






# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS

CITY OF COVINGTON, KY  
ORIGINAL - MARCH 2019 / UPDATE - SEPTEMBER 2022

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 1 Subject Site Market-Driven Recommendations

Land Use	Example Picture	Market Update Since Last Study in Late 2019	Potential Subject Site Demand Depth	Recommended Price Point	Market Recommendations
Apartments		COVID actually improved the MF market, pushing rents 15% higher as record absorption levels were witnessed while many households shifted their lifestyle - often given less of a need for proximity to their workplace, or a greater focus on lifestyle environments. Additionally, rent levels are now closer to supporting structured parking allowing for greater density on the subject site if desired.	Depth for +/-727 units on-site through 2030, with individual phases averaging 120 units every 1 to 1.5 years.	Estimated \$2.00-2.20/SF at an 850 SF weighted average size, resulting in average absolute rents of \$1,700-1,900.	Majority of MF developers look for deal sizes of 200+ units to aid with operational cost efficiencies, however the potential exists for developers to still commit to multiple phases and gain efficiencies over time. Smaller unit count will aid in attracting more long-term ownership developers as opposed to merchant builders looking to build, lease-up, and sell.
For-Sale Condos		As with MF, the COVID pandemic actually helped push the for-sale market with the Cincy metro averaging a 24% increase since pre-pandemic levels. That said, a lack of new product delivery in the market has kept Covington more static, with resales at previous competitive communities examined only increasing 8%. New pre-sales at Ovation are proving promising achieving \$569/SF on large sizes and at a good pace of 3/mo.	Approximately 35-50 units per phase of the subject site, assuming a 3 year sell out period.	\$500/SF, with the bulk of product achieving sale prices of \$500,000 to \$900,000.	Majority of the market is still fueled by Empty Nester downsizers, who have the financial ability to buy during a pre-sale condition and the ability to wait 2+ years for delivery. While potential exists to tap into first time and move-up buyers, absolute price points would need to be below \$500,000 and pre-sale requirements may make this a difficult segment to attract.
Office		While the full impact of COVID on the office market is still to be determined as employers decide how much remote work they are comfortable with, current assessment is an approximate 20-30% drop in space demanded versus historical norms. In addition, lower forecasted metro job growth of only 6,000/year versus historical averages of 15,000 per year given increasing fears of a looming recession, will limit the market.	Forecasted 42,000 SF per year of new growth, with potential to capture 50% at the subject site, results in support of up to 125,000 SF through 2030.	\$21 - \$23/SF (NNN)	This demand mostly captures relocations of current office tenants, rather than growth in the Downtown market, and would be supplemental to any key anchor from out of market that might be lured to the project. 125,000 SF would result in approximately 500-600 employees. These rent levels will require significant infrastructure and other incentives to justify new construction.
Retail		COVID lockdowns were short lived and national and local retail expenditure levels have already returned to new peaks, particularly on non-dry goods. Increasing urban populations and disposable income levels are creating new opportunity for urban retail, however predominately in food and beverage or experiential retail categories. Planned entertainment/retail in Ovation, will be heavy competition for the subject site.	Potential for 50,000-70,000 SF, with a small grocery anchor (i.e. Trader Joe's), heavy food and beverage offering and service industries.	\$17.50 - \$32/SF (NNN), with an average of \$23 - \$24 based on projected store type mix.	Aim to create a mixed-use environment that can attract a wide range of consumers, including daytime and nighttime populations, as well as young professionals, Empty Nesters and convention goers. Development needs to be heavily amenitized and programmed to help offset regional competition. Focus on becoming Covington's local gathering spot. New small parcel format will make place creation harder and more incremental.
Hotel		Nationally and locally the COVID-19 pandemic hit the hospitality market the hardest, with nationwide occupancies dropping to 40%, and RevPar dropping by over 50% as tourism came to a stand still for most of 2020, and large out of market conventions have still yet to return. The local Covington market witnessed nearly identical drops to the national average, and while ADRs have climbed back to new record high's, occupancy is still low at 64.4% and RevPar is back at 2016 levels.	Given recovery challenges, particularly in the convention market, along with coming supply (Hotel Covington North), we don't foresee excess demand until 2030, at which time an approx. 200 room hotel would be supported.	Estimated ADR of \$185/night, but heavily dependent on amount of committable rooms from NKYCC.	While Hotel Covington has proven ability to grow the weekend/destination market, Covington is still largely driven by NKYCC. As such, this use is heavily impacted by the COVID recovery. Our demand forecast assumes no significant shift in NKYCC demand per CSL's current conclusions, but does assume 30-40% of the room night demand at our forecasted hotel will be from NKYCC.

SOURCE: Noell Consulting Group



**CITY OF COVINGTON, KY  
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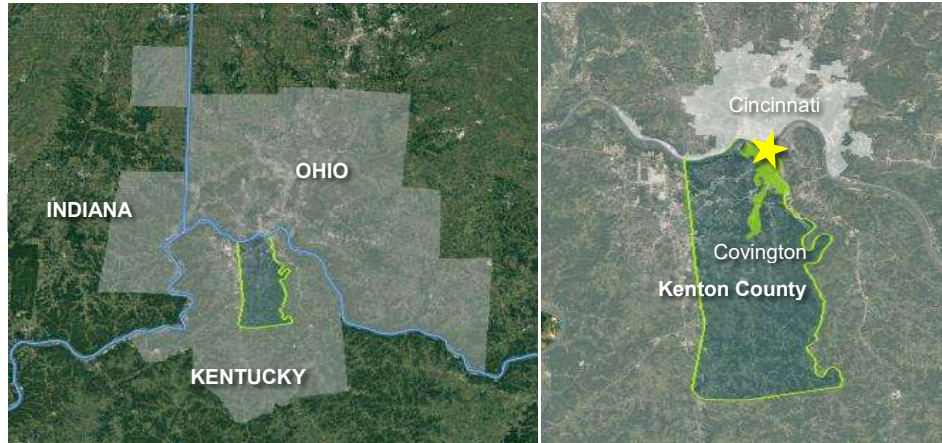
# Location Analysis

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 2

### Overview of Covington Metro Area Population Trends

Updated - September 2022



The subject site is located in the Central Business District of the City of Covington, KY. Just across the river from Cincinnati Ohio, the site enjoys urban density with proximity to Cincinnati's CBD. While adjacent to the N. Kentucky Convention Center and multiple office buildings, the site is also walkable to human-scale, main street neighborhoods.

Covington is located in the Cincinnati MSA which includes 15 counties across three states. Covington is one of two county seats in Kenton County in Northern Kentucky, which has the highest population of all Kentucky MSA counties at almost 170,000 in 2021 (7.6% of MSA).

The City of Covington itself makes up 0.3% of the MSA's population at 40,837. Covington saw a 0.7% annual loss in population from 2000-2010, but this loss diminished from 2010-2021 where the annual growth was 0.1%. Cincinnati has seen similar losses by percent. While Cincinnati is almost 2% of the metro, it saw a loss from 2000-2010 of 1%. Just as Covington has, this loss has diminished since 2010 to a 0.3% growth as of 2021.

The following exhibits examine the intown, urban areas of Covington, Cincinnati, and

		LAND AREA		POPULATION		ANNUAL GROWTH		ANNUAL % GROWTH		CAPTURE OF REGION		
GEOGRAPHY		SQ MILES	% of MSA	2021	% of MSA	2000-10	2010-21	2000-10	2010-21	2000-10	2010-21	LAND CAPTURE RATIO (2010-21)
INDIANA	Dearborn County	305	7.3%	50,816	2.3%	398	66	0.8%	0.1%	3.2%	0.0%	0.00
	Ohio County	86	2.1%	5,978	0.3%	47	-11	0.8%	-0.2%	0.4%	0.0%	0.00
	Union County	161	3.9%	7,047	0.3%	19	-45	0.3%	-0.6%	0.2%	0.0%	-0.01
KENTUCKY	Boone County	246	5.9%	137,412	6.1%	3,337	1,641	3.3%	1.3%	27.2%	0.9%	0.15
	Bracken County	206	4.9%	8,439	0.4%	24	-7	0.3%	-0.1%	0.2%	0.0%	0.00
	Campbell County	151	3.6%	93,050	4.2%	200	222	0.2%	0.2%	1.6%	0.1%	0.03
	Gallatin County	101	2.4%	8,775	0.4%	74	15	0.9%	0.2%	0.6%	0.0%	0.00
	Grant County	258	6.2%	25,244	1.1%	230	51	1.0%	0.2%	1.9%	0.0%	0.00
	<b>Kenton County</b>	<b>160</b>	<b>3.8%</b>	<b>169,495</b>	<b>7.6%</b>	<b>854</b>	<b>863</b>	<b>0.6%</b>	<b>0.5%</b>	<b>7.0%</b>	<b>0.5%</b>	<b>0.12</b>
	Pendleton County	277	6.7%	14,607	0.7%	53	-28	0.4%	-0.2%	0.4%	0.0%	0.00
OHIO	Brown County	490	11.7%	43,662	2.0%	260	-111	0.6%	-0.2%	2.1%	-0.1%	-0.01
	Butler County	467	11.2%	390,234	17.4%	3,628	1,922	1.0%	0.5%	29.5%	1.0%	0.09
	Clermont County	452	10.9%	209,642	9.4%	1,961	1,096	1.1%	0.5%	16.0%	0.6%	0.05
	Hamilton County	406	9.7%	826,139	36.9%	-4,302	2,169	-0.5%	0.3%	-35.0%	1.2%	0.12
	Warren County	401	9.6%	246,553	11.0%	5,508	3,008	3.0%	1.3%	44.8%	1.6%	0.17
<b>MSA Total</b>		<b>4,169</b>	<b>100.0%</b>	<b>2,237,093</b>	<b>100.0%</b>	<b>12,290</b>	<b>186,728</b>	<b>2.4%</b>	<b>25.6%</b>	<b>6.7%</b>	<b>0.4%</b>	<b>0.00</b>
<b>City of Covington</b>		<b>13</b>	<b>0.3%</b>	<b>40,837</b>	<b>1.8%</b>	<b>-290</b>	<b>29</b>	<b>-0.7%</b>	<b>0.1%</b>	<b>-2.4%</b>	<b>0.0%</b>	<b>0.05</b>
<b>City of Cincinnati</b>		<b>80</b>	<b>1.9%</b>	<b>308,935</b>	<b>13.8%</b>	<b>-3,112</b>	<b>797</b>	<b>-1.0%</b>	<b>0.3%</b>	<b>-25.3%</b>	<b>0.4%</b>	<b>0.22</b>

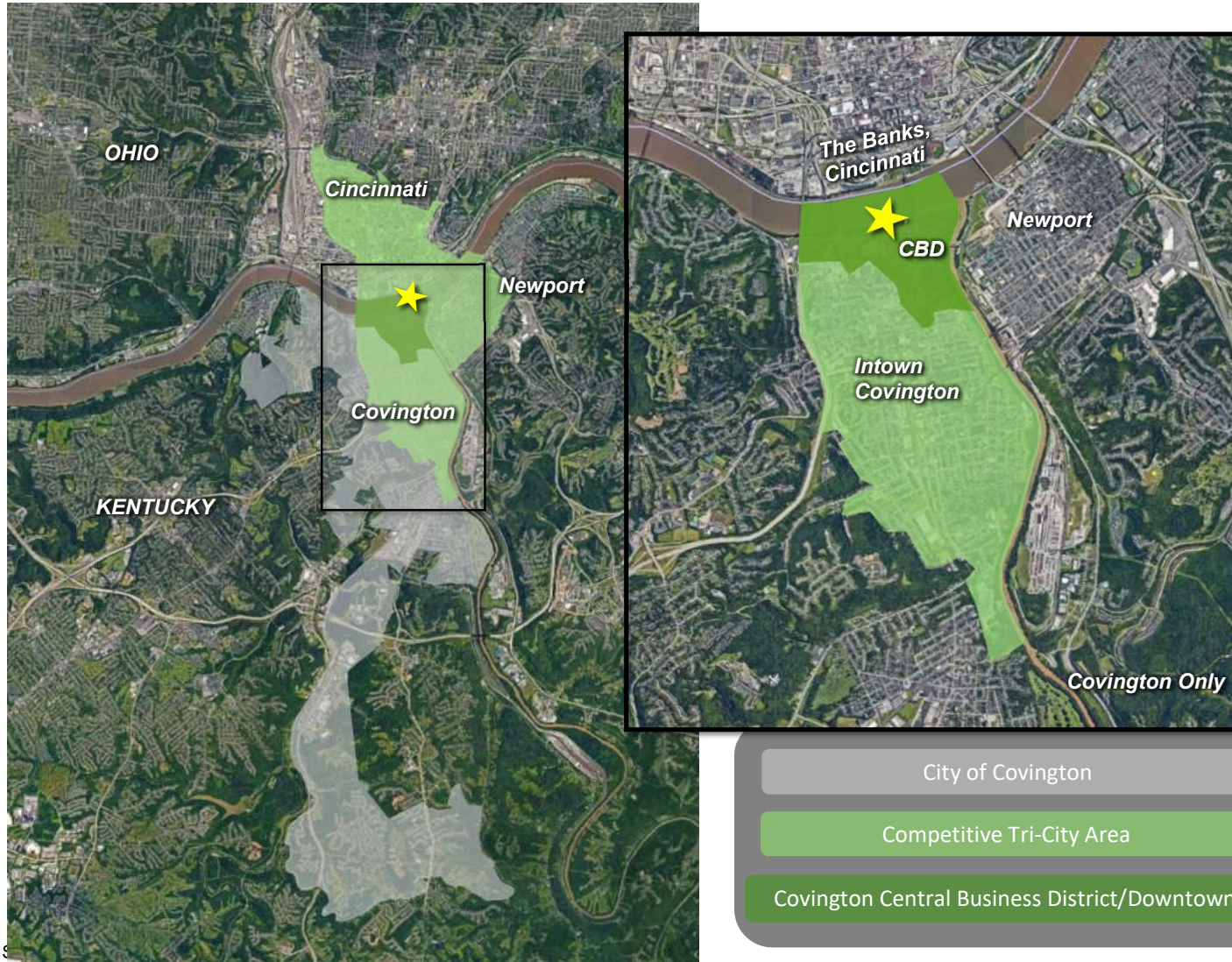
SOURCE: Noell Consulting Group, United States Census Bureau



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

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Exhibit 3  
Overview of the Study Area's Location in the Market

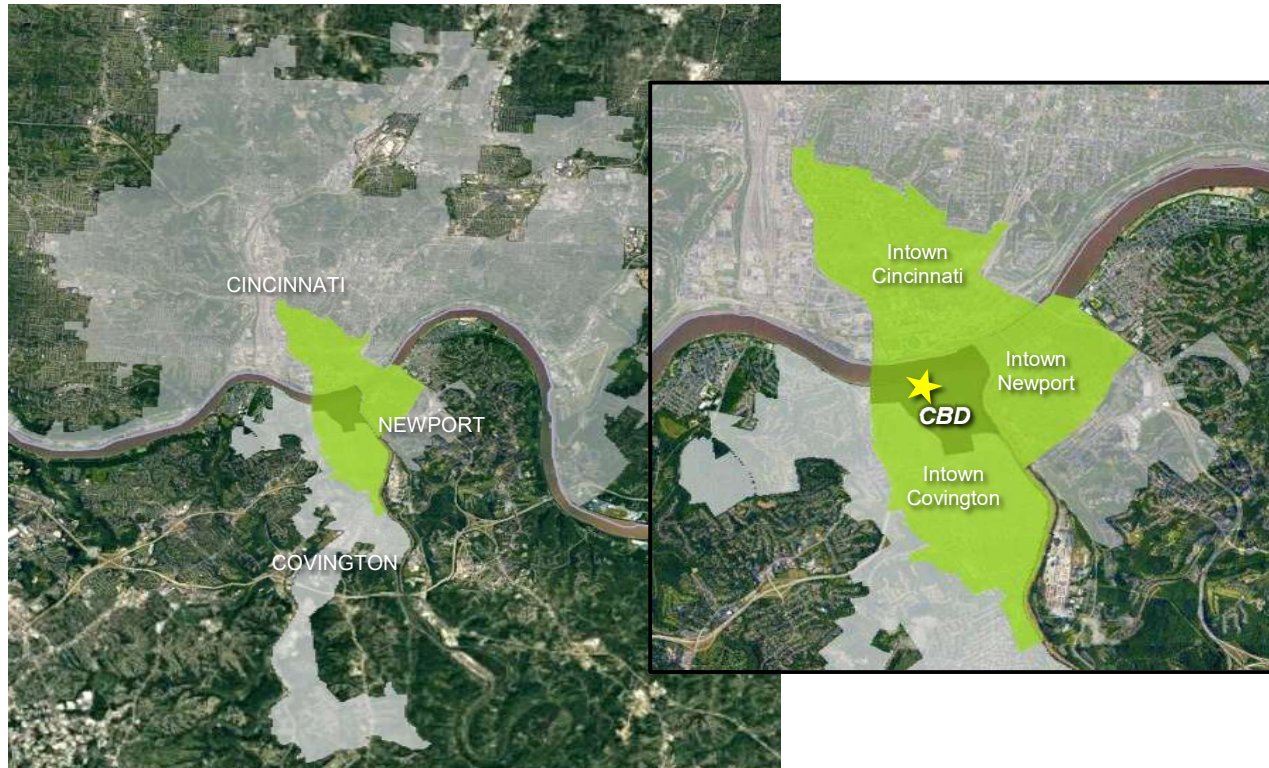


Covington's CBD (dark green) is located along the Ohio River, south of Cincinnati. The closest census tract aligning with the CBD also includes Licking Riverside. The City of Covington, shaded in grey, largely functions as a linear city stretching north to south. The intown neighborhoods have been identified in light green and include Mutter Gottes, Seminary Square, Mainstrasse, Eastside, Westside, Peaseburg, Austinburg, Wallace Woods, and portions of Latonia Milldale. In understanding Covington's role in the N. Kentucky / Ohio area we have identified a larger competitive Tri-City area shaded in lighter green. This area is comprised of those census tracts which represent the intown, urban areas along the Ohio River in Cincinnati, Newport, and Covington. For the purposes of our analysis this area is bounded by I-71 (I-75 on the Ohio side) and I-471. Spanning over two states and three counties, this region functions as a greater urban trade area exchanging residents, jobs, and entertainment opportunities.



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 4  
Overview of Intown Area Population Trends



Just as the Cincinnati metro spans three states, the competitive market area of the IRS site spans across three cities. To better understand this market, the intown areas of Cincinnati, Newport, and Covington are studied here. Similar trends to the metro appear in the intown areas as populations decreased between 2000-2010. With the exception of Intown Newport, growth from 2010-2017 was positive with Cincinnati capturing the majority of the region. Covington's CBD is compared using the most closely aligned census tract. The CBD has captured about 12% of the Tri-City area and nearly 50% of Intown Covington growth.

While population growth here captures net growth/decline, the following exhibit takes a closer look into the specifics of the changing demographics.

GEOGRAPHY	LAND AREA		POPULATION		ANNUAL GROWTH		ANNUAL % GROWTH		CAPTURE OF REGION		LAND CAPTURE RATIO (2010-17)
	ACRES	% of Intown	2017	% of Intown	2000-10	2010-17	2000-10	2010-17	2000-10	2010-17	
Intown Cincinnati	1,482	39.1%	16,204	36.0%	-425	216	-2.5%	1.4%	58%	95%	2.4
Intown Newport	740	19.5%	10,915	24.3%	-55	-49	-0.5%	-0.4%	7%	-21%	-1.1
<b>Intown Covington</b>	<b>1,565</b>	<b>41.3%</b>	<b>17,852</b>	<b>39.7%</b>	<b>-254</b>	<b>60</b>	<b>-1.3%</b>	<b>0.34%</b>	<b>34.6%</b>	<b>26.4%</b>	<b>0.64</b>
<b>INTOWN TOTAL</b>	<b>3,787</b>	<b>100.0%</b>	<b>44,971</b>	<b>100.0%</b>	<b>-733</b>	<b>227</b>	<b>-1.5%</b>	<b>0.5%</b>	<b>100%</b>	<b>100%</b>	<b>1.00</b>
<b>COVINGTON CBD</b>	<b>328</b>	<b>8.7%</b>	<b>2,776</b>	<b>6.2%</b>	<b>-68</b>	<b>28</b>	<b>-2.3%</b>	<b>1.06%</b>	<b>9.2%</b>	<b>12.5%</b>	<b>1.44</b>
<b>CBD CAPTURE OF INTOWN COVINGTON ONLY</b>											
<b>COVINGTON CBD</b>	<b>328</b>	<b>21.0%</b>	<b>2,776</b>	<b>15.6%</b>	<b>-68</b>	<b>28</b>	<b>-2.3%</b>	<b>1.06%</b>	<b>26.6%</b>	<b>47.3%</b>	<b>2.25</b>

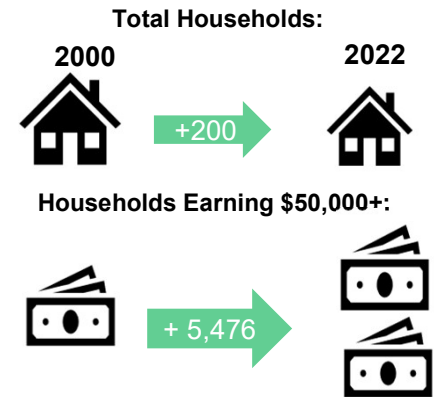
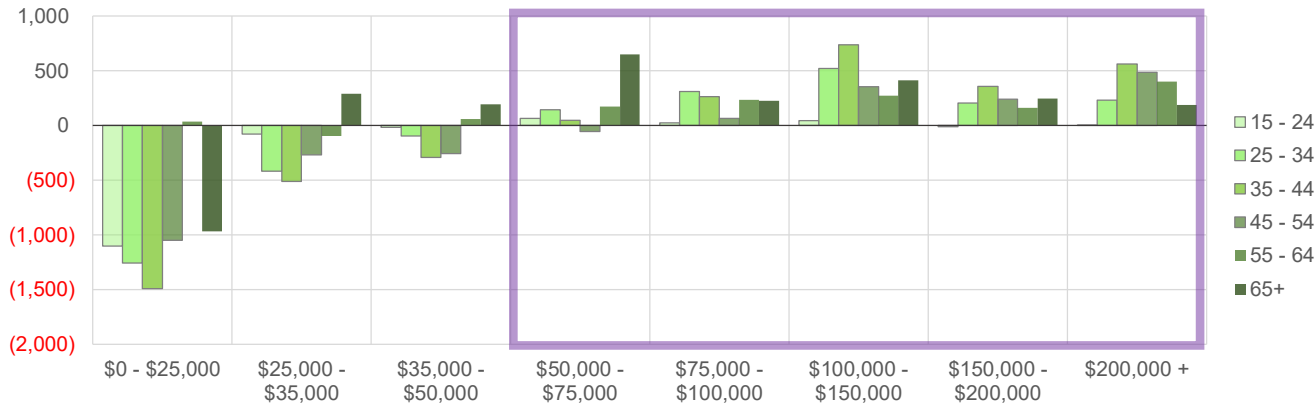
SOURCE: Noell Consulting Group, United States Census Bureau

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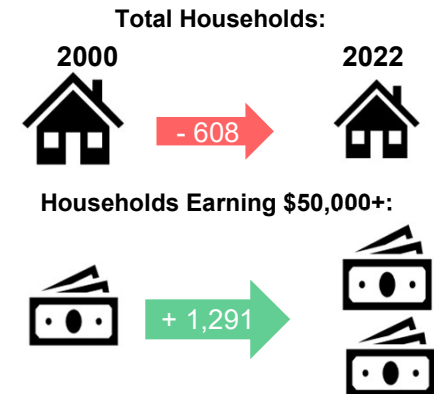
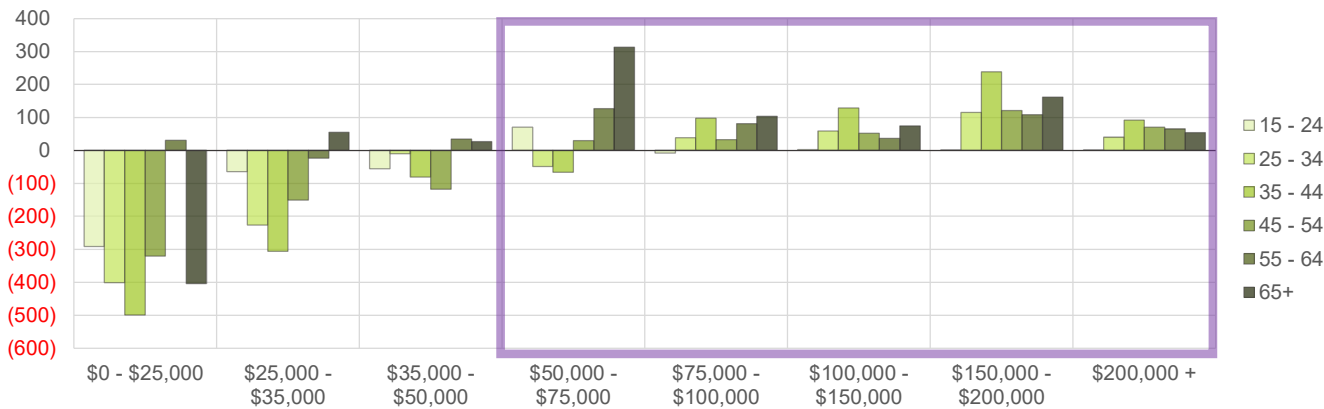
Updated - September 2022

## Exhibit 5 Age & Income Population Change in Intown Areas

**Changing Household Demographics in Tri-City Intown**  
Tracking Change in Household Income by Age from 2000 to 2022



**Changing Household Demographics in Intown Covington**  
Tracking Change in Household Income by Age from 2000 to 2022



As mentioned in the previous exhibit, while population growth has been moderate or negative for much of the Cincinnati metro, this doesn't tell the whole story. Population growth in income cohorts above \$50,000+ have been predominately positive across the Tri-City Intown and Intown Covington. There has been drastic loss in lower income cohorts resulting in a net decrease in households. Both areas have seen an increase in higher income households.

Source: NCG, Environics Analytics / Claritas





# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

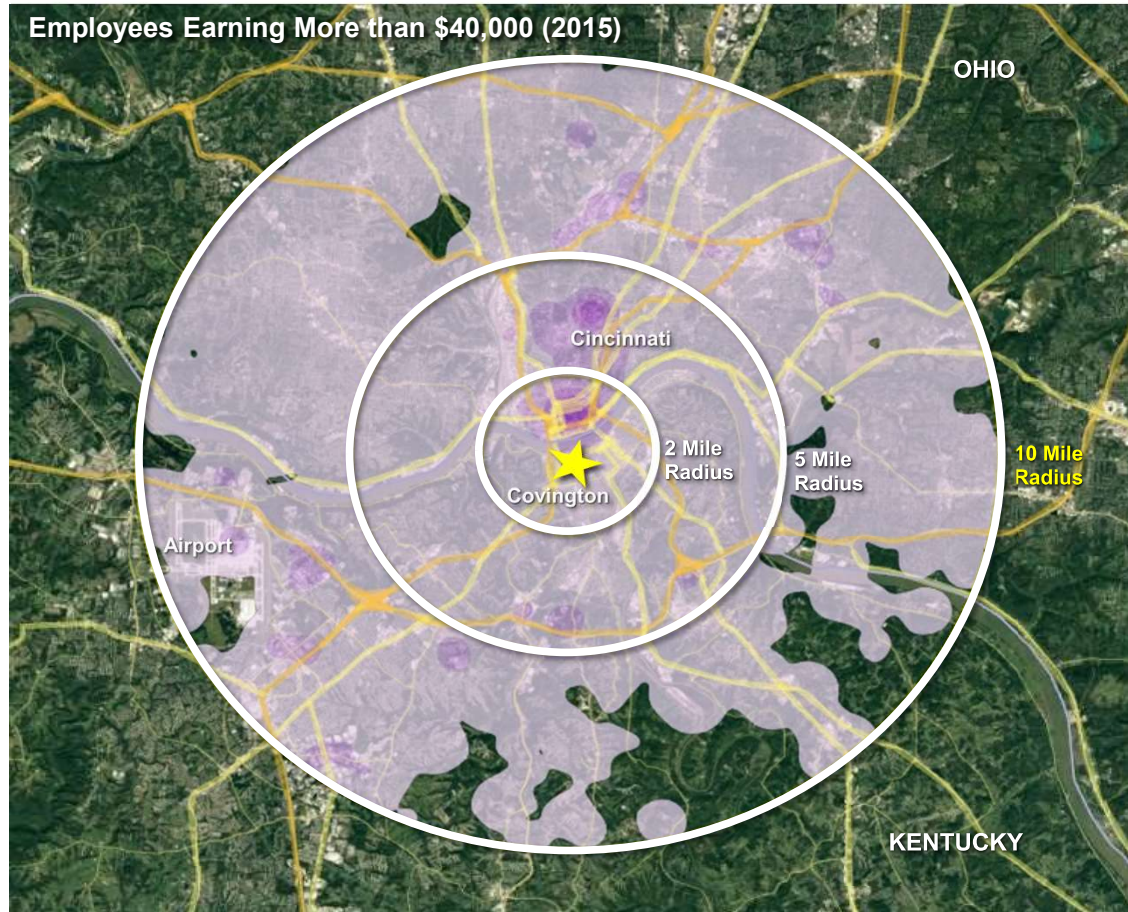
## Exhibit 6 Proximity and Connection of the Subject Site to Jobs

Total Jobs, Above \$40k in Salary, By Distance	
Distance	Employment
25 Miles	401,992
10 Miles	201,556
5 Miles	111,744
2 Miles	52,817

Top 10 Industry Sectors Within 15 Miles	
Industry Sector	Percentage
Health Care and Social Assistance	18%
Manufacturing	12%
Professional, Scientific, and Technical Services	10%
Management of Companies and Enterprises	9%
Finance and Insurance	8%
Educational Services	7%
Wholesale Trade	5%
Construction	5%
Administration & Support	5%
Transportation and Warehousing	4%

**FORTUNE 500**  
Greater Cincinnati Region

- Kroger
- Procter & Gamble
- Macy's
- Fifth Third
- American Financial Group
- AK Steel
- Western & Southern Financial
- Cincinnati Financial
- Cintas

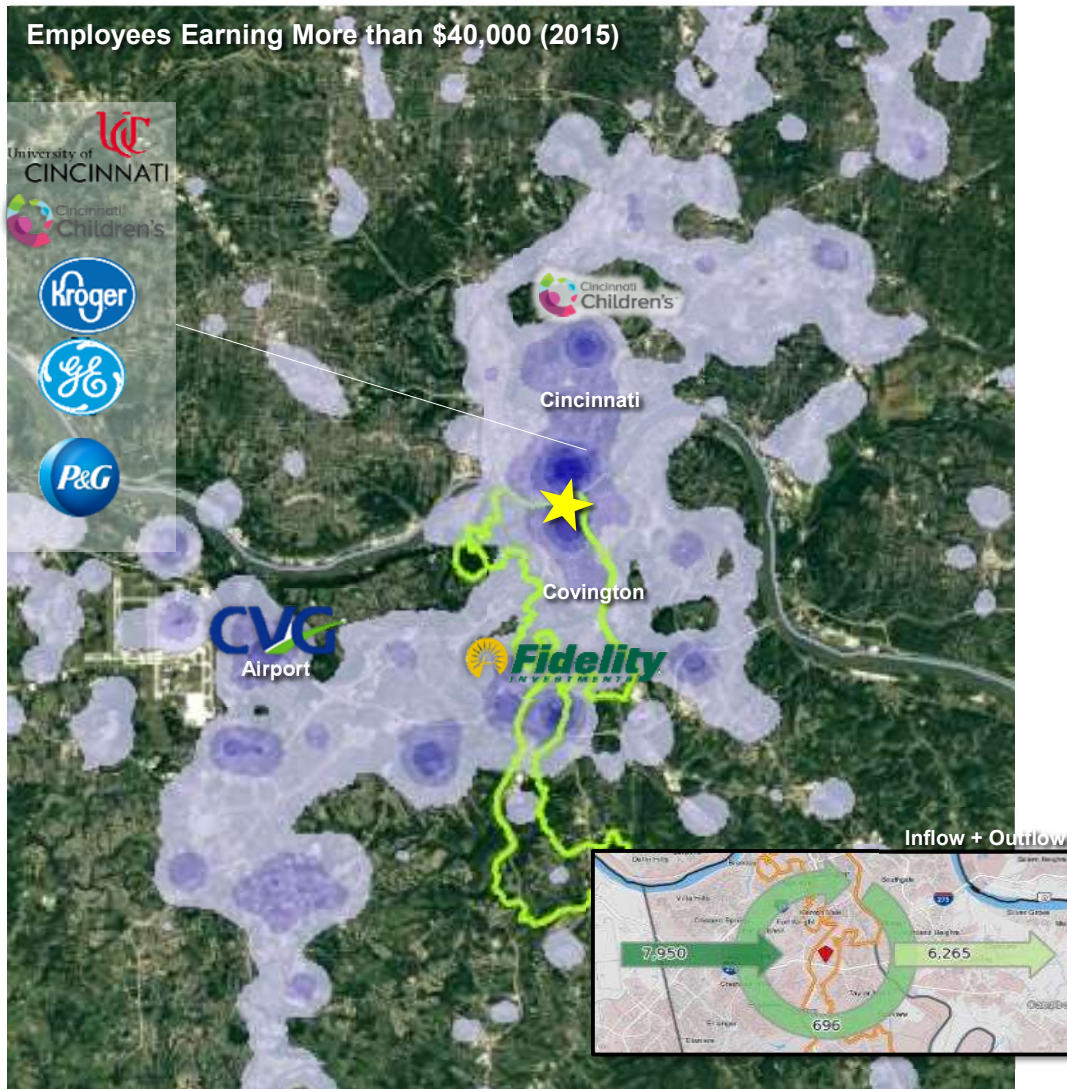


The map in this exhibit shows the concentration of jobs for those earning \$40,000+ within a 10-mile radius of the subject site. There are over 200,000 high paying jobs within 10-miles of the subject site with the majority of job centers within Covington's CBD and connected via interstate highways. The majority of these jobs are in high paying industries defined by high levels of educational attainment, with 18% being Health Care and Social Assistance. In addition to Covington's CBD, the subject site is adjacent to one of the metro's larger job cores in Cincinnati with quick access over I-71 and Roebling Bridge.

SOURCE: Noell Consulting Group, Google Maps, US Census, OntheMap, REDI

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 7  
Work Destinations of Existing Local Residents



SOURCE: Noell Consulting Group, Google Maps, US Census

This exhibit highlights commuting patterns of those who live in Covington. A large portion of residents work within Covington itself, serving as a work destination for 10%. The inflow/outflow graphic depicts this trend showing that almost 700 residents also work in Covington. The job destination heat map shows a high density of jobs directly adjacent to the subject site within the CBD. Nearly 8,000 employees commute to Covington for work, and around 6,200 residents commute outside of Covington for work.

Of the 6,200 residents employed outside of Covington, 23% commute to Cincinnati. There is a fairly even workforce exchange between the City of Covington and Cincinnati as 1,571 Covington residents commute to Cincinnati, and 1,412 Cincinnati residents work in Covington.

Cincinnati, Covington, and Florence are destinations for 38% of Covington residents with the remaining Covington residents commuting to surrounding Kentucky cities and suburbs.

### Top Work Destinations

Location	Share
Cincinnati, OH	23%
Covington, KY	10%
Florence, KY	5%
Fort Wright, KY	3%
Edgewood, KY	2%
Blue Ash, OH	2%
Erlanger, KY	2%
Lexington-Fayette County	2%
Highland Heights, KY	2%
Louisville, KY	2%

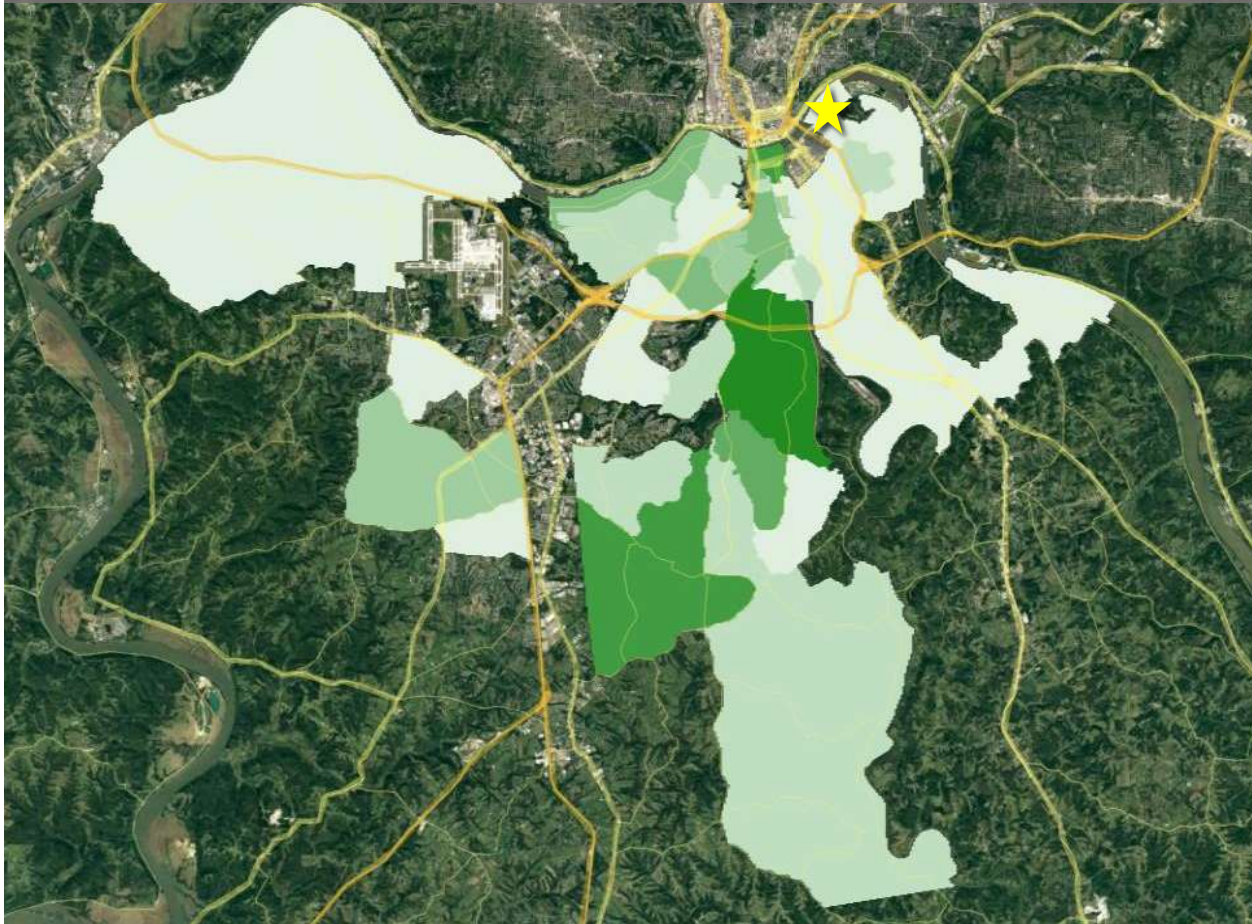
### Commuting Distance

< 10 Miles	62.8%
10-24 Miles	21.4%
25-50 Miles	1.9%
> 50 Miles	13.8%



Exhibit 8  
Downtown Covington Workforce Location

2015: Where Trade Area Employees Live

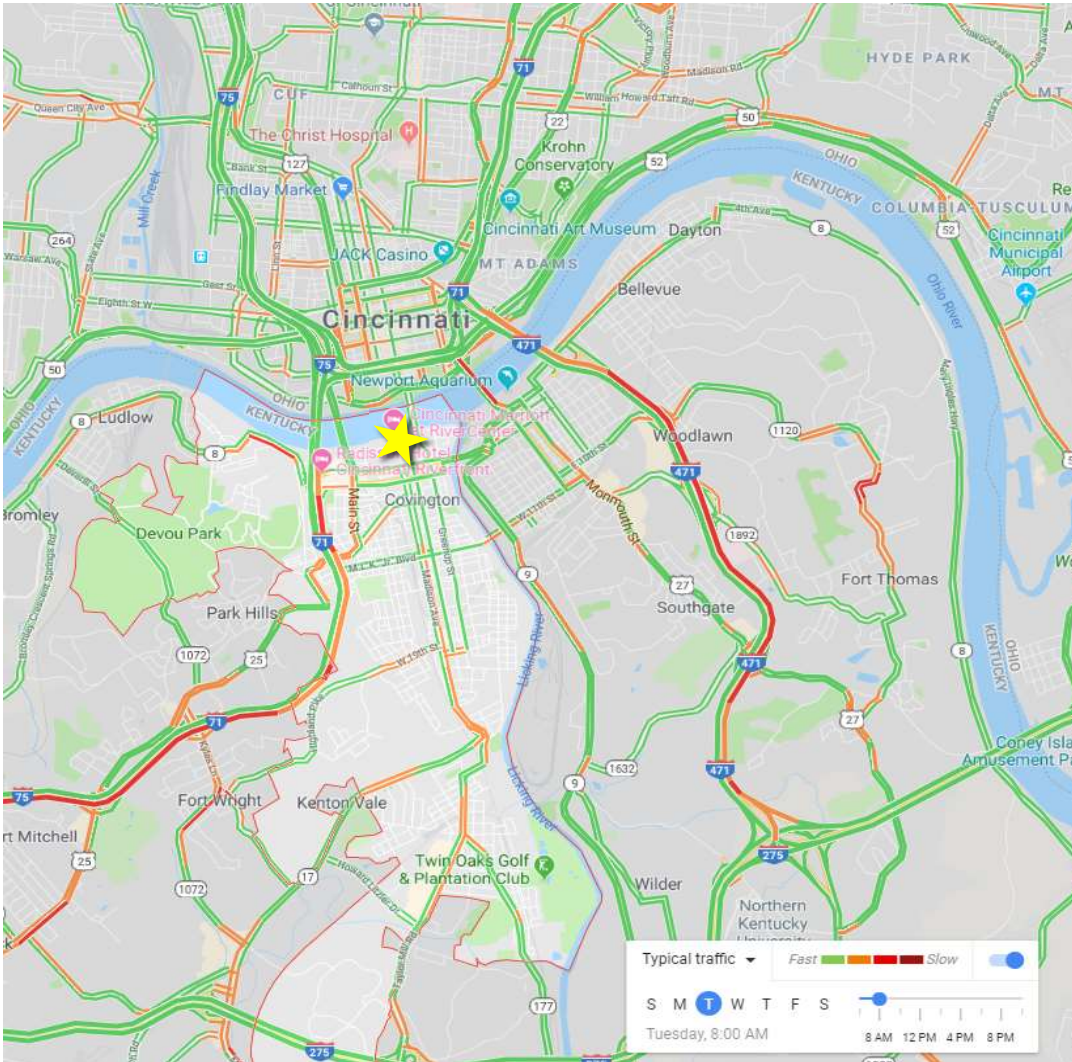


The map above outlines where employees live who work in the downtown Covington area. Where the previous exhibit examined where residents of the entire City of Covington work, this exhibit looks at where those who work in downtown Covington live. While there's a fair portion of Cincinnati residents who commute to Covington for work, there are almost no employees of downtown Covington who live outside of Northern Kentucky. Those who work in downtown Covington primarily live in Taylor Mill along I-275, Independence, Downtown Covington, and Latonia. This is an obstacle in recruiting office tenants as the workforce living in Intown Covington is less educated by comparison to Cincinnati.

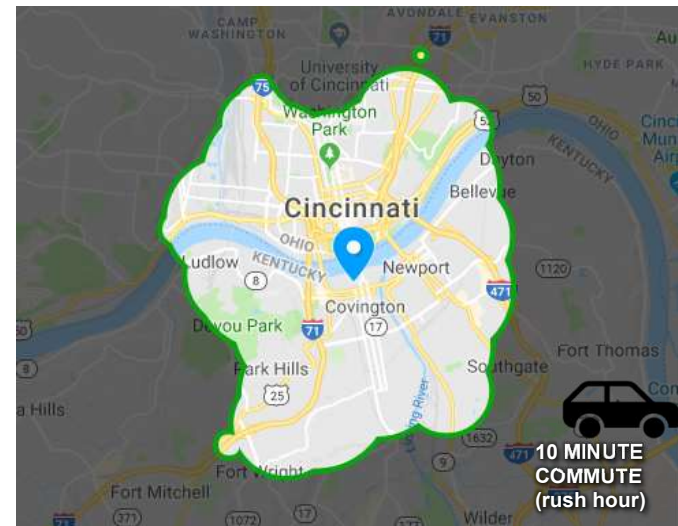
SOURCE: Noell Consulting Group, Google Maps, US Census, OntheMap

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 9  
Study Area's Access to Highways and Correlating Traffic



This map shows the traffic levels near the subject site during morning rush hour on a typical Tuesday. The site benefits from walkable access to Covington employers and an easy commute to Cincinnati's CBD with multiple access points. Florence, Fort Wright, and the airport are within a 20 minute commute. This access is appealing for prospective residents and businesses.



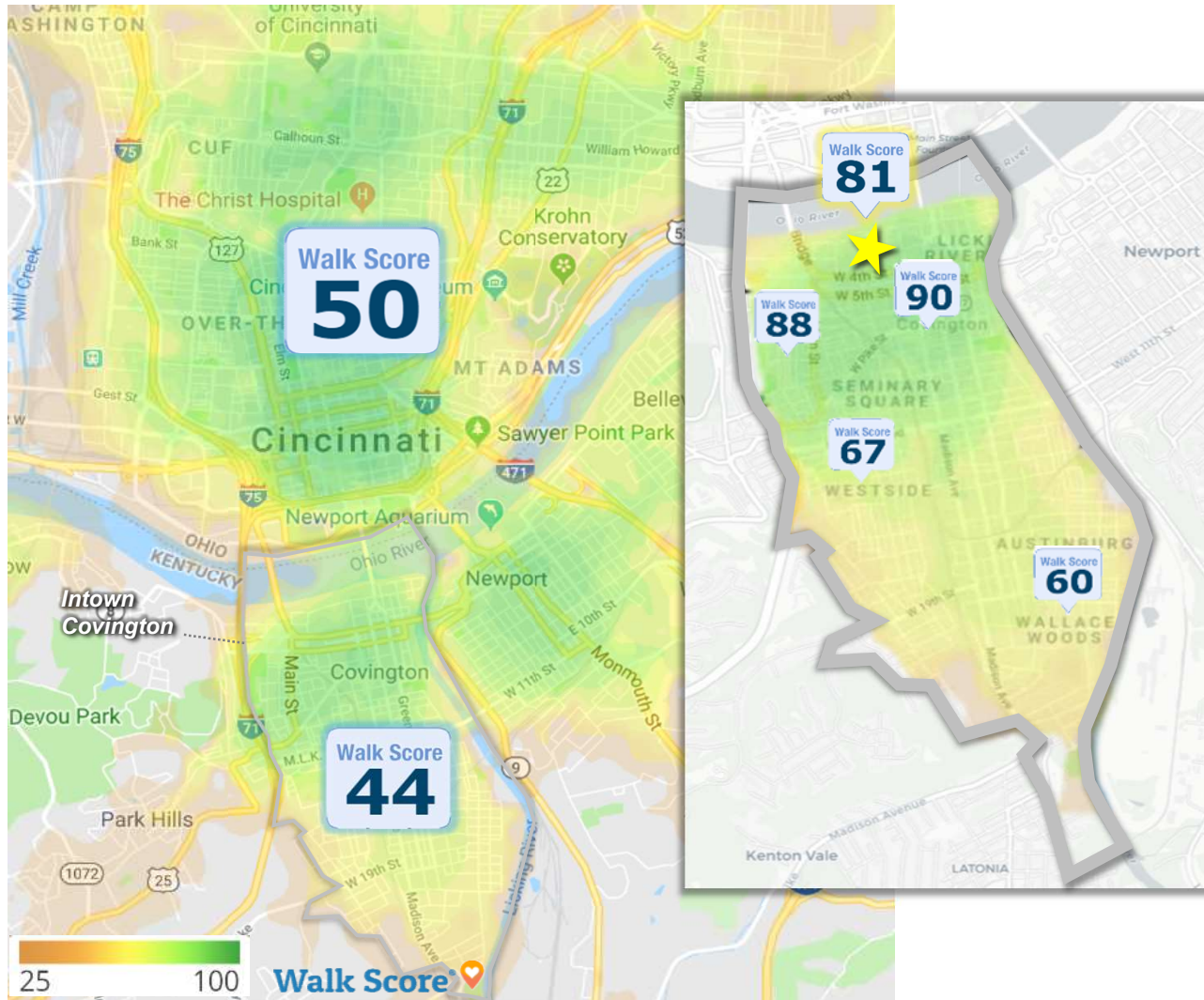
Cincinnati CBD 5-8 Minutes  
 Florence 13-17 Minutes  
 Fort Wright 7-11 minutes  
 Airport 15-20 minutes

SOURCE: Noell Consulting Group, Google Maps, Census



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 10  
Walkability Near Site



This map shows regional and local WalkScores near the subject site. Covington has an overall score of 44 (Car-Dependent). The intown neighborhoods of Covington, however, boast a more walkable environment with scores over 60. Mainstrasse and the Eastside (along Madison Ave.) have the highest scores creating a walker's paradise. Adjacent to these areas, the subject site is very walkable, with a walkscore of 81.

WalkScore	Description
<b>90–100</b>	<b>Walker's Paradise</b> Daily errands do not require a car.
<b>70–89</b>	<b>Very Walkable</b> Most errands can be accomplished on foot.
<b>50–69</b>	<b>Somewhat Walkable</b> Some errands can be accomplished on foot.
<b>25–49</b>	<b>Car-Dependent</b> Most errands require a car.
<b>0–24</b>	<b>Car-Dependent</b> Almost all errands require a car.

SOURCE: Noell Consulting Group, WalkScore



Exhibit 11  
Cyclist and Pedestrian Activity



The heat maps on this exhibit are obtained from Strava, a popular fitness and athletic website and mobile app, where users track and upload their activities. Pink represents lightly used paths, whereas yellow represents heavily used paths.

SOURCE: Noell Consulting Group, Strava Labs, Walk Score, Bike Score



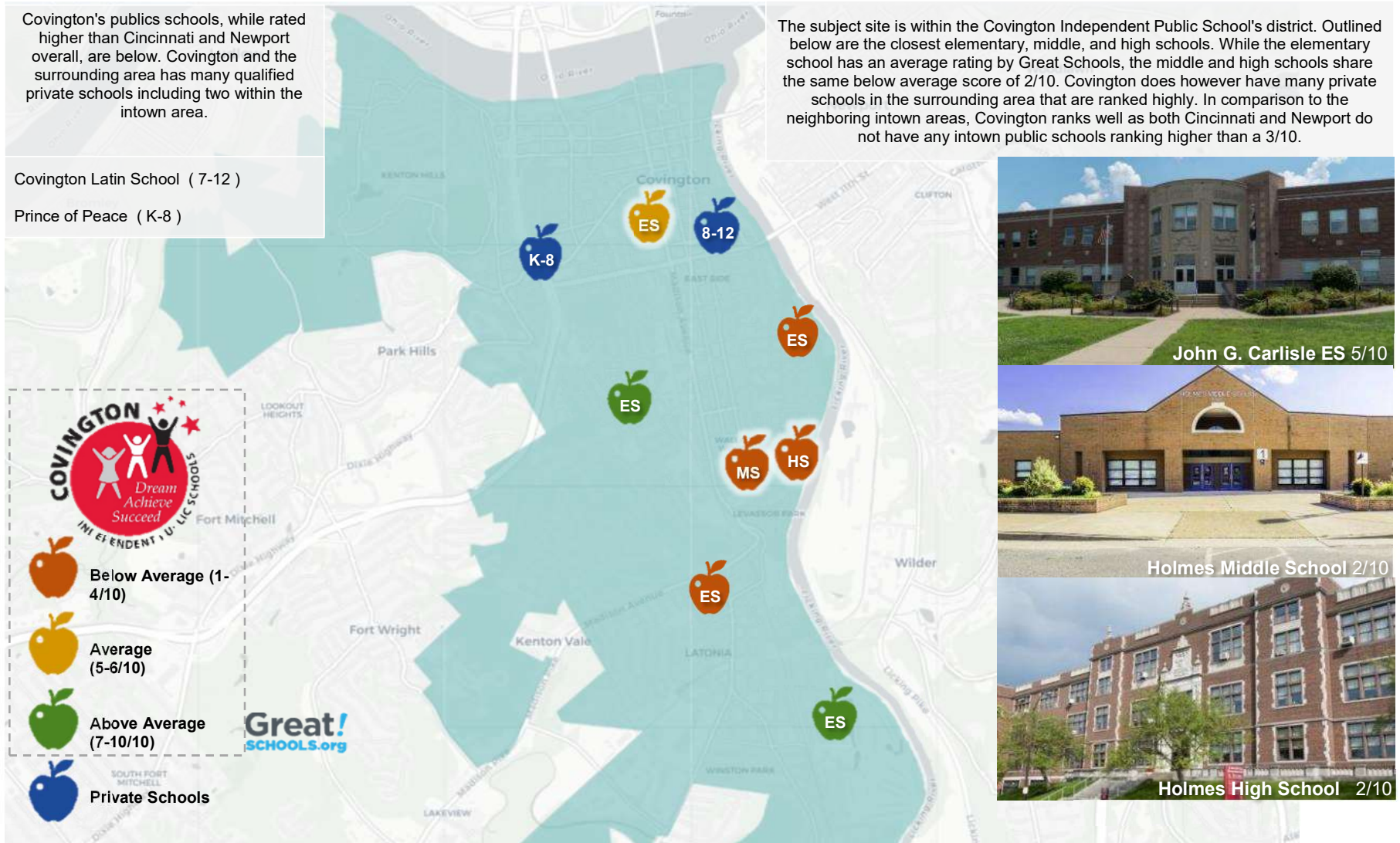
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 12 Schools

Covington's public schools, while rated higher than Cincinnati and Newport overall, are below. Covington and the surrounding area has many qualified private schools including two within the intown area.

