	98.0%
Louisville/Jefferson County, KY-IN	0.48%	95.5%	96.2%	94.6%	94.0%
Lubbock, TX	0.06%	90.5%	93.0%	93.4%	91.4%
Ludington, MI	0.01%	NA	98.0%	NA	100.0%
Lufkin, TX	0.05%	96.1%	97.5%	93.4%	94.5%
Lumberton, NC	0.04%	97.5%	100.0%	96.8%	97.0%
Lynchburg, VA	0.07%	97.4%	96.4%	95.4%	98.1%
Macomb, IL	0.00%	NA	NA	NA	NA
Macon, GA	0.03%	93.3%	95.6%	95.9%	95.1%
Madera, CA	0.06%	99.7%	99.7%	98.5%	99.3%
Madison, IN	0.00%	97.7%	99.8%	99.0%	99.9%
Madison, WI	0.15%	98.1%	99.2%	97.0%	97.9%
Madisonville, KY	0.01%	96.9%	95.1%	58.4%	94.6%
Magnolia, AR	0.00%	96.2%	96.9%	94.4%	93.8%
Malone, NY	0.01%	84.7%	90.8%	NA	NA
Manchester-Nashua, NH	0.09%	96.9%	96.5%	96.9%	96.4%
Manhattan, KS	0.05%	94.0%	96.8%	93.0%	94.6%
Manitowoc, WI	0.00%	94.9%	92.7%	90.0%	93.0%
Mankato-North Mankato, MN	0.03%	100.0%	98.8%	97.8%	98.4%
Mansfield, OH	0.06%	95.3%	94.8%	94.0%	95.0%
Marietta, OH	0.02%	99.5%	100.0%	99.2%	98.7%
Marinette, WI-MI	0.01%	100.0%	96.0%	NA	87.0%
Marion, IN	0.02%	95.7%	94.8%	92.6%	94.4%
Marion, NC	0.01%	98.3%	92.7%	95.0%	90.0%
Marion, OH	0.03%	98.7%	96.5%	86.2%	96.7%
Marquette, MI	0.00%	99.5%	99.7%	98.8%	100.0%
Marshall, MN	0.00%	96.7%	98.8%	95.8%	97.8%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Marshall, MO	0.00%	88.9%	100.0%	88.1%	97.1%
Marshall, TX	0.01%	86.1%	93.1%	86.7%	86.4%
Marshalltown, IA	0.01%	94.2%	88.9%	91.1%	91.5%
Martin, TN	0.00%	76.0%	80.2%	84.3%	72.6%
Martinsville, VA	0.00%	88.3%	93.9%	98.0%	92.0%
Maryville, MO	0.00%	98.0%	98.0%	96.8%	96.7%
Mason City, IA	0.02%	95.3%	96.4%	98.0%	98.3%
Mayagüez, PR	0.09%	100.0%	99.5%	100.0%	98.5%
Mayfield, KY	0.01%	96.0%	97.2%	99.0%	96.3%
Maysville, KY	0.00%	NA	NA	NA	NA
McAlester, OK	0.05%	97.5%	97.5%	97.0%	97.4%
McAllen-Edinburg-Mission, TX	0.26%	98.6%	99.0%	95.4%	96.5%
McComb, MS	0.03%	95.0%	94.0%	84.0%	85.0%
McMinnville, TN	0.00%	92.9%	95.8%	91.8%	94.4%
McPherson, KS	0.01%	99.5%	100.0%	99.0%	99.3%
Meadville, PA	0.01%	94.2%	97.5%	93.4%	94.8%
Medford, OR	0.04%	96.3%	96.2%	96.4%	93.3%
Memphis, TN-MS-AR	0.31%	95.8%	97.0%	89.4%	92.3%
Merced, CA	0.05%	96.9%	98.1%	97.5%	99.3%
Meridian, MS	0.03%	97.1%	98.0%	92.9%	91.9%
Merrill, WI	0.00%	84.4%	96.9%	93.7%	NA
Mexico, MO	0.00%	NA	NA	NA	NA
Miami, OK	0.00%	NA	NA	NA	NA
Miami-Fort Lauderdale-West Palm Beach, FL	2.02%	97.5%	98.0%	94.8%	96.7%
Michigan City-La Porte, IN	0.02%	94.6%	99.3%	90.1%	95.3%
Middlesborough, KY	0.02%	NA	99.9%	NA	99.8%
Midland, MI	0.02%	94.0%	86.9%	92.8%	88.9%
Midland, TX	0.04%	99.2%	97.7%	99.0%	98.1%
Milledgeville, GA	0.01%	93.3%	95.4%	100.0%	100.0%
Milwaukee-Waukesha-West Allis, WI	0.88%	96.4%	96.3%	95.6%	95.6%
Mineral Wells, TX	0.01%	97.2%	97.2%	95.7%	95.2%
Minneapolis-St. Paul-Bloomington, MN-WI	1.20%	98.2%	98.5%	97.2%	97.8%
Minot, ND	0.02%	99.0%	95.0%	76.8%	94.9%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Missoula, MT	0.04%	98.1%	97.3%	96.2%	95.7%
Mitchell, SD	0.01%	97.5%	97.9%	94.5%	94.9%
Moberly, MO	0.00%	98.5%	97.5%	98.4%	97.0%
Mobile, AL	0.21%	98.4%	98.3%	92.0%	93.9%
Modesto, CA	0.09%	98.2%	99.1%	99.5%	98.4%
Monroe, LA	0.10%	96.7%	96.2%	95.9%	97.7%
Monroe, MI	0.00%	98.7%	97.4%	96.2%	96.9%
Montgomery, AL	0.09%	92.3%	93.5%	94.6%	90.6%
Montrose, CO	0.02%	85.0%	85.0%	87.3%	92.7%
Morehead City, NC	0.02%	99.1%	98.7%	98.5%	99.0%
Morgan City, LA	0.00%	75.3%	71.1%	74.0%	71.6%
Morgantown, WV	0.04%	97.1%	95.3%	97.9%	95.5%
Moscow, ID	0.02%	95.0%	96.5%	94.0%	94.0%
Moses Lake, WA	0.08%	97.6%	96.2%	94.5%	97.0%
Moultrie, GA	0.01%	98.6%	98.6%	NA	NA
Mount Airy, NC	0.01%	93.9%	88.9%	95.0%	96.0%
Mount Pleasant, MI	0.05%	95.8%	96.4%	97.2%	94.2%
Mount Sterling, KY	0.00%	100.0%	97.5%	97.0%	93.4%
Mount Vernon, IL	0.01%	95.2%	84.3%	NA	75.0%
Mount Vernon, OH	0.01%	93.6%	93.0%	NA	92.9%
Mount Vernon-Anacortes, WA	0.06%	98.4%	98.4%	99.3%	98.9%
Mountain Home, AR	0.04%	98.5%	92.0%	83.9%	89.9%
Mountain Home, ID	0.00%	89.0%	94.0%	75.0%	80.0%
Muncie, IN	0.03%	97.2%	94.6%	95.4%	94.6%
Murray, KY	0.01%	99.0%	97.8%	NA	NA
Muscatine, IA	0.01%	96.9%	96.0%	97.0%	96.0%
Muskegon, MI	0.03%	80.4%	93.1%	86.7%	97.5%
Muskogee, OK	0.02%	94.6%	94.1%	86.5%	78.0%
Myrtle Beach-Conway-North Myrtle Beach, SC-NC	0.11%	97.2%	98.4%	96.3%	97.4%
Nacogdoches, TX	0.02%	94.6%	93.5%	93.9%	93.0%
Napa, CA	0.06%	99.0%	99.5%	97.9%	98.5%
Naples-Immokalee-Marco Island, FL	0.08%	97.0%	97.3%	87.0%	94.4%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Nashville-Davidson--Murfreesboro--Franklin, TN	0.25%	97.0%	98.0%	95.9%	97.1%
Natchez, MS-LA	0.01%	98.2%	97.6%	97.8%	96.0%
Natchitoches, LA	0.03%	93.1%	92.5%	97.5%	97.1%
New Bern, NC	0.02%	95.2%	97.0%	97.3%	97.8%
New Castle, IN	0.02%	94.0%	95.7%	94.9%	95.2%
New Castle, PA	0.00%	93.6%	91.9%	93.1%	91.1%
New Haven-Milford, CT	0.26%	97.0%	97.7%	96.2%	96.3%
New Orleans-Metairie, LA	1.41%	96.0%	97.0%	94.4%	96.2%
New Philadelphia-Dover, OH	0.00%	91.3%	88.0%	NA	85.9%
New York-Newark-Jersey City, NY-NJ-PA	10.73%	98.5%	98.6%	97.3%	97.6%
Newberry, SC	0.03%	92.0%	95.0%	91.6%	93.4%
Newport, OR	0.01%	98.3%	96.5%	95.2%	93.0%
Newport, TN	0.01%	97.4%	94.9%	93.0%	94.8%
Newton, IA	0.01%	89.0%	99.2%	91.4%	92.2%
Niles-Benton Harbor, MI	0.04%	94.3%	95.4%	93.8%	94.6%
Nogales, AZ	0.06%	95.0%	96.3%	90.0%	90.0%
Norfolk, NE	0.01%	97.0%	95.3%	83.0%	82.5%
North Platte, NE	0.02%	97.9%	96.8%	96.5%	96.3%
North Port-Sarasota-Bradenton, FL	0.10%	96.0%	97.3%	94.0%	95.2%
North Wilkesboro, NC	0.01%	95.6%	97.5%	96.5%	96.0%
Norwalk, OH	0.02%	93.3%	98.8%	95.8%	95.2%
Norwich-New London, CT	0.01%	94.8%	95.4%	87.1%	96.2%
Oak Harbor, WA	0.01%	96.2%	97.6%	96.8%	96.1%
Ocala, FL	0.00%	NA	NA	NA	NA
Ocean City, NJ	0.02%	100.0%	99.0%	100.0%	98.0%
Odessa, TX	0.05%	99.7%	97.8%	98.0%	98.4%
Ogden-Clearfield, UT	0.12%	97.4%	97.0%	94.0%	92.8%
Ogdensburg-Massena, NY	0.01%	86.0%	57.0%	77.0%	88.0%
Oil City, PA	0.00%	95.7%	93.9%	95.7%	92.7%
Okeechobee, FL	0.01%	95.2%	96.0%	93.7%	95.0%
Oklahoma City, OK	0.16%	96.5%	95.5%	96.7%	94.7%
Olean, NY	0.02%	96.0%	99.0%	96.0%	99.0%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Olympia-Tumwater, WA	0.03%	93.8%	95.3%	93.0%	94.7%
Omaha-Council Bluffs, NE-IA	0.42%	96.4%	95.8%	96.0%	95.0%
Oneonta, NY	0.00%	NA	NA	NA	NA
Ontario, OR-ID	0.00%	75.0%	100.0%	NA	NA
Opelousas, LA	0.02%	96.8%	96.9%	95.6%	96.3%
Orangeburg, SC	0.03%	96.0%	97.8%	91.0%	93.5%
Orlando-Kissimmee-Sanford, FL	0.56%	96.5%	98.4%	93.0%	94.4%
Oshkosh-Neenah, WI	0.05%	96.0%	96.1%	96.6%	94.8%
Oskaloosa, IA	0.01%	98.3%	96.2%	98.2%	94.5%
Othello, WA	0.01%	97.9%	100.0%	98.5%	97.1%
Ottawa, KS	0.01%	96.2%	96.0%	94.9%	96.0%
Ottawa-Peru, IL	0.05%	100.0%	100.0%	99.0%	96.5%
Ottumwa, IA	0.01%	92.7%	92.0%	92.9%	90.4%
Owatonna, MN	0.01%	99.6%	98.1%	99.2%	98.9%
Owensboro, KY	0.03%	97.4%	98.8%	98.3%	98.9%
Owosso, MI	0.01%	96.5%	92.5%	99.8%	96.6%
Oxford, MS	0.01%	90.7%	94.5%	79.9%	81.2%
Oxford, NC	0.01%	95.8%	100.0%	97.0%	100.0%
Oxnard-Thousand Oaks-Ventura, CA	0.24%	99.3%	99.0%	98.8%	99.3%
Ozark, AL	0.02%	98.7%	96.6%	98.0%	99.0%
Paducah, KY-IL	0.02%	94.3%	95.0%	95.0%	95.0%
Pahrump, NV	0.00%	100.0%	100.0%	97.2%	98.8%
Palatka, FL	0.02%	92.4%	90.5%	89.5%	87.7%
Palestine, TX	0.01%	96.7%	92.1%	94.5%	89.4%
Palm Bay-Melbourne-Titusville, FL	0.10%	93.7%	97.0%	89.0%	92.0%
Panama City, FL	0.02%	97.8%	95.8%	82.0%	94.3%
Paris, TN	0.01%	95.0%	85.0%	89.0%	NA
Paris, TX	0.01%	95.1%	97.4%	86.3%	91.1%
Parkersburg-Vienna, WV	0.01%	99.5%	97.3%	95.0%	97.3%
Parsons, KS	0.00%	99.3%	100.0%	99.0%	99.2%
Payson, AZ	0.05%	96.2%	95.8%	96.8%	98.5%
Pecos, TX	0.01%	100.0%	97.7%	98.5%	98.6%
Pensacola-Ferry Pass-Brent, FL	0.08%	94.0%	94.0%	92.3%	89.1%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Peoria, IL	0.10%	97.0%	95.0%	92.0%	95.0%
Peru, IN	0.00%	NA	NA	NA	NA
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2.50%	97.5%	97.3%	96.5%	96.8%
Phoenix-Mesa-Scottsdale, AZ	0.64%	96.0%	96.3%	93.3%	94.4%
Picayune, MS	0.00%	76.0%	76.0%	75.0%	73.0%
Pierre, SD	0.00%	NA	NA	NA	NA
Pine Bluff, AR	0.01%	95.4%	92.1%	92.8%	86.8%
Pinehurst-Southern Pines, NC	0.02%	100.0%	97.0%	97.0%	99.5%
Pittsburg, KS	0.00%	90.8%	92.9%	NA	NA
Pittsburgh, PA	0.78%	97.8%	98.6%	97.0%	97.3%
Pittsfield, MA	0.03%	95.3%	93.3%	95.0%	94.1%
Plainview, TX	0.01%	85.5%	93.0%	87.2%	91.9%
Platteville, WI	0.01%	99.5%	99.5%	96.4%	98.0%
Plattsburgh, NY	0.01%	96.9%	96.9%	97.3%	97.0%
Plymouth, IN	0.00%	70.0%	90.0%	NA	NA
Pocatello, ID	0.01%	97.0%	98.5%	95.4%	97.2%
Point Pleasant, WV-OH	0.01%	84.7%	86.8%	86.0%	86.1%
Ponca City, OK	0.00%	NA	NA	NA	NA
Ponce, PR	0.09%	100.0%	100.0%	100.0%	100.0%
Pontiac, IL	0.00%	97.0%	91.0%	96.0%	92.0%
Poplar Bluff, MO	0.00%	95.8%	94.0%	NA	100.0%
Port Angeles, WA	0.03%	97.0%	98.3%	97.7%	97.9%
Port Clinton, OH	0.01%	96.0%	96.4%	NA	95.6%
Port Lavaca, TX	0.01%	92.1%	90.2%	91.9%	90.1%
Port St. Lucie, FL	0.04%	89.7%	95.8%	83.1%	88.0%
Portland-South Portland, ME	0.30%	97.2%	97.9%	97.5%	97.4%
Portland-Vancouver-Hillsboro, OR-WA	0.81%	98.6%	98.4%	97.9%	98.0%
Portsmouth, OH	0.02%	97.7%	97.8%	66.9%	97.5%
Pottsville, PA	0.01%	97.0%	98.0%	99.0%	98.0%
Prescott, AZ	0.13%	95.1%	95.4%	96.0%	96.2%
Price, UT	0.00%	87.0%	85.0%	84.0%	85.0%
Prineville, OR	0.01%	90.0%	90.0%	100.0%	90.7%
Providence-Warwick, RI-MA	0.59%	97.8%	97.9%	96.3%	97.4%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Provo-Orem, UT	0.02%	99.2%	99.2%	95.0%	99.1%
Pueblo, CO	0.05%	100.0%	100.0%	98.0%	99.0%
Pullman, WA	0.01%	80.8%	86.9%	91.8%	88.7%
Punta Gorda, FL	0.06%	98.0%	99.0%	96.0%	98.0%
Quincy, IL-MO	0.01%	95.5%	96.5%	80.0%	96.0%
Racine, WI	0.06%	91.7%	94.0%	92.0%	87.0%
Raleigh, NC	0.28%	98.0%	97.6%	97.2%	97.3%
Rapid City, SD	0.05%	94.8%	96.1%	93.3%	94.9%
Raymondville, TX	0.00%	100.0%	96.9%	NA	NA
Reading, PA	0.02%	99.8%	99.5%	99.6%	98.7%
Red Bluff, CA	0.02%	90.8%	96.4%	92.1%	98.0%
Red Wing, MN	0.01%	98.5%	98.5%	98.5%	99.0%
Redding, CA	0.04%	98.0%	97.3%	98.5%	97.6%
Reno, NV	0.16%	95.1%	97.6%	96.4%	97.2%
Rexburg, ID	0.00%	99.3%	100.0%	99.7%	99.2%
Richmond, IN	0.01%	90.7%	90.7%	94.3%	93.4%
Richmond, VA	0.49%	96.2%	96.3%	95.0%	94.4%
Richmond-Berea, KY	0.01%	99.4%	98.6%	97.9%	97.8%
Rio Grande City, TX	0.00%	100.0%	100.0%	98.5%	97.8%
Riverside-San Bernardino-Ontario, CA	1.11%	98.0%	98.9%	96.7%	97.8%
Riverton, WY	0.03%	94.0%	92.5%	86.0%	95.0%
Roanoke Rapids, NC	0.02%	99.0%	97.2%	98.0%	97.0%
Roanoke, VA	0.09%	94.0%	99.0%	95.8%	97.6%
Rochelle, IL	0.00%	100.0%	100.0%	NA	NA
Rochester, MN	0.04%	98.0%	98.4%	98.4%	99.0%
Rochester, NY	0.51%	96.5%	96.6%	96.2%	95.8%
Rock Springs, WY	0.01%	98.0%	99.0%	95.0%	96.0%
Rockford, IL	0.06%	97.0%	98.5%	98.2%	96.2%
Rockingham, NC	0.02%	99.1%	97.9%	98.7%	98.8%
Rocky Mount, NC	0.03%	99.2%	98.1%	98.0%	95.0%
Rolla, MO	0.00%	92.8%	94.9%	94.0%	92.3%
Rome, GA	0.02%	94.0%	84.3%	92.6%	82.7%
Roseburg, OR	0.03%	96.0%	93.5%	91.3%	90.5%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Roswell, NM	0.03%	97.2%	97.8%	99.2%	98.3%
Russellville, AR	0.01%	NA	95.0%	NA	82.2%
Ruston, LA	0.04%	99.2%	99.0%	97.5%	98.4%
Rutland, VT	0.00%	98.5%	98.5%	100.0%	99.8%
Sacramento--Roseville--Arden-Arcade, CA	1.07%	97.0%	97.7%	94.9%	96.3%
Safford, AZ	0.03%	93.5%	96.3%	94.5%	94.1%
Saginaw, MI	0.05%	96.4%	95.7%	91.3%	96.3%
Salem, OH	0.01%	97.9%	98.8%	98.3%	98.0%
Salem, OR	0.07%	97.3%	98.5%	96.1%	97.0%
Salina, KS	0.03%	96.5%	96.7%	93.7%	94.4%
Salinas, CA	0.25%	98.8%	98.2%	97.8%	97.8%
Salisbury, MD-DE	0.20%	98.0%	98.0%	98.1%	97.4%
Salt Lake City, UT	0.25%	97.0%	97.0%	96.6%	96.9%
San Angelo, TX	0.03%	96.8%	98.3%	98.9%	97.3%
San Antonio-New Braunfels, TX	0.67%	95.3%	96.1%	93.4%	94.6%
San Diego-Carlsbad, CA	1.26%	99.0%	99.0%	98.0%	98.2%
San Francisco-Oakland-Hayward, CA	3.18%	98.2%	98.3%	97.4%	98.0%
San Germán, PR	0.02%	100.0%	99.0%	99.5%	98.0%
San Jose-Sunnyvale-Santa Clara, CA	1.35%	99.0%	99.3%	98.2%	98.2%
San Juan-Carolina-Caguas, PR	0.63%	100.0%	100.0%	100.0%	100.0%
San Luis Obispo-Paso Robles-Arroyo Grande, CA	0.09%	99.6%	98.6%	99.9%	99.1%
Sandpoint, ID	0.03%	94.5%	96.5%	96.1%	97.5%
Sandusky, OH	0.03%	98.1%	98.3%	98.2%	97.1%
Sanford, NC	0.02%	94.3%	94.2%	92.8%	91.3%
Santa Cruz-Watsonville, CA	0.15%	100.0%	100.0%	99.0%	99.6%
Santa Fe, NM	0.11%	95.3%	96.7%	88.7%	90.7%
Santa Maria-Santa Barbara, CA	0.21%	98.9%	98.4%	98.0%	99.0%
Santa Rosa, CA	0.29%	98.9%	99.0%	97.7%	98.8%
Sault Ste. Marie, MI	0.00%	88.0%	94.0%	92.0%	92.0%
Savannah, GA	0.14%	97.6%	96.0%	94.0%	93.4%
Sayre, PA	0.01%	95.8%	98.3%	96.2%	99.1%
Scottsbluff, NE	0.01%	97.7%	99.0%	98.0%	99.6%
Scottsboro, AL	0.00%	98.5%	100.0%	99.9%	NA

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Scranton--Wilkes-Barre--Hazleton, PA	0.07%	99.3%	97.9%	97.9%	98.0%
Searcy, AR	0.01%	96.7%	97.0%	93.3%	97.1%
Seattle-Tacoma-Bellevue, WA	1.75%	97.7%	97.7%	96.4%	97.4%
Sebastian-Vero Beach, FL	0.03%	96.0%	98.0%	96.3%	97.1%
Sebring, FL	0.02%	94.1%	96.0%	93.1%	93.9%
Sedalia, MO	0.01%	NA	NA	NA	NA
Selinsgrove, PA	0.00%	NA	NA	NA	NA
Selma, AL	0.03%	99.1%	98.1%	100.0%	98.0%
Seneca Falls, NY	0.01%	100.0%	92.5%	94.4%	95.0%
Seneca, SC	0.01%	97.1%	99.2%	96.9%	98.4%
Sevierville, TN	0.01%	96.0%	96.0%	93.0%	92.0%
Seymour, IN	0.01%	96.9%	98.2%	95.0%	98.0%
Shawano, WI	0.03%	98.0%	95.8%	98.0%	97.0%
Shawnee, OK	0.05%	99.0%	99.0%	99.5%	97.3%
Sheboygan, WI	0.06%	97.0%	94.4%	97.0%	94.9%
Shelby, NC	0.04%	97.3%	99.1%	96.0%	97.0%
Shelbyville, TN	0.00%	95.5%	97.7%	99.2%	99.2%
Sheridan, WY	0.02%	97.3%	97.0%	97.0%	96.6%
Sherman-Denison, TX	0.01%	89.9%	98.5%	84.8%	86.6%
Show Low, AZ	0.05%	97.1%	96.7%	96.4%	92.7%
Shreveport-Bossier City, LA	0.20%	95.7%	96.7%	96.9%	96.5%
Sidney, OH	0.01%	93.9%	93.2%	91.0%	92.8%
Sierra Vista-Douglas, AZ	0.08%	95.8%	97.5%	88.0%	91.8%
Silver City, NM	0.00%	NA	NA	NA	NA
Sioux City, IA-NE-SD	0.06%	96.9%	95.6%	96.5%	93.5%
Sioux Falls, SD	0.04%	95.9%	98.0%	95.9%	94.8%
Somerset, KY	0.01%	97.2%	90.8%	98.0%	99.0%
Somerset, PA	0.00%	98.8%	97.5%	98.7%	99.1%
Sonora, CA	0.00%	99.1%	99.8%	NA	NA
South Bend-Mishawaka, IN-MI	0.08%	97.3%	96.0%	94.0%	94.1%
Spartanburg, SC	0.08%	97.8%	98.6%	97.4%	96.6%
Spearfish, SD	0.01%	NA	100.0%	NA	99.0%
Spencer, IA	0.01%	97.1%	95.5%	97.0%	95.1%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Spirit Lake, IA	0.00%	95.6%	94.7%	96.2%	93.2%
Spokane-Spokane Valley, WA	0.14%	95.7%	96.0%	93.6%	95.2%
Springfield, IL	0.05%	94.0%	97.0%	97.0%	96.0%
Springfield, MA	0.36%	97.4%	97.0%	97.7%	96.1%
Springfield, MO	0.05%	95.6%	98.5%	97.0%	95.0%
Springfield, OH	0.06%	96.7%	96.3%	84.5%	94.1%
St. Cloud, MN	0.05%	97.5%	97.4%	93.7%	94.0%
St. George, UT	0.06%	99.1%	99.0%	97.0%	96.6%
St. Joseph, MO-KS	0.03%	91.7%	93.1%	90.7%	90.0%
St. Louis, MO-IL	0.80%	95.5%	96.0%	92.0%	94.0%
St. Marys, GA	0.00%	NA	NA	NA	NA
Starkville, MS	0.02%	88.5%	92.3%	83.8%	84.6%
State College, PA	0.03%	97.8%	97.4%	98.2%	98.2%
Statesboro, GA	0.02%	97.3%	100.0%	98.5%	99.4%
Staunton-Waynesboro, VA	0.06%	96.0%	94.6%	90.9%	91.8%
Stephenville, TX	0.01%	100.0%	100.0%	97.2%	95.9%
Sterling, CO	0.00%	NA	NA	NA	NA
Sterling, IL	0.03%	96.4%	94.9%	95.2%	92.1%
Stevens Point, WI	0.03%	98.4%	97.5%	97.5%	97.0%
Stillwater, OK	0.08%	94.5%	94.7%	91.9%	92.4%
Stockton-Lodi, CA	0.16%	93.5%	96.5%	95.5%	95.0%
Storm Lake, IA	0.00%	97.3%	92.0%	97.0%	92.1%
Sturgis, MI	0.01%	100.0%	96.1%	93.5%	87.9%
Sulphur Springs, TX	0.00%	NA	NA	NA	NA
Summerville, GA	0.02%	98.1%	97.7%	NA	NA
Summit Park, UT	0.00%	100.0%	100.0%	95.6%	94.8%
Sumter, SC	0.05%	97.4%	96.5%	98.0%	94.0%
Sunbury, PA	0.00%	95.0%	97.0%	100.0%	96.0%
Susanville, CA	0.02%	97.3%	96.8%	97.8%	99.3%
Sweetwater, TX	0.00%	NA	NA	NA	NA
Syracuse, NY	0.19%	96.0%	95.8%	98.0%	96.2%
Tahlequah, OK	0.01%	94.1%	93.1%	91.4%	91.2%
Talladega-Sylacauga, AL	0.01%	96.2%	90.1%	93.4%	84.4%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Tallahassee, FL	0.02%	86.4%	89.6%	76.3%	86.3%
Tampa-St. Petersburg-Clearwater, FL	0.89%	97.3%	98.6%	96.0%	97.0%
Taos, NM	0.02%	95.4%	97.3%	96.5%	98.4%
Taylorville, IL	0.02%	92.3%	97.0%	91.3%	90.6%
Terre Haute, IN	0.02%	92.7%	100.0%	93.3%	98.0%
Texarkana, TX-AR	0.13%	92.5%	92.1%	89.6%	90.1%
The Dalles, OR	0.02%	97.7%	95.0%	97.6%	98.4%
The Villages, FL	0.01%	96.0%	94.0%	91.0%	NA
Thomaston, GA	0.01%	94.9%	94.0%	97.6%	95.5%
Thomasville, GA	0.02%	93.0%	95.9%	91.0%	91.5%
Tiffin, OH	0.02%	93.3%	94.4%	90.5%	91.6%
Tifton, GA	0.01%	95.5%	96.9%	100.0%	100.0%
Toccoa, GA	0.01%	100.0%	99.2%	98.2%	99.2%
Toledo, OH	0.28%	96.5%	96.4%	97.8%	96.9%
Topeka, KS	0.09%	94.1%	95.7%	89.8%	93.2%
Torrington, CT	0.02%	98.3%	100.0%	95.8%	98.2%
Traverse City, MI	0.04%	99.8%	97.0%	98.5%	97.0%
Trenton, NJ	0.15%	95.2%	95.4%	96.4%	93.9%
Troy, AL	0.02%	98.0%	100.0%	92.0%	92.0%
Truckee-Grass Valley, CA	0.05%	97.0%	98.4%	99.0%	98.8%
Tucson, AZ	0.14%	94.0%	97.0%	93.0%	95.1%
Tulahoma-Manchester, TN	0.02%	95.2%	92.5%	91.3%	80.1%
Tulsa, OK	0.16%	94.2%	96.0%	94.3%	92.0%
Tupelo, MS	0.01%	94.5%	94.0%	88.2%	91.1%
Tuscaloosa, AL	0.13%	100.0%	98.1%	93.6%	96.0%
Twin Falls, ID	0.03%	95.9%	98.4%	93.9%	95.9%
Tyler, TX	0.02%	94.8%	96.4%	94.7%	96.1%
Ukiah, CA	0.01%	99.4%	99.8%	98.6%	98.0%
Union City, TN-KY	0.00%	94.4%	96.2%	NA	NA
Urban Honolulu, HI	0.19%	96.6%	98.0%	96.4%	97.9%
Urbana, OH	0.01%	90.1%	90.1%	NA	90.8%
Utica-Rome, NY	0.11%	95.8%	97.0%	96.0%	96.3%
Uvalde, TX	0.01%	94.0%	95.0%	89.0%	92.0%

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Valdosta, GA	0.03%	97.9%	97.3%	94.6%	95.3%
Vallejo-Fairfield, CA	0.17%	98.0%	98.0%	98.0%	98.2%
Valley, AL	0.02%	98.2%	97.7%	100.0%	100.0%
Van Wert, OH	0.01%	99.2%	98.8%	NA	96.5%
Vermillion, SD	0.00%	91.7%	91.7%	NA	NA
Vernal, UT	0.01%	96.4%	91.8%	91.7%	87.8%
Vernon, TX	0.01%	87.5%	93.3%	91.5%	92.4%
Vicksburg, MS	0.00%	92.2%	92.2%	89.6%	88.0%
Victoria, TX	0.02%	96.9%	96.9%	94.0%	94.8%
Vidalia, GA	0.02%	93.7%	96.9%	92.8%	94.1%
Vincennes, IN	0.01%	92.4%	97.7%	93.6%	94.3%
Vineland-Bridgeton, NJ	0.08%	97.1%	98.0%	95.8%	95.6%
Virginia Beach-Norfolk-Newport News, VA-NC	0.55%	98.0%	97.8%	97.1%	97.1%
Visalia-Porterville, CA	0.19%	97.8%	98.0%	98.0%	97.0%
Wabash, IN	0.00%	71.0%	72.0%	100.0%	100.0%
Waco, TX	0.06%	96.5%	95.3%	94.9%	96.1%
Wahpeton, ND-MN	0.00%	82.8%	78.1%	NA	87.1%
Walla Walla, WA	0.03%	99.3%	96.5%	98.6%	98.4%
Warner Robins, GA	0.01%	93.0%	94.0%	91.3%	85.3%
Warrensburg, MO	0.00%	NA	NA	NA	NA
Warsaw, IN	0.01%	98.1%	98.2%	97.1%	98.2%
Washington Court House, OH	0.04%	97.3%	97.9%	100.0%	97.1%
Washington, IN	0.01%	96.4%	96.9%	96.5%	97.0%
Washington, NC	0.02%	100.0%	99.0%	NA	99.0%
Washington-Arlington-Alexandria, DC-VA-MD-WV	2.17%	98.0%	98.0%	97.0%	97.0%
Waterloo-Cedar Falls, IA	0.04%	95.8%	94.3%	93.6%	88.5%
Watertown, SD	0.00%	NA	NA	NA	NA
Watertown-Fort Atkinson, WI	0.01%	100.0%	100.0%	99.0%	99.0%
Watertown-Fort Drum, NY	0.08%	96.9%	93.0%	95.0%	93.2%
Wauchula, FL	0.06%	95.0%	89.0%	94.0%	88.0%
Wausau, WI	0.05%	96.0%	98.4%	95.5%	97.8%
Waycross, GA	0.01%	99.5%	98.2%	98.5%	97.8%
Weatherford, OK	0.00%	NA	NA	NA	NA

MSA	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Weirton-Steubenville, WV-OH	0.05%	96.4%	96.0%	84.7%	95.2%
Wenatchee, WA	0.02%	100.0%	97.8%	99.0%	99.5%
West Plains, MO	0.00%	95.0%	96.0%	94.0%	91.0%
Wheeling, WV-OH	0.04%	99.1%	97.6%	99.6%	95.9%
Whitewater-Elkhorn, WI	0.01%	96.6%	98.3%	96.3%	98.7%
Wichita Falls, TX	0.07%	96.8%	98.2%	94.1%	94.4%
Wichita, KS	0.13%	96.9%	97.1%	96.0%	95.8%
Williamsport, PA	0.02%	97.8%	95.7%	95.1%	97.4%
Williston, ND	0.02%	97.0%	94.0%	94.0%	92.0%
Willmar, MN	0.00%	NA	NA	NA	NA
Wilmington, NC	0.11%	98.3%	97.0%	98.0%	98.0%
Wilmington, OH	0.01%	99.7%	99.3%	NA	98.3%
Wilson, NC	0.02%	94.0%	95.8%	88.5%	87.2%
Winchester, VA-WV	0.02%	98.3%	97.6%	96.5%	96.1%
Winnemucca, NV	0.01%	98.3%	99.2%	95.1%	99.2%
Winona, MN	0.00%	91.5%	98.6%	95.9%	97.3%
Winston-Salem, NC	0.11%	97.7%	97.0%	95.7%	95.2%
Wisconsin Rapids-Marshfield, WI	0.01%	90.6%	100.0%	95.8%	93.7%
Wooster, OH	0.00%	97.0%	99.7%	NA	99.7%
Worcester, MA-CT	0.16%	98.0%	98.0%	97.5%	98.1%
Worthington, MN	0.01%	97.5%	99.2%	96.9%	97.2%
Yakima, WA	0.13%	100.0%	100.0%	97.2%	98.1%
Yankton, SD	0.01%	100.0%	98.0%	86.0%	87.0%
York-Hanover, PA	0.07%	98.0%	97.1%	97.9%	96.7%
Youngstown-Warren-Boardman, OH-PA	0.20%	97.5%	98.0%	94.7%	96.3%
Yuba City, CA	0.05%	98.2%	97.8%	97.3%	96.6%
Yuma, AZ	0.04%	98.0%	100.0%	96.8%	97.0%
Zanesville, OH	0.05%	98.7%	98.6%	NA	97.9%
Zapata, TX	0.00%	98.1%	95.6%	NA	97.4%

Underperformance — Physical and Economic Occupancy by MSA

Figure 3.3.1.3(B) illustrates occupancy underperformance by MSA, as measured by percentage of net equity of the stabilized surveyed portfolio. Once again, results marked NA indicate that a meaningful sample size for that particular MSA could not be obtained. Of the MSAs with available information, more than half of the MSAs reported zero incidence of physical and economic occupancy underperformance in 2013 and 2014. Roughly 15% and 30% of the MSAs reported more than 20% of physical and economic underperformance, respectively.

In regard to the top five MSAs, which represent nearly 24% of the stabilized portfolio, the Chicago and Philadelphia MSAs reported physical and economic occupancy underperformance of 4%–11% and 8%–16%, respectively, across both 2013 and 2014. The New York, Los Angeles, and San Francisco MSAs fared more favorably during 2013 and 2014 and reported physical and economic occupancy underperformance of 2%–3% and 4%–6%, respectively.



Photo courtesy of First Sterling Financial

Physical and Economic Occupancy
Underperformance by MSA (% of net equity)

FIGURE 3.3.1.3(B)

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Aberdeen, SD	0.01%	67.1%	0.0%	0.0%	0.0%
Aberdeen, WA	0.01%	0.0%	0.0%	0.0%	0.0%
Abilene, TX	0.02%	0.0%	57.9%	58.5%	58.5%
Ada, OK	0.00%	0.0%	0.0%	0.0%	0.0%
Adjuntas, PR	0.00%	0.0%	0.0%	0.0%	0.0%
Adrian, MI	0.01%	0.0%	0.0%	49.1%	49.1%
Aguadilla-Isabela, PR	0.05%	0.0%	0.0%	0.0%	0.0%
Akron, OH	0.23%	2.8%	0.0%	0.0%	2.6%
Alamogordo, NM	0.03%	0.0%	14.7%	14.7%	14.7%
Albany, GA	0.05%	0.0%	0.0%	0.0%	0.0%
Albany, OR	0.02%	0.0%	63.0%	0.0%	6.3%
Albany-Schenectady-Troy, NY	0.34%	0.0%	0.0%	0.0%	0.0%
Albemarle, NC	0.01%	NA	NA	NA	NA
Albert Lea, MN	0.01%	12.7%	12.7%	0.0%	0.0%
Albertville, AL	0.01%	0.0%	0.0%	0.0%	0.0%
Albuquerque, NM	0.13%	20.0%	10.7%	68.9%	80.8%
Alexandria, LA	0.07%	12.7%	0.9%	20.0%	1.0%
Alexandria, MN	0.00%	0.0%	0.0%	0.0%	0.0%
Allentown-Bethlehem-Easton, PA-NJ	0.12%	0.0%	0.0%	0.0%	0.0%
Alma, MI	0.02%	17.0%	17.0%	0.0%	18.1%
Alpena, MI	0.02%	0.0%	0.0%	0.0%	0.0%
Altoona, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Altus, OK	0.00%	0.0%	0.0%	0.0%	0.0%
Amarillo, TX	0.04%	0.0%	0.0%	41.4%	0.0%
Americus, GA	0.01%	0.0%	0.0%	0.0%	0.0%
Ames, IA	0.02%	0.0%	0.0%	0.0%	0.0%
Amsterdam, NY	0.00%	NA	NA	NA	NA
Anchorage, AK	0.15%	20.2%	8.0%	29.1%	6.0%
Angola, IN	0.00%	0.0%	5.3%	0.0%	0.0%
Ann Arbor, MI	0.05%	0.0%	0.0%	10.0%	0.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Anniston-Oxford-Jacksonville, AL	0.01%	18.4%	18.4%	0.0%	0.0%
Appleton, WI	0.06%	0.0%	8.6%	20.8%	8.6%
Arcadia, FL	0.04%	60.7%	17.2%	60.7%	0.0%
Ardmore, OK	0.00%	0.0%	0.0%	0.0%	100.0%
Arecibo, PR	0.05%	0.0%	0.0%	0.0%	0.0%
Arkadelphia, AR	0.00%	32.8%	32.8%	0.0%	0.0%
Arkansas City-Winfield, KS	0.01%	54.2%	31.5%	54.2%	31.5%
Asheville, NC	0.13%	0.0%	0.0%	2.9%	2.5%
Ashtabula, OH	0.03%	0.0%	0.0%	0.0%	0.0%
Astoria, OR	0.02%	0.0%	10.8%	19.9%	10.8%
Atchison, KS	0.00%	0.0%	0.0%	0.0%	0.0%
Athens, OH	0.02%	0.0%	0.0%	0.0%	0.0%
Athens, TN	0.01%	NA	0.0%	NA	0.0%
Athens, TX	0.03%	62.1%	41.4%	62.1%	41.4%
Athens-Clarke County, GA	0.03%	0.0%	34.1%	80.0%	34.1%
Atlanta-Sandy Springs-Roswell, GA	1.29%	22.8%	15.7%	44.4%	32.1%
Atlantic City-Hammonton, NJ	0.06%	0.0%	0.0%	0.0%	0.0%
Auburn, IN	0.04%	28.3%	22.6%	81.1%	64.7%
Auburn, NY	0.01%	0.0%	0.0%	NA	NA
Auburn-Opelika, AL	0.06%	0.0%	0.0%	0.0%	0.0%
Augusta-Richmond County, GA-SC	0.15%	15.5%	8.4%	30.1%	17.5%
Augusta-Waterville, ME	0.02%	0.0%	39.5%	0.0%	48.1%
Austin, MN	0.00%	NA	NA	NA	NA
Austin-Round Rock, TX	0.50%	2.3%	4.3%	15.5%	1.9%
Bainbridge, GA	0.01%	0.0%	14.5%	28.7%	0.0%
Bakersfield, CA	0.31%	12.0%	5.2%	38.7%	27.8%
Baltimore-Columbia-Towson, MD	1.11%	3.2%	3.6%	4.2%	5.3%
Bangor, ME	0.05%	17.7%	0.0%	14.9%	5.6%
Baraboo, WI	0.01%	0.0%	0.0%	0.0%	0.0%
Bardstown, KY	0.00%	NA	NA	NA	NA
Barnstable Town, MA	0.08%	0.0%	0.0%	11.0%	4.2%
Bartlesville, OK	0.01%	0.0%	0.0%	0.0%	100.0%
Bastrop, LA	0.02%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Batavia, NY	0.00%	0.0%	9.2%	0.0%	0.0%
Baton Rouge, LA	0.23%	7.3%	8.2%	14.2%	25.8%
Battle Creek, MI	0.05%	17.7%	19.4%	66.0%	67.9%
Bay City, MI	0.02%	0.0%	0.0%	0.0%	0.0%
Bay City, TX	0.01%	0.0%	0.0%	0.0%	90.8%
Beatrice, NE	0.00%	33.2%	33.2%	33.2%	33.2%
Beaumont-Port Arthur, TX	0.20%	25.8%	24.9%	42.0%	17.1%
Beaver Dam, WI	0.02%	0.0%	0.0%	8.5%	0.0%
Beckley, WV	0.04%	0.0%	10.4%	0.0%	9.0%
Bedford, IN	0.00%	NA	NA	NA	NA
Beeville, TX	0.01%	NA	0.0%	NA	0.0%
Bellefontaine, OH	0.01%	0.0%	0.0%	0.0%	0.0%
Bellingham, WA	0.10%	0.0%	4.5%	0.0%	0.0%
Bemidji, MN	0.04%	0.0%	7.8%	0.0%	54.4%
Bend-Redmond, OR	0.08%	0.0%	0.0%	0.0%	2.2%
Bennettsville, SC	0.00%	72.8%	0.0%	72.8%	0.0%
Bennington, VT	0.00%	0.0%	0.0%	0.0%	0.0%
Berlin, NH-VT	0.00%	0.0%	0.0%	100.0%	0.0%
Big Rapids, MI	0.01%	55.3%	0.0%	100.0%	63.1%
Big Spring, TX	0.02%	0.0%	0.0%	58.4%	0.0%
Big Stone Gap, VA	0.02%	18.1%	0.0%	12.2%	35.4%
Billings, MT	0.02%	13.6%	44.0%	14.3%	46.4%
Binghamton, NY	0.04%	0.0%	0.0%	0.0%	0.0%
Birmingham-Hoover, AL	0.19%	1.5%	21.0%	7.8%	11.5%
Bismarck, ND	0.05%	0.0%	0.0%	0.0%	0.0%
Blackfoot, ID	0.00%	NA	NA	NA	NA
Blacksburg-Christiansburg-Radford, VA	0.07%	14.3%	22.6%	5.2%	8.9%
Bloomington, IL	0.02%	0.0%	4.1%	0.0%	4.1%
Bloomington, IN	0.02%	0.0%	0.0%	44.5%	0.0%
Bloomsburg-Berwick, PA	0.03%	0.0%	0.0%	0.0%	0.0%
Bluefield, WV-VA	0.02%	31.8%	0.0%	0.0%	0.0%
Blytheville, AR	0.01%	0.0%	0.0%	79.5%	0.0%
Bogalusa, LA	0.00%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Boise City, ID	0.07%	0.0%	0.0%	0.0%	4.3%
Boone, IA	0.01%	0.0%	0.0%	0.0%	0.0%
Boone, NC	0.00%	NA	NA	NA	NA
Borger, TX	0.01%	NA	0.0%	NA	100.0%
Boston-Cambridge-Newton, MA-NH	1.72%	4.3%	2.7%	7.8%	7.8%
Boulder, CO	0.07%	0.0%	0.0%	0.0%	0.0%
Bowling Green, KY	0.04%	26.7%	26.7%	2.9%	28.1%
Bozeman, MT	0.02%	0.0%	0.0%	0.0%	0.0%
Bradford, PA	0.00%	0.0%	0.0%	NA	NA
Brainerd, MN	0.06%	0.0%	0.0%	0.0%	5.4%
Branson, MO	0.05%	65.7%	0.0%	65.7%	70.6%
Bremerton-Silverdale, WA	0.05%	0.0%	0.0%	9.7%	0.0%
Brenham, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Brevard, NC	0.01%	0.0%	0.0%	0.0%	0.0%
Bridgeport-Stamford-Norwalk, CT	0.28%	3.7%	0.0%	2.6%	8.1%
Brookings, OR	0.02%	0.0%	0.0%	0.0%	0.0%
Brookings, SD	0.01%	100.0%	0.0%	NA	0.0%
Brownsville-Harlingen, TX	0.22%	0.0%	0.0%	6.5%	0.0%
Brownwood, TX	0.00%	0.0%	0.0%	NA	NA
Brunswick, GA	0.02%	0.0%	0.0%	0.0%	0.0%
Bucyrus, OH	0.02%	19.7%	0.0%	NA	0.0%
Buffalo-Cheektowaga-Niagara Falls, NY	0.42%	6.1%	5.7%	4.1%	2.9%
Burley, ID	0.00%	NA	0.0%	NA	0.0%
Burlington, IA-IL	0.04%	0.0%	64.5%	72.2%	72.2%
Burlington, NC	0.04%	0.0%	0.0%	41.3%	41.3%
Burlington-South Burlington, VT	0.02%	0.0%	0.0%	0.0%	0.0%
Butte-Silver Bow, MT	0.01%	0.0%	0.0%	40.4%	40.4%
Cadillac, MI	0.01%	0.0%	0.0%	100.0%	100.0%
Calhoun, GA	0.01%	16.5%	0.0%	0.0%	0.0%
California-Lexington Park, MD	0.04%	0.0%	5.0%	5.0%	9.1%
Cambridge, MD	0.08%	0.0%	0.0%	4.3%	0.0%
Cambridge, OH	0.03%	0.0%	0.0%	NA	0.0%
Cañon City, CO	0.00%	0.0%	0.0%	0.0%	100.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Canton, IL	0.01%	NA	0.0%	NA	0.0%
Canton-Massillon, OH	0.09%	4.8%	4.5%	0.0%	4.5%
Cape Coral-Fort Myers, FL	0.07%	26.7%	0.0%	63.3%	31.8%
Cape Girardeau, MO-IL	0.03%	0.0%	0.0%	0.0%	0.0%
Carbondale-Marion, IL	0.04%	13.8%	11.2%	30.9%	44.0%
Carson City, NV	0.05%	0.0%	20.8%	28.6%	15.4%
Casper, WY	0.04%	0.0%	0.0%	0.0%	0.0%
Cedar Rapids, IA	0.09%	8.1%	24.5%	30.0%	28.4%
Cedartown, GA	0.02%	0.0%	0.0%	0.0%	0.0%
Celina, OH	0.01%	37.0%	0.0%	NA	0.0%
Centralia, IL	0.01%	0.0%	0.0%	55.0%	20.1%
Centralia, WA	0.07%	0.0%	0.0%	0.0%	0.0%
Chambersburg-Waynesboro, PA	0.04%	0.0%	0.0%	0.0%	41.1%
Champaign-Urbana, IL	0.03%	0.0%	0.0%	0.0%	0.0%
Charleston, WV	0.10%	12.3%	9.0%	12.7%	24.1%
Charleston-Mattoon, IL	0.01%	0.0%	0.0%	0.0%	0.0%
Charleston-North Charleston, SC	0.18%	9.9%	10.3%	10.3%	21.0%
Charlotte-Concord-Gastonia, NC-SC	0.46%	5.3%	1.4%	8.6%	7.8%
Charlottesville, VA	0.08%	0.0%	0.0%	13.9%	11.5%
Chattanooga, TN-GA	0.11%	0.0%	28.7%	5.0%	17.0%
Cheyenne, WY	0.05%	0.0%	0.0%	0.0%	0.0%
Chicago-Naperville-Elgin, IL-IN-WI	3.12%	9.3%	10.8%	16.4%	15.8%
Chico, CA	0.07%	6.2%	0.0%	6.2%	2.2%
Chillicothe, OH	0.02%	0.0%	0.0%	0.0%	39.1%
Cincinnati, OH-KY-IN	0.48%	5.3%	2.4%	43.0%	13.9%
Claremont-Lebanon, NH-VT	0.04%	0.0%	0.0%	0.0%	12.1%
Clarksburg, WV	0.02%	59.1%	0.0%	32.1%	0.0%
Clarksdale, MS	0.00%	0.0%	86.8%	100.0%	100.0%
Clarksville, TN-KY	0.07%	18.4%	11.0%	24.6%	22.3%
Clearlake, CA	0.01%	0.0%	0.0%	0.0%	0.0%
Cleveland, MS	0.02%	0.0%	0.0%	0.0%	0.0%
Cleveland, TN	0.01%	0.0%	0.0%	0.0%	0.0%
Cleveland-Elyria, OH	0.77%	3.1%	3.2%	4.5%	2.9%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Clewiston, FL	0.01%	100.0%	100.0%	100.0%	100.0%
Clinton, IA	0.01%	0.0%	0.0%	0.0%	0.0%
Clovis, NM	0.04%	6.0%	0.0%	0.0%	0.0%
Coamo, PR	0.00%	0.0%	0.0%	0.0%	0.0%
Coeur d'Alene, ID	0.09%	6.6%	0.0%	0.0%	0.0%
Coffeyville, KS	0.01%	20.1%	25.3%	61.5%	26.1%
Coldwater, MI	0.00%	12.8%	12.8%	94.8%	12.8%
College Station-Bryan, TX	0.04%	1.5%	2.2%	1.5%	27.2%
Colorado Springs, CO	0.07%	0.0%	10.0%	30.4%	25.2%
Columbia, MO	0.01%	28.5%	28.5%	0.0%	28.5%
Columbia, SC	0.12%	5.3%	0.0%	22.2%	6.5%
Columbus, GA-AL	0.07%	18.7%	0.0%	37.7%	14.1%
Columbus, IN	0.01%	NA	0.0%	NA	0.0%
Columbus, MS	0.04%	23.2%	23.2%	45.5%	45.5%
Columbus, NE	0.01%	0.0%	0.0%	0.0%	0.0%
Columbus, OH	0.84%	3.3%	2.5%	8.1%	2.2%
Concord, NH	0.07%	0.0%	0.0%	9.7%	20.3%
Connersville, IN	0.00%	0.0%	0.0%	NA	NA
Cookeville, TN	0.01%	0.0%	0.0%	56.8%	0.0%
Coos Bay, OR	0.01%	0.0%	0.0%	0.0%	0.0%
Cordele, GA	0.02%	0.0%	0.0%	NA	NA
Cornelia, GA	0.01%	0.0%	0.0%	0.0%	0.0%
Corning, NY	0.02%	39.3%	0.0%	39.3%	0.0%
Corpus Christi, TX	0.20%	4.7%	0.0%	5.4%	0.0%
Corsicana, TX	0.00%	0.0%	0.0%	0.0%	0.0%
Cortland, NY	0.01%	0.0%	0.0%	0.0%	0.0%
Corvallis, OR	0.01%	0.0%	100.0%	0.0%	0.0%
Coshocton, OH	0.01%	0.0%	100.0%	NA	100.0%
Crescent City, CA	0.04%	70.4%	0.0%	20.0%	70.8%
Crestview-Fort Walton Beach-Destin, FL	0.00%	0.0%	0.0%	0.0%	0.0%
Crossville, TN	0.00%	NA	NA	NA	NA
Cullman, AL	0.01%	0.0%	0.0%	0.0%	0.0%
Cullowhee, NC	0.00%	NA	NA	NA	NA

