

# Market Feasibility Analysis

# **Eagle Landing Apartments**

Suffolk, Virginia

Prepared for:

The Communities Group

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# **EXECUTIVE SUMMARY**

The Communities Group has retained Real Property Research Group, Inc. (RPRG) to conduct a market assessment to evaluate the redevelopment of two adjacent multifamily communities, currently Cypress Manor Apartments and Parker Riddick Apartments, in Suffolk, Virginia. Both garden communities, Cypress Manor Apartments was placed in service in 1978 and totals 113-units, while Parker Riddick Apartments was placed in service in 1981 and totals 93 units. Following renovations and construction, all proposed units will be LIHTC units serving households earning up to 60 percent AMI including project-based subsidies. The Communities Group is seeking four percent tax credits to rehabilitate the Cypress Manor Apartments and to demolish the existing Parker Riddick Apartments to construct 93 new rental units.

The subject property will offer one-bedroom, two-bedroom and three-bedroom units, a breakdown of which includes:

Unit Mix/Rents										
AMI Level*	Unit Type	Bed	Bath	Quantity	Published Sq Foot	Net Rent	Rent/ Sq. Foot	Utilty Allowance	Gross Rent	
Eagle Landing										
50%	TH	2	1	25	780	\$742	\$0.95	\$150	\$892	
60%	ТН	2	1	15	780	\$921	\$1.18	\$150	\$1,071	
50%	ТН	2	1	20	780	\$742	\$0.95	\$150	\$892	
60%	ТН	2	1	9	780	\$921	\$1.18	\$150	\$1,071	
60%	Flat/UFAS	2	1	6	942	\$921	\$0.98	\$150	\$1,071	
50%	TH	3	1	22	863	\$857	\$0.99	\$174	\$1,031	
60%	TH	3	1	3	863	\$1,063	\$1.23	\$174	\$1,237	
50%	ТН	3	1.5	1	1,105	\$857	\$0.78	\$174	\$1,031	
60%	TH	3	2	6	1,105	\$1,063	\$0.96	\$174	\$1,237	
60%	Flat	3	2	6	982	\$1,063	\$1.08	\$174	\$1,237	
Subtotal				113	838	\$856	\$1.02	\$158	\$1,014	
			Wh	ite Marsh	Pointe at Ea	gle Land	ing			
50%^	TH	1	1	11	724	\$598	\$0.83	\$146	\$744	
60%	TH	1	1	6	724	\$747	\$1.03	\$146	\$893	
50%	TH	2	2	34	970	\$698	\$0.72	\$194	\$892	
60%^	TH	2	2	22	970	\$698	\$0.72	\$194	\$892	
50%	TH	3	2	12	1,109	\$793	\$0.72	\$238	\$1,031	
60%^	ТН	3	2	8	1,109	\$999	\$0.90	\$238	\$1,237	
Subtotal				93	955	\$727	\$0.76	\$195	\$922	
	Total 206									
Rents include: Trash (*) All units will have Project Based Vouchers										

Rents include: Trash Source: The Communities Group (\*) All units will have Project Based Vouchers (^) UFAS units (One 1BR, Two 2BR, Two 3BR)

Based on our research, including a site visit on August 16, 2019, we have arrived at the following findings:

**Site Analysis:** Eagle Landing Apartments is in an appropriate location for a general occupancy, affordable rental community, with convenient access to services and amenities, employment nodes and public bus transportation.

• The subject community is located at the terminus of Davis Boulevard in the southeast portion of the City of Suffolk, Virginia. The surrounding land uses include another older, brick garden apartment community and older single family homes.



- The subject community offers convenient access to public bus transportation. The Lake Kennedy Drive bus stop (Orange Line) is within a short walk of the community, providing access throughout the city. Suffolk Transit offers two connections to the Hampton Roads Transit bus routes allowing passengers to access transportation into the city of Suffolk as well as Chesapeake, Norfolk, Hampton, Portsmouth, Newport News and Virginia Beach.
- Residents of Eagle Landing Apartments can walk to local retail, East Suffolk Rec Center, Great Dismal Swamp. Additional services and amenities are within convenient driving distance.
- The subject site has been established as a successful location for an affordable rental community. The Suffolk Redevelopment and Housing Authority's waitlist consists of 179 households.

**Economic Analysis:** Suffolk has a strong economy with very low unemployment rates and ongoing job expansions.

- Suffolk's most recent annual average unemployment rate of 3.2 percent is higher than the statewide average of 3.0 percent, but lower than the national average of 3.9 percent. The number of unemployed workers has declined by 1,753 workers or 44.7 percent since 2010.
- From 2011 to 2018, Suffolk had net annual job gain each year, with an overall net gain of nearly 6,900 jobs, or net job gain of 28 percent over the eight-year period.
- Trade-Trans-Utilities sector represents nearly a quarter of all jobs in the city, much higher than the national proportion of 18.7 percent. Government sector accounts for 20.3 percent of all jobs in Suffolk compared to the national average of 14.8 percent.
- Major employers in Suffolk include the Suffolk Public Schools, Navy information Dominance Forces, Sentara Health System, J7 Joint Staff, and City of Suffolk.

**Population and Household Trends:** The Eagle Landing Market Area had a robust population and household growth between 2000 and 2010. Esri projects slower household growth in the market area over the next five years, in line with household growth rates for Eagle Landing Apartments as a whole.

- The market area added 9,553 people (21.3 percent growth) and 3,338 households (20 percent growth) from the 2000 to 2010 census counts. During the same period, South Hampton Roads population grew by 5.9 percent and its household base grew by 7.3 percent.
- Growth rates in the Eagle Landing Market Area slowed relative to the previous decade, but remained steady, with annual net growth of 1.1 percent for population and 1.0 percent for households between 2010 and 2019.
- The market area is projected to reach 64,163 people and 23,408 households by 2024. Annual increases in the market area from 2019 to 2024 are projected at 1.3 percent for population (4,145 people) and 1.3 percent for households (1,472 households). South Hampton Roads also is projected to increase in population and households at an annual rate of 0.6 percent over the same period.

### **Demographic Characteristics:**

The demographics of the Eagle Landing Market Area reflect its high-density suburban location with small household sizes, high renter percentage, and mixed income profile.

- The median age of the population in the market area is 38 years old compared to 35 years in South Hampton Roads. Thirty-six percent of the population in the market area is adults age 35 to 61, in line with the countywide proportion of 33.7 percent.
- The most common household type in the market area as of 2010 is married without children at 27.5 percent of all households compared to 25.3 percent of households within the region.



- The Eagle Landing Market Area's renter percentage decreased from 32.6 percent in 2000 to 30.8 percent. In the last nine years, the renter percentage increased to 35.5 percent, as most new growth was attributed to renter households. The market area's renter household base is projected to increase to 36.0 percent through 2024, two percent lower than the region's proportion of 38.3 percent.
- Over half (56 percent) of renter households in the Eagle Landing Market Area had one or two people including 30.2 percent with one person. Three and four-person households comprised 31 percent of renter households in the Eagle Landing Market Area and 12.7 percent had five or more people.
- The Eagle Landing Market Area's estimated 2019 median income of \$63,692 is \$5,574 or 8.0 percent less than the \$69,266 median income in South Hampton Roads.
- The median income by tenure in the Eagle Landing Market Area as of 2019 was \$33,205 among renters compared to \$82,015 among owner households. Fifty-one percent of renter households earn less than \$35,000, and 29.3 percent earn between \$35,000 and \$74,999.

**Competitive Analysis:** The multifamily rental communities in the Eagle Landing Market Area are performing well with low stabilized vacancy rates.

- The surveyed communities are performing well with a stabilized vacancy rate of 1.5 percent among 1,296 surveyed units at 17 communities. The stabilized vacancy among Upper Tier properties is 2.0 percent. The Lower Tier aggregate vacancy rate is 1.1 percent, and the LIHTC vacancy rate is 0.5 percent. The subject communities are preparing for the planned renovations and redevelopment and has ceased back filling vacant units. The waitlist for both communities has been closed. The Suffolk Redevelopment and Housing Authority's overall waitlist consists of 179 households.
- The average year built of 2010 among Upper Tier properties and 1969 among Lower Tier properties. The subject communities were placed in service in 1978 and 1981 and are among the oldest properties in the market.
- The only property to open since 2015 in this market is Meridian Obici, a 224 unit mid-rise community. Since opening in August 2016, Meridian Obici is leasing up at an average pace of less than fifteen units per month.
- Average effective rents among Lower Tier communities are:
  - One-bedroom rents at \$688 for 578 square feet or \$1.19 per square foot. One-bedroom LIHTC units at 60 percent AMI are \$760.
  - Two-bedroom rents at \$790 for 847 square feet or \$0.93 per square foot. Two-bedroom LIHTC rents at 60 percent AMI range from \$885 to \$890.
  - Three-bedroom rents at \$942 for 1,069 square feet or \$0.88 per square foot. Threebedroom LIHTC rents at 60 percent AMI are \$1,020.
- RPRG identified one 55+ age restricted community that are reasonably likely to deliver in the next three years, for a short-term pipeline of 51 units. There are no known communities to report in the long-term pipeline.
- RPRG derived a market rent of \$911 for one bedroom units, \$1,021 for two bedroom units and \$1,157 for three bedroom units.

Based on these findings, we have arrived at the following conclusions:

• **Demand for Subject Units:** Accounting for household trends, necessary unit replacement, and a stabilized structural vacancy rate of 5.0 percent, RPRG projects an excess demand of 403 rental units over the next 36 months.



- Affordability and Penetration: Assuming a 35 percent rent burden, the 206 unit at Eagle Landing Apartments would need to capture 4.2 percent of income-qualified renter households. Under the scenario if the subsidies were no longer available, all 206 units would need to capture 14.4 percent of all income-qualified renter households to be fully leased as of 2021. While a lack of subsidies would elevate the capture rates necessary to lease these units, it is not anticipated that Eagle Landing Apartments would lose their Project Based Vouchers. The overall renter penetration rate is 11.0 percent for all income-restricted and subsidized units. RPRG considers these capture and penetration rates to be readily achievable, with the inventory of affordable units addressing less than one-fifth of the income qualified renters in the market.
- Unit Distribution: Phase I's unit mix will consist of 75 two-bedroom units (66.4 percent) and 38 three-bedroom units (33.7 percent). Phase II's unit mix will consist of 17 one-bedroom units (18.2 percent), 56 two-bedroom units (60.2 percent) and 20 three-bedroom units (21.6 percent). The average unit distribution of Lower Tier communities in the market area is a similar 13.6 percent for one-bedroom units, 66.5 percent for two-bedroom units and 17.5 percent for three-bedroom units. The subject's unit mix is reasonable and will serve small households to medium sized households. The predominance of two-bedroom units allows the subject to serve couples and small families. The three-bedroom units will address somewhat larger families. The one-bedroom units will attract singles. This unit mix has proven to be marketable as Phase I and II have historically maintained full occupancy and only have vacancies in preparation for renovations or construction. The waiting list has since been closed.
- Unit Size: The average unit sizes at Eagle Landing Apartments are 812 square feet for twobedroom units and 926 square feet for three-bedroom units. These are among the smallest units in the market and are below the average Lower Tier unit sizes of 847 square feet for two-bedroom units and 1,069 square feet for three-bedroom units. The small units are a result of the age of the property (placed in service in 1978). However, the small sizes are reasonable given that the subject provides an affordable housing option at the low end of the rent range. Furthermore, the unit sizes are similar to those of the most competitive, affordable product in the market, and the property will maintain full occupancy after renovations in part to long waiting lists despite the small sizes.
- Unit Features: Both Phases I and II will have central air conditioning and dishwashers. As part of the rehabilitation and construction, new luxury vinyl tile will be installed. All units will have new appliances including refrigerators/freezers, dishwashers and ranges. In addition, new cabinets, wiring, countertops and plumbing fixtures will be installed. This will increase the marketability of the community and will place it at an advantage with respect to the other older Lower Tier properties in the marketa.
- **Community Amenities**: The subject community has a laundry room, basketball court and open area. As part of the renovations and construction, a community room and playground will be added in addition to updating the laundry facility. This amenity package is appropriate for an affordable rental community and will be competitive in the market. This amenity package is appropriate for an affordable rental community and will be competitive in the market.
- **Price Position:** The subject's pricing is appropriate and very competitive. Among each bedroom size:
  - One-bedroom units The subject's units are the largest in the market amongst the tax credit communities. The pricing is at the lower end of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.



- Two-bedroom units –The subject's units are among the smallest in the market. The pricing is in the middle of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.
- Three-bedroom units The positioning is the same as that of the two-bedroom units. The subject's units are among the smallest in the market. The pricing is in the middle of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.

**Absorption Estimate:** The only property to open since 2015 in this market is Meridian Obici, a 224unit mid-rise community. Since opening in August 2016, Meridian Obici is leasing up at an average pace of less than fifteen units per month. We do not believe this pace is representative of typical market conditions, given the unique product type and its pricing well above the top of the market.

Phase I is an existing, occupied property, and the rehabilitation will not result in any permanent displacement of existing residents. Given that the Suffolk Housing Authority current waiting list is 179 households, and the renovation will increase the marketability of the subject, we expect a very short absorption period. The subject is expected to retain 70 percent of its tenants after the renovations are complete.

Phase II is a new construction replacing the Parker Riddick Apartments. Half of the current residents are expected to be retained after the completion of the property. As the project will be converted from public housing under the Section 18 program, Tenant Protection Vouchers (TPVs) will be issued to eligible tenants to protect them from a loss of rental assistance, which would result in an increase in their housing costs. Upon completion of Phase II, residents will be given first option to return. Given that the Suffolk Housing Authority current waiting list is 179 households, and the new construction will increase the marketability of the subject, we also expect a very short absorption period for this phase regardless of whether existing tenants with TPV's return. Given that the new Phase II will have rental subsidies, they will be absorbed as fast as the can be leased up administratively.

It is reasonable to assume Phase I and II will be fully occupied within 4 months, or 31 units per month.

**Impact on Existing Market:** RPRG does not anticipate that the subject will have an adverse impact on the existing rental market as the subject is an existing and fully occupied subsidized community. The market area tax credit inventory has an aggregate vacancy rate of 0.5 percent, and all subsidized communities in the market area operate with lengthy wait lists. We expect the subject community to operate at or near full occupancy with a waitlist upon completion of the renovation and construction project, assuming subsidies remain in place.

Additionally, the subject's capture rate is readily achievable, the penetration rate is well within acceptable range, and a gross analysis of supply and demand indicates an excess of demand that could support additional rental units beyond the subject and other planned units.



# INTRODUCTION

# A. Overview of Subject

The subject is a proposed rehabilitation and new construction of adjoining multifamily rental communities located at the terminus of Davis Road in the city of Suffolk, Virginia. The proposed rental community will include a total of 206 rental units, all of which will be income-restricted to households earning up to 60 percent AMI. Table 1 presents the applicable income and rent limits for the Virginia Beach-Norfolk-Newport News, VA-NC MSA in which the subject is located. All existing units in the community are currently subsidized through public housing funds, which will continue upon completion with Project Based Vouchers from Suffolk Redevelopment and Housing Authority.

The project will be developed in two phases, but constructed simultaneously. Phase I (Eagle Landing Apartments) will be the renovation of 113 units contained in 17 garden style buildings. The existing occupied community was placed in service in 1978. Six two-bedroom units will be modified from townhouse units to flats to accommodate UFAS requirements. The overall number of two-bedroom and three-bedroom units will not change. Phase II (White Marsh Pointe at Eagles Landing) is the proposed demolition and new construction of 93 units contained in 5 three-story garden style buildings and a community building. Five units (1 one-bedroom unit, 2 two-bedroom units, and 2 three-bedroom units) within Phase II will be configured to accommodate UFAS requirements. The existing occupied community was built by the Suffolk Redevelopment and Housing Authority as a public housing community in 1981. This report is intended to be submitted as part of an application for four percent Low Income Housing Tax Credits for the combined 206 rental units planned for Phase I and II, referred to throughout this report as Eagle Landing Apartments.

HUD 2019 Median Household Income											
Virginia Beach-	Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area \$79,300										
		Very Lo	w Income for	\$39 <i>,</i> 650							
		2019 Cor	nputed Area I	Vedian Gro	oss Income	\$79,300					
		Utility	Allowance:	1 Bec	Iroom	\$146					
				2 Bec	Iroom	\$169					
				3 Bec	lroom	\$196					
Household Inco	me Limit	ts by House	ehold Size:								
Household Size		30%	40%	50%	60%	80%	100%	120%	150%	200%	
1 Person		\$16,680	\$22,240	\$27,800	\$33,360	\$44,480	\$55,600	\$66,720	\$83,400	\$111,200	
2 Persons		\$19,050	\$25,400	\$31,750	\$38,100	\$50,800	\$63,500	\$76,200	\$95,250	\$127,000	
3 Persons		\$21,420	\$28,560	\$35,700	\$42,840	\$57,120	\$71,400	\$85,680	\$107,100	\$142,800	
4 Persons		\$23,790	\$31,720	\$39,650	\$47,580	\$63,440	\$79 <i>,</i> 300	\$95,160	\$118,950	\$158,600	
5 Persons		\$25,710	\$34,280	\$42,850	\$51,420	\$68,560	\$85,700	\$102,840	\$128,550	\$171,400	
6 Persons		\$27,600	\$36,800	\$46,000	\$55,200	\$73,600	\$92,000	\$110,400	\$138,000	\$184,000	
Imputed Income	o limita	hu Numha	r of Bedroom	(Assuming	1 5 persor	s ner hedro	omli			_	
imputeu income	# Bed-	by Number	oj Bearoom	(Assuming	1.5 persor	is per beuro	omj.				
Persons	rooms	30%	40%	50%	60%	80%	100%	120%	150%	200%	
1	0	\$16,680	\$22,240	\$27,800	\$33,360	\$44,480	\$55,600	\$66,720	\$83,400	\$111,200	
1.5	1	\$17,865	\$23,820	\$29,775	\$35,730	\$47,640	\$59,550	\$71,460	\$89,325	\$119,100	
3	2	\$21,420	\$28,560	\$35,700	\$42,840	\$57,120	\$71,400	\$85,680	\$107,100	\$142,800	
4.5	3	\$24,750	\$33,000	\$41,250	\$49,500	\$66,000	\$82,500	\$99,000	\$123,750	\$165,000	
LIHTC Tenant Re	ent Limit	ts by Numb	oer of Bedroo	ms (assum	es 1.5 pers	ons per bedı	room):				
	3	30%	40%	6	5	0%	6	0%	80	)%	
# Persons	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
1 Bedroom	\$446	\$300	\$595	\$449	\$744	\$598	\$893	\$747	\$1,191	\$1,045	
2 Bedroom	\$535	\$366	\$714	\$545	\$892	\$723	\$1,071	\$902	\$1,428	\$1,259	
3 Bedroom	\$618	\$422	\$825	\$629	\$1,031	\$835	\$1,237	\$1,041	\$1,650	\$1,454	
Source: U.S. Department of Housing and Urban Development Utility Allowances are weighted averages for two- and three-bedroom											

#### Table 1 LIHTC Income and Rent Limits, Virginia Beach-Norfolk-Newport News, VA-NC MSA



# B. Purpose

The purpose of this market study is to perform a market feasibility analysis through an examination of site characteristics, the economic context, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of demand, and affordability/penetration rate analyses.

# C. Format of Report

The report format is Comprehensive. Accordingly, the market study addresses all required items set forth in the 2019 Market Study Guidelines of the Virginia Housing Development Authority (VHDA). Furthermore, the market analyst has considered the recommended model content and market study index of the National Council of Housing Market Analysts (NCHMA).

# D. Client, Intended User, and Intended Use

The Client is The Communities Group (Developer). Other intended users are VHDA and other potential lenders or investors. The report is expected to be submitted to VHDA as part of an application for four percent tax credits.

# E. Applicable Requirements

This market study is intended to conform to the requirements of the following:

- VHDA's 2019 Market Study Guidelines.
- NCHMA's Model Content Standards and Market Study Checklist.

# F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below:

- Please refer to Appendix 2 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Timothy Houseal (Analyst) completed field analysis including an inspection of the subject site, comparable communities, and market area on August 16, 2019.
- Information gathered through field and phone interviews and email correspondence was used throughout the various sections of this report. The interviewees included rental community property managers and Kevin Wyne, Principal Planner, City of Suffolk.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

# G. Report Limitations

The conclusions reached in a market assessment are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix I of this report.

# H. Other Pertinent Remarks

None.





# II. PROJECT DESCRIPTION

### A. Project Overview

Eagle Landing Apartments is the redevelopment of two adjacent multifamily communities, currently Cypress Manor Apartments and Parker Riddick Apartments, in Suffolk, Virginia. Both garden communities, Cypress Manor Apartments was placed in service in 1978 and totals 113-units, while Parker Riddick Apartments was placed in service in 1981 and totals 93 units. Following renovations and construction, all proposed units will be LIHTC units serving households earning up to 60 percent AMI including project-based subsidies. The Communities Group is seeking four percent tax credits to rehabilitate the Cypress Manor Apartments and to demolish the existing Parker Riddick Apartments to construct 93 new rental units.

# B. Project Type and Target Market

Eagle Landing Apartments is a two-phase general occupancy LIHTC property. Phase I's unit mix will consist of 75 two-bedroom units (66.4 percent) and 38 three-bedroom units (33.7 percent). Phase II's unit mix will consist of 17 one-bedroom units (18.3 percent), 56 two-bedroom units (60.2 percent) and 20 three-bedroom units (21.5 percent). As such, the project will serve primarily households of two or more persons. All renovated existing units will continue to be affordable to households earning up to 60 percent AMI. The project will be converted from public housing under the Section 18 program. Tenant Protection Vouchers (TPVs) will be issued to Phase II tenants to protect them from a loss of rental assistance, which would result in an increase in their housing costs. When Phase I and II are online, Project Based Vouchers (PBV) will be utilized for all 206 units.

# C. Building Types and Placement

Eagle Landing Apartments Phase I consists of 17 garden-style residential buildings (Figure 1). Upon the completion of the renovation, the leasing/management office that is currently located at the Parker Riddick Apartments will be relocated to Phase I. The laundry facility will remain in its current location and a community room will be added to the site replacing a storage/mechanical room. A playground will also be added to the community. Phase II will consist of four three-story garden-style apartment buildings and a community building (Figure 1). The community will be positioned 100 feet off of Davis Boulevard to allow for the easement for Dominion Power. The only access to both phases is located at the end of Davis Boulevard. A second access point from 6<sup>th</sup> Street is being considered as either a road or a walkway.



# Figure 1 Site Plan, Phase I and II



Figure 2 presents the subject's proposed building designs. The development will consist of four building types



# **Figure 2 Phase II Elevations**

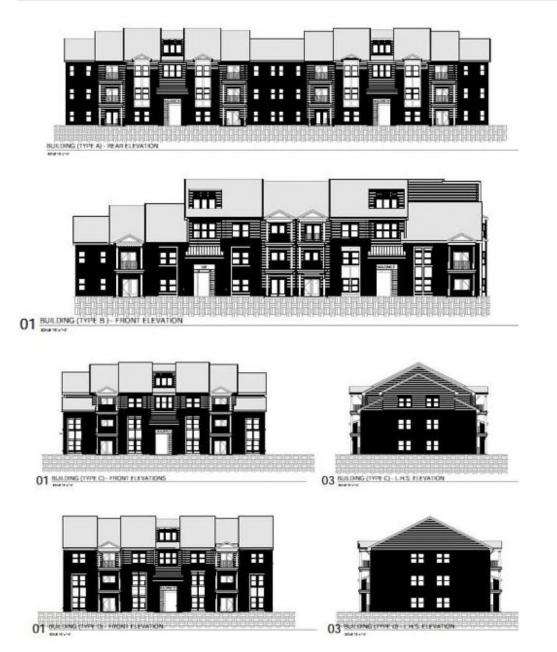


Figure 3 presents photographs of interiors of one unit at the existing community, and the laundry room.



# Figure 3 Views of Existing Community







# D. Detailed Project Description

#### 1. Project Description

Following the rehabilitation of Phase I, the community will become Eagle Landing Apartments and will consist of 113 residential units including 75 two-bedroom units (66.4 percent) and 38 three-bedroom units (33.7 percent). The existing two-bedroom units will either be 780 or 942 square feet in size, and the three-bedroom units will range from 863-1,105 square feet (Table 2). The two-bedroom units will have one bathroom and three-bedroom units will have one to two bathrooms. Six two-bedroom units will be modified from townhouse units to flats to accommodate UFAS requirements. All units will be LIHTC units restricted to households with incomes at or below 60 percent AMI. There will be no rent increases upon completion of the rehabilitation, so all current households will continue to be qualified to reside in the community post rehabilitation. Further, all units will be subsidized.

Phase II will be known as White Marsh Pointe at Eagle Landing and will consist of 93 residential units including 17 two-bedroom units (18.3 percent) and 56 two-bedroom units (60.2 percent) and 20 three-bedroom units (21.5 percent). The one-bedroom units will be 724 square feet in size, two-bedrooms with be 970 square feet and the three-bedroom will be 1,109 square feet (Table 2). The one-bedroom units will have one bathroom, and two- and three-bedroom units will have two bathrooms. Five units (1 one-bedroom unit, 2 two-bedroom units, and 2 three-bedroom units) will be configured to UFAS specifications. All units will be LIHTC units restricted to households with incomes at or below 60 percent AMI. There will be no rent increases upon completion of the construction, so all current households will continue to be qualified to reside in the community post rehabilitation. Further, all units will be subsidized.



Unit Mix/Rents										
AMI Level*	Unit Type	Bed	Bath	Quantity	Published Sq Foot	Net Rent	Rent/ Sq. Foot	Utilty Allowance	Gross Rent	
Eagle Landing										
50%	TH	2	1	25	780	\$742	\$0.95	\$150	\$892	
60%	ТН	2	1	15	780	\$921	\$1.18	\$150	\$1,071	
50%	ТН	2	1	20	780	\$742	\$0.95	\$150	\$892	
60%	ТН	2	1	9	780	\$921	\$1.18	\$150	\$1,071	
60%	Flat/UFAS	2	1	6	942	\$921	\$0.98	\$150	\$1,071	
50%	TH	3	1	22	863	\$857	\$0.99	\$174	\$1,031	
60%	ТН	3	1	3	863	\$1,063	\$1.23	\$174	\$1,237	
50%	ТН	3	1.5	1	1,105	\$857	\$0.78	\$174	\$1,031	
60%	ТН	3	2	6	1,105	\$1,063	\$0.96	\$174	\$1,237	
60%	Flat	3	2	6	982	\$1,063	\$1.08	\$174	\$1,237	
Subtota				113	838	\$856	\$1.02	\$158	\$1,014	
			Wh	ite Marsh	Pointe at Ea	gle Landi	ng			
50%^	TH	1	1	11	724	\$598	\$0.83	\$146	\$744	
60%	TH	1	1	6	724	\$747	\$1.03	\$146	\$893	
50%	TH	2	2	34	970	\$698	\$0.72	\$194	\$892	
60%^	TH	2	2	22	970	\$698	\$0.72	\$194	\$892	
50%	TH	3	2	12	1,109	\$793	\$0.72	\$238	\$1,031	
60%^	ТН	3	2	8	1,109	\$999	\$0.90	\$238	\$1,237	
Subtota				93	955	\$727	\$0.76	\$195	\$922	
Total 206										
Rents include: Trash (*) All units will have Project Based Vouchers										

#### Table 2 Detailed Unit Mix and Rents, Eagle Landing Apartments

 Rents include: Trash
 (\*) All units will have Project Based Vouchers

 Source: The Communities Group
 (^) UFAS units (One 1BR, Two 2BR, Two 3BR)

Phase I's rehabilitation has a total estimated hard cost of \$12,200,000. The per-unit cost of renovations for the 113 units is approximately \$108,000. Renovations will be made to the interior and exterior of the project, and six units will be upgraded to become UFAS compliant. Phase II's construction has a total estimated hard cost of \$14,550,000. The per-unit cost of construction for the 93 units is approximately \$156,450. Phase II will have five UFAS compliant units. The original Parker Riddick community will be demolished and four residential buildings and a community building will be erected on site.

