

Market Feasibility Analysis

Baker School Senior Apartments
100 West Baker Street
Richmond, Independent Richmond City, Virginia 23220

Prepared For

Mr. Lee Alford
Community Preservation & Development Corporation
8403 Colesville Road, Suite 1150
Silver Spring, Maryland 20910

Authorized User

Virginia Housing Development Authority (VHDA)
601 S. Belvidere Street
Richmond, VA 23220

Effective Date

January 30, 2017

Job Reference Number

17-121 CR



155 E. Columbus Street, Suite 220
Pickerington, Ohio 43147
Phone: (614) 833-9300
Bowennational.com

Market Study Certification

NCHMA Certification

This certifies that Garth Semple, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Richmond, Virginia. Further, the information contained in this report is true and accurate as of January 30, 2017.

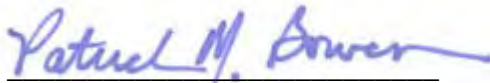
Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee for the preparation of the market study. However, no contingency fees exist between our firm and the client.

VHDA Certification

I affirm the following:

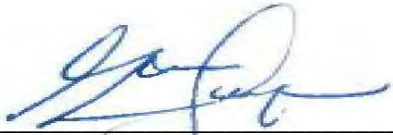
1. I have made a physical inspection of the site and market area
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low-Income Housing Tax Credit Program in Virginia as administered by VHDA.
4. Neither I nor anyone at my firm has any interest in the proposed development or a relationship with the ownership entity.
5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing VHDA or in any way acting for, at the request, or on behalf of VHDA.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.

Certified:



Patrick M. Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: January 30, 2017





Garth Semple
Market Analyst

garths@bowennational.com

Date: January 30, 2017



Craig Rupert
Market Analyst

craigr@bowennational.com

Date: January 30, 2017

Table of Contents

- I. Introduction
 - II. Executive Summary
 - III. Project Description
 - IV. Area Analysis
 - V. Rental Housing Analysis (Supply)
 - VI. Achievable Market Rent Analysis
 - VII. Capture Rate Analysis
 - VIII. Local Perspective
 - IX. Analysis & Conclusions
 - X. Site Photographs
 - XI. Comparable Property Profiles
 - XII. Field Survey of Conventional Rentals
 - XIII. Qualifications
- Addendum A – NCHMA Member Certification & Checklist

I. Introduction

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Richmond, Virginia. This study was initiated by Mr. Lee Alford of Community Preservation & Development Corporation and complies with the guidelines of the Virginia Housing Development Authority (VHDA). This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The Site PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. Site PMAs are not defined by radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors that include, but are not limited to:

- A detailed demographic and socioeconomic evaluation.
 - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns.
 - A drive-time analysis to the site.
 - Personal observations of the field analyst.
 - An evaluation of existing housing supply characteristics and trends.
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property. Given the complexity of the LIHTC market, there might be multiple comparable properties.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to the proposed development. An in-depth evaluation of those two property types provides an indication of the potential of the proposed development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the proposed project opens and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- We conduct an analysis following VHDA and NCHMA market study guidelines of the subject project's required capture of the number of income-appropriate households within the Site PMA. This analysis is conducted on a renter household level and a market capture rate is determined for the subject development. This capture rate is compared with acceptable capture rates for similar types of projects to determine whether the subject development's capture rate is achievable. In addition, Bowen National Research also compares all existing and planned LIHTC housing within the market to the number of income-appropriate households. The resulting penetration rate is evaluated in conjunction with the project's capture rate.
- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item-by-item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit.

C. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- Applied Geographic Solutions
- U.S. Department of Labor
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- U.S. Department of Housing and Urban Development (HUD)

D. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of data sources to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of Community Preservation & Development Corporation or Bowen National Research is strictly prohibited.

II. Executive Summary

This report evaluates the market feasibility of the proposed 51-unit Baker School Senior Apartments rental community to operate as a Low-Income Housing Tax Credit (LIHTC) project in Richmond, Virginia. Based on the findings contained in this report, it is our opinion that a market exists for the proposed subject development, assuming it is constructed and operated as outlined in this report.

The following is a summary of key findings from our report:

Project Concept

Baker School Senior Apartments involves the adaptive-reuse of a vacant 1939-built school building located at 100 West Baker Street in Richmond, Virginia into a rental community for seniors age 62 and older. The subject project is part of a relocation plan for the residents of Frederic A. Fay Towers, a 200-unit Public Housing project in Richmond. The Baker School Senior Apartments project will offer 51 new rental housing units as part of a conversion through the HUD Rental Assistance Demonstration (RAD) program to a long-term Section 8 rental assistance contract. The subject site will offer 51 one-bedroom garden-style units in one (1), three-story, elevator-equipped residential building with integrated community spaces. In addition to the Section 8 rental assistance contract, Baker School Senior Apartments will be developed using Low-Income Housing Tax Credit (LIHTC) financing and will target lower-income senior households (age 62 and older) earning up to 60% of Area Median Household Income (AMHI). The monthly collected Tax Credit rents will be \$815 (assuming maximum allowable LIHTC limits, as proposed Section 8 contract rent exceeds LIHTC limit), and all utilities are included in the monthly rent. Regardless, the Section 8 subsidy to be provided will allow tenants of the property to pay up to 30% of their adjusted gross income towards rent. Thus, tenants of the project are not expected to pay the aforementioned Tax Credit rents. The proposed project is expected to be complete by December 2018. Additional details regarding the project are included in *Section III* of this report.

Site Evaluation

The proposed subject site is a vacant structure, formerly Baker Elementary School, located in the northern portion of Richmond. Surrounding land uses primarily consist of residential dwellings in fair condition on average, though some lesser (poor) quality structures were observed within the site area. Visibility and access of the proposed subject site are both considered good, as the subject project is expected to benefit from its clear visibility and convenient access from the residential roadways surrounding the subject site. In addition, the subject project will also be visible and easily accessible from Interstate 64/95 directly south of the subject site. Further, a GRTC bus stop is located 0.1 mile west of the proposed site, offering an affordable method of transportation throughout the Richmond area to potential tenants of the project. The availability of this service also enhances accessibility to most area

services, many of which are located within 1.0 mile of the subject site. Overall, the subject's location is considered conducive to affordable rental housing such as that proposed at the subject project, which is evident by the large concentration of such housing developments within the immediate site neighborhood. Although some lesser (poor) quality structures were observed within the surrounding neighborhood, these structures do not appear to have any adverse impact on the surrounding existing rental properties and the development of the subject project will contribute to revitalization efforts within the immediate site area.

It is also of note that the existing Frederic A. Fay Towers property is located within the immediate site neighborhood, northeast of the subject site along St. James Street and North 1st Street. Thus, the subject's location is expected to be familiar to most, if not all, tenants of the property, as the 51 units proposed are expected to be filled from residents of the nearby Frederic A. Fay Towers property which is planned to be demolished.

Primary Market Area

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Richmond PMA generally includes portions of north/northwest Richmond, as well as portions of downtown Richmond. Specifically, the boundaries of the Site PMA include East Brookland Park Boulevard and Dill Road to the north; the Richmond city limits, U.S. Highway 360 and Mosby Street to the east; the James River to the south; and Interstate 195 to the west. A map of the Site PMA is included in *Section IV* on *page 11*.

Demographic Analysis

Overall, population and household growth within the Richmond Site PMA has been positive since 2000, a trend which is expected to continue through 2021. Notably, the total population will increase by 5,250 (7.6%), while households will increase by 2,450 (8.3%), between 2016 and 2021. Additionally, it is projected that 2,814 renter households age 62 and older will exist in the market in 2021, an increase of 432 (18.1%) households over 2016 levels, and approximately 67.0% of all senior renter households (62+) in the market are expected to earn below \$35,000 in 2021. Based on the preceding analysis, there appears to be a large and expanding base of age- and income-eligible renter support for affordable senior-oriented rental housing such as that proposed at the subject site, within the Richmond Site PMA. Additional demographic information regarding the Site PMA is included in *Section IV* of this report, beginning on *page 12*.

Economic Summary

The Richmond economy experienced a downturn during the national recession, in terms of both total employment and the unemployment rate. However, both the overall employment base and unemployment rate quickly began to recover following the impact of the national recession, with the employment base exceeding pre-recession levels in 2010 and continuing to increase through December of 2016. The unemployment rate has also returned to pre-recession levels and has declined by more than five full percentage points since 2009, through December of 2016, to a rate of 4.5%. In addition, there have been numerous recent announcements of new business openings and/or business expansions within the Richmond area. Such economic development activity will contribute to the continued strength of the local economy and overall housing market. Additional economic information is included in *Section IV* of this report, beginning on *page 21*.

Housing Supply Analysis

We identified and personally surveyed 34 conventional rental housing projects containing a total of 3,512 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.3%, a good rate for rental housing. Each of the rental housing segments surveyed is summarized in the following table:

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|--|-------------------|-------------|--------------|----------------|
| Market-Rate | 19 | 2,082 | 120 | 94.2% |
| Market-Rate/Tax Credit | 2 | 171 | 7 | 95.9% |
| Market-Rate/Tax Credit/Government-Subsidized | 1 | 128 | 0 | 100.0% |
| Tax Credit | 6 | 256 | 4 | 98.4% |
| Tax Credit/Government-Subsidized | 5 | 825 | 0 | 100.0% |
| Government-Subsidized | 1 | 50 | 0 | 100.0% |
| Total | 34 | 3,512 | 131 | 96.3% |

A variety of rental product is offered within the Richmond Site PMA in terms of affordability level, as illustrated in the preceding table. Overall occupancy rates among the rental housing segments surveyed are at least 94.2%, with all housing segments offering affordable (i.e. Tax Credit and/or Government-Subsidized) rental units reporting at 95.9% or higher. These are clear indications that rental product is in high demand among all affordability levels within the Site PMA.

Comparable/Competitive Analysis

We identified and surveyed three age-restricted Low-Income Housing Tax Credit (LIHTC) properties within the Richmond Site PMA that offer non-subsidized units. These properties target senior households with income of up to 50% and/or 60% of Area Median Household Income (AMHI); therefore, they will provide a good base of comparison for the subject project and have been included in our comparable/competitive Tax Credit analysis. The three LIHTC properties and the proposed subject development are summarized in the following table.

| Map I.D. | Project Name | Year Built/Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|--|----------------------|-------------|-----------|------------------|--------------|--|
| Site | Baker School Senior Apartments | 2018 | 51 | - | - | - | Seniors 62+; 60% AMHI & Section 8 |
| 1 | Shockoe Hill I, II & III (Family & Senior) | 2001 | 177 | 100.0% | 0.7 Miles | 22 H.H. | Seniors 62+; 60% AMHI & Section 8 |
| 2 | William Byrd Senior Apts. | 1971 / 2016 | 107 | 100.0% | 2.0 Miles | 5 H.H. | Seniors 55+; 50% & 60% AMHI |
| 17 | Columns on Grove | 1997 | 21 | 95.2% | 1.6 Miles | None | Seniors 55+; 50% & 60% AMHI |

OCC. – Occupancy

H.H. - Households

The three comparable LIHTC projects have a combined occupancy rate of 99.7%, which is reflective of just one (1) vacant unit at Columns on Grove (Map ID 17). The two fully occupied properties also maintain waiting lists for their next available unit. These are clear indications of strong demand for senior-oriented LIHTC product within the Richmond market.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table.

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | Rent Special |
|-------------|--|---|--------------------------------------|--|--------------|
| | | Studio | One-Br. | Two-Br. | |
| Site | Baker School Senior Apartments | - | \$815*/60% (51) | - | - |
| 1 | Shockoe Hill I, II & III (Family & Senior) | \$700/60% (4/0) \$816/60% (60/0)** | \$837/60% (113/0)** | - | None |
| 2 | William Byrd Senior Apts. | - | \$690/50% (25/0) \$825/60% (82/0) | - | None |
| 17 | Columns on Grove | - | \$848/50% (10/0) \$848/60% (8/1) | \$1,039/50% (2/0) \$1,039/60% (1/0) | None |

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under Section 8 exceeds maximum allowable LIHTC limit.

**Subsidized (residents pay 30% of their income, as this is a government-subsidized property, which also operates under the Tax Credit program)

The proposed subject gross LIHTC one-bedroom rent of \$815 will be the lowest age-restricted one-bedroom LIHTC rent at 60% AMHI in the Site PMA. As such, the subject project will likely represent an excellent value to low-income seniors within the Richmond market. Nonetheless, all subject units will offer a project-based Section 8 subsidy, requiring tenants to pay up to 30% of their gross adjusted incomes towards housing costs. Therefore, the subject project will represent an even greater value to low-income seniors.

Comparable/Competitive Tax Credit Summary

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing comparable LIHTC properties within the market, it is our opinion that the proposed subject development will be very competitive. In fact, considering the low proposed LIHTC one-bedroom rent, anticipated quality, relatively larger unit sizes (square feet) and superior amenities package, the subject project is anticipated to represent an excellent value to low-income senior households. Further, considering that the subject project will offer a subsidy on all units, requiring residents to pay up to 30% of their gross adjusted income towards housing costs, it will represent an even greater value to low-income seniors in the market. This has been considered in our absorption estimates.

An in-depth analysis of the rental housing market within the Site PMA is included in *Section V* of this report.

Achievable Market Rent

Present-day achievable market rents for units similar to those proposed at the subject project are summarized and compared to the proposed collected rents at the subject project in the following table and have been determined utilizing the Rent Comparability Grid included in *Section VI*.

| Bedroom Type | % AMHI | Proposed Collected Rent | Achievable Market Rent | Market Rent Advantage |
|--------------|--------|-------------------------|------------------------|-----------------------|
| One-Br. | 60% | \$815 | \$920 | 11.4% |

Typically, Tax Credit rents should represent at least a 10.0% market rent advantage in order to be considered a value within a given market, as this will ensure a sufficient flow of tenants and enable a project to maintain a stabilized occupancy rate. As the preceding table illustrates, the proposed collected Tax Credit rent of \$815 represents a market rent advantage of 11.4%. As such, the proposed collected rent will likely be perceived as a good value within the Richmond market. Regardless, all units at the subject project will operate under the HUD Section 8 program which will allow tenants of the project to only pay up to 30% of their adjusted gross income towards housing costs. As such, the subject project will effectively represent an even greater value than that illustrated above. Additional information regarding achievable market rent is included in *Section VI* of this report.

Capture Rate Estimates

The following capture rate analysis assumes two separate scenarios for the subject project. The first assumes that all units operate under the HUD Section 8 and LIHTC programs, while the second scenario assumes the unlikely event the project-based subsidy is lost and the project had to operate exclusively under the LIHTC guidelines.

| Demand Component (Age 65+) | Percent of Median Household Income | |
|-----------------------------|--|--|
| | Scenario One: LIHTC w/Subsidy (Limited to 50% AMHI) (\$0-\$29,000) | Scenario Two: LIHTC Only (Limited to 60% AMHI) (\$24,450-\$34,800) |
| Net Demand | 852 | 202 |
| Proposed Units | 51 | 51 |
| Proposed Units / Net Demand | 51 / 852 | 51 / 202 |
| Capture Rate | = 6.0% | = 25.2% |

Assuming the subject project operates with a project-based subsidy available to all units, the capture rate for the subject project is 6.0%. Considering the high occupancy rates and waiting lists maintained among the affordable age-restricted properties surveyed in the market, this is considered a low and easily achievable capture rate, demonstrating a sufficient base of potential support for the subject project. In the unlikely event the project-based subsidy is lost and the subject project had to operate exclusively under the LIHTC guidelines, the capture rate increases significantly, to 25.2%. This indicates that there is a more limited, yet sufficient, base of potential age- and income-qualified renter support in the market for the project under this unlikely scenario.

It is important to reiterate, however, that the subject project will effectively involve the construction of replacement housing for a portion of the existing Frederic A. Fay Towers public housing community. Therefore, all 51 subject units proposed at the subject project are expected to be quickly filled from existing residents of this aforementioned property. As such, the effective capture rate for the subject project is 0.0%. This is further supported by the fact that the recently completed Highland Park Senior (Map ID 34) property, which is also part of the Frederic A. Fay Towers redevelopment project, was fully occupied within one month of opening.

Penetration Rate Calculations

The 579 existing and recently allocated age-restricted Tax Credit units (subsidized and non-subsidized) in the market, along with the 51 proposed units at the subject site, must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned age-restricted Tax Credit units is \$0 to \$34,800. The penetration rate calculation based on the Demographic Characteristics and Trends of household incomes for the Site PMA is summarized in the following table.

| | Market Penetration |
|--|--------------------|
| Number of LIHTC Units (Proposed and Existing) | 630 |
| Income-Eligible Renter Households (62+) – 2018 | / 1,803 |
| Overall Market Penetration Rate | = 34.9% |

It is our opinion that the 34.9% penetration rate for the age-restricted LIHTC units, both existing and proposed, is achievable. This is especially true when considering that the existing affordable age-restricted properties are 99.8% occupied, with some properties maintaining waiting lists. It is also important to reiterate that the subject project, as well as the one planned age-restricted LIHTC property (Jackson Ward Senior), involves the new construction of replacement housing for an existing Public Housing project, Frederic A. Fay Towers. As such, the 123 units planned between these two aforementioned projects are expected to be quickly filled from current residents of Frederic A. Fay Towers, similar to the recently completed Highland Park Senior property, which was 100.0% occupied within one month of opening.

A detailed analysis of our demand estimates is included in *Section VII*.

Absorption Estimates

Considering the facts contained in this market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the 51 proposed LIHTC units at the subject site will reach a stabilized occupancy of 95.0% within four months of opening. This absorption period is based on an absorption rate of approximately 12 to 13 units per month.

In reality however, the subject project involves the new construction of replacement housing for an existing Public Housing project, Frederic A. Fay Towers. As such, the 51 proposed units at the subject project are expected to be quickly filled by residents of this aforementioned property. Thus, the subject project will likely experience a more rapid absorption than that reflected above, as the subject units will likely be filled as soon as they become available. This is further evident by the fact that the recently completed Highland Park Senior (Map ID 34) project, which is also part of the Frederic A. Fay Towers redevelopment project, was fully occupied within one month of opening.

III. Project Description

Baker School Senior Apartments involves the adaptive-reuse of a vacant 1939-built school building located at 100 West Baker Street in Richmond, Virginia into a rental community for seniors age 62 and older. The subject project is part of a relocation plan for the residents of Frederic A. Fay Towers, a 200-unit Public Housing project in Richmond. The Baker School Senior Apartments project will offer 51 new rental housing units as part of a conversion through the HUD Rental Assistance Demonstration (RAD) program to a long-term Section 8 rental assistance contract. The subject site will offer 51 one-bedroom garden-style units in one (1), three-story, elevator-equipped residential building with integrated community spaces. In addition to the Section 8 rental assistance contract, Baker School Senior Apartments will be developed using Low-Income Housing Tax Credit (LIHTC) financing and will target lower-income senior households (age 62 and older) earning up to 60% of Area Median Household Income (AMHI). The monthly collected Tax Credit rents will be \$815 (assuming maximum allowable LIHTC limits, as proposed Section 8 contract rent exceeds LIHTC limit), and all utilities are included in the monthly rent. Regardless, the Section 8 subsidy to be provided will allow tenants of the property to pay up to 30% of their adjusted gross income towards rent. Thus, tenants of the project are not expected to pay the aforementioned Tax Credit rents. The proposed project is expected to be complete by December 2018.

Note that while the proposed subject project will include 51 units, the remaining 149 residents of Frederic A. Fay Towers will have the opportunity to move to the new Highland Park Senior Apartments (Map ID 34), an adaptive-reuse project at 1221 East Brookland Park, or to a newly constructed 72-unit project that is planned as a future phase of this relocation project. The Highland Park Senior Apartment project is also an adaptive-reuse of a former school building, that was renovated into 77 one-bedroom units of affordable senior housing (age 62 and older). Similar to the subject site, the Highland Park Senior Apartment community also operates with a project-based Section 8 subsidy as part of a RAD conversion. Notably, the aforementioned Highland Park Senior Apartments was recently completed in December of 2016 and was fully-occupied (100.0% occupancy) within the same month of opening, as the property was quickly filled by residents relocating from Frederic A. Fay Towers. Ultimately, Fay Towers will be demolished upon the relocation of all current residents. *This report evaluates only the 51 units proposed at the Baker School Senior Apartments.* Additional details of the subject project are as follows.

A. PROJECT NAME: Baker School Senior Apartments

B. PROPERTY LOCATION: 100 West Baker Street
Richmond, Virginia 23220
(Independent Richmond City)

Census Tract: 301

QCT: Yes DDA: No

C. PROJECT TYPE:

Current: Public Housing (Located at Frederic A. Fay Towers)

Proposed: Tax Credit & HUD Section 8

D. UNIT CONFIGURATION AND RENTS:

| Total Units | Bedroom Type | Baths | Style | Square Feet | % AMHI | Program Rents | | | |
|-------------|--------------|-------|--------|-------------|---------------|----------------|-------------------|------------|---------------------------------|
| | | | | | | Collected Rent | Utility Allowance | Gross Rent | Max. Allowable LIHTC Gross Rent |
| 51 | One-Br. | 1.0 | Garden | 680 | 60%/Section 8 | \$835 | \$0 | \$834 | \$815 |
| 51 | Total | | | | | | | | |

Source: Community Preservation & Development Corporation
AMHI – Area Median Household Income (Richmond, VA MSA; 2016)

Note the proposed rents illustrated in the preceding table which exceed current maximum allowable rent limits under the LIHTC program are reflective of the contract rent under the HUD Section 8 program. Tenants of the subject project will ultimately pay up to 30% of their adjusted gross income towards rent. Thus, the proposed rents reflected in the preceding table are the programmatic rents. In the unlikely event the project-based subsidy was lost and the project had to operate exclusively under the LIHTC guidelines, the proposed rents would need to be lowered to, or below, the current maximum allowable LIHTC rent limit of \$815 for a one-bedroom unit within the Richmond, VA MSA. Thus, we have evaluated the subject project at the aforementioned maximum allowable LIHTC rent level throughout the remainder of this report.

E. TARGET MARKET: Low-Income Seniors (Age 62+)

F. PROJECT DESIGN: One (1) three-story, elevator-equipped residential building with 51 units and integrated community spaces.

G. ORIGINAL YEAR BUILT: 1939 (Vacant School Building)

H. PROJECTED OPENING DATE: December 2018

I. UNIT AMENITIES:

Each unit, once completed, will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Ceiling Fan
- Carpet
- Window Blinds
- Central Air Conditioning
- Emergency Pull Cord/Button

J. COMMUNITY AMENITIES:

The subject property will include the following community features:

- On-Site Management
- Community Room
- Laundry Facility
- Computer Center
- Elevator

K. UTILITY RESPONSIBILITY:

The cost of all utilities will be included in the monthly rent, including electric heat and gas water heat, electric cooking, general electricity usage, cold water, sewer and trash collection.

L. PARKING:

An unassigned surface parking lot with 26 spaces will be available to the residents at no additional charge.

M. CURRENT OCCUPANCY:

The subject project is a vacant school building to be renovated into 51 Tax Credit/Section 8 apartments for seniors age 62+. All residents of the subject project are expected to be relocated from Frederic A. Fay Towers, a 200-unit Public Housing project, which is scheduled for demolition.

N. PLANNED RENOVATION:

Not Applicable; Adaptive-Reuse

O. STATISTICAL AREA:

Richmond, VA MSA (2016)

P. FLOOR AND SITE PLAN REVIEW:

Building plans were provided for review at the time of this report. According to these plans, as well as additional information provided by the developer, the subject project will offer a total of 51 one-bedroom garden-style units which will be located within one (1) three-story elevator-equipped building. Each floor level will include both residential units and a common laundry area, while the middle level will include additional community space and an on-site management office. The proposed one-bedroom units will include 1.0 full bathroom and 680 square feet of living space. Overall, the one-bedroom garden-style units and the elevator-equipped subject building are considered conducive to low-income age-restricted rental housing.

Building plans, a state map, an area map and a site neighborhood map are on the following pages.

| | |
|-----------------|-------------------------|
| DATE REVISION | |
| NO. DESCRIPTION | |
| 1.00 | ISSUED FOR PERMITS |
| 2.00 | ISSUED FOR CONSTRUCTION |
| 3.00 | ISSUED FOR CONSTRUCTION |
| 4.00 | ISSUED FOR CONSTRUCTION |
| 5.00 | ISSUED FOR CONSTRUCTION |
| 6.00 | ISSUED FOR CONSTRUCTION |
| 7.00 | ISSUED FOR CONSTRUCTION |
| 8.00 | ISSUED FOR CONSTRUCTION |
| 9.00 | ISSUED FOR CONSTRUCTION |
| 10.00 | ISSUED FOR CONSTRUCTION |
| 11.00 | ISSUED FOR CONSTRUCTION |
| 12.00 | ISSUED FOR CONSTRUCTION |
| 13.00 | ISSUED FOR CONSTRUCTION |
| 14.00 | ISSUED FOR CONSTRUCTION |
| 15.00 | ISSUED FOR CONSTRUCTION |
| 16.00 | ISSUED FOR CONSTRUCTION |
| 17.00 | ISSUED FOR CONSTRUCTION |
| 18.00 | ISSUED FOR CONSTRUCTION |
| 19.00 | ISSUED FOR CONSTRUCTION |
| 20.00 | ISSUED FOR CONSTRUCTION |
| 21.00 | ISSUED FOR CONSTRUCTION |

NOT FOR CONSTRUCTION

DATE: 07/14/10
**BASEMENT FLOOR
 PLAN - CONCEPT 3**

PROJECT SET:
 NOT FOR CONSTRUCTION

DATE: 07/14/10
A100C

DATE: 07/14/10

UNIT SUMMARY - CONCEPT 3

| | |
|--------------|----------|
| BASEMENT | 21 UNITS |
| FIRST FLOOR | 75 UNITS |
| SECOND FLOOR | 17 UNITS |
| TOTAL | 53 UNITS |



BASEMENT FLOOR - CONCEPT 3
 SCALE: 1/8" = 1'-0"

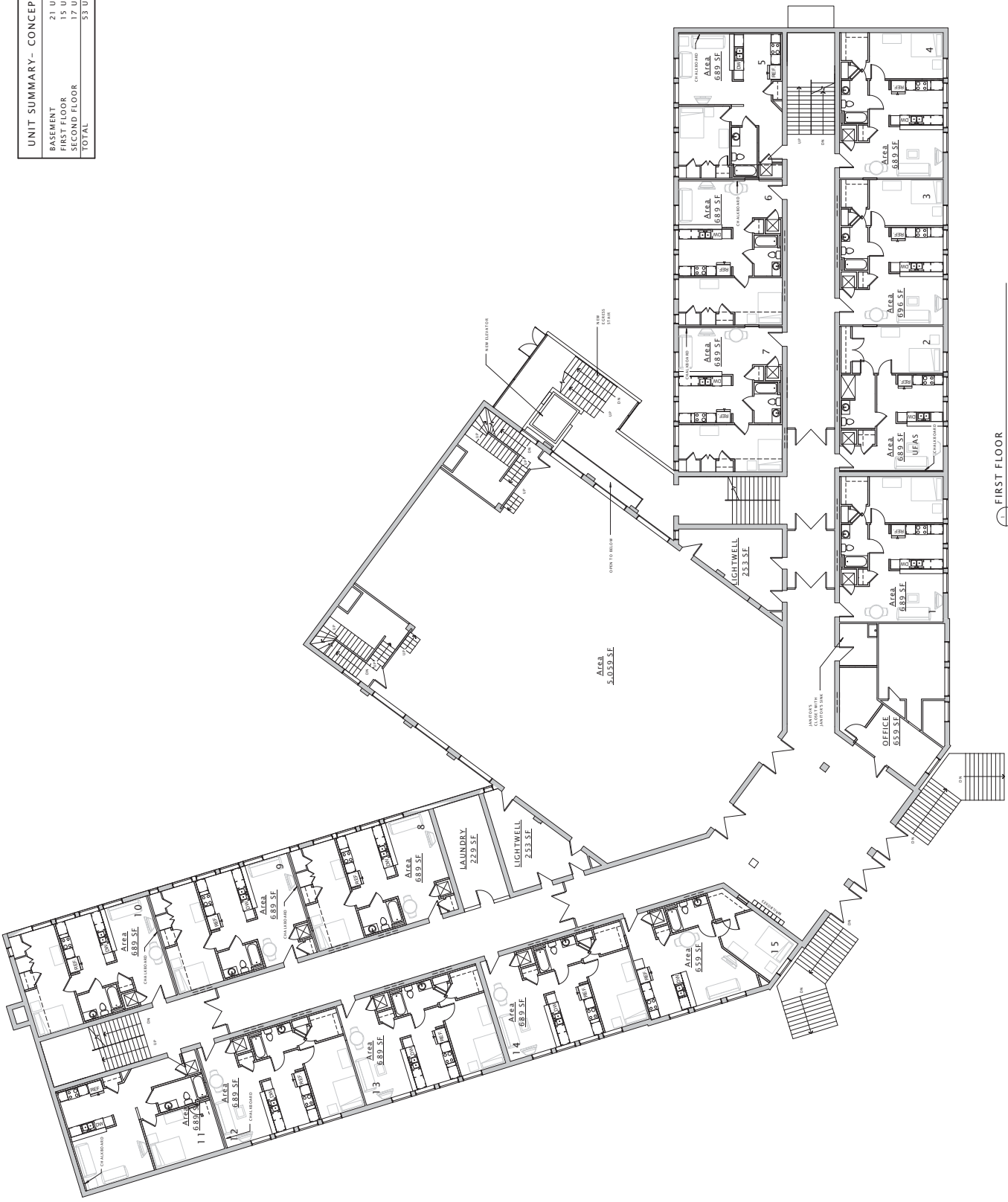
| | |
|-------------|--|
| DATE | |
| REVISION | |
| NO. | |
| DESCRIPTION | |
| DATE | |
| NO. | |
| DESCRIPTION | |
| DATE | |
| NO. | |
| DESCRIPTION | |
| DATE | |
| NO. | |
| DESCRIPTION | |



DATE: 07/14/09
**FIRST FLOOR
 PLAN - CONCEPT 3**

UNIT SUMMARY - CONCEPT 3

| | |
|--------------|----------|
| BASEMENT | 21 UNITS |
| FIRST FLOOR | 15 UNITS |
| SECOND FLOOR | 17 UNITS |
| TOTAL | 53 UNITS |



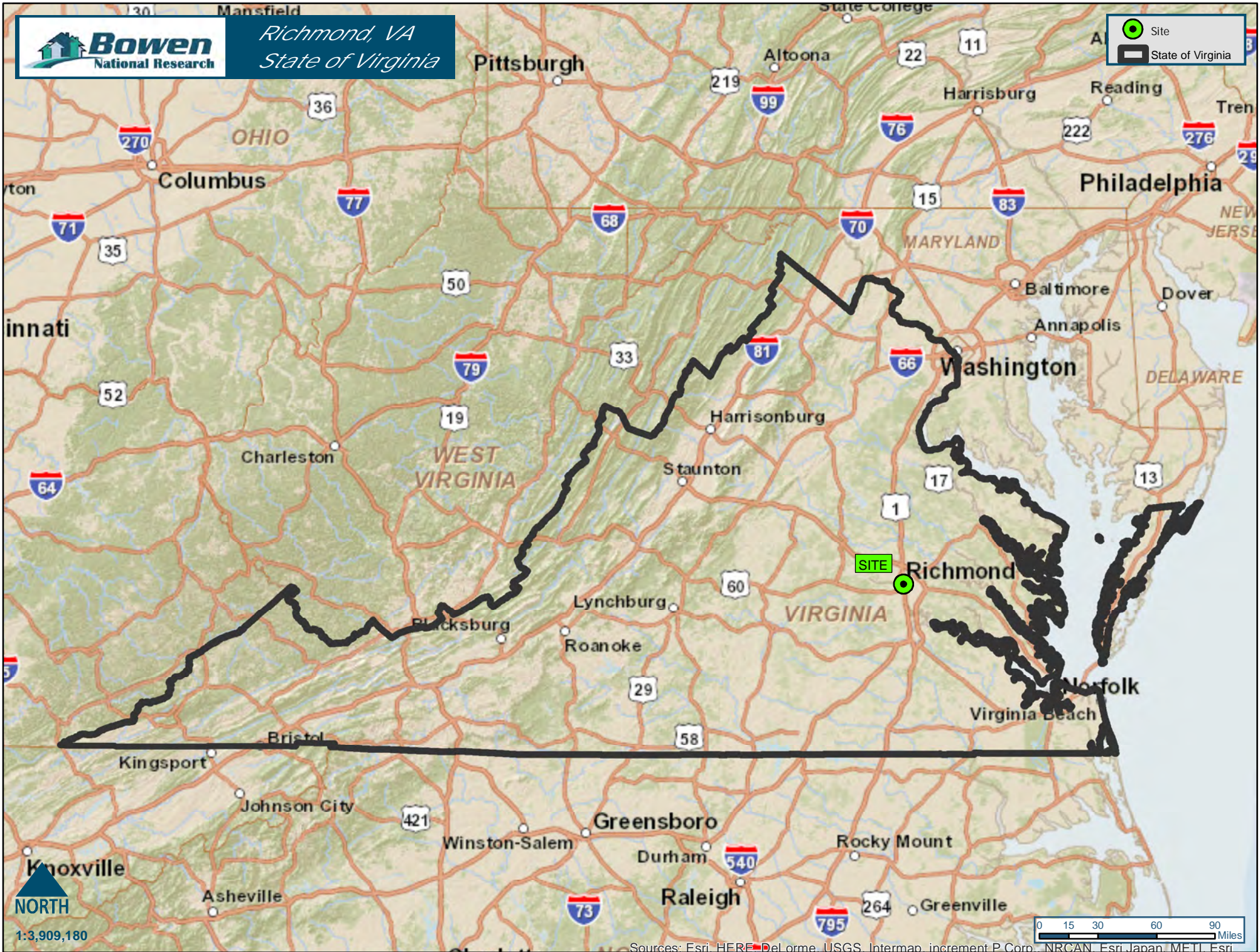
FIRST FLOOR
 SCALE: 1/8" = 1'-0"





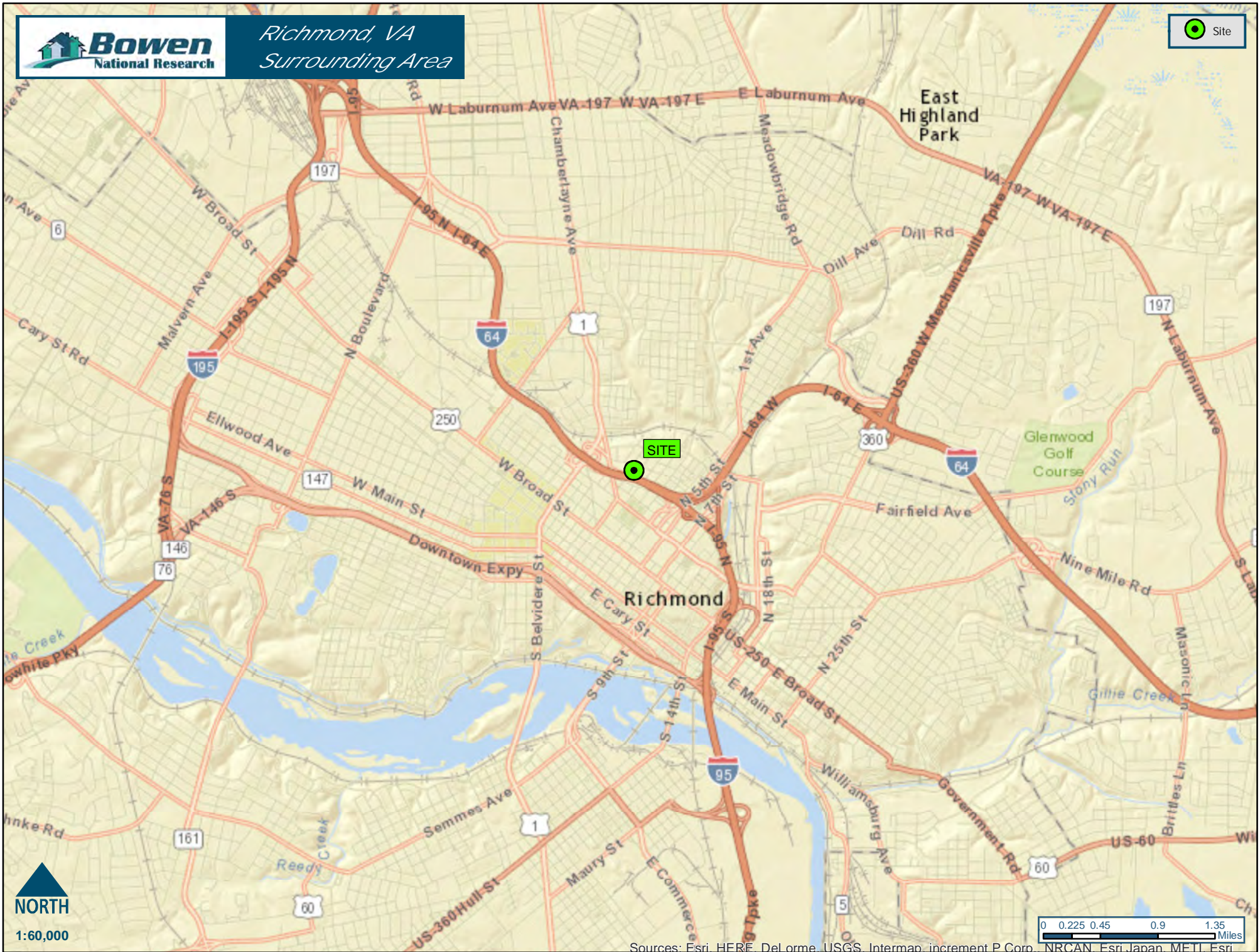
Richmond, VA
State of Virginia

Site
State of Virginia





*Richmond, VA
Surrounding Area*





*Richmond, VA
Site Neighborhood*

Legend
 Site Area



NORTH
1:3,000

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community
0 0.015 0.03 0.06 0.09 Miles

IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The proposed subject site is located at 100 West Baker Street in Richmond, Virginia, approximately 1.0 north of downtown. The proposed subject site is currently comprised of the former Baker Elementary School, a vacant three-story structure. The subject site visit and corresponding fieldwork was conducted on January 30, 2017.