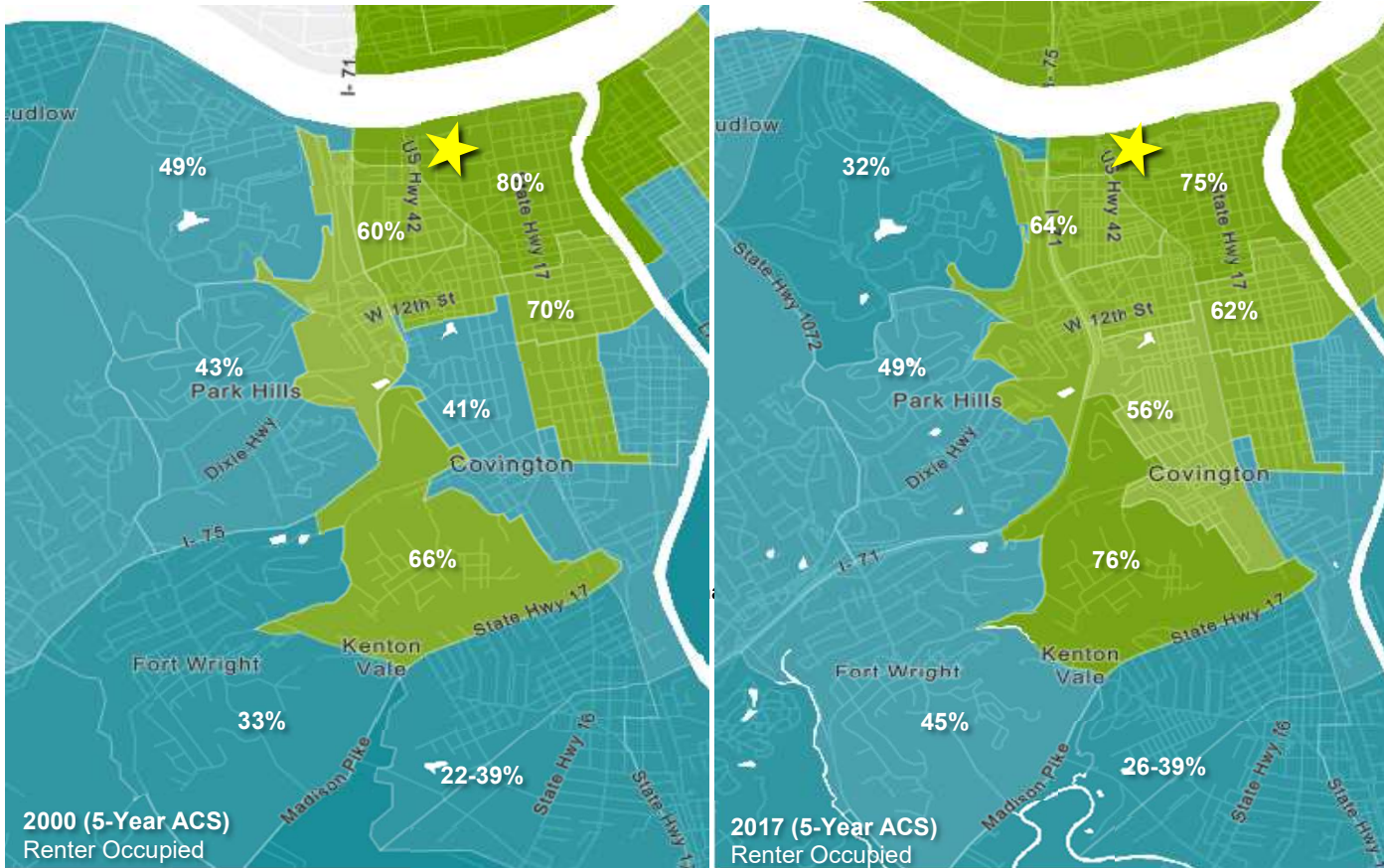
Covington Latin School (7-12)  
Prince of Peace (K-8)

The subject site is within the Covington Independent Public School's district. Outlined below are the closest elementary, middle, and high schools. While the elementary school has an average rating by Great Schools, the middle and high schools share the same below average score of 2/10. Covington does however have many private schools in the surrounding area that are ranked highly. In comparison to the neighboring intown areas, Covington ranks well as both Cincinnati and Newport do not have any intown public schools ranking higher than a 3/10.



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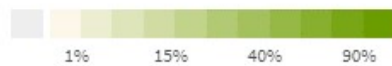
Exhibit 13  
Housing Tenure Near the Subject Site



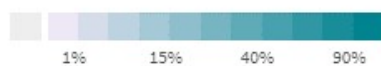
The Census tract where the subject site is located is majority renter occupied. From 2000, this has decreased by 5% corresponding to an increase in owner occupied housing units. Since 2000, the intown Covington area has seen an increase in renters. This is consistent with national trends. Many intown neighborhoods have become majority renter occupied while the surrounding suburbs have largely remained owner occupied.

This urban renter trend has been seen in Cincinnati and Newport as well with renter occupancy increasing 1% and 4%, respectively, from 2000 to 2017.

% Occupied Housing Units: Renter Occupied  
(percent of: Occupied Housing Units)



% Occupied Housing Units: Owner Occupied  
(percent of: Occupied Housing Units)



\* Percentages refer to Renter Occupied Housing Units

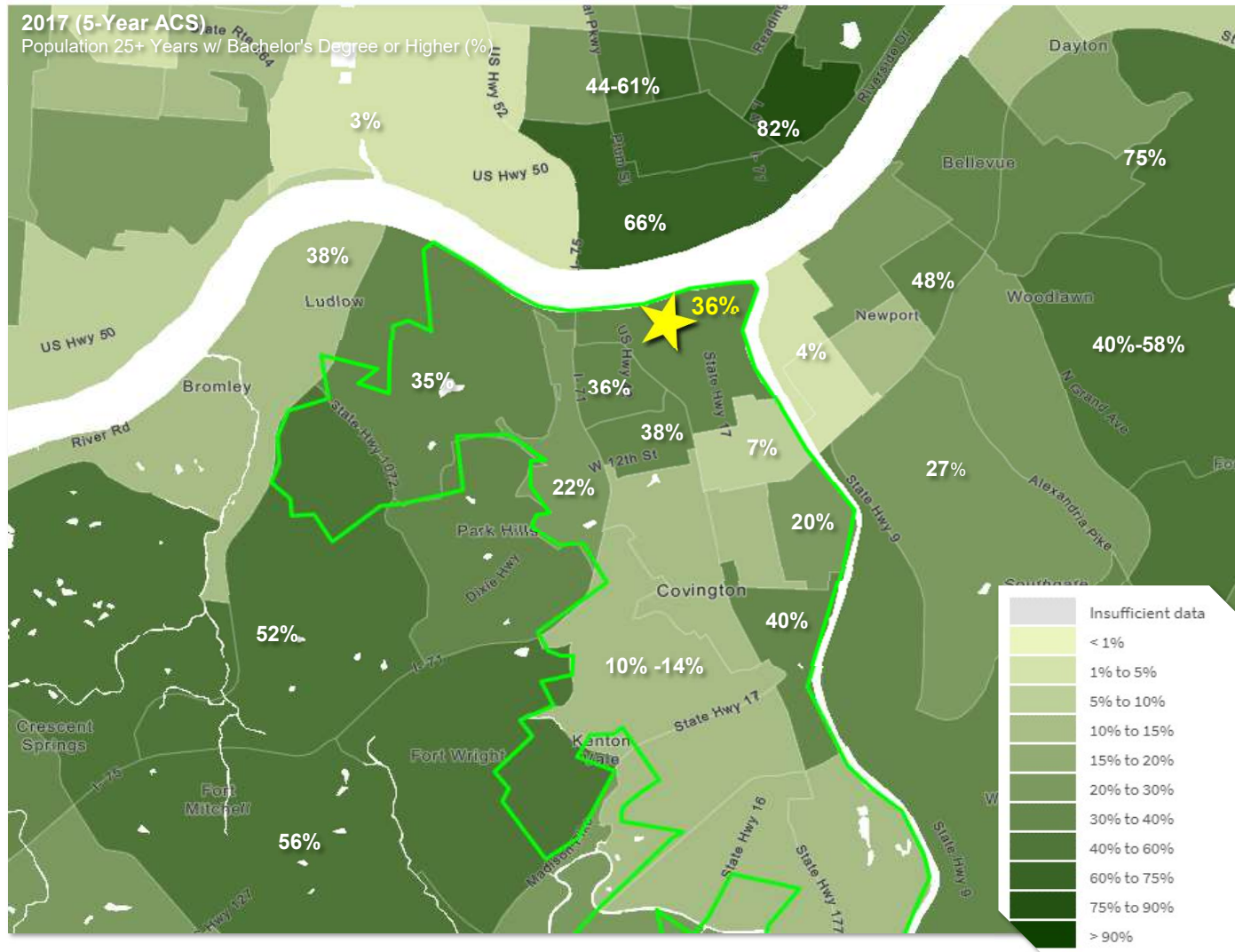
Source: NCG, Social Explorer, U.S. Census Data





# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 14  
Educational Attainment Trends Near the Subject Site



This exhibit highlights the percentage of local populations with a Bachelor's degree or more. Households with higher educational attainment have high income potential and are strong indicators of neighborhood stability with many retail establishments, such as Whole Foods, using educational attainment as a key metric for site selection.

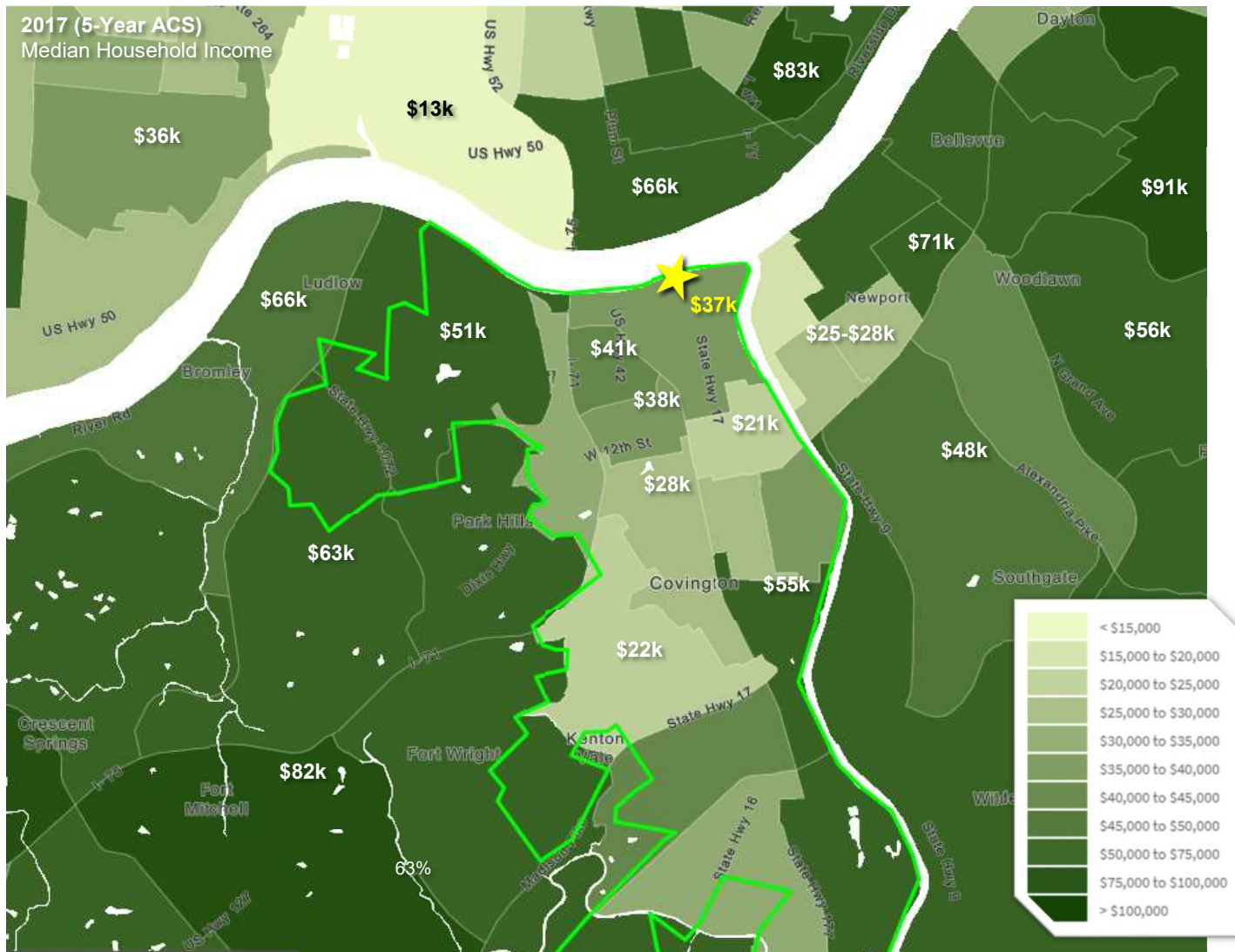
36% of residents living in the Census Tract containing the subject site have a Bachelor's degree or higher. This is notably less than the Cincinnati's intown area. However, in comparison to intown Covington, the subject site has one of the highest educational attainment percentages well above Covington's average of 22%.

Source: NCG, Social Explorer, U.S. Census Data



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 15  
Median Incomes Near the Subject Site



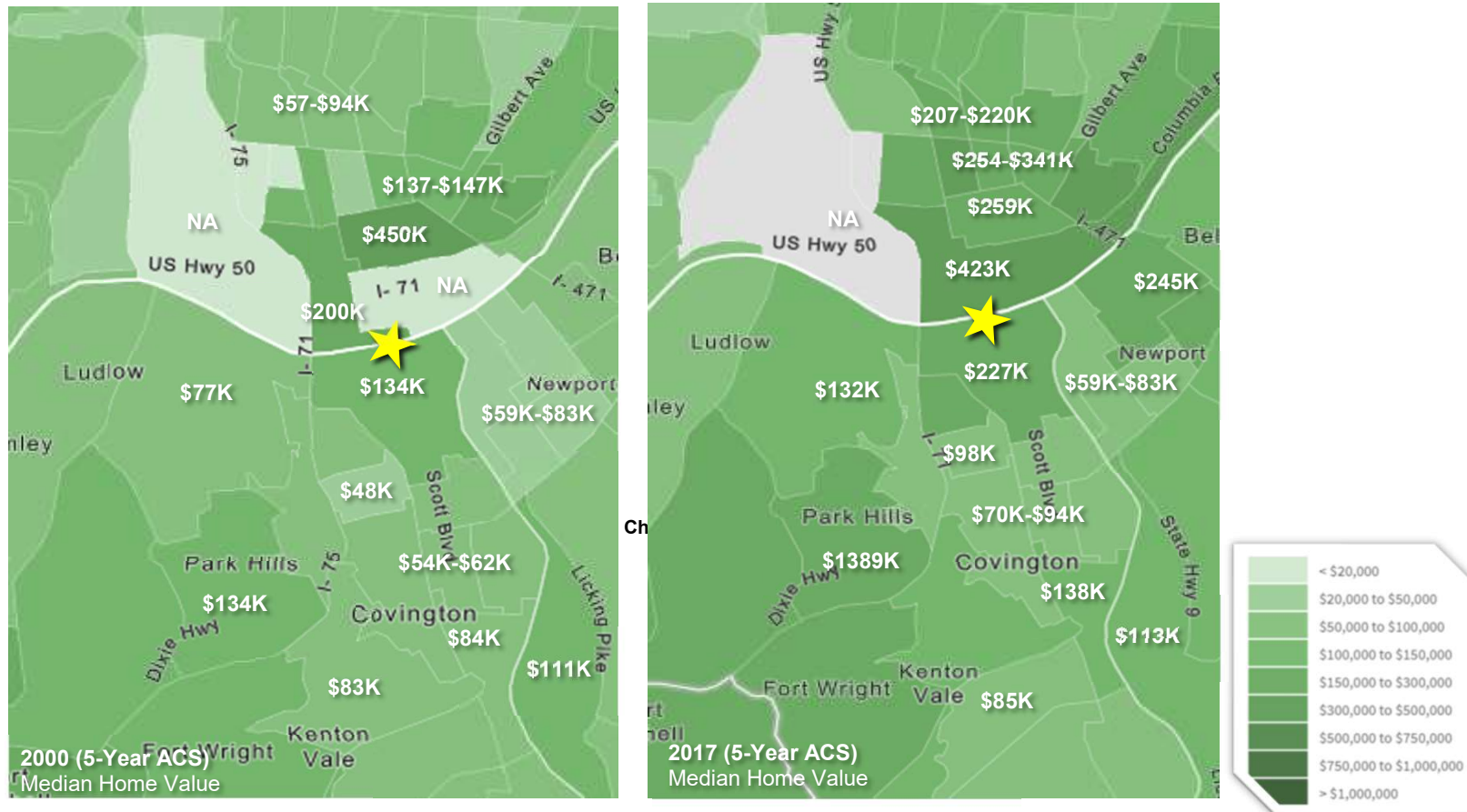
The Census tract where the subject site is located has a median household income of roughly \$37,000 as of 2017. Many higher income households live in the surrounding suburbs. There is a clear divide between intown Covington incomes and those in surrounding areas.

Source: NCG, Social Explorer, U.S. Census Data



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 16  
Median Incomes Near the Subject Site



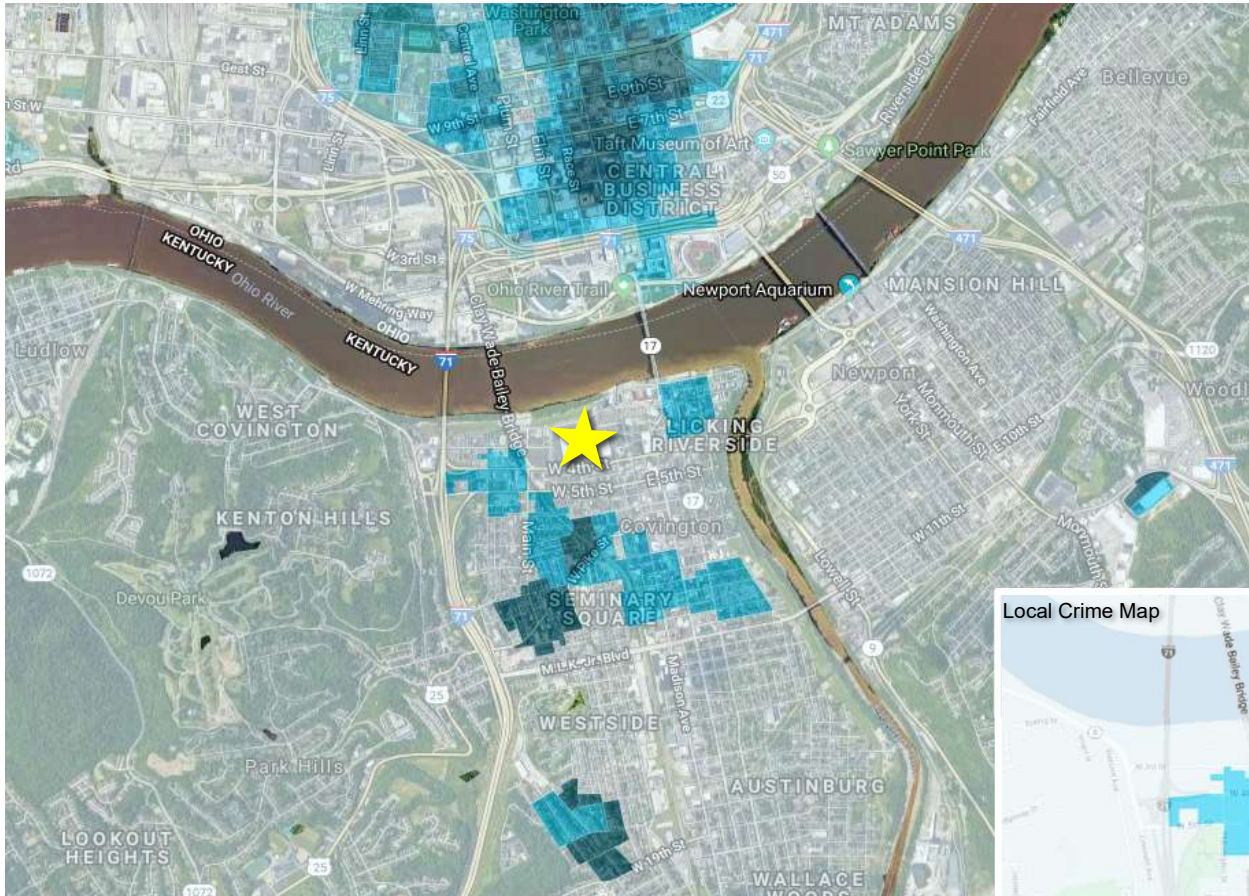
The Census tract where the subject site is located has a median home value of roughly \$227,000. This is well above the median home value of Covington, which is \$100,800 and the metro, which stands around \$158,800. Overall, the tri-City area has seen a continuous increase in home values. While Cincinnati's riverfront median home value stands out in the area, the subject site is still competitive in this arena as median home values are consistent with Newport and the northern intown area of Cincinnati. The change in home value from 2000-2017 speaks to the popularity of the area and growing attractive nature of intown Covington as a walkable, urban destination.

Source: NCG, Social Explorer, U.S. Census Data



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 17 Crime Near the Subject Site



The area around the IRS site has lower crime rates with a more sporadic occurrence than neighboring Cincinnati. As is typical with urban areas, crime rates generally increase as density increases. While there are a few hot spots of crime in intown Covington, the area is an attractive alternative to the high crime rates of Cincinnati's CBD.

Much of Covington's crime is south of 5th Street creating a lower crime perception directly adjacent to the IRS site as well as along the riverfront. This is an important asset in creating a walkable, urban development in the site.

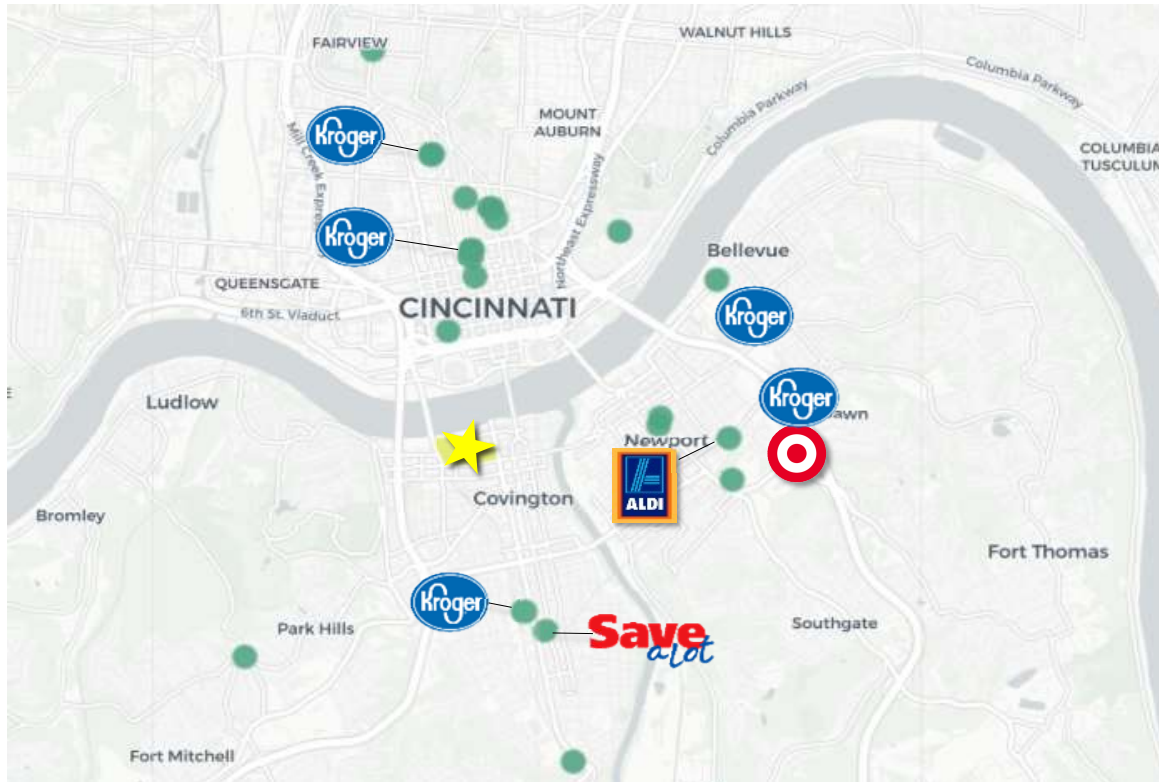


Source: NCG, Trulia.com



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 18 Grocery Access to the Subject Site



The intown areas of Covington, Cincinnati, and Newport share in a lack of an accessible grocer. While currently a negative aspect of the subject site, it allows the future of the site to be a more competitive and attractive area with the addition of a grocer.

Currently, all of the intown, riverside neighborhoods need to drive for grocery access. Here, larger brand grocers are labeled while the green dots represent smaller grocers or markets.



While Covington has limited access to full service grocers, there is an active, weekly farmers market which serves the area year round. Currently, the market changes location by season. The subject site may provide a permanent option for the market to allow greater access.

Source: NCG, Yelp

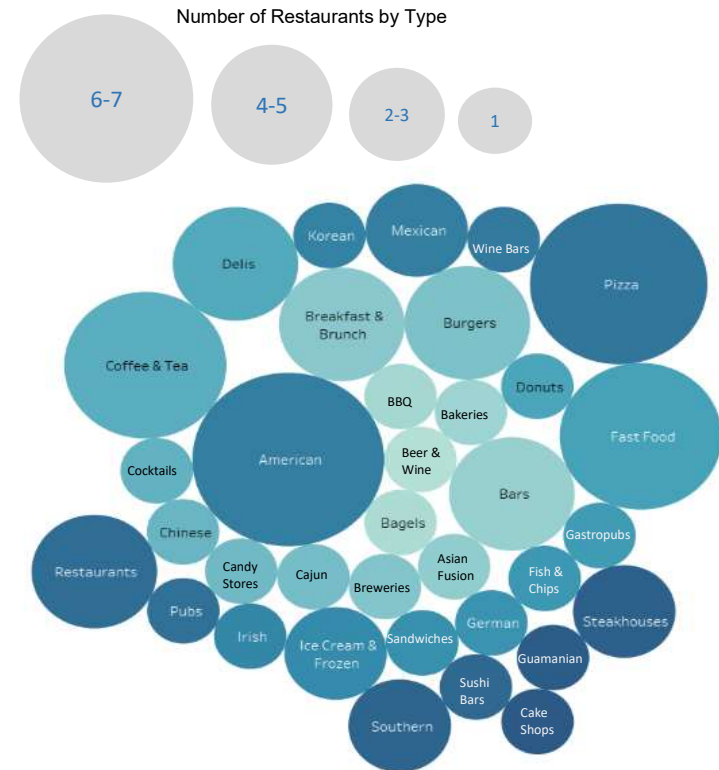


# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 19  
Dining Access to the Subject Site



The access to local dining is high. While there are many options currently accessible from the IRS site, the sites location is also primed to connect the established and emerging dining cores in Covington. The site sits at the epicenter of Mainstrasse to the west, Madison Ave to the south, and Licking River to the east. Dining variety can be better understood through the bubble chart below using Yelp's dining categories to better understand the areas offering.



Source: NCG, Yelp



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 20 Retail Access to the Subject Site

Retail cores in Covington mimic the dining cores seen previously with the exception of Licking River. The site is located between the established Mainstrasse neighborhood and the emerging Madison Avenue area. Both areas are walkable to the site and provide precedent for transforming intown Covington. Many new retailers have taken to Madison Avenue as the addition of new dining options, mixed-use residential, and Hotel Covington have activated the streets and provided viable traffic for retailers.

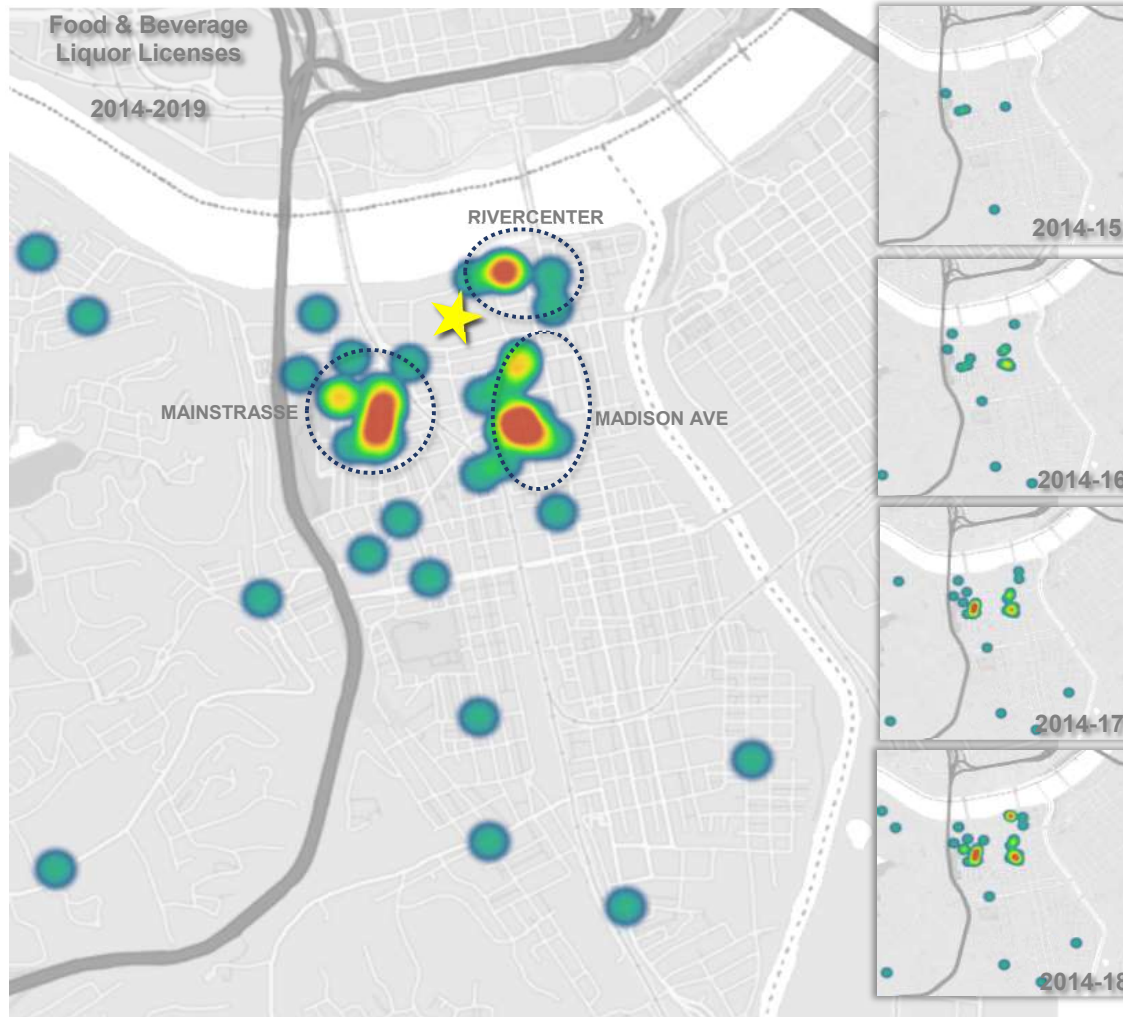


Source: NCG, Yelp



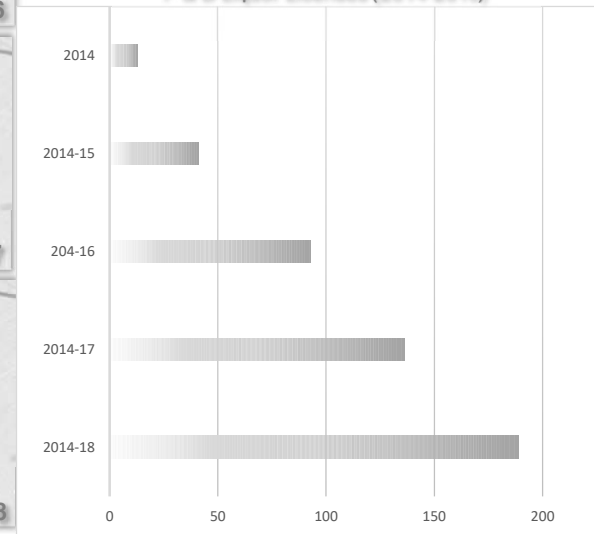
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 21  
New F&B in Covington



The heat maps to the left represents the consecutive liquor licenses (new and renewal) for restaurants and bars in the intown Covington area to better display the persistence and emergence of the urban neighborhood districts. The IRS site is well positioned in the middle of three districts, as previously stated. While 2014 only saw 13 food and beverage liquor licenses, 2018 saw 53. This speaks to the momentum of these intown dining and entertainment districts and viability of the IRS site to capitalize on its ability to strengthen and connect the urban core.

F & B Liquor Licenses (2014-2018)



Source: NCG, Yelp

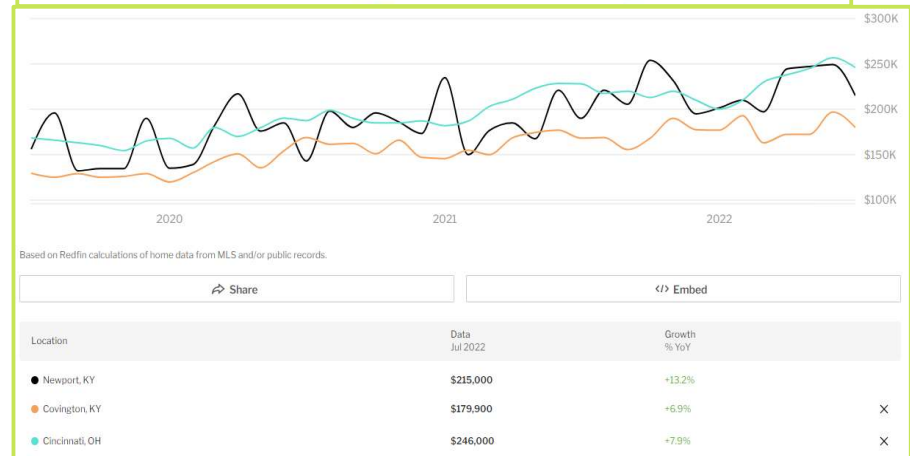
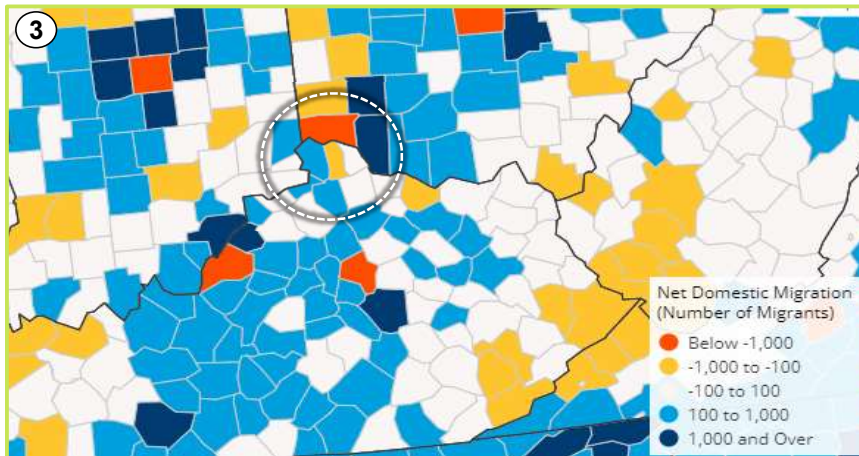
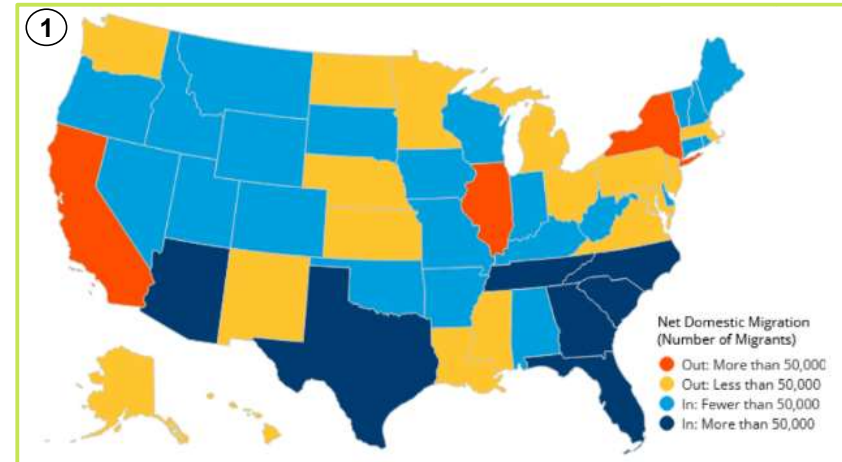
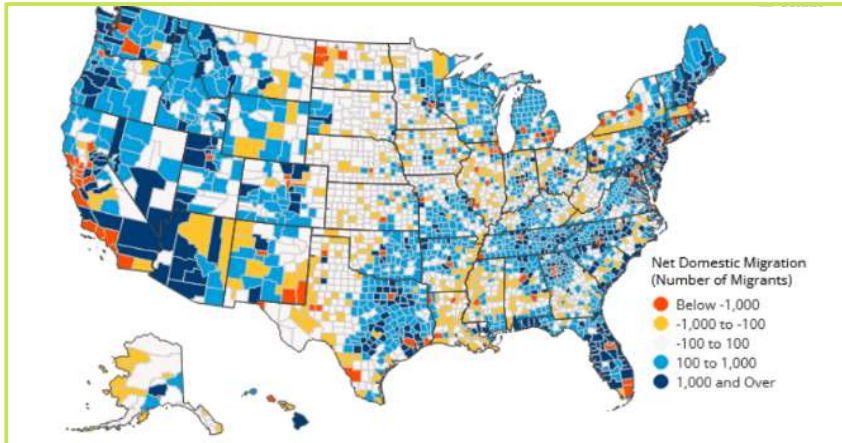




# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 22  
COVID Migration Flows, 2019-2021

Updated - September 2022



Nationally, image 1 shows a high net domestic migration to sun-belt states such as Texas, the Carolinas, Georgia, and Tennessee while there were higher outflows from states like California, New York, and Illinois. A closer look at Kentucky and Ohio, image 2 and 3, shows that there is adequate net population inflows and a rearranging of domestic populations from the cities to the suburbs. Warren County Ohio had the highest net in-migration of the 15 counties included in the Cincinnati-Middletown Metro, with 3,388 migrants, followed by Clermont with 1,065. This migration is heavily due to affordability, quality of life, and lack of housing in many popular cities such as Cincinnati and Louisville. These changes in consumer preferences have led them to consider areas around major cities like Covington and Newport that provide proximity to key job cores while providing a greater array of rental and for-sale housing product at an affordable

Source: Joint Center for Housing Studies, Zillow












# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

Exhibit 23

Summary of Competitive Covington Residential and Mixed-Use Developments: Completed Since Last Project

	<p><b>River Haus</b> Mixed-use development by Flaherty-Collins that includes:</p> <p>192 multifamily rental units 3,100 SF Retail &amp; food and beverage</p>	<p>Riverhaus has been completed and is currently 98% leased up which translates to a possible rent increase in the future.</p> <p>The bottom floor retail space is 100% leased as of the time of this study and features beverage and dining tenants.</p>	
	<p><b>Ovation Phase 1</b> Mixed-use development by Corporex that includes:</p> <p>942 Rental and for-sale residential units 380,000 SF of Retail , F&amp;B, and entertainment 524 hotel rooms Marina 1 Million sf Office</p>	<p>Ovation is a 35-acre mixed-use development and as of the writing of this report, phase 1 of the project, the conference hall and 100,000 of class A office space, is complete. There is currently a tenant occupying 40% of the office space.</p> <p>Phase 2 and 3 which include more office, hotels, and retail are currently under construction.</p>	
	<p><b>John R Green Lofts</b> A RealtyLink adaptive reuse development featuring:</p> <p>182 rental units 10,000 sf office &amp; retail Banquet hall Boutique grocery</p>	<p>Live-work-play concept in a historic building. delivered and started preleasing in Q1 2021.</p> <p>The retail space is occupied with a restaurant tenant and the office space is listed as available.</p>	
	<p><b>Madison Place Conversion</b> Corporex office conversion to apartments featuring:</p> <p>179 rental units ( 136 1B, 43 2B )</p>	<p>Previous 290,000 sf of office space was converted to apartments with 12 Condo units remaining on top floors. The redevelopment started preleasing in Q1 2020 with little success in the first 6 months of 2020. However, today the property is 94% with top of market amenities.</p>	
	<p><b>The Monarch Building</b> Conversion and redevelopment of old government building. Local developer Alan Haehnle a local developer handled the redevelopment.</p> <p>Tenant is DBL Law which will move its headquarters here.</p>	<p>The Monarch Building had the interior of the building redone, more space added on the rear, as well as rooftop space for a total of 30,000 sqft. DBL Law moved its headquarters to this building.</p> <p>Delivered in Q4 2020</p>	

Updated - September 2022

Source: NCG, The City of Covington, KY Economic Department













**CITY OF COVINGTON, KY  
IRS SITE MARKET ANALYSIS UPDATE**

Updated - September 2022

Exhibit 23 (Page 2 of 3)

Summary of Competitive Covington Residential and Mixed-Use Developments - Under Construction/Proposed Projects

	<p><b>The Hayden</b> Mixed-use development by Flaherty-Collins that includes:</p> <p>133 multifamily rental units 6,000 SF Retail &amp; food and beverage</p>	<p>Currently under construction, The Hayden is a redevelopment of the former Kenton County Administration Building and jail at 103 E 3rd Street in Covington, Ky.</p> <p>The project is expected to be completed Q1 2023</p>	 
	<p><b>Hotel Covington Expansion</b> A RealtyLink adaptive reuse development featuring:</p> <p>182 rental units 10,000 sf office &amp; retail Banquet hall Boutique grocery</p>	<p>Hotel Covington is expanding to the former YMCA building. The historic 72,000 square foot building, vacant since 2015, will include a bourbon distillery experience, 10,000 square feet of office space and will become essentially an addition to the iconic Hotel Covington. The upper floors of the YMCA will be converted into 60 VIP and Presidential Suites. Expected to deliver Q4 of 2022</p>	 SALYERS GROUP
	<p><b>Ovation Phase 2 &amp; 3</b> Mixed-use development by Corporex that includes:</p> <p>942 Rental and for-sale residential units 380,000 SF of Retail , F&amp;B, and entertainment 524 hotel rooms Marina 1 Million sf Office</p>	<p>Ovation is a 35-acre mixed -use development Phases 2 and 3 under construction and will include 58 condos, approximately 500,000 square feet of Class A office space, 1,000 residential units, 524 hotel rooms, an Ovation Membership Club, and 125,000 square feet of retail and entertainment space.</p>	
	<p><b>The Banks Phase IIIA</b> Joint development effort on Lot 24 including:</p> <p>Dining &amp; entertainment Retail 14 Townhomes &amp; 250 apartments</p>	<p>A City of Cincinnati led redevelopment, The Banks, is poised to see development on lot 24 of the master plan. An entertainment anchor is proposed to occupy 47,000 sf of this space in the mixed-use concept.</p> <p>Currently on Hold.</p>	
<p>TBD</p>	<p><b>Project Pegasus</b> Mixed-use, riverfront development by Anchor Investment Properties:</p> <p>Multifamily, office, retail</p>	<p>5.5 riverfront acres in Newport to see mixed-use development.</p> <p>The site is currently for sale. No further news on development.</p>	

Updated - September 2022

Source: NCG, The City of Covington, KY Economic Department











# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

Exhibit 23 (Page 3 of 3)

Summary of Competitive Covington Residential and Mixed-Use Developments - Under Construction/Proposed Projects

	<p><b>Two Rivers</b> Redevelopment of school to office space. Development by Salyers Group that includes:  71,000 over three floors of SF Retail &amp; food and beverage</p>	<p>Currently under construction, Two Rivers is a redevelopment of the former Kenton County School Building. The ground floor space already is occupied by a large branding company as well as a classical school.  The project is expected to be completed Q1 2023</p>	
	<p><b>The Republic Building</b> Adaptive reuse of republic building to Class A office space. The developers, The Covington Republic LLC have invested \$5mm into the renovation of 27,000 sqft.</p>	<p>The Covington Republic LLC purchased The Republic Bank Building in 2019 and are in the process of renovating the four floors of office space as well as adding a roof top bar.  Covid-19 has interrupted renovations. As such, the building is currently slated for Q2 2023 or Q4 2024</p>	
	<p><b>Duvneck Square Phase II</b> Plans to expand the apartment complex Duvneck Square.  The development will add a parking garage, 80,000 square feet of office space, and 50 more apartment units.</p>	<p>Duvneck LLC had plans to develop acreage next to their phase 1, Duvneck square which is over 95% leased but development has been slow to start as the plans were initially announced in 2019 and the construction has yet to begin. However, the expansion of 50 units appears to be moving forward as development is slated for Q3 2023.</p>	
	<p><b>The Sims Building</b> Adaptive reuse of old Sims Furniture building on Madison Avenue.  \$9mm acquisition of over 30,000 sqft.</p>	<p>The old Sims Furniture building on Madison Avenue will be acquisitioned for \$9mm and readapted for office users.  The building is currently for sale.</p>	
	<p><b>Covington Power Building</b> Plans to expand the Old Power Building in Downtown Covington.  The site will be redeveloped into 15k square feet of office space. A rooftop terrace will be constructed.</p>	<p>CBRE is advertising 17.50 NNN for an adaptive reuse office space near the subject site on Madison Avenue.  Construction is expected to be complete in Q12023</p>	

Source: NCG, The City of Covington, KY Economic Department

Updated - September 2022



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 24  
The Banks, Cincinnati

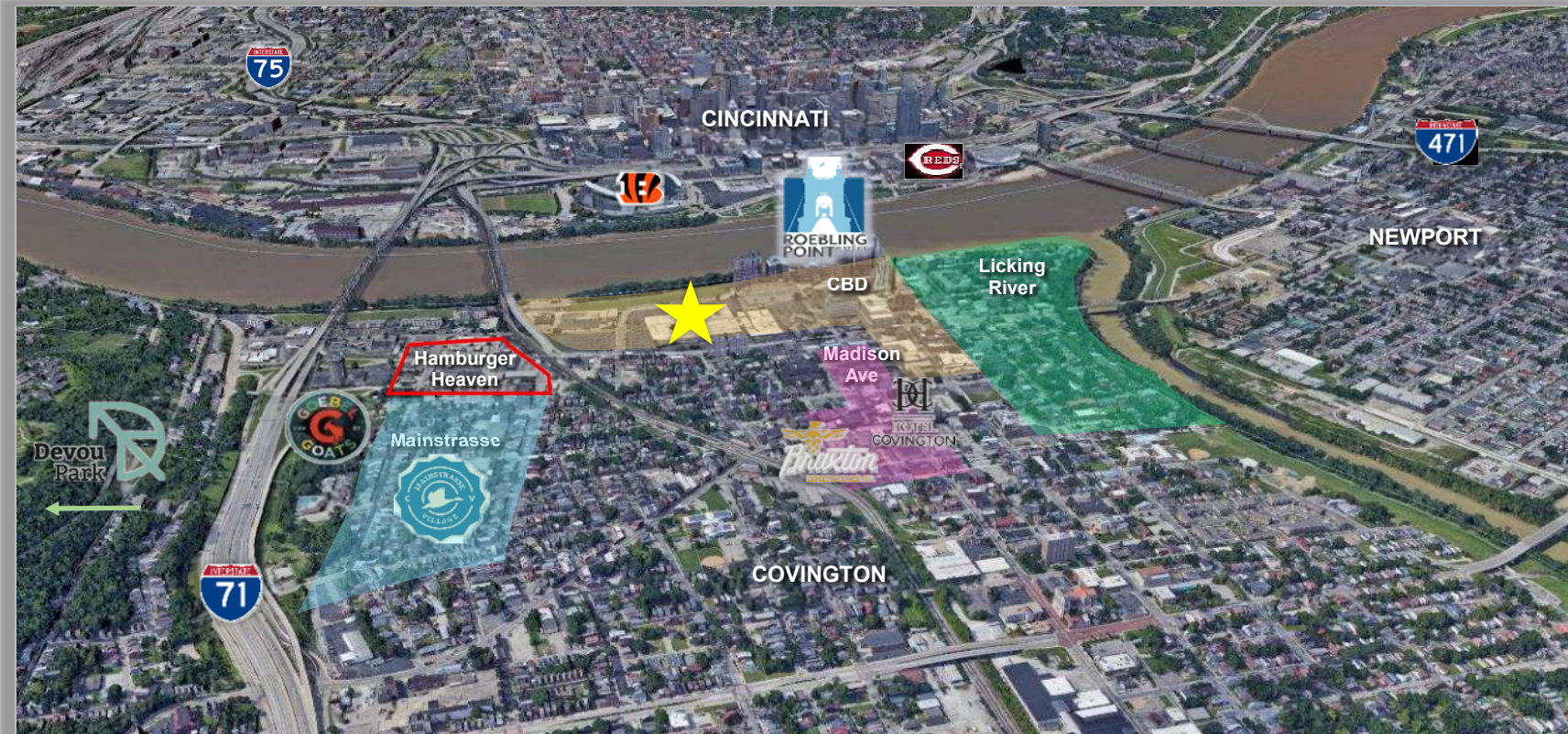


Source: NCG, The Banks, City of Cincinnati



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 25  
Subject Property Strengths, Challenges & Opportunities



**STRENGTHS**

- Adjacent to Mainstrasse, Licking River, Madison Ave, and Cincinnati's CBD and sports venues
- Highly convenient location to major freeways
- Large, urban site with riverfront access and views
- Central location along riverfront with multiple dining/retail districts within walking distance
- Within driving distance to parks and walkable to trails

**CHALLENGES**

- Perception of IRS site as a physical barrier between Covington's neighborhoods
- Lacks of continuity in urban fabric
- Momentum of nearby existing and proposed mixed-use developments competing for retail, office, and residential target audiences
- Unattractive uses to the west of the IRS site
- N. Kentucky workforce limitations
- Significant redevelopment cost in upfront infrastructure

**OPPORTUNITIES**

- Offer superior convenience to employment cores
- Create connection between Covington's vibrant neighborhoods to the south, east, and along the riverfront
- Create a mixed use destination for all uses to capitalize on riverfront location
- Emphasize access to retail/dining districts (Mainstrasse, Madison Ave, The Banks) while improving continuity of the urban landscape and creating new destinations on-site.
- Provide newer formatted office and retail space in a desirable urban mixed-use format.

