

# MARKET STUDY

Property:  
Alleghany Building Apartments  
511 E Ridgeway Street  
Clifton Forge, Alleghany County, Virginia 24422



Type of Property:  
Affordable Multifamily Development  
Family  
Renovation

Date of Report:  
July 23, 2018

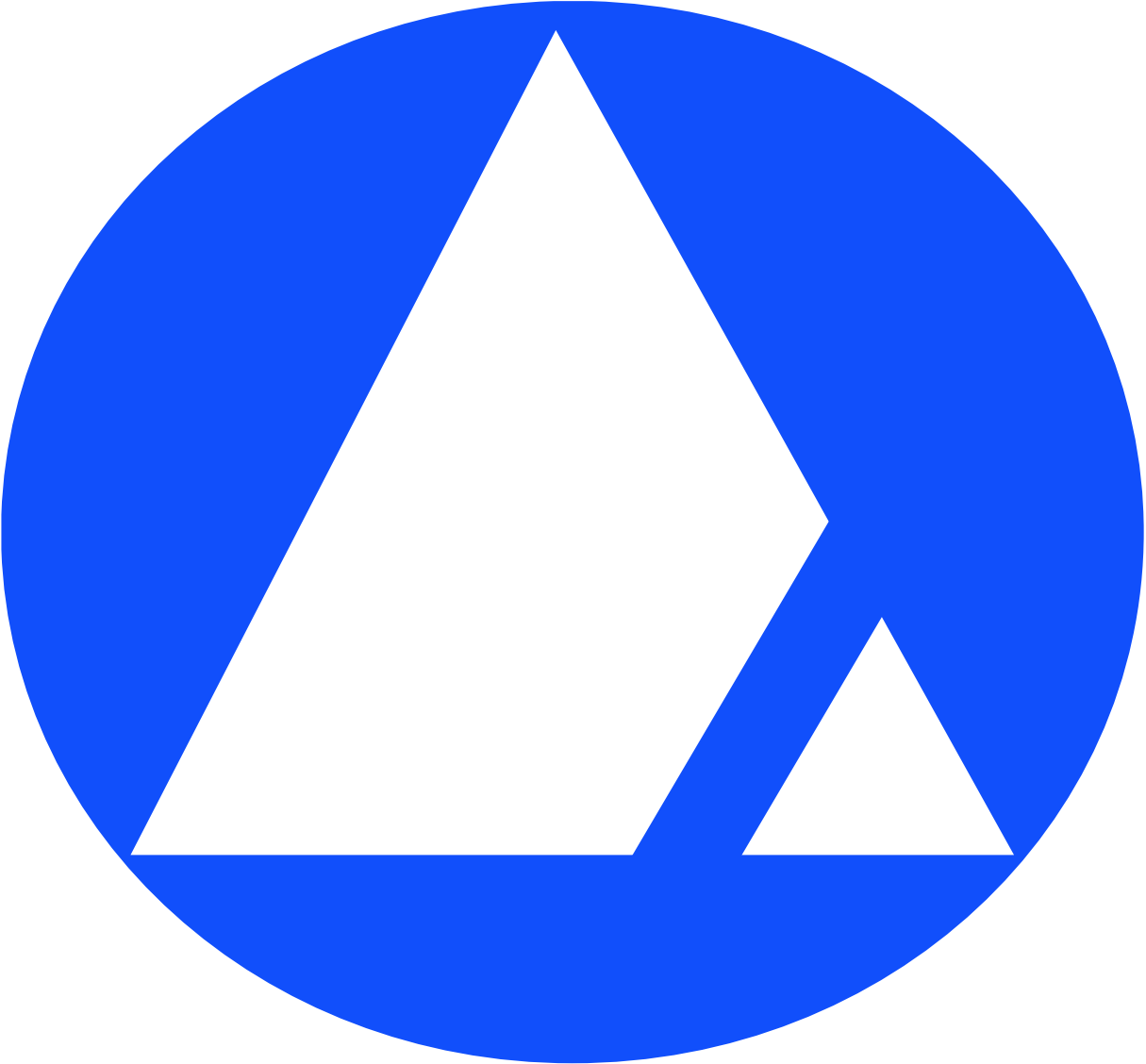
Effective Date:  
July 17, 2018

Date of Site Visit:  
July 16, 2018

Prepared For:  
Ms. Kimberly D. Byrd  
Alleghany Building L.P.  
1700 New Hope Road  
Waynesboro, Virginia 22980

Prepared By:  
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July 23, 2018

Ms. Kimberly D. Byrd  
Alleghany Building L.P.  
1700 New Hope Road  
Waynesboro, Virginia 22980

Re: Alleghany Building Apartments

Dear Ms. Kimberly D. Byrd:

The subject property, known as Alleghany Building Apartments, is an existing affordable multifamily development located at 511 E Ridgeway Street in Clifton Forge, Alleghany County, Virginia. The subject property consists of 20 revenue-producing units originally constructed in 1925 and renovated in 1998 with LIHTC financing. The sponsor has proposed to renovate the property with tax credit financing. The subject property is an open age community.

The sponsor has entered into an MOU with South River Development Corporation and Blue Ridge Independent Living Center to provide supportive services to residents with disabilities at the subject property. For purposes of this analysis, however, we treat the property as if it were open to income-qualified residents of all ages. A copy of the MOU is found in the Appendix.

The subject property is proposed to consist of 20 revenue-producing units including 0 and 1-bedroom apartments. A total of 5 units are proposed to be income restricted to 40% of AMI; a total of 5 units are proposed to be income restricted to 50% of AMI; a total of 10 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 5 units are proposed to benefit from project-based rental assistance; a total of 10 units are proposed to benefit from HOME financing.

The scope of this assignment consists of a comprehensive market analysis for the subject property. The market study was completed in accordance with National Council for Housing Market Analyst (NCHMA) guidelines and the Uniform Standards of Professional Practice (USPAP). The completion of this report involved a site visit, interviews with local property managers, and the collection of market data through discussions with persons knowledgeable of the local real estate market.

The purpose, intended use, and function of the report is to assess the marketability of the subject property for tax credit application purposes. This report should not be used for any other purposes without the express written permission of Allen & Associates Consulting.

The report has been generated for the benefit of our client Alleghany Building LP. VHDA is named as an additional user of this report. No other person or entity may use the report for any reason whatsoever without our express written permission.

A summary of our findings and conclusions is found in the following pages. The conclusions reported are based on the conditions that exist as of the effective date of this report. These factors are subject to change and may alter, or otherwise affect the findings and conclusions presented in this report.

To the best of our knowledge, this report presents an accurate evaluation of market conditions for the subject property as of the effective date of this report. While the analysis that follows is based upon information

obtained from sources believed to be reliable, no guarantee is made of its accuracy.

Feel free to contact us with any questions or comments.

Respectfully submitted:  
ALLEN & ASSOCIATES CONSULTING

A handwritten signature in blue ink, appearing to read "Jeff Carroll", is positioned above the printed name.

Jeff Carroll

## EXECUTIVE SUMMARY

The following is a summary of our key findings and conclusions with respect to the subject property:

### Project Description

The subject property, known as Alleghany Building Apartments, is an existing affordable multifamily development located at 511 E Ridgeway Street in Clifton Forge, Alleghany County, Virginia. The subject property consists of 20 revenue-producing units originally constructed in 1925 and renovated in 1998 with LIHTC financing. The sponsor has proposed to renovate the property with tax credit financing. The subject property is an open age community.

The sponsor has entered into an MOU with South River Development Corporation and Blue Ridge Independent Living Center to provide supportive services to residents with disabilities at the subject property. For purposes of this analysis, however, we treat the property as if it were open to income-qualified residents of all ages. A copy of the MOU is found in the Appendix.

### Proposed Unit Mix

The subject property is proposed to consist of 20 revenue-producing units including 0 and 1-bedroom apartments. A total of 5 units are proposed to be income restricted to 40% of AMI; a total of 5 units are proposed to be income restricted to 50% of AMI; a total of 10 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 5 units are proposed to benefit from project-based rental assistance; a total of 10 units are proposed to benefit from HOME financing.

Unit Type / Income Limit / Rent Limit	Proposed Unit Configuration			Gross Rent	UA	Net Rent
	HOME	Subsidized	Units			
0BR-1BA-290sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$405	\$0	\$405
0BR-1BA-371sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$405	\$0	\$405
1BR-1BA-474sf / 40% of AMI / 40% of AMI	Yes	Yes	1	\$434	\$0	\$434
1BR-1BA-474sf / 50% of AMI / 50% of AMI	Yes	No	1	\$525	\$0	\$525
1BR-1BA-479sf / 50% of AMI / 50% of AMI	Yes	No	2	\$525	\$0	\$525
1BR-1BA-527sf / 50% of AMI / 50% of AMI	Yes	No	2	\$525	\$0	\$525
1BR-1BA-447sf / 60% of AMI / 60% of AMI	No	No	2	\$525	\$0	\$525
1BR-1BA-453sf / 60% of AMI / 60% of AMI	No	No	2	\$525	\$0	\$525
1BR-1BA-462sf / 60% of AMI / 60% of AMI	No	No	2	\$525	\$0	\$525
1BR-1BA-519sf / 60% of AMI / 60% of AMI	No	No	2	\$525	\$0	\$525
1BR-1BA-540sf / 60% of AMI / 60% of AMI	No	No	2	\$525	\$0	\$525
Total/Average			20	\$496	\$0	\$496

### Site Description

The subject property includes an irregular-shaped parcel consisting of approximately 0.29 acres and approximately 100 feet of road frontage.

A total of 8 parking spaces are offered at this development (5 regular / 3 accessible / 0.40 spaces per unit). Privately-owned parking areas are found at the subject property. We normally see 1.0 to 1.5 spaces per unit for projects like the subject. In our opinion, the proposed parking appears light for the subject property.

### Additional Considerations:

Zoning	BD - Business District. Legal, conforming use.
Environmental	1925 construction. Lead and asbestos suspected.
Topography	No issues detected.
Flood	Zone X. Outside the 100-year flood zone.
DDA Status	Alleghany, Virginia. Not designated as a Difficult to Develop Area.
QCT Status	Tract 701.00. Designated as a Qualified Census Tract.
Access	Good. Located off a moderately-traveled road.
Visibility	Good. Located off a moderately-traveled road.

In our opinion, the site is suitable for development.

#### Neighborhood Description

In our opinion, the subject property has a very good location relative to competing properties with respect to neighborhood characteristics.

In our opinion, the subject property has a good to very good location relative to competing properties with respect to area amenities.

#### Additional Considerations:

Crime	Lower crime than market average.
Schools	Higher graduation rates than market average.
Average Commute	Similar to market average.

In our opinion, the neighborhood is suitable for development.

#### Primary Market Area

We defined the primary market area by generating a 25-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

The primary market area includes a population of 31,612 persons and covers a total of 975.2 square miles, making it 35.2 miles across on average.

We estimate that up to 20 percent of demand will come from areas outside of the primary market area.

#### Demographic Characteristics

We anticipate moderate population and household growth for the market area. Renter households are anticipated to increase modestly as well. Finally, we anticipate that rents will grow with CPI over the next few years. Additional details follow:

Population	Market area population currently stands at 31,612 and is projected to decline 0.2 percent this year.
Households	Market area households currently stand at 13,465 and is projected to decline 0.2 percent this year.
Renter Households	Market area renter households currently stand at 3,323 and is projected to grow 0.4 percent this year.
Renter Tenure	Market area renter tenure currently stands at 24.7 percent.
Rent Growth	Market area rents have grown 2.79% annually over the past 10 years.

#### Regional Economic Outlook

We anticipate moderate economic growth for the region. Additional details follow:

Est Employment	Regional establishment employment currently stands at 31,919 and is projected to grow 1.3 percent this year.
Civ Employment	Regional civilian employment currently stands at 27,743 and is projected to decline 0.4 percent this year.
Empl by Industry	Regional Establishment Employment stood at 31,460 in 2017. The data suggests that Manufacturing is the largest employment category accounting for 13.6% of total regional employment. State and Local Government is the second largest category accounting for 10.9% of total employment. Accommodation and Food Services is the third largest category accounting for 8.9% of total employment. Health Care and Social Assistance is the fourth largest category accounting for 8.7% of total employment. Retail Trade is the fifth largest category accounting

for 8.7% of total employment.

Top Employers The top employers include: (1) Allegheny High School (130 employees); (2) Allegheny Highlands Cmnty Svc (140 employees) and; (3) Altec Industries Inc (250 employees).

Layoffs/Expansions Major employers are currently hiring; none reported any pending layoffs.

Supply Analysis

Our analysis includes a total of 7 confirmed market area properties consisting of 383 units. The occupancy rate for these units currently stands at 99 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

The following tables summarize our findings for this market area:

Grand Total				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	1	35	0	100%
Restricted	3	88	3	97%
Subsidized	3	260	0	100%
Total	7	383	3	99%

Stabilized				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	1	35	0	100%
Restricted	2	60	1	98%
Subsidized	1	54	0	100%
Total	4	149	1	99%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	1	28	2	93%
Subsidized	2	206	0	100%
Total	3	234	2	99%

Pipeline				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	0	0	0	0%
Subsidized	0	0	0	0%
Total	0	0	0	0%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	0	0	0	0%
Subsidized	0	0	0	0%
Total	0	0	0	0%

### Most Comparable Properties

An overview of the market rate comparables selected for purposes of our analysis follows. The properties we consider to be the best comparables are highlighted for the reader's reference.

Key	Property	Units	Occupancy	Built	Renovated	Rents	Type	Miles to Sub
013	City Market Lofts	59	95%	1878	2007	Market Rate	Family	45.08
014	Cliffs Edge Lofts	52	85%	1910	2012	Market Rate	Family	44.74
028	Ferrell Lofts	13	100%	1885	2011	Market Rate	Family	73.74
032	Frye Center (The)	8	100%	1907	2006	Market Rate	Family	44.93
037	Gish Flats	66	95%	1883	2016	Market Rate	Family	44.55
063	McGregor Lofts	22	95%	1891	2013	Market Rate	Family	44.89
080	Riverlofts North	59	98%	1895	2013	Market Rate	Family	44.95
081	Riverviews Artspace Rentals	11	100%	1898	2003	Market Rate	Family	44.92
109	Riverlofts West	52	98%	1904	2018	Market Rate	Family	44.93

An overview of the restricted rent comparables selected for purposes of our analysis follows. The properties we consider to be the best comparables are highlighted for the reader's reference.

Key	Property	Units	Occupancy	Built	Renovated	Rents	Type	Miles to Sub
012	Central City Homes	37	100%	1900	2005	Restricted	Family	44.52
019	College Hill Homes	28	100%	1935	2002	Restricted	Family	44.55
043	Hunt Ridge Apartments Phas	46	100%	2007	na	Restricted	Family	23.42
050	Kemper Lofts	41	85%	1925	2010	Restricted	Family	44.67
065	Mountain Crest Apartments	28	93%	2007	na	Restricted	Elderly	12.36
090	Tinbridge Manor Apartments	56	100%	1912	2002	Restricted	Elderly	44.07

### Achievable Rents

In the following table we present our concluded achievable rents and rent advantage for the subject property:

Unit Type / Income Limit / Rent Limit	Achievable Rents			Units	Achievable	Proposed	Advantage
	HOME	Subsidized					
0BR-1BA-290sf / 40% of AMI / 40% of AMI	Yes	Yes		2	\$825	\$405	50.9%
0BR-1BA-371sf / 40% of AMI / 40% of AMI	Yes	Yes		2	\$825	\$405	50.9%
1BR-1BA-474sf / 40% of AMI / 40% of AMI	Yes	Yes		1	\$875	\$434	50.4%
1BR-1BA-474sf / 50% of AMI / 50% of AMI	Yes	No		1	\$545	\$525	3.7%
1BR-1BA-479sf / 50% of AMI / 50% of AMI	Yes	No		2	\$545	\$525	3.7%
1BR-1BA-527sf / 50% of AMI / 50% of AMI	Yes	No		2	\$545	\$525	3.7%
1BR-1BA-447sf / 60% of AMI / 60% of AMI	No	No		2	\$565	\$525	7.1%
1BR-1BA-453sf / 60% of AMI / 60% of AMI	No	No		2	\$565	\$525	7.1%
1BR-1BA-462sf / 60% of AMI / 60% of AMI	No	No		2	\$565	\$525	7.1%
1BR-1BA-519sf / 60% of AMI / 60% of AMI	No	No		2	\$565	\$525	7.1%
1BR-1BA-540sf / 60% of AMI / 60% of AMI	No	No		2	\$565	\$525	7.1%
Total / Average				20	\$628	\$496	20.9%

Our analysis suggests an average achievable rent of \$628 for the subject property. This is compared with an average proposed rent of \$496, yielding an achievable rent advantage of 20.9 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

### NCHMA Demand Analysis

In the following tables we present our concluded demand, capture rate, penetration rate and absorption period estimates for the subject property using the NCHMA demand methodology:

Unit Type / Rent Type / Income Limit	Vac Units at Market Entry	Gross Demand	Vacant & Pipeline Units	Capture Rate Gross	Capture Rate Net	Penetration Rate	Absorption Pd (Mos)
0-Bedroom / Subsidized / 40% of AMI	2	433	0	0.5%	0.5%	0.5%	<1
1-Bedroom / Subsidized / 40% of AMI	1	721	0	0.1%	0.1%	0.1%	<1
1-Bedroom / Restricted / 50% of AMI	2	128	0	1.6%	1.6%	7.8%	1
1-Bedroom / Restricted / 60% of AMI	5	224	0	2.2%	2.2%	5.8%	3



Project-Wide Gross Capture Rate	4.5%
Project-Wide Net Capture Rate	4.5%
Project-Wide Penetration Rate	11.6%
Stabilized Occupancy	97%
Project-Wide Absorption Period	3 mos

In our opinion, the estimated project-level capture rate suggests an appropriate number of units for the subject property. The unit level capture rates suggest an appropriate mix of units for the subject property.

In our opinion, the estimated project-level penetration rate suggest an appropriate number of units for the subject property. The unit-level penetration rates suggest an appropriate mix of units for the subject property.

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 3 months of absorption and an average absorption rate of 3.4 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

It is important to note that this analysis does not account for pent-up demand, pre-leasing efforts or rent concessions. In our opinion, an effective pre-leasing effort could result in a month-for-month reduction in the estimated absorption period for this project. In addition, any concessions or rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods significantly.

VHDA Demand Analysis

In the following table we present our concluded capture rate and absorption period estimates for the subject property using the VHDA demand methodology:

Project-Wide Capture Rate - LIHTC Units	11.1%
Project-Wide Capture Rate - Market Units	0.0%
Project-Wide Capture Rate - All Units	11.1%
Project-Wide Absorption Period (Months)	3 mos

Conclusion

In conclusion, the subject property appears to be feasible from a market standpoint. The units appear to be priced appropriately and we anticipate a rapid lease-up after renovation.

Because of the demonstrated depth of demand in this area and the current occupied status of the subject property, we do not believe the renovation of this property will have an adverse impact on existing projects in the market area.

Alleghany Building Apartments  
511 E Ridgeway Street  
Clifton Forge, Virginia 24422

	40%	50%	60%	Tot
Minimum Income	\$13,886	\$18,000	\$18,000	\$13,886
Maximum Income	\$18,680	\$23,350	\$28,020	\$28,020
New Rental Households	2	1	2	5
(+)				
Existing Households - Overburdened	45	34	59	138
(+)				
Existing Households - Substandard Housing	9	7	12	28
(+)				
Elderly Households - Likely to Convert to Rental Housing				
(+)				
Existing Qualifying Tenants - To Remain After Renovation	2	3	5	10
(+)				
Total Demand	58	45	78	180
(-)				
Supply (Directly Comparable Vacant Units Completed or in Pipeline in PMA)				
(=)				
Net Demand	58	45	78	180
Proposed Units	5	5	10	20
Capture Rate	8.6%	11.2%	12.8%	11.1%
Absorption Period (Months)	3 mos	3 mos	3 mos	3 mos

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## PROJECT OVERVIEW

### Project Description

The subject property, known as Alleghany Building Apartments, is an existing affordable multifamily development located at 511 E Ridgeway Street in Clifton Forge, Alleghany County, Virginia. The subject property consists of 20 revenue-producing units originally constructed in 1925 and renovated in 1998 with LIHTC financing. The sponsor has proposed to renovate the property with tax credit financing. The subject property is an open age community.

The sponsor has entered into an MOU with South River Development Corporation and Blue Ridge Independent Living Center to provide supportive services to residents with disabilities at the subject property. For purposes of this analysis, however, we treat the property as if it were open to income-qualified residents of all ages. A copy of the MOU is found in the Appendix.

Select project details are summarized below:

Project Description	
Property Name	Alleghany Building Apartments
Street Number	511
Street Name	E Ridgeway
Street Type	Street
City	Clifton Forge
County	Alleghany County
State	Virginia
Zip	24422
Units	20
Year Built	1925
Project Rent	Restricted
Project Type	Family
Project Status	Prop Rehab
Financing Type	Tax Credit
Latitude	37.8156
Longitude	-79.8252

### Construction and Lease-Up Schedule

We anticipate a 12-month construction period for this project. Assuming a June 1, 2019 closing, this yields a date of completion of June 1, 2020. Our demand analysis (found later in this report) suggests a 3-month absorption period. This yields a date of stabilization of September 1, 2020.

### Unit Configuration

The subject property currently consists of 20 revenue-producing units including 0 and 1-bedroom apartments. A total of 12 units are currently income restricted to 50% of AMI; a total of 8 units are currently income restricted to 60% of AMI; no units are currently set aside as market rate units; no units currently benefit from project-based rental assistance. The subject property currently stands at 95% occupancy.

Current Unit Configuration										
BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
0	1.0	331	Garden/Flat	50%	50%	Yes	No	4	\$415	\$415
1	1.0	494	Garden/Flat	50%	50%	Yes	No	8	\$509	\$509
1	1.0	494	Garden/Flat	60%	60%	no	No	8	\$545	\$545
Total/Average		461						20	\$505	\$505

The subject property is proposed to consist of 20 revenue-producing units including 0 and 1-bedroom apartments. A total of 5 units are proposed to be income restricted to 40% of AMI; a total of 5 units are proposed to be income restricted to 50% of AMI; a total of 10 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 5 units are proposed to benefit from project-based rental assistance; a total of 10 units are proposed to benefit from HOME financing.

Proposed Unit Configuration

BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
0	1.0	290	Garden/Flat	40%	40%	Yes	Yes	2	\$405	\$405
0	1.0	371	Garden/Flat	40%	40%	Yes	Yes	2	\$405	\$405
1	1.0	474	Garden/Flat	40%	40%	Yes	Yes	1	\$434	\$434
1	1.0	474	Garden/Flat	50%	50%	Yes	No	1	\$525	\$525
1	1.0	479	Garden/Flat	50%	50%	Yes	No	2	\$525	\$525
1	1.0	527	Garden/Flat	50%	50%	Yes	No	2	\$525	\$525
1	1.0	447	Garden/Flat	60%	60%	No	No	2	\$525	\$525
1	1.0	453	Garden/Flat	60%	60%	No	No	2	\$525	\$525
1	1.0	462	Garden/Flat	60%	60%	No	No	2	\$525	\$525
1	1.0	519	Garden/Flat	60%	60%	No	No	2	\$525	\$525
1	1.0	540	Garden/Flat	60%	60%	No	No	2	\$525	\$525
Total/Average		456						20	\$496	\$496

## Income & Rent Limits

The subject property is operated subject to certain income restrictions. The following table gives the applicable income limits for this area:

Income Limits						
HH Size	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI
1.0 Person	\$8,180	\$12,270	\$16,360	\$20,450	\$24,540	\$32,750
2.0 Person	\$9,340	\$14,010	\$18,680	\$23,350	\$28,020	\$37,400
3.0 Person	\$10,520	\$15,780	\$21,040	\$26,300	\$31,560	\$42,100
4.0 Person	\$11,680	\$17,520	\$23,360	\$29,200	\$35,040	\$46,750
5.0 Person	\$12,620	\$18,930	\$25,240	\$31,550	\$37,860	\$50,500
6.0 Person	\$13,540	\$20,310	\$27,080	\$33,850	\$40,620	\$54,200
7.0 Person	\$14,480	\$21,720	\$28,960	\$36,200	\$43,440	\$57,950
8.0 Person	\$15,420	\$23,130	\$30,840	\$38,550	\$46,260	\$61,700

Source: HUD; State Housing Finance Agency

The income limits found above were based (in part) on HUD's published median household income for the area. The table below shows how this statistic has increased/decreased over the past several years:

Historical Median Income		
Year	\$	Change
2008	\$51,200	1.6%
2009	\$54,700	6.8%
2010	\$54,800	0.2%
2011	\$52,500	-4.2%
2012	\$53,200	1.3%
2013	\$54,800	3.0%
2014	\$54,300	-0.9%
2015	\$56,100	3.3%
2016	\$55,300	-1.4%
2017	\$57,800	4.5%

Source: HUD

The subject property is operated subject to certain rent restrictions. The following table gives the maximum housing expense (net rent limit + tenant-paid utilities) for this area:

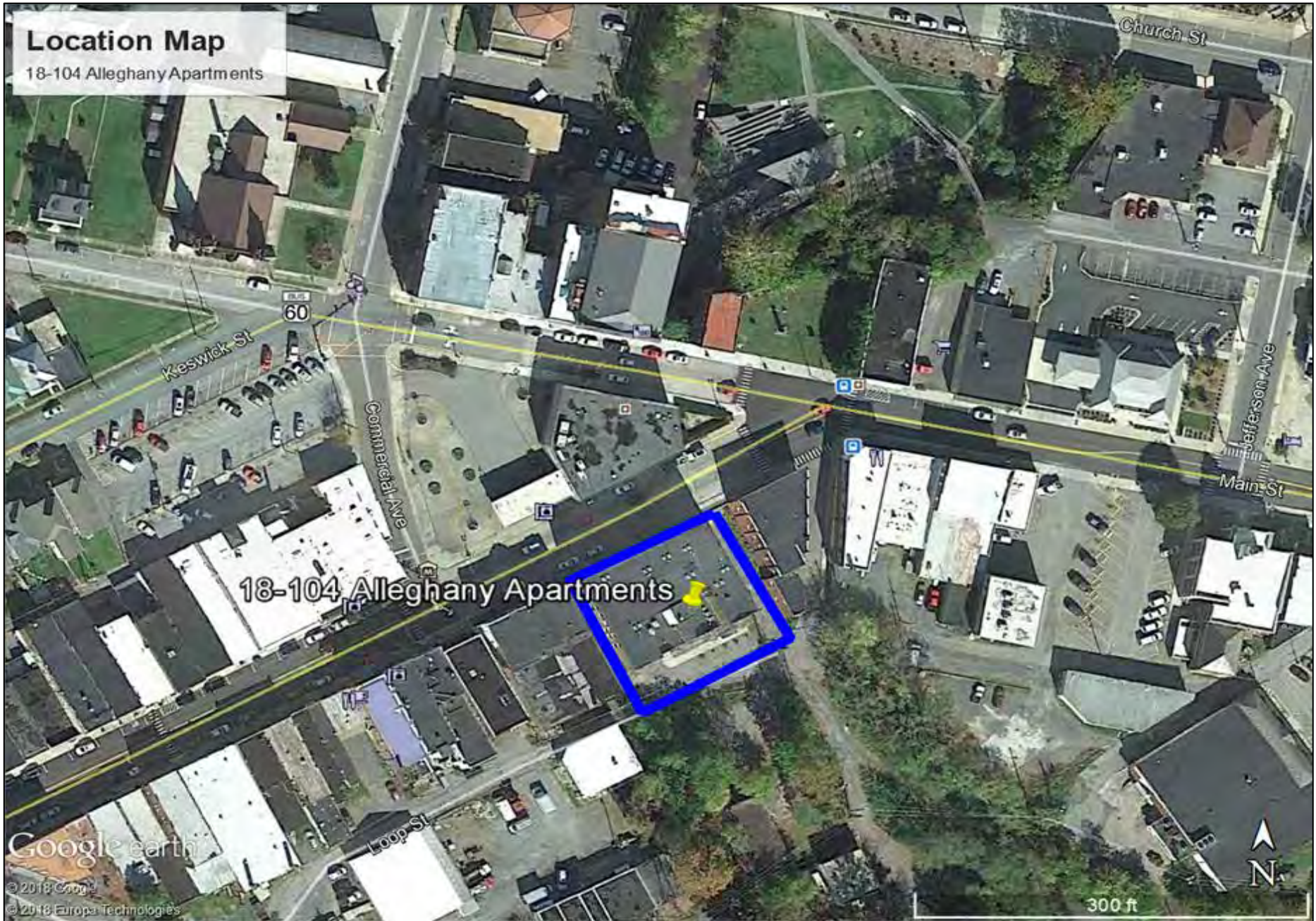
Maximum Housing Expense						
Unit Type	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI
0 Bedroom	\$204	\$306	\$409	\$511	\$613	\$818
1 Bedroom	\$219	\$328	\$438	\$547	\$657	\$876
2 Bedroom	\$263	\$394	\$526	\$657	\$789	\$1,052
3 Bedroom	\$303	\$455	\$607	\$759	\$911	\$1,215
4 Bedroom	\$338	\$507	\$677	\$846	\$1,015	\$1,355

Source: HUD

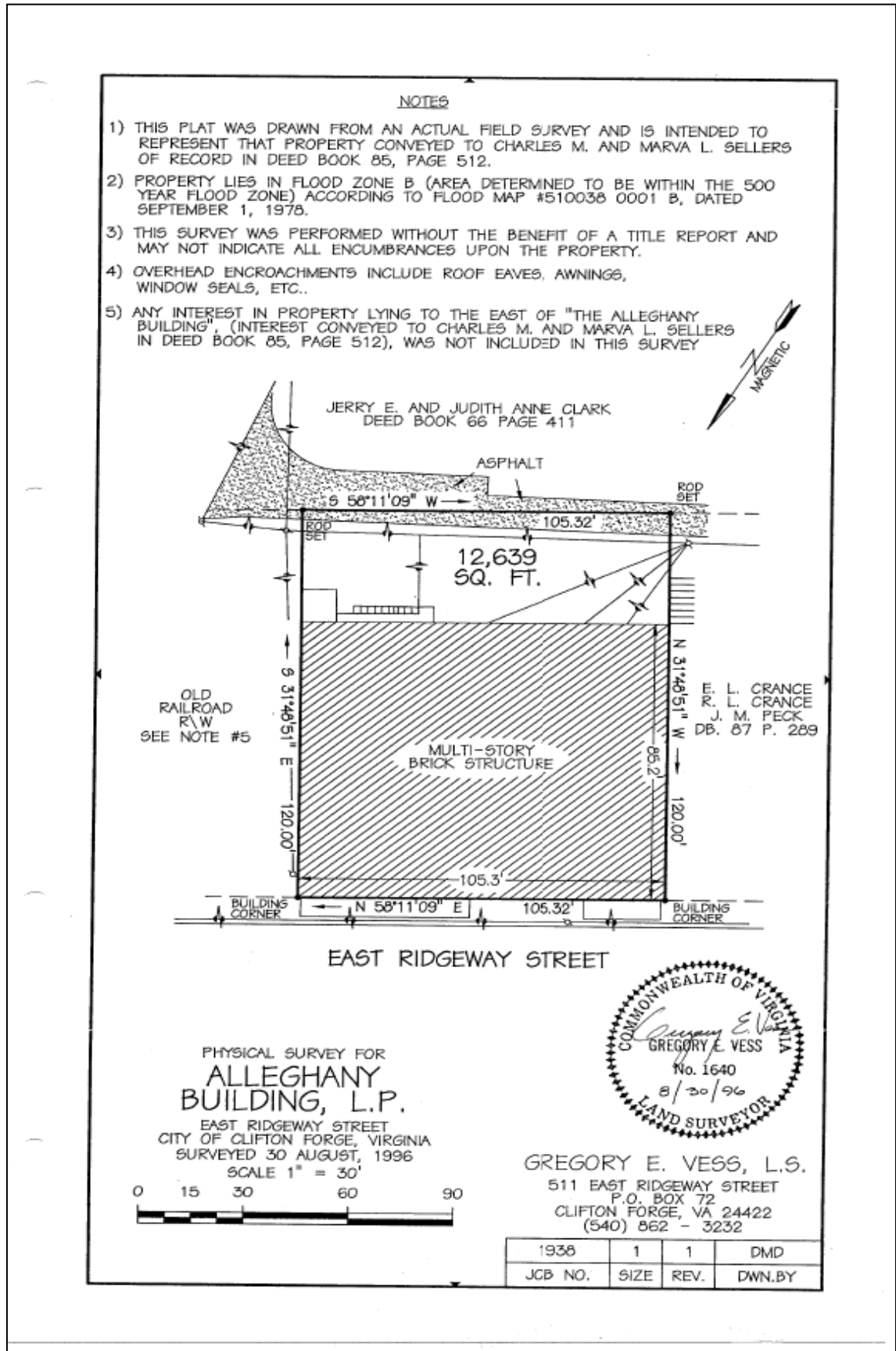
The following table sets forth the gross fair market rents (net fair market rents + tenant-paid utilities) that would apply to any Section 8 voucher recipients or any units benefiting from HOME financing at the subject property:

Fair Market Rents	
Unit Type	Gross Rent
0 Bedroom	\$500
1 Bedroom	\$545
2 Bedroom	\$684
3 Bedroom	\$928
4 Bedroom	\$932

Source: HUD

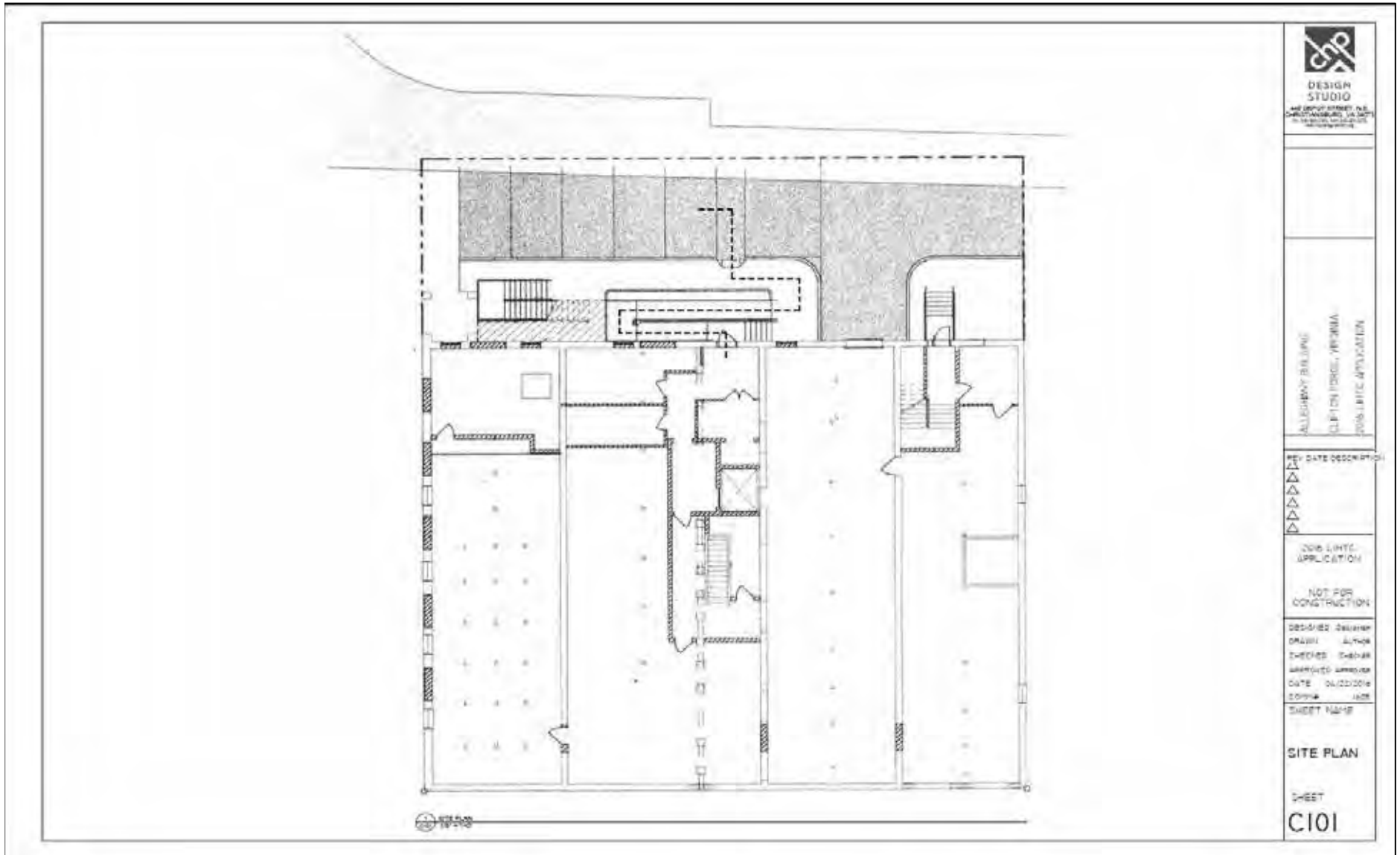


# Survey

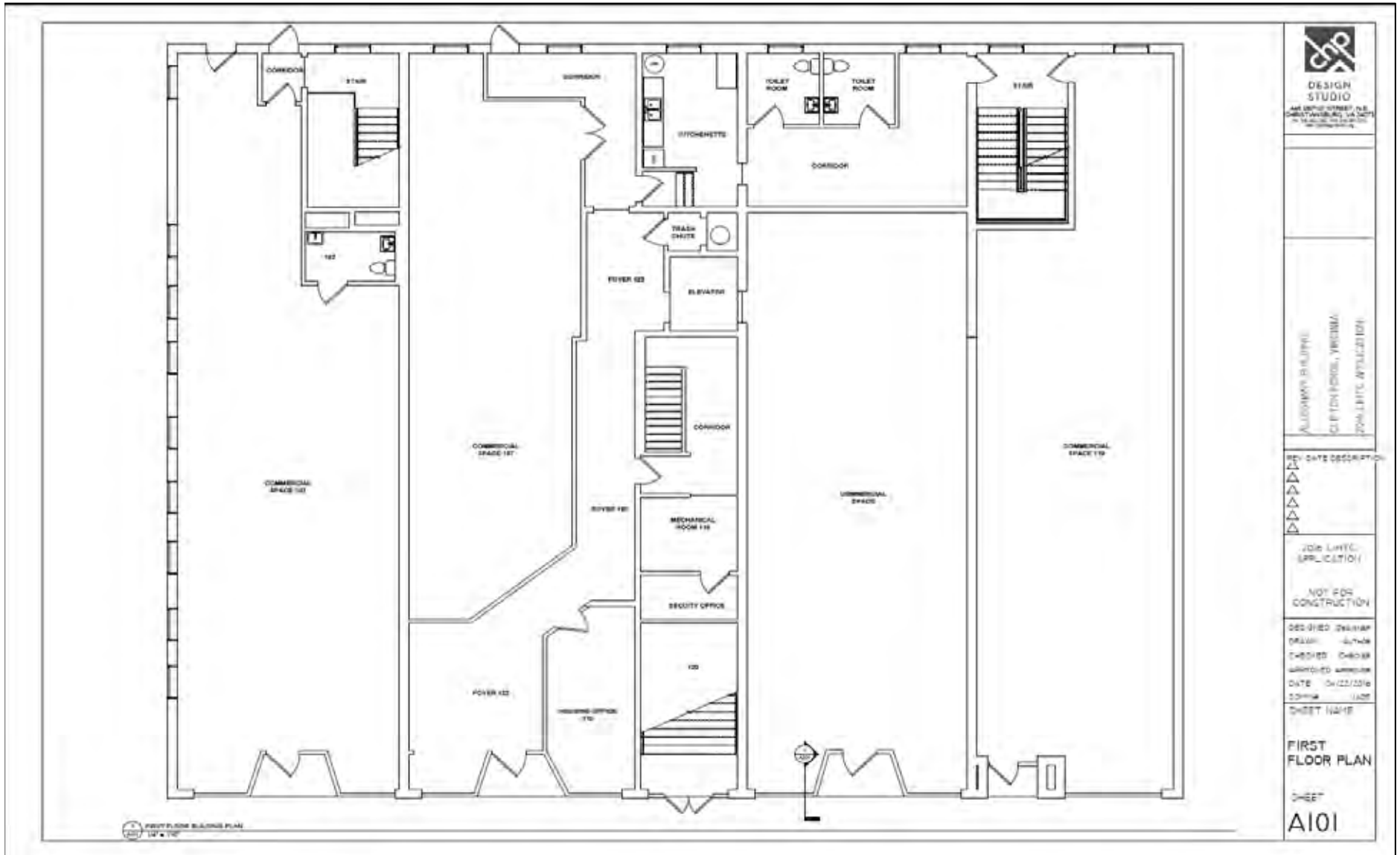




# Site Plan



# Building Plans



**DESIGN  
STUDIO**

400 SOUTH STREET, 7th FLOOR  
 CHARLOTTE, NC 28202  
 TEL: 704.333.1111  
 WWW.DESIGNSTUDIO.COM

ALUMINUM BUILDING  
 CLETON HILLS, VIRGINIA  
 204-18176 APPLICATION

- REV. DATE DESCRIPTION
- ▲
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JOB LINES  
 APPLICATION

NOT FOR  
 CONSTRUCTION

DESIGNED: [blank]  
 DRAWN: [blank]  
 CHECKED: [blank]  
 APPROVED: [blank]  
 DATE: 04/22/2016  
 SCALE: 1/8"=1'-0"

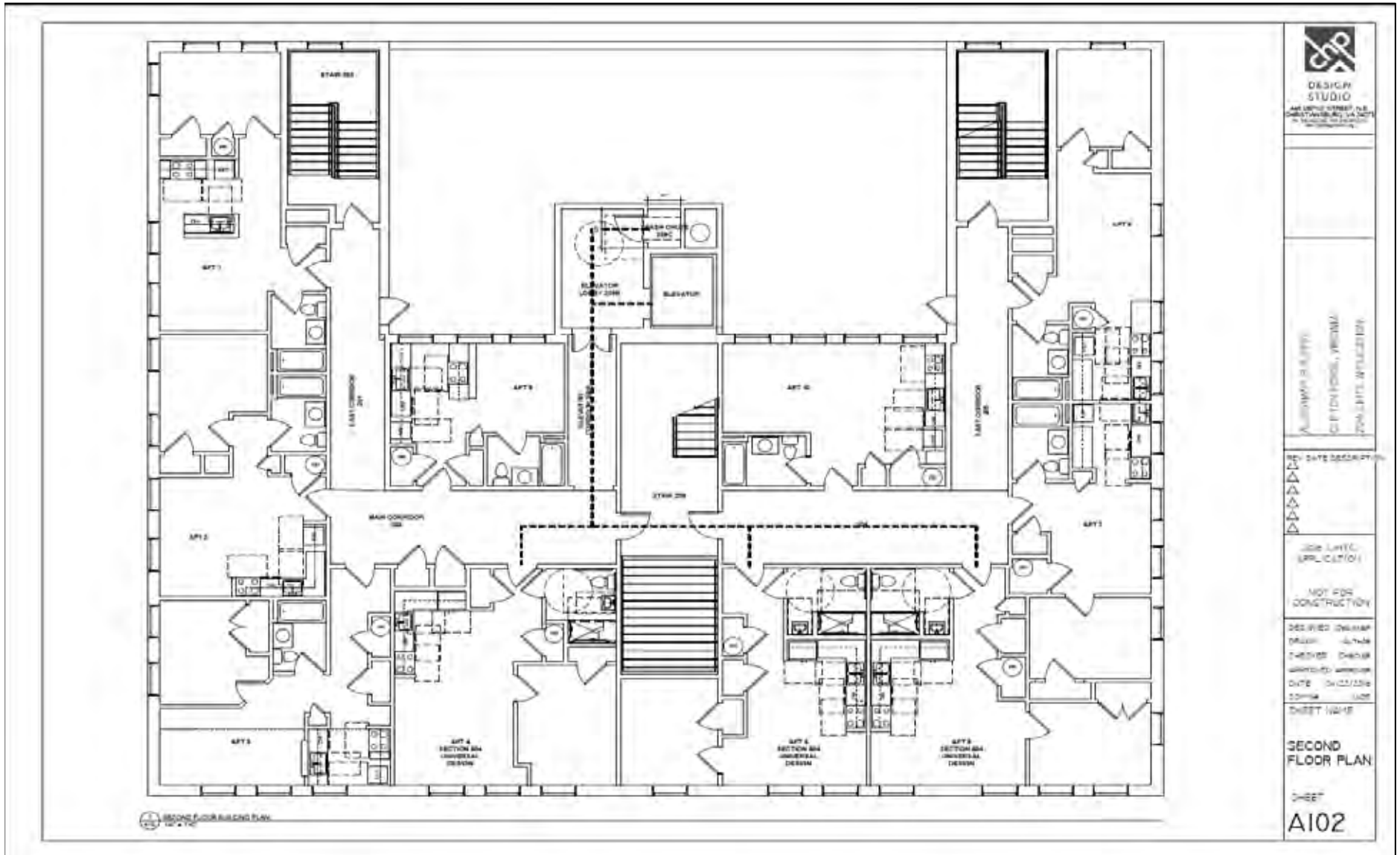
SHEET NAME

**FIRST  
 FLOOR PLAN**

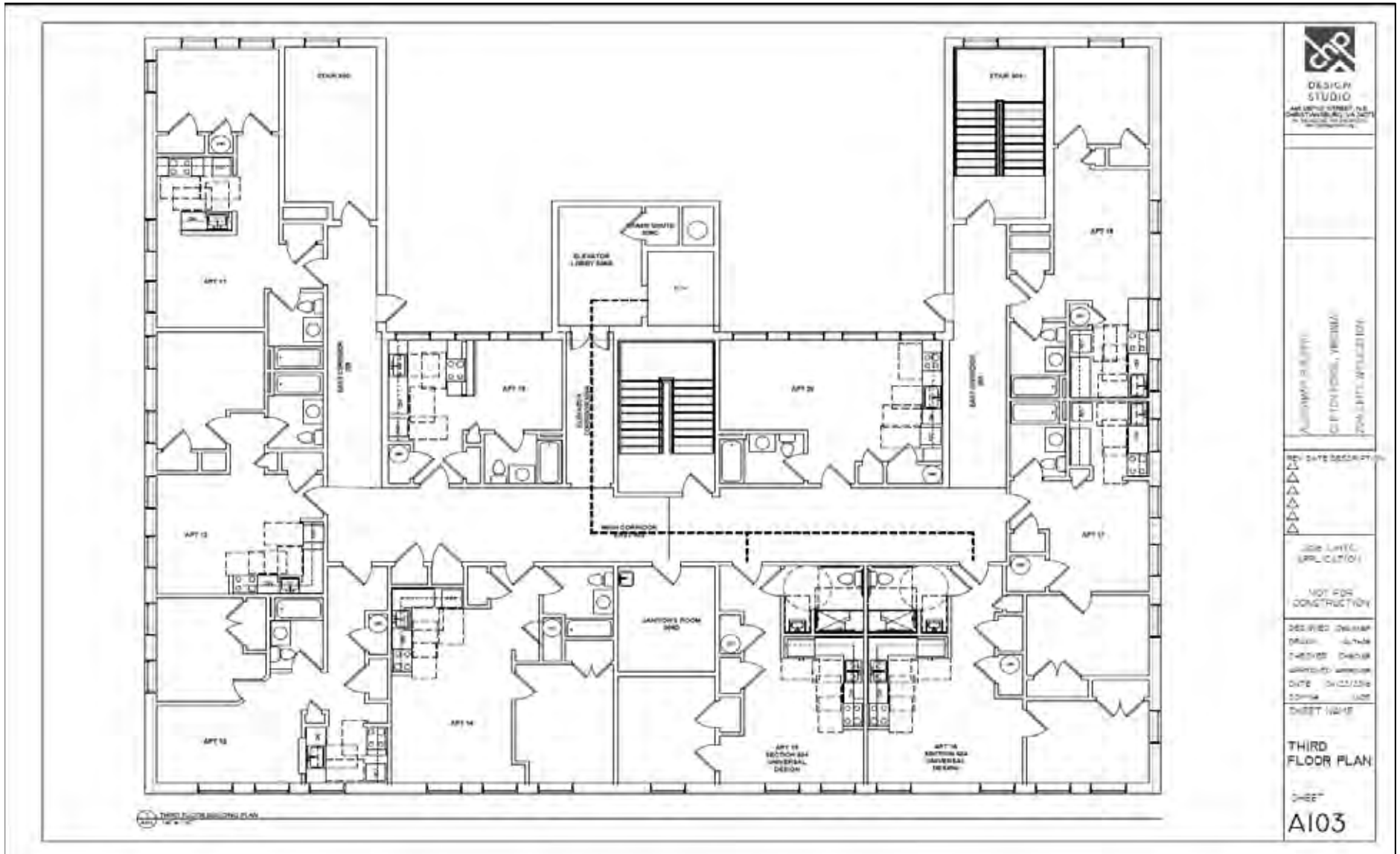
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FIRST FLOOR BUILDING PLAN  
 1/4" = 1'-0"

## Building Plans (Continued)




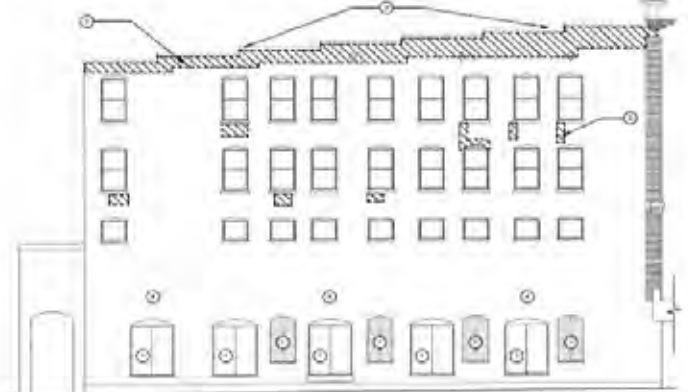

## Building Plans (Continued)



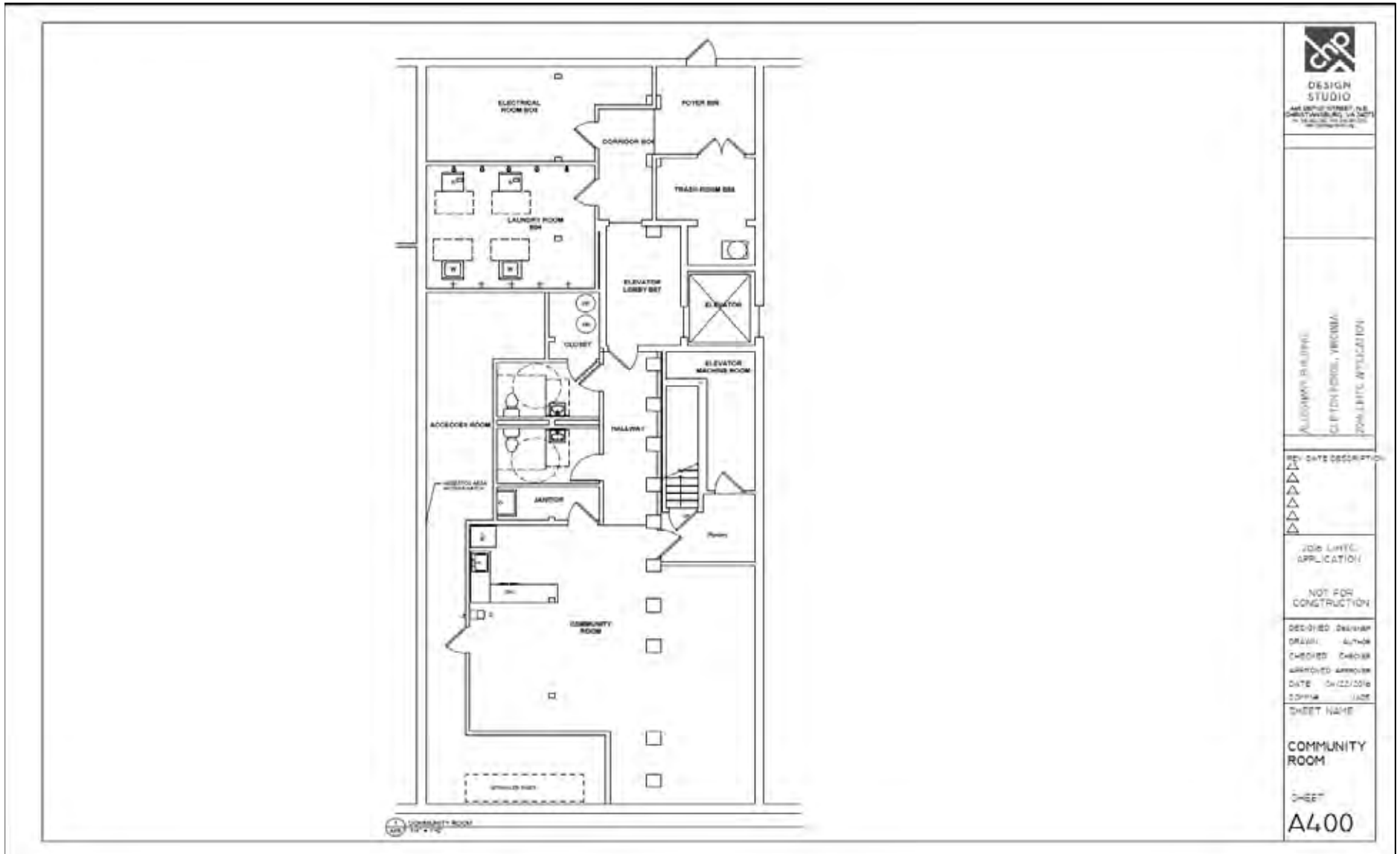
# Building Plans (Continued)



### Building Plans (Continued)

<p><b>REVISIONS:</b>          1. REVISED TO SHOW          2. REVISED TO SHOW          3. REVISED TO SHOW          4. REVISED TO SHOW          5. REVISED TO SHOW          6. REVISED TO SHOW          7. REVISED TO SHOW          8. REVISED TO SHOW          9. REVISED TO SHOW          10. REVISED TO SHOW          11. REVISED TO SHOW          12. REVISED TO SHOW</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">ELEVATION REPAIRS</th> </tr> <tr> <th style="width: 50%;">NO.</th> <th style="width: 50%;">REPAIR</th> </tr> </thead> <tbody> <tr><td>1</td><td>ROOF</td></tr> <tr><td>2</td><td>REPAIR</td></tr> <tr><td>3</td><td>REPAIR</td></tr> <tr><td>4</td><td>REPAIR</td></tr> <tr><td>5</td><td>REPAIR</td></tr> <tr><td>6</td><td>REPAIR</td></tr> <tr><td>7</td><td>REPAIR</td></tr> <tr><td>8</td><td>REPAIR</td></tr> <tr><td>9</td><td>REPAIR</td></tr> <tr><td>10</td><td>REPAIR</td></tr> <tr><td>11</td><td>REPAIR</td></tr> <tr><td>12</td><td>REPAIR</td></tr> </tbody> </table>	ELEVATION REPAIRS		NO.	REPAIR	1	ROOF	2	REPAIR	3	REPAIR	4	REPAIR	5	REPAIR	6	REPAIR	7	REPAIR	8	REPAIR	9	REPAIR	10	REPAIR	11	REPAIR	12	REPAIR	 <p style="text-align: center;">(1) ELEVATION</p>  <p style="text-align: center;">(2) ELEVATION</p>	<div style="text-align: center;">  <p><b>DESIGN STUDIO</b></p> <p><small>ART: 10700 STREET, N.E.              CHRYSTAL CITY, VA 22152              PH: 541.322.1434              WWW.DESIGNSTUDIOVA.COM</small></p> </div> <div style="text-align: center; font-size: small;"> <p>ALLEGANY BUSINESS              CLIFTON FORUM, VIRGINIA              2016 LINTC APPLICATION</p> </div> <table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <thead> <tr> <th style="width: 10%;">REV.</th> <th style="width: 15%;">DATE</th> <th style="width: 75%;">DESCRIPTION</th> </tr> </thead> <tbody> <tr><td>▲</td><td></td><td></td></tr> <tr><td>▲</td><td></td><td></td></tr> <tr><td>▲</td><td></td><td></td></tr> <tr><td>▲</td><td></td><td></td></tr> <tr><td>▲</td><td></td><td></td></tr> <tr><td>▲</td><td></td><td></td></tr> <tr><td>▲</td><td></td><td></td></tr> </tbody> </table> <p style="text-align: center; font-size: small;">2016 LINTC APPLICATION</p> <p style="text-align: center; font-size: small;">NOT FOR CONSTRUCTION</p> <table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <tr><td style="width: 40%;">DESIGNED</td><td style="width: 60%;">Desivan</td></tr> <tr><td>DRAWN</td><td>Autok</td></tr> <tr><td>CHECKED</td><td>Chopar</td></tr> <tr><td>APPROVED</td><td>Ampar</td></tr> <tr><td>DATE</td><td>04/22/2016</td></tr> <tr><td>EDITION</td><td>1.00</td></tr> </table> <p style="text-align: center; font-size: small;">SHEET NAME <b>ELEVATIONS</b></p> <p style="text-align: center; font-size: small;">SHEET <b>A202</b></p>	REV.	DATE	DESCRIPTION	▲			▲			▲			▲			▲			▲			▲			DESIGNED	Desivan	DRAWN	Autok	CHECKED	Chopar	APPROVED	Ampar	DATE	04/22/2016	EDITION	1.00
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## Building Plans (Continued)



# Unit Plans

The image displays eight architectural floor plans for residential units, arranged in two rows of four. Each plan includes a title block with a circular icon and a reference number. The plans show the layout of rooms, including bedrooms, bathrooms, living areas, and kitchens. The title block on the right contains the following information:

**DESIGN STUDIO**  
 401 SOUTH STREET, 7th FLOOR  
 FORT LAUDERDALE, FL 33301  
 TEL: 954.344.1111

ALUMINA 150 UNIT  
 CITY OF FORT LAUDERDALE  
 ZONING: R15

REV. DATE DESCRIPTION  
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Job: LHYC  
 APPLICATION

NOT FOR CONSTRUCTION

DESIGNED: 06/14/14  
 DRAWN: 06/14/14  
 CHECKED: 06/16/14  
 DATE: 06/22/2016  
 CDW: JAD

SHEET NAME  
 UNIT PLANS-ONE BEDROOM & EFFICIENCY UNITS  
 SHEET  
 A401



## Unit Plans (Continued)

**TYPICAL VAC UNIT PLAN**

- 1. AIR SOURCE UNIT FLOOR IS SEEN IN UNIT
- 2. VENT ELECTRIC WIRING SEEN IN UNIT
- 3. SEE MECHANICAL FLOOR PLAN
- 4. SEE MECHANICAL FLOOR PLAN
- 5. SEE MECHANICAL FLOOR PLAN
- 6. SEE MECHANICAL FLOOR PLAN
- 7. SEE MECHANICAL FLOOR PLAN
- 8. SEE MECHANICAL FLOOR PLAN
- 9. SEE MECHANICAL FLOOR PLAN
- 10. SEE MECHANICAL FLOOR PLAN

**GENERAL NOTES**

- 1. SEE UNIT PLAN FOR FLOORING THROUGHOUT
- 2. SEE UNIT PLAN FOR FLOORING THROUGHOUT
- 3. SEE UNIT PLAN FOR FLOORING THROUGHOUT
- 4. SEE UNIT PLAN FOR FLOORING THROUGHOUT
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- 9. SEE UNIT PLAN FOR FLOORING THROUGHOUT
- 10. SEE UNIT PLAN FOR FLOORING THROUGHOUT

① ONE BEDROOM - UNIT 3 & 4  
1/4" = 1'-0"

**TYPICAL VAC UNIT PLAN**

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- 10. SEE UNIT PLAN FOR FLOORING THROUGHOUT

③ ONE BEDROOM - UNIT 3  
1/4" = 1'-0"

**DESIGN STUDIO**

400 DEPUTY STREET, N.E.  
DUBLIN, GEORGIA, VA 30144  
PH: 404.487.1111 FAX: 404.487.1112  
WWW.DESIGNSTUDIOVA.COM

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AUGUSTA-BUS STOP  
CLIFTON FOREST, VIRGINIA  
ZONING APPLICATION

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REV.	DATE	DESCRIPTION
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2016 LICHT APPLICATION

NOT FOR CONSTRUCTION

DESIGNED: Designer  
DRAWN: A/403  
CHECKED: C/403  
APPROVED: [Signature]  
DATE: 06/22/2016  
JOB#: [Number]

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SHEET NAME

UNIT PLANS-ACCESSIBLE UNITS

SHEET

A403

## IMPROVEMENT DESCRIPTION & ANALYSIS

Our improvement analysis includes an evaluation of the following factors with respect to the subject property: (1) Building Features; (2) Unit Features; (3) Project Amenities, (4) Utility Configuration; and (5) Useful Life Analysis.