2. SURROUNDING LAND USES

The proposed subject site is within a developed area of Richmond. Surrounding land uses primarily include multifamily dwellings in fair to good condition, local businesses, undeveloped land and Interstate 64. Adjacent land uses are detailed as follows:

| | |
|----------------|---|
| North - | The northern boundary is defined by the intersection of West Charity Street and St. Paul Street, both of which are two-lane roadways with light vehicular traffic patterns. Extending north are multifamily dwellings considered to be in fair condition. |
| East - | The eastern boundary is defined by the intersection of West Charity Street and St. John Street, both of which are two-lane roadways with light traffic patterns. Extending east is undeveloped land and multifamily and single-family dwellings in poor to fair condition situated along West Charity Street. |
| South - | The southern boundary is defined by West Baker Street, a lightly traveled two-lane roadway. Directly southeast of the subject site is a convenience store. Continuing south of the subject site is Interstate 64/95. |
| West - | St. Paul Street borders the site to the west, followed by multifamily dwellings in fair condition. Extending beyond is the Richmond Redevelopment and Housing Authority office and Chamberlayne Parkway. |

The subject site is situated within an established, predominantly residential, neighborhood. Existing structures within the immediate neighborhood are considered to be in fair condition on average, though some lesser (poor) quality structures were also observed scattered throughout the subject neighborhood. In addition to the residential land uses, it is also of note that

the Richmond Redevelopment and Housing Authority office is located just west of the subject site at the intersection of West Baker Street and Chamberlayne Parkway. Considering that the subject project will operate under the HUD Section 8 program, it will likely have some involvement with and/or receive referrals from the local housing authority. Thus its proximity to the housing authority offices is considered beneficial. Interstate 64/95 is located directly south of the subject site and may create some noise distractions at the subject site, but overall the subject's proximity to this major highway is considered beneficial to the project's overall accessibility. Note that West Baker Street and a fence buffer the subject site from Interstate 64/95, thus the location of the site near this highway does not appear to create any safety hazards. Overall, the subject project is expected to fit well with the surrounding residential (mostly multifamily) land uses and will contribute to the revitalization of the immediate site neighborhood.

Photographs of the site can be found in Section VIII of this report.

3. VISIBILITY AND ACCESS

The subject site maintains frontage along and is clearly visible from four residential roadways. The three-story design of the subject building also contributes to its visibility within the immediate site neighborhood, as it is one of the tallest structures in the area. The height of the subject project (three-story), along with the elevation of the subject site, also allows the site to be visible from Interstate 64/95, a heavily traveled highway located immediately south of the subject site. The subject's association with the former Baker Elementary School, due to the adaptive reuse nature of the subject project, will also enhance awareness of the subject project as this is likely a well-known existing structure within the site area.

The subject site is provided direct vehicular access points from both St. John Street and St. Paul Street, which border the site to the east and west, respectively. Vehicular traffic along these bordering roadways and throughout the immediate site neighborhood is considered light, which will allow for unimpeded ingress and egress of the project. The subject site is also located within close proximity of Interstate 64/95 which is located directly south of the subject site and is accessible within approximately 1.0 mile of the site. It is of note however, that an exit ramp from this aforementioned highway is provided at Chamberlayne Parkway, approximately 0.1 mile west of the subject site. This will further enhance accessibility of the subject site. Additionally, Greater Richmond Transit Company (GRTC) offers a public bus stop located 0.1 mile west of the site at the intersection of West Baker Street and Chamberlayne Parkway. Based on the preceding analysis, visibility and access of the subject site are both

considered good and are expected to contribute to the overall marketability of the proposed subject development.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

| Community Services | Name | Driving Distance From Site (miles) |
|--|---|--|
| Major Highway | Interstate 64/95 | 1.0 West |
| Public Bus Stop | Greater Richmond Transit Company (GRTC) | 0.1 West |
| Major Employers/ Employment Centers | Media General Publishing VCU Medical Center McGuire Woods | 1.0 South 1.2 Southeast 1.7 South |
| Convenience Store | East Market Clay Market 7-Eleven | 0.2 East 0.8 South 1.1 Northwest |
| Grocery | Wally's Supermarket Choe's Supermarket Community Pride Food Stores Kroger | 0.1 East 0.8 South 1.1 North 1.2 West |
| Discount Department Store | Dollar Tree Goodwill Family Dollar | 1.3 West 1.3 South 1.5 North |
| Shopping Center/Mall | Willow Lawn Shopping Center | 4.9 Northwest |
| Hospital | VCU Medical Center Retreat Doctors' Hospital | 1.2 Southeast 2.4 West |
| Police | Richmond Police | 0.8 Southwest |
| Fire | Richmond Fire Department | 0.4 West |
| Post Office | U.S. Post Office | 0.8 Northwest |
| Bank | Wells Fargo Bank Wells Fargo Bank SunTrust Bank | 0.7 Northwest 0.9 South 1.0 South |
| Senior Center | Richmond Senior Center | 1.0 Southwest |
| Gas Station | Hess Express Exxon BP | 0.8 West 0.8 West 1.3 West |
| Pharmacy | Rite Aid Kroger Pharmacy Walgreens | 0.8 West 1.2 West 1.8 North |
| Restaurant | Marshall Street Cafe Crossroads Mama J's Kitchen | 0.5 Southwest 0.6 Southwest 0.6 South |
| Library | City Of Richmond Library | 1.2 Southwest |
| Park | Abner Clay Park Hovey Park Battery Park | 0.4 West 1.0 Northwest 1.6 North |
| Church | Greater Mt. Moriah Baptist Church Sixth Mt. Zion Baptist Church Mt. Olive Congregation Church | 0.2 East 0.4 South 0.4 East |

The proposed subject site is situated in the northern portion of Richmond, near ample community services, with most basic community services located within 1.5 miles of the proposed subject site. In addition, community services such as restaurants, churches, and convenient stores are located within walking distance of the site. The nearest GRTC bus stop is located just 0.1 mile west of the proposed subject site and provides affordable convenient public transportation throughout the Greater Richmond area, further enhancing accessibility of most area services from the subject site. The availability of this service is considered beneficial to the targeted low-income senior population. Also considered beneficial to the targeted population is the proximity of the site to the Richmond Senior Center, located 1.0 mile southwest of the site. This facility offers health and nutrition programs, fitness classes, games and activities designed for area seniors.

The subject site is served by the Richmond Police and Fire departments which are located 0.8 and 0.4 miles from the subject site, respectively, and there are two full-service hospitals, the VCU Medical Center and Doctor's Retreat Hospital, located within 2.4 mile of the site. Overall, the proximity of the site to most basic area services and all public safety services is expected to contribute to the project's marketability within the Richmond market.

5. OVERALL SITE EVALUATION

The proposed subject site is a vacant structure, formerly Baker Elementary School, located in the northern portion of Richmond. Surrounding land uses primarily consist of residential dwellings in fair condition on average, though some lesser (poor) quality structures were observed within the site area. Visibility and access of the proposed subject site are both considered good, as the subject project is expected to benefit from its clear visibility and convenient access from the residential roadways surrounding the subject site. In addition, the subject project will also be visible and easily accessible from Interstate 64/95 directly south of the subject site. Further, a GRTC bus stop is located 0.1 mile west of the proposed site, offering an affordable method of transportation throughout the Richmond area to potential tenants of the project. The availability of this service also enhances accessibility to most area services, many of which are located within 1.0 mile of the subject site. Overall, the subject's location is considered conducive to affordable rental housing such as that proposed at the subject project, which is evident by the large concentration of such housing developments within the immediate site neighborhood. Although some lesser (poor) quality structures were observed within the surrounding neighborhood, these structures do not appear to have any adverse impact on the surrounding existing rental properties and the development of the

subject project will contribute to revitalization efforts within the immediate site area.

It is also of note that the existing Frederic A. Fay Towers property is located within the immediate site neighborhood, northeast of the subject site along St. James Street and North 1st Street. Thus, the subject's location is expected to be familiar to most, if not all, tenants of the property, as the 51 units proposed are expected to be filled from residents of the nearby Frederic A. Fay Towers property which is planned to be demolished.

6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and a murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

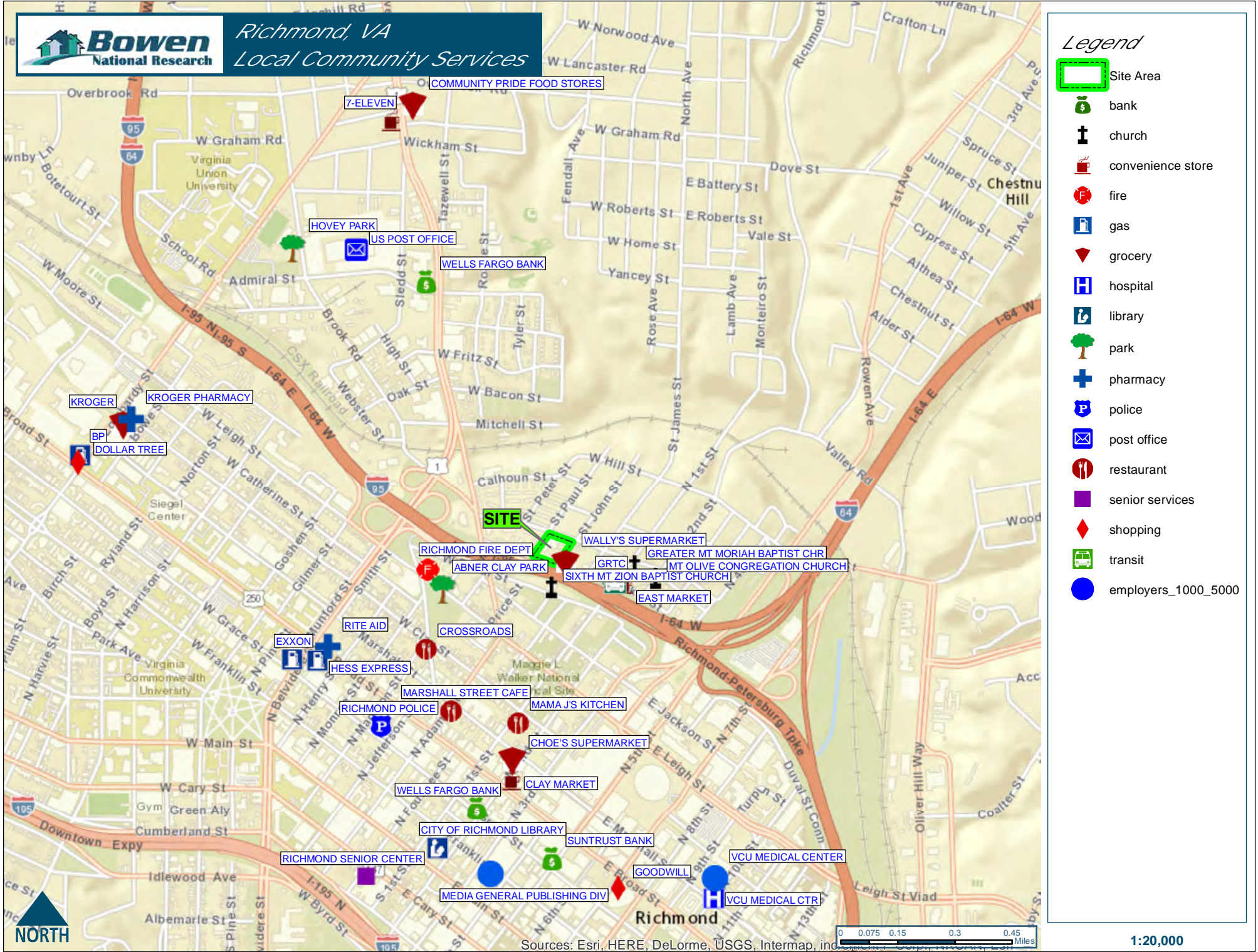
Total crime risk for the Site PMA is 369 with an overall personal crime index of 376 and a property crime index of 275. Total crime risk for the city of Richmond is 306 with indexes for personal and property crime of 298 and 246, respectively.

| | Crime Risk Index | |
|-----------------------|------------------|------------|
| | Site PMA | Richmond |
| Total Crime | 369 | 306 |
| Personal Crime | 376 | 298 |
| Murder | 784 | 627 |
| Rape | 248 | 196 |
| Robbery | 504 | 379 |
| Assault | 293 | 248 |
| Property Crime | 275 | 246 |
| Burglary | 219 | 202 |
| Larceny | 244 | 219 |
| Motor Vehicle Theft | 244 | 212 |

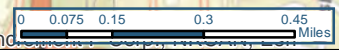
Source: Applied Geographic Solutions

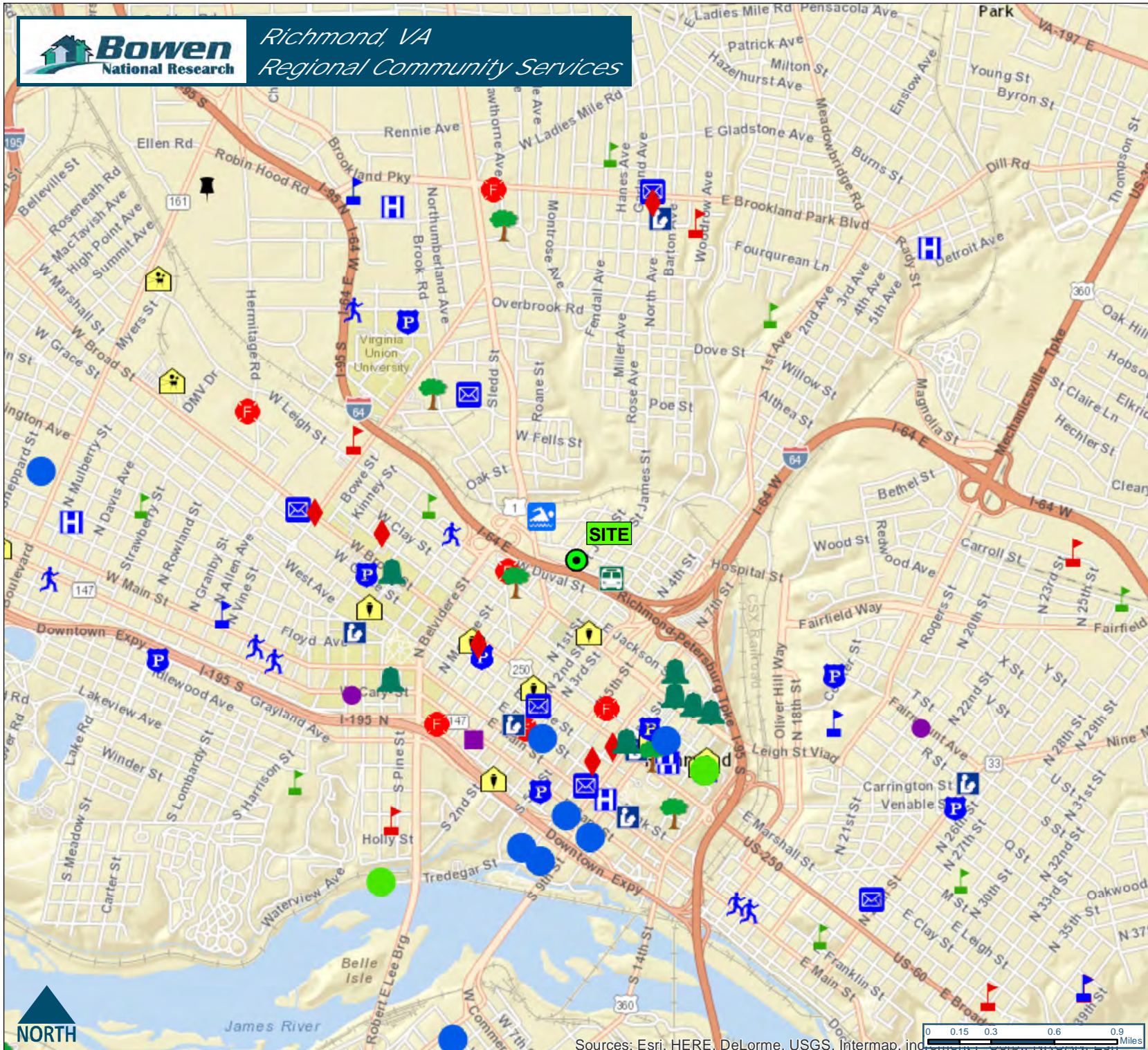
As the preceding illustrates, the crime index reported for the Site PMA (369) is higher than that reported for Independent Richmond City (306) as a whole, and is also above the national average of 100. It is of note however; that higher crime rates are not unusual within more densely populated urban markets such as the Richmond/Site PMA areas. Further, the high occupancy rates reported among most of the established rental properties surveyed in the Site PMA are good indications that the higher crime rates within the area have not adversely impacted marketability of rental product within the Richmond market. The subject project will also provide on-site management and all units will be accessed from within interior corridors, features which will further enhance the sense of security at the subject project. It should further be noted that the subject site is located in a portion of the PMA which has a crime rate that is significantly lower than the majority of other areas comprised within the PMA, as evidenced by the Crime Risk map included on page nine (9) of this section of the report. As such, the subject's location within a lower crime area may enhance the project's marketability, especially when considering the senior population to be targeted at the property. Based on the preceding factors and considering that the majority of support for the subject project is expected to originate from residents familiar with crime trends within the Site PMA, we do not expect crime to have any adverse impact on marketability of the subject project.

Maps illustrating the location of community services and crime risk are on the following pages.



- ### Legend
- Site Area
 - bank
 - church
 - convenience store
 - fire
 - gas
 - grocery
 - hospital
 - library
 - park
 - pharmacy
 - police
 - post office
 - restaurant
 - senior services
 - shopping
 - transit
 - employers_1000_5000





Legend

- Site
- cinema
- elementary school
- fire
- fitness center
- high school
- hospital
- library
- middle school
- museum
- park
- police
- post office
- recreation center
- senior services
- shopping
- stadium_arena
- swimming
- transit
- university
- employers_1000_5000
- employers_5000_10000



1:40,000



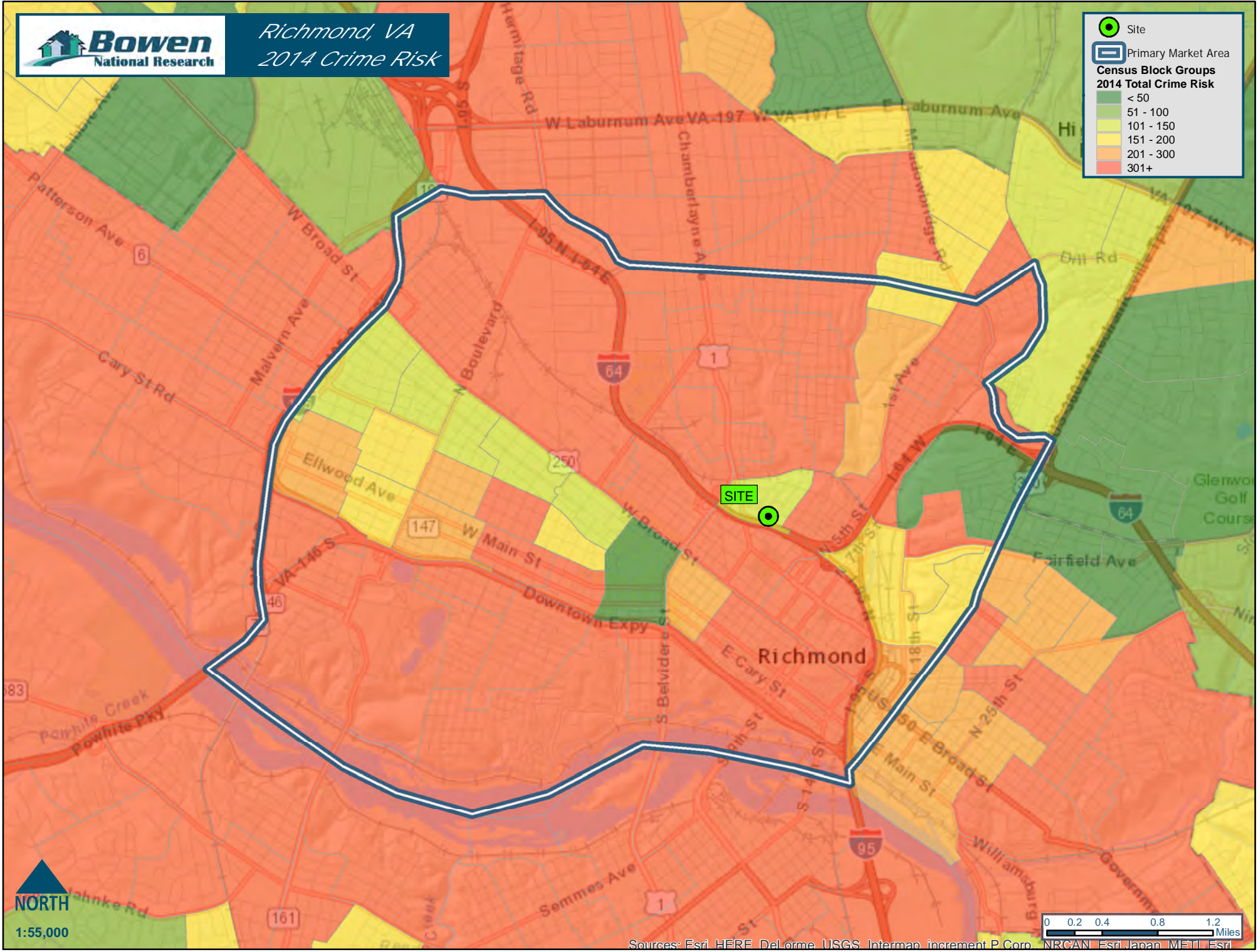
Richmond, VA
2014 Crime Risk

● Site

▭ Primary Market Area

**Census Block Groups
2014 Total Crime Risk**

- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+



NORTH
1:55,000

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

B. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Richmond Site PMA was determined through interviews with area leasing and real estate agents, planning officials, economic development representatives and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

- Kelly Roy is the Property manager of Darby House, an age-restricted LIHTC property located outside the Site PMA, but within the Richmond area. According to Ms. Roy, the majority of support for the proposed project will likely come from the Jackson Ward and Northside neighborhoods, which tend to be lower-income areas north of downtown Richmond. Ms. Roy also stated that in addition to these areas, the property will also likely derive some support from areas such as Gilpin and the areas north of downtown, such as the Carver neighborhood. Ms. Roy confirmed the boundaries of the site PMA.
- Shannon Horton is the Property Manager of Shockoe Hills II, an age-restricted LIHTC community located within the Site PMA. Ms. Horton stated that her project receives the majority of their support from areas such as the Gilpin and Jackson Ward neighborhoods, though she also receives support from throughout the Richmond area, as well as some from residents relocating to the area from out of state. Ms. Horton confirmed the boundaries of the Site PMA.

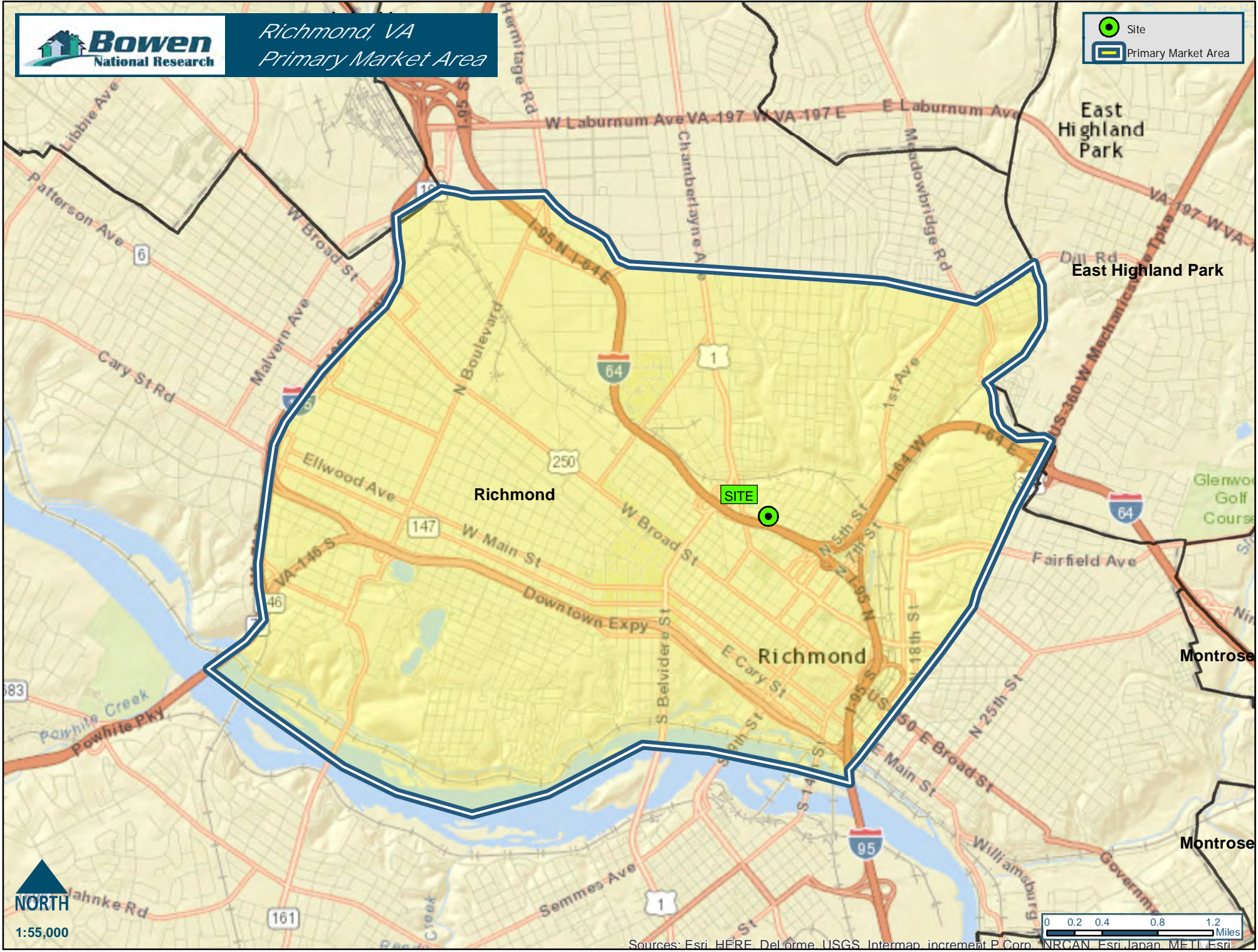
The Richmond PMA generally includes portions of north/northwest Richmond, as well as portions of downtown Richmond. Specifically, the boundaries of the Site PMA include East Brookland Park Boulevard and Dill Road to the north; the Richmond city limits, U.S. Highway 360 and Mosby Street to the east; the James River to the south; and Interstate 195 to the west. While we recognize that the subject project will likely receive some support from areas outside the Site PMA, this support base is expected to be minimal and therefore, we have not considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



*Richmond, VA
Primary Market Area*

● Site
▭ Primary Market Area



NORTH
1:55,000

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2016 (estimated) and 2021 (projected) are summarized as follows:

| | Year | | | |
|-------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2016 (Estimated) | 2021 (Projected) |
| Population | 57,132 | 62,207 | 68,707 | 73,957 |
| Population Change | - | 5,075 | 6,500 | 5,250 |
| Percent Change | - | 8.9% | 10.4% | 7.6% |

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Richmond Site PMA population base increased by 5,075 between 2000 and 2010. This represents an 8.9% increase over the 2000 population, or an annual rate of 0.9%. Between 2010 and 2016, the population increased by 6,500, or 10.4%. It is projected that the population will increase by 5,250, or 7.6%, between 2016 and 2021.

The Site PMA population bases by age are summarized as follows:

| Population by Age | 2010 (Census) | | 2016 (Estimated) | | 2021 (Projected) | | Change 2016-2021 | |
|----------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 19 & Under | 13,616 | 21.9% | 14,265 | 20.8% | 14,806 | 20.0% | 541 | 3.8% |
| 20 to 24 | 14,654 | 23.6% | 14,946 | 21.8% | 14,927 | 20.2% | -19 | -0.1% |
| 25 to 34 | 12,097 | 19.4% | 14,695 | 21.4% | 16,423 | 22.2% | 1,728 | 11.8% |
| 35 to 44 | 5,752 | 9.2% | 6,318 | 9.2% | 7,539 | 10.2% | 1,221 | 19.3% |
| 45 to 54 | 6,146 | 9.9% | 6,155 | 9.0% | 6,061 | 8.2% | -94 | -1.5% |
| 55 to 64 | 5,261 | 8.5% | 6,200 | 9.0% | 6,676 | 9.0% | 476 | 7.7% |
| 65 to 74 | 2,565 | 4.1% | 3,649 | 5.3% | 4,565 | 6.2% | 916 | 25.1% |
| 75 & Over | 2,115 | 3.4% | 2,479 | 3.6% | 2,960 | 4.0% | 481 | 19.4% |
| Total | 62,206 | 100.0% | 68,707 | 100.0% | 73,957 | 100.0% | 5,250 | 7.6% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, approximately 9.0% of the population was estimated to be age 65 and older in 2016. Given that the subject site will be restricted to seniors age 62 and older, this age group is considered the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

Household trends within the Richmond Site PMA are summarized as follows:

| | Year | | | |
|------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2016 (Estimated) | 2021 (Projected) |
| Households | 24,607 | 26,586 | 29,458 | 31,908 |
| Household Change | - | 1,979 | 2,872 | 2,450 |
| Percent Change | - | 8.0% | 10.8% | 8.3% |
| Household Size | 2.32 | 2.34 | 2.05 | 2.06 |

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Richmond Site PMA, households increased by 1,979 (8.0%) between 2000 and 2010. Between 2010 and 2016, households increased by 2,872 or 10.8%. By 2021, there will be 31,908 households, an increase of 2,450 households, or 8.3% over 2016 levels. This is an increase of approximately 490 households annually over the next five years.

