



Market Study for the Rehabilitation of Mirador de las Casas in Santurce, San Juan, Puerto Rico

October 24, 2020

**Submitted to:
CPA Pablo Muñiz
Executive Director
Puerto Rico Housing Finance Authority**

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Market Study for the Rehabilitation of Mirador de las Casas a Low-Income Housing Family Project in San Juan, Puerto Rico.

October 24, 2020

CPA Pablo Muñiz
Executive Director
Puerto Rico Housing Finance Authority

Re: Market Study – Rehabilitation of Mirador Las Casas
San Juan, Puerto Rico
294 Units

Dear CPA Muñiz:

Caribbean Analysis Unit has prepared a market/marketability study for the rehabilitation of Mirador Las Casas Apartments (MLC), a Low-Income Housing Tax Credit (LIHTC) project in San Juan, Puerto Rico, operating under the assistance of Section 8 of the Housing Act of 1937 (42 U.S.C. § 1437f). In this report, we have relied on the most recent data published by the US Census Bureau, population estimates for 2011-2019 and a further set of estimates based on the data compiled by the Annual Community Survey for Puerto Rico, 2014-2018.

The Subject project refers to a multi-family project with **294** residential units of two, three, and four bedrooms units in 21 three-story buildings built on a site of **45,147.33** square meters. Currently, 4 units (4BR) are used as a Head Start Learning Center and one unit (4BR) is used as the administrative office. However, considering that a new administration office will be built within the subject premises in the upcoming rehabilitation, the 4BR unit that is now used as an office will be considered as part of the available apartment's inventory. Thus, the total number of units to be considered for residential use is **290** units.

Supporting facilities include a sport court, activity center, electronic library and 300 surface parking spaces. Tenants and beneficiaries of the Subject project are families with annual income below the threshold set by the Puerto Rico Housing Finance Authority (PRHFA).

The Subject is located on Eduardo Conde Avenue, Santurce Ward. Direct access to Eduardo Conde Avenue provides easy connection with the business center of Hato Rey and well-served areas of Santurce. Thus, MLC tenants enjoys a privileged location within a 5-10 minutes driving distance from a large network of hospitals, walking clinics, banks, schools and many other commercial and service facilities.

The primary market area (PMA) for the purpose of this analysis is the municipality of San Juan. This PMA definition is consistent with the strong socioeconomic activity in San Juan, which is the most populated municipality in Puerto Rico and concentrates the bulk of government, commercial and financial institutions in the Island

The Subject operates under Section 8. Subsidies to Subject tenants allow them to pay very low monthly rents compared to those prevailing in the market. At the present time, the Subject has a 98% occupancy rate, in spite of the current physical and functional obsolescence that the rehabilitation plan will fix.

During our visit on September 28, 2020, we confirmed that the Subject indeed needs a comprehensive rehabilitation. The Subject was built and developed in the late 1960's. Although it then provided a practical solution, now it has become inefficient and obsolete. The complex has received little reparations and improvements since it started operations. The Subject resents the accumulation of physical and functional depreciation over time, in particular the utility systems, the façades, apartment interiors and common areas.

More importantly, the rehabilitation project will address key issues of vulnerability and weaknesses that hit low-income families in Puerto Rico in the aftermath of hurricanes Irma and María. Then, lengthy outages and disruptions in water supply upended the life of Puerto Ricans and caused significant social, economic and physical damages to the more vulnerable households. The MLC rehabilitation plan includes improvements in the electric system and exterior lighting that will make the Subject more energy efficient. In addition, the rehab plan includes façades renovation, roof waterproofing and other significant improvements that will significantly enhance the ability of the Subject tenants to minimize the adverse impacts of further hurricanes and natural disasters.

During the aforementioned visit, we conducted an interview with the administrator of the Subject project. He provided the most recent information on the socioeconomic profile of the Subject's tenants.

The market analysis focuses on the segment of renters since potential tenants of the proposed project will mostly come from families living in rented units. It is widely known that Puerto Rico's homeowners seldom become renters and just leave their home when they need some type of care at advanced ages.

The Subject is a multifamily project with **100%** of its units with two, three and four bedrooms. Therefore, the Subject basically targets a wide range of vulnerable families. In addition, the Subject owner plans to give priority to single headed households, single mothers in particular, a very vulnerable group from the socioeconomic standpoint.

We foresee that the Subject, once the rehab process is finished, will stay operating at full/high occupancy rates. The subject project, with 294 units, entails a **capture rate of 3.3%. In other words, MLC accounts for 3.3% of the unmet demand for LIH multifamily in San Juan.**

We foresee that the Subject will reach a stabilized occupancy rate during the first year after completing the rehab process of **98%-100%**. We believe that the Subject has strong assets that ensure a very favorable marketability:

- ✓ Good location with a varied retail and service network within a short-drive distance. MLC is in the Santurce Ward, close to the top financial district in Puerto Rico and with easy access to a large network of hospitals, clinics, restaurants, schools, bank and many other facilities.
- ✓ Good security conditions and proximity to a police station. Security is one of the main problems afflicting low-income families in Puerto Rico.
- ✓ Effective monthly rents paid by the Subject tenants fall significantly below average market rents in competitive projects in San Juan. As per the data provided to us, most tenants at MLC don't pay monthly rent. This represents a significant economic assistance for many

families that cannot afford the expensive market rents in Santurce and Hato Rey.

- ✓ Significant shortage of four-bedroom units in San Juan and Puerto Rico in general. The Subject has 50 four-bedroom units and, as such, helps to lessen the critical shortage of large residential units, most of them with monthly rents that seldom fall below \$3,000.

This study includes data gathered from several statistical sources as well as first-hand information. Although we believe these sources to be reliable, we are not auditors and, as such, cannot verify and authenticate all the data utilized. As economic consultants, we assume no liability for errors in the data provided to us. Among the sources utilized to support our analysis and conclusions, we can mention: the U.S. Census of Population and Housing demographic information compiled by the Puerto Rico Planning Board, the American Community Survey for Puerto Rico, the US Bureau of Labor Statistics, the Puerto Rico Department of Labor and Human Resources, among others.

Moreover, hereby we state, that the conclusions provided in this market analysis are objective opinions based on the data collected and the interpretation of current as well as prospective supply and demand variables. The research and analysis undertaken were completed on October 24, 2020.

Caribbean Analysis Unit has prepared this study upon the guidelines and standards set forth by the National Council for Affordable Housing Market Analysts (NCAHMA). We have reviewed and understood their guidelines and believe that the methodology supporting our analysis is consistent with their recommendations.

The intended use of this appraisal report is to assist the intended users in a decision-making process regarding the compliance of the proposed rehabilitation of the subject project under the LIHTC and CDBG-DR programs. The intended users are San Jorge LLC (current owner), El Mirador LLC (new future owner), the Puerto Rico Housing Financing Authority (PRHFA) and the investors purchasing the tax credits.

Very cordially,



Roberto Orro Fernández

CERTIFICATION

This market study has been prepared by *Caribbean Analysis Unit (CAU)*, a professional economic and market consulting group in good standing for the practice of the profession. This study has been prepared in accordance to the standards adopted by the National Council of Affordable Housing Market Analysts (NCAHMA) for the market analysts' industry. These standards include the *Standard Definition of Key Terms Used in Market Studies for Affordable Housing Projects, and Model Content Standards for the Content of Market Studies for Affordable Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Affordable Housing Market Analysts.

CAU is duly qualified and experienced in the area of market analysis for Affordable Housing. **CAU** is an independent market analyst. No principal or employee of **CAU** has any financial interest whatsoever in the development for which this analysis has been undertaken.

This document refers to CAU as the contracting consultant, but the certification is always signed by the individual completing the study and attesting to the certification.



Name: Roberto Orro Fernández

Date: October 24, 2020

Company: Caribbean Analysis Unit

EXECUTIVE SUMMARY

- The Subject project refers to a multi-family project with **294** residential units of two, three, and four bedrooms units in 21 three-story buildings built on a site of **45,147.33** square meters. Currently, 4 units (4BR) are used as a Head Start Learning Center and one unit (4BR) is used as the administrative office. However, considering that a new administration office will be built within the subject premises in the upcoming rehabilitation, the 4BR unit that is now used as an office will be considered as part of the available apartment's inventory. Thus, the total number of units to be considered for residential use is **290** units.
- Supporting facilities include a sport court, activity center, electronic library and 300 surface parking spaces. Tenants and beneficiaries of the Subject project are families with annual income below the threshold set by the Puerto Rico Housing Finance Authority (PRHFA).
- The Subject is located on Eduardo Conde Avenue, Santurce Ward. Direct access to Eduardo Conde Avenue provides easy connection with the business center of Hato Rey and well-served areas of Santurce. Thus, MLC tenants enjoys a privileged location within a 5-10 minutes driving distance from a large network of hospitals, walking clinics, banks, schools and many other commercial and service facilities.
- The Subject operates under Section 8. Subsidies to Subject tenants allow them to pay very low monthly rents compared to those prevailing in the market. The Subject is currently occupied at 98%.
- **The MLC rehabilitation plan includes improvements in the electric system and exterior lighting that will make the Subject more energy efficient. In addition, the rehab plan includes façades renovation, roof waterproofing and other significant improvements that will significantly enhance the ability of the Subject tenants to minimize the adverse impacts of further hurricanes and natural disasters.**
- The primary market area (PMA) for the purpose of this analysis is the municipality of San Juan. By limiting the PMA to San Juan, we are following a conservative approach and rule out any possibility of overestimating the

demand for LITHC projects like the Subject. A new/rehabilitated project in San Juan is a magnet for people from other municipalities in the San Juan Metro Area (SJMA) and even farther.

- San Juan has over 241,000 payroll jobs. This figure accounts for **27.5%** of all payroll jobs in Puerto Rico, although San Juan share in the Island population is 10%. Government provides 42,000 jobs in San Juan or **34.7%** of all government jobs in Puerto Rico. San Juan is the home of a vibrant financial and service sector, with over 152,000 jobs, representing 33.2% of all Service jobs in Puerto Rico.
- San Juan, as well as the rest of Puerto Rico, has experienced a sustained demographic contraction in this decade, but at a faster rate. In fact, demographic contraction in San Juan started since 1990, as Census 2000 documented. From 1990 to 2019, San Juan has lost nearly 120,000 residents.
- However, there are some positive signs that we should take into account. In 2019, for the first time in over the last ten years, the US Census Bureau reported a stabilization (a very slight increase) in the Island population. In addition, economic perspectives for Puerto Rico have improved since a large inflow of federal funds, mostly CDG funds, is expected for the next five years. As such, we believe, that it is reasonable to assume a stabilization of total population in San Juan up to 2025.
- San Juan has **138,800** households or housing units. Owner-occupied units account for only **55.6%** of total households, significantly lower than the ownership rate of Puerto Rico, which is **68.6%**. San Juan has a sizable population of renters with **61,677** households.
- As the Subject refers to the rehabilitation of a rental project, our analysis focuses on this group. Households with two or more bedrooms, 46,907 units, account for over 76% of the overall universe of renters in the PMA.
- As reported by the US Census Bureau, 66.3% of renters in San Juan fall below the annual income threshold of \$20,000. If we multiply the number of renters with two bedrooms or more, 46,907, by 66.3%, the resulting figure is **31,099** units. This represents the potential demand for projects like the subject MLC.

