

# MARKET STUDY

Property:  
Courthouse Lane Phase 1  
150 Courthouse Lane  
Bowling Green, Caroline County, Virginia 22427



Type of Property:  
Affordable Multifamily Development  
Elderly  
Renovation

Date of Report:  
February 27, 2019

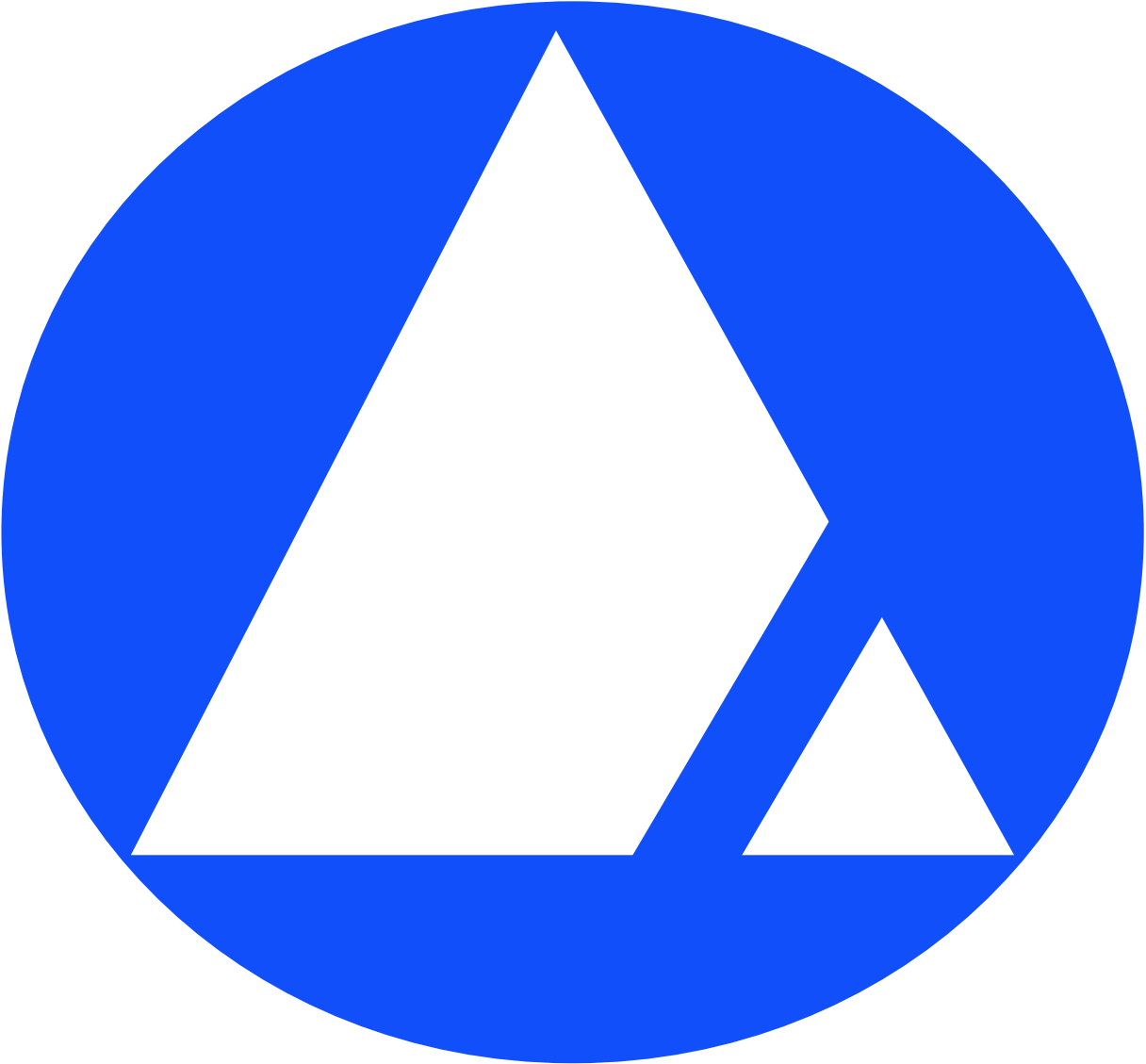
Effective Date:  
February 26, 2019

Date of Site Visit:  
February 2, 2019

Prepared For:  
Mr. Ari Severe  
TM Associates  
1375 Piccard Drive #150  
Rockville, Maryland 20850  
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February 27, 2019

Mr. Ari Severe  
TM Associates  
1375 Piccard Drive #150  
Rockville, Maryland 20850

Re: Courthouse Lane Phase 1

Dear Mr. Ari Severe:

The subject property, known as Courthouse Lane Phase 1, is an existing affordable multifamily development located at 150 Courthouse Lane in Bowling Green, Caroline County, Virginia (Tax Map # 43A2 A 66A). The subject property consists of 32 revenue-producing units originally constructed in 1983. The sponsor has proposed to renovate the property with an allocation of tax credits and the assumption and reamortization of the outstanding USDA-RD 515 loan. The subject property is a 62+ age restricted community.

The subject property is proposed to consist of 32 revenue-producing units including 1-bedroom garden apartments. A total of 4 units are proposed to be income restricted to 40% of AMI; a total of 12 units are proposed to be income restricted to 50% of AMI; a total of 16 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 32 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing.

The sponsor has proposed to reamortize the existing USDA-RD loan for 50 years; the rent and income restrictions associated with this loan will remain in place until it is repaid. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

The scope of this assignment consists of a comprehensive market analysis for the subject property. The market study was completed in accordance with VHDA, 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 TM Associates. VHDA is named as an additional user of the 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 Courthouse Lane Phase 1, is an existing affordable multifamily development located at 150 Courthouse Lane in Bowling Green, Caroline County, Virginia (Tax Map # 43A2 A 66A). The subject property consists of 32 revenue-producing units originally constructed in 1983. The sponsor has proposed to renovate the property with an allocation of tax credits and the assumption and reamortization of the outstanding USDA-RD 515 loan. The subject property is a 62+ age restricted community.

### Proposed Unit Mix

The subject property is proposed to consist of 32 revenue-producing units including 1-bedroom garden apartments. A total of 4 units are proposed to be income restricted to 40% of AMI; a total of 12 units are proposed to be income restricted to 50% of AMI; a total of 16 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 32 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing.

The sponsor has proposed to reamortize the existing USDA-RD loan for 50 years; the rent and income restrictions associated with this loan will remain in place until it is repaid. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

Unit Type / Income Limit / Rent Limit	Proposed Unit Configuration			Gross Rent	UA	Net Rent
	HOME	Subsidized	Units			
1BR-1BA-606sf / 40% of AMI / 40% of AMI	No	Yes	2	\$819	\$124	\$695
1BR-1BA-566sf / 40% of AMI / 40% of AMI	No	Yes	2	\$819	\$124	\$695
1BR-1BA-566sf / 50% of AMI / 50% of AMI	No	Yes	12	\$819	\$124	\$695
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	Yes	16	\$819	\$124	\$695
Total/Average			32	\$819	\$124	\$695

### Site Description

The subject property includes an irregular-shaped parcel consisting of approximately 3.284 acres and approximately 400 feet of road frontage.

A total of 36 parking spaces are planned for this development (32 regular / 4 accessible / 1.13 spaces per unit). Privately-owned parking areas are planned for the subject property. We normally see 1.0 to 1.5 spaces per unit for projects like the subject. Public transportation is not found in the area. In our opinion, the current parking appears adequate for the subject property.

### Additional Considerations:

Zoning	R-3. Legal, conforming use.
Environmental	1983 construction. No suspected environmental conditions.
Topography	No issues detected.
Flood	Zone X. Outside the 100-year flood zone.
DDA Status	Caroline County, Virginia. Not designated as a Difficult to Develop Area.
QCT Status	Tract 301.00. Not designated as a Qualified Census Tract.
Access	Good. Located near a heavily-traveled road.
Visibility	Fair. 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 fair to good location relative to competing properties with respect to neighborhood characteristics.

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

Additional Considerations:

Crime	Higher crime rates than market average.
Schools	Lower graduation rates than market average.
Average Commute	Shorter commutes than market average.

In our opinion, the neighborhood is suitable for development.

Primary Market Area

We defined the primary market area by generating a 15-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 31,925 persons and covers a total of 536.9 square miles, making it 26.1 miles across on average.

We estimate that up to 40 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 31,925 and is projected to grow 3.1 percent this year.
Households	Market area households currently stand at 11,680 and is projected to grow 3.1 percent this year.
Renter Households	Market area renter households currently stand at 2,455 and is projected to decline 0.2 percent this year.
Renter Tenure	Market area renter tenure currently stands at 21.0 percent.
Rent Growth	Market area rents have grown 1.51% annually since 2010.

Regional Economic Outlook

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

Est Employment	Regional establishment employment currently stands at 9,640 and is projected to grow 1.7 percent this year.
Civ Employment	Regional civilian employment currently stands at 15,497 and is projected to grow 1.3 percent this year.
Empl by Industry	Regional establishment employment currently stands at 9,640. The data suggests that State and Local Government is the largest employment category accounting for 13.6% of total regional employment. Professional and Technical Services is the second largest category accounting for 10.2% of total employment. Other Services is the third largest category accounting for 9.7% of total employment. Retail Trade is the fourth largest category accounting for 9.5% of total employment. Construction is the fifth largest category accounting for 6.7% of total employment.
Top Employers	The top employers include: (1) VSE Corp (200 employees); (2) Value City Furniture (130 employees) and; (3) Caroline County Dept Of Trnspt (106 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 133 units. The occupancy rate for these units currently stands at 97 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	2	16	4	75%
Restricted	4	47	0	100%
Subsidized	1	70	0	100%
Total	7	133	4	97%

Stabilized				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	1	4	1	75%
Restricted	4	47	0	100%
Subsidized	0	38	0	100%
Total	5	89	1	99%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	0	0	0	0%
Subsidized	1	32	0	100%
Total	1	32	0	100%

Pipeline				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	1	12	3	75%
Restricted	0	0	0	0%
Subsidized	0	0	0	0%
Total	1	12	3	75%

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
008	Baker House Apartments	14	100%	1965	2000	Market Rate	Family	16.61
018	Dahlgren Harbor Apartments	73	100%	1941	2010	Market Rate	Family	23.13
024	Kings Mill Apartments	28	96%	1985	na	Market Rate	Family	16.39
030	Nick's Place Duplexes	6	100%	2005	na	Market Rate	Family	16.89
037	Swallows Landing Apartments	24	100%	1987	2016	Market Rate	Family	22.80
038	Willow Glen Apartments	28	93%	1992	na	Market Rate	Family	15.03
039	Woodside Apartments	40	98%	1995	na	Market Rate	Family	16.11

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
001	Angel Court Apartments	24	100%	2012	na	Restricted	Family	15.62
002	Angelwood Apartments Phase	24	100%	2006	na	Restricted	Family	15.62
003	Angelwood Apartments Phase	32	97%	2009	na	Restricted	Family	15.62
004	Angelwood at Caroline	26	100%	2014	na	Restricted	Family	0.87
012	Colonial Beach Apartments	32	100%	1985	2017	Restricted	Family	23.79
025	Lee Street Townhomes	18	100%	1975	2001	Restricted	Family	0.70
032	Pine Forest Apartments	40	100%	1985	1999	Restricted	Family	22.73

### 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					
1BR-1BA-606sf / 40% of AMI / 40% of AMI	No	Yes		2	\$800	\$695	13.1%
1BR-1BA-566sf / 40% of AMI / 40% of AMI	No	Yes		2	\$800	\$695	13.1%
1BR-1BA-566sf / 50% of AMI / 50% of AMI	No	Yes		12	\$800	\$695	13.1%
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	Yes		16	\$800	\$695	13.1%
Total / Average				32	\$800	\$695	13.1%

Our analysis suggests an average achievable rent of \$800 for the subject property. This is compared with an average proposed rent of \$695, yielding an achievable rent advantage of 13.1 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)
1-Bedroom / Subsidized / 60% of AMI	16	176	0	9.1%	9.1%	27.3%	7
				Project-Wide Gross Capture Rate	9.1%		
				Project-Wide Net Capture Rate	9.1%		
				Project-Wide Penetration Rate	27.3%		
				Stabilized Occupancy	97%		
				Project-Wide Absorption Period	7 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 7 months of absorption and an average absorption rate of 2.4 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	19.4%
Project-Wide Capture Rate - Market Units	0.0%
Project-Wide Capture Rate - All Units	19.4%
Project-Wide Absorption Period (Months)	7 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.

Courthouse Lane Phase 1  
 150 Courthouse Lane  
 Bowling Green, Virginia 22427

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Minimum Income	\$3,720								\$3,720
Maximum Income	\$39,960								\$39,960
New Rental Households	15								15
(+)									
Existing Households - Overburdened	79								79
(+)									
Existing Households - Substandard Housing	21								21
(+)									
Elderly Households - Likely to Convert to Rental Housing	33								
(+)									
Existing Qualifying Tenants - To Remain After Renovation	16								16
(+)									
Total Demand	165								132
(-)									
Supply (Directly Comparable Vacant Units Completed or in Pipeline in PMA)									
(=)									
Net Demand	165								132
Proposed Units	32								32
Capture Rate	19.4%								24.3%
Absorption Period (Months)	7 mos								7 mos

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## PROJECT OVERVIEW

### Project Description

The subject property, known as Courthouse Lane Phase 1, is an existing affordable multifamily development located at 150 Courthouse Lane in Bowling Green, Caroline County, Virginia (Tax Map # 43A2 A 66A). The subject property consists of 32 revenue-producing units originally constructed in 1983. The sponsor has proposed to renovate the property with an allocation of tax credits and the assumption and reamortization of the outstanding USDA-RD 515 loan. The subject property is a 62+ age restricted community.

Select project details are summarized below:

Project Description	
Property Name	Courthouse Lane Phase 1
Street Number	150
Street Name	Courthouse
Street Type	Lane
City	Bowling Green
County	Caroline County
State	Virginia
Zip	22427
Units	32
Year Built	1983
Project Rent	Subsidized
Project Type	Elderly
Project Status	Prop Rehab
Financing Type	Tax Credit
Latitude	38.0518
Longitude	-77.3432

### Scope of Renovation

The subject property is currently in fair condition. The sponsor has proposed to rehabilitate the subject property to bring it up to “like new” condition using tax credit financing. The contemplated rehabilitation scope includes roof, parking lot, landscape, appliance, cabinet, HVAC and tile repairs and/or replacement. Tenants will be temporarily displaced as renovation progresses for this property.

### Construction and Lease-Up Schedule

We anticipate a 12-month construction period for this project. Assuming a September 1, 2019 closing, this yields a date of completion of September 1, 2020. Our demand analysis (found later in this report) suggests a 7-month absorption period. This yields a date of stabilization of April 1, 2021.

### Unit Configuration

The subject property currently consists of 32 revenue-producing units including 1-bedroom garden apartments. A total of 32 units are currently income restricted to 60% of AMI; no units are currently set aside as market rate units; a total of 32 units currently benefit from project-based rental assistance. The subject property currently stands at 100% occupancy. The current rent and income restrictions will remain in place for the next 33 years or until the outstanding USDA-RD debt is repaid, whichever is earlier.

Current Unit Configuration										
BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
1	1.0	566	Garden/Flat	60%	60%	No	Yes	30	\$862	\$786
1	1.0	606	Garden/Flat	60%	60%	No	Yes	2	\$862	\$786
Total/Average		569						32	\$862	\$786

The subject property is proposed to consist of 32 revenue-producing units including 1-bedroom garden apartments. A total of 4 units are proposed to be income restricted to 40% of AMI; a total of 12 units are proposed to be income restricted to 50% of AMI; a total of 16 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 32 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing.

The sponsor has proposed to reamortize the existing USDA-RD loan for 50 years; the rent and income restrictions associated with this loan will remain in place until it is repaid. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

Proposed Unit Configuration										
BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
1	1.0	606	Garden/Flat	40%	40%	No	Yes	2	\$819	\$695
1	1.0	566	Garden/Flat	40%	40%	No	Yes	2	\$819	\$695
1	1.0	566	Garden/Flat	50%	50%	No	Yes	12	\$819	\$695
1	1.0	566	Garden/Flat	60%	60%	No	Yes	16	\$819	\$695
Total/Average		569						32	\$819	\$695

Please note: Subsidized units will be operated subject to LIHTC income restrictions and USDA-RD income requirements. The RD income requirements give priority to residents at or below 50% of AMI. This may affect the operation of the subject property.



# USDA Rural Rental Assistance Program (Section 521)

Housing Assistance Council

June 2008

**Section 521 Rural Rental Assistance (RA) is available in some properties financed by the Section 515 Rural Rental or Section 514/516 Farm Labor Housing programs of the U.S. Department of Agriculture's Rural Development Housing and Community Facilities Programs office (RD). It covers the difference between 30 percent of a tenant's income and the monthly rental rate.**

### *Purpose*

RA is a project-based program, providing an additional subsidy for tenants in Section 515- or 514/516-financed rental housing with incomes too low to pay the RD subsidized rent from their own resources. RD pays the owner the difference between the tenant's contribution (30 percent of adjusted income) and the monthly rental rate, which is calculated based on the owner's project costs.

### *Eligibility*

**Properties:** Rental Assistance may be used in both existing and newly constructed RD Section 515- or 514/516-financed developments. Projects must be established on a nonprofit or limited profit basis.

**Tenants:** Persons with very low and low incomes, elderly persons, and persons with disabilities are eligible if they are unable to pay the basic monthly rent within 30 percent of adjusted monthly income. Very low income is defined as below 50 percent of the area median income (AMI); low income is between 50 and 80 percent of AMI. In new projects, 95 percent of those assisted must have very low incomes. In existing projects 75 percent of new tenants must have very low incomes.

### *Terms*

RD and the project owner execute a one-year contract in which RD commits payments on behalf of tenants in a designated number or percentage of the units. Additional units may be covered if funds are available and an additional contract is executed. The agreement may be renewed as many times as funds are made available. RD State Directors may transfer unused and unneeded contracts or portions of contracts to other projects.

### *Priority*

Overall priority is provided to renewal of expiring contracts.

A portion of the RA appropriation every year is used for RA in Section 515 and 514/516 projects whose owners want to prepay their mortgages. Additional RA can be used as an incentive for an owner to keep the RD mortgage, or to assist a nonprofit organization or public agency purchasing a property and assuming the mortgage.

Priority for RA in housing newly financed by Section 515 is given to a project either if a market study indicates the greatest percentage of prospective tenants need RA or if the area has the greatest housing need within the state and is selected for funding in accordance with the regulations.

### *Comments*

The request for Rental Assistance is generally initiated by the property owner. If the borrower does not request it, however, tenants eligible for RA may petition the owner to obtain it for them. There is an RD appeals procedure if RA is denied by the owner.

In existing projects, demand for RA far exceeds supply. In a typical year, renewals account for most of RA funds.

