

Melbourne Place

186-Unit Complex Located on Major Retail and Commercial Corridor in Melbourne, Florida



Terwilliger Residential

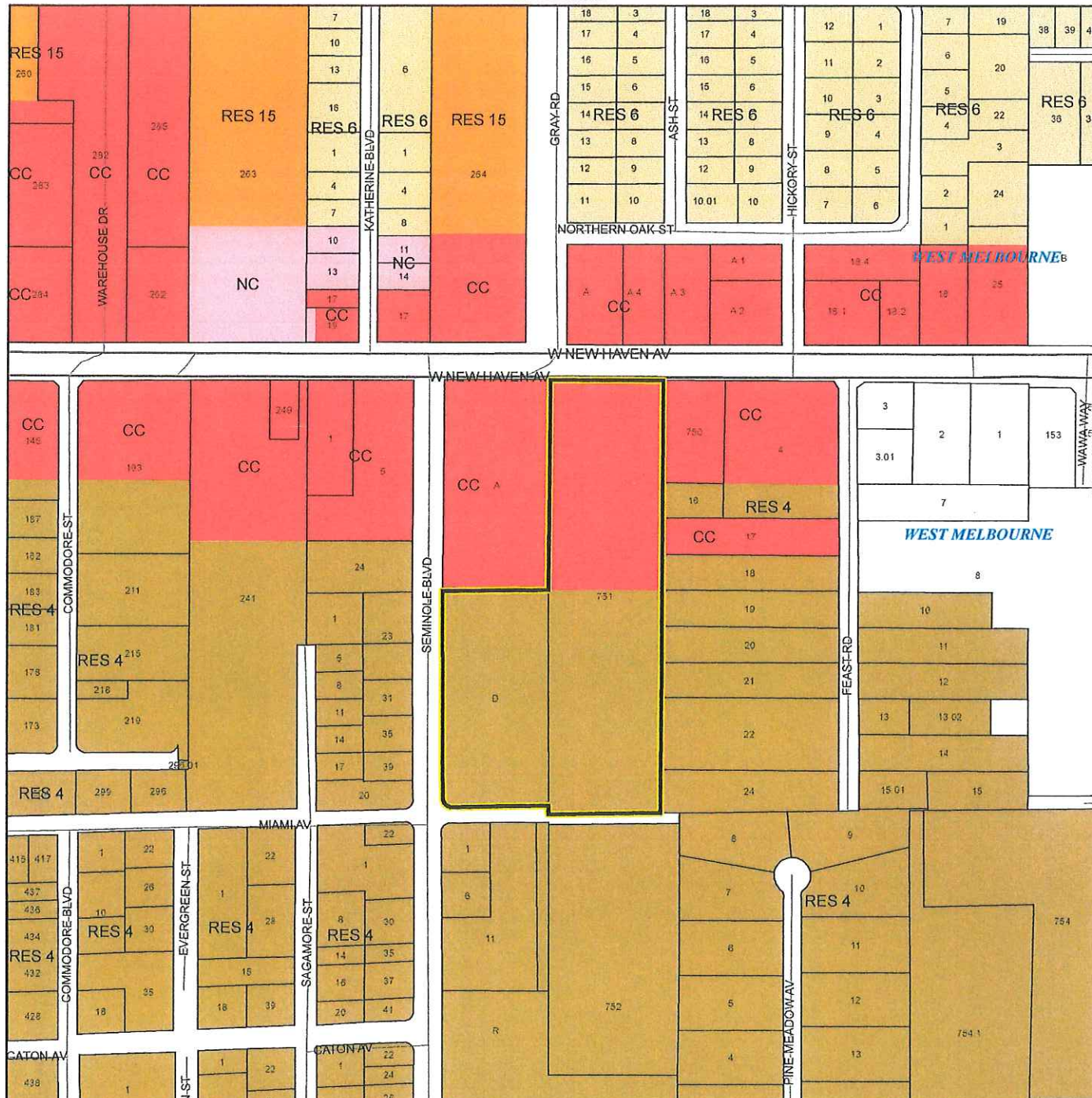
architecture | interiors | planning

				
Board & Batten/ Panels (SW 7614 St. Barls)	Lap Siding (SW 7042 Shoji White)	Shingles (Owens Corning - Onyx Black)	Stacked Stone (El Dorado Limestone York)	Fascia/ Drip Panel (Brown)

