



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET FEASIBILITY STUDY OF:
NEWBRIDGE
VILLAGE**

A MARKET FEASIBILITY STUDY OF:

NEWBRIDGE VILLAGE

301 Newbridge Road
Richmond, Henrico County, Virginia 23223

Effective Date: September 2, 2019
Report Date: September 25, 2019

Prepared for:
Kevin Orth
Managing Partner
Atlantic American Partners
269 South Main Street
Providence, RI 02903

Prepared by:
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240-235-1701





September 25, 2019

Kevin Orth
Managing Partner
Atlantic American Partners
269 South Main Street
Providence, RI 02903

Re: Application Market Study to VHDA for Newbridge Village, located in Richmond, Henrico County, Virginia

Dear Mr. Orth:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Richmond, Henrico County, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We previously completed a Rent Comparability Study on this property in March 2019. We have not performed no additional services in the past three years for the Subject property.

The purpose of this market study is to assess the viability of the proposed rehabilitation of a 152-unit LIHTC/Section 8 project. It will be a financed under the Low Income Housing Tax Credit (LIHTC) with four percent LIHTCs. The Subject will be restricted to households earning 40 and 50 percent of AMI, or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Virginia Housing Development Authority, including the following:

- Inspecting the site of the proposed Subject, and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.
- Investigating the general economic health and conditions of the multifamily rental market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income-eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary and Secondary Market Area(s), if applicable.
- Surveying competing projects, both LIHTC and market-rate.

Novogradac & Company LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). The NCHMA certification and checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

MR. KEVIN ORTH
ATLANTIC AMERICAN PARTNERS
SEPTEMBER 25, 2019
PAGE 2

Virginia Housing Development Authority is the client in this engagement and intended user of this report. As our client, Virginia Housing Development Authority owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

The Stated Purpose of this assignment is for application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners. Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

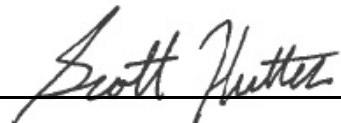
Respectfully submitted,
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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- Subject Site Description:** The Subject is located at 301 Newbridge Road in Richmond, Henrico County, Virginia 23223.
- Surrounding Land Uses:** The Subject is located east of downtown Richmond in the Highland Springs neighborhood. To the west are single-family homes in average condition, to the north is Summerdale Apartments (included as a comparable) in average condition and Coventry Gardens Apartments (excluded as a comparable) in average condition, to the east is a single-family home in average condition, a house of worship, and vacant land, and to the south are townhomes in average condition. Summerdale Apartments is a 124-unit LIHTC property that has been included as a comparable property in this report. Coventry Gardens Apartments is a 176-unit affordable property that has been excluded as a comparable property in this report as all of its units are subsidized. The surroundings uses are in average condition. The Subject site is rated as “Car-Dependent” by WalkScore with a score of 29, indicating that most errands require a car. The following depicts the surrounding uses of the Subject. The nearest bus stop is located 0.3 miles north of the Subject.
- Subject Property Description:** Newbridge Village, the Subject, is an existing 152-unit LIHTC/Section 8 apartment community. The Subject consists of 19 two-story walk-up garden style buildings and one one-story leasing office. The Subject was initially constructed in 1980 and renovated with LIHTCs in 2004. The Subject’s rehabilitation will be financed under the Low Income Housing Tax Credit (LIHTC) program with four percent LIHTCs. The Subject will be restricted to households earning 40 and 50 percent of AMI, or less.
- Current Rents:** The Subject currently operates as a LIHTC and Section 8 property. Of the 152 units there are 151 units with a subsidy overlay. These units operate with subsidy where tenants pay 30 percent of their income towards rent. The Subject is currently 100 percent occupied. The Subject has a historical economic occupancy rate of 98.9 percent occupancy in 2018, 98.7 percent occupancy in 2017, and 98.9 percent occupancy in 2016.
- The Subject currently has an Extended Use Regulatory Agreement that requires 90 percent of the units be set aside at the 50 percent AMI income level and that 10 percent of the units be set aside at the 40 percent AMI income level. This agreement expires in 2053. As part of this proposed four percent rehabilitation, a new Extended Use Regulatory Agreement will be negotiated with a rent and income set aside in which the units will continue to be restricted at 40 and 50 percent of AMI. This agreement will have a term of 40 years. The current restrictions in the LURA (which require 90 percent of units be set aside at the 50 percent AMI income level and 10 percent of the units be set aside at the 40 percent AMI income level) will be honored through the end of the extended use compliance period. After this

period, the Subject intends to continue to operate with subsidy and with income restrictions at 40 and 50 percent of AMI.

The table below details the Subject’s current HAP contract rents and the proposed post-renovation HAP contract rents.

CURRENT VS. PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Asking Rents	Proposed Asking Rents	Percentage Change
@50%					
3BR / 1BA	1,086	1	\$750	\$950	27%
@40% (Section 8)					
1BR / 1BA	733	3	\$763	\$880	15%
2BR / 1BA	930	8	\$839	\$980	17%
3BR / 1BA	1,086	5	\$990	\$1,205	22%
@50% (Section 8)					
1BR / 1BA	733	25	\$763	\$880	15%
2BR / 1BA	930	68	\$839	\$980	17%
3BR / 1BA	1,086	42	\$990	\$1,205	22%
		152			

Proposed Renovations:

According to the client, the hard costs of the proposed renovations are budgeted at \$2,660,000, or approximately \$17,500 per unit in hard costs. The scope of renovations will include concrete repair, replacing unit numbering, repairing the parking lot, repairing fencing, landscaping, replacing exterior stairwells, siding repair, roofing repair, entry door repair, window repair, adding a new central mail pavilion, adding a community room and replacing the security camera, and adding new smoke detectors in bedrooms. In terms of interior renovations, the Subject’s scope of renovations include floor repairs, drywall repair, interior painting, new cabinetry, new refrigerators, stoves, and dishwashers, replace and repair bathroom fixtures as needed, adding low flow toilets, adding porch lights, replacing hot water heaters, and replacing water submeters. Amenities to be added include a community room and community area WiFi. **It should be noted that this is a selective rehabilitation and the scope of work was determined on an as needed basis. The full rehabilitation scope of work is provided as an addenda to this report.**

Proposed Rents:

The following table details proposed rents for the Subject’s units.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents	
@40% (Section 8)								
1BR / 1BA	733	3	\$880	\$74	\$954	\$648	\$932	
2BR / 1BA	930	8	\$980	\$86	\$1,066	\$778	\$1,067	
3BR / 1BA	1,086	5	\$1,205	\$113	\$1,318	\$899	\$1,421	
@50%								
3BR / 1BA	1,086	1	\$950	\$113	\$1,063	\$1,123	\$1,421	
@50% (Section 8)								
1BR / 1BA	733	25	\$880	\$74	\$954	\$810	\$932	
2BR / 1BA	930	68	\$980	\$86	\$1,066	\$972	\$1,067	
3BR / 1BA	1,086	42	\$1,205	\$113	\$1,318	\$1,123	\$1,421	
		152						

Notes (1) Source of Utility Allowance provided by the Developer.

Of the Subject's 152 units, 151 operate with Project Based Rental Assistance. The Subject's one proposed unsubsidized LIHTC unit has rent set below the maximum allowable level.

Target Household Income Levels:

Based on the proposed restrictions, the range of annual household income levels is depicted below.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40% (Section 8)		@50%		@50% (Section 8)	
1BR	\$0	\$27,680	-	-	\$0	\$34,600
2BR	\$0	\$31,120	-	-	\$0	\$38,900
3BR	\$0	\$37,360	\$36,446	\$46,700	\$0	\$46,700

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40%		@50%	
1BR	\$22,217	\$27,680	\$25,680	\$34,600
2BR	\$26,674	\$31,120	\$30,377	\$38,900
3BR	\$30,823	\$37,360	\$36,446	\$46,700

Economic Conditions

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and finance/insurance industries, which collectively comprise 35 percent of local employment. The PMA's largest share of employment is in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The PMA also has a large share of employment in retail trade, which is notable as this industry is historically volatile and prone to contraction during economic downturns. However, the share of

employment in retail trade is smaller in the PMA than the overall nation. The MSA economy performed well during the recession, suffering only a 4.6 percent employment contraction, compared to a 4.8 percent decline across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. As of July 2019, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.8 percent, compared to 0.9 percent across the overall nation. Overall, the local economy appears to have entered into an expansionary phase.

Primary Market Area

The Subject property is located in the Highland Springs neighborhood of Richmond, Virginia. The PMA is generally defined as Interstate 295 to the east, northeast, and southeast, Mechanicsville Bypass to the northwest, Interstate 64, Nine Mile Road, North 31st Street, P Street, Oakwood Avenue, East Richmond Road, and Jennie Scher Road to the west, Highway 60 and Darbytown Road to the southwest, and Pocahontas Parkway to the south. The PMA is 44 square miles in size and has a drive time zone of 20 minutes. This area was defined based on interviews with local market participants and local property managers. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We have estimated that 10 percent of the Subject's tenants will come from outside of these boundaries.

The Richmond, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists the independent cities of Richmond, Petersburg, Hopewell, and Colonial Heights, the counties of Amelia, Caroline, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King William, New Kent, Powhatan, Prince George, and Sussex, as well as a number of incorporated and unincorporated towns and communities.

Demographic Data

The population in the PMA increased by 19.5 percent between 2000 and 2018, compared to the 23.8 percent increase in the regional MSA and 17.5 percent increase across the overall nation. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 44.7 percent as of 2018. This is more than the estimated 33 percent of renter households across the overall nation. As of 2018, the median income in the PMA is below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 40 percent of the national median income in 2000 to 80 percent in 2018. The population and number of households are expected to increase from 2018 to 2023. A significant majority of the PMA are renter households, many of which are one and two person households. Overall, the information reported by local property managers, the *Demand Analysis* illustrated later in this report, and the rising population and household income levels bode well for future demand for the Subject's units.

Vacancy

The following table summarizes overall weighted vacancy levels at the surveyed properties.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Audubon Village I	LIHTC	Family	160	2	1.3%
Audubon Village II	LIHTC	Family	54	1	1.9%
Glenwood Farms	LIHTC	Family	294	7	2.4%
Mallard Green	LIHTC	Family	192	12	6.2%
Summerdale Apartments	LIHTC	Family	124	0	0.0%
The Glens At Millers Lane	LIHTC	Family	144	0	0.0%
Townhomes Of Oakleys	LIHTC	Family	160	0	0.0%
Cedarwood Manor	Market	Family	152	0	0.0%
Honey Brook Apartments	Market	Family	128	0	0.0%
Laurel Pines Apartments	Market	Family	120	3	2.5%
Mill Trace Village Apartments	Market	Family	240	0	0.0%
Treehouse Apartments*	Market	Family	466	1	0.2%
Total LIHTC			1,128	22	2.0%
Total Market Rate			1,106	4	0.4%
Overall Total			2,234	26	1.2%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 6.2 percent, with an overall weighted average of 1.2 percent. Managers at three of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 2.0 percent, slightly above the 0.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 2.0 percent is considered low, and indicative of supply constrained conditions. The Subject is currently fully occupied. The Subject has a historical economic vacancy rate of 1.1 percent vacancy in 2018, 1.3 percent vacancy in 2017, and 1.1 percent vacancy in 2016. In the last year there was a fire at Mallard Green. Currently six of the two-bedroom units are offline and being repaired. The contact did not have an exact date for the fire. The remaining six vacant units at the property have applications pending. All of the market rate properties reported vacancy rates of 2.5 percent or lower. Summerdale Apartments is adjacent to the Subject and fully occupied. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately five percent.

The following tables detail vacancy by bedroom type for the comparable properties surveyed:

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Audubon Village I	LIHTC	Family	-	0.8%	3.1%	1.3%
Audubon Village II	LIHTC	Family	-	0.0%	10.0%	1.9%
Glenwood Farms	LIHTC	Family	0.0%	2.7%	4.0%	2.4%
Mallard Green	LIHTC	Family	66.7%	5.4%	0.0%	6.2%
Summerdale Apartments	LIHTC	Family	-	0.0%	0.0%	0.0%
The Glens At Millers Lane	LIHTC	Family	-	0.0%	0.0%	0.0%
Townhomes Of Oakleys	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Cedarwood Manor	Market	Family	0.0%	0.0%	0.0%	0.0%
Honey Brook Apartments	Market	Family	0.0%	0.0%	-	0.0%
Laurel Pines Apartments	Market	Family	5.6%	0.0%	8.3%	2.5%
Mill Trace Village Apartments	Market	Family	0.0%	0.0%	0.0%	0.0%
Treehouse Apartments	Market	Family	-	-	-	0.2%

WEIGHTED OCCUPANCY

Unit Type	Total Units	Vacant Units	Percent
1BR	212	4	1.9%
2BR	1231	16	1.3%
3BR	298	5	1.7%

The Subject offers one, two, and three-bedroom units. Vacancy rates in the market average 1.9 percent for one-bedroom units, 1.3 percent for two-bedroom units, and 1.7 percent for three-bedroom units. It should be noted that the elevated vacancy rate at Mallard Green is primarily due to the fact that units are offline due to fire damage. Overall, vacancy rates in the market are low. This supports that there is demand for additional rental housing in the market.

Absorption

The rent comparables were all constructed on or before 2005. Therefore, we searched the city of Richmond for properties that could provide absorption information. The following table details our findings.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Village At Westlake	Market	Family	2018	252	42
The Lofty	Market	Family	2015	33	7
Hatcher Tobacco Flats	LIHTC	Family	2015	152	43
Shockoe Valley View Apartments	Market	Family	2014	238	30
Belle Summit Apartments	LIHTC	Family	2014	50	25
Somant Senior	LIHTC	Senior	2013	38	38
City View Place	LIHTC	Family	2012	32	32

We obtained absorption data from seven properties, located between 4.5 and 12.2 miles from the Subject site. These properties reported absorption rates ranging from seven to 43 units per month, with an overall average of 31 units per month. Overall, we expect the Subject will experience an absorption rate of 25 units per month as the Subject is not new construction. This equates to an absorption period of approximately six months. It should be noted that this is a hypothetical analysis because of the Subject’s 152 units only 12 will be vacated during the rehabilitation period.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units is as follows:

DEMAND CONCLUSION

Calculation	As Proposed	Absent Subsidy
@40% (Section 8)	0.2%	0.6%
@50%	0.4%	N/A
@50% (Section 8)	1.7%	0.0%
All Units	1.9%	4.0%

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 3.9 percent for the first year

of operation as a LIHTC property with subsidy and 8.7 percent absent subsidy. This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 3,673 units of demand in the first year of the Subject’s operation as proposed and 1,667 absent subsidy. The Subject’s units will need to accommodate 144 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

The VHDA net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table.

Project Wide Capture Rate- LIHTC Units @40% AMI with Subsidy	0.6%
Project Wide Capture Rate- LIHTC Units @40% AMI absent Subsidy	1.6%
Project Wide Capture Rate- LIHTC Units @50% AMI with Subsidy	4.0%
Project Wide Capture Rate- LIHTC Units @40% AMI absent Subsidy	10.1%
Project Wide Capture Rate- All LIHTC Units with Subsidy	4.6%
Project Wide Capture Rate- All LIHTC Units absent Subsidy	10.2%
Project Wide Absorption Period (Months)	3 Months
Project Wide Absorption Period (Months) Absent Subsidy	3 Months

These are low capture rates and indicative of ample demand for the Subject.

Strengths

- The Subject will be in good condition once completed.
- The vacancy rate for the LIHTC comparable properties is 2.0 percent and for the market rate comparables is 0.4 percent.
- Several of the LIHTC comparable properties reported waiting lists.
- The Subject offers superior property amenities to the comparable properties.
- The Subject has low capture rates and penetration rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject generally has slightly inferior unit features and slightly inferior location compared to the comparables.

Recommendations

In general, we believe there is demand in the marketplace for the Subject. We recommend no changes for the Subject property.

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:	Novogradac & Company LLP has performed a comprehensive market study of the multifamily rental market in the Richmond, Virginia area relative to Newbridge Village, a LIHTC and Section 8 development proposed to be renovated with LIHTCs. Newbridge Village, the Subject, is an existing 152-unit LIHTC/Section 8 apartment community. The Subject consists of 19 two-story walk-up garden style buildings and one one-story leasing office. The Subject was initially constructed in 1980 and renovated with LIHTCs in 2004. The Subject's rehabilitation will be financed under the Low Income Housing Tax Credit (LIHTC) program with four percent LIHTCs. The Subject will be restricted to households earning 40 and 50 percent of AMI, or less.
Developer/Client Information:	Atlantic American Partners.
Intended Use and Users of the Report:	The report will be submitted to the Virginia Housing Development Authority (VHDA) for application purposes. The intended user of the report is VHDA.
Scope of the Report:	<ul style="list-style-type: none">▪ Inspecting the site of the to-be-developed Subject and its general location.▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.▪ Investigating the general economic health and conditions of the senior rental market.▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.▪ Reviewing relevant public records and contacting appropriate public agencies.▪ Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.▪ Establishing the Subject's Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject site was most recently inspected by Blair Kincer on September 2, 2019, which shall be the effective date of this report.
Primary Contact for the Report:	H. Blair Kincer, MAI, CRE (Blair.Kincer@novoco.com), Kelly Gorman (Kelly.Gorman@novoco.com; 732-623-7005), and Scott Hutter (Scott.Hutter@novoco.com; 562-256-3573).

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

The project description will discuss the physical features of the Subject property, as well as its current and proposed unit mix and rents.

Subject Property Description:

Newbridge Village, the Subject, is an existing 152-unit LIHTC/Section 8 apartment community. The Subject consists of 19 two-story walk-up garden style buildings and one one-story leasing office. The Subject was initially constructed in 1980 and renovated with LIHTCs in 2004. The Subject's rehabilitation will be financed under the Low Income Housing Tax Credit (LIHTC) program with four percent LIHTCs. The Subject will be restricted to households earning 40 and 50 percent of AMI, or less.

Construction Type:

The property is constructed using wood framing, vinyl siding, and asphalt roofing.

Occupancy Type:

The Subject targets family households. There are no special set asides at this property.

Current Rents:

The Subject currently operates as a LIHTC and Section 8 property. Of the 152 units there are 151 units with a subsidy overlay. These units operate with subsidy where tenants pay 30 percent of their income towards rent. The Subject is currently 100 percent occupied. The Subject has a historical economic occupancy rate of 98.9 percent occupancy in 2018, 98.7 percent occupancy in 2017, and 98.9 percent occupancy in 2016.

The Subject currently has an Extended Use Regulatory Agreement that requires 90 percent of the units be set aside at the 50 percent AMI income level and that 10 percent of the units be set aside at the 40 percent AMI income level. This agreement expires in 2053. As part of this proposed four percent rehabilitation, a new Extended Use Regulatory Agreement will be negotiated with a rent and income set aside in which the units will continue to be restricted at 40 and 50 percent of AMI. This agreement will have a term of 40 years. The current restrictions in the LURA (which require 90 percent of units be set aside at the 50 percent AMI income level and 10 percent of the units be set aside at the 40 percent AMI income level) will be honored through the end of the extended use compliance period. After this period, the Subject intends to continue to operate with subsidy and with income restrictions at 40 and 50 percent of AMI.

The table below details the Subject's current HAP contract rents and the proposed post-renovation HAP contract rents.

CURRENT VS. PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Asking Rents	Proposed Asking Rents	Percentage Change
@50%					
3BR / 1BA	1,086	1	\$750	\$950	27%
@40% (Section 8)					
1BR / 1BA	733	3	\$763	\$880	15%
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Proposed Renovations:

According to the client, the hard costs of the proposed renovations are budgeted at \$2,660,000, or approximately \$17,500 per unit in hard costs. The scope of renovations will include concrete repair, replacing unit numbering, repairing the parking lot, repairing fencing, landscaping, replacing exterior stairwells, siding repair, roofing repair, entry door repair, window repair, adding a new central mail pavilion, adding a community room and replacing the security camera, and adding new smoke detectors in bedrooms. In terms of interior renovations, the Subject’s scope of renovations include floor repairs, drywall repair, interior painting, new cabinetry, new refrigerators, stoves, and dishwashers, replace and repair bathroom fixtures as needed, adding low flow toilets, adding porch lights, replacing hot water heaters, and replacing water submeters. Amenities to be added include a community room and community area WiFi.

Proposed Rents:

The following table details the proposed rents for the Subject’s units.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents	
@40% (Section 8)								
1BR / 1BA	733	3	\$880	\$74	\$954	\$648	\$932	
2BR / 1BA	930	8	\$980	\$86	\$1,066	\$778	\$1,067	
3BR / 1BA	1,086	5	\$1,205	\$113	\$1,318	\$899	\$1,421	
@50%								
3BR / 1BA	1,086	1	\$950	\$113	\$1,063	\$1,123	\$1,421	
@50% (Section 8)								
1BR / 1BA	733	25	\$880	\$74	\$954	\$810	\$932	
2BR / 1BA	930	68	\$980	\$86	\$1,066	\$972	\$1,067	
3BR / 1BA	1,086	42	\$1,205	\$113	\$1,318	\$1,123	\$1,421	
		152						

Notes (1) Source of Utility Allowance provided by the Developer.

Of the Subject’s 152 units, 151 operate with Project Based Rental Assistance. The Subject’s one proposed unsubsidized LIHTC unit has rent set below the maximum allowable level.

Assisted Housing Program:

Of the Subject’s 152 units, 151 operate with Project Based Rental Assistance.

Construction Date:

The Subject was initially constructed in 1980 and renovated with LIHTCs in 2004. The rehabilitation of the Subject is expected to begin in February 2020 and be completed in December 2020. Approximately 12 units will require a significant rehabilitation, such as new flooring and bathtub wall surrounds, and need to be vacant during the renovation period. The remaining units at the property will remain fully-occupied.

Target Household Income Levels:

Based on the proposed restrictions, the range of annual household income levels is depicted below.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40% (Section 8)		@50%		@50% (Section 8)	
1BR	\$0	\$27,680	-	-	\$0	\$34,600
2BR	\$0	\$31,120	-	-	\$0	\$38,900
3BR	\$0	\$37,360	\$36,446	\$46,700	\$0	\$46,700

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40%		@50%	
1BR	\$22,217	\$27,680	\$25,680	\$34,600
2BR	\$26,674	\$31,120	\$30,377	\$38,900
3BR	\$30,823	\$37,360	\$36,446	\$46,700

Utility Structure:

The Subject offers electric heating, water heating, and cooking. Tenants are responsible for all utility expenses, except for the cold water, sewer, and trash expenses. The following table depicts the utility allowance calculations, which were utilized to adjust the rent comparables to the Subject's utility convention. The utility allowance information below was provided by the Richmond Redevelopment & Housing Authority, effective January 2019, the most current available.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating - Electric	Tenant	\$16	\$21	\$24
Cooking - Electric	Tenant	\$5	\$8	\$10
Other Electric	Tenant	\$20	\$28	\$36
Air Conditioning	Tenant	\$8	\$11	\$15
Water Heating - Electric	Tenant	\$13	\$17	\$20
Water	Landlord	\$23	\$35	\$54
Sewer	Landlord	\$37	\$52	\$75
Trash	Landlord	\$19	\$19	\$19
TOTAL - Paid By Landlord		\$79	\$106	\$148
TOTAL - Paid By Tenant		\$62	\$85	\$105
TOTAL - Paid By Tenant Provided by Developer		\$74	\$86	\$113
DIFFERENCE		119%	101%	108%

Source: Richmond Redevelopment & Housing Authority, effective 1/2019

Unit Mix:

The following table illustrates the Subject's unit mix and size:

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	28	733	20,524
2BR / 1BA	76	930	70,680
3BR / 1BA	48	1,086	52,128
TOTAL	152		143,332

Net Leasable Area:

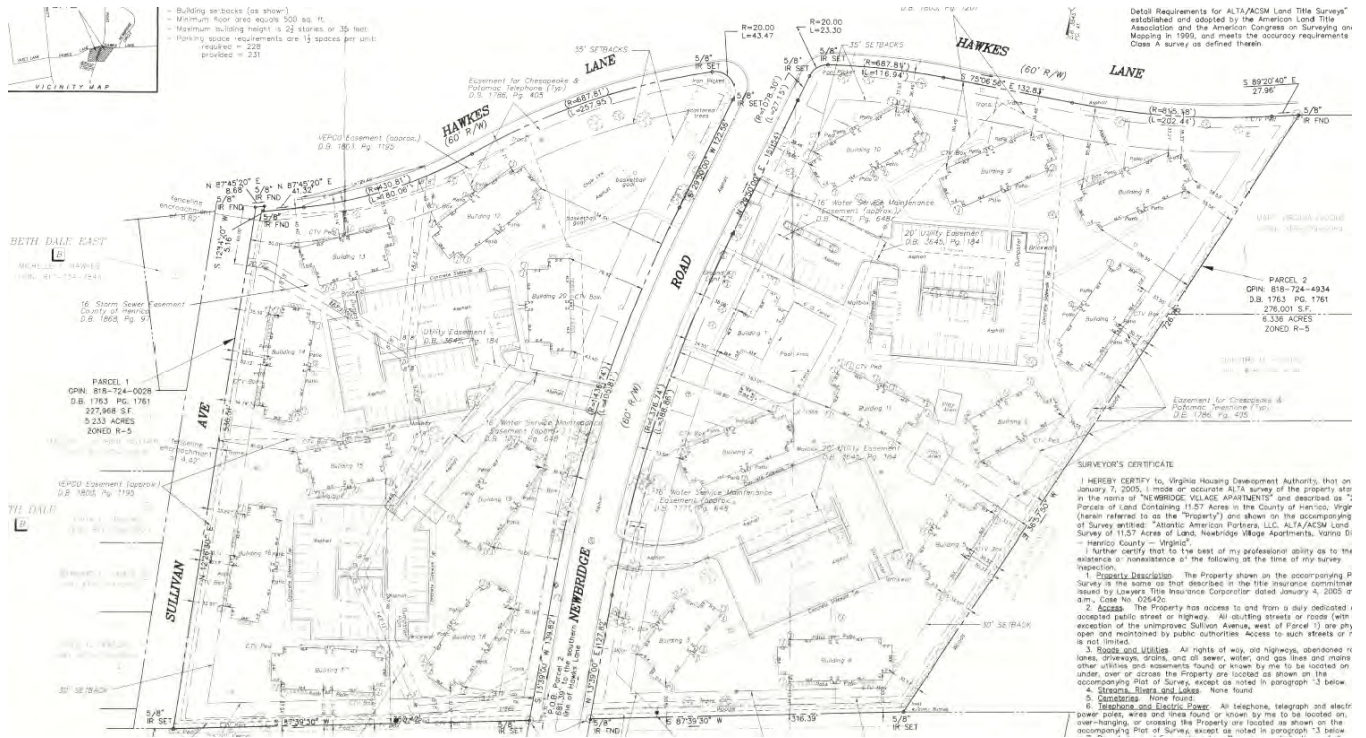
Approximately 143,332 square feet.

Unit Amenities:

The Subject's unit amenities includes central air conditioning, walk-in closets, dishwashers, and disposals.

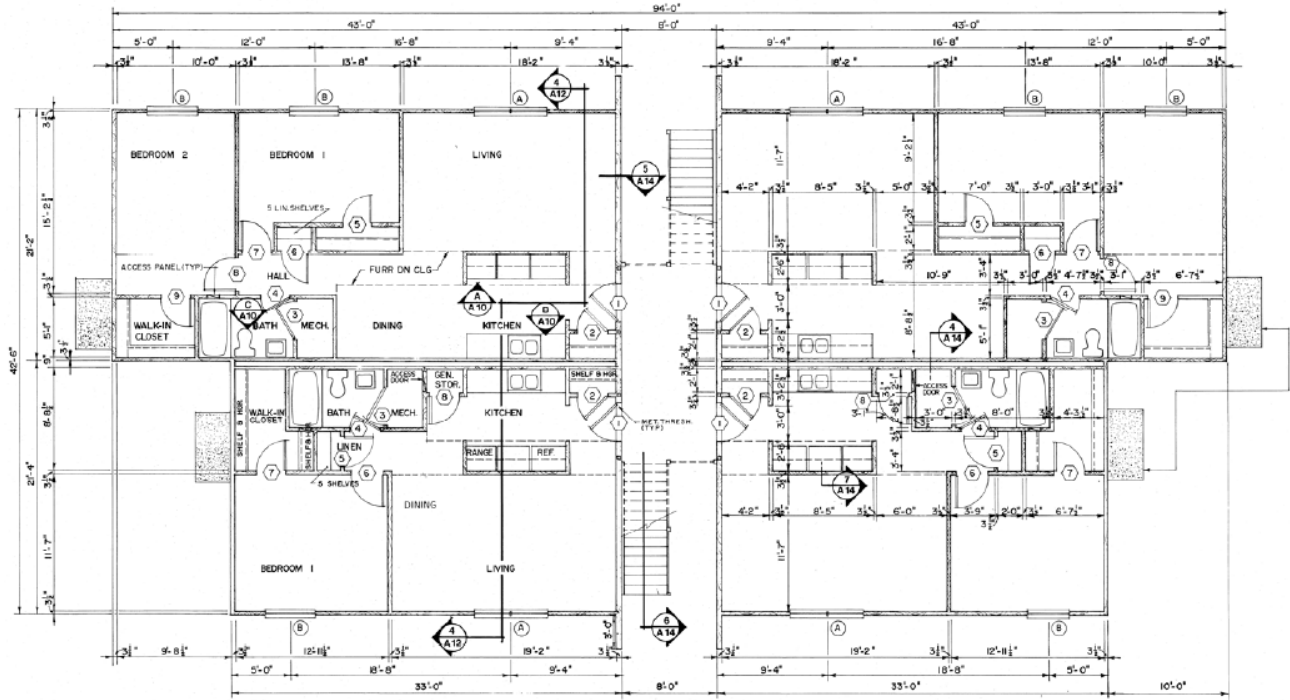
Common Area Amenities:	The Subject's property amenities includes a business center, on-site management, basketball court, a playground, a swimming pool, and recreational areas. Upon completion of the proposed renovations, the Subject will also offer a community room, and community area Wi-Fi.
Parking:	The Subject offers 241 off-street surface parking spaces, which equates to approximately 1.59 spaces per unit. There will be no fee for parking. The Subject's parking ratio is similar to what was observed in the market. Additionally, the Subject has good access to public transit and the nearest bus stop is located 0.3 miles north of the Subject on Nine Mile Road.
Number of Stories and Buildings:	The Subject consists of 19 two-story walk-up garden style buildings and one one-story leasing office.
Americans with Disabilities Act of 1990:	We assume the property does not have any violations of the Americans with Disabilities Act of 1990.
Quality of Construction Condition and Deferred Maintenance:	As newly renovated property, the Subject will not suffer from deferred maintenance. We assume the Subject will be renovated in a timely manner with quality construction.
Functional Utility:	We inspected a sample of the Subject's units and determined them to be functional. Additionally, we have reviewed the Subject's floor plans.
Conclusion:	The Subject property will be a newly renovated 152-unit LIHTC/Section 8 development. The Subject will exhibit good condition upon the completion of the rehabilitation.
Architect:	The name of the architect was not provided by the client.
Site and Architectural Plans:	A copy of the Subject's floor plans and ALTA survey are available on the following pages and in the addenda of this report. The Subject's site and architectural plans were not provided for review.

Subject ALTA Survey

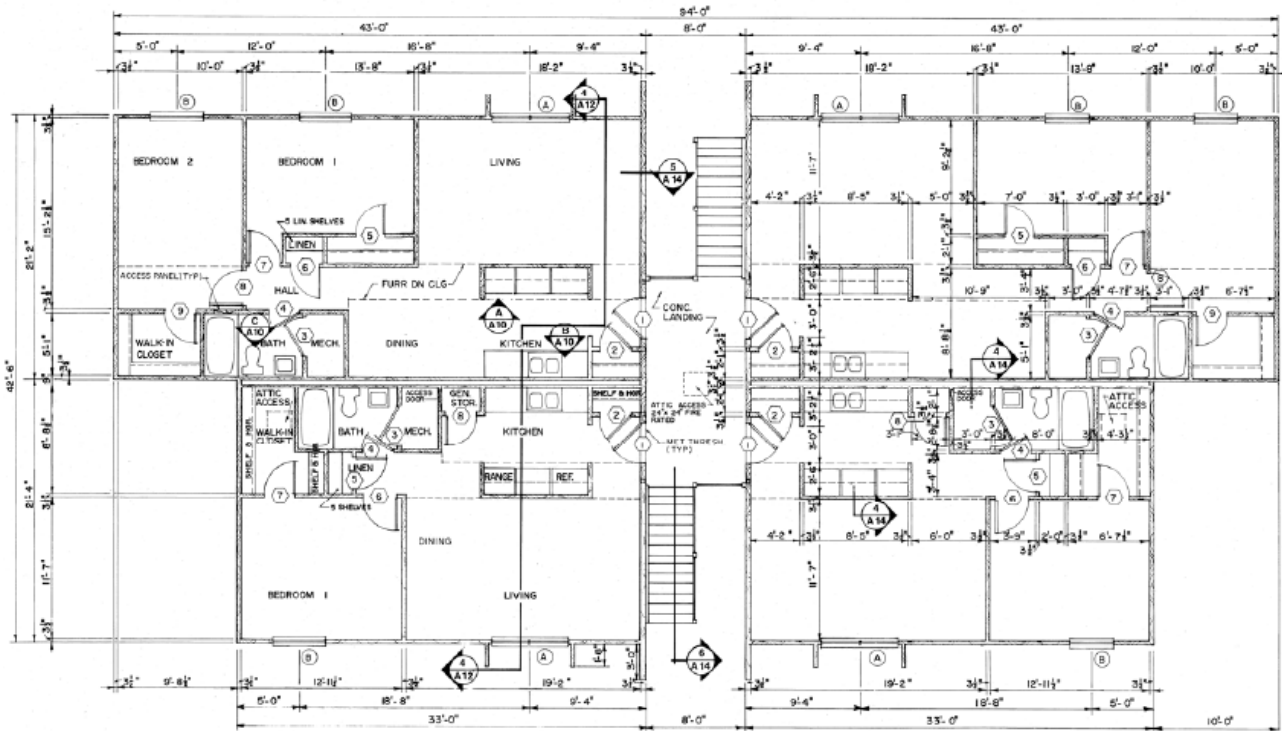


Source: Sponsor, January 2005

Subject Floor Plans



FIRST FLOOR PLAN—BUILDING A
SCALE 1/4"=1'-0"



SECOND FLOOR PLAN—BUILDING A
SCALE 1/4"=1'-0"

NOTE ALL SCARING WELLS SHALL BE FIRE RATED.

Source: Sponsor, provided in May 2019

INSERT PROPERTY PROFILE

D. LOCATION

LOCATION

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow.



Source: Google Earth, September 2019

Subject Site Description:

The Subject is located at 301 Newbridge Road in Richmond, Henrico County, Virginia 23223.

Size:

The Subject site is approximately 11.57 acres.

Shape:

The site is generally irregular in shape.

Frontage:

The Subject site has frontage along the east and west sides of Newbridge Road and the south sides of Yates Lane and Hawks Lane.

Topography:

The Subject site is generally level.

Utilities:

All utilities are provided to the site.

Visibility/Views:

The Subject is visible from Newbridge Road, Hawkes Lane and Yates Lane. Views consist of single-family homes in average condition to the west, Summerdale Apartments (included as a comparable) in average condition and Coventry Gardens Apartments (excluded as a comparable) in average condition to the north, a single-family home in average condition, a house of worship, and vacant land to the east, and townhomes in average condition to the south. Summerdale Apartments is a 124-unit LIHTC property that has been included as a comparable property in this report. Coventry Gardens Apartments is a 176-unit affordable property that has been excluded as a comparable property in this report as all of its units are subsidized. The surroundings uses are in average condition. Overall, views are considered average.

Surrounding Uses:

The Subject is located east of downtown Richmond in the Highland Springs neighborhood. The Subject site is rated as “Car-Dependent” by WalkScore with a score of 29, indicating that most errands require a car. The following depicts the surrounding uses of the Subject.



