

TDHCA ACTUAL AVERAGE OPERATING EXPENSE STATEMENTS AS OF YEAR END 2018

Region 1: Less Than 76 Units (21 Developments, 906 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 43 Units | AVERAGE (annual) 40,041 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$455 | \$0.48 | \$19,650 | \$19,257 | \$455 |
| Management | 416 | 0.49 | \$17,932 | \$19,465 | |
| Payroll & Payroll Tax | 1,079 | 1.20 | \$46,531 | \$48,064 | 1,079 |
| Repairs & Maintenance | 662 | 0.70 | \$28,558 | \$27,923 | 662 |
| Utilities | 168 | 0.18 | \$7,269 | \$7,314 | 168 |
| Water, Sewer & Trash | 381 | 0.39 | \$16,419 | \$15,627 | 381 |
| Insurance | 319 | 0.31 | \$13,753 | \$12,589 | |
| Property Tax | 418 | 0.48 | \$18,014 | \$19,021 | |
| Reserve for Replacement | 283 | 0.30 | \$12,227 | \$12,186 | |
| Total Expenses | \$4,180 | \$4.53 | \$180,353 | \$181,447 | \$2,745 |

Expense to Income Ratio: 70.66%
 Vacancy: 21.50%
 Mgm/EGI: 7.09%
 Average Development Age: 11 years

Region 1: More Than 76 Units (24 developments, 3,110 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 130 Units | AVERAGE (annual) 125,298 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$371 | \$0.39 | \$48,132 | \$49,053 | \$371 |
| Management | 320 | 0.34 | \$41,491 | \$42,335 | |
| Payroll & Payroll Tax | 1,223 | 1.30 | \$158,527 | \$163,300 | 1,223 |
| Repairs & Maintenance | 638 | 0.69 | \$82,632 | \$86,892 | 638 |
| Utilities | 244 | 0.25 | \$31,593 | \$31,898 | 244 |
| Water, Sewer & Trash | 525 | 0.55 | \$67,972 | \$69,509 | 525 |
| Insurance | 314 | 0.33 | \$40,680 | \$41,300 | |
| Property Tax | 485 | 0.51 | \$62,796 | \$64,059 | |
| Reserve for Replacement | 366 | 0.40 | \$47,446 | \$50,090 | |
| Total Expenses | \$4,486 | \$4.78 | \$581,270 | \$598,436 | \$3,001 |

Expense to Income Ratio: 62.05%
 Vacancy: 15.26%
 Mgm/EGI: 4.60%
 Average Development Age: 12 years

Region 2: Less Than 76 Units (31 Developments, 1,340 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 43 Units | AVERAGE (annual) 38,239 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$490 | \$0.58 | \$21,167 | \$22,239 | \$490 |
| Management | 470 | 0.58 | \$20,305 | \$22,333 | |
| Payroll & Payroll Tax | 1,147 | 1.37 | \$49,581 | \$52,369 | 1,147 |
| Repairs & Maintenance | 720 | 0.89 | \$31,144 | \$34,051 | 720 |
| Utilities | 215 | 0.28 | \$9,277 | \$10,614 | 215 |
| Water, Sewer & Trash | 567 | 0.68 | \$24,523 | \$26,150 | 567 |
| Insurance | 293 | 0.32 | \$12,655 | \$12,113 | |
| Property Tax | 484 | 0.55 | \$20,932 | \$21,108 | |
| Reserve for Replacement | 268 | 0.33 | \$11,592 | \$12,541 | |
| Total Expenses | \$4,654 | \$5.58 | \$201,177 | \$213,518 | \$3,139 |

Expense to Income Ratio: 68.38%
 Vacancy: 11.84%
 Mgm/EGI: 7.04%
 Average Development Age: 9 years

