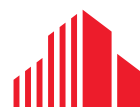


**IN THE
OPPORTUNITY ZONE:**
Don't Miss this
\$100 Billion
CRE Event

NOVEMBER 2018



**CUSHMAN &
WAKEFIELD**

IN THE OPPORTUNITY ZONE: Don't Miss this \$100 Billion CRE Event

The Tax Cuts and Jobs Act (TCJA) created a new program that incentivizes investment in economically distressed areas of the country. The program enables any investor—foreign and domestic, retail and institutional—to defer and ultimately to reduce capital gains taxes on any asset by reinvesting the gain in underfunded communities. The program is widely viewed as favoring commercial real estate (CRE) investments where eligible investments include ground-up development and asset renovations under some conditions. While rules regulating opportunity zone investments will not be finalized until next spring, there is now sufficient clarity so that funds can begin taking capital from investors and deploying that capital in earnest.

Executive Summary

- Significant long-term opportunity for retail, institutional, domestic and foreign investors. Some estimate that up to \$100B¹ could be deployed over the next several years. Cushman & Wakefield Research is currently tracking 45 CRE funds targeting in excess of \$10B in equity.
- Wide applicability across all real estate sectors including multifamily and/or affordable housing, office, industrial and mixed-use that includes retail and/or hospitality.
- Eligible investments limited to new developments and capital intensive renovations. These include ground-up developments, property repurposing or rehabilitations, business HQ expansions and public-private partnerships.
- Timing is key. The clock starts ticking once capital gains are realized and funds should be invested 180 days afterward. Investors should focus on shovel-ready projects, ideally with regulatory approval in place or where municipalities have a master plan in place, thus reducing regulatory risk.
- The tax benefits from the “Opportunity Zone” program can potentially add up to 150-300 basis points to after-tax IRRs according to Cushman & Wakefield Research analysis.
- While opportunity zones are in economically distressed areas, not all “distress” is equal. Look for areas with strong job, income, population growth and CRE market fundamentals and/or where economic revival is beginning to take place.
- Among metros meeting those criteria are fast-growing markets in the Sunbelt, California and Mountain West, as well as Manhattan. Evaluation of individual deals should focus on the specifics of each investment. Tax benefits will differ for investors residing in different states, depending on the level of state capital gains taxes and whether an investor’s state tax law conforms to the new federal law. Most states have conformed, but several—including California—have not.
- In more highly regulated markets investors should focus on repositioning plays and select smaller-scale developments.
- Important issues still remain, but they are expected to be largely resolved in the coming months due to strong bipartisan support for the applicable regulations.
- There are wider implications for CRE markets and participants:
 - Creates a virtuous cycle: the investments are likely to accelerate economic revitalization of targeted zones. Furthermore, areas surrounding opportunity zones could also experience a boost in economic and CRE fundamentals, which could attract further non-program investment.
 - Provides developers access to long-term capital and increased access to debt-financing markets.

¹ <https://thehill.com/hilltv/rising/408980-mnuchin-predicts-100b-in-cap-investment-from-new-opportunity-zones>