Upon completion, all units in Phase I and II will have a range, refrigerator and dishwasher (Table 3). All units will have new luxury vinyl tile throughout. Common area amenities will include a community room, playground, basketball court and laundry facilities.



#### Table 3 Eagle Landing Apartments Project Details

Unit Features	Community Amenities (Shared)						
<ul> <li>Phase I &amp; II</li> <li>Energy efficient appliances <ul> <li>Refrigerator</li> <li>Range/oven</li> <li>Dishwasher</li> </ul> </li> <li>Luxury vinyl tile <ul> <li>New cabinets, countertops and plumbing fixtures</li> <li>Patio/balcony for each unit</li> <li>Washer/dryer hook-ups in each unit</li> </ul> </li> <li>Phase I <ul> <li>Six units (6 two-bedroom units) will be undeted to be USAC exempliant</li> </ul> </li> </ul>	<ul> <li>Community room</li> <li>Laundry room</li> <li>Playground</li> <li>Green space</li> <li>Basketball court</li> </ul>						
<ul> <li>updated to be UFAS compliant</li> <li>Phase II</li> <li>Five units (1 one-bedroom unit, 2 two- bedroom units, and 2 three-bedroom units) will be UFAS compliant.</li> </ul>							
Exteriors/Common	Area Updates						
Phase I & II	·						
• A community room will be added to Phase	I and community building at Phase II.						
<ul> <li>A playground will be added to the commun</li> </ul>	ity.						
Phase I							
<ul> <li>Building exteriors: New roof and new wind sealed to ensure waterproofing.</li> </ul>	dows will be installed. The exterior will be						
<ul> <li>Plumbing: Supply and waste lines will be re</li> </ul>	placed throughout each building.						
<ul> <li>Asphalt and Pavement repair: Repairs will be made and measures taken to prevent cracking and damage.</li> </ul>							
<ul> <li>Landscaping: The current landscaping will be upgraded and additional landscaping will be added.</li> </ul>							
• Each building will get new insulation, upgra	ded wiring, lighting and HVAC.						
New washing machines and dryers will be in	nstalled in the laundry room						
Phase II							
• Building exteriors: 43 percent brick and 57	percent Hardiplank.						
<ul> <li>Loundry facility</li> </ul>							

• Laundry facility

### 2. Other Proposed Uses

None.

# 3. Proposed Timing of Development

Construction for Phase I and II is scheduled to commence in April 2020. The units at Phase I will be renovated on a rolling basis with completion in early December 2021. Phase II is slated to deliver in



2021 with Buildings 1 and 2 in June, Buildings 3 and 4 in August, and Building 6 and the community building in September.

Over two thirds (70 percent) of the current residents in Phase I are expected to be retained throughout the rehabilitation of the property, with no permanent displacement. Residents are to be relocated within the community. The community is no longer back filling vacant units. The target vacancy rate is 20 percent in order to efficiently relocate residents during renovations. The first tenants will be displaced for five to six months and the later tenant moves will be roughly four months.

Phase II expects half of the current residents expected to be retained after the completion of the property, with no permanent displacement. Residents will be given Tenant Protection Vouchers and assisted by Suffolk Redevelopment and Housing Authority to obtain off-site residences. Upon completion, residents will be given first option to return. There will be roughly a 90-day window from when the first building delivers to the last building.

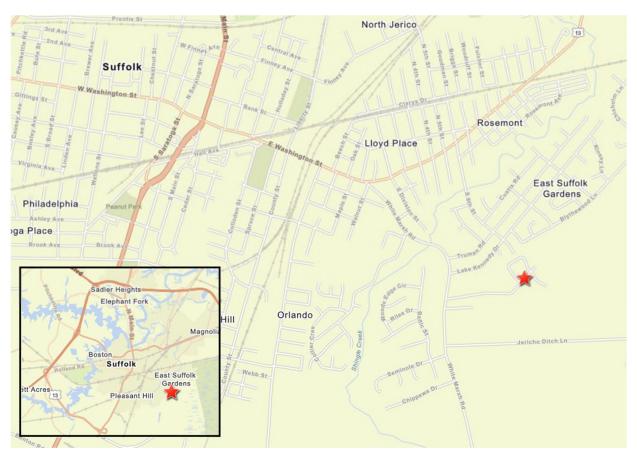
# III. SITE AND NEIGHBORHOOD ANALYSIS

# A. Site Analysis

#### 1. Site Location

The subject site is located at the terminus of Davis Boulevard in the southeast portion of the City of Suffolk, Virginia (Map 1). The community is be accessible via Davis Boulevard, which intersects White Marsh Road (Route 642) less than one-third of a mile to the east.

## Map 1 Site Location





# 2. Existing Uses

Cypress Manor consists of 113 units in 17 garden-style residential buildings with adjacent parking lots. Parker Riddick consists of 93 units in 13 garden-style residential buildings with adjacent parking lots (Figure 4). Cypress Manor will be renovated, while Parker Riddick will be demolished for new construction.

### 3. Size, Shape, and Topography

The 19.05-acre site for Eagle Landing Apartments is irregular and appears to be flat.

Figure 4 Views of the Subject Site



View of one of Cypress Manor's residential buildings facing east towards Davis Blvd.



Cypress Manor residential building facing east from west side of the community.



Laundry Facility located at Cypress Manor



Parker Riddick residential building located the southeast corner of site.



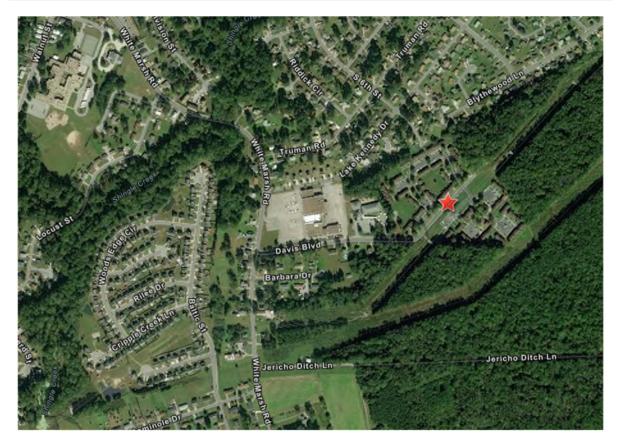
Parker Riddick residential building facing south from the leasing office.



# 4. General Description of Land Uses Surrounding the Subject Site

The subject site is in a densely residential neighborhood (Figure 5). Surrounding land uses include a subdivision of older single-family homes and heavily wooded areas. A small retail plaza and a head start school are the only non-commercial uses in the general vicinity. The subject is just southeast of the City of Suffolk which offers a large concentration of retail and services.

#### Figure 5 Satellite Image of Site and Surrounding Land Uses



# RP RG

# 5. Specific Identification of Land Uses Surrounding the Subject Site

The land uses directly bordering the subject site are as follows (Figure 6):

- North: East Suffolk Gardens subdivision.
- East: Vacant wooded parcel.
- **South:** Vacant wooded parcel.
- West: Retail center, head start school and single-family detached homes on Davis Boulevard and White Marsh Road.

# Figure 6 Views of Land Uses Near the Site



North of the site, single-family homes.



West of the site, single-family homes on Davis Blvd.



East of the site, wooded area.



Retail center located to the west of the site.



Single-family subdivision located to the north.



# **B. Neighborhood Analysis**

# 1. General Description of Neighborhood

The cities of Suffolk, Chesapeake, Portsmouth, Norfolk, and Virginia Beach together make up the South Hampton Roads area, including a large natural harbor with a long history of shipping, shipbuilding, and ship maintenance. The area was a focus of shipbuilding throughout the 18th and 19th centuries. Its location as an East Coast deep-water port has been a key driver of the area's development throughout its centuries of growth. In addition, the area's large number of military installations has been a contributor to growth in the local economies.

The subject neighborhood consists of southeast Suffolk and parts of downtown. The surrounding area is primarily single-family houses of varying ages. Houses to the north located in the East Suffolk Gardens and Lake Kennedy Estate neighborhoods are smaller single story ranchers built mostly in the 1950's and 1960's. The Stratford Terrance subdivision to the east is comprised of larger two-story houses with garages that were mostly built in the early 2000's. Houses that line Davis Boulevard, White Marsh Road and Lake Kennedy Drive differ greatly in style, age, and upkeep. The area to the east and south of the subject is densely wooded. The closest retail is the shopping center located at the corner of White Marsh Road and Davis Boulevard. The center is anchored by the Living Waters Christian Center. A laundry mat, deli/mart and hair salon also operate within the center. Several destinations are within walking distance such as; Family Dollar, Quicky Mart, Head Start School and East Suffolk Recreation Center.

# 2. Evidence of New Private/Public Investment

While the subject's neighborhood is built out, RPRG observed three infill development projects during the site visit.

- **Residential Development**: Heardon Construction is underway on the Foxfield Meadows single-family subdivision. The development is located in the Pitchkettle Farms area of Suffolk. The residences consist of three- and four-bedroom homes. The project is well underway with the first of two phases nearly complete.
- **Commercial Development**: McDonald's and Wendy's have constructed new locations on U.S. Business Route 460 adjacent to the Sentara Obici Hospital.

The subject site is in an established mixed-use neighborhood. RPRG did not identify any significant planning activities or neighborhood initiatives that would directly affect the development of apartments on the subject site.

# C. Site Visibility and Accessibility

### 1. Visibility

The subject property is located east of White Marsh Road (Route 642) and does not have visibility from this secondary artery. However, the lack of visibility does not have a negative impact on the subject's marketability. The property manager of Cypress Manor/Parker Riddick Apartments informed RPRG that prospects are obtained from the waitlist. The waiting list has been closed in preparation for the proposed renovation and construction. Cypress Manor and Parker Riddick currently has 12 combined vacancies. Those spaces will remain vacant at this time in preparations for the renovation and redevelopment.



# 2. Vehicular Access

Eagle Landing Apartments is accessible from Davis Boulevard via White Marsh Road (Route 642). Entrance to the subject site is at Cogic Square along Davis Boulevard. Davis Boulevard is a small residential road with no thru-traffic. The light traffic is brought in by the residents of the subject community and Parker & Riddick Apartments.

# 3. Availability of Public and Inter Regional Transit

The subject site is just east of White Marsh Road (Route 642). This secondary arterial provides access to the major arterials in Suffolk including U.S. Route 13 and U.S. Route 58. U.S. Route 13 can be accessed within four miles of the subject community, and U.S. Route 58 is about five miles north of the site. I-64/Norfolk can be accessed about 11 miles northeast of the site via U.S. Route 58.

The subject community offers convenient access to public bus transportation. The Lake Kennedy Drive bus stop (Orange Line) is within a short walk of the community, providing access throughout the city via the Suffolk Transit network: Red Line (Northeast), Green Line (Northwest), and Yellow Line (Southwest). Suffolk Transit offers two connections to the Hampton Roads Transit bus routes allowing passengers to access transportation into the city of Suffolk as well as Chesapeake, Norfolk, Hampton, Portsmouth, Newport News and Virginia Beach.

### 4. Pedestrian Access

Sidewalks are available along the north side of Davis Boulevard except for a roughly 225 foot section between the subject community and the Head Start school. The section has no concrete sidewalk but is still walkable. Residents can walk to several retail establishments, services and amenities. A retail center, recreation center and park are located just west of the community. The nearest bus stop is located 0.4 miles from the subject community providing access to downtown Suffolk.

### 5. Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. No projects that would significantly impact access to the subject community were identified.

### 6. Public Safety

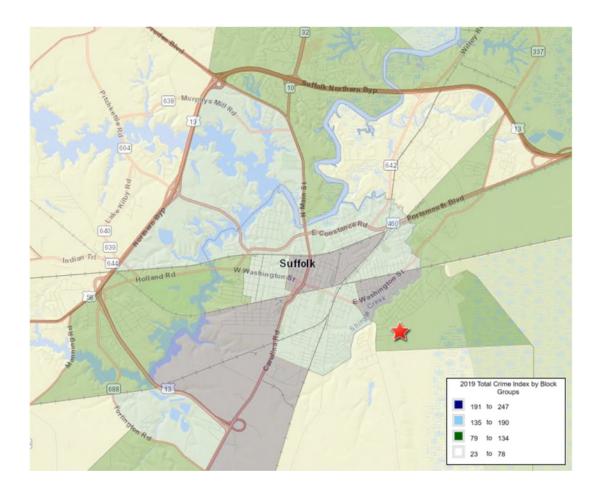
CrimeRisk is a census tract level index that measures the relative risk of crime compared to a national average (Map 2). AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. An index of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. Based on this modeling, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the census tract level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However, these are unweighted indexes so that a murder is weighted no more heavily than purse snatching. This is a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

The 2019 CrimeRisk Index for the census tracts in the general vicinity of the subject site is displayed in gradations from white (least risk) to purple (most risk). While the subject's immediate area is shaded green indicating a crime rate near the national average, it has a lower crime rate than areas to the west and north. RPRG does not expect crime or the perception of crime to negatively impact



the subject property's marketability as the crime rate is relatively low when compared to the whole of City of Suffolk.

# Map 2 Crime Index Map



# **D.** Residential Support Network

### 1. Key Facilities and Services near the Subject Site

The appeal of any given community is often based in part to its proximity to those facilities and services required daily. Key facilities and services and their distances from the subject site are listed in Table 4 and their locations are plotted on Map 3.

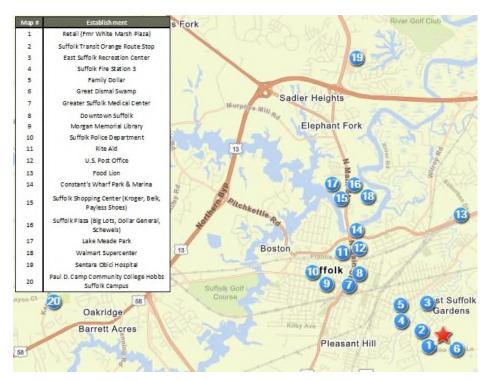


#### Table 4 Key Facilities and Services

Map #	Establishment	Туре	Address	Driving Distance (Miles)
1	Retail (Fmr White Marsh Plaza)	Retail	White Marsh Rd	0.3
2	Suffolk Transit Orange Route Stop	Public Transit	White Marsh Rd	0.4
3	East Suffolk Recreation Center	Recreation	138 S 6th St	0.8
4	Suffolk Fire Station 3	Public Safety	1001 White Marsh Rd	0.8
5	Family Dollar	Retail	823 E Washington St	1.0
6	Great Dismal Swamp	Recreation	Jericho Ln	1.1
7	Greater Suffolk Medical Center	Medical	114 N Main St	1.7
8	Downtown Suffolk	Retail	N Main St	1.8
9	Morgan Memorial Library	Library	443 W Washington St	2.0
10	Suffolk Police Department	Public Safety	111 Henley Pl	2.3
11	Rite Aid	Pharmacy	515 N Main St	2.4
12	U.S. Post Office	Post Office	445 N Main St	2.4
13	Food Lion	Grocery	1010 Portsmouth Blvd	2.6
14	Constant's Wharf Park & Marina	Recreation	100 E Constance Rd	2.6
15	Suffolk Shopping Center (Kroger, Belk, Payless Shoes)	Retail	1403 N Main St	3.2
16	Suffolk Plaza (Big Lots, Dollar General, Schewels)	Retail	1401 N Main St	3.2
17	Lake Meade Park	Recreation	201 Holly Lawn Pkwy	3.4
18	Walmart Supercenter	Retail	1200 N Main St	4.0
19	Sentara Obici Hospital	Medical	2800 Godwin Blvd	5.0
20	Paul D. Camp Community College Hobbs Suffolk Campus	Education	271 Kenyon Rd	8.1

Source: Field and Internet Research, RPRG, Inc.







# 2. Essential Services

# a) Health Care

The nearest full-service hospital is Sentara Obici Hospital is on Godwin Boulevard in Suffolk, 5.0 miles north of the subject. With 172 licensed beds, the hospital offers a range of services including cardiac, advanced imaging, gynecological, comprehensive breast care services, orthopedics and more. Sentara Obici Hospital is part of the Sentara Healthcare Network. Sentara Family Medicine Physicians along with an occupational medicine practice relocated in November to a new 20,000-square-foot \$6.6 million office building on the Obici Hospital Campus.

# b) Education

Suffolk Public Schools serve more than 14,265 students. Students residing at Eagle Landing Apartments are zoned to Elephants Fork Elementary School (4.5 mile), John F Kennedy Middle School (1.9 miles), and Lakeland High School (6.4 mile).

Compared to other schools in the system reporting scores for fifth graders, Elephants Fork Elementary ranked 10<sup>th</sup> of 11 elementary schools, John F Kennedy Middle School ranked 4<sup>th</sup> of 4 middle schools, and Lakeland High ranked 3<sup>rd</sup> of 3 high schools (Table 5). Suffolk's average school scores are in-line with the state-wide averages for elementary, middle schools, and below the state-wide average for high schools.

For higher education opportunities, the Paul D. Camp Community College Hobbs Suffolk Campus is about eight miles driving distance from the subject community. This campus has more than 1,480 students and offers classes in health sciences; administrative, business and management; industrial technology and the social and professional sciences.

Elementary Schools						Middle Schools				
VSLA - 2018		Grade 5				VSLA - 2018		Grade 8		
Rank	Elementary Schools	English	Math	Composite	Rank	Middle Schools	English	Math	Composite	
1	Northern Shores	88.0%	90.0%	89.0%	1	John Yeates	83.0%	87.0%	85.0%	
2	Driver	85.0%	87.0%	86.0%	2	King's Fork	75.0%	77.0%	76.0%	
3	Nansemond Parkway	79.0%	88.0%	83.5%	3	Forest Glen	75.0%	73.0%	74.0%	
4	Oakland	86.0%	81.0%	83.5%	4	John F. Kennedy	67.0%	73.0%	70.0%	
5	Pioneer	81.0%	85.0%	83.0%		County Average	75.0%	77.5%	76.3%	
6	Creekside	83.0%	81.0%	82.0%		State Average	77.0%	71.0%	74.0%	
7	Hillpoint	73.0%	76.0%	74.5%						
8	Kilby Shores	77.0%	71.0%	74.0%	High Schools					
9	Mack Benn Jr.	70.0%	63.0%	66.5%	EOC - 2018					
10	Elephant's Fork	65.0%	67.0%	66.0%	Rank	High Schools	Reading	Algebra II	Composite	
11	Booker T. Washington	61.0%	70.0%	65.5%	1	King's Fork	80.0%	85.0%	82.5%	
County Average		77.1%	78.1%	77.6%	2	Nansemond River	89.0%	74.0%	81.5%	
State Average 80.0% 77.0% 78.5%			3	Lakeland	82.0%	80.0%	81.0%			
Source: Virginia Department of Education						County Average	83.7%	79.7%	81.7%	
						State Average	87.0%	86.0%	86.5%	

# Table 5 Suffolk Schools, Test Scores

c) Commercial Goods and Services

# (1) Convenience Goods

The term "convenience goods" refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, fast food, health and beauty aids, household cleaning products, newspapers, and gasoline.



The subject site is located in a predominately residential area. The nearest retail is the shopping center formerly known as the White Marsh Plaza on White Marsh Road 0.3 miles from the site. The center includes a mart/deli, coin laundry, and a beauty salon. The shopping center is also the closest stop for public transportation, giving access to downtown Suffolk and the surrounding area. Family Dollar is located one mile from the subject and is the closest retail for general needs. Food Lion is the closest full-service grocery store less than three mile from the site. All fast food chains (McDonald's, Subway, Chick-fil-a, Wendy's and Burger King) are concentrated to the north along U.S. Business Route 460. The nearest gas station is the Sunoco on Washington Street approximately one mile for the subject site.

# (2) Comparison Goods

The term "comparison goods" refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop. Examples of comparison goods are apparel and accessories, furniture and home furnishings, appliances, jewelry, and sporting goods.

A variety of notable name-brand retailers, chain restaurants, and service providers are located throughout Suffolk with particular concentrations along U.S. Business Route 460 north of downtown Suffolk and within three miles of the subject site. The largest major retailers in proximity to the subject site are the Walmart and Lowe's, located four mile to the north. Two large shopping center are located along the retail corridor north of downtown. The Suffolk Shopping Center contains Kroger, Belk, Payless Shoes, and other small retail stores while Big Lots, Dollar General and Schewels anchor the Suffolk Plaza.

# (3) Recreation

The site is approximately one mile walking distance from East Suffolk Recreation Center and the Great Dismal Swamp Park, which provides miles of trails for walkers and hikers amongst a protected wetlands environment. Morgan Memorial Library is two miles driving distance from the subject community. Constant's Wharf Park & Marina is a community park and river access point located 2.6 miles from the subject community. The park offers a wide range of activities including; festivals, summer concerts, walking trails, and canoe and kayak rentals.



# IV. ECONOMIC CONTEXT

### A. Introduction

This section of the report focuses primarily on economic trends and conditions in conditions in Suffolk, Virginia, the jurisdiction in which the subject site is located. We also presented economic trends in Virginia and the nation for comparison purposes.

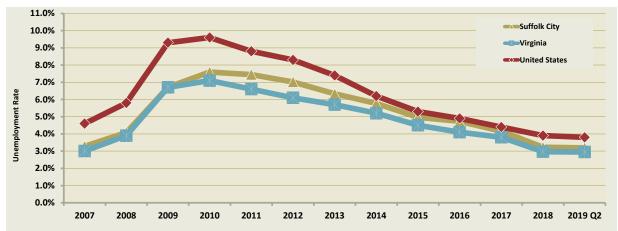
# B. Labor Force, Resident Employment, and Unemployment

### 1. Trends in County Labor Force and Resident Employment

The Suffolk labor force increased by roughly 4,220 workers from 2007 to 2018, an increase of 10.6 percent despite fluctuations throughout the period (Table 6). Following the 2009 national recession, the Suffolk unemployment rate decreased rapidly to 3.2 percent as of 2018. Through the first half of 2019, the city's unemployment rate remained steady at an average of 3.2 percent, near the statewide rate of 3.0 percent, and 60 basis points below the national average of 3.8 percent. The number of unemployed workers has declined by 1,753 workers or 44.7 percent since 2010.

#### Table 6 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted Annual Unen 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 Labor Force 39,794 40.871 40,575 41,753 41,913 41.803 41,983 42.366 42.290 42,900 43,492 44.014 Employment 38,487 39,201 37,854 38,581 38,790 38,869 39,325 39,919 40,190 40,872 41,684 42,595 1,307 1,670 3,172 3,123 2,934 2,658 2,447 2,028 1,419 Unemployment 2,721 2,100 1,808 **Unemployment Rate** Suffolk City 3.3% 4 1% 67% 7 6% 7 5% 7.0% 6 3% 5.8% 5.0% 4 7% 4 2% 3 2% Virginia 3.0% 3.9% 6.7% 7.1% 6.6% 6.1% 5.7% 5.2% 4.5% 4.1% 3.8% 3.0% United States 4.6% 5.8% 9.3% 9.6% 8.8% 8.3% 7.4% 6.2% 5.3% 4.9% 4.4% 3.9%



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

2019 Q2

44.333

42,918

1,415

3 2%

3.0%

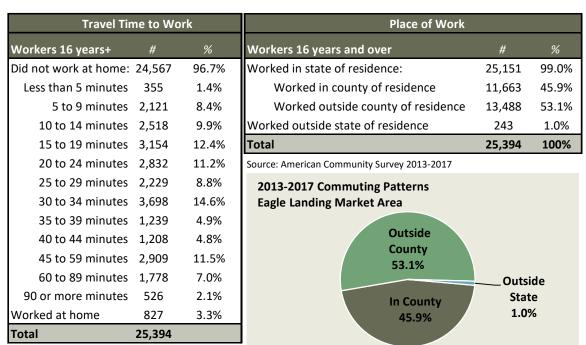
3.8%



# C. Commutation Patterns

According to 2013-2017 American Community Survey (ACS) data, 19.7 percent of market area workers commuted less than 15 minutes to work (Table 7). Roughly 23.6 percent spent between 15 and 24 minutes commuting to work; another 23.4 percent of market area workers commuted 25 to 34 minutes; and 30.3 percent commute 35 minutes or more to work.

Commutation data reflects the proximity of the various jurisdictions comprising the market area, with 53.1 percent of market area residents commuting outside their jurisdiction of residents. However, only 1.0 percent work outside of Virginia.



### Table 7 Commutation Data, Eagle Landing Market Area

Source: American Community Survey 2013-2017

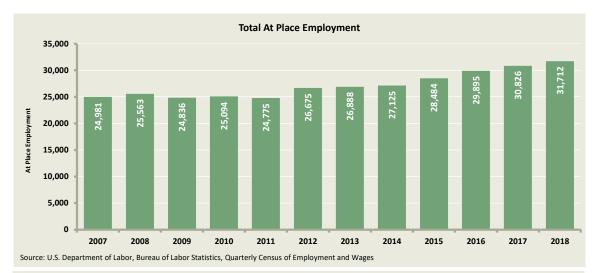
### D. County At-Place Employment

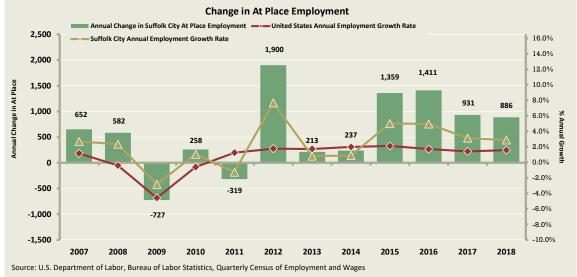
### 1. Trends in Total At-Place Employment

At-Place Employment in Suffolk has steadily increased since 2007 (Figure 7). Following a temporary pullback in 2009 and then 2011 due to a reduction to the Joint Forces Command Center, at-place employment resumed a steady growth trend, adding over 6,900 jobs, or 28 percent from 2011 to 2018 with an At-Place Employment of 31,712. As illustrated in the bottom half of Figure 7, Suffolk annual employment growth has recently outpaced the national growth rate, as employment growth has accelerated since 2015 with an average annual growth rate of 5.1 percent over the last four years.







