

Market Feasibility Analysis

Port City II
716 Jefferson Davis Highway
Richmond, Virginia 23224

Prepared For

Mr. Tom Wilkinson
AT Artisan LLC
205 N. 19th Street, Suite LL2
Richmond, Virginia 23223

Authorized User

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

Effective Date

July 15, 2019

Job Reference Number

19-376 JW



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

Market Study Certification

NCHMA Certification

This certifies that Nathan Stelts, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Richmond, Virginia. Further, the information contained in this report is true and accurate as of July 15, 2019.

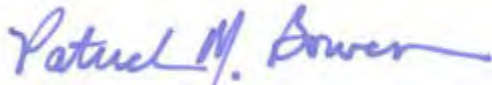
Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee for the preparation of the market study. However, no contingency fees exist between our firm and the client.

VHDA Certification

I affirm the following:

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

Certified:

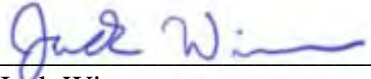


Patrick M. Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: July 15, 2019





Nathan Stelts
Market Analyst
nathans@bowennational.com
Date: July 15, 2019



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: July 15, 2019

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I. Introduction

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of the proposed Port City II apartment project in Richmond, Virginia, following redevelopment utilizing financing from the 4% Tax-Exempt Bond program. This study was initiated by Mr. Tom Wilkinson of AT Artisan LLC and complies with the guidelines of the Virginia Housing Development Authority (VHDA). This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

C. SOURCES

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

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

D. REPORT LIMITATIONS

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

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

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II. Executive Summary

Based on the findings contained in this report, it is our opinion that a market exists for the development of the proposed Port City II in Richmond, Virginia utilizing financing from the 4% Tax-Exempt Bond program. The following points support this conclusion:

Project Description

Port City II involves the adaptive reuse of a former tobacco plant originally built in the 1930s into 147 apartments located at 716 Jefferson Davis Highway in Richmond. The project will offer 109 one-, 37 two- and one (1) three-bedroom units. These apartments will be garden-style and located within nine single-story residential buildings and one non-residential building. The proposed project will be developed utilizing financing from the 4% Tax-Exempt Bond program and target lower-income family (general-occupancy) households earning up to 40%, 50%, 60%, 70% and 80% of Area Median Household Income (AMHI). In addition, 23 of the units will give priority to low-income artists and 14 units will be set aside for disabled veteran households. Monthly collected Tax Credit rents will range from \$648 to \$1,798, depending on unit size and targeted income level. The proposed project is expected to be complete by April 2021. Note that the majority of the units at Port City I were recently completed in January 2019, all of which are occupied with a waiting list. Additional details of the subject project can be found in Section III - *Project Description* of this report.

Site Evaluation

The proposed site consists of two (2) one-story warehouse buildings located north of the Port City Apartments (Phase I of subject site) in the southern portion of Richmond. While there are various blighted buildings within the immediate site neighborhood, this has not had an adverse impact on the marketability of Phase I, as evidenced by its high occupancy rate. The development of the subject site will contribute to the continued revitalization efforts within the area. Visibility of the site is considered good, as it maintains significant frontage along Jefferson Davis Highway/U.S. Highway 1/301, a six-lane divided arterial roadway. Access to the site is considered adequate, as northbound traffic is required to make a U-turn upon ingress and egress. However, the subject site is within 1.3 miles of U.S. Highways 60 and 360, as well as Interstate 95. Additionally, public transportation services are provided by the Greater Richmond Transit Company (GRTC), with the closest bus stop adjacent to the site. While small businesses exist to supply the area with groceries and other resources, large-scale community services exist north of the James River in downtown Richmond. Overall, we believe the subject site will be marketable based on its location and proximity to community services. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in Section IV - *Area Analysis*.

Primary Market Area

The Richmond Site PMA includes southern portions of Richmond, northern portions of Bensley and some of the surrounding unincorporated areas of Chesterfield County. Specifically, the boundaries of the Site PMA include State Route 76 and the James River to the north; the James River to the east; State Route 150 to the south; and State Route 150 to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in Section IV, beginning on page IV-9.

Demographic Trends

Overall, population and household growth within the Richmond Site PMA has been positive since 2000. These trends are projected to remain positive through 2024, increasing by 4,437 (5.0%) and 1,649 (4.7%), respectively, from 2019. Additionally, renter households in the market are projected to increase by 648 (3.1%) during the same time period. Further, the subject project will be able to accommodate nearly all renter households within the market, based on household size. The preceding trends will likely have a positive impact on the marketability of the proposed units at the subject project. Detailed demographic trends are included in Section IV, beginning on page IV-11.

Economic Trends

Based on information provided by the Greater Richmond Partnership, the State of Virginia Department of Labor and the U.S. Department of Labor, the local economy continues to improve. Since 2009, the employment base within the city of Richmond has increased by over 22,600 jobs, or 24.7%, and its unemployment rate has declined by over six percentage points through May 2019 to 3.4%, its lowest rate within the preceding ten-year period. Additionally, there have been numerous new business/business expansion announcements made within the area over the past two years. Based on these positive economic factors and the demographic growth anticipated, we expect the demand for housing will generally increase. Detailed economic trends are included in Section IV, beginning on page IV-16.

Overall Rental Housing Market Conditions

We identified and personally surveyed 41 conventional housing projects containing a total of 6,800 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.1%, a good rate for rental housing. The surveyed rental developments broken out by project type are summarized in the table on the following page.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	19	4,240	233	94.5%
Market-rate/Tax Credit	1	393	13	96.7%
Tax Credit	18	1,903	22	98.8%
Tax Credit/Government-Subsidized	3	264	0	100.0%
Total	41	6,800	268	96.1%

Each rental housing segment surveyed within the market is operating at a good occupancy level, as none are below 94.5%. This illustrates that the Richmond rental housing market is performing well.

Tax Credit Property Disclosure

As previously detailed, we identified and surveyed a total of 22 existing properties within the Richmond Site PMA that operate completely or partially under the Low-Income Housing Tax Credit (LIHTC) program. Details of these surveyed properties, including a map of their locations, are provided in Section XII - *Field Survey of Conventional Rentals* of this report. In addition to these 22 properties, however, we identified 16 additional existing Tax Credit projects within the Site PMA that have received an allocation, but we were unable to survey in person or via telephone. These properties were identified using a list of allocated Tax Credit projects from the Virginia Housing Development Authority (VHDA) website. It is estimated that these 16 projects contain a total of 1,714 Tax Credit units. However, it is believed that 422 operate *without* a project-based subsidy. As such, we have accounted for these non-subsidized LIHTC units in our demand analysis included later in this section. More detailed information regarding these Tax Credit projects is included in Addendum B of this report.

Competitive/Comparable Tax Credit Analysis

We identified and surveyed 20 *existing* family (general-occupancy) projects that offer non-subsidized LIHTC units within the Richmond Site PMA. Of these 20 properties, seven were selected as the most comparable to the proposed subject development based on age (all comparable properties were built in or after 2004), building design (adaptive reuse) and/or unit design (all comparable properties offer garden-style units). These properties target households with incomes up to 40%, 50%, 60%, 70% and/or 80% of AMHI; therefore, they are considered comparable properties. These seven LIHTC properties and the proposed subject development are summarized in the table on the following page. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals. *Note that we did not identify any LIHTC properties that specifically targets artists or disabled veteran households within the market.*

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Port City II	2021	147	-	-	-	Families/Artists/Disabled; 40%, 50%, 60%, 70% & 80% AMHI
1	Port City I (Phase I of Site)	2019	131 + 4*	100.0%	0.1 Miles	13 HH	Families; 40%, 50%, 60%, 70%, & 80% AMHI
7	Belle Summit	2013	50	100.0%	1.5 Miles	12 HH	Families; 40% & 50% AMHI
10	City View Place	2012	32	100.0%	1.5 Miles	52 HH	Families; 40% & 50% AMHI
14	Hatcher Tobacco Flats	2015	152	100.0%	1.7 Miles	200 HH	Families; 40% & 50% AMHI
17	Ivy Walk I & II	2004	248	96.0%	5.6 Miles	None	Families; 60% AMHI
21	Miller Lofts at Plant Zero	2014	197	100.0%	2.0 Miles	10 HH	Families; 60% AMHI
23	Old Manchester Plaza	2009	46	100.0%	1.4 Miles	47 HH	Families; 50% & 60% AMHI

OCC. – Occupancy

HH - Households

*Units under construction

The seven LIHTC projects have a combined occupancy rate of 98.8%, a strong rate for affordable rental housing. In fact, six of these projects are 100.0% occupied and maintain a waiting list, including Phase I of the subject site, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject development will be able to accommodate a portion of this unmet demand.

Notably, the newest LIHTC project in the market, Port City I (Phase I of the subject site), opened 131 units in January 2019, with all completed units occupied in July. This yields an absorption rate of 22 units per month, a rapid rate for affordable rental housing. This further demonstrates the high demand that exists for additional affordable rental housing within the market.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Port City II	\$648/40% (2) \$810/50% (30) \$972/60% (50) \$1,134/70% (22) \$1,297/80% (5)	\$972/50% (10) \$1,167/60% (20) \$1,361/70% (3) \$1,556/80% (4)	\$1,798/80% (1)	-
1	Port City I (Phase I of Site)	\$624/40% (8/0) \$780/50% (11/0) \$936/60% (28/0) \$1,092/70% (11/0) \$1,249/80% (7/0)	\$749/40% (6+1*/0) \$936/50% (12/0) \$1,123/60% (32+2*/0) \$1,310/70% (6/0) \$1,498/80% (9+1*/0)	\$1,298/60% (1/0)	None
7	Belle Summit	\$704/40% (1/0) \$857/50% (9/0)	\$846/40% (3/0) \$1,029/50% (27/0)	\$998/40% (1/0) \$1,209/50% (9/0)	None
10	City View Place	-	\$788/40% (3/0) \$921/50% (11/0)	\$921/40% (2/0) \$1,086/50% (16/0)	None
14	Hatcher Tobacco Flats	\$696/40% (15/0) \$858/50% (16/0)	\$1,041/50% (93/0)	\$1,226/50% (28/0)	None
17	Ivy Walk I & II	-	\$1,090/60% (124/10)	\$1,211/60% (124/0)	None
21	Miller Lofts at Plant Zero	\$974/60% (100/0)	\$1,171-\$1,192/60% (97/0)	-	None
23	Old Manchester Plaza	\$794/50% (6/0) \$859/60% (23/0)	\$1,042/60% (17/0)	-	None

*Units under construction

The proposed subject rents, ranging from \$648 to \$1,798, are generally within the range of rents offered at the most comparable LIHTC projects targeting similar income levels. Given that all comparable properties are operating at strong occupancy levels and the fact that the subject rents are competitively positioned, they are considered appropriate for the Richmond market. While the subject's rents set aside at 70% and 80% of AMHI are slightly higher than those offered at Port City 1, given that this property is 100.0% occupied and the subject development will be newer, offer larger unit sizes and a superior amenities package, this will enable the subject development to charge higher rents.

Comparable Tax Credit Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the proposed subject development will be very competitive. Given that the subject development will be the newest LIHTC project in the market, offering high-end finishes, larger unit sizes (square feet) and a superior amenities package when compared to the most comparable LIHTC developments, will position the subject project at a market advantage and has been considered in our absorption projections.

Perception of Value

Based on HUD Rent Comparability Grids in Section VI, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$1,325 for a one-bedroom, \$1,645 for a two-bedroom unit and \$1,885 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent	% AMHI	Achievable Market Rent	Market Rent Advantage
One-Br.	\$648	40%	\$1,325	51.1%
	\$810	50%		38.9%
	\$972	60%		26.6%
	\$1,134	70%		14.4%
	\$1,297	80%		2.1%
Two-Br.	\$778	40%	\$1,645	40.9%
	\$1,167	60%		29.1%
	\$1,361	70%		17.3%
	\$1,556	80%		5.4%
Three-Br.	\$1,798	80%	\$1,885	4.6%

The proposed subject Tax Credit rents will likely be perceived as excellent values within the market, as they represent market rent advantages ranging from 17.3% to 51.1%, depending upon bedroom type and targeted income level, with the exception of the subject's 80% of AMHI units. Typically, Tax Credit units should represent approximately a 10.0% market rent advantage; however, 80% of AMHI units do not typically need to represent a market rent advantage to be considered a value. This is especially true, considering the subject project will represent the most modern and highest quality rental product in this market, which diminishes the need for a 10.0% or higher market rent advantage for the subject's 80% of AMHI units.

Capture Rate Estimates

The following is a summary of our demand calculations. Given that the subject units set aside at 40% will only comprise one bedroom, we have excluded three-person or more household sizes from the demand analysis for the aforementioned targeted income level to avoid overestimating demand. Additionally, given the subject units set aside at 50%, 60% and 70% of AMHI will only comprise one or two bedrooms, we have excluded four-person or more household sizes for the aforementioned targeted income levels.

Demand Component	Percent of Median Household Income					
	40% AMHI \$22,217-\$27,680	50% AMHI \$27,771-\$38,900	60% AMHI \$33,326-\$46,680	70% AMHI \$38,880-\$54,460	80% AMHI \$44,469-\$74,720	Overall \$22,217-\$74,720
Net Demand	889	1,521	807	578	651	3,480
Proposed Units	2	40	70	25	10	147
Proposed Units / Net Demand	2 / 889	40 / 1,521	70 / 807	25 / 578	10 / 651	147 / 3,480
Capture Rate	= 0.2%	= 2.6%	= 8.7%	= 4.3%	= 1.5%	= 4.2%

Overall, the capture rates by targeted income level are considered very low and easily achievable, ranging from 0.2% to 8.7%. The overall capture rate of 4.2% is also considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development.

Special Needs Households

Artists

As noted earlier in this section, a total of 23 units at the subject project will be given priority to low-income artists. Artists are generally considered those that deal with artistic painting, sculpting, acting, writing, dancing, etc. For the purposes of this analysis, we have used NAICS' clarification for persons employed in the Arts Entertainment and Recreation (NAICS code 711510) industry sector to identify potential residents for these specific subject units.

Within the Richmond Site PMA, there are approximately 269 employees working within 26 establishments under the Arts, Entertainment and Recreation job sector classification. It is important to note that since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are at least working within the Richmond market area and it is likely that most are residing within the immediate neighborhoods.

Considering that specific income data is not available for any individual job sector, we have applied the 42.8% share of all households (renters and owners) with qualifying incomes to the estimated 269 artists in the Richmond market. This yields 115 income-appropriate artists in the Site PMA. Finally, since it is likely that the subject artist units will likely only attract renters, we applied the market's 58.2% share of renters to the 115 likely income-qualifying artists. This results in a base of potential support for the subject artist units of 67. As such, the subject's 23 units set aside for artists represent a capture rate of **34.3%** ($23 / 67 = 34.3\%$). Given the unique nature of this population and the lack of supply identified within the market that is geared towards low-income artists, this capture rate is considered achievable.

Disabled Veterans

In addition to the artist set-aside at the site, the subject project will also offer 14 units targeting disabled veteran households. Based on 2013-2017 American Community Survey (ACS) 5-Year Estimates Table S2101, there were 3,388 veterans with some type of disability within Richmond, which represents approximately 1.9% of the entire population 18 years and over within the city. While income data for veterans is not reported for those with a disability, most veterans with a disability should qualify for the disabled special needs designation at the site. Applying the 1.9% share to the market's population 18 years and over projected in 2021 (66,460), yields an estimated total of 1,263 veterans with some type of disability within the Richmond Site PMA. Lastly, applying the market's 58.2% share of renters to the 1,263 veterans with some type of disability, yields an estimated 735 disabled veteran renters. As a result, the 14 units set aside for disabled veterans represent a capture rate of **1.9%** ($14 / 735 = 1.9\%$). This is a very low capture rate and indicates that there is a good base of support for the subject's special needs units.

Penetration Rate

The 2,807 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$21,394 to \$74,720. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 10,630 renter households with eligible incomes in 2021. The 2,807 existing and planned non-subsidized Tax Credit units, along with the 147 proposed subject units, represent a penetration rate of 27.8% of the 10,630 income-eligible renter households, which is summarized in the following table:

	Market Penetration
Number of LIHTC Units (Planned and Existing)	2,954
Income-Eligible Renter Households – 2021	/ 10,630
Overall Market Penetration Rate	= 27.8%

It is our opinion that the 27.8% penetration rate for the LIHTC units, both existing and planned, is achievable. Based on the fact that the overall non-subsidized LIHTC market surveyed is operating at a 98.6% occupancy rate, of which many of these properties are 100.0% occupied and maintain a waiting list, we believe the 27.8% penetration rate is achievable.

Absorption Projections

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 147 LIHTC units at the subject site will reach a stabilized occupancy of 93% within nine months of opening. This absorption period is based on a conservative average monthly absorption rate of approximately 15 units per month.

These absorption projections assume a April 2021 opening date. An earlier or later opening may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume that no other projects targeting a similar population and income group will be developed in the market during the projection period and that the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

III. Project Description

The subject project involves the adaptive reuse of a former tobacco plant originally built in the 1930s into 147 apartments located at 716 Jefferson Davis Highway in Richmond, Virginia. The project, Port City II, will offer 109 one-, 37 two- and one (1) three-bedroom units. These apartments will be garden-style and located within nine single-story residential buildings and one non-residential building. The proposed project will be developed utilizing financing from the 4% Tax-Exempt Bond program and target lower-income family (general-occupancy) households earning up to 40%, 50%, 60%, 70% and 80% of Area Median Household Income (AMHI). In addition, 23 of the units will give priority to low-income artists and 14 units will be set aside for disabled veteran households. Monthly collected Tax Credit rents will range from \$648 to \$1,798, depending on unit size and targeted income level. The proposed project is expected to be complete by April 2021. Note that the majority of the units at Port City I were recently completed in January 2019, all of which are occupied with a waiting list. Additional details of the subject project are as follows:

- A. PROJECT NAME:** Port City II
- B. PROPERTY LOCATION:** 716 Jefferson Davis Highway
Richmond, Virginia 23224
- C. PROJECT TYPE:** 4% Tax-Exempt Bond
- D. UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
2	One-Br.	1.0	Garden	688	40%	\$648	\$0	\$648	\$648
30	One-Br.	1.0	Garden	688	50%	\$810	\$0	\$810	\$810
50	One-Br.	1.0	Garden	688	60%	\$972	\$0	\$972	\$972
22	One-Br.	1.0	Garden	688	70%	\$1,134	\$0	\$1,134	\$1,134
5	One-Br.	1.0	Garden	688	80%	\$1,297	\$0	\$1,297	\$1,297
10	Two-Br.	2.0	Garden	1,001	50%	\$972	\$0	\$972	\$972
20	Two-Br.	2.0	Garden	1,001	60%	\$1,167	\$0	\$1,167	\$1,167
3	Two-Br.	2.0	Garden	1,001	70%	\$1,361	\$0	\$1,361	\$1,361
4	Two-Br.	2.0	Garden	1,001	80%	\$1,556	\$0	\$1,556	\$1,556
1	Three-Br.	2.0	Garden	1,527	80%	\$1,798	\$0	\$1,798	\$1,798
147	Total								

Source: AT Artisan LLC
AMHI – Area Median Household Income (Richmond, VA MSA; 2019)

- E. TARGET MARKET:** Low-Income Families/Artists/Disabled Veterans



F. PROJECT DESIGN: Garden-style units within nine single-story residential buildings and one non-residential building.

G. ORIGINAL YEAR BUILT: 1930s (adaptive reuse)

H. PROJECTED OPENING DATE: March 2021

I. UNIT AMENITIES:

- Electric Range
- Refrigerator w/Icemaker
- Garbage Disposal
- Dishwasher
- Microwave
- Washer/Dryer Hookups
- Ceramic Tile/Polished Concrete Flooring
- Window Blinds
- Premium Countertops
- Premium Cabinetry
- Vaulted Ceilings
- Crown Molding
- Central Air Conditioning
- Ceiling Fan
- Secured Access

J. COMMUNITY AMENITIES:

- On-Site Management
- Community Room/Clubhouse
- Fitness Center
- Picnic Area
- Swimming Pool
- CCTV
- Laundry Facility
- Common Patio
- Courtyard
- Game Room
- Bike Racks
- Dog Park

K. UTILITY RESPONSIBILITY:

All utilities are included in the rent, which include electric heat, electric hot water heat, electric cooking, general electricity, cold water, sewer and trash collection. Additionally, cable and internet services will also be included in the rent.

L. PARKING:

An unassigned surface parking lot with 200 spaces will be available to the residents at no additional charge.

M. CURRENT OCCUPANCY:

Not applicable; Adaptive reuse

N. PLANNED RENOVATION:

Not applicable; Adaptive reuse

O. STATISTICAL AREA:

Richmond, Virginia MSA (2019)

P. FLOOR AND SITE PLAN REVIEW:

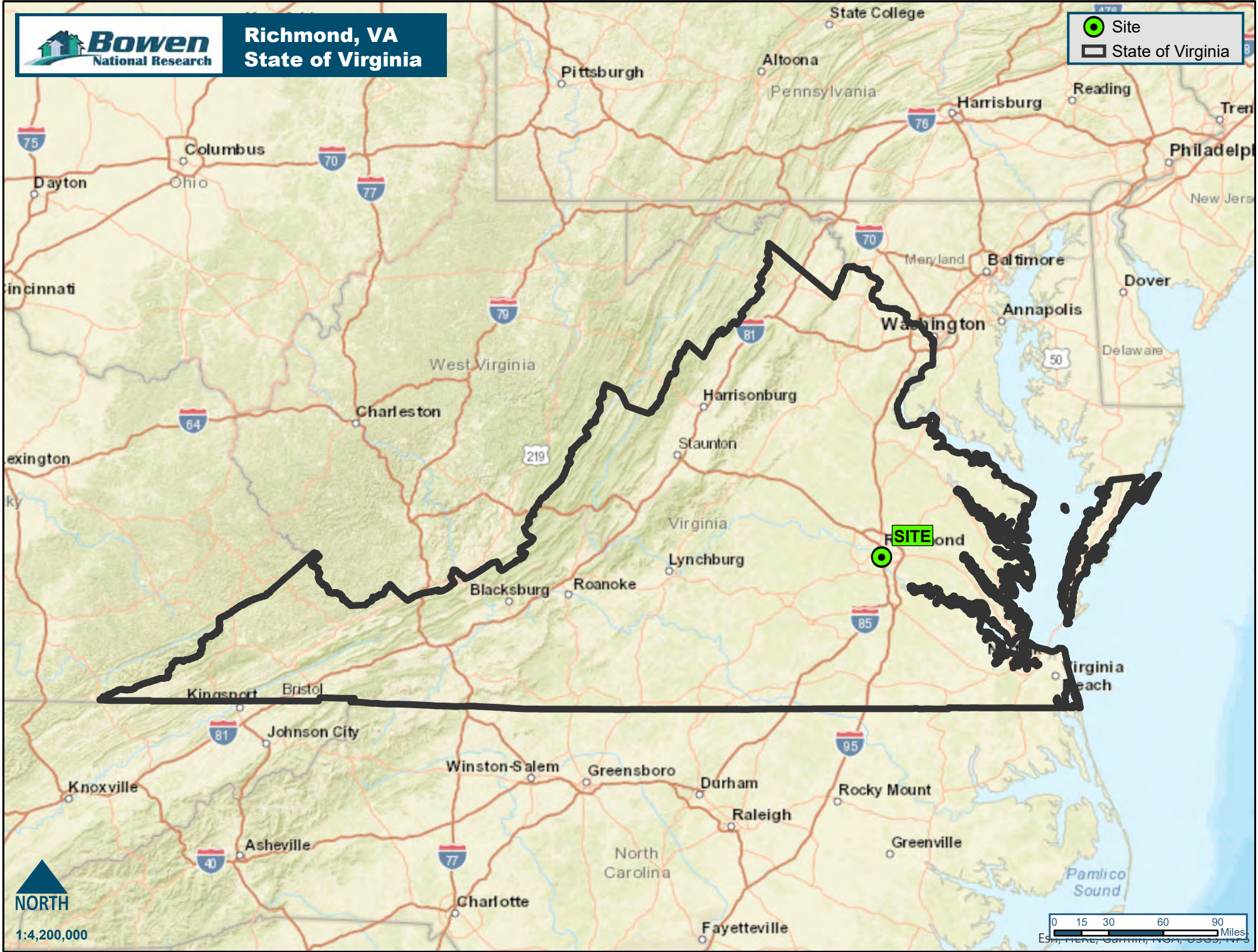
A site plan was provided, however, floorplans for the proposed subject project were not available for review at the time this report was prepared. Nonetheless, an in-depth analysis of comparable LIHTC and market-rate housing projects has been completed and the proposed unit designs are considered appropriate for the market. Overall, we believe the subject site will be very competitive within the Richmond Site PMA.