### **Building Features**

The subject property is proposed to consist of 20 revenue-producing units in 1 residential building and 1 non-residential building. The development is proposed to include approximately 9,124 square feet of net rentable area and 32,349 square feet of gross building area.

Additional information regarding the subject property's major building systems is found below.

#### Foundation - Concrete Slab, Basements, Crawl Spaces, etc.

The subject property includes a basement and crawl space.

#### Structural Frame - Floor, Wall, Roof Structural Systems, etc.

The subject property is constructed with steel frame surfaced with concrete. Floor/ceiling assemblies consist of wood joists & plywood or concrete subfloors. Roof assemblies consist of wood trusses & plywood sheathing.

#### Exterior Wall - Exterior Finishes, Doors, Windows, Exterior Stairs, etc.

The subject currently includes brick, stone & masonry siding, double hung double pane windows, and steel clad insulated two-panel unit entry doors.

#### Roof - Sheathing, Coverings, Warranties, Gutters & Downspouts, Soffit & Fascia, etc.

The subject includes a flat EPDM membrane roof. The sponsor proposes to replace the roofs as part of the planned renovation.

#### Vertical Transportation - Elevator, Interior Stair Systems

The subject property includes elevators and common area interior stairwells.

#### Plumbing - Sanitary, Storm, Sewer, Fixtures, Domestic Hot Water

Domestic water piping is constructed of CPVC pipe and fittings. Wastewater lines consist of PVC pipe and fittings. Potable hot water is supplied via individual gas hot water heaters. The sponsor proposes to replace the water heaters as part of the planned renovation.

#### HVAC - Heating, Air Conditioning, Ventilation

The subject property currently includes individual interior-mounted electric heat, individual exterior-mounted a/c compressors with interior-mounted air handlers. New HVAC systems are proposed as part of the planned renovation.

#### Electrical and Communications - Distribution, Aluminum Wiring, etc.

Buildings receive electrical power from exterior pad-mounted transformers. Electrical service to units consists of 120/240V AC with 100 amps available for each panel. Electrical wiring is made of copper. Properly grounded, three-prong outlets are found in each dwelling unit. The outlets located in the wet areas are Ground Fault Circuit Interrupter (GFCI) outlets. Surface-mounted fluorescent & incandescent fixtures are proposed after renovation.

#### Fire Suppression

The subject property is currently equipped with an NFPA-13 fully automatic fire suppression (sprinkler) system. However, hard-wired smoke detectors with battery backup are found in each bedroom area. The sponsor proposes to replace the smoke detectors as part of the planned renovation.

## **Unit Features**

The subject property currently contains 20 revenue-producing units including 19 regular units and 1 accessible units including 20 bedrooms, 20 full bathrooms and 0 half bathrooms.

The subject property is proposed to contain 20 revenue-producing units including 15 regular units and 5 accessible units, including 20 bedrooms, 20 full bathrooms and 0 half bathrooms.

Additional information regarding the subject property's unit features is found below.

### Walls / Ceilings / Interior Doors

Subject property units include 8 foot ceilings, painted gypsum wallboard & ceilings, wood hollow-core flat panel interior doors and wood hollow-core flat panel closet doors. The sponsor proposes to replace the interior doors as part of the planned renovation.

### Floor Covering

Floor covering currently consists of luxury vinyl plank in the entryways, bathrooms, kitchens, living areas & bedrooms. The sponsor proposes to replace the flooring as part of the planned renovation.

### Kitchens

Kitchens currently include electric four-top ranges, range hoods, frost-free refrigerators, composite wood cabinets, laminated countertops and stainless steel sinks. The sponsor proposes to replace the appliances, cabinets and countertops as part of the planned renovation.

### Bathrooms

Bathrooms currently includes composite wood vanities, cultured marble countertops, porcelain sinks & toilets, along with fiberglass tubs & surrounds. The bathrooms also include exhaust fans and other accessories. The sponsor proposes to replace these components as part of the planned renovation.

## **Project Amenities**

A discussion of the development's project amenities is found below.

### Site & Common Area Amenities

A community center and elevator are currently found at the subject property. A business/computer center is planned post-renovation.

### Parking

Open parking is found at the subject property.

### Laundry

Central laundry facilities are currently found at the subject property.

### Security

Call buttons, controlled access and monitoring are currently found at the subject property.

### Services

No additional services are currently found at the subject property.

Tables comparing the subject property's amenities to that of the most comparable properties are found at the end of this section.

## **Utility Configuration**

The subject property currently includes gas and electric heat, electric cooking and gas hot water. All utilities - including electricity - are currently paid by the owner.

In the table that follows we compare the subject's proposed utility allowances (also known as tenant paid utilities) to the estimated allowances using the HUD Utility Schedule Model:

Utility Allowances

BR	BA	SF	Unit Type	Inc Lmt	Rnt Lmt	HOME	Subs	Units	UA	HUD UA
0	1.0	290	Garden/Flat	40% of AMI	40% of AMI	Yes	Yes	2	\$0	\$0
0	1.0	371	Garden/Flat	40% of AMI	40% of AMI	Yes	Yes	2	\$0	\$0
1	1.0	474	Garden/Flat	40% of AMI	40% of AMI	Yes	Yes	1	\$0	\$0
1	1.0	474	Garden/Flat	50% of AMI	50% of AMI	Yes	No	1	\$0	\$0
1	1.0	479	Garden/Flat	50% of AMI	50% of AMI	Yes	No	2	\$0	\$0
1	1.0	527	Garden/Flat	50% of AMI	50% of AMI	Yes	No	2	\$0	\$0
1	1.0	447	Garden/Flat	60% of AMI	60% of AMI	No	No	2	\$0	\$0
1	1.0	453	Garden/Flat	60% of AMI	60% of AMI	No	No	2	\$0	\$0
1	1.0	462	Garden/Flat	60% of AMI	60% of AMI	No	No	2	\$0	\$0
1	1.0	519	Garden/Flat	60% of AMI	60% of AMI	No	No	2	\$0	\$0
1	1.0	540	Garden/Flat	60% of AMI	60% of AMI	No	No	2	\$0	\$0
Total/Average								20	\$0	\$0

The HUD utility allowances are a good measure of the energy costs for a given property. Our analysis suggests that the proposed utility allowances are equivalent to those established using the HUD model.

Tables comparing the subject property's utility configuration to that of the most comparable properties are found at the end of this section. Outputs from the HUD Utility Schedule Model are also found there.

### Useful Life Analysis

The subject property was originally constructed in 1925 and is currently in fair condition. In our opinion, the subject has a remaining useful life & remaining economic life of 20 years in its current condition. Assuming the scope of work described above, we anticipate a remaining useful life & remaining economic life of 50 years after renovation. Finally, we estimate a post-renovation effective age of 10 years for this project.

In the course of completing this study, we rated the condition of the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). We also evaluated the actual and effective ages of the subject and select comparables. A table summarizing our findings is found below:

		Actual Age   Effective Age   Condition			Rank		
		Rating					
Key	Project Name	Actual Age	Effective Age	Property Condition	Actual Age	Effective Age	Property Condition
Sub	Alleghany Building Apartments	1925	2008	4.00	4	7	2
012	Central City Homes	1900	1995	3.00	9	13	10
019	College Hill Homes	1935	1990	2.50	3	14	14
028	Ferrell Lofts	1885	2010	4.50	13	2	1
032	Frye Center (The)	1907	2000	3.00	7	10	10
037	Gish Flats	1883	2015	4.00	14	1	2
043	Hunt Ridge Apartments Phase 1	2007	2010	3.75	1	2	8
050	Kemper Lofts	1925	2000	3.50	4	10	9
063	McGregor Lofts	1891	2010	4.00	12	2	2
065	Mountain Crest Apartments	2007	2010	3.00	1	2	10
080	Riverlofts North	1895	2005	4.00	11	8	2
081	Riverviews Artspace Rentals	1898	2010	4.00	10	2	2
090	Tinbridge Manor Apartments	1912	2000	3.00	6	10	10
109	Riverlofts West	1904	2005	4.00	8	8	2

Source: Allen & Associates; Sponsor

Amenities

Key	Project Name	Site & Common Area Amenities																				
		Ball Field	BBQ Area	Billiards Game Rm	Business Comp Ctr	Car Care Center	Community Center	Elevator	Fitness Center	Gazebo Patio	Hot Tub Jacuzzi	Herb Garden	Horseshoes	Lake	Library	Movie Media Ctr	Picnic Area	Playground	Pool	Sauna	Sports Court	Walking Trail
Sub	Alleghany Building Apartments	no	no	no	yes	no	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
012	Central City Homes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
019	College Hill Homes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
028	Ferrell Lofts	no	no	no	no	no	no	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
032	Frye Center (The)	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
037	Gish Flats	no	yes	no	no	no	no	yes	yes	yes	no	no	no	no	no	yes	no	no	no	no	no	no
043	Hunt Ridge Apartments Phase 1	no	no	no	no	no	yes	no	yes	no	no	no	no	no	no	no	yes	no	no	no	no	no
050	Kemper Lofts	no	no	no	yes	no	yes	yes	yes	no	no	no	no	no	no	no	yes	no	no	no	no	no
063	McGregor Lofts	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
065	Mountain Crest Apartments	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
080	Riverlofts North	no	no	no	no	no	no	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
081	Riverviews Artspace Rentals	no	no	no	no	no	yes	yes	no	no	no	no	no	no	yes	no	no	no	no	no	no	no
090	Tinbridge Manor Apartments	no	yes	no	no	no	yes	yes	yes	no	no	no	no	no	no	yes	no	no	no	no	no	no
109	Riverlofts West	no	no	no	no	no	no	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	no

Key	Project Name	Unit Amenities					Kitchen Amenities					Air Conditioning				Heat					
		Blinds	Ceiling Fans	Carpeting	Fireplace	Patio Balcony	Storage	Stove	Refrigerator	Disposal	Dishwasher	Microwave	Central	Wall Units	Window Units	None	Central	Wall Units	Baseboards	Boiler Radiator	None
Sub	Alleghany Building Apartments	yes	no	yes	no	no	no	yes	yes	no	yes	no	yes	no	no	no	yes	no	no	no	no
012	Central City Homes	yes	no	yes	no	no	no	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no
019	College Hill Homes	yes	no	yes	no	no	no	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no
028	Ferrell Lofts	yes	yes	yes	no	some	no	yes	yes	no	yes	yes	yes	no	no	no	yes	no	no	no	no
032	Frye Center (The)	yes	no	yes	no	yes	no	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no
037	Gish Flats	yes	yes	yes	no	some	no	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no	no
043	Hunt Ridge Apartments Phase 1	yes	no	yes	no	yes	no	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no	no
050	Kemper Lofts	yes	yes	yes	no	no	no	yes	yes	no	yes	no	yes	no	no	no	yes	no	no	no	no
063	McGregor Lofts	yes	yes	yes	no	no	yes	yes	yes	no	no	yes	yes	no	no	no	yes	no	no	no	no
065	Mountain Crest Apartments	yes	no	yes	no	yes	yes	yes	yes	no	yes	yes	yes	no	no	no	yes	no	no	no	no
080	Riverlofts North	yes	yes	yes	no	no	no	yes	yes	no	yes	yes	yes	no	no	no	yes	no	no	no	no
081	Riverviews Artspace Rentals	yes	yes	yes	no	no	no	yes	yes	no	yes	yes	yes	no	no	no	yes	no	no	no	no
090	Tinbridge Manor Apartments	yes	no	yes	no	no	yes	yes	yes	no	no	no	yes	no	no	no	yes	no	no	no	no
109	Riverlofts West	yes	no	yes	no	no	no	yes	yes	no	yes	yes	yes	no	no	no	yes	no	no	no	no

Key	Project Name	Parking					Laundry			Security						Services						
		Garage	Covered Parking	Assigned Parking	Open Parking	None	Central	W/D Units	W/D Hookups	Call Buttons	Controlled Access	Courtesy Officer	Monitoring	Security Alarms	Security Patrols	After School	Concierge	Hair Salon	Health Care	House-keeping	Meals	Trans- portation
Sub	Alleghany Building Apartments	no	no	no	yes	no	yes	no	no	yes	yes	no	yes	no	no	no	no	no	no	no	no	no
012	Central City Homes	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
019	College Hill Homes	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
028	Ferrell Lofts	no	no	no	yes	no	no	yes	no	no	yes	no	no	no	no	no	na	na	na	na	na	na
032	Frye Center (The)	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	na	na	na	na	na	na
037	Gish Flats	no	no	no	yes	no	no	yes	no	no	yes	no	yes	yes	no	na	na	na	na	na	na	na
043	Hunt Ridge Apartments Phase 1	no	no	no	yes	no	yes	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no
050	Kemper Lofts	no	no	no	yes	no	yes	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no
063	McGregor Lofts	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	na	na	na	na	na	na	na
065	Mountain Crest Apartments	no	no	no	yes	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
080	Riverlofts North	no	no	no	no	yes	no	yes	no	no	yes	no	no	no	no	na	na	na	na	na	na	na
081	Riverviews Artspace Rentals	no	no	no	no	yes	yes	no	no	no	yes	no	no	no	no	na	na	na	na	na	na	na
090	Tinbridge Manor Apartments	no	no	no	yes	no	yes	no	no	yes	yes	no	yes	no	no	no	no	no	no	no	no	no
109	Riverlofts West	no	no	no	no	yes	no	yes	no	no	yes	no	no	no	na	na	na	na	na	na	na	na

Source: Allen & Associates; Sponsor

Utilities

Key	Project Name	Tenant-Paid											Owner-Paid												
		Heat / Gas	Heat / Electric	Cooking / Gas	Cooking / Electric	Other / Electric	AC / Electric	HW / Gas	HW / Electric	Water	Sewer	Trash	Heat / Gas	Heat / Electric	Cooking / Gas	Cooking / Electric	Other / Electric	AC / Electric	HW / Gas	HW / Electric	Water	Sewer	Trash		
Sub	Alleghany Building Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	yes	yes	yes	yes	no	yes	yes	yes
012	Central City Homes	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	
019	College Hill Homes	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes		
028	Ferrell Lofts	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	yes	yes	yes	no	yes	yes	yes	
032	Frye Center (The)	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes		
037	Gish Flats	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes		
043	Hunt Ridge Apartments Phase 1	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes		
050	Kemper Lofts	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes		
063	McGregor Lofts	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes		
065	Mountain Crest Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes		
080	Riverlofts North	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no		
081	Riverviews Artspace Rentals	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes		
090	Tinbridge Manor Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes		
109	Riverlofts West	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes		

Source: Allen & Associates; Sponsor

HUD Utility Schedule Model Output

	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Heat - Gas	43	48	53	58	63
Heat - Elec	13	16	18	20	22
Cooking - Gas	3	4	5	7	9
Cooking - Elec	4	4	6	8	10
Other Electric	14	17	23	30	36
Air Conditioning	2	2	3	4	5
Hot Water-Gas	8	9	13	17	21
Hot Water-Elec	10	11	15	18	21
Water	109	109	109	109	109
Sewer	0	0	0	0	0
Trash	0	0	0	0	0

Source: Local Utility Providers; HUD

## SITE DESCRIPTION & ANALYSIS

Our assessment of the site included an evaluation of the following factors with respect to the subject property: (1) Survey; (2) Site Plan; (3) Nuisances, Hazards, Detrimental Influences & Environmental; (4) Topography; (5) Flood Zone; (6) Difficult to Develop Area Status; (7) Qualified Census Tract Status; and (8) Traffic Patterns, Access & Visibility.

### Survey

A survey for the subject property was provided to the analyst for review. Current surveys should be evaluated to ascertain whether there are any easements encumbering the subject property. Our review/inspection suggested that the site is currently encumbered by standard utility easements that do not adversely affect its marketability and that the site is serviced by municipal utilities.

### Site Plan

A site plan for the subject property was provided to the analyst for review. Site plans are necessary to analyze the site improvements, parking configuration, internal traffic flow, location of building improvements and landscaping improvements for the subject property. Our review did not identify any problem areas with respect to the subject property. A summary of the development's site features is found below.

#### Acres / Lot Shape / Frontage

The subject property includes an irregular-shaped parcel consisting of approximately 0.29 acres and approximately 100 feet of road frontage.

#### Zoning

According to the sponsor, the subject property is currently zoned BD-Business District. It is our understanding that the subject is an approved, legal, conforming use under this classification.

#### Parking / Streets / Curbs / Sidewalks

A total of 8 parking spaces are offered at this development (5 regular / 3 accessible / 0.40 spaces per unit). Privately-owned parking areas are found at the subject property. We normally see 1.0 to 1.5 spaces per unit for projects like the subject. In our opinion, the proposed parking appears light for the subject property.

#### Dumpsters / Dumpster Enclosures

The subject includes one publicly-owned dumpster.

#### Landscaping / Perimeter Fence / Retaining Walls / Entry Sign

Trees, shrubs & lawns are found at the subject property. A perimeter fence is not found at the subject property. Retaining walls are not found at this property. One lighted entry sign is found at this property.

#### Stormwater Management / Site Lighting / Water Service / Wastewater Service

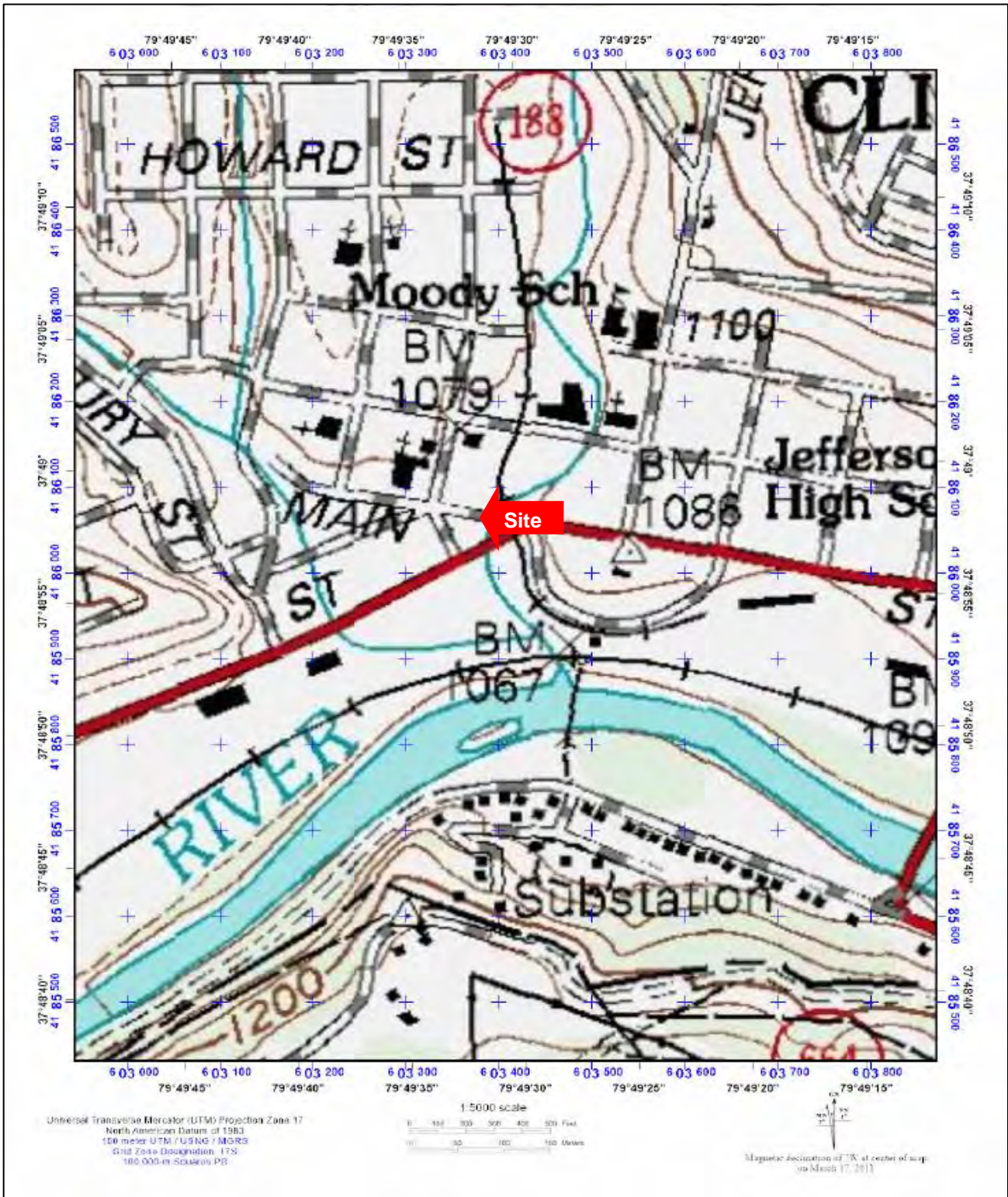
Stormwater management consists of catch basins and concrete pipe connecting to a public system. Site lighting consists of publicly-owned HID poles. Domestic water service to buildings consists of ductile iron pipe connecting to a public system. Wastewater service to buildings consists of PVC pipe connecting to a public system.

### Nuisances, Hazards, Detrimental Influences & Environmental

We did not observe any nuisances, hazards, detrimental influences or recognized environmental conditions on our inspection of the subject property. The subject property was originally constructed in 1925, prior to the 1978 ban on lead and asbestos containing construction materials. Consequently, we recommend that the sponsor obtain a comprehensive environmental assessment from a qualified professional.

## Topography

The USGS map showing the topography of the subject property and surrounding area is found below:



The topographic map shows that the site is flat and drains to adjacent properties to the south. In our opinion, there do not appear to be any topographic issues with respect to the subject property.



## Flood Zone

The map showing the location of the subject property relative to nearby areas prone to flooding (identified in purple) is found below:



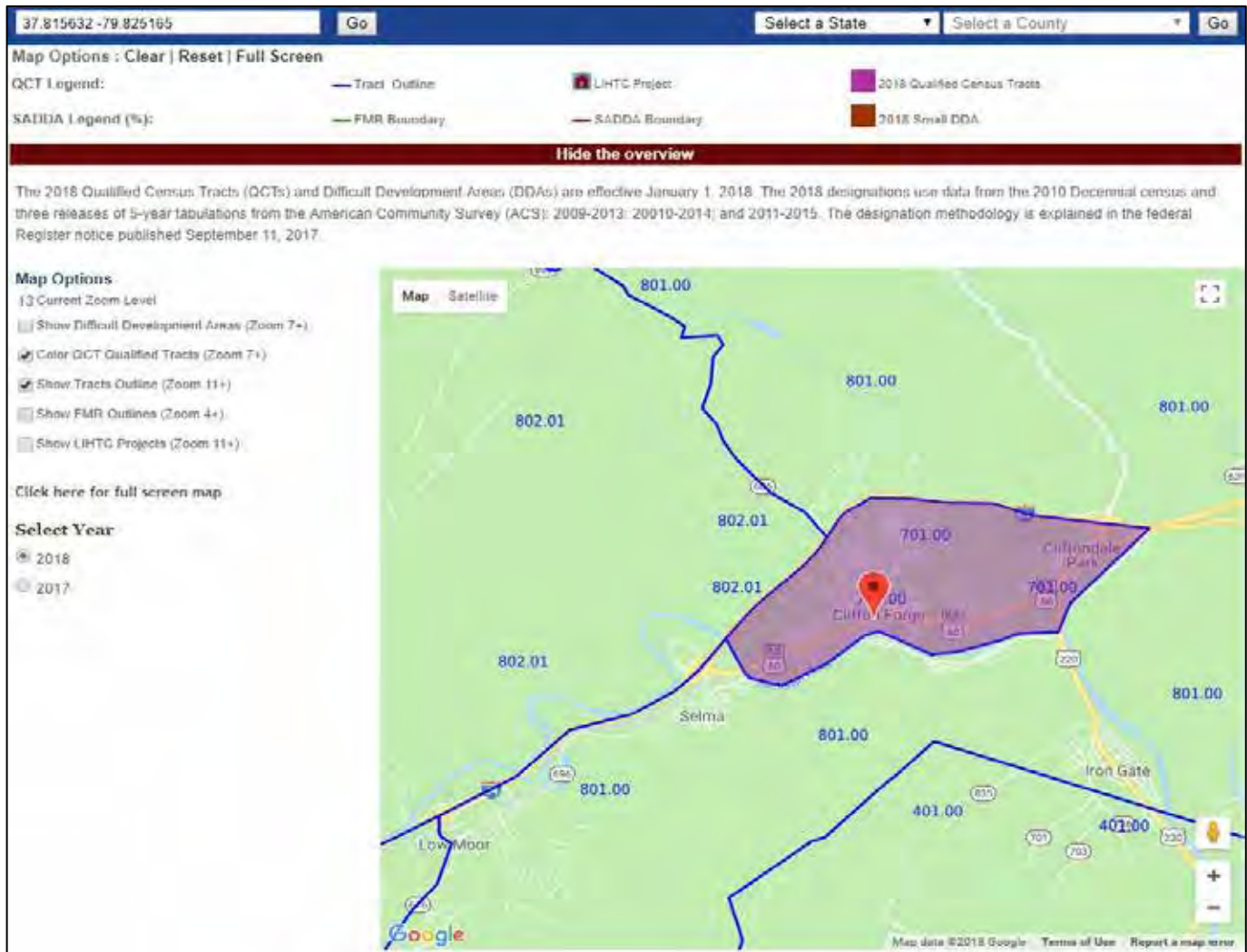
According to FEMA map number 51005C0229D dated December 17, 2010, the subject property is located in Zone X. This is an area that is identified as being located outside - but near - the 100-year flood zone.

## Difficult to Develop Area Status

The subject property is located in Alleghany County, Virginia - an area that is not designated as a Difficult to Develop Area. Consequently, the subject property does not appear to qualify for special DDA funding under state and federal programs.

## Qualified Census Tract Status

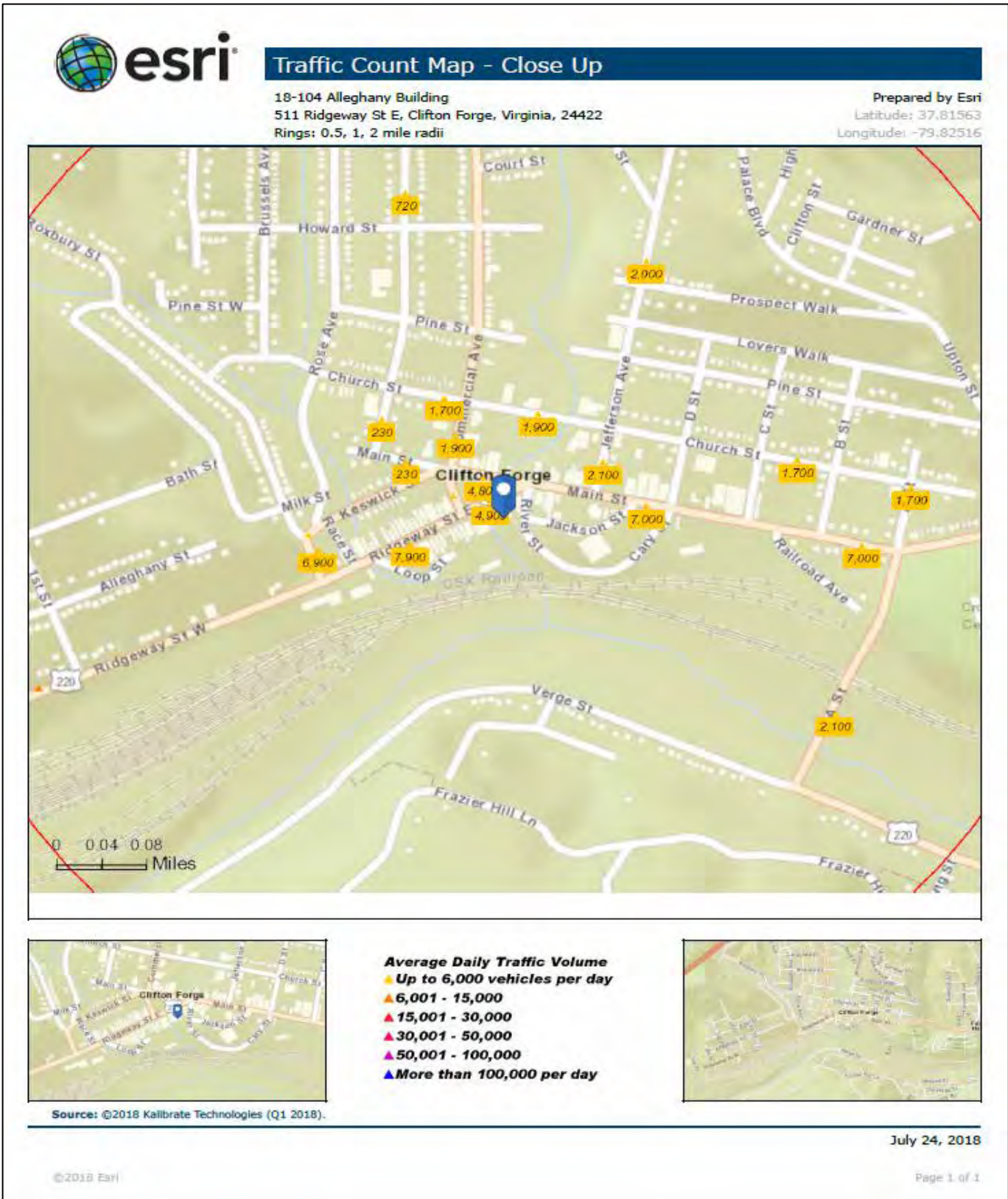
The federal government has identified census tracts throughout the United States that include high concentrations of low-income households and substandard housing units. These areas, known as Qualified Census Tracts, qualify for special funding under various state and federal programs. A QCT map showing the location of the subject property is found below:



The subject property is located in Census Tract 701.00 - an area that is designated as a Qualified Census Tract. Consequently, the subject property does appear to qualify for special QCT funding under state and federal programs.

# Traffic Patterns, Access & Visibility

A traffic map identifying the subject property is found below:



Access

The subject property is located on the south side of Ridgeway Street in downtown Clifton Forge, Virginia. Ridgeway Street is a moderately-traveled east-west road carrying approximately 7,000 vehicles per day and providing access to the subject property. We did not observe any road or infrastructure improvements taking place in the immediate vicinity of the subject property. In our opinion, therefore, accessibility is good by virtue of the location of the subject property relative to existing streets and thoroughfares.

Visibility

The subject property is visible from Ridgeway Street with a moderate volume of drive-by traffic. Consequently, in our opinion visibility is good by virtue of the exposure of the subject property to existing drive-by traffic volumes.

In the course of completing this study, we rated the access and visibility for the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). A table summarizing our findings is found below:

Access & Visibility					
Rating				Rank	
Key	Project Name	Access	Visibility	Access	Visibility
Sub	Alleghany Building Apartments	3.00	3.00	3	4
012	Central City Homes	2.50	2.50	9	10
019	College Hill Homes	2.50	3.00	9	4
028	Ferrell Lofts	3.00	4.00	3	1
032	Frye Center (The)	2.50	3.00	9	4
037	Gish Flats	3.50	3.50	2	3
043	Hunt Ridge Apartments Phase 1	2.25	2.25	13	13
050	Kemper Lofts	3.00	2.50	3	10
063	McGregor Lofts	4.00	4.00	1	1
065	Mountain Crest Apartments	1.50	1.25	14	14
080	Riverlofts North	3.00	3.00	3	4
081	Riverviews Artspace Rentals	2.50	2.50	9	10
090	Tinbridge Manor Apartments	2.75	2.75	8	9
109	Riverlofts West	3.00	3.00	3	4

Source: Allen & Associates

## NEIGHBORHOOD DESCRIPTION & ANALYSIS

### Neighborhood

Our assessment of the neighborhood includes an evaluation of the following factors with respect to the subject property: (1) Life Cycle; (2) Surrounding Properties; (3) Economic Characteristics; (4) Crime Rates; (5) Educational Attainment; and (6) Commuting Patterns.

#### Life Cycle

Neighborhoods are sometimes thought to evolve through four distinct stages:

- Growth – A period during which the area gains public favor and acceptance.
- Stability – A period of equilibrium without marked gains or losses.
- Decline – A period of diminishing demand.
- Revitalization – A period of renewal, redevelopment, modernization, and increasing demand.

Based on our evaluation of the neighborhood, the subject property is located in an area that appears to be in the stability stage of its life cycle. Modest population growth is anticipated for the next several years.

#### Surrounding Properties

The subject property is located in Clifton Forge, Virginia. The immediate area consists of commercial properties.

A bank in good condition is located to the north of the subject property; a river is located to the south; commercial in fair to good condition is located to the east and west of the subject property. In our opinion, neighboring land uses appear to be complimentary to the use of the subject property. The condition of the neighboring properties appears to be inferior to the anticipated post-renovation condition of the subject property.

Surrounding property uses are summarized in the table found below:

Surrounding Properties		
Direction	Use	Condition
North	Bank	Good
South	River	-
East	Commercial	Fair/Good
West	Commercial	Fair/Good

Source: Allen & Associates

#### Economic Characteristics

The subject property is located in an area with average household incomes of \$48,889 (in 2015 dollars); this is compared with \$24,784 for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with median cash rents of \$558 (in 2015 dollars); this is compared with \$585 for the most comparable properties included in this analysis.

Finally, the subject property is located in an area with median single family home values of \$115,400 (in 2015 dollars); this is compared with \$128,379 for the most comparable properties included in this analysis.

#### Crime Rates

The subject property is located in an area with personal crime rates of 2.3%. Personal crime includes offenses such as rape, murder, robbery and assault. Our research suggests that the average personal crime rate for the most comparable properties stands at 15.0%.

In addition, the subject property is located in an area with property crime rates of 7.8%. Property crimes include offenses such as burglary, larceny and theft. Our research suggests that the average property crime rate for the most

comparable properties stands at 15.9%.

Please note: The crime statistics included in this analysis are historical area-wide figures. These statistics make no consideration for changing demographics or the implementation of an affirmative crime prevention program at the subject property.

**Educational Attainment**

The subject property is located in an area with high school graduation rates of 90.2%; this is compared with 70.7% for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with college graduation rates of 24.1%; this is compared with 21.9% for the most comparable properties included in this analysis.

**Commuting Patterns**

The subject property is located in an area with an average drive to work of 19.4 minutes; this is compared with 22.5 minutes for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with an average of 1.89 vehicles per household; this is compared with 1.02 vehicles per household for the most comparable properties included in this analysis.

**Conclusion**

In our opinion, the subject property has a very good location relative to competing properties with respect to neighborhood characteristics.

**Proximity to Area Amenities**

Our assessment included an evaluation of the proximity of various amenities to the subject and the most comparable properties. We looked at the following amenities in our analysis: (1) Banks; (2) Grocery; (3) Emergency Clinics; (4) Pharmacies; and (5) Discount Stores.

A listing of some of the area amenities is found below. An amenity map is found in the following pages:

Proximity to Area Amenities		
Amenity	Name	Miles
Bank	Sonabank	0.1 mi NW
Grocery	Kroger	0.9 mi E
Emergency Clinic	Carilion Clinic Family Medicine - Clifton Forge	0.2 mi NE
Pharmacy	CVS	0.9 mi E
Discount Store	Dollar General	0.25 mi E
Elementary School	Mountain View Elementary School	3.0 mi SW
Middle School	Clifton Middle School	3.0 mi SW
High School	Alleghany High School	5.0 mi SW
Bus Stop	-	-

Source: Google Maps

Sonabank, Kroger, CVS and Dollar General are all located less than 1.0 miles away from the subject property. Carilion Clinic is located 0.2 miles away.

### Number of Area Amenities

We utilized Microsoft Streets & Trips to evaluate the subject and the most comparable properties with respect to the number of amenities in the immediate area.

- Microsoft Streets & Trips identified 4 banks within 2.0 miles of the subject property. The subject is ranked 14 out of the 14 properties included in this analysis.
- A total of 4 grocery stores are in the vicinity of the subject property. The subject is ranked 14 for the area.
- A total of 0 hospital are in the vicinity of the subject property. The subject is ranked 14 for the area.
- A total of 3 pharmacies are in the vicinity of the subject property. The subject is ranked 2 for the area.
- A total of 3 shopping centers are in the vicinity of the subject property. The subject is ranked 15 for the area.

### Nearest Area Amenities

We utilized Microsoft Streets & Trips to evaluate the subject and the most comparable properties with respect to the nearest area amenities.

- According to Microsoft Streets & Trips, the nearest bank is 0.04 miles away from the subject property. The subject is ranked 3 out of the 14 properties included in this analysis.
- The nearest grocery store is 0.12 miles away from the subject property. The subject is ranked 2 for the area.
- The nearest hospital is 3.47 miles away from the subject property. The subject is ranked 16 for the area.
- The nearest pharmacy is 0.03 miles away from the subject property. The subject is ranked 1 for the area.
- The nearest shopping center is 0.05 miles away from the subject property. The subject is ranked 5 for the area.

### Conclusion

In our opinion, the subject property has a good to very good location relative to competing properties with respect to area amenities.

Tables comparing the subject property's proximity to area amenities to that of the most comparable properties is found on the next page. Maps showing the proximity of the subject property to area amenities and area employers is also found in the following pages.

In the course of completing this study, we rated the neighborhood and the proximity to area amenities for the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). The tables on the following pages give these ratings.

Neighborhood Ratings

		Rating								Rank (1 = Property with Highest Rating)								Final Rating (1-5 Scale)
Key	Project Name	Surrounding Area			Crime Rates		Education		Commute	Surrounding Area			Crime Rates		Education		Commute	
		Avg HH Income (2015)	Med Cash Rent (2015)	Med SF Value (2015)	Personal Crime	Property Crime	High School or More	Bachelor's or More	Average Commute	Avg HH Income (2015)	Med Cash Rent (2015)	Med SF Value (2015)	Personal Crime	Property Crime	High School or More	Bachelor's or More	Average Commute	
Sub	Alleghany Building Apartments	\$48,889	\$558	\$115,400	2.3%	7.8%	90.2%	24.1%	19.44	2	7	9	3	5	2	6	8	4.10
012	Central City Homes	\$28,681	\$607	\$79,300	9.3%	10.7%	54.7%	5.5%	26.25	5	5	11	6	6	13	13	11	3.00
019	College Hill Homes	\$13,662	\$401	\$112,500	5.0%	4.9%	67.9%	8.5%	16.69	13	13	10	5	3	10	10	7	2.80
028	Ferrell Lofts	\$10,809	\$287	\$76,300	17.2%	58.9%	57.6%	13.0%	25.91	14	14	12	7	14	12	9	10	2.00
032	Frye Center (The)	\$14,118	\$549	\$168,552	24.3%	11.1%	71.2%	40.5%	16.39	8	8	1	9	7	5	1	2	4.00
037	Gish Flats	\$32,554	\$829	\$168,552	29.8%	45.1%	75.9%	5.5%	27.44	4	1	1	14	13	4	14	12	3.20
043	Hunt Ridge Apartments Phase 1	\$35,369	\$635	\$147,600	0.6%	1.9%	79.3%	20.7%	15.24	3	4	8	1	1	3	7	1	4.50
050	Kemper Lofts	\$21,477	\$733	\$61,000	5.0%	6.8%	65.3%	6.3%	22.15	6	3	13	4	4	11	12	9	3.30
063	McGregor Lofts	\$14,118	\$549	\$168,552	24.3%	11.1%	71.2%	40.5%	16.39	8	8	1	9	7	5	1	2	4.00
065	Mountain Crest Apartments	\$63,750	\$818	\$150,300	1.4%	3.7%	94.8%	14.1%	42.02	1	2	7	2	2	1	8	14	4.20
080	Riverlofts North	\$14,118	\$549	\$168,552	24.3%	11.1%	71.2%	40.5%	16.39	8	8	1	9	7	5	1	2	4.00
081	Riverviews Artspace Rentals	\$14,118	\$549	\$168,552	24.3%	11.1%	71.2%	40.5%	16.39	8	8	1	9	7	5	1	2	4.00
090	Tinbridge Manor Apartments	\$21,188	\$578	\$43,600	17.9%	27.7%	47.6%	6.5%	37.38	7	6	14	8	12	14	11	13	2.40
109	Riverlofts West	\$14,118	\$549	\$168,552	24.3%	11.1%	71.2%	40.5%	16.39	8	8	1	9	7	5	1	2	4.00

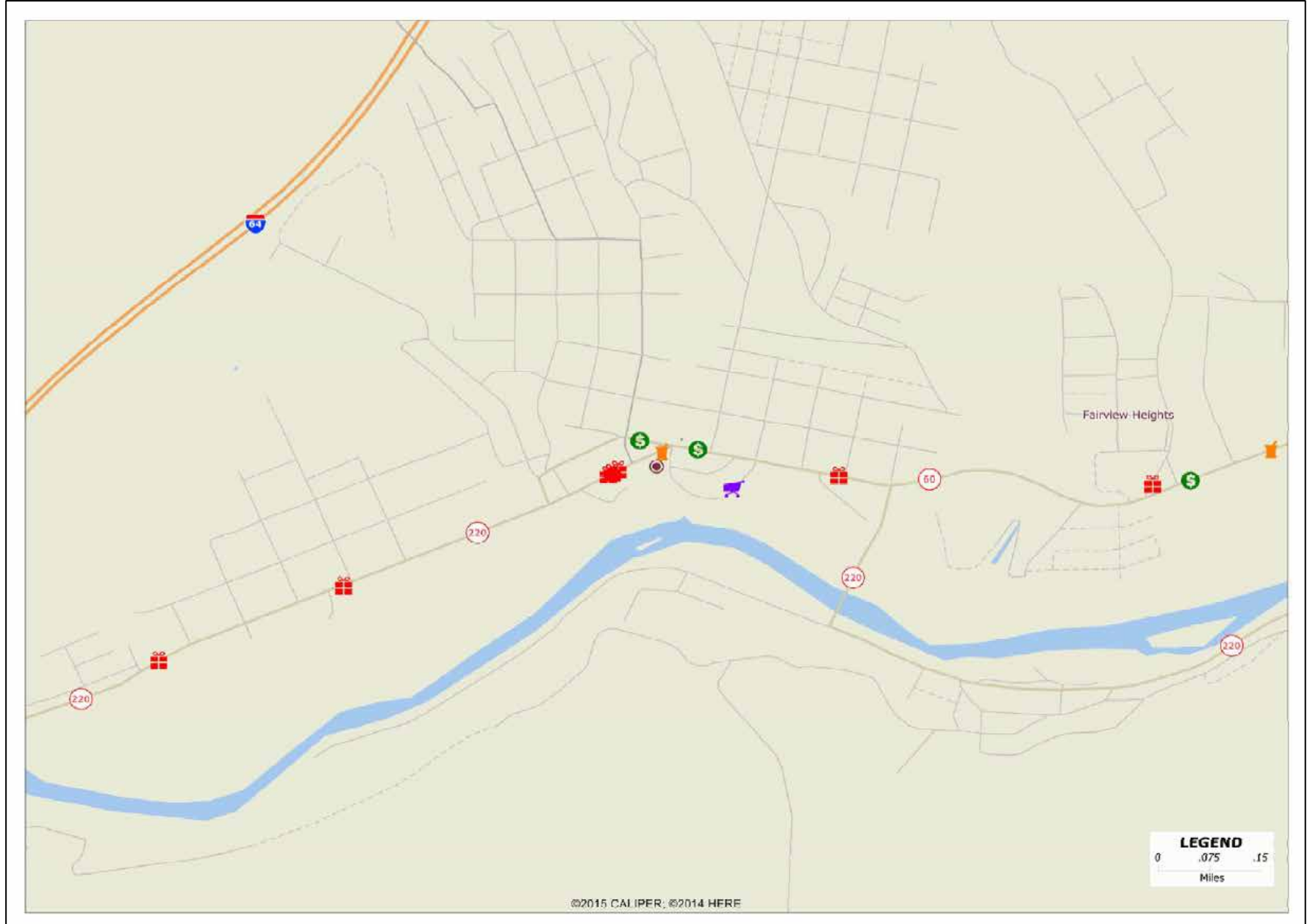
Proximity to Area Amenities

		Rating								Rank (1 = Property with Highest Rating)								Final Rating (1-5 Scale)
Key	Project Name	Number within 2.0 miles of Property					Nearest to Property, Miles			Number within 2.0 miles of Property					Nearest to Property, Miles			
		Banks	Grocery	Hospital	Pharmacy	Shopping Center	Shopping Center	Grocery	Hospital	Banks	Grocery	Hospital	Pharmacy	Shopping Center	Shopping Center	Grocery	Hospital	
Sub	Alleghany Building Apartments	4	4	0	3	3	0.1	0.1	3.5	12	12	12	2	13	4	2	14	3.40
012	Central City Homes	19	11	2	1	32	0.2	0.1	1.1	1	5	1	7	5	9	1	3	3.90
019	College Hill Homes	19	13	2	1	36	0.3	0.4	1.2	1	2	1	7	3	10	10	4	3.80
028	Ferrell Lofts	18	15	2	7	79	0.0	0.3	0.8	6	1	1	1	1	3	5	1	4.50
032	Frye Center (The)	19	10	2	1	32	0.1	0.2	1.6	1	11	1	7	5	5	3	8	3.50
037	Gish Flats	18	12	2	1	36	0.1	0.5	1.2	6	3	1	7	3	8	12	5	3.40
043	Hunt Ridge Apartments Phase 1	4	3	0	2	6	0.5	0.5	2.6	12	13	12	3	12	12	11	12	2.50
050	Kemper Lofts	19	12	2	2	32	0.3	0.3	1.3	1	3	1	3	5	11	7	6	3.40
063	McGregor Lofts	17	11	2	1	32	0.0	0.3	1.5	8	5	1	7	5	1	4	7	3.90
065	Mountain Crest Apartments	0	0	0	0	0	3.1	3.4	3.4	14	14	12	14	14	14	14	13	2.00
080	Riverlofts North	16	11	2	2	31	0.1	0.4	1.7	9	5	1	3	9	7	9	11	2.60
081	Riverviews Artspace Rentals	16	11	2	2	31	0.0	0.4	1.6	9	5	1	3	9	2	8	10	3.20
090	Tinbridge Manor Apartments	19	11	2	1	37	0.5	0.6	0.8	1	5	1	7	2	13	13	2	3.40
109	Riverlofts West	16	11	2	1	31	0.1	0.3	1.6	9	5	1	7	9	5	5	9	3.30

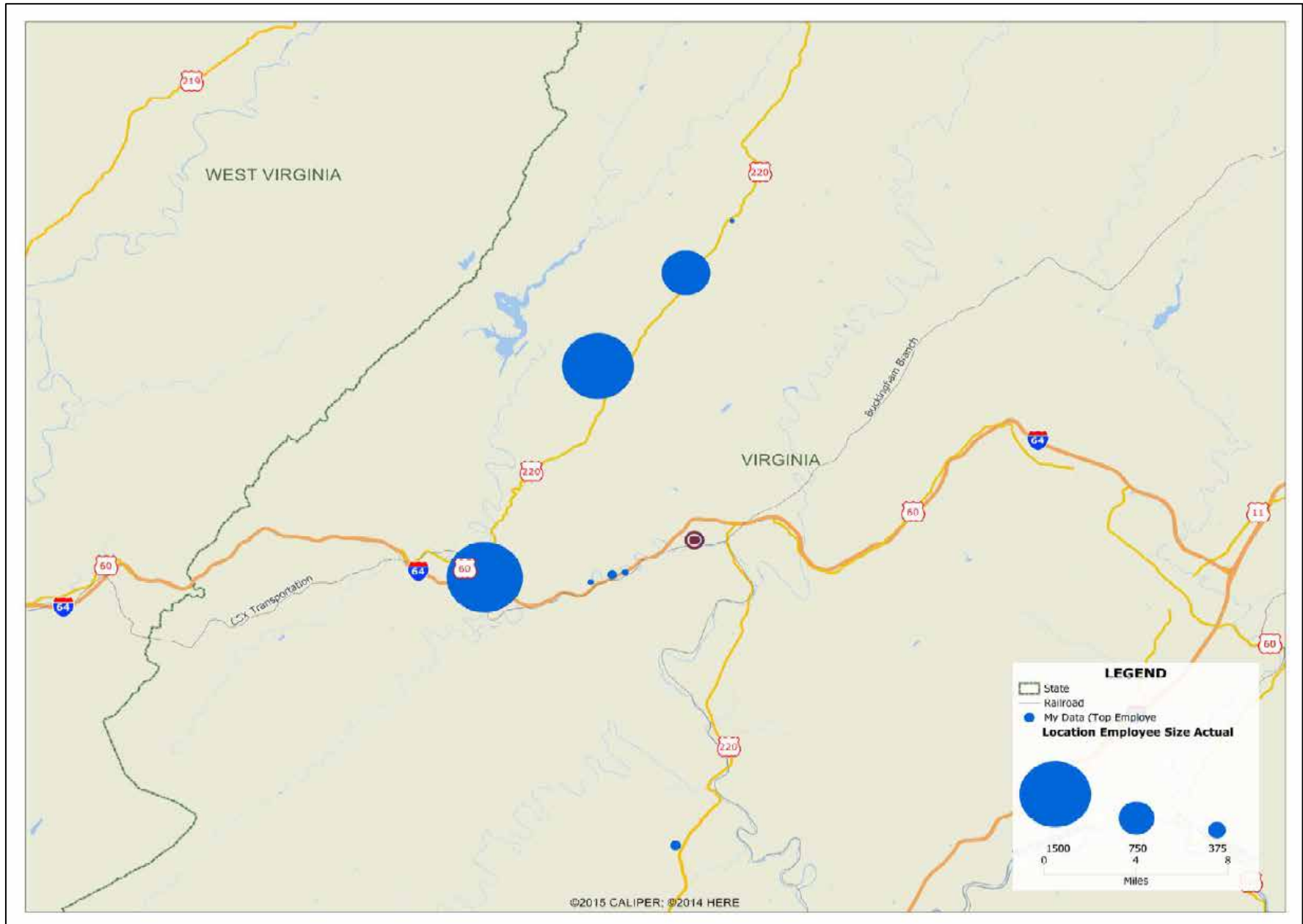
Source: US Census; Claritas; Google Maps



## Proximity to Area Amenities



# Proximity to Area Employers



## SUBJECT PROPERTY PHOTOS

Photos of the subject property and the surrounding area are found below:



Subject Property



Looking North from Entrance



Looking South from Entrance



Looking East from Entrance



Looking West from Entrance

## MARKET AREA

### Overview

Market areas are influenced by a variety of interrelated factors. These factors include site location, economic, and demographic characteristics (tenure, income, rent levels, etc.), local transportation patterns, physical boundaries (rivers, streams, topography, etc.), census geographies, and the location of comparable and/or potentially competing communities.

In areas where the county seat is the largest city, centrally located, and draws from the entire county, the county may be the market area. In the case where there are potentially competing communities in one county, the market area may be part of the county. In fact, the market area could include portions of adjacent counties. In this case, a combination of county subdivisions may be used to define the market area. In urban or suburban areas, the market area will be adjacent to the site extending to all locations of similar character with residents or potential residents likely to be interested in the project. In this case, county subdivisions, townships, or a combination of census tracts may be used to define the market area.

Allen & Associates recently conducted a series of property management interviews to better understand market areas and resident moving patterns for multifamily properties. Our study suggested that markets may be classified into the following general categories: urban, suburban and rural. Renters in urban markets are typically willing to move 5 to 10 minutes when looking for a new apartment. Our research also shows that renters in suburban markets are normally willing to move 10 to 15 minutes when looking for a new place to live. Renters in rural markets are typically willing to move 15 to 20 minutes when looking for a new apartment. We considered these general guidelines in our evaluation of the subject property.

Our study suggested that secondary market areas were generally a function of whether the proposed development was family or elderly. Our research suggested that secondary market demand for family properties ranged from 10 to 30 percent. Secondary market demand for elderly properties ranged from 10 to 50 percent. Although seniors move less frequently than younger renters, they are often willing to move longer distances when looking for housing. We considered these general secondary market guidelines in our evaluation of the subject property.

Our primary and secondary market area definitions are found below.

### Primary Market Area

We defined the primary market area by generating a 25-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

Primary market area, drive time and existing multifamily maps are found in the following pages. The primary market area included all or part of the following census tracts:

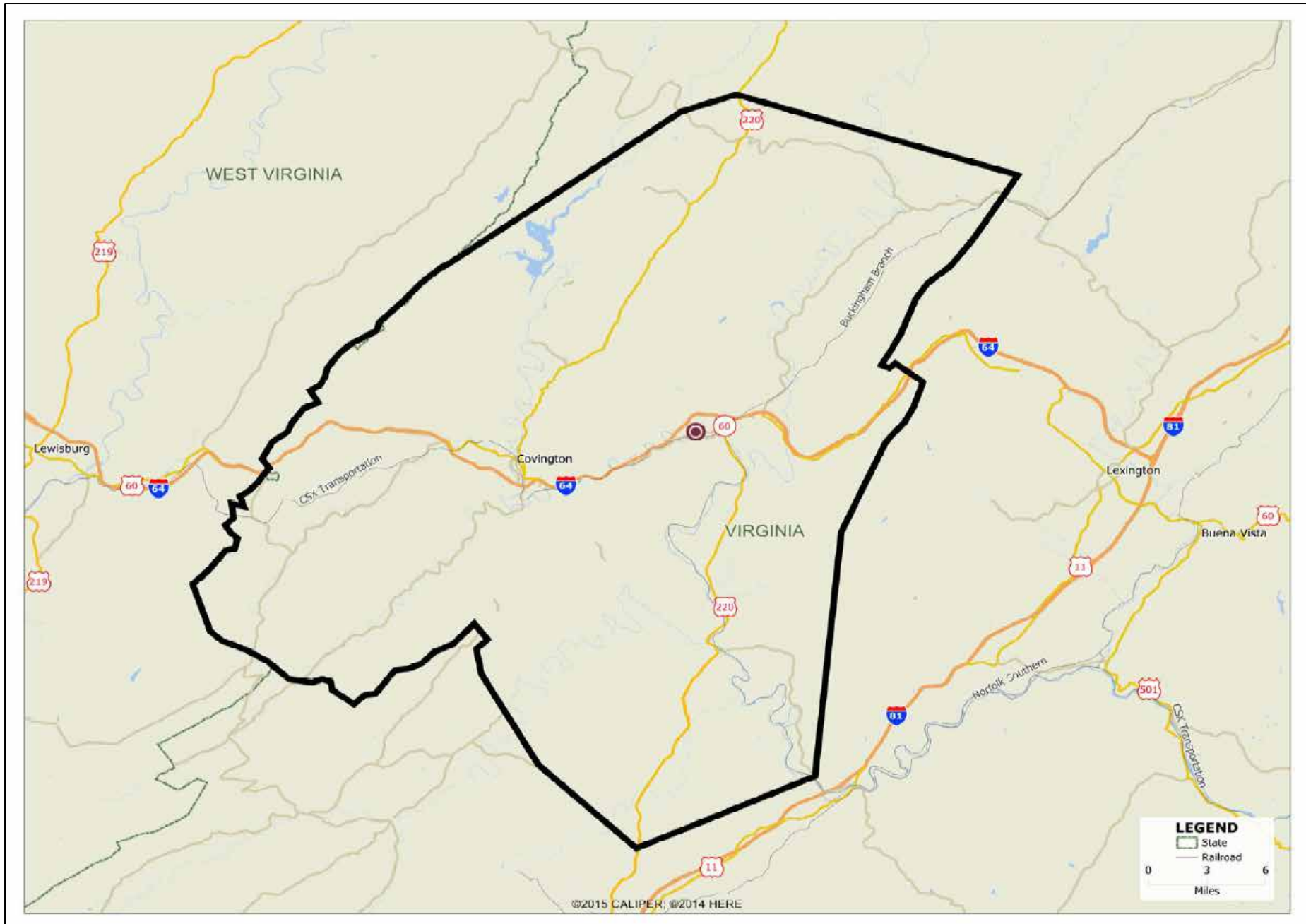
Census Tract	County	State
51005070100	Alleghany County	Virginia
51005080100	Alleghany County	Virginia
51005080201	Alleghany County	Virginia
51005080202	Alleghany County	Virginia
51005080301	Alleghany County	Virginia
51005080302	Alleghany County	Virginia
51017920100	Bath County	Virginia
51023040100	Botetourt County	Virginia
51023040200	Botetourt County	Virginia
51023040301	Botetourt County	Virginia
51580060100	Covington city	Virginia
51580060200	Covington city	Virginia

The primary market area includes a population of 31,612 persons and covers a total of 975.2 square miles, making it 35.2 miles across on average.