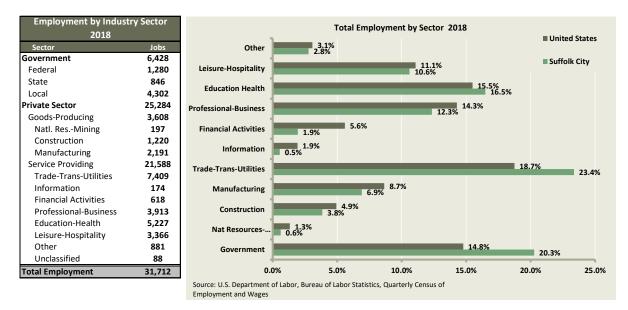


# 2. At-Place Employment by Industry Sector

The Suffolk economy is focused on a several key industry sectors with the Government and Trade-Transportation-Utilities sectors each representing more than 20 percent of all citywide jobs (Figure 8). In addition to these two largest sectors, the Education Health sector accounts for a greater proportion of all city jobs (16.5 percent) than the national average proportion of 15.5 percent. Other significant sectors include Professional-Business (12.3 percent) and Leisure-Hospitality (10.6 percent). However, these two sectors are underrepresented relative to their portion in the nation. The city has a substantially smaller proportion of Financial Activities jobs than the nation as a whole, with 1.9 percent of the local job share compared to 5.6 percent nationwide.

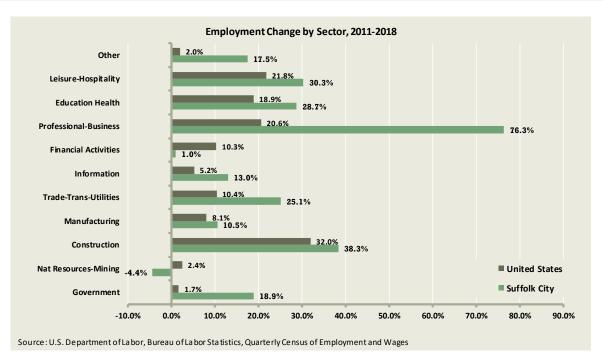


#### Figure 8 Total Employment by Sector



Reflecting the strong economic growth throughout the region, ten of eleven economic sectors added jobs in Suffolk from 2011 to 2018, including growth of 28.7 percent in Education-Health and 30.3 percent in Leisure-Hospitality (Figure 9). Among the Suffolk's two largest sectors, Trade-Transportation-Utilities expanded by 25.1 percent, and Government by 18.9 percent. Four additional sectors grew by a notable amount during this period: Professional-Business (76.3 percent), Construction (38.3 percent), and Other (17.5 percent), and Information (13.0 percent) – though this is the city's smallest sector. Natural Resources-Mining was the only sector to lose jobs during this period, though this sector only accounts for 0.6 percent of Suffolk's employment base.

#### Figure 9 Employment Change by Sector, 2011-2018





# E. Wage Data

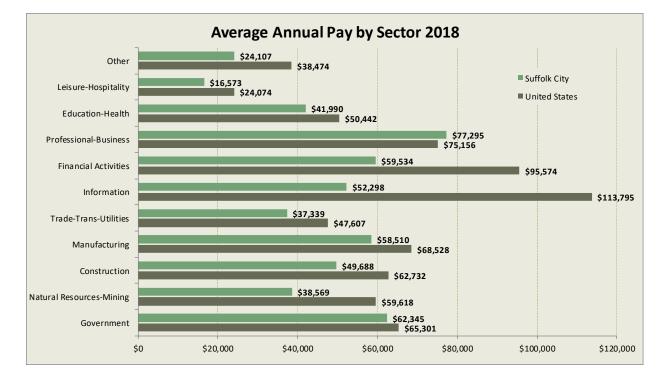
The average annual wage in 2018 for Suffolk was \$46,895, roughly 19.5 percent lower than the \$58,248 average for Virginia and 18.1 percent lower than the national average of \$57,265 (Table 8). The city demonstrated a steady increase in average annual wages since 2010, increasing every year over the last eight years.

Figure 10 compares the average annual wage by economic sector for Suffolk to the average annual wage by economic sector for the United States as of 2018. Overall, average wages in Suffolk are generally lower relative to the average wages in the United States. The Professional-Business sector is the highest wage sectors in Suffolk with an average annual wage of \$77,295, exceeding the national average wage of \$75,156 in this sector. No other citywide sector exceeded the national average wage. The key Government sector is the second highest wage sectors (\$62,345) and is comparable to the U.S. average. The important Trade-Transportation-Utilities sector (\$37,339) lags the U.S. average of \$47,607, as did the Education-Health sector averaging \$41,990 compared to the U.S. average of \$50,442.

# Table 8 Wage Data, Suffolk

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Suffolk City	\$39,426	\$40,153	\$43,618	\$44,819	\$46,517	\$46,992	\$46,222	\$46,440	\$46,895
Virginia	\$49,651	\$50,657	\$51,646	\$51,918	\$52,929	\$54,276	\$54,836	\$56,506	\$58,248
United States	\$46,751	\$48,043	\$49,289	\$49,808	\$51,364	\$52,942	\$53,621	\$55,390	\$57,265

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages



# Figure 10 Wage by Sector, Suffolk



# F. Major Employers

A list of Suffolk's largest employers reflects a diverse representation of industry sectors (Table 9). The largest regional employer is the Suffolk Public School District with an estimated 1,780 employees throughout the city. Two of the top five employers are related to military installations. Additional top employers represent the Manufacturing, Transportation-Warehouse-Utilities, and Education-Health sectors. As shown in Map 4, 10 of the 15 major employers in the city are relatively close to the subject community.

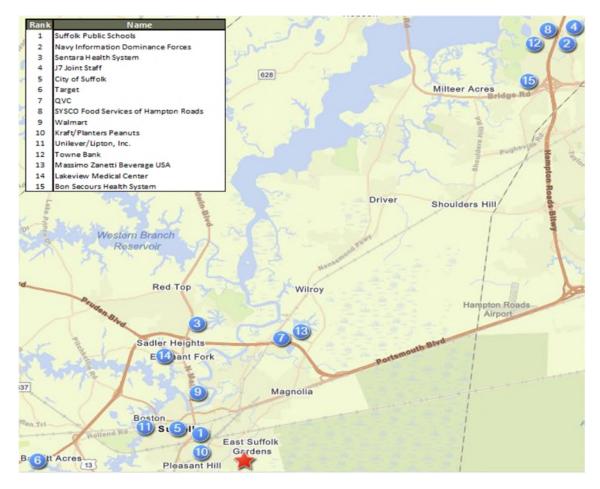
# Table 9 Major Employers, Suffolk

Rank	Name	Sector	Employment
1	Suffolk Public Schools	Education	1,780
2	Navy Information Dominance Forces	ModSim and Technology	1,500
3	Sentara Health System	Healthcare	1,300
4	J7 Joint Staff	ModSim and Technology	1,200
5	City of Suffolk	Government	1,139
6	Target	Warehousing and Distr.	1,100
7	QVC	Warehousing and Distr.	900
8	SYSCO Food Services of Hampton Roads	Warehousing and Distr.	500
9	Walmart	Retail	450
10	Kraft/Planters Peanuts	Food/Beverage Process.	340
11	Unilever/Lipton, Inc.	Food/Beverage Process.	300
12	Towne Bank	Banking	300
13	Massimo Zanetti Beverage USA	Food/Beverage Process.	300
14	Lakeview Medical Center	Medical	270
15	Bon Secours Health System	Medical	269

Source: Suffolk Economic Development Authority



# Map 4 Major Employers, Suffolk



# G. Economic Expansions, Contractions, and Projections

The Suffolk Economic Development Authority provides annual data on new and expanding businesses. The following is a summary of larger job additions announced:

- Target Distribution Center: Target expanded its Suffolk distribution center on Manning Bridge Road, adding 600 new jobs at the facility.
- Peet's Coffee, a coffee manufacturing company in Suffolk, expanded in early 2018 with a new 175,000 square foot facility at the CenterPoint Intermodal Center on Enterprise Drive. The new facility will create 135 positions.
- Panattoni Development Company, Inc. is completing a 284,580-square-foot Class A warehouse located in the Virginia Regional Commerce Park at 5391 Virginia Regional Drive in Suffolk, Va. The development will feature 32' clear height ceilings, 55 dock doors, 1 drive-in level overhead door on each end, customized office space, ESFR sprinkler system, and high efficiency, high output, T-5 lighting.
- Emser Tile completed a new 400,000-square-foot manufacturing facility in Centerpoint Industrial Park.
- Harris Teeter opened a new 59,000 square foot location at Bennett's Creek Crossing on Bridge Road in Suffolk adding 142 new jobs.



- Kroger Mid-Atlantic: Kroger opens a new 57,000 square foot location at 1401 North Main Street in Suffolk adding 114 new jobs.
- Metro Diner, a restaurant in Suffolk, opened a new location in March 2018 at 2051 Sun Harbour Avenue. The new location has generated 100 new jobs.
- Wanchese Fish Company announces plans to expand operations in Suffolk adding 70 new jobs.
- Several new businesses opened in Suffolk in 2019 including Moonlight Welding, Relics Antique & Salvage, The Pinner House a boutique bed & breakfast, Pin Ups Salon, Accurid Pest Solutions, Long & Foster Real Estate, Luxe Nail Spa, and Cypress Saddlery.

RPRG identified one large scale layoff or closure in Suffolk. The Farm Fresh Food & Pharmacy located at 1401 N Main Street closed in May of 2018. The store employed 95 workers. Supervalu the parent company of Farm Fresh sold the location to another supermarket chain, Kroger. Former Farm Fresh employees were given hiring consideration at the new Kroger location.

# H. Economic Conclusions and Projections

The city of Suffolk and surrounding area represents an expanding and increasingly diverse economy. As areas within and around Norfolk and Portsmouth become increasingly built out, residential and commercial growth has been accelerating throughout Suffolk through second quarter 2019, the city's unemployment rate has declined to an average of 3.2 percent, and the number of unemployed workers has declined by 1,753 workers or 44.7 percent since 2010. At-place employment in Suffolk has steadily increased since 2011, adding over 6,900 jobs, or 28 percent, from 2011 to 2018 with an at-place employment of 31,712. Suffolk annual employment growth has outpaced the national growth rate, as employment growth has accelerated since 2015 with an average annual growth rate of 5.1 percent over the last four years. According to local economic development officials, announcements of companies relocating to and expanding throughout Suffolk have increased recently, and they have received more interest among new companies looking to make the region home than ever before. Job growth is expected to continue the recent strong pace through the near term.



# V. HOUSING MARKET AREA

### A. Introduction

The primary market area, referred to as the Eagle Landing Market Area in this report, is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive rental housing alternatives are located. In defining the Eagle Landing Market Area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

# B. Delineation of Market Area

The Eagle Landing Market Area consists of census tracts in Suffolk (Map 5). The boundaries of the Eagle Landing Market Area and their approximate distance from the subject site are:

North: Route 125/Nansemond River/Western Branch Reservoir	4.75 miles
East: Suffolk/Chesapeake County border	3.8 miles
South: Virginia/North Carolina state line	11.6 miles
West: Suffolk/Isle of Wright County border	13.0 miles
Southwest: Suffolk/Southampton County border	21.1 miles

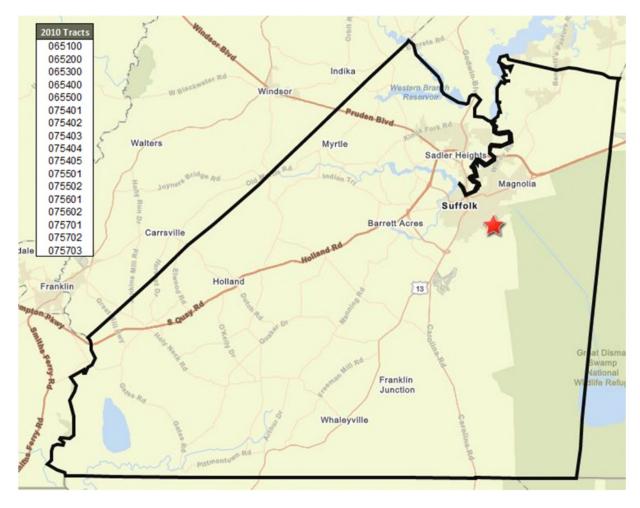
The subject site is centrally located within the city of Suffolk, south of downtown. As such, RPRG has defined the primary market area as consisting of 17 census tracks surrounding downtown Suffolk and south of downtown Suffolk. Because of the irregular shape and size of the census tracts surrounding downtown Suffolk, portions of the Great Dismal Swamp National Wildlife Refuge are also included within the market area.

This market area includes the portions of Suffolk most comparable with the subject location. The boundaries of the market area reflect the transition to adjacent markets that offer intervening rental opportunities and are not directly comparable with the subject site: the area to the northeast, including the most northern portion of Suffolk and the cities of Portsmouth and Chesapeake, are more densely developed with stronger orientation to Norfolk; the areas to the north is transiting to a more affluent suburban community with multiple planned residential subdivisions, emerging retail and commercial development. We believe residents of this market area would consider the subject site as an acceptable location of market rate rental housing.

As appropriate for this analysis, the Eagle Landing Market Area is compared to the South Hampton Roads region of Suffolk, Chesapeake, Norfolk, Portsmouth, and Virginia Beach, which is considered the secondary market area. Demand estimates are based only on the Eagle Landing Market Area.



# Map 5 Eagle Landing Market Area





# VI. DEMOGRAPHIC ANALYSIS

# A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Eagle Landing Market Area and South Hampton Roads using U.S. Census data and data from Esri, a national data vendor which prepares small area estimates and projections of population and households. We also considered population estimates and projections prepared by local stakeholder Weldon Cooper Center, released July 2017. Estimates and projections from Esri and Weldon Cooper Center were nearly identical and after consideration, RPRG elected to use the Esri figures. Building permit trends collected from the HUD State of the Cities Data Systems (SOCDS) database were also considered.

# B. Trends in Population and Households

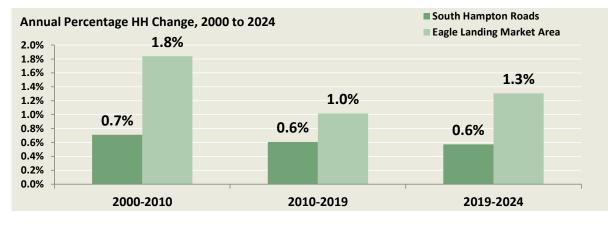
#### 1. Recent Past Trends

The Eagle Landing Market Area's and household base grew robustly, from 2000 to 2010, reflecting it as an emerging market. The market area recorded net growth of 9,553 people (21.3 percent growth) and 3,338 households (20 percent) between Census counts (Table 10); annual rates of growth were 1.9 percent for population and 1.8 percent for households. During the same period, South Hampton Roads' population grew by 5.9 percent and its household base grew by 7.3 percent. The region's annual growth rates were 0.6 percent for population and 0.7 percent for households.

	South Hampton Roads						Eagle Landing Market Area				
		Total C	Change	Annual	Change	ſ		Total	Change	Annual	Change
Population	Count	#	%	#	%		Count	#	%	#	%
2000	1,023,086					ſ	44,949				
2010	1,083,126	60,040	5.9%	6,004	0.6%		54,502	9 <i>,</i> 553	21.3%	955	1.9%
2019	1,147,443	64,317	5.9%	7,146	0.6%		60,018	5,516	10.1%	613	1.1%
2024	1,181,479	34,036	3.0%	6,807	0.6%		64,163	4,145	6.9%	829	1.3%
		Tatal	No	Annual	Change	- P		Tatal	Change	Amminal	Change
		Total C	.nange	Annual	Change			Total	Change	Annual	Change
Households	Count	#	%	#	%	l	Count	#	%	#	%
2000	372,018					ſ	16,690				
2010	399,340	27,322	7.3%	2,732	0.7%		20,028	3,338	20.0%	334	1.8%
2019	421,673	22,333	5.6%	2,481	0.6%		21,936	1,908	9.5%	212	1.0%
2024	433,920	12,247	2.9%	2,449	0.6%		23,408	1,472	6.7%	294	1.3%

#### Table 10 Population and Household Trends

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.





Growth rates in the Eagle Landing Market Area slowed relative to the previous decade, but remained steady, with annual net growth of 1.1 percent for population and 1.0 percent for households between 2010 and 2019. The market area's total net growth over the past nine years was 5,516 people and 1,908 households. South Hampton Roads' rate of growth continued without change from 2010 to 2019 but remained below the market area with net annual growth of 0.6 percent for population and households.

# 2. Projected Trends

Esri projects the Eagle Landing Market Area's growth rates continuing over the next five years at 1.3 percent per year among population and households. This translates into growth of 829 persons and 294 households annually. The market area is projected to reach 64,163 people and 23,408 households by 2024. South Hampton Roads' population and household growth rates are also projected to remain steady with annual growth of 0.6 percent for population and households

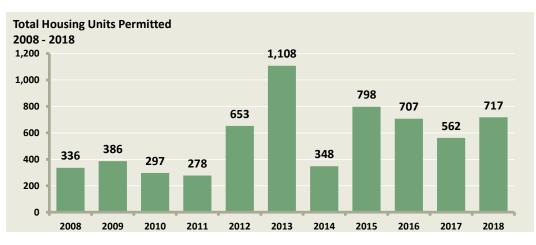
# 3. Building Permit Trends

RPRG examines building permit trends as one way of determining if the housing supply is meeting demand, as measured by new households. Between 2008 and 2009, an average of 361 new housing unit permits were authorized in Suffolk (Table 11). Through the national recession, the average number of authorized housing permits in the city fell to 288 from 2010 to 2011; the majority of these units were single family units. A surge of 1,108 permits were issued in 2013 which were split between single-family and multifamily with five or more units. In the years to follow, Suffolk authorized 348 building permits in 2014 and 798 building permits in 2015; of these units all were either single-family or multifamily with five or more units. Over the last three years 29 percent of the building permits issued were multifamily with five or more units.

#### Suffolk City 2008-Annual 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 Average Single Family 4,524 Two Family 3 - 4 Family 5+ Family 1,597 Total 1.108 6.190

Table 11 Building Permits by Structure Type

Source: U.S. Census Bureau, C-40 Building Permit Reports.

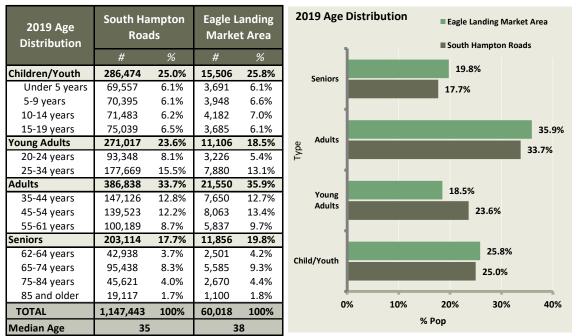




# C. Demographic Characteristics

# 1. Age Distribution and Household Type

The market area consists of a slightly older population base with a median age of 38 years compared to the South Hampton Roads' median age of 35 years (Table 12). Esri estimates that adults aged 35 to 61 represent the largest age cohort, consisting of 35.9 percent of the market area, compared to only 33.7 percent of the South Hampton Roads. Young adults aged 45 to 54 represent the largest individual age sector, comprising 13.4 percent of the market area. Adults aged 25 to 34 account for 13.1 percent and adults aged 35 to 44 comprise 12.7 percent. The PMA has slightly more seniors than the secondary market area, but fewer young adults which account for roughly one fifth of the market area population and 23.6 percent of South Hampton Roads.



# Table 12 Age Distribution

Source: Esri; RPRG, Inc.

Households without children were the most common household type in the Eagle Landing Market Area at 39.6 percent while those households represented 39.5 percent of South Hampton Roads households (Table 13). Similarly, 37.7 percent of the households in the market area were multi-person households with children, slightly above the 35.9 percent of households in South Hampton Roads. Single-person households comprised 22.7 percent of all households in the market area, nearly two percentage points below the South Hampton Roads' percentage of single-person households.

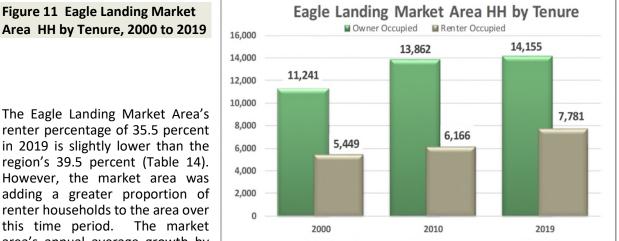
2010 Households by Household Type	South Ha Roa		•	anding t Area	2010 Hou	iseholds by Household Type			
Household Type	#	%	#	%	1		1		
Married w/Children	86,942	21.8%	4,567	22.8%	HH w/				37.7%
Other w/ Children	56,271	14.1%	2,988	14.9%	Children				35.9%
Households w/ Children	143,213	35.9%	7,555	37.7%					
Married w/o Children	100,981	25.3%	5,499	27.5%	HH w/o				39.6%
Other Family w/o Children	29,204	7.3%	1,695	8.5%	Children				39.5%
Non-Family w/o Children	27,415	6.9%	731	3.6%					Eagle Landing
Households w/o Children	157,600	39.5%	7,925	39.6%	Ape Cincles			22.7%	Market Area
Singles	98,527	24.7%	4,548	22.7%	ed. F Singles Portes Of Offer			24.7%	South Hampton Roads
Total	399,340	100%	20,028	100%	nseh				
Source: 2010 Census; RPRG, Inc.					훈 01	% 1	0% 20%	30% % Household	40% 50%

#### Table 13 Households by Household Type

# 2. Renter Households

#### a) **Recent Past Trends**

The number of renter households in the Eagle Landing Market Area increased from 5,449 in 2000 to 7,781 in 2019 for a net increase of 2,332 renter households or 42.8 percent<sup>1</sup> (Figure 11). By comparison, the number of owner households in the market area increased by 25.9 percent during the same period, from 11,241 to 14,155.



The Eagle Landing Market Area's renter percentage of 35.5 percent in 2019 is slightly lower than the region's 39.5 percent (Table 14). However, the market area was adding a greater proportion of renter households to the area over this time period. The market area's annual average growth by

tenure over the past 19 years was 123 renter households (1.9 percent) and 153 owner households (1.2 percent). The last column of Table 14 (blue shaded) quantifies the market area's net growth by tenure over the past 19 years; renter households contributed 44.5 percent of net household growth over this period. Renter households contributed a greater disproportionate percentage of net household growth in the South Hampton Roads Market Area at 53.5 percent of net household growth over the past 19 years.



<sup>&</sup>lt;sup>1</sup> Based on change from 2000 to 2010 Census counts and Esri's 2018 Estimate

11,241

5,449

16,690

1,120

17,810



South Hampton								Change 2000	0-2019		% of Change
Roads	2000	)	20:	2010 2019		Total	Change	Annual Change		2000 - 2019	
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	232,052	62.4%	249,577	62.5%	255,137	60.5%	23,085	9.9%	1,215	0.5%	46.5%
Renter Occupied	139,966	37.6%	149,763	37.5%	166,536	39.5%	26,570	19.0%	1,398	0.9%	53.5%
Total Occupied	372,018	100%	399,340	100%	421,673	100%	49,655	13.3%	2,613	0.7%	100%
Total Vacant	23,656		30,594		33,651						
TOTAL UNITS	395,674		429,934		455,324		1				
Eagle Landing	2000	)	20:	10	20	19		Change 2000	0-2019		% of Change
Market Area								Total Change And		Change	2000 - 2019
Housing Units	#	%	#	%	#	%	#	%	#	%	

14,155

7,781

21,936

1,810

23,746

64.5%

35.5%

100%

2,914

2,332

5,246

25.9%

42.8%

31.4%

153

123

276

1.2%

1.9%

1.4%

55.5%

44.5%

100%

#### Table 14 Households by Tenure, 2000-2019

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

67.4%

32.6%

100%

13,862

6,166

20,028

1,653

21.681

69.2%

30.8%

100%

#### b) Projected Trends

Owner Occupied

Renter Occupied

Total Occupied

Total Vacant

TOTAL UNITS

Esri projects the renter household growth in the market area to slow significantly over the next five years despite an increase in overall household growth and trends favoring renters, a significant departure from past census trends and Esri's previous estimates/projections. Esri changed its methodology for determining household tenure in its most recent<sup>2</sup> data release to include national multi-family property data from Axiometrics in addition to other changes<sup>3</sup>. Esri's new methodology is producing significant deviations from recent past trends that are inconsistent with verified construction and lease-up up activity in many markets across the United States, including the Eagle Landing Market Area.

As detailed Table 15, Esri projects renter households to increase by only 252 households over the next five years or annual growth of roughly 50 renter households; the market area added an average of 123 renter household a year over the past 19 years.

Based on our research including an analysis of demographic and multi-family trends, RPRG projects renter households to continue to contribute 44.5 percent of net household growth over the next five years, a similar rate as occurred over the last 19 years.

<sup>&</sup>lt;sup>2</sup> July 2018 Release

<sup>&</sup>lt;sup>3</sup> Correspondence with Douglas Skuta of Esri on 7/27/18



# Table 15 Households by Tenure, 2019-2024

Eagle Landing Market Area	2019		2024 Esı Ten	,	Esri Change by Tenure		
Housing Units	#	%	#	%	#	%	
Owner Occupied	14,155	64.5%	15,375	65.7%	1,220	82.9%	
Renter Occupied	7,781	35.5%	8,033	34.3%	252	17.1%	
Total Occupied	21,936	100%	23,408	100%	1,472	100%	
Total Vacant	1,810		2,015				
TOTAL UNITS	23,746		25,423				

Eagle Landing Market Area	2019		2024 RPR Ten		RPRG Change by Tenure		
Housing Units	#	%	#	%	#	%	
Owner Occupied	14,155	64.5%	14,972	64.0%	817	55.5%	
Renter Occupied	7,781	35.5%	8,436	36.0%	655	44.5%	
Total Occupied	21,936	100%	23,408	100%	1,472	100%	
Total Vacant	1,810		2,015				
TOTAL UNITS	23,746		25,423				

Source: Esri, RPRG, Inc.

# c) Renter Household Characteristics

Young working age households age 25 to 44 account for 40.5 percent of all renter households in the Eagle Landing Market Area and nearly half in South Hampton Roads (Table 16). Young adults age 25 to 34 is the largest individual cohort in both areas including 22.8 percent in the market area. Less than six percent of renter householders are under the age of 25 and 36.9 percent are age 55+.