FUTURE LAND USE MAP

IRWIN NOVACK as Manager for KANES FURNITURE LLC

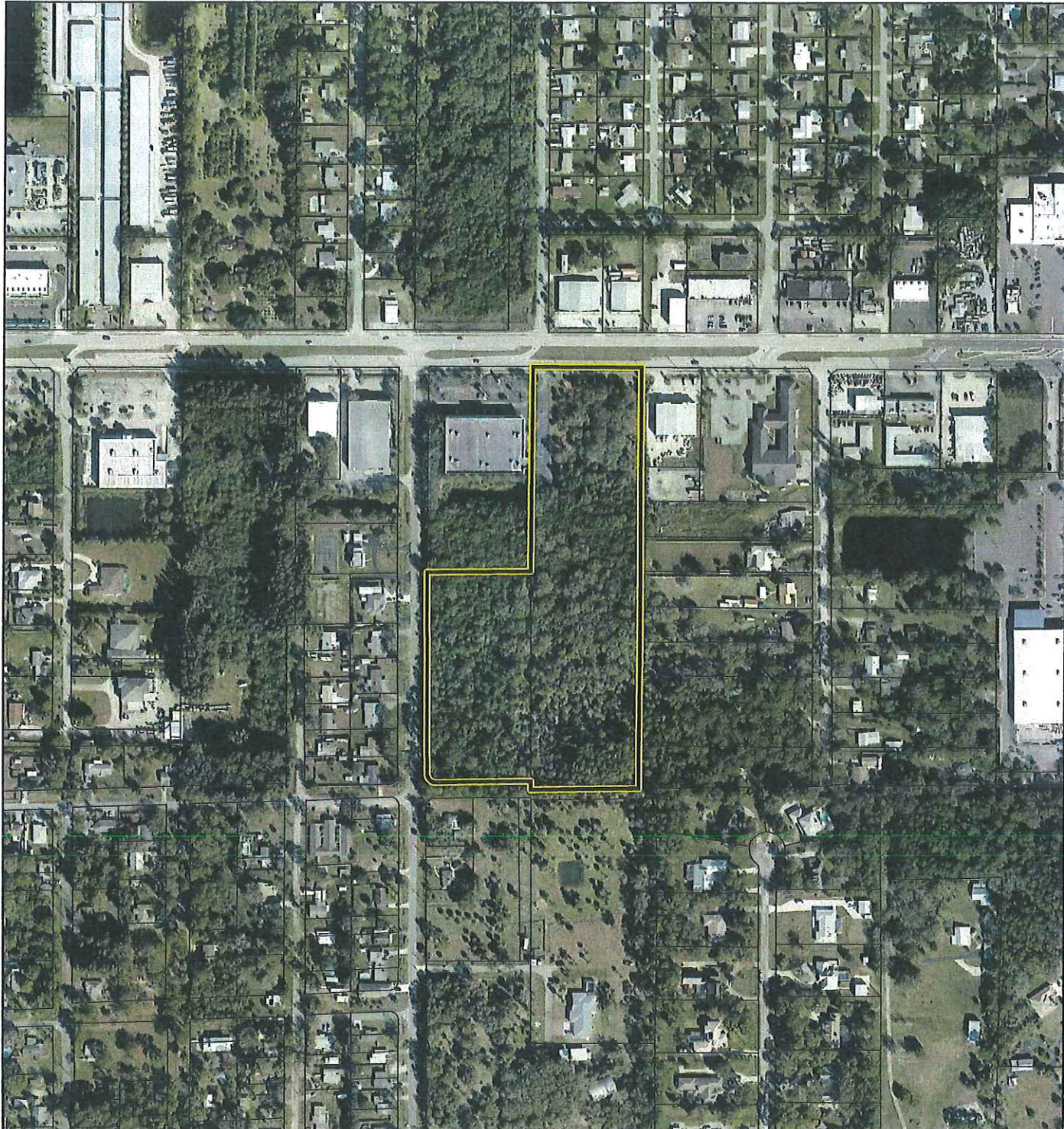
22Z00052



AERIAL MAP

IRWIN NOVACK as Manager for KANES FURNITURE LLC

22Z00052



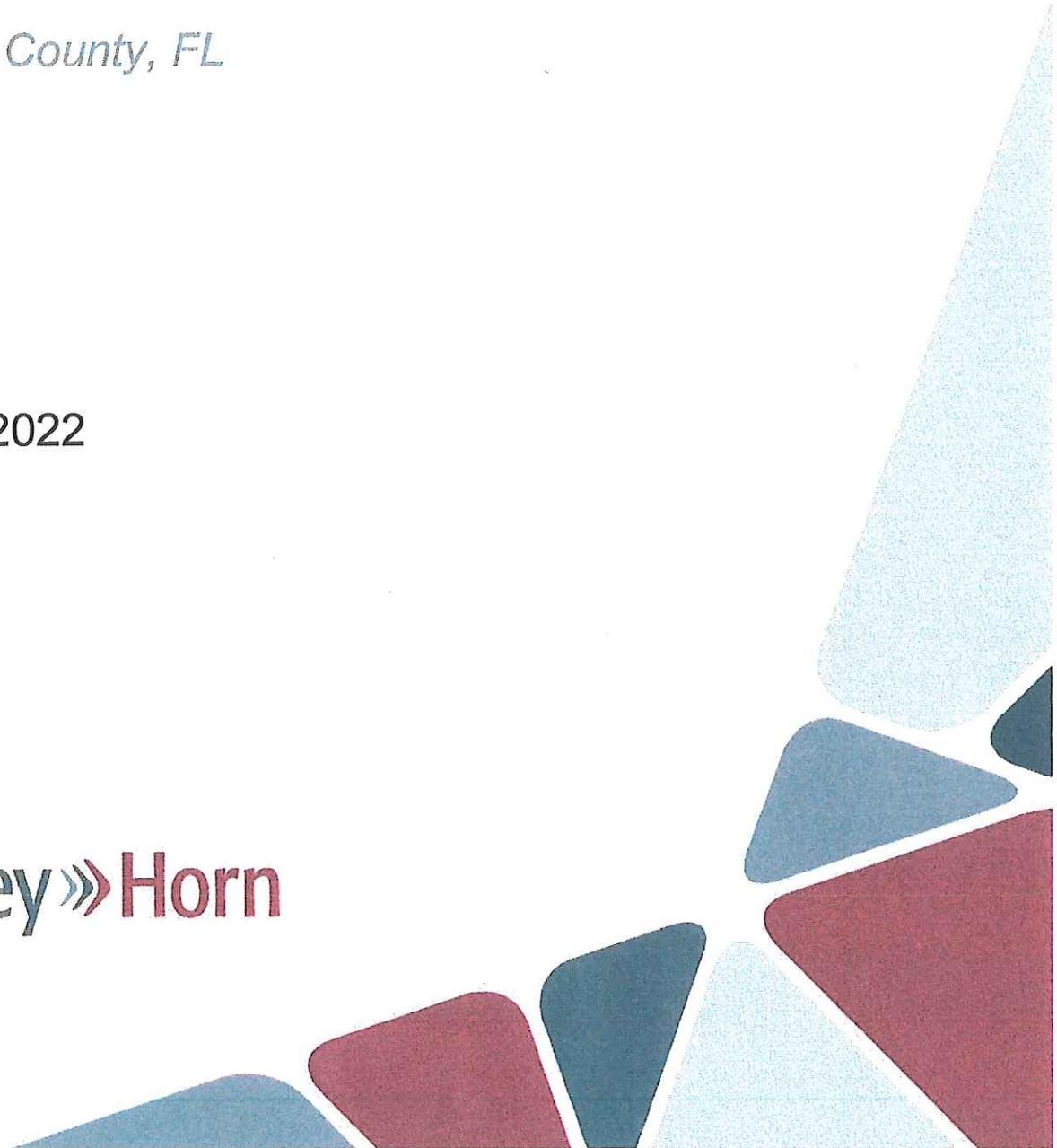
Terwilliger Apartments

Traffic Impact Analysis

Brevard County, FL

August 2022





Kimley»Horn





TRIP GENERATION	
AM	PM
19 IN	64 IN
62 OUT	37 OUT

LEGEND

-  Project Location
-  Study Intersection
-  Project Driveway
-  % Project Distribution