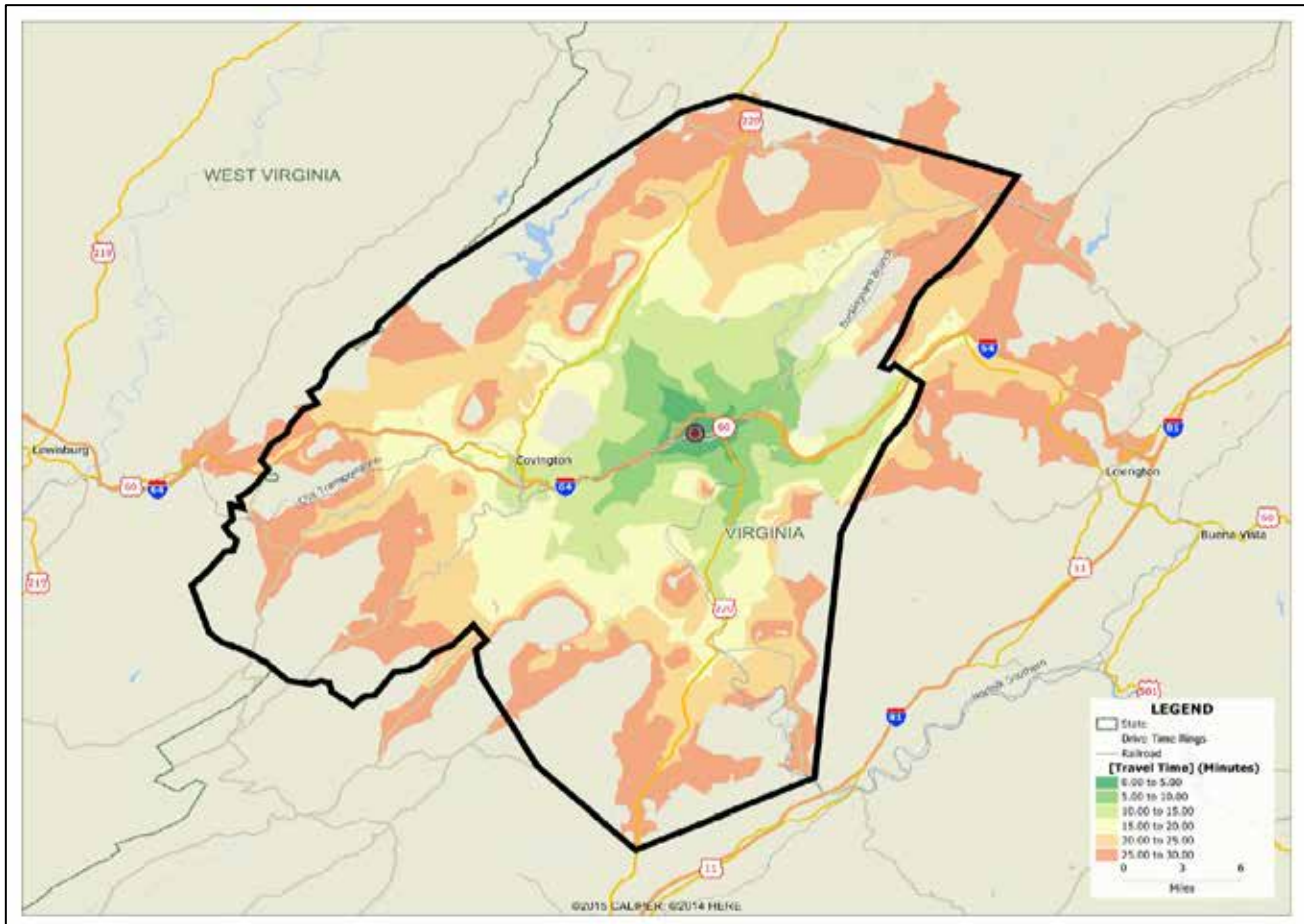
### Secondary Market Area

We estimate that up to 20 percent of demand will come from areas outside of the primary market area.

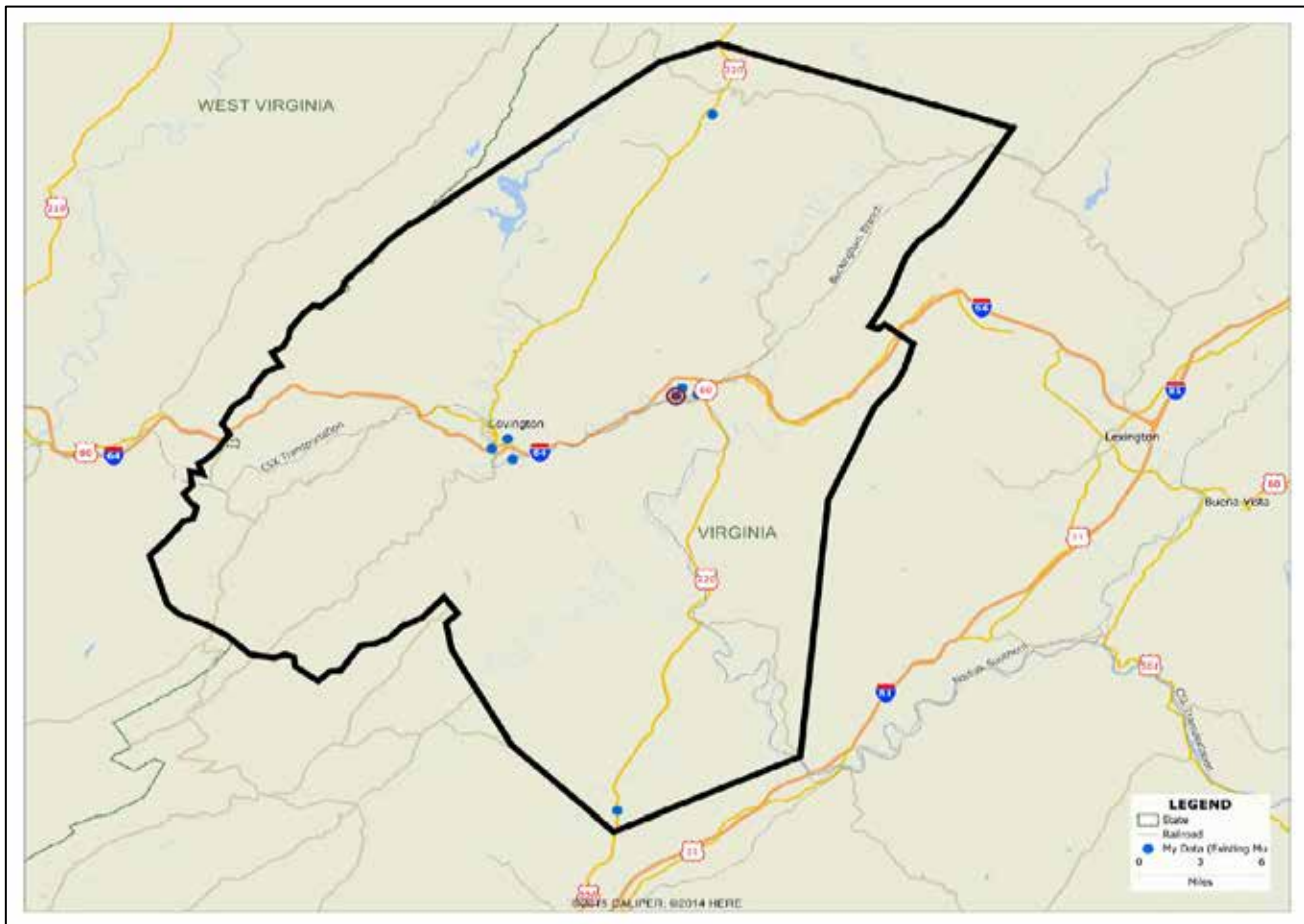
# Market Area



# Drive Time



# Existing Multifamily



## ECONOMIC OUTLOOK

In this section we conduct an overview of the local and national economy. We begin our outlook for the US economy.

### US Economic Outlook

We anticipate modest economic growth for the United States the next several years. Although robust growth does not appear to be on the horizon, we do not anticipate a recession in the immediate future, either. In the discussion below we develop a forecast of the US Economy through 2021.

Our evaluation begins with a Real Gross Domestic Product (Real GDP) forecast for the nation. We use this projection, in turn, to drive employment forecasts for the United States.

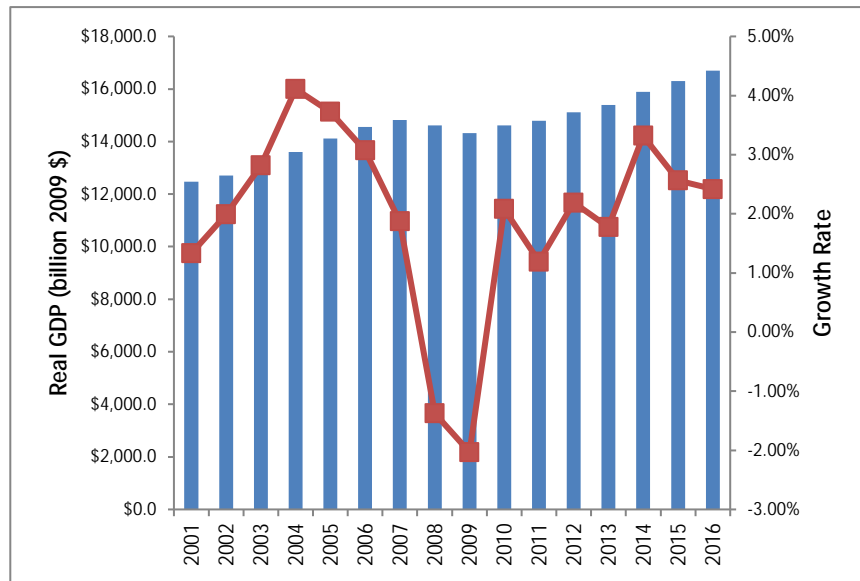
#### Real Gross Domestic Product

Real GDP is a measure of economic output in constant dollars. Increases in Real GDP reflect growth in the economic base as well as increases in productivity.

The table and graph below show Real GDP for the United States since 2000. The data set comes from the Bureau of Economic Analysis (BEA) via Woods & Pool Economics.

Gross Domestic Product		
Year	Real GDP	Growth Rate
2000	\$12,300.9	-
2001	\$12,464.6	1.33%
2002	\$12,712.9	1.99%
2003	\$13,071.0	2.82%
2004	\$13,608.2	4.11%
2005	\$14,114.8	3.72%
2006	\$14,548.2	3.07%
2007	\$14,820.6	1.87%
2008	\$14,617.1	-1.37%
2009	\$14,320.1	-2.03%
2010	\$14,618.1	2.08%
2011	\$14,792.3	1.19%
2012	\$15,116.0	2.19%
2013	\$15,384.3	1.78%
2014	\$15,895.0	3.32%
2015	\$16,302.8	2.57%
2016	\$16,696.6	2.42%

Source: W&P Economics



Real GDP grew from \$12.301 trillion in 2000 to \$14.821 trillion in 2007, before dropping to \$14.617 trillion in 2008. Real GDP dipped further to \$14.320 trillion in 2009. Since then Real GDP has grown to \$16.697 trillion.

Forecasts for Real GDP growth vary. Woods & Poole Economics (W&P) projects 2.24% growth through 2017, followed by 2.25% through 2020. The Congressional Budget Office (CBO) projects 2.70% growth in 2016, followed by 2.50% percent growth in 2017, dropping off to 1.90% growth in 2018, 1.90% in 2019 and 1.90% in 2020. Finally, the Federal Reserve (FED) projects 2.20% growth in 2016, followed by 2.10% percent growth in 2017, dropping off to 2.00% growth in 2018, 2.00% in 2019 and 2.00% in 2020 as shown below.

Real GDP Growth Forecasts				
Year	W&P	CBO	FED	Concluded
2012	2.19%	2.19%	2.19%	2.19%
2013	1.78%	1.78%	1.78%	1.78%
2014	3.32%	3.32%	3.32%	3.32%
2015	2.57%	2.57%	2.57%	2.57%
2016	2.42%	2.70%	2.20%	2.40%
2017	2.35%	1.70%	2.00%	2.00%
2018	2.30%	1.70%	2.00%	1.95%
2019	2.27%	1.70%	1.80%	1.90%
2020	2.24%	1.70%	1.80%	1.95%
2021	2.22%	1.90%	1.80%	2.00%

Source: W&P Economics, Congressional Budget Office; Federal Reserve

The CBO has a history of underestimating the cost of government programs and overestimating tax revenues. Consequently, we

discount their projection. Taking this into consideration, we conclude 2.00% growth in 2017, followed by 1.95% percent in 2018, 1.90% in 2019, 1.95% in 2020, and 2.00% in 2021. We refer to this as our "base projection" in the discussion that follows.

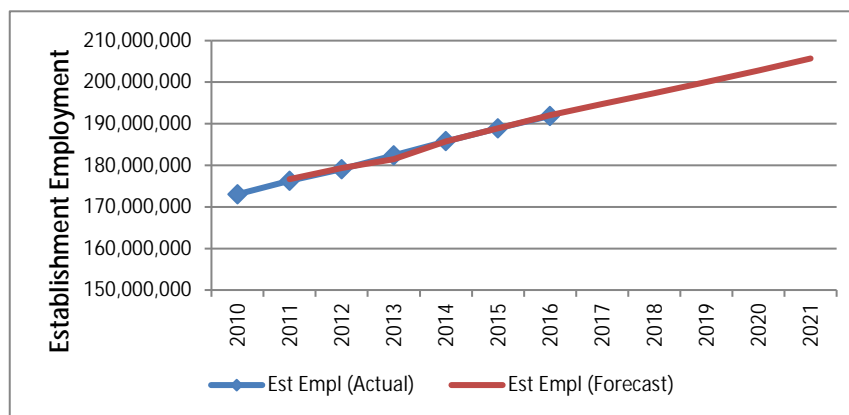
### Establishment Employment

The Bureau of Labor Statistics (BLS) tracks employment two different ways: (1) Establishment Employment (sometimes referred to as At-Place Employment) which consists of a survey of employers in a specific geographic area, regardless of where the employees at the surveyed establishment actually live; and (2) Civilian Employment (sometimes referred to as Resident Employment) which consists of a survey of households in a specific geographic area, regardless of where the surveyed participants actually work. We begin our analysis with Establishment Employment.

The table and graph below show Establishment Employment and Real GDP for the United States since 2000. The data set comes from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Establishment Employment Forecast		
Year	Real GDP	Est Emp
2010	\$14,618.1	173,034,656
2011	\$14,792.3	176,278,657
2012	\$15,116.0	179,081,633
2013	\$15,384.3	182,390,004
2014	\$15,895.0	185,798,752
2015	\$16,302.8	188,866,185
2016	\$16,696.6	191,870,817
2017	\$17,030.6	194,720,687
2018	\$17,362.7	197,381,066
2019	\$17,692.6	200,023,526
2020	\$18,037.6	202,798,571
2021	\$18,398.3	205,700,233

Source: W&P, Texas A&M; Allen & Assoc



Establishment Employment grew from 173.0 million in 2010 to 191.9 million in 2016.

The accompanying graph illustrates the relationship between Establishment Employment and Real GDP. We used historic data to develop a statistical relationship between the two variables. Applying our base projection to Real GDP (discussed previously) and utilizing the statistical relationship between GDP and employment yielded our base projection for Establishment Employment. Our base projection shows Real GDP growing from \$16.697 trillion in 2016 to \$18.398 trillion in 2021. This, in turn, will result in Establishment Employment growing from 191.9 million to 205.7 million over this time period.

### Employment by Industry

The Bureau of Labor Statistics (BLS) tracks Establishment Employment by major industry. In the table below we present the breakdown for 2011 and 2017. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Industry	Establishment Employment				
	2011	% Growth	2017	% of Total	Rank
Farm Employment	2,639,000	1.5%	2,678,445	1.4%	18
Forestry, Fishing, Related Activities And Other Employment	853,920	13.2%	966,406	0.5%	22
Mining Employment	1,240,266	40.4%	1,741,373	0.9%	21
Utilities Employment	575,375	3.3%	594,386	0.3%	23
Construction Employment	8,776,659	17.9%	10,351,494	5.3%	10
Manufacturing Employment	12,387,089	6.9%	13,237,083	6.8%	6
Wholesale Trade Employment	6,162,477	9.4%	6,739,777	3.5%	12
Retail Trade Employment	17,954,676	10.3%	19,807,016	10.2%	3
Transportation And Warehousing Employment	5,686,093	10.5%	6,282,570	3.2%	13
Information Employment	3,230,252	4.3%	3,370,149	1.7%	16
Finance And Insurance Employment	9,751,659	8.4%	10,574,999	5.4%	9
Real Estate And Rental And Lease Employment	7,936,305	8.5%	8,613,713	4.4%	11
Professional And Technical Services Employment	11,971,803	11.4%	13,337,844	6.8%	5
Management Of Companies And Enterprises Employment	2,080,990	19.0%	2,475,569	1.3%	19
Administrative And Waste Services Employment	10,753,928	13.9%	12,245,368	6.3%	7
Educational Services Employment	4,121,793	14.9%	4,735,540	2.4%	14
Health Care And Social Assistance Employment	19,416,573	14.4%	22,204,360	11.4%	1
Arts, Entertainment, And Recreation Employment	3,873,517	12.3%	4,350,184	2.2%	15
Accommodation And Food Services Employment	12,344,614	14.5%	14,139,445	7.3%	4
Other Services, Except Public Administration Employment	10,232,668	11.3%	11,384,995	5.8%	8
Federal Civilian Government Employment	2,917,996	-3.3%	2,821,583	1.4%	17
Federal Military Employment	2,081,004	-4.6%	1,985,239	1.0%	20
State And Local Government Employment	19,290,000	4.5%	20,164,196	10.4%	2
Establishment Employment	176,278,657	10.5%	194,801,734	100.0%	

Source: W&P Economics



The data suggests that Health Care and Social Assistance is the largest employment category accounting for 11.3% of total US employment. State and Local Government is the second largest category accounting for 10.4% of total employment. Retail Trade is the third largest category accounting for 10.2% of total employment. Accommodation and Food Services is the fourth largest category accounting for 7.3% of total employment. Manufacturing is the fifth largest category accounting for 6.9% of total employment.

The data also suggests that while Establishment Employment grew 8.8% between 2011 and 2017, Manufacturing Employment increased 6.4% from 12.3 million to 13.1 million. This slow growth has been underway for the past couple of decades and is driven by globalization as well as US corporate tax rates and regulations imposed on US manufacturers. This is worth watching: Manufacturing Employment is the backbone of any nation's economy.

### Earnings by Industry

The Bureau of Labor Statistics (BLS) tracks Average Earnings by major industry. In the table below we present the breakdown for 2017. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Average Earnings		
Industry	Earnings	Rank
Farm Employment	\$38,422	15
Forestry, Fishing, Related Activities And Other Employment	\$30,541	19
Mining Employment	\$96,808	5
Utilities Employment	\$126,009	1
Construction Employment	\$52,464	13
Manufacturing Employment	\$70,577	8
Wholesale Trade Employment	\$73,116	6
Retail Trade Employment	\$29,000	20
Transportation And Warehousing Employment	\$53,054	12
Information Employment	\$97,826	4
Finance And Insurance Employment	\$64,052	9
Real Estate And Rental And Lease Employment	\$24,646	22
Professional And Technical Services Employment	\$71,709	7
Management Of Companies And Enterprises Employment	\$103,831	2
Administrative And Waste Services Employment	\$32,160	17
Educational Services Employment	\$34,546	16
Health Care And Social Assistance Employment	\$47,399	14
Arts, Entertainment, And Recreation Employment	\$25,190	21
Accommodation And Food Services Employment	\$22,102	23
Other Services, Except Public Administration Employment	\$31,230	18
Federal Civilian Government Employment	\$98,941	3
Federal Military Employment	\$61,551	10
State And Local Government Employment	\$60,772	11
Average Earnings	\$49,799	

Source: W&P Economics

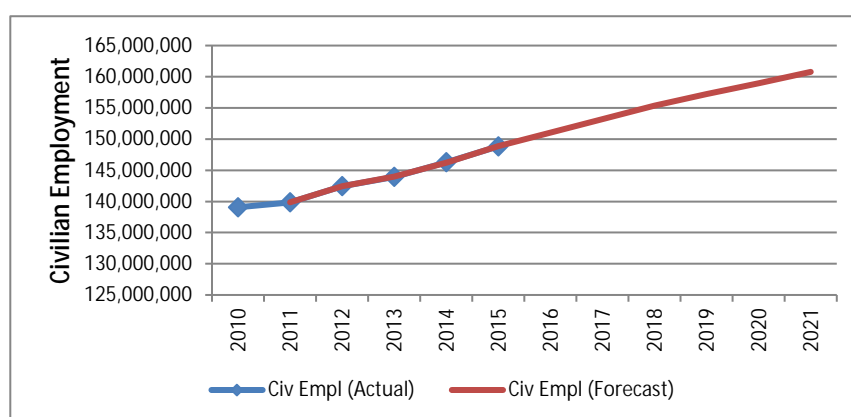
The data suggests that Utilities is the highest paid industry averaging \$126,829 per employee. Management is the second highest paid industry averaging \$105,808 per employee. Federal Civilian Government is the third highest paid profession averaging \$99,314 per employee. Information Technology is the fourth highest paid industry averaging \$98,487 per employee. Mining is the fifth highest paid category averaging \$97,878 per employee. These figures are compared with US Average Earnings of \$50,559 per employee.

### Civilian Employment

In this section we take a look at Civilian Employment. The table and graph below show Civilian Employment and Establishment Employment for the United States since 2010. The data set comes from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) via Texas A&M Real Estate Center and Woods & Pool Economics.

Civilian Employment Forecast		
Year	Est Emp	Civ Emp
2010	173,034,656	139,064,000
2011	176,278,657	139,869,000
2012	179,081,633	142,469,000
2013	182,390,004	143,929,000
2014	185,798,752	146,305,000
2015	188,866,185	148,834,000
2016	191,870,817	151,436,000
2017	194,720,687	153,232,000
2018	197,381,066	155,353,000
2019	200,023,526	157,213,000
2020	202,798,571	158,947,000
2021	205,700,233	160,778,000

Source: W&P, Texas A&M; Allen & Assoc



Civilian Employment grew from 139.1 million in 2010 to 151.4 million.

The accompanying graph illustrates the relationship between Civilian Employment and Establishment Employment. We used historic data to develop a statistical relationship between the two variables. Utilizing the statistical relationship between the two measures and our forecast for Establishment Employment yielded our base projection for Civilian Employment. Our base projection shows Establishment Employment growing from 191.9 million in 2016 to 205.7 million in 2021. This, in turn, will result in Civilian Employment growing from 151.4 million to 160.8 million over this time period.

### Labor Force and Unemployment

In this section we take a look at Labor Force and Unemployment. The table below shows Civilian Employment, Unemployment and Labor Force statistics for the United States since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via Texas A&M Real Estate Center and Woods & Pool Economics.

Year	Civ Emp	Unemp	Lab Force	Unemp Rate
2010	139,064,000	14,767,858	153,831,858	9.6%
2011	139,869,000	13,664,480	153,533,480	8.9%
2012	142,469,000	12,557,115	155,026,115	8.1%
2013	143,929,000	11,501,886	155,430,886	7.4%
2014	146,305,000	9,670,480	155,975,480	6.2%
2015	148,834,000	9,670,480	158,504,480	6.1%
2016	151,436,000	9,670,480	161,106,480	6.0%

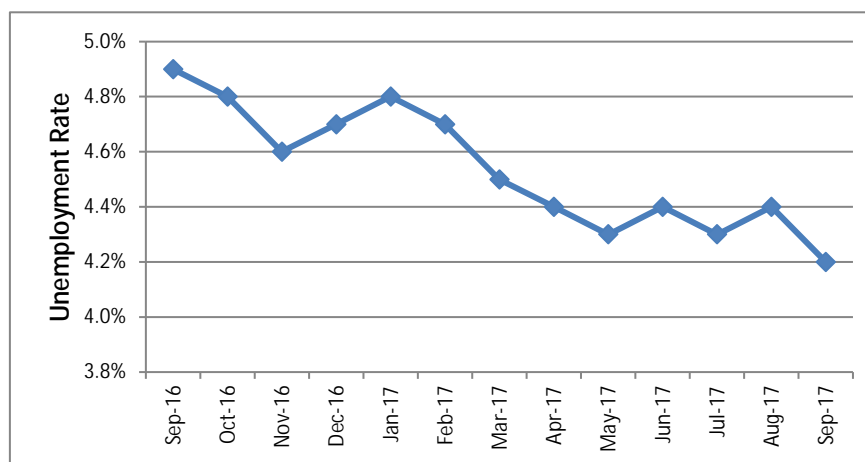
Source: Texas A&M Real Estate Center; Allen & Associates

Unemployment fell from 14.8 million in 2010 to 9.7 million in 2016. The Unemployment Rate fell from 9.6% in 2010 to 6.0% in 2016. The Labor Force grew from 153.8 million in 2010 to 161.1 million in 2016.

The table and graph below show the Unemployment Rate for the United States for the past 12 months.

Month	Unemp Rate
Sep-16	4.9%
Oct-16	4.8%
Nov-16	4.6%
Dec-16	4.7%
Jan-17	4.8%
Feb-17	4.7%
Mar-17	4.5%
Apr-17	4.4%
May-17	4.3%
Jun-17	4.4%
Jul-17	4.3%
Aug-17	4.4%
Sep-17	4.2%

Source: TAMU; Allen & Assoc



The Unemployment Rate for the United States came in at 4.9% in September 2016 and 4.2% in September 2017.

### Conclusion

Our findings for the base projection are summarized below.

	2015	2016	2017	2018	2019	2020	2021
Real GDP (billion 2005 \$)	\$16,302.8	\$16,696.6	\$17,030.6	\$17,362.7	\$17,692.6	\$18,037.6	\$18,398.3
Establishment Employment	188,866,185	191,870,817	194,720,687	197,381,066	200,023,526	202,798,571	205,700,233
Civilian Employment	148,834,000	151,436,000	153,232,000	155,353,000	157,213,000	158,947,000	160,778,000
Real GDP Growth %		2.42%	2.00%	1.95%	1.90%	1.95%	2.00%
Est Employment Growth %		1.59%	1.49%	1.37%	1.34%	1.39%	1.43%
Civilian Employment Growth %		1.75%	1.19%	1.38%	1.20%	1.10%	1.15%

Source: W&P Economics, Texas A&M Real Estate Center; Allen & Associates

Our base projection assumes Real GDP growth of 2.0% in 2017, 1.95% in 2018, 1.90% in 2019, 1.95% in 2020, and 2.0% in 2021. Given this projection, we anticipate Establishment Employment of 194.7 million in 2017 and 205.7 million in 2021. In addition, we anticipate Civilian Employment of 153.2 million in 2017 and 160.8 million in 2021.

We also evaluated an optimistic growth scenario. Our findings are summarized below.

	Growth Scenario						
	2015	2016	2017	2018	2019	2020	2021
Real GDP (billion 2005 \$)	\$16,302.8	\$16,696.6	\$17,364.5	\$17,885.4	\$18,332.6	\$18,745.1	\$19,120.0
Establishment Employment	188,866,185	191,870,817	197,617,804	201,695,699	205,230,485	208,513,428	211,493,234
Civilian Employment	148,834,000	151,436,000	151,055,380	156,298,339	159,536,763	162,179,372	164,685,727
Real GDP Growth %		2.42%	4.00%	3.00%	2.50%	2.25%	2.00%
Est Employment Growth %		1.59%	3.00%	2.06%	1.75%	1.60%	1.43%
Civilian Employment Growth %		1.75%	-0.25%	3.47%	2.07%	1.66%	1.55%

Source: W&P Economics, Texas A&M Real Estate Center; Allen & Associates

Our optimistic projection assumes Real GDP growth of 4.0% in 2017, 3.0% in 2018, 2.50% in 2019, 2.25% in 2020, and 2.0% in 2021. Given this projection, we anticipate Establishment Employment of 197.6 million in 2017 and 211.5 million in 2021. In addition, we anticipate Civilian Employment of 151.1 million in 2017 and 164.7 million in 2021.

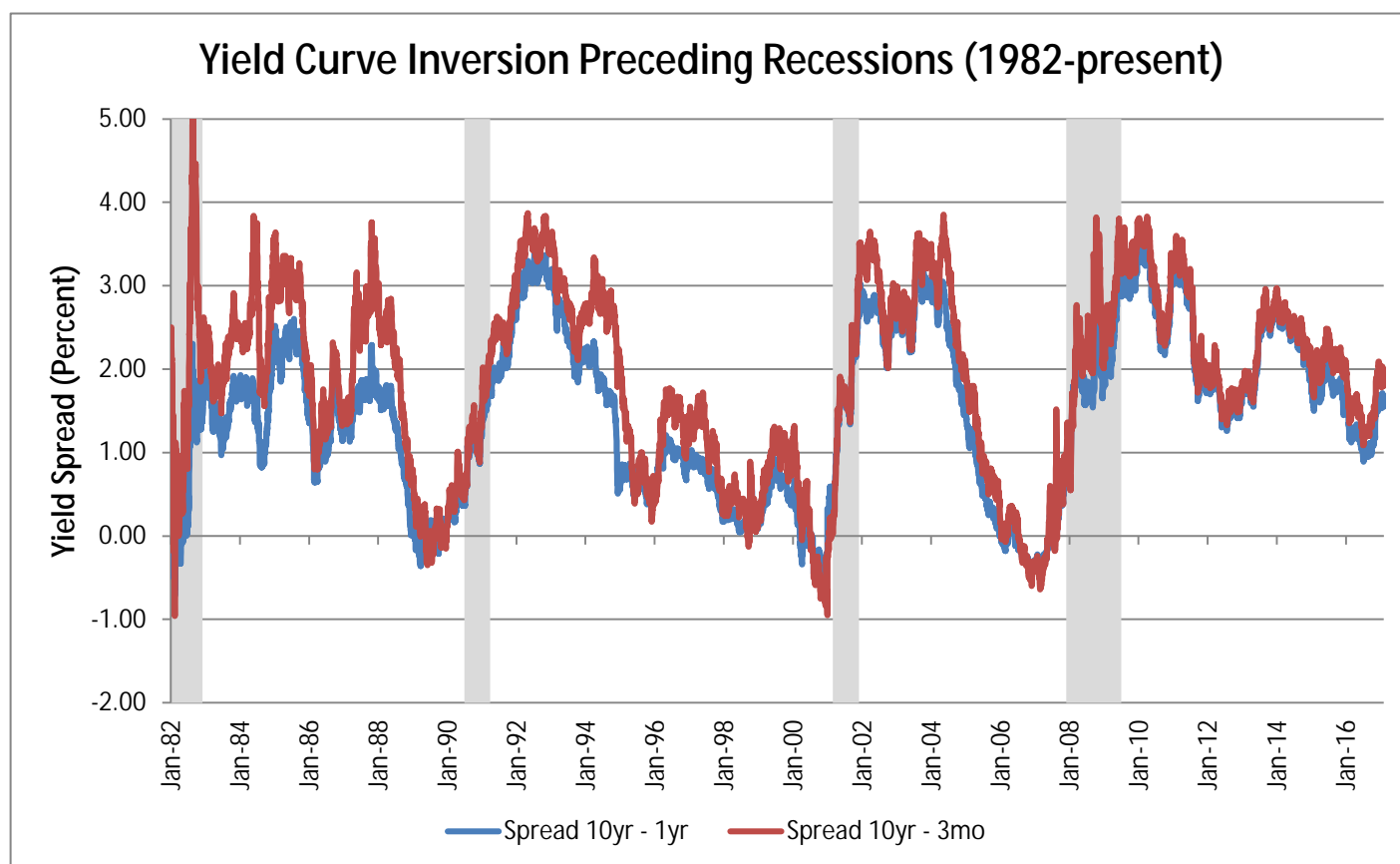
Finally, we evaluated a pessimistic recession scenario. Our findings are summarized below.

	Recession Scenario						
	2015	2016	2017	2018	2019	2020	2021
Real GDP (billion 2005 \$)	\$16,302.8	\$16,696.6	\$16,362.7	\$16,199.1	\$16,199.1	\$16,361.1	\$16,688.3
Establishment Employment	188,866,185	191,870,817	188,926,453	187,727,669	187,835,863	189,241,254	191,973,033
Civilian Employment	148,834,000	151,436,000	157,586,187	154,230,953	152,416,838	151,517,198	151,495,964
Real GDP Growth %		2.42%	-2.00%	-1.00%	0.00%	1.00%	2.00%
Est Employment Growth %		1.59%	-1.53%	-0.63%	0.06%	0.75%	1.44%
Civilian Employment Growth %		1.75%	4.06%	-2.13%	-1.18%	-0.59%	-0.01%

Source: W&P Economics, Texas A&M Real Estate Center; Allen & Associates

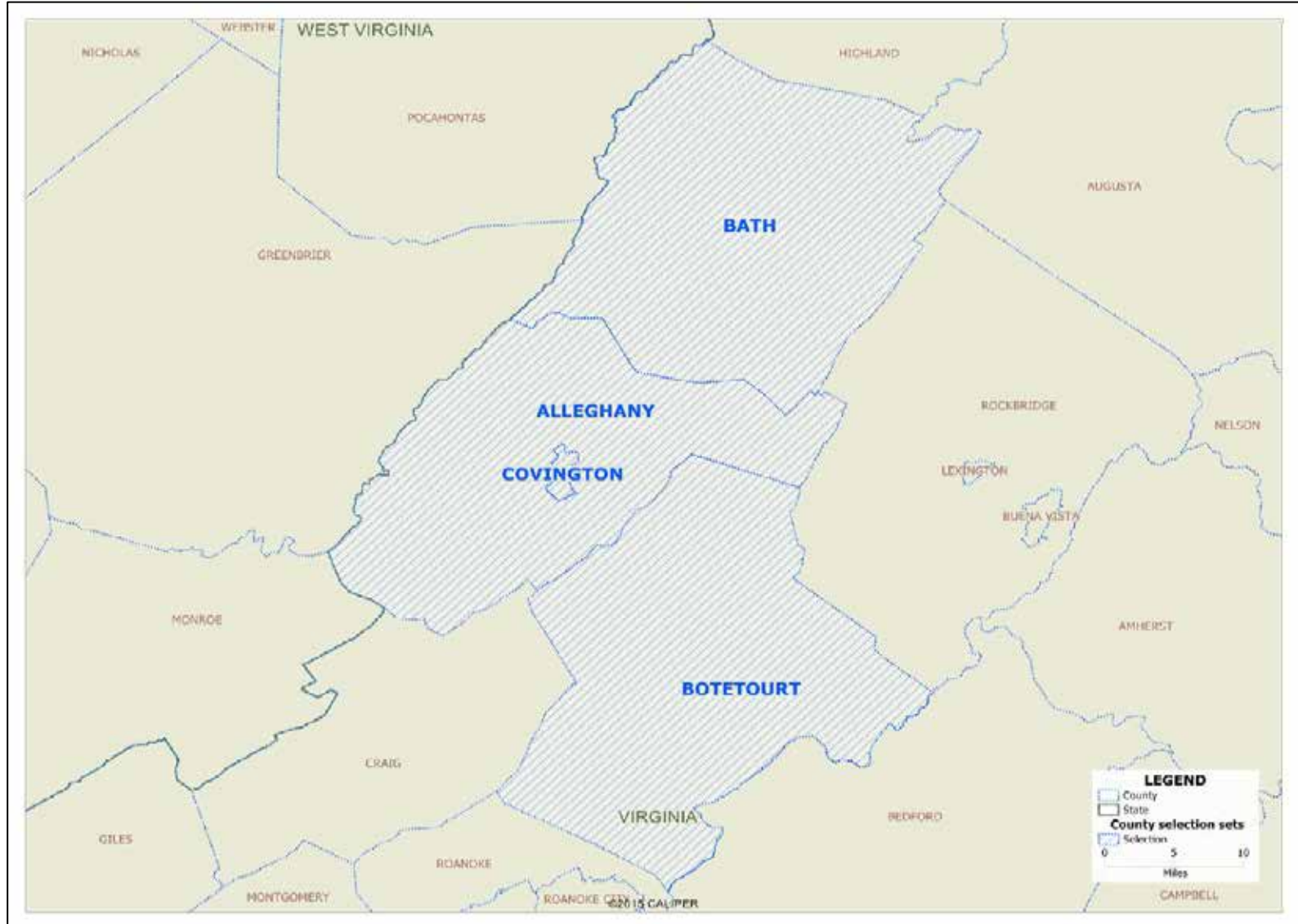
Our recession scenario assumes Real GDP growth of -2.0% in 2017, -1.0% in 2018, 0.0% in 2019, 1.0% in 2020, and 2.0% in 2021. Given this projection, we anticipate Establishment Employment of 188.9 million in 2017 and 192.0 million in 2021. In addition, we anticipate Civilian Employment of 157.6 million in 2017 and 151.5 million in 2021.

In our opinion, the recession scenario is unlikely. Recessions are almost always preceded by several months of an inverted yield curve (short term interest rates are higher than long term rates) as depicted in the graph below. Long term rates exceed short term rates today. This suggests that we are not facing a recession in the immediate future. Although growth is slow now, an economic contraction does not appear to be on the immediate horizon.



## Regional Economic Outlook

In this section we conduct an analysis of the regional economy. For purposes of this analysis, we define the Region as Alleghany, Bath & Botetourt Counties, and Covington City, Virginia. A map depicting the Region is found below.



We anticipate moderate economic contraction accompanied by modest population declines for the Region over the next several years. The employment base is anticipated to decrease over this time period as well. In the discussion below we develop a forecast of the regional economy through 2021.

Our evaluation utilized the base projection for the US economy (developed in the previous section) to drive a base regional economic forecast. Our analysis is found below.

### Employment by Industry

The Bureau of Labor Statistics (BLS) tracks Establishment Employment by major industry. In the table below we present the breakdown for 2017 and compare the regional percent distribution to the US percent distribution. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Industry	Establishment Employment		
	2017	Reg %	US %
Farm Employment	943	3.0%	1.4%
Forestry, Fishing, Related Activities And Other Employment	224	0.7%	0.5%
Mining Employment	150	0.5%	0.9%
Utilities Employment	25	0.1%	0.3%
Construction Employment	2,263	7.2%	5.3%
Manufacturing Employment	4,266	13.6%	6.8%
Wholesale Trade Employment	1,450	4.6%	3.5%
Retail Trade Employment	2,734	8.7%	10.2%

Transportation And Warehousing Employment	1,513	4.8%	3.2%
Information Employment	408	1.3%	1.7%
Finance And Insurance Employment	1,290	4.1%	5.4%
Real Estate And Rental And Lease Employment	1,335	4.2%	4.4%
Professional And Technical Services Employment	1,025	3.3%	6.8%
Management Of Companies And Enterprises Employment	224	0.7%	1.3%
Administrative And Waste Services Employment	1,612	5.1%	6.3%
Educational Services Employment	264	0.8%	2.4%
Health Care And Social Assistance Employment	2,735	8.7%	11.4%
Arts, Entertainment, And Recreation Employment	424	1.3%	2.2%
Accommodation And Food Services Employment	2,801	8.9%	7.3%
Other Services, Except Public Administration Employment	2,011	6.4%	5.8%
Federal Civilian Government Employment	145	0.5%	1.4%
Federal Military Employment	190	0.6%	1.0%
State And Local Government Employment	3,428	10.9%	10.4%
Establishment Employment	31,460	100.0%	100.0%

Source: W&P Economics

Regional Establishment Employment stood at 31,460 in 2017. The data suggests that Manufacturing is the largest employment category accounting for 13.6% of total regional employment. State and Local Government is the second largest category accounting for 10.9% of total employment. Accommodation and Food Services is the third largest category accounting for 8.9% of total employment. Health Care and Social Assistance is the fourth largest category accounting for 8.7% of total employment. Retail Trade is the fifth largest category accounting for 8.7% of total employment.

Economists generally classify employment two ways: basic and non-basic. Basic employment, which is considered to be the engine of a local economy, includes industries that rely on external factors to fuel demand. For instance, mining, logging and manufacturers are frequently considered basic employers. Goods for these industries are shipped outside the location where they are produced. Non-basic employers depend largely on local demand and usually employ local workers. For example, grocery stores and restaurants are sometimes considered non-basic employers.

The Location Quotient (LQ) technique is the most common method of identifying basic industries for a given economy. The LQ technique compares the share of workers in each industry of a given economy with that of a larger reference economy. If the number of workers in the given economy is greater than that of the reference economy, these are considered to be basic industries because they fill needs beyond those of the reference community.

In the table above we highlight the basic industries for the Region. The distribution of employment in these industries exceeds that for the United States. These basic industries represent about 18,899 employees or about 60.1% of total regional employment. These are the industries that drive the regional economy.

#### Earnings by Industry

The Bureau of Labor Statistics (BLS) tracks Average Earnings by major industry. In the table below we present the breakdown for 2017. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Average Earnings		
Industry	Earnings	Rank
Farm Employment	\$3,350	23
Forestry, Fishing, Related Activities And Other Employment	\$33,223	13
Mining Employment	\$48,587	7
Utilities Employment	\$53,000	6
Construction Employment	\$39,308	10
Manufacturing Employment	\$67,544	3
Wholesale Trade Employment	\$60,472	4
Retail Trade Employment	\$20,544	18
Transportation And Warehousing Employment	\$45,779	9
Information Employment	\$57,289	5
Finance And Insurance Employment	\$17,936	19
Real Estate And Rental And Lease Employment	\$10,900	21
Professional And Technical Services Employment	\$36,437	12
Management Of Companies And Enterprises Employment	\$90,563	1
Administrative And Waste Services Employment	\$22,932	17
Educational Services Employment	\$13,178	20
Health Care And Social Assistance Employment	\$38,604	11
Arts, Entertainment, And Recreation Employment	\$10,458	22
Accommodation And Food Services Employment	\$25,474	16
Other Services, Except Public Administration Employment	\$29,255	15
Federal Civilian Government Employment	\$72,290	2
Federal Military Employment	\$31,542	14
State And Local Government Employment	\$47,620	8
Average Earnings	\$37,778	

Source: W&P Economics

The data suggests that Management of Companies is the highest paid industry averaging \$90,563 per employee. Federal Civilian Government is the second highest paid industry averaging \$72,290 per employee. Manufacturing is the third highest paid profession averaging \$67,544 per employee. Wholesale trade is the fourth highest paid industry averaging \$60,472 per employee. Information Technology is the fifth highest paid category averaging \$57,289 per employee. These figures are compared with regional Average Earnings of \$37,778 per employee.

The highlighted industries represent basic industries for the Region. Average Earnings for these basic industries comes to \$39,114 or 3.5% higher than average for the Region.

### Top Employers

The table below gives a listing of the Region's top employers. The data comes from InfoUSA and includes a primary industry description for each employer.

Top Employers				
Name	Employees	SIC Code	Industry Description	Location Type
Alleghany High School	130	8211-03	Schools	-
Alleghany Highlands Cmnty Svc	140	8399-02	Alcoholism Information & Treatment Ctrs	-
Altec Industries Inc	250	3531-98	Construction Machinery & Equip (Mfrs)	Branch
Arkay Packaging	100	7389-88	Packaging Service	-
Bacova Guild LTD	200	5713-05	Carpet & Rug Dealers-New	Subsidiary
Bath Community Hospital	125	8062-02	Hospitals	-
Bath County Community Hospital	166	8062-02	Hospitals	-
Botetourt County Information	250	9121-03	Government Offices-County	-

Source: InfoUSA

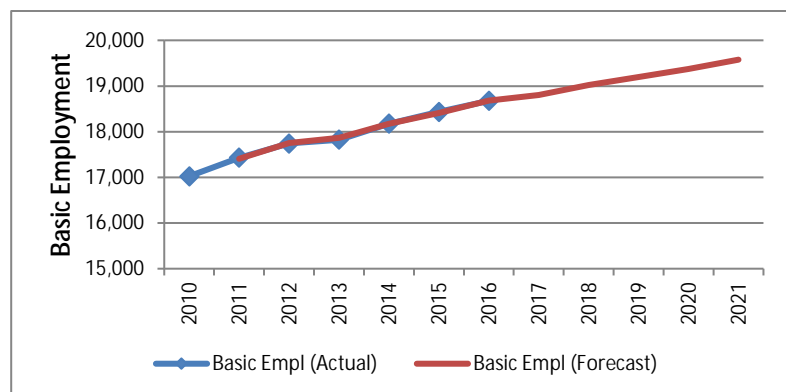
The top employers include: (1) Alleghany High School (130 employees); (2) Alleghany Highlands Cmnty Svc (140 employees) and; (3) Altec Industries Inc (250 employees).

### Basic Employment

In this section we generate a Basic Employment forecast for the Region using base US Establishment Employment and Civilian Employment forecasts. The table and graph below show employment for the Region and the United States since 2010. The data set comes from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Basic Employment Forecast			
Year	US Est Empl	US Civ Empl	Basic Emp
2010	173,034,656	139,064,000	17,024
2011	176,278,657	139,869,000	17,429
2012	179,081,633	142,469,000	17,740
2013	182,390,004	143,929,000	17,824
2014	185,798,752	146,305,000	18,176
2015	188,866,185	148,834,000	18,435
2016	191,870,817	151,436,000	18,675
2017	194,720,687	153,232,000	18,801
2018	197,381,066	155,353,000	19,024
2019	200,023,526	157,213,000	19,197
2020	202,798,571	158,947,000	19,375
2021	205,700,233	160,778,000	19,576

Source: W&P Economics; Allen & Assoc



Basic Employment increased from 17,024 in 2010 to 18,675 in 2016.

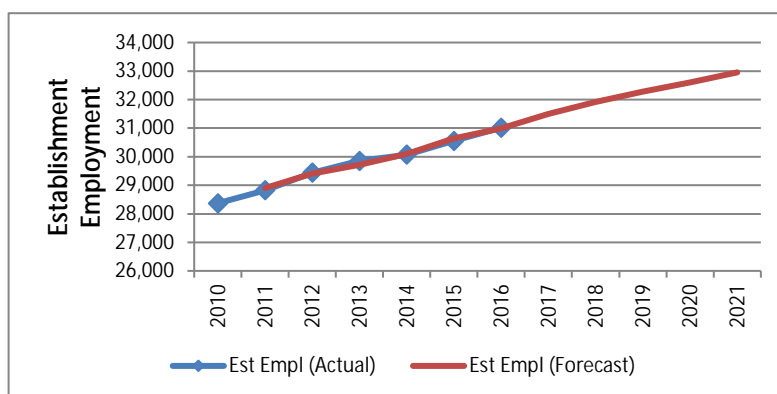
The accompanying graph illustrates the relationship between Basic Employment for the Region and US Establishment and US Civilian Employment. We used historic data to develop a statistical relationship between the variables. Utilizing this statistical relationship and our base projections for US Establishment and US Civilian Employment yielded our base projection for Basic Employment for the Region. Our projection shows US Establishment Employment growing from 191.9 million in 2016 to 205.7 million in 2021. US Civilian Employment is projected to grow from 151.4 million in 2016 to 160.8 million in 2021. This, in turn, will result in Basic Employment for the Region increasing from 18,675 to 19,576 over this time period.

### Establishment Employment

In this section we generate an Establishment Employment forecast for the Region using base US Establishment Employment and Civilian Employment forecasts. The table and graph below show employment for the Region and the United States since 2010. The data set comes from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Year	US Est Empl	US Civ Empl	Est Empl
2010	173,034,656	139,064,000	28,371
2011	176,278,657	139,869,000	28,820
2012	179,081,633	142,469,000	29,442
2013	182,390,004	143,929,000	29,852
2014	185,798,752	146,305,000	30,071
2015	188,866,185	148,834,000	30,552
2016	191,870,817	151,436,000	31,016
2017	194,720,687	153,232,000	31,501
2018	197,381,066	155,353,000	31,919
2019	200,023,526	157,213,000	32,281
2020	202,798,571	158,947,000	32,609
2021	205,700,233	160,778,000	32,954

Source: W&P Economics; Allen & Assoc



Establishment Employment increased from 28,371 in 2010 to 31,016 in 2016.

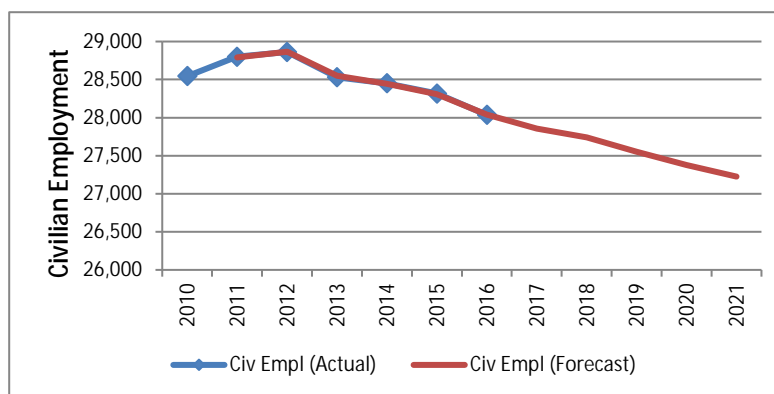
The accompanying graph illustrates the relationship between Establishment Employment for the Region and US Establishment and US Civilian Employment. We used historic data to develop a statistical relationship between the variables. Utilizing this statistical relationship and our base projections for US Establishment and US Civilian Employment yielded our base projection for Establishment Employment for the Region. Our projection shows US Establishment Employment growing from 191.9 million in 2016 to 205.7 million in 2021; US Civilian Employment is projected to grow from 151.4 million in 2016 to 160.8 million in 2021. This, in turn, will result in Establishment Employment for the Region increasing from 31,016 to 32,954 over this time period.

### Civilian Employment

In this section we generate a Civilian Employment forecast for the Region using base US Establishment Employment and Civilian Employment forecasts. The table and graph below show employment for the Region and the United States since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via the Texas A&M Real Estate Center.

Year	US Est Empl	US Civ Empl	Civ Emp
2010	173,034,656	139,064,000	28,546
2011	176,278,657	139,869,000	28,801
2012	179,081,633	142,469,000	28,862
2013	182,390,004	143,929,000	28,531
2014	185,798,752	146,305,000	28,450
2015	188,866,185	148,834,000	28,318
2016	191,870,817	151,436,000	28,035
2017	194,720,687	153,232,000	27,855
2018	197,381,066	155,353,000	27,743
2019	200,023,526	157,213,000	27,553
2020	202,798,571	158,947,000	27,378
2021	205,700,233	160,778,000	27,226

Source: Texas A&M Real Estate Center; Allen & Assoc



Civilian Employment decreased from 28,546 in 2010 to 28,035 in 2016

The accompanying graph illustrates the relationship between Civilian Employment for the Region and US Establishment and US Civilian Employment. We used historic data to develop a statistical relationship between the variables. Utilizing this statistical relationship and our base projections for US Establishment and US Civilian Employment yielded our base projection for Civilian Employment for the Region. Our projection shows US Establishment Employment growing from 191.9 million in 2016 to 205.7 million in 2021; US Civilian Employment is projected to grow from 151.4 million in 2016 to 160.8 million in 2021. This, in turn, will result in Civilian Employment for the Region decreasing from 28,035 to 27,226 over this time period.

### Labor Force and Unemployment

In this section we take a look at Labor Force and Unemployment. The table below shows Civilian Employment, Unemployment and Labor Force statistics for the Region since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via the Texas A&M Real Estate Center.

Year	Civ Emp	Unemp	Lab Force	Unemp Rate
2010	28,546	2,303	30,849	7.5%
2011	28,801	2,075	30,876	6.7%
2012	28,862	1,908	30,770	6.2%
2013	28,531	1,767	30,298	5.8%
2014	28,450	1,606	30,056	5.3%
2015	28,318	1,347	29,665	4.5%
2016	28,035	1,205	29,240	4.1%

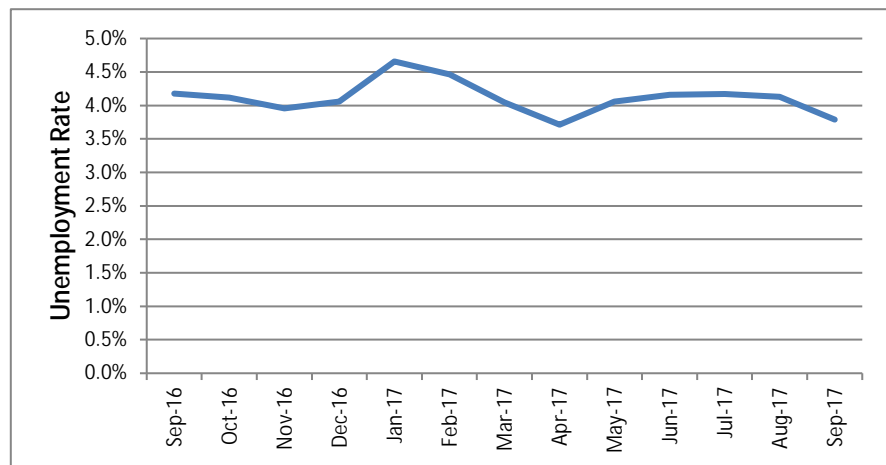
Source: Texas A&M Real Estate Center; Allen & Associates

Unemployment decreased from 2,303 in 2010 to 1,205 in 2016. The Unemployment Rate decreased from 7.5% in 2010 to 4.1% in 2016.

The table and graph below show the Unemployment Rate for the Region for the past 12 months.

Unemployment Rate	
Month	Unemp Rate
Sep-16	4.2%
Oct-16	4.1%
Nov-16	4.0%
Dec-16	4.1%
Jan-17	4.7%
Feb-17	4.5%
Mar-17	4.0%
Apr-17	3.7%
May-17	4.1%
Jun-17	4.2%
Jul-17	4.2%
Aug-17	4.1%
Sep-17	3.8%

Source: TAMU; Allen & Assoc



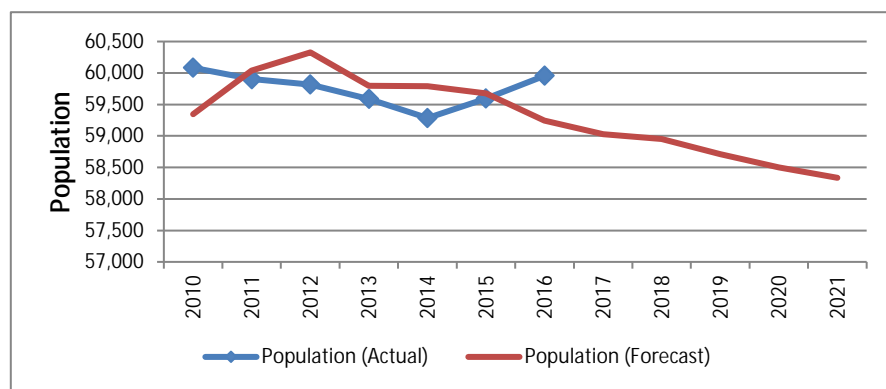
The Unemployment Rate for the Region came in at 4.2% in September 2016 and 3.8% in September 2017.

### Population

In this section we generate a Population forecast for the Region using our base Civilian Employment forecast. The table and graph below show Civilian Employment and Population for the Region since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via the Texas A&M Real Estate Center and the US Census Bureau.

Population Forecast		
Year	Civ Emp	Pop
2010	28,546	60,083
2011	28,801	59,903
2012	28,862	59,816
2013	28,531	59,590
2014	28,450	59,285
2015	28,318	59,595
2016	28,035	59,957
2017	27,855	59,026
2018	27,743	58,951
2019	27,553	58,710
2020	27,378	58,498
2021	27,226	58,336

Source: TAMU US Census; Allen & Assoc



Population decreased from 60,083 in 2010 to 59,957 in 2016. Population decreased to 60,083 in 2010 to 59,957 in 2016.

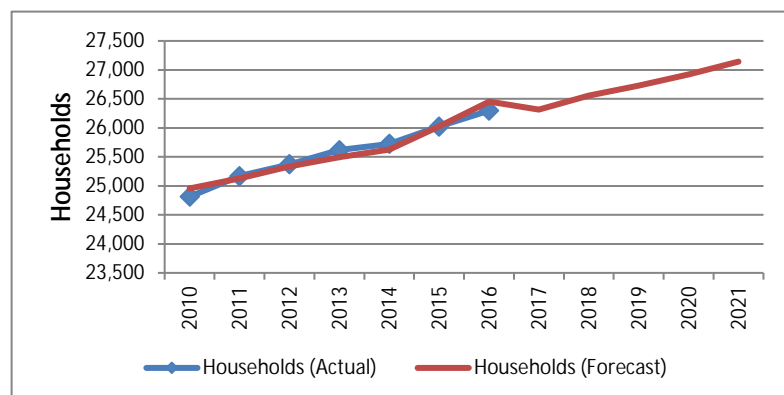
The accompanying graph illustrates the change in Regional Population over time. We used the historic data to develop a statistical relationship between Civilian Employment and Population. Utilizing the statistical relationship and our base Regional Civilian Employment projection yielded our base Regional Population forecast. Our projection shows Regional Population decreasing from 59,957 in 2016 to 58,336 in 2021.

### Households

In this section we generate a Regional Household forecast using our base Regional Population projection. The table and graph below show Regional Households since 2010. The data set comes from the US Census Bureau via Woods & Pool Economics.

Household Forecast			
Year	Pop	Pop/HH	HH
2010	60,083	2.421	24,813
2011	59,903	2.380	25,170
2012	59,816	2.358	25,372
2013	59,590	2.326	25,618
2014	59,285	2.305	25,724
2015	59,595	2.290	26,025
2016	59,957	2.280	26,298
2017	59,026	2.243	26,314
2018	58,951	2.220	26,558
2019	58,710	2.196	26,733
2020	58,498	2.173	26,924
2021	58,336	2.149	27,143

Source: W&P Economics; Allen & Assoc





Households increased from 24,813 in 2010 to 26,298 in 2016. Households increased to 24,813 in 2010 to 26,298 in 2016. Population per Household decreased from 2.421 in 2010 to 2.280 in 2016.

