



Request for Information #2021-2022-01

On-Campus Housing

Northwest Florida State College invites you to submit a response to this request for information. For more information about the College, visit our website at www.nwfsc.edu. For more information about College procurements, visit our Purchasing page at www.nwfsc.edu/purchasing. Thank you for your interest in submitting a response to the College.

NORTHWEST FLORIDA STATE COLLEGE IS SOLELY SOLICITING INFORMATION FOR MARKET RESEARCH. THIS IS NOT A FORMAL COMPETITIVE SOLICITATION. NO CONTRACT WILL BE AWARDED FROM THIS REQUEST FOR INFORMATION. THE COLLEGE AND SUBMITTED RESPONSES ARE SUBJECT TO BROAD FLORIDA PUBLIC RECORDS LAW.

Request for Information #2021-2022-01

On-Campus Housing

1.0 Schedule and Contact Information

Purchasing Contact: Director of Purchasing
Katherine St. Onge
purchasing@nwfsc.edu

Deliver responses to: purchasing@nwfsc.edu
E-mail Submission Preferred
Attn: Katherine St. Onge
Director of Purchasing
Northwest Florida State College
100 College Boulevard E
Niceville, Florida 32578

The College reserves the right to amend this schedule at any point. Any changes to the schedule below will be posted in an addendum at:

<https://www.nwfsc.edu/about/purchasing/solicitations-and-awards/>

The College lists times in Central Time.

Date of Posting	October 1, 2021 at 4:30 p.m.
Inquiry Deadline*	October 15, 2021 at 12:00 p.m. (Noon)
Answers to Inquiries Posted by or Before*	October 20, 2021 @ 4:30 p.m.
Response Deadline	November 5, 2021 @ 12:00 p.m. (Noon)

*Because the College is solely soliciting information to perform market research, the College may decline to answer inquiries in relation to this request for information.

Contents

1.0	Schedule and Contact Information	2
2.0	Information Requested	4
2.1	Background Information	4
2.2	Purpose of Request and Requested Information	4
2.3	Format of Response	5
2.4	After Submitting A Response	6
2.5	Silence of the Request for Information.....	6
3.0	General Terms and Conditions.....	7
3.1	Request Acknowledgment	7
3.2	Response Deadline.....	7
3.3	Registration and No Response	7
3.4	Costs.....	7
3.5	Responder Communications.....	7
3.6	Reserved Rights.....	8
3.7	Accuracy of Information	8
3.8	Advertising	8
3.9	Records – Confidentiality & Proprietary Information	8
3.10	Compliance with Law	8
4.0	Exhibit List	9
	Exhibit A – Responder Information & Acknowledgement.....	10
	Exhibit B – MGT Study.....	11

2.0 Information Requested

2.1 Background Information

Founded in 1963 and located in the coastal heart of the Florida panhandle, Northwest Florida State College has earned a reputation for educational excellence and community involvement. As part of Florida's College System of twenty-eight colleges, NWFSC offers bachelor's degree programs, associate degrees, and certificates. The College's primary service district stretches from the Gulf of Mexico to the Alabama state line.

2.2 Purpose of Request and Requested Information

This Request For Information ("RFI") is issued for informational purposes only. No contract will be awarded from this RFI.

Northwest Florida State College (the "College" or "NWFSC") commissioned MGT Consulting Group to undertake a demand study for on campus housing at its Niceville campus. MGT identified a potential demand for 300+ beds. A copy of the study is attached hereto as Exhibit B. Although the College is prohibited under Florida law from directly financing and owning student housing, the College anticipates establishing a not-for-profit corporation to be certified as a direct-support organization (the "DSO") that may own and operate the student housing. While the DSO is authorized to own and operate student housing, the College is seeking information on methods of delivery for this project, which may include a third-party structure to design, build, finance, operate, and manage a project to be located on a site to be ground-leased by the DSO to the provider.

Currently, the College provides scholarships to more than 50 athletes to pay for the cost of off-campus housing. The Athletics Department has approximately 80 total athletes of which many currently live in the same off-campus student housing for proximity to College facilities. The College houses certain members of coaching staff with the athletes for supervision. The scholarship program will continue, and housing scholarship recipients will be required to live in the on-campus student housing. The athletes without scholarship will be priority for access to on-campus housing and out-of-districts athletes will be strongly encouraged to live in the on-campus housing. The balance of the beds would be offered to other students, which include cohorts such as international students, fine arts students, and health sciences students. Based on the MGT study and internal projections, the College currently informally estimates rent of \$3,150 per semester or \$7,329 annually; this is a projection that may change significantly across the course of project development.

Housing Specifications

The planned housing specifications are:

- Size: It is anticipated that the project will include approximately 152 beds.
 - The anticipated style is quad living with four bedrooms, two bathrooms, and a common area with limited in-unit kitchen amenities. A communal area outside of each unit may include a full kitchen. It is anticipated that the project will include communal laundry facilities.
 - The College seeks information about the most effective floorplans and building structures to meet current market demand for unit size and bed configuration to reach the 152-bed requirement.
- Occupants: NWFSC athletes, students, and staff
- Timeline: The housing must be open to residents for Fall 2023.
- Location: 100 College Boulevard E, Niceville, Florida 32578

Information Requested

Before pursuing the project further, the College requests information regarding two categories of services to determine whether such services are available:

1. Design-Build Services: The College is seeking information regarding capability to design, build, and manage construction on a student housing project on the College's campus from start-to-finish of the housing project.
 - a. The College is specifically interested in information from high-quality modular facilities to shorten construction time and cost. Such volumetric modular construction must include certification and building inspection in-factory with only final approval on-site.
 - b. The College is seeking information regarding interest in and capability of developers to also finance the project in addition to design, build, and management services. The College is not seeking information regarding any other financial services.
 - c. Housing must be built in accordance with the 2014 State Requirements for Educational Facilities and the Florida Building Code.
 - d. The College seeks information regarding estimated price per square foot for such design-build services.
 - e. The College is seeking information from firms familiar with volumetric modular housing for student housing or multi-family residential purposes.
2. Property Management Services: In addition to design-build services, the College also seeks information regarding providers who can not only develop but also manage and operate the project upon opening. The College is seeking information regarding property management firms that have experience managing student housing multi-family residential properties and specifically student housing, whether in addition to or separate from design-build services.

The College welcomes responses indicating ability to perform a combination of the above services. The College is not seeking any information unrelated to the two specific categories listed above.

2.3 Format of Response

To submit a response to the College, the College requests that you submit the following or materials in substantially the following format:

- Exhibit A (Required);
- Cover Letter: 1–3-page letter describing the Responder's materials, ability, and experience;
- Response Materials: Documentation that specifically addresses at least one of the categories above with examples of size, duration, price per square foot (or other applicable cost description for financing and management), and quality of past projects that indicate demonstrated success in the field; and
- References: List of 1-3 references of past projects and contact information for the same.
- A proposed timeline for design, engineering, permitting and construction with planned occupancy for fall of 2023.

General Guidelines

- Response should not exceed 25 pages;
- Cover page must identify the RFI Number, Name, and Responder Name;
- Table of Contents should identify the material by section and by page number; and

- Each page should be numbered consecutively, including exhibits, attachments, and any other information.
- If Responder chooses to mail its response, Responder should additionally follow:
 - Binding or a three-ring binder is recommended;
 - Use 8½" x 11" paper and portrait orientation;
 - All information, except signatures or initials, should be typewritten in readable font in black; and
 - Tabs may separate sections for easy reference.

Preferred Response Format and Copies

The College prefers to receive responses via e-mail to the address set out in Section 1. The Response materials should be attached in a single PDF file. Audio or video information or presentations must be attached to the same e-mail.

If Responder chooses to also submit via mail, it should submit at least two (2) hard copies and one (1) readable electronic thumb drive that stores the response that is complete with all supporting documentation in one PDF file. Audio or video information or presentations must be submitted on the same readable electronic thumb drive.

2.4 After Submitting A Response

This RFI is for informational purposes only. Responders should not expect further information or communication from the College.

2.5 Silence of the Request for Information

The College is using this RFI to gather information. If the College has not covered certain details or some details are currently vague, that is an indication that we are looking for recommendations on how best to execute this project efficiently and cost-effectively. View lack of detail as an opportunity to provide the best information available to help the College analyze this project. The College may not have answers to many questions at this point in the project.