IN THE OPPORTUNITY ZONE: Don't Miss this \$100 Billion CRE Event



Illustrative Example of an Opportunity Zone Investment

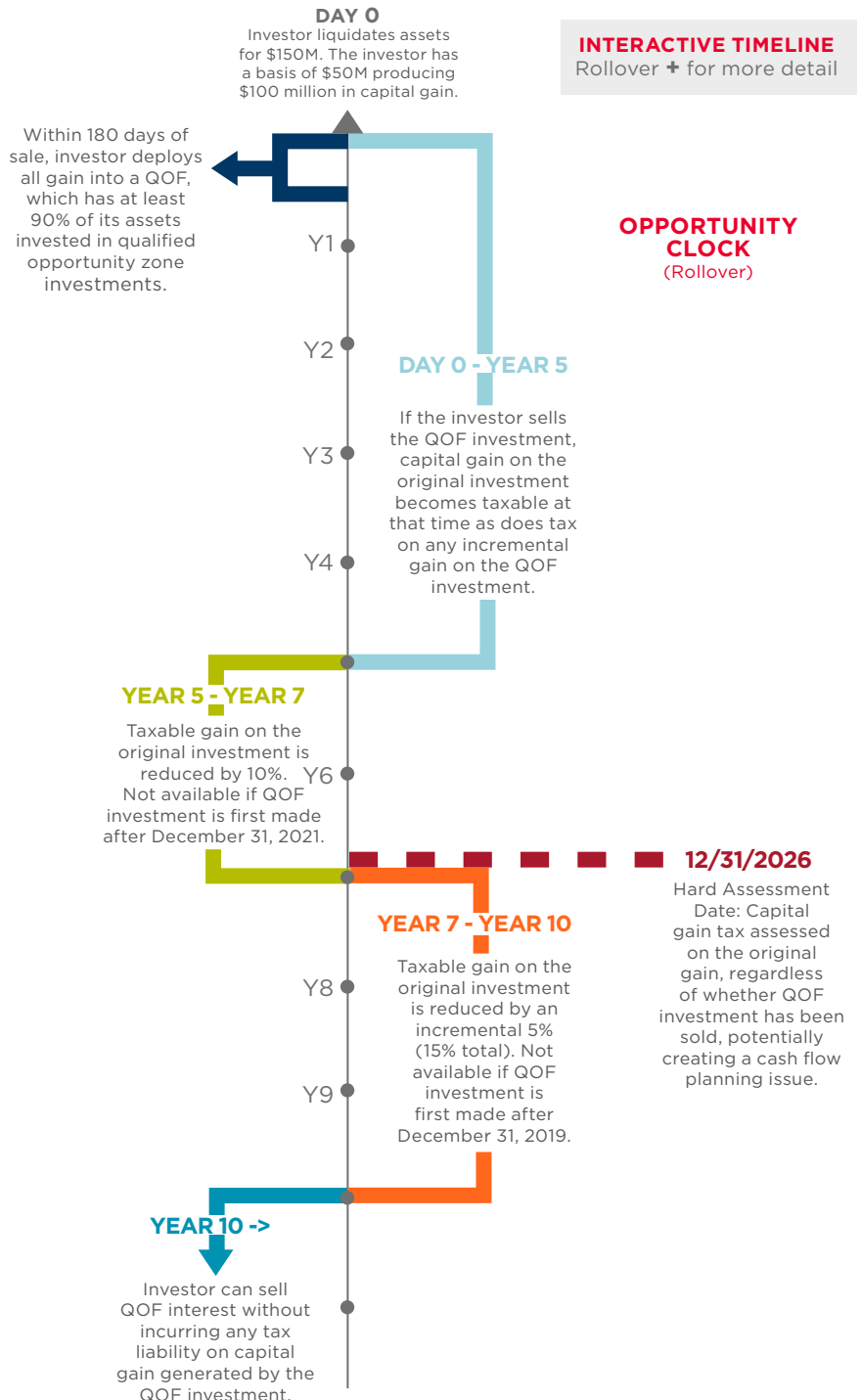
How it works

The program allows for any capital gains realized after December 22, 2017 to be deferred provided those gains are invested in one or more “qualified opportunity funds” (QOF) within 180 days. QOFs are required to have at least 90% of its capital invested in qualifying investments in designated “opportunity zones.” (See additional discussion below in this report.) After reaching certain holding period hurdles—at five and seven years—the basis for the original capital gain is adjusted upward, thereby not only deferring but also reducing tax liability by up to 15%. The balance of the deferred gain, unless the investment is disposed of earlier, will be recognized in 2026. Finally, if the opportunity zone investment is held for at least 10 years, there is no capital gains tax on the opportunity zone investment itself.

Sounds great... so what's in the fine print

The critical requirement of this program is that 90% of QOF assets must be invested in designated opportunity zones. Opportunity zone funds can either hold qualifying real estate directly or in equity investments in qualifying businesses. To qualify, a business must:

- Derive at least 50% of its gross income from an active trade or business located in one opportunity zone
- Have at least 70% of its tangible assets be qualifying opportunity zone property
- Have been established after December 31, 2017



IN THE OPPORTUNITY ZONE: Don't Miss this \$100 Billion CRE Event



This means that a QOF would only need to have 63% of its real estate holdings located in an opportunity zone as long as 50% of the gross income from the business—such as one that engages in real estate development and leasing—is derived from activity in the opportunity zone.