The Site PMA household bases by age are summarized as follows:

| Households by Age | 2010 (Census) | | 2016 (Estimated) | | 2021 (Projected) | | Change 2016-2021 | |
|----------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 25 | 6,567 | 24.7% | 6,637 | 22.5% | 6,700 | 21.0% | 63 | 0.9% |
| 25 to 34 | 6,580 | 24.7% | 7,965 | 27.0% | 8,797 | 27.6% | 832 | 10.4% |
| 35 to 44 | 3,145 | 11.8% | 3,392 | 11.5% | 4,021 | 12.6% | 629 | 18.5% |
| 45 to 54 | 3,404 | 12.8% | 3,291 | 11.2% | 3,167 | 9.9% | -124 | -3.8% |
| 55 to 64 | 3,351 | 12.6% | 3,794 | 12.9% | 3,982 | 12.5% | 188 | 5.0% |
| 65 to 74 | 1,869 | 7.0% | 2,529 | 8.6% | 3,076 | 9.6% | 547 | 21.6% |
| 75 to 84 | 1,196 | 4.5% | 1,296 | 4.4% | 1,570 | 4.9% | 274 | 21.2% |
| 85 & Over | 478 | 1.8% | 554 | 1.9% | 595 | 1.9% | 41 | 7.4% |
| Total | 26,590 | 100.0% | 29,458 | 100.0% | 31,908 | 100.0% | 2,450 | 8.3% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Aside from a modest decline within the 45 to 54 age cohort, all age cohorts are projected to experience positive household growth between 2016 and 2021. Notably, senior households (age 65 and older) are projected to increase by 862, or 19.7%, between 2016 and 2021. This is a good indication that demand for senior-oriented housing will increase within the Richmond market.

Households by tenure are distributed as follows:

| Tenure | 2010 (Census) | | 2016 (Estimated) | | 2021 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 8,218 | 30.9% | 8,552 | 29.0% | 9,112 | 28.6% |
| Renter-Occupied | 18,368 | 69.1% | 20,906 | 71.0% | 22,796 | 71.4% |
| Total | 26,586 | 100.0% | 29,458 | 100.0% | 31,908 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2016, homeowners occupied 29.0% of all occupied housing units, while the remaining 71.0% were occupied by renters.

Households by tenure for those age 62 and older and age 65 and older in 2010, 2016 (estimated) and 2021 (projected) are distributed as follows:

| Tenure Age 62+ | 2010 (Census) | | 2016 (Estimated) | | 2021 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 2,706 | 59.5% | 3,138 | 56.8% | 3,625 | 56.3% |
| Renter-Occupied | 1,842 | 40.5% | 2,382 | 43.2% | 2,814 | 43.7% |
| Total | 4,548 | 100.0% | 5,520 | 100.0% | 6,439 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

| Tenure Age 65+ | 2010 (Census) | | 2016 (Estimated) | | 2021 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 2,173 | 61.3% | 2,598 | 59.3% | 3,137 | 59.9% |
| Renter-Occupied | 1,370 | 38.7% | 1,783 | 40.7% | 2,103 | 40.1% |
| Total | 3,543 | 100.0% | 4,381 | 100.0% | 5,240 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

A total of 2,382 (43.2%) of all households age 62 and older within the Site PMA were renters in 2016. The share of renters is relatively high, particularly for elderly households, and represents a good base of potential renter support in the market for the subject development. Notably, senior renter households (age 62 and older) are projected to increase by 432, or 18.1%, between 2016 and 2021. This is considered substantial senior renter growth and will likely result in increased demand for senior-oriented rental housing.

The household sizes by tenure for age 62 and older, and age 65 and older within the Site PMA, based on the 2016 estimates and 2021 projections, were distributed as follows:

| Persons Per Renter Household Age 62+ | 2016 (Estimated) | | 2021 (Projected) | | Change 2016-2021 | |
|---|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 1,782 | 74.8% | 2,083 | 74.0% | 301 | 16.9% |
| 2 Persons | 357 | 15.0% | 429 | 15.2% | 72 | 20.2% |
| 3 Persons | 144 | 6.0% | 178 | 6.3% | 34 | 23.6% |
| 4 Persons | 66 | 2.8% | 81 | 2.9% | 15 | 22.7% |
| 5 Persons+ | 33 | 1.4% | 43 | 1.5% | 10 | 30.3% |
| Total | 2,382 | 100.0% | 2,814 | 100.0% | 432 | 18.1% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

| Persons Per Owner Household Age 62+ | 2016 (Estimated) | | 2021 (Projected) | | Change 2016-2021 | |
|--|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 1,470 | 46.8% | 1,689 | 46.6% | 219 | 14.9% |
| 2 Persons | 941 | 30.0% | 1,089 | 30.0% | 148 | 15.7% |
| 3 Persons | 387 | 12.3% | 449 | 12.4% | 62 | 16.0% |
| 4 Persons | 232 | 7.4% | 271 | 7.5% | 39 | 16.8% |
| 5 Persons+ | 108 | 3.4% | 127 | 3.5% | 19 | 17.6% |
| Total | 3,138 | 100.0% | 3,625 | 100.0% | 487 | 15.5% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

| Persons Per Renter Household Age 65+ | 2016 (Estimated) | | 2021 (Projected) | | Change 2016-2021 | |
|---|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 1,381 | 77.5% | 1,613 | 76.7% | 232 | 16.8% |
| 2 Persons | 239 | 13.4% | 288 | 13.7% | 49 | 20.5% |
| 3 Persons | 96 | 5.4% | 119 | 5.7% | 23 | 24.0% |
| 4 Persons | 45 | 2.5% | 54 | 2.6% | 9 | 20.0% |
| 5 Persons+ | 22 | 1.2% | 29 | 1.4% | 7 | 31.8% |
| Total | 1,783 | 100.0% | 2,103 | 100.0% | 320 | 17.9% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

| Persons Per Owner Household Age 65+ | 2016 (Estimated) | | 2021 (Projected) | | Change 2016-2021 | |
|--|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 1,241 | 47.8% | 1,485 | 47.3% | 244 | 19.7% |
| 2 Persons | 766 | 29.5% | 929 | 29.6% | 163 | 21.3% |
| 3 Persons | 316 | 12.2% | 384 | 12.2% | 68 | 21.5% |
| 4 Persons | 189 | 7.3% | 231 | 7.4% | 42 | 22.2% |
| 5 Persons+ | 86 | 3.3% | 108 | 3.4% | 22 | 25.6% |
| Total | 2,598 | 100.0% | 3,137 | 100.0% | 539 | 20.7% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The one-bedroom units proposed at the subject project are expected to house up to two-person senior households, age 62 and older. Notably, senior households (age 62 and older) containing one- or two-persons were estimated to comprise nearly 90.0% of all senior renter households (age 62 and older) in 2016. As such, the subject project will be able to accommodate most senior renter households based on size.

3. INCOME TRENDS

The distribution of households by income age 62 and older within the Richmond Site PMA is summarized as follows:

| Household Income 62+ | 2010 (Census) | | 2016 (Estimated) | | 2021 (Projected) | |
|------------------------|---------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| Less Than \$15,000 | 1,282 | 28.2% | 1,500 | 27.2% | 1,754 | 27.2% |
| \$15,000 to \$24,999 | 707 | 15.5% | 887 | 16.1% | 932 | 14.5% |
| \$25,000 to \$34,999 | 545 | 12.0% | 629 | 11.4% | 686 | 10.7% |
| \$35,000 to \$49,999 | 608 | 13.4% | 720 | 13.0% | 922 | 14.3% |
| \$50,000 to \$74,999 | 651 | 14.3% | 709 | 12.8% | 704 | 10.9% |
| \$75,000 to \$99,999 | 215 | 4.7% | 383 | 6.9% | 501 | 7.8% |
| \$100,000 to \$149,999 | 232 | 5.1% | 339 | 6.1% | 448 | 7.0% |
| \$150,000 to \$199,999 | 173 | 3.8% | 134 | 2.4% | 189 | 2.9% |
| \$200,000 & Over | 135 | 3.0% | 219 | 4.0% | 303 | 4.7% |
| Total | 4,548 | 100.0% | 5,520 | 100.0% | 6,439 | 100.0% |
| Median Income | \$30,229 | | \$30,930 | | \$32,777 | |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income for households age 62 and older was \$30,229. This increased by 2.3% to \$30,930 in 2016. By 2021, it is projected that the median household income will be \$32,777, an increase of 6.0% over 2016.

The distribution of households by income age 65 and older within the Richmond Site PMA is summarized as follows:

| Household Income 65+ | 2010 (Census) | | 2016 (Estimated) | | 2021 (Projected) | |
|------------------------|---------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| Less Than \$15,000 | 1,024 | 28.9% | 1,190 | 27.2% | 1,434 | 27.4% |
| \$15,000 to \$24,999 | 598 | 16.9% | 779 | 17.8% | 827 | 15.8% |
| \$25,000 to \$34,999 | 445 | 12.6% | 533 | 12.2% | 591 | 11.3% |
| \$35,000 to \$49,999 | 473 | 13.4% | 591 | 13.5% | 769 | 14.7% |
| \$50,000 to \$74,999 | 504 | 14.2% | 550 | 12.6% | 569 | 10.9% |
| \$75,000 to \$99,999 | 145 | 4.1% | 266 | 6.1% | 369 | 7.0% |
| \$100,000 to \$149,999 | 156 | 4.4% | 238 | 5.4% | 330 | 6.3% |
| \$150,000 to \$199,999 | 111 | 3.1% | 88 | 2.0% | 133 | 2.5% |
| \$200,000 & Over | 87 | 2.5% | 146 | 3.3% | 218 | 4.2% |
| Total | 3,543 | 100.0% | 4,381 | 100.0% | 5,240 | 100.0% |
| Median Income | \$28,360 | | \$29,156 | | \$31,074 | |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income for households age 65 and older was \$28,360. This increased by 2.8% to \$29,156 in 2016. By 2021, it is projected that the median household income will be \$31,074, an increase of 6.6% over 2016.

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2016 and 2021 for the Richmond Site PMA:

| Renter Age 62+ Households | 2010 (Census) | | | | | |
|---------------------------|---------------|------------|-----------|-----------|-----------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 648 | 107 | 41 | 21 | 9 | 826 |
| \$15,000 to \$24,999 | 257 | 41 | 15 | 8 | 3 | 324 |
| \$25,000 to \$34,999 | 201 | 35 | 13 | 7 | 2 | 258 |
| \$35,000 to \$49,999 | 197 | 37 | 14 | 8 | 2 | 258 |
| \$50,000 to \$74,999 | 111 | 21 | 8 | 4 | 2 | 146 |
| \$75,000 to \$99,999 | 13 | 3 | 1 | 0 | 0 | 17 |
| \$100,000 to \$149,999 | 7 | 2 | 0 | 0 | 0 | 9 |
| \$150,000 to \$199,999 | 2 | 0 | 0 | 0 | 0 | 2 |
| \$200,000 & Over | 2 | 0 | 0 | 0 | 0 | 2 |
| Total | 1,438 | 246 | 92 | 48 | 18 | 1,842 |

Source: ESRI; Urban Decision Group

| Renter Age 62+ Households | 2016 (Estimated) | | | | | |
|---------------------------|------------------|------------|------------|-----------|-----------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 720 | 139 | 56 | 26 | 15 | 956 |
| \$15,000 to \$24,999 | 385 | 69 | 29 | 13 | 7 | 503 |
| \$25,000 to \$34,999 | 225 | 47 | 19 | 9 | 4 | 304 |
| \$35,000 to \$49,999 | 217 | 47 | 19 | 9 | 3 | 295 |
| \$50,000 to \$74,999 | 160 | 36 | 14 | 7 | 3 | 220 |
| \$75,000 to \$99,999 | 47 | 12 | 4 | 2 | 1 | 66 |
| \$100,000 to \$149,999 | 17 | 4 | 2 | 0 | 0 | 23 |
| \$150,000 to \$199,999 | 3 | 1 | 0 | 0 | 0 | 4 |
| \$200,000 & Over | 8 | 2 | 1 | 0 | 0 | 11 |
| Total | 1,782 | 357 | 144 | 66 | 33 | 2,382 |

Source: ESRI; Urban Decision Group

| Renter Age 62+ Households | 2021 (Projected) | | | | | |
|---------------------------|------------------|------------|------------|-----------|-----------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 770 | 149 | 61 | 28 | 16 | 1,024 |
| \$15,000 to \$24,999 | 375 | 70 | 29 | 14 | 8 | 496 |
| \$25,000 to \$34,999 | 265 | 55 | 23 | 10 | 6 | 359 |
| \$35,000 to \$49,999 | 291 | 63 | 26 | 12 | 7 | 399 |
| \$50,000 to \$74,999 | 204 | 47 | 19 | 9 | 4 | 283 |
| \$75,000 to \$99,999 | 94 | 23 | 10 | 4 | 2 | 133 |
| \$100,000 to \$149,999 | 34 | 9 | 4 | 2 | 0 | 49 |
| \$150,000 to \$199,999 | 16 | 4 | 2 | 0 | 0 | 22 |
| \$200,000 & Over | 34 | 9 | 4 | 2 | 0 | 49 |
| Total | 2,083 | 429 | 178 | 81 | 43 | 2,814 |

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2016 and 2021 for the Richmond Site PMA:

| Owner Age 62+ Households | 2010 (Census) | | | | | |
|--------------------------|---------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 202 | 142 | 64 | 33 | 15 | 456 |
| \$15,000 to \$24,999 | 170 | 119 | 53 | 27 | 14 | 383 |
| \$25,000 to \$34,999 | 125 | 89 | 41 | 21 | 11 | 287 |
| \$35,000 to \$49,999 | 148 | 112 | 50 | 26 | 14 | 350 |
| \$50,000 to \$74,999 | 218 | 159 | 72 | 37 | 19 | 505 |
| \$75,000 to \$99,999 | 84 | 63 | 28 | 15 | 8 | 198 |
| \$100,000 to \$149,999 | 94 | 72 | 32 | 16 | 9 | 223 |
| \$150,000 to \$199,999 | 72 | 55 | 24 | 13 | 7 | 171 |
| \$200,000 & Over | 56 | 43 | 19 | 11 | 4 | 133 |
| Total | 1,169 | 854 | 383 | 199 | 101 | 2,706 |

Source: ESRI; Urban Decision Group

| Owner Age 62+ Households | 2016 (Estimated) | | | | | |
|--------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 262 | 159 | 65 | 39 | 19 | 544 |
| \$15,000 to \$24,999 | 186 | 112 | 46 | 28 | 12 | 384 |
| \$25,000 to \$34,999 | 154 | 96 | 40 | 23 | 12 | 325 |
| \$35,000 to \$49,999 | 200 | 127 | 52 | 32 | 14 | 425 |
| \$50,000 to \$74,999 | 228 | 146 | 61 | 37 | 17 | 489 |
| \$75,000 to \$99,999 | 145 | 97 | 39 | 24 | 12 | 317 |
| \$100,000 to \$149,999 | 143 | 98 | 40 | 24 | 11 | 316 |
| \$150,000 to \$199,999 | 59 | 41 | 17 | 10 | 3 | 130 |
| \$200,000 & Over | 93 | 65 | 27 | 15 | 8 | 208 |
| Total | 1,470 | 941 | 387 | 232 | 108 | 3,138 |

Source: ESRI; Urban Decision Group

| Owner Age 62+ Households | 2021 (Projected) | | | | | |
|--------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 350 | 213 | 88 | 53 | 26 | 730 |
| \$15,000 to \$24,999 | 210 | 127 | 52 | 32 | 15 | 436 |
| \$25,000 to \$34,999 | 154 | 97 | 40 | 24 | 12 | 327 |
| \$35,000 to \$49,999 | 245 | 157 | 65 | 39 | 17 | 523 |
| \$50,000 to \$74,999 | 196 | 127 | 53 | 31 | 14 | 421 |
| \$75,000 to \$99,999 | 168 | 112 | 46 | 28 | 14 | 368 |
| \$100,000 to \$149,999 | 179 | 124 | 51 | 31 | 14 | 399 |
| \$150,000 to \$199,999 | 75 | 52 | 21 | 13 | 6 | 167 |
| \$200,000 & Over | 112 | 80 | 33 | 20 | 9 | 254 |
| Total | 1,689 | 1,089 | 449 | 271 | 127 | 3,625 |

Source: ESRI; Urban Decision Group

The following tables illustrate renter household income by household size for age 65 and older for 2010, 2016 and 2021 for the Richmond Site PMA:

| Renter Age 65+ Households | 2010 (Census) | | | | | |
|---------------------------|---------------|------------|-----------|-----------|-----------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 506 | 71 | 27 | 14 | 6 | 624 |
| \$15,000 to \$24,999 | 208 | 28 | 10 | 6 | 2 | 254 |
| \$25,000 to \$34,999 | 157 | 24 | 9 | 5 | 1 | 196 |
| \$35,000 to \$49,999 | 146 | 24 | 9 | 5 | 1 | 185 |
| \$50,000 to \$74,999 | 76 | 12 | 5 | 2 | 1 | 96 |
| \$75,000 to \$99,999 | 7 | 1 | 0 | 0 | 0 | 8 |
| \$100,000 to \$149,999 | 4 | 1 | 0 | 0 | 0 | 5 |
| \$150,000 to \$199,999 | 1 | 0 | 0 | 0 | 0 | 1 |
| \$200,000 & Over | 1 | 0 | 0 | 0 | 0 | 1 |
| Total | 1,106 | 161 | 60 | 32 | 11 | 1,370 |

Source: ESRI; Urban Decision Group

| Renter Age 65+ Households | 2016 (Estimated) | | | | | |
|---------------------------|------------------|------------|-----------|-----------|-----------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 554 | 90 | 36 | 17 | 10 | 707 |
| \$15,000 to \$24,999 | 330 | 53 | 22 | 10 | 5 | 420 |
| \$25,000 to \$34,999 | 181 | 34 | 14 | 7 | 3 | 239 |
| \$35,000 to \$49,999 | 166 | 32 | 13 | 6 | 2 | 219 |
| \$50,000 to \$74,999 | 110 | 21 | 8 | 4 | 2 | 145 |
| \$75,000 to \$99,999 | 26 | 6 | 2 | 1 | 0 | 35 |
| \$100,000 to \$149,999 | 9 | 2 | 1 | 0 | 0 | 12 |
| \$150,000 to \$199,999 | 1 | 0 | 0 | 0 | 0 | 1 |
| \$200,000 & Over | 4 | 1 | 0 | 0 | 0 | 5 |
| Total | 1,381 | 239 | 96 | 45 | 22 | 1,783 |

Source: ESRI; Urban Decision Group

| Renter Age 65+ Households | 2021 (Projected) | | | | | |
|---------------------------|------------------|------------|------------|-----------|-----------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 600 | 98 | 40 | 18 | 10 | 766 |
| \$15,000 to \$24,999 | 322 | 54 | 22 | 11 | 6 | 415 |
| \$25,000 to \$34,999 | 218 | 41 | 17 | 7 | 5 | 288 |
| \$35,000 to \$49,999 | 223 | 43 | 18 | 8 | 5 | 297 |
| \$50,000 to \$74,999 | 148 | 30 | 12 | 6 | 2 | 198 |
| \$75,000 to \$99,999 | 56 | 12 | 5 | 2 | 1 | 76 |
| \$100,000 to \$149,999 | 19 | 4 | 2 | 1 | 0 | 26 |
| \$150,000 to \$199,999 | 8 | 2 | 1 | 0 | 0 | 11 |
| \$200,000 & Over | 19 | 4 | 2 | 1 | 0 | 26 |
| Total | 1,613 | 288 | 119 | 54 | 29 | 2,103 |

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 65 and older for 2010, 2016 and 2021 for the Richmond Site PMA:

| Owner Age 65+ Households | 2010 (Census) | | | | | |
|--------------------------|---------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 179 | 123 | 56 | 29 | 13 | 400 |
| \$15,000 to \$24,999 | 154 | 106 | 47 | 24 | 13 | 344 |
| \$25,000 to \$34,999 | 110 | 76 | 35 | 18 | 10 | 249 |
| \$35,000 to \$49,999 | 123 | 92 | 41 | 21 | 11 | 288 |
| \$50,000 to \$74,999 | 180 | 127 | 57 | 29 | 15 | 408 |
| \$75,000 to \$99,999 | 60 | 43 | 19 | 10 | 5 | 137 |
| \$100,000 to \$149,999 | 65 | 48 | 21 | 11 | 6 | 151 |
| \$150,000 to \$199,999 | 48 | 35 | 15 | 8 | 4 | 110 |
| \$200,000 & Over | 37 | 27 | 12 | 7 | 3 | 86 |
| Total | 956 | 677 | 303 | 157 | 80 | 2,173 |

Source: ESRI; Urban Decision Group

| Owner Age 65+ Households | 2016 (Estimated) | | | | | |
|--------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 237 | 139 | 57 | 34 | 16 | 483 |
| \$15,000 to \$24,999 | 175 | 104 | 43 | 26 | 11 | 359 |
| \$25,000 to \$34,999 | 140 | 86 | 36 | 21 | 11 | 294 |
| \$35,000 to \$49,999 | 176 | 110 | 45 | 28 | 13 | 372 |
| \$50,000 to \$74,999 | 193 | 119 | 50 | 30 | 13 | 405 |
| \$75,000 to \$99,999 | 109 | 69 | 28 | 17 | 8 | 231 |
| \$100,000 to \$149,999 | 105 | 69 | 28 | 17 | 7 | 226 |
| \$150,000 to \$199,999 | 41 | 27 | 11 | 6 | 2 | 87 |
| \$200,000 & Over | 65 | 43 | 18 | 10 | 5 | 141 |
| Total | 1,241 | 766 | 316 | 189 | 86 | 2,598 |

Source: ESRI; Urban Decision Group

| Owner Age 65+ Households | 2021 (Projected) | | | | | |
|--------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 324 | 193 | 80 | 48 | 23 | 668 |
| \$15,000 to \$24,999 | 200 | 119 | 49 | 30 | 14 | 412 |
| \$25,000 to \$34,999 | 144 | 89 | 37 | 22 | 11 | 303 |
| \$35,000 to \$49,999 | 223 | 140 | 58 | 35 | 16 | 472 |
| \$50,000 to \$74,999 | 175 | 110 | 46 | 27 | 13 | 371 |
| \$75,000 to \$99,999 | 137 | 88 | 36 | 22 | 10 | 293 |
| \$100,000 to \$149,999 | 140 | 93 | 38 | 23 | 10 | 304 |
| \$150,000 to \$199,999 | 56 | 37 | 15 | 9 | 5 | 122 |
| \$200,000 & Over | 86 | 60 | 25 | 15 | 6 | 192 |
| Total | 1,485 | 929 | 384 | 231 | 108 | 3,137 |

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Analysis

Overall, population and household growth within the Richmond Site PMA has been positive since 2000, a trend which is expected to continue through 2021. Notably, the total population will increase by 5,250 (7.6%), while households will increase by 2,450 (8.3%), between 2016 and 2021. Additionally, it is projected that 2,814 renter households age 62 and older will exist in the market in 2021, an increase of 432 (18.1%) households over 2016 levels, and approximately 67.0% of all senior renter households (62+) in the market are expected to earn below \$35,000 in 2021. Based on the preceding analysis, there appears to be a large and expanding base of age- and income-eligible renter support for affordable senior-oriented rental housing such as that proposed at the subject site, within the Richmond Site PMA.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

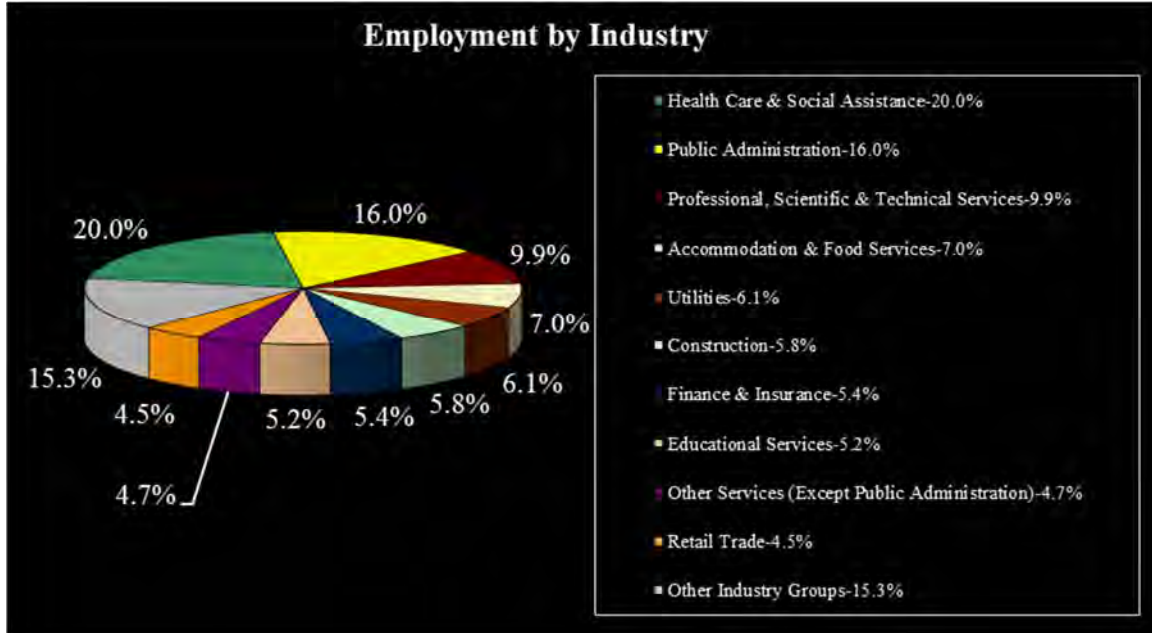
The labor force within the Richmond Site PMA is based primarily in two sectors. Health Care & Social Assistance (which comprises 20.0%) and Public Administration comprise approximately 36% of the Site PMA labor force. Employment in the Richmond Site PMA, as of 2016, was distributed as follows:

| NAICS Group | Establishments | Percent | Employees | Percent | E.P.E. |
|--|-----------------------|----------------|------------------|----------------|---------------|
| Agriculture, Forestry, Fishing & Hunting | 4 | 0.1% | 14 | 0.0% | 3.5 |
| Mining | 3 | 0.1% | 33 | 0.0% | 11.0 |
| Utilities | 13 | 0.2% | 6,836 | 6.1% | 525.8 |
| Construction | 300 | 5.3% | 6,459 | 5.8% | 21.5 |
| Manufacturing | 146 | 2.6% | 2,641 | 2.4% | 18.1 |
| Wholesale Trade | 136 | 2.4% | 2,601 | 2.3% | 19.1 |
| Retail Trade | 629 | 11.1% | 5,066 | 4.5% | 8.1 |
| Transportation & Warehousing | 78 | 1.4% | 1,470 | 1.3% | 18.8 |
| Information | 141 | 2.5% | 4,082 | 3.7% | 29.0 |
| Finance & Insurance | 386 | 6.8% | 6,063 | 5.4% | 15.7 |
| Real Estate & Rental & Leasing | 307 | 5.4% | 2,115 | 1.9% | 6.9 |
| Professional, Scientific & Technical Services | 716 | 12.6% | 11,005 | 9.9% | 15.4 |
| Management of Companies & Enterprises | 19 | 0.3% | 253 | 0.2% | 13.3 |
| Administrative, Support, Waste Management & Remediation Services | 153 | 2.7% | 1,600 | 1.4% | 10.5 |
| Educational Services | 181 | 3.2% | 5,757 | 5.2% | 31.8 |
| Health Care & Social Assistance | 408 | 7.2% | 22,314 | 20.0% | 54.7 |
| Arts, Entertainment & Recreation | 108 | 1.9% | 1,927 | 1.7% | 17.8 |
| Accommodation & Food Services | 489 | 8.6% | 7,757 | 7.0% | 15.9 |
| Other Services (Except Public Administration) | 698 | 12.3% | 5,252 | 4.7% | 7.5 |
| Public Administration | 472 | 8.3% | 17,831 | 16.0% | 37.8 |
| Nonclassifiable | 295 | 5.2% | 361 | 0.3% | 1.2 |
| Total | 5,682 | 100.0% | 111,437 | 100.0% | 19.6 |

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Richmond Metropolitan Statistical Area (MSA) are compared with those of Virginia in the following table:

| Typical Wage by Occupation Type | | |
|--|--------------|-----------|
| Occupation Type | Richmond MSA | Virginia |
| Management Occupations | \$119,990 | \$128,530 |
| Business and Financial Occupations | \$72,540 | \$81,620 |
| Computer and Mathematical Occupations | \$83,280 | \$96,750 |
| Architecture and Engineering Occupations | \$78,570 | \$85,930 |
| Community and Social Service Occupations | \$45,300 | \$47,660 |
| Art, Design, Entertainment and Sports Medicine Occupations | \$53,200 | \$57,220 |
| Healthcare Practitioners and Technical Occupations | \$72,010 | \$75,390 |
| Healthcare Support Occupations | \$27,990 | \$29,120 |
| Protective Service Occupations | \$41,400 | \$44,530 |
| Food Preparation and Serving Related Occupations | \$21,950 | \$22,870 |
| Building and Grounds Cleaning and Maintenance Occupations | \$25,170 | \$25,400 |
| Personal Care and Service Occupations | \$24,640 | \$25,930 |
| Sales and Related Occupations | \$41,230 | \$38,710 |
| Office and Administrative Support Occupations | \$36,010 | \$36,570 |
| Construction and Extraction Occupations | \$41,300 | \$42,360 |
| Installation, Maintenance and Repair Occupations | \$47,410 | \$47,110 |
| Production Occupations | \$38,760 | \$36,420 |
| Transportation and Moving Occupations | \$32,950 | \$36,220 |

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$21,950 to \$53,200 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$85,278. It is important to note that most occupational types within the Richmond MSA have slightly lower typical wages than the state of Virginia's typical wages. Regardless, the area employment base appears to have a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

The top ten largest employers in the Richmond area are summarized below:

| Employer Name | Business Type | Total Employed |
|--|-------------------------|----------------|
| Virginia State Government | Government | 23,767 |
| Henrico County School System | Education | 13,445 |
| Chesterfield County School System | Education | 13,220 |
| Capital One Financial Corporation | Financial | 11,262 |
| Richmond City Schools System | Education | 10,438 |
| Virginia Commonwealth University Health System | Health Care | 9,313 |
| HCA, Inc. | Health Care | 7,628 |
| Bon Secours Richmond | Health Care | 7,136 |
| Walmart | Retail/Grocery/Pharmacy | 5,605 |
| Dominion Resources Incorporated | Energy/Utilities | 5,433 |
| Total | | 107,247 |

Source: Greater Richmond Partnership-Private Employers-Richmond Times-Dispatch May 2016
Public Employers-Virginia Economic Development Partnership

Overall, the area's largest employers are considered to be stable with no major changes anticipated to occur among their employment bases in the foreseeable future. Some notable changes that have recently occurred or that are planned for the Richmond area are summarized as follows:

- The Martin Agency, one of the nation's leading ad firms, announced in October 2016 that they will be expanding their company. The \$15 million expansion will include a 45,500 square-foot office building in Shockoe Slip district of downtown Richmond and will add 175 new employees over the next several years.
- In October 2016, CoStar Group Incorporated, a commercial real estate intelligence company, announced plans to open a research center in the city of Richmond in the Foundry Park building located at 501 South Fifth Street. CoStar will invest nearly \$8.2 million in the center, and 732 jobs will be created as a result.

- Owens & Minor, a healthcare services company, will be opening a client engagement center at an office in downtown Richmond. This client engagement center will result in 300 new jobs. The downtown Richmond office will also house 200 existing employees of this company.
- Premier Fixtures, a manufacturer and distributor of store fixtures, announced in September 2016 that it will be adding 150 jobs to its current workforce. These jobs will be added at its 700,000-square foot facility in Henrico County, and represents a \$4.6 million investment.
- Specialty Beverage of Virginia moved its distribution center from Rockville, Virginia (Hanover County) to a facility near the Richmond International Airport in Henrico County. This 150,000 square-foot facility, which opened in December 2016, currently employs over 125 people.
- Dominion Packaging, a packaging solutions provider, announced in November 2016 that it will add 60 jobs at its facility near the Richmond International Airport in eastern Henrico County. This job expansion is due to a contract awarded to Dominion Packaging by Anheuser-Busch. The addition of 60 jobs by Dominion Packaging represents a \$25.1 million investment.
- iMPREG Group, a German-based manufacturer of liner systems for trenchless sewer pipes, announced in January 2017 that it will open a warehouse facility in Henrico County. iMPREG Group will create 60 jobs within this facility, located at Byrd Corporate Park near the Richmond International Airport. This distribution center will represent a \$5.4 million investment, and will be the first facility opened by iMPREG Group in the United States.
- ICMA-RC, a financial service corporation, announced in August 2016 that they will be expanding their company and relocating from Washington, D.C. to the city of Richmond at the Riverfront Plaza in Richmond's Central Business District. The new office is expected to open in July of 2017. The company will create 100 new jobs as well as move their existing staff of more than 100 employees from Washington, D.C. to their new location in Richmond.
- In June 2016, Thought Logic leased a 3,600 square-foot facility in Shockoe Slip at 13 South 13th Street, and plans to hire 100 workers in the Richmond area within the next three to five years.