3.0 General Terms and Conditions

3.1 Request Acknowledgment

The College issues this RFI solely to gather information. To ensure review of your response, you must follow the instructions in this RFI. By signing Exhibit A, you acknowledge and agree to the terms and conditions in this document, including Northwest Florida State College policy, procedure, and requirements incorporated by reference in this document. Any inquiries regarding this RFI should be submitted by the “Inquiry Deadline” specified in Section 1.0. The College has no obligation to consider any inquiries.

3.2 Response Deadline

Responders may withdraw their response by notifying the College in writing at any time prior to the due date. Responders may withdraw their response in person or through an authorized representative. Responders must disclose their identity and provide a signed receipt for the Response. After the due date, responses become the property of the College and will not be returned to the Responders.

All responses must be submitted in the manner and by the date and time stated in Section 1.0. Responder may confirm receipt by contacting the office identified in Section 1.0.

The response must list in its e-mail subject line or, if mailed, on its envelope and on its cover page the RFI Number and Title.

3.3 Registration and No Response

Responders who obtain this document from other sources than the Purchasing Department or who obtain it directly from the NWFSC website must register with the Purchasing Department to be placed on the mailing list for any forthcoming communications.

3.4 Costs

The College is not responsible, accountable, or otherwise liable for any costs or liability incurred by a Responder in preparing and submitting a response to this RFI. All documentation produced as part of this RFI shall become the exclusive property of the College upon receipt, unless withdrawn as stated in this RFI, and may not be removed by the Responder or its agents. The College shall have the right to use any ideas or adaptations of ideas contained in any response received in any Response.

3.5 Responder Communications

Responders are expected to submit responses, inquiries, and any other communication to the Purchasing Contact listed in Section 1.0, except as provided in this document or as expressly requested by the Purchasing Contact.

The Responder shall review this document in its entirety to determine whether the College’s needs are clearly stated. If a Responder has any questions, Responder must submit such inquiries via email to the Purchasing Department Contact. Any questions should **only** be directed via e-mail to the Purchasing Contact (Section 1.0). Reference the RFI number and the relevant section(s), subsection(s), paragraph(s), and page number(s) in all inquiries. The subject line must include the RFI name and number.

To be considered, if the College responds to inquiries, any inquiry must be submitted no later than the Inquiry Deadline (Section 1.0). The Purchasing Contact may send inquiries to any or none of the Responders for clarification of information. No additional information should be submitted, or follow-up performed by any Responder, after the due date for responses, unless expressly permitted or requested by the College.

3.6 Reserved Rights

The College issues this RFI for information purposes only. The College does not intend to select Responders for provision of any goods or services due to responding to this RFI. The College, at its sole discretion, may delay, amend, or withdraw the RFI, if it is to the advantage of the College to do so. The College will notify Responders of any further information as appropriate. Responders are responsible for their own costs and undertake to respond at their own risk.

3.7 Accuracy of Information

Any Responder who submits in its response to the College any information which is determined to be inaccurate, misleading, exaggerated, incomplete, false, or incorrect, may be disqualified from consideration for future RFIs or other College procurements.

3.8 Advertising

Responder shall not use this RFI as a part of any advertising without prior approval from Northwest Florida State College.

3.9 Records – Confidentiality & Proprietary Information

All responses to this RFI become the property of the College and will be a matter of public record subject to the provisions of Chapter 119, Florida Statutes. The College is not requesting confidential information. The College is not responsible for determining whether a response contains confidential information. If Responder believes that it is providing confidential information, Responder must provide clearly marked evidence of a statutory exemption under Florida Statutes that is satisfactory to the College or obtain a protective order. All items of confidential information must be labeled in writing as such when delivered to the College. The Responder's RFI response is not confidential.

3.10 Compliance with Law

The College intends by this RFI to comply with all applicable federal, state, and local statutes, regulations, and policies. To the extent this RFI is not in compliance with any applicable law, the RFI will be amended or cancelled to bring the College into compliance. Responder will comply with all applicable federal, state, and local statutes, regulations, and policies in responding to this RFI. Northwest Florida State College does not discriminate against any person based on race, color, ethnicity, genetic information, national origin, religion, gender, gender identity, sexual orientation, marital status, disability, or age in programs or activities.

4.0 Exhibit List

Exhibit A – Responder Information & Acknowledgement (Required)

Exhibit B – MGT Study

Exhibit A – Responder Information & Acknowledgement
REQUIRED

Company Name: _____

Formerly (if any): _____

Type of Entity: _____

Incorporated in which State and Year: _____

Registered to do Business in: _____

Principal Place of Business: _____

Mailing Address (if different from above): _____

Name and Title of Contact Person: _____

E-mail Address: _____

Phone Number: _____

Website: _____

By submitting information in response to this request for information and signing below, Responder understands and agrees that its response will be included, in its entirety, in the public record, according to the requirements of Florida Statutes Chapter 119. By signing below, Responder further understands and agrees to each term and condition listed in this request for information. (Digital or ink signature accepted.)

Signature of Authorized Representative: _____

Date: _____

Exhibit B – MGT Study

(Study is attached and begins on the following page.)

Draft Report

July 21, 2021



Submitted by:

KASEY M. PRICE, ED.D.

DIRECTOR

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Tampa, Florida 33609

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Market Analysis and Proforma Update

NORTHWEST FLORIDA STATE COLLEGE



Table of Contents

EXECUTIVE SUMMARY.....1
 OFF-CAMPUS MARKET ANALYSIS..... 1
 PRO FORMA..... 1

OFF-CAMPUS MARKET ANALYSIS1
 NATIONAL AND STATE MULTIFAMILY TRENDS 1
 APARTMENT COMPLEX PROPERTIES 3
 INDIVIDUALLY RENTED PROPERTIES / HOUSES..... 6
 PIPELINE..... 8

PRO FORMA UPDATES.....9

COVID-19 CONSIDERATIONS13

LEGAL DISCLAIMER.....13

APPENDIX 1: OFF-CAMPUS MARKET ANALYSIS.....14

APPENDIX 2: RSMEANS 2021 COST17

APPENDIX 3: PRO FORMA RENTS18

Executive Summary

Northwest Florida State College (NWFSC) retained MGT Consulting Group (MGT) to provide a market study to determine the magnitude of demand for new on-campus student housing in March 2019. The study consisted of focus groups, an analysis of the off-campus housing market, a student survey, a demand analysis, and a project pro forma. In May 2021, MGT was retained to update the Off-Campus Market Analysis and the Financial Pro Forma based on current market rates and environments. Additional advisory services to aid in future decision-making after the report updates will also be provided in addition to this supplemental report.

Off-Campus Market Analysis

Available off-campus housing near the NWFSC continues to be in high demand and experiencing rental rate increases. This review consisted of 19 properties that are an average distance of 16.6 miles from campus. No apartment complexes were available for rent within 10 miles of campus. Between the analysis in 2019 and 2021, the available rental rates for apartments have increased approximately 73.3%, with two-bedroom apartments experiencing a 109% increase over 2019 rates. Of the 1908 apartment complex units reviewed for this study, only 56 are currently available or will become available in the next 30-60 days. Houses for rent are more affordable and located in closer proximity to campus but have even more limited selection.

Pro Forma

The financial component of the Housing study served to validate and update the numbers from the 2019 report. The 2019 report examined the need for a new 300 bed residence hall to replace the. In order to fund this project, existing funds and potential funding sources should be examined. Potential funding sources would involve Public Private Partnerships (P3), bond issuances, loans, and support from third parties such as a donor.

Little has changed since 2019 and the project cash flow has improved. Construction costs have increased but the cost utilized in 2019 is consistent with current RS Means data in 2021. Property acquisition was included in the 2021 analysis and insurance was adjusted as both costs and expectations for coverage have increased. Interest rates have continued to remain low creating an environment where projects can maintain the expected 1.20 debt service coverage while charging rents that students can afford.

Off-Campus Market Analysis

National and State Multifamily Trends

According to CBRE, the 2021 national apartment market is stabilizing earlier than expected¹. The overall vacancy rate is expected to be 4.7%. Average rent is down 4.2% year over year. Additionally, multifamily demand will remain sufficient to absorb most of the new supply. CBRE attributes “seasonality, widespread vaccinations, an improving economy, additional fiscal stimulus and a return of office workers will all contribute to further multifamily market improvement over the next two quarters.”

