

HOUSING TAX CREDIT MONITOR

October 2022

Housing credit equity market on track to finish strong in 2022

- With just three months left in 2022, the housing tax credit equity market appears on track to report another strong year. Survey respondents reported a robust pipeline scheduled to close by year-end or the first quarter of 2023, and are generally optimistic based on circled investor interest.
- On an equity-weighted basis and taking into consideration tiered pricing, participants in our latest survey, as of August/September 2022, reported a 5.80% blended IRR among the national multi-investor funds currently offered. Top-tier economic returns offered among current funds ranged from 6.80% to 7.30%.

CURRENT NATIONAL MULTI-INVESTOR FUNDS

| Syndicator / Fund Name | Estimated Fund Size (millions) | After-Tax Cash Needs IRR | Net Equity Price | Target Closing |
|---|--------------------------------|--------------------------|---------------------|----------------|
| Alliant Alliant Tax Credit Fund 114 | \$150 | TBD | TBD | November 2022 |
| Boston Financial Boston Financial ITC 57 | \$163.5 | 4.39% - 6.75% | \$0.83 - \$0.965 | October 2022 |
| CREA Corporate Tax Credit Fund 96, LP | \$325 | 4.0% - 7.1% | TBD | December 2022 |
| CREA Emerging Developer Fund | \$50 | 5.0% | TBD | December 2022 |
| Enterprise Housing Partners XL | \$220 | TBD | TBD | December 2022 |
| Enterprise Housing Partners XXXIX | \$220 | TBD | TBD | November 2022 |
| Hunt Hunt Capital Partners Fund 49 | \$150 | TBD | TBD | March 2023 |
| Merchants Capital Tax Credit Equity Fund X, LP | \$200 | 6.25% - 7.3% | \$0.81 - \$0.95 | September 2022 |
| Merchants Capital Tax Credit Equity Fund 11, LP | \$240 | 6% - 7.1% | \$0.83 - \$0.95 | April 2023 |
| NDC NDC Corporate Equity Fund XIX | \$110 | 4.75% | \$0.85 - \$0.90 | April 2023 |
| PNC Real Estate PNC LIHTC Fund 86 | \$220 | 3.8% - 6.75% | \$0.82 - \$0.97 | December 2022 |
| R4 Capital R4 Housing Partners XIX LP | \$240 | TBD | TBD | December 2022 |
| Raymond James RJTCF 51 | \$400 | TBD | TBD | November 2022 |
| RBC Community Investments RBC National Fund-34 | \$123 | 3.75% - 6.75% | \$0.7675 - \$0.9558 | November 2022 |
| Red Stone Equity Partners Fund 99 Limited Partnership | \$150 | TBD | TBD | December 2022 |
| Regions Affordable Housing Corporate Partners Fund 58 LLC | \$130 | 5.25% - 7% | \$0.815 - \$0.89 | November 2022 |
| WNC Institutional Tax Credit Fund 54, L.P. | TBD | 6.25% | \$0.8033 - \$0.9505 | February 2023 |

- In our latest survey, the median reported housing credit price on a net, property-basis was **\$0.89** across 98 properties in the last 60 days, which is similar to the most recent survey result. Out of the 98 properties, 36% reported pricing between \$0.851-\$0.90.
- Investor interest is supported by the quality of the housing credit portfolio. 2020 saw a strong industry-level performance despite all the nationwide challenges.
- As of September 2022, CohnReznick has collected year-end 2021 data for almost 11,000 properties, 8,300 of which were stabilized. Based on the above population, we saw 2021 occupancy performance remain strong across the nation, while there is a small dip in debt coverage ratio (DCR). Overall, the industry performance remained healthy and strong. We plan to release our next industry-wide biannual study in 2023, with 2021 and 2022 data reported.

CURRENT REGIONAL MULTI-INVESTOR FUNDS

| Syndicator / Fund Name | Region | Estimated Fund Size (millions) | After-Tax Cash Needs IRR | Net Equity Price | Target Closing |
|---|-----------------------|--------------------------------|--------------------------|-------------------|----------------|
| Cinnaire Fund 38 | Midwest | \$200 | 4% - 6.8% | \$0.83 - \$0.93 | November 2022 |
| Midwest Housing Equity Group MHEG Fund 56 | Midwest | \$195 | TBD | \$0.80 - \$0.87 | October 2022 |
| OCCH Equity Fund for Housing 32A | Ohio and Other States | \$276 | 4.55% - 6.5% | \$0.85 - \$0.93 | TBD |
| OCCH Equity Fund for Housing 32B | Ohio and Other States | \$185 | 4.25% - 6.65% | \$0.84 - \$0.92 | November 2022 |
| Raymond James CAHOF 12 | CA | \$150 | TBD | TBD | February 2023 |
| RBC Community Investments RBC CA-8 | CA | \$96 | 4.5% - 6.25% | \$0.86 - \$0.9645 | November 2022 |
| Red Stone Equity Partners 2022 CA Regional Fund, L.P. | CA | \$140 | TBD | TBD | November 2022 |
| Richman Richman Western Regional Fund 2 | Western States | \$130 | 4% - 6.2% | TBD | October 2022 |
| Richman USA 147 | Puerto Rico | \$80 | 10.0% | TBD | December 2022 |
| WNC TC Fund 10, CA Series 21 | CA | TBD | TBD | TBD | TBD |

| Equity-weighted Average | Net Equity Price | Projected After Tax IRR |
|-----------------------------------|------------------|-------------------------|
| National Funds | \$0.879 | 5.80% |
| State Regional Funds excluding CA | \$0.881 | 5.76% |

Note: All fund data was provided by fund sponsors and compiled by CohnReznick. Neither CohnReznick nor the Tax Credit Advisor takes responsibility for the accuracy of the data represented by the sponsors. If you would like a fund included in the next Housing Tax Credit Monitor, please contact TCIS@cohnreznick.com or 617.648.1414 to speak with a professional with CohnReznick's Tax Credit Investment Services practice. Visit CohnReznick's website at cohnreznick.com/tcis