- AvePoint, Inc., an independent software provider specializing in Microsoft solutions, opened a new office in the city of Richmond and will hire 80 to 100 people over the next three years for positions in sales and back office opportunities.
- Compare.com, the leading auto insurance comparison website in the United States, relocated its national headquarters to Richmond. The new location has 26,000 square feet of office space in the East Shore office complex in Richmond, and has welcomed nearly one dozen new employees since January 2016 and plans to grow its workforce by 40 percent by the end of 2017.
- A \$46 million renovation of the Main Street Station Shed in Shockoe Bottom at 1500 East Main Street is underway. This involves renovations to the existing train shed and the addition of 65,000 square feet of commercial space with a tourism center and indoor market. The renovations are planned to be complete by early 2017.
- Stone Brewing stated that they are planning to hire an additional 200 people with the opening of Stone Brewing World Bistro & Gardens in Richmond. The new addition is scheduled to open late 2019.
- McKesson Medical-Surgical, Incorporated relocated its headquarters to a new building in western Henrico County in September 2015. This company moved 750 of its Richmond-based employees into the new building, known as the Deep Run III office building. McKesson Medical-Surgical also plans to add 225 jobs in the next few years.
- In June 2015, Elephant Auto Insurance, a subsidiary of Admiral Group, announced that it is planning a \$2 million expansion in Henrico County and will create 1,173 jobs over the next few years. The company currently employs nearly 400 people.
- In February of 2015, Kels USA Corporation, a subsidiary of a Brazil-based firm, announced plans to open its first United States office in Henrico County. Kels USA manufactures metal-based parts for automotive, appliance and electronic manufacturers and also supplies brazing alloys. The company has plans to expand to manufacture its products in the area in the next two to four years. This will be a \$7 million investment and is anticipated to create 100 new jobs within the area by 2019.

Infrastructure Projects

- The Virginia Department of Rail and Public Transportation (DRPT), along with the Greater Richmond Transit Company (GRTC) plan for the development of the GRTC Broad Street Rapid Transit Project. The first phase of this bus-rapid transit project is planned to encompass 7.6 miles with 14 transit stations, connecting Rocketts Landing along East Main Street to 14th Street, as well as Broad Street to Willow Lawn. There will be bus-only lanes along with some median and curb lanes. The project is currently under construction, with service expected to start in October 2017. The cost of the project is approximately \$65 million.
- There are plans to redevelop Shockoe Public Square and redesign the 17th Street Market in Shockoe Bottom at 1548 East Main Street. The plans are to change the 17th Street Market and 17th Street into a public square with open space that is flexible for the city to be able to allow pedestrian connects, weekly pop-up markets, patio dining and various events. The project is planned to be complete by early 2017 and will involve an investment of \$7.8 million.
- Plans have been approved by state and federal authorities for a high-speed rail line connecting Richmond, Virginia to Raleigh, North Carolina. However, funding for the project has not yet been secured and it is anticipated that this project will involve a total investment of approximately \$4 billion.

While these announcements likely represent only a portion of the economic expansions expected for the region, they provide clear indications as to the interest in investment and job expansions for the area. Such investment and job expansions will add to the continued growth expected for the area for the foreseeable future.

WARN (layoff notices):

According to the Virginia Board of Workforce Development, there have been multiple announcements of large-scale layoffs/closures reported within the Greater Richmond area since January 2016. The following is a table summarizing these notices.

| Company | Location | Jobs | Notice Date | Effective Date |
|---------------------------------|-----------------------|------|-------------|----------------|
| Riverside Pace | Richmond | 37 | 11-7-2016 | 2-3-2017 |
| Giant Food Stores (Martin's) | Richmond & Glen Allen | 438 | 9-27-2016 | 11-28-2016 |
| BB&T | Richmond | 61 | 7-27-2016 | 7-27-2016 |
| Genworth Financial Incorporated | Richmond & Lynchburg | 42 | 6-15-2016 | 8-16-2016 |
| Martin's | Richmond | 96 | 6/14/2016 | 8-13-2016 |
| Southern Season | Richmond | 115 | 4-8-2016 | 6-9-2016 |
| Hospice of Virginia | Richmond | 76 | 3-20-2016 | 5-15-2016 |
| Genworth Financial Incorporated | Richmond & Lynchburg | 336 | 2-4-2016 | 4-10-2016 |
| Macy's Regency Square | Richmond | 135 | 1-06-2016 | 3-14-2016 |

In addition to the aforementioned WARN Notices, the following summarizes some additional job layoffs which are known to have occurred within the Richmond area since January of 2016. WARN Notices were not reported for these layoffs, based on information obtained from the Virginia Board of Workforce Development.

| Company | Location | Jobs | Notice Date | Effective Date |
|-------------|----------------|------|-------------|----------------|
| Markel | Henrico County | 40 | 9-3-2016 | 6-30-2017 |
| Altria | Richmond | 250 | 1-8-2016 | 3-31-2016 |
| UPS Freight | Richmond | 160 | 8-23-2016 | 12-31-2016 |

2. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

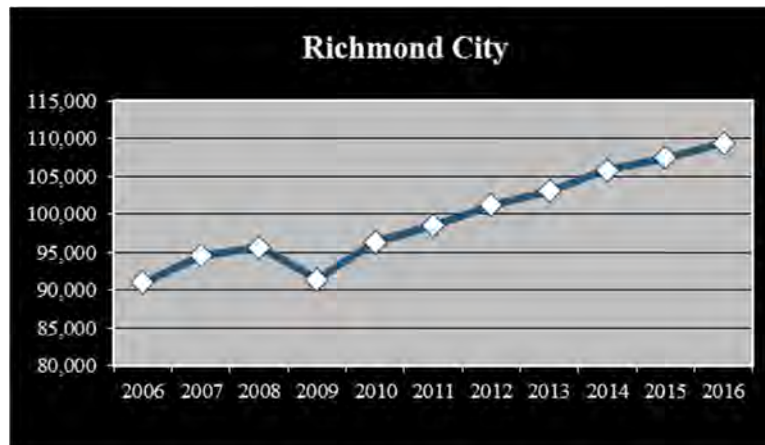
Excluding 2016, the employment base has increased by 9.1% over the past five years in Richmond, more than the Virginia state increase of 3.0%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Richmond, the state of Virginia and the United States.

| Year | Total Employment | | | | | |
|-------|------------------|----------------|--------------|----------------|---------------|----------------|
| | Richmond | | Virginia | | United States | |
| | Total Number | Percent Change | Total Number | Percent Change | Total Number | Percent Change |
| 2006 | 90,997 | - | 3,855,633 | - | 145,000,042 | - |
| 2007 | 94,548 | 3.9% | 3,914,087 | 1.5% | 146,388,400 | 1.0% |
| 2008 | 95,650 | 1.2% | 3,970,428 | 1.4% | 146,047,748 | -0.2% |
| 2009 | 91,416 | -4.4% | 3,842,516 | -3.2% | 140,696,560 | -3.7% |
| 2010 | 96,347 | 5.4% | 3,860,386 | 0.5% | 140,469,139 | -0.2% |
| 2011 | 98,520 | 2.3% | 3,934,326 | 1.9% | 141,791,255 | 0.9% |
| 2012 | 101,183 | 2.7% | 3,969,890 | 0.9% | 143,688,931 | 1.3% |
| 2013 | 103,028 | 1.8% | 3,998,244 | 0.7% | 145,126,067 | 1.0% |
| 2014 | 105,880 | 2.8% | 4,036,280 | 1.0% | 147,604,328 | 1.7% |
| 2015 | 107,496 | 1.5% | 4,051,908 | 0.4% | 149,950,804 | 1.6% |
| 2016* | 109,410 | 1.8% | 4,063,994 | 0.3% | 152,400,435 | 1.6% |

Source: Department of Labor; Bureau of Labor Statistics

*Through December



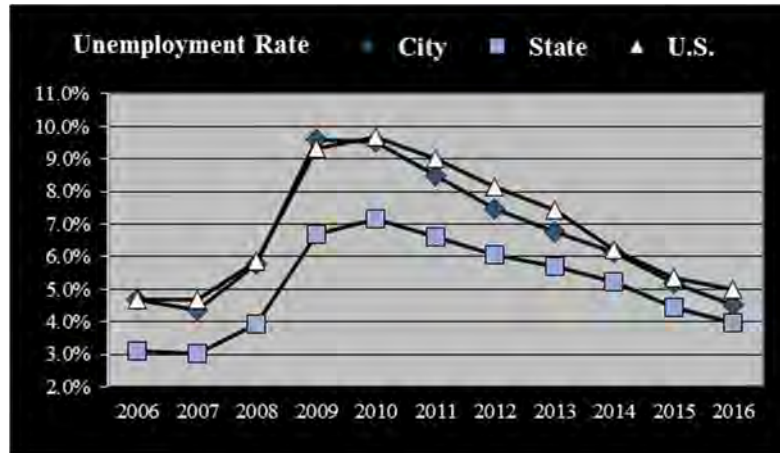
As the preceding illustrates, the Richmond employment base declined slightly between 2008 and 2009, likely as a direct result of the national recession. Since 2009, however, the employment base has increased each year, by at least 1.5%. Overall, the employment base within Richmond has increased by 17,994, or 19.7%, since 2009 (through December of 2016). Also note that total employment growth trends within the city have outpaced those reported for the state of Virginia each year since 2009.

Unemployment rates for Richmond, the state of Virginia and the United States are illustrated as follows:

| Year | Unemployment Rate | | |
|-------|-------------------|----------|---------------|
| | Richmond | Virginia | United States |
| 2006 | 4.7% | 3.1% | 4.7% |
| 2007 | 4.4% | 3.0% | 4.7% |
| 2008 | 5.8% | 3.9% | 5.8% |
| 2009 | 9.6% | 6.7% | 9.3% |
| 2010 | 9.5% | 7.2% | 9.7% |
| 2011 | 8.5% | 6.6% | 9.0% |
| 2012 | 7.5% | 6.0% | 8.1% |
| 2013 | 6.8% | 5.7% | 7.4% |
| 2014 | 6.1% | 5.2% | 6.2% |
| 2015 | 5.2% | 4.4% | 5.3% |
| 2016* | 4.5% | 4.0% | 5.0% |

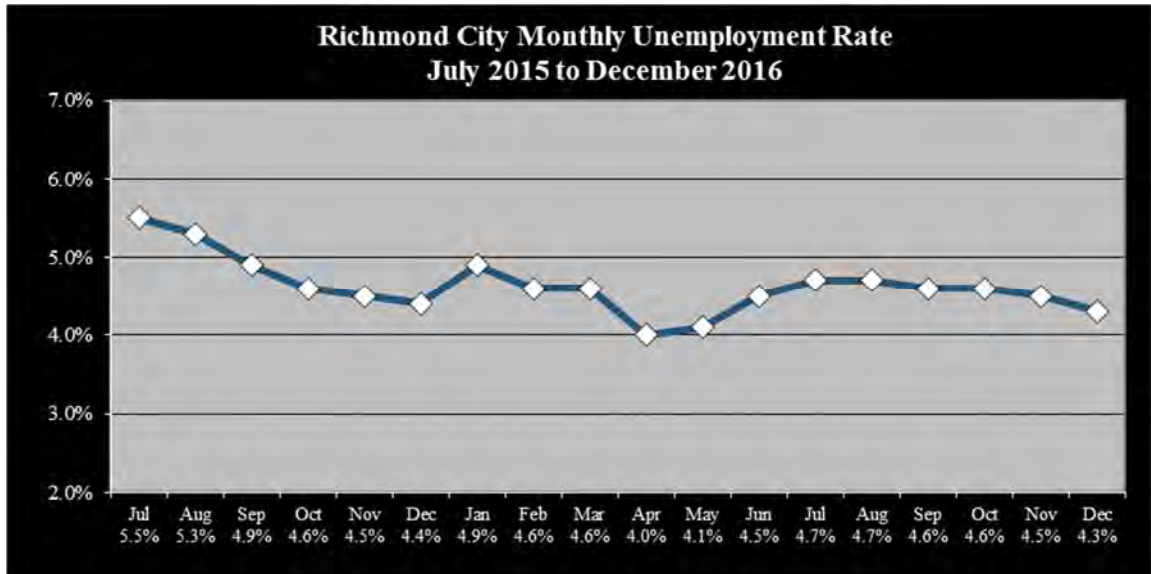
Source: Department of Labor, Bureau of Labor Statistics

*Through December



The unemployment rate in Richmond was also adversely impacted during the national recession, but has declined each year since 2010, to a rate of just 4.5% through December of 2016, which is below the national average of 5.0% and similar to the state average of 4.0%.

The following table illustrates the monthly unemployment rate in Richmond for the most recent 18-month period for which data is currently available.



The monthly unemployment rate within Richmond has generally trended downward over the past 18-month period, and has remained below 5.0% each month since August of 2015.

In-place employment reflects the total number of jobs within the city regardless of the employee's city of residence. The following illustrates the total in-place employment base for Richmond.

| In-Place Employment Richmond | | | |
|------------------------------|------------|--------|----------------|
| Year | Employment | Change | Percent Change |
| 2006 | 161,667 | - | - |
| 2007 | 158,597 | -3,070 | -1.9% |
| 2008 | 159,063 | 466 | 0.3% |
| 2009 | 150,777 | -8,286 | -5.2% |
| 2010 | 148,083 | -2,694 | -1.8% |
| 2011 | 149,540 | 1,457 | 1.0% |
| 2012 | 148,410 | -1,130 | -0.8% |
| 2013 | 147,607 | -803 | -0.5% |
| 2014 | 148,477 | 870 | 0.6% |
| 2015 | 149,651 | 1,174 | 0.8% |
| 2016* | 151,989 | 2,338 | 1.6% |

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2015, the most recent year that year-end figures are available, indicates in-place employment in Richmond to be 139.2% of the total Richmond employment. This means that Richmond has more employed persons coming to the county from other cities for work (daytime employment) than those who both live and work there.

3. ECONOMIC FORECAST

The Richmond economy experienced a downturn during the national recession, in terms of both total employment and the unemployment rate. However, both the overall employment base and unemployment rate quickly began to recover following the impact of the national recession, with the employment base exceeding pre-recession levels in 2010 and continuing to increase through December of 2016. The unemployment rate has also returned to pre-recession levels and has declined by more than five full percentage points since 2009, through December of 2016, to a rate of 4.5%. In addition, there have been numerous recent announcements of new business openings and/or business expansions within the Richmond area. Such economic development activity will contribute to the continued strength of the local economy and overall housing market.

4. COMMUTING PATTERNS

Based on the American Community Survey (2011-2015), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

| Mode of Transportation | Workers Age 16+ | |
|------------------------|-----------------|---------|
| | Number | Percent |
| Drove Alone | 21,388 | 66.9% |
| Carpooled | 2,128 | 6.7% |
| Public Transit | 2,331 | 7.3% |
| Walked | 2,843 | 8.9% |
| Other Means | 1,919 | 6.0% |
| Worked at Home | 1,369 | 4.3% |
| Total | 31,978 | 100.0% |

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Nearly 67% of all workers drove alone, 6.7% carpooled and 7.3% used public transportation. Given the subject site serves very low-income senior households and is within walking distance of a public bus stop, we anticipate a higher than normal share of site residents' use of public transportation.

Typical travel times to work for the Site PMA residents are illustrated as follows:

| Travel Time | Workers Age 16+ | |
|----------------------|-----------------|---------|
| | Number | Percent |
| Less Than 15 Minutes | 10,805 | 33.8% |
| 15 to 29 Minutes | 13,762 | 43.0% |
| 30 to 44 Minutes | 3,372 | 10.5% |
| 45 to 59 Minutes | 1,245 | 3.9% |
| 60 or More Minutes | 1,427 | 4.5% |
| Worked at Home | 1,369 | 4.3% |
| Total | 31,980 | 100.0% |

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

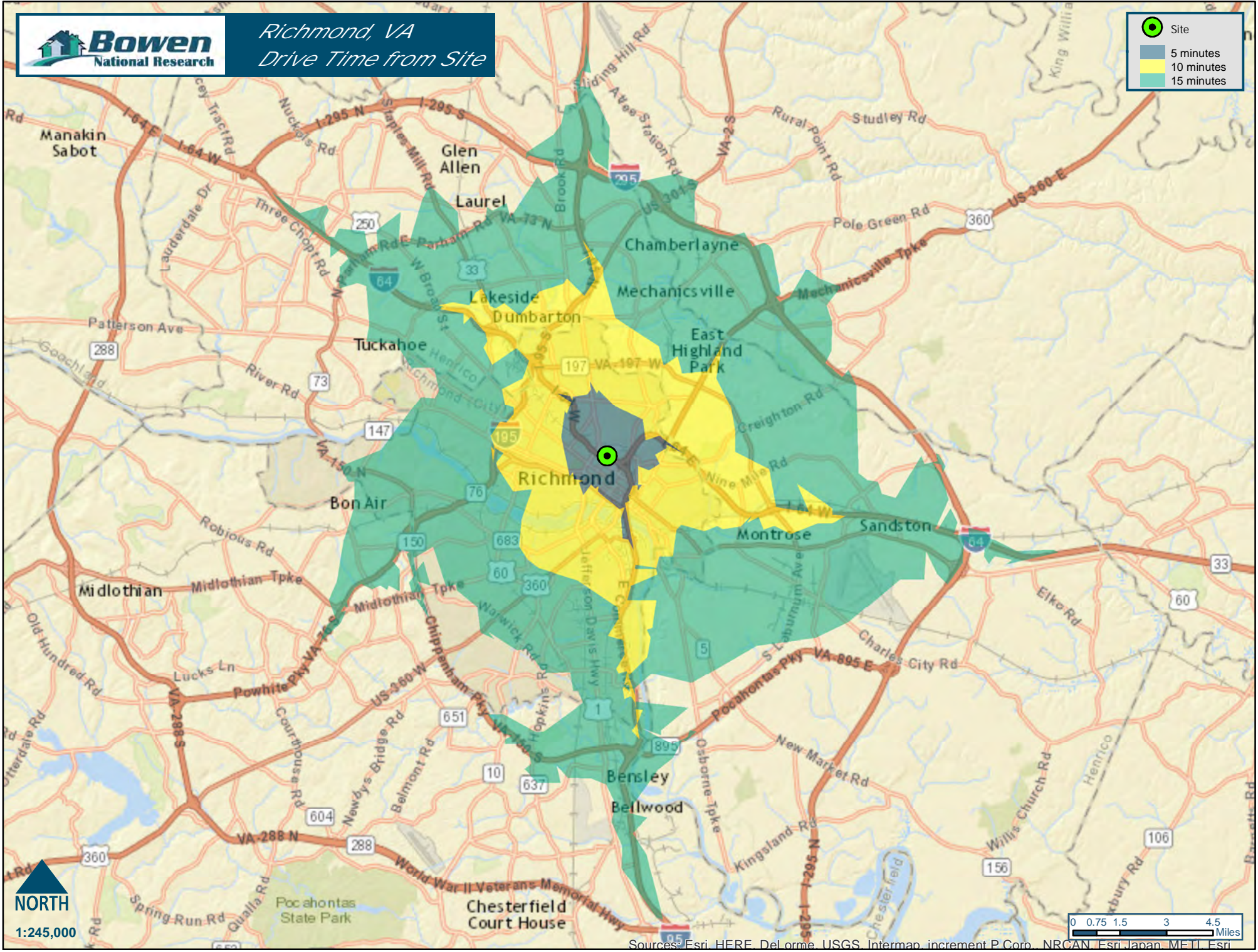
The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 15-minute drive to most of the area's largest employers, which should contribute to the project's marketability among seniors still in the workforce. A drive-time map for the subject site is on the following page.



*Richmond, VA
Drive Time from Site*

Site

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:245,000

0 0.75 1.5 3 4.5 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Richmond Site PMA in 2010 and 2016 (estimated) are summarized in the following table:

| Housing Status | 2010 (Census) | | 2016 (Estimated) | |
|-----------------|---------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Total-Occupied | 26,586 | 89.2% | 29,458 | 89.1% |
| Owner-Occupied | 8,218 | 30.9% | 8,552 | 29.0% |
| Renter-Occupied | 18,368 | 69.1% | 20,906 | 71.0% |
| Vacant | 3,228 | 10.8% | 3,622 | 10.9% |
| Total | 29,814 | 100.0% | 33,080 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2016 update of the 2010 Census, of the 33,080 total housing units in the market, 10.9% were vacant. It is important to note however, that the number of vacant housing units included in the preceding table includes for-sale, abandoned and/or dilapidated housing units. Therefore, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental housing market within the Richmond Site PMA.

Conventional Apartments

We identified and personally surveyed 34 conventional rental housing projects containing a total of 3,512 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.3%, a good rate for rental housing. Each of the rental housing segments surveyed is summarized in the following table:

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|--|-------------------|-------------|--------------|----------------|
| Market-Rate | 19 | 2,082 | 120 | 94.2% |
| Market-Rate/Tax Credit | 2 | 171 | 7 | 95.9% |
| Market-Rate/Tax Credit/Government-Subsidized | 1 | 128 | 0 | 100.0% |
| Tax Credit | 6 | 256 | 4 | 98.4% |
| Tax Credit/Government-Subsidized | 5 | 825 | 0 | 100.0% |
| Government-Subsidized | 1 | 50 | 0 | 100.0% |
| Total | 34 | 3,512 | 131 | 96.3% |

A variety of rental product is offered within the Richmond Site PMA in terms of affordability level, as illustrated in the preceding table. Overall occupancy rates among the rental housing segments surveyed are at least 94.2%, with all housing segments offering affordable (i.e. Tax Credit and/or Government-Subsidized) rental units reporting at 95.9% or higher. These are clear indications that rental product is in high demand among all affordability levels within the Site PMA.

Note that despite numerous attempts, we were unable to survey the Frederic A. Fay Towers public housing community from which the subject units are expected to be filled, due to the planned demolition of this property. Regardless, based on our field survey and knowledge of the Richmond market, and from information obtained by our firm during surveys throughout other portions of the greater Richmond area, public housing projects in the Richmond market are typically 100.0% occupied. In addition, these projects also maintain extensive waiting lists which generally range anywhere from six months to two years in length. Thus, it is reasonable to conclude that the Frederic A. Fay Towers property is also fully occupied with a wait list. Nonetheless, since we were unable to survey this property at the time of this report, it has been excluded from our Field Survey of Conventional Rentals.

Tax Credit Property Disclosure: In addition to the 14 properties surveyed, we also identified two additional properties that operate under the Low-Income Housing Tax Credit (LIHTC) program that we were unable to survey at the time of this report. The known details of these projects based on previous surveys conducted by Bowen National Research in the Richmond area and from our review of the state Tax Credit allocation list are summarized in the following table:

| Name | Location | Year Built/ Renovated | Total Units | Target Population | Occupancy at Last Survey |
|------------------|-----------------------|--------------------------|----------------|-----------------------------------|--|
| Jackson Ward | 315 W. Clay St. | 1994 | 16 | Families; 50% AMHI & Section 8 | 100.0%; 2-Year Waitlist (February 2012) |
| Randolph Village | 704-A S. Harrison St. | 1979/2001 | 91 | Families; 60% AMHI & Section 8 | 100.0%; 1-Year Waitlist (February 2016) |

The two properties we were unable to survey target family (general-occupancy) households and therefore will not be directly competitive with the proposed age-restricted units at the subject project. Regardless, since we were unable to survey these two properties, they have been excluded from our survey.

The following table summarizes the breakdown of market-rate and non-subsidized Tax Credit units surveyed within the Site PMA.

| Market-rate | | | | | | |
|----------------------------|-------|--------------|---------------|------------|-------------|-------------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| Studio | 1.0 | 170 | 8.1% | 18 | 10.6% | \$1,104 |
| One-Bedroom | 1.0 | 850 | 40.3% | 32 | 3.8% | \$1,210 |
| One-Bedroom | 1.5 | 43 | 2.0% | 0 | 0.0% | \$1,086 |
| Two-Bedroom | 1.0 | 358 | 17.0% | 37 | 10.3% | \$841 |
| Two-Bedroom | 1.5 | 5 | 0.2% | 0 | 0.0% | \$958 |
| Two-Bedroom | 2.0 | 510 | 24.2% | 28 | 5.5% | \$1,514 |
| Two-Bedroom | 2.5 | 60 | 2.8% | 1 | 1.7% | \$2,072 |
| Three-Bedroom | 2.0 | 64 | 3.0% | 4 | 6.3% | \$2,066 |
| Three-Bedroom | 2.5 | 24 | 1.1% | 2 | 8.3% | \$2,131 |
| Three-Bedroom | 3.0 | 23 | 1.1% | 0 | 0.0% | \$1,938 |
| Four-Bedroom | 4.0 | 1 | 0.0% | 0 | 0.0% | \$2,560 |
| Four-Bedroom | 4.5 | 1 | 0.0% | 0 | 0.0% | \$2,609 |
| Total Market-rate | | 2,109 | 100.0% | 122 | 5.8% | - |
| Tax Credit, Non-Subsidized | | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| Studio | 1.0 | 27 | 5.5% | 0 | 0.0% | \$660 |
| One-Bedroom | 1.0 | 291 | 58.9% | 2 | 0.7% | \$805 |
| Two-Bedroom | 1.0 | 42 | 8.5% | 3 | 7.1% | \$908 |
| Two-Bedroom | 1.5 | 16 | 3.2% | 0 | 0.0% | \$879 |
| Two-Bedroom | 2.0 | 54 | 10.9% | 2 | 3.7% | \$963 |
| Two-Bedroom | 2.5 | 18 | 3.6% | 0 | 0.0% | \$1,075 |
| Three-Bedroom | 1.0 | 1 | 0.2% | 0 | 0.0% | \$1,046 |
| Three-Bedroom | 1.5 | 13 | 2.6% | 1 | 7.7% | \$1,239 |
| Three-Bedroom | 2.0 | 22 | 4.5% | 1 | 4.5% | \$981 |
| Three-Bedroom | 2.5 | 10 | 2.0% | 0 | 0.0% | \$1,010 |
| Total Tax Credit | | 494 | 100.0% | 9 | 1.8% | - |

As the preceding table illustrates, the median gross Tax Credit rents are generally below their corresponding median gross market-rate rents. As such, non-subsidized Tax Credit product likely represents good values to low-income households within the market.

The following is a distribution of units surveyed by year built for the Site PMA:

| Year Built | Projects | Units | Vacancy Rate |
|--------------|----------|-------|--------------|
| Before 1970 | 1 | 241 | 12.0% |
| 1970 to 1979 | 1 | 107 | 0.0% |
| 1980 to 1989 | 1 | 24 | 4.2% |
| 1990 to 1999 | 6 | 207 | 4.3% |
| 2000 to 2005 | 6 | 362 | 6.4% |
| 2006 | 0 | 0 | 0.0% |
| 2007 | 1 | 101 | 1.0% |
| 2008 | 0 | 0 | 0.0% |
| 2009 | 1 | 65 | 21.5% |
| 2010 | 0 | 0 | 0.0% |
| 2011 | 0 | 0 | 0.0% |
| 2012 | 1 | 154 | 3.9% |
| 2013 | 0 | 0 | 0.0% |
| 2014 | 5 | 667 | 1.6% |
| 2015 | 3 | 355 | 0.6% |
| 2016 | 3 | 320 | 10.9% |
| 2017* | 0 | 0 | 0.0% |

*As of January

As the preceding illustrates, a variety of rental product is offered within the Richmond market in terms of age. Aside from properties built prior to 1970, the highest vacancy rates are among relatively modern rental product, as properties surveyed in 2009 report a vacancy rate of 21.5%, while those built in 2016 have a vacancy rate of 10.9%. The 21.5% vacancy rate reported among properties built in 2009 is reflective of 14 vacant units at the American Heritage Apartments (Map ID 13), a market-rate property. Based on our previous surveys of the Richmond market, this property has historically operated at, or above, a stable occupancy rate of at least 93.0% since 2012. Thus, it is likely that the currently vacant units at this property are reflective of typical tenant turnover experienced at the time of this report. In regards to the 10.9% vacancy rate reported among non-subsidized product built in 2016, this is attributed to the DECO at CNB (Map ID 23) market-rate property still being within its initial lease-up period. Specifically, this property opened in May of 2016 and began preleasing units in February of 2016. Based on the current occupancy rate of 82.5% reported, this property has experienced an average monthly absorption of approximately 12 to 13 units per month. In addition to the aforementioned DECO at CNB property, two additional market-rate properties, Court Yard Lofts (Map ID 27) and Osprey Lofts (Map ID 30), also recently opened in 2016. These properties are both 100.0% occupied and have experienced average monthly absorption rates of approximately 11 and 10 units per month, respectively. The aforementioned absorption trends experienced among the newest properties surveyed is considered moderate for market-rate product and indicates that these properties have been relatively well-received within the Richmond market. Regardless, the newness of the subject project is expected to contribute to its marketability within the Richmond market,

especially when considering the high occupancy rates reported among the existing Tax Credit properties surveyed in the market.

The Richmond apartment market offers a wide range of rental product, in terms of price point and quality. The following table compares the gross rent (the collected rent at the site plus the estimated costs of tenant-paid utilities) of the subject project with the rent range of the existing conventional apartments surveyed in the market.

| Bedroom Type | Gross Rent | | | Units (Share) with Rents Above Proposed Rents |
|--------------|------------------|------------------|-----------------|---|
| | Proposed Subject | Existing Rentals | | |
| | | Median | Range | |
| One-Bedroom | \$815*-60% | \$1,080 | \$689 - \$1,833 | 1,016 (85.8%) |

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under Section 8 exceeds maximum allowable LIHTC limit.

As the preceding table illustrates, most of the rents of existing rentals in the market are above the proposed rent at the subject site. Therefore, the subject project will likely represent a good value to low-income households. It is also important to reiterate, however, that the project will also operate with a project-based Section 8 subsidy that will allow tenants of the property to pay up to 30% of their adjusted gross income towards rent. This will further ensure the project represents a significant value in the market. Nonetheless, the appropriateness of the proposed rent is evaluated in further detail later in this section of the report, as well as in the Achievable Market Rent Analysis section of this report.

We rated each property surveyed on a scale of "A" through "F". All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

| Market-Rate | | | |
|---------------------------|----------|-------------|--------------|
| Quality Rating | Projects | Total Units | Vacancy Rate |
| A | 2 | 278 | 2.5% |
| A- | 2 | 279 | 3.2% |
| B+ | 3 | 170 | 11.2% |
| B | 13 | 1,340 | 6.3% |
| B- | 2 | 42 | 4.8% |
| Non-Subsidized Tax Credit | | | |
| Quality Rating | Projects | Total Units | Vacancy Rate |
| B | 5 | 289 | 1.7% |
| B- | 4 | 125 | 3.2% |

Non-subsidized Tax Credit product surveyed in the market is in relatively good condition, as each property surveyed was assigned a quality rating of “B-“ or “B” by our analyst. The quality of these properties has likely contributed to the low vacancy rates reported among these projects. The subject project is expected to have a good quality and overall appearance which will contribute to its marketability within the Richmond market.

Government-Subsidized

The seven government-subsidized projects surveyed within the Site PMA operate under the HUD Section 8 and Public Housing programs. Generally, these properties have few amenities, are older and offer small unit sizes (square feet). The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows.

| Subsidized Tax Credit | | | | | |
|------------------------------------|-------|------------|---------------|----------|-------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| Studio | 1.0 | 107 | 12.5% | 0 | 0.0% |
| One-Bedroom | 1.0 | 485 | 56.5% | 0 | 0.0% |
| Two-Bedroom | 1.0 | 171 | 19.9% | 0 | 0.0% |
| Two-Bedroom | 1.5 | 12 | 1.4% | 0 | 0.0% |
| Three-Bedroom | 1.0 | 72 | 8.4% | 0 | 0.0% |
| Three-Bedroom | 2.5 | 12 | 1.4% | 0 | 0.0% |
| Total Subsidized Tax Credit | | 859 | 100.0% | 0 | 0.0% |
| Government-Subsidized | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| One-Bedroom | 1.0 | 50 | 100.0% | 0 | 0.0% |
| Total Subsidized | | 50 | 100.0% | 0 | 0.0% |

The subsidized units surveyed, both with and without Tax Credit, are 100.0% occupied. Additionally, these properties all maintain waiting lists, some of which are up to three years in length. This demonstrates the ongoing need for additional affordable rental product within the Richmond market.

A complete field survey of all conventional apartments we surveyed, as well as an apartment location map, is included in Section XII, *Field Survey of Conventional Rentals*.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

We identified and surveyed three age-restricted Low-Income Housing Tax Credit (LIHTC) properties within the Richmond Site PMA that offer non-subsidized units. These properties target senior households with income of up to 50% and/or 60% of Area Median Household Income (AMHI); therefore, they will provide a good base of comparison for the subject project and have been included in our comparable/competitive Tax Credit analysis. The three LIHTC properties and the proposed subject development are summarized in the following table.



| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|--|-----------------------|-------------|-----------|------------------|--------------|--|
| Site | Baker School Senior Apartments | 2018 | 51 | - | - | - | Seniors 62+; 60% AMHI & Section 8 |
| 1 | Shockoe Hill I, II & III (Family & Senior) | 2001 | 177 | 100.0% | 0.7 Miles | 22 H.H. | Seniors 62+; 60% AMHI & Section 8 |
| 2 | William Byrd Senior Apts. | 1971 / 2016 | 107 | 100.0% | 2.0 Miles | 5 H.H. | Seniors 55+; 50% & 60% AMHI |
| 17 | Columns on Grove | 1997 | 21 | 95.2% | 1.6 Miles | None | Seniors 55+; 50% & 60% AMHI |

OCC. – Occupancy
H.H. - Households

The three comparable LIHTC projects have a combined occupancy rate of 99.7%, which is reflective of just one (1) vacant unit at Columns on Grove (Map ID 17). The two fully occupied properties also maintain waiting lists for their next available unit. These are clear indications of strong demand for senior-oriented LIHTC product within the Richmond market.