Source: NCG



# Demographic Analysis

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 26  
Age and Income Analysis of the Intown Covington and Comparison to Tri-City Intown  
2000 - 2019 (estimates)

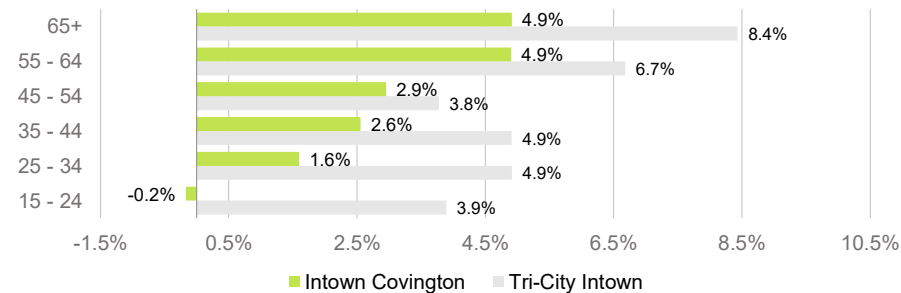
PMA Total Household Growth							
2000 - 2019	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+	Total
\$0 - \$25,000	-307	-287	-403	-292	45	-334	-1,578
\$25,000 - \$35,000	-35	-200	-257	-101	64	140	-389
\$35,000 - \$50,000	-32	15	-85	-138	-23	18	-245
\$50,000 - \$75,000	7	-80	-95	20	131	125	108
\$75,000 - \$100,000	-11	81	123	23	73	27	316
\$100,000 - \$150,000	1	123	172	110	81	52	539
\$150,000 - \$200,000	1	1	8	75	57	48	190
\$200,000 +	0	22	41	34	31	10	138
<b>Total</b>	<b>-376</b>	<b>-325</b>	<b>-496</b>	<b>-269</b>	<b>459</b>	<b>86</b>	<b>-921</b>
<b>Target Audience</b>	<b>0</b>	<b>147</b>	<b>249</b>	<b>262</b>	<b>373</b>	<b>262</b>	<b>1,293</b>



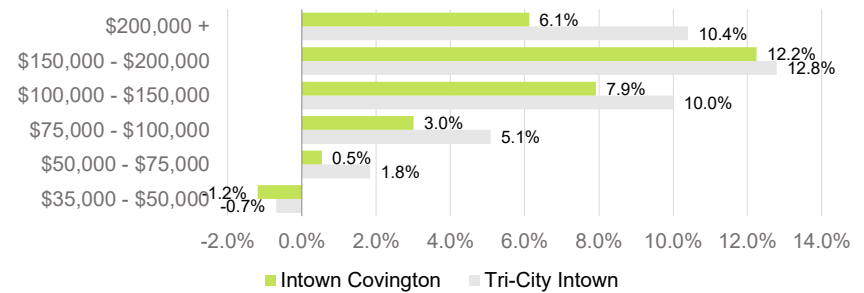
The PMA has added 1,293 household within the target age & income ranges since 2000, or 76 HH/yr.

The Tri-City Intown Competitive Market Area, in green, include portions of the cities Covington, Newport, and Cincinnati. The Primary Market Area, outlined above in white, is Intown Covington. As seen above the PMA has lost large amounts of households earning under \$50,000 annually. Where the PMA has seen the strongest growth is in the more mature audiences (45+ years old and earning over \$100,000 annually). As see below the PMA has experienced slightly less growth across all categories in comparison to the greater Tri-City Intown area.

Household Growth By Age (HHs \$50k+ Only)



Household Growth by Income



Source: NCG, Nielsen, US Census Data



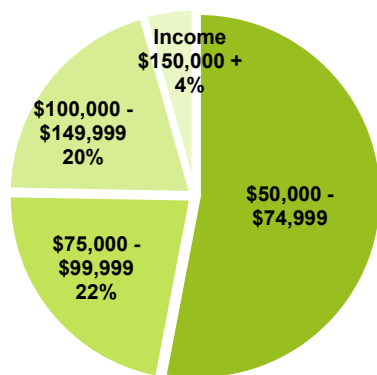
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 27  
Summary of Renter Households in the Intown Covington, 2019

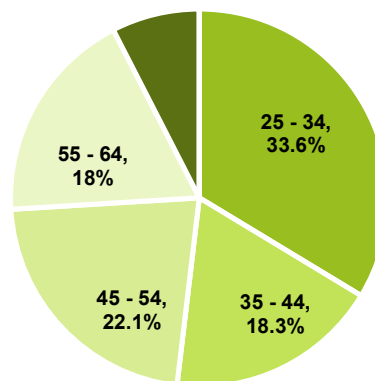
Income/Age	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85+	Total
Less than \$15,000	132	352	195	251	301	167	83	39	1,519
\$15,000 - \$24,999	131	204	81	124	164	113	71	29	918
\$25,000 - \$34,999	45	194	90	102	112	94	45	18	700
\$35,000 - \$49,999	52	272	118	124	108	52	22	5	752
\$50,000 - \$74,999	34	183	86	127	117	45	16	5	612
\$75,000 - \$99,999	10	90	49	44	37	14	4	1	249
\$100,000 - \$149,999	0	76	49	44	30	15	2	0	217
Income \$150,000 +	0	6	7	18	11	5	1	0	47
<b>Total</b>	<b>404</b>	<b>1,376</b>	<b>676</b>	<b>834</b>	<b>878</b>	<b>505</b>	<b>243</b>	<b>98</b>	<b>5,015</b>
<b>Target Audience</b>	<b>0</b>	<b>354</b>	<b>192</b>	<b>233</b>	<b>194</b>	<b>79</b>	<b>0</b>	<b>0</b>	<b>1,052</b>

Within the Intown Covington PMA there are over 5,000 renter households. Once we eliminate age and income cohorts that NCG believes will not be attracted to the property, primarily due to those that will not be able to afford the property, we're left with a little over 1,000 renter households that make up our target audience. These households are diverse in terms of household types with the largest cohorts being singles (47.6%). In terms of age, the PMA is also diverse with the younger cohorts (25-34 & 35-44) comprising the majority at nearly 52%. Nearly 57% of households earn above \$75,000 annually, with 24% earning above \$100,000 per year. These household types confirm what NCG believes will be the market audience for the subject site, mature single professionals, professionals couples, empty nesters and a moderate number of young families.

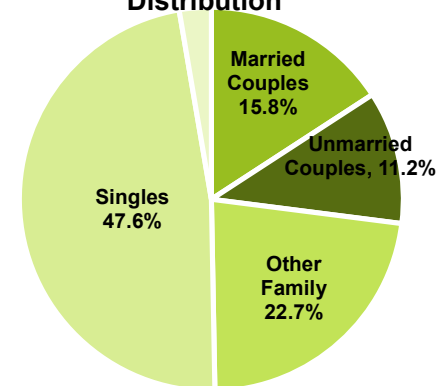
Target Market Income Distribution



Target Market Age Distribution



Target Market HH Type Distribution



SOURCE: Noell Consulting projections based on data obtained from the US Census and Claritas, Inc.



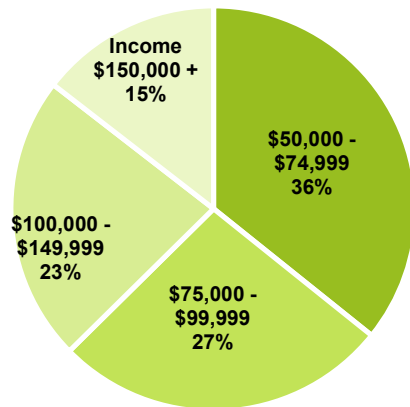
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 28  
Summary of Owner Households in the Intown Covington PMA, 2019

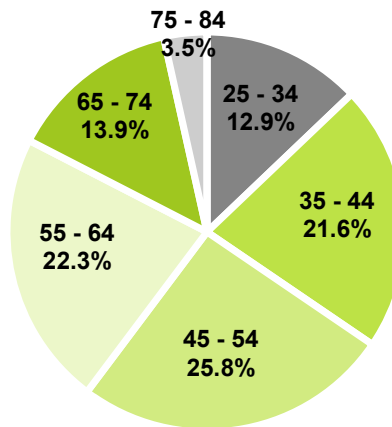
Income/Age	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85+	Total
Less than \$15,000	0	27	43	55	72	60	30	17	305
\$15,000 - \$24,999	0	21	24	36	52	53	34	17	237
\$25,000 - \$34,999	0	37	50	55	68	85	41	20	356
\$35,000 - \$49,999	0	68	86	87	84	60	26	8	418
\$50,000 - \$74,999	0	76	104	149	152	88	31	11	610
\$75,000 - \$99,999	0	73	116	101	93	53	14	4	454
\$100,000 - \$149,999	0	56	106	92	69	52	8	2	385
Income \$150,000 +	0	11	37	89	60	41	6	1	244
<b>Total</b>	<b>0</b>	<b>369</b>	<b>566</b>	<b>664</b>	<b>650</b>	<b>491</b>	<b>189</b>	<b>79</b>	<b>3,009</b>
<b>Target Audience</b>	<b>0</b>	<b>216</b>	<b>363</b>	<b>431</b>	<b>374</b>	<b>234</b>	<b>59</b>	<b>0</b>	<b>1,676</b>

Having looked at overall household growth in the previous exhibit, we're taking a closer look at owner households within the Intown Covington PMA and specifically our target demographic, which are those aged 25 to 85 and earning more than \$50,000+. This group has a strong percentage of married couples and singles, with around 30% living with a non-related roommate or a family member. Roughly 65% of this market is aged 45 to 84, suggesting larger units will be more attractive to this audience portion.

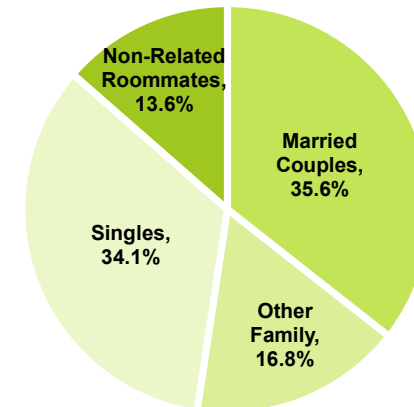
Target Market Income Distribution



Target Market Age Distribution



Target Market HH Type Distribution



Source: NCG, Nielsen, US Census Data



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 29 Intown Comparison

### INTOWN CINCINNATI



### INTOWN COVINGTON

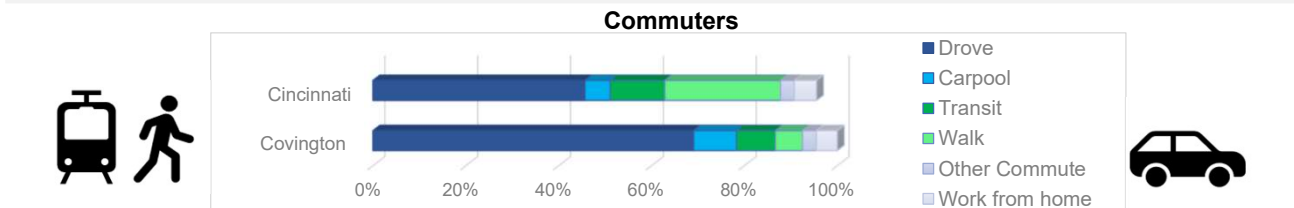
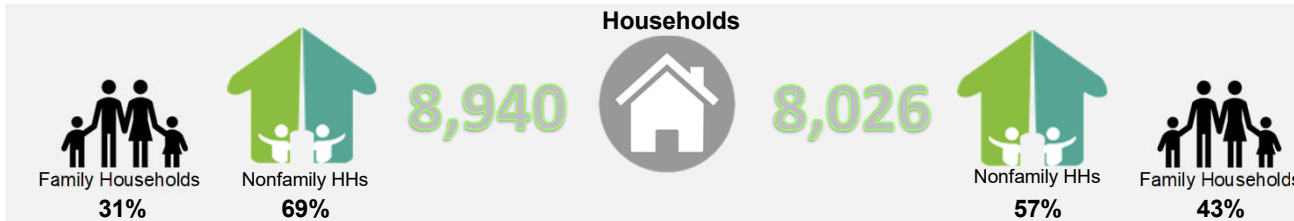
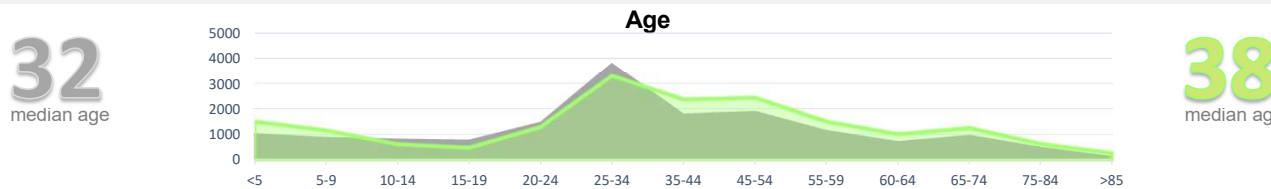
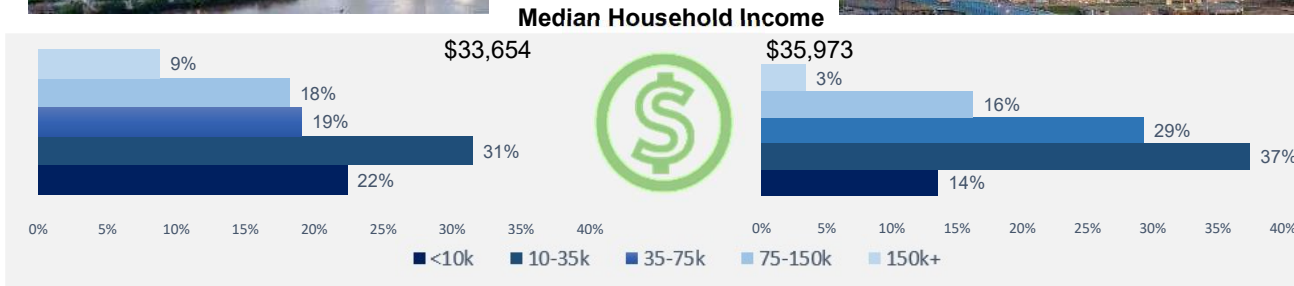


This exhibit takes a closer look at the comparison of Covington and Cincinnati's intown areas as previously outlined in earlier exhibits. Cincinnati has slightly more households with a greater percentage of nonfamily HHs (including roommates, singles, etc.). Covington, by contrast, is 43% family households and an older median age.

In comparing these intown areas, the young professional demographic of nearby Cincinnati will likely also be attracted to a future urban residential development on the IRS site.

Intown Covington has a higher median income with the largest majority of incomes between \$35,000-\$150,000. In comparison, Cincinnati has a lower median income, but a higher proportion of HHs with an income greater than \$75,000 as well as a higher proportion of HHs making less than \$10,000.

Given this, Covington has a larger proportion of HHs which can afford the future new build housing product on the IRS site. NCG believes there is an opportunity to attract the more mature, higher earning HHs currently in Covington as well as the younger Cincinnati HHs with moderate incomes by offering a diversity of residential product. It is unlikely that the site will attract a large number of family households as the future housing on the IRS site will be smaller, more urban units.



SOURCE: Noell Consulting Group, US Census



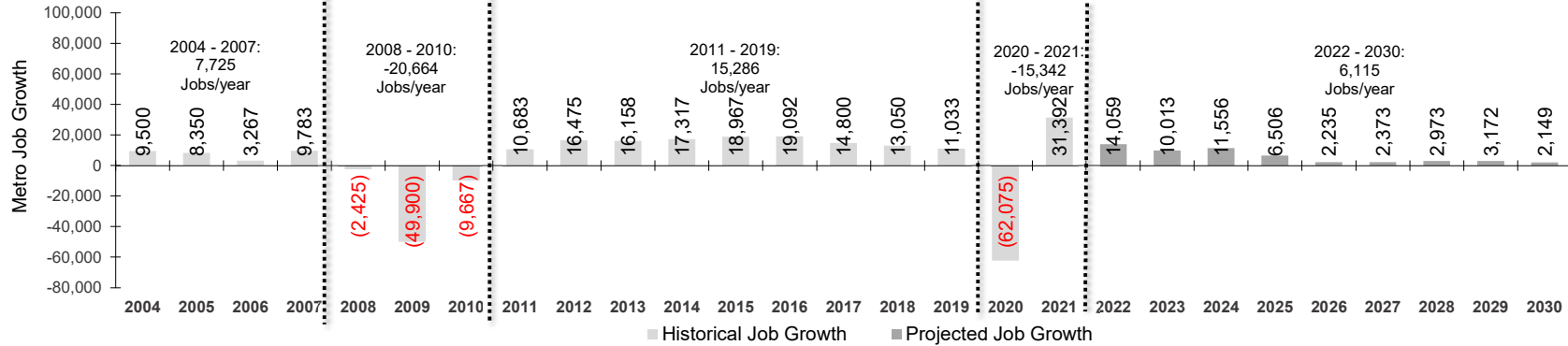
# Multifamily Analysis

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

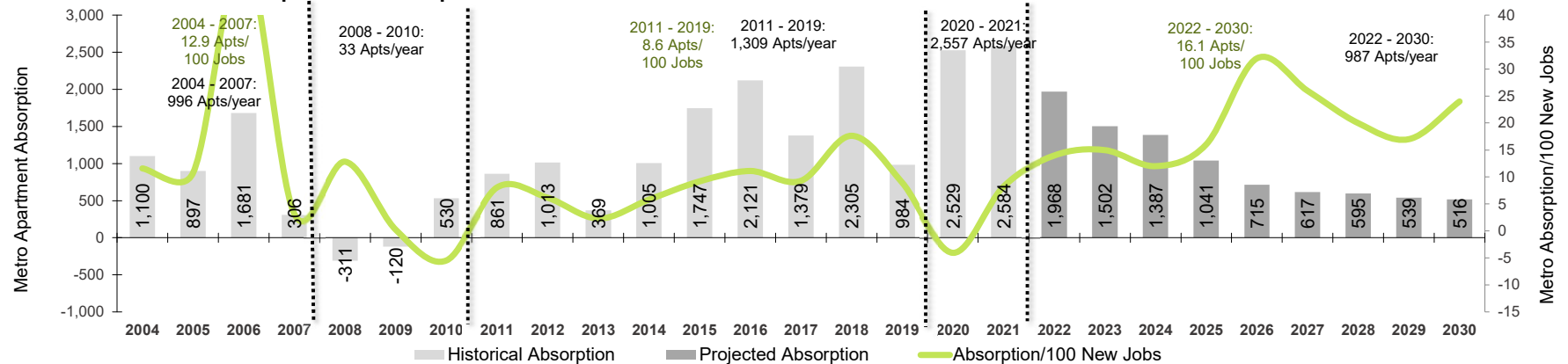
Exhibit 30  
Historical and Projected Job Growth to Apartment Absorption Relationship in Cincinnati Metro

### Cincinnati Metro Job Growth



The graphs on this page track the relationship between job creation and Class A apartment absorption. While population growth and wage growth are strongly related to apartment absorption, job growth figures capture many of these trends. NCG sees an increasing preference for Class A rentals since 2004, with a steadily increasing ratio of absorption/100 new jobs since the Great Recession. The COVID-19 pandemic largely boosted the multifamily market, with a surge of households looking to change their living arrangement resulting in peak levels of absorption, though much of this moving away from urban areas with job proximity, to more suburban or lifestyle locations with lower rents given a lack of a daily work commute. This surge seems counter intuitive to the loss of over 60,000 jobs in 2020, however much of this loss was in hospitality and retail sectors and therefore had little to no negative impact on the Class A multifamily market. Moving forward, while the US seems to be heading into another recession, the projections from Moody's are that this will be mild and the Cincinnati metro will still witness positive job growth, albeit at a lower rate than in the 2011-2019 cycle. NCG projects the net absorption to jobs relationship to grow given a variety of factors including demographic surges, increasing interest rates, and a lack of for-sale housing inventory. The result is a forecast for nearly 1,000 units of annual absorption across the metro through 2030.

### Cincinnati Metro Class A Apartment Absorption



SOURCE: Noell Consulting Group, Costar, Economy.com | Moody's Analytics

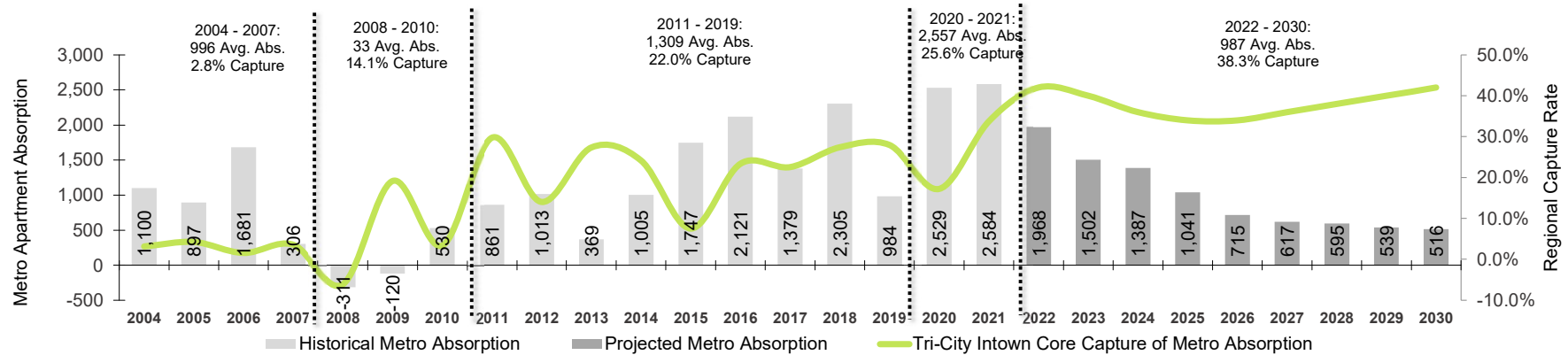


# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

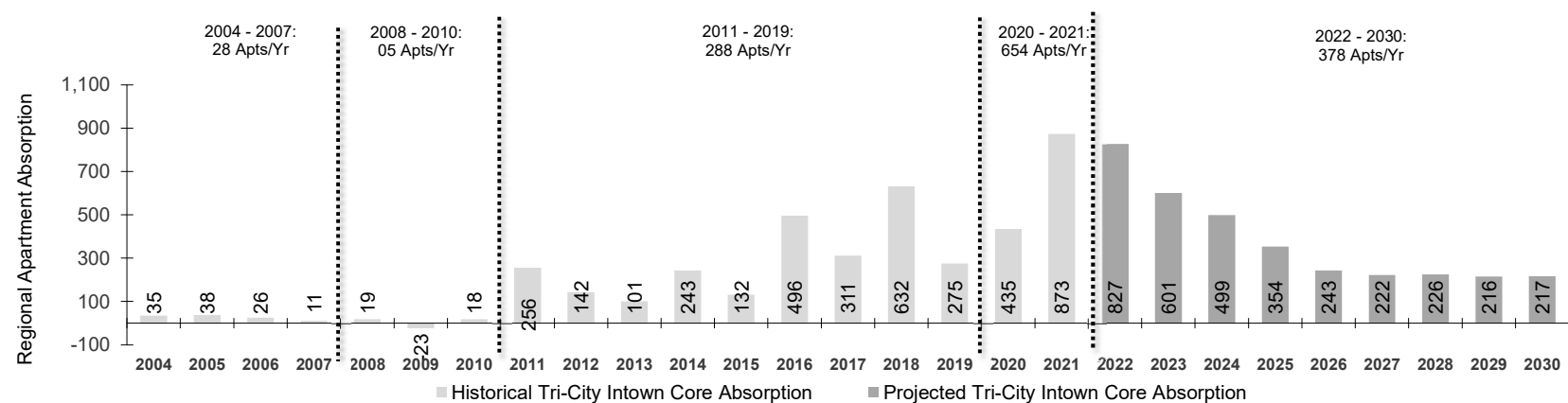
Exhibit 31  
Tri-City Intown Core Capture of Cincinnati Metro Class A Apartment Absorption

### Cincinnati Class A Apartment Absorption & Tri-City Intown Core Capture



The Tri-City Intown Core, defined as intown areas of Cincinnati, Covington and Newport, has steadily absorbed a higher share of metro Class A apartment units since 2002. However, COVID-19 caused a significant disruption in the trend, with 2020 Tri-City captures dropping to their lowest level since 2015 as many urban dwellers moved out to the suburbs primarily as a means of seeking greater value due to uncertainty with the economy. However, the trend was short lived and 2021 and thus far in 2022 we are already witnessing peak capture levels again. While individual years will vary as pipeline delivers, we expect the Tri-City area to capture roughly 38% of metro absorption through 2030. From 2022 to 2030, we expect the Tri-City Intown Core to absorb an average of 378 units/year.

### Tri-City Intown Core Class A Apartment Absorption



SOURCE: Noell Consulting Group and Costar



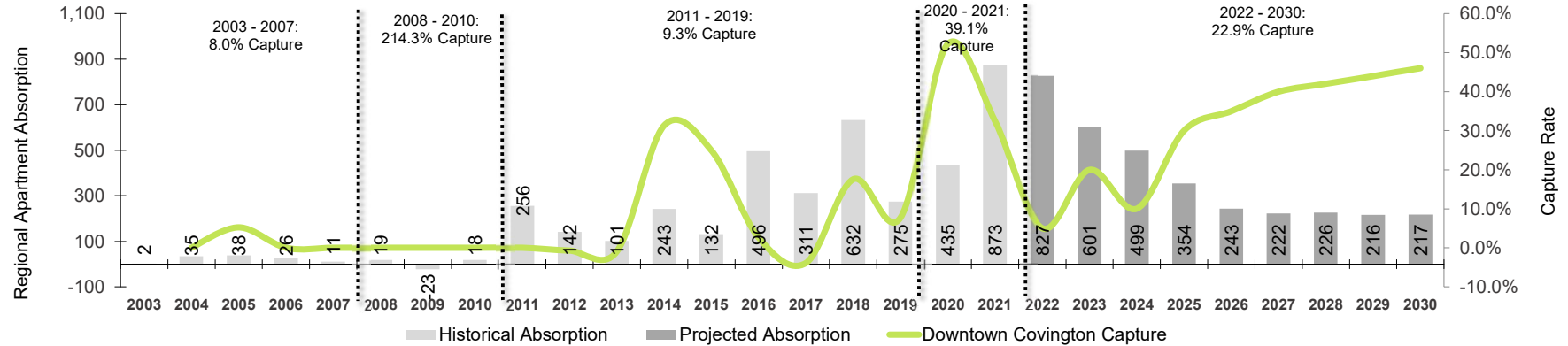
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 32

Downtown Covington Submarket Capture of Tri-City Intown Core Apartment Absorption

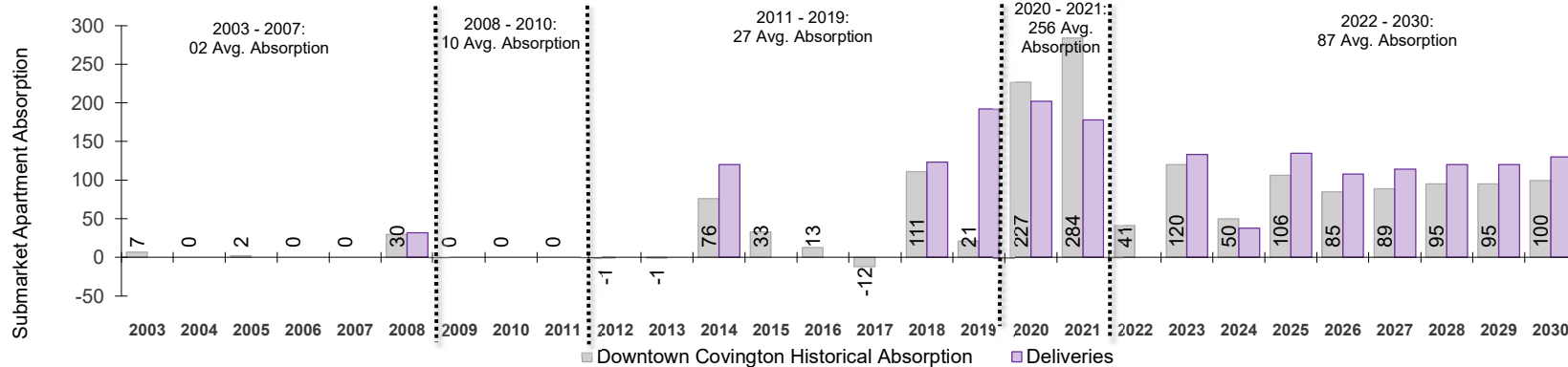
Updated - September 2022

## Tri-City Intown Core Class A Apartment Absorption & Downtown Covington Capture



From 2002 to 2018, Downtown Covington submarket saw three Class A apartment deliveries, a very small deal in 2008, followed by Rivers Edge in 2014 and Duvenek Square in 2018. When these developments delivered, however, they were quickly absorbed. Downtown Covington's capture of the Tri-City Intown Core has varied based on these deliveries, once capturing over 100%, likely due to apartment conversions to condominiums or a removal of apartments from the market. Beginning in 2011, Downtown Covington captured an average of 9.3% of the Tri-City Intown Core's class A apartment absorption. During the COVID 19 Pandemic, the Tri-City actually witnessed strong absorption with a 39% capture, much larger than the previous 9.3% capture rate of 2011-2019. Moving forward, NCG predicts an average annual capture of over 22%, as Downtown Covington continues to see more deliveries, resulting in an average annual absorption of 87 units from 2022 to 2030.

## Downtown Covington Class A Apartment Absorption



SOURCE: Noell Consulting Group and Costar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

Exhibit 33  
Downtown Covington Submarket Apartment Supply and Demand Analysis

	11-'19			FORECAST										22-'26'
	Average	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg.	
Employment Growth in the Metro <sup>1</sup>	15,286	-62,075	31,392	14,059	10,013	11,556	6,506	2,235	2,373	2,973	3,172	2,149	8,874	
Projected Jobs to New Apt. Absorption In Metro	8.6	-4.1	8.2	14.0	15.0	12.0	16.0	32.0	26.0	20.0	17.0	24.0	14.9	
<b>Est. Supportable New Apt Absorption in Metro</b>	<b>1,309</b>	<b>2,529</b>	<b>2,584</b>	<b>1,968</b>	<b>1,502</b>	<b>1,387</b>	<b>1,041</b>	<b>715</b>	<b>617</b>	<b>595</b>	<b>539</b>	<b>516</b>	<b>1,323</b>	
Tri-City Intown Core Capture of Metro	22.0%	17.2%	33.8%	42.0%	40.0%	36.0%	34.0%	34.0%	36.0%	38.0%	40.0%	42.0%	38.2%	
Est. Supportable New Apt Absorption Tri-City Intown Core	288	435	873	827	601	499	354	243	222	226	216	217	505	
Downtown Covington Capture of Tri-City Intown Core	19.6%	52.2%	32.5%	5.0%	20.0%	10.0%	30.0%	35.0%	40.0%	42.0%	44.0%	46.0%	16.0%	
<b>Downtown Covington New Apartment Absorption</b>	<b>27</b>	<b>227</b>	<b>284</b>	<b>41</b>	<b>120</b>	<b>50</b>	<b>106</b>	<b>85</b>	<b>89</b>	<b>95</b>	<b>95</b>	<b>100</b>	<b>81</b>	



- 1/ Employment growth from Economy.com
- 2/ Noell Consulting Group analysis based on larger analysis and trends of the market.
- 3/ Downtown Covington Submarket shown above

SOURCE: Noell Consulting Group, CoStar, Economy.com





# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 33 (Page 2 of 2)  
Downtown Covington Submarket Apartment Supply and Demand Analysis

Updated - September 2022

	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	41	120	50	106	85	89	95	95	100	781

- NOTES:**
- Projects that delivered in 2021, but will be in lease up and have units absorbed in 2022 are designated in **PURPLE**. Note: only the balance of units left to lease on Q1 2022 are included. Projects that are currently under construction are designated in **GREEN**.
  - There are currently 133 units under construction in the submarket. There are an additional 50 units planned in the submarket, bringing total pipeline to 236 units, not including the subject site. When accounting for matriculation, including projects that drop out, convert to condo, are delayed, etc. this pipeline equals 171 units excluding the subject site.
  - Based on the expected delivery of the first 6 phases at the subject site and the number of competitive projects in the market at that time, we project a lease-up range of 7.1 to 8.8 units per month. At those lease-up paces, we have recommended ideal unit count sizes for each phase in order to stabilize within 12-months.
  - If a one-month concession over and above the market average is provided, we project these lease up paces would increase by 20%, for a pace 8.5-10.6 units per month.

5 Year Pipeline		Percentage of Year Project is in Lease-Up									Total	
<b>Lease - Up</b>												
<i>John R. Green Lofts</i>	Realty Link	0.25									53	
<b>Under Construction</b>												
The Hayden	Urban Sites	0.75									133	
<b>Proposed</b>												
Duveneck Sq. Ph. II	Northpointe Group	0.25									50	
<b>Total, Projects Known</b>		0.3	0.8	0.3	0.0	0.0	0.0	0.0	0.0	0.0	236	
<b>Matriculation Factor</b>		100%	100%	75%	66%	50%	50%	100%	100%	100%	171	
<b>Subject Site - Phase I</b>											1.00	135
<b>Subject Site - Phase II</b>											1.00	108
<b>Subject Site - Phase III</b>											1.00	114
<b>Subject Site - Phase IV</b>											1.00	120
<b>Subject Site - Phase V</b>											1.00	120
<b>Subject Site - Phase VI</b>											1.00	130
<b>Total, All Projects w/Matriculation</b>		0.3	0.8	0.2	1.0	1.0	1.0	1.0	1.0	1.0	3.2	
<b>Total Deliveries (in units)</b>		0	133	38	135	108	114	120	120	130	898	
		2022	2023	2024	2025	2026	2027	2028	2029	2030	Totals	
<b>Subject Site - Phase I</b>	Fair Share Capture:										100%	
	Annual Capture:										106	106
	Fair Share Monthly Abs:										8.8	8.8
<b>w/ 1-Month Free Concession (Above Market Average) on a 12-Mo. Lease During Lease-Up:</b>											10.6	10.6
<b>Subject Site - Phase II</b>	Fair Share Capture:										100%	
	Annual Capture:										85	85
	Fair Share Monthly Abs:										7.1	7.1
<b>w/ 1-Month Free Concession (Above Market Average) on a 12-Mo. Lease During Lease-Up:</b>											8.5	8.5
<b>Subject Site - Phase III</b>	Fair Share Capture:										100%	
	Annual Capture:										89	89
	Fair Share Monthly Abs:										168.9	7.4
<b>w/ 1-Month Free Concession (Above Market Average) on a 12-Mo. Lease During Lease-Up:</b>											8.9	8.9
<b>Subject Site - Phase IV</b>	Fair Share Capture:										100%	
	Annual Capture:										95	95
	Fair Share Monthly Abs:										7.9	7.9
<b>w/ 1-Month Free Concession (Above Market Average) on a 12-Mo. Lease During Lease-Up:</b>											9.5	9.5
<b>Subject Site - Phase V</b>	Fair Share Capture:										100%	
	Annual Capture:										95	95
	Fair Share Monthly Abs:										7.9	7.9
<b>w/ 1-Month Free Concession (Above Market Average) on a 12-Mo. Lease During Lease-Up:</b>											9.5	9.5
<b>Subject Site - Phase VI</b>	Fair Share Capture:										100%	
	Annual Capture:										100	100
	Fair Share Monthly Abs:										8.3	8.3
<b>w/ 1-Month Free Concession (Above Market Average) on a 12-Mo. Lease During Lease-Up:</b>											10.0	10.0



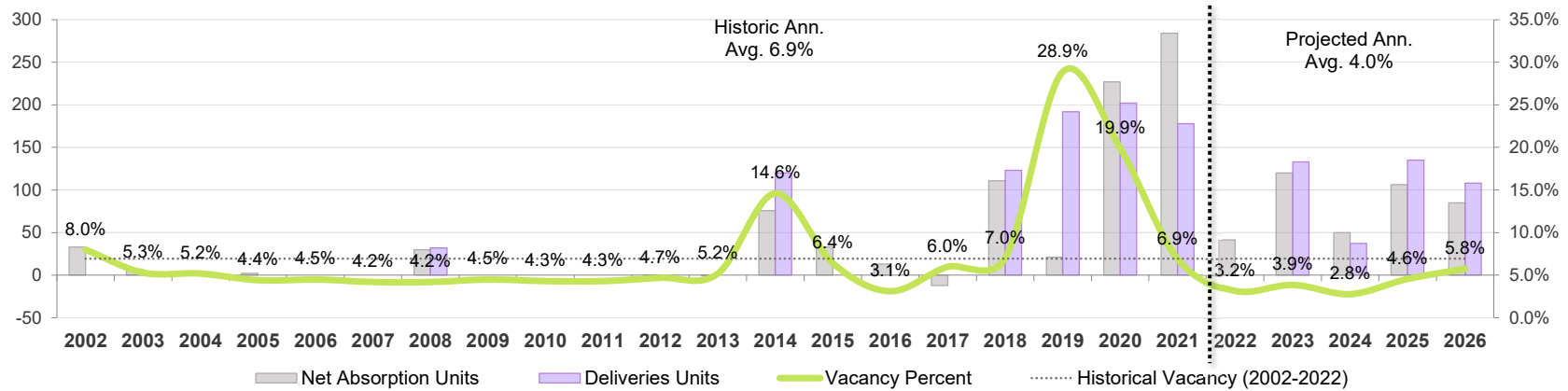
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 34

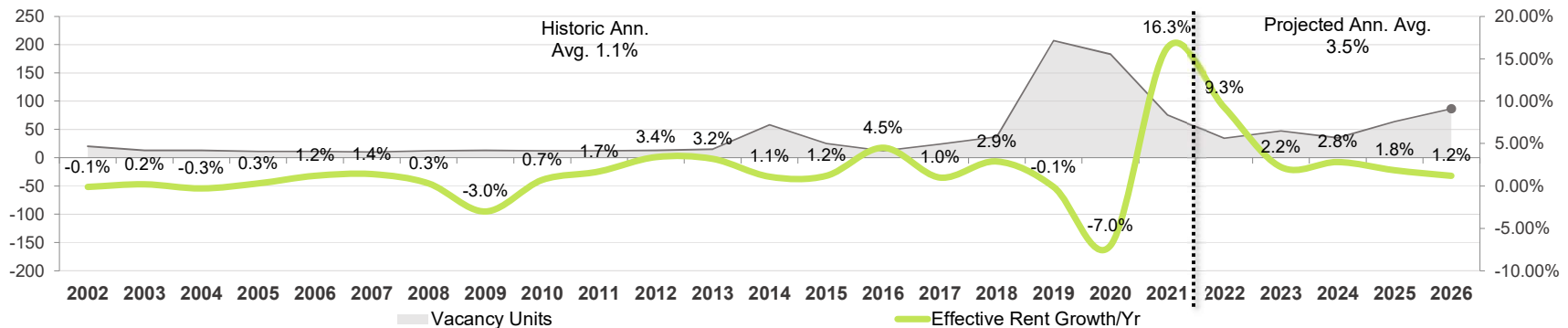
Historic and Projected Vacancy and Rent Growth of Class A Properties in the Downtown Covington Submarket

### SUBMARKET ABSORPTION, DELIVERIES, & VACANCY



The submarket has seen consistent vacancies, with the exception of years of delivery (2014, 2018-2021). NCG expects the submarket to see a burn off of vacancy and the market will return to around 3-6% vacancy as more product comes online in the future. Due to high delivery in the COVID years, rent growth decreased for the first year of 2020 but quickly bounced back to its highest growth yet in 2021 at 16.3% - a phenomenon witnessed across many markets and referred to in the industry as the "COVID rent spike". 2022 onward, NCG predicts rent growth will slow as more product appears in other close by markets as well as the downtown market that will return the effective rent growth to a slightly better than market typical at 2-3%.

### EFFECTIVE RENT VS VACANT STOCK



SOURCE: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

Exhibit 35  
Competitive Apartment Community Map



Covington	Units	\$/SF
1 Duvneck Square	110	\$1.80
2 River Haus	192	\$2.14
3 John R Green Lofts	178	\$2.35
4 Madison Place	187	\$1.96
5 Roebling Row	86	\$1.71
<b>Covington Average</b>	<b>151</b>	<b>\$1.99</b>

Newport	Units	\$/SF
6 Aqua on the Levee	238	\$1.85
7 Vue 180	93	\$1.77
<b>Newport Average</b>	<b>166</b>	<b>\$1.81</b>

Cincinnati	Units	\$/SF
8 Radius at the Banks	292	\$2.04
9 Current at the Banks	300	\$2.10
10 Artistry Cincy	344	\$2.06
<b>Cincinnati Average</b>	<b>312</b>	<b>\$2.07</b>

<b>Covington Average</b>	<b>151</b>	<b>\$1.99</b>
<b>Newport Average</b>	<b>166</b>	<b>\$1.81</b>
<b>Cincinnati Average</b>	<b>312</b>	<b>\$2.07</b>
<b>Average All</b>	<b>202</b>	<b>\$1.98</b>

SOURCE: Noell Consulting Group, Google Earth, Google Maps



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 36  
Summary of the Competitive Market by Area

Updated - September 2022

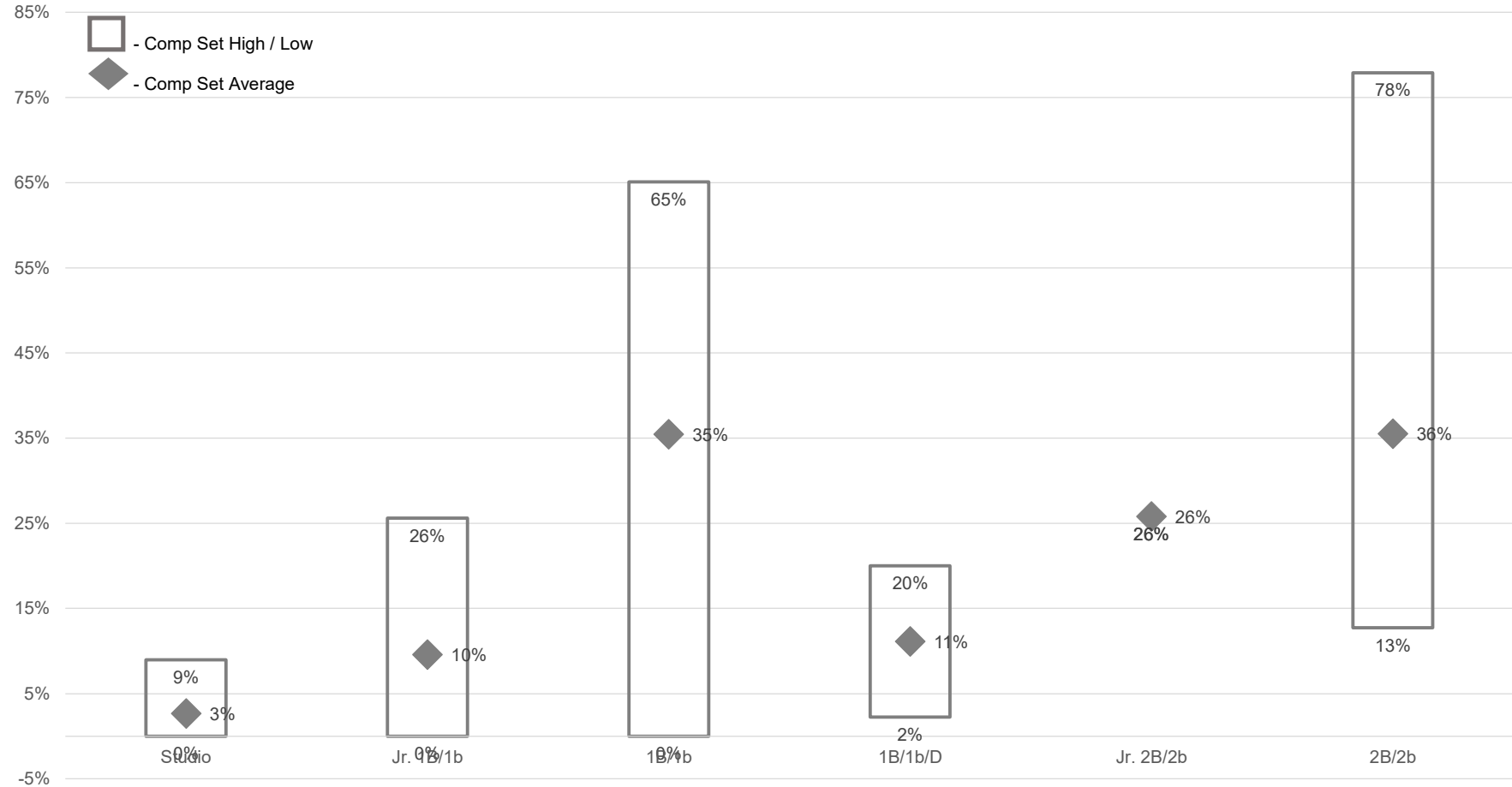
ID	Community Name	Submarket	Year Built	% Leased	Total Units	Unit Size Range	Weighted Average Unit Size	Absolute Effective Rent Range		Weighted Average Rent	Weighted Average \$/SF	% change from 2019
1	Duveneck Square	Covington	2018	97%	110	619 1,312	839	\$1,240	\$2,135	\$1,510	\$1.80	5%
2	River Haus	Covington	2019	98%	192	512 2,073	859	\$1,230	\$4,174	\$1,838	\$2.14	-
3	John R Green Lofts	Covington	2021	98%	178	451 1,522	739	\$1,260	\$2,975	\$1,734	\$2.35	-
4	Madison Place	Covington	2020	90%	187	724 1,981	1,151	\$1,495	\$3,940	\$2,258	\$1.96	-
5	Roebing Row	Covington	2001	97%	86	919 1,449	1,252	\$1,520	\$2,616	\$2,143	\$1.71	25%
6	Aqua on the Levee	Newport	2017	90%	238	648 1,536	1,057	\$1,334	\$3,136	\$1,953	\$1.85	30%
7	Vue 180	Newport	2013	97%	93	630 1,190	947	\$1,335	\$2,000	\$1,674	\$1.77	3%
8	Radius at the Banks	Cincinnati	2016	95%	292	592 1,295	924	\$1,325	\$2,570	\$1,887	\$2.04	18%
9	Current at the Banks	Cincinnati	2011	92%	300	491 1,303	884	\$1,330	\$3,069	\$1,858	\$2.10	11%
10	Artistry Cincy	Cincinnati	2022	60%	344	576 1,502	918	\$1,254	\$2,848	\$1,891	\$2.06	-
Market Average			2016	91%	202	616 1,516	957	\$1,332	\$2,946	\$1,875	\$1.98	13%
Covington Average			2016	96%	151	645 1,667	968	\$1,349	\$3,168	\$1,897	\$1.99	15%
Newport Average			2015	94%	166	639 1,363	1,002	\$1,334	\$2,568	\$1,813	\$1.81	16%
Cincinnati Average			2017	76%	322	534 1,403	901	\$1,292	\$2,958	\$1,875	\$2.08	15%

Market Overview Statistics		
Application Fees:	\$35-\$50 Per Applicant	<p>The local market as a whole is largely fueled by employment access and affordability. Much of the existing product is homogenous product, with quality but affordable finishes and full-amenity offerings. Interviews with local leasing agents has indicated that major audiences fueling demand include: young professionals , working couples, some young and single parent families, and empty nester/move-downs.</p>
Administrative Fee:	\$100 - \$150 per application	
Pet Fees:	\$200-\$400 non-refundable \$25-\$35/mo. Rent - per pet	
Parking Fees:	\$30-\$60 surface; \$90-\$140 garage	
Parking Ratio (Per Bed:)	0.87- 1.40 per bed	

SOURCE: Noell Consulting Group



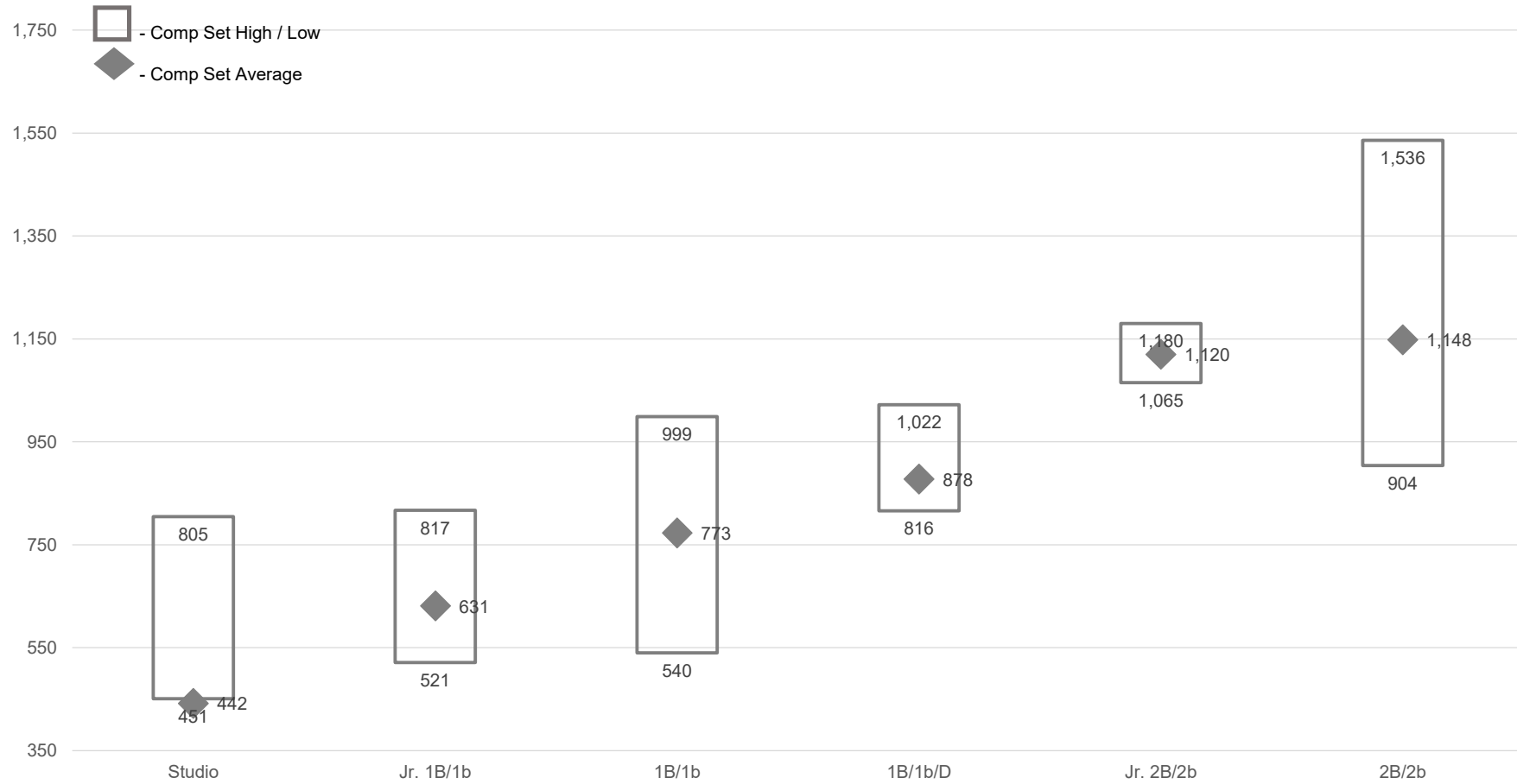
Exhibit 37  
Market Summary Unit Mix



SOURCE: Noell Consulting Group



Exhibit 38  
Market Summary Unit Size

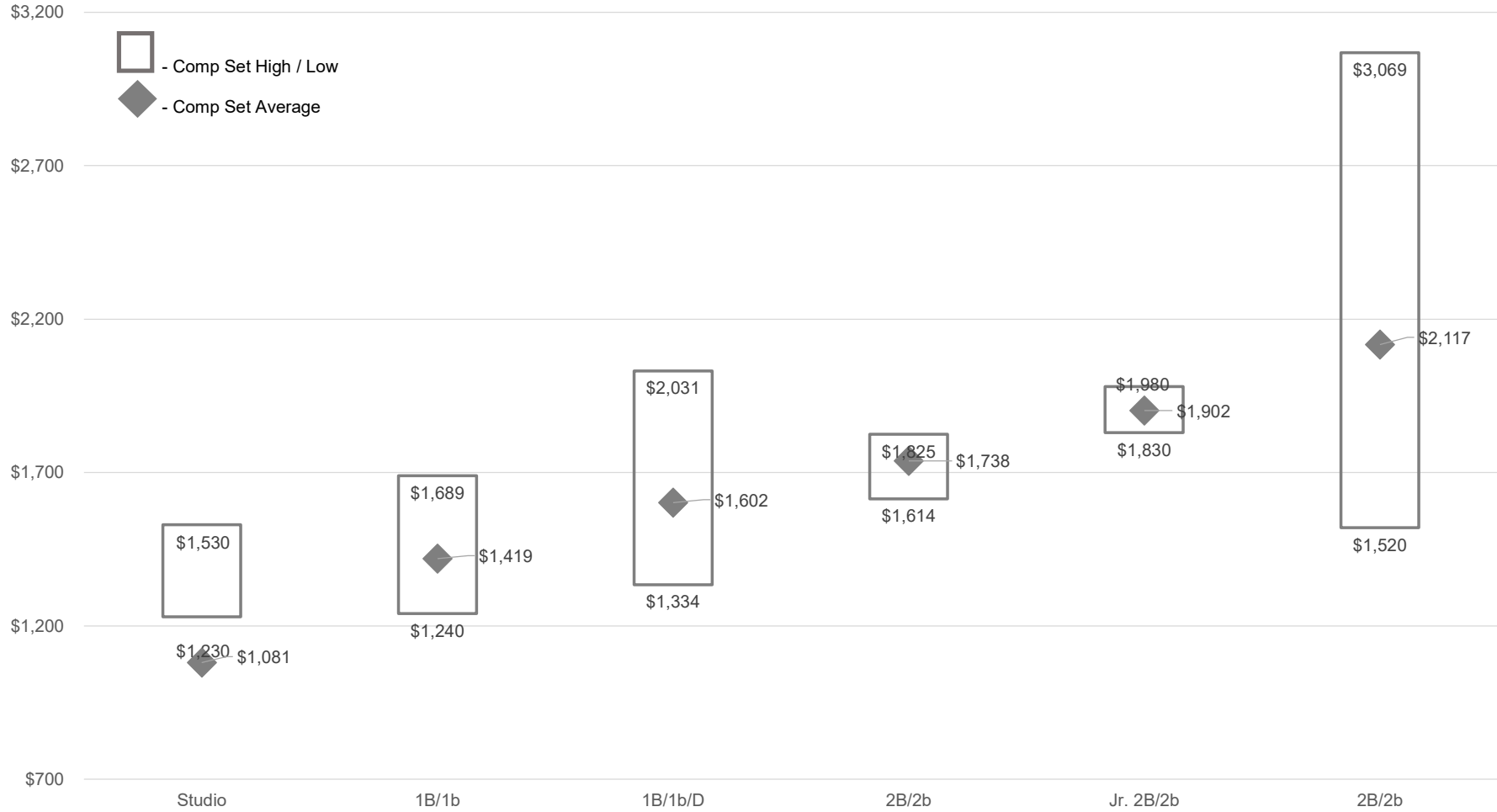


SOURCE: Noell Consulting Group



**CITY OF COVINGTON, KY  
IRS SITE MARKET ANALYSIS UPDATE**

Exhibit 39  
Market Summary Unit Rent



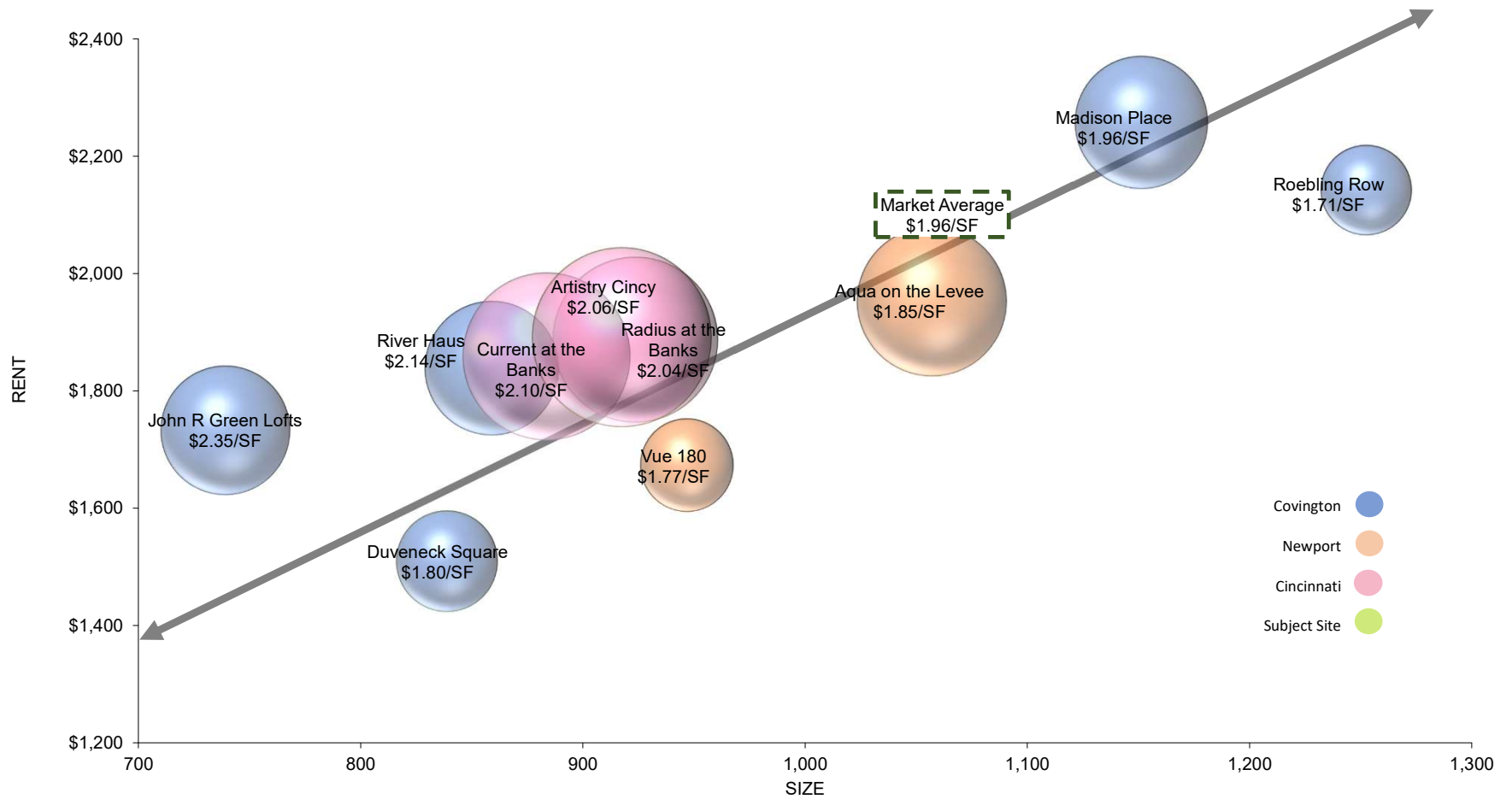
SOURCE: Noell Consulting Group



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 40  
Comparison of Key Competitors in the Market - Weighted Average

Updated - September 2022



SOURCE: Noell Consulting Group based on surveys of properties.





# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 41 Competitive Rental Community - Duveneck Square (710 Washington St)

OVERVIEW	Developer Name	Northpointe Group	App. + Admin. Fee:	\$50 + \$100																																																																					
	Owner Name	Duveneck Square, LLC	Pet Fees:	\$150 dep / \$150 fee / \$30/mo.																																																																					
SUMMARY	Property Manager Name	Duveneck Square, LLC	Garages / Storage:	-																																																																					
	Year Built	2018	Parking Fees:	\$30																																																																					
PRODUCT PROGRAM	Number Of Stories	3	Parking Type:	Surface																																																																					
	Lease Up Pace:	8 units / month	Total Spaces	NA																																																																					
FINISHES AND AMENITIES	Walk Score@:	4	Spaces/Bed:	NA																																																																					
	Market Audience:	Emerging neighborhood attracts many young professionals. Most 2B are couples, few roommates. 20-30% are new-to-market. Diverse employers: Bosch, Amazon, St. Elizabeth, Kroger.																																																																							
PRODUCT PROGRAM	Building Summary:	New mixed use development. Plans for phase 2 include 100 units and structured parking. Light but well designed amenity space complimented by ground floor & local retail/dining.																																																																							
	<table border="1"> <thead> <tr> <th>Unit Type</th> <th>Unit Count</th> <th>Unit Mix</th> <th>Available Units</th> <th>Percent Leased</th> <th>Quoted Effective Rent Range</th> <th>Avg. Rent</th> <th>Unit Size Range</th> <th>Weighted Avg. Size</th> <th>Current Conc.</th> <th>Effective \$/SF Range</th> <th>Avg. \$/SF</th> </tr> </thead> <tbody> <tr> <td>Jr. 1B/1b</td> <td>25</td> <td>23%</td> <td>1</td> <td>96.0%</td> <td>\$1,240 \$1,265</td> <td>\$1,243</td> <td>619 659</td> <td>632</td> <td rowspan="4">None</td> <td>\$1.92 \$2.00</td> <td>\$1.97</td> </tr> <tr> <td>1B/1b</td> <td>49</td> <td>45%</td> <td>1</td> <td>98.0%</td> <td>\$1,425 \$1,450</td> <td>\$1,435</td> <td>730 867</td> <td>794</td> <td>\$1.67 \$1.95</td> <td>\$1.81</td> </tr> <tr> <td>1B/1b/D</td> <td>22</td> <td>20%</td> <td>0</td> <td>100.0%</td> <td>\$1,614 \$1,695</td> <td>\$1,651</td> <td>868 1,022</td> <td>939</td> <td>\$1.66 \$1.86</td> <td>\$1.76</td> </tr> <tr> <td>2B/2b</td> <td>14</td> <td>13%</td> <td>1</td> <td>92.9%</td> <td>\$1,925 \$2,135</td> <td>\$2,030</td> <td>1,119 1,312</td> <td>1,212</td> <td>\$1.63 \$1.72</td> <td>\$1.68</td> </tr> <tr> <td colspan="2"><b>SUMMARY:</b></td> <td><b>110</b></td> <td><b>100%</b></td> <td><b>3</b></td> <td><b>97.3%</b></td> <td><b>\$1,240 \$2,135</b></td> <td><b>\$1,510</b></td> <td><b>619 1,312</b></td> <td><b>839</b></td> <td></td> <td><b>\$1.63 \$2.00</b></td> <td><b>\$1.80</b></td> </tr> </tbody> </table>				Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF	Jr. 1B/1b	25	23%	1	96.0%	\$1,240 \$1,265	\$1,243	619 659	632	None	\$1.92 \$2.00	\$1.97	1B/1b	49	45%	1	98.0%	\$1,425 \$1,450	\$1,435	730 867	794	\$1.67 \$1.95	\$1.81	1B/1b/D	22	20%	0	100.0%	\$1,614 \$1,695	\$1,651	868 1,022	939	\$1.66 \$1.86	\$1.76	2B/2b	14	13%	1	92.9%	\$1,925 \$2,135	\$2,030	1,119 1,312	1,212	\$1.63 \$1.72	\$1.68	<b>SUMMARY:</b>		<b>110</b>	<b>100%</b>	<b>3</b>	<b>97.3%</b>	<b>\$1,240 \$2,135</b>	<b>\$1,510</b>	<b>619 1,312</b>	<b>839</b>		<b>\$1.63 \$2.00</b>
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FINISHES AND AMENITIES	Ceiling Height and Finish:	9' finished ceilings																																																																							
	Lighting and Fixtures:	Recessed lighting in kitchen, ceiling fan in living room & bedroom																																																																							
FINISHES AND AMENITIES	Flooring:	Wood-style vinyl flooring throughout																																																																							
	Cabinets and Hardware:	Grey wood-style cabinets with SS pulls																																																																							
FINISHES AND AMENITIES	Countertops:	Quartz countertops in kitchen, granite in bathrooms w/ undermount sinks																																																																							
	Appliance Package:	GE SS appliances, smooth top range																																																																							
FINISHES AND AMENITIES	Laundry and Bath Detail:	Full size washer/dryer; Garden style tubs																																																																							
	Windows and Balconies:	Large punch windows w/ Roman shades; Some units w/ balconies/patios and bay windows																																																																							
FINISHES AND AMENITIES	Additional Features:																																																																								
	Community Features and Amenities:	Fitness center, clubroom with catering kitchen, outdoor lounge w/ grills and firepit, bike storage																																																																							



Source: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 42 Competitive Rental Community - Roebling Row (240 Greenup St)

OVERVIEW	Developer Name	-	App. + Admin. Fee	\$50 + no admin
	Owner Name	Towne Properties	Pet Fees	\$150 NRD + \$150 fee + \$35/mo
	Property Manager Name	Towne - Roebling Row	Other Fees	\$500 Sec. Dep.
	Year Built	2001	Parking Fees	\$40/\$60/\$90 (dbl-\$120)
	Number Of Stories	4	Parking Type	Surface/Carport/Garage (sing/dbl)
	Lease Up Pace	-	Total Spaces	NA
	Walk Score®	Very Walkable- 86	Spaces/Bed	NA



SUMMARY	Market Audience	Community attracts all age groups due to convenient location, character of the neighborhood, and large units. Majority of new-to-market are young professionals working for Kroger, PNG, etc. More mature residents work for government, local colleges, medical inst. ( St. Elizabeth & Children's Hospital).
	Building Summary	Dated product with walkable location. Active neighborhood involvement w/ recent disinvestment due to IRS downsizing (losing walkable dining options). High retention w/ residents invested in the area.

PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	1B/1b	19	22%	0	100.0%	\$1,604 \$1,720	\$1,636	919 999	940	None	\$1.72 \$1.75	\$1.74
	2B/2b	67	78%	3	95.5%	\$1,520 \$2,616	\$2,287	1,200 1,449	1,341		\$1.27 \$1.81	\$1.70
<b>SUMMARY:</b>	<b>86</b>	<b>100%</b>	<b>3</b>	<b>96.5%</b>	<b>\$1,520 \$2,616</b>	<b>\$2,143</b>	<b>919 1,449</b>	<b>1,252</b>		<b>\$1.27 \$1.81</b>	<b>\$1.71</b>	

FINISHES AND AMENITIES	Ceiling Height and Finish	9' finished ceilings
	Lighting and Fixtures	Pendant lighting w/ decorative fixtures in kitchen
	Flooring	Carpet throughout, tile in kitchen/bath; Updated: Vinyl HW flooring throughout, carpet in BR & living
	Cabinets and Hardware	White cabinets w/ SS pulls, Updated units w/ subway tile backsplash
	Countertops	Granite countertops in kitchen and bathroom
	Appliance Package	GE SS/black appliances with smooth top electric range
	Laundry and Bath Detail	Full size side-by-side washer/dryer, Mix of garden tubs & framed, walk-in showers
	Windows and Balconies	Standard punch windows, no balconies
	Additional Features	Free storage (60, 3 x 6)
Community Features and Amenities	Elevated sun deck, fitness center, walkable dining	



Source: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 43

### Competitive Rental Community - VUE 180 on the Water (300 Riverboat Row)

OVERVIEW	Developer Name	Capital Investment Group, Inc.		App. + Admin. Fee:	\$50 / \$100							
	Owner Name	Andrea Georgopoulos-stray		Pet Fees:	\$200 dep / \$150 fee / \$35/mo							
	Property Manager Name	Village Green - VUE 180 on the Water		Other Fees:	-							
	Year Built	2013		Parking Fees:	\$100/covered : \$75/uncovered							
	Number Of Stories	4		Parking Type:	Garage & Surface							
	Lease Up Pace:	-		Total Spaces	130							
	Walk Score®:	Somewhat Walkable- 61		Spaces/Bed:	1.14							
SUMMARY	Market Audience:	Mix of all ages, location and river views are most attractive feature to residents										
	Building Summary:	Smaller community w/ slightly dated finishes, convenient location w/ direct river views										
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	1B/1b	32	34%	1	96.9%	\$1,335 \$1,650	\$1,479	630 880	777		\$2.12	\$1.90
	Jr. 1B/1b	16	17%	1	93.8%	\$1,335 \$1,425	\$1,380	710 750	730		\$1.88 \$1.90	\$1.89
	Jr. 2B/2b	24	26%	0	100.0%	\$1,830 \$1,980	\$1,902	1,065 1,180	1,120	None	\$1.68 \$1.72	\$1.70
	2B/2b	21	23%	1	95.2%	\$1,800 \$2,000	\$1,933	1,135 1,190	1,173		\$1.59 \$1.68	\$1.65
<b>SUMMARY:</b>		<b>93</b>	<b>100%</b>	<b>3</b>	<b>96.8%</b>	<b>\$1,335 \$2,000</b>	<b>\$1,674</b>	<b>630 1,190</b>	<b>947</b>		<b>\$1.59 \$2.12</b>	<b>\$1.77</b>
FINISHES AND AMENITIES	Ceiling Height and Finish:	9 -10ft. finished ceilings										
	Lighting and Fixtures:	Pendant lighting										
	Flooring:	HW throughout, carpet in bedroom, tile in bath										
	Cabinets and Hardware:	Dark cabinets w/ SS pulls										
	Countertops:	Granite, undermount sinks										
	Appliance Package:	GE stainless steel appliances w/ electric coil range										
	Laundry and Bath Detail:	Full size, side-by-side W/D; Garden tubs & framed walk-in showers w/ tile surround										
	Windows and Balconies:	Standard punch windows, all units have balconies/patios										
Additional Features:												
Community Features and Amenities:	Club room w/ game area, fitness center, dog park, BBQ area w/ fire pit											



Source: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 44 Competitive Rental Community - Current at the Banks (120-180 E Freedom Way)

<b>OVERVIEW</b>	Developer Name	Carter Real Estate- Atlanta, The Daw	App. + Admin. Fee:	\$50/\$100
	Owner Name	Nicol Investment Company	Pet Fees:	\$300 fee/ \$25/mo
	Property Manager Name	Village Green - Current at the Banks	Other Fees:	Parking fee includes trash & pest
	Year Built	2011	Parking Fees:	\$135 (2nd- \$95)
	Number Of Stories	6	Parking Type:	Structured
	Lease Up Pace:	-	Total Spaces	300
	Walk Score®:	Very Walkable- 76	Spaces/Bed:	0.70



<b>SUMMARY</b>	Market Audience:	Many new-to-market residents due to locations. Preferred employers: Kroger, GE, PNG, EY. Many young professionals. Few empty nesters/downsizer.
	Building Summary:	Two buildings part of a larger master planned community on The Banks. Within walking distance to stadiums, parks, retail, and dining. Though dated, prime location appeals to residents and out of market prospects.

<b>PRODUCT PROGRAM</b>	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	Studio	2	1%	0	100.0%	\$1,330 \$1,330	\$1,330	491 491	491	None	\$2.71 \$2.71	\$2.71
	Jr. 1B/1b	18	6%	3	83.3%	\$1,639 \$1,689	\$1,565	675 675	675		\$2.43 \$2.50	\$2.32
	1B/1b	150	50%	10	93.3%	\$1,376 \$1,933	\$1,698	674 835	759		\$2.04 \$2.31	\$2.24
	2B/2b	130	43%	10	92.3%	\$1,557 \$3,069	\$2,092	904 1,303	1,062		\$1.72 \$2.36	\$1.97
	<b>SUMMARY:</b>	<b>300</b>	<b>100%</b>	<b>23</b>	<b>92.3%</b>	<b>\$1,330 \$3,069</b>	<b>\$1,858</b>	<b>491 1,303</b>	<b>884</b>		<b>\$1.72 \$2.71</b>	<b>\$2.10</b>

<b>FINISHES AND AMENITIES</b>	Ceiling Height and Finish:	9 ft finished ceilings
	Lighting and Fixtures:	Track lighting w/ decorative fixtures
	Flooring:	Vinyl HW throughout, tile in bath; Some units with carpet throughout
	Cabinets and Hardware:	Mix of wood style/white cabinets with SS pulls
	Countertops:	Granite counters
	Appliance Package:	Mix of black appliances w/ SS fridge
	Laundry and Bath Detail:	Full size, stacked W/D; Garden style tub & shower combo
	Windows and Balconies:	Punch windows; All units have balconies/patios
	Additional Features:	Two color scheme (contemporary & modern); 50% updated units
Community Features and Amenities:	Clubhouse w/ fireplace, Rooftop pool, Outdoor kitchen w/ grills, business center, fitness center, concierge, onsite corner market	



Source: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 45

### Competitive Rental Community - Aqua On The Levee (100 Aqua Dr)

OVERVIEW	Developer Name	Capital Investment Group, Inc.		App. + Admin. Fee:	\$35/\$100							
	Owner Name	Capital Investment Group, Inc.		Pet Fees:	\$200 deposit, \$25/mo							
	Property Manager Name	CIG - Aqua on the Levee		Other Fees:	\$10 valet trash; \$150/ yr amenity fee							
	Year Built	2017		Parking Fees:	\$75-\$100/mo							
	Number Of Stories	5		Parking Type:								
	Lease Up Pace:	-		Total Spaces:	-							
	Walk Score®:	Very Walkable- 76		Spaces/Bed:	-							
SUMMARY	Market Audience:	Mix of young professionals and downsizers.										
	Building Summary:	Abundant amenity package creating a lifestyle building. Adjacent to loft Hotel and Newport on the Levee.										
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	1B/1b	103	43%	12	88.3%	\$1,334 \$2,031	\$1,690	648 902	772	1 month	\$2.06 \$2.25	\$2.19
	2B/2b	116	49%	10	91.4%	\$1,789 \$2,385	\$2,053	1,098 1,536	1,253	free on 12	\$1.55 \$1.63	\$1.64
	3B/2b	19	8%	1	94.7%	\$2,406 \$3,136	\$2,771	1,407 1,407	1,407	month lease	\$1.71 \$2.23	\$1.97
	<b>SUMMARY:</b>	<b>238</b>	<b>100%</b>	<b>23</b>	<b>90.3%</b>	<b>\$1,334 \$3,136</b>	<b>\$1,953</b>	<b>648 1,536</b>	<b>1,057</b>			<b>\$1.55 \$2.25</b>
FINISHES AND AMENITIES	Ceiling Height and Finish:	9-10 ft finished ceilings										
	Lighting and Fixtures:	Track & pendant lighting w/ decorative fixtures in living area										
	Flooring:	Vinyl HW floors throughout; Carpet in BR										
	Cabinets and Hardware:	Modern cabinets w/ SS pulls										
	Countertops:	Granite counters; Glass tile backsplash										
	Appliance Package:	Stainless steel appliances; smooth top electric range										
	Laundry and Bath Detail:	Full size, stacked W/D; Garden tubs & walk-in showers with tile surround										
	Windows and Balconies:	Standard punch windows; all units have balcony/patio										
	Additional Features:	Ceiling fans in bedroom										
Community Features and Amenities:	Large pool, jacuzzi, outdoor lounge w/ grills & veranda, PGA Tour simulator, pet park & spa, fitness center, clubroom, rooftop deck, business center											



Source: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 46

### Competitive Rental Community - Radius at the Banks (44 W Freedom Way)

OVERVIEW	Developer Name	Harold A. Dawson Co. Inc.	App. + Admin. Fee:	\$50 / \$150
	Owner Name	Carter USA	Pet Fees:	\$350 fee / \$35/mo
	Property Manager Name	Village Green - Radius at the Banks	Other Fees:	-
	Year Built	2016	Parking Fees:	\$130-\$200
	Number Of Stories	9	Parking Type:	Structured
	Lease Up Pace:	-	Total Spaces	NA
	Walk Score®:	Very Walkable- 76	Spaces/Bed:	NA



SUMMARY	Market Audience:	60% empty nesters/downsizers, very little roommates. Many new-to-market young professionals working at a variety of employers in downtown Cincinnati.
	Building Summary:	Average finishes with a great locations. Onsite dining. Easy access to stadiums, parks, and dining at The Banks.

PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	Jr. 1B/1b	45	15%	3	93.3%	\$1,325 \$1,645	\$1,530	592 817	679	None	\$2.01 \$2.24	\$2.25
	1B/1b	120	41%	4	96.7%	\$1,524 \$1,933	\$1,684	692 960	776		\$2.01 \$2.20	\$2.17
	1B/2b	7	2%	1	85.7%	\$2,047 \$2,047	\$2,047	1,049 1,049	1,049		\$1.95 \$1.95	\$1.95
	2B/2b	120	41%	7	94.2%	\$1,777 \$2,570	\$2,214	1,098 1,295	1,156		\$1.62 \$1.98	\$1.92
	<b>SUMMARY:</b>	<b>292</b>	<b>100%</b>	<b>15</b>	<b>94.9%</b>	<b>\$1,325 \$2,570</b>	<b>\$1,887</b>	<b>592 1,295</b>	<b>924</b>	<b>\$1.62 \$2.24</b>	<b>\$2.04</b>	

FINISHES AND AMENITIES	Ceiling Height and Finish:	9 ft. finished ceilings
	Lighting and Fixtures:	Track and pendant lighting
	Flooring:	Vinyl HW throughout, carpet in bedroom
	Cabinets and Hardware:	Dark cabinets w/ SS pulls
	Countertops:	Granite counters w/ undermount sinks; Subway tile backsplash
	Appliance Package:	SS appliance package
	Laundry and Bath Detail:	Full size W/D; Garden style tubs, some units w/ walk-in showers & tile surround
	Windows and Balconies:	Large punch windows; most units w/ balconies
Additional Features:		
Community Features and Amenities:	Heated pool, grills, courtyard, fitness center w/ spin/yoga studio, clubroom w/ fireplace, concierge, café/lounge, dog-walking service, guest suite	



Source: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

Exhibit 47

Competitive Rental Community - John R Green Lofts (437 W 6th St)

OVERVIEW	Developer Name	RealtyLink-Alabama, LLC			App. + Admin. Fee:	\$50 / \$100									
	Owner Name	City Of Covington			Pet Fees:	\$250 dep / \$150 fee / \$35/mo									
	Property Manager Name	Village Green - John R. Green Lofts			Other Fees:	-									
	Year Built	2021			Parking Fees:	\$75, included in utilities									
	Number Of Stories	4			Parking Type:	Structured									
	Lease Up Pace:	17.8 per mon.			Total Spaces	182									
	Walk Score®:	Very Walkable - 84			Spaces/Bed:	0.81									
	SUMMARY	Market Audience:	Product intended to be attractive to a mixed audience. Similar demos to Riverhaus, relocates, some empty nesters who sold their homes and are waiting to purchase a new one, a lot of hospital workers from medical centers in downtown Cincinnati.												
Building Summary:		Well executed product located near historic main street Covington. The building has blended the old with the new by renovating the 1800's company store for office/retail space and adding multi-family product next to it. There has been a big boom of tenants during Covid due to very little supply as well as costs of living being too expensive in Downtown Cincy.													
PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range		Avg. Rent	Unit Size Range		Weighted Avg. Size	Current Conc.	Effective \$/SF Range		Avg. \$/SF
	Studio	16	9%	0	100.0%	\$1,260	\$1,320	\$1,264	451	504	454	None	\$2.62	\$2.79	\$2.78
	Jr. 1B/1b	15	8%	1	93.3%	\$1,370	\$1,675	\$1,411	521	716	547		\$2.34	\$2.63	\$2.58
	1B/1b	96	54%	2	97.9%	\$1,410	\$1,720	\$1,591	540	686	651		\$2.51	\$2.61	\$2.44
	1B/1b/D	4	2%	0	100.0%	\$1,825	\$1,825	\$1,825	816	816	816		\$2.24	\$2.24	\$2.24
	2B/2b	40	22%	0	100%	\$1,960	\$2,375	\$2,166	944	1,036	1,017		\$2.08	\$2.29	\$2.13
	2B/2.5b/TH	7	4%	0	100%	\$2,900	\$2,975	\$2,932	1,260	1,522	1,372		\$1.95	\$2.30	\$2.14
	<b>SUMMARY:</b>	<b>178</b>	<b>100%</b>	<b>3</b>	<b>98.3%</b>	<b>\$1,260</b>	<b>\$2,975</b>	<b>\$1,734</b>	<b>451</b>	<b>1,522</b>	<b>739</b>		<b>\$1.95</b>	<b>\$2.79</b>	<b>\$2.35</b>
FINISHES AND AMENITIES	Ceiling Height and Finish:	9-10 ft finished ceilings													
	Lighting and Fixtures:	Recessed lighting, modern pendent lighting, track lighting in bath, lighted ceiling fans													
	Flooring:	LVT floors throughout													
	Cabinets and Hardware:	White flat panel cabinets w/ brushed nickel pulls													
	Countertops:	Quartz counters w/ brushed nickel undermount sinks and tile backsplash													
	Appliance Package:	SS appliances; French door fridge w/ water dispenser, smooth top electric range													
	Laundry and Bath Detail:	Full size W/D; shower tub combo													
	Windows and Balconies:	Large punch windows, balconies/private patio/courtyard options													
Additional Features:	Spacious walk-in closets														
Community Features and Amenities:	Fitness center, clubhouse lounge, parking garage, co-working stations, ev car charging stations, indoor bike storage, on-site retail, outdoor lounge w/ bar, hammock, lounge seating and fire pits, pet wash stations, rooftop pool w/ sundeck, wine storage														



Source: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 48 Competitive Rental Community - River Haus (515 Main St)

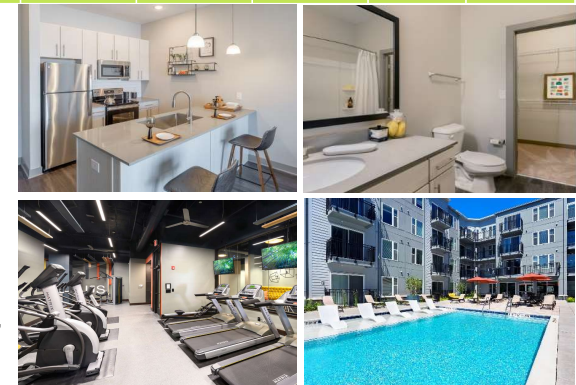
OVERVIEW	Developer Name	Flaherty & Collins Properties	App. + Admin. Fee:	\$50 + \$150
	Owner Name	Flaherty & Collins Properties	Pet Fees:	\$300/ \$30-\$45 per. Mon
	Property Manager Name	Flaherty & Collins - River Haus	Garages / Storage:	N/A
	Year Built	2019	Parking Fees:	\$85/Mo
	Number Of Stories	5	Parking Type:	Structured
	Lease Up Pace:	Est. 8.3 units/mo.	Total Spaces	206
	Walk Score®:	Very Walkable - 77	Spaces/Bed:	0.84



SUMMARY	Market Audience:	Product intended to be attractive to a younger audience. Majority of tenants are young medical professionals from medical centers in downtown Cincinnati. There is a large roommate population on site due to nature of the tenants age as well as their occupation.
	Building Summary:	Well executed product located near historic main street in Covington. There has been a big boom of tenants during Covid due to very little supply as well as costs of living being too expensive in Downtown Cincy. Further, the suburban flight has stopped and they are seeing a return urban dwelling.

PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	Studio	12	6%	0	100.0%	\$1,230 \$1,375	\$1,303	512 512	512	None	\$2.40 \$2.69	\$2.54
	Jr. 1B/1b	1	1%	0	100.0%	\$1,475 \$1,580	\$1,528	566 566	566		\$2.61 \$2.79	\$2.70
	1B/1b	125	65%	0	100.0%	\$1,675 \$1,775	\$1,725	727 948	790		\$1.87 \$2.30	\$2.18
	2B/2b	49	26%	2	95.9%	\$1,794 \$2,225	\$2,135	990 1,346	1,055		\$1.65 \$1.81	\$2.02
	2B/2.5b/L	4	2%	1	75.0%	\$2,844 \$2,844	\$2,844	1,426 1,426	1,426		\$1.99 \$1.99	\$1.99
	2B/3b	1	1%	0	100%	\$4,174 \$4,174	\$4,174	2,073 2,073	2,073		\$2.01 \$2.01	\$2.01
<b>SUMMARY:</b>	<b>192</b>	<b>100%</b>	<b>3</b>	<b>98.4%</b>	<b>\$1,230 \$4,174</b>	<b>\$1,838</b>	<b>512 2,073</b>	<b>859</b>	<b>\$1.65 \$2.79</b>	<b>\$2.14</b>		

FINISHES AND AMENITIES	Ceiling Height and Finish:	9-10 ft finished ceilings
	Lighting and Fixtures:	Recessed lighting, modern pendent lighting, track lighting in bath
	Flooring:	LVT floors in living/bedroom, LVT tile in bath
	Cabinets and Hardware:	White flat panel cabinets w/ brushed nickel pulls
	Countertops:	Quartz counters w/ brushed nickel undermount sinks and tile backsplash
	Appliance Package:	SS appliances; standard fridge with smooth top electric range
	Laundry and Bath Detail:	Full size W/D; some cultured marble vanities, shower tub combo, framed showers
	Windows and Balconies:	Punch windows, balconies/private patio
	Additional Features:	
Community Features and Amenities:	Courtyard with fire pits, bar, lounge area, and grilling stations; pool w/ large wet deck, sky deck, coffee lounge, pet wash, bark park, bike storage & Repair, gaming lounge, fitness center, and fitness onDemand	



Source: Noell Consulting Group, CoStar





# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 49 Competitive Rental Community - Madison Place (50-100 W Rivercenter Blvd)

OVERVIEW	Developer Name	Corporex	App. + Admin. Fee:	\$50 / \$150
	Owner Name	Corporex	Pet Fees:	\$400 fee / \$30/mo
	Property Manager Name	Village Green - Madison Place	Other Fees:	-
	Year Built	2020	Parking Fees:	Bundles, \$55-\$155
	Number Of Stories	15	Parking Type:	Structured
	Lease Up Pace:	11.8 units per month	Total Spaces	317
	Walk Score®:	Very Walkable	Spaces/Bed:	1.45



SUMMARY	Market Audience:	Luxury product attractive to a more mature audience. Majority empty nester/downsizers. Mature professionals.
	Building Summary:	High-end product. 15 stories on top a parking deck to give river and Downtown Cincy views. Very walkable with easy access to retail/restaurants. The site had no activity for six month in 2020 due to the pandemic. Since 2020 prices and activity have increased but the site is struggling with renewals due to prices based on size of units.

PRODUCT PROGRAM	Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
	Studio	15	8%	0	100.0%	\$1,495 \$1,530	\$1,507	724 805	751		\$1.90 \$2.06	\$2.01
	1B/1b	119	64%	11	90.8%	\$1,625 \$2,705	\$1,971	942 1,402	1,056		\$1.73 \$1.93	\$1.87
	1B/1.5b	21	11%	3	85.7%	\$2,395 \$3,255	\$2,858	1,075 1,382	1,242	None	\$2.23 \$2.36	\$2.30
	2B/2b	21	11%	2	90.5%	\$2,890 \$2,995	\$2,940	1,356 1,552	1,449		\$1.93 \$2.13	\$2.03
	2B/2.5b	11	6%	2	82%	\$3,940 \$3,940	\$3,940	1,981 1,981	1,981		\$1.99 \$1.99	\$1.99
	<b>SUMMARY:</b>	<b>187</b>	<b>100%</b>	<b>18</b>	<b>90.4%</b>	<b>\$1,495 \$3,940</b>	<b>\$2,258</b>	<b>724 1,981</b>	<b>1,151</b>			<b>\$1.73 \$2.36</b>

FINISHES AND AMENITIES	Ceiling Height and Finish:	9-11 ft finished ceilings
	Lighting and Fixtures:	Recessed lighting, track lighting in bath
	Flooring:	LVT floors in living/bedroom, LVT tile in bath
	Cabinets and Hardware:	White flat panel cabinets w/ brushed nickel pulls
	Countertops:	Quartz counters w/ brushed nickel/chrome undermount sinks and tile backsplash
	Appliance Package:	SS appliances; standard fridge with smooth top electric range
	Laundry and Bath Detail:	Full size W/D; shower tub combo, frameless showers with floor to ceiling tile
	Windows and Balconies:	Floor to ceiling windows, balconies/private patio
	Additional Features:	Walk-in closets
Community Features and Amenities:	Riverfront terrace w/ outdoor kitchen, fire pits, fitness center, co-working spaces, sauna, private massage spa, dog run, club room w/ tv, kitchen, and billiards; 13th floor club room, direct access to hotel, restaurant, & bar; bike storage, guest suite, EVC stations, and rentable storage rooms	



Source: Noell Consulting Group, CoStar



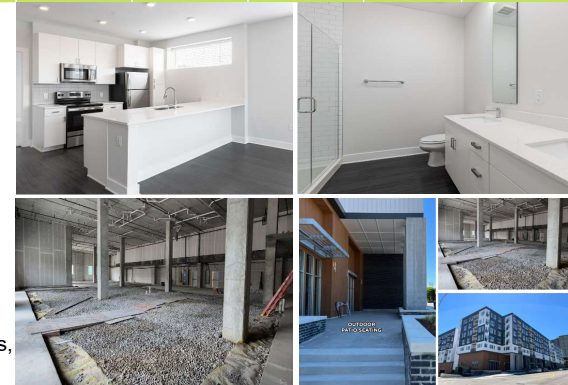
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 50

### Competitive Rental Community - Artistry Cincy (601 E Pete Rose Way)

OVERVIEW	Developer Name Milhaus		App. + Admin. Fee: \$50 / \$150										
	Owner Name Milhaus		Pet Fees: \$200 dep / \$200 fee / \$25/mo										
SUMMARY	Property Manager Name Milhaus - Artistry Cincy		Garages / Storage: \$125-\$150										
	Year Built 2022		Parking Fees: \$125 per space per mon.										
PRODUCT PROGRAM	Number Of Stories 7		Parking Type: Structured										
	Lease Up Pace: Started Pre-leasing in April 2022		Total Spaces N/A										
FINISHES AND AMENITIES	Walk Score®: Somewhat Walkable - 67		Spaces/Bed: N/A										
	<p><b>Market Audience:</b> Geared towards the art community and young professionals. Much of the tenant population is young professionals in the finance and medical fields. The site also has a preferred employer program with PNG and thus houses a lot of their employees. Non-local tenants are coming from Chicago and Louisville.</p> <p><b>Building Summary:</b> High end product near Sawyer Point Park close to the Purple People bridge. The site wanted to tap into the art culture around the site by partnering with Begin Studios to include an art gallery on the bottom floor where local artists can show off their art. Impacts from Covid have been minimal to non-existent.</p>												
PRODUCT PROGRAM		Unit Type	Unit Count	Unit Mix	Available Units	Percent Leased	Quoted Effective Rent Range	Avg. Rent	Unit Size Range	Weighted Avg. Size	Current Conc.	Effective \$/SF Range	Avg. \$/SF
		Jr. 1B/1b	88	26%	32	63.6%	\$1,254 \$1,381	\$1,277	576 725	588	1 month free on 13 month leases	\$1.90 \$2.18	\$2.17
		1B/1b	84	24%	72	14.3%	\$1,400 \$1,662	\$1,476	643 836	700		\$1.99 \$2.18	\$2.11
		2B/2b	87	25%	33	62.1%	\$1,885 \$2,220	\$2,143	925 1,100	1,066		\$2.02 \$2.04	\$2.01
		2B/2b/D	1	0%	0	100.0%	\$2,492 \$2,492	\$2,492	1,286 1,286	1,286		\$1.94 \$1.94	\$1.94
		3B/2b	83	24%	1	99%	\$2,680 \$2,680	\$2,680	1,319 1,319	1,319		\$2.03 \$2.03	\$2.03
		3B/2.5b/D	1	0%	1	0%	\$2,848 \$2,848	\$2,848	1,502 1,502	1,502		\$1.90 \$1.90	\$1.90
		<b>SUMMARY:</b>	<b>344</b>	<b>100%</b>	<b>139</b>	<b>59.6%</b>	<b>\$1,254 \$2,848</b>	<b>\$1,891</b>	<b>576 1,502</b>	<b>918</b>		<b>\$1.90 \$2.18</b>	<b>\$2.06</b>
		Ceiling Height and Finish:	9 ft finished ceilings										
		Lighting and Fixtures:	Recessed lighting with track lighting in the bath.										
		Flooring:	LVT floors throughout										
		Cabinets and Hardware:	White cabinets w/ chrome pulls, grey tile backsplash										
		Countertops:	Quartz counters w/ undermount chrome sinks										
		Appliance Package:	Standard SS appliances; standard fridge, smooth top, electric range										
		Laundry and Bath Detail:	Full size W/D; Frameless walk-in showers w/ tile surround, shower tub combo										
		Windows and Balconies:	Large punch windows, patios and balconies										
		Additional Features:	Walk-in closets										
		Community Features and Amenities:	Pet spa, 24 fitness center, yoga studio, pool & sundeck, outdoor kitchen w/ grills, aqua lounge, caterer's kitchen, art gallery, CoWork space, resident lounge, retail on-site, private storage rooms, makers room, rentable art studios, and bike storage										



Source: Noell Consulting Group, CoStar



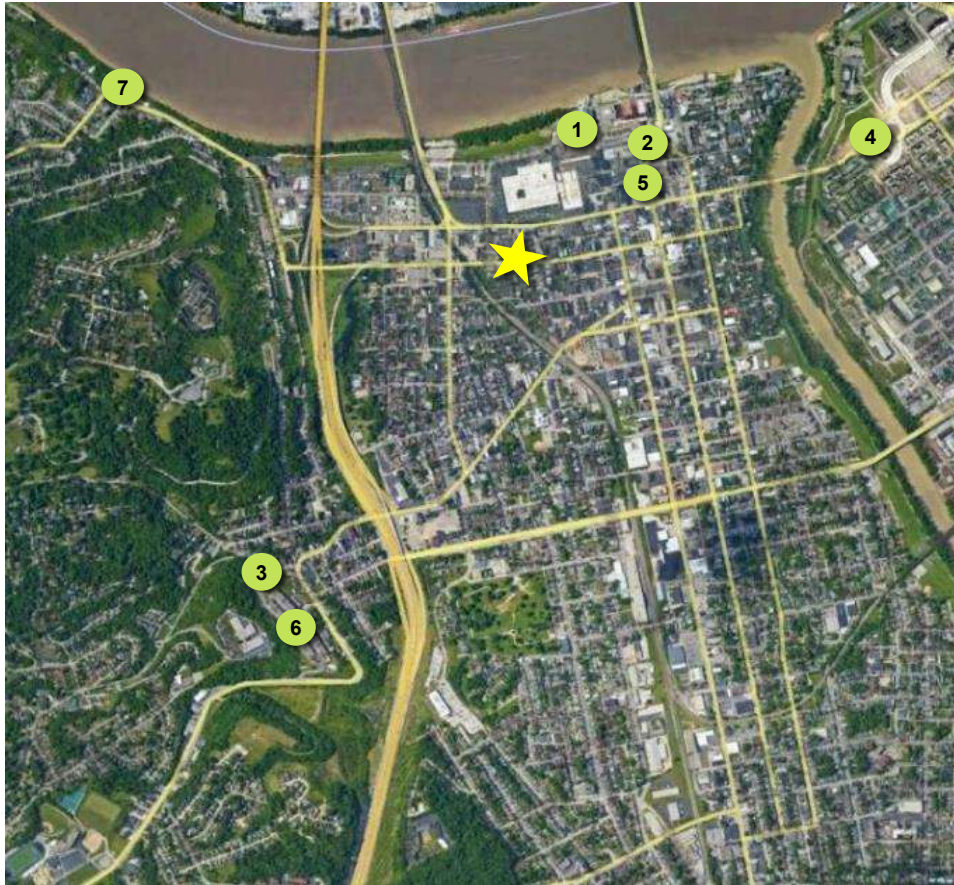
# For-Sale Residential Analysis

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

Exhibit 51  
Competitive For-Sale Attached Community Map

\*Based on sales/resales in last 24-months



Local Condo Market	Avg. Sales Price*	Avg. Size	\$/SF
1 Domaine de la Rive	\$2,233,000	5,166	\$432
2 The Ascent	\$762,547	2,015	\$378
3 Veranda at the Views	\$899,861	2,453	\$367
4 Ovation	\$1,264,452	2,223	\$569
<b>Local Condo Market Average</b>	<b>\$1,289,965</b>	<b>2,964</b>	<b>\$437</b>

Local Townhome Market	Avg. Sales Price*	Avg. Size	\$/SF
5 Boone Block	\$478,000	2,326	\$206
6 The Views	\$512,400	2,521	\$203
7 Westport Riverhomes	No resales within past 24 months		
<b>Local Townhome Market Average</b>	<b>\$495,200</b>	<b>2,423</b>	<b>\$204</b>

Due to a lack of new condo and townhome developments in Covington, under construction and older developments are included to better understand the for-sale market

Source: NCG, RedFin, Berkeley County Tax Assessor



**CITY OF COVINGTON, KY  
IRS SITE MARKET ANALYSIS UPDATE**

Exhibit 52  
Summary of the Competitive Market by Area

Updated - September 2022

ID	Community Name	Community Type	Year Built	Total Units	Unit Size Range	Weighted Average Unit Size	Sales Price		Weighted Average Sales Price	Weighted Average \$/SF
1	Domaine de la Rive	Condominium	2001	12	4,000 6,331	5,166	\$2,016,000	\$2,450,000	\$2,233,000	\$432
2	The Ascent	Condominium	2008	70	1,081 3,285	2,015	\$435,000	\$1,499,900	\$762,547	\$354
3	Veranda at the Views	Condominium	2020	18	2,365 2,540	2,453	\$825,000	\$974,722	\$899,861	\$367
4	Ovation	Condominium	2022	58	1,821 3,800	2,223	\$965,000	\$2,000,000	\$1,264,452	\$569
5	Boone Block	Townhome	2016	9	2,185 2,467	2,326	\$450,000	\$506,000	\$478,000	\$206
6	The Views	Townhome	2017	75	1,980 2,900	2,521	\$423,000	\$689,900	\$512,400	\$203
Market Average			2013	40	2,239 3,554	2,784	\$852,333	\$1,353,420	\$1,025,043	\$355
Condominium Average			2013	40	2,317 3,989	2,964	\$1,060,250	\$1,731,156	\$1,289,965	\$431
Townhome Average			2017	75	1,980 2,900	2,521	\$423,000	\$689,900	\$512,400	\$203

Source: NCG, RedFin, Berkeley County Tax Assessor



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 53 Condominium Comparables

Updated - September 2022



Domaine de la Rive, built in 2001, 12 total units

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
3B/3.5b	2	100%	\$2,016,000 \$2,450,000	\$2,233,000	4,000 6,331	5,166	\$504 \$387	\$432
Total	2	100%	\$2,016,000 \$2,450,000	\$2,233,000	4,000 6,331	5,166	\$387 \$504	\$432

**\*Resales**

Locating on the top levels of Madison Place, this development offers luxury penthouse units with river and skyline views. Few resales available. Though dated, condos feature large floor plans with expansive terraces.



The Ascent at Roebeling's Bridge, built in 2008, 70 units

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
1B/2b	2	11%	\$435,000 \$451,000	\$443,000	1,092 1,092	1,092	\$398 \$413	\$406
2B/2b	1	5%	\$515,000 \$515,000	\$515,000	1,081 1,081	1,081	\$476 \$476	\$476
2B/2.5b	15	79%	\$635,000 \$910,000	\$772,500	1,902 2,330	2,116	\$334 \$391	\$365
2B/3b	1	5%	\$1,499,900 \$1,499,900	\$1,499,900	3,285 3,285	3,285	\$457 \$457	\$457
Total	19	100%	\$435,000 \$1,499,900	\$762,547	1,081 3,285	2,015	\$334 \$476	\$378

**\*Resales**

Built in 2008, The Ascent was a pioneering high-rise condo building in downtown Covington. Featuring unique floorplans and design features, the building attracts a more mature audience. Amenities include concierge, fitness center, sauna & steam room, wine cellar, pool & hot tub, dining terrace with grills & fire pit, movie theatre, and two guest condos. Resales within last few years are above.



Veranda at the Views, built in 2020, 18 units

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
3B/2.5/D	7	100%	\$825,000 \$974,722	\$899,861	2,365 2,540	2,453	\$349 \$412	\$367
Total	7	100%	\$825,000 \$974,722	\$899,861	2,365 2,540	2,453	\$349 \$412	\$367

**\*Resales**

Developed by Joshua One these are the newest condos in The View's development. The condos have skyline views from 315-375 SF terraces with luxury finishes marketing to empty nesters. Each of the units comes with 2 parking spots and a garage storage room. Amenities



Ovation, Total 58 Condos under construction, 21 pre-sold

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
2B/2b	3	14%	\$1,129,000 \$2,000,000	\$1,564,500	1,874 1,874	1,874	\$314 \$526	\$835
2B/2.5b	12	57%	\$985,000 \$1,000,000	\$992,500	1,867 1,902	1,885	\$274 \$263	\$527
2B/2b/D	2	10%	\$965,000 \$985,000	\$975,000	1,821 1,821	1,821	\$268 \$259	\$535
4B/4b	4	19%	\$2,000,000 \$2,000,000	\$2,000,000	3,600 3,800	3,700	\$556 \$526	\$541
Total	21	100%	\$965,000 \$2,000,000	\$1,264,452	1,821 3,800	2,223	\$259 \$556	\$569

**\*Pre-sales**

Condos with ground floor commercial space. Currently under construction, 58 luxury condos are planned, and currently preselling. Ovation provides several floor plans that add a half bath or an office as well as more balconies. The largest priced units are regular floor plans that have been combined into one condo. 22 out of the 58 sold and the HOA fees are averaging \$570/mo. ((\$0.256/SF).

\*The unit mix is based on demonstrated unit sales YTD.  
For older buildings this only includes sales from Sept. 2020 to present

Source: NCG, Zillow, Kenton County



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 54 Townhome Comparables



Boone Block, built in 2016, 9 homes

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
2B	2	100%	\$450,000 \$506,000	\$478,000	2,185 2,467	2,326	\$206 \$205	\$206
<b>Total</b>	<b>2</b>	<b>100%</b>	<b>\$450,000 \$506,000</b>	<b>\$478,000</b>	<b>2,185 2,467</b>	<b>2,326</b>	<b>\$206 \$205</b>	<b>\$206</b>

\*Resales

Adaptive reuse project in downtown Covington. Three-story townhomes with exposed brick and a garage/flex space off of the kitchen with street access. Common courtyard behind building.



The Views, Phased dev. Built 2010-2016, Estimated 75 units

Unit Type	Unit Count	Unit Mix*	Sales Price Range	Average (\$)	Unit Size Range (SF)	Avg (SF)	Effective PSF	Avg (\$/SF)
2B/2.5b	5	50%	\$423,000 \$480,000	\$451,500	1,980 2,510	2,245	\$214 \$191	\$202
3B/3.5b	4	40%	\$525,000 \$563,300	\$544,150	2,700 2,840	2,770	\$194 \$198	\$196
4B/4b	1	10%	\$689,900 \$689,900	\$689,900	2,900 2,900	2,900	\$238 \$238	\$238
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>\$423,000 \$689,900</b>	<b>\$512,400</b>	<b>1,980 2,900</b>	<b>2,521</b>	<b>\$191 \$238</b>	<b>\$203</b>

\*Resales

With first homes built in 2010, the Views has ranch style and 2-3 story townhomes. A short drive from downtown Covington with Cincinnati skyline views. Originally attracted young professional couples/families. Buyer audience has shifted to include families with older children and empty nesters. Veranda at the Views is the latest development adjacent to the existing townhomes and will share existing amenities.