Overall, in Niceville, Florida the median monthly gross rent between 2015 and 2019 is \$1,117 according to the 2020 American Community Survey.² This figure includes the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer).

According to the American Community Survey and HUD, no 5+ multifamily building permits have been issued for Niceville since 2015³.

Methodology

MGT examined two types of properties which serve as the local student housing market – apartment complexes and individually rented townhomes and houses. Data for these two types of housing are presented separately in this report. MGT also researched multi-family permit history in the region.

Data were collected from 7 apartment complexes and 12 individually rented homes/units; data included unit types, size, rent, policies, and amenities when available. The sample represents over 1,920 units.

Housing for Northwest Florida State College students is widely distributed in the local apartment market because available rental housing in Niceville is limited, as shown in **Figure 1**.

¹ CBRE 2021 Multifamily Outlook, May 27, 2021. <https://www.cbre.us/research-and-reports/US-Multifamily-Figures-Q1-2021>

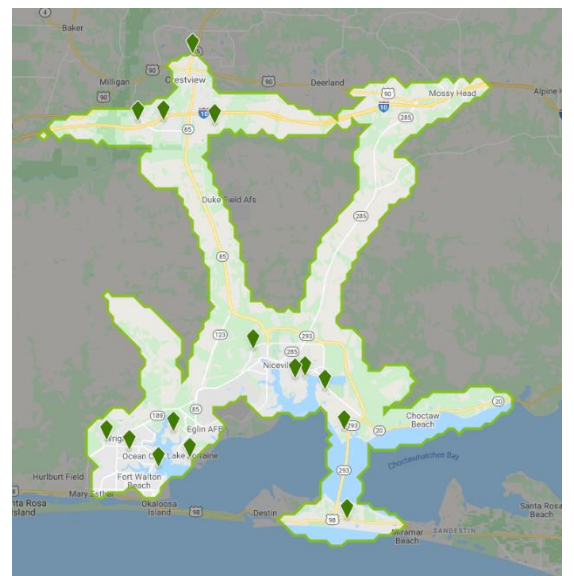
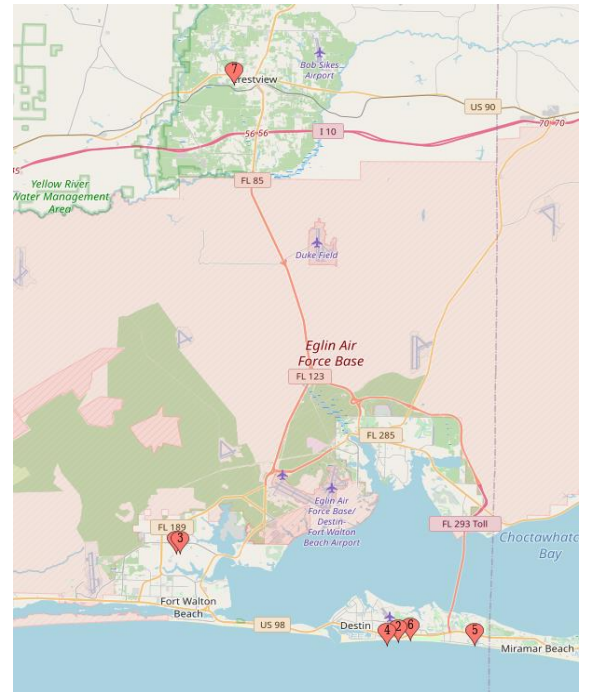
² American Community Survey, June 29, 2021. <https://www.census.gov/quickfacts/nicevillecityflorida>

³ HUD Multifamily Housing Permits, 2021. https://socds.huduser.gov/permits/output_monthly.odb

OFF-CAMPUS MARKET ANALYSIS

Figure 1. Map of Included Local Properties.

Off-Campus Apartments	
1	The Charles
2	Legacy on the Bay
3	Chez Elan Apartment Homes
4	Sea Glass
5	The Preserve at Henderson Beach
6	ARIUM Emerald Isle
7	Spring Creek
Off-Campus House	
1	63 Norwich Cir
2	804 Wild Egret Ln
3	4232 Shadow Ln
4	4083 Rocky Dr
5	335 Pontevedra Ln
6	146 Poquito Rd
7	721 Lime Lane
8	4707 Connor Dr
9	76 4th Ave
10	201 Bob Sikes Blvd
11	235 Grand Key Loop E
12	25 Kelly Way



All 19 properties in the analysis are located within 20.1 miles of campus (with an average distance of 16.6 miles for apartments and 11.0 miles for houses). As shown in **Figure 3**, no available apartment complexes were available under 10 miles and the majority (72%) are between 15-19.9 miles away. Rental houses are available closer to campus, with 58% being located within 14.9 miles of campus, as displayed in **Figure 2**.

Figure 2. Houses Distance from Campus.

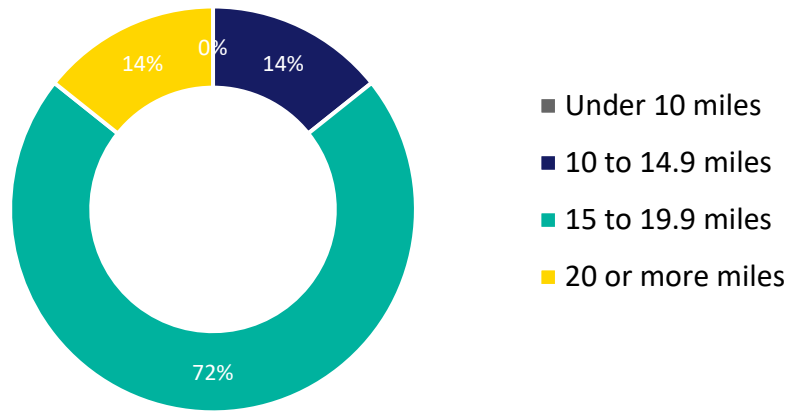
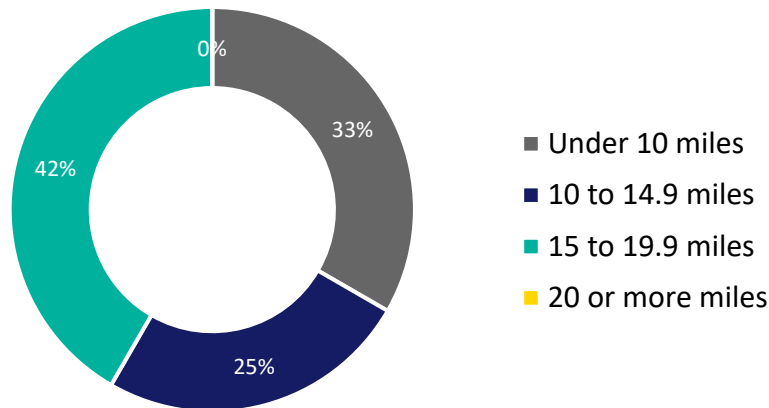


Figure 2. Apartments Distance from Campus.



While one apartment complex was constructed in 1989, the remaining complexes were constructed in 2000 or later, with a median opening date of 2009.

Apartment Complex Properties

Rental Rates and Occupancy

The apartment complex properties in this analysis represent 1,908 units. Every property in the sample offers one- and two-bedroom units. One complex offers a studio configuration and two offer three-bedroom units, so more caution should be used when considering these data as the sample size is so small. **Figure 4** displays the ranges by unit type with the median rents ranging from \$1,867 for a one-bedroom apartment to \$2,394 for a two-bedroom unit; some properties offer multiple models of some

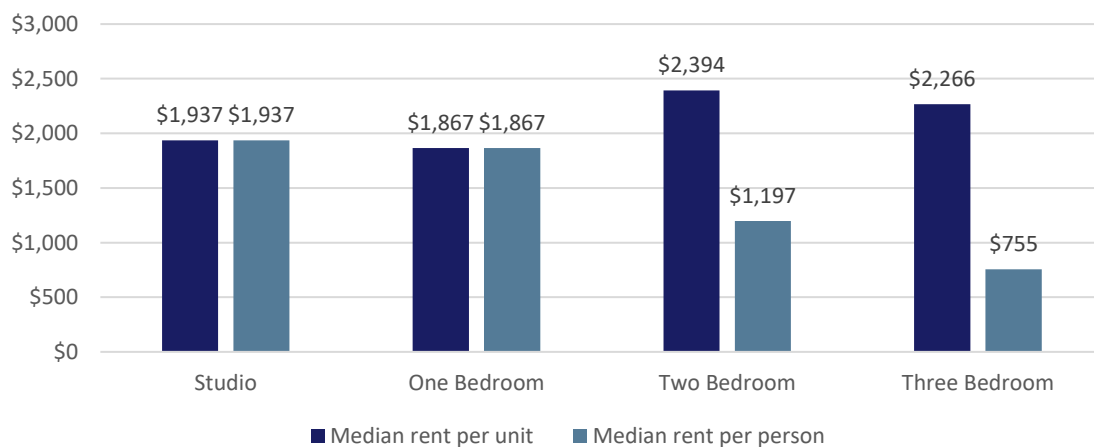
unit types. High and low rent varies greatly within the one- and two-bedroom unit categories, which may indicate differences in quality of the housing. Occupancy ranges from 94% to 99%, with a median of 97%. It is notable that many complexes in the area did not have units currently available and could not be included in this analysis that could indicate a strong housing demand in the area and a lack of options for students.