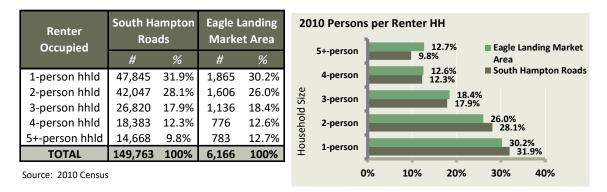
#### 2019 Renter HHs by Age of HHldr Renter **South Hampton** Eagle Landing Households Roads **Market Area** Eagle Landing Market 9.4% 6.7% 75+ Age of HHldr # Area # 10.9% 65-74 South Hampton Roads 15-24 years 18,209 10.9% 397 5.1% of Householder 25-34 years 29.9% 1,773 22.8% 49,845 55-64 16.6% 11.9% 35-44 years 31,566 19.0% 1,378 17.7% 13.9% 45-54 45-54 years 23,167 13.9% 1,366 17.6% 35-44 17.7% 55-64 years 19,802 11.9% 1,295 16.6% 22.8% 25-34 Age 29.9% 65-74 years 12,789 7.7% 845 10.9% .1% 10.9% 15-24 75+ years 11,158 6.7% 728 9.4% Total 100% 100% 166,536 7,781 20% 0% 10% 30% 40%

#### Table 16 Renter Households by Age of Householder

Source: Esri, Real Property Research Group, Inc.

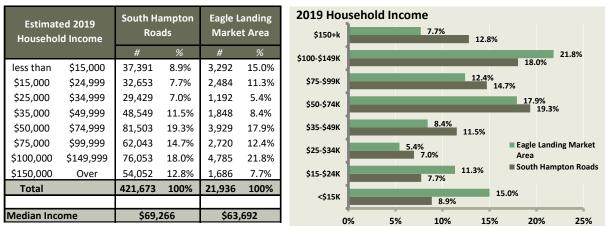
Thirty percent of 2010 renter households in the market area are single individuals, slightly lower than the South Hampton Roads' proportion of 31.9 percent (Table 17). Two-person households comprised 26 percent of renter households and 18.4 percent of renter households had three persons. Twenty-five percent of market area households were larger households of four persons or more.





# 3. Income Characteristics

Based on income distributions provided by Esri, households in the Eagle Landing Market Area have a 2019 median household income of \$63,692 per year, 8.0 percent lower than the \$69,266 median income in South Hampton Roads (Table 18). Thirty-two percent of households in the Eagle Landing Market Area earn less than \$35,000, 26.3 percent earn \$35,000 to \$74,999, and 34.2 percent earn between \$75,000 and \$149,999. Eight percent of households earn at least \$150,000.



#### Table 18 Household Income

Source: Esri; Real Property Research Group, Inc.

Based on the U.S. Census Bureau's American Community Survey data, the breakdown of tenure, and household estimates, RPRG estimates that the median income of Eagle Landing Market Area households by tenure is \$33,205 for renters and \$82,015 for owners (Table 19). Fifty-one percent of renter households in the Eagle Landing Market Area earn less than \$35,000, 29.3 percent earn \$35,000 to \$74,999, and 17.4 percent earn between \$75,000 and \$149,999. Two percent of households earn at least \$150,000.



Estimated Inco		-	nter eholds		vner eholds	2019 Household Inco		come by Tenure				
Eagle Landi Ar	ing Market ea		%	#	%		\$150k+ ; \$100-\$150K	152	1, 797	554		3,988
less than	\$15,000	1,952	25.1%	1,340	9.5%		, \$75-\$99.9К		151	2,163		
\$15,000	\$24,999	1,473	18.9%	1,011	7.1%		э/ <b>э-</b> эээ.эк	55	7	,		
\$25,000	\$34,999	567	7.3%	625	4.4%		\$50-\$74.9K		1,32		607	
\$35,000	\$49,999	960	12.3%	888	6.3%	e	\$35-\$49.9K		888			
\$50,000	\$74,999	1,322	17.0%	2,607	18.4%	com	333-349.9K		960			
\$75,000	\$99,999	557	7.2%	2,163	15.3%	d Inc	\$25-\$34.9K	6	25 7		Own	er Househol
\$100,000	\$149,999	797	10.2%	3,988	28.2%	Household Income	\$15-\$24.9K		1,011			
\$150,000	over	152	2.0%	1,534	10.8%	ouse	Ş15-Ş24.9К			173	Rent	er Househol
Total		7,781	100%	14,155	100%	Ĭ	<\$15K		1,34	10   1,952		
Median In	come	\$33,	,205	\$82	,015			0 1,0	00 2,	000 3,0	000 4,0	000 5,00

#### Table 19 Household Income by Tenure, Eagle Landing Market Area

Source: American Community Survey 2013-2017 Estimates, RPRG, Inc.

# 4. Cost-Burdened Renter Households

'Rent Burden' is defined as the ratio of a household's gross monthly housing costs – rent paid to landlords plus utility costs – to that household's monthly income. Data regarding the concept of rent burden from the 2013-2017 ACS highlight that nearly than two-fifths (39.6 percent) of all renter households residing in the Eagle Landing Market Area have rent burdens of 40 percent or higher. The cost-burdened situation of many low- to moderate-income renter households is a primary indicator of a need for new affordable income- and rent-restricted rental housing in the primary market area. Additionally, 4.2 percent of the rental housing stock within the market area can be considered substandard, i.e., lacking complete plumbing facilities, or overcrowded with more than 1.0 occupants per room.

Table 20 Dent Burden by	Household Income, 2013-2017, Eagle Landing Market Area
Table ZU Refit Durgen D	<b>HOUSEHOID INCOME. 2013-2017. Edgle Landing Market Area</b>

Rent Cost B	urden							
Total Households	#	%						
Less than 10.0 percent	267	3.7%						
10.0 to 14.9 percent	330	4.6%						
15.0 to 19.9 percent	692	9.6%						
20.0 to 24.9 percent	799	11.1%						
25.0 to 29.9 percent	716	10.0%						
30.0 to 34.9 percent	774	10.8%						
35.0 to 39.9 percent	421	5.9%						
40.0 to 49.9 percent	695	9.7%						
50.0 percent or more	1,925	26.8%						
Not computed	565	7.9%						
Total	7,184	100.0%						
> 40% income on rent 2,620 39.6%								
Source: American Community Sur	,							

Substandardness	
Total Households	
Owner occupied:	
Complete plumbing facilities:	13,371
1.00 or less occupants per room	13,264
1.01 or more occupants per room	107
Lacking complete plumbing facilities:	21
Overcrowded or lacking plumbing	128
Renter occupied: Complete plumbing facilities:	7,107
1.00 or less occupants per room	6,880
1.01 or more occupants per room	227
Lacking complete plumbing facilities:	77
Overcrowded or lacking plumbing	304
Substandard Housing	432
% Total Stock Substandard % Rental Stock Substandard	2.1% 4.2%



# A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Eagle Landing Market Area. We pursued several avenues of research to identify multifamily rental projects that are in the planning stages or under construction in the Eagle Landing Market Area. We contacted planning officials with all relevant municipalities, searched online records, and interviewed local developers.

# **B.** Overview of Market Area Housing Stock

The Eagle Landing Market Area's renter households reside within a variety of structure types including 31.1 percent in multi-family structures with at least five units and 49.1 percent in single-family detached homes (Table 21). Townhomes and duplex units combine for 12.2 percent of market area rentals and 3.2 percent of rentals are mobile homes. The South Hampton Roads has a higher percentage of renter occupied units in structures with five or more units, a lower number of single-family detached homes, and 1.3 percent among mobile homes. Detached and attached single-family dwelling account for 95.9 percent of all owner occupied units within the market area and 94.6 percent in the region.

# Table 21 Renter Occupied Housing Units by Structure Type

	c	Owner O	ccupied			R	ccupied	upied		
Structure Type	South Ha Roa	•	0	Eagle Landing Market Area			mpton ds	Eagle Landing Market Area		
	#	%	#	%		#	%	#	%	
1, detached	202,474	82.3%	12,347	92.3%		39,317	24.4%	3,527	49.1%	
1, attached	30,309	12.3%	478	3.6%		24,830	15.4%	251	3.5%	
2	1,194	0.5%	21	0.2%		9,608	6.0%	628	8.7%	
3-4	1,917	0.8%	49	0.4%		18,484	11.5%	315	4.4%	
5-9	2,346	1.0%	54	0.4%		28,652	17.8%	941	13.1%	
10-19	1,806	0.7%	0	0.0%		17,205	10.7%	661	9.2%	
20+ units	2,613	1.1%	29	0.2%		20,574	12.8%	629	8.8%	
Mobile home	3,383	1.4%	405	3.0%		2,139	1.3%	232	3.2%	
TOTAL	246,042	100%	13,383	100%		160,809	100%	7,184	100%	

Source: American Community Survey 2013-2017

The Eagle Landing Market Area's rental housing stock is four years older than that of the South Hampton Roads region. The median year built of renter occupied units is 1974 in the market area and 1978 in the region (Table 22). Renter occupied units built in the 1970's and 1980's comprised one third of the market area and one-fifth of the region, while another 10.9 percent of all market area rental units were built in the 1990's. Among the newest rental stock, only 2.7 percent of all market area rental units were built in 2010 or later, similar to the 3.8 percent share of the region's rental inventory.

According to ACS data, the median value among owner-occupied housing units in the Eagle Landing Market Area as of 2013-2017 was \$214,792, roughly 13.2 percent less than the South Hampton Roads median of \$247,359 (Table 23). This data is a less accurate and reliable indicator of home prices in an area than actual sales data but offers insight on relative housing values among two or more areas.



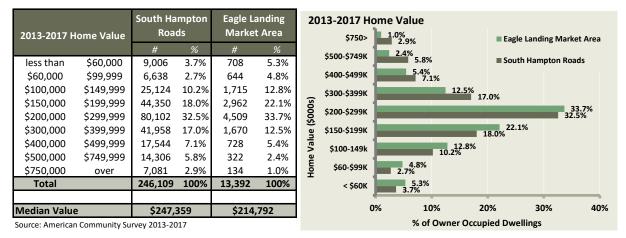


# Table 22 Occupied Units by Tenure and Year Built

	0	wner O	ccupied			l				
Year Built	South Hampton Roads		Eagle Landing Market Area			South Ha Roa		Eagle Landing Market Area		
	#	%	#	%		#	%	#	%	
2014 or later	2,107	0.9%	154	1.1%	ſ	1,315	0.8%	3	0.0%	
2010 to 2013	6 <i>,</i> 396	2.6%	370	2.8%		4,748	3.0%	193	2.7%	
2000 to 2009	30,362	12.3%	3,392	25.3%		18,651	11.6%	924	12.9%	
1990 to 1999	37,113	15.1%	2,651	19.8%		21,457	13.3%	783	10.9%	
1980 to 1989	49,839	20.3%	1,465	10.9%		31,851	19.8%	1,064	14.8%	
1970 to 1979	37,420	15.2%	1,379	10.3%		31,322	19.5%	1,164	16.2%	
1960 to 1969	30,340	12.3%	1,296	9.7%		18,418	11.5%	629	8.8%	
1950 to 1959	28,755	11.7%	1,117	8.3%		14,536	9.0%	742	10.3%	
1940 to 1949	11,132	4.5%	644	4.8%		7,877	4.9%	386	5.4%	
1939 or earlier	12,645	5.1%	924	6.9%		10,674	6.6%	1,296	18.0%	
TOTAL	246,109	100%	13,392	100%		160,849	100%	7,184	100%	
MEDIAN YEAR										
BUILT	198	0	1988			197	8	19	74	

Source: American Community Survey 2013-2017

# Table 23 Value of Owner Occupied Housing Stock



# C. Survey of General Occupancy Rental Communities

#### 1. Introduction to the Rental Housing Survey

RPRG surveyed 17 multi-family rental communities in the Eagle Landing Market Area, which include a range of property types and price points. RPRG was unable to contact Center 800 after several attempts, therefore it is not included in this analysis. The survey goes beyond the most directly comparable communities to provide an overall insight on market conditions and rental housing options. For the purposes of this analysis, we have segmented the surveyed communities into two tiers:

• **Upper Tier** – Nine market rate communities operating at the top of the market.



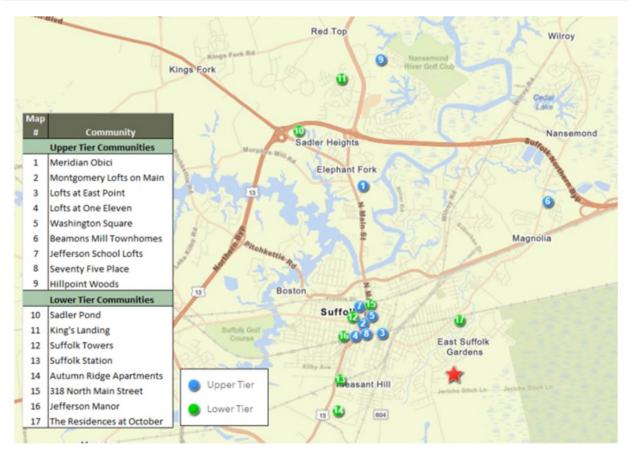
• Lower Tier – Eight older communities priced below the top of the market area including five market rate properties and three LIHTC properties with rent/income restricted units.

Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 5.

# 2. Location

Map 6 shows the locations of the surveyed competitive communities in relation to the subject site. The Lofts at East Point is the closest community to the subject, just over a mile northwest of the site. Hillpoint Woods is the farthest competitive surveyed community from the subject, roughly six miles north of the site. The Residences at October, one of the newest tax credit communities is located 1.3 miles north of the site. Most of market rate and tax credit communities are concentrated in a cluster in downtown Suffolk. The remaining communities are much more scatter throughout the market area.

# Map 6 Surveyed Competitive Rental Communities



# 3. Age of Communities

The overall year built of the surveyed communities is 1991 (Table 24). The nine Upper Tier communities were built from 2005 to 2016 with an average year built of 2010. The eight Lower Tier communities were built from 1925 to 2013 with an average year built of 1969. However, the three tax credit communities in the market have an average placed in service date of 1996 with the newest tax credit community introduced in 2013.



#### Table 24 Rental Communities Summary

Мар		Year	Structure	Total	Vacant	Vacancy	Avg 1BR	Avg 2BR	
#	Community	Built	Туре	Units	Units	Rate	Rent (1)	Rent (1)	Incentive
			Upper <sup>-</sup>	Tier Co	mmunit	ies			
1	Meridian Obici	2016	Mid Rise	224	2	0.9%	\$1,164	\$1,490	None
2	Montgomery Lofts on Main	2013	Adapt Reuse	12	0	0.0%	\$925	\$1,340	None
3	Lofts at East Point	2010	Adapt Reuse	33	4	12.1%	\$1,084	\$1,331	None
4	Lofts at One Eleven	2012	Adapt Reuse	26	0	0.0%	\$1,005	\$1,280	None
5	Washington Square	2014	Adapt Reuse	71	4	5.6%	\$1,083	\$1,279	None
6	Beamons Mill TH	2007	Gar/TH	54	0	0.0%	\$925	\$1,251	None
7	Jefferson School Lofts	2008	Adapt Reuse	16	1	6.3%	\$1,025	\$1,250	None
8	Seventy Five Place	2009	Adapt Reuse	16	1	6.3%	\$1,179	\$1,249	None
9	Hillpoint Woods	2005	Gar	144	0	0.0%	\$958	\$1,063	None
	Upper Tier Total			596	12	2.0%			
Upper Tier Average 2010				66			\$1,039	\$1,282	
			Lower	Tier Co	mmunit	ies			
10	Sadler Pond	1989	Gar	110	2	1.8%		\$970	None
11	King's Landing*	1992	Gar	120	0	0.0%	\$775	\$910	None
12	Suffolk Towers	1925	Mid Rise	59	2	3.4%	\$775	\$900	None
13	Suffolk Station	1987	Gar	112	1	0.9%		\$855	None
14	Autumn Ridge Apts*	1982	Gar/TH	176	2	1.1%	\$730	\$807	2BR \$790 & \$500 off
45	<b>U</b> .	4000		4.2		0.00/		1.1	move-in
15	318 North Main Street	1920	Gar	12	0	0.0%		\$795	None
16	Residences at October, The*	2013	Gar	72	0	0.0%	4=0=	\$722	None
17	Jefferson Manor	1945	Adapt Reuse	39	1	2.6%	\$595	\$695	None
	Lower Tier Total			700	8	1.1%	4-10	4000	
	Lower Tier Average	1969		88		4 = 0(	\$719	\$832	
	Total			1,296	20	1.5%	40.40	Å4 075	
	Average			76	2	0.5%	\$940	\$1,070	
	LIHTC Total/Average	1996		368	2	0.5%	\$753	\$813	

(\*) Tax Credit Communities

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. August 2019.

#### 4. Structure Type

Six Upper Tier communities are an adaptive reuse of either a retail or industrial building and three are newer constructed mid-rise or garden/townhouse buildings. The Lower Tier communities include a combination of adaptive reuse, mid-rise, and garden-style apartments.

#### 5. Size of Communities

The 17 surveyed communities range from 12 to 224 units and average 76 units per community. Upper Tier communities are smaller on average with 66 units per community compared to 88 units for the Lower Tier.

# 6. Vacancy Rates

The 17 communities with just under 1,300 units report 20 vacancies for an aggregate vacancy rate of 1.5 percent. Aggregate vacancy rates by tier are 2.0 percent for Upper Tier and 1.1 percent for Lower Tier. Vacancy rates at individual Upper Tier properties range from 0.0 percent (four properties) to 12.1 percent (Lofts at East Point). Lower Tier vacancy rates range from 0.0 percent (three properties) to 3.4 percent (Suffolk Tower).



The aggregate LIHTC vacancy rate is a low 0.5 percent and ranged from 0.0 percent (two communities) to 1.1 percent (Autumn Ridge Apartments).

### 7. Rent Concessions

Indicative of a tight market, no Upper Tier and only one Lower Tier property offers a rent incentive. Autumn Ridge Apartments, which has two vacancies, is offering an incentive of \$500 off the first month rent and discounted rent on two-bedroom units.

### 8. Absorption History

The Meridian Obici is the most recent community to complete lease-up, delivering its first units in August 2016 and reaching 95 percent leased by September 2018, resulting in an average absorption pace of 15 units per month.

#### D. Analysis of Rental Pricing and Product

#### 1. Payment of Utility Costs

Three Upper Tier properties include any utilities in rent (Table 25). In contrast, the older Lower Tier properties typically do not include utilities in rent, with the exception of trash. One Lower Tier property includes all utilities in rent.

#### 2. Unit Features

All Upper Tier offer dishwashers and all but one offers microwave. All but one community offers surface parking. Montgomery Lofts only offers parking within the building's ground level garage for a fee of \$65 per month. Six of the Upper Tier communities offer a washer/dryer standard. Meridian Obici and Beamons Mill are optional for a fee. Hillpoint Woods provides only washer/dryer hook-ups in their units, but washer/dryer are available for rent.



		Ut	ilitie	s Incl	ludec	l in Re	ent				
Community	Heat Type	Heat	Hot Water	Cooking	Electric	Water	Trash	Dish- washer	Micro- wave	Parking	In-Unit Laundry
Subject Property	Elec						X	STD	N/A	Surface	Hook Ups
		-	nities								
Meridian Obici		X		X			X	Std	Std	Surface	Optional/Fee
Montgomery Lofts on Main	Elec	X	X	X		×	X	Std	Std	Parking Gar/Fee	Std - Stacked
Lofts at East Point	Elec	X	X	X		X	X	Std	Std	Surface	Std - Full
Lofts at One Eleven	Elec	X	X	X	X	X	X	Std	Std	Surface	Std - Full
Washington Square		X	X	X	X	X	X	Std	Std	Surface	Std - Stacked
Beamons Mill TH	Elec						X	Std	N/A	Surface	Optional/Fee
Jefferson School Lofts	Elec					X	X	Std	Std	Surface	Std - Full
Seventy Five Place	Elec	X	X	X	X	X	X	Std	Std	Surface	Std - Full
Hillpoint Woods	Elec						X	Std	Std	Surface	Hook Ups
		-	L	owe	r Tie	r Con	nmui	nities			
Sadler Pond	Elec						X	Std	N/A	Surface	Optional/Fee
King's Landing	Elec					X	X	Std	N/A	Surface	Optional/Fee
Suffolk Towers	Elec	X	X	X	X	X	X	N/A	N/A	Surface	N/A
Suffolk Station	Elec						X	Std	N/A	Surface	Optional/Fee
Autumn Ridge Apts	Elec						X	Std	N/A	Surface	Hook Ups
318 North Main Street	Gas					X	X	N/A	N/A	Surface	N/A
Residences at October, The	Gas						X	Std	N/A	Surface	Optional/Fee
Jefferson Manor								N/A	N/A	Surface	N/A

Table 25 Utility Arrangement and Unit Features, Surveyed Communities

Among Lower Tier properties, 5 of 8 have dishwashers in all units, while none of the properties include microwaves. Half of the Lower Tier properties offer washer/dryer machines as an option for a fee while the other half either provide the hook ups or offer an on-site laundry facility. 318 N Main Street Apartments is the only community that does not offer in-unit or laundry room within the community. The closest laundry is the Wash House located 0.7 miles to the north on Main Street.

# 3. Parking

Montgomery Lofts only offers optional underground garage parking for a fee of \$65 per month (Table 26). Two properties have optional detached garages with fees of \$100 and \$114 per month. One property has paid on-site surface parking, with fee of \$30.

# Table 26 Garage Parking Fees

Garages									
Community	Туре	Price							
Hillpointe Woods	Detached Garage	\$100							
Meridian Obici	Detached Garage	\$114							
Montgomery Lofts on Main	Underground Garage	\$65							
	Paid Surface Parking								
Community	Туре	Price							
Suffolk Towers	Paid On Site	\$30							

Source: Field Survey, Real Property Research Group, Inc. August 2019.



# 4. Community Amenities

This is not a high amenity market as only two communities offer multiple amenity options in the Upper Tier (Table 27). Six of the Upper Tier communities do not provide amenities of any kind. These communities mostly entail adaptive reuse apartments located in downtown Suffolk. Half of the Lower Tier communities offer at least one amenity with the pool and playground being the most common.

# Table 27 Community Amenities, Surveyed Communities

Community	Clubhouse	Fitness Room	Pool	Hot Tub	Playground	Tennis Court	Business Center
Subject Property	X				X		
Upp	er Tie	r Comm	unitie	s			
Meridian Obici	X	X	X				X
Montgomery Lofts on Main							
Lofts at East Point							
Lofts at One Eleven							
Washington Square							
Beamons Mill TH					X		
Jefferson School Lofts							
Seventy Five Place							
Hillpoint Woods	X		X		X		
Low	er Tie	r Comm	unitie	s			
Sadler Pond			X				
King's Landing			X		X		
Suffolk Towers							
Suffolk Station							
Autumn Ridge Apts					X		
318 North Main Street							
Residences at October, The	X	X			X		
Jefferson Manor							

Source: Field Survey, Real Property Research Group, Inc. August 2019.

# 5. Distribution of Units by Bedroom Type

We have unit distributions for over 95 percent of the inventory surveyed. All Upper Tier communities have one- and two-bedroom units, while one has just one efficiency unit, Three Upper Tier properties have three-bedroom units (Table 28). Among the 10 Lower Tier properties, all have two-bedroom units, and five have one-bedroom units, six have three-bedroom units and two offer efficiencies.

Two-bedroom units are the most common unit type among Upper Tier communities accounting for 48.0 percent of all units. One-bedroom units comprise 43.5 percent of Upper Tier units. Lower Tier properties have a greater emphasis on two-bedroom units, accounting for two-thirds of all units (66.5 percent). Eighteen percent of Lower Tier units are three-bedroom units while 14 percent are one-bedrooms, and three percent are efficiency units.



#### Table 28 Unit Distribution, Size and Pricing, Surveyed Rental Communities

	Total	1	Efficien	cy Un	its	С	ne Bedro	oom U	nits	Т	wo Bedr	oom Ui	nits	Th	nree Bed	room l	Jnits
Community	Units	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/S
Subject Phase I - 50% AMI	68									45	\$742	780	\$0.95	23	\$857	874	\$0.98
Subject Phase I- 60% AMI	45									30	\$921	812	\$1.13	15	\$1,063	1,007	\$1.06
Subject Phase II - 50% AMI	57					11	\$598	724	\$0.83	34	\$698	970	\$0.72	12	\$793	1,109	\$0.72
Subject Phase II- 60% AMI	36					6	\$747	724	\$1.03	22	<b>\$698</b>	970	\$0.72	8	\$999	1,109	\$0.90
	U	pper Ti	er Comm	nunitie	s												
Meridian Obici	224					128	\$1,044	833	\$1.25	80	\$1,360	1,101	\$1.23	16	\$1,636	1,432	\$1.14
Beamons Mill TH	54					1	\$925	840	\$1.10	20	\$1,251	1,289	\$0.97	33	\$1,332	1,387	\$0.96
Montgomery Lofts on Main	12					1	\$840	828	\$1.01	11	\$1,235	1,037	\$1.19				
Jefferson School Lofts	16					4	\$1,010	1,100	\$0.92	12	\$1,230	1,250	\$0.98				
Lofts at East Point	33					19	\$999	689	\$1.45	14	\$1,226	884	\$1.39				
Lofts at One Eleven	26					20	\$885	646	\$1.37	5	\$1,130	858	\$1.32	1	\$1,427	1,117	\$1.28
Washington Square	71					60	\$893	666	\$1.34	11	\$1,129	921	\$1.23				
Hillpoint Woods	144					24	\$958	818	\$1.17	120	\$1,063	914	\$1.16				
Seventy Five Place	16	1	\$886	480	\$1.85	2	\$1.059	661	\$1.60	13	\$1,099	870	\$1.26				
Upper Tier Total/Average	596		\$886	480	\$1.85		\$957	787	\$1.22	-	. ,	1.014	\$1.18		\$1.465	1.312	\$1.12
Upper Tier Unit Distribution	596	1				259				286				50			
Upper Tier % of Total	100.0%	0.2%				43.5%				48.0%				8.4%			
					L	ower Ti	er Comm	nunitie	s								
Sadler Pond	110								-	86	\$970	900	\$1.08	24	\$1,020	1,100	\$0.93
King's Landing-60%*	120					48	\$760	661	\$1.15	72	\$890	858	\$1.04				
Autumn Ridge Apts-60%*	24									16	\$885	850	\$1.04	8	\$1,020	1,013	\$1.01
Suffolk Station	112									80	\$855	1,000	\$0.86	32	\$950	1,100	\$0.86
Autumn Ridge Apts-Mkt	128					24	\$730	556	\$1.31	88	\$810	731	\$1.11	16	\$975	990	\$0.98
318 North Main Street	12									12	\$775	800	\$0.97				
Residences at October, The-50%*	64									40	\$752	1,000	\$0.75	24	\$855	1,200	\$0.71
Suffolk Towers	59		\$549	450	\$1.22		\$655	500	\$1.31		\$750	750	\$1.00				
Autumn Ridge Apts-50%*	24									16	\$725	850	\$0.85	8	\$834	1,013	\$0.82
Jefferson Manor	39	16	\$535	414	\$1.29	15	\$605	594	\$1.02	8	\$705	575	\$1.23				
Residences at October, The-40%*	8									8	\$574	1,000	\$0.57				
Lower Tier Total/Average	700		\$542	432	\$1.25		\$688	578	\$1.19		\$790	847	\$0.93		\$942	1,069	\$0.88
Lower Tier Unit Distribution	641	16				87				426				112			
Lower Tier % of Total	91.6%	2.5%				13.6%				66.5%				17.5%			
Total/Average	1,296		\$657	448	\$1.47		\$874	722	\$1.21		\$971	922	\$1.05		\$1,116	1,150	\$0.97
Unit Distribution	1,237	17				346				712				162			
% of Total	95.4%	1.4%				28.0%				57.6%				13.1%			
Tax Credit Total/Average	240						\$760	661	\$1.15		\$765	912	\$0.84		\$903	1.075	\$0.84
	240					48	,		,					40		.,	,
Tax Credit Unit Distribution	240									152				40			

(\*) Tax Credit Communities

(1) Rent is adjusted to include only Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. August 2019.