## 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	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
1.0 Person	\$17,490	\$23,320	\$29,150	\$34,980	\$40,810	\$46,640
2.0 Person	\$19,980	\$26,640	\$33,300	\$39,960	\$46,620	\$53,280
3.0 Person	\$22,470	\$29,960	\$37,450	\$44,940	\$52,430	\$59,920
4.0 Person	\$24,960	\$33,280	\$41,600	\$49,920	\$58,240	\$66,560
5.0 Person	\$26,970	\$35,960	\$44,950	\$53,940	\$62,930	\$71,920
6.0 Person	\$28,980	\$38,640	\$48,300	\$57,960	\$67,620	\$77,280
7.0 Person	\$30,960	\$41,280	\$51,600	\$61,920	\$72,240	\$82,560
8.0 Person	\$32,970	\$43,960	\$54,950	\$65,940	\$76,930	\$87,920

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	\$69,300	0.9%
2009	\$73,200	5.6%
2010	\$73,900	1.0%
2011	\$74,600	0.9%
2012	\$75,600	1.3%
2013	\$73,900	-2.2%
2014	\$72,900	-1.4%
2015	\$74,200	1.8%
2016	\$72,400	-2.4%
2017	\$78,700	8.7%
2018	\$83,200	5.7%

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:

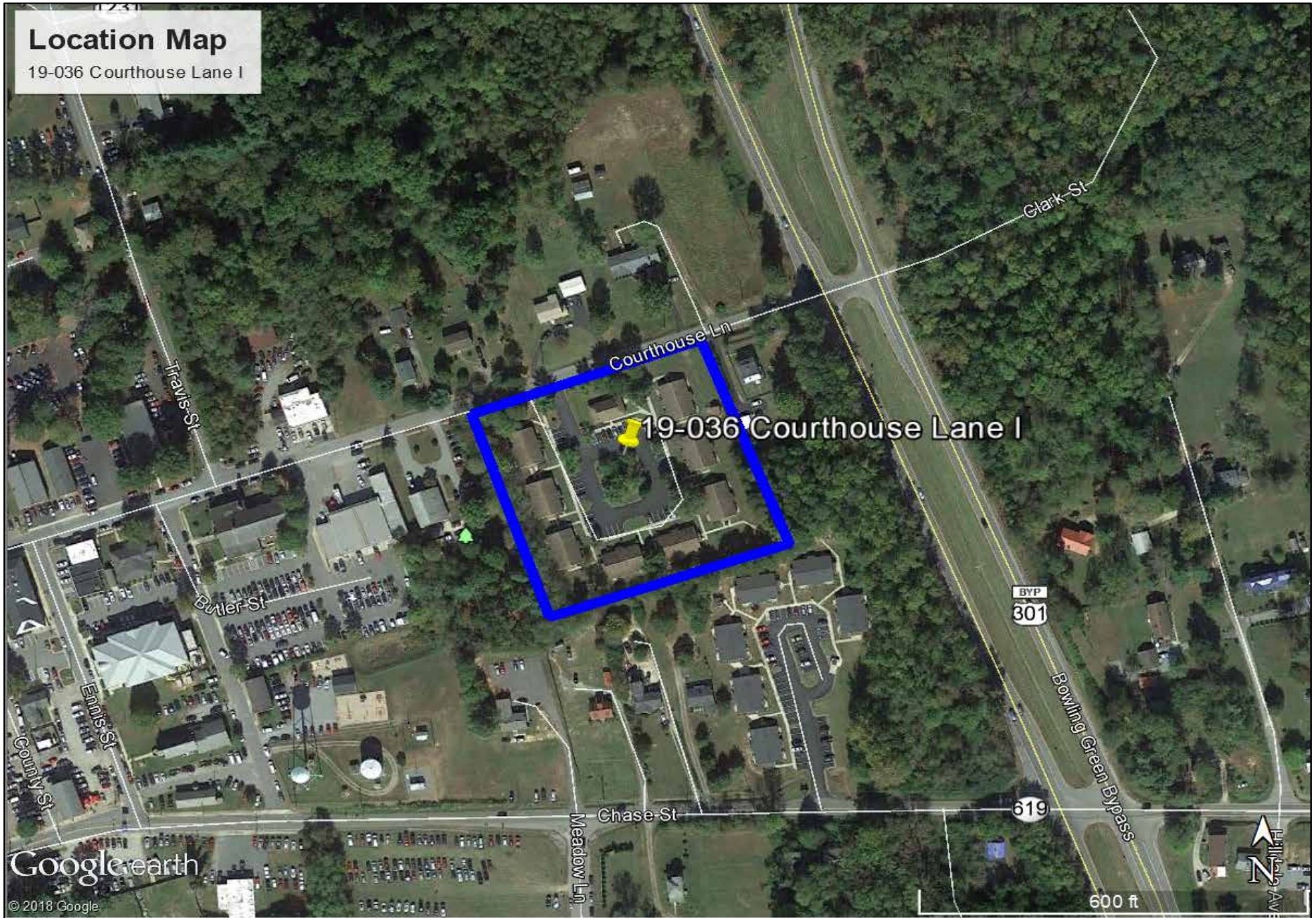
Maximum Housing Expense						
Unit Type	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
0 Bedroom	\$437	\$583	\$728	\$874	\$1,020	\$1,166
1 Bedroom	\$468	\$624	\$780	\$936	\$1,092	\$1,249
2 Bedroom	\$561	\$749	\$936	\$1,123	\$1,310	\$1,498
3 Bedroom	\$649	\$865	\$1,081	\$1,298	\$1,514	\$1,731
4 Bedroom	\$724	\$966	\$1,207	\$1,449	\$1,690	\$1,932

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	\$889
1 Bedroom	\$932
2 Bedroom	\$1,067
3 Bedroom	\$1,421
4 Bedroom	\$1,713

Source: HUD





## 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 currently consists of 32 revenue-producing units in 8 residential buildings and 1 non-residential building. The development currently includes approximately 18,192 square feet of net rentable area and 21,913 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 slab on grade foundations.

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

The subject property is constructed with wood frame surfaced with plywood. 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 vinyl siding, double hung vinyl double pane windows, steel clad insulated six-panel unit entry doors, and sliding glass patio doors. The sponsor proposes to replace the siding, windows and exterior doors as part of the planned renovation.

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

The subject includes gabled asphalt shingle roofs. The sponsor proposes to replace the roofs as part of the planned renovation.

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

None.

#### 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 electric 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 & LED fixtures are proposed after renovation.

#### Fire Suppression

The subject property is not 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 32 revenue-producing units including 30 regular units and 2 accessible units including 32 bedrooms, 32 full bathrooms and 0 half bathrooms.

The subject property is proposed to contain 32 revenue-producing units including 27 regular units and 5 accessible units, including 32 bedrooms, 32 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. Wood solid-core flat panel doors are planned post renovation.

### Floor Covering

Floor covering currently consists of vinyl sheeting in the entryways, bathrooms & kitchens along with wall-to-wall carpeting in the living areas & bedrooms. The sponsor proposes to replace the flooring as part of the planned renovation. Luxury vinyl plank is proposed for the entryways, bathrooms, kitchens & living areas.

### Kitchens

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

### Bathrooms

Bathrooms currently include 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 is currently found at the subject property.

### Parking

Open parking is found at the subject property.

### Laundry

Central laundry facilities are currently found at the subject property.

### Security

Call buttons 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 electric heat, electric cooking and electric hot water. All utilities - including cold water, sewer and trash - are currently paid by the resident.

The sponsor has proposed a utility configuration change as part of the planned renovation. All utilities - with the exception of trash - are proposed to be paid by the resident.

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
1	1.0	606	Garden/Flat	40% of AMI	40% of AMI	No	Yes	2	\$124	\$111
1	1.0	566	Garden/Flat	40% of AMI	40% of AMI	No	Yes	2	\$124	\$111
1	1.0	566	Garden/Flat	50% of AMI	50% of AMI	No	Yes	12	\$124	\$111
1	1.0	566	Garden/Flat	60% of AMI	60% of AMI	No	Yes	16	\$124	\$111
Total/Average								32	\$124	\$111

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 higher than 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 1983 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	Courthouse Lane Phase 1	1983	2009	4.00	12	6	5
001	Angel Court Apartments	2012	2010	4.50	2	2	1
002	Angelwood Apartments Phase 1	2006	2010	4.50	4	2	1
003	Angelwood Apartments Phase 2	2009	2010	4.50	3	2	1
004	Angelwood at Caroline	2014	2014	4.50	1	1	1
008	Baker House Apartments	1965	1995	2.25	14	10	15
012	Colonial Beach Apartments	1985	1990	2.50	9	14	12
018	Dahlgren Harbor Apartments	1941	2005	3.00	15	7	9
024	Kings Mill Apartments	1985	1995	3.00	9	10	9
025	Lee Street Townhomes	1975	1985	2.50	13	15	12
030	Nick's Place Duplexes	2005	2000	3.25	5	8	7
032	Pine Forest Apartments	1985	2000	3.25	9	8	7
037	Swallows Landing Apartments	1987	2010	4.00	8	2	5
038	Willow Glen Apartments	1992	1995	2.50	7	10	12
039	Woodside Apartments	1995	1995	3.00	6	10	9

Source: Allen & Associates; Sponsor

Amenities

Key	Project Name	Site & Common Area Amenities																			
		Bell Field	BBQ Area	Billiards Game Rm	Business Comp Ctr	Cat 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
Sub	Courthouse Lane Phase 1	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
001	Angel Court Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
002	Angelwood Apartments Phase 1	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
003	Angelwood Apartments Phase 2	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
004	Angelwood at Caroline	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
008	Baker House Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
012	Colonial Beach Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	no	no	no	no
018	Dahlgren Harbor Apartments	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	no	no	no	no
024	Kings Mill Apartments	no	no	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	yes	no	no	no
025	Lee Street Townhomes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
030	Nick's Place Duplexes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
032	Pine Forest Apartments	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	no	no	no	no
037	Swallows Landing Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
038	Willow Glen Apartments	no	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	no	yes	no	no	no
039	Woodside Apartments	no	no	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	yes	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	Courthouse Lane Phase 1	yes	no	yes	no	yes	yes	yes	yes	no	yes	no	yes	no	no	no	no	yes	no	no	no	no
001	Angel Court Apartments	yes	no	yes	no	yes	some	yes	yes	yes	yes	no	yes	no	no	no	no	yes	no	no	no	no
002	Angelwood Apartments Phase 1	yes	no	yes	no	yes	yes	yes	yes	yes	no	yes	no	no	no	no	no	yes	no	no	no	no
003	Angelwood Apartments Phase 2	yes	yes	yes	no	yes	some	yes	yes	no	yes	no	yes	no	no	no	no	yes	no	no	no	no
004	Angelwood at Caroline	yes	no	yes	no	no	no	yes	yes	yes	yes	no	yes	no	no	no	no	yes	no	no	no	no
008	Baker House Apartments	yes	yes	yes	no	no	no	yes	yes	no	some	some	no	no	yes	no	no	no	yes	no	no	no
012	Colonial Beach Apartments	yes	no	yes	no	no	no	yes	yes	no	no	no	yes	no	no	no	no	yes	no	no	no	no
018	Dahlgren Harbor Apartments	yes	yes	yes	no	some	no	yes	yes	no	no	no	yes	no	no	no	no	yes	no	no	no	no
024	Kings Mill Apartments	yes	no	yes	no	yes	no	yes	yes	no	no	yes	yes	no	no	no	no	yes	no	no	no	no
025	Lee Street Townhomes	yes	no	yes	no	yes	yes	yes	yes	no	no	no	yes	no	no	no	no	yes	no	no	no	no
030	Nick's Place Duplexes	yes	yes	yes	no	yes	no	yes	yes	no	yes	no	yes	no	no	no	no	yes	no	no	no	no
032	Pine Forest Apartments	yes	no	yes	no	yes	yes	yes	yes	no	no	no	no	yes	no	no	no	no	no	yes	no	no
037	Swallows Landing Apartments	yes	no	yes	no	some	no	yes	yes	yes	no	no	no	no	yes	no	no	no	no	yes	no	no
038	Willow Glen Apartments	yes	no	yes	no	yes	no	yes	yes	no	no	yes	yes	no	no	no	no	yes	no	no	no	no
039	Woodside Apartments	yes	no	yes	no	yes	no	yes	yes	no	no	yes	yes	no	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	Alter School	Concierge	Hair Salon	Health Care	House-keeping	Meals	Transportation
Sub	Courthouse Lane Phase 1	no	no	no	yes	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
001	Angel Court Apartments	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
002	Angelwood Apartments Phase 1	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
003	Angelwood Apartments Phase 2	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
004	Angelwood at Caroline	no	no	no	yes	no	no	yes	no	no	no	no	no	no	na	na	na	na	na	na	na	na
008	Baker House Apartments	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
012	Colonial Beach Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
018	Dahlgren Harbor Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
024	Kings Mill Apartments	no	no	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
025	Lee Street Townhomes	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
030	Nick's Place Duplexes	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
032	Pine Forest Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
037	Swallows Landing Apartments	no	no	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
038	Willow Glen Apartments	no	no	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
039	Woodside Apartments	no	no	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no

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	Courthouse Lane Phase 1	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes
001	Angel Court Apartments	no	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes
002	Angelwood Apartments Phase 1	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
003	Angelwood Apartments Phase 2	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
004	Angelwood at Caroline	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	
008	Baker House Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
012	Colonial Beach Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
018	Dahlgren Harbor Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
024	Kings Mill Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
025	Lee Street Townhomes	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	
030	Nick's Place Duplexes	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	
032	Pine Forest Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
037	Swallows Landing Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	
038	Willow Glen Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
039	Woodside Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	

Source: Allen & Associates; Sponsor

HUD Utility Schedule Model Output					
	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Heat - Gas	11	13	16	17	19
Heat - Elec	11	13	16	17	19
Cooking - Gas	4	5	7	9	11
Cooking - Elec	4	5	7	9	11
Other Electric	14	17	24	30	37
Air Conditioning	5	5	7	10	12
Hot Water-Gas	10	11	14	17	20
Hot Water-Elec	10	11	14	17	20
Water	17	17	18	24	29
Sewer	43	43	46	61	76
Trash	15	15	15	15	15

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 not provided to the analyst for review. Current surveys should be evaluated to ascertain whether there are any easements encumbering the subject property.

### Site Plan

A site plan for the subject property was not 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. The developer did provide us with a description of the development's site features. A summary of these features is found below.

#### Acres / Lot Shape / Frontage

The subject property includes an irregular-shaped parcel consisting of approximately 3.284 acres and approximately 400 feet of road frontage.

#### Zoning

According to the sponsor, the subject property is currently zoned R3. It is our understanding that the current zoning for the subject is a legal, conforming use.

#### Parking / Streets / Curbs / Sidewalks

A total of 36 parking spaces are planned for this development (32 regular / 4 accessible / 1.13 spaces per unit). Privately-owned parking areas are planned for the subject property. We normally see 1.0 to 1.5 spaces per unit for projects like the subject. Public transportation is not found in the area. In our opinion, the current parking appears adequate for the subject property.

#### Dumpsters / Dumpster Enclosures

The subject includes 1 publicly-owned dumpster along with 1 privately-owned wood enclosure.

#### 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 unlighted entry sign is found at this property.

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

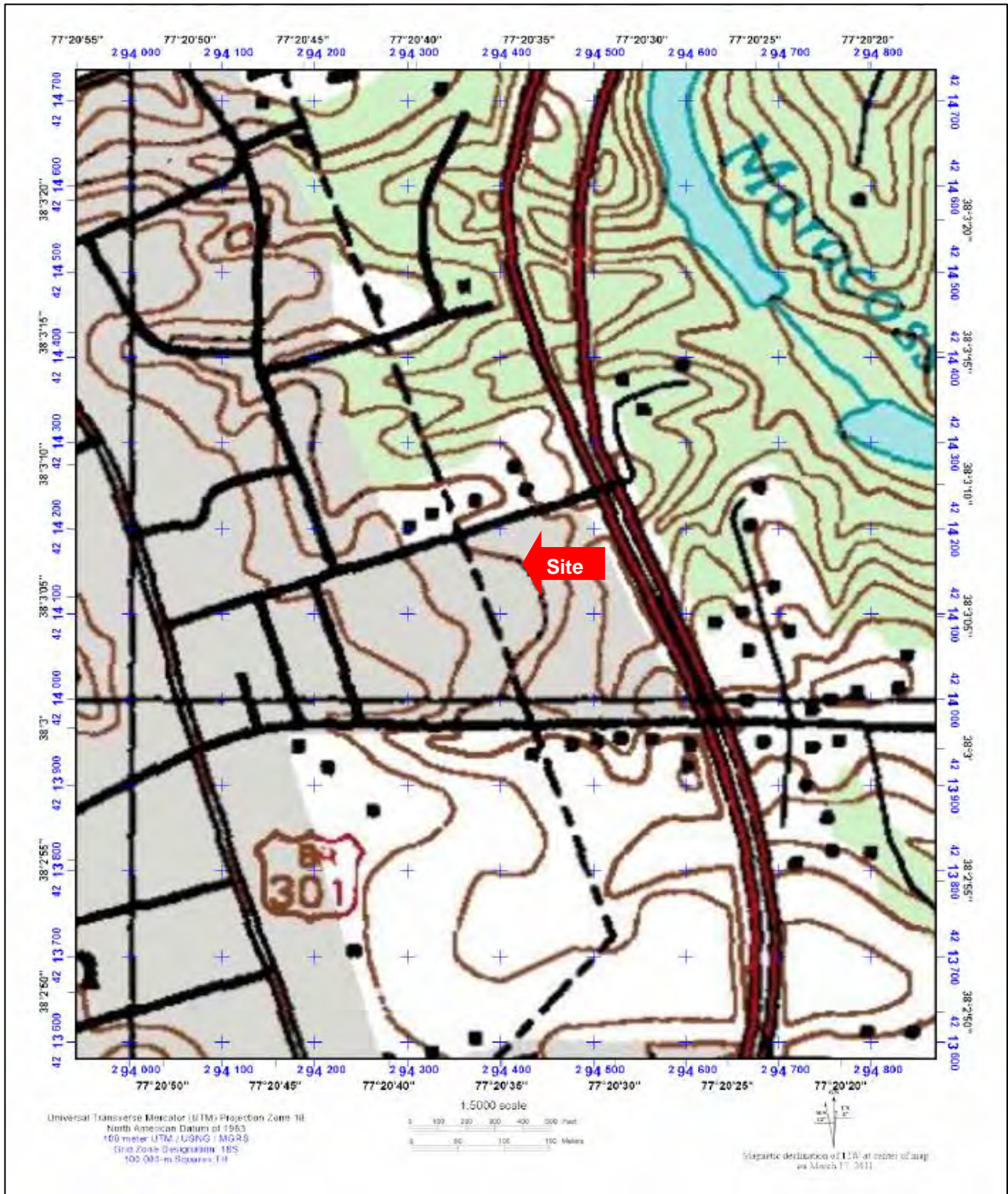
Stormwater management consists of catch basins and concrete pipe connecting to a public system. Site lighting consists of publicly-owned HID poles. Domestic water service to buildings consists of ductile iron pipe connecting to a public system. Wastewater service to buildings consists of PVC pipe connecting 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 1983, after the 1978 ban on lead and asbestos containing construction materials. Nevertheless, we recommend that the sponsor obtain a comprehensive environmental assessment from a qualified professional.