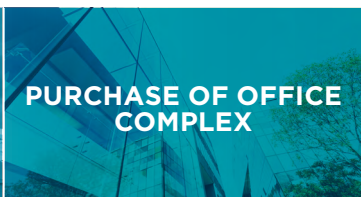

In addition, the property investment needs to meet one of two tests: (1) real estate needs either to be put to “original use” with the QOF, or (2) the fund needs to “substantially improve” the property. “Original use” means that the building was put into service for the first time at commencement of the QOF investment. “Substantially improve” means that the QOF needs to more than double its basis in the property within 30 months of acquisition. These requirements apply only to the building and not to the land on which it sits.

Real estate investments likely to qualify are development and capital intensive repositioning projects. Newly

constructed property acquired prior to being placed in service may also qualify and is likely the main path through which cash-flow-oriented investors could participate in the program. One such example is a building built for and net leased to a single user prior to lease commencement. The U.S. Treasury guidelines also raised the question of whether an investment in existing property could qualify as “original use” if it had been unused or vacant for some extended period and requested the business community suggest readings of the statute consistent with expanding the reading of “original use” in this way. The subtext is that the U.S Treasury is seeking to maximize the utilization of this program by investors and there could be further upside surprises as guidance continues to develop.

Some examples of qualifying and non-qualifying projects in real estate are listed below.


✓ The following investments in designated opportunity zones **would** qualify:

 PURCHASE OF UNDEVELOPED LAND	 PURCHASE OF SOLAR POWERED SYTEMS	 PURCHASE OF OFFICE COMPLEX	 OWNED/OPERATED OFFICE BUILDING
<p>Purchase of undeveloped land and building of affordable housing on the site. Low-Income Housing Tax Credits and debt financing may be used. In this case the property is being put to original use with the investment and the QOF has substantially improved the property by doubling its basis within the 30-month period.</p>	<p>Purchase of solar power systems, which the investor leases to a data center within a designated opportunity zone. This is another example of property being put to its original use with the investment.</p>	<p>Purchase of an office complex for \$25 million (M). The QOF converts the property to residential rental. The purchase price is allocated as \$10M to land and \$15M to structure. Within 30 months of acquisition, the QOF has deployed an additional \$15M (plus \$1) into the property, thus more than doubling the fund’s basis in the building. This is an example of the property having been “substantially improved.”</p>	<p>An asset manager owns and operates an office building. The asset manager launches a QOF and uses the equity to launch a start-up accelerator located in the building. The QOF may also invest in the building’s other tenants provided that they meet the requirements. The QOF could also invest in qualifying tenants in any opportunity zone.</p>

IN THE OPPORTUNITY ZONE: Don't Miss this \$100 Billion CRE Event



X The following investments in designated opportunity zones **would not** qualify:

 PURCHASE & OPERATE STRIP CENTER	 PURCHASE OF POWER CENTER	 PURCHASE OF SOLAR POWER SYSTEMS	 PURCHASE OF MULTIFAMILY PROPERTY TO RENOVATE
<p>Purchase of a strip center and continuing to operate the property. The property is not being put to original use, nor has it been substantially improved.</p>	<p>Purchase of a power center. The building cost is valued at \$20M at the time of investment. The QOF spends \$5 million converting the space to industrial but does not engage in a full tear-down and redevelopment. The property is not being put to original use because the structure had previously been in service, nor has it been substantially improved.</p>	<p>Purchase of solar power systems from a qualifying opportunity zone business, which the investor leases to a data center not within a designated opportunity zone. The business from which the systems were bought is irrelevant. The systems were not first placed into service in an opportunity zone and therefore do not qualify as "original use."</p>	<p>Purchase of multifamily property for \$25M to renovate. The purchase price is allocated as \$10M to land and \$15M to structure. Thirty months after acquisition, the QOF has invested an additional \$10 million in the building. The property is not being put to original use, and while the fund has increased its basis in the property, it does not fulfill the requirement for substantial improvement.</p>

From a public policy perspective, the goal of the program is to incentivize new investment in economically blighted areas—not just a game of musical chairs in which ownership of existing businesses and properties change hands. This narrows the investment options for investors and by extension the types of investors that will be attracted to the program but makes it more likely that the investments will catalyze or accelerate economic revitalization of targeted zones. A corollary of this, however, is that surrounding properties within zones could also see a boost to values as fundamentals improve, and this attracts non-QOF capital.