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Cumberland, MD-WV	0.02%	0.0%	0.0%	0.0%	14.3%
Dallas-Fort Worth-Arlington, TX	1.33%	12.1%	11.8%	22.5%	23.0%
Dalton, GA	0.02%	0.0%	0.0%	0.0%	NA
Danville, IL	0.01%	0.0%	0.0%	0.0%	0.0%
Danville, KY	0.00%	0.0%	NA	100.0%	NA
Danville, VA	0.04%	0.0%	0.0%	15.1%	45.6%
Daphne-Fairhope-Foley, AL	0.09%	21.2%	4.4%	26.0%	0.6%
Davenport-Moline-Rock Island, IA-IL	0.22%	12.3%	18.7%	14.9%	19.1%
Dayton, OH	0.22%	22.2%	15.5%	62.4%	10.6%
Decatur, AL	0.02%	0.0%	0.0%	0.0%	0.0%
Decatur, IL	0.07%	65.9%	65.9%	58.0%	83.0%
Decatur, IN	0.01%	19.3%	19.3%	19.3%	100.0%
Defiance, OH	0.02%	0.0%	0.0%	NA	0.0%
Del Rio, TX	0.03%	0.0%	27.4%	0.0%	27.4%
Deltona-Daytona Beach-Ormond Beach, FL	0.17%	0.0%	0.0%	12.2%	0.0%
Deming, NM	0.02%	0.0%	0.0%	49.0%	0.0%
Denver-Aurora-Lakewood, CO	1.00%	6.1%	2.5%	18.1%	14.1%
DeRidder, LA	0.00%	100.0%	100.0%	100.0%	100.0%
Des Moines-West Des Moines, IA	0.51%	0.0%	3.1%	10.0%	6.0%
Detroit-Warren-Dearborn, MI	0.88%	26.0%	13.7%	39.7%	22.8%
Dickinson, ND	0.02%	0.0%	0.0%	0.0%	0.0%
Dixon, IL	0.01%	0.0%	50.0%	50.0%	50.0%
Dodge City, KS	0.02%	47.6%	25.1%	72.4%	25.1%
Dothan, AL	0.02%	0.0%	0.0%	0.0%	0.0%
Douglas, GA	0.00%	NA	NA	NA	NA
Dover, DE	0.03%	5.7%	0.0%	0.0%	0.0%
Dublin, GA	0.01%	18.8%	17.2%	0.0%	0.0%
DuBois, PA	0.00%	0.0%	0.0%	0.0%	0.0%
Dubuque, IA	0.05%	17.3%	0.0%	55.6%	0.0%
Duluth, MN-WI	0.09%	6.9%	0.0%	20.6%	7.1%
Dumas, TX	0.01%	NA	NA	NA	NA
Duncan, OK	0.01%	100.0%	8.3%	100.0%	100.0%
Dunn, NC	0.03%	35.0%	0.0%	15.6%	29.4%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Durango, CO	0.03%	53.8%	11.6%	53.8%	0.0%
Durant, OK	0.02%	29.0%	0.0%	63.4%	0.0%
Durham-Chapel Hill, NC	0.07%	0.0%	0.0%	10.7%	6.1%
Eagle Pass, TX	0.01%	0.0%	0.0%	0.0%	NA
East Stroudsburg, PA	0.00%	0.0%	0.0%	0.0%	0.0%
Easton, MD	0.02%	0.0%	0.0%	0.0%	0.0%
Eau Claire, WI	0.01%	2.7%	2.7%	0.0%	0.0%
Edwards, CO	0.01%	0.0%	0.0%	0.0%	0.0%
Effingham, IL	0.00%	NA	NA	NA	NA
El Campo, TX	0.00%	0.0%	0.0%	0.0%	0.0%
El Centro, CA	0.25%	0.0%	0.0%	8.5%	6.1%
El Dorado, AR	0.02%	21.7%	0.0%	0.0%	0.0%
El Paso, TX	0.32%	17.0%	15.1%	14.9%	13.5%
Elizabeth City, NC	0.03%	0.0%	0.0%	36.0%	0.0%
Elizabethtown-Fort Knox, KY	0.03%	41.3%	44.7%	26.0%	18.7%
Elk City, OK	0.00%	0.0%	0.0%	0.0%	0.0%
Elkhart-Goshen, IN	0.03%	0.0%	0.0%	0.0%	22.7%
Elkins, WV	0.01%	0.0%	0.0%	0.0%	0.0%
Elko, NV	0.02%	33.0%	0.0%	0.0%	0.0%
Ellensburg, WA	0.02%	18.7%	0.0%	18.7%	0.0%
Elmira, NY	0.01%	36.7%	0.0%	63.3%	0.0%
Emporia, KS	0.01%	0.0%	0.0%	20.5%	0.0%
Enid, OK	0.01%	0.0%	0.0%	100.0%	100.0%
Enterprise, AL	0.02%	0.0%	65.0%	0.0%	0.0%
Erie, PA	0.06%	2.3%	1.6%	5.4%	1.6%
Escanaba, MI	0.00%	58.3%	0.0%	0.0%	0.0%
Española, NM	0.01%	0.0%	0.0%	100.0%	0.0%
Eugene, OR	0.11%	7.5%	0.0%	0.0%	0.0%
Eureka-Arcata-Fortuna, CA	0.03%	1.0%	1.0%	17.7%	0.7%
Evanston, WY	0.00%	NA	NA	NA	NA
Evansville, IN-KY	0.07%	18.4%	26.6%	26.2%	32.3%
Fairbanks, AK	0.01%	52.6%	52.6%	0.0%	100.0%
Fairfield, IA	0.00%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Fairmont, WV	0.01%	0.0%	0.0%	0.0%	0.0%
Fallon, NV	0.00%	0.0%	100.0%	0.0%	0.0%
Fargo, ND-MN	0.09%	0.0%	0.0%	0.0%	0.0%
Faribault-Northfield, MN	0.01%	0.0%	0.0%	NA	0.0%
Farmington, MO	0.00%	0.0%	38.8%	0.0%	0.0%
Farmington, NM	0.04%	47.0%	29.7%	47.0%	47.0%
Fayetteville, NC	0.08%	0.0%	0.0%	0.0%	50.0%
Fayetteville-Springdale-Rogers, AR-MO	0.05%	9.9%	11.2%	36.3%	32.0%
Fergus Falls, MN	0.00%	0.0%	0.0%	0.0%	NA
Fernley, NV	0.01%	0.0%	0.0%	43.3%	60.4%
Findlay, OH	0.02%	0.0%	0.0%	0.0%	0.0%
Fitzgerald, GA	0.03%	0.0%	0.0%	0.0%	0.0%
Flagstaff, AZ	0.05%	0.0%	30.9%	0.0%	0.0%
Flint, MI	0.08%	8.2%	14.5%	28.6%	6.0%
Florence, SC	0.04%	0.0%	12.9%	0.0%	18.5%
Florence-Muscle Shoals, AL	0.05%	27.6%	0.0%	64.8%	0.0%
Fond du Lac, WI	0.05%	0.0%	8.2%	0.0%	0.0%
Forest City, NC	0.01%	0.0%	0.0%	0.0%	0.0%
Forrest City, AR	0.02%	0.0%	42.6%	0.0%	0.0%
Fort Collins, CO	0.08%	0.0%	0.0%	8.9%	0.0%
Fort Dodge, IA	0.01%	0.0%	0.0%	0.0%	0.0%
Fort Leonard Wood, MO	0.01%	0.0%	10.9%	10.9%	10.9%
Fort Madison-Keokuk, IA-IL-MO	0.03%	36.3%	33.3%	10.2%	11.1%
Fort Morgan, CO	0.00%	100.0%	0.0%	0.0%	0.0%
Fort Polk South, LA	0.00%	100.0%	100.0%	100.0%	100.0%
Fort Smith, AR-OK	0.05%	55.5%	21.7%	51.9%	32.7%
Fort Wayne, IN	0.18%	8.4%	4.0%	5.5%	2.0%
Frankfort, KY	0.00%	0.0%	0.0%	0.0%	0.0%
Fredericksburg, TX	0.01%	0.0%	0.0%	45.4%	26.4%
Freeport, IL	0.01%	0.0%	0.0%	100.0%	0.0%
Fremont, NE	0.02%	0.0%	0.0%	0.0%	0.0%
Fremont, OH	0.00%	0.0%	0.0%	NA	0.0%
Fresno, CA	0.34%	0.0%	3.1%	19.7%	7.1%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Gadsden, AL	0.02%	0.0%	55.7%	0.0%	0.0%
Gaffney, SC	0.01%	63.9%	48.1%	80.4%	45.8%
Gainesville, FL	0.05%	16.5%	0.0%	58.8%	33.5%
Gainesville, GA	0.01%	0.0%	0.0%	100.0%	100.0%
Gainesville, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Galesburg, IL	0.02%	1.7%	1.7%	1.7%	1.7%
Gallup, NM	0.03%	0.0%	0.0%	20.7%	0.0%
Garden City, KS	0.01%	100.0%	0.0%	100.0%	0.0%
Gardnerville Ranchos, NV	0.00%	NA	NA	NA	NA
Georgetown, SC	0.02%	0.0%	0.0%	23.8%	23.8%
Gettysburg, PA	0.02%	0.0%	39.3%	0.0%	0.0%
Gillette, WY	0.03%	12.6%	0.0%	83.6%	12.6%
Glasgow, KY	0.01%	63.3%	45.4%	0.0%	0.0%
Glens Falls, NY	0.06%	5.9%	0.0%	0.0%	0.0%
Glenwood Springs, CO	0.03%	46.6%	0.0%	46.6%	17.3%
Gloversville, NY	0.02%	74.4%	0.0%	74.4%	0.0%
Goldsboro, NC	0.02%	27.8%	0.0%	0.0%	0.0%
Grand Forks, ND-MN	0.04%	0.0%	0.0%	0.0%	0.0%
Grand Island, NE	0.05%	0.0%	0.0%	0.0%	0.0%
Grand Junction, CO	0.03%	0.0%	0.0%	0.0%	0.0%
Grand Rapids-Wyoming, MI	0.09%	0.7%	0.0%	24.8%	24.8%
Grants Pass, OR	0.01%	0.0%	0.0%	0.0%	0.0%
Great Bend, KS	0.02%	7.2%	4.9%	0.0%	0.0%
Great Falls, MT	0.02%	NA	NA	NA	NA
Greeley, CO	0.03%	0.0%	0.0%	0.0%	0.0%
Green Bay, WI	0.06%	3.9%	0.3%	0.3%	0.3%
Greeneville, TN	0.02%	0.0%	63.0%	0.0%	100.0%
Greenfield Town, MA	0.01%	NA	67.6%	NA	67.6%
Greensboro-High Point, NC	0.18%	13.2%	16.1%	14.9%	12.3%
Greensburg, IN	0.00%	0.0%	0.0%	0.0%	0.0%
Greenville, MS	0.01%	0.0%	0.0%	71.5%	100.0%
Greenville, NC	0.03%	0.0%	0.0%	60.6%	0.0%
Greenville, OH	0.02%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Greenville-Anderson-Mauldin, SC	0.22%	5.8%	4.4%	6.4%	6.4%
Greenwood, MS	0.02%	0.0%	33.6%	100.0%	63.8%
Greenwood, SC	0.02%	2.9%	2.9%	69.4%	0.0%
Grenada, MS	0.02%	0.0%	3.1%	54.3%	57.3%
Guayama, PR	0.03%	0.0%	0.0%	74.0%	74.0%
Gulfport-Biloxi-Pascagoula, MS	0.47%	9.8%	9.2%	56.3%	36.8%
Guymon, OK	0.00%	NA	NA	NA	NA
Hagerstown-Martinsburg, MD-WV	0.07%	1.3%	1.3%	3.6%	10.6%
Hailey, ID	0.01%	0.0%	0.0%	0.0%	0.0%
Hammond, LA	0.06%	9.1%	9.1%	9.1%	19.2%
Hanford-Corcoran, CA	0.08%	0.0%	16.8%	22.2%	17.2%
Hannibal, MO	0.01%	0.0%	0.0%	0.0%	0.0%
Harrisburg-Carlisle, PA	0.07%	3.8%	3.4%	34.8%	31.2%
Harrison, AR	0.01%	0.0%	0.0%	NA	NA
Harrisonburg, VA	0.02%	28.8%	0.0%	53.2%	0.0%
Hartford-West Hartford-East Hartford, CT	0.28%	3.3%	1.2%	12.2%	12.3%
Hastings, NE	0.02%	12.1%	0.0%	0.0%	8.0%
Hattiesburg, MS	0.12%	15.0%	8.7%	57.9%	21.6%
Hays, KS	0.01%	0.0%	0.0%	0.0%	0.0%
Heber, UT	0.02%	21.6%	0.0%	21.6%	0.0%
Helena, MT	0.02%	26.2%	0.0%	27.4%	27.4%
Helena-West Helena, AR	0.01%	0.0%	0.0%	0.0%	0.0%
Henderson, NC	0.02%	16.3%	0.0%	0.0%	0.0%
Hereford, TX	0.02%	0.0%	0.0%	0.0%	57.3%
Hermiston-Pendleton, OR	0.02%	18.0%	0.0%	0.0%	0.0%
Hickory-Lenoir-Morganton, NC	0.04%	3.5%	5.6%	3.7%	54.5%
Hillsdale, MI	0.00%	100.0%	0.0%	100.0%	0.0%
Hilo, HI	0.11%	0.0%	0.0%	0.0%	0.0%
Hilton Head Island-Bluffton-Beaufort, SC	0.05%	2.7%	0.0%	18.3%	18.3%
Hinesville, GA	0.01%	0.0%	0.0%	0.0%	0.0%
Hobbs, NM	0.03%	0.0%	0.0%	0.0%	0.0%
Holland, MI	0.02%	0.0%	0.0%	0.0%	19.6%
Homosassa Springs, FL	0.00%	0.0%	0.0%	NA	NA

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Hood River, OR	0.01%	0.0%	0.0%	0.0%	0.0%
Hot Springs, AR	0.01%	0.0%	50.1%	21.9%	21.9%
Houma-Thibodaux, LA	0.04%	32.8%	10.5%	10.5%	32.8%
Houston-The Woodlands-Sugar Land, TX	1.77%	6.2%	3.4%	21.3%	6.8%
Hudson, NY	0.04%	0.0%	0.0%	0.0%	0.0%
Huntington, IN	0.00%	0.0%	0.0%	0.0%	0.0%
Huntington-Ashland, WV-KY-OH	0.11%	10.2%	4.8%	14.5%	21.2%
Huntsville, AL	0.11%	18.8%	4.0%	40.6%	57.7%
Huntsville, TX	0.02%	23.1%	43.5%	38.7%	73.1%
Huron, SD	0.01%	0.0%	26.4%	0.0%	26.4%
Hutchinson, KS	0.02%	0.0%	0.0%	0.0%	0.0%
Idaho Falls, ID	0.02%	0.0%	0.0%	0.0%	0.0%
Indiana, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Indianapolis-Carmel-Anderson, IN	0.73%	25.5%	12.8%	46.8%	34.1%
Indianola, MS	0.01%	0.0%	0.0%	0.0%	0.0%
Ionia, MI	0.00%	13.4%	0.0%	100.0%	100.0%
Iowa City, IA	0.05%	13.8%	12.0%	12.0%	12.0%
Iron Mountain, MI-WI	0.00%	0.0%	0.0%	0.0%	0.0%
Ithaca, NY	0.08%	19.6%	0.0%	0.0%	0.0%
Jackson, MI	0.04%	0.0%	0.0%	14.8%	14.8%
Jackson, MS	0.39%	6.6%	5.5%	32.1%	12.3%
Jackson, OH	0.01%	43.9%	0.0%	0.0%	0.0%
Jackson, TN	0.04%	0.0%	13.6%	22.3%	27.5%
Jackson, WY-ID	0.01%	0.0%	0.0%	0.0%	0.0%
Jacksonville, FL	0.25%	0.0%	3.9%	29.0%	15.3%
Jacksonville, IL	0.02%	0.0%	0.0%	0.0%	0.0%
Jacksonville, NC	0.04%	0.0%	10.3%	0.0%	7.5%
Jacksonville, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Jamestown, ND	0.00%	0.0%	0.0%	0.0%	0.0%
Jamestown-Dunkirk-Fredonia, NY	0.04%	0.7%	0.7%	0.0%	0.9%
Janesville-Beloit, WI	0.04%	0.0%	7.5%	3.3%	11.1%
Jasper, IN	0.01%	NA	NA	NA	NA
Jayuya, PR	0.00%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Jefferson City, MO	0.01%	0.0%	0.0%	0.0%	0.0%
Johnson City, TN	0.05%	59.2%	24.1%	0.0%	45.0%
Johnstown, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Jonesboro, AR	0.03%	1.9%	1.9%	0.0%	0.0%
Joplin, MO	0.06%	0.0%	0.0%	0.0%	0.0%
Junction City, KS	0.02%	0.0%	0.0%	0.0%	0.0%
Juneau, AK	0.01%	0.0%	0.0%	0.0%	0.0%
Kahului-Wailuku-Lahaina, HI	0.01%	NA	NA	NA	NA
Kalamazoo-Portage, MI	0.09%	0.0%	0.0%	34.6%	4.8%
Kalispell, MT	0.02%	0.0%	0.0%	36.3%	0.0%
Kankakee, IL	0.02%	0.0%	61.0%	91.2%	0.0%
Kansas City, MO-KS	0.60%	16.9%	16.7%	23.4%	24.6%
Kapaa, HI	0.00%	NA	NA	NA	NA
Kearney, NE	0.02%	0.0%	16.6%	0.0%	0.0%
Keene, NH	0.10%	21.7%	11.8%	10.6%	11.8%
Kendallville, IN	0.00%	NA	NA	NA	NA
Kennett, MO	0.00%	0.0%	0.0%	0.0%	NA
Kennewick-Richland, WA	0.05%	27.0%	0.0%	42.2%	13.0%
Kerrville, TX	0.01%	0.0%	0.0%	0.0%	64.0%
Key West, FL	0.01%	0.0%	0.0%	0.0%	0.0%
Kill Devil Hills, NC	0.01%	0.0%	0.0%	0.0%	0.0%
Killeen-Temple, TX	0.09%	10.7%	23.8%	34.4%	23.8%
Kingsport-Bristol-Bristol, TN-VA	0.09%	20.4%	15.2%	1.6%	29.2%
Kingston, NY	0.13%	14.0%	0.9%	0.0%	1.1%
Kingsville, TX	0.03%	0.0%	0.0%	0.0%	0.0%
Kinston, NC	0.02%	36.2%	12.0%	46.7%	12.0%
Kirksville, MO	0.00%	NA	NA	NA	NA
Klamath Falls, OR	0.01%	22.7%	0.0%	22.7%	0.0%
Knoxville, TN	0.12%	19.4%	17.2%	25.6%	35.1%
Kokomo, IN	0.02%	0.0%	44.6%	0.0%	95.4%
La Crosse-Onalaska, WI-MN	0.00%	NA	NA	NA	NA
La Grande, OR	0.01%	29.7%	29.7%	35.4%	49.0%
Laconia, NH	0.03%	23.5%	23.5%	23.5%	23.5%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Lafayette, LA	0.24%	14.6%	13.9%	14.4%	16.1%
Lafayette-West Lafayette, IN	0.04%	0.0%	14.2%	0.0%	40.3%
LaGrange, GA	0.03%	0.0%	0.0%	0.0%	NA
Lake Charles, LA	0.15%	0.6%	3.0%	8.0%	4.8%
Lake City, FL	0.00%	0.0%	0.0%	0.0%	0.0%
Lake Havasu City-Kingman, AZ	0.08%	0.0%	0.0%	0.0%	0.0%
Lakeland-Winter Haven, FL	0.12%	9.5%	9.3%	12.2%	32.5%
Lancaster, PA	0.05%	0.0%	1.2%	0.0%	1.2%
Lansing-East Lansing, MI	0.07%	12.6%	16.5%	38.6%	41.4%
Laramie, WY	0.01%	0.0%	0.0%	75.4%	46.7%
Laredo, TX	0.06%	0.0%	0.0%	0.0%	38.4%
Las Cruces, NM	0.04%	5.2%	0.0%	7.0%	16.3%
Las Vegas, NM	0.01%	0.0%	0.0%	0.0%	0.0%
Las Vegas-Henderson-Paradise, NV	0.45%	11.8%	7.9%	33.9%	16.3%
Laurel, MS	0.05%	42.3%	0.0%	85.2%	19.0%
Laurinburg, NC	0.04%	0.0%	0.0%	0.0%	0.0%
Lawrence, KS	0.02%	17.2%	38.0%	38.0%	38.0%
Lawton, OK	0.02%	34.6%	34.6%	34.6%	34.6%
Lebanon, MO	0.00%	0.0%	5.5%	0.0%	0.0%
Lebanon, PA	0.03%	0.0%	0.0%	0.0%	0.0%
Levelland, TX	0.00%	NA	NA	NA	NA
Lewisburg, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Lewisburg, TN	0.01%	0.0%	0.0%	0.0%	0.0%
Lewiston, ID-WA	0.01%	0.0%	0.0%	0.0%	0.0%
Lewiston-Auburn, ME	0.05%	0.0%	15.0%	0.0%	15.0%
Lewistown, PA	0.00%	0.0%	43.0%	0.0%	100.0%
Lexington, NE	0.00%	0.0%	0.0%	0.0%	0.0%
Lexington-Fayette, KY	0.15%	11.0%	3.4%	26.1%	0.0%
Liberal, KS	0.02%	47.5%	0.0%	47.5%	30.6%
Lima, OH	0.03%	0.0%	0.0%	0.0%	0.0%
Lincoln, IL	0.01%	NA	0.0%	NA	78.7%
Lincoln, NE	0.07%	0.0%	0.0%	25.4%	14.0%
Little Rock-North Little Rock-Conway, AR	0.25%	34.8%	17.5%	41.3%	25.9%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Lock Haven, PA	0.00%	0.0%	0.0%	0.0%	0.0%
Logan, UT-ID	0.08%	0.0%	0.0%	10.7%	0.0%
Logansport, IN	0.00%	NA	NA	NA	NA
London, KY	0.06%	9.2%	8.8%	17.9%	8.8%
Longview, TX	0.04%	18.0%	18.0%	21.5%	39.5%
Longview, WA	0.02%	0.0%	0.0%	0.0%	0.0%
Los Angeles-Long Beach-Anaheim, CA	4.34%	3.7%	1.8%	5.0%	4.3%
Louisville/Jefferson County, KY-IN	0.48%	7.4%	7.1%	21.8%	16.1%
Lubbock, TX	0.06%	39.6%	64.5%	17.8%	42.7%
Ludington, MI	0.01%	NA	0.0%	NA	0.0%
Lufkin, TX	0.05%	0.0%	0.0%	0.0%	0.0%
Lumberton, NC	0.04%	9.3%	0.0%	0.0%	0.0%
Lynchburg, VA	0.07%	16.4%	17.0%	12.4%	17.9%
Macomb, IL	0.00%	NA	NA	NA	NA
Macon, GA	0.03%	61.7%	0.0%	0.0%	0.0%
Madera, CA	0.06%	0.0%	13.9%	16.9%	13.9%
Madison, IN	0.00%	0.0%	0.0%	0.0%	0.0%
Madison, WI	0.15%	4.8%	2.2%	1.3%	2.9%
Madisonville, KY	0.01%	0.0%	0.0%	100.0%	0.0%
Magnolia, AR	0.00%	0.0%	0.0%	0.0%	0.0%
Malone, NY	0.01%	100.0%	0.0%	NA	NA
Manchester-Nashua, NH	0.09%	15.7%	10.3%	13.2%	14.6%
Manhattan, KS	0.05%	23.0%	30.6%	40.2%	40.2%
Manitowoc, WI	0.00%	0.0%	0.0%	0.0%	0.0%
Mankato-North Mankato, MN	0.03%	0.0%	0.0%	0.0%	0.0%
Mansfield, OH	0.06%	13.7%	10.1%	0.0%	19.5%
Marietta, OH	0.02%	0.0%	0.0%	0.0%	0.0%
Marinette, WI-MI	0.01%	0.0%	0.0%	NA	100.0%
Marion, IN	0.02%	26.1%	26.1%	54.3%	26.1%
Marion, NC	0.01%	0.0%	50.1%	0.0%	50.1%
Marion, OH	0.03%	0.0%	0.0%	100.0%	0.0%
Marquette, MI	0.00%	0.0%	0.0%	0.0%	0.0%
Marshall, MN	0.00%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Marshall, MO	0.00%	NA	NA	NA	NA
Marshall, TX	0.01%	100.0%	0.0%	100.0%	100.0%
Marshalltown, IA	0.01%	0.0%	62.9%	41.9%	32.2%
Martin, TN	0.00%	100.0%	100.0%	100.0%	100.0%
Martinsville, VA	0.00%	100.0%	0.0%	0.0%	0.0%
Maryville, MO	0.00%	0.0%	0.0%	0.0%	0.0%
Mason City, IA	0.02%	45.9%	0.0%	0.0%	45.9%
Mayagüez, PR	0.09%	0.0%	0.0%	0.0%	0.0%
Mayfield, KY	0.01%	0.0%	0.0%	0.0%	0.0%
Maysville, KY	0.00%	NA	NA	NA	NA
McAlester, OK	0.05%	17.3%	0.0%	44.2%	17.7%
McAllen-Edinburg-Mission, TX	0.26%	7.9%	0.0%	30.2%	19.4%
McComb, MS	0.03%	0.0%	0.0%	99.0%	99.0%
McMinnville, TN	0.00%	0.0%	0.0%	0.0%	0.0%
McPherson, KS	0.01%	26.9%	0.0%	26.9%	26.9%
Meadville, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Medford, OR	0.04%	0.0%	0.0%	0.0%	14.0%
Memphis, TN-MS-AR	0.31%	12.1%	16.5%	54.9%	33.7%
Merced, CA	0.05%	36.5%	29.3%	57.6%	37.8%
Meridian, MS	0.03%	0.0%	0.0%	10.0%	10.0%
Merrill, WI	0.00%	100.0%	0.0%	0.0%	NA
Mexico, MO	0.00%	NA	NA	NA	NA
Miami, OK	0.00%	NA	NA	NA	NA
Miami-Fort Lauderdale-West Palm Beach, FL	2.02%	2.2%	1.0%	11.5%	7.1%
Michigan City-La Porte, IN	0.02%	0.0%	0.0%	0.0%	0.0%
Middlesborough, KY	0.02%		0.0%	NA	0.0%
Midland, MI	0.02%	70.6%	79.1%	19.6%	79.1%
Midland, TX	0.04%	0.0%	0.0%	0.0%	0.0%
Milledgeville, GA	0.01%	0.0%	0.0%	0.0%	0.0%
Milwaukee-Waukesha-West Allis, WI	0.88%	6.2%	4.7%	16.2%	11.5%
Mineral Wells, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Minneapolis-St. Paul-Bloomington, MN-WI	1.20%	13.7%	8.7%	14.1%	15.9%
Minot, ND	0.02%	0.0%	0.0%	71.4%	41.7%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Missoula, MT	0.04%	30.4%	0.0%	14.9%	15.6%
Mitchell, SD	0.01%	0.0%	0.0%	0.0%	0.0%
Moberly, MO	0.00%	0.0%	0.0%	0.0%	0.0%
Mobile, AL	0.21%	4.9%	2.3%	15.2%	29.2%
Modesto, CA	0.09%	0.0%	0.0%	21.1%	9.5%
Monroe, LA	0.10%	13.9%	8.3%	1.1%	1.1%
Monroe, MI	0.00%	0.0%	0.0%	0.0%	0.0%
Montgomery, AL	0.09%	32.9%	32.9%	16.1%	45.0%
Montrose, CO	0.02%	66.1%	66.1%	98.5%	64.5%
Morehead City, NC	0.02%	0.0%	0.0%	0.0%	0.0%
Morgan City, LA	0.00%	100.0%	100.0%	100.0%	100.0%
Morgantown, WV	0.04%	15.2%	25.6%	0.0%	14.1%
Moscow, ID	0.02%	0.0%	0.0%	0.0%	0.0%
Moses Lake, WA	0.08%	1.1%	10.4%	15.3%	8.5%
Moultrie, GA	0.01%	0.0%	0.0%	NA	NA
Mount Airy, NC	0.01%	0.0%	42.4%	0.0%	0.0%
Mount Pleasant, MI	0.05%	0.0%	0.0%	0.0%	10.1%
Mount Sterling, KY	0.00%	0.0%	0.0%	0.0%	93.2%
Mount Vernon, IL	0.01%	0.0%	43.7%	NA	100.0%
Mount Vernon, OH	0.01%	0.0%	0.0%	NA	0.0%
Mount Vernon-Anacortes, WA	0.06%	0.0%	5.1%	6.9%	10.5%
Mountain Home, AR	0.04%	16.9%	40.5%	58.8%	78.5%
Mountain Home, ID	0.00%	100.0%	0.0%	100.0%	100.0%
Muncie, IN	0.03%	0.0%	14.6%	0.0%	0.0%
Murray, KY	0.01%	0.0%	0.0%	NA	NA
Muscatine, IA	0.01%	0.0%	0.0%	0.0%	0.0%
Muskegon, MI	0.03%	100.0%	57.2%	100.0%	0.0%
Muskogee, OK	0.02%	38.5%	23.6%	59.6%	59.6%
Myrtle Beach-Conway-North Myrtle Beach, SC-NC	0.11%	2.9%	0.0%	10.4%	0.0%
Nacogdoches, TX	0.02%	0.0%	23.2%	0.0%	46.6%
Napa, CA	0.06%	0.0%	0.0%	0.0%	0.0%
Naples-Immokalee-Marco Island, FL	0.08%	52.4%	0.0%	67.4%	57.6%
Nashville-Davidson–Murfreesboro–Franklin, TN	0.25%	19.8%	9.6%	36.5%	10.8%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Natchez, MS-LA	0.01%	0.0%	19.9%	32.3%	19.9%
Natchitoches, LA	0.03%	31.5%	3.9%	0.0%	3.9%
New Bern, NC	0.02%	23.2%	0.0%	0.0%	0.0%
New Castle, IN	0.02%	6.4%	6.4%	31.8%	0.0%
New Castle, PA	0.00%	0.0%	0.0%	0.0%	0.0%
New Haven-Milford, CT	0.26%	6.4%	0.0%	11.4%	8.1%
New Orleans-Metairie, LA	1.41%	2.3%	2.1%	13.6%	7.5%
New Philadelphia-Dover, OH	0.00%	55.4%	55.4%	NA	55.4%
New York-Newark-Jersey City, NY-NJ-PA	10.73%	2.1%	2.3%	6.7%	6.4%
Newberry, SC	0.03%	0.0%	0.0%	49.4%	10.4%
Newport, OR	0.01%	9.8%	0.0%	0.0%	9.8%
Newport, TN	0.01%	0.0%	0.0%	0.0%	0.0%
Newton, IA	0.01%	2.2%	0.0%	0.0%	0.0%
Niles-Benton Harbor, MI	0.04%	0.0%	19.8%	0.0%	19.8%
Nogales, AZ	0.06%	1.3%	0.0%	75.0%	40.4%
Norfolk, NE	0.01%	0.0%	0.0%	44.1%	44.1%
North Platte, NE	0.02%	0.0%	28.1%	28.1%	28.1%
North Port-Sarasota-Bradenton, FL	0.10%	14.0%	0.0%	49.9%	0.0%
North Wilkesboro, NC	0.01%	0.0%	0.0%	0.0%	0.0%
Norwalk, OH	0.02%	0.0%	0.0%	0.0%	0.0%
Norwich-New London, CT	0.01%	0.0%	0.0%	68.3%	0.0%
Oak Harbor, WA	0.01%	0.0%	0.0%	0.0%	0.0%
Ocala, FL	0.00%	NA	NA	NA	NA
Ocean City, NJ	0.02%	0.0%	0.0%	0.0%	0.0%
Odessa, TX	0.05%	0.0%	0.0%	0.0%	0.0%
Ogden-Clearfield, UT	0.12%	9.8%	1.3%	15.3%	24.5%
Ogdensburg-Massena, NY	0.01%	39.2%	100.0%	39.2%	100.0%
Oil City, PA	0.00%	0.0%	0.0%	0.0%	13.9%
Okeechobee, FL	0.01%	0.0%	0.0%	0.0%	0.0%
Oklahoma City, OK	0.16%	12.1%	11.0%	8.2%	22.5%
Olean, NY	0.02%	15.7%	0.0%	15.7%	0.0%
Olympia-Tumwater, WA	0.03%	0.0%	0.0%	0.0%	0.0%
Omaha-Council Bluffs, NE-IA	0.42%	4.1%	4.7%	18.7%	17.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Oneonta, NY	0.00%	NA	NA	NA	NA
Ontario, OR-ID	0.00%	100.0%	0.0%	NA	NA
Opelousas, LA	0.02%	20.5%	0.0%	0.0%	0.0%
Orangeburg, SC	0.03%	0.0%	0.0%	39.2%	53.6%
Orlando-Kissimmee-Sanford, FL	0.56%	10.7%	2.3%	23.5%	26.2%
Oshkosh-Neenah, WI	0.05%	0.0%	0.0%	0.0%	0.0%
Oskaloosa, IA	0.01%	0.0%	10.5%	0.0%	10.5%
Othello, WA	0.01%	0.0%	0.0%	0.0%	0.0%
Ottawa, KS	0.01%	0.0%	54.3%	54.3%	54.3%
Ottawa-Peru, IL	0.05%	0.0%	0.0%	0.0%	0.0%
Ottumwa, IA	0.01%	35.9%	35.9%	35.9%	35.9%
Owatonna, MN	0.01%	0.0%	0.0%	0.0%	0.0%
Owensboro, KY	0.03%	0.0%	0.0%	0.0%	0.0%
Owosso, MI	0.01%	0.0%	0.0%	0.0%	0.0%
Oxford, MS	0.01%	46.3%	0.0%	100.0%	100.0%
Oxford, NC	0.01%	0.0%	0.0%	0.0%	0.0%
Oxnard-Thousand Oaks-Ventura, CA	0.24%	6.1%	2.3%	0.0%	0.0%
Ozark, AL	0.02%	0.0%	0.0%	0.0%	0.0%
Paducah, KY-IL	0.02%	0.0%	0.0%	0.0%	0.0%
Pahrump, NV	0.00%	0.0%	0.0%	0.0%	0.0%
Palatka, FL	0.02%	0.0%	50.9%	100.0%	100.0%
Palestine, TX	0.01%	0.0%	45.8%	0.0%	45.8%
Palm Bay-Melbourne-Titusville, FL	0.10%	0.0%	22.4%	66.8%	37.0%
Panama City, FL	0.02%	0.0%	0.0%	57.3%	0.0%
Paris, TN	0.01%	0.0%	100.0%	100.0%	NA
Paris, TX	0.01%	0.0%	0.0%	62.4%	62.4%
Parkersburg-Vienna, WV	0.01%	0.0%	0.0%	0.0%	0.0%
Parsons, KS	0.00%	6.7%	0.0%	0.0%	0.0%
Payson, AZ	0.05%	24.5%	0.0%	0.0%	0.0%
Pecos, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Pensacola-Ferry Pass-Brent, FL	0.08%	22.2%	8.6%	52.0%	76.5%
Peoria, IL	0.10%	8.8%	8.8%	28.6%	31.2%
Peru, IN	0.00%	NA	NA	NA	NA

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2.50%	3.6%	4.0%	8.0%	12.1%
Phoenix-Mesa-Scottsdale, AZ	0.64%	17.9%	2.4%	20.8%	12.9%
Picayune, MS	0.00%	100.0%	100.0%	100.0%	100.0%
Pierre, SD	0.00%	NA	NA	NA	NA
Pine Bluff, AR	0.01%	27.6%	45.2%	71.1%	71.1%
Pinehurst-Southern Pines, NC	0.02%	7.1%	0.0%	0.0%	0.0%
Pittsburg, KS	0.00%	67.1%	67.1%	NA	NA
Pittsburgh, PA	0.78%	1.5%	3.8%	13.6%	8.6%
Pittsfield, MA	0.03%	10.2%	15.6%	0.0%	9.2%
Plainview, TX	0.01%	100.0%	0.0%	100.0%	0.0%
Platteville, WI	0.01%	0.0%	0.0%	0.0%	0.0%
Plattsburgh, NY	0.01%	0.0%	0.0%	0.0%	0.0%
Plymouth, IN	0.00%	100.0%	0.0%	NA	NA
Pocatello, ID	0.01%	0.0%	0.0%	0.0%	0.0%
Point Pleasant, WV-OH	0.01%	4.2%	4.2%	100.0%	100.0%
Ponca City, OK	0.00%	NA	NA	NA	NA
Ponce, PR	0.09%	0.0%	0.0%	0.0%	8.0%
Pontiac, IL	0.00%	0.0%	0.0%	0.0%	0.0%
Poplar Bluff, MO	0.00%	0.0%	77.8%	NA	0.0%
Port Angeles, WA	0.03%	0.0%	0.0%	0.0%	0.0%
Port Clinton, OH	0.01%	0.0%	0.0%	NA	0.0%
Port Lavaca, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Port St. Lucie, FL	0.04%	67.2%	0.0%	100.0%	62.9%
Portland-South Portland, ME	0.30%	8.3%	0.0%	8.4%	1.9%
Portland-Vancouver-Hillsboro, OR-WA	0.81%	0.7%	1.5%	4.4%	0.7%
Portsmouth, OH	0.02%	0.0%	0.0%	100.0%	0.0%
Pottsville, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Prescott, AZ	0.13%	5.4%	5.4%	26.1%	6.4%
Price, UT	0.00%	100.0%	100.0%	100.0%	100.0%
Prineville, OR	0.01%	0.0%	0.0%	0.0%	0.0%
Providence-Warwick, RI-MA	0.59%	3.5%	6.6%	23.8%	3.3%
Provo-Orem, UT	0.02%	0.0%	0.0%	0.0%	21.4%
Pueblo, CO	0.05%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Pullman, WA	0.01%	100.0%	62.4%	0.0%	62.4%
Punta Gorda, FL	0.06%	0.0%	0.0%	0.0%	0.0%
Quincy, IL-MO	0.01%	0.0%	0.0%	100.0%	0.0%
Racine, WI	0.06%	25.0%	25.5%	25.0%	84.4%
Raleigh, NC	0.28%	0.8%	0.0%	3.1%	2.1%
Rapid City, SD	0.05%	0.9%	0.0%	13.2%	0.0%
Raymondville, TX	0.00%	0.0%	0.0%	NA	NA
Reading, PA	0.02%	0.0%	0.0%	0.0%	0.0%
Red Bluff, CA	0.02%	77.2%	0.0%	77.2%	0.0%
Red Wing, MN	0.01%	0.0%	0.0%	0.0%	0.0%
Redding, CA	0.04%	0.0%	0.0%	0.0%	0.0%
Reno, NV	0.16%	2.0%	0.0%	11.8%	11.8%
Rexburg, ID	0.00%	0.0%	0.0%	0.0%	0.0%
Richmond, IN	0.01%	0.0%	0.0%	0.0%	0.0%
Richmond, VA	0.49%	18.5%	5.6%	22.3%	21.2%
Richmond-Berea, KY	0.01%	5.7%	5.7%	5.7%	5.7%
Rio Grande City, TX	0.00%	0.0%	0.0%	0.0%	0.0%
Riverside-San Bernardino-Ontario, CA	1.11%	9.1%	2.5%	10.2%	2.8%
Riverton, WY	0.03%	38.9%	38.9%	100.0%	0.0%
Roanoke Rapids, NC	0.02%	20.5%	0.0%	18.4%	0.0%
Roanoke, VA	0.09%	8.8%	15.6%	23.7%	19.3%
Rochelle, IL	0.00%	0.0%	0.0%	NA	NA
Rochester, MN	0.04%	0.7%	0.7%	4.6%	0.0%
Rochester, NY	0.51%	7.1%	6.9%	6.7%	13.5%
Rock Springs, WY	0.01%	0.0%	0.0%	0.0%	0.0%
Rockford, IL	0.06%	18.0%	0.0%	25.9%	7.8%
Rockingham, NC	0.02%	0.0%	0.0%	0.0%	0.0%
Rocky Mount, NC	0.03%	0.0%	0.0%	0.0%	0.0%
Rolla, MO	0.00%	0.0%	0.0%	0.0%	0.0%
Rome, GA	0.02%	0.0%	36.9%	36.9%	36.9%
Roseburg, OR	0.03%	24.6%	24.6%	24.6%	41.4%
Roswell, NM	0.03%	0.0%	0.0%	0.0%	0.0%
Russellville, AR	0.01%	NA	0.0%	NA	100.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Ruston, LA	0.04%	11.3%	8.1%	0.0%	0.0%
Rutland, VT	0.00%	0.0%	0.0%	0.0%	0.0%
Sacramento--Roseville--Arden-Arcade, CA	1.07%	7.8%	6.0%	16.5%	5.0%
Safford, AZ	0.03%	0.0%	28.8%	38.9%	3.6%
Saginaw, MI	0.05%	4.5%	0.0%	43.2%	0.0%
Salem, OH	0.01%	0.0%	0.0%	0.0%	0.0%
Salem, OR	0.07%	11.8%	11.7%	0.0%	0.0%
Salina, KS	0.03%	15.7%	0.0%	17.4%	0.0%
Salinas, CA	0.25%	0.0%	8.6%	12.5%	9.2%
Salisbury, MD-DE	0.20%	5.1%	0.0%	10.5%	4.8%
Salt Lake City, UT	0.25%	15.9%	5.9%	9.2%	9.4%
San Angelo, TX	0.03%	0.0%	0.0%	0.0%	0.0%
San Antonio-New Braunfels, TX	0.67%	9.3%	11.0%	28.3%	16.1%
San Diego-Carlsbad, CA	1.26%	4.5%	4.7%	4.5%	3.8%
San Francisco-Oakland-Hayward, CA	3.18%	3.5%	2.8%	9.2%	3.9%
San Germán, PR	0.02%	0.0%	0.0%	0.0%	0.0%
San Jose-Sunnyvale-Santa Clara, CA	1.35%	3.2%	0.6%	2.0%	1.5%
San Juan-Carolina-Caguas, PR	0.63%	0.0%	1.8%	0.8%	5.3%
San Luis Obispo-Paso Robles-Arroyo Grande, CA	0.09%	0.0%	0.0%	0.0%	0.0%
Sandpoint, ID	0.03%	0.0%	0.0%	0.0%	0.0%
Sandusky, OH	0.03%	0.0%	0.0%	0.0%	0.0%
Sanford, NC	0.02%	0.0%	0.0%	0.0%	21.6%
Santa Cruz-Watsonville, CA	0.15%	0.0%	0.0%	0.0%	0.0%
Santa Fe, NM	0.11%	9.1%	9.1%	79.2%	56.4%
Santa Maria-Santa Barbara, CA	0.21%	2.9%	9.3%	2.6%	1.9%
Santa Rosa, CA	0.29%	0.0%	0.0%	9.3%	0.0%
Sault Ste. Marie, MI	0.00%	100.0%	0.0%	0.0%	0.0%
Savannah, GA	0.14%	9.9%	10.5%	41.7%	26.0%
Sayre, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Scottsbluff, NE	0.01%	0.0%	0.0%	0.0%	0.0%
Scottsboro, AL	0.00%	NA	NA	NA	NA
Scranton--Wilkes-Barre--Hazleton, PA	0.07%	0.0%	4.1%	0.0%	4.1%
Searcy, AR	0.01%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Seattle-Tacoma-Bellevue, WA	1.75%	1.5%	0.2%	12.1%	4.1%
Sebastian-Vero Beach, FL	0.03%	22.4%	0.0%	22.4%	22.4%
Sebring, FL	0.02%	0.0%	0.0%	0.0%	0.0%
Sedalia, MO	0.01%	NA	NA	NA	NA
Selinsgrove, PA	0.00%	NA	NA	NA	NA
Selma, AL	0.03%	0.0%	0.0%	0.0%	0.0%
Seneca Falls, NY	0.01%	0.0%	20.4%	0.0%	0.0%
Seneca, SC	0.01%	0.0%	0.0%	0.0%	0.0%
Sevierville, TN	0.01%	0.0%	0.0%	0.0%	0.0%
Seymour, IN	0.01%	0.0%	0.0%	0.0%	0.0%
Shawano, WI	0.03%	0.0%	0.0%	0.0%	0.0%
Shawnee, OK	0.05%	0.0%	0.0%	39.1%	21.3%
Sheboygan, WI	0.06%	0.0%	0.0%	0.0%	0.0%
Shelby, NC	0.04%	0.0%	0.0%	0.0%	0.0%
Shelbyville, TN	0.00%	0.0%	0.0%	0.0%	0.0%
Sheridan, WY	0.02%	0.0%	0.0%	0.0%	0.0%
Sherman-Denison, TX	0.01%	49.7%	0.0%	100.0%	100.0%
Show Low, AZ	0.05%	0.0%	0.0%	0.0%	26.2%
Shreveport-Bossier City, LA	0.20%	25.6%	7.3%	13.1%	0.0%
Sidney, OH	0.01%	32.3%	32.3%	0.0%	0.0%
Sierra Vista-Douglas, AZ	0.08%	0.0%	0.0%	74.3%	27.5%
Silver City, NM	0.00%	NA	NA	NA	NA
Sioux City, IA-NE-SD	0.06%	5.6%	18.5%	7.8%	21.2%
Sioux Falls, SD	0.04%	6.9%	5.9%	0.0%	0.0%
Somerset, KY	0.01%	0.0%	0.0%	0.0%	0.0%
Somerset, PA	0.00%	0.0%	0.0%	0.0%	0.0%
Sonora, CA	0.00%	0.0%	0.0%	NA	NA
South Bend-Mishawaka, IN-MI	0.08%	0.0%	0.0%	33.5%	0.0%
Spartanburg, SC	0.08%	5.9%	5.8%	12.0%	5.8%
Spearfish, SD	0.01%	NA	0.0%	NA	0.0%
Spencer, IA	0.01%	0.0%	0.0%	0.0%	0.0%
Spirit Lake, IA	0.00%	0.0%	0.0%	0.0%	0.0%
Spokane-Spokane Valley, WA	0.14%	0.9%	8.5%	10.2%	31.7%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Springfield, IL	0.05%	20.6%	0.3%	35.5%	20.3%
Springfield, MA	0.36%	2.8%	11.6%	2.8%	6.0%
Springfield, MO	0.05%	16.2%	13.0%	37.3%	16.2%
Springfield, OH	0.06%	8.1%	8.1%	86.8%	43.4%
St. Cloud, MN	0.05%	2.4%	4.4%	16.3%	13.1%
St. George, UT	0.06%	0.0%	0.0%	0.0%	0.0%
St. Joseph, MO-KS	0.03%	31.8%	12.9%	56.3%	29.2%
St. Louis, MO-IL	0.80%	22.1%	12.2%	37.2%	35.0%
St. Marys, GA	0.00%	NA	NA	NA	NA
Starkville, MS	0.02%	62.6%	0.0%	100.0%	100.0%
State College, PA	0.03%	15.1%	15.1%	15.1%	15.1%
Statesboro, GA	0.02%	0.0%	0.0%	0.0%	0.0%
Staunton-Waynesboro, VA	0.06%	0.0%	0.0%	55.5%	37.2%
Stephenville, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Sterling, CO	0.00%	NA	NA	NA	NA
Sterling, IL	0.03%	0.0%	9.9%	33.0%	9.9%
Stevens Point, WI	0.03%	0.0%	0.0%	0.0%	0.0%
Stillwater, OK	0.08%	33.7%	7.2%	35.2%	45.3%
Stockton-Lodi, CA	0.16%	4.6%	3.7%	6.0%	5.2%
Storm Lake, IA	0.00%	0.0%	0.0%	0.0%	0.0%
Sturgis, MI	0.01%	0.0%	0.0%	0.0%	33.5%
Sulphur Springs, TX	0.00%	NA	NA	NA	NA
Summerville, GA	0.02%	0.0%	0.0%	NA	NA
Summit Park, UT	0.00%	NA	NA	NA	NA
Sumter, SC	0.05%	0.0%	6.3%	15.1%	15.1%
Sunbury, PA	0.00%	0.0%	0.0%	0.0%	0.0%
Susanville, CA	0.02%	0.0%	0.0%	0.0%	0.0%
Sweetwater, TX	0.00%	NA	NA	NA	NA
Syracuse, NY	0.19%	8.2%	0.0%	7.6%	0.0%
Tahlequah, OK	0.01%	0.0%	0.0%	0.0%	0.0%
Talladega-Sylacauga, AL	0.01%	0.0%	10.5%	89.5%	100.0%
Tallahassee, FL	0.02%	41.3%	81.4%	100.0%	81.4%
Tampa-St. Petersburg-Clearwater, FL	0.89%	3.2%	2.4%	9.0%	3.4%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Taos, NM	0.02%	0.0%	0.0%	0.0%	0.0%
Taylorville, IL	0.02%	0.0%	38.7%	63.4%	59.5%
Terre Haute, IN	0.02%	6.9%	3.7%	0.0%	0.0%
Texarkana, TX-AR	0.13%	30.5%	19.0%	29.7%	35.9%
The Dalles, OR	0.02%	0.0%	0.0%	0.0%	0.0%
The Villages, FL	0.01%	0.0%	0.0%	0.0%	NA
Thomaston, GA	0.01%	0.0%	0.0%	0.0%	0.0%
Thomasville, GA	0.02%	0.0%	0.0%	54.3%	54.3%
Tiffin, OH	0.02%	25.1%	25.1%	NA	47.3%
Tifton, GA	0.01%	0.0%	0.0%	0.0%	0.0%
Toccoa, GA	0.01%	0.0%	0.0%	0.0%	0.0%
Toledo, OH	0.28%	7.6%	5.1%	3.5%	8.3%
Topeka, KS	0.09%	42.5%	24.6%	45.0%	36.0%
Torrington, CT	0.02%	0.0%	0.0%	0.0%	0.0%
Traverse City, MI	0.04%	0.0%	0.0%	0.0%	0.0%
Trenton, NJ	0.15%	2.4%	18.5%	16.6%	18.5%
Troy, AL	0.02%	22.9%	0.0%	17.7%	0.0%
Truckee-Grass Valley, CA	0.05%	0.0%	0.0%	0.0%	0.0%
Tucson, AZ	0.14%	14.8%	1.0%	28.0%	8.9%
Tulahoma-Manchester, TN	0.02%	0.0%	63.8%	0.0%	100.0%
Tulsa, OK	0.16%	10.9%	7.9%	25.0%	27.4%
Tupelo, MS	0.01%	0.0%	0.0%	100.0%	0.0%
Tuscaloosa, AL	0.13%	0.0%	0.0%	0.0%	0.0%
Twin Falls, ID	0.03%	0.0%	0.0%	12.6%	12.6%
Tyler, TX	0.02%	0.0%	0.0%	56.8%	56.8%
Ukiah, CA	0.01%	0.0%	0.0%	0.0%	0.0%
Union City, TN-KY	0.00%	0.0%	0.0%	NA	NA
Urban Honolulu, HI	0.19%	0.0%	0.0%	12.4%	0.0%
Urbana, OH	0.01%	33.5%	33.5%	NA	33.5%
Utica-Rome, NY	0.11%	64.2%	13.7%	40.1%	27.3%
Uvalde, TX	0.01%	0.0%	0.0%	100.0%	0.0%
Valdosta, GA	0.03%	0.0%	25.7%	0.0%	0.0%
Vallejo-Fairfield, CA	0.17%	2.1%	0.0%	1.1%	2.1%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Valley, AL	0.02%	0.0%	0.0%	0.0%	0.0%
Van Wert, OH	0.01%	0.0%	0.0%	NA	0.0%
Vermillion, SD	0.00%	0.0%	0.0%	NA	NA
Vernal, UT	0.01%	0.0%	0.0%	0.0%	32.4%
Vernon, TX	0.01%	53.2%	0.0%	53.2%	53.2%
Vicksburg, MS	0.00%	0.0%	0.0%	100.0%	100.0%
Victoria, TX	0.02%	0.0%	0.0%	0.0%	0.0%
Vidalia, GA	0.02%	20.4%	18.7%	69.4%	69.4%
Vincennes, IN	0.01%	0.0%	0.0%	0.0%	0.0%
Vineland-Bridgeton, NJ	0.08%	0.0%	0.0%	9.5%	0.0%
Virginia Beach-Norfolk-Newport News, VA-NC	0.55%	2.9%	2.6%	10.6%	7.9%
Visalia-Porterville, CA	0.19%	11.8%	0.0%	27.8%	4.8%
Wabash, IN	0.00%	100.0%	100.0%	0.0%	0.0%
Waco, TX	0.06%	0.0%	0.0%	0.0%	0.0%
Wahpeton, ND-MN	0.00%	14.1%	100.0%	NA	100.0%
Walla Walla, WA	0.03%	0.0%	0.0%	0.0%	0.0%
Warner Robins, GA	0.01%	0.0%	86.2%	0.0%	92.7%
Warrensburg, MO	0.00%	NA	NA	NA	NA
Warsaw, IN	0.01%	0.0%	0.0%	0.0%	0.0%
Washington Court House, OH	0.04%	6.4%	0.0%	0.0%	0.0%
Washington, IN	0.01%	1.9%	1.9%	0.0%	0.0%
Washington, NC	0.02%	0.0%	0.0%	NA	0.0%
Washington-Arlington-Alexandria, DC-VA-MD-WV	2.17%	3.1%	2.1%	10.3%	10.1%
Waterloo-Cedar Falls, IA	0.04%	16.1%	0.0%	46.6%	51.5%
Watertown, SD	0.00%	NA	NA	NA	NA
Watertown-Fort Atkinson, WI	0.01%	0.0%	0.0%	0.0%	0.0%
Watertown-Fort Drum, NY	0.08%	55.3%	16.1%	55.3%	46.7%
Wauchula, FL	0.06%	48.5%	58.3%	48.5%	65.7%
Wausau, WI	0.05%	0.0%	0.0%	0.1%	0.0%
Waycross, GA	0.01%	0.0%	0.0%	0.0%	0.0%
Weatherford, OK	0.00%	NA	NA	NA	NA
Weirton-Steubenville, WV-OH	0.05%	19.0%	19.0%	100.0%	19.0%
Wenatchee, WA	0.02%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
West Plains, MO	0.00%	0.0%	0.0%	0.0%	0.0%
Wheeling, WV-OH	0.04%	14.9%	13.0%	0.0%	0.0%
Whitewater-Elkhorn, WI	0.01%	0.0%	0.0%	0.0%	0.0%
Wichita Falls, TX	0.07%	23.6%	23.6%	32.7%	23.6%
Wichita, KS	0.13%	6.8%	13.4%	22.3%	27.7%
Williamsport, PA	0.02%	0.0%	0.0%	0.0%	0.0%
Williston, ND	0.02%	0.0%	32.6%	0.0%	32.6%
Willmar, MN	0.00%	NA	NA	NA	NA
Wilmington, NC	0.11%	6.0%	4.9%	3.4%	3.8%
Wilmington, OH	0.01%	0.0%	0.0%	NA	0.0%
Wilson, NC	0.02%	0.0%	30.9%	41.9%	41.9%
Winchester, VA-WV	0.02%	0.0%	0.0%	0.0%	20.5%
Winnemucca, NV	0.01%	0.0%	0.0%	0.0%	0.0%
Winona, MN	0.00%	6.2%	0.0%	0.0%	0.0%
Winston-Salem, NC	0.11%	0.0%	4.0%	1.0%	5.2%
Wisconsin Rapids-Marshfield, WI	0.01%	33.6%	0.0%	0.0%	33.6%
Wooster, OH	0.00%	0.0%	0.0%	NA	0.0%
Worcester, MA-CT	0.16%	0.0%	0.0%	0.0%	9.6%
Worthington, MN	0.01%	0.0%	0.0%	28.1%	0.0%
Yakima, WA	0.13%	0.0%	0.0%	0.8%	0.6%
Yankton, SD	0.01%	0.0%	0.0%	100.0%	100.0%
York-Hanover, PA	0.07%	0.0%	8.7%	0.0%	0.0%
Youngstown-Warren-Boardman, OH-PA	0.20%	6.0%	4.0%	38.7%	12.3%
Yuba City, CA	0.05%	0.0%	0.0%	29.3%	0.0%
Yuma, AZ	0.04%	0.0%	8.4%	0.0%	8.4%
Zanesville, OH	0.05%	0.0%	1.5%	NA	1.5%
Zapata, TX	0.00%	0.0%	0.0%	NA	0.0%

3.3.1.4 Median Occupancy by Property Age

Figures 3.3.1.4(A)–(B) present, by property age, physical occupancy, and economic occupancy of stabilized properties in the surveyed portfolio.

Median Physical and Economic Occupancy by Property Age

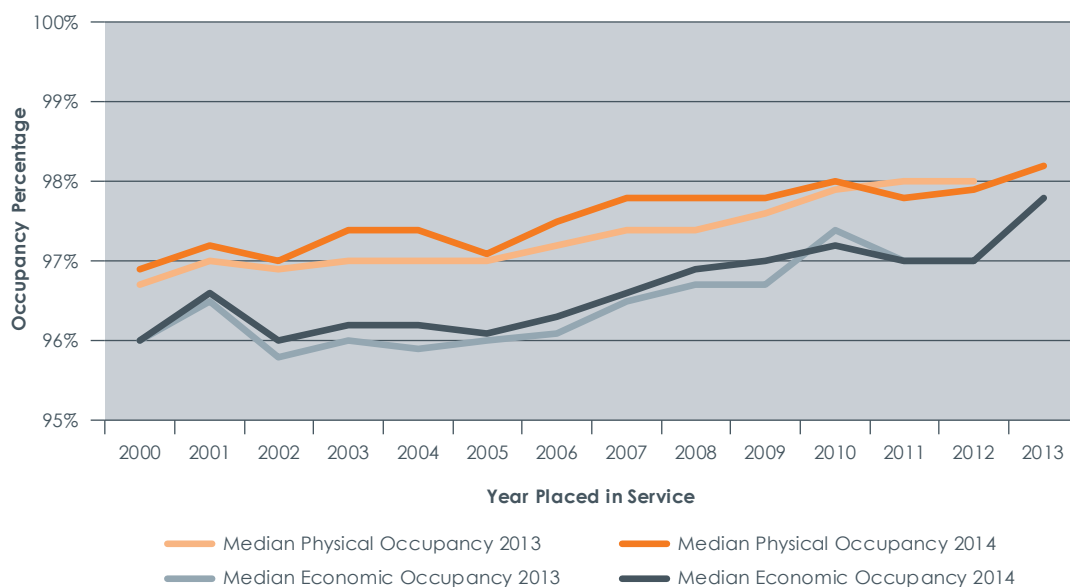
FIGURE 3.3.1.4(A)

Year Placed in Service	% of Stabilized Portfolio	Median Physical Occupancy				Median Economic Occupancy	
		2011	2012	2013	2014	2013	2014
2000	25.0%	96.8%	96.8%	96.7%	96.9%	96.0%	96.0%
2001		96.7%	97.0%	97.0%	97.2%	96.5%	96.6%
2002		96.7%	96.7%	96.9%	97.0%	95.8%	96.0%
2003		96.9%	97.0%	97.0%	97.4%	96.0%	96.2%
2004		96.8%	97.0%	97.0%	97.4%	95.9%	96.2%
2005	41.9%	96.9%	96.9%	97.0%	97.1%	96.0%	96.1%
2006		97.0%	97.2%	97.2%	97.5%	96.1%	96.3%
2007		97.0%	97.3%	97.4%	97.8%	96.5%	96.6%
2008		97.0%	97.0%	97.4%	97.8%	96.7%	96.9%
2009		97.0%	97.4%	97.6%	97.8%	96.7%	97.0%
2010	27.8%	98.0%	97.8%	97.9%	98.0%	97.4%	97.2%
2011		NA	98.0%	98.0%	97.8%	97.0%	97.0%
2012		NA	NA	98.0%	97.9%	97.0%	97.0%
2013		NA	NA	NA	98.2%	NA	97.8%

While we received data for properties placed in service as far back as 1988, we chose to present only those properties that were placed in service within the last 15 years, and thus within their 15-year compliance periods. Properties placed in service between 1988 and 1994, which would have made them 20–26 years old as of 2014, reported the most diverse median occupancy rates in both 2013 and 2014, although most still maintained occupancy above 94%. Many of these older properties may suffer from some level of deferred maintenance and be facing competition from newly constructed or rehabilitated projects that offer more comprehensive amenities and better curb appeal and overall quality. However, it is worth noting that this oldest tranche of properties represents less than 0.5% of the overall stabilized surveyed portfolio.

Median Physical and Economic Occupancy by Property Age

FIGURE 3.3.1.4(B)



By property age (post-2000), median physical occupancy ranged from 97% to 98% whereas median economic occupancy ranged from 96% to 98%. We refrained from presenting the occupancy data for properties placed in service in 2014 (as well as the 2013 occupancy data for properties placed in service in 2013), as these newer properties likely report data from partial year's stabilized operations. Overall, the general trend exhibited in Figure 3.3.1.4(B) suggests that while properties placed in service post-2008 performed better from an occupancy perspective, occupancy levels are remarkably stable across the age spectrum.

Underperformance — Physical and Economic Occupancy by Property Age

Figures 3.3.1.4(C)–(D) illustrate occupancy underperformance by property age, as measured by percentage of net equity of the stabilized surveyed portfolio.