Summerdale Apartments (included as a comparable) located north of Subject



Coventry Gardens Apartments (excluded as a comparable) located north of Subject

North: Directly north of the Subject is Summerdale Apartments (included as a comparable) in average condition and Coventry Gardens Apartments (excluded as a comparable) in average condition. Summerdale Apartments is a 124-unit LIHTC property that has been included as a comparable property in this report. Coventry Gardens Apartments is a 176-unit affordable property that has been excluded as a comparable property in this report as all of its units are subsidized. Further north are retail and commercial uses including a grocery store, dollar store, restaurants, and auto repair shop. A house of worship, learning center, and single-family homes in average condition are also located north of the subject.



House of worship located east of Subject



Single-family home located east of Subject

East: Immediately east of the Subject is a single-family home in average condition, a house of worship, and vacant land. Further east are additional houses of worship and single-family homes in average condition, along with retail and commercial uses including restaurants, a pharmacy, and a car sales store.



Townhomes located south of Subject



Townhomes located south of Subject

South: Immediately south of the Subject are townhomes in average condition. Further south is Highland Springs Elementary School, single-family homes in good condition, light industrial such as a Coca-Cola bottling facility, and retail and commercial use including restaurants, Target, and a grocery store.



Retail use located west of Subject



Walmart located west of Subject

West: Immediately west of the Subject are single-family homes in average condition. Further west is Fairfield Middle School and retail and commercial uses such as restaurants, a dollar store, Walmart, and Walgreens.

Access and Traffic Flow:

The Subject is accessible from Newbridge Road, a lightly trafficked two-lane road traversing north to south. Newbridge Road intersects with West Nine Mile Road approximately 0.3 miles north of the Subject. West Nine Mile Road is a heavily trafficked four-lane arterial road that provides access to South Airport Drive approximately 2.0 miles from the Subject. South Airport Drive is also a four-lane arterial road, which provides access to Interstate 64 approximately 2.5 miles southeast of the Subject and Interstate 295 approximately 3.7 miles east of the Subject. Interstate 64 provides access to downtown Richmond approximately 6.2 miles west of the Subject. Overall, access and traffic flow are considered good.

Layout and Curb Appeal:

The Subject consists of 19 two-story garden-style buildings originally constructed in 1980 and renovated in 2004 with LIHTC equity. The Subject is located on the corner of Newbridge Road and Yates Lane, as well as the corner of Newbridge Road and Hawkes Lane. The Subject is located on two parcels, one of which is east of Newbridge Lane and the other is west of Newbridge Lane. Overall, the Subject has good visibility. The Subject will be newly renovated and will exhibit good curb appeal.

Drainage:

We have not been provided with a soil and subsoil report. We are not experts in this field and assume the soil is adequate for development.

Soil and Subsoil Conditions:

We have not been provided with an environmental report. We are not experts in this field and assume the site is adequate for development.

Environmental Assessment:

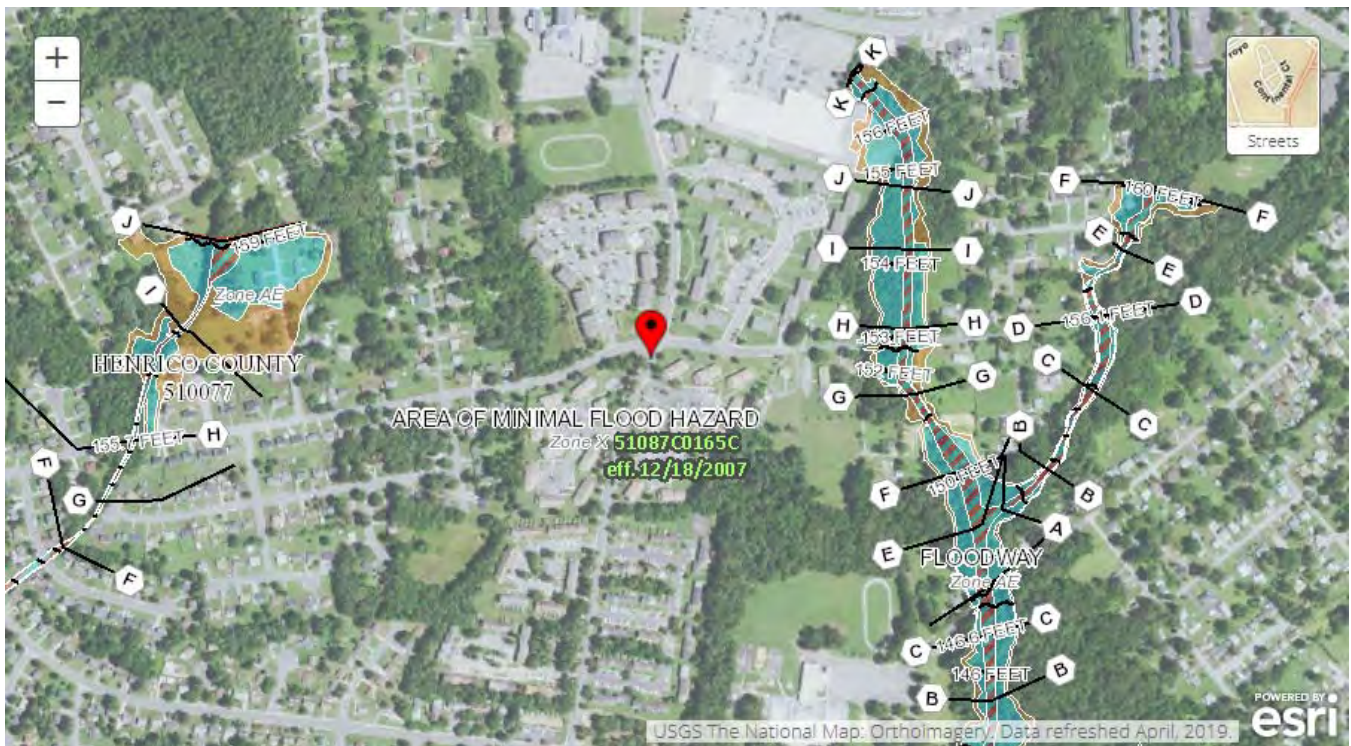
We have not been provided with an environmental report. Further analysis is beyond the scope of this report. Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter.

Detrimental Influences:

No detrimental influences were identified.

Flood Plain:

According to the FEMA Flood Map Service Center Community Panel Number 51087C0165C, effective on 12/18/2007, the Subject site is located in Zone X and is located in an area that is not in a flood zone. Further analysis is beyond the scope of this report. Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter.



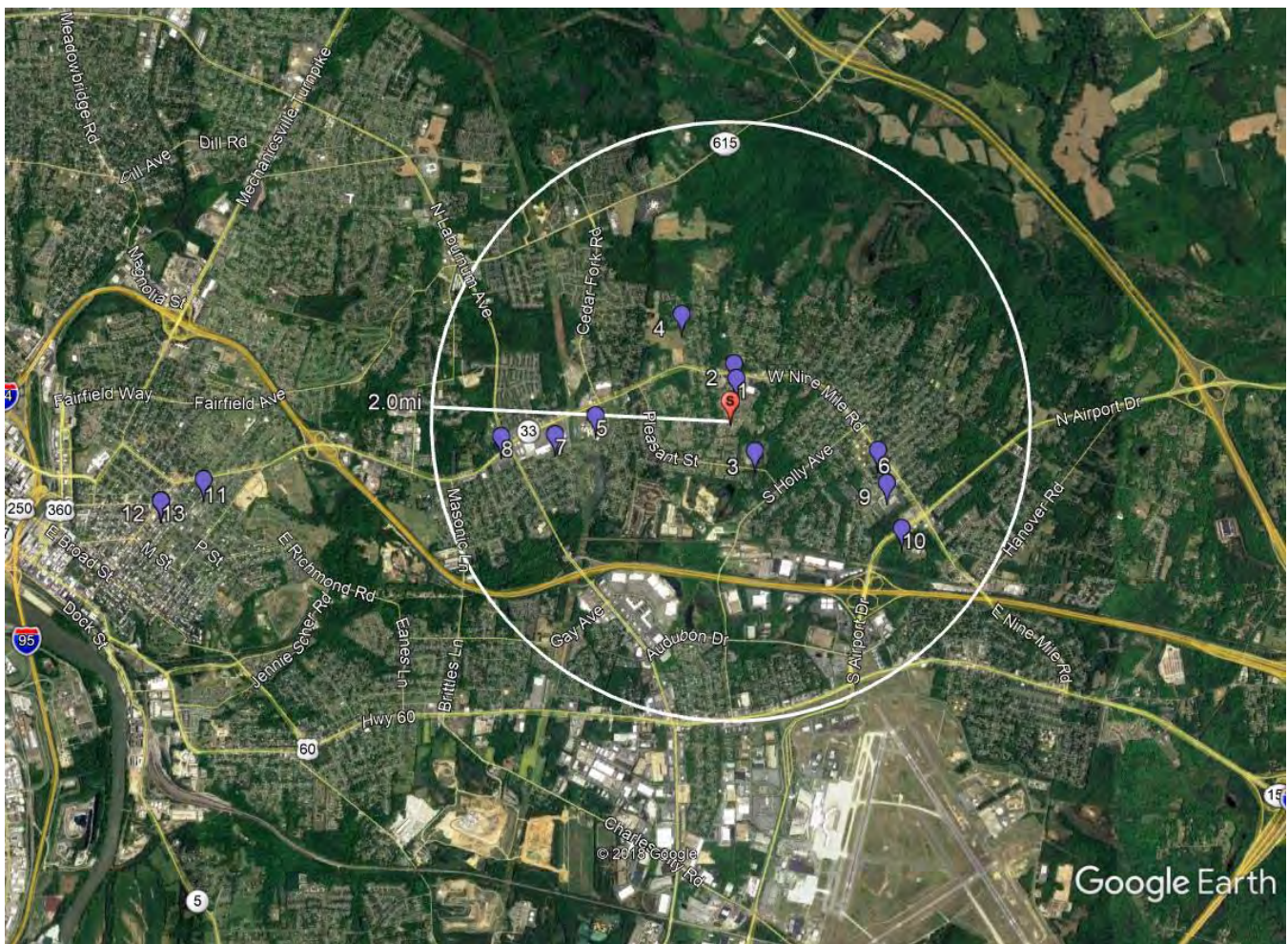
Source: FEMA Flood Map Service Center, September 2019

Locational Amenities:

The following table and map illustrate the Subject’s proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Driving)
1	Food Lion Grocery Store	0.2 miles
2	Bus Stop	0.3 miles
3	Highland Springs Elementary School	0.8 miles
4	Matthew James Robinson Park	0.9 miles
5	Fairfield Middle School	1.5 miles
6	U.S. Post Office	1.6 miles
7	Walmart Supercenter	1.8 miles
8	Walgreens Pharmacy	2.1 miles
9	Highland Springs High School	2.2 miles
10	Wells Fargo Bank	2.3 miles
11	Bon Secours Richmond Community Hospital	4.1 miles
12	Richmond Police Department First Precinct	4.5 miles
13	Henrico Fire Station 6	4.5 miles



Source: Google Earth, September 2019

Public Transportation:

The Greater Richmond Transit Company (GRTC) provides fixed-route bus service throughout Richmond. The nearest bus stop is located 0.3 miles north of the Subject on Nine Mile Road. The bus stop is serviced by bus line 7A, which travels from the Richmond International Airport, through the east end of Richmond, to downtown Richmond, and vice versa. Regular one-way adult fare is \$1.50; children and seniors are eligible for a discounted fare of \$0.75.

Crime Statistics:

The following tables show crime statistics from 2018 for the PMA.

2018 CRIME INDICES

	PMA	Richmond, VA Metropolitan Statistical Area
Total Crime*	152	103
Personal Crime*	161	100
Murder	292	198
Rape	128	89
Robbery	198	124
Assault	145	88
Property Crime*	151	104
Burglary	153	89
Larceny	151	110
Motor Vehicle Theft	142	87

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

*Unweighted aggregations

The table above illustrates the crime risk as an index where 100 represents the national average. Indices above 100 are above the national average, and indices below 100 are below the national average. Total crime risk indices in the PMA are modestly elevated relative to the national average and above the surrounding MSA. Both geographic areas feature crime risk indices above the overall nation. The Subject's security features include perimeter fencing, video surveillance, and a security patrol. The upcoming Supply Section of this report provides a more detailed analysis of crime risk indices on a 0.5 mile basis. We believe that the Subject's proposed security features will be market-oriented.

Conclusion:

The Subject's neighborhood appears to be a good location for a multifamily development. The majority of the local amenities are located within approximately two miles of the Subject. Additionally, there are various retail/commercial uses located along Nine Mile Road, which is approximately 0.3 miles north of the Subject. The Subject is located in a mixed-use neighborhood, with the majority of the immediate surrounding uses consisting of single-family homes and multifamily residential uses in average condition, retail and commercial uses such as a grocery store, convenience store, dollar store, and auto repair shop, and light industrial use such as a Coca-Cola bottling facility. The Subject is a compatible use within the existing neighborhood.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject signage



Subject exterior



Subject exterior



Subject exterior



Subject exterior



Subject leasing office



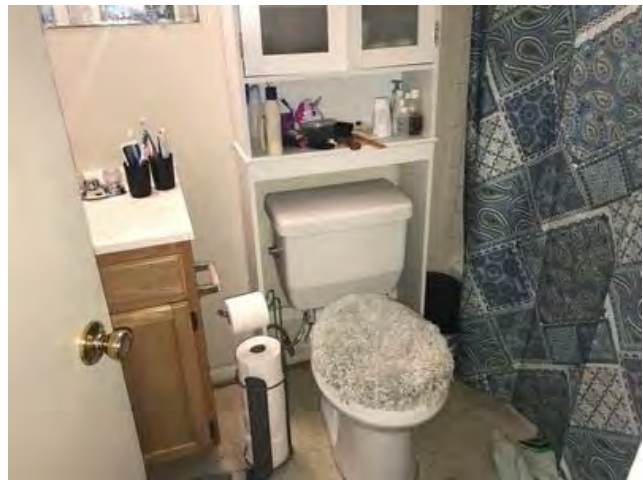
Subject central laundry



Subject community business center



Typical three-bedroom kitchen



Typical three-bedroom bathroom



Typical three-bedroom bedroom



Typical three-bedroom bedroom



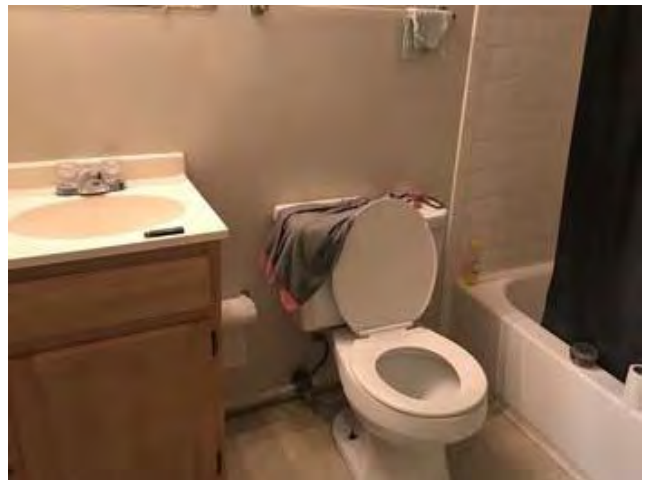
Typical three-bedroom bedroom



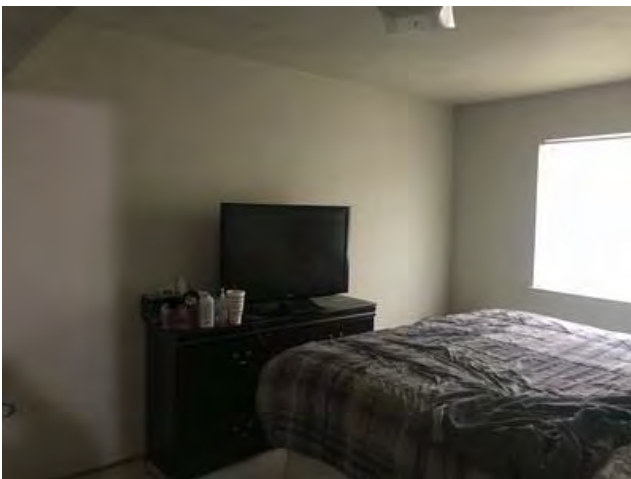
Typical three-bedroom living area



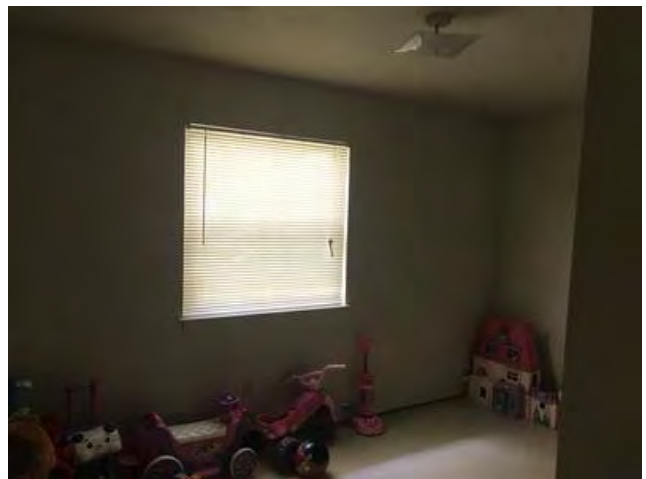
Typical two-bedroom kitchen



Typical two-bedroom bathroom



Typical two-bedroom bedroom



Typical two-bedroom bedroom



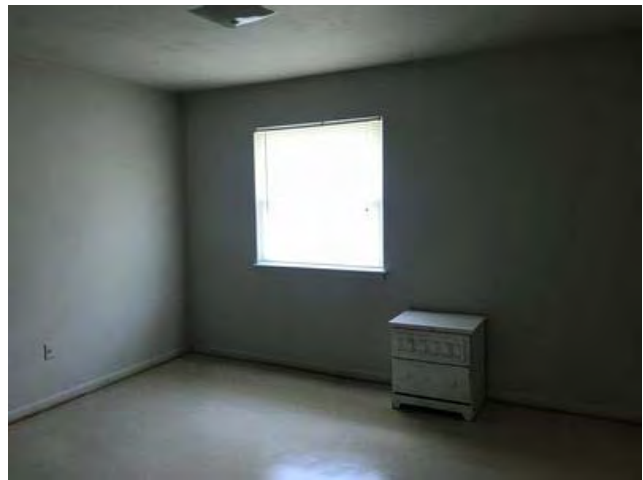
Typical two-bedroom living area



Typical one-bedroom kitchen



Typical one-bedroom bathroom



Typical one-bedroom bedroom



Typical one-bedroom living area



Subject community outdoor seating area



Subject community swimming pool



Subject community playground



Subject community basketball court



Subject off-street parking



View north along Newbridge Road



View south along Newbridge Road



Summerdale Apartments (included as a comparable) located north of Subject



Coventry Gardens Apartments (excluded as a comparable) located north of Subject



Townhomes located south of Subject



Townhomes located south of Subject



House of worship located east of Subject



Single-family home located east of Subject



Retail use located west of Subject



Walmart located west of Subject



Typical single-family homes in Subject neighborhood



Typical single-family homes in Subject neighborhood



Typical single-family homes in Subject neighborhood



Typical single-family homes in Subject neighborhood

E. MARKET AREA DEFINITION

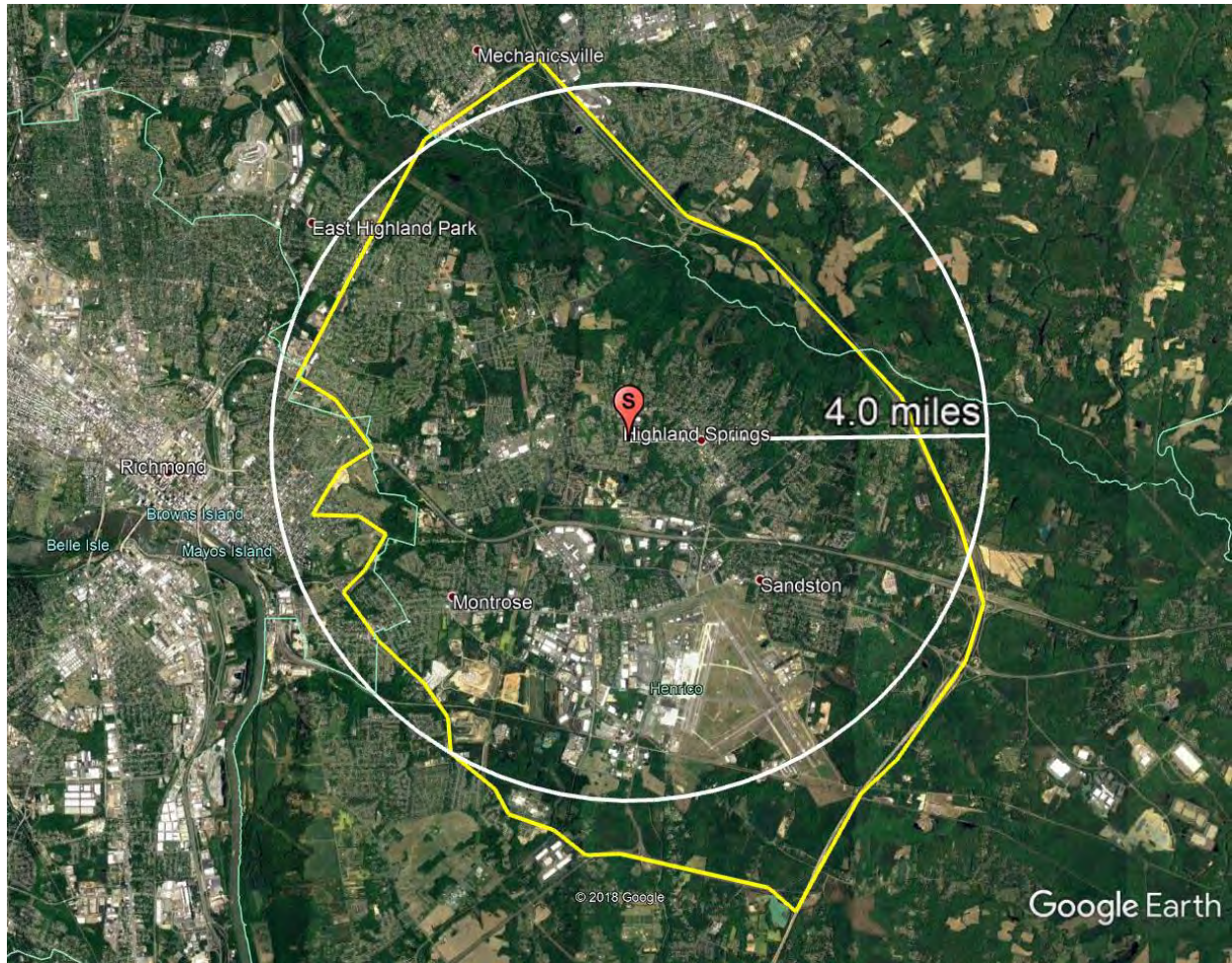
MARKET AREA

For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

The Subject property is located in the Highland Springs neighborhood of Richmond, Virginia. The PMA is generally defined as Interstate 295 to the east, northeast, and southeast, Mechanicsville Bypass to the northwest, Interstate 64, Nine Mile Road, North 31st Street, P Street, Oakwood Avenue, East Richmond Road, and Jennie Scher Road to the west, Highway 60 and Darbytown Road to the southwest, and Pocahontas Parkway to the south. The PMA is 44 square miles in size and has a drive time zone of 20 minutes. This area was defined based on interviews with local market participants and local property managers. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries.

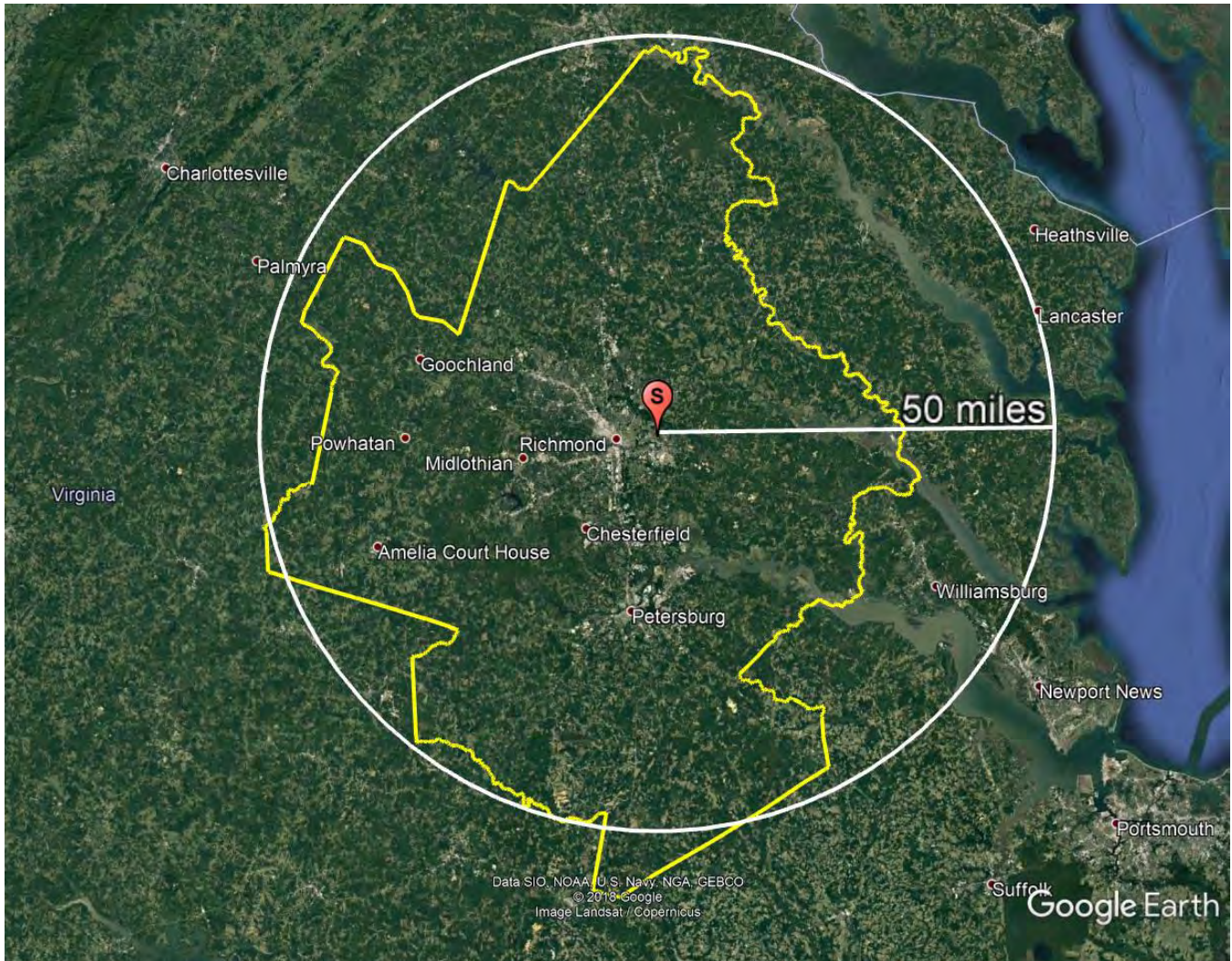
The Richmond, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists the independent cities of Richmond, Petersburg, Hopewell, and Colonial Heights, the counties of Amelia, Caroline, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King William, New Kent, Powhatan, Prince George, and Sussex, as well as a number of incorporated and unincorporated towns and communities. Maps outlining the general PMA boundaries as well as the MSA can be found on the following pages.

Primary Market Area Map



Source: Google Earth, September 2019

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, September 2019

F. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The following sections will provide an analysis of the economic and demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Richmond, VA Metropolitan Statistical Area (MSA) are areas of growth or contraction.

Employment by Industry

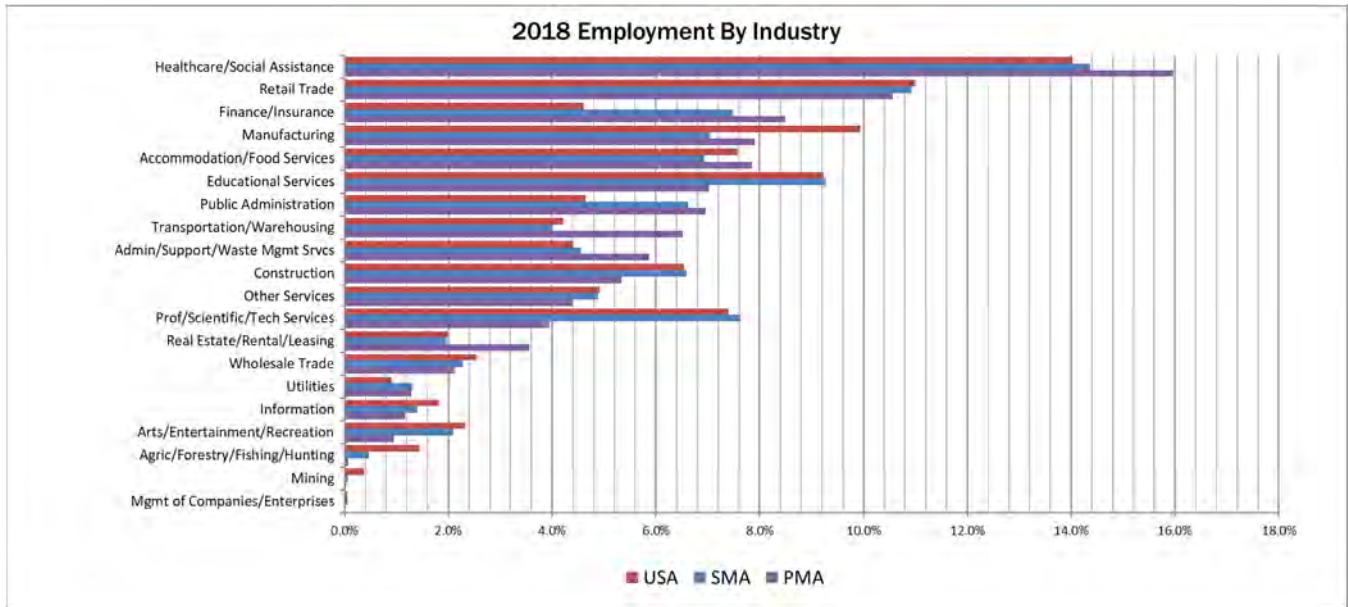
The following chart illustrates employment by industry as of 2018.

2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	4,763	16.0%	22,154,439	14.0%
Retail Trade	3,151	10.6%	17,381,607	11.0%
Finance/Insurance	2,530	8.5%	7,284,572	4.6%
Manufacturing	2,359	7.9%	15,694,985	9.9%
Accommodation/Food Services	2,342	7.9%	11,958,374	7.6%
Educational Services	2,095	7.0%	14,568,337	9.2%
Public Administration	2,077	7.0%	7,345,537	4.7%
Transportation/Warehousing	1,945	6.5%	6,660,099	4.2%
Admin/Support/Waste Mgmt Svcs	1,750	5.9%	6,943,459	4.4%
Construction	1,592	5.3%	10,333,928	6.5%
Other Services	1,308	4.4%	7,758,801	4.9%
Prof/Scientific/Tech Services	1,179	4.0%	11,673,939	7.4%
Real Estate/Rental/Leasing	1,063	3.6%	3,165,171	2.0%
Wholesale Trade	633	2.1%	4,028,405	2.6%
Utilities	385	1.3%	1,433,069	0.9%
Information	348	1.2%	2,881,691	1.8%
Arts/Entertainment/Recreation	285	1.0%	3,672,444	2.3%
Agric/Forestry/Fishing/Hunting	19	0.1%	2,273,158	1.4%
Mining	8	0.0%	591,596	0.4%
Mgmt of Companies/Enterprises	0	0.0%	87,511	0.1%
Total Employment	29,832	100.0%	157,891,122	100.0%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and finance/insurance industries, which collectively comprise 35 percent of local employment. The PMA's largest share of employment is in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The PMA also has a large share of employment in retail trade, which is notable as this industry is historically volatile and prone to contraction during economic downturns. However, the share of employment in retail trade is smaller in the PMA than the overall nation. Relative to the overall nation, the PMA features comparatively greater employment in the finance/insurance, public administration, and transportation/warehousing industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, educational services, and agric/forestry/fishing/hunting industries.



Growth by Industry

The following table illustrates the change in total employment by sector from 2000 to 2018 in the PMA.

2000-2018 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2018		2000-2018	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	2,638	10.6%	4,763	16.0%	2,125	4.5%
Retail Trade	2,726	10.9%	3,151	10.6%	425	0.9%
Finance/Insurance	2,155	8.6%	2,530	8.5%	375	1.0%
Manufacturing	3,665	14.7%	2,359	7.9%	-1,306	-2.0%
Accommodation/Food Services	1,316	5.3%	2,342	7.9%	1,026	4.3%
Educational Services	1,397	5.6%	2,095	7.0%	698	2.8%
Public Administration	1,990	8.0%	2,077	7.0%	87	0.2%
Transportation/Warehousing	1,340	5.4%	1,945	6.5%	605	2.5%
Admin/Support/Waste Mgmt Svcs	966	3.9%	1,750	5.9%	784	4.5%
Construction	1,941	7.8%	1,592	5.3%	-349	-1.0%
Other Services	1,157	4.6%	1,308	4.4%	151	0.7%
Prof/Scientific/Tech Services	704	2.8%	1,179	4.0%	475	3.7%
Real Estate/Rental/Leasing	506	2.0%	1,063	3.6%	557	6.1%
Wholesale Trade	1,173	4.7%	633	2.1%	-540	-2.6%
Utilities	223	0.9%	385	1.3%	162	4.0%
Information	694	2.8%	348	1.2%	-346	-2.8%
Arts/Entertainment/Recreation	321	1.3%	285	1.0%	-36	-0.6%
Agric/Forestry/Fishing/Hunting	60	0.2%	19	0.1%	-41	-3.8%
Mining	16	0.1%	8	0.0%	-8	-2.8%
Mgmt of Companies/Enterprises	12	0.0%	0	0.0%	-12	-5.6%
Total Employment	25,000	100.0%	29,832	100.0%	4,832	1.1%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

*Industry data current as of 2010. Other projections current as of 2018.

* Change in percentage is calculated as a rate of change by industry.

Total employment in the PMA increased at an annualized rate of 1.1 percent between 2000 and 2018. The industries which expanded most substantially during this period include healthcare/social assistance, accommodation/food services, and admin/support/waste mgmt svcs. Conversely, the manufacturing, wholesale trade, and construction sectors experienced the least growth. Overall, we view the lessening reliance on the volatile manufacturing sector, and concurrent rise in healthcare-related employment as a positive aspect of the local economy.

Major Employers

The following table details the largest employers according to the Greater Richmond Partnership.

MAJOR EMPLOYERS - RICHMOND, VA

Employer Name	Industry	# Of Employees
Capital One Financial Corp.	Financial Services	13,000
Virginia Cmnlwth. Univ. Health System	Healthcare	9,313
HCA Virginia Health System	Healthcare	7,628
Bon Secours Richmond	Healthcare	7,136
Dominion Virginia Power	Energy	5,433
SunTrust Banks Inc.	Financial Services	3,810
Altria Group Inc.	Cigarettes and Wine	3,800
Amazon.com	Online Retail	3,800
Wells Fargo	Financial Services	2,902
Anthem Blue Cross and Blue Shield	Health Insurance	2,655
Totals		59,477

Source: Greater Richmond Partnership, September 2019

Richmond’s largest employers are primarily in the financial services and healthcare sectors. Employers in the financial services and healthcare sectors make up six of the top ten largest employers in Richmond, and are the top two largest employers.

Employment Expansion/Contractions

The following table illustrates layoffs and closures in Richmond from January 2017 through September 2019. These are provided from the Worker Adjustment and Retraining Notification (WARN) filings, according to the Virginia Employment Commission.