Key items clarified but questions remain

The guidance issued on October 19, 2018 clarifies many of the most important issues of this program. However, significant questions still remain that must be addressed in short order if the program is to see maximal utilization. Timing is critical: new investment will not be eligible for maximum tax benefits after December 31, 2019.

Key areas include:

Safe harbors

- The recent guidance provides a safe harbor in respect of the 90% fund asset test for working capital investments in businesses that acquire, construct or rehabilitate property. Previously, it was unclear how a QOF could maintain working capital without potentially violating the 90% fund test and incurring penalties. Working capital investments can be held in cash and short-term debt securities for up to 31 months. The QOF must have a written plan for how that working capital will be deployed and the fund must substantially comply with that plan. This should greatly facilitate real estate development and renovation projects. Funds could, however, encounter complications when projects are not shovel-ready or if there are other delays that extend the project life beyond 31 months. In such cases, it is likely that a project will need to be split into separate phases in which each phase is structured as a separate investment within the same or a different fund.

IN THE OPPORTUNITY ZONE: Don't Miss this \$100 Billion CRE Event



- There remains no safe harbor for capital newly contributed to a fund but not yet associated with any particular project.

Reinvestment

- The recent guidance clarifies that an investor could sell his interest in an opportunity zone fund without impacting tax benefits, provided that the proceeds from any sale were reinvested in another opportunity zone fund within 180 days.
- The timeframe during which the fund itself would have to reinvest proceeds from the sale of an investment—and what, if any, income tax consequences there would be resulting from such a sale, remains unclear.
- Until these issues are addressed, opportunity funds holding multiple assets will be discouraged, unless all the assets are intended to be sold at the same time.

Debt

- The recent guidance confirms that debt incurred by an opportunity zone fund would not be considered a separate investment, ineligible for tax benefits. Absent this guidance, program benefits for leveraged investments would have been significantly reduced.

- Where debt is used, it is possible that given the wording of how basis is adjusted at the end of the 10 year holding period that an investor might not fully avoid capital gain on the opportunity fund investment. Given the clear legislative intent, it is likely that this will be remedied by future guidance.

Penalties and Decertification

- The penalty for failing the 90% test remains unspecified.
- Actions that would lead to fund decertification remain unspecified.

Should I just invest in a 1031?

The opportunity zone program offers several potential benefits compared to a 1031 like-kind exchange but is also subject to its own limits. The table at the bottom of this page details some of the tradeoffs.

Promising metros with economic momentum at a tipping point

As of late October 2018, opportunity zones have been selected by all states and territories in the U.S. A simple web search will reveal various mapping resources.² There are currently about 8,700 opportunity zones, and they are a diverse set³.

² <https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>

³ Ibid.

Benefits compared to 1031 Exchange:

	OPPORTUNITY ZONES	1031X
Qualifying assets for capital gain deferral	Any asset	Limited to real property
Reinvestment	No like-kind requirement, Only needs to be invested in a QOF.	The proceeds from the sale of real property must be reinvested in real property.
Use of basis and capital gains	Only requires that the capital gain be invested into a QOF, enabling the investor to make unrestricted use of their basis.	Full basis and capital gains invested. Over time and successive exchanges, the deferred tax liability can grow substantially making it more difficult to find replacement assets and locking up a greater amount of capital, placing constraints on an investor's ability to optimize their asset allocation.
Reduction in deferred tax liability	Provides for capital gain tax reduction on the original investment and eliminates capital gain tax on the QOF investment provided the investor achieves certain holding period targets.	Provides for potentially unlimited capital tax gain deferral but never reduces the deferred tax liability.

IN THE OPPORTUNITY ZONE: Don't Miss this \$100 Billion CRE Event

The challenge and opportunity for investors will be to identify the opportunity zones with the best economic and demographic characteristics and/or where a process of economic improvement has already begun that can be further accelerated through the entrance of new investment capital. Local knowledge and expertise, always central in real estate investing, will be even more important here. The specifics of each opportunity will depend on individual and local market and CRE fundamentals. Identifying and prioritizing those metros with strong and improving fundamentals is one way of narrowing the focus on the most promising opportunity zone tracts.