- The relevant supply for the purpose of this analysis consists of **22,187** units unfolded in **17,275** units in public housing projects and **4,912** units in LIHCT/Section 8 projects.
- By subtracting this figure from the estimated demand of **31,099** units, we obtain a gap or excess demand for LIH rental (non-elderly) in San Juan of **8,912** units. This renders a capture rate of **3.3%**.
- There is a varied supply of market rentals for units with one, two, three, and four bedrooms in the PMA. However, their monthly rents fall significantly above the maximum monthly rents that the Subject tenants are paying.
- While Subject tenants seldom pay over \$200 monthly, market rents for a two and three-bedroom unit mostly fall above \$800. Moreover, there is a noticeable shortage of four-bedroom units, limited to new, high-end projects with monthly rents above \$3,000.
- Based on our analysis, we believe that the Subject MLC, can reach a **98%-100%** stabilized occupancy rate during its first year after completing the rehab process. Occupancy rate in all LIHTC/Section 8 projects in the PMA exceed 98%, and most of them have waiting lists. During our visits and conversations with administrators, we confirmed that.
- Considering that the investment in construction and related costs will be in the amount of \$38.59 million, the aggregated economic impact for Puerto Rico will be approximately \$88.75 million. This phase will generate a total of 853 new jobs in the economy of which 351 are indirect jobs.
- In addition, the investment in MLC will provide additional economic benefits and fiscal revenue. The project will provide the municipality of San Juan with \$1.4 million in taxes and will generate about \$20.46 million in salaries and benefits across the Island economy.

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Roberto Orro Fernández Credentials

I. SCOPE OF WORK

The purpose of this consulting work is to perform a market/marketability study for the rehabilitation of Mirador Las Casas Apartments (MLC), a Low-Income Housing Tax Credit (LIHTC) project in San Juan, Puerto Rico, operating under the assistance of Section 8 of the Housing Act of 1937 (42 U.S.C. § 1437f). The primary objective of this market study is determining the possibilities for the Subject of operating at high/full occupancy rates.

To comply with this goal, the market study should verify whether the Subject project can serve a geographical area with enough excess demand for low-income rental housing, specifically for the **non-elderly** segment. **The latter is a necessary but a non-sufficient condition to ensure high/full occupancy rates.** Thus, this study includes a marketability analysis that places the Subject property within the context of its effective competition, including market as well as subsidized rentals. This will allow the intended users to conclude if the Subject project can perform well relative to other competitive projects in the market area.

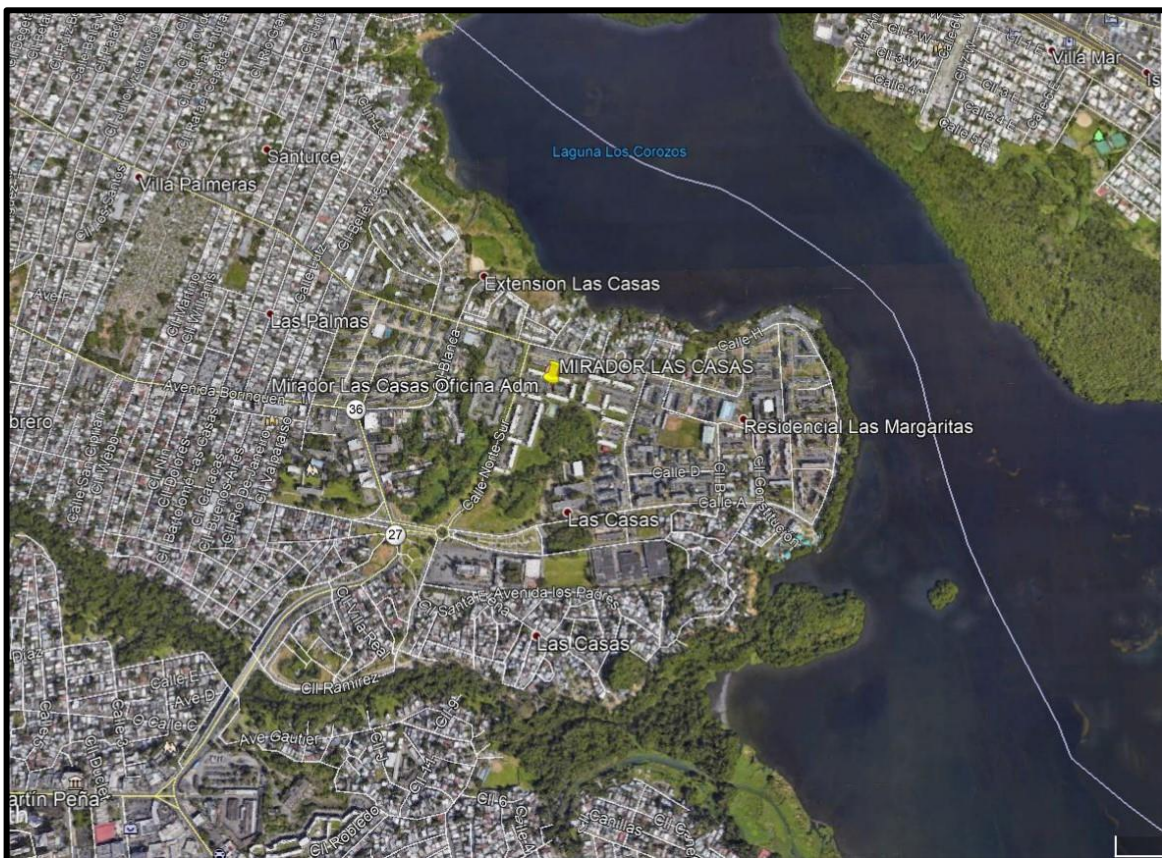
We performed a variety of tasks to complete this study. The conclusions herein presented rely on the gathering and processing of information from different federal and state sources. Since the Subject refers to an operating project, we visited the project and interviewed its administrator, who provided significant information on tenants' socioeconomic profile, their effective rents, and the waiting list. We also conducted a fieldwork and interviews with realtors, consultants, and administrators of LIHTC projects.

The intended use of this appraisal report is to assist the intended users in a decision-making process regarding the compliance of the proposed rehabilitation of the subject project under the LIHTC and CDBG-DR programs. The intended users are San Jorge LLC (current owner), El Mirador LLC (future owner), the Puerto Rico Housing Financing Authority (PRHFA) and the investors purchasing the tax credits.

II. DESCRIPTION OF THE SUBJECT PROJECT

The Subject is located on Eduardo Conde Avenue, Santurce Ward. Direct access to Eduardo Conde Avenue provides easy connection with the business center of Hato Rey and well-served areas of Santurce. Thus, MLC tenants enjoy a privileged location within a 5-10 minutes driving distance to a large network of hospitals, walking clinics, banks, schools and many other commercial and service facilities.

Aerial View of the Subject Site



The Subject's immediate neighborhood features a variety of amenities like an elementary school and a boys & girls club. More importantly, a police station is within 400 metros from the Subject. This is a very important asset, since criminality in Puerto Rico mostly affect low-income, more vulnerable families.

Market Study for the Rehabilitation of Mirador de las Casas a Low-Income Housing Family Project in San Juan, Puerto Rico.

Elementary School



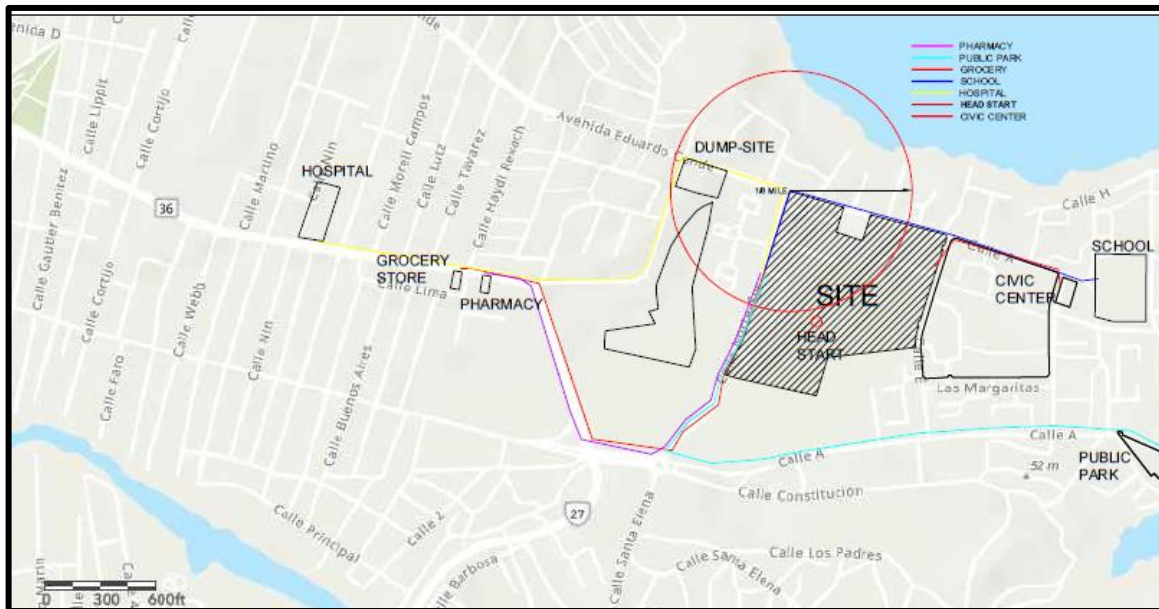
Boys & Girls Club



Police Station



Amenities withing 1,500 meters of Mirador Las Casas



LOCATION: FARMACIA LAS CASAS

ADDRESS: 2304 Avenida Borinquen, San Juan, PR

COORDINATES; N:266633.21 - E:240954.51

WALKING DISTANCE: 827 MTS

STATUS: **In the limits**

LOCATION: ESCUELA ELEMENTAL FRAY BARTOLOME DE LAS CASAS

ADDRESS: 2001 Calle Las Almas #2003, San Juan, PR

COORDINATES; N:26663.23 - E:241972.11

WALKING DISTANCE: 669 MTS

STATUS: **In the limits.**

LOCATION: CENTRO COMUNITARIO COMUNIDAD DE CANTERA

ADDRESS: Calle Constitución, San Juan, PR

COORDINATES; N:266321.37 - E:242050.94

WALKING DISTANCE: 1,200 MTS

STATUS: **In the limits.**

LOCATION: CLINICA DR. JOSE S. BELAVAL

ADDRESS: 515-599 Calle Nina, San Juan, PR

COORDINATES; N:266690.04 - E:240650.32

WALKING DISTANCE: 1,070 MTS

STATUS: **IN the limits.**

Market Study for the Rehabilitation of Mirador de las Casas a Low-Income Housing Family Project in San Juan, Puerto Rico.

LOCATION: **COLMADO PLAZA BORINQUEN**

ADDRESS: 2279 Avenida Borinquen #2275, San Juan, PR

COORDINATES; N:266642.39 - E:240894.65

WALKING DISTANCE: 888 MTS

STATUS: **IN the limits.**

Special needs populations targeted amenities located within a 500-meter radius of Mirador Las Casas Apartments:

LOCATION: **Head Start El Mirador**

ADDRESS: 911 Avenida Eduardo Conde, Santurce, San Juan, PR, 00912

COORDINATES; N:266596.80 - E:241521.21

WALKING DISTANCE: 0 MTS

STATUS: **In the limits**

LOCATION: **Boys & Girls Club Las Margaritas**

ADDRESS: Avenida Eduardo Conde Final, Res Las Margaritas, San Juan, PR

COORDINATES; N:266618.37 - E:241894.25

WALKING DISTANCE: 262 MTS

STATUS: **IN the limits**

Eduardo Conde Avenue has a variety of commercial and service establishments well suited to a low-income population. Within a five-minute drive from the Subject we can find colmados, gas stations, restaurants, cafeterias and financial establishments.



The Subject's neighborhood is well served by several health care establishments. In addition to José S. Belaval clinic, within a five-minute drive from the Subject lies Health ProMed, another health care, 330 center for low-income families with modern facilities and offering dental, nutrition, social assistance, clinical laboratory, radiology and other health care services mostly to an economically vulnerable clientele.