TDHCA ACTUAL AVERAGE OPERATING EXPENSE STATEMENTS AS OF YEAR END 2018

Region 2: More Than 76 Units (14 Developments, 1,280 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 91 Units | AVERAGE (annual) 85,327 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$386 | \$0.42 | \$35,262 | \$35,813 | \$386 |
| Management | 364 | 0.40 | \$33,300 | \$33,901 | |
| Payroll & Payroll Tax | 1,246 | 1.36 | \$113,913 | \$116,223 | 1,246 |
| Repairs & Maintenance | 733 | 0.80 | \$67,025 | \$68,117 | 733 |
| Utilities | 154 | 0.17 | \$14,109 | \$14,399 | 154 |
| Water, Sewer & Trash | 631 | 0.67 | \$57,712 | \$57,547 | 631 |
| Insurance | 259 | 0.28 | \$23,679 | \$24,141 | |
| Property Tax | 585 | 0.63 | \$53,457 | \$54,099 | |
| Reserve for Replacement | 265 | 0.29 | \$24,274 | \$25,157 | |
| Total Expenses | \$4,624 | \$5.03 | \$422,733 | \$429,398 | \$3,150 |

Expense to Income Ratio: 71.92%
 Vacancy: 15.58%
 Mgm/EGI: 5.49%
 Average Development Age: 12 years

DFW Region 3: Less Than 76 Ft. (61 Developments, 2,411 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 40 Units | AVERAGE (annual) 33,702 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$449 | \$0.55 | \$17,741 | \$18,387 | \$449 |
| Management | 476 | 0.60 | \$18,818 | \$20,205 | |
| Payroll & Payroll Tax | 977 | 1.20 | \$38,604 | \$40,277 | 977 |
| Repairs & Maintenance | 762 | 0.94 | \$30,101 | \$31,677 | 762 |
| Utilities | 179 | 0.23 | \$7,077 | \$7,868 | 179 |
| Water, Sewer & Trash | 613 | 0.77 | \$24,247 | \$25,911 | 613 |
| Insurance | 346 | 0.41 | \$13,668 | \$13,895 | |
| Property Tax | 629 | 0.77 | \$24,867 | \$25,844 | |
| Reserve for Replacement | 330 | 0.42 | \$13,040 | \$14,205 | |
| Total Expenses | \$4,761 | \$5.88 | \$188,162 | \$198,269 | \$2,980 |

Expense to Income Ratio: 58.29%
 Vacancy: 6.69%
 Mgm/EGI: 6.43%
 Average Development Age: 11 years

DFW Region 3: More Than 76 Units (210 developments, 37,426 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 178 Units | AVERAGE (annual) 162,634 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$429 | \$0.49 | \$76,409 | \$79,390 | \$429 |
| Management | 427 | 0.48 | \$76,107 | \$78,860 | |
| Payroll & Payroll Tax | 1,290 | 1.46 | \$229,874 | \$238,144 | 1,290 |
| Repairs & Maintenance | 725 | 0.81 | \$129,239 | \$132,405 | 725 |
| Utilities | 239 | 0.28 | \$42,653 | \$45,739 | 239 |
| Water, Sewer & Trash | 737 | 0.81 | \$131,284 | \$132,526 | 737 |
| Insurance | 311 | 0.35 | \$55,358 | \$57,054 | |
| Property Tax | 875 | 0.98 | \$155,947 | \$159,095 | |
| Reserve for Replacement | 406 | 0.46 | \$72,408 | \$74,871 | |
| Total Expenses | \$5,439 | \$6.14 | \$969,278 | \$998,084 | \$3,420 |

Expense to Income Ratio: 53.08%
 Vacancy: 10.18%
 Mgm/EGI: 4.69%
 Average Development Age: 11 years

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Region 4: Less Than 76 Units (40 Developments, 1,719 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 43 Units | AVERAGE (annual) 36,644 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$421 | \$0.53 | \$18,077 | \$19,354 | \$421 |
| Management | 540 | 0.71 | \$23,202 | \$25,937 | |
| Payroll & Payroll Tax | 1,009 | 1.25 | \$43,372 | \$45,659 | 1,009 |
| Repairs & Maintenance | 705 | 0.91 | \$30,292 | \$33,213 | 705 |
| Utilities | 147 | 0.18 | \$6,337 | \$6,735 | 147 |
| Water, Sewer & Trash | 452 | 0.57 | \$19,442 | \$20,968 | 452 |
| Insurance | 281 | 0.35 | \$12,074 | \$12,862 | |
| Property Tax | 365 | 0.44 | \$15,675 | \$16,199 | |
| Reserve for Replacement | 352 | 0.46 | \$15,140 | \$16,891 | |
| Total Expenses | \$4,272 | \$5.40 | \$183,610 | \$197,818 | \$2,735 |