Cushman & Wakefield evaluated 43 office and multifamily markets (containing 2,700 of the approximately 8,700 opportunity zones) across a range of factors indicative of economic momentum. These factors were divided into three categories: tax & regulatory, economic drivers and CRE fundamentals.

Tax & Regulatory

- **State Tax Conformation Status.** Cushman & Wakefield considered whether the market is in a state that conforms its tax code with the new tax law, which determines whether residents who invest in opportunity zone funds would see their state capital gains tax (if a state has such a tax) reduced in addition to their federal capital gains tax. Conforming markets received a positive score, markets with no capital gains tax received a neutral score and nonconforming markets

received a negative score. While the tax treatment depends on the residency of investors and not where the target opportunity zones are located, home bias in real estate investment suggests that differences in the tax incentives by state will have some impact on investment activity in those states.

- **Wharton Land-Use Regulation Index.** Higher levels of regulation will tend to make markets less attractive to opportunity zone fund investment, all else being equal, due to the focus on ground-up development and heavy repositioning.

Economic Drivers

- 5-Year Population Growth Forecast
- 5-Year Office-Using Employment Growth Forecast
- 5-Year Overall Employment Growth Forecast
- 5-Year Median Household Income Growth Forecast

CRE Fundamentals

- 2018F Multifamily and Office Vacancy
- 3-Year Multifamily and Office Revenue Growth Forecast (combined change in rent & occupancy)
- 2018F Multifamily and Office Inventory

Sunbelt markets lead the group, as growing populations support economic and CRE fundamental outlooks and the tax regulatory environments are generally favorable for development. Fast-growing markets in California and the Mountain West also appear, including the San

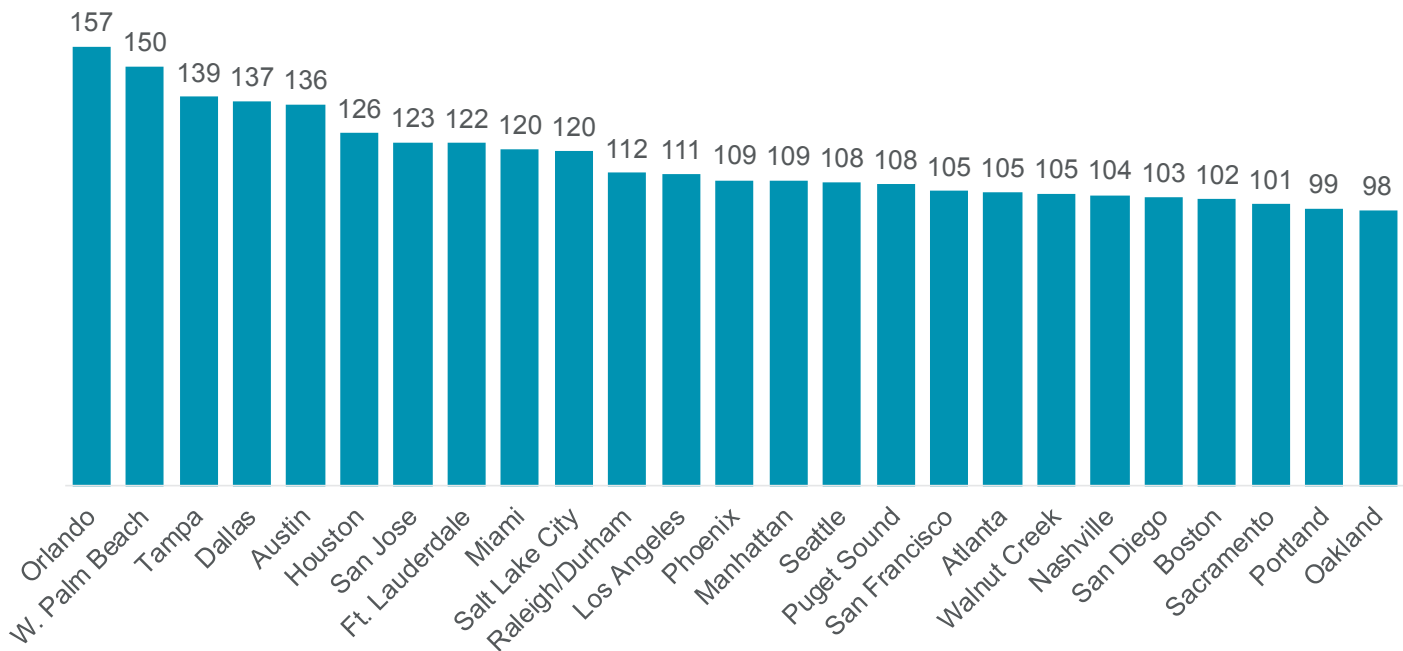
The opportunity zone program is well-named as it stands to benefit investors, operators, developers, businesses, families, and the nation at large.