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



Richmond, VA State of Virginia

Site
State of Virginia



NORTH
1:4,200,000





Richmond, VA Site Neighborhood

Legend
Site Area



NORTH
1:4,000



IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is located at 716 Jefferson Davis Highway (U.S. Highway 1/301) in Richmond, Virginia. The proposed development is a Phase II adaptive reuse project for the Port City Apartments. The proposed structures consist of two (2) one-story warehouse buildings that occupy approximately seven acres of land north of the Phase I development. The subject site exists in a redeveloping area south of downtown Richmond, with the site visit and corresponding fieldwork completed during the week of July 15, 2019.

2. SURROUNDING LAND USES

Surrounding land uses generally consist of industrial facilities, single-family homes, and scattered commercial locations. Adjacent land uses are detailed as follows:

North -	North of the site are various small and large businesses located along Jefferson Davis Highway/U.S. Highway 1/301. Scattered around the highway are single-family neighborhoods and various rental properties. Bordering the site to the north is the Richmond Department of Public Utilities.
East -	Immediately east of the site is Jefferson Davis Highway/U.S. Highway 1/301, which features small businesses and neighborhoods consisting of single-family homes, generally observed to be in poor to fair condition. Single-family homes continue and extend farther east of the site.
South -	South of the site are plots of developed industrial land and small businesses/fast food restaurants. To the southeast of U.S. Highway 1/301 are single-family neighborhoods, observed to be in fair to good condition. Residential neighborhoods are scattered among parcels of undeveloped land farther south.
West -	West of the site are large businesses, including a construction company and a self-storage facility. Southwest of the site is Maury Cemetery. Farther west are single-family residential neighborhoods and scattered technical/industrial businesses, including automobile repair and construction facilities. These structures were observed to be in poor to good condition.

While there were various blighted properties observed surrounding the subject site, it is not anticipated that these properties will negatively impact its marketability, as evidenced by the high occupancy rate at Phase I of the site. The subject project will contribute to the continued revitalization efforts within the surrounding neighborhood. Photographs of the site can be found in Section X of this report.

3. VISIBILITY AND ACCESS

The subject site occupies a significant portion of Jefferson Davis Highway/U.S. Highway 1/301, a six-lane, divided highway with moderate to heavy traffic patterns. Phase I of the development is among the tallest buildings in the immediate vicinity, leading to good visibility of the proposed site. The view of the site from Jefferson Davis Highway/U.S. Highway 1/301 is unobstructed by the surrounding land uses, but the visibility of the site would be enhanced by including signage to the north. Nonetheless, overall visibility is considered good. Access to the site requires the use of Kern Street, a small access road located south of the Phase I building. Note that this roadway cannot be accessed for northbound traffic along Jefferson Davis Highway 1/301, which will require motorists to make a U-turn upon ingress/egress. However, the site is within 1.3 miles of U.S. Highways 60 and 360, as well as Interstate 95. Additionally, public transportation services are provided via the Greater Richmond Transit Company (GRTC), with the closest bus stop located adjacent to the property. Overall, access to and from the site is considered adequate.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance from Site (miles)
Major Highways	U.S. Highway 301	Adjacent East
	U.S. Highway 360	0.6 North
	U.S. Highway 60	1.3 North
	Interstate 95	1.3 Northeast
Public Bus Stop	GRTC	Adjacent East
Major Employers/ Employment Centers	UPS Freight	1.4 North
	McGuire VA Medical Center	1.8 Southwest
	Walmart	3.5 North
Convenience Store	Exxon	0.4 South
	301 Express	0.5 North
Grocery	Save-A-Lot	2.3 Southwest
	Farm Fresh	3.0 Northeast
Discount Department Store	Family Dollar	1.0 North
	Dollar General	1.0 Northwest
	Walmart	3.5 North
Shopping Center/Mall	Circle Shopping Center	2.3 Southwest
	Southside Plaza	2.5 Southwest

(Continued)

Community Services	Name	Driving Distance from Site (miles)
Schools: Elementary Middle/Junior High High	Blackwell Elementary School	1.1 Northeast
	Martin Luther King Jr. Middle School	4.3 Northeast
	Open High School	2.2 North
Hospital	VCU Health West	2.5 North
Police	Richmond Police Department Second Precinct	2.7 West
Fire	Richmond Fire Station 21	1.5 South
Post Office	United States Postal Service	2.0 Southwest
Bank	Sun Trust Bank	1.5 North
	Wells Fargo	2.4 West
Senior Center	South Richmond Adult Day Care Center	1.0 North
Gas Station	Exxon	0.4 South
	Tida Foods Inc.	0.4 South
Pharmacy	Rite Aid Pharmacy	1.0 North
	CVS Pharmacy	2.5 Northeast
Restaurant	Harold's Kitchen	0.1 East
	OMG Pizza	0.3 South
	Croaker's Spot	1.1 Northeast
Day Care	Oak Grove Child Care Center	0.9 East
	Especially Yours Child Development	1.0 South
Community/Recreation Center	Blackwell Community Center	0.9 Northeast
	Bellemeade Community Center	1.3 South

The site has access to four GRTC bus stops along Jefferson Davis Highway/U.S. Highway 1/301, all of which are within walking distance. Numerous community services, including banks, restaurants, fire/police departments, and gas stations/convenience stores all exist within 3.0 miles of the subject site. Additional community services exist north of the James River, including public hospitals, schools, and grocery stores. The community is served by scattered small convenience stores, delis, and small food retailers throughout the area.

5. OVERALL SITE EVALUATION

The proposed site consists of two (2) one-story warehouse buildings located north of the Port City Apartments (Phase I of subject site) in the southern portion of Richmond. While there are various blighted buildings within the immediate site neighborhood, this has not had an adverse impact on the marketability of Phase I, as evidenced by its high occupancy rate. The development of the subject site will contribute to the continued revitalization efforts within the area. Visibility of the site is considered good, as it maintains significant frontage along Jefferson Davis Highway/U.S. Highway 1/301, a six-lane divided arterial roadway. Access to the site is considered adequate, as northbound traffic is required to make a U-turn upon ingress and egress. However, the subject site is within 1.3 miles of U.S. Highways 60 and 360, as well as Interstate 95. Additionally,



public transportation services are provided by the Greater Richmond Transit Company (GRTC), with the closest bus stop adjacent to the site. While small businesses exist to supply the area with groceries and other resources, large-scale community services exist north of the James River in downtown Richmond. Overall, we believe the subject site will be marketable based on its location and proximity to community services.

6. CRIME ISSUES

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

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

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

Total crime risk index for the site's ZIP Code is 167, with an overall personal crime index of 207 and a property crime index of 161. Total crime risk for the city of Richmond is 149, with indexes for personal and property crime of 152 and 148, respectively.

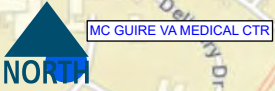
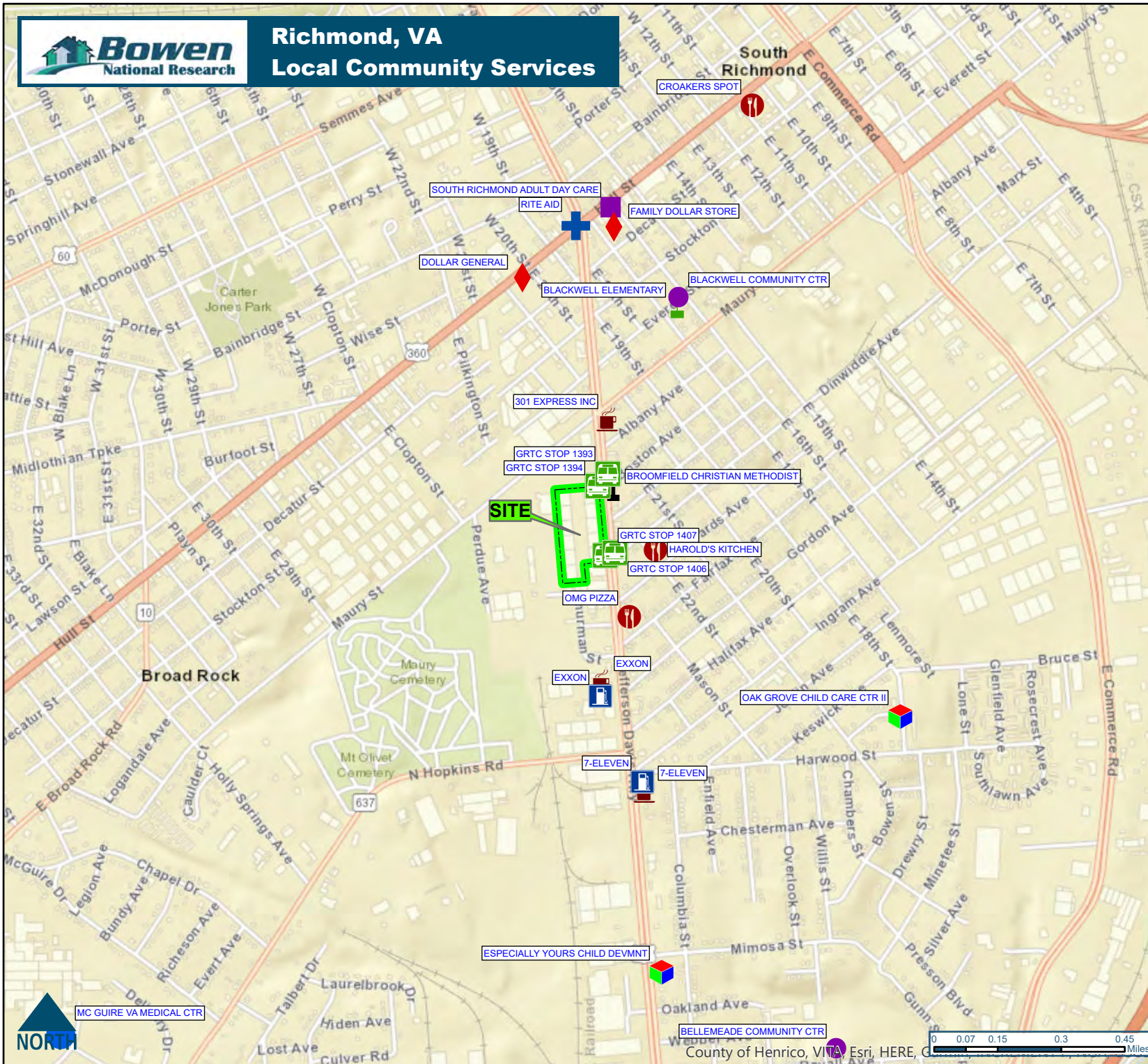
	Crime Risk Index	
	Site ZIP Code	Richmond City
Total Crime	167	149
Personal Crime	207	152
Murder	582	385
Rape	87	61
Robbery	297	252
Assault	178	117
Property Crime	161	148
Burglary	183	143
Larceny	151	147
Motor Vehicle Theft	195	171

Source: Applied Geographic Solutions

Although the crime risk index reported for the site's ZIP Code (167) is above both those of the city (149) and nation (100), an index of 167 is not considered high for densely populated urban areas, such as the Richmond market. Thus, it is likely that there is a low perception of crime within the subject site area, which is expected to contribute to its overall marketability. The high occupancy rates reported among most rental properties surveyed in the market are further indications that crime is not a factor impacting rental occupancy rates within the Richmond market.

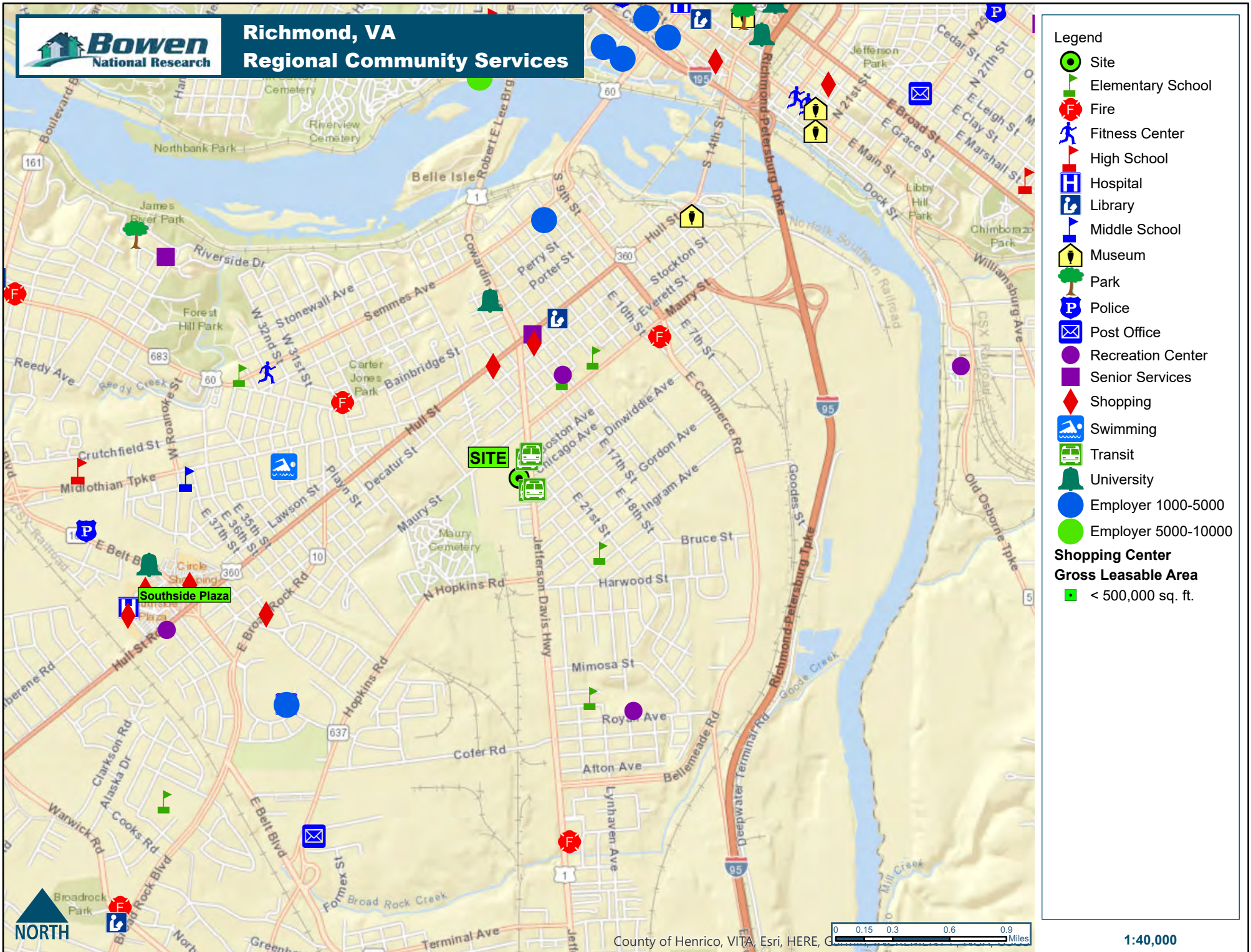
Maps illustrating the location of community services and crime risk are on the following pages.


- Legend**
- Site Area
 - Child Care
 - Church
 - Convenience Store
 - Elementary School
 - Gas
 - Pharmacy
 - Recreation Center
 - Restaurant
 - Senior Services
 - Shopping
 - Transit
 - Employer 1000-5000









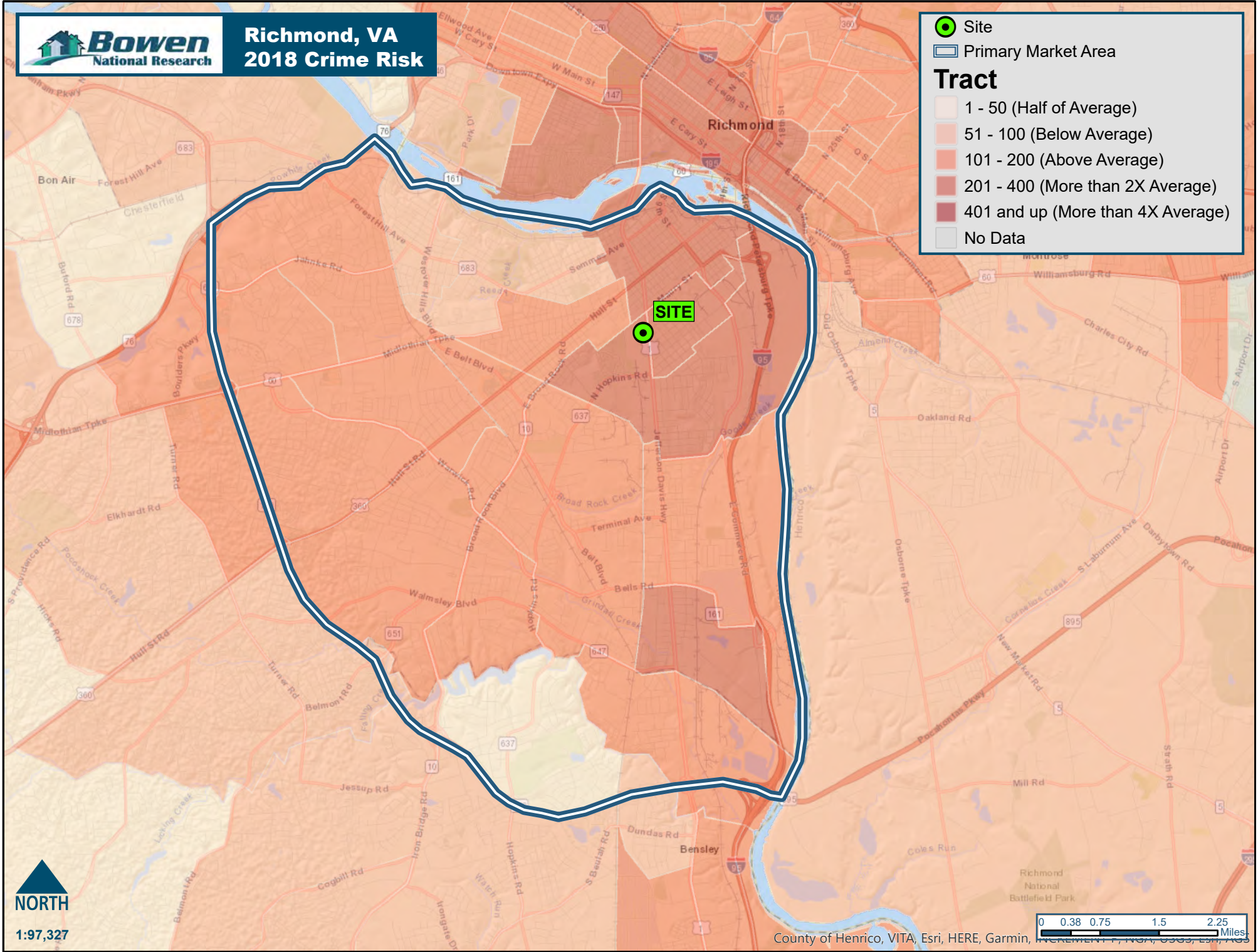
Richmond, VA Regional Community Services



-  Site
-  Primary Market Area

Tract

-  1 - 50 (Half of Average)
-  51 - 100 (Below Average)
-  101 - 200 (Above Average)
-  201 - 400 (More than 2X Average)
-  401 and up (More than 4X Average)
-  No Data



1:97,327



B. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to originate. The Richmond Site PMA was determined through an interview with management at Phase I of the subject site and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Richmond Site PMA includes southern portions of Richmond, northern portions of Bensley and some of the surrounding unincorporated areas of Chesterfield County. Specifically, the boundaries of the Site PMA include State Route 76 and the James River to the north; the James River to the east; State Route 150 to the south; and State Route 150 to the west.

Shanee Gooding is the Community Manager for Port City Apartments (Phase I of the subject site). Ms. Gooding stated that many of her property's residents have originated from areas outside of the Site PMA due to the unique design of the property (adaptive reuse of an existing mill) and the number of jobs that exist within the area. However, for the purposes of this analysis, the PMA was delineated to incorporate the portions of Richmond south of the James River (generally no more than a ten-minute drive from the site) in an effort to avoid overestimating demand for the subject site. It is believed that the Site PMA determined will be where a significant portion of prospective tenants for the subject site will derive.

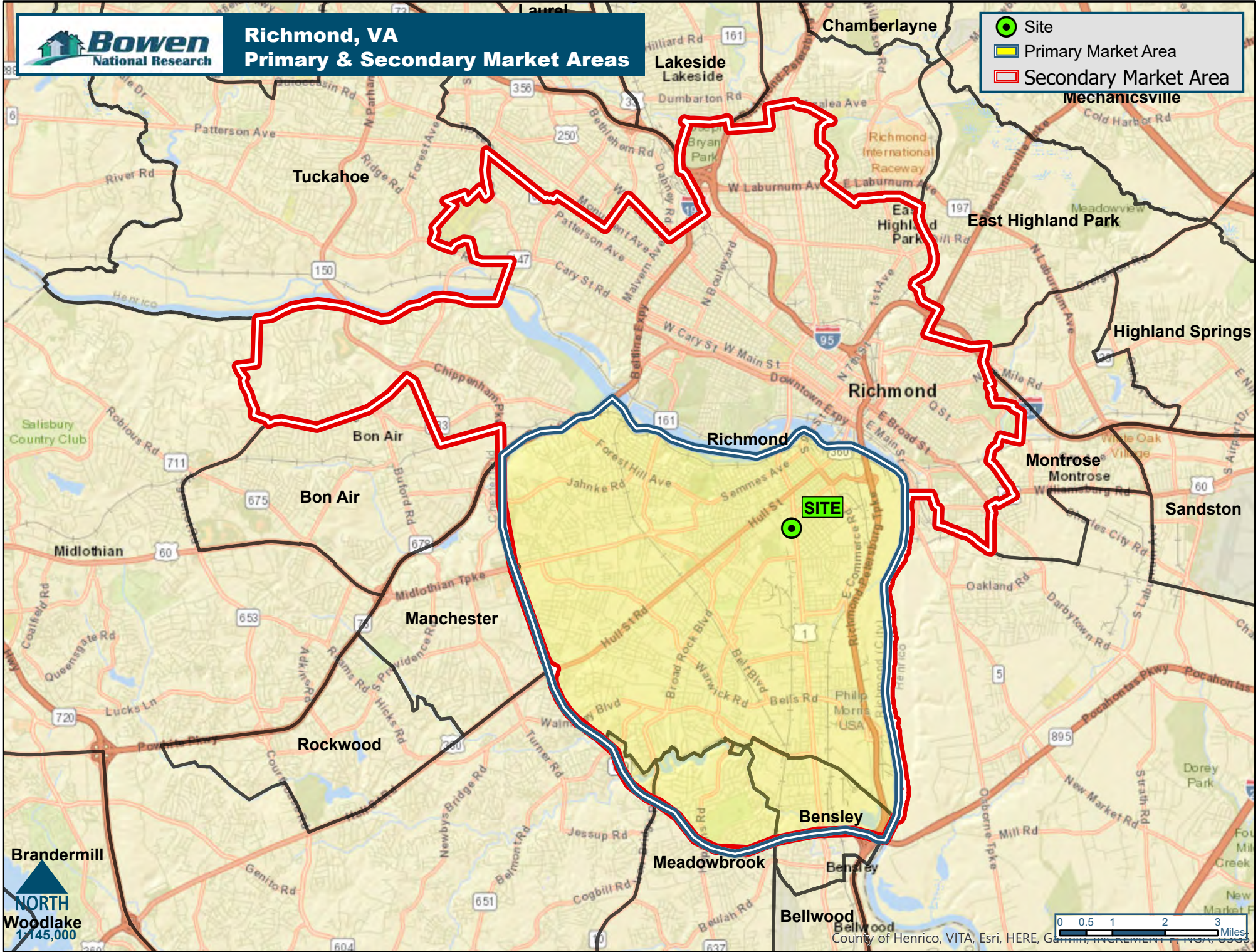
In compliance with VHDA's market study guidelines, we have incorporated a Secondary Market Area (SMA) in this report, which includes the remaining areas of the city of Richmond.