For projection purposes, we decreased Population per Household from 2.280 in 2016 to 2.149 in 2021. Our base projection shows Population decreasing from 59,957 in 2016 to 58,336 in 2021. This, in turn, will result in Households increasing from 26,298 in 2016 to 27,143 in 2021.

### Building Permits

In this section we look at Building Permits. The table and graph below show historical data for the Region since 2000. The data set comes from the US Census.

Building Permits				
Year	1 Family	2-4 Family	5+ Family	Total
2001	266	10	0	276
2002	287	40	0	327
2003	313	0	0	313
2004	295	4	133	432
2005	341	0	0	341
2006	265	0	0	265
2007	182	0	0	182
2008	155	0	0	155
2009	96	0	0	96
2010	110	0	0	110
2011	78	0	0	78
2012	102	0	0	102
2013	95	0	0	95
2014	97	0	0	97
2015	110	0	0	110
2016	91	0	0	91

Source: US Census

Building Permits for the Region increased from 276 in 2001 to 432 in 2004, before decreasing to 78 in 2011 and increasing to 91 in 2016.

### Conclusion

Our findings for the base projection are summarized below.

	Base Projection						
	2015	2016	2017	2018	2019	2020	2021
Real GDP Growth %		2.42%	2.00%	1.95%	1.90%	1.95%	2.00%
Basic Employment	18,435	18,675	18,801	19,024	19,197	19,375	19,576
Establishment Employment	30,552	31,016	31,501	31,919	32,281	32,609	32,954
Civilian Employment	28,318	28,035	27,855	27,743	27,553	27,378	27,226
Population	59,595	59,957	59,026	58,951	58,710	58,498	58,336
Households	26,025	26,298	26,314	26,558	26,733	26,924	27,143
Basic Employment Growth %		1.3%	0.7%	1.2%	0.9%	0.9%	1.0%
Est Employment Growth %		1.5%	1.6%	1.3%	1.1%	1.0%	1.1%
Civilian Employment Growth %		-1.0%	-0.6%	-0.4%	-0.7%	-0.6%	-0.6%
Population Growth %		0.6%	-1.6%	-0.1%	-0.4%	-0.4%	-0.3%
Household Growth %		1.0%	0.1%	0.9%	0.7%	0.7%	0.8%

Source: W&P Economics, Texas A&M Real Estate Center, US Census, Claritas; Allen & Associates

Our base projection assumes Real GDP growth of 2.0% in 2017, 1.95% in 2018, 1.90% in 2019, 1.95% in 2020, and 2.0% in 2021. Given this projection, we anticipate Establishment Employment for the Region to increase from 31,501 in 2017 to 32,954 in 2021. Over this same time period we anticipate Civilian Employment for the Region to decrease from 27,855 to 27,226. Finally, we anticipate Population for the Region to decrease from 59,026 to 58,336.

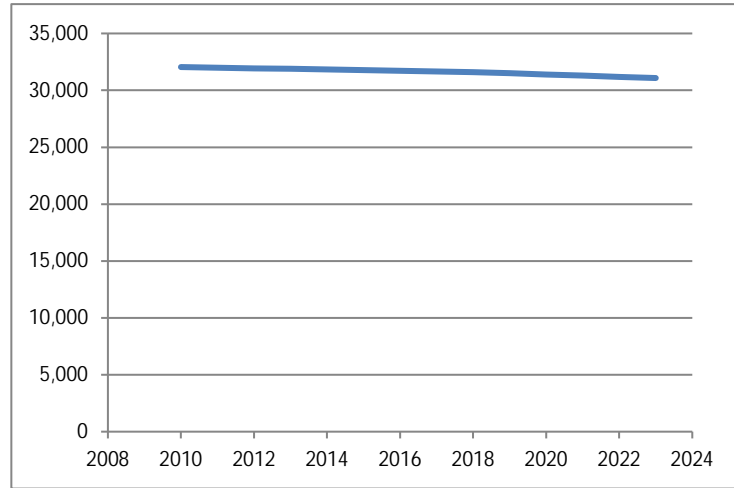
## DEMOGRAPHIC CHARACTERISTICS

### Population

In the table below we give the 2010-2023 ESRI population projection for the Market Area. The data set comes from ESRI.

Population Forecast		
Year	Population	Growth %
2010	32,047	-
2011	31,993	-0.2%
2012	31,938	-0.2%
2013	31,884	-0.2%
2014	31,830	-0.2%
2015	31,775	-0.2%
2016	31,721	-0.2%
2017	31,666	-0.2%
2018	31,612	-0.2%
2019	31,506	-0.3%
2020	31,400	-0.3%
2021	31,294	-0.3%
2022	31,188	-0.3%
2023	31,082	-0.3%

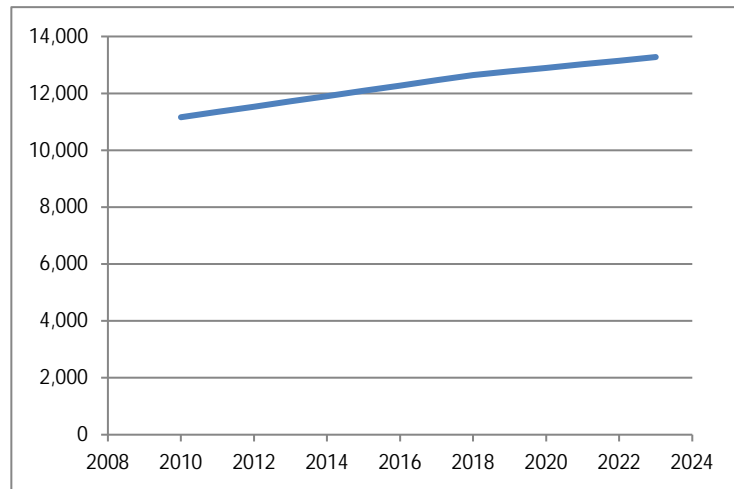
Source: ESRI; Allen & Associates



In the table below we give the 2010-2023 ESRI 55+ population projection for the Market Area.

55+ Population Forecast		
Year	Population	Growth %
2010	11,161	-
2011	11,347	1.7%
2012	11,532	1.6%
2013	11,718	1.6%
2014	11,904	1.6%
2015	12,089	1.6%
2016	12,275	1.5%
2017	12,460	1.5%
2018	12,646	1.5%
2019	12,772	1.0%
2020	12,898	1.0%
2021	13,025	1.0%
2022	13,151	1.0%
2023	13,277	1.0%

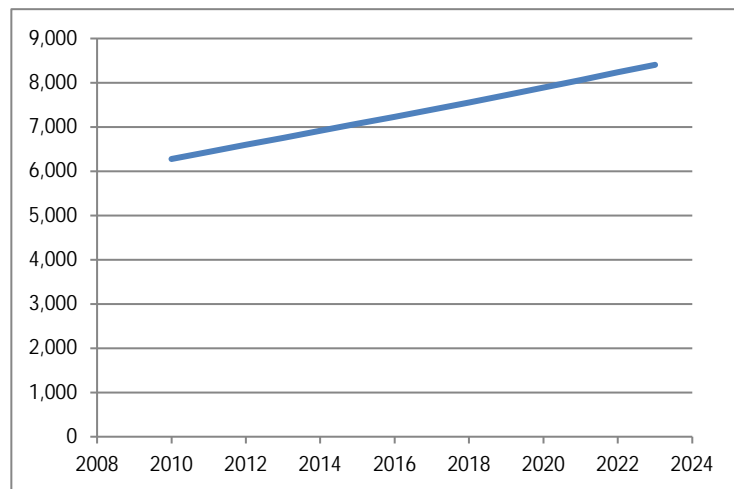
Source: ESRI; Allen & Associates



In the table below we give the 2010-2023 ESRI 65+ population projection for the Market Area.

65+ Population Forecast		
Year	Population	Growth %
2010	6,277	-
2011	6,436	2.5%
2012	6,596	2.5%
2013	6,755	2.4%
2014	6,915	2.4%
2015	7,074	2.3%
2016	7,233	2.3%
2017	7,393	2.2%
2018	7,552	2.2%
2019	7,723	2.3%
2020	7,893	2.2%
2021	8,064	2.2%
2022	8,234	2.1%
2023	8,405	2.1%

Source: ESRI; Allen & Associates

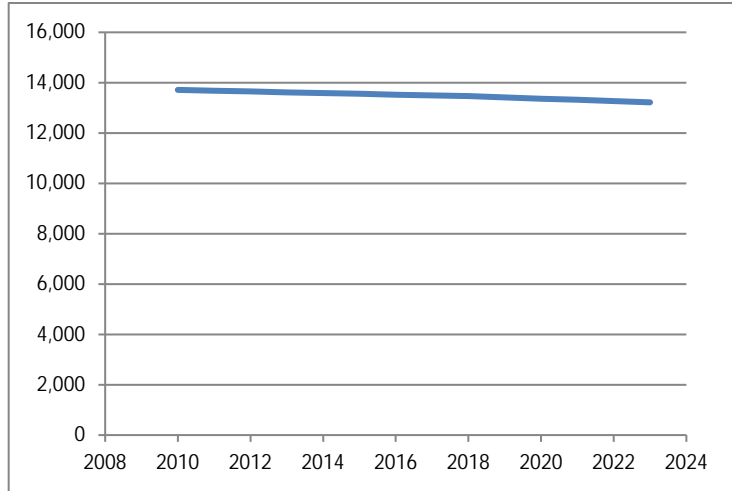


## Households

In the table below we give the 2010-2023 ESRI household projection for the Market Area. The data set comes from ESRI.

Household Forecast		
Year	Households	Growth %
2010	13,713	-
2011	13,682	-0.2%
2012	13,651	-0.2%
2013	13,620	-0.2%
2014	13,589	-0.2%
2015	13,558	-0.2%
2016	13,527	-0.2%
2017	13,496	-0.2%
2018	13,465	-0.2%
2019	13,416	-0.4%
2020	13,366	-0.4%
2021	13,317	-0.4%
2022	13,267	-0.4%
2023	13,218	-0.4%

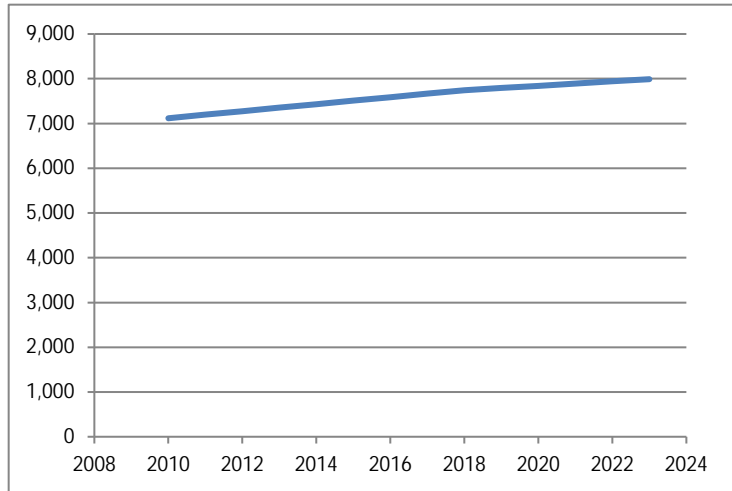
Source: ESRI; Allen & Associates



In the table below we give the 2010-2023 ESRI 55+ household projection for the Market Area.

55+ Household Forecast		
Year	Households	Growth %
2010	7,117	-
2011	7,195	1.1%
2012	7,274	1.1%
2013	7,352	1.1%
2014	7,430	1.1%
2015	7,508	1.1%
2016	7,587	1.0%
2017	7,665	1.0%
2018	7,743	1.0%
2019	7,792	0.6%
2020	7,842	0.6%
2021	7,891	0.6%
2022	7,941	0.6%
2023	7,990	0.6%

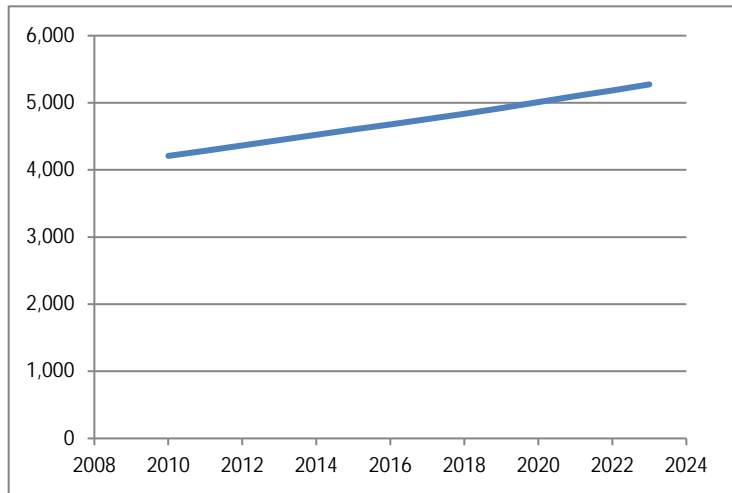
Source: ESRI; Allen & Associates



In the table below we give the 2010-2023 ESRI 65+ household projection for the Market Area.

65+ Household Forecast		
Year	Households	Growth %
2010	4,209	-
2011	4,287	1.9%
2012	4,366	1.8%
2013	4,444	1.8%
2014	4,522	1.8%
2015	4,600	1.7%
2016	4,679	1.7%
2017	4,757	1.7%
2018	4,835	1.6%
2019	4,923	1.8%
2020	5,011	1.8%
2021	5,098	1.8%
2022	5,186	1.7%
2023	5,274	1.7%

Source: ESRI; Allen & Associates

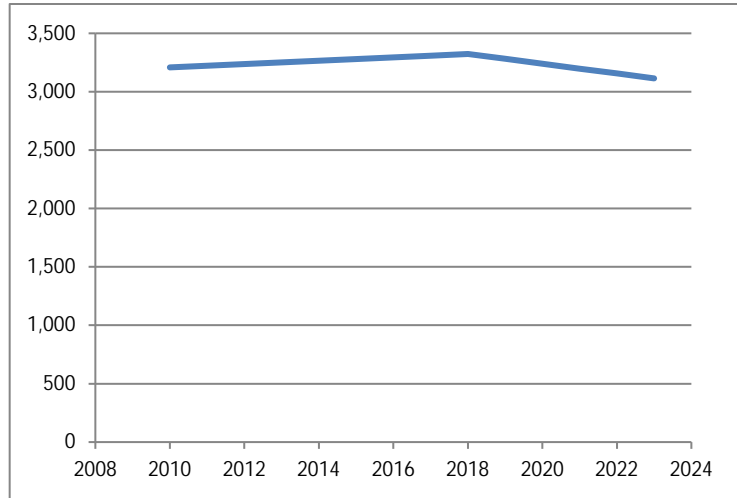


## Renter Households

In the table below we give the 2010-2023 ESRI renter household projection for the Market Area. The data set comes from ESRI.

Renter Household Forecast		
Year	Households	Growth %
2010	3,207	-
2011	3,221	0.5%
2012	3,236	0.5%
2013	3,251	0.4%
2014	3,265	0.4%
2015	3,280	0.4%
2016	3,294	0.4%
2017	3,309	0.4%
2018	3,323	0.4%
2019	3,281	-1.3%
2020	3,240	-1.3%
2021	3,198	-1.3%
2022	3,156	-1.3%
2023	3,114	-1.3%

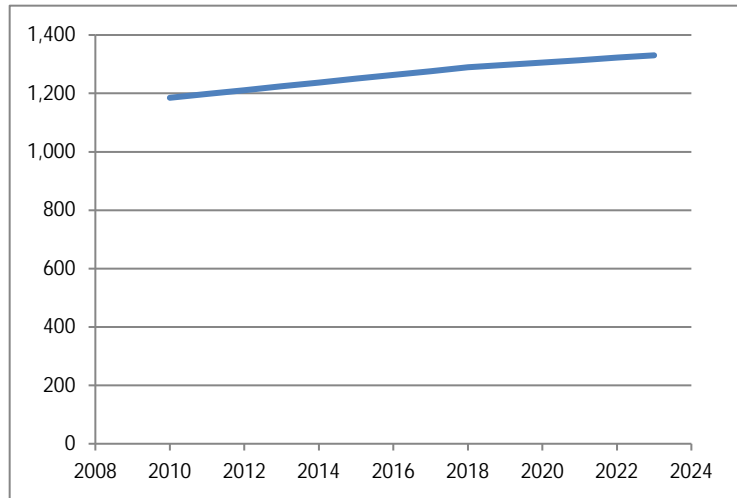
Source: ESRI; Allen & Associates



In the table below we give the 2010-2023 ESRI 55+ renter household projection for the Market Area.

55+ Renter Household Forecast		
Year	Households	Growth %
2010	1,185	-
2011	1,198	1.1%
2012	1,211	1.1%
2013	1,224	1.1%
2014	1,237	1.1%
2015	1,250	1.1%
2016	1,263	1.0%
2017	1,276	1.0%
2018	1,289	1.0%
2019	1,297	0.6%
2020	1,306	0.6%
2021	1,314	0.6%
2022	1,322	0.6%
2023	1,330	0.6%

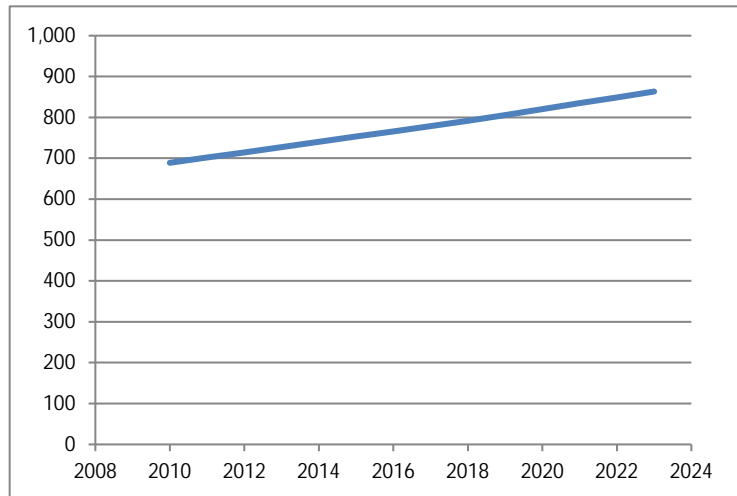
Source: ESRI; Allen & Associates



In the table below we give the 2010-2023 ESRI 65+ renter household projection for the Market Area.

65+ Renter Household Forecast		
Year	Households	Growth %
2010	689	-
2011	702	1.9%
2012	715	1.8%
2013	727	1.8%
2014	740	1.8%
2015	753	1.7%
2016	766	1.7%
2017	779	1.7%
2018	791	1.6%
2019	806	1.8%
2020	820	1.8%
2021	835	1.8%
2022	849	1.7%
2023	863	1.7%

Source: ESRI; Allen & Associates



## Household Income

The following table shows the current distribution of household incomes for the Market Area. The data set comes from ESRI and Ribbon Demographics.

2018 \$		Households, by Income, by Size						
Min	Max	2018 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	353	246	55	31	12	0	697
\$10,000	\$19,999	1,001	340	69	32	48	19	1,509
\$20,000	\$29,999	641	484	155	68	49	16	1,413
\$30,000	\$39,999	632	444	181	113	22	5	1,395
\$40,000	\$49,999	384	535	268	202	43	17	1,449
\$50,000	\$59,999	287	549	199	113	36	11	1,195
\$60,000	\$74,999	361	587	296	204	99	39	1,586
\$75,000	\$99,999	114	802	273	395	123	54	1,760
\$100,000	\$124,999	133	419	315	91	137	63	1,159
\$125,000	\$149,999	141	216	135	53	24	7	576
\$150,000	\$199,999	46	182	98	56	11	3	395
\$200,000	more	72	120	74	49	14	1	330
Total		4,164	4,922	2,118	1,407	619	235	13,465

The following table shows the current distribution of 55+ household incomes for the Market Area.

2018 \$		55+ Households, by Income, by Size						
Min	Max	2018 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	257	154	20	7	3	0	441
\$10,000	\$19,999	806	226	46	13	11	3	1,105
\$20,000	\$29,999	465	443	28	45	20	6	1,007
\$30,000	\$39,999	425	386	67	48	11	1	939
\$40,000	\$49,999	161	394	82	64	4	0	705
\$50,000	\$59,999	145	497	57	44	7	1	750
\$60,000	\$74,999	171	449	81	31	15	2	750
\$75,000	\$99,999	89	663	60	42	15	5	874
\$100,000	\$124,999	111	271	101	19	5	0	508
\$125,000	\$149,999	63	175	20	20	3	0	280
\$150,000	\$199,999	35	124	17	17	6	0	199
\$200,000	more	45	112	8	12	10	0	186
Total		2,774	3,893	587	363	108	17	7,743

The following table shows the current distribution of 65+ household incomes for the Market Area.

2018 \$		65+ Households, by Income, by Size						
Min	Max	2018 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	211	84	7	2	2	0	306
\$10,000	\$19,999	690	144	34	6	8	3	884
\$20,000	\$29,999	388	345	23	19	16	5	796
\$30,000	\$39,999	320	306	19	9	7	1	661
\$40,000	\$49,999	63	220	66	8	3	0	360
\$50,000	\$59,999	101	345	32	29	6	1	514
\$60,000	\$74,999	59	237	11	4	7	0	319
\$75,000	\$99,999	53	347	9	28	13	5	455
\$100,000	\$124,999	61	140	32	6	3	0	243
\$125,000	\$149,999	23	66	6	5	2	0	102
\$150,000	\$199,999	29	62	5	14	1	0	111
\$200,000	more	29	40	2	7	6	0	84
Total		2,028	2,335	245	137	75	15	4,835

Source: ESRI & Ribbon Demographics

## Renter Household Income

The following table shows the current distribution of renter household incomes for the Market Area. The data set comes from ESRI and Ribbon Demographics.

2018 \$		2018 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	188	147	33	16	8	0	392
\$10,000	\$19,999	427	175	33	11	40	16	702
\$20,000	\$29,999	179	36	89	23	26	7	359
\$30,000	\$39,999	150	54	82	25	5	0	316
\$40,000	\$49,999	91	116	59	95	9	4	374
\$50,000	\$59,999	106	59	15	31	8	1	220
\$60,000	\$74,999	178	48	75	42	59	23	425
\$75,000	\$99,999	38	34	24	9	12	4	120
\$100,000	\$124,999	51	58	18	5	5	0	137
\$125,000	\$149,999	66	38	33	2	4	0	142
\$150,000	\$199,999	16	16	19	5	5	1	63
\$200,000	more	37	18	6	5	6	0	72
Total		1,527	798	487	270	188	55	3,323

The following table shows the current distribution of 55+ renter household incomes for the Market Area.

2018 \$		2018 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	94	53	4	4	2	0	157
\$10,000	\$19,999	288	61	11	4	5	0	368
\$20,000	\$29,999	66	19	6	3	15	4	112
\$30,000	\$39,999	88	32	20	4	5	0	147
\$40,000	\$49,999	26	38	7	39	2	0	112
\$50,000	\$59,999	23	36	4	4	5	1	73
\$60,000	\$74,999	26	21	5	2	11	2	68
\$75,000	\$99,999	29	14	8	4	3	0	57
\$100,000	\$124,999	39	22	7	2	3	0	72
\$125,000	\$149,999	20	27	3	0	1	0	51
\$150,000	\$199,999	10	10	6	3	2	0	31
\$200,000	more	17	14	2	2	5	0	39
Total		727	346	81	70	58	7	1,289

The following table shows the current distribution of 65+ renter household incomes for the Market Area.

2018 \$		2018 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	73	22	1	2	1	0	100
\$10,000	\$19,999	256	30	10	2	2	0	300
\$20,000	\$29,999	51	12	4	2	12	4	84
\$30,000	\$39,999	59	25	5	1	3	0	94
\$40,000	\$49,999	7	15	3	4	1	0	30
\$50,000	\$59,999	15	10	3	2	5	1	36
\$60,000	\$74,999	14	8	1	1	4	0	28
\$75,000	\$99,999	12	12	3	2	2	0	30
\$100,000	\$124,999	24	5	2	0	2	0	33
\$125,000	\$149,999	8	0	1	0	0	0	9
\$150,000	\$199,999	7	7	3	3	1	0	22
\$200,000	more	10	10	1	2	2	0	25
Total		536	156	38	22	36	4	791

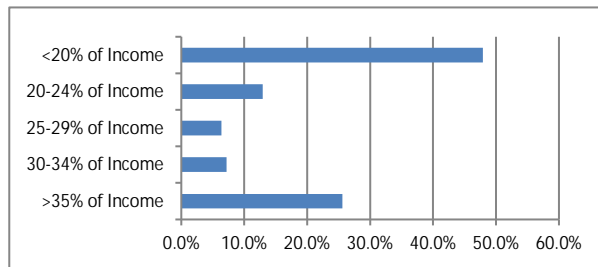
Source: ESRI & Ribbon Demographics

## Overburdened Renter Households

The following tables give overburdened renter household data for the Market Area. The data set comes from the U.S. Census Bureau.

Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	47.9%
20-24% of Income Spent on Housing	12.9%
25-29% of Income Spent on Housing	6.4%
30-34% of Income Spent on Housing	7.2%
>35% of Income Spent on Housing	25.6%
<b>Total</b>	<b>100.0%</b>

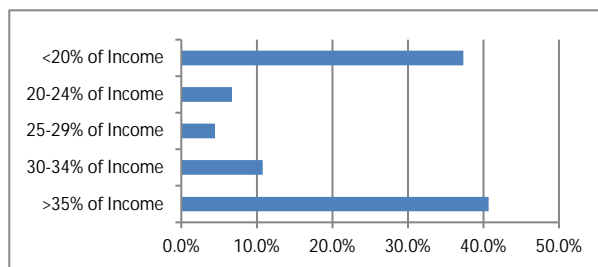
Source: U.S. Census Bureau



Our research suggests that 25.6 percent of the renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 32.8 percent of the renter households are overburdened to 30 percent of income.

55+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	37.4%
20-24% of Income Spent on Housing	6.7%
25-29% of Income Spent on Housing	4.5%
30-34% of Income Spent on Housing	10.8%
>35% of Income Spent on Housing	40.7%
<b>Total</b>	<b>100.0%</b>

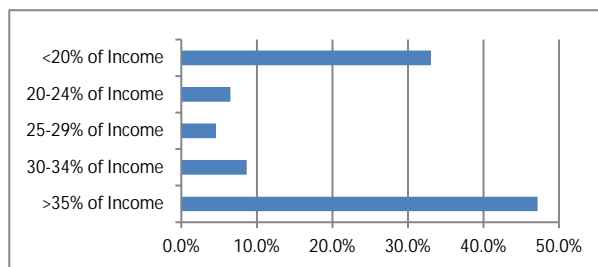
Source: U.S. Census Bureau



Our research suggests that 40.7 percent of the 55+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 51.5 percent of the 55+ renter households are overburdened to 30 percent of income.

65+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	33.1%
20-24% of Income Spent on Housing	6.5%
25-29% of Income Spent on Housing	4.6%
30-34% of Income Spent on Housing	8.7%
>35% of Income Spent on Housing	47.2%
<b>Total</b>	<b>100.0%</b>

Source: U.S. Census Bureau



Our research suggests that 47.2 percent of the 65+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 55.8 percent of the 65+ renter households are overburdened to 30 percent of income.

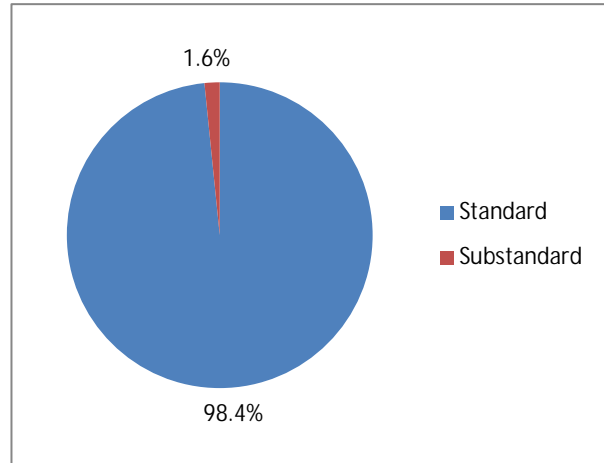
## Owner Substandard Units

The U.S. Census Bureau defines substandard housing units as follows: (1) Units without complete plumbing; or (2) Units with 1.00 or more persons per room.

The following tables give owner substandard housing unit data for occupied housing units in the nation, state, region and market area. The data comes from the U.S. Census Bureau:

Owner Substandard Units	
	% of Total
1.00 persons per room or less	98.4%
1.01 to 1.50 persons per room	0.6%
1.51 persons per room or more	0.3%
Complete Plumbing	99.2%
1.00 persons per room or less	0.8%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.0%
Lacking Complete Plumbing	0.8%
Standard	98.4%
Substandard	1.6%
Total	100.0%

Source: U.S. Census Bureau



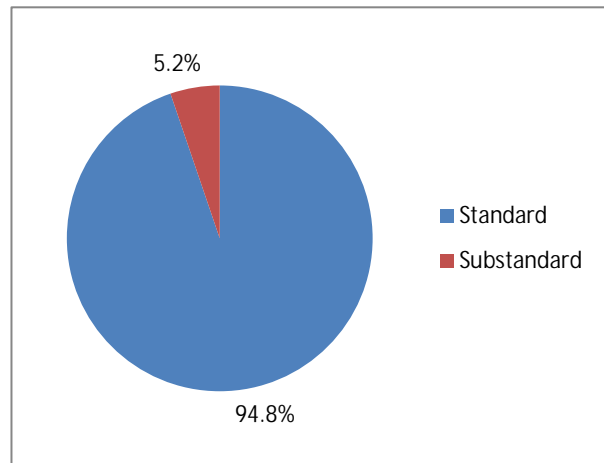
Our research suggests that 1.6 percent of occupied owner housing units in the market area are substandard.

## Renter Substandard Units

The following tables give renter substandard housing unit data for occupied housing units in the nation, state, region and market area. The data comes from the U.S. Census Bureau:

Renter Substandard Units	
	% of Total
1.00 persons per room or less	94.8%
1.01 to 1.50 persons per room	1.2%
1.51 persons per room or more	0.7%
Complete Plumbing	96.6%
1.00 persons per room or less	3.4%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.0%
Lacking Complete Plumbing	3.4%
Standard	94.8%
Substandard	5.2%
Total	100.0%

Source: U.S. Census Bureau



Our research suggests that 5.2 percent of renter owner housing units in the market area are substandard.



## Owner Movership

The following tables give owner household movership data for the market area with an estimated breakout by household size. The data comes from the U.S. Census Bureau and the American Housing Survey:

Owner Movership, by Size								
Market Area								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Owner to Owner	2.3%	3.5%	4.6%	4.5%	4.9%	5.3%	6.2%	3.8%
Owner to Renter	2.1%	2.0%	3.6%	3.4%	3.3%	5.1%	7.7%	2.7%
Owner Movership Rate	4.4%	5.5%	8.2%	7.9%	8.2%	10.4%	13.9%	6.5%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an owner movership rate of 6.5 percent.

Elderly Owner Movership, by Size								
AHS Survey								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Owner to Owner	2.0%	2.8%	2.3%	1.6%	3.1%	1.0%	3.7%	2.4%
Owner to Renter	1.7%	0.8%	1.4%	2.1%	0.6%	2.6%	0.0%	1.2%
Owner Movership Rate	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an elderly owner movership rate of 3.7 percent.

## Renter Movership

The following tables give renter household movership data for the market area with an estimated breakout by household size. The data comes from the U.S. Census Bureau and the American Housing Survey:

Renter Movership, by Size								
Market Area								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Renter to Renter	8.6%	19.3%	27.2%	32.7%	33.0%	35.8%	55.3%	19.5%
Renter to Owner	2.1%	7.9%	8.0%	10.2%	11.2%	8.7%	10.2%	6.2%
Renter Movership Rate	10.7%	27.1%	35.2%	42.9%	44.2%	44.5%	65.5%	25.7%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests a renter movership rate of 25.7 percent.

Elderly Renter Movership, by Size								
AHS Survey								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Renter to Renter	7.4%	6.6%	7.2%	7.6%	6.0%	7.8%	0.0%	7.1%
Renter to Owner	0.6%	1.4%	0.7%	0.4%	2.0%	0.2%	8.0%	0.9%
Renter Movership Rate	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an elderly renter movership rate of 8.0 percent.

## SUPPLY ANALYSIS

In conducting our analysis, we began by attempting to compile a list of every multifamily property with 10 or more units in the market area. We included conventionally-financed multifamily communities as well as properties financed by the local housing authority and the state housing finance agency in our listing. We even included properties financed by and/or subsidized by USDA and/or HUD. Finally, we included properties that are either proposed or currently under construction. The result was a listing of projects with 10 or more units - whether existing, under construction, or proposed - for this area. Our rental property inventory listing is found in the pages that follow.

A map showing the location of the properties included in the rental property inventory is found in the pages that follow. Properties identified with red pushpins have 100 percent market rate units (market rate properties), properties identified with yellow pushpins have a mixture of market rate / restricted / subsidized units (restricted properties), and properties identified with blue pushpins have 100 percent project-based rental assistance (subsidized properties).

After accounting for any unconfirmed properties and any properties that are located outside the defined market area, we arrived at a list of confirmed market area properties. This was the listing of properties upon which our analysis is based. In our opinion, the properties included on this list give a credible picture of market conditions as of the effective date of this report. This listing is found in the pages that follow.

Our next step was to compile a master list of unrestricted market rate rent comparables from the listing of confirmed properties. We eliminated any properties which were either under construction, being renovated, in lease up, or which were unstabilized for one reason or another. We identified market rate properties of similar age and condition to the subject property. If we were unable to identify a sufficient number of market rate comparables in the market area, we included market rate properties from outside the market area. If we were still unable to identify a sufficient number of market rate comparables, we included rent restricted properties - provided, however, that the rents charged at these properties were below statutory limits and similar to the rents charged at the market rate properties in the market area (suggesting that these rent restricted properties were *de facto* market rate properties).

Finally, we compiled a master list of restricted rent comparables from the listing of confirmed properties. We used the same approach described above for unrestricted market rate properties.

The resulting master lists of rent comparables and accompanying locator maps are found in this section as well. Detailed write-ups for the properties included on these lists are found in the Appendix. We include write-ups for *all* of the rent comparables identified on our master lists, regardless of whether they ended up being selected as one of the *best* rent comparables. We did this for two reasons: (1) To be transparent; and (2) To provide the reader with context regarding our selection process.

The balance of this section includes a breakdown of confirmed market area properties by rent type, project status, year built, and financing source. We also include a rent, unit mix, and amenity summary for confirmed market area properties. Finally, we provide summary of vouchers, concessions, and waiting lists for the properties included in this report.

Rental Property Inventory

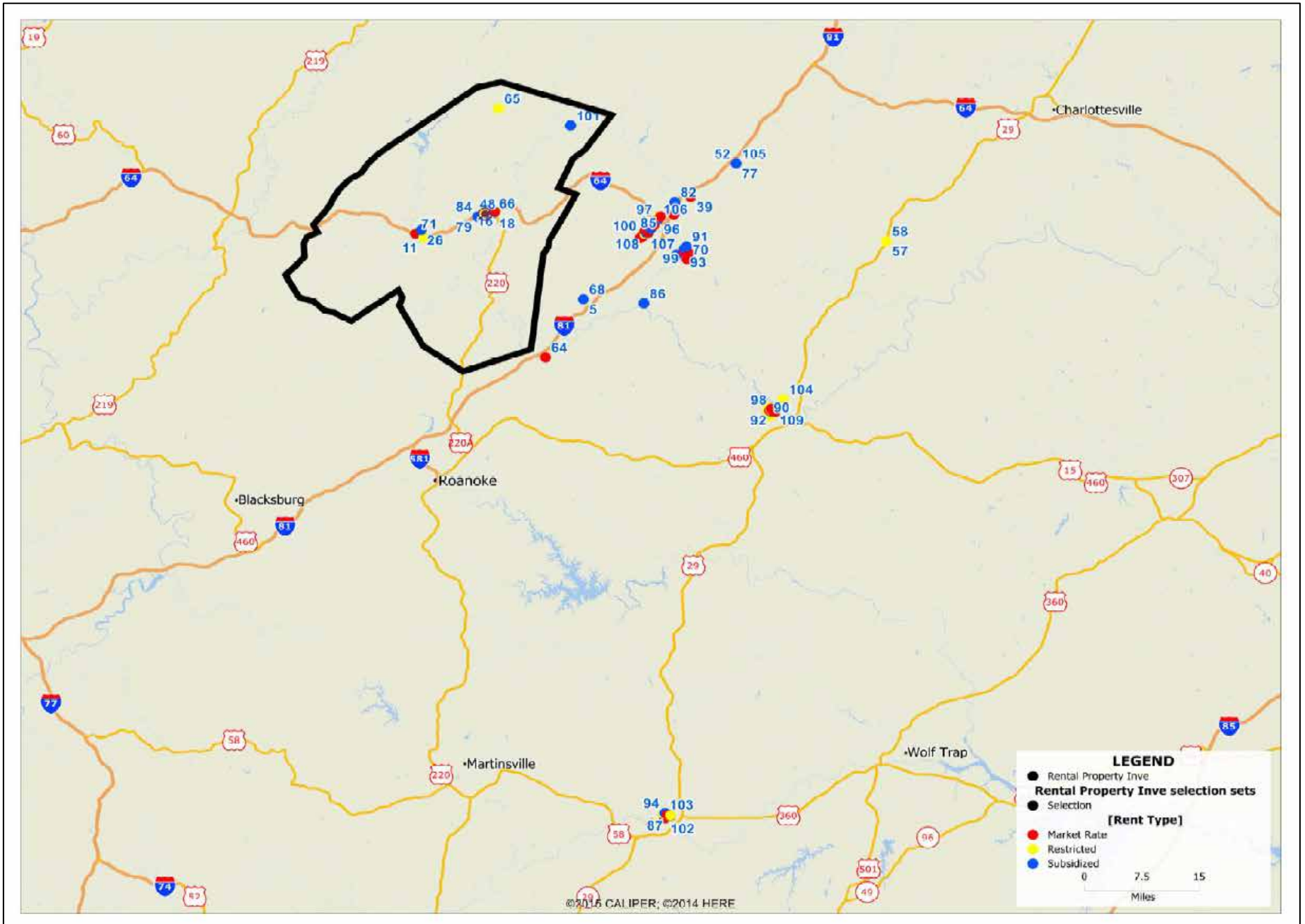
Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
001	801 Court Street	37.4146	-79.1448	1880	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
002	Alleghany Building Apartments	37.8156	-79.8252	1925	1998	Restricted	Family	Stabilized	Tax Credit	20	1	95.0%
003	Alleghany Building Apartments	37.8156	-79.8252	1925	2018	Restricted	Family	Prop Rehab	Tax Credit	20	1	95.0%
004	Anderson Mansion Apartments	37.4098	-79.1393	1911	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
005	ARC Acres Group Home	37.6412	-79.5921	1970	2004	Subsidized	Family	Special Needs	HUD	5	0	100.0%
006	Books & Company Apartments	37.7842	-79.4430	1925	na	Market Rate	Family	Stabilized	Conventional	8	4	50.0%
007	Borel Loft and Boutique	37.4135	-79.1397	1895	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
008	Briarcliffe Apartments	37.8102	-79.8423	1984	na	Subsidized	Elderly	Duplicate	HUD	140	3	97.9%
009	Burton Condominiums	36.5860	-79.3863	1920	2008	Market Rate	Family	Stabilized	Conventional	15	1	93.3%
010	Cambridge Square Apartments	37.8205	-79.8025	na	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
011	Cedar Forest Apartments	37.7674	-79.9703	2002	na	Restricted	Family	Stabilized	Tax Credit	40	0	100.0%
012	Central City Homes	37.4056	-79.1545	1900	2005	Restricted	Family	Stabilized	Tax Credit	37	0	100.0%
013	City Market Lofts	37.4116	-79.1393	1878	2007	Market Rate	Family	Stabilized	Conventional	59	3	94.9%
014	Cliffs Edge Lofts	37.4173	-79.1430	1910	2012	Market Rate	Family	Stabilized	Conventional	52	8	84.6%
015	Clifton Forge High School (Elderly)	37.8220	-79.8248	1928	2016	Restricted	Elderly	Non-Inventory	Tax Credit	110	110	0.0%
016	Clifton Forge High School (Family)	37.8220	-79.8248	1928	2016	Restricted	Family	Non-Inventory	Tax Credit	155	155	0.0%
017	Clifton Woods Apartments	37.8171	-79.8054	1978	na	Subsidized	Elderly	Stabilized	RD	66	0	100.0%
018	Clifton Woods Senior Apartments	37.8171	-79.8054	1978	na	Subsidized	Elderly	Duplicate	RD	66	0	100.0%
019	College Hill Homes	37.4153	-79.1481	1935	2002	Restricted	Family	Stabilized	Tax Credit	28	0	100.0%
020	Continental Lofts	36.5845	-79.3858	1900	2015	Market Rate	Family	Stabilized	Conventional	40	0	100.0%
021	Country Club Apartments	37.7666	-79.4581	1970	2008	Market Rate	Family	Stabilized	Conventional	12	0	100.0%
022	Crestview Apartments	37.8143	-79.3777	1980	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
023	Dan River Crossing Apartments	36.5858	-79.3856	1895	2004	Restricted	Elderly	Stabilized	Tax Credit	74	0	100.0%
024	Danville House Apartments	36.5870	-79.3944	1927	2001	Subsidized	Elderly	Stabilized	HUD	105	3	97.1%
025	Deer Haven Group Home	37.7325	-79.3712	1980	2006	Subsidized	Family	Special Needs	HUD	6	0	100.0%
026	Dolly Ann Apartments	37.7830	-79.9760	1972	2009	Subsidized	Family	Unconfirmed	Tax Credit	108	3	97.2%
027	Engel Historic Properties	37.4137	-79.1508	1923	1989	Market Rate	Family	Non-Inventory	Conventional	28	1	96.4%
028	Ferrell Lofts	36.5872	-79.3935	1885	2011	Market Rate	Family	Stabilized	Conventional	13	0	100.0%
029	Fitzgerald Apartments	36.5679	-79.4307	1935	2013	Market Rate	Family	Unconfirmed	Conventional	31	5	83.9%
030	Frank Roane Apartments	37.4118	-79.1471	1899	1979	Subsidized	Elderly	Duplicate	HUD	26	9	65.4%
031	Frank Roane Apartments	37.4118	-79.1471	1899	2016	Subsidized	Elderly	Stabilized	Tax Credit	26	0	100.0%
032	Frye Center (The)	37.4127	-79.1416	1907	2006	Market Rate	Family	Stabilized	Conventional	8	0	100.0%
033	Gateway Apartments	37.4119	-79.1410	1926	1992	Restricted	Family	Special Needs	Tax Credit	24	3	87.5%
034	Gayle Smith Apartments	37.7441	-79.3531	2005	na	Market Rate	Family	Stabilized	Conventional	19	0	100.0%
035	Gayle Smith's Garage Apartment	37.7693	-79.4516	na	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
036	General's Retreat	37.7821	-79.4412	1985	2012	Market Rate	Family	Stabilized	Conventional	47	1	97.9%
037	Gish Flats	37.4173	-79.1469	1883	2016	Market Rate	Family	Stabilized	Conventional	66	3	95.5%
038	Green Hills Apartments	37.8047	-79.4156	1985	na	Restricted	Family	Stabilized	RD	40	4	90.0%
039	Hearthstone Country Apartments	37.8505	-79.3378	1990	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%
040	Hillcrest Manor Apartments	37.7233	-79.3473	1988	2014	Subsidized	Family	Stabilized	Tax Credit	40	0	100.0%
041	Hilltop Homes	37.4030	-79.1481	1910	2010	Restricted	Family	Stabilized	Tax Credit	24	2	91.7%
042	Holly Park Apartments	37.7935	-79.4266	2002	na	Market Rate	Family	Stabilized	Conventional	18	2	88.9%
043	Hunt Ridge Apartments Phase 1	37.8102	-79.4117	2007	na	Restricted	Family	Stabilized	Tax Credit	46	0	100.0%
044	Hunt Ridge Apartments Phase 2	37.8101	-79.4104	2007	na	Restricted	Family	Stabilized	Tax Credit	24	1	95.8%
045	Hunt Ridge Apartments Phase 3	37.8107	-79.4128	2009	na	Restricted	Elderly	Non-Inventory	Tax Credit	46	46	0.0%
046	Imperial Building	36.5859	-79.3873	1895	2013	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
047	James Wm Moore Real Estate	37.8102	-79.4092	na	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
048	Jefferson High School Apartments	37.8159	-79.8190	1926	2010	Restricted	Family	Non-Inventory	Tax Credit	26	26	0.0%
049	Jobbers Overall Apartments	37.4015	-79.1529	1920	2012	Restricted	Family	Stabilized	Tax Credit	44	5	88.6%
050	Kemper Lofts	37.4025	-79.1533	1925	2010	Restricted	Family	Stabilized	Tax Credit	41	6	85.4%
051	Krise Building (The)	37.4148	-79.1427	1905	2013	Market Rate	Family	Prop Rehab	Conventional	16	16	0.0%

Rental Property Inventory

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
052	Lakeside Manor	37.9189	-79.2301	1990	2013	Subsidized	Family	Stabilized	Tax Credit	23	0	100.0%
053	Lexington (The) Apartments	37.4353	-79.1690	1947	na	Market Rate	Family	Stabilized	Conventional	20	0	100.0%
054	Lexington House Apartments	37.7770	-79.4422	1976	na	Subsidized	Elderly	Stabilized	HUD	78	1	98.7%
055	Lexington House Apartments	37.7770	-79.4422	1976	2014	Subsidized	Elderly	Prop Rehab	Tax Credit	78	0	100.0%
056	Lindsay Lofts	36.5871	-79.3895	1915	2008	Market Rate	Family	Stabilized	Conventional	20	0	100.0%
057	Lovingston Ridge Apartments	37.7604	-78.8745	1993	na	Restricted	Family	Stabilized	Tax Credit	64	8	87.5%
058	Lovingston Ridge Apartments	37.7604	-78.8745	1993	2014	Restricted	Family	Prop Rehab	Tax Credit	64	1	98.4%
059	Lynchburg High Apartments	37.4102	-79.1541	1910	2010	Restricted	Family	Stabilized	Tax Credit	74	5	93.2%
060	Lynn Street Lofts	36.5840	-79.3870	1930	2008	Restricted	Family	Stabilized	Tax Credit	37	0	100.0%
061	Magnolia Apartments	37.7393	-79.3522	2007	na	Market Rate	Family	Duplicate	Conventional	0	0	0.0%
062	Magnolia Square Apartments	37.7936	-79.4241	2004	na	Market Rate	Family	Stabilized	Conventional	20	1	95.0%
063	McGregor Lofts	37.4142	-79.1417	1891	2013	Market Rate	Family	Stabilized	Conventional	22	1	95.5%
064	Moore Investment	37.5224	-79.6819	2000	na	Market Rate	Family	Stabilized	Conventional	8	0	100.0%
065	Mountain Crest Apartments	38.0316	-79.7933	2007	na	Restricted	Elderly	Stabilized	Tax Credit	28	2	92.9%
066	Mountain View Apartments	37.8170	-79.8055	1979	2000	Subsidized	Family	Stabilized	RD	54	0	100.0%
067	Mountain View Terrace Apartments	37.7852	-79.4323	1972	2007	Subsidized	Family	Stabilized	HUD	39	4	89.7%
068	Natural Bridge Group Home	37.6412	-79.5921	1970	2004	Subsidized	Family	Special Needs	HUD	5	0	100.0%
069	Nelson Street Apartments	37.7821	-79.4412	1985	2011	Market Rate	Family	Duplicate	Conventional	44	0	100.0%
070	Oak Hill Apartments	37.7233	-79.3473	1988	2009	Market Rate	Family	Duplicate	Tax Credit	0	0	0.0%
071	Parklin Terrace Apartments	37.7755	-79.9901	1964	2005	Market Rate	Family	Stabilized	Conventional	35	0	100.0%
072	Parlor Lofts	37.4148	-79.1420	1900	2009	Market Rate	Family	Stabilized	Conventional	31	1	96.8%
073	Pemberton Lofts Phase 1	36.5862	-79.3862	1900	2013	Market Rate	Family	Stabilized	Conventional	62	1	98.4%
074	Pemberton Lofts Phase 2	36.5862	-79.3862	1900	2014	Market Rate	Family	Stabilized	Conventional	50	0	100.0%
075	Pine Avenue Apartment	37.7357	-79.3429	2001	na	Market Rate	Family	Stabilized	Conventional	1	0	100.0%
076	Preston Brown Office	37.7848	-79.4439	na	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
077	Raphine Apartments	37.9189	-79.2301	1990	na	Subsidized	Family	Duplicate	Tax Credit	23	0	100.0%
078	Redpoint Lofts	37.4118	-79.1395	1915	2013	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
079	Ridgeview at Scott Hill Apartments	37.8102	-79.8423	1984	na	Subsidized	Elderly	Duplicate	HUD	140	3	97.9%
080	Riverlofts North	37.4146	-79.1401	1895	2013	Market Rate	Family	Stabilized	Conventional	59	1	98.3%
081	Riverviews Artspace Rentals	37.4154	-79.1404	1898	2003	Market Rate	Family	Stabilized	Conventional	11	0	100.0%
082	Rockbridge Meadows Group Home	37.8401	-79.3756	na	na	Subsidized	Family	Special Needs	HUD	6	0	100.0%
083	Schoolfield Senior Apartments	36.5681	-79.4232	1926	2010	Restricted	Elderly	Stabilized	Tax Credit	46	0	100.0%
084	Scott Hill Apartments	37.8102	-79.8423	1984	2010	Subsidized	Elderly	Stabilized	HUD	140	0	100.0%
085	Security Management	37.7772	-79.4382	2000	na	Market Rate	Family	Student Housing	Conventional	22	0	100.0%
086	Skyline Manor Apartments	37.6329	-79.4488	1975	1996	Subsidized	Elderly	Stabilized	Tax Credit	32	0	100.0%
087	Smith Seed's Lofts	36.5860	-79.3899	1875	2013	Market Rate	Family	Stabilized	Conventional	20	2	90.0%
088	South Main Street	37.7810	-79.4466	1912	na	Market Rate	Family	Stabilized	Conventional	1	0	100.0%
089	Tilson Real Estate	37.7935	-79.4266	2002	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
090	Tinbridge Manor Apartments	37.4198	-79.1551	1912	2002	Restricted	Elderly	Stabilized	Tax Credit	56	0	100.0%
091	Treemont Apartments	37.7496	-79.3476	1983	2011	Subsidized	Family	Stabilized	Tax Credit	60	0	100.0%
092	Tunstall Mansion	37.4146	-79.1448	1880	na	Market Rate	Family	Duplicate	Conventional	0	0	0.0%
093	University Village at Kenner Korner	37.7379	-79.3528	2007	na	Market Rate	Family	Stabilized	Conventional	39	1	97.4%
094	Upper Street Apartments	36.5909	-79.3985	1928	2016	Subsidized	Family	Prop Rehab	Tax Credit	13	13	0.0%
095	Valley Pike Townhomes	37.8102	-79.4092	1995	na	Market Rate	Family	Stabilized	Conventional	2	0	100.0%
096	Valley View Apartments	37.8052	-79.4151	1980	2011	Subsidized	Family	Stabilized	HUD	64	0	100.0%
097	Village at Rockbridge (The)	37.8052	-79.4151	1980	2015	Subsidized	Family	Prop Rehab	HUD	64	64	0.0%
098	Virginian Apartments (The)	37.4155	-79.1440	1914	1978	Subsidized	Elderly	Stabilized	HUD	100	7	93.0%
099	Vista Apartments	37.7457	-79.3526	1980	na	Subsidized	Elderly	Stabilized	RD	66	0	100.0%
100	Welch Park Apartments	37.7717	-79.4523	1950	na	Market Rate	Family	Stabilized	Conventional	1	0	100.0%
101	Wellman House Apartments	37.9965	-79.6227	1996	2004	Subsidized	Elderly	Special Needs	HUD	6	0	100.0%
102	Westend Apartments	36.5797	-79.3996	1905	2009	Market Rate	Family	Stabilized	Conventional	12	6	50.0%

Rental Property Inventory

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
103	Westmoreland Senior Apartments	36.5879	-79.4019	1926	2010	Restricted	Elderly	Stabilized	Tax Credit	19	1	94.7%
104	Willow Branch Apartments	37.4373	-79.1189	1985	2000	Restricted	Family	Stabilized	Tax Credit	48	1	97.9%
105	Willow Lake Apartments	37.9189	-79.2301	1990	2013	Subsidized	Family	Duplicate	Tax Credit	23	0	100.0%
106	Willow Springs Apartments	37.8055	-79.4163	1976	na	Market Rate	Family	Stabilized	Conventional	96	20	79.2%
107	Windemere Apartments	37.7746	-79.4464	1994	na	Restricted	Elderly	Stabilized	Tax Credit	38	0	100.0%
108	Windemere Apartments	37.7746	-79.4464	1994	2016	Restricted	Elderly	Prop Rehab	Tax Credit	38	0	100.0%
109	Riverlofts West	37.4147	-79.1406	1904	2018	Market Rate	Family	Stabilized	Conventional	52	1	98.1%



Rental Property Inventory, Unconfirmed

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
026	Dolly Ann Apartments	37.7830	-79.9760	1972	2009	Subsidized	Family	Unconfirmed	Tax Credit	108	3	97.2%
029	Fitzgerald Apartments	36.5679	-79.4307	1935	2013	Market Rate	Family	Unconfirmed	Conventional	31	5	83.9%

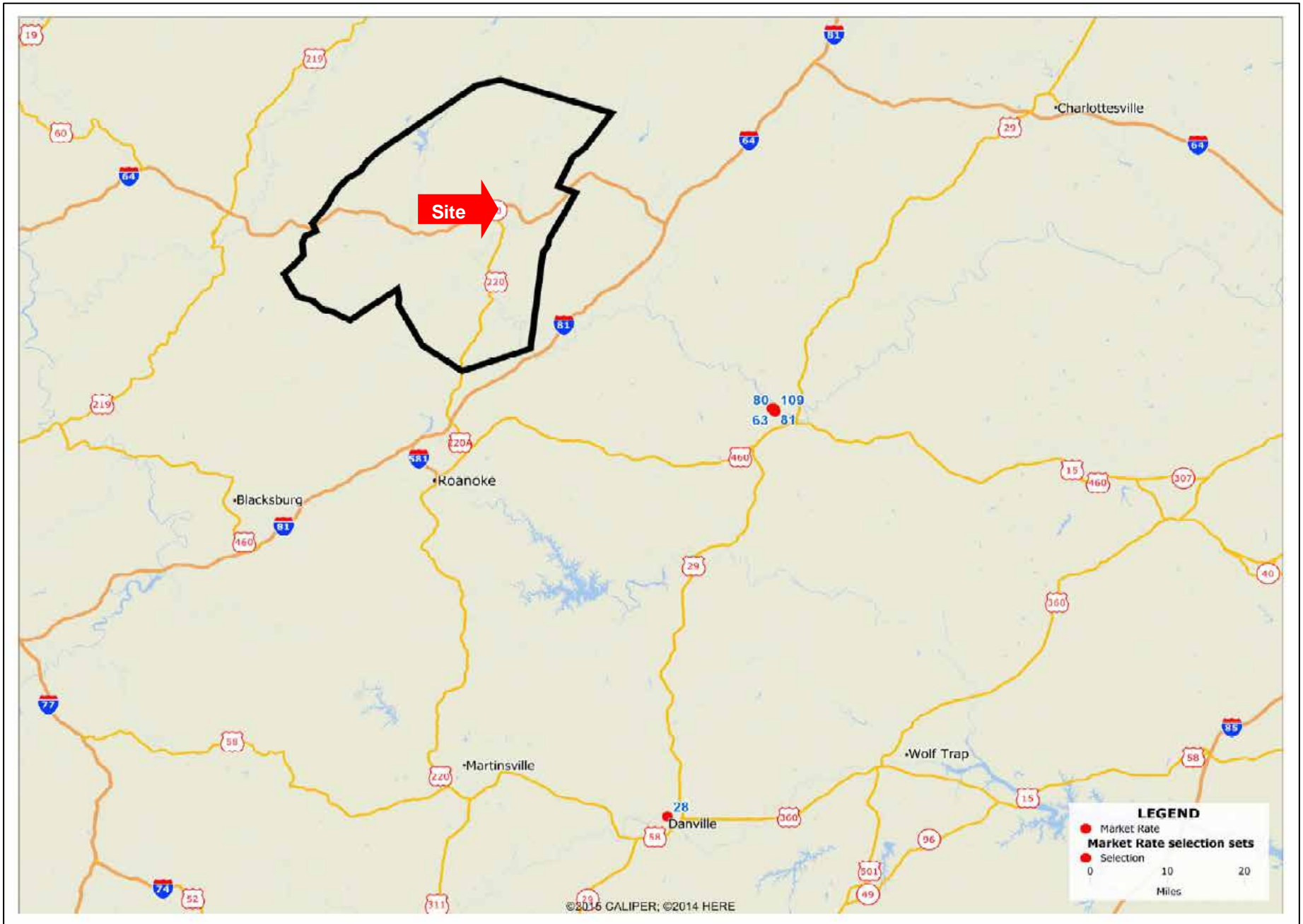
Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
002	Alleghany Building Apartments	37.8156	-79.8252	1925	1998	Restricted	Family	Stabilized	Tax Credit	20	1	95.0%
011	Cedar Forest Apartments	37.7674	-79.9703	2002	na	Restricted	Family	Stabilized	Tax Credit	40	0	100.0%
017	Clifton Woods Apartments	37.8171	-79.8054	1978	na	Subsidized	Elderly	Stabilized	RD	66	0	100.0%
065	Mountain Crest Apartments	38.0316	-79.7933	2007	na	Restricted	Elderly	Stabilized	Tax Credit	28	2	92.9%
066	Mountain View Apartments	37.8170	-79.8055	1979	2000	Subsidized	Family	Stabilized	RD	54	0	100.0%
071	Parklin Terrace Apartments	37.7755	-79.9901	1964	2005	Market Rate	Family	Stabilized	Conventional	35	0	100.0%
084	Scott Hill Apartments	37.8102	-79.8423	1984	2010	Subsidized	Elderly	Stabilized	HUD	140	0	100.0%