Health ProMed on Borinquen Avenue, Barrio Obrero



The Subject project refers to a multi-family project with **294** residential units of two, three, and four bedrooms units in 21 three-story buildings built on a site of **45,147.33** square meters. Currently, 4 units (4BR) are used as a Head Start Learning Center and one unit (4BR) is used as the administrative office. However, considering that a new administration office will be built within the subject premises in the upcoming rehabilitation, the 4BR unit that is now used as an office will be considered as part of the available apartment's inventory. Thus, the total number of units to be considered for residential use is **290** units.

Supporting facilities include a sport court, activity center, electronic library and 300 surface parking spaces. Tenants and beneficiaries of the Subject project are families with annual income below the threshold set by the Puerto Rico Housing Finance Authority (PRHFA).

Market Study for the Rehabilitation of Mirador de las Casas a Low-Income Housing Family Project in San Juan, Puerto Rico.



Mirador de las Casas Apartments					
No. of Bdrs	No. of Units	Area in Square Feet	Contract Rent	Utility Allowance	Gross Rent
2BR-1BA	96	714	\$534	\$144	\$678
3BR-1BA	144	878	\$610	\$178	\$788
4BR-1BA	50	1,088	\$661	\$198	\$859
Total	290				
Source: Admon Mirador de las Casas, September 2020					

MLC will go through a comprehensively rehabilitation process. The Subject was built and developed in the late 1960's. Although it then provided a practical solution, now it has become inefficient and obsolete. The complex has received little reparations and improvements since it started operations. The Subject resents the accumulation of physical and functional depreciation over time, in particular the utility systems, the façades, apartment interiors and common areas.

The MLC rehabilitation process comprises a wide set of improvements:

- Sanitary Main Sewer: Replacement of the pipeline with PVC SDR-35 pipes.
- Primary and Secondary Electric Power System: Improvements in the electric system includes photovoltaic system for outdoor lighting and common areas.
- Telecommunications in line with the state regulatory framework.
- Façade Renovation: It will include all buildings front and rear façades; will integrate the new balconies and will add exterior insulation.
- Exterior Painting: All building exterior will be painted, after removing all dirt and mud.
- Roof waterproofing: Buildings' roofing will be removed and replaced with a new membrane system.
- Replacement of exterior lighting fixtures with energy efficient units

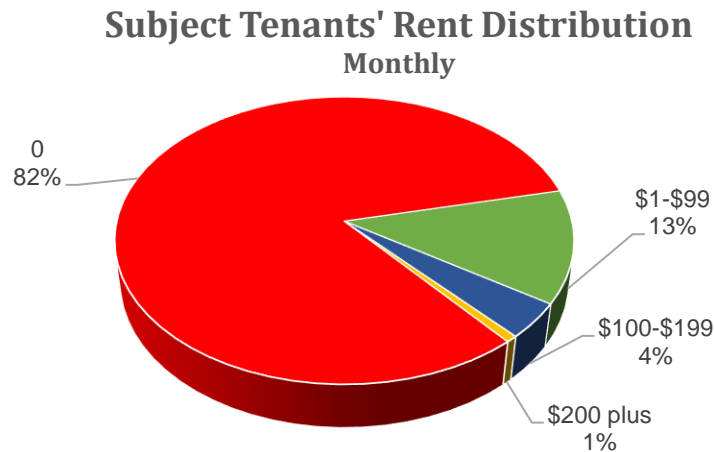
The Subject administrator, from San Jorge LLC, the Subject owner, provided data on the tenants' socioeconomic profile and the effective monthly rents they pay. The latter is a key variable to estimate and analyze the demand for low-income housing projects like the Subject, and thus a necessary input to comply with the purpose of this assignment.

The Subject project currently operates as a rental project, a project-based, under Section 8 of the Housing Act of 1937 (42 U.S.C. § 1437f), often simply known as Section 8.

Section 8 subsidies can be a tenant or project based. Tenant based refers to Housing Choice Voucher Program, while project based, which is the case of the Subject project, compensates the landlord or operator with the difference between the tenant's contribution and the rent in the owner's contract with the government difference, the Fair Market Rents (FMR). These are an estimate of the average gross rents (rents plus utilities) for medium-quality apartments of different sizes in a particular community. Whether a tenant or project-based modality, tenants usually end paying monthly rents up to 30% of their income.

As per the data provided to us, only **5%** of them pays over **\$100** monthly and only **1%** pay more than **\$200** monthly. As shown in the following page, 82% of MLC tenants don't pay monthly rent. These low effective rents give the Subject a competitive edge over non-subsidized rentals, mostly with monthly rents above **\$500**, even for two-bedroom units.

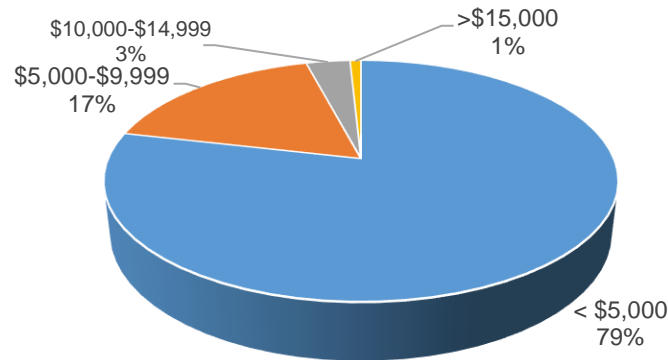
Resident families in projects like the Subject should meet the annual household income threshold set by the PRHFA/HUD. The Subject families fall mostly in the lower income brackets, with 79% of them below \$5,000 annual income and only 1% above \$15,000.



Source: Admon Mirador de las Casas, September 2020

This data indicates that families meeting the conditions to live in the Subject come from the lowest income bracket, the same bracket that includes people living in public housing projects. Thus, the supply analysis should take into account the number of units in public housing projects in the relevant market area for the purpose of this study.

Subject Tenants' Income Distribution Annual



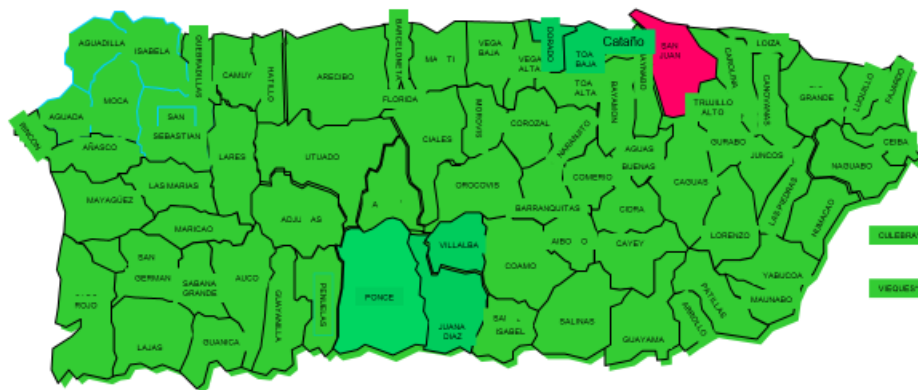
Source: Admon Mirador de las Casas, September 2020

Since the Subject refers to a multifamily project, the market analysis should focus on rented units with two or more bedrooms. As such, elderly projects with one-bedroom units are not included as part of the relevant supply. At the present time, the Subject has an occupancy of about 98%. According to the administrator of the Subject, the physical and functional obsolescence affecting the Subject deters some potential tenants from filing an application to live in MLC. This highlights the importance of the comprehensive plan to rehabilitate the Subject.

III. DEFINITION OF THE GEOGRAPHICAL MARKET AREA

The primary market area (PMA) for the purpose of this analysis is the municipality of San Juan.

San Juan, Puerto Rico



This PMA definition is consistent with the strong socioeconomic activity in San Juan, which is the most populated municipality in Puerto Rico and concentrates the bulk of government, commercial and financial institutions in the Island.

There are several factors that we have considered in the definition of the PMA:

- San Juan is the largest municipality in Puerto Rico in terms of population. With over 300,000 residents, San Juan has more residents than many other market areas in the rest of the Island.
- By limiting the PMA to San Juan, we are following a conservative approach and rule out any possibility of overestimating the demand for LITHC projects like the Subject. A new/rehabilitated project in San Juan is a magnet for people from other municipalities in the San Juan Metro Area (SJMA) and even farther.
- San Juan offers a very convenient environment for low-income, more vulnerable families with limitations to drive and purchase private vehicles.

Those people have access to a vast commercial, health care and service network, well distributed geographically across San Juan.

- San Juan is the municipality with more options of public transportation in Puerto Rico.
- Due to a diversified portfolio of employment options, people living in San Juan have incentives to stay in this municipality.

IV. DEFINITIONS

In order to facilitate the understanding of this report, we have included a brief glossary with some of the most used terms. These definitions were taken from the Dictionary of Real Estate appraisal, published, by the Appraisal Institute in 2015.

Market Area

The geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which similar alternative properties effectively compete with the Subject property in the minds of probable, potential purchasers or users.

Demand

The desire and ability to purchase or lease goods and services; in real estate, the amounts of a type of real estate desired for purchase or rent at various prices in a given market for a given period of time.

Supply

In real estate, the amount of a type of real estate available for sale or lease at various prices in a given market at a given time.

Market Study

A macroeconomic analysis that examines the general market conditions of supply, demand, and pricing of the demographics of demand for a specific area or property type. A market study may also include an analysis of construction and absorption trends.

Marketability

The relative desirability of a property (for sale or lease) in comparison with similar competing properties in the area. That is, a property with poor marketability would be inferior to competing properties in terms of location, condition, access. Conversely, a property with good marketability has superior features or conditions in comparison with competing properties.

Marketability Study

A process that investigates how a particular piece of property would be absorbed, sold, leased under current or anticipated market conditions; includes a market study or analysis of the general class of property being studied.

V. EMPLOYMENT AND TOP EMPLOYERS IN SAN JUAN

Industrial Composition and Employment Indicators in the Market Area

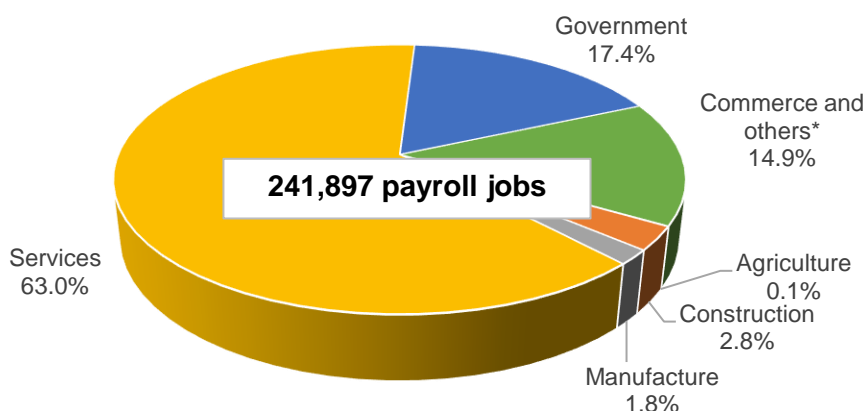
Data on industrial composition refers to the number of jobs by industry in the municipalities conforming the market area for the purpose of this study. Accounted jobs include residents, as well as non-residents in the market area.

As per the latest data provided by the Puerto Rico Department of Labor (Second Quarter 2019), San Juan has a diversified industrial composition with a total of 11,174 establishments. All economic sectors are well represented but, as expected, Services and Commerce top the list.