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



Richmond, VA Primary & Secondary Market Areas

- Site
- Primary Market Area
- Secondary Market Area



Brandermill
NORTH
Woodlake
1:145,000



C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2019 (estimated) and 2024 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2024 (Projected)
Population	77,203	80,204	88,038	92,475
Population Change	-	3,001	7,834	4,437
Percent Change	-	3.9%	9.8%	5.0%

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

The Richmond Site PMA population base increased by 3,001 between 2000 and 2010. This represents a 3.9% increase from the 2000 population, or an annual rate of 0.4%. Between 2010 and 2019, the population increased by 7,834, or 9.8%. It is projected that the population will increase by 4,437, or 5.0%, between 2019 and 2024.

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

Population by Age	2010 (Census)		2019 (Estimated)		2024 (Projected)		Change 2019-2024	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	21,214	26.5%	22,797	25.9%	24,187	26.2%	1,390	6.1%
20 to 24	6,898	8.6%	6,315	7.2%	6,314	6.8%	-1	0.0%
25 to 34	13,470	16.8%	14,428	16.4%	14,333	15.5%	-95	-0.7%
35 to 44	10,336	12.9%	11,753	13.3%	12,902	14.0%	1,149	9.8%
45 to 54	11,029	13.8%	10,226	11.6%	10,304	11.1%	78	0.8%
55 to 64	8,949	11.2%	10,515	11.9%	10,302	11.1%	-213	-2.0%
65 to 74	4,361	5.4%	7,228	8.2%	8,452	9.1%	1,224	16.9%
75 & Over	3,947	4.9%	4,777	5.4%	5,682	6.1%	905	18.9%
Total	80,204	100.0%	88,038	100.0%	92,475	100.0%	4,437	5.0%

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

As the preceding table illustrates, over 53% of the population is expected to be between 25 and 64 years old in 2019. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2024 (Projected)
Households	32,358	32,527	35,126	36,775
Household Change	-	169	2,599	1,649
Percent Change	-	0.5%	8.0%	4.7%
Household Size	2.39	2.47	2.47	2.48

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

Within the Richmond Site PMA, households increased by 169 (0.5%) between 2000 and 2010. Between 2010 and 2019, households increased by 2,599, or 8.0%. By 2024, there will be 36,775 households, an increase of 1,649 households, or 4.7%, from 2019. This is an increase of approximately 330 households annually over the next five years.

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

Households by Age	2010 (Census)		2019 (Estimated)		2024 (Projected)		Change 2019-2024	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	2,505	7.7%	2,257	6.4%	2,347	6.4%	90	4.0%
25 to 34	6,587	20.3%	6,826	19.4%	6,758	18.4%	-68	-1.0%
35 to 44	5,653	17.4%	6,179	17.6%	6,726	18.3%	547	8.9%
45 to 54	6,540	20.1%	5,777	16.4%	5,764	15.7%	-13	-0.2%
55 to 64	5,737	17.6%	6,449	18.4%	6,264	17.0%	-185	-2.9%
65 to 74	2,926	9.0%	4,638	13.2%	5,363	14.6%	725	15.6%
75 to 84	1,801	5.5%	1,962	5.6%	2,324	6.3%	362	18.4%
85 & Over	778	2.4%	1,036	2.9%	1,227	3.3%	191	18.4%
Total	32,527	100.0%	35,126	100.0%	36,775	100.0%	1,649	4.7%

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

Between 2019 and 2024, the greatest growth among household age groups is projected to be among those between the ages of 65 and 74. Household growth is also projected to occur at a fairly rapid rate among those between the ages of 35 and 44. These trends illustrate that there will be an increasing need for housing for both seniors and families within the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2019 (Estimated)		2024 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	14,358	44.1%	14,541	41.4%	15,541	42.3%
Renter-Occupied	18,169	55.9%	20,586	58.6%	21,234	57.7%
Total	32,527	100.0%	35,127	100.0%	36,775	100.0%

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

As the preceding table illustrates, renter households within the market are projected to increase by 648, or 3.1%, between 2019 and 2024. This projected growth illustrates that there will likely be an increasing need for rental housing in the foreseeable future.

The household sizes by tenure within the Site PMA, based on the 2019 estimates and 2024 projections, were distributed as follows:

Persons Per Renter Household	2019 (Estimated)		2024 (Projected)		Change 2019-2024	
	Households	Percent	Households	Percent	Households	Percent
1 Person	8,398	40.8%	8,752	41.2%	354	4.2%
2 Persons	4,979	24.2%	5,002	23.6%	23	0.5%
3 Persons	3,252	15.8%	3,392	16.0%	140	4.3%
4 Persons	2,126	10.3%	2,233	10.5%	107	5.0%
5 Persons+	1,830	8.9%	1,854	8.7%	25	1.3%
Total	20,586	100.0%	21,234	100.0%	648	3.1%

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

Persons Per Owner Household	2019 (Estimated)		2024 (Projected)		Change 2019-2024	
	Households	Percent	Households	Percent	Households	Percent
1 Person	4,595	31.6%	4,880	31.4%	286	6.2%
2 Persons	6,049	41.6%	6,588	42.4%	538	8.9%
3 Persons	1,748	12.0%	1,771	11.4%	22	1.3%
4 Persons	1,084	7.5%	1,114	7.2%	30	2.7%
5 Persons+	1,065	7.3%	1,189	7.6%	124	11.7%
Total	14,541	100.0%	15,541	100.0%	1,000	6.9%

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

The subject site will offer one-, two- and three-bedroom apartments, which will generally attract one- to five-person households. As such, the subject development will be able to accommodate nearly all renter households within the market, based on household size.

3. INCOME TRENDS

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

Household Income	2010 (Census)		2019 (Estimated)		2024 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	4,088	12.6%	3,833	10.9%	4,157	11.3%
\$10,000 to \$19,999	5,179	15.9%	5,214	14.8%	5,875	16.0%
\$20,000 to \$29,999	4,632	14.2%	5,076	14.5%	5,375	14.6%
\$30,000 to \$39,999	3,969	12.2%	4,469	12.7%	4,529	12.3%
\$40,000 to \$49,999	3,614	11.1%	3,666	10.4%	3,609	9.8%
\$50,000 to \$59,999	2,984	9.2%	2,738	7.8%	2,600	7.1%
\$60,000 to \$74,999	2,946	9.1%	3,048	8.7%	3,079	8.4%
\$75,000 to \$99,999	2,315	7.1%	3,205	9.1%	3,306	9.0%
\$100,000 to \$124,999	1,235	3.8%	1,793	5.1%	1,939	5.3%
\$125,000 to \$149,999	517	1.6%	756	2.2%	851	2.3%
\$150,000 to \$199,999	527	1.6%	708	2.0%	755	2.1%
\$200,000 & Over	521	1.6%	620	1.8%	699	1.9%
Total	32,527	100.0%	35,127	100.0%	36,775	100.0%
Median Income	\$35,957		\$37,699		\$36,581	

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

In 2010, the median household income was \$35,957. This increased by 4.8% to \$37,699 in 2019. By 2024, it is projected that the median household income will be \$36,581, a decline of 3.0% from 2019.

The following tables illustrate renter household income by household size for 2010, 2019 and 2024 for the Richmond Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,271	862	467	296	318	3,215
\$10,000 to \$19,999	1,615	1,028	557	353	380	3,932
\$20,000 to \$29,999	1,256	871	471	299	322	3,218
\$30,000 to \$39,999	877	651	353	223	241	2,344
\$40,000 to \$49,999	690	528	286	181	195	1,881
\$50,000 to \$59,999	461	358	194	123	132	1,268
\$60,000 to \$74,999	441	360	195	123	133	1,252
\$75,000 to \$99,999	246	200	108	69	74	698
\$100,000 to \$124,999	71	61	33	21	23	209
\$125,000 to \$149,999	31	25	14	9	9	87
\$150,000 to \$199,999	12	10	5	3	4	33
\$200,000 & Over	11	10	5	3	4	33
Total	6,982	4,964	2,687	1,702	1,833	18,169

Source: ESRI; Urban Decision Group

Renter Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,295	767	501	328	282	3,173
\$10,000 to \$19,999	1,907	868	567	371	319	4,032
\$20,000 to \$29,999	1,454	825	539	352	303	3,473
\$30,000 to \$39,999	1,071	694	453	296	255	2,769
\$40,000 to \$49,999	801	524	342	224	192	2,083
\$50,000 to \$59,999	532	355	232	151	130	1,400
\$60,000 to \$74,999	581	399	261	170	147	1,558
\$75,000 to \$99,999	356	257	168	110	94	985
\$100,000 to \$124,999	201	146	95	62	54	558
\$125,000 to \$149,999	84	62	40	26	23	236
\$150,000 to \$199,999	62	44	29	19	16	170
\$200,000 & Over	55	39	25	17	14	150
Total	8,398	4,979	3,252	2,126	1,830	20,586

Source: ESRI; Urban Decision Group

Renter Households	2024 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,400	807	547	360	299	3,413
\$10,000 to \$19,999	2,178	895	607	399	332	4,411
\$20,000 to \$29,999	1,439	794	538	354	294	3,419
\$30,000 to \$39,999	1,013	663	450	296	246	2,667
\$40,000 to \$49,999	747	487	330	218	181	1,963
\$50,000 to \$59,999	498	329	223	147	122	1,318
\$60,000 to \$74,999	582	393	266	175	146	1,561
\$75,000 to \$99,999	314	228	155	102	84	882
\$100,000 to \$124,999	259	181	123	81	67	711
\$125,000 to \$149,999	110	81	55	36	30	312
\$150,000 to \$199,999	111	76	51	34	28	300
\$200,000 & Over	103	70	47	31	26	276
Total	8,752	5,002	3,392	2,233	1,854	21,234

Source: ESRI; Urban Decision Group

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

Demographic Summary

Overall, population and household growth within the Richmond Site PMA has been positive since 2000. These trends are projected to remain positive through 2024, increasing by 4,437 (5.0%) and 1,649 (4.7%), respectively, from 2019. Additionally, renter households in the market are projected to increase by 648 (3.1%) during the same time period. Further, the subject project will be able to accommodate nearly all renter households within the market, based on household size. The preceding trends will likely have a positive impact on the marketability of the proposed units at the subject project.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

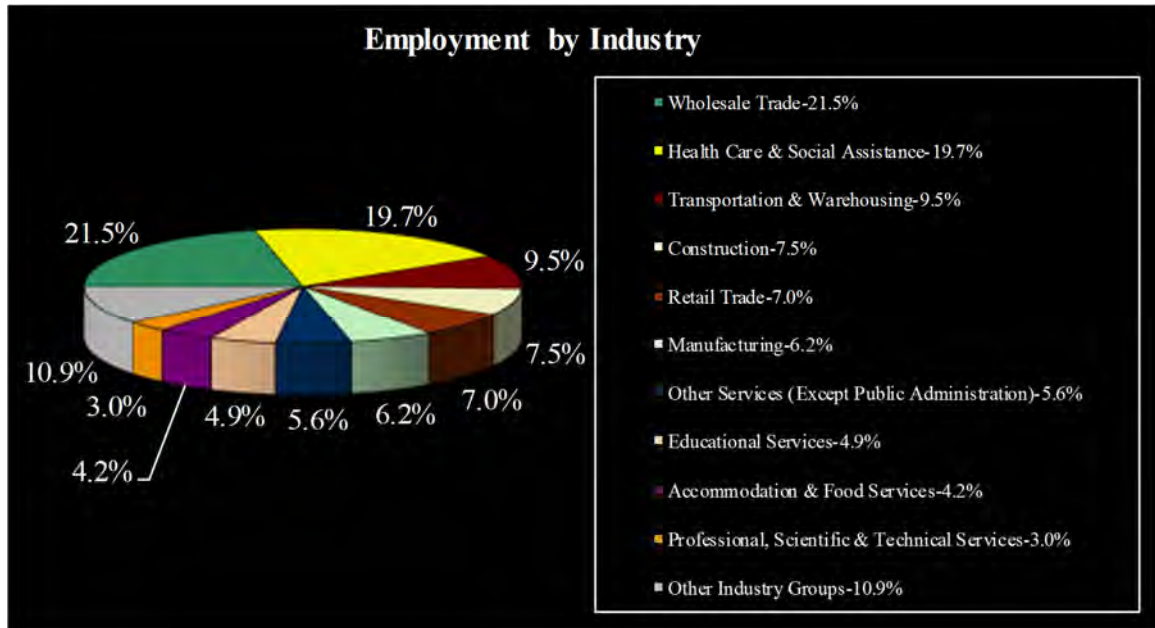
The labor force within the Richmond Site PMA is based primarily in two sectors. Wholesale Trade (which comprises 21.5%) and Health Care & Social Assistance comprise over 41% of the Site PMA labor force. Employment in the Richmond Site PMA, as of 2019, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	3	0.1%	11	0.0%	3.7
Mining	0	0.0%	0	0.0%	0.0
Utilities	4	0.2%	209	0.5%	52.3
Construction	190	8.3%	2,898	7.5%	15.3
Manufacturing	94	4.1%	2,388	6.2%	25.4
Wholesale Trade	118	5.2%	8,257	21.5%	70.0
Retail Trade	376	16.5%	2,699	7.0%	7.2
Transportation & Warehousing	96	4.2%	3,663	9.5%	38.2
Information	43	1.9%	408	1.1%	9.5
Finance & Insurance	72	3.2%	307	0.8%	4.3
Real Estate & Rental & Leasing	168	7.4%	857	2.2%	5.1
Professional, Scientific & Technical Services	139	6.1%	1,162	3.0%	8.4
Management of Companies & Enterprises	1	0.0%	9	0.0%	9.0
Administrative, Support, Waste Management & Remediation Services	63	2.8%	873	2.3%	13.9
Educational Services	48	2.1%	1,873	4.9%	39.0
Health Care & Social Assistance	153	6.7%	7,554	19.7%	49.4
Arts, Entertainment & Recreation	26	1.1%	269	0.7%	10.3
Accommodation & Food Services	161	7.1%	1,621	4.2%	10.1
Other Services (Except Public Administration)	393	17.3%	2,135	5.6%	5.4
Public Administration	37	1.6%	1,158	3.0%	31.3
Nonclassifiable	91	4.0%	87	0.2%	1.0
Total	2,276	100.0%	38,438	100.0%	16.9

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

E.P.E. - Average Employees Per Establishment

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



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

Typical Wage by Occupation Type		
Occupation Type	Richmond MSA	Virginia
Management Occupations	\$132,700	\$140,300
Business and Financial Occupations	\$76,290	\$85,110
Computer and Mathematical Occupations	\$89,650	\$102,430
Architecture and Engineering Occupations	\$83,000	\$90,700
Community and Social Service Occupations	\$47,520	\$50,570
Art, Design, Entertainment and Sports Medicine Occupations	\$53,770	\$59,950
Healthcare Practitioners and Technical Occupations	\$81,460	\$81,840
Healthcare Support Occupations	\$31,250	\$32,680
Protective Service Occupations	\$43,350	\$47,880
Food Preparation and Serving Related Occupations	\$23,410	\$24,280
Building and Grounds Cleaning and Maintenance Occupations	\$26,570	\$28,060
Personal Care and Service Occupations	\$27,270	\$27,580
Sales and Related Occupations	\$41,890	\$41,140
Office and Administrative Support Occupations	\$38,720	\$39,030
Construction and Extraction Occupations	\$44,750	\$45,530
Installation, Maintenance and Repair Occupations	\$50,590	\$50,540
Production Occupations	\$38,290	\$38,390
Transportation and Moving Occupations	\$34,960	\$38,200

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

Most annual blue-collar salaries range from \$23,410 to \$53,770 within the Richmond MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$92,620. It is important to note that most occupational types within the Richmond MSA have lower typical wages than the State of Virginia's typical wages. The area employment base has a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

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

Employer Name	Business Type	Total Employed
Capital One Financial Corporation	Financial Services	13,000
Virginia Commonwealth University 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 Incorporated	Financial	3,810
Altria Group Incorporated	Manufacturer	3,800
Amazon	Online Retail	3,800
Wells Fargo	Financial	2,902
Anthem Blue Cross and Blue Shield	Health Insurance	2,655
	Total	57,729

Source: Greater Richmond Partnership (May 2019)

According to a representative with the Greater Richmond Partnership, the following are significant economic factors impacting the local employment base:

- Project Lightning II is currently a build-to-suit site. The owner and developer, Devon USA, received approval in 2018 to construct a \$20 million warehouse at 1601 Bellwood Road in the James River Logistics Center in Chesterfield County. The project will be completed in phases as demand is needed and will consist of 303,393 square feet of warehouse space and 17,567 square feet of office space, with room to add 500,000 square feet behind it.
- In 2018, Bissell, Inc. acquired about 40 acres at 1200 Battery Brooke Parkway in the James River Industrial Center for \$1.9 million. Construction has begun on phase I of the project and will consist of a 431,200 square-foot warehouse and a 5,600 square-foot office building. The second phase is to consist of a 175,000 square-foot building.

- In May 2019, it was announced that Virginia Commonwealth University (VCU) received \$121 million in funding for a new six-story, 168,000 square-foot VCU STEM Building that will be dedicated to science, technology, engineering and math education and will be located in the Monroe Park Campus. The building will also house a lab, classroom and office space for the College of Humanities and Sciences. To make room for the new building, the Franklin Street Gym will be demolished in spring 2020.
- VCU also broke ground in June 2018 on a \$93 million, 133,000 square-foot facility for the School of Engineering. The new building will include a 9,000 square-foot experiential learning space, faculty offices, career services and labs for students. The project is scheduled to be complete in 2020.
- VCU Health broke ground in June 2018 on a new \$349.2 million healthcare facility located on the university's Richmond campus. The project will consolidate most of VCU Massey Cancer Center's outpatient services into a 16-story, 603,000 square-foot building. Completion is expected in summer 2020.
- VCU Health also announced plans in February 2019 to construct a \$350 million, 500,000 square-foot inpatient facility. The new facility will be an addition to VCU Health's Children's Pavilion and will include operating rooms and emergency services. The current Children's Pavilion will be adjoined with the new inpatient facility, bringing all the pediatric hospital operations under one roof.
- Campofrio Food Group announced in late 2018 that they are planning a three-phase expansion at their Italian food processing plant at 1800 Ruffin Mill Road in South Chesterfield County. The expansion will add three new buildings to their existing 160,480 square-foot building. Phase I will consist of a new 81,525 square-foot building, phase II will consist of a new 74,280 square-foot building, and phase III will consist of a new 91,865 square-foot building.
- South Falls I is a \$100 million mixed-use project at the former paper mill site located at 111 Hull Street, west of the Mayo Bridge in Manchester. The developer, Fountainhead Properties, plans to complete the project in phases. Phase I will consist of 255 units in a 14-story tower and a 135,000 square-foot, six-story office building. Phase II will consist of 233 units set above two stories that will be used for tenant community amenities and commercial space. First phase is expected to be complete in the first quarter of 2020, while the second phase is expected to start in the first quarter of 2020.

- Current, located at 400 Hull Street in Richmond, is a mixed-use development currently under construction. The developer, Lynx Ventures, plans to have one five-story building and one six-story building. The five-story building will house the apartments on the four upper levels with 10,000 square feet of ground level commercial space. The six-story building will be a 70,000 square-foot office building. Completion is estimated in late 2020.
- Muse, located at 1400 Semmes Avenue in Richmond, is a mixed-use development currently under construction. The developer, Monument Development Nine LLC (Monument Companies & Edison Company), plans to complete the project in phases. Phase I will consist of converting several buildings on the property into 47 residential units and possibly one commercial building at 1,325 square feet. Phase II will consist of constructing 67 residential units as well as the community amenities (pool and fitness center). Phase III will consist of the remaining 66 residential units. First phase is expected to be complete by the end of 2019.
- City View Marketplace, located at 521 Hull Street in Richmond, is a mixed-use development currently under construction. The developer, Thalhimer Realty Partners (TRP), plans to construct five buildings. Building A will consist of 13 residential units above 4,570 square feet of retail and restaurant space. Building B will consist of 11 residential units above 4,190 square feet of retail space. Building C will consist of 13 residential units above 4,540 square feet of retail space. Building D will consist of 104 residential units with 92 interior parking spaces. Building E will consist of 10 duplexes with a total of 20 residential rental units. Completion is estimated for the third quarter of 2019.
- ERNI Electronics Inc., a Swiss-based manufacturer of electrical connectors for the automotive, medical, and communications fields, announced in March 2019 plans to expand. The company plans to invest \$25 million to construct a new 80,000 square-foot production and distribution facility in the Waterford Business Park in Chesterfield County. Completion is estimated in the first quarter of 2020 and is expected to create 105 jobs over the next five years (2024).
- G.D. USA Inc., a manufacturer of packaging machinery mainly for the tobacco industry, announced plans in early 2019 to expand their production capacity at its existing facility located at 501 Southlake Boulevard in North Chesterfield. The company plans to invest \$3.73 million to upgrade equipment and technology. The project is expected to create 26 jobs over the next few years.

- Petal, a credit card company, announced in May 2019 plans to invest \$300,000 to establish a new operations center in Chesterfield County. The project is expected to create more than 80 jobs over the next three years (2022).
- Virginia I-95 Distribution complex, located at 4701 Commerce Road in Richmond, is currently under construction. The developer, Panattoni Development Company, purchased the 62-acre site for \$4 million in summer 2017 with plans to construct two warehouses. Phase I, the first 461,700 square-foot facility, is complete and Brother International Corporation, a producer of a variety of computer-related electronics, announced plans in January 2019 to relocate its distribution center from Cranbury, New Jersey to this facility in the Virginia I-95 Distribution complex. Phase II is expected to be the same square footage as phase I and is expected to be complete by August 2019.
- Lumber Liquidators announced in July 2018 that the company will move its worldwide headquarters and call center from Toano in James City County to the former Southern Season building at 4901 Bakers Mill Lane in Henrico County. This relocation project will involve the rehabilitation/renovation of an existing 52,900 square-foot building and is expected to happen in the fourth quarter of 2019. The facility will have about 200 employees.
- Bon Secours St. Francis Medical Center announced plans in early 2019 to invest around \$119 million to expand their Midlothian location. The expansion will add about 110,000 square feet, expand parking, and construction of an additional story above the emergency department and one above the inpatient bed tower. Plans also include adding 55 acute care beds and renovations of select areas.
- Cascades, Inc., a Canadian manufacturer of green packaging and paper products, announced in July 2018 the purchase of the Bear Island Paper Mill located at 10026 Old Ridge Road in Hanover County for \$34.2 million. The company will invest between \$275 to \$300 million to update the equipment in the 601,000 square-foot facility. Cascades plans to start production of recycled containerboard in 2021. The project is expected to create 140 jobs.
- Bottling Group, LLC bought a 220,000 square-foot distribution center in December 2018 located at 1520 Willis Road in Chesterfield County for \$25.9 million. The company is a wholly-owned subsidiary of PepsiCo. Armada Hoffler Properties Inc. constructed the distribution center and completed it in late 2018.

- Ippon Technologies, a French tech company, relocated from Shockoe Bottom to the former Old Dominion Paper warehouse located at 3431 West Leigh Street in Scott's Addition in May 2019. The company now has about 10,000 square feet of warehouse space, which is about double the space of their previous location. Currently, the company employs 60 people with plans to increase employment soon.
- Ocean Network Express (ONE), a Japan-based global transport company, announced in August 2018 plans to invest \$2.5 million to expand its North American Regional Headquarters in Richmond. The expansion is expected to create 129 jobs.
- Rising Tides Solutions, LLC, a custom software development company, relocated to a larger 11,000 square-foot facility in Innsbrook in Henrico County in September 2018. The company invested about \$926,500 and plans to create 90 new jobs over the next several years.
- The Results Companies, a provider of business processing outsourcing services, announced in early 2019 that they will be investing \$1.5 million to expand its operations. The company will lease more space for a second call center in Chesterfield County. The expansion is expected to create 600 jobs.
- The developer, Hourigan Group, purchased 110 acres at 3021 Commerce Road (Alleghany Warehouse Company property) in Richmond for \$8.5 million in November 2017. Plans are to demolish 17 existing warehouses and to redevelop 1.5 million square feet as build-to-suit warehouse space to be known as Deepwater Industrial Park. The project is to cost \$13 to \$15 million. Currently pre-leasing with delivery of pre-leased buildings expected in the fourth quarter of 2019.
- Church Hill North project is a large mixed-use development, which includes three different developers. Developer Daniil Kleyman announced in November 2018 plans to construct a mixed-use development at 1100 North 30th Street in Richmond. The project will include a three-story building that will consist of 1,200 square feet of ground level retail and 13 residential units on the upper levels. Construction is expected to start summer 2019 with estimated completion by spring 2020. In April 2019, developer Cushman & Wakefield|Thalhimer and Thalhimer Realty Partners opened the first phase of their mixed-use development at North 25th Street in Richmond. Phase I consisted of a 27,000 square-foot, full-service market, the VCU Health Hub @ 25th, additional 2,700 square feet of retail space, and the Flats at 25th apartments. Phase II will consist of Kitchens at Reynolds,

a new culinary school for J. Sargeant Reynolds Community College, 5,000 square feet of office space and 5,000 square feet of restaurant space. The Kitchen at Reynolds is expected to be completed before the 2019-2020 school year. Developer The Community Builders broke ground in October 2018 at the former Armstrong School site for the first phase of their project. The \$100 million project will be completed in five phases. Phase I will consist of 105 income-based residential units and is expected to be complete in late 2019. Phase II will consist of rental residential units and senior housing and is expected to be complete in 2020. Phases III, IV, and V will consist of more rental units and 35 single-family homes for purchase and are expected to be complete in 2021.