\*The unit mix is based on demonstrated unit sales YTD. For older buildings this only includes sales from Sept. 2020 to present

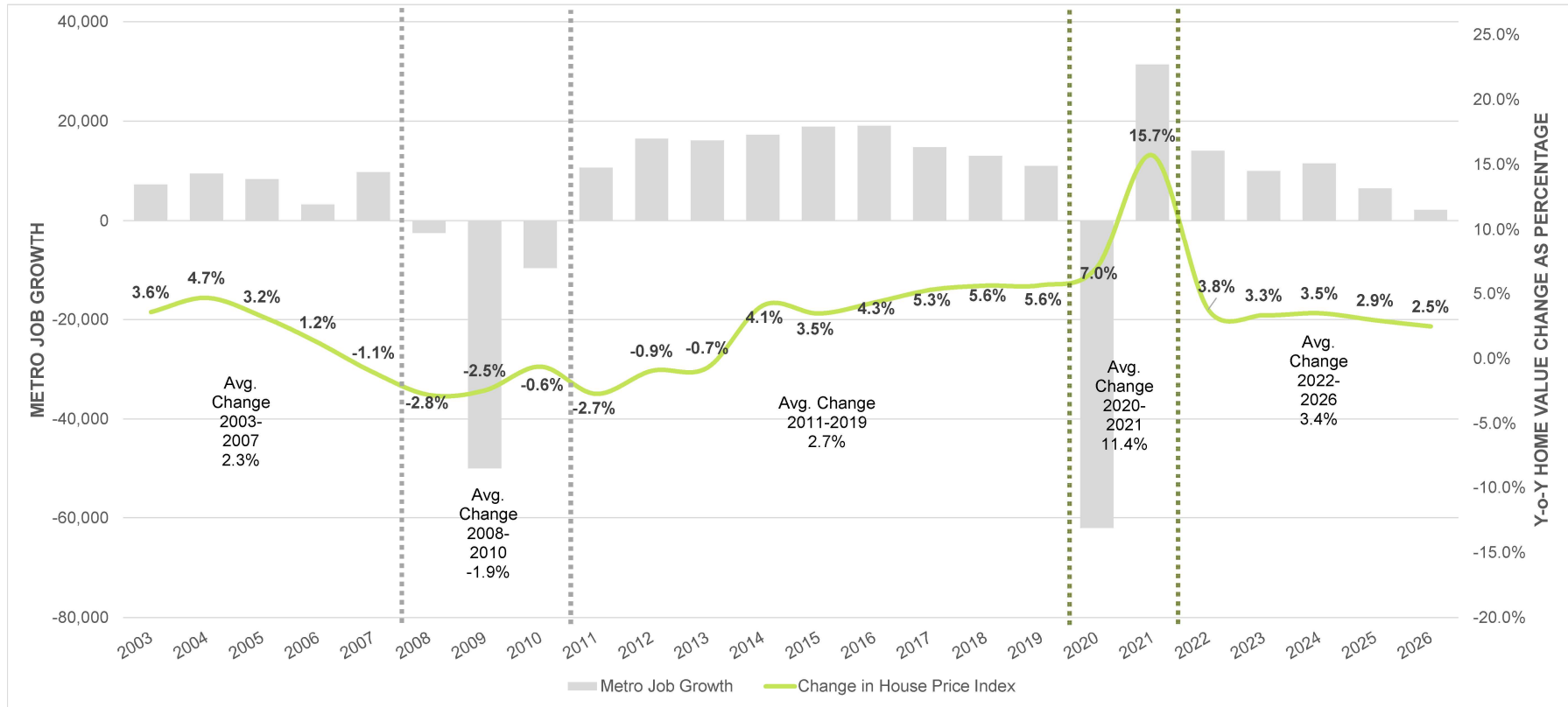
Source: NCG, RedFin, Berkeley County Tax Assessor

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 55

Cincinnati Metro Home Price Trends - US Federal Housing Finance Agency Housing Index

Updated - September 2022



This exhibit expresses the change in home values as a percentage increase/decrease from the previous year based on the US Federal Housing Finance Agency's Housing Index for the Cincinnati metro. It then uses a historic correlation model based on annual job growth versus the home price index change (historically an approximate 76% correlation from 2003-2019 minus a few outlier years) to forecast what will happen with home prices going forward as a result of the COVID recession and forecasted recovery. Based on the 2020 job loss due to COVID-19, one would have expected the index to drop, but it in fact surged as those of means continued to buy despite the pandemic, and limited supply continued to push pricing to record levels in 2021. Going forward we forecast the market will come back to a more normalized state of supply/demand balance, however strong forecasted job gains, and potentially still supply constraints with the cost of lumber, is likely to result in strong continued growth of the index and thus home prices through 2026. That said, higher interest rates will temper these gains by 100-200 basis points below 2014-2019 levels.

SOURCE: Noell Consulting Group, US Federal Housing Finance Agency, Moody's/Economy.com





# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

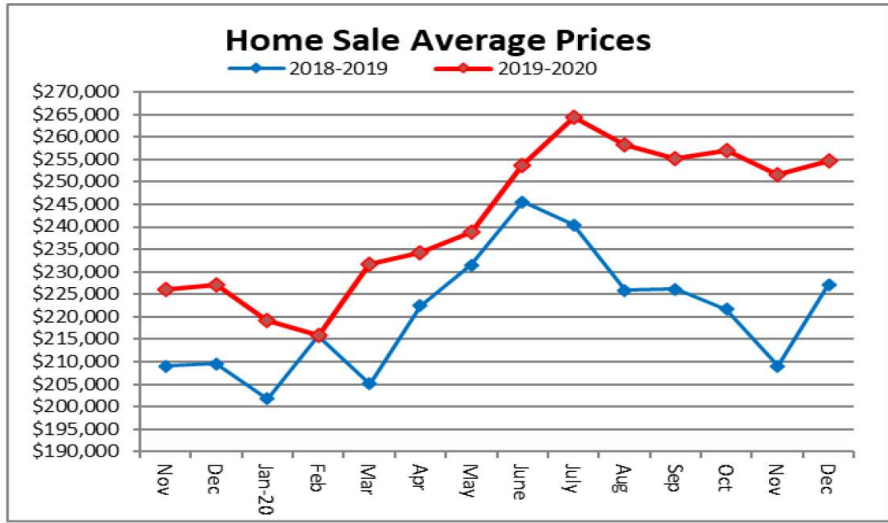
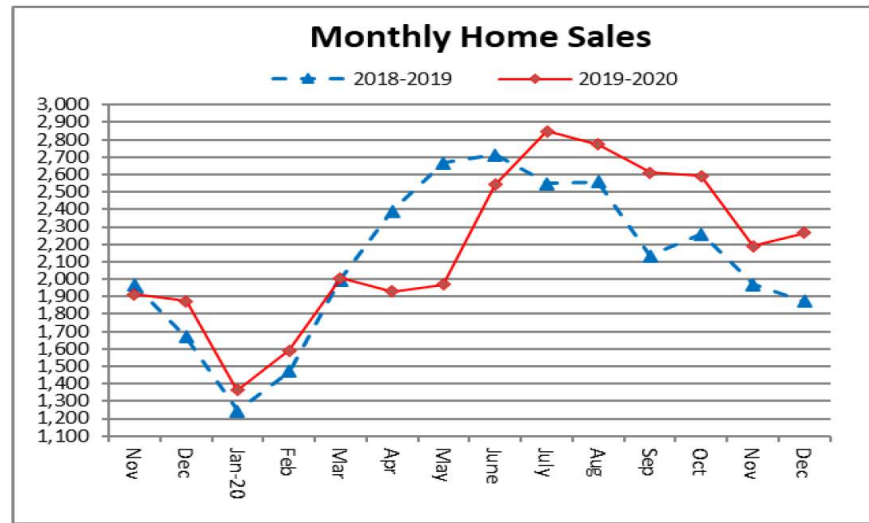
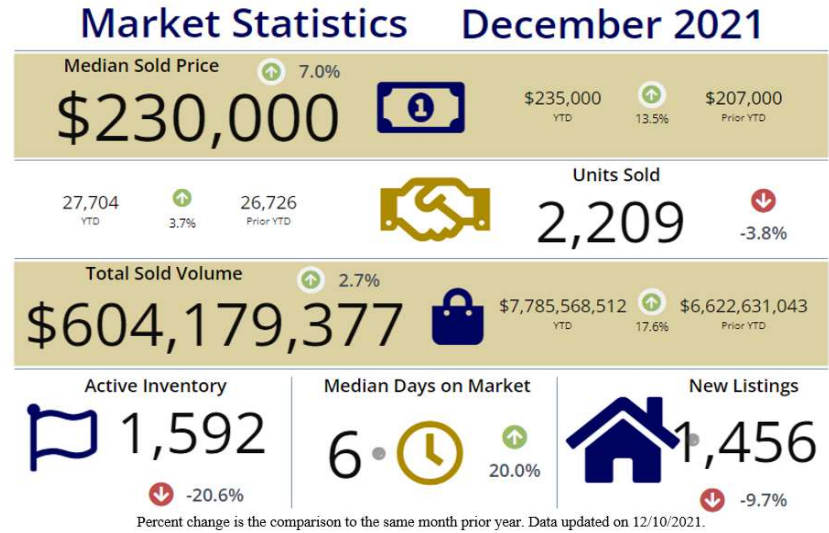
Updated - September 2022

## Exhibit 56 Cincinnati Metro and Downtown Covington Market Evolution Since Last Study

While the COVID pandemic resulted in metro wide pricing increases, a loss in net migration resulted in more limited demand with 2019-2020 sales more inline with historic averages seen in 2018-2019, and 2021 actually resulting in a decrease of over 2,200 sales. As previously discussed, the pandemic did result in strong price appreciation with 2020 seeing 7%, and 2021 seeing nearly 15% annual growth rates.

In the Downtown Covington attached market this pricing power has been witnessed in resales at our selected competitive set increasing over 8% since our last study. That said, Downtown Covington has not witnessed delivery of new attached homes since our last study resulting in no recommended adjustments to our previously forecasted sales capture potential and thus recommended demand level for the subject site.

While closings have not yet occurred, pre-sales at neighboring Ovation in Newport support our previous recommendations, with over 22 new sales in just 7 months of selling and at extremely high price points (Avg \$1.2M at \$569/SF).



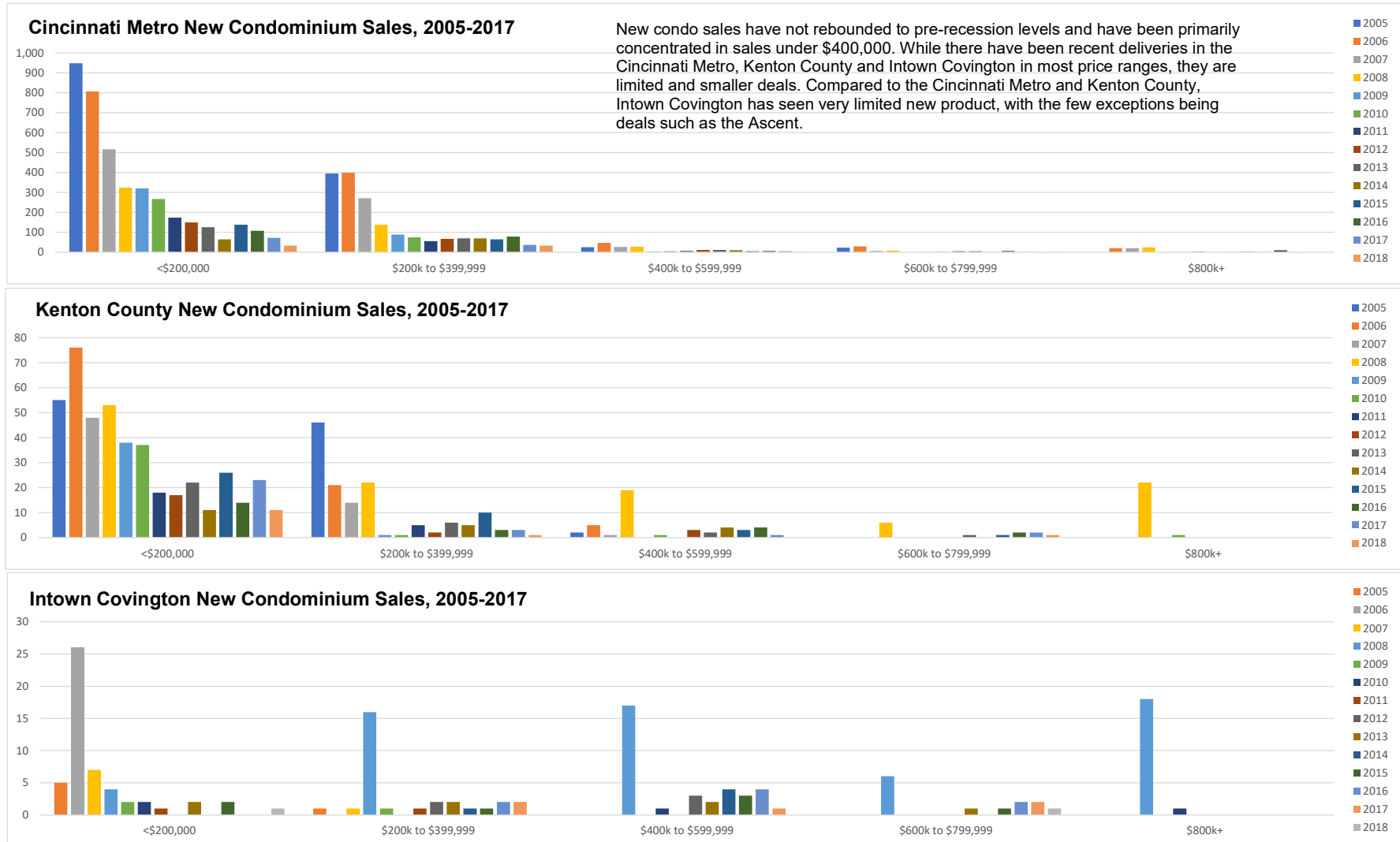
Source: NCG, Cincinnati Area Board of Realtors



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 57

### New Sale History of Condominium Product in the Cincinnati Metro, Kenton County and Intown Covington



\*Intown Covington is comprised of zip codes 41011 and 41014.

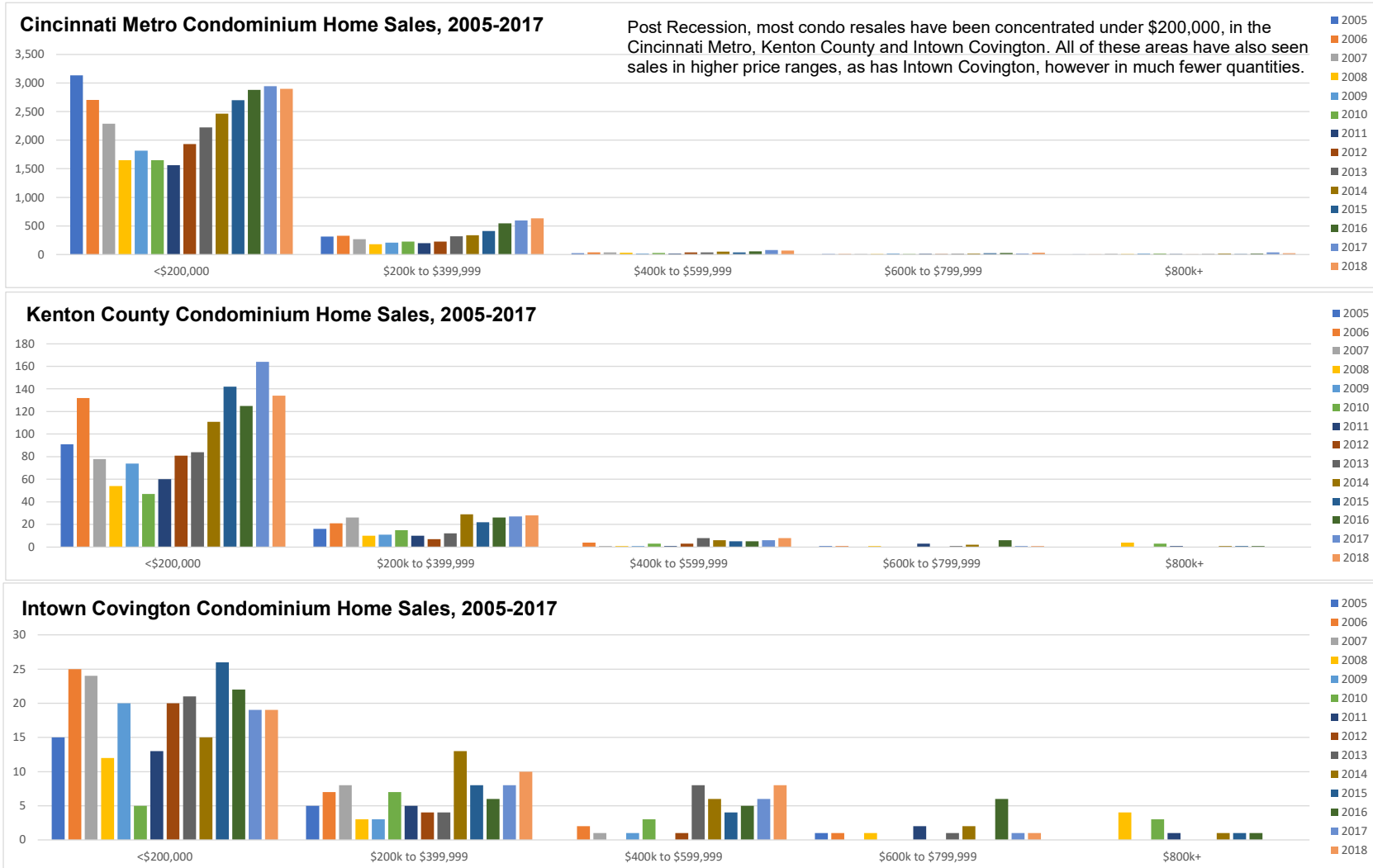
Source: NCG, MetroStudy



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 58

### Sale History of Existing Condominium Product in the Cincinnati Metro, Kenton County and Intown Covington



\*Intown Covington is comprised of zip codes 41011 and 41014.

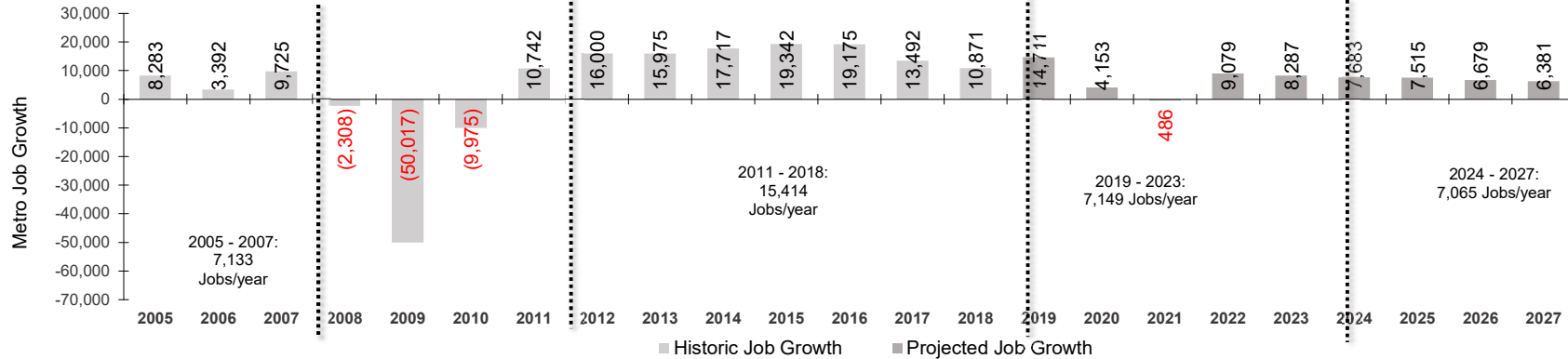
Source: NCG, MetroStudy



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

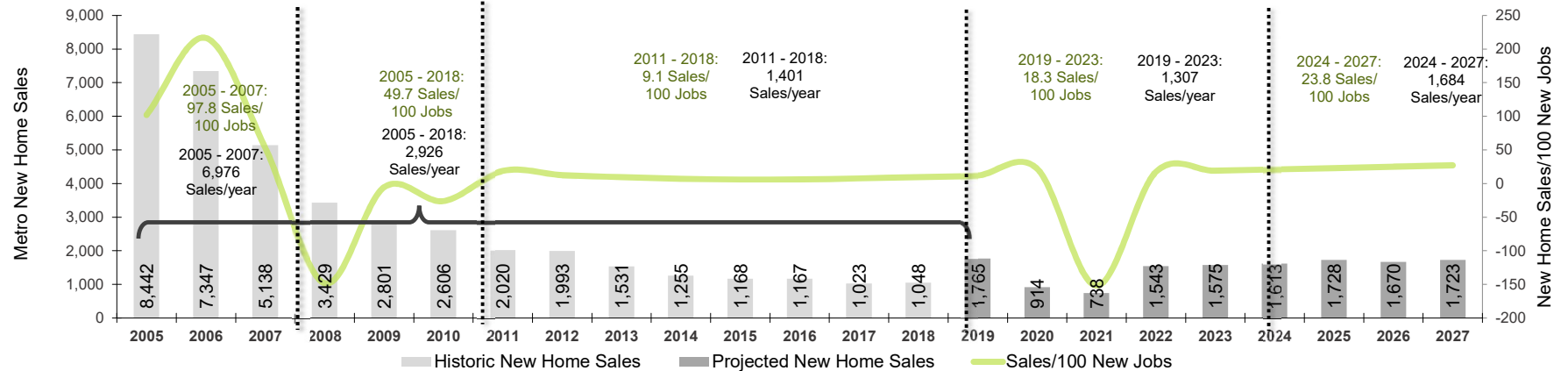
Exhibit 59  
Historic and Projected Job Growth to New Home Sales Relationship in the Cincinnati Metro

## CINCINNATI METRO JOB GROWTH



New home sales have not risen to pre-recessionary activity levels. Due to supply constraints, new home sales have been dropping since 2005. Despite a small bump in 2019, While new home sales have steadily risen since 2011, Moody's projects a slow down in job growth in 2020 and 2021 leading to lower new home sales. Despite the slow down, NCG projects nearly 1,300 new home sales annually from 2019 to 2023, which equates to 18.3 sales per 100 net new jobs, and just over 1,700 new home sales from 2024 to 2027, or 24 sales per 100 net new jobs.

## CINCINNATI METRO NEW HOME SALES



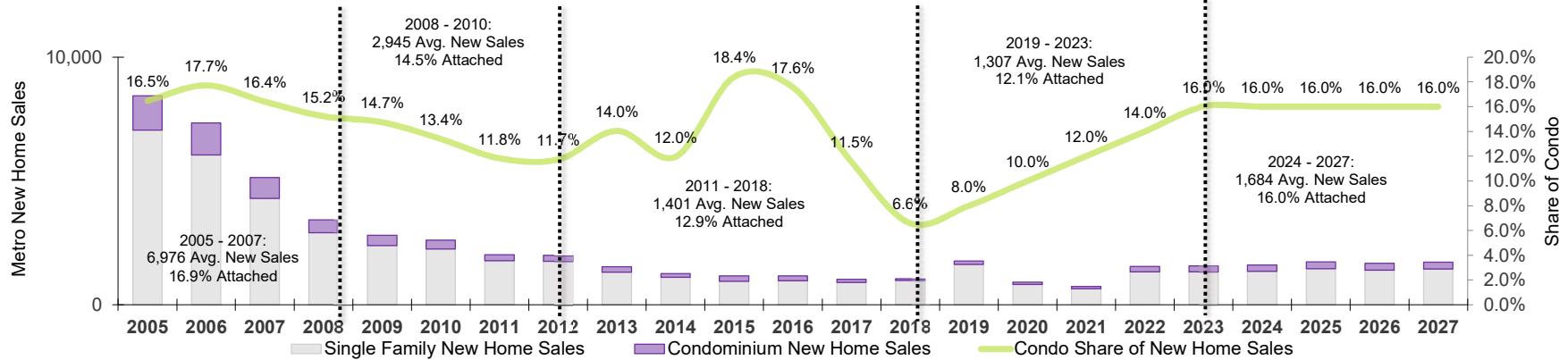
SOURCE: Noell Consulting Group, DQNews/CoreLogic and Economy.com | Moody's Analytics



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

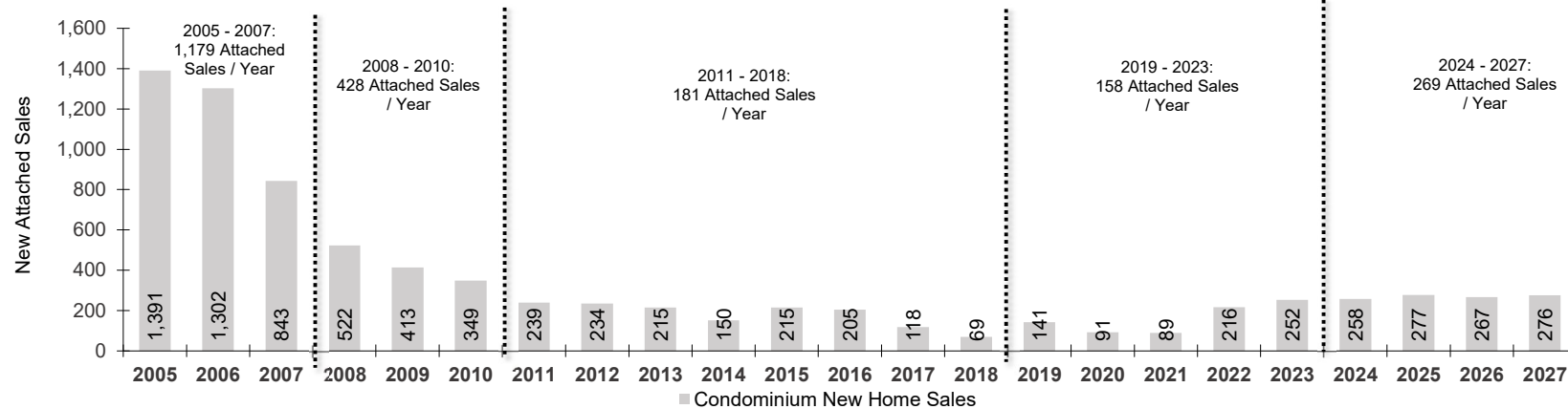
Exhibit 60  
Cincinnati Metro New Home Sales and Condominium Share

## CINCINNATI METRO NEW HOME SALES & CONDOMINIUM CAPTURE



New condominium sales accounted for 16.9% of all new home sales pre-recession. Post recession, new condominium sales have declined, as did single family. Historically, the number of condo sales as a component of total sales has fluctuated, dipping down to 6.6% in 2018. Moving forward, with many households being priced out of detached product and many metro counties maturing and lacking large quantities of single family detached lots, NCG projects condos to become more prevalent, accounting for 12% of all new sales from 2019 to 2023 and up to 16% on average between 2024 and 2027. This equates to roughly 158 condo new sales annually between 2019 and 2023 and 269 condo new sales annually between 2024 and 2027.

## CINCINNATI METRO NEW CONDOMINIUM HOME SALES



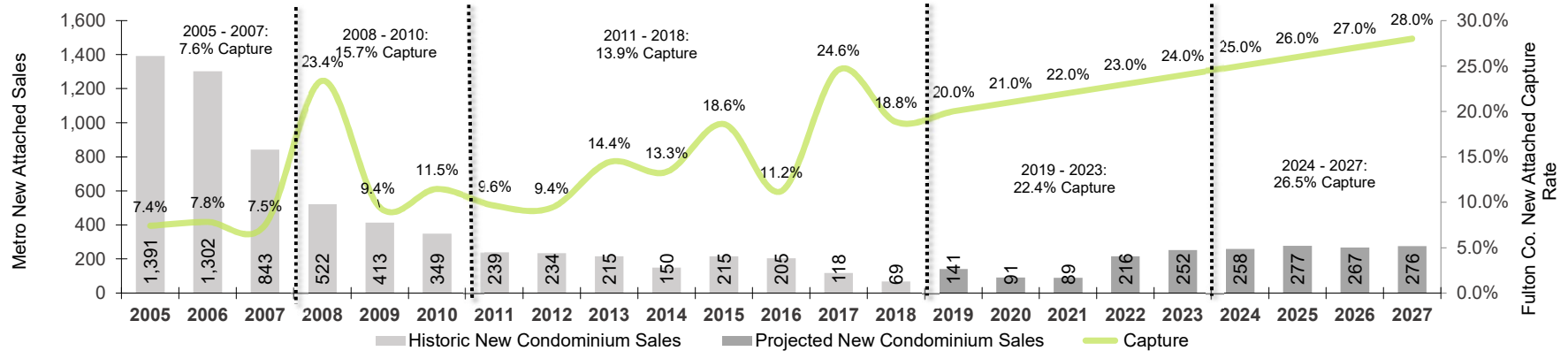
SOURCE: Noell Consulting Group and Costar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

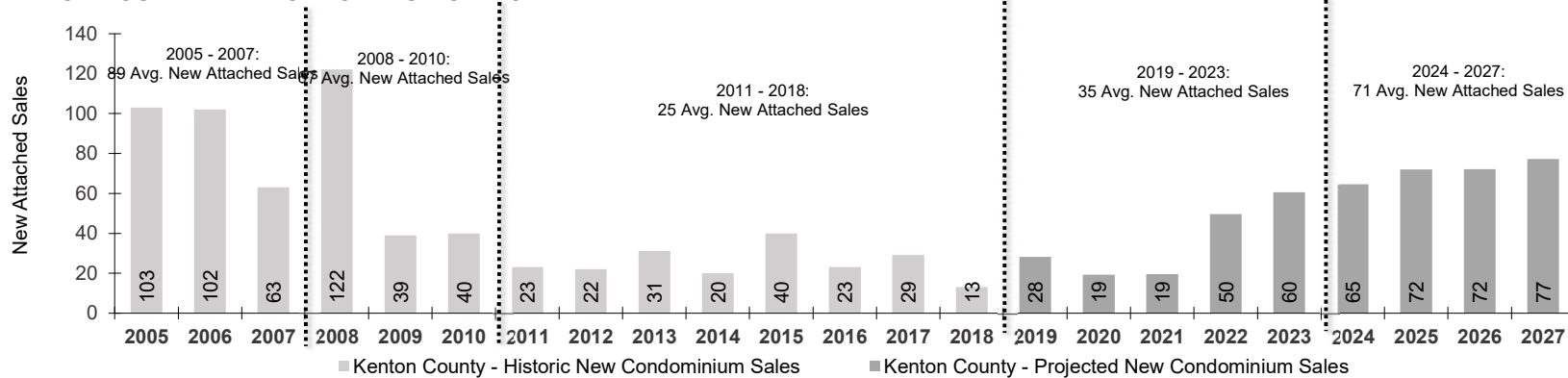
Exhibit 61  
Kenton County Capture of Cincinnati Metro New Condominium Sales

## CINCINNATI METRO NEW CONDOMINIUM SALES & KENTON COUNTY CAPTURE



From 2005 to 2017, Kenton County captured 13.4% on average of all new condominium sales. While captures have historically fluctuated, moving forward, NCG projects Kenton County's share to increase to 20% and up to 28% by 2027. This equates to 35 annual sales from 2019 to 2023 and 71 annual sales from 2024 to 2027.

## KENTON COUNTY NEW CONDOMINIUM SALES



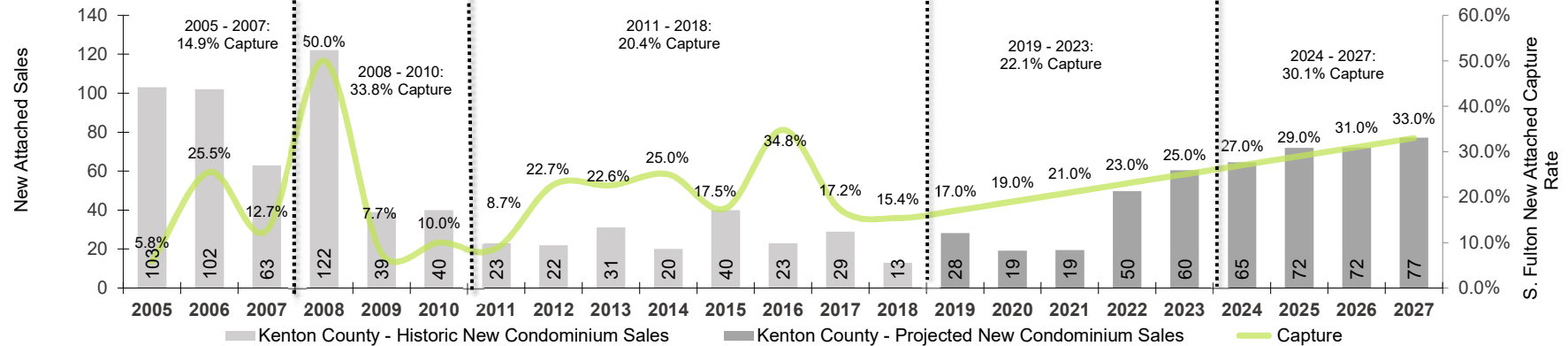
SOURCE: Noell Consulting Group and Costar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

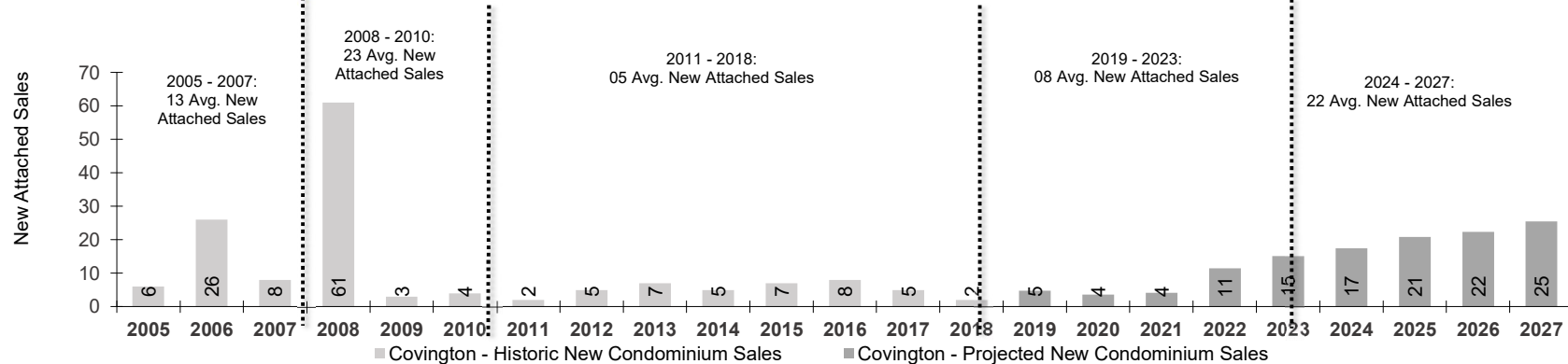
Exhibit 62  
Intown Covington Capture of Kenton County New Condominium Sales

## KENTON CO. NEW CONDOMINIUM SALES & INTOWN COVINGTON CAPTURE



Intown Covington has seen fluctuating captures of Kenton County's new condominium sales. On average, post-recession, Intown Covington has seen a capture of 20.4% of Kenton County's new condominium sales. With this capture of Kenton County sales, it is likely that these are small 5 to 10 unit deals, common for a small urban area. Moving forward, we project the capture rate to rise as many are priced out in other areas of the county, limiting the audience and velocity of new sales. A projected 22% capture rate from 2019-2023 equates to an average of 8 new condominium sales annually. Between 2024 and 2027, NCG projects an average annual capture of 30%, resulting in an annual average of 22 new condominium sales.

## INTOWN COVINGTON NEW CONDOMINIUM SALES



Note: Intown Covington submarket is comprised of two zip codes 41011 and 41014 that most closely resemble the earlier defined Intown Covington submarket.

SOURCE: Noell Consulting Group and Costar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 63 Summary of New Attached For-Sale Demand, Intown Covington

	2005-2018	2011-2018	FORECAST									2019-2023	2024-2027
	Average	Average	2019	2020	2021	2022	2023	2024	2025	2026	2027	Average	Average
Employment Growth in the Metro <sup>1</sup>	5,887	15,414	14,711	4,153	-486	9,079	8,287	7,683	7,515	6,679	6,381	7,149	7,065
Historic & Projected Jobs to Total New Home Sales in Metro Per 100 Jobs	49.7	9.1	12.0	22.0	-152.0	17.0	19.0	21.0	23.0	25.0	27.0	18.3	23.8
Historic & Projected Total New Home Sales in Metro	2,926	1,401	1,765	914	738	1,543	1,575	1,613	1,728	1,670	1,723	1,307	1,684
Percentage New Condo Sales of Total New Sales	15.3%	12.9%	8.0%	10.0%	12.0%	14.0%	16.0%	16.0%	16.0%	16.0%	16.0%	12.1%	16.0%
Historic & Projected New Condo Sales in Cincinnati Metro	448	181	141	91	89	216	252	258	277	267	276	158	269
Kenton County Capture of Cincinnati Metro New Condo Sales	10.7%	13.9%	20.0%	21.0%	22.0%	23.0%	24.0%	25.0%	26.0%	27.0%	28.0%	22.4%	26.5%
Historic & Projected New Condo Sales in Kenton County	48	25	28	19	19	50	60	65	72	72	77	35	71
Intown Covington Capture of Kenton County New Condo Sales	22.2%	20.4%	17.0%	19.0%	21.0%	23.0%	25.0%	27.0%	29.0%	31.0%	33.0%	22.1%	30.1%
Historic & Projected New Condo Sales in Intown Covington	11	5	5	4	4	11	15	17	21	22	25	8	22
<b>Historic &amp; Projected New Condo Sales in 41011 and 41014</b>	<b>11</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>11</b>	<b>15</b>	<b>17</b>	<b>21</b>	<b>22</b>	<b>25</b>	<b>8</b>	<b>22</b>

### NOTES:

- Employment growth from Economy.com.
- For the purpose of NCG's supply and demand analysis the Primary Market Area (PMA) is defined as Intown Covington, which is comprised of 41011 and 41014.
- Potential Fair Share capture is based on projected project delivery and projected price positioning of the units at the subject site. A 75% capture rate is used at all price points given no pipeline currently exists in the 2022+ timeframe.
- Assuming a three year total sales period, the subject site could support a 35-50 unit condo development resulting in a sales pace of 3 to 4 units/month.

Projected Price Distribution	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<\$200,000	0	0	0	0	0	0	0	0	0	0
\$200k to \$399,999	1	1	1	2	2	2	1	0	0	11
\$400k to \$599,999	2	2	2	6	9	10	13	14	16	76
\$600k to \$799,999	1	1	1	2	3	3	4	5	6	26
\$800k+	0	0	0	1	1	2	2	3	3	13
Potential Fair Share Capture <sup>3</sup>	2019	2020	2021	2022	2023	2024	2025	2026	2027	
<\$200,000	-	-	-	0%	0%	0%	0%	0%	0%	
\$200k to \$399,999	-	-	-	75%	75%	75%	75%	75%	75%	
\$400k to \$599,999	-	-	-	75%	75%	75%	75%	75%	75%	
\$600k to \$799,999	-	-	-	75%	75%	75%	75%	75%	75%	
\$800k+	-	-	-	75%	75%	75%	75%	75%	75%	
Potential Yearly Capture:	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
<\$200,000	-	-	-	0	0	0	0	0	0	0
\$200k to \$399,999	-	-	-	2	2	1	1	0	0	6
\$400k to \$599,999	-	-	-	5	7	8	10	11	12	52
\$600k to \$799,999	-	-	-	2	2	3	3	4	4	18
\$800k+	-	-	-	1	1	1	2	2	2	9
<b>Potential Yearly Capture:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>11</b>	<b>13</b>	<b>16</b>	<b>17</b>	<b>19</b>	<b>85</b>

\*Please note that there could be some rounding errors in price band estimates

Note: Intown Covington submarket is comprised of two zip codes 41011 and 41014 the most closely resemble the earlier defined Intown Covington submarket.

SOURCE: Noell Consulting Group, DQNews

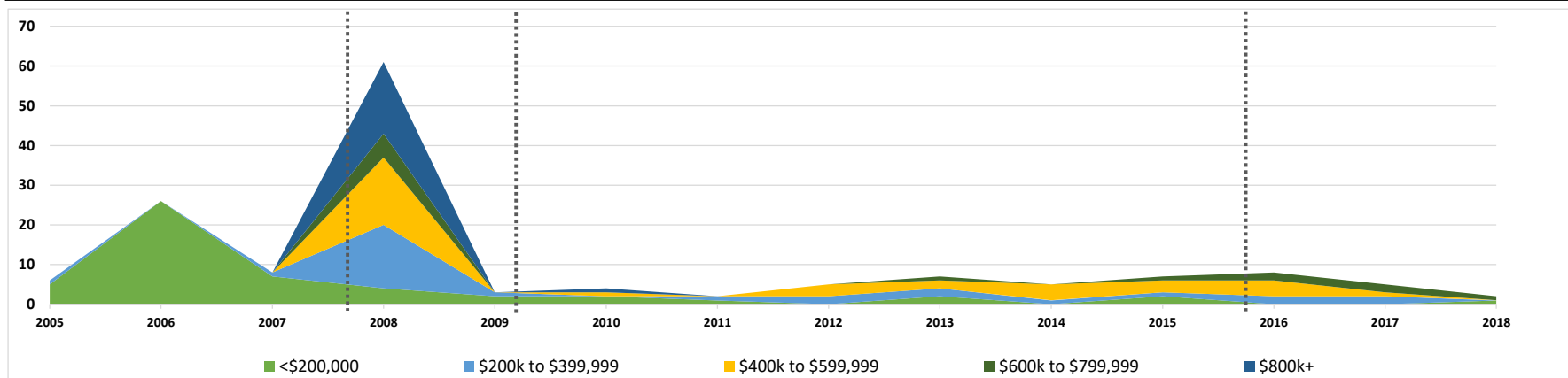




# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

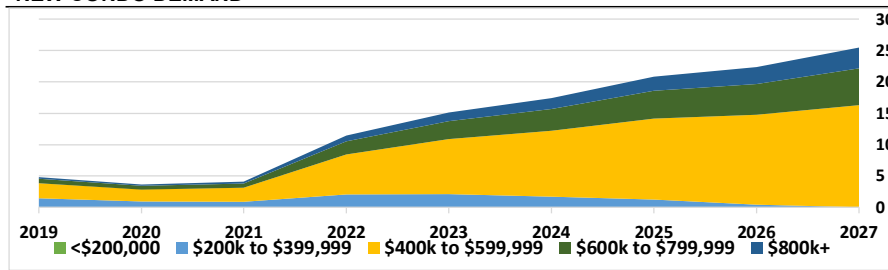
Exhibit 64  
Intown Covington New Condo Absorption Price Distribution

### INTOWN COVINGTON NEW CONDO SALES



The chart above illustrates the number of Intown Covington new condo sales per year by price point. The chart below illustrates future demand depth for new condos by year and by price point. It is a visual representation of the data to the bottom right. As can be seen, condos hit a pre-Recession peak around 2008 before falling in 2009. The condo market has yet to recover, but NCG believes this will begin to change in 2022, as demand for intown urban product continues to climb. NCG believes the bulk of these new condo sales will be in the \$400,000 to \$600,000 range.

### NEW CONDO DEMAND



PRICE RANGE	2019	2020	2021	2022	2023	2024	2025	2026	2027
<\$200,000	0	0	0	0	0	0	0	0	0
\$200k to \$399,999	1	1	1	2	2	2	1	0	0
\$400k to \$599,999	2	2	2	6	9	10	13	14	16
\$600k to \$799,999	1	1	1	2	3	3	4	5	6
\$800k+	0	0	0	1	1	2	2	3	3
<b>TOTAL</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>11</b>	<b>15</b>	<b>17</b>	<b>21</b>	<b>22</b>	<b>25</b>

PIPELINE	Units	Delivery	Price Range
3rd and Scott (Urban Sites)	16	1Q2019	TBD
Bradford Building	5	1Q2019	\$300,000 to \$500,000
Veranda @ The Views (just outside Intown Covington market)	18	2020	\$800,000 to \$2mil

SOURCE: Noell Consulting Group and Costar



# Office Analysis

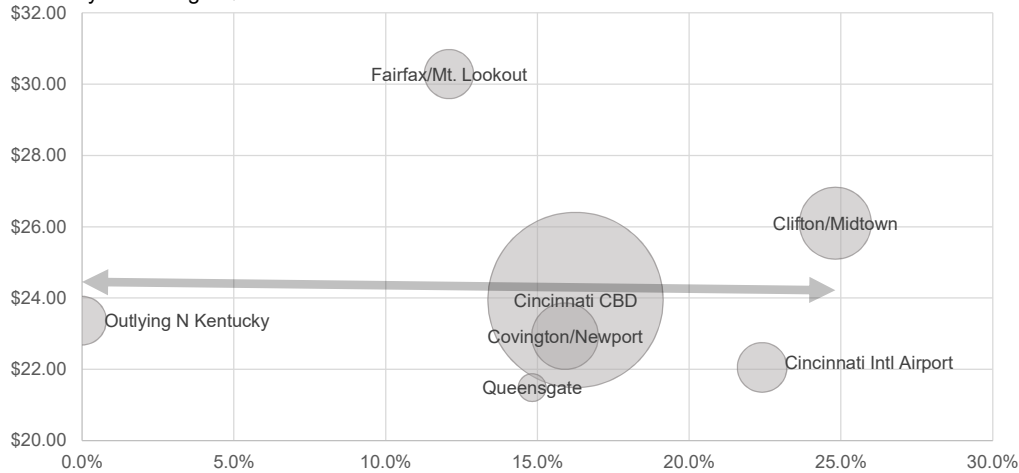
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 65 Cincinnati Metro Select Submarkets Class A Office Market Summary

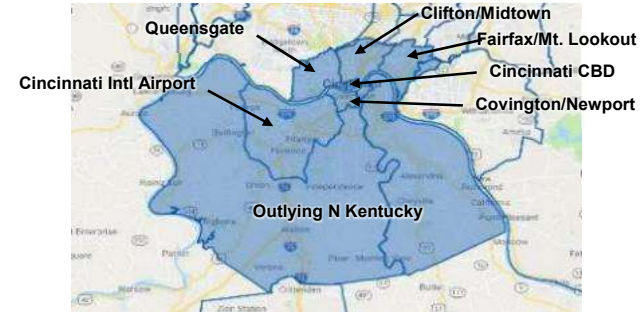
### Office Market Snapshot

Vacancy vs Average Quoted Rents w/ Trend Line



The table below offers a summary of the Covington/Newport submarket, as well as surrounding submarkets including Cincinnati CBD, close Cincinnati suburbs and surrounding areas in Northern Kentucky. These markets represents 58% of the Cincinnati Metro office market, with the Cincinnati CBD representing over half of these submarkets combined.

As of YTD 2022, most office submarkets in the Cincinnati metro has been hit hard by Covid, with the subject location, the Covington/Newport office market, having the third highest vacancy rate of 15.9%. Further, the Covington/Newport submarket, accounts for only 5.4% of the space in the surrounding area and has the fifth highest average rents. However, compared to other surrounding submarkets, Covington has experienced on par annual growth rate, but is one of two submarkets to have deliveries in the 12 months. Of note, the Covington/Newport and Cincinnati Intl Airport submarkets account for nearly 50% of the absorption activity in the core over the past year.



### Cincinnati Metro Select Submarkets Office Market Statistics

Office Market	Total Existing SF	Share of Market	Total Vacant SF	Current Vacancy Rate	Avg. Quoted Rates	Annual Rent Growth	12 Mo. Net Absorption	Share of Net Abs.	Fair Share Index of Abs.	U/C	12 Month Deliveries
Cincinnati CBD	11,858,001	36.8%	1,927,755	16.3%	\$23.94	1.9%	(492,366)	117.9%	3.2	0	0
Clifton/Midtown	2,019,694	6.3%	501,248	24.8%	\$26.10	2.0%	249,963	-59.9%	(9.6)	0	377,674
Covington/Newport	1,730,164	5.4%	275,304	15.9%	\$22.93	1.5%	(102,486)	24.5%	4.6	100,000	71,271
Fairfax/Mt. Lookout	951,045	3.0%	114,972	12.1%	\$30.28	2.1%	(57,756)	13.8%	4.7	0	0
Outlying N Kentucky	929,610	2.9%	0	0.0%	\$23.36	2.0%	0	0.0%	0.0	0	0
Cincinnati Intl Airport	970,656	3.0%	217,475	22.4%	\$22.05	1.5%	(7,857)	1.9%	0.6	0	0
Queensgate	310,212	1.0%	46,001	14.8%	\$21.49	1.6%	(7,000)	1.7%	1.7	0	0
<b>Totals</b>	<b>18,769,382</b>	<b>58.2%</b>	<b>3,082,755</b>	<b>16.4%</b>	<b>\$24.31</b>	<b>1.8%</b>	<b>(417,502)</b>	<b>262.6%</b>	<b>4.5</b>	<b>100,000</b>	<b>448,945</b>
<b>Cincinnati Metro Totals (all submarkets)</b>	<b>32,228,273</b>	<b>-</b>	<b>4,580,927</b>	<b>14.2%</b>	<b>\$24.82</b>	<b>1.9%</b>	<b>(188,867)</b>	<b>-</b>	<b>-</b>	<b>145,000</b>	<b>513,845</b>

SOURCE: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

Exhibit 66

Cincinnati/N. Kentucky Metro Office Movement

Given the size of the IRS site, there is an opportunity to attract a large employer. Based on interviews with office brokers, NCG recommends investing in growing the areas amenities and workforce in attempts to attract employers to the CBD. Historically, Northern Kentucky has seen the impacts of large incentive packages in relocating large employers. We recommend a sustainable approach to attract business by improving community amenities and the lifestyle of Covington's CBD to ensure long term stability. Additionally, investment in workforce development will help position the Downtown area in attracting sustainable employers.

## Relocation Motivators

### Needs

Downsize / Growth

Workforce

Cost of Relocation



### Space

Office configuration (open concept vs. traditional office)

Area Amenities (dining, housing, retail, etc.)

Office Product Appeal



Daytime Dining, Entertainment, Walkability

### Incentives

Job Creation Tax Credits

Local / State Infrastructure Investments



Parking, Technology, Utilities

## Historic Relocation



1981



1997

2011



2022



2020



YTD 2022

Omnicare founded. First headquarters locates in Downtown Cincinnati.

Source: NCG, CoStar

Omnicare moves its headquarters from Cincinnati to RiverCenter in Covington.

Omnicare moves it's headquarters back to Cincinnati leasing 150,000 SF at Atrium One. The move is driven by city and state tax incentives.

- Ohio Job Creation Tax Credit: over \$5 million in tax credits (50% tax credit for new jobs)

DBL Law moves it's headquarters to Downtown Covington from Cincinnati leasing 30,000 SF at the renovated Monarch Building. The move is driven by city

DeanHouston moves it's headquarters to Downtown Covington from Cincinnati leasing 12,000 SF at Two Rivers Development. The move is driven by city and state tax incentives

Overall, 8 headquarters have moved to Downtown Covington facilitating over \$143 mil. of private investment, creating/retaining over 3,700 jobs, and filling over 420,000 square feet of space.