Industrial Composition			
First Quarter, 2020 # establishments			
	San Juan	Puerto Rico	% of Puerto Rico
Agriculture	19	1,552	1.2%
Construction	432	2,267	19.1%
Manufacture	232	1,919	12.1%
Services	8,105	27,847	29.1%
Government	199	1,335	14.9%
Commerce and others*	2,187	12,196	17.9%
Total	11,174	47,116	23.7%
<i>Source: PR Department of Labor & Human Resources, 2020.</i>			
<i>*Includes: Wholesale, Retail, Transportation, and other sectors.</i>			

San Juan has over 241,000 payroll jobs. This figure accounts for **27.5%** of all payroll jobs in Puerto Rico, although San Juan share in the Island population is 10%. Government provides 42,000 jobs in San Juan or **34.7%** of all government jobs in Puerto Rico. San Juan is the home of a vibrant financial and service sector, with over 152,000 jobs, representing 33.2% of all Service jobs in Puerto Rico.

Industrial Composition in San Juan, by Economic Sectors, 1Q-2020



Source: PR Department of Labor & Human Resources, 2020.

Unemployment Rate

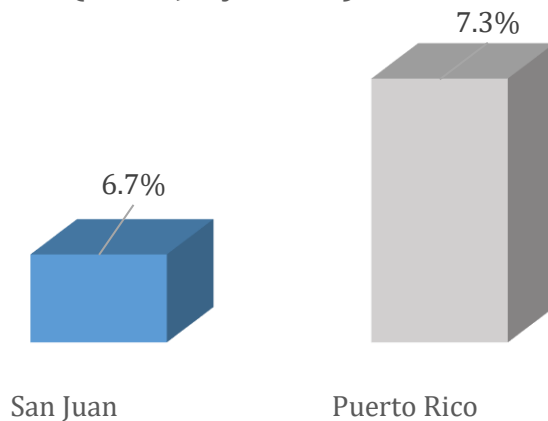
The Puerto Rico Department of Labor produces statistics of employment and unemployment rate by municipality upon data extracted from the Household Survey, which collects information by interviewing people in their households. Thus, the Household Survey is the only source to estimate unemployment rate for municipalities.

The San Juan force has 131,892 residents. Thus, it is straightforward that San Juan has a large floating population of people working in San Juan, but living in other municipalities, mostly in the metro area.

Labor Market in San Juan and Puerto Rico			
As of July, 2020			
	Labor Force	Employment	Unemployment Rate
San Juan	131,892	123,009	6.7%
Puerto Rico	1,042,138	966,381	7.3%
Total/ Puerto Rico	12.7%	12.7%	
Source: PR Department of Labor & Human Resources, 2020.			

The unemployment rate in San Juan is well below that of Puerto Rico. As of July 2020, unemployment rate in San Juan reached just 6.7%, lower than the 7.3% in all of Puerto Rico.

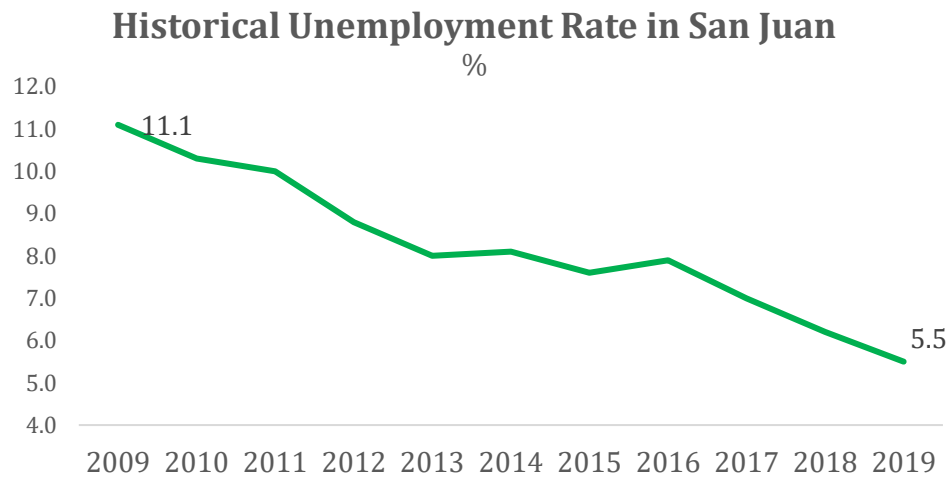
Unemployment Rate in San Juan & Puerto Rico (As of July, 2020)



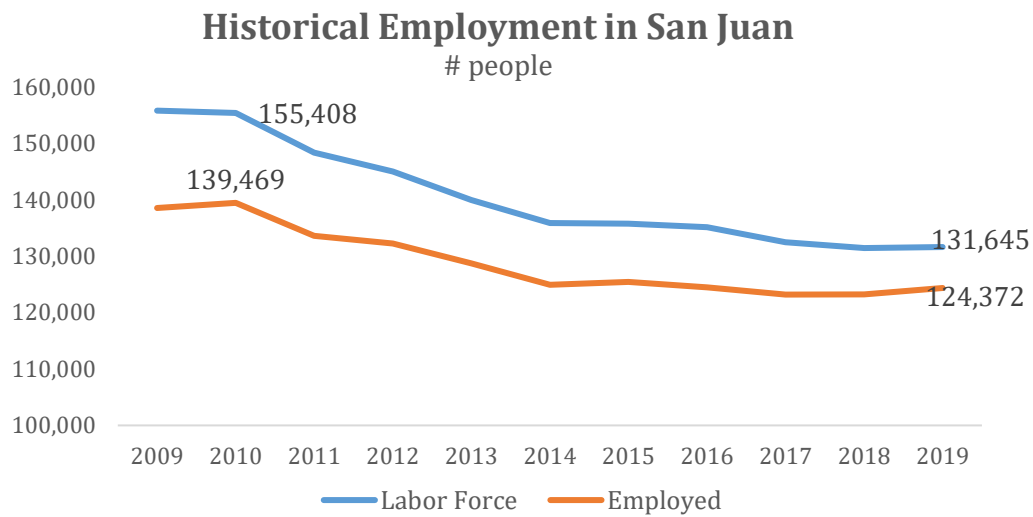
Source: PR Department of Labor & Human Resources, 2020.

The unemployment rate in San Juan has experienced a sustained decline over the past ten years from 11.1% in 2009 to only 5.5% in 2019, the last entire year available. However, as shown in another graph below, a better figure of unemployment rate does not always reflect a stronger labor market. This consistent decline is the result of shrinking labor force and fewer people employed.

San Juan labor force went down from 155,408 people in 2010 to 131,645 in 2019. However, the curve is steeper in the period 2010-2014. Since 2015, the curve has been flattening as a sign of stabilization in the labor market.



Source: Puerto Rico Labor Department



Source: Puerto Rico Labor Department

Top Employers in San Juan

San Juan is the epicenter of economic, commercial and social activity in Puerto Rico.

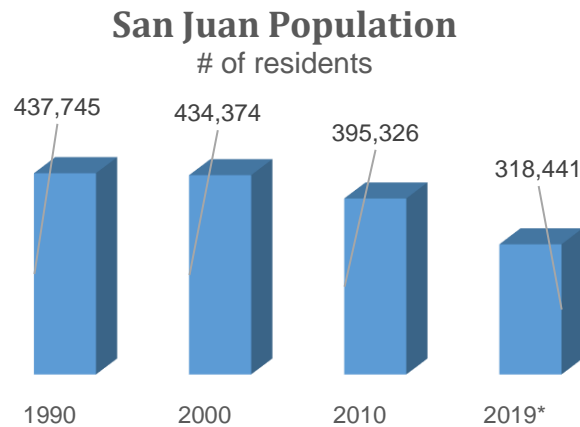
Following, a list of top employers in the PMA:

- **Federal, State and Municipal Government Facilities:** San Juan concentrates the bulk of government buildings in Puerto Rico, state as well as federal. Among some of the largest government buildings we can mention: Department of Labor, Health Department (Centro Médico) and Department of Housing. Government accounts for over **42,000** payroll jobs in San Juan.
- **Top privately owned higher-education institutions:** Sistema Ana. G. Méndez, Universidad Interamericana de Puerto Rico; Universidad Politécnica de Puerto Rico, with over **400** full-time employees and Universidad del Sagrado Corazón, with over **600** employees.
- **Some of the largest hotels in Puerto Rico:** Caribe Hilton with 910 rooms, Condado Plaza with 570 rooms and San Juan Marriot with 525 rooms, among others. In addition, San Juan hosts the Puerto Rico Convention Center, a worldwide ranked facility with 235,000 square feet of meeting rooms.
- **Some of the top hospitals in the Island.** Hospital Auxilio Mutuo with 510 beds and about **2,000** employees; Ashford Presbyterian with 199 beds in use and **700** employees and Metro Pavía Santurce with 180 beds in use and **790** employees. Furthermore, San Juan has a vast network of cutting- edge health care facilities, such as surgery centers, clinical laboratories, radiology and radiotherapy centers.
- **Top shopping centers in Puerto Rico.** Plaza Las Américas, the largest shopping mall in the Island with over two (2) million square feet of gross leasable area. In addition, we can mention Mall of San Juan, a fashioned shopping center with over 600,000 square feet of gross leasable area.

- **The main financial district in Puerto Rico in the Golden Mile, Hato Rey and Santurce.** Hato Rey and Santurce are the home to the headquarters of the top locally owned banks: Banco Popular, Firstbank and Oriental Bank.
- **A variety of financial, insurance and law companies:** Examples: CSA Group (engineering) with **227** full-time employees; Aon Risk Solutions (insurance broker) with **200** full-time employees and Caribbean Project Management (construction management) with **140** full time employees.
- **The headquarters of largest employees in Puerto Rico:** Triple S Management Corp. (Insurance) with over 2,500 full-time employees; Empresas Fonalledas (retail, real estate and manufacturing) with over 1,000 full-time employees; Bella International (auto distributor) with over 400 full-time employees.
- **Some of the largest auto dealers:** Autogermana in Hato Rey with 130 employees; Autocentro Toyota in Río Piedras with 116 employees; Braulio Agosto with 84 employees and Autos Vega with 90 employees.

VI. SOCIOECONOMIC PROFILE OF HOUSEHOLDS IN SAN JUAN

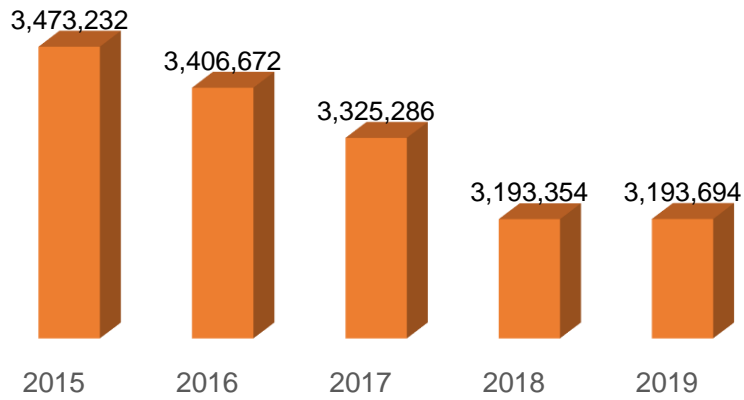
San Juan, as well as the rest of Puerto Rico, has experienced a sustained demographic contraction in this decade, but at a faster rate. In fact, demographic contraction in San Juan started since 1990, as Census 2000 documented. From 1990 to 2019, San Juan has lost nearly 120,000 residents.



Source: US Censuses 1990, 2000 & 2010, 2019 estimated by US Census Bureau

However, there are some positive signs that we should take into account. In 2019, for the first time in over the last ten years, the US Census Bureau reported a stabilization (a very slight increase) in the Island population. In addition, economic perspectives for Puerto Rico have improved since a large inflow of federal funds, mostly CDG funds, is expected for the next five years. As such, we believe that it is reasonable to assume a stabilization of total population in San Juan up to 2025.