Expense to Income Ratio: 62.39%
 Vacancy: 8.14%
 Mgm/EGI: 7.62%
 Average Development Age: 10 years

Region 4: More Than 76 Units (29 developments, 2,954 units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 95 Units | AVERAGE (annual) 84,128 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$372 | \$0.43 | \$35,417 | \$35,816 | \$372 |
| Management | 444 | 0.56 | \$42,346 | \$46,782 | |
| Payroll & Payroll Tax | 1,063 | 1.23 | \$101,259 | \$103,193 | 1,063 |
| Repairs & Maintenance | 675 | 0.81 | \$64,356 | \$68,004 | 675 |
| Utilities | 176 | 0.22 | \$16,794 | \$18,094 | 176 |
| Water, Sewer & Trash | 481 | 0.60 | \$45,804 | \$50,375 | 481 |
| Insurance | 300 | 0.37 | \$28,578 | \$31,075 | |
| Property Tax | 414 | 0.47 | \$39,475 | \$39,757 | |
| Reserve for Replacement | 387 | 0.47 | \$36,883 | \$39,675 | |
| Total Expenses | \$4,312 | \$5.14 | \$410,913 | \$432,772 | \$2,767 |

Expense to Income Ratio: 60.10%
 Vacancy: 6.41%
 Mgm/EGI: 6.20%
 Average Development Age: 9 years

Region 5: All Units (69 Developments, 5,981 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 84 Units | AVERAGE (annual) 72,065 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$457 | \$0.54 | \$38,523 | \$39,001 | \$457 |
| Management | 388 | 0.50 | \$32,677 | \$35,690 | |
| Payroll & Payroll Tax | 1,112 | 1.42 | \$93,652 | \$102,063 | 1,112 |
| Repairs & Maintenance | 742 | 0.90 | \$62,472 | \$64,572 | 742 |
| Utilities | 192 | 0.31 | \$16,212 | \$22,524 | 192 |
| Water, Sewer & Trash | 633 | 0.83 | \$53,290 | \$59,764 | 633 |
| Insurance | 432 | 0.52 | \$36,422 | \$37,792 | |
| Property Tax | 387 | 0.47 | \$32,600 | \$33,617 | |
| Reserve for Replacement | 351 | 0.46 | \$29,585 | \$33,147 | |
| Total Expenses | \$4,694 | \$5.94 | \$395,433 | \$428,170 | \$3,136 |

Expense to Income Ratio: 68.56%
 Vacancy: 15.82%
 Mgm/EGI: 5.76%
 Average Development Age: 10 years

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Houston Region 6: Less Than 76 Units (58 Developments, 2,681 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 46 Units | AVERAGE (annual) 37,898 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$458 | \$0.60 | \$21,180 | \$22,786 | \$458 |
| Management | 528 | 0.68 | \$24,417 | \$25,899 | |
| Payroll & Payroll Tax | 1,305 | 1.69 | \$60,304 | \$63,960 | 1,305 |
| Repairs & Maintenance | 753 | 0.92 | \$34,816 | \$34,885 | 753 |
| Utilities | 184 | 0.25 | \$8,526 | \$9,524 | 184 |
| Water, Sewer & Trash | 653 | 0.82 | \$30,177 | \$31,158 | 653 |
| Insurance | 398 | 0.49 | \$18,400 | \$18,618 | |
| Property Tax | 519 | 0.64 | \$23,968 | \$24,243 | |
| Reserve for Replacement | 299 | 0.39 | \$13,802 | \$14,952 | |
| Total Expenses | \$5,097 | \$6.49 | \$235,592 | \$246,024 | \$3,353 |