IN THE OPPORTUNITY ZONE: Don't Miss this \$100 Billion CRE Event



Selected markets are listed below based on their scoring:

Economic Momentum Index
Composite Z-Score (mean = 100)



Francisco Bay Area, Los Angeles, Portland (OR), Seattle, and Manhattan. The full scorings and model detail are available in the [Appendix](#).

On your market, get set, go!

While headline figures suggest the opportunity to tap a potential \$6T in unrealized capital gains through this program, the reality is that activity is likely to be more modest but still significant. Estimates range from \$40B-\$50B to \$100B of equity over the next years.⁴ With leverage, the dollars put to work could be twice these estimates. For perspective, about \$47B in product traded in the New York metro during 2017 according to Real Capital Analytics.

Cushman & Wakefield Research is currently tracking 45 funds that are expected to raise over \$10B in aggregate equity. Cushman & Wakefield's database does not include the myriad small local partnerships that might invest and the investor outreach initiatives being organized in opportunity zones across the country.

Surveying the funds leads to a number of observations:

- Geographic focus: **Market targets range widely** from Oakland to the New York City boroughs to a wide range of Sunbelt markets. The number of funds is almost evenly split between single-market ones (47%) and multiple-market funds (53%). The funds targeting multiple markets, however, are raising 67% of the capital.

⁴ Cushman & Wakefield analysis of Joint Committee on Taxation projections, <https://www.jct.gov/publications.html?func=startdown&id=5148>

- Product focus: While many of the funds include industrial and office properties in their target product mix, **multifamily investment is by far the most prominent focus**, with 46% of funds having announced a product focus that includes multifamily among their targets. Of these, niche plays—including student and affordable housing as part of a mixed-use development—figure prominently.
- Investment strategies: Most of the announced funds are focused on real estate investment. Still, a number seeks to combine real estate investments with support of local entrepreneurs. For example, Hypothesis Ventures plans to invest in opportunity zone startups via accelerator programs that would be operated out of co-working spaces it develops⁵.
- Types of investors: **The program is attracting a range of private and institutional capital.** Fund managers include an assemblage of local developers, equity funds, social impact funds and large asset managers, including Goldman Sachs and PNC Financial Services Group. **The opportunity zone program has visibility with high net-worth investors, many of whom have been driving greater interest in social impact funds and calls for “socially responsible investing.”**

Wider implications for CRE markets and players

The current economic and real estate cycle has been a bit of a paradox. On the one hand, capital is increasingly expanding into secondary and even tertiary markets as

⁵ <https://hypothesisvc.com/opportunity-zones/>

David Bitner

Vice President

Americas Head of Capital Market Research

david.bitner@cushwake.com

[@Bitner_speaks](#)

Revathi Greenwood

Americas Head of Research

revathi.greenwood@cushwake.com

[@RevuGreenwood](#)

well as tertiary submarkets within the major metro markets. Examples include greater institutional interest in secondary Sunbelt markets and the tremendous socioeconomic change that has taken place in Brooklyn and Oakland in recent years. At the same time, inequality both within and among metro economies has also been rising. The opportunity zone program is a force for both driving forward this trend of capital expansion and also for helping ameliorate economic inequality in a virtuous cycle.

A look at the metros Cushman & Wakefield believes are best-positioned to benefit from opportunity zone capital suggests that the program provides an additional tailwind for capital flows into Sunbelt and Mountain West markets. At the same time, distressed submarkets in large markets with rising wealth—including the New York metro, the Bay Area, Los Angeles, Boston, Chicago and Washington, DC—all have pockets where investment could make a significant difference. The capital needed to achieve this kind of transformation is not prohibitively large.