## Topography

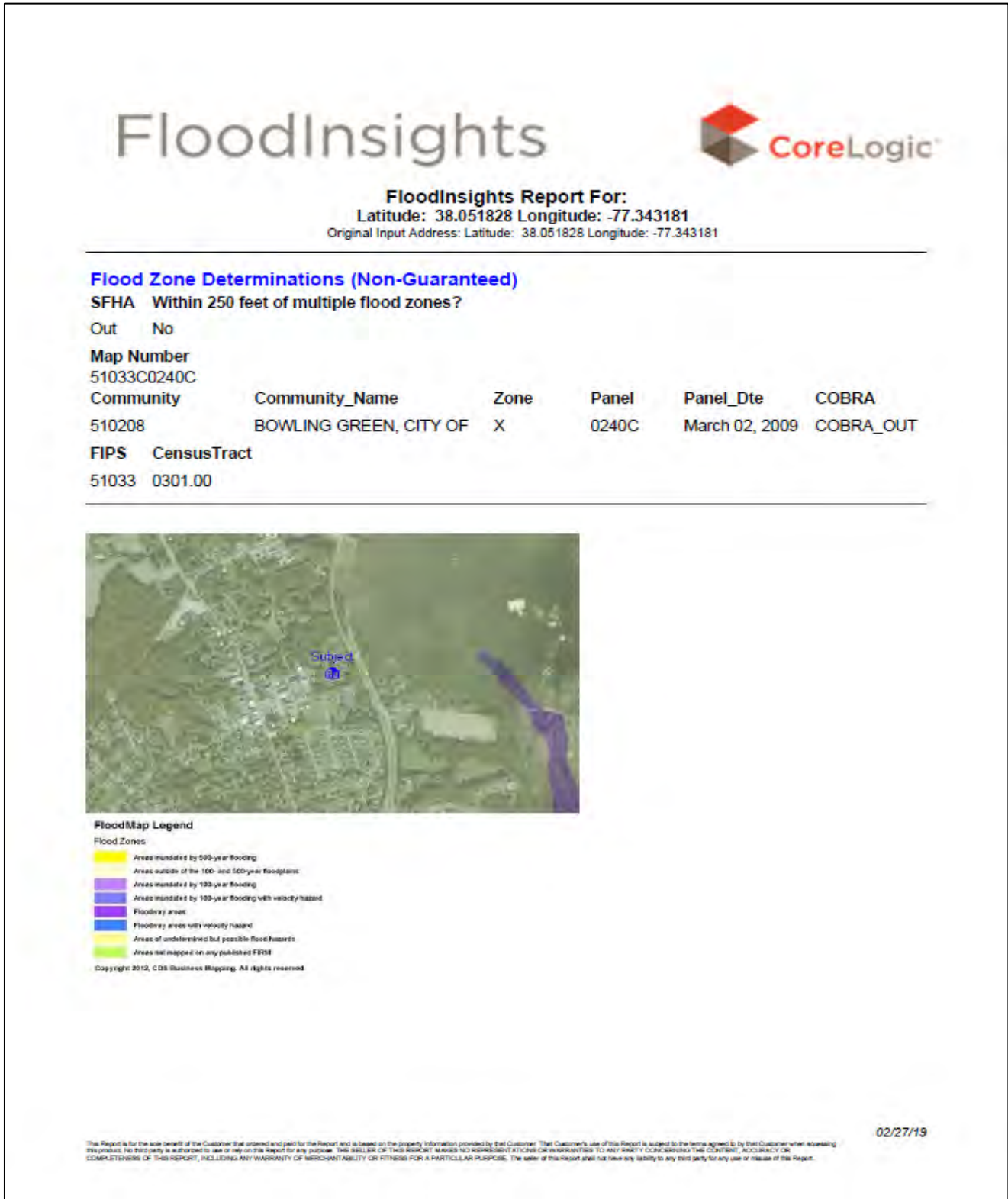
The USGS map showing the topography of the subject property and surrounding area is found below:



The topographic map shows that the site is flat and drains to adjacent properties to the east. 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 51033C0240C dated March 02, 2009, the subject property is located in Zone X. This is an area that is identified as being located outside the 100-year flood zone.

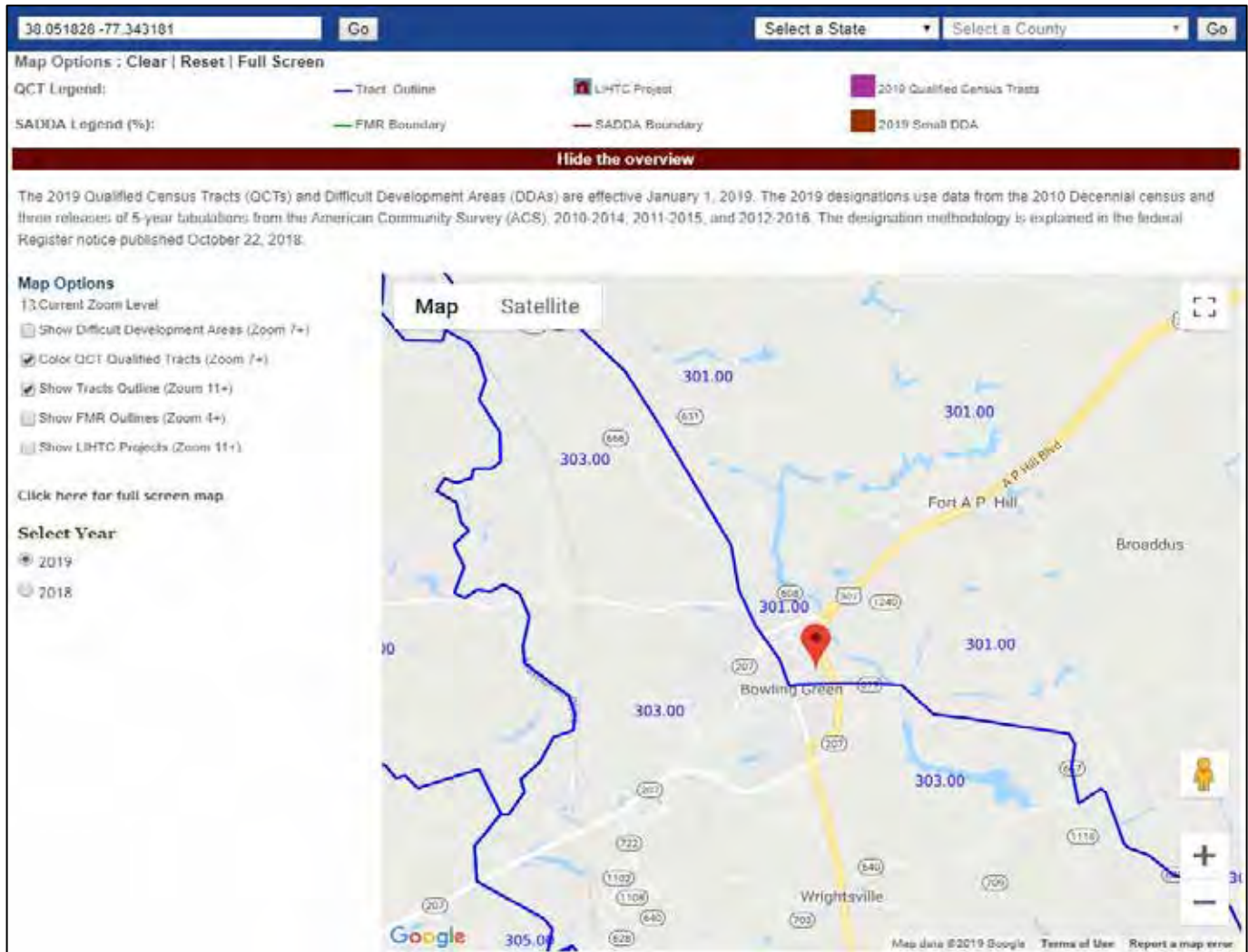


## Difficult to Develop Area Status

The subject property is located in Caroline 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

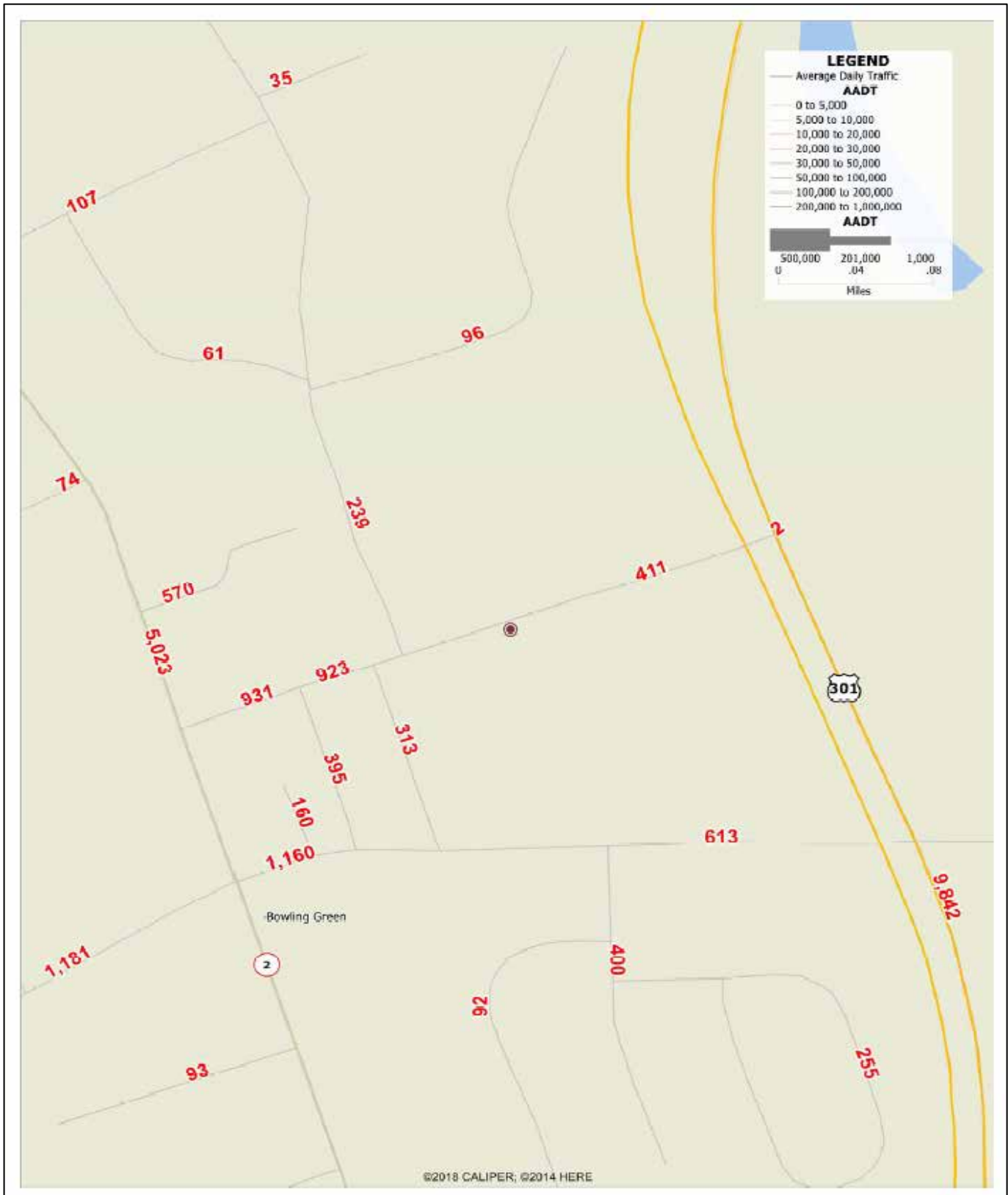
The federal government has identified census tracts throughout the United States that include high concentrations of low-income households and substandard housing units. These areas, known as Qualified Census Tracts, qualify for special funding under various state and federal programs. A QCT map showing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



The subject property is located in Census Tract 301.00 - an area that is not designated as a Qualified Census Tract. Consequently, the subject property does not 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 Courthouse Lane, approximately 1 block west of US Highway 301 in Bowling Green, Virginia. Courthouse Lane is a lightly-traveled east-west road carrying approximately 500 vehicles per day; US Highway 301 is a heavily-traveled north-south road carrying approximately 10,000 vehicles per day. 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 Courthouse Lane with significant frontage and a moderate volume of drive-by traffic. Consequently, in our opinion visibility is fair 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	Courthouse Lane Phase 1	3.50	2.50	1	5
001	Angel Court Apartments	3.00	2.00	4	6
002	Angelwood Apartments Phase 1	3.00	2.00	4	6
003	Angelwood Apartments Phase 2	3.00	2.00	4	6
004	Angelwood at Caroline	3.00	2.00	4	6
008	Baker House Apartments	2.75	2.75	10	4
012	Colonial Beach Apartments	3.00	3.00	4	3
018	Dahlgren Harbor Apartments	2.50	2.00	13	6
024	Kings Mill Apartments	2.75	2.00	10	6
025	Lee Street Townhomes	3.00	2.00	4	6
030	Nick's Place Duplexes	1.50	2.00	15	6
032	Pine Forest Apartments	3.50	3.50	1	1
037	Swallows Landing Apartments	3.50	3.50	1	1
038	Willow Glen Apartments	2.00	1.50	14	15
039	Woodside Apartments	2.75	2.00	10	6

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 Bowling Green, Virginia. The immediate area consists of residential land uses.

Single family in fair condition is located to the north, south, east and west of the subject property. 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	Single Family	Fair
South	Single Family	Fair
East	Single Family	Fair
West	Single Family	Fair

Source: Allen & Associates

#### Economic Characteristics

The subject property is located in an area with average household incomes of \$31,250 (in 2015 dollars); this is compared with \$57,872 for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with median cash rents of \$778 (in 2015 dollars); this is compared with \$923 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 \$183,300 (in 2015 dollars); this is compared with \$221,447 for the most comparable properties included in this analysis.

#### Crime Rates

The subject property is located in an area with personal crime rates of 6.1%. 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 3.5%.

In addition, the subject property is located in an area with property crime rates of 3.0%. 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 3.2%.

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 80.3%; this is compared with 83.3% for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with college graduation rates of 20.6%; this is compared with 23.6% 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 30.4 minutes; this is compared with 34.0 minutes for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with an average of 1.79 vehicles per household; this is compared with 1.83 vehicles per household for the most comparable properties included in this analysis.

Conclusion

In our opinion, the subject property has a fair to 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	Union Bank & Trust	0.1 mi W
Grocery	Food Lion	0.9 mi SW
Emergency Clinic	Virginia Primary Care Associates	0.1 mi W
Pharmacy	Bowling Green Pharmacy	0.1 mi NW
Discount Store	Dollar General	0.3 mi W
Elementary School	Madison Elementary School	0.8 mi W
Middle School	Caroline Middle School	5.0 mi SW
High School	Caroline High School	5.3 mi SW
Bus Stop	-	-

Source: Google Maps

Union Bank & Trust, Food Lion, Bowling Green Pharmacy, and Dollar General are all located less than 1.0 miles away from the subject property. Virginia Primary Care is located 0.1 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 2 banks within 2.0 miles of the subject property. The subject is ranked 3 out of the 15 properties included in this analysis.
- A total of 1 grocery store is in the vicinity of the subject property. The subject is ranked 8 for the area.
- A total of 0 hospital are in the vicinity of the subject property. The subject is ranked 1 for the area.
- A total of 2 pharmacies are in the vicinity of the subject property. The subject is ranked 1 for the area.
- A total of 6 shopping centers are in the vicinity of the subject property. The subject is ranked 1 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 0.24 miles away from the subject property. The subject is ranked 3 out of the 15 properties included in this analysis.
- The nearest grocery store is 0.96 miles away from the subject property. The subject is ranked 9 for the area.
- The nearest hospital is 14.13 miles away from the subject property. The subject is ranked 5 for the area.
- The nearest pharmacy is 0.13 miles away from the subject property. The subject is ranked 1 for the area.
- The nearest shopping center is 0.24 miles away from the subject property. The subject is ranked 3 for the area.

### Conclusion

In our opinion, the subject property has a 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

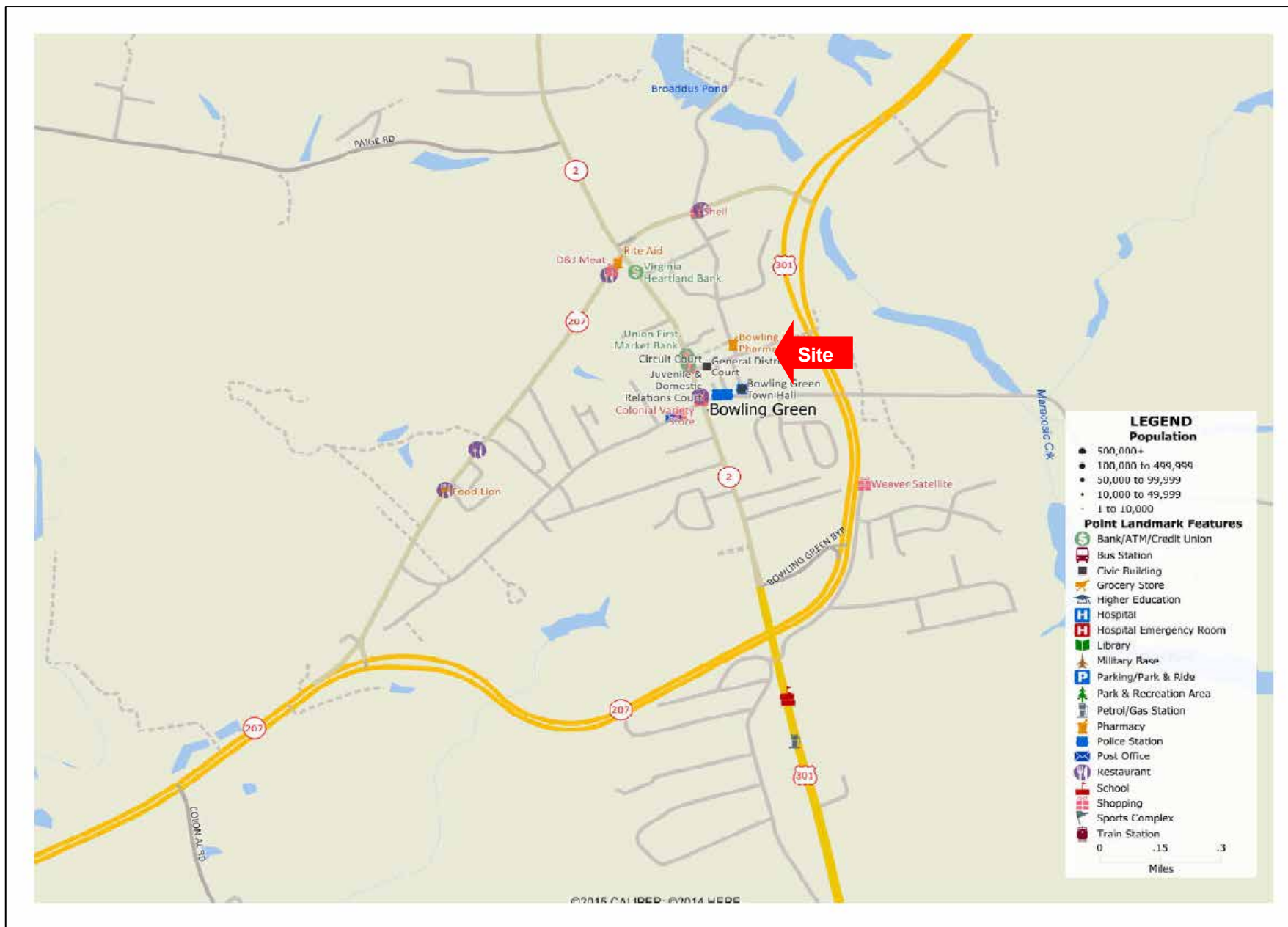
		Rating								Rank (1 = Property with Highest Rating)								Final Rating (1-5 Scale)		
		Surrounding Area				Crime Rates		Education		Commute	Surrounding Area				Crime Rates		Education		Commute	
Key	Project Name	Avg HH Income (2015)	Med Cash Rent (2015)	Med SF Value (2015)	Personal Crime	Property Crime	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	Courthouse Lane Phase 1	\$31,250	\$778	\$183,300	6.1%	3.0%	80.3%	20.6%	30.39	15	15	9	14	5	14	6	1			
001	Angel Court Apartments	\$45,769	\$889	\$161,500	3.3%	4.0%	80.3%	18.8%	31.24	7	9	10	7	9	8	9	2			
002	Angelwood Apartments Phase 1	\$45,769	\$889	\$161,500	3.3%	4.0%	80.3%	18.8%	31.24	7	9	10	7	9	8	9	2			
003	Angelwood Apartments Phase 2	\$45,769	\$889	\$161,500	3.3%	4.0%	80.3%	18.8%	31.24	7	9	10	7	9	8	9	2			
004	Angelwood at Caroline	\$45,500	\$955	\$193,900	3.2%	3.5%	83.8%	19.8%	40.50	13	2	7	5	6	6	7	13			
008	Baker House Apartments	\$82,330	\$904	\$270,600	3.4%	2.3%	94.3%	23.3%	32.56	4	8	4	13	4	1	5	11			
012	Colonial Beach Apartments	\$45,909	\$947	\$231,900	8.2%	5.2%	72.3%	12.8%	44.14	6	4	5	15	15	15	15	15			
018	Dahlgren Harbor Apartments	\$91,250	\$933	\$351,200	1.8%	1.2%	88.8%	39.6%	32.20	1	5	1	1	1	2	1	8			
024	Kings Mill Apartments	\$45,769	\$889	\$161,500	3.3%	4.0%	80.3%	18.8%	31.24	7	9	10	7	9	8	9	2			
025	Lee Street Townhomes	\$45,500	\$955	\$193,900	3.2%	3.5%	83.8%	19.8%	40.50	13	2	7	5	6	6	7	13			
030	Nick's Place Duplexes	\$69,223	\$1,171	\$225,500	2.4%	3.5%	86.9%	25.6%	37.18	5	1	6	4	8	5	4	12			
032	Pine Forest Apartments	\$91,250	\$933	\$351,200	1.8%	1.2%	88.8%	39.6%	32.20	1	5	1	1	1	2	1	8			
037	Swallows Landing Apartments	\$91,250	\$933	\$351,200	1.8%	1.2%	88.8%	39.6%	32.20	1	5	1	1	1	2	1	8			
038	Willow Glen Apartments	\$45,769	\$889	\$161,500	3.3%	4.0%	80.3%	18.8%	31.24	7	9	10	7	9	8	9	2			
039	Woodside Apartments	\$45,769	\$889	\$161,500	3.3%	4.0%	80.3%	18.8%	31.24	7	9	10	7	9	8	9	2			