Figure 4. Apartment Complex Rental Rates Per Unit.



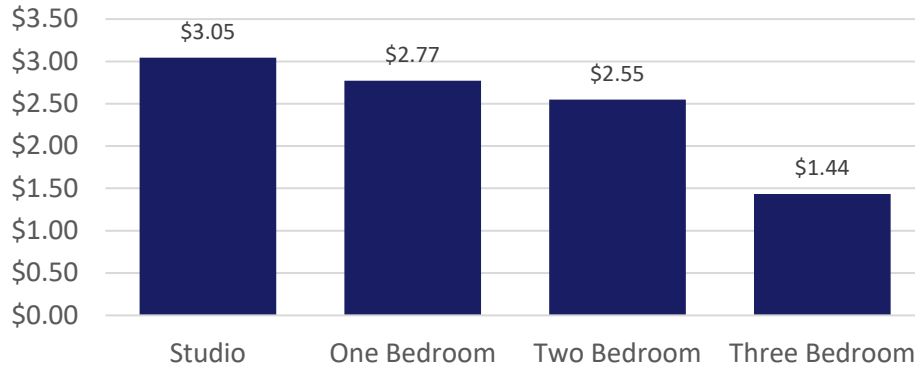
Median unit rental rates and subsequent rents per person (assuming one person per bedroom), are shown in **Figure 5**. Not surprisingly, as apartment occupancy rises, per person costs decline. The median rate for a student in a studio apartment is \$1,937 per month, while one living in a four-bedroom unit would pay \$755 per month.

Figure 5. Apartment Complex Rental Rates Per unit and Per Person.



Additionally, rent per square foot declines considerably from a studio unit at \$3.05 per square foot to \$1.44 per square foot for a three-bedroom unit, as displayed in **Figure 6**.

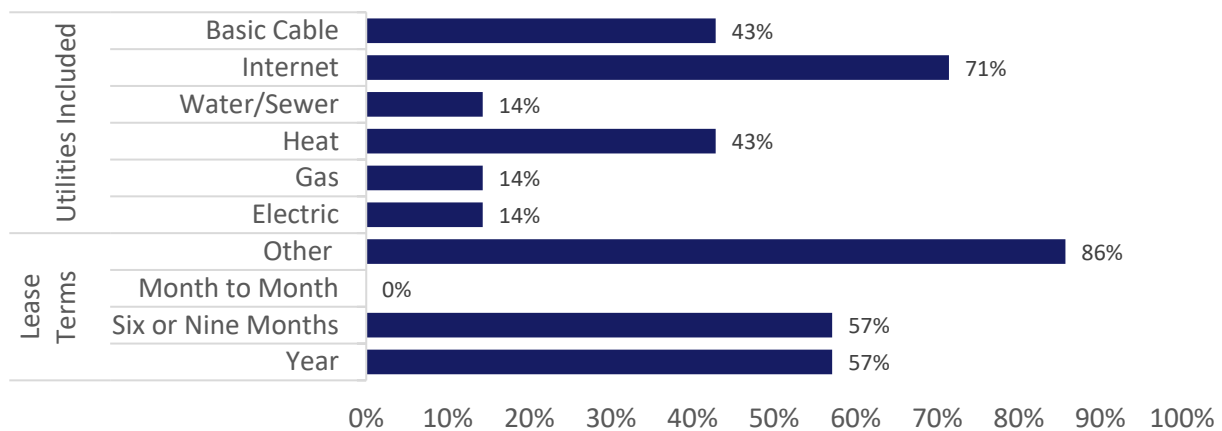
Figure 6. Apartment Rent per Square Foot.



Policies and Amenities

A 12-month lease was available at 57% of apartments in the sample, but some are willing to offer alternatives, as **Figure 7** indicates. Other lease options included terms between six or nine months. Several seem to offer a range of lease terms, offering flexibility for the tenant. This serves the students well when their programs have an irregular duration or demand they serve elsewhere. Most properties do not include the cost of utilities in the rent. High speed Internet is becoming increasingly available at apartment complexes, however, connection to the offered service is typically an additional fee.

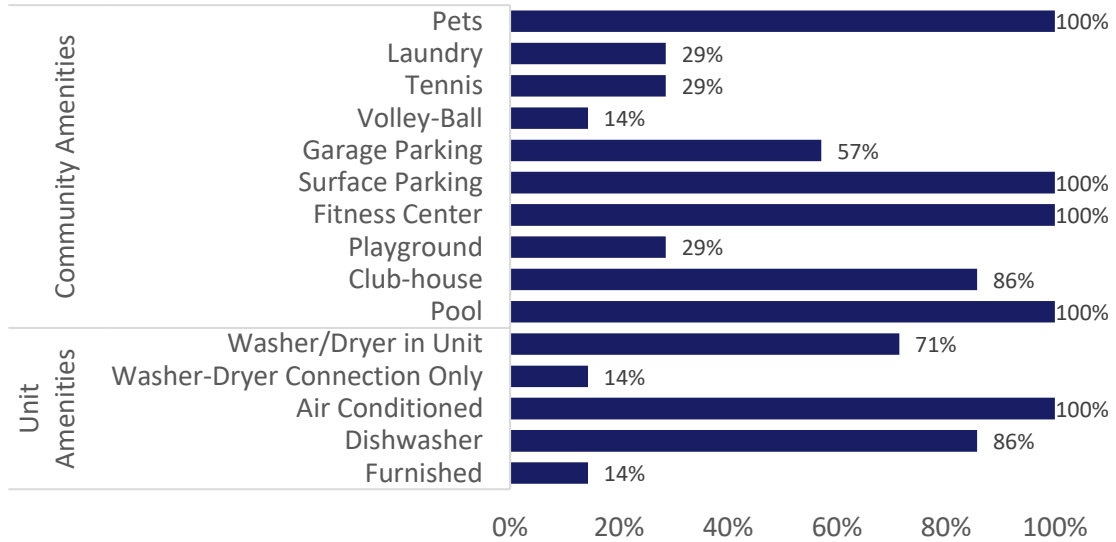
Figure 7. Apartment Complexes Utilities and Terms.



Properties in the market sample vary in their amenity packages as well. While most have air conditioning, dishwashers, and washer/dryer in unit, a **Figure 8** shows, few have furnished units

available. All allow pets (with some restrictions and an additional fee), have a fitness center, pool, and offer on-site parking.

Figure 8. Apartment Complex Unit and Community Amenities.