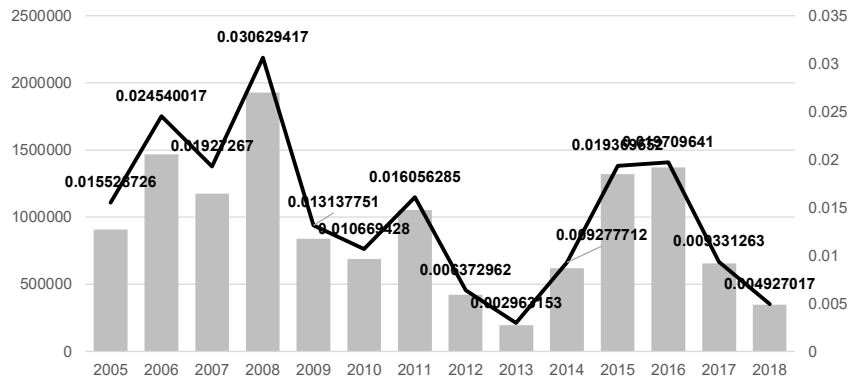


# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 67 Cincinnati Metro Class A Office Market Summary

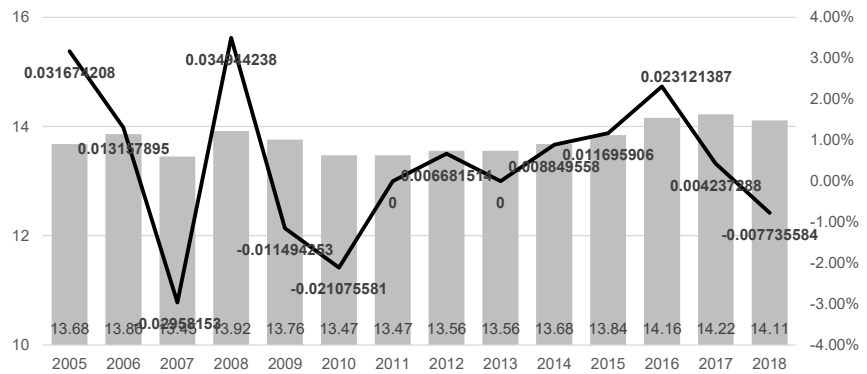
### Cincinnati MSA Class A Office Deliveries

Tracking Class A Office Deliveries & Deliveries as % of Inventory

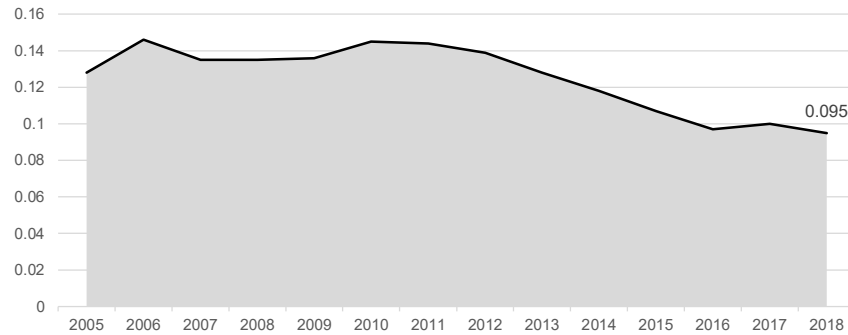


### Cincinnati Metro Class A Office Rents

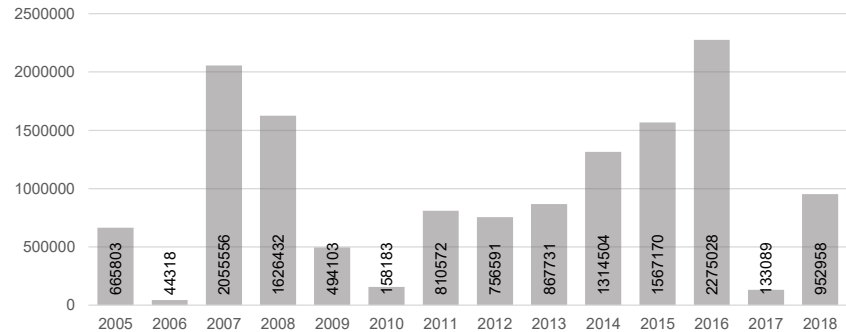
Tracking Class A Office Rents & Rent Growth



### Cincinnati Metro Class A Office Vacancies



### Cincinnati Metro Class A Net Office Absorption



Since the recession, the Cincinnati Class A office market has seen declining vacancies to the current rate of 9.5%, resulting in increasing rental rates, with the exception of slight declines in 2017 and 2018. A lack of new deliveries in 2017 and 2018 has resulted in low absorption, as well as limiting greater rate growth.

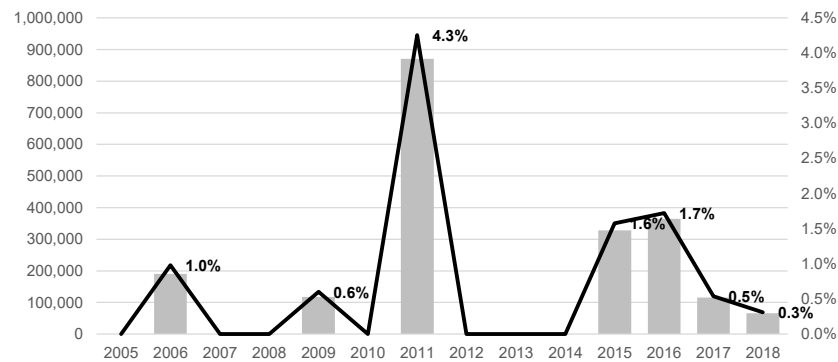
Source: NCG, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 68 Tri-City Intown Core Class A Office Market Summary

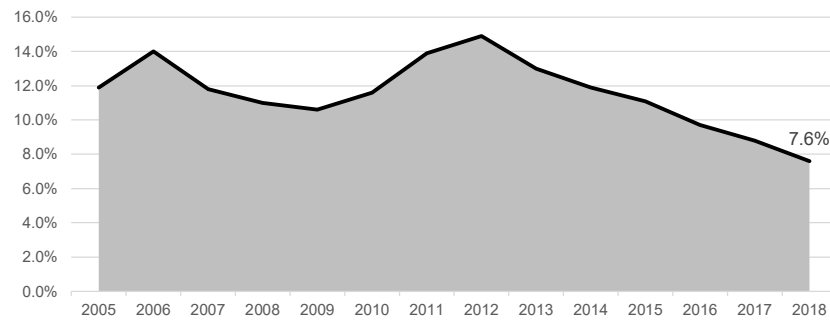
**Tri-City Intown Core Class A Office Deliveries**  
Tracking Class A Office Deliveries & Deliveries as % of Inventory



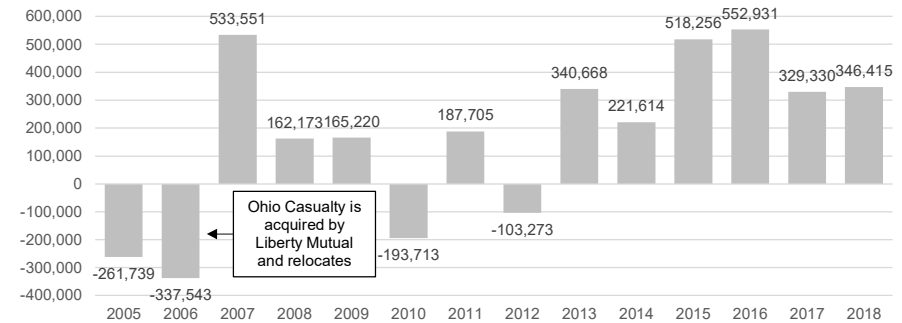
**Tri-City Intown Core Class A Office Rents**  
Tracking Class A Office Rents & Rent Growth



**Tri-City Intown Core Class A Office Vacancies**



**Tri-City Intown Core Class A Net Office Absorption**



The Tri-City Intown Core represents the intown areas of Cincinnati, Newport and Covington. This area has seen very few office deliveries since 2011, when the Great American Tower in downtown Cincinnati delivered. Two smaller deliveries occurred in 2015 (84.51 Building) and 2016.

As expected with few deliveries, vacancy rates have also been declining since 2012. As a result of new product and low vacancies, office rents have risen since 2012.

Source: NCG, CoStar

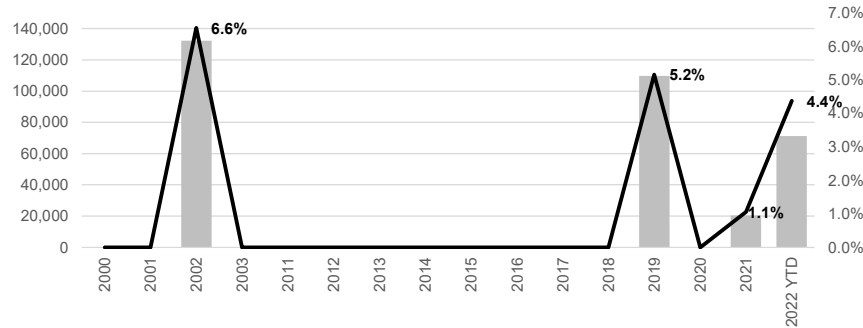


# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

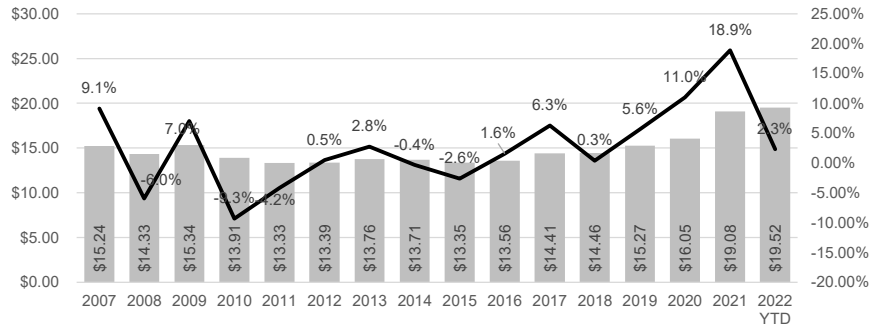
Updated - September 2022

## Exhibit 69 Downtown Covington Class A Office Market Summary

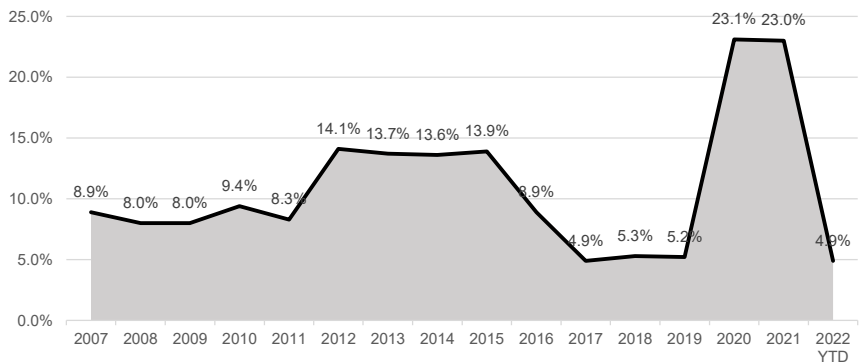
**Downtown Covington Core Class A Office Deliveries**  
Tracking Class A Office Deliveries & Deliveries as % of Inventory



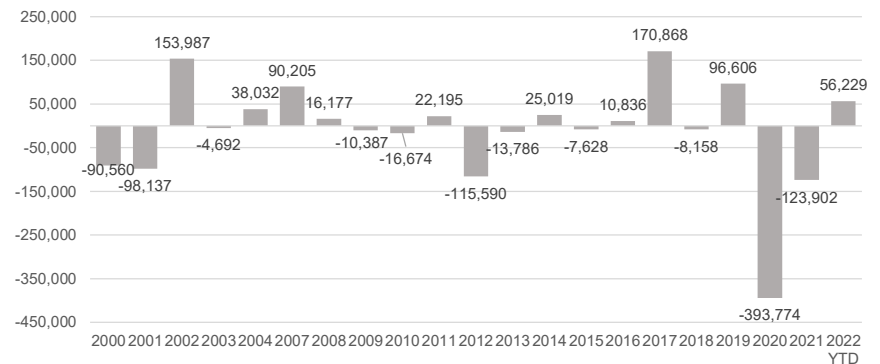
**Downtown Covington Core Class A Office Rents**  
Tracking Class A Office Rents & Rent Growth



**Downtown Covington Core Class A Office Vacancies**



**Downtown Covington Core Class A Net Office Absorption**



YTD 2022, the Downtown Covington submarket has and will see new deliveries of office product not seen since pre-COVID. Much of the office product in Downtown Covington is older, high rise office buildings that have experienced trouble leasing and staying full during the pandemic. After further interviews with market participants the office market is not as bad as it was during the pandemic and the new deliveries are primarily redevelopments of smaller square footage space as businesses looking for office space are opting for the less square footage due to employees choosing to work from home which has impacted the office market in all major cores around the world.

Due to a lack of demand and lack of appropriate product, Downtown Covington has historically seen high vacancies, though with a decline beginning in 2015 and spiking to 23% in 2020-2021 due to the COVID-19 pandemic. However, the market has rebounded and as office tenants are moving in the vacancy rate has decreased to 4.9%.

Source: NCG, CoStar

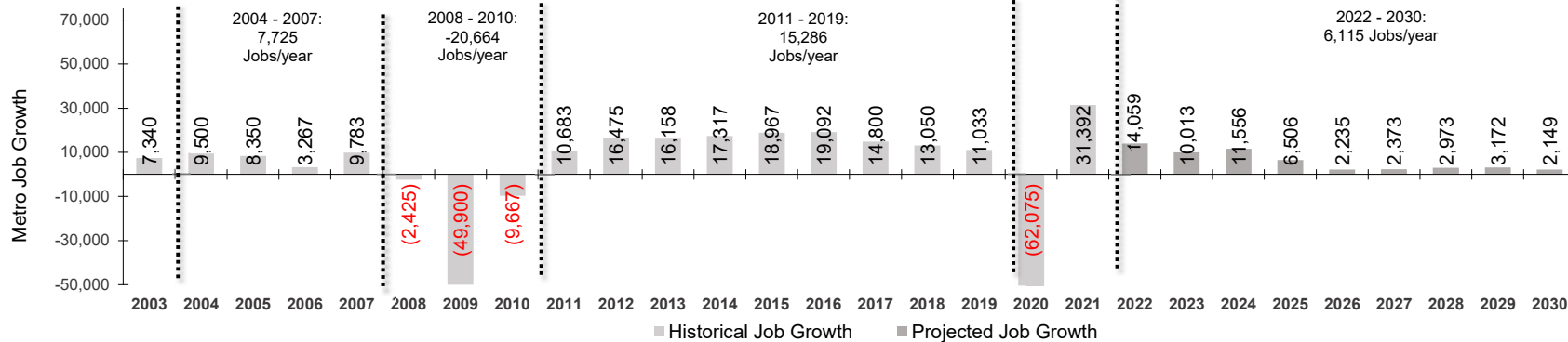


# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

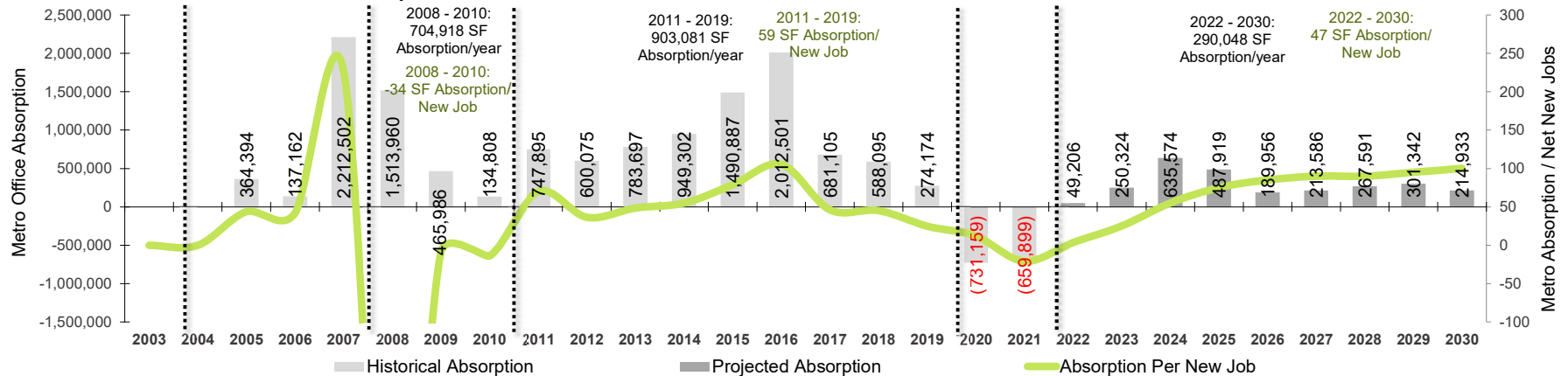
Exhibit 70  
Historical and Projected Job Growth to Office Absorption Relationship in Cincinnati Metro

### Cincinnati Metro Job Growth



Consistently strong job growth since the recession has led to strong net absorption of Class A office space within the Cincinnati Metro, with the exception of a strong dip in 2017. Net absorption per net new job, tracked by the green line in the graph below, has remained relatively consistent, averaging 59 SF per net new job. However, the COVID-19 Pandemic saw a reduction of 62,000 in the Metro and a massive dip in Metro office absorption that is still in the recovery cycle as many employers during the pandemic allowed workers to work from home negating the demand for office space. However, looking towards the future, office absorption is to level out and return to some form of normalcy with a rate of 47 SF absorbed per new job, an absorption rate close but lower than the 59 SF absorption that we saw in 2011-2019. This represents an estimated 20% reduction in demand for a more permanent portion of the market working remotely on a full-time basis.

### Cincinnati Metro Class A Office Absorption



SOURCE: Noell Consulting Group, Costar and Economy.com | Moody's Analytics (Class A is defined as 3, 4 and 5 star properties from CoStar)



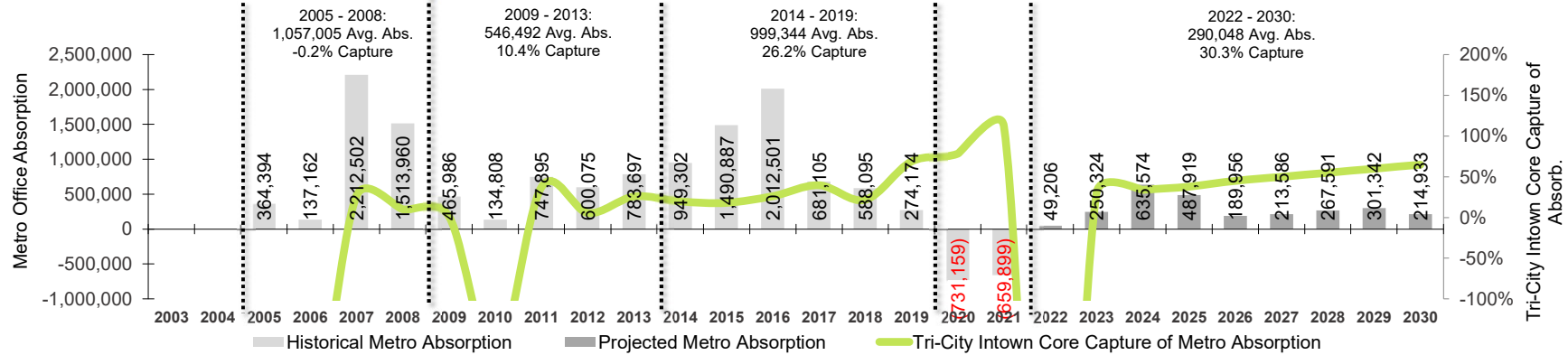


# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 71  
Tri-City Intown Core Capture of Cincinnati Class A Office Absorption

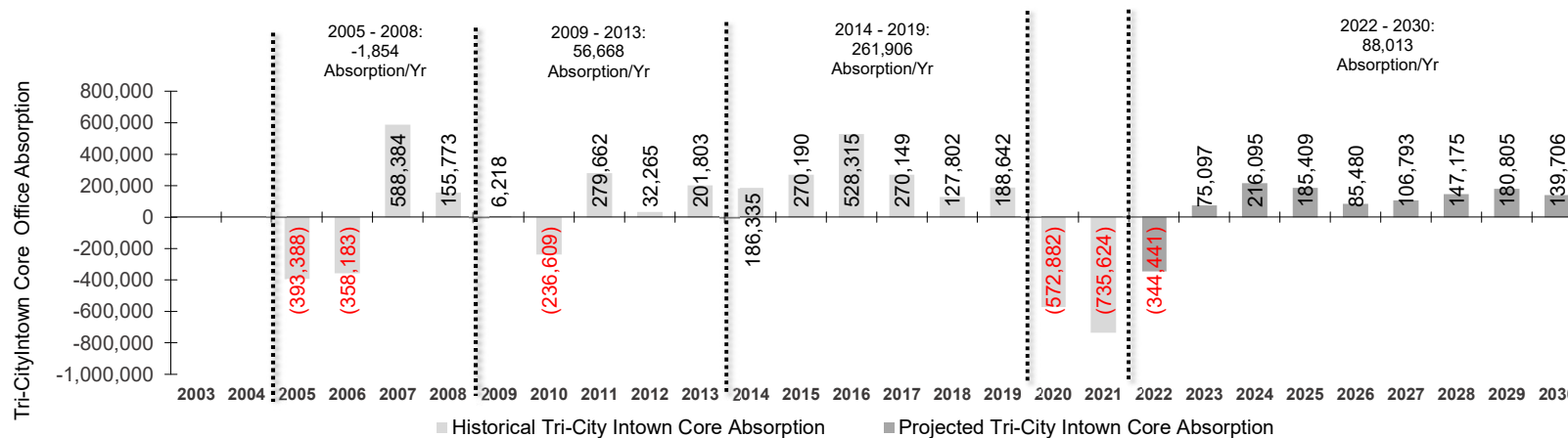
Updated - September 2022

## Cincinnati Class A Office Absorption & Tri-City Intown Core Capture



Since 2007, the Tri-City Intown Core has captured increasingly more of Cincinnati MSA office absorption, with an average capture of 26.6% from 2011-2019. However during the height of the COVID Pandemic (2020-2021) we saw a change of lifestyle for the normal worker which decreased absorption to levels never before seen in this market, and it is projected to continue resulting in a net loss of space through the end of 2022. However, a return to the office is being seen in the market, albeit slow, which will increase the Tri-City's capture of Cincinnati's metro absorption to prepandemic levels of 30.3%.

## Tri-City Intown Core Class A Office Absorption



SOURCE: Noell Consulting Group, Costar and Economy.com | Moody's Analytics (Class A is defined as 3, 4 and 5 star properties from CoStar)

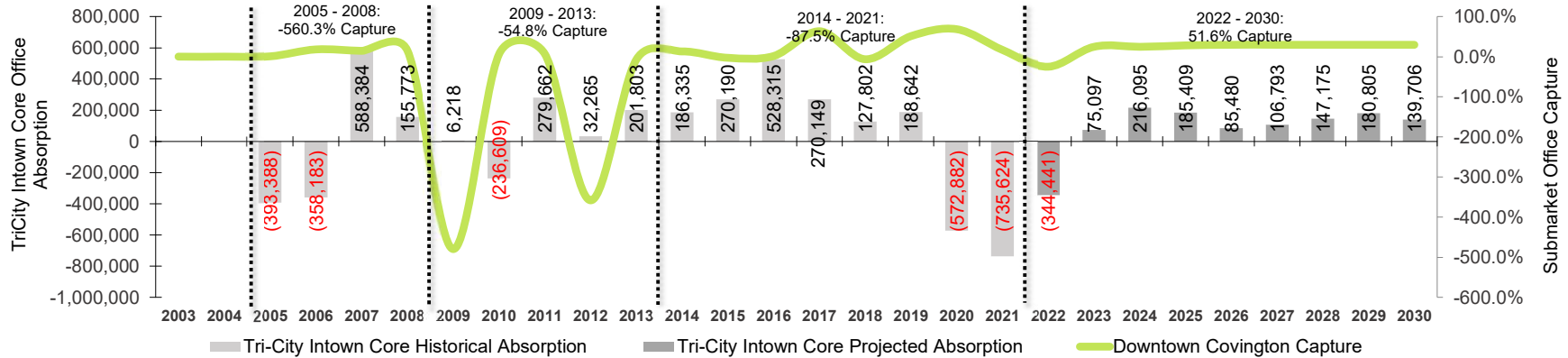


# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

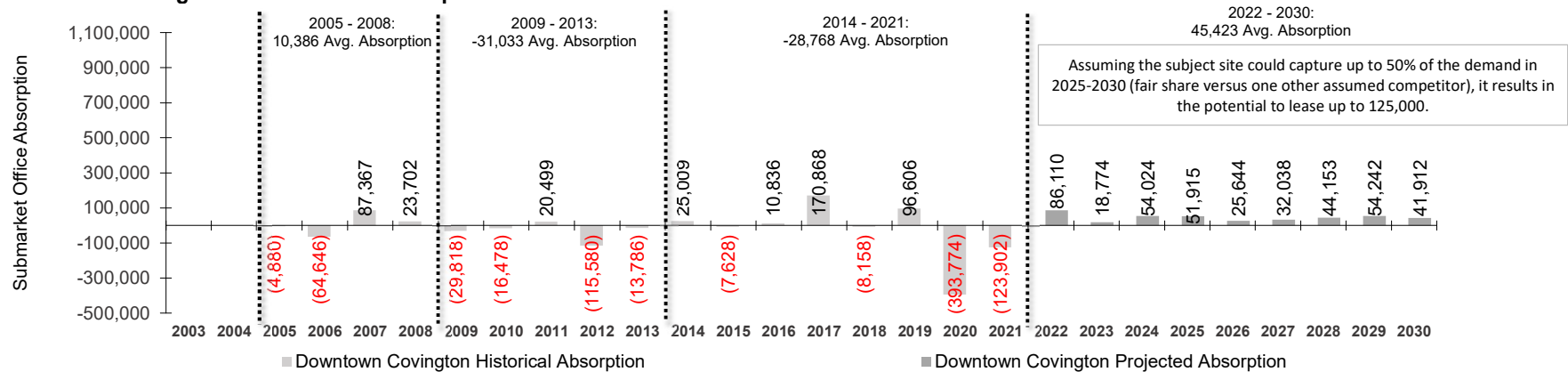
Exhibit 72  
Downtown Covington Capture of Tri-City Intown Core Class A Office Absorption

### Tri-City Intown Core Class A Apartment Absorption & Downtown Covington Capture



Year by year capture varies, and across general time periods Downtown Covington has often had a negative capture rate, however if we examine just years of positive absorption in both Downtown Covington and the Tri-City market, the average capture has been 27.5%. We believe these large fluctuations are often a product of a lack of new space delivery, and in fact during the one year Downtown Covington saw new space delivery (2019) it witnessed a 51% capture of Tri-City office absorption. Moving forward, NCG expects this capture rate of 51% to be possible with new space delivery, particularly in a mixed-use, lifestyle environment. Assuming the subject site would have the potential to capture 50% of all net new office demand in the Downtown Covington market (assumes one additional new competitor per year) it can support up to 125,000 SF from the years of 2025-2030 when new product could be available on-site.

### Downtown Covington Class A Office Absorption



Assuming the subject site could capture up to 50% of the demand in 2025-2030 (fair share versus one other assumed competitor), it results in the potential to lease up to 125,000.

SOURCE: Noell Consulting Group, Costar and Economy.com | Moody's Analytics (Class A is defined as 3, 4 and 5 star properties from CoStar)



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 73

### Estimated Subject Site Office Demand for Class A Office Space, 2019-2023

	Average			2019 - 2023 Projections					2024 - 2027 Projections					Avg & Totals	Avg & Totals
	2017	2018	2013-2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	'19 - '23	'24 - '27	
Cincinnati MSA Employment Growth	13,492	10,871	16,119	14,711	4,153	-486	9,079	8,287	7,683	7,515	6,679	6,381	7,149	7,065	
Cincinnati MSA Class A Office Absorption	133,089	952,958	1,248,550	1,029,788	298,998	194,300	689,985	646,386	614,620	616,230	561,078	548,766	571,891	585,174	
Office SF/Net New Employee	9.9	87.7	77.5	70.0	72.0	-400.0	76.0	78.0	80.0	82.0	84.0	86.0	80.0	82.8	
Tri-City Intown Core Class A Office Absorption	329,330	346,415	393,709	308,936	95,679	66,062	248,395	245,627	245,848	258,817	246,874	252,432	192,940	250,993	
Tri-City Intown Core Capture of MSA	247%	36%	31.5%	30.0%	32.0%	34.0%	36.0%	38.0%	40.0%	42.0%	44.0%	46.0%	33.7%	42.9%	
Downtown Covington Class A Office Absorption	164,832	-21,379	34,570	15,447	6,698	5,946	27,323	31,931	36,877	43,999	46,906	53,011	17,469	45,198	
Downtown Covington Capture of Tri-City Intown Core	50%	-6%	8.8%	5.0%	7.0%	9.0%	11.0%	13.0%	15.0%	17.0%	19.0%	21.0%	9.1%	18.0%	
<b>Total Demand (Absorption Projections)</b>				<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>'19 - '23</b>	<b>'24 - '27</b>	
Downtown Covington Net Demand Potential				15,447	6,698	5,946	27,323	31,931	36,877	43,999	46,906	53,011	87,345	180,793	
Space Expected to Deliver & Lease				0	0	0	0	0	0	0	0	0	0	0	
Over / Under Supply				15,447	6,698	5,946	27,323	31,931	36,877	43,999	46,906	53,011	87,345	180,793	
Vacancy				<b>Current Vacancy:</b> 127,999	112,552	105,855	99,909	72,586	40,654	3,777	-40,222	-87,128	-140,139	86,311	-65,928
Vacancy Rate				<b>Current Vacancy Rate:</b> 6.2%	6.3%	5.9%	5.6%	4.1%	2.3%	0.2%	0.2%	0.2%	0.2%	4.8%	0.2%
<b>Annual Turnover in the Tri-City Intown and Airport Market</b>				<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>'19 - '23</b>	<b>'24 - '27</b>	
Vacant Space in Tri-City Intown and Airport Market				1,830,975	1,735,295	1,669,233	1,420,839	1,175,212	929,364	670,548	423,673	171,241	1,566,311	548,706	
Average Gross Absorption in Market (2010-2018)				1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	1,107,434	
Total Available Competitive Space				2,938,409	2,842,730	2,776,668	2,528,273	2,282,646	2,036,798	1,777,982	1,531,107	1,278,675	2,673,745	1,656,141	
Subject Site Estimated Space Available				-	-	-	80,000	46,033	24,141	11,169	4,256	1,186	-	-	
Total Available Space w/ Subject Property				-	-	-	2,608,273	2,328,679	2,060,940	1,789,151	1,535,363	1,279,861	-	-	
Fair Share Capture				-	-	-	3%	2%	1%	1%	0%	0%	-	-	
<b>Fair Share Capture Market Analysis</b>				<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>'19 - '23</b>	<b>'24 - '27</b>	
Fair Share Absorption Capture of Subject Site							40%	40%	40%	40%	40%	40%	40%	40%	
Subject Site Estimated Absorption Capture (SF)							10,929	12,773	14,751	17,600	18,762	21,204	23,702	72,317	
Subject Site Capture of Turnover							3%	2%	1%	1%	0%	0%	3%	1%	
Subject Site Estimated Turnover Capture (SF)							33,967	21,892	12,972	6,913	3,070	1,026	55,859	23,982	
<b>Fair Share Total Capture of Subject Site</b>							<b>44,896</b>	<b>34,664</b>	<b>27,723</b>	<b>24,513</b>	<b>21,832</b>	<b>22,231</b>	<b>79,560</b>	<b>96,299</b>	

Based on statistical analysis of absorption trends at the Metro, Tri-City intown core, and Downtown Covington submarket levels, we project modest fundamental demand for Downtown Covington and the subject site over the next five years. This exhibit rolls up data explored in the previous exhibits and highlights the subject site's potential capture of net absorption. In addition to this capture of net absorption, which NCG views as the natural growth of the local market, the subject site has the opportunity to capture a fair share of Class A tenant turnover within the larger Tri-City Intown and Airport market. We believe the subject site, with newer formatted office space located within a highly amenitized mixed-use development is positioned to readily absorb around 176,000 SF of Class A office space based on conventional market activity between 2022 and 2027. There is approximately 2-3 million SF naturally turning over in the Tri-City and Airport market and Downtown Covington can expect approximately 1-3% fair share capture. This demand mostly captures relocations of current office tenants, rather than growth in the Downtown market, and would be supplemental to any key anchor from out of market that might be lured to the project.

Fair share assumes subject site 1 of 5 office towers competing for demand in Downtown Covington, and then doubled to account for newer formatted space.

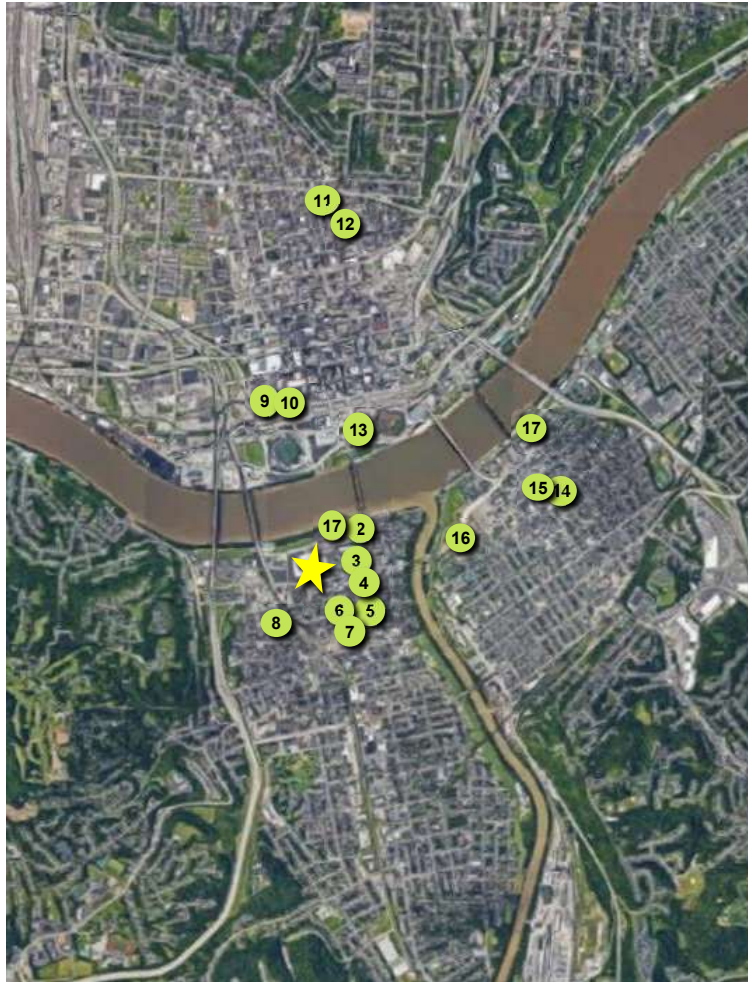
Source: Noell Consulting Group based on data from Moody's Analytics and CoStar.



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

Exhibit 74  
Office Comparables



Property Name	Address	Floors	Size	Rent*	Vacancy Rate	
<b>Covington</b>						
1	River center I	50 E River center Blvd	19	20,000	\$17.00	0.0%
2	River center II	100 E River center Blvd	16	215,000	\$25.50	0.0%
3	Gateway Center	333 Scott St	9	306,000	\$16.50	2.6%
4	Two Rivers	525 Scott St.	3	12,430	\$19.50	77.0%
5	Doctor's Building	33 E 7th St	4	15,120	\$9.00	13.0%
6	Republic Bank Building	535 Madison Ave	6	26,000	\$12.50	13.1%
7	Mutual Building	628 Madison Ave	3	22,500	\$12.25	100.0%
8	John R Green Lofts	409 W 6th St	3	12,491	\$18.50	100.0%
<b>Cincinnati</b>						
9	302 West Third	302 W 3rd St	9	178,000	\$19.50	27.0%
10	312 Elm St	312 Elm St	26	385,000	\$13.50	53.0%
11	15th & Vine (OTR)	1425-1437 Vine Street	5	55,000	\$25.50	0.0%
12	Meiners Building (OTR)	1500 Vine St	5	13,300	\$17.50	100.0%
13	Freedom Center (The Banks)	50 E. Freedom Way	4	6,600	\$11.50	6.3%
<b>Newport</b>						
14	Watertower Square	601 Washington Ave	4	86,500	\$22.95	13.8%
15	Broering Building	515 Monmouth	3	23,500	\$10.75	22.0%
16	Ovation	123 West 4th St.	1	40,000	\$22.00	60.0%
17	One River center Place	300 Daven Cowens Dr	10	180,000	\$15.35	34.7%

\* Rents are adjusted to net w/o CAM/ pass-throughs

\* Vacancies are adjusted to market avg for proposed/buildings in lease-up

A combination of existing, recently delivered, and proposed projects in multiple nearby markets were included to price position the subject site.

Source: NCG, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 75

### Cincinnati Metro Intown Office Product Overview

#### Traditional Office Tower



The Tri-City area has fewer new Class A offices. Larger office product availability in Covington and Newport is typically dated office towers built in the 1980s/1990s. Large floor plates. Have historically struggled with high vacancies.

Newer Class A Typical Rents	\$25.00
Older Class A Typical Rents	\$12.50 - \$16.50
Typical Floor	13,000 - 30,000 SF

#### Features

Covered Parking  
Ground Floor Retail, restaurant space, large amenity offering (fitness center, café)  
Large, indivisible floor plates, large lobby



Source: NCG, CoStar

#### Adaptive Reuse



The Cincinnati area is rich with historic buildings. Smaller, adaptive reuse buildings tend to fill the gap between dated office towers and new builds. Competitive to office tower rents, these offices tend to lack substantial amenities but attract smaller businesses and start-ups.

Typical Rents	\$9.00 - \$16.00
Typical Floor	4,000 - 7,000 SF

#### Features

Little to no parking, often surface or street  
Ground floor retail, some residential mixed use  
Unique floor plates w/ limited flexibility, small/no lobby



#### New, Creative Office



While Covington and Newport lack new office product, Cincinnati has new, creative office product. With the highest office rents, Over-the-Rhine offers new office space featuring attractive amenities intermingled with historic buildings.

Typical Rents	\$20.00 - \$30.00
Typical Floor	11,000 - 16,000 SF

#### Features

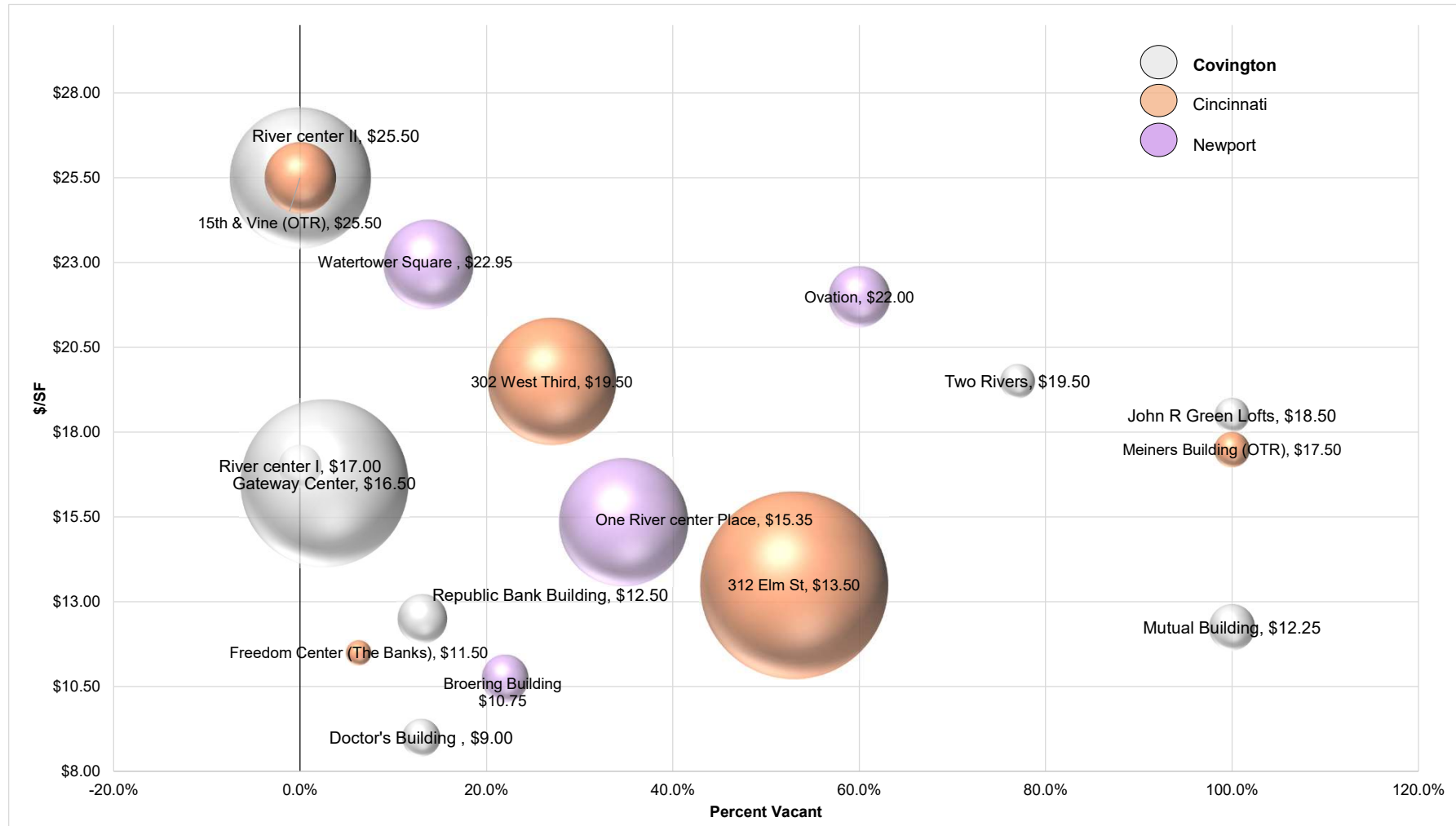
Some structured parking  
Ground floor retail, some restaurant space, smaller but well executed modern amenities (coffee cart, rooftop)  
Creative, Loft space; many open space, co-working set ups, flexible use of space



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 76  
Office Comparables

Updated - September 2022



Source: NCG, CoStar

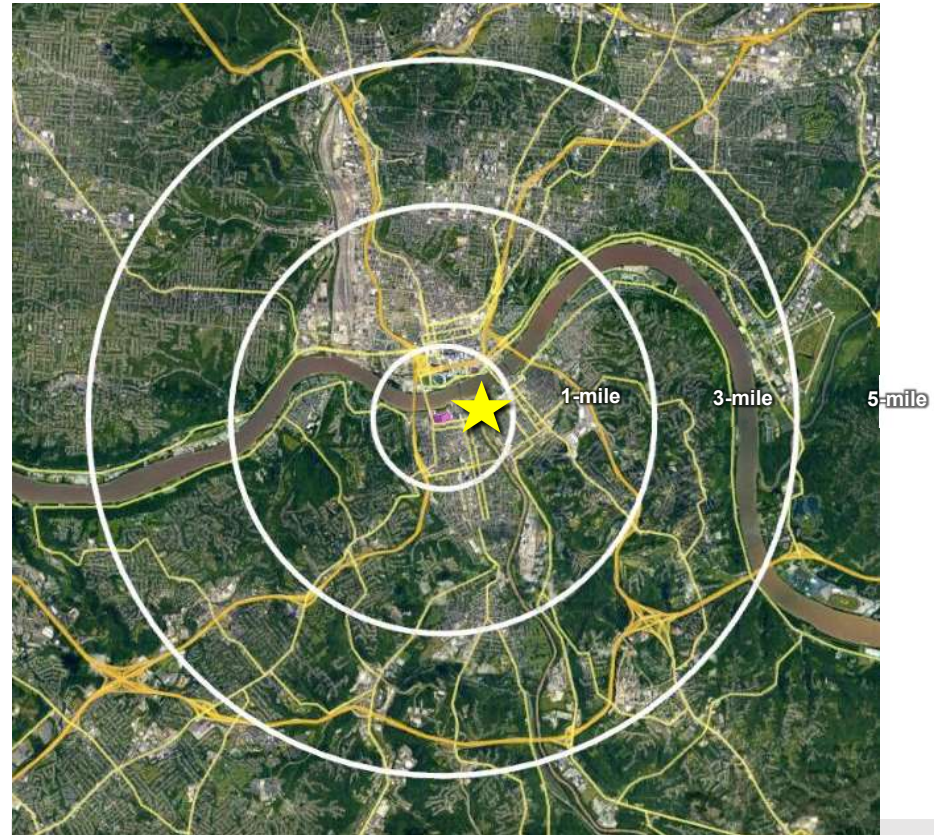


# Retail Analysis

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 77 Demographic Statistics by Radius from the Subject Site

POPULATION	1-Mile	3-Mile	5-Mile
2024 Projection	14,861	131,268	279,754
2019 Estimate	14,565	128,957	275,665
2010 Census	14,146	124,524	270,496
Growth 2019-2024	2.03%	1.79%	1.27%
Growth 2010-2019	2.96%	3.56%	1.91%
Average Age	37.1	36	35.4
POPULATION BY RACE	1-Mile	3-Mile	5-Mile
White	10,624	91,760	181,531
Black	2,383	28,333	73,800
Am. Indian & Alaskan	36	379	663
Asian	297	2,133	6,821
Hawaiian & Pacific Island	27	104	315
Other	601	2,330	4,420
HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2019 Avg Household Income	\$70,916	\$68,090	\$70,811
2019 Med Household Income	\$42,610	\$44,400	\$44,542
2024 Projection	7,128	58,710	120,619
2019 Estimate	6,921	57,163	118,291
2010 Census	6,546	54,254	114,636
Growth 2019 - 2024	2.99%	2.71%	1.97%
Growth 2010 - 2019	5.73%	5.36%	1.91%
Owner Occupied	1,825	22,298	50,906
Renter Occupied	5,096	34,685	67,385
HOUSING	1-Mile	3-Mile	5-Mile
Median Home Value	\$376,956	\$267,246	\$210,360
Median Year Built	2004	2001	1997
Average Household Size	2.80	2.90	2.90
HOUSEHOLDS BY INCOME (2017)	1-Mile	3-Mile	5-Mile
<\$25,000	2,195	17,809	37,125
\$25,000 - \$50,000	1,653	13,261	27,211
\$50,000 - \$75,000	1,064	8,842	17,727
\$75,000 - \$100,000	634	5,683	11,511
\$100,000 - \$125,000	433	3,829	7,596
\$125,000 - \$150,000	279	2,547	5,189
\$150,000 - \$200,000	260	2,433	5,244
\$200,000+	403	2,759	6,689



Shown on the left is basic demographic information within 1 mile, 3 miles and 5 miles from the subject site. The area within the 1-mile includes the Covington and Cincinnati downtowns and also enjoys the highest projected growth rate for 2019-2024. The area within 3-miles includes intown Cincinnati and intown Covington. This area has seen the highest historic growth rate from 2010 to 2019 and has a slightly higher median household income. However, the further out from the downtown areas, the lower the median home value.

SOURCE: Noell Consulting Group, CoStar, US Census



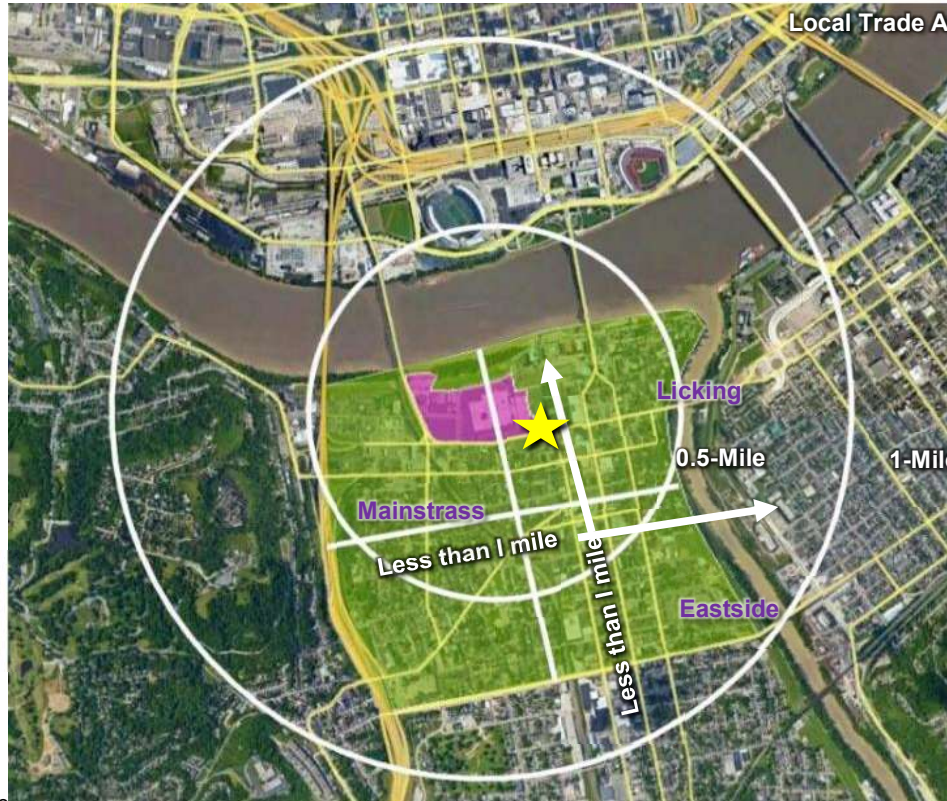
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 78  
Estimating the Local Trade Area



After interviewing proprietors and retail brokers in Covington and surrounding areas, along with examining demonstrated trade areas from existing tenants (such as pharmacies and grocery stores) we researched a local retail trade area approximately 1 miles in radius from the project site (5 minute drive).

Then, adjusting for competitive retail and natural market boundaries such as the Interstate and defining roadways, as well as considering a typical walkshed of 1/4 mile, the resulting local trade area can be seen on the image below and subsequent exhibits. The waterways and highway serve as natural boundaries in the downtown Covington area. In discussions with brokers and locals, MLK was also determined to be a dividing line. Below MLK is a strip of retail including Kroger and CVS, which represents more suburban retailers, as opposed to the local shops north of MLK. Most of the local trade area is walkable and what isn't would be approximately a 5 minute uber ride.

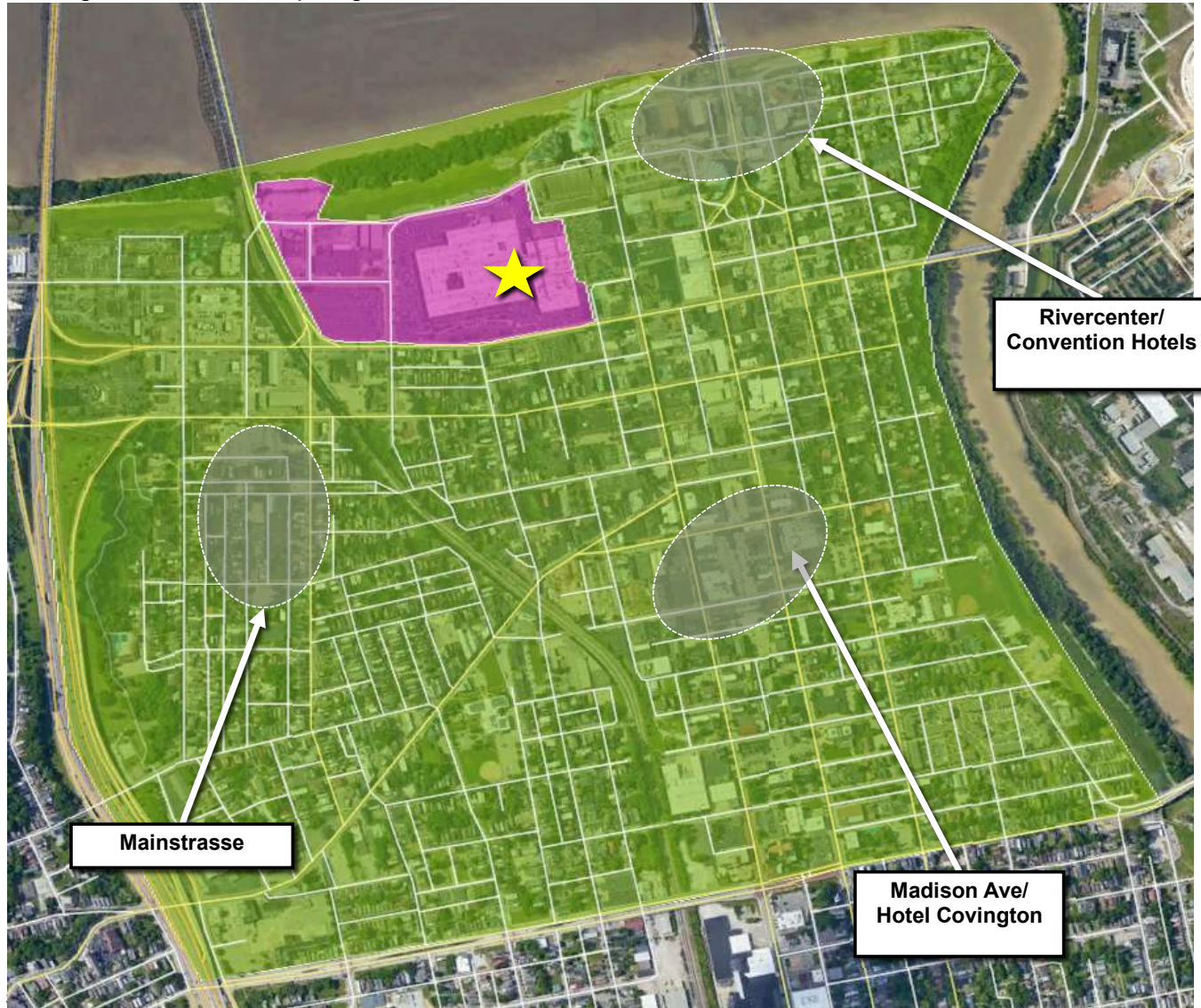


SOURCE: Noell Consulting Group, Google Earth, Walkscore.com



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 79  
Existing and Planned Competing Commercial Cores Within the Local Trade Area



NCG believes there are three competing commercial cores within our defined local trade area as shown below. These cores include the River center/Convention Center hotels core, Mainstrasse community and the Madison Avenue/Hotel Covington core. The result is a fair share capture of demand for the subject site of 1/3 or 33% - based purely on the number of competing cores and centers.