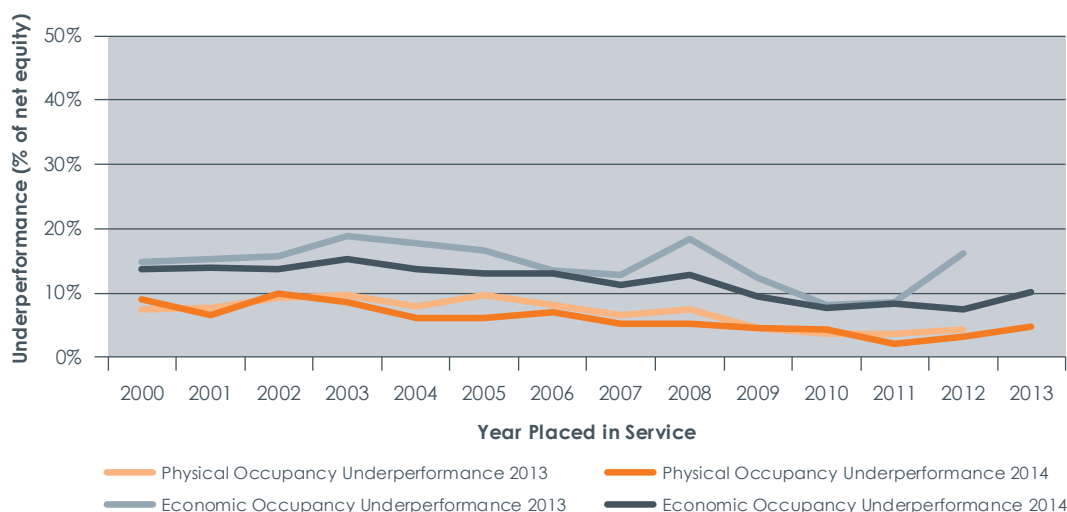
Physical and Economic Occupancy Underperformance by Property Age

FIGURE 3.3.1.4(C)

Year Placed in Service	% of Stabilized Portfolio	Physical Occupancy below 90%		Economic Occupancy below 90%	
		2013	2014	2013	2014
2000	25.0%	7.5%	9.1%	14.9%	13.7%
2001		7.6%	6.5%	15.3%	14.0%
2002		9.2%	10.0%	15.7%	13.6%
2003		9.7%	8.6%	18.9%	15.2%
2004		7.8%	6.1%	17.8%	13.7%
2005	41.9%	9.7%	6.1%	16.6%	13.1%
2006		8.0%	6.9%	13.5%	13.0%
2007		6.5%	5.1%	12.8%	11.3%
2008		7.4%	5.3%	18.4%	12.9%
2009		4.5%	4.6%	12.3%	9.5%
2010	27.8%	3.7%	4.3%	8.0%	7.6%
2011		3.7%	2.0%	8.5%	8.3%
2012		4.2%	3.1%	16.1%	7.5%
2013		NA	4.7%	NA	10.1%

Physical and Economic Occupancy Underperformance by Property Age

FIGURE 3.3.1.4(D)



The data indicate that, as would be expected, newer properties placed in service between 2007 and 2012 report occupancy underperformance that is somewhat lower than the nation median. While a significant portion of properties placed in service in 2013 and 2014 reported economic occupancy underperformance in their respective first years of operation, it is likely that some of the samples were reported based on a partial year of operations. As such, we have opted not to present any underperformance data for those properties placed in service in 2014 as well as the 2013 underperformance data for those properties placed in service in 2013.

3.3.1.5 Median Occupancy by Property Type

Figures 3.3.1.5(A)–(B) present, by property type and physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio.

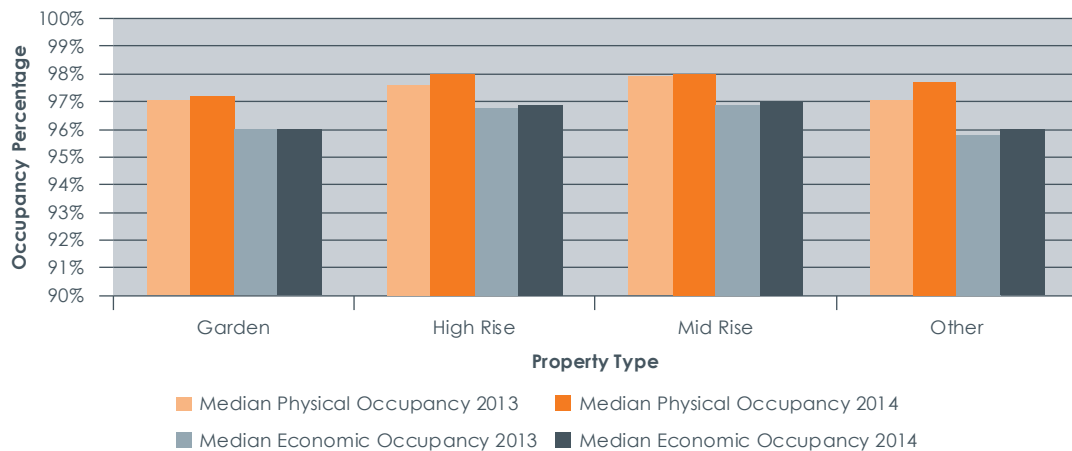
Median Physical and Economic Occupancy by Property Type

FIGURE 3.3.1.5(A)

Property Type	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Garden	57.5%	97.0%	97.2%	96.0%	96.0%
High Rise	9.9%	97.6%	98.0%	96.8%	96.9%
Mid Rise	27.4%	97.9%	98.0%	96.9%	97.0%
Other	5.2%	97.0%	97.7%	95.8%	96.0%

Median Physical and Economic Occupancy by Property Type

FIGURE 3.3.1.5(B)



When we sort by property types, median physical occupancy ranged from 97% to 98%, and median economic occupancy ranged from just below 96% to 97%. Although these occupancy rates are solid across all property types, high-rise and mid-rise properties performed slightly better than the national median, while garden-style projects—the most common property type representing nearly 58% of the overall stabilized population—fared slightly worse than the national medians. Ultimately, there are no property types that are performing significantly better or worse based on their physical and economic occupancy performance.

Underperformance — Physical and Economic Occupancy by Property Type

Figures 3.3.1.5(C)–(D) illustrate occupancy underperformance by property type, as measured by percentage of net equity of the stabilized surveyed portfolio.

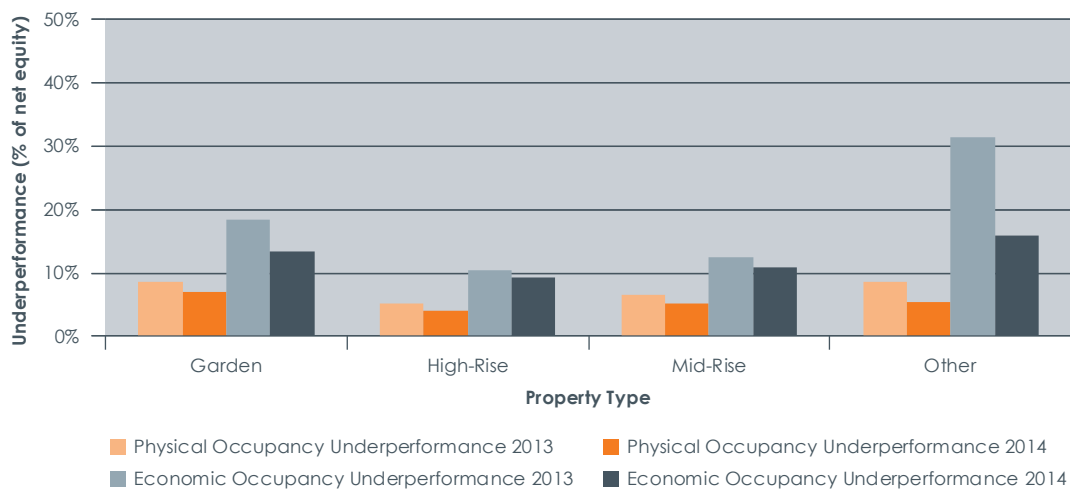
Physical and Economic Occupancy Underperformance by Property Type (% of net equity)

FIGURE 3.3.1.5(C)

Property Type	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Garden	57.5%	8.5%	6.9%	18.2%	13.1%
High-Rise	9.9%	4.9%	3.8%	10.3%	9.0%
Mid-Rise	27.4%	6.3%	5.0%	12.2%	10.7%
Other	5.2%	8.4%	5.3%	31.3%	15.7%

Physical and Economic Occupancy Underperformance by Property Type (% of net equity)

FIGURE 3.3.1.5(D)



Consistent with earlier observations, the high-rise and mid-rise cohort reported the lowest incidence of occupancy underperformance, all of which were below the national median. While garden-style properties and “other” types of properties (e.g., single-family homes) had modest physical occupancy underperformance, economic occupancy underperformance was only slightly more pronounced in these property types, especially in 2013 when roughly 31% of the “other” types of properties reported

economic occupancy underperformance. In 2014, however, the incidence of occupancy underperformance tapered across all property types, with the level of economic occupancy underperformance ranging from less than 9% to 16%.

3.3.1.6 Median Occupancy by Property Size

Figures 3.3.1.6(A)–(B) present, by property size, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio.

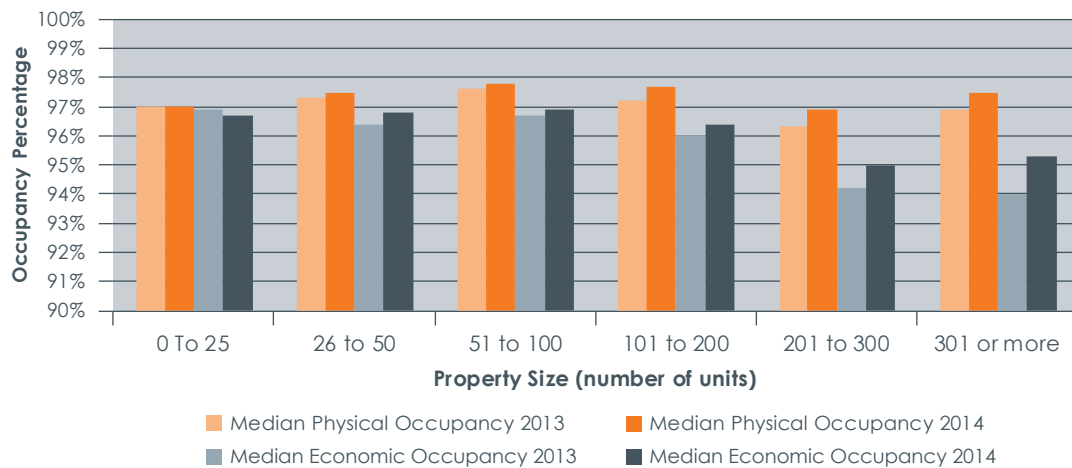
Median Physical and Economic Occupancy by Property Size

FIGURE 3.3.1.6(A)

Property Size (Number of Units)	% of Stabilized Portfolio	Median Physical Occupancy							Median Economic Occupancy	
		2008	2009	2010	2011	2012	2013	2014	2013	2014
0 To 25	5.1%	96.7%	96.2%	96.7%	97.0%	97.0%	97.0%	97.0%	96.9%	96.7%
26 To 50	21.4%	96.6%	96.5%	96.7%	97.0%	97.2%	97.3%	97.5%	96.4%	96.8%
51 To 100	36.2%	96.6%	96.8%	97.0%	97.0%	97.3%	97.6%	97.8%	96.7%	96.9%
101 To 200	25.5%	96.0%	96.0%	96.1%	97.0%	97.0%	97.2%	97.7%	96.0%	96.4%
201 To 300	7.5%	95.0%	94.6%	95.0%	95.1%	95.6%	96.3%	96.9%	94.2%	95.0%
301 or more	4.3%	95.0%	95.0%	95.4%	96.3%	95.8%	96.9%	97.5%	94.0%	95.3%

Median Physical and Economic Occupancy by Property Size

FIGURE 3.3.1.6(B)



Grouped into six ranges of total units, 2013 and 2014 median physical occupancy concentrated between 96% and 98%, and median economic occupancy ranged from 94% to 97%. While no particular property size appeared to be wildly variant from the median, it is worth noting that according to the data, properties with more than 200 units tend to report higher economic vacancy losses, which is consistent with findings noted in our previous studies. This could be for a variety of reasons, including the fact that larger projects can be more difficult to manage and are often located in inner-city neighborhoods with higher crime risk as well as more direct competition. In addition, modest turnover may be less impactful at larger properties, and therefore management may feel less pressure to fill vacant units immediately, a scenario that also plays a role in the lower than median occupancy at properties with more than 200 units. Additionally, we found that 37% of the projects (measured by net equity) with 200+ units are mixed-income developments that tend to have lower occupancy in their market rate units. In comparison to the 2013 and 2014 national medians, projects with 26–200 units performed better in terms of physical occupancy, while projects under 100 units were able to achieve higher levels of economic occupancy.

Underperformance —

Physical and Economic Occupancy by Property Size

Figures 3.3.1.6(C)–(D) illustrate occupancy underperformance by property size, as measured by percentage of net equity of the stabilized surveyed portfolio.

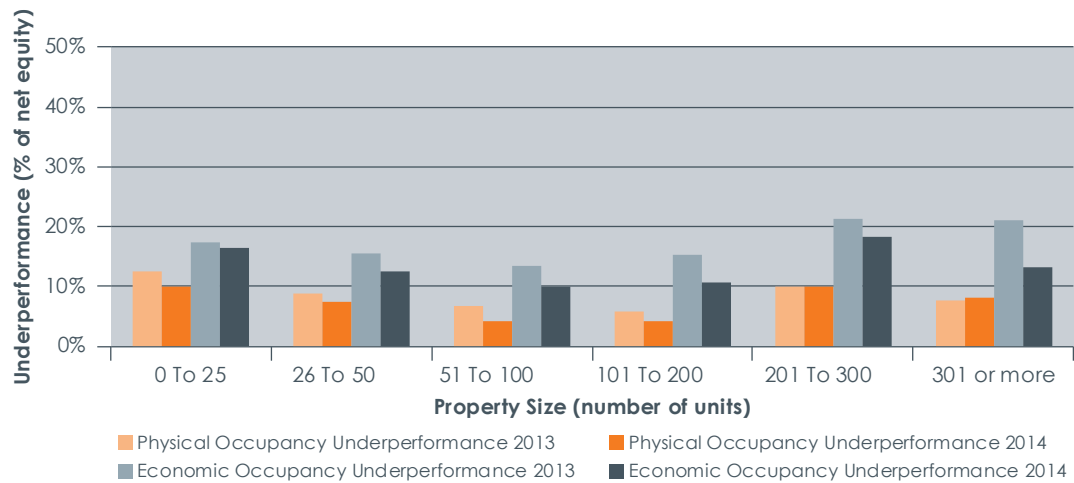
Physical and Economic Occupancy Underperformance by Property Size (% of net equity)

FIGURE 3.3.1.6(C)

Property Size (Number of Units)	% of Stabilized Portfolio	Physical Occupancy Below 90%				Economic Occupancy Below 90%	
		2011	2012	2013	2014	2013	2014
0 To 25	5.1%	12.0%	10.9%	12.5%	9.9%	17.3%	16.5%
26 To 50	21.4%	8.5%	7.7%	8.7%	7.5%	15.5%	12.4%
51 To 100	36.2%	7.0%	6.1%	6.7%	4.1%	13.4%	9.9%
101 To 200	25.5%	8.0%	6.8%	5.9%	4.2%	15.2%	10.7%
201 To 300	7.5%	13.4%	13.0%	10.0%	10.0%	21.2%	18.3%
301 or more	4.3%	9.1%	9.7%	7.6%	8.1%	21.0%	13.2%

Physical and Economic Occupancy Underperformance by Property Size (% of net equity)

FIGURE 3.3.1.6(D)



Properties larger than 200 units had the highest level of economic occupancy underperformance in 2013, which improved slightly in 2014. The smallest properties in the surveyed portfolio (properties with 25 units or less) did not fare quite as well on the physical occupancy statistic, which is not surprising given that, in small projects, just one or two vacant units can easily drop occupancy below the 90% threshold. Overall, properties with 26–200 units, which account for approximately 83% of the overall surveyed stabilized portfolio, had the most favorable share of occupancy underperformance in both years studied.

The analysis above measured underperformance as a percentage of net equity. That methodology may not be perfect in this case as larger projects would carry more weight than smaller projects. For instance, while the 201- to 300-unit subset had the highest amount of occupancy underperformance (10% for physical and 18% for economic) in 2014 measured by net equity, the actual number of underperforming properties in this group was 62 for physical occupancy and 119 for economic occupancy. If we look at the 51- to 100-unit subset that reported the least amount of occupancy underperformance (4% for physical and 9% for economic) in 2014, the actual number of underperforming properties in this group was 282 for physical occupancy and 407 for economic occupancy. In order to measure underperformance more accurately, we calculated incidence of underperformance as a percentage of the number of properties as presented in Figure 3.3.1.6(E). Nonetheless, our finding under the property count method yielded similar results, suggesting that projects with 26–200 units reported fewer incidences of occupancy underperformance than projects with fewer than 25 units or more than 200 units.

Physical and Economic Occupancy Underperformance by Property Size (% of number of properties)

FIGURE 3.3.1.6(E)

Property Size (Number of Units)	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
	2013	2014	2013	2014
0 To 25	15.4%	13.4%	17.8%	18.3%
26 To 50	10.3%	8.9%	15.6%	13.4%
51 To 100	7.5%	5.0%	13.8%	11.0%
101 To 200	6.8%	5.1%	16.7%	12.1%
201 To 300	11.3%	10.4%	25.9%	21.0%
301 or more	9.2%	8.1%	27.4%	20.2%

3.3.1.7 Median Occupancy by Tenancy Type

Figures 3.3.1.7(A)–(B) present, by tenancy type, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio.

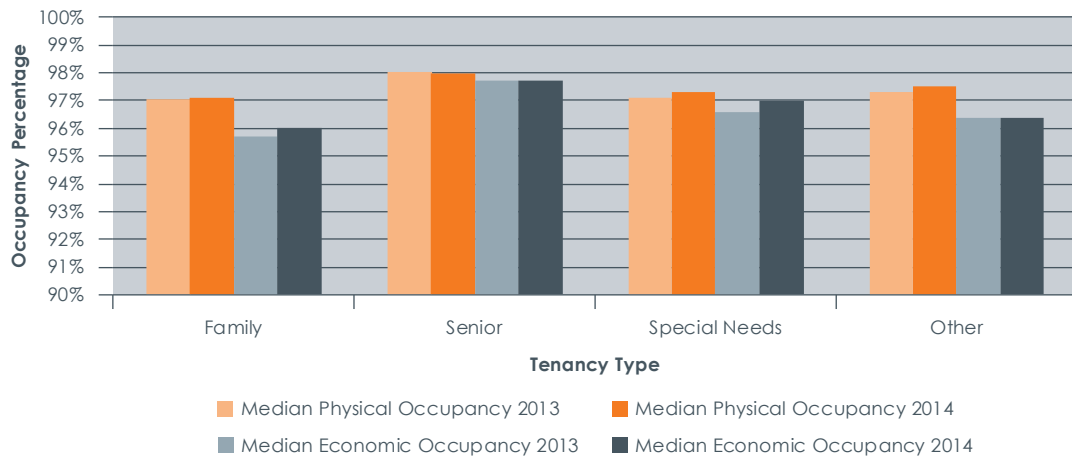
Median Physical and Economic Occupancy by Tenancy Type

FIGURE 3.3.1.7(A)

Tenancy Type	% of Stabilized Portfolio	Median Physical Occupancy							Median Economic Occupancy	
		2008	2009	2010	2011	2012	2013	2014	2013	2014
Family	67.9%	96.0%	96.0%	96.0%	96.6%	96.8%	97.0%	97.1%	95.7%	96.0%
Senior	25.6%	97.7%	97.4%	97.5%	97.9%	98.0%	98.0%	98.0%	97.7%	97.7%
Special Needs	3.3%	97.0%	97.0%	97.0%	97.0%	96.7%	97.1%	97.3%	96.6%	97.0%
Other	3.2%	96.1%	96.4%	96.7%	97.4%	98.0%	97.3%	97.5%	96.4%	96.4%

Median Physical and Economic Occupancy by Tenancy Type

FIGURE 3.3.1.7(B)



Segregated into four tenancy types, both the median physical and economic occupancy rates ranged from just under 96% to 98% in 2013 and 2014. Projects targeting family households, representing 68% of the surveyed stabilized population, performed marginally below the national median physical and economic occupancy levels in both 2013 and 2014. Age-restricted housing, comprising 25.6% of the surveyed stabilized portfolio, exhibited the most favorable physical and economic occupancy rates across both study years. It has been CohnReznick's experience that housing tax credit properties restricted for senior tenants have historically reported somewhat stronger operating results than other tenancy types. These results are not surprising, given the fact that senior properties traditionally report lower turnover ratios, a pattern supported by the fact that median economic occupancy across senior projects mirrors physical occupancy. Additionally, the strong performance of properties serving the special needs population is likely the effect of substantial demand meeting a sparse pool of supply.

Underperformance — Physical and Economic Occupancy by Tenancy Type

Figures 3.3.1.7(C)–(D) illustrate occupancy underperformance by tenancy type, as measured by percentage of net equity of the stabilized surveyed portfolio.

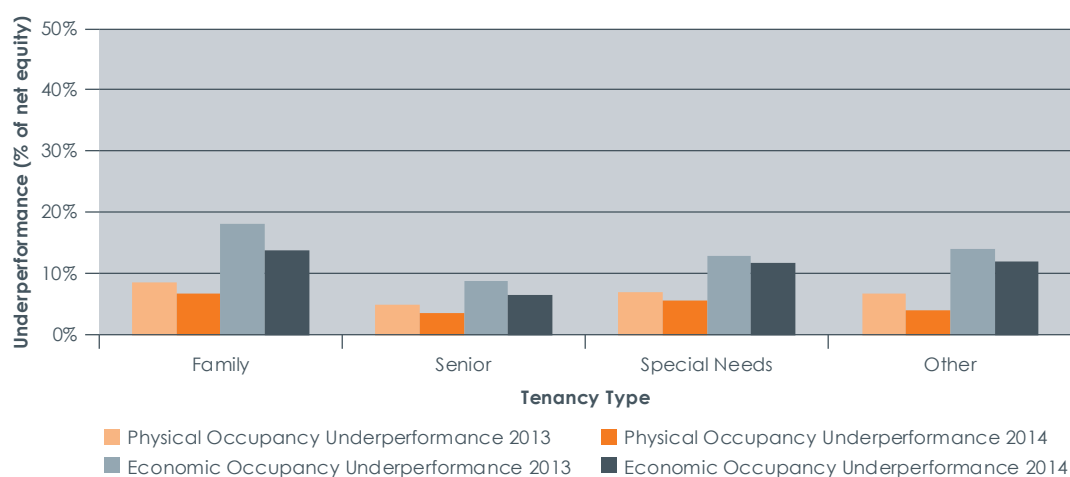
Physical and Economic Occupancy Underperformance by Tenancy Type (% of net equity)

FIGURE 3.3.1.7(C)

Tenancy Type	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Family	67.9%	8.5%	6.7%	18.1%	13.8%
Senior	25.6%	5.0%	3.6%	8.8%	6.4%
Special Needs	3.3%	7.0%	5.6%	12.8%	11.7%
Other	3.2%	6.7%	4.0%	13.9%	12.0%

Physical and Economic Occupancy Underperformance by Tenancy Type (% of net equity)

FIGURE 3.3.1.7(D)



Projects across senior, special needs, and other (e.g., mixed-tenancy) tenancy types generally reported low levels of physical and economic occupancy underperformance in 2013 and 2014. While more than 18% of the stabilized family properties were operating at below 90% economic occupancy in 2013, the incidence of economic occupancy underperformance declined to less than 14% in 2014, which is notable given that these results were based on a large data set composed of approximately 10,000 stabilized family properties.

3.3.1.8 Median Occupancy by Developer Type

Figures 3.3.1.8(A)–(B) present, by developer type, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio.

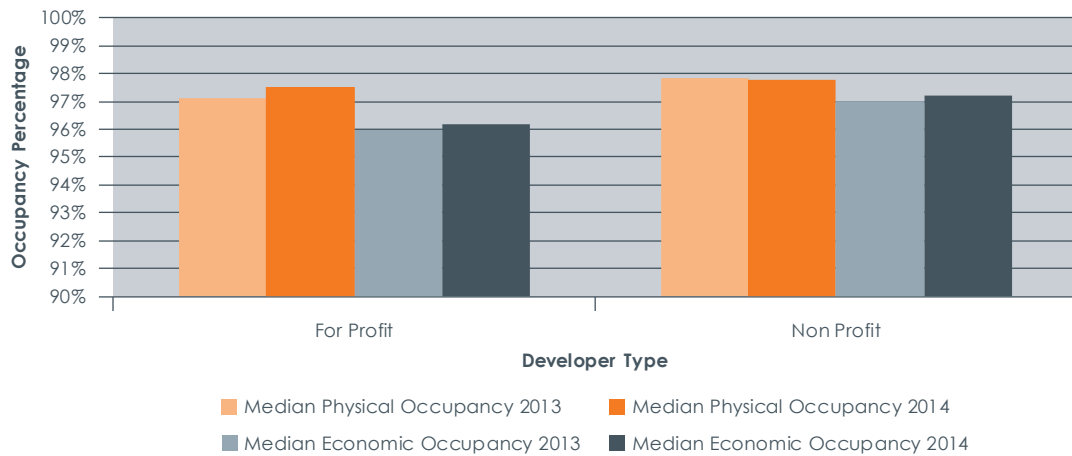
Median Physical and Economic Occupancy by Developer Type

FIGURE 3.3.1.8(A)

Developer Type	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
For Profit	64.0%	97.1%	97.5%	96.0%	96.2%
Non Profit	36.0%	97.8%	97.8%	97.0%	97.2%

Median Physical and Economic Occupancy by Developer Type

FIGURE 3.3.1.8(B)



In 2013 and 2014, projects developed by for-profit developers were 97% physically occupied and 96% economically occupied (both slightly below or consistent with the national medians); projects developed by non-profit developers were 98% physically occupied and 97% economically occupied (both slightly above the national medians). While there are examples to the contrary, in our experience non-profit developers are more likely to take on developments located in underserved communities (which typically benefit from pent-up demand) than their for-profit competitors. As such, while the differences in occupancy performance are not significant based on developer types, from an occupancy perspective, projects developed by non-profit developers actually slightly outperformed projects operated by their for-profit counterparts.

Underperformance — Physical and Economic Occupancy by Developer Type

Figures 3.3.1.8(C)-(D) illustrates occupancy underperformance by developer type, as measured by percentage of net equity of the stabilized surveyed portfolio.

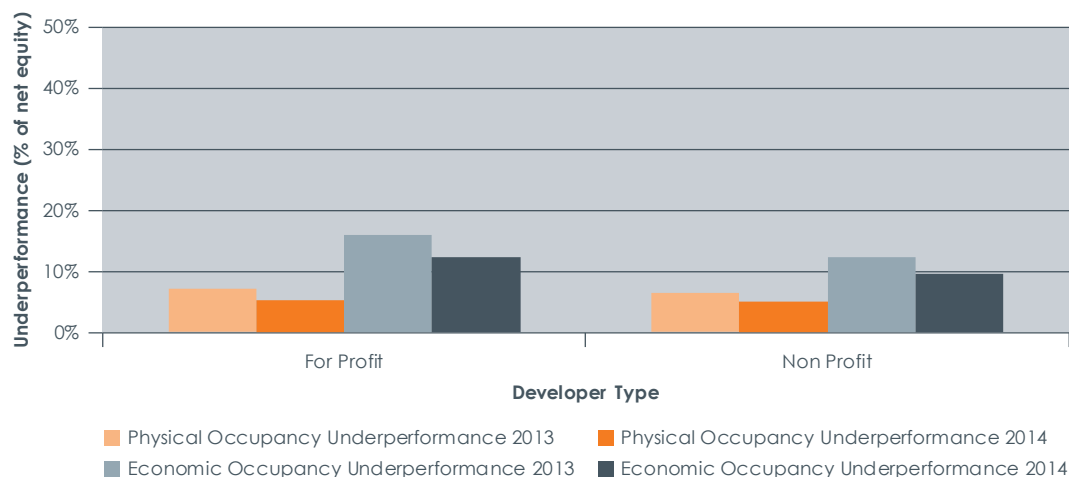
Physical and Economic Occupancy Underperformance by Developer Type (% of net equity)

FIGURE 3.3.1.8(C)

Developer Type	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
For Profit	64.0%	7.0%	5.3%	15.9%	12.3%
Non Profit	36.0%	6.4%	5.1%	12.3%	9.6%

Physical and Economic Occupancy Underperformance by Developer Type (% of net equity)

FIGURE 3.3.1.8(D)



In keeping with earlier analyses, projects operated by for-profit developers exhibited a slightly higher incidence of physical and economic occupancy underperformance than projects operated by non-profit developers across both study years, although the differences were not material. As such, the data do not support the assertion that the type of developer in a given project will drive a property's occupancy performance. The data do suggest, however, that on a net equity basis, 41% of the non-profit developers' properties receive some form of rental assistance, whereas only 26% of the surveyed stabilized projects developed by for-profit developers benefit from rental assistance. The greater portion of subsidized properties is likely to be a contributing factor in the lower incidence of occupancy underperformance among the non-profit developer portfolios.

3.3.1.9 Median Occupancy by Credit Type

Figures 3.3.1.9(A)–(B) present, by credit type, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio. No significant differences were observed between the physical and economic occupancy rates of 4% versus 9% properties.

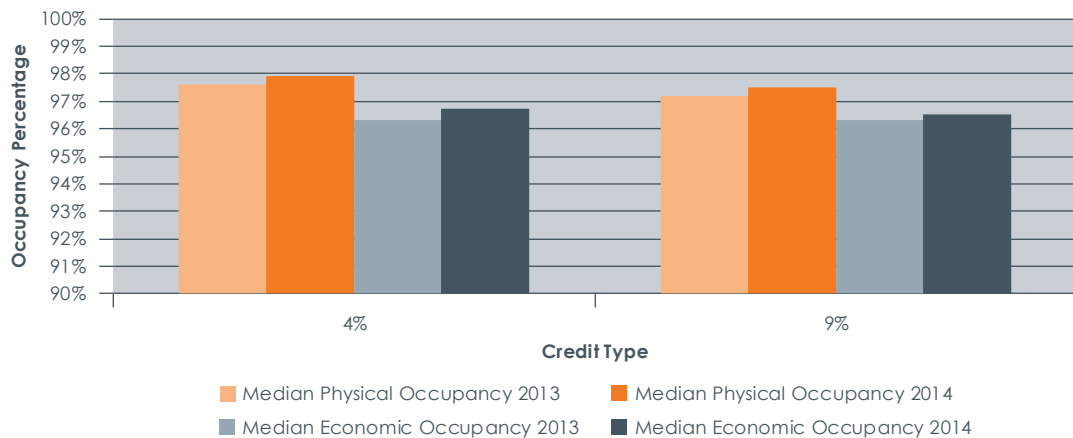
Median Physical and Economic Occupancy by Credit Type

FIGURE 3.3.1.9(A)

Credit Type	% of Stabilized Portfolio	Median Physical Occupancy							Median Economic Occupancy	
		2008	2009	2010	2011	2012	2013	2014	2013	2014
4%	29.0%	96.5%	96.3%	96.7%	97.0%	97.1%	97.6%	97.9%	96.3%	96.7%
9%	71.0%	96.5%	96.4%	96.6%	97.0%	97.0%	97.2%	97.5%	96.3%	96.5%

Median Physical and Economic Occupancy by Credit Type

FIGURE 3.3.1.9(B)



Underperformance —

Physical and Economic Occupancy by Credit Type

Figures 3.3.1.9(C)–(D) illustrate occupancy underperformance by credit type, as measured by percentage of net equity of the stabilized surveyed portfolio. Similar to the findings we have made in previous years, whether a housing credit project is financed by 4% or 9% credits has minimal bearing on the incidence of occupancy underperformance.

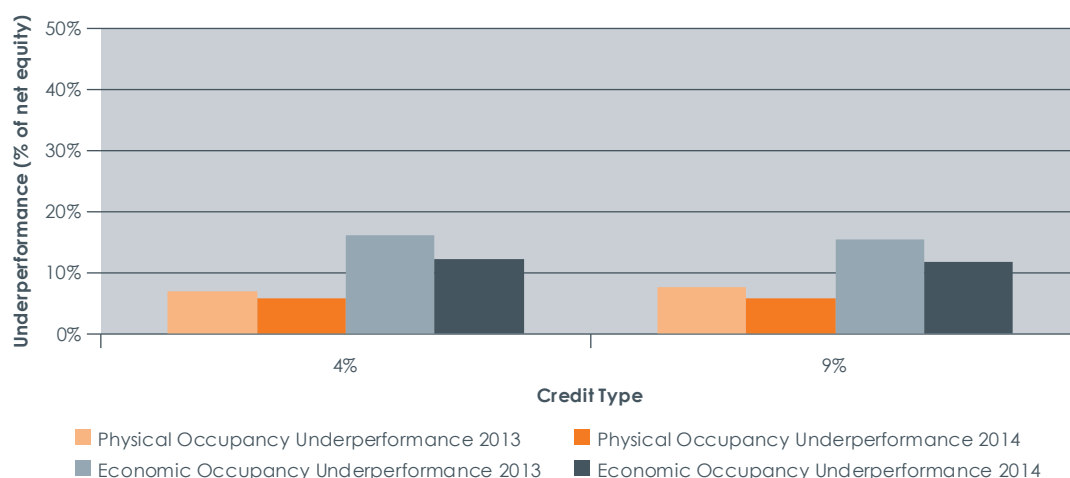
Physical and Economic Occupancy Underperformance by Credit Type (% of net equity)

FIGURE 3.3.1.9(C)

Credit Type	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
4%	29.0%	6.9%	5.7%	16.1%	12.0%
9%	71.0%	7.6%	5.7%	15.2%	11.6%

Physical and Economic Occupancy Underperformance by Credit Type (% of net equity)

FIGURE 3.3.1.9(D)



The analysis of underperformance, similar to the analysis by property size, is another area where measuring underperformance by property count may yield some interesting discoveries. This is because 4% credit projects would carry less weight than 9% credit projects under the net equity method; 4% credit projects typically receive less equity, as they are more heavily financed with hard debt. As such, we have presented occupancy underperformance measured as a percentage of property count in Figure 3.3.1.9(E) below. This analysis revealed that not only did all figures increase under the by property count analysis, the spread of physical occupancy underperformance widened between the two credit types. This tells us that, even though the percentage of underperformance between the two credit types is the same or very similar as measured by net equity, there are clearly a higher number of 9% credit projects suffering from occupancy issues than 4% credit projects.

Physical and Economic Occupancy Underperformance by Credit Type (% of number of properties)

FIGURE 3.3.1.9(E)

Credit Type	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
	2013	2014	2013	2014
4%	7.8%	6.0%	16.8%	13.1%
9%	10.3%	8.3%	16.2%	13.9%

3.3.1.10 Median Occupancy by Development Type

Figures 3.3.1.10(A)–(B) present, by development type, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio.

Median Physical and Economic Occupancy by Development Type

FIGURE 3.3.1.10(A)

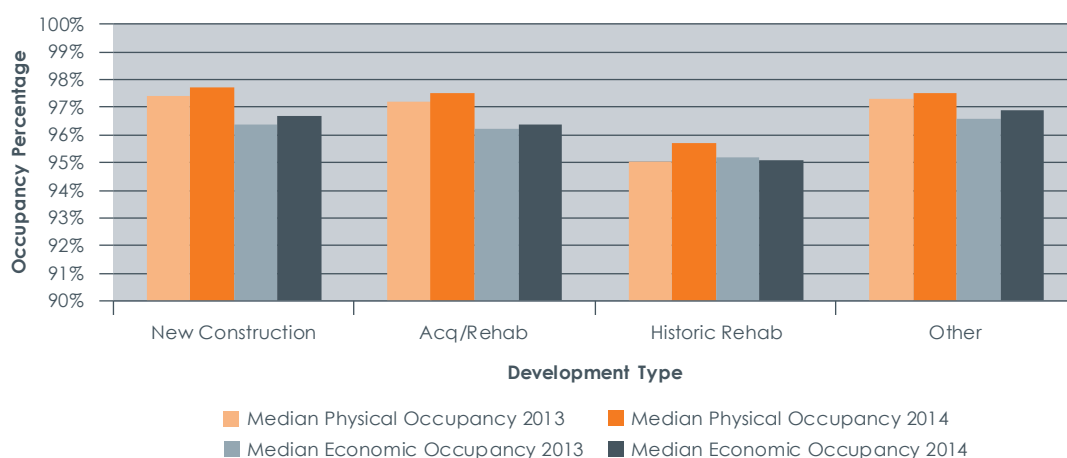
Development Type	% of Stabilized Portfolio	Median Physical Occupancy							Median Economic Occupancy	
		2008	2009	2010	2011	2012	2013	2014	2013	2014
New Construction	68.0%	96.7%	96.4%	96.8%	97.0%	97.0%	97.4%	97.7%	96.4%	96.7%
Acq/Rehab	21.9%	96.0%	96.2%	96.4%	97.0%	97.0%	97.2%	97.5%	96.2%	96.4%
Historic Rehab	1.9%	95.7%	95.0%	95.9%	95.6%	95.5%	95.0%	95.7%	95.2%	95.1%
Other	8.2%	96.0%	95.4%	96.1%	94.8%	95.1%	97.3%	97.5%	96.6%	96.9%



Photo courtesy of Red Stone Equity Group

Median Physical and Economic Occupancy by Development Type

FIGURE 3.3.1.10(B)



In the two previous studies conducted by CohnReznick, new construction and acquisition rehabilitation projects took turns reporting the highest physical occupancy (economic occupancy rates were not collected in past years). In 2013 and 2014, new construction projects, once again, were the strongest performers in physical occupancy, although the “other” category (i.e., mixed development types) took a slight lead in terms of economic occupancy. Our survey data suggest that historic rehabs tend to have more occupancy challenges than other development types, which is also consistent with previous studies. During the 2013–2014 period, stabilized historic rehab properties in our surveyed portfolio were 95%–96% physically occupied and roughly 95% economically occupied, both of which were below the national median levels. While the performance of this subset is less favorable, its sample size is relatively small, consisting of fewer than 300 properties (or 1.9% of the surveyed portfolio in terms of net equity), and thus can be more sensitive to a handful of “bad apples” spoiling the bunch.

Underperformance – Physical and Economic Occupancy by Development Type

Figures 3.3.1.10(C)–(D) illustrate occupancy underperformance by development type, as measured by percentage of net equity of the stabilized surveyed portfolio.

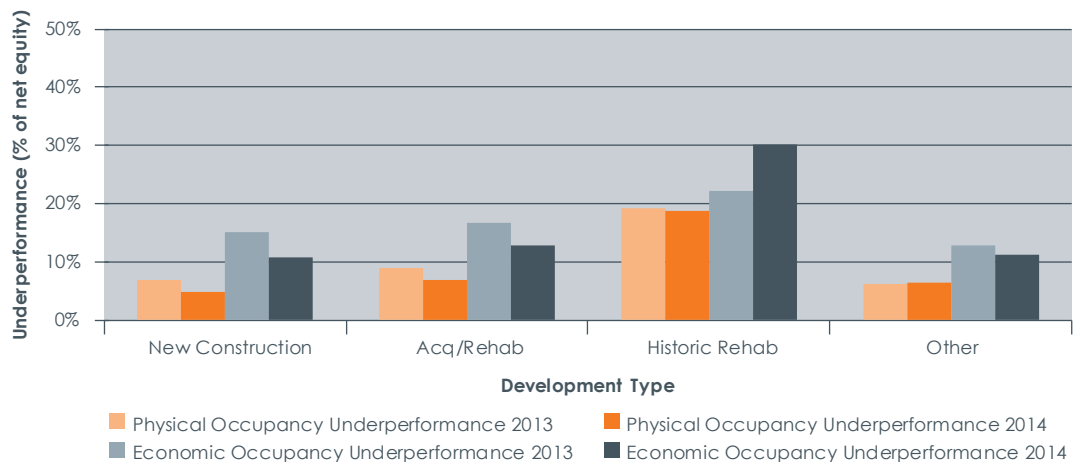
Physical and Economic Occupancy Underperformance by Development Type (% of net equity)

FIGURE 3.3.1.10(C)

Development Type	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
New Construction	68.0%	6.8%	4.8%	15.1%	10.8%
Acq/Rehab	21.9%	8.9%	6.9%	16.8%	12.8%
Historic Rehab	1.9%	19.2%	18.7%	22.1%	30.1%
Other	8.2%	6.2%	6.5%	12.9%	11.1%

Physical and Economic Occupancy Underperformance by Development Type (% of net equity)

FIGURE 3.3.1.10(D)



While less than 20% of the historic rehabilitation property subset was less than 90% physically occupied in both years, we note that economic occupancy underperformance in this subset jumped from 22% in 2013 to 30% in 2014, especially when economic occupancy underperformance for all other development types decreased in 2014. But once again, historic housing credit projects make up only 1.9% of the entire stabilized surveyed portfolio, thus tempering any judgment one might make about this project type. New construction and "other" types of developments generally reported a lower incidence of occupancy underperformance relative to the national median.

3.3.1.11 Median Occupancy by Availability of Rental Assistance

Figures 3.3.1.11(A)–(B) present, by availability of rental assistance, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio.

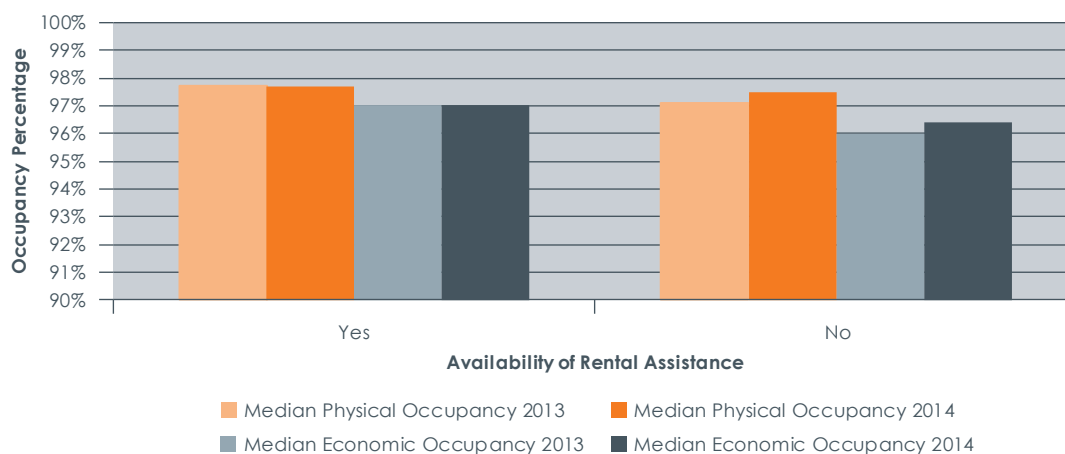
Median Physical and Economic Occupancy by Availability of Rental Assistance

FIGURE 3.3.1.11(A)

Availability of Rental Assistance	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Yes	33.9%	97.7%	97.7%	97.0%	97.0%
No	66.1%	97.1%	97.5%	96.0%	96.4%

Median Physical and Economic Occupancy by Availability of Rental Assistance

FIGURE 3.3.1.11(B)



Projects reporting the existence of rental assistance may have all or a portion of their units covered under a subsidy contract. While the availability of rental assistance is commonly viewed as a plus for housing credit properties (and sometimes even a critical component of a project's overall feasibility), it does not seem to be a key driver of property occupancy performance. Given the immense demand for affordable housing in virtually every market, it makes sense that data for both 2013 and 2014 indicate that non-subsidized projects perform nearly as well as rent-assisted projects from an occupancy standpoint.

Underperformance — Physical and Economic Occupancy by Availability of Rental Assistance

Figures 3.3.1.11(C)–(D) illustrate occupancy underperformance by availability of rental assistance, as measured by percentage of net equity of the stabilized surveyed portfolio.

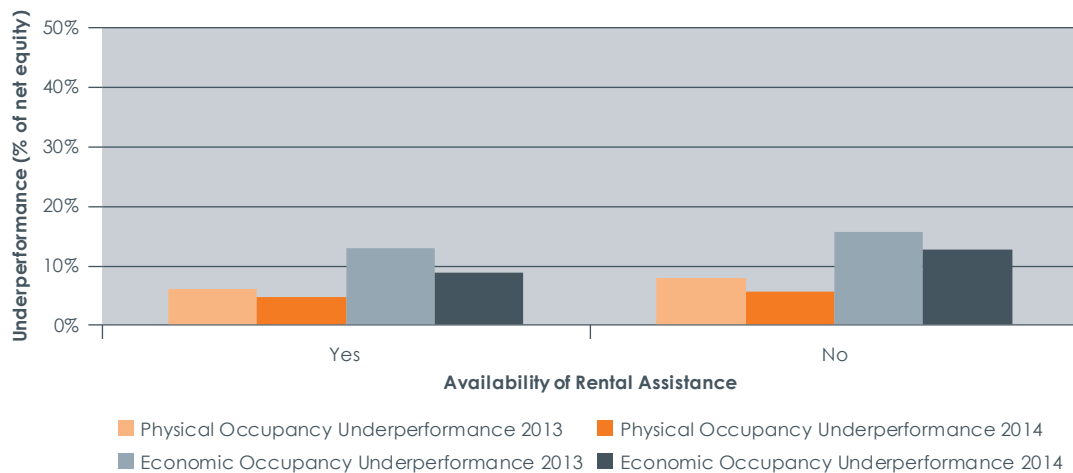
Physical and Economic Occupancy Underperformance by Rental Assistance (% of net equity)

FIGURE 3.3.1.11(C)

Availability of Rental Assistance	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Yes	33.9%	6.0%	4.5%	12.8%	8.6%
No	66.1%	7.8%	5.5%	15.6%	12.5%

Physical and Economic Occupancy Underperformance by Availability of Rental Assistance (% of net equity)

FIGURE 3.3.1.11(D)



Compared to projects with rental assistance, a slightly higher share of the non-subsidized surveyed portfolio experienced occupancy underperformance. The difference between the subsidized and non-subsidized subsets is minor with regard to physical occupancy underperformance; however, the spread between the levels of economic occupancy underperformance is more noticeable. This can be explained by the fact that, in non-subsidized housing credit projects, tenants are responsible for the entirety of their rent, even if their income fluctuates. In the case of subsidized projects, tenants contribute no more than 30% of their adjusted gross income toward rent and utilities, with the balance covered by the rental assistance contracts. As long as the rental assistance is in place, tenants can theoretically earn zero income and rely exclusively on the subsidy for rent.

payments. While the continued availability of rental assistance is subject to annual renewal of the contracts and congressional re-appropriations, cases involving canceled, reduced, or delayed rental assistance payments are rare, and thus rent collection is somewhat more reliable in projects with rental subsidies.

3.3.1.12 Median Occupancy by Availability of Property Tax Relief

Figures 3.3.1.12(A)–(B) present, by availability of property tax relief, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio.

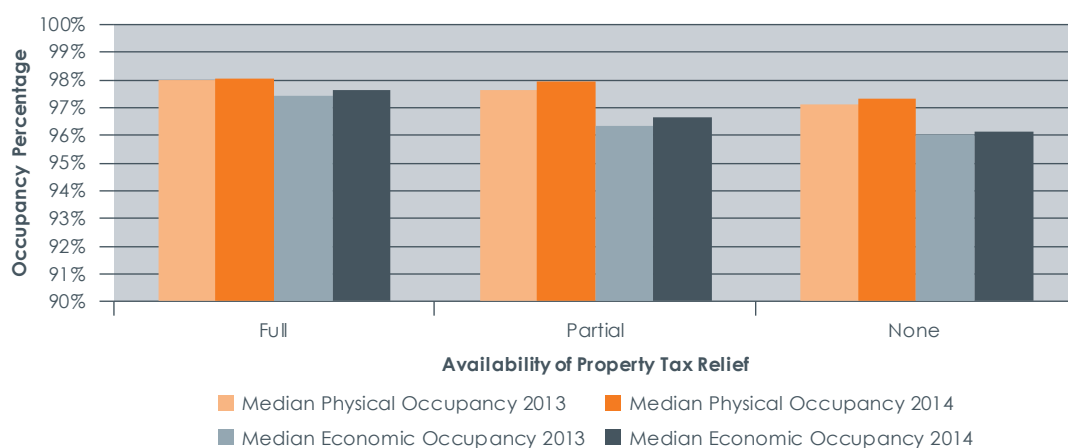
Median Physical and Economic Occupancy by Availability of Property Tax Relief

FIGURE 3.3.1.12(A)

Availability of Property Tax Relief	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
Full	20.3%	98.0%	98.0%	97.4%	97.6%
Partial	18.6%	97.6%	97.9%	96.3%	96.6%
None	61.1%	97.1%	97.3%	96.0%	96.1%

Median Physical and Economic Occupancy by Availability of Property Tax Relief

FIGURE 3.3.1.12(B)



Intuitively, whether a property pays full, partial, or no property taxes would not seem like a factor that would affect a property's occupancy. However, benefits from property tax savings may be passed onto the tenants, especially for those properties that do not benefit from rental assistance. Property taxes generally make up a sizable portion of a property's total operating expenses. If fully or partly abated, property tax savings potentially translate into reduced rents for tenants, and more comprehensive tenant services, all of which could make a project more attractive to potential tenants. Further supporting this assumption are the data presented in Figures 3.3.1.12(A)–(B), which suggest that properties with full property tax exemption tend to be the strongest performers from an occupancy perspective, followed by properties with a partial real estate tax abatement. However, properties with no property tax relief constitute the largest portion (61%) the overall stabilized portfolio in terms of net equity, and these projects reported physical and economic occupancy rates marginally below the national median levels in both 2013 and 2014.

Underperformance — Physical and Economic Occupancy by Availability of Property Tax Relief

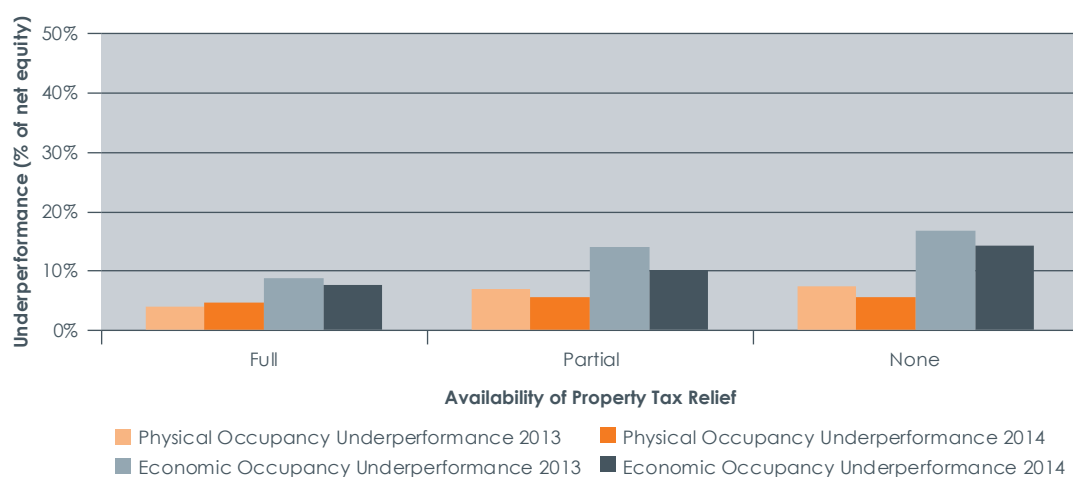
Figures 3.3.1.12(C)–(D) illustrate occupancy underperformance by availability of property tax relief, as measured by the relative percentage of net equity attributable to the stabilized surveyed portfolio. In keeping with the previous analysis, properties with full property tax exemption had the lowest incidence of physical and economic occupancy underperformance, while properties with no property tax abatement experienced the highest level of occupancy underperformance in both years.

Physical and Economic Occupancy Underperformance by Property Tax Relief (% of net equity)

FIGURE 3.3.1.12(C)

Availability of Property Tax Relief	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
Full	20.3%	3.8%	4.4%	8.5%	7.4%
Partial	18.6%	6.8%	5.4%	13.8%	9.9%
None	61.1%	7.2%	5.5%	16.7%	14.1%

Physical and Economic Occupancy Underperformance by Availability of Property Tax Relief (% of net equity) FIGURE 3.3.1.12(D)



3.3.1.13 Median Occupancy by Hard Debt Ratio Range

Figures 3.3.1.13(A)–(B) present, by range of hard debt ratios, the physical occupancy and economic occupancy of stabilized properties in the surveyed portfolio.

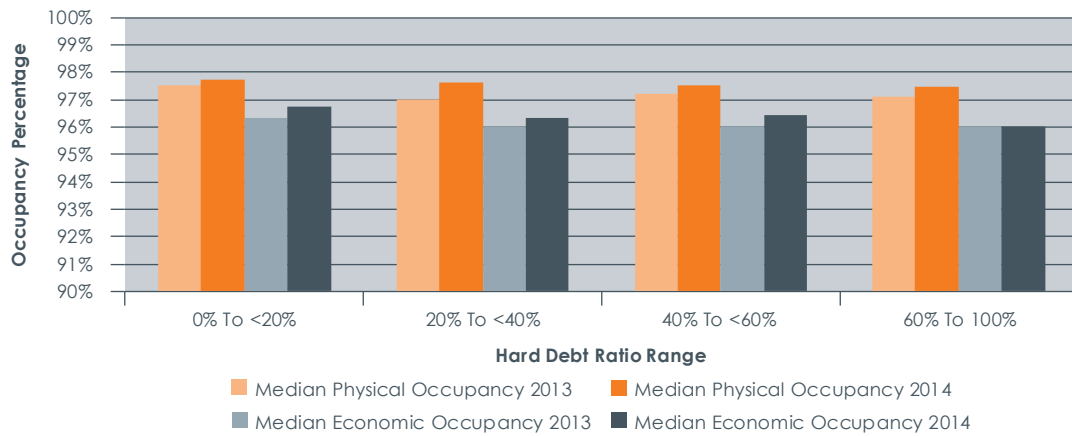
Median Physical and Economic Occupancy by Hard Debt Ratio Range

FIGURE 3.3.1.13(A)

Hard Debt Ratio Range	% of Stabilized Portfolio	Median Physical Occupancy		Median Economic Occupancy	
		2013	2014	2013	2014
0% To <20%	48.2%	97.5%	97.7%	96.3%	96.7%
20% To <40%	30.0%	97.0%	97.6%	96.0%	96.3%
40% To <60%	14.6%	97.2%	97.5%	96.0%	96.4%
60% To 100%	7.2%	97.1%	97.4%	96.0%	96.0%

Median Physical and Economic Occupancy by Hard Debt Ratio Range

FIGURE 3.3.1.13(B)



Similar to the analysis on the effect of property tax relief on property occupancy, the level of hard debt may not seem like an obvious driver of property occupancy. In the same way that real estate tax abatements provide “wobble room” for housing credit properties, projects with lower debt burdens are presumably using their financial resources to benefit their tenants in various ways (e.g., reduced rents, additional tenant services, and improved property upkeep), making such projects more appealing to potential tenants.

Not surprisingly then, properties financed with less than 20% hard debt reported the most favorable physical and economic occupancy levels, all of which were above the national median in both 2013 and 2014. Nevertheless, properties financed with more than 20% of hard debt also reported fairly strong occupancy levels that track closely behind the least-levered subset. For all four hard debt ratio ranges, physical occupancy rates were clustered between 97% and 98% and between 96% and 97% for economic occupancy. The data seem to suggest that a property's hard debt ratio has little bearing on its occupancy performance.

Underperformance —

Physical and Economic Occupancy by Hard Debt Ratio Range

Figures 3.3.1.13(C)–(D) illustrate occupancy underperformance by hard debt ratio range, as measured by percentage of net equity of the stabilized surveyed portfolio.

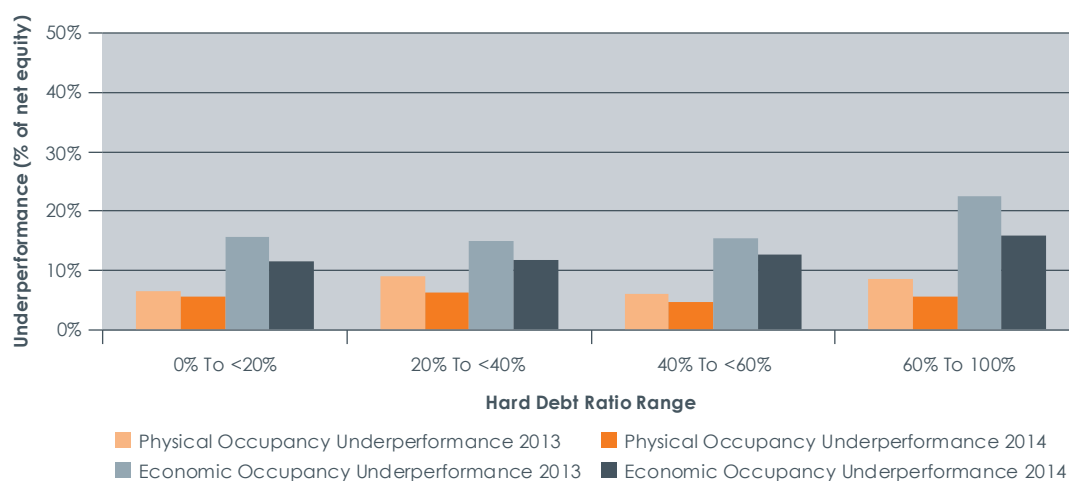
Physical and Economic Occupancy Underperformance by Hard Debt Ratio Range (% of net equity)

FIGURE 3.3.1.13(C)

Hard Debt Ratio Range	% of Stabilized Portfolio	Physical Occupancy Below 90%		Economic Occupancy Below 90%	
		2013	2014	2013	2014
0% To <20%	48.2%	6.3%	5.4%	15.4%	11.3%
20% To <40%	30.0%	8.8%	6.0%	14.8%	11.6%
40% To <60%	14.6%	5.8%	4.4%	15.3%	12.4%
60% To 100%	7.2%	8.3%	5.4%	22.2%	15.7%

Physical and Economic Occupancy Underperformance by Hard Debt Ratio Range (% of net equity)

FIGURE 3.3.1.13(D)



The incidence of physical occupancy underperformance was below 9% in both 2013 and 2014 across all levels of hard debt. Levels of economic occupancy underperformance were under 16% in both 2013 and 2014, with the exception of properties that are more than 60% leveraged (collectively representing 7.2% of the total surveyed portfolio in terms of net equity). The most highly levered subset revealed 22% of economic occupancy underperformance in 2013; although this statistic improved to just below 16% in 2014, all other subsets had at most 12% of economic occupancy underperformance. Aside from the most highly levered group, data results suggest that incidences of occupancy underperformance do not vary drastically based on a project's level of leverage, if the project has less than 60% of hard debt.