Proximity to Area Amenities

		Rating								Rank (1 = Property with Highest Rating)								Final Rating (1-5 Scale)
		Number within 2.0 miles of Property				Nearest to Property, Miles				Number within 2.0 miles of Property				Nearest to Property, Miles				
Key	Project Name	Banks	Grocery	Hospital	Pharmacy	Shopping Center	Shopping Center	Grocery	Hospital	Banks	Grocery	Hospital	Pharmacy	Shopping Center	Shopping Center	Grocery	Hospital	
Sub	Courthouse Lane Phase 1	2	1	0	2	6	0.2	1.0	14.1	3	8	1	1	1	3	9	5	
001	Angel Court Apartments	2	1	0	1	3	0.3	1.4	16.3	3	8	1	3	8	5	12	7	
002	Angelwood Apartments Phase 1	2	1	0	1	3	0.3	1.4	16.3	3	8	1	3	8	5	12	7	
003	Angelwood Apartments Phase 2	2	1	0	1	3	0.3	1.4	16.3	3	8	1	3	8	5	12	7	
004	Angelwood at Caroline	2	1	0	1	3	0.3	1.4	16.3	3	8	1	3	8	5	12	7	
008	Baker House Apartments	1	2	0	1	4	0.2	0.1	17.6	12	4	1	3	3	1	1	11	
012	Colonial Beach Apartments	3	2	0	1	4	0.2	0.8	18.4	1	4	1	3	3	2	8	15	
018	Dahlgren Harbor Apartments	2	3	0	1	0	2.1	1.3	14.0	3	1	1	3	15	15	10	3	
024	Kings Mill Apartments	1	2	0	1	4	0.4	0.3	17.6	12	4	1	3	3	10	2	12	
025	Lee Street Townhomes	2	1	0	2	6	0.3	0.4	13.9	3	8	1	1	1	9	4	1	
030	Nick's Place Duplexes	1	1	0	1	4	0.2	0.3	17.6	12	8	1	3	3	3	3	12	
032	Pine Forest Apartments	2	3	0	1	1	1.4	0.7	14.0	3	1	1	3	13	13	6	4	
037	Swallows Landing Apartments	2	3	0	1	1	1.5	0.7	14.0	3	1	1	3	13	14	6	2	
038	Willow Glen Apartments	3	1	0	0	2	0.6	1.4	15.8	1	8	1	15	12	11	11	6	
039	Woodside Apartments	1	2	0	1	4	0.8	0.7	17.8	12	4	1	3	3	12	5	14	

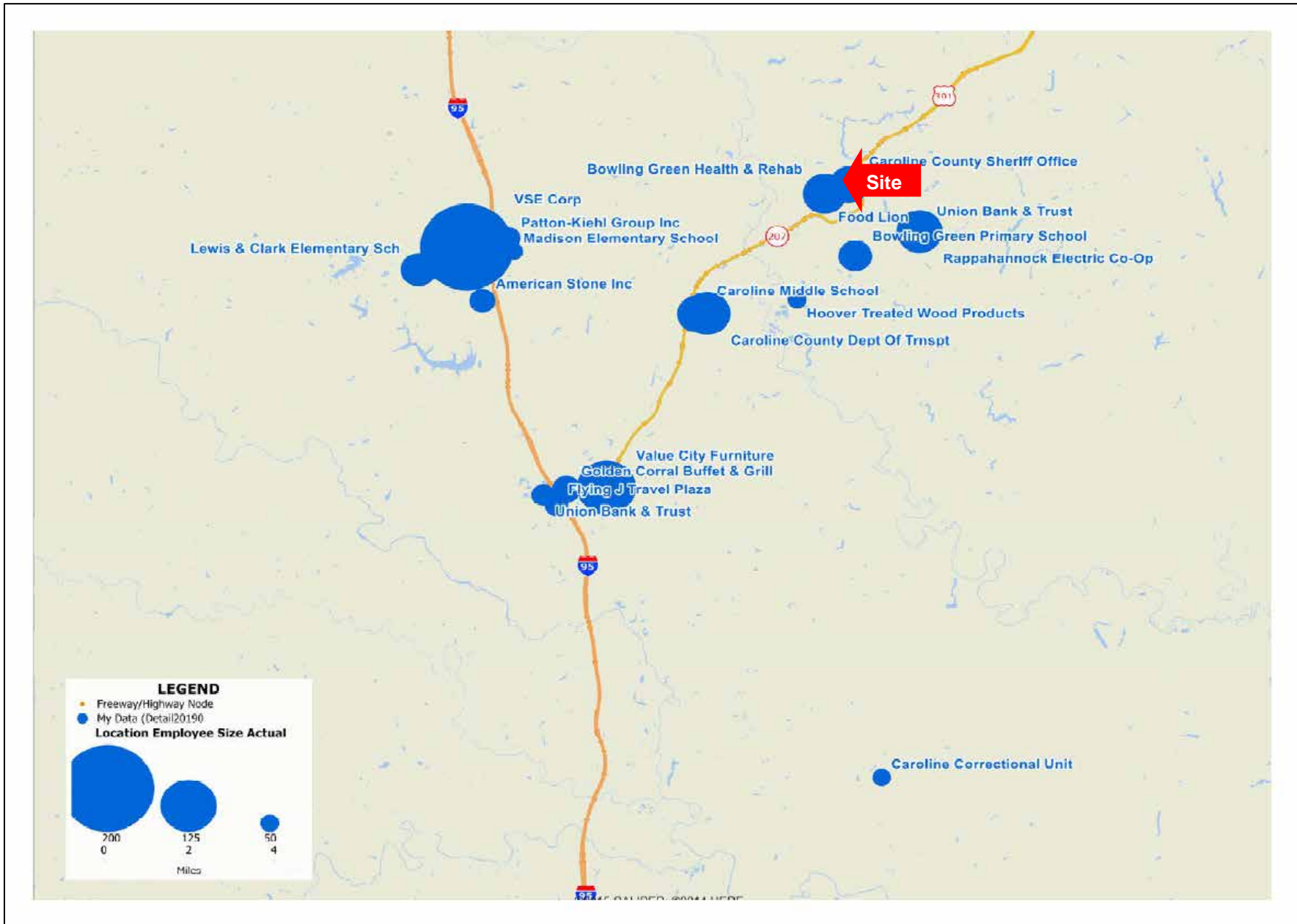
Source: US Census; Claritas; Google Maps

## 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



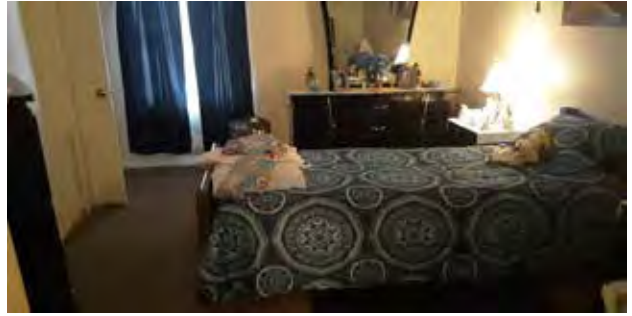
Looking East From Entrance



Looking West From Entrance



Typical Family Room



Typical Bedroom



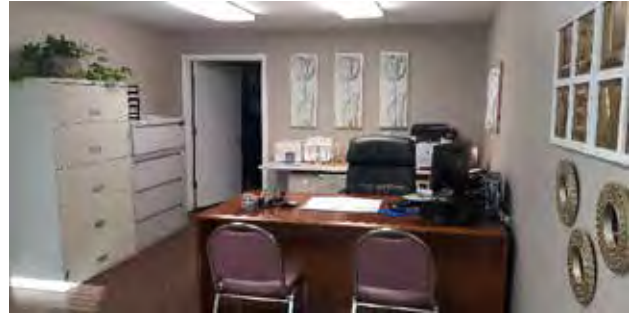
Typical Bathroom



Typical Kitchen



Community Room



Management Office



Community Kitchen



Laundry Room

# 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 15-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:

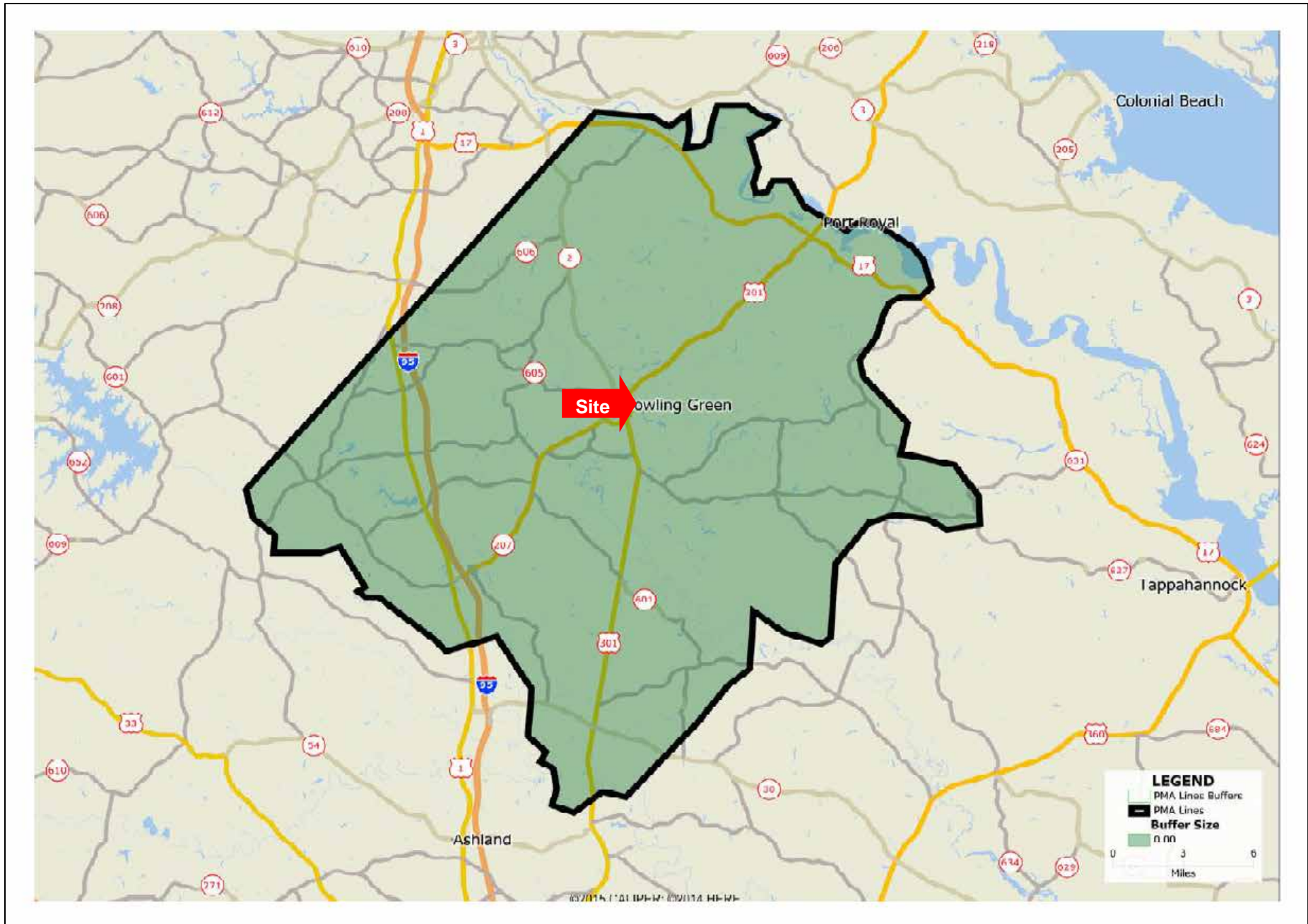
Census Tract	County	State
51033030100	Caroline County	Virginia
51033030201	Caroline County	Virginia
51033030202	Caroline County	Virginia
51033030300	Caroline County	Virginia
51033030400	Caroline County	Virginia
51033030500	Caroline County	Virginia
51033030600	Caroline County	Virginia

The primary market area includes a population of 31,925 persons and covers a total of 536.9 square miles, making it 26.1 miles across on average.

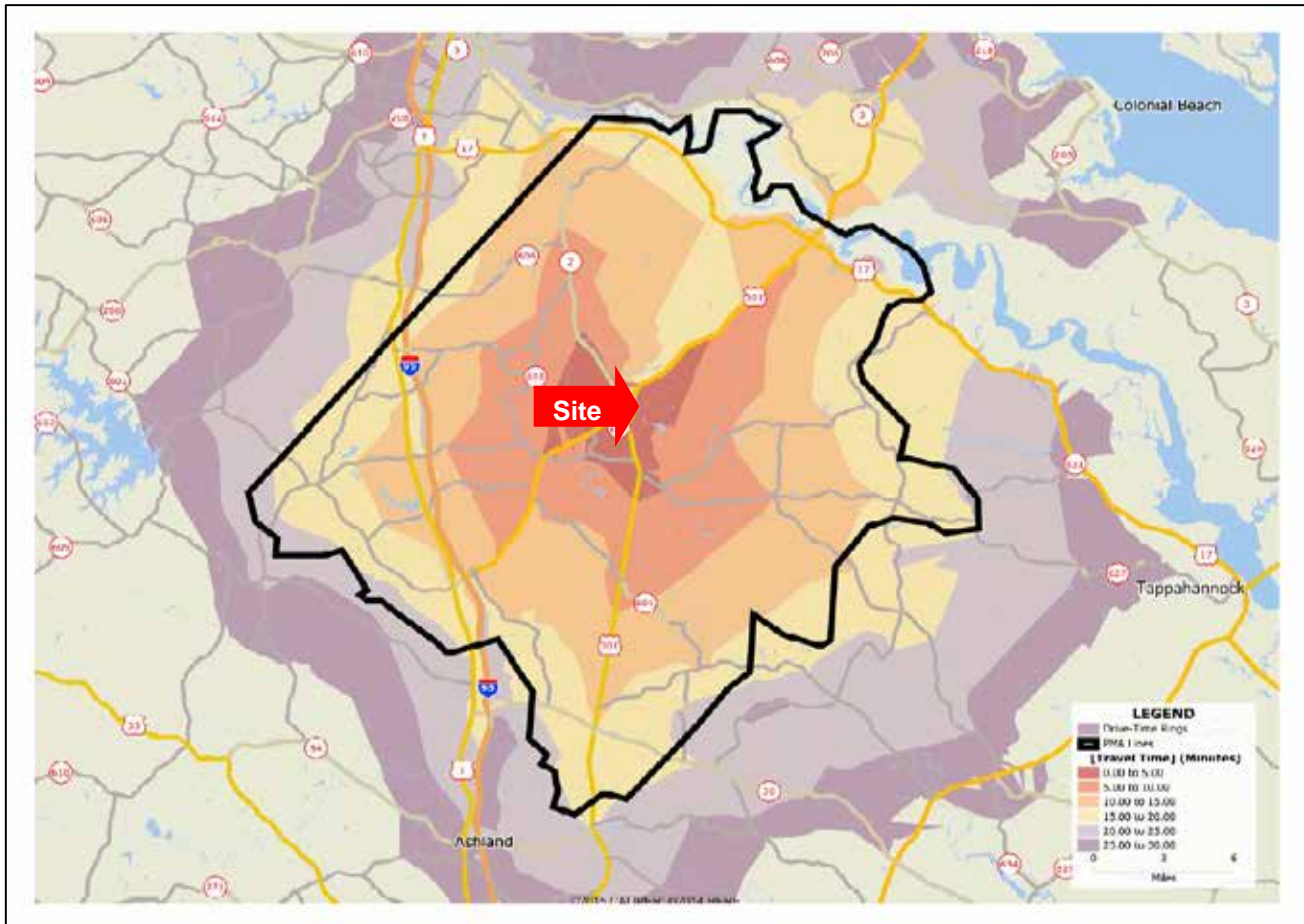
## Secondary Market Area

We estimate that up to 40 percent of demand will come from areas outside of the primary market area.