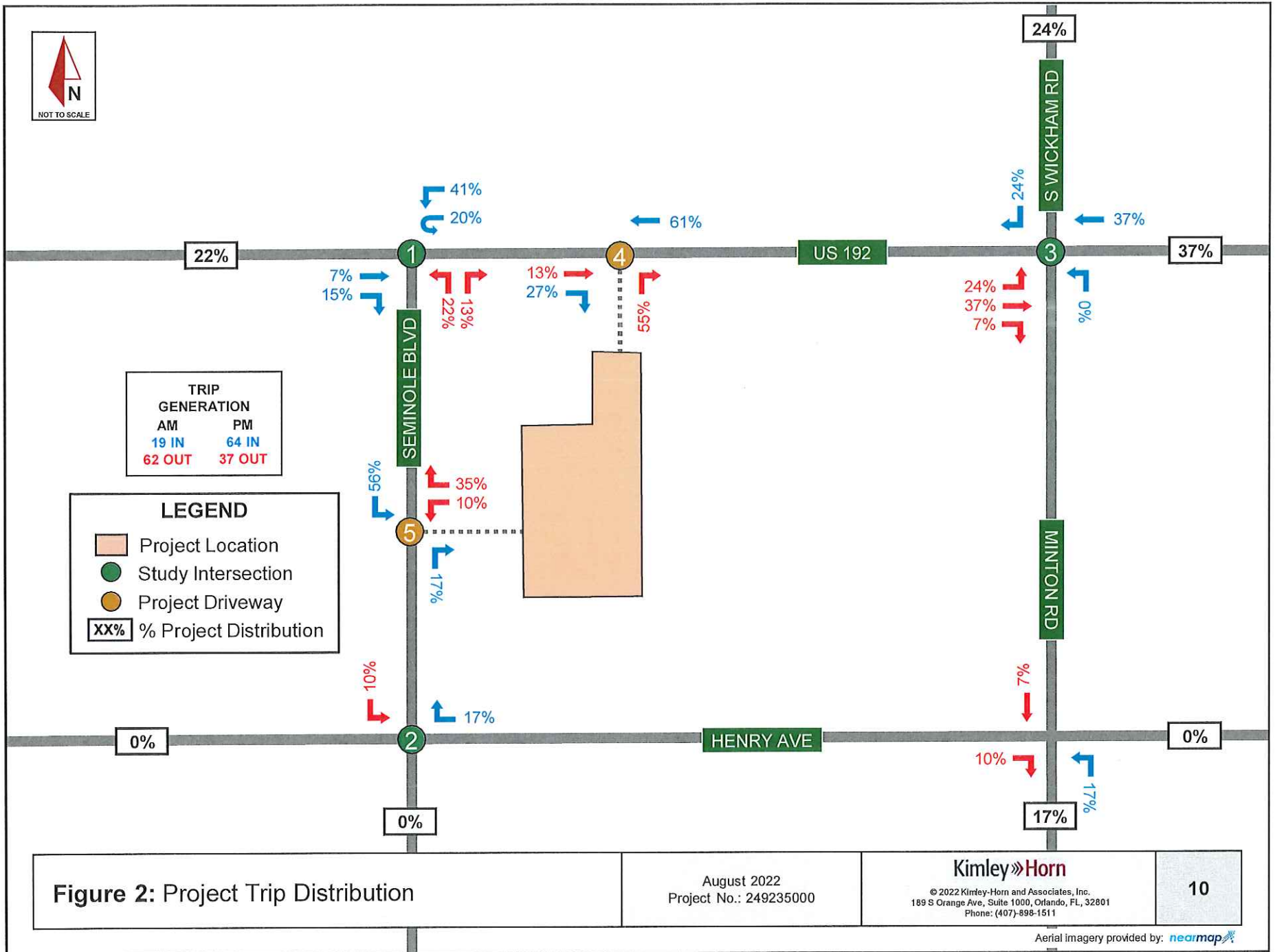



Figure 2: Project Trip Distribution

August 2022
Project No.: 249235000

Kimley»Horn

© 2022 Kimley-Horn and Associates, Inc.
189 S Orange Ave, Suite 1000, Orlando, FL, 32801
Phone: (407)-898-1511

10

Aerial imagery provided by: 

ECONOMIC EXPANSION BY SECTOR

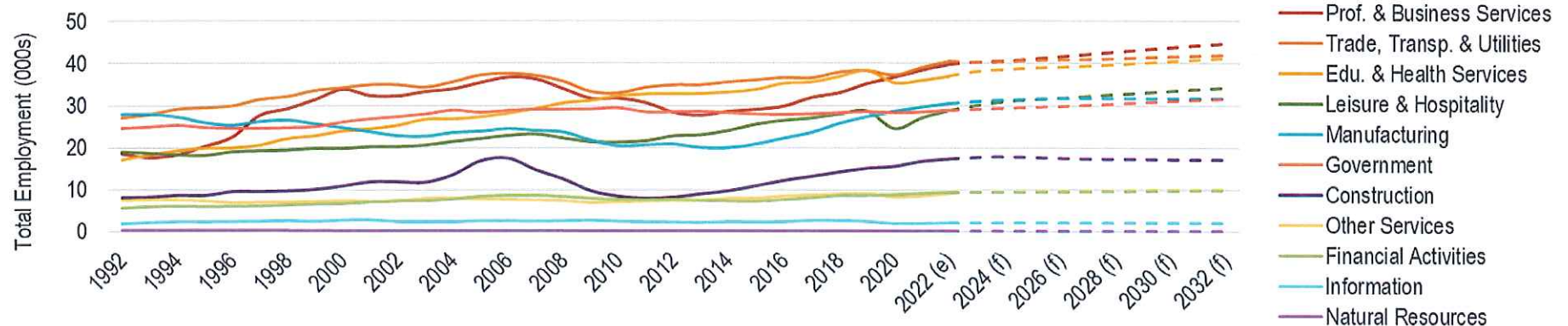
THE MSA HAS A DIVERSE BREAKDOWN OF CAREERS, BUT THE PROFESSIONAL & BUSINESS SERVICES INDUSTRY LEADS THE WAY IN TOTAL JOBS AND GROWTH