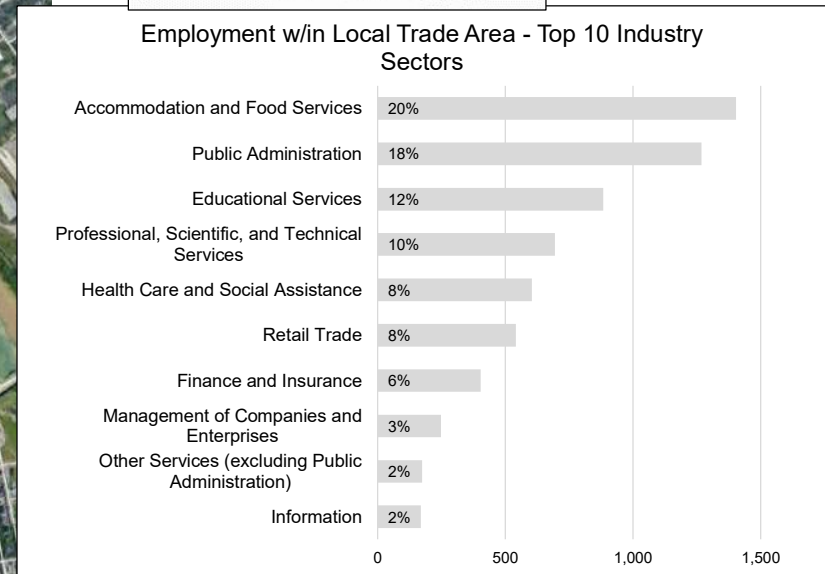


Exhibit 80  
Proximity and Connection of the Subject Site to Jobs

**2015 : Density Jobs within the Local Trade Area**



Total All Jobs		
	2015	
	Count	Share
Total All Jobs	7,632	100.0%
<b>Worker Age</b>		
	2015	
	Count	Share
Age 29 or younger	1,715	22.5%
Age 30 to 54	4,326	56.7%
Age 55 or older	1,591	20.8%
<b>Earnings</b>		
	2015	
	Count	Share
\$1,250 per month or less	1,809	23.7%
\$1,251 to \$3,333 per month	2,719	35.6%
More than \$3,333 per month	3,104	40.7%



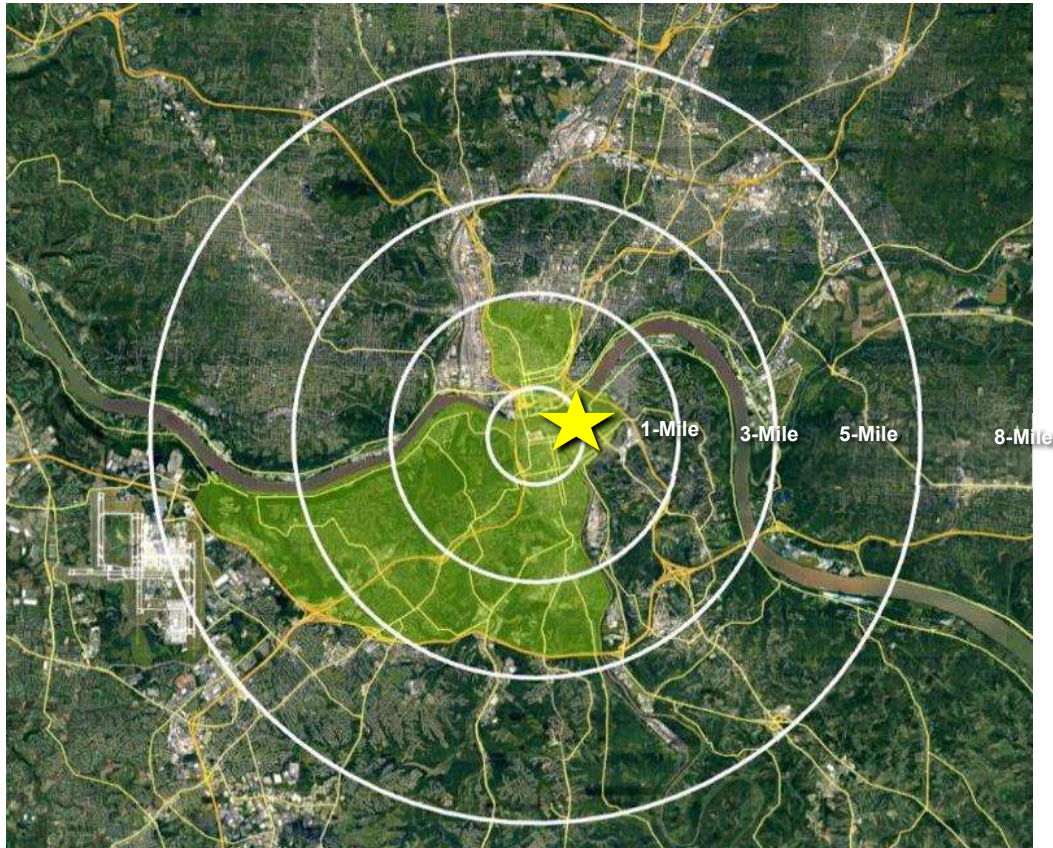
The map above shows the concentration of jobs within the local retail trade area. Within this local trade area, there are over 7,500 jobs, with just over 40% earning above \$40,000 annually and the majority of workers are aged 30 to 54. As can be seen in earlier exhibits, the subject property is located near jobs in Downtown Covington and Downtown Cincinnati is a quick drive over the bridge.

SOURCE: Noell Consulting Group, Google Maps, US Census, OntheMap

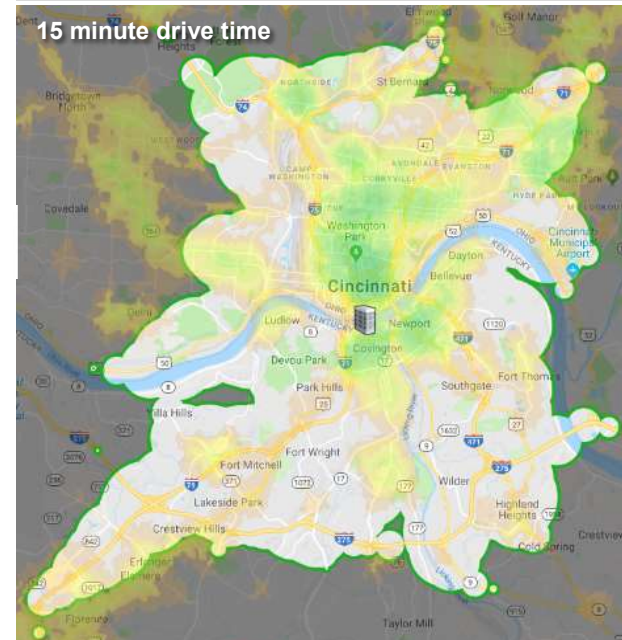


# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 81 Regional Trade Area Definition



After interviewing proprietors and retail brokers in the Covington core, we defined a regional trade area that is as large as a 15-minute drive time with light weekend traffic. Using natural barriers and information from local proprietors and brokers, NCG created a custom retail trade area, which can be seen in green on the map to the left. Additionally, this audience was then cut to just those aged 25-65 and earning \$50k+, the reported demographics of the majority of the destination diners.

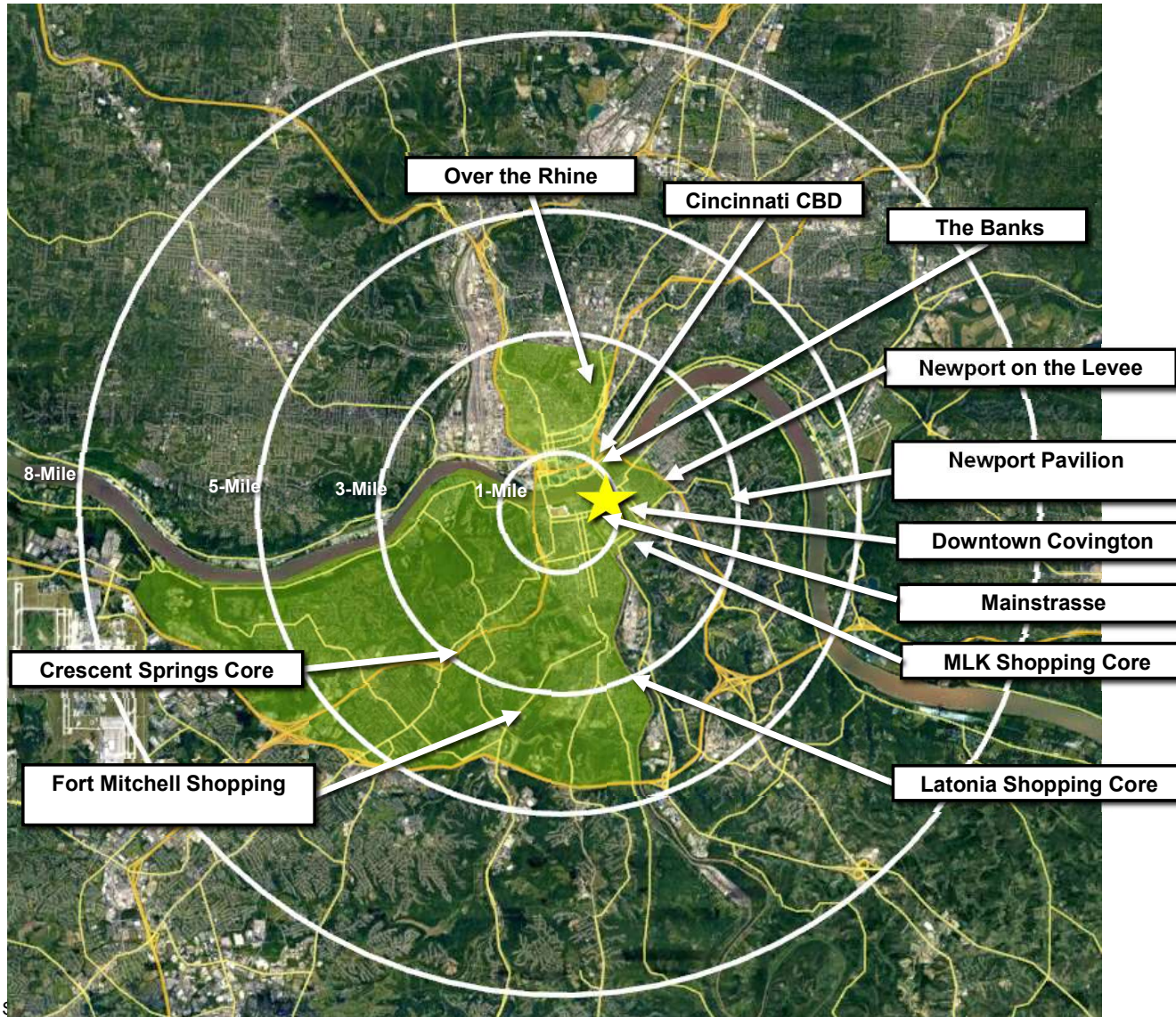


SOURCE: Noell Consulting Group, Walkscore.com



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 82  
Existing and Planned Competing Commercial Cores Within the Regional Trade Area








This map shows shopping destinations in the regional trade area. NCG believes there are eleven competing commercial cores within our defined regional trade area. The result is a fair share capture of demand for the subject site 1/11 or 9% - based purely on the number of computing cores.



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 83 Matrix of Retail Demand Sources For the Subject Site

	Existing Local Population	Future Local Population Growth 2019 - 2024	Regional Destination Shoppers/ Diners	Local Employees	Hotel Guests/Convention Attendees
Example Picture					
Description	A local trade area population of 7,075 with a median household income of \$43,600. Primarily living in single family detached product within Intown Covington.	Primarily in new apartment communities and new townhome communities. Estimated at approximately 1,400 residents over the next five years and with est. HH incomes of \$54,000.	Approx. 46,0009 people age 25 - 65 with HH incomes of \$50k+ from throughout the region (15-20 min drivetime) to visit the new "hot spots". Including people from Over the Rhine, Evanston, Fort Wright and Highland Heights.	3,100 employees earning \$40K+ working within the trade area and on the subject site, shopping/dining during their commute or on lunch breaks.	Approximately 530,000 guests per year (based on the 1,463 rooms within walking distance, at 70% occupancy and 1.4 guests per occupied night).
Expenditure Categories	All	All	Destination type retailers, restaurants (mostly full service but some limited as well), drinking establishments.	Full and limited service restaurants and drinking establishments both during commute, lunchtime, and happy hour/dinner, along with some retail shopping (mostly grocery or convenience).	Grocery stores, specialty food stores, health/personal care, office supplies, full-service restaurants, limited-service eating places and drinking places are typically frequented by hotel guests.
Estimated Mix of Total Demand	36%	9%	11%	2%	42%
Estimated Mix of Rest./Bar Demand	18%	5%	12%	2%	63%
Estimated Mix of Retail (Dry goods) Demand	51%	13%	7%	3%	3%

SOURCE: Noell Consulting Group

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 84

### Estimated Retail Demand from the Local Trade Area Today

Store Type (Excl. General Merch. & Gas)	Demand Potential <sup>1</sup>	Per Capita	% in Non-Regional Ctrs <sup>2</sup>	Sales in Non-Reg Ctrs	% Local Sales <sup>2</sup>	Est. Sales/SF	Capture Rate of Trade Area <sup>3</sup>	Subject Site Core Capture	Mix By Store Categories
	<i>2019 Population</i>	<i>7,075</i>	<i>Median HH Income \$43,596</i>						
<b>Furniture and Home Furnishings</b>	<b>\$2,048,189</b>	<b>\$289</b>	<b>35%</b>	<b>\$693,471</b>	<b>77%</b>			<b>735</b>	<b>2%</b>
Furniture Stores	\$1,258,045	\$178	30%	\$377,413.50	75%	\$203	33%	461	
Home Furnishing Stores	\$790,144	\$112	40%	\$316,058	80%	\$304	33%	274	
<b>Electronics &amp; Appliance Stores</b>	<b>\$1,761,811</b>	<b>\$249</b>	<b>20%</b>	<b>\$352,362</b>	<b>20%</b>	<b>\$481</b>	<b>33%</b>	<b>48</b>	<b>0%</b>
<b>Bldg Mats., Garden Equip &amp; Supply</b>	<b>\$5,528,946</b>	<b>\$781</b>	<b>30%</b>	<b>\$1,658,684</b>	<b>83%</b>			<b>2,108</b>	<b>6%</b>
Bldg Materials & Supply Stores	\$4,745,646	\$671	30%	\$1,423,694	80%	\$203	33%	1,853	
Lawn & Garden Equipment	\$783,300	\$111	30%	\$234,990	100%	\$304	33%	255	
<b>Food &amp; Beverage Stores</b>	<b>\$14,405,207</b>	<b>\$2,036</b>	<b>94%</b>	<b>\$13,595,409</b>	<b>81%</b>			<b>8,043</b>	<b>24%</b>
Grocery Stores	\$12,684,416	\$1,793	95%	\$12,050,195	80%	\$455	33%	6,992	
Specialty Food Stores	\$447,687	\$63	75%	\$335,765	80%	\$251	33%	353	
Beer, Wine & Liquor Stores	\$1,273,104	\$180	95%	\$1,209,449	90%	\$515	33%	698	
<b>Health &amp; Personal Care</b>	<b>\$6,820,637</b>	<b>\$964</b>	<b>90%</b>	<b>\$6,138,573</b>	<b>80%</b>	<b>\$595</b>	<b>33%</b>	<b>2,722</b>	<b>8%</b>
<b>Clothing &amp; Clothing Accessories</b>	<b>\$5,293,763</b>	<b>\$748</b>	<b>20%</b>	<b>\$1,058,753</b>	<b>60%</b>			<b>554</b>	<b>2%</b>
Clothing Stores	\$3,751,525	\$530	20%	\$750,305	60%	\$373	33%	398	
Shoe Stores	\$636,170	\$90	20%	\$127,234	60%	\$267	33%	95	
Jewelry, Luggage & Leather Goods	\$906,068	\$128	20%	\$181,214	60%	\$586	33%	61	
<b>Sporting Gds, Hobby, Book &amp; Music</b>	<b>\$1,363,630</b>	<b>\$193</b>	<b>21%</b>	<b>\$291,670</b>	<b>60%</b>			<b>227</b>	<b>1%</b>
Sporting Goods, Hobby, Musical Inst	\$1,174,190	\$166	20%	\$234,838	60%	\$254	33%	183	
Book & Music Stores	\$189,440	\$27	30%	\$56,832	60%	\$260	33%	43	
<b>General Merch. Stores</b>	<b>\$13,543,038</b>	<b>\$1,914</b>	<b>54%</b>	<b>\$7,265,053</b>	<b>86%</b>			<b>8,176</b>	<b>25%</b>
Department Stores (Incl. Jr. and Disc.)	\$2,869,232	\$406	30%	\$860,770	60%	\$300	33%	568	
Warehouse Clubs and Superstores	\$10,673,806	\$1,509	60%	\$6,404,284	90%	\$250	33%	7,608	
<b>Miscellaneous Store Retailers</b>	<b>\$2,294,544</b>	<b>\$324</b>	<b>63%</b>	<b>\$1,440,333</b>	<b>84%</b>			<b>1,773</b>	<b>5%</b>
Florists	\$94,387	\$13	100%	\$94,387	100%	\$294	33%	106	
Office Supplies, Stationery & Gifts	\$459,026	\$65	30%	\$137,708	95%	\$263	33%	164	
Used Merchandise Stores	\$408,900	\$58	100%	\$408,900	95%	\$263	33%	488	
Other Miscellaneous Store Retailers	\$1,332,231	\$188	60%	\$799,339	75%	\$195	33%	1,015	
<b>Food Service &amp; Drinking Places</b>	<b>\$14,628,531</b>	<b>\$2,067.64</b>	<b>92%</b>	<b>\$13,447,659</b>	<b>63%</b>			<b>8,581</b>	<b>26%</b>
Full-Service Restaurants	\$6,588,263	\$931	90%	\$5,929,437	60%	\$400	33%	2,932	
Limited-Service Eating Places	\$5,220,453	\$738	90%	\$4,698,408	65%	\$259	33%	3,896	
Special Food Services	\$1,238,623	\$175	100%	\$1,238,623	70%	\$260	33%	1,100	
Drinking/Snack Places	\$1,581,192	\$223	100%	\$1,581,192	60%	\$480	33%	652	
<b>TOTAL</b>	<b>\$67,688,296</b>	<b>\$9,567</b>	<b>68%</b>	<b>\$45,941,968</b>	<b>75%</b>	<b>\$334</b>		<b>32,967</b>	

1 Based on data obtained from Claritas.

2 Estimates via NCG based on ICSC data. Excludes shopping at local establishments outside the area while on destination trips/vacations/near workplace.

3 Assumes subject site is 1 of 3 major cores in the local trade area.

SOURCE: Noell Consulting Group, Claritas, Inc.



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 85

### Estimated Retail Demand from the New Population Growth in the Trade Area 2019 - 2024

Store Type (Excl. General Merch. & Gas)	Demand Potential <sup>1</sup>	Per Capita	% in Non-Regional Ctrs <sup>2</sup>	Sales in Non-Reg Ctrs	% Local Sales <sup>2</sup>	Local Sales in Non-Reg Ctrs	Capture Rate of Core <sup>3</sup>	Subject Site Core Capture	Mix By Store Categories
<i>2019 - 2024 Population Growth:</i>			1,409	<i>Median HH Income \$54k Est.</i>					
<b>Furniture and Home Furnishings</b>	\$505,198.26	\$359	35%	\$171,049	77%	\$132,185		181	2%
Furniture Stores	\$310,304	\$220	30%	\$93,091.33	75%	\$69,818.5	33%	114	
Home Furnishing Stores	\$194,894	\$138	40%	\$77,958	80%	\$62,366	33%	68	
<b>Electronics &amp; Appliance Stores</b>	\$434,561	\$308	20%	\$86,912	20%	\$17,382	33%	12	0%
<b>Bldg Mats., Garden Equip &amp; Supply</b>	\$1,363,748	\$968	30%	\$409,124	83%	\$338,892		520	6%
Bldg Materials & Supply Stores	\$1,170,542	\$831	30%	\$351,163	80%	\$280,930	33%	457	
Lawn & Garden Equipment	\$193,206	\$137	30%	\$57,962	100%	\$57,962	33%	63	
<b>Food &amp; Beverage Stores</b>	\$3,553,132	\$2,522	94%	\$3,353,390	81%	\$2,712,544		1,984	24%
Grocery Stores	\$3,128,688	\$2,221	95%	\$2,972,254	80%	\$2,377,803	33%	1,725	
Specialty Food Stores	\$110,425	\$78	75%	\$82,819	80%	\$66,255	33%	87	
Beer, Wine & Liquor Stores	\$314,019	\$223	95%	\$298,318	90%	\$268,486	33%	172	
<b>Health &amp; Personal Care</b>	\$1,682,352	\$1,194	90%	\$1,514,116	80%	\$1,211,293	33%	671	8%
<b>Clothing &amp; Clothing Accessories</b>	\$1,305,739	\$927	20%	\$261,148	60%	\$156,689		137	2%
Clothing Stores	\$925,336	\$657	20%	\$185,067	60%	\$111,040	33%	98	
Shoe Stores	\$156,915	\$111	20%	\$31,383	60%	\$18,830	33%	23	
Jewelry, Luggage & Leather Goods	\$223,487	\$159	20%	\$44,697	60%	\$26,818	33%	15	
<b>Sporting Gds, Hobby, Book &amp; Music</b>	\$336,348	\$239	21%	\$71,942	60%	\$43,165		56	1%
Sporting Goods, Hobby, Musical Inst	\$289,621	\$206	20%	\$57,924	60%	\$34,755	33%	45	
Book & Music Stores	\$46,727	\$33	30%	\$14,018	60%	\$8,411	33%	11	
<b>General Merch. Stores</b>	\$3,340,473	\$2,371	54%	\$1,791,970	86%	\$1,549,078		2,017	25%
Department Stores (Incl. Jr. and Disc.)	\$707,714	\$502	30%	\$212,314	60%	\$127,388	33%	140	
Warehouse Clubs and Superstores	\$2,632,759	\$1,869	60%	\$1,579,655	90%	\$1,421,690	33%	1,877	
<b>Miscellaneous Store Retailers</b>	\$565,963	\$402	63%	\$355,267	84%	\$299,235		437	5%
Florists	\$23,281	\$17	100%	\$23,281	100%	\$23,281	33%	26	
Office Supplies, Stationery & Gifts	\$113,222	\$80	30%	\$33,966	95%	\$32,268	33%	41	
Used Merchandise Stores	\$100,858	\$72	100%	\$100,858	95%	\$95,815	33%	120	
Other Miscellaneous Store Retailers	\$328,603	\$233	60%	\$197,162	75%	\$147,871	33%	250	
<b>Food Service &amp; Drinking Places</b>	\$3,608,216.07	\$2,561	92%	\$3,316,947	63%	\$2,078,664		2,116	26%
Full-Service Restaurants	\$1,625,035	\$1,153	90%	\$1,462,532	60%	\$877,519	33%	723	
Limited-Service Eating Places	\$1,287,656	\$914	90%	\$1,158,891	65%	\$753,279	33%	961	
Special Food Services	\$305,514	\$217	100%	\$305,514	70%	\$213,860	33%	271	
Drinking/Snack Places	\$390,011	\$277	100%	\$390,011	60%	\$234,006	33%	161	
<b>TOTAL</b>	<b>\$16,695,729.53</b>	<b>\$11,849</b>	<b>68%</b>	<b>\$11,331,866</b>	<b>75%</b>	<b>\$8,539,128</b>		<b>8,131</b>	

1 Based on data obtained from Claritas.

2 Estimates via NCG based on ICSC data. Excludes shopping at local establishments outside the area while on destination trips/vacations/near workplace.

3 Assumes subject site is 1 of 3 major cores in the local trade area.

SOURCE: Noell Consulting Group, Claritas, Inc.





# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 86 Estimated Retail Demand from Additional Non-Local Sources

### Regional Destination Demand

Store Type (Excl. General Merch. & Gas)	Demand Potential <sup>1</sup>	Per Capita	% in Non- Regional (Mall) Ctrs <sup>2</sup>	Sales in Non- Reg (Mall) Ctrs	% Dest. Sales <sup>2</sup>	Dest. Sales in Non-Reg Ctrs	Est. Sales/ SF	Capture Rate of Core <sup>3</sup>	Subject Site Capture
		45,887	*Population 25 - 65 w/ HH Incomes \$50k+, living in regional trade area. From Claritas, Inc.						
Home Furnishing Stores	\$6,347,171	\$138	40%	\$2,538,868	20%	\$507,774	\$304	9%	152
Specialty Food Stores	\$3,596,238	\$78	75%	\$2,697,178	20%	\$539,436	\$251	9%	195
Clothing Stores	\$30,135,735	\$657	20%	\$6,027,147	40%	\$2,410,859	\$373	9%	587
Shoe Stores	\$5,110,309	\$111	20%	\$1,022,062	40%	\$408,825	\$267	9%	139
Jewelry, Luggage & Leather Goods	\$7,278,380	\$159	20%	\$1,455,676	40%	\$582,270	\$294	9%	180
Department Stores (Incl. Jr. and Disc.)	\$23,048,337	\$502	30%	\$6,914,501	40%	\$2,765,800.49	\$300	9%	838
Warehouse Clubs and Superstores	\$85,741,927	\$1,869	60%	\$51,445,156	10%	\$5,144,515.64	\$250	9%	1,871
Office Supplies, Stationery & Gifts	\$3,687,323	\$80	30%	\$1,106,197	5%	\$55,310	\$263	9%	19
Used Merchandise Stores	\$3,284,665	\$72	100%	\$3,284,665	5%	\$164,233	\$263	9%	57
Other Miscellaneous Store Retailers	\$10,701,717	\$233	60%	\$6,421,030	25%	\$1,605,258	\$195	9%	748
Full-Service Restaurants	\$52,923,050	\$1,153	90%	\$47,630,745	35%	\$16,670,761	\$400	9%	3,785
Limited-Service Restaurants	\$41,935,529	\$914	90%	\$37,741,976	10%	\$3,774,198	\$259	9%	1,326
Drinking/Snack Places	\$12,701,603	\$277	100%	\$12,701,603	25%	\$3,175,401	\$480	9%	601
<b>TOTAL</b>									<b>10,500</b>

### Local Employee Demand

Store Type (Excl. General Merch. & Gas)	Demand Potential <sup>1</sup>	Per Capita	% Sales To/From or While at Work <sup>2</sup>	Est. Sales Near Work	Est. Sales/ SF	Capture Rate of Core <sup>4</sup>	Subject Site Capture
		3,104	*Local Employees earning \$40K+, working in within the local trade area. Retail exp. same as new growth.				
Grocery Stores	\$6,892,440	\$2,221	11%	\$758,168	\$455	33%	550
Specialty Food Stores	\$243,264	\$78	5%	\$12,163	\$251	33%	16
Beer, Wine & Liquor Stores	\$691,777.48	\$223	5%	\$34,589	\$515	33%	22
Health & Personal Care	\$3,706,188	\$1,194	13%	\$481,804	\$595	33%	267
Florists	\$51,288	\$17	5%	\$2,564	\$294	33%	3
Office Supplies, Stationery & Gifts	\$249,425	\$80	5%	\$12,471	\$263	33%	16
Full-Service Restaurants	\$3,579,921	\$1,153	13%	\$465,390	\$400	33%	384
Limited-Service Eating Places	\$2,836,682	\$914	15%	\$425,502	\$259	33%	543
Drinking/Snack Places	\$859,186	\$277	5%	\$42,959	\$260	33%	55
<b>TOTAL</b>							<b>1,855</b>

1. Based on data obtained from Claritas.
2. Estimates via NCG based on ICSC data.
3. Assumes Subject Site is 1 of 11 primary destinations for shoppers within the Regional Trade Area

SOURCE: Noell Consulting Group, ICSC, Claritas



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 87 Estimated Retail Demand from Additional Non-Local Sources

### Hotel Guests/Convention Attendees within Walking Distance

Store Type (Excl. General Merch. & Gas)	Demand Potential <sup>1</sup>	Per Capita Per Day	Dest. Sales in Non-Reg Ctrs	Est. Sales/ SF	Capture Rate of Core <sup>2</sup>	Local Capture
		530,043	Annual Room Night Guests			
Grocery Stores	\$6,590,992	\$12.43	\$6,590,992	\$455	33%	4,780
Specialty Food Stores	\$332,320	\$0.63	\$332,320	\$251	33%	437
Health & Personal Care	\$5,062,992	\$9.55	\$5,062,992	\$595	33%	2,806
Office Supplies, Stationery & Gifts	\$340,737	\$0.64	\$340,737	\$263	33%	428
Full-Service Restaurants	\$18,339,372	\$34.60	\$18,339,372	\$400	33%	15,115
Limited-Service Eating Places	\$9,687,918	\$18.28	\$9,687,918	\$259	33%	12,358
Drinking/Snack Places	\$2,934,316	\$5.54	\$2,934,316	\$480	33%	2,017
<b>TOTAL</b>	<b>\$30,961,607</b>	<b>\$81.67</b>				<b>37,942</b>



1. Based on data obtained from CSL International for convention goers at NKYCC.  
2. Assumes capture of majority of hotel guests spending while intown.

SOURCE: Noell Consulting Group, ICSC, Claritas



**CITY OF COVINGTON, KY  
IRS SITE MARKET ANALYSIS UPDATE**

Exhibit 88  
Summary of Estimated Retail Demand (By Source) and Supply By Store Type

Store Type (Excl. General Merch. & Gas)	Existing Population in Local Trade Area	New Population Growth in Local Trade Area (2019 - 2024)	Evening & Weekend Regional Destination	Local Employees	Hotel Guests	Combined Demand From All Sources	Typical Store SF	Market Depth For Adequate Store Size
<b>Furniture and Home Furnishings</b>	<b>735</b>	<b>181</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>1,068</b>		<b>0</b>
Furniture Stores	461	114	0	0	0	574	7,696	0
Home Furnishing Stores	274	68	152	0	0	494	4,214	0
<b>Electronics &amp; Appliance Stores</b>	<b>48</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>6,577</b>	<b>0</b>
<b>Bldg Mats., Garden Equip &amp; Supply</b>	<b>2,108</b>	<b>520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,628</b>		<b>0</b>
Bldg Materials & Supply Stores	1,853	457	0	0	0	2,310	6,561	0
Lawn & Garden Equipment	255	63	0	0	0	318	4,200	0
<b>Food &amp; Beverage Stores</b>	<b>8,043</b>	<b>1,984</b>	<b>195</b>	<b>588</b>	<b>5,217</b>	<b>16,028</b>		<b>14,046</b>
Grocery Stores	6,992	1,725	0	550	4,780	14,046	40,000	14,046
Specialty Food Stores	353	87	195	16	437	1,089	1,988	0
Beer, Wine & Liquor Stores	698	172	0	22	0	892	3,196	0
<b>Health &amp; Personal Care</b>	<b>2,722</b>	<b>671</b>	<b>0</b>	<b>267</b>	<b>2,806</b>	<b>6,466</b>	<b>12,544</b>	<b>0</b>
<b>Clothing &amp; Clothing Accessories</b>	<b>554</b>	<b>137</b>	<b>907</b>	<b>0</b>	<b>0</b>	<b>1,598</b>		<b>0</b>
Clothing Stores	398	98	587	0	0	1,084	3,500	0
Shoe Stores	95	23	139	0	0	257	2,950	0
Jewelry, Luggage & Leather Goods	61	15	180	0	0	256	1,494	0
<b>Sporting Gds, Hobby, Book &amp; Music</b>	<b>227</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>283</b>		<b>0</b>
Sporting Goods, Hobby, Musical Inst	183	45	0	0	0	229	2,713	0
Book & Music Stores	43	11	0	0	0	54	2,674	0
<b>General Merch. Stores</b>	<b>8,176</b>	<b>2,017</b>	<b>2,709</b>	<b>0</b>	<b>0</b>	<b>12,902</b>		<b>0</b>
Department Stores (Incl. Jr. and Disc.)	568	140	838	0	0	1,546	30,000	0
Warehouse Clubs and Superstores	7,608	1,877	1,871	0	0	11,356	80,000	0
<b>Miscellaneous Store Retailers</b>	<b>1,773</b>	<b>437</b>	<b>824</b>	<b>19</b>	<b>428</b>	<b>3,482</b>		<b>2,013</b>
Florists	106	26	-	3	0	135	1,424	0
Office Supplies, Stationery & Gifts	164	41	19	16	428	668	3,578	0
Used Merchandise Stores	488	120	57	0	0	665	2,500	0
Other Miscellaneous Store Retailers	1,015	250	748	0	0	2,013	2,000	2,013
<b>Food Service &amp; Drinking Places</b>	<b>8,581</b>	<b>2,116</b>	<b>5,713</b>	<b>981</b>	<b>29,490</b>	<b>46,881</b>		<b>45,509</b>
Full-Service Restaurants	2,932	723	3,785	384	15,115	22,939	3,212	22,939
Limited-Service Eating Places	3,896	961	1,326	543	12,358	19,084	2,400	19,084
Special Food Services	1,100	271	0	0	0	1,372	2,000	0
Drinking/Snack Places	652	161	601	55	2,017	3,486	1,800	3,486
<b>TOTAL</b>	<b>32,967</b>	<b>8,131</b>	<b>10,500</b>	<b>1,855</b>	<b>37,942</b>	<b>91,395</b>		<b>61,568</b>

SOURCE: Noell Consulting Group, Claritas, Inc.



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 89 Small Service-Oriented Office & Retail Space Demand, 2019

Industry Code	Industry Code Description	County Firms Less Than 19 Emps	County Wide SF	County Wide Approx. SF Per Capita	Local Firms Less Than 19 Emps	Approx. SF Per Capita	Potential Unmet Demand	Average Tenant Size	Supportable Store Capture, Subject Site
<b>Typical Office Users</b>							<b>31,537</b>		<b>10,684</b>
531	Real Estate	99	108,565	0.66	25	0.80	0	2,500	0
532	Rental and Leasing Services	20	38,652	0.24	4	0.16	1,944	2,250	0
523	Securities, Financial Investments	51	43,748	0.27	12	0.57	0	2,500	0
524	Insurance Carriers and Related Act.	80	83,833	0.51	16	0.52	0	2,500	0
5414	Specialized Design Services	14	14,525	0.04	11	0.51	0	2,500	0
6115	Technical and Trade Schools	2	5,075	0.03	0	0.00	807	3,500	0
6116	Other Schools and Instruction	20	29,500	0.18	6	0.36	0	3,500	0
6211	Office of Physicians	74	163,369	1.00	10	0.36	16,693	2,000	8,346
6212	Office of Dentists	51	73,545	0.45	11	0.59	0	2,000	0
6213	Office of Other Health Practitioners	51	56,382	0.34	7	0.16	4,675	2,000	2,337
6214	Outpatient Care Centers	17	41,327	0.25	6	0.37	0	2,000	0
6215	Medical and Diagnostic Laboratories	6	3,850	0.02	2	0.00	612	2,500	0
6216	Home Health Care Services	4	10,033	0.06	0	0.00	1,595	2,500	0
8122	Death Care Services	18	27,355	0.17	2	0.08	2,248	4,000	0
52231	Mortgage and Non Mortgage Loan Brokers	1	438	0.00	0	0.00	70	2,000	0
54111	Offices of Lawyers	102	110,436	0.17	58	2.10	0	2,500	0
54194	Veterinary Services	11	23,618	0.14	1	0.10	1,217	2,000	0
541211	Offices of CPAs	22	30,060	0.09	6	0.36	0	2,500	0
541213	Tax Preparation Services	17	19,420	0.12	3	0.13	0	2,000	0
541380	Testing Laboratories	4	4,200	0.03	1	0.02	230	2,000	0
541519	Computer Related Services	7	9,111	0.06	0	0.00	1,448	2,000	0
<b>Typical Retail Users</b>							<b>21,734</b>		<b>3,831</b>
5172	Wireless Telecommunication Carriers	4	10,800	0.07	0	0.00	1,717	1,500	0
6244	Child Day Care Facilities	31	231,540	1.41	9	1.34	1,929	4,900	0
8123	Dry Cleaning and Laundry Services	14	22,680	0.14	3	0.13	230	1,500	0
52211	Commercial Banking	53	198,253	1.21	10	0.91	7,663	3,000	3,831
52212	Savings Institutions	4	28,200	0.17	2	0.21	0	3,000	0
52213	Credit Unions	3	12,825	0.08	1	0.00	2,039	3,000	0
71394	Fitness and Other Rec. Centers	15	59,625	0.36	3	0.13	6,102	4,000	0
81211	Hair, Nail, and Skin Care Services	29	86,088	0.52	8	0.67	0	1,500	0
81219	Other Personal Services	6	39,825	0.24	1	0.16	2,055	1,500	0
<b>Total, Office and Retail Users</b>			<b>1,586,879</b>	<b>9.04</b>	<b>218</b>	<b>10.74</b>	<b>75,006</b>		<b>14,515</b>

1. Assumes Subject Site is 1 of 3 main destinations for services within the local trade area.

SOURCE: Noell Consulting Group, US Census for Cuyahoga County and ZIP Codes 44141, 44233, 44286.



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 90 Estimated Movie Theatre and Bowling Center Demand at the Subject Site

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of US Indoor Movie Screens	38,159	38,201	38,605	38,902	38,974	39,056	39,368	39,356	39,411	39,579	39,651
Total US Population	295,560,549	298,362,973	301,290,332	304,059,724	306,770,000	309,330,000	315,091,138	318,857,056	320,220,000	323,640,000	325,700,000
Population Per Screen Ratio	7,746	7,810	7,804	7,816	7,871	7,920	8,004	8,102	8,125	8,177	8,214
Total US Box Office Gross Sales (In Mi., Inf. Adj.)	\$11,968	\$11,485	\$11,961	\$11,226	\$10,831	\$11,693	\$11,298	\$10,683	\$11,287	\$11,372	\$11,091
US Average Per Capita Movie Exp.	\$40	\$38	\$40	\$37	\$35	\$38	\$36	\$34	\$35	\$35	\$34
US Average Per Capita Retail Exp.	\$13,263	\$12,942	\$11,777	\$12,345	\$13,160	\$13,697	\$14,092	\$14,538	\$14,738	\$14,940	\$15,145
Avg. US Movie Ticket Cost	\$6.88	\$7.18	\$7.50	\$7.89	\$7.93	\$7.96	\$8.13	\$8.17	\$8.43	\$8.65	\$8.97
Total US Box Office Admissions (millions)	1,405	1,341	1,413	1,339	1,283	1,362	1,344	1,268	1,339	1,314	1,236
Total US Admissions Per Screen	36,809	35,112	36,594	34,422	32,919	34,860	34,129	32,224	33,973	33,199	31,172

Market Sizing - Theater Demand	
Avg. 2012 - 2017 Pop. Per Screen	8,090
Avg. 2012 - 2017 Per Capita Movie Exp.	\$35.27
Avg. 2012 - 2017 Box Office Admissions (Bill.)	1,310
Avg. 2012 - 2017 Admissions Per Screen	33,260
2019 Regional Trade Area Population	118,572
2019 Trade Area Avg. Per Capita Retail Exp.	\$13,607
Per Capita Exp. Increase From US Avg.	-10%
2019 Trade Area Est. Movie Exp/Capita	\$30.60
Total Trade Area Population Movie Exp.	\$3,627,738
Est. Study Area Resident Supported Ticket Sales	404,430
Est. Screens Based on US Avg. Admis/Screen	12.2
Est. Movie Screens Demanded Pop/Screen	14.7
Average Screen Demand	13.4

Existing Theater Supply In Trade Area	
AMC Newport on the Levee	20
<b>Total Screens in Trade Area</b>	<b>20</b>
<b>Total Unmet Screen Demand</b>	<b>-6.6</b>

Future Screen Demand In Trade Area (2024)	
Estimated Population	120,507
<b>Total Unmet Screen Demand</b>	<b>-6.4</b>



**Theater Summary**

With the existing supply of screen inventory already in the regional trade area, it is unlikely that the subject site will be able to attract a movie theatre. The existing theatre is in Newport on the Levee and does good numbers. The center is being bought by North American Properties, which has plans to renovate the center, making it further unlikely that the area will be able to support another movie theatre.

**Bowling Summary**

Today, one older bowling center exists in the trade area, Axis Alley. Based on this and a negative unmet demand, we believe there is limited potential to attract an additional bowling center to the subject site. It is likely that either the bowling alley in Newport on the Levee isn't doing well or it is able to pull from a larger trade area.

Market Sizing - Bowling Alley Demand	
Population, 2017 (US)	325,700,000
2017 Bowling Centers (# of Commercial Est.)	3,696
Estimated Bowling Centers Per Person	88,122
2017 US Average Bowling Center Revenue	\$ 1,028,139
Population, 2019 (Regional Trade Area)	118,572
2019 Trade Area Avg. Per Capita Retail Exp.	\$13,607
Per Capita Exp. Increase From US Avg.	-10%
Req. Persons to Support Bowling Center in Trade Area	-867,895
Number of Potential Bowling Centers Supported	(0.14)

Existing Bowling Center Supply In Trade Area	
Axis Alley	1
<b>Total Bowling Centers in Trade Area</b>	<b>1</b>
<b>Total Unmet Bowling Center Demand</b>	<b>-1.1</b>

Future Center Demand In Trade Area (2024)	
Estimated Population	120,507
<b>Total Unmet Bowling Center Demand</b>	<b>-1.1</b>



SOURCE: Noell Consulting Group based on data obtained from the US Census Bureau County Business Patterns and Claritas, Nat. Assoc. of Theatre Owners, The-Numbers, Box Office Mojo, an IBIS



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 91 Distillery Growth and Opportunity

National	2012	2013	2014	2015	2016	2017	Growth ('12-'17)
National Craft Spirit Sales Volume (9L Case)	2,470	3,120	3,880	4,930	5,842	7,160	19%
National Craft Spirit Sales Value (\$ Billions)	1.0	1.3	1.8	2.4	3.0	3.7	24%

Kentucky	2012	2013	2014	2015	2016	Annual % Growth ('12-'16)
Number of Distilleries	20	23	30	36	43	17%
Employees ( NAICS 31214)	3260	3594	4003	4144	4297	6%
Annual Payroll	\$131,328,000	\$150,002,000	\$158,480,000	\$205,248,000	\$210,148,000	10%
Average Annual Pay per Job	\$56,123	\$66,022	\$64,528	\$67,963	\$68,743	4%
Average Paid Employees/Distillery	163	156	133	115	100	-9%



### Distillery Summary

Nationally, distilleries have seen significant growth growing from 2,470 in 2012 to over 7,000 in 2017. Kentucky, historically known for its bourbon production, has enjoyed this growth as well doubling in number of distilleries from 2012 to 2016. This growth has translated to a 10% annual increase in annual payroll and a 4% annual increase in annual salaries for distillery employees. On trend with Kentucky growth, Northern Kentucky has seen the addition of New Riff Distillery in Newport Kentucky.

While the initial investment in distilleries ranges based on size and production level, New Riff's initial investment was just under \$20 million. In considering the direct, indirect, and induced economic impact in Kentucky, distilleries provide more than payroll and employment benefits. With the popularity of Kentucky's Bourbon Trail, distilleries have invested in expansions to include tasting rooms and venue space. New Riff has followed this trend by including event space and tasting rooms and attracts around 35,000 visitors and tourists annually through events and distillery visitors.

With growth in craft distilleries, avg employment/distillery has seen an annual decrease as many new distilleries are craft operations. For example, in 2012 of the 20 distilleries, 7 of these employed less than 20 people. New Riff is a craft distillery and is estimated to employ over 30 people.

Based on this analysis, a distillery on the IRS site could initially average between 20 and 50 employees and attract around 30,000 visitors annually.

Kentucky Distillery Employment



Total Annual Economic Impact in Kentucky

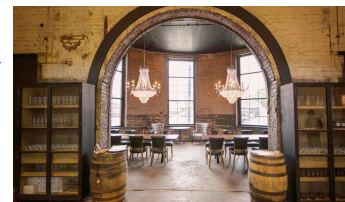
	\$	%
Direct Effect	\$6,269,161,733	80%
Indirect Effect	\$1,195,153,371	15%
Induced Effect	\$383,656,471	5%
<b>Total</b>	<b>\$7,847,971,575</b>	<b>100%</b>

\* Based on 2014 data using IMPLAN



### New Riff Est. 2014

Whiskey/Gin Distillery  
Newport, Kentucky  
**Initial Investment**  
Distillery \$18 Million  
Whiskey Campus \$11 Million  
  
Production 7,500 bottles/yr  
Annual Visitors 30,000-40,000











### Features

SF  
Barrel Storage 173,000  
Distribution Center/Office 32,100  
Storage 10,600  
Event Space (2) 200-275 People  
Private Tasting Room NA

SOURCE: Noell Consulting Group based on data obtained from the US Census Bureau County Business Patterns and Claritas, Kentucky Distillers Association, American Craft Spirits Association

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 92 Summary of Recommended Commercial Uses at the Subject Site By Store/Tenant Type

Store Type	Potential Subject Site SF	Est. Lease Rate (NNN)	Justification / Comments	Potential Tenant Examples
<b><u>Retail Store Types</u></b>				
Grocery Store	14,046	\$15.00	Support exists for nearly just over 12,000 SF from the local trade area, which could be a smaller format grocery, such as a small Trader Joe's or a local market, such as Atlanta's Savi Urban Market and Provisions.	 
Used merchandise Stores & Other Miscellaneous Store Retailers, Plus Home Furnishings	2,013	\$20.00	Smaller retailers, such as local shop Handzy, are good additions to a restaurant core. Smaller lifestyle shops round out an afternoon or evening - shopping, dinner, drinks. Look for a local shop, such as a Handzy.	 
Full-Service Restaurants	22,939	\$25.00	Positive demand for approximately 5 full-service restaurants. Focus on local tenants or existing Cincinnati/Kentucky chains looking for another location. Consider a popular Chef, who is looking to open a new concept.	
Limited-Service Eating Places	19,084	\$20.00	Positive demand for 6-8 limited-service restaurants. Look to round out downtown options, with crowd pleasing restaurants offerings, such as burgers and salads.	  
Drinking/Snack Places	3,486	\$28.00	Positive demand for two drinking/snack places (coffee shops, smoothie shops, etc.) Ideal for local tenants with Cincinnati/Northern Kentucky following.	 
<b>TOTAL RETAIL</b>	<b>61,568</b>	<b>\$21.18</b>		
<b><u>Local Service/Professional Office Space</u></b>				
Physician, Dentist, Outpatient	8,346	\$18.00	A combination of nearly 14,500 SF of local population and daytime employee servicing uses currently under served in the trade area. Consider a small doctors office out of St. Elizabeth's, a local doctor or national chain bank.	Doc in the box - local healthcare outpatient center
Office of Other Health Practitioners	2,337	\$20.00		Eye doc - yelp, in newish space
Commercial Banking	3,831	\$20.00		BOA, Chase
<b>TOTAL SERVICE</b>	<b>14,515</b>	<b>\$18.85</b>		
<b>TOTAL</b>	<b>76,083</b>	<b>\$20.73</b>		

\*These lease rates assume the subject site is able to offer market rate TI s (\$30/SF - likely \$50+/SF for the full-service) and pass thrus (\$6-\$8/SF).

SOURCE: Noell Consulting Group



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 93 Downtown Covington Submarket Retail Overview

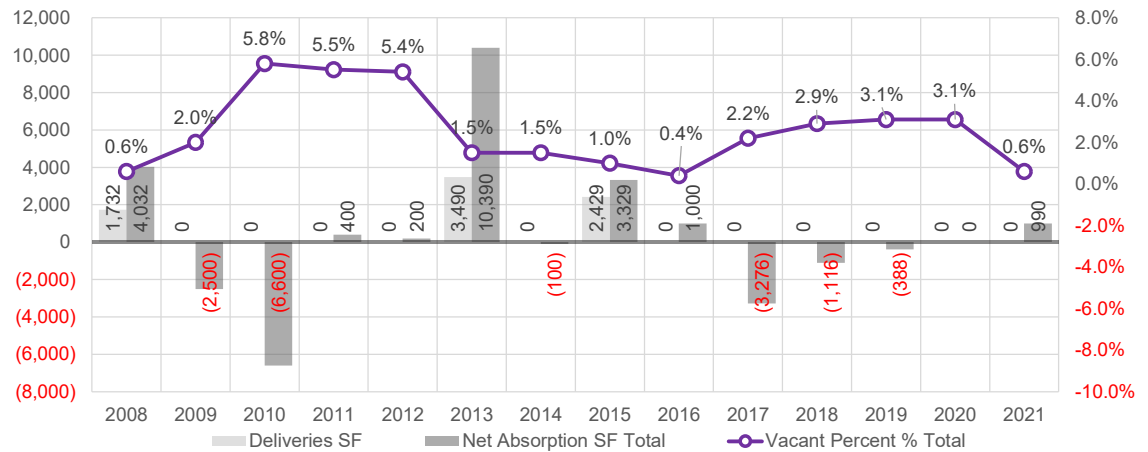


Retail in the Downtown Covington Submarket can be found throughout several corridors, but is mainly concentrated along Main Street, Madison Avenue, and 4th Street. The space is largely a mix of ground floor storefronts and a fair amount of freestanding chain restaurants/businesses. Together the market represents just under 180,000 SF, though it is likely this data source undercounts many of the smaller privately owned storefronts scattered throughout the community, however many of these spaces are classified as Class C.

As can be seen in these graphs and discussed later in our demand analysis, the market has witnessed a lack of new space delivery which has limited net absorption, however it has also helped to keep vacancy low even during the most disruptive years of COVID. That said, the lack of new space has also limited rent growth. We believe the long awaited delivery of new retail space that is occurring at Duveneck Square, RL Green, and Hayden will usher in a significant shift in the market's ability to attract tenants looking for properly designed/configured space and help to boost the markets overall capture of demand as well as push rental rates.

Source: NCG, CoStar

Local Retail Activity: 2008-2021 - Class A/B Properties



Local Retail Rent Growth - Class A/B Properties



Note: Class A/B Retail is defined as CoStar's 3, 4 & 5 Star properties.





# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

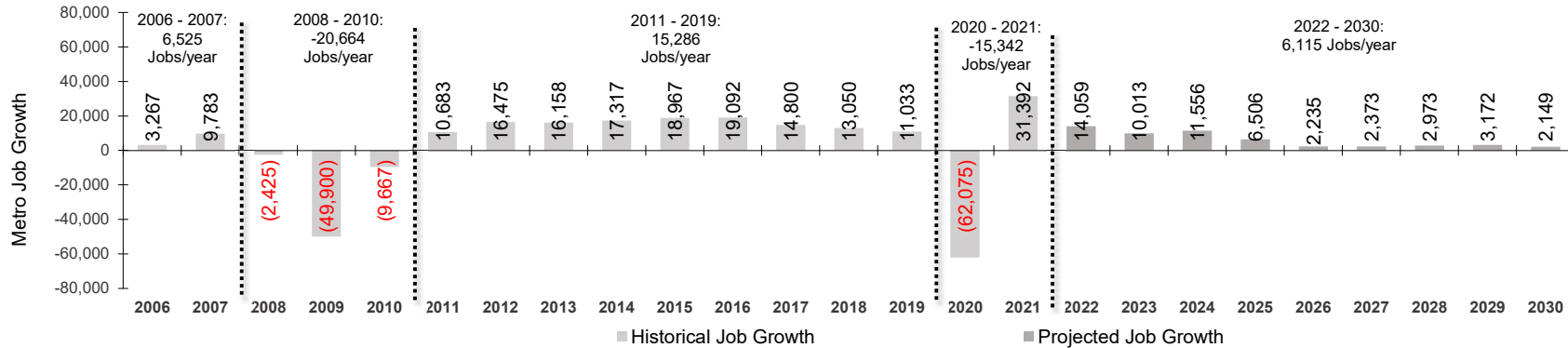
## Exhibit 94

### Historical and Projected Job Growth to Retail Absorption Relationship in Cincinnati Metro

Note: Class A Retail is defined as CoStar's 3, 4, & 5 Star properties.

