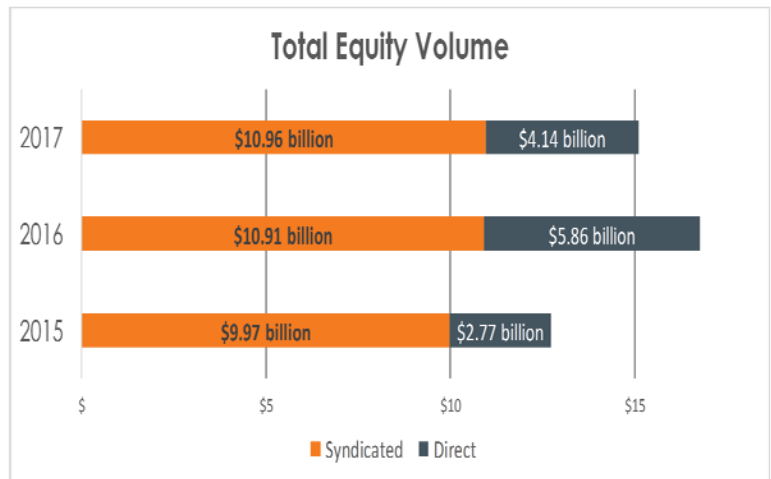


2017 Housing Credit Equity Volume Survey

- Through a survey of housing tax credit market participants, including 36 syndicators and director investors, CohnReznick estimates the 2017 gross housing credit equity volume to approximate \$15.1 billion. Last year's volume reflects a \$1.7 billion (10%) reduction from the 2016 volume. The 2017 volume included carried over product from 2016 that did not close until early 2017; otherwise the 10% reduction would have been more pronounced.
- The equity volume retraction is attributable to the prospective reduced corporate tax rate that the industry grappled with for most of last year. From December 2016 to December 2017, housing tax credit net equity pricing dropped \$0.10 drop to a national median of \$0.92, once tax losses were devalued at the 25% hypothetical tax rate. Fund offering cycles were disrupted in 2017 until adjuster provisions normalized. Volume in the second and third quarters/second half of 2017 was robust as the industry worked hard to maintain production goals during market uncertainty.
- Of the \$15.1 billion total equity closed in 2017, 73% (\$11.0 billion) was syndicated and 27% (\$4.1 billion) was directly invested.
- The presence of banking institutions continued to dominate the investor base of syndicated funds. Along these same lines, because of the predominance of CRA investors, proprietary funds were the preferred fund execution in 2017, representing approximately 55% of the syndicated volume.
- It remains to be seen how investor demand will impact pricing/return targets and overall volume for 2018. Many investor clients, while having verbally expressed their commitment to the industry, are taking the first few months of the year to recalibrate their legacy portfolios and tax-credit appetites going forward at the 21% corporate tax rate. The Base Erosion and Anti-Abuse Tax (BEAT) could depress the value of housing tax credits by 20% through 2025 or 100% after 2025 for those foreign-owned investors or investors with significant overseas operations. Assessing impact to BEAT-affected multinational corporations is not straightforward. While there will be some impact felt by the market, anticipated economic growth and repatriation of profits could ultimately increase investors' tax appetite.



Current State and Regional Multi-Investor Funds

Current National Multi-Investor Funds

Syndicator / Fund Name	Region	Estimated Fund Size (millions)	After-Tax Cash Needs IRR	Net Equity Price	Target Closing
Alliant Fund 92	National	\$150	4.0% - 5.50%	\$0.91	Q2 2018
BFIM ITC 48	National	\$145	4.0% - 5.50%	TBD	March 2018
Boston Capital BCCTC Fund 44	National	\$123	5.0%	\$0.924	January 2018
Enterprise EHP 30	National	\$170	TBD	TBD	July 2018
NDC Fund XIV	National	\$80	4.66%	\$0.92	May 2018
RBC RBC National Fund 27	National	\$175	TBD	TBD	March 2018
R4 Fund IX	National	\$175	TBD	TBD	January 2018
Raymond James RJTCF 43	National	\$200	TBD	TBD	March 2018
WNC Fund 44	National	\$110	5.05% - 5.45%	\$0.908	Q1 2018

Syndicator / Fund Name	Region	Estimated Fund Size (millions)	After-Tax Cash Needs IRR	Net Equity Price	Target Closing
Boston Capital California Fund VII	CA	\$88.5	5.0%	\$0.97	December 2017
Cinnaire Fund 33	MI, IN, IL, WI, MN	\$52	TBD	\$0.898	Q1 2018
Cinnaire Mid-Atlantic Fund 4	DE, MD, PA, NJ	\$30	TBD	\$0.992	Q2 2018
CREA California Fund 58	CA	\$100	4.5%	TBD	February 2018
Enterprise CAV	CA	\$130	TBD	TBD	June 2018
MHEG MHEG Fund 50	Midwest	\$175	TBD	TBD	September 2018
MHIC MHEF XXIV	MA	\$65	4.25%	TBD	June 2018
RBC RBC CA Fund - 4	CA	\$75	TBD	TBD	March 2018
R4 CA Fund IV	CA	\$75	TBD	TBD	April 2018
Raymond James CAHOF VI	CA	\$125	TBD	TBD	January 2018
WNC CA Fund 10	CA	\$95	4.25% - 4.75%	\$0.974	Q1 2018

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 www.cohnreznick.com.