- ▶ The Great Recession, along with other factors such as the NASA's cancellation of the space shuttle program, led to multiple rough years of employment within the Melbourne, FL MSA. However, in the last decade the professional and business services has added 12,000 jobs as the area regained momentum in employment growth, particularly in the aerospace, technology, and engineering industries.
- ▶ Following professional and business services, the manufacturing and construction industries have the next highest total growth in jobs. These two industries tend to be correlated and are strong indicators of the rise in population. As more individuals move to the area, more things have to be built to support these individuals.
- ▶ Trade, transportation and utilities, as well as education and health services are also key industries to the MSA in terms of total employment. Universities near the subject site include Florida Institute of Technology, Keiser University, and Eastern Florida State College. The MSA is home to many elderly individuals, therefore large healthcare employers such as Health First, as well as private doctors, have a strong presence locally.

Comparison of Job Growth by Industry, 2012-2022;
Palm Bay-Melbourne-Titusville, FL MSA

INDUSTRY	TOTAL GROWTH (000s)		AVG. ANNUAL (000s)		DISTRIBUTION	
	#	%	#	%	TOTAL	GROWTH
Prof. & Business Services	12	40.6%	1	3.5%	16.4%	23.2%
Manufacturing	10	45.8%	1	3.8%	12.6%	19.3%
Construction	9	111.1%	1	7.8%	7.1%	18.2%
Leisure & Hospitality	6	26.6%	1	2.4%	11.8%	12.2%
Trade, Transp. & Utilities	6	16.2%	1	1.5%	16.6%	11.4%
Edu. & Health Services	4	12.6%	0	1.2%	15.2%	8.3%
Other Services	2	22.8%	0	2.1%	3.7%	3.4%
Financial Activities	2	21.9%	0	2.0%	3.8%	3.4%
Government	0	1.8%	0	0.2%	11.9%	1.0%
Natural Resources	0	-60.2%	0	-8.8%	0.0%	-0.1%
Information	0	-7.2%	0	-0.7%	0.9%	-0.3%
TOTAL	50	25.6%	5	2.3%	100.0%	100.0%

Historical Employment Growth by Sector, 1992-2032 (f);
Palm Bay-Melbourne-Titusville, FL MSA