Expense to Income Ratio: 62.80%
 Vacancy: 8.14%
 Mgm/EGI: 7.14%
 Average Development Age: 13 years

Houston Region 6: More Than 76 Units (212 Developments, 37,620 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 177 Units | AVERAGE (annual) 158,225 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$417 | \$0.49 | \$73,694 | \$78,260 | \$417 |
| Management | 417 | 0.49 | \$73,620 | \$77,644 | |
| Payroll & Payroll Tax | 1,354 | 1.58 | \$239,137 | \$250,092 | 1,354 |
| Repairs & Maintenance | 738 | 0.88 | \$130,355 | \$139,465 | 738 |
| Utilities | 205 | 0.27 | \$36,145 | \$42,952 | 205 |
| Water, Sewer & Trash | 628 | 0.73 | \$110,866 | \$116,005 | 628 |
| Insurance | 399 | 0.48 | \$70,449 | \$75,983 | |
| Property Tax | 790 | 0.90 | \$139,490 | \$142,544 | |
| Reserve for Replacement | 304 | 0.36 | \$53,642 | \$56,499 | |
| Total Expenses | \$5,251 | \$6.19 | \$927,398 | \$979,442 | \$3,342 |

Expense to Income Ratio: 56.21%
 Vacancy: 8.10%
 Mgm/EGI: 4.57%
 Average Development Age: 11 years

Austin Region 7: Less Than 76 Units (46 Developments, 1,877 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 41 Units | AVERAGE (annual) 32,039 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$493 | \$0.76 | \$20,111 | \$24,360 | \$493 |
| Management | 492 | 0.77 | \$20,088 | \$24,559 | |
| Payroll & Payroll Tax | 1,191 | 1.97 | \$48,607 | \$63,202 | 1,191 |
| Repairs & Maintenance | 973 | 1.56 | \$39,698 | \$50,118 | 973 |
| Utilities | 195 | 0.28 | \$7,960 | \$8,977 | 195 |
| Water, Sewer & Trash | 796 | 1.09 | \$32,499 | \$34,940 | 796 |
| Insurance | 348 | 0.57 | \$14,182 | \$18,117 | |
| Property Tax | 542 | 1.12 | \$22,109 | \$36,020 | |
| Reserve for Replacement | 332 | 0.48 | \$13,557 | \$15,313 | |
| Total Expenses | \$5,362 | \$8.60 | \$218,812 | \$275,605 | \$3,649 |

Expense to Income Ratio: 59.83%
 Vacancy: 10.89%
 Mgm/EGI: 6.29%
 Average Development Age: 9 years

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Austin Region 7: More Than 76 Units (93 Developments, 15,792 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 170 Units | AVERAGE (annual) 147,809 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$429 | \$0.53 | \$72,784 | \$78,360 | \$429 |
| Management | 423 | 0.55 | \$71,806 | \$81,015 | |
| Payroll & Payroll Tax | 1,332 | 1.74 | \$226,125 | \$257,679 | 1,332 |
| Repairs & Maintenance | 681 | 0.87 | \$115,708 | \$128,134 | 681 |
| Utilities | 251 | 0.37 | \$42,635 | \$55,311 | 251 |
| Water, Sewer & Trash | 724 | 0.89 | \$123,006 | \$131,886 | 724 |
| Insurance | 299 | 0.36 | \$50,803 | \$53,636 | |
| Property Tax | 655 | 0.80 | \$111,230 | \$118,965 | |
| Reserve for Replacement | 339 | 0.44 | \$57,499 | \$65,239 | |
| Total Expenses | \$5,133 | \$6.56 | \$871,596 | \$970,225 | \$3,417 |

Expense to Income Ratio: 48.23%
 Vacancy: 11.34%
 Mgm/EGI: 4.40%
 Average Development Age: 9 years