- TemperPack, a Richmond-based manufacturer of sustainable packaging technology for perishable goods, in April 2018 invested \$10.4 million to relocate from its 44,000 square-foot facility on Castle Road in South Richmond to a new 130,000 square-foot facility located at 4447 Carolina Avenue in eastern Henrico County. The expansion is expected to create 141 jobs.
- UDig, a technology consulting firm, in April 2018 relocated its IT headquarters to a new 23,000 square-foot building at 8000 Franklin Farms Drive in Forest Office Park in Henrico County. The company invested \$1.6 million to expand and is expected to create 51 jobs over the next couple of years.
- In 2018, a ribbon-cutting ceremony was held for the newly renovated Richmond Raceway. The \$30 million project was announced in 2017 and the renovations were completed in September 2018 and include a walkway that will allow fans to have an up-close view of the cars, suites and an 80-person bar and club with a rooftop deck.
- Dominion Energy announced in January 2018 the investment of \$1 billion in its solar fleet in Virginia and North Carolina. One of the projects is six new solar power plants to power the new Facebook data center in Henrico County. During construction, Dominion Energy has created 4,300 jobs in both Virginia and North Carolina. Dominion Energy also has a headquarters under construction in downtown Richmond that will have first-floor retail. Tower one is known as 600 Canal Place, it is 960,000 square feet and is completed. Tower two is known as 700 Canal Place and plans as of July 2018 are for it to be 911,000 square feet and it will connect via sky bridge to the first tower. If approved, construction on the second tower will start sometime this year (2019).

- Paymerang, LLC, a financial services technology firm, in June 2019 completed renovating an additional 6,000 square feet of space at their office in the Boulders office park, which was originally 10,000 square feet. The company raised \$26 million for their investment at their Chesterfield County location and is expected to create 100 jobs by the end of this year (2019).
- Facebook announced in October 2017 they will be investing \$1 billion to construct a new data center in White Oak Technology Park in Henrico County. Phase I was to construct two buildings totaling 970,000 square feet and opened in early 2019, creating 100 jobs. Phase II, announced in September 2018 will cost an additional \$750 million to construct three new buildings, each with a total of 500,000 square feet and is expected to create an additional 150 jobs. As part of the project, Facebook will pay for a new solar power facility (Dominion Energy is the solar power supplier) to help offset the power used by the data center.
- Dominion Outsourcing LLC, a provider of outsourced services for the healthcare industry, announced in June 2018 they will be investing \$370,000 to expand its customer engagement center in Henrico County. Currently, the company leases a 14,000 square-foot office on Cox Road in the Innsbrook Corporate Center in western Henrico County and hopes to move to a larger office space sometime in 2019. The expansion is expected to create 190 jobs.
- Owens & Minor, a global healthcare services company, in 2017 relocated to a new 90,000 square-foot facility located in Riverfront Plaza in Richmond. The company will invest \$15 million in improvements to the facility over the next three years. The project is expected to create 300 jobs.
- The \$35 million redevelopment of the Regency Square Mall began in January 2017 in Henrico County. The redevelopment will include 44,000 square feet of additional retail space, new signage, theater, trampoline park and sidewalks. Demolition of a parking deck and demolition of the Quioccasin Road flyover bridge took place in late 2017. In fall of 2018, the roadwork for entrances into the mall were complete and select stores and businesses began to open such as Starbucks Coffee, MOD Pizza and Chipotle. In March 2019, NOVA aquatics announced plans to construct a 50,000 square-foot facility a 50-meter pool and two 25-yard pools at the mall. In April 2019, The Rebkee Company and Thalhimer Realty Partners submitted a request to have 36 acres rezoned to an urban mixed-use, as they have plans to create an outdoor plaza that would be part of the mall and would be right at the front door of apartments.

- Amazon announced in 2017 they would be opening two new distribution centers in the Richmond Region, one in Hanover County and another in Henrico County. The 328,000 square-foot facility in Hanover County is expected to employ 300 people and opened in 2018. Building permits were issued in April 2017 for the Henrico County location, though the number to be employed at this location is unknown at this time. In March 2019, Amazon also launched their food delivery service, Amazon Restaurants, in the Richmond region.
- AvePoint, Inc., an independent software provider specializing in Microsoft solutions, in 2017 opened a new 12,000 square-foot office in the city of Richmond on the ninth floor of Riverfront Plaza with plans to hire 100 employees within a year. The company also has plans to expand into the remaining 30,000 square feet, which will house its operational headquarters and expected to create an additional 100 jobs.
- Three new schools are under construction in the Richmond area and are expected to be completed in time for the 2020 school year. Two of them are elementary schools and one is a middle school. All three schools total \$110 million in construction and will replace dilapidated and overcrowded schools.

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

Infrastructure Projects

- The Route 636 bridge, which runs over the Rita Branch Creek in Chesterfield County, was originally built in 1951 and is currently being replaced. The \$3.3 million project is to be completed in fall 2019.
- State Route 10, between State Route 1 and Interstate 95 in Chesterfield County, will be widened to six lanes. Work began in 2019 with completion estimated spring 2020.
- Interstate 95 and State Route 10 will also have work done to help improve the interchange and will be done in phases. The project is expected to begin in spring 2020 and be completed in 2021.
- Lucks Lane is currently undergoing a \$125 million widening project that began in 2017 and is expected to be completed in spring 2020. The project includes widening the two-lane road into four lanes from East Evergreen Parkway to State Route 288.

- In February 2019, a \$35 million improvement project began at the intersection of Interstate 64 and Airport Drive in Henrico County. The project will include two bridges being replaced and interchange improvements at Airport Drive and Interstate 64. The project is expected to be completed in late 2022.

WARN (layoff notices):

WARN Notices were reviewed in July 2019 and according to the Virginia Employment Commission, there have been 10 WARN notices reported for Richmond over the past 18 months. Below is a table summarizing these notices:

Company	Jobs	Notice Date	Effective Date
Live Well Financial, Inc.	103	5-3-2019	5-3-2019
Goodwill Central and Coastal Virginia (Goodwill Staffing Solutions)	74	3-19-2019	5-30-2019
Spectrum Pharmaceuticals	2	2-13-2019	3-15-2019
Signify Health	132	1-18-2019	3-18-2019
Crothall Healthcare	139	11-15-2018	1-20-2019
Southeast Services Corporation	134	11-29-2018	1-31-2019
DAL Global Services, LLC	92	8-6-2018	10-17-2018
Tailored Brands	64	6-29-2018	8-31-2018
Farm Fresh #6274	84	3-14-2018	5-14-2018
Sam's Club #4788	163	1-11-2018	3-16-2018

2. EMPLOYMENT TRENDS

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

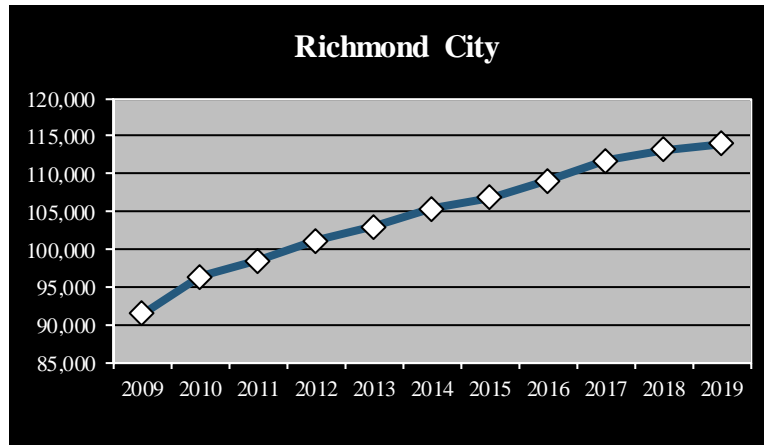
Excluding 2019, the employment base has increased by 7.3% over the past five years in Richmond City, more than the Virginia state increase of 4.6%. Total employment reflects the number of employed persons who live within the county/city.

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

Year	Total Employment					
	Richmond City		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2009	91,416	-	3,842,516	-	140,696,560	-
2010	96,347	5.4%	3,860,386	0.5%	140,469,139	-0.2%
2011	98,520	2.3%	3,934,326	1.9%	141,791,255	0.9%
2012	101,135	2.7%	3,967,987	0.9%	143,621,634	1.3%
2013	102,949	1.8%	3,995,182	0.7%	145,017,562	1.0%
2014	105,385	2.4%	4,019,470	0.6%	147,313,048	1.6%
2015	106,801	1.3%	4,028,400	0.2%	149,564,649	1.5%
2016	109,125	2.2%	4,069,050	1.0%	151,965,225	1.6%
2017	111,758	2.4%	4,150,132	2.0%	154,271,036	1.5%
2018	113,125	1.2%	4,202,801	1.3%	156,328,502	1.3%
2019*	114,028	0.8%	4,249,298	1.1%	156,543,935	0.1%

Source: Department of Labor; Bureau of Labor Statistics

*Through May

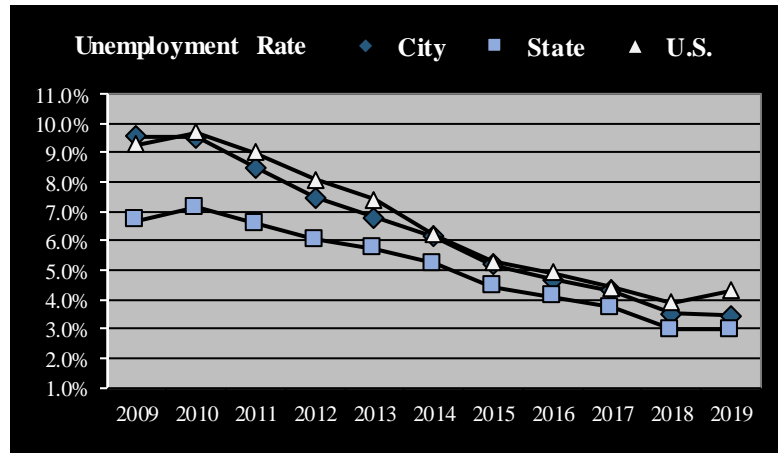


Since 2009, the employment base in Richmond City has increased by 22,612 jobs, or 24.7%, through May 2019.

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

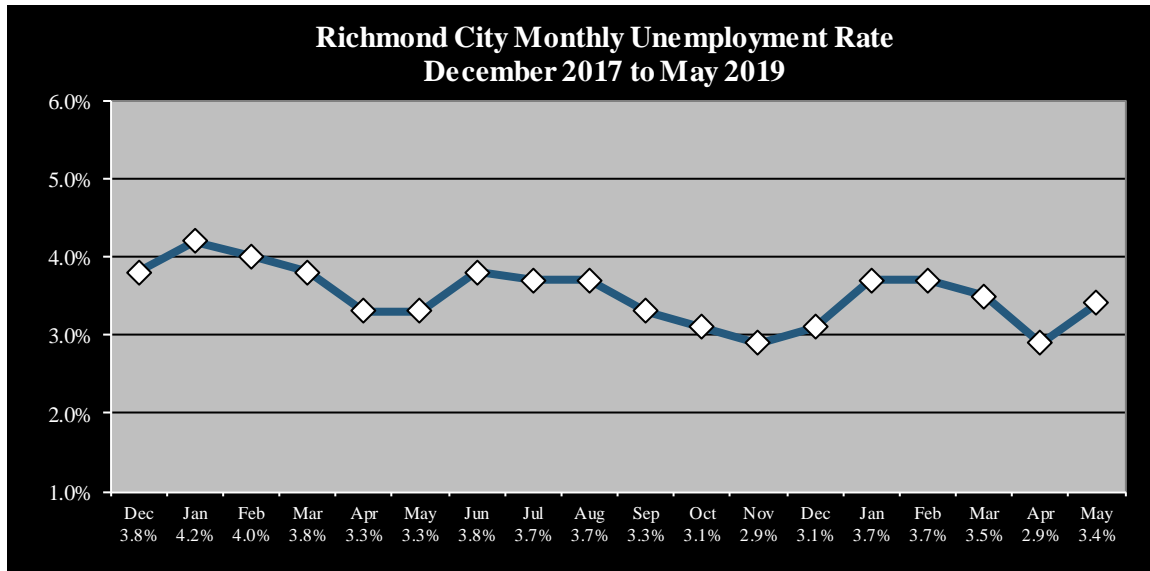
Year	Unemployment Rate		
	Richmond City	Virginia	United States
2009	9.6%	6.7%	9.3%
2010	9.5%	7.2%	9.7%
2011	8.5%	6.6%	9.0%
2012	7.5%	6.0%	8.1%
2013	6.8%	5.7%	7.4%
2014	6.2%	5.2%	6.2%
2015	5.2%	4.4%	5.3%
2016	4.7%	4.1%	4.9%
2017	4.3%	3.7%	4.4%
2018	3.5%	3.0%	3.9%
2019*	3.4%	3.0%	4.3%

Source: Department of Labor, Bureau of Labor Statistics
 *Through May



Within the preceding ten-year period, the unemployment rate in Richmond has consistently trended downward, and is currently averaging its lowest rate of 3.4% (through May 2019) within the aforementioned timeframe.

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



The monthly unemployment rate within Richmond has generally trended downward over the past 18-month period, and has remained at or below 4.0% each month since February of 2018.

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

In-Place Employment Richmond City			
Year	Employment	Change	Percent Change
2008	159,063	-	-
2009	150,777	-8,286	-5.2%
2010	148,083	-2,694	-1.8%
2011	149,540	1,457	1.0%
2012	148,410	-1,130	-0.8%
2013	147,607	-803	-0.5%
2014	148,477	870	0.6%
2015	149,651	1,174	0.8%
2016	153,128	3,477	2.3%
2017	154,502	1,374	0.9%
2018	155,622	1,120	0.7%

Source: Department of Labor, Bureau of Labor Statistics

Data for 2018, the most recent year that year-end figures are available, indicates in-place employment in Richmond City to be 137.6% of the total Richmond City employment. This means that Richmond City has more employed persons coming to the city from other cities/counties for work (daytime employment) than those who both live and work there. This will have a positive impact on the subject's marketability, as it is likely that potential residents will have minimal commute times to their place of employment.

3. ECONOMIC FORECAST

Based on information provided by the Greater Richmond Partnership, the State of Virginia Department of Labor and the U.S. Department of Labor, the local economy continues to improve. Since 2009, the employment base within the city of Richmond has increased by over 22,600 jobs, or 24.7%, and its unemployment rate has declined by over six percentage points through May 2019 to 3.4%, its lowest rate within the preceding ten-year period. Additionally, there have been numerous new business/business expansion announcements made within the area over the past two years. Based on these positive economic factors and the demographic growth anticipated, we expect the demand for housing will generally increase.

4. COMMUTING PATTERNS

Based on the American Community Survey (2013-2017), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	29,343	72.1%
Carpooled	6,449	15.9%
Public Transit	1,471	3.6%
Walked	978	2.4%
Other Means	1,020	2.5%
Worked at Home	1,409	3.5%
Total	40,670	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Over 72% of all workers drove alone, 15.9% carpooled and only 3.6% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	8,213	20.2%
15 to 29 Minutes	18,923	46.5%
30 to 44 Minutes	8,935	22.0%
45 to 59 Minutes	923	2.3%
60 or More Minutes	2,268	5.6%
Worked at Home	1,409	3.5%
Total	40,671	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

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

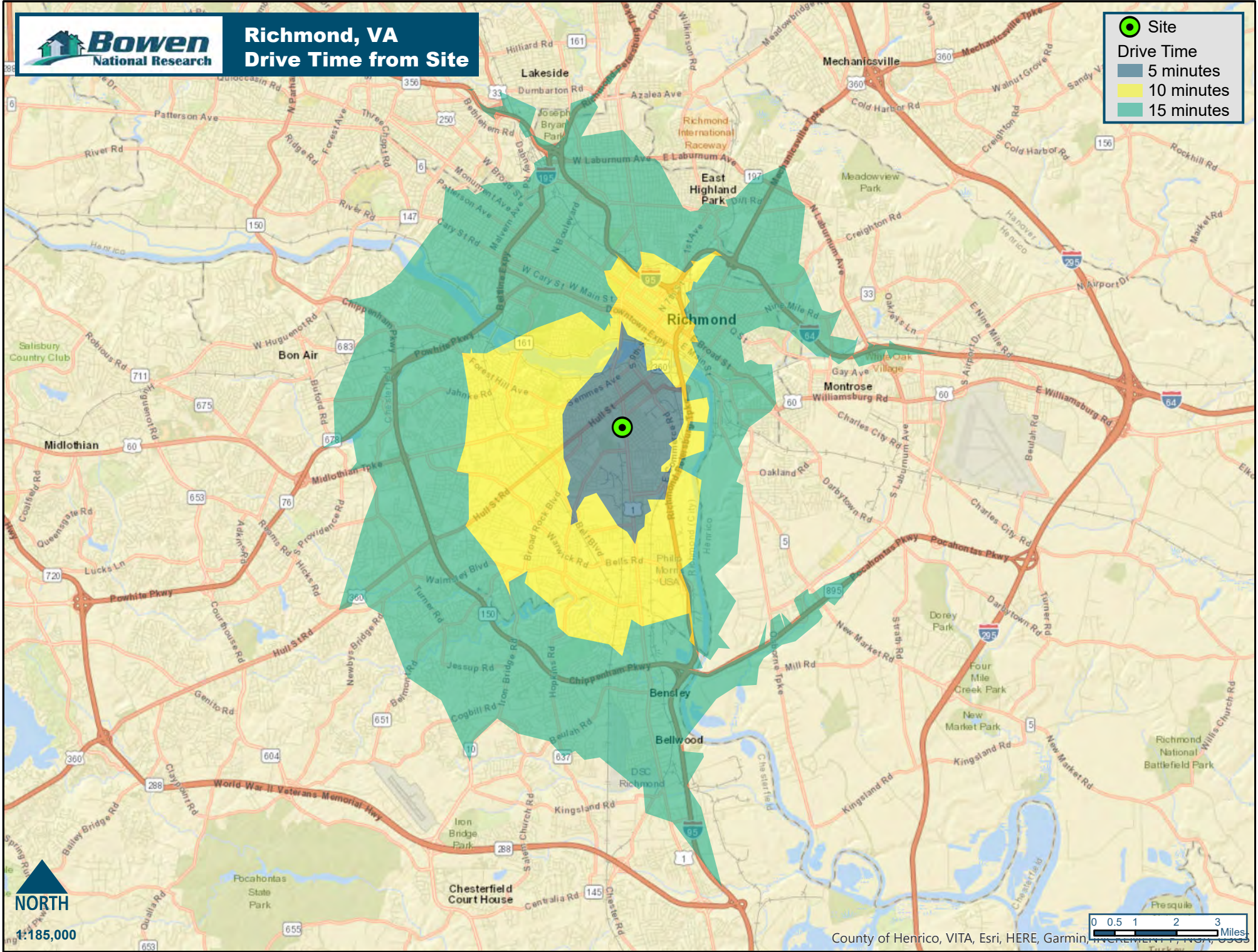


Richmond, VA Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:185,000



V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Richmond Site PMA in 2010 and 2019 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2019 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	32,527	88.5%	35,126	90.1%
Owner-Occupied	14,358	44.1%	14,541	41.4%
Renter-Occupied	18,169	55.9%	20,586	58.6%
Vacant	4,208	11.5%	3,873	9.9%
Total	36,735	100.0%	38,999	100.0%

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

Based on a 2019 update of the 2010 Census, of the 38,999 total housing units in the market, 9.9% were vacant. In 2019, it was estimated that homeowners occupied 41.4% of all occupied housing units, while the remaining 58.6% were occupied by renters. The share of renters is considered typical for an urban market, such as the Richmond Site PMA, and the 20,586 renter households estimated in 2019 represent a deep base of potential support for the subject project.

Conventional Apartments

We identified and personally surveyed 41 conventional housing projects containing a total of 6,800 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.1%, a good rate for rental housing. The surveyed rental developments broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	19	4,240	233	94.5%
Market-rate/Tax Credit	1	393	13	96.7%
Tax Credit	18	1,903	22	98.8%
Tax Credit/Government-Subsidized	3	264	0	100.0%
Total	41	6,800	268	96.1%

Each rental housing segment surveyed within the market is operating at a good occupancy level, as none are below 94.5%. This illustrates that the Richmond rental housing market is performing well.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	79	1.8%	0	0.0%	\$856
One-Bedroom	1.0	1,539	35.1%	41	2.7%	\$1,019
One-Bedroom	1.5	228	5.2%	1	0.4%	\$1,543
Two-Bedroom	1.0	1,026	23.4%	103	10.0%	\$1,147
Two-Bedroom	1.5	380	8.7%	30	7.9%	\$1,168
Two-Bedroom	2.0	633	14.4%	27	4.3%	\$1,452
Two-Bedroom	2.5	67	1.5%	1	1.5%	\$1,678
Three-Bedroom	1.0	15	0.3%	0	0.0%	\$1,287
Three-Bedroom	1.5	98	2.2%	0	0.0%	\$1,412
Three-Bedroom	2.0	230	5.2%	18	7.8%	\$1,493
Three-Bedroom	2.5	87	2.0%	17	19.5%	\$1,493
Total Market-Rate		4,382	100.0%	238	5.4%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	375	17.0%	0	0.0%	\$833
Two-Bedroom	1.0	809	36.7%	14	1.7%	\$882
Two-Bedroom	1.5	302	13.7%	4	1.3%	\$991
Two-Bedroom	2.0	396	18.0%	10	2.5%	\$1,090
Three-Bedroom	1.0	38	1.7%	0	0.0%	\$1,287
Three-Bedroom	1.5	30	1.4%	0	0.0%	\$1,287
Three-Bedroom	2.0	204	9.3%	2	1.0%	\$1,211
Three-Bedroom	2.5	42	1.9%	0	0.0%	\$1,057
Four-Bedroom	2.5	8	0.4%	0	0.0%	\$1,187
Total Tax Credit		2,204	100.0%	30	1.4%	-

As the preceding table illustrates, the median gross Tax Credit rents are well below the corresponding median gross market-rate rents. As such, Tax Credit product likely represents an excellent value to low-income renters within the Site PMA. This is further evidenced by the combined vacancy rate of 1.4% among all non-subsidized Tax Credit units surveyed within the market.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	7	1,423	4.3%
1970 to 1979	7	2,146	8.7%
1980 to 1989	1	272	0.0%
1990 to 1999	0	0	0.0%
2000 to 2009	5	578	1.9%
2010 to 2014	6	568	0.4%
2015	8	787	0.1%
2016	1	218	1.8%
2017	1	252	0.0%
2018	1	211	0.9%
2019*	1	131	0.0%

*As of July

Regardless of age, all rental properties surveyed broken out by year built are maintaining low vacancy levels, as none are higher than 8.7%. In fact, minimal vacancies exist among recently completed rental product built in or after 2010, illustrating that newer rental communities have been very well received within the Richmond Site PMA.