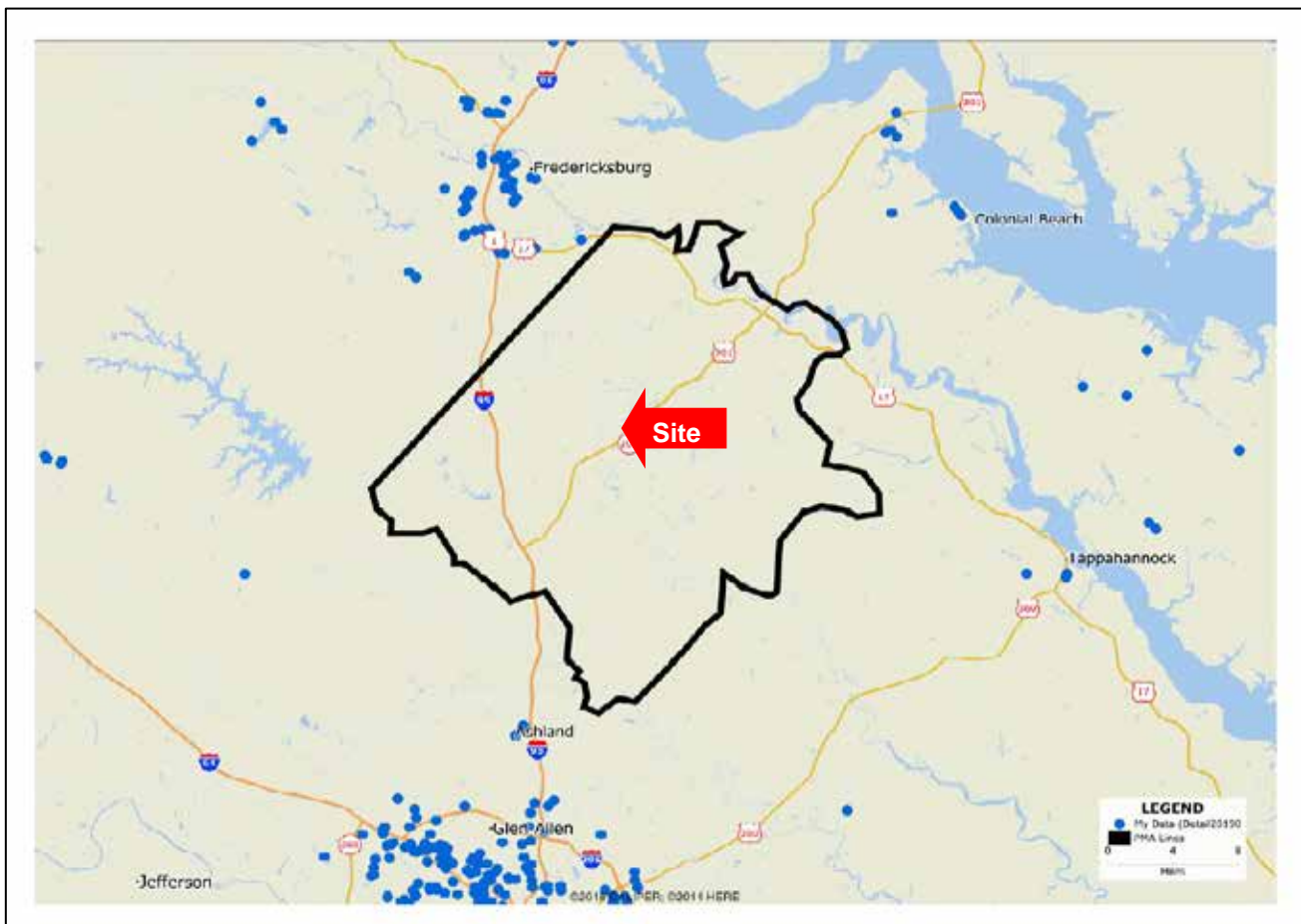
# Market Area



## Drive Time

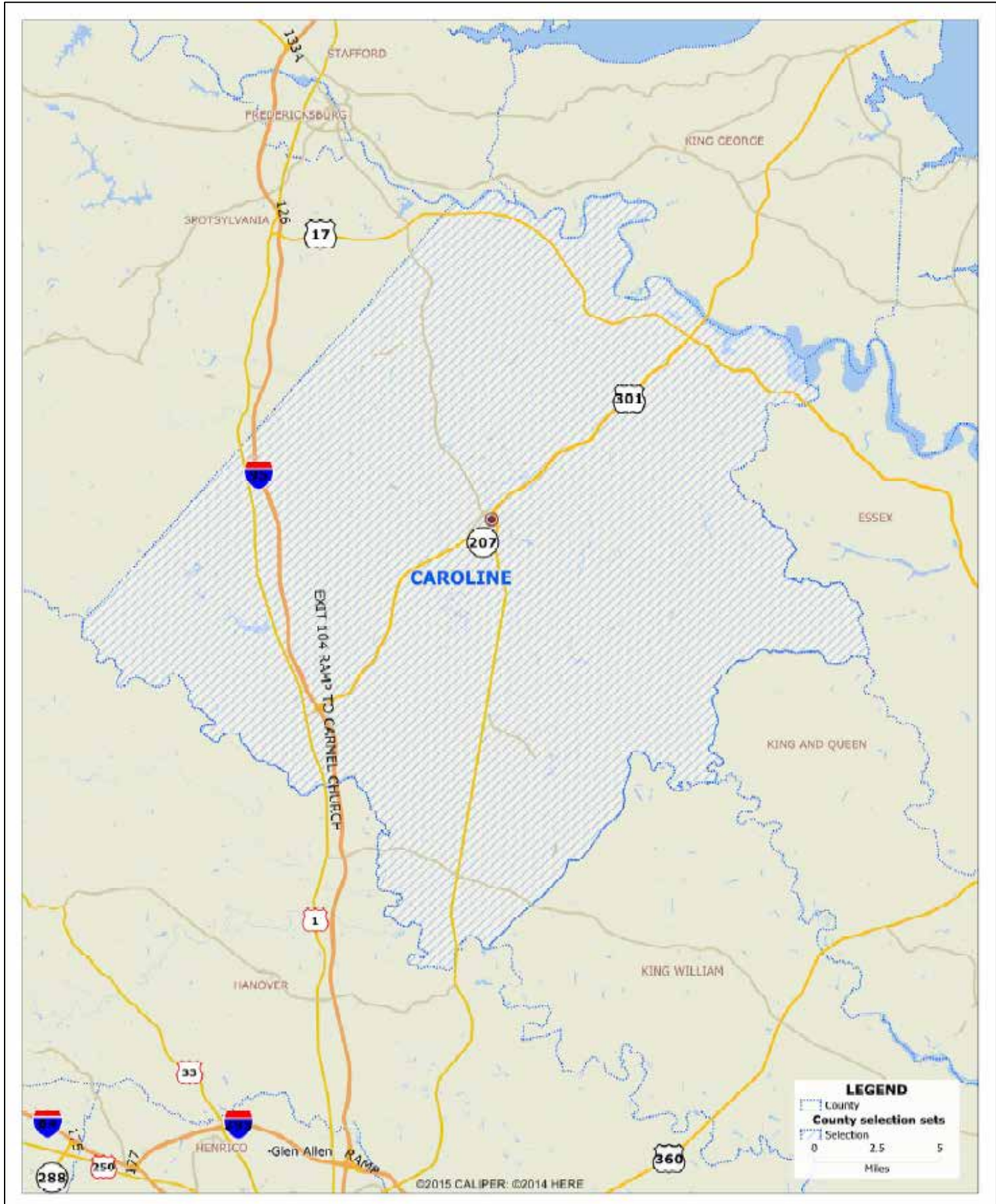


## Existing Multifamily



## ECONOMIC OUTLOOK

In this section we conduct an analysis of the regional economy. For purposes of our analysis, we define the region as Caroline County, Virginia. A map depicting the Region 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 current breakdown and percent distribution. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Establishment Employment			
Industry	Region	Reg %	US %
Farm Employment	285	3.0%	1.3%
Forestry, Fishing, Related Activities And Other Employment	30	0.3%	0.5%
Mining Employment	20	0.2%	0.7%
Utilities Employment	148	1.5%	0.3%
Construction Employment	646	6.7%	5.5%
Manufacturing Employment	391	4.1%	6.7%
Wholesale Trade Employment	394	4.1%	3.6%
Retail Trade Employment	918	9.5%	10.3%
Transportation And Warehousing Employment	447	4.6%	3.5%
Information Employment	35	0.4%	1.7%
Finance And Insurance Employment	245	2.5%	5.3%
Real Estate And Rental And Lease Employment	465	4.8%	4.7%
Professional And Technical Services Employment	979	10.2%	6.9%
Management Of Companies And Enterprises Employment	127	1.3%	1.3%
Administrative And Waste Services Employment	512	5.3%	6.0%
Educational Services Employment	35	0.4%	2.4%
Health Care And Social Assistance Employment	406	4.2%	11.6%
Arts, Entertainment, And Recreation Employment	172	1.8%	2.2%
Accommodation And Food Services Employment	589	6.1%	7.5%
Other Services, Except Public Administration Employment	936	9.7%	5.8%
Federal Civilian Government Employment	416	4.3%	1.4%
Federal Military Employment	135	1.4%	0.9%
State And Local Government Employment	1,309	13.6%	9.8%
Establishment Employment	9,640	100.0%	100.0%

Source: W&P Economics

Regional establishment employment currently stands at 9,640. The data suggests that State and Local Government is the largest employment category accounting for 13.6% of total regional employment. Professional and Technical Services is the second largest category accounting for 10.2% of total employment. Other Services is the third largest category accounting for 9.7% of total employment. Retail Trade is the fourth largest category accounting for 9.5% of total employment. Construction is the fifth largest category accounting for 6.7% 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 6,287 employees or about 65.2% 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 current breakdown and rank. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Average Earnings (2009 \$)		
Industry	Earnings	Rank
Farm Employment	\$6,677	21
Forestry, Fishing, Related Activities And Other Employment	\$11,500	18
Mining Employment	\$7,200	19
Utilities Employment	\$111,270	1
Construction Employment	\$42,023	7
Manufacturing Employment	\$50,841	4
Wholesale Trade Employment	\$34,985	10
Retail Trade Employment	\$16,662	17
Transportation And Warehousing Employment	\$40,926	9
Information Employment	\$24,686	14
Finance And Insurance Employment	\$27,180	12
Real Estate And Rental And Lease Employment	\$5,776	22
Professional And Technical Services Employment	\$41,129	8
Management Of Companies And Enterprises Employment	\$45,953	5
Administrative And Waste Services Employment	\$26,219	13
Educational Services Employment	\$1,543	23
Health Care And Social Assistance Employment	\$18,547	16
Arts, Entertainment, And Recreation Employment	\$7,116	20
Accommodation And Food Services Employment	\$19,601	15
Other Services, Except Public Administration Employment	\$27,237	11
Federal Civilian Government Employment	\$87,329	2
Federal Military Employment	\$44,978	6
State And Local Government Employment	\$51,363	3
Establishment Employment	\$35,112	

Source: W&P Economics

The data suggests that Utilities is the highest paid industry averaging \$111,270 per employee. Federal Civilian Government is the second highest paid industry averaging \$87,329 per employee. State and Local Government is the third highest paid profession averaging \$51,363 per employee. Manufacturing is the fourth highest paid industry averaging \$50,841 per employee. Management of Companies is the fifth highest paid category averaging \$45,953 per employee. These figures are compared with regional Average Earnings of \$35,112 per employee.

The highlighted industries represent basic industries for the region. Average earnings for these basic industries comes to \$44,971 or 28.1% 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
VSE Corp	200	8711-11	Engineers-Consulting	Branch
Value City Furniture	130	5712-16	Furniture-Dealers-Retail	Branch
Caroline County Dept Of Trnspt	106	9121-03	Government Offices-County	-
Rappahannock Electric Co-Op	105	4911-01	Electric Companies	-
Bowling Green Health & Rehab	100	8331-02	Rehabilitation Services	-
Caroline Middle School	92	8211-03	Schools	-
Caroline County Sheriff Office	91	9121-03	Government Offices-County	-
Lewis & Clark Elementary Sch	85	8211-03	Schools	-
Bowling Green Primary School	80	8211-03	Schools	-
Union Bank & Trust	80	6021-01	Banks	Branch

Source: InfoUSA

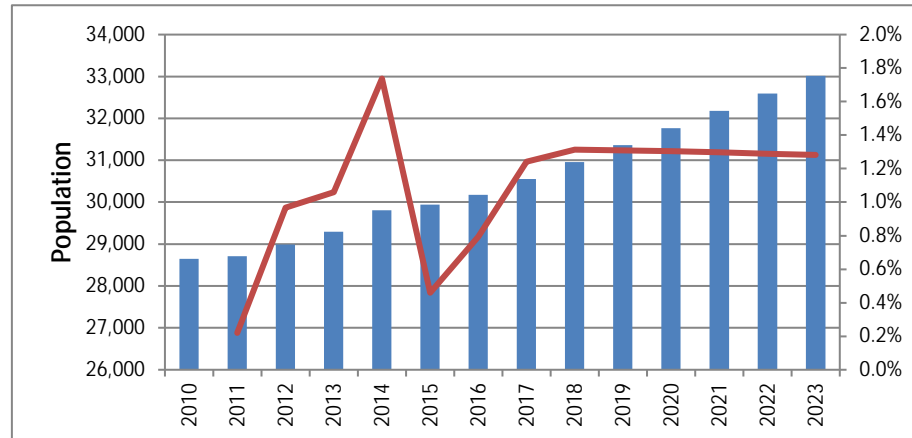
The top employers include: (1) VSE Corp (200 employees); (2) Value City Furniture (130 employees) and; (3) Caroline County Dept Of Trnspt (106 employees).

## Population

In this section we present population data for the region. The table and graph below show historic data since 2010 along with a forecast through 2023. The historic data comes from the US Census; the forecast comes from Woods & Pool Economics.

Population Forecast		
Year	Pop	Growth %
2010	28,646	
2011	28,709	0.2%
2012	28,987	1.0%
2013	29,294	1.1%
2014	29,803	1.7%
2015	29,940	0.5%
2016	30,178	0.8%
2017	30,553	1.2%
2018	30,954	1.3%
2019	31,359	1.3%
2020	31,768	1.3%
2021	32,180	1.3%
2022	32,595	1.3%
2023	33,013	1.3%

Source: US Census; W&P Economics



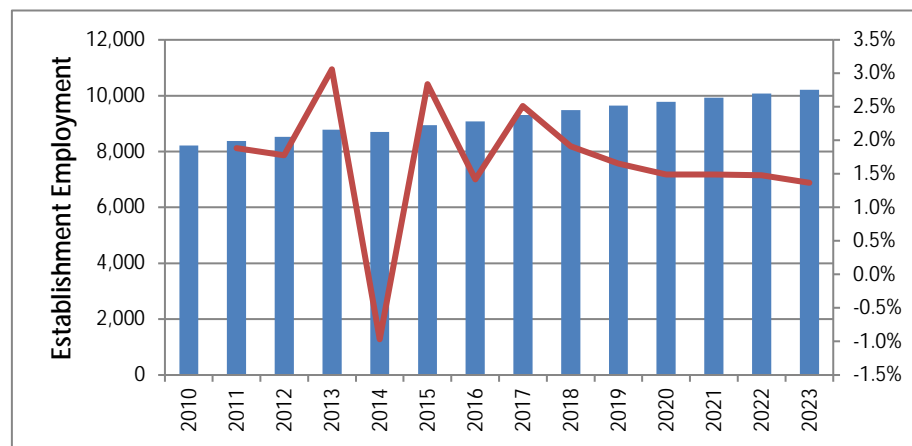
Population increased from 28,646 in 2010 to 30,954 in 2018 and is anticipated to increase to 33,013 in 2023.

## Establishment Employment

In this section we present establishment employment data for the region. The table and graph below show historic data since 2010 along with a forecast through 2023. The historic data comes from the Bureau of Labor Statistics (BLS); the forecast comes from Woods & Pool Economics.

Establishment Employment Forecast		
Year	Est Emp	Growth %
2010	8,223	
2011	8,378	1.9%
2012	8,527	1.8%
2013	8,788	3.1%
2014	8,703	-1.0%
2015	8,950	2.8%
2016	9,077	1.4%
2017	9,305	2.5%
2018	9,483	1.9%
2019	9,640	1.7%
2020	9,784	1.5%
2021	9,930	1.5%
2022	10,077	1.5%
2023	10,215	1.4%

Source: BLS; W&P Economics



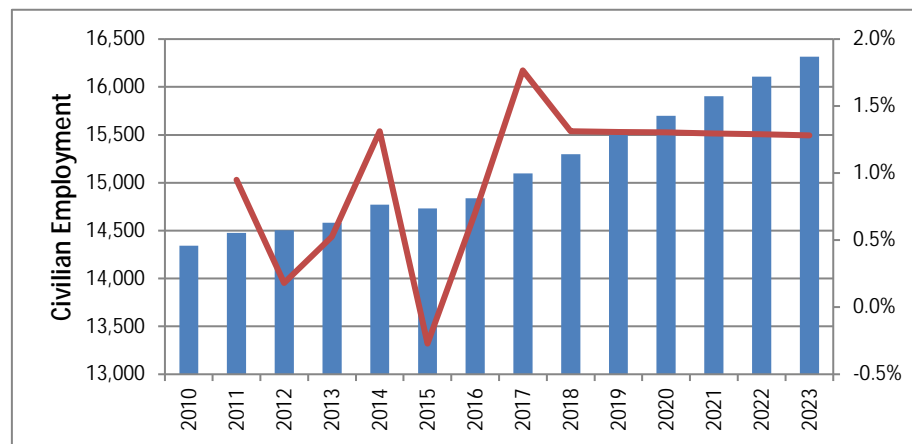
Establishment employment increased from 8,223 in 2010 to 9,483 in 2018 and is anticipated to increase to 10,215 in 2023.

## Civilian Employment

In this section we present civilian employment data for the region. The table and graph below show historic data since 2010 along with a forecast through 2023. The historic data comes from the Bureau of Labor Statistics (BLS); the forecast utilizes data from Woods & Pool Economics.

Year	Civ Emp	Growth %
2010	14,342	
2011	14,478	1.0%
2012	14,504	0.2%
2013	14,581	0.5%
2014	14,772	1.3%
2015	14,732	-0.3%
2016	14,837	0.7%
2017	15,099	1.8%
2018	15,297	1.3%
2019	15,497	1.3%
2020	15,699	1.3%
2021	15,903	1.3%
2022	16,108	1.3%
2023	16,314	1.3%

Source: BLS; W&P Economics



Civilian employment increased from 14,342 in 2010 to 15,099 in 2017 and is anticipated to increase to 16,314 in 2023.

## Labor Force and Unemployment

In this section we take a look at the 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	14,342	1,370	12,972	9.6%
2011	14,478	1,303	13,175	9.0%
2012	14,504	1,131	13,373	7.8%
2013	14,581	1,031	13,550	7.1%
2014	14,772	914	13,858	6.2%
2015	14,732	751	13,981	5.1%
2016	14,837	668	14,169	4.5%
2017	15,099	651	14,448	4.3%

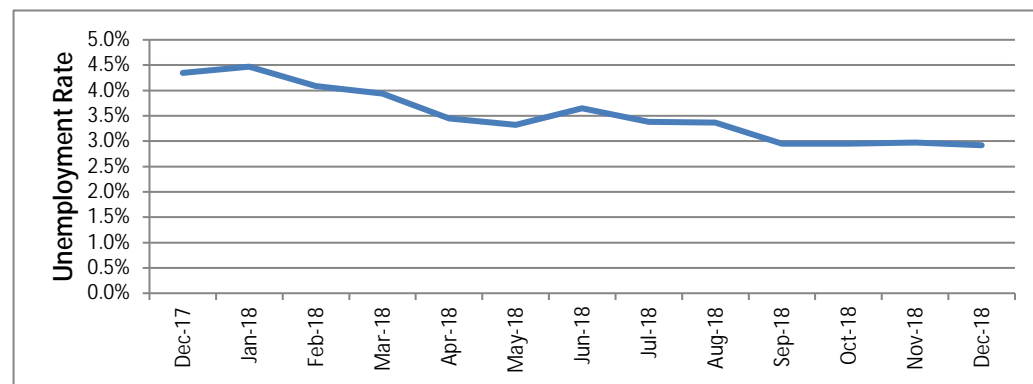
Source: BLS; Texas A&M Real Estate Center

Unemployment decreased from 1,370 in 2010 to 651 in 2017. The unemployment rate decreased from 9.6% in 2010 to 4.3% in 2017.