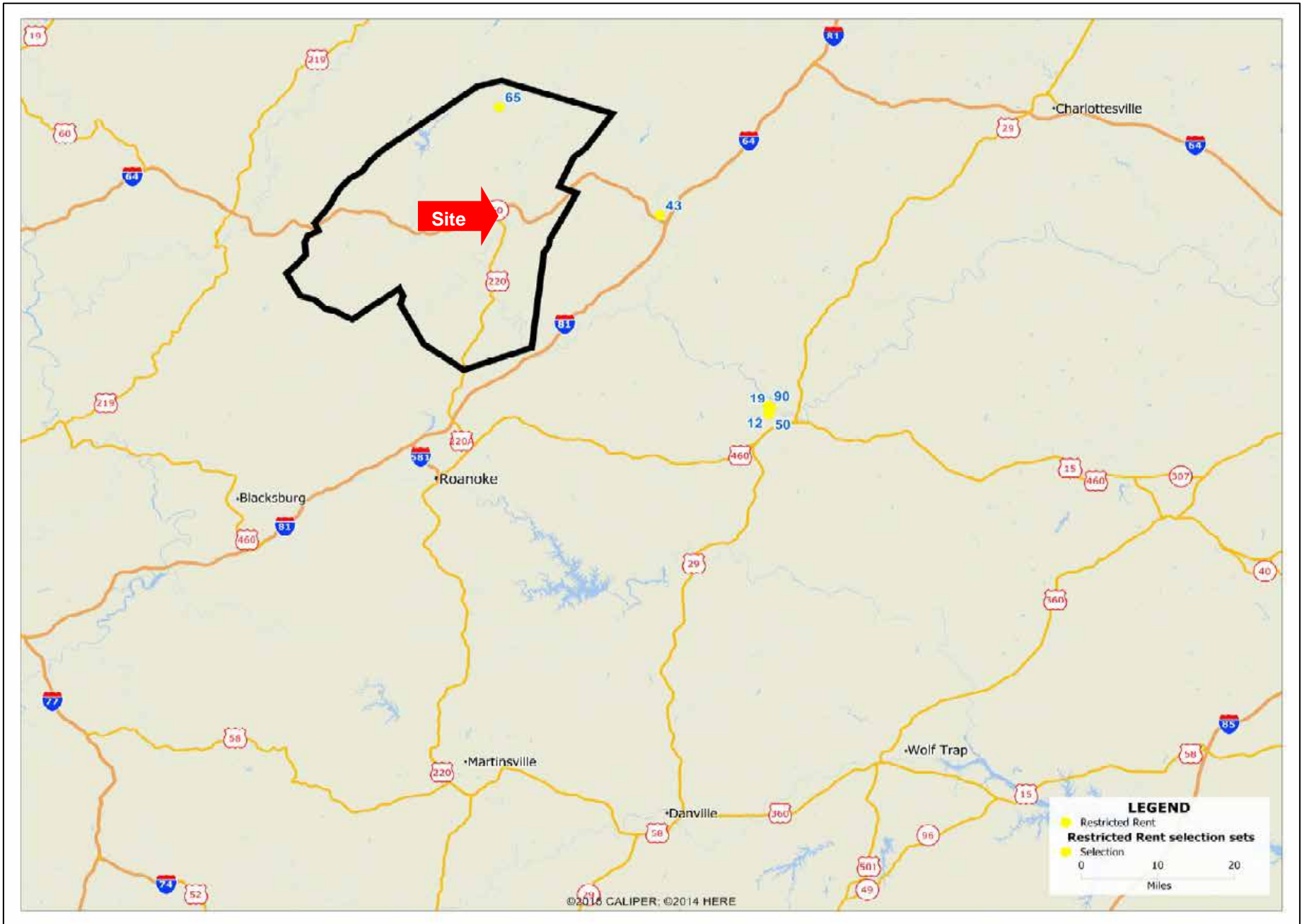
Master List of Market Rate Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
028	Ferrell Lofts	36.5872	-79.3935	1885	2011	Market Rate	Family	Stabilized	Conventional	13	0	100.0%
032	Frye Center (The)	37.4127	-79.1416	1907	2006	Market Rate	Family	Stabilized	Conventional	8	0	100.0%
037	Gish Flats	37.4173	-79.1469	1883	2016	Market Rate	Family	Stabilized	Conventional	66	3	95.5%
063	McGregor Lofts	37.4142	-79.1417	1891	2013	Market Rate	Family	Stabilized	Conventional	22	1	95.5%
080	Riverlofts North	37.4146	-79.1401	1895	2013	Market Rate	Family	Stabilized	Conventional	59	1	98.3%
081	Riverviews Artspace Rentals	37.4154	-79.1404	1898	2003	Market Rate	Family	Stabilized	Conventional	11	0	100.0%
109	Riverlofts West	37.4147	-79.1406	1904	2018	Market Rate	Family	Stabilized	Conventional	52	1	98.1%



Master List of Restricted Rent Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
012	Central City Homes	37.4056	-79.1545	1900	2005	Restricted	Family	Stabilized	Tax Credit	37	0	100.0%
019	College Hill Homes	37.4153	-79.1481	1935	2002	Restricted	Family	Stabilized	Tax Credit	28	0	100.0%
043	Hunt Ridge Apartments Phase 1	37.8102	-79.4117	2007	na	Restricted	Family	Stabilized	Tax Credit	46	0	100.0%
050	Kemper Lofts	37.4025	-79.1533	1925	2010	Restricted	Family	Stabilized	Tax Credit	41	6	85.4%
065	Mountain Crest Apartments	38.0316	-79.7933	2007	na	Restricted	Elderly	Stabilized	Tax Credit	28	2	92.9%
090	Tinbridge Manor Apartments	37.4198	-79.1551	1912	2002	Restricted	Elderly	Stabilized	Tax Credit	56	0	100.0%



## Rental Property Inventory, Confirmed, Inside Market Area, by Rent Type

The following tables and graphs provide a summary of the confirmed market area properties included in this analysis broken out by rent type:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Market Rate		1	1
Restricted	1	2	3
Subsidized	2	1	3
<b>Total</b>	<b>3</b>	<b>4</b>	<b>7</b>

Total Units			
	Elderly	Family	Total
Market Rate		35	35
Restricted	28	60	88
Subsidized	206	54	260
<b>Total</b>	<b>234</b>	<b>149</b>	<b>383</b>

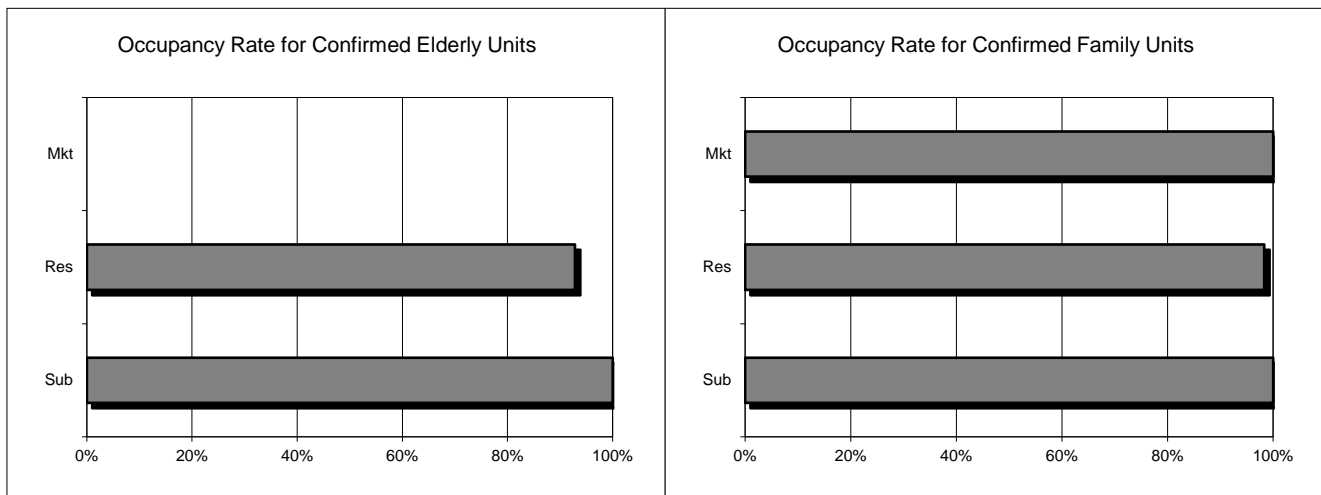
  

Vacant Units			
	Elderly	Family	Total
Market Rate			
Restricted	2	1	3
Subsidized			
<b>Total</b>	<b>2</b>	<b>1</b>	<b>3</b>

Occupancy Rate			
	Elderly	Family	Total
Market Rate		100%	100%
Restricted	93%	98%	97%
Subsidized	100%	100%	100%
<b>Total</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>

Source: Allen & Associates



Our analysis includes a total of 7 confirmed market area properties consisting of 383 units. The occupancy rate for these units currently stands at 99 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

Confirmed market area properties break down by rent type and tenure as shown in the tables above.

## Rental Property Inventory, Confirmed, Inside Market Area, by Project Status

The following tables and graphs provide a summary of the confirmed market area properties included in this analysis broken out by project status:

### Rental Property Inventory, Confirmed, Inside Market Area

Elderly					Family				
Total Properties					Total Properties				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	2	1		3	Stabilized	1	2	1	4
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal				
Total	2	1		3	Total	1	2	1	4

Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	206	28		234	Stabilized	54	60	35	149
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal				
Total	206	28		234	Total	54	60	35	149

Vacant Units					Vacant Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized		2		2	Stabilized		1		1
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal				
Total		2		2	Total		1		1

Source: Allen & Associates

Our survey includes a total of 7 stabilized market area properties consisting of 383 units standing at 99 percent occupancy.

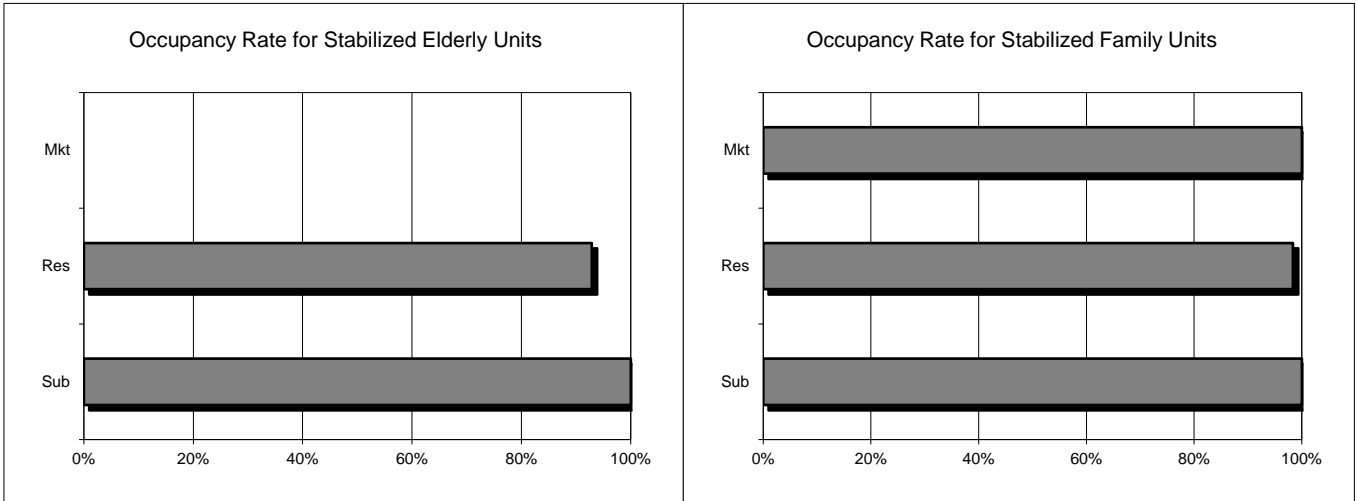
Our research suggests that there are no properties in the market area that are not yet stabilized. Unstabilized units (also referred to as pipeline units) include vacant units in lease up, construction, rehabilitation, proposed new construction, and units with proposed renovation plans.

Rental Property Inventory, Confirmed, Inside Market Area

Elderly					Family				
Occupancy Rate					Occupancy Rate				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	100%	93%		99%	Stabilized	100%	98%	100%	99%
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal				
Total	100%	93%		99%	Total	100%	98%	100%	99%

Source: Allen & Associates

Occupancies of stabilized market area properties broken out by occupancy type (elderly or family) and rent type (subsidized, restricted or market rate) are found below:



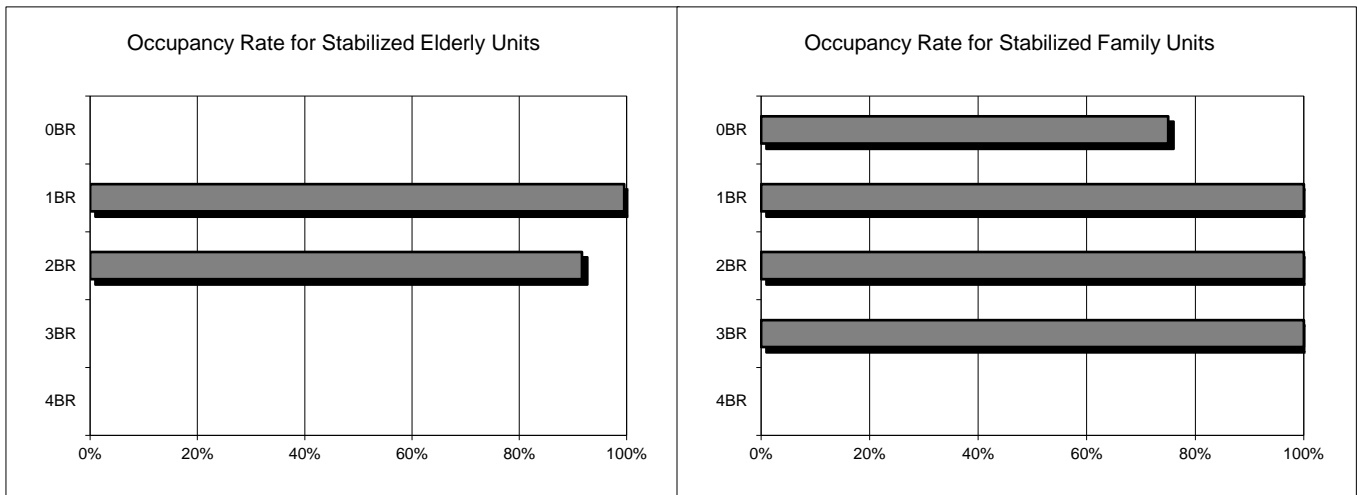
Our research suggests the following occupancy levels for the 234 stabilized elderly units in this market area:

- Subsidized, 100 percent (206 units in survey)
- Restricted, 93 percent (28 units in survey)
- Market Rate, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 149 stabilized family units in this market area:

- Subsidized, 100 percent (54 units in survey)
- Restricted, 98 percent (60 units in survey)
- Market Rate, 100 percent (35 units in survey)

Occupancy rates for stabilized market area properties broken out by occupancy type (elderly or family) and unit type are found below (supporting data is found in the pages that follow):



Our research suggests the following occupancy levels for the 234 stabilized elderly units in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, 100 percent (222 units in survey)
- 2-Bedroom, 92 percent (12 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 149 stabilized family units in this market area:

- 0-Bedroom, 75 percent (4 units in survey)
- 1-Bedroom, 100 percent (19 units in survey)
- 2-Bedroom, 100 percent (97 units in survey)
- 3-Bedroom, 100 percent (29 units in survey)
- 4-Bedroom, not applicable (0 units in survey)



Rental Property Inventory, Confirmed, Inside Market Area, 0-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized					1				1
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal					1				1
Total					1				1

Total Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized					4				4
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal					4				4
Total					4				4

Vacant Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized					1				1
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal					1				1
Total					1				1

Occupancy Rate									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized					75%				75%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal					75%				75%
Total					75%				75%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 1-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	2			1	1	1			5
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	2			1	1	1			5

Family									
Total Properties with Unit Type									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized					1	1		1	3
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total					1	1		1	3

Total Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	201			3	12	6			222
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	201			3	12	6			222

Total Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized					8	8		3	19
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total					8	8		3	19

Vacant Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized					1				1
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total					1				1

Vacant Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	100%			100%	92%	100%			100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%			100%	92%	100%			100%

Occupancy Rate									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized					100%	100%		100%	100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total					100%	100%		100%	100%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 2-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	1				1	1			3
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	1				1	1			3

Family									
Total Properties with Unit Type									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	1				1			1	3
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	1				1			1	3

Total Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	5				5	2			12
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	5				5	2			12

Total Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	48				20			29	97
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	48				20			29	97

Vacant Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized					1				1
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total					1				1

Vacant Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	100%				80%	100%			92%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%				80%	100%			92%

Occupancy Rate									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	100%				100%			100%	100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%				100%			100%	100%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 3-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	1				1			1	3
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	1				1			1	3

Total Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	6				20			3	29
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	6				20			3	29

Vacant Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized	100%				100%			100%	100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%				100%			100%	100%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 4-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Source: Allen & Associates

## Rental Property Inventory, Confirmed, Inside Market Area, by Year Built

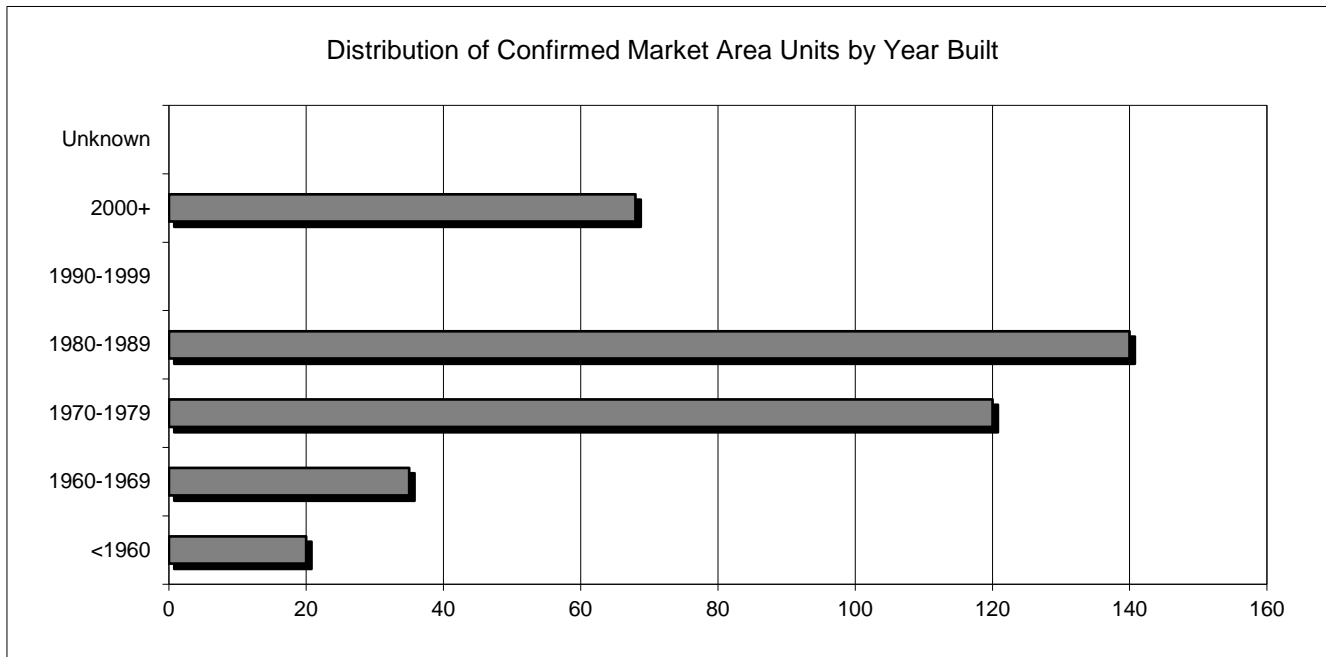
The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by year built:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
<1960		1	1
1960-1969		1	1
1970-1979	1	1	2
1980-1989	1		1
1990-1999			
2000+	1	1	2
Unknown			
<b>Total</b>	<b>3</b>	<b>4</b>	<b>7</b>

Total Units			
	Elderly	Family	Total
<1960		20	20
1960-1969		35	35
1970-1979	66	54	120
1980-1989	140		140
1990-1999			
2000+	28	40	68
Unknown			
<b>Total</b>	<b>234</b>	<b>149</b>	<b>383</b>

Source: Allen & Associates



Our research suggests that of the 7 confirmed market area properties (383 units) included in this report, 1 property (20 units) was constructed before 1960, 1 property (35 units) was constructed between 1960 and 1969, 2 properties (120 units) between 1970 and 1979, 1 property (140 units) between 1980 and 1989, 0 properties (0 units) between 1990 and 1999, and 2 properties (68 units) after 2000. In addition, 0 properties (0 units) had an unknown date of construction.

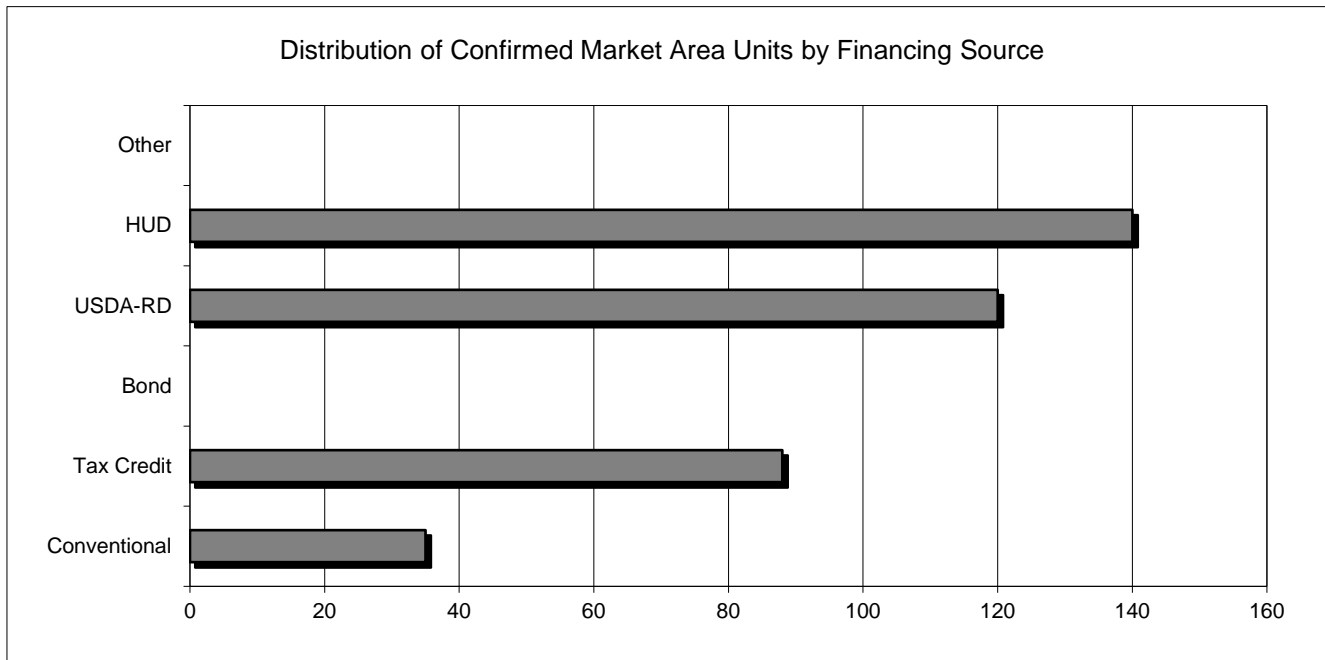
## Rental Property Inventory, Confirmed, Inside Market Area, by Financing Source

The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by financing source:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Conventional		1	1
Tax Credit	1	2	3
Bond			
USDA-RD	1	1	2
HUD	1		1
Other			
<b>Total</b>	<b>3</b>	<b>4</b>	<b>7</b>

Total Units			
	Elderly	Family	Total
Conventional		35	35
Tax Credit	28	60	88
Bond			
USDA-RD	66	54	120
HUD	140		140
Other			
<b>Total</b>	<b>234</b>	<b>149</b>	<b>383</b>

Source: Allen & Associates



Our research suggests that of the 7 confirmed properties in the market area, 1 property (consisting of 35 units) is conventionally financed, 3 properties (consisting of 88 units) include tax credit financing, 0 properties (consisting of 0 units) are bond financed, 2 properties (consisting of 120 units) are exclusively USDA-RD financed, and 1 property (consisting of 140 units) is exclusively HUD financed.

The average project size for this market area is 55 units. The smallest projects are tax credit financed, averaging 29 units in size. The largest projects are exclusively HUD financed, averaging 140 units in size.

## Rental Property Inventory, Confirmed, Inside Market Area, Rent Summary

The following tables and graphs provide a summary of the rents charged at confirmed market area properties broken out by unit type:

Rental Property Inventory, Confirmed, Inside Market Area

Rents									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	\$415	\$415	\$415	-	-	-
1-Bedroom	\$564	\$891	\$728	\$340	\$545	\$468	\$450	\$450	\$450
2-Bedroom	\$714	\$1,218	\$966	\$521	\$597	\$548	\$550	\$550	\$550
3-Bedroom	\$804	\$804	\$804	\$600	\$600	\$600	\$650	\$650	\$650
4-Bedroom	-	-	-	-	-	-	-	-	-

Unit Size

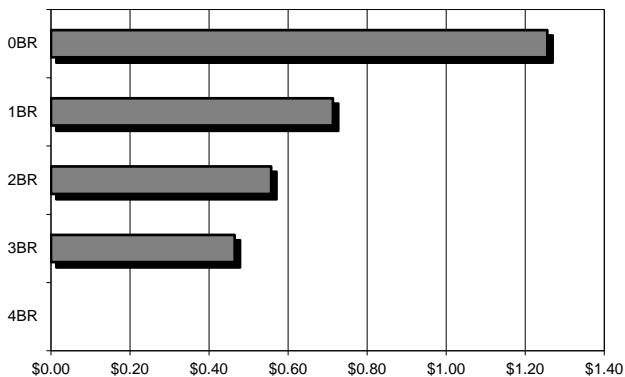
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	331	331	331	-	-	-
1-Bedroom	503	550	526	494	764	656	700	700	700
2-Bedroom	690	1,000	845	945	1,058	983	1,000	1,000	1,000
3-Bedroom	1,250	1,250	1,250	1,290	1,290	1,290	1,250	1,250	1,250
4-Bedroom	-	-	-	-	-	-	-	-	-

Rent per Square Foot

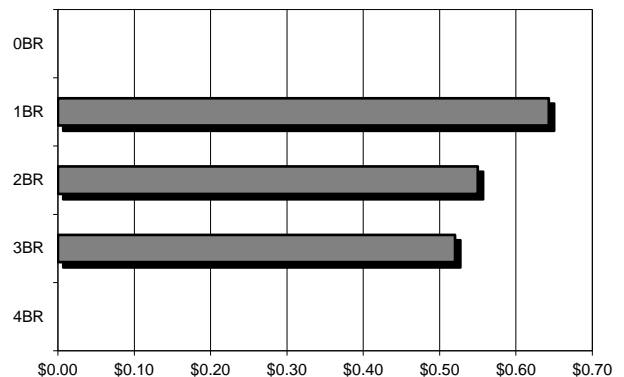
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	\$1.26	\$1.26	\$1.26	-	-	-
1-Bedroom	\$1.12	\$1.62	\$1.38	\$0.69	\$0.71	\$0.71	\$0.64	\$0.64	\$0.64
2-Bedroom	\$1.03	\$1.22	\$1.14	\$0.55	\$0.56	\$0.56	\$0.55	\$0.55	\$0.55
3-Bedroom	\$0.64	\$0.64	\$0.64	\$0.47	\$0.47	\$0.47	\$0.52	\$0.52	\$0.52
4-Bedroom	-	-	-	-	-	-	-	-	-

Source: Allen & Associates

Rent per Square Foot for Restricted Units



Rent per Square Foot for Market Rate Units





Our research suggests the following average rent levels for confirmed restricted rent units:

- 0-Bedroom, \$1.26 per square foot
- 1-Bedroom, \$0.71 per square foot
- 2-Bedroom, \$0.56 per square foot
- 3-Bedroom, \$0.47 per square foot
- 4-Bedroom, not applicable

Our research suggests the following average rent levels for confirmed market rate units:

- 0-Bedroom, not applicable
- 1-Bedroom, \$0.64 per square foot
- 2-Bedroom, \$0.55 per square foot
- 3-Bedroom, \$0.52 per square foot
- 4-Bedroom, not applicable

A detailed listing of rents and floor areas for confirmed market area properties by unit type and income target is found in the following pages.

## Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

In the tables and graphs found below we present a breakdown of unit mix for confirmed market area properties broken out by occupancy type (elderly or family):

Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

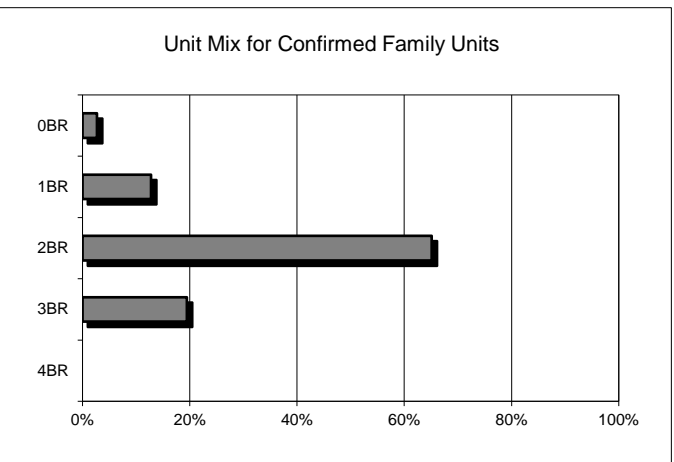
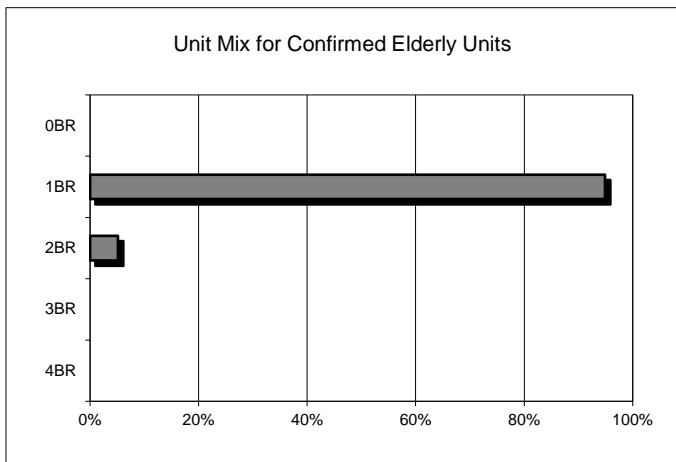
Elderly				
Total Units				
	Sub	Res	Mkt	Tot
0-Bedroom				
1-Bedroom	201	21		222
2-Bedroom	5	7		12
3-Bedroom				
4-Bedroom				
Total	206	28		234

Family				
Total Units				
	Sub	Res	Mkt	Tot
0-Bedroom		4		4
1-Bedroom		16	3	19
2-Bedroom	48	20	29	97
3-Bedroom	6	20	3	29
4-Bedroom				
Total	54	60	35	149

Unit Mix				
	Sub	Res	Mkt	Tot
0-Bedroom				
1-Bedroom	98%	75%		95%
2-Bedroom	2%	25%		5%
3-Bedroom				
4-Bedroom				
Total	100%	100%		100%

Unit Mix				
	Sub	Res	Mkt	Tot
0-Bedroom		7%		3%
1-Bedroom		27%	9%	13%
2-Bedroom	89%	33%	83%	65%
3-Bedroom	11%	33%	9%	19%
4-Bedroom				
Total	100%	100%	100%	100%

Source: Allen & Associates



Our research suggests the following unit mix for the 234 confirmed elderly units located in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, 95 percent (222 units in survey)
- 2-Bedroom, 5 percent (12 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following unit mix for the 149 confirmed family units located in this market area:

- 0-Bedroom, 3 percent (4 units in survey)
- 1-Bedroom, 13 percent (19 units in survey)
- 2-Bedroom, 65 percent (97 units in survey)
- 3-Bedroom, 19 percent (29 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

## Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary

In the table found below we present a summary of amenities found at confirmed market area properties:

Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary			
Building Type		Air Conditioning	
1 Story	29%	Central	86%
2-4 Story	57%	Wall Units	14%
5-10 Story	14%	Window Units	0%
>10 Story	0%	None	0%
Project Amenities		Heat	
Ball Field	0%	Central	86%
BBQ Area	29%	Wall Units	14%
Billiards	0%	Baseboards	0%
Bus/Comp Ctr	14%	Radiators	0%
Car Care Ctr	0%	None	0%
Comm Center	71%	Parking	
Elevator	43%	Garage	0%
Fitness Center	0%	Covered	0%
Gazebo	0%	Assigned	0%
Hot Tub/Jacuzzi	0%	Open	100%
Horseshoe Pit	0%	None	0%
Lake	0%	Laundry	
Library	14%	Central	71%
Movie Theatre	0%	W/D Units	14%
Picnic Area	29%	W/D Hookups	14%
Playground	29%	Security	
Pool	0%	Call Buttons	57%
Sauna	0%	Cont Access	43%
Sports Court	0%	Courtesy Officer	0%
Walking Trail	0%	Monitoring	14%
Unit Amenities		Security Alarms	0%
Blinds	100%	Security Patrols	0%
Ceiling Fans	0%	Services	
Upgraded Flooring	86%	After School	0%
Fireplace	0%	Concierge	0%
Patio/Balcony	43%	Hair Salon	29%
Storage	43%	Health Care	0%
Kitchen Amenities		Linens	0%
Stove	100%	Meals	0%
Refrigerator	100%	Transportation	29%
Disposal	14%		
Dishwasher	43%		
Microwave	14%		

Source: Allen & Associates

Our research suggests that 29 percent of confirmed market area properties are 1 story in height, 57 percent are 2-4 stories in height, 14 percent are 5-10 stories in height, and 0 percent are over 10 stories in height. In addition, surveyed properties benefit from the following project amenities: 14 percent have a business/computer center, 71 percent have a community center, 0 percent have a fitness center, 29 percent have a playground, and 0 percent have a sports court.

Our research also suggests that the following unit amenities are present at surveyed properties: 100 percent have blinds, 86 percent have carpeting, 43 percent have patios/balconies, and 43 percent have outside storage. Surveyed properties also include the following kitchen amenities: 100 percent have a stove, 100 percent have a refrigerator, 14 percent have a disposal, 43 percent have a dishwasher, and 14 percent have a microwave.

In addition, 86 percent of confirmed market area properties have central heat while 86 percent have central air. Our research also suggests that 100 percent of surveyed properties have open parking. A total of 71 percent of area properties have central laundry facilities, while 14 percent have washer/dryer hookups, and 14 percent have washer/dryer units in each residential unit.

A total of 57 percent of confirmed market area properties have call buttons, 43 percent have controlled access, and 0 percent have security alarms.

It is also our understanding that the majority of confirmed market area properties provide cable access.

Finally, in the following pages we provide a summary of vouchers, concessions and waiting lists for the confirmed market area properties included in this report. We also include any absorption information we have uncovered as part of our research.

Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy	Concessions	Vouchers	Abs Rate	Waiting List
002	Alleghany Building Apartments	37.8156	-79.8252	1925	1998	Restricted	Family	Stabilized	Tax Credit	20	1	95.0%	0%	0%	-	no
011	Cedar Forest Apartments	37.7674	-79.9703	2002	na	Restricted	Family	Stabilized	Tax Credit	40	0	100.0%	0%	50%	-	30 people
017	Clifton Woods Apartments	37.8171	-79.8054	1978	na	Subsidized	Elderly	Stabilized	RD	66	0	100.0%	0%	0%	-	14 people
065	Mountain Crest Apartments	38.0316	-79.7933	2007	na	Restricted	Elderly	Stabilized	Tax Credit	28	2	92.9%	0%	0%	-	no
066	Mountain View Apartments	37.8170	-79.8055	1979	2000	Subsidized	Family	Stabilized	RD	54	0	100.0%	0%	0%	-	yes
071	Parklin Terrace Apartments	37.7755	-79.9901	1964	2005	Market Rate	Family	Stabilized	Conventional	35	0	100.0%	0%	0%	-	yes
084	Scott Hill Apartments	37.8102	-79.8423	1984	2010	Subsidized	Elderly	Stabilized	HUD	140	0	100.0%	0%	0%	-	yes

## RENT COMPARABILITY ANALYSIS

In this section we develop restricted and unrestricted market rent conclusions for the subject property on an "as if complete & stabilized" basis. Our analysis begins with an evaluation of unrestricted market rents.

### **Unrestricted Rent Analysis**

In this section we develop an unrestricted market rent conclusion for the subject property units. Our analysis began by selecting comparable rentals to use to develop estimates of market rents for the units at the subject property, assuming that the subject was an unrestricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

#### Rental Property Inventory, by Unit Type

In the following pages we present an inventory of properties included in this analysis. Rents for these properties, broken out by unit type, were used in selecting the rent comparables used in this analysis.

The properties that we consider to be comparable to the subject property are highlighted in the tables found in the following pages. We attempted to select stabilized market rate properties as comparables for purposes of our rent comparability analysis.

Comparables with restricted rents are used when a sufficient number of market rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

#### Rent Comparables, Market Rate, Map

A map showing the location of the properties selected as comparables in this analysis is found in the following pages. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the select rent comparables are found in the Appendix to this report.

#### Rent Comparability Grids

Our analysis employed the use of rent comparability grids and resulted in an unrestricted market rent estimate for each of the subject's unit types. These grids and a narrative describing our rent adjustments are found in the following pages.

Rental Property Inventory, 0-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
001	801 Court Street	1880	na	Market Rate	Family	Stabilized								\$400
006	Books & Company Apartments	1925	na	Market Rate	Family	Stabilized								
009	Burton Condominiums	1920	2008	Market Rate	Family	Stabilized								
013	City Market Lofts	1878	2007	Market Rate	Family	Stabilized								
014	Cliffs Edge Lofts	1910	2012	Market Rate	Family	Stabilized								
020	Continental Lofts	1900	2015	Market Rate	Family	Stabilized								
021	Country Club Apartments	1970	2008	Market Rate	Family	Stabilized								
022	Crestview Apartments	1980	na	Market Rate	Family	Stabilized								
028	Ferrell Lofts	1885	2011	Market Rate	Family	Stabilized								\$740
032	Frye Center (The)	1907	2006	Market Rate	Family	Stabilized								
034	Gayle Smith Apartments	2005	na	Market Rate	Family	Stabilized								
036	General's Retreat	1985	2012	Market Rate	Family	Stabilized								
037	Gish Flats	1883	2016	Market Rate	Family	Stabilized								
039	Hearthstone Country Apartments	1990	na	Market Rate	Family	Stabilized								
042	Holly Park Apartments	2002	na	Market Rate	Family	Stabilized								
053	Lexington (The) Apartments	1947	na	Market Rate	Family	Stabilized								
056	Lindsay Lofts	1915	2008	Market Rate	Family	Stabilized								
062	Magnolia Square Apartments	2004	na	Market Rate	Family	Stabilized								
063	McGregor Lofts	1891	2013	Market Rate	Family	Stabilized								
064	Moore Investment	2000	na	Market Rate	Family	Stabilized								
071	Parklin Terrace Apartments	1964	2005	Market Rate	Family	Stabilized								
072	Parlor Lofts	1900	2009	Market Rate	Family	Stabilized								
073	Pemberton Lofts Phase 1	1900	2013	Market Rate	Family	Stabilized								
074	Pemberton Lofts Phase 2	1900	2014	Market Rate	Family	Stabilized								
075	Pine Avenue Apartment	2001	na	Market Rate	Family	Stabilized								
078	Redpoint Lofts	1915	2013	Market Rate	Family	Stabilized								
080	Riverlofts North	1895	2013	Market Rate	Family	Stabilized								\$625
081	Riverviews Artspace Rentals	1898	2003	Market Rate	Family	Stabilized								\$675
087	Smith Seed's Lofts	1875	2013	Market Rate	Family	Stabilized								
088	South Main Street	1912	na	Market Rate	Family	Stabilized								
093	University Village at Kenner Korner	2007	na	Market Rate	Family	Stabilized								\$425
095	Valley Pike Townhomes	1995	na	Market Rate	Family	Stabilized								
100	Welch Park Apartments	1950	na	Market Rate	Family	Stabilized								
102	Westend Apartments	1905	2009	Market Rate	Family	Stabilized								
106	Willow Springs Apartments	1976	na	Market Rate	Family	Stabilized								
109	Riverlofts West	1904	2018	Market Rate	Family	Stabilized								\$700

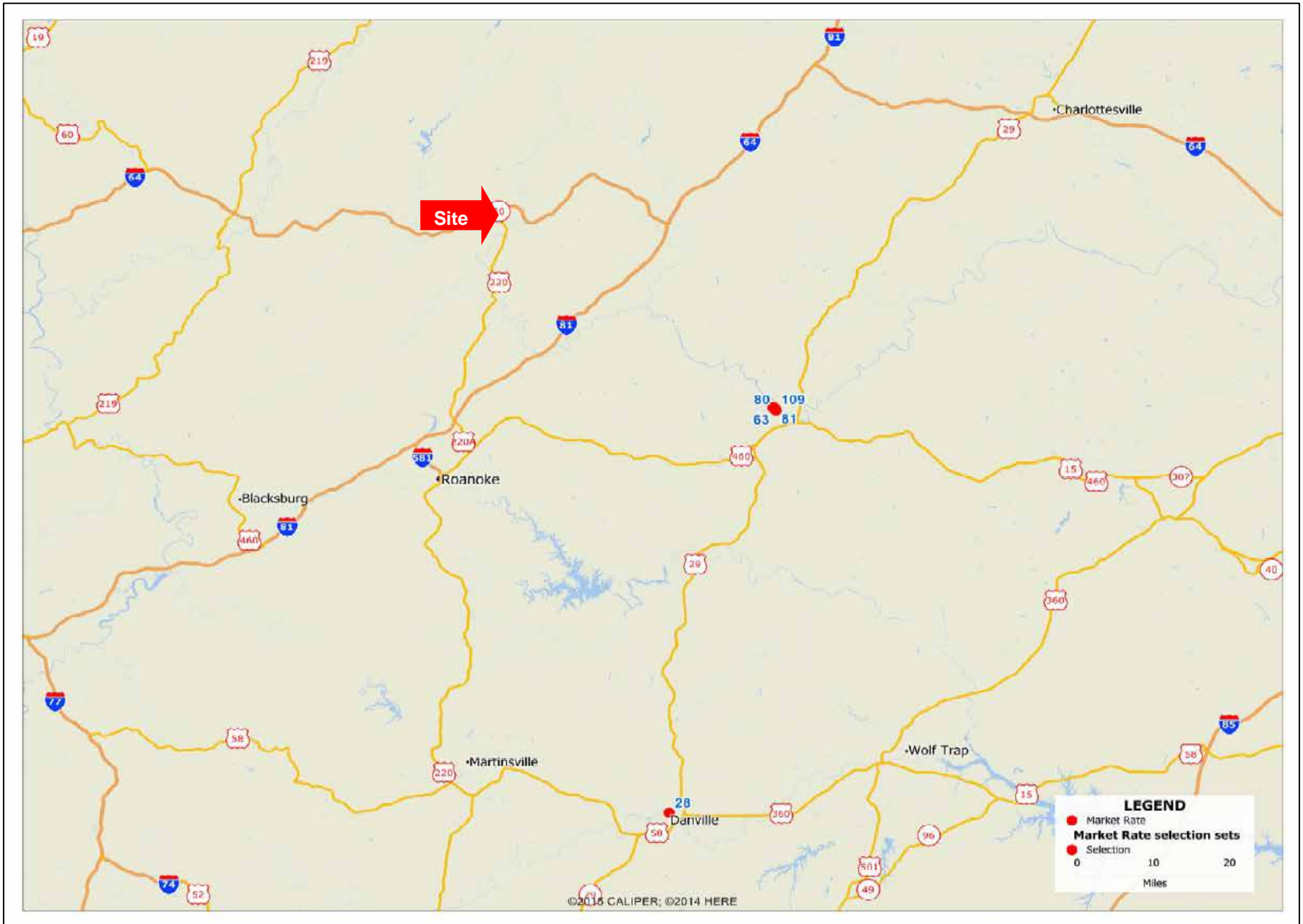
Source: Allen & Associates

Rental Property Inventory, 1-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
001	801 Court Street	1880	na	Market Rate	Family	Stabilized								\$540
006	Books & Company Apartments	1925	na	Market Rate	Family	Stabilized								
009	Burton Condominiums	1920	2008	Market Rate	Family	Stabilized								
013	City Market Lofts	1878	2007	Market Rate	Family	Stabilized								\$875
014	Cliffs Edge Lofts	1910	2012	Market Rate	Family	Stabilized								\$735
020	Continental Lofts	1900	2015	Market Rate	Family	Stabilized								
021	Country Club Apartments	1970	2008	Market Rate	Family	Stabilized								\$475
022	Crestview Apartments	1980	na	Market Rate	Family	Stabilized								
028	Ferrell Lofts	1885	2011	Market Rate	Family	Stabilized								\$824
032	Frye Center (The)	1907	2006	Market Rate	Family	Stabilized								\$756
034	Gayle Smith Apartments	2005	na	Market Rate	Family	Stabilized								\$482
036	General's Retreat	1985	2012	Market Rate	Family	Stabilized								
037	Gish Flats	1883	2016	Market Rate	Family	Stabilized								\$878
039	Hearthstone Country Apartments	1990	na	Market Rate	Family	Stabilized								\$495
042	Holly Park Apartments	2002	na	Market Rate	Family	Stabilized								
053	Lexington (The) Apartments	1947	na	Market Rate	Family	Stabilized								\$505
056	Lindsay Lofts	1915	2008	Market Rate	Family	Stabilized								\$850
062	Magnolia Square Apartments	2004	na	Market Rate	Family	Stabilized								\$875
063	McGregor Lofts	1891	2013	Market Rate	Family	Stabilized								\$825
064	Moore Investment	2000	na	Market Rate	Family	Stabilized								\$425
071	Parklin Terrace Apartments	1964	2005	Market Rate	Family	Stabilized								\$450
072	Parlor Lofts	1900	2009	Market Rate	Family	Stabilized								\$1,450
073	Pemberton Lofts Phase 1	1900	2013	Market Rate	Family	Stabilized								\$975
074	Pemberton Lofts Phase 2	1900	2014	Market Rate	Family	Stabilized								\$975
075	Pine Avenue Apartment	2001	na	Market Rate	Family	Stabilized								
078	Redpoint Lofts	1915	2013	Market Rate	Family	Stabilized								
080	Riverlofts North	1895	2013	Market Rate	Family	Stabilized								\$767
081	Riverviews Artspace Rentals	1898	2003	Market Rate	Family	Stabilized								
087	Smith Seed's Lofts	1875	2013	Market Rate	Family	Stabilized								\$975
088	South Main Street	1912	na	Market Rate	Family	Stabilized								
093	University Village at Kenner Korner	2007	na	Market Rate	Family	Stabilized								\$495
095	Valley Pike Townhomes	1995	na	Market Rate	Family	Stabilized								
100	Welch Park Apartments	1950	na	Market Rate	Family	Stabilized								
102	Westend Apartments	1905	2009	Market Rate	Family	Stabilized								
106	Willow Springs Apartments	1976	na	Market Rate	Family	Stabilized								\$580
109	Riverlofts West	1904	2018	Market Rate	Family	Stabilized								\$755

Source: Allen & Associates





### Rent Adjustments

Our analysis included a property management survey and a technique known as "statistical extraction" to help us identify the best adjustments to use. Statistical extraction, which is similar to the matched pair method, helped us derive the optimal adjustments for our particular data set.

Here's a hypothetical example to illustrate how we derived our rent adjustments. Assume that property managers tell us we should expect rent adjustments ranging from \$0.00 to \$0.50 per square foot for a particular market. Next, assume that we select 25 rent comparables with an adjusted sample standard deviation (a statistical measure of variability) of \$100. We employ a square foot rent adjustment of \$0.10 for each comparable resulting in an adjusted sample standard deviation of \$90. This tells us that the assumed adjustment "explained" some of the variability in the data. We repeat this process for adjustments of \$0.20, \$0.30, \$0.40 and \$0.50 which yielded adjusted sample standard deviations of \$80, \$70, \$65 and \$75, respectively. The \$0.40 square foot adjustment "explains" the most variability because any other adjustment yields a higher adjusted sample standard deviation. Consequently, a \$0.40 rent adjustment is the best adjustment for purposes of this example. This is a simplified example because we actually adjusted for numerous variables simultaneously in our analysis.

Many adjustments (bedroom count, bathroom count and square footage) are highly interrelated. Statistical extraction helped us unravel the interrelationships between these variables. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is superior a "plus" adjustment is made. If the subject is inferior a "minus" adjustment is made.

We used the Excel Solver function to help us with our analysis. The Solver function was programmed to minimize the adjusted standard deviation for our data set. We evaluated a total of 62 variables in 22 categories (AC systems, heating systems, technology, bedrooms, bathrooms, square feet, visibility, access, neighborhood, area amenities, condition, effective age, project amenities, elevator, unit amenities, storage, kitchen amenities, parking, laundry, security, on-site management, on-site maintenance) in an effort to identify the mix of adjustments that explained the most variability found in our raw data.

A discussion of our surveyed and concluded adjustments is found below.

### *Concessions*

The first step in our analysis was to account for any concessions at the subject and the comparables. We considered the advertised street rent and concessions being offered and derived a net rent estimate for each comparable. Net rent, defined as advertised street rent minus monthly concessions, represents the cash rent paid by new residents at the various properties. This is the best measure of market value (prior to any other adjustments) for the comparables included in this analysis.

### *Tenant-Paid Utilities*

The next step in our analysis was to account for differences in tenant-paid utilities between the comparable properties and the subject. We used the HUD Utility Schedule Model to derive our adjustments. The HUD model includes a current utility rate survey for the area. In the event that the tenant-paid utilities associated with a particular property are higher or lower than the subject, adjustments were made to account for the differences. Adjustments reflect the difference between the tenant-paid utilities for the comparable property minus that for the subject.

### *Technology*

We accounted for technology (cable and internet access) offered in the rent for each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per month for cable; internet access was valued at \$45.

Adjustment	Technology		Concluded
	Survey	Range	
Cable	\$0	\$50	\$0
Internet	\$0	\$50	\$45

*Bedrooms*

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$95 per bedroom.

Bedrooms			
Adjustment	Survey Range		Concluded
Bedrooms	\$0	\$200	\$95

*Bathrooms*

Our analysis also included an adjustment for the number of bathrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$100 per bathroom.

Bathrooms			
Adjustment	Survey Range		Concluded
Bathrooms	\$0	\$100	\$100

*Square Feet*

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.20 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.00	\$2.00	\$0.20

*Visibility*

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in visibility ratings between the subject and the comparables.

Visibility			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

*Access*

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in access ratings between the subject and the comparables.

Access			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

*Neighborhood*

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in neighborhood ratings between the subject and the comparables.

Neighborhood			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

*Area Amenities*

We also accounted for area amenities for each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local amenity data (presented earlier in this report), we assigned a local amenity rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$100 per point for differences in amenity ratings between the subject and the comparables.

Area Amenities			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$100

*Median Household Income*

Our analysis also included an adjustment for median household income for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.0035 per dollar of median household income.

Median Household Income			
Adjustment	Survey Range		Concluded
Med HH Inc	\$0.0000	\$0.0100	\$0.0035

*Average Commute*

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$3.00 per each minute of commute.

Average Commute			
Adjustment	Survey Range		Concluded
Avg Commute	\$0.00	\$20.00	\$3.00

*Public Transportation*

Our analysis also included an adjustment for the existence of public transportation within walking distance of each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 for public transportation.

Public Transportation			
Adjustment	Survey Range		Concluded
Public Trans	\$0.00	\$200.00	\$0.00

*Personal Crime*

Our analysis also included an adjustment for personal crime rates for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$50,000	\$0

*Condition*

Our analysis also included an adjustment for the condition of each comparable as compared to the subject property. Based on our field review, we assigned a condition rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$15 per point for differences in condition ratings between the subject and the comparables.

Condition			
Adjustment	Survey Range		Concluded
Rating	\$10	\$50	\$15

*Effective Age*

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$5.00 per year for differences in effective age between the subject and the comparables.

Effective Age			
Adjustment	Survey Range		Concluded
Rating	\$1.00	\$5.00	\$5.00

*Project Amenities*

We considered the presence of various project amenities at the comparables as compared to the subject property. Project amenities include ball fields, BBQ areas, billiards, business/computer centers, car care centers, community centers, elevators, fitness centers, gazebos, hot tubs/Jacuzzis, horseshoe pits, lakes, libraries, movie theatres, picnic areas, playgrounds, pools, saunas, sports courts and walking trails. The survey range and our concluded adjustment for each amenity is summarized below.

Project Amenities			
Adjustment	Survey Range		Concluded
Ball Field	\$2	\$10	\$2
BBQ Area	\$2	\$10	\$2
Billiards	\$2	\$10	\$2
Bus/Comp Ctrs	\$2	\$10	\$2
Car Care Center	\$2	\$10	\$2
Community Center	\$2	\$10	\$10
Elevator	\$10	\$100	\$40
Fitness Center	\$2	\$10	\$2
Gazebo	\$2	\$10	\$2
Hot Tub/Jacuzzi	\$2	\$10	\$2
Horseshoe Pit	\$2	\$10	\$2
Lake	\$2	\$10	\$2
Library	\$2	\$10	\$2
Movie Theatre	\$2	\$10	\$10
Picnic Area	\$2	\$10	\$2
Playground	\$2	\$10	\$2
Pool	\$2	\$10	\$2
Sauna	\$2	\$10	\$2
Sports Court	\$2	\$10	\$2
Walking Trail	\$2	\$10	\$2

*Unit Amenities*

We considered the presence of various unit amenities at the comparables as compared to the subject property. Unit amenities include blinds, ceiling fans, carpeting/upgraded flooring, fireplaces, patios/balconies and storage. The survey range and our concluded adjustment for each amenity is summarized below.

Unit Amenities			
Adjustment	Survey Range		Concluded
Blinds	\$2	\$10	\$2
Ceiling Fans	\$2	\$10	\$2
Carpeting	\$2	\$10	\$2
Fireplace	\$2	\$10	\$2
Patio/Balcony	\$2	\$10	\$2
Storage	\$10	\$50	\$15

*Kitchen Amenities*

We considered the presence of various kitchen amenities at the comparables as compared to the subject property. Kitchen amenities include stoves, refrigerators, disposals, dishwashers and microwaves. The survey range and our concluded adjustment for each amenity is summarized below.

Kitchen Amenities			
Adjustment	Survey Range		Concluded
Stove	\$2	\$10	\$2
Refrigerator	\$2	\$10	\$2
Disposal	\$2	\$10	\$2
Dishwasher	\$2	\$10	\$2
Microwave	\$2	\$10	\$5

### *Parking*

We also adjusted for differing types of parking configurations. We classified parking five ways: (1) Garage, (2) Covered; (3) Assigned, (4) Open and (5) No parking offered. Statistical extraction resulted in an adjustment of \$50 per month for garages; covered parking was valued at \$20; assigned parking was valued at \$10; open parking was valued at \$0; no parking was valued at \$0.

Parking			
Adjustment	Survey Range		Concluded
Garage	\$50	\$200	\$50
Covered	\$20	\$100	\$20
Assigned	\$10	\$50	\$10
Open	\$0	\$0	\$0
None	\$0	\$0	\$0

### *Laundry*

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$15 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$5.

Laundry			
Adjustment	Survey Range		Concluded
Central	\$5	\$25	\$15
W/D Units	\$10	\$50	\$10
W/D Hookups	\$5	\$25	\$5

### *Security*

We considered the presence of various security amenities at the comparables as compared to the subject property. Security amenities include call buttons, controlled access, courtesy officers, monitoring, security alarms and security patrols. The survey range and our concluded adjustment for each amenity is summarized below.

Security			
Adjustment	Survey Range		Concluded
Call Buttons	\$2	\$10	\$2
Controlled Access	\$2	\$10	\$10
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$2
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

**Rent Conclusion, 0BR-1BA-371sf**

The development of our rent conclusion for the 0BR-1BA-371sf units is found below.