As already noted, we identified and surveyed two non-subsidized rental developments within the market that have been built since 2018. The following table summarizes these newly built rental projects and their occupancy trends:

Map I.D.	Project Name	Project Type	Start of Lease Up	Total Units	Occupied Units	Absorption Rate (per month)
1	Port City 1 (Phase I of Site)	TC	Jan. 2019	131 + 4*	131	22 Units
27	Rivers Edge at Manchester	MR	Aug. 2018	211	209	19 Units

TC – Tax Credit
 MR – Market-Rate
 *Units under construction

As the preceding table illustrates, the two newest rental properties surveyed in the market experienced rapid absorption rates of approximately 19 to 22 units per month. These trends further illustrate that newer non-subsidized rental product has been very well received within the Richmond Site PMA. This will bode well for the demand of the proposed units at the subject site.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A+	1	148	0.7%
A	3	532	0.4%
A-	3	483	0.0%
B+	6	497	1.0%
B	5	2,058	8.7%
B-	2	664	7.5%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	6	667	1.5%
B	3	279	0.0%
B-	7	811	1.0%
C+	2	326	3.7%
C	1	121	0.0%

Vacancies are the highest among the market-rate projects surveyed with a quality rating of a "B" or lower, while vacancies are the lowest among higher quality product. This illustrates that a correlation likely exists between vacancy levels and quality within the Richmond rental housing market. Given that the subject project is anticipated to have a quality rating of at least a "B+", this will have a positive impact on its marketability.

Government-Subsidized

We identified and surveyed three rental projects that offer government-subsidized units within the Richmond Site PMA. Generally, these properties have few amenities, are older and offer small unit sizes (square feet). The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	8	4.9%	0	0.0%
Two-Bedroom	1.0	67	40.9%	0	0.0%
Two-Bedroom	2.0	18	11.0%	0	0.0%
Three-Bedroom	2.0	67	40.9%	0	0.0%
Four-Bedroom	2.0	4	2.4%	0	0.0%
Total Subsidized Tax Credit		164	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Two-Bedroom	1.5	19	38.0%	0	0.0%
Three-Bedroom	2.5	27	54.0%	0	0.0%
Four-Bedroom	2.5	4	8.0%	0	0.0%
Total Subsidized		50	100.0%	0	0.0%

The subsidized units (both with and without Tax Credits) surveyed within the market are all occupied and maintain extensive waiting lists. This illustrates that pent-up demand exists for very low-income rental housing within the Site PMA.

Additional information regarding the Richmond Site PMA apartment market is found in Section XII of this report.

Tax Credit Property Disclosure

As previously detailed, we identified and surveyed a total of 22 existing properties within the Richmond Site PMA that operate completely or partially under the Low-Income Housing Tax Credit (LIHTC) program. Details of these surveyed properties, including a map of their locations, are provided in Section XII - *Field Survey of Conventional Rentals* of this report. In addition to these 22 properties, however, we identified 16 additional existing Tax Credit projects within the Site PMA that have received an allocation, but we were unable to survey in person or via telephone. These properties were identified using a list of allocated Tax Credit projects from the Virginia Housing Development Authority (VHDA) website. It is estimated that these 16 projects contain a total of 1,714 Tax Credit units. However, it is believed that 422 operate *without* a project-based subsidy. As such, we have accounted for these non-subsidized LIHTC units in our demand analysis included in Section VII of this report. More detailed information regarding these Tax Credit projects is included in Addendum B of this report.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

We identified and surveyed 20 *existing* family (general-occupancy) projects that offer non-subsidized LIHTC units within the Richmond Site PMA. Of these 20 properties, seven were selected as the most comparable to the proposed subject development based on age (all comparable properties were built in or after 2004), building design (adaptive reuse) and/or unit design (all comparable properties offer garden-style units). These properties target households with incomes up to 40%, 50%, 60%, 70% and/or 80% of Area Median Household Income (AMHI); therefore, they are considered comparable properties. These seven LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals. *Note that we did not identify any LIHTC properties that specifically targets artists or disabled veteran households within the market.*

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Port City II	2021	147	-	-	-	Families/Artists/Disabled; 40%, 50%, 60%, 70% & 80% AMHI
1	Port City I (Phase I of Site)	2019	131 + 4*	100.0%	0.1 Miles	13 HH	Families; 40%, 50%, 60%, 70%, & 80% AMHI
7	Belle Summit	2013	50	100.0%	1.5 Miles	12 HH	Families; 40% & 50% AMHI
10	City View Place	2012	32	100.0%	1.5 Miles	52 HH	Families; 40% & 50% AMHI
14	Hatcher Tobacco Flats	2015	152	100.0%	1.7 Miles	200 HH	Families; 40% & 50% AMHI
17	Ivy Walk I & II	2004	248	96.0%	5.6 Miles	None	Families; 60% AMHI
21	Miller Lofts at Plant Zero	2014	197	100.0%	2.0 Miles	10 HH	Families; 60% AMHI
23	Old Manchester Plaza	2009	46	100.0%	1.4 Miles	47 HH	Families; 50% & 60% AMHI

OCC. – Occupancy

HH - Households

*Units under construction

The seven LIHTC projects have a combined occupancy rate of 98.8%, a strong rate for affordable rental housing. In fact, six of these projects are 100.0% occupied and maintain a waiting list, including Phase I of the subject site, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject development will be able to accommodate a portion of this unmet demand.

Notably, the newest LIHTC project in the market, Port City I (Phase I of the subject site), leased up at a rate of 22 units per month (as illustrated earlier in this section), further demonstrating the high demand that exists for additional affordable rental housing within the market.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Port City II	\$648/40% (2) \$810/50% (30) \$972/60% (50) \$1,134/70% (22) \$1,297/80% (5)	\$972/50% (10) \$1,167/60% (20) \$1,361/70% (3) \$1,556/80% (4)	\$1,798/80% (1)	-
1	Port City 1 (Phase I of Site)	\$624/40% (8/0) \$780/50% (11/0) \$936/60% (28/0) \$1,092/70% (11/0) \$1,249/80% (7/0)	\$749/40% (6+1*/0) \$936/50% (12/0) \$1,123/60% (32+2*/0) \$1,310/70% (6/0) \$1,498/80% (9+1*/0)	\$1,298/60% (1/0)	None
7	Belle Summit	\$704/40% (1/0) \$857/50% (9/0)	\$846/40% (3/0) \$1,029/50% (27/0)	\$998/40% (1/0) \$1,209/50% (9/0)	None
10	City View Place	-	\$788/40% (3/0) \$921/50% (11/0)	\$921/40% (2/0) \$1,086/50% (16/0)	None
14	Hatcher Tobacco Flats	\$696/40% (15/0) \$858/50% (16/0)	\$1,041/50% (93/0)	\$1,226/50% (28/0)	None
17	Ivy Walk I & II	-	\$1,090/60% (124/10)	\$1,211/60% (124/0)	None
21	Miller Lofts at Plant Zero	\$974/60% (100/0)	\$1,171-\$1,192/60% (97/0)	-	None
23	Old Manchester Plaza	\$794/50% (6/0) \$859/60% (23/0)	\$1,042/60% (17/0)	-	None

*Units under construction

The proposed subject rents, ranging from \$648 to \$1,798, are generally within the range of rents offered at the most comparable LIHTC projects targeting similar income levels. Given that all comparable properties are operating at strong occupancy levels and the fact that the subject rents are competitively positioned, they are considered appropriate for the Richmond market. While the subject's rents set aside at 70% and 80% of AMHI are slightly higher than those offered at Port City 1, given that this property is 100.0% occupied and the subject development will be newer, offer larger unit sizes and a superior amenities package, this will enable the subject development to charge higher rents.

The table on the following page identifies the properties that accept Housing Choice Vouchers as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers.

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
1	Port City 1 (Phase I of Site)	131 + 4*	12	9.2%
7	Belle Summit	50	8	16.0%
10	City View Place	32	11	34.4%
14	Hatcher Tobacco Flats	152	14	9.2%
17	Ivy Walk I & II	248	N/A	-
21	Miller Lofts at Plant Zero	197	0	0.0%
23	Old Manchester Plaza	46	6	13.0%
Total		608	51	8.4%

*Units under construction (not included in total)

N/A – Not Available (units not included in total)

As the preceding table illustrates, there are a total of approximately 51 units that are occupied by Voucher holders among the six most comparable LIHTC projects that provided such information. The 51 units occupied by Voucher holders comprise only 8.4% of these comparable units. This illustrates that nearly 92% of these comparable Tax Credit units are occupied by tenants which are not currently receiving rental assistance. Therefore, the gross rents charged at the aforementioned projects in the market are achievable.

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Port City II	688	1,015	1,527
1	Port City 1 (Phase I of Site)	553 - 974	708 - 1,146	1,201
7	Belle Summit	556	830 - 897	1,066 - 1,106
10	City View Place	-	927	1,207
14	Hatcher Tobacco Flats	586 - 776	946 - 1,161	1,028 - 1,174
17	Ivy Walk I & II	-	983	1,112
21	Miller Lofts at Plant Zero	650 - 1,231	850 - 1,039	-
23	Old Manchester Plaza	586 - 684	710 - 972	-

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Port City II	1.0	2.0	2.0
1	Port City 1 (Phase I of Site)	1.0	2.0	2.0
7	Belle Summit	1.0	1.0 - 2.0	2.0
10	City View Place	-	1.5 - 2.0	1.5 - 2.0
14	Hatcher Tobacco Flats	1.0	2.0	2.0
17	Ivy Walk I & II	-	2.0	2.0
21	Miller Lofts at Plant Zero	1.0	2.0	-
23	Old Manchester Plaza	1.0	1.0 - 2.0	-

The subject project will offer some of the largest unit sizes (square feet) relative to those offered at the most comparable LIHTC projects surveyed within the market. This will position the subject project at a competitive advantage. The two full bathrooms to be offered within the subject's two- and three-bedroom units will be appealing to the targeted demographic.

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

Tax Credit Unit Amenities by Map ID									
	Site**	1	7	10	14	17	21	23	
Appliances	Dishwasher	X	X	X	X	X	X	X	X
	Disposal	X	X	X	X	X	X	X	X
	Icemaker	X	X		X	X		X	X
	Microwave	X	X		X	X		X	X
	Range	X	X	X	X	X	X	X	X
	Refrigerator	X	X	X	X	X	X	X	X
	No Appliances								
Unit Amenities	AC-Central	X	X	X	X	X	X	X	X
	AC-Other								
	Balcony		S			S	S		
	Deck / Patio				X		S	S	
	Basement								
	Ceiling Fan	X			X	X		X	S
	Controlled Access	X	X	X	X	X		X	X
	E-Call System								
	Fireplace								
	Furnished								
	Security System					X			
	Sunroom								
	W/D Hookup	X	X	X	X	X	X	X	X
	W/D		O			X	O	X	O
	Walk-In Closet								
Window Treatments	X	X	X	X	X	X	X	X	
Flooring	Carpet			X	X	X	X		X
	Ceramic Tile	X							X
	Composite (VCT)(LVT)								
	Hardwood		X					X	
	Finished Concrete	X	X			X		X	
	Vinyl				X		X		
	Wood Laminate						X		
Upgraded	Premium Appliances								
	Premium Countertops	X							
	Premium Cabinetry	X							
	Premium Fixtures								
	High Ceilings								
	Vaulted Ceilings	X							
	Crown Molding	X							
	Oversized Windows								
Parking	Attached Garage								
	Detached Garage								
	Surface Lot	X	X	X	X	X	X	O	X
	Carport								
	Property Parking Garage			X	X	O			
	Podium Parking								
	No Provided Parking								

** Proposed Site(s): Port City II

X = All Units, S = Some Units, O = Optional with Fee

* Details in Comparable Property Profile Report

Tax Credit Property Amenities by Map ID

	Site**	1	7	10	14	17	21	23
Bike Racks / Storage	X	X						
Business Center *				X				
Car Care *								
Common Patio	X							
Community Garden								
Community Space	Activity / Craft Room		X					
	Chapel							
	Clubhouse	X	X		X	X		
	Conference Room							
	Community Kitchen		X					
	Community Room	X						
	Dining Room - Private							
	Dining Room - Public							
	Rooftop Lounge							
	Study Lounge							
	TV Lounge							
	Concierge Service *						X	X
	Convenience Amenities *							
	Courtyard	X						
Covered Outdoor Area *								
Elevator		X	X	X	X			X
Laundry Room	X		X	X				X
Meals								
On-Site Management	X	X	X	X	X	X	X	X
Pet Care *	X	X					X	
Recreation	Basketball							
	Bocce Ball						X	
	Firepit							
	Fitness Center	X	X		X	X	X	X
	Grill						X	X
	Game Room - Billiards	X	X					
	Hiking - Walking Trail						X	
	Hot Tub							
	Media Library							
	Media Room							
	Picnic Table	X	X				X	X
	Playground				X		X	
	Putting Green							
	Racquetball							
	Shuffleboard							
	Sports Court							
	Swimming Pool - Indoor							
	Swimming Pool - Outdoor	X					X	X
	Tennis							
Volleyball							X	
Security	CCTV	X					X	
	Courtesy Officer				X			
	Gated Community				X			
	Gated Parking							
	Police Substation							
	Social Services *							
	Storage - Extra						X	
	Water Feature							
WiFi								

** Proposed Site(s): Port City II

X = All Units, S = Some Units, O = Optional with Fee

* Details in Comparable Property Profile Report

As the preceding tables illustrate, the subject project will offer an amenities package considered superior to those offered at the most comparable LIHTC projects within the market. In terms of unit amenities, the subject development will be the only LIHTC project to include upgraded features such as ceramic tile flooring, premium countertops, premium cabinetry, vaulted ceilings and crown molding. Regarding community amenities, the subject project will be one of few LIHTC projects to offer a dog park, game room and a swimming pool. While not shown in the preceding tables, the subject project will be one of few LIHTC projects to include cable and internet services within the rent. The inclusion of the aforementioned amenities/services will position the subject project at a competitive advantage.

Comparable Tax Credit Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the proposed subject development will be very competitive. Given that the subject development will be the newest LIHTC project in the market, offering high-end finishes, larger unit sizes (square feet) and a superior amenities package when compared to the most comparable LIHTC developments, will position the subject project at a market advantage and has been considered in our absorption projections.

C. PLANNED MULTIFAMILY DEVELOPMENT

Despite numerous attempts, we were unable to receive a response from local planning and building representatives within the Richmond area. However, through extensive online research and the observations of our analyst while in the field, it was determined that there are several rental housing projects within the development pipeline in the Site PMA, which are summarized in the following table:

Project Name & Address	Type	Units	Developer	Status/Details
Alexander at 1090 1090 German School Road	Tax Credit & Section 8	48	Lawson Companies	Under Construction: Allocated Tax Credits in 2018; Will consist of 48 units; 32 two-bedroom units at 901 square-feet with rent ranging from \$591 to \$880; 16 three-bedroom units at 1,031 square- feet with rent ranging from \$873 to \$1,042; Property will target family households earning up to 50% and 60% of AMHI; five units will operate with a project-based subsidy. ECD summer 2020
Flats at City View (City View Marketplace) 521 Hull Street	Market-Rate	161	Thalhimer Realty Partners, Inc (TRP)	Under Construction: Entire development is known as City View Marketplace; Mixed-use; Building A will consist of 13 residential units above 4,570 square feet of retail and restaurant space; Building B will consist of 11 residential units above 4,190 square feet of retail space; Building C will consist of 13 residential units above 4,540 square feet of retail space; Building D will consist of 104 residential units with 92 interior parking spaces; Building E will consist of 10 duplexes with a total of 20 residential rental units; ECD third quarter of 2019

ECD – Expected Completion Date



(Continued)

Project Name & Address	Type	Units	Developer	Status/Details
Current 400 Hull Street	Market-Rate	215	Lynx Ventures	Under Construction: Mixed-use; One five-story building and one six-story building; The five-story building will house the apartments on the four upper levels with 10,000 square feet of ground level commercial space; The six-story building will be a 70,000 square-foot office building; ECD late 2020
Muse Apartments 1400 Semmes Avenue	Market-Rate	180	Monument Development Nine LLC (Monument Companies & Edison Company)	Under Construction: Mixed-use; 180 market-rate units; Phase I will consist of converting several buildings on the property into 47 residential units, mix of one- and two-bedroom units and possibly one commercial building at 1,325 square-feet; Phase II will consist of constructing 67 residential units as well as the community amenities; Phase III will consist of the remaining 66 residential units; First phase is expected to be complete by the end of 2019 (Previous proposed 278 unit plans did not work out – per article in November 2018)
South Falls I 111 Hull Street	Market-Rate	488	Fountainhead Properties	Under Construction: Phase I will consist of 255 units in a 14-story tower and a 135,000 square-foot, six-story office building; Phase II will consist of 233 units set above two stories that will be used for tenant community amenities and commercial space; First phase is expected to be complete in the first quarter of 2020, while the second phase is expected to start in the first quarter of 2020
Manchester Development Cowardin Avenue and Stonewall Avenue	Market-Rate	100	Brickhaus Partners	Planned: Developer hopes to break ground on a mix of apartments and townhomes in 2019; Property consist of five address locations: 1701 Stonewall Avenue, 700 Cowardin Avenue, and 701, 705, and 715 West 19 th Street
Riverview 1401 Railroad Avenue	Market-Rate	270	LIV Development	Planned: Seven buildings which will include a five-story building over a podium to allow parking, two four-story buildings, and four rows of three-story townhome buildings
Art-Deco Model Tobacco Company Complex 1100 Jefferson Davis Highway	Market-Rate & Tax Credit	275	C.A. Harrison Companies	Proposed: Developer hopes to break ground by the third quarter of 2019; Mixed-use; Majority of the units will be income-based; 47,000 square-foot entertainment venue that will include a beer garden and space for a restaurant
Brady Street 2200 Brady Street	Tax Credit	124	Dakota Partners, Inc	Proposed: 22 one-bedroom units at 640 square feet with rents ranging from \$624 to \$936; 76 two-bedroom units at 860 square feet with rents ranging from \$749 to \$1,123; 22 three bedroom units at 1,090 square feet with rents ranging from \$865 to \$1,296; four (4) four-bedroom units at 1,295 square feet with rents ranging from \$966 to \$1,449; Property will target family households earning up to 40%, 50%, and 60% of AMHI
Port RVA Phase II 512 Hull Street	Market-Rate	188	Sam McDonald and Mark Scordo	Planned: Phase II of existing Port RVA apartments; Approved as a five-story building, however the developers are seeking approval for a 12-story building; Studios to be 400 to 500 square feet and one-bedroom units to be 500 to 600 square feet. Rents ranging from \$895 to \$1,195
Townhomes at Warwick Place II 6278 Old Warwick Road	Tax Credit	30	Community Housing Partners	Planned: Allocated Tax Credits in 2018; Three-bedroom/2.5-bath townhome units ranging from 1,320 to 1,401 square feet; Property to target general-occupancy (family) households earning up to 40%, 50%, and 60% of AMHI with rents ranging from \$577 to \$954. ECD 2020
New Manchester Flats V 513 & 915 East 4th Street	Tax Credit	104	Lynx Ventures	Planned: 72 units allocated in 2017; an additional 32 units allocated in 2018; 85 one-bedroom units with square-footage ranging from 656 square-feet to 659 square-feet; 19 two-bedroom units at 905 square-feet; Property will target families earning up to 60% of AMHI; ECD July 2020
Village at Westlake Phase II 1500 German School Road	Market-Rate	108	Breeden Company	Proposed: Phase II of existing Village at Westlake Apartments; One-, two-, and three-bedroom units

ECD - Estimated completion date

While many of the affordable rental developments within the pipeline will potentially compete with the subject development, only Alexander at 1090, Townhomes at Warwick Place II and New Manchester Flats V have received Tax Credit funding. These properties have been considered in our demand analysis illustrated later in this report.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2021
1	Port City 1 (Phase I of Site)	100.0%	95.0%+
7	Belle Summit	100.0%	95.0%+
10	City View Place	100.0%	95.0%+
14	Hatcher Tobacco Flats	100.0%	95.0%+
17	Ivy Walk I & II	96.0%	95.0%+
21	Miller Lofts at Plant Zero	100.0%	95.0%+
23	Old Manchester Plaza	100.0%	95.0%+

The combined LIHTC occupancy rate of the seven most comparable LIHTC projects in the market is 98.8%, six of which are 100.0% occupied and maintain waiting lists. Given these strong occupancy levels and the fact that significant demographic support exists in the market for the subject development, as illustrated in Section VII - *Capture Rate Analysis*, it is not anticipated that the subject project will have any significant impact on the existing comparable LIHTC projects' marketability. It is expected that the comparable LIHTC projects will maintain occupancy levels at or above 95.0% during the subject development's first year of occupancy.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value within the Site PMA was \$154,437. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$154,437 home is \$929, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$154,437
Mortgaged Value = 95% of Median Home Price	\$146,715
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$743
Estimated Taxes and Insurance*	\$186
Estimated Monthly Mortgage Payment	\$929

*Estimated at 25% of principal and interest



In comparison, the collected Tax Credit rents at the subject property range from \$648 to \$1,798 per month, depending on unit size and targeted income level. Therefore, the cost of a monthly mortgage for a typical home in the area is no more than \$281 greater than renting at the subject site, where in some cases, it is \$869 less than renting at the subject project. While some tenants may choose to purchase a home, the number of tenants who would be able to afford the down payment is considered minimal. In addition, with a median home price of \$154,437, the majority of the housing stock consists of older single-family homes that would likely require greater maintenance and corresponding costs. Further, homes at the aforementioned price point are not likely to include a comprehensive amenities package such as that offered at the proposed development. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

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

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

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	Port City II	2021	147	-	-	109 (-)	37 (-)	1 (-)
9	City View Lofts	2016	218	98.2%	-	87 (98.9%)	131 (97.7%)	-
16	Hopper Lofts	2012	139	98.6%	-	100 (98.0%)	39 (100.0%)	-
24	Paper Company Apts.	2009	84	98.8%	12 (100.0%)	60 (98.3%)	12 (100.0%)	-
25	Plant 1	2015	134	100.0%	-	40 (100.0%)	80 (100.0%)	14 (100.0%)
29	South Bank Apts.	2006	150	100.0%	-	81 (100.0%)	69 (100.0%)	-
41	Village at Westlake	2017	252	100.0%	-	72 (100.0%)	120 (100.0%)	60 (100.0%)

Occ. – Occupancy

The six selected market-rate projects have a combined total of 977 units with an overall occupancy rate of 99.3%, a very good rate for rental housing. This indicates that these projects have been well received within the market and will serve as accurate benchmarks with which to compare the subject project.