#### 6. Effective Rents

Unit rents presented in Table 28 are net or effective rents, as opposed to street or advertised rents. We applied downward adjustments to street rents to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, net rents represent the hypothetical situation where only trash is included in rent. This is the utility arrangement for the subject community.

Among Upper Tier communities, the average effective rents are:

- **One bedroom** rents at \$957 for 787 square feet or \$1.22 per square foot.
- **Two bedroom** rents at \$1,192 for 1,014 square feet or \$1.18 per square foot.
- Three bedroom rents at \$1,465 for 1,312 square feet or \$1.12 per square foot.



Among Lower Tier communities, the average effective rents are:

- **One bedroom** rents at \$688 for 578 square feet or \$1.19 per square foot.
- **Two bedroom** rents at \$790 for 847 square feet or \$0.93 per square foot.
- Three bedroom rents at \$942 for 1,069 square feet or \$0.88 per square foot.

Among the LIHTC communities, only King's Landing has 60 percent one-bedroom units, which rent for \$760. Two-bedroom tax credit net rents average \$888 for 60 percent units and \$739 for 50 percent units. The one three bedroom 60 percent unit offering rents for \$1,020 while the rent at the two 50 percent three bedroom offerings average \$845.

# 7. Subsidized Rental Communities

Many multifamily rental units in the Eagle Landing Market Area have project-based rent subsidies. Projects with deep subsidy units include those where rental assistance is provided in the form of Annual Contributions Contracts (ACC) for public housing rental properties, project-based HUD Section 8 rent subsidies, or through other governmental programs. In these subsidized arrangements, tenants pay an amount roughly equivalent to 30+/- percent of their income toward housing costs (rent plus utility costs), while the rent subsidy covers the remainder of the relevant housing costs.

In addition to the existing subject communities, RPRG identified four existing subsidized rental communities targeting the general population (non-age restricted) within the Eagle Landing Market Area (Table 29), (Map 7). The properties include two traditional public housing communities (Hoffler Apartments and Colander Bishop Apartments) with a total of 160 units and two privately owned and managed HUD Section 8 properties (Heritage Acres and Wilson Pines) with a total of 180 units. The four communities (plus the subject) include a total 546 subsidized units.

					Vacant	
Map #	Community	Address	Year Built	# Units *	Units	Waiting List
SRHA P	Public Housing Communities					
	Cypress Manor (^^)	94 Stacey Drive	1978	113	5	Closed
	Parker Riddick Apartments (^^)	94 Stacey Drive	1981	93	7	Closed
1	Hoffler Apartments	2210 E Washington St	1984	80	0	179 Hhlds
2	Colander Bishop Apartments	925 Brook Avenue	1986	80	0	179 Hhlds
	-	Subtotal		366	12	
Private	ly Managed Communities					
3	Heritage Acres	1015 Nansemond Pky	1980	76	0	2-4 years
4	Wilson Pines	2525 E Washington St	104	0	Lenghty	
		Total Units		546	12	

# Table 29 Subsidized Rental Communities, Eagle Landing Market Area

Source: Field Survey, Real Property Research Group, Inc. December 2018. \* Only subsidized units included

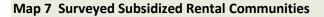
(^^) Subject

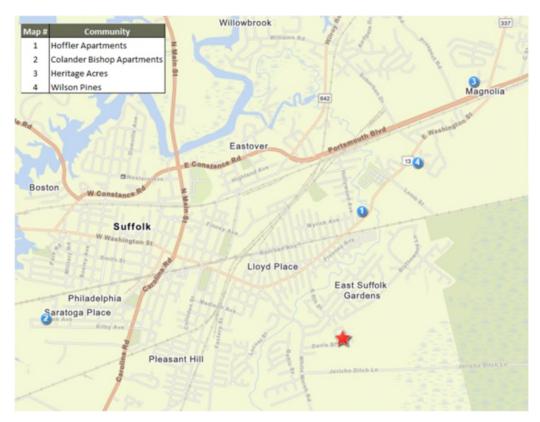
LaShan Pittman of the Suffolk Redevelopment and Housing Authority (SRHA) provided information on the SRHA managed properties, vacancies, and waiting lists. The waitlist contains 179 households. SRHA estimates the time on the waitlist to between one and two years. The two privately managed communities administer their own waiting lists.

Note that the only vacancies exist at the subject (Cypress Manor and Parker Riddick Apartments). Both communities are scheduled for either a major renovation or a complete reconstruction, therefore vacant units will no longer be backfilled. The waitlist for both communities has been closed. Cypress Manor residents are to be relocated within the community. This will be achievable when the subject



reached 20 percent vacancy. Residents at Parker Riddick will be given Tenant Protection Vouchers and assisted by Suffolk Redevelopment and Housing Authority to obtain off-site residences.





# E. Derivation of Market Rent

#### 1. Introduction

To illustrate the position of the proposed subject rents within the local rental market, rent levels of the most comparable market-rate communities are adjusted for a variety of factors including: location, curb appeal, unit size (square footage), in-unit appliances and other features, common area amenities, concessions, and utility arrangements for each bedroom type. The purpose of this exercise is to determine whether the proposed LIHTC rents for the subject offer a value relative to market-rate rent levels within a given market area. The rent derived for bedroom type is not to be confused with an appraisal or rent comparability study (RCS) based approach, which is more specific as it compares specific models in comparable rental communities to specific floor plans at the subject and is used for income/expense analysis and valuation.

# 2. Selection of Comparable Properties

To derive market rents for this project, we selected rental comparables most relevant to the subject in terms of target market (family), structure types offered (garden, townhomes, and mid-rise), age and condition, and community features and amenities offered. Meridian Obici offer similar sized units, Suffolk Station and Sadler Pond offer a similar unit configuration and unit sizes.

# 3. Description of Rent Adjustments

An explanation of each rent adjustment made to the comparable communities follows:

*Rents Charged* – current asking rents, adjusted for utilities and incentives, if applicable.

**Design, Location, Condition** – adjustments made in this section include:

- Structure/Stories Phase I is a two-story garden style apartment community and Phase II is a three-story garden style apartment community. Meridian Obici is a four-story mid-rise apartment community. A positive \$10 adjustment was applied. A \$10 positive adjustment has been made for the two- and three-bedroom units for Sadler Pond as it has three-stories.
- *Elevator Served*: A positive adjustment of \$20 has been made to account for the elevator at Meridian Obici.
- **Year Built/ Renovated** The subject will be fully rehabilitated or constructed in 2021. We applied an upward adjustment of \$4-\$24 to account for the year built for the comparable communities. Suffolk Station is the oldest of the comparables which was built in 1987.
- **Quality/Street Appeal** Two of the comparable communities have above average quality/street appeal. We made a downward adjustment of \$10 each. Meridian Obici is considered to have excellent street appeal. We made a downward \$30 adjustment.
- Location A \$10-30 downward adjustment has been made as all comparables have an above average or excellent location.

**Unit Equipment / Amenities**- adjustments made in this section include:

- Bedrooms A \$30 downward adjustment was made to comparable communities that do not have one-bedroom units, as two-bedroom units for those communities were used in comparison.
- **Bathrooms** A \$30 downward adjustment was made for comparable communities that have two-bathrooms compared to the subject's one.
- **Square Footage** Differences between comparables and the subject property are accounted for by an upward or downward adjustment of \$0.25 per foot.
- Unit Features Adjustments were made for unit features included or excluded at the subject
  property. The exact value of each specific adjustment is somewhat subjective as particular
  amenities are more attractive to certain renters and less important to others. Adjustment
  values of \$5 were made for balcony/patio, dishwashers and microwaves, and washer/dryer
  hook-ups and \$25 for washer/dryer machines.
- **Site Equipment / Amenities** –Adjustment values of \$10 to \$25 were applied in relation to the amenities including community room/clubhouse, pool and playground.

#### **Table 30 Rent Adjustments Summary**

Rent Adjustments Summary								
B. Design, Location, Condition								
Structure / Stories	\$10.00							
Elevator Served	\$20.00							
Year Built / Condition	\$0.75							
Quality/Street Appeal	\$10.00							
Location	\$10.00							
C. Unit Equipment / Amenities	5							
Number of Bedrooms	\$30.00							
Number of Bathrooms	\$30.00							
Unit Interior Square Feet	\$0.25							
Balcony / Patio / Porch	\$5.00							
AC Type:	\$5.00							
Range / Refrigerator	\$25.00							
Microwave / Dishwasher	\$5.00							
Washer / Dryer: In Unit	\$25.00							
Washer / Dryer: Hook-ups	\$5.00							
D. Site Equipment / Amenities	;							
Community Room/Clubhouse	\$25.00							
Pool	\$10.00							
Playground	\$10.00							
Fitness Center	\$10.00							
Business Center	\$5.00							

The evaluated subject rents in the following grids are the proposed rents for the 60 percent AMI units. In this analysis, we averaged the adjusted rents to estimate the achievable market rent for the subject project; the subject rents for the two- and three-bedroom analysis are weighted averages. According to our adjustment calculations, the estimated market rents for the units at Eagle Landing Apartments are \$911 for one-bedroom units (Table 31), \$1,021 for two-bedroom units (Table 32) and \$1,157 for three-bedroom units (Table 33). This results in rent advantages of 18.0 percent for one-bedroom units, 19.0 percent for two-bedroom units, and 10.1 percent for three-bedroom units for the subject's 60 percent units; market rent advantages are over 30 percent for each of the 50 percent models (Table 34).





# Table 31 Market Rent Analysis – One-Bedroom Units

		On	e Bedroom Un	its			
Subject Property		Comparable	Property #1	Comparable	Property #2	Comparable	Property #3
Eagle Landing		Meridia	an Obici	Suffolk	Station	Sadler	Pond
94 Stacey Dr			n Obici Way	100 Fores		2500 Sandy	
Suffolk, Virginia		Suffolk	Virginia	Suffolk	Virginia	Suffolk	Virginia
	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$747	\$1,231	\$0	\$855	\$0	\$970	\$0
Jtilities Included	Trash	Н, С Т	(\$60)	Trash	\$0	Trash	\$0
Rent Concessions	None	None	\$0	None	\$0	None	\$0
Effective Rent	\$747	\$1,	171	\$8	55	\$97	0
n parts B thru D, adjustments we	re made only fo	or differences					
3. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/3	Adapt/5	\$10	Garden/2	(\$10)	Garden/3	\$0
Elevator Served	No	Yes	\$10	No	\$0	No	\$0
/ear Built / Condition	2021	2016	\$4	1987	\$26	1989	\$24
Quality/Street Appeal	Excellent	Excellent	\$0	Above Average	\$10	Above Average	\$10
Location	Average	Excellent	(\$30)	Above Average	(\$10)	Above Average	(\$10)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	1	1	\$0	2	(\$30)	2	(\$30)
Number of Bathrooms	1	1	\$0	2	(\$30)	2	(\$30)
Jnit Interior Square Feet	724	916	(\$48)	1,000	(\$69)	900	(\$44)
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
АС Туре:	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	Yes / Yes	\$5	No / Yes	(\$5)	No / Yes	\$0
Washer / Dryer: In Unit	No	Yes	(\$25)	Yes	(\$25)	Yes	(\$25)
Washer / Dryer: Hook-ups	Yes	No	\$5	No	\$5	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Community Room/Clubhouse	Yes	Yes	\$0	No	\$25	No	\$25
Pool	No	Yes	(\$10)	No	\$0	Yes	(\$10)
Playground	Yes	No	\$10	No	\$10	No	\$10
Fitness Center	No	Yes	(\$10)	No	\$0	No	\$0
Business Center	No	Yes	(\$5)	No	\$0	No	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		6	6	5	7	5	6
Sum of Adjustments B to D		\$44	(\$128)	\$76	(\$179)	\$74	(\$149)
. Total Summary		8					
Gross Total Adjustment		\$1		\$25		\$22	
Net Total Adjustment			84)	(\$10		(\$7.	/
G. Adjusted And Achievable Rent	ts		Rent	Adj. I		Adj. F	
Adjusted Rent			087	\$75		\$89	
% of Effective Rent		92	.8%	88.0	0%	92.3	\$%
Estimated Market Rent	\$911						
Rent Advantage \$	\$164						
Rent Advantage %	18.0%						



# Table 32 Market Rent Analysis – Two-Bedroom Units

		Two I	Bedroom Ur	nits			
Subject Property		Comparable P	roperty #1	Comparable P	operty #2	Comparable P	roperty #3
Eagle Landing		Meridian		Suffolk St		Sadler F	
94 Stacey Dr		100 Meridian	Obici Way	100 Forest	Oak Ln	2500 Sandy	Spring Ln
, Suffolk, Virginia		Suffolk	, Virginia	Suffolk	Virginia	Suffolk	Virginia
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$827	\$1,473	\$0	\$855	\$0	\$970	\$0
Utilities Included	Trash	Н, СТ	(\$60)	Trash	\$0	Trash	\$0
Rent Concessions	None	None	\$0	None	\$0	None	\$0
Effective Rent	\$827	\$1,41	.3	\$855	;	\$97	0
In parts B thru D, adjustments	were made o	only for difference	es				
B. Design, Location, Condition	1	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/2	Mid-Rise/4	\$10	Garden/2	\$0	Garden/3	\$10
Elevator Served	No	Yes	\$20	No	\$0	No	\$0
Year Built / Condition	2021	2016	\$4	1987	\$26	1989	\$24
Quality/Street Appeal	Average	Excellent	(\$30)	Above Average	(\$10)	Above Average	(\$10)
Location	Average	Excellent	(\$30)	Excellent	(\$20)	Above Average	(\$10)
C. Unit Equipment / Amenitie	s	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0
Number of Bathrooms	1	2	(\$30)	2	(\$30)	2	(\$30)
Unit Interior Square Feet	942	1,062	(\$30)	1,000	(\$15)	900	\$11
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	Yes / Yes	(\$5)	No / Yes	\$0	No / Yes	\$0
Washer / Dryer: In Unit	No	Yes	(\$25)	Yes	(\$25)	Yes	(\$25)
Washer / Dryer: Hook-ups	No	No	\$0	No	\$0	No	\$0
D. Site Equipment / Amenities	S	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Community Room/Clubhouse	Yes	Yes	\$0	No	\$25	No	\$25
Pool	No	Yes	(\$10)	No	\$0	Yes	(\$10)
Playground	Yes	No	\$10	No	\$10	No	\$10
Fitness Center	No	Yes	(\$10)	No	\$0	No	\$0
Business Center	No	Yes	(\$5)	No	\$0	No	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		4	9	3	5	5	5
Sum of Adjustments B to D		\$44	(\$175)	\$61	(\$100)	\$80	(\$85)
F. Total Summary							
Gross Total Adjustment		\$219		\$161		\$165	5
Net Total Adjustment		(\$131	L)	(\$39)		(\$5)	
G. Adjusted And Achievable R	ents	Adj. Re	ent	Adj. Re	ent	Adj. R	ent
Adjusted Rent		\$1,28	2	\$816	;	\$96	5
% of Effective Rent		90.7%		95.4%	6	99.5	%
Estimated Market Rent	\$1,021						
Rent Advantage \$	\$194						
Rent Advantage %	19.0%						



# Table 33 Market Rent Analysis – Three-Bedroom Units

		Three B	edroom U	nits			
Subject Property		Comparable Property #1		Comparable Property #2		Comparable Property #3	
Eagles Landing		Meridian Obici		Suffolk Station		Sadler Pond	
94 Stacey Dr		100 Meridian Obici Way		100 Forest Oak Ln		2500 Sandy Spring Ln	
Suffolk, Virginia		Suffolk	Virginia	Suffolk	Virginia	Suffolk	Virginia
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$1,041	\$1,781	\$0	\$950	\$0	\$1,020	\$0
Utilities Included	Trash	Н, С Т	(\$60)	Trash	\$0	Trash	\$0
Rent Concessions	None	None	\$0	None	\$0	None	\$0
Effective Rent	\$1,041	\$1,721	L	\$95	0	\$1,02	20
In parts B thru D, adjustments w	ere made only	for differences	1				
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/2	Mid-Rise/4	\$10	Garden/2	\$0	Garden/3	\$10
Elevator Served	No	Yes	\$20	No	\$0	No	\$0
Year Built / Condition	2021	2016	\$4	1987	\$26	1989	\$24
Quality/Street Appeal	Average	Excellent	(\$30)	Above Average	(\$10)	Above Average	(\$10)
Location	Average	Excellent	(\$30)	Excellent	(\$20)	Above Average	(\$10)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	3	\$0	3	\$0	3	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	982	1,432	(\$113)	1,100	(\$30)	1,100	(\$30)
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	Yes / Yes	(\$5)	No / Yes	\$0	No / Yes	\$0
Washer / Dryer: In Unit	No	Yes	(\$25)	Yes	(\$25)	Yes	(\$25)
Washer / Dryer: Hook-ups	No	No	\$0	No	\$0	No	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Community Room/Clubhouse	Yes	Yes	\$0	No	\$25	No	\$25
Pool	No	Yes	(\$10)	No	\$0	Yes	(\$10)
Playground	Yes	No	\$10	No	\$10	No	\$10
Fitness Center	No	Yes	(\$5)	No	\$0	No	\$0
Business Center	No	Yes	(\$5)	No	\$0	No	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		4	8	3	4	4	5
Sum of Adjustments B to D		\$44	(\$223)	\$61	(\$85)	\$69	(\$85)
F. Total Summary							
Gross Total Adjustment		\$267		\$146		\$154	
Net Total Adjustment		(\$179)		(\$24)		(\$16)	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,542		\$926		\$1,004	
% of Effective Rent		89.6%		97.5%		98.4%	
Estimated Market Rent	\$1,157						
Rent Advantage \$	\$116						
Rent Advantage %	10.1%						



# Table 34 Market Rent Advantage - Summary

50% AMI Units	One Bedroom Units	Two Bedroom Units	Three Bedroom Units	
Subject Rent	\$598	\$723	\$835	
Estimated Market Rent	\$911	\$1,021	\$1,157	
Rent Advantage (\$)	\$313	\$298	\$322	
Rent Advantage (%)	34.4%	29.2%	27.9%	
	One Bedroom			
60% AMI Units	Units	Units	Three Bedroom Units	
60% AMI Units Subject Rent				
	Units	Units	Bedroom Units	
Subject Rent	Units \$747	Units \$827	Bedroom Units \$1,041	

# F. Achievable Restricted Rents

The market rent derived above is an estimate of what a willing landlord might reasonably expect to receive, and a willing tenant might reasonably expect to pay for a unit at the subject. However, as a tax credit community, the maximum rent that a project owner can charge for a low-income unit is a gross rent based on bedroom size and applicable HUD's median household income for the subject area. If these LIHTC maximum gross/net rents are below the market rent, then the maximum rents also function as the achievable rents for each unit type and income band. Conversely, if the market rents are below the LIHTC maximum rents, then the market rents act as the achievable rents. Therefore, achievable rents are the lower of the market rent or maximum LIHTC rent.

As shown in Table 35, the maximum LIHTC rent for one-bedroom, two-bedroom and three-bedroom units is below the estimated market rent less 10 percent. The proposed rents for the subject are at or below the achievable LIHTC rents. All units are subsidized and therefore all tenants would be responsible for only up to 30 percent of their household income.

# Table 35 Achievable Tax Credit Rent

50% AMI Units	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
Estimated Market Rent	\$911	\$1,021	\$1,157
Less 10%	\$820	\$919	\$1,042
Maximum LIHTC Rent	\$598	\$723	\$835
Achievable Rent	\$598	\$723	\$835
SUBJECT RENT	\$598	\$723	\$835
60% AMI Units	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
Estimated Market Rent	\$911	\$1,021	\$1,157
Less 10%	\$820	\$919	\$1,042
		6002	\$1,041
Maximum LIHTC Rent	\$747	\$902	Ş1,041
Maximum LIHTC Rent Achievable Rent	\$747 <b>\$747</b>	\$902 <b>\$902</b>	\$1,041 \$1,041

# G. Proposed and Under Construction Rental Communities

As of August 2019, RPRG identified 51 units at a multifamily rental development that is proposed or planned in the market area. In Table 36, we list key information on the planned project with a multifamily rental component identified in the Eagle Landing Market Area. Map 8 illustrates the location of the pipeline rental community.

The pipeline community is considered near term. The near term projects are those that are under construction, and those which are reasonably likely to deliver in the next three years. The near-term project is taken into account in our derivation of three-year rental demand in the market and account for 51 units. The project has not appeared to have broken ground at this point. The Villas at Reid Landing is a 51-unit 55+ age restricted LIHTC community in Suffolk.

The long-term projects do not have financing secured, do not have full approvals, are on hold for the present, and/or have estimated delivery dates beyond the next three years. There are two known long-term developments anticipated at this point.

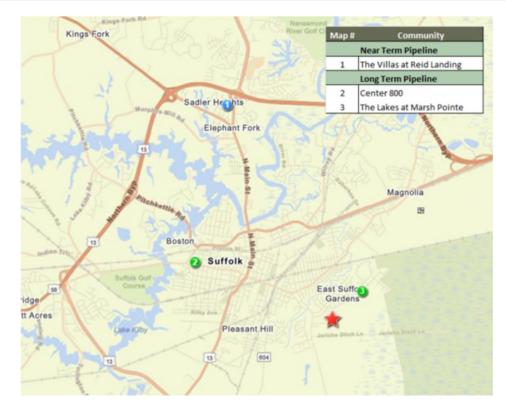




Name of Project	Location	Developer	No. of Units	Status
		Near-Term		
The Villas at Reid Landing	William Reid Drive	Gardner Capital	51	51 unit age-restricted, 55- and over senior living facility with several options of one-, two-, and three-bedroom sizes. Funding was approved in February 2018. Project secured \$700,000 in tax credits. City also committed \$425,000 of their HUD entitlement funding.
	Total Near-Term Pip	oeline	51	
		Long-Term		
Center 800	Washington St S		113	The first phase of 24 units delivered in 2009. Original plans called for 137 units. No permits have been filed for additional units. It has not been determined if the next phase of develoment would include the remaining 113 units or potentially rolled out over several phases.
The Lakes at Marsh Pointe	Blythewood Lane		207	The proposed development is a mix of 111 single family homes and a 207-unit multifamily community. No permits have been filed. No work has begun on either portion.
Total Long-Term Pipeline			320	
	Total Pipeline		371	

Source: Grace Braziel, Planner I, City of Suffolk

# Map 8 Pipeline Rental Communities, Eagle Landing Market Area





# VIII. FINDINGS AND CONCLUSIONS

# A. Key Findings

Based on the preceding review of the subject project and demographic and competitive housing trends in the Eagle Landing Market Area, RPRG offers the following key findings:

# 1. Site and Neighborhood Analysis

Eagle Landing Apartments is in an appropriate location for a general occupancy, affordable rental community, with convenient access to services and amenities, employment nodes and public bus transportation.

- The subject community is located at the terminus of Davis Boulevard in the southeast portion of the City of Suffolk, Virginia. The surrounding land uses include comparable older, brick garden apartment community and older single family homes.
- The subject community offers convenient access to public bus transportation. The Lake Kennedy bus stop (Orange Line) is within a short walk of the community, providing access throughout the city. Suffolk Transit offers two connections to the Hampton Roads Transit bus routes allowing passengers to access transportation into the city of Suffolk as well as Chesapeake, Norfolk, Hampton, Portsmouth, Newport News and Virginia Beach.
- Residents of Eagle Landing Apartments can walk to a local retail, East Suffolk Rec Center, Great Dismal Swamp Park. Additional services and amenities are within convenient driving distance.
- The subject site has been established as a successful location for an affordable rental community. The Suffolk Redevelopment and Housing Authority's waitlist consists of 179 households.

# 2. Economic Context

Suffolk has a strong economy with very low unemployment rates and ongoing job expansions.

- Suffolk's most recent annual average unemployment rate of 3.2 percent is higher than the statewide average of 3.0 percent, but lower than the national average of 3.9 percent. The number of unemployed workers has declined by 1,753 workers or 44.7 percent since 2010.
- From 2011 to 2018, Suffolk had net annual job gain each year, with an overall net gain of nearly 6,900 jobs, or net job gain of 28 percent over the eight-year period.
- Trade-Trans-Utilities sector represents nearly a quarter of all jobs in the city, much higher than the national proportion of 18.7 percent. Government sector accounts for 20.3 percent of all jobs in Suffolk compared to the national average of 14.8 percent.
- Major employers in Suffolk include the Suffolk Public Schools, Navy information Dominance Forces, Sentara Health System, J7 Joint Staff, and City of Suffolk.

# 3. Population and Household Trends

The Eagle Landing Market Area had a robust population and household growth between 2000 and 2010. Esri projects slower household growth in the market area over the next five years, in line with household growth rates for Eagle Landing Apartments as a whole.

• The market area added 9,553 people (21.3 percent growth) and 3,338 households (20 percent growth) from the 2000 to 2010 census counts. During the same period, South Hampton Roads population grew by 5.9 percent and its household base grew by 7.3 percent.



- Growth rates in the Eagle Landing Market Area slowed relative to the previous decade, but remained steady, with annual net growth of 1.1 percent for population and 1.0 percent for households between 2010 and 2019.
- The market area is projected to reach 64,163 people and 23,408 households by 2024. Annual increases in the market area from 2019 to 2024 are projected at 1.3 percent for population (4,145 people) and 1.3 percent for households (1,472 households). South Hampton Roads also is projected to increase in population and households at an annual rate of 0.6 percent over the same period.

# 4. Demographic Analysis

The demographics of the Eagle Landing Market Area reflect its high-density suburban location with small household sizes, high renter percentage, and mixed income profile.