Puerto Rico Population



Source: US Census Bureau, Population Estimates

San Juan has **138,800** households or housing units. Owner-occupied units account for only **55.6%** of total households, significantly lower than the ownership rate of Puerto Rico, which is **68.6%**. San Juan has a sizable population of renters with **61,677** households.

Occupied Housing Units by Tenure		
	San Juan	Puerto Rico
Owner occupied	77,123	803,460
Renter occupied	61,677	367,522
Total	138,800	1,170,982
Ownership rate	55.6%	68.6%

Source: US Census Bureau, 2019 Estimates.

The PMA is part of the San Juan Metro Area, where the average size of households tends to decrease. Household average size in renters, as well as owner occupied units, fall significantly below three (3) persons per household, lower than the average for Puerto Rico.

Household Average Size by Tenure		
	Owner	Renter
San Juan	2.23	2.14
Puerto Rico	2.76	2.56

Source: US Census Bureau, 2019 Estimates.

Also, both types of households have a similar distribution by the number of persons, with more concentration in households with 1-4 persons.

Owner Occupied Units by Household Size		
	San Juan	Puerto Rico
1-person	26,614	215,629
2-person	25,539	295,556
3-person	14,027	151,164
4-person	7,222	97,598
5-person	3,024	32,316
6-person	396	7335
7-person or more	301	3862
Total households	77,123	803,460

Source: US Census Bureau, 2019 Estimates.

Renter Occupied Units by Household Size		
	San Juan	Puerto Rico
1-person	26,647	128,013
2-person	16,204	99,814
3-person	9,299	70,547
4-person	6,997	49,480
5-person	1494	14,144
6-person	824	4101
7-person or more	212	1423
Total households	61,677	367,522

Source: US Census Bureau, 2019 Estimates.

As the Subject refers to the rehabilitation of a rental project, our analysis focuses on this group. Households with two or more bedrooms, 46,907 units, account for over 76% of the overall universe of renters in the PMA.

Number of Bedrooms in Renter-Occupied Housing Units		
	Puerto Rico	San Juan
No bedroom	11,133	3,748
1 bedroom	34,501	11,022
2 or 3 bedrooms	286,712	42,446
4 or more bedrooms	35,176	4,461
Total	367,522	61,677

46,907

Source: US Census Bureau, 2019 Estimates.

About 23% of renters in San Juan have 65 years or more, above the percent of Puerto Rico, 21.6%. It is well documented, that elderly people are more inclined to settle down in urban areas with high-quality and diversified healthcare services.

Householder by Age Group in Renter Housing Units

	Puerto Rico	San Juan
Under 35 years	91,304	16,238
35 to 44 years	76,494	12,648
45 to 54 years	63,064	9,410
55 to 64 years	57,443	9,070
65 to 74 years	46,468	7,424
75 to 84 years	24,701	5,275
85 years and over	8,048	1,612
Total	367,522	61,677
% 65 years or over	21.6%	23.2%

Source: US Census Bureau, 2019 Estimates.

Analysis of Income Data from the American Community Survey

Census 2010 does not provide information on household income and other related categories. The analysis of such data plays a meaningful role within the purpose of this assignment, since the federal government sets an income threshold for a householder to qualify as a potential tenant for a Section 8 project.

Market Study for the Rehabilitation of Mirador de las Casas a Low-Income Housing Family Project in San Juan, Puerto Rico.

San Juan falls within the region of San Juan as per HUD guidelines. As the Subject project will consist of 2,3 and 4-bedroom units, household size at the Subject will mostly fall in the range of 3-6 persons.

Thus, we believe that **\$20,000** annual income represents a useful benchmark for the purpose of this analysis. This figure is between the 50%-80% median income for a family of six, in the \$17,950-\$28,700 range.

				Effective Date:		1-Apr-20			
Fiscal Year 2021, HUD Income Limits for San Juan									
Persons per Family		1	2	3	4	5	6	7	8
30% of Median Income	Income	\$6,500	\$7,400	\$8,350	\$9,250	\$10,000	\$10,750	\$11,500	\$12,250
50% of Median Income	Income	\$10,850	\$12,400	\$13,950	\$15,450	\$16,700	\$17,950	\$19,200	\$20,400
80% of Median Income	Income	\$17,300	\$19,800	\$22,250	\$24,700	\$26,700	\$28,700	\$30,650	\$32,650
Source: HUD.gov									

The ACSPR provides valuable information pertaining to household income and gross rents paid by renters.

Moreover, renters in the income bracket of **up to \$20,000** annual income represent **66.3%** of total renters in the PMA. This parameter will be useful for further estimates of the potential demand for a Section 8 project like MLC.

Annual Income of Renter Occupied Households in San Juan		
	# of Renters	% of Total Renters
Less than \$5,000	20,432	33.1%
\$5,000 to \$9,999	9,692	15.7%
\$10,000 to \$14,999	5,611	9.1%
\$15,000 to \$19,999	5,174	8.4%
\$20,000 to \$24,999	3,344	5.4%
\$25,000 to \$34,999	4,452	7.2%
\$35,000 to \$49,999	5,006	8.1%
\$50,000 to \$74,999	3,683	6.0%
\$75,000 to \$99,999	1,985	3.2%
\$100,000 to \$149,999	1,436	2.3%
\$150,000 or more	862	1.4%
Occupied housing units	61,677	100.0%

Source: US Census Bureau, 2014-2018 Estimates.

VII. SUPPLY AND DEMAND IN THE PRIMARY MARKET AREA

This section addresses the global supply and demand for low-income housing for rent in the market area. Since the Subject basically targets non-elderly people or families, the supply side of the analysis does not include this type of projects within the PMA. In the end, we subtract the supply from the estimated demand to obtain an excess demand that will guarantee a successful operation for the Subject at high/full occupancy rates.

The relevant supply consists of three components: subsidized multifamily projects like the Subject, public housing projects and families with Section 8 vouchers.

Subsidized Multifamily Rentals in San Juan

The supply of subsidized multifamily in rentals in San Juan basically unfolds in two large groups:

Public housing projects: San Juan has a large and diversified group of public housing projects (*residenciales*), which account for the bulk of the competitive supply for the purpose of this analysis.

Section 8/LIHTC projects: San Juan also hosts a variety of multifamily, Section 8 projects like the Subject MLC. In addition, San Juan has some recently developed LIHTC projects with a mix of market rentals, Section 8 and elderly units. For the sake of not underestimating the relevant supply in this case, we count all units in these projects as part of the relevant supply. Most families in these projects fall in the lowest income bracket, as most tenants in the Subject.

Regarding the first group, we have counted a total **17,275** units in public housing projects. San Juan has some of the largest public housing projects in the Island, like Lloréns Torres, Monte Hatillo and Manuel A. Pérez.

Market Study for the Rehabilitation of Mirador de las Casas a Low-Income Housing Family Project in San Juan, Puerto Rico.

Public Housing Projects in San Juan			
Development name	Units	Development name	Units
Las Casas	420	Villa Esperanza	300
San Antonio	132	Las Margaritas III	231
San Agustín	84	Jardines de Monte Hatillo	370
Nemesio R. Canales	582	Jardines de Monte Hatillo	328
Nemesio R. Canales	544	Jardines de Sellés II	100
Luis Lloréns Torres	826	Las Amapolas	204
Luis Lloréns Torres	857	Los Laureles	194
Luis Lloréns Torres	887	Leopoldo Figueroa	240
Vista Hermosa	310	Beatriz Lasalle	100
Vista Hermosa	284	La Rosa	52
Vista Hermosa	300	Jardines de Cupey	308
Ernesto Ramos Antonini	444	Emiliano Pol	208
Ernesto Ramos Antonini	420	El Prado	220
Villa España	500	Las Dalías	240
Las Margaritas I	344	Monte Park	304
Las Margaritas II	325	Los Peñas	200
Manuel A. Pérez	850	El Manantial	200
Ext. Manuel A. Pérez	900	Brisas de Cupey	184
Ext. Manuel A. Pérez	384	Santa Elena	168
Juan César Cordero Dávila	508	Antigua Via	36
Jardines Sélles I	300	Los Lirios	130
Jardines del Paraíso	298	Torre de Francia	100
Jardines de Country Club	113	Villa Andalucía I	80
Alejandro	294	Villa Andalucía II	82
San Martín	300	Park Court	80
Sam Fernando	334	Parque San Agustín	80
Los Lirios	150	Jardines la Nueva Puerta de San Juan	40
Jardines de Quintana	2	Jardines la Nueva Puerta de San Juan	40
Jardines de Campo Rico	196	Las Camelias Apartments	166
El Trébol	152	Alturas de Cupey	250
		Grand Total	17,275
Source: HUD			

Market Study for the Rehabilitation of Mirador de las Casas a Low-Income Housing Family Project in San Juan, Puerto Rico.

In addition, San Juan offers a variety of multifamily, subsidized projects. Some of them (Las Gladiolas, Puerta de Tierra) refer to recent developments, the conversion of former public housing projects in new-fashioned ones featuring a mix of LITCH, market rentals and Section 8. Overall, we have identified **4,912** units in this group.

Multifamily LIHTC/Section 8 Projects in San Juan			
Development	# Units	Development	# Units
Sol 413 Apartments	12	Desarrollo de San Juan Park I	250
Multifamiliar Inmaculada	34	Torre de las Cumbres	155
Trujillo Alto Gardens	94	Metropolis Apartments	185
Prudencio Rivera Martínez	120	Alameda I	150
San Juan Park II	75	Alameda II	150
La Morada Apartments	178	Peninsula Houses(Parque Victoria)	102
Villas de Lomas Verdes	248	Parque San Juan	56
Alturas de San Juan	100	Santa Rita Apartments	126
Casa Juan Ruiz Velez	65	Las Gladiolas	140
San Cristobal Apartments (Old San Juan)	50	Puerta de Tierra	174
San Sebastián Apartments	25	Sabana Village	160
Alturas del Señorial	124	ViewPoint at Roosevelt	130
Colinas de San Juan	300	De Diego Village	94
De Diego Apartments	198	Alameda III	150
Las Americas Park II Apartments	266	Las Camelias	166
Las Americas Park I Apartments	266	Ponce de Leon 1507	116
Las Lomas Apartments	120	Puerto Rico Historic Zone	67
Parque de los Monacillos Apartments	266	Total	4,912
<i>Source: PRHFA</i>			

In summary, the relevant supply for the purpose of this analysis consists of **22,187** units, unfolded in **17,275** units in public housing projects and **4,912** units in LIHCT/Section 8 projects.

Multifamily Subsidized Rental Supply	
Relevant Supply in the PMA	
Type of Project	# Units
Public Housing	17,275
Multifamily	4,912
Total	22,187

Identification of the Potential Demand for the Subject Project

The Subject is a multifamily project with **100%** of its units with two bedrooms or more. Therefore, the Subject basically targets a **non-elderly segment** and represents a different type of subsidized rental than elderly projects, mostly with one-bedroom units and tenants aged **62** years or older.

The demand analysis unfolds in two stages. First, we identify the number of renters with two bedrooms or more. Second, we narrow down this pool by applying the percent of renters with annual income up to \$20,000. It is well known, that Puerto Rico's homeowners seldom become renters and just leave their home when they need some type of specialized care at advanced ages.

Our demand analysis is also predicated on the principle of substitution, a principle that states, that *when several similar or commensurate commodities, goods or services are available, the one with the lowest price will attract the greatest demand.*¹ In other words, potential tenants will decide to relocate (or stay) in the Subject if they are offered a lower rent than housing units with similar amenities in the subsidized as well as the non-subsidized market.