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

Rent Comparability Grid

Unit Type →

ONE-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Port City II		City View Lofts		Hopper Lofts		Paper Company Apts.		Plant 1		South Bank Apts.	
716 Jefferson Davis Highway		611 Bainbridge St.		700 Everett St.		203 Hull St.		403 Stockton St.		307 Stockton St.	
Richmond, VA		Richmond, VA		Richmond, VA		Richmond, VA		Richmond, VA		Richmond, VA	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,200		\$1,120		\$1,125		\$1,450		\$1,200	
2	Date Surveyed	Jul-19		Jul-19		Jul-19		Jul-19		Jul-19	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	99%		98%		98%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,200	1.51	\$1,120	1.39	\$1,125	1.30	\$1,450	1.86	\$1,200	1.34
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		WU/1,2		EE/2,4		EE/4		WU/2	
7	Yr. Built/Yr. Renovated	2021		2016	\$5	2012	\$9	2009	\$12	2015	\$6
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	F		G	(\$10)	G	(\$10)	G	(\$10)	G	(\$10)
10	Same Market?			Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	688		795	(\$39)	808	(\$44)	865	(\$65)	781	(\$34)
14	Balcony/Patio	N		N		N		Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L		W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	T/C		C/W/C/L		C		C		T/C/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y		Y		Y		Y		Y	
22	Cable/Internet Included?	Y		N	\$60	Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N		Y/N		Y/N		Y/N	
D Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$50	\$50
25	On-Site Management	Y		Y		Y		N	\$5	Y	
26	Security Features	Y		N	\$5	Y		Y		Y	
27	Community Space	Y		Y		Y		N	\$5	Y	
28	Pool/Recreation Areas	P/F		P/F		F	\$10	N	\$15	F/S/MT	\$4
29	Computer/Business Center	N		N		N		N		N	
30	Picnic Area/Grills	Y		Y		N	\$3	N	\$3	Y	
31	Playground	N		N		N		N		N	
32	Social Services	N		N		N		N		N	
E. Utilities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	Y/E		N/E	\$16	N/E	\$16	N/E	\$16	N/E	\$16
34	Cooling (in rent?/ type)	Y/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	Y/E		N/E	\$5	N/E	\$5	N/E	\$5	N/E	\$5
36	Hot Water (in rent?/ type)	Y/E		N/E	\$13	N/E	\$13	N/E	\$13	N/E	\$13
37	Other Electric	Y		N	\$35	N	\$35	N	\$35	N	\$35
38	Cold Water/Sewer	Y/Y		N/N	\$60	N/N	\$60	Y/Y		Y/Y	
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap	Pos	Neg		Pos	Neg			Pos	Neg	Pos	Neg
40	# Adjustments B to D			4	3			4	4	4	4
41	Sum Adjustments B to D			\$85	(\$74)			\$37	(\$79)	\$55	(\$105)
42	Sum Utility Adjustments			\$129				\$129		\$69	
				Net	Gross			Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E			\$140	\$288			\$87	\$245	\$19	\$229
44	Adjusted & Market Rents			Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)			\$1,340		\$1,207		\$1,144		\$1,510	
45	Adj Rent/Last rent				112%				108%		102%
45											104%
46	Estimated Market Rent	\$1,325		\$1.93		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type →

TWO-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Port City II		City View Lofts		Hopper Lofts		Paper Company Apts.		Plant 1		South Bank Apts.	
716 Jefferson Davis Highway		611 Bainbridge St.		700 Everett St.		203 Hull St.		403 Stockton St.		307 Stockton St.	
Richmond, VA		Richmond, VA		Richmond, VA		Richmond, VA		Richmond, VA		Richmond, VA	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,499		\$1,515		\$1,431		\$1,600		\$1,360	
2	Date Surveyed	Jul-19		Jul-19		Jul-19		Jul-19		Jul-19	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	98%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,499	1.42	\$1,515	1.32	\$1,431	1.20	\$1,600	1.48	\$1,360	1.45
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		WU/1,2		EE/2,4		EE/4		WU/2	
7	Yr. Built/Yr. Renovated	2021		2016	\$5	2012	\$9	2009	\$12	2015	\$6
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	F		G	(\$10)	G	(\$10)	G	(\$10)	G	(\$10)
10	Same Market?			Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2	(\$15)	2.5	(\$15)	2		2		2	
13	Unit Interior Sq. Ft.	1001	(\$17)	1052	(\$17)	1151	(\$51)	1188	(\$64)	1081	(\$27)
14	Balcony/Patio	N		N		N		Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	T/C		C/W/C/L		C		W		T/C/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y		Y		Y		Y		Y	
22	Cable/Internet Included?	Y	\$60	N	\$60	Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N		Y/N		Y/N		Y/N	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$50	\$50	LOT/\$0	
25	On-Site Management	Y		Y		Y		N	\$5	Y	
26	Security Features	Y		N	\$5	Y		Y		Y	
27	Community Space	Y		Y		Y		N	\$5	Y	
28	Pool/Recreation Areas	P/F		P/F		F	\$10	N	\$15	F/S/MT	\$4
29	Computer/Business Center	N		N		N		N		N	(\$3)
30	Picnic Area/Grills	Y		Y		N	\$3	N	\$3	Y	
31	Playground	N		N		N		N		N	
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	Y/E	\$21	N/E	\$21	N/E	\$21	N/E	\$21	N/E	\$21
34	Cooling (in rent?/ type)	Y/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	Y/E	\$8	N/E	\$8	N/E	\$8	N/E	\$8	N/E	\$8
36	Hot Water (in rent?/ type)	Y/E	\$17	N/E	\$17	N/E	\$17	N/E	\$17	N/E	\$17
37	Other Electric	Y	\$46	N	\$46	N	\$46	N	\$46	N	\$46
38	Cold Water/Sewer	Y/Y	\$87	N/N	\$87	N/N	\$87	Y/Y		Y/Y	
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	4	4	3	6	4	4	4	5	3
41	Sum Adjustments B to D	\$85	(\$67)	\$37	(\$86)	\$55	(\$104)	\$65	(\$67)	\$61	(\$38)
42	Sum Utility Adjustments	\$179		\$179		\$92		\$92		\$179	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$197	\$331	\$130	\$302	\$43	\$251	\$90	\$224	\$202	\$278
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,696		\$1,645		\$1,474		\$1,690		\$1,562	
45	Adj Rent/Last rent		113%		109%		103%		106%		115%
46	Estimated Market Rent	\$1,645	\$1.64 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Port City II		Hopper Lofts		Paper Company Apts.		Plant 1		South Bank Apts.		Village at Westlake	
716 Jefferson Davis Highway		700 Everett St.		203 Hull St.		403 Stockton St.		307 Stockton St.		1500 German School Rd.	
Richmond, VA		Richmond, VA		Richmond, VA		Richmond, VA		Richmond, VA		Richmond, VA	
Data		Data		Data		Data		Data		Data	
on		\$ Adj		\$ Adj		\$ Adj		\$ Adj		\$ Adj	
Subject		Data		Data		Data		Data		Data	
A.	Rents Charged										
1	\$ Last Rent / Restricted?	\$1,515		\$1,431		\$1,800		\$1,560		\$1,429	
2	Date Surveyed	Jul-19		Jul-19		Jul-19		Jul-19		Jul-19	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,515	1.32	\$1,431	1.20	\$1,800	1.60	\$1,560	1.30	\$1,429	1.03
B.	Design, Location, Condition										
6	Structure / Stories	R/1	EE/2,4	EE/4		WU/2		EE/2,3		WU/3	
7	Yr. Built/Yr. Renovated	2021	2012 \$9	2009 \$12		2015 \$6		2006 \$15		2017 \$4	
8	Condition/Street Appeal	E	G \$15	G \$15		E		G \$15		E	
9	Neighborhood	F	G (\$10)	G (\$10)		G (\$10)		G (\$10)		G (\$10)	
10	Same Market?		Yes	Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities										
11	# Bedrooms	3	2 \$50	2 \$50		3		2 \$50		3	
12	# Baths	2	2	2		2		2		2	
13	Unit Interior Sq. Ft.	1527	1151 \$120	1188 \$108		1123 \$129		1204 \$103		1390 \$44	
14	Balcony/Patio	N	N	Y (\$5)		Y (\$5)		N		Y (\$5)	
15	AC: Central/Wall	C	C	C		C		C		C	
16	Range/Refrigerator	R/F	R/F	R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y	Y/Y	Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	W/D (\$25)	W/D (\$25)		W/D (\$25)		W/D (\$25)		W/D (\$25)	
19	Floor Coverings	T/C	C	W		T/C/L		W/C/L		C/L	
20	Window Treatments	Y	Y	Y		Y		Y		Y	
21	Secured Entry	Y	Y	Y		Y		Y		N \$3	
22	Cable/Internet Included?	Y	Y	Y		Y		Y		N \$60	
23	Ceiling Fan/Storage	Y/N	Y/N	Y/N		Y/N		Y/N		Y/Y (\$5)	
D.	Site Equipment/ Amenities										
24	Parking (\$ Fee)	LOT/\$0	LOT/\$0	LOT/\$0		LOT/\$50 \$50		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	Y	N \$5		Y		Y		Y	
26	Security Features	Y	Y	Y		Y		Y		N \$5	
27	Community Space	Y	Y	N \$5		N \$5		Y		N \$5	
28	Pool/Recreation Areas	P/F	F \$10	N \$15		F/S/MT \$4		F/S \$7		P/F	
29	Computer/Business Center	N	N	N		N		Y (\$3)		N	
30	Picnic Area/Grills	Y	N \$3	N \$3		Y		N \$3		Y	
31	Playground	N	N	N		N		N		Y (\$3)	
32	Social Services	N	N	N		N		N		N	
E.	Utilities										
33	Heat (in rent?/ type)	Y/E	N/E \$24	N/E \$24		N/E \$24		N/E \$24		N/E \$24	
34	Cooling (in rent?/ type)	Y/E	N/E	N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	Y/E	N/E \$10	N/E \$10		N/E \$10		N/E \$10		N/E \$10	
36	Hot Water (in rent?/ type)	Y/E	N/E \$20	N/E \$20		N/E \$20		N/E \$20		N/E \$20	
37	Other Electric	Y	N \$58	N \$58		N \$58		N \$58		N \$58	
38	Cold Water/Sewer	Y/Y	N/N \$129	Y/Y		Y/Y		N/N \$129		N/N \$129	
39	Trash/Recycling	Y/N	Y/N	Y/N		Y/N		Y/N		N/N \$19	
F.	Adjustments Recap										
40	# Adjustments B to D		6 2	8 3		5 3		6 3		6 5	
41	Sum Adjustments B to D		\$207 (\$35)	\$213 (\$40)		\$194 (\$40)		\$193 (\$38)		\$121 (\$48)	
42	Sum Utility Adjustments		\$241	\$112		\$112		\$241		\$260	
			Net Gross	Net Gross		Net Gross		Net Gross		Net Gross	
43	Net/ Gross Adjmts B to E		\$413 \$483	\$285 \$365		\$266 \$346		\$396 \$472		\$333 \$429	
G.	Adjusted & Market Rents										
44	Adjusted Rent (5+ 43)		\$1,928	\$1,716		\$2,066		\$1,956		\$1,762	
45	Adj Rent/Last rent			127%		120%		115%		125%	
46	Estimated Market Rent	\$1,885	\$1.23	← Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$1,325 for a one-bedroom, \$1,645 for a two-bedroom unit and \$1,885 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent	% AMHI	Achievable Market Rent	Market Rent Advantage
One-Br.	\$648	40%	\$1,325	51.1%
	\$810	50%		38.9%
	\$972	60%		26.6%
	\$1,134	70%		14.4%
	\$1,297	80%		2.1%
Two-Br.	\$778	40%	\$1,645	40.9%
	\$1,167	60%		29.1%
	\$1,361	70%		17.3%
	\$1,556	80%		5.4%
Three-Br.	\$1,798	80%	\$1,885	4.6%

The proposed subject Tax Credit rents will likely be perceived as excellent values within the market, as they represent market rent advantages ranging from 17.3% to 51.1%, depending upon bedroom type and targeted income level, with the exception of the subject’s 80% of AMHI units. Typically, Tax Credit units should represent approximately a 10.0% market rent advantage; however, 80% of AMHI units do not typically need to represent a market rent advantage to be considered a value. This is especially true, considering the subject project will represent the most modern and highest quality rental product in this market, which diminishes the need for a 10.0% or higher market rent advantage for the subject’s 80% of AMHI units.

B. Rent Adjustment Explanations (Rent Comparability Grid)

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



1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 2006 and 2017. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. All comparable market-rate properties are located within neighborhoods considered more desirable than that of the subject project. We have made negative adjustments to these properties to account for their more desirable location when compared to the subject project.
11. All of the selected properties offer one- and two-bedroom units; however, not all of these developments offer three-bedroom units similar to the subject project. As such, we have utilized the two-bedroom units offered at these properties and made a conservative \$50 adjustment to account for the lack of additional defined bedroom as compared to the subject project.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package generally considered inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the subject property does offer.

- 24.-32. The proposed project will offer a community amenity package superior to those offered at the selected market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed subject project's potential.

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

The subject site is within the Richmond, Virginia Metropolitan Statistical Area (MSA), which has a median four-person household income of \$86,400 for 2019. The subject property will be restricted to households with incomes of up to 40%, 50%, 60%, 70% and 80% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI levels.

Household Size	Targeted AMHI Maximum Allowable Income				
	40%	50%	60%	70%	80%
One-Person	\$24,200	\$30,250	\$36,300	\$42,350	\$48,400
Two-Person	\$27,680	\$34,600	\$41,520	\$48,440	\$55,360
Three-Person	\$31,120	\$38,900	\$46,680	\$54,460	\$62,240
Four-Person	\$34,560	\$43,200	\$51,840	\$60,480	\$69,120
Five-Person	\$37,360	\$46,700	\$56,040	\$65,380	\$74,720

1. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is **\$74,720**.

2. Minimum Income Requirements

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

The proposed LIHTC units will have a lowest gross rent of \$648. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,776. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$22,217**.

3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live at the proposed project with units built to serve households at 40%, 50%, 60%, 70% and 80% of AMHI are as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 40% of AMHI)	\$22,217	\$27,680
Tax Credit (Limited to 50% of AMHI)	\$27,771	\$38,900
Tax Credit (Limited to 60% of AMHI)	\$33,326	\$46,680
Tax Credit (Limited to 70% of AMHI)	\$38,880	\$54,460
Tax Credit (Limited to 80% of AMHI)	\$44,469	\$74,720
Overall Tax Credit	\$22,217	\$74,720

B. CAPTURE RATE CALCULATIONS

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

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

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2019 as the base year and projecting forward to 2021 (anticipated subject completion year), per VHDA guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. Demand estimates for proposals for elderly developments must be derived from household population age 65 and older. In instances where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed on the following page.*

- a) **Rent overburdened households, if any, within the age group, income groups and renters targeted for the proposed development.** “Overburdened” is defined by VHDA as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative in this regard.

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 12.1% to 67.0% of households, depending upon income level, within the Site PMA are considered to be rent overburdened.

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 5.2% of all renter households within the Site PMA are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

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

Not applicable; subject site is general-occupancy.

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

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

C. DEMAND/CAPTURE RATE CALUCLATIONS

As discussed in the *Section V*, we identified and surveyed seven directly comparable LIHTC projects in the Site PMA. Among these projects, there are ten directly comparable (similar bedroom type and targeted income level) vacant units currently being marketed. The unit breakdowns of these vacant Tax Credit units are illustrated in the following table. Also note that there are two LIHTC projects that have been awarded funding in the Site PMA which will offer units considered directly comparable to those proposed at the subject project. The LIHTC units planned at these projects are also reflected in the following table:

Map I.D.	Project Name	Year Built/Allocated	LIHTC Units	Directly Comparable Units* at Targeted AMHI (Vacant Units)				
				40% AMHI	50% AMHI	60% AMHI	70% AMHI	80% AMHI
1	Port City I	2019	131	14 (0)	23 (0)	60 (0)	17 (0)	16 (0)
7	Belle Summit	2013	50	4 (0)	36 (0)	-	-	-
10	City View Place	2012	32	3 (0)	11 (0)	-	-	-
14	Hatcher Tobacco Flats	2015	152	15 (0)	109 (0)	-	-	-
17	Ivy Walk I & II	2004	248	-	-	124 (10)	-	-
21	Miller Lofts at Plant Zero	2014	197	-	-	197 (0)	-	-
23	Old Manchester Plaza	2009	46	-	-	46 (0)	-	-
P/P	New Manchester Flats V	2017/2018	72**	-	-	72	-	-
P/P	Alexander at 1090 Apts. I	2018	43***	-	19	11	-	-

*Directly comparable units are those that are of similar bedroom type and targeted income level as the subject site

**General-occupancy units only

***Non-subsidized Tax Credit units only

P/P – Planned/Proposed

The directly comparable vacant and/or planned units located among the LIHTC projects referenced in the preceding table have been subtracted from the total demand in the analysis on the following page to determine the net demand. Given that the subject units set aside at 40% will only comprise one bedroom, we have excluded three-person or more household sizes from the demand analysis for the aforementioned targeted income level to avoid overestimating demand. Additionally, given the subject units set aside at 50%, 60% and 70% of AMHI will only comprise one or two bedrooms, we have excluded four-person or more household sizes for the aforementioned targeted income levels.

Demand Component	Percent of Median Household Income					
	40% AMHI \$22,217-\$27,680	50% AMHI \$27,771-\$38,900	60% AMHI \$33,326-\$46,680	70% AMHI \$38,880-\$54,460	80% AMHI \$44,469-\$74,720	Overall \$22,217-\$74,720
Demand from New Rental Households (Size- And Income-Appropriate)	1,235 - 1,245 = -10	2,565 - 2,601 = -36	2,542 - 2,594 = -52	2,357 - 2,414 = -57	4,023 - 4,081 = -58	8,790 - 8,916 = -126
+						
Demand from Existing Households (Rent Overburdened)	1,245 X 67.0% = 834	2,601 X 55.4% = 1,441	2,594 X 31.5% = 817	2,414 X 21.1% = 509	4,081 X 12.1% = 495	8,916 X 36.5% = 3,254
+						
Demand from Existing Households (Renters in Substandard Housing)	1,245 X 5.2% = 65	2,601 X 5.2% = 135	2,594 X 5.2% = 135	2,414 X 5.2% = 126	4,081 X 5.2% = 214	8,916 X 5.2% = 464
+						
Demand from Existing Households (Elderly Homeowner Conversion)	N/A					
+						
Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations)	N/A					
=						
Total Demand	889	1,540	900	578	651	3,592
-						
Supply (Directly Comparable Vacant Units Completed or In the Pipeline)	0	19	93	0	0	112
=						
Net Demand	889	1,521	807	578	651	3,480
Proposed Units	2	40	70	25	10	147
Proposed Units / Net Demand	2 / 889	40 / 1,521	70 / 807	25 / 578	10 / 651	147 / 3,480
Capture Rate	= 0.2%	= 2.6%	= 8.7%	= 4.3%	= 1.5%	= 4.2%
Total Absorption Period	< 1 Month	3 Months	5 Months	< 3 Months	1 Month	9 Months

N/A-Not Applicable

Overall, the capture rates by targeted income level are considered very low and easily achievable, ranging from 0.2% to 8.7%. The overall capture rate of 4.2% is also considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development.

Special Needs Households

Artists

As noted earlier in this report, a total of 23 units at the subject project will give priority to low-income artists. Artists are generally considered those that deal with artistic painting, sculpting, acting, writing, dancing, etc. For the purposes of this analysis, we have used NAICS' clarification for persons employed in the Arts Entertainment and Recreation (NAICS code 711510) industry sector to identify potential residents for these specific subject units.

Within the Richmond Site PMA, there are approximately 269 employees working within 26 establishments under the Arts, Entertainment and Recreation job sector classification. It is important to note that since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are at least working within the Richmond market area and it is likely that most are residing within the immediate neighborhoods.

Considering that specific income data is not available for any individual job sector, we have applied the 42.8% share of all households (renters and owners) with qualifying incomes to the estimated 269 artists in the Richmond market. This yields 115 income-appropriate artists in the Site PMA. Finally, since it is likely that the subject artist units will likely only attract renters, we applied the market's 58.2% share of renters to the 115 likely income-qualifying artists. This results in a base of potential support for the subject artist units of 67. As such, the subject's 23 units set aside for artists represent a capture rate of **34.3%** ($23 / 67 = 34.3\%$). Given the unique nature of this population and the lack of supply identified within the market that is geared towards low-income artists, this capture rate is considered achievable.

Disabled Veterans

In addition to the artist set-aside at the site, the subject project will also offer 14 units targeting disabled veteran households. Based on 2013-2017 American Community Survey (ACS) 5-Year Estimates Table S2101, there were 3,388 veterans with some type of disability within Richmond, which represents approximately 1.9% of the entire population 18 years and over within the city. While income data for veterans is not reported for those with a disability, most veterans with a disability should qualify for the disabled special needs designation at the site. Applying the 1.9% share to the market's population 18 years and over projected in 2021 (66,460), yields an estimated total of 1,263 veterans with some type of disability within the Richmond Site PMA. Lastly, applying the market's 58.2% share of renters to the 1,263 veterans with some type of disability, yields an estimated 735 disabled veteran renters. As a result, the 14 units set aside for disabled veterans represent a capture rate of **1.9%** ($14 / 735 = 1.9\%$). This is a very low capture rate and indicates that there is a good base of support for the subject's special needs units.

D. PENETRATION RATE CALCULATIONS

The 2,807 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$21,394 to \$74,720. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 10,630 renter households with eligible incomes in 2021. The 2,807 existing and planned non-subsidized Tax Credit units, along with the 147 proposed subject units, represent a penetration rate of 27.8% of the 10,630 income-eligible renter households, which is summarized in the following table:

	Market Penetration
Number of LIHTC Units (Planned and Existing)	2,954
Income-Eligible Renter Households – 2021	/ 10,630
Overall Market Penetration Rate	= 27.8%

It is our opinion that the 27.8% penetration rate for the LIHTC units, both existing and planned, is achievable. Based on the fact that the overall non-subsidized LIHTC market surveyed is operating at a 98.6% occupancy rate, of which many of these properties are 100.0% occupied and maintain a waiting list, we believe the 27.8% penetration rate is achievable.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Richmond Redevelopment and Housing Authority, there are approximately 3,507 Housing Choice Voucher (HCV) holders within the housing authority’s jurisdiction, and 5,338 households currently on the waiting list for additional Vouchers. The waiting list is closed, and it is unknown when it will reopen. Annual turnover is estimated at 192 households. This reflects the continuing need for HCV assistance.

If the rents do not exceed the payment standards established by the local housing authority, households with HCVs may be willing to reside at a LIHTC project. Established by the Richmond Redevelopment and Housing Authority, the local payment standards, as well as the proposed subject gross rents, are summarized in the table on the following page.

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$932	\$648 (40%) \$810 (50%) \$972 (60%) \$1,134 (70%) \$1,297 (80%)
Two-Bedroom	\$1,067	\$972 (50%) \$1,167 (60%) \$1,361 (70%) \$1,556 (80%)
Three-Bedroom	\$1,421	\$1,798 (80%)

As the preceding table illustrates, the proposed LIHTC gross rents set aside at 40% and 50% of AMHI are below the local payment standards. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the demographic base of potential support for the proposed development and has been considered in our absorption projections.

F. **ABSORPTION PROJECTIONS**

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 147 LIHTC units at the subject site will reach a stabilized occupancy of 93% within nine months of opening. This absorption period is based on a conservative average monthly absorption rate of approximately 15 units per month.

These absorption projections assume a April 2021 opening date. An earlier or later opening may have a slowing impact on the absorption potential for the subject project. Further, these absorption projections assume that no other projects targeting a similar population and income group will be developed in the market during the projection period and that the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

VIII. Local Perspective (Interviews)

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

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

Shanee Gooding is the Community Manager of Port City I, a Tax Credit property and Phase I of the site. Ms. Gooding stressed the need for more affordable housing in the area, indicating that the need was strongest for properties leased at 60%, 70% and 80% of the Area Median Household Income (AMHI). Ms. Gooding indicated that her property is fully occupied, with over ten households on the waiting list for the next available unit. She also cited her experience working for Imani Mews (a local LIHTC property), where she observed waitlists of several years. Ms. Gooding particularly stressed the need for a large-scale supermarket chain to open in Manchester for her residents.

According to Danna Mackland, CEO of the Home Building Association of Richmond, there is a definite need for more affordable housing in Richmond for everyone across the board, including families and live/work artists, due to the fact that the income levels are not high enough for most of the market-rate pricing. Ms. Mackland continued to state that the cost of land makes it difficult for developers to construct new affordable developments, including rental units and for-sale homes.

According to Diana Crosswhite, Housing Choice Voucher Program Policy and Training Manager with the Virginia Housing Development Authority (VHDA), there is a need for affordable housing for both homeless and low-income individuals within Richmond. Ms. Crosswhite mentioned studies that have been done by various groups, including Housing Virginia, have all concluded that need. Diana Crosswhite went on to say their agency receives calls on a daily basis from families looking for an affordable unit and many of those families are disabled or have a member of the family that is disabled.

According to Kenyatta Green, Director of the Housing Choice Voucher Program with Richmond Redevelopment and Housing Authority, there is a need for more affordable housing, specifically for additional one-bedroom units.

IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market exists for the 147 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will offer a superior design in terms of unit sizes (square feet) and amenities offered, and the proposed rents are competitively positioned to be very marketable within the Richmond Site PMA. In fact, the majority of the proposed subject rents represent market rent advantages of between 17.3% to 51.1%, illustrating that they will likely represent substantial values to low-income renters within the market.

Given that nearly all comparable LIHTC developments surveyed within the Site PMA are 100.0% occupied and maintain a waiting list, including the first phase of the subject project, Port City I, the subject project will offer a housing alternative to low-income households that has limited availability in the area. It is also notable to point out that Port City I recently opened 131 apartments in January 2019, with all units occupied by July 2019, yielding an absorption rate of 22 units per month. This is a rapid absorption rate for affordable rental housing, illustrating that this type of product has been very well received within the Richmond Site PMA. This will bode well for the demand of the proposed units at the subject site.

As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 4.2% of size- and income-appropriate renter households in the market, there is substantial demographic support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

X.