Individually Rented Properties / Houses

Rental Rates and Occupancy

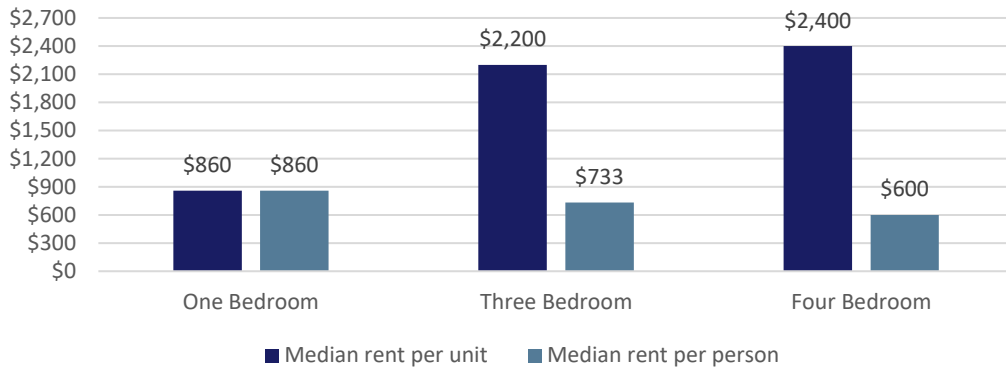
Twelve individual rental units (including condos, homes, and townhouses) were reviewed separately from the apartment complexes. The properties offered either one, three, or four bedrooms, and **Figure 9** displays rental rate ranges for each size. Median rents range from \$860 for a one-bedroom unit to \$2,400 for a four-bedroom unit.

Figure 9. Individual Unit Rental Rates



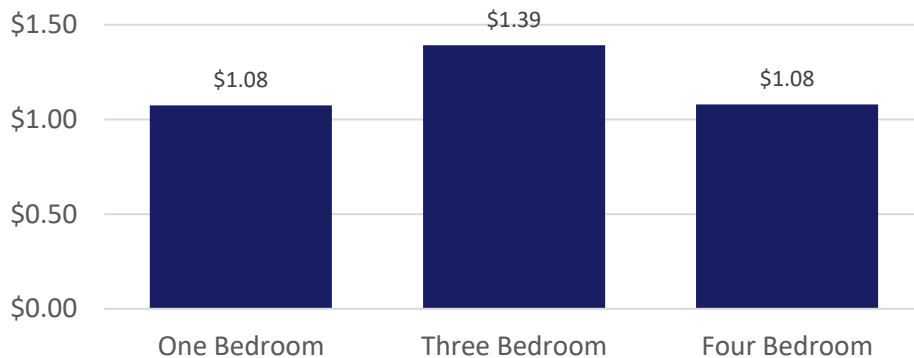
Median unit rental rates and subsequent rents per person (assuming one person per bedroom), are shown in **Figure 10**. The median rate for a student in a three-bedroom individually rented is \$733 per month, while one living in a four-bedroom unit would pay \$600 per month.

Figure 10. Individual Unit Rental Rates per Unit and Per Person.



Additionally, rent per square foot is relatively steady per square foot, ranging from \$1.08 for one- and four-bedroom units to \$1.39 for a three-bedroom unit, as displayed in **Figure 11**.

Figure 11. Individual Unit Rent per Square Foot.

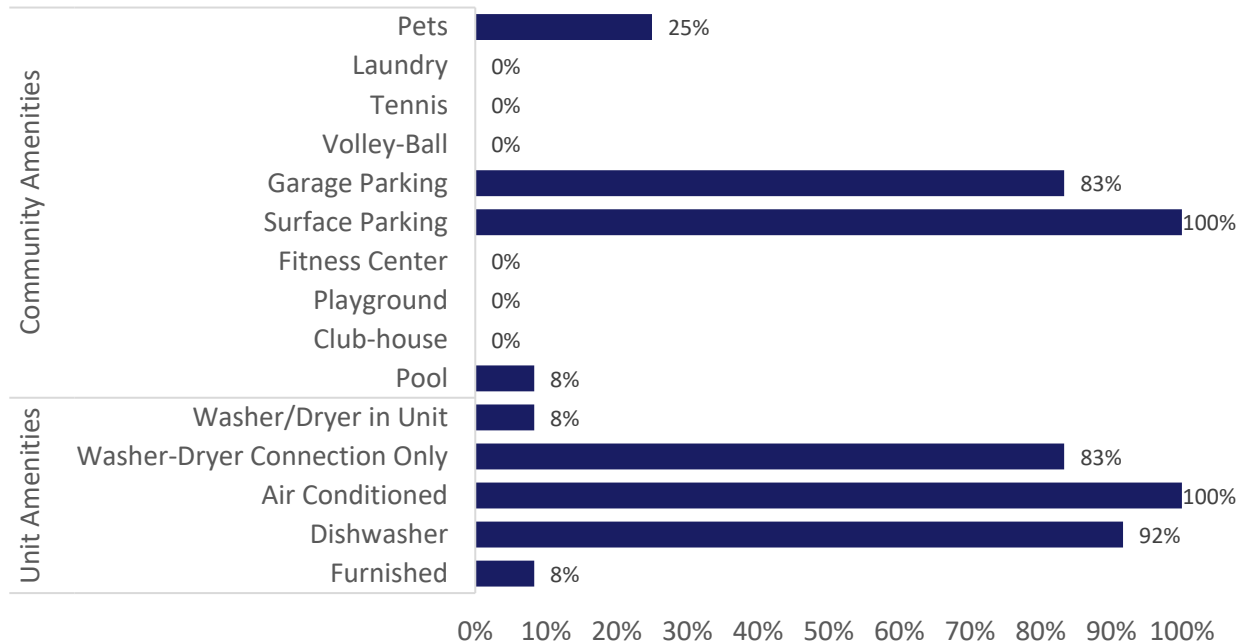


Policies and Amenities

A 12-month lease term was offered at all individually rented units except one. Most properties do not include the cost of utilities in the rent. Just one included electric, gas, and heat, and water/sewer costs within the rental rates, the most expensive rental property in this analysis.

Properties in the market sample vary in their amenity packages as well. Most of the available units offer dishwashers and air conditioning and offer a washer/dryer connection as shown in **Figure 12**.

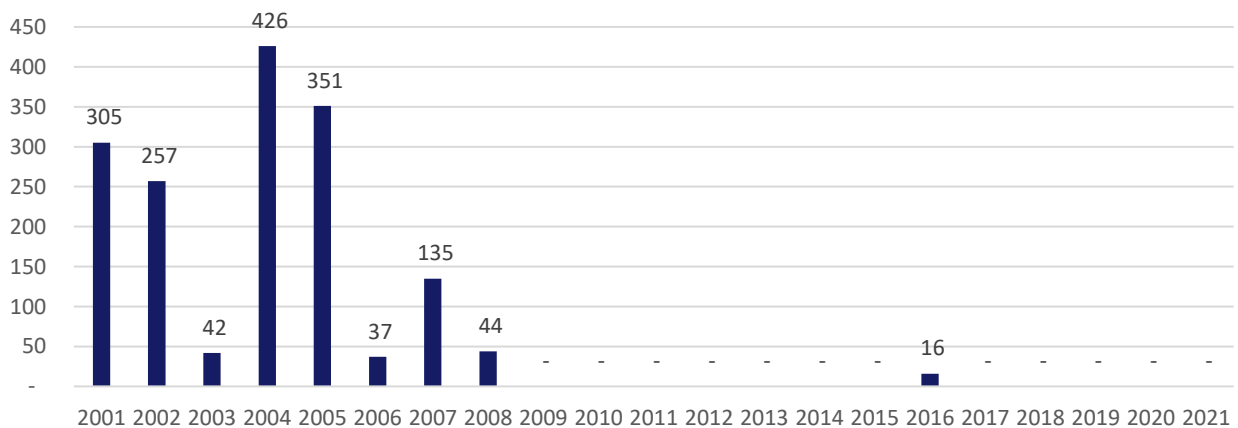
Figure 12. Individual Unit Amenities.



Pipeline

Figure 13 shows the number of approved building permits since 2001 for the city and for the remainder of Okaloosa County for multi-family structures of five or more units. When examining building permits issued since 2001, construction of larger – with five or more units – multi-family housing in Okaloosa County peaked in 2004 and 2005, when more than 777 permits were issued. Few permits were issued in Niceville early in the timeline in the area surrounding Northwest Florida State College. No permits for multi-family facilities have been issued since 2016.

Figure 13. Multi-Family Building Permit Approval History, Okaloosa County, FL



Pro Forma Updates

The financial component of the Housing study served to validate and update the numbers from the 2019 report. The 2019 report examined the need for a new 300 bed residence hall to replace the. In order to fund this project, existing funds and potential funding sources should be examined. Potential funding sources would involve Public Private Partnerships (P3), bond issuances, loans, and support from third parties such as a donor.

The unit mix remained the same in 2021 as was originally developed for the initial study in 2019. The unit mix is outlined below in **Figure 14**. Occupancy is projected at 95% for the academic year and 20% for the summer term. If the summer occupancy projection is accurate, the campus could develop a summer camp program that would provide additional income not reflected in the pro forma. Revenue is not projected for summer programs as a camp program takes time to establish and the growth would likely be incremental.