Region 8: Less Than 76 Units (39 Developments, 1,579 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 40 Units | AVERAGE (annual) 37,401 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$311 | \$0.40 | \$12,575 | \$14,906 | \$311 |
| Management | 536 | 0.69 | \$21,715 | \$25,880 | |
| Payroll & Payroll Tax | 963 | 1.27 | \$39,002 | \$47,557 | 963 |
| Repairs & Maintenance | 801 | 1.02 | \$32,420 | \$38,326 | 801 |
| Utilities | 192 | 0.22 | \$7,759 | \$8,406 | 192 |
| Water, Sewer & Trash | 577 | 0.75 | \$23,371 | \$28,193 | 577 |
| Insurance | 282 | 0.35 | \$11,435 | \$13,017 | |
| Property Tax | 424 | 0.50 | \$17,154 | \$18,571 | |
| Reserve for Replacement | 404 | 0.52 | \$16,375 | \$19,547 | |
| Total Expenses | \$4,490 | \$5.73 | \$181,805 | \$214,403 | \$2,844 |

Expense to Income Ratio: 66.50%
 Vacancy: 7.36%
 Mgm/EGI: 8.34%
 Average Development Age: 10 years

Region 8: More Than 76 Units (30 Developments, 3,258 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 109 Units | AVERAGE (annual) 102,076 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$430 | \$0.47 | \$46,752 | \$48,120 | \$430 |
| Management | 362 | 0.39 | \$39,348 | \$40,281 | |
| Payroll & Payroll Tax | 1,043 | 1.13 | \$113,295 | \$114,990 | 1,043 |
| Repairs & Maintenance | 733 | 0.79 | \$79,629 | \$80,573 | 733 |
| Utilities | 217 | 0.24 | \$23,523 | \$24,785 | 217 |
| Water, Sewer & Trash | 515 | 0.56 | \$55,981 | \$57,616 | 515 |
| Insurance | 331 | 0.37 | \$35,941 | \$37,391 | |
| Property Tax | 586 | 0.63 | \$63,688 | \$64,386 | |
| Reserve for Replacement | 266 | 0.29 | \$28,925 | \$29,489 | |
| Total Expenses | \$4,485 | \$4.88 | \$487,081 | \$497,630 | \$2,939 |

Expense to Income Ratio: 63.79%
 Vacancy: 8.47%
 Mgm/EGI: 5.04%
 Average Development Age: 10 years

TDHCA ACTUAL AVERAGE OPERATING EXPENSE STATEMENTS AS OF YEAR END 2018

San Antonio Region 9: Less Than 76 Units (32 Developments, 1,318 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 41 Units | AVERAGE (annual) 33,591 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$594 | \$0.90 | \$24,462 | \$30,199 | \$594 |
| Management | 479 | 0.61 | \$19,747 | \$20,500 | |
| Payroll & Payroll Tax | 1,189 | 1.50 | \$48,952 | \$50,464 | 1,189 |
| Repairs & Maintenance | 863 | 1.21 | \$35,559 | \$40,701 | 863 |
| Utilities | 257 | 0.33 | \$10,604 | \$11,013 | 257 |
| Water, Sewer & Trash | 579 | 0.79 | \$23,865 | \$26,654 | 579 |
| Insurance | 374 | 0.50 | \$15,399 | \$16,784 | |
| Property Tax | 601 | 0.71 | \$24,762 | \$23,826 | |
| Reserve for Replacement | 383 | 0.48 | \$15,783 | \$15,984 | |
| Total Expenses | \$5,320 | \$7.03 | \$219,132 | \$236,125 | \$3,483 |

Expense to Income Ratio: 53.66%
 Vacancy: 7.24%
 Mgm/EGI: 5.34%
 Average Development Age: 12 years

San Antonio Region 9: More Than 76 Units (80 Developments, 14,061 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 176 Units | AVERAGE (annual) 156,187 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|----------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$442 | \$2.11 | \$77,629 | \$329,973 | \$442 |
| Management | 412 | 1.42 | \$72,393 | \$221,284 | |
| Payroll & Payroll Tax | 1,302 | 3.81 | \$228,786 | \$595,785 | 1,302 |
| Repairs & Maintenance | 700 | 4.26 | \$122,961 | \$666,073 | 700 |
| Utilities | 177 | 0.59 | \$31,075 | \$92,880 | 177 |
| Water, Sewer & Trash | 656 | 4.52 | \$115,280 | \$705,853 | 656 |
| Insurance | 315 | 0.42 | \$55,340 | \$64,871 | |
| Property Tax | 524 | 0.63 | \$92,117 | \$97,669 | |
| Reserve for Replacement | 316 | 0.37 | \$55,618 | \$57,721 | |
| Total Expenses | \$4,843 | \$18.13 | \$851,197 | \$2,832,110 | \$3,276 |