Based on the results of the ACSPR, San Juan has **46,907** renters living in units with two bedrooms or more. However, not all of them qualify, so a further filter is needed.

Number of Bedrooms in Renter-Occupied Housing Units		
	Puerto Rico	San Juan
No bedroom	11,133	3,748
1 bedroom	34,501	11,022
2 or 3 bedrooms	286,712	42,446
4 or more bedrooms	35,176	4,461
Total	367,522	61,677

46,907

Source: US Census Bureau, 2019 Estimates.

As reported by the US Census Bureau, 66.3% of renters in San Juan fall below the annual income threshold of \$20,000. If we multiply the number of renters with two

¹ Appraisal Institute, 2015, *The Dictionary of Real Estate Appraisal*, Sixth Edition

bedrooms or more, 46,907, by 66.3%, the resulting figure is **31,099** units. This represents the potential demand for projects like the Subject MLC.

Finally, we can compare the resulting demand and supply. We had previously estimated the relevant LIH rental supply in the PMA at **22,187** units. Hence, by subtracting this figure from the estimated demand of **31,099** units, we obtain a gap or excess demand for LIH rental (non-elderly) in San Juan of **8,912** units.

Supply & Demand for Low Income Housing/Section 8 in San Juan (Multifamily)		
A	Number of Public Housing Units in San Juan	17,275
B	LIHTC/Section 8 units in San Juan	4,912
D	Existing Supply of Low Income Housing Units (Non Elderly) (A+B)	22,187
E	Renters in San Juan with two bedrooms plus	46,907
F	% of Renters with annual income up to \$20,000	66.3%
G	Potential Demand for the Subject (E*F) in units	31,099
H	Excess Demand or Gap for Low Income Rental, Non Elderly (G-D)	8,912

Since the unmet demand is about 8,241 units and MLC has 290 units, this yields a capture rate of **3.3%**.

Capture Rate Analysis		
A	Potential Demand	31,099
B	Existing Supply	22,187
C	Excess Demand	8,912
D	Number of units of MLC	290
E=D/C	Capture Rate	3.3%

Validation by an Alternative Approach

In order to support our previous conclusion on the high demand for low-income rentals in San Juan, we have developed an alternative exercise. We know that the subject MLC has no one-bedroom units, the only type of unit in subsidized elderly projects. Thus, we have to take householders aged 65 years or older out of the potential demand pool for the Subject MLC.

First, we add the number of renters with householders aged less than 65 years. San Juan has **47,366** renters in this segment.

Householder by Age Group in Renter Housing Units

	Puerto Rico	San Juan	
Under 35 years	91,304	16,238	
35 to 44 years	76,494	12,648	
45 to 54 years	63,064	9,410	
55 to 64 years	57,443	9,070	47,366
65 to 74 years	46,468	7,424	
75 to 84 years	24,701	5,275	
85 years and over	8,048	1,612	
Total	367,522	61,677	
% 65 years or over	21.6%	23.2%	

Source: US Census Bureau, 2019 Estimates.

Then, we apply the income filter. We multiply the previous figure of 47,366 renters by 66.3%, the percent of renters with annual income up to \$20,000, renters who qualify for a unit at the Subject MLC. This yields a total of 31,403 renters with less than 65 years who qualify for the Subject, and, as such, represent the potential demand for LITHC/Section 8 multifamily projects like the Subject MLC. Notice the estimated demand by this approach, **31,403** units, is similar to the figure arising from the first approach, **31,099** units.

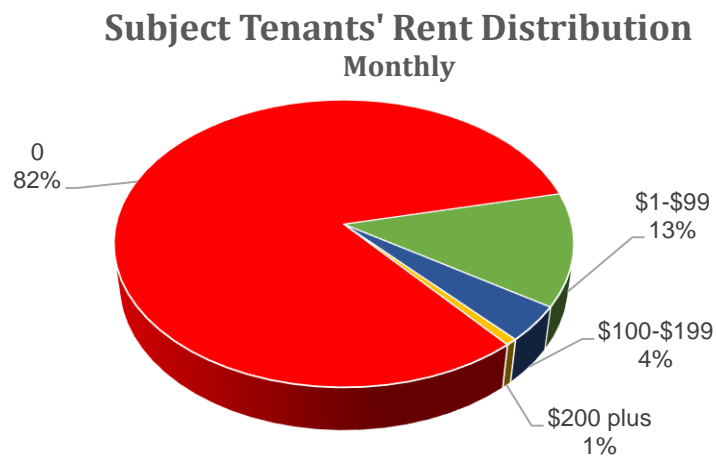
VIII. MARKETABILITY ANALYSIS OF THE SUBJECT AND MARKET RENTS

In addition to a macroeconomic/market analysis, we have performed a marketability analysis for the Subject. It is intended to compare the Subject project to other competitive developments in the market area in terms of location, amenities, and rental prices, whether in the market or subsidized projects. A positive outcome for the Subject property will ensure a full/high occupation of the Subject.

First, we placed the Subject property within the context of competitive market rentals in San Juan. In addition, we obtained a sample of rentals listed at *Clasificados Online Puerto Rico*.

Market Rents in the Market Area

There is a varied supply of market rentals for units with one, two, three, and four bedrooms in the PMA. However, their monthly rents fall significantly above the maximum monthly rents that the Subject tenants are paying.



Source: Admon Mirador de las Casas, September 2020

Following, we present and discuss a variety of market rents in San Juan. Comparable rents refer mostly to condominium projects in Santurce and Hato Rey. We obtained this data by interviewing realtors and appraisers familiar with the real estate market in those areas.

Cobian's Plaza



Cobian's Plaza refers to a development mixing commercial and residential uses. This project is at the heart of Santurce, at Ponce de León Avenue, and as such offers a central location and an urban environment highly appealing to elders and people relying on public transportation.

However, Cobian's Plaza is a building with about 40 years of age that features some degree of physical depreciation and lack of modern appeal.

Monthly rents in Cobian for two-bedroom units are in the vicinity of \$800, significantly above what MLC tenants pay.

Monte Norte and Monte Sur Condominiums

Monte Norte and Monte Sur condominiums are twin residential towers in Hato Rey each one with more than 300 units. They share the same locational advantages: access to hospitals, banks, educational institutions, and many other facilities, walking access to public transportation by bus and the urban train, and a relatively friendly environment for pedestrians.

Monte Norte



Monte Sur



The twin towers are supported by a parking building and have the amenity of green areas encircling each building. Monte Sur also enjoys recreational facilities, a sport

court and a swimming pool. These two projects comprise a variety of one, two and three-bedroom units.

Monthly rents for two-bedroom apartments in those projects fall in the range of \$800-\$900, while rents for three-bedroom units mostly are between \$900 and \$1,000 monthly.

Puerta de la Bahía

This project refers to the rehabilitation of the Bahía B Condominium located at Las Palmas Street, which consists of 224, 3BR-1BA units.



Puerta de la Bahía is affected by the stigma of its former use as a public housing with a negative record of criminal scenarios, as stated by broker Roche. However, monthly rent for a three-bedroom unit at this project rarely falls below \$700.

Hato Rey Plaza



Hato Rey Plaza is a high-rise condominium with 325 units with a central location in the Hato Rey Ward. Hato Rey Plaza has more than 40 years of being built but remains in acceptable physical condition and retains good appeal. The building is supported by an open surface parking. Hato Rey Plaza is in the same neighborhood as El Monte Norte and El Monte Sur, and rents are quite similar. Two-bedroom units oscillate between \$800 and \$900 monthly, while three-bedroom units are more expensive but capped at \$1,000 monthly.

Torre Alta Condominium



Torre Alta is a high-rise condominium with 72 units located in the Golden Mile of Hato Rey, just one block away from the intersection of Ponce de León and Roosevelt Avenues. Torre Alta is supported by a surface parking and is within walking distance of Scotia Bank, the Urban Train, the Universidad Politécnica and many other commercial, financial and cultural facilities. Construction of this building dates back to the 70's, but it remains in good physical condition and retains acceptable appeal. Monthly rents of three-bedroom units at Torre Alta hover

around **\$900**.

In summary, market rents in comparable projects in Santurce and Hato Rey exceed by far those rents paid by MLC tenants. While Subject tenants rarely pay over \$200 monthly, market rents for a two and three-bedroom unit mostly fall above **\$800**.

Summary of Market Rents in San Juan			
Project/Location	Two Bedrs	Three Bedrs	Four Bedrs
Cobián Plaza	\$800		
Monte Norte-Monte Sur	\$800-\$900	\$900-\$1,000	
Hato Rey Plaza	\$800-\$900	\$900-\$1,000	
Torre Alta		\$900	
Puerta de la Bahía		\$700	

New fashioned projects in Santurce and Hato Rey have been developed in the last ten years. We can mention: Ciudadela de Santurce, The City, Aquablue and Galley Plaza, among others. However, monthly rents have skyrocketed in these projects (to some extent spurred by foreign tenants) and they rarely fall below **\$2,000** monthly, even for smaller, two- bedroom units.

Aquablue (Hato Rey)



The City (Hato Rey/Santurce)



Ciudadela (Santurce)



Gallery Plaza (Condado)



In addition, we extracted some listed rentals in the areas of Santurce, Hato Rey and Condado from Clasificados Online. As shown in the table to follow, monthly rents of listed properties are noticeably expensive. Moreover, market rents of four-bedroom units shoot up to higher levels. Even in areas afflicted by high rates of criminality, tenants wind up paying more than \$500 monthly, while tenants in Section 8 projects seldom pay over \$200 monthly.

Monthly Rents, Listings			
Project/Location	Two Bedrs	Three Bedrs	Four Bedrs
Urb. Villa Palmera	\$535		
Santurce	\$750		
Jefferson Street	\$985		
Duffaut Plaza	\$850		
Santurce	\$1,100		
Loiza Street	\$600		
El Koury	\$695		
Las Flores Street		\$550	
Villa Palmera		\$550	
Sagrado Corazón		\$690	
Hipodromo Santurce		\$850	
Del Carmen		\$1,150	
Hipódromo		\$940	
Hipódromo		\$700	
Hoare Street		\$1,100	
Santurce			\$800
Villa Palmera			\$825
Cadiz Hato Rey			\$2,300
Condado Les Cours			\$3,900
Park Terrace			\$4,000
<i>Source: Clasificados Online</i>			

In summary, the analysis of market rents leads to conclude, that a subsidized unit in projects like the Subject MLC is always the best economic choice for a low-income family.

IX. ANALYSIS OF OCCUPANCY RATE: STABILIZED OCCUPANCY RATE

The occupancy rates of similar, subsidized rental projects in San Juan provide a good benchmark to estimate the future occupancy rate of the Subject MLC once the proposed improvements are completed. Of course, the rehab process that MLC will go through will enhance its appeal and marketability.

We collected information on other Section 8 projects through phone conversations and interviews with their administrators and management staff

San Juan Park Apartments

This refers to a project with a good location, just south of SR-1 or the Muñoz Rivera Expressway, within a short-distance drive to Hato Rey financial district and the central area of Santurce.

San Juan Park has 75, two bedroom units. As per conversation with the administrator, this project is 100% occupied.



Las Américas Park Apartments (I&II)

This project consists of two towers with 266 three bedrooms units. Reportedly, some units are currently vacant for an occupancy rate of approximately of 98%. As explained by its administrator, reliance on elevators and the fact that this is a high-rise project pose some challenges to reach a full occupancy. Hurricane María highlighted the vulnerability of high-rise buildings in Puerto Rico.



Alturas del Señorial

This is also high-rise project with 124 units of one, two and three bedrooms. This project has a good location in the Cupey area of San Juan, in a neighborhood with a well-balanced commercial and service network.