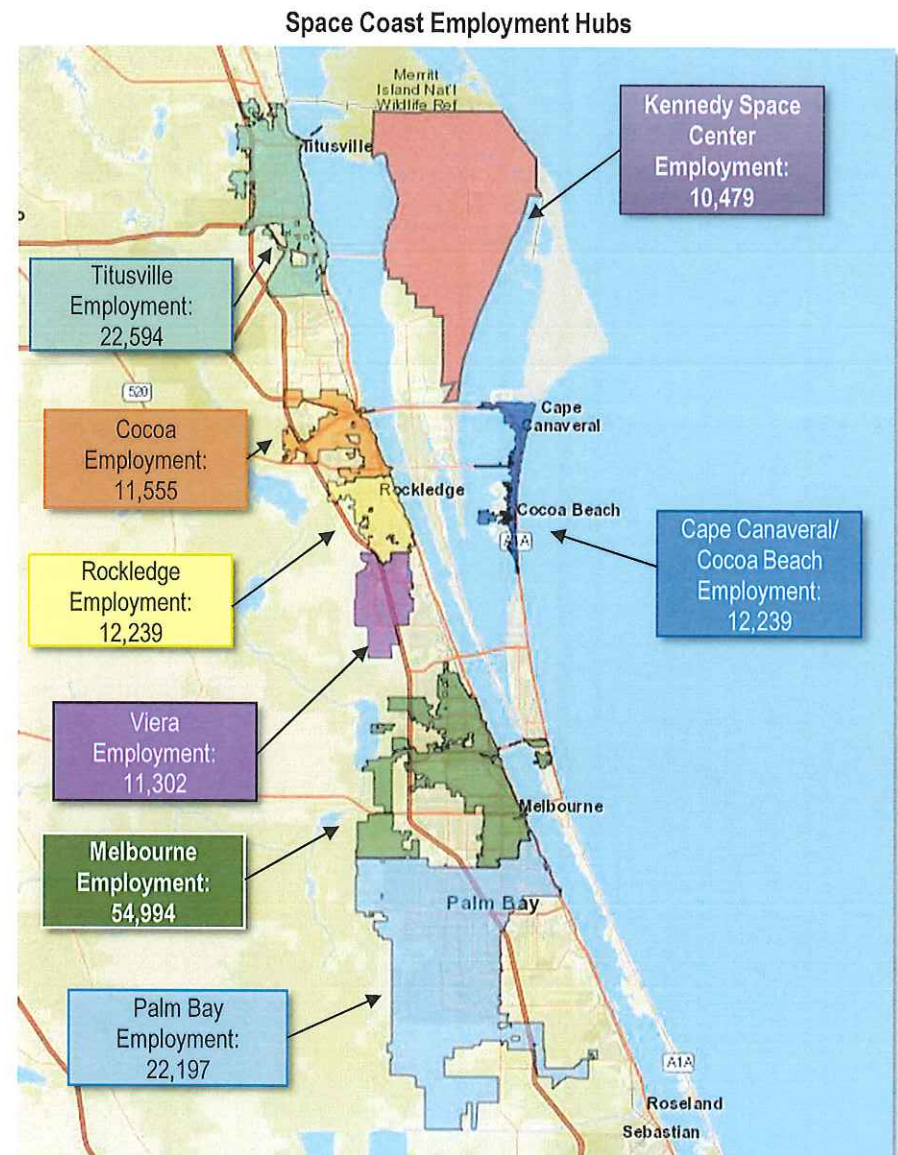


Source: Moody's Analytics;

SPACE COAST EMPLOYMENT DESTINATIONS

In the mid-2000's, after the US Government announced plans to end the Space Shuttle program by 2011 the local economy experienced significant job losses and a rapid decline in household and population growth. National publications such as *The Brookings Institute* and *Forbes* ranked the MSA among the worst in the country for prospective job seekers based on the high rate of unemployment and annual home foreclosures. The area has rebounded significantly in recent years after Kennedy Space Center began leasing their launch sites to SpaceX in 2013. The resumption of significant launch activity has buoyed the local economy which now outperforms the national average in employment growth, including a sharper recovery following the Coronavirus pandemic. The MSA now ranks among the strongest in the nation for job and wage growth, particularly among high-earning STEM fields.

- ▶ **Large Employers in the Aerospace Industry:** After slower years of economic growth at the beginning of the 21st century, Brevard County has experienced strong economic and employment growth in the last six years. This growth has largely been fueled by the resurgence of the aerospace industry that has been driven by private sector investment in the commercial space industry.
 - » **Northrop Grumman** - American global aerospace and defense technology that is fueled by grants from the federal government.
 - » **Lockheed Martin** - Lockheed Martin is a global aerospace, defense, security, and advanced technologies company that receives numerous federal government contracts.
 - » **SpaceX** - Private aerospace manufacturer founded by Tesla's Elon Musk. In 2010, SpaceX first launched a rocket from the Cape Canaveral Spaceport and then signed a long-term lease to use the launch facilities in late 2013.
 - » **L3Harris** - It is the largest aerospace and defense contractor based in Florida and a top 10 defense company worldwide.
 - » **Blue Origin** - Privately funded aerospace manufacturer and sub-orbital spaceflight services founded by Amazon's Jeff Bezos.
 - » **Boeing** - In 2019, Boeing announced its Space and Launch division is relocating its headquarters to Titusville.