3.3.1.14 Summary of Conclusions — Physical and Economic Occupancy Performance

Based on the preceding analyses, it appears that, in addition to geographic location (arguably the most influential determinant of a project's occupancy level), other leading factors that play a role in a housing tax credit project's occupancy performance include the property's age, size, tenancy type, development type, availability of rental assistance and property tax relief, and level of hard debt. Conversely, whether a property is high-rise, mid-rise, or low-rise; whether it was developed by a non-profit or for-profit entity; and whether it was financed using 9% or 4% credits seem to have little impact on the occupancy performance of a housing tax credit project.

3.3.2 Debt Coverage Ratio and Per Unit Cash Flow

3.3.2.1 Median DCR and Per Unit Cash Flow by Region

Figures 3.3.2.1 (A)-(C) present, by region, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

Median DCR and Per Unit Cash Flow by Region

FIGURE 3.3.2.1(A)

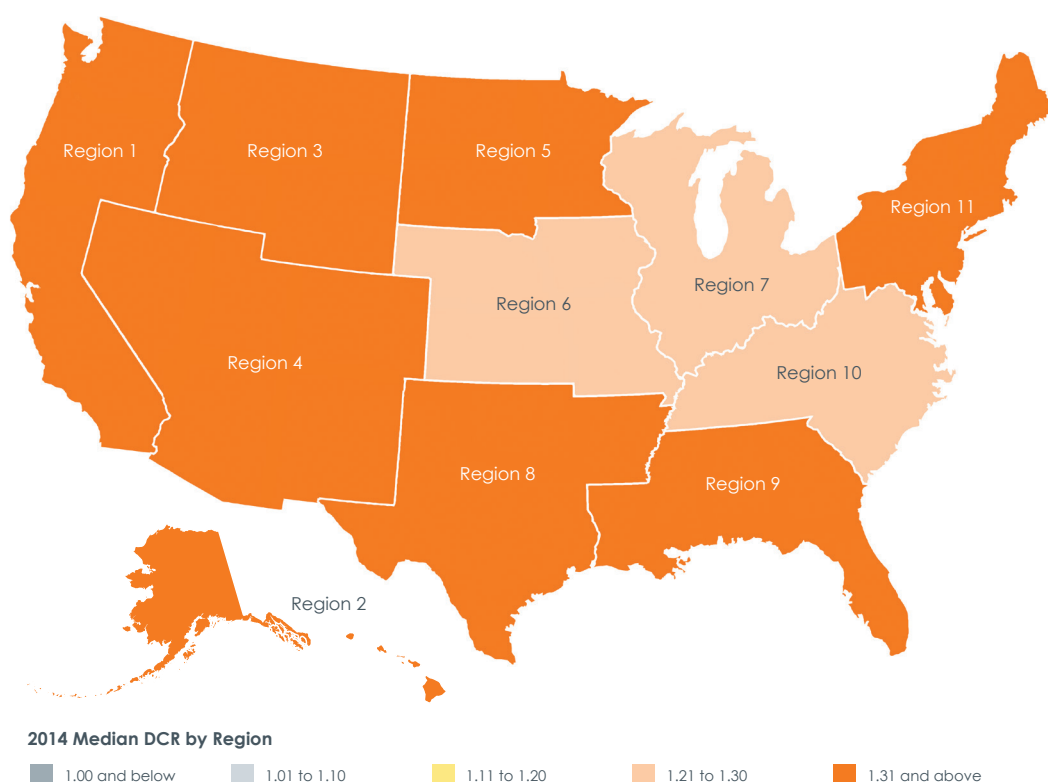
Region Number	Constituent States	% of Stabilized Portfolio	Median Debt Coverage Ratio							Median Per Unit Cash Flow						
			2008	2009	2010	2011	2012	2013	2014	2008	2009	2010	2011	2012	2013	2014
Region 1	CA, OR, WA	18.9%	1.28	1.27	1.32	1.36	1.34	1.34	1.37	\$615	\$663	\$658	\$802	\$753	\$904	\$956
Region 2	AK, HI	0.5%	1.21	1.28	1.30	1.28	1.22	1.29	1.40	\$735	\$1,169	\$959	\$778	\$789	\$846	\$1,273
Region 3	ID, MT, WY	0.7%	1.04	1.00	1.13	1.19	1.25	1.34	1.31	\$130	\$162	\$264	\$412	\$465	\$568	\$701
Region 4	AZ, CO, NM, NV, UT	4.5%	1.17	1.14	1.26	1.27	1.29	1.33	1.39	\$375	\$444	\$548	\$592	\$580	\$681	\$792
Region 5	MN, ND, SD	2.0%	1.20	1.22	1.33	1.36	1.38	1.39	1.42	\$470	\$614	\$604	\$666	\$745	\$749	\$832
Region 6	IA, KS, NE, MO	3.8%	1.13	1.12	1.18	1.20	1.22	1.24	1.23	\$226	\$233	\$250	\$248	\$294	\$375	\$322
Region 7	IN, IL, MI, OH, WI	13.9%	1.02	1.09	1.16	1.21	1.23	1.22	1.21	\$42	\$201	\$304	\$348	\$384	\$391	\$363
Region 8	AR, OK, TX	7.9%	1.16	1.06	1.22	1.18	1.23	1.28	1.34	\$218	\$302	\$362	\$295	\$364	\$492	\$593
Region 9	AL, FL, GA, LA, MS	12.3%	1.16	1.06	1.20	1.27	1.23	1.32	1.42	\$187	\$221	\$292	\$350	\$331	\$497	\$573
Region 10	KY, NC, SC, TN, VA, WV	8.2%	1.15	1.14	1.24	1.26	1.27	1.30	1.31	\$209	\$328	\$402	\$425	\$436	\$459	\$436
Region 11	CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT	26.0%	1.19	1.22	1.34	1.38	1.46	1.39	1.40	\$238	\$420	\$511	\$623	\$726	\$745	\$736
Region 12	GU, PR, VI	1.3%	1.19	1.23	1.23	1.27	1.31	1.24	1.29	\$438	\$485	\$521	\$473	\$553	\$586	\$641

Properties located on the West Coast, the Northeast, the Southwest, and the Minnesota-Dakota regions performed as well or better than the national median measured in terms of DCR and per unit cash flow in both 2013 and 2014. While the 2014 DCR of three of the

12 regions receded slightly from the previous year, notable improvements in DCR were shown among the Alaska-Hawaii, Arkansas-Oklahoma-Texas, and Southeast regions (Regions 2, 8, and 9), where median DCRs were below median in 2013 but passed the median line in 2014.

2014 Median DCR by Region

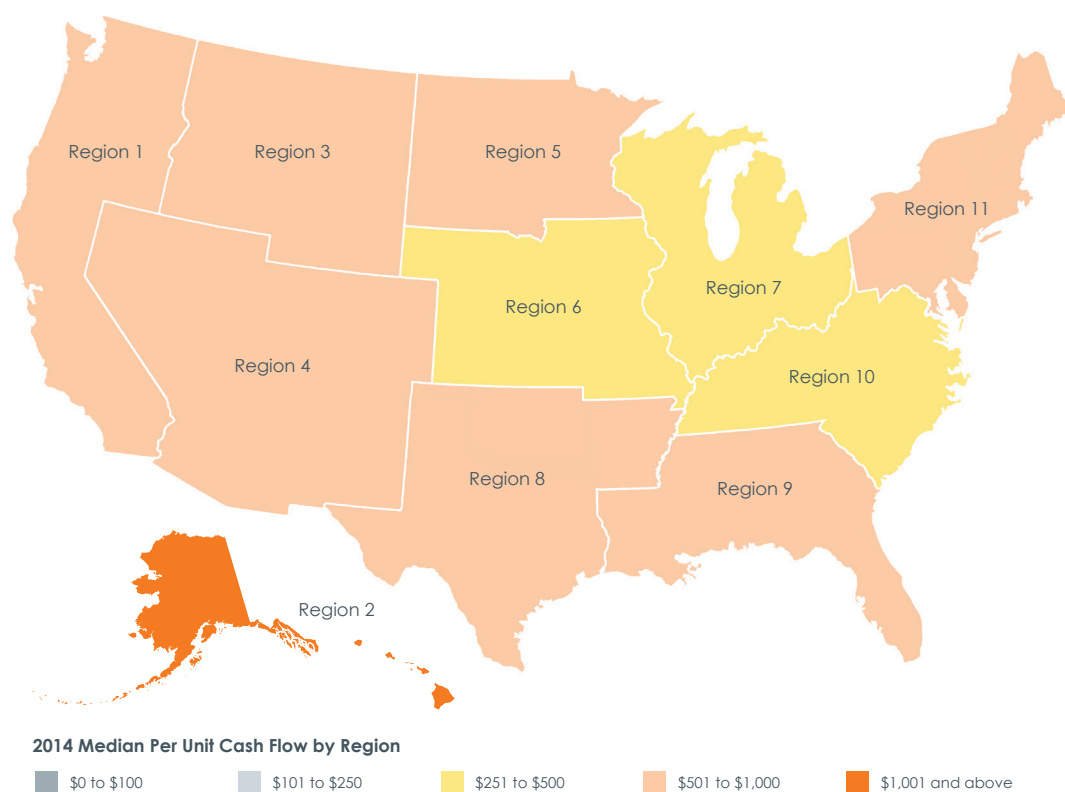
FIGURE 3.3.2.1(B)



From a per unit cash flow perspective, half of the 12 regions reported median per unit cash flow in excess of the \$571 national median in 2013, and the same regions, with the addition of Region 3, surpassed the \$597 national median in 2014. The West Coast region (Region 1) reported the most favorable per unit cash flow in 2013 at \$904, but the Alaska-Hawaii region (Region 2) exhibited the most favorable per unit cash flow in 2014, at \$1,273. While the Alaska-Hawaii region's median per unit cash flow level was very strong, especially in 2014, we consider projects in these states to be somewhat of an outlier as the sample size in this region consisted of only 52 stabilized properties, representing roughly 0.5% of the overall stabilized portfolio. As such, a small number of well-performing properties in the Alaska-Hawaii region could have a notable impact on the overall regional cash flow performance. It is also worth mentioning that over 43% of the surveyed housing credit properties (measured by net equity) in the Alaska-Hawaii region benefit from project-based rental assistance, which is higher than the 34% national median.

2014 Median Per Unit Cash Flow by Region

FIGURE 3.3.2.1(C)



On the opposite end of the spectrum, Region 6 (Iowa, Kansas, Nebraska, and Missouri) reported the least favorable per unit cash flow levels in both study years of \$375 in 2013, which dropped slightly to \$322 in 2014. While the U.S. Territories (Region 12) reported increasing median per unit cash flow that has consistently been above the national median since 2011, this region's median DCR tailed off a bit from 1.31 in 2012 to 1.24 in 2013; while its median DCR bounced back to 1.29 in 2014, it remained below the national median.

Underperformance — DCR and Per Unit Cash Flow by Region

Figures 3.3.2.1 (D)-(F) illustrate DCR and per unit cash flow underperformance by region, as measured by percentage of net equity of the stabilized surveyed portfolio. Regions are colored such that each performance range is indicated with a different color. It is important to note that, consistent with the data samples collected in previous years, the East and West Coast regions have the largest representation of properties in the survey sample, and thus their performance has had the largest influence on overall national portfolio performance.

DCR and Per Unit Cash Flow Underperformance by Region (% of net equity)

FIGURE 3.3.2.1(D)

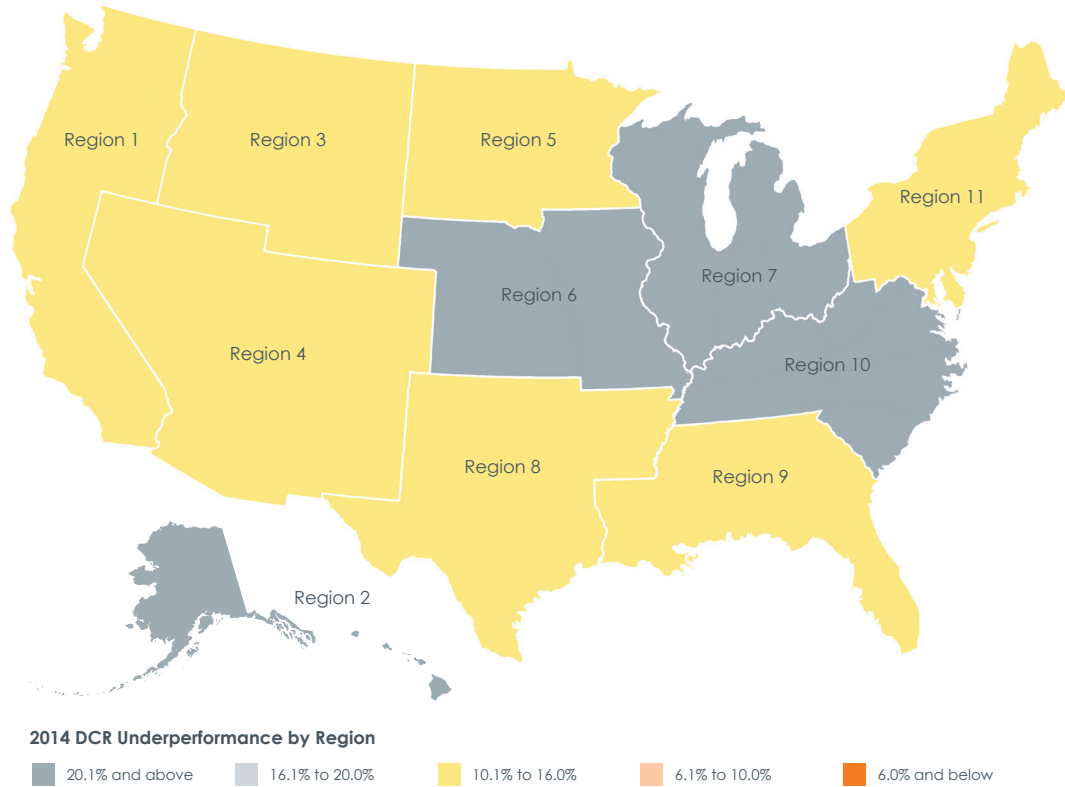
Region Number	Constituent States	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
			2013	2014	2013	2014
Region 1	CA, OR, WA	18.9%	13.6%	11.7%	13.7%	13.1%
Region 2	AK, HI	0.5%	9.4%	10.5%	8.1%	9.6%
Region 3	ID, MT, WY	0.7%	13.8%	11.5%	13.6%	10.7%
Region 4	AZ, CO, NM, NV, UT	4.5%	15.2%	12.7%	17.1%	14.0%
Region 5	MN, ND, SD	2.0%	12.9%	11.0%	14.8%	11.2%
Region 6	IA, KS, NE, MO	3.8%	26.8%	24.4%	26.4%	25.4%
Region 7	IN, IL, MI, OH, WI	13.9%	27.9%	26.8%	27.4%	26.6%
Region 8	AR, OK, TX	7.9%	19.4%	15.0%	21.2%	16.1%
Region 9	AL, FL, GA, LA, MS	12.3%	18.5%	15.2%	18.4%	15.4%
Region 10	KY, NC, SC, TN, VA, WV	8.2%	23.5%	22.8%	23.2%	23.4%
Region 11	CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT	26.0%	14.8%	15.2%	18.0%	17.3%
Region 12	GU, PR, VI	1.3%	10.2%	6.5%	9.8%	7.2%



Photo Courtesy of Stratford Capital Group

2014 DCR Underperformance by Region

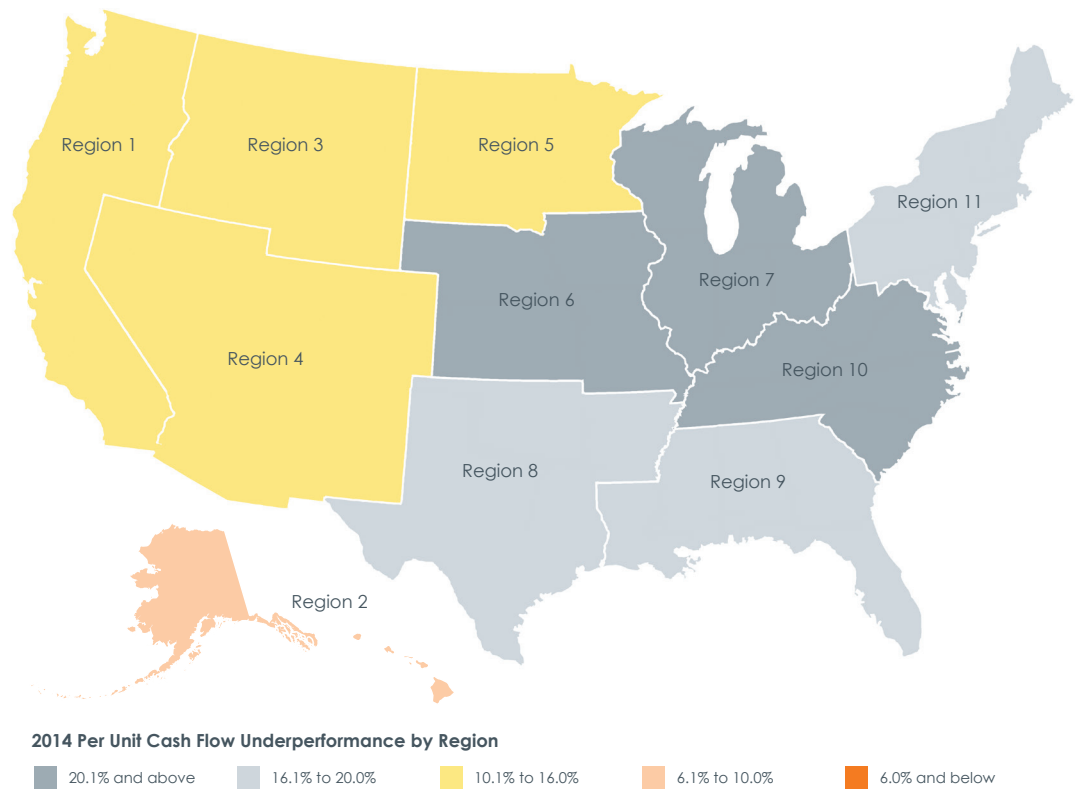
FIGURE 3.3.2.1(E)



The U.S. Territories reported the lowest level of DCR and cash flow underperformance in 2013, not only because of the scarcity of affordable housing in these areas, but also because a disproportionate number of the surveyed stabilized projects in these locations benefit from rental assistance, which serves to minimize rent collection issues and boost effective gross income. While the U.S. Territories still maintained a favorable level of DCR and cash flow underperformance, the Alaska-Hawaii region reported the lowest level of DCR and cash flow underperformance in 2014. While most other regions had less than 20% of their stabilized portfolios dealing with DCR and cash flow underperformance in 2013 and 2014, it should be noted that Regions 6, 7, and 10 which collectively constitute 26% of the surveyed portfolio measured by net equity, continued to lag behind the rest of the nation with approximately a quarter of their respectively portfolios suffering from low DCR and insufficient cash flow.

2014 Per Unit Cash Flow Underperformance by Region

FIGURE 3.3.2.1(F)



3.3.2.2 Median DCR and Per Unit Cash Flow by State

Figures 3.3.2.2(A)–(B) present, by state, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

Median DCR and Per Unit Cash Flow by State

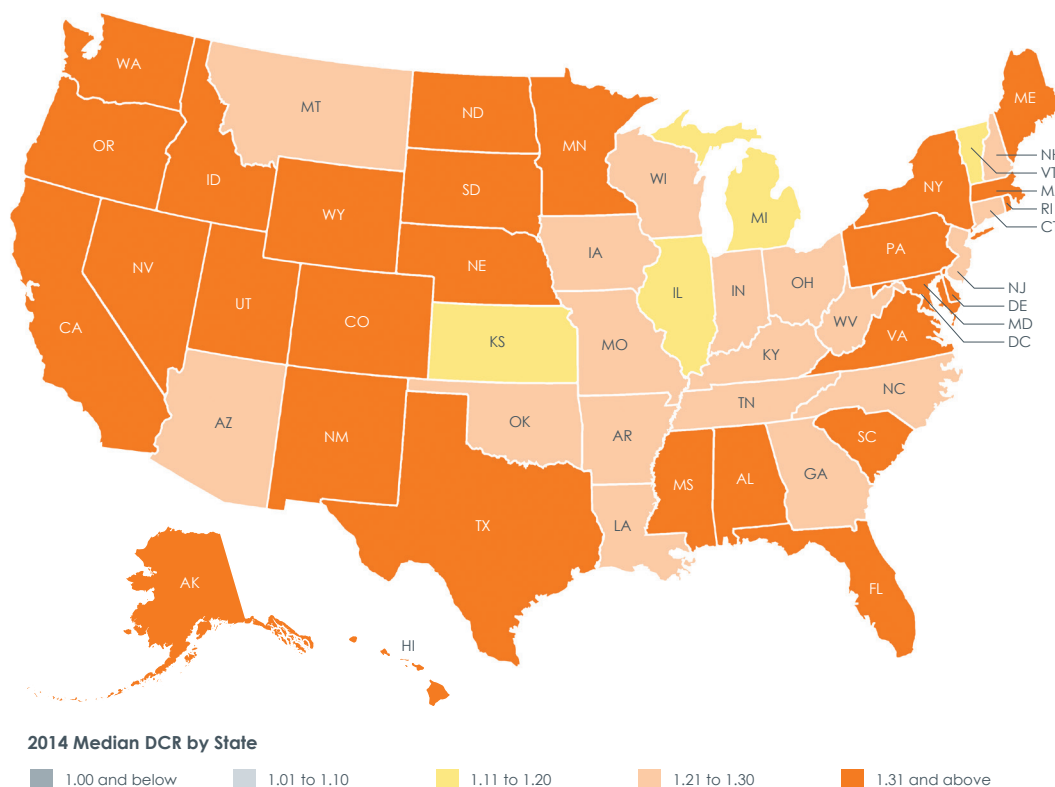
FIGURE 3.3.2.2(A)

State	% of Stabilized Portfolio	Median Debt Coverage Ratio							Median Per Unit Cash Flow	
		2008	2009	2010	2011	2012	2013	2014	2013	2014
AK	0.2%	1.16	1.15	1.21	1.12	1.04	1.17	1.36	\$647	\$1,090
AL	1.4%	1.19	1.32	1.35	1.37	1.31	1.31	1.52	\$332	\$313
AR	0.7%	1.16	1.18	1.17	1.13	1.11	1.10	1.23	\$229	\$272
AZ	1.3%	1.19	1.23	1.24	1.18	1.22	1.24	1.27	\$412	\$451
CA	15.1%	1.34	1.36	1.34	1.36	1.34	1.34	1.36	\$1,026	\$1,092
CO	1.4%	1.10	1.15	1.25	1.23	1.26	1.27	1.35	\$853	\$1,076
CT	1.0%	1.09	1.18	1.19	1.15	1.15	1.13	1.22	\$331	\$531
DC	0.9%	1.10	1.28	1.25	1.21	1.28	1.34	1.29	\$1,407	\$1,161
DE	0.3%	1.20	1.16	1.19	1.48	1.54	1.31	1.32	\$537	\$386
FL	4.7%	1.12	1.15	1.16	1.29	1.26	1.41	1.53	\$835	\$1,136
GA	2.2%	1.01	1.03	1.05	1.08	1.08	1.28	1.28	\$382	\$367
GU	0.1%	1.17	1.23	1.45	1.57	1.31	1.19	1.22	\$644	\$731
HI	0.3%	1.41	1.68	1.69	1.50	1.46	1.43	1.59	\$1,811	\$2,046
IA	1.2%	1.11	1.12	1.17	1.26	1.25	1.27	1.24	\$419	\$322
ID	0.3%	0.95	0.99	1.04	1.13	1.20	1.34	1.38	\$531	\$713
IL	3.8%	1.11	1.22	1.27	1.27	1.26	1.24	1.20	\$385	\$321
IN	1.8%	0.85	1.05	1.14	1.19	1.22	1.21	1.21	\$267	\$172
KS	0.7%	1.12	1.16	1.13	1.14	1.19	1.16	1.17	\$260	\$268
KY	1.1%	1.04	1.17	1.32	1.07	1.21	1.23	1.22	\$279	\$230
LA	2.6%	1.32	1.24	1.25	1.30	1.27	1.26	1.33	\$493	\$569
MA	3.2%	1.17	1.17	1.27	1.33	1.43	1.34	1.37	\$1,031	\$1,022
MD	1.9%	1.20	1.22	1.26	1.44	1.49	1.43	1.42	\$878	\$863
ME	0.5%	1.29	1.38	1.40	1.23	1.24	1.26	1.30	\$390	\$393
MI	2.7%	1.01	1.07	1.11	1.18	1.20	1.18	1.15	\$351	\$260
MN	1.6%	1.26	1.31	1.36	1.40	1.38	1.44	1.49	\$779	\$898
MO	1.3%	1.16	1.14	1.21	1.16	1.18	1.30	1.23	\$340	\$300
MS	1.4%	1.25	1.13	1.32	1.32	1.26	1.28	1.48	\$480	\$617
MT	0.2%	1.08	1.18	1.27	1.24	1.32	1.34	1.26	\$546	\$486

State	% of Stabilized Portfolio	Median Debt Coverage Ratio							Median Per Unit Cash Flow	
		2008	2009	2010	2011	2012	2013	2014	2013	2014
NC	2.1%	1.20	1.35	1.36	1.32	1.30	1.31	1.32	\$472	\$425
ND	0.3%	1.08	1.19	1.25	1.21	1.30	1.31	1.32	\$719	\$691
NE	0.6%	1.15	1.15	1.24	1.20	1.28	1.28	1.31	\$446	\$487
NH	0.5%	1.06	1.42	1.47	1.46	1.55	1.33	1.32	\$352	\$617
NJ	2.8%	1.17	1.22	1.25	1.24	1.30	1.24	1.24	\$444	\$421
NM	0.5%	1.24	1.26	1.33	1.36	1.39	1.56	1.46	\$609	\$601
NV	0.7%	1.22	1.19	1.29	1.28	1.28	1.32	1.43	\$850	\$989
NY	11.1%	1.26	1.45	1.52	1.53	1.56	1.57	1.56	\$1,067	\$1,019
OH	3.9%	0.99	1.05	1.13	1.24	1.24	1.25	1.28	\$457	\$476
OK	0.7%	1.23	1.17	1.24	1.16	1.25	1.36	1.33	\$443	\$470
OR	1.1%	1.12	1.17	1.20	1.26	1.27	1.33	1.38	\$592	\$648
PA	2.9%	1.16	1.23	1.29	1.30	1.49	1.37	1.38	\$249	\$265
PR	1.2%	1.18	1.24	1.21	1.23	1.31	1.22	1.28	\$526	\$520
RI	0.5%	1.18	1.22	1.20	1.36	1.47	1.26	1.39	\$749	\$665
SC	1.1%	1.13	1.17	1.24	1.18	1.22	1.32	1.38	\$441	\$368
SD	0.2%	1.17	1.20	1.30	1.38	1.40	1.33	1.32	\$676	\$702
TN	1.0%	1.01	1.08	1.12	1.16	1.17	1.15	1.23	\$284	\$266
TX	6.5%	1.14	1.19	1.23	1.20	1.26	1.30	1.36	\$597	\$698
UT	0.5%	1.20	1.27	1.28	1.35	1.31	1.36	1.47	\$727	\$1,038
VA	2.4%	1.17	1.15	1.19	1.31	1.32	1.31	1.33	\$741	\$775
VI	0.1%	2.39	2.20	2.09	1.50	1.77	1.90	2.07	\$1,805	\$2,363
VT	0.4%	1.13	1.29	1.26	1.29	1.39	1.21	1.20	\$414	\$393
WA	2.7%	1.24	1.25	1.26	1.36	1.37	1.38	1.41	\$634	\$725
WI	1.8%	1.03	1.14	1.17	1.18	1.25	1.22	1.23	\$492	\$518
WV	0.5%	1.18	1.22	1.14	1.31	1.21	1.30	1.28	\$263	\$307
WY	0.2%	1.15	1.15	1.14	1.18	1.20	1.34	1.39	\$719	\$906

2014 Median DCR by State

FIGURE 3.3.2.2(B)



Of the 54 States and Territories, 14 consistently performed in line with or better than the nation in terms of DCR and per unit cash flow, whereas 20 other states consistently underperformed compared to the national median, and the performance of the remaining 20 states vacillated between the two years. However, all but two states (Kansas and Michigan, representing 938 properties) reported median DCR of 1.20 or greater in 2014, which is a remarkable statistic and further proof that the demand for affordable housing is not confined to large urban centers or the East and West Coasts. Based on our analysis, nearly three-quarters of the states and territories experienced no change or an improvement in median DCR from 2013 to 2014; the remaining quarter witnessed minor regressions in median DCR. Only three states (Missouri, Montana, and New Mexico) saw a DCR reduction of more than 5%; however, the stabilized surveyed properties in these three states make up only 2.0% of the overall stabilized portfolio. Looking back at our previous study, the fact that none of the states operated at below breakeven in any year since 2010 is another positive indicator that the success of the housing credit program is national in scope.

On a state-by-state basis, the Virgin Islands was the strongest performer in terms of median DCR in both 2013 and 2014. From a cash flow perspective, the Virgin Islands and Hawaii were the front-runners in both years, reporting \$1,800+ and \$2,000+ of median per unit cash flow in 2013 and 2014, respectively. We note that the Virgin Islands and Hawaii have

2014 Median Per Unit Cash Flow by State

[illegible]

Figures 3.3.2.2(D)-(F) illustrate DCR and per unit cash flow underperformance by state, as measured by percentage of net equity of the stabilized surveyed portfolio.

DCR and Per Unit Cash Flow Underperformance by State (% of net equity)

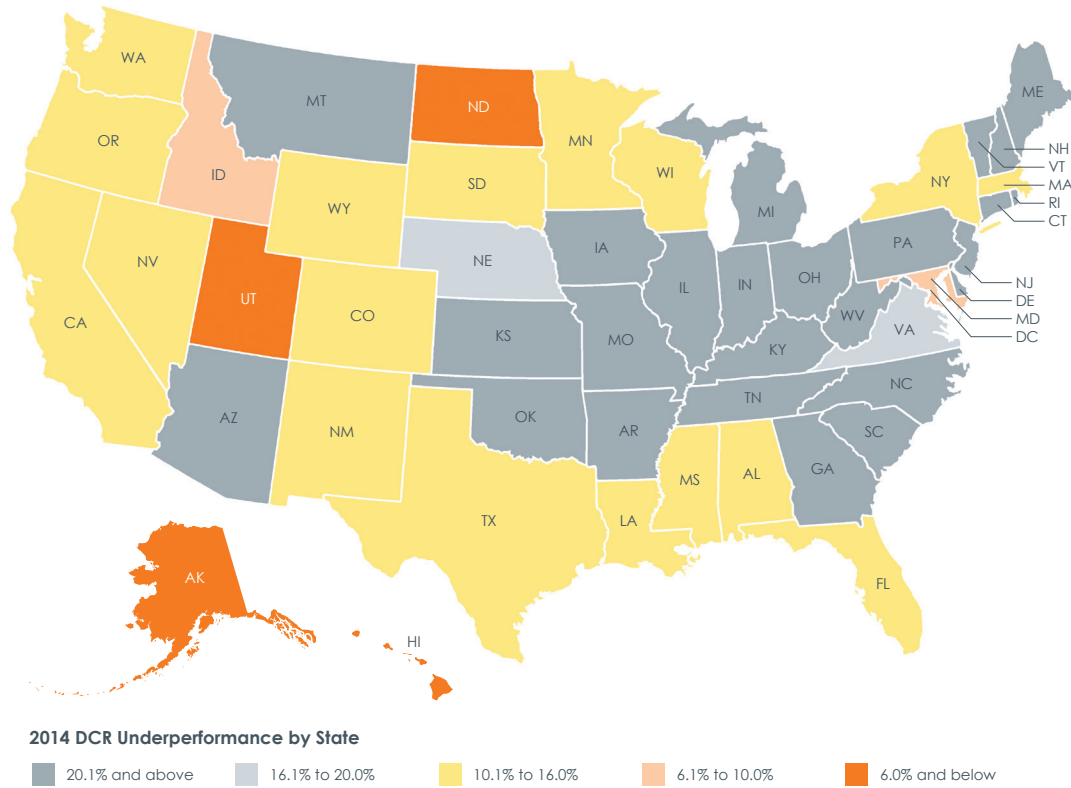
FIGURE 3.3.2.2(D)

State	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00			Per Unit Cash Flow Below \$0		
		2012	2013	2014	2012	2013	2014
AK	0.2%	33.8%	22.3%	23.5%	33.5%	16.2%	19.5%
AL	1.4%	18.4%	16.9%	14.8%	22.9%	15.5%	16.1%
AR	0.7%	30.9%	34.4%	24.5%	36.6%	30.5%	23.6%
AZ	1.3%	21.4%	21.3%	23.9%	22.8%	23.6%	21.1%
CA	15.1%	9.9%	13.3%	12.0%	12.6%	13.2%	13.2%
CO	1.4%	5.3%	13.8%	11.0%	10.4%	13.6%	10.0%
CT	1.0%	15.0%	26.0%	20.1%	20.9%	24.8%	21.4%
DC	0.9%	11.1%	7.4%	10.3%	14.8%	9.5%	12.6%
DE	0.3%	18.2%	21.4%	19.7%	12.3%	20.1%	18.9%
FL	4.7%	17.1%	13.9%	11.1%	18.6%	13.3%	11.0%
GA	2.2%	28.1%	33.9%	28.8%	35.6%	34.7%	28.0%
GU	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
HI	0.3%	8.1%	0.0%	0.0%	4.4%	0.0%	0.0%
IA	1.2%	11.8%	19.4%	21.1%	15.3%	20.5%	23.3%
ID	0.3%	19.3%	7.6%	6.0%	22.0%	8.2%	6.9%
IL	3.8%	21.3%	26.9%	28.8%	22.9%	25.7%	26.8%
IN	1.8%	18.3%	34.2%	29.9%	24.9%	31.8%	34.0%
KS	0.7%	22.7%	34.2%	23.3%	29.7%	35.6%	26.3%
KY	1.1%	22.4%	34.6%	29.4%	29.7%	33.5%	34.0%
LA	2.6%	12.6%	14.6%	14.3%	16.4%	14.7%	15.1%
MA	3.2%	7.3%	9.2%	11.9%	12.7%	11.5%	14.1%
MD	1.9%	6.6%	6.8%	7.8%	9.2%	8.3%	6.8%
ME	0.5%	15.9%	25.9%	24.3%	22.4%	28.4%	28.1%
MI	2.7%	31.6%	33.8%	30.2%	34.1%	33.7%	30.1%
MN	1.6%	11.4%	13.5%	11.9%	14.2%	16.0%	12.5%
MO	1.3%	26.7%	32.0%	32.1%	34.1%	31.0%	30.2%

State	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00			Per Unit Cash Flow Below \$0		
		2012	2013	2014	2012	2013	2014
MS	1.4%	21.1%	22.2%	13.5%	23.4%	22.4%	13.5%
MT	0.2%	6.9%	25.4%	22.3%	7.8%	23.1%	16.5%
NC	2.1%	11.6%	18.8%	21.6%	15.0%	17.3%	19.0%
ND	0.3%	8.3%	5.2%	3.3%	12.8%	7.4%	1.5%
NE	0.6%	16.3%	20.1%	17.2%	19.0%	18.1%	19.3%
NH	0.5%	10.2%	32.4%	34.8%	13.3%	31.0%	33.3%
NJ	2.8%	13.2%	23.0%	27.6%	28.6%	30.5%	31.9%
NM	0.5%	12.5%	10.2%	12.7%	18.8%	12.6%	17.6%
NV	0.7%	19.8%	20.2%	6.1%	28.7%	21.0%	13.2%
NY	11.1%	5.9%	11.6%	11.5%	11.8%	13.1%	12.5%
OH	3.9%	20.8%	24.8%	25.2%	26.6%	25.2%	25.7%
OK	0.7%	18.2%	22.8%	18.6%	25.8%	23.4%	19.0%
OR	1.1%	12.1%	12.9%	11.3%	19.2%	11.8%	11.8%
PA	2.9%	5.0%	26.0%	21.9%	24.1%	31.0%	24.3%
PR	1.2%	2.3%	13.1%	8.0%	5.8%	12.3%	8.8%
RI	0.5%	19.0%	30.5%	20.6%	19.9%	24.7%	17.9%
SC	1.1%	22.4%	21.6%	26.9%	24.0%	21.8%	27.8%
SD	0.2%	4.4%	17.3%	13.7%	7.3%	14.4%	12.3%
TN	1.0%	20.9%	39.2%	28.8%	27.5%	35.2%	32.0%
TX	6.5%	17.4%	18.0%	13.8%	19.4%	20.0%	15.0%
UT	0.5%	6.5%	8.2%	4.1%	8.1%	9.0%	3.8%
VA	2.4%	11.0%	17.9%	16.4%	12.3%	18.2%	16.4%
VI	0.1%	36.2%	0.0%	0.0%	36.2%	0.0%	0.0%
VT	0.4%	6.2%	19.9%	22.0%	10.7%	22.7%	24.6%
WA	2.7%	5.5%	16.1%	9.9%	9.6%	17.1%	12.6%
WI	1.8%	16.7%	22.8%	17.0%	19.3%	21.6%	16.7%
WV	0.5%	18.9%	31.4%	27.1%	23.1%	35.0%	27.5%
WY	0.2%	2.0%	14.1%	10.9%	2.0%	12.8%	10.6%

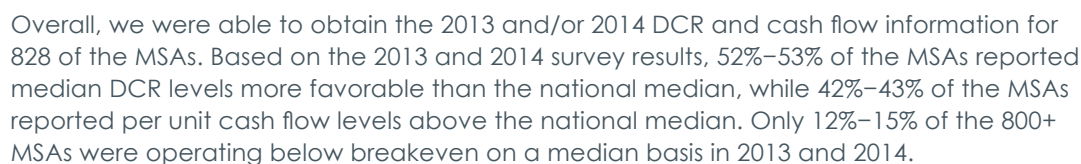
2014 DCR Underperformance by State

FIGURE 3.3.2.2(E)



In comparison to occupancy underperformance by state, DCR and cash flow underperformance were more prevalent. In 2013, nearly half of the states had more than one-fifth (or 20%) of their housing credit portfolios reporting DCR and cash flow underperformance. This statistic improved slightly in 2014. Only ten of the states had more than 30% of their stabilized inventory operating with both DCR and cash flow underperformance in 2013; in 2014, only three states had more than 30% of their stabilized portfolio operating with both of these issues. While the incidence of DCR and cash flow appears to be somewhat widespread on a state level, the states with such issues account for a small percentage of the overall surveyed stabilized population.

FIGURE 3.3.2.2(F)



As previously noted, the top five MSAs, determined by the size of the stabilized portfolio within each MSA as calculated by net equity, consist of the following, which collectively represent nearly 24% of the surveyed stabilized portfolio:

- New York-Newark-Jersey City, NY-NJ-PA
- Los Angeles-Long Beach-Anaheim, CA
- San Francisco-Oakland-Hayward, CA
- Chicago-Naperville-Elgin, IL-IN-WI
- Philadelphia-Camden-Wilmington, PA-NJ-DE-MD

The New York, Los Angeles, and San Francisco MSAs consistently reported median DCR and per unit cash flow levels that were greater than the national portfolio median in 2013 and 2014. The Chicago and Philadelphia MSAs exhibited less favorable median DCR ranging from 1.20 to 1.25 and median per unit cash flow ranging from \$209 to \$469.



Median DCR and Per Unit Cash Flow by MSA

FIGURE 3.3.2.3(A)

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Aberdeen, SD	0.01%	3.02	1.92	\$3,398	\$1,292
Aberdeen, WA	0.01%	1.42	1.50	\$885	\$736
Abilene, TX	0.02%	1.31	1.80	\$244	\$128
Ada, OK	0.00%	1.39	1.30	\$510	\$255
Adjuntas, PR	0.00%	1.14	1.10	\$410	\$293
Adrian, MI	0.01%	2.38	1.39	\$573	\$921
Aguadilla-Isabela, PR	0.05%	1.18	1.12	\$523	\$373
Akron, OH	0.23%	1.46	1.57	\$679	\$756
Alamogordo, NM	0.03%	1.51	1.23	\$572	\$242
Albany, GA	0.05%	1.65	1.85	\$335	\$581
Albany, OR	0.02%	1.36	1.40	\$235	\$284
Albany-Schenectady-Troy, NY	0.34%	2.37	1.53	\$1,156	\$841
Albemarle, NC	0.01%	NA	NA	NA	NA
Albert Lea, MN	0.01%	1.65	1.76	\$591	\$959
Albertville, AL	0.01%	1.47	1.89	\$253	\$445
Albuquerque, NM	0.13%	1.40	1.40	\$319	\$428
Alexandria, LA	0.07%	1.19	1.28	\$422	\$569
Alexandria, MN	0.00%	4.33	4.01	\$1,864	\$1,686
Allentown-Bethlehem-Easton, PA-NJ	0.12%	1.84	1.75	\$915	\$447
Alma, MI	0.02%	0.98	0.96	\$58	\$15
Alpena, MI	0.02%	1.98	1.45	\$667	\$395
Altoona, PA	0.01%	0.81	0.89	\$706	\$816
Altus, OK	0.00%	3.89	1.76	\$389	
Amarillo, TX	0.04%	1.47	1.36	\$736	\$564
Americus, GA	0.01%	0.69	1.30	-\$376	\$336
Ames, IA	0.02%	1.29	1.09	\$472	\$815
Amsterdam, NY	0.00%	NA	NA	NA	NA
Anchorage, AK	0.15%	1.24	1.38	\$782	\$1,136
Angola, IN	0.00%	0.89	0.99	-\$271	-\$18
Ann Arbor, MI	0.05%	1.76	1.60	\$1,850	\$1,797
Anniston-Oxford-Jacksonville, AL	0.01%	3.37	1.57	\$521	\$304
Appleton, WI	0.06%	1.46	1.37	\$781	\$266

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Arcadia, FL	0.04%	-0.52	1.07	-\$1,127	-\$261
Ardmore, OK	0.00%	2.44	1.97	\$1,021	\$686
Arecibo, PR	0.05%	1.18	1.20	\$744	\$928
Arkadelphia, AR	0.00%	0.96	1.25	-\$100	\$245
Arkansas City-Winfield, KS	0.01%	1.03	1.12	\$35	\$134
Asheville, NC	0.13%	1.32	1.30	\$276	\$366
Ashtabula, OH	0.03%	1.55	1.60	\$856	\$881
Astoria, OR	0.02%	1.25	1.44	\$286	\$704
Atchison, KS	0.00%	1.51	1.39	\$457	\$355
Athens, OH	0.02%	1.48	1.41	\$924	\$644
Athens, TN	0.01%	NA	NA	NA	NA
Athens, TX	0.03%	1.75	1.60	\$578	\$806
Athens-Clarke County, GA	0.03%	0.90	0.91	-\$166	-\$181
Atlanta-Sandy Springs-Roswell, GA	1.29%	1.08	1.13	\$274	\$288
Atlantic City-Hammonton, NJ	0.06%	1.23	0.95	-\$13	-\$261
Auburn, IN	0.04%	1.04	1.02	\$75	\$76
Auburn, NY	0.01%	NA	NA	\$1,146	\$539
Auburn-Opelika, AL	0.06%	1.46	1.34	\$474	\$478
Augusta-Richmond County, GA-SC	0.15%	1.35	1.01	\$374	\$9
Augusta-Waterville, ME	0.02%	0.88	1.35	\$429	\$88
Austin, MN	0.00%	NA	NA	NA	NA
Austin-Round Rock, TX	0.50%	1.30	1.37	\$890	\$1,041
Bainbridge, GA	0.01%	0.59	1.25	-\$510	\$313
Bakersfield, CA	0.31%	1.34	1.32	\$478	\$638
Baltimore-Columbia-Towson, MD	1.11%	1.49	1.48	\$889	\$943
Bangor, ME	0.05%	1.94	0.69	\$478	-\$175
Baraboo, WI	0.01%	1.04	1.12	\$77	\$237
Bardstown, KY	0.00%	NA	NA	NA	NA
Barnstable Town, MA	0.08%	1.73	1.71	\$1,145	\$1,441
Bartlesville, OK	0.01%	1.66	0.68	\$723	-\$333
Bastrop, LA	0.02%	1.87	1.55	\$441	\$1,148
Batavia, NY	0.00%	1.30	1.89	\$47	\$227
Baton Rouge, LA	0.23%	1.36	1.38	\$562	\$573
Battle Creek, MI	0.05%	1.14	1.00	\$435	-\$101

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Bay City, MI	0.02%	1.68	1.66	\$873	\$565
Bay City, TX	0.01%	1.60	1.32	\$819	\$458
Beatrice, NE	0.00%	0.96	1.13	\$386	\$196
Beaumont-Port Arthur, TX	0.20%	1.41	1.32	\$577	\$304
Beaver Dam, WI	0.02%	1.63	1.23	\$861	\$77
Beckley, WV	0.04%	1.56	1.51	\$526	\$551
Bedford, IN	0.00%	NA	NA	NA	NA
Beeville, TX	0.01%	NA	1.29	NA	NA
Bellefontaine, OH	0.01%	1.15	2.41	\$322	\$1,444
Bellingham, WA	0.10%	1.47	1.34	\$704	\$918
Bemidji, MN	0.04%	1.13	1.22	\$749	\$501
Bend-Redmond, OR	0.08%	1.43	1.39	\$1,035	\$840
Bennettsville, SC	0.00%	-1.06	-1.11	-\$452	-\$301
Bennington, VT	0.00%	1.90	1.82	\$1,319	\$1,198
Berlin, NH-VT	0.00%	1.74	1.19	\$1,937	\$863
Big Rapids, MI	0.01%	1.22	1.51	\$261	\$176
Big Spring, TX	0.02%	3.59	2.21	\$1,413	\$1,424
Big Stone Gap, VA	0.02%	1.64	1.67	\$1,009	\$1,009
Billings, MT	0.02%	1.03	1.29	\$255	\$743
Binghamton, NY	0.04%	2.85	2.82	\$821	\$737
Birmingham-Hoover, AL	0.19%	1.26	1.43	\$272	\$297
Bismarck, ND	0.05%	1.53	1.71	\$826	\$839
Blackfoot, ID	0.00%	NA	NA	NA	NA
Blacksburg-Christiansburg-Radford, VA	0.07%	1.13	1.32	\$239	\$417
Bloomington, IL	0.02%	1.17	1.09	\$559	\$242
Bloomington, IN	0.02%	1.48	1.21	\$279	\$192
Bloomsburg-Berwick, PA	0.03%	1.36	1.14	\$384	\$59
Bluefield, WV-VA	0.02%	1.36	1.30	\$543	\$404
Blytheville, AR	0.01%	1.14	1.39	\$74	\$340
Bogalusa, LA	0.00%	1.06	1.01	\$244	\$49
Boise City, ID	0.07%	1.12	1.26	\$338	\$480
Boone, IA	0.01%	0.60	0.79	-\$514	-\$296
Boone, NC	0.00%	NA	NA	NA	NA
Borger, TX	0.01%	NA	1.45	NA	NA

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Boston-Cambridge-Newton, MA-NH	1.72%	1.29	1.36	\$961	\$1,078
Boulder, CO	0.07%	1.30	1.39	\$869	\$778
Bowling Green, KY	0.04%	1.51	1.29	\$565	\$372
Bozeman, MT	0.02%	1.28	1.32	\$405	\$448
Bradford, PA	0.00%	NA	NA	\$593	\$775
Brainerd, MN	0.06%	1.94	1.71	\$984	\$738
Branson, MO	0.05%	1.42	1.11	\$296	\$64
Bremerton-Silverdale, WA	0.05%	1.33	1.52	\$1,133	\$1,128
Brenham, TX	0.01%	2.47	1.81	\$1,889	\$1,466
Brevard, NC	0.01%	1.12	1.21	\$153	-\$216
Bridgeport-Stamford-Norwalk, CT	0.28%	1.31	1.32	\$442	\$802
Brookings, OR	0.02%	1.07	1.45	\$141	\$878
Brookings, SD	0.01%	NA	1.44	\$42	\$1,134
Brownsville-Harlingen, TX	0.22%	1.56	1.44	\$598	\$930
Brownwood, TX	0.00%	1.94	2.73	\$718	\$776
Brunswick, GA	0.02%	2.23	1.27	\$1,119	\$598
Bucyrus, OH	0.02%	1.72	1.45	\$351	\$267
Buffalo-Cheektowaga-Niagara Falls, NY	0.42%	1.48	1.19	\$546	\$496
Burley, ID	0.00%	NA	2.61	NA	\$1,687
Burlington, IA-IL	0.04%	1.02	1.22	\$776	\$636
Burlington, NC	0.04%	1.34	1.32	\$454	\$455
Burlington-South Burlington, VT	0.02%	1.42	1.20	\$1,683	\$997
Butte-Silver Bow, MT	0.01%	0.78	0.96	\$1,672	-\$3,119
Cadillac, MI	0.01%	0.96	0.94	-\$72	-\$102
Calhoun, GA	0.01%	1.11	0.97	\$261	-\$63
California-Lexington Park, MD	0.04%	1.36	1.56	\$1,227	\$1,195
Cambridge, MD	0.08%	1.36	1.18	\$457	\$405
Cambridge, OH	0.03%	1.14	1.28	\$556	\$646
Cañon City, CO	0.00%	0.47	-0.06	-\$1,529	-\$3,008
Canton, IL	0.01%	NA	1.54	NA	\$168
Canton-Massillon, OH	0.09%	0.95	0.98	\$12	-\$18
Cape Coral-Fort Myers, FL	0.07%	0.96	1.09	\$46	\$431
Cape Girardeau, MO-IL	0.03%	1.49	1.70	\$305	\$575
Carbondale-Marion, IL	0.04%	1.04	1.12	\$93	\$138

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Carson City, NV	0.05%	1.09	1.31	\$374	\$889
Casper, WY	0.04%	1.70	1.58	\$958	\$906
Cedar Rapids, IA	0.09%	1.24	1.21	\$172	\$15
Cedartown, GA	0.02%	2.53	1.90	\$518	\$268
Celina, OH	0.01%	1.43	1.45	\$184	\$366
Centralia, IL	0.01%	2.09	1.57	\$1,236	\$1,463
Centralia, WA	0.07%	1.39	1.35	\$964	\$546
Chambersburg-Waynesboro, PA	0.04%	4.41	3.85	\$454	-\$85
Champaign-Urbana, IL	0.03%	1.31	1.31	\$981	\$1,001
Charleston, WV	0.10%	1.08	1.05	\$23	\$217
Charleston-Mattoon, IL	0.01%	0.76	0.53	-\$340	-\$963
Charleston-North Charleston, SC	0.18%	1.19	1.22	\$403	\$227
Charlotte-Concord-Gastonia, NC-SC	0.46%	1.16	1.32	\$419	\$604
Charlottesville, VA	0.08%	1.37	1.43	\$631	\$788
Chattanooga, TN-GA	0.11%	1.24	1.21	\$178	\$32
Cheyenne, WY	0.05%	1.37	1.54	\$740	\$1,261
Chicago-Naperville-Elgin, IL-IN-WI	3.12%	1.25	1.20	\$469	\$401
Chico, CA	0.07%	1.35	1.31	\$679	\$464
Chillicothe, OH	0.02%	1.50	1.30	\$226	\$855
Cincinnati, OH-KY-IN	0.48%	1.28	1.24	\$378	\$409
Claremont-Lebanon, NH-VT	0.04%	0.97	0.94	-\$26	-\$63
Clarksburg, WV	0.02%	0.92	0.98	-\$229	-\$248
Clarksdale, MS	0.00%	0.91	0.61	-\$135	-\$719
Clarksville, TN-KY	0.07%	1.20	1.25	\$497	\$415
Clearlake, CA	0.01%	1.48	1.51	\$654	\$687
Cleveland, MS	0.02%	1.33	2.09	\$296	\$973
Cleveland, TN	0.01%	1.66	1.60	\$720	\$651
Cleveland-Elyria, OH	0.77%	1.11	1.18	\$257	\$326
Clewiston, FL	0.01%	0.01	0.66	-\$1,060	-\$309
Clinton, IA	0.01%	1.67	2.22	\$156	\$323
Clovis, NM	0.04%	1.54	1.81	\$616	\$745
Coamo, PR	0.00%	1.28	1.25	\$937	\$830
Coeur d'Alene, ID	0.09%	1.34	1.52	\$638	\$768
Coffeyville, KS	0.01%	0.61	1.07	-\$317	-\$187

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Coldwater, MI	0.00%	1.90	0.80	\$449	-\$732
College Station-Bryan, TX	0.04%	1.38	1.34	\$676	\$215
Colorado Springs, CO	0.07%	1.48	1.57	\$1,789	\$1,883
Columbia, MO	0.01%	1.78	1.42	\$1,279	\$716
Columbia, SC	0.12%	1.18	1.26	\$366	\$305
Columbus, GA-AL	0.07%	1.21	1.11	\$368	\$229
Columbus, IN	0.01%	NA	0.63	NA	NA
Columbus, MS	0.04%	1.80	1.78	\$1,211	\$1,329
Columbus, NE	0.01%	1.10	1.56	\$402	\$908
Columbus, OH	0.84%	1.34	1.32	\$601	\$694
Concord, NH	0.07%	1.27	1.08	\$668	\$263
Connersville, IN	0.00%	2.10	2.48	\$458	\$787
Cookeville, TN	0.01%	1.39	1.58	\$451	\$820
Coos Bay, OR	0.01%	2.14	2.63	\$421	\$814
Cordele, GA	0.02%	2.22	1.05	\$611	\$596
Cornelia, GA	0.01%	0.21	0.10	-\$604	-\$690
Corning, NY	0.02%	1.67	2.40	-\$868	\$434
Corpus Christi, TX	0.20%	1.20	1.47	\$298	\$830
Corsicana, TX	0.00%	1.35	1.55	\$423	\$670
Cortland, NY	0.01%	1.73	2.04	\$948	\$822
Corvallis, OR	0.01%	1.33	1.02	\$694	\$37
Coshocton, OH	0.01%	2.23	1.42	\$1,463	\$503
Crescent City, CA	0.04%	1.10	1.03	\$230	\$78
Crestview-Fort Walton Beach-Destin, FL	0.00%	0.91	1.19	-\$69	\$166
Crossville, TN	0.00%	NA	NA	NA	NA
Cullman, AL	0.01%	1.18	2.10	\$66	\$201
Cullowhee, NC	0.00%	NA	NA	NA	NA
Cumberland, MD-WV	0.02%	1.42	1.29	\$352	\$345
Dallas-Fort Worth-Arlington, TX	1.33%	1.22	1.20	\$475	\$490
Dalton, GA	0.02%	1.92	1.78	\$49	\$229
Danville, IL	0.01%	1.17	0.91	\$380	\$108
Danville, KY	0.00%	1.02	0.00	-\$129	\$0
Danville, VA	0.04%	0.92	0.82	\$181	\$53
Daphne-Fairhope-Foley, AL	0.09%	1.37	1.46	\$599	\$690