The following table identifies the comparable LIHTC properties that accept Housing Choice Vouchers as well as the approximate number and share of units occupied by residents utilizing Housing Choice Vouchers:

| Map I.D. | Project Name | Total Units | Number of Vouchers | Share of Vouchers |
|----------|--|-------------|--------------------|-------------------|
| 1 | Shockoe Hill I, II & III (Family & Senior) | 4* | 2 | 50.0% |
| 2 | William Byrd Senior Apts. | 107 | 28 | 26.2% |
| 17 | Columns on Grove | 21 | 8 | 38.1% |
| Total | | 132 | 38 | 28.8% |

*Non-subsidized units only

As the preceding table illustrates, there are a total of approximately 38 Voucher holders residing at the comparable properties within the market. This comprises 28.8% of the total non-subsidized LIHTC units offered among these projects. As such, it can be concluded that the gross rents at these properties are achievable, as approximately 71.0% of the non-subsidized units offered among these properties are currently occupied by non-Voucher holders. The 28.8% share of Voucher support reported at these properties also indicates, however, that Voucher use is relevant within this market. Regardless, the subject project will operate with a project-based Section 8 subsidy. Thus, it will only be eligible to accept Voucher holders in the unlikely event the project-based subsidy was lost and the property had to operate exclusively under the LIHTC guidelines.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table.

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | Rent Special |
|-------------|--|---|--------------------------------------|--|--------------|
| | | Studio | One-Br. | Two-Br. | |
| Site | Baker School Senior Apartments | - | \$815*/60% (51) | - | - |
| 1 | Shockoe Hill I, II & III (Family & Senior) | \$700/60% (4/0) \$816/60% (60/0)** | \$837/60% (113/0)** | - | None |
| 2 | William Byrd Senior Apts. | - | \$690/50% (25/0) \$825/60% (82/0) | - | None |
| 17 | Columns on Grove | - | \$848/50% (10/0) \$848/60% (8/1) | \$1,039/50% (2/0) \$1,039/60% (1/0) | None |

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under Section 8 exceeds maximum allowable LIHTC limit.

**Subsidized (residents pay 30% of their income, as this is a government-subsidized property, which also operates under the Tax Credit program)

The proposed subject gross LIHTC one-bedroom rent of \$815 will be the lowest age-restricted one-bedroom LIHTC rent at 60% AMHI in the Site PMA. As such, the subject project will likely represent an excellent value to low-income seniors within the Richmond market. Nonetheless, all subject units will offer a project-based Section 8 subsidy, requiring tenants to pay up to 30% of their gross adjusted incomes towards housing costs. Therefore, the subject project will represent an even greater value to low-income seniors.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following table:

| Map I.D. | Project Name | Square Footage | | |
|-------------|--|----------------|------------|---------|
| | | Studio | One-Br. | Two-Br. |
| Site | Baker School Senior Apartments | - | 680 | - |
| 1 | Shockoe Hill I, II & III (Family & Senior) | 415 | 699 | - |
| 2 | William Byrd Senior Apts. | - | 416 - 525 | - |
| 17 | Columns on Grove | - | 600 | 640 |

| Map I.D. | Project Name | Number of Baths | | |
|-------------|--|-----------------|------------|---------|
| | | Studio | One-Br. | Two-Br. |
| Site | Baker School Senior Apartments | - | 1.0 | - |
| 1 | Shockoe Hill I, II & III (Family & Senior) | 1.0 | 1.0 | - |
| 2 | William Byrd Senior Apts. | - | 1.0 | - |
| 17 | Columns on Grove | - | 1.0 | 1.0 |

The proposed development will offer some of the largest age-restricted one-bedroom unit sizes (square feet) when compared to the one-bedroom unit sizes offered at the comparable LIHTC projects in the market. This will provide the subject with a competitive advantage. The number of bathrooms to be offered is competitive and appropriate for the targeted tenant population.

The following tables compare the appliances and the unit and project amenities of the subject site with existing Tax Credit properties in the market.

COMPARABLE PROPERTIES AMENITIES - RICHMOND, VIRGINIA

| MAP ID | APPLIANCES | | | | | | UNIT AMENITIES | | | | | | | | | | OTHER | | | |
|-------------|------------|--------------|----------|------------|----------|-----------|----------------|-----------|----------------|------------------|------------|--------------------|-------------|----------|----------|----------|-------|-------------------|----------------|---------|
| | RANGE | REFRIGERATOR | ICEMAKER | DISHWASHER | DISPOSAL | MICROWAVE | CENTRAL AC | WINDOW AC | FLOOR COVERING | WASHER AND DRYER | W/D HOOKUP | PATIO/DECK/BALCONY | CEILING FAN | BASEMENT | INTERCOM | SECURITY | | WINDOW TREATMENTS | E-CALL BUTTONS | PARKING |
| SITE | X | X | | X | | | X | | C | | | | X | | | | B | X | S | |
| 2 | X | X | | | | X | X | | C | | | | | | X | | B | X | O, S | |
| 17 | X | X | | X | X | | X | | C | X | | | | | | | B | X | S | |
| 1 | X | X | | | X | | X | | C | | | | | | X | | B | S | S | |

| MAP ID | PROJECT AMENITIES | | | | | | | | | | | | | | | | OTHER | | |
|-------------|-------------------|--------------|---------|------------|-----------------|----------------|-----------------|------------|--------------|--------------|---------|----------|---------------|--------------|---------|-------------|-------|-----------------|-----------------|
| | POOL | ON-SITE MGMT | LAUNDRY | CLUB HOUSE | COMMUNITY SPACE | FITNESS CENTER | JACUZZI / SAUNA | PLAYGROUND | TENNIS COURT | SPORTS COURT | STORAGE | ELEVATOR | SECURITY GATE | COMPUTER LAB | LIBRARY | PICNIC AREA | | SOCIAL SERVICES | BUSINESS CENTER |
| SITE | | X | X | | X | | | | | | | X | | X | | | | | |
| 2 | | X | X | X | | X | | | | | | X | | | | | X | | Salon |
| 17 | | | X | | | | | | | | | X | | | | | | | |
| 1 | | X | X | | X | | | | | | | X | | | | | X | | |

| |
|--|
| ◆ Senior Restricted |
| ■ Market-rate |
| ■ Market-rate/Tax Credit |
| ■ Market-rate/Government-subsidized |
| ■ Market-rate/Tax Credit/Government-subsidized |
| ■ Tax Credit |
| ■ Tax Credit/Government-subsidized |
| ■ Government-subsidized |

| | |
|-------------------|--------------|
| X - All Units | |
| S - Some Units | |
| O - Optional | |
| Window Treatments | |
| B - Blinds | C - Curtains |
| D - Drapes | |

| | |
|----------------|--------------------|
| Parking | |
| A - Attached | C - Carport |
| D - Detached | O - On Street |
| S - Surface | G - Parking Garage |
| (o) - Optional | (s) - Some |

| | |
|-------------------|-----------------------|
| Sports Courts | |
| B - Basketball | D - Baseball Diamonds |
| P - Putting Green | T - Tennis |
| V - Volleyball | X - Multiple |

| | |
|----------------|--------------|
| Floor Covering | |
| C - Carpet | H - Hardwood |
| V - Vinyl | W - Wood |
| T - Tile | |

| | |
|-------------------|---------------------------|
| Community Space | |
| A - Activity Room | L - Lounge/Gathering Room |
| T - Training Room | |

Once redevelopment is complete, the subject's amenities package will be slightly superior to those offered at the comparable Tax Credit projects within the market. In terms of unit amenities, the subject project will be the only age-restricted LIHTC development to include ceiling fans, and one of two to include a dishwasher. In addition, the subject project will be the only affordable age-restricted development to include a computer center as a project amenity. The inclusion of the aforementioned amenities will provide the subject with a competitive advantage. The subject project does not appear to lack any key amenities that would adversely impact its marketability within the Richmond market. This is especially true when considering the project-based Section 8 subsidy which will be offered to all units.

Comparable/Competitive Tax Credit Summary

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing comparable LIHTC properties within the market, it is our opinion that the proposed subject development will be very competitive. In fact, considering the low proposed LIHTC one-bedroom rent, anticipated quality, relatively larger unit sizes (square feet) and superior amenities package, the subject project is anticipated to represent an excellent value to low-income senior households. Further, considering that the subject project will offer a subsidy on all units, requiring residents to pay up to 30% of their gross adjusted income towards housing costs, it will represent an even greater value to low-income seniors in the market. This has been considered in our absorption estimates.

C. PLANNED MULTIFAMILY DEVELOPMENT

Despite numerous attempts, we were unable to receive a response from local planning and building representatives within the Richmond area. However, through extensive online research, and the observations of our analyst while in the field, it was determined that there are several rental housing projects currently planned and/or under construction within the Site PMA. These planned developments are summarized as follows:

- Overbrook Lofts will be located at a former tobacco warehouse located at 1650 Overbrook Road in Richmond. The 117 units planned will consist of one- and two-bedroom market-rate units with rents ranging from \$900 to \$1,450 and unit sizes ranging from 700 to 1,200 square feet. Historic Housing is the developer of this market-rate property and anticipates the project to be complete sometime in summer of 2017.

- Jackson Ward Senior (aka Jackson Place) received a Tax Credit allocation in 2016 and will be located at 105 East Duval Street. This project is being developed by the Richmond Redevelopment and Housing Authority, and is part of the Frederic A. Fay Towers project, similar to the subject development. Specifically, this project is expected to offer a total of 72 one-bedroom units which will be 606 square feet in size and restricted to seniors age 62 and older earning up to 40% and 50% of AMHI. The proposed collected rents are \$732 for the one-bedroom units and will include the cost of water, sewer, and trash collection. This property will also operate under the HUD Section 8 program. In addition to the 72 proposed age-restricted units, this property is also expected offer 110 family (general-occupancy) units, though additional information pertaining to these family units was unavailable at the time of this report. The anticipated completion date for this project is unknown, though it is of note that construction has not yet begun.
- Better Homes Coalition purchased the former Quality Inn and Suites property located at 3200 West Broad Street and plans to convert the property into 175 to 225 mixed-income workforce housing apartments. This property is expected to offer one- through three-bedroom units which will rent from \$700 to \$1,000. Construction is to begin in summer 2017.
- Eggleston Plaza is currently under construction at 353-539 North 2nd Street. This 31-unit project was awarded a Tax Credit allocation in 2015 and is being developed by Kelvin Hanson. This property will be comprised of 25 one-bedrooms and 6 two-bedrooms and is expected to target family (general-occupancy) households.
- Cary Street Station is a 287-unit market-rate property currently under construction at the former Old Trolley Depot at 2500 West Cary Street. This property is scheduled to open in March of 2017, though preleasing began in October 2016.
- Scott's View, fka Roseneath Towers, will be located at 1400 Roseneath Road and will consist of at least 258 units that will be built in phases. Historic Housing is the developer and the property is expected to consist of one- and two-bedroom units with rents ranging from \$1,300 to \$2,300. The developer plans to sell the apartments as condos three years after the completion of phase II.
- Carytown Crossing is a market-rate property currently under construction at 3500 Kensington Avenue. This property is being developed by Oliver Properties and is expected to offer 12 one-bedroom units and 38 two-bedroom units which are expected to have rents ranging from \$1,115 to \$1,125 and will range in size from 614 to 947 square feet. Preleasing began in February 2017.

- Symbol Apartments is a 200-unit property that will be located at 1814 Highpoint Avenue. Spy Rock Development and the Holladay Corporation are the developers and the property will consist of one- and two-bedroom units which are expected to operate as market-rate. Construction is expected to be complete in spring 2017.
- Dominion Realty Partners plans to develop a \$93 million mixed-use tower at 10th and East Byrd, known as 3Twenty-One. This property is in the early stages of planning and is expected to offer 187 luxury apartments, along with office and commercial space.

Aside from the proposed Jackson Ward Senior project, the currently planned rental communities within the Site PMA are not expected to be competitive with the subject project, as they will primarily target family households and/or operate as unrestricted market-rate properties. The aforementioned Jackson Ward Senior project will, however, be directly competitive with the subject project, as this property is also part of the Frederic A. Fay Towers redevelopment project and will be restricted to seniors age 62 and older under the LIHTC and HUD Section 8 programs. The 72 proposed age-restricted units at this property have been considered in our demand estimates in *Section VII*.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

The anticipated occupancy rates of the existing comparable Tax Credit developments in the market during the first year of occupancy at the subject project are as follows:

| Map I.D. | Project | Current Occupancy Rate | Anticipated Occupancy Rate Through 2018 |
|----------|--|------------------------|---|
| 1 | Shockoe Hill I, II & III (Family & Senior) | 100.0% | 95.0%+ |
| 2 | William Byrd Senior Apts. | 100.0% | 95.0%+ |
| 17 | Columns on Grove | 95.2% | 95.0%+ |

The combined occupancy of the three comparable age-restricted LIHTC projects in the market is 99.7% (a result of only one vacant unit), and two of these three projects are 100.0% occupied with waiting lists. Given these high occupancy rates and considering that the subject project effectively involves the construction of replacement housing for residents of an existing public housing project, the development of the subject project is not expected to have any adverse impact on future occupancy rates at the comparable LIHTC projects.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value within the Site PMA was \$227,920. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$227,920 home is \$1,371, including estimated taxes and insurance.

| Buy Versus Rent Analysis | |
|--|-----------|
| Median Home Price - ESRI | \$227,920 |
| Mortgaged Value = 95% of Median Home Price | \$216,524 |
| Interest Rate - Bankrate.com | 4.5% |
| Term | 30 |
| Monthly Principal & Interest | \$1,097 |
| Estimated Taxes and Insurance* | \$274 |
| Estimated Monthly Mortgage Payment | \$1,371 |

*Estimated at 25% of principal and interest

In comparison, the proposed collected Tax Credit rent for the subject property is \$815 per month, assuming maximum allowable LIHTC rent limits. Therefore, the cost of a monthly mortgage for a typical home in the area is \$556 greater than the cost of renting at the subject project. As such, it is highly unlikely that potential renters in the area would be able to afford the monthly payments required to own a home and the number of tenants who would also be able to afford the down payment on such a home is considered minimal. In fact, as the proposed subject project will target senior households, we expect some support from elderly homeowners downsizing from their homes and seeking a maintenance-free housing alternatives. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

We identified five market-rate properties within the Richmond Site PMA that we consider most comparable to the subject project in terms of age, design, unit types offered, and/or amenities offered. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The proposed subject development and the five selected properties include the following:

| Map I.D. | Project Name | Year Built | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) | | | |
|-------------|---------------------------------------|-------------|-------------|-----------|---------------------------|---------------|-------------|-------------|
| | | | | | Studio | One-Br. | Two-Br. | Three-Br. |
| Site | Baker School Senior Apartments | 2018 | 51 | - | - | 51 (-) | - | - |
| 9 | Richmond Dairy Apts. | 2001 | 11* | 100.0% | - | 11 (100.0%) | - | - |
| 16 | Grace Place Apts. | 1999 | 6* | 66.7% | 3 (33.3%) | 1 (100.0%) | 2 (100.0%) | - |
| 18 | Raven Place Apts. | 2004 | 66 | 71.2% | - | 39 (76.9%) | 27 (63.0%) | - |
| 21 | Eagle Mill Lofts | 2007 | 101 | 99.0% | 20 (95.0%) | 24 (100.0%) | 40 (100.0%) | 17 (100.0%) |
| 26 | Cornish Home Brewery | 2005 | 37 | 100.0% | - | 20 (100.0%) | 17 (100.0%) | - |

Occ. – Occupancy

*Market-rate units only

The five selected market-rate projects have a combined total of 221 units with an overall occupancy rate of 90.0%. Note that while two of the selected properties report overall occupancy rates near, or below, 70.0%, the one-bedroom units offered at these properties are no less than 76.9% occupied. It is also of note that while the one-bedroom units offered at Raven Place Apartments (Map ID 18) are currently operating below 80.0% occupancy, these unit types at this property have historically maintained occupancy rate of 95.0% or better, based on multiple surveys conducted by our firm within the Richmond area since January of 2015. Thus, the lower occupancy rate currently experienced at this property is not typical and is likely reflective of typical tenant turnover at this property. Thus, the one-bedroom units offered at this property are still considered to offer a good base of comparison for the subject project.

It is of note that two of the selected properties, Richmond Dairy Apartments (Map ID 9) and Grace Place Apartments (Map ID 16), offer market-rate units intermixed with LIHTC units. While such properties are typically not selected as market-rate comparables, we have selected these properties for this exercise as they are believed to offer the most comparable units to the subject project in terms of unit features and/or finishes, as compared to the traditional market-rate developments surveyed in the Site PMA, which are primarily comprised of adaptive reuse, luxury-style (Class-A) rental product. These upscale properties typically include premium features not limited to exposed brick interior walls, exposed duct work, natural stone counter tops, stainless steel appliances, premium wood cabinetry, upgraded lighting and plumbing fixtures, and/or premium flooring options. These aforementioned features are not typical of most LIHTC developments, such as the subject project, and command rent premiums within most markets, including the Richmond Site PMA. Due to the general lack of Class-B type market-rate product within the Richmond Site PMA, however, it was necessary to utilize some more upscale market-rate properties as comparables for this analysis. Thus, three of the selected properties are considered superior to the subject development and the two aforementioned market-rate comparables which offer unrestricted units within a mixed-income property, in terms of overall quality. In these instances, we have, however, made negative adjustments to account for the premium features offered at these properties as compared to the subject project. This is detailed in the Rent Comparability Grid included later in this section of the report.

The Rent Comparability Grid on the following page shows the collected rents for each of the selected properties and illustrates the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development.

Rent Comparability Grid

Unit Type →

ONE BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|----------------------|------------------|-------------------|------------------|-------------------|------------------|----------------------------------|------------------|----------------------|------------------|
| Baker School Senior Apartments | | Richmond Dairy Apts. | | Grace Place Apts. | | Raven Place Apts. | | Eagle Mill Lofts | | Cornish Home Brewery | |
| 100 West Baker Street | | 201 W. Marshall St. | | 205 N. 4th St. | | 1710 E. Broad St. | | 1400, 1414, 1418 W. Marshall St. | | 1201 W. Clay St. | |
| Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | |
| Data on Subject | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| A. Rents Charged | | | | | | | | | | | |
| 1 | \$ Last Rent / Restricted? | \$865 | | \$795 | | \$999 | | \$1,095 | | \$900 | |
| 2 | Date Surveyed | Feb-17 | | Jan-17 | | Feb-17 | | Jan-17 | | Jan-17 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 100% | | 77% | | 100% | | 100% | |
| 5 | Effective Rent & Rent/ sq. ft | \$865 | 1.20 | \$795 | 1.38 | \$999 | 1.62 | \$1,095 | 1.83 | \$900 | 1.23 |
| B. Design, Location, Condition | | | | | | | | | | | |
| 6 | Structure / Stories | EE/3 | | EE/11 | | EE/4 | | WU/2,4,5 | | EE/2,4 | |
| 7 | Yr. Built/Yr. Renovated | 2018 | | 1999 | \$17 | 2004 | \$14 | 2007 | \$11 | 2005 | \$13 |
| 8 | Condition /Street Appeal | G | | G | | G | (\$200) | E | (\$219) | G | (\$90) |
| 9 | Neighborhood | F | | G | (\$10) | G | (\$10) | G | (\$10) | G | (\$10) |
| 10 | Same Market? | | Yes | Yes | | Yes | | Yes | | Yes | |
| C. Unit Equipment/ Amenities | | | | | | | | | | | |
| 11 | # Bedrooms | 1 | | 1 | | 1 | | 1 | | 1 | |
| 12 | # Baths | 1 | | 1 | | 1 | | 1 | | 1 | |
| 13 | Unit Interior Sq. Ft. | 680 | (\$14) | 575 | \$38 | 617 | \$23 | 600 | \$29 | 730 | (\$18) |
| 14 | Balcony/ Patio | N | | N | | N | | N | | N | |
| 15 | AC: Central/ Wall | C | | C | | C | | C | | C | |
| 16 | Range/ Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/ Dishwasher | N/Y | | N/Y | | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) |
| 18 | Washer/Dryer | L | | L | | HU | (\$5) | L | | W/D | (\$35) |
| 19 | Floor Coverings | C | | C | | T | | T | | W | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Intercom/Security System | N/N | (\$5) | Y/Y | (\$10) | Y/N | (\$5) | Y/N | (\$5) | Y/N | (\$5) |
| 22 | Garbage Disposal | N | (\$5) | Y | (\$5) | Y | (\$5) | Y | (\$5) | Y | (\$5) |
| 23 | Ceiling Fans/E-Call System | Y/Y | | N/N | | N/N | | N/N | | Y/N | |
| D Site Equipment/ Amenities | | | | | | | | | | | |
| 24 | Parking (\$ Fee) | LOT/\$0 | | STREET | \$50 | STREET | \$50 | STREET | \$50 | P-GAR | (\$50) |
| 25 | On-Site Management | Y | | Y | | Y | | N | \$5 | N | \$5 |
| 26 | Security Gate | N | | N | | N | | N | | N | |
| 27 | Clubhouse/ Meeting Space | Y | | Y | \$5 | N | \$5 | N | \$5 | N | \$5 |
| 28 | Pool/ Recreation Areas | N | (\$5) | F | (\$5) | F | (\$5) | N | | F | (\$5) |
| 29 | Computer/Business Center | Y | \$3 | N | \$3 | N | \$3 | N | \$3 | N | \$3 |
| 30 | Picnic Area | N | | N | | N | | N | | N | |
| 31 | Library | N | | N | | N | | N | | N | |
| 32 | Cable/Internet Included | N/N | | N/N | | Y/Y | (\$70) | Y/Y | (\$70) | Y/Y | (\$70) |
| E. Utilities | | | | | | | | | | | |
| 33 | Heat (in rent?/ type) | Y/E | \$16 | N/E | \$16 | N/E | \$16 | N/E | \$16 | N/E | \$16 |
| 34 | Cooling (in rent?/ type) | Y/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | Y/E | \$7 | N/E | \$7 | N/E | \$7 | N/E | \$7 | N/E | \$7 |
| 36 | Hot Water (in rent?/ type) | Y/G | | N/E | \$16 | N/E | \$16 | N/E | \$16 | N/E | \$16 |
| 37 | Other Electric | Y | \$37 | N | \$37 | N | \$37 | N | \$37 | N | \$37 |
| 38 | Cold Water/ Sewer | Y/Y | | Y/Y | | Y/Y | | N/N | \$50 | Y/Y | |
| 39 | Trash /Recycling | Y/N | | Y/N | | Y/N | | Y/N | | Y/N | |
| F. Adjustments Recap | | | | | | | | | | | |
| 40 | # Adjustments B to D | | 2 5 | | 5 4 | | 5 8 | | 6 6 | | 4 10 |
| 41 | Sum Adjustments B to D | | \$20 (\$39) | | \$115 (\$30) | | \$95 (\$305) | | \$103 (\$314) | | \$26 (\$293) |
| 42 | Sum Utility Adjustments | | \$60 | | \$76 | | \$76 | | \$126 | | \$76 |
| | | | Net Gross | | Net Gross | | Net Gross | | Net Gross | | Net Gross |
| 43 | Net/ Gross Adjmts B to E | | \$41 \$119 | | \$161 \$221 | | (\$134) \$476 | | (\$85) \$543 | | (\$191) \$395 |
| G. Adjusted & Market Rents | | | | | | | | | | | |
| 44 | Adjusted Rent (5+ 43) | | \$906 | | \$956 | | \$865 | | \$1,010 | | \$709 |
| 45 | Adj Rent/Last rent | | | | 105% | | 120% | | 87% | | 92% |
| 46 | Estimated Market Rent | \$920 | | \$1.35 ← | | | | | | | |
| Estimated Market Rent/ Sq. Ft | | | | | | | | | | | |

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

It was determined that the present-day achievable market rent for a one-bedroom unit similar those proposed at the subject project is \$920, based on the preceding Rent Comparability Grid. The achievable market rent is compared with the proposed collected Tax Credit rent at the subject project in the following table:

| Bedroom Type | % AMHI | Proposed Collected Rent | Achievable Market Rent | Market Rent Advantage |
|--------------|--------|-------------------------|------------------------|-----------------------|
| One-Br. | 60% | \$815 | \$920 | 11.4% |

Typically, Tax Credit rents should represent at least a 10.0% market rent advantage in order to be considered a value within a given market, as this will ensure a sufficient flow of tenants and enable a project to maintain a stabilized occupancy rate. As the preceding table illustrates, the proposed collected Tax Credit rent of \$815 represents a market rent advantage of 11.4%. As such, the proposed collected rent will likely be perceived as a good value within the Richmond market. Regardless, all units at the subject project will operate under the HUD Section 8 program which will allow tenants of the project to only pay up to 30% of their adjusted gross income towards housing costs. As such, the subject project will effectively represent an even greater value than that illustrated above.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.



7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1999 and 2007. We have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have a good quality appearance, once construction is complete, similar to the majority of the selected properties. It should be noted however, that while the subject project is expected to have a similar overall appearance, some of the selected properties include premium interior finishes. These include but may not be limited to, stainless steel appliances, natural stone counter tops, exposed brick interior walls, exposed HVAC duct work, premium light and plumbing fixtures, and/or upgraded wood cabinetry. Such features command premium rents and are not typical among LIHTC product such as that proposed at the subject project. As such, we have applied negative adjustments ranging from 10% to 20% to each of these selected properties to account for the higher overall quality finishes of these properties as compared to those anticipated at the subject project.
9. All of the selected properties are considered to be located in more desirable neighborhoods than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among these projects and the subject project.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.- 23. The proposed subject project will offer a unit amenity package that is generally considered inferior to those offered among the selected properties. We have made, however, adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the selected properties do not offer.
- 24.-31. The proposed project offers a project amenities package which is generally considered competitive with those offered among most of the selected properties. Regardless, we have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.

32. Three of the selected properties include cable and Internet services in the rent. As such, a negative adjustment of \$70 (\$35 per service) has been applied to these properties that offer cable and Internet services in the cost of rent. These adjustments were based on quotes provided by local cable and Internet service providers.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential. Note that we have evaluated the subject project assuming two different scenarios. The first capture rate scenario has been calculated assuming that the project operates with a HUD Section 8 subsidy available to all 51 units proposed. In this scenario, residents of these subsidized units will be restricted to 50% of Area Median Household Income (AMHI) under the Section 8 guidelines and will pay up to 30% of their adjusted gross income towards rent. We also provided a capture rate scenario for the unlikely event that the subject project lost its project-based Section 8 subsidy, thus requiring all units to operate exclusively under the Tax Credit guidelines, targeting households earning up to 60% of AMHI. Note that under the Section 8 program the subject project will be restricted to senior households age 62 and older. However, in the unlikely event the subsidy was lost and all units had to operate exclusively under the Tax Credit program, the project would be open to senior residents age 55 and older. Regardless, our demand estimates consider senior households age 65 and older for both scenarios, pursuant to VHDA demand methodology.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Richmond, VA Metropolitan Statistical Area (MSA), which has a median four-person household income of \$72,400 for 2016. The subject property will be restricted to senior households (age 62 and older) with incomes of up to 60% of AMHI under the LIHTC program and up to 50% AMHI under the Section 8 program. The following table summarizes the maximum allowable income by household size and targeted AMHI level.

| Household Size | Targeted AMHI Maximum Allowable Income | |
|----------------|---|----------|
| | 50% | 60% |
| One-Person | \$25,350 | \$30,420 |
| Two-Person | \$29,000 | \$34,800 |

1. Maximum Income Limits

The subject project will be comprised entirely of one-bedroom units, which are expected to house up to two-person senior households, age 62 and older. As such, the maximum allowable income at the subject site is **\$34,800**.

2. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to VHDA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while elderly projects have a 40% rent-to-income ratio.

Since the subject project will operate with a project-based HUD Section 8 subsidy available to all units, the subject project will effectively be able to serve households with incomes as low as \$0.

However, in the unlikely event the project-based subsidy was lost and the project had to operate exclusively under the LIHTC program at the proposed LIHTC rent levels as evaluated throughout this report, the proposed LIHTC units will have a lowest gross rent of \$815. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$9,780. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of \$24,450 at the subject project under the LIHTC program.

3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate range required to live at the proposed project with units built to serve households at 60% of AMHI and under the Section 8 program is as follows:

| Unit Type | Income Range | |
|---|--------------|----------|
| | Minimum | Maximum |
| Tax Credit Only (Limited to 60% of AMHI) | \$24,450 | \$34,800 |
| Tax Credit w/Subsidy (Limited to 50% of AMHI) | \$0 | \$29,000 |

B. CAPTURE RATE CALCULATIONS

Per VHDA market study requirements, analysts are required to use net demand in calculating capture rates and the absorption period. Net demand is determined by subtracting the supply of vacant comparable units in the PMA, completed or pipeline, from Total Demand. Total Demand includes New Renter Household Growth and Demand from Existing Households (defined below).

The following are the demand components as outlined by Virginia Housing Development Authority (VHDA):

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2016 as the base year, with a minimum forward projection to 2017, per VHDA guidelines. For the purpose of this analysis, we have projected forward to 2018 (anticipated site opening). The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. Demand estimates for proposals for elderly developments must be derived from household population age 65 and older. In instances where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*
 - a) **Rent overburdened households, if any, within the age group, income groups and renters targeted for the proposed development.** *“Over-burdened” is defined by VHDA as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 63.4% to 66.9% of households, depending upon income level, within the Site PMA, are considered to be rent overburdened.

- b) **Households in substandard housing** (*i.e. overcrowded and/or lack of plumbing: Must be age and income group appropriate. Analysts must use their knowledge of the market area and the proposed development to determine if demand from this source is realistic. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 2.4% of all households within the Site PMA are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

- c) **Elderly Homeowners likely to convert to rental housing:** *This component may not comprise more than 20% of total demand. The analyst must provide a narrative describing how these numbers were derived. Analysts are encouraged to be conservative in this regard.*

Based on our experience in the Richmond area as well as throughout markets across the country, we assume 5.0% of all income-eligible senior homeowners in this market may potentially be attracted to the proposed subject site. Considering that only one (1) of the 557 affordable age-restricted units surveyed in the market is vacant, it is likely that there are some senior homeowners within the Site PMA that wish to downsize to an affordable maintenance-free housing alternative, but have been unsuccessful due to the lack of availability of such product in the market. Given this lack of available affordable age-restricted rental alternatives in the market, we believe the subject project will be successful in attracting some senior homeowners, thus we believe a 5.0% homeowner conversion rate to be appropriate for this market.

- d) **Existing qualifying tenants likely to remain after renovations:** *This component of demand applies only to existing developments undergoing rehabilitations.*

The sum of demand from rental household growth and demand from all components of existing households will constitute total demand.

C. DEMAND/CAPTURE RATE CALUCLATIONS

As discussed in *Section V* and illustrated in *Section X* of this report, we identified and surveyed five age-restricted LIHTC (subsidized and non-subsidized) projects in the Site PMA. Among these projects, there is a total of only one vacant unit. This vacant one-bedroom unit set at 60% of AMHI at Columns on Grove (Map ID 17), has been considered in our *non-subsidized* demand estimates, as it is directly competitive with the one-bedroom units proposed at the subject site.

One additional property, Jackson Ward Senior, is currently planned for the Richmond Site PMA and will also offer age-restricted LIHTC units. Specifically, this property is expected to offer a total of 72 one-bedroom units restricted to seniors age 62 and older earning up to 40% and 50% of AMHI. In addition to the LIHTC program, this property will also operate under the HUD Section 8 program. Considering the AMHI levels targeted, the 72 units proposed at this property have only been considered in our *subsidized* demand estimates.

The following capture rate analysis assumes two separate scenarios for the subject project. The first assumes that all units operate under the HUD Section 8 and LIHTC programs, while the second scenario assumes the unlikely event the project-based subsidy is lost and the project had to operate exclusively under the LIHTC guidelines.

| Demand Component (Age 65+) | Percent of Median Household Income | |
|--|--|--|
| | Scenario One: LIHTC w/Subsidy (Limited to 50% AMHI) (\$0-\$29,000) | Scenario Two: LIHTC Only (Limited to 60% AMHI) (\$24,450-\$34,800) |
| Demand from New Rental Households (Age- and Income-Appropriate) | 1,252 - 1,223 = 29 | 276 - 257 = 19 |
| + | | |
| Demand from Existing Households (Rent Overburdened) | 1,223 X 66.9% = 818 | 257 X 63.4% = 163 |
| + | | |
| Demand from Existing Households (Renters in Substandard Housing) | 1,223 X 2.4% = 29 | 257 X 2.4% = 6 |
| + | | |
| Demand from Existing Households (Elderly Homeowner Conversion) | 960 X 5.0% = 48 | 308 X 5.0% = 15 |
| + | | |
| Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations) | N/A | N/A |
| = | | |
| Total Demand | 924 | 203 |
| - | | |
| Supply (Directly Comparable Vacant Units Completed or in the Pipeline) | 72 | 1 |
| = | | |
| Net Demand | 852 | 202 |
| Proposed Units | 51 | 51 |
| Proposed Units / Net Demand | 51 / 852 | 51 / 202 |
| Capture Rate | = 6.0% | = 25.2% |
| Total Absorption Period | 4 Months | 10 Months |

N/A – Not Applicable

As the preceding illustrates, the capture rate for the subject project is 6.0%, assuming the project-based subsidy is provided to all units. Considering the high occupancy rates and waiting lists maintained among the affordable age-restricted properties surveyed in the market, this is considered a low and easily achievable capture rate, demonstrating a sufficient base of potential support for the subject project.