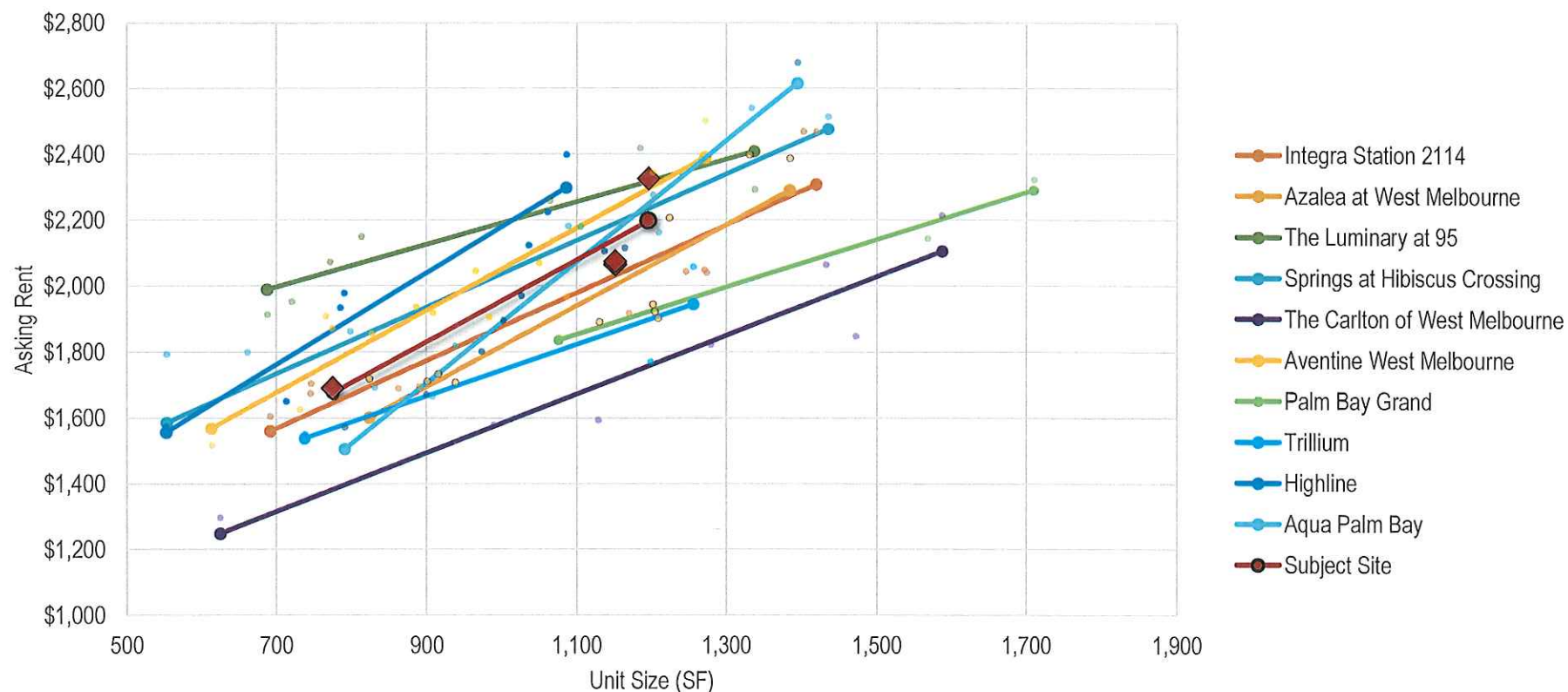
Sources: Esri; Space Coast Office of Tourism; RCLCO

SUBJECT SITE POSITIONING

THE SUBJECT SITE IS POSITIONED IN THE MIDDLE OF THE COMPETITIVE SET AS IT HAS ADVANTAGES AND DISADVANTAGES TO PROPERTIES IN THE COMPETITIVE SET

- ▶ With average recommended rents of \$1.93 per square foot and \$1,950 overall, the subject site is positioned at a discount to market leaders such as Highline, located in Downtown, and The Luminary at 95, with great features, amenities, and location adjacent to retail. The subject site will be priced at a premium to several communities such as The Carlton of West Melbourne, Palm Bay Grand, and Trillium due to the strong location relative to the Palm Bay comps.

Linear Rent-To-Size Comparison, October 2022;
Competitive Set and Recommended Pricing at Subject Site



Source: Axiometrics; CoStar; Interviews with Leasing Agents; RCLCO

FINISHES, AMENITIES, AND PARKING

THE SUBJECT SITE WILL INCLUDE HIGH-QUALITY FINISHES AND A STRONG AMENITY PACKAGE IN LINE WITH THE COMPETITIVE SET

- ▶ The subject site should provide top-of-market competitive unit finishes and amenities. It is assumed that these finishes and amenities can closely match the quality and execution as is common with the Summit Group.
- ▶ Amenities across the competitive set are similar, and feature amenity packages seen across the region which includes a pool, clubhouse, fitness center, media-game room, and outdoor seating with a grilling area. A similar amenity package with additional features such as a fire pit, separate yoga studio, business center, gated access, EV charging stations, bike storage with a repair station, and a dog wash with relief area should be considered at the subject site. Elevator access is not required by law given the subject site's height, but strongly recommended as surveys of local leasing agents have indicated their popularity among renters.