Figure 14. Program Detail

PROGRAM DETAIL					
Students	Beds/ Unit	Units		Total Beds	
Double Bedroom Semi-Suite	4	12	units	48	beds
Single Bedroom Semi-Suite	2	25	units	50	beds
Single Bedroom Suite	4	12	units	48	beds
Single Bedroom Suite	2	24	units	48	beds
Double Bedroom Apartment	4	12	units	48	beds
Single Bedroom Apartment	4	13	units	52	beds
Staff	0	7	units	6	Beds
Single Bedroom Semi-Suite	1	6	units	6	Beds
Two Bedroom Apartment	0	1	units	-	Beds
Totals		112	units	306	beds

The new 300 bed residence hall for Northwest Florida State is projected to cost \$ 27,808,400 in 2021 dollars. The new residence hall is projected to open in the Fall of 2023. This would require construction to begin in the summer of 2022 to allow for an opening in August 2023. The overall project cost has increased due to increased escalation based on the current market. If construction material prices return to prepandemic levels, then costs would likely be more consistent with the 2019 projected cost of \$26,757,000.

Figure 15, Total Project Cost Comparison

Total Project Cost Comparison			
	2019		2021
Construction	\$ 19,785,300		\$ 19,785,300
Project Cost	\$ 24,404,700		\$ 24,821,600
Escalation	\$ 499,100		\$ 1,006,900
Financing	\$ 1,853,200		\$ 1,979,900
Total	\$ 26,757,000		\$ 27,808,400

The construction cost used to develop the total cost was retrieved from RS Means data for residence halls (Appendix A) in the panhandle area of Florida. The current cost of construction is \$189.20. This was inflated by 5% and rounded to the nearest dollar to arrive at the \$200 per square foot construction cost shown on the Assumptions tab of the workbook. The total development cost including design, furniture and other soft costs brought the total cost for construction to \$297.31 per square foot. This is a 2.5% increase over the total cost per square foot of \$289.47 projected in the 2019 report.

The ground rent was left at \$0 as the development cost will include \$400,000 to purchase the property. This was not included as a cost in the 2019 financial projections.

The interest rate used in the pro forma calculations was reduced from 5% in 2019 to 3.5% in 2021. This decision is based on the campus' experience with the market and the overall market for tax-exempt financing. This significantly reduces the amount of interest paid each year as shown in **Figure 16**

Figure 16. Interest Paid

Interest Paid			
Year	2019	2021	Difference
1	\$ 1,431,795	\$ 1,029,399	\$ 402,396
2	\$ 1,410,244	\$ 1,009,458	\$ 400,786
3	\$ 1,387,616	\$ 988,819	\$ 398,797
4	\$ 1,363,857	\$ 967,458	\$ 396,399
5	\$ 1,338,909	\$ 945,350	\$ 393,559
6	\$ 1,312,714	\$ 922,467	\$ 390,247
7	\$ 1,285,210	\$ 898,784	\$ 386,426
8	\$ 1,256,330	\$ 874,271	\$ 382,059
9	\$ 1,226,006	\$ 848,901	\$ 377,105
10	\$ 1,194,166	\$ 822,643	\$ 371,523
Total	\$ 13,206,847	\$ 9,307,550	\$ 3,899,297
30 Year Total	\$ 27,248,292	\$ 18,562,709	\$ 8,685,583

The interest rate reduction also impacted the debt service coverage increasing it to 1.40 in the first year in which no capitalized interest was included; well above the benchmark of 1.20. The debt service

increases in subsequent years of operation as shown on the Operating pro forma tab. The first 10 years of debt service coverage for the 2019 and 2012 analyses are shown below in Figure 17.

Figure 17. Debt Service Coverage Ratio

Debt Service Coverage Ratio										
Year	1	2	3	4	5	6	7	8	9	10
2019	2.49	1.21	1.24	1.28	1.32	1.36	1.40	1.44	1.48	1.53
2021	2.78	1.40	1.44	1.49	1.53	1.58	1.62	1.67	1.72	1.77

Debt service coverage at 1.40 provides flexibility for the institution in the following ways:

- More dollars could be spent on construction allowing for increased costs/upgrades and/or additional amenities.
- Rents could be reduced to make the price point more attractive to students.
- It would provide a cushion if the facility did not reach the projected occupancy levels.
- Or any combination of the options listed above.

Student rent was left unchanged from the 2019 report. Rents are shown below in **Figure 18** for each type of unit.

Figure 18. Rent per Bed

Students	Rent per Bed	
	Academic Year	Summer
Double Bedroom Semi-Suite	\$6,483	\$1,441
Single Bedroom Semi-Suite	\$8,067	\$1,793
Single Bedroom Suite	\$9,796	\$2,177
Single Bedroom Suite	\$10,660	\$2,369
Double Bedroom Apartment	\$9,508	\$2,113
Single Bedroom Apartment	\$11,236	\$2,497
Staff		
Single Bedroom Semi-Suite	-	-
Two Bedroom Apartment	-	-

As stated above, given the level of debt service coverage, the campus will have the ability to decrease the initial rent if it believes it can meet the occupancy projections for the academic year and summer term.

Insurance costs have been increased since the 2019 study was conducted. Two significant events have impacted insurance costs. The first being Hurricane Michael which devastated the area just east of Niceville. The second event is the pandemic. During the pandemic, most campuses emptied their residence halls moving to online instruction and either refunded collected rent or simply not being able

to collect rent for empty bedspaces. Lien holders today are going to expect the new residence hall to carry business interruption insurance to cover this potential loss.

Coverages that will likely be required in the financing documents are:

- Facility at replacement cost
- Personal Property at replacement cost
- Business Interruption at a level to cover repayment and maintenance of the facility.
- Given the campus location, lenders may also want additional insurance to protect against hurricane and flood damage.

Finally, there is the potential for some “Other Revenue.” This line item was not included in the revenue component as it is unpredictable and a common mistake in building pro formas is to overestimate the amount that can be collected. Examples of other revenue would be the previously mentioned summer camps, laundry (if a central laundry is available), and forfeited deposits.

In summary, little has changed since 2019 and the project cash flow has improved. Construction costs have increased but the cost utilized in 2019 is consistent with current RS Means data in 2021. Property acquisition was included in the 2021 analysis and insurance was adjusted as both costs and expectations for coverage have increased. Interest rates have continued to remain low creating an environment where projects can maintain the expected 1.20 debt service coverage while charging rents that students can afford.

COVID-19 Considerations

The COVID-19 global pandemic has had a direct impact on higher education, specifically student housing, as many courses that were traditionally delivered in a face-to-face environment are being delivered fully online, in a hybrid format, or with a mixture of online, hybrid, and in-person.

Despite the increasing number of students who are participating in online courses, research shows that living in student housing while participating in online classes contributes to positive learning and social experiences⁴. According to the study, students indicate that despite the COVID-19 pandemic restrictions, they found living on campus to support their academic pursuits by having solid internet connections, quiet places to study, and increased socialization. Students who participated in the study indicated a strong sense of community and reported following campus health protocols. This is great news to support future student housing interest and demand.

The full impact and duration of the impact of COVID-19 is not fully understood at this time and vaccines are becoming readily available to college-age students and older adults across the country.

Legal Disclaimer

MGT's analysis of the feasibility of new housing at Northwest Florida State College (NWF State College) relies on the accuracy of information provided by NWF State College as well as near-term and long-term assumptions influenced by factors outside of MGT's control and for which may adversely impact NWF State College's expansion plans. Changes such as NWF State College's financial health, construction materials, and costs, as well as state, local, and global economic conditions, may impact both the demand for the program, costs, and/or the project's financial feasibility. Additional risks to the expansion plans include but are not limited to changes to program demand, competitive programs, regulatory changes, as well as general acts of disaster.