- The median age of the population in the market area is 38 years old compared to 35 years in South Hampton Roads. Thirty-six percent of the population in the market area is adults age 35 to 61, in line with the region's proportion of 33.7 percent.
- The most common household type in the market area as of 2010 is married without children at 27.5 percent of all households compared to 25.3 percent of households within the region.
- The Eagle Landing Market Area's renter percentage decreased from 32.6 percent in 2000 to 30.8 percent. In the last nine years, the renter percentage increased to 35.5 percent, as most new growth was attributed to renter households. The market area's renter household base is projected to increase to 36.0 percent through 2024, two percent lower than the region's proportion of 38.3 percent.
- Over half (56 percent) of renter households in the Eagle Landing Market Area had one or two people including 30.2 percent with one person. Three and four-person households comprised 31 percent of renter households in the Eagle Landing Market Area and 12.7 percent had five or more people.
- The Eagle Landing Market Area's estimated 2019 median income of \$63,692 is \$5,574 or 8.0 percent less than the \$69,266 median income in South Hampton Roads.
- The median income by tenure in the Eagle Landing Market Area as of 2019 was \$33,205 among renters compared to \$82,015 among owner households. Fifty-one percent of renter households earn less than \$35,000, and 29.3 percent earn between \$35,000 and \$74,999.

# 5. Competitive Housing Analysis

The multifamily rental communities in the Eagle Landing Market Area are performing well with low stabilized vacancy rates.

- The surveyed communities are performing well with a stabilized vacancy rate of 1.5 percent among 1,296 surveyed units at 17 communities. The stabilized vacancy among Upper Tier properties is 2.0 percent. The Lower Tier aggregate vacancy rate is 1.1 percent, and the LIHTC vacancy rate is 0.5 percent. The subject communities are preparing for the planned renovations and redevelopment and has ceased back filling vacant units. The waitlist for both communities has been closed. The Suffolk Redevelopment and Housing Authority's overall waitlist consists of 179 households.
- The average year built of 2010 among Upper Tier properties and 1969 among Lower Tier properties. The subject communities were placed in service in 1978 and 1981 and are among the oldest properties in the market.



- The only property to open since 2015 in this market is Meridian Obici, a 224-unit mid-rise community. Since opening in August 2016, Meridian Obici is leasing up at an average pace of less than fifteen units per month.
- Average effective rents among Lower Tier communities are:
  - One bedroom rents at \$688 for 578 square feet or \$1.19 per square foot. One-bedroom LIHTC units at 60 percent AMI are \$760.
  - Two bedroom rents at \$790 for 847 square feet or \$0.93 per square foot. Two-bedroom LIHTC rents at 60 percent AMI range from \$885 to \$890.
  - Three bedroom rents at \$942 for 1,069 square feet or \$0.88 per square foot. Threebedroom LIHTC rents at 60 percent AMI are \$1,020.
- RPRG identified one 55+ age restricted community that is reasonably likely to deliver in the next three years, for a short term pipeline of 51 units. There are two known communities to report in the long term pipeline.

# B. Derivation of Net Demand

#### 1. Methodology

RPRG's Derivation of Demand calculation is intended to gauge whether sufficient demand from renter households would be available in the primary market area to absorb the number of new units proposed for the subject Eagle Landing Apartments plus those units proposed at other pipeline rental communities that are expected to be brought online over a coming three-year period. The result of this analysis can be either a positive number (which shows the extent to which available demand for rental units would exceed available supply) or a negative number (which shows the extent to which available supply would exceed the number of units needed/demanded over the period in question). The closer the concluded number is to zero, the closer the rental market would be to an effective balance of supply and demand.

The three-year period in question for this analysis is August 2019 through August 2022. We restrict the analysis to a three-year period in part to avoid artificially inflating demand by incorporating demand that would not be created until well after the new units at the subject project are introduced to the market and in part due to the difficulty in accurately predicting the likely supply of competing rental units beyond the three-year period.

RPRG's Derivation of Demand calculation is a gross analysis, meaning that the calculation balances the demand for new rental housing units of all types (i.e. luxury market-rate, more affordable marketrate, tax credit, rent-subsidized, and age-restricted) versus the upcoming supply of rental housing units of all types. The Derivation of Demand calculation is an incremental or net analysis, in that it focuses on the change in demand over the period in question as opposed to focusing on the market's total demand. Considerations such as household incomes and the floor plan types and proposed rents for the subject and other pipeline projects are not factored into the Derivation of Demand; rather, we address the interplay of these factors within the Affordability Analysis and Penetration Analysis in the next section of this report.

RPRG sums demand generated from three broad sources in order to arrive at 'Net Demand for New Rental Units' over the 2019 to 2022 period:

• **Projected Change in the Household Base.** Earlier in this report, RPRG presented projections of household change within the primary market area over the 2019 to 2024 period. For this analysis, we factor in three years' worth of the household change suggested by the annual rate of household growth or decline (2019 to 2020, 2020 to 2021, and 2021 to 2022). Note that net household change incorporates growth or decline stemming from both household



migration into and out of the market area and organic changes within existing households (i.e. new household formation as a result of children moving out of their parents' homes, divorces, roommates electing to rent separately) and household migration into and out of the market area.

- Units Removed from the Housing Stock. A number of factors contribute to the removal of housing units in a given geographic area. An April 2016 report prepared for the U.S. Department of Housing and Urban Development by Econometrica, Inc. provides quantitative evidence of such removal factors.<sup>4</sup> Using data collected as part of the national American Housing Survey (AHS) in 2011 and 2013, Econometrica highlighted the portions of the total number of housing units lost attributable to each of the following: units lost through demolition or natural disasters; units badly damaged or condemned (and thus unlivable); units lost due to merger of two or more units into a single unit or the conversion of a single unit into multiple units; units changed from residential to non-residential use; units (primarily mobile homes) moved out from their 2011 location; and units lost in other (unclassified) ways. Econometrica tabulated Components of Inventory Change (CINCH) data based on a range of unit characteristics such as occupancy (occupied, vacant, or seasonal); region (Northeast, Midwest, South, or West); tenure (owner- or renter-occupied); metro status (units located in central cities, suburban areas, or outside of metro areas); and year built.
- Competitive Multifamily Vacancy Rates. The final source of demand that factors into RPRG's calculation of net demand for new rental units is the observed vacancy rate in the primary market area's competitive rental market. RPRG assumes that a 5.0 percent vacancy rate a typical underwriting standard is required to keep a rental market relatively elastic. Elasticity in this context means that an adequate number of quality housing units are vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. When the market vacancy rate is below 5.0 percent, additional units are needed to ensure an adequate number of available units from which to choose. When the market vacancy rate is above 5.0 percent, the market has the capacity to absorb some additional demand, whereby that amount of demand would not need to be met through the development of new units. In considering competitive vacancy rates, we focus on multifamily units in part because the scattered market in single-family homes, condominiums, and other properties is extremely fluid and cannot be relied upon to consistently serve renter households, since the inventory can convert to homeownership very quickly.

# 2. Net Demand Calculation

Table 37 applies the discussion of sources of demand for new rental units to the Eagle Landing Market Area. The steps in our Derivation of Demand analysis for the three-year period between August 2019 and August 2022 are as follows:

- An estimate of demand for the subject's proposed new units is calculated based in part on Census trends and Esri projections of household growth in the Eagle Landing Market Area. Per the household trend information discussed earlier, RPRG estimates that the Eagle Landing Market Area includes 21,936 households as of 2019, a number that is projected to increase to 23,408 households by 2024. Based on this estimate and projection, RPRG calculates through interpolation that the market area consists of 22,108 households as of August 2019 rising to 22,991 households as of August 2022; thus, the Eagle Landing Market Area would gain 883 net households during the three-year study period.
- Based on American Housing Survey data, researchers have analyzed Components of Inventory Change (CINCH). Using national statistical observations from 2011 and 2013, Econometrica

<sup>&</sup>lt;sup>4</sup> American Housing Survey, Components of Inventory Change 2011-2013; Prepared by Econometrica, Inc. for the U.S. Department of Housing & Urban Development's Office of Policy Development & Research; April 2016.



determined that the average annual loss of occupied housing units in the United States between 2011 and 2013 (for all reasons other than the moving of homes, particularly mobile homes) was 0.27 percent of the total occupied stock. This blended rate includes an annual loss of 0.47 percent of renter occupied units and 0.18 percent of owner-occupied units. Applying this removal rate of 0.27 percent over the next three years, RPRG estimates that approximately 195 housing units are likely to be lost in the market area.

Projected Change in Household Base				Units
August 2019 Households				22,108
August 2022 Households				22,991
Net Change in Households				883
	Housing	Removal	Units	
Add: Units Removed from Housing Stock	Stock	Rate	Removed	
2019 Housing Stock	23,746	0.27%	64	-
2020 Housing Stock	24,081	0.27%	65	
2021 Housing Stock	24,415	0.27%	66	
Total Units Removed from Housing Stock				195
New Housing Domand				1.070
New Housing Demand Average Percent Renter Households over A	nalysis Poriod			1,078 44.5%
New Rental Housing Demand				44.5%
New Kentar Housing Demand				415
Add: Multifamily Competitive Vacancy	Inventory		Vacant	
Stabilized Multifamily Communities	1,296		20	-
Deep-Subsidy Multifamily Communities	546		12	
Total Competitive Inventory	1,842		32	-
Market Vacancy at 5%			92	
Less: Current Vacant Units			-32	
Vacant Units Required to Reach 5% Market	Vacancy			60
Fotal Demand for New Rental Units				539
Planned Additions to the Supply				
			Total Units	95% Occupancy
The Villas at Reid Landing			51	48
Subject Property - Phase II			93	88
Fotal New Rental Supply			144	136
				402
Excess Demand for Rental Housing Source: RPRG, Inc.				403

### Table 37 Derivation of Net Demand, Eagle Landing Market Area

- Combining units removed with household changes, the market area has a total demand of 1,078 new housing units in the market between August 2019 and August 2022.
- RPRG projects that renter households will contribute a similar share to what they have over the previous 19 years, representing 44.5 percent of net household growth. Applying this renter household share to overall net housing demand over the next three years results in net new demand for 479 units of rental housing.
- RPRG surveyed 17 general occupancy rental communities in the primary market area with 1,296 combined units. Of these, 20 are vacant, yielding a 1.5 percent vacancy rate. The five identified deeply subsidized communities in the primary market area consist of 546 units, of which 12 are



currently reported as vacant. Adding the 20 vacant general occupancy units to the 12 vacant deep subsidy unit results in 32 total vacant units in the market area.

RPRG assumes a 95 percent occupancy level in calculating the third broad component of demand. Given the surveyed competitive marketplace of 1,842 units (market rate, tax credit, and deep subsidy units), approximately 92 vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the 32 vacant units in the market from this number reveals a demand for 60 additional rental units in the Eagle Landing Market Area.

- Summing demand from household change, projected unit removals, and the vacancy rate in the existing market, there would be total demand for 539 new rental units in the primary market area over the next three years.
- Net demand for new rental units must be balanced against new rental stock likely to be added to
  the market area's inventory over this period. Phase II will be constructed on the current site of
  the Parker Riddick Apartments, adding 93 units into the market area. We account for the existing
  units and planned demolition of Parker Riddick in the Removal and Competitive Inventory
  sections. The Villas at Reid Landing is a new 55+ age restricted community that will add 51 units
  to the market area, although timing is uncertain, we cautiously include these units. Applying a
  structural vacancy rate of five percent, these projects will add 136 units to the existing supply.
- Upon subtracting the expected additions to the supply of 136 units from net demand for 539 units over the next three years, we determine that the market area will have an excess demand of 403 rental units in the Eagle Landing Market Area as of August 2022.

### 3. Conclusions on Net Demand

The calculated 403-unit excess demand within the three-year period is an indication that sufficient demand will be available in the primary market area to support the subject's 206 units as well as the identified pipeline project. We note displaced tenants in Phase I will relocate within the community as renovations occur while tenants of Phase II will be issued Tenant Protection Vouchers to allow the tenants to return upon completion of the construction.

### C. Effective Demand – Affordability/Capture & Penetration Analyses

### 1. Methodology

Following our estimate of the depth of demand for net new rental units in the primary market area, we next test whether sufficient income-qualified households would be available to support the specific units at the subject property and properties in the same broad segment of the rental market in terms of pricing. This analysis is conducted independently of the Net Demand Analysis as units at the subject property are likely to be filled by a combination of new households (either moving to or created in the market area) and existing households moving within the market area. The total demand – comprised of the net or incremental demand and the demand from existing households – is the relevant frame of reference for the analysis.

The Affordability/Capture Analysis tests the percentage of income-qualified households in the primary market area that the subject community must capture to achieve full occupancy. The Penetration Analysis tests the percentage of income-qualified households in the market area that the subject community and comparable competitive communities combined must capture to achieve full occupancy. The combination of the Net Demand, Affordability/Capture, and Penetration Analyses determines if the primary market area can support additional rental units and if sufficient households exist in the targeted income range to support the proposed units.

The first component of the Effective Demand analysis involves looking at total income and renter income among Eagle Landing Market Area households for the target year. The Developer projects that



Phases I will be available in December 2021 and Phase II will deliver in September 2021 as such, 2021 is used as the target year for these analyses. RPRG calculated 2021 income distributions for total households and renter households based on RPRG household projections, income estimates from the 2013-2017 ACS, and income projections from Esri (Table 38).

Eagle Landing Market Area		2021 Total Households		2021 Renter Households	
2021 lr	icome	#	%	#	%
less than	\$15,000	3,222	14.3%	1,974	24.6%
\$15,000	\$24,999	2,391	10.6%	1,465	18.2%
\$25,000	\$34,999	1,165	5.2%	573	7.1%
\$35,000	\$49,999	1,804	8.0%	969	12.0%
\$50,000	\$74,999	3,967	17.6%	1,379	17.2%
\$75,000	\$99,999	2,870	12.7%	608	7.6%
\$100,000	\$149,999	5,204	23.1%	896	11.1%
\$150,000	Over	1,902	8.4%	178	2.2%
Total		22,525	100%	8,041	100%
Median Inc	ome	\$66	,888	\$35	,125

### Table 38 Total and Renter Income Distribution, Eagle Landing Market Area

Source: American Community Survey 2013-2017 Projections, RPRG, Inc.

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to property owners and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household's 'gross rent burden'. For the Affordability/Capture and Penetration Analyses, RPRG employs a 35 percent gross rent burden. The 35 percent rent burden is the rent burden mandated by VHDA for use in evaluating proposed general occupancy communities.

### 2. Affordability Analysis

The steps in our Affordability Analysis for two-bedroom 50 percent AMI units at Eagle Landing Apartments (most common floorplan type) at the proposed rents (weighted average), assuming subsidies (Table 39) are as follows:

- The overall shelter cost (gross rent) for a two-bedroom unit at Eagle Landing Apartments the most numerous unit type at the subject would be \$892 per month (\$723 rent plus a weighted average of \$169 for the utility allowance).
- Because all units at Eagle Landing Apartments will include project-based subsidies, tenants with incomes as low as \$0 will be able to afford a unit. The projected number of renter households within the Eagle Landing Market Area in 2019 is 8,041.
- A household occupying a two-bedroom unit and earning 50 percent of AMI for the Virginia Beach-Norfolk-Newport News, VA-NC MSA would have a maximum income of \$35,700. According to the interpolated income distribution for 2021, there would be 3,983 renter households in the primary market area with incomes exceeding the upper income limit.
- Subtracting the 3,983 renter households with incomes above the 50 percent maximum income limit from the 8,041 households that could afford to rent this unit, we calculate that 4,058 renter households in the primary market area as of 2021 would be in the band of affordability for the



subject's subsidized two-bedroom 50 percent AMI units. Eagle Landing Apartments would need to capture 1.9 percent of these income-qualified households to absorb all 79 of the two-bedroom units at 50 percent AMI.

- Following the same methodology, the renter capture rate for the 50 percent three-bedroom units is 0.8 percent and 0.3 percent for the 50 percent one-bedroom units. The renter capture rate for the 60 percent AMI units is 0.1 percent for one-bedroom units, 1.2 percent for two-bedroom units and 0.5 percent for the three-bedroom units.
- Phase I and II's combined 206 units would need to capture 4.2 percent of income-qualified renter households in the market area.

Table 39 Affordability Analysis for Eagle Landing Apartments – With Subsidies

50% AMI 35% Rent Burden	One Bedr	One Bedroom Units Two Bedroom Units		Two Bedroom Units		Three Bedroom Units	
	Min.	Max.	Min.	Max.	Min.	Max.	
Number of Units	11		79		35		
Net Rent	\$598		\$723		\$835		
Gross Rent	\$744		\$892		\$1,031		
Income Range (Min, Max)	no min\$	\$29,775	no min\$	\$35,700	no min\$	\$41,250	
Renter Households							
Range of Qualified Hhlds	8,041	4,328	8,041	3,983	8,041	3,625	
# Qualified Hhlds		3,713		4,058		4,416	
Renter HH Capture Rate		0.3%		1.9%		0.8%	

60% AMI	35% Rent Burden	One Bedr	oom Units	Two Bedr	oom Units	Three Bedr	oom Units
Number of Un	iits	6		52		23	
Net Rent Gross Rent		\$747 \$893	¢25 720	\$827 \$996	¢42,040	\$1,041 \$1,237	¢40.500
Income Range Renter House	, , ,	no min\$	\$35,730	no min\$	\$42,840	no min\$	\$49,500
Range of Qual # Qualified Hh	ified Hhlds	8,041	3,982 4,059	8,041	3,522 4,519	8,041	3,092 4,949
Renter HH Ca	pture Rate		0.1%		1.2%		0.5%

			Rente	= 8,041		
Income Target	# Units	Band	of Qualified I	# Qualified HHs	Capture Rate	
		Income	no min\$	\$41,250		
50% AMI	125	Households	8,041	3,625	4,416	2.8%
		Income	no min\$	\$49,500		
60% AMI	81	Households	8,041	3,092	4,949	1.6%
		Income	no min\$	\$49,500		
Total Units	206	Households	8,041	3,092	4,949	4.2%

Source: Income Projections, RPRG, Inc.

We repeated this affordability analysis to reflect the scenario of a 206-unit tax credit property assuming no subsidy would revert to the proposed 50 percent and 60 percent LIHTC rents (Table 40). Under this scenario, all 206 units would need to capture 14.4 percent of all income-qualified renter households to be fully leased as of 2021. While a lack of subsidies would elevate the capture rates necessary to lease these units, it is not anticipated that Phase I and Phase II would lose their Project Based Vouchers. We further note that most of the existing tenants in Phase I and many of the existing Phase II are expected to be retained following renovations and construction; therefore only a portion of the subject's 206 units will actually need to be leased and occupied following completion of the project.



### Table 40 Affordability Analysis for Eagle Landing Apartments – No Subsidies

	25% 5						
50% AMI	35% Rent Burden	One Bed	room Units	Two Bedr	oom Units	Three Bedr	oom Units
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Un	its	11		79		35	
Net Rent		\$598		\$723		\$835	
Gross Rent		\$744		\$892		\$1,031	
Income Range	(Min, Max)	\$25,509	\$29,775	\$30,585	\$35,700	\$35,351	\$41,250
Renter House	holds						
Range of Qual	ified Hhlds	4,572	4,328	4,281	3,983	4,006	3,625
# Qualified Hh	lds		244		298		381
Renter HH Ca	pture Rate		4.5%		26.5%		9.2%
	35% Rent						
60% AMI	Burden	One Bed	room Units	Two Bedr	oom Units	Three Bedr	oom Units
Number of Un	its	6		52		23	
Net Rent		\$747		\$827		\$1,041	
Gross Rent		\$893		\$996		\$1,237	
Income Range	(Min, Max)	\$30,617	\$35,730	\$34,137	\$42,840	\$42,402	\$49,500
Renter House	holds						
Range of Qual	ified Hhlds	4,280	3,982	4,078	3,522	3,551	3,092
# Qualified Hh	lds		298		556		458
Renter HH Ca	pture Rate		2.0%		9.4%		5.0%
				Rente	er Households :	= 8,041	
	Income Target	# Units	Band	d of Qualified	Hhlds	# Qualified	Capture Rate
				1		HHs	
			Income	\$25,509	\$41,250		
	50% AMI	125	Households	4,572	3,625	947	13.2%
			Income	\$30,617	\$49,500		
	60% AMI	81	Households	4,280	3,092	1,187	6.8%
			Income	\$25,509	\$49 <i>,</i> 500		

Source: Income Projections, RPRG, Inc.

Total Units

206

Households

### 3. Penetration Analysis

To provide further insight into the market dynamics, we have also conducted a Penetration Analysis (Table 41). The Penetration Analysis evaluates the capacity of the market area to serve the entire inventory of directly competitive rental units. Our analysis utilizes the same target date of 2021; and the same 35 percent rent burden.

4,572

3,092

1,433

14.4%

We focus on those subsidized and tax credit units competing with the subject. There are 546 units in the market area including 340 comparable subsidized units and the subject. There are no competitive general occupancy communities in the pipeline being added to the market area. Eagle Landing Apartments will replace existing units already counted below. These 546 units will address only 11.0 percent of income-qualified renter households (Table 41).



Subsidized Units			
Competitive Units	Units		
Hoffler Apartments	80		
Colander Bishop Apts	80		
Heritage Acres	76		
Wilson Pines	104		
subtotal	340		
Pipeline Units	Units		
subtotal	0		
Subject Property	Units		
	206		
Total	546		

### Table 41 Penetration Analysis for Eagle Landing Apartments – With Subsidies

	Total	Rer			
Income Target	Competitive Units	Band of Qua	alified Hhlds	# Qualified HHs	Penetration Rate
		Three Bedroom	One Bedroom		
		no min\$	\$49,500		
Total Units	546	8,041	3,092	4,949	11.0%

To be conservative, we repeated this Penetration Analysis to reflect the hypothetical scenario in which the subject's 88 units at 50 percent AMI and the 144 units at 60 percent AMI are LIHTC units without any subsidies. Overall, the total inventory of 213 comparable units at 50 percent AMI (including the subject and existing market area communities) would address 22.5 percent of income-qualified renter households. The 225 comparable units at 60 percent AMI would address 19.0 percent of income-qualified renter households. These combined comparable units will address 29.6 percent of income-qualified renter households even without subsidies (Table 42).

### Table 42 Penetration Analysis for Eagle Landing Apartments – No Subsidies

50% Units		60% Units			
Competitive Units	Units	<b>Competitive Units</b>	Units		
The Res at October	64	King's Landing	120		
Autumn Ridge	24	Autumn Ridge	24		
subtotal	88	subtotal	144		
Pipeline Units	Units	Pipeline Units	Units		
subtotal	0	subtotal	0		
Subject Property	Units	Subject Property	Units		
	125		81		
Total	213	Total	225		

	Total	Rei			
Income Target	Competitive Units	Band of Qualified Hhlds		# Qualified HHs	Penetration Rate
		One Bedroom	Three Bedroom		
		\$25,509	\$41,250		
50% Units	213	4,572	3,625	947	22.5%
		One Bedroom	Three Bedroom		
		\$30,617	\$49,500		
60% Units	225	4,280	3,092	1,187	<b>19.0%</b>
		One Bedroom	Three Bedroom		
		\$25,509	\$49,500		
Total Units	438	4,572	3,092	1,480	29.6%



### 4. Conclusions on Affordability and Penetration

RPRG judges that there are sufficient numbers of income-qualified renter households in the market area who could afford the subject at the proposed rents assuming the rent subsidy is in place. Given the demographic and competitive characteristics of the market, we believe these capture rates are readily achievable and illustrate the depth of demand for subsidized rental units in the Eagle Landing Market Area. While a lack of subsidies would elevate the capture rates necessary to lease these units, it is not anticipated that Phase I and Phase II would lose their Project Based Vouchers. We further note that most of the existing tenants in Phase I and many of the existing Phase II are expected to be retained following renovations and construction; therefore only a portion of the subject's 206 units will actually need to be leased and occupied following completion of the project.

RPRG considers the calculated penetration rates to be reasonable as well. The penetration rates suggest there is more than enough income-qualified demand in the market area, with or without project-based subsidies.

### D. VHDA Demand Methodology

### 1. VHDA Demand Analysis

The Virginia Housing Development Authority (VHDA) mandates a particular demand methodology in evaluating applications for financing. VHDA opts for a need-driven demand methodology which factors the topics of cost-burdened renters and substandard rental housing into the demand equation. In this section, RPRG calculates demand according to the VHDA methodology for Eagle Landing Apartments. VHDA's demand methodology for general occupancy projects such as the subject accounts for as many as four primary components of potential need/demand:

- Household Growth or Decline. The household trend required by VHDA is the net increase or decrease in the number of income-qualified renter households in the primary market area between a base year of 2019 and a target year of 2022.
- **Cost Burdened Renters.** VHDA's second component of demand is cost burdened renters, a designation which is typically defined as those renter households paying more than 35 percent of household income for housing costs. To be conservative, RPRG uses the 2013-2017 ACS data on cost-burdened renter households spending more than 40 percent of income on rent (39.6 percent) as presented earlier in Table 20 to estimate the percentage and number of incomequalified renters for the subject project that will be cost-burdened as of 2019.
- **Renter Households in Substandard Housing.** VHDA's third component of demand accounts for income-qualified renter households living in substandard units, defined as overcrowded units (having 1.01 or more persons per room) and/or units lacking complete plumbing facilities. According to the 2013-2017 ACS, the percentage of renter households in the primary market area that lived in substandard conditions was 4.2 percent (see Table 20).
- Existing Tenants Likely to Remain. For projects that constitute the renovation of an existing property with current tenants, VHDA requests that analysts consider the percentage of current tenants that are likely to remain following the proposed renovation. Phase I currently has 108 occupied units, with five units offline in anticipation of the renovation. Phase II currently has 86 occupied units, with seven units offline in anticipation of the redevelopment. Current tenants in Phase I will be temporarily relocated in the community while their units are being rehabilitated and then, to the greatest extent possible, moved back into their units once complete. Phase II tenants will be given the opportunity to return using Tenant Protection Vouchers. We judge that the majority of existing tenants residing at Phase I and II will choose either to remain on-site or return upon construction completion. The Suffolk Redevelopment and Housing Authority is



estimating 70 percent of the existing residents will return to Phase I after renovations complete, and 50 percent of the tenants will return to Phase II when construction has concluded.

Table 43 outlines the detailed VHDA demand calculations for Eagle Landing Apartments that result from the four relevant demand components. Total demand available for the 206-unit project is expected to include 193 net new renter households, 1,895 cost-burdened households, 203 households currently residing in substandard housing, and 80 households estimated to remain at the subject community. The calculation thus yields a total demand for 2,371 units of rental housing within the targeted income bands.

Comparable units that are presently available or that would likely be available by 2021 constitute supply that must be subtracted from total VHDA demand to arrive at VHDA net demand. Based on the known vacancy rates for the rental communities in our survey, there are 12 vacant units (subject) in the competitive supply of subsidized units and two units at one tax credit property. The pipeline consists of 51 units that will be added from one 55+ age restricted community, which would not be competitive. The total comparable and pipeline units of 14 subtracted from the total demand of 2,371 units, gives a net demand of 2,357 units.