The table and graph below show the unemployment rate for the region for the past 12 months.

Month	Unemp Rate
Dec-17	4.4%
Jan-18	4.5%
Feb-18	4.1%
Mar-18	3.9%
Apr-18	3.5%
May-18	3.3%
Jun-18	3.7%
Jul-18	3.4%
Aug-18	3.4%
Sep-18	3.0%
Oct-18	3.0%
Nov-18	3.0%
Dec-18	2.9%

Source: TAMU



The Unemployment Rate for the Region came in at 4.4% in December 2017 and 2.9% in December 2018.

## 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
2000	97	0	0	97
2001	168	2	0	170
2002	295	8	0	303
2003	365	0	0	365
2004	565	12	0	577
2005	642	4	0	646
2006	418	0	0	418
2007	272	0	0	272
2008	175	0	0	175
2009	93	0	0	93
2010	96	0	0	96
2011	62	0	0	62
2012	103	0	8	111
2013	84	0	0	84
2014	73	0	0	73
2015	77	0	0	77
2016	110	0	0	110
2017	93	0	0	93

Source: US Census

Building permits for the region increased from 97 in 2000 to 646 in 2005, before decreasing to 62 in 2011 and increasing to 93 in 2017.

## Conclusion

We anticipate moderate economic growth accompanied by modest population growth for the region over the next several years.

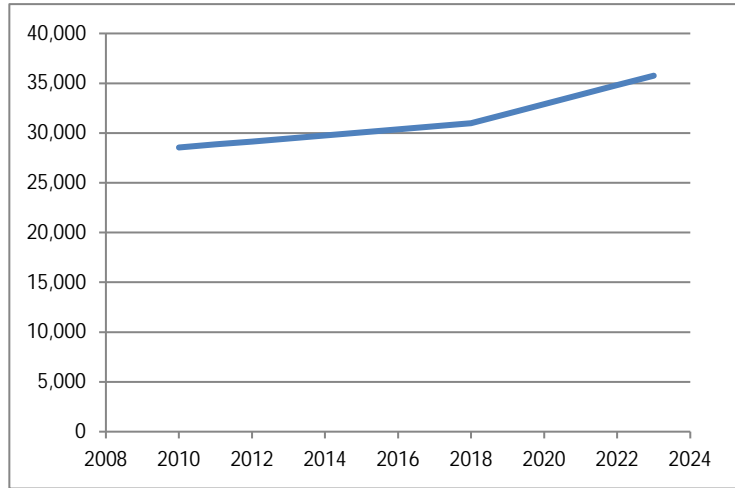
## DEMOGRAPHIC CHARACTERISTICS

### 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	28,545	-
2011	28,848	1.1%
2012	29,151	1.0%
2013	29,453	1.0%
2014	29,756	1.0%
2015	30,059	1.0%
2016	30,362	1.0%
2017	30,664	1.0%
2018	30,967	1.0%
2019	31,925	3.1%
2020	32,883	3.0%
2021	33,841	2.9%
2022	34,799	2.8%
2023	35,757	2.8%

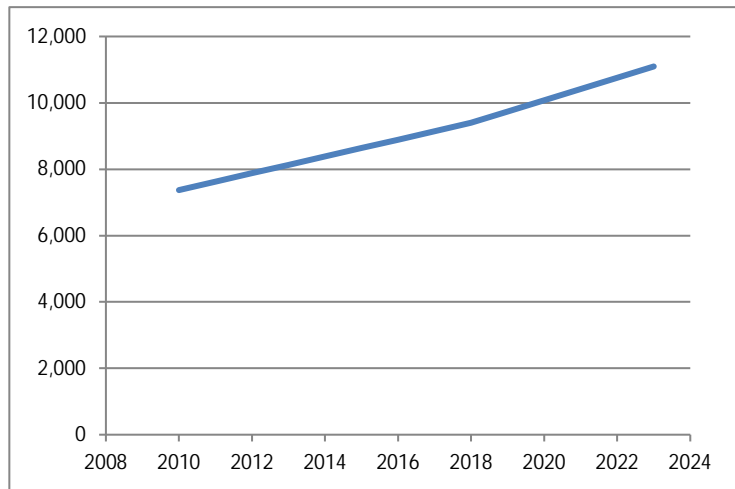
Source: ESRI; Allen & Associates



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

55+ Population Forecast		
Year	Population	Growth %
2010	7,371	-
2011	7,624	3.4%
2012	7,878	3.3%
2013	8,131	3.2%
2014	8,384	3.1%
2015	8,637	3.0%
2016	8,891	2.9%
2017	9,144	2.8%
2018	9,397	2.8%
2019	9,737	3.6%
2020	10,077	3.5%
2021	10,416	3.4%
2022	10,756	3.3%
2023	11,096	3.2%

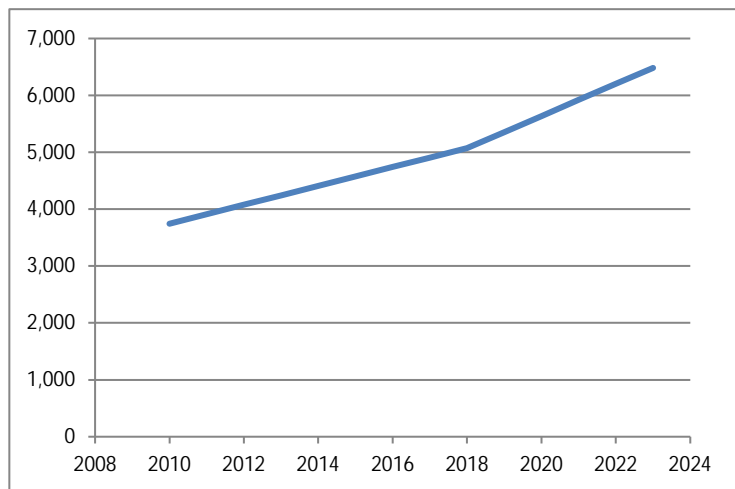
Source: ESRI; Allen & Associates



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

65+ Population Forecast		
Year	Population	Growth %
2010	3,744	-
2011	3,910	4.4%
2012	4,077	4.3%
2013	4,243	4.1%
2014	4,409	3.9%
2015	4,575	3.8%
2016	4,742	3.6%
2017	4,908	3.5%
2018	5,074	3.4%
2019	5,356	5.6%
2020	5,638	5.3%
2021	5,919	5.0%
2022	6,201	4.8%
2023	6,483	4.5%

Source: ESRI; Allen & Associates

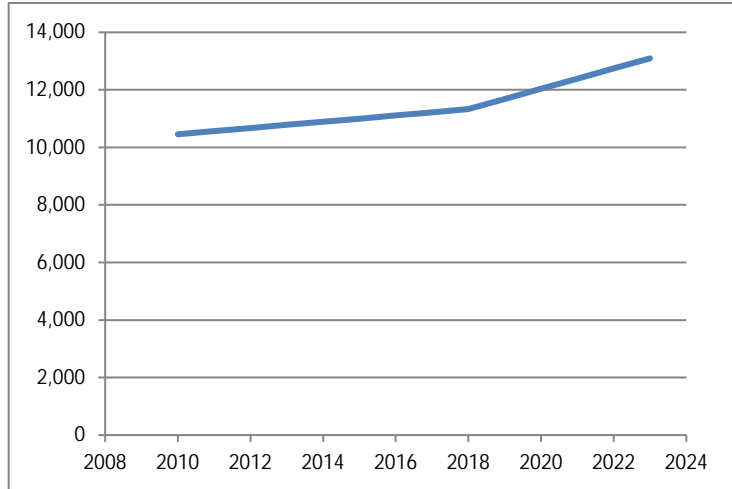


## Households

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	10,456	-
2011	10,565	1.0%
2012	10,674	1.0%
2013	10,783	1.0%
2014	10,892	1.0%
2015	11,000	1.0%
2016	11,109	1.0%
2017	11,218	1.0%
2018	11,327	1.0%
2019	11,680	3.1%
2020	12,034	3.0%
2021	12,387	2.9%
2022	12,741	2.9%
2023	13,094	2.8%

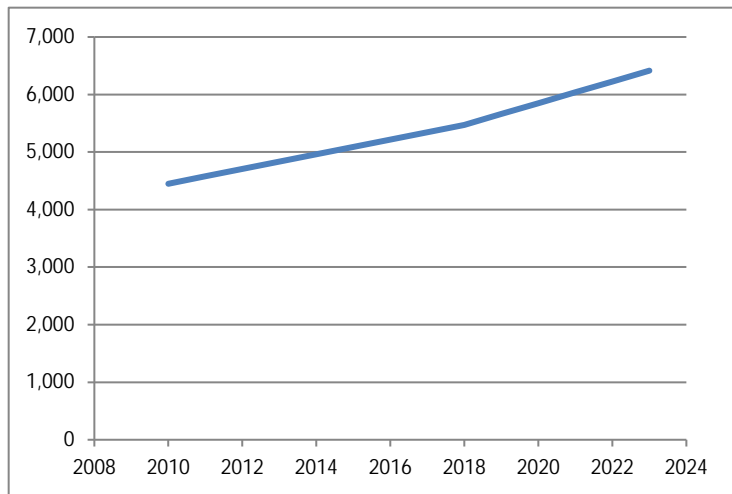
Source: ESRI; Allen & Associates



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

55+ Household Forecast		
Year	Households	Growth %
2010	4,449	-
2011	4,577	2.9%
2012	4,705	2.8%
2013	4,833	2.7%
2014	4,961	2.6%
2015	5,088	2.6%
2016	5,216	2.5%
2017	5,344	2.5%
2018	5,472	2.4%
2019	5,661	3.4%
2020	5,849	3.3%
2021	6,038	3.2%
2022	6,226	3.1%
2023	6,415	3.0%

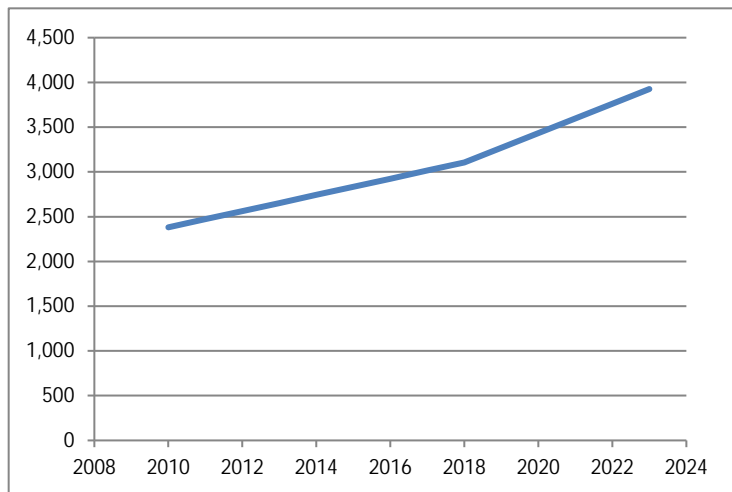
Source: ESRI; Allen & Associates



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

65+ Household Forecast		
Year	Households	Growth %
2010	2,381	-
2011	2,472	3.8%
2012	2,562	3.7%
2013	2,653	3.5%
2014	2,744	3.4%
2015	2,834	3.3%
2016	2,925	3.2%
2017	3,015	3.1%
2018	3,106	3.0%
2019	3,270	5.3%
2020	3,434	5.0%
2021	3,598	4.8%
2022	3,762	4.6%
2023	3,926	4.4%

Source: ESRI; Allen & Associates

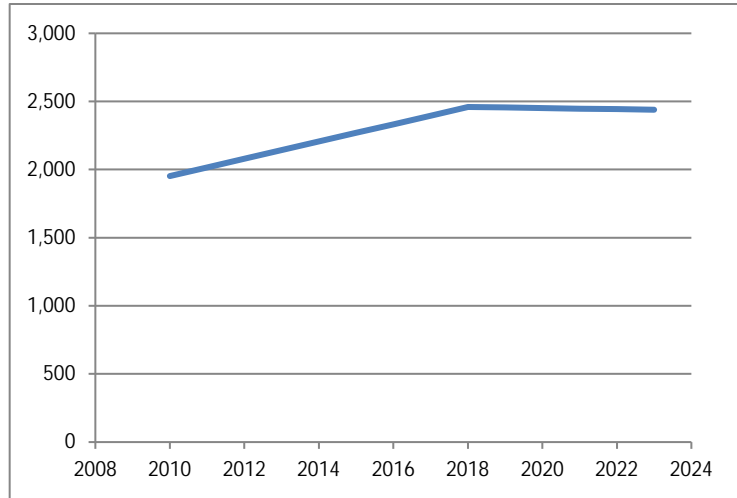


## Renter Households

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	1,952	-
2011	2,016	3.2%
2012	2,079	3.1%
2013	2,143	3.0%
2014	2,206	3.0%
2015	2,269	2.9%
2016	2,333	2.8%
2017	2,396	2.7%
2018	2,459	2.6%
2019	2,455	-0.2%
2020	2,451	-0.2%
2021	2,447	-0.2%
2022	2,443	-0.2%
2023	2,439	-0.2%

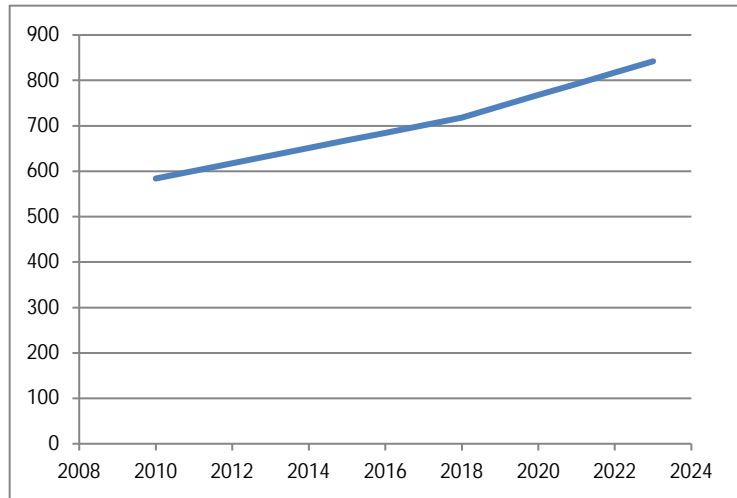
Source: ESRI; Allen & Associates



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	584	-
2011	601	2.9%
2012	618	2.8%
2013	634	2.7%
2014	651	2.6%
2015	668	2.6%
2016	685	2.5%
2017	701	2.5%
2018	718	2.4%
2019	743	3.4%
2020	768	3.3%
2021	793	3.2%
2022	817	3.1%
2023	842	3.0%

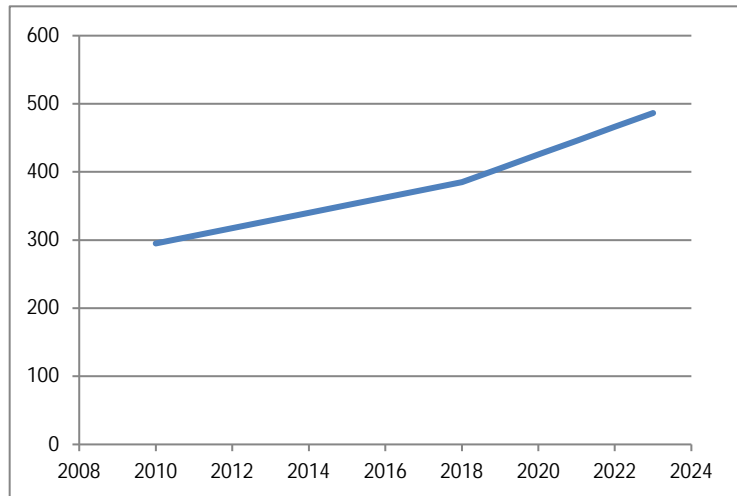
Source: ESRI; Allen & Associates



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	295	-
2011	306	3.8%
2012	317	3.7%
2013	329	3.5%
2014	340	3.4%
2015	351	3.3%
2016	362	3.2%
2017	374	3.1%
2018	385	3.0%
2019	405	5.3%
2020	425	5.0%
2021	446	4.8%
2022	466	4.6%
2023	486	4.4%

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.

2019 \$		Households, by Income, by Size						
Min	Max	2019 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	359	73	85	49	37	18	621
\$10,000	\$19,999	363	164	114	25	26	13	705
\$20,000	\$29,999	397	288	93	76	49	27	930
\$30,000	\$39,999	346	370	97	116	66	40	1,034
\$40,000	\$49,999	321	475	132	58	185	115	1,286
\$50,000	\$59,999	247	413	228	59	73	44	1,064
\$60,000	\$74,999	148	558	266	262	49	33	1,316
\$75,000	\$99,999	182	641	347	297	118	75	1,660
\$100,000	\$124,999	127	448	408	159	83	46	1,271
\$125,000	\$149,999	69	168	243	152	97	64	793
\$150,000	\$199,999	43	191	79	301	28	15	656
\$200,000	more	30	84	65	43	74	47	343
Total		2,632	3,873	2,157	1,598	884	537	11,680

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

2019 \$		55+ Households, by Income, by Size						
Min	Max	2019 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	263	44	25	7	7	1	348
\$10,000	\$19,999	328	135	16	5	7	4	497
\$20,000	\$29,999	345	182	18	4	16	9	575
\$30,000	\$39,999	223	295	54	28	7	4	611
\$40,000	\$49,999	185	322	21	17	34	23	601
\$50,000	\$59,999	208	266	49	19	1	0	543
\$60,000	\$74,999	134	382	134	36	8	6	700
\$75,000	\$99,999	123	352	89	20	33	24	642
\$100,000	\$124,999	80	298	44	5	12	7	446
\$125,000	\$149,999	39	91	108	36	5	2	282
\$150,000	\$199,999	38	125	29	47	12	6	258
\$200,000	more	26	74	10	12	23	13	158
Total		1,991	2,567	598	238	167	100	5,661

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

2019 \$		65+ Households, by Income, by Size						
Min	Max	2019 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	162	25	12	4	1	0	204
\$10,000	\$19,999	290	115	9	0	0	0	414
\$20,000	\$29,999	267	133	11	3	12	8	434
\$30,000	\$39,999	141	200	15	22	1	1	380
\$40,000	\$49,999	128	183	10	11	10	8	350
\$50,000	\$59,999	86	159	17	2	1	0	266
\$60,000	\$74,999	95	307	87	6	3	2	501
\$75,000	\$99,999	77	207	31	2	15	12	344
\$100,000	\$124,999	25	73	3	3	10	7	120
\$125,000	\$149,999	11	15	4	15	1	0	46
\$150,000	\$199,999	19	51	12	13	2	0	97
\$200,000	more	22	49	7	2	21	13	114
Total		1,324	1,517	219	83	76	50	3,270

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.