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Davenport-Moline-Rock Island, IA-IL	0.22%	1.25	1.19	\$463	\$281
Dayton, OH	0.22%	1.32	1.25	\$599	\$467
Decatur, AL	0.02%	1.57	2.53	\$697	\$185
Decatur, IL	0.07%	0.96	0.25	-\$34	-\$778
Decatur, IN	0.01%	1.50	1.77	\$438	\$564
Defiance, OH	0.02%	1.94	0.97	\$1,553	\$797
Del Rio, TX	0.03%	1.40	1.03	-\$674	\$154
Deltona-Daytona Beach-Ormond Beach, FL	0.17%	1.27	1.52	\$898	\$806
Deming, NM	0.02%	1.37	1.38	\$579	\$457
Denver-Aurora-Lakewood, CO	1.00%	1.26	1.28	\$1,022	\$1,232
DeRidder, LA	0.00%	0.25	0.23	-\$824	-\$846
Des Moines-West Des Moines, IA	0.51%	1.49	1.46	\$911	\$784
Detroit-Warren-Dearborn, MI	0.88%	1.07	1.12	\$121	\$322
Dickinson, ND	0.02%	1.11	1.61	\$228	\$1,284
Dixon, IL	0.01%	1.81	2.50	\$1,305	\$1,756
Dodge City, KS	0.02%	0.64	0.72	\$52	-\$401
Dothan, AL	0.02%	2.43	2.33	\$1,610	\$963
Douglas, GA	0.00%	NA	NA	NA	NA
Dover, DE	0.03%	1.59	1.49	\$643	\$386
Dublin, GA	0.01%	1.28	1.29	\$148	\$207
DuBois, PA	0.00%	1.22	1.65	-\$214	-\$65
Dubuque, IA	0.05%	1.04	1.36	\$290	\$331
Duluth, MN-WI	0.09%	1.57	1.09	\$865	\$421
Dumas, TX	0.01%	NA	NA	NA	NA
Duncan, OK	0.01%	1.08	1.43	\$25	\$1,057
Dunn, NC	0.03%	1.28	1.38	\$325	\$507
Durango, CO	0.03%	1.92	1.81	\$1,949	\$1,643
Durant, OK	0.02%	2.34	1.61	\$1,217	\$993
Durham-Chapel Hill, NC	0.07%	1.14	0.99	\$219	-\$12
Eagle Pass, TX	0.01%	1.26	NA	\$394	\$762
East Stroudsburg, PA	0.00%	NA	NA	\$982	\$1,014
Easton, MD	0.02%	1.32	1.08	\$540	\$128
Eau Claire, WI	0.01%	1.57	1.60	\$378	\$553
Edwards, CO	0.01%	1.45	1.53	\$1,488	\$1,999

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Effingham, IL	0.00%	NA	NA	NA	NA
El Campo, TX	0.00%	1.29	1.23	\$746	\$1,331
El Centro, CA	0.25%	1.10	1.18	\$194	\$211
El Dorado, AR	0.02%	2.11	1.63	-\$27	\$403
El Paso, TX	0.32%	1.67	1.64	\$842	\$885
Elizabeth City, NC	0.03%	1.88	2.29	\$1,146	\$1,162
Elizabethtown-Fort Knox, KY	0.03%	1.91	1.05	\$784	\$197
Elk City, OK	0.00%	1.61	1.38	\$615	NA
Elkhart-Goshen, IN	0.03%	2.28	2.12	\$549	\$179
Elkins, WV	0.01%	1.36	1.51	\$360	\$614
Elko, NV	0.02%	1.75	2.14	\$1,042	\$1,290
Ellensburg, WA	0.02%	1.57	1.47	\$1,031	\$1,081
Elmira, NY	0.01%	3.07	4.51	\$394	\$689
Emporia, KS	0.01%	0.99	1.45	-\$180	\$608
Enid, OK	0.01%	1.29	1.24	\$319	-\$118
Enterprise, AL	0.02%	1.07	1.53	\$46	\$130
Erie, PA	0.06%	0.93	1.41	-\$78	\$314
Escanaba, MI	0.00%	1.54	1.19	\$869	\$46
Española, NM	0.01%	1.66	2.42	\$814	\$2,140
Eugene, OR	0.11%	1.45	1.76	\$574	\$578
Eureka-Arcata-Fortuna, CA	0.03%	1.08	1.29	\$512	\$796
Evanston, WY	0.00%	NA	NA	NA	NA
Evansville, IN-KY	0.07%	2.57	2.43	\$1,178	\$1,088
Fairbanks, AK	0.01%	0.81	0.80	-\$175	-\$364
Fairfield, IA	0.00%	-4.47	-2.73	-\$911	-\$622
Fairmont, WV	0.01%	2.64	2.69	\$1,972	\$2,033
Fallon, NV	0.00%	2.39	1.36	\$1,040	\$269
Fargo, ND-MN	0.09%	1.33	1.30	\$781	\$683
Faribault-Northfield, MN	0.01%	NA	2.95	-\$601	\$2,214
Farmington, MO	0.00%	1.50	0.95	\$236	\$59
Farmington, NM	0.04%	1.05	1.40	\$525	\$575
Fayetteville, NC	0.08%	1.51	1.92	\$481	\$420
Fayetteville-Springdale-Rogers, AR-MO	0.05%	1.28	1.75	\$336	\$403
Fergus Falls, MN	0.00%	1.15	0.90	\$1,230	\$772

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Fernley, NV	0.01%	1.38	1.40	\$655	\$809
Findlay, OH	0.02%	1.03	1.58	\$1,245	\$1,509
Fitzgerald, GA	0.03%	4.11	4.54	\$635	\$665
Flagstaff, AZ	0.05%	1.24	1.31	\$490	\$670
Flint, MI	0.08%	1.09	1.22	\$32	\$122
Florence, SC	0.04%	1.21	1.33	\$483	\$389
Florence-Muscle Shoals, AL	0.05%	1.40	1.91	\$498	\$614
Fond du Lac, WI	0.05%	1.25	1.07	\$587	\$175
Forest City, NC	0.01%	1.79	1.41	\$562	\$371
Forrest City, AR	0.02%	1.48	1.54	\$658	\$693
Fort Collins, CO	0.08%	1.29	1.35	\$422	\$448
Fort Dodge, IA	0.01%	1.64	2.21	\$505	\$697
Fort Leonard Wood, MO	0.01%	1.33	1.24	\$345	\$165
Fort Madison-Keokuk, IA-IL-MO	0.03%	1.90	0.56	\$143	-\$295
Fort Morgan, CO	0.00%	1.62	1.80	\$311	\$541
Fort Polk South, LA	0.00%	0.66	0.69	-\$325	-\$322
Fort Smith, AR-OK	0.05%	0.51	0.92	-\$291	\$35
Fort Wayne, IN	0.18%	1.39	1.51	\$690	\$781
Frankfort, KY	0.00%	0.94	0.99	-\$153	-\$175
Fredericksburg, TX	0.01%	1.41	1.55	\$834	\$1,175
Freeport, IL	0.01%	2.89	2.03	\$580	\$3,797
Fremont, NE	0.02%	1.67	1.70	\$811	\$841
Fremont, OH	0.00%	0.88	0.64	-\$342	-\$1,026
Fresno, CA	0.34%	1.32	1.29	\$666	\$765
Gadsden, AL	0.02%	0.95	2.65	-\$60	\$559
Gaffney, SC	0.01%	1.91	1.91	\$601	\$808
Gainesville, FL	0.05%	1.29	1.27	\$673	\$629
Gainesville, GA	0.01%	0.83	0.76	-\$559	-\$769
Gainesville, TX	0.01%	1.29	1.93	\$349	\$659
Galesburg, IL	0.02%	1.52	1.43	\$525	\$691
Gallup, NM	0.03%	1.60	1.36	\$789	\$916
Garden City, KS	0.01%	1.33	2.15	\$357	\$656
Gardnerville Ranchos, NV	0.00%	NA	NA	NA	NA
Georgetown, SC	0.02%	1.78	1.21	\$811	\$195

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Gettysburg, PA	0.02%	0.92	1.31	\$373	-\$264
Gillette, WY	0.03%	1.15	1.27	\$390	\$777
Glasgow, KY	0.01%	1.17	0.76	\$131	-\$199
Glens Falls, NY	0.06%	1.61	1.82	\$490	\$728
Glenwood Springs, CO	0.03%	0.85	0.79	-\$662	\$1,114
Gloversville, NY	0.02%	NA	8.52	\$549	\$1,217
Goldsboro, NC	0.02%	1.21	1.16	\$269	\$314
Grand Forks, ND-MN	0.04%	1.42	1.62	\$1,176	\$780
Grand Island, NE	0.05%	2.05	1.87	\$989	\$977
Grand Junction, CO	0.03%	1.34	1.59	\$746	\$1,113
Grand Rapids-Wyoming, MI	0.09%	1.66	1.72	\$653	\$646
Grants Pass, OR	0.01%	1.64	1.81	\$602	\$854
Great Bend, KS	0.02%	1.52	1.33	\$326	\$397
Great Falls, MT	0.02%	NA	NA	NA	NA
Greeley, CO	0.03%	1.35	1.37	\$573	\$813
Green Bay, WI	0.06%	1.34	1.39	\$697	\$717
Greeneville, TN	0.02%	0.92	1.06	-\$178	\$324
Greenfield Town, MA	0.01%	NA	1.52	NA	NA
Greensboro-High Point, NC	0.18%	1.13	1.08	\$256	\$208
Greensburg, IN	0.00%	0.52	0.51	-\$348	-\$358
Greenville, MS	0.01%	0.71	0.60	-\$394	-\$792
Greenville, NC	0.03%	1.61	1.28	\$643	\$796
Greenville, OH	0.02%	1.61	1.30	\$929	\$361
Greenville-Anderson-Mauldin, SC	0.22%	1.46	1.57	\$531	\$388
Greenwood, MS	0.02%	0.89	0.87	\$432	\$340
Greenwood, SC	0.02%	1.10	3.38	\$166	\$310
Grenada, MS	0.02%	1.80	1.33	\$957	\$519
Guayama, PR	0.03%	1.22	1.24	\$164	\$266
Gulfport-Biloxi-Pascagoula, MS	0.47%	1.15	1.46	\$311	\$709
Guymon, OK	0.00%	NA	NA	NA	NA
Hagerstown-Martinsburg, MD-WV	0.07%	1.39	1.25	\$478	\$327
Hailey, ID	0.01%	1.41	0.83	\$652	-\$265
Hammond, LA	0.06%	1.34	1.36	\$899	\$488
Hanford-Corcoran, CA	0.08%	1.43	1.39	\$1,202	\$1,107

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Hannibal, MO	0.01%	3.36	3.15	\$242	-\$6
Harrisburg-Carlisle, PA	0.07%	2.12	1.68	\$947	\$292
Harrison, AR	0.01%	1.44	1.08	\$459	\$434
Harrisonburg, VA	0.02%	1.07	1.16	\$108	\$155
Hartford-West Hartford-East Hartford, CT	0.28%	1.07	1.22	\$203	\$538
Hastings, NE	0.02%	1.15	1.23	\$383	\$676
Hattiesburg, MS	0.12%	1.20	1.62	\$368	\$942
Hays, KS	0.01%	1.21	1.19	\$316	\$227
Heber, UT	0.02%	1.42	2.53	\$2,066	\$2,034
Helena, MT	0.02%	1.98	1.19	\$791	\$275
Helena-West Helena, AR	0.01%	NA	NA	\$2,485	\$2,218
Henderson, NC	0.02%	1.84	1.67	\$918	\$1,028
Hereford, TX	0.02%	0.77	1.09	\$459	\$494
Hermiston-Pendleton, OR	0.02%	1.05	1.23	\$81	\$319
Hickory-Lenoir-Morganton, NC	0.04%	1.39	1.14	\$530	\$215
Hillsdale, MI	0.00%	0.79	1.08	-\$527	\$144
Hilo, HI	0.11%	1.49	1.65	\$2,351	\$1,850
Hilton Head Island-Bluffton-Beaufort, SC	0.05%	1.08	1.11	\$220	\$198
Hinesville, GA	0.01%	0.72	0.75	\$15	\$124
Hobbs, NM	0.03%	1.86	1.71	\$1,728	\$1,137
Holland, MI	0.02%	1.49	1.70	\$628	\$620
Homosassa Springs, FL	0.00%	1.06	1.49	\$62	\$570
Hood River, OR	0.01%	2.41	1.97	\$1,789	\$1,391
Hot Springs, AR	0.01%	1.10	1.11	-\$476	-\$236
Houma-Thibodaux, LA	0.04%	1.19	1.25	\$1,645	\$1,180
Houston-The Woodlands-Sugar Land, TX	1.77%	1.27	1.35	\$676	\$860
Hudson, NY	0.04%	0.65	1.27	-\$712	-\$364
Huntington, IN	0.00%	1.26	1.34	\$383	\$541
Huntington-Ashland, WV-KY-OH	0.11%	1.26	1.32	\$428	\$549
Huntsville, AL	0.11%	1.35	1.70	\$485	\$453
Huntsville, TX	0.02%	1.31	1.18	\$541	\$735
Huron, SD	0.01%	1.73	1.32	\$1,315	\$567
Hutchinson, KS	0.02%	1.25	1.41	\$71	\$260
Idaho Falls, ID	0.02%	1.59	1.54	\$1,134	\$1,035

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Indiana, PA	0.01%	1.17	1.38	\$359	\$143
Indianapolis-Carmel-Anderson, IN	0.73%	0.98	1.21	-\$23	\$243
Indianola, MS	0.01%	NA	NA	\$850	\$2,805
Ionia, MI	0.00%	1.93	1.85	\$202	\$351
Iowa City, IA	0.05%	1.35	1.21	\$659	\$446
Iron Mountain, MI-WI	0.00%	0.95	1.83	-\$33	\$597
Ithaca, NY	0.08%	1.76	1.87	\$1,585	\$1,784
Jackson, MI	0.04%	1.62	1.75	\$1,781	\$1,116
Jackson, MS	0.39%	1.54	1.56	\$1,288	\$1,134
Jackson, OH	0.01%	1.40	0.84	\$307	-\$168
Jackson, TN	0.04%	1.11	1.03	\$1,015	\$373
Jackson, WY-ID	0.01%	1.40	0.82	\$851	\$265
Jacksonville, FL	0.25%	1.31	1.44	\$571	\$1,058
Jacksonville, IL	0.02%	2.70	1.72	\$1,578	\$1,636
Jacksonville, NC	0.04%	1.47	2.02	\$379	\$820
Jacksonville, TX	0.01%	1.71	1.55	\$736	\$601
Jamestown, ND	0.00%	1.84	0.56	\$616	-\$320
Jamestown-Dunkirk-Fredonia, NY	0.04%	1.22	1.23	\$487	\$339
Janesville-Beloit, WI	0.04%	1.12	1.31	\$219	\$182
Jasper, IN	0.01%	NA	NA	NA	NA
Jayuya, PR	0.00%	1.04	1.06	\$50	\$84
Jefferson City, MO	0.01%	1.26	1.23	\$317	\$259
Johnson City, TN	0.05%	0.78	1.11	\$53	\$304
Johnstown, PA	0.01%	1.23	1.19	\$255	\$249
Jonesboro, AR	0.03%	1.12	1.31	\$262	\$375
Joplin, MO	0.06%	1.50	1.44	\$443	\$335
Junction City, KS	0.02%	0.92	1.09	-\$62	\$177
Juneau, AK	0.01%	1.27	1.35	\$1,163	\$1,139
Kahului-Wailuku-Lahaina, HI	0.01%	NA	NA	NA	NA
Kalamazoo-Portage, MI	0.09%	1.46	1.71	\$928	\$697
Kalispell, MT	0.02%	1.29	1.22	\$508	\$381
Kankakee, IL	0.02%	1.41	1.12	\$352	\$195
Kansas City, MO-KS	0.60%	1.17	1.27	\$330	\$493
Kapaa, HI	0.00%	NA	NA	NA	NA

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Kearney, NE	0.02%	1.16	0.98	\$369	-\$130
Keene, NH	0.10%	1.23	1.54	\$281	\$642
Kendallville, IN	0.00%	NA	NA	NA	NA
Kennett, MO	0.00%	1.25	1.38	\$147	\$265
Kennewick-Richland, WA	0.05%	2.35	1.92	\$1,681	\$1,318
Kerrville, TX	0.01%	1.08	0.92	\$161	-\$201
Key West, FL	0.01%	NA	NA	\$4,880	NA
Kill Devil Hills, NC	0.01%	3.06	4.70	\$1,637	\$2,435
Killeen-Temple, TX	0.09%	1.32	1.22	\$503	\$389
Kingsport-Bristol-Bristol, TN-VA	0.09%	1.26	1.19	\$388	\$193
Kingston, NY	0.13%	1.13	1.27	\$803	\$326
Kingsville, TX	0.03%	2.05	2.13	\$1,505	\$978
Kinston, NC	0.02%	1.01	0.75	\$2	-\$240
Kirksville, MO	0.00%	NA	NA	NA	NA
Klamath Falls, OR	0.01%	1.66	2.03	\$1,043	\$728
Knoxville, TN	0.12%	1.07	1.01	\$165	\$22
Kokomo, IN	0.02%	1.76	1.77	\$1,007	\$1,092
La Crosse-Onalaska, WI-MN	0.00%	NA	NA	NA	NA
La Grande, OR	0.01%	1.17	1.33	\$415	-\$48
Laconia, NH	0.03%	0.96	0.95	\$258	-\$96
Lafayette, LA	0.24%	1.65	1.73	\$1,020	\$964
Lafayette-West Lafayette, IN	0.04%	1.35	0.78	\$595	-\$367
LaGrange, GA	0.03%	1.19	1.45	\$208	\$465
Lake Charles, LA	0.15%	1.37	1.43	\$581	\$563
Lake City, FL	0.00%	1.69	2.07	\$493	\$768
Lake Havasu City-Kingman, AZ	0.08%	1.22	0.95	\$546	\$181
Lakeland-Winter Haven, FL	0.12%	1.30	1.55	\$458	\$710
Lancaster, PA	0.05%	1.34	1.68	\$386	\$608
Lansing-East Lansing, MI	0.07%	1.25	1.05	\$465	\$82
Laramie, WY	0.01%	1.27	1.27	\$637	\$653
Laredo, TX	0.06%	1.30	1.47	\$508	\$732
Las Cruces, NM	0.04%	1.56	1.49	\$866	\$659
Las Vegas, NM	0.01%	1.80	1.55	\$642	\$448
Las Vegas-Henderson-Paradise, NV	0.45%	1.43	1.52	\$902	\$1,074

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Laurel, MS	0.05%	1.50	1.23	\$549	\$309
Laurinburg, NC	0.04%	2.12	1.29	\$700	\$284
Lawrence, KS	0.02%	1.08	1.05	\$202	\$136
Lawton, OK	0.02%	1.08	1.04	\$154	-\$519
Lebanon, MO	0.00%	1.87	2.10	\$470	\$589
Lebanon, PA	0.03%	1.38	1.29	\$945	\$673
Levelland, TX	0.00%	NA	NA	NA	NA
Lewisburg, PA	0.01%	1.21	1.02	\$496	\$37
Lewisburg, TN	0.01%	0.86	1.28	-\$305	\$456
Lewiston, ID-WA	0.01%	1.28	1.19	\$653	\$612
Lewiston-Auburn, ME	0.05%	1.31	1.10	\$1,042	\$229
Lewistown, PA	0.00%	1.09	0.94	\$77	-\$37
Lexington, NE	0.00%	2.35	2.62	\$909	\$1,167
Lexington-Fayette, KY	0.15%	0.86	1.20	-\$70	-\$95
Liberal, KS	0.02%	0.73	0.91	-\$402	-\$173
Lima, OH	0.03%	1.55	1.86	\$975	\$1,082
Lincoln, IL	0.01%	NA	4.82	NA	NA
Lincoln, NE	0.07%	1.43	1.29	\$522	\$609
Little Rock-North Little Rock-Conway, AR	0.25%	1.09	1.15	\$179	\$271
Lock Haven, PA	0.00%	1.65	1.82	\$706	\$884
Logan, UT-ID	0.08%	1.45	1.71	\$549	\$1,079
Logansport, IN	0.00%	NA	NA	NA	NA
London, KY	0.06%	2.11	1.95	\$984	\$887
Longview, TX	0.04%	1.44	1.36	\$756	\$738
Longview, WA	0.02%	1.09	0.95	\$170	-\$227
Los Angeles-Long Beach-Anaheim, CA	4.34%	1.41	1.42	\$1,356	\$1,401
Louisville/Jefferson County, KY-IN	0.48%	1.00	1.04	\$25	\$128
Lubbock, TX	0.06%	1.08	1.05	\$419	\$438
Ludington, MI	0.01%	NA	0.77	NA	NA
Lufkin, TX	0.05%	1.71	1.77	\$1,353	\$1,416
Lumberton, NC	0.04%	1.95	2.06	\$905	\$321
Lynchburg, VA	0.07%	1.42	1.38	\$571	\$792
Macomb, IL	0.00%	NA	NA	NA	NA
Macon, GA	0.03%	1.52	1.53	\$389	\$227

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Madera, CA	0.06%	1.50	1.65	\$1,085	\$1,130
Madison, IN	0.00%	0.68	0.87	-\$348	-\$143
Madison, WI	0.15%	1.22	1.30	\$703	\$952
Madisonville, KY	0.01%	0.83	0.53	\$981	\$289
Magnolia, AR	0.00%	1.15	1.42	\$187	\$440
Malone, NY	0.01%	NA	NA	-\$279	\$444
Manchester-Nashua, NH	0.09%	1.32	1.45	\$454	\$306
Manhattan, KS	0.05%	1.38	1.27	\$453	\$221
Manitowoc, WI	0.00%	1.19	1.08	\$330	\$144
Mankato-North Mankato, MN	0.03%	1.62	1.40	\$1,173	\$1,303
Mansfield, OH	0.06%	1.17	1.12	\$330	\$190
Marietta, OH	0.02%	1.39	1.87	\$414	\$717
Marinette, WI-MI	0.01%	1.39	1.34	\$825	\$86
Marion, IN	0.02%	1.23	1.42	\$460	\$1,042
Marion, NC	0.01%	1.06	0.05	\$37	-\$1,192
Marion, OH	0.03%	1.21	1.47	\$1,188	\$1,081
Marquette, MI	0.00%	1.53	1.43	\$392	\$327
Marshall, MN	0.00%	0.89	0.93	-\$167	-\$98
Marshall, MO	0.00%	3.22	6.55	\$764	\$1,236
Marshall, TX	0.01%	0.88	0.61	-\$257	-\$825
Marshalltown, IA	0.01%	0.96	1.02	-\$74	\$43
Martin, TN	0.00%	1.17	0.47	\$307	-\$956
Martinsville, VA	0.00%	0.88	0.97	-\$158	-\$47
Maryville, MO	0.00%	1.28	1.22	\$435	\$318
Mason City, IA	0.02%	1.17	1.07	\$240	\$64
Mayagüez, PR	0.09%	1.60	1.72	\$525	\$738
Mayfield, KY	0.01%	1.01	1.35	\$10	\$386
Maysville, KY	0.00%	NA	NA	NA	NA
McAlester, OK	0.05%	1.88	1.50	\$879	\$793
McAllen-Edinburg-Mission, TX	0.26%	1.24	1.39	\$612	\$668
McComb, MS	0.03%	1.81	1.57	\$619	\$480
McMinnville, TN	0.00%	0.34	0.23	-\$3,249	-\$3,238
McPherson, KS	0.01%	1.15	1.18	\$379	\$293
Meadville, PA	0.01%	1.04	1.29	\$36	\$290

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Medford, OR	0.04%	1.23	1.01	\$370	\$31
Memphis, TN-MS-AR	0.31%	1.14	1.31	\$388	\$441
Merced, CA	0.05%	1.15	1.48	\$367	\$1,006
Meridian, MS	0.03%	1.23	1.83	-\$59	\$117
Merrill, WI	0.00%	1.41	1.86	\$191	\$773
Mexico, MO	0.00%	NA	NA	NA	NA
Miami, OK	0.00%	NA	NA	NA	NA
Miami-Fort Lauderdale-West Palm Beach, FL	2.02%	1.55	1.62	\$1,289	\$1,612
Michigan City-La Porte, IN	0.02%	1.29	1.46	\$564	\$625
Middlesborough, KY	0.02%	NA	NA	NA	\$1,571
Midland, MI	0.02%	1.10	1.30	\$246	\$420
Midland, TX	0.04%	2.31	2.47	\$1,828	\$2,118
Milledgeville, GA	0.01%	1.71	1.76	\$783	\$743
Milwaukee-Waukesha-West Allis, WI	0.88%	1.16	1.22	\$490	\$476
Mineral Wells, TX	0.01%	1.15	1.22	\$193	\$288
Minneapolis-St. Paul-Bloomington, MN-WI	1.20%	1.39	1.44	\$742	\$981
Minot, ND	0.02%	1.45	1.53	\$587	\$3,071
Missoula, MT	0.04%	1.64	1.45	\$606	\$1,047
Mitchell, SD	0.01%	2.92	2.22	\$1,922	\$822
Moberly, MO	0.00%	2.11	1.78	\$272	\$294
Mobile, AL	0.21%	1.25	1.74	\$561	\$451
Modesto, CA	0.09%	1.43	1.35	\$878	\$547
Monroe, LA	0.10%	1.19	1.35	\$487	\$751
Monroe, MI	0.00%	0.92	0.91	-\$348	-\$380
Montgomery, AL	0.09%	1.04	1.40	\$145	\$267
Montrose, CO	0.02%	0.73	0.84	-\$578	-\$327
Morehead City, NC	0.02%	1.42	1.44	\$427	\$308
Morgan City, LA	0.00%	-2.51	0.17	-\$2,356	-\$557
Morgantown, WV	0.04%	1.31	1.46	\$800	\$694
Moscow, ID	0.02%	1.38	1.27	\$576	\$532
Moses Lake, WA	0.08%	1.42	1.33	\$390	\$331
Moultrie, GA	0.01%	1.32	0.81	\$200	-\$5
Mount Airy, NC	0.01%	0.96	1.66	-\$33	\$596
Mount Pleasant, MI	0.05%	1.35	1.11	\$702	\$328

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Mount Sterling, KY	0.00%	1.05	0.16	\$555	\$234
Mount Vernon, IL	0.01%	1.25	0.96	\$588	\$1,259
Mount Vernon, OH	0.01%	1.36	1.27	\$461	\$336
Mount Vernon-Anacortes, WA	0.06%	1.59	1.47	\$566	\$692
Mountain Home, AR	0.04%	1.22	1.41	\$270	\$253
Mountain Home, ID	0.00%	0.68	0.62	-\$490	-\$580
Muncie, IN	0.03%	NA	NA	-\$441	-\$318
Murray, KY	0.01%	NA	NA	\$568	\$1,275
Muscatine, IA	0.01%	1.47	0.94	\$780	-\$115
Muskegon, MI	0.03%	0.97	1.86	-\$68	\$2,848
Muskogee, OK	0.02%	0.80	1.15	\$184	\$929
Myrtle Beach-Conway-North Myrtle Beach, SC-NC	0.11%	1.48	1.67	\$810	\$730
Nacogdoches, TX	0.02%	1.37	1.62	\$524	\$732
Napa, CA	0.06%	1.37	1.42	\$955	\$1,165
Naples-Immokalee-Marco Island, FL	0.08%	1.74	2.06	\$1,032	\$1,844
Nashville-Davidson--Murfreesboro--Franklin, TN	0.25%	1.03	1.20	\$247	\$308
Natchez, MS-LA	0.01%	1.54	2.03	\$476	\$474
Natchitoches, LA	0.03%	1.20	1.43	\$446	\$541
New Bern, NC	0.02%	1.04	2.31	\$29	\$602
New Castle, IN	0.02%	2.51	4.41	\$280	\$1,266
New Castle, PA	0.00%	1.17	0.87	\$180	-\$137
New Haven-Milford, CT	0.26%	1.26	1.15	\$494	\$757
New Orleans-Metairie, LA	1.41%	1.44	1.44	\$1,098	\$1,006
New Philadelphia-Dover, OH	0.00%	0.36	0.24	-\$476	-\$705
New York-Newark-Jersey City, NY-NJ-PA	10.73%	1.53	1.51	\$1,178	\$1,169
Newberry, SC	0.03%	1.60	1.35	\$399	\$356
Newport, OR	0.01%	1.42	1.16	\$810	\$58
Newport, TN	0.01%	2.75	2.90	\$989	\$802
Newton, IA	0.01%	1.55	1.75	-\$124	\$276
Niles-Benton Harbor, MI	0.04%	1.76	1.32	\$1,189	\$288
Nogales, AZ	0.06%	2.55	1.51	\$675	\$730
Norfolk, NE	0.01%	1.17	0.71	\$180	-\$112
North Platte, NE	0.02%	1.14	1.28	\$163	\$257
North Port-Sarasota-Bradenton, FL	0.10%	1.34	1.78	\$313	\$1,262

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
North Wilkesboro, NC	0.01%	2.85	2.79	\$610	\$848
Norwalk, OH	0.02%	1.16	1.84	\$254	\$1,211
Norwich-New London, CT	0.01%	0.67	0.70	-\$642	-\$615
Oak Harbor, WA	0.01%	1.56	2.02	\$734	\$1,036
Ocala, FL	0.00%	NA	NA	NA	NA
Ocean City, NJ	0.02%	1.87	1.54	\$1,241	\$769
Odessa, TX	0.05%	2.12	2.09	\$1,286	\$1,367
Ogden-Clearfield, UT	0.12%	1.53	1.37	\$1,219	\$1,181
Ogdensburg-Massena, NY	0.01%	0.60	0.08	-\$1,345	-\$2,007
Oil City, PA	0.00%	0.91	0.81	-\$84	-\$174
Okeechobee, FL	0.01%	1.58	1.64	\$657	\$725
Oklahoma City, OK	0.16%	1.19	1.25	\$556	\$573
Olean, NY	0.02%	3.36	0.93	\$392	-\$229
Olympia-Tumwater, WA	0.03%	1.17	1.18	\$181	\$284
Omaha-Council Bluffs, NE-IA	0.42%	1.23	1.23	\$380	\$446
Oneonta, NY	0.00%	NA	NA	NA	NA
Ontario, OR-ID	0.00%	NA	NA	-\$452	-\$125
Opelousas, LA	0.02%	1.26	1.23	\$410	\$431
Orangeburg, SC	0.03%	1.44	1.31	\$446	\$251
Orlando-Kissimmee-Sanford, FL	0.56%	1.41	1.45	\$965	\$1,164
Oshkosh-Neenah, WI	0.05%	2.12	1.49	\$1,906	\$1,062
Oskaloosa, IA	0.01%	1.71	1.12	\$900	\$98
Othello, WA	0.01%	1.59	1.63	\$531	\$676
Ottawa, KS	0.01%	1.93	1.47	\$958	\$771
Ottawa-Peru, IL	0.05%	1.53	2.48	\$318	\$515
Ottumwa, IA	0.01%	0.84	0.38	-\$312	-\$943
Owatonna, MN	0.01%	1.93	1.89	\$1,297	\$1,250
Owensboro, KY	0.03%	4.85	2.14	\$603	\$379
Owosso, MI	0.01%	2.55	0.71	\$599	\$322
Oxford, MS	0.01%	1.18	1.26	\$380	\$429
Oxford, NC	0.01%	0.81	0.63	-\$132	-\$250
Oxnard-Thousand Oaks-Ventura, CA	0.24%	1.27	1.23	\$1,240	\$1,117
Ozark, AL	0.02%	3.73	2.78	\$1,496	\$1,023
Paducah, KY-IL	0.02%	1.62	1.44	\$673	\$389

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Pahrump, NV	0.00%	1.85	1.84	\$1,260	\$1,383
Palatka, FL	0.02%	0.71	0.74	-\$304	-\$288
Palestine, TX	0.01%	1.68	1.50	\$750	\$654
Palm Bay-Melbourne-Titusville, FL	0.10%	1.25	1.70	\$1,164	\$1,622
Panama City, FL	0.02%	0.83	1.22	-\$595	\$609
Paris, TN	0.01%	NA	NA	NA	NA
Paris, TX	0.01%	1.46	1.54	\$512	\$629
Parkersburg-Vienna, WV	0.01%	2.02	1.87	\$799	\$724
Parsons, KS	0.00%	0.89	0.77	\$507	\$124
Payson, AZ	0.05%	1.94	1.65	\$663	\$318
Pecos, TX	0.01%	1.97	1.90	\$1,092	\$1,005
Pensacola-Ferry Pass-Brent, FL	0.08%	1.17	1.33	\$159	\$214
Peoria, IL	0.10%	1.88	2.34	\$648	\$1,109
Peru, IN	0.00%	NA	NA	NA	NA
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2.50%	1.24	1.23	\$209	\$222
Phoenix-Mesa-Scottsdale, AZ	0.64%	1.19	1.30	\$351	\$759
Picayune, MS	0.00%	0.72	0.19	-\$537	-\$1,567
Pierre, SD	0.00%	NA	NA	NA	NA
Pine Bluff, AR	0.01%	1.04	0.97	\$40	-\$161
Pinehurst-Southern Pines, NC	0.02%	1.21	1.17	\$408	\$502
Pittsburg, KS	0.00%	1.34	1.81	\$492	\$337
Pittsburgh, PA	0.78%	1.33	1.36	\$78	\$233
Pittsfield, MA	0.03%	1.27	1.34	\$307	\$295
Plainview, TX	0.01%	0.77	1.08	-\$311	\$179
Platteville, WI	0.01%	1.80	1.68	\$1,140	\$1,494
Plattsburgh, NY	0.01%	NA	NA	\$1,177	\$39
Plymouth, IN	0.00%	NA	NA	-\$1,223	-\$1,266
Pocatello, ID	0.01%	1.48	1.46	\$680	\$646
Point Pleasant, WV-OH	0.01%	0.32	0.52	-\$376	-\$205
Ponca City, OK	0.00%	NA	NA	NA	NA
Ponce, PR	0.09%	2.05	2.03	\$1,648	\$1,611
Pontiac, IL	0.00%	0.95	0.01	-\$70	-\$1,380
Poplar Bluff, MO	0.00%	1.77	1.95	\$526	\$653
Port Angeles, WA	0.03%	1.74	1.66	\$496	\$503

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Port Clinton, OH	0.01%	1.38	1.05	\$1,047	\$134
Port Lavaca, TX	0.01%	NA	NA	\$697	\$546
Port St. Lucie, FL	0.04%	0.94	1.62	-\$457	\$1,702
Portland-South Portland, ME	0.30%	1.38	1.52	\$466	\$649
Portland-Vancouver-Hillsboro, OR-WA	0.81%	1.27	1.33	\$603	\$671
Portsmouth, OH	0.02%	1.35	1.56	\$583	\$488
Pottsville, PA	0.01%	1.14	1.37	\$417	\$554
Prescott, AZ	0.13%	1.27	1.29	\$342	\$350
Price, UT	0.00%	1.36	1.33	\$572	\$526
Prineville, OR	0.01%	0.54	0.46	-\$687	-\$795
Providence-Warwick, RI-MA	0.59%	1.29	1.46	\$550	\$634
Provo-Orem, UT	0.02%	1.66	1.66	\$1,569	\$1,555
Pueblo, CO	0.05%	1.31	1.91	\$687	\$1,302
Pullman, WA	0.01%	1.80	1.41	\$1,138	\$929
Punta Gorda, FL	0.06%	1.18	1.37	\$448	\$631
Quincy, IL-MO	0.01%	0.55	1.19	-\$2,221	\$429
Racine, WI	0.06%	1.17	1.02	\$650	\$60
Raleigh, NC	0.28%	1.41	1.39	\$556	\$517
Rapid City, SD	0.05%	1.17	1.48	\$837	\$1,055
Raymondville, TX	0.00%	NA	NA	\$1,124	\$686
Reading, PA	0.02%	1.25	1.34	\$295	\$257
Red Bluff, CA	0.02%	0.79	1.20	-\$216	\$909
Red Wing, MN	0.01%	2.01	2.26	\$1,265	\$1,558
Redding, CA	0.04%	1.41	1.23	\$869	\$460
Reno, NV	0.16%	1.07	1.21	\$397	\$840
Rexburg, ID	0.00%	1.63	1.96	\$834	\$969
Richmond, IN	0.01%	6.69	6.15	\$3,899	\$3,529
Richmond, VA	0.49%	1.21	1.21	\$630	\$722
Richmond-Berea, KY	0.01%	1.35	1.46	-\$336	-\$267
Rio Grande City, TX	0.00%	1.56	2.45	\$510	\$1,275
Riverside-San Bernardino-Ontario, CA	1.11%	1.27	1.32	\$671	\$736
Riverton, WY	0.03%	-0.26	0.31	\$259	\$259
Roanoke Rapids, NC	0.02%	1.13	1.70	\$28	\$535
Roanoke, VA	0.09%	1.16	1.24	\$237	\$318

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Rochelle, IL	0.00%	1.23	1.23	\$655	\$325
Rochester, MN	0.04%	1.53	1.90	\$1,293	\$1,650
Rochester, NY	0.51%	1.57	1.53	\$744	\$598
Rock Springs, WY	0.01%	2.02	2.76	\$1,207	\$2,078
Rockford, IL	0.06%	1.48	1.48	\$462	\$692
Rockingham, NC	0.02%	1.37	1.44	\$1,207	\$1,328
Rocky Mount, NC	0.03%	1.33	1.43	\$952	\$971
Rolla, MO	0.00%	0.57	0.84	-\$480	-\$122
Rome, GA	0.02%	1.26	0.39	\$402	-\$953
Roseburg, OR	0.03%	1.37	0.47	\$257	-\$173
Roswell, NM	0.03%	1.84	2.17	\$1,258	\$1,599
Russellville, AR	0.01%	NA	1.32	NA	\$620
Ruston, LA	0.04%	1.35	1.37	\$439	\$468
Rutland, VT	0.00%	1.82	1.64	\$1,192	\$921
Sacramento--Roseville--Arden-Arcade, CA	1.07%	1.26	1.25	\$790	\$740
Safford, AZ	0.03%	1.86	1.85	\$828	\$761
Saginaw, MI	0.05%	1.51	1.46	\$461	\$801
Salem, OH	0.01%	1.03	1.00	\$50	-\$7
Salem, OR	0.07%	1.46	1.55	\$535	\$747
Salina, KS	0.03%	1.17	1.40	\$502	\$949
Salinas, CA	0.25%	1.40	1.34	\$1,693	\$1,165
Salisbury, MD-DE	0.20%	1.45	1.34	\$541	\$333
Salt Lake City, UT	0.25%	1.28	1.39	\$538	\$927
San Angelo, TX	0.03%	2.20	2.59	\$1,742	\$2,084
San Antonio-New Braunfels, TX	0.67%	1.30	1.31	\$712	\$695
San Diego-Carlsbad, CA	1.26%	1.33	1.33	\$1,032	\$1,091
San Francisco-Oakland-Hayward, CA	3.18%	1.34	1.34	\$1,059	\$1,105
San Germán, PR	0.02%	1.62	1.64	\$1,011	\$670
San Jose-Sunnyvale-Santa Clara, CA	1.35%	1.34	1.39	\$1,993	\$1,726
San Juan-Carolina-Caguas, PR	0.63%	1.23	1.31	\$606	\$667
San Luis Obispo-Paso Robles-Arroyo Grande, CA	0.09%	1.61	1.41	\$881	\$904
Sandpoint, ID	0.03%	1.31	1.49	\$384	\$614
Sandusky, OH	0.03%	NA	NA	\$1,898	\$1,624
Sanford, NC	0.02%	1.38	1.04	\$560	\$73

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Santa Cruz-Watsonville, CA	0.15%	1.67	1.76	\$3,014	\$2,020
Santa Fe, NM	0.11%	1.43	1.47	\$915	\$2,490
Santa Maria-Santa Barbara, CA	0.21%	1.20	1.38	\$855	\$1,773
Santa Rosa, CA	0.29%	1.49	1.53	\$1,313	\$1,355
Sault Ste. Marie, MI	0.00%	1.14	1.18	\$104	\$130
Savannah, GA	0.14%	1.34	1.47	\$1,391	\$963
Sayre, PA	0.01%	NA	NA	\$137	-\$117
Scottsbluff, NE	0.01%	1.79	2.83	\$446	\$485
Scottsboro, AL	0.00%	1.79	NA	\$524	\$316
Scranton--Wilkes-Barre--Hazleton, PA	0.07%	1.51	1.55	\$1,645	\$735
Searcy, AR	0.01%	1.12	1.15	\$278	\$129
Seattle-Tacoma-Bellevue, WA	1.75%	1.34	1.41	\$796	\$990
Sebastian-Vero Beach, FL	0.03%	1.72	1.83	\$906	\$1,074
Sebring, FL	0.02%	1.38	1.49	\$426	\$500
Sedalia, MO	0.01%	NA	NA	NA	NA
Selinsgrove, PA	0.00%	NA	NA	NA	NA
Selma, AL	0.03%	1.05	1.16	\$81	\$281
Seneca Falls, NY	0.01%	0.83	0.59	\$395	\$30
Seneca, SC	0.01%	1.46	1.34	\$643	\$601
Sevierville, TN	0.01%	1.89	1.78	\$1,342	\$1,176
Seymour, IN	0.01%	1.11	1.53	\$89	\$238
Shawano, WI	0.03%	0.60	0.66	-\$587	\$363
Shawnee, OK	0.05%	1.36	1.30	\$869	\$762
Sheboygan, WI	0.06%	1.61	1.41	\$1,257	\$960
Shelby, NC	0.04%	1.18	1.29	\$229	\$262
Shelbyville, TN	0.00%	NA	NA	\$235	\$11
Sheridan, WY	0.02%	1.76	2.06	\$1,205	\$1,385
Sherman-Denison, TX	0.01%	1.11	0.93	\$225	-\$153
Show Low, AZ	0.05%	1.23	1.13	\$436	\$359
Shreveport-Bossier City, LA	0.20%	1.06	1.09	\$72	\$170
Sidney, OH	0.01%	1.39	1.47	\$729	\$790
Sierra Vista-Douglas, AZ	0.08%	1.02	1.21	\$393	\$397
Silver City, NM	0.00%	NA	NA	NA	NA
Sioux City, IA-NE-SD	0.06%	1.35	1.24	\$441	\$255

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Sioux Falls, SD	0.04%	1.36	1.37	\$1,261	\$857
Somerset, KY	0.01%	1.63	1.65	\$88	\$245
Somerset, PA	0.00%	NA	NA	\$115	-\$883
Sonora, CA	0.00%	1.42	1.34	\$1,641	\$1,317
South Bend-Mishawaka, IN-MI	0.08%	1.32	1.14	\$838	\$326
Spartanburg, SC	0.08%	1.85	1.91	\$748	\$660
Spearfish, SD	0.01%	NA	1.32	NA	\$532
Spencer, IA	0.01%	1.32	0.60	\$153	-\$192
Spirit Lake, IA	0.00%	1.94	1.30	\$23	-\$26
Spokane-Spokane Valley, WA	0.14%	1.30	1.11	\$325	\$115
Springfield, IL	0.05%	1.54	1.32	\$474	\$218
Springfield, MA	0.36%	1.48	1.31	\$953	\$499
Springfield, MO	0.05%	1.58	1.23	\$541	\$321
Springfield, OH	0.06%	0.78	0.95	-\$395	-\$74
St. Cloud, MN	0.05%	1.22	1.21	\$555	\$507
St. George, UT	0.06%	1.66	1.85	\$941	\$1,102
St. Joseph, MO-KS	0.03%	0.95	1.19	-\$311	-\$184
St. Louis, MO-IL	0.80%	1.17	1.18	\$264	\$320
St. Marys, GA	0.00%	NA	NA	NA	NA
Starkville, MS	0.02%	0.94	1.11	-\$98	\$192
State College, PA	0.03%	1.77	1.87	\$980	\$959
Statesboro, GA	0.02%	2.30	1.72	\$940	\$917
Staunton-Waynesboro, VA	0.06%	1.04	1.30	\$112	\$439
Stephenville, TX	0.01%	2.08	1.97	\$1,076	\$966
Sterling, CO	0.00%	NA	NA	NA	NA
Sterling, IL	0.03%	1.31	1.24	\$406	\$344
Stevens Point, WI	0.03%	1.16	1.17	\$423	\$471
Stillwater, OK	0.08%	1.52	1.84	\$609	\$625
Stockton-Lodi, CA	0.16%	1.50	1.58	\$533	\$946
Storm Lake, IA	0.00%	1.98	1.80	\$1,016	\$825
Sturgis, MI	0.01%	1.30	0.66	\$275	-\$366
Sulphur Springs, TX	0.00%	NA	NA	NA	NA
Summerville, GA	0.02%	1.91	1.95	\$703	\$564
Summit Park, UT	0.00%	NA	NA	\$727	\$256

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Sumter, SC	0.05%	1.13	1.02	\$172	-\$36
Sunbury, PA	0.00%	0.16	0.40	-\$997	-\$797
Susanville, CA	0.02%	1.80	1.39	\$1,145	\$1,138
Sweetwater, TX	0.00%	NA	NA	NA	NA
Syracuse, NY	0.19%	1.94	1.59	\$881	\$485
Tahlequah, OK	0.01%	1.09	1.58	\$199	\$460
Talladega-Sylacauga, AL	0.01%	1.02	1.32	\$15	\$216
Tallahassee, FL	0.02%	0.56	0.84	-\$443	-\$284
Tampa-St. Petersburg-Clearwater, FL	0.89%	1.58	1.53	\$1,221	\$1,125
Taos, NM	0.02%	1.75	1.28	\$608	\$524
Taylorville, IL	0.02%	2.37	1.92	\$991	\$642
Terre Haute, IN	0.02%	1.65	2.44	-\$742	\$3
Texarkana, TX-AR	0.13%	1.05	1.02	\$35	\$65
The Dalles, OR	0.02%	1.59	1.13	\$550	\$80
The Villages, FL	0.01%	NA	NA	NA	NA
Thomaston, GA	0.01%	2.39	1.41	\$163	\$86
Thomasville, GA	0.02%	2.52	2.15	\$1,632	\$1,224
Tiffin, OH	0.02%	0.52	0.56	-\$761	-\$1,407
Tifton, GA	0.01%	0.99	1.07	-\$20	\$3
Toccoa, GA	0.01%	1.88	1.55	\$609	-\$61
Toledo, OH	0.28%	1.18	1.28	\$486	\$428
Topeka, KS	0.09%	1.27	1.07	\$683	\$308
Torrington, CT	0.02%	1.49	1.54	\$708	\$965
Traverse City, MI	0.04%	2.25	1.17	\$710	\$548
Trenton, NJ	0.15%	1.05	1.32	\$525	\$339
Troy, AL	0.02%	1.51	1.64	\$348	\$370
Truckee-Grass Valley, CA	0.05%	1.21	1.19	\$998	\$477
Tucson, AZ	0.14%	0.66	0.79	\$107	\$403
Tulahoma-Manchester, TN	0.02%	1.21	1.05	\$380	\$119
Tulsa, OK	0.16%	1.08	1.17	\$164	\$294
Tupelo, MS	0.01%	1.19	1.54	\$377	\$803
Tuscaloosa, AL	0.13%	1.53	2.04	\$698	\$557
Twin Falls, ID	0.03%	1.23	1.17	\$330	\$356
Tyler, TX	0.02%	1.12	1.64	\$185	\$737

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Ukiah, CA	0.01%	1.20	1.28	\$578	\$860
Union City, TN-KY	0.00%	1.31	1.39	\$350	\$448
Urban Honolulu, HI	0.19%	1.29	1.54	\$1,259	\$2,286
Urbana, OH	0.01%	-1.32	-0.95	-\$927	-\$1,362
Utica-Rome, NY	0.11%	1.22	1.32	\$331	\$736
Uvalde, TX	0.01%	1.07	1.17	\$239	\$589
Valdosta, GA	0.03%	6.38	5.34	\$596	\$581
Vallejo-Fairfield, CA	0.17%	1.36	1.49	\$1,757	\$1,389
Valley, AL	0.02%	1.12	2.29	\$30	\$504
Van Wert, OH	0.01%	1.91	1.23	\$545	\$234
Vermillion, SD	0.00%	NA	NA	\$104	NA
Vernal, UT	0.01%	0.75	1.51	-\$686	\$468
Vernon, TX	0.01%	0.93	1.05	-\$16	\$126
Vicksburg, MS	0.00%	1.18	1.07	\$576	\$226
Victoria, TX	0.02%	1.31	1.36	\$716	\$623
Vidalia, GA	0.02%	2.05	1.22	\$1,120	\$511
Vincennes, IN	0.01%	1.25	1.44	\$366	\$7
Vineland-Bridgeton, NJ	0.08%	0.06	0.94	-\$228	\$43
Virginia Beach-Norfolk-Newport News, VA-NC	0.55%	1.42	1.41	\$894	\$1,208
Visalia-Porterville, CA	0.19%	1.37	1.30	\$668	\$810
Wabash, IN	0.00%	1.07	0.81	\$56	-\$150
Waco, TX	0.06%	1.34	1.38	\$455	\$689
Wahpeton, ND-MN	0.00%	0.26	0.71	\$296	\$170
Walla Walla, WA	0.03%	1.39	1.72	\$386	\$728
Warner Robins, GA	0.01%	1.10	0.86	\$109	-\$174
Warrensburg, MO	0.00%	NA	NA	NA	NA
Warsaw, IN	0.01%	1.70	1.29	\$1,244	\$1,453
Washington Court House, OH	0.04%	1.27	1.42	\$684	\$1,076
Washington, IN	0.01%	1.49	1.57	-\$71	-\$219
Washington, NC	0.02%	3.53	4.56	\$1,460	\$1,713
Washington-Arlington-Alexandria, DC-VA-MD-WV	2.17%	1.38	1.36	\$1,478	\$1,314
Waterloo-Cedar Falls, IA	0.04%	1.88	0.91	\$445	\$360
Watertown, SD	0.00%	NA	NA	NA	NA
Watertown-Fort Atkinson, WI	0.01%	0.79	0.98	-\$583	-\$50

MSA	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Watertown-Fort Drum, NY	0.08%	1.13	1.31	\$706	\$934
Wauchula, FL	0.06%	0.71	0.01	-\$185	-\$881
Wausau, WI	0.05%	1.07	1.01	\$39	\$28
Waycross, GA	0.01%	0.95	1.42	\$101	\$367
Weatherford, OK	0.00%	NA	NA	NA	NA
Weirton-Steubenville, WV-OH	0.05%	1.06	0.95	\$108	-\$129
Wenatchee, WA	0.02%	2.09	1.78	\$747	\$879
West Plains, MO	0.00%	1.24	0.71	\$152	-\$184
Wheeling, WV-OH	0.04%	1.25	1.05	\$398	-\$122
Whitewater-Elkhorn, WI	0.01%	1.25	1.29	\$841	\$617
Wichita Falls, TX	0.07%	1.37	1.62	\$536	\$597
Wichita, KS	0.13%	1.19	1.06	\$287	\$120
Williamsport, PA	0.02%	2.98	1.42	\$1,052	\$888
Williston, ND	0.02%	1.97	2.07	\$1,443	\$1,567
Willmar, MN	0.00%	NA	NA	NA	NA
Wilmington, NC	0.11%	1.43	1.52	\$303	\$632
Wilmington, OH	0.01%	1.96	1.76	\$767	\$674
Wilson, NC	0.02%	2.26	0.57	\$75	-\$315
Winchester, VA-WV	0.02%	1.12	1.29	\$369	\$714
Winnemucca, NV	0.01%	1.57	1.48	\$829	\$782
Winona, MN	0.00%	1.50	1.68	\$373	\$557
Winston-Salem, NC	0.11%	1.20	1.18	\$474	\$343
Wisconsin Rapids-Marshfield, WI	0.01%	1.89	1.72	\$1,513	\$1,256
Wooster, OH	0.00%	1.00	1.18	\$9	\$428
Worcester, MA-CT	0.16%	1.17	1.34	\$670	\$287
Worthington, MN	0.01%	2.12	2.75	\$1,041	\$1,964
Yakima, WA	0.13%	1.40	1.48	\$423	\$354
Yankton, SD	0.01%	0.78	1.17	\$137	\$431
York-Hanover, PA	0.07%	1.62	1.89	\$556	\$373
Youngstown-Warren-Boardman, OH-PA	0.20%	1.34	1.27	\$474	\$294
Yuba City, CA	0.05%	1.47	1.53	\$1,337	\$1,226
Yuma, AZ	0.04%	1.23	1.38	\$333	\$120
Zanesville, OH	0.05%	1.29	1.39	\$479	\$659
Zapata, TX	0.00%	1.27	2.00	\$1,026	\$880

Underperformance — DCR and Per Unit Cash Flow by MSA

Figure 3.3.2.3(B) illustrate DCR and per unit cash flow underperformance by MSA, as measured by percentage of net equity of the stabilized surveyed portfolio. Results marked NA indicate that a meaningful sample size for that particular MSA could not be obtained. Based on the data collected on more than 800 MSAs, around 40% of the MSAs exhibited no incidence of DCR and cash flow underperformance in both years, while roughly 16% of the MSAs were experiencing DCR and cash flow issues in at least 50% of their respective portfolios.

Consistent with our observations concerning occupancy underperformance among the top five MSAs, the Chicago and Philadelphia MSAs once again lagged behind the top three MSAs. Across 2013 and 2014, the Chicago and Philadelphia MSAs reported DCR and cash flow underperformance in 25%–32% of their respective portfolios; incidence of such underperformance was found in only 9%–18% of the New York, Los Angeles, and San Francisco MSAs' portfolios.