We conducted a phone conversation with the administrator, who explained that Alturas del Señorial is fully occupied (100%) and has a waiting list.

Alturas del Señorial



Trujillo Alto Gardens

A walkup residential complex in the Trujillo Alto Municipality with 94 units of two, three and four bedrooms. As informed by its administrator, this project is fully occupied and has a waiting list.



Villas de Lomas Verdes

This refers to a project in the area of Cupey of San Juan, close to the Trujillo Alto Municipality. Villas de Lomas Verdes enjoys a balance between urban location and green assets in a quiet environment.

Villas de Lomas Verdes has 248 units with 12 of them being of the three-bedroom type and the remaining 236 units having two bedrooms. We conducted a phone conversation with the administrator, who confirmed that this project was fully occupied in the last week of September.



San Cristóbal Apartments



This refers to a Section 8 project with 50 units in the Old San Juan Historical Sector, with 42 two-bedroom units and 8 one-bedroom units. It is important to note, that the former structures with 52 units were demolished to pave the way for the construction of modern and appealing towers.

As per information for the project's owner, San Cristóbal is fully occupied at the present.

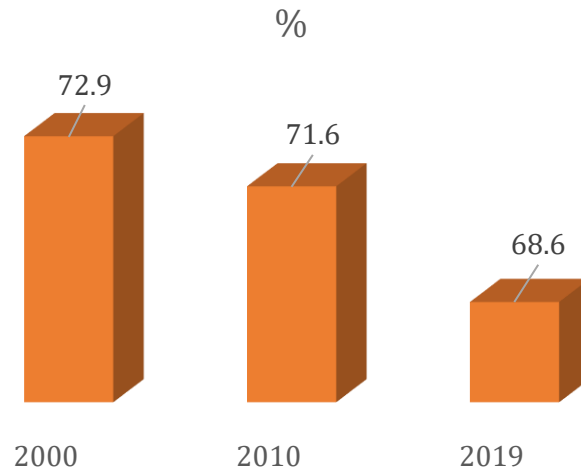
Based on our analysis, we believe that the Subject MLC, can reach a 98%-100% stabilized occupancy rate during its first year after completing the rehab process.

Several findings of our investigation support this assertion:

- a) Occupancy rate in all LIHTC/Section 8 projects in the PMA exceed 98%, and most of them have waiting lists. During our visits and conversations with administrators, we confirmed that.
- b) San Juan has a very low ownership rate of 55.6%, significantly below that of the entire Island, 68%.
- c) There is still a noticeable excess demand for affordable housing by larger families with 4 to 5 persons. We have estimated a gap of over 8,000 units for subsidized multifamily rentals in San Juan. The Subject MLC only captures 3.3% of this gap.
- d) In fact, the gap between market and subsidized rents for three or more bedrooms units is about \$300 monthly. Only distressed rentals with inferior location can beat HUD monthly rent for a three-bedroom unit (\$480).

As the Census data prove, Puerto Rico has a large population of low-income renters. Ownership rates in Puerto Rico has remained stable since 2000, even with a slight downward trend.

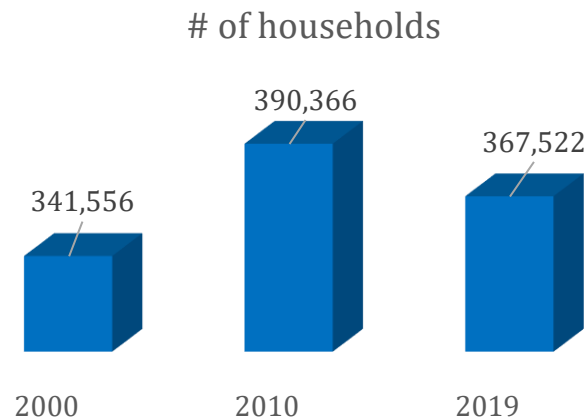
Ownership Rate in Puerto Rico



Source: US Census Bureau, Census 2000, 2010 and estimates 2019

In addition, the demographic contraction has not made a sizable dent in the number of renters in Puerto Rico. As per the most recent data, Puerto Rico has still a large population of renter occupied households, with over 367,000 renters, many of them demanding affordable housing options.

Number of Renters in Puerto Rico



Source: US Census Bureau, Census 2000, 2010 and estimates 2019

X. SOCIOECONOMIC IMPACT OF MLC REHABILITATION

The rehabilitation of Mirador Las Casas will have socioeconomic impact on many low-income families in San Juan, and other municipalities, in terms of better social conditions and additional economic activity.

From a social point of view, the Subject project will have a very positive impact:

- It will offer an affordable housing option for many low-income families in a market where market rents for two, three and four-bedroom units exceed by far those paid by tenants at the Subject MLC.
- The Subject owner plans to give priority to single headed households, single mothers in particular, a very vulnerable group from the socioeconomic standpoint.
- The project will help the urban planning in San Juan and will promote environmental-friendly and energy saving alternatives.
- Low-income families coming from other municipalities could relocate in an area with a sound commercial, healthcare and service network.
- MLC has 198 units with three bedrooms or more. They provide ample space and better conditions to avoid overcrowding. This is a very appealing asset in the middle of Covid-19 pandemic.

Estimated Economic Impact

MLC rehabilitation process will entail a construction investment in the approximate amount of **\$38.59** million. We rely on the input-output matrix of 2007 for Puerto Rico in order to estimate direct and indirect economic impacts of investments in MCL rehabilitation.

The input-output matrix of 2007, published the Puerto Rico Planning Board, indicates that per each dollar invested in construction, the economy of Puerto Rico will generate a total of **\$2.3**. This has an indirect effect over the rest of the economic sectors of **\$1.3** per each dollar invested. On the other hand, it is estimated that per each million dollar invested in construction, the economy will generate between **9**

and **13** direct jobs,² and per each direct job in construction the investment will generate **1.7** new jobs or **0.7** jobs in other sectors. In this study, we will be using **13** jobs per each million invested, which is consistent with the employment multipliers of the input-output matrix of 2007.

Construction Activity in Puerto Rico in 2017 (\$million)	\$2,423
Construction jobs in PR 2017	
Establishment Survey	21,700
Household Survey	32,000
Jobs per \$ million construction (establishment survey)	9
Jobs per \$ million construction (household survey)	13

In estimating employment impacts, we focus on construction costs. Construction work will amount to **\$38.59** million.

Assuming 13 jobs per million invested, the Subject project will generate about 502 direct jobs. Considering that the investment in construction and related costs will be \$38.59 million, the aggregated economic impact for Puerto Rico will be approximately \$88.75 million. This phase will generate a total of 853 new jobs in the economy of which 351 are indirect jobs.

In addition, the investment in MLC will provide additional economic benefits and fiscal revenue. The project will provide the municipality of San Juan with \$2.12 million in taxes and will generate about \$20.46 million in salaries and benefits across the Island economy.³

² We are using figures of construction and construction employment for fiscal year 2017, since the most recent data for fiscal years 2018 and 2019 are under revision by the Bureau of Labor Statistics due to some inconsistencies in the Statistical Appendix prepared by the PR Planning Board.

³ We are assuming an average salary per worker of \$24,000, as per the latest Statistical Appendix by the Planning Board, fiscal 2019, table I.

Investment in MLC Rehabilitation	
Economic Impact in Construction Phase	
Construction Activity	\$38,590,000
Direct jobs	502
Indirect jobs	351
Direct and indirect jobs	853
Global Economic Activiy in PR	\$88,757,000
Amount of Direct and Indirect Salaries	\$20,468,136
Municipal Tax Revenue	\$2,122,450

As a conclusion of our investigation and fieldwork, we believe that the rehabilitation of Mirador Las Casas is a necessary and convenient project that will generate positive economic impacts across the economy of Puerto Rico.

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Experience

Independent Consultant, San Juan, Puerto Rico 2005-present

International Economics & Cuban Affairs
Consultant for the Higher Education Council
Feasibility and market studies, revenue bonds.
Studies of economic sectors (tourism, health care, dairy and car industries)
Expert Witness
Macroeconomic Forecasts
Certificates of Need
Low Income Housing Studies
(Accreditation by PR Housing Admin.)
Certified Real Estate Appraisal (License No.1366)

H. Calero Consulting Group, San Juan, Puerto Rico 2002-2005

Market Studies and Economic Impact
Litigation Support
Feasibility Studies
Economic Newsletter
Certificates of Need

University of Guanajuato, School of Economics.

Lecturer-Researcher

Guanajuato, Guanajuato, Mexico 1996-2000
-Teaching different courses in undergraduate as well as graduate levels: Micro and Macroeconomics, Public and Private Finance, Game Theory and Economic Growth.
-Working on the construction of an input-output table for the Government of the State of Guanajuato.
-Working on empirical research. Publications in Mexican Journals.
Attending international meetings as a lecturer in Mexico, USA, Chile and Switzerland.

University of Havana, Faculty of Economics

Lecturer-Researcher Havana, Cuba 1989-1993

-Teaching Foundations of Programming Languages as well as Database Programming.

-Working on a project aimed at implementing a system of linear programming in a cardboard factory.

Cuban Armed Forces, Construction Materials Company

Production Planner Havana, Cuba 1986-1989

-Planning the allocation of supplies and human resources.

-Supervising the compliance with the budgets.

Education

Appraisal Institute, Puerto Rico Chapter 2008-2016

Continuing Education as Appraiser

El Colegio de Mexico

M.S in Economics.

Mexico, D.F, Mexico 1993-1995

-The program includes Advanced Micro and Macroeconomics, Econometrics, Industrial Organization and International Finance.

University of Havana.

B.S in Economic Planning Havana, Cuba 1981-1986

-Program with emphasis on Economic Planning and Statistics.

List of Expert Witness Cases as an Independent Consultant

- Estimate of Loss of Income of Mr. Carlo Dávila Delgado. Civil Case No. BY2020CV00164.
- Estimate of Business Interruption Damages of Americas Leading Finance Civil Case No. SJ2018CV08332, Americas Leading Finance Vs. QBE Seguros. Attorney Alejandro Bellver.
- Expert Witness in Civil Case No. GDP 2013-0045 Mrs. Sidnia Jerissa Ríos Hernández and Others (Plaintiffs) versus Carmelo Benjamín Figueroa and Others (Defendants)

- Estimate of Loss of Income of Mr. Carlo Dávila Delgado. Civil Case No. BY2020CV00164.
- Estimate of Business Interruption Damages of Americas Leading Finance Civil Case No. SJ2018CV08332, Americas Leading Finance Vs. QBE Seguros. Attorney Alejandro Bellver.
- Expert Witness in Civil Case No. GDP 2013-0045 Mrs.. Sidnia Jerissa Ríos Hernández and Others (Plaintiffs) versus Carmelo Benjamín Figueroa and Others (Defendants)
- Independent Economic Estimate of the Value of Loss of Income of Ms. Andrea Paola Puello Agrón Civil Case KDP2014-0394 (808). Attorney Alfredo Cruz (2016).
- Independent Economic Estimate of the Value of Loss of Income of Mrs. Carmen Silva Romero. Civil Case KDP 2015-0838 (808). Attorney Jorge L. Cintrón (2016).
- Independent Economic Estimate of the Value of Loss of Income of Mr. Luis Marrero. Civil Case KDP2016-049 (801). Attorney Rafael Baella Ors (2016).
- Independent Economic Estimate of the Value of Loss of Income of Mr. Luis J. Rosario and Mrs. Tiara Ocasio. Civil Case KDP 2013-0287. Attorney Ramón Dapena (2015).
- Independent Economic Estimate of the Value of Loss of Income of Dr. Virgilio Cora, 12-6348 (EAG). Attorney Damaris Quiñones. (2014).
- Independent Economic Estimate of the Value of Loss of Income of Mrs. Marisol Suárez. Civil Case DDP 2012-0297. Attorney Rafael Baella Ors (2014).
- Independent Economic Estimate of Commercial Damages to Tens Development, Inc. Civil Case No. FDP11- 0294 (408)
- Independent Economic Estimate of the Value of Loss of Income of Mr. Eric Pérez Figueroa. Civil Case 11-1459 (FAB). Attorney Alejandro Bellver.
- Independent Economic Estimate of the Value of Loss of Income of Mr. Gilberto Burgos Torres. Civil Case 10-1048 (JAG). Attorney Alejandro Bellver (2010).
- Expert witness of the PR Authority for Financing of Infrastructure. Case No. ISCI - 2008-0099 (206)

- Independent Economic Estimate of Commercial Damages to Pontezuela Drugstore, Caso Civil No. FPE- 2005-0152 (403). Legal Representative: Burgos & Amador Office (2008).
- Independent Economic Estimate of the Value of Loss of Income of Mrs. Luz Estela Villegas Saldarriaga Civil Case No. KDP 2004-1521 (502). Attorney Esq. Efraín Guzmán (2007).
- Independent Economic Estimate of the Value of Loss of Income of Erickiandy Sánchez Moreno, and Aníbal León Moreno, Due to the Death of Their Mother Carmen M. Moreno Burgos for Civil Case No. 05-1954 (CCC). Attorney: Esq. José Ortiz Vélez (2006).