SITE PHOTOGRAPHS

716 Jefferson Davis Highway



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest

716 Jefferson Davis Highway



View of site from the west



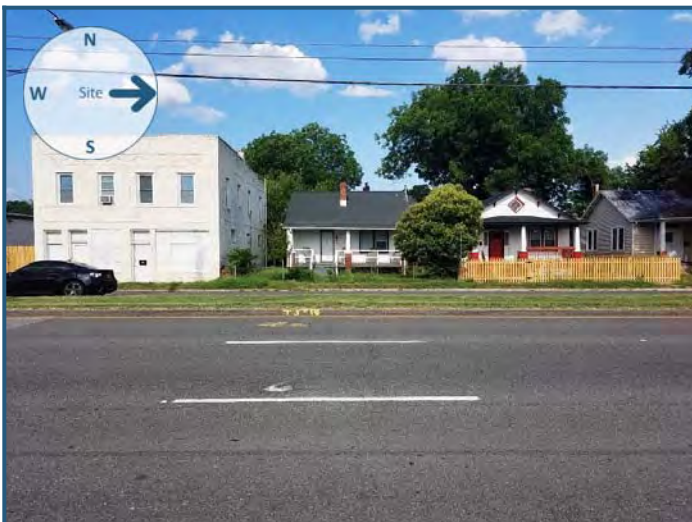
View of site from the northwest



North view from site



Northeast view from site



East view from site

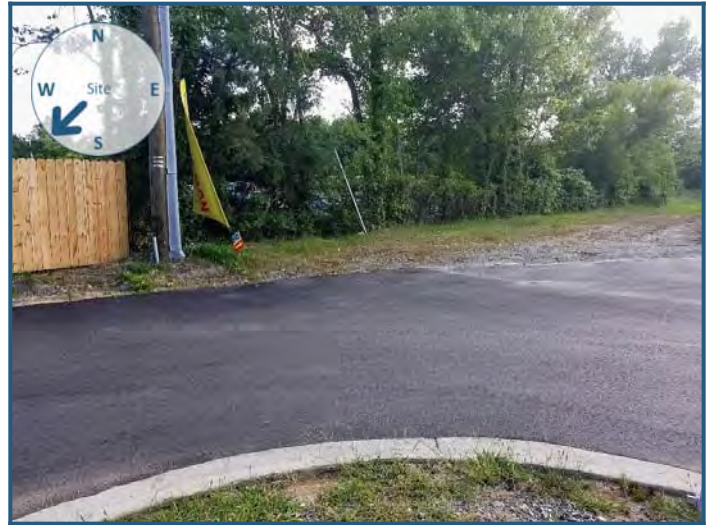


Southeast view from site

716 Jefferson Davis Highway



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: South view of Jefferson Davis Highway (U.S. 301)



Streetscape: North view of Jefferson Davis Highway (U.S. 301)

716 Jefferson Davis Highway



Streetscape: West view of Kern Street



Streetscape: East view of Kern Street



Streetscape: South view of Thurman Street

XI.

COMPARABLE
PROPERTY PROFILES

1 Port City I 0.1 miles to site



Address: 800 Jefferson Davis Hwy., Richmond, VA 23224
 Phone: (844) 208-4273 Contact: Shanee (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 131 Year Built: 1922
 Vacant Units: 0 *AR Year: 2019
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2,3 (w/Elev)
 Waitlist: 13 households
 Rent Special:

Ratings
 Quality: B+
 Neighborhood: C
 Access/Visibility: C+/A

Notes: Tax Credit; HCV (12 units); 4 additional units UC, unknown completion date

Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Electric, Heat (Electric), Hot Water (Electric), Cooking (Electric), Water, Sewer, Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Controlled Access; W/D Hookup; W/D; Window Treatments; Flooring (Hardwood, Finished Concrete)

Property Amenities: Bike Racks; Clubhouse, Community Kitchen; Elevator; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Game Room-Billiards, Picnic Table)

Parking Type: Surface Lot

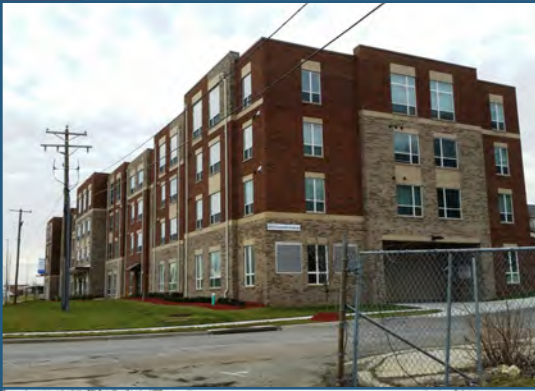
Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	8	0	572 - 712	\$1.09 - \$0.88	\$624	40%
1	1	G	11	0	557 - 728	\$1.40 - \$1.07	\$780	50%
1	1	G	28	0	553 - 779	\$1.69 - \$1.20	\$936	60%
1	1	G	11	0	664 - 799	\$1.64 - \$1.37	\$1,092	70%
1	1	G	7	0	669 - 974	\$1.87 - \$1.28	\$1,249	80%
2	2	G	6	0	708 - 997	\$1.06 - \$0.75	\$749	40%
2	2	G	8	0	729 - 1,067	\$1.28 - \$0.88	\$936	50%
2	2	G	32	0	708 - 1,146	\$1.59 - \$0.98	\$1,123	60%
2	2	G	6	0	835 - 1,009	\$1.57 - \$1.30	\$1,310	70%
2	2	G	9	0	845 - 1,146	\$1.77 - \$1.31	\$1,498	80%
2	2	T	4	0	1,062 - 1,128	\$0.88 - \$0.83	\$936	50%

* Adaptive Reuse

1 Unit Configuration- cont.								
Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
3	2	G	1	0	1,201	\$1.08	\$1,298	60%

7 Belle Summit 1.5 miles to site



Address: 600 Cowardin Ave., Richmond, VA 23224
 Phone: (804) 231-7068 Contact: Tracy (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 50 Year Built: 2013
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: 12 households
 Rent Special:

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

Notes: Tax Credit; HCV (8 units)



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Controlled Access; W/D Hookup; Window Treatments; Flooring (Carpet)

Property Amenities: Activity-Craft Room; Elevator; Laundry Room; On-Site Management

Parking Type: Surface Lot; Parking Garage

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	1	0	556	\$1.03	\$575	40%
1	1	G	9	0	556	\$1.31	\$728	50%
2	1	G	27	0	830 - 897	\$1.02 - \$0.95	\$850	50%
2	2	G	3	0	830 - 897	\$0.80 - \$0.74	\$667	40%
3	2	G	1	0	1,066 - 1,106	\$0.71 - \$0.68	\$757	40%
3	2	G	9	0	1,066 - 1,106	\$0.91 - \$0.88	\$968	50%

* Adaptive Reuse

9 City View Lofts 1.7 miles to site



Address: 611 Bainbridge St., Richmond, VA 23224
 Phone: (804) 525-5667 Contact: April (In Person)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 218 Year Built: 1916
 Vacant Units: 4 *AR Year: 2016
 Occupancy: 98.2% Yr Renovated:
 Turnover: Stories: 1,2
 Waitlist:
 Rent Special:

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

Notes: Does not accept HCV; Rents change daily; 1st units opened 2/2016, began preleasing 9/2015, add'l 178 units opened 12/2016



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D; Window Treatments; Flooring (Carpet, Hardwood, Finished Concrete, Wood Laminate)

Property Amenities: Clubhouse; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Grill, Picnic Table, Outdoor Swimming Pool)

Parking Type: Surface Lot; Parking Garage

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1 - 1.5	G	87	1	503 - 795	\$1.99 - \$1.51	\$999 - \$1,200	0%
2	1 - 2.5	G	131	3	804 - 1,052	\$1.62 - \$1.42	\$1,299 - \$1,499	0%

* Adaptive Reuse

10 City View Place 1.5 miles to site



Address: 1000 Bainbridge St., Richmond, VA 23224
 Phone: (804) 303-5984 Contact: Ashley (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 32 Year Built: 2012
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3 (w/Elev)
 Waitlist: 52 households
 Rent Special:

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

Notes: Tax Credit; HCV (11 units)

Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Patio/Deck; Ceiling Fan; Controlled Access; W/D Hookup; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Business Center (Computer); Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Playground)

Parking Type: Surface Lot; Parking Garage

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1.5 - 2	G	3	0	927	\$0.66	\$609	40%
2	1.5 - 2	G	11	0	927	\$0.80	\$742	50%
3	1.5 - 2	G	2	0	1,207	\$0.56	\$680	40%
3	1.5 - 2	G	16	0	1,207	\$0.70	\$845	50%

* Adaptive Reuse

14 Hatcher Tobacco Flats 1.7 miles to site



Address: 151 W. Commerce Rd., Richmond, VA 23224
 Phone: (804) 977-0758 Contact: Patricia (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 153 Year Built: 2015
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 4,5 (w/Elev)
 Waitlist: 200 households
 Rent Special:

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

Notes: Tax Credit; HCV (14 units)



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Ceiling Fan; Controlled Access; Security System; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Finished Concrete)

Property Amenities: Clubhouse; Elevator; On-Site Management; Recreation Areas (Fitness Center); Courtesy Officer, Gated Community

Parking Type: Surface Lot; Parking Garage

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	15	0	586 - 776	\$0.94 - \$0.71	\$548	40%
1	1	G	16	0	586 - 776	\$1.21 - \$0.91	\$710	50%
2	2	G	93	0	946 - 1,161	\$0.89 - \$0.73	\$843	50%
3	2	G	28	0	1,028 - 1,174	\$0.94 - \$0.82	\$966	50%

* Adaptive Reuse

16 Hopper Lofts 1.8 miles to site



Address: 700 Everett St., Richmond, VA 23224
 Phone: (804) 230-5999 Contact: Kate (In Person)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 139 Year Built: 1927
 Vacant Units: 2 *AR Year: 2012
 Occupancy: 98.6% Yr Renovated:
 Turnover: Stories: 2,4 (w/Elev)
 Waitlist:
 Rent Special:

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

Notes: Does not accept HCV



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Window Treatments; Flooring (Carpet)

Property Amenities: Activity-Craft Room, Clubhouse, TV Lounge; Elevator; On-Site Management; Recreation Areas (Fitness Center); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1 - 1.5	G	100	2	460 - 808	\$1.96 - \$1.39	\$903 - \$1,120	0%
2	1.5 - 2	G	39	0	743 - 1,151	\$1.62 - \$1.32	\$1,200 - \$1,515	0%

* Adaptive Reuse

17 Ivy Walk I & II 5.6 miles to site



Address: 4800 Burnt Oak Cir., Chesterfield, VA 23224
 Phone: (804) 714-0027 Contact: Drew (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 248 Year Built: 2004
 Vacant Units: 10 *AR Year:
 Occupancy: 96.0% Yr Renovated:
 Turnover: Stories: 4
 Waitlist:
 Rent Special:

Ratings
 Quality: B+
 Neighborhood: B
 Access/Visibility: A/C

Notes: Tax Credit; Accepts HCV



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Balcony; Patio/Deck; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Vinyl, Wood Laminate)

Property Amenities: Clubhouse; Concierge Services (Package Receiving); On-Site Management; Recreation Areas (Fitness Center, Grill, Hiking-Walking Trail, Picnic Table, Playground, Outdoor Swimming Pool); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	124	10	983	\$1.00	\$985	60%
3	2	G	124	0	1,112	\$0.98	\$1,085	60%

* Adaptive Reuse

21 Miller Lofts at Plant Zero 2.0 miles to site



Address: 500 Stockton St., Richmond, VA 23224
 Phone: (804) 205-1273 Contact: Julia (In Person)
 Property Type: Tax Credit
 Target Population: Family, Artist
 Total Units: 197 Year Built: 2014
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1,2,3
 Waitlist: 10 households
 Rent Special:

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

Notes: Tax Credit; Accepts HCV (0 currently)



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Patio/Deck; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Window Treatments; Flooring (Hardwood, Finished Concrete)

Property Amenities: Concierge Services (Package Receiving); On-Site Management; Dog Park, Pet Stations; Recreation Areas (Bocce Ball, Fitness Center, Grill, Picnic Table, Outdoor Swimming Pool, Volleyball); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	88	0	650 - 721	\$1.30 - \$1.17	\$845	60%
1	1	L	12	0	1,231	\$0.69	\$845	60%
2	2	G	27	0	850 - 1,039	\$1.17 - \$0.95	\$992	60%
2	2	T	70	0	850 - 1,039	\$1.17 - \$0.95	\$992	60%

* Adaptive Reuse

23 Old Manchester Plaza 1.4 miles to site



Address: 1014 Hull St., Richmond, VA 23224
 Phone: (804) 325-3797 Contact: Dorothy (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 46 Year Built: 1910
 Vacant Units: 0 *AR Year: 2009
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3 (w/Elev)
 Waitlist: 47 households
 Rent Special:

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

Notes: Tax Credit; HCV (6 units)



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Ceramic Tile)

Property Amenities: Elevator; Laundry Room; On-Site Management

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	6	0	586 - 684	\$1.24 - \$1.06	\$725	50%
1	1	G	23	0	586 - 684	\$1.35 - \$1.15	\$790	60%
2	1 - 2	G	17	0	710 - 972	\$1.34 - \$0.98	\$950	60%

* Adaptive Reuse

24 Paper Company Apts. 2.4 miles to site



Address: 203 Hull St., Richmond, VA 23224
 Phone: (804) 233-8330 Contact: Joanna (In Person)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 84 Year Built: 2009 Ratings
 Vacant Units: 1 *AR Year: Quality: B+
 Occupancy: 98.8% Yr Renovated: Neighborhood: B
 Turnover: Stories: 4 (w/Elev) Access/Visibility: B/B
 Waitlist:
 Rent Special:

Notes: Does not accept HCV; Rent range due to floor plan & view



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Patio/Deck; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Window Treatments; Flooring (Hardwood, Finished Concrete)

Property Amenities: Elevator; Dog Park, Pet Stations; Gated Community

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	12	0	500 - 585	\$1.75 - \$1.72	\$875 - \$1,004	0%
1	1	G	50	1	628 - 865	\$1.44 - \$1.30	\$905 - \$1,125	0%
1	1.5	G	10	0	854 - 1,094	\$1.30 - \$1.41	\$1,107 - \$1,539	0%
2	2	G	12	0	852 - 1,188	\$1.64 - \$1.20	\$1,395 - \$1,431	0%

* Adaptive Reuse

25 Plant 1 2.1 miles to site



Address: 403 Stockton St., Richmond, VA 23224
 Phone: (804) 269-8899 Contact: Beth (In Person)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 134 Year Built: 1959 Ratings
 Vacant Units: 0 *AR Year: 2015 Quality: A
 Occupancy: 100.0% Yr Renovated: Neighborhood: B
 Turnover: Stories: 2 Access/Visibility: B/B+
 Waitlist: 2-3 months
 Rent Special:



Notes: Does not accept HCV; Rent range based on floor plan & location

Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Patio/Deck; Ceiling Fan; Controlled Access; W/D; Walk-In Closet; Window Treatments; Flooring (Ceramic Tile, Finished Concrete, Wood Laminate); Premium Appliances; Premium Countertops; Oversized Windows

Property Amenities: Bike Racks; Rooftop Lounge; Concierge Services (Package Receiving); Courtyard; On-Site Management; Dog Park; Recreation Areas (Fitness Center, Grill, Game Room-Billiards, Media Room, Picnic Table); CCTV

Parking Type: Surface Lot; Parking Garage

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	40	0	614 - 781	\$1.71 - \$1.86	\$1,050 - \$1,450	0%
2	2	G	80	0	969 - 1,081	\$1.34 - \$1.48	\$1,300 - \$1,600	0%
3	2	G	14	0	1,123	\$1.60	\$1,800	0%

* Adaptive Reuse

29 South Bank Apts. 2.2 miles to site



Address: 307 Stockton St., Richmond, VA 23224
 Phone: (804) 716-8222 Contact: Christina (In Person)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 150 Year Built: 2006
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2,3 (w/Elev)
 Waitlist:
 Rent Special: One months rent free

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

Notes: Does not accept HCV



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D; Window Treatments; Flooring (Hardwood, Finished Concrete, Wood Laminate)

Property Amenities: Bike Racks; Business Center (Computer, Copy, Fax); Clubhouse, Rooftop Lounge; Concierge Services (Package Receiving); Elevator; On-Site Management; Recreation Areas (Fitness Center, Game Room-Billiards); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	81	0	574 - 895	\$1.62 - \$1.34	\$930 - \$1,200	0%
2	1	G	39	0	650 - 950	\$1.77 - \$1.37	\$1,150 - \$1,300	0%
2	2	G	30	0	940 - 1,204	\$1.45 - \$1.30	\$1,360 - \$1,560	0%

* Adaptive Reuse

41 Village at Westlake 5.9 miles to site



Address: 1500 German School Rd., Richmond, VA 23225
 Phone: (804) 622-3245 Contact: Kaitlyn (In Person)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 252 Year Built: 2017
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: 3 households
 Rent Special:

Ratings
 Quality: A-
 Neighborhood: B+
 Access/Visibility: B/C+

Notes: Does not accept HCV



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Patio/Deck; Ceiling Fan; W/D; Window Treatments; Flooring (Carpet, Wood Laminate)

Property Amenities: Concierge Services (Package Receiving); On-Site Management; Dog Park, Pet Stations; Recreation Areas (Firepit, Fitness Center, Grill, Picnic Table, Playground, Outdoor Swimming Pool); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	72	0	813	\$1.23 - \$1.30	\$999 - \$1,054	0%
2	2	G	120	0	1,099	\$1.09 - \$1.14	\$1,199 - \$1,254	0%
3	2	G	60	0	1,390	\$1.01 - \$1.03	\$1,399 - \$1,429	0%

* Adaptive Reuse

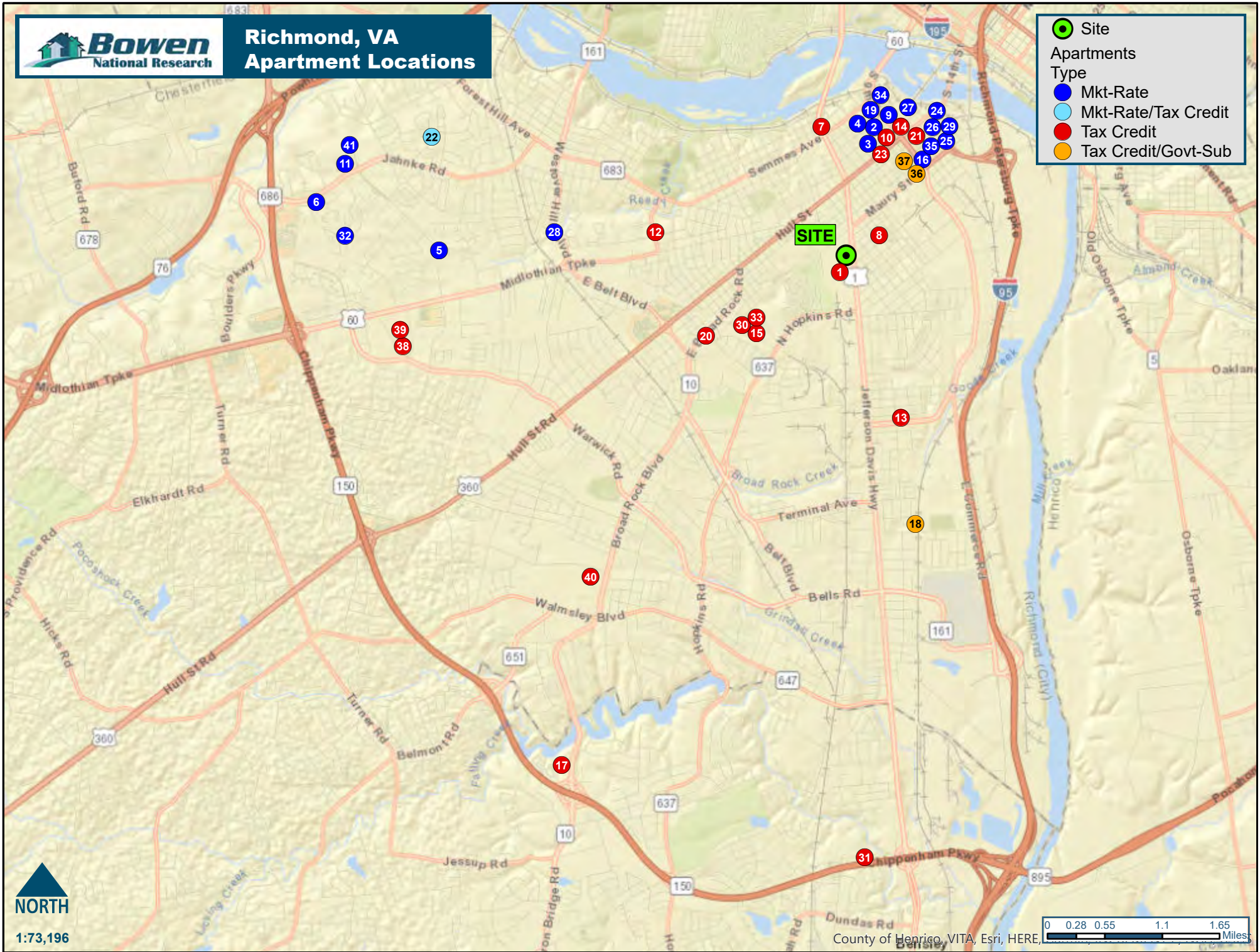
XII.