⁴ Did Students in College Housing Learn Better? Retrieved on December 4, 2020 from: <https://www.insidehighered.com/news/2020/12/03/survey-students-campus-housing-had-better-social-and-learning-outcomes>

Appendix 1: Off-Campus Market Analysis

Apartment Complex	Units left	Address	Phone	Studio					One Bedroom						
				Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF		
1 The Charles	12	1021 Highway 98 E, Destin, FL 32541	(850) 905-1051								\$ 1,540	\$ 1,580	\$ 1,620	782	\$ 2.02
2 Legacy on the Bay	6	251 Vinings Way Blvd, Destin, FL 32541	(850) 502-4457								\$ 2,040	\$ 2,560	\$ 3,079	790	\$ 3.24
3 Chez Elan Apartment Homes	5	317 Racetrack Rd NW, Fort Walton Beach, FL 32547	(877) 363-0722								\$ 1,610	\$ 1,650	\$ 1,689	696	\$ 2.37
4 Sea Glass	12	4320 Commons Dr W, Destin, FL 32541	(850) 634-4506								\$ 2,559	\$ 3,359	\$ 4,159	733	\$ 4.58
5 The Preserve At Henderson Beach	11	4131 W Commons Dr, Destin, FL 32541	(833) 685-2387	\$ 1,735	\$ 1,937	\$ 2,139	636	\$3.05			\$ 2,160	\$ 2,510	\$ 2,860	803	\$ 3.13
6 ARIUM Emerald Isle	8	214 Racetrack Rd NW, Fort Walton Beach, FL 32547	(844) 845-8761								\$ 1,525	\$ 1,867	\$ 2,208	673	\$ 2.77
7 Spring Creek	2	800 Spring Creek Blvd, Crestview, FL 32536	(844) 709-8724								\$ 1,808	\$ 1,808	\$ 1,808	803	\$ 2.25
Campus Address for Distance Calculations				Low	\$ 1,735	\$ 1,937	\$ 2,139	636	\$ 3	\$ 1,525	\$ 1,580	\$ 1,620	673	\$ 2	
100 E College Blvd, Niceville, FL 32578				Median	\$ 1,735	\$ 1,937	\$ 2,139	636	\$ 3	\$ 1,808	\$ 1,867	\$ 2,208	782	\$ 3	
Northwest Florida State College				High	\$ 1,735	\$ 1,937	\$ 2,139	636	\$ 3	\$ 2,559	\$ 3,359	\$ 4,159	803	\$ 5	
complex count					1	1	1	1	1	3	7	7	7	7	7

Apartment Complex	Units left	Two Bedroom					Three Bedroom					Lease Terms				Security Deposit
		Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	YR	6/9 Mo.	M-M	Other	
1 The Charles	12	\$ 1,965	\$ 1,980	\$ 1,995	1201	\$1.65	\$ 2,580	\$ 2,610	\$ 2,640	1,412	\$1.85	Y	Y	N	Y	N
2 Legacy on the Bay	6	\$ 2,731	\$ 3,496	\$ 4,260	1138	\$3.07						Y	Y	N	Y	Y
3 Chez Elan Apartment Homes	5	\$ 2,300	\$ 2,340	\$ 2,379	1176	\$1.99	\$ 1,874	\$ 1,922	\$ 1,969	1,880	\$1.02	N	N	N	N	Y
4 Sea Glass	12	\$ 3,102	\$ 3,792	\$ 4,481	1105	\$3.43						Y	Y	N	Y	Y
5 The Preserve At Henderson Beach	11	\$ 2,670	\$ 3,188	\$ 3,705	1111	\$2.87						Y	Y	N	Y	Y
6 ARIUM Emerald Isle	8	\$ 1,940	\$ 2,394	\$ 2,848	939	\$2.55						N	N	N	Y	N
7 Spring Creek	2	\$ 1,577	\$ 1,577	\$ 1,577	1121	\$1.41						N	N	N	Y	N
Campus Address for Distance Calculations		\$ 1,577	\$ 1,577	\$ 1,577	939	\$ 1	\$ 1,874	\$ 1,922	\$ 1,969	1412	\$ 1	4	4	0	6	Y
100 E College Blvd, Niceville, FL 32578		\$ 2,300	\$ 2,394	\$ 2,848	1121	\$ 3	\$ 2,227	\$ 2,266	\$ 2,305	1646	\$ 1	0	0	0	0	\$
Northwest Florida State College		\$ 3,102	\$ 3,792	\$ 4,481	1201	\$ 3	\$ 2,580	\$ 2,610	\$ 2,640	1880	\$ 2	0	0	0	0	\$
complex count		7	7	7	7	7	2	2	2	2	2	3	3	7	1	N

Apartment Complex	Units left	Security Deposit	Utilities Included					Unit Amenities						
			Elec	Gas	Heat	W/S	Inter-net	Basic Cable	Furn.	DW	AC	WDC Only	WD	
1 The Charles	12	N	N	N	N	N	N	N	Y	N	N	Y	N	Y
2 Legacy on the Bay	6	Y	N	N	Y	N	N	N	N	N	Y	Y	N	N
3 Chez Elan Apartment Homes	5	Y	N	N	N	N	Y	N	N	N	Y	Y	N	Y
4 Sea Glass	12	Y	N	N	N	N	Y	N	N	N	Y	Y	N	Y
5 The Preserve At Henderson Beach	11	Y	N	N	Y	N	Y	N	N	N	Y	Y	N	Y
6 ARIUM Emerald Isle	8	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
7 Spring Creek	2	N	N	N	N	N	Y	Y	N	Y	Y	Y	Y	N
Campus Address for Distance Calculations		Y	0	1	3	1	5	3	1	6	7	1	5	
100 E College Blvd, Niceville, FL 32578		\$	0	0	0	0	0	0	0	0	0	0	0	
Northwest Florida State College		N	6	6	4	6	2	4	6	1	0	6	2	
count		0	7	7	7	7	7	7	7	7	7	7	7	

APPENDIX 1: OFF-CAMPUS MARKET ANALYSIS

Apartment Complex	Units left	Community Amenities									Pets	Miles from Campus	Year Built	# of Units	Specials	Notes
		Pool	Club-house	Play-ground	Fitness Ctr	Surface Parking	Garage/Covered Parking	Volley-Ball	Tennis	Laundry						
1 The Charles	12	Y	Y	N	Y	Y	N	N	N	N	Y	17.7	2021	197	N	https://www.apartments.com/the-charles-destin-fl/573400m/
2 Legacy on the Bay	6	Y	Y	Y	Y	Y	Y	N	N	Y	Y	16	2000	300	N	https://www.apartments.com/legacy-on-the-bay-destin-fl/bhjnn0c/
3 Chez Elan Apartment Homes	5	Y	Y	N	Y	Y	Y	Y	Y	N	Y	15.4	2006	267	N	https://www.apartments.com/chez-elan-apartment-homes-fort-walton-beach-fl/tf64g88/
4 Sea Glass	12	Y	Y	N	Y	Y	N	N	N	N	Y	16.3	2017	288	N	https://www.apartments.com/sea-glass-destin-fl/zyppncz/
5 The Preserve At Henderson Beach	11	Y	Y	N	Y	Y	Y	N	N	N	Y	16.4	2009	340	N	https://www.apartments.com/the-preserve-at-henderson-beach-destin-fl/yqj8xtt/
6 ARIUM Emerald Isle	8	Y	N	N	Y	Y	N	N	Y	Y	Y	14	1989	262	N	https://www.apartments.com/arium-emerald-isle-fort-walton-beach-fl/y10f23r/
7 Spring Creek	2	Y	Y	Y	Y	Y	Y	N	N	N	Y	20.1	2011	254	N	https://www.apartments.com/spring-creek-crestview-fl/yyl4tr/
Campus Address for Distance Calculations		0	0	0	0	0	0	0	0	0	0	16.6	2008	1908	Total	
100 E College Blvd, Niceville, FL 32578		0	0	0	0	0	0	0	0	0	0		1989	197	Low	
Northwest Florida State College		0	1	5	0	0	3	6	5	5	0		2009	267	Median	
Northwest Florida State College		0	1	5	0	0	3	6	5	5	0		2021	340	High	