Expense to Income Ratio: 55.19%
 Vacancy: 7.96%
 Mgm/EGI: 4.80%
 Average Development Age: 12 years

Region 10: Less Than 76 Units (26 Developments, 1,224 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 47 Units | AVERAGE (annual) 39,836 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$581 | \$0.72 | \$27,348 | \$28,605 | \$581 |
| Management | 499 | 0.62 | \$23,480 | \$24,801 | |
| Payroll & Payroll Tax | 1,227 | 1.52 | \$57,765 | \$60,720 | 1,227 |
| Repairs & Maintenance | 750 | 0.91 | \$35,320 | \$36,261 | 750 |
| Utilities | 281 | 0.36 | \$13,205 | \$14,211 | 281 |
| Water, Sewer & Trash | 644 | 0.78 | \$30,337 | \$31,154 | 644 |
| Insurance | 478 | 0.58 | \$22,499 | \$23,197 | |
| Property Tax | 452 | 0.55 | \$21,280 | \$22,017 | |
| Reserve for Replacement | 300 | 0.38 | \$14,134 | \$15,132 | |
| Total Expenses | \$5,212 | \$6.43 | \$245,368 | \$256,099 | \$3,483 |

Expense to Income Ratio: 58.02%
 Vacancy: 8.64%
 Mgm/EGI: 6.10%
 Average Development Age: 9 years

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Region 10: More Than 76 Units (26 Developments, 2,950 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 113 Units | AVERAGE (annual) 103,625 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$439 | \$0.51 | \$49,803 | \$53,149 | \$439 |
| Management | 439 | 0.51 | \$49,804 | \$52,416 | |
| Payroll & Payroll Tax | 1,277 | 1.46 | \$144,839 | \$151,767 | 1,277 |
| Repairs & Maintenance | 778 | 0.89 | \$88,316 | \$92,552 | 778 |
| Utilities | 323 | 0.37 | \$36,598 | \$38,542 | 323 |
| Water, Sewer & Trash | 792 | 0.89 | \$89,896 | \$92,511 | 792 |
| Insurance | 532 | 0.63 | \$60,336 | \$65,336 | |
| Property Tax | 451 | 0.51 | \$51,161 | \$52,674 | |
| Reserve for Replacement | 338 | 0.39 | \$38,405 | \$40,801 | |
| Total Expenses | \$5,369 | \$6.17 | \$609,160 | \$639,748 | \$3,609 |

Expense to Income Ratio: 50.09%
 Vacancy: 5.74%
 Mgm/EGI: 4.96%
 Average Development Age: 12 years

Region 11: Less Than 76 Units (29 Developments, 1,298 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 45 Units | AVERAGE (annual) 42,019 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$388 | \$0.45 | \$17,347 | \$18,931 | \$388 |
| Management | 579 | 0.72 | \$25,920 | \$30,342 | |
| Payroll & Payroll Tax | 1,336 | 1.55 | \$59,797 | \$65,121 | 1,336 |
| Repairs & Maintenance | 659 | 0.77 | \$29,500 | \$32,219 | 659 |
| Utilities | 199 | 0.24 | \$8,923 | \$9,950 | 199 |
| Water, Sewer & Trash | 457 | 0.54 | \$20,439 | \$22,631 | 457 |
| Insurance | 447 | 0.50 | \$19,991 | \$20,872 | |
| Property Tax | 527 | 0.62 | \$23,590 | \$25,845 | |
| Reserve for Replacement | 392 | 0.49 | \$17,544 | \$20,595 | |
| Total Expenses | \$4,983 | \$5.87 | \$223,053 | \$246,508 | \$3,039 |