Nationally, the program will add long-term liquidity to development where such activity has begun to slow or been insufficient, affordable housing being an example of the latter. To the extent that the program brings new players into this space, it will have a long-term positive effect on the affordable housing sector and the associated populations it supports. Indeed, the opportunity zone program is well-named as it stands to benefit investors, operators, developers, businesses, families and the nation at large.

This document is not intended to provide tax advice. Any tax information provided in this document is not intended or written to be relied upon for tax planning purposes. You should seek advice based on your particular circumstances from an independent tax advisor.

©2018 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.



About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow [@CushWake](#) on Twitter.

©2018 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com

IN THE OPPORTUNITY ZONE:

Don't Miss this \$100 Billion CRE Event



Appendix: Economic Momentum Index

[Return to page 7.](#)

	Tax & Regulatory		Economic Driver Forecasts				CRE Fundamentals					Composite Z Score	
	State Conformation Status	Wharton Land-Use Regulation Index	Population Growth	Office-Using Employment Growth	Overall Job Growth	Median HHI Growth	Current Multifamily Vacancy	Multifamily Revenue Growth Forecast	Current Multifamily Inventory	Current Office Vacancy	Office Revenue Growth Forecast		Current Office Inventory
Orlando	No Tax	0.4	15.0%	10.0%	11.7%	17.5%	3.5%	7.0%	0.2	8.2%	1.1%	36.9	157.0
W. Palm Beach	No Tax	0.3	13.0%	6.9%	9.1%	23.3%	5.6%	8.6%	0.1	12.8%	7.5%	24.2	149.8
Tampa	No Tax	-0.1	8.2%	7.4%	7.7%	21.1%	4.5%	7.5%	0.3	10.9%	4.5%	31.2	139.0
Dallas	No Tax	-0.3	9.4%	11.6%	10.0%	17.1%	5.4%	5.2%	0.6	18.1%	0.2%	232.8	137.3
Austin	No Tax	0.1	13.7%	13.6%	11.1%	15.1%	5.6%	5.2%	0.2	11.8%	1.8%	52.9	136.2
Houston	No Tax	-0.3	9.0%	10.4%	10.0%	19.6%	6.2%	6.9%	0.7	23.0%	-4.2%	184.7	126.1
San Jose	Nonconforming	0.2	3.7%	4.7%	4.7%	20.5%	3.8%	14.8%	0.2	11.3%	0.4%	82.0	122.9
Ft. Lauderdale	Conforming	0.7	8.4%	5.4%	7.2%	17.3%	4.5%	9.3%	0.2	11.6%	7.4%	27.9	122.5
Miami	No Tax	0.8	6.5%	5.2%	6.8%	18.7%	3.7%	7.3%	0.3	12.5%	8.8%	47.9	120.4
Salt Lake City	Conforming	-0.1	5.7%	6.5%	8.2%	13.2%	4.4%	8.9%	0.1	13.4%	10.2%	37.5	119.6
Raleigh/Durham	Nonconforming	0.6	15.4%	8.6%	8.0%	11.6%	5.7%	6.2%	0.2	8.6%	5.2%	54.3	111.8
Los Angeles	Nonconforming	0.5	1.9%	2.9%	4.4%	17.9%	3.6%	8.1%	1.1	15.6%	7.5%	203.6	111.2