DCR and Per Unit Cash Flow Underperformance by MSA (% of net equity)

FIGURE 3.3.2.3(B)

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Aberdeen, SD	0.01%	0.0%	0.0%	0.0%	0.0%
Aberdeen, WA	0.01%	0.0%	0.0%	0.0%	0.0%
Abilene, TX	0.02%	0.0%	57.9%	0.0%	57.9%
Ada, OK	0.00%	52.1%	0.0%	52.1%	0.0%
Adjuntas, PR	0.00%	0.0%	0.0%	0.0%	0.0%
Adrian, MI	0.01%	0.0%	49.1%	49.1%	49.1%
Aguadilla-Isabela, PR	0.05%	15.3%	15.3%	15.3%	15.3%
Akron, OH	0.23%	25.7%	25.3%	25.6%	36.4%
Alamogordo, NM	0.03%	14.7%	14.7%	14.7%	14.7%
Albany, GA	0.05%	0.0%	0.0%	26.2%	4.0%
Albany, OR	0.02%	17.0%	17.0%	17.0%	6.3%
Albany-Schenectady-Troy, NY	0.34%	7.3%	7.5%	6.2%	8.3%
Albemarle, NC	0.01%	NA	NA	NA	NA
Albert Lea, MN	0.01%	0.0%	0.0%	0.0%	0.0%
Albertville, AL	0.01%	0.0%	0.0%	0.0%	0.0%
Albuquerque, NM	0.13%	22.1%	22.1%	30.6%	36.1%
Alexandria, LA	0.07%	2.1%	1.5%	2.0%	1.5%
Alexandria, MN	0.00%	0.0%	0.0%	0.0%	0.0%
Allentown-Bethlehem-Easton, PA-NJ	0.12%	0.0%	0.0%	45.3%	16.0%
Alma, MI	0.02%	66.8%	63.9%	62.7%	60.0%
Alpena, MI	0.02%	0.0%	0.0%	0.0%	0.0%
Altoona, PA	0.01%	100.0%	100.0%	6.1%	6.1%
Altus, OK	0.00%	0.0%	0.0%	0.0%	NA
Amarillo, TX	0.04%	41.4%	41.4%	41.4%	41.4%
Americus, GA	0.01%	100.0%	0.0%	100.0%	60.3%
Ames, IA	0.02%	0.0%	11.6%	6.2%	6.2%
Amsterdam, NY	0.00%	NA	NA	NA	NA
Anchorage, AK	0.15%	21.4%	15.5%	15.5%	11.4%
Angola, IN	0.00%	94.7%	94.7%	94.7%	94.7%
Ann Arbor, MI	0.05%	0.0%	11.0%	0.0%	0.0%
Anniston-Oxford-Jacksonville, AL	0.01%	0.0%	0.0%	15.8%	18.4%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Appleton, WI	0.06%	4.0%	9.2%	3.8%	8.6%
Arcadia, FL	0.04%	90.0%	17.7%	93.1%	53.3%
Ardmore, OK	0.00%	0.0%	0.0%	0.0%	0.0%
Arecibo, PR	0.05%	0.0%	0.0%	0.0%	0.0%
Arkadelphia, AR	0.00%	87.3%	32.8%	87.3%	32.8%
Arkansas City-Winfield, KS	0.01%	22.7%	0.0%	22.7%	0.0%
Asheville, NC	0.13%	16.1%	0.0%	13.5%	0.0%
Ashtabula, OH	0.03%	0.0%	0.0%	0.0%	0.0%
Astoria, OR	0.02%	0.0%	0.0%	0.0%	0.0%
Atchison, KS	0.00%	0.0%	0.0%	0.0%	0.0%
Athens, OH	0.02%	0.0%	0.0%	0.0%	0.0%
Athens, TN	0.01%	NA	NA	NA	NA
Athens, TX	0.03%	0.0%	0.0%	40.8%	0.0%
Athens-Clarke County, GA	0.03%	100.0%	52.2%	100.0%	52.2%
Atlanta-Sandy Springs-Roswell, GA	1.29%	43.3%	36.0%	44.9%	36.0%
Atlantic City-Hammonton, NJ	0.06%	38.8%	58.2%	54.2%	68.7%
Auburn, IN	0.04%	47.2%	42.9%	47.2%	28.3%
Auburn, NY	0.01%	NA	NA	0.0%	0.0%
Auburn-Opelika, AL	0.06%	0.0%	5.7%	0.0%	5.7%
Augusta-Richmond County, GA-SC	0.15%	24.4%	44.1%	24.4%	44.1%
Augusta-Waterville, ME	0.02%	66.7%	33.3%	34.6%	56.8%
Austin, MN	0.00%	NA	NA	NA	NA
Austin-Round Rock, TX	0.50%	8.7%	1.7%	7.8%	1.8%
Bainbridge, GA	0.01%	43.1%	0.0%	43.1%	0.0%
Bakersfield, CA	0.31%	35.9%	41.2%	32.1%	33.6%
Baltimore-Columbia-Towson, MD	1.11%	5.4%	5.9%	7.6%	5.5%
Bangor, ME	0.05%	2.5%	69.6%	21.6%	42.8%
Baraboo, WI	0.01%	0.0%	0.0%	0.0%	0.0%
Bardstown, KY	0.00%	NA	NA	NA	NA
Barnstable Town, MA	0.08%	0.0%	4.5%	0.0%	5.4%
Bartlesville, OK	0.01%	0.0%	100.0%	0.0%	100.0%
Bastrop, LA	0.02%	28.9%	28.9%	9.8%	9.8%
Batavia, NY	0.00%	9.2%	9.2%	9.2%	9.2%
Baton Rouge, LA	0.23%	17.2%	13.7%	16.5%	19.6%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Battle Creek, MI	0.05%	44.6%	34.8%	23.1%	46.4%
Bay City, MI	0.02%	0.0%	0.0%	0.0%	0.0%
Bay City, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Beatrice, NE	0.00%	100.0%	0.0%	66.8%	0.0%
Beaumont-Port Arthur, TX	0.20%	6.5%	29.9%	9.4%	33.4%
Beaver Dam, WI	0.02%	0.0%	1.1%	8.4%	9.4%
Beckley, WV	0.04%	6.2%	15.2%	6.2%	9.9%
Bedford, IN	0.00%	NA	NA	NA	NA
Beeville, TX	0.01%	NA	0.0%	NA	NA
Bellefontaine, OH	0.01%	0.0%	0.0%	0.0%	0.0%
Bellingham, WA	0.10%	11.3%	23.4%	7.3%	15.6%
Bemidji, MN	0.04%	0.0%	0.0%	0.0%	0.0%
Bend-Redmond, OR	0.08%	11.9%	9.1%	9.4%	8.5%
Bennettsville, SC	0.00%	72.8%	72.8%	72.8%	72.8%
Bennington, VT	0.00%	0.0%	0.0%	0.0%	0.0%
Berlin, NH-VT	0.00%	0.0%	0.0%	0.0%	0.0%
Big Rapids, MI	0.01%	36.9%	0.0%	36.9%	0.0%
Big Spring, TX	0.02%	0.0%	0.0%	0.0%	0.0%
Big Stone Gap, VA	0.02%	18.1%	35.4%	18.1%	35.4%
Billings, MT	0.02%	46.4%	32.1%	44.0%	30.4%
Binghamton, NY	0.04%	0.0%	0.0%	0.0%	10.5%
Birmingham-Hoover, AL	0.19%	33.8%	36.8%	28.4%	34.8%
Bismarck, ND	0.05%	0.0%	0.0%	0.0%	0.0%
Blackfoot, ID	0.00%	NA	NA	NA	NA
Blacksburg-Christiansburg-Radford, VA	0.07%	50.5%	26.5%	40.8%	25.0%
Bloomington, IL	0.02%	9.9%	9.9%	9.9%	9.9%
Bloomington, IN	0.02%	0.0%	62.3%	44.5%	44.5%
Bloomsburg-Berwick, PA	0.03%	0.0%	12.0%	9.0%	18.3%
Bluefield, WV-VA	0.02%	22.3%	43.4%	22.3%	43.4%
Blytheville, AR	0.01%	74.2%	0.0%	74.2%	0.0%
Bogalusa, LA	0.00%	0.0%	0.0%	0.0%	0.0%
Boise City, ID	0.07%	5.4%	4.3%	5.4%	4.3%
Boone, IA	0.01%	67.3%	100.0%	67.3%	100.0%
Boone, NC	0.00%	NA	NA	NA	NA

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Borger, TX	0.01%	NA	0.0%	NA	NA
Boston-Cambridge-Newton, MA-NH	1.72%	9.4%	11.4%	11.6%	14.1%
Boulder, CO	0.07%	0.0%	2.6%	0.0%	2.6%
Bowling Green, KY	0.04%	0.0%	3.9%	0.0%	29.3%
Bozeman, MT	0.02%	35.7%	0.0%	35.7%	0.0%
Bradford, PA	0.00%	NA	NA	0.0%	0.0%
Brainerd, MN	0.06%	0.0%	0.0%	0.0%	0.0%
Branson, MO	0.05%	69.4%	74.6%	65.7%	70.6%
Bremerton-Silverdale, WA	0.05%	0.0%	0.0%	0.0%	0.0%
Brenham, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Brevard, NC	0.01%	69.0%	69.0%	69.0%	69.0%
Bridgeport-Stamford-Norwalk, CT	0.28%	30.6%	14.8%	28.9%	24.7%
Brookings, OR	0.02%	43.3%	0.0%	43.3%	0.0%
Brookings, SD	0.01%	NA	0.0%	0.0%	0.0%
Brownsville-Harlingen, TX	0.22%	10.6%	0.0%	10.6%	0.0%
Brownwood, TX	0.00%	0.0%	0.0%	0.0%	0.0%
Brunswick, GA	0.02%	0.0%	0.0%	0.0%	0.0%
Bucyrus, OH	0.02%	0.0%	43.9%	19.7%	55.0%
Buffalo-Cheektowaga-Niagara Falls, NY	0.42%	22.9%	29.2%	26.2%	28.0%
Burley, ID	0.00%	NA	0.0%	NA	0.0%
Burlington, IA-IL	0.04%	0.0%	10.7%	0.0%	0.0%
Burlington, NC	0.04%	51.3%	0.0%	51.3%	0.0%
Burlington-South Burlington, VT	0.02%	0.0%	0.0%	0.0%	0.0%
Butte-Silver Bow, MT	0.01%	100.0%	40.4%	40.4%	40.4%
Cadillac, MI	0.01%	100.0%	100.0%	100.0%	100.0%
Calhoun, GA	0.01%	16.5%	65.7%	16.5%	65.7%
California-Lexington Park, MD	0.04%	5.3%	0.0%	5.0%	0.0%
Cambridge, MD	0.08%	13.2%	14.1%	32.1%	10.2%
Cambridge, OH	0.03%	0.0%	0.0%	0.0%	0.0%
Cañon City, CO	0.00%	100.0%	100.0%	100.0%	100.0%
Canton, IL	0.01%	NA	0.0%	NA	0.0%
Canton-Massillon, OH	0.09%	51.0%	57.2%	47.7%	51.2%
Cape Coral-Fort Myers, FL	0.07%	46.1%	46.1%	36.1%	36.1%
Cape Girardeau, MO-IL	0.03%	0.0%	0.0%	12.0%	0.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Carbondale-Marion, IL	0.04%	52.6%	42.7%	52.6%	42.7%
Carson City, NV	0.05%	32.8%	13.5%	30.0%	13.5%
Casper, WY	0.04%	4.0%	10.8%	4.0%	10.8%
Cedar Rapids, IA	0.09%	0.0%	43.7%	34.0%	39.7%
Cedartown, GA	0.02%	0.0%	0.0%	0.0%	0.0%
Celina, OH	0.01%	26.5%	26.5%	26.5%	26.5%
Centralia, IL	0.01%	0.0%	0.0%	0.0%	0.0%
Centralia, WA	0.07%	14.2%	22.1%	14.2%	23.2%
Chambersburg-Waynesboro, PA	0.04%	0.0%	43.3%	0.0%	39.0%
Champaign-Urbana, IL	0.03%	0.0%	0.0%	0.0%	0.0%
Charleston, WV	0.10%	41.7%	30.2%	49.7%	20.5%
Charleston-Mattoon, IL	0.01%	43.7%	43.7%	43.7%	43.7%
Charleston-North Charleston, SC	0.18%	18.8%	35.4%	18.8%	35.4%
Charlotte-Concord-Gastonia, NC-SC	0.46%	21.2%	24.5%	14.8%	15.5%
Charlottesville, VA	0.08%	27.0%	4.1%	27.0%	4.1%
Chattanooga, TN-GA	0.11%	23.9%	49.4%	37.1%	55.0%
Cheyenne, WY	0.05%	0.0%	0.0%	0.0%	0.0%
Chicago-Naperville-Elgin, IL-IN-WI	3.12%	25.4%	28.7%	23.9%	26.2%
Chico, CA	0.07%	0.0%	2.2%	0.0%	2.2%
Chillicothe, OH	0.02%	0.0%	0.0%	0.0%	0.0%
Cincinnati, OH-KY-IN	0.48%	23.8%	25.5%	32.3%	33.5%
Claremont-Lebanon, NH-VT	0.04%	69.0%	67.1%	61.6%	61.4%
Clarksburg, WV	0.02%	100.0%	58.6%	100.0%	58.6%
Clarksdale, MS	0.00%	86.8%	86.8%	86.8%	86.8%
Clarksville, TN-KY	0.07%	28.6%	41.2%	15.1%	39.3%
Clearlake, CA	0.01%	0.0%	0.0%	0.0%	0.0%
Cleveland, MS	0.02%	2.5%	0.0%	2.5%	0.0%
Cleveland, TN	0.01%	0.0%	0.0%	0.0%	0.0%
Cleveland-Elyria, OH	0.77%	39.3%	24.4%	32.4%	22.9%
Clewiston, FL	0.01%	100.0%	100.0%	100.0%	100.0%
Clinton, IA	0.01%	18.7%	20.1%	15.9%	32.0%
Clovis, NM	0.04%	0.0%	0.0%	0.0%	0.0%
Coamo, PR	0.00%	0.0%	0.0%	0.0%	0.0%
Coeur d'Alene, ID	0.09%	13.0%	7.1%	10.3%	6.1%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Coffeyville, KS	0.01%	78.1%	24.3%	80.4%	51.7%
Coldwater, MI	0.00%	87.2%	12.8%	87.2%	12.8%
College Station-Bryan, TX	0.04%	1.5%	0.0%	1.5%	0.0%
Colorado Springs, CO	0.07%	0.0%	0.0%	0.0%	0.0%
Columbia, MO	0.01%	0.0%	0.0%	0.0%	0.0%
Columbia, SC	0.12%	32.1%	33.7%	30.5%	36.6%
Columbus, GA-AL	0.07%	28.9%	30.9%	28.9%	30.9%
Columbus, IN	0.01%	NA	46.3%	NA	NA
Columbus, MS	0.04%	0.0%	23.2%	0.0%	23.3%
Columbus, NE	0.01%	0.0%	0.0%	0.0%	0.0%
Columbus, OH	0.84%	17.0%	13.0%	22.8%	15.5%
Concord, NH	0.07%	33.0%	45.0%	33.0%	45.0%
Connersville, IN	0.00%	0.0%	0.0%	0.0%	0.0%
Cookeville, TN	0.01%	35.5%	0.0%	35.5%	0.0%
Coos Bay, OR	0.01%	12.4%	0.0%	12.4%	0.0%
Cordele, GA	0.02%	0.0%	0.0%	0.0%	0.0%
Cornelia, GA	0.01%	100.0%	100.0%	100.0%	100.0%
Corning, NY	0.02%	55.6%	0.0%	73.1%	0.0%
Corpus Christi, TX	0.20%	18.6%	10.0%	18.2%	9.8%
Corsicana, TX	0.00%	0.0%	0.0%	0.0%	0.0%
Cortland, NY	0.01%	0.0%	0.0%	0.0%	0.0%
Corvallis, OR	0.01%	0.0%	0.0%	0.0%	0.0%
Coshocton, OH	0.01%	0.0%	0.0%	0.0%	0.0%
Crescent City, CA	0.04%	20.0%	53.6%	20.0%	53.6%
Crestview-Fort Walton Beach-Destin, FL	0.00%	100.0%	51.7%	100.0%	51.7%
Crossville, TN	0.00%	NA	NA	NA	NA
Cullman, AL	0.01%	8.6%	8.6%	8.6%	8.6%
Cullowhee, NC	0.00%	NA	NA	NA	NA
Cumberland, MD-WV	0.02%	74.1%	0.0%	16.8%	0.0%
Dallas-Fort Worth-Arlington, TX	1.33%	27.3%	26.4%	27.0%	27.4%
Dalton, GA	0.02%	0.0%	0.0%	58.9%	0.0%
Danville, IL	0.01%	0.0%	91.7%	0.0%	91.7%
Danville, KY	0.00%	72.5%	100.0%	72.5%	0.0%
Danville, VA	0.04%	72.9%	77.0%	48.1%	50.8%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Daphne-Fairhope-Foley, AL	0.09%	5.5%	5.5%	4.8%	4.8%
Davenport-Moline-Rock Island, IA-IL	0.22%	17.8%	23.0%	16.5%	25.7%
Dayton, OH	0.22%	14.7%	32.2%	12.8%	26.8%
Decatur, AL	0.02%	0.0%	12.6%	0.0%	10.0%
Decatur, IL	0.07%	70.8%	91.1%	70.8%	91.1%
Decatur, IN	0.01%	0.0%	0.0%	0.0%	0.0%
Defiance, OH	0.02%	0.0%	78.9%	0.0%	66.8%
Del Rio, TX	0.03%	0.0%	54.0%	54.0%	54.0%
Deltona-Daytona Beach-Ormond Beach, FL	0.17%	0.0%	0.0%	7.9%	7.9%
Deming, NM	0.02%	0.0%	52.2%	0.0%	52.2%
Denver-Aurora-Lakewood, CO	1.00%	11.5%	11.3%	11.9%	9.7%
DeRidder, LA	0.00%	100.0%	100.0%	100.0%	100.0%
Des Moines-West Des Moines, IA	0.51%	9.2%	4.2%	12.6%	4.5%
Detroit-Warren-Dearborn, MI	0.88%	41.6%	36.1%	44.0%	35.2%
Dickinson, ND	0.02%	0.0%	0.0%	0.0%	0.0%
Dixon, IL	0.01%	0.0%	0.0%	0.0%	0.0%
Dodge City, KS	0.02%	47.6%	52.8%	25.1%	52.8%
Dothan, AL	0.02%	0.0%	0.0%	0.0%	0.0%
Douglas, GA	0.00%	NA	NA	NA	NA
Dover, DE	0.03%	0.0%	0.0%	0.0%	0.0%
Dublin, GA	0.01%	26.0%	12.7%	17.2%	8.4%
DuBois, PA	0.00%	0.0%	0.0%	86.2%	86.2%
Dubuque, IA	0.05%	35.2%	24.3%	33.2%	22.9%
Duluth, MN-WI	0.09%	25.6%	54.2%	25.7%	47.6%
Dumas, TX	0.01%	NA	NA	NA	NA
Duncan, OK	0.01%	0.0%	8.3%	91.7%	0.0%
Dunn, NC	0.03%	35.0%	0.0%	35.0%	0.0%
Durango, CO	0.03%	0.0%	0.0%	0.0%	0.0%
Durant, OK	0.02%	0.0%	0.0%	0.0%	0.0%
Durham-Chapel Hill, NC	0.07%	13.0%	53.9%	11.8%	53.9%
Eagle Pass, TX	0.01%	0.0%	NA	0.0%	0.0%
East Stroudsburg, PA	0.00%	NA	NA	0.0%	0.0%
Easton, MD	0.02%	0.0%	64.4%	0.0%	64.4%
Eau Claire, WI	0.01%	38.9%	0.0%	33.1%	0.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Edwards, CO	0.01%	0.0%	0.0%	37.5%	37.5%
Effingham, IL	0.00%	NA	NA	NA	NA
El Campo, TX	0.00%	0.0%	0.0%	0.0%	0.0%
El Centro, CA	0.25%	17.0%	21.8%	17.8%	21.0%
El Dorado, AR	0.02%	28.3%	0.0%	43.8%	0.0%
El Paso, TX	0.32%	11.0%	6.5%	12.4%	6.3%
Elizabeth City, NC	0.03%	0.0%	0.0%	0.0%	0.0%
Elizabethtown-Fort Knox, KY	0.03%	44.7%	39.1%	44.7%	39.1%
Elk City, OK	0.00%	0.0%	0.0%	0.0%	NA
Elkhart-Goshen, IN	0.03%	75.3%	59.5%	75.3%	75.3%
Elkins, WV	0.01%	0.0%	4.6%	0.0%	4.6%
Elko, NV	0.02%	0.0%	0.0%	0.0%	0.0%
Ellensburg, WA	0.02%	0.0%	0.0%	0.0%	0.0%
Elmira, NY	0.01%	0.0%	0.0%	63.3%	63.3%
Emporia, KS	0.01%	100.0%	0.0%	100.0%	0.0%
Enid, OK	0.01%	0.0%	0.0%	0.0%	45.2%
Enterprise, AL	0.02%	0.0%	65.0%	0.0%	65.0%
Erie, PA	0.06%	74.6%	49.0%	54.9%	35.8%
Escanaba, MI	0.00%	58.3%	58.3%	58.3%	58.3%
Española, NM	0.01%	0.0%	0.0%	0.0%	0.0%
Eugene, OR	0.11%	7.7%	8.7%	7.5%	8.5%
Eureka-Arcata-Fortuna, CA	0.03%	7.4%	26.4%	7.4%	43.8%
Evanston, WY	0.00%	NA	NA	NA	NA
Evansville, IN-KY	0.07%	0.0%	0.0%	11.3%	0.0%
Fairbanks, AK	0.01%	52.6%	100.0%	52.6%	100.0%
Fairfield, IA	0.00%	100.0%	100.0%	100.0%	100.0%
Fairmont, WV	0.01%	0.0%	0.0%	0.0%	0.0%
Fallon, NV	0.00%	0.0%	0.0%	0.0%	0.0%
Fargo, ND-MN	0.09%	0.0%	0.7%	0.0%	0.6%
Faribault-Northfield, MN	0.01%	NA	0.0%	100.0%	0.0%
Farmington, MO	0.00%	0.0%	38.8%	0.0%	11.5%
Farmington, NM	0.04%	29.0%	41.5%	20.4%	29.2%
Fayetteville, NC	0.08%	7.0%	0.0%	5.6%	0.0%
Fayetteville-Springdale-Rogers, AR-MO	0.05%	20.8%	16.0%	23.6%	21.7%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Fergus Falls, MN	0.00%	0.0%	100.0%	0.0%	100.0%
Fernley, NV	0.01%	43.3%	43.3%	43.3%	43.3%
Findlay, OH	0.02%	0.0%	0.0%	0.0%	0.0%
Fitzgerald, GA	0.03%	0.0%	0.0%	0.0%	0.0%
Flagstaff, AZ	0.05%	2.2%	2.2%	2.2%	2.2%
Flint, MI	0.08%	24.6%	14.0%	35.3%	32.7%
Florence, SC	0.04%	37.4%	30.1%	33.6%	27.6%
Florence-Muscle Shoals, AL	0.05%	0.0%	0.0%	0.0%	5.6%
Fond du Lac, WI	0.05%	16.0%	16.0%	16.0%	16.0%
Forest City, NC	0.01%	49.5%	49.5%	24.6%	24.6%
Forrest City, AR	0.02%	0.0%	0.0%	0.0%	0.0%
Fort Collins, CO	0.08%	0.0%	8.8%	0.0%	8.1%
Fort Dodge, IA	0.01%	0.0%	0.0%	0.0%	0.0%
Fort Leonard Wood, MO	0.01%	51.5%	10.9%	51.5%	10.9%
Fort Madison-Keokuk, IA-IL-MO	0.03%	3.2%	57.9%	10.2%	61.0%
Fort Morgan, CO	0.00%	0.0%	0.0%	0.0%	0.0%
Fort Polk South, LA	0.00%	76.7%	76.7%	76.7%	76.7%
Fort Smith, AR-OK	0.05%	100.0%	50.8%	55.3%	36.9%
Fort Wayne, IN	0.18%	5.1%	9.7%	3.4%	12.5%
Frankfort, KY	0.00%	54.2%	54.2%	54.2%	54.2%
Fredericksburg, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Freeport, IL	0.01%	0.0%	0.0%	0.0%	0.0%
Fremont, NE	0.02%	0.0%	0.0%	0.0%	0.0%
Fremont, OH	0.00%	100.0%	100.0%	100.0%	100.0%
Fresno, CA	0.34%	27.2%	20.9%	21.8%	25.5%
Gadsden, AL	0.02%	73.1%	0.0%	81.4%	30.8%
Gaffney, SC	0.01%	0.0%	0.0%	0.0%	0.0%
Gainesville, FL	0.05%	39.4%	39.4%	39.4%	39.4%
Gainesville, GA	0.01%	100.0%	100.0%	100.0%	100.0%
Gainesville, TX	0.01%	0.0%	0.0%	4.8%	0.0%
Galesburg, IL	0.02%	0.0%	0.0%	0.0%	0.0%
Gallup, NM	0.03%	0.0%	3.0%	0.0%	33.9%
Garden City, KS	0.01%	0.0%	0.0%	0.0%	0.0%
Gardnerville Ranchos, NV	0.00%	NA	NA	NA	NA

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Georgetown, SC	0.02%	0.0%	43.0%	0.0%	40.6%
Gettysburg, PA	0.02%	100.0%	0.0%	30.6%	69.4%
Gillette, WY	0.03%	36.7%	0.0%	36.7%	0.0%
Glasgow, KY	0.01%	0.0%	82.1%	0.0%	82.1%
Glens Falls, NY	0.06%	0.0%	0.6%	5.9%	5.9%
Glenwood Springs, CO	0.03%	46.6%	46.6%	46.6%	17.3%
Gloversville, NY	0.02%	NA	0.0%	0.0%	0.0%
Goldsboro, NC	0.02%	36.5%	36.5%	36.5%	36.5%
Grand Forks, ND-MN	0.04%	0.0%	0.0%	3.3%	0.0%
Grand Island, NE	0.05%	10.5%	5.9%	8.5%	5.6%
Grand Junction, CO	0.03%	12.1%	0.0%	12.1%	0.0%
Grand Rapids-Wyoming, MI	0.09%	0.0%	0.0%	3.3%	7.6%
Grants Pass, OR	0.01%	0.0%	0.0%	0.0%	0.0%
Great Bend, KS	0.02%	13.3%	21.0%	9.1%	14.3%
Great Falls, MT	0.02%	NA	NA	NA	NA
Greeley, CO	0.03%	20.3%	0.0%	20.3%	0.0%
Green Bay, WI	0.06%	26.0%	0.3%	25.1%	0.3%
Greeneville, TN	0.02%	100.0%	0.0%	100.0%	63.0%
Greenfield Town, MA	0.01%	NA	0.0%	NA	NA
Greensboro-High Point, NC	0.18%	29.3%	35.2%	25.9%	27.6%
Greensburg, IN	0.00%	100.0%	100.0%	100.0%	100.0%
Greenville, MS	0.01%	100.0%	100.0%	100.0%	100.0%
Greenville, NC	0.03%	19.0%	19.0%	10.7%	10.7%
Greenville, OH	0.02%	0.0%	31.7%	0.0%	31.7%
Greenville-Anderson-Mauldin, SC	0.22%	15.8%	17.5%	17.7%	23.2%
Greenwood, MS	0.02%	52.6%	52.6%	33.6%	33.6%
Greenwood, SC	0.02%	0.0%	0.0%	0.0%	0.0%
Grenada, MS	0.02%	0.0%	0.0%	0.0%	0.0%
Guayama, PR	0.03%	0.0%	0.0%	0.0%	0.0%
Gulfport-Biloxi-Pascagoula, MS	0.47%	25.1%	8.1%	23.7%	10.1%
Guymon, OK	0.00%	NA	NA	NA	NA
Hagerstown-Martinsburg, MD-WV	0.07%	20.2%	23.5%	7.9%	7.1%
Hailey, ID	0.01%	0.0%	100.0%	0.0%	100.0%
Hammond, LA	0.06%	5.1%	7.2%	5.1%	7.2%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Hanford-Corcoran, CA	0.08%	0.0%	16.8%	0.0%	21.6%
Hannibal, MO	0.01%	0.0%	0.0%	0.0%	34.4%
Harrisburg-Carlisle, PA	0.07%	0.0%	6.9%	31.0%	34.8%
Harrison, AR	0.01%	0.0%	0.0%	0.0%	0.0%
Harrisonburg, VA	0.02%	28.8%	17.3%	28.8%	17.3%
Hartford-West Hartford-East Hartford, CT	0.28%	25.7%	24.9%	28.6%	24.4%
Hastings, NE	0.02%	19.8%	29.8%	12.1%	18.2%
Hattiesburg, MS	0.12%	13.5%	5.3%	18.6%	5.0%
Hays, KS	0.01%	8.1%	0.0%	8.1%	0.0%
Heber, UT	0.02%	0.0%	0.0%	0.0%	0.0%
Helena, MT	0.02%	0.0%	7.5%	0.0%	7.5%
Helena-West Helena, AR	0.01%	NA	NA	0.0%	0.0%
Henderson, NC	0.02%	0.0%	0.0%	0.0%	0.0%
Hereford, TX	0.02%	31.3%	31.3%	26.1%	26.1%
Hermiston-Pendleton, OR	0.02%	28.4%	19.8%	25.1%	17.5%
Hickory-Lenoir-Morganton, NC	0.04%	12.1%	34.4%	16.8%	30.8%
Hillsdale, MI	0.00%	100.0%	50.9%	100.0%	50.9%
Hilo, HI	0.11%	0.0%	0.0%	0.0%	0.0%
Hilton Head Island-Bluffton-Beaufort, SC	0.05%	21.3%	23.2%	21.9%	21.4%
Hinesville, GA	0.01%	24.5%	24.5%	24.5%	24.5%
Hobbs, NM	0.03%	0.0%	0.0%	0.0%	0.0%
Holland, MI	0.02%	0.0%	0.0%	0.0%	0.0%
Homosassa Springs, FL	0.00%	0.0%	0.0%	0.0%	0.0%
Hood River, OR	0.01%	0.0%	0.0%	0.0%	0.0%
Hot Springs, AR	0.01%	35.8%	35.8%	49.9%	49.9%
Houma-Thibodaux, LA	0.04%	13.5%	13.5%	10.5%	10.5%
Houston-The Woodlands-Sugar Land, TX	1.77%	14.8%	9.3%	21.1%	14.0%
Hudson, NY	0.04%	25.4%	17.6%	34.8%	34.8%
Huntington, IN	0.00%	0.0%	0.0%	0.0%	0.0%
Huntington-Ashland, WV-KY-OH	0.11%	26.5%	21.7%	26.5%	20.4%
Huntsville, AL	0.11%	14.5%	4.2%	13.9%	7.9%
Huntsville, TX	0.02%	23.1%	23.1%	23.1%	23.1%
Huron, SD	0.01%	0.0%	0.0%	0.0%	0.0%
Hutchinson, KS	0.02%	14.5%	14.5%	11.8%	11.8%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Idaho Falls, ID	0.02%	0.0%	0.0%	0.0%	0.0%
Indiana, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Indianapolis-Carmel-Anderson, IN	0.73%	52.8%	31.4%	44.8%	36.8%
Indianola, MS	0.01%	NA	NA	0.0%	0.0%
Ionia, MI	0.00%	0.0%	72.5%	0.0%	72.5%
Iowa City, IA	0.05%	13.8%	17.5%	12.0%	17.5%
Iron Mountain, MI-WI	0.00%	100.0%	0.0%	100.0%	0.0%
Ithaca, NY	0.08%	20.2%	15.8%	14.3%	14.3%
Jackson, MI	0.04%	0.0%	58.0%	0.0%	44.0%
Jackson, MS	0.39%	6.3%	5.9%	6.2%	5.8%
Jackson, OH	0.01%	43.9%	76.1%	43.9%	76.1%
Jackson, TN	0.04%	61.4%	61.4%	22.3%	26.3%
Jackson, WY-ID	0.01%	0.0%	46.8%	0.0%	46.8%
Jacksonville, FL	0.25%	6.8%	11.0%	12.7%	8.1%
Jacksonville, IL	0.02%	0.0%	0.0%	0.0%	0.0%
Jacksonville, NC	0.04%	12.7%	5.8%	12.7%	5.8%
Jacksonville, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Jamestown, ND	0.00%	0.0%	100.0%	0.0%	100.0%
Jamestown-Dunkirk-Fredonia, NY	0.04%	2.4%	17.3%	18.3%	23.3%
Janesville-Beloit, WI	0.04%	14.4%	14.4%	8.3%	8.3%
Jasper, IN	0.01%	NA	NA	NA	NA
Jayuya, PR	0.00%	0.0%	0.0%	0.0%	0.0%
Jefferson City, MO	0.01%	1.2%	0.0%	1.2%	0.0%
Johnson City, TN	0.05%	60.8%	0.0%	55.0%	31.7%
Johnstown, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Jonesboro, AR	0.03%	2.7%	41.0%	1.9%	41.0%
Joplin, MO	0.06%	30.6%	30.6%	20.6%	18.7%
Junction City, KS	0.02%	100.0%	0.0%	100.0%	0.0%
Juneau, AK	0.01%	0.0%	0.0%	0.0%	0.0%
Kahului-Wailuku-Lahaina, HI	0.01%	NA	NA	NA	NA
Kalamazoo-Portage, MI	0.09%	30.8%	21.5%	25.9%	23.8%
Kalispell, MT	0.02%	0.0%	6.4%	35.5%	6.4%
Kankakee, IL	0.02%	0.0%	40.6%	0.0%	40.6%
Kansas City, MO-KS	0.60%	33.1%	26.4%	32.4%	31.3%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Kapaa, HI	0.00%	NA	NA	NA	NA
Kearney, NE	0.02%	0.0%	32.6%	21.2%	37.8%
Keene, NH	0.10%	38.9%	26.3%	26.1%	18.8%
Kendallville, IN	0.00%	NA	NA	NA	NA
Kennett, MO	0.00%	61.3%	0.0%	61.3%	0.0%
Kennewick-Richland, WA	0.05%	0.0%	0.0%	0.0%	0.0%
Kerrville, TX	0.01%	36.0%	100.0%	36.0%	100.0%
Key West, FL	0.01%	NA	NA	0.0%	NA
Kill Devil Hills, NC	0.01%	0.0%	0.0%	0.0%	0.0%
Killeen-Temple, TX	0.09%	22.3%	0.0%	22.3%	0.0%
Kingsport-Bristol-Bristol, TN-VA	0.09%	31.1%	37.0%	25.5%	39.0%
Kingston, NY	0.13%	25.8%	27.0%	19.4%	22.3%
Kingsville, TX	0.03%	0.0%	0.0%	0.0%	0.0%
Kinston, NC	0.02%	46.7%	93.4%	46.7%	93.4%
Kirksville, MO	0.00%	NA	NA	NA	NA
Klamath Falls, OR	0.01%	22.7%	0.0%	22.7%	0.0%
Knoxville, TN	0.12%	43.6%	39.2%	36.4%	39.3%
Kokomo, IN	0.02%	0.0%	0.0%	0.0%	0.0%
La Crosse-Onalaska, WI-MN	0.00%	NA	NA	NA	NA
La Grande, OR	0.01%	41.1%	41.1%	41.1%	41.1%
Laconia, NH	0.03%	46.1%	46.1%	39.1%	54.3%
Lafayette, LA	0.24%	3.0%	2.5%	3.0%	2.6%
Lafayette-West Lafayette, IN	0.04%	10.2%	43.3%	10.2%	48.8%
LaGrange, GA	0.03%	33.4%	0.0%	33.4%	0.0%
Lake Charles, LA	0.15%	4.6%	6.4%	4.3%	6.3%
Lake City, FL	0.00%	0.0%	0.0%	0.0%	0.0%
Lake Havasu City-Kingman, AZ	0.08%	25.9%	50.4%	17.2%	33.4%
Lakeland-Winter Haven, FL	0.12%	15.9%	7.4%	12.2%	6.6%
Lancaster, PA	0.05%	46.3%	2.2%	25.5%	1.2%
Lansing-East Lansing, MI	0.07%	23.5%	14.7%	22.1%	20.7%
Laramie, WY	0.01%	0.0%	0.0%	0.0%	0.0%
Laredo, TX	0.06%	0.0%	0.0%	39.5%	0.0%
Las Cruces, NM	0.04%	0.0%	7.2%	0.0%	7.5%
Las Vegas, NM	0.01%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Las Vegas-Henderson-Paradise, NV	0.45%	14.6%	2.8%	21.7%	16.8%
Laurel, MS	0.05%	0.0%	19.0%	0.0%	19.0%
Laurinburg, NC	0.04%	16.4%	38.9%	9.5%	22.5%
Lawrence, KS	0.02%	38.0%	38.0%	38.0%	38.0%
Lawton, OK	0.02%	34.6%	34.6%	34.6%	35.2%
Lebanon, MO	0.00%	0.0%	0.0%	0.0%	0.0%
Lebanon, PA	0.03%	0.0%	0.0%	0.0%	0.0%
Levelland, TX	0.00%	NA	NA	NA	NA
Lewisburg, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Lewisburg, TN	0.01%	100.0%	0.0%	100.0%	0.0%
Lewiston, ID-WA	0.01%	0.0%	0.0%	0.0%	0.0%
Lewiston-Auburn, ME	0.05%	0.0%	29.8%	30.6%	38.6%
Lewistown, PA	0.00%	57.0%	43.0%	57.0%	43.0%
Lexington, NE	0.00%	0.0%	0.0%	0.0%	0.0%
Lexington-Fayette, KY	0.15%	60.0%	34.9%	36.5%	57.1%
Liberal, KS	0.02%	83.5%	66.6%	83.5%	66.6%
Lima, OH	0.03%	0.0%	0.0%	0.0%	0.0%
Lincoln, IL	0.01%	NA	0.0%	NA	NA
Lincoln, NE	0.07%	12.5%	4.1%	9.9%	10.8%
Little Rock-North Little Rock-Conway, AR	0.25%	38.9%	28.7%	33.4%	27.1%
Lock Haven, PA	0.00%	0.0%	0.0%	0.0%	0.0%
Logan, UT-ID	0.08%	10.7%	0.0%	10.7%	0.0%
Logansport, IN	0.00%	NA	NA	NA	NA
London, KY	0.06%	18.0%	8.8%	18.0%	8.8%
Longview, TX	0.04%	0.0%	0.0%	0.0%	0.0%
Longview, WA	0.02%	32.6%	77.0%	32.6%	77.0%
Los Angeles-Long Beach-Anaheim, CA	4.34%	13.4%	9.0%	13.2%	9.8%
Louisville/Jefferson County, KY-IN	0.48%	43.8%	38.4%	41.2%	35.4%
Lubbock, TX	0.06%	64.3%	64.3%	48.2%	48.2%
Ludington, MI	0.01%	NA	100.0%	NA	NA
Lufkin, TX	0.05%	0.0%	0.0%	0.0%	0.0%
Lumberton, NC	0.04%	20.7%	0.0%	20.7%	0.0%
Lynchburg, VA	0.07%	20.8%	11.3%	19.4%	12.0%
Macomb, IL	0.00%	NA	NA	NA	NA

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Macon, GA	0.03%	0.0%	0.0%	0.0%	0.0%
Madera, CA	0.06%	0.0%	20.7%	0.0%	13.9%
Madison, IN	0.00%	100.0%	100.0%	100.0%	100.0%
Madison, WI	0.15%	9.9%	2.4%	9.5%	2.4%
Madisonville, KY	0.01%	56.5%	64.4%	0.0%	0.0%
Magnolia, AR	0.00%	9.9%	0.0%	9.9%	0.0%
Malone, NY	0.01%	NA	NA	100.0%	0.0%
Manchester-Nashua, NH	0.09%	25.8%	29.9%	29.3%	28.5%
Manhattan, KS	0.05%	37.6%	10.8%	31.7%	10.5%
Manitowoc, WI	0.00%	0.0%	0.0%	0.0%	0.0%
Mankato-North Mankato, MN	0.03%	0.0%	0.0%	0.0%	0.0%
Mansfield, OH	0.06%	13.7%	36.9%	13.7%	36.9%
Marietta, OH	0.02%	0.0%	0.0%	0.0%	0.0%
Marinette, WI-MI	0.01%	0.0%	98.6%	0.0%	98.6%
Marion, IN	0.02%	0.0%	0.0%	0.0%	26.1%
Marion, NC	0.01%	49.9%	100.0%	49.9%	100.0%
Marion, OH	0.03%	0.0%	0.0%	0.0%	0.0%
Marquette, MI	0.00%	0.0%	0.0%	0.0%	0.0%
Marshall, MN	0.00%	100.0%	100.0%	100.0%	100.0%
Marshall, MO	0.00%	NA	NA	NA	NA
Marshall, TX	0.01%	100.0%	100.0%	100.0%	100.0%
Marshalltown, IA	0.01%	35.3%	35.3%	35.3%	35.3%
Martin, TN	0.00%	0.0%	100.0%	0.0%	100.0%
Martinsville, VA	0.00%	100.0%	100.0%	100.0%	100.0%
Maryville, MO	0.00%	0.0%	0.0%	0.0%	0.0%
Mason City, IA	0.02%	56.7%	0.0%	56.7%	45.9%
Mayagüez, PR	0.09%	18.3%	0.0%	11.3%	0.0%
Mayfield, KY	0.01%	55.0%	55.0%	55.0%	55.0%
Maysville, KY	0.00%	NA	NA	NA	NA
McAlester, OK	0.05%	0.0%	0.0%	20.6%	0.0%
McAllen-Edinburg-Mission, TX	0.26%	14.5%	16.8%	14.5%	16.7%
McComb, MS	0.03%	80.3%	80.3%	80.3%	80.3%
McMinnville, TN	0.00%	100.0%	100.0%	100.0%	100.0%
McPherson, KS	0.01%	0.0%	0.0%	51.8%	0.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Meadville, PA	0.01%	0.0%	0.0%	0.0%	0.0%
Medford, OR	0.04%	20.1%	47.8%	20.1%	47.8%
Memphis, TN-MS-AR	0.31%	34.3%	23.0%	26.7%	25.0%
Merced, CA	0.05%	58.4%	8.4%	47.8%	7.3%
Meridian, MS	0.03%	62.5%	0.0%	73.4%	0.0%
Merrill, WI	0.00%	0.0%	0.0%	0.0%	0.0%
Mexico, MO	0.00%	NA	NA	NA	NA
Miami, OK	0.00%	NA	NA	NA	NA
Miami-Fort Lauderdale-West Palm Beach, FL	2.02%	6.1%	4.2%	6.3%	4.5%
Michigan City-La Porte, IN	0.02%	69.6%	0.0%	69.6%	0.0%
Middlesborough, KY	0.02%	NA	NA	NA	0.0%
Midland, MI	0.02%	19.6%	70.6%	19.6%	70.6%
Midland, TX	0.04%	0.0%	0.0%	0.0%	0.0%
Milledgeville, GA	0.01%	0.0%	0.0%	0.0%	0.0%
Milwaukee-Waukesha-West Allis, WI	0.88%	31.5%	22.2%	27.7%	21.6%
Mineral Wells, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Minneapolis-St. Paul-Bloomington, MN-WI	1.20%	14.8%	11.0%	18.0%	12.6%
Minot, ND	0.02%	0.0%	0.0%	71.4%	0.0%
Missoula, MT	0.04%	0.0%	40.6%	0.0%	22.0%
Mitchell, SD	0.01%	0.0%	0.0%	0.0%	0.0%
Moberly, MO	0.00%	0.0%	0.0%	0.0%	0.0%
Mobile, AL	0.21%	7.2%	4.3%	8.6%	14.0%
Modesto, CA	0.09%	0.0%	0.0%	15.8%	7.3%
Monroe, LA	0.10%	17.1%	14.2%	17.1%	14.2%
Monroe, MI	0.00%	100.0%	100.0%	100.0%	100.0%
Montgomery, AL	0.09%	28.3%	28.3%	25.2%	25.2%
Montrose, CO	0.02%	98.5%	76.4%	98.5%	76.4%
Morehead City, NC	0.02%	23.7%	0.0%	23.7%	0.0%
Morgan City, LA	0.00%	100.0%	100.0%	100.0%	100.0%
Morgantown, WV	0.04%	15.2%	11.5%	15.2%	11.5%
Moscow, ID	0.02%	0.0%	0.0%	0.0%	0.0%
Moses Lake, WA	0.08%	13.0%	28.9%	9.8%	25.9%
Moultrie, GA	0.01%	0.0%	100.0%	0.0%	100.0%
Mount Airy, NC	0.01%	100.0%	0.0%	100.0%	0.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Mount Pleasant, MI	0.05%	26.1%	38.5%	26.1%	26.4%
Mount Sterling, KY	0.00%	0.0%	100.0%	0.0%	6.8%
Mount Vernon, IL	0.01%	0.0%	43.7%	0.0%	0.0%
Mount Vernon, OH	0.01%	0.0%	0.0%	0.0%	0.0%
Mount Vernon-Anacortes, WA	0.06%	16.4%	15.5%	14.2%	10.5%
Mountain Home, AR	0.04%	19.2%	9.0%	17.4%	8.4%
Mountain Home, ID	0.00%	100.0%	100.0%	100.0%	100.0%
Muncie, IN	0.03%	NA	NA	51.4%	85.4%
Murray, KY	0.01%	NA	NA	0.0%	0.0%
Muscatine, IA	0.01%	45.9%	76.9%	45.9%	76.9%
Muskegon, MI	0.03%	100.0%	0.0%	100.0%	0.0%
Muskogee, OK	0.02%	59.6%	30.2%	38.5%	23.6%
Myrtle Beach-Conway-North Myrtle Beach, SC-NC	0.11%	22.6%	15.6%	22.2%	14.2%
Nacogdoches, TX	0.02%	35.8%	0.0%	35.8%	0.0%
Napa, CA	0.06%	0.0%	8.1%	0.0%	8.1%
Naples-Immokalee-Marco Island, FL	0.08%	0.0%	5.4%	0.0%	0.0%
Nashville-Davidson–Murfreesboro–Franklin, TN	0.25%	60.4%	23.2%	52.9%	13.7%
Natchez, MS-LA	0.01%	0.0%	0.0%	0.0%	0.0%
Natchitoches, LA	0.03%	4.0%	3.9%	3.9%	3.9%
New Bern, NC	0.02%	62.8%	56.6%	47.1%	42.5%
New Castle, IN	0.02%	38.1%	6.4%	38.1%	6.4%
New Castle, PA	0.00%	0.0%	100.0%	0.0%	100.0%
New Haven-Milford, CT	0.26%	15.9%	19.8%	13.8%	18.5%
New Orleans-Metairie, LA	1.41%	13.4%	15.9%	13.8%	16.5%
New Philadelphia-Dover, OH	0.00%	55.4%	55.4%	55.4%	55.4%
New York-Newark-Jersey City, NY-NJ-PA	10.73%	11.3%	11.1%	13.5%	12.1%
Newberry, SC	0.03%	46.3%	46.3%	46.3%	46.3%
Newport, OR	0.01%	6.3%	16.1%	6.3%	16.1%
Newport, TN	0.01%	0.0%	0.0%	0.0%	0.0%
Newton, IA	0.01%	2.2%	0.0%	2.2%	0.0%
Niles-Benton Harbor, MI	0.04%	0.0%	0.0%	0.0%	21.3%
Nogales, AZ	0.06%	0.0%	18.2%	0.0%	13.7%
Norfolk, NE	0.01%	0.0%	55.9%	0.0%	55.9%
North Platte, NE	0.02%	0.0%	23.5%	28.1%	45.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
North Port-Sarasota-Bradenton, FL	0.10%	25.7%	0.0%	25.7%	0.0%
North Wilkesboro, NC	0.01%	0.0%	0.0%	0.0%	0.0%
Norwalk, OH	0.02%	0.0%	0.0%	0.0%	0.0%
Norwich-New London, CT	0.01%	68.3%	68.3%	68.3%	68.3%
Oak Harbor, WA	0.01%	0.0%	0.0%	0.0%	0.0%
Ocala, FL	0.00%	NA	NA	NA	NA
Ocean City, NJ	0.02%	0.0%	0.0%	0.0%	0.0%
Odessa, TX	0.05%	0.0%	0.0%	0.0%	0.0%
Ogden-Clearfield, UT	0.12%	7.2%	5.3%	6.2%	4.6%
Ogdensburg-Massena, NY	0.01%	100.0%	100.0%	100.0%	100.0%
Oil City, PA	0.00%	100.0%	100.0%	100.0%	100.0%
Okeechobee, FL	0.01%	0.0%	0.0%	0.0%	0.0%
Oklahoma City, OK	0.16%	18.5%	26.6%	15.0%	29.5%
Olean, NY	0.02%	0.0%	80.1%	15.7%	83.2%
Olympia-Tumwater, WA	0.03%	20.8%	0.0%	9.7%	0.0%
Omaha-Council Bluffs, NE-IA	0.42%	24.1%	18.6%	20.7%	17.9%
Oneonta, NY	0.00%	NA	NA	NA	NA
Ontario, OR-ID	0.00%	NA	NA	100.0%	100.0%
Opelousas, LA	0.02%	3.6%	3.6%	3.6%	0.0%
Orangeburg, SC	0.03%	0.0%	24.9%	0.0%	24.8%
Orlando-Kissimmee-Sanford, FL	0.56%	15.9%	12.5%	15.8%	11.8%
Oshkosh-Neenah, WI	0.05%	13.6%	0.0%	13.6%	0.0%
Oskaloosa, IA	0.01%	32.5%	35.7%	32.5%	35.7%
Othello, WA	0.01%	0.0%	0.0%	0.0%	0.0%
Ottawa, KS	0.01%	0.0%	0.0%	0.0%	0.0%
Ottawa-Peru, IL	0.05%	0.0%	28.0%	0.0%	0.0%
Ottumwa, IA	0.01%	100.0%	100.0%	100.0%	100.0%
Owatonna, MN	0.01%	0.0%	0.0%	0.0%	0.0%
Owensboro, KY	0.03%	0.0%	0.0%	0.0%	0.0%
Owosso, MI	0.01%	0.0%	65.2%	0.0%	10.7%
Oxford, MS	0.01%	46.3%	0.0%	46.3%	0.0%
Oxford, NC	0.01%	100.0%	100.0%	100.0%	100.0%
Oxnard-Thousand Oaks-Ventura, CA	0.24%	14.5%	2.0%	13.2%	1.9%
Ozark, AL	0.02%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Paducah, KY-IL	0.02%	0.0%	0.0%	31.5%	31.5%
Pahrump, NV	0.00%	0.0%	0.0%	0.0%	0.0%
Palatka, FL	0.02%	100.0%	100.0%	100.0%	100.0%
Palestine, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Palm Bay-Melbourne-Titusville, FL	0.10%	12.4%	10.7%	10.7%	10.7%
Panama City, FL	0.02%	57.3%	0.0%	57.3%	0.0%
Paris, TN	0.01%	NA	NA	NA	NA
Paris, TX	0.01%	37.6%	0.0%	37.6%	0.0%
Parkersburg-Vienna, WV	0.01%	0.0%	0.0%	0.0%	0.0%
Parsons, KS	0.00%	58.3%	58.3%	47.8%	47.8%
Payson, AZ	0.05%	22.3%	52.0%	18.4%	42.8%
Pecos, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Pensacola-Ferry Pass-Brent, FL	0.08%	15.6%	15.6%	20.0%	13.8%
Peoria, IL	0.10%	36.8%	0.0%	19.6%	21.2%
Peru, IN	0.00%	NA	NA	NA	NA
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2.50%	25.0%	30.8%	31.7%	30.8%
Phoenix-Mesa-Scottsdale, AZ	0.64%	20.2%	22.2%	25.3%	21.7%
Picayune, MS	0.00%	100.0%	100.0%	100.0%	100.0%
Pierre, SD	0.00%	NA	NA	NA	NA
Pine Bluff, AR	0.01%	61.0%	71.3%	61.0%	74.5%
Pinehurst-Southern Pines, NC	0.02%	4.0%	25.2%	4.0%	25.2%
Pittsburg, KS	0.00%	0.0%	0.0%	0.0%	0.0%
Pittsburgh, PA	0.78%	39.5%	27.4%	44.3%	25.3%
Pittsfield, MA	0.03%	0.0%	42.9%	10.2%	68.2%
Plainview, TX	0.01%	100.0%	0.0%	100.0%	0.0%
Platteville, WI	0.01%	0.0%	0.0%	0.0%	0.0%
Plattsburgh, NY	0.01%	NA	NA	0.0%	50.4%
Plymouth, IN	0.00%	NA	NA	100.0%	100.0%
Pocatello, ID	0.01%	0.0%	0.0%	0.0%	0.0%
Point Pleasant, WV-OH	0.01%	4.2%	4.2%	4.2%	4.2%
Ponca City, OK	0.00%	NA	NA	NA	NA
Ponce, PR	0.09%	0.0%	0.0%	0.0%	0.0%
Pontiac, IL	0.00%	100.0%	100.0%	100.0%	100.0%
Poplar Bluff, MO	0.00%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Port Angeles, WA	0.03%	0.0%	0.0%	0.0%	0.0%
Port Clinton, OH	0.01%	0.0%	0.0%	0.0%	0.0%
Port Lavaca, TX	0.01%	NA	NA	0.0%	0.0%
Port St. Lucie, FL	0.04%	32.8%	20.7%	32.8%	0.0%
Portland-South Portland, ME	0.30%	23.0%	17.5%	20.5%	17.0%
Portland-Vancouver-Hillsboro, OR-WA	0.81%	11.6%	9.7%	11.0%	11.4%
Portsmouth, OH	0.02%	26.6%	0.0%	30.5%	0.0%
Pottsville, PA	0.01%	21.3%	0.0%	7.9%	63.1%
Prescott, AZ	0.13%	12.4%	5.7%	11.8%	5.4%
Price, UT	0.00%	0.0%	0.0%	0.0%	0.0%
Prineville, OR	0.01%	100.0%	100.0%	100.0%	100.0%
Providence-Warwick, RI-MA	0.59%	30.9%	24.2%	23.6%	18.7%
Provo-Orem, UT	0.02%	0.0%	0.0%	0.0%	0.0%
Pueblo, CO	0.05%	28.4%	0.0%	25.6%	7.9%
Pullman, WA	0.01%	0.0%	0.0%	0.0%	0.0%
Punta Gorda, FL	0.06%	53.1%	28.9%	43.4%	23.7%
Quincy, IL-MO	0.01%	100.0%	0.0%	100.0%	0.0%
Racine, WI	0.06%	43.2%	53.6%	43.2%	53.6%
Raleigh, NC	0.28%	4.0%	14.5%	4.7%	16.4%
Rapid City, SD	0.05%	18.7%	31.4%	14.5%	24.3%
Raymondville, TX	0.00%	NA	NA	0.0%	0.0%
Reading, PA	0.02%	63.9%	0.0%	34.1%	21.8%
Red Bluff, CA	0.02%	77.2%	77.2%	77.2%	77.2%
Red Wing, MN	0.01%	0.0%	0.0%	0.0%	0.0%
Redding, CA	0.04%	0.0%	19.7%	0.0%	19.7%
Reno, NV	0.16%	28.3%	7.7%	23.2%	6.9%
Rexburg, ID	0.00%	0.0%	0.0%	0.0%	0.0%
Richmond, IN	0.01%	0.0%	0.0%	0.0%	0.0%
Richmond, VA	0.49%	28.2%	28.2%	27.3%	23.3%
Richmond-Berea, KY	0.01%	14.7%	14.7%	67.1%	67.1%
Rio Grande City, TX	0.00%	0.0%	0.0%	0.0%	0.0%
Riverside-San Bernardino-Ontario, CA	1.11%	21.6%	14.8%	20.4%	13.3%
Riverton, WY	0.03%	54.6%	54.6%	38.9%	38.9%
Roanoke Rapids, NC	0.02%	37.8%	0.0%	46.8%	14.4%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Roanoke, VA	0.09%	25.2%	19.3%	25.2%	19.3%
Rochelle, IL	0.00%	0.0%	0.0%	0.0%	0.0%
Rochester, MN	0.04%	0.0%	0.0%	0.0%	0.0%
Rochester, NY	0.51%	17.6%	11.6%	16.0%	13.4%
Rock Springs, WY	0.01%	0.0%	0.0%	0.0%	0.0%
Rockford, IL	0.06%	14.2%	14.2%	25.9%	9.6%
Rockingham, NC	0.02%	0.0%	31.5%	0.0%	17.1%
Rocky Mount, NC	0.03%	20.4%	15.2%	8.3%	6.2%
Rolla, MO	0.00%	100.0%	100.0%	100.0%	100.0%
Rome, GA	0.02%	0.0%	100.0%	0.0%	100.0%
Roseburg, OR	0.03%	24.6%	45.3%	24.6%	45.3%
Roswell, NM	0.03%	0.0%	0.0%	0.0%	0.0%
Russellville, AR	0.01%	NA	0.0%	NA	0.0%
Ruston, LA	0.04%	18.4%	11.3%	18.4%	11.3%
Rutland, VT	0.00%	0.0%	0.0%	0.0%	0.0%
Sacramento--Roseville--Arden-Arcade, CA	1.07%	13.4%	19.4%	14.3%	20.0%
Safford, AZ	0.03%	31.1%	31.1%	24.3%	17.3%
Saginaw, MI	0.05%	41.2%	0.0%	37.9%	0.0%
Salem, OH	0.01%	0.0%	100.0%	0.0%	100.0%
Salem, OR	0.07%	16.2%	10.8%	16.2%	10.8%
Salina, KS	0.03%	10.0%	0.0%	10.0%	0.0%
Salinas, CA	0.25%	4.2%	3.8%	4.0%	3.5%
Salisbury, MD-DE	0.20%	11.1%	5.7%	9.9%	6.6%
Salt Lake City, UT	0.25%	9.2%	5.8%	10.2%	5.2%
San Angelo, TX	0.03%	0.0%	0.0%	0.0%	0.0%
San Antonio-New Braunfels, TX	0.67%	17.0%	4.7%	17.8%	4.2%
San Diego-Carlsbad, CA	1.26%	5.8%	2.0%	7.1%	4.3%
San Francisco-Oakland-Hayward, CA	3.18%	12.4%	13.8%	13.0%	18.1%
San Germán, PR	0.02%	0.0%	0.0%	0.0%	0.0%
San Jose-Sunnyvale-Santa Clara, CA	1.35%	8.9%	8.1%	8.1%	8.0%
San Juan-Carolina-Caguas, PR	0.63%	2.9%	5.3%	2.1%	4.0%
San Luis Obispo-Paso Robles-Arroyo Grande, CA	0.09%	0.0%	0.0%	0.0%	0.0%
Sandpoint, ID	0.03%	0.0%	0.0%	0.0%	0.0%
Sandusky, OH	0.03%	NA	NA	0.0%	0.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Sanford, NC	0.02%	0.0%	30.2%	0.0%	21.6%
Santa Cruz-Watsonville, CA	0.15%	29.4%	9.6%	29.4%	10.2%
Santa Fe, NM	0.11%	13.5%	9.8%	15.7%	10.9%
Santa Maria-Santa Barbara, CA	0.21%	17.9%	26.9%	15.7%	23.0%
Santa Rosa, CA	0.29%	3.6%	1.4%	3.1%	3.7%
Sault Ste. Marie, MI	0.00%	0.0%	0.0%	0.0%	0.0%
Savannah, GA	0.14%	4.6%	0.0%	2.8%	0.0%
Sayre, PA	0.01%	NA	NA	0.0%	100.0%
Scottsbluff, NE	0.01%	12.4%	0.0%	36.4%	31.9%
Scottsboro, AL	0.00%	NA	NA	NA	NA
Scranton--Wilkes-Barre--Hazleton, PA	0.07%	0.0%	9.0%	12.8%	24.2%
Searcy, AR	0.01%	50.2%	50.2%	51.0%	51.0%
Seattle-Tacoma-Bellevue, WA	1.75%	17.0%	7.1%	18.8%	11.6%
Sebastian-Vero Beach, FL	0.03%	0.0%	0.0%	0.0%	0.0%
Sebring, FL	0.02%	0.0%	0.0%	0.0%	0.0%
Sedalia, MO	0.01%	NA	NA	NA	NA
Selinsgrove, PA	0.00%	NA	NA	NA	NA
Selma, AL	0.03%	57.8%	12.5%	57.8%	12.5%
Seneca Falls, NY	0.01%	87.6%	87.6%	69.7%	69.7%
Seneca, SC	0.01%	0.0%	0.0%	0.0%	0.0%
Sevierville, TN	0.01%	0.0%	0.0%	0.0%	0.0%
Seymour, IN	0.01%	0.0%	0.0%	0.0%	0.0%
Shawano, WI	0.03%	100.0%	100.0%	53.8%	15.0%
Shawnee, OK	0.05%	17.4%	0.0%	14.8%	0.0%
Sheboygan, WI	0.06%	0.0%	0.0%	0.0%	0.0%
Shelby, NC	0.04%	16.9%	13.1%	27.4%	8.6%
Shelbyville, TN	0.00%	NA	NA	0.0%	0.0%
Sheridan, WY	0.02%	0.0%	0.0%	0.0%	0.0%
Sherman-Denison, TX	0.01%	0.0%	100.0%	0.0%	100.0%
Show Low, AZ	0.05%	20.6%	20.6%	11.4%	12.9%
Shreveport-Bossier City, LA	0.20%	30.5%	26.1%	29.8%	23.3%
Sidney, OH	0.01%	0.0%	0.0%	0.0%	0.0%
Sierra Vista-Douglas, AZ	0.08%	41.7%	0.0%	22.6%	0.0%
Silver City, NM	0.00%	NA	NA	NA	NA