Recommended Features, Amenities, and Parking Strategy; Subject Site

IN-UNIT FEATURES	
KITCHEN	Wood cabinets; granite or quartz countertops; high-quality vinyl plank flooring; open to living room; islands in units; stainless steel appliances; accented tile backsplash; undercount sink; track lighting
BATHROOMS	Ceramic tile or vinyl plank flooring; tile accents in shower; stainless fixtures; granite or quartz countertops
BEDROOMS	Carpet or vinyl plank flooring; walk-in closets; ample natural light; ceiling fans
OTHER	9'+ ceilings; in-unit full-size washer & dryers; USB outlets; contemporary fixtures; central air conditioning and heating; balconies or patios; consider screens for select or all balconies and patios; Elevators are not required, but could help differentiate the subject site
COMMUNITY AMENITIES	
POOL	Resort-style pool with plenty of outdoor seating
OPEN SPACE	Open style lounge space with commercial kitchen and coffee bar; high quality finishes consistent with those in units; multiple televisions; Wi-Fi offered throughout common space
COWORKING AREA	Integrated with open space; computers and printer provided; ample space for working/studying
FITNESS	Full cardio, free weights, and barbell setup; consider yoga/bike studio, and Bluetooth connectivity to cardio machines and speakers
MEDIA/GAME ROOM	Large TV; comfortable seating; consider a billiards table or other games
OUTDOOR	Courtyard with gas grilling areas, fire pits, and lounge chairs; pet run/relief area; consider pet wash
OTHER	Bike racks and repair station; keyless entry; package service; elevator access; consider differentiating amenities like pickleball or bocce courts
PARKING	
PARKING	Free surface parking; if possible, the site could provide detached garages to rent for \$200 per month
STORAGE	The subject site could provide extra storage space for \$25-\$50 per month, or market detached garages as extra storage space

Source: RCLCO

RENTER SEGMENTATION

THE SUBJECT SITE IS LIKELY TO ATTRACT A COMBINATION OF YOUNG PROFESSIONALS, FAMILIES, AND EMPTY NESTERS

Using a statistical demand analysis, RCLCO forecasts 886 units of annual demand for new multifamily units, though only 489 units of market rate units are deemed "income-qualified" with a household income over \$75,000 per year.

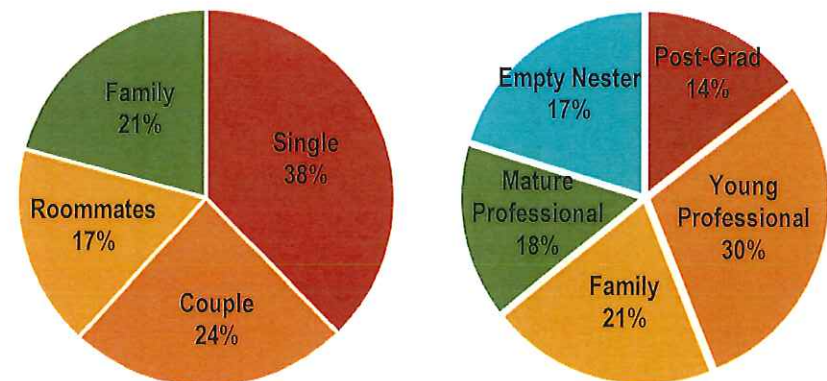
Market demand is spread across several age groups, and market segments. Young professionals comprise the largest portion of the PMA's renters (30%). These households are typically aged 25-34, and are several years into their careers as compared to post-grads who are typically just starting their careers. Often times post-grads and young professionals are known to rent smaller units and move more frequently than more mature renters. One of the emerging trends following the pandemic is that many young professionals are now working from home, and are willing to rent larger units than they used to, in order to have a designated office space available.

Although the PMA's most prevalent household type is singles, the presence of families, roommates, and couples in the market make including units with two or more bedrooms in the a necessity in the unit mix. Families make up 21% of the annual renter demand, and usually rent larger two and three-bedroom units because they need space for their children.

Annual Renter Demand by Lifestyle and Economic Segment, 2022-2027;
Primary Market Area

INCOME	AGE					TOTAL
	UNDER 25	25-34	35-54	55-64	65+	
UNDER \$50,000	51 6%	23 3%	15 2%	9 1%	14 2%	113 13%
\$50,000 - \$74,999	49 5%	106 12%	71 8%	26 3%	32 4%	284 32%
\$75,000 - \$99,999	29 3%	64 7%	38 4%	11 1%	27 3%	167 19%
\$100,000 - \$149,999	33 4%	76 9%	75 8%	10 1%	15 2%	210 24%
\$150,000 AND OVER	8 1%	42 5%	37 4%	8 1%	18 2%	112 13%
TOTAL	170 19%	311 35%	236 27%	63 7%	105 12%	886 100%

Annual Renter Demand by Household Type and Life Stage, 2021-2026;
Primary Market Area



Source: U.S. Census Bureau American Community Survey; Esri; RCLCO