House	Units left	Address	Phone	One Bedroom					Three Bedroom							
				Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF			
1 63 Norwich Cir	1	63 Norwich Cir, Niceville, FL 32578	(850) 389-8533													
2 804 Wild Egret Ln	1	804 Wild Egret Ln, Crestview, FL 32536	(850) 398-2736													
3 4232 Shadow Ln	1	4232 Shadow Ln, Niceville, FL 32578	(850) 389-8533													
4 4083 Rocky Dr	1	4083 Rocky Dr, Niceville, FL 32578	(850) 678-9448													
5 335 Pontevedra Ln	1	335 Pontevedra Ln, Niceville, FL 32578	(850) 678-9448							\$ 2,200	\$ 2,200	\$ 2,200	1,787	\$1.23		
6 146 Poquito Rd	1	146 Poquito Rd, Shalimar, FL 32579	(850) 226-7201													
7 721 Lime Lane	1	721 Lime Ln, Crestview, FL 32536	(850) 361-8202													
8 4707 Connor Dr	1	4707 Connor Dr, Crestview, FL 32539	(850) 400-5856													
9 76 4th Ave	1	76 4th Ave, Shalimar, FL 32579	(850) 331-2323	\$ 860	\$ 860	\$ 860	800	\$ 1.08								
10 201 Bob Sikes Blvd	1	201 Bob Sikes Blvd, Fort Walton Beach, FL 3254	(850) 888-3009													
11 235 Grand Key Loop E	1	235 Grand Key Loop E, Destin, FL 32541	(847) 530-2845							\$ 3,800	\$ 3,800	\$ 3,800	1,884	\$2.02		
12 25 Kelly Way	1	25 Kelly Way, Valparaiso, FL 32580	(850) 678-5161							\$ 1,600	\$ 1,600	\$ 1,600	1,149	\$1.39		
Apartments selected from those available at a 30 minute drive from campus during rush hour.				Low	\$ 860	\$ 860	\$ 860	800	\$ 1	\$ 1,600	\$ 1,600	\$ 1,600	1149	\$ 1		
Campus Address for Distance Calculations				Median	\$ 860	\$ 860	\$ 860	800	\$ 1	\$ 2,200	\$ 2,200	\$ 2,200	1787	\$ 1		
100 E College Blvd, Niceville, FL 32578				High	\$ 860	\$ 860	\$ 860	800	\$ 1	\$ 3,800	\$ 3,800	\$ 3,800	1884	\$ 2		
Northwest Florida State College				complex count	1			1				3			3	


House	Units left	Four Bedroom					Lease Terms				Security Deposit	Utilities Included					Unit Amenities					
		Low Rent	Ave. Rent	High Rent	SF	Ave. Rent/SF	YR	6/9 Mo.	M-M	Other		Elec	Gas	Heat	W/S	Inter-net	Basic Cable	Furn.	DW	AC	WDC Only	WD
1 63 Norwich Cir	1	\$ 2,500	\$ 2,500	\$ 2,500	2089	\$1.20	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	N
2 804 Wild Egret Ln	1	\$ 2,300	\$ 2,300	\$ 2,300	2388	\$0.96	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	N
3 4232 Shadow Ln	1	\$ 2,800	\$ 2,800	\$ 2,800	2536	\$1.10	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	N
4 4083 Rocky Dr	1	\$ 2,300	\$ 2,300	\$ 2,300	2181	\$1.05	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	N
5 335 Pontevedra Ln	1						Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	N
6 146 Poquito Rd	1	\$ 2,700	\$ 2,700	\$ 2,700	2019	\$1.34	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	N
7 721 Lime Lane	1	\$ 2,000	\$ 2,000	\$ 2,000	2261	\$0.88	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	N
8 4707 Connor Dr	1	\$ 2,200	\$ 2,200	\$ 2,200	1590	\$1.38	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	N
9 76 4th Ave	1						Y	N	N	N	N	N	N	N	Y	N	N	N	N	Y	N	N
10 201 Bob Sikes Blvd	1	\$ 2,700	\$ 2,700	\$ 2,700	2865	\$0.94	Y	N	N	N	N	Y	N	N	Y	N	N	N	Y	Y	Y	N
11 235 Grand Key Loop E	1						Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
12 25 Kelly Way	1						Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	Y	N
Apartments selected from those available at a 30 minute drive from campus during rush hour.		\$ 2,000	\$ 2,000	\$ 2,000	1590	\$ 1	12	1	1	1	Y	0	1	12	2	1	1	1	11	12	10	1
		\$ 2,400	\$ 2,400	\$ 2,400	\$2,221.00	\$ 1	0	0	0	0	S	0	0	0	0	0	0	0	0	0	0	0
		\$ 2,800	\$ 2,800	\$ 2,800	2865	\$ 1	0	0	0	0	S	0	0	0	0	0	0	0	0	0	0	0
		8	8	8	8	8	0	11	11	11	N	11	11	0	10	11	11	11	0	2	11	
							12	12	12	12	count	0	12	12	12	12	12	12	12	12	12	

APPENDIX 1: OFF-CAMPUS MARKET ANALYSIS

House	Units left	Community Amenities										Pets	Miles from Campus	# of Units	Notes
		Pool	Club-house	Play-ground	Fitness Ctr	Surface Parking	Garage/Covered Parking	Volley-Ball	Tennis	Laundry					
1 63 Norwich Cir	1	N	N	N	N	Y	Y	N	N	N	Y	10.5	1	https://www.apartments.com/63-norwich-cir-niceville-fl/snjlck4/	
2 804 Wild Egret Ln	1	N	N	N	N	Y	Y	N	N	N	N	19.2	1	https://www.apartments.com/804-wild-egret-ln-crestview-fl/slg9cf6/	
3 4232 Shadow Ln	1	N	N	N	N	Y	Y	N	N	N	N	5.4	1	https://www.apartments.com/4232-shadow-ln-niceville-fl/cmz67sd/	
4 4083 Rocky Dr	1	N	N	N	N	Y	Y	N	N	N	N	3.1	1	https://www.apartments.com/4083-rocky-dr-niceville-fl/j5f2b75/	
5 335 Pontevedra Ln	1	N	N	N	N	Y	Y	N	N	N	N	2.8	1	https://www.apartments.com/335-pontevedra-ln-niceville-fl/118stf9/	
6 146 Poquito Rd	1	N	N	N	N	Y	Y	N	N	N	Y	11	1	https://www.apartments.com/146-poquito-rd-shalimar-fl/gbg5wmy/	
7 721 Lime Lane	1	N	N	N	N	Y	Y	N	N	N	N	17.6	1	https://www.apartments.com/4-br-25-bath-house-721-lime-lane-crestview-fl/s5f7437/	
8 4707 Connor Dr	1	N	N	N	N	Y	Y	N	N	N	Y	17.6	1	https://www.apartments.com/4707-connor-dr-crestview-fl/b43mnc/	
9 76 4th Ave	1	N	N	N	N	Y	N	N	N	N	N	11.7	1	https://www.apartments.com/76-4th-ave-shalimar-fl/8edh111/	
10 201 Bob Sikes Blvd	1	N	N	N	N	Y	Y	N	N	N	N	15.3	1	https://www.apartments.com/201-bob-sikes-blvd-fort-walton-beach-fl/6q4s3pr/	
11 235 Grand Key Loop E	1	Y	N	N	N	Y	Y	N	N	N	N	15.4	1	https://www.apartments.com/235-grand-key-loop-e-destin-fl/k551tv9/	
12 25 Kelly Way	1	N	N	N	N	Y	N	N	N	N	N	2.5	1	https://www.apartments.com/3-br-2-bath-house-25-kelly-way-valparaiso-fl/2bdjpy8/	
		1	0	0	0	12	10	0	0	0	3	11.0	12		
Apartments selected from those available at a 30 minute drive from campus during rush hour.		0	0	0	0	0	0	0	0	0	0		1		
		0	0	0	0	0	0	0	0	0	0		1		
		11	12	12	12	0	2	12	12	12	9		1		
		12	12	12	12	12	12	12	12	12	12				

Appendix 2: RSMeans 2021 Cost

Model: College, Dormitory, 4-8 Story (Green) with Decorative Concrete Block / Reinforced Concrete

<div style="border: 1px dashed gray; padding: 5px;"> <div style="display: flex; justify-content: space-between; align-items: center;"> Default Building Image ↕ 🔄 🗑️ </div>  </div>	<p>\$16,082,250.22</p> <p>Building Cost</p>	<p>PENSACOLA, FL</p> <p>Location</p>
<p>\$189.20</p> <p>Cost per S.F.</p>	<p>85,000</p> <p>Floor Area</p>	

Appendix 3: Pro Forma Rents

The pro forma rents are located in an Excel workbook titled NWF2021Pro Forma Rents 7-9.xlsx and were provided with the draft of this document.