FIELD SURVEY OF CONVENTIONAL RENTALS



Richmond, VA Apartment Locations

- Site
- Apartment Type
- Mkt-Rate
- Mkt-Rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-Sub



NORTH

1:73,196

County of Henrico, VITA, Esri, HERE, 0 0.28 0.55 1.1 1.65 Miles

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
✓ 1	Port City I	TAX	B+	1922	131	0	100.0%	0.1
2	1001 Bainbridge	MRR	B+	2015	12	0	100.0%	1.5
3	12 & Bainbridge Apts.	MRR	B+	2014	21	0	100.0%	1.5
4	1200 Semmes Apts.	MRR	A-	2014	129	0	100.0%	1.7
5	Aden Park	MRR	B	1973	532	14	97.4%	4.8
6	Ashley Park	MRR	B	1989	272	0	100.0%	6.2
✓ 7	Belle Summit	TAX	B+	2013	50	0	100.0%	1.5
8	Chicago Manor Townhomes	TAX	B-	1978	74	0	100.0%	0.7
✓ 9	City View Lofts	MRR	B+	1916	218	4	98.2%	1.7
✓ 10	City View Place	TAX	B	2012	32	0	100.0%	1.5
11	Crossings at Bramblewood Estates	MRR	B	1976	338	8	97.6%	5.8
12	Dunston Manor	TAX	B-	1973	101	0	100.0%	2.9
13	Graystone Place Apts.	TAX	C+	1965	134	3	97.8%	1.5
✓ 14	Hatcher Tobacco Flats	TAX	B+	2015	152	0	100.0%	1.7
15	Holly Springs	TAX	C	1955	121	0	100.0%	1.4
✓ 16	Hopper Lofts	MRR	B	1927	139	2	98.6%	1.8
✓ 17	Ivy Walk I & II	TAX	B+	2004	248	10	96.0%	5.6
18	Lafayette Gardens	TGS	B-	1972	102	0	100.0%	2.4
19	Link Apts. Manchester	MRR	A	2015	187	0	100.0%	1.8
20	McGuire Park	TAX	B-	1942	80	0	100.0%	1.9
✓ 21	Miller Lofts at Plant Zero	TAX	B	2014	197	0	100.0%	2.0
22	Morningside Apt. Homes	MRT	B-	1964	393	13	96.7%	5.0
✓ 23	Old Manchester Plaza	TAX	B+	1910	46	0	100.0%	1.4
✓ 24	Paper Company Apts.	MRR	B+	2009	84	1	98.8%	2.4
✓ 25	Plant 1	MRR	A	1959	134	0	100.0%	2.1
26	Port RVA	MRR	A-	2015	102	0	100.0%	2.3
27	Rivers Edge at Manchester	MRR	A	2018	211	2	99.1%	2.5
28	Somerset Glen Apts.	MRR	B-	1968	522	45	91.4%	4.2
✓ 29	South Bank Apts.	MRR	B+	2006	150	0	100.0%	2.2
30	South Gate	TAX	B-	1965	111	0	100.0%	1.6
31	South Pointe Landing	TAX	C+	1979	192	9	95.3%	5.5
32	St. John's Wood Apts.	MRR	B	1975	777	156	79.9%	6.3
33	Swansboro	TAX	B-	1962	62	0	100.0%	1.4
34	Terraces at Manchester	MRR	A+	2015	148	1	99.3%	2.0
35	Textile Lofts at Plant Zero	MRR	B+	2015	12	0	100.0%	2.0
36	Townes at River South I	TGS	B	2001	100	0	100.0%	1.9

*Drive distance in miles






✓ Comparable Property	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
◆ Senior Restricted	(TAX) Tax Credit	(INR) Income Restricted (not LIHTC)
■ (MRR) Market-Rate	(TGS) Tax Credit & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
■ (MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	■ (GSS) Govt Subsidized
■ (MRG) Market-Rate & Govt Subsidized	(TMG) Tax Credit, Market-Rate & Govt Subsidized	■ (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
■ (MIN) Market-Rate & Income Restricted (not LIHTC)		

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
37	Townes at River South II	TGS	B	2004	62	0	100.0%	1.5
38	Townhomes at Warwick Place I	TAX	B+	2015	40	0	100.0%	4.7
39	Townhomes at Warwick Place II	TAX		2020	0	0		4.9
40	Tuscany Townhomes	TAX	B-	1974	132	0	100.0%	4.0
✓ 41	Village at Westlake	MRR	A-	2017	252	0	100.0%	5.9






*Drive distance in miles

✓	Comparable Property	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
◆	Senior Restricted	(TAX) Tax Credit	(INR) Income Restricted (not LIHTC)
■	(MRR) Market-Rate	(TGS) Tax Credit & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
■	(MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	(GSS) Govt Subsidized
■	(MRG) Market-Rate & Govt Subsidized	(TMG) Tax Credit, Market-Rate & Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
■	(MIN) Market-Rate & Income Restricted (not LIHTC)		





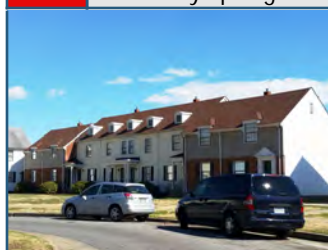


1	Port City I 800 Jefferson Davis Hwy., Richmond, VA 23224	Contact: Shanee (In Person) Phone: (844) 208-4273
	Total Units: 131 UC: 4 Occupancy: 100.0% Stories: 2,3 w/Elevator Year Built: 1922 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 13 households AR Year: 2019 Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (12 units); 4 additional units UC, unknown completion date	
2	1001 Bainbridge 1001 Bainbridge St., Richmond, VA 23224	Contact: Brandon (In Person) Phone: (804) 643-3098
	Total Units: 12 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2015 BR: 1 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV	
3	12 & Bainbridge Apts. 1125 Bainbridge, Richmond, VA 23224	Contact: Damien (In Person) Phone: (804) 649-0591
	Total Units: 21 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2014 BR: 0, 1, 2 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; 1st floor retail	
4	1200 Semmes Apts. 1200 Semmes Ave., Richmond, VA 23224	Contact: Christine (In Person) Phone: (804) 625-4248
	Total Units: 129 UC: 0 Occupancy: 100.0% Stories: 4,5 w/Elevator Year Built: 2014 BR: 0, 1, 2 Vacant Units: 0 Waitlist: 2 months AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rent range based on floor level	
5	Aden Park 435 German School Rd., Richmond, VA 23225	Contact: Nicky (In Person) Phone: (804) 231-6598
	Total Units: 532 UC: 0 Occupancy: 97.4% Stories: 2 Year Built: 1973 BR: 1, 2, 3 Vacant Units: 14 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rents change daily; Rent range based on unit renovation & upgrades	

Comparable Property	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
(MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	(GSS) Govt Subsidized
(MRG) Market-Rate & Govt Subsidized	(TMG) Tax Credit, Market-Rate & Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
(MIN) Market-Rate & Income Restricted (not LIHTC)		

<p>6</p>	<p>Ashley Park 6901 Marlow Rd., Richmond, VA 23225</p> 	<p>Contact: Nicole (In Person) Phone: (804) 272-4499</p> <p>Total Units: 272 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 1989 BR: 1, 2 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rents change daily</p>
<p>7</p>	<p>Belle Summit 600 Cowardin Ave., Richmond, VA 23224</p> 	<p>Contact: Tracy (In Person) Phone: (804) 231-7068</p> <p>Total Units: 50 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2013 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 12 households AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (8 units)</p>
<p>8</p>	<p>Chicago Manor Townhomes 1822 Chicago Ave., Richmond, VA 23224</p> 	<p>Contact: Rebecca (In Person) Phone: (804) 233-3730</p> <p>Total Units: 74 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1978 BR: 2 Vacant Units: 0 Waitlist: 11 households AR Year: Target Population: Family Yr Renovated: 1998 Rent Special: Notes: Tax Credit; HCV (6 units)</p>
<p>9</p>	<p>City View Lofts 611 Bainbridge St., Richmond, VA 23224</p> 	<p>Contact: April (In Person) Phone: (804) 525-5667</p> <p>Total Units: 218 UC: 0 Occupancy: 98.2% Stories: 1,2 Year Built: 1916 BR: 1, 2 Vacant Units: 4 Waitlist: AR Year: 2016 Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rents change daily; 1st units opened 2/2016, began preleasing 9/2015, add'l 178 units opened 12/2016</p>
<p>10</p>	<p>City View Place 1000 Bainbridge St., Richmond, VA 23224</p> 	<p>Contact: Ashley (In Person) Phone: (804) 303-5984</p> <p>Total Units: 32 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 2012 BR: 2, 3 Vacant Units: 0 Waitlist: 52 households AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (11 units)</p>


✔ Comparable Property
◆ Senior Restricted
■ (MRR) Market-Rate
■ (MRT) Market-Rate & Tax Credit
■ (MRG) Market-Rate & Govt Subsidized
■ (MIN) Market-Rate & Income Restricted (not LIHTC)
■ (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized
■ (TAX) Tax Credit
■ (TGS) Tax Credit & Govt Subsidized
■ (TIN) Tax Credit & Income Restricted (not LIHTC)
■ (TMG) Tax Credit, Market-Rate & Govt Subsidized
■ (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
■ (INR) Income Restricted (not LIHTC)
■ (ING) Income Restricted (not LIHTC) & Govt Subsidized
■ (GSS) Govt Subsidized
■ (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted

11	Crossings at Bramblewood Estates 1401 Yellowpine Cir., Richmond, VA 23225	Contact: Kimberly (In Person) Phone: (804) 320-2441
	Total Units: 338 UC: 0 Occupancy: 97.6% Stories: 2 Year Built: 1976 BR: 1, 2, 3 Vacant Units: 8 Waitlist: Target Population: Family AR Year: Rent Special: Yr Renovated: Notes: Does not accept HCV; Rents change daily	
12	Dunston Manor 205 W. Roanoke St., Richmond, VA 23224	Contact: Annette (In Person) Phone: (804) 233-5331
	Total Units: 101 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1973 BR: 1, 2 Vacant Units: 0 Waitlist: 4 households AR Year: Target Population: Family Yr Renovated: 1995 Rent Special: Notes: Tax Credit; HCV (10 units)	
13	Graystone Place Apts. 2394 Afton Ave., Richmond, VA 23224	Contact: Navara (In Person) Phone: (804) 658-1885
	Total Units: 134 UC: 0 Occupancy: 97.8% Stories: 2 Year Built: 1965 BR: 1, 2 Vacant Units: 3 Waitlist: 1-br: 2-3 months AR Year: Target Population: Family Yr Renovated: 2001 Rent Special: Notes: Tax Credit; HCV (5 units); Higher rent on 2-br have a fenced yard (7 units)	
14	Hatcher Tobacco Flats 151 W. Commerce Rd., Richmond, VA 23224	Contact: Patricia (In Person) Phone: (804) 977-0758
	Total Units: 153 UC: 0 Occupancy: 100.0% Stories: 4,5 w/Elevator Year Built: 2015 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 200 households AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (14 units)	
15	Holly Springs 801 Holly Springs Ave., Richmond, VA 23224	Contact: Char (In Person) Phone: (804) 230-4004
	Total Units: 121 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1955 BR: 2 Vacant Units: 0 Waitlist: 16 households AR Year: Target Population: Family Yr Renovated: 2002 Rent Special: Notes: Tax Credit; Accepts HCV; Part of Village South	





✓ Comparable Property	◆ Senior Restricted	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
■ (MRR) Market-Rate	(TAX) Tax Credit	(INR) Income Restricted (not LIHTC)	(ING) Income Restricted (not LIHTC) & Govt Subsidized
■ (MRT) Market-Rate & Tax Credit	(TGS) Tax Credit & Govt Subsidized	(GSS) Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
■ (MRG) Market-Rate & Govt Subsidized	(TIN) Tax Credit & Income Restricted (not LIHTC)		
■ (MIN) Market-Rate & Income Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Govt Subsidized		





16	Hopper Lofts 700 Everett St., Richmond, VA 23224	Contact: Kate Phone: (804) 230-5999	(In Person)
		Total Units: 139 UC: 0 BR: 1, 2 Occupancy: 98.6% Vacant Units: 2 Stories: 2,4 w/Elevator Year Built: 1927 AR Year: 2012 Target Population: Family Rent Special: Notes: Does not accept HCV	Yr Renovated:



17	Ivy Walk I & II 4800 Burnt Oak Cir., Chesterfield, VA 23224	Contact: Drew Phone: (804) 714-0027	(In Person)
		Total Units: 248 UC: 0 BR: 2, 3 Occupancy: 96.0% Vacant Units: 10 Stories: 4 Year Built: 2004 AR Year: Target Population: Family Rent Special: Notes: Tax Credit; Accepts HCV	Yr Renovated:


18	Lafayette Gardens 2219 Ruffin Rd., Richmond, VA 23234	Contact: Willie Phone: (804) 233-6182	(In Person)
		Total Units: 102 UC: 0 BR: 1, 2, 3 Occupancy: 100.0% Vacant Units: 0 Stories: 2 Year Built: 1972 AR Year: Target Population: Family Rent Special: Notes: Tax Credit; HUD Section 236 (11 units, no RA); HUD Section 8 (91 units); HCV (1 unit)	Yr Renovated: 2005

19	Link Apts. Manchester 901 McDonough St., Richmond, VA 23224	Contact: Shelia Phone: (804) 708-3873	(In Person)
		Total Units: 187 UC: 0 BR: 1, 2 Occupancy: 100.0% Vacant Units: 0 Stories: 5 Year Built: 2015 AR Year: Target Population: Family Rent Special: Notes: Does not accept HCV	Yr Renovated:


20	McGuire Park 3811 McGuire Dr., Richmond, VA 23224	Contact: Katherine Phone: (804) 232-7275	(In Person)
		Total Units: 80 UC: 0 BR: 1, 2 Occupancy: 100.0% Vacant Units: 0 Stories: 2 Year Built: 1942 AR Year: Target Population: Family Rent Special: Notes: Tax Credit; HCV (14 units)	Yr Renovated: 2004

Comparable Property	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
(MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	(GSS) Govt Subsidized
(MRG) Market-Rate & Govt Subsidized	(TMG) Tax Credit, Market-Rate & Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
(MIN) Market-Rate & Income Restricted (not LIHTC)		




21	Miller Lofts at Plant Zero 500 Stockton St., Richmond, VA 23224	Contact: Julia (In Person) Phone: (804) 205-1273
		
Total Units: 197 UC: 0 Occupancy: 100.0% Stories: 1,2,3 Year Built: 2014 BR: 1, 2 Vacant Units: 0 Waitlist: 10 households AR Year: Target Population: Family, Artist Yr Renovated: Rent Special: Notes: Tax Credit; Accepts HCV (0 currently)		





22	Morningside Apt. Homes 1414 Newell Rd., Richmond, VA 23225	Contact: Lateea (In Person) Phone: (804) 327-9151
		
Total Units: 393 UC: 0 Occupancy: 96.7% Stories: 1, 2 Year Built: 1964 BR: 2, 3 Vacant Units: 13 Waitlist: AR Year: Target Population: Family Yr Renovated: 1999 Rent Special: Notes: Market-Rate (142 units); Tax Credit (251 units); Accepts HCV		







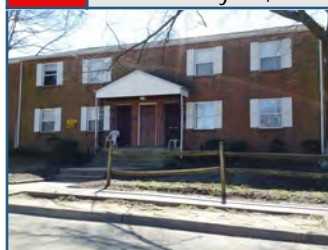
23	Old Manchester Plaza 1014 Hull St., Richmond, VA 23224	Contact: Dorothy (In Person) Phone: (804) 325-3797
		
Total Units: 46 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 1910 BR: 1, 2 Vacant Units: 0 Waitlist: 47 households AR Year: 2009 Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (6 units)		



24	Paper Company Apts. 203 Hull St., Richmond, VA 23224	Contact: Joanna (In Person) Phone: (804) 233-8330
		
Total Units: 84 UC: 0 Occupancy: 98.8% Stories: 4 w/Elevator Year Built: 2009 BR: 0, 1, 2 Vacant Units: 1 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rent range due to floor plan & view		






25	Plant 1 403 Stockton St., Richmond, VA 23224	Contact: Beth (In Person) Phone: (804) 269-8899
		
Total Units: 134 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1959 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 2-3 months AR Year: 2015 Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rent range based on floor plan & location		

















Comparable Property	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
(MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	(GSS) Govt Subsidized
(MRG) Market-Rate & Govt Subsidized	(TMG) Tax Credit, Market-Rate & Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
(MIN) Market-Rate & Income Restricted (not LIHTC)		






26	Port RVA 500 Hull St., Richmond, VA 23224	Contact: Joanna (In Person) Phone: (804) 233-8330
	Total Units: 102 UC: 0 Occupancy: 100.0% Stories: 4 Year Built: 2015 BR: 0, 1, 2 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV	
27	Rivers Edge at Manchester 500 Porter St., Richmond, VA 23224	Contact: Maria (In Person) Phone: (804) 489-8333
	Total Units: 211 UC: 0 Occupancy: 99.1% Stories: 10 w/Elevator Year Built: 2018 BR: 1, 2 Vacant Units: 2 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rent range due to location & view	
28	Somerset Glen Apts. 406 Westover Hills Blvd., Richmond, VA 23225	Contact: Esquawie (In Person) Phone: (804) 233-3007
	Total Units: 522 UC: 0 Occupancy: 91.4% Stories: 2.5 Year Built: 1968 BR: 0, 1, 2 Vacant Units: 45 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: One month rent-free Notes: Does not accept HCV	
29	South Bank Apts. 307 Stockton St., Richmond, VA 23224	Contact: Christina (In Person) Phone: (804) 716-8222
	Total Units: 150 UC: 0 Occupancy: 100.0% Stories: 2,3 w/Elevator Year Built: 2006 BR: 1, 2 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: One months rent free Notes: Does not accept HCV	
30	South Gate 3450 Maury St., Richmond, VA 23224	Contact: Char (In Person) Phone: (804) 230-4004
	Total Units: 111 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1965 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 4 households AR Year: Target Population: Family Yr Renovated: 2005 Rent Special: Notes: Tax Credit; Accepts HCV	



















<ul style="list-style-type: none"> ✔ Comparable Property ◆ Senior Restricted ■ (MRR) Market-Rate ■ (MRT) Market-Rate & Tax Credit ■ (MRG) Market-Rate & Govt Subsidized ■ (MIN) Market-Rate & Income Restricted (not LIHTC) 	<ul style="list-style-type: none"> ■ (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized ■ (TAX) Tax Credit ■ (TGS) Tax Credit & Govt Subsidized ■ (TIN) Tax Credit & Income Restricted (not LIHTC) ■ (TMG) Tax Credit, Market-Rate & Govt Subsidized 	<ul style="list-style-type: none"> ■ (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized ■ (INR) Income Restricted (not LIHTC) ■ (ING) Income Restricted (not LIHTC) & Govt Subsidized ■ (GSS) Govt Subsidized ■ (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
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31	South Pointe Landing 6110 Cricklewood Dr., Richmond, VA 23234	Contact: Alexis (In Person) Phone: (804) 271-6324
	Total Units: 192 UC: 0 Occupancy: 95.3% Stories: 2 Year Built: 1979 BR: 2, 3 Vacant Units: 9 Waitlist: AR Year: Target Population: Family Yr Renovated: 2000 Rent Special: Notes: Tax Credit; Accepts HCV	
32	St. John's Wood Apts. 901 St. John's Wood Dr., Richmond, VA 23225	Contact: Ashley (In Person) Phone: (804) 320-1614
	Total Units: 777 UC: 0 Occupancy: 79.9% Stories: 1,2 Year Built: 1975 BR: 1, 2, 3 Vacant Units: 156 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Vacancies attributed to ongoing renovations	
33	Swansboro 801 Holly Springs Ave., Richmond, VA 23224	Contact: Char (In Person) Phone: (804) 230-4004
	Total Units: 62 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1962 BR: 2 Vacant Units: 0 Waitlist: 2 households AR Year: Target Population: Family Yr Renovated: 2006 Rent Special: Notes: Tax Credit; Accepts HCV	
34	Terraces at Manchester 800 Semmes Ave., Richmond, VA 23224	Contact: Amy (In Person) Phone: (804) 601-6008
	Total Units: 148 UC: 0 Occupancy: 99.3% Stories: 10 w/Elevator Year Built: 2015 BR: 1, 2 Vacant Units: 1 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV	
35	Textile Lofts at Plant Zero 601 Stockton St., Richmond, VA 23224	Contact: Julia (In Person) Phone: (866) 323-5541
	Total Units: 12 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 2015 BR: 1, 2 Vacant Units: 0 Waitlist: 10 households AR Year: Target Population: Family, Artist Yr Renovated: Rent Special: Notes: Accepts HCV (0 currently)	

 Comparable Property	 (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	 (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Govt Subsidized	 (ING) Income Restricted (not LIHTC) & Govt Subsidized
 (MRT) Market-Rate & Tax Credit	 (TIN) Tax Credit & Income Restricted (not LIHTC)	 (GSS) Govt Subsidized
 (MRG) Market-Rate & Govt Subsidized	 (TMG) Tax Credit, Market-Rate & Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
 (MIN) Market-Rate & Income Restricted (not LIHTC)		

36	Townes at River South I 214 E. 9th St., Richmond, VA 23224	Contact: Jasmine (In Person) Phone: (804) 232-1800
	Total Units: 100 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2001 BR: 2, 3, 4 Vacant Units: 0 Waitlist: 6-12 months AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit (50 units); Public Housing (50 units); Accepts HCV; HOPE VI	
37	Townes at River South II 214 E. 9th St., Richmond, VA 23224	Contact: Jasmine (In Person) Phone: (804) 232-1800
	Total Units: 62 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2004 BR: 2, 3, 4 Vacant Units: 0 Waitlist: 6-12 months AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; Public Housing; Accepts HCV; HOPE VI	
38	Townhomes at Warwick Place I 6220 Old Warwick Rd., Richmond, VA 23234	Contact: George (In Person) Phone: (804) 234-3991
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2015 BR: 3 Vacant Units: 0 Waitlist: 60 households AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (12 units)	
39	Townhomes at Warwick Place II 6278 Old Warwick Rd., Richmond, VA 23224	Contact: George (In Person) Phone:
	Total Units: 0 UC: 30 Occupancy: Vacant Units: 0 Stories: 2 Year Built: 2020 BR: 3 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit	
40	Tuscany Townhomes 3224 Snead Ct., Richmond, VA 23224	Contact: Melody (In Person) Phone: (804) 232-5023
	Total Units: 132 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1974 BR: 2 Vacant Units: 0 Waitlist: 5 households AR Year: Target Population: Family Yr Renovated: 2013 Rent Special: Notes: Tax Credit; Accepts HCV	

 Comparable Property	 (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	 (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Govt Subsidized	 (ING) Income Restricted (not LIHTC) & Govt Subsidized
 (MRT) Market-Rate & Tax Credit	 (TIN) Tax Credit & Income Restricted (not LIHTC)	 (GSS) Govt Subsidized
 (MRG) Market-Rate & Govt Subsidized	 (TMG) Tax Credit, Market-Rate & Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
 (MIN) Market-Rate & Income Restricted (not LIHTC)		



41	Village at Westlake 1500 German School Rd., Richmond, VA 23225	Contact: Kaitlyn (In Person) Phone: (804) 622-3245
	Total Units: 252 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2017 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 3 households AR Year:	Target Population: Family Yr Renovated:
	Rent Special:	
	Notes: Does not accept HCV	

Comparable Property	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
(MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	(GSS) Govt Subsidized
(MRG) Market-Rate & Govt Subsidized	(TMG) Tax Credit, Market-Rate & Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
(MIN) Market-Rate & Income Restricted (not LIHTC)		

Source: Richmond Redevelopment and Housing Authority
 Effective: 01/2019

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	34	37	40	43	47			44	48	51	55	
	+Base Charge												
	Bottled Gas												
	Electric	14	16	21	24	27		23	27	31	36		
	Heat Pump												
Cooking	Oil												
	Natural Gas	3	5	6	8	9		3	5	6	8		
	Bottled Gas												
	Electric	5	5	8	10	13		5	8	10	13		
Other Electric	31	35	46	58	69		41	57	73	89			
+Base Charge													
Air Conditioning													
Water Heating	Natural Gas	7	8	11	15	18		10	14	18	23		
	Bottled Gas												
	Electric	11	13	17	20	24		16	21	25	29		
	Oil												
Water	21	23	35	54	73		23	35	54	73			
Sewer	34	37	52	75	99		37	52	75	99			
Trash Collection	19	19	19	19	19		19	19	19	19			
Internet*		20	20	20	20	20		20	20	20	20		
Cable*		20	20	20	20	20		20	20	20	20		
Alarm Monitoring*													

* Estimated- not from source

XIII. Qualifications

The Company

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

Company Leadership

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

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

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

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

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

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

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

Ron Pompey, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

Nathan Stelts, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

Research Staff

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

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

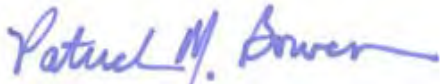
Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing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

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

Addendum A – Member Certification & Checklist

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

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

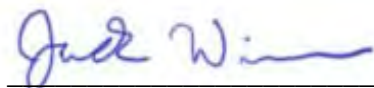


Patrick M. Bowen

President

patrickb@bowennational.com

Date: July 15, 2019



Jack Wiseman

Market Analyst

jackw@bowennational.com

Date: July 15, 2019

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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

Addendum B - Tax Credit Property Disclosure

We identified 16 existing Tax Credit projects within the Site PMA that have received an allocation, but that we were unable to survey in person or via telephone. In total, we estimate these 16 projects contain a total of 1,714 Tax Credit units, 422 of which are believed to be non-subsidized. These 422 non-subsidized Tax Credit units we were unable to survey in the market have been considered in our demand analysis. Detailed information regarding the 16 Tax Credit projects we were unable to survey in the market are summarized as follows:

Project Name	Address	Year Built/Rehab	Total Units (TC)	Target Population
Belt Atlantic	4000 Midlothian Trpk.	1973/2018	214	Family (Subsidy)
Blue Ridge Estates	6507 Sugar Maple Dr.	1983/2007	182	Family (Subsidy)
Charnwood Forest	4525 Crutchfield St.	1981/2002	100	Senior (Subsidy)
Chippenham Place	5833 Orcutt Ln.	1980/2008	144	Family (Subsidy)
Forest Creek Senior Apts.	3501 Forest Haven Dr.	2002	94	Senior
Forestbrooke (Family & Senior)	5600 Charlevoix Ct.	1981/2000	158	Senior (Subsidy)
Foxwood Apts.	5600 Charlevoix Ct.	1980/2002	62	Family (Subsidy)
Imani Mews	1420 Hull St.	2005	68	Family
Maury Park	1411 Bainbridge St.	2003	45	Senior
New Manchester Flats IV	715 E. 4th St.	2010	44	Family
Norcroft Townhomes	401 Norcroft Cir.	1997	109	Senior
Renaissance Senior	1021 German School Rd.	1978/2006	240	Senior (Subsidy)
Studios I	5409 Hull Street Rd.	2011	21	Homeless (Subsidy)
Studios II	5409 Hull Street Rd.	1972/1997	39	Homeless (Subsidy)
Village South Townhomes	801 Holly Spring Ave.	2002 (Allocation)	62	Family
Woodland Crossing	3457 Walmsley Blvd.	1979/2016	132	Family (Subsidy)

TC – Tax Credit