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Sioux City, IA-NE-SD	0.06%	23.2%	15.9%	18.3%	33.6%
Sioux Falls, SD	0.04%	8.3%	0.0%	7.4%	0.0%
Somerset, KY	0.01%	0.0%	0.0%	79.9%	0.0%
Somerset, PA	0.00%	NA	NA	0.0%	100.0%
Sonora, CA	0.00%	0.0%	0.0%	0.0%	0.0%
South Bend-Mishawaka, IN-MI	0.08%	0.0%	12.2%	0.0%	25.7%
Spartanburg, SC	0.08%	25.4%	25.4%	24.2%	22.7%
Spearfish, SD	0.01%	NA	0.0%	NA	0.0%
Spencer, IA	0.01%	0.0%	100.0%	0.0%	100.0%
Spirit Lake, IA	0.00%	0.0%	0.0%	57.5%	57.5%
Spokane-Spokane Valley, WA	0.14%	17.5%	29.0%	13.2%	48.0%
Springfield, IL	0.05%	29.9%	29.9%	29.9%	29.9%
Springfield, MA	0.36%	5.9%	19.6%	9.0%	25.3%
Springfield, MO	0.05%	27.9%	0.0%	32.4%	13.0%
Springfield, OH	0.06%	58.3%	48.9%	60.5%	51.5%
St. Cloud, MN	0.05%	16.3%	13.1%	16.3%	13.1%
St. George, UT	0.06%	0.0%	0.0%	0.0%	0.0%
St. Joseph, MO-KS	0.03%	48.1%	20.4%	60.8%	39.9%
St. Louis, MO-IL	0.80%	34.5%	34.4%	34.0%	29.7%
St. Marys, GA	0.00%	NA	NA	NA	NA
Starkville, MS	0.02%	100.0%	37.4%	100.0%	37.4%
State College, PA	0.03%	17.8%	0.0%	15.1%	0.0%
Statesboro, GA	0.02%	0.0%	0.0%	0.0%	0.0%
Staunton-Waynesboro, VA	0.06%	17.2%	37.2%	17.2%	37.2%
Stephenville, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Sterling, CO	0.00%	NA	NA	NA	NA
Sterling, IL	0.03%	0.0%	9.9%	0.0%	9.9%
Stevens Point, WI	0.03%	17.5%	0.0%	12.6%	11.0%
Stillwater, OK	0.08%	20.2%	18.3%	15.9%	16.1%
Stockton-Lodi, CA	0.16%	10.3%	14.6%	27.6%	13.0%
Storm Lake, IA	0.00%	0.0%	0.0%	0.0%	0.0%
Sturgis, MI	0.01%	0.0%	66.5%	0.0%	66.5%
Sulphur Springs, TX	0.00%	NA	NA	NA	NA
Summerville, GA	0.02%	0.0%	0.0%	0.0%	0.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Summit Park, UT	0.00%	NA	NA	NA	NA
Sumter, SC	0.05%	25.1%	41.4%	25.1%	41.4%
Sunbury, PA	0.00%	100.0%	100.0%	100.0%	100.0%
Susanville, CA	0.02%	0.0%	0.0%	0.0%	0.0%
Sweetwater, TX	0.00%	NA	NA	NA	NA
Syracuse, NY	0.19%	16.9%	17.6%	13.5%	16.1%
Tahlequah, OK	0.01%	0.0%	0.0%	0.0%	0.0%
Talladega-Sylacauga, AL	0.01%	10.5%	0.0%	10.5%	0.0%
Tallahassee, FL	0.02%	100.0%	72.0%	58.7%	58.7%
Tampa-St. Petersburg-Clearwater, FL	0.89%	11.3%	13.9%	10.6%	16.1%
Taos, NM	0.02%	0.0%	0.0%	0.0%	0.0%
Taylorville, IL	0.02%	0.0%	0.0%	0.0%	0.0%
Terre Haute, IN	0.02%	0.0%	0.0%	93.1%	93.1%
Texarkana, TX-AR	0.13%	39.6%	28.0%	39.6%	25.9%
The Dalles, OR	0.02%	0.0%	0.0%	0.0%	0.0%
The Villages, FL	0.01%	NA	NA	NA	NA
Thomaston, GA	0.01%	0.0%	0.0%	0.0%	0.0%
Thomasville, GA	0.02%	0.0%	0.0%	0.0%	0.0%
Tiffin, OH	0.02%	69.1%	69.1%	69.1%	69.1%
Tifton, GA	0.01%	100.0%	0.0%	100.0%	0.0%
Toccoa, GA	0.01%	0.0%	14.9%	0.0%	14.9%
Toledo, OH	0.28%	34.7%	26.5%	30.1%	30.0%
Topeka, KS	0.09%	29.7%	38.0%	22.0%	31.6%
Torrington, CT	0.02%	47.2%	47.2%	47.2%	47.2%
Traverse City, MI	0.04%	0.0%	24.4%	0.0%	0.0%
Trenton, NJ	0.15%	60.2%	46.6%	42.1%	50.1%
Troy, AL	0.02%	0.0%	0.0%	0.0%	0.0%
Truckee-Grass Valley, CA	0.05%	6.0%	6.0%	6.0%	6.0%
Tucson, AZ	0.14%	70.3%	70.3%	46.0%	21.7%
Tulahoma-Manchester, TN	0.02%	0.0%	0.0%	0.0%	0.0%
Tulsa, OK	0.16%	51.7%	28.2%	40.1%	19.9%
Tupelo, MS	0.01%	0.0%	0.0%	0.0%	0.0%
Tuscaloosa, AL	0.13%	3.1%	0.0%	2.2%	0.9%
Twin Falls, ID	0.03%	11.2%	0.0%	11.2%	0.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Tyler, TX	0.02%	56.8%	0.0%	56.8%	0.0%
Ukiah, CA	0.01%	0.0%	0.0%	0.0%	0.0%
Union City, TN-KY	0.00%	0.0%	0.0%	0.0%	0.0%
Urban Honolulu, HI	0.19%	0.0%	0.0%	0.0%	0.0%
Urbana, OH	0.01%	70.8%	62.7%	70.8%	62.7%
Utica-Rome, NY	0.11%	78.2%	42.9%	64.2%	44.7%
Uvalde, TX	0.01%	0.0%	0.0%	0.0%	0.0%
Valdosta, GA	0.03%	0.0%	0.0%	0.0%	0.0%
Vallejo-Fairfield, CA	0.17%	22.9%	16.5%	20.6%	14.9%
Valley, AL	0.02%	14.9%	0.0%	14.9%	0.0%
Van Wert, OH	0.01%	0.0%	10.4%	0.0%	10.4%
Vermillion, SD	0.00%	NA	NA	0.0%	NA
Vernal, UT	0.01%	32.4%	32.4%	32.4%	32.4%
Vernon, TX	0.01%	53.2%	53.2%	53.2%	53.2%
Vicksburg, MS	0.00%	0.0%	0.0%	0.0%	0.0%
Victoria, TX	0.02%	0.0%	0.0%	0.0%	0.0%
Vidalia, GA	0.02%	18.7%	18.7%	18.7%	18.7%
Vincennes, IN	0.01%	0.0%	0.0%	0.0%	0.0%
Vineland-Bridgeton, NJ	0.08%	72.6%	64.2%	65.9%	58.2%
Virginia Beach-Norfolk-Newport News, VA-NC	0.55%	10.3%	7.2%	9.7%	8.6%
Visalia-Porterville, CA	0.19%	8.2%	18.0%	7.6%	15.0%
Wabash, IN	0.00%	0.0%	100.0%	0.0%	100.0%
Waco, TX	0.06%	32.5%	31.9%	32.5%	31.9%
Wahpeton, ND-MN	0.00%	100.0%	100.0%	14.1%	14.1%
Walla Walla, WA	0.03%	0.0%	0.0%	51.3%	0.0%
Warner Robins, GA	0.01%	6.8%	93.0%	6.8%	93.0%
Warrensburg, MO	0.00%	NA	NA	NA	NA
Warsaw, IN	0.01%	0.0%	73.7%	0.0%	0.0%
Washington Court House, OH	0.04%	0.0%	2.2%	6.4%	2.4%
Washington, IN	0.01%	69.8%	69.8%	98.1%	98.1%
Washington, NC	0.02%	0.0%	0.0%	0.0%	0.0%
Washington-Arlington-Alexandria, DC-VA-MD-WV	2.17%	6.2%	8.2%	8.2%	9.8%
Waterloo-Cedar Falls, IA	0.04%	32.3%	45.1%	25.5%	35.5%
Watertown, SD	0.00%	NA	NA	NA	NA
Watertown-Fort Atkinson, WI	0.01%	100.0%	100.0%	100.0%	100.0%

MSA	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Watertown-Fort Drum, NY	0.08%	0.0%	16.1%	0.0%	16.1%
Wauchula, FL	0.06%	68.5%	100.0%	67.8%	67.8%
Wausau, WI	0.05%	12.9%	18.2%	41.1%	11.8%
Waycross, GA	0.01%	100.0%	0.0%	8.1%	0.0%
Weatherford, OK	0.00%	NA	NA	NA	NA
Weirton-Steubenville, WV-OH	0.05%	36.6%	58.0%	36.6%	58.0%
Wenatchee, WA	0.02%	0.0%	0.0%	0.0%	0.0%
West Plains, MO	0.00%	0.0%	100.0%	0.0%	100.0%
Wheeling, WV-OH	0.04%	23.8%	38.6%	28.9%	52.3%
Whitewater-Elkhorn, WI	0.01%	0.0%	0.0%	0.0%	0.0%
Wichita Falls, TX	0.07%	9.1%	32.7%	9.1%	32.7%
Wichita, KS	0.13%	17.5%	31.1%	31.1%	32.7%
Williamsport, PA	0.02%	26.0%	26.0%	23.7%	23.7%
Williston, ND	0.02%	0.0%	0.0%	0.0%	0.0%
Willmar, MN	0.00%	NA	NA	NA	NA
Wilmington, NC	0.11%	0.0%	32.2%	51.0%	63.8%
Wilmington, OH	0.01%	0.0%	0.0%	0.0%	0.0%
Wilson, NC	0.02%	41.9%	41.9%	30.9%	57.1%
Winchester, VA-WV	0.02%	0.0%	0.0%	0.0%	0.0%
Winnemucca, NV	0.01%	0.0%	0.0%	0.0%	0.0%
Winona, MN	0.00%	0.0%	0.0%	0.0%	0.0%
Winston-Salem, NC	0.11%	0.0%	18.7%	0.0%	15.4%
Wisconsin Rapids-Marshfield, WI	0.01%	0.0%	0.0%	0.0%	0.0%
Wooster, OH	0.00%	0.0%	0.0%	0.0%	0.0%
Worcester, MA-CT	0.16%	7.9%	7.4%	7.8%	12.3%
Worthington, MN	0.01%	0.0%	0.0%	0.0%	0.0%
Yakima, WA	0.13%	55.6%	4.6%	45.1%	3.7%
Yankton, SD	0.01%	100.0%	0.0%	75.8%	0.0%
York-Hanover, PA	0.07%	0.0%	0.0%	14.8%	23.3%
Youngstown-Warren-Boardman, OH-PA	0.20%	36.5%	32.1%	39.9%	37.5%
Yuba City, CA	0.05%	0.0%	0.0%	0.0%	0.0%
Yuma, AZ	0.04%	24.3%	27.2%	30.7%	33.3%
Zanesville, OH	0.05%	7.3%	7.3%	7.3%	7.3%
Zapata, TX	0.00%	0.0%	0.0%	0.0%	0.0%

3.3.2.4 Median DCR and Per Unit Cash Flow by Property Age

Figures 3.3.2.4(A)–(B) present, by property age, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

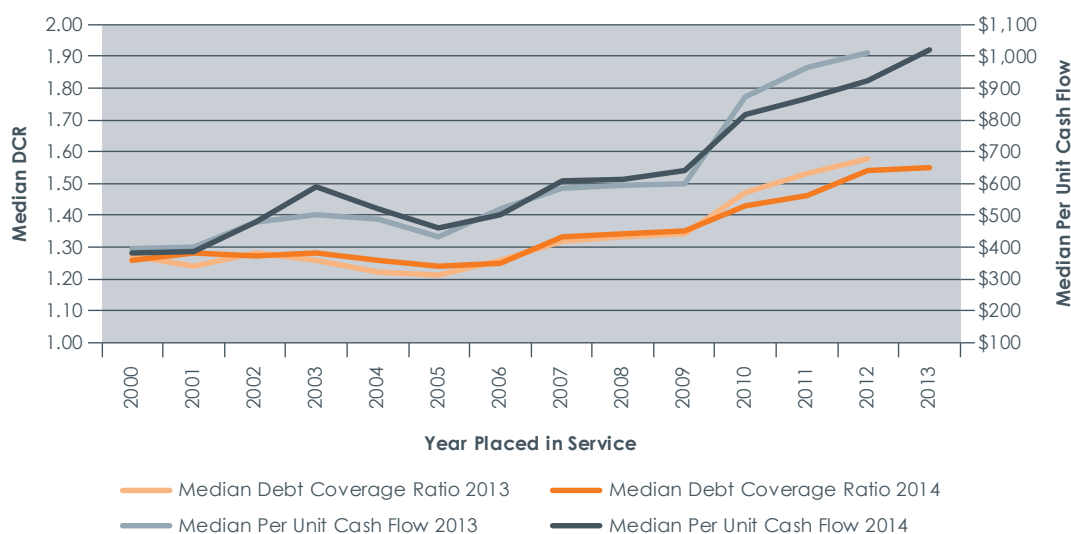
Median DCR and Per Unit Cash Flow by Property Age

FIGURE 3.3.2.4(A)

Year Placed in Service	% of Stabilized Portfolio	Median Debt Coverage Ratio				Median Per Unit Cash Flow			
		2011	2012	2013	2014	2011	2012	2013	2014
2000	25.0%	1.26	1.27	1.27	1.26	\$343	\$395	\$394	\$383
2001		1.22	1.26	1.24	1.28	\$371	\$396	\$402	\$386
2002		1.22	1.25	1.28	1.27	\$416	\$429	\$480	\$477
2003		1.24	1.26	1.26	1.28	\$467	\$512	\$504	\$590
2004		1.22	1.24	1.22	1.26	\$457	\$511	\$488	\$522
2005	41.9%	1.23	1.24	1.21	1.24	\$412	\$471	\$434	\$458
2006		1.24	1.27	1.26	1.25	\$478	\$501	\$518	\$501
2007		1.30	1.29	1.32	1.33	\$580	\$552	\$584	\$606
2008		1.32	1.31	1.33	1.34	\$564	\$539	\$593	\$615
2009		1.34	1.33	1.34	1.35	\$622	\$608	\$597	\$641
2010	27.8%	1.66	1.49	1.47	1.43	\$1,069	\$890	\$871	\$817
2011		NA	1.56	1.53	1.46	NA	\$1,025	\$966	\$869
2012		NA	NA	1.58	1.54	NA	NA	\$1,012	\$923
2013		NA	NA	NA	1.55	NA	NA	NA	\$1,022

Median DCR and Per Unit Cash Flow by Property Age

FIGURE 3.3.2.4(B)



While not presented in Figure 3.3.2.4(A) & (B), properties placed in service before 2000, for the most part, reported DCRs that were higher than or close to the national median; however, this subset's median per unit cash flow levels were almost all below the national median. For certain older properties, their condition and overall quality can preclude them from commanding higher rents, while at the same time incurring higher repair and maintenance expenses and potentially higher utilities expense. As such, older properties do not typically generate strong cash flow. Applying this same logic in reverse, properties constructed post-2006 generally reported favorable per unit cash flow in both 2013 and 2014. We also know that properties developed in more recent years were, on average, more accurately underwritten than the older cohort of properties.

Underperformance — DCR and Per Unit Cash Flow by Property Age

Figures 3.3.2.4(C)–(D) illustrate DCR and per unit cash flow underperformance by property age, as measured by the percentage of net equity of the stabilized surveyed portfolio. For properties placed in service post-2000, incidences of DCR and cash flow underperformance would affect anywhere from 7% to 28% of the respective datasets.

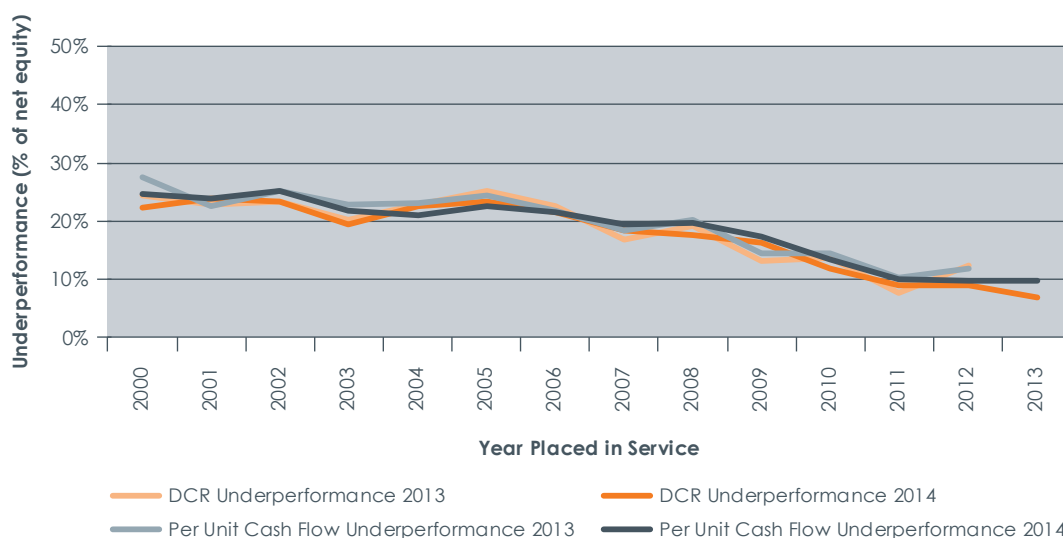
DCR and Per Unit Cash Flow by Property Age

FIGURE 3.3.2.4(C)

Year Placed in Service	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
2000	25.0%	24.4%	22.3%	27.5%	24.6%
2001		22.9%	24.0%	22.7%	23.8%
2002		23.5%	23.5%	25.1%	25.1%
2003		20.2%	19.5%	22.8%	21.7%
2004		22.9%	22.5%	23.2%	21.0%
2005	41.9%	25.2%	23.3%	24.5%	22.5%
2006		22.6%	21.6%	21.7%	21.6%
2007		16.9%	18.4%	18.3%	19.5%
2008		19.2%	17.5%	20.2%	19.6%
2009		13.3%	16.4%	14.6%	17.3%
2010	27.8%	13.6%	11.9%	14.4%	13.4%
2011		7.8%	8.9%	10.2%	10.0%
2012		12.3%	8.9%	11.9%	9.9%
2013		NA	6.9%	NA	9.8%

DCR and Per Unit Cash Flow Underperformance by Property Age (% of net equity)

FIGURE 3.3.2.4(D)



3.3.2.5 Median DCR and Per Unit Cash Flow by Property Type

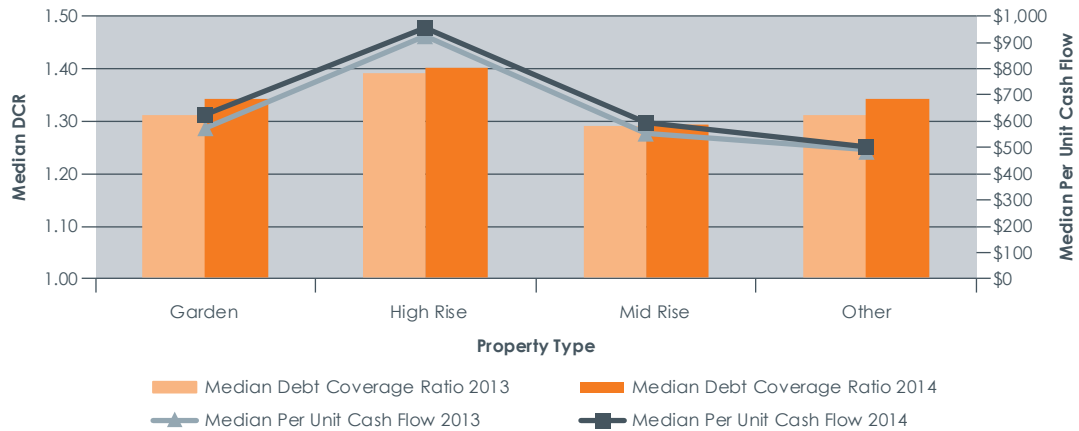
Figures 3.3.2.5(A)-(B) present, by property type, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

Median DCR and Per Unit Cash Flow by Property Type

FIGURE 3.3.2.5(A)

Property Type	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Garden	57.5%	1.31	1.34	\$571	\$620
High Rise	9.9%	1.39	1.40	\$920	\$949
Mid Rise	27.4%	1.29	1.29	\$547	\$591
Other	5.2%	1.31	1.34	\$485	\$495

Median DCR and Per Unit Cash Flow by Property Type **FIGURE 3.3.2.5(B)**



Overall, median DCR across all properties types hovered between 1.29 and 1.39 but median per unit cash flow ranged more broadly between \$485 for “other” types of properties (such as single-family homes) to nearly twice that amount for high-rise properties. High-rise properties (properties with more than 10 stories) outperformed garden-style, mid-rise, and other building types in terms of DCR and per unit cash flow in both 2013 and 2014. We attribute this to the fact that high-rise properties tend to be located in urban neighborhoods where demand is overwhelming and the achievable housing credits rents are more likely to be at the maximum allowable Section 42 rent levels. Additionally, high-rise projects have the ability to distribute their fixed costs more efficiently over a wider base of apartment units.

Underperformance — DCR and Per Unit Cash Flow by Property Type

Figures 3.3.2.5(C)–(D) illustrate DCR and per unit cash flow underperformance by property type, as measured by percentage of net equity of the stabilized surveyed portfolio.

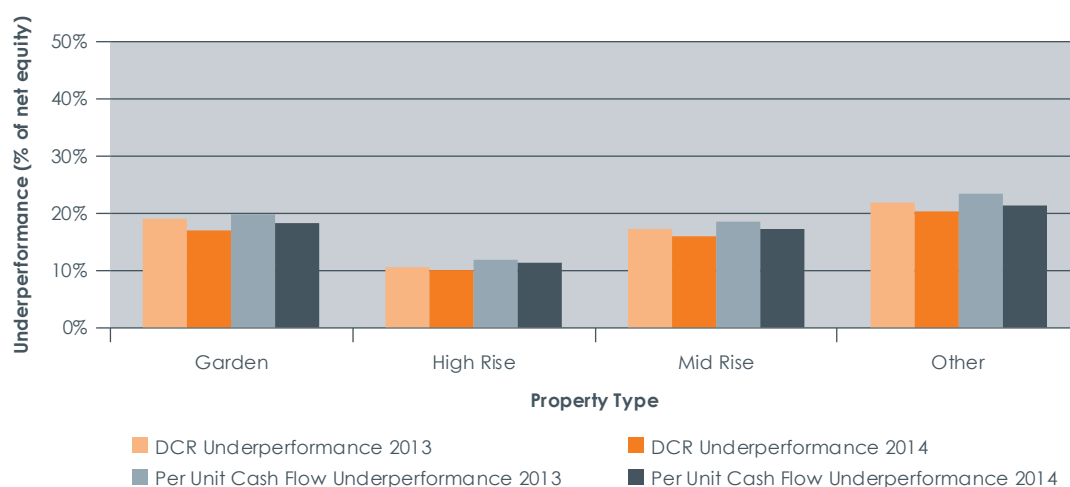
DCR and Per Unit Cash Flow Underperformance by Property Type (% of net equity)

FIGURE 3.3.2.5(C)

Property Type	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Garden	57.5%	19.0%	16.8%	19.7%	18.2%
High Rise	9.9%	10.5%	10.0%	11.6%	11.2%
Mid Rise	27.4%	17.1%	15.7%	18.4%	17.0%
Other	5.2%	21.8%	20.2%	23.3%	21.3%

DCR and Per Unit Cash Flow Underperformance by Property Type (% of net equity)

FIGURE 3.3.2.5(D)



With a majority of its constituent properties located in high-demand urban areas, it is not unusual that high-rise properties, in both 2013 and 2014, reported the lowest incidence of DCR and cash flow underperformance among the four property types. In 2014, mid-rise properties also reported a level of DCR and cash flow underperformance more favorable than the national median. While other property types did not fare as well, the portion of properties operating at a deficit generally remained below or around the 20% mark in 2014 for these other property types. To put that amount in perspective, 35% of all housing credit properties operated at a deficit ten years ago.

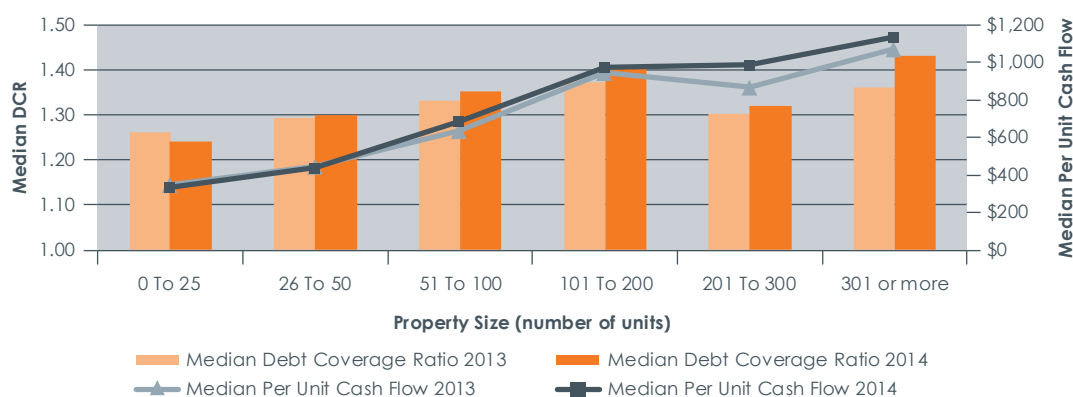
3.3.2.6 Median DCR and Per Unit Cash Flow by Property Size

Figures 3.3.2.6(A)–(B) present, by property size, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

Median DCR and Per Unit Cash Flow by Property Size **FIGURE 3.3.2.6(A)**

Property Size (Number of Units)	% of Stabilized Portfolio	Median Debt Coverage Ratio							Median Per Unit Cash Flow						
		2008	2009	2010	2011	2012	2013	2014	2008	2009	2010	2011	2012	2013	2014
0 To 25	5.1%	1.16	1.21	1.28	1.26	1.29	1.26	1.24	\$199	\$271	\$371	\$315	\$356	\$351	\$334
26 To 50	21.4%	1.16	1.22	1.24	1.27	1.28	1.29	1.30	\$221	\$303	\$354	\$381	\$415	\$446	\$438
51 To 100	36.2%	1.16	1.21	1.24	1.27	1.29	1.33	1.35	\$286	\$395	\$460	\$509	\$553	\$634	\$684
101 To 200	25.5%	1.14	1.20	1.24	1.32	1.33	1.37	1.41	\$357	\$490	\$590	\$747	\$758	\$948	\$972
201 To 300	7.5%	1.11	1.15	1.19	1.24	1.25	1.30	1.32	\$256	\$344	\$498	\$637	\$729	\$870	\$986
301 or more	4.3%	1.15	1.17	1.19	1.31	1.34	1.36	1.43	\$258	\$440	\$490	\$724	\$829	\$1,073	\$1,135

Median DCR and Per Unit Cash Flow by Property Size **FIGURE 3.3.2.6(B)**



From a DCR and cash flow perspective, properties with 51 units or more generally tend to perform better than properties with fewer than 50 units. Properties with lower unit counts must distribute their fixed costs over a limited base of apartment units, which leads to lower DCR and per unit cash flow. Still, median 2014 DCR across all project sizes was well above 1.20 and 2014 per unit cash flow ranged from \$334 to \$1,135.

Underperformance — DCR and Per Unit Cash Flow by Property Size

Figures 3.3.2.6(C)–(D) illustrate DCR and per unit cash flow underperformance by property size, as measured by percentage of net equity of the stabilized surveyed portfolio.

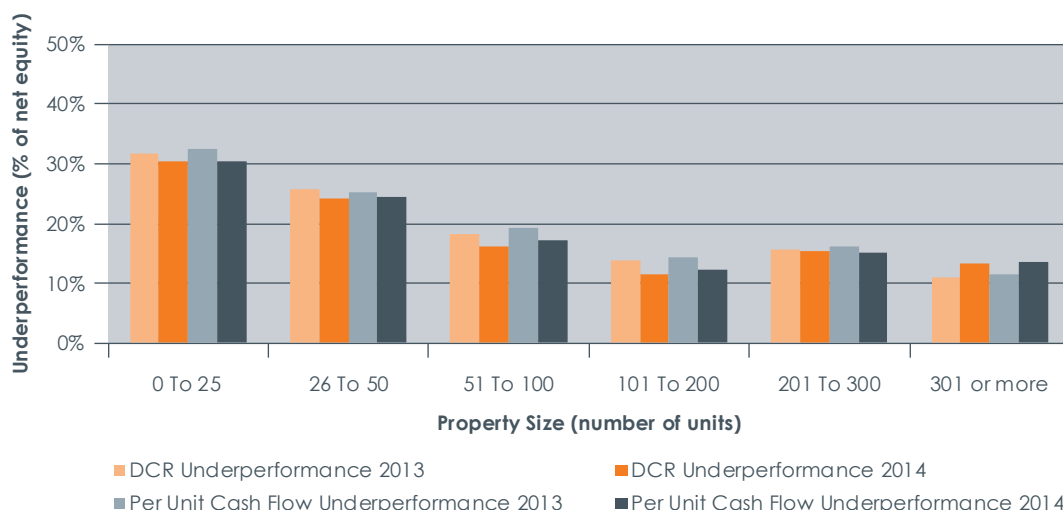
DCR and Per Unit Cash Flow Underperformance by Property Size (% of net equity)

FIGURE 3.3.2.6(C)

Property Size (Number of Units)	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00				Per Unit Cash Flow Below \$0			
		2011	2012	2013	2014	2011	2012	2013	2014
0 To 25	5.1%	29.6%	28.5%	31.6%	30.4%	30.9%	29.2%	32.3%	30.3%
26 To 50	21.4%	25.8%	24.5%	25.6%	24.2%	26.5%	24.5%	25.0%	24.3%
51 To 100	36.2%	19.5%	17.0%	18.1%	16.1%	20.8%	19.3%	19.1%	17.2%
101 To 200	25.5%	16.4%	15.1%	13.7%	11.5%	16.4%	16.6%	14.2%	12.1%
201 To 300	7.5%	21.2%	18.1%	15.6%	15.2%	22.2%	19.9%	16.1%	15.0%
301 or more	4.3%	18.4%	16.6%	10.9%	13.3%	18.2%	17.0%	11.5%	13.6%

DCR and Per Unit Cash Flow Underperformance by Property Size (% of net equity)

FIGURE 3.3.2.6(D)



Overall, the two subsets with the smallest number of units consistently experienced more DCR and cash flow underperformance issues than the national median, while properties with more than 50 units consistently reported a level of DCR and cash flow underperformance more favorable than the national median. As illustrated in Figure 3.3.2.6(D), the general trend seems to suggest that the larger the project, the lower the incidence of DCR and cash flow underperformance. That said, projects with 201 to 300 units reported levels of underperformance that were slightly above projects with 101 to 200 units. Looking back to the trend since 2011, projects offering 101 to 200 units appear to be the “sweet spot” when it comes to DCR and per unit cash flow. This finding is not exactly

shocking given that projects of this particular size are large enough to trigger economies of scale but still small enough to be more easily manageable. We note that large-scale projects containing more than 301 units also reported relatively low incidences of DCR and cash flow underperformance, which was likely in part because larger projects tend to be located in urban areas with significant demand, and can thus command higher housing credit rents, leading to strong cash flow.

Once again, measuring underperformance by net equity may not be a perfect methodology in this case, as large projects would carry more weight than small projects. In order to measure underperformance more accurately, we calculated incidence of underperformance as a percentage of the number of properties as presented in Figure 3.3.2.6(E). Nonetheless, our finding under the property count analysis yielded similar results, suggesting that projects with more than 50 units reported fewer incidences of DCR and cash flow underperformance than smaller developments across both 2013 and 2014.

DCR and Per Unit Cash Flow Underperformance by Property Size (% of number of properties)

FIGURE 3.3.2.6(E)

Property Size (Number of Units)	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
	2013	2014	2013	2014
0 To 25	30.0%	31.6%	30.8%	31.4%
26 To 50	25.6%	25.6%	25.1%	25.4%
51 To 100	19.9%	17.9%	20.5%	18.8%
101 To 200	15.3%	13.5%	15.7%	13.8%
201 To 300	19.1%	17.6%	18.6%	17.0%
301 or more	14.1%	14.7%	15.1%	15.5%

3.3.2.7 Median DCR and Per Unit Cash Flow by Tenancy Type

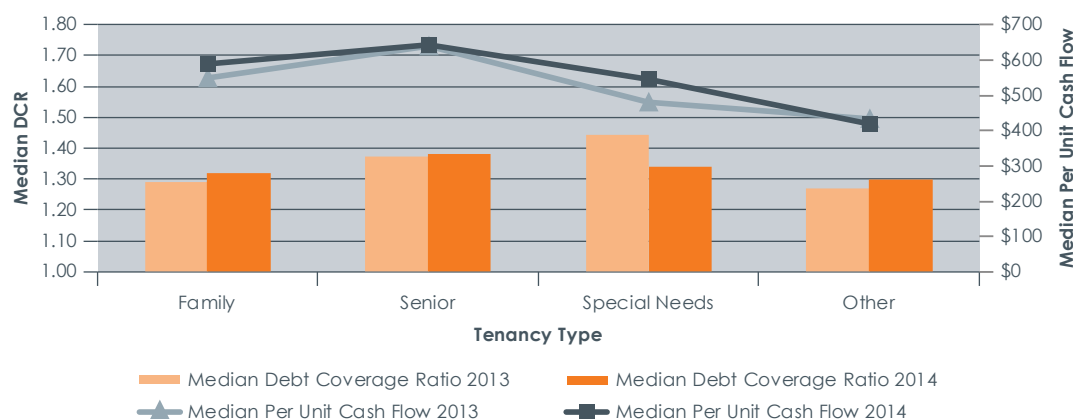
Figures 3.3.2.7(A)–(B) present, by tenancy type, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

Median DCR and Per Unit Cash Flow by Tenancy Type

FIGURE 3.3.2.7(A)

		Median Debt Coverage Ratio							Median Per Unit Cash Flow						
Tenancy Type	% of Stabilized Portfolio	2008	2009	2010	2011	2012	2013	2014	2008	2009	2010	2011	2012	2013	2014
Family	67.9%	1.14	1.18	1.22	1.25	1.27	1.29	1.32	\$227	\$314	\$400	\$442	\$467	\$549	\$588
Senior	25.6%	1.20	1.27	1.29	1.32	1.36	1.37	1.38	\$300	\$414	\$458	\$521	\$558	\$640	\$643
Special Needs	3.3%	1.32	1.37	1.45	1.30	1.40	1.44	1.34	\$397	\$529	\$551	\$344	\$464	\$480	\$544
Other	3.2%	1.17	1.23	1.22	1.37	1.34	1.27	1.30	\$111	\$271	\$310	\$495	\$571	\$435	\$419

Median DCR and Per Unit Cash Flow by Tenancy Type **FIGURE 3.3.2.7(B)**



Properties serving the senior and special needs population generally outperformed the other tenancy types in 2013 and 2014 in terms of both DCR and per unit cash flow. The special needs category encompasses supportive housing, formerly homeless housing, and single-room occupancy projects. Overall, the 2013 and 2014 survey data revealed strong DCR and cash flow across all tenancy types, with median DCR ranging from 1.27 to 1.44 and median per unit cash flow ranging from \$419 to \$643.

Underperformance — DCR and Per Unit Cash Flow by Tenancy Type

Figures 3.3.2.7(C)–(D) illustrate DCR and per unit cash flow underperformance by tenancy type, as measured by percentage of net equity of the stabilized surveyed portfolio. While incidence of DCR underperformance ranged from 13% to 20% across the four tenancy types in both study years, incidence of cash flow underperformance was slightly more pronounced, ranging from 14% to 23%. Once again, age-restricted properties stood out as the subset with the lowest incidence of DCR and cash flow issues in both 2013 and 2014.

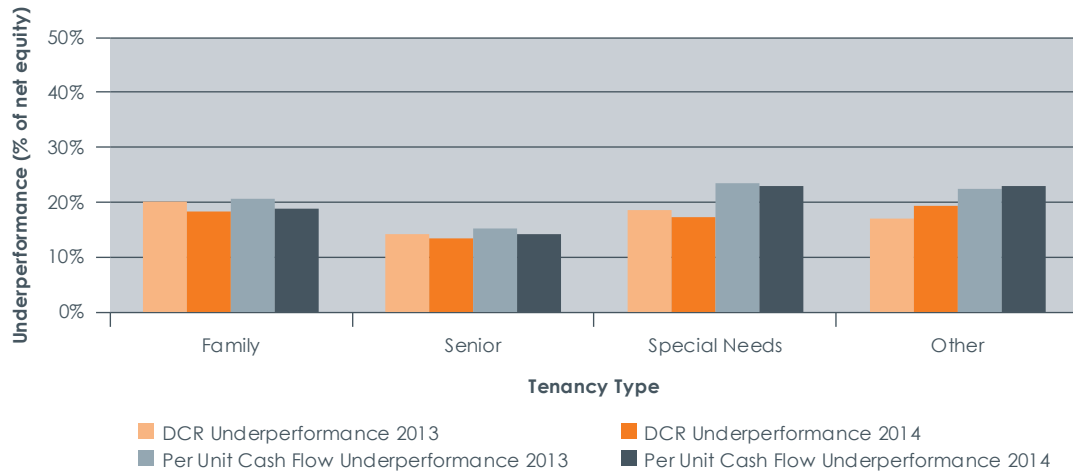
DCR and Per Unit Cash Flow Underperformance by Tenancy Type (% of net equity)

FIGURE 3.3.2.7(C)

Tenancy Type	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Family	67.9%	20.1%	18.2%	20.4%	18.7%
Senior	25.6%	14.0%	13.2%	15.1%	14.2%
Special Needs	3.3%	18.5%	17.2%	23.4%	22.9%
Other	3.2%	16.9%	19.2%	22.2%	22.9%

DCR and Per Unit Cash Flow Underperformance by Tenancy Type (% of net equity)

FIGURE 3.3.2.7(D)



3.3.2.8 Median DCR and Per Unit Cash Flow by Developer Type

Figures 3.3.2.8(A)–(B) present, by developer type, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

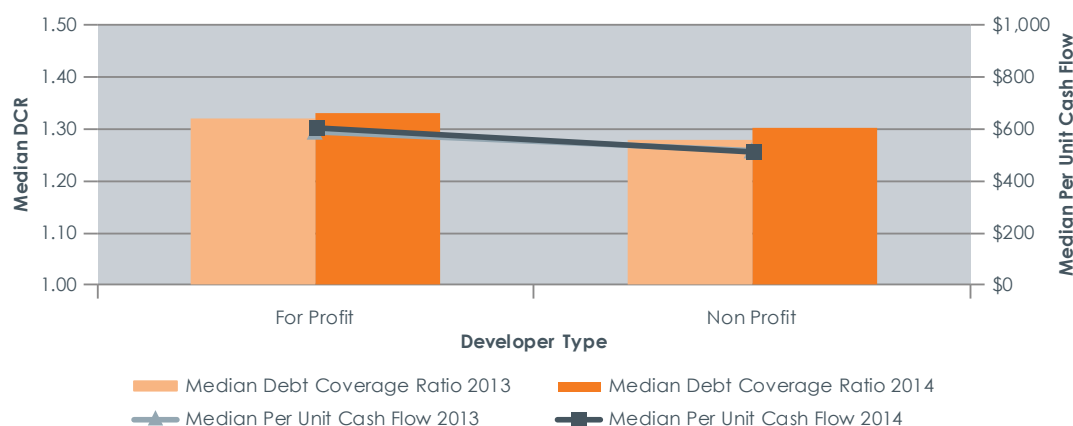
Median DCR and Per Unit Cash Flow by Developer Type

FIGURE 3.3.2.8(A)

Developer Type	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
For Profit	64.0%	1.32	1.33	\$588	\$605
Non Profit	36.0%	1.28	1.30	\$516	\$509

Median DCR and Per Unit Cash Flow by Developer Type

FIGURE 3.3.2.8(B)



While projects operated by non-profit developers were found to have marginally outperformed their for-profit counterparts in terms of physical and economic occupancy, the relationship reversed in the context of DCR and cash flow. CohnReznick data suggests that during 2013 and 2014, projects developed by for-profit developers had above-median DCR and per unit cash flow, while projects operated by non-profit developers generated DCR and per unit cash flow levels that were marginally lower than the national median. Similar to the occupancy comparison between the two types of developers, the differences were relatively immaterial in the case of DCR and cash flow, implying that developer type is likely not a key determinant in a project's DCR and cash flow performance.

Underperformance — DCR and Per Unit Cash Flow by Developer Type

Figures 3.3.2.8(C)-(D) illustrate DCR and per unit cash flow underperformance by developer type, as measured by percentage of net equity of the stabilized surveyed portfolio.

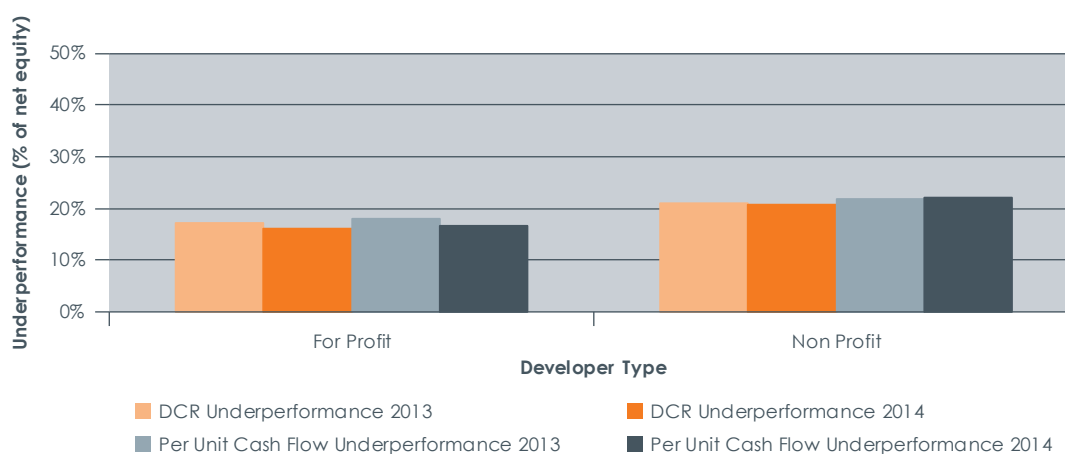
DCR and Per Unit Cash Flow Underperformance by Developer Type (% of net equity)

FIGURE 3.3.2.8(C)

Developer Type	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
For Profit	64.0%	17.2%	16.0%	18.0%	16.6%
Non Profit	36.0%	21.1%	20.8%	21.8%	22.1%

DCR and Per Unit Cash Flow Underperformance by Developer Type (% of net equity)

FIGURE 3.3.2.8(D)



During 2013 and 2014, 16%–18% of the properties developed by for-profit entities reported some level of DCR and cash flow underperformance, while 21%–22% of the properties developed by non-profit organizations did the same. As mentioned previously, our experience tells us that non-profit developers are more likely to take on developments located in underserved communities that may be more challenging than the projects favored by their for-profit competitors. There will be more supportive housing properties and projects reserved for special-needs or formerly homeless individuals in a typical non-profit developer's portfolio than would normally be the case for a for-profit developer. Because of the additional operating expenses and leasing challenges associated with these projects, the DCR and cash flow performance of the properties in a non-profit developer's portfolio can be negatively affected.

3.3.2.9 Median DCR and Per Unit Cash Flow by Credit Type

Figures 3.3.2.9(A)–(B) present, by credit type, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

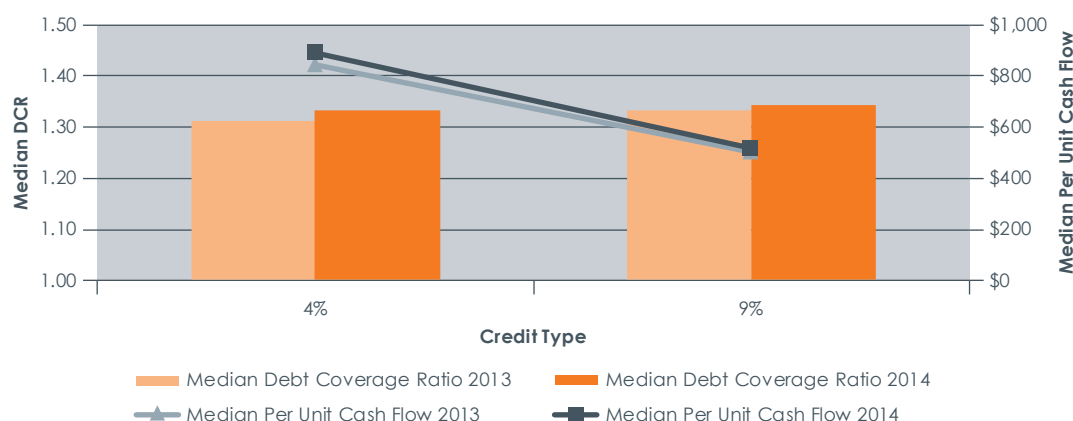
Median DCR and Per Unit Cash Flow by Credit Type

FIGURE 3.3.2.9(A)

Credit Type	% of Stabilized Portfolio	Median Debt Coverage Ratio							Median Per Unit Cash Flow						
		2008	2009	2010	2011	2012	2013	2014	2008	2009	2010	2011	2012	2013	2014
4%	29.0%	1.14	1.19	1.23	1.27	1.27	1.31	1.33	\$318	\$404	\$506	\$642	\$671	\$842	\$890
9%	71.0%	1.15	1.21	1.25	1.28	1.30	1.33	1.34	\$220	\$329	\$399	\$411	\$444	\$501	\$520

Median DCR and Per Unit Cash Flow by Credit Type

FIGURE 3.3.2.9(B)



Despite the fact that 4% credit projects are typically financed with more hard debt than their 9% peers that have the luxury of relying more heavily on investor equity, median DCR is nearly identical between the two credit types since 2008. While we have not observed significant differences between the DCR performances of 4% versus 9% properties, the 4% credit properties we surveyed have reported consistently higher levels of cash flow than their 9% counterparts since 2008. We attribute this, once again, to the fact that properties financed with tax-exempt bonds are generally larger and thus have the ability to allocate their fixed costs over a broader base of units. We note, in addition, that 4% credit projects that have been financed with so-called low floater bonds are reporting particularly high levels of cash flow given the continuing favorable interest rate environment.

Underperformance — DCR and Per Unit Cash Flow by Credit Type

Figures 3.3.2.9(C)–(D) illustrate DCR and per unit cash flow underperformance by credit type, as measured by percentage of net equity of the stabilized surveyed portfolio.

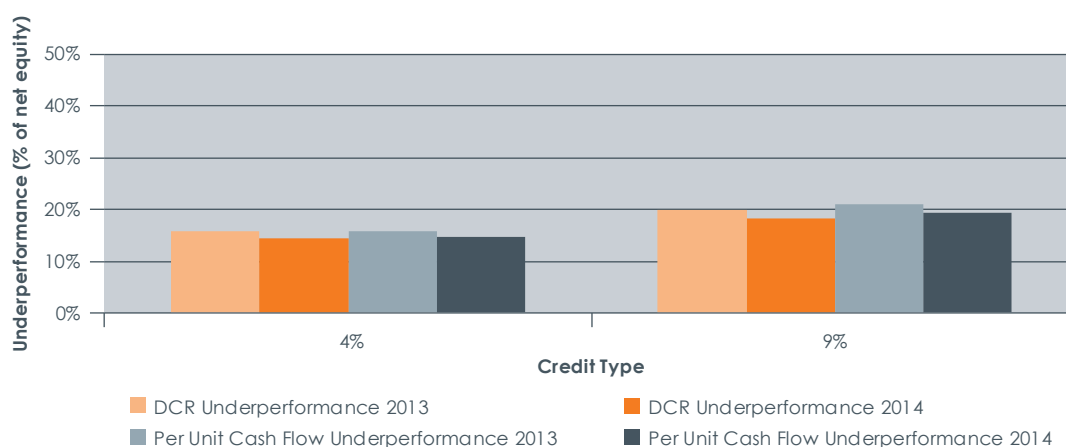
DCR and Per Unit Cash Flow Underperformance by Credit Type (% of net equity)

FIGURE 3.3.2.9(C)

Credit Type	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
4%	29.0%	15.8%	14.3%	15.7%	14.6%
9%	71.0%	19.8%	18.2%	20.8%	19.2%

DCR and Per Unit Cash Flow Underperformance by Credit Type (% of net equity)

FIGURE 3.3.2.9(D)



In 2014, the incidence of DCR and per unit cash flow underperformance was 14%–15% for 4% credit projects and approximately 18%–19% for 9% projects. While 9% credit projects were responsible for a slightly higher share of all properties with performance issues compared to properties financed with tax-exempt bonds, the difference in the percentage strikes us as relatively modest. However, it is important to note that stabilized 4% credit projects make up only 29% of our surveyed population (measured by both net equity and property count), while 9% credit projects take up the remaining 71%. This split of credit types is generally consistent with the data collected during CohnReznick's previous studies. As such, while the percentage of underperformance is similar between the two credit types, the actual number of underperforming 9% properties is equal to roughly three times that of underperforming 4% credit projects. Further substantiating the fact that a significantly higher number of 9% credit projects are experiencing DCR and cash flow issues is Figure 3.3.2.9(E), where we presented underperformance measured as a percentage of the number of properties. The analysis by property count revealed a wider gap between the underperformance statistics of 4% and 9% credit projects. Nevertheless, unlike 4% credit projects, which account for a majority of the foreclosed properties to date, it tends to be easier for 9% credit projects to recover from temporary operating deficits due to a relatively lighter debt burden and smaller project scale.

DCR and Per Unit Cash Flow Underperformance by Credit Type (% of number of properties)

FIGURE 3.3.2.9(E)

Credit Type	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
	2013	2014	2013	2014
4%	18.5%	17.3%	18.3%	17.3%
9%	24.0%	23.3%	24.6%	24.0%

3.3.2.10 Median DCR and Per Unit Cash Flow by Development Type

Figures 3.3.2.10(A)–(B) present, by development type, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

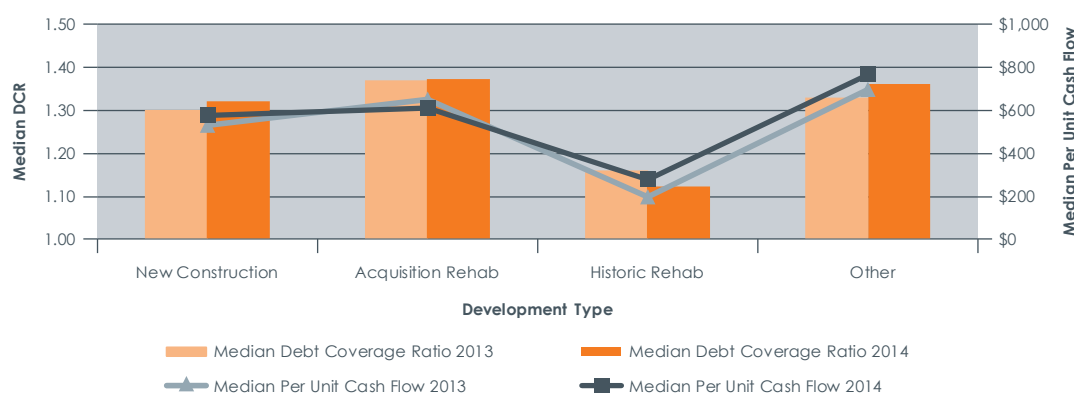
Median DCR and Per Unit Cash Flow by Development Type

FIGURE 3.3.2.10(A)

		Median Debt Coverage Ratio								Median Per Unit Cash Flow							
Devlpmnt. Type	% of Stabilized Portfolio	2008	2009	2010	2011	2012	2013	2014	2008	2009	2010	2011	2012	2013	2014		
New Construction	68.0%	1.16	1.20	1.23	1.26	1.28	1.30	1.32	\$273	\$334	\$422	\$450	\$471	\$531	\$578		
Acquisition Rehab	21.9%	1.15	1.22	1.27	1.31	1.33	1.37	1.37	\$238	\$379	\$447	\$507	\$555	\$653	\$613		
Historic Rehab	1.9%	1.05	1.15	1.16	1.24	1.23	1.16	1.12	\$0	\$129	\$121	\$239	\$145	\$196	\$281		
Other	8.2%	0.88	1.11	1.08	0.96	0.98	1.33	1.36	-\$113	\$211	\$251	-\$22	\$23	\$697	\$767		

Median DCR and Per Unit Cash Flow by Development Type

FIGURE 3.3.2.10(B)



Consistent with our findings with regard to occupancy, historic rehab properties tend to perform less favorably when measured by DCR and per unit cash flow. In 2014, stabilized historic properties in our surveyed portfolio reported a median 1.12 DCR and \$281 of per unit cash flow, both of which were significantly below the national median levels. It is worth noting that this subset's sample size is limited, consisting of fewer than 300 properties (or 1.9% of the surveyed portfolio in terms of net equity). In our experience, historic buildings tend to take longer to lease up and generate higher operating expenses associated with utilities and maintenance. The acquisition rehabilitation and the "other" (i.e., mixed development types) subsets consistently outperformed the nation on both metrics across 2013 and 2014. New construction properties, encompassing 68% of the surveyed population, also reported fairly strong (although slightly below the national median) DCR and cash flow of 1.32 and \$578 in 2014, respectively.

Underperformance —

DCR and Per Unit Cash Flow by Development Type

Figures 3.3.2.10(C)–(D) illustrate DCR and per unit cash flow underperformance by development type, as measured by percentage of net equity of the stabilized surveyed portfolio. Consistent with the performance metrics, more than 30% of the subset of historic rehab properties reported operating below breakeven in 2014. The other three development types reported incidences of DCR and cash flow issues of 16%–19% of their respective portfolios.

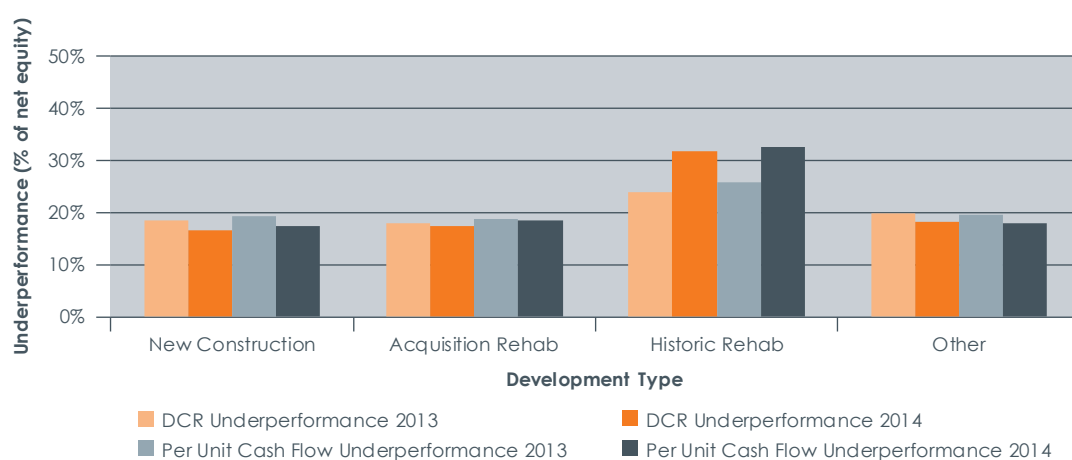
DCR and Per Unit Cash Flow Underperformance by Development Type (% of net equity)

FIGURE 3.3.2.10(C)

Development Type	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
New Construction	68.0%	18.3%	16.3%	19.2%	17.2%
Acquisition Rehab	21.9%	17.9%	17.2%	18.7%	18.4%
Historic Rehab	1.9%	23.7%	31.5%	25.6%	32.4%
Other	8.2%	19.8%	18.1%	19.3%	17.9%

DCR and Per Unit Cash Flow Underperformance by Development Type (% of net equity)

FIGURE 3.3.2.10(D)



3.3.2.11 Median DCR and Per Unit Cash Flow by Availability of Rental Assistance

Figures 3.3.2.11(A)–(B) present, by availability of rental assistance, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

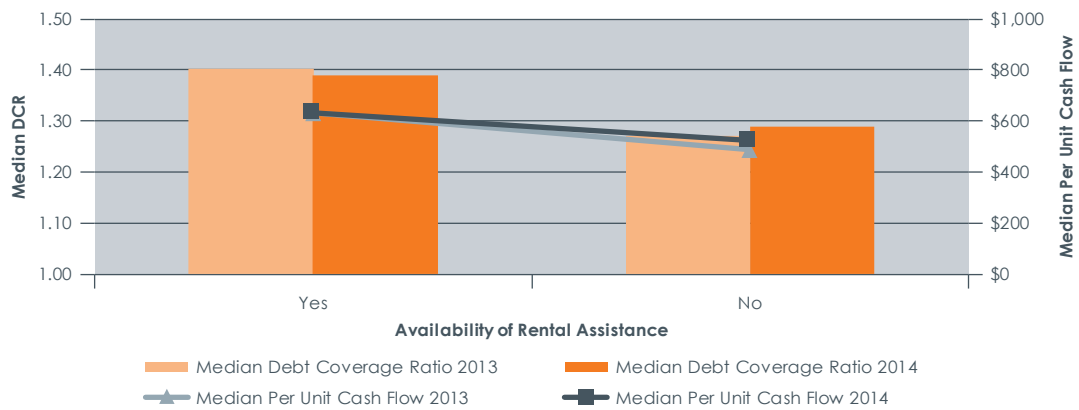
Median DCR and Per Unit Cash Flow by Availability of Rental Assistance

FIGURE 3.3.2.11(A)

Availability of Rental Assistance	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Yes	33.9%	1.40	1.39	\$632	\$632
No	66.1%	1.27	1.29	\$490	\$524

Median DCR and Per Unit Cash Flow by Availability of Rental Assistance

FIGURE 3.3.2.11(B)



It is logical that properties with rental assistance would report stronger DCR and higher per unit cash flow compared to non-subsidized properties. While subsidized properties may incur higher administrative expenses because of various additional compliance requirements, rental assistance contracts typically allow for higher rents to be collected; they frequently exceed the Section 42 maximum rent limitations that their non-subsidized counterparts must comply. Nonetheless, properties without rental assistance still exhibited strong DCR of 1.29 and per unit cash flow of \$524 in 2014.