Our analysis included the evaluation of a total of 41 unit types found at 7 properties. We selected the 41 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 41 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-02	Alleghany Building Apartments	0BR-1BA-371sf	\$405	\$0	\$405	-	\$0	\$405	-
028-01	Ferrell Lofts	0BR-1BA-537sf	\$740	\$0	\$740	\$408	-\$41	\$699	5
028-02	Ferrell Lofts	1BR-1BA-694sf	\$824	\$0	\$824	\$535	-\$167	\$657	16
028-03	Ferrell Lofts	2BR-1.5BA-1042sf	\$1,225	\$0	\$1,225	\$749	-\$382	\$843	30
028-04	Ferrell Lofts	2BR-1.5BA-1103sf	\$1,225	\$0	\$1,225	\$761	-\$394	\$831	31
028-05	Ferrell Lofts	2BR-2BA-1216sf	\$1,425	\$0	\$1,425	\$834	-\$467	\$958	35
032-01	Frye Center (The)	1BR-1BA-740sf	\$725	\$0	\$725	\$555	\$61	\$786	17
032-02	Frye Center (The)	1BR-1.5BA-740sf	\$850	\$0	\$850	\$605	\$11	\$861	21
032-03	Frye Center (The)	2BR-2BA-1000sf	\$795	\$0	\$795	\$817	-\$171	\$624	32
032-04	Frye Center (The)	2BR-2BA-1000sf	\$1,075	\$0	\$1,075	\$817	-\$171	\$904	32
037-01	Gish Flats	1BR-1BA-747sf	\$875	\$0	\$875	\$439	-\$119	\$756	8
037-02	Gish Flats	1BR-1BA-968sf	\$875	\$0	\$875	\$484	-\$163	\$712	10
037-03	Gish Flats	1BR-1BA-1200sf	\$1,025	\$0	\$1,025	\$530	-\$210	\$815	15
037-04	Gish Flats	2BR-2BA-988sf	\$1,150	\$0	\$1,150	\$698	-\$347	\$803	25
037-05	Gish Flats	2BR-2BA-1048sf	\$1,250	\$0	\$1,250	\$710	-\$359	\$891	27
063-01	McGregor Lofts	1BR-1BA-653sf	\$775	\$0	\$775	\$507	\$2	\$777	12
063-02	McGregor Lofts	1BR-1BA-697sf	\$775	\$0	\$775	\$516	-\$7	\$768	13
063-03	McGregor Lofts	1BR-1BA-704sf	\$775	\$0	\$775	\$517	-\$8	\$767	14
063-04	McGregor Lofts	1BR-1BA-975sf	\$950	\$0	\$950	\$572	-\$62	\$888	18
063-05	McGregor Lofts	2BR-1BA-1007sf	\$950	\$0	\$950	\$688	-\$149	\$801	24
063-06	McGregor Lofts	2BR-1.5BA-1480sf	\$950	\$0	\$950	\$833	-\$293	\$657	34
063-07	McGregor Lofts	2BR-2BA-1447sf	\$1,112	\$0	\$1,112	\$876	-\$337	\$775	36
063-08	McGregor Lofts	2BR-2BA-1486sf	\$1,112	\$0	\$1,112	\$884	-\$344	\$768	37
063-09	McGregor Lofts	2BR-2BA-1525sf	\$1,112	\$0	\$1,112	\$892	-\$352	\$760	38
063-10	McGregor Lofts	2BR-2.5BA-2014sf	\$1,112	\$0	\$1,112	\$1,039	-\$500	\$612	41
063-11	McGregor Lofts	3BR-2BA-1450sf	\$1,300	\$0	\$1,300	\$987	-\$417	\$883	39
063-12	McGregor Lofts	3BR-2BA-1528sf	\$1,400	\$0	\$1,400	\$1,002	-\$433	\$967	40
080-01	Riverlofts North	0BR-1BA-564sf	\$625	\$0	\$625	\$348	\$215	\$840	3
080-02	Riverlofts North	1BR-1BA-580sf	\$650	\$0	\$650	\$452	\$122	\$772	9
080-03	Riverlofts North	1BR-1BA-800sf	\$875	\$0	\$875	\$496	\$78	\$953	11
080-04	Riverlofts North	2BR-1BA-877sf	\$838	\$0	\$838	\$618	-\$21	\$817	22
080-05	Riverlofts North	2BR-1BA-931sf	\$0	\$0	\$0	\$578	-\$82	-\$82	19
080-06	Riverlofts North	2BR-2BA-902sf	\$1,025	\$0	\$1,025	\$723	-\$126	\$899	28
080-07	Riverlofts North	2BR-2BA-945sf	\$1,175	\$0	\$1,175	\$732	-\$134	\$1,041	29
081-01	Riverviews Artspace Rentals	0BR-1BA-550sf	\$675	\$0	\$675	\$372	\$228	\$903	4
109-01	Riverlofts West	0BR-1BA-500sf	\$625	\$0	\$625	\$273	\$169	\$794	1
109-02	Riverlofts West	0BR-1BA-600sf	\$750	\$0	\$750	\$293	\$149	\$899	2
109-03	Riverlofts West	1BR-1BA-700sf	\$650	\$0	\$650	\$415	\$41	\$691	6
109-04	Riverlofts West	1BR-1BA-800sf	\$875	\$0	\$875	\$435	\$21	\$896	7
109-05	Riverlofts West	2BR-1BA-1000sf	\$800	\$0	\$800	\$585	-\$99	\$701	20
109-06	Riverlofts West	2BR-2BA-1000sf	\$1,025	\$0	\$1,025	\$685	-\$199	\$826	23
109-07	Riverlofts West	2BR-2BA-1100sf	\$1,175	\$0	\$1,175	\$705	-\$219	\$956	26

Adjusted Rent, Minimum	-\$82
Adjusted Rent, Maximum	\$1,041
Adjusted Rent, Average	\$792
Adjusted Rent, Modified Average	\$808
 Rent, Concluded	 \$825

Our analysis suggests a rent of \$825 for the 0BR-1BA-371sf units at the subject property.

In our opinion, the 0BR-1BA-500sf units at Riverlofts West (Property # 109), the 0BR-1BA-600sf units at Riverlofts West (Property # 109), the 0BR-1BA-564sf units at Riverlofts North (Property # 080), the 0BR-1BA-550sf units at Riverviews Artspace Rentals (Property # 081), and the 0BR-1BA-537sf units at Ferrell Lofts (Property # 028) are the best comparables for the units at the subject property.



Comparable	Subject	1	2	3	4	5
Property-Unit Key	Sub-02	028-01	080-01	081-01	109-01	109-02
Unit Type	OBR-1BA-371sf	OBR-1BA-537sf	OBR-1BA-564sf	OBR-1BA-550sf	OBR-1BA-500sf	OBR-1BA-600sf
Property Name	Alleghany Building Apartments	Ferrell Lofts	Riverlofts North	Riverviews Artspace Rentals	Riverlofts West	Riverlofts West
Address	511 E Ridgeway Street	533 Main Street	1001 Jefferson Street	901 Jefferson Street	926 Commerce Street	926 Commerce Street
City	Clifton Forge	Danville	Lynchburg	Lynchburg	Lynchburg	Lynchburg
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia
Zip	24422	24541	24504	24504	24504	24504
Latitude	37.81563	36.58717	37.41456	37.41543	37.41466	37.41466
Longitude	-79.82517	-79.39348	-79.14011	-79.14041	-79.14061	-79.14061
Miles to Subject	0.00	73.74	44.95	44.92	44.93	44.93
Year Built	1925	1885	1895	1898	1904	1904
Year Rehab	2018	2011	2013	2003	2018	2018
Project Rent	Restricted	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate
Project Type	Family	Family	Family	Family	Family	Family
Project Status	Prop Rehab	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized
Phone	(540) 862-8430	(434) 797-4008	(434) 515-1314	(434) 847-7277	(434) 515-1314	(434) 515-1314
Effective Date	17-Jul-18	10-Jul-18	06-Jul-18	12-Jul-18	12-Jul-18	12-Jul-18
<b>Project Level</b>						
Units	20	13	59	11	52	52
Vacant Units	1	0	1	0	1	1
Vacancy Rate	5%	0%	2%	0%	2%	2%
<b>Unit Type</b>						
Units	2	2	10	11	2	3
Vacant Units	1	0	0	0	0	0
Vacancy Rate	50%	0%	0%	0%	0%	0%
Street Rent	\$405	\$740	\$625	\$675	\$625	\$750
Concessions	\$0	\$0	\$0	\$0	\$0	\$0
Net Rent	\$405	\$740	\$625	\$675	\$625	\$750
	<b>Adj</b>	<b>Data</b>	<b>Data</b>	<b>Adj</b>	<b>Data</b>	<b>Adj</b>
Tenant-Paid Utilities	TPU	\$0	\$0	\$0	\$34	\$34
Cable	\$0	no	yes	\$0	yes	\$0
Internet	\$45	no	yes	-\$45	no	\$0
Bedrooms	\$95	0	0	\$0	0	\$0
Bathrooms	\$100	1.00	1.00	\$0	1.00	\$0
Square Feet	\$0.20	371	537	-\$33	564	-\$39
Visibility	\$0	3.00	4.00	\$0	3.00	\$0
Access	\$0	3.00	3.00	\$0	3.00	\$0
Neighborhood	\$0	4.10	2.00	\$0	4.00	\$0
Area Amenities	\$100	3.40	4.50	-\$110	2.60	\$80
Median HH Income	\$0.0035	\$48,889	\$10,809	\$133	\$14,118	\$122
Average Commute	\$3	19.44	25.91	\$19	16.39	-\$9
Public Transportation	\$0	na	na	\$0	na	\$0
Personal Crime	\$0	2.3%	17.2%	\$0	24.3%	\$0
Condition	\$15	4.00	4.50	-\$8	4.00	\$0
Effective Age	\$5.00	2008	2010	-\$10	2005	\$15
Ball Field	\$2	no	no	\$0	no	\$0
BBQ Area	\$2	no	no	\$0	no	\$0
Billiards	\$2	no	no	\$0	no	\$0
Bus/Comp Center	\$2	yes	no	\$2	no	\$2
Car Care Center	\$2	no	no	\$0	no	\$0
Community Center	\$10	yes	no	\$10	yes	\$0
Elevator	\$40	yes	yes	\$0	yes	\$0
Fitness Center	\$2	no	yes	-\$2	yes	-\$2
Gazebo	\$2	no	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0
Movie Theatre	\$10	no	no	\$0	yes	-\$10
Picnic Area	\$2	no	no	\$0	no	\$0
Playground	\$2	no	no	\$0	no	\$0
Pool	\$2	no	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0
Ceiling Fans	\$2	no	yes	-\$2	yes	-\$2
Carpeting	\$2	yes	yes	\$0	yes	\$0
Fireplace	\$10	no	no	\$0	no	\$0
Patio/Balcony	\$2	no	some	\$0	no	\$0
Storage	\$15	no	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0
Disposal	\$2	no	no	\$0	no	\$0
Dishwasher	\$2	yes	yes	\$0	yes	\$0
Microwave	\$5	no	yes	-\$5	yes	-\$5
Garage	\$50	no	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	no	\$0
None	\$0	no	no	\$0	yes	\$0
Central	\$15	yes	no	\$15	no	\$15
W/D Units	\$10	no	yes	-\$10	yes	-\$10
W/D Hookups	\$5	no	no	\$0	no	\$0
Call Buttons	\$2	yes	no	\$2	no	\$2
Controlled Access	\$10	yes	yes	\$0	yes	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0
Monitoring	\$2	yes	no	\$2	no	\$2
Security Alarms	\$2	no	no	\$0	no	\$0
Security Patrols	\$2	no	no	\$0	no	\$0
<b>Indicated Rent</b>	<b>\$825</b>	<b>\$699</b>	<b>\$840</b>	<b>\$903</b>	<b>\$794</b>	<b>\$899</b>

**Rent Conclusion, 1BR-1BA-540sf**

The development of our rent conclusion for the 1BR-1BA-540sf units is found below.

Our analysis included the evaluation of a total of 41 unit types found at 7 properties. We selected the 41 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 41 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-11	Alleghany Building Apartments	1BR-1BA-540sf	\$525	\$0	\$525	-	\$0	\$525	-
028-01	Ferrell Lofts	0BR-1BA-537sf	\$740	\$0	\$740	\$471	\$88	\$828	20
028-02	Ferrell Lofts	1BR-1BA-694sf	\$824	\$0	\$824	\$406	-\$39	\$785	13
028-03	Ferrell Lofts	2BR-1.5BA-1042sf	\$1,225	\$0	\$1,225	\$621	-\$253	\$972	30
028-04	Ferrell Lofts	2BR-1.5BA-1103sf	\$1,225	\$0	\$1,225	\$633	-\$265	\$960	31
028-05	Ferrell Lofts	2BR-2BA-1216sf	\$1,425	\$0	\$1,425	\$705	-\$338	\$1,087	35
032-01	Frye Center (The)	1BR-1BA-740sf	\$725	\$0	\$725	\$426	\$190	\$915	15
032-02	Frye Center (The)	1BR-1.5BA-740sf	\$850	\$0	\$850	\$476	\$140	\$990	21
032-03	Frye Center (The)	2BR-2BA-1000sf	\$795	\$0	\$795	\$688	-\$42	\$753	32
032-04	Frye Center (The)	2BR-2BA-1000sf	\$1,075	\$0	\$1,075	\$688	-\$42	\$1,033	32
037-01	Gish Flats	1BR-1BA-747sf	\$875	\$0	\$875	\$311	\$10	\$885	3
037-02	Gish Flats	1BR-1BA-968sf	\$875	\$0	\$875	\$355	-\$34	\$841	7
037-03	Gish Flats	1BR-1BA-1200sf	\$1,025	\$0	\$1,025	\$401	-\$81	\$944	12
037-04	Gish Flats	2BR-2BA-988sf	\$1,150	\$0	\$1,150	\$569	-\$218	\$932	25
037-05	Gish Flats	2BR-2BA-1048sf	\$1,250	\$0	\$1,250	\$581	-\$230	\$1,020	27
063-01	McGregor Lofts	1BR-1BA-653sf	\$775	\$0	\$775	\$378	\$131	\$906	9
063-02	McGregor Lofts	1BR-1BA-697sf	\$775	\$0	\$775	\$387	\$122	\$897	10
063-03	McGregor Lofts	1BR-1BA-704sf	\$775	\$0	\$775	\$389	\$121	\$896	11
063-04	McGregor Lofts	1BR-1BA-975sf	\$950	\$0	\$950	\$443	\$67	\$1,017	17
063-05	McGregor Lofts	2BR-1BA-1007sf	\$950	\$0	\$950	\$559	-\$20	\$930	24
063-06	McGregor Lofts	2BR-1.5BA-1480sf	\$950	\$0	\$950	\$704	-\$164	\$786	34
063-07	McGregor Lofts	2BR-2BA-1447sf	\$1,112	\$0	\$1,112	\$747	-\$208	\$904	36
063-08	McGregor Lofts	2BR-2BA-1486sf	\$1,112	\$0	\$1,112	\$755	-\$216	\$896	37
063-09	McGregor Lofts	2BR-2BA-1525sf	\$1,112	\$0	\$1,112	\$763	-\$223	\$889	38
063-10	McGregor Lofts	2BR-2.5BA-2014sf	\$1,112	\$0	\$1,112	\$911	-\$371	\$741	41
063-11	McGregor Lofts	3BR-2BA-1450sf	\$1,300	\$0	\$1,300	\$858	-\$288	\$1,012	39
063-12	McGregor Lofts	3BR-2BA-1528sf	\$1,400	\$0	\$1,400	\$873	-\$304	\$1,096	40
080-01	Riverlofts North	0BR-1BA-564sf	\$625	\$0	\$625	\$410	\$344	\$969	14
080-02	Riverlofts North	1BR-1BA-580sf	\$650	\$0	\$650	\$323	\$251	\$901	4
080-03	Riverlofts North	1BR-1BA-800sf	\$875	\$0	\$875	\$367	\$207	\$1,082	8
080-04	Riverlofts North	2BR-1BA-877sf	\$838	\$0	\$838	\$489	\$108	\$946	22
080-05	Riverlofts North	2BR-1BA-931sf	\$0	\$0	\$0	\$449	\$46	\$46	18
080-06	Riverlofts North	2BR-2BA-902sf	\$1,025	\$0	\$1,025	\$594	\$3	\$1,028	28
080-07	Riverlofts North	2BR-2BA-945sf	\$1,175	\$0	\$1,175	\$603	-\$5	\$1,170	29
081-01	Riverviews Artspace Rentals	0BR-1BA-550sf	\$675	\$0	\$675	\$433	\$357	\$1,032	16
109-01	Riverlofts West	0BR-1BA-500sf	\$625	\$0	\$625	\$350	\$298	\$923	5
109-02	Riverlofts West	0BR-1BA-600sf	\$750	\$0	\$750	\$354	\$278	\$1,028	6
109-03	Riverlofts West	1BR-1BA-700sf	\$650	\$0	\$650	\$286	\$170	\$820	1
109-04	Riverlofts West	1BR-1BA-800sf	\$875	\$0	\$875	\$306	\$150	\$1,025	2
109-05	Riverlofts West	2BR-1BA-1000sf	\$800	\$0	\$800	\$456	\$30	\$830	19
109-06	Riverlofts West	2BR-2BA-1000sf	\$1,025	\$0	\$1,025	\$556	-\$70	\$955	23
109-07	Riverlofts West	2BR-2BA-1100sf	\$1,175	\$0	\$1,175	\$576	-\$90	\$1,085	26

Adjusted Rent, Minimum	\$46
Adjusted Rent, Maximum	\$1,170
Adjusted Rent, Average	\$921
Adjusted Rent, Modified Average	\$937
Rent, Concluded	\$875

Our analysis suggests a rent of \$875 for the 1BR-1BA-540sf units at the subject property.

In our opinion, the 1BR-1BA-700sf units at Riverlofts West (Property # 109), the 1BR-1BA-747sf units at Gish Flats (Property # 037), the 1BR-1BA-580sf units at Riverlofts North (Property # 080), the 1BR-1BA-653sf units at McGregor Lofts (Property # 063), and the 1BR-1BA-694sf units at Ferrell Lofts (Property # 028) are the best comparables for the units at the subject property.

Comparable	Subject	1	2	3	4	5
Property-Unit Key	Sub-11	028-02	037-01	063-01	080-02	109-03
Unit Type	1BR-1BA-540sf	1BR-1BA-694sf	1BR-1BA-747sf	1BR-1BA-653sf	1BR-1BA-580sf	1BR-1BA-700sf
Property Name	Alleghany Building Apartments	Ferrell Lofts	Gish Flats	McGregor Lofts	Riverlofts North	Riverlofts West
Address	511 E Ridgeway Street	533 Main Street	317 Fifth Steet	922 Main Street	1001 Jefferson Street	926 Commerce Street
City	Clifton Forge	Danville	Lynchburg	Lynchburg	Lynchburg	Lynchburg
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia
Zip	24422	24541	24504	24504	24504	24504
Latitude	37.81563	36.58717	37.41727	37.41416	37.41456	37.41466
Longitude	-79.82517	-79.39348	-79.14686	-79.14168	-79.14011	-79.14061
Miles to Subject	0.00	73.74	44.55	44.89	44.95	44.93
Year Built	1925	1885	1883	1891	1895	1904
Year Rehab	2018	2011	2016	2013	2013	2018
Project Rent	Restricted	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate
Project Type	Family	Family	Family	Family	Family	Family
Project Status	Prop Rehab	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized
Phone	(540) 862-8430	(434) 797-4008	(434) 688-0189	(434) 333-7625	(434) 515-1314	(434) 515-1314
Effective Date	17-Jul-18	10-Jul-18	12-Jul-18	09-Jul-18	06-Jul-18	12-Jul-18
<b>Project Level</b>						
Units	20	13	66	22	59	52
Vacant Units	1	0	3	1	1	1
Vacancy Rate	5%	0%	5%	5%	2%	2%
<b>Unit Type</b>						
Units	2	3	22	1	12	8
Vacant Units	0	0	1	0	1	0
Vacancy Rate	0%	0%	5%	0%	8%	0%
Street Rent	\$525	\$824	\$875	\$775	\$650	\$650
Concessions	\$0	\$0	\$0	\$0	\$0	\$0
Net Rent	\$525	\$824	\$875	\$775	\$650	\$650
	<b>Adj</b>	<b>Data</b>	<b>Data</b>	<b>Adj</b>	<b>Data</b>	<b>Adj</b>
Tenant-Paid Utilities	TPU	\$0	\$0	\$0	\$50	\$50
Cable	\$0	no	yes	\$0	yes	\$0
Internet	\$45	no	yes	-\$45	yes	-\$45
Bedrooms	\$95	1	1	\$0	1	\$0
Bathrooms	\$100	1.00	1.00	\$0	1.00	\$0
Square Feet	\$0.20	540	694	-\$31	747	-\$41
Visibility	\$0	3.00	4.00	\$0	3.50	\$0
Access	\$0	3.00	3.00	\$0	3.50	\$0
Neighborhood	\$0	4.10	2.00	\$0	3.20	\$0
Area Amenities	\$100	3.40	4.50	-\$110	3.40	\$0
Median HH Income	\$0.0035	\$48,889	\$10,809	\$133	\$32,554	\$57
Average Commute	\$3	19.44	25.91	\$19	27.44	\$24
Public Transportation	\$0	na	na	\$0	na	\$0
Personal Crime	\$0	2.3%	17.2%	\$0	29.8%	\$0
Condition	\$15	4.00	4.50	-\$8	4.00	\$0
Effective Age	\$5.00	2008	2010	-\$10	2015	-\$35
Ball Field	\$2	no	no	\$0	no	\$0
BBQ Area	\$2	no	no	\$0	yes	-\$2
Billiards	\$2	no	no	\$0	no	\$0
Bus/Comp Center	\$2	yes	no	\$2	no	\$2
Car Care Center	\$2	no	no	\$0	no	\$0
Community Center	\$10	yes	no	\$10	no	\$10
Elevator	\$40	yes	yes	\$0	yes	\$0
Fitness Center	\$2	no	yes	-\$2	yes	-\$2
Gazebo	\$2	no	no	\$0	yes	-\$2
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0
Movie Theatre	\$10	no	no	\$0	no	\$0
Picnic Area	\$2	no	no	\$0	yes	-\$2
Playground	\$2	no	no	\$0	no	\$0
Pool	\$2	no	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0
Ceiling Fans	\$2	no	yes	-\$2	yes	-\$2
Carpeting	\$2	yes	yes	\$0	yes	\$0
Fireplace	\$10	no	no	\$0	no	\$0
Patio/Balcony	\$2	no	some	\$0	some	\$0
Storage	\$15	no	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0
Disposal	\$2	no	no	\$0	yes	-\$2
Dishwasher	\$2	yes	yes	\$0	yes	\$0
Microwave	\$5	no	yes	-\$5	yes	-\$5
Garage	\$50	no	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0
Central	\$15	yes	no	\$15	no	\$15
W/D Units	\$10	no	yes	-\$10	yes	-\$10
W/D Hookups	\$5	no	no	\$0	no	\$0
Call Buttons	\$2	yes	no	\$2	no	\$2
Controlled Access	\$10	yes	yes	\$0	yes	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0
Monitoring	\$2	yes	no	\$2	yes	\$0
Security Alarms	\$2	no	no	\$0	yes	-\$2
Security Patrols	\$2	no	no	\$0	no	\$0
<b>Indicated Rent</b>	<b>\$875</b>	<b>\$785</b>	<b>\$885</b>	<b>\$906</b>	<b>\$901</b>	<b>\$820</b>

### Unrestricted Market Rent Conclusion

Based on our evaluation of the rents at the select comparable properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were an unrestricted property:

Unrestricted Market Rent Conclusion						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market	Proposed	Advantage
0BR-1BA-290sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$825	\$405	50.9%
0BR-1BA-371sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$825	\$405	50.9%
1BR-1BA-474sf / 40% of AMI / 40% of AMI	Yes	Yes	1	\$875	\$434	50.4%
1BR-1BA-474sf / 50% of AMI / 50% of AMI	Yes	No	1	\$875	\$525	40.0%
1BR-1BA-479sf / 50% of AMI / 50% of AMI	Yes	No	2	\$875	\$525	40.0%
1BR-1BA-527sf / 50% of AMI / 50% of AMI	Yes	No	2	\$875	\$525	40.0%
1BR-1BA-447sf / 60% of AMI / 60% of AMI	No	No	2	\$875	\$525	40.0%
1BR-1BA-453sf / 60% of AMI / 60% of AMI	No	No	2	\$875	\$525	40.0%
1BR-1BA-462sf / 60% of AMI / 60% of AMI	No	No	2	\$875	\$525	40.0%
1BR-1BA-519sf / 60% of AMI / 60% of AMI	No	No	2	\$875	\$525	40.0%
1BR-1BA-540sf / 60% of AMI / 60% of AMI	No	No	2	\$875	\$525	40.0%
Total / Average			20	\$865	\$496	42.6%

Our analysis suggests an average unrestricted market rent of \$865 for the subject property. This is compared with an average proposed rent of \$496, yielding an unrestricted market rent advantage of 42.6 percent. Overall, the subject property appears to be priced at or below unrestricted market rents for the area.

We selected a total of 7 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 97 percent.

Occupancy rates for the selected rent comparables are broken out below:

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								100%
1-Bedroom								97%
2-Bedroom								
3-Bedroom								
4-Bedroom								
Total								97%

Occupancy rates for all stabilized market area properties are broken out below:

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom					75%			
1-Bedroom	100%			100%	95%	100%		100%
2-Bedroom	100%				96%	100%		100%
3-Bedroom	100%				100%			100%
4-Bedroom								
Total	100%			100%	96%	100%		100%

HUD conducts an annual rent survey to derive Fair Market Rent estimates for an area. Based on this, 2-bedroom rents for the area grew from \$557 to \$633 since 2009. This represents an average 1.7% annual increase over this period.

Fair market rent data for the area is found below:

Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2005	\$383	\$460	\$559	-	-	-
2006	\$402	\$483	\$587	5.0%	5.0%	5.0%
2007	\$418	\$502	\$610	4.0%	3.9%	3.9%
2008	\$446	\$535	\$650	6.7%	6.6%	6.6%
2009	\$464	\$557	\$677	4.0%	4.1%	4.2%
2010	\$476	\$571	\$694	2.6%	2.5%	2.5%
2011	\$490	\$588	\$714	2.9%	3.0%	2.9%
2012	\$451	\$541	\$657	-8.0%	-8.0%	-8.0%
2013	\$509	\$626	\$922	12.9%	15.7%	40.3%
2014	\$502	\$617	\$909	-1.4%	-1.4%	-1.4%
2015	\$548	\$674	\$993	9.2%	9.2%	9.2%
2016	\$537	\$658	\$899	-2.0%	-2.4%	-9.5%
2017	\$509	\$633	\$869	-5.2%	-3.8%	-3.3%

Source: HUD

## **Restricted Rent Analysis**

In this section we develop a restricted market rent conclusion and an achievable rent conclusion for the subject property units. Our analysis began by selecting comparable rentals to use to develop estimates of market rents for the units at the subject property, assuming that the subject was a restricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

### Rental Property Inventory, by Unit Type

In the following pages we present an inventory of properties included in this analysis. Rents for these properties, broken out by unit type, were used in selecting the rent comparables used in this analysis.

The properties that we consider to be comparable to the subject property are highlighted in the tables found in the following pages. We attempted to select stabilized restricted rent properties as comparables for purposes of our rent comparability analysis.

Comparables with market rents are used when a sufficient number of restricted rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

### Rent Comparables, Restricted Rent, Map

A map showing the location of the properties selected as comparables in this analysis is found in the following pages. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the select rent comparables are found in the Appendix to this report.

### Rent Comparability Grids

Our analysis employed the use of rent comparability grids and resulted in a restricted market rent estimate for each of the subject's unit types. These grids and a narrative describing our rent adjustments are found in the following pages.

Rental Property Inventory, 0-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
002	Alleghany Building Apartments	1925	1998	Restricted	Family	Stabilized					\$415			
011	Cedar Forest Apartments	2002	na	Restricted	Family	Stabilized								
012	Central City Homes	1900	2005	Restricted	Family	Stabilized								
019	College Hill Homes	1935	2002	Restricted	Family	Stabilized								
023	Dan River Crossing Apartments	1895	2004	Restricted	Elderly	Stabilized				\$373				
038	Green Hills Apartments	1985	na	Restricted	Family	Stabilized								
041	Hilltop Homes	1910	2010	Restricted	Family	Stabilized								
043	Hunt Ridge Apartments Phase 1	2007	na	Restricted	Family	Stabilized								
044	Hunt Ridge Apartments Phase 2	2007	na	Restricted	Family	Stabilized								
049	Jobbers Overall Apartments	1920	2012	Restricted	Family	Stabilized								
050	Kemper Lofts	1925	2010	Restricted	Family	Stabilized								
057	Lovingston Ridge Apartments	1993	na	Restricted	Family	Stabilized								
059	Lynchburg High Apartments	1910	2010	Restricted	Family	Stabilized								
060	Lynn Street Lofts	1930	2008	Restricted	Family	Stabilized								
065	Mountain Crest Apartments	2007	na	Restricted	Elderly	Stabilized								
083	Schoolfield Senior Apartments	1926	2010	Restricted	Elderly	Stabilized								
090	Tinbridge Manor Apartments	1912	2002	Restricted	Elderly	Stabilized								
103	Westmoreland Senior Apartments	1926	2010	Restricted	Elderly	Stabilized								
104	Willow Branch Apartments	1985	2000	Restricted	Family	Stabilized								
107	Windemere Apartments	1994	na	Restricted	Elderly	Stabilized								

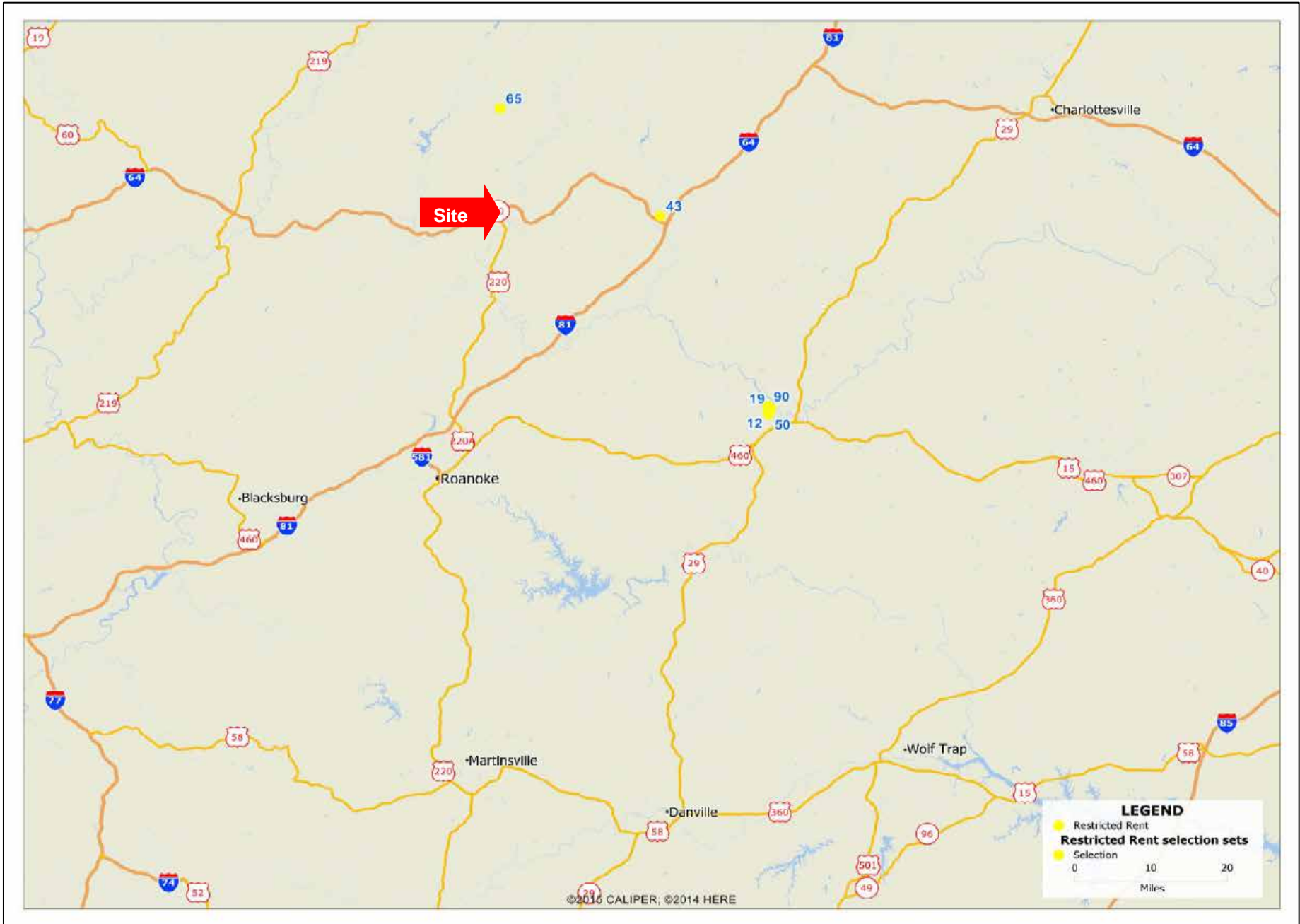
Source: Allen & Associates



Rental Property Inventory, 1-Bedroom Units

Overview						Rents								
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
002	Alleghany Building Apartments	1925	1998	Restricted	Family	Stabilized					\$509	\$545		
011	Cedar Forest Apartments	2002	na	Restricted	Family	Stabilized								
012	Central City Homes	1900	2005	Restricted	Family	Stabilized					\$450			
019	College Hill Homes	1935	2002	Restricted	Family	Stabilized					\$425			
023	Dan River Crossing Apartments	1895	2004	Restricted	Elderly	Stabilized				\$399	\$500			\$735
038	Green Hills Apartments	1985	na	Restricted	Family	Stabilized							\$407	
041	Hilltop Homes	1910	2010	Restricted	Family	Stabilized								
043	Hunt Ridge Apartments Phase 1	2007	na	Restricted	Family	Stabilized							\$565	
044	Hunt Ridge Apartments Phase 2	2007	na	Restricted	Family	Stabilized								
049	Jobbers Overall Apartments	1920	2012	Restricted	Family	Stabilized								
050	Kemper Lofts	1925	2010	Restricted	Family	Stabilized				\$373	\$499	\$585		
057	Lovingston Ridge Apartments	1993	na	Restricted	Family	Stabilized	\$405						\$522	
059	Lynchburg High Apartments	1910	2010	Restricted	Family	Stabilized	\$819							
060	Lynn Street Lofts	1930	2008	Restricted	Family	Stabilized								
065	Mountain Crest Apartments	2007	na	Restricted	Elderly	Stabilized				\$340	\$432	\$512		
083	Schoolfield Senior Apartments	1926	2010	Restricted	Elderly	Stabilized	\$439						\$397	
090	Tinbridge Manor Apartments	1912	2002	Restricted	Elderly	Stabilized					\$446			
103	Westmoreland Senior Apartments	1926	2010	Restricted	Elderly	Stabilized	\$440						\$397	
104	Willow Branch Apartments	1985	2000	Restricted	Family	Stabilized							\$431	
107	Windemere Apartments	1994	na	Restricted	Elderly	Stabilized	\$580							\$580

Source: Allen & Associates



### Rent Adjustments

Our analysis included a property management survey and a technique known as "statistical extraction" to help us identify the best adjustments to use. Statistical extraction, which is similar to the matched pair method, helped us derive the optimal adjustments for our particular data set.

Here's a hypothetical example to illustrate how we derived our rent adjustments. Assume that property managers tell us we should expect rent adjustments ranging from \$0.00 to \$0.50 per square foot for a particular market. Next, assume that we select 25 rent comparables with an adjusted sample standard deviation (a statistical measure of variability) of \$100. We employ a square foot rent adjustment of \$0.10 for each comparable resulting in an adjusted sample standard deviation of \$90. This tells us that the assumed adjustment "explained" some of the variability in the data. We repeat this process for adjustments of \$0.20, \$0.30, \$0.40 and \$0.50 which yielded adjusted sample standard deviations of \$80, \$70, \$65 and \$75, respectively. The \$0.40 square foot adjustment "explains" the most variability because any other adjustment yields a higher adjusted sample standard deviation. Consequently, a \$0.40 rent adjustment is the best adjustment for purposes of this example. This is a simplified example because we actually adjusted for numerous variables simultaneously in our analysis.

Many adjustments (bedroom count, bathroom count and square footage) are highly interrelated. Statistical extraction helped us unravel the interrelationships between these variables. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is superior a "plus" adjustment is made. If the subject is inferior a "minus" adjustment is made.

We used the Excel Solver function to help us with our analysis. The Solver function was programmed to minimize the adjusted standard deviation for our data set. We evaluated a total of 62 variables in 22 categories (AC systems, heating systems, technology, bedrooms, bathrooms, square feet, visibility, access, neighborhood, area amenities, condition, effective age, project amenities, elevator, unit amenities, storage, kitchen amenities, parking, laundry, security, on-site management, on-site maintenance) in an effort to identify the mix of adjustments that explained the most variability found in our raw data.

A discussion of our surveyed and concluded adjustments is found below.

### *Concessions*

The first step in our analysis was to account for any concessions at the subject and the comparables. We considered the advertised street rent and concessions being offered and derived a net rent estimate for each comparable. Net rent, defined as advertised street rent minus monthly concessions, represents the cash rent paid by new residents at the various properties. This is the best measure of market value (prior to any other adjustments) for the comparables included in this analysis.

### *Tenant-Paid Utilities*

The next step in our analysis was to account for differences in tenant-paid utilities between the comparable properties and the subject. We used the HUD Utility Schedule Model to derive our adjustments. The HUD model includes a current utility rate survey for the area. In the event that the tenant-paid utilities associated with a particular property are higher or lower than the subject, adjustments were made to account for the differences. Adjustments reflect the difference between the tenant-paid utilities for the comparable property minus that for the subject.

### *Technology*

We accounted for technology (cable and internet access) offered in the rent for each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per month for cable; internet access was valued at \$0.

Adjustment	Technology		Concluded
	Survey	Range	
Cable	\$0	\$50	\$0
Internet	\$0	\$50	\$0

*Bedrooms*

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per bedroom.

Bedrooms			
Adjustment	Survey Range		Concluded
Bedrooms	\$0	\$200	\$0

*Bathrooms*

Our analysis also included an adjustment for the number of bathrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per bathroom.

Bathrooms			
Adjustment	Survey Range		Concluded
Bathrooms	\$0	\$100	\$0

*Square Feet*

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.20 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.00	\$2.00	\$0.20

*Visibility*

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in visibility ratings between the subject and the comparables.

Visibility			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

*Access*

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in access ratings between the subject and the comparables.

Access			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

*Neighborhood*

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in neighborhood ratings between the subject and the comparables.

Neighborhood			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

*Area Amenities*

We also accounted for area amenities for each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local amenity data (presented earlier in this report), we assigned a local amenity rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in amenity ratings between the subject and the comparables.

Area Amenities			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

*Median Household Income*

Our analysis also included an adjustment for median household income for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.0000 per dollar of median household income.

Median Household Income			
Adjustment	Survey Range		Concluded
Med HH Inc	\$0.0000	\$0.0100	\$0.0000

*Average Commute*

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$2.00 per each minute of commute.

Average Commute			
Adjustment	Survey Range		Concluded
Avg Commute	\$0.00	\$20.00	\$2.00

*Public Transportation*

Our analysis also included an adjustment for the existence of public transportation within walking distance of each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 for public transportation.

Public Transportation			
Adjustment	Survey Range		Concluded
Public Trans	\$0.00	\$200.00	\$0.00

*Personal Crime*

Our analysis also included an adjustment for personal crime rates for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$50,000	\$0

*Condition*

Our analysis also included an adjustment for the condition of each comparable as compared to the subject property. Based on our field review, we assigned a condition rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$10 per point for differences in condition ratings between the subject and the comparables.

Condition			
Adjustment	Survey Range		Concluded
Rating	\$10	\$50	\$10

*Effective Age*

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$5.00 per year for differences in effective age between the subject and the comparables.

Effective Age			
Adjustment	Survey Range		Concluded
Rating	\$1.00	\$5.00	\$5.00

*Project Amenities*

We considered the presence of various project amenities at the comparables as compared to the subject property. Project amenities include ball fields, BBQ areas, billiards, business/computer centers, car care centers, community centers, elevators, fitness centers, gazebos, hot tubs/Jacuzzis, horseshoe pits, lakes, libraries, movie theatres, picnic areas, playgrounds, pools, saunas, sports courts and walking trails. The survey range and our concluded adjustment for each amenity is summarized below.

Project Amenities			
Adjustment	Survey Range		Concluded
Ball Field	\$2	\$10	\$2
BBQ Area	\$2	\$10	\$2
Billiards	\$2	\$10	\$2
Bus/Comp Ctrs	\$2	\$10	\$3
Car Care Center	\$2	\$10	\$2
Community Center	\$2	\$10	\$3
Elevator	\$10	\$100	\$10
Fitness Center	\$2	\$10	\$3
Gazebo	\$2	\$10	\$2
Hot Tub/Jacuzzi	\$2	\$10	\$2
Horseshoe Pit	\$2	\$10	\$2
Lake	\$2	\$10	\$2
Library	\$2	\$10	\$2
Movie Theatre	\$2	\$10	\$2
Picnic Area	\$2	\$10	\$2
Playground	\$2	\$10	\$3
Pool	\$2	\$10	\$2
Sauna	\$2	\$10	\$2
Sports Court	\$2	\$10	\$2
Walking Trail	\$2	\$10	\$2

*Unit Amenities*

We considered the presence of various unit amenities at the comparables as compared to the subject property. Unit amenities include blinds, ceiling fans, carpeting/upgraded flooring, fireplaces, patios/balconies and storage. The survey range and our concluded adjustment for each amenity is summarized below.

Unit Amenities			
Adjustment	Survey Range		Concluded
Blinds	\$2	\$10	\$2
Ceiling Fans	\$2	\$10	\$3
Carpeting	\$2	\$10	\$2
Fireplace	\$2	\$10	\$2
Patio/Balcony	\$2	\$10	\$2
Storage	\$10	\$50	\$10

*Kitchen Amenities*

We considered the presence of various kitchen amenities at the comparables as compared to the subject property. Kitchen amenities include stoves, refrigerators, disposals, dishwashers and microwaves. The survey range and our concluded adjustment for each amenity is summarized below.

Kitchen Amenities			
Adjustment	Survey Range		Concluded
Stove	\$2	\$10	\$2
Refrigerator	\$2	\$10	\$2
Disposal	\$2	\$10	\$2
Dishwasher	\$2	\$10	\$2
Microwave	\$2	\$10	\$2

### *Parking*

We also adjusted for differing types of parking configurations. We classified parking five ways: (1) Garage, (2) Covered; (3) Assigned, (4) Open and (5) No parking offered. Statistical extraction resulted in an adjustment of \$50 per month for garages; covered parking was valued at \$20; assigned parking was valued at \$10; open parking was valued at \$0; no parking was valued at \$0.

Parking			
Adjustment	Survey Range		Concluded
Garage	\$50	\$200	\$50
Covered	\$20	\$100	\$20
Assigned	\$10	\$50	\$10
Open	\$0	\$0	\$0
None	\$0	\$0	\$0

### *Laundry*

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$5 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$5.

Laundry			
Adjustment	Survey Range		Concluded
Central	\$5	\$25	\$5
W/D Units	\$10	\$50	\$10
W/D Hookups	\$5	\$25	\$5

### *Security*

We considered the presence of various security amenities at the comparables as compared to the subject property. Security amenities include call buttons, controlled access, courtesy officers, monitoring, security alarms and security patrols. The survey range and our concluded adjustment for each amenity is summarized below.

Security			
Adjustment	Survey Range		Concluded
Call Buttons	\$2	\$10	\$2
Controlled Access	\$2	\$10	\$3
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$3
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

Rent Conclusion, 0BR-1BA-371sf

The development of our rent conclusion for the 0BR-1BA-371sf units is found below.

Our analysis included the evaluation of a total of 27 unit types found at 6 properties. We selected the 27 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 27 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-02	Alleghany Building Apartments	0BR-1BA-371sf	\$405	\$0	\$405	-	\$0	\$405	-
012-01	Central City Homes	1BR-1BA-844sf	\$450	\$0	\$450	\$274	\$61	\$511	9
012-03	Central City Homes	2BR-1.5BA-911sf	\$490	\$0	\$490	\$303	\$63	\$553	17
012-05	Central City Homes	3BR-2BA-1067sf	\$580	\$0	\$580	\$349	\$46	\$626	19
012-06	Central City Homes	4BR-2BA-1540sf	\$625	\$0	\$625	\$457	-\$34	\$591	25
019-01	College Hill Homes	1BR-1BA-801sf	\$425	\$0	\$425	\$288	\$80	\$505	14
019-02	College Hill Homes	2BR-1.5BA-987sf	\$450	\$0	\$450	\$340	\$58	\$508	18
019-03	College Hill Homes	3BR-2BA-1509sf	\$525	\$0	\$525	\$459	-\$31	\$494	26
019-04	College Hill Homes	4BR-2BA-1840sf	\$605	\$0	\$605	\$539	-\$83	\$522	27
043-01	Hunt Ridge Apartments Phase 1	1BR-1BA-899sf	\$565	\$0	\$565	\$220	-\$63	\$502	3
043-02	Hunt Ridge Apartments Phase 1	2BR-1.5BA-1115sf	\$650	\$0	\$650	\$291	-\$78	\$572	15
043-03	Hunt Ridge Apartments Phase 1	3BR-2BA-1336sf	\$740	\$0	\$740	\$355	-\$102	\$638	24
050-04	Kemper Lofts	1BR-1BA-700sf	\$525	\$0	\$525	\$222	\$73	\$598	4
050-05	Kemper Lofts	1BR-1BA-700sf	\$600	\$0	\$600	\$222	\$73	\$673	4
050-09	Kemper Lofts	2BR-1.5BA-917sf	\$610	\$0	\$610	\$286	\$49	\$659	10
050-10	Kemper Lofts	2BR-1.5BA-917sf	\$635	\$0	\$635	\$286	\$49	\$684	10
050-11	Kemper Lofts	2BR-1.5BA-917sf	\$645	\$0	\$645	\$286	\$49	\$694	10
050-12	Kemper Lofts	2BR-1.5BA-917sf	\$702	\$0	\$702	\$286	\$49	\$751	10
050-15	Kemper Lofts	3BR-2BA-1100sf	\$699	\$0	\$699	\$352	\$43	\$742	20
050-16	Kemper Lofts	3BR-2BA-1100sf	\$735	\$0	\$735	\$352	\$43	\$778	20
050-17	Kemper Lofts	3BR-2BA-1100sf	\$738	\$0	\$738	\$352	\$43	\$781	20
050-18	Kemper Lofts	3BR-2BA-1100sf	\$792	\$0	\$792	\$352	\$43	\$835	20
065-03	Mountain Crest Apartments	1BR-1BA-764sf	\$512	\$0	\$512	\$242	\$17	\$529	8
065-05	Mountain Crest Apartments	2BR-1BA-945sf	\$597	\$0	\$597	\$293	-\$5	\$592	16
090-01	Tinbridge Manor Apartments	1BR-1BA-513sf	\$425	\$0	\$425	\$191	\$97	\$522	1
090-02	Tinbridge Manor Apartments	1BR-1BA-600sf	\$467	\$0	\$467	\$209	\$79	\$546	2
090-03	Tinbridge Manor Apartments	2BR-1BA-630sf	\$519	\$0	\$519	\$230	\$88	\$607	6
090-04	Tinbridge Manor Apartments	2BR-1.5BA-630sf	\$530	\$0	\$530	\$230	\$88	\$618	6

Adjusted Rent, Minimum	\$494
Adjusted Rent, Maximum	\$835
Adjusted Rent, Average	\$616
Adjusted Rent, Modified Average	\$612
Rent, Concluded	\$525



Our analysis suggests a rent of \$525 for the 0BR-1BA-371sf units at the subject property.

In our opinion, the 1BR-1BA-513sf units at Tinbridge Manor Apartments (Property # 090), the 1BR-1BA-899sf units at Hunt Ridge Apartments Phase 1 (Property # 043), the 1BR-1BA-700sf units at Kemper Lofts (Property # 050), the 1BR-1BA-764sf units at Mountain Crest Apartments (Property # 065), and the 1BR-1BA-844sf units at Central City Homes (Property # 012) are the best comparables for the units at the subject property.

Comparable	Subject	1	2	3	4	5
Property-Unit Key	Sub-02	012-01	043-01	050-04	065-03	090-01
Unit Type	0BR-1BA-371sf	1BR-1BA-844sf	1BR-1BA-899sf	1BR-1BA-700sf	1BR-1BA-764sf	1BR-1BA-513sf
Property Name	Alleghany Building Apartments	Central City Homes	Hunt Ridge Apartments Phase 1	Kemper Lofts	Mountain Crest Apartments	Tinbridge Manor Apartments
Address	511 E Ridgeway Street	717 Madison Street	5 Canter Lane	1401 Kemper Street	120 Spring Mountain Road	701 Hollins Street
City	Clifton Forge	Lynchburg	Lexington	Lynchburg	Hot Springs	Lynchburg
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia
Zip	24422	24504	24450	24501	24445	24504
Latitude	37.81563	37.40558	37.81017	37.40253	38.03164	37.41981
Longitude	-79.82517	-79.15446	-79.41165	-79.15325	-79.79334	-79.15505
Miles to Subject	0.00	44.52	23.42	44.67	12.36	44.07
Year Built	1925	1900	2007	1925	2007	1912
Year Rehab	2018	2005	na	2010	na	2002
Project Rent	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted
Project Type	Family	Family	Family	Family	Elderly	Elderly
Project Status	Prop Rehab	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized
Phone	(540) 862-8430	(434) 845-2822	(540) 462-3785	(434) 528-4956	(540) 839-2955	(434) 845-4990
Effective Date	17-Jul-18	03-Jul-18	06-Jul-18	01-May-18	17-Jul-18	10-Jul-18
<b>Project Level</b>						
Units	20	37	46	41	28	56
Vacant Units	1	0	0	6	2	0
Vacancy Rate	5%	0%	0%	15%	7%	0%
<b>Unit Type</b>						
Units	2	9	8	1	6	25
Vacant Units	1	0	0	0	0	0
Vacancy Rate	50%	0%	0%	0%	0%	0%
Street Rent	\$405	\$450	\$565	\$525	\$512	\$425
Concessions	\$0	\$0	\$0	\$0	\$0	\$0
Net Rent	\$405	\$450	\$565	\$525	\$512	\$425
	<b>Adj</b>	<b>Data</b>	<b>Data</b>	<b>Adj</b>	<b>Data</b>	<b>Adj</b>
Tenant-Paid Utilities	TPU	\$0	\$50	\$50	\$58	\$58
Cable	\$0	no	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0
Bedrooms	\$0	0	1	\$0	1	\$0
Bathrooms	\$0	1.00	1.00	\$0	1.00	\$0
Square Feet	\$0.20	371	844	-\$95	899	-\$106
Visibility	\$0	3.00	2.50	\$0	2.25	\$0
Access	\$0	3.00	2.50	\$0	2.25	\$0
Neighborhood	\$0	4.10	3.00	\$0	4.50	\$0
Area Amenities	\$0	3.40	3.90	\$0	2.50	\$0
Median HH Income	\$0.0000	\$48,889	\$28,681	\$0	\$35,369	\$0
Average Commute	\$2	19.44	26.25	\$14	15.24	-\$8
Public Transportation	\$0	na	na	\$0	na	\$0
Personal Crime	\$0	2.3%	9.3%	\$0	0.6%	\$0
Condition	\$10	4.00	3.00	\$10	3.75	\$3
Effective Age	\$5.00	2008	1995	\$65	2010	-\$10
Ball Field	\$2	no	no	\$0	no	\$0
BBQ Area	\$2	no	no	\$0	no	\$0
Billiards	\$2	no	no	\$0	no	\$0
Bus/Comp Center	\$3	yes	no	\$3	no	\$3
Car Care Center	\$2	no	no	\$0	no	\$0
Community Center	\$3	yes	no	\$3	yes	\$0
Elevator	\$10	yes	no	\$10	no	\$10
Fitness Center	\$3	no	no	\$0	yes	-\$3
Gazebo	\$2	no	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0
Picnic Area	\$2	no	no	\$0	no	\$0
Playground	\$3	no	no	\$0	yes	-\$3
Pool	\$2	no	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0
Ceiling Fans	\$3	no	no	\$0	no	\$0
Carpeting	\$2	yes	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0
Patio/Balcony	\$2	no	no	\$0	yes	-\$2
Storage	\$10	no	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0
Disposal	\$2	no	yes	-\$2	no	\$0
Dishwasher	\$2	yes	yes	\$0	yes	\$0
Microwave	\$2	no	no	\$0	yes	-\$2
Garage	\$50	no	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0
Central	\$5	yes	no	\$5	yes	\$0
W/D Units	\$10	no	yes	-\$10	no	\$0
W/D Hookups	\$5	no	no	\$0	yes	-\$5
Call Buttons	\$2	yes	no	\$2	no	\$2
Controlled Access	\$3	yes	no	\$3	no	\$3
Courtesy Officer	\$2	no	no	\$0	no	\$0
Monitoring	\$3	yes	no	\$3	yes	\$0
Security Alarms	\$2	no	no	\$0	no	\$0
Security Patrols	\$2	no	no	\$0	no	\$0
<b>Indicated Rent</b>	<b>\$525</b>	<b>\$511</b>	<b>\$502</b>	<b>\$598</b>	<b>\$529</b>	<b>\$522</b>

Rent Conclusion, 1BR-1BA-540sf

The development of our rent conclusion for the 1BR-1BA-540sf units is found below.

Our analysis included the evaluation of a total of 27 unit types found at 6 properties. We selected the 27 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 27 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader’s reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-11	Alleghany Building Apartments	1BR-1BA-540sf	\$525	\$0	\$525	-	\$0	\$525	-
012-01	Central City Homes	1BR-1BA-844sf	\$450	\$0	\$450	\$240	\$95	\$545	9
012-03	Central City Homes	2BR-1.5BA-911sf	\$490	\$0	\$490	\$269	\$96	\$586	17
012-05	Central City Homes	3BR-2BA-1067sf	\$580	\$0	\$580	\$315	\$80	\$660	19
012-06	Central City Homes	4BR-2BA-1540sf	\$625	\$0	\$625	\$424	\$0	\$625	25
019-01	College Hill Homes	1BR-1BA-801sf	\$425	\$0	\$425	\$254	\$114	\$539	14
019-02	College Hill Homes	2BR-1.5BA-987sf	\$450	\$0	\$450	\$306	\$92	\$542	18
019-03	College Hill Homes	3BR-2BA-1509sf	\$525	\$0	\$525	\$425	\$3	\$528	26
019-04	College Hill Homes	4BR-2BA-1840sf	\$605	\$0	\$605	\$506	-\$50	\$555	27
043-01	Hunt Ridge Apartments Phase 1	1BR-1BA-899sf	\$565	\$0	\$565	\$186	-\$29	\$536	3
043-02	Hunt Ridge Apartments Phase 1	2BR-1.5BA-1115sf	\$650	\$0	\$650	\$257	-\$44	\$606	15
043-03	Hunt Ridge Apartments Phase 1	3BR-2BA-1336sf	\$740	\$0	\$740	\$321	-\$68	\$672	24
050-04	Kemper Lofts	1BR-1BA-700sf	\$525	\$0	\$525	\$188	\$106	\$631	4
050-05	Kemper Lofts	1BR-1BA-700sf	\$600	\$0	\$600	\$188	\$106	\$706	4
050-09	Kemper Lofts	2BR-1.5BA-917sf	\$610	\$0	\$610	\$252	\$83	\$693	10
050-10	Kemper Lofts	2BR-1.5BA-917sf	\$635	\$0	\$635	\$252	\$83	\$718	10
050-11	Kemper Lofts	2BR-1.5BA-917sf	\$645	\$0	\$645	\$252	\$83	\$728	10
050-12	Kemper Lofts	2BR-1.5BA-917sf	\$702	\$0	\$702	\$252	\$83	\$785	10
050-15	Kemper Lofts	3BR-2BA-1100sf	\$699	\$0	\$699	\$318	\$76	\$775	20
050-16	Kemper Lofts	3BR-2BA-1100sf	\$735	\$0	\$735	\$318	\$76	\$811	20
050-17	Kemper Lofts	3BR-2BA-1100sf	\$738	\$0	\$738	\$318	\$76	\$814	20
050-18	Kemper Lofts	3BR-2BA-1100sf	\$792	\$0	\$792	\$318	\$76	\$868	20
065-03	Mountain Crest Apartments	1BR-1BA-764sf	\$512	\$0	\$512	\$208	\$50	\$562	8
065-05	Mountain Crest Apartments	2BR-1BA-945sf	\$597	\$0	\$597	\$259	\$29	\$626	16
090-01	Tinbridge Manor Apartments	1BR-1BA-513sf	\$425	\$0	\$425	\$168	\$130	\$555	1
090-02	Tinbridge Manor Apartments	1BR-1BA-600sf	\$467	\$0	\$467	\$175	\$113	\$580	2
090-03	Tinbridge Manor Apartments	2BR-1BA-630sf	\$519	\$0	\$519	\$196	\$122	\$641	6
090-04	Tinbridge Manor Apartments	2BR-1.5BA-630sf	\$530	\$0	\$530	\$196	\$122	\$652	6

Adjusted Rent, Minimum	\$528
Adjusted Rent, Maximum	\$868
Adjusted Rent, Average	\$650
Adjusted Rent, Modified Average	\$646
Rent, Concluded	\$565

Our analysis suggests a rent of \$565 for the 1BR-1BA-540sf units at the subject property.

In our opinion, the 1BR-1BA-513sf units at Tinbridge Manor Apartments (Property # 090), the 1BR-1BA-899sf units at Hunt Ridge Apartments Phase 1 (Property # 043), the 1BR-1BA-700sf units at Kemper Lofts (Property # 050), the 1BR-1BA-764sf units at Mountain Crest Apartments (Property # 065), and the 1BR-1BA-844sf units at Central City Homes (Property # 012) are the best comparables for the units at the subject property.