Feasibility and Market Studies

Other Studies

- Market studies for LIHTC in three municipalities of Puerto Rico (with Vallejo & Vallejo) (2020)
- Co-author of *“How María Forges Puerto Rico”*, a comprehensive study prepared by H. Calero Consulting Group, on the impacts and implications of hurricane María for the PR economy.
- Market-rent study for the Cooperativa de Seguros Múltiples de Puerto Rico (2019)
- Market study for the development of an assisted living facility in the metro area of San Juan, Puerto Rico (2019)
- Feasibility study for a center of diagnostic and treatment in Arroyo **(18-04-001)** Legal Representative: Esq. José F. Escobar Machín.
- Feasibility study for a radiology center in Barceloneta **(17-03-30)**. Legal Representative: Esq. Omar Torres.
- Feasibility study for a rehabilitation center in Hospital Menonita, caguas **(17-08-029)**. Legal Representative Bufete Arroyo & Monrouzeau.
- Feasibility study for the expansion of SPS Specialty Pharmacy. Legal Representative: Esq. Yolanda Benítez de Alegría

- Feasibility study for the expansión of Salud en la Montaña, Barranquitas **(17-04-024)**
- Feasibility study for magnetic resonance *Advanced Radiology Imaging Services* in Dorado **(16-03-035)**.
- Feasibility study for computer tomography *Advanced Radiology Imaging Services* in Dorado **(16-03-034)**.
- Feasibility study for radiology center *Advanced Radiology Imaging Services* in Dorado **(16-03-033)**.
- Feasibility Study Clinical Laboratory Avanzado in San Juan **(16-02-029)**. Legal Representative: Esq. Omar Torres.
- Market Study for *Low Income Housing Tax Credit* Alturas de Monteverde, 2016.
- Market study Centro Comercial El Faro en Maunabo.
- Economic Impacts for the redevelopment of Mirador Las Casas in Santurce.
- Market study and feasibility for the expansion of Camuy Health Services, Center 330.
- Feasibility study Centro de Salud de Lares in Quebradillas **(16-03-025)**
- Feasibility study Clinical Laboratory Centro de Salud de Lares in Quebradillas **(16-02-026)**
- Feasibility study clinical Laboratory Barrazas. Legal Representative: Esq. Juan López David. **(16-02-021)**
- Feasibility Study for Ambulatory Surgery in San Juan **(16-12-005)**. Legal Representative: Esq. Eric Pérez Ochoa.
- Feasibility study CMS Metro, Home Care, Eastern Region **(15-06-071)**. Legal Representative: Esq. Eric Pérez Ochoa.
- Feasibility study Home Care Arecibo Medical, Southern region **(15-06-066)**, and Northeast **(15-06-065)**. Legal Representative: Esq. Juan López David.
- Feasibility study for an ambulatory surgery center in Caguas **(15-12-054)**. Legal Representative: Esq. Eric Pérez Ochoa.
- Feasibility study for hospice El Nuevo Amanecer, Northeast region. Legal: Esq. Juan López David. **(15-06-064)**.
- Feasibility study for a skilled nursing facility in Doctors' Center Santurce. Esq. Celio Cruz **(15-08-068)**
- Feasibility study for a radiology center in Clínica Las Américas, Hato Rey. Legal Representative Esq. Yolanda Benítez, **(15-03-048)**
- Feasibility study for a clinical laboratory, San Juan PSC in San Juan **(15-02-049)**

- Feasibility study for hospicio Luz Celeste, Eastern region. Legal Representative: Esq. Juan López David. **(15-06-050)**
- Feasibility study for a clinical laboratory in Carolina. Legal Representative: Esq. Juan López David. **(15-02-051)**
- Feasibility study for Hospice Las Brisas regions North **(15-06-036)** and Metro **(15-06-035)**. Legal Representative Esq. Yolanda Benítez.
- Feasibility Study for a clinical Laboratory, Health Promed in San Juan **(15-02-005)**.
- Market study for the redevelopment of San Cristóbal Apartments, Old San Juan. Submitted to the Puerto Rico *Housing Administration*.
- Feasibility study for a rehabilitation center in Juncos, **(15-08-001)**.
- Feasibility study for the clinical laboratory San Juan II in San Juan. Legal Representative, Esq. Manuel Herrero, **(14-02-052)**.
- Feasibility study for the clinical laboratory MedPro in Bayamón. Legal Representative, Esq. Jeannette Arias, **(14-02-031)**.
- Feasibility Study for a nursing home in Caguas **(14-09-029)**
- Feasibility Study for home cares in regions East **(14-06-010)**, West **(14-06-026)**, Metro **(14-06-048)** and North **(14-06-049)**. Legal Representative: Bufete Adsuar, Muñiz, Goyco y Pérez Ochoa.
- Feasibility study for a clinical laboratory in San Juan, Ginara II. Legal Representative: Esq. Juan López David. **(14-02-008)**
- Hospice Divina Misericordia. Legal Representative: Esq. Silvia González, **(14-06-006)**
- Feasibility study for a center of diagnostic and treatment in Carolina. Legal Representative, **Esq. Héctor Torres** y Esq. Homero González, **(13-04-036)**.
- Feasibility study for a center of diagnostic and treatment in Aguada, Costa Saluyd Community Health Center. Legal Representative: Esq. Damaris Quiñones, **(13-04-039)**
- Feasibility study for a Clinical Laboratory Sunrise Bay en Isla Verde. Legal Representative, Esq. Jeannette Arias, **(13-02-056)**.
- Feasibility study for a Clinical Laboratory in Bayamón. Legal Representative, Esq. Jeannette Arias, **(13-02-066)**.

- Feasibility Study for clinical laboratory Ginara II in Santurce. Legal Representative: Esq. Juan López David,
- Feasibility study for a PET-CT in Hospital Bella Vista, **(13-03-028)**.
- Feasibility study for a center of diagnostic and treatment in Canóvanas. Legal Representative, Esq. Jeannette Arias, **(13-04-014)**.
- Feasibility Study home care Divino Niño in the southern region. Legal Representative: Esq. Juan López David, **(13-06-001)**.
- Evaluation of the study for the expansión of CIMA-Aibonito. Legal Representative: Edge Legal Strategies, PSC.
- Feasibility study for Centro 330 de Salud de Lares (CDT). Legal Representative, Esq. Magdalis Rodriguez y Esq. Carlos Cardona, **(12-04-071)**.
- Feasibility study for hospice Nuevo Amanecer. Legal Representative: Esq. Juan López David. **(12-06-081)**.
- Feasibility study for hospice La Providencia. Legal Representative: Esq. Juan López David. **(12-06-082)**.
- Feasibility studies for home cares in the Metro **(12-06-084)** and South **(12-06-083)**. Legal Representative: Esq. Juan López David.
- Market study of the housing Market in Puerto Rico, with Anglyn Property Consulting (2012).
- Feasibility studies for hospices in five regions of Puerto Rico. Legal Representative: Esq. Nelson Robles Díaz, **(12-06-025, 026, 027, 028)**.
- Feasibility study for a clinical laboratory in Juncos. Legal Representative: Esq. Paloma Flores Hassim, **(12-02-004)**
- Feasibility study for a hospice in San Juan, Puerto Rico. Legal Representative: Bufete Adzuar, Goyco, Pérez Ochoa (Esq. Omar Torres), **(11-06-072)**.
- Feasibility study for a comprehensive cancer center in Cayey. Legal Representative: Esq. Erick Pérez Ochoa, **(11-07-065)**.
- Feasibility study for a clinical laboratory in San Juan, Ginara II. Legal Representative: Esq. Juan López David. **(11-02-089)**
- Feasibility study for a hospice in the North East. Legal Representative: Esq. Jeannette Arias, **(11-06-097)**.

- Feasibility studies for hospices two hospices in Puerto Rico **(11-06-078)** and **(11-06-079)**. Legal Representative: Esq. Jeannette Arias.
- Feasibility study for home health program, Nueva Vida La Salud. Legal Representative: Esq. Marta Elisa González. **(11-06-050)**
- Market and feasibility study for Plaza del Mar Radiology Center **(11-03-1010)**.
- Feasibility study for a clinic in San Juan, Puerto Rico. Legal Representative: Esq. Marta Elisa González, **(11-04-013)**.
- Feasibility studies for infusion programs in six regions of Puerto Rico for Optima Infusion. Legal Representative: Esq. Nelson Robles. **(10-06-100,101, 102, 103, 104, 105)**
- Feasibility studies for infusion programs in six regions of Puerto Rico for SPS Specialty Pharmacy. Legal Representative: Esq. Yolanda Benítez. **(10-06-106, 107, 108, 109, 110, 111)**
- Market and feasibility study for the development of a hotel in the municipality of Juncos.
- Market and feasibility study for a skilled nursing in Hatillo. Legal Representative: Esq. Liza Ramírez de Arellano. **(10-08-078)**.
- Feasibility study for an ambulatory surgery center in Santurce, Legal Representative: Esq. Jeannette Arias, **(10-12-049)**.
- Feasibility study for Freedom Health Care, centro radiológico. Legal Representative: Esq. Jeannette Arias **(10-03-075)**
- Evaluation of a feasibility study for center of diagnostic and treatment in Bayamón. Legal Representative: Esq. Jeannette Arias Pérez, **(10-04-008)**.
- *Overview of Psychiatric Facilities* in Puerto Rico, for Edge Legal Strategies, PSC.
- Feasibility study for a clinical laboratory in Corozal. Legal Representative: Esq. Jeannette Arias, **(10-02-029)**.
- Feasibility study for a center of diagnostic and treatment in Isabela. Legal Representative: Esq. Juan López David, **(10-04-050)**.
- Feasibility study for a clinical laboratory in Toa Baja, **(10-02-022)**.

- Market Study on Implications of Cuban Tourism for Puerto Rico, with Professor Gerardo González, for the Puerto Rico Tourism Company.

Municipal Revenue Bonds

- Market and feasibility study for the development of a hotel in the municipality Juncos, Puerto Rico (2011).
- Market and feasibility study for the development of a health care facility in the municipality of Manatí, Puerto Rico (2007).
- Market and feasibility study for the development of a commercial building in the municipality of Añasco, Puerto Rico (2007).
- Market and feasibility study for the development of a commercial facility in the municipality of Corozal, Puerto Rico (2006).