Underperformance — DCR and Per Unit Cash Flow by Availability of Rental Assistance

Figures 3.3.2.11(C)–(D) illustrate DCR and per unit cash flow underperformance by availability of rental assistance, as measured by percentage of net equity of the stabilized surveyed portfolio. Consistent with our other findings, projects with rental assistance outperformed their unsubsidized counterparts, although we note that the differences were not as material as might have been expected, indicating that the availability of rental assistance typically only has a minor effect on DCR and per unit cash flow performance.

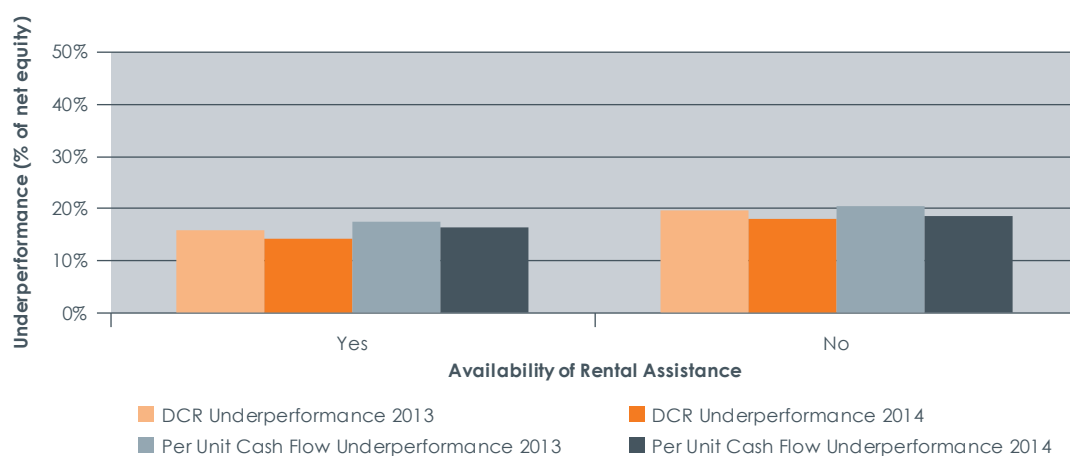
DCR and Per Unit Cash Flow Underperformance by Rental Assistance (% of net equity)

FIGURE 3.3.2.11(C)

Availability of Rental Assistance	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Yes	33.9%	15.9%	14.1%	17.5%	16.3%
No	66.1%	19.7%	18.0%	20.3%	18.5%

DCR and Per Unit Cash Flow Underperformance . by Availability of Rental Assistance (% of net equity)

FIGURE 3.3.2.11(D)



3.3.2.12 Median DCR and Per Unit Cash Flow by Availability of Property Tax Relief

Figures 3.3.2.12(A)–(B) present, by availability of property tax relief, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

Median DCR and Per Unit Cash Flow by Availability of Property Tax Relief

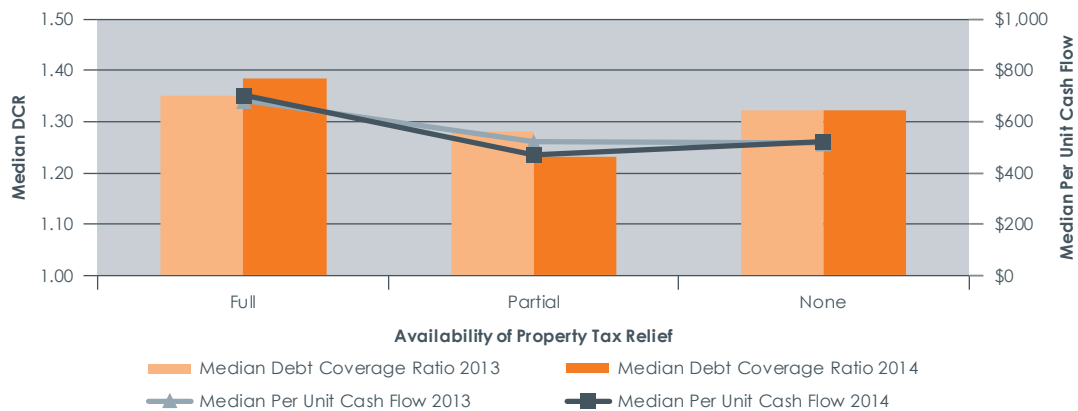
FIGURE 3.3.2.12(A)

Availability of Property Tax Relief	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
Full	20.3%	1.35	1.38	\$681	\$704
Partial	18.6%	1.28	1.23	\$520	\$468
None	61.1%	1.32	1.32	\$519	\$520

As would be expected, housing credit projects that are exempt from property taxes performed very favorably, with median DCR and per unit cash flow surpassing the national medians in both 2013 and 2014. On the other hand, it is only natural to predict that properties without any form of real estate tax relief would be expected, out of the three subsets, to report the lowest DCR and generate the least amount of cash flow. However, this assumption has not proven to be accurate, as survey results indicate that properties benefiting from a partial property tax relief actually did not perform as well as properties without property tax relief in terms of DCR and cash flow. That said, median DCR for properties with partial property tax benefits still achieved median debt coverage of 1.28 in 2013 and 1.23 in 2014 and median per unit cash flow of \$520 in 2013 and \$468 in 2014. We also note that partial property tax incentives come in a variety of shapes and sizes; the magnitude of the abatement varies widely from project to project and may not always be in place for the entire 15-year compliance period.

Median DCR and Per Unit Cash Flow by Availability of Property Tax Relief

FIGURE 3.3.2.12(B)



Underperformance — DCR and Per Unit Cash Flow by Availability of Property Tax Relief

Figures 3.3.2.12(C)–(D) illustrate DCR and per unit cash flow underperformance by availability of property tax relief, as measured by percentage of net equity of the stabilized surveyed portfolio. Incidences of DCR and cash flow underperformance among projects receiving full property tax exemptions as well as projects paying full real estate taxes remained consistently below 19% in both 2013 and 2014. In line with findings noted earlier, projects receiving only a partial property tax relief had a slightly higher incidence of underperformance in terms of DCR and per unit cash flow, but such incidence did not exceed 22% across both 2013 and 2014.

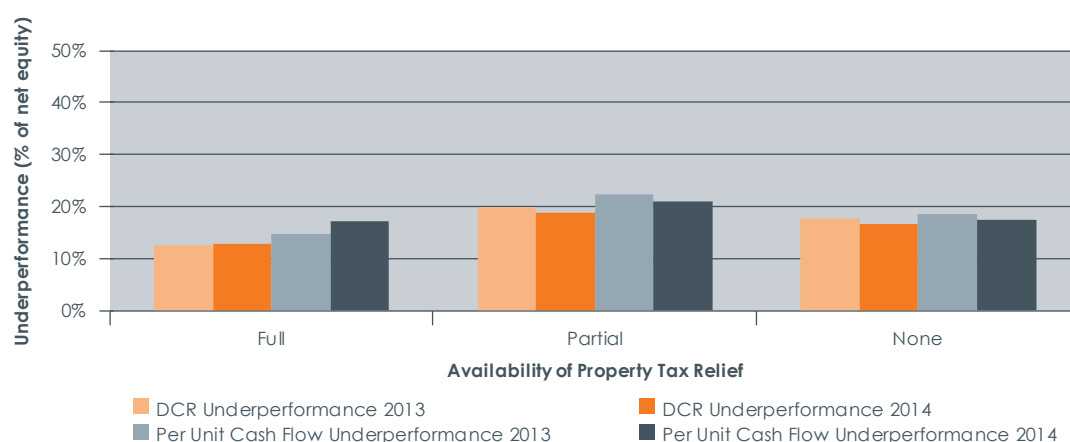
DCR and Per Unit Cash Flow Underperformance by Property Tax Relief (% of net equity)

FIGURE 3.3.2.12(C)

Availability of Property Tax Relief	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
Full	20.3%	12.5%	12.8%	14.7%	17.1%
Partial	18.6%	19.9%	18.8%	22.1%	21.0%
None	61.1%	17.6%	16.6%	18.3%	17.4%

DCR and Per Unit Cash Flow Underperformance by Availability of Property Tax Relief (% of net equity)

FIGURE 3.3.2.12(D)



3.3.2.13 Median DCR and Per Unit Cash Flow by Hard Debt Ratio Range

Figures 3.3.2.13(A)–(B) present, by the levels of hard debt, the DCR and per unit cash flow levels of the stabilized properties in our surveyed portfolio.

Median DCR and Per Unit Cash Flow by Hard Debt Ratio

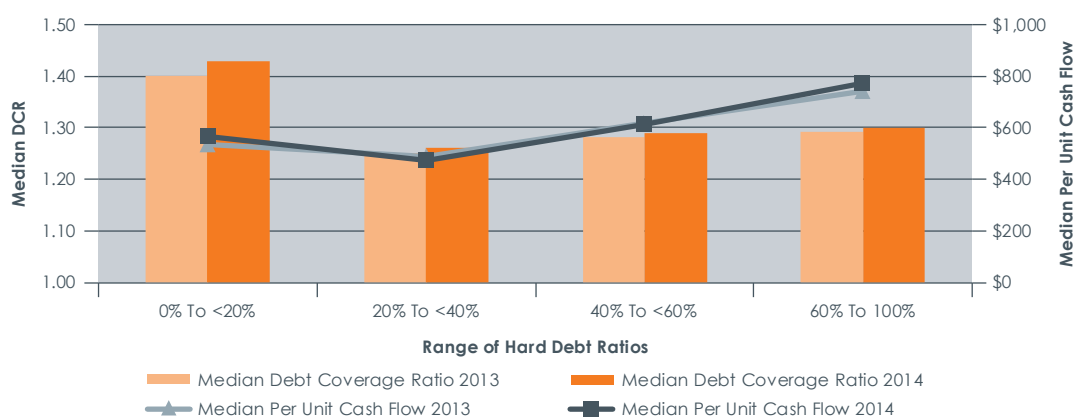
FIGURE 3.3.2.13(A)

Hard Debt Ratio	% of Stabilized Portfolio	Median Debt Coverage Ratio		Median Per Unit Cash Flow	
		2013	2014	2013	2014
0% To <20%	48.2%	1.40	1.43	\$533	\$564
20% To <40%	30.0%	1.25	1.26	\$490	\$475
40% To <60%	14.6%	1.28	1.29	\$619	\$611
60% To 100%	7.2%	1.29	1.30	\$740	\$771

Properties with less than 20% leverage reported the most favorable results in this segment in terms of DCR in both 2013 and 2014; however, the most heavily leveraged segment was the front-runner in terms of per unit cash flow in both years. We were surprised by the general trend showing that, aside from the least-levered group, DCR and per unit cash flow actually improved as hard debt ratios inched higher across the other three subsets. In 2014, median DCR and per unit cash flow were 1.26 and \$475 for projects with 20% to <40% of hard debt, 1.29 and \$611 for projects with 40% to <60% of hard debt, and 1.30 and \$771 for projects with 60% to 100% of hard debt. We suspect that, in this context, the most highly leveraged properties tend to be the largest by unit count; and projects with higher density tend to consistently generate higher levels of cash flow. Additionally, the most highly levered developments are likely to be bond deals, which if performing smoothly could more easily generate significant amounts of cash flow.

Median DCR and Per Unit Cash Flow by Hard Debt Ratio Range

FIGURE 3.3.2.13(B)



Underperformance –

DCR and Per Unit Cash Flow by Hard Debt Ratio Range

Figures 3.3.2.13(C)–(D) illustrate DCR and per unit cash flow underperformance by hard debt ratio range, as measured by percentage of net equity of the stabilized surveyed portfolio. The two most heavily levered segments reported the lowest incidence of underperformance in both years, with only 16% of the portfolio experiencing DCR and cash flow issues in 2014, which represented an improvement from 2013. Conversely, the 20%- to <40%-levered deals consistently reported a rate of DCR and cash flow underperformance around 20% in both 2013 and 2014. It is worth noting that all of the subsets in this analysis have seen a decline in DCR and cash flow underperformance since 2013.

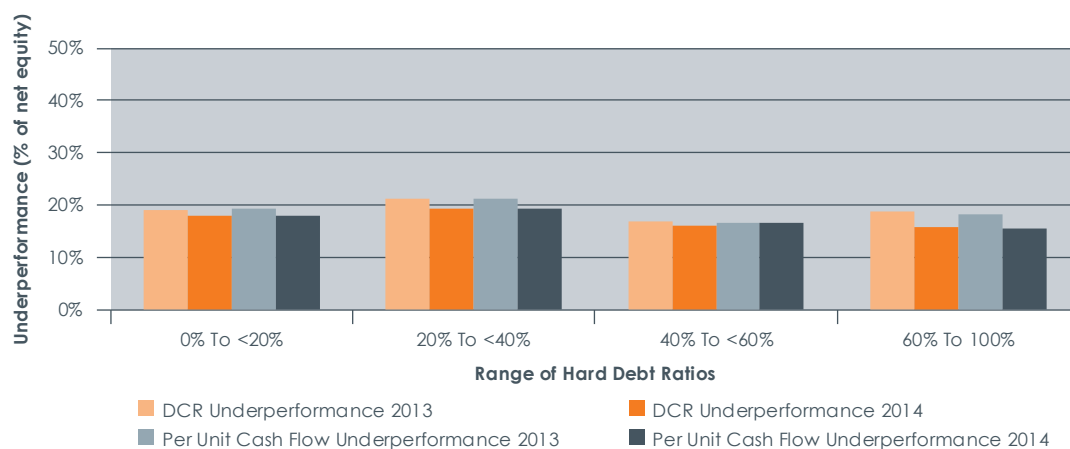
DCR and Per Unit Cash Flow Underperformance by Hard Debt Ratio (% of net equity)

FIGURE 3.3.2.13(C)

Hard Debt Ratio	% of Stabilized Portfolio	Debt Coverage Ratio Below 1.00		Per Unit Cash Flow Below \$0	
		2013	2014	2013	2014
0% To <20%	48.2%	18.9%	17.8%	19.1%	17.9%
20% To <40%	30.0%	21.0%	19.3%	21.0%	19.3%
40% To <60%	14.6%	16.7%	16.0%	16.5%	16.5%
60% To 100%	7.2%	18.6%	15.8%	18.2%	15.5%

DCR and Per Unit Cash Flow Underperformance by Hard Debt Ratio Range (% of net equity)

FIGURE 3.3.2.13(D)



Foreclosure

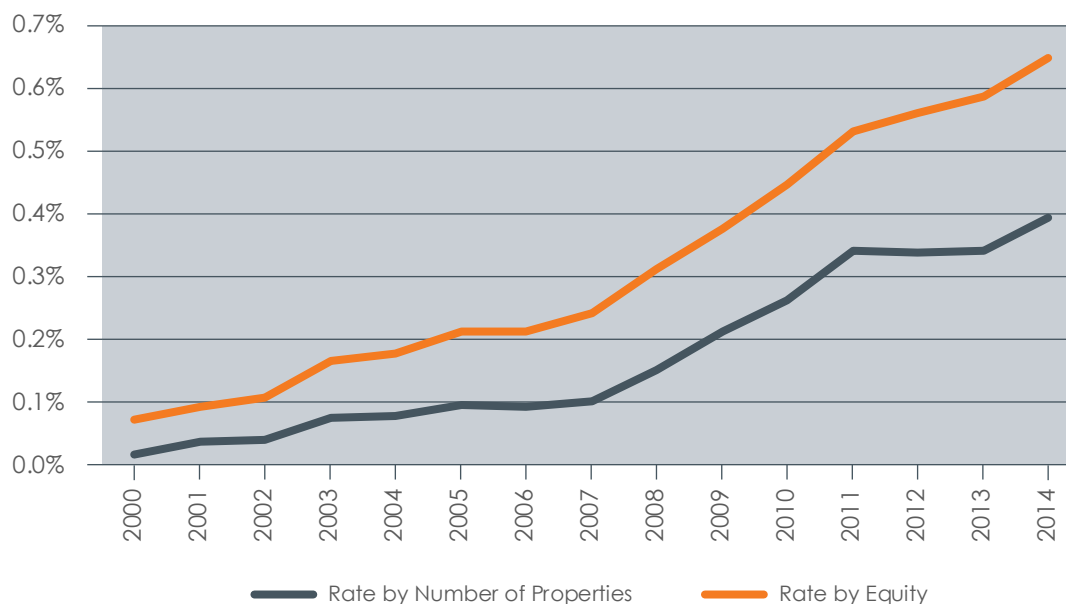


Notwithstanding its rare occurrence, foreclosure is viewed as one of the principal investment risks by housing tax credit investors and regulators because its potential impact can be significant. If the owner of a qualifying housing tax credit project forfeits title to the property because of foreclosure or by tendering a deed in lieu of foreclosure, the transfer is treated as a sale of the property. As a technical matter, such transfer generates housing tax credit recapture. A recapture event prompted by foreclosure results in the loss of one-third of the housing credits previously claimed in addition to 100% of any projected future housing tax credits. Additional interest and penalties may apply, and they may or may not be covered by a recapture guarantee backstopped by the guarantors of the transaction.

CohnReznick asked survey respondents to report the number of properties they have lost to foreclosure, including circumstances in which a deed may have been tendered in lieu of foreclosure. Respondents reported that 133 properties were foreclosed, reflecting an increase of 16 foreclosures since the last CohnReznick study (which was released in December 2014, with foreclosure data collected through early 2014). This translates into a cumulative foreclosure rate of 0.66%, measured by the number of foreclosed properties divided by the total number of properties in respondents' portfolios. Historically, properties lost to foreclosure reported large and sustained cash flow deficits. The incidence of chronic deficits may be attributed to low occupancy levels, poor sponsorship, or defective construction, among other issues. However, in large part because of the flexibility and variability with which affordable housing investments can be financially supported or restructured, a remarkably low number of properties fall victim to foreclosure in any given year.

Cumulative Foreclosure Rate

FIGURE 4.1

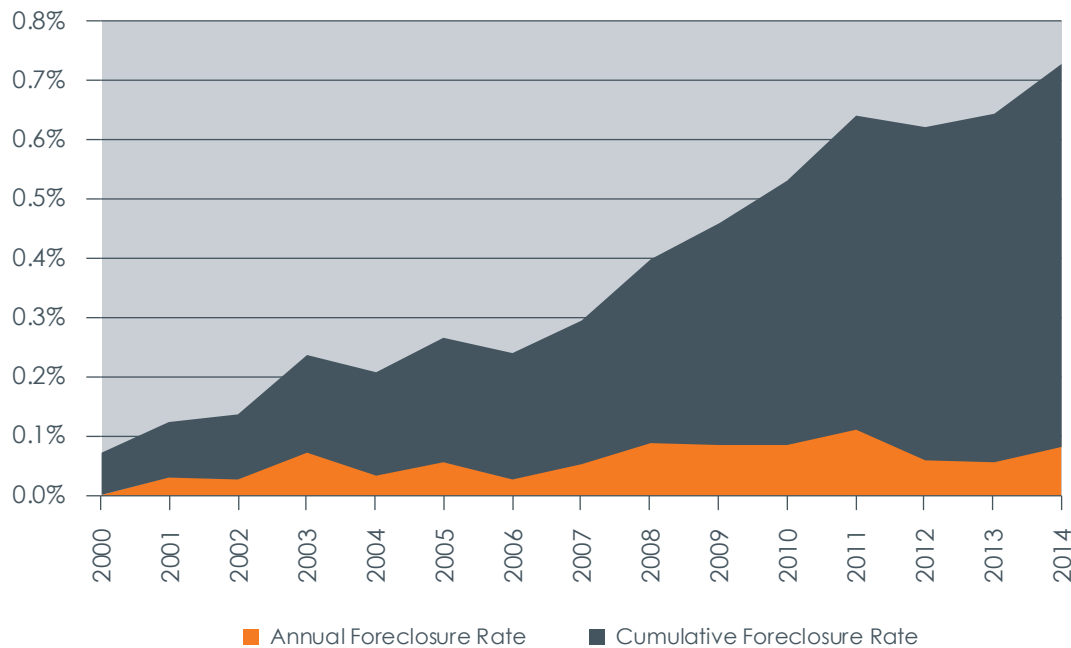


CohnReznick plotted the cumulative number of foreclosures on a yearly basis. Of the 133 reported incidences of foreclosures, 100 were foreclosed during the period 2008–2015 (through mid-2015 when the survey collection closed), including 41 that were foreclosed between 2012 and mid-2015. As a result, the cumulative foreclosure rate kept rising in recent years. Nonetheless, the rate remained significantly less than 1.0%, and continues to compare very favorably with the market rate multifamily property foreclosure rate and other real estate asset classes foreclosure rates. The less than 1.0% foreclosure rate proved to be a very meaningful data point, as regulators risk rate housing tax credit investments and investors seek credit approvals for making equity investments in housing tax credit transactions.

Figure 4.2 presents the annual and cumulative foreclosure rate of housing tax credit properties.

Annual and Cumulative Foreclosure Rate

FIGURE 4.2



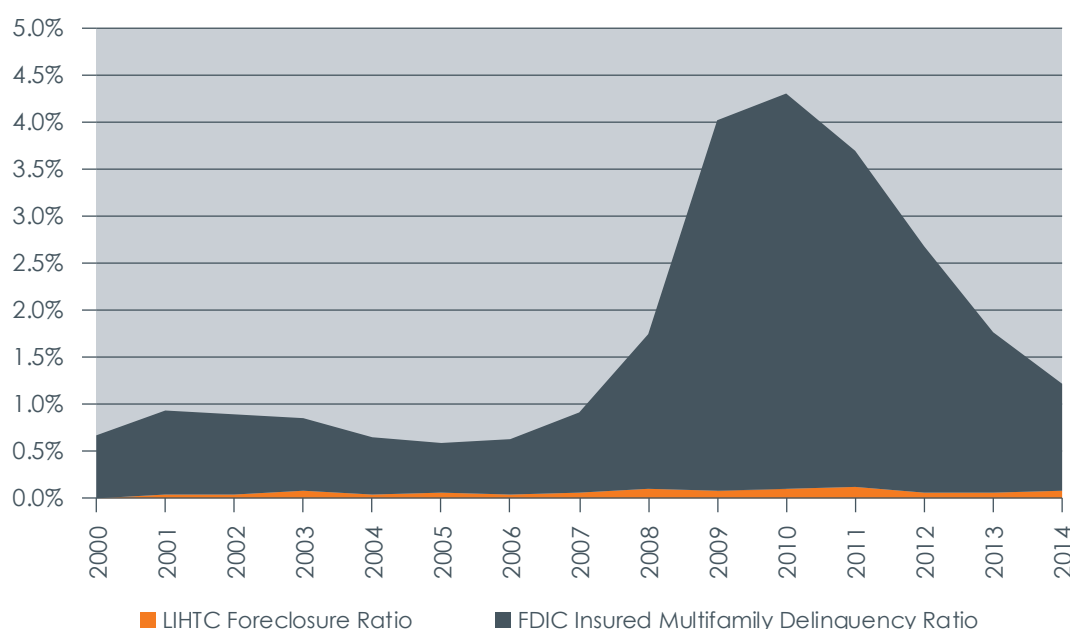
The number of foreclosures may be understated because CohnReznick was unable to obtain data from syndication firms that have left the business or become inactive. CohnReznick has reason to believe, strictly on an anecdotal basis, that the incidence of property foreclosure has been higher among these firms than the rest of the industry. Because we lack precise information concerning the number of foreclosures in such firms' respective portfolios, any estimate we might make would be speculation on our part. Nevertheless, CohnReznick believes that inclusion of defunct syndicators' data would not significantly affect our conclusion on the overall safety of housing tax credit investments. Moreover, the firms we surveyed represent the core of the housing tax credit industry, and the care with which they finance and manage their investments is an important part of why the foreclosure rate of housing tax credit properties continues to be so low.

In addition to missing data from defunct syndicators, the cumulative foreclosure rate was calculated based on the total number of properties currently in survey respondents' collective portfolio, rather than the total number of properties the respondents have syndicated or invested in to date. As such, including a larger base of properties could at least partly offset the impact of missing data from defunct syndicators. Many syndicator respondents commented that if all of the properties they ever syndicated were included, the respective foreclosure rate would be even lower.

More important, as shown in Figure 4.3, housing tax credit properties exhibited a much lower foreclosure rate than conventional multifamily properties. For conventional properties we relied upon historical data from the Mortgage Bankers Association report, Commercial/Multifamily Mortgage Delinquency Rates for Major Investor Groups: Q1 2015.¹¹ The delinquency rate covers loans 90+ days delinquent, including those in foreclosure.

Annual LIHTC Foreclosure Rate vs. Conventional Multifamily Delinquency Rate

FIGURE 4.3



What property characteristics correspond to a higher likelihood of being foreclosed upon?

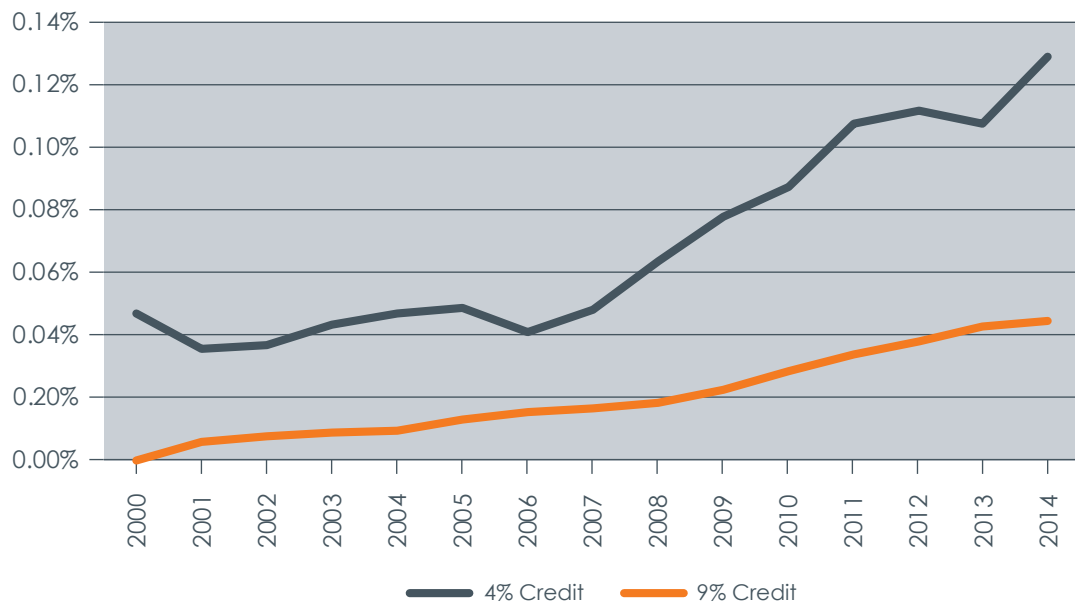
We are often asked what types of characteristics are property risk factors for foreclosure, with geographic location being the first area of inquiry. The 133 reported foreclosures are located across 32 states and the District of Columbia, suggesting that macro location is unlikely a determining factor for underperformance. That said, soft local market conditions were quoted by survey respondents as one of the predominant factors that caused foreclosure. Certain states that had below-average operating performance also had above-average foreclosure rates, including Georgia, Indiana, and Arkansas. That said, rather than reject an investment solely based on location, CohnReznick advises that investors evaluate the strengths and weaknesses of the local market in which a property is located, the responsiveness of the property design (unit mix, amenities, income restrictions, etc.) to the local demand, and the suitability of underwriting assumptions.

¹¹ <https://www.mba.org/documents/Research/1Q15CMFDDelinquencies.pdf>

Of the 133 foreclosures, 14 did not report a credit type. Of the remaining 119, 57 are 9% credit investments and the remaining 62 are 4% credit investments. While at first glance, it appears that foreclosures were evenly distributed between 9% and 4% investments, the incidence of foreclosures was in fact much higher among 4% credit properties because of the much smaller share of 4% properties in the surveyed data pool. In a typical year, surveyed 4% properties represented, on average, 36% of surveyed 9% properties, which we believe is consistent with the overall industry volume. As shown below, the foreclosure rate reported by 4% credit properties was nearly three times that reported by 9% credit properties.

Cumulative Foreclosure Rate by Credit Type

FIGURE 4.4



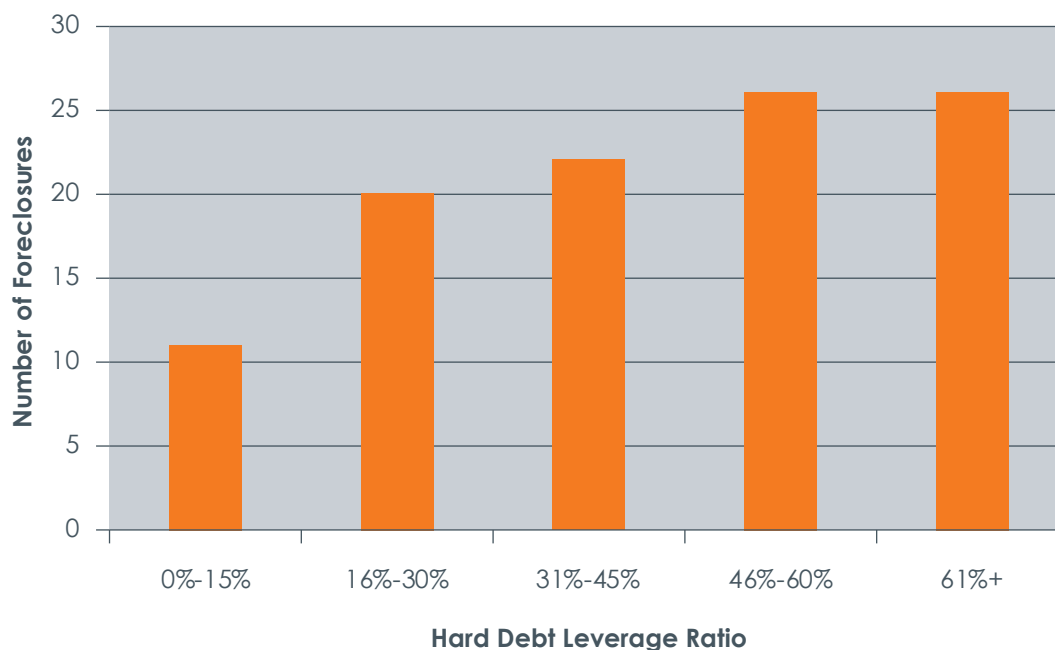
While a higher percentage of foreclosed properties was financed with 4% credits, these projects carry lower levels of equity. As a result, the cumulative foreclosure rate, measured by net equity, is approximately 0.88% vs. 1.29%.

The 62 foreclosed 4% credit properties were, on average, 45.5% leveraged with hard debt, with the highest being 86.5% leveraged (which is a mixed-income development that was underwritten with much more leverage than is typical for a housing tax credit developments).

Of the 62 properties, 18 are mixed-income properties that have a market rate component. Including market rate units in a housing tax credit development has many benefits from a social impact and an underwriting perspective. However, some mixed-income properties experience difficulty in attracting market-rate tenants at the desired rent levels, especially when combined with soft local market conditions. In our experience, we prefer to see that market rents in a mixed-income property be underwritten at 10% below market as an underwriting practice.

Leverage Ratio Distribution of Foreclosed Properties

FIGURE 4.5

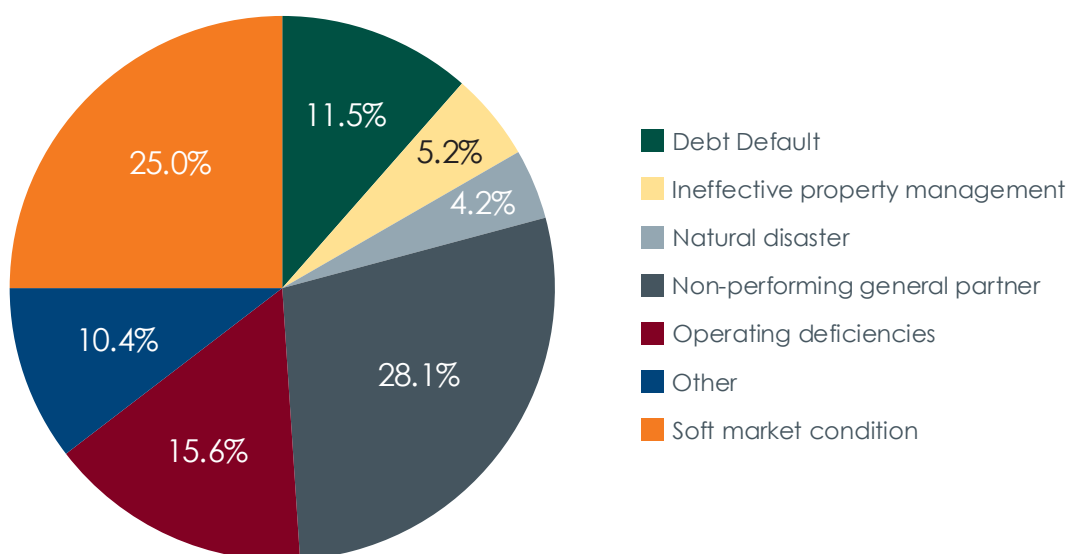


What caused foreclosure according to survey respondents?

By far, non-performing general partners and soft market condition were cited as the two leading causes of foreclosures. As noted, 100 of the 133 reported foreclosures occurred in 2008 and thereafter. In almost each instance, non-performing general partner and/or soft-market condition were considered the principal cause(s) of the projects' failure. Not surprisingly, the national recession tended to exacerbate already weak demand in soft markets around the country. While the great majority of developers with troubled properties stand behind them financially, it is the non-performing general partners that continue to be the leading cause of foreclosure among housing credit properties, accounting for 28.1% of all of the foreclosures reported by data providers. In some cases, non-performing general partner further resulted in fraud, bankruptcy declared by the general partner, and litigation between the property owner and the general partner, which could be costly and lengthy to correct.

Main Causes of Foreclosure

FIGURE 4.6



What does foreclosure mean to an investor?

While the increasing rate of foreclosure appears disconcerting, it is important to reiterate that, at 0.66%, the rate of foreclosure in housing tax credit properties continues to be much lower than any other real estate asset class with which we are familiar. Further, the foreclosure rate needs to be analyzed in its proper context. It has been our experience that an increasing number of housing credit syndicators have become “comfortable” with allowing properties that are nearing the end of their compliance period (or beyond it in some cases) to go into foreclosure when they are convinced that the financial impact to investors is not material to them. This is evidenced by the fact that, on average, a foreclosed property was in its 11th year of credit delivery period when lost to foreclosure.

There is some value in revisiting the concept of recapture. When the title to a property is forfeited in the event of foreclosure, some level of housing tax credits may be recaptured. Because housing credit properties are subject to a 15-year compliance period that extends five years beyond the credit period, housing credits are earned over 15 years. Housing credits may be recaptured during the 15-year compliance period if the property ceases to qualify as a housing credit property or ceases to be occupied by qualified tenants. The amount of recapture will be calculated based on one-third of the previously claimed credits, known as the “accelerated portion of the credits” or the claimed but yet not earned credits, plus applicable interest charges and IRS penalties. Recapture occurs either through disposition of the building (i.e., foreclosure type) or a decrease in the qualified basis of a building from one year to the next (i.e., by reason of non-compliance matters).

While foreclosure can be a catastrophic event for developers and lenders, the financial consequences for investors tend to be much less significant than would be the case for investors impacted by a “conventional” foreclosure. Based on the data collected, the median year in which tax credit properties are foreclosed was year 11 of the 15-year

compliance period. To illustrate the financial impact of a foreclosure, we constructed a hypothetical project based on the “average” profile exhibited by the properties that have undergone foreclosure.

Hypothetical Foreclosure Analysis

FIGURE 4.7

Year	Credits Delivered	Credits Earned	Credits Subject to Recapture	Interest on Recapture	Total Potential Loss to Investors
1	\$300,000	\$200,000	\$100,000	\$5,000	\$105,000
2	\$300,000	\$200,000	\$200,000	\$15,500	\$215,500
3	\$300,000	\$200,000	\$300,000	\$31,788	\$331,788
4	\$300,000	\$200,000	\$400,000	\$54,415	\$454,415
5	\$300,000	\$200,000	\$500,000	\$83,726	\$583,726
6	\$300,000	\$200,000	\$600,000	\$120,332	\$720,332
7	\$300,000	\$200,000	\$700,000	\$164,639	\$864,639
8	\$300,000	\$200,000	\$800,000	\$217,326	\$1,017,326
9	\$300,000	\$200,000	\$900,000	\$278,870	\$1,178,870
10	\$300,000	\$200,000	\$1,000,000	\$350,025	\$1,350,025
11	\$0	\$200,000	\$800,000	\$218,247	\$1,018,247
12	\$0	\$200,000	\$600,000	\$259,267	\$859,267
13	\$0	\$200,000	\$400,000	\$94,992	\$494,992
14	\$0	\$200,000	\$200,000	\$100,994	\$300,994
15	\$0	\$200,000	\$0	-\$100,994	\$0

Assumptions:

- Total net equity = \$2,500,000
- Total housing tax credits = \$3,000,000
- First year of credit delivery = 2004
- Year of foreclosure = 2014

Finally, while a foreclosure results in the loss of one-third of the housing credits previously claimed, 100% of any future housing tax credits, and interest at the penalty rate, as the foregoing analysis indicates, the actual financial impact varies significantly based on the date of foreclosure.

APPENDIX A

Survey Methodology

This report represents the fourth in a series of studies undertaken by CohnReznick concerning the Low-Income Housing Tax Credit program. In June 2015, CohnReznick transmitted data requests to 47 organizations, including all active housing credit syndicators known to the Firm and a number of the nation's largest housing credit investors. Investor respondents were asked to provide data limited to direct investments and fund-level performance to mitigate what would otherwise be a large overlap of properties' data assembled from participating syndicators' portfolios.

CohnReznick believes that 20,516 properties, the sample size represented in this study, are in excess of 70% of the housing credit properties placed in service since the inception of the program that are being actively asset-managed by syndicators and/or investors. By "actively" managed, we refer to those properties that are within their compliance periods (or just beyond), for which an asset manager would produce quarterly or annual reports. We suspect the gap between CohnReznick's data set and 100% of all properties was largely a result of defunct syndicators, as well as properties placed in service in the earlier years of the housing credit program that have reached the end of their compliance periods, have been disposed of, and have "cycled out" of the program. Additionally, direct investments account for a smaller portion of our data set than we would have expected because of incomplete information and/or lack of participation of the largest direct investors. Direct investments are investments made by a single corporate investor directly into a project partnership as opposed to investing through a fund managed by a third-party syndicator. In future reports we plan to capture data for a larger portion of this segment of the market. We believe that the sample size represented in the study provides a statistically meaningful basis for our analysis and findings.

Data Collection

A participant solicitation email and data collection template were sent to the aforementioned organizations in April 2015. Respondents were initially requested to return the data collection template no later than June 2015. However, a few participating respondents indicated that they lacked sufficient time to complete the survey properly, and they were offered a deadline extension. All contacts, whether made by telephone or email, were recorded in response contact logs.

Data Collection Template

The following shows the main data points requested from each participating investor and syndicator. Instructions were attached to each collection field to minimize interpretation. Contact information for CohnReznick professionals was supplied along with the collection template for questions related to the data request.

Where applicable, audited financial data were requested and were represented as having been furnished in that form. However, CohnReznick did not perform any independent validation as to whether the data were indeed audited.

DATA FIELDS	DEFINITION/EXPLANATION
PROPERTY INVESTMENT IDENTIFICATION	
STATIC DATA	
Fund name	Provide the name of the fund each property belongs to. In cases where property interest is split among multiple funds, please assign the property to the fund that owns the majority LP interest. Ensure that fund names are consistent between the fund and property tabs.
Fund type	Select from: Direct, Proprietary, Multi-investor, Guaranteed, Public. Ensure the fund types are consistent between the fund and property tabs.
Property name	Provide the name of the property or a unique identification number from your database which permits future identification.
Property address	Enter the street address, city, 2-letter state abbreviation, and 5-digit zip code. When possible please enter the MSA for each property as presented by the U.S. Census Bureau. (http://www.census.gov/population/metro/data/def.html)
Type of credit	Select from: 4%, or 9%.
Total net equity (federal LIHTC only)	Enter total net equity contributed for federal LIHTC credits only. Do not combine state or any other credits. Use closing projected amount and enter the full dollar amount (e.g., \$2,000,000 instead of \$2 million).
Total projected federal LIHTC to LP	Enter total federal LIHTC credits projected to be delivered to LP at closing. Do not combine state or any other credits.
Calculated price per federal LIHTC	Confirm that the calculated Price per Credit is consistent with your records. If not, please confirm your entries for Total Net Equity amount and Total LIHTC amount.
Development type	Select from: New Construction, Acq/Rehab, Historic Rehab, and Other.
Tenancy type	Select from: Family, Senior, Special Needs, Formerly Homeless, Supportive Housing, and Other. Enter "Special Needs" for properties predominantly serving special needs population. "Supportive Housing" in this instance are properties with a significant additional operating expense attached.
Property type	Select from: Garden, Mid-Rise, High-Rise, and Single-Family Homes. We consider mid-rise to be 5-10 stories, high-rises are greater than 10 stories.
Developer type	Select from: for-profit, non-profit.
Management company name	Please enter the name of the property management company.
Total number of units	Enter the total number of units.
Total number of LIHTC units	Enter the total number of LIHTC units, including manager's unit that is treated as tax credit unit for the applicable fraction purposes.
Project-based rental assistance	Enter "Yes" for properties benefiting from project-based rental assistance either partial or full. Enter "No" if there are no project-based rental subsidies.
Type of rental assistance	Select from: Section 8, RD, ACC, Other, NA. Choose the major assistance type if more than one is received.
Property tax relief	Select from: full, partial, or none.
Hard debt	Enter "Yes" if the property is financed with hard debt. Enter "No" if the property has no hard debt.
Hard debt ratio	Enter % (hard debt / total project costs). Enter 0.0% if project has no hard debt.

DATA FIELDS	DEFINITION/EXPLANATION
PROPERTY INVESTMENT IDENTIFICATION	
VARIABLE DATA	
Property status	Select from: Pre-Construction, Construction, Lease-up, Pre-stabilization (leased-up but not yet stabilized), Stabilization (converted to perm loan and met the "stabilization" milestones specified in the LPA), Disposition, Foreclosure, Deed-in-lieu, and Other.
Date stabilized	Enter the approximate date when the property was stabilized.
Year placed in service	Enter 4-digit year; enter projected PIS year if not yet in service. If there are multiple buildings on a property with multiple PIS dates, enter the year when the first building was placed in service.
First year of credit delivery	Enter the first year of housing credit delivery. Enter the projected year if not yet delivering credits.
Physical occupancy	Enter the physical occupancy rate for the year specified. Annual physical occupancy is the average of monthly physical occupancy. For projects that did not have a full year of stabilized operation, enter the occupancy rate during the stabilized period only.
Economic occupancy	Enter the economic occupancy rate for the year specified, based on audited financials. Economic occupancy is defined as actual collected rental income divided by gross potential rental income.
DCR (all hard debt) or Income Expense Ratio (No Hard Debt)	Enter the debt coverage ratio or the income expense ratio for the year specified, based on audited financials. Debt coverage ratio is defined: (net operating income - required replacement reserve contributions) / mandatory debt service payments. If the property has no hard debt, enter the income expense ratio, which is defined as operating income / operating expenses (including replacement reserves).
Net cash flow per unit per annum	Enter the per unit cash flow for the year specified, based on audited financials. Per unit cash flow is defined: (net operating income - required replacement reserve contributions - mandatory debt service payments) / total number of units. For projects that did not have a full year of stabilized operation, enter the annualized per unit cash flow during the stabilized period only.
AHIC watch list (Yes/No)	Enter "Yes" if the property is on your organization's current watch list based on AHIC standards.
AHIC rating	Enter the property's corresponding AHIC rating: A, B, C, D, or F.
FUND IDENTIFICATION AND PERFORMANCE DATA	
STATIC DATA	
Fund name	Provide the name for the fund or a unique identification number from your database which permits future identification. Ensure that fund names are consistent with fund names provided in the property tab.
Fund type	Select from: Direct, Proprietary, Multi-investor, Guaranteed, Public.
Year closed	Enter 4- digit year of fund closing.
Total gross equity	Enter the gross ILP equity amount projected at closing. Use the full dollar amount (i.e. \$2,000,000 instead of \$2 million).
Total Net Equity Projected to be Invested in Properties	Enter the net equity amount projected at closing.
Calculated Fund Load	Fund load is automatically calculated based on total gross equity and total net equity.

DATA FIELDS	DEFINITION/EXPLANATION
FUND IDENTIFICATION AND PERFORMANCE DATA	
STATIC DATA	
Original Projected IRR	Enter IRR projected at fund closing with necessary adjustment for property removal/addition.
Total Projected LIHTC at Closing	Enter the total federal LIHTC projected at fund closing.
Total Projected Other Credits at Closing	Enter the total other credits, i.e. any other credits other than federal LIHTC, projected at fund closing.
Originally Projected 1st Year LIHTC	Enter the first year federal LIHTC projected at fund closing. Do not combine state or any other credits.
Originally Projected 2nd Year LIHTC	Enter the second year federal LIHTC projected at fund closing. Do not combine state or any other credits.
Originally Projected 3rd Year LIHTC	Enter the third year federal LIHTC projected at fund closing. Do not combine state or any other credits.
Original Working Capital Reserve Balance	Enter the initial, fully funded balance for the working capital reserve. Include all reserves except for the reserve that is specifically restricted to fund property deficits.
Calculated Percentage of Original Working Capital Reserve to Total Gross Equity	Reserve percentage is automatically calculated based on original working capital reserve balance and the total gross equity amount.
Original Property Needs Reserve Balance	Enter the initial, fully funded balance for the reserve that is specifically restricted to fund property deficits. If there are no reserves restricted for funding property deficits, enter \$0.
Calculated Percentage of Original Property Needs Reserve to Total Gross Equity	Reserve percentage is automatically calculated based on original property needs reserve balance and the total gross equity amount.

FUND IDENTIFICATION AND PERFORMANCE DATA	
VARIABLE DATA	
Current IRR	Enter the most current projected IRR per the latest investor report.
Total Projected LIHTC Current	Enter the actual, or currently projected, federal LIHTC.
Total Actual 1st Year LIHTC Current	Enter the actual, or currently projected, first year federal LIHTC. Do not combine state or any other credits.
Total Actual 2nd Year LIHTC Current	Enter the actual, or currently projected, second year federal LIHTC projected. Do not combine state or any other credits.
Total Actual 3rd Year LIHTC Current	Enter the actual, or currently projected, third year federal LIHTC projected. Do not combine state or any other credits.
Current Working Capital Reserve Balance	Enter the current balance for the working capital reserve. Include all reserves except for the reserve that is specifically restricted to fund property deficits.
Calculated Percentage of Current Working Capital Reserve to Total Gross Equity	Reserve percentage is automatically calculated based on current working capital reserve balance and the total gross equity amount.
Projected Working Capital Reserve Balance at Year 10	Enter the currently projected balance for the working capital reserve at year 10, or at the end of the credit delivery period.
Current Property Needs Reserve Balance	Enter the currently projected balance for the reserve that is specifically restricted to fund property deficits. If there are no reserves restricted for funding property deficits, enter \$0.

DATA FIELDS	DEFINITION/EXPLANATION
FUND IDENTIFICATION AND PERFORMANCE DATA	
VARIABLE DATA	
Calculated Percentage of Current Property Needs Reserve to Total Gross Equity	Reserve percentage is automatically calculated based on current property needs reserve balance and the total gross equity amount.
Projected Property Needs Reserve Balance at Year 10	Enter the currently projected balance for the property needs reserve at year 10, or at the end of the credit delivery period.
FORECLOSURE DATA	
Name of general partner	Enter the name of the general partner, or the developer.
Year of GP Removal	If applicable, provide the year when the general partner was removed.
Year of Foreclosure	Enter the year when the property was foreclosed.
Calculated Year of Compliance Period	Automatically calculated based on the First Year of Credit Delivery and the Year of Foreclosure.
Reason for Foreclosure	Enter the reason for foreclosure.
Total Recaptured and Lost Federal LIHTC	Enter the sum of the recaptured federal LIHTC amount and the future federal LIHTC amount that was foregone due to the foreclosure.
Was the LP covered by recapture guarantee? (Yes/No)	Enter "Yes" if the investors were covered by recapture guarantee; otherwise, enter "No".
Describe negative financial impacts to the investors	Describe negative financial impacts to the investors in terms of IRR, penalty, etc.
Describe negative financial impacts to you as syndicator	Describe negative financial impacts to your organization as syndicator. Describe how much you had to contribute from your own pocket in your effort to save the property. Describe your funding source.

Data Processing

The receipt of a completed survey questionnaire and any relevant comments made by the respondents were recorded in the contact logs. All questionnaires were first analyzed for data completeness and systematic errors for reasons such as misinterpretation. If questionnaires were returned with incomplete data, respondents were contacted immediately to determine the possibility of providing missing data and, in limited circumstances, the consequences of participants being unable to accommodate the entire data request. Other follow-up activities were conducted to ensure data integrity. Upon completion of the first round processing, data were compiled, filtered, and normalized.

Each data element provided was then uploaded to an Access database maintained by CohnReznick. The database was built in a completely confidential manner to ensure that no individual data points or groups of individual data points could be attributed to any data provider. The data were loaded into the database to ensure the consistency of field data types and to allow for flexible and repeatable calculation.

Data entered into the database were checked for arithmetical errors, and flagged for any large discrepancies between the current and previous years' data for trend warnings. Based on industry standards and a lengthy, programmatic filtering system designed by CohnReznick, outliers that could skew the study results were screened and later removed from the affected calculations. Based on predefined data outputs and calculation definitions, CohnReznick ran queries and wrote scripts to perform calculations and group datasets (e.g., linking Zip Codes to applicable MSAs) for segmentation analysis. Aggregated data and outputs were re-exported into an Excel template for further testing and quality control analysis.

Glossary

Credit type	There are two types of low-income housing tax credits under the Internal Revenue Code § 42: The 9% credits are available to support new construction or rehabilitation projects that are not considered federally subsidized; the 4% credits are available to support new construction or rehabilitation projects that are financed with tax-exempt bonds, or the acquisition costs of existing buildings. While the actual value varies based on a number of factors, the 9% and 4% credits are designed to subsidize 70% and 30% of the low-income unit costs in a project.
Community Reinvestment Act (CRA)	The Community Reinvestment Act was enacted in 1997 to ensure that banks and other depository institutions help meet the credit needs of the communities in which they operate. For more information about CRA, please reference CohnReznick's study of the program: http://www.cohnreznick.com/sites/default/files/CohnReznick_CRASstudy.pdf .
Debt coverage ratio	Net operating income (effective gross operating income minus operating expenses) minus required replacement reserve contributions, divided by mandatory debt service payments.
Direct investment	Investors make equity investments directly into a property partnership as opposed to investing through a fund managed by a third-party intermediary.
Economic occupancy	Collected gross rental income divided by gross potential rental income.
Foreclosure	The legal process by which a mortgagee or other lien holder obtains, either by court order or by operation of law, a termination of a mortgagor's right to a property usually as a result of default.
Guaranteed investment	Investors make equity investments to an investment fund (which in turn owns interest in multiple property partnerships) organized by a third-party intermediary. Under a guaranteed investment structure, the yield, as contractually agreed upon, is guaranteed by a creditworthy entity for a premium.
Metropolitan statistical areas (MSAs)	A geographical region with relatively high population density at its core and close economic ties throughout the area. MSAs are defined by the U.S. Office of Management and Budget, and used by the U.S. Census Bureau and other U.S. government agencies for statistical purposes.
Multi-investor fund investment	Multiple investors jointly make equity investments into an investment fund (which in turn owns interest in multiple property partnerships) organized by a third-party intermediary, and thus share investment benefits and risks.
Net equity	The amount of equity raised from "allocating" housing credits to investors. Net equity is distinguished from gross equity by excluding the "load" (i.e., fees charged by syndicators for underwriting and managing the investment fund) and the capital set aside for reserves.

Physical occupancy	The number of occupied units divided by the total number of rentable units in a given property.
Placed-in-service	The date when the property is ready for its intended use; a housing credit property can either claim credits beginning the year it is placed in service (provided that units are occupied by income qualified tenants) or defer the beginning of the credit period to the following year.
Proprietary investment	A single investor makes equity investments and assumes the limited partner role in an investment fund (which, in turn, owns interest in multiple property partnerships) organized by a third-party intermediary.
Public investment	Investment funds commonly seen in the early years (pre-early 1990s) of the housing credit program when investment capital was primarily derived from individual investors.
Qualified occupancy	All of the housing credit units have been leased to tenants who have been income-certified and deemed eligible to occupy such units.
Recapture	Housing credit properties are subject to a 15-year compliance period that extends five years beyond the credit period. Credits may be recaptured during the 15-year compliance period if the property ceases to qualify as a housing credit property or ceases to be occupied by qualified tenants. The amount of recapture will be calculated based on two-thirds of the previously claimed credits plus applicable interest charges.
Soft debt	Mortgage loans where payments are subject to available cash flow.
Stabilized operations	Definitions among syndicators can differ; however, for purposes of this report we consider stabilized operations to be properties that have completed construction, achieved 100% qualified occupancy, and closed on permanent financing.
State allocating agencies	State or local agencies that have the authority to allocate federal low-income housing tax credits to a property.

About Us

About the Tax Credit Investment Services Group

The Tax Credit Investment Services (TCIS) group is a dedicated business unit within CohnReznick focused on evaluating and advising clients on tax-advantaged investments, including low-income housing, historic rehabilitation, new markets, and renewable energy. As a group made up of experts with a fairly narrow industry focus, TCIS covers a variety of consulting areas, including investment due diligence, investment and business strategy, and industry benchmarking research for the benefit of investor and syndicator communities.

The TCIS team is composed of a multidisciplinary group of professionals, including CPAs, attorneys, financial analysts, and other professionals with experience as state housing finance agency and commercial real estate executives. CohnReznick's TCIS team members have authored a number of affordable housing industry studies, speak regularly at industry conferences, and have been widely quoted in the financial press concerning tax credit investments.

In addition to the professional experience of TCIS team members, the group's clients benefit from the knowledge and experience of hundreds of CohnReznick audit, tax, and consulting professionals working on investment tax credit transactions on a daily basis.

For more information about TCIS, please visit www.cohnreznick.com/tcis.

Contact:

Fred Copeman

Principal
617-648-1411
Fred.Copeman@CohnReznick.com

Cindy Fang

Senior Manager
617-603-4524
Cindy.Fang@CohnReznick.com

Matt Barcello

Manager
617-613-4514
Matthew.Barcello@CohnReznick.com

CohnReznick – TCIS
One Boston Place, Suite 500
Boston, MA 02108
TCIS@CohnReznick.com
617-648-1400

About CohnReznick

CohnReznick LLP is one of the top accounting, tax, and advisory firms in the United States, combining the resources and technical expertise of a national firm with the hands-on, entrepreneurial approach that today's dynamic business environment demands.

Headquartered in New York, NY, and with offices nationwide, CohnReznick serves a large number of diverse industries, including Affordable Housing, CohnReznick's largest industry practice. The Firm also offers specialized services for middle market and Fortune 1000 companies, private equity and financial services firms, government contractors, government agencies, and not-for-profit organizations. The Firm, with origins dating back to 1919, has more than 2,700 employees including nearly 300 partners and is a member of Nexia International, a global network of independent accountancy, tax, and business advisors. For more information, visit www.cohnreznick.com.



Photo courtesy of Raymond James

CohnReznick LLP © 2015

This has been prepared for information purposes and general guidance only and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is made as to the accuracy or completeness of the information contained in this publication, and CohnReznick LLP, its members, employees and agents accept no liability, and disclaim all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.



www.cohnreznick.com