WARN LISTINGS - RICHMOND, VA (2017 - 2019 YTD)

Company	Industry	Employees Affected	Layoff Date
True Health Diagnostics, LLC	Healthcare	399	7/29/2019
Live Well Financial, Inc.	Financial Services	103	5/3/2019
Goodwill Central and Coastal Virginia	Nonprofit Organization	74	5/30/2019
Spectrum Pharmaceuticals	Pharmaceuticals	2	3/15/2019
Signify Health	Healthcare	132	3/18/2019
Southeast Services Coproporation	Pest Control Services	134	1/31/2019
Crothall Healthcare	Healthcare	139	1/20/2019
DAL Global Services, LLC (DGS)	Aviation	92	10/17/2018
Tailored Brands	Marketing	64	8/31/2018
Farm Fresh #6274	Grocery	84	5/14/2018
Sam's Club #4788 Richmond	Grocery	163	3/16/2018
Taylor Communications	Communications	50	2/16/2018
Land-O-Sun Dairies LLC	Dairy	71	10/7/2017
Martin's Store #6406	Grocery	92	7/17/2017
Martin's Store #6428	Grocery	127	8/9/2017
Martin's Store #5700	Grocery	121	8/9/2017
Martin's	Grocery	109	6/23/2017
Martin's	Grocery	138	7/10/2017
Martin's	Grocery	99	7/10/2017
Dollar Express	Retail	11	6/30/2017
Bebe Stores, Inc	Retail	10	5/27/2017
Martin's	Grocery	155	2/6/2017
Riverside Pace	Healthcare	37	2/3/2017
Total		2406	

Source: Virginia Employment Commission, September 2019

According to the Virginia Employment Commission, there have been 2,406 job losses in Richmond since January 1, 2017. This represents less than one percent of the workforce in the MSA.

An important factor underlying the depth of demand for rental units of all types is the level of employment expansion and contraction in a region. We spoke with Statia Gibson, Business Development Manager with the Greater Richmond Partnership, in regards to economic development in Richmond. According to Ms. Gibson, there have been several notable employment expansions in Richmond. The following details were provided by Ms. Gibson:

- In July 2019, Amazon announced it will be opening a new fulfillment center in Richmond. The new fulfillment center will add 150 new jobs to the area. The opening date for the new fulfillment center is not yet available.
- Wine & Beer Supply is expanding its headquarters in Greater Richmond from a 54,000 square foot space to a 152,000 square foot space. The expansion is expected to occur in November 2019.
- In July 2019, CoStar announced it will offer 100 new sales jobs at its Richmond location, raising its local headcount to 950 employees.
- Paymerang, a financial services technology firm, expanded its office from 10,000 square feet to 16,000 square feet in July 2019. Paymerang expects to hire 100 additional employees by the end of 2019.
- The Virginia Commonwealth University received \$121 million in funding for a new 168,000-square-foot, six-story building dedicated to STEM education. Construction is expected to begin in spring 2020.

- In May 2019, Risk Based Security, a cybersecurity firm, announced it is opening its first office space at a 4,200-square-foot location in Richmond. The firm will employ around 30 employees.
- Drury Hotels Co. opened a hotel in Richmond in August 2019. The hotel is eight-stories and has 217-rooms. The hotel employs 55 full and part-time employees.
- HOUSEpitality Family restaurant group announced in August 2019 it will be hiring 250 new employees for two new restaurants in Richmond. Hiring will occur in September 2019.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2003 to July 2019.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Richmond, VA Metropolitan Statistical Area			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2003	543,701	-	-16.9%	137,736,000	-	-11.6%
2004	554,715	2.0%	-15.2%	139,252,000	1.1%	-10.6%
2005	570,317	2.8%	-12.8%	141,730,000	1.8%	-9.0%
2006	586,083	2.8%	-10.4%	144,427,000	1.9%	-7.3%
2007	595,963	1.7%	-8.9%	146,047,000	1.1%	-6.2%
2008	603,549	1.3%	-7.8%	145,363,000	-0.5%	-6.7%
2009	575,851	-4.6%	-12.0%	139,878,000	-3.8%	-10.2%
2010	578,496	0.5%	-11.6%	139,064,000	-0.6%	-10.7%
2011	590,551	2.1%	-9.7%	139,869,000	0.6%	-10.2%
2012	600,051	1.6%	-8.3%	142,469,000	1.9%	-8.5%
2013	607,785	1.3%	-7.1%	143,929,000	1.0%	-7.6%
2014	618,505	1.8%	-5.5%	146,305,000	1.7%	-6.1%
2015	625,785	1.2%	-4.4%	148,833,000	1.7%	-4.4%
2016	636,220	1.7%	-2.8%	151,436,000	1.7%	-2.8%
2017	646,501	1.6%	-1.2%	153,337,000	1.3%	-1.6%
2018	654,321	1.2%	0.0%	155,761,000	1.6%	0.0%
2019 YTD Average*	664,331	1.5%	-	156,806,714	0.7%	-
Jul-2018	663,784	-	-	157,004,000	-	-
Jul-2019	682,096	2.8%	-	158,385,000	0.9%	-

Source: U.S. Bureau of Labor Statistics, September 2019

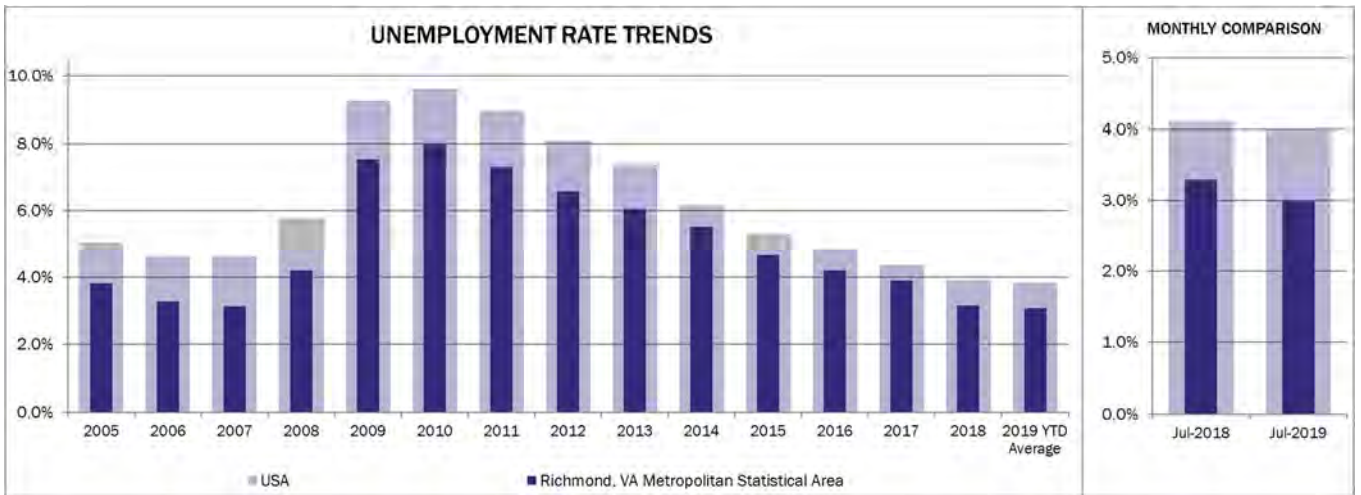
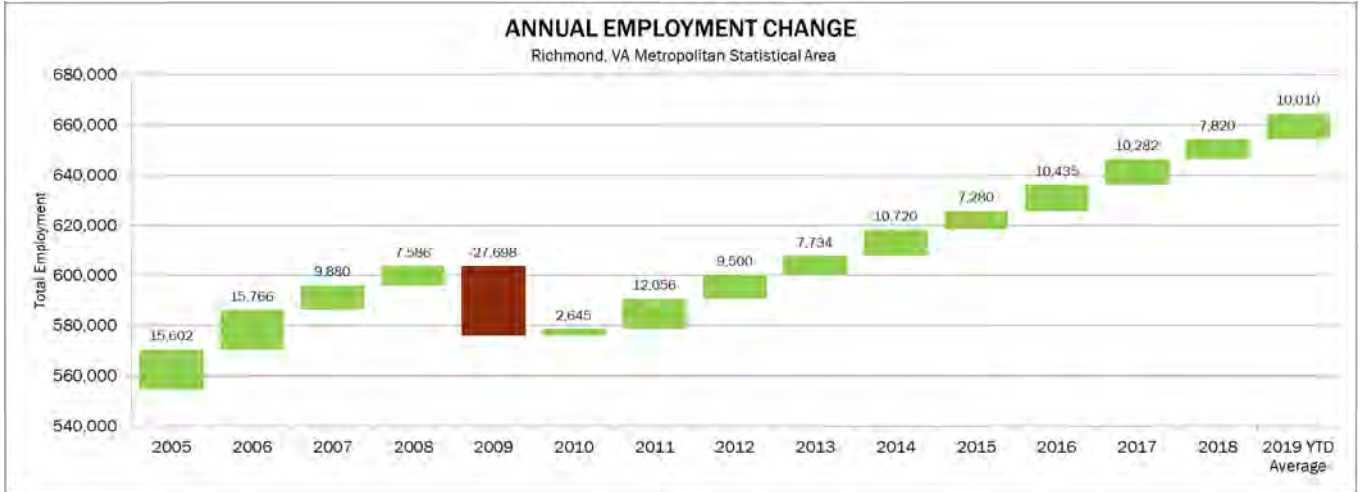
UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Richmond, VA Metropolitan Statistical Area			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2003	4.2%	-	1.1%	6.0%	-	2.1%
2004	4.0%	-0.2%	0.9%	5.5%	-0.5%	1.6%
2005	3.8%	-0.2%	0.7%	5.1%	-0.5%	1.2%
2006	3.3%	-0.5%	0.1%	4.6%	-0.5%	0.7%
2007	3.1%	-0.1%	0.0%	4.6%	0.0%	0.7%
2008	4.2%	1.1%	1.1%	5.8%	1.2%	1.9%
2009	7.5%	3.3%	4.4%	9.3%	3.5%	5.4%
2010	8.0%	0.5%	4.9%	9.6%	0.3%	5.7%
2011	7.3%	-0.7%	4.2%	9.0%	-0.7%	5.1%
2012	6.6%	-0.7%	3.5%	8.1%	-0.9%	4.2%
2013	6.1%	-0.5%	2.9%	7.4%	-0.7%	3.5%
2014	5.5%	-0.5%	2.4%	6.2%	-1.2%	2.3%
2015	4.7%	-0.9%	1.5%	5.3%	-0.9%	1.4%
2016	4.2%	-0.5%	1.1%	4.9%	-0.4%	1.0%
2017	3.9%	-0.3%	0.8%	4.4%	-0.5%	0.4%
2018	3.2%	-0.7%	0.0%	3.9%	-0.4%	0.0%
2019 YTD Average*	3.1%	-0.1%	-	3.8%	-0.1%	-
Jul-2018	3.3%	-	-	4.1%	-	-
Jul-2019	3.0%	-0.3%	-	4.0%	-0.1%	-

Source: U.S. Bureau of Labor Statistics, September 2019

Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2003 and 2007. Comparatively speaking, the MSA economy performed well during the recession. Total MSA employment contracted by only 4.6 percent (2008-2009), less than the 4.8 percent decline reported by the overall nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. As of July 2019, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.8 percent, compared to 0.9 percent across the overall nation.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. The local labor market demonstrated relative strength during the recession, as the rate of unemployment increased by only 3.8 percentage points, compared to a 3.8 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 3.0 percent, lower than the current national unemployment rate of 4.0 percent. Overall, the local economy appears to have entered into an expansionary phase.



Wages by Occupation

The following table illustrates the wages by occupation for the Richmond, VA MSA.

RICHMOND, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2018 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	645,380	\$24.68	\$51,330
Management Occupations	25,950	\$63.80	\$132,700
Legal Occupations	6,450	\$49.43	\$102,810
Computer and Mathematical Occupations	24,220	\$43.10	\$89,650
Architecture and Engineering Occupations	8,590	\$39.91	\$83,000
Healthcare Practitioners and Technical Occupations	42,430	\$39.17	\$81,460
Business and Financial Operations Occupations	47,150	\$36.68	\$76,290
Life, Physical, and Social Science Occupations	5,200	\$32.17	\$66,910
Arts, Design, Entertainment, Sports, and Media Occupations	7,940	\$25.85	\$53,770
Education, Training, and Library Occupations	37,200	\$25.61	\$53,270
Installation, Maintenance, and Repair Occupations	26,420	\$24.32	\$50,590
Community and Social Service Occupations	12,560	\$22.84	\$47,520
Construction and Extraction Occupations	27,990	\$21.51	\$44,750
Protective Service Occupations	17,720	\$20.84	\$43,350
Sales and Related Occupations	68,040	\$20.14	\$41,890
Farming, Fishing, and Forestry Occupations	580	\$19.48	\$40,520
Office and Administrative Support Occupations	100,040	\$18.62	\$38,720
Production Occupations	28,790	\$18.41	\$38,290
Transportation and Material Moving Occupations	45,250	\$16.81	\$34,960
Healthcare Support Occupations	17,190	\$15.02	\$31,250
Personal Care and Service Occupations	21,340	\$13.11	\$27,270
Building and Grounds Cleaning and Maintenance Occupations	20,340	\$12.78	\$26,570
Food Preparation and Serving Related Occupations	53,990	\$11.25	\$23,410

Source: Department Of Labor, Occupational Employment Statistics, 5/2018, retrieved 9/2019

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$11.25 per hour. The highest average hourly wage, of \$63.80, is for those in management occupations. Qualifying income for the Subject's affordable units will range between \$0 and \$46,700 under the proposed scenario. Absent subsidy, qualifying incomes will range from \$22,217 and \$46,700. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to US Census data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	282	1.1%
Travel Time 5-9 min	1,861	7.1%
Travel Time 10-14 min	3,054	11.6%
Travel Time 15-19 min	4,541	17.3%
Travel Time 20-24 min	6,982	26.6%
Travel Time 25-29 min	2,365	9.0%
Travel Time 30-34 min	3,883	14.8%
Travel Time 35-39 min	723	2.7%
Travel Time 40-44 min	682	2.6%
Travel Time 45-59 min	982	3.7%
Travel Time 60-89 min	519	2.0%
Travel Time 90+ min	420	1.6%
Weighted Average	25 minutes	

Source: US Census 2018, Novogradac Consulting LLP, September 2019

As shown in the preceding table, the weighted average commute time in the PMA is approximately 25 minutes. More than 63 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes. The PMA has a drive time zone of approximately 20 minutes.

Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and finance/insurance industries, which collectively comprise 35 percent of local employment. The PMA's largest share of employment is in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The PMA also has a large share of employment in retail trade, which is notable as this industry is historically volatile and prone to contraction during economic downturns. However, the share of employment in retail trade is smaller in the PMA than the overall nation. The MSA economy performed well during the recession, suffering only a 4.6 percent employment contraction, compared to a 4.8 percent decline across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. As of July 2019, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.8 percent, compared to 0.9 percent across the overall nation. Overall, the local economy appears to have entered into an expansionary phase.

G. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

The table below illustrates population and household trends in the PMA, the MSA, and the nation from 2000 through 2023.

POPULATION

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	50,342	-	1,055,637	-	281,038,168	-
2010	56,883	1.3%	1,208,101	1.4%	308,745,538	1.0%
2018	60,144	0.7%	1,307,000	1.0%	330,088,686	0.8%
2023	62,202	0.7%	1,376,412	1.1%	343,954,683	0.8%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

Historical population growth in the PMA trailed the MSA between 2000 and 2010. However, both areas experienced population growth greater than the overall nation during the same time period. Population growth in the PMA slowed between 2010 and 2018, and grew by slightly less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.7 percent through 2023, which is below the MSA and slightly below the nation.

HOUSEHOLDS

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	20,234	-	408,927	-	105,403,008	-
2010	22,902	1.3%	468,515	1.5%	116,716,296	1.1%
2018	24,163	0.7%	505,753	1.0%	124,110,017	0.8%
2023	24,925	0.6%	530,342	1.0%	128,855,931	0.8%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

Historical household growth in the PMA trailed the MSA between 2000 and 2010. However, both areas experienced household growth greater than the overall nation during the same time period. Household growth in the PMA slowed between 2010 and 2018, and grew by slightly less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.6 percent through 2023, which is below the MSA and similar to the nation.

Population by Age

POPULATION BY AGE IN 2018

Age Cohort	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	3,683	6.1%	73,046	5.6%	19,968,445	6.0%
5-9	3,720	6.2%	78,114	6.0%	20,460,473	6.2%
10-14	3,902	6.5%	82,045	6.3%	20,877,164	6.3%
15-19	3,759	6.3%	84,192	6.4%	21,084,688	6.4%
20-24	4,058	6.7%	89,638	6.9%	22,646,440	6.9%
25-29	4,753	7.9%	92,687	7.1%	23,557,337	7.1%
30-34	4,369	7.3%	86,290	6.6%	22,355,094	6.8%
35-39	4,021	6.7%	84,576	6.5%	21,419,362	6.5%
40-44	3,620	6.0%	80,307	6.1%	19,879,801	6.0%
45-49	3,729	6.2%	85,262	6.5%	20,736,487	6.3%
50-54	3,933	6.5%	89,386	6.8%	21,395,762	6.5%
55-59	4,114	6.8%	93,480	7.2%	22,375,085	6.8%
60-64	3,836	6.4%	84,522	6.5%	20,552,366	6.2%
65-69	3,214	5.3%	72,147	5.5%	17,874,849	5.4%
70-74	2,233	3.7%	51,392	3.9%	13,196,470	4.0%
75-79	1,370	2.3%	33,696	2.6%	9,064,776	2.7%
80-84	864	1.4%	21,779	1.7%	6,007,164	1.8%
85+	966	1.6%	24,441	1.9%	6,636,923	2.0%
Total	60,144	100.0%	1,307,000	100.0%	330,088,686	100.0%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

POPULATION BY AGE IN 2023 ESTIMATE

Age Cohort	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	3,804	6.1%	76,152	5.5%	20,712,703	6.0%
5-9	3,699	5.9%	78,661	5.7%	20,686,037	6.0%
10-14	3,907	6.3%	83,719	6.1%	21,356,683	6.2%
15-19	3,795	6.1%	87,993	6.4%	21,696,066	6.3%
20-24	3,895	6.3%	86,718	6.3%	21,612,571	6.3%
25-29	4,765	7.7%	89,504	6.5%	22,724,609	6.6%
30-34	4,904	7.9%	96,837	7.0%	24,574,306	7.1%
35-39	4,251	6.8%	92,334	6.7%	23,129,515	6.7%
40-44	3,973	6.4%	88,883	6.5%	21,944,713	6.4%
45-49	3,505	5.6%	82,118	6.0%	19,928,478	5.8%
50-54	3,732	6.0%	87,252	6.3%	20,822,718	6.1%
55-59	3,783	6.1%	88,641	6.4%	21,014,806	6.1%
60-64	4,017	6.5%	90,928	6.6%	21,745,623	6.3%
65-69	3,513	5.6%	80,867	5.9%	19,744,824	5.7%
70-74	2,795	4.5%	65,536	4.8%	16,251,664	4.7%
75-79	1,839	3.0%	46,252	3.4%	11,695,481	3.4%
80-84	1,053	1.7%	27,683	2.0%	7,323,303	2.1%
85+	971	1.6%	26,334	1.9%	6,990,583	2.0%
Total	62,201	100.0%	1,376,412	100.0%	343,954,683	100.0%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

General Household Income Distribution

The following table illustrates household income distribution in the PMA and the MSA.

HOUSEHOLD INCOME PMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,994	8.3%	1,904	7.6%	-18	-0.9%
\$10,000-19,999	3,119	12.9%	2,956	11.9%	-33	-1.0%
\$20,000-29,999	3,039	12.6%	2,977	11.9%	-12	-0.4%
\$30,000-39,999	2,745	11.4%	2,715	10.9%	-6	-0.2%
\$40,000-49,999	2,722	11.3%	2,709	10.9%	-3	-0.1%
\$50,000-59,999	2,086	8.6%	2,177	8.7%	18	0.9%
\$60,000-74,999	2,653	11.0%	2,783	11.2%	26	1.0%
\$75,000-99,999	2,914	12.1%	3,170	12.7%	51	1.8%
\$100,000-124,999	1,402	5.8%	1,641	6.6%	48	3.4%
\$125,000-149,999	682	2.8%	841	3.4%	32	4.7%
\$150,000-199,999	448	1.9%	568	2.3%	24	5.4%
\$200,000+	359	1.5%	484	1.9%	25	7.0%
Total	24,163	100.0%	24,925	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, September 2019

HOUSEHOLD INCOME SMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	31,397	6.2%	30,494	5.7%	-181	-0.6%
\$10,000-19,999	40,530	8.0%	39,032	7.4%	-300	-0.7%
\$20,000-29,999	43,053	8.5%	41,676	7.9%	-275	-0.6%
\$30,000-39,999	44,542	8.8%	43,614	8.2%	-186	-0.4%
\$40,000-49,999	44,569	8.8%	43,853	8.3%	-143	-0.3%
\$50,000-59,999	41,533	8.2%	41,881	7.9%	70	0.2%
\$60,000-74,999	52,310	10.3%	54,304	10.2%	399	0.8%
\$75,000-99,999	65,585	13.0%	68,989	13.0%	681	1.0%
\$100,000-124,999	47,909	9.5%	51,857	9.8%	790	1.6%
\$125,000-149,999	31,860	6.3%	36,606	6.9%	949	3.0%
\$150,000-199,999	30,436	6.0%	36,452	6.9%	1,203	4.0%
\$200,000+	32,029	6.3%	41,584	7.8%	1,911	6.0%
Total	505,753	100.0%	530,342	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, September 2019

Annual household income levels will range from \$0 and \$46,700 under the proposed scenario for the Subject's housing units. Absent subsidy, qualifying incomes will range from \$22,217 and \$37,360.

General Household Size Distribution

The following table is a summary of the household size distribution in the PMA, the MSA and the nation.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.46	-	2.49	-	2.59	-
2010	2.46	0.0%	2.49	0.0%	2.58	-0.1%
2018	2.47	0.1%	2.51	0.1%	2.59	0.1%
2023	2.48	0.1%	2.53	0.1%	2.61	0.1%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2023.

General Household Tenure

The following table is a summary of the tenure patterns of the housing stock in the PMA.

TENURE PATTERNS PMA

Year	Owner-	Percentage	Renter-	Percentage
	Occupied Units	Owner-Occupied	Occupied Units	Renter-Occupied
2000	12,928	63.9%	7,306	36.1%
2018	13,355	55.3%	10,808	44.7%
2023	14,269	57.2%	10,656	42.8%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 44.7 percent as of 2018. This is more than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2023.

General Renter Household Income Distribution

The following table illustrates total renter household income distribution.

Income Cohort	RENTER HOUSEHOLD INCOME							
	2018		PMA		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage		
\$0-9,999	1,475	13.6%	1,384	13.0%	-18	-1.2%		
\$10,000-19,999	2,061	19.1%	1,885	17.7%	-35	-1.7%		
\$20,000-29,999	1,690	15.6%	1,577	14.8%	-23	-1.3%		
\$30,000-39,999	1,529	14.1%	1,478	13.9%	-10	-0.7%		
\$40,000-49,999	1,322	12.2%	1,297	12.2%	-5	-0.4%		
\$50,000-59,999	798	7.4%	817	7.7%	4	0.5%		
\$60,000-74,999	770	7.1%	820	7.7%	10	1.3%		
\$75,000-99,999	561	5.2%	607	5.7%	9	1.6%		
\$100,000-124,999	150	1.4%	175	1.6%	5	3.3%		
\$125,000-149,999	165	1.5%	222	2.1%	11	6.9%		
\$150,000-199,999	142	1.3%	185	1.7%	9	6.1%		
\$200,000+	145	1.3%	209	2.0%	13	8.8%		
Total	10,808	100.0%	10,656	100.0%				

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, September 2019

In the previous tables, the percentage of renter occupied households was applied to the total number of households in each income level. As illustrated, the largest concentrations of renter households fall into the \$0 to \$49,999 income cohorts. The Subject’s residents will need to earn between \$0 to \$46,700 under the proposed scenario. Absent subsidy, qualifying incomes will range from \$22,217 and \$46,700. Approximately 71.5 percent of renter households earn between \$0 and \$49,999, which could provide significant demand for the Subject’s units.

Household Size Distribution

The table below shows the breakdown of households by number of persons in the household within the Subject’s PMA.

Household Size	PMA HOUSEHOLD SIZE DISTRIBUTION					
	2000		2018		2023	
	Total	Percent	Total	Percent	Total	Percent
1 persons	5,413	26.8%	7,017	29.0%	7,166	28.8%
2 persons	6,534	32.3%	7,342	30.4%	7,566	30.4%
3 persons	3,992	19.7%	4,579	19.0%	4,739	19.0%
4 persons	2,737	13.5%	2,970	12.3%	3,075	12.3%
5+ persons	1,558	7.7%	2,255	9.3%	2,379	9.5%
Total	20,234	100.0%	24,163	100.0%	24,925	100.0%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

As of 2018, the majority of households in the PMA consist of one and two persons.

Renter Household Size Distribution

The table below shows the breakdown of renter households by number of persons in the household within the Subject’s PMA.

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION

Household Size	2000		2018		2023	
	Total	Percent	Total	Percent	Total	Percent
1 persons	2,256	30.9%	3,734	34.5%	3,691	34.6%
2 persons	2,063	28.2%	2,914	27.0%	2,829	26.5%
3 persons	1,381	18.9%	1,907	17.6%	1,878	17.6%
4 persons	1,001	13.7%	1,285	11.9%	1,290	12.1%
5+ persons	605	8.3%	968	9.0%	968	9.1%
Total	7,306	100.0%	10,808	100.0%	10,656	100.0%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

Historically, the majority of renter households in the PMA have consisted of one and two-person households. In 2018, approximately 61.5 percent of renter-households were one or two-persons.

Median Household Income Levels

The table below illustrates median household income levels in the PMA, the MSA, and the nation from 2000 through 2023. Note that this is based on data for all household sizes and is independent of the calculation of AMI.

MEDIAN HOUSEHOLD INCOME

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$17,995	-	\$47,743	-	\$44,872	-
2018	\$46,230	8.6%	\$62,592	1.7%	\$58,100	1.6%
2023	\$51,872	2.4%	\$71,959	3.0%	\$65,727	2.6%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

As of 2018, the median income in the PMA is below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 40 percent of the national median income in 2000 to 80 percent in 2018. The overall rise in median income levels reflects a market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. According to ESRI demographic projections, annualized PMA growth is expected to decline significantly to 2.4 percent through 2023, which is below the MSA and slightly below the nation.

Rent Overburdened Households

The following table illustrates the percentage of households paying greater than 35 percent of their income towards housing in the PMA, the MSA, and the nation.

RENT OVERBURDENED

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2018	4,236	46.4%	62,906	41.9%	16,657,755	42.7%

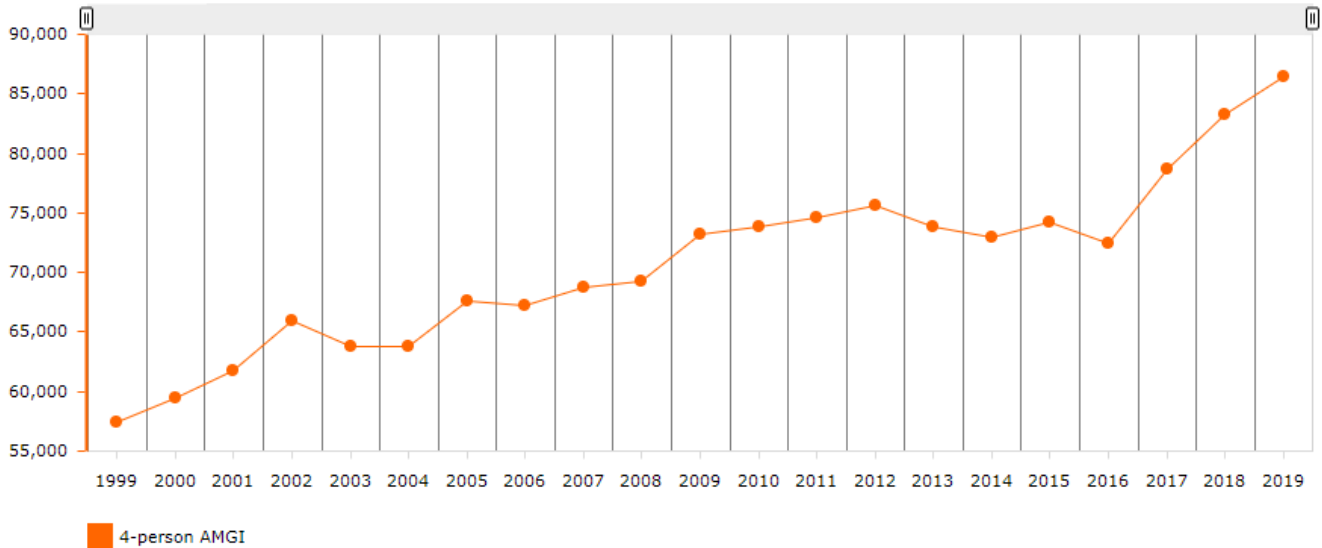
Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

As illustrated, the percentage of rent overburdened households in the PMA is above the MSA and the nation.

Area Median Income

For Section 42 LIHTC rent determination purposes, the AMI is used. The following chart illustrates the AMI level for a four-person household in Henrico County.

chart by amcharts.com



Source: Novogradac & Company, LLP, September 2019

Overall, the AMI has increased by an average of 2.1 percent annually between 1999 and 2019. Over 84 percent of counties in the country experienced an increase in AMI in 2018, and this is also true of Henrico County. The AMI in Henrico County reached a record high in 2019. The following chart illustrates the annual growth in AMI over the past five years.

HENRICO COUNTY AMI GROWTH (2013-2018)

Year	2014	2015	2016	2017	2018	2019
AMI	\$72,900	\$74,200	\$72,400	\$78,700	\$83,200	\$86,400
Percentage	-1.4%	1.8%	-2.4%	8.7%	5.7%	3.8%

The majority of the Subject’s proposed rents have Section 8 subsidy, therefore rent increases will not be directly dependent upon future increases in the AMI. Absent subsidy, the Subject’s proposed rents are not set at the maximum allowable levels; therefore, future rent increases would still not be directly dependent upon future increases in the AMI.

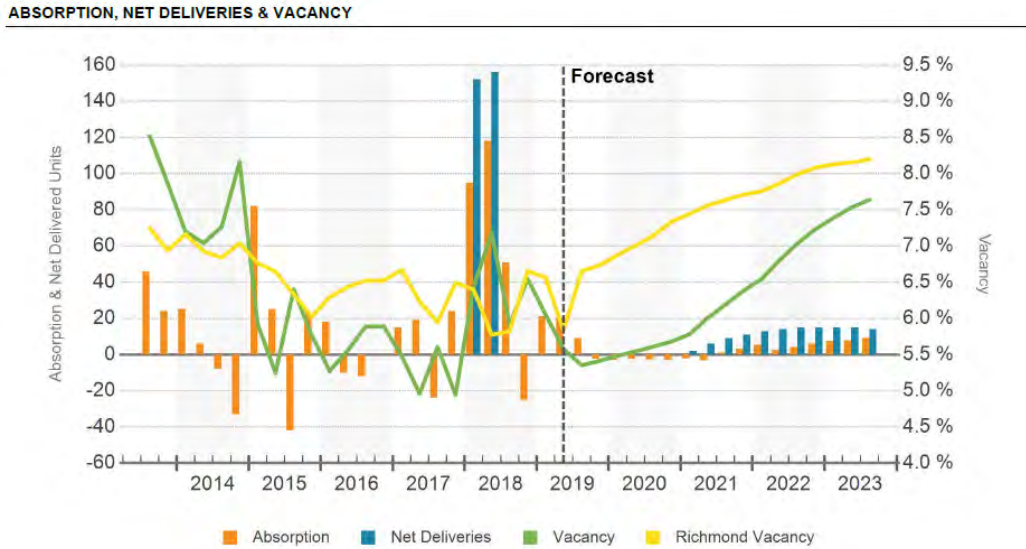
Conclusion

The population in the PMA increased by 19.5 percent between 2000 and 2018, compared to the 23.8 percent increase in the regional MSA and 17.5 percent increase across the overall nation. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 44.7 percent as of 2018. This is more than the estimated 33 percent of renter households across the overall nation. As of 2018, the median income in the PMA is below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 40 percent of the national median income in 2000 to 80 percent in 2018. The population and number of households are expected to increase from 2018 to 2023. A significant majority of the PMA are renter households, many of which are one and two person households. Overall, the information reported by local property managers, the *Demand Analysis* illustrated later in this report, and the rising population and household income levels bode well for future demand for the Subject's units.

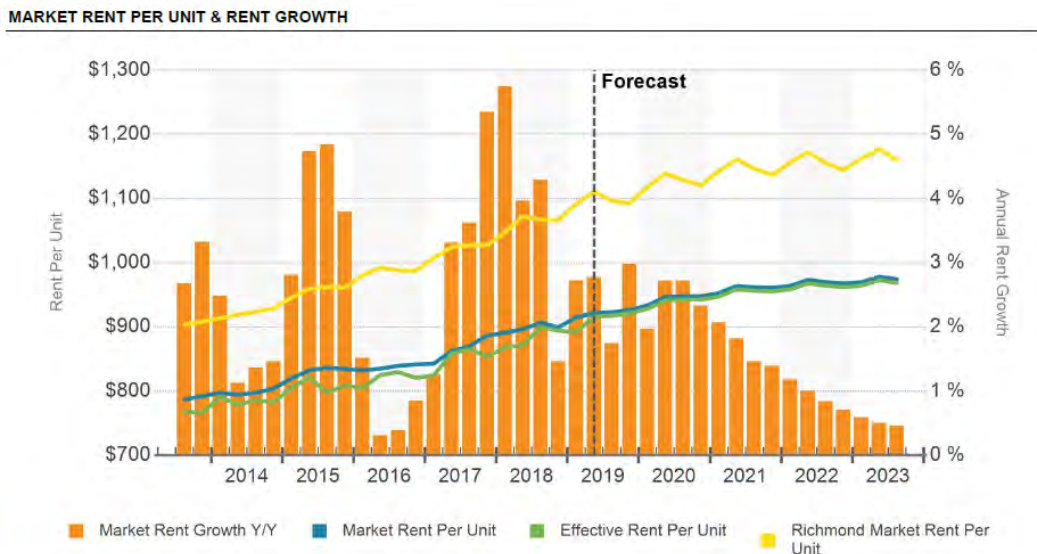
H. COMPETITIVE ENVIRONMENT

HOUSING SUMMARY

We consulted a Costar submarket report to gather information on the Richmond rental market. The table below illustrates net deliveries, net absorption, and average vacancy in the Eastern Henrico County submarket.



Vacancy in the submarket has historically remained below vacancy levels in the Richmond metro area. The average vacancy rate was 6.5 percent in 2018. Vacancy levels are expected to decrease to 5.4 percent in 2019 and increase to 7.7 percent over the next five years. Vacancy is increasing due to new developments proposed to come on line. Vacancy among the comparables surveyed averages of 1.2 percent, which indicates strong demand in the market. Moreover, the vacancy rate is expected to remain below that of the Richmond metro area.



In the above graph, rent growth in the submarket is illustrated in the orange bars. The average asking rent growth in the submarket was 1.5 percent in 2018. Rent growth in the area is expected to decrease over the next five years to 0.4 percent.

Age of Housing Stock

The following table illustrate the age of the existing housing stock in the PMA.

HOUSING STOCK BY YEAR BUILT

	PMA		Richmond, VA Metropolitan Statistical		USA	
Built 2005 or later	303	1.2%	12,868	2.5%	2,573,002	1.9%
Built 2000 to 2004	3,885	15.4%	81,388	15.7%	19,705,347	14.8%
Built 1990 to 1999	3,327	13.2%	81,014	15.7%	18,762,073	14.1%
Built 1980 to 1989	3,716	14.7%	82,896	16.0%	18,355,676	13.7%
Built 1970 to 1979	4,220	16.7%	82,497	16.0%	20,901,765	15.7%
Built 1960 to 1969	2,661	10.5%	52,440	10.1%	14,563,783	10.9%
Built 1950 to 1959	3,894	15.4%	51,767	10.0%	14,255,447	10.7%
Built 1940 to 1949	1,849	7.3%	22,791	4.4%	6,954,604	5.2%
Built 1939 or earlier	1,381	5.5%	49,131	9.5%	17,458,151	13.1%
Total Housing Units	25,236	100.0%	516,792	100.0%	133,529,848	100.0%

Source: US Census American Community Estimates, September 2019

As illustrated in the previous table, the majority of the housing stock in the Subject’s PMA was built between 1970 and 2004, similar to the Subject.

Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard.

SUBSTANDARD HOUSING

Year	PMA	Richmond, VA Metropolitan Statistical Area	USA
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
2018	0.18%	2.06%	1.70%

Source: Esri Demographics 2018, Novogradac Consulting LLP, September 2019

The percentage of residents living in substandard housing in the PMA is above that of the MSA and below the nation.

Building Permits

The following table depicts building activity from 2000 through 2019 year-to-date for Henrico County.

BUILDING PERMITS: HENRICO COUNTY 2000 - 2019*

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	1,566	0	0	1,566
2001	1,638	104	938	2,680
2002	1,886	0	590	2,476
2003	1,841	81	245	2,167
2004	1,811	90	55	1,956
2005	1,783	28	271	2,082
2006	1,470	0	5	1,475
2007	1,228	4	15	1,247
2008	834	0	0	834
2009	467	0	0	467
2010	630	0	5	635
2011	613	0	27	640
2012	660	0	0	660
2013	823	0	122	945
2014	693	0	0	693
2015	749	0	701	1,450
2016	723	0	235	958
2017	987	0	639	1,626
2018	2,460	0	496	2,956
2019*	456	0	292	748
Total	23,318	307	4,636	28,261
Average	1,203	16	229	1,448

*YTD, preliminary

Source: US Census Bureau Building Permits, September 2019

As illustrated in the previous table, approximately 17.5 percent of the residential building permits issued in the Henrico County over the past 19 years are multifamily permits. The rate of development of multifamily structures within the city increased in 2017 and 2018, and the total number of units built peaked in 2018, which is the most recent year with complete data.

Rent/Buy Analysis

The majority of the Subject's units will benefit from additional rental subsidy upon completion so tenants will pay no more than 30 percent of their income towards rent. Therefore, we do not expect homeownership will be competitive with the Subject's units, and have not conducted a rent/buy analysis.

SURVEY OF COMPARABLE PROPERTIES

Comparable properties are examined on the basis of physical characteristics; i.e., building type, building age/quality, the level of common amenities, absorption rates, and similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the market.

Description of Property Types Surveyed/Determination of Number of Tax Credit Units

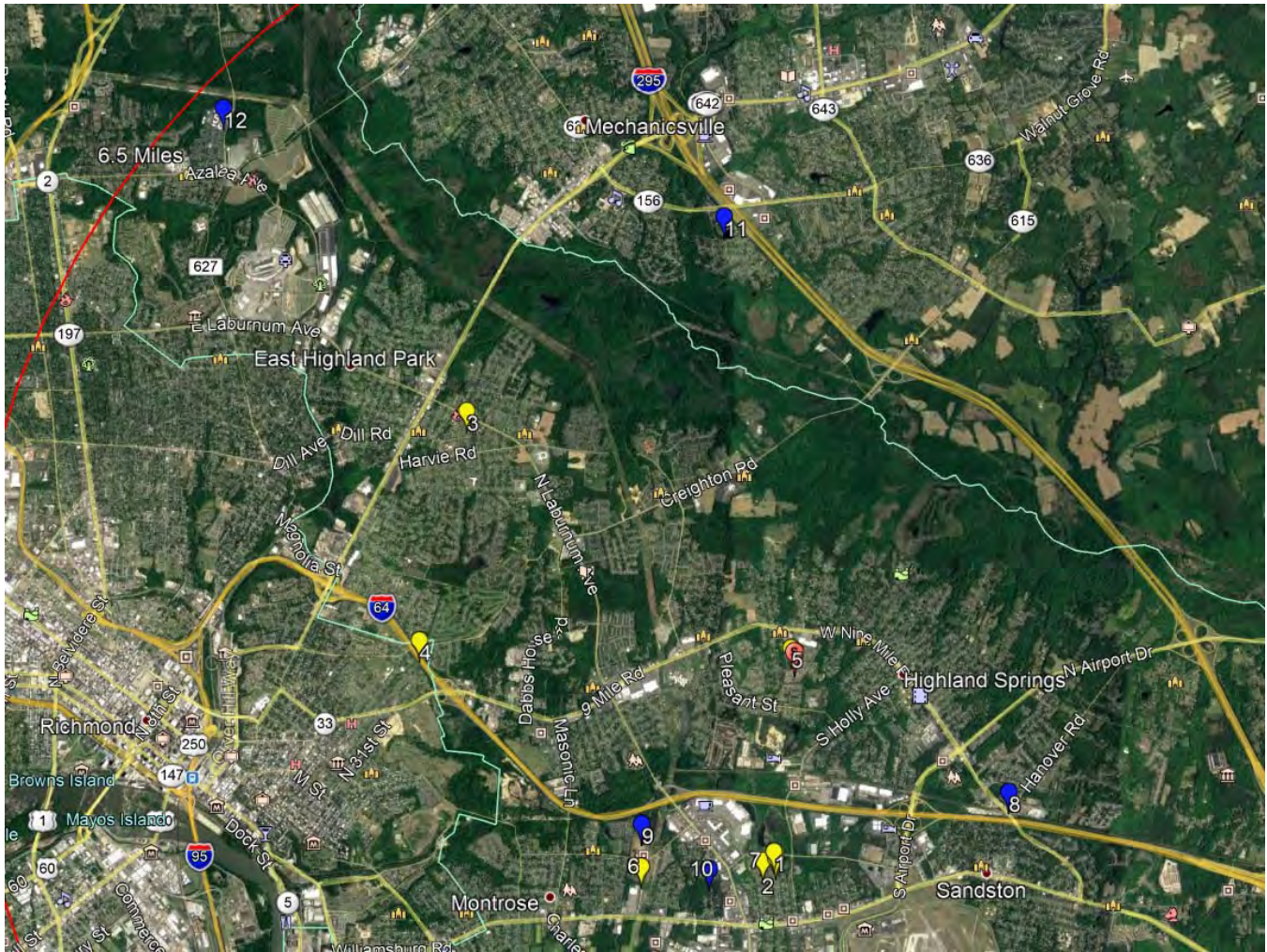
To evaluate the competitive position of the Subject, 2,234 units in 12 rental properties were surveyed in depth. The availability of LIHTC data is considered excellent. We have included seven LIHTC comparables, all of which are located inside the PMA. The availability of market rate data is also considered excellent. We have included five market rate comparables, four of which are located inside the PMA. Eight of the comparable properties are located within two miles of the Subject site. Overall, we believe the availability of data is adequate to support our conclusions.

Excluded properties include, but are not limited to the properties located in the following table.

EXCLUDED PROPERTIES			
Property Name	Rent Structure	Tenancy	Reason for Exclusion
Country Place	Section 8	Family	Subsidized
Coventry Garden Apts	Section 8	Family	Subsidized
Oakmeade Apts.	Section 8	Family	Subsidized
Independence House	Section 8	Senior/Disabled	Subsidized, differing tenancy
Wellington Place	LIHTC	Family	Differing unit mix
Lawndale Farms	LIHTC	Family	Differing unit mix
Reflections Senior Living	LIHTC	Senior	Differing tenancy
Sandston Woods	LIHTC	Family	Differing unit mix
Sandston Plateau Senior Retirement Community	LIHTC	Senior	Differing tenancy
Coventry Gardens	LIHTC	Family	Subsidized
Oakmeade	LIHTC/Section 8/Market	Family	Subsidized
11 North at White Oak	Market	Family	Differing unit mix
Kings Point Apartments	Market	Family	Unable to contact

Detailed matrices describing the individual competitive properties, as well as the Subject, are provided in the addenda of this report. A map illustrating the location of the Subject in relation to the comparable properties follows.

Comparable Rental Property Map



Source: Google Earth, September 2019

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Newbridge Village	Richmond	LIHTC	-
1	Audubon Village I	Richmond	@60%	1.4 miles
2	Audubon Village II	Richmond	@60%	1.5 miles
3	Glenwood Farms	Richmond	@60%	3.3 miles
4	Mallard Green	Richmond	@60%	2.9 miles
5	Summerdale Apartments	Richmond	@60%	0.2 miles
6	The Glens At Millers Lane	Richmond	@60%	2.0 miles
7	Townhomes Of Oakleys	Richmond	@60%	1.5 miles
8	Cedarwood Manor	Highland Springs	Market	1.9 miles
9	Honey Brook Apartments	Richmond	Market	1.7 miles
10	Laurel Pines Apartments	Richmond	Market	1.7 miles
11	Mill Trace Village Apartments	Mechanicsville	Market	3.6 miles
12	Treehouse Apartments*	Richmond	Market	6.3 miles

*Located outside PMA

NEWBRIDGE VILLAGE – RICHMOND, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Newbridge Village 301 Newbridge Road Richmond, VA 23223 Henrico County	-	Garden 2-stories 1980 / 2004/2020 Family	50% / Section 8	1BR / 1BA	3	2.0%	733	@40% (Section 8)	\$880	N/A	N/A	0	0.0%
					1BR / 1BA	25	16.5%	733	@50% (Section 8)	\$880	N/A	N/A	0	0.0%
					2BR / 1BA	8	5.3%	930	@40% (Section 8)	\$980	N/A	N/A	0	0.0%
					2BR / 1BA	68	44.7%	930	@50% (Section 8)	\$980	N/A	N/A	0	0.0%
					3BR / 1BA	5	3.3%	1,086	@40% (Section 8)	\$1,205	N/A	N/A	0	0.0%
					3BR / 1BA	1	0.7%	1,086	@50%	\$950	No	N/A	0	0.0%
					3BR / 1BA	42	27.6%	1,086	@50% (Section 8)	\$1,205	N/A	N/A	0	0.0%
					<u>152</u>							0	0.0%	
1	Audubon Village I 4901 Wood Thrush Circle Richmond, VA 23231 Henrico County	1.4 miles	Garden 2-stories 2001 / 2016 Family	@60%	2BR / 2BA	128	80.0%	868	@60%	\$1,079	Yes	Yes	1	0.8%
					3BR / 2BA	32	20.0%	1,076	@60%	\$1,242	Yes	Yes	1	3.1%
					<u>160</u>							2	1.3%	
2	Audubon Village II 5011 Meadowlark Court Richmond, VA 23231 Henrico County	1.5 miles	Garden 2-stories 2001 / 2017 Family	@60%	2BR / 2BA	44	81.5%	868	@60%	\$1,079	Yes	Yes	0	0.0%
					3BR / 2.5BA	10	18.5%	1,076	@60%	\$1,242	Yes	Yes	1	10.0%
					<u>54</u>							1	1.9%	
3	Glenwood Farms 3753 Bolling Road Richmond, VA 23223 Henrico County	3.3 miles	Various 2-stories 1948 / 2004 Family	@60%	0BR / 1BA	23	7.8%	495	@60%	\$655	No	No	0	0.0%
					1BR / 1BA	37	12.6%	667	@60%	\$710	No	No	0	0.0%
					2BR / 1BA	53	18.0%	688	@60%	\$812	No	No	2	3.8%
					2BR / 1BA	21	7.1%	856	@60%	\$837	No	No	0	0.0%
					2BR / 1BA	62	21.1%	705	@60%	\$817	No	No	3	4.8%
					2BR / 1BA	48	16.3%	736	@60%	\$887	No	No	0	0.0%
					3BR / 1BA	50	17.0%	915	@60%	\$869	No	No	2	4.0%
					<u>294</u>							7	2.4%	
4	Mallard Green 2823 Fairfield Avenue Richmond, VA 23223 Henrico County	2.9 miles	Townhouse 2-stories 1965 / 2007 Family	@60%	1BR / 1BA	3	1.6%	720	@60%	\$760	No	No	2	66.7%
					2BR / 1BA	186	96.9%	819	@60%	\$845	No	No	10	5.4%
					3BR / 1BA	3	1.6%	910	@60%	\$999	No	No	0	0.0%
					<u>192</u>							12	6.3%	
5	Summerdale Apartments 5951 Tiger Lily Lane Richmond, VA 23223 Henrico County	0.2 miles	Garden 3-stories 2005 / n/a Family	@60%	2BR / 2BA	76	61.3%	975	@60%	\$952	No	No	0	0.0%
					3BR / 2BA	48	38.7%	1,185	@60%	\$1,124	No	No	0	0.0%
					<u>124</u>							0	0.0%	
6	The Glens At Millers Lane 4700 Millers Lane Richmond, VA 23231 Henrico County	2.0 miles	Garden 2-stories 2000 / n/a Family	@60%	2BR / 2BA	72	50.0%	850	@60%	\$1,079	Yes	Yes	0	0.0%
					3BR / 2BA	72	50.0%	1,100	@60%	\$1,242	Yes	Yes	0	0.0%
					<u>144</u>							0	0.0%	
7	Townhomes Of Oakleys 4633 Needham Court Richmond, VA 23231 Henrico County	1.5 miles	Various 2-stories 1974 / 2001 Family	@60%	1BR / 1BA	8	5.0%	581	@60%	\$684	No	No	0	0.0%
					2BR / 1.5BA	112	70.0%	877	@60%	\$784	No	No	0	0.0%
					3BR / 1.5BA	36	22.5%	1,174	@60%	\$884	No	No	0	0.0%
					4BR / 1.5BA	4	2.5%	1,279	@60%	\$984	No	No	0	0.0%
					<u>160</u>							0	0.0%	
8	Cedarwood Manor 10 Shawn Court Highland Springs, VA 23075 Henrico County	1.9 miles	Garden 2-stories 1972 / n/a Family	Market	1BR / 1BA	40	26.3%	598	Market	\$693	N/A	No	0	0.0%
					2BR / 1BA	85	55.9%	817	Market	\$736	N/A	No	0	0.0%
					2BR / 1.5BA	10	6.6%	910	Market	\$834	N/A	No	0	0.0%
					3BR / 2BA	17	11.2%	1,023	Market	\$1,024	N/A	No	0	0.0%
					<u>152</u>							0	0.0%	
9	Honey Brook Apartments 3500 Kings Drive Richmond, VA 23231 Henrico County	1.7 miles	Garden 3-stories 1980 / n/a Family	Market	1BR / 1BA	52	40.6%	675	Market	\$780	N/A	No	0	0.0%
					2BR / 1BA	38	29.7%	975	Market	\$835	N/A	No	0	0.0%
					2BR / 2BA	38	29.7%	975	Market	\$884	N/A	No	0	0.0%
					<u>128</u>							0	0.0%	
10	Laurel Pines Apartments 4123 East Wood Harbor Court Richmond, VA 23231 Henrico County	1.7 miles	Garden 3-stories 1991 / n/a Family	Market	1BR / 1BA	18	15.0%	735	Market	\$984	N/A	No	0	0.0%
					1BR / 1BA	18	15.0%	755	Market	\$1,029	N/A	No	2	11.1%
					2BR / 1.5BA	36	30.0%	937	Market	\$1,136	N/A	No	0	0.0%
					2BR / 2BA	30	25.0%	956	Market	\$1,136	N/A	No	0	0.0%
					2BR / 2BA	6	5.0%	960	Market	\$1,166	N/A	No	0	0.0%
					3BR / 2BA	6	5.0%	1,131	Market	\$1,438	N/A	No	1	16.7%
					<u>120</u>							3	2.5%	
11	Mill Trace Village Apartments 7160 Ellerson Mill Circle Mechanicsville, VA 23111 Hanover County	3.6 miles	Garden 3-stories 1986 / 2018 Family	Market	1BR / 1BA	36	15.0%	744	Market	\$1,085	N/A	No	0	0.0%
					2BR / 2BA	186	77.5%	925	Market	\$1,152	N/A	No	0	0.0%
					3BR / 2BA	18	7.5%	1,104	Market	\$1,434	N/A	Yes	0	0.0%
					<u>240</u>							0	0.0%	
12	Treehouse Apartments 5701 Pony Farm Drive Richmond, VA 23227 Henrico County	6.3 miles	Garden 2-stories 1970 / 2018 Family	Market	1BR / 1BA	N/A	N/A	723	Market	\$939	N/A	No	1	N/A
					2BR / 1BA	N/A	N/A	857	Market	\$1,039	N/A	No	0	N/A
					3BR / 2BA	N/A	N/A	1,008	Market	\$1,284	N/A	No	0	N/A
					<u>466</u>							1	0.2%	

Location

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Newbridge Village	Richmond	Family	LIHTC	-	\$39,679	\$149,800	66	25	8.2%	44.2%
1	Audubon Village I	Richmond	Family	LIHTC	1.4 miles	\$39,703	\$176,400	127	44	2.3%	60.1%
2	Audubon Village II	Richmond	Family	LIHTC	1.5 miles	\$39,652	\$176,400	127	38	2.0%	60.4%
3	Glenwood Farms	Richmond	Family	LIHTC	3.3 miles	\$51,944	\$149,800	118	51	9.5%	36.6%
4	Mallard Green	Richmond	Family	LIHTC	2.9 miles	\$17,103	\$149,800	120	31	9.7%	66.2%
5	Summerdale Apartments	Richmond	Family	LIHTC	0.2 miles	\$39,945	\$149,800	66	30	8.3%	43.4%
6	The Glens At Millers Lane	Richmond	Family	LIHTC	2.0 miles	\$39,218	\$176,400	129	53	2.3%	64.3%
7	Townhomes Of Oakleys	Richmond	Family	LIHTC	1.5 miles	\$39,696	\$176,400	137	31	2.3%	60.0%
8	Cedarwood Manor	Highland Springs	Family	Market	1.9 miles	\$50,100	\$136,600	124	34	8.1%	44.6%
9	Honey Brook Apartments	Richmond	Family	Market	1.7 miles	\$39,761	\$176,400	141	33	2.7%	63.5%
10	Laurel Pines Apartments	Richmond	Family	Market	1.7 miles	\$39,730	\$176,400	137	52	1.6%	60.5%
11	Mill Trace Village Apartments	Mechanicsville	Family	Market	3.6 miles	\$60,216	\$232,100	34	28	6.1%	55.3%
12	Treehouse Apartments*	Richmond	Family	Market	6.3 miles	\$32,813	\$227,500	143	25	4.8%	88.2%

*Located outside of the PMA

The Subject site is located in residential neighborhood east of downtown Richmond in the Highland Springs neighborhood. Surrounding uses consist of multifamily properties, single-family and attached homes in average to good condition. Strengths of the Subject's location include relatively low crime risk indices. Weaknesses of the Subject's location include limited walkability. The Subject's location is designated 'Car-Dependent' by Walk Score with a score of 25, and is not considered walkable and below all but one comparable property.

The affordable properties are located between 0.2 and 3.3 miles from the Subject site. The majority of the LIHTC comparables are generally in neighborhoods ranging from slightly superior to superior relative to the Subject's location. The superior locations generally offer greater walkability, lower vacancy rates, and higher median home values compared to the Subject's location. One exception is the location of Mallard Green, which exhibits lower median household income, higher crime risk indices, and higher area vacancy, and is considered inferior to the Subject's neighborhood. On balance, the location of Summerdale Apartments is considered similar to the Subject's location.

Age, Condition, and Design

The following table illustrates the Subject's design and condition in comparison to the comparable properties.

	Subject	Audubon Village I	Audubon Village II	Glenwood Farms	Mallard Green	Summerdale Apartments	The Glens At Millers Lane	Townhomes Of Oakleys	Cedarwood Manor	Honey Brook Apartments	Laurel Pines Apartments	Mill Trace Village Apartments	Treehouse Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Building													
Property Type	Garden	Garden	Garden	Various	Townhouse	Garden	Garden	Various	Garden	Garden	Garden	Garden	Garden
# of Stories	2-stories	2-stories	2-stories	2-stories	2-stories	3-stories	2-stories	2-stories	2-stories	3-stories	3-stories	3-stories	2-stories
Year Built	1980	2001	2001	1948	1965	2005	2000	1974	1972	1980	1991	1986	1970
Year Renovated	2004/2020	2016	2017	2004	2007	n/a	n/a	2001	n/a	n/a	n/a	2018	2018

The Subject will be a newly renovated and will exhibit good condition. The comparable properties were constructed or most recently renovated between 1972 and 2018. The majority of comparables exhibit condition ranging from slightly inferior to inferior relative to the Subject post renovation. Audubon Village I, Audubon Village II, and Summerdale Apartments were significantly renovated between 2016 and 2017, and exhibit similar condition relative to the proposed Subject.

The Subject offers a two-story garden style design, similar to nine of the comparable properties. However, two of the comparables feature a mixture of designs. Glenwood Farms and Townhomes Of Oakleys offer a slightly superior mixture of garden, single, and townhouse style units. Additionally, Mallard Green offers a slightly superior townhouse design.

Unit Size

The following table summarizes unit sizes in the market area, and provides a comparison of the Subject’s proposed unit sizes and the surveyed average unit sizes in the market.

UNIT SIZE COMPARISON

Bedroom Type	1BR	2BR	3BR
Subject	733	930	1,086
Average	689	871	1,071
Min	581	688	910
Max	755	975	1,185
Advantage/Disadvantage	6%	7%	1%

The Subject’s one, two, and three-bedroom unit sizes are similar to the surveyed average of the comparable properties. We have taken into account the Subject’s unit sizes in our determination of achievable rents. The following table ranks the Subject’s unit sizes to the unit sizes at the comparable properties.

SQUARE FOOTAGE RANKING COMPARISON

One Bedroom One Bath		Two Bedroom One Bath		Three Bedroom One Bath	
Property Name	Size	Property Name	Size	Property Name	Size
Laurel Pines Apartments (Market)	755	Summerdale Apartments (@60%)(2BA)	975	Summerdale Apartments (@60%)(2BA)	1,185
Mill Trace Village Apartments (Market)	744	Honey Brook Apartments (Market)(2BA)	975	Townhomes Of Oakleys (@60%)(1.5BA)	1,174
Laurel Pines Apartments (Market)	735	Honey Brook Apartments (Market)	975	Laurel Pines Apartments (Market)(2BA)	1,149
Newbridge Village (@40%)	733	Laurel Pines Apartments (Market)(2BA)	960	Laurel Pines Apartments (Market)(2BA)	1,131
Newbridge Village (@50%)	733	Laurel Pines Apartments (Market)(2BA)	956	Mill Trace Village Apartments (Market)(2BA)	1,104
Treehouse Apartments (Market)	723	Laurel Pines Apartments (Market)(1.5BA)	937	The Glens At Millers Lane (@60%)(2BA)	1,100
Mallard Green (@60%)	720	Newbridge Village (@40%)	930	Newbridge Village (@40%)	1,086
Honey Brook Apartments (Market)	675	Newbridge Village (@50%)	930	Newbridge Village (@50%)	1,086
Glenwood Farms (@60%)	667	Mill Trace Village Apartments (Market)(2BA)	925	Newbridge Village (@50%)	1,086
Cedarwood Manor (Market)	598	Cedarwood Manor (Market)(1.5BA)	910	Audubon Village II (@60%)(2.5BA)	1,076
Townhomes Of Oakleys (@60%)	581	Townhomes Of Oakleys (@60%)(1.5BA)	877	Audubon Village I (@60%)(2BA)	1,076
		Audubon Village I (@60%)(2BA)	868	Cedarwood Manor (Market)(2BA)	1,023
		Audubon Village II (@60%)(2BA)	868	Treehouse Apartments (Market)(2BA)	1,008
		Treehouse Apartments (Market)	857	Glenwood Farms (@60%)	915
		Glenwood Farms (@60%)	856	Mallard Green (@60%)	910
		The Glens At Millers Lane (@60%)(2BA)	850		
		Mallard Green (@60%)	819		
		Cedarwood Manor (Market)	817		
		Glenwood Farms (@60%)	736		
		Glenwood Farms (@60%)	705		
		Glenwood Farms (@60%)	688		

Utility Structure

The following table details the Subject’s utility structure in comparison to the comparable properties. The utility conventions differ at the comparable properties; therefore, we have adjusted “base” or “asking” rents of the comparable properties to “net” rents, reflecting the Subject’s utility convention.

	Subject	Audubon Village I	Audubon Village II	Glenwood Farms	Mallard Green	Summerdale Apartments	The Glens At Millers Lane	Townhomes Of Oakleys	Cedarwood Manor	Honey Brook Apartments	Laurel Pines Apartments	Mill Trace Village Apartments	Treehouse Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Utility Structure													
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	yes
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no	yes
Heat	no	no	no	no	no	no	no	no	no	no	no	no	yes
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	no	no	yes	no	no	yes	yes	yes	no	no	yes
Sewer	yes	no	no	no	yes	no	no	yes	yes	yes	no	no	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes

In-Unit Amenities

The following table compares the Subject's in-unit amenities with comparable properties.

Subject	Audubon Village I	Audubon Village II	Glenwood Farms	Mallard Green	Summerdale Apartments	The Glens At Millers Lane	Townhomes Of Oakleys	Cedarwood Manor	Honey Brook Apartments	Laurel Pines Apartments	Mill Trace Village Apartments	Treehouse Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Unit Amenities												
Balcony/Patio	no	yes	yes	no	no	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	no	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	yes	no	no	no	no	no	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	yes	yes	no	no	no	no	no	no	no	no
Coat Closet	yes	yes	yes	yes	no	yes	yes	yes	yes	no	no	no
Exterior Storage	no	no	no	no	no	yes	yes	yes	no	yes	no	yes
Walk-In Closet	yes	yes	yes	no	no	yes	no	no	no	no	yes	no
Washer/Dryer	no	no	no	no	no	no	no	no	no	no	yes	yes
W/D Hookup	no	yes	yes	no	no	yes	yes	yes	no	yes	yes	yes
Kitchen												
Dishwasher	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notable unit amenities the Subject offers include central air conditioning, walk-in closets, dishwashers, NS disposals. The majority of the surveyed comparables offer unit amenities ranging from slightly inferior to slightly superior relative to the Subject. The Subject is slightly inferior to several of the comparables due to its lack of balconies/patios, washer/dryer hook-ups, and exterior storage. Glenwood Farms does not offer walk-in closets or dishwashers and is considered slightly inferior to the Subject. Overall, we believe the Subject's unit amenities are slightly inferior to the comparables.

Property Amenities

The following table compares the Subject's property amenities with comparable properties.

Subject	Audubon Village I	Audubon Village II	Glenwood Farms	Mallard Green	Summerdale Apartments	The Glens At Millers Lane	Townhomes Of Oakleys	Cedarwood Manor	Honey Brook Apartments	Laurel Pines Apartments	Mill Trace Village Apartments	Treehouse Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Community												
Business Center	yes	no	yes	no	no	no	no	no	no	no	no	no
Community Room	yes	yes	yes	no	yes	yes	yes	no	no	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation												
Basketball Court	yes	no	no	no	no	no	no	no	no	no	no	no
Exercise Facility	no	yes	yes	no	yes	no	no	no	no	yes	yes	no
Playground	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Swimming Pool	yes	yes	yes	no	no	yes	yes	yes	no	yes	yes	yes
Picnic Area	no	no	no	no	no	no	no	no	no	no	yes	no
Tennis Court	no	no	no	no	no	no	no	no	no	yes	yes	yes
Recreational Area	yes	yes	yes	no	no	no	no	no	no	no	no	no
Volleyball Court	no	no	no	no	no	no	no	no	no	no	no	yes
WiFi	yes	no	no	no	no	no	no	no	no	no	yes	no
Adult Education	yes	no	no	no	no	no	no	no	no	no	no	no
Service Coordination	yes	no	no	no	no	no	no	no	no	no	no	no

Notable property amenities the Subject offers include a business center, a community room, on-site management, basketball court, a playground, a swimming pool, recreational areas, and WiFi. The Subject's community room and WiFi available in community areas are new amenities that will be installed during the property rehabilitation. The majority of the surveyed comparables offer inferior property amenities relative to the Subject. These properties generally lack features such as a basketball court, a business center, WiFi, recreational areas, a swimming pool, and a community room, all of which are included in the Subject's amenity scheme. The amenity packages of Audubon Village II and Mill Trace Village Apartments offer features that are considered similar to the Subject. Overall, we believe the Subject's property amenities will be competitive in the market.

Security Features

The following table compares the Subject’s security amenities with comparable properties.

SECURITY AMENITIES													
Subject	Audubon Village I	Audubon Village II	Glenwood Farms	Mallard Green	Summerdale Apartments	The Glenns At Millers Lane	Townhomes Of Oakleys	Cedarwood Manor	Honey Brook Apartments	Laurel Pines Apartments	Mill Trace Village Apartments	Treehouse Apartments	
Crime Risk Index	66	127	127	118	120	66	129	137	124	141	137	34	143
Security													
Patrol	yes	no	no	no	no	yes	yes	no	no	no	no	no	no
Perimeter Fencing	yes	no	no	no	no	yes	no	yes	no	no	no	no	no
Video Surveillance	yes	yes	yes	no	no	yes	no	no	yes	no	no	no	no

According to ESRI Demographic data, crime risk indices in the Subject's location are below the national average. The Subject's security features include perimeter fencing, video surveillance, and a security patrol. All of the comparables offer fewer security features than the Subject.

Parking

The following table compares the Subject’s parking amenities with comparable properties.

PARKING AMENITIES													
Subject	Audubon Village I	Audubon Village II	Glenwood Farms	Mallard Green	Summerdale Apartments	The Glenns At Millers Lane	Townhomes Of Oakleys	Cedarwood Manor	Honey Brook Apartments	Laurel Pines Apartments	Mill Trace Village Apartments	Treehouse Apartments	
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	
Walk Score	25	44	38	51	31	30	53	31	34	33	52	28	25
Parking													
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject offers 241 off-street surface parking spaces, which equates to approximately 1.59 spaces per unit. There will be no fee for parking. The Subject’s parking ratio is similar to what was observed in the market. We have considered the Subject’s parking offerings in our achievable rent determination.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Tenant Makeup

The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS			
Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Audubon Village I	LIHTC	Family	53%
Audubon Village II	LIHTC	Family	44%
Glenwood Farms	LIHTC	Family	5%
Mallard Green	LIHTC	Family	21%
Summerdale Apartments	LIHTC	Family	32%
The Glenns At Millers Lane	LIHTC	Family	50%
Townhomes Of Oakleys	LIHTC	Family	40%
Cedarwood Manor	Market	Family	0%
Honey Brook Apartments	Market	Family	5%
Laurel Pines Apartments	Market	Family	0%
Mill Trace Village Apartments	Market	Family	0%
Treehouse Apartments	Market	Family	0%

The comparable properties reported voucher usage ranging from zero to 53 percent. Only one of the market rate properties reported voucher usage. Seven of the LIHTC properties reported voucher usage, with an average utilization of 35 percent. The highest voucher usage was reported by Audubon Village I, a 160-unit LIHTC property located 1.4 miles south of the Subject. Based on the performance of the LIHTC comparables,

we expect the Subject will operate with voucher usage of approximately 35 percent if it were to operate without subsidy.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER			
Property Name	Rent Structure	Tenancy	Annual Turnover
Audubon Village I	LIHTC	Family	11%
Audubon Village II	LIHTC	Family	15%
Glenwood Farms	LIHTC	Family	28%
Mallard Green	LIHTC	Family	15%
Summerdale Apartments	LIHTC	Family	29%
The Glens At Millers Lane	LIHTC	Family	20%
Townhomes Of Oakleys	LIHTC	Family	22%
Cedarwood Manor	Market	Family	32%
Honey Brook Apartments	Market	Family	19%
Laurel Pines Apartments	Market	Family	20%
Mill Trace Village Apartments	Market	Family	35%
Treehouse Apartments	Market	Family	25%
Average Turnover			23%

The comparables reported turnover rates ranging from 11 to 35 percent, with an overall average of 22.6 percent. The LIHTC comparables operate with an average turnover rate of 20 percent, which was slightly below the 26.2 percent average reported by the market rate properties. The Subject has been operating with a turnover rate of approximately 15 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate a turnover rate of approximately 20 percent.

Vacancy Levels

The following table summarizes overall weighted vacancy levels at the surveyed properties.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Audubon Village I	LIHTC	Family	160	2	1.3%
Audubon Village II	LIHTC	Family	54	1	1.9%
Glenwood Farms	LIHTC	Family	294	7	2.4%
Mallard Green	LIHTC	Family	192	12	6.2%
Summerdale Apartments	LIHTC	Family	124	0	0.0%
The Glens At Millers Lane	LIHTC	Family	144	0	0.0%
Townhomes Of Oakleys	LIHTC	Family	160	0	0.0%
Cedarwood Manor	Market	Family	152	0	0.0%
Honey Brook Apartments	Market	Family	128	0	0.0%
Laurel Pines Apartments	Market	Family	120	3	2.5%
Mill Trace Village Apartments	Market	Family	240	0	0.0%
Treehouse Apartments*	Market	Family	466	1	0.2%
Total LIHTC			1,128	22	2.0%
Total Market Rate			1,106	4	0.4%
Overall Total			2,234	26	1.2%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 6.2 percent, with an overall weighted average of 1.2 percent. Managers at three of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 2.0 percent, slightly above the 0.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 2.0 percent is considered low, and indicative of supply constrained conditions. The Subject is currently fully occupied. The Subject has a historical economic vacancy rate of 1.1 percent vacancy in 2018, 1.3 percent vacancy in 2017, and 1.1 percent vacancy in 2016. In the last year there was a fire at Mallard Green. Currently six of the two-bedroom units are offline and being repaired. The contact did not have an exact date for the fire. The remaining six vacant units at the property have applications pending. All of the market rate properties reported vacancy rates of 2.5 percent or lower. Summerdale Apartments is adjacent to the Subject and fully occupied. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately five percent.

The following tables detail vacancy by bedroom type for the comparable properties surveyed:

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Audubon Village I	LIHTC	Family	-	0.8%	3.1%	1.3%
Audubon Village II	LIHTC	Family	-	0.0%	10.0%	1.9%
Glenwood Farms	LIHTC	Family	0.0%	2.7%	4.0%	2.4%
Mallard Green	LIHTC	Family	66.7%	5.4%	0.0%	6.2%
Summerdale Apartments	LIHTC	Family	-	0.0%	0.0%	0.0%
The Glens At Millers Lane	LIHTC	Family	-	0.0%	0.0%	0.0%
Townhomes Of Oakleys	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Cedarwood Manor	Market	Family	0.0%	0.0%	0.0%	0.0%
Honey Brook Apartments	Market	Family	0.0%	0.0%	-	0.0%
Laurel Pines Apartments	Market	Family	5.6%	0.0%	8.3%	2.5%
Mill Trace Village Apartments	Market	Family	0.0%	0.0%	0.0%	0.0%
Treehouse Apartments	Market	Family	-	-	-	0.2%

WEIGHTED OCCUPANCY

Unit Type	Total Units	Vacant Units	Percent
1BR	212	4	1.9%
2BR	1231	16	1.3%
3BR	298	5	1.7%

The Subject offers one, two, and three-bedroom units. Vacancy rates in the market average 1.9 percent for one-bedroom units, 1.3 percent for two-bedroom units, and 1.7 percent for three-bedroom units. It should be noted that the elevated vacancy rate at Mallard Green is primarily due to the fact that units are offline due to fire damage. Overall, vacancy rates in the market are low. This supports that there is demand for additional rental housing in the market.

Concessions

The only comparable that is offering concessions is Glenwood Farms, which is currently offering a special of \$25 off rents per month for their available two-bedroom garden and town house units. We do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate.

Waiting Lists

The following table illustrates the length of waiting lists reported at the comparable developments.

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Audubon Village I	LIHTC	Family	Yes, 20 households
Audubon Village II	LIHTC	Family	Yes, 22 households
Glenwood Farms	LIHTC	Family	No
Mallard Green	LIHTC	Family	No
Summerdale Apartments	LIHTC	Family	No
The Glens At Millers Lane	LIHTC	Family	Yes, unspecified length
Townhomes Of Oakleys	LIHTC	Family	No
Cedarwood Manor	Market	Family	No
Honey Brook Apartments	Market	Family	None
Laurel Pines Apartments	Market	Family	None
Mill Trace Village Apartments	Market	Family	None
Treehouse Apartments	Market	Family	None

Three of the LIHTC properties reported a waiting list. Some of the local property managers of the affordable developments reported that there is strong demand in the market for affordable housing and they did not keep waiting lists. Given the low vacancy rates among the LIHTC comparables, we believe that the Subject could maintain a waiting list as a stabilized LIHTC property.