In the unlikely event the project-based subsidy is lost and the subject project had to operate exclusively under the LIHTC guidelines, the capture rate increases significantly, to 25.2%. This indicates that there is a more limited, yet sufficient, base of potential age- and income-qualified renter support in the market for the project under this unlikely scenario. Regardless, a project-based Section 8 subsidy will be provided at the property which will ensure a sufficient flow of qualified households for the property within the Richmond market. It is also important to note that the following demand estimates follow VHDA methodology which requires demand for senior properties to be calculated utilizing households age 65 and older, regardless of the actual age restriction at the subject project. In reality, the subject property will effectively target senior households age 62 and older under the subsidized scenario, and senior households age 55 and older under the unlikely non-subsidized scenario. Therefore, we have also provided supplemental demand estimates based on the effective age restrictions for the subject project. These are included on the following page.

It is important to reiterate, however, that the subject project will effectively involve the construction of replacement housing for a portion of the existing Frederic A. Fay Towers public housing community. Therefore, all 51 subject units proposed at the subject project are expected to be quickly filled from existing residents of this aforementioned property. As such, the effective capture rate for the subject project is 0.0%. This is further supported by the fact that the recently completed Highland Park Senior (Map ID 34) property, which is also part of the Frederic A. Fay Towers redevelopment project, was fully occupied within one month of opening.

The following demand estimates consider the effective age restrictions at the subject project as discussed earlier in this section of the report:

| Demand Component | Percent of Median Household Income | |
|--|--|--|
| | Scenario One: LIHTC w/Subsidy (62+) (Limited to 50% AMHI) (\$0-\$29,000) | Scenario Two: LIHTC Only (55+) (Limited to 60% AMHI) (\$24,450-\$34,800) |
| Demand from New Rental Households (Age- and Income-Appropriate) | 1,614 - 1,581 = 33 | 515 - 491 = 24 |
| + | | |
| Demand from Existing Households (Rent Overburdened) | 1,581 X 66.9% = 1,058 | 491 X 63.4% = 311 |
| + | | |
| Demand from Existing Households (Renters in Substandard Housing) | 1,581 X 2.4% = 38 | 491 X 2.4% = 12 |
| + | | |
| Demand from Existing Households (Elderly Homeowner Conversion) | 1,058 X 5.0% = 53 | 415 X 5.0% = 21 |
| + | | |
| Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations) | N/A | N/A |
| = | | |
| Total Demand | 1,182 | 368 |
| - | | |
| Supply (Directly Comparable Vacant Units Completed or in the Pipeline) | 72 | 1 |
| = | | |
| Net Demand | 1,110 | 367 |
| Proposed Units | 51 | 51 |
| Proposed Units / Net Demand | 51 / 1,110 | 51 / 367 |
| Capture Rate | = 4.6% | = 13.9% |
| Total Absorption Period | 4 Months | 8 Months |

N/A – Not Applicable

When considering the effective age restrictions at the subject project, the subsidized and non-subsidized capture rates are 4.6% and 13.9%, respectively. Considering the high occupancy rates and waiting lists reported among the existing affordable age-restricted properties surveyed in the market, these capture rates are both considered achievable within the Richmond Site PMA. Regardless, all units at the subject project are expected to be quickly filled from existing residents of the Frederic A. Fay Towers rental community, as the subject project involves the construction of replacement housing for a portion of this existing property, which is scheduled to be demolished.

D. PENETRATION RATE CALCULATIONS

The 579 existing and recently allocated age-restricted Tax Credit units (subsidized and non-subsidized) in the market, along with the 51 proposed units at the subject site, must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned age-restricted Tax Credit units is \$0 to \$34,800. The penetration rate calculation based on the Demographic Characteristics and Trends of household incomes for the Site PMA is summarized in the following table.

| | Market Penetration |
|--|--------------------|
| Number of LIHTC Units (Proposed and Existing) | 630 |
| Income-Eligible Renter Households (62+) – 2018 | / 1,803 |
| Overall Market Penetration Rate | = 34.9% |

It is our opinion that the 34.9% penetration rate for the age-restricted LIHTC units, both existing and proposed, is achievable. This is especially true when considering that the existing affordable age-restricted properties are 99.8% occupied, with some properties maintaining waiting lists. It is also important to reiterate that the subject project, as well as the one planned age-restricted LIHTC property (Jackson Ward Senior), involves the new construction of replacement housing for an existing Public Housing project, Frederic A. Fay Towers. As such, the 123 units planned between these two aforementioned projects are expected to be quickly filled from current residents of Frederic A. Fay Towers, similar to the recently completed Highland Park Senior property, which was 100.0% occupied within one month of opening.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

Despite numerous attempts, we were unable to receive a response from representatives with the Richmond Redevelopment Housing Authority, in regards to the number of Housing Choice Vouchers issued within their jurisdiction and the current length of the waiting list for additional Vouchers in the Richmond area. It is of note, however, that approximately 29.0% of all occupied units reported among the comparable age-restricted LIHTC projects surveyed in the market are occupied by Voucher holders. This demonstrates that Voucher support is relevant within the Richmond market.

If the rents do not exceed Fair Market Rents, households with Housing Choice Vouchers may be eligible to reside at a LIHTC project. Established by HUD, Fair Market Rents for the Richmond, VA MSA and the proposed subject gross rents are summarized in the following table:

| Bedroom Type | Fair Market Rents | Proposed Tax Credit Gross Rents (% AMHI) |
|--------------|-------------------|--|
| One-Bedroom | \$835 | \$815 (60%) |

As the preceding table illustrates, the proposed gross rent is below current Fair Market Rents. As such, those who hold Housing Choice Vouchers will be eligible to reside at the subject site in the unlikely event the project-based Section 8 subsidy was ever lost. This will increase the base of potential income-eligible household support in the market for the subject project in this unlikely scenario and has been considered in our absorption projections.

F. ABSORPTION PROJECTIONS

Considering the facts contained in this market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the 51 proposed LIHTC units at the subject site will reach a stabilized occupancy of 95.0% within four months of opening. This absorption period is based on an absorption rate of approximately 12 to 13 units per month.

These absorption projections assume a December 2018 opening date. A different opening may impact the absorption potential (positively or negatively) for the subject project. Further, these absorption projections assume the project will be built as outlined in this report and that all units will operate with the availability of a project-based Section 8 subsidy. Changes to the project’s rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project’s initial lease-up period.

In the unlikely event the project-based Section 8 subsidy was lost and the project had to operate exclusively under the LIHTC guidelines, it is likely that the project would experience an extended absorption period as it would no longer be able to target households earning below \$24,450. In this unlikely scenario, the subject project is expected to reach a stabilized occupancy rate of 95.0% within ten months of opening. This is reflective of an average absorption rate of approximately five units per month.

In reality however, the subject project involves the new construction of replacement housing for an existing Public Housing project, Frederic A. Fay Towers. As such, the 51 proposed units at the subject project are expected to be quickly filled by residents of this aforementioned property. Thus, the subject project will likely experience a more rapid absorption than that reflected above, as the subject units will likely be filled as soon as they become available. This is further evident by the fact that the recently completed Highland Park Senior (Map ID 34) project, which is also part of the Frederic A. Fay Towers redevelopment project, was fully occupied within one month of opening.

VIII. Local Perspective (Interviews)

We conducted interviews with various local sources familiar with the Richmond area and the housing, economic and/or demographic characteristics that impact the need for affordable housing. These include, but are not limited to, interviews with local planning and building department representatives, local chamber of commerce and/or economic development officials, housing authority representatives, local real estate professionals and/or apartment managers.

Summaries of key interviews regarding the need for affordable rental housing within the area follow:

- Kelly Roy is the Property manager of Darby House, an age-restricted LIHTC property located outside the Site PMA, but within the Richmond area. According to Ms. Roy there is a need for more affordable housing for seniors near the downtown, Northside, and Jackson Ward areas. Ms. Roy explained these areas a lower income areas of Richmond and seniors do not have many good affordable housing options. Ms. Roy stated seniors in the area would benefit from more one-bedroom affordable units.
- According to Thelma Bland Watson, Executive Director at Senior Connections, there is a high need for affordable housing for seniors. This is especially true in regards to properties that would provide transportation to supportive services such as doctor appointments, as well as routine trips to the grocery store. Thelma Watson also mentioned that one-bedroom units with emergency call buttons/systems would be most beneficial to the senior community within the Richmond area.

IX. Analysis & Conclusions

The proposed subject project involves the new construction of the Baker School Senior Apartments, which will involve the adaptive reuse of a former school building in Richmond, Virginia. The project will comprise a total of 51 one-bedroom units which will be part of the Frederic A. Fay Towers public housing redevelopment project. The subject site is situated approximately 0.4 miles southwest of the existing Frederic A. Fay Towers property from which most, if not all, of the subject tenants are expected to originate. Thus, residents of this existing property will remain within the neighborhood in which they are familiar, upon completion of the Baker School Senior Apartments. The development of the subject project will also contribute to revitalization efforts within the immediate site neighborhood.

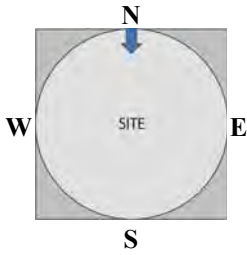
Upon completion, the subject project will operate under both the Low-Income Housing Tax Credit (LIHTC) and HUD Section 8 programs. Within the Richmond Site PMA, we identified and surveyed a total of 14 properties which at least partially operate under the LIHTC program. Of these 14, three offer non-subsidized age-restricted LIHTC units. These three properties have an overall occupancy rate of 99.7%, reflective of just one vacant unit among these properties. Thus, these properties are well-received within the Richmond area and have been included in our comparable LIHTC analysis. The subject's proposed gross Tax Credit rents will be the lowest among these three properties, relative to similar unit types. In addition, the subject project will offer some of the largest unit sizes among the comparable properties, in terms of square feet. These aforementioned factors will contribute to the subject's marketability. It is also important to reiterate that the subject project will ultimately operate with a project-based Section 8 subsidy available to all units. Thus, tenants of the property will only be required to pay up to 30% of their adjusted gross income towards rent, further insuring the subject project will represent a significant value to low-income seniors in the market.

The targeted senior (age 62 and older) demographic is projected to experience positive growth within the Site PMA between 2016 and 2021, as 919 senior households (renter and owner) will be added to the market, reflective of a 16.6% increase during this time period. Notably, 432 (47.0%) of the senior households projected to be added to the market over the next five years will be renters. Additionally, nearly 67.0% of all senior renter households are projected to earn below \$35,000 in 2021. The preceding factors will likely increase demand for senior-oriented rental product such as that proposed at the subject site.

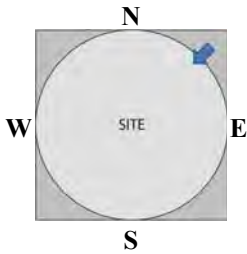
Assuming the project-based Section 8 subsidy is secured, the subject project has a capture rate of 6.0%, which is considered low and easily achievable within this market, further demonstrating a deep base of potential age- and income-appropriate support for the subject project. In the unlikely event the subsidy is lost, however, a more limited, yet sufficient, base of potential support for the property will exist, as the subject's capture rate increases to 25.2%. However, this considers support only from households age 65 and older, per VHDA guidelines. In reality, if the project was ever to lose its project-based subsidy and had to operate exclusively under the LIHTC guidelines, it could effectively target seniors age 55 and older. As illustrated in Section VII, the subject's capture rate in this unlikely scenario is 13.9%, which is moderate, yet achievable within this market considering the high occupancy rates and waiting lists maintained among the existing age-restricted LIHTC projects surveyed. In reality, however, the subject project is effectively providing replacement housing for the existing Frederic A. Fay Towers public housing property, which is scheduled to be demolished. Thus, most, if not all, of the 51 units proposed at the subject project will be filled from existing tenants of this aforementioned property. Therefore, the effective capture rate for the property is expected to be 0.0%. This is further supported by the fact that the recently completed Highland Park Senior (Map ID 34) property, which is also part of the Frederic A. Fay Towers redevelopment project, was fully occupied within one month of opening.

Based on the preceding factors and additional information contained within the market study, it is our opinion that a market exists for the 51 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rent, amenities or opening date may alter these findings. We do not have any recommendations to the subject project at this time.

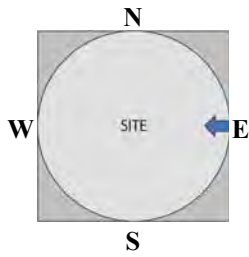
X. SITE PHOTOGRAPHS



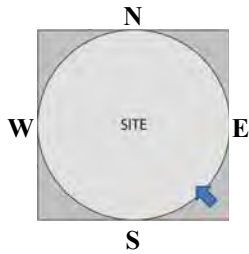
View of site from the north



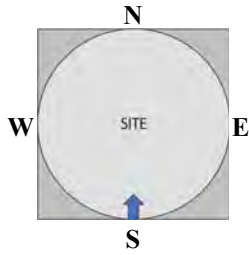
View of site from the northeast



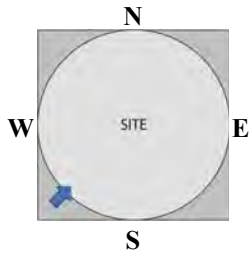
View of site from the east



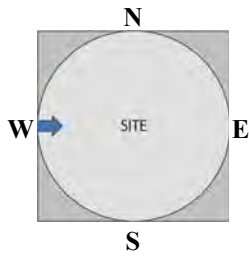
View of site from the southeast



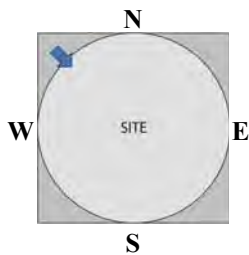
View of site from the south



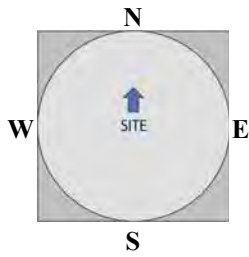
View of site from the southwest



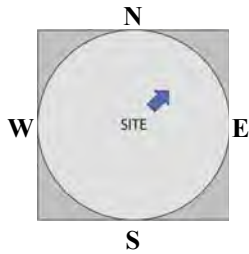
View of site from the west



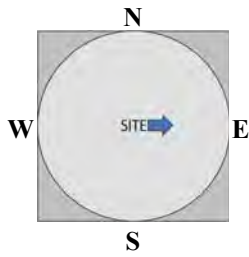
View of site from the northwest



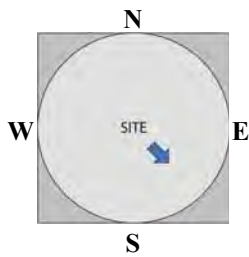
North view from site



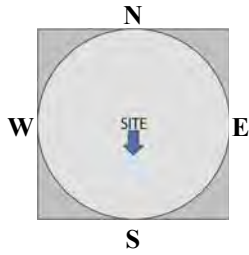
Northeast view from site



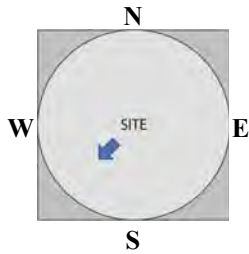
East view from site



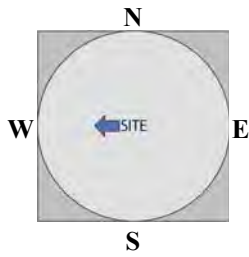
Southeast view from site



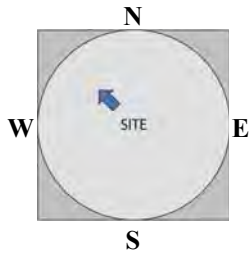
South view from site



Southwest view from site



West view from site



Northwest view from site

XI.

**COMPARABLE
PROPERTY PROFILES**

18 Raven Place Apts.

1.7 miles to site



| | | | |
|-------------------------|---|-------------------------|------------------------------|
| Address | 1710 E. Broad St. Richmond, VA 23223 | | |
| Phone | (804) 365-5897 | Contact | Kirby |
| Total Units | 66 | Vacancies | 19 |
| | | Percent Occupied | 71.2% |
| Project Type | Market-Rate | | |
| Year Open | 2004 | Floors | 4 |
| Concessions | No Rent Specials | | |
| Age Restrictions | NONE | | |
| Waiting List | NONE | | |
| Ratings: | Quality B+ | Neighborhood B | Access/Visibility B/B |
| Remarks | Does not accept HCV; Adaptive reuse, unknown original year built; Flooring is stained concrete or bamboo; Rent range based on floor plan, level & location; Vacancies attributed to previous year built | | |

FEATURES AND UTILITIES

| | |
|--------------------------|--|
| Utilities | Landlord pays Water, Sewer, Trash, Cable, Internet |
| Unit Amenities | Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Intercom, Blinds |
| Project Amenities | On-site Management, Fitness Center, Storage, Elevator |
| Parking | On Street Parking, Surface Parking, Parking Garage |

UNIT CONFIGURATION

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT |
|-----|------|------|-------|--------|-------------|-----------------|----------------|
| 1 | 1 | G | 39 | 9 | 617 to 943 | \$1.06 - \$1.62 | \$999 |
| 2 | 1 | G | 20 | 6 | 832 | \$1.59 | \$1325 |
| 2 | 2 | G | 7 | 4 | 1098 | \$1.21 | \$1325 |

21 Eagle Mill Lofts

1.1 miles to site



Address 1400, 1414, 1418 W. Marshall St.
Richmond, VA 23220

Phone (804) 592-4302 **Contact** Nicole

Total Units 101 **Vacancies** 1 **Percent Occupied** 99.0%

Project Type Market-Rate

Year Open 2007 **Floors** 2,4,5

Concessions No Rent Specials

Age Restrictions NONE

Waiting List NONE

Ratings: **Quality** A- **Neighborhood** B **Access/Visibility** B-/

Remarks
Does not accept HCV; Adaptive reuse, originally built 1903 & 1912; Flooring is ceramic tile & stained concrete; Building 1414 & 1418 have elevator access: 1400 & 1418 have hookups, incl w/d & water; Unit mix est

FEATURES AND UTILITIES

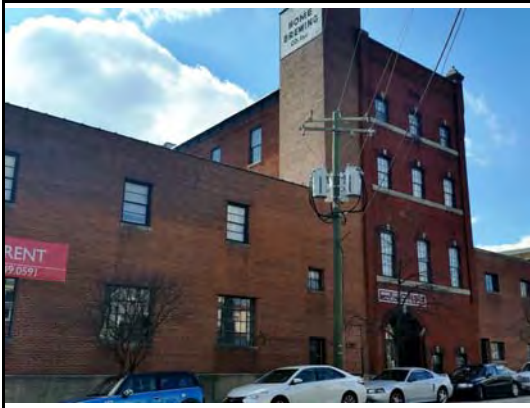
Utilities Landlord pays Trash, Cable, Internet
Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Intercom, Blinds
Project Amenities Laundry Facility, Elevator, CCTV
Parking On Street Parking, Surface Parking, Parking Garage

UNIT CONFIGURATION

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT |
|-----|--------|------|-------|--------|--------------|-----------------|------------------|
| 0 | 1 | G | 20 | 1 | 476 to 490 | \$1.47 - \$1.68 | \$699 to \$825 |
| 1 | 1 | G | 24 | 0 | 506 to 600 | \$1.58 - \$1.83 | \$800 to \$1095 |
| 2 | 1 to 2 | G | 40 | 0 | 565 to 1000 | \$1.41 - \$1.50 | \$795 to \$1500 |
| 3 | 2 | G | 17 | 0 | 1000 to 1200 | \$1.75 - \$1.80 | \$1800 to \$2100 |

26 Cornish Home Brewery

1.0 miles to site



Address 1201 W. Clay St.
Richmond, VA 23220

Phone (804) 649-0591 **Contact** Jennifer

Total Units 37 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate

Year Open 2005 **Floors** 2,4

Concessions No Rent Specials

Age Restrictions NONE

Waiting List NONE

Ratings: **Quality** B **Neighborhood** B **Access/Visibility** B/B

Remarks
Does not accept HCV; 1st floor retail; Adaptive reuse, built in 1891; One space in parking garage incl'd, add'l space \$50; 1st floor units have polished concrete flooring, 2-4th floors have hardwood; Sq ft est


FEATURES AND UTILITIES

Utilities Landlord pays Water, Sewer, Trash, Cable, Internet
Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Ceiling Fan, Intercom, Blinds
Project Amenities Fitness Center, Storage, Elevator, Courtyard
Parking On Street Parking, Parking Garage

UNIT CONFIGURATION

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT |
|-----|------|------|-------|--------|-------------|-----------------|------------------|
| 1 | 1 | G | 20 | 0 | 600 to 730 | \$1.23 - \$1.29 | \$775 to \$900 |
| 2 | 2 | G | 17 | 0 | 800 to 1100 | \$1.18 - \$1.38 | \$1100 to \$1300 |

9 Richmond Dairy Apts. 0.7 miles to site

| | |
|---|---|
|  | Address 201 W. Marshall St. Richmond, VA 23220 |
| | Phone (804) 788-8888 Contact Joy |
| | Total Units 113 Vacancies 2 Percent Occupied 98.2% |
| | Project Type Market-Rate & Tax Credit |
| | Year Open 2001 Floors 4 |
| | Concessions No Rent Specials |
| | Age Restrictions NONE |
| | Waiting List NONE |
| | Ratings: Quality B Neighborhood B Access/Visibility B/B |
| | Remarks 60% AMHI; HCV (18 units); Adaptive reuse, originally built in 1900; Large 1-br/1-ba & 2-br/2.5 ba are lofts; Select units have washer/dryer hookups & patio/balcony |

FEATURES AND UTILITIES

| | |
|--------------------------|---|
| Utilities | Landlord pays Gas Hot Water, Water, Sewer, Trash |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Intercom, Blinds |
| Project Amenities | On-site Management, Laundry Facility, Club House, Fitness Center, Elevator |
| Parking | Surface Parking, Parking Garage |

UNIT CONFIGURATION

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|------|------|-------|--------|-------------|-----------------|----------------|------|
| 0 | 1 | G | 16 | 0 | 350 to 410 | \$1.50 - \$1.64 | \$575 to \$615 | 60% |
| 1 | 1 | G | 11 | 0 | 720 | \$1.20 | \$865 | |
| 1 | 1 | G | 17 | 0 | 600 | \$1.21 | \$725 | 60% |
| 1 | 1 | G | 41 | 0 | 520 to 580 | \$1.21 - \$1.35 | \$700 | 60% |
| 2 | 2 | G | 26 | 2 | 760 to 835 | \$1.06 - \$1.16 | \$885 | 60% |
| 2 | 2.5 | G | 2 | 0 | 925 to 1075 | \$0.99 - \$1.15 | \$1060 | 60% |

16 Grace Place Apts.

1.1 miles to site



Address 205 N. 4th St.
Richmond, VA 23219

Phone (804) 225-0657 **Contact** Constance

Total Units 58 **Vacancies** 5 **Percent Occupied** 91.4%

Project Type Market-Rate & Tax Credit

Year Open 1999 **Floors** 11

Concessions No Rent Specials

Age Restrictions NONE

Waiting List NONE

Ratings: **Quality** B- **Neighborhood** B **Access/Visibility** B/A

Remarks Market-rate (6 units); 60% AMHI (52 units); HCV (3 units); Adaptive reuse, originally built in 1922; Vacancies due to previous mgmt.

FEATURES AND UTILITIES

Utilities Landlord pays Water, Sewer, Trash
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Intercom, Security System, Blinds
Project Amenities On-site Management, Laundry Facility, Fitness Center, Elevator
Parking On Street Parking

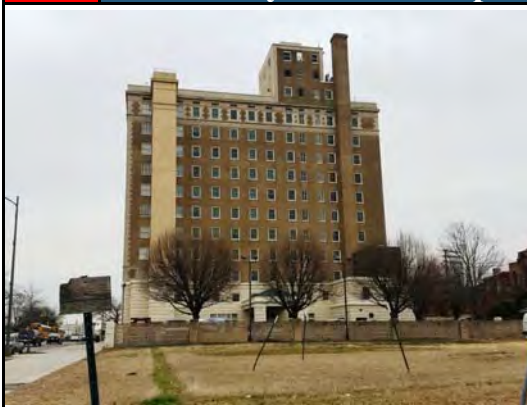
UNIT CONFIGURATION

| BRs | BA's | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|------|------|-------|--------|-------------|-----------------|----------------|------|
| 0 | 1 | G | 3 | 2 | 535 | \$1.30 | \$695 | |
| 0 | 1 | G | 7 | 0 | 535 | \$1.11 | \$595 | 60% |
| 1 | 1 | G | 1 | 0 | 523 to 575 | \$1.38 - \$1.52 | \$795 | |
| 1 | 1 | G | 27 | 1 | 523 to 575 | \$1.21 - \$1.33 | \$695 | 60% |
| 2 | 1 | G | 2 | 0 | 705 to 790 | \$1.13 - \$1.27 | \$895 | |
| 2 | 1 | G | 18 | 2 | 705 to 790 | \$1.01 - \$1.13 | \$795 | 60% |

2

William Byrd Senior Apts.

2.0 miles to site



Address 2501 W. Broad St.
Richmond, VA 23220

Phone (804) 359-5200 **Contact** Teanna

Total Units 107 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 1971 **Renovated** 2016 **Floors** 11

Concessions No Rent Specials

Age Restrictions Senior (55+)

Waiting List 5 households

Ratings: **Quality** B **Neighborhood** B **Access/Visibility** A/A

Remarks 50% & 60% AMHI; HCV (approx. 28 units)

**FEATURES AND UTILITIES**

Utilities Landlord pays Electric, Electric Heat, Electric HotWater, for Cooking Heat, Water, Sewer, Trash
Unit Amenities Refrigerator, Range, Microwave, Central AC, Carpet, Intercom, Blinds, E-Call Button
Project Amenities On-site Management, Laundry Facility, Club House, Fitness Center, Elevator, Social Services, Salon
Parking On Street Parking, Surface Parking

UNIT CONFIGURATION

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|-----------------|----------------|------|
| 1 | 1 | G | 82 | 0 | 416 to 525 | \$1.57 - \$1.98 | \$825 | 60% |
| 1 | 1 | G | 25 | 0 | 416 to 525 | \$1.31 - \$1.66 | \$690 | 50% |

17 Columns on Grove

1.6 miles to site



Address 1621 Grove Ave.
Richmond, VA 23220

Phone (804) 354-9456 **Contact** Sherry

Total Units 21 **Vacancies** 1 **Percent Occupied** 95.2%

Project Type Tax Credit

Year Open 1997 **Floors** 3

Concessions No Rent Specials

Age Restrictions Senior (55+)

Waiting List NONE

Ratings: **Quality** B- **Neighborhood** B **Access/Visibility** B/B

Remarks 50% & 60% AMHI; HCV (8 units); Adaptive reuse, originally built in 1920; Unit mix estimated

FEATURES AND UTILITIES

Utilities Landlord pays Water, Sewer, Trash
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Blinds, E-Call Button
Project Amenities Laundry Facility, Elevator
Parking Surface Parking

UNIT CONFIGURATION

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|------------|----------------|------|
| 1 | 1 | G | 8 | 1 | 600 | \$1.29 | \$772 | 60% |
| 1 | 1 | G | 10 | 0 | 600 | \$1.29 | \$772 | 50% |
| 2 | 1 | G | 1 | 0 | 640 | \$1.47 | \$939 | 60% |
| 2 | 1 | G | 2 | 0 | 640 | \$1.47 | \$939 | 50% |

1 Shockoe Hill I, II & III (Family & Senior) 0.7 miles to site



| | | | |
|-------------------------|--|-------------------------|------------------------------|
| Address | 210 Hospital St. Richmond, VA 23219 | | |
| Phone | (804) 343-1115 | Contact | Laverna |
| Total Units | 177 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Tax Credit & Government-Subsidized | | |
| Year Open | 2001 | Floors | 3, 4 |
| Concessions | No Rent Specials | | |
| Age Restrictions | Senior (62+) | | |
| Waiting List | 22 households | | |
| Ratings: | Quality B | Neighborhood B | Access/Visibility B/A |
| Remarks | 50% AMHI; HUD Section 8 (173 units); HCV (2 units); Also has other various subsidies through state & county; Adaptive reuse, orig built in 1894; Building I & III are family; Building II is senior & has e-call buttons | | |

FEATURES AND UTILITIES

| | |
|--------------------------|---|
| Utilities | Landlord pays Electric, Electric Heat, Electric HotWater, for Cooking Heat, Water, Sewer, Trash |
| Unit Amenities | Refrigerator, Range, Disposal, Central AC, Carpet, Intercom, Blinds, E-Call Button |
| Project Amenities | On-site Management, Laundry Facility, Meeting Room, Elevator, Social Services |
| Parking | Surface Parking |

UNIT CONFIGURATION

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|------|------|-------|--------|-------------|------------|----------------|------|
| 0 | 1 | G | 4 | 0 | 415 | \$1.69 | \$700 | 60% |
| 0 | 1 | G | 60 | 0 | 415 | \$1.97 | \$816 | 60% |
| 1 | 1 | G | 113 | 0 | 699 | \$1.20 | \$837 | 60% |



XII. FIELD SURVEY OF CONVENTIONAL RENTALS

RICHMOND, VIRGINIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

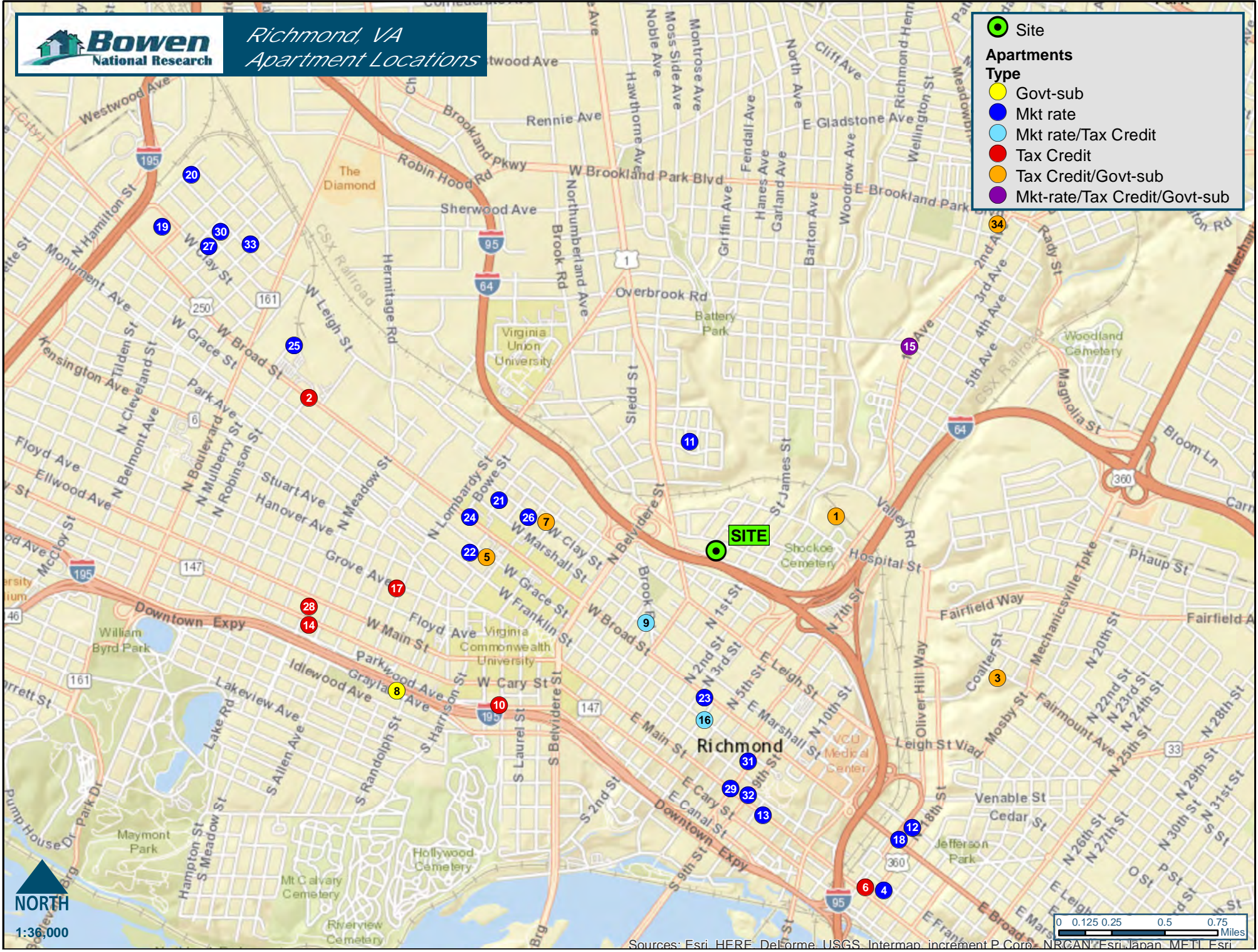


Richmond, VA Apartment Locations

Site
● Site

Apartments Type

- Govt-sub
- Mkt rate
- Mkt rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-sub
- Mkt-rate/Tax Credit/Govt-sub