2019 \$		2019 Households							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total	
\$0	\$9,999	170	22	20	32	5	1	249	
\$10,000	\$19,999	114	26	81	1	14	8	244	
\$20,000	\$29,999	29	29	30	35	26	15	165	
\$30,000	\$39,999	121	61	4	62	20	12	279	
\$40,000	\$49,999	122	52	24	8	63	41	309	
\$50,000	\$59,999	28	155	106	33	37	21	381	
\$60,000	\$74,999	33	83	5	28	20	14	183	
\$75,000	\$99,999	54	92	32	96	6	4	283	
\$100,000	\$124,999	4	19	123	15	8	1	170	
\$125,000	\$149,999	14	7	8	4	15	9	58	
\$150,000	\$199,999	12	40	3	32	5	2	93	
\$200,000	more	11	8	17	4	1	0	41	
Total		709	596	452	349	220	129	2,455	

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

2019 \$		2019 Households							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total	
\$0	\$9,999	96	2	7	0	2	0	107	
\$10,000	\$19,999	87	13	3	0	4	3	111	
\$20,000	\$29,999	12	9	2	1	2	0	26	
\$30,000	\$39,999	45	20	1	0	0	0	66	
\$40,000	\$49,999	28	21	2	0	19	12	81	
\$50,000	\$59,999	6	25	7	13	1	0	52	
\$60,000	\$74,999	22	65	4	2	0	0	93	
\$75,000	\$99,999	44	38	1	3	4	3	94	
\$100,000	\$124,999	3	18	1	1	1	0	24	
\$125,000	\$149,999	8	4	3	0	1	0	17	
\$150,000	\$199,999	8	37	0	0	4	2	52	
\$200,000	more	7	4	5	1	1	0	19	
Total		364	258	38	22	41	21	743	

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

2019 \$		2019 Households							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total	
\$0	\$9,999	70	0	5	0	0	0	75	
\$10,000	\$19,999	80	7	3	0	0	0	90	
\$20,000	\$29,999	8	1	2	1	0	0	13	
\$30,000	\$39,999	8	16	0	0	0	0	24	
\$40,000	\$49,999	23	7	1	0	0	0	31	
\$50,000	\$59,999	3	13	5	1	1	0	23	
\$60,000	\$74,999	3	64	3	2	0	0	73	
\$75,000	\$99,999	42	3	0	1	0	0	47	
\$100,000	\$124,999	1	2	0	1	0	0	5	
\$125,000	\$149,999	2	1	2	0	0	0	6	
\$150,000	\$199,999	3	3	0	0	0	0	7	
\$200,000	more	6	3	3	0	0	0	13	
Total		251	121	25	7	1	0	405	

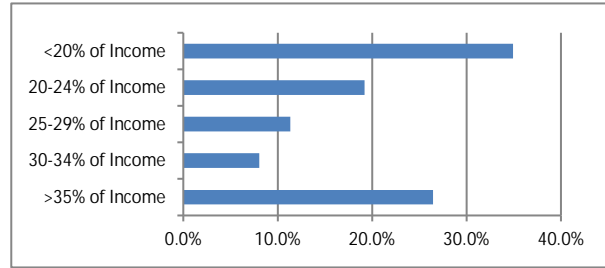
Source: ESRI & Ribbon Demographics

## 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	34.9%
20-24% of Income Spent on Housing	19.2%
25-29% of Income Spent on Housing	11.3%
30-34% of Income Spent on Housing	8.1%
>35% of Income Spent on Housing	26.5%
<b>Total</b>	<b>100.0%</b>

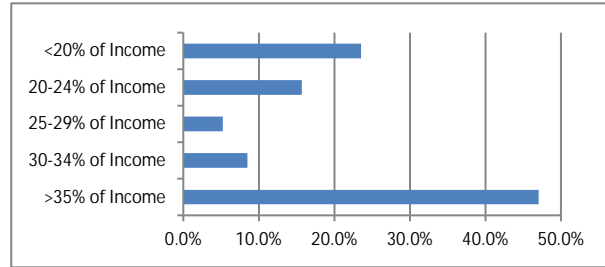
Source: U.S. Census Bureau



Our research suggests that 26.5 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 34.5 percent of the renter households are overburdened to 30 percent of income.

55+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	23.5%
20-24% of Income Spent on Housing	15.7%
25-29% of Income Spent on Housing	5.2%
30-34% of Income Spent on Housing	8.5%
>35% of Income Spent on Housing	47.1%
<b>Total</b>	<b>100.0%</b>

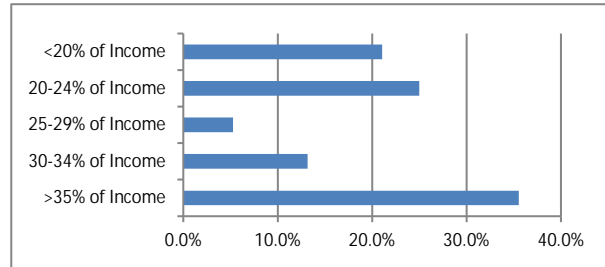
Source: U.S. Census Bureau



Our research suggests that 47.1 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 55.6 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	21.1%
20-24% of Income Spent on Housing	25.0%
25-29% of Income Spent on Housing	5.3%
30-34% of Income Spent on Housing	13.2%
>35% of Income Spent on Housing	35.5%
<b>Total</b>	<b>100.0%</b>

Source: U.S. Census Bureau



Our research suggests that 35.5 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 48.7 percent of the 65+ renter households are overburdened to 30 percent of income.

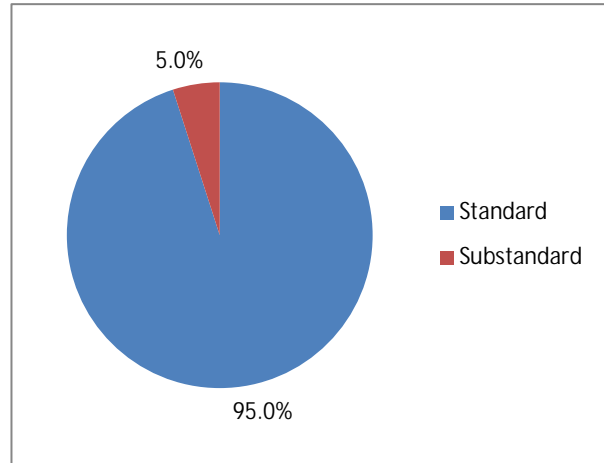
## Owner Substandard Units

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	95.0%
1.01 to 1.50 persons per room	2.5%
1.51 persons per room or more	0.7%
Complete Plumbing	98.3%
1.00 persons per room or less	1.6%
1.01 to 1.50 persons per room	0.1%
1.51 persons per room or more	0.1%
Lacking Complete Plumbing	1.7%
Standard	95.0%
Substandard	5.0%
Total	100.0%

Source: U.S. Census Bureau



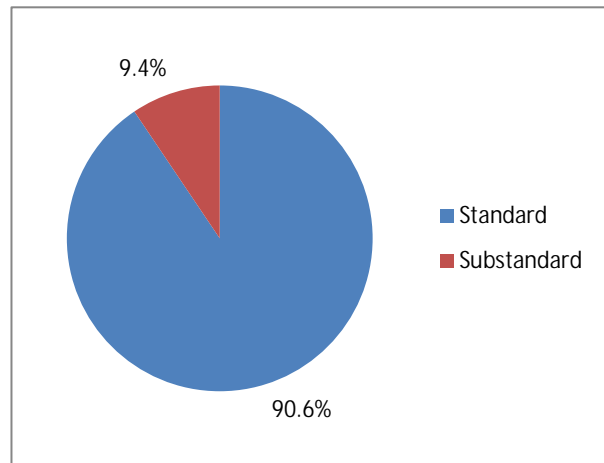
Our research suggests that 5.0 percent of occupied owner housing units in the market area are substandard.

## 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	90.6%
1.01 to 1.50 persons per room	3.3%
1.51 persons per room or more	0.4%
Complete Plumbing	94.2%
1.00 persons per room or less	5.2%
1.01 to 1.50 persons per room	0.3%
1.51 persons per room or more	0.3%
Lacking Complete Plumbing	5.8%
Standard	90.6%
Substandard	9.4%
Total	100.0%

Source: U.S. Census Bureau



Our research suggests that 9.4 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	2.5%	3.8%	5.0%	4.9%	5.3%	5.8%	6.7%	4.1%
Owner to Renter	2.3%	2.2%	3.9%	3.7%	3.6%	5.5%	8.4%	3.0%
Owner Movership Rate	4.8%	6.0%	8.9%	8.6%	8.9%	11.3%	15.1%	7.1%

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

Our research suggests an owner movership rate of 7.1 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	8.3%	18.6%	26.2%	31.5%	31.8%	34.5%	53.3%	18.8%
Renter to Owner	2.0%	7.6%	7.7%	9.8%	10.8%	8.4%	9.8%	5.9%
Renter Movership Rate	10.3%	26.1%	33.9%	41.3%	42.6%	42.8%	63.1%	24.7%

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

Our research suggests a renter movership rate of 24.7 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).

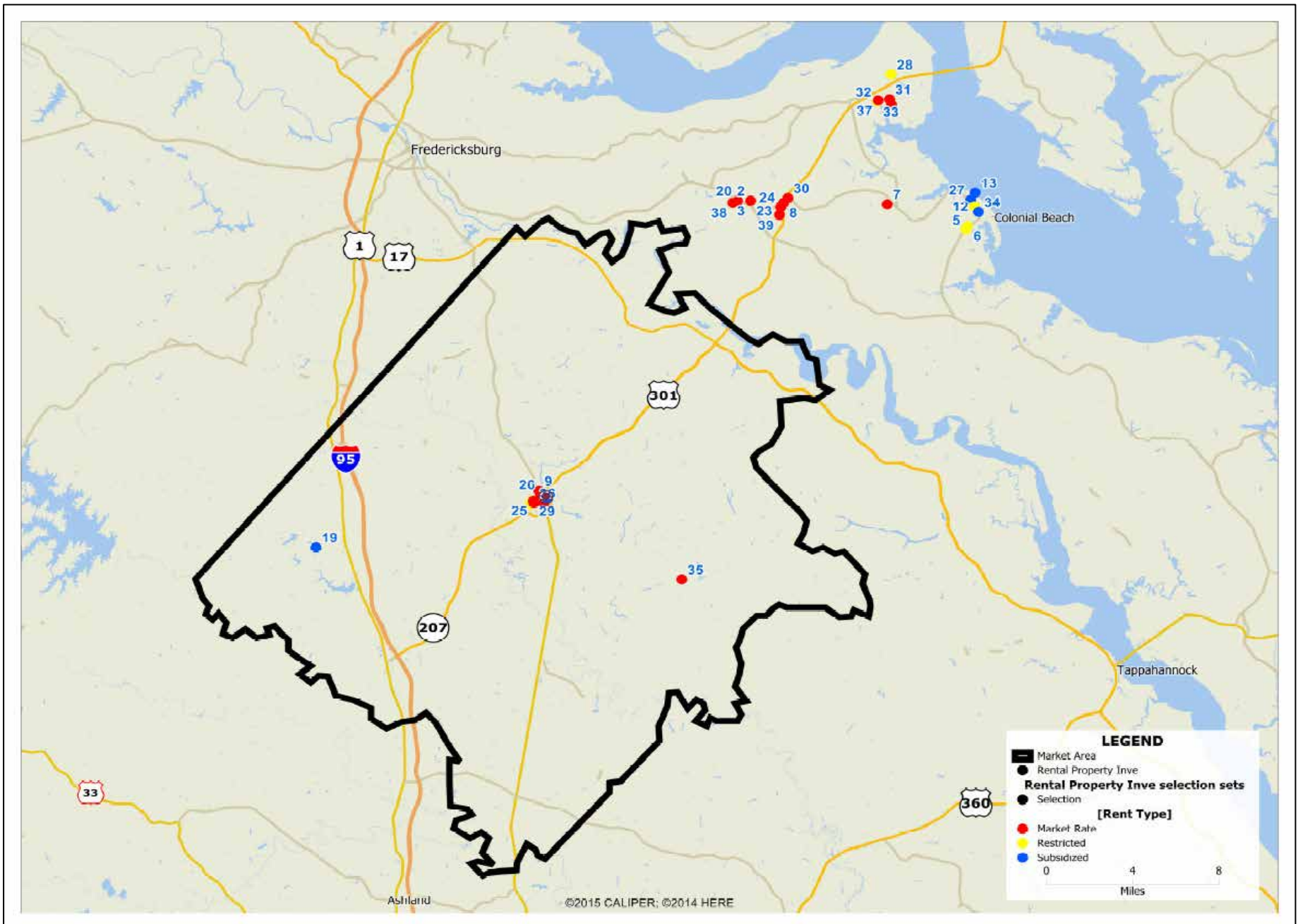
Finally, we compiled a master list of restricted rent comparables from the listing of confirmed properties. We used the same approach described above for unrestricted market rate properties.

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	Angel Court Apartments	38.2666	-77.1701	2012	na	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
002	Angelwood Apartments Phase 1	38.2666	-77.1701	2006	na	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
003	Angelwood Apartments Phase 2	38.2666	-77.1701	2009	na	Restricted	Family	Stabilized	Tax Credit	32	1	96.9%
004	Angelwood at Caroline	38.0459	-77.3574	2014	na	Restricted	Family	Stabilized	Tax Credit	26	0	100.0%
005	Angelwood at Colonial Beach	38.2456	-76.9868	2015	na	Restricted	Family	Non-Inventory	Tax Credit	26	26	0.0%
006	Angelwood at Westmoreland	38.2482	-76.9853	2019	na	Restricted	Family	Special Needs	Tax Credit	26	26	0.0%
007	Apartments by Glennel	38.2640	-77.0537	1985	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
008	Baker House Apartments	38.2652	-77.1419	1965	2000	Market Rate	Family	Stabilized	Conventional	14	0	100.0%
009	Beazley Apartments	38.0562	-77.3501	1929	1993	Market Rate	Family	Unconfirmed	Conventional	6	2	66.7%
010	Caroline Manor Apartments Phase 1	38.0473	-77.3571	1984	2001	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
011	Caroline Manor Apartments Phase 2	38.0507	-77.3427	1988	2005	Restricted	Family	Stabilized	Tax Credit	17	0	100.0%
012	Colonial Beach Apartments	38.2626	-76.9797	1985	2017	Restricted	Family	Stabilized	RD	32	0	100.0%
013	Colonial Beach Group Home	38.2724	-76.9789	na	na	Subsidized	Family	Special Needs	HUD	4	0	100.0%
014	Courthouse Lane Phase 1	38.0518	-77.3432	1983	2002	Subsidized	Elderly	Stabilized	Tax Credit	32	0	100.0%
015	Courthouse Lane Phase 1	38.0518	-77.3432	1983	2019	Subsidized	Elderly	Prop Rehab	Tax Credit	32	0	100.0%
016	Courthouse Lane Phase 2	38.0520	-77.3444	1990	na	Subsidized	Elderly	Duplicate	Tax Credit	24	0	100.0%
017	Courthouse Lane Phase 2	38.0507	-77.3427	1990	2009	Subsidized	Elderly	Stabilized	Tax Credit	24	0	100.0%
018	Dahlgren Harbor Apartments	38.3362	-77.0500	1941	2010	Market Rate	Family	Stabilized	Conventional	73	0	100.0%
019	Devon Drive Group Home	38.0149	-77.5399	na	na	Subsidized	Family	Special Needs	HUD	4	0	100.0%
020	Forest at Angelwood	38.2666	-77.1810	2014	na	Market Rate	Family	Special Needs	Other	0	0	0.0%
021	Hopewood Apartments	38.0465	-77.3570	2009	na	Restricted	Family	Non-Inventory	Tax Credit	26	26	0.0%
022	Hylton Apartments	38.0476	-77.3459	1840	na	Market Rate	Family	Unconfirmed	Conventional	15	1	93.3%
023	Kings Highway Project	38.2666	-77.1701	2006	na	Market Rate	Elderly	Duplicate	Tax Credit	0	0	0.0%
024	Kings Mill Apartments	38.2621	-77.1443	1985	na	Market Rate	Family	Stabilized	Conventional	28	1	96.4%
025	Lee Street Townhomes	38.0490	-77.3552	1975	2001	Restricted	Family	Stabilized	RD	18	0	100.0%
026	Long Apartments	38.0536	-77.3486	1978	2016	Market Rate	Family	Stabilized	Conventional	4	1	75.0%
027	Meadows (The) Apartments	38.2673	-76.9827	1997	na	Subsidized	Elderly	Unconfirmed	HUD	33	1	97.0%
028	Monmouth Woods Phases 1 and 2	38.3584	-77.0503	1993	2014	Restricted	Family	Stabilized	Tax Credit	152	6	96.1%
029	Nguyen's Lee Street Apartments	38.0486	-77.3549	1965	2006	Market Rate	Family	Unconfirmed	Conventional	13	2	84.6%
030	Nick's Place Duplexes	38.2685	-77.1384	2005	na	Market Rate	Family	Stabilized	Conventional	6	0	100.0%
031	Oak Manor Association	38.3402	-77.0518	2007	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
032	Pine Forest Apartments	38.3386	-77.0623	1985	1999	Restricted	Family	Stabilized	Tax Credit	40	0	100.0%
033	Pine Forest Apartments	38.3386	-77.0623	1985	2019	Restricted	Family	Prop Rehab	Tax Credit	40	0	100.0%
034	Riverwood Apartments	38.2584	-76.9761	1982	2015	Subsidized	Family	Stabilized	Tax Credit	83	0	100.0%
035	Sparta Apartments	37.9916	-77.2286	1940	2007	Market Rate	Family	Rehabilitation	Conventional	12	3	75.0%
036	Sullivan Properties	38.0471	-77.3544	na	na	Market Rate	Family	Duplicate	Conventional	0	0	0.0%
037	Swallows Landing Apartments	38.3395	-77.0614	1987	2016	Market Rate	Family	Stabilized	Conventional	24	0	100.0%
038	Willow Glen Apartments	38.2652	-77.1852	1992	na	Market Rate	Family	Stabilized	Conventional	28	2	92.9%
039	Woodside Apartments	38.2563	-77.1454	1995	na	Market Rate	Family	Stabilized	Conventional	40	1	97.5%