Expense to Income Ratio: 62.77%
 Vacancy: 8.03%
 Mgm/EGI: 8.48%
 Average Development Age: 13 years

Region 11: More Than 76 Units (57 Developments, 6,507 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 114 Units | AVERAGE (annual) 109,587 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$364 | \$0.41 | \$41,560 | \$45,362 | \$364 |
| Management | 350 | 0.39 | \$39,961 | \$42,747 | |
| Payroll & Payroll Tax | 1,097 | 1.22 | \$125,248 | \$133,324 | 1,097 |
| Repairs & Maintenance | 493 | 0.54 | \$56,283 | \$58,965 | 493 |
| Utilities | 208 | 0.26 | \$23,781 | \$28,000 | 208 |
| Water, Sewer & Trash | 489 | 0.53 | \$55,843 | \$57,655 | 489 |
| Insurance | 370 | 0.40 | \$42,204 | \$44,263 | |
| Property Tax | 584 | 0.60 | \$66,624 | \$65,566 | |
| Reserve for Replacement | 281 | 0.32 | \$32,133 | \$35,046 | |
| Total Expenses | \$4,237 | \$4.66 | \$483,637 | \$510,927 | \$2,652 |

Expense to Income Ratio: 61.07%
 Vacancy: 9.70%
 Mgm/EGI: 5.23%
 Average Development Age: 10 years

TDHCA ACTUAL AVERAGE OPERATING EXPENSE STATEMENTS AS OF YEAR END 2018

Region 12: Less Than 76 Units (20 Developments, 932 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 47 Units | AVERAGE (annual) 39,504 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$465 | \$0.91 | \$21,667 | \$36,049 | \$465 |
| Management | 420 | 0.80 | \$19,590 | \$31,678 | |
| Payroll & Payroll Tax | 1,091 | 2.17 | \$50,834 | \$85,531 | 1,091 |
| Repairs & Maintenance | 644 | 1.85 | \$30,029 | \$73,188 | 644 |
| Utilities | 179 | 0.35 | \$8,351 | \$13,850 | 179 |
| Water, Sewer & Trash | 541 | 1.65 | \$25,202 | \$65,362 | 541 |
| Insurance | 308 | 0.54 | \$14,332 | \$21,472 | |
| Property Tax | 356 | 0.81 | \$16,598 | \$31,846 | |
| Reserve for Replacement | 310 | 0.78 | \$14,465 | \$30,907 | |
| Total Expenses | \$4,315 | \$9.87 | \$201,068 | \$389,884 | \$2,920 |

Expense to Income Ratio: 66.92%
 Vacancy: 11.58%
 Mgm/EGI: 6.46%
 Average Development Age: 13 years

Region 12: More Than 76 Units (16 Developments 2,355 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 139 Units | AVERAGE (annual) 131,205 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$345 | \$0.37 | \$47,856 | \$49,064 | \$345 |
| Management | 456 | 0.48 | \$63,152 | \$63,147 | |
| Payroll & Payroll Tax | 1,294 | 1.38 | \$179,250 | \$180,773 | 1,294 |
| Repairs & Maintenance | 642 | 0.68 | \$88,955 | \$89,600 | 642 |
| Utilities | 241 | 0.28 | \$33,425 | \$36,293 | 241 |
| Water, Sewer & Trash | 792 | 0.84 | \$109,777 | \$110,644 | 792 |
| Insurance | 309 | 0.33 | \$42,824 | \$43,868 | |
| Property Tax | 605 | 0.65 | \$83,861 | \$84,779 | |
| Reserve for Replacement | 290 | 0.31 | \$40,120 | \$40,455 | |
| Total Expenses | \$4,975 | \$5.32 | \$689,221 | \$698,623 | \$3,315 |

Expense to Income Ratio: 45.22%
 Vacancy: 11.93%
 Mgm/EGI: 4.40%
 Average Development Age: 10 years