Absorption

The rent comparables were all constructed on or before 2005. Therefore, we searched the city of Richmond for properties that could provide absorption information. The following table details our findings.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Village At Westlake	Market	Family	2018	252	42
The Lofty	Market	Family	2015	33	7
Hatcher Tobacco Flats	LIHTC	Family	2015	152	43
Shockoe Valley View Apartments	Market	Family	2014	238	30
Belle Summit Apartments	LIHTC	Family	2014	50	25
Somant Senior	LIHTC	Senior	2013	38	38
City View Place	LIHTC	Family	2012	32	32

We obtained absorption data from seven properties, located between 4.5 and 12.2 miles from the Subject site. These properties reported absorption rates ranging from seven to 43 units per month, with an overall average of 31 units per month. Overall, we expect the Subject will experience an absorption rate of 25 units per month as the Subject is not new construction. This equates to an absorption period of approximately six months. It should be noted that this is a hypothetical analysis because of the Subject's 152 units only 12 will be vacated during the rehabilitation period.

Rental Rate Increases

The following table illustrates rental rate increases as reported by the comparable properties.

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Audubon Village I	LIHTC	Family	Kept at max
Audubon Village II	LIHTC	Family	Kept at max
Glenwood Farms	LIHTC	Family	None
Mallard Green	LIHTC	Family	None
Summerdale Apartments	LIHTC	Family	Increased 3% since Q119
The Glens At Millers Lane	LIHTC	Family	Kept at max
Townhomes Of Oakleys	LIHTC	Family	See comments
Cedarwood Manor	Market	Family	Decrease of 2-3 percent
Honey Brook Apartments	Market	Family	None since Q119
Laurel Pines Apartments	Market	Family	Changes daily
Mill Trace Village Apartments	Market	Family	Increase of \$10 for all units
Treehouse Apartments	Market	Family	None

Several of the comparable properties reported rent growth over the past year. According to Costar, average rent growth in the Eastern Henrico County submarket was 2.6 percent over the last 12 months and is expected to average 0.4 percent over the next five years. The Subject will continue to operate with a subsidy and rent increases are determined by HUD. Absent the subsidy we believe the rents would increase by two percent per annum or within LIHTC guidelines.

Reasonability of Rents

The following table is a comparison of the Subject’s and comparable properties’ rents. For the purposes of this market study, “Base Rents” are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. “Net rents” are rents adjusted for the cost of utilities (adjusted to the Subject’s convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an “apples-to-apples” comparison of rents. The table below illustrates the Subject’s rents and unit mix.

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents	
@40% (Section 8)								
1BR / 1BA	733	3	\$880	\$74	\$954	\$648	\$932	
2BR / 1BA	930	8	\$980	\$86	\$1,066	\$778	\$1,067	
3BR / 1BA	1,086	5	\$1,205	\$113	\$1,318	\$899	\$1,421	
@50%								
3BR / 1BA	1,086	1	\$950	\$113	\$1,063	\$1,123	\$1,421	
@50% (Section 8)								
1BR / 1BA	733	25	\$880	\$74	\$954	\$810	\$932	
2BR / 1BA	930	68	\$980	\$86	\$1,066	\$972	\$1,067	
3BR / 1BA	1,086	42	\$1,205	\$113	\$1,318	\$1,123	\$1,421	
		152						

Notes (1) Source of Utility Allowance provided by the Developer.

Comparable LIHTC Rents

Of the Subject’s 152 units, 151 operate with Project Based Rental Assistance. The Subject’s one proposed unsubsidized LIHTC unit has rent set below the maximum allowable level. The following table illustrates the Subject’s LIHTC rents compared to the LIHTC rents of the comparable LIHTC properties. The rents have been adjusted for variance in utilities, as well as concessions, if applicable.

LIHTC RENT COMPARISON @40%

Property Name	County	Tenancy	1BR*	2BR*	3BR*	Rents at Max?
Newbridge Village (@40%)	Henrico	Family	\$880	\$980	\$1,205	N/A
LIHTC Maximum Rent (Net) (@40%)	Henrico		\$574	\$692	\$786	
Audubon Village I (@60%)	Henrico	Family	-	\$1,079	\$1,242	Yes
Audubon Village II (@60%)	Henrico	Family	-	\$1,079	\$1,242	Yes
Glenwood Farms (@60%)	Henrico	Family	\$710	\$887	\$869	No
Mallard Green (@60%)	Henrico	Family	\$760	\$845	\$999	No
Summerdale Apartments (@60%)	Henrico	Family	-	\$952	\$1,124	No
The Glenns At Millers Lane (@60%)	Henrico	Family	-	\$1,079	\$1,242	Yes
Townhomes Of Oakleys (@60%)	Henrico	Family	\$684	\$784	\$884	No
Average (@60%)			\$718	\$958	\$1,086	
Achievable LIHTC Rent (@40%)	Henrico	Family	\$574	\$692	\$786	

*The Subject’s asking rents are contract rents

LIHTC RENT COMPARISON @50%

Property Name	County	Tenancy	1BR*	2BR*	3BR*	Rents at Max?
Newbridge Village (@50%)	Henrico	Family	\$880	\$980	\$1,205	N/A
LIHTC Maximum Rent (Net) (@50%)	Henrico		\$736	\$886	\$1,010	
Audubon Village I (@60%)	Henrico	Family	-	\$1,079	\$1,242	Yes
Audubon Village II (@60%)	Henrico	Family	-	\$1,079	\$1,242	Yes
Glenwood Farms (@60%)	Henrico	Family	\$710	\$887	\$869	No
Mallard Green (@60%)	Henrico	Family	\$760	\$845	\$999	No
Summerdale Apartments (@60%)	Henrico	Family	-	\$952	\$1,124	No
The Glenns At Millers Lane (@60%)	Henrico	Family	-	\$1,079	\$1,242	Yes
Townhomes Of Oakleys (@60%)	Henrico	Family	\$684	\$784	\$884	No
Average (@60%)			\$718	\$958	\$1,086	
Achievable LIHTC Rent	Henrico	Family	\$675	\$800	\$950	

*The Subject’s asking rents are contract rents

Three of the seven LIHTC properties reported achieving maximum allowable rents at 60 percent AMI.

Most Similar LIHTC

Based upon the overall comparison ratings, the Subject will be most similar to most similar to Summerdale Apartments and the Townhomes at Oakley.

Summerdale Apartments is a 124-unit, garden-style development located 0.2 miles north of the Subject site, in a neighborhood considered similar relative to the Subject's location. The property was built in 2005 and exhibits similar condition relative to the anticipated condition of the Subject, which was built in 1980, renovated in 2004, and proposed to be renovated in 2020. The manager at Summerdale Apartments reported the property as fully occupied, indicating the current rents are well accepted in the market. Summerdale Apartments offers balconies/patios, exterior storage, and washer/dryer hook-ups, all of which the proposed Subject will lack. However, the Subject will offer disposals, a business center, basketball court, recreational areas, and WiFi, none of which are provided by Summerdale Apartments. On balance, we believe the in-unit and property amenity packages offered by Summerdale Apartments to be slightly superior and inferior relative to the Subject, respectively. Additionally, Summerdale Apartments offers superior unit sizes. In overall terms, we believe the Subject will be slightly inferior product relative to the Summerdale Apartments.

Townhomes Of Oakleys is a 160-unit, development located 1.5 miles south of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. This property was constructed in 1974 and renovated in 2001. We consider the condition of this property inferior relative to the Subject, which was built in 1980, renovated in 2004 and proposed to be renovated in 2020. The manager at Townhomes Of Oakleys reported the property as fully occupied, indicating the current rents are well accepted in the market. Townhomes Of Oakleys offers balconies/patios, exterior storage, and washer/dryer hook-ups, all of which the proposed Subject will lack. However, the Subject will offer walk-in closets, a business center, basketball court, recreational areas, and WiFi, none of which are provided by Townhomes Of Oakleys. On balance, we believe the in-unit and property amenity packages offered by Townhomes Of Oakleys to be slightly superior and inferior relative to the Subject, respectively. Additionally, Townhomes of Oakleys offers inferior unit sizes. In overall terms, we believe the Subject will be slightly superior product relative to the Townhomes Of Oakleys.

Therefore, we have placed our achievable LIHTC rents for the Subject's units at **\$675, \$800, and \$950** for the Subject's one, two and three-bedroom units at 50 percent of AMI, respectively. We have placed our achievable LIHTC rents for the Subject's units at **\$574, \$692, and \$786** for the Subject's one, two and three-bedroom units at 40 percent of AMI, respectively.

Addition LIHTC Properties at 50% AMI

Due to the fact that none of the comparables in the Subject's immediate market offer units at 50 percent AMI we have considered two additional comparables that are located further from the Subject in the North Side and Lakeside neighborhoods of Richmond, VA. These properties are Creekside Manor and Highland Grove.

Creekside Manor is a 92-unit, garden-style development located 13.3 miles northwest of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. The property was built in 1964 and renovated in 2016 exhibits similar condition relative to the anticipated condition of the Subject, which was built in 1980, renovated in 2004, and proposed to be renovated in 2020. The manager at Creekside Manor reported the property as fully occupied, indicating the current rents are well accepted in the market. Creekside Manor offers balconies, and an exercise facility, which the Subject will lack. However, the Subject offers garbage disposals, microwaves, walk-in closets, business center, playground, service coordination, Wi Fi, and adult education, none of which are provided by Creekside Manor. On balance, we believe the in-unit and property amenity packages offered by Creekside Manor to be inferior relative to the Subject. Additionally, Creekside Manor offers inferior unit sizes. In overall terms, we believe the Subject will be a superior product relative to the Creekside Manor.

Highland Grove is a 128-unit, development located 6.1 miles northwest of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 2013. We consider the condition of this property slightly relative to the Subject, which was built in 1980, renovated in 2004 and proposed to be renovated in 2020. The manager at Highland Grove reported the property as fully occupied, indicating the current rents are well accepted in the market. Highland Grove offers balconies/patios, ceiling fans, washer/dryer hook-ups, and an exercise facility, all of which the proposed Subject will lack. However, the Subject offers a basketball court, community room, central laundry, playground, service coordination, a swimming pool, Wi Fi, and adult education, none of which are provided by Highland Grove. On balance, we believe the in-unit and property amenity packages offered by Highland Grove to be superior and inferior relative to the Subject, respectively. Additionally, Highland Grove offers inferior unit sizes. In overall terms, we believe the Subject will be slightly inferior product relative to the Highland Grove.

LIHTC RENT COMPARISON @50%

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Newbridge Village	Henrico	Family	\$880	\$980	\$1,205	No
LIHTC Maximum Rent (Net)	Henrico		\$810	\$972	\$1,123	
Creekside Manor	Henrico	Family	\$660	\$790	-	No
Highland Grove	Henrico	Family	\$692	\$839	\$988	No
Average			\$676	\$815	\$988	
Achievable LIHTC Rent			\$675	\$800	\$950	

*The Subject's asking rents are contract rents

We believe the Subject will be able to achieve the rents below Highland Grove and above Creekside Manor. Therefore, we have placed our achievable LIHTC rents for the Subject's units at **\$675, \$800, and \$950** for the Subject's one, two and three-bedroom units at 50 percent of AMI, respectively.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject's rental rates are above the achievable market rents. The following table shows both market rent comparisons and achievable market rents.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@40% (Section 8)	\$574	\$693	\$1,085	\$918	\$875	34%
1BR / 1BA	@50% (Section 8)	\$675	\$693	\$1,085	\$918	\$875	23%
2BR / 1BA	@40% (Section 8)	\$692	\$736	\$1,166	\$991	\$975	29%
2BR / 1BA	@50% (Section 8)	\$800	\$736	\$1,166	\$991	\$975	18%
3BR / 1BA	@40% (Section 8)	\$786	\$1,024	\$1,458	\$1,328	\$1,200	35%
3BR / 1BA	@50%	\$950	\$1,024	\$1,458	\$1,328	\$1,200	21%
3BR / 1BA	@50% (Section 8)	\$950	\$1,024	\$1,458	\$1,328	\$1,200	21%

The Subject's achievable LIHTC rents at 40 and 50 percent of AMI are below the achievable market rents and offer an advantage of 18 to 34 percent over the achievable market rents. The Subject is considered most similar to Mill Trace Village Apartments and Cedarwood Manor. We concluded to achievable market rents below Mill Trace Apartments and above Cedarwood Manor.

Mill Trace Village Apartments is a 240-unit, garden-style development located 3.6 miles north of the Subject site, in a neighborhood considered superior relative to the Subject's location. This property was constructed in 1986 and renovated in 2018. We consider the condition of this property slightly inferior relative to the Subject, which was built in 1980, renovated in 2004 and proposed to be renovated in 2020. The manager at Mill Trace Village Apartments reported the property as fully occupied, indicating the property is not maximizing its rent potential. The following table compares the Subject with Mill Trace Village Apartments.

SUBJECT COMPARISON TO MILL TRACE VILLAGE APARTMENTS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Mill Trace Village Apartments Rent	Square Feet	Mill Trace Village Apartments RPSF
1BR / 1BA	\$880	733	\$1.20	\$1,085	744	\$1.46
2BR / 1BA	\$980	930	\$1.05	\$1,152	925	\$1.25
3BR / 1BA	\$1,205	1,086	\$1.11	\$1,434	1,104	\$1.30

Mill Trace Village Apartments offers balconies/patios, washer/dryers, washer/dryer hook-ups, a fitness center, and tennis courts, all of which the Subject lacks. However, the Subject offers a business center, basketball court, and recreational areas, none of which are provided by Mill Trace Village Apartments. On balance, we believe the in-unit and property amenity packages offered by Mill Trace Village Apartments to be slightly superior and similar relative to the Subject, respectively. In overall terms, we believe the Subject will be inferior product relative to the Mill Trace Village Apartments. Our concluded achievable market rents for the Subject's units are below the rents reported by Mill Trace Village Apartments.

Cedarwood Manor is a 152-unit, garden-style development located 1.9 miles southeast of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. The property was built in 1972, and currently exhibits inferior condition relative to the Subject, which was built in 1980, renovated in 2004 and proposed to be renovated in 2020. The manager at Cedarwood Manor reported the property as fully occupied, indicating the property is not maximizing its rent potential. The following table compares the Subject with Cedarwood Manor.

SUBJECT COMPARISON TO CEDARWOOD MANOR

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Cedarwood Manor Rent	Square Feet	Cedarwood Manor RPSF
1BR / 1BA	\$880	733	\$1.20	\$693	598	\$1.16
2BR / 1BA	\$980	930	\$1.05	\$736	817	\$0.90
3BR / 1BA	\$1,205	1,086	\$1.11	\$1,024	1,023	\$1.00

Cedarwood Manor offers balconies/patios and washer/dryer hook-ups, both of which the Subject lack. However, the Subject offers walk-in closets, a business center, a community room, basketball court, recreational areas, and WiFi, none of which are provided by Cedarwood Manor. On balance, we believe the in-unit and property amenity packages offered by Cedarwood Manor to be slightly superior and inferior relative to the Subject, respectively. The Subject offers larger unit sizes in comparison to Cedarwood Manor. In overall terms, we believe the Subject will be a superior product relative to the Cedarwood Manor. Therefore, we have placed our achievable market rents for the Subject's units at **\$880, \$980, and \$1,205** for the Subject's one, two and three-bedroom units, respectively.

Summary Evaluation

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. Strengths of the Subject will include its good condition and competitive property amenity package. Weaknesses include its slightly inferior in-unit amenities and location when compared to the comparables. Several of the LIHTC comparables reported extensive waiting lists. Vacancy at the Subject is expected to be no more than five percent over the long term. Based on the comparable data, we believe the proposed LIHTC rental rates are achievable. We expect the Subject to be well-accepted in the market as a LIHTC property.

I. AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES AND PENETRATION RATES

AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES, AND PENETRATION RATES

Introduction

When evaluating demand for a particular proposed development we rely primarily on two methods. These are a supply analysis and a demand analysis. The supply analysis focuses on satisfied demand and anecdotal reports from property managers and market participants regarding demand. We believe this evidence of demand is the most clear and reliable when measuring housing need in a market area. We explored that indication in the previous sections of this report.

This section focuses on analyzing demographic data to determine housing need. According to NCHMA model content standards there are two measurements used to evaluate demand based on the demographic data. The first measurement is termed the capture rate. NCHMA define Capture Rate as: “The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to fill the units. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area.”

The second measurement is the Penetration Rate, which has similarities to the capture rate. NCHMA defines Penetration Rate as “The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed within six months of the Subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*.”

Capture Rate Determination

The following analysis will take the reader through a multi-step process in determining an appropriate capture rate for the Subject. Our analysis takes the entire population and distributes it by the following characteristics:

- 1) PMA Demography
- 2) Income Qualified
- 3) Renter Households
- 4) Unit Size Appropriate

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

For the purposes of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood-oriented” and are generally very reluctant to move from the area in which they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below-market rents. A certain percent of the Subject’s tenants are expected to hail from the PMA; demand estimates will be adjusted to reflect the potential for “leakage.”

The Subject property is located in the Highland Springs neighborhood of Richmond, Virginia. The PMA is generally defined as Interstate 295 to the east, northeast, and southeast, Mechanicsville Bypass to the northwest, Interstate 64, Nine Mile Road, North 31st Street, P Street, Oakwood Avenue, East Richmond Road, and Jennie Scher Road to the west, Highway 60 and Darbytown Road to the southwest, and Pocahontas Parkway to the south. The PMA is 44 square miles in size and has a drive time zone of 20 minutes. This area was defined based on interviews with local market participants and local property managers. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries.

Demographic Information

The basic demographic information is based upon the definition of a primary market area (“PMA”) and an estimate of the characteristics of the people living within that geographic definition.

Demographic data originates from the Census and is compiled by a third party data provider. Novogradac & Company uses data provided by the ESRI Business Analyst. Business Analyst brings in data as produced by ESRI’s team of demographers. Sources include the US Census, American Community Survey, and other reputable sources. Housing characteristics are derived from several data sources, including construction data from Hanley Wood Market Intelligence, building permits from counties, the USPS, HUD, BLS, and the Census bureau. Owner and renter occupied units come from the Current Population Survey (BLS) and the Housing Vacancy Survey (Census). Data has been ground-truthed by ESRI staff and proven effective.

ESRI’s products have been used by almost all US federal agencies (including HUD and USDA) , top state level agencies, over 24,000 state and local governments worldwide, as well as many industry leading technology users—AT&T, Citrix, SAP, Oracle, Microsoft. ESRI produces timely updates based on new releases of data.

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who have reached the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data that includes only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Henrico County, VA
AMI for four person household:	\$86,400
Tenancy (Family vs Senior):	Family
Affordability percentage:	35 percent
Leakage:	10 percent

To establish the number of income-eligible potential tenants for the Subject, the calculations are as follows:

First, we estimate the Subject’s minimum and maximum income levels (income bands) for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. This provides the upper end of the income band as illustrated below. However, the minimum income is not established by HUD and must be estimated. Often, lower-income families pay a higher percentage of gross income toward housing costs. The industry standard is 35 percent for LIHTC-only calculations for family oriented properties. For senior properties this number increases to 40 percent based upon the nature of senior household economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the application percentage to determine an income level. For example, if a property has a one bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40% (Section 8)		@50%		@50% (Section 8)	
1BR	\$0	\$27,680	-	-	\$0	\$34,600
2BR	\$0	\$31,120	-	-	\$0	\$38,900
3BR	\$0	\$37,360	\$36,446	\$46,700	\$0	\$46,700

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40%		@50%	
1BR	\$22,217	\$27,680	\$25,680	\$34,600
2BR	\$26,674	\$31,120	\$30,377	\$38,900
3BR	\$30,823	\$37,360	\$36,446	\$46,700

Second, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject property. This income distribution was illustrated previously in the demographic analysis section of this report.

RENTER HOUSEHOLD INCOME

Income Cohort	PMA					
	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,475	13.6%	1,384	13.0%	-18	-1.2%
\$10,000-19,999	2,061	19.1%	1,885	17.7%	-35	-1.7%
\$20,000-29,999	1,690	15.6%	1,577	14.8%	-23	-1.3%
\$30,000-39,999	1,529	14.1%	1,478	13.9%	-10	-0.7%
\$40,000-49,999	1,322	12.2%	1,297	12.2%	-5	-0.4%
\$50,000-59,999	798	7.4%	817	7.7%	4	0.5%
\$60,000-74,999	770	7.1%	820	7.7%	10	1.3%
\$75,000-99,999	561	5.2%	607	5.7%	9	1.6%
\$100,000-124,999	150	1.4%	175	1.6%	5	3.3%
\$125,000-149,999	165	1.5%	222	2.1%	11	6.9%
\$150,000-199,999	142	1.3%	185	1.7%	9	6.1%
\$200,000+	145	1.3%	209	2.0%	13	8.8%
Total	10,808	100.0%	10,656	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, September 2019

Step Three – Income Distribution

Third, we combine the allowable income bands with the income distribution analysis in order to determine the number of potential income-qualified households. The Cohort Overlap is defined as the income amount within income bands defined above that falls within the ESRI provided Income Cohort. The % in Cohort is simply the cohort overlap divided by the income cohort range (generally \$10,000). The # in Cohort is determined by multiplying total renter households by the % in Cohort determination. In some cases the income-eligible band overlaps with more than one income cohort. In those cases, the cohort overlap for more than one income

cohort will be calculated. The sum of these calculations provides an estimate of the total number of households that are income-eligible, both by AMI level and in total.

FAMILY INCOME DISTRIBUTION 2018 - AS PROPOSED

Income Cohort	Total Renter Households	@40% (Section 8)			@50%			@50% (Section 8)			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	1,475	9,999	100.0%	1,475				9,999	100.0%	1,475	9,999	100.0%	1,475
\$10,000-19,999	2,061	9,999	100.0%	2,061				9,999	100.0%	2,061	9,999	100.0%	2,061
\$20,000-29,999	1,690	9,999	100.0%	1,690				9,999	100.0%	1,690	9,999	100.0%	1,690
\$30,000-39,999	1,529	7,361	73.6%	1,126	3,553	35.5%	543	9,999	100.0%	1,529	9,999	100.0%	1,529
\$40,000-49,999	1,322				6,701	67.0%	886	6,701	67.0%	886	6,701	67.0%	886
\$50,000-59,999	798												
\$60,000-74,999	770												
\$75,000-99,999	561												
\$100,000-124,999	150												
\$125,000-149,999	165												
\$150,000-199,999	142												
\$200,000+	145												
Total	10,808		58.8%	6,352		13.2%	1,429		70.7%	7,641		70.7%	7,641

FAMILY INCOME DISTRIBUTION 2018 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@40%			@50%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	1,475									
\$10,000-19,999	2,061									
\$20,000-29,999	1,690	7,781	77.8%	1,315	4,318	43.2%	730	7,781	77.8%	1,315
\$30,000-39,999	1,529	7,361	73.6%	1,126	9,999	100.0%	1,529	9,999	100.0%	1,529
\$40,000-49,999	1,322				6,701	67.0%	886	6,701	67.0%	886
\$50,000-59,999	798									
\$60,000-74,999	770									
\$75,000-99,999	561									
\$100,000-124,999	150									
\$125,000-149,999	165									
\$150,000-199,999	142									
\$200,000+	145									
Total	10,808		22.6%	2,441		29.1%	3,145		34.512%	3,730

Step Four – Income Eligible - Renter Households by Number of People in Household

At this point we know how many income eligible renter households there are within the PMA by AMI level. Using that household figure we have also calculated percentage of income eligible households to total households by AMI level (AMI percentage eligible). However, in order to provide a demand analysis by bedroom type the number of households must now be allocated to a bedroom mix. The first step in that process is to determine the number of income qualified renter households by the number of persons per household. This can be completed by applying the total number of rental households by person by the AMI percentage eligible. The total number of renter households by person is information provided by ESRI and illustrated in the demographic discussion.

Step Five – Unit Size Appropriate

Household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. Additionally HUD assumes that one-person households are accommodated in one-bedroom units. For LIHTC income purposes, the actual size of the household is used.

The distribution of households by unit type is dependent on the following assumptions. This table has been developed by Novogradac as a result of market research.

HOUSEHOLD DISTRIBUTION

HOUSEHOLD DISTRIBUTION		
1 BR	90%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
2 BR	10%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	60%	Of three-person households in 2BR units
3 BR	30%	Of four-person households in 2BR units
	40%	Of three-person households in 3BR units
	40%	Of four-person households in 3BR units
	50%	Of five-person households in 3BR units

The projected renter household demand by bedroom size can then be determined by applying these weightings to the number of income qualified renter households determined in Step Four.

Step Six – Capture Rate by Bedroom Mix

The capture rate is simply determined by dividing the number of units by unit type for the Subject by the total number of qualified renter households for that unit type. This calculation is then adjusted for leakage to arrive at a final determination of capture rate by bedroom type and AMI level.

CAPTURE RATE ANALYSIS BY UNIT TYPE

In order to determine demand for the proposed market mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for all AMI levels.

40 Percent of AMI Demand with Subsidy (As Proposed)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.5%	3,734
2 persons	27.0%	2,914
3 persons	17.6%	1,907
4 persons	11.9%	1,285
5+ persons	9.0%	968
Total	100.0%	10,808

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,734	x	58.8%	2,194
2 persons	2,914	x	58.8%	1,712
3 persons	1,907	x	58.8%	1,121
4 persons	1,285	x	58.8%	755
5+ persons	968	x	58.8%	569
Total	10,808			6,352

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,317
2BR	2,488
3BR	1,035
Total	5,841

Capture Rate Analysis - @40% (Section 8) - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	3	0.13%
2BR	8	0.32%
3BR	5	0.48%
Total/Overall	16	0.27%

Adjusted for Leakage from Outside of the PMA

10%

1BR	3	0.12%
2BR	8	0.29%
3BR	5	0.43%
Total/Overall	16	0.25%

50 Percent of AMI Demand with Subsidy (As Proposed)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.5%	3,734
2 persons	27.0%	2,914
3 persons	17.6%	1,907
4 persons	11.9%	1,285
5+ persons	9.0%	968
Total	100.0%	10,808

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,734	x 70.7%	2,640
2 persons	2,914	x 70.7%	2,060
3 persons	1,907	x 70.7%	1,348
4 persons	1,285	x 70.7%	908
5+ persons	968	x 70.7%	684
Total	10,808		7,641

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,788
2BR	2,994
3BR	1,245
Total	7,026

Capture Rate Analysis - @50% (Section 8) - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	25	0.90%
2BR	68	2.27%
3BR	42	3.37%
Total/Overall	135	1.92%

Adjusted for Leakage from Outside of the PMA

10%

1BR	25	0.81%
2BR	68	2.04%
3BR	42	3.04%
Total/Overall	135	1.73%

50 Percent of AMI Demand Absent Subsidy (As Proposed)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.5%	3,734
2 persons	27.0%	2,914
3 persons	17.6%	1,907
4 persons	11.9%	1,285
5+ persons	9.0%	968
Total	100.0%	10,808

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,734	x	13.2%	494
2 persons	2,914	x	13.2%	385
3 persons	1,907	x	13.2%	252
4 persons	1,285	x	13.2%	170
5+ persons	968	x	13.2%	128
Total	10,808			1,429

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	-
2BR	-
3BR	233
Total	233

Capture Rate Analysis - @50% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	-	-
2BR	-	-
3BR	1	0.43%
Total/Overall	1	0.43%

Adjusted for Leakage from Outside of the PMA

10%

1BR	-	-
2BR	-	-
3BR	1	0.39%
Total/Overall	1	0.39%

All Units Demand (As Proposed)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.5%	3,734
2 persons	27.0%	2,914
3 persons	17.6%	1,907
4 persons	11.9%	1,285
5+ persons	9.0%	968
Total	100.0%	10,808

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,734	x	70.7%	2,640
2 persons	2,914	x	70.7%	2,060
3 persons	1,907	x	70.7%	1,348
4 persons	1,285	x	70.7%	908
5+ persons	968	x	70.7%	684
Total	10,808			7,641

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,788
2BR	2,994
3BR	1,245
Total	7,026

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	28	1.00%
2BR	76	2.54%
3BR	48	3.86%
Total/Overall	152	2.16%

Adjusted for Leakage from Outside of the PMA

10%

1BR	28	0.90%
2BR	76	2.28%
3BR	48	3.47%
Total/Overall	152	1.95%

40 Percent of AMI Demand with Subsidy (Absent Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.5%	3,734
2 persons	27.0%	2,914
3 persons	17.6%	1,907
4 persons	11.9%	1,285
5+ persons	9.0%	968
Total	100.0%	10,808

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,734	x	22.6%
2 persons	2,914	x	22.6%
3 persons	1,907	x	22.6%
4 persons	1,285	x	22.6%
5+ persons	968	x	22.6%
Total	10,808		2,441

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	891
2BR	956
3BR	398
Total	2,244

Capture Rate Analysis - @40% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	3	0.34%
2BR	8	0.84%
3BR	5	1.26%
Total/Overall	16	0.71%

Adjusted for Leakage from Outside of the PMA

10%

1BR	3	0.30%
2BR	8	0.75%
3BR	5	1.13%
Total/Overall	16	0.64%

50 Percent of AMI Demand (Absent Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.5%	3,734
2 persons	27.0%	2,914
3 persons	17.6%	1,907
4 persons	11.9%	1,285
5+ persons	9.0%	968
Total	100.0%	10,808

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,734	x 29.1%	1,086
2 persons	2,914	x 29.1%	848
3 persons	1,907	x 29.1%	555
4 persons	1,285	x 29.1%	374
5+ persons	968	x 29.1%	282
Total	10,808		3,145

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,147
2BR	1,232
3BR	512
Total	2,892

Capture Rate Analysis - @50% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	25	2.18%
2BR	68	5.52%
3BR	43	8.39%
Total/Overall	136	4.70%

Adjusted for Leakage from Outside of the PMA

10%

1BR	25	1.96%
2BR	68	4.97%
3BR	43	7.55%
Total/Overall	136	4.23%

All Units Demand (Absent Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.5%	3,734
2 persons	27.0%	2,914
3 persons	17.6%	1,907
4 persons	11.9%	1,285
5+ persons	9.0%	968
Total	100.0%	10,808

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,734	x 34.5%	1,289
2 persons	2,914	x 34.5%	1,006
3 persons	1,907	x 34.5%	658
4 persons	1,285	x 34.5%	443
5+ persons	968	x 34.5%	334
Total	10,808		3,730

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,361
2BR	1,461
3BR	608
Total	3,430

Capture Rate Analysis - All Units Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	28	2.06%
2BR	76	5.20%
3BR	48	7.90%
Total/Overall	152	4.43%
<i>Adjusted for Leakage from Outside of the PMA</i>		10%
1BR	28	1.85%
2BR	76	4.68%
3BR	48	7.11%
Total/Overall	152	3.99%

ANNUAL CAPTURE RATE ANALYSIS

The following calculation derives an estimated market penetration rate based on per annum demand. This is an indication of the percentage of net demand penetration that the Subject must attract in order to reach stabilized occupancy. This measure essentially takes the available household demand searching for apartments in the market area and deducts competition in order to determine net demand available to the Subject. The table below outlines the analysis of this methodology.

The annual demand for rental housing depends upon the following factors:

Population/Household Change

Population change as a result of new households moving in or out of the area: This was previously calculated, in the estimated population increase from 2018 to 2023. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

Additions to Supply

According to the Virginia Housing Development Authority, between 2015 and September 2019, there have been four projects allocated tax credits within the PMA that are currently proposed or under construction. The details on these properties are presented below.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Type	Tenancy	Status	Total Units	Competitive Units
Church Hill North I	2017	LIHTC/PBRA	New Construction	Family	Under Construction	60	60
Apartments at Kingsridge 2	2018	LIHTC	New Construction	Family	Under Construction	71	71
Church Hill North Phase 1B	2018	LIHTC/PBRA	New Construction	Senior	Under Construction	45	45
Church Hill North Phase 2A	2018	LIHTC/PBRA	New Construction	Family	Under Construction	70	70
						246	246

Source: Virginia Housing Development Authority, September 2019

- **Church Hill North I, Phase 1B, and Phase 2A** were awarded LIHTC equity for the new construction of 60, 45, and 70 units. Construction is expected to be completed in late 2019. The units will be restricted to households earning 40, 50, and 60 percent of AMI or below, and some units will have Project Based Rental Assistance. However, it is not known how many units will be restricted at which level of AMI and how many units will be subsidized. Phase 1B will be senior housing. In order to be conservative in our analysis, all units are considered competitive with the Subject.
- **Apartments at Kingsridge 2** will be the new construction of 71 units and is expected to be completed in 2020. The development will offer two and three-bedroom units. However, the income restriction is not yet known. In order to be conservative in our analysis, all units are considered competitive with the Subject.

Therefore, we have removed 246 under construction units that are expected to be competitive with the Subject from our *Demand Analysis*.

Annual Demand Table – As Proposed

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2018		10,808
Increase in Number of Renter Households		(152)
Number of Renter Households in 2023		10,656
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		44.7%
Percentage of Income-Qualified Renter Households		70.7%
Number of Income-Qualified Renter Households		7,641
Percentage of Rent-Overburdened		46.4%
Existing Income-Qualified Renter Household Turnover		3,549
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		(30)
Percentage of Income-Qualified Renter Households		70.7%
New Rental Income Qualified Households		(22)
<i>Capture Rate Analysis</i>		
Number of Units in Subject		152
Occupied Units at Subject With Vacancy of:	5%	144
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		3,528
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		3,919
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	246	
Total Demand after Competition (Turnover and Growth)		3,673
Yielded Annual Capture Rate of Available Demand in 2019		3.9%

It should be noted that of the Subject’s 152 units only 12 will be vacated during the rehabilitation period. In this analysis we have considered a hypothetical scenario in which the property was 100 percent vacant. The yielded capture rate is approximately 3.9 percent of available demand per annum for the Subject’s units, which is low and indicative of strong demand.

Annual Demand Table – Absent Subsidy

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2018		10,808
Increase in Number of Renter Households		(152)
Number of Renter Households in 2023		10,656
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		44.7%
Percentage of Income-Qualified Renter Households		34.5%
Number of Income-Qualified Renter Households		3,730
Percentage of Rent-Overburdened		46.4%
Existing Income-Qualified Renter Household Turnover		1,733
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		(30)
Percentage of Income-Qualified Renter Households		34.5%
New Rental Income Qualified Households		(11)
<i>Capture Rate Analysis</i>		
Number of Units in Subject		152
Occupied Units at Subject With Vacancy of:	5%	144
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		1,722
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		1,913
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	246	
Total Demand after Competition (Turnover and Growth)		1,667
Yielded Annual Capture Rate of Available Demand in 2019		8.7%

It should be noted that of the Subject’s 152 units only 12 will be vacated during the rehabilitation period. In this analysis we have considered a hypothetical scenario in which the property was 100 percent vacant. The yielded capture rate is approximately 8.7 percent of available demand per annum for the Subject’s units, which is low and indicative of strong demand.

VHDA DEMAND ANALYSIS

We also included the required demand table from the VHDA market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject property. The supply illustrates all proposed or under construction units in the PMA.

We have included the directly comparable vacant units at the comparable properties. There are currently four LIHTC properties, with 246 LIHTC units as detailed later in this report, in the PMA that are under construction or recently allocated that will be considered directly competitive with the Subject. We have conservatively made the assumption that all of the comparable properties will be competitive with the Subject and that approximately half of these units are restricted at 40 percent of AMI and half are restricted at 50 percent of AMI.

There are currently no vacant income restricted units among the affordable inventory in the PMA that are competitive with the Subject. The following table details the AMI distribution of the planned developments and developments currently under construction in the PMA.

AMI DISTRIBUTION FOR PLANNED DEVELOPMENTS AND VACANT UNITS

Property Name	60% AMI Units
<i>Planned and Under Construction</i>	
Church Hill North I	60
Apartments at Kingsridge 2	71
Church Hill North IB	45
Church Hill North 2A	70
Total	246

The following table illustrates the resulting capture rates for demand currently existing in PMA.