Phoenix	Nonconforming	0.7	11.7%	6.7%	8.7%	15.3%	4.9%	5.3%	0.4	16.7%	5.6%	103.4	109.4
Manhattan	Conforming	0.6	1.7%	2.7%	2.9%	13.9%	3.4%	4.8%	1.9	9.3%	-3.8%	401.7	109.1
Seattle	No Tax	1.0	6.2%	6.8%	6.5%	17.3%	4.6%	7.4%	0.3	8.1%	2.9%	64.5	108.5
Puget Sound	Conforming	1.0	6.2%	6.8%	6.5%	17.3%	4.6%	7.4%	0.3	8.1%	1.1%	35.1	107.9
San Francisco	Nonconforming	0.9	3.9%	3.0%	4.9%	22.9%	3.5%	6.7%	0.2	7.2%	-1.3%	83.1	105.4
Atlanta	Conforming	0.0	10.1%	4.9%	6.0%	12.9%	5.6%	8.4%	0.5	16.7%	0.8%	142.8	104.7
Walnut Creek	Nonconforming	0.5	3.8%	4.6%	4.7%	18.4%	3.9%	6.4%	0.2	10.4%	9.7%	36.1	104.7
Nashville	No Tax	-0.4	7.2%	5.6%	6.6%	15.2%	5.1%	4.4%	0.1	8.2%	2.4%	39.3	104.1
San Diego	Nonconforming	0.5	3.3%	4.3%	5.0%	16.8%	3.6%	7.3%	0.3	12.6%	9.4%	78.2	102.9
Boston	Nonconforming	1.5	2.4%	3.8%	4.8%	16.8%	4.1%	9.5%	0.4	10.1%	11.9%	164.8	102.4
Sacramento	Nonconforming	0.5	3.3%	4.4%	5.2%	16.5%	3.8%	7.8%	0.2	8.6%	5.2%	86.3	100.8
Portland	Conforming	0.3	0.1%	4.2%	6.9%	16.3%	4.4%	7.5%	0.2	10.1%	6.3%	48.7	99.0
Oakland	Nonconforming	0.5	3.8%	4.6%	4.7%	18.4%	3.9%	6.4%	0.2	9.2%	4.6%	30.7	98.4
San Francisco Peninsula	Nonconforming	0.9	3.9%	3.0%	4.9%	22.9%	3.5%	6.7%	0.2	14.5%	0.3%	35.5	95.9
Newark	Conforming	0.6	0.1%	3.6%	2.6%	17.6%	3.0%	9.5%	0.5	19.6%	3.2%	109.8	93.8
Denver	Conforming	0.9	5.8%	4.5%	6.5%	13.8%	5.3%	9.0%	0.3	16.0%	4.9%	118.0	93.3
Orange County	Nonconforming	0.4	1.4%	5.3%	4.7%	16.1%	4.2%	7.9%	0.3	11.9%	5.3%	90.8	91.5
Minneapolis	Conforming	0.3	4.0%	6.6%	5.0%	12.4%	3.1%	5.2%	0.3	17.5%	4.1%	74.4	90.7
Inland Empire	Nonconforming	0.6	2.2%	5.2%	5.2%	13.1%	4.0%	9.1%	0.2	7.9%	4.1%	21.9	85.2
Philadelphia	Nonconforming	1.0	-0.1%	1.7%	3.3%	22.0%	4.4%	6.2%	0.4	12.9%	4.6%	134.7	83.8
Washington DC Metro	Conforming	0.4	4.3%	3.7%	4.4%	9.8%	4.6%	4.2%	0.6	17.9%	2.5%	304.5	80.8
St. Louis	Conforming	-0.7	0.6%	3.0%	3.1%	16.5%	6.2%	5.6%	0.2	11.2%	3.7%	48.8	80.6
Chicago	Conforming	0.1	0.1%	4.3%	4.3%	15.6%	5.5%	1.2%	0.7	16.5%	4.4%	234.8	80.4
Long Island	Conforming	0.7	0.1%	3.3%	2.9%	11.3%	3.4%	4.8%	1.9	12.0%	2.9%	34.5	79.8
Westchester	Conforming	0.6	1.7%	2.7%	2.9%	13.9%	3.4%	4.8%	1.9	22.7%	0.8%	24.9	74.7
Suburban Virginia	Conforming	0.4	4.3%	3.7%	4.4%	9.8%	4.6%	4.2%	0.6	20.3%	4.0%	132.4	68.9
Suburban Maryland	Conforming	0.4	5.1%	4.7%	4.4%	11.1%	4.6%	4.2%	0.6	19.0%	0.4%	60.1	68.4
Washington DC Proper	Conforming	0.4	4.3%	3.7%	4.4%	9.8%	4.6%	4.2%	0.6	14.5%	-1.1%	112.0	67.1
Baltimore	Conforming	1.1	0.9%	4.8%	3.8%	13.8%	5.5%	6.0%	0.2	13.3%	-1.3%	77.1	55.2
Fairfield	Conforming	0.5	0.3%	2.8%	2.9%	19.6%	4.7%	3.8%	0.1	23.4%	-2.5%	39.4	53.4
Trenton	Conforming	1.7	0.1%	2.3%	2.4%	15.6%	4.3%	3.1%	0.0	15.4%	3.5%	81.1	45.5