El Paso Region 13: Less Than 76 Units (26 Developments, 1,169 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 45 Units | AVERAGE (annual) 39,850 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|------------------------------|------------------------------------|--------------------------|
| General & Administrative | \$556 | \$0.68 | \$24,982 | \$27,193 | \$556 |
| Management | 439 | 0.55 | \$19,726 | \$22,076 | |
| Payroll & Payroll Tax | 1,009 | 1.25 | \$45,353 | \$49,681 | 1,009 |
| Repairs & Maintenance | 411 | 0.50 | \$18,461 | \$19,871 | 411 |
| Utilities | 156 | 0.22 | \$7,015 | \$8,812 | 156 |
| Water, Sewer & Trash | 338 | 0.41 | \$15,195 | \$16,377 | 338 |
| Insurance | 320 | 0.39 | \$14,373 | \$15,605 | |
| Property Tax | 607 | 0.79 | \$27,280 | \$31,625 | |
| Reserve for Replacement | 281 | 0.39 | \$12,657 | \$15,344 | |
| Total Expenses | \$4,116 | \$5.18 | \$185,041 | \$206,584 | \$2,469 |

Expense to Income Ratio: 56.86%
 Vacancy: 18.30%
 Mgm/EGI: 6.92%
 Average Development Age: 9 years

TDHCA ACTUAL AVERAGE OPERATING EXPENSE STATEMENTS AS OF YEAR END 2018

El Paso Region 13: More Than 76 Units (46 Developments, 6,227 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 135 Units | AVERAGE (annual) 125,361 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$375 | \$0.42 | \$50,751 | \$52,623 | \$375 |
| Management | 362 | 0.40 | \$48,945 | \$50,101 | |
| Payroll & Payroll Tax | 1,239 | 1.38 | \$167,668 | \$173,508 | 1,239 |
| Repairs & Maintenance | 476 | 0.54 | \$64,473 | \$68,161 | 476 |
| Utilities | 228 | 0.29 | \$30,871 | \$36,334 | 228 |
| Water, Sewer & Trash | 420 | 0.47 | \$56,913 | \$58,594 | 420 |
| Insurance | 293 | 0.33 | \$39,678 | \$41,009 | |
| Property Tax | 599 | 0.64 | \$81,034 | \$80,165 | |
| Reserve for Replacement | 262 | 0.29 | \$35,505 | \$36,444 | |
| Total Expenses | \$4,254 | \$4.76 | \$575,837 | \$596,939 | \$2,738 |

Expense to Income Ratio: 55.44%
 Vacancy: 10.47%
 Mgm/EGI: 4.79%
 Average Development Age: 9 years

TOTAL UNITS: (1,338 Developments, 157,513 Units)

| OPERATING EXPENSE | PER UNIT | PER Sq. Ft. | AVERAGE (annual) 118 Units | AVERAGE (annual) 105,744 Sq. Ft. | CONTROLLABLE PER UNIT |
|--------------------------|----------------|---------------|-------------------------------|-------------------------------------|--------------------------|
| General & Administrative | \$432 | \$0.62 | \$50,852 | \$65,766 | \$432 |
| Management | 435 | 0.59 | \$51,244 | \$62,483 | |
| Payroll & Payroll Tax | 1,218 | 1.62 | \$143,368 | \$170,850 | 1,218 |
| Repairs & Maintenance | 710 | 1.08 | \$83,538 | \$114,152 | 710 |
| Utilities | 212 | 0.30 | \$24,949 | \$31,307 | 212 |
| Water, Sewer & Trash | 620 | 0.98 | \$73,014 | \$103,195 | 620 |
| Insurance | 349 | 0.42 | \$41,116 | \$44,562 | |
| Property Tax | 626 | 0.74 | \$73,693 | \$77,857 | |
| Reserve for Replacement | 335 | 0.41 | \$39,438 | \$43,637 | |
| Total Expenses | \$4,937 | \$6.75 | \$581,212 | \$713,809 | \$3,192 |

Expense to Income Ratio: 53.90%
 Vacancy: 9.73%
 Mgm/EGI: 5.11%
 Average Development Age: 13 years