Income Restrictions	Up to 40% with	Up to 40% absent	Up to 50% with	Up to 50% absent	All LIHTC absent	All LIHTC with
	subsidy (min. income to max income)	subsidy (min. income to max income)	subsidy (min. income to max income)	subsidy (min. income to max income)	income to max income)	subsidy (min. income to max income)
New Rental Households	-89	-34	-107	-44	-107	-52
+						
Existing Households - Overburdened	2,950	1,134	3,549	1,461	3,549	1,732
+						
Existing Households - Substandard Housing	11	4	122	50	134	55
+						
Senior Households - Likely to Covert to Rental Housing	n/a	n/a	n/a	n/a	n/a	n/a
+						
Qualified Tenants- To Remain After Renovation	0	0	0	0	0	0
TOTAL DEMAND	2,872	1,104	3,564	1,467	3,575	1,735
-						
Supply (includes directly comparable vacant units or in pipeline in PMA)	123	123	123	123	246	246
NET DEMAND	2,749	981	3,441	1,344	3,329	1,489
PROPOSED UNITS	16	16	136	136	152	152
CAPTURE RATE	0.6%	1.6%	4.0%	10.1%	4.6%	10.2%
ABSORPTION PERIOD	3 months	3 months	3 months	3 months	3 months	3 months

We believe there is ample demand for the Subject. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate- LIHTC Units @40% AMI with Subsidy	0.6%
Project Wide Capture Rate- LIHTC Units @40% AMI absent Subsidy	1.6%
Project Wide Capture Rate- LIHTC Units @50% AMI with Subsidy	4.0%
Project Wide Capture Rate- LIHTC Units @40% AMI absent Subsidy	10.1%
Project Wide Capture Rate- All LIHTC Units with Subsidy	4.6%
Project Wide Capture Rate- All LIHTC Units absent Subsidy	10.2%
Project Wide Absorption Period (Months)	3 Months
Project Wide Absorption Period (Months) Absent Subsidy	3 Months

Capture Rate and VHDA Conclusion

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units is as follows:

DEMAND CONCLUSION

Calculation	As Proposed	Absent Subsidy
@40% (Section 8)	0.2%	0.6%
@50%	0.4%	N/A
@50% (Section 8)	1.7%	0.0%
All Units	1.9%	4.0%

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 3.9 percent for the first year of operation as a LIHTC property with subsidy and 8.7 percent absent subsidy. This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 3,673 units of demand in the first year of the Subject’s operation as proposed and 1,667 absent subsidy. The Subject’s units will need to accommodate 144 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

The VHDA net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table.

Project Wide Capture Rate- LIHTC Units @40% AMI with Subsidy	0.6%
Project Wide Capture Rate- LIHTC Units @40% AMI absent Subsidy	1.6%
Project Wide Capture Rate- LIHTC Units @50% AMI with Subsidy	4.0%
Project Wide Capture Rate- LIHTC Units @40% AMI absent Subsidy	10.1%
Project Wide Capture Rate- All LIHTC Units with Subsidy	4.6%
Project Wide Capture Rate- All LIHTC Units absent Subsidy	10.2%
Project Wide Absorption Period (Months)	3 Months
Project Wide Absorption Period (Months) Absent Subsidy	3 Months

These are low capture rates and indicative of ample demand for the Subject.

PENETRATION RATE ANALYSIS

Per VHDA guidelines, we also performed a penetration rate analysis for the Subject’s units as proposed, as illustrated in the following table.

PENETRATION RATE - Market Focus - NCHMA	
Number of Proposed Competitive Affordable Units in the PMA	246
	+
Number of Existing Competitive Family Affordable Units in the PMA	1,538
	+
Number of Proposed Affordable Units at the Subject	152
	=
Total	1,936
	/
Income Eligible Households - All AMI Levels	7,641
	=
Overall Penetration Rate - Market Focus (NCHMA)	25.3%

Additionally we performed a penetration rate analysis for the Subject’s units absent subsidy, as illustrated in the following table.

PENETRATION RATE -Market Focus - NCHMA	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	246
	+
Number of Existing Competitive Family <i>LIHTC</i> Units in the PMA	1,002
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	152
	=
Total	1,400
	/
Income Eligible Households - All AMI Levels	3,730
	=
Overall Penetration Rate - Market Focus (NCHMA)	37.5%

The overall penetration rate is derived by taking the number of LIHTC units proposed or under construction within the PMA, combined with the number of existing LIHTC units, and the number of the Subject’s units divided by the number of income eligible households. As previously discussed, four proposed/under construction developments are considered in our VHDA demand for a total of 246 proposed units.

Existing affordable housing projects in the PMA will not be adversely affected by the construction of the Subject property. A survey of comparable affordable LIHTC rental housing developments in the area demonstrates significant demand for quality rental units. The following table illustrates the LIHTC properties within the PMA that offer similar unit types and AMI levels, and are family oriented.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive LIHTC Units	Competitive Subsidized Units	Competitive LIHTC Units @ 60% AMI
Country Place	Section 8	Family	102	0	102	0
Coventry Garden Apts	Section 8	Family	176	0	176	0
Oakmeade Apts.	Section 8	Family	100	0	100	0
Newbridge Village Apts	Section 8	Family	152	0	152	0
Independence House	Section 8	Senior/Disabled	6	0	6	0
Wellington Place	LIHTC	Family	200	200	0	200
Lawndale Farms	LIHTC	Family	50	50	0	0
Glenns At Millers Lane*	LIHTC	Family	144	144	0	144
Audubon Village I*	LIHTC	Family	160	160	0	160
Townhomes Of Oakleys*	LIHTC	Family	160	160	0	160
Audubon Village II*	LIHTC	Family	54	54	0	54
Reflections Senior Living	LIHTC	Senior	104	104	0	0
Sandston Woods	LIHTC	Family	64	64	0	32
Newbridge Village*	LIHTC	Family	152	152	0	0
Summerdale*	LIHTC	Family	124	124	0	124
Sandston Plateau Senior Retirement Community	LIHTC	Senior	100	100	0	10
Coventry Gardens	LIHTC	Family	176	176	0	18
Oakmeade	LIHTC	Family	100	100	0	100
Totals			2124	1588	536	1002

*Used as a comparable property

The rent comparables were all constructed on or before 2005. Therefore, we searched the city of Richmond for properties that could provide absorption information. The following table details our findings.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Village At Westlake	Market	Family	2018	252	42
The Lofty	Market	Family	2015	33	7
Hatcher Tobacco Flats	LIHTC	Family	2015	152	43
Shockoe Valley View Apartments	Market	Family	2014	238	30
Belle Summit Apartments	LIHTC	Family	2014	50	25
Somanth Senior	LIHTC	Senior	2013	38	38
City View Place	LIHTC	Family	2012	32	32

We obtained absorption data from seven properties, located between 4.5 and 12.2 miles from the Subject site. These properties reported absorption rates ranging from seven to 43 units per month, with an overall average of 31 units per month. Overall, we expect the Subject will experience an absorption rate of 25 units per month as the Subject is not new construction. This equates to an absorption period of approximately six months. It should be noted that this is a hypothetical analysis because of the Subject’s 152 units only 12 will be vacated during the rehabilitation period.

Rent conclusions were provided in Section H.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject. The Novoco achievable market rents are reasonable and as a LIHTC property, the Subject will operate with a strong occupancy rate.

J. LOCAL PERSPECTIVES OF RENTAL HOUSING MARKET AND HOUSING ALTERNATIVES

INTERVIEWS

In order to ascertain the need for housing and affordable housing in the Subject’s area, interviews were conducted with various local officials.

Local Housing Authority Discussion

According to Ms. Grubb with the Housing Choice Voucher program at the Richmond Redevelopment and Housing Authority, there are approximately 3,273 vouchers allotted to the Richmond area. Ms. Grubb was unable to provide the number of Housing Choice Vouchers that have been issued but reported that the waiting list has been closed since April 2005. Ms. Grubb reported that there is high demand for affordable housing in Richmond. There are no plans to reopen the waiting list in the near future. The current payment standards are as follows:

PAYMENT STANDARDS (NET)

Unit Type	Standard
One-Bedroom	\$920
Two-Bedroom	\$1,058
Three-Bedroom	\$1,418

Source: Virginia Housing Development Authority , effective November 2017

The majority of the Subject’s units will benefit from Section 8 subsidy and tenants will pay 30 percent of their income towards rent and vouchers will not be necessary for these units. Absent subsidy, the payment standards are above the Subject’s proposed rents. Therefore, tenants using vouchers will not have to pay additional rent out of pocket to reside at the Subject.

Planning Discussion

The following table illustrates proposed and under construction multifamily developments in the PMA according to Costar.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Construction Status	Distance to Subject
Apartments At Kingsridge 2	LIHTC	Family	71	Under Construction	1.7 miles
Church Hill North	Market/LIHTC/PBRA	Family/Senior	155	Under Construction	3.1 miles
Totals			226		

Source: CoStar, September 2019

According to Costar, there are two proposed or under construction multifamily developments in the PMA, both of which are LIHTC properties that are discussed further in the following section. Church Hill North will offer market rate units in addition to affordable units, however the unit mix is not yet available. We do not expect the market rate units to be competitive with the Subject.

According to the Virginia Housing Development Authority, between 2015 and September 2019, there have been four projects allocated tax credits within the PMA that are currently proposed or under construction. The details on these properties are presented below.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Type	Tenancy	Status	Total Units	Competitive Units
Church Hill North I	2017	LIHTC/PBRA	New Construction	Family	Under Construction	60	60
Apartments at Kingsridge 2	2018	LIHTC	New Construction	Family	Under Construction	71	71
Church Hill North Phase 1B	2018	LIHTC/PBRA	New Construction	Senior	Under Construction	45	45
Church Hill North Phase 2A	2018	LIHTC/PBRA	New Construction	Family	Under Construction	70	70
						246	246

Source: Virginia Housing Development Authority, September 2019

- **Church Hill North I, Phase 1B, and Phase 2A** were awarded LIHTC equity for the new construction of 60, 45, and 70 units. Construction is expected to be completed in late 2019. The units will be restricted to households earning 40, 50, and 60 percent of AMI or below, and some units will have Project Based Rental Assistance. However, it is not known how many units will be restricted at which level of AMI and how many units will be subsidized. Phase 1B will be senior housing. In order to be conservative in our analysis, all units are considered competitive with the Subject.
- **Apartments at Kingsridge 2** will be the new construction of 71 units and is expected to be completed in 2020. The development will offer two and three-bedroom units. However, the income restriction is not yet known. In order to be conservative in our analysis, all units are considered competitive with the Subject.

Therefore, we have removed 246 under construction units that are expected to be competitive with the Subject from our *Demand Analysis*.

K. ANALYSIS/CONCLUSIONS

Recommendations

In general, we believe there is demand in the marketplace for the Subject. We recommend no changes for the Subject property.

Demand Summary

We believe there is ample demand for the Subject. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate- LIHTC Units @40% AMI with Subsidy	0.6%
Project Wide Capture Rate- LIHTC Units @40% AMI absent Subsidy	1.6%
Project Wide Capture Rate- LIHTC Units @50% AMI with Subsidy	4.0%
Project Wide Capture Rate- LIHTC Units @40% AMI absent Subsidy	10.1%
Project Wide Capture Rate- All LIHTC Units with Subsidy	4.6%
Project Wide Capture Rate- All LIHTC Units absent Subsidy	10.2%
Project Wide Absorption Period (Months)	3 Months
Project Wide Absorption Period (Months) Absent Subsidy	3 Months

Additionally, the overall penetration rate for the Subject is 25.3 percent with subsidy and 37.5 percent absent subsidy. It should be noted that the penetration rate analysis we have derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). Overall, the derived penetration rate for the Subject is considered reasonable.

Strengths and Weaknesses of the Subject

Strengths

- The Subject will be in good condition once completed.
- The vacancy rate for the LIHTC comparable properties is 2.0 percent and for the market rate comparables is 0.4 percent.
- Several of the LIHTC comparable properties reported waiting lists.
- The Subject offers superior property amenities to the comparable properties.
- The Subject has low capture rates and penetration rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject generally has slightly inferior unit features and slightly inferior location compared to the comparables.

Absorption Estimate

The rent comparables were all constructed on or before 2005. Therefore, we searched the city of Richmond for properties that could provide absorption information. The following table details our findings.

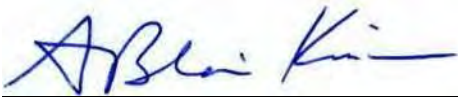
ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Village At Westlake	Market	Family	2018	252	42
The Lofty	Market	Family	2015	33	7
Hatcher Tobacco Flats	LIHTC	Family	2015	152	43
Shockoe Valley View Apartments	Market	Family	2014	238	30
Belle Summit Apartments	LIHTC	Family	2014	50	25
Somanth Senior	LIHTC	Senior	2013	38	38
City View Place	LIHTC	Family	2012	32	32

We obtained absorption data from seven properties, located between 4.5 and 12.2 miles from the Subject site. These properties reported absorption rates ranging from seven to 43 units per month, with an overall average of 31 units per month. Overall, we expect the Subject will experience an absorption rate of 25 units per month as the Subject is not new construction. This equates to an absorption period of approximately six months. It should be noted that this is a hypothetical analysis because of the Subject's 152 units only 12 will be vacated during the rehabilitation period.

L. OTHER REQUIREMENTS

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 of, or on behalf of VHDA.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.



H. Blair Kincer MAI, CRE
Partner

September 16, 2019
Date

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the market analyst has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the market analyst did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or market study and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the market analyst. Nor shall the market analyst, firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the market study report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

ADDENDUM B
Subject Property and Neighborhood Photographs

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject signage



Subject exterior



Subject exterior



Subject exterior



Subject exterior



Subject leasing office



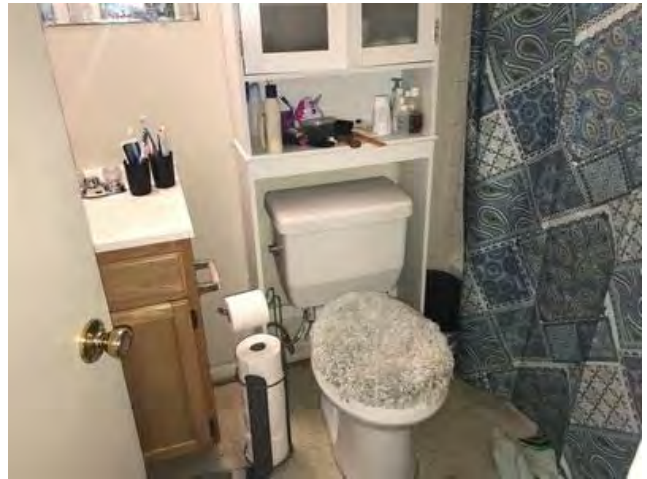
Subject central laundry



Subject community business center



Typical three-bedroom kitchen



Typical three-bedroom bathroom



Typical three-bedroom bedroom



Typical three-bedroom bedroom



Typical three-bedroom bedroom



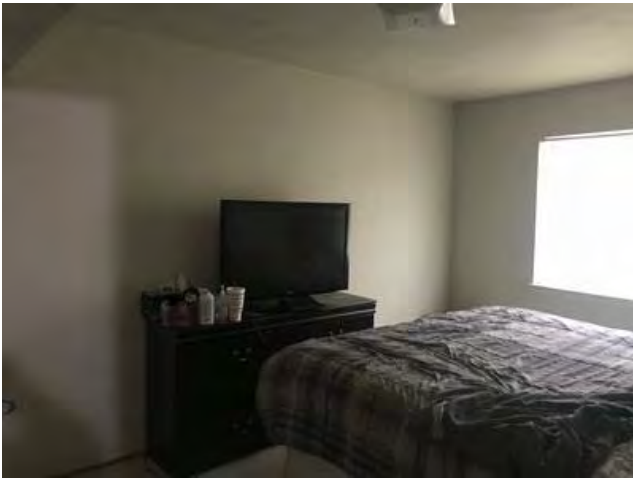
Typical three-bedroom living area



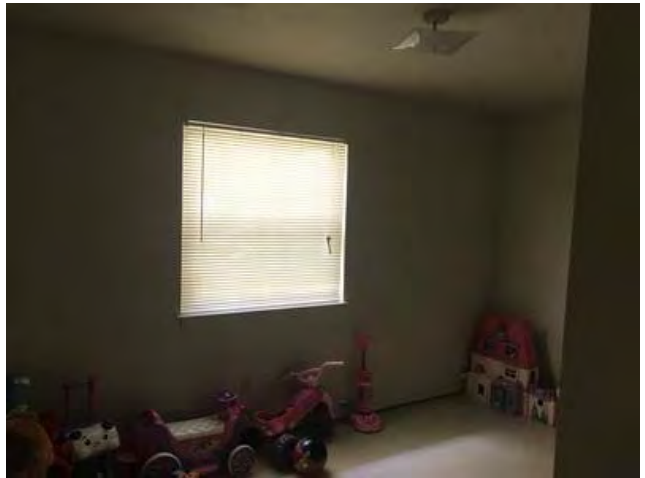
Typical two-bedroom kitchen



Typical two-bedroom bathroom



Typical two-bedroom bedroom



Typical two-bedroom bedroom



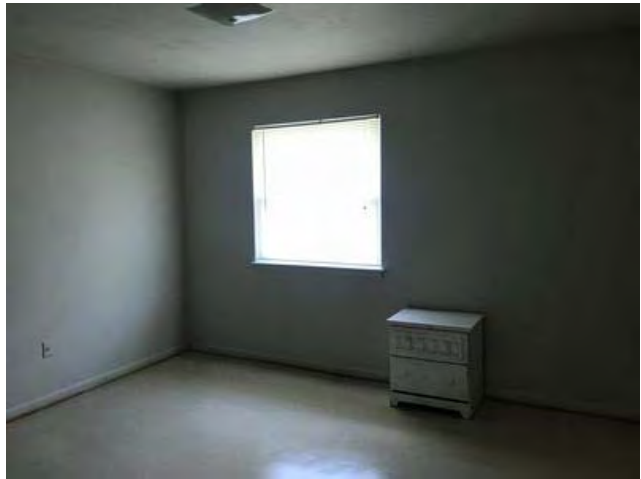
Typical two-bedroom living area



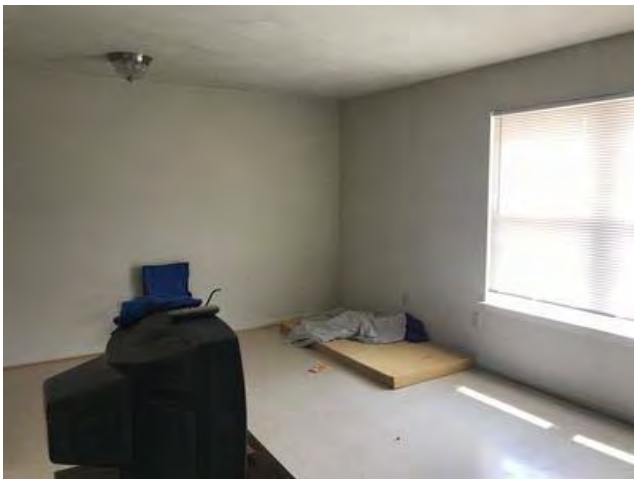
Typical one-bedroom kitchen



Typical one-bedroom bathroom



Typical one-bedroom bedroom



Typical one-bedroom living area



Subject community outdoor seating area



Subject community swimming pool



Subject community playground



Subject community basketball court



Subject off-street parking



View north along Newbridge Road



View south along Newbridge Road



Summerdale Apartments (included as a comparable) located north of Subject



Coventry Gardens Apartments (excluded as a comparable) located north of Subject



Townhomes located south of Subject



Townhomes located south of Subject



House of worship located east of Subject



Single-family home located east of Subject



Retail use located west of Subject



Walmart located west of Subject



Typical single-family homes in Subject neighborhood



Typical single-family homes in Subject neighborhood



Typical single-family homes in Subject neighborhood



Typical single-family homes in Subject neighborhood

ADDENDUM C
Subject Matrices and Property Profiles

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Newbridge Village 301 Newbridge Road Richmond, VA 23223 Henrico County	-	Garden 2-stories 1980 / 2004/2020 Family	50% Section 8	1BR / 1BA	3	2.0%	733	@40% (Section 8)	\$880	N/A	N/A	0	0.0%
					1BR / 1BA	25	16.5%	733	@50% (Section 8)	\$880	N/A	N/A	0	0.0%
					2BR / 1BA	8	5.3%	930	@40% (Section 8)	\$980	N/A	N/A	0	0.0%
					2BR / 1BA	68	44.7%	930	@50% (Section 8)	\$980	N/A	N/A	0	0.0%
					3BR / 1BA	5	3.3%	1,086	@40% (Section 8)	\$1,205	N/A	N/A	0	0.0%
					3BR / 1BA	1	0.7%	1,086	@50%	\$950	No	N/A	0	0.0%
					3BR / 1BA	42	27.6%	1,086	@50% (Section 8)	\$1,205	N/A	N/A	0	0.0%
					<u>152</u>							0	0.0%	
1	Audubon Village I 4901 Wood Thrush Circle Richmond, VA 23231 Henrico County	1.4 miles	Garden 2-stories 2001 / 2016 Family	@60%	2BR / 2BA 3BR / 2BA	128 32	80.0% 20.0%	868 1,076	@60% @60%	\$1,079 \$1,242	Yes Yes	Yes Yes	1 1	0.8% 3.1%
						<u>160</u>							2	1.3%
2	Audubon Village II 5011 Meadowlark Court Richmond, VA 23231 Henrico County	1.5 miles	Garden 2-stories 2001 / 2017 Family	@60%	2BR / 2BA 3BR / 2.5BA	44 10	81.5% 18.5%	868 1,076	@60% @60%	\$1,079 \$1,242	Yes Yes	Yes Yes	0 1	0.0% 10.0%
						<u>54</u>							1	1.9%
3	Glenwood Farms 3753 Bolling Road Richmond, VA 23223 Henrico County	3.3 miles	Various 2-stories 1948 / 2004 Family	@60%	0BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA 3BR / 1BA	23 37 53 21 62 48 50	7.8% 12.6% 18.0% 7.1% 21.1% 16.3% 17.0%	495 667 688 856 705 736 915	@60% @60% @60% @60% @60% @60% @60%	\$655 \$710 \$812 \$837 \$817 \$887 \$869	No No No No No No No	No No No No No No No	0 0 2 0 3 0 2	0.0% 0.0% 3.8% 0.0% 4.8% 0.0% 4.0%
						<u>294</u>							7	2.4%
4	Mallard Green 2823 Fairfield Avenue Richmond, VA 23223 Henrico County	2.9 miles	Townhouse 2-stories 1965 / 2007 Family	@60%	1BR / 1BA 2BR / 1BA 3BR / 1BA	3 186 3	1.6% 96.9% 1.6%	720 819 910	@60% @60% @60%	\$760 \$845 \$999	No No No	No No No	2 10 0	66.7% 5.4% 0.0%
						<u>192</u>							12	6.3%
5	Summerdale Apartments 5951 Tiger Lily Lane Richmond, VA 23223 Henrico County	0.2 miles	Garden 3-stories 2005 / n/a Family	@60%	2BR / 2BA 3BR / 2BA	76 48	61.3% 38.7%	975 1,185	@60% @60%	\$952 \$1,124	No No	No No	0 0	0.0% 0.0%
						<u>124</u>							0	0.0%
6	The Glens At Millers Lane 4700 Millers Lane Richmond, VA 23231 Henrico County	2.0 miles	Garden 2-stories 2000 / n/a Family	@60%	2BR / 2BA 3BR / 2BA	72 72	50.0% 50.0%	850 1,100	@60% @60%	\$1,079 \$1,242	Yes Yes	Yes Yes	0 0	0.0% 0.0%
						<u>144</u>							0	0.0%
7	Townhomes Of Oakleys 4633 Needham Court Richmond, VA 23231 Henrico County	1.5 miles	Various 2-stories 1974 / 2001 Family	@60%	1BR / 1BA 2BR / 1.5BA 3BR / 1.5BA 4BR / 1.5BA	8 112 36 4	5.0% 70.0% 22.5% 2.5%	581 877 1,174 1,279	@60% @60% @60% @60%	\$684 \$784 \$884 \$984	No No No No	No No No No	0 0 0 0	0.0% 0.0% 0.0% 0.0%
						<u>160</u>							0	0.0%
8	Cedarwood Manor 10 Shawn Court Highland Springs, VA 23075 Henrico County	1.9 miles	Garden 2-stories 1972 / n/a Family	Market	1BR / 1BA 2BR / 1BA 2BR / 1.5BA 3BR / 2BA	40 85 10 17	26.3% 55.9% 6.6% 11.2%	598 817 910 1,023	Market Market Market Market	\$693 \$736 \$834 \$1,024	N/A N/A N/A N/A	No No No No	0 0 0 0	0.0% 0.0% 0.0% 0.0%
						<u>152</u>							0	0.0%
9	Honey Brook Apartments 3500 Kings Drive Richmond, VA 23231 Henrico County	1.7 miles	Garden 3-stories 1980 / n/a Family	Market	1BR / 1BA 2BR / 1BA 2BR / 2BA	52 38 38	40.6% 29.7% 29.7%	675 975 975	Market Market Market	\$780 \$835 \$884	N/A N/A N/A	No No No	0 0 0	0.0% 0.0% 0.0%
						<u>128</u>							0	0.0%
10	Laurel Pines Apartments 4123 East Wood Harbor Court Richmond, VA 23231 Henrico County	1.7 miles	Garden 3-stories 1991 / n/a Family	Market	1BR / 1BA 1BR / 1BA 2BR / 1.5BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	18 18 36 30 6 6 6	15.0% 15.0% 30.0% 25.0% 5.0% 5.0% 5.0%	735 755 937 956 960 1,131 1,149	Market Market Market Market Market Market Market	\$984 \$1,029 \$1,136 \$1,136 \$1,166 \$1,438 \$1,458	N/A N/A N/A N/A N/A N/A N/A	No No No No No No No	0 2 0 0 0 1 0	0.0% 11.1% 0.0% 0.0% 0.0% 16.7% 0.0%
						<u>120</u>							3	2.5%
11	Mill Trace Village Apartments 7160 Ellerson Mill Circle Mechanicsville, VA 23111 Hanover County	3.6 miles	Garden 3-stories 1986 / 2018 Family	Market	1BR / 1BA 2BR / 2BA 3BR / 2BA	36 186 18	15.0% 77.5% 7.5%	744 925 1,104	Market Market Market	\$1,085 \$1,152 \$1,434	N/A N/A N/A	No No Yes	0 0 0	0.0% 0.0% 0.0%
						<u>240</u>							0	0.0%
12	Treehouse Apartments 5701 Pony Farm Drive Richmond, VA 23227 Henrico County	6.3 miles	Garden 2-stories 1970 / 2018 Family	Market	1BR / 1BA 2BR / 1BA 3BR / 2BA	N/A N/A N/A	N/A N/A N/A	723 857 1,008	Market Market Market	\$939 \$1,039 \$1,284	N/A N/A N/A	No No No	1 0 0	N/A N/A N/A
						<u>466</u>							1	0.2%

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.

		Units Surveyed:	2,234	Weighted Occupancy:	98.8%	
		Market Rate	1.106	Market Rate	99.6%	
		Tax Credit	1.128	Tax Credit	98.0%	
		One Bedroom One Bath Property	Average	Two Bedroom One Bath Property	Average	
		Property	Average	Property	Average	
		Property	Average	Property	Average	
RENT	Mill Trace Village Apartments (Market)	\$1,085	Laurel Pines Apartments (Market)(2BA)	\$1,166	Laurel Pines Apartments (Market)(2BA)	\$1,458
	Laurel Pines Apartments (Market)	\$1,029	Mill Trace Village Apartments (Market)(2BA)	\$1,152	Laurel Pines Apartments (Market)(2BA)	\$1,438
	Laurel Pines Apartments (Market)	\$984	Laurel Pines Apartments (Market)(2BA)	\$1,136	Mill Trace Village Apartments (Market)(2BA)	\$1,434
	Treehouse Apartments (Market)	\$939	Laurel Pines Apartments (Market)(1.5BA)	\$1,136	Treehouse Apartments (Market)(2BA)	\$1,284
	Newbridge Village (@50%)	\$880	Audubon Village II (@60%)(2BA)	\$1,079	Audubon Village II (@60%)(2.5BA)	\$1,242
	Newbridge Village (@40%)	\$880	Audubon Village I (@60%)(2BA)	\$1,079	Audubon Village I (@60%)(2BA)	\$1,242
	Honey Brook Apartments (Market)	\$780	The Glens At Millers Lane (@60%)(2BA)	\$1,079	The Glens At Millers Lane (@60%)(2BA)	\$1,242
	Mallard Green (@60%)	\$760	Treehouse Apartments (Market)	\$1,039	Newbridge Village (@40%)	\$1,205
	Glenwood Farms (@60%)	\$710	Newbridge Village (@50%)	\$980	Newbridge Village (@50%)	\$1,205
	Cedarwood Manor (Market)	\$693	Newbridge Village (@40%)	\$980	Summerdale Apartments (@60%)(2BA)	\$1,124
	Townhomes Of Oakleys (@60%)	\$684	Summerdale Apartments (@60%)(2BA)	\$952	Cedarwood Manor (Market)(2BA)	\$1,024
			Glenwood Farms (@60%)	\$887	Mallard Green (@60%)	\$999
			Honey Brook Apartments (Market)(2BA)	\$884	Newbridge Village (@50%)	\$950
			Mallard Green (@60%)	\$845	Townhomes Of Oakleys (@60%)(1.5BA)	\$884
			Glenwood Farms (@60%)	\$837	Glenwood Farms (@60%)	\$869
		Honey Brook Apartments (Market)	\$835			
		Cedarwood Manor (Market)(1.5BA)	\$834			
		Glenwood Farms (@60%)	\$817			
		Glenwood Farms (@60%)	\$812			
		Townhomes Of Oakleys (@60%)(1.5BA)	\$784			
		Cedarwood Manor (Market)	\$736			
SQUARE FOOTAGE	Laurel Pines Apartments (Market)	755	Summerdale Apartments (@60%)(2BA)	975	Summerdale Apartments (@60%)(2BA)	1,185
	Mill Trace Village Apartments (Market)	744	Honey Brook Apartments (Market)(2BA)	975	Townhomes Of Oakleys (@60%)(1.5BA)	1,174
	Laurel Pines Apartments (Market)	735	Honey Brook Apartments (Market)	975	Laurel Pines Apartments (Market)(2BA)	1,149
	Newbridge Village (@40%)	733	Laurel Pines Apartments (Market)(2BA)	960	Laurel Pines Apartments (Market)(2BA)	1,131
	Newbridge Village (@50%)	733	Laurel Pines Apartments (Market)(2BA)	956	Mill Trace Village Apartments (Market)(2BA)	1,104
	Treehouse Apartments (Market)	723	Laurel Pines Apartments (Market)(1.5BA)	937	The Glens At Millers Lane (@60%)(2BA)	1,100
	Mallard Green (@60%)	720	Newbridge Village (@40%)	930	Newbridge Village (@40%)	1,086
	Honey Brook Apartments (Market)	675	Newbridge Village (@50%)	930	Newbridge Village (@50%)	1,086
	Glenwood Farms (@60%)	667	Mill Trace Village Apartments (Market)(2BA)	925	Newbridge Village (@50%)	1,086
	Cedarwood Manor (Market)	598	Cedarwood Manor (Market)(1.5BA)	910	Audubon Village II (@60%)(2.5BA)	1,076
	Townhomes Of Oakleys (@60%)	581	Townhomes Of Oakleys (@60%)(1.5BA)	877	Audubon Village I (@60%)(2BA)	1,076
			Audubon Village I (@60%)(2BA)	868	Cedarwood Manor (Market)(2BA)	1,023
			Audubon Village II (@60%)(2BA)	868	Treehouse Apartments (Market)(2BA)	1,008
			Treehouse Apartments (Market)	857	Glenwood Farms (@60%)	915
			Glenwood Farms (@60%)	856	Mallard Green (@60%)	910
		The Glens At Millers Lane (@60%)(2BA)	850			
		Mallard Green (@60%)	819			
		Cedarwood Manor (Market)	817			
		Glenwood Farms (@60%)	736			
		Glenwood Farms (@60%)	705			
		Glenwood Farms (@60%)	688			
RENT PER SQUARE FOOT	Mill Trace Village Apartments (Market)	\$1.46	The Glens At Millers Lane (@60%)(2BA)	\$1.27	Mill Trace Village Apartments (Market)(2BA)	\$1.30
	Laurel Pines Apartments (Market)	\$1.36	Mill Trace Village Apartments (Market)(2BA)	\$1.25	Treehouse Apartments (Market)(2BA)	\$1.27
	Laurel Pines Apartments (Market)	\$1.34	Audubon Village II (@60%)(2BA)	\$1.24	Laurel Pines Apartments (Market)(2BA)	\$1.27
	Treehouse Apartments (Market)	\$1.30	Audubon Village I (@60%)(2BA)	\$1.24	Laurel Pines Apartments (Market)(2BA)	\$1.27
	Newbridge Village (@50%)	\$1.20	Laurel Pines Apartments (Market)(2BA)	\$1.21	Audubon Village II (@60%)(2.5BA)	\$1.15
	Newbridge Village (@40%)	\$1.20	Laurel Pines Apartments (Market)(1.5BA)	\$1.21	Audubon Village I (@60%)(2BA)	\$1.15
	Townhomes Of Oakleys (@60%)	\$1.18	Treehouse Apartments (Market)	\$1.21	The Glens At Millers Lane (@60%)(2BA)	\$1.13
	Cedarwood Manor (Market)	\$1.16	Glenwood Farms (@60%)	\$1.21	Newbridge Village (@50%)	\$1.11
	Honey Brook Apartments (Market)	\$1.16	Laurel Pines Apartments (Market)(2BA)	\$1.19	Newbridge Village (@40%)	\$1.11
	Glenwood Farms (@60%)	\$1.06	Glenwood Farms (@60%)	\$1.18	Mallard Green (@60%)	\$1.10
	Mallard Green (@60%)	\$1.06	Glenwood Farms (@60%)	\$1.16	Cedarwood Manor (Market)(2BA)	\$1.00
			Newbridge Village (@50%)	\$1.05	Glenwood Farms (@60%)	\$0.95
			Newbridge Village (@40%)	\$1.05	Summerdale Apartments (@60%)(2BA)	\$0.95
			Mallard Green (@60%)	\$1.03	Newbridge Village (@50%)	\$0.87
			Glenwood Farms (@60%)	\$0.98	Townhomes Of Oakleys (@60%)(1.5BA)	\$0.75
		Summerdale Apartments (@60%)(2BA)	\$0.98			
		Cedarwood Manor (Market)(1.5BA)	\$0.92			
		Honey Brook Apartments (Market)(2BA)	\$0.91			
		Cedarwood Manor (Market)	\$0.90			
		Townhomes Of Oakleys (@60%)(1.5BA)	\$0.89			
		Honey Brook Apartments (Market)	\$0.86			

PROPERTY PROFILE REPORT

Audubon Village I

Effective Rent Date	8/30/2019
Location	4901 Wood Thrush Circle Richmond, VA 23231 Henrico County
Distance	1.4 miles
Units	160
Vacant Units	2
Vacancy Rate	1.3%
Type	Garden (2 stories)
Year Built/Renovated	2001 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Glens at Millers Lane, Audubon Village II
Tenant Characteristics	Mixed tenancy, families
Contact Name	Alicia
Phone	804-222-0220



Market Information

Program	@60%
Annual Turnover Rate	11%
Units/Month Absorbed	N/A
HCV Tenants	53%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Yes, 20 households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	128	868	\$992	\$0	@60%	Yes	1	0.8%	yes	None
3	2	Garden (2 stories)	32	1,076	\$1,113	\$0	@60%	Yes	1	3.1%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$992	\$0	\$992	\$87	\$1,079
3BR / 2BA	\$1,113	\$0	\$1,113	\$129	\$1,242

Audubon Village I, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Playground		
Recreation Areas	Swimming Pool		

Comments

The contact noted that both of the vacant units currently have applications pending. Of the 20 households on the waiting list, 18 are for the three-bedroom units.