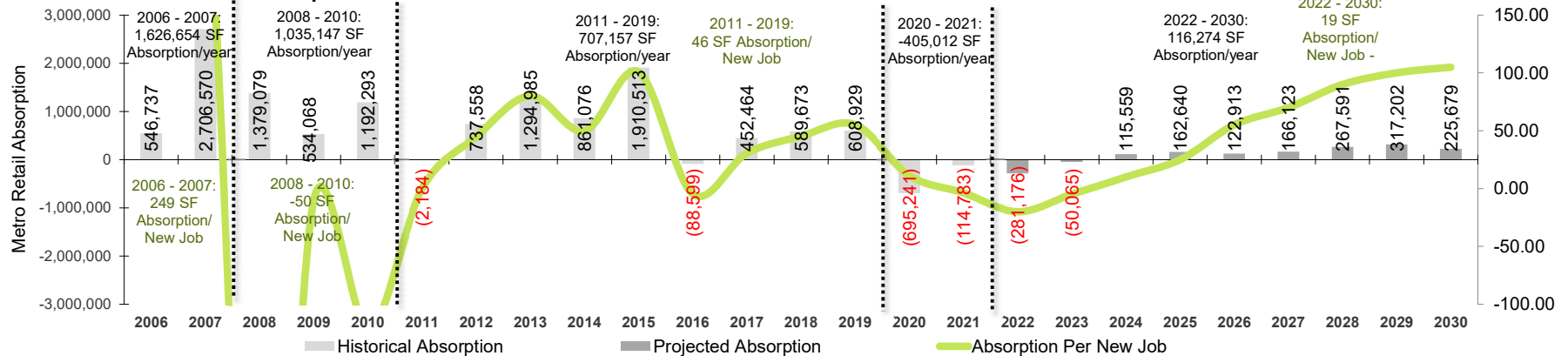
Updated - September 2022

#### Cincinnati Metro Job Growth



Employment growth in the Cincinnati metro area has been strong since the recession, with over 15,000 jobs added annually since 2011 and three consecutive years of ~20,000 net new jobs in 2014-2016. This growth has led to strong retail absorption across the metro, averaging just over 700,000 SF annually from 2011 to 2019. The COVID recession resulted in the loss of over 60,000 jobs in 2020, and 2021 and 2022 gains have yet to fully recoup that loss. The result was a loss of over 800,000 SF of retail absorption throughout the metro, and a forecasted additional 330,000 SF loss through the end of 2023, for a total loss of over 1.1 million SF (1.4% of all inventory). Moving forward, with job growth projected to slow given a forecasted economic recession in 2024+, NCG projects retail absorption to moderate to an annual average of just over 115,000 SF. Moving forward, we believe the market will continue to see positive absorption levels but reduced due to a changing retail landscape that is moving away from large shopping centers and where online shipping has become a norm in many households.

#### Cincinnati Metro Retail Absorption



SOURCE: Noell Consulting Group, Costar and Economy.com | Moody's Analytics



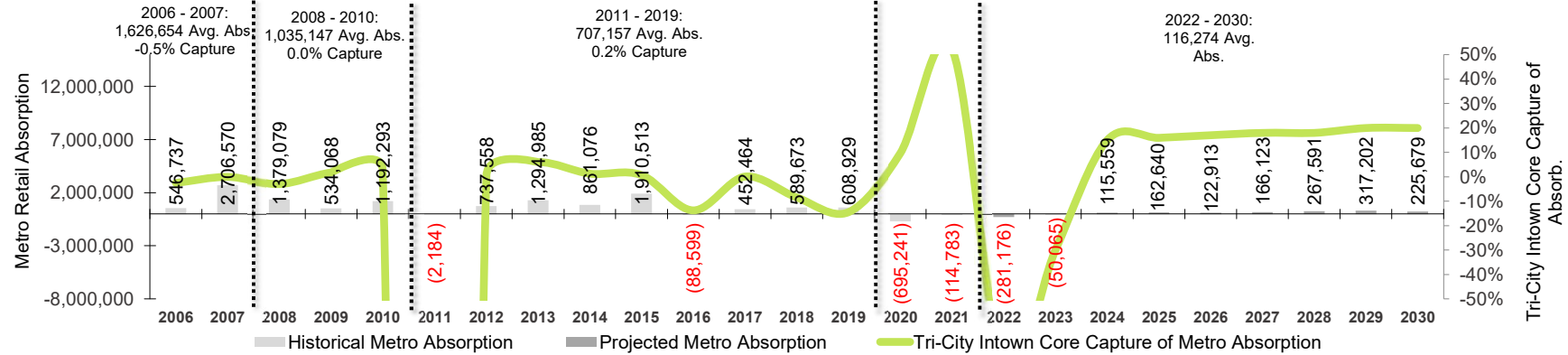
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 95

Tri-City Intown Core Capture of Cincinnati Metro Retail Absorption

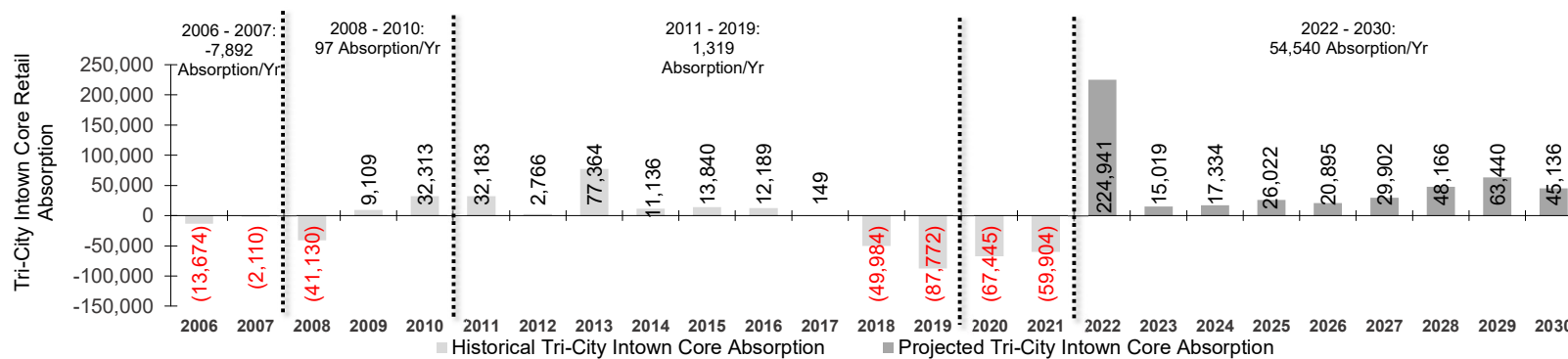
Updated - September 2022

## Cincinnati Metro Retail Absorption & Tri-City Intown Core Capture



Historically the Intown Tri-City Core has achieved a less than 1% capture of metro-level retail absorption, as most absorption had occurred in more big-box suburban formats. That said, 2009-2017 witnessed an average annual absorption of over 20,000 SF heavily in more experiential retail and food and beverage outlets. The Covid Pandemic disruption did not miss the area though and caused significant negative absorption, losing over 265,000 SF of space. Interestingly, 2022 has proved to be a banner recovery year with over 223,000 SF already absorbed (nearly recovering all loss). Moving forward, we believe a more experiential and food and beverage oriented space configuration with urban storefronts and a lack of big-box and junior anchor spaces will actually enable the Intown core to increase capture levels as high as 20% of the Metro (with an average through 2030 being nearly 50% given the high amount of recovered space in 2022). This forecasted absorption level results in an annual average of nearly 55,000 SF through 2030.

## Tri-City Intown Core Retail Absorption



SOURCE: Noell Consulting Group and Costar



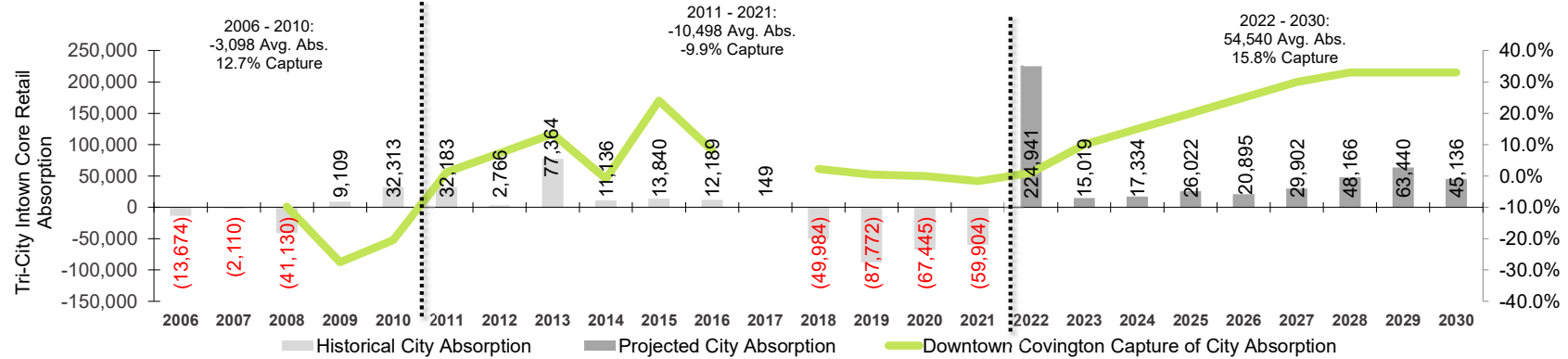
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 96

Downtown Covington Capture of Tri-City Intown Core Retail Absorption

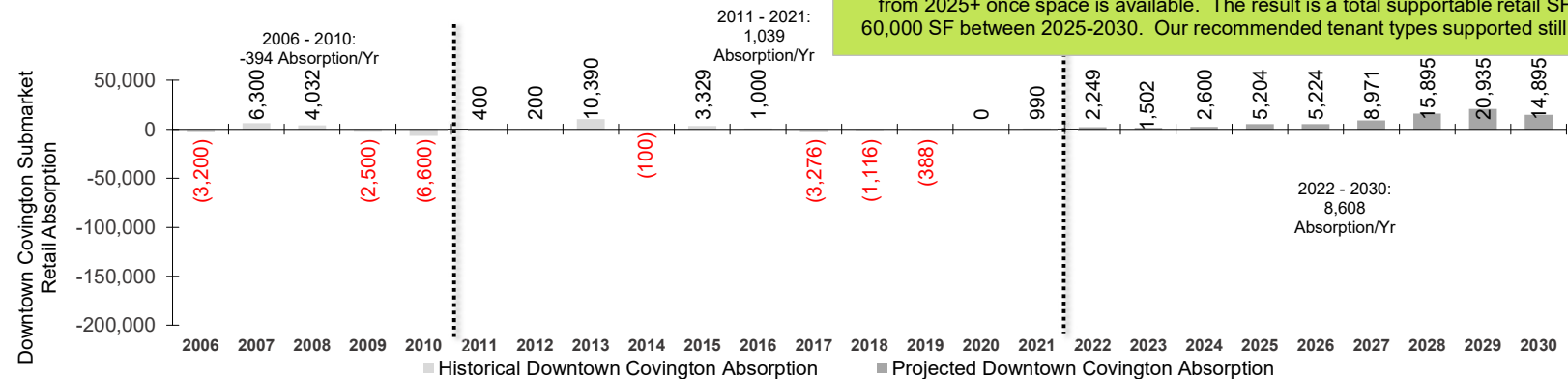
Updated - September 2022

## Tri-City Intown Core Retail Absorption & Downtown Covington Capture



Historically the Downtown Covington market has seen very low positive net absorption, with only around 9,500 SF being absorbed from 2006-2021, thus resulting in very low capture rates of the larger Tri-City Intown Core. We believe this is heavily due to a lack of new space delivery, with only around 20,000 SF of new space being delivered since 2006. Note that part of this may be imperfections in the data collection, particularly with smaller privately owned spaces, but we believe the general trend is consistent with information gathered through broker interviews. That said, we believe the market will see significant change going forward with the addition of new retail space including - Duvenech Square, RL Green, and Hayden. We believe these spaces will enable the market to increase its capture, and ultimately a larger concentration at the subject site will enable Downtown Covington to achieve roughly 33% of the Tri-City Intown Core market, or roughly competing at a fair share level with Cincinnati and Newport. This results in total supportable demand through 2030 of nearly 80,000 SF.

## Downtown Covington Retail Absorption



We believe the subject site can capture the vast majority of demand in the Downtown market from 2025+ once space is available. The result is a total supportable retail SF of over 60,000 SF between 2025-2030. Our recommended tenant types supported still align with

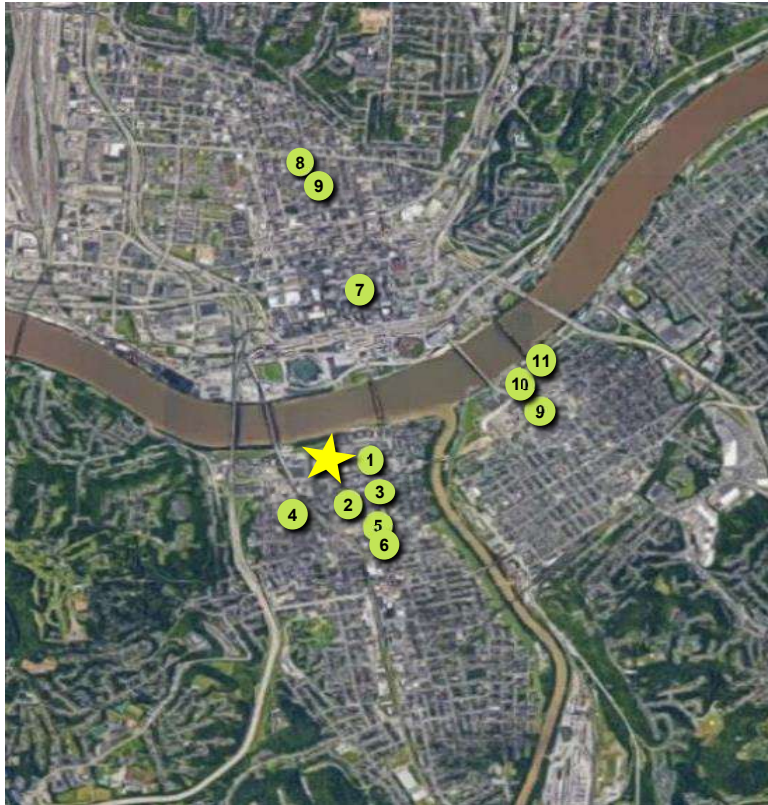
SOURCE: Noell Consulting Group and Costar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 97  
Retail Comparables

Updated - September 2022



Property Name	Address	Retail Floors	Size	Rent*	Vacancy Rate
<b>Covington</b>					
1 Gateway Center	333 Scott St	1	1,700	\$20.00	0.0%
2 Duveneck Square	43 W 7th St	1	3,500	\$25.00	0.0%
3 419 Greenup St.	419 Greenup St	2	4,364	\$20.00	28.3%
4 John R Green	409 W 6th St	1	6,000	\$23.00	0.0%
5 714 Madison Ave	714 Madison Ave	3	6,000	\$20.00	33.3%
6 713 Madison Ave	713 Madison Ave	1	3,700	\$20.00	25.0%
<b>Cincinnati</b>					
7 Fountain Square	1-17 E 6th Street	1	7,248	\$24.50	83.9%
8 Meiners Building (OTR)	1500 Vine St	1	2,800	\$30.00	26.0%
9 The Banks	101-191 E Freedom Way	1	6,744	\$15.50	50.0%
<b>Newport</b>					
10 Newport on the Levee	1 Levee Way	4	55,318	\$25.00	34.7%
11 AQUA on the Levee	100 Aqua Way	1	7,900	\$24.00	11.8%
12 342 Monmouth St	342 Monmouth St	1	2,200	\$16.50	50.0%

\* Rents are adjusted to net w/o CAM/ pass-throughs

\* Vacancies are adjusted to market avg for proposed/buildings in lease-up

A combination of existing, recently delivered, and proposed projects in multiple nearby markets were included to price position the subject site.

Source: NCG, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 98  
Retail Product

Large, Anchor Tenants



Large retail destinations depending on high visitor sustainably often offer lower rents for large, anchor tenants. Often include variety of uses along with anchor tenants. Have a risk of high vacancies if the area is not attracting enough foot traffic.

Typical Rents	\$10.00 - \$15.00
Typical Space	10,000 - 30,000 SF
TI Build Out	\$15 / SF

Features

- Covered Parking
- Part of a larger, planned development

Smaller Spaces / Storefronts



Smaller retail space often intertwined with office and residential use. Ground floor retail commonly dependent on an area's attraction. Adaptive reuse supported by new investment/spark to area development. Varying rents dependent on district.

Typical Rents	\$15 - \$24.00
Typical Space	1,500 - 2,500 SF
TI Build Out	\$30 / SF

Features

- Little to no parking, often surface or street
- Commonly mixed-use with renovation timing dependent on market appeal
- Traditional retail uses

Food & Beverage



Food & Beverage space often have the highest rents and TI due to use. Space can vary depending on area and service level.

Typical Rents	\$25.00 - \$35.00
Typical Space	2,000 - 5,000 SF
TI Build Out	\$100 / SF

Features

- Some structured parking
- Often serve as an amenity of office/residential development
- Flexible floorplates w/ opportunity for custom build-out

Source: NCG, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 99  
Retail Comparables

Updated - September 2022



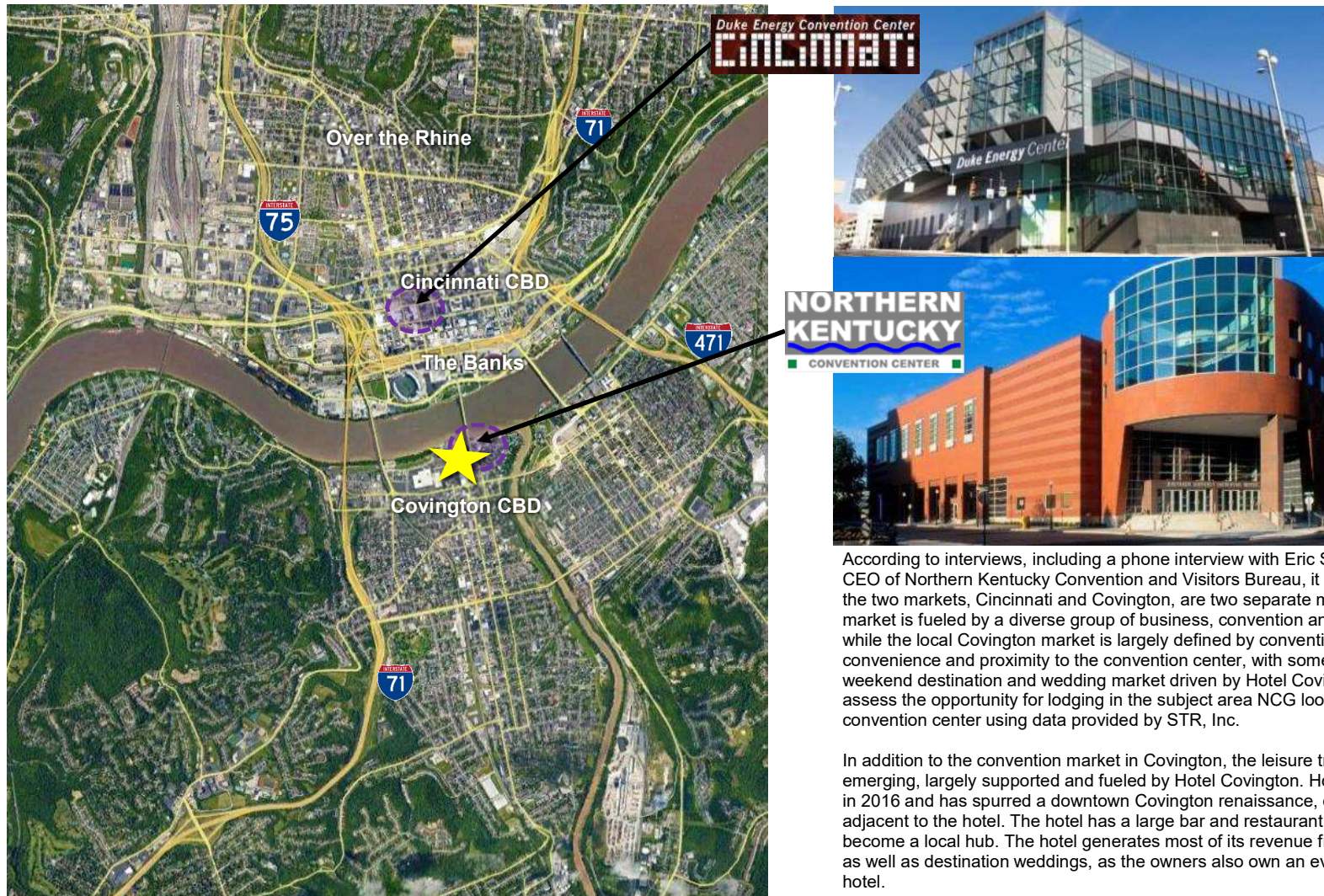
Source: NCG, CoStar



# Lodging Analysis

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 100  
Introduction to Local Hospitality Market



SOURCE: Noell Consulting Group, Google Earth, Cushman & Wakefield: U.S. Lodging Industry Overview

According to interviews, including a phone interview with Eric Summe, President and CEO of Northern Kentucky Convention and Visitors Bureau, it became apparent that the two markets, Cincinnati and Covington, are two separate markets. The Cincinnati market is fueled by a diverse group of business, convention and tourism travelers, while the local Covington market is largely defined by convention travelers seeking convenience and proximity to the convention center, with some growth in the weekend destination and wedding market driven by Hotel Covington. In order to assess the opportunity for lodging in the subject area NCG looked at hotel near each convention center using data provided by STR, Inc.

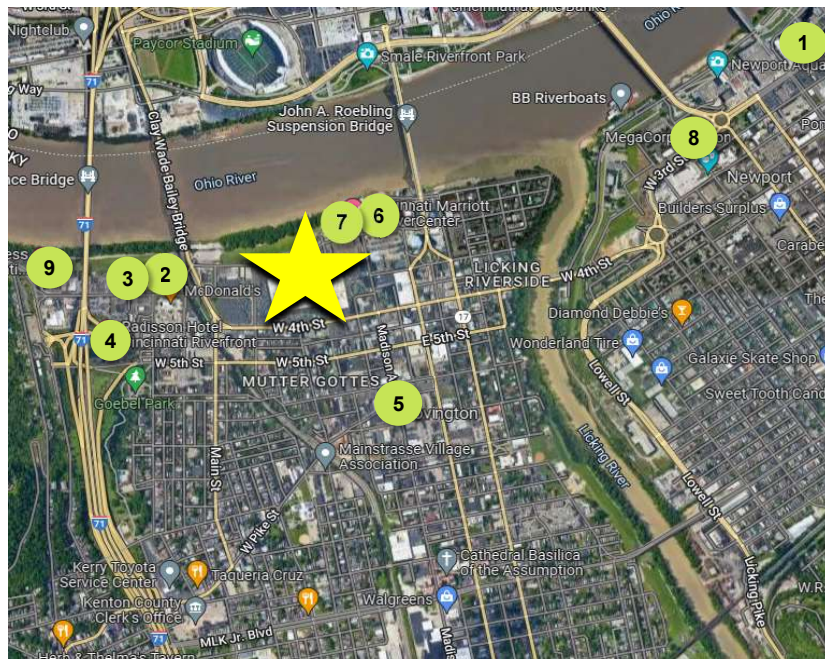
In addition to the convention market in Covington, the leisure travel market is new and emerging, largely supported and fueled by Hotel Covington. Hotel Covington opened in 2016 and has spurred a downtown Covington renaissance, especially in the areas adjacent to the hotel. The hotel has a large bar and restaurant in the lobby, which has become a local hub. The hotel generates most of its revenue from weekend visitors, as well as destination weddings, as the owners also own an event venue next door to hotel.



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

Exhibit 101  
Map of Selected Hotels - Covington/Newport Market



<i>Establishment</i>	<i>Scale</i>	<i>Year Built</i>	<i>Rooms</i>	<i>Flag</i>
1 aloft Hotel Newport On The Levee	Upscale	2017	144	<b>Marriott</b>
2 Courtyard Cincinnati Covington	Upscale	1999	194	<b>Marriott</b>
3 Holiday Inn Cincinnati-Riverfront	Upper Midscale	1969	155	<b>IHG</b> HOTELS & RESORTS
4 Radisson Hotel Cincinnati Riverfront	Upscale	1972	220	<b>CHOICE</b> HOTELS
5 The Hotel Covington	Independent	1908	114	<b>Independent</b>
6 Embassy Suites by Hilton Cincinnati Rivercenter	Upper Upscale	1990	227	<b>Hilton</b>
7 Marriott Cincinnati at Rivercenter	Upper Upscale	1997	321	<b>Marriott</b>
8 Hampton Inn & Suites Newport Cincinnati	Upper Midscale	2016	122	<b>Hilton</b>
9 Holiday Inn Express & Suites Cincinnati Riverfront	Upper Midscale	1996	127	<b>IHG</b> HOTELS & RESORTS
<b>Total / Average</b>		<b>1985</b>	<b>1,624</b>	

To understand the local hospitality market, Noell Consulting Group surveyed the above hotels. These hotels are primarily concentrated in Covington along the river and include a mix of upper midscale and upscale/Uper Upscale properties. This list excludes economy or midscale properties, often dated and of lower quality.

Note: Excludes Midscale and Economy Brands

SOURCE: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 102

### Performance of Hotels - Covington/Newport Market

The chart below presents the data from all the Covington/Newport hotel properties shown in the earlier exhibits. Affordability has historically been the main characteristic of the market, with only one luxury property in the market today. The market experienced strong fundamentals between 2011 and 2019, with supply keeping up with demand and ADR and RevPAR seeing mostly positive increases. The market saw no new supply between 2011 and 2015 until the 122-room Hampton Inn delivered in 2016, and then aLoft and Hotel Covington in 2017. These additions caused supply to increase considerably. However, demand increased during this period as well, resulting in occupancies still 72%+ and with a strong ADR increase thanks to Hotel Covington.

The COVID-19 pandemic impacted the entire US hotel market, including local Covington/Newport hotels. As seen below, demand dropped by nearly 45%. With a decrease of this order, ADRs dropped to around \$105, and RevPAR experienced a painful nearly 52% decrease. As seen below, comparing year-to-date May 2020 to 2021, a softening of the market was already apparent with demand, occupancy, ADR, and RevPar down. Currently, the year-to-date statistics are looking positive, with ADR setting new record levels, though demand and occupancy are still down - largely due to conferences still not returning. The result is RevPar levels of 2016 and most properties likely not able to fully recover until the conference market returns.

Year	Supply	% Change	Demand	% Change	Occupancy	% Change	ADR	% Change	RevPAR	% Change	Notes
2011	462,820	-	303,568	-	65.6%	-	\$103.64	-	\$67.98	-	Supply remained unchanged
2012	462,820	0.0%	307,545	1.3%	66.5%	1.4%	\$105.50	1.8%	\$70.11	3.1%	" "
2013	462,820	0.0%	318,891	3.7%	68.9%	3.6%	\$107.48	1.9%	\$74.05	5.6%	" "
2014	462,820	0.0%	327,934	2.8%	70.9%	2.9%	\$107.36	-0.1%	\$76.07	2.7%	" "
2015	462,820	0.0%	334,627	2.0%	72.3%	2.0%	\$110.24	2.7%	\$79.70	4.8%	" "
2016	474,339	2.5%	351,360	5.0%	74.1%	2.5%	\$113.50	3.0%	\$84.07	5.5%	Hampton Inn - 122 Rooms delivered
2017	596,384	25.7%	433,703	23.4%	72.7%	-1.9%	\$120.91	6.5%	\$87.93	4.6%	aLoft and Hotel Covington - 258 Rooms delivered
2018	592,760	-0.6%	435,799	0.5%	73.5%	1.1%	\$120.86	0.0%	\$88.85	1.0%	Supply remained unchanged
2019	592,760	0.0%	445,893	2.3%	75.2%	2.3%	\$122.38	1.3%	\$92.06	3.6%	Supply remained unchanged
2020	582,530	-1.7%	245,879	-44.9%	42.2%	-43.9%	\$105.31	-13.9%	\$44.45	-51.7%	The effects of the COVID-19 are seen throughout the year.
2021	592,760	1.8%	352,976	43.6%	59.5%	41.0%	\$119.17	13.2%	\$70.96	59.6%	Supply remained unchanged
<b>2022 YTD</b>	<b>592,760</b>	<b>0.0%</b>	<b>381,651</b>	<b>8.1%</b>	<b>64.4%</b>	<b>8.2%</b>	<b>\$129.34</b>	<b>8.5%</b>	<b>\$83.27</b>	<b>17.3%</b>	ADR setting new highs, but occ and RevPar still recovering
<b>YTD May 2020</b>	582,530	-1.7%	368,173	-16.3%	63.2%	-14.8%	\$121.09	-0.2%	\$76.53	-15.0%	Several months into the Pandemic
<b>YTD May 2021</b>	592,760	1.8%	270,651	-26.5%	45.7%	-27.7%	\$104.16	-14.0%	\$47.56	-37.9%	Market is still tempered by the Pandemic
<b>YTD May 2022</b>	592,760	0.0%	374,049	38.2%	63.1%	38.1%	\$124.28	19.3%	\$78.42	64.9%	Recovery is apparent, increasing demand, ADR and RevPar.

**Key Terms:** **Average Daily Rate (ADR)** - Measure of average rate paid for rooms sold, calculated by dividing from revenue by rooms sold.  $ADR = \text{Room Revenue} / \text{Rooms Sold}$   
**Occupancy (Occ)** - Percentage of available rooms sold during a specified time period. Occupancy is calculated by dividing the number of rooms sold by rooms available.  $\text{Occupancy} = \text{Rooms Sold} / \text{Rooms Available}$   
**Revenue Per Available Room (RevPar)** - Total room revenue divided by the total number of available rooms.  $\text{Room Revenue} / \text{Rooms Available} = \text{RevPar}$

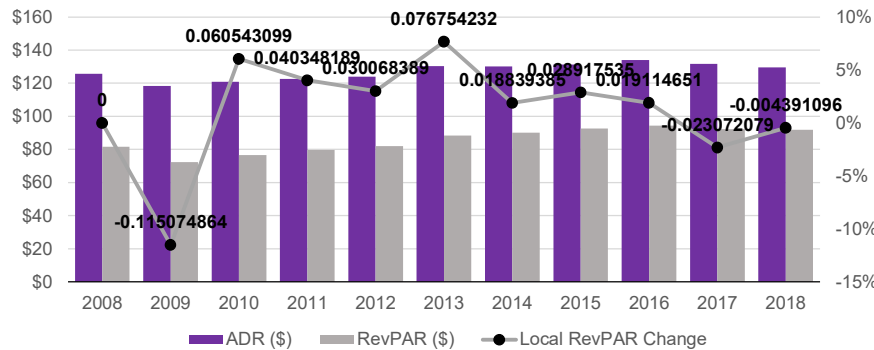
SOURCE: Noell Consulting Group, CoStar



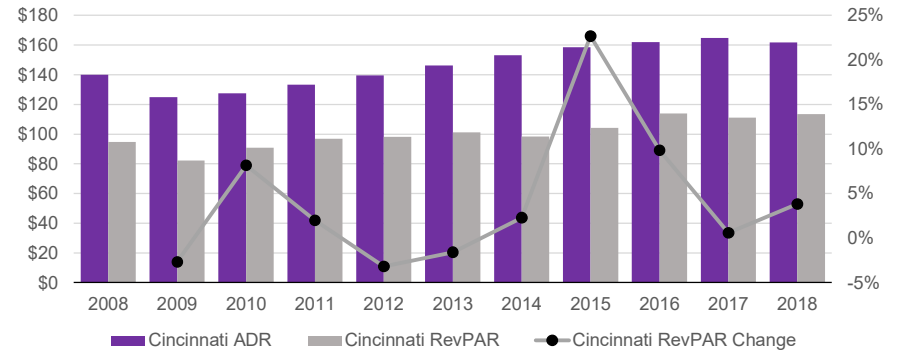
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 103  
Visualization of Local Market Trends and Comparison to National Trends

### Covington/Newport ADR & RevPAR Local Market Trends

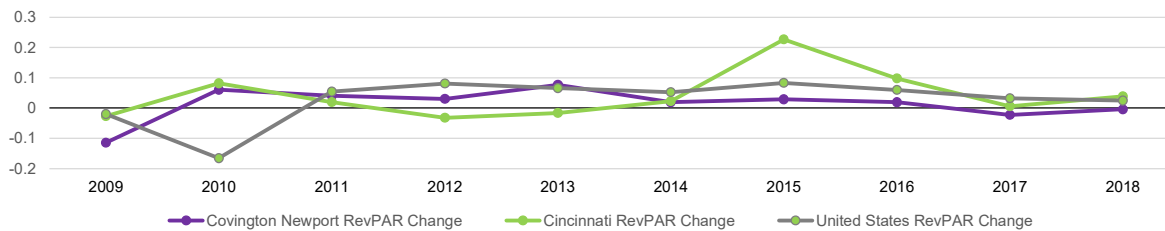


### Cincinnati ADR & RevPAR Local Market Trends



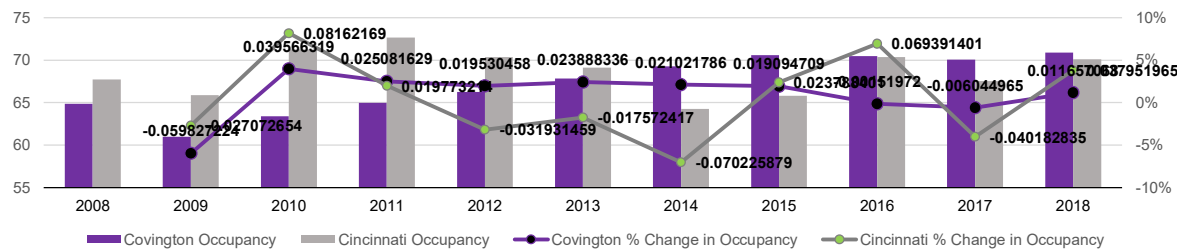
### RevPAR Growth

Local Market vs Charleston vs United States



### Occupancy

Local Market vs United States Trends



As can be seen to the left and above, Covington/Newport ADR and RevPAR has remained steady over the last ten years, while Cincinnati ADR and RevPAR have grown slightly. Additionally, while Covington/Newport occupancy rates have remained steady and risen slightly, Cincinnati has seen inconsistent occupancy levels in the past ten years.

SOURCE: Noell Consulting Group, CoStar



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

## Exhibit 104

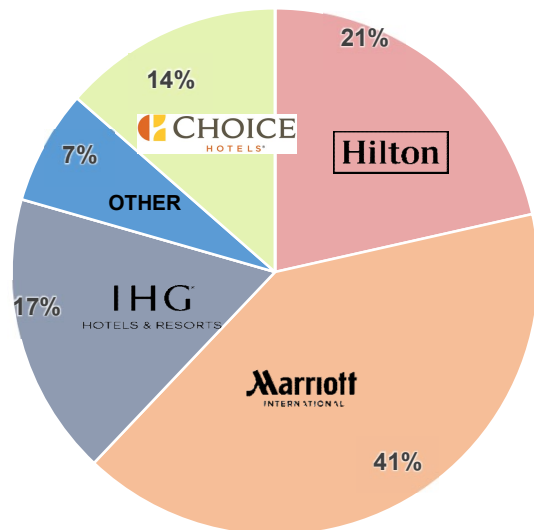
### Limited Service Hotel Comp Set Information

The local hotel market is relatively homogenous, with most major flags having a presence in the market. Hilton and Marriott account for the largest share of the market at over 62%. Of the nine hotels, 36% are upper upscale, 37% upscale, and 27% upper midscale. Hotel Covington is the only independent luxury property. Existing hotels are dated with 80% built before 2010.

The current stock of hotels is largely outdated and repetitive in its amenity and room offerings that cater to a limited crowd of users - many of which convention attendees. While numerous brands are not in the market today, the local area is unlikely to see most lifestyle brands or select service brands. However, several brands such as Springhill Suites, EVEN hotels and Avid could be good fits for the



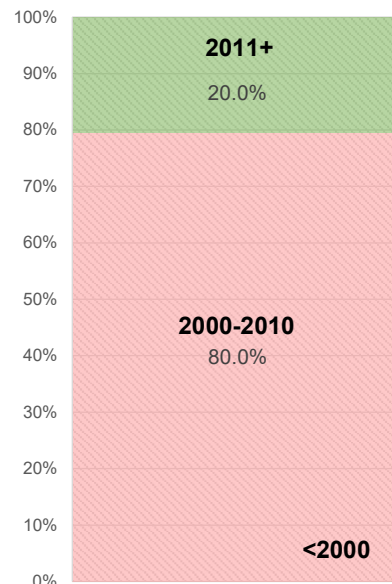
Flag Market Share (%)



Other: Includes hotel chains that only have one location in the market.

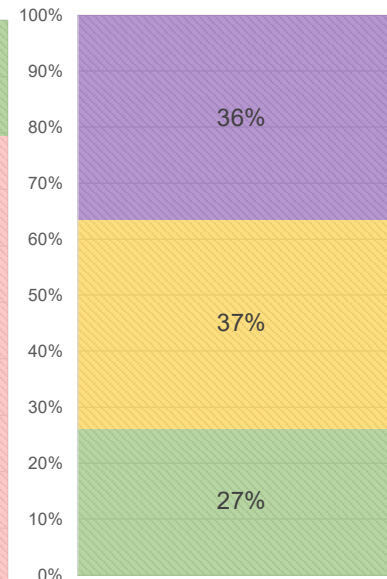
Source: NCG, CoStar

% of Properties by Age



Legend: New (Green), Aging (Yellow), Old (Red)

% of Rooms by Chain Scale



Legend: Upper Upscale (Purple), Upscale (Yellow), Upper Midscale (Green)

Potential Brands Missing in Local Market



\* Excludes full service brands and luxury brands



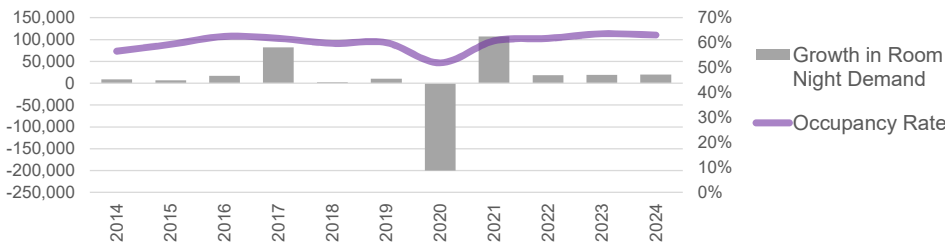
# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 105

Lodging Demand Analysis for the Covington/Newport Market Competitive Market, 2015-2030

Updated - September 2022

Demand	2015	2016	2017	2018	2019	2020	2021	Avg., '15-'19	Avg., '15-'21	2022	2023	2024	2025	2026	2027	2028	2029	2030	Avg. '22-'30
Employment Growth in the Metro <sup>1</sup>	32,958	29,258	22,508	20,275	18,417	-50,958	33,317	21,319	13,784	43,199	20,005	17,984	11,701	10,021	10,691	11,937	12,781	12,278	16,733
Total Room Nights Demanded	334,627	351,360	433,703	435,799	445,893	245,879	352,976	388,219	366,021	359,746	377,733	396,620	416,451	437,274	463,510	491,321	520,800	552,569	446,225
Growth in Room Night Demand	6,693	16,733	82,343	2,096	10,094	-200,014	107,097	21,167	4,261	6,770	17,987	18,887	19,831	20,823	26,236	27,811	29,479	31,769	22,177
% Change in Room Nights Demanded	2.0%	5.0%	23.4%	0.5%	2.3%	-44.9%	43.6%	6.0%	0.8%	1.9%	5.0%	5.0%	5.0%	5.0%	6.0%	6.0%	6.0%	6.1%	6.0%
New Room Nights Per New Job	0.20	0.57	3.66	0.10	0.55	3.93	3.21	1.18	1.78	0.16	0.90	1.05	1.69	2.08	2.45	2.33	2.31	2.59	1.73
Total Room Nights Supplied (Existing)	462,820	474,339	596,384	592,760	592,760	582,530	592,760	530,314	544,647										
Growth in Room Night Supply	0.0%	2.5%	25.7%	-0.6%	0.0%	-1.7%	1.8%	4.6%	3.5%										
Additional Room Nights from Planned Deliveries																			
<u>Hotel Pipeline</u>																			
North by Hotel Covington	53	Rooms									19,345	19,345	19,345	19,345	19,345	19,345	19,345	19,345	19,345
Homewood Suites - Newport	133	Rooms										12,136	48,545	48,545	48,545	48,545	48,545	48,545	48,545
Home2 Suites - Newport	144	Rooms												52,560	52,560	52,560	52,560	52,560	52,560
*Note this is only pipeline within our competitive set and service levels.																			
Total Room Nights Supplied	462,820	474,339	596,384	592,760	592,760	582,530	592,760			592,760	612,105	624,241	660,650	713,210	713,210	713,210	713,210	713,210	713,210
										Future Growth in Room Nights Supplied:									
Occupancy Rate	<b>72.3%</b>	<b>74.1%</b>	<b>72.7%</b>	<b>73.5%</b>	<b>75.2%</b>	<b>42.2%</b>	<b>59.5%</b>			<b>60.7%</b>	<b>61.7%</b>	<b>63.5%</b>	<b>63.0%</b>	<b>61.3%</b>	<b>65.0%</b>	<b>68.9%</b>	<b>73.0%</b>	<b>77.5%</b>	
Excess Room Night Supply Over 70% Occupancy										-78,837	-72,486	-57,641	-65,720	-88,533	-51,053	-11,323	30,790	76,174	
Supportable Rooms @ 70% Occupancy										-216	-199	-158	-180	-243	-140	-31	84	209	



We believe there is demand for up to 209 rooms by 2030 above and beyond those already in the pipeline as shown. That said, the majority of this demand is not until 2029+, and we are not including the potential expansion of the convention center and any additional rooms it may include.

SOURCE: Noell Consulting Group, STR



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Updated - September 2022

Exhibit 106

COVID-19 Impact on National Projections and Local Area Forecast

<b>HVS National Performance Hotel Forecast</b>							
	2018	2019	2020	2021	2022	2023	2024
<b>Occupancy</b>	66.1%	66.1%	42.0%	53.5%	61.0%	65.0%	65.5%
<b>ADR</b>	\$129.97	\$131.17	\$103.00	\$109.25	\$119.00	\$127.25	\$133.75
<b>RevPAR</b>	\$85.96	\$86.76	\$43.26	\$58.45	\$72.59	\$82.71	\$87.61
<b>Occupancy % Change</b>	-	0.0%	-36.5%	27.4%	14.0%	6.6%	0.8%
<b>ADR % Change</b>	-	0.9%	-21.5%	6.1%	8.9%	6.9%	5.1%
<b>RevPAR % Change</b>	-	0.9%	-50.1%	35.1%	24.2%	13.9%	5.9%

<b>STR &amp; Tourism Economics National Performance Hotel Forecast</b>							
	2018	2019	2020	2021	2022	2023	2024
<b>Occupancy</b>	66.1%	66.0%	44.0%	57.6%	63.4%	65.1%	66.4%
<b>ADR</b>	\$129.97	\$131.17	\$103.00	\$125.00	\$145.00	\$150.00	\$155.00
<b>RevPAR</b>	\$85.96	\$86.76	\$45.00	\$72.00	\$92.00	\$98.00	\$103.00
<b>Occupancy % Change</b>	-	-0.2%	-33.3%	30.9%	10.1%	2.7%	2.0%
<b>ADR % Change</b>	-	0.9%	-20.9%	5.6%	5.6%	5.6%	5.6%
<b>RevPAR % Change</b>	-	0.9%	-52.3%	37.9%	37.9%	37.9%	37.9%

<b>CBRE U.S. Hotel Outlook</b>							
	2018	2019	2020	2021	2022	2023	2024
<b>Occupancy</b>	66.1%	66.1%	39.8%	57.4%	61.3%	64.4%	66.6%
<b>ADR</b>	\$129.97	\$131.17	\$104.10	\$121.61	\$133.94	\$141.99	\$134.12
<b>RevPAR</b>	\$85.96	\$86.76	\$41.46	\$69.81	\$82.04	\$94.46	\$89.27
<b>Occupancy % Change</b>	-	0.0%	-39.8%	44.2%	6.8%	5.1%	3.4%
<b>ADR % Change</b>	-	0.9%	-20.6%	16.8%	10.1%	6.0%	-5.5%
<b>RevPAR % Change</b>	-	0.9%	-52.2%	68.4%	17.5%	15.1%	-5.5%

<b>Hypothetical Local Area Performance &amp; Forecast</b>							
	2018	2019	2020	2021	2022	2023	2024
<b>Occupancy</b>	73.5%	75.2%	42.2%	59.5%	60.7%	61.6%	62.5%
<b>ADR</b>	\$120.86	\$122.38	\$105.31	\$119.17	\$128.97	\$136.94	\$139.30
<b>RevPAR</b>	\$88.85	\$92.06	\$44.45	\$70.96	\$78.27	\$84.35	\$87.09

Nationally the hotel industry was ravaged by COVID-19 with shutdowns occurring across the country and social distancing measures put into place. Many hotels across the country temporarily shut down to mitigate operational losses and other, more well-positioned properties, were operating at 5% -10% of their normal capacity. HVS, STR and CBRE forecast a strong recovery throughout 2022 with the market fully recovering in 2023/2024.







The local market experienced similar trends to the Country in 2020. However, it outperformed the larger market in 2021, with occupancy over 2-5% higher. This higher occupancy can largely be attributed to the more affordable market (ADRs below national averages), and Kentucky's quick response on dropping COVID shutdowns.

Source: STR, HVS, Tourism Economics



# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

## Exhibit 107 Summary of Key Selected Hotels in the Market Area

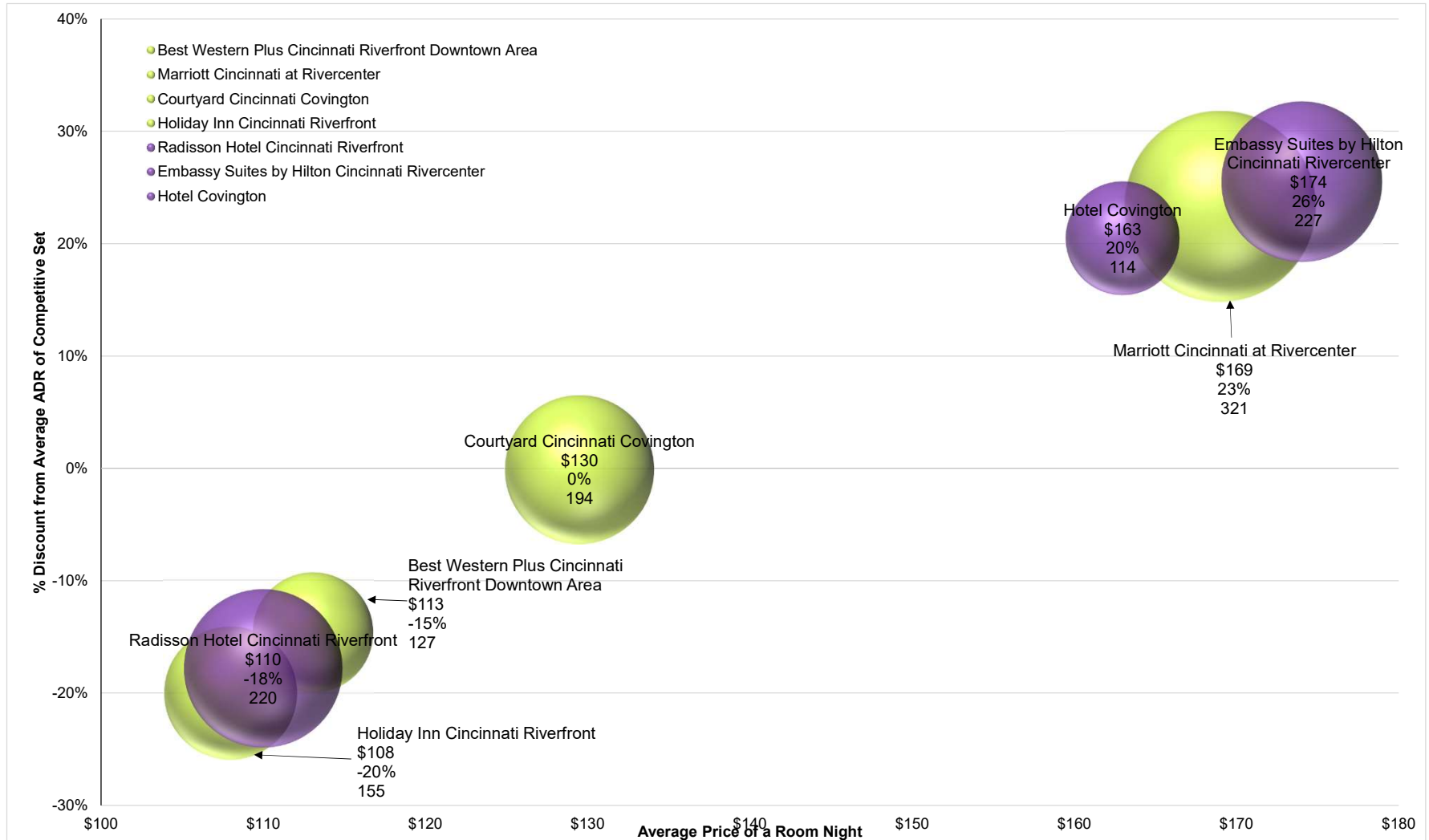
Hotel	Rooms	Type	Quoted Range*	Est. Quoted	Discount from Avg. ADR	Parking / Fees	Amenities	Comments
Best Western Plus Cincinnati Riverfront Downtown Area 	127	Upper Midscale Class	\$107 - \$119	\$113	-15%	Self-park Free	Breakfast; heated indoor pool; in room refrigerator, microwave and coffee/tea maker; fitness center; meeting space; laundry service	Older hotel, built in 1997, on the western side of I-71. A convenient hotel, less attractive to convention go-ers.
Marriott Cincinnati at Rivercenter 	321	Upper Upscale Class	\$149 - \$189	\$169	23%	Off-site, on-site and valet parking for \$28/day	Meeting space, event space, coffee maker in room, restaurant on premises, fitness center, indoor lap pool	Built in 1999 and renovated in Nov 2018, it is the only hotel to have a skybridge connecting to Northern Kentucky Convention Center.
Courtyard Cincinnati Covington 	194	Upscale Class	\$124 - \$135	\$130	0%	Self-park, \$10/day	Complementary shuttle, Starbucks bistro, fitness center, indoor pool, whirlpool, coin laundry	Built in 1999 and to the west of the subject property, this riverfront hotel is by the bridge and Hamburger Heaven with waterfront views.
Holiday Inn Cincinnati Riverfront 	155	Upper Midscale Class	\$101 - \$115	\$108	-20%	Self park Free	Business center, outdoor pool, fitness center, laundry on site, dry cleaning valet	The oldest hotel of the comp set, the Holiday Inn was built in 1969 and is next door to the Courtyard. It is a value hotel like the Radisson and Best Western.
Radisson Hotel Cincinnati Riverfront 	220	Upscale Class	\$101 - \$119	\$110	-18%	Self park Free	Meeting space, fitness center, indoor pool, 24hr corner pantry, dry cleaning valet, laundry service, coin laundry	Built in 1972, this hotel is next to I-71 and is also a value play alternative to more expensive convention hotels.
Embassy Suites by Hilton Cincinnati Rivercenter 	227	Upper Upscale Class	\$153 - \$195	\$174	26%	Self \$10, Valet \$26	Breakfast, evening reception with snacks and drinks, meeting space, ballroom, shuttle, laundry service, room service	Located across the street from the Convention Center and built in 1990, the Embassy Suites enjoys a slightly higher ADR than the Marriot, despite recent renovations and a skybridge.
<b>Average Key Hotels in Market</b>	<b>207</b>		<b>\$123</b>	<b>\$145</b>	<b>\$134</b>			

\*Rate ranges are based on a sample selection of quoted retail rates through March 2019 and interviews with hotel managers

SOURCE: Noell Consulting Group, STR, Inc.

# CITY OF COVINGTON, KY IRS SITE MARKET ANALYSIS UPDATE

Exhibit 108  
Hotel Comparables



Source: NCG, CoStar