Given net demand for 2,357 units, the 206-unit Eagle Landing Apartments project would need to capture 8.7 percent of income-qualified renter households per VHDA's demand methodology.

Income Target	50% AMI	60% AMI	Project Total
Minimum Income Limit	no min\$	no min\$	no min\$
Maximum Income Limit	\$41,250	\$49,500	\$49,500
(A) Renter Income Qualification Percentage	54.9%	61.5%	61.5%
Demand from New Renter Households - Calculation (C-B)*F*A	172	193	193
+ Demand from Rent Overburdened HHs - Calculation: B*E*F*A	1,691	1,895	1,895
+ Demand from Substandard Housing - Calculation B*D*F*A	181	203	203
+ Existing Qualified Tenants to Remain	48	32	80
Total Income Qualified Renter Demand	2,092	2,323	2,371
Less: Comparable Vacant Units	6	8	14
Less: Comparable Pipeline Units			
Net Demand	2,086	2,315	2,357
Subject Proposed Units	125	81	206
Capture Rate	6.0%	3.5%	8.7%
Estimated Absorption Period			4 months

### Table 43 VHDA Demand by Overall Income Targeting – With Subsidies

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2019 Households	21,936
C). 2022 Households	22,819
D). Substandard Housing (% of Rental Stock)	4.2%
E). Rent Overburdened (% of Renter Hhlds at >40%)	39.6%
F). Renter Percentage (% of all 2019 HHlds)	35.5%

The subject will offer 58 three-bedroom units or 28 percent of the total units. Per VHDA guidelines, we evaluated the demand from large households for these units. We apply a large family rental percentage from Table 17 to the number of renter households that would be income qualified for the three-bedroom units at the subject. Factoring large families, the subject's three-bedroom units would need to capture 10.2 percent of qualified large renter households (Table 44).



### Table 44 VHDA Demand for Large Units

Project Total	Three Bedroom Units
Minimum Income Limit	\$0
Maximum Income Limit	\$49,500
Renter Income Qualification Percentage	61.54%
Total Income Qualified Renter Demand	2,291
Large Families (4+ persons)	25%
Large Family Rental Demand	573
Vacant and Comparable Units	2
Net Demand	571
Proposed Units	58
Capture Rate	10.2%

As in the affordability and penetration analysis, we repeated the VHDA Demand Analysis to conservatively reflect the scenario of the project without associated subsidies (Table 45). Excluding the subsidized units raises the capture rates as the lowest income households would not qualify. Without the subsidies, the necessary capture rate is 28.2 percent for the total project.

### Table 45 VHDA Demand by Overall Income Targeting – No Subsidies

Income Target	50% AMI	60% AMI	Project Total
Minimum Income Limit	\$25 <i>,</i> 509	\$30,617	\$25,509
Maximum Income Limit	\$41,250	\$49,500	\$49,500
(A) Renter Income Qualification Percentage	11.8%	14.8%	17.8%
Demand from New Renter Households - Calculation (C-B)*F*A	37	46	56
+ Demand from Rent Overburdened HHs - Calculation: B*E*F*A	363	455	549
+ Demand from Substandard Housing - Calculation B*D*F*A	39	49	59
+ Existing Qualified Tenants to Remain	48	32	80
Total Income Qualified Renter Demand	486	582	744
Less: Comparable Vacant Units	6	8	14
Less: Comparable Pipeline Units			
Net Demand	480	574	730
Subject Proposed Units	125	81	206
Capture Rate	26.0%	14.1%	28.2%
Estimated Absorption Period			12 months

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2019 Households	21,936
C). 2022 Households	22,819
D). Substandard Housing (% of Rental Stock)	4.2%
E). Rent Overburdened (% of Renter Hhlds at >40%)	39.6%
F). Renter Percentage (% of all 2019 HHlds)	35.5%

### 2. Conclusions on VHDA Demand

RPRG considers the capture rate for Eagle Landing Apartments to be reasonable and achievable. The rate suggests a large number of income-qualified households for LIHTC units at 50 and 60 percent AMI in the subject's market area even without a subsidy available.



### E. Target Markets

Phases I and II will serve primarily households of two or more persons and target very low-income households. With two-, and three-bedroom units, the proposed community would have the capacity to serve married and unmarried couples, roommate households, and single- and dual-parent families with as many as three or four children.

### F. Product Evaluation

Considered in the context of the competitive environment and proposed scope of renovations, the relative position of Eagle Landing Apartments is as follows:

- Site: The subject site is an appropriate location for general occupancy, affordable rental housing. Several services and amenities are in walking distance, and large concentrations of retail are within a short driving distance. The community is in the job-rich Suffolk, and offers access to public bus transportation.
- Unit Distribution: Phase I's unit mix will consist of 75 two-bedroom units (66.4 percent) and 38 three-bedroom units (33.7 percent). Phase II's unit mix will consist of 17 one-bedroom units (18.2 percent), 56 two-bedroom units (60.2 percent) and 20 three-bedroom units (21.6 percent). The average unit distribution of Lower Tier communities in the market area is a similar 13.6 percent for one-bedroom units, 66.5 percent for two-bedroom units and 17.5 percent for three-bedroom units. The subject's unit mix is reasonable and will serve small households to medium sized households. The predominance of two-bedroom units allows the subject to serve couples and small families. The three-bedroom units will address somewhat larger families. The one-bedroom units will attract singles. This unit mix has proven to be marketable as Phase I and II have historically maintained full occupancy and only have vacancies in preparation for renovations or construction. The waiting list has since been closed.
- Unit Size: The average unit sizes at Eagle Landing Apartments are 812 square feet for twobedroom units and 926 square feet for three-bedroom units. These are among the smallest units in the market and are below the average Lower Tier unit sizes of 847 square feet for two-bedroom units and 1,069 square feet for three-bedroom units. The small units are a result of the age of the property (placed in service in 1978). However, the small sizes are reasonable given that the subject provides an affordable housing option at the low end of the rent range. Furthermore, the unit sizes are similar to those of the most competitive, affordable product in the market, and the property will maintain full occupancy after renovations in part to long waiting lists despite the small sizes.
- Unit Features: Both Phases I and II will have central air conditioning and dishwashers. As part of the rehabilitation and construction, new luxury vinyl tile will be installed. All units will have new appliances including refrigerators/freezers, dishwashers and ranges. In addition, new cabinets, wiring, countertops and plumbing fixtures will be installed. This will increase the marketability of the community and will place it at an advantage with respect to the other older Lower Tier properties in the market.
- **Community Amenities**: The subject community has a laundry room, basketball court and open area. As part of the renovations and construction, a community room and playground will be added in addition to updating the laundry facility. This amenity package is appropriate for an affordable rental community and will be competitive in the market. This amenity package is appropriate for an affordable rental community and will be competitive in the market.



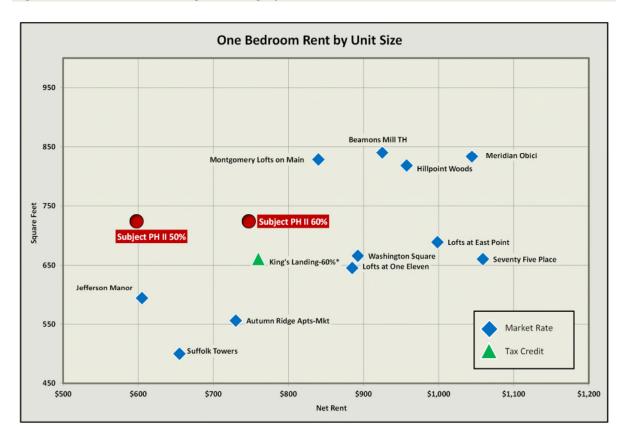
### G. Price Position

All units will be subsidized and thus tenants will not actually pay the contract rent. Instead, tenant paid portions of rent will be based on a percentage of adjusted annual gross income and will not be subject to market conditions.

If subsidies were not available, the subject's proposed rents would revert to the proposed 50 percent and 60 percent LIHTC rents. The tax credit rents proposed for Eagle Landing Apartments are well below the tax credit maximums achievable in the primary market area. Figure 12, provides a graphic representation of the competitive positions of the rents and square footages proposed for the subject's one-, two- and three-bedroom units assuming no subsidies.

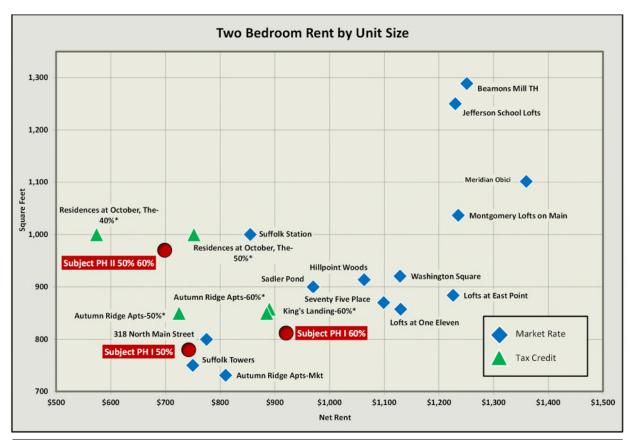
Among each bedroom size:

- One-bedroom units –The subject's units are the largest in the market amongst the tax credit communities. The pricing is at the lower end of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.
- Two-bedroom units The subject's units are among the smallest in the market. The pricing is in the middle of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.
- Three-bedroom units The positioning is the same as that of the two-bedroom units. The subject's units are among the smallest in the market. The pricing is in the middle of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.



### Figure 12 Price Position of Eagle Landing Apartments









### H. Absorption Estimate

The only property to open since 2015 in this market is Meridian Obici, a 224-unit mid-rise community. Since opening in August 2016, Meridian Obici is leasing up at an average pace of less than fifteen units per month. We do not believe this pace is representative of typical market conditions or relevant to the subject, given the unique product type for Meridian Obici and its pricing well above the top of the market.

Phase I is an existing, occupied property, and the rehabilitation will not result in any permanent displacement of existing residents. Given that the Suffolk Housing Authority current waiting list is 179 households, and the renovation will increase the marketability of the subject, we expect a very short absorption period. The subject is expected to retain 70 percent of its tenants after the renovations are complete.

Phase II is a new construction replacing the Parker Riddick Apartments. Half of the current residents are expected to be retained after the completion of the property. As the project will be converted from public housing under the Section 18 program, Tenant Protection Vouchers (TPVs) will be issued to eligible tenants to protect them from a loss of rental assistance, which would result in an increase in their housing costs. Upon completion of Phase II, residents will be given first option to return. Given that the Suffolk Housing Authority current waiting list is 179 households, and the new construction will increase the marketability of the subject, we also expect a very short absorption period for this phase regardless of whether existing tenants with TPV's return. Given that the new Phase II will have rental subsidies, they will be absorbed as fast as the can be leased up administratively.

It is reasonable to assume Phase I and II will be fully occupied within 4 months, or 31 units per month.

### I. Impact on Existing Market

RPRG does not anticipate that the subject will have an adverse impact on the existing rental market as the subject is an existing and fully occupied subsidized community. The market area tax credit inventory has an aggregate vacancy rate of 0.5 percent, and all subsidized communities in the market area operate with lengthy wait lists. We expect the subject community to operate at or near full occupancy with a waitlist upon completion of the renovation and construction project, assuming subsidies remain in place.

Additionally, the subject's capture rate is readily achievable, the penetration rate is well within acceptable range, and a gross analysis of supply and demand indicates an excess of demand that could support additional rental units beyond the subject and other planned units.

We hope you find this analysis helpful in your decision-making process.

Timothy Houseal Analyst

EA.RO

Ethan Reed Sr. Analyst

not Lifeld

Robert M. Lefenfeld Founding Principal



### IX. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed, and operated in compliance with all applicable laws, regulations and codes.

2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.

3. The local, national, and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.

4. The subject project will be served by adequate transportation, utilities, and governmental facilities.

5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.

6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.

7. The subject project will be developed, marketed, and operated in a highly professional manner.

8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.

9. There are neither existing judgments nor any pending or threatened litigation, which could hinder the development, marketing, or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.

2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.

3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.

4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering matters.

5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.

6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



### X. APPENDIX 2 NCHMA CHECKLIST

Introduction: The National Council of Housing Market Analysts provides a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. 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 "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

	Component (*First occurring page is noted)	*Page(s)
	Executive Summary	
1.	Executive Summary	VI
	Project Summary	
2.	Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances	8
3.	Utilities (and utility sources) included in rent	8
4.	Project design description	8
5.	Unit and project amenities; parking	8
6.	Public programs included	8
7.	Target population description	8
8.	Date of construction/preliminary completion	10
9.	If rehabilitation, existing unit breakdown and rents	4
10.	Reference to review/status of project plans	N/A
	Location and Market Area	
11.	Market area/secondary market area description	30
12.	Concise description of the site and adjacent parcels	12
13.	Description of site characteristics	12
14.	Site photos/maps	13
15.	Map of community services	19
16.	Visibility and accessibility evaluation	16
17.	Crime information	17
	Employment and Economy	
18.	Employment by industry	24
19.	Historical unemployment rate	22
20.	Area major employers	27
21.	Five-year employment growth	23
22.	Typical wages by occupation	26

23.	Discussion of commuting patterns of area workers	23
	Demographic Characteristics	
24.	Population and household estimates and projections	32
25.	Area building permits	33
26.	Distribution of income	38
27.	Households by tenure	38
	Competitive Environment	
28.	Comparable property profiles	85
29.	Map of comparable properties	42
30.	Comparable property photos	85
31.	Existing rental housing evaluation	40
32.	Comparable property discussion	47
33.	Area vacancy rates, including rates for tax credit and government- subsidized communities	43
34.	Comparison of subject property to comparable properties	49
35.	Availability of Housing Choice Vouchers	N/A
36.	Identification of waiting lists	43
37.	Description of overall rental market including share of market-rate and affordable properties	41
38.	List of existing LIHTC properties	41
39.	Discussion of future changes in housing stock	56
40.	Discussion of availability and cost of other affordable housing options, including homeownership	40
41.	Tax credit and other planned or under construction rental communities in market area	56
	Analysis/Conclusions	
42.	Calculation and analysis of Capture Rate	64
43.	Calculation and analysis of Penetration Rate	66
44.	Evaluation of proposed rent levels	72
45.	Derivation of Achievable Market Rent and Market Advantage	49
46.	Derivation of Achievable Restricted Rent	55
47.	Precise statement of key conclusions	71
48.	Market strengths and weaknesses impacting project	71
49.	Recommendation and/or modification to project description	71, if applicable
50.	Discussion of subject property's impact on existing housing	74
51.	Absorption projection with issues impacting performance	74
52.	Discussion of risks or other mitigating circumstances impacting project	74, if applicable
53.	Interviews with area housing stakeholders	56
	Certifications	



54.	Preparation date of report	Cover
55.	Date of field work	Cover
56.	Certifications	84
57.	Statement of qualifications	80
58.	Sources of data not otherwise identified	N/A
59.	Utility allowance schedule	N/A



## TAD SCEPANIAK

### **Managing Principal**

Tad Scepaniak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm's research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low Income Housing Tax Credit (LIHTC) program and market rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

Tad is National Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as Vice Chair and Co-Chair of Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

### Areas of Concentration:

Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.

<u>Senior Housing</u>: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.

<u>Market Rate Rental Housing</u>: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

<u>Public Housing Authority Consultation</u>: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

### Education:

Bachelor of Science - Marketing; Berry College - Rome, Georgia





### **ROBERT M. LEFENFELD**

### **Founding Principal**

Mr. Lefenfeld, Founding Principal of the firm, with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob provides input and guidance for the completion of the firm's research and analysis products. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively about residential real estate market analysis. Bob has created and teaches the market study module for the MBA HUD Underwriting course and has served as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He is the past National Chair of the National Council of Housing Market Analysts (NCHMA) and currently chairs its FHA Committee.

### Areas of Concentrations:

<u>Strategic Assessments</u>: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

<u>Feasibility Analysis</u>: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.

<u>Information Products:</u> Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

### Education:

Master of Urban and Regional Planning; The George Washington University.

Bachelor of Arts - Political Science; Northeastern University.



### **ETHAN REED**

### **Senior Analyst**

Ethan Reed joined RPRG in 2016 where he focuses on rental market studies and community and economic analyses for development projects. Throughout his extensive career, Ethan has served in various analysis and advisory capacities in the residential and commercial real estate industry. Ethan's experience includes advising lenders, developers, homebuilders, investors, nonprofit organizations and government agencies through market and property analysis, economic analysis, site selection and marketing strategy.

Prior to joining RPRG, Ethan served as Senior Research Manager with CoStar Group, leading market research & analysis efforts as well as developing new research and analysis products & services for the commercial real estate industry. Ethan's additional experience includes directing regional research and marketing efforts for CBRE as well as providing valuation, analysis and advisory services for commercial and residential clients throughout Texas. Appraisal and consulting assignments have included, but are not limited to apartment complexes, for sale subdivisions, agricultural land, shopping centers, office and industrial buildings. Valuations have been prepared on proposed, renovated, and existing structures.

### Areas of Concentration:

Low Income Housing Tax Credits: Ethan prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations.

<u>FHA Section 221(d)(4)</u>: Ethan prepares comprehensive feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multifamily Accelerated Processing (MAP) guidelines for market studies

<u>Market and Product Advisory Analysis</u>: Ethan provides detailed analysis of existing markets, product and pricing recommendations, and targeted marketing suggestions for developers and land owners in the preliminary stages of development.

<u>Commercial Feasibility</u>: Ethan has conducted feasibility analyses of proposed commercial and industrial uses in the context of the existing marketplace.

<u>New Markets Tax Credits</u>: Ethan conducts community development and economic impact analyses to illustrate the impacts of development projects that utilize federally-regulated New Markets Tax Credits. Components of these reports include employment projections, local and regional economic impacts, and fiscal impacts on local governments

### Education:

Masters of Business Administration; Liberty University

Bachelor of Science – Business Administration; University of Texas at Dallas



### TIMOTHY HOUSEAL Analyst

Timothy Houseal joined Real Property Research Group (RPRG) as an analyst in 2018 bringing with him thirteen years of experience in the commercial real estate industry. His educational background consists of coursework in finance, business strategy, economics, and market research.

Prior to joining RPRG, Timothy served as a Certified Research Associate with CoStar Group, leading market research & analysis efforts for the commercial real estate industry. During Timothy's time at CoStar, he produced market analytics, quarterly market reports, and collected competitive real estate market statistical information.

### Areas of Concentration:

FHA Section 221(d)(4): Timothy prepares feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multifamily Accelerated Processing (MAP) guidelines for market studies

Low Income Housing Tax Credits: Timothy prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations.

### Education:

Bachelor of Science – Marketing; York College of Pennsylvania, York, PA



### XII.APPENDIX 4 VHDA CERTIFICATION

I affirm the following:

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

Timothy Houseal Market Analyst

\_8/23/2019 \_\_\_\_\_

Date



## XIII. APPENDIX 5 RENTAL COMMUNITY PROFILES

Multifamily Community Profile

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

# **318 North Main Street**

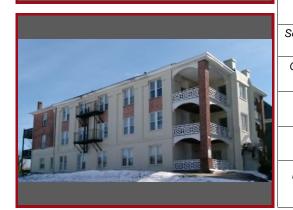
### 318 N Main Street

Suffolk,VA 23434

12 Units

0.0% Vacant (0 units vacant) as of 8/13/2019

Last Major Rehab in 2000 Opened in 1920 **Community Amenities** Unit Mix & Effective Rent (1) Bedroom %Total Avg Rent Avg SqFt Avg \$/SqFt Clubhouse: Pool-Outdr: Eff Basketball: -----Comm Rm: One ---\_\_\_ ---Tennis: ---Centrl Lndry: One/Den Volleyball: ---Elevator: Т



I wo	100.0%	\$795	800	\$0.99	Fitness: CarWash:
wo/Den					Hot Tub: BusinessCtr:
Three					Sauna: ComputerCtr:
Four+					Playground:
			Fe	atures	
Standa	rd: Ceiling	Fan; Cer	ntral A/C; H	ighCeilings	; Carpet / Vinyl/Linoleum
elect Un	its: Patio/E	alcony			
Optional(	(\$):				
Secur	ity: <b></b>				
Parking	1: Free Su	urface Pa	rking	Parkir	ng 2:
Fe	ee:				Fee:
Propertv	Manager:	Privatel	/ Owned		
epony	Owner:	-			
	<i>c</i>				

Comments

deck

white appl

Rent from internet & vacancy from answering machine recording.

Floorpla	ns (Publis	shed	Ren	its as o	of 8/13	3/201	9) (2)		Histori	c Vaca	ancy &	Eff. R	lent (1
Description	Feature	BRs	Bath	#Units	Rent	SqFt I	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Barden		2	1	12	\$795	800	\$.99	Market	8/13/19	0.0%		\$795	
									12/10/18	0.0%		\$795	
									1/3/18	0.0%		\$750	
									2/18/13	0.0%			
									A	djusti	ments	to Re	nt
									Incentives:				
									None				
									Utilities in I	Rent:	Heat Fu	el: Natu	ral Gas
									Hea	t: 🗌	Cookin	g: 🗌 W	/tr/Swr:
									Hot Wate	r: 🗌 🛛 E	Electricit	ty:	Trash:
18 North Main Street									1			VA80	0-01652

### © 2019 Real Property Research Group, Inc.

# Autumn Ridge Apts

114 Nancy Drive

#### Suffolk,VA 23434

176 Units 1.1% Vacant (2 units vacant) as of 8/13/2019



ARAI is 128 units, ARAII is 48 LIHTC units. ARAI has 24-1BD, 88-2BD, and 16-3BD. ARAII has 32-2BR and 16-3BR.

ARAII formerly Lynnhill Commons I&II. 24 units ae 50%, 24 units are 60%. Waitlist- 3 months. Courtyard & picnic area.

White appl, walk in closets, new roofs, hvac, floors, floors, windows, plumbing, bathrooms & fixtures.

Floorpl	ans (Publis	shed	Ren	its as o	of 8/13	3/201	9) (2)		Histori	c Vaca	ncy &	Eff. R	lent (1)
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden		1	1		\$730	556	\$1.31	Market	8/13/19	1.1%	\$745	\$806	\$968
Townhouse		2	1		\$810	731	\$1.11	Market	12/11/18	2.8%	\$708	\$833	\$929
Garden		2	1		\$885	850	\$1.04	LIHTC/ 60%	1/3/18	5.7%	\$666	\$743	\$899
Garden		2	1		\$725	850	\$.85	LIHTC/ 50%	8/21/12				
Garden		3	1.5		\$1,020	1,013	\$1.01	LIHTC/ 60%					
Garden		3	1.5		\$834	1,013	\$.82	LIHTC/ 50%					
Townhouse		3	1		\$975	990	\$.98	Market					

Adjus	tments to R	ent
Incentives:		
2BR \$790 & \$50	00 off move-in	
Utilities in Rent:	Heat Fuel: Ele	ectric
Heat:	Cooking:	Wtr/Swr:
Hot Water:	Electricity:	Trash: 🗸

VA800-015285

#### Autumn Ridge Apts

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(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
 (2) Published Rent is rent as quoted by management.

## Multifamily Community Profile

Opened in 1982

CommunityType: LIHTC - General

Structure Type: 2-Story Garden/TH

Didae Anto

Multifamily Community Profile CommunityType: Market Rate - General

Structure Type: 2-Story Garden/TH

Fee: --

# **Beamons Mill TH**

### 224 Beamons Mill Trail

Suffolk,VA 23434

54 Units 0.0% Vacant (0 units vacant) as of 8/13/2019 Opened in 2007



Un	it Mix 8	& Effecti	ve Rent	(1)	Community	Amenities
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: 🗌	Pool-Outdr: 🗌
Eff					Comm Rm:	Basketball: 🗌
One	1.9%	\$940	840	\$1.12	Centrl Lndry:	Tennis:
One/Den					Elevator:	Volleyball:
Two	37.0%	\$1,271	1,289	\$0.99	Fitness:	CarWash:
Two/Den					Hot Tub:	BusinessCtr:
Three	61.1%	\$1,357	1,387	\$0.98	Sauna:	ComputerCtr:
Four+					Playground: 🔽	
			Fe	atures		

Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Patio/Balcony; Carpet



Select Units: Fireplace

Optional(\$): In Unit Laundry (\$30.00)

Security: --

Parking 1: Free Surface Parking Parking 2: --Fee: --Property Manager: Harrison & Lear Owner: --

W/D rental \$50. 55 total units, one is used as a rental office. Only one rental unit is a one-bedroom garden

apartment, it remains from the former property that was on the site.