Trend Report

Vacancy Rates

2Q17	2Q18	1Q19	3Q19
8.7%	8.7%	2.5%	1.3%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	5.5%	\$838	\$0	\$838	\$925
2018	2	5.5%	\$838	\$0	\$838	\$925
2019	1	2.3%	\$948	\$0	\$948	\$1,035
2019	3	0.8%	\$992	\$0	\$992	\$1,079

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	21.9%	\$908	\$0	\$908	\$1,037
2018	2	21.9%	\$908	\$0	\$908	\$1,037
2019	1	3.1%	\$1,063	\$0	\$1,063	\$1,192
2019	3	3.1%	\$1,113	\$0	\$1,113	\$1,242

Trend: Comments

2Q17	<p>The property is undergoing a full renovation with LIHTCs consisting of new flooring, cabinets and countertops in kitchens and bathrooms, new appliances, paint, and fixtures throughout, as well as exterior upgrades. Construction started in July 2016 and is anticipated to be completed in July 2017. The total cost of the renovations is \$3,200,000 or \$20,000 per unit. There are currently five households on the waiting list. The property is 100 percent pre-leased.</p> <p>This development is located adjacent to the the second phase, Audubon Village II, which consists of 54 units. Community amenities are shared with the second phase, as well as a short waiting list. Vacancy is attributed to the number of units offline due to renovations. Current asking rents are reflected in the property profile. Proposed rents are \$833 and \$957 for two and three-bedroom units post-renovation.</p>
2Q18	<p>The property is undergoing a full renovation with LIHTCs consisting of new flooring, cabinets and countertops in kitchens and bathrooms, new appliances, paint, and fixtures throughout, as well as exterior upgrades. Construction started in July 2016 and is anticipated to be completed in July 2017. The total cost of the renovations is \$3,200,000 or \$20,000 per unit. There are currently five households on the waiting list. The property is 100 percent pre-leased.</p> <p>This development is located adjacent to the the second phase, Audubon Village II, which consists of 54 units. Community amenities are shared with the second phase, as well as a short waiting list. Vacancy is attributed to the number of units offline due to renovations. Current asking rents are reflected in the property profile. Proposed rents are \$833 and \$957 for two and three-bedroom units post-renovation.</p> <p>The unit count and sales price of \$13,600,000 has been confirmed by the broker and Ledic Realty.</p>
1Q19	<p>The property underwent a full renovation with LIHTC consisting of new flooring, cabinets and countertops in kitchens and bathrooms, new appliances, paint, and fixtures throughout, as well as exterior upgrades. Construction started in July 2016 and was completed in July 2017. The total cost of the renovations was \$3,200,000 or \$20,000 per unit.</p> <p>This development is located adjacent to the the second phase, Audubon Village II, which consists of 54 units. Community amenities are shared with the second phase, as well as a short waiting list.</p> <p>Out of the four total vacant units, three of the units are pre-leased. The contact could not specify which units were pre-leased.</p>
3Q19	<p>The contact noted that both of the vacant units currently have applications pending. Of the 20 households on the waiting list, 18 are for the three-bedroom units.</p>

Photos



PROPERTY PROFILE REPORT

Audubon Village II

Effective Rent Date	8/30/2019
Location	5011 Meadowlark Court Richmond, VA 23231 Henrico County
Distance	1.5 miles
Units	54
Vacant Units	1
Vacancy Rate	1.9%
Type	Garden (2 stories)
Year Built/Renovated	2001 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Glens at Miller Lane, Audubon Village I
Tenant Characteristics	Mixed tenancy, families
Contact Name	Alicia
Phone	804-220-0220



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	44%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Yes, 22 households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	44	868	\$992	\$0	@60%	Yes	0	0.0%	yes	None
3	2.5	Garden (2 stories)	10	1,076	\$1,113	\$0	@60%	Yes	1	10.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$992	\$0	\$992	\$87	\$1,079
3BR / 2.5BA	\$1,113	\$0	\$1,113	\$129	\$1,242

Audubon Village II, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Recreation Areas		
Swimming Pool			

Comments

The contact noted that of the 22 households on the waiting list, 20 were waiting for three-bedroom units. The one vacant three-bedroom unit currently has an application pending.

Trend Report

Vacancy Rates

3Q16	3Q19
5.6%	1.9%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$821	\$0	\$821	\$908
2019	3	0.0%	\$992	\$0	\$992	\$1,079

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	30.0%	\$935	\$0	\$935	\$1,064
2019	3	10.0%	\$1,113	\$0	\$1,113	\$1,242

Trend: Comments

- 3Q16 This development is proposed for renovations with LIHTCs and is anticipated to start construction in January 2017 with an anticipation completion date of October 2017.

This development is located adjacent to the first Phase, Audubon Village I, which consists of 160 two and three-bedroom units. Community amenities are shared with the first phase, as well as a short waiting list.
- 3Q19 The contact noted that of the 22 households on the waiting list, 20 were waiting for three-bedroom units. The one vacant three-bedroom unit currently has an application pending.

Photos



PROPERTY PROFILE REPORT

Glenwood Farms

Effective Rent Date	8/30/2019
Location	3753 Bolling Road Richmond, VA 23223 Henrico County
Distance	3.3 miles
Units	294
Vacant Units	7
Vacancy Rate	2.4%
Type	Various (2 stories)
Year Built/Renovated	1948 / 2004
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Glens at Millers Lane, 7 Gables (11 North)
Tenant Characteristics	Primarily families aged 20 to 50; 6% of tenants are elderly
Contact Name	Property Manager
Phone	804-643-8954



Market Information

Program	@60%
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within a week
Annual Chg. in Rent	None
Concession	None
Waiting List	No

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden	23	495	\$600	\$0	@60%	No	0	0.0%	no	None
1	1	Garden	37	667	\$650	\$0	@60%	No	0	0.0%	no	None
2	1	Garden	53	688	\$750	\$25	@60%	No	2	3.8%	no	None
2	1	Single	21	856	\$750	\$0	@60%	No	0	0.0%	no	None
2	1	Townhouse	62	705	\$755	\$25	@60%	No	3	4.8%	no	None
2	1	Townhouse	48	736	\$800	\$0	@60%	No	0	0.0%	no	None
3	1	Townhouse	50	915	\$740	\$0	@60%	No	2	4.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$600	\$0	\$600	\$55	\$655
1BR / 1BA	\$650	\$0	\$650	\$60	\$710
2BR / 1BA	\$750 - \$800	\$0 - \$25	\$725 - \$800	\$87	\$812 - \$887
3BR / 1BA	\$740	\$0	\$740	\$129	\$869

Glenwood Farms, continued

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	None	None
Central A/C	Coat Closet		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Property		Premium	Other
Central Laundry	Off-Street Parking(\$0.00)	None	None
On-Site Management	Playground		

Comments

The contact stated that the property is currently offering a special of \$25 off rents per month for their available two-bedroom garden and town house units.

Trend Report

Vacancy Rates

3Q12	3Q13	2Q15	3Q19
5.4%	7.8%	4.1%	2.4%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$520	\$0	\$520	\$580
2013	3	16.2%	\$520	\$43	\$477	\$537
2015	2	5.4%	\$535	\$0	\$535	\$595
2019	3	0.0%	\$650	\$0	\$650	\$710

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$529 - \$599	\$0	\$529 - \$599	\$616 - \$686
2013	3	3.8%	\$529 - \$599	\$0	\$529 - \$599	\$616 - \$686
2015	2	3.3%	\$569 - \$640	\$0	\$569 - \$640	\$656 - \$727
2019	3	2.7%	\$750 - \$800	\$0 - \$25	\$725 - \$800	\$812 - \$887

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$709 - \$719	\$0	\$709 - \$719	\$838 - \$848
2013	3	16.0%	\$709 - \$719	\$0	\$709 - \$719	\$838 - \$848
2015	2	4.0%	\$740	\$0	\$740	\$869
2019	3	4.0%	\$740	\$0	\$740	\$869

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	3	N/A	\$490	\$0	\$490	\$545
2013	3	8.7%	\$490	\$0	\$490	\$545
2015	2	8.7%	\$510	\$0	\$510	\$565
2019	3	0.0%	\$600	\$0	\$600	\$655

Trend: Comments

- 3Q12 Management reported demand in the area to be strong. The contact opined that max rents are not achievable due to low incomes in the area.
- 3Q13 Management stated that the property is currently offering a concession of one month free on one-bedroom vacant units only. Management noted that of the 23 vacant units, two units are currently off-line; one one-bedroom unit is off-line due to a fire earlier in the year and one two-bedroom townhome unit is off-line as it was a maintenance shop but will be converted back into a residential unit by the end of the year.
- 2Q15 The contact reported occupancy has ranged between 94 and 97 percent during the past six to nine months.
- 3Q19 The contact stated that the property is currently offering a special of \$25 off rents per month for their available two-bedroom garden and town house units.

Photos



PROPERTY PROFILE REPORT

Mallard Green

Effective Rent Date	8/30/2019
Location	2823 Fairfield Avenue Richmond, VA 23223 Henrico County
Distance	2.9 miles
Units	192
Vacant Units	12
Vacancy Rate	6.2%
Type	Townhouse (2 stories)
Year Built/Renovated	1965 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Glenwood Farms (LIHTC) and 11 North (Market)
Tenant Characteristics	Families from Richmond and surrounding counties.
Contact Name	Anne
Phone	804-222-8282



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	21%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	None
Concession	None
Waiting List	No

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	3	720	\$760	\$0	@60%	No	2	66.7%	no	None
2	1	Townhouse (2 stories)	186	819	\$845	\$0	@60%	No	10	5.4%	no	None
3	1	Townhouse (2 stories)	3	910	\$999	\$0	@60%	No	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$760	\$0	\$760	\$0	\$760
2BR / 1BA	\$845	\$0	\$845	\$0	\$845
3BR / 1BA	\$999	\$0	\$999	\$0	\$999

Mallard Green, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Dishwasher		
Garbage Disposal	Oven		
Refrigerator			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Playground		

Comments

The contact stated that the property does not maintain a waiting list because demand for affordable units in the area is extremely high. In the last year there was a fire at the property and currently six of the two-bedroom units are offline and being mitigated for fire damage. The contact did not have an exact date for the fire. Of the six units at the property that are vacant, not due to the fire, all have applications pending. According to the contact rents are kept below the maximum allowable rate because many of their applicants have a hard time affording maximum rates.

Trend Report

Vacancy Rates

1Q14	1Q15	1Q16	3Q19
2.1%	1.0%	0.0%	6.2%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$545	\$0	\$545	\$545
2015	1	0.0%	\$585	\$0	\$585	\$585
2016	1	0.0%	\$585	\$0	\$585	\$585
2019	3	66.7%	\$760	\$0	\$760	\$760

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	1.1%	\$635	\$0	\$635	\$635
2015	1	1.1%	\$650	\$0	\$650	\$650
2016	1	0.0%	\$650	\$0	\$650	\$650
2019	3	5.4%	\$845	\$0	\$845	\$845

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	66.7%	\$755	\$0	\$755	\$755
2015	1	0.0%	\$775	\$0	\$775	\$775
2016	1	0.0%	\$775	\$0	\$775	\$775
2019	3	0.0%	\$999	\$0	\$999	\$999

Trend: Comments

1Q14	This property was formerly known as Andover Place. Both vacant two-bedroom units have been leased. Management was unable to comment on the length of the waiting list for two and three-bedroom units.
1Q15	This property was formerly known as Andover Place. No waiting list was reported at this time. Current occupancy has been typical during the past year.
1Q16	The property is typically full. The next available unit is scheduled for the last week of March, approximately six weeks from the date of the interview. The property does not maintain a waiting list at the present time.
3Q19	The contact stated that the property does not maintain a waiting list because demand for affordable units in the area is extremely high. In the last year there was a fire at the property and currently six of the two-bedroom units are offline and being mitigated for fire damage. The contact did not have an exact date for the fire. Of the six units at the property that are vacant, not due to the fire, all have applications pending. According to the contact rents are kept below the maximum allowable rate because many of their applicants have a hard time affording maximum rates.

Photos



PROPERTY PROFILE REPORT

Summerdale Apartments

Effective Rent Date	8/30/2019
Location	5951 Tiger Lily Lane Richmond, VA 23223 Henrico County
Distance	0.2 miles
Units	124
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed tenancy, families
Contact Name	Property Manager
Phone	804-428-2200



Market Information

Program	@60%
Annual Turnover Rate	29%
Units/Month Absorbed	N/A
HCV Tenants	32%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 3% since Q119
Concession	None
Waiting List	No

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	76	975	\$865	\$0	@60%	No	0	0.0%	no	None
3	2	Garden (3 stories)	48	1,185	\$995	\$0	@60%	No	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$865	\$0	\$865	\$87	\$952
3BR / 2BA	\$995	\$0	\$995	\$129	\$1,124

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher	Video Surveillance	
Exterior Storage	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Swimming Pool		

Comments

The contact noted that basic cable is included in the rent. The contact stated that the property does not maintain a waiting list as demand in the area is so high that when apartments become available they are rented almost immediately. There is a \$20 per month premium for ground-level units. Base rents are reflected in the property profile.

Summerdale Apartments, continued

Trend Report

Vacancy Rates

3Q16	2Q17	1Q19	3Q19
3.2%	0.0%	0.0%	0.0%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	1.3%	\$815	\$0	\$815	\$902
2017	2	0.0%	\$825 - \$845	\$0	\$825 - \$845	\$912 - \$932
2019	1	0.0%	\$840 - \$855	\$0	\$840 - \$855	\$927 - \$942
2019	3	0.0%	\$865	\$0	\$865	\$952

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	6.2%	\$930	\$0	\$930	\$1,059
2017	2	0.0%	\$940 - \$960	\$0	\$940 - \$960	\$1,069 - \$1,089
2019	1	0.0%	\$955 - \$970	\$0	\$955 - \$970	\$1,084 - \$1,099
2019	3	0.0%	\$995	\$0	\$995	\$1,124

Trend: Comments

3Q16	Premiums for ground-level units are an additional \$15 per month. Base rents are reflected in the property profile. Cable is included The contact noted the moderate to high turnover is mostly due to evictions due to unpaid rent or violation of lease terms. The property accepts Housing Choice Vouchers, however the contact could not identify the number of tenants utilizing the vouchers.
2Q17	Premiums for ground-level units are an additional \$20 per month. Base rents are reflected in the property profile. The contact noted the moderate to high turnover is mostly due to evictions due to unpaid rent or violation of lease terms. The property accepts Housing Choice Vouchers, however the contact could not identify the number of tenants utilizing the vouchers.
1Q19	Premiums for ground-level units are an additional \$20 per month. Base rents are reflected in the property profile. The contact noted the moderate to high turnover is mostly due to evictions due to unpaid rent or violation of lease terms. Utilities includes trash and cable.
3Q19	The contact noted that basic cable is included in the rent. The contact stated that the property does not maintain a waiting list as demand in the area is so high that when apartments become available they are rented almost immediately. There is a \$20 per month premium for ground-level units. Base rents are reflected in the property profile.

Photos



PROPERTY PROFILE REPORT

The Glens At Millers Lane

Effective Rent Date	8/30/2019
Location	4700 Millers Lane Richmond, VA 23231 Henrico County
Distance	2 miles
Units	144
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Summerdale, Lawndale Apartments, Audubon Village
Tenant Characteristics	Mixed tenancy, families
Contact Name	Crystal
Phone	804-655-0906



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Yes, there households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	72	850	\$992	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	72	1,100	\$1,113	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$992	\$0	\$992	\$87	\$1,079
3BR / 2BA	\$1,113	\$0	\$1,113	\$129	\$1,242

The Glens At Millers Lane, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Swimming Pool		

Comments

The contact had no additional comments.

The Glens At Millers Lane, continued

Trend Report

Vacancy Rates

1Q16	3Q16	2Q17	3Q19
0.7%	0.7%	4.2%	0.0%

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$827	\$0	\$827	\$914
2016	3	0.0%	\$850	\$0	\$850	\$937
2017	2	2.8%	\$859	\$0	\$859	\$946
2019	3	0.0%	\$992	\$0	\$992	\$1,079

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	1.4%	\$943	\$0	\$943	\$1,072
2016	3	1.4%	\$975	\$0	\$975	\$1,104
2017	2	5.6%	\$968	\$0	\$968	\$1,097
2019	3	0.0%	\$1,113	\$0	\$1,113	\$1,242

Trend: Comments

1Q16	The property does accept Housing Choice Vouchers, but the contact was unsure of the number of voucher holders. There is an informal waiting list and the property contact was not certain of the number of households.
3Q16	The property accepts Housing Choice Vouchers, however the contact could not identify how many households are utilizing the vouchers.
2Q17	N/A
3Q19	The contact had no additional comments.

Photos



PROPERTY PROFILE REPORT

Townhomes Of Oakleys

Effective Rent Date	8/30/2019
Location	4633 Needham Court Richmond, VA 23231 Henrico County
Distance	1.5 miles
Units	160
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1974 / 2001
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Audubon Village I and Audubon Village II
Tenant Characteristics	Mixed tenancy, families
Contact Name	Property Manager
Phone	804-495-4122



Market Information

Program	@60%
Annual Turnover Rate	22%
Units/Month Absorbed	N/A
HCV Tenants	40%
Leasing Pace	Pre-Leased
Annual Chg. in Rent	See comments
Concession	None
Waiting List	No

Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	8	581	\$684	\$0	@60%	No	0	0.0%	no	None
2	1.5	Townhouse	112	877	\$784	\$0	@60%	No	0	0.0%	no	None
3	1.5	Townhouse	36	1,174	\$884	\$0	@60%	No	0	0.0%	no	None
4	1.5	Townhouse	4	1,279	\$984	\$0	@60%	No	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$684	\$0	\$684	\$0	\$684
2BR / 1.5BA	\$784	\$0	\$784	\$0	\$784
3BR / 1.5BA	\$884	\$0	\$884	\$0	\$884
4BR / 1.5BA	\$984	\$0	\$984	\$0	\$984

Townhomes Of Oakleys, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Swimming Pool		

Comments

The contact stated that rents at the property have increased by \$10 for all unit types in the past year, which is typical at the property. According to the contact, rents are not kept at the maxim allowable rate because prospective tenants in the area would not be able to afford the rents at that rate. The property does not maintain a waiting list due to the fact that demand for affordable housing in the area is so high.

Townhomes Of Oakleys, continued

Trend Report

Vacancy Rates

1Q12	1Q16	3Q16	3Q19
11.9%	1.3%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	N/A	\$615	\$0	\$615	\$615
2016	1	0.0%	\$664	\$0	\$664	\$664
2016	3	0.0%	\$664	\$0	\$664	\$664
2019	3	0.0%	\$684	\$0	\$684	\$684

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	N/A	\$700	\$0	\$700	\$700
2016	1	1.8%	\$744	\$0	\$744	\$744
2016	3	0.0%	\$744	\$0	\$744	\$744
2019	3	0.0%	\$784	\$0	\$784	\$784

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	N/A	\$820	\$0	\$820	\$820
2016	1	0.0%	\$864	\$0	\$864	\$864
2016	3	0.0%	\$864	\$0	\$864	\$864
2019	3	0.0%	\$884	\$0	\$884	\$884

4BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	0.0%	\$900	\$0	\$900	\$900
2016	1	0.0%	\$964	\$0	\$964	\$964
2016	3	0.0%	\$964	\$0	\$964	\$964
2019	3	0.0%	\$984	\$0	\$984	\$984

Trend: Comments

1Q12	Management could not provide the annual turnover rate or change in rents over the past year. The washer and dryer connections are offered in the three and four-bedroom units only.
1Q16	The property does accept Housing Choice Vouchers, but the contact could not provide the number of voucher holders or the annual turnover rate. Washer/dryer connections are offered in the three and four-bedroom units only. It was explained this property has a non-profit owner that deliberately maintains low rents.
3Q16	Washer/dryer hookups are offered in the three and four-bedroom units only.
3Q19	The contact stated that rents at the property have increased by \$10 for all unit types in the past year, which is typical at the property. According to the contact, rents are not kept at the maxim allowable rate because prospective tenants in the area would not be able to afford the rents at that rate. The property does not maintain a waiting list due to the fact that demand for affordable housing in the area is so high.

Photos



PROPERTY PROFILE REPORT

Cedarwood Manor

Effective Rent Date	8/30/2019
Location	10 Shawn Court Highland Springs, VA 23075 Henrico County
Distance	1.9 miles
Units	152
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1972 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, mostly from Richmond area.
Contact Name	Katy
Phone	804-737-6801



Market Information

Program	Market
Annual Turnover Rate	32%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One to two weeks
Annual Chg. in Rent	Decrease of 2-3 percent
Concession	None
Waiting List	No

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	40	598	\$693	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	85	817	\$736	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Garden (2 stories)	10	910	\$834	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	17	1,023	\$1,024	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$693	\$0	\$693	\$0	\$693
2BR / 1BA	\$736	\$0	\$736	\$0	\$736
2BR / 1.5BA	\$834	\$0	\$834	\$0	\$834
3BR / 2BA	\$1,024	\$0	\$1,024	\$0	\$1,024

Cedarwood Manor, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Central Laundry	Off-Street Parking(\$0.00)	None	None
On-Site Management	Playground		
Swimming Pool			

Comments

The contact had no additional comments.

Trend Report

Vacancy Rates

2Q07	1Q12	1Q19	3Q19
0.0%	9.2%	0.0%	0.0%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	0.0%	\$614	\$0	\$614	\$614
2012	1	N/A	\$659	\$0	\$659	\$659
2019	1	0.0%	\$765	\$0	\$765	\$765

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	0.0%	\$598	\$0	\$598	\$598
2012	1	N/A	\$625	\$0	\$625	\$625
2019	1	0.0%	\$725	\$0	\$725	\$725
2019	3	0.0%	\$693	\$0	\$693	\$693

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	0.0%	\$702	\$0	\$702	\$702
2019	3	0.0%	\$834	\$0	\$834	\$834

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	0.0%	\$624	\$0	\$624	\$624
2012	1	N/A	\$669	\$0	\$669	\$669
2019	1	0.0%	\$795	\$0	\$795	\$795
2019	3	0.0%	\$736	\$0	\$736	\$736

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	0.0%	\$735	\$0	\$735	\$735
2012	1	N/A	\$759	\$0	\$759	\$759
2019	1	0.0%	\$1,020	\$0	\$1,020	\$1,020
2019	3	0.0%	\$1,024	\$0	\$1,024	\$1,024

Trend: Comments

2Q07	None.
1Q12	According to management, most of the vacancies are in the two and three-bedroom units. Recently, there have been several evictions which accounts for most of the turnover. There are three pending applications for the vacant units.
1Q19	The property manager stated that there are no ongoing renovations or plans to renovate in the near future. Our contact also reported that there are no additional costs such as parking.
3Q19	The contact had no additional comments.

Photos



PROPERTY PROFILE REPORT

Honey Brook Apartments

Effective Rent Date	8/30/2019
Location	3500 Kings Drive Richmond, VA 23231 Henrico County
Distance	1.7 miles
Units	128
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1980 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lakefield Mews & Laurel Pines
Tenant Characteristics	Mixed tenancy, families and some seniors
Contact Name	Marcy
Phone	804-226-2600



Market Information

Program	Market
Annual Turnover Rate	19%
Units/Month Absorbed	0
HCV Tenants	5%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None since Q119
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	52	675	\$780	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	38	975	\$835	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	38	975	\$884	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$780	\$0	\$780	\$0	\$780
2BR / 1BA	\$835	\$0	\$835	\$0	\$835
2BR / 2BA	\$884	\$0	\$884	\$0	\$884

Honey Brook Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Property		Premium	Other
Central Laundry	Off-Street Parking(\$0.00)	None	None
On-Site Management	Playground		

Comments

One bedroom units pay \$30 and two bedroom units pay \$40 per month. Rents shown are inclusive of water.

Honey Brook Apartments, continued

Trend Report

Vacancy Rates

1Q18	3Q18	1Q19	3Q19
1.6%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	0.0%	\$730	\$0	\$730	\$730
2018	3	0.0%	\$730	\$0	\$730	\$730
2019	1	0.0%	\$780	\$0	\$780	\$780
2019	3	0.0%	\$780	\$0	\$780	\$780

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	2.6%	\$775	\$0	\$775	\$775
2018	3	0.0%	\$775	\$0	\$775	\$775
2019	1	0.0%	\$835	\$0	\$835	\$835
2019	3	0.0%	\$835	\$0	\$835	\$835

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	2.6%	\$814	\$0	\$814	\$814
2018	3	0.0%	\$814	\$0	\$814	\$814
2019	1	0.0%	\$884	\$0	\$884	\$884
2019	3	0.0%	\$884	\$0	\$884	\$884

Trend: Comments

1Q18 N/A

3Q18 N/A

1Q19 This property does accept Housing Choice Vouchers. Water is a fixed amount set by the landlord. One bedroom units pay \$30 and two bedroom units pay \$40 per month. Rents shown are inclusive of water.

3Q19 One bedroom units pay \$30 and two bedroom units pay \$40 per month. Rents shown are inclusive of water.

Photos



PROPERTY PROFILE REPORT

Laurel Pines Apartments

Effective Rent Date	8/29/2019
Location	4123 East Wood Harbor Court Richmond, VA 23231 Henrico County
Distance	1.7 miles
Units	120
Vacant Units	3
Vacancy Rate	2.5%
Type	Garden (3 stories)
Year Built/Renovated	1991 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Audubon Village I & II; 11 North
Tenant Characteristics	Mixed tenancy, families
Contact Name	Velma
Phone	804-222-3482



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	18	735	\$905	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	18	755	\$950	\$0	Market	No	2	11.1%	N/A	None
2	1.5	Garden (3 stories)	36	937	\$1,030	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	30	956	\$1,030	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	6	960	\$1,060	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	6	1,131	\$1,290	\$0	Market	No	1	16.7%	N/A	None
3	2	Garden (3 stories)	6	1,149	\$1,310	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$905 - \$950	\$0	\$905 - \$950	\$79	\$984 - \$1,029
2BR / 1.5BA	\$1,030	\$0	\$1,030	\$106	\$1,136
2BR / 2BA	\$1,030 - \$1,060	\$0	\$1,030 - \$1,060	\$106	\$1,136 - \$1,166
3BR / 2BA	\$1,290 - \$1,310	\$0	\$1,290 - \$1,310	\$148	\$1,438 - \$1,458

Laurel Pines Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Exterior Storage		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Playground		
Swimming Pool	Tennis Court		

Comments

According to the contact, as units become available, they are being renovated with new flooring, surfaces, and updated fixtures. There is no premium for renovated units as all units are being updated as they become available. The contact was unable to provide the total number of percentage of units that have currently been renovated, but did state that all units were expected to be renovated by 2020. Washers and dryers are available to lease for \$40 per month.

Laurel Pines Apartments, continued

Trend Report

Vacancy Rates

3Q18	1Q19	2Q19	3Q19
0.0%	3.3%	4.2%	2.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$895	\$0	\$895	\$974
2019	1	11.1%	\$895	\$0	\$895	\$974
2019	2	N/A	\$895 - \$905	\$0	\$895 - \$905	\$974 - \$984
2019	3	5.6%	\$905 - \$950	\$0	\$905 - \$950	\$984 - \$1,029

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$1,030	\$0	\$1,030	\$1,136
2019	1	0.0%	\$1,005	\$0	\$1,005	\$1,111
2019	2	N/A	\$1,005	\$0	\$1,005	\$1,111
2019	3	0.0%	\$1,030	\$0	\$1,030	\$1,136

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$1,030 - \$1,060	\$0	\$1,030 - \$1,060	\$1,136 - \$1,166
2019	1	0.0%	\$1,030 - \$1,060	\$0	\$1,030 - \$1,060	\$1,136 - \$1,166
2019	2	N/A	\$1,090 - \$1,125	\$0	\$1,090 - \$1,125	\$1,196 - \$1,231
2019	3	0.0%	\$1,030 - \$1,060	\$0	\$1,030 - \$1,060	\$1,136 - \$1,166

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$1,290 - \$1,310	\$0	\$1,290 - \$1,310	\$1,438 - \$1,458
2019	1	0.0%	\$1,290 - \$1,310	\$0	\$1,290 - \$1,310	\$1,438 - \$1,458
2019	2	N/A	\$1,310 - \$1,335	\$0	\$1,310 - \$1,335	\$1,458 - \$1,483
2019	3	8.3%	\$1,290 - \$1,310	\$0	\$1,290 - \$1,310	\$1,438 - \$1,458

Trend: Comments

3Q18	The contact provided an estimate of unit breakdown by bedroom type, and is reflected in the property profile. The property utilizes Yieldstar, and rents change daily. The property does not accept Housing Choice Vouchers.
1Q19	The contact provided an estimate of unit breakdown by bedroom type, and is reflected in the property profile. The property does not accept Housing Choice Vouchers. Renovations are ongoing as units turnover. It is a renovation of the overall apartment, but the prices are not different between renovated and non-renovated units. All units have a \$40/month option of leasing a washer/dryer in-unit.
2Q19	Of the five vacancies, one is pre-leased. Renovations are ongoing as units turnover. Washers and dryers are available to lease for \$40 per month. The contact stated that two-bedroom units are in the highest demand.
3Q19	According to the contact, as units become available, they are being renovated with new flooring, surfaces, and updated fixtures. There is no premium for renovated units as all units are being updated as they become available. The contact was unable to provide the total number of percentage of units that have currently been renovated, but did state that all units were expected to be renovated by 2020. Washers and dryers are available to lease for \$40 per month.

Photos



PROPERTY PROFILE REPORT

Mill Trace Village Apartments

Effective Rent Date	8/31/2019
Location	7160 Ellerson Mill Circle Mechanicsville, VA 23111 Hanover County
Distance	3.6 miles
Units	240
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1986 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Did not disclose
Contact Name	Eva
Phone	804-746-8866



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/av
Annual Chg. in Rent	Increase of \$10 for all units
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	36	744	\$1,025	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	186	925	\$1,065	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	18	1,104	\$1,305	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,025	\$0	\$1,025	\$60	\$1,085
2BR / 2BA	\$1,065	\$0	\$1,065	\$87	\$1,152
3BR / 2BA	\$1,305	\$0	\$1,305	\$129	\$1,434

Mill Trace Village Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	Pond/lake on site
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Tennis Court		
Wi-Fi			

Comments

The contact noted that the property has cleared their waiting list in the last month. Rents at the property have increased \$10 per month for all units since Q119.

Mill Trace Village Apartments, continued

Trend Report

Vacancy Rates

1Q18	3Q18	1Q19	3Q19
5.4%	2.9%	2.1%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	11.1%	\$995	\$0	\$995	\$1,055
2018	3	5.6%	\$995	\$0	\$995	\$1,055
2019	1	5.6%	\$1,015	\$0	\$1,015	\$1,075
2019	3	0.0%	\$1,025	\$0	\$1,025	\$1,085

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	4.3%	\$1,035	\$0	\$1,035	\$1,122
2018	3	2.7%	\$1,035	\$0	\$1,035	\$1,122
2019	1	1.6%	\$1,055	\$0	\$1,055	\$1,142
2019	3	0.0%	\$1,065	\$0	\$1,065	\$1,152

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	5.6%	\$1,275	\$0	\$1,275	\$1,404
2018	3	0.0%	\$1,275	\$0	\$1,275	\$1,404
2019	1	0.0%	\$1,295	\$0	\$1,295	\$1,424
2019	3	0.0%	\$1,305	\$0	\$1,305	\$1,434

Trend: Comments

1Q18	N/A
3Q18	The property maintains a waiting list of a few households for the three-bedroom units. The contact could not provide the leasing pace at the property.
1Q19	The property maintains a waiting list of a few households for the three-bedroom units. The contact could not provide the leasing pace at the property. Renovations to the property took place in 2018 and all rents currently are renovated rates. All units have increased by \$20/month. The contact could not provide the exact scope of work, but mentioned all brand new appliances and washer/dryer in unit.
3Q19	The contact noted that the property has cleared their waiting list in the last month. Rents at the property have increased \$10 per month for all units since Q119.

Photos



PROPERTY PROFILE REPORT

Treehouse Apartments

Effective Rent Date	8/21/2019
Location	5701 Pony Farm Drive Richmond, VA 23227 Henrico County
Distance	6.3 miles
Units	466
Vacant Units	1
Vacancy Rate	0.2%
Type	Garden (2 stories)
Year Built/Renovated	1970 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Would not disclose
Contact Name	Lisa
Phone	804-321-3509



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	included -- gas
Water Heat	included -- gas
Heat	included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	723	\$973	\$0	Market	No	1	N/A	N/A	None
2	1	Garden (2 stories)	N/A	857	\$1,085	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,008	\$1,338	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$973	\$0	\$973	-\$34	\$939
2BR / 1BA	\$1,085	\$0	\$1,085	-\$46	\$1,039
3BR / 2BA	\$1,338	\$0	\$1,338	-\$54	\$1,284

Treehouse Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Exterior Storage		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Swimming Pool		
Tennis Court	Volleyball Court		

Comments

Tenants pay a flat fee for cold water, sewer, trash, and gas expenses, which have been included the rents this profile. These fees are \$64 per month for the one-bedroom units, \$81 per month for the two-bedroom units, and \$99 per month for the three-bedroom units. Recent renovations include new kitchen cabinets, stainless steel appliances, and new bathrooms.

Treehouse Apartments, continued

Trend Report

Vacancy Rates

4Q18	1Q19	2Q19	3Q19
1.7%	0.0%	0.0%	0.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$844	\$42	\$802	\$768
2019	1	N/A	\$865	\$0	\$865	\$831
2019	2	N/A	\$865	\$0	\$865	\$831
2019	3	N/A	\$973	\$0	\$973	\$939

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,041	\$42	\$999	\$953
2019	1	N/A	\$1,210	\$0	\$1,210	\$1,164
2019	2	N/A	\$1,210	\$0	\$1,210	\$1,164
2019	3	N/A	\$1,085	\$0	\$1,085	\$1,039

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,349	\$42	\$1,307	\$1,253
2019	1	N/A	\$1,405	\$0	\$1,405	\$1,351
2019	2	N/A	\$1,405	\$0	\$1,405	\$1,351
2019	3	N/A	\$1,338	\$0	\$1,338	\$1,284

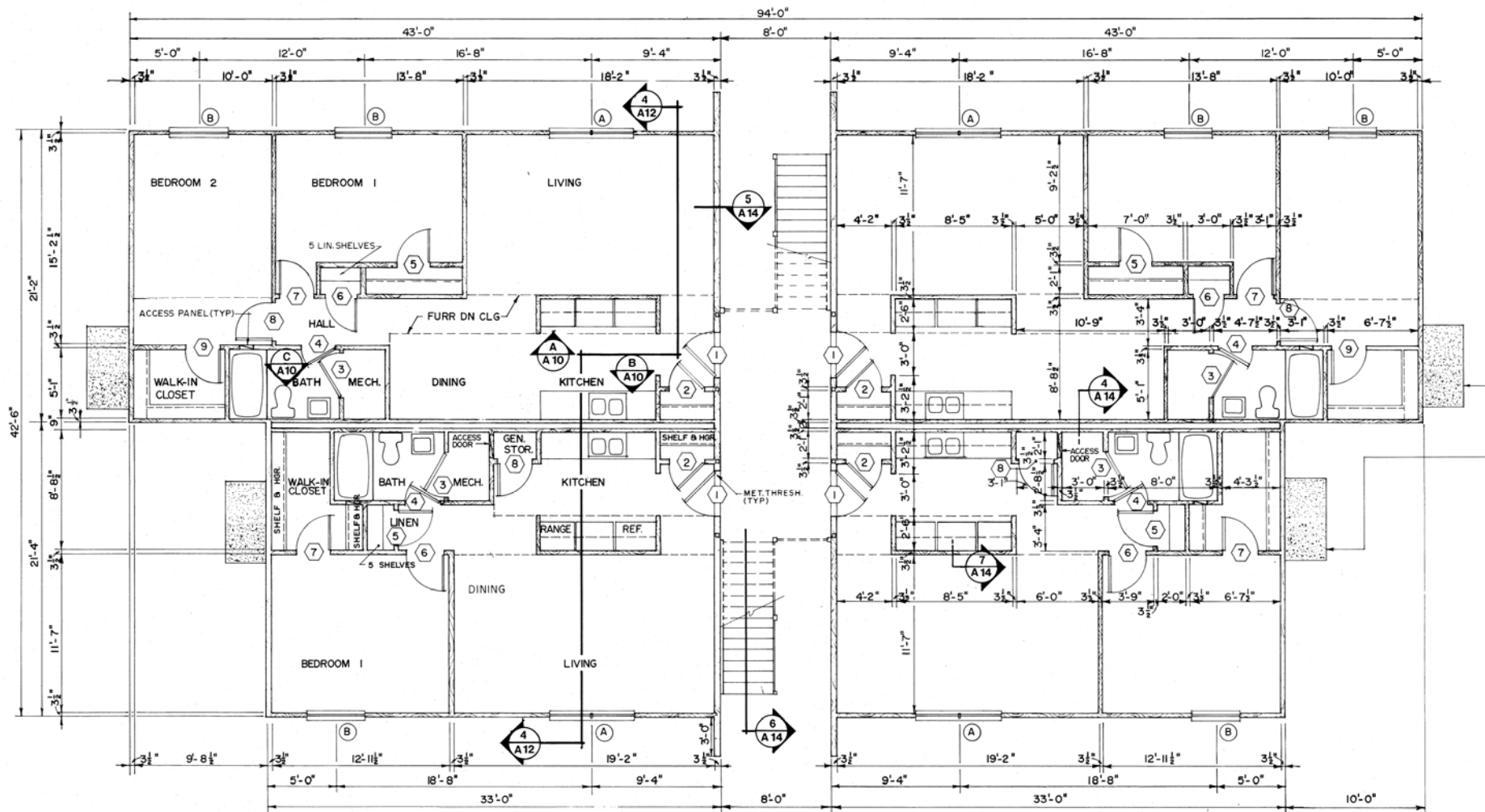
Trend: Comments

4Q18	Tenants pay a flat fee for cold water, sewer, trash, and gas expenses, which have been included the rents this profile. These fees are \$64 per month for the one-bedroom units, \$81 per month for the two-bedroom units, and \$99 per month for the three-bedroom units. The property recently started renovations as units turnover. The renovations include new kitchen cabinets, stainless steel appliances, and new bathrooms. The contact reported that only a few units have been renovated and the current rents are not yet reflecting the premiums for renovated units.
1Q19	Tenants pay a flat fee for cold water, sewer, trash, and gas expenses, which have been included the rents this profile. These fees are \$64 per month for the one-bedroom units, \$81 per month for the two-bedroom units, and \$99 per month for the three-bedroom units. The property recently started renovations as units turnover in early 2018. The renovations include new kitchen cabinets, stainless steel appliances, and new bathrooms. The contact reported that most units are renovated and leased but could not give an exact number. There are still units that will be renovated once they turnover; however, we have reflected renovated rents within the profile.
2Q19	N/A
3Q19	Tenants pay a flat fee for cold water, sewer, trash, and gas expenses, which have been included the rents this profile. These fees are \$64 per month for the one-bedroom units, \$81 per month for the two-bedroom units, and \$99 per month for the three-bedroom units. Recent renovations include new kitchen cabinets, stainless steel appliances, and new bathrooms.