Comparable	Subject	1	2	3	4	5
Property-Unit Key	Sub-11	012-01	043-01	050-04	065-03	090-01
Unit Type	1BR-1BA-540sf	1BR-1BA-844sf	1BR-1BA-899sf	1BR-1BA-700sf	1BR-1BA-764sf	1BR-1BA-513sf
Property Name	Alleghany Building Apartments	Central City Homes	Hunt Ridge Apartments Phase 1	Kemper Lofts	Mountain Crest Apartments	Tinbridge Manor Apartments
Address	511 E Ridgeway Street	717 Madison Street	5 Canter Lane	1401 Kemper Street	120 Spring Mountain Road	701 Hollins Street
City	Clifton Forge	Lynchburg	Lexington	Lynchburg	Hot Springs	Lynchburg
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia
Zip	24422	24504	24450	24501	24445	24504
Latitude	37.81563	37.40558	37.81017	37.40253	38.03164	37.41981
Longitude	-79.82517	-79.15446	-79.41165	-79.15325	-79.79334	-79.15505
Miles to Subject	0.00	44.52	23.42	44.67	12.36	44.07
Year Built	1925	1900	2007	1925	2007	1912
Year Rehab	2018	2005	na	2010	na	2002
Project Rent	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted
Project Type	Family	Family	Family	Family	Elderly	Elderly
Project Status	Prop Rehab	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized
Phone	(540) 862-8430	(434) 845-2822	(540) 462-3785	(434) 528-4956	(540) 839-2955	(434) 845-4990
Effective Date	17-Jul-18	03-Jul-18	06-Jul-18	01-May-18	17-Jul-18	10-Jul-18
<b>Project Level</b>						
Units	20	37	46	41	28	56
Vacant Units	1	0	0	6	2	0
Vacancy Rate	5%	0%	0%	15%	7%	0%
<b>Unit Type</b>						
Units	2	9	8	1	6	25
Vacant Units	0	0	0	0	0	0
Vacancy Rate	0%	0%	0%	0%	0%	0%
Street Rent	\$525	\$450	\$565	\$525	\$512	\$425
Concessions	\$0	\$0	\$0	\$0	\$0	\$0
Net Rent	\$525	\$450	\$565	\$525	\$512	\$425
	<b>Adj</b>	<b>Data</b>	<b>Data</b>	<b>Adj</b>	<b>Data</b>	<b>Adj</b>
Tenant-Paid Utilities	TPU	\$0	\$50	\$50	\$58	\$58
Cable	\$0	no	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0
Bedrooms	\$0	1	1	\$0	1	\$0
Bathrooms	\$0	1.00	1.00	\$0	1.00	\$0
Square Feet	\$0.20	540	844	-\$61	899	-\$72
Visibility	\$0	3.00	2.50	\$0	2.25	\$0
Access	\$0	3.00	2.50	\$0	2.25	\$0
Neighborhood	\$0	4.10	3.00	\$0	4.50	\$0
Area Amenities	\$0	3.40	3.90	\$0	2.50	\$0
Median HH Income	\$0.0000	\$48,889	\$28,681	\$0	\$35,369	\$0
Average Commute	\$2	19.44	26.25	\$14	15.24	-\$8
Public Transportation	\$0	na	na	\$0	na	\$0
Personal Crime	\$0	2.3%	9.3%	\$0	0.6%	\$0
Condition	\$10	4.00	3.00	\$10	3.75	\$3
Effective Age	\$5.00	2008	1995	\$65	2010	-\$10
Ball Field	\$2	no	no	\$0	no	\$0
BBQ Area	\$2	no	no	\$0	no	\$0
Billiards	\$2	no	no	\$0	no	\$0
Bus/Comp Center	\$3	yes	no	\$3	no	\$3
Car Care Center	\$2	no	no	\$0	no	\$0
Community Center	\$3	yes	no	\$3	yes	\$0
Elevator	\$10	yes	no	\$10	no	\$10
Fitness Center	\$3	no	no	\$0	yes	-\$3
Gazebo	\$2	no	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0
Picnic Area	\$2	no	no	\$0	no	\$0
Playground	\$3	no	no	\$0	yes	-\$3
Pool	\$2	no	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0
Ceiling Fans	\$3	no	no	\$0	no	\$0
Carpeting	\$2	yes	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0
Patio/Balcony	\$2	no	no	\$0	yes	-\$2
Storage	\$10	no	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0
Disposal	\$2	no	yes	-\$2	no	\$0
Dishwasher	\$2	yes	yes	\$0	yes	\$0
Microwave	\$2	no	no	\$0	yes	-\$2
Garage	\$50	no	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0
Central	\$5	yes	no	\$5	yes	\$0
W/D Units	\$10	no	yes	-\$10	no	\$0
W/D Hookups	\$5	no	no	\$0	yes	-\$5
Call Buttons	\$2	yes	no	\$2	no	\$2
Controlled Access	\$3	yes	no	\$3	no	\$3
Courtesy Officer	\$2	no	no	\$0	no	\$0
Monitoring	\$3	yes	no	\$3	yes	\$0
Security Alarms	\$2	no	no	\$0	no	\$0
Security Patrols	\$2	no	no	\$0	no	\$0
<b>Indicated Rent</b>		<b>\$565</b>	<b>\$545</b>		<b>\$536</b>	<b>\$631</b>
					<b>\$562</b>	<b>\$555</b>

**Restricted Market Rent Conclusion**

Based on our evaluation of the rents at the select comparable properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were a restricted property:

Restricted Market Rent Conclusion				
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market
0BR-1BA-290sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$525
0BR-1BA-371sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$525
1BR-1BA-474sf / 40% of AMI / 40% of AMI	Yes	Yes	1	\$565
1BR-1BA-474sf / 50% of AMI / 50% of AMI	Yes	No	1	\$565
1BR-1BA-479sf / 50% of AMI / 50% of AMI	Yes	No	2	\$565
1BR-1BA-527sf / 50% of AMI / 50% of AMI	Yes	No	2	\$565
1BR-1BA-447sf / 60% of AMI / 60% of AMI	No	No	2	\$565
1BR-1BA-453sf / 60% of AMI / 60% of AMI	No	No	2	\$565
1BR-1BA-462sf / 60% of AMI / 60% of AMI	No	No	2	\$565
1BR-1BA-519sf / 60% of AMI / 60% of AMI	No	No	2	\$565
1BR-1BA-540sf / 60% of AMI / 60% of AMI	No	No	2	\$565
Total / Average			20	\$557

Our analysis suggests an average restricted market rent of \$557 for the subject property.

We selected a total of 6 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 97 percent.

The occupancy rate of the selected rent comparables is broken out in the tables below:

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								
1-Bedroom				100%	98%	95%		
2-Bedroom								
3-Bedroom								
4-Bedroom								
Total				100%	98%	95%		

Occupancy rates for all stabilized market area properties are broken out below:

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom					75%			
1-Bedroom	100%			100%	95%	100%		100%
2-Bedroom	100%				96%	100%		100%
3-Bedroom	100%				100%			100%
4-Bedroom								
Total	100%			100%	96%	100%		100%

Rents at rent restricted properties tend to move with median household incomes for an area. Given HUD's published median incomes, we derived 1, 2 and 3-bedroom 60% of AMI rent limits since 2005. According to our analysis, maximum 2-bedroom rents for the area grew from \$738 to \$780 since 2009. This represents an average 0.7% annual increase over this period.

Maximum tax credit rent data for the area is found below:

Maximum Tax Credit Rents, 60% of AMI						
Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2005	\$540	\$648	\$749	-	-	-
2006	\$550	\$660	\$763	1.9%	1.9%	1.9%
2007	\$567	\$680	\$786	3.1%	3.0%	3.0%
2008	\$576	\$691	\$799	1.6%	1.6%	1.7%
2009	\$615	\$738	\$853	6.8%	6.8%	6.8%
2010	\$616	\$740	\$855	0.2%	0.3%	0.2%
2011	\$591	\$709	\$819	-4.1%	-4.2%	-4.2%
2012	\$598	\$718	\$830	1.2%	1.3%	1.3%
2013	\$616	\$740	\$855	3.0%	3.1%	3.0%
2014	\$611	\$733	\$847	-0.8%	-0.9%	-0.9%
2015	\$631	\$757	\$875	3.3%	3.3%	3.3%
2016	\$622	\$747	\$863	-1.4%	-1.3%	-1.4%
2017	\$650	\$780	\$902	4.5%	4.4%	4.5%

Source: HUD

**Achievable Rent Conclusion**

The next step in our analysis is to develop an achievable rent conclusion for the subject property. Achievable rents represent the absolute highest rent permissible for the area, considering market rents, program rent limits, and any other applicable rent restrictions on the subject property.

Our analysis begins by establishing the applicable program rent limits for the subject property. Program rent limits include any applicable LIHTC and FMR rent limits. LIHTC rent limits typically apply to units benefitting from tax credit and/or bond financing. The LIHTC rent limits for applicable units at the subject property follow:

LIHTC Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
0BR-1BA-290sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$409	\$0	\$409
0BR-1BA-371sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$409	\$0	\$409
1BR-1BA-474sf / 40% of AMI / 40% of AMI	Yes	Yes	1	\$438	\$0	\$438
1BR-1BA-474sf / 50% of AMI / 50% of AMI	Yes	No	1	\$547	\$0	\$547
1BR-1BA-479sf / 50% of AMI / 50% of AMI	Yes	No	2	\$547	\$0	\$547
1BR-1BA-527sf / 50% of AMI / 50% of AMI	Yes	No	2	\$547	\$0	\$547
1BR-1BA-447sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$0	\$657
1BR-1BA-453sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$0	\$657
1BR-1BA-462sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$0	\$657
1BR-1BA-519sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$0	\$657
1BR-1BA-540sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$0	\$657
Total / Average			20	\$569	\$0	\$569

Our analysis suggests an average net LIHTC rent limit of \$569 for 20 applicable units at the subject property.

FMR rent limits typically apply to units benefitting from HOME funds. The FMR rent limits for applicable units at the subject property follow:

FMR Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
0BR-1BA-290sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$500	\$0	\$500
0BR-1BA-371sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$500	\$0	\$500
1BR-1BA-474sf / 40% of AMI / 40% of AMI	Yes	Yes	1	\$545	\$0	\$545
1BR-1BA-474sf / 50% of AMI / 50% of AMI	Yes	No	1	\$545	\$0	\$545
1BR-1BA-479sf / 50% of AMI / 50% of AMI	Yes	No	2	\$545	\$0	\$545
1BR-1BA-527sf / 50% of AMI / 50% of AMI	Yes	No	2	\$545	\$0	\$545
1BR-1BA-447sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
1BR-1BA-453sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
1BR-1BA-462sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
1BR-1BA-519sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
1BR-1BA-540sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
Total / Average			10	\$527	\$0	\$527

Our analysis suggests an average net FMR rent limit of \$527 for 10 applicable units at the subject property.

Units benefitting exclusively from tax credits and/or bond financing are subject to LIHTC rent limits. Units benefitting from HOME funds in addition to tax credit and/or bond financing are subject to the lesser of LIHTC rent limits or FMR rent limits. Units benefitting from project-based rental assistance are normally limited to unrestricted market rent. With these parameters in mind, the following table sets forth the concluded program rent limits for applicable units at the subject property:



Program Rent Limits							
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	LIHTC	FMR	Market	Program
0BR-1BA-290sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$409	\$500	\$825	\$825
0BR-1BA-371sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$409	\$500	\$825	\$825
1BR-1BA-474sf / 40% of AMI / 40% of AMI	Yes	Yes	1	\$438	\$545	\$875	\$875
1BR-1BA-474sf / 50% of AMI / 50% of AMI	Yes	No	1	\$547	\$545	-	\$545
1BR-1BA-479sf / 50% of AMI / 50% of AMI	Yes	No	2	\$547	\$545	-	\$545
1BR-1BA-527sf / 50% of AMI / 50% of AMI	Yes	No	2	\$547	\$545	-	\$545
1BR-1BA-447sf / 60% of AMI / 60% of AMI	No	No	2	\$657	-	-	\$657
1BR-1BA-453sf / 60% of AMI / 60% of AMI	No	No	2	\$657	-	-	\$657
1BR-1BA-462sf / 60% of AMI / 60% of AMI	No	No	2	\$657	-	-	\$657
1BR-1BA-519sf / 60% of AMI / 60% of AMI	No	No	2	\$657	-	-	\$657
1BR-1BA-540sf / 60% of AMI / 60% of AMI	No	No	2	\$657	-	-	\$657
Total / Average			20	\$569	\$527	\$835	\$674

Our analysis suggests an average program rent limit of \$674 for 20 applicable units at the subject property.

Now that we have established program rent limits, we are in a position to develop an achievable rent conclusion for the subject property. Achievable rents represent the absolute highest rent permissible for the area, considering unrestricted and restricted market rents, program rent limits, and any other applicable rent restrictions on the subject property. The following table summarizes our findings:

Achievable Rents									
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
0BR-1BA-290sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$825	\$825	\$525	\$825	\$405	50.9%
0BR-1BA-371sf / 40% of AMI / 40% of AMI	Yes	Yes	2	\$825	\$825	\$525	\$825	\$405	50.9%
1BR-1BA-474sf / 40% of AMI / 40% of AMI	Yes	Yes	1	\$875	\$875	\$565	\$875	\$434	50.4%
1BR-1BA-474sf / 50% of AMI / 50% of AMI	Yes	No	1	\$545	\$875	\$565	\$545	\$525	3.7%
1BR-1BA-479sf / 50% of AMI / 50% of AMI	Yes	No	2	\$545	\$875	\$565	\$545	\$525	3.7%
1BR-1BA-527sf / 50% of AMI / 50% of AMI	Yes	No	2	\$545	\$875	\$565	\$545	\$525	3.7%
1BR-1BA-447sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$875	\$565	\$657	\$525	7.1%
1BR-1BA-453sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$875	\$565	\$657	\$525	7.1%
1BR-1BA-462sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$875	\$565	\$657	\$525	7.1%
1BR-1BA-519sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$875	\$565	\$657	\$525	7.1%
1BR-1BA-540sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$875	\$565	\$657	\$525	7.1%
Total / Average			20	\$674	\$865	\$557	\$628	\$496	20.9%

Our analysis suggests an average achievable rent of \$628 for the subject property. This is compared with an average proposed rent of \$496, yielding an achievable rent advantage of 20.9 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

Finally, assuming no rent subsidies, we arrive at the following achievable rents for units at this property:

Achievable Rents, No Rent Subsidies									
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
0BR-1BA-290sf / 40% of AMI / 40% of AMI	Yes	No	2	\$409	\$825	\$525	\$409	\$405	1.0%
0BR-1BA-371sf / 40% of AMI / 40% of AMI	Yes	No	2	\$409	\$825	\$525	\$409	\$405	1.0%
1BR-1BA-474sf / 40% of AMI / 40% of AMI	Yes	No	1	\$438	\$875	\$565	\$438	\$434	0.9%
1BR-1BA-474sf / 50% of AMI / 50% of AMI	Yes	No	1	\$545	\$875	\$565	\$545	\$525	3.7%
1BR-1BA-479sf / 50% of AMI / 50% of AMI	Yes	No	2	\$545	\$875	\$565	\$545	\$525	3.7%
1BR-1BA-527sf / 50% of AMI / 50% of AMI	Yes	No	2	\$545	\$875	\$565	\$545	\$525	3.7%
1BR-1BA-447sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$875	\$565	\$565	\$525	7.1%
1BR-1BA-453sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$875	\$565	\$565	\$525	7.1%
1BR-1BA-462sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$875	\$565	\$565	\$525	7.1%
1BR-1BA-519sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$875	\$565	\$565	\$525	7.1%
1BR-1BA-540sf / 60% of AMI / 60% of AMI	No	No	2	\$657	\$875	\$565	\$565	\$525	7.1%
Total / Average			20	\$568	\$865	\$557	\$522	\$496	5.0%

## DEMAND ANALYSIS

### Overview

In this section we evaluate demand for the subject property using the recommended demand methodology promulgated by the National Council of Housing Market Analysts (NCHMA). For purposes of this analysis, we define demand as the number of income-qualified renter households (by household size and unit type) that would qualify to live at the subject property at the lesser of the developer's proposed rents or achievable rents.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

2018 \$		Renter Households, by Income, by Size							
Min	Max	2020							
		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total	
\$0	to \$9,999	183	144	32	16	8	0	383	
\$0	to \$19,999	599	314	64	27	47	15	1,066	
\$0	to \$29,999	774	349	151	49	72	22	1,417	
\$0	to \$39,999	920	401	231	73	78	22	1,725	
\$0	to \$49,999	1,009	515	289	166	86	26	2,090	
\$0	to \$59,999	1,112	572	303	196	95	27	2,304	
\$0	to \$74,999	1,286	618	376	237	152	49	2,719	
\$0	to \$99,999	1,322	651	399	246	164	53	2,836	
\$0	to \$124,999	1,372	707	417	251	169	53	2,969	
\$0	to \$149,999	1,437	744	449	253	172	53	3,108	
\$0	to \$199,999	1,453	760	468	259	177	54	3,169	
\$0	or more	1,488	778	474	263	183	54	3,240	

Source: ESRI & Ribbon Demographics

Our analysis includes an estimate of demand along with capture rate and penetration rate estimates. Capture rates were computed two ways: (1) On a gross basis (the number of proposed units divided by qualified demand) and (2) On a net basis (the number of proposed units divided by qualified demand minus competing & pipeline units). Penetration rates are defined as the number of proposed units plus competing & pipeline units divided by income-qualified demand. In the following pages we provide detailed listings of competing & pipeline units in the market area broken by unit type.

Competing & Pipeline Units, 0-Bedroom Units

Overview		Total Units											Vacant Units										
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt	Sub	20%	30%	40%	50%	60%	80%	Mkt	
002	Alleghany Building Apartments	1925	1998	Restricted	Family	Stabilized					4											1	
011	Cedar Forest Apartments	2002	na	Restricted	Family	Stabilized																	
066	Mountain View Apartments	1979	2000	Subsidized	Family	Stabilized																	
071	Parklin Terrace Apartments	1964	2005	Market Rate	Family	Stabilized																	
Total											4												1

Source: Allen & Associates

Competing & Pipeline Units, 1-Bedroom Units

Overview		Total Units											Vacant Units										
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt	Sub	20%	30%	40%	50%	60%	80%	Mkt	
002	Alleghany Building Apartments	1925	1998	Restricted	Family	Stabilized					8	8											
011	Cedar Forest Apartments	2002	na	Restricted	Family	Stabilized																	
066	Mountain View Apartments	1979	2000	Subsidized	Family	Stabilized																	
071	Parklin Terrace Apartments	1964	2005	Market Rate	Family	Stabilized								3									
Total											8	8		3									

Source: Allen & Associates

## Demand Estimate, 0-Bedroom, Subsidized, 40% of AMI

In this section we estimate demand for the 0-Bedroom / Subsidized / 40% of AMI units at the subject property. Our analysis assumes a total of 4 units, 2 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 1-person households.

Unit Details	
Target Population	Family Households
Unit Type	0-Bedroom
Rent Type	Subsidized
Income Limit	40% of AMI
Total Units	4
Vacant Units at Market Entry	2

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$0
Gross Rent	\$0
Income Qualification Ratio	35%
Minimum Qualified Income	\$0
Months/Year	12
Minimum Qualified Income	\$0

Renter Households, by Income, by Size								
2020								
2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	183	144	32	16	8	0
\$0	to	\$19,999	599	314	64	27	47	15
\$0	to	\$29,999	774	349	151	49	72	22
\$0	to	\$39,999	920	401	231	73	78	22
\$0	to	\$49,999	1,009	515	289	166	86	26
\$0	to	\$59,999	1,112	572	303	196	95	27
\$0	to	\$74,999	1,286	618	376	237	152	49
\$0	to	\$99,999	1,322	651	399	246	164	53
\$0	to	\$124,999	1,372	707	417	251	169	53
\$0	to	\$149,999	1,437	744	449	253	172	53
\$0	to	\$199,999	1,453	760	468	259	177	54
\$0	or	more	1,488	778	474	263	183	54

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$16,360	\$18,680	\$21,040	\$23,360	\$25,240	\$27,080	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	No	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	433	0	0	0	0	0
HH Below Minimum Income	0	0	0	0	0	0
Subtotal	433	0	0	0	0	0

Demand Estimate 433

Our analysis suggests demand for a total of 433 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 1-Bedroom, Subsidized, 40% of AMI

In this section we estimate demand for the 1-Bedroom / Subsidized / 40% of AMI units at the subject property. Our analysis assumes a total of 1 units, 1 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Subsidized
Income Limit	40% of AMI
Total Units	1
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$0
Gross Rent	\$0
Income Qualification Ratio	35%
Minimum Qualified Income	\$0
Months/Year	12
Minimum Qualified Income	\$0

Renter Households, by Income, by Size								
2020								
2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	183	144	32	16	8	0
\$0	to	\$19,999	599	314	64	27	47	15
\$0	to	\$29,999	774	349	151	49	72	22
\$0	to	\$39,999	920	401	231	73	78	22
\$0	to	\$49,999	1,009	515	289	166	86	26
\$0	to	\$59,999	1,112	572	303	196	95	27
\$0	to	\$74,999	1,286	618	376	237	152	49
\$0	to	\$99,999	1,322	651	399	246	164	53
\$0	to	\$124,999	1,372	707	417	251	169	53
\$0	to	\$149,999	1,437	744	449	253	172	53
\$0	to	\$199,999	1,453	760	468	259	177	54
\$0	or	more	1,488	778	474	263	183	54

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$16,360	\$18,680	\$21,040	\$23,360	\$25,240	\$27,080	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	433	289	0	0	0	0
HH Below Minimum Income	0	0	0	0	0	0
Subtotal	433	289	0	0	0	0

Demand Estimate 721

Our analysis suggests demand for a total of 721 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 1-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 5 units, 2 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	5
Vacant Units at Market Entry	2

Minimum Qualified Income	
Net Rent	\$525
Utilities	\$0
Gross Rent	\$525
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,500
Months/Year	12
Minimum Qualified Income	\$18,000

Renter Households, by Income, by Size								
2020								
2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	183	144	32	16	8	0
\$0	to	\$19,999	599	314	64	27	47	15
\$0	to	\$29,999	774	349	151	49	72	22
\$0	to	\$39,999	920	401	231	73	78	22
\$0	to	\$49,999	1,009	515	289	166	86	26
\$0	to	\$59,999	1,112	572	303	196	95	27
\$0	to	\$74,999	1,286	618	376	237	152	49
\$0	to	\$99,999	1,322	651	399	246	164	53
\$0	to	\$124,999	1,372	707	417	251	169	53
\$0	to	\$149,999	1,437	744	449	253	172	53
\$0	to	\$199,999	1,453	760	468	259	177	54
\$0	or	more	1,488	778	474	263	183	54

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$20,450	\$23,350	\$26,300	\$29,200	\$31,550	\$33,850	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	599	325	0	0	0	0
HH Below Minimum Income	516	280	0	0	0	0
Subtotal	83	45	0	0	0	0

Demand Estimate 128

Our analysis suggests demand for a total of 128 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.



## Demand Estimate, 1-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 10 units, 5 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	10
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$525
Utilities	\$0
Gross Rent	\$525
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,500
Months/Year	12
Minimum Qualified Income	\$18,000

Renter Households, by Income, by Size								
2020								
2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	183	144	32	16	8	0
\$0	to	\$19,999	599	314	64	27	47	15
\$0	to	\$29,999	774	349	151	49	72	22
\$0	to	\$39,999	920	401	231	73	78	22
\$0	to	\$49,999	1,009	515	289	166	86	26
\$0	to	\$59,999	1,112	572	303	196	95	27
\$0	to	\$74,999	1,286	618	376	237	152	49
\$0	to	\$99,999	1,322	651	399	246	164	53
\$0	to	\$124,999	1,372	707	417	251	169	53
\$0	to	\$149,999	1,437	744	449	253	172	53
\$0	to	\$199,999	1,453	760	468	259	177	54
\$0	or	more	1,488	778	474	263	183	54

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$24,540	\$28,020	\$31,560	\$35,040	\$37,860	\$40,620	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	678	342	0	0	0	0
HH Below Minimum Income	516	280	0	0	0	0
Subtotal	162	62	0	0	0	0

Demand Estimate

224

Our analysis suggests demand for a total of 224 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, Subsidized

In this section we account for income-band overlap and develop a demand estimate for the subsidized units at the subject property.

Renter Households, by Income, by Size								
			2020					
2018	\$		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	183	144	32	16	8	0
\$0	to	\$19,999	599	314	64	27	47	15
\$0	to	\$29,999	774	349	151	49	72	22
\$0	to	\$39,999	920	401	231	73	78	22
\$0	to	\$49,999	1,009	515	289	166	86	26
\$0	to	\$59,999	1,112	572	303	196	95	27
\$0	to	\$74,999	1,286	618	376	237	152	49
\$0	to	\$99,999	1,322	651	399	246	164	53
\$0	to	\$124,999	1,372	707	417	251	169	53
\$0	to	\$149,999	1,437	744	449	253	172	53
\$0	to	\$199,999	1,453	760	468	259	177	54
\$0	or	more	1,488	778	474	263	183	54

Demand Estimate, Subsidized							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	\$16,360	-	-	-	-	-	-
Maximum Income, 1BR	\$16,360	\$18,680	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$16,360	\$18,680	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	-	-	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	-	-	-	-	-	-	-
HH Below Upper Income	433	289	0	0	0	0	0
HH Below Lower Income	0	0	0	0	0	0	0
Subtotal	433	289	0	0	0	0	0

Demand Estimate

721

Our analysis suggests demand for a total of 721 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Restricted, 50% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 50% of AMI at the subject property.

Renter Households, by Income, by Size								
			2020					
2018	\$		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	183	144	32	16	8	0
\$0	to	\$19,999	599	314	64	27	47	15
\$0	to	\$29,999	774	349	151	49	72	22
\$0	to	\$39,999	920	401	231	73	78	22
\$0	to	\$49,999	1,009	515	289	166	86	26
\$0	to	\$59,999	1,112	572	303	196	95	27
\$0	to	\$74,999	1,286	618	376	237	152	49
\$0	to	\$99,999	1,322	651	399	246	164	53
\$0	to	\$124,999	1,372	707	417	251	169	53
\$0	to	\$149,999	1,437	744	449	253	172	53
\$0	to	\$199,999	1,453	760	468	259	177	54
\$0	or	more	1,488	778	474	263	183	54

Demand Estimate, Restricted, 50% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$20,450	\$23,350	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$20,450	\$23,350	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$18,000	\$18,000	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$18,000	\$18,000	-	-	-	-	-
HH Below Upper Income	599	325	0	0	0	0	0
HH Below Lower Income	516	280	0	0	0	0	0
Subtotal	83	45	0	0	0	0	0

Demand Estimate

128

Our analysis suggests demand for a total of 128 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Restricted, 60% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 60% of AMI at the subject property.

Renter Households, by Income, by Size								
			2020					
2018	\$		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	183	144	32	16	8	0
\$0	to	\$19,999	599	314	64	27	47	15
\$0	to	\$29,999	774	349	151	49	72	22
\$0	to	\$39,999	920	401	231	73	78	22
\$0	to	\$49,999	1,009	515	289	166	86	26
\$0	to	\$59,999	1,112	572	303	196	95	27
\$0	to	\$74,999	1,286	618	376	237	152	49
\$0	to	\$99,999	1,322	651	399	246	164	53
\$0	to	\$124,999	1,372	707	417	251	169	53
\$0	to	\$149,999	1,437	744	449	253	172	53
\$0	to	\$199,999	1,453	760	468	259	177	54
\$0	or	more	1,488	778	474	263	183	54

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$24,540	\$28,020	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$18,000	\$18,000	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$18,000	\$18,000	-	-	-	-	-
HH Below Upper Income	678	342	0	0	0	0	0
HH Below Lower Income	516	280	0	0	0	0	0
Subtotal	162	62	0	0	0	0	0

Demand Estimate

224

Our analysis suggests demand for a total of 224 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Project-Level

In this section we account for income-band overlap and develop a project-level demand estimate for the subject property.

Renter Households, by Income, by Size								
			2020					
2018	\$		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	183	144	32	16	8	0
\$0	to	\$19,999	599	314	64	27	47	15
\$0	to	\$29,999	774	349	151	49	72	22
\$0	to	\$39,999	920	401	231	73	78	22
\$0	to	\$49,999	1,009	515	289	166	86	26
\$0	to	\$59,999	1,112	572	303	196	95	27
\$0	to	\$74,999	1,286	618	376	237	152	49
\$0	to	\$99,999	1,322	651	399	246	164	53
\$0	to	\$124,999	1,372	707	417	251	169	53
\$0	to	\$149,999	1,437	744	449	253	172	53
\$0	to	\$199,999	1,453	760	468	259	177	54
\$0	or	more	1,488	778	474	263	183	54

Demand Estimate, Project-Level							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, Subsidized	\$16,360	\$18,680	-	-	-	-	-
Maximum Income, 20% of AMI	-	-	-	-	-	-	-
Maximum Income, 30% of AMI	-	-	-	-	-	-	-
Maximum Income, 40% of AMI	-	-	-	-	-	-	-
Maximum Income, 50% of AMI	\$20,450	\$23,350	-	-	-	-	-
Maximum Income, 60% of AMI	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 80% of AMI	-	-	-	-	-	-	-
Maximum Income, Market Rate	-	-	-	-	-	-	-
Maximum Allowable Income	\$24,540	\$28,020	-	-	-	-	-
Minimum Income, Subsidized	-	-	-	-	-	-	-
Minimum Income, 20% of AMI	-	-	-	-	-	-	-
Minimum Income, 30% of AMI	-	-	-	-	-	-	-
Minimum Income, 40% of AMI	-	-	-	-	-	-	-
Minimum Income, 50% of AMI	\$18,000	\$18,000	-	-	-	-	-
Minimum Income, 60% of AMI	\$18,000	\$18,000	-	-	-	-	-
Minimum Income, 80% of AMI	-	-	-	-	-	-	-
Minimum Income, Market Rate	-	-	-	-	-	-	-
Minimum Qualified Income	\$18,000	\$18,000	-	-	-	-	-
HH Below Upper Income	678	342	0	0	0	0	0
HH Below Lower Income	516	280	0	0	0	0	0
Subtotal	162	62	0	0	0	0	0

Demand Estimate

224

Our analysis suggests project-level demand for a total of 224 size- and income-qualified units in the market area.

## Capture Rates

In this section, we summarize our demand conclusions and estimate the capture rate for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	4								4
1BR	1				5	10			16
2BR									
3BR									
4BR									
Tot	5				5	10			20

	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	2								2
1BR	1				2	5			8
2BR									
3BR									
4BR									
Tot	3				2	5			10

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Unit-level demand estimates are found in the body of the chart found below; project-level demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level demand may not add up to project-level demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level demand.

	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	433								433
1BR	721				128	224			1,073
2BR									
3BR									
4BR									
Tot	721				128	224			224

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by gross demand. Underwriters often utilize capture rate limits of 10 to 25 percent using this methodology. Our estimates are presented below:

	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	0.5%								0.5%
1BR	0.1%				1.6%	2.2%			0.7%
2BR									
3BR									
4BR									
Tot	0.4%				1.6%	2.2%			4.5%

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by

unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

Vacant Competing & Pipeline Units									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR									
4BR									
Tot									

The next step in our analysis is to subtract the number of vacant competing & pipeline units from gross demand to arrive at a net demand estimate for the subject property units. As described earlier, unit-level net demand estimates are found in the body of the chart found below; project-level net demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level net demand may not add up to project-level net demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level net demand.

Net Demand (Gross Demand - Vacant Competing & Pipeline Units)									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	433								433
1BR	721				128	224			1,073
2BR									
3BR									
4BR									
Tot	721				128	224			224

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by net demand. A capture rate in excess of 20 percent is considered excessive using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	0.5%								0.5%
1BR	0.1%				1.6%	2.2%			0.7%
2BR									
3BR									
4BR									
Tot	0.4%				1.6%	2.2%			4.5%

In our opinion, the estimated project-level capture rate suggests an appropriate number of units for the subject property. The unit level capture rates suggest an appropriate mix of units for the subject property.

## Penetration Rates

In this section, we summarize our demand conclusions and estimate the penetration rate for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	4								4
1BR	1				5	10			16
2BR									
3BR									
4BR									
Tot	5				5	10			20

	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	2								2
1BR	1				2	5			8
2BR									
3BR									
4BR									
Tot	3				2	5			10

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Unit-level demand estimates are found in the body of the chart found below; project-level demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level demand may not add up to project-level demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level demand.

	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	433								433
1BR	721				128	224			1,073
2BR									
3BR									
4BR									
Tot	721				128	224			224

The next step in our analysis is to tabulate the number of competing & pipeline units in the market area by unit/income type. This information will be used to derive our penetration rate estimate for the subject property. A table showing the distribution of competing & pipeline units is found below.

	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR									
1BR					8	8			16
2BR									
3BR									
4BR									
Tot					8	8			16

The next step in our analysis is to compute inclusive supply for the market area by unit/income type. Inclusive



supply will be taken into account in our penetration rate estimate for the subject property. For purposes of this estimate, inclusive supply consists of vacant subject property units plus competing & pipeline units.

Inclusive Supply (Subject Property Units + Competing & Pipeline Units)									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	2								2
1BR	1				10	13			24
2BR									
3BR									
4BR									
Tot	3				10	13			26

The next step in our analysis is to compute the penetration rate for the project. For purposes of this computation, penetration rate is defined as inclusive supply divided by gross demand. A penetration rate in excess of 100 percent is considered excessive using this methodology. Our estimates are presented below:

Penetration Rates (Inclusive Supply / Gross Demand)									
	Sub	20%	30%	40%	50%	60%	80%	Mkt	Tot
0BR	0.5%								0.5%
1BR	0.1%				7.8%	5.8%			2.2%
2BR									
3BR									
4BR									
Tot	0.4%				7.8%	5.8%			11.6%

In our opinion, the estimated project-level penetration rate suggest an appropriate number of units for the subject property. The unit-level penetration rates suggest an appropriate mix of units for the subject property.

## Absorption Period

In this section, we estimate the absorption period for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

Subject Property Units (Total)								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR	4							
1BR	1				5	10		
2BR								
3BR								
4BR								

Subject Property Units (Vacant at Market Entry)								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR	2							
1BR	1				2	5		
2BR								
3BR								
4BR								

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Our analysis uses the unit-level demand estimates derived previously.

Gross Demand								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR	433							
1BR	721				128	224		
2BR								
3BR								
4BR								

The next step in our analysis is to apply an annual growth & movership rate to derive an annual rental household growth & movership estimate for the market area. Our estimates are found in the tables below.

Annual Growth & Movership Rate	
Growth	-1.3%
Movership	25.7%
Total	24.4%

Growth & Movership Estimate								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR	106							
1BR	176				31	55		
2BR								
3BR								
4BR								

The next step in our analysis is to account for secondary market area migration in our annual rental household growth & movership estimate for the market area. Our estimates are found in the tables below.

Secondary Market Area	
	20%

Growth & Movership Estimate								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR	132							
1BR	220				39	68		
2BR								
3BR								
4BR								

The next step in our analysis is to estimate fair share, or the proportion of growth and movership that we would expect the subject property to capture. The fair share analysis is used extensively in single-family, multifamily, commercial, and retail market studies. The books entitled Market Analysis for Valuation Appraisals (1994, Appraisal Institute) and Market Analysis and Highest & Best Use (2005, Appraisal institute) provide a good overview of this technique and its application to a variety of property types.

Based on our review of the subject and competing properties, along with their relative conditions/locations, we arrive at the following fair share estimates for the various unit/income types at the subject property.

Competing Properties								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR					1			
1BR					1	1		1
2BR	1				1			1
3BR	1				1			1
4BR								

Fair Share								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR	50.0%				40.0%	30.0%		
1BR	50.0%				40.0%	30.0%		
2BR								
3BR								
4BR								

Applying the concluded fair share estimates to annual growth & movership and dividing by twelve yields the following monthly absorption rate estimates for the various unit/income types at the subject property.

Monthly Absorption Rate Estimate								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR	5.5							
1BR	9.2				1.3	1.7		
2BR								
3BR								
4BR								

The next step in our analysis is to estimate stabilized occupancy by unit/income type for the subject property. These estimates, which were based on data previously presented in the supply analysis and rent comparability analysis sections of this report, are found below.

Rental Property Inventory, Confirmed, Inside Market Area, Family, Stabilized Occupancy								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR					75%			
1BR					100%	100%		100%
2BR	100%				100%			100%
3BR	100%				100%			100%
4BR								

Occupancy Rate, Select Comparables								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR								100%
1BR				100%	98%	95%		97%
2BR								
3BR								
4BR								

Concluded Stabilized Occupancy Rate								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR	97%				97%	97%		
1BR	97%				97%	97%		
2BR								
3BR								
4BR								

Applying the stabilized occupancy rate estimates to the number of vacant subject property units at market entry, yields the number of occupied units by unit/income type at stabilization as set forth below.

Occupied Units at Stabilization								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR	2							
1BR	1				2	5		
2BR								
3BR								
4BR								

Dividing the number of occupied units at stabilization by the monthly absorption rate yields an absorption period estimate by unit/income type for the various units at the subject property. Underwriters often utilize absorption period limits of 12 to 18 months for projects similar to the subject property. Our absorption period estimates are found below.

Absorption Period (Months to Stabilization)								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
0BR	<1							
1BR	<1				1	3		
2BR								
3BR								
4BR								

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 3 months of absorption and an average absorption rate of 3.4 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

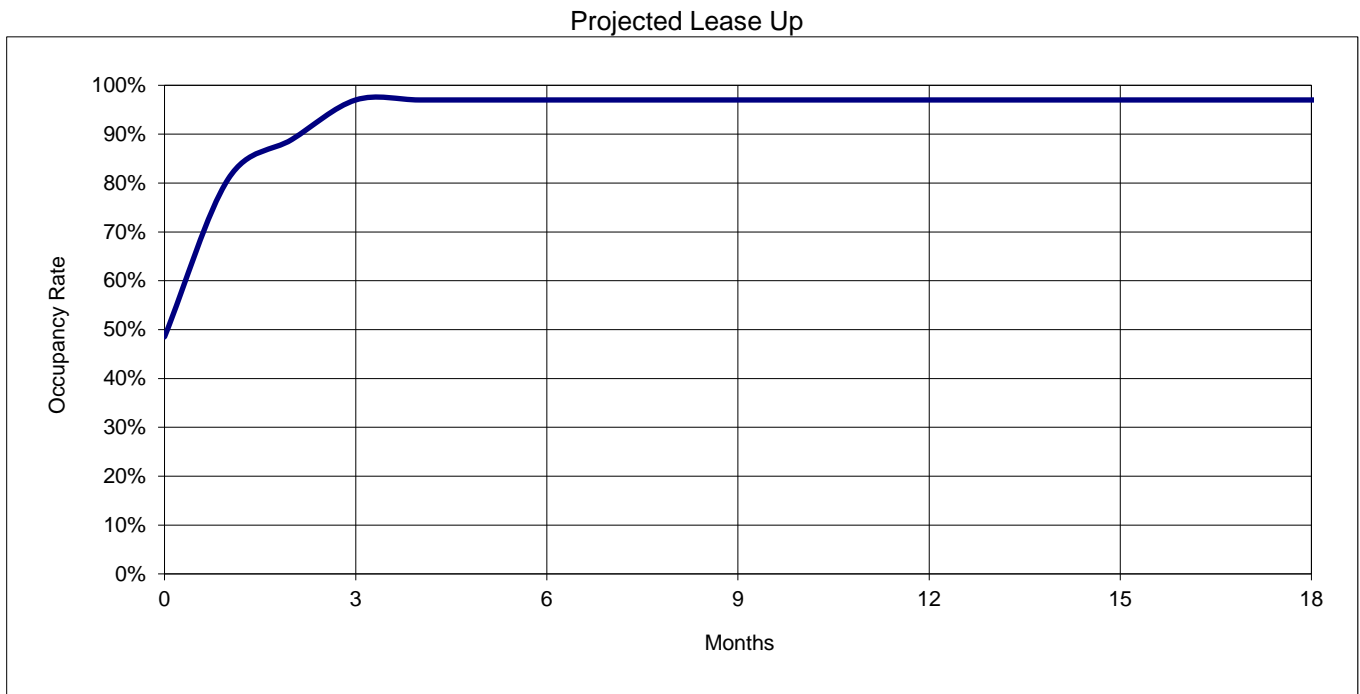
Absorption rates for multifamily properties depend on a variety of factors: (1) The competitive environment in which the property resides; (2) The pricing of the subject property units relative to competing units, (3) The presence of rent or income restrictions at the subject property; and (4) The availability of any rent concessions or rental assistance at the subject property. Subsidized properties normally lease up at a rate of 15-20 units per month. Unsubsidized properties with rent and income restrictions typically fill at a rate of 5-10 units per month. Market rate properties normally lease up at a rate of 10-15 units per month.

As part of our analysis, we inquired about the absorption history for every property we surveyed. The following list summarizes our findings:

Key	Project	Built	Renovated	Rent Type	Occ Type	Tot Units	Ab Rte
028	Ferrell Lofts	1885	2011	Market Rate	Family	13	1.6
043	Hunt Ridge Apartments Phase 1	2007	na	Restricted	Family	46	3.8

## Absorption Analysis

In this section, we analyze the anticipated lease up for the subject property. We begin our analysis by taking the the absorption period conclusions from the previous section and restating them graphically as illustrated below.



Our analysis suggests that the subject property will achieve 70 percent occupancy in 0 months, 80 percent occupancy in 0 months, and 90 percent occupancy in 2 months. We anticipate that the subject property will stabilize at 97 percent occupancy in 3 months.

It is important to note that this analysis does not account for pent-up demand, pre-leasing efforts or rent concessions. In our opinion, an effective pre-leasing effort could result in a month-for-month reduction in the estimated absorption period for this project. In addition, any concessions or rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods significantly.

## VHDA DEMAND ANALYSIS

### Overview

In this section we evaluate demand for the subject property using the VHDA demand methodology. For purposes of this analysis, we define VHDA demand as the number of new income-qualified and existing income-qualified overburdened and substandard renter households that would qualify to live at the subject property at the lesser of achievable rents or the sponsor's proposed rents. Per VHDA specifications, this analysis ignores any rent subsidies for properties with project based rental assistance.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

Renter Households, by Income, by Size

2018 \$			2018						
Min	to	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total
\$0	to	\$9,999	188	147	33	16	8	0	392
\$0	to	\$19,999	615	322	66	27	48	16	1,094
\$0	to	\$29,999	794	358	155	50	74	23	1,453
\$0	to	\$39,999	944	412	237	75	80	23	1,770
\$0	to	\$49,999	1,035	528	296	170	89	27	2,144
\$0	to	\$59,999	1,141	586	311	201	97	27	2,364
\$0	to	\$74,999	1,319	634	386	243	156	50	2,789
\$0	to	\$99,999	1,357	668	410	252	168	54	2,909
\$0	to	\$124,999	1,408	725	428	258	173	54	3,046
\$0	to	\$149,999	1,474	763	461	260	177	54	3,188
\$0	to	\$199,999	1,490	779	480	265	181	55	3,251
\$0	or	more	1,527	798	487	270	188	55	3,323

Source: ESRI & Ribbon Demographics

## Demand Estimate, 0-Bedroom, Restricted, 40% of AMI

In this section we estimate demand for the 0-Bedroom / Restricted / 40% of AMI units at the subject property. Our analysis assumes a total of 4 units, 2 of which are anticipated to be vacant on market entry in 2018. Our analysis assumes a 35% income qualification ratio and 1-person households.

Unit Details	
Target Population	Family Households
Unit Type	0-Bedroom
Rent Type	Restricted
Income Limit	40% of AMI
Total Units	4
Vacant Units at Market Entry	2

Minimum Qualified Income	
Net Rent	\$405
Utilities	\$0
Gross Rent	\$405
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,157
Months/Year	12
Minimum Qualified Income	\$13,886

Renter Households, by Income, by Size								
2018								
2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	188	147	33	16	8	0
\$0	to	\$19,999	615	322	66	27	48	16
\$0	to	\$29,999	794	358	155	50	74	23
\$0	to	\$39,999	944	412	237	75	80	23
\$0	to	\$49,999	1,035	528	296	170	89	27
\$0	to	\$59,999	1,141	586	311	201	97	27
\$0	to	\$74,999	1,319	634	386	243	156	50
\$0	to	\$99,999	1,357	668	410	252	168	54
\$0	to	\$124,999	1,408	725	428	258	173	54
\$0	to	\$149,999	1,474	763	461	260	177	54
\$0	to	\$199,999	1,490	779	480	265	181	55
\$0	or	more	1,527	798	487	270	188	55

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$16,360	\$18,680	\$21,040	\$23,360	\$25,240	\$27,080	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	No	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	444	0	0	0	0	0
HH Below Minimum Income	337	0	0	0	0	0
Subtotal	107	0	0	0	0	0

Demand Estimate 107

Our analysis suggests demand for a total of 107 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.



## Demand Estimate, 1-Bedroom, Restricted, 40% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 40% of AMI units at the subject property. Our analysis assumes a total of 1 units, 1 of which are anticipated to be vacant on market entry in 2018. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	40% of AMI
Total Units	1
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$434
Utilities	\$0
Gross Rent	\$434
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,240
Months/Year	12
Minimum Qualified Income	\$14,880

Renter Households, by Income, by Size								
2018								
2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	188	147	33	16	8	0
\$0	to	\$19,999	615	322	66	27	48	16
\$0	to	\$29,999	794	358	155	50	74	23
\$0	to	\$39,999	944	412	237	75	80	23
\$0	to	\$49,999	1,035	528	296	170	89	27
\$0	to	\$59,999	1,141	586	311	201	97	27
\$0	to	\$74,999	1,319	634	386	243	156	50
\$0	to	\$99,999	1,357	668	410	252	168	54
\$0	to	\$124,999	1,408	725	428	258	173	54
\$0	to	\$149,999	1,474	763	461	260	177	54
\$0	to	\$199,999	1,490	779	480	265	181	55
\$0	or	more	1,527	798	487	270	188	55

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$16,360	\$18,680	\$21,040	\$23,360	\$25,240	\$27,080	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	444	296	0	0	0	0
HH Below Minimum Income	380	226	0	0	0	0
Subtotal	64	70	0	0	0	0

Demand Estimate 134

Our analysis suggests demand for a total of 134 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 1-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 5 units, 2 of which are anticipated to be vacant on market entry in 2018. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	5
Vacant Units at Market Entry	2

Minimum Qualified Income	
Net Rent	\$525
Utilities	\$0
Gross Rent	\$525
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,500
Months/Year	12
Minimum Qualified Income	\$18,000

Renter Households, by Income, by Size								
2018								
2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	188	147	33	16	8	0
\$0	to	\$19,999	615	322	66	27	48	16
\$0	to	\$29,999	794	358	155	50	74	23
\$0	to	\$39,999	944	412	237	75	80	23
\$0	to	\$49,999	1,035	528	296	170	89	27
\$0	to	\$59,999	1,141	586	311	201	97	27
\$0	to	\$74,999	1,319	634	386	243	156	50
\$0	to	\$99,999	1,357	668	410	252	168	54
\$0	to	\$124,999	1,408	725	428	258	173	54
\$0	to	\$149,999	1,474	763	461	260	177	54
\$0	to	\$199,999	1,490	779	480	265	181	55
\$0	or	more	1,527	798	487	270	188	55

Maximum Allowable Income							
		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Allowable Income		\$20,450	\$23,350	\$26,300	\$29,200	\$31,550	\$33,850

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	615	333	0	0	0	0
HH Below Minimum Income	530	287	0	0	0	0
Subtotal	85	46	0	0	0	0

Demand Estimate 131

Our analysis suggests demand for a total of 131 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, 1-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 10 units, 5 of which are anticipated to be vacant on market entry in 2018. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	10
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$525
Utilities	\$0
Gross Rent	\$525
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,500
Months/Year	12
Minimum Qualified Income	\$18,000

Renter Households, by Income, by Size								
2018								
2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	188	147	33	16	8	0
\$0	to	\$19,999	615	322	66	27	48	16
\$0	to	\$29,999	794	358	155	50	74	23
\$0	to	\$39,999	944	412	237	75	80	23
\$0	to	\$49,999	1,035	528	296	170	89	27
\$0	to	\$59,999	1,141	586	311	201	97	27
\$0	to	\$74,999	1,319	634	386	243	156	50
\$0	to	\$99,999	1,357	668	410	252	168	54
\$0	to	\$124,999	1,408	725	428	258	173	54
\$0	to	\$149,999	1,474	763	461	260	177	54
\$0	to	\$199,999	1,490	779	480	265	181	55
\$0	or	more	1,527	798	487	270	188	55

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$24,540	\$28,020	\$31,560	\$35,040	\$37,860	\$40,620	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	696	351	0	0	0	0
HH Below Minimum Income	530	287	0	0	0	0
Subtotal	166	64	0	0	0	0

Demand Estimate 230

Our analysis suggests demand for a total of 230 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, Restricted, 40% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 40% of AMI at the subject property.

Renter Households, by Income, by Size								
2018								
	2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	188	147	33	16	8	0
\$0	to	\$19,999	615	322	66	27	48	16
\$0	to	\$29,999	794	358	155	50	74	23
\$0	to	\$39,999	944	412	237	75	80	23
\$0	to	\$49,999	1,035	528	296	170	89	27
\$0	to	\$59,999	1,141	586	311	201	97	27
\$0	to	\$74,999	1,319	634	386	243	156	50
\$0	to	\$99,999	1,357	668	410	252	168	54
\$0	to	\$124,999	1,408	725	428	258	173	54
\$0	to	\$149,999	1,474	763	461	260	177	54
\$0	to	\$199,999	1,490	779	480	265	181	55
\$0	or	more	1,527	798	487	270	188	55

Demand Estimate, Restricted, 40% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	\$16,360	-	-	-	-	-	-
Maximum Income, 1BR	\$16,360	\$18,680	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$16,360	\$18,680	-	-	-	-	-
Minimum Income, 0BR	\$13,886	-	-	-	-	-	-
Minimum Income, 1BR	\$14,880	\$14,880	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$13,886	\$14,880	-	-	-	-	-
HH Below Upper Income	444	296	0	0	0	0	0
HH Below Lower Income	337	226	0	0	0	0	0
Subtotal	107	70	0	0	0	0	0

Demand Estimate

177

Our analysis suggests demand for a total of 177 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Restricted, 50% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 50% of AMI at the subject property.

Renter Households, by Income, by Size								
2018								
	2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	188	147	33	16	8	0
\$0	to	\$19,999	615	322	66	27	48	16
\$0	to	\$29,999	794	358	155	50	74	23
\$0	to	\$39,999	944	412	237	75	80	23
\$0	to	\$49,999	1,035	528	296	170	89	27
\$0	to	\$59,999	1,141	586	311	201	97	27
\$0	to	\$74,999	1,319	634	386	243	156	50
\$0	to	\$99,999	1,357	668	410	252	168	54
\$0	to	\$124,999	1,408	725	428	258	173	54
\$0	to	\$149,999	1,474	763	461	260	177	54
\$0	to	\$199,999	1,490	779	480	265	181	55
\$0	or	more	1,527	798	487	270	188	55

Demand Estimate, Restricted, 50% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$20,450	\$23,350	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$20,450	\$23,350	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$18,000	\$18,000	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$18,000	\$18,000	-	-	-	-	-
HH Below Upper Income	615	333	0	0	0	0	0
HH Below Lower Income	530	287	0	0	0	0	0
Subtotal	85	46	0	0	0	0	0

Demand Estimate

131

Our analysis suggests demand for a total of 131 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Restricted, 60% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 60% of AMI at the subject property.

Renter Households, by Income, by Size								
2018								
	2018	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	188	147	33	16	8	0
\$0	to	\$19,999	615	322	66	27	48	16
\$0	to	\$29,999	794	358	155	50	74	23
\$0	to	\$39,999	944	412	237	75	80	23
\$0	to	\$49,999	1,035	528	296	170	89	27
\$0	to	\$59,999	1,141	586	311	201	97	27
\$0	to	\$74,999	1,319	634	386	243	156	50
\$0	to	\$99,999	1,357	668	410	252	168	54
\$0	to	\$124,999	1,408	725	428	258	173	54
\$0	to	\$149,999	1,474	763	461	260	177	54
\$0	to	\$199,999	1,490	779	480	265	181	55
\$0	or	more	1,527	798	487	270	188	55

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$24,540	\$28,020	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$18,000	\$18,000	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$18,000	\$18,000	-	-	-	-	-
HH Below Upper Income	696	351	0	0	0	0	0
HH Below Lower Income	530	287	0	0	0	0	0
Subtotal	166	64	0	0	0	0	0

Demand Estimate

230

Our analysis suggests demand for a total of 230 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate

In this section, we derive our overburdened demand and capture rate estimates for the subject property. Our analysis, which begins with the income-qualified renter household estimates developed above, is found below.

Income Qualified Renter Households								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot				177	131	230		

The next step in our analysis is to account for 2 years of growth to estimate the demand stemming from new income qualified rental households. Our estimates are found below.

Annual Renter Household Growth Rate								
0.4%								
New Rental Households								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot				2	1	2		

The next step in our analysis is to estimate existing demand stemming from income-qualified overburdened renter households in this market area. Our estimates are found below.

Overburdened Renter Households								
25.6%								
Existing Households - Rent Overburdened								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot				45	34	59		

The next step in our analysis is to estimate existing demand stemming from income-qualified substandard renter households in this market area. Our estimates are found below.

Substandard Renter Households								
5.2%								
Existing Households - Substandard								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot				9	7	12		

The next step in our analysis is to account for elderly homeowners likely to convert to rental housing. This component may not comprise more than 20 percent of total demand. Our estimates are found below.

Elderly Homeowners Likely to Convert to Rental Housing								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot								

The next step in our analysis is to account for existing qualifying tenants likely to remain after renovation. Our estimates are found below.

Subject Property Units (Total)								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot				5	5	10		
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot				2	3	5		

The next step in our analysis is to tally up total demand for the subject property. Our estimates are found below.

Total Demand								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot				58	45	78		

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

Vacant Competing & Pipeline Units								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot								

The next step in our analysis is to subtract the number of vacant competing & pipeline units from total demand to arrive at a net demand estimate for the subject property. Our estimates are found below.

Net Demand (Total Demand - Vacant Competing & Pipeline Units)								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot				58	45	78		

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the total number of subject property units divided by net demand. Underwriters often utilize capture rate limits of 10 to 20 percent using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)								
	Sub	20%	30%	40%	50%	60%	80%	Mkt
Tot				8.6%	11.2%	12.8%		

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	11.1%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	11.1%
Project-Wide Absorption Period (Months)	3 months

Please note: Project-wide capture rate estimates do not account for income band overlap at the project level.



**RENT COMPARABLES, MARKET RATE**

Project Information

Property Name	Ferrell Lofts
Street Number	533
Street Name	Main
Street Type	Street
City	Danville
State	Virginia
Zip	24541
Phone Number	(434) 797-4008
Year Built	1885
Year Renovated	2011
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$45
Waiting List	yes
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.5872
Longitude	-79.3935
Nearest Crossroads	na
AAC Code	18-104 028

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Miah, Management
Phone Number	(434) 797-4009
Interview Date	10-Jul-18
Interviewed By	RF

Historic furniture company with 15,000 square feet. Property also has 3 commercial units rented which are not shown here. Bob Eckels gave amenity information in 2016. Advised 13 units at this property in 2016. There are no new apartments or businesses nearby.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
0	1.0	537	Garden/Flat	Mar	Mar	No	No	2		\$740		\$740		\$740
1	1.0	694	Garden/Flat	Mar	Mar	No	No	3		\$824		\$824		\$824
2	1.5	1042	Garden/Flat	Mar	Mar	No	No	3		\$1,225		\$1,225		\$1,225
2	1.5	1103	Garden/Flat	Mar	Mar	No	No	3		\$1,225		\$1,225		\$1,225
2	2.0	1216	Townhome	Mar	Mar	No	No	2		\$1,425		\$1,425		\$1,425
Total / Average		925				162		13		\$1,089		\$1,089		\$1,089

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	no	no
Cooking-Electric	no	no
Other Electric	no	no
Air Cond	no	no
Hot Water-Electric	no	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	no	yes
Internet	no	yes
Comp vs. Subject	Superior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	4.00	3.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	3.00
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.00	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.50	3.40
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.50	4.00
Comp vs. Subject	Superior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2008
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	yes	yes
Fitness Ctr	yes	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	some	no
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	yes	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Ferrell Lofts is an existing multifamily development located at 533 Main Street in Danville, Virginia. The property, which consists of 13 apartment units, was originally constructed in 1885 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Frye Center (The)
Street Number	1107
Street Name	Church
Street Type	Street
City	Lynchburg
State	Virginia
Zip	24504
Phone Number	(434) 515-2685
Year Built	1907
Year Renovated	2006
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$50
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	37.4127
Longitude	-79.1416
Nearest Crossroads	na
AAC Code	18-104 032

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Elisa, Asst. Manager
Phone Number	(434) 851-0231
Interview Date	05-Jul-18
Interviewed By	RF

In addition to the residential units, this property has 4 commercial units. There are no new apartments or businesses nearby.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	740	Garden/Flat	Mar	Mar	No	No	3		\$725		\$725	\$50	\$775
1	1.5	740	Garden/Flat	Mar	Mar	No	No	1		\$850		\$850	\$50	\$900
2	2.0	1000	Garden/Flat	Mar	Mar	No	No	3		\$795		\$795	\$65	\$860
2	2.0	1000	Garden/Flat	Mar	Mar	No	No	1		\$1,075		\$1,075	\$65	\$1,140
Total / Average		870				164		8		\$811		\$811	\$58	\$868

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	no	yes
Comp vs. Subject	Superior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	3.00
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	3.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.00	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.50	3.40
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2008
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	yes
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	yes	no
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Frye Center (The) is an existing multifamily development located at 1107 Church Street in Lynchburg, Virginia. The property, which consists of 8 apartment units, was originally constructed in 1907 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Gish Flats
Street Number	317
Street Name	Fifth
Street Type	Steet
City	Lynchburg
State	Virginia
Zip	24504
Phone Number	(434) 688-0189
Year Built	1883
Year Renovated	2016
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$50
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	37.4173
Longitude	-79.1469
Nearest Crossroads	na
AAC Code	18-104 037

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Erin, Management
Phone Number	(434) 818-1919
Interview Date	12-Jul-18
Interviewed By	RF

Property consists of 2 buildings. Adaptive reuse of Historic Tobacco Factory at 410 Court St and a new building at 317 5th street. Contact would only give limited information of rent range for each bedroom size and no information on vacancies.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	747	Garden/Flat	Mar	Mar	No	No	22	1	\$875		\$875	\$50	\$925
1	1.0	968	Garden/Flat	Mar	Mar	No	No	21	1	\$875		\$875	\$50	\$925
1	1.0	1200	Garden/Flat	Mar	Mar	No	No	1		\$1,025		\$1,025	\$50	\$1,075
2	2.0	988	Garden/Flat	Mar	Mar	No	No	11		\$1,150		\$1,150	\$65	\$1,215
2	2.0	1048	Garden/Flat	Mar	Mar	No	No	11	1	\$1,250		\$1,250	\$65	\$1,315
Total / Average		915				166		66	3	\$986		\$986	\$55	\$1,041

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	no	yes
Internet	no	yes
Comp vs. Subject	Superior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.50	3.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.50	3.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.20	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.40	3.40
Comp vs. Subject	Similar	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.00
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2015	2008
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	yes	yes
Fitness Ctr	yes	no
Gazebo/Patio	yes	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	yes	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	some	no
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	yes	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	yes	yes
Security Alarms	yes	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Gish Flats is an existing multifamily development located at 317 Fifth Steet in Lynchburg, Virginia. The property, which consists of 66 apartment units, was originally constructed in 1883 with conventional financing. All units are set aside as market rate units. The property currently stands at 95 percent occupancy.