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

MAP IDENTIFICATION LIST - RICHMOND, VIRGINIA

| MAP ID | PROJECT NAME | PROJ. TYPE | QUALITY RATING | YEAR BUILT | TOTAL UNITS | VACANT | OCC. RATE | DISTANCE TO SITE* |
|--------|--|------------|----------------|------------|-------------|--------|-----------|-------------------|
| ◆ 1 | Shockoe Hill I, II & III (Family & Senior) | TGS | B | 2001 | 177 | 0 | 100.0% | 0.7 |
| ◆ 2 | William Byrd Senior Apts. | TAX | B | 1971 | 107 | 0 | 100.0% | 2.0 |
| 3 | Oliver Crossing | TGS | D | 1956 | 275 | 0 | 100.0% | 1.9 |
| 4 | Market Villas | MRR | B | 2003 | 31 | 1 | 96.8% | 2.0 |
| ◆ 5 | Dominion Place | TGS | B- | 2004 | 249 | 0 | 100.0% | 1.2 |
| 6 | Market Slip | TAX | B- | 1994 | 30 | 0 | 100.0% | 2.0 |
| 7 | New Clay House | TGS | C+ | 1992 | 47 | 0 | 100.0% | 0.9 |
| ◆ 8 | Randolph Place | GSS | B- | 2007 | 50 | 0 | 100.0% | 2.6 |
| 9 | Richmond Dairy Apts. | MRT | B | 2001 | 113 | 2 | 98.2% | 0.7 |
| 10 | St. Andrews | TAX | B- | 1999 | 22 | 0 | 100.0% | 1.3 |
| 11 | College Park Apts. | MRR | B | 1950 | 241 | 29 | 88.0% | 0.7 |
| 12 | 17th Street Lofts | MRR | B | 1980 | 24 | 1 | 95.8% | 1.9 |
| 13 | American Heritage Apts. | MRR | B | 2009 | 65 | 14 | 78.5% | 1.8 |
| 14 | Cary 2000 III | TAX | B | 1996 | 29 | 3 | 89.7% | 2.0 |
| 15 | Highland Grove | TMG | B+ | 2014 | 128 | 0 | 100.0% | 1.4 |
| 16 | Grace Place Apts. | MRT | B- | 1999 | 58 | 5 | 91.4% | 1.1 |
| ◆ 17 | Columns on Grove | TAX | B- | 1997 | 21 | 1 | 95.2% | 1.6 |
| 18 | Raven Place Apts. | MRR | B+ | 2004 | 66 | 19 | 71.2% | 1.7 |
| 19 | Preserve at Scott's Addition | MRR | A | 2015 | 124 | 1 | 99.2% | 2.9 |
| 20 | Scott's Edge Apts. | MRR | B+ | 2014 | 94 | 0 | 100.0% | 2.8 |
| 21 | Eagle Mill Lofts | MRR | A- | 2007 | 101 | 1 | 99.0% | 1.1 |
| 22 | 1106 W. Franklin St. | MRR | B- | 2015 | 36 | 0 | 100.0% | 1.3 |
| 23 | DECO at CNB | MRR | B | 2016 | 200 | 35 | 82.5% | 0.9 |
| 24 | Coliseum Lofts | MRR | B | 2001 | 111 | 1 | 99.1% | 1.3 |
| 25 | Cookie Factory Lofts | MRR | A- | 2014 | 178 | 8 | 95.5% | 2.3 |
| 26 | Cornish Home Brewery | MRR | B | 2005 | 37 | 0 | 100.0% | 1.0 |
| 27 | Court Yard Lofts | MRR | B | 2016 | 90 | 0 | 100.0% | 2.5 |
| 28 | Cary Street West | TAX | B | 1992 | 47 | 0 | 100.0% | 2.0 |
| 29 | 8th & Main | MRR | B | 2015 | 195 | 1 | 99.5% | 1.4 |
| 30 | Osprey Lofts | MRR | B | 2016 | 30 | 0 | 100.0% | 2.6 |
| 31 | Edison Apts. | MRR | B | 2014 | 174 | 0 | 100.0% | 1.2 |
| 32 | First National Apts. | MRR | A | 2012 | 154 | 6 | 96.1% | 1.6 |
| 33 | 1 Scott's Addition | MRR | B | 2014 | 131 | 3 | 97.7% | 2.4 |
| ◆ 34 | Highland Park Senior | TGS | B | 1990 | 77 | 0 | 100.0% | 2.0 |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

* - Drive Distance (Miles)

Survey Date: January 2017

MAP IDENTIFICATION LIST - RICHMOND, VIRGINIA

| PROJECT TYPE | PROJECTS SURVEYED | TOTAL UNITS | VACANT | OCCUPANCY RATE | U/C |
|--------------|-------------------|-------------|--------|----------------|-----|
| MRR | 19 | 2,082 | 120 | 94.2% | 14 |
| MRT | 2 | 171 | 7 | 95.9% | 0 |
| TMG | 1 | 128 | 0 | 100.0% | 0 |
| TAX | 6 | 256 | 4 | 98.4% | 0 |
| TGS | 5 | 825 | 0 | 100.0% | 0 |
| GSS | 1 | 50 | 0 | 100.0% | 0 |

Total units does not include units under construction.

| |
|--|
| ◆ Senior Restricted |
| ■ Market-rate |
| ■ Market-rate/Tax Credit |
| ■ Market-rate/Government-subsidized |
| ■ Market-rate/Tax Credit/Government-subsidized |
| ■ Tax Credit |
| ■ Tax Credit/Government-subsidized |
| ■ Government-subsidized |

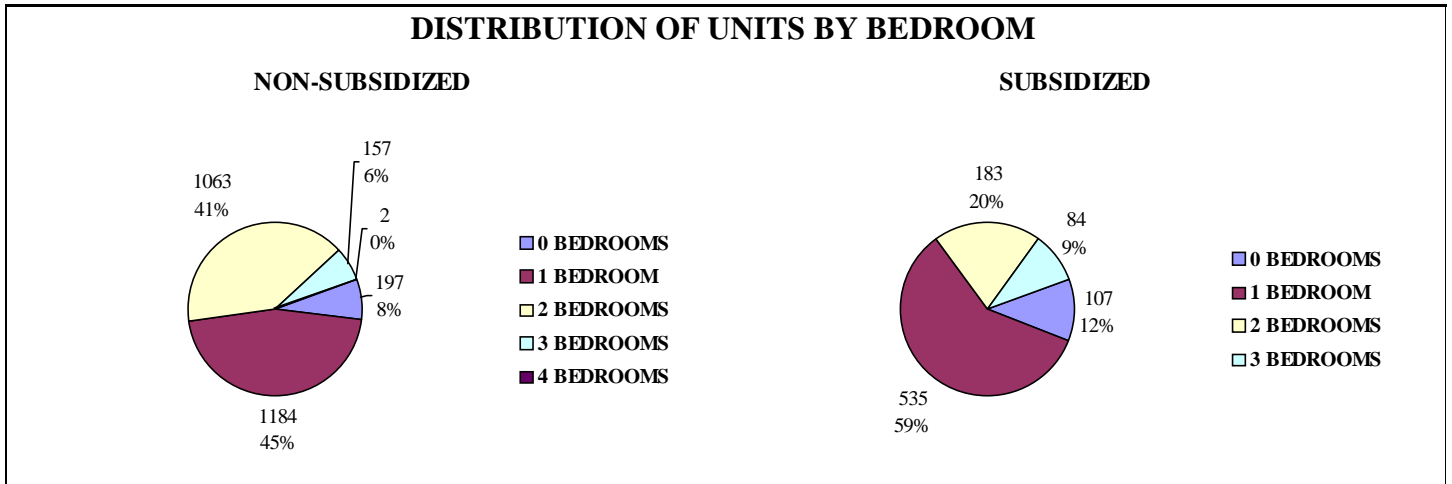
* - Drive Distance (Miles)

Survey Date: January 2017






DISTRIBUTION OF UNITS - RICHMOND, VIRGINIA

| MARKET-RATE | | | | | | |
|--|--------------|--------------|---------------------|---------------|----------------|--------------------------|
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 0 | 1 | 170 | 8.1% | 18 | 10.6% | \$1,104 |
| 1 | 1 | 850 | 40.3% | 32 | 3.8% | \$1,210 |
| 1 | 1.5 | 43 | 2.0% | 0 | 0.0% | \$1,086 |
| 2 | 1 | 358 | 17.0% | 37 | 10.3% | \$841 |
| 2 | 1.5 | 5 | 0.2% | 0 | 0.0% | \$958 |
| 2 | 2 | 510 | 24.2% | 28 | 5.5% | \$1,514 |
| 2 | 2.5 | 60 | 2.8% | 1 | 1.7% | \$2,072 |
| 3 | 2 | 64 | 3.0% | 4 | 6.3% | \$2,066 |
| 3 | 2.5 | 24 | 1.1% | 2 | 8.3% | \$2,131 |
| 3 | 3 | 23 | 1.1% | 0 | 0.0% | \$1,938 |
| 4 | 4 | 1 | 0.0% | 0 | 0.0% | \$2,560 |
| 4 | 4.5 | 1 | 0.0% | 0 | 0.0% | \$2,609 |
| TOTAL | | 2,109 | 100.0% | 122 | 5.8% | |
| 14 UNITS UNDER CONSTRUCTION | | | | | | |
| TAX CREDIT, NON-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 0 | 1 | 27 | 5.5% | 0 | 0.0% | \$660 |
| 1 | 1 | 291 | 58.9% | 2 | 0.7% | \$805 |
| 2 | 1 | 42 | 8.5% | 3 | 7.1% | \$908 |
| 2 | 1.5 | 16 | 3.2% | 0 | 0.0% | \$879 |
| 2 | 2 | 54 | 10.9% | 2 | 3.7% | \$963 |
| 2 | 2.5 | 18 | 3.6% | 0 | 0.0% | \$1,075 |
| 3 | 1 | 1 | 0.2% | 0 | 0.0% | \$1,046 |
| 3 | 1.5 | 13 | 2.6% | 1 | 7.7% | \$1,239 |
| 3 | 2 | 22 | 4.5% | 1 | 4.5% | \$981 |
| 3 | 2.5 | 10 | 2.0% | 0 | 0.0% | \$1,010 |
| TOTAL | | 494 | 100.0% | 9 | 1.8% | |
| TAX CREDIT, GOVERNMENT-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 0 | 1 | 107 | 12.5% | 0 | 0.0% | N.A. |
| 1 | 1 | 485 | 56.5% | 0 | 0.0% | N.A. |
| 2 | 1 | 171 | 19.9% | 0 | 0.0% | N.A. |
| 2 | 1.5 | 12 | 1.4% | 0 | 0.0% | N.A. |
| 3 | 1 | 72 | 8.4% | 0 | 0.0% | N.A. |
| 3 | 2.5 | 12 | 1.4% | 0 | 0.0% | N.A. |
| TOTAL | | 859 | 100.0% | 0 | 0.0% | |
| GOVERNMENT-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 1 | 1 | 50 | 100.0% | 0 | 0.0% | N.A. |
| TOTAL | | 50 | 100.0% | 0 | 0.0% | |
| GRAND TOTAL | | 3,512 | - | 131 | 3.7% | |

DISTRIBUTION OF UNITS - RICHMOND, VIRGINIA



SURVEY OF PROPERTIES - RICHMOND, VIRGINIA






| 1 Shockoe Hill I, II & III (Family & Senior) | | | |
|--|--|--|--------------------------------|
|  | Address 210 Hospital St. Richmond, VA 23219 | Phone (804) 343-1115 (Contact in person) | Total Units 177 |
| | Year Built 2001 | Contact Laverna | Vacancies 0 |
| | Comments 50% AMHI; HUD Section 8 (173 units); HCV (2 units); Also has other various subsidies through state & county; Adaptive reuse, orig built in 1894; Building I & III are family; Building II is senior & has e-call buttons | | Occupied 100.0% |
| | | | Floors 3, 4 |
| | | | Quality Rating B |
| | | | Senior Restricted (62+) |
| | | | Waiting List |
| | | | 22 households |
| 2 William Byrd Senior Apts. | | | |
|  | Address 2501 W. Broad St. Richmond, VA 23220 | Phone (804) 359-5200 (Contact in person) | Total Units 107 |
| | Year Built 1971 Renovated 2016 | Contact Teanna | Vacancies 0 |
| | Comments 50% & 60% AMHI; HCV (approx. 28 units) | | Occupied 100.0% |
| | | | Floors 11 |
| | | | Quality Rating B |
| | | | Senior Restricted (55+) |
| | | | Waiting List |
| | | | 5 households |
| 3 Oliver Crossing | | | |
|  | Address 1329 Coalter St. Richmond, VA 23223 | Phone (804) 643-3959 (Contact in person) | Total Units 275 |
| | Year Built 1956 Renovated 2011 | Contact Christina | Vacancies 0 |
| | Comments 60% AMHI; HUD Section 8; Large 2-br have den | | Occupied 100.0% |
| | | | Floors 2 |
| | | | Quality Rating D |
| | | | Waiting List |
| | | | 1 year |
| 4 Market Villas | | | |
|  | Address 15 N. 18th St. Richmond, VA 23223 | Phone (804) 396-6683 (Contact in person) | Total Units 31 |
| | Year Built 2003 | Contact Andy | Vacancies 1 |
| | Comments Does not accept HCV; 5 units have balcony; Adaptive reuse, originally built in 1920; Rents change daily | | Occupied 96.8% |
| | | | Floors 3 |
| | | | Quality Rating B |
| | | | Waiting List |
| | | | None |
| 5 Dominion Place | | | |
|  | Address 1025 W. Grace St. Richmond, VA 23220 | Phone (804) 355-9114 (Contact in person) | Total Units 249 |
| | Year Built 2004 | Contact Jonnae | Vacancies 0 |
| | Comments 50% AMHI; HUD Section 8 | | Occupied 100.0% |
| | | | Floors 1 |
| | | | Quality Rating B- |
| | | | Senior Restricted (62+) |
| | | | Waiting List |
| | | | 3-36 months |

Project Type








| | |
|---------------------------------------|--|
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: January 2017

SURVEY OF PROPERTIES - RICHMOND, VIRGINIA





| 6 Market Slip | | | |
|--|--|--|---|
|  | Address 2 S. 17th St. Richmond, VA 23219 Year Built 1994 Comments 50 & 60% AMHI; HCV (approx. 4 units); Select units have patio/balcony; Adaptive reuse, originally built in 1860 | Phone (804) 649-9900 (Contact in person) Contact LaFonda | Total Units 30 Vacancies 0 Occupied 100.0% Floors 2, 3 Quality Rating B- Waiting List 2 households |
| 7 New Clay House | | | |
|  | Address 1125 W. Clay St. Richmond, VA 23220 Year Built 1992 Comments 50% AMHI; HUD Section 8; Supportive housing for single formerly homeless tenants; Adaptive reuse, orig. built in 1891; Community shower & kitchens; Staff member unit not included in total | Phone (804) 358-0375 (Contact in person) Contact Narkita | Total Units 47 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C+ Waiting List 31 households |
| 8 Randolph Place | | | |
|  | Address 300 S. Randolph St. Richmond, VA 23220 Year Built 2007 Comments HUD Section 8; Adaptive reuse of former school, original year built 1896; Square footage estimated | Phone (804) 353-1809 (Contact in person) Contact Sherry | Total Units 50 Vacancies 0 Occupied 100.0% Floors 3 Quality Rating B- Senior Restricted (62+) Waiting List 12-24 months |
| 9 Richmond Dairy Apts. | | | |
|  | Address 201 W. Marshall St. Richmond, VA 23220 Year Built 2001 Comments 60% AMHI; HCV (18 units); Adaptive reuse, originally built in 1900; Large 1-br/1-ba & 2-br/2.5 ba are lofts; Select units have washer/dryer hookups & patio/balcony | Phone (804) 788-8888 (Contact in person) Contact Joy | Total Units 113 Vacancies 2 Occupied 98.2% Floors 4 Quality Rating B Waiting List None |
| 10 St. Andrews | | | |
|  | Address 912 Cumberland St. Richmond, VA 23220 Year Built 1999 Comments 50% & 60% AMHI; HCV (8 units); Select units have disposal; Scattered sites; Adaptive reuse, originally built circa 1900; Unit mix & square footage estimated | Phone (804) 354-9455 (Contact in person) Contact Nicole | Total Units 22 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List None |

Project Type

| | |
|---|--|
|  | Market-rate |
|  | Market-rate/Tax Credit |
|  | Market-rate/Government-subsidized |
|  | Market-rate/Tax Credit/Government-subsidized |
|  | Tax Credit |
|  | Tax Credit/Government-subsidized |
|  | Government-subsidized |

Survey Date: January 2017

SURVEY OF PROPERTIES - RICHMOND, VIRGINIA


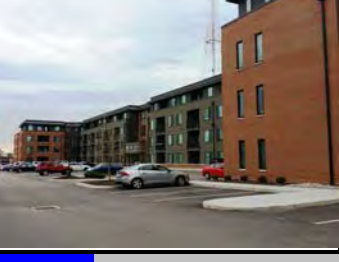

| 11 College Park Apts. | | | |
|--|---|--|---|
|  | Address 1603 Roane St. Richmond, VA 23222 | Phone (804) 321-0175 (Contact in person) | Total Units 241 |
| | Year Built 1950 Comments Does not accept HCV; Duplexes; One model & one office unit not included in total; 10 units under renovations; Vacancies attributed to student move outs; Typical rent: 2-br TH \$825 Rent Special Reported townhome rent discounted | Contact Stacy | Vacancies 29 Occupied 88.0% Floors 2 Quality Rating B Waiting List None |
| 12 17th Street Lofts | | | |
|  | Address 333 N. 17th St. Richmond, VA 23219 | Phone (804) 293-0633 (Contact in person) | Total Units 24 |
| | Year Built 1980 Renovated 2005 Comments Does not accept HCV; Loft style units; Year built & square footage estimated | Contact April | Vacancies 1 Occupied 95.8% Floors 4 Quality Rating B Waiting List None |
| 13 American Heritage Apts. | | | |
|  | Address 1001 E. Main St. Richmond, VA 23219 | Phone (804) 365-5888 (Contact in person) | Total Units 65 |
| | Year Built 2009 Comments Does not accept HCV; 1 & 2-br have fireplace; Rent range based on floor level & location; Mixed use; Adaptive reuse, originally built in 1905 | Contact Kirby | Vacancies 14 Occupied 78.5% Floors 10 Quality Rating B Waiting List None |
| 14 Cary 2000 III | | | |
|  | Address 2107 W. Cary St. Richmond, VA 23220 | Phone (804) 353-1809 (Contact in person) | Total Units 29 |
| | Year Built 1996 Comments 50% & 60% AMHI; HCV (11 units); 3-br have washer/dryer; Scattered sites; 2107 Cary has laundry facility & elevator | Contact Sherry | Vacancies 3 Occupied 89.7% Floors 2 Quality Rating B Waiting List None |
| 15 Highland Grove | | | |
|  | Address 1132 Dove St. Richmond, VA 23222 | Phone (804) 477-7504 (Contact in person) | Total Units 128 |
| | Year Built 2014 Comments 50% AMHI (80 units); Market-rate (10 units); Public Housing & 50% AMHI (38 units); HCV (3 units); Phase I opened 8/2013, 100% occupied 3/2014, began preleasing 3/2013, final phase opened 1/2014 | Contact Diane | Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B+ Waiting List 12-18 months |

Project Type

| |
|--|
| Market-rate |
| Market-rate/Tax Credit |
| Market-rate/Government-subsidized |
| Market-rate/Tax Credit/Government-subsidized |
| Tax Credit |
| Tax Credit/Government-subsidized |
| Government-subsidized |

Survey Date: January 2017

SURVEY OF PROPERTIES - RICHMOND, VIRGINIA

| 16 Grace Place Apts. | | | |
|--|---|--|---|
|  | Address 205 N. 4th St. Richmond, VA 23219 | Phone (804) 225-0657 (Contact in person) | Total Units 58 |
| | Year Built 1999 | Contact Constance | Vacancies 5 |
| | Comments Market-rate (6 units); 60% AMHI (52 units); HCV (3 units); Adaptive reuse, originally built in 1922; Vacancies due to previous mgmt. | | Occupied 91.4% |
| | | | Floors 11 |
| | | | Quality Rating B- |
| | | | Waiting List None |
| 17 Columns on Grove | | | |
|  | Address 1621 Grove Ave. Richmond, VA 23220 | Phone (804) 354-9456 (Contact in person) | Total Units 21 |
| | Year Built 1997 | Contact Sherry | Vacancies 1 |
| | Comments 50% & 60% AMHI; HCV (8 units); Adaptive reuse, originally built in 1920; Unit mix estimated | | Occupied 95.2% |
| | | | Floors 3 |
| | | | Quality Rating B- |
| | | | Senior Restricted (55+) Waiting List None |
| 18 Raven Place Apts. | | | |
|  | Address 1710 E. Broad St. Richmond, VA 23223 | Phone (804) 365-5897 (Contact in person) | Total Units 66 |
| | Year Built 2004 | Contact Kirby | Vacancies 19 |
| | Comments Does not accept HCV; Adaptive reuse, unknown original year built; Flooring is stained concrete or bamboo; Rent range based on floor plan, level & location; Vacancies attributed to previous year built | | Occupied 71.2% |
| | | | Floors 4 |
| | | | Quality Rating B+ |
| | | | Waiting List None |
| 19 Preserve at Scott's Addition | | | |
|  | Address 1310 Roseneath Rd. Richmond, VA 23230 | Phone (844) 823-8080 (Contact in person) | Total Units 124 |
| | Year Built 2015 | Contact Christine | Vacancies 1 |
| | Comments Does not accept HCV; Adaptive reuse, originally built in 1953; Opened 1/2015, stabilized occupancy 2/2016, began preleasing 10/2014; Unit mix estimated | | Occupied 99.2% |
| | | | Floors 4 |
| | | | Quality Rating A |
| | | | Waiting List None |
| 20 Scott's Edge Apts. | | | |
|  | Address 3408 W. Moore St. Richmond, VA 23230 | Phone (804) 241-6860 (Contact in person) | Total Units 94 |
| | Year Built 2014 | Contact Sandra | Vacancies 0 |
| | Comments Does not accept HCV; Stained concrete flooring; Adaptive reuse, originally built circa 1900 | | Occupied 100.0% |
| | | | Floors 1,2 |
| | | | Quality Rating B+ |
| | | | Waiting List 15 households |

Project Type

| |
|--|
| Market-rate |
| Market-rate/Tax Credit |
| Market-rate/Government-subsidized |
| Market-rate/Tax Credit/Government-subsidized |
| Tax Credit |
| Tax Credit/Government-subsidized |
| Government-subsidized |

Survey Date: January 2017

SURVEY OF PROPERTIES - RICHMOND, VIRGINIA






| | | | |
|--|---|--|--|
| 21 Eagle Mill Lofts | | | |
|  | Address 1400, 1414, 1418 W. Marshall St. Richmond, VA 23220 | Phone (804) 592-4302 (Contact in person) | Total Units 101 |
| | Year Built 2007 | Contact Nicole | Vacancies 1 |
| | Comments Does not accept HCV; Adaptive reuse, originally built 1903 & 1912; Flooring is ceramic tile & stained concrete; Building 1414 & 1418 have elevator access: 1400 & 1418 have hookups, incl w/d & water; Unit mix est | | Occupied 99.0% |
| | | | Floors 2,4,5 |
| | | | Quality Rating A- |
| | | | Waiting List None |
| 22 1106 W. Franklin St. | | | |
|  | Address 1106 W. Franklin St. Richmond, VA 23220 | Phone (804) 225-8655 (Contact in person) | Total Units 36 |
| | Year Built 2015 | Contact Elisha | Vacancies 0 |
| | Comments Does not accept HCV; Adaptive reuse, orig built in 1927; Unit mix estimated | | Occupied 100.0% |
| | | | Floors 3 |
| | | | Quality Rating B- |
| | | | Waiting List None |
| 23 DECO at CNB | | | |
|  | Address 219 E. Broad St. Richmond, VA 23219 | Phone (844) 676-3429 (Contact in person) | Total Units 200 |
| | Year Built 2016 | Contact Lauren | Vacancies 35 |
| | Comments Does not accept HCV; Historic Tax Credits, Adaptive reuse, orig built circa 1920; Opened 5/2016, began preleasing 2/2016; Still in lease up; 1st floor commercial | | Occupied 82.5% |
| | | | Floors 23 |
| | | | Quality Rating B |
| | | | Waiting List None |
| 24 Coliseum Lofts | | | |
|  | Address 1359 W. Broad St. Richmond, VA 23220 | Phone (804) 355-5638 (Contact in person) | Total Units 111 |
| | Year Built 2001 | Contact Tara | Vacancies 1 |
| | Comments Does not accept HCV; 1st floor retail; Some 1 & 2-br are lofts; Adaptive reuse, originally built in 1922 | | Occupied 99.1% |
| | | | Floors 4 |
| | | | Quality Rating B |
| | | | Waiting List 0, 1 & 3-br: 4 HH |
| 25 Cookie Factory Lofts | | | |
|  | Address 900 Terminal Pl. Richmond, VA 23220 | Phone (804) 234-3539 (Contact in person) | Total Units 178 |
| | Year Built 2014 | Contact Michelle | Vacancies 8 |
| | Comments Does not accept HCV; 1st units opened 11/2014, began preleasing 9/2014; 4 add'l units still UC, completion date unknown; Adaptive reuse, orig built in 1927; Parking garage is gated; Unit mix estimated | | Occupied 95.5% |
| | | | Floors 2,6 |
| | | | Quality Rating A- |
| | | | Waiting List None |

Project Type

| |
|--|
| Market-rate |
| Market-rate/Tax Credit |
| Market-rate/Government-subsidized |
| Market-rate/Tax Credit/Government-subsidized |
| Tax Credit |
| Tax Credit/Government-subsidized |
| Government-subsidized |

Survey Date: January 2017

SURVEY OF PROPERTIES - RICHMOND, VIRGINIA


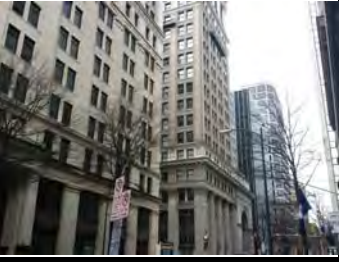
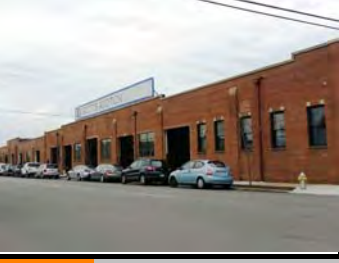

| 26 Cornish Home Brewery | | | |
|--|--|--|--------------------------------------|
|  | Address 1201 W. Clay St. Richmond, VA 23220 | Phone (804) 649-0591 (Contact in person) | Total Units 37 |
| | Year Built 2005 | Contact Jennifer | Vacancies 0 |
| | Comments Does not accept HCV; 1st floor retail; Adaptive reuse, built in 1891; One space in parking garage incl'd, add'l space \$50; 1st floor units have polished concrete flooring, 2-4th floors have hardwood; Sq ft est | | Occupied 100.0% |
| | | | Floors 2,4 |
| | | | Quality Rating B |
| | | | Waiting List None |
| 27 Court Yard Lofts | | | |
|  | Address 3200 W. Clay St. Richmond, VA 23230 | Phone (804) 716-7399 (Contact by phone) | Total Units 90 |
| | Year Built 2016 | Contact Robin | Vacancies 0 |
| | Comments Does not accept HCV; Opened 6/2016, 100% occupied 9/2016, began preleasing 2/2016; Adaptive reuse, unk original year built; Polished concrete flooring | | Occupied 100.0% |
| | | | Floors 1,3 |
| | | | Quality Rating B |
| | | | Waiting List 50 households |
| 28 Cary Street West | | | |
|  | Address 22 S. Meadow St. Richmond, VA 23220 | Phone (804) 354-9456 (Contact in person) | Total Units 47 |
| | Year Built 1992 Renovated 2015 | Contact Sherry | Vacancies 0 |
| | Comments 50% & 60% AMHI; Accepts HCV; Adaptive reuse, originally built circa 1925; Opened 4/2015, began preleasing 1/2015 | | Occupied 100.0% |
| | | | Floors 1,2,3 |
| | | | Quality Rating B |
| | | | Waiting List None |
| 29 8th & Main | | | |
|  | Address 800 E. Main St. Richmond, VA 23219 | Phone (804) 298-2397 (Contact in person) | Total Units 195 |
| | Year Built 2015 | Contact Sarah | Vacancies 1 |
| | Comments Does not accept HCV; Adaptive reuse of 2 buildings, orig built in 1924 & 1968; Opened 12/2015, still in lease up, preleasing 7/2015; Add'l space in parking garage \$130/mo; 3 non-revenue units not incl'd in total | | Occupied 99.5% |
| | | | Floors 3,10 |
| | | | Quality Rating B |
| | | | Waiting List None |
| 30 Osprey Lofts | | | |
|  | Address 3210 W. Leigh St. Richmond, VA 23230 | Phone (804) 716-7399 (Contact in person) | Total Units 30 |
| | Year Built 2016 | Contact Robin | Vacancies 0 |
| | Comments Does not accept HCV; Opened & 100% occupied 3/2016, began preleasing 1/2016; Flooring is mixture of hardwood & polished concrete; Adaptive reuse, original year built unknown | | Occupied 100.0% |
| | | | Floors 1 |
| | | | Quality Rating B |
| | | | Waiting List 20 households |

Project Type

| |
|--|
| Market-rate |
| Market-rate/Tax Credit |
| Market-rate/Government-subsidized |
| Market-rate/Tax Credit/Government-subsidized |
| Tax Credit |
| Tax Credit/Government-subsidized |
| Government-subsidized |

Survey Date: January 2017

SURVEY OF PROPERTIES - RICHMOND, VIRGINIA

| 31 Edison Apts. | | | |
|--|--|--|--|
|  | Address 700 E. Franklin St. Richmond, VA 23219 | Phone (855) 234-6200 (Contact in person) | Total Units 174 |
| | Year Built 2014 | Contact Mary | Vacancies 0 |
| | Comments Does not accept HCV; Opened 6/2014, stabilized occupancy 2/2015, began preleasing 4/2014; Adaptive reuse, originally built in 1919; Unit mix estimated | | Occupied 100.0% |
| | | | Floors 14 |
| | | | Quality Rating B |
| | | | Waiting List None |
| 32 First National Apts. | | | |
|  | Address 823 E. Main St. Richmond, VA 23219 | Phone (804) 495-4061 (Contact in person) | Total Units 154 |
| | Year Built 2012 | Contact Chelsea | Vacancies 6 |
| | Comments Does not accept HCV; Rent range based on unit location & floor plan; Unit mix estimated | | Occupied 96.1% |
| | | | Floors 18 |
| | | | Quality Rating A |
| | Rent Special One month free rent | | Waiting List None |
| 33 1 Scott's Addition | | | |
|  | Address 3031 Norfolk St. Richmond, VA 23230 | Phone (855) 833-8324 (Contact in person) | Total Units 131 |
| | Year Built 2014 | Contact Forest | Vacancies 3 |
| | Comments Does not accept HCV; Concrete flooring; Rents change daily | | Occupied 97.7% |
| | | | Floors 1 |
| | | | Quality Rating B |
| | | | Waiting List None |
| 34 Highland Park Senior | | | |
|  | Address 1221 E. Brookland Park Blvd. Richmond, VA 23222 | Phone (804) 303-2587 (Contact in person) | Total Units 77 |
| | Year Built 1990 Renovated 2016 | Contact Sue | Vacancies 0 |
| | Comments HUD Section 8; Opened & 100% occupied 12/2016; Square footage estimated | | Occupied 100.0% |
| | | | Floors 2,2.5 |
| | | | Quality Rating B |
| | | | Senior Restricted (62+) Waiting List 12 households |

Project Type

| |
|--|
| Market-rate |
| Market-rate/Tax Credit |
| Market-rate/Government-subsidized |
| Market-rate/Tax Credit/Government-subsidized |
| Tax Credit |
| Tax Credit/Government-subsidized |
| Government-subsidized |

Survey Date: January 2017

COLLECTED RENTS - RICHMOND, VIRGINIA

| MAP ID | GARDEN UNITS | | | | | TOWNHOUSE UNITS | | | |
|--------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------|
| | STUDIO | 1-BR | 2-BR | 3-BR | 4+ BR | 1-BR | 2-BR | 3-BR | 4+ BR |
| 1 | \$700 | | | | | | | | |
| 2 | | \$690 to \$825 | | | | | | | |
| 4 | | \$900 to \$1400 | \$1099 to \$1600 | \$1299 to \$1700 | | | | | |
| 6 | | \$709 to \$825 | \$925 | | | | | | |
| 9 | \$575 to \$615 | \$700 to \$865 | \$885 to \$1060 | | | | | | |
| 10 | | | | | | \$633 to \$772 | \$772 to \$939 | \$889 to \$1082 | |
| 11 | | \$800 | \$850 | | | | \$725 | | |
| 12 | | \$1000 | \$1500 to \$1550 | | | | | | |
| 13 | | \$1064 to \$1459 | \$1359 to \$1901 | \$1899 | | | | | |
| 14 | | \$772 | \$939 | | | | | \$1082 | |
| 15 | | \$574 | \$676 | \$769 | | | \$676 to \$755 | \$769 to \$960 | |
| 16 | \$595 to \$695 | \$695 to \$795 | \$795 to \$895 | | | | | | |
| 17 | | \$772 | \$939 | | | | | | |
| 18 | | \$999 | \$1325 | | | | | | |
| 19 | | \$1163 to \$1363 | \$1548 to \$1800 | | | | | | |
| 20 | | \$1050 to \$1120 | \$1356 to \$1554 | | | | | | |
| 21 | \$699 to \$825 | \$800 to \$1095 | \$795 to \$1500 | \$1800 to \$2100 | | | | | |
| 22 | | \$800 | \$1125 to \$1200 | | | | | | |
| 23 | \$992 to \$1019 | \$1141 to \$1707 | \$1600 to \$1893 | | | | | | |
| 24 | \$825 | \$989 | \$1300 to \$1500 | \$1978 | | | | | |
| 25 | | \$980 to \$1000 | \$1350 to \$1650 | \$1900 to \$2500 | | | \$1350 to \$1650 | \$1901 to \$2500 | |
| 26 | | \$775 to \$900 | \$1100 to \$1300 | | | | | | |
| 27 | \$805 | \$849 to \$1195 | | \$1915 | | | \$1295 to \$1615 | | |
| 28 | | \$772 | \$939 | | | | \$939 | \$1082 | |
| 29 | | \$1250 to \$1379 | \$1499 to \$1749 | | \$2600 to \$2649 | | | | |
| 30 | | \$799 to \$1026 | | \$1950 | | | \$1295 to \$1600 | | |
| 31 | \$758 to \$1090 | \$874 to \$1295 | \$1278 to \$1895 | \$1965 to \$2295 | | | | | |
| 32 | \$1100 to \$1325 | \$1100 to \$1689 | \$1327 to \$1889 | \$2000 to \$2684 | | | | | |
| 33 | | \$1050 to \$1350 | \$1400 to \$1650 | | | \$1050 to \$1350 | \$1400 to \$1650 | | |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: January 2017