Walk in closets, outside sheds available for lease

Floorpl	ans (Publis	shed	Ren	ts as (	of 8/13	3/201	9) (2)		Historio	: Vaca	ancy &	Eff. F	Rent (1)
Description	Feature	BRs	Bath	#Units	Rent	SqFt I	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden		1	1	1	\$925	840	\$1.10	Market	8/13/19	0.0%	\$940	\$1,271	\$1,357
Townhouse		2	2.5	16	\$1,250	1,286	\$.97	Market	12/10/18	1.9%	\$1,010	\$1,262	\$1,328
Townhouse		2	2.5	4	\$1,255	1,300	\$.97	Market	1/3/18	1.9%	\$890	\$1,223	\$ \$1,297
Townhouse		3	2.5	14	\$1,320	1,340	\$.99	Market	4/11/17	0.0%	\$910	\$1,235	\$1,297
Townhouse		3	2.5	19	\$1,340	1,422	\$.94	Market					
										djusti	ments	to Re	nt
									Incentives:				
									None				
									Utilities in R	ent:	Heat Fu	el: Elec	tric
									Heat	:	Cookin	g: 🗌 V	Vtr/Swr:
									Hot Water	: 🗌 🛛 🖡	Electricit	iy:	Trash:
Beamons Mill TH									1			1/ 1 2	00-01508

Comments

#### eamons Mill TF

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## **Hillpoint Woods**

601 Hillpoint Boulevard Suffolk,VA 23434

### Multifamily Community Profile

Opened in 2005

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

144 Units

0.0% Vacant (0 units vacant) as of 8/15/2019



Detached garage/storage locker: \$45-\$100

white appl, laminate counters

Floorpl	ans (Publis	shed	Ren	ts as (	of 8/1!	5/201	9) (2)		Histori	c Vaca	ancy &	Eff. R	lent (1)
Description	Feature	BRs	Bath	#Units	Rent	SqFt I	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden		1	1	12	\$945	772	\$1.22	Market	8/15/19	0.0%	\$973	\$1,083	
Garden	Den	1	1	12	\$970	864	\$1.12	Market	12/10/18	0.7%	\$953	\$1,058	
Garden		2	1	56	\$1,050	902	\$1.16	Market	1/3/18	6.9%	\$953	\$1,058	
Garden		2	2	64	\$1,075	924	\$1.16	Market	2/1/13	4.9%			
									Δ	diust	nonte	to Re	nt
									Incentives:		nento		
									None				
									Utilities in I Hea Hot Wate	t: 🗌	Heat Fu Cookin Electrici		tric /tr/Swr: Trash:

#### **Hillpoint Woods**

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## **Jefferson Manor**

### 201 Lee Street

Suffolk,VA 23434

39 Units 2.6% Vacant (1 units vacant) as of 12/11/2018

Multifamily Community Profile

CommunityType: Market Rate - General

Structure Type: 3-Story Adaptive Reuse

Opened in 1945

	(			,								•	
					Uni	t Mix a	& Effect	ive Rent	(1)	Co	mmunit	v An	nenities
				R	edroom				Avg \$/SqFt		house:	-	ol-Outdr:
					Eff	41.0%	\$548	414	\$1.32				asketball:
					One	38.5%	\$620	594	\$1.04		nm Rm: 🗌		Tennis:
				0	ne/Den						Lndry:		olleyball:
				Ŭ	Two	20.5%	\$725	575	\$1.26		levator: 🗌 ïtness: 🦳		CarWash:
					vo/Den		Ψ125 		ψ1.20 		ot Tub:		inessCtr:
				í í	Three						Sauna:		nputerCtr:
Č. p. al.					Four+						ground:	Com	
	and a good for the				, our i				-	1 lays			
					<b>Q</b> : 4				atures				
					Standar	d: Ceilin	g Fan; Wi	ndow A/C					
					1								
* 14				Se	elect Unit	s:							
	1			C	ptional(\$	5):							
					Securit	y:							
7													
	Tilmer				Parking	1: Free S	Surface Pa	rking	Parkir	ng 2:			
					Fee	e:				Fee:			
				F	Pronerty	Manager	- Hatcher	& Associat	tes				
		10 g		· · · ·	roporty	Owner							
						e miei	•						
					С	omme	nts						
Floorplan	s (Publis	hed	Rent	ts as o	f 12/1	1/201	l <b>8) (2)</b>		Histori	c Vac	ancy &	Eff.	Rent (1)
Description	Feature	BRs	Bath	#Units	Rent	SqFt I	Rent/SF	Program	Date	%Vac	1BR \$	2BR §	\$ 3BR \$
Adaptive Reuse		Eff	1	16	\$525	414		Market	12/11/18	2.6%	\$620	\$725	
Adaptive Reuse		1	1	15	\$595	594	\$1.00	Market					
Adaptive Reuse		2		8	\$695	575							
Adaptive Reuse		2	1	0	2090	5/5	<b>⊅1.</b> ∠1	Market	_				
									Α	djust	ments	to Re	ent
									Incentives:				
									none				
									Utilities in F	Rent:	Heat Fue	əl:	
									Hea	t: 🗆	Cooking	л. — Л	Wtr/Swr:
									Hot Wate	r: 🗍			
									Hot Wate	r: 🗌	Electricity	y: 🗌	Trash:
Jefferson Manor © 2019 Real Property Researc	t Oraci i			(i.e. D					Hot Wate		Electricity		Trash:

Multifamily Community Profile

## **Jefferson School Lofts**

### 120 West Finney Avenue

Suffolk,VA 23434

16 Units

6.3% Vacant (1 units vacant) as of 8/15/2019



SS appl, granite counters

Some units have original chalkboards

Vacant: 1-2BR/2B

Floorpla	ans (Publis	shed	Ren	ts as (	of 8/1!	5/201	9) (2)		Histori	c Vaca	ancy &	Eff. R	lent (1)
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden		1	1	4	\$1,025	1,100	\$.93	Market	8/15/19	6.3%	\$1,025	\$1,250	
Garden		2	2	12	\$1,250	1,250	\$1.00	Market	12/10/18	6.3%	\$1,195	\$1,250	
									1/3/18	6.3%	\$1,200	\$1,345	
									2/1/13	0.0%			
									A	djusti	nents	to Re	nt
									Incentives:	,			
									None				
									Utilities in I	Rent:	Heat Fu	el: Elec	tric
									Hea	t:	Cookin		/tr/Swr:
									Hot Wate		Electricit		Trash:
Jefferson School Lofts									1			VA80	00-015076

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(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
 (2) Published Rent is rent as quoted by management.

### CommunityType: Market Rate - General

Opened in 2008

Structure Type: Adaptive Reuse

Multifamily Community Profile

Opened in 1992

CommunityType: LIHTC - General

Structure Type: 3-Story Garden

## King's Landing

### 1000 Litton Lane

Suffolk,VA 23434

120 Units 0.0% Vacant (0 units vacant) as of 8/15/2019

**Community Amenities** Unit Mix & Effective Rent (1) Bedroom %Total Avg Rent Avg SqFt Avg \$/SqFt Pool-Outdr: 🗸 Clubhouse: Eff ---Basketball: 🗸 ------Comm Rm: 40.0% \$1.17 One \$775 661 Centrl Lndry: 🗸 Tennis: Ing's One/Den ---Volleyball: ------Elevator: anding Two 60.0% \$910 858 \$1.06 Fitness: CarWash: PARTMENTS Two/Den BusinessCtr: -----------Hot Tub: Three ---------ComputerCtr: \_\_\_ Sauna: 🕅 e: \$77-\$33-60 Four+ --------Playground: ---Features Standard: Dishwasher; Disposal; Central A/C; Carpet Select Units: --Optional(\$): In Unit Laundry (\$31.50) Security: --Parking 1: Free Surface Parking Parking 2: --Fee: --Fee: --Property Manager: Perrel Management Owner: --Comments

#### \$31.80 W/D rental

Waitlist- None

Floorpla	ans (Publis	shed	Ren	ts as o	of 8/1!	5/201	9) (2)		Histori	c Vaca	ncy &	Eff. R	lent (1)
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden		1	1	48	\$775	661	\$1.17	LIHTC/ 60%	8/15/19	0.0%	\$775	\$910	
Garden		2	1	72	\$910	858	\$1.06	LIHTC/ 60%	12/10/18	0.0%	\$740	\$875	
									1/3/18	1.7%	\$719	\$861	
									2/26/13	0.0%			
										djustr	nents	to Re	nt
									Incentives:				
									None				
												•/• <b>F</b> 1• ••	
									Utilities in I	Rent:	Heat Fu	el: Eleci	tric
									Hea	t: 🗌	Cookin	g: 🗌 🛛	/tr/Swr: 💊
									Hot Wate	r: 🗌 E	lectricit	y:	Trash:
King's Landing									·			VA <u>80</u>	00-015077

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Multifamily Community Profile

CommunityType: Market Rate - General

Structure Type: Adaptive Reuse

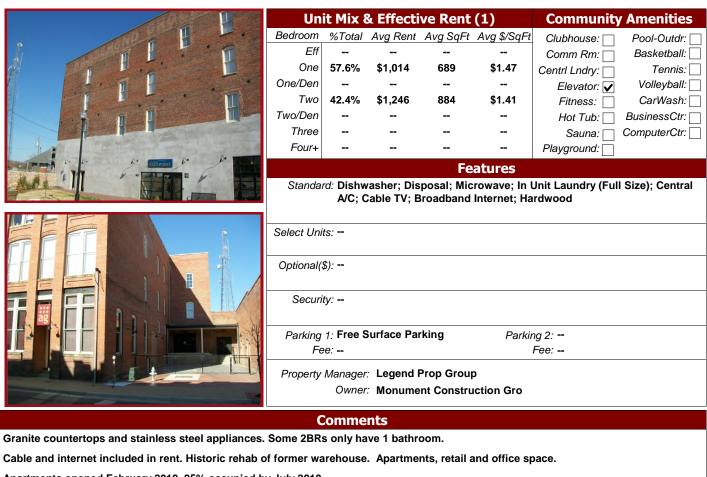
## Lofts at East Point

#### 326 East Washington Street

### Suffolk,VA 23434

33 Units 12.1% Vacant (4 units vacant) as of 8/15/2019

Opened in 2010



Apartments opened February 2010, 95% occupied by July 2010.

Rent SqFt 1,084 68 1,331 88	•	Program Market Market	Date 8/15/19 12/10/18	%Vac 12.1% 6.1%	\$1,014	2BR \$ <b>\$1,246</b>	
					. ,	\$1,246	
<u>1,331 88</u>	4 \$1.51	Market	12/10/18	C 10/			
				0.170	\$1,029	\$1,199	
			1/3/18	3.0%	\$923	\$1,299	
			2/1/13	0.0%			
			Α	djustr	ments	to Rei	nt
			Incentives:				
			None				
			Utilities in F	Rent:	Heat Fu	el: Elect	tric
			Heat	t: 🗸	Cookin	a: 🔽 🛛 W	/tr/Swr:
							Trash:
				Incentives: None Utilities in F Heat	Incentives: None Utilities in Rent: Heat: v	Incentives: None Utilities in Rent: Heat Fu Heat: V Cookin	None Utilities in Rent: Heat Fuel: Elect Heat: ✔ Cooking: ✔ W

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## Lofts at One Eleven

111 W. Washington St.

Suffolk,VA 23434

26 Units 0.0% Vacant (0 units vacant) as of 8/15/2019

	Uni	it Mix 8	& Effecti	ve Rent	(1)	Community	Amenities
- A	Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
	Eff					Comm Rm:	Basketball:
	One	76.9%	\$900	646	\$1.39	Centrl Lndry:	Tennis: 🗌
19/15	One/Den					Elevator:	Volleyball:
	Two	19.2%	\$1,220	858	\$1.42	Fitness:	CarWash: 🗌
and the second s	Two/Den					Hot Tub:	BusinessCtr:
	Three	3.8%	\$1,452	1,117	\$1.30	Sauna:	ComputerCtr:
	Four+					Playground:	_
				Fe	atures		
	Standar		•			Jnit Laundry (Full	Size); Central
		A/C; F	lardwood				
	Select Unit	ts:					
	Optional(\$	\$): <b></b>					
Dist	Securit	ty:					
	Parking	1: Free S	Surface Pa	rking	Parkir	ng 2:	
The second second second	Fe	e:				Fee:	
8 8	Property	Manager	: Legend I	Prop Group	0		
		Owner	: Monume	nt Constru	ction Gro		

#### Comments

Cable and internet included in rent. Custom cabinets, granite counters, SS appl.

Ample parking is available in an adjacent city lot for no additional fee. On-site retail

Adaptive reuse of Damiani Building. Select homes have exposed brick, private entrances and skylights.

Floorpl	ans (Publis	shed	Ren	ts as (	of 8/1	5/201	9) (2)		Histori	c Vaca	ancy 8	Eff. I	Rent (1)
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Adaptive Reuse		1	1	20	\$1,005	646	\$1.56	Market	8/15/19	0.0%	\$900	\$1,220	\$1,452
Adaptive Reuse		2	1	5	\$1,350	858	\$1.57	Market	12/10/18	7.7%			
Adaptive Reuse		3	1	1	\$1,612	1,117	\$1.44	Market	1/3/18	0.0%	\$900	\$1,220	\$1,452
									2/26/13	0.0%			
										Initia	l Abso	rptio	า
									Opened:5	/1/2012		Mor	ths: <b>3.0</b>
									Closed:8	/10/2012	2	8.7	units/mont
									A	djustr	nents	to Re	nt
									Incentives	:			
									None				
									Utilities in	Rent:	Heat Fu	iel: Elec	tric
									Неа	it: 🗸	Cookir	ng: 🗸 V	Vtr/Swr: 🗸
									Hot Wate	er: 🗸 E	Electrici	ty: 🗸	Trash: 🗸
Lofts at One Eleven												VA8	00-017326

#### ofts at One Eleven

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(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent (2) Published Rent is rent as quoted by management.

### Multifamily Community Profile CommunityType: Market Rate - General

Structure Type: 3-Story Adaptive Reuse

Opened in 2012



Multifamily Community Profile

CommunityType: Market Rate - General

Structure Type: 4-Story Mid Rise

## **Meridian Obici**

1000 Meridian Obici Way

Suffolk,VA 23434

Opened in 2016

VA800-027106

224 Units 0.	9% Vacant (	2 units v	/acant)	as o	of 8/15/2	2019					Opened in 2016
					Uni	t Mix 8	& Effect	tive Rent	(1)	Communit	y Amenities
				Be	edroom			t Avg SqFt		Clubhouse: 🗸	Pool-Outdr: 🗸
					Eff					Comm Rm:	Basketball:
	AA.				One	57.1%	\$1,059	833	\$1.27	Centrl Lndry:	Tennis: 🗌
				Or	ne/Den				-	Elevator: 🗸	Volleyball:
				T	Two	35.7%	\$1,380	1,101	\$1.25	Fitness: 🗸	CarWash: 🗸
				10	vo/Den Three	 7.1%	 \$1,661	 1,432	 \$1.16	Hot Tub: 🗌 Sauna: 🗌	BusinessCtr: 🖌 ComputerCtr: 🗌
					Four+					Playground:	computerou.
	-	_						Fe	atures		
					Standar			isposal; Mic	rowave; Cei	ling Fan; Patio/I ærnet; Hardwoo	
				Se	lect Unit	s:					
				0,			t Laundry	/ (\$45.00)			
					Securit						
					-	1: Free S e:	Surface Pa	arking		ng 2: Detached G Fee: \$114	arage
								- De state de		του. ψη τ	
					roperty	Manager Owner		e Residentia	1		
					С	omme	nts				
Theater, billiards, cabana	as w/ outdoo	r kitche	n, grill	area	, firepit,	coffee b	oar, break	fast bar, su	ndeck, medi	a center	
Brushed nickel finishes,	shaker style	cabine	ts, blac	k ap	pl. Pre-l	ease 05/	16, 1st bl	dg 08/16, las	st bldg 11/17	7	
Pool view-\$30, 1&4th flr a	& pond view	-\$10, Wa	&D-\$45	i a m	onth. Ca	able and	internet	included in I	rent. Storage	e-\$35	
Floorpla	ns (Publis	hed R	ents	as c	of 8/1	5/201	9) (2)		Histori	c Vacancy &	Eff. Rent (1)
Description	Feature	BRs B	ath #L	Inits	Rent	SqFt I	Rent/SF	Program	Date	%Vac 1BR\$	2BR\$ 3BR\$
Nansemond / Mid Rise -		1	1 3	36	\$1,082	716	\$1.51	Market	8/15/19	0.9% \$1,059	\$1,380 \$1,661
James / Mid Rise - Elevat		1	1 4	14	\$1,159	839	\$1.38	Market	12/11/18	4.5% \$1,100	\$1,384 \$1,696
Merrimac / Mid Rise - Ele		1	1 4	48	\$1,231	916	\$1.34	Market	1/9/18*		\$1,338 \$1,623
Bennett / Mid Rise - Elev		2		64	\$1,473	1,062	\$1.39	Market	* Indicates	s initial lease-up.	
Harbor / Mid Rise - Elevat				16	\$1,557	1,259	\$1.24	Market			
Cape / Mid Rise - Elevato		3	2 1	16	\$1,781	1,432	\$1.24	Market	_		
									Δ	djustments t	to Rent
									Incentives: none	ajastinents	
									Utilities in F	Rent: Heat Fue	a/-
									Hear		
									Hot Wate		

#### Meridian Obici

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## Montgomery Lofts on Main

139 N Main Street

Suffolk,VA 23434

## Multifamily Community Profile

CommunityType: Market Rate - General

Structure Type: 2-Story Adaptive Reuse



Montgomery Lofts on Main

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(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent (2) Published Rent is rent as guoted by management.

VA800-027111

Multifamily Community Profile

CommunityType: LIHTC - General

Structure Type: 3-Story Garden

## **Residences at October, The**

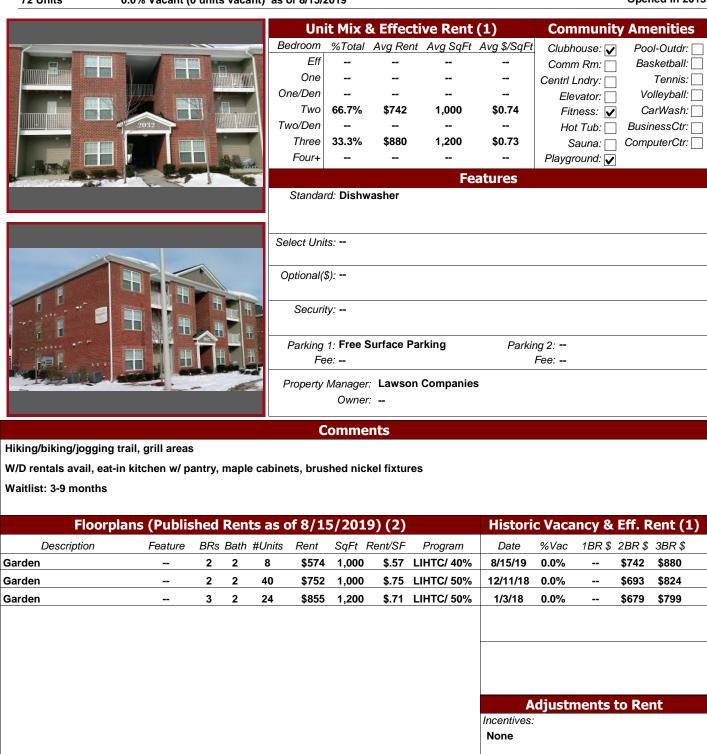
### 2028 Freeney Avenue

Suffolk,VA 23434

72 Units

0.0% Vacant (0 units vacant) as of 8/15/2019

Opened in 2013



Utilities in Rent:	Heat Fuel: Ga	S
Heat:	Cooking:	Wtr/Swr:
Hot Water:	Electricity:	Trash: 🗸

VA800-027110

#### **Residences at October, The**

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Multifamily Community Profile CommunityType: Market Rate - General

Structure Type: 3-Story Garden

## Sadler Pond

### 2500 Sandy Spring Lane

Suffolk,VA 23434

110 Units 1.8% Vacant (2 units vacant) as of 8/15/2019

Opened in 1989



\$50 W/D rental

Floorpl	ans (Publis	shed	Ren	ts as o	of 8/1!	5/201	9) (2)		Histori	c Vaca	ancy &	Eff. I	<b>Rent (1</b> )
Description	Feature	BRs	Bath	#Units	Rent	SqFt I	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden		2	2	86	\$970	900	\$1.08	Market	8/15/19	1.8%		\$990	\$1,045
Garden		3	2	24	\$1,020	1,100	\$.93	Market	12/11/18	0.9%		\$970	\$1,045
									1/3/18	3.6%		\$920	\$1,010
									2/1/13	0.0%			
									A	djustr	nents	to Re	nt
									Incentives:				
									None				
										-		·	
									Utilities in I	Rent:	Heat Fu	el: Elec	tric
									Hea	t: 🗌	Cookin	g: 🗌 V	Vtr/Swr:
									Hot Wate	r: 🗌 E	Electricit	y:	Trash:
Sadler Pond		_	_									VA8	00-01507

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Multifamily Community Profile

## **Seventy Five Place**

75 Commerce Street

#### Suffolk,VA 23434

16 Units 6.3% Vacant (1 units vacant) as of 8/15/2019

Unit Mix & Effective Rent (1) **Community Amenities** Bedroom %Total Avg Rent Avg SqFt Avg \$/SqFt Pool-Outdr: Clubhouse: Eff 6.3% \$899 480 \$1.87 Basketball: Comm Rm: One 12.5% \$1,074 661 \$1.63 Tennis: Centrl Lndry: One/Den Volleyball: Elevator: Two 81.3% \$1,049 870 \$1.21 CarWash: Fitness: Two/Den BusinessCtr: --Hot Tub: ---Three ComputerCtr: Sauna: Four+ Playground: Features Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Cable TV; Broadband Internet; Hardwood Select Units: Patio/Balcony Optional(\$): --Security: --Parking 1: Free Surface Parking Parking 2: --Fee: --Fee: --Property Manager: Legend Prop Group **Owner: Monument Construction** Comments

Adaptive reuse of old warehouse building, opeend in 2009. Units have granite countertops, hardwood floors, stainless steel appliances.

Cable and internet included in rent. Vacant: 1-2B/1B

Floorpla	ans (Publis	shed	Ren	ts as o	of 8/1!	5/201	9) (2)		Histori	c Vaca	incy &	Eff. R	lent (1)
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Adaptive Reuse		Eff	1	1	\$987	480	\$2.06	Market	8/15/19	6.3%	\$1,074	\$1,049	
Adaptive Reuse		1	1	2	\$1,179	661	\$1.79	Market	12/10/18	25.0%	\$1,074	\$1,119	
Adaptive Reuse		2	1	13	\$1,249	870	\$1.44	Market	1/3/18	18.8%	\$1,089	\$1,109	
									2/1/13	0.0%			
									Α	djustr	nents	to Re	nt
									Incentives:				
									None				
									Utilities in F	Rent:	Heat Fu	el: Elec	tric
									Hea	t: 🗸	Cookin	g:🗸 W	/tr/Swr:
									Hot Wate	-			

#### Seventy Five Place

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(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
 (2) Published Rent is rent as quoted by management.

### CommunityType: Market Rate - General

Structure Type: Adaptive Reuse

Opened in 2009

Multifamily Community Profile

Opened in 1987

# Suffolk Station

100 Forrest Oak Lane

CommunityType: Market Rate - General Structure Type: 2-Story Garden

Suffolk,VA 23434

112 Units 0.9% Vacant (1 units vacant) as of 8/15/2019

Optional(\$): In Unit Laundry (\$45.00) Security: --Parking 1: Free Surface Parking Parking 2: --Fee: --Fee: --Property Manager: United Property Asso Owner: --

Comments

Units are renovated as needed on turnover.

Playground, walking trails and a park are located next to property.

W/D rental \$50.

Floorpl	ans (Publis	shed	Ren	ts as o	of 8/1!	5/2019	9) (2)		Histori	c Vaca	ancy &	Eff. R	lent (1)
Description	Feature	BRs	Bath	#Units	Rent	SqFt F	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden		2	2	80	\$855	1,000	\$.86	Market	8/15/19	0.9%		\$875	\$975
Garden		3	2	32	\$950	1,100	\$.86	Market	12/10/18	2.7%		\$875	\$978
									1/3/18	8.9%		\$788	\$950
									2/4/13	5.4%			
									A	djustr	nents	to Re	nt
									Incentives:				
									none				
									Utilities in l	Donte			
											Heat Fu		
									Hea		Cookin		/tr/Swr:
									Hot Wate	r: 🗌 E	Electricit	iy:	Trash:
Suffolk Station												VA8(	0-01508

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Un	it Mix 8	& Effecti	ve Rent	(1)	Community Ame	nities				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: Pool-	Outdr: 🗌				
Eff					Comm Rm: 🗍 🛛 Bask	etball:				
One					Centrl Lndry: T	ennis: 🗌				
One/Den					Elevator: Volle	eyball: 🗌				
Two	71.4%	\$875	1,000	\$0.88	Fitness: 🗌 Carl	Nash: 🗌				
Two/Den					Hot Tub: 🗌 Busine	ssCtr:				
Three	28.6%	\$975	1,100	\$0.89	Sauna: 🗌 Comput	terCtr:				
Four+					Playground:					
			Fe	atures						
Standard: Dishwasher; Disposal; Carpet										
Select Uni	ts: Patio/	Balcony								

## Suffolk Towers

### Multifamily Community Profile

CommunityType: Market Rate - General

181 N. Main Street Suffolk,VA 23434

59 Units

3.4% Vacant (2 units vacant) as of 8/15/2019

Structure Type: Mid Rise Last Major Rehab in 2008

Opened in 1925



Commerical space on ground floor.

Walk in closets.

Floorpla	ans (Publis	shed	Ren	ts as c	of 8/1	5/201	9) (2)		Histori	c Vaca	ancy &	Eff. R	<b>lent (1</b> )
Description	Feature	BRs	Bath	#Units	Rent	SqFt H	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator		Eff	1		\$650	450	\$1.44	Market	8/15/19	3.4%	\$670	\$770	
/lid Rise - Elevator		1	1		\$775	500	\$1.55	Market	12/10/18	8.5%	\$690	\$770	
Mid Rise - Elevator		2	1		\$900	750	\$1.20	Market	1/9/18	5.1%	\$545	\$670	
									8/21/12	0.0%			
									A	djustr	nents	to Rei	nt
									A Incentives:		nents	to Rei	nt
											nents	to Rei	nt
									Incentives:		nents	to Rei	nt
									Incentives:		<b>nents</b> : Heat Fue		
									Incentives: none Utilities in F			el: Elect	

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Multifamily Community Profile

Structure Type: 2-Story Adaptive Reuse

CommunityType: Market Rate - General

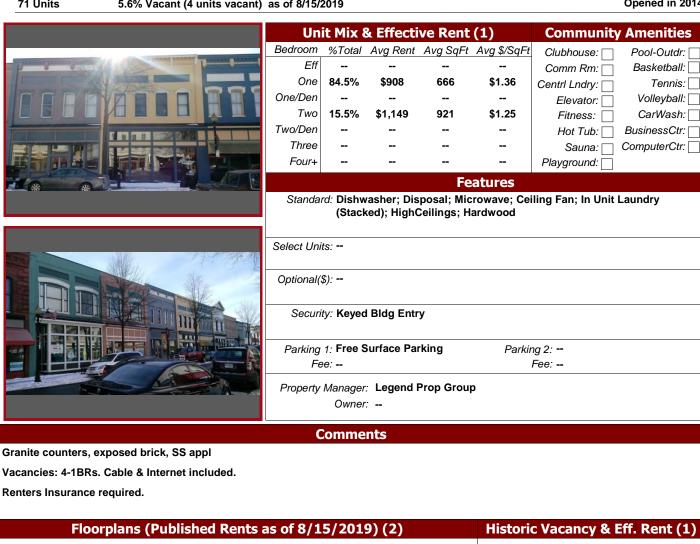
## Washington Square

### 121-149 W Washington Street

#### Suffolk,VA 23434

71 Units

5.6% Vacant (4 units vacant) as of 8/15/2019



Floorpla	ans (Publis	snea	Ren	ts as (	or 8/1:	5/201	9)(2)		Histori	c vaca	ancy & E	п. к	ent (1
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR\$2	BR \$	3BR \$
		1	1	60	\$1,083	666	\$1.63	Market	8/15/19	5.6%	<b>\$90</b> 8 \$1	I,149	
		2	2	11	\$1,279	921	\$1.39	Market	12/11/18	1.4%	\$919 \$1	I,149	
									1/3/18	8.5%	\$899 \$1	I,149	
									A	djustr	ments to	Rer	nt
									Incentives:				
									None				
									Utilities in I	Rent:	Heat Fuel:		
									Hea	it: 🗸	Cooking:		tr/Swr:
									Hot Wate	r: 🗸 E	Electricity:	$\checkmark$	Trash:
ington Square												VA80	0-0271

**Renters Insurance required.** 

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