Project Information

Property Name	McGregor Lofts
Street Number	922
Street Name	Main
Street Type	Street
City	Lynchburg
State	Virginia
Zip	24504
Phone Number	(434) 333-7625
Year Built	1891
Year Renovated	2013
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$50
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	37.4142
Longitude	-79.1417
Nearest Crossroads	na
AAC Code	18-104 063

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Elisa, Asst. Manager
Phone Number	(434) 444-2685
Interview Date	09-Jul-18
Interviewed By	RF

These restored lofts blend modern style and amenities with historic charm in downtown Lynchburg. 3rd and 4th floors renovated 2009 and 2nd floor in 2013. Some units with dens. New apartments River Lofts West.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	653	Loft	Mar	Mar	No	No	1		\$775		\$775	\$50	\$825
1	1.0	697	Loft	Mar	Mar	No	No	2		\$775		\$775	\$50	\$825
1	1.0	704	Loft	Mar	Mar	No	No	2		\$775		\$775	\$50	\$825
1	1.0	975	Loft	Mar	Mar	No	No	2		\$950		\$950	\$50	\$1,000
2	1.0	1007	Loft	Mar	Mar	No	No	3	1	\$950		\$950	\$65	\$1,015
2	1.5	1480	Loft	Mar	Mar	No	No	2		\$950		\$950	\$65	\$1,015
2	2.0	1447	Loft	Mar	Mar	No	No	2		\$1,112		\$1,112	\$65	\$1,177
2	2.0	1486	Loft	Mar	Mar	No	No	2		\$1,112		\$1,112	\$65	\$1,177
2	2.0	1525	Loft	Mar	Mar	No	No	2		\$1,112		\$1,112	\$65	\$1,177
2	2.5	2014	Loft	Mar	Mar	No	No	2		\$1,112		\$1,112	\$65	\$1,177
3	2.0	1450	Loft	Mar	Mar	No	No	1		\$1,300		\$1,300	\$80	\$1,380
3	2.0	1528	Loft	Mar	Mar	No	No	1		\$1,400		\$1,400	\$80	\$1,480
Total / Average		1,241				168		22	1	\$1,006		\$1,006	\$62	\$1,067



Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	4.00	3.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	4.00	3.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.00	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.90	3.40
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.00
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2008
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	yes
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	no	no
Storage	yes	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	no	yes
Microwave	yes	no
Comp vs. Subject	Similar	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

McGregor Lofts is an existing multifamily development located at 922 Main Street in Lynchburg, Virginia. The property, which consists of 22 apartment units, was originally constructed in 1891 with conventional financing. All units are set aside as market rate units. The property currently stands at 95 percent occupancy.

Project Information

Property Name	Riverlofts North
Street Number	1001
Street Name	Jefferson
Street Type	Street
City	Lynchburg
State	Virginia
Zip	24504
Phone Number	(434) 515-1314
Year Built	1895
Year Renovated	2013
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$150
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	37.4146
Longitude	-79.1401
Nearest Crossroads	na
AAC Code	18-104 080

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Elisa, Asst. Manager
Phone Number	(434) 444-2685
Interview Date	06-Jul-18
Interviewed By	RF

The rates shown in this report represent some of the different floor plans available at this property. 0BR units reflect starting rate and go up depending on unit location and square footage. Contact was unable to give rent rates for floorplans unless available or coming available. Total property unit count correct. Tenants pay a \$100 fee for W/S/T,

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
0	1.0	564	Garden/Flat	Mar	Mar	No	No	10		\$625		\$625	\$34	\$659
1	1.0	580	Garden/Flat	Mar	Mar	No	No	12	1	\$650		\$650	\$39	\$689
1	1.0	800	Garden/Flat	Mar	Mar	No	No	13		\$875		\$875	\$39	\$914
2	1.0	877	Garden/Flat	Mar	Mar	No	No	12		\$838		\$838	\$51	\$889
2	1.0	931	Garden/Flat			No								
2	2.0	902	Garden/Flat	Mar	Mar	No	No	6		\$1,025		\$1,025	\$51	\$1,076
2	2.0	945	Garden/Flat	Mar	Mar	No	No	6		\$1,175		\$1,175	\$51	\$1,226
Total / Average		756				170		59	1	\$825		\$825	\$43	\$868

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	yes	no
Sewer	yes	no
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	no	yes
Internet	yes	yes
Comp vs. Subject	Superior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	3.00
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	3.00
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.00	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.60	3.40
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.00
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2008
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	yes	yes
Fitness Ctr	yes	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	no	no
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	yes	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	no	yes
None	yes	no
Comp vs. Subject	Inferior	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Riverlofts North is an existing multifamily development located at 1001 Jefferson Street in Lynchburg, Virginia. The property, which consists of 59 apartment units, was originally constructed in 1895 with conventional financing. All units are set aside as market rate units. The property currently stands at 98 percent occupancy.

Project Information

Property Name	Riverviews Artspace Rentals
Street Number	901
Street Name	Jefferson
Street Type	Street
City	Lynchburg
State	Virginia
Zip	24504
Phone Number	(434) 847-7277
Year Built	1898
Year Renovated	2003
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$50
Waiting List	yes
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	37.4154
Longitude	-79.1404
Nearest Crossroads	na
AAC Code	18-104 081

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Elisa, Asst. Manager
Phone Number	(434) 851-0231
Interview Date	12-Jul-18
Interviewed By	RF

Large mixed use building with various arts and cultural based commercial tenants including studios and galleries. Upper floors include residential condominiums some of which are rentals. Located in the Riverviews Artspace building, overlooking the James River. Riverview owns and rents 11 units of the total 36 units at this property.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
0	1.0	550	Garden/Flat	Mar	Mar	No	No	11		\$675		\$675	\$152	\$827
Total / Average		550				12		11		\$675		\$675	\$152	\$827

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	yes	no
Sewer	yes	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	3.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	3.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.00	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.20	3.40
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.00
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2008
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	yes	yes
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	yes	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Similar	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	no	no
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	yes	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	no	yes
None	yes	no
Comp vs. Subject	Inferior	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Riverviews Artspace Rentals is an existing multifamily development located at 901 Jefferson Street in Lynchburg, Virginia. The property, which consists of 11 apartment units, was originally constructed in 1898 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Riverlofts West
Street Number	926
Street Name	Commerce
Street Type	Street
City	Lynchburg
State	Virginia
Zip	24504
Phone Number	(434) 515-1314
Year Built	1904
Year Renovated	2018
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$150
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	37.4147
Longitude	-79.1406
Nearest Crossroads	na
AAC Code	18-104 109

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Elisa, Asst. Manager
Phone Number	(434) 851-0231
Interview Date	12-Jul-18
Interviewed By	RF

Property renovated between 2017 and 2018. Leasing began April, 2018. Public garage available across the street at \$25 per month. There are no new apartments or businesses nearby.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
0	1.0	500	Garden/Flat	Mar	Mar	No	No	2		\$625		\$625	\$43	\$668
0	1.0	600	Garden/Flat	Mar	Mar	No	No	3		\$750		\$750	\$43	\$793
1	1.0	700	Garden/Flat	Mar	Mar	No	No	8		\$650		\$650	\$50	\$700
1	1.0	800	Garden/Flat	Mar	Mar	No	No	7		\$875		\$875	\$50	\$925
2	1.0	1000	Garden/Flat	Mar	Mar	No	No	12	1	\$800		\$800	\$65	\$865
2	2.0	1000	Garden/Flat	Mar	Mar	No	No	16		\$1,025		\$1,025	\$65	\$1,090
2	2.0	1100	Garden/Flat	Mar	Mar	No	No	4		\$1,175		\$1,175	\$65	\$1,240
Total / Average		892				174		52	1	\$875		\$875	\$59	\$934

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	3.00
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	3.00
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.00	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.30	3.40
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.00
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2008
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	yes	yes
Fitness Ctr	yes	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	no	no
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	yes	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	no	yes
None	yes	no
Comp vs. Subject	Inferior	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Riverlofts West is an existing multifamily development located at 926 Commerce Street in Lynchburg, Virginia. The property, which consists of 52 apartment units, was originally constructed in 1904 with conventional financing. All units are set aside as market rate units. The property currently stands at 98 percent occupancy.

**RENT COMPARABLES, RESTRICTED RENT**



Project Information

Property Name	Central City Homes	
Street Number	717	
Street Name	Madison	
Street Type	Street	
City	Lynchburg	
State	Virginia	
Zip	24504	
Phone Number	(434) 845-2822	
Year Built	1900	
Year Renovated	2005	
Minimum Lease	12	
Min. Security Dep.	1 month	
Other Fees	\$22	
Waiting List	12 people	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	2005	Tax Credit
Vouchers	11	
Latitude	37.4056	
Longitude	-79.1545	
Nearest Crossroads	na	
AAC Code	18-104	012

Photo



Location Map



Interview Notes

Person Interviewed	Gary Robinson, Management
Phone Number	(804) 343-7201
Interview Date	03-Jul-18
Interviewed By	RF

2002, 2003 & 2005 TC's awarded for construction of this property without project based rental assistance. Additional funds were needed to complete the units. Property also has scattered sites on Grace, Harrison, Rivermont, 16th, Union, and Jackson. Buildings have basements. 2018 replacing decks and new roofs. There are no new

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	844	Garden/Flat	50%	50%	No	No	9		\$450		\$450	\$50	\$500
2	1.5	911	Garden/Flat	40%	40%	No	No	5		\$475		\$475	\$65	\$540
2	1.5	911	Garden/Flat	50%	50%	No	No	12		\$490		\$490	\$65	\$555
3	2.0	846	Garden/Flat	40%	40%	No	No	1		\$470		\$470	\$80	\$550
3	2.0	1067	Garden/Flat	50%	50%	No	No	9		\$580		\$580	\$80	\$660
4	2.0	1540	Garden/Flat	50%	50%	No	No	1		\$625		\$625	\$94	\$719
Total / Average		948						37		\$503		\$503	\$66	\$569

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	3.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	3.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.00	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.90	3.40
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2008
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	yes
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Upgraded Flooring	yes	yes
Fireplace	no	no
Patio/Balcony	no	no
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Central City Homes is an existing multifamily development located at 717 Madison Street in Lynchburg, Virginia. The property, which consists of 37 apartment units, was originally constructed in 1900 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

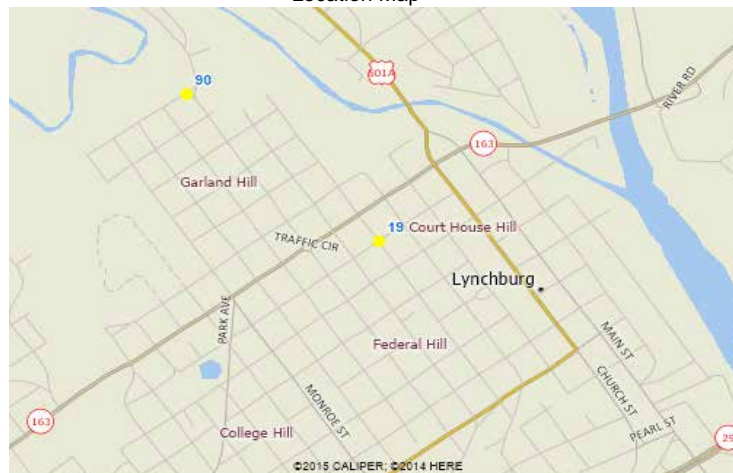
Project Information

Property Name	College Hill Homes	
Street Number	602	
Street Name	Madison	
Street Type	Street	
City	Lynchburg	
State	Virginia	
Zip	24503	
Phone Number	(434) 845-2822	
Year Built	1935	
Year Renovated	2002	
Minimum Lease	12	
Min. Security Dep.	1 month	
Other Fees	\$22	
Waiting List	12 people	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	2001	Tax Credit
Vouchers	3	
Latitude	37.4153	
Longitude	-79.1481	
Nearest Crossroads	na	
AAC Code	18-104	019

Photo



Location Map



Interview Notes

Person Interviewed	. Gary Robinson, Management
Phone Number	(434) 845-2822
Interview Date	03-Jul-18
Interviewed By	RF

2001 TC's awarded for rehabilitation of this property without project based rental assistance. Also manages Central City Homes and Hilltop Homes. 2018 replacing decks and new roofs. There are no new apartments or businesses nearby.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	801	Garden/Flat	50%	50%	No	No	2		\$425		\$425	\$50	\$475
2	1.5	987	Garden/Flat	50%	50%	No	No	17		\$450		\$450	\$65	\$515
3	2.0	1509	Garden/Flat	50%	50%	No	No	3		\$525		\$525	\$80	\$605
4	2.0	1840	Garden/Flat	50%	50%	No	No	6		\$605		\$605	\$94	\$699
Total / Average		1,212						28		\$489		\$489	\$72	\$561

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	3.00
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	3.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.80	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.80	3.40
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	2.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1990	2008
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	yes
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Upgraded Flooring	yes	yes
Fireplace	no	no
Patio/Balcony	no	no
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

College Hill Homes is an existing multifamily development located at 602 Madison Street in Lynchburg, Virginia. The property, which consists of 28 apartment units, was originally constructed in 1935 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

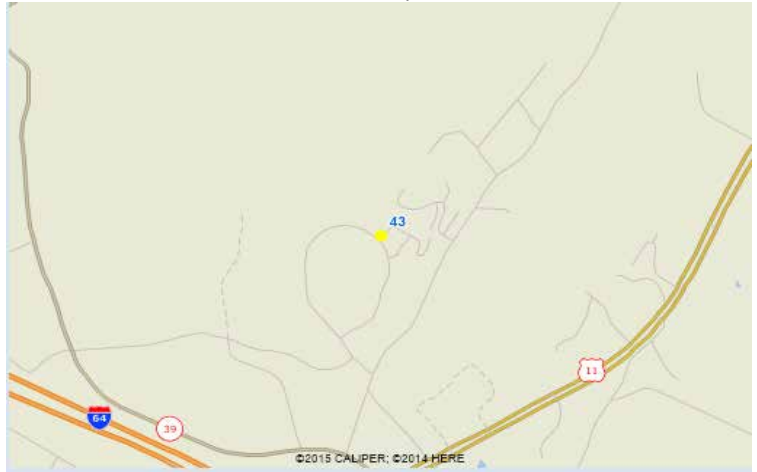
Project Information

Property Name	Hunt Ridge Apartments Phase 1	
Street Number	5	
Street Name	Canter	
Street Type	Lane	
City	Lexington	
State	Virginia	
Zip	24450	
Phone Number	(540) 462-3785	
Year Built	2007	
Year Renovated	na	
Minimum Lease	12	
Min. Security Dep.	1 month	
Other Fees	\$30	
Waiting List	4 people	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	2006	Tax Credit
Vouchers	14	
Latitude	37.8102	
Longitude	-79.4117	
Nearest Crossroads	na	
AAC Code	18-104	043

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Patricia, Management
Phone Number	(540) 462-3785
Interview Date	06-Jul-18
Interviewed By	RF

2006 TC's awarded for construction of this property without project based rental assistance. Property charges an additional \$25 per month if tenants use washer/dryer hookups. There are no new apartments or businesses nearby.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	899	Garden/Flat	60%	60%	No	No	8		\$565		\$565	\$58	\$623
2	1.5	1115	Garden/Flat	60%	60%	No	No	26		\$650		\$650	\$86	\$736
3	2.0	1336	Garden/Flat	60%	60%	No	No	12		\$740		\$740	\$106	\$846
Total / Average		1,135				161		46		\$659		\$659	\$86	\$745

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.25	3.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.25	3.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	4.10
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.50	3.40
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.75	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2008
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	no	yes
Fitness Ctr	yes	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	yes	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	no
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	yes	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	yes	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	yes	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Hunt Ridge Apartments Phase 1 is an existing multifamily development located at 5 Canter Lane in Lexington, Virginia. The property, which consists of 46 apartment units, was originally constructed in 2007 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Kemper Lofts	
Street Number	1401	
Street Name	Kemper	
Street Type	Street	
City	Lynchburg	
State	Virginia	
Zip	24501	
Phone Number	(434) 528-4956	
Year Built	1925	
Year Renovated	2010	
Minimum Lease	12	
Min. Security Dep.	\$250	
Other Fees	\$24	
Waiting List	na	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	2007	Tax Credit
Vouchers		
Latitude	37.4025	
Longitude	-79.1533	
Nearest Crossroads	na	
AAC Code	18-104	050

Photo



Location Map



Interview Notes

Person Interviewed	Jennifer Stewart, Management
Phone Number	(336) 714-8910
Interview Date	01-May-18
Interviewed By	DR/PC

2007 TC's awarded for adaptive reuse of this historic property and new construction of 3BR townhome units without project based rental assistance. Tax Credit application shows 61 units, but contact advised no townhomes were built and there are 41 units on the property.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	700	Garden/Flat	40%	40%	No	No	2		\$373		\$373	\$95	\$468
1	1.0	700	Garden/Flat	50%	50%	No	No	7	1	\$490		\$490	\$95	\$585
1	1.0	700	Garden/Flat	50%	50%	No	No	1		\$561		\$561	\$95	\$656
1	1.0	700	Garden/Flat	60%	60%	No	No	1		\$525		\$525	\$95	\$620
1	1.0	700	Garden/Flat	60%	60%	No	No	4	1	\$600		\$600	\$95	\$695
2	1.5	917	Garden/Flat	40%	40%	No	No	2		\$445		\$445	\$115	\$560
2	1.5	917	Garden/Flat	50%	50%	No	No	9	2	\$585		\$585	\$115	\$700
2	1.5	917	Garden/Flat	50%	50%	No	No	1		\$610		\$610	\$115	\$725
2	1.5	917	Garden/Flat	60%	60%	No	No	1		\$610		\$610	\$115	\$725
2	1.5	917	Garden/Flat	60%	60%	No	No	1		\$635		\$635	\$115	\$750
2	1.5	917	Garden/Flat	60%	60%	No	No	1		\$645		\$645	\$115	\$760
2	1.5	917	Garden/Flat	60%	60%	No	No	3	1	\$702		\$702	\$115	\$817
3	2.0	1100	Garden/Flat	40%	40%	No	No	1		\$501		\$501	\$145	\$646
3	2.0	1100	Garden/Flat	50%	50%	No	No	3	1	\$663		\$663	\$145	\$808
3	2.0	1100	Garden/Flat	60%	60%	No	No	1		\$699		\$699	\$145	\$844
3	2.0	1100	Garden/Flat	60%	60%	No	No	1		\$735		\$735	\$145	\$880
3	2.0	1100	Garden/Flat	60%	60%	No	No	1		\$738		\$738	\$145	\$883
3	2.0	1100	Garden/Flat	60%	60%	No	No	1		\$792		\$792	\$145	\$937
Total / Average		873						41	6	\$582		\$582	\$114	\$696

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	3.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	3.00
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.30	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.40	3.40
Comp vs. Subject	Similar	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2008
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	yes	yes
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	yes	yes
Fitness Ctr	yes	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	yes	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Carpet & Hdw	yes	yes
Fireplace	no	no
Patio/Balcony	no	no
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Similar	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	yes	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Kemper Lofts is an existing multifamily development located at 1401 Kemper Street in Lynchburg, Virginia. The property, which consists of 41 apartment units, was originally constructed in 1925 . This property is currently operated as a rent restricted property. The property currently stands at 85 percent occupancy.



Project Information

Property Name	Mountain Crest Apartments
Street Number	120
Street Name	Spring Mountain
Street Type	Road
City	Hot Springs
State	Virginia
Zip	24445
Phone Number	(540) 839-2955
Year Built	2007
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1/2 month
Other Fees	\$25
Waiting List	no
Project Rent	Restricted
Project Type	Elderly
Project Status	Stabilized
Financing	2005 Tax Credit
Vouchers	
Latitude	38.0316
Longitude	-79.7933
Nearest Crossroads	off Highway 220
AAC Code	18-104 065

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Eddie, Management
Phone Number	(540) 862-8430
Interview Date	17-Jul-18
Interviewed By	DFR

2005 TC's awarded for construction of this property without project based rental assistance. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	764	Garden/Flat	40%	40%	Yes	No	3		\$340		\$340	\$50	\$390
1	1.0	764	Garden/Flat	50%	50%	Yes	No	12	1	\$432		\$432	\$50	\$482
1	1.0	764	Garden/Flat	60%	60%	no	No	6		\$512		\$512	\$50	\$562
2	1.0	945	Garden/Flat	50%	50%	Yes	No	5	1	\$521		\$521	\$65	\$586
2	1.0	945	Garden/Flat	60%	60%	no	No	2		\$597		\$597	\$65	\$662
Total / Average		809				165		28	2	\$467		\$467	\$54	\$521

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	1.25	3.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	1.50	3.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.20	4.10
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.00	3.40
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2008
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	no	yes
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	no
Storage	yes	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	yes	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	yes	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Mountain Crest Apartments is an existing multifamily development located at 120 Spring Mountain Road in Hot Springs, Virginia. The property, which consists of 28 apartment units, was originally constructed in 2007. This property is currently operated as a rent restricted property. The property currently stands at 93 percent occupancy.

Project Information

Property Name	Tinbridge Manor Apartments	
Street Number	701	
Street Name	Hollins	
Street Type	Street	
City	Lynchburg	
State	Virginia	
Zip	24504	
Phone Number	(434) 845-4990	
Year Built	1912	
Year Renovated	2002	
Minimum Lease	12	
Min. Security Dep.	\$99	
Other Fees		
Waiting List	16 people	
Project Rent	Restricted	
Project Type	Elderly	
Project Status	Stabilized	
Financing	1999	Tax Credit
Vouchers	10	
Latitude	37.4198	
Longitude	-79.1551	
Nearest Crossroads	na	
AAC Code	18-104	090

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Belinda, Leasing Agent
Phone Number	(434) 845-4990
Interview Date	10-Jul-18
Interviewed By	RF

1999 TC's awarded for rehabilitation of this property without project based rental assistance for tenants 55 or older. There are no new apartments or businesses nearby.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	513	Garden/Flat	50%	50%	No	No	25		\$425		\$425	\$50	\$475
1	1.0	600	Garden/Flat	50%	50%	No	No	25		\$467		\$467	\$50	\$517
2	1.0	630	Garden/Flat	50%	50%	No	No	2		\$519		\$519	\$65	\$584
2	1.5	630	Garden/Flat	50%	50%	No	No	4		\$530		\$530	\$65	\$595
Total / Average		564				167		56		\$455		\$455	\$52	\$506

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	no
Cooking-Electric	yes	no
Other Electric	yes	no
Air Cond	yes	no
Hot Water-Electric	yes	no
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.75	3.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.75	3.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.40	4.10
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.40	3.40
Comp vs. Subject	Similar	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2008
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	yes	yes
Fitness Ctr	yes	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	yes	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Upgraded Flooring	yes	yes
Fireplace	no	no
Patio/Balcony	no	no
Storage	yes	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	yes	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	yes	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Tinbridge Manor Apartments is an existing multifamily development located at 701 Hollins Street in Lynchburg, Virginia. The property, which consists of 56 apartment units, was originally constructed in 1912. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

## STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The title to the subject property is merchantable, and the property is free and clear of all liens and encumbrances, except as noted.
- No liability is assumed for matters legal in nature.
- Ownership and management are assumed to be in competent and responsible hands.
- No survey has been made by the appraiser. Dimensions are as supplied by others and are assumed to be correct.
- The report was prepared for the purpose so stated and should not be used for any other reason.
- All direct and indirect information supplied by the owner and their representatives concerning the subject property is assumed to be true and accurate.
- No responsibility is assumed for information supplied by others and such information is believed to be reliable and correct. This includes zoning and tax information provided by Municipal officials.
- The signatories shall not be required to give testimony or attend court or be at any governmental hearing with respect to the subject property unless prior arrangements have been made with the client.
- Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute.
- The legal description is assumed to be accurate.
- This report specifically assumes that there are no site, subsoil, or building contaminants present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value estimates, and change the estimates, if deemed necessary.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with
- This analysis specifically assumes that the subject property is operated as described in this report.
- This analysis specifically assumes that the subject property is constructed/rehabilitated as described in this report.
- This analysis specifically assumes that the subject property is financed as described in this report.
- This analysis specifically assumes the timing set forth in this report.

## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I performed a market study for the subject property in 2016.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- I made a personal inspection of the property that is the subject of this report.
- Frank Victory (Allen & Associates Consulting) made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification. Debbie Rucker and Frank Victory (Allen & Associates Consulting) assisted in compiling the data used in this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Members of the Appraisal Institute.
- I am presently licensed in good standing as a Certified General Real Estate Appraiser in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina, and Virginia, allowing me to appraise all types of real estate.

Respectfully submitted:

ALLEN & ASSOCIATES CONSULTING, INC.



Jeff Carroll

## VHDA CERTIFICATION

I affirm the following:

- 1) I have made a physical inspection of the site and market area.
- 2) The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
- 3) To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by the 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.



Jeff Carroll



Debbie Rucker



Frank Victory

## NCHMA MARKET STUDY INDEX

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

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



## NCHMA MARKET STUDY INDEX

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

<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand	Section 11
32	Affordability analysis with capture rate	Section 11
33	Penetration rate analysis with capture rate	Section 11
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	Section 11
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	Section 10
36	Precise statement of key conclusions	Executive Summary
37	Market strengths and weaknesses impacting project	Executive Summary
38	Product recommendations and/or suggested modifications to subject	Executive Summary
39	Discussion of subject property's impact on existing housing	Executive Summary
40	Discussion of risks or other mitigating circumstances impacting subject	Executive Summary
41	Interviews with area housing stakeholders	Appendix
<b>Other Requirements</b>		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	NA

**MISCELLANEOUS**

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Charlotte, North Carolina 28271  
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## Summary

Founder of Allen & Associates Consulting, a development consulting firm specializing in affordable housing.

Founder of Tartan Residential, a firm specializing in the acquisition and development of affordable housing.

Co-founder of Delphin Properties, a firm specializing in the acquisition and development of manufactured home communities.

Wrote articles on affordable housing, development, property management, market feasibility, and financial analysis for Urban Land magazine, The Journal of Property Management, Community Management magazine, Merchandise magazine, HousingThink, and a publication of the Texas A&M Real Estate Research Center known as Terra Grande.

Conducted seminars on affordable housing, development, property management, market feasibility, and financial analysis for the American Planning Association, Community Management magazine, the Georgia Department of Community Affairs, the Manufactured Housing Institute, the National Association of State and Local Equity Funds, the Virginia Community Development Corporation, and the National Council of Affordable Housing Market Analysts.

Specialties: Specialties include affordable housing, low-income housing tax credits, tax-exempt bond transactions, multifamily, manufactured housing, development, development consulting, market studies, rent comparability studies, appraisals, capital needs assessments, and utility studies.

## Experience

President | Allen & Associates Consulting, Inc. | Charlotte, NC | 2000 - present

Founder of Allen & Associates Consulting, a real estate advisory firm specializing in affordable housing. Practice areas include low-income housing tax credits, tax-exempt bond transactions, HUD assisted and financed multifamily, USDA-RD assisted and financed properties, public housing, historic tax credits, conventional multifamily, and manufactured housing. Services include development consulting, rent comparability studies, market analysis, feasibility studies, appraisals, capital needs assessments, and utility studies. Performed over 3000 development consulting assignments in 46 states since 2000. Major projects include:

- Market Feasibility - Completed market studies for 13 proposed tax credit apartment developments on behalf of the Georgia Department of Community Affairs. The portfolio included 5 family and 8 senior communities. Our analysis identified the 4 best deals for the housing finance agency to consider funding.
- Valuation - Developed a disposition plan for a 30-property portfolio of apartments on behalf of a private owner. The 921-unit portfolio (located in MD, DE, PA and VA) was valued at \$23 million. Our client relied on our valuations and advice to maximize sales proceeds for the portfolio.
- Capital Needs Assessments - Completed capital needs assessments for an 8-property portfolio of RD-financed apartments on behalf of a private developer. The portfolio (located in FL) included 6

family and 2 senior communities. Our client utilized our assessments to develop a scope of work for the proposed acquisition and renovation of the 214-unit portfolio.

- Utility Allowance Studies - Completed utility allowance studies for a portfolio of tax credit apartments on behalf of a large national owner/developer. The portfolio (located in CT, DC, IL, IN, MA, NC, OH, PA and VA) included 31 properties. Our client utilized our research to maximize rents and net operating income for the portfolio.
- Underwriting - Conducted a financial review on behalf of a local housing authority for the proposed redevelopment of a vacant historic textile mill into loft apartments. Our client had been asked to issue \$4 million in tax-exempt bonds for the \$15 million project. Our assistance in underwriting the transaction resulted in the green light for the development.

President | Tartan Residential, Inc. | Charlotte, NC | 1997 - present

Founder of Tartan Residential, a firm specializing in the acquisition and development of affordable housing. Major projects include:

- Buchanan's Crossing Subdivision - A proposed 40-unit duplex development serving families in Kansas City. The property is planned to be built at an estimated cost of \$8.0 million. The project, located on the west side of N 65th Street, will be completely accessible with priority given to families with a member who has a mobility impairment. Construction began in early 2016.
- Davidson's Landing - A proposed 85-unit tax credit financed apartment community serving seniors in Kansas City. The property is planned to be built at an estimated cost of \$12 million. This project is currently in the early planning stages.

Co-Founder | Delphin Properties LLC | Charlotte, NC | 1998 - present

Co-founder of Delphin Properties, a firm specializing in the acquisition and development of manufactured home communities. Major projects include:

- Crystal Lakes - A 338-unit manufactured home community serving seniors in Fort Myers, Florida. Purchased the partially-constructed development, completed construction, and sold it for a \$1 million profit.
- Mahler's Glen - A 348-unit development originally planned as a manufactured home community serving families in Garner, North Carolina. Secured zoning and site plan approval, engineered the property (including a private wastewater treatment facility), and sold it to a national homebuilder for a \$2 million profit.
- Beacon Wood - A 363-unit development originally planned as a manufactured home community serving families in Crockery Township, Michigan. Secured zoning and site plan approval, engineered the property, and sold it to a regional homebuilder for a \$1 million profit.

Director of Development | Clayton, Williams & Sherwood, Inc. | Austin, TX | 1995 - 1997

Director of Development for Clayton, Williams & Sherwood, a privately-owned operator of manufactured home communities and apartment complexes. Major projects included:

- Multifamily Development - Managed the construction and lease-up of two apartment communities consisting of 564 units and valued at \$38 million. Each property leased up in excess of 25 units per month.
- Manufactured Home Community Development - Put together development plans for 4 manufactured home communities and 2 manufactured home subdivisions consisting of 2047 units and valued at \$63 million.

Assistant to the President | Southwest Property Trust | Dallas, TX | 1993 - 1995

Assistant to the President for Southwest Property Trust, a large apartment REIT. Provided support to management personnel operating a 12,000-unit apartment portfolio.

Investment Analyst/Manager | GE Capital | Dallas, TX | 1991 - 1993

Investment Analyst/Manager for GE Capital's Residential Construction Lending business. Assisted in the management of a \$500 million investment portfolio including 30 single family residential land development investments and 70 single family construction lines of credit.

Regional Manager | Clayton, Williams & Sherwood, Inc. | Newport Beach, CA | 1989 - 1991

Regional Manager for Clayton, Williams & Sherwood, a privately-owned operator of manufactured home communities and apartment complexes. Major projects included:

- Multifamily Management - Management of a 1200-unit apartment portfolio valued at over \$72 million. Implemented a portfolio-wide 10 percent rent increase while cutting operating expenses 3 percent resulting in a \$7 million increase in portfolio value.
- Manufactured Home Community Management - Management of a 1200-unit manufactured home community portfolio valued at over \$36 million. Implemented a 15 percent rent increase in a 500-unit community resulting in a \$4 million increase in property value.

## **Education**

Harvard Business School | MBA, General Management, Real Estate, Economics | 1986 - 1988

Graduated in 1988 with an MBA from Harvard Business School. Emphasis in General Management and Real Estate with a minor concentration in Economics.

Clemson University | BS, Engineering, Economics | 1978 - 1983

Graduated in 1983 with a BS in Engineering from Clemson University. Minor concentration in Economics. Honors included Dean's List and Alpha Lambda Delta honorary. Elected officer for Phi Delta Theta social fraternity. Awarded scholarship on Clemson's varsity wrestling team.

## **Certifications, Designations and Affiliations**

Mr. Carroll is a certified general appraiser, licensed to appraise real estate in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina and Virginia. Mr. Carroll is also a designated member of the Appraisal Institute (MAI).

Mr. Carroll is a peer-reviewed member of the National Council of Housing Market Analysts (NCHMA), where he served on the Executive Committee and chaired the Data and Ethics Committees.



# Rent & Income Limit Calculator ©

If you would like to engage Novogradac & Company LLP to calculate the rent & income limits for your property, please contact Thomas Stagg at [thomas.stagg@novoco.com](mailto:thomas.stagg@novoco.com).

You can view demographic information and a detailed list of affordable housing properties in [compsMART+](#).

Click on the icons below to view historical charts.

### Program and Location Information

<b>Affordable Housing Program</b>	IRS Section 42 Low-Income Housing Tax Credit (LIHTC)
<b>Year (1)(2)</b>	2018 (effective 04/01/18)
<b>State</b>	VA
<b>County</b>	Alleghany County
<b>MSA</b>	Alleghany County-Clifton Forge city-Covington city, VA HUD Nonmet
<b>Persons / Bedroom</b>	1.5 Person / Bedroom
<b>4-person AMI </b>	\$57,200
<b>National Non-Metropolitan Median Income (3)(4)</b>	\$58,400
<b>Hold Harmless (6)</b>	You have indicated that your project qualifies as a rural area under the 2008 Housing Act (using USDA's determination of rural) and is therefore eligible for the national non-metropolitan income and rent floor.
<b>Placed in Service Date (7)</b>	You have indicated that your project was placed in service on or after 04/01/2018 and is therefore eligible to have its income and rent limit held harmless beginning with the 2018 limits.
	On or after 04/01/2018.

### HUD Published Income Limits for 2018 (with no adjustments)

Display Income Limits       Hide Income Limits

		Section 8			
	Charts	MTSP 50%	Extremely Low	Very Low	Low
1 Person		\$20,050	\$12,140	\$20,050	\$32,050
2 Person		\$22,900	\$16,460	\$22,900	\$36,600
3 Person		\$25,750	\$20,780	\$25,750	\$41,200
4 Person		\$28,600	\$25,100	\$28,600	\$45,750
5 Person		\$30,900	\$29,420	\$30,900	\$49,450
6 Person		\$33,200	\$33,200	\$33,200	\$53,100
7 Person		\$35,500	\$35,500	\$35,500	\$56,750
8 Person		\$37,800	\$37,800	\$37,800	\$60,400
9 Person		\$40,050	N/A <sup>(10)</sup>	\$40,050	\$64,050
10 Person		\$42,350	N/A <sup>(10)</sup>	\$42,350	\$67,700
11 Person		\$44,600	N/A <sup>(10)</sup>	\$44,600	\$71,350
12 Person		\$46,900	N/A <sup>(10)</sup>	\$46,900	\$75,050

**LIHTC Income Limits for 2018**  
**(Based on 2018 National Non-Metropolitan Median Income)**

	Charts	60.00%	10.00%	20.00%	30.00%	40.00%	50.00%	140.00%
1 Person		24,540	4,090	8,180	12,270	16,360	20,450	34,356
2 Person		28,020	4,670	9,340	14,010	18,680	23,350	39,228
3 Person		31,560	5,260	10,520	15,780	21,040	26,300	44,184
4 Person		35,040	5,840	11,680	17,520	23,360	29,200	49,056
5 Person		37,860	6,310	12,620	18,930	25,240	31,550	53,004
6 Person		40,620	6,770	13,540	20,310	27,080	33,850	56,868
7 Person		43,440	7,240	14,480	21,720	28,960	36,200	60,816
8 Person		46,260	7,710	15,420	23,130	30,840	38,550	64,764
9 Person		49,080	8,180	16,360	24,540	32,720	40,900	68,712
10 Person		51,840	8,640	17,280	25,920	34,560	43,200	72,576
11 Person		54,660	9,110	18,220	27,330	36,440	45,550	76,524
12 Person		57,480	9,580	19,160	28,740	38,320	47,900	80,472

**LIHTC Rent Limits for 2018**  
**(Based on 2018 National Non-Metropolitan Median Income)**

Bedrooms (People)	Charts	60.00%	10.00%	20.00%	30.00%	40.00%	50.00%	FMR	HOME Low Rent	HOME High Rent
Efficiency (1.0)		613	102	204	306	409	511	500	500	500
1 Bedroom (1.5)		657	109	219	328	438	547	545	542	545
2 Bedrooms (3.0)		789	131	263	394	526	657	684	651	684
3 Bedrooms (4.5)		911	151	303	455	607	759	928	751	928
4 Bedrooms (6.0)		1,015	169	338	507	677	846	932	838	932
5 Bedrooms (7.5)		1,121	186	373	560	747	934		925	1,072

**Before using the numbers from the Rent & Income Limit Calculator®, we strongly recommend that you check with the applicable state housing agency to verify that the state agrees with the numbers. The numbers round down to the nearest \$1.**

This Rent & Income Limit Calculator® does not calculate low-income housing tax credit (LIHTC) limits greater than 50% LIHTC or 60% LIHTC limits, depending on the minimum set-aside elected with the IRS on Form 8609 in accordance with Internal Revenue Code Section 42(i)(3)(A). In other words, if the 20/50 minimum set-aside was elected then 50% LIHTC is the maximum rent calculated and allowed to qualify as a tax credit unit; or if the 40/60 minimum set-aside was elected then 60% LIHTC is the maximum allowed to qualify as a tax credit unit.

[Revenue Ruling 89-24](#) require that the LIHTC rent & income levels start their calculations with the HUD published very low-income (VLI) amounts because the HUD published VLI amounts include certain HUD adjustments, such as high housing cost for high FMR areas to increase income, and state non-metropolitan median income to provide a floor for income limits. The result is that many counties have VLI amounts that are different than 50% of the AMI published by HUD (the 4-person AMGI we have shown above). The Novogradac Rent & Income Calculator® starts by default with the HUD published VLI amounts in accordance with [Revenue Ruling 89-24](#).

(1) The rent and income limits for each year are effective beginning with the effective date shown above. There is a grace period for 45 days to implement the new rent and income limits, which means that the old limits can be relied upon for 45 days after the effective date of the new limits. For example income limits effective 12/04/2012, can be relied on until 1/17/2013. For more information, see [Revenue Ruling 94-57](#).

[IRS LIHC Newsletter #48](#) and [IRS LIHC Newsletter #50](#) clarify that for projects placed in service during the 45-day grace period, the owner may choose the new or the old income limits. For example, if a project was placed in service on 1/8/2013 and the 2012 income limits are higher than the 2013 income limits, an owner may use the higher income limits from 2012 to income qualify tenants and set rents accordingly because the project was placed in service with the 45-day grace period.

**Please note, the Rent & Income Limit Calculator® does not apply a 45-day grace period automatically.** The user needs to indicate that the placed in service date and/or gross rent floor date occurred 45 days earlier (in the prior HUD Fiscal Year) if they want to apply the 45-day rule under [Revenue Ruling 94-57](#) that allows owners to rely on the prior year. Therefore, projects that were placed in service during the 45-day grace period, and want to use the prior year, should select that they were placed in service as of the prior year. For example, if a project placed in service on 1/8/2013, and the project wanted to use the 45-day grace period, the user should select that their project was in service prior to 12/4/2012. Similarly, projects that have a gross rent floor effective as of the carryover allocation date (or reservation letter date for bond projects) during the 45-day grace period, and want to use the prior year, should select that the gross rent floor was effective as of the prior year. For example, if a project received a carryover allocation letter on 1/8/2013, and the owner did not elect placed in service date as the gross rent floor, and the project wanted to use the 45-day grace period, the user should select that their gross rent floor was effective prior to 12/4/2012.

(2) For HUD FY 2013 HUD originally issued income limits on December 4, 2012 then issued revised income limits on December 11, 2012. In [IRS LIHC Newsletter #50](#), the IRS has stated that the effective date for the revised FY 2013 income limits is December 4, 2012. Based on this guidance, the Rent & Income Limit Calculator® uses December 4, 2013 for the effective date for the revised FY 2013 limits. Please see [IRS LIHC Newsletter #50](#) for more detail.

(3) An area may lose its rural area status. There is no clear guidance that a project is held harmless at the national non-metropolitan income limits when an area loses its rural status. The Rent & Income Limit Calculator® assumes that a project that is not indicated as rural in the current year was also not rural in the prior year, and therefore, does not receive hold harmless treatment based on the prior year national non-metro amount.

Please consult your state agency and tax advisor for further clarification.

(4) USDA may change their determination of what projects qualify as rural during the course of a year. Please periodically check with USDA to determine the continued rural eligibility of your project.

The national non-metropolitan median income has been adjusted for household size based on the family size adjustments outlined in the HUD Briefing Materials and as shown in each year's [HUD FAQ](#). The IRS did not specify whether or not to round to the nearest \$50, however, the Rent & Income Limit Calculator® will round to the nearest \$50 in accordance with the methodology referenced in HUD Briefing Materials.

(5) A project uses HERA Special if income was determined prior to 1/1/2009 and the project is in a HERA Special county. A project's income limits are held harmless at the prior year income limits if income was determined in the prior year or earlier and the income limits have decreased. Please note that the IRS has informally indicated that the



definition of "determined" for purposes of the HERA Special and MTSP Hold Harmless income limits means that a project was placed in service. Please see [IRS LIHC Newsletter #35](#) for more information about "determined" and projects with buildings that were placed in service before and after HUD income limit effective dates. Therefore, projects placed in service prior to 1/1/2009 are generally eligible for HERA Special. Please see footnote 7 for information about acquisition/rehabilitation projects.

(6) Internal Revenue Code Section 142(d)(2)(i) indicates that hold harmless applies on a calendar year. The Rent & Income Limit Calculator© assumes that "calendar year" in the hold harmless rule means the HUD Fiscal Year. For example, the 2009 calendar year means the HUD Fiscal Year from 3/19/2009 through 5/13/2010. In other words, the Rent & Income Limit Calculator© assumes that "calendar year" in the hold harmless rule means the highest income level achieved during any HUD Fiscal Year.

The Rent & Income Limit Calculator© assumes that a rural project will receive hold harmless treatment at the national non-metro amount based on the prior year national non-metro amount if the national non-metro median income were to fall from year to year. If a rural project qualifies for HERA Special and the HERA Special is higher than the national non-metro, then the HERA Special amount will be used. Please note that the IRS has not issued guidance that specifically allows hold harmless treatment at the national non-metro amount for rural projects, however, Internal Revenue Code 42(g)(4) by reference to Internal Revenue Code 142(d)(2)(E) implies that hold harmless treatment would apply at the national non-metro amount for rural projects. Please consult your tax advisor for further clarification.

(7) Please note that for acquisition/rehabilitation projects, the IRS guidance indicates that income and rent limits are determined at the later of the acquisition date or when management begins income-qualifying households in the project. For example, if a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households in 2011 then the project would be considered placed in service in 2011 for income and rent purposes. If a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households when the rehabilitation placed-in-service in 2012, then the project would be considered placed in service in 2012 for income and rent purposes. Please see [IRS LIHC Newsletter #35](#) for more detail. Please consult your tax advisor for further clarification.

(8) [Revenue Procedure 94-57](#) gives guidance on the gross rent floor election.

#### **Tax credit projects without bond financing:**

"The Internal Revenue Service will treat the gross rent floor in section 42(g)(2)(A) as taking effect on the date an Agency initially allocates a housing credit dollar amount to the building [generally referred to as the 42M letter] under section 42(h)(1). However, the Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that made the allocation to the building no later than the date on which the building is placed in service."

#### **Tax credit projects with bond financing:**

"The Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that issued the determination letter to the building no later than the date on which the building is placed in service."

(9) The Rent & Income Limit Calculator© assumes all buildings in a project have a rent floor effective date under [Revenue Procedure 94-57](#) in the same HUD Fiscal Year. However, if your buildings have rent floor effective dates under [Revenue Procedure 94-57](#) in different HUD Fiscal Years, then you should run the calculator separately for each group of buildings in a particular HUD Fiscal Year.

The Rent & Income Limit Calculator© assumes that different AMGI limits (40%, 35%, 30%, etc.) chosen by the user will also have a rent floor election under [Revenue Procedure 94-57](#) from the same HUD Fiscal Year that applies to the federal level of 50% or 60%.

(10) The Consolidated Appropriations Act of 2014 changed how the 30% income limit is calculated. The 30% limit, which is now called the extremely low income limit, is determined by taking the greater of the 30% income limit as calculated by HUD or the poverty level as determined by the Department of Health and Human Services, which is then capped at the 50% Very Low Income Limit ('VLI') published by HUD. HUD has only published the data up to 8 people. For household sizes above 8 people please visit the following website:  
[http://www.huduser.org/portal/datasets/il/il14/index\\_il2014.html](http://www.huduser.org/portal/datasets/il/il14/index_il2014.html)

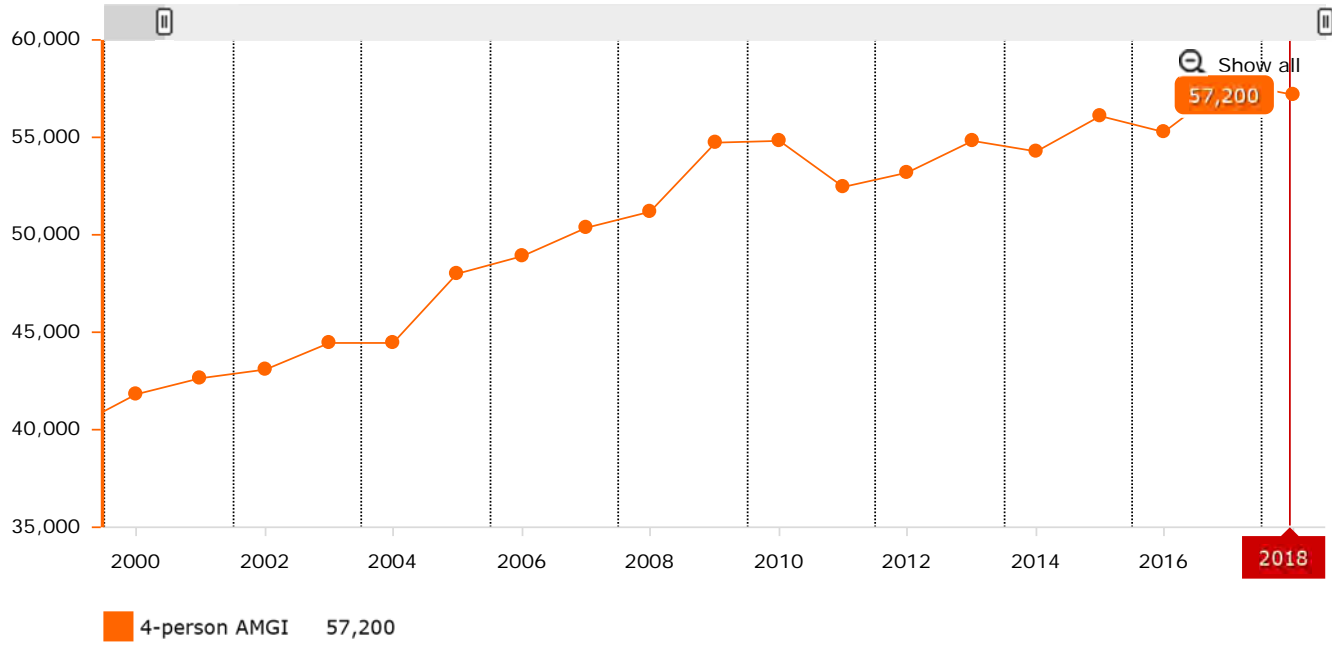
#### **Terms of Use:**

**Utility allowances are inputted by the user and are not reviewed or verified by Novogradac & Company LLP. Novogradac & Company LLP provides no assurance of the accuracy of the particular results you may obtain**

**from the Rent & Income Limit Calculator©; which is designed only to be a quick reference tool and is no substitute for professional tax and accounting advice. The Rent & Income Limit Calculator© should not be used for any final financial decisions. IRS guidelines and actual HUD amounts should be used for any final decisions. Novogradac & Company LLP does not guarantee the accuracy of the amounts shown above. As consideration for your use of this tool, free of any requirement to pay any related monetary compensation to Novogradac & Company LLP, you agree to hold Novogradac & Company LLP harmless from any damages and claims related to use of the Rent & Income Limit Calculator©. If you do not agree with the terms of this paragraph, you may not use the Rent & Income Limit Calculator©.**

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chart by amcharts.com



Display:  4-person AMGI

**Average Increase (AMGI): 1.9%/year**

Close Window

STATE:VIRGINIA

-----I N C O M E L I M I T S-----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	
Richmond, VA MSA FY 2018 MFI: 83200	VERY LOW INCOME 60% INCOME LIMIT	29150 34980	33300 39960	37450 44940	41600 49920	44950 53940	48300 57960	51600 61920	54950 65940
Roanoke, VA HMFA FY 2018 MFI: 67200	VERY LOW INCOME 60% INCOME LIMIT	23550 28260	26900 32280	30250 36300	33600 40320	36300 43560	39000 46800	41700 50040	44400 53280
Staunton-Waynesboro, VA MSA FY 2018 MFI: 64300	VERY LOW INCOME 60% INCOME LIMIT	22550 27060	25750 30900	28950 34740	32150 38580	34750 41700	37300 44760	39900 47880	42450 50940
	HERA Special 50%*	22600	25800	29050	32250	34850	37450	40000	42600
	HERA Special 60%*	27120	30960	34860	38700	41820	44940	48000	51120
Virginia Beach-Norfolk-Newport News, VA-NC HMFA FY 2018 MFI: 75000	VERY LOW INCOME 60% INCOME LIMIT	26250 31500	30000 36000	33750 40500	37500 45000	40500 48600	43500 52200	46500 55800	49500 59400
Warren County, VA HMFA FY 2018 MFI: 76700	VERY LOW INCOME 60% INCOME LIMIT	26850 32220	30700 36840	34550 41460	38350 46020	41450 49740	44500 53400	47600 57120	50650 60780
Washington-Arlington-Alexandria, DC-VA-MD HMFA FY 2018 MFI: 117200	VERY LOW INCOME 60% INCOME LIMIT	41050 49260	46900 56280	52750 63300	58600 70320	63300 75960	68000 81600	72700 87240	77400 92880
Winchester, VA-WV MSA FY 2018 MFI: 71100	VERY LOW INCOME 60% INCOME LIMIT	24900 29880	28450 34140	32000 38400	35550 42660	38400 46080	41250 49500	44100 52920	46950 56340
	HERA Special 50%*	27100	30950	34800	38650	41750	44850	47950	51050
	HERA Special 60%*	32520	37140	41760	46380	50100	53820	57540	61260
Accomack County, VA FY 2018 MFI: 52500	VERY LOW INCOME 60% INCOME LIMIT	19600 23520	22400 26880	25200 30240	27950 33540	30200 36240	32450 38940	34700 41640	36900 44280
Alleghany County-Clifton Forge city-Covington city, VA HNMFA FY 2018 MFI: 57200	VERY LOW INCOME 60% INCOME LIMIT	20050 24060	22900 27480	25750 30900	28600 34320	30900 37080	33200 39840	35500 42600	37800 45360
Bath County, VA FY 2018 MFI: 60300	VERY LOW INCOME 60% INCOME LIMIT	21150 25380	24150 28980	27150 32580	30150 36180	32600 39120	35000 42000	37400 44880	39800 47760
Bland County, VA FY 2018 MFI: 62500	VERY LOW INCOME 60% INCOME LIMIT	21900 26280	25000 30000	28150 33780	31250 37500	33750 40500	36250 43500	38750 46500	41250 49500
Brunswick County, VA FY 2018 MFI: 53100	VERY LOW INCOME 60% INCOME LIMIT	19600 23520	22400 26880	25200 30240	27950 33540	30200 36240	32450 38940	34700 41640	36900 44280

\* Income Limit for any project in a HUD impacted area whose current limit would be less than last year or less than its FY2008 limit times the Current Year Median (FY2018) over the FY2008 median. HUD impacted areas are areas with Section 8 Income Limits held harmless by HUD in FY2007 or FY2008.

## MEMORANDUM OF UNDERSTANDING

*Between*  
**Alleghany Apartments, LLC**  
*And*  
**Blue Ridge Independent Living Center**  
*And*  
**South River Development Corporation**

WHEREAS, Alleghany Apartments, LLC, a Virginia limited liability company (the “LLC”), will own twenty (20) apartment units in Clifton Forge, Virginia known as Alleghany Apartments (the “Project”);

WHEREAS, Funding for the rehabilitation of the Project will be provided by Virginia Housing Development Authority (“VHDA”) and Department of Housing and Community Development (“DHCD”) permanent financing sources, and equity from the Housing Equity Fund of Virginia XXII, L.L.C. (the “Limited Partner”) based on federal low-income housing tax credits and other tax benefits;

WHEREAS, The LLC intends to reserve at least five (5) units in the Project (the “Targeted Units”) to provide housing for individuals with disabilities and to people who could otherwise live independently but for the availability of accessible and affordable housing, and will make available an additional ten (10) units for individuals with multiple barriers to independent living;

WHEREAS, the South River Development Corporation, a Virginia non-profit corporation (“SRDC”), will provide leasing and property management services under contract on behalf of the LLC; and

WHEREAS, Blue Ridge Independent Living Center (“BRILC”) seeks to expand and support affordable housing opportunities for people with disabilities, many of whom have multiple barriers to independent living, in the communities that it serves;

THEREFORE, BE IT RESOLVED, THAT the LLC, SRDC. and BRILC agree to the following in connection with providing at least fifteen (15) apartment units at the Project for people with disabilities or who otherwise have multiple barriers to independent living.

**1. The LLC shall:**

- A. Secure construction and permanent financing to develop the project, including equity based on the availability of low-income housing tax credits to the project, VHDA loan sources, HOME funding from the Virginia Department of Housing and Community Development, and loans or grants from other sources.
- B. Provide office space at 511 Ridgeway Street, as space permits, for BRILC service coordinators, as needed, to provide coordination services to Alleghany Building residents at no charge to BRILC.

- C. Assure that the arrangements outlined in this Memorandum of Understanding are maintained throughout the life of this agreement.

**2. Blue Ridge Independent Living Center (subject to continuation of sufficient funding to maintain its operations) shall:**

- A. Pre-screen potential residents to assure that applicants referred to SRDC for tenancy in the Targeted Units:
  - i. Have a qualifying disability.
  - ii. Are able to receive appropriate supportive services that can be coordinated by BRILC.
  - iii. Have signed a privacy release such that BRILC staff can discuss consumer's/tenant's case with SRDC property management personnel.
- B. For the duration of this Memorandum of Understanding, refer applicants to SRDC and continue to make referrals for occupancy by eligible tenants.
- C. Assist the referred applicants in the application process for residency at Alleghany Apartments including requesting and negotiating reasonable accommodations, as applicable.
- D. Assist the referred applicants with the coordination of available supportive services. It is understood and agreed that these services shall be available to said tenants on an as-needed basis, and that receipt of these or any other services shall NOT be a condition of tenancy.
- E. Subject to Section 3(F) below, BRILC will assist the referred resident in making application for housing subsidies which may include Section 8 Housing Choice Vouchers, HUD Shelter Plus Care grants, Discharge Assistance Program grants, among others.
- F. Assist the resident with providing legal notice to vacate prior to the resident moving out, and assist the resident with notifying SRDC staff in the event of any hospital stays that require absence from the property.
- G. Facilitate communication with SRDC by designating, and maintaining in the event of staff turnover, a named individual as the primary contact on matters related to the Targeted Units.

**3. South River Development Corporation shall:**

- A. Affirmatively market the property to persons with disabilities.
- B. Notify BRILC of available vacancies at least 60 days in advance when possible.

- C. Complete all required low-income housing tax credit compliance documentation including applications, leases, and income verifications and ensure that project remains compliant with LIHTC regulations.
- D. Include language on reasonable accommodations on its application for tenancy.
- E. Accept Section 8 Vouchers, or other forms of rental assistance (including \_\_\_\_\_ subsidy).
- F. Conduct annual inspections of all Targeted Units, or as required by VHDA and the Investor Member.
- G. Facilitate communication with BRILC by designating, and maintaining in the event of staff turnover, a named individual as the primary contact on matters related to the Targeted Units.
- H. Prepare a unit rent schedule on an annual basis and submit to the other parties to the Agreement.

**4. General Conditions of the Agreement:**

- A. Nothing in the Agreement shall be construed as authority for either party to make commitments which will bind the other party beyond the scope of the services described herein. Neither party shall assign, sublet, or subcontract any work related to this agreement or any interest it may have herein without the prior written consent of all parties to the Agreement.
- B. The LLC and SRDC assure that information and data obtained as to personal facts and circumstances related to tenants referred by BRILC will be collected and secured as confidential during, and following, the term of this Agreement and will not be divulged without the individual's and BRILC's written consent, other than information divulged to partners of the LLC and to VHDA. Any information to be disclosed or reported must be in summary, statistical or other form which does not identify particular individuals, except as provided above.
- C. Modification of Agreement: Any and all modifications to this Agreement shall be in writing and signed by all parties to the Agreement.

**5. All parties to this Memorandum of Understanding shall:**

- A. Agree that the LLC and SRDC are responsible for meeting compliance requirements established by the Internal Revenue Service and the Virginia Housing Development Authority.
- B. Agree that the LLC and SRDC are responsible for maintaining the development for the benefit of all the tenants.

- C. Agree that the provisions and the spirit of this agreement notwithstanding, decisions on the admittance and/or retention of tenants according to fair housing laws and the Virginia Landlord Tenant Law are the responsibility of SRDC
- D. Agree that other people with disabilities in the community, who are not served by BRILC, may want to live in the apartments. In that case, it is mutually agreed and understood that the Property Management must follow Fair Housing guidelines on the chronological availability of the units.
- E. Agree that this Agreement shall be in effect for fifteen (15) years from the date hereof, unless terminated by any of the parties unilaterally.

[Signatures Continued on Following Page]



Signed:

Alleghany Apartments, LLC


By: Alleghany Apartments Management Corporation  
Its managing member

By:  Date: 7-18-18

South River Development Corporation

By:  Date: 7-18-18

Blue Ridge Independent Living Center

By:  Date: 7-16-18