PRICE PER SQUARE FOOT - RICHMOND, VIRGINIA

| STUDIO UNITS | | | | | |
|-------------------|--|----------|------------|------------------|------------------|
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 21 | Eagle Mill Lofts | 1 | 476 to 490 | \$771 to \$897 | \$1.62 to \$1.83 |
| 23 | DECO at CNB | 1 | 444 | \$1104 to \$1131 | \$2.49 to \$2.55 |
| 24 | Coliseum Lofts | 1 | 365 to 743 | \$785 | \$1.06 to \$2.15 |
| 27 | Court Yard Lofts | 1 | 480 to 554 | \$917 | \$1.66 to \$1.91 |
| 31 | Edison Apts. | 1 | 424 to 549 | \$830 to \$1162 | \$1.96 to \$2.12 |
| 32 | First National Apts. | 1 | 577 | \$1228 to \$1453 | \$2.13 to \$2.52 |
| 9 | Richmond Dairy Apts. | 1 | 350 to 410 | \$627 to \$667 | \$1.63 to \$1.79 |
| 16 | Grace Place Apts. | 1 | 535 | \$660 to \$760 | \$1.23 to \$1.42 |
| 1 | Shockoe Hill I, II & III (Family & Senior) | 1 | 415 | \$700 | \$1.69 |
| ONE-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 4 | Market Villas | 1 | 388 to 695 | \$936 to \$1436 | \$2.07 to \$2.41 |
| 11 | College Park Apts. | 1 | 750 | \$876 | \$1.17 |
| 12 | 17th Street Lofts | 1 | 599 to 663 | \$960 | \$1.45 to \$1.60 |
| 13 | American Heritage Apts. | 1 | 500 to 750 | \$1100 to \$1495 | \$1.99 to \$2.20 |
| 18 | Raven Place Apts. | 1 | 617 to 943 | \$1035 | \$1.10 to \$1.68 |
| 19 | Preserve at Scott's Addition | 1 | 614 to 836 | \$1305 to \$1505 | \$1.80 to \$2.13 |
| 20 | Scott's Edge Apts. | 1 | 577 to 954 | \$1010 to \$1080 | \$1.13 to \$1.75 |
| 21 | Eagle Mill Lofts | 1 | 506 to 600 | \$886 to \$1181 | \$1.75 to \$1.97 |
| 22 | 1106 W. Franklin St. | 1 | 500 to 700 | \$876 | \$1.25 to \$1.75 |
| 23 | DECO at CNB | 1 | 452 to 795 | \$1267 to \$1833 | \$2.31 to \$2.80 |
| 24 | Coliseum Lofts | 1 | 511 | \$949 | \$1.86 |
| 25 | Cookie Factory Lofts | 1 to 1.5 | 561 to 963 | \$1066 to \$1086 | \$1.13 to \$1.90 |
| 26 | Cornish Home Brewery | 1 | 600 to 730 | \$811 to \$936 | \$1.28 to \$1.35 |
| 27 | Court Yard Lofts | 1 to 1.5 | 541 to 863 | \$975 to \$1321 | \$1.53 to \$1.80 |
| 29 | 8th & Main | 1 | 560 to 958 | \$1210 to \$1339 | \$1.40 to \$2.16 |
| 30 | Osprey Lofts | 1 to 1.5 | 556 to 937 | \$925 to \$1152 | \$1.23 to \$1.66 |
| 31 | Edison Apts. | 1 | 504 to 619 | \$960 to \$1381 | \$1.90 to \$2.23 |
| 32 | First National Apts. | 1 | 598 to 690 | \$1242 to \$1831 | \$2.08 to \$2.65 |
| 33 | 1 Scott's Addition | 1 | 515 to 891 | \$1010 to \$1310 | \$1.47 to \$1.96 |
| 9 | Richmond Dairy Apts. | 1 | 520 to 720 | \$760 to \$925 | \$1.28 to \$1.46 |
| 16 | Grace Place Apts. | 1 | 523 to 575 | \$771 to \$871 | \$1.47 to \$1.51 |
| 15 | Highland Grove | 1 | 947 | \$712 | \$0.75 |
| 2 | William Byrd Senior Apts. | 1 | 416 to 525 | \$690 to \$825 | \$1.57 to \$1.66 |
| 6 | Market Slip | 1 | 500 to 800 | \$689 to \$805 | \$1.01 to \$1.38 |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: January 2017



PRICE PER SQUARE FOOT - RICHMOND, VIRGINIA

| ONE-BEDROOM UNITS | | | | | |
|-------------------|------------------------------|----------|-------------|------------------|------------------|
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 10 | St. Andrews | 1 | 725 | \$750 to \$889 | \$1.03 to \$1.23 |
| 14 | Cary 2000 III | 1 | 641 | \$860 | \$1.34 |
| 17 | Columns on Grove | 1 | 600 | \$848 | \$1.41 |
| 28 | Cary Street West | 1 | 700 | \$860 | \$1.23 |
| TWO-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 4 | Market Villas | 2 | 830 to 1040 | \$1159 to \$1660 | \$1.40 to \$1.60 |
| 11 | College Park Apts. | 1 | 725 to 1000 | \$841 to \$950 | \$0.95 to \$1.16 |
| 12 | 17th Street Lofts | 2 | 938 to 1086 | \$1460 to \$1510 | \$1.39 to \$1.56 |
| 13 | American Heritage Apts. | 2 | 710 to 1300 | \$1419 to \$1961 | \$1.51 to \$2.00 |
| 18 | Raven Place Apts. | 1 | 832 | \$1385 | \$1.66 |
| | | 2 | 1098 | \$1385 | \$1.26 |
| 19 | Preserve at Scott's Addition | 2 | 903 to 1247 | \$1731 to \$1983 | \$1.59 to \$1.92 |
| 20 | Scott's Edge Apts. | 2 | 840 to 1232 | \$1316 to \$1514 | \$1.23 to \$1.57 |
| 21 | Eagle Mill Lofts | 1 to 2 | 565 to 1000 | \$922 to \$1627 | \$1.63 to \$1.63 |
| 22 | 1106 W. Franklin St. | 1 | 750 to 1000 | \$1225 to \$1300 | \$1.30 to \$1.63 |
| 23 | DECO at CNB | 2 | 867 to 1006 | \$1767 to \$2060 | \$2.04 to \$2.05 |
| 24 | Coliseum Lofts | 2 | 526 to 722 | \$1260 to \$1460 | \$2.02 to \$2.40 |
| 25 | Cookie Factory Lofts | 1 to 2 | 531 to 1055 | \$1477 to \$1777 | \$1.68 to \$2.78 |
| | | 2 | 854 to 1325 | \$1493 to \$1793 | \$1.35 to \$1.75 |
| 26 | Cornish Home Brewery | 2 | 800 to 1100 | \$1160 to \$1360 | \$1.24 to \$1.45 |
| 27 | Court Yard Lofts | 2 | 840 to 1104 | \$1478 to \$1798 | \$1.63 to \$1.76 |
| 29 | 8th & Main | 2 | 838 to 1591 | \$1459 to \$1709 | \$1.07 to \$1.74 |
| 30 | Osprey Lofts | 2 | 851 to 1119 | \$1478 to \$1783 | \$1.59 to \$1.74 |
| 31 | Edison Apts. | 2 to 2.5 | 840 to 875 | \$1405 to \$2022 | \$1.67 to \$2.31 |
| 32 | First National Apts. | 1 to 2.5 | 847 to 1355 | \$1510 to \$2072 | \$1.53 to \$1.78 |
| 33 | 1 Scott's Addition | 2 | 650 to 1165 | \$1360 to \$1610 | \$1.38 to \$2.09 |
| 9 | Richmond Dairy Apts. | 2 | 760 to 835 | \$963 | \$1.15 to \$1.27 |
| | | 2.5 | 925 to 1075 | \$1138 | \$1.06 to \$1.23 |
| 16 | Grace Place Apts. | 1 | 705 to 790 | \$895 to \$995 | \$1.26 to \$1.27 |
| 15 | Highland Grove | 1.5 | 1056 | \$879 to \$958 | \$0.83 to \$0.91 |
| | | 2 | 1115 | \$851 | \$0.76 |
| 6 | Market Slip | 2 | 980 | \$905 | \$0.92 |
| 10 | St. Andrews | 1 to 1.5 | 900 | \$908 to \$1075 | \$1.01 to \$1.19 |
| 14 | Cary 2000 III | 1 to 2 | 758 | \$1047 | \$1.38 |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: January 2017



PRICE PER SQUARE FOOT - RICHMOND, VIRGINIA

| TWO-BEDROOM UNITS | | | | | |
|---------------------|-------------------------|----------|--------------|------------------|------------------|
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 17 | Columns on Grove | 1 | 640 | \$1039 | \$1.62 |
| 28 | Cary Street West | 1 | 950 | \$1047 | \$1.10 |
| | | 2.5 | 950 | \$1075 | \$1.13 |
| THREE-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 4 | Market Villas | 2 | 992 to 1229 | \$1381 to \$1782 | \$1.39 to \$1.45 |
| 13 | American Heritage Apts. | 3 | 1977 | \$1981 | \$1.00 |
| 21 | Eagle Mill Lofts | 2 | 1000 to 1200 | \$1966 to \$2266 | \$1.89 to \$1.97 |
| 24 | Coliseum Lofts | 3 | 1017 | \$1938 | \$1.91 |
| 25 | Cookie Factory Lofts | 2 | 1340 to 1369 | \$2066 to \$2666 | \$1.54 to \$1.95 |
| | | 2.5 | 1451 to 1494 | \$2086 to \$2685 | \$1.44 to \$1.80 |
| 27 | Court Yard Lofts | 3 | 1275 | \$2121 | \$1.66 |
| 30 | Osprey Lofts | 2 | 1386 | \$2156 | \$1.56 |
| 31 | Edison Apts. | 2.5 to 3 | 1238 to 1281 | \$2131 to \$2461 | \$1.72 to \$1.92 |
| 32 | First National Apts. | 2.5 | 1500 to 1636 | \$2222 to \$2906 | \$1.48 to \$1.78 |
| 15 | Highland Grove | 2 | 1371 | \$981 | \$0.72 |
| | | 2.5 | 1513 | \$1010 to \$1201 | \$0.67 to \$0.79 |
| 10 | St. Andrews | 1 to 1.5 | 1100 | \$1046 to \$1239 | \$0.95 to \$1.13 |
| 14 | Cary 2000 III | 1.5 to 2 | 1400 | \$1239 | \$0.89 |
| 28 | Cary Street West | 1.5 | 1150 | \$1239 | \$1.08 |
| FOUR+ BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 29 | 8th & Main | 4 to 4.5 | 2405 to 3308 | \$2560 to \$2609 | \$0.79 to \$1.06 |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: January 2017

AVERAGE GROSS RENT PER SQUARE FOOT - RICHMOND, VIRGINIA

| MARKET-RATE | | | |
|--------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$1.90 | \$1.76 | \$1.76 |
| TOWNHOUSE | \$1.51 | \$1.23 | \$1.34 |

| TAX CREDIT (NON-SUBSIDIZED) | | | |
|------------------------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$1.44 | \$1.10 | \$0.72 |
| TOWNHOUSE | \$1.13 | \$1.04 | \$0.88 |

| COMBINED | | | |
|------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$1.78 | \$1.68 | \$1.58 |
| TOWNHOUSE | \$1.44 | \$1.21 | \$1.05 |

TAX CREDIT UNITS - RICHMOND, VIRGINIA

| STUDIO UNITS | | | | | | |
|-------------------|--|-------|-------------|------------|--------|----------------|
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 9 | Richmond Dairy Apts. | 16 | 350 - 410 | 1 | 60% | \$575 - \$615 |
| 16 | Grace Place Apts. | 7 | 535 | 1 | 60% | \$595 |
| ◆ 1 | Shockoe Hill I, II & III (Family & Senior) | 4 | 415 | 1 | 60% | \$700 |
| 7 | New Clay House | 47 | 156 | 1 | 50% | \$739 |
| ◆ 1 | Shockoe Hill I, II & III (Family & Senior) | 60 | 415 | 1 | 60% | \$816 |
| ONE-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 15 | Highland Grove | 14 | 947 | 1 | 50% | \$435 |
| 15 | Highland Grove | 20 | 947 | 1 | 50% | \$574 |
| 10 | St. Andrews | 3 | 725 | 1 | 60% | \$633 - \$772 |
| 10 | St. Andrews | 5 | 725 | 1 | 50% | \$633 - \$772 |
| ◆ 2 | William Byrd Senior Apts. | 25 | 416 - 525 | 1 | 50% | \$690 |
| 16 | Grace Place Apts. | 27 | 523 - 575 | 1 | 60% | \$695 |
| 9 | Richmond Dairy Apts. | 41 | 520 - 580 | 1 | 60% | \$700 |
| 6 | Market Slip | 6 | 500 - 800 | 1 | 50% | \$709 |
| 9 | Richmond Dairy Apts. | 17 | 600 | 1 | 60% | \$725 |
| 14 | Cary 2000 III | 13 | 641 | 1 | 50% | \$772 |
| 14 | Cary 2000 III | 7 | 641 | 1 | 60% | \$772 |
| 28 | Cary Street West | 5 | 700 | 1 | 60% | \$772 |
| 28 | Cary Street West | 4 | 700 | 1 | 50% | \$772 |
| ◆ 17 | Columns on Grove | 8 | 600 | 1 | 60% | \$772 |
| ◆ 17 | Columns on Grove | 10 | 600 | 1 | 50% | \$772 |
| 3 | Oliver Crossing | 32 | 567 | 1 | 60% | \$790 |
| ◆ 34 | Highland Park Senior | 69 | 500 - 600 | 1 | 50% | \$816 |
| ◆ 34 | Highland Park Senior | 8 | 500 - 600 | 1 | 40% | \$816 |
| ◆ 2 | William Byrd Senior Apts. | 82 | 416 - 525 | 1 | 60% | \$825 |
| 6 | Market Slip | 18 | 500 - 800 | 1 | 60% | \$825 |
| ◆ 1 | Shockoe Hill I, II & III (Family & Senior) | 113 | 699 | 1 | 60% | \$837 |
| ◆ 5 | Dominion Place | 249 | 475 | 1 | 50% | \$1043 |

◆ - Senior Restricted

TAX CREDIT UNITS - RICHMOND, VIRGINIA

| TWO-BEDROOM UNITS | | | | | | | |
|---------------------|----------------------|------------------|-------------|------------|--------|----------------|-------|
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT | |
| 15 | Highland Grove | 12 | 1056 | 1.5 | 50% | \$509 | |
| 15 | Highland Grove | 20 | 1115 | 2 | 50% | \$676 | |
| 15 | Highland Grove | 10 | 1056 | 1.5 | 50% | \$676 | |
| 10 | St. Andrews | 4 | 900 | 1 - 1.5 | 60% | \$772 - \$939 | |
| 10 | St. Andrews | 8 | 900 | 1 - 1.5 | 50% | \$772 - \$939 | |
| 16 | Grace Place Apts. | 18 | 705 - 790 | 1 | 60% | \$795 | |
| 3 | Oliver Crossing | 171 | 741 - 927 | 1 | 60% | \$873 | |
| 9 | Richmond Dairy Apts. | 26 | 760 - 835 | 2 | 60% | \$885 | |
| 6 | Market Slip | 6 | 980 | 2 | 60% | \$925 | |
| 14 | Cary 2000 III | 1 | 758 | 1 - 2 | 60% | \$939 | |
| 28 | Cary Street West | 8 | 950 | 2.5 | 50% | \$939 | |
| 14 | Cary 2000 III | 3 | 758 | 1 - 2 | 50% | \$939 | |
| 28 | Cary Street West | 10 | 950 | 1 | 60% | \$939 | |
| 28 | Cary Street West | 8 | 950 | 2.5 | 60% | \$939 | |
| 28 | Cary Street West | 3 | 950 | 1 | 50% | \$939 | |
| ◆ | 17 | Columns on Grove | 1 | 640 | 1 | 60% | \$939 |
| ◆ | 17 | Columns on Grove | 2 | 640 | 1 | 50% | \$939 |
| 9 | Richmond Dairy Apts. | 2 | 925 - 1075 | 2.5 | 60% | \$1060 | |
| THREE-BEDROOM UNITS | | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT | |
| 15 | Highland Grove | 12 | 1513 | 2.5 | 50% | \$576 | |
| 15 | Highland Grove | 20 | 1371 | 2 | 50% | \$769 | |
| 15 | Highland Grove | 10 | 1513 | 2.5 | 50% | \$769 | |
| 10 | St. Andrews | 2 | 1100 | 1 - 1.5 | 60% | \$889 - \$1082 | |
| 28 | Cary Street West | 7 | 1150 | 1.5 | 60% | \$1082 | |
| 14 | Cary 2000 III | 1 | 1400 | 1.5 - 2 | 50% | \$1082 | |
| 14 | Cary 2000 III | 4 | 1400 | 1.5 - 2 | 60% | \$1082 | |
| 28 | Cary Street West | 2 | 1150 | 1.5 | 50% | \$1082 | |
| 3 | Oliver Crossing | 72 | 937 | 1 | 60% | \$1090 | |

◆ - Senior Restricted

QUALITY RATING - RICHMOND, VIRGINIA

MARKET-RATE PROJECTS AND UNITS

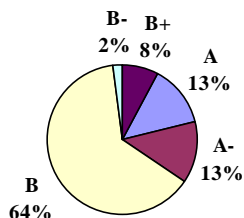
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT | | | | |
|----------------|----------|-------------|--------------|-------------------|---------|---------|----------|---------|
| | | | | STUDIOS | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| A | 2 | 278 | 2.5% | \$1,228 | \$1,305 | \$1,731 | \$2,222 | |
| A- | 2 | 279 | 3.2% | \$771 | \$1,086 | \$1,493 | \$2,266 | |
| B+ | 3 | 170 | 11.2% | | \$1,035 | \$1,385 | \$1,201 | |
| B | 13 | 1,340 | 6.3% | \$917 | \$1,267 | \$1,360 | \$1,938 | \$2,560 |
| B- | 2 | 42 | 4.8% | \$760 | \$876 | \$1,225 | | |

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

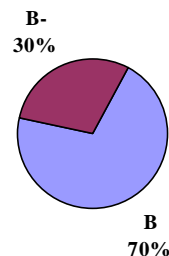
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT | | | | |
|----------------|----------|-------------|--------------|-------------------|--------|---------|----------|---------|
| | | | | STUDIOS | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| B | 5 | 289 | 1.7% | \$667 | \$825 | \$1,047 | \$1,239 | |
| B- | 4 | 125 | 3.2% | \$660 | \$805 | \$905 | \$1,046 | |

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - RICHMOND, VIRGINIA *

| YEAR RANGE | PROJECTS | UNITS | VACANT | % VACANT | TOTAL UNITS | DISTRIBUTION |
|--------------|-----------|-------------|------------|-------------|-------------|----------------|
| Before 1970 | 1 | 241 | 29 | 12.0% | 241 | 9.3% |
| 1970 to 1979 | 1 | 107 | 0 | 0.0% | 348 | 4.1% |
| 1980 to 1989 | 1 | 24 | 1 | 4.2% | 372 | 0.9% |
| 1990 to 1999 | 6 | 207 | 9 | 4.3% | 579 | 8.0% |
| 2000 to 2005 | 6 | 362 | 23 | 6.4% | 941 | 13.9% |
| 2006 | 0 | 0 | 0 | 0.0% | 941 | 0.0% |
| 2007 | 1 | 101 | 1 | 1.0% | 1042 | 3.9% |
| 2008 | 0 | 0 | 0 | 0.0% | 1042 | 0.0% |
| 2009 | 1 | 65 | 14 | 21.5% | 1107 | 2.5% |
| 2010 | 0 | 0 | 0 | 0.0% | 1107 | 0.0% |
| 2011 | 0 | 0 | 0 | 0.0% | 1107 | 0.0% |
| 2012 | 1 | 154 | 6 | 3.9% | 1261 | 5.9% |
| 2013 | 0 | 0 | 0 | 0.0% | 1261 | 0.0% |
| 2014 | 5 | 667 | 11 | 1.6% | 1928 | 25.6% |
| 2015 | 3 | 355 | 2 | 0.6% | 2283 | 13.6% |
| 2016** | 3 | 320 | 35 | 10.9% | 2603 | 12.3% |
| TOTAL | 29 | 2603 | 131 | 5.0% | 2603 | 100.0 % |

YEAR RENOVATED - RICHMOND, VIRGINIA *

| YEAR RANGE | PROJECTS | UNITS | VACANT | % VACANT | TOTAL UNITS | DISTRIBUTION |
|--------------|----------|------------|----------|-------------|-------------|----------------|
| Before 1970 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 1970 to 1979 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 1980 to 1989 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 1990 to 1999 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 2000 to 2005 | 1 | 24 | 1 | 4.2% | 24 | 13.5% |
| 2006 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2007 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2008 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2009 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2010 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2011 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2012 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2013 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2014 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2015 | 1 | 47 | 0 | 0.0% | 71 | 26.4% |
| 2016** | 1 | 107 | 0 | 0.0% | 178 | 60.1% |
| TOTAL | 3 | 178 | 1 | 0.6% | 178 | 100.0 % |

Note: The upper table (Year Built) includes all of the units included in the lower table.

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of January 2017

APPLIANCES AND UNIT AMENITIES - RICHMOND, VIRGINIA

| APPLIANCES | | | |
|-----------------------|-----------------|----------------|---------------|
| APPLIANCE | PROJECTS | PERCENT | UNITS* |
| RANGE | 28 | 100.0% | 2,603 |
| REFRIGERATOR | 28 | 100.0% | 2,603 |
| ICEMAKER | 12 | 42.9% | 1,196 |
| DISHWASHER | 25 | 89.3% | 2,229 |
| DISPOSAL | 24 | 85.7% | 2,041 |
| MICROWAVE | 17 | 60.7% | 1,947 |
| UNIT AMENITIES | | | |
| AMENITY | PROJECTS | PERCENT | UNITS* |
| AC - CENTRAL | 27 | 96.4% | 2,509 |
| AC - WINDOW | 1 | 3.6% | 94 |
| FLOOR COVERING | 28 | 100.0% | 2,603 |
| WASHER/DRYER | 18 | 64.3% | 1,885 |
| WASHER/DRYER HOOK-UP | 24 | 85.7% | 2,287 |
| PATIO/DECK/BALCONY | 14 | 50.0% | 1,245 |
| CEILING FAN | 15 | 53.6% | 1,432 |
| FIREPLACE | 2 | 7.1% | 89 |
| BASEMENT | 0 | 0.0% | |
| INTERCOM SYSTEM | 20 | 71.4% | 1,908 |
| SECURITY SYSTEM | 2 | 7.1% | 88 |
| WINDOW TREATMENTS | 27 | 96.4% | 2,449 |
| FURNISHED UNITS | 0 | 0.0% | |
| E-CALL BUTTON | 2 | 7.1% | 132 |

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - RICHMOND, VIRGINIA

| PROJECT AMENITIES | | | |
|------------------------|----------|---------|-------|
| AMENITY | PROJECTS | PERCENT | UNITS |
| POOL | 6 | 21.4% | 812 |
| ON-SITE MANAGEMENT | 20 | 71.4% | 2,161 |
| LAUNDRY | 11 | 39.3% | 910 |
| CLUB HOUSE | 8 | 28.6% | 1,181 |
| MEETING ROOM | 4 | 14.3% | 389 |
| FITNESS CENTER | 18 | 64.3% | 2,011 |
| JACUZZI/SAUNA | 0 | 0.0% | |
| PLAYGROUND | 0 | 0.0% | |
| COMPUTER LAB | 2 | 7.1% | 201 |
| SPORTS COURT | 1 | 3.6% | 200 |
| STORAGE | 0 | 0.0% | |
| LAKE | 0 | 0.0% | |
| ELEVATOR | 19 | 67.9% | 1,859 |
| SECURITY GATE | 1 | 3.6% | 94 |
| BUSINESS CENTER | 0 | 0.0% | |
| CAR WASH AREA | 0 | 0.0% | |
| PICNIC AREA | 4 | 14.3% | 339 |
| CONCIERGE SERVICE | 0 | 0.0% | |
| SOCIAL SERVICE PACKAGE | 1 | 3.6% | 111 |

DISTRIBUTION OF UTILITIES - RICHMOND, VIRGINIA

| UTILITY (RESPONSIBILITY) | NUMBER OF PROJECTS | NUMBER OF UNITS | DISTRIBUTION OF UNITS |
|--------------------------|--------------------|-----------------|-----------------------|
| HEAT | | | |
| LANDLORD | | | |
| ELECTRIC | 11 | 1,242 | 35.4% |
| TENANT | | | |
| ELECTRIC | 19 | 2,044 | 58.2% |
| GAS | 4 | 226 | 6.4% |
| | | | 100.0% |
| COOKING FUEL | | | |
| LANDLORD | | | |
| ELECTRIC | 11 | 1,242 | 35.4% |
| TENANT | | | |
| ELECTRIC | 23 | 2,270 | 64.6% |
| | | | 100.0% |
| HOT WATER | | | |
| LANDLORD | | | |
| ELECTRIC | 11 | 1,242 | 35.4% |
| GAS | 2 | 388 | 11.0% |
| TENANT | | | |
| ELECTRIC | 17 | 1,656 | 47.2% |
| GAS | 4 | 226 | 6.4% |
| | | | 100.0% |
| ELECTRIC | | | |
| LANDLORD | | | |
| | 11 | 1,242 | 35.4% |
| TENANT | | | |
| | 23 | 2,270 | 64.6% |
| | | | 100.0% |
| WATER | | | |
| LANDLORD | | | |
| | 25 | 2,333 | 66.4% |
| TENANT | | | |
| | 9 | 1,179 | 33.6% |
| | | | 100.0% |
| SEWER | | | |
| LANDLORD | | | |
| | 25 | 2,333 | 66.4% |
| TENANT | | | |
| | 9 | 1,179 | 33.6% |
| TRASH PICK-UP | | | |
| LANDLORD | | | |
| | 32 | 3,234 | 92.1% |
| TENANT | | | |
| | 2 | 278 | 7.9% |
| | | | 100.0% |

UTILITY ALLOWANCE - RICHMOND, VA

| BR | UNIT TYPE | HEATING | | | | HOT WATER | | COOKING | | ELEC | WATER | SEWER | TRASH | CABLE |
|----|-----------|---------|------|-------|-------|-----------|------|---------|------|------|-------|-------|-------|-------|
| | | GAS | ELEC | STEAM | OTHER | GAS | ELEC | GAS | ELEC | | | | | |
| 0 | GARDEN | \$30 | \$14 | | \$6 | \$9 | \$13 | \$3 | \$6 | \$32 | \$18 | \$29 | \$16 | \$20 |
| 1 | GARDEN | \$33 | \$16 | | \$7 | \$11 | \$16 | \$4 | \$7 | \$37 | \$19 | \$31 | \$16 | \$20 |
| 1 | TOWNHOUSE | \$54 | \$23 | | \$11 | \$11 | \$16 | \$4 | \$7 | \$45 | \$19 | \$31 | \$16 | \$20 |
| 2 | GARDEN | \$35 | \$20 | | \$10 | \$15 | \$22 | \$5 | \$9 | \$49 | \$26 | \$41 | \$16 | \$20 |
| 2 | TOWNHOUSE | \$54 | \$27 | | \$13 | \$15 | \$22 | \$5 | \$9 | \$58 | \$26 | \$41 | \$16 | \$20 |
| 3 | GARDEN | \$38 | \$23 | | \$11 | \$19 | \$28 | \$6 | \$11 | \$60 | \$33 | \$51 | \$16 | \$20 |
| 3 | TOWNHOUSE | \$55 | \$30 | | \$14 | \$19 | \$28 | \$6 | \$11 | \$72 | \$33 | \$51 | \$16 | \$20 |
| 4 | GARDEN | \$41 | \$26 | | \$12 | \$22 | \$32 | \$7 | \$12 | \$72 | \$41 | \$61 | \$16 | \$20 |
| 4 | TOWNHOUSE | \$55 | \$36 | | \$16 | \$22 | \$32 | \$7 | \$12 | \$86 | \$41 | \$61 | \$16 | \$20 |

VA-Richmond (1/2016) Fees

Survey Date: January 2017

XII-27



XIII. Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Luke Mortensen, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Mortensen received his Bachelor's Degree in Sports Leadership and Management from Miami University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Elijah Wright, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Wright holds a Bachelor of Arts degree in Integrated Media from Ohio University.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

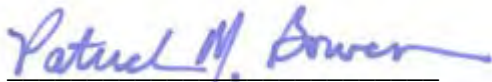
Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

Addendum A – Member Certification & Checklist

This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.



Patrick M. Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: January 30, 2017



Craig Rupert
Market Analyst
craigr@bowennational.com
Date: January 30, 2017

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com/MarketStudiesNCAHMA/AboutNCAHMA/tabid/234/Default.aspx>

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

| | | Section (s) |
|---------------------------------|---|-------------|
| Executive Summary | | |
| 1. | Executive Summary | II |
| Project Description | | |
| 2. | Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances | III |
| 3. | Utilities (and utility sources) included in rent | III |
| 4. | Project design description | III |
| 5. | Unit and project amenities; parking | III |
| 6. | Public programs included | III |
| 7. | Target population description | III |
| 8. | Date of construction/preliminary completion | III |
| 9. | If rehabilitation, existing unit breakdown and rents | III |
| 10. | Reference to review/status of project plans | III |
| Location and Market Area | | |
| 11. | Market area/secondary market area description | IV |
| 12. | Concise description of the site and adjacent parcels | IV |
| 13. | Description of site characteristics | IV |
| 14. | Site photos/maps | X |
| 15. | Map of community services | IV |
| 16. | Visibility and accessibility evaluation | IV |
| 17. | Crime Information | IV |

CHECKLIST (Continued)

| | | Section (s) |
|------------------------------------|---|-------------|
| Employment and Economy | | |
| 18. | Employment by industry | IV |
| 19. | Historical unemployment rate | IV |
| 20. | Area major employers | IV |
| 21. | Five-year employment growth | IV |
| 22. | Typical wages by occupation | IV |
| 23. | Discussion of commuting patterns of area workers | IV |
| Demographic Characteristics | | |
| 24. | Population and household estimates and projections | IV |
| 25. | Area building permits | V |
| 26. | Distribution of income | IV |
| 27. | Households by tenure | IV |
| Competitive Environment | | |
| 28. | Comparable property profiles | XI |
| 29. | Map of comparable properties | X |
| 30. | Comparable property photographs | XI |
| 31. | Existing rental housing evaluation | V |
| 32. | Comparable property discussion | V |
| 33. | Area vacancy rates, including rates for Tax Credit and government-subsidized | V |
| 34. | Comparison of subject property to comparable properties | V |
| 35. | Availability of Housing Choice Vouchers | V |
| 36. | Identification of waiting lists | V & XII |
| 37. | Description of overall rental market including share of market-rate and affordable properties | V |
| 38. | List of existing LIHTC properties | V |
| 39. | Discussion of future changes in housing stock | V |
| 40. | Discussion of availability and cost of other affordable housing options including homeownership | V |
| 41. | Tax Credit and other planned or under construction rental communities in market area | V |
| Analysis/Conclusions | | |
| 42. | Calculation and analysis of Capture Rate | VII |
| 43. | Calculation and analysis of Penetration Rate | VII |
| 44. | Evaluation of proposed rent levels | V & VI |
| 45. | Derivation of Achievable Market Rent and Market Advantage | VI |
| 46. | Derivation of Achievable Restricted Rent | N/A |
| 47. | Precise statement of key conclusions | II |
| 48. | Market strengths and weaknesses impacting project | II |
| 49. | Recommendations and/or modification to project discussion | II |
| 50. | Discussion of subject property's impact on existing housing | V |
| 51. | Absorption projection with issues impacting performance | II |
| 52. | Discussion of risks or other mitigating circumstances impacting project projection | II |
| 53. | Interviews with area housing stakeholders | V |

CHECKLIST (Continued)

| Other Requirements | | Section (s) |
|---------------------------|--|--------------------|
| 54. | Preparation date of report | Title Page |
| 55. | Date of Field Work | Certification |
| 56. | Certifications | Certification |
| 57. | Statement of qualifications | XIII |
| 58. | Sources of data not otherwise identified | I |
| 59. | Utility allowance schedule | XII |