

HOUSING TAX CREDIT MONITOR

September 2021

Rising Costs Cause State Agencies to Step In

- Rising construction costs, mainly the cost of lumber and other construction materials, continue to be a hurdle for the real estate industry to overcome. State housing finance agencies are starting to take action to help developers and property owners combat funding gaps created by surging costs of materials.
- States like Arkansas and Georgia, among others, are allowing developers who were issued credits in 2019 and 2020 to request additional credits for any transactions struggling to fund additional hard construction costs. Many states like Pennsylvania and Texas tapped into other resource pools, such as National Housing Trust Funds, to help developers close funding gaps caused by increased hard construction costs.
- Despite the rising cost of construction materials and the continuing unknown surrounding COVID-19, investor demand remains robust.

CURRENT NATIONAL MULTI-INVESTOR FUNDS

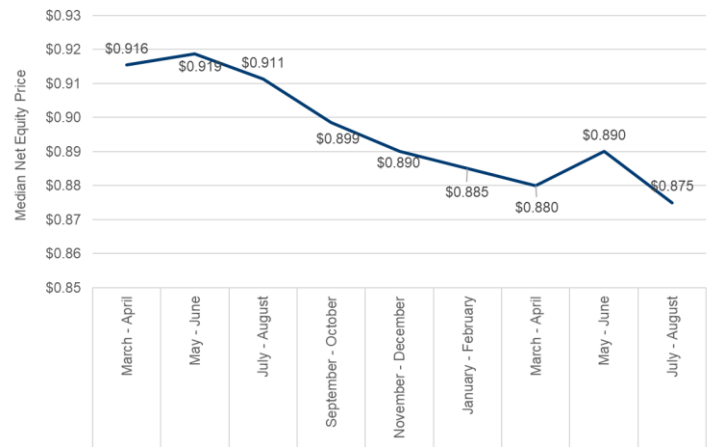
Syndicator / Fund Name	Estimated Fund Size (millions)	After-Tax Cash Needs IRR	Net Equity Price	Target Closing
Alliant Tax Credit Fund 111	\$150	TBD	TBD	December 2021
Boston Financial (BFIM) Institutional Tax Credits 55	\$221	4.37%- 6.45%	\$0.77 - \$0.992	September 2021
CREA CREA Corporate Tax Credit Fund 88	\$300	3.75%- 6.75%	TBD	December 2021
Enterprise Housing Partners XXXVI	\$150	TBD	TBD	October 2021
Enterprise Housing Partners XXXVII	\$200	TBD	TBD	November 2021
Hunt Hunt Capital Partners 43	\$130	TBD	TBD	November 2021
Merchants Merchants Fund V	\$182	6.75%- 7.1%	TBD	December 2021
PNC PNC LIHTC Fund 81	\$185	3.5%- 6.25%	\$0.83 - \$0.98	TBD
R4 R4 Housing Partners XVII	\$195	TBD	TBD	December 2021
Raymond James RJTCF 49	\$300	TBD	TBD	September 2021
RBC Community Investments RBC National Fund 32	\$150	TBD	TBD	November 2021
Red Stone Equity Fund 90 Limited Partnership	\$200	5.25%- 6.5%	TBD	December 2021
Regions Regions Corporate Partners Fund 57	\$126	5%- 6.4%	\$0.84 - \$0.89	August 2021
Richman USA 140	\$125	TBD	TBD	December 2021
WNC WNC Institutional Tax Credit Fund 52	\$125	6.00%	\$0.8593	January 2022

Equity-Weighted Average	Net Equity Price	Projected After-Tax IRR
All National Multi-Investor Fund	\$0.881	5.66%
All State Regional Funds excluding CA	\$0.887	5.61%
California funds	\$0.905	5.44%

Housing Credit Investment Yield & Pricing Update

- On an equity-weighted basis and taking into consideration tiered pricing, participants in our latest survey, as of Q2 2021, reported a **5.66%** blended IRR among the national multi-investor funds currently offered.
- The top tier of the IRRs offered among the surveyed multi-investor funds continues to range between 6.00% and 7.10%.

Housing Tax Credit Pricing Trend (2020 - 2021)



- The pricing update graph above represents the net equity price distribution of investments approved by the participating syndicators in the last 60 days. In our latest survey, the median reported housing credit price in the last 60 days was **\$0.875** across 126 properties, which represents a slight decrease from the previous survey result of \$0.89.

CURRENT REGIONAL MULTI-INVESTOR FUNDS

Syndicator / Fund Name	Region	Estimated Fund Size (millions)	After-Tax Cash Needs IRR	Net Equity Price	Target Closing
Boston Financial (BFIM) BF California Fund II	CA	\$100	4.88%- 6%	\$0.87 - \$0.945	October 2021
Cinnaire Fund for Housing 36	IL, IN, MI, MN, WI	\$169	4.35%- 6.35%	\$0.84 - \$0.999	September 2021
Evernorth Housing New England, Fund III	ME, NH, VT	\$75	5.30%	\$0.84 - \$0.8975	November 2021
Merritt Fund XXII	CA	\$150	TBD	TBD	September 2021
M HEG MHEG Fund 54	Midwest	\$200	TBD	TBD	October 2021
Raymond James CAHOF XI	CA	\$120	TBD	TBD	January 2022
RBC Community Investments RBC CA Fund-7	CA	\$116.59	4%- 6%	\$0.7825 - \$1.025	September 2021
Red Stone Equity 2021CA Regional Fund	CA	\$130	TBD	TBD	December 2021
WNC Fund X California Series 20	CA	\$75	6%- 6.25%	TBD	March 2022

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