Photos

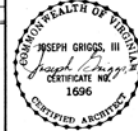


ADDENDUM D
Site and Floor Plans
Scope of Renovation



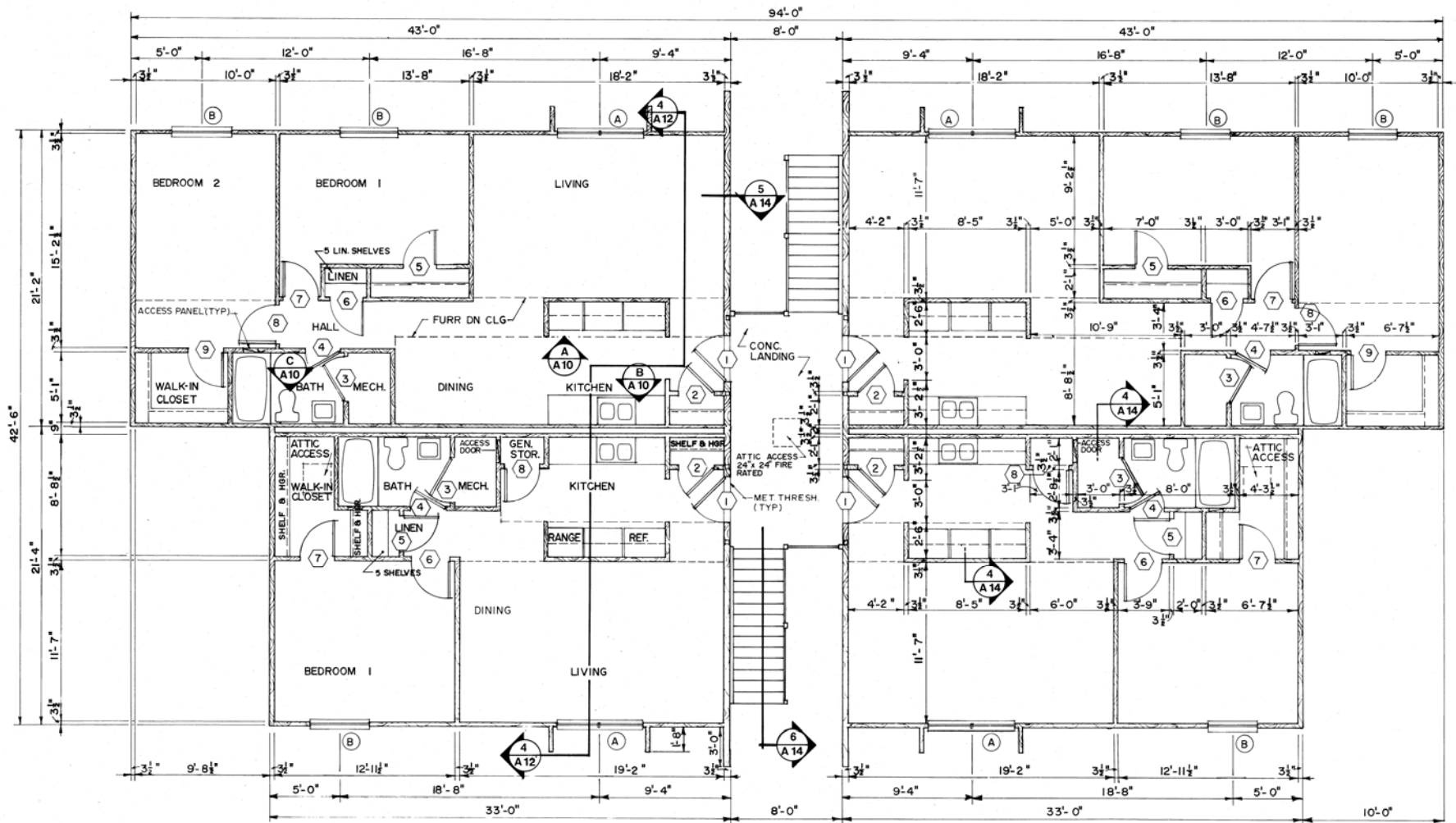
FIRST FLOOR PLAN—BUILDING A
 SCALE 1/4"=1'-0"

REVISIONS	
NO.	DATE



JOSEPH GRIGGS ASSOCIATES, INC.
 ARCHITECTS · ROANOKE, VIRGINIA
 MEMBERS AMERICAN INSTITUTE OF ARCHITECTS

FIRST FLOOR PLAN—BUILDING A
NEWBRIDGE VILLAGE
HENRICO CO., VIRGINIA



SECOND FLOOR PLAN—BUILDING A
 SCALE 1/4"=1'-0"

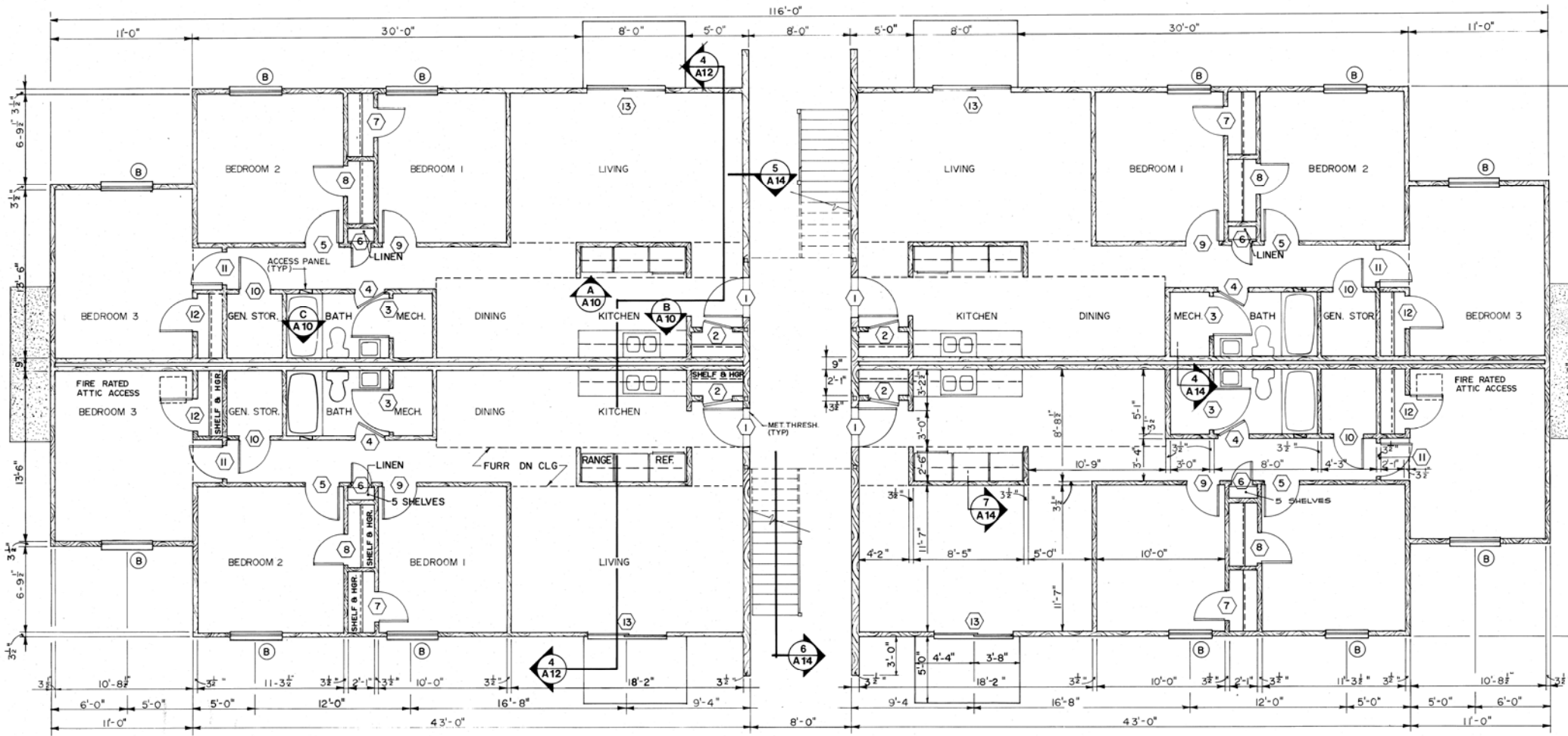
NOTE: ALL BEARING WALLS SHALL BE FIRE RATED.

REVISIONS	
NO.	DATE



JOSEPH GRIGGS ASSOCIATES, INC.
 ARCHITECTS · ROANOKE, VIRGINIA
 MEMBERS AMERICAN INSTITUTE OF ARCHITECTS

SECOND FLOOR PLAN—BUILDING
NEWBRIDGE VILLAGE
 HENRICO CO., VIRGINIA



FIRST FLOOR PLAN—BUILDING B

SCALE 1/4"=1'-0"

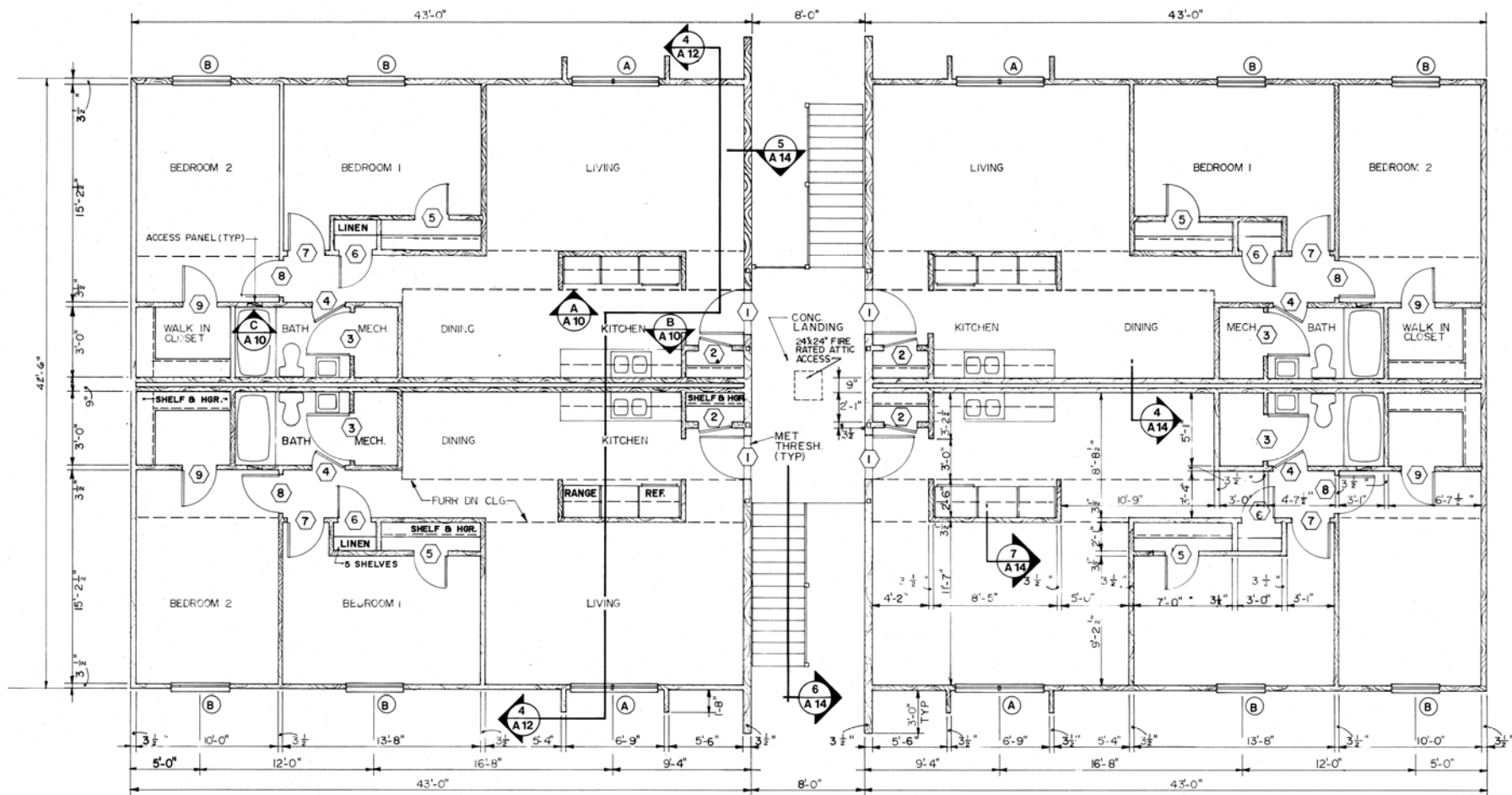
NOTE
CEILING IN NO3 BORM SHALL
BE 5/8" FIRECODE DRYWALL.

REVISIONS	
NO.	DATE



JOSEPH GRIGGS ASSOCIATES, INC.
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FIRST FLOOR PLAN—BUILDING B
NEWBRIDGE VILLAGE
HENRICO CO., VIRGINIA



SECOND FLOOR PLAN - BUILDING B
SCALE 1/4"=1'-0"

REVISIONS	
NO.	DATE



JOSEPH GRIGGS ASSOCIATES, INC.
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SECOND FLOOR PLAN-BUILDING
NEWBRIDGE VILLAGE
HENRICO CO., VIRGINIA

Newbridge Village
313 Newbridge Road, Richmond, VA, 23223
Renovation Project of 152 Units
Conceptual Budget - V4 - 08/07/19

Item	Quantity	Conceptual Unit Cost	Conceptual Budget
Exteriors			
1000 - Concrete - Sidewalks, curbs, patios, pool			\$163,750.00
Concrete walkways repair/replace	1	\$20,000.00	\$20,000.00
Grind sidewalk trip hazards	1	\$5,000.00	\$5,000.00
Accessible Unit POT, curb cuts, and ramps	1	\$26,000.00	\$26,000.00
New sidewalk along Newbridge Road	975	\$10.00	\$9,750.00
Rental Office sidewalk modifications	1	\$5,000.00	\$5,000.00
Concrete curb repair/replace	1	\$15,000.00	\$15,000.00
Apartment patio repair / replace	10	\$800.00	\$8,000.00
Pool repair	1	\$75,000.00	\$75,000.00
2600 - Special Conditions - Signs			\$1,080.00
Buildings Signs	24	\$45.00	\$1,080.00
3600 - Road & Parking Areas			\$103,000.00
Parking Lot - R&R, crack fill, seal and stripe	1	\$95,000.00	\$95,000.00
Parking Lot Sewer Screens	1	\$2,000.00	\$2,000.00
Trash Enclosures repair	4	\$1,500.00	\$6,000.00
3700 - Site Improvements - Gates & Site Fencing			\$4,000.00
Fencing repair	60	\$25.00	\$1,500.00
Basketball court--repaint backboards; remove fence	1	\$2,500.00	\$2,500.00
3800 - Lawn & Planting - Landscaping			\$54,000.00
Grading and erosion repair	1	\$15,000.00	\$15,000.00
Lawn seeding	1	\$7,500.00	\$7,500.00
Splash blocks reposition, replace	1	\$1,500.00	\$1,500.00
Tree Plantings	1	\$15,000.00	\$15,000.00
Type One Prune	1	\$15,000.00	\$15,000.00
5000 - Metals - Stairs			\$17,500.00
Exterior stair assemblies - repair/replace	1	\$17,500.00	\$17,500.00
6000 - Finish Carpentry - Wood Repair & Siding			\$118,900.00
Siding & Trim Repair	1	\$30,000.00	\$30,000.00
Install siding block for a/c disconnects	152	\$50.00	\$7,600.00
Pool pump house siding repair/water proofing	1	\$4,500.00	\$4,500.00
Breezeway re-vert to T1-11 siding	8	\$2,500.00	\$20,000.00
Powerwash exterior	19	\$700.00	\$13,300.00
Caulking of all windows	1	\$17,000.00	\$17,000.00
Exterior Repair	1	\$12,000.00	\$12,000.00
Window shutter painting	1	\$14,500.00	\$14,500.00
7000 - Roofing - Roofs			\$297,600.00
Roofing replacement	16	\$17,250.00	\$276,000.00
Roof sheathing - replace as needed	16	\$750.00	\$12,000.00
Gutter and downspout repair	16	\$600.00	\$9,600.00
8000 - Doors			\$34,500.00
Entry door dent repairs	15	\$250.00	\$3,750.00

Item	Quantity	Conceptual Unit Cost	Conceptual Budget
Entry door threshold repair	25	\$150.00	\$3,750.00
Entry doors replace	15	\$1,600.00	\$24,000.00
Entry door hardware / weatherstripping replace	1	\$3,000.00	\$3,000.00
8800 - Windows			\$10,000.00
Window repair / replacement	1	\$10,000.00	\$10,000.00
9000 - Paint			\$22,500.00
Exterior painting	1	\$22,500.00	\$22,500.00
10000 - Specialties			\$44,000.00
New central mail pavilion	1	\$37,000.00	\$37,000.00
Accessible unit mailbox retrofit	7	\$1,000.00	\$7,000.00
13000 - Special Construction - Leasing Office & Common Facilities			\$215,000.00
Rental Office addition to create community room	1	\$175,000.00	\$175,000.00
Security camera system	1	\$30,000.00	\$30,000.00
Free wifi in clubhouse, pool and laundry area	1	\$10,000.00	\$10,000.00
21000 - Fire suppression - Life Safety			\$19,000.00
Range fire suppression	76	\$250.00	\$19,000.00
21000 - Fire Suppression - Outstanding Code Viol.			\$9,720.00
New 10yr battery smoke detectors in bedrooms	324	\$30.00	\$9,720.00
Interior Finish Out			
6000 - Interior - Rough Carpentry			\$92,700.00
Wood baseboard repair	152	\$200.00	\$30,400.00
Floor Repair	21	\$2,300.00	\$48,300.00
Bathroom subfloor and floor repair/replace	40	\$350.00	\$14,000.00
8000 - Interior - Doors			\$12,200.00
Interior Doors and Door Hardware	30	\$255.00	\$7,650.00
Match Hardware	70	\$65.00	\$4,550.00
9000 - Interior - Drywall			\$86,975.00
Drywall repairs	152	\$550.00	\$83,600.00
Drywall repair with kitchen cabinet replacement	15	\$225.00	\$3,375.00
	0		\$0.00
9000 - Interior - Paint			\$74,800.00
Interior Paint	152	\$400.00	\$60,800.00
Unit touch ups stains, etc.	70	\$200.00	\$14,000.00
6000 - Interior - Cabinets			\$97,500.00
Bathroom Medicine Cab / Mirror as needed	10	\$75.00	\$750.00
New Kitchen cabinets/counter tops	15	\$3,250.00	\$48,750.00
Kitchen countertop repair/replace	25	\$400.00	\$10,000.00
New Bath vanity, countertop, sink, and faucet	80	\$475.00	\$38,000.00
11000 - Interior - Appliances			\$141,150.00
Refrigerators (1 & 2bd) - E star	40	\$565.00	\$22,600.00
Refrigerators (3bd) - E star	20	\$615.00	\$12,300.00
Ranges	110	\$400.00	\$44,000.00
Dishwashers - E star	125	\$450.00	\$56,250.00
Range hood	60	\$100.00	\$6,000.00
12000 - Interior - Blinds			\$3,000.00
Window Coverings-Blinds	100	\$30.00	\$3,000.00
9000 - Interior - Floor Covering			\$33,750.00
Partial replacement of missing/mismatched floor tiles	100	\$300.00	\$30,000.00
Bath Vinyl	15	\$250.00	\$3,750.00

New Amenities

Item	Quantity	Conceptual Unit Cost	Conceptual Budget
13000 - Interior - Special Conditions			\$81,390.00
Splash Guards @ Each Unit	10	\$28.00	\$280.00
Install Waterproof drip pan @ kitchen sinks	152	\$30.00	\$4,560.00
Towel bars	30	\$30.00	\$900.00
UFAS accessibility improvements	8	\$5,000.00	\$40,000.00
Unit Cleaning	35	\$150.00	\$5,250.00
Unit Maintenance - Misc.	152	\$200.00	\$30,400.00
22000 - Interior - Plumbing			\$88,050.00
New Low Flow Toilets	20	\$275.00	\$5,500.00
New shower heads (1.75gpm)	30	\$25.00	\$750.00
Bathroom wall hung sink	2	\$300.00	\$600.00
Kitchen and bath faucet replace	50	\$150.00	\$7,500.00
Tubs and Shower Surrounds	40	\$1,500.00	\$60,000.00
Tubs and Shower Repair	50	\$250.00	\$12,500.00
Tub Valves Repair (handles and stems)	5	\$120.00	\$1,200.00
26000 - Interior - Electrical			\$53,010.00
Interior light replacement as needed.	70	\$25.00	\$1,750.00
Kitchen 4' fluorescent fixture	31	\$60.00	\$1,860.00
New Outlets, Switches and cover as needed (per unit)	152	\$325.00	\$49,400.00
Systems			
26000 - Systems - Electrical			\$109,900.00
A/C disconnect replace	74	\$100.00	\$7,400.00
Apartment meter base replacement	76	\$200.00	\$15,200.00
Rear Unit Porch Lights	23	\$100.00	\$2,300.00
Site/Building Lighting Allowance	1	\$85,000.00	\$85,000.00
23000 - Systems - Mechanical			\$599,550.00
Hot Water Heaters	125	\$750.00	\$93,750.00
Solar hot water heater--clubhouse	1	\$10,000.00	\$10,000.00
Heating/AC 14 SEER	78	\$3,500.00	\$273,000.00
Service and repair of existing HVAC	74	\$300.00	\$22,200.00
Replace all supply and return vent covers and diffusers	152	\$300.00	\$45,600.00
Bath fans	20	\$150.00	\$3,000.00
HERS certification required energy-efficiency work	152	\$1,000.00	\$152,000.00
22000 - Systems - Plumbing			\$71,475.00
Replace Supply @ Kitchen	10	\$200.00	\$2,000.00
Water Submeters	152	\$390.00	\$59,280.00
Jet Storm Sewers	1	\$10,195.00	\$10,195.00

Per Unit	\$	17,500.00
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SUBTOTAL:	\$2,660,000.00
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Contractor Load			
General Conditions	6.00		\$ 159,600.00
Overhead	2.00		\$ 53,200.00
Profit	6.00		\$ 159,600.00

TOTAL:	\$3,032,400.00
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ADDENDUM E
Utility Allowance

**Allowances for
Tenant-Furnished Utilities
and Other Services**

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP APARTMENTS_ 5 Units and Over

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type APARTMENT UNITS 5 AND OVER UNITS PER BUILDING										Date (mm/dd/yyyy) 1/1/2019
Utility or Service	Monthly Dollar Allowances										
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR	
AIR CONDITIONING	7	8	11	15	18	22	0	0	0	0	
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0	
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0	
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0	
Electric Fee	7	7	7	7	7	7	0	0	0	0	
Electric Resistance	14	16	21	24	27	31	0	0	0	0	
HEATING BOTTLED GAS	61	71	82	92	102	112	0	0	0	0	
HEATING NATURAL GAS	19	22	25	28	32	35	0	0	0	0	
HEATING OIL	42	49	56	63	70	77	0	0	0	0	
OTHER ELECTRIC	17	20	28	36	44	52	0	0	0	0	
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0	
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0	
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0	
SEWER	34	37	52	75	99	122	0	0	0	0	
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0	
WATER	21	23	35	54	73	93	0	0	0	0	
WATER HEATING BOTTLED GAS	21	25	36	47	58	70	0	0	0	0	
WATER HEATING ELECTRIC	11	13	17	20	24	27	0	0	0	0	
WATER HEATING NATURAL GAS	7	8	11	15	18	22	0	0	0	0	
WATER HEATING OIL_OTHER	15	17	25	33	40	48	0	0	0	0	

ADDENDUM F
Qualifications of Consultants

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CVA, CRE

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)
Member, The Counselors of Real Estate (CRE)
Member, Urban Land Institute
Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628
State of California – Certified General Real Estate Appraiser, No. AG27638
State of Florida – Certified General Real Estate Appraiser; No. RZ3249
State of Hawaii – Certified General Real Estate Appraiser, No. CGA0001291
State of Maryland – Certified General Real Estate Appraiser; No. 6048
State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900
State of Nevada – Certified General Real Estate Appraiser, No. A.0207819-CG
State of Oregon – Certified General Real Estate Appraiser; No. C001280
State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111
State of Washington – Certified General Real Estate Appraiser, No. 1102433

III. Professional Experience

Partner, Novogradac & Company LLP
President, Capital Realty Advisors, Inc.
Vice President, The Community Partners Realty Advisory Services Group, LLC
President, Weinberg Group, Real Estate Valuation & Consulting
Manager, Ernst & Young LLP, Real Estate Valuation Services
Senior Appraiser, Joseph J. Blake and Associates
Senior Analyst, Chevy Chase F.S.B.
Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

National Association of Certified Valuers and Analysts (NACVA) Coursework and Seminars completed for Certified Valuation Analyst (CVA) Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process,"
Affordable Housing Finance, March 2001

VI. Real Estate Assignments

A representative sample of Due Diligence, Consulting or Valuation Engagements includes:

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Designed and implemented rent reasonableness toolkit for Public Housing Agencies (PHA) in support of Housing Choice Voucher program. Rent reasonableness tool provides an estimated rent based on surveyed market conditions specific to the PHA.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a "flat" rent, or an "income-based" rent. The flat rent is based on the "market rent", defined as the rent charged for a comparable unit in the private, unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.

- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
KELLY MCNANY GORMAN**

I. Education

Virginia Tech, Blacksburg, VA
Bachelor of Arts in Urban Affairs and Planning

II. Professional Experience

Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Asset Manager, Housing Opportunities Commission of Montgomery County, MD
Senior Real Estate Analyst, Novogradac & Company LLP
Acquisitions Associate, Kaufman & Broad Multi-Housing Group, Inc. (KBMH)

III. Certifications, Professional Training and Continuing Education

Licensed Certified General Appraiser, CT License #RCG.0001437
Licensed Certified General Appraiser, NJ License #42RG00245500
Licensed Certified General Appraiser, NY License #46000051239
Licensed Certified General Appraiser, PA License #GA004390

Attended and presented at tax credit application training sessions and seminars, valuation of GP Interest sessions, numerous conferences and classes in real estate valuation, finance, asset management and affordable housing development using tax credits and tax exempt financing.

IV. Real Estate Assignments – Examples

A representative sample of Asset Management, Market Study, Due Diligence and Valuation Engagements includes the following:

- Managed and conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Managed and conducted market studies and appraisals of various LIHTC, affordable and market rate properties for numerous clients. The subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, operating expense and demand analysis. Appraisals included various value scenarios including hypothetical land value as if vacant, insurable value, value of LIHTC, abatements and PILOTs, below market debt, ground leases, value of historic credits, etc. Work has been national in scope.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.

- Provided appraisals and market studies for a variety of properties types located throughout the United States. The reports provided included a variety of property types including vacant land, multifamily rental properties, retail buildings, etc.
- Managed a portfolio of ten multifamily properties with a total of over 2,000 units. Portfolio a range of property types including an historic property, garden style, luxury high rise, two senior independent living and one assisted living facility. Responsible for the management, oversight, financial analysis and financial reporting. Coordinated the preparation of property operating budgets, capital budgets and long range plans. Monitored compliance with regulations, policies and procedures. Completed special property management projects consisting of research and reporting. Analyzed property management financial statements and multifamily rental markets surveys.
- Managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations. Recommendations included a workout for one of the 16 assets.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of property condition and deferred maintenance, security issues, signage, marketing strategy and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assess how the property compares to competition. Analyzed operating expense results.

NMTC Consulting Assignments

Performed investment due diligence for a variety of NMTC transactions.

- Performed loan consulting engagements in which GoVal provided opinions regarding whether third party lenders would reasonably lend to NMTC projects based upon deal structure and likelihood of repayment. These engagements involved the analysis of sources of collateral, sources of repayment and reviewing transaction documents, surveying lenders and examining the deal structure.
- Oversaw an analysis of NMTC activity analyzing sizing and recommending strategies for a NMTC investor. Engagement consisted of compilation of NMTC award data from CDFI by location, CDE type, year, award amount and conduct interviews with market participants to better understand investment objectives and competitor activity.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Scott J. Hutter

I. Education

Georgetown University, Washington, DC
Master of Science in Real Estate, *summa cum laude*

UMBC, Baltimore, MD
Bachelor of Arts in Political Science, *cum laude*

II. Professional Experience

Real Estate Manager, *The Novogradac Group*, August 2015-Present
Real Estate Development Analyst, *TTR Sotheby's Realty*, August 2014-August 2015
Real Estate Marketing Sales Territory Manager, *CoStar Group*, July 2013-August 2014

III. Real Estate Assignments

- Drafted appraisals and market studies on a wide variety of properties including multifamily developments, assisted living facilities, hotel, office, medical office, retail, industrial, mixed-use properties, vacant land, and proposed new construction.
- Performed site inspections, and conducted in-depth property, economic research, market data research, expense analyses, and revenue projections.
- Performed market studies on multifamily properties, specializing with the Low-Income Housing Tax Credit program.
- Performed analyses on multifamily properties that are HUD subsidized or operated under the USDA Rural Development program.
- Created Argus models for office, medical office, retail, and industrial properties
- Conducted valuations of General Partnership and Limited Partnership Interests
- Conducted valuations of subordinated debt for LIHTC properties with irregular debt terms.

IV. Professional Training

Advanced Income Capitalization, Appraisal Institute, 2018
General Appraiser Report Writing and Case Studies, Appraisal Institute, 2018
Quantitative Analysis, Appraisal Institute, 2018
General Appraiser Income Approach Part I, Appraisal Institute, 2018
General Appraiser Income Approach Part II, Appraisal Institute, 2018
General Appraiser Report Writing and Case Studies, Appraisal Institute, 2018
15-Hour National USPAP Equivalent, Appraisal Institute, 2017
Basic Appraisal Procedures, Appraisal Institute, 2017
Basic Appraisal Principals, Appraisal Institute, 2017
Real Estate Finance, Statistics, and Valuation Modeling, Appraisal Institute, 2017
General Appraiser Market Analysis and Highest and Best Use, Appraisal Institute, 2017
General Appraiser Sales Comparison Approach, 2017
General Appraiser Site Valuation and Cost Approach, 2017
Market Analysis for Commercial Real Estate, CCIM Institute, 2017
Certificate in Business and Commercial Lending, American Bankers Association, 2017
Argus Enterprise Training- Valuation and Portfolio Analysis, Kahr Real Estate, 2016
Interest Based Negotiations, CCIM Institute, 2016
Pro Forma Fundamentals Certificate, Urban Land Institute (ULI), 2015
Washington, DC Real Estate License, DC Real Estate Commission, 2015

STATEMENT OF PROFESSIONAL QUALIFICATIONS NICODEMO AGOSTINO

I. Education

McGill University – Montreal, QC
Bachelor of Civil Law (B.C.L.) and Bachelor of Laws (LL.B.)

McGill University – Montreal, QC
Bachelor of Arts, Art History

II. Professional Experience

Junior Analyst, *Novogradac & Company LLP* – January 2019 - Present
Assistant Contract Administrator, *Office of Innovation, McGill University* – June 2016 – June 2018

Legal Clinic Intern, *Commission for Environmental Cooperation* – September 2016 – December 2016

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing markets studies of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and Housing Choice Voucher information.
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

ADDENDUM G
NCHMA Certification and Checklist

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
Executive Summary		
1	Executive Summary	
Scope of Work		
2	Scope of Work	
Project Description		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	
4	Utilities (and utility sources) included in rent	
5	Target market/population description	
6	Project description including unit features and community amenities	
7	Date of construction/preliminary completion	
8	If rehabilitation, scope of work, existing rents, and existing vacancies	
Location		
9	Concise description of the site and adjacent parcels	
10	Site photos/maps	
11	Map of community services	
12	Site evaluation/neighborhood including visibility, accessibility, and crime	
Market Area		
13	PMA description	
14	PMA Map	
Employment and Economy		
15	At-Place employment trends	
16	Employment by sector	
17	Unemployment rates	
18	Area major employers/employment centers and proximity to site	
19	Recent or planned employment expansions/reductions	
Demographic Characteristics		
20	Population and household estimates and projections	
21	Area building permits	
22	Population and household characteristics including income, tenure, and size	
23	For senior or special needs projects, provide data specific to target market	
Competitive Environment		
24	Comparable property profiles and photos	
25	Map of comparable properties	
26	Existing rental housing evaluation including vacancy and rents	
27	Comparison of subject property to comparable properties	
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	
29	Rental communities under construction, approved, or proposed	
30	For senior or special needs populations, provide data specific to target market	

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	
32	Affordability analysis with capture rate	
33	Penetration rate analysis with capture rate	
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	
36	Precise statement of key conclusions	
37	Market strengths and weaknesses impacting project	
38	Product recommendations and/or suggested modifications to subject	
39	Discussion of subject property's impact on existing housing	
40	Discussion of risks or other mitigating circumstances impacting subject	
41	Interviews with area housing stakeholders	
Other Requirements		
42	Certifications	
43	Statement of qualifications	
44	Sources of data not otherwise identified	



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

This market study has been prepared by **Novogradac & Company LLP**, 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*, and *Model Content Standards for the Content of Market Studies*. 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.

Novogradac & Company LLP is duly qualified and experienced in providing market analysis for Affordable 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. **Novogradac & Company LLP** is an independent market analyst. No principal or employee of **Novogradac & Company LLP** has any financial interest whatsoever in the development for which this analysis has been undertaken.

Scott Hutter
Manager