

## Fitz on 14<sup>th</sup>

Owned by Elevation 5471, LLC (Scott Bradley, Sole Member)

Date July 2018

### Relocation Observations

- 1) Fitz on 14<sup>th</sup> is comprised of 4 buildings (approximately 43 units per building and 54 residents per building).
- 2) Since there is 61 % turnover and that % has been increasing (during the last 12 months the turnover has been 110 units) the relocation process will be minimal given 61+% of the units will not have leases renewed. It was pointed out by a City Council member that the national turn over average is 54%.
- 3) Since the Fitz vacancy rate averages about 7.5%, we have 4 +/- units per building that are normally available.
- 4) One of the City Council members read into the record that there are 18 projects near Fitz that have rents that were less than Fitz. See table below which was taken from a market survey for week ending June 23, 2018 (see Fitz on 14<sup>th</sup> rent in #3 below).

<b>UNITS @ 7.5% VACANCY</b>				
	<b>Market Rents</b>		<b>Total Units</b>	<b>Studios &amp; 1x1</b>
<b>Project</b>	<b>Studio</b>	<b>1x1</b>		
Carriage Green	945	948	174	172
Canterra	N/A	1,142	168	100
Aspenwood	N/A	1,072	168	112
Aurora Meadows	940	1,062	461	241
Landon Park	N/A	1,015	511	144
Retreat at Fitzimmons	N/A	1,073	256	128
			TOTAL	897
			Available Units	67

In addition to the 67 vacant units there are an additional 830 units in the 6 projects above (studios and 1x1) that would be available to rent as they come available

## Relocation Plan for 176 units

- 1) The project will be phased, so Fitz will strategically place tenants in buildings that won't be renovated and strategically stagger the lease termination dates, which will minimize relocations.

Note: Fitz is presently obligated to give our residents a 30-day notice if it's a month-to-month lease and a 60-day notice of our intent not to renew, if it's a lease with a specific termination date. Fitz will continue with the same notice terms noting that relocation, if applicable, most likely will occur in 4 +-years. The relocation plan will be included with each lease upon approval of the rezoning and a master site plan.

- 2) If Fitz must relocate a resident from one building to another building within Fitz on 14<sup>th</sup>, the owner will pay for the move, with movers designated by the owner. Resident items and furnishings proposed to be moved will be insured.
- 3) Since the industry vacancy rate is approximately 7.5%, we have approximately 67 units that can be relocated into like-size vacant units in six of the neighboring projects that Fitz uses for rent comps (see table above). In addition, there are an additional 830 units that are turning over 54%+- (national average) a year in the above referenced projects. (see table above). Then you can apply the same formula/conditions to the 12-18 projects that are close to Fitz that one of the City Council members mentioned as being projects that had rents that were less than Fitz. Assuming rents are no more than 5% greater than Fitz's rents, the owner will pay for the cost of relocating residents to these units using the owners designated movers, if applicable. Resident items and furnishings proposed to be moved will be insured.

Note the average rents at Fitz are: Studios - \$935 and 1 bedroom/1 bath - \$1,066.

- 4) Echelon, the management company, can assist in relocating tenants to projects they manage, if necessary, and the owner would pay for the cost of moving to those projects with movers designated by the owner. Resident items and furnishings proposed to be moved will be insured.
- 5) If the owner is unable to accomplish 1, 2, 3 or 4 above it will pay the residents an amount equal to the first and last month's rent they paid at Fitz. A pet/security deposit and \$500.00 allowance will be provided to offset moving costs.