Rental Property Inventory, Unconfirmed

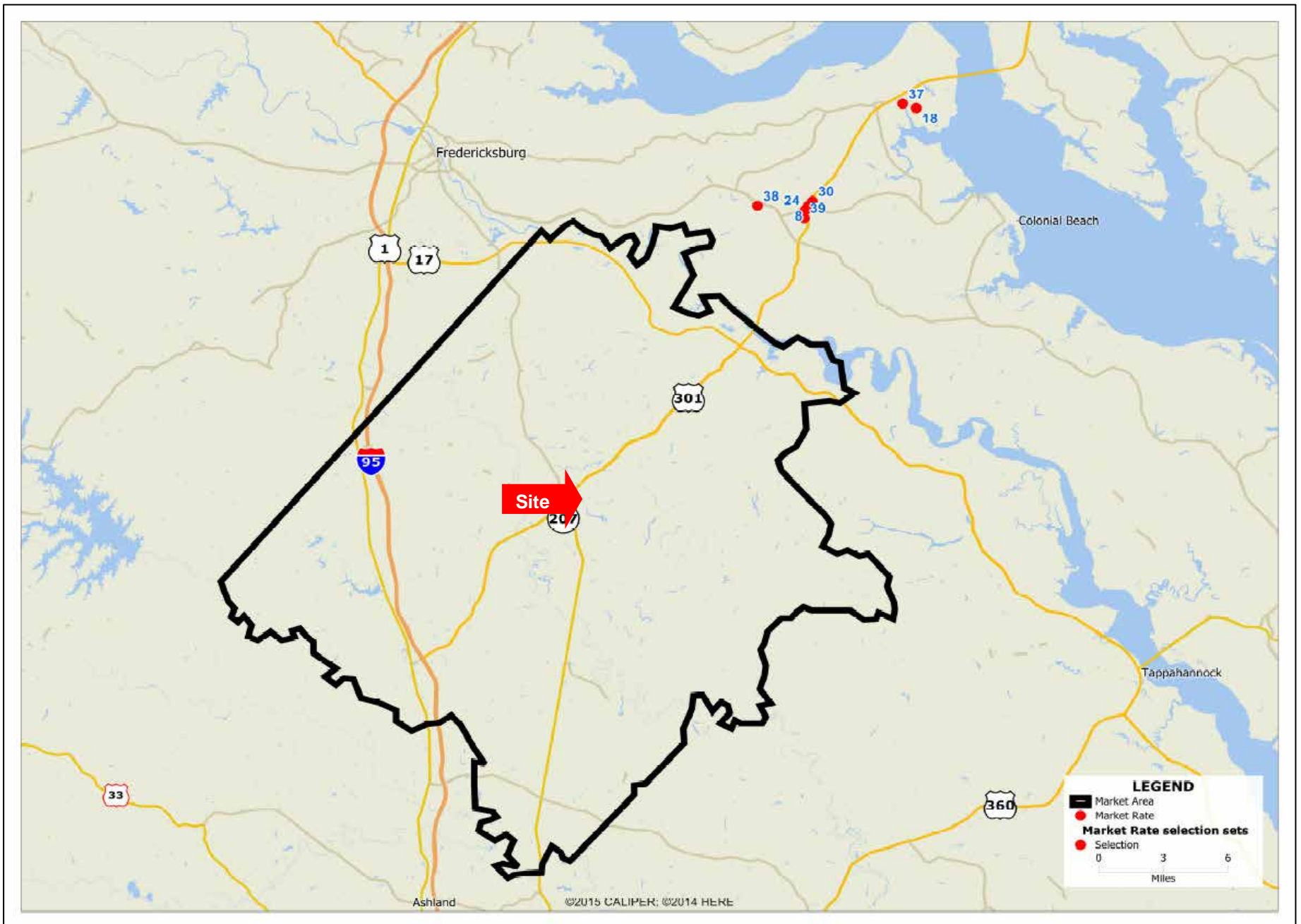
Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
009	Beazley Apartments	38.0562	-77.3501	1929	1993	Market Rate	Family	Unconfirmed	Conventional	6	2	66.7%
022	Hylton Apartments	38.0476	-77.3459	1840	na	Market Rate	Family	Unconfirmed	Conventional	15	1	93.3%
027	Meadows (The) Apartments	38.2673	-76.9827	1997	na	Subsidized	Elderly	Unconfirmed	HUD	33	1	97.0%
029	Nguyen's Lee Street Apartments	38.0486	-77.3549	1965	2006	Market Rate	Family	Unconfirmed	Conventional	13	2	84.6%

Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
004	Angelwood at Caroline	38.0459	-77.3574	2014	na	Restricted	Family	Stabilized	Tax Credit	26	0	100.0%
010	Caroline Manor Apartments Phase 1	38.0473	-77.3571	1984	2001	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
011	Caroline Manor Apartments Phase 2	38.0507	-77.3427	1988	2005	Restricted	Family	Stabilized	Tax Credit	17	0	100.0%
014	Courthouse Lane Phase 1	38.0518	-77.3432	1983	2002	Subsidized	Elderly	Stabilized	Tax Credit	32	0	100.0%
025	Lee Street Townhomes	38.0490	-77.3552	1975	2001	Restricted	Family	Stabilized	RD	18	0	100.0%
026	Long Apartments	38.0536	-77.3486	1978	2016	Market Rate	Family	Stabilized	Conventional	4	1	75.0%
035	Sparta Apartments	37.9916	-77.2286	1940	2007	Market Rate	Family	Rehabilitation	Conventional	12	3	75.0%

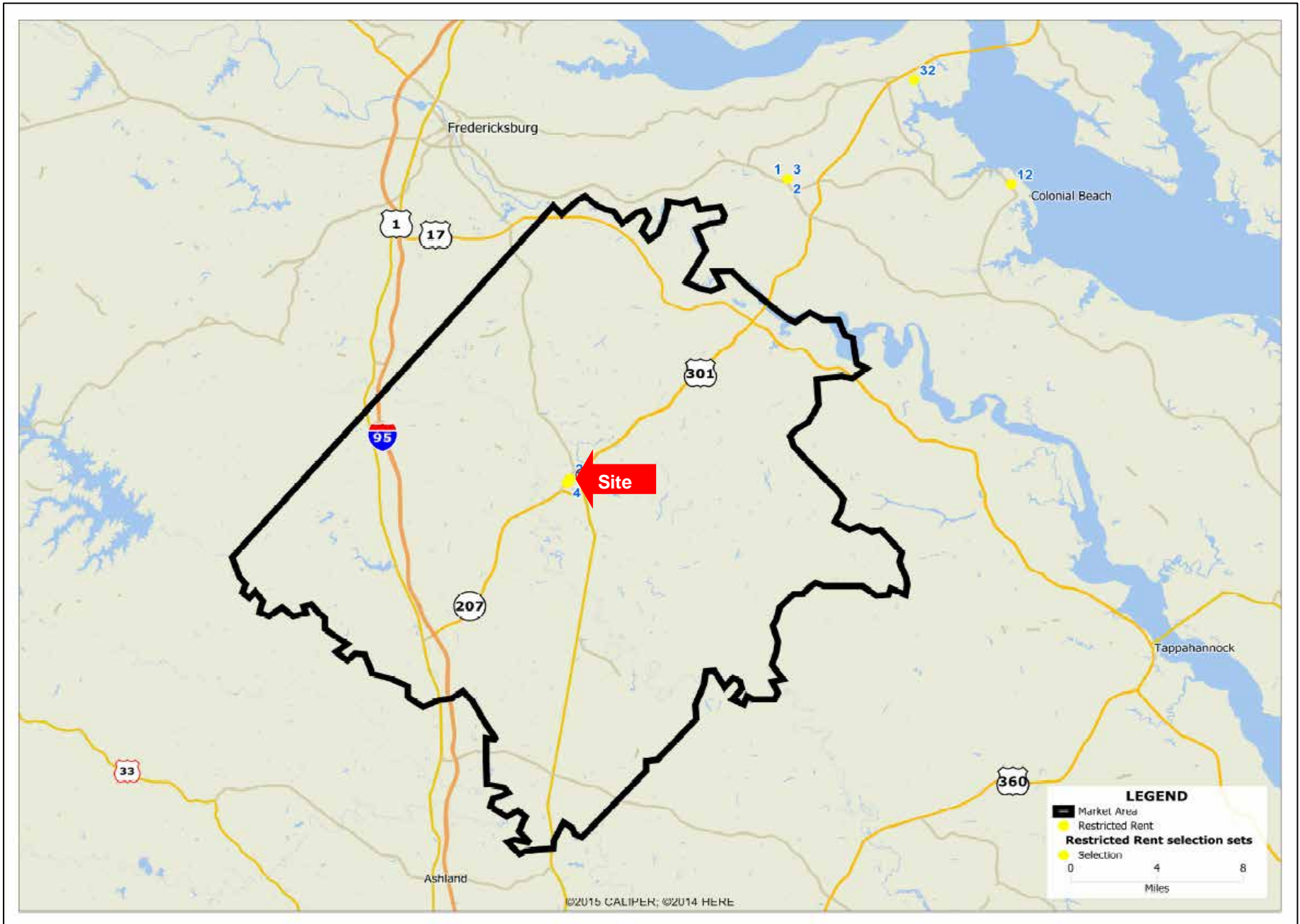
Master List of Market Rate Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
008	Baker House Apartments	38.2652	-77.1419	1965	2000	Market Rate	Family	Stabilized	Conventional	14	0	100.0%
018	Dahlgren Harbor Apartments	38.3362	-77.0500	1941	2010	Market Rate	Family	Stabilized	Conventional	73	0	100.0%
024	Kings Mill Apartments	38.2621	-77.1443	1985	na	Market Rate	Family	Stabilized	Conventional	28	1	96.4%
030	Nick's Place Duplexes	38.2685	-77.1384	2005	na	Market Rate	Family	Stabilized	Conventional	6	0	100.0%
037	Swallows Landing Apartments	38.3395	-77.0614	1987	2016	Market Rate	Family	Stabilized	Conventional	24	0	100.0%
038	Willow Glen Apartments	38.2652	-77.1852	1992	na	Market Rate	Family	Stabilized	Conventional	28	2	92.9%
039	Woodside Apartments	38.2563	-77.1454	1995	na	Market Rate	Family	Stabilized	Conventional	40	1	97.5%



Master List of Restricted Rent Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
001	Angel Court Apartments	38.2666	-77.1701	2012	na	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
002	Angelwood Apartments Phase 1	38.2666	-77.1701	2006	na	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
003	Angelwood Apartments Phase 2	38.2666	-77.1701	2009	na	Restricted	Family	Stabilized	Tax Credit	32	1	96.9%
004	Angelwood at Caroline	38.0459	-77.3574	2014	na	Restricted	Family	Stabilized	Tax Credit	26	0	100.0%
012	Colonial Beach Apartments	38.2626	-76.9797	1985	2017	Restricted	Family	Stabilized	RD	32	0	100.0%
025	Lee Street Townhomes	38.0490	-77.3552	1975	2001	Restricted	Family	Stabilized	RD	18	0	100.0%
032	Pine Forest Apartments	38.3386	-77.0623	1985	1999	Restricted	Family	Stabilized	Tax Credit	40	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		2	2
Restricted		4	4
Subsidized	1		1
<b>Total</b>	<b>1</b>	<b>6</b>	<b>7</b>

Total Units			
	Elderly	Family	Total
Market Rate		16	16
Restricted		47	47
Subsidized	32	38	70
<b>Total</b>	<b>32</b>	<b>101</b>	<b>133</b>

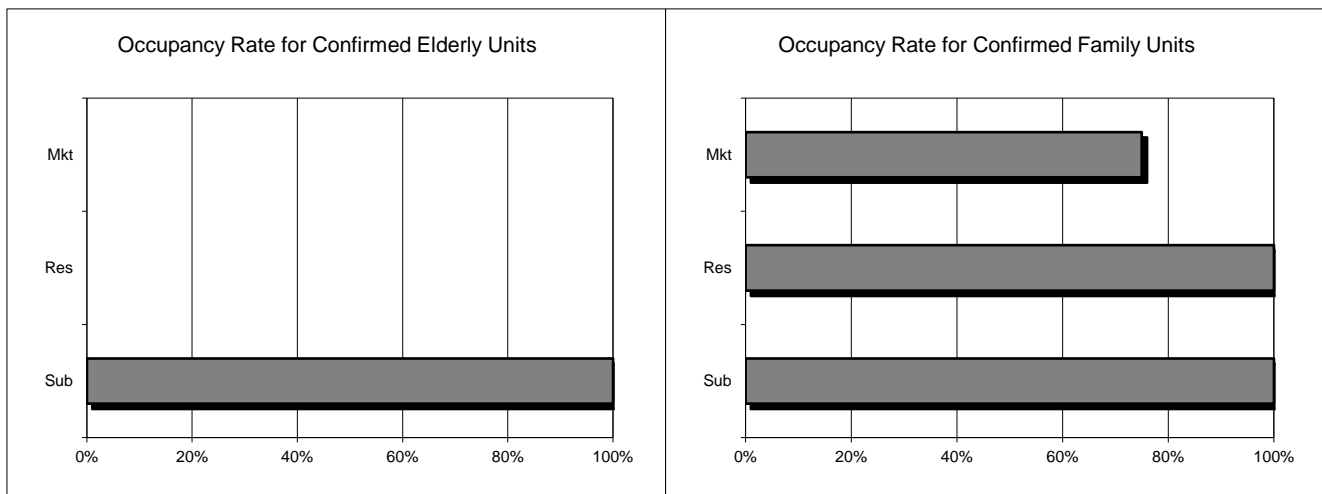
  

Vacant Units			
	Elderly	Family	Total
Market Rate		4	4
Restricted			
Subsidized			
<b>Total</b>		<b>4</b>	<b>4</b>

Occupancy Rate			
	Elderly	Family	Total
Market Rate		75%	75%
Restricted		100%	100%
Subsidized	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>96%</b>	<b>97%</b>

Source: Allen & Associates



Our analysis includes a total of 7 confirmed market area properties consisting of 133 units. The occupancy rate for these units currently stands at 97 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	1			1	Stabilized		4	1	5
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation			1	1
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal			1	1
Total	1			1	Total		4	2	6

Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	32			32	Stabilized	38	47	4	89
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation			12	12
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal			12	12
Total	32			32	Total	38	47	16	101

Vacant Units					Vacant Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized					Stabilized			1	1
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation			3	3
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal			3	3
Total					Total			4	4

Source: Allen & Associates

Our survey includes a total of 6 stabilized market area properties consisting of 121 units standing at 99 percent occupancy.

Our survey also includes a total of 1 market area property consisting of 12 units that is 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%			100%	Stabilized	100%	100%	75%	99%
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation			75%	75%
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal			75%	75%
Total	100%			100%	Total	100%	100%	75%	96%

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:



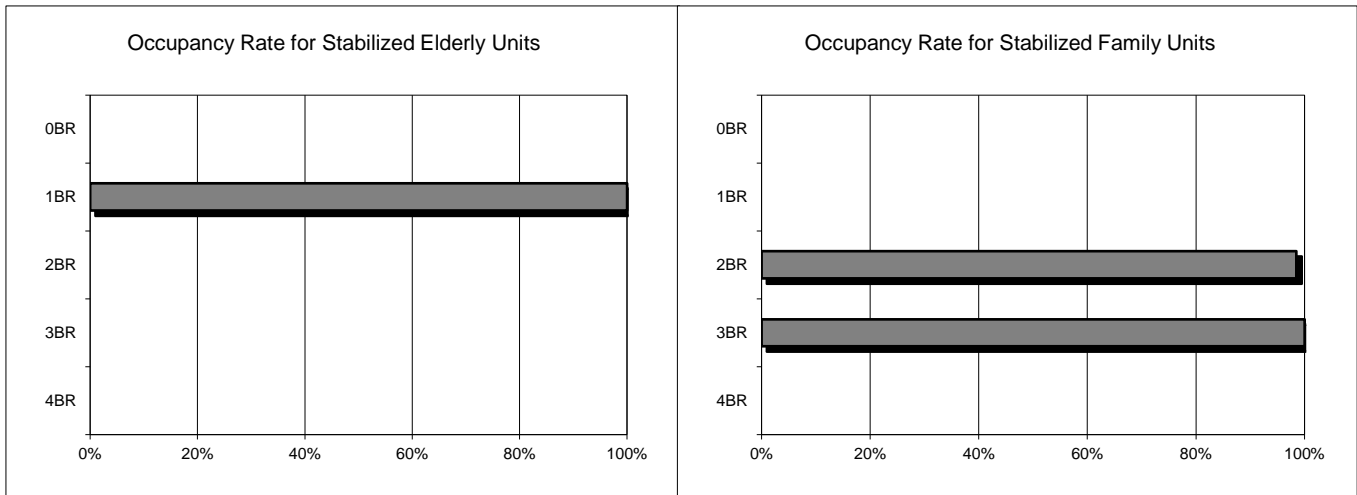
Our research suggests the following occupancy levels for the 32 stabilized elderly units in this market area:

- Subsidized, 100 percent (32 units in survey)
- Restricted, not applicable (0 units in survey)
- Market Rate, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 89 stabilized family units in this market area:

- Subsidized, 100 percent (38 units in survey)
- Restricted, 100 percent (47 units in survey)
- Market Rate, 75 percent (4 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 32 stabilized elderly units in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, 100 percent (32 units in survey)
- 2-Bedroom, not applicable (0 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 89 stabilized family units in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, not applicable (0 units in survey)
- 2-Bedroom, 99 percent (67 units in survey)
- 3-Bedroom, 100 percent (22 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	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	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, 1-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	1								1
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	1								1

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	32								32
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	32								32

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%								100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%								100%

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	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, 2-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	3			2	1		1	1	8
Lease Up									
Construction									
Rehabilitation								1	1
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal								1	1
Total	3			2	1		1	2	9

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	28			27	7		1	4	67
Lease Up									
Construction									
Rehabilitation								12	12
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal								12	12
Total	28			27	7		1	16	79

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								1	1
Lease Up									
Construction									
Rehabilitation								3	3
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal								3	3
Total								4	4

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%			100%	100%		100%	75%	99%
Lease Up									
Construction									
Rehabilitation								75%	75%
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal								75%	75%
Total	100%			100%	100%		100%	75%	95%

Source: Allen & Associates

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

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	2			2	1				5
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	2			2	1				5

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	10			5	7				22
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	10			5	7				22

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	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	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	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

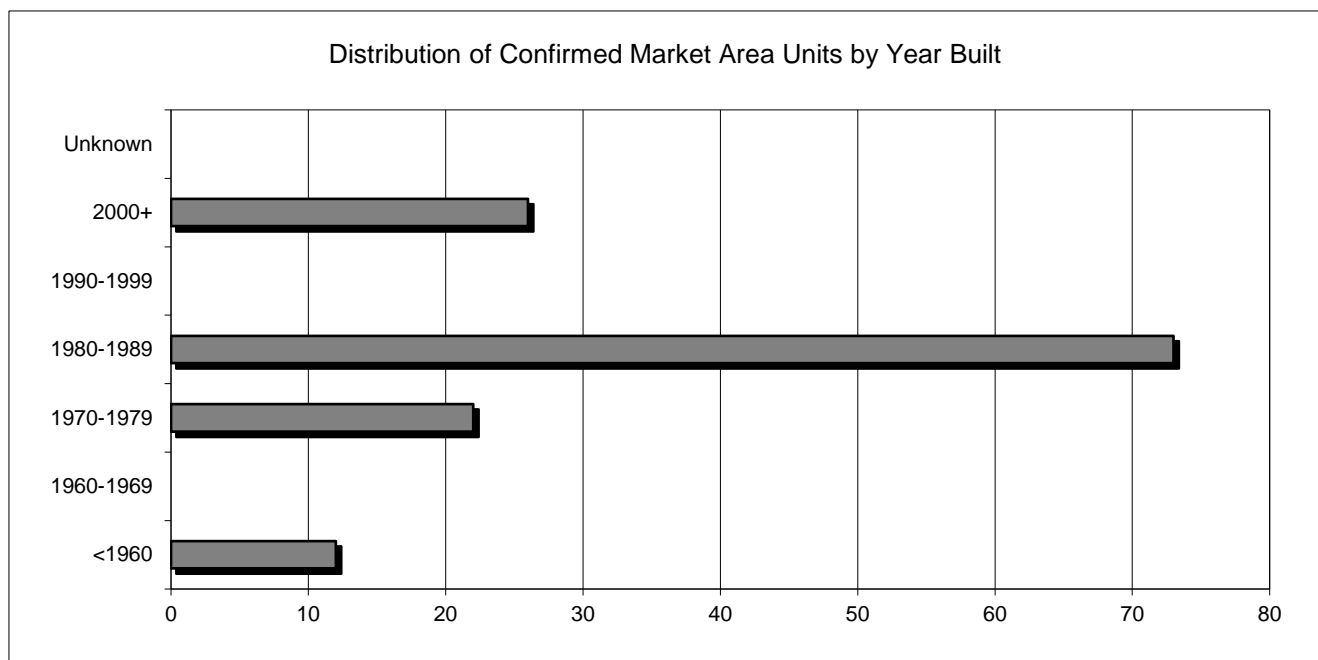
The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by year built:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
<1960		1	1
1960-1969			
1970-1979		2	2
1980-1989	1	2	3
1990-1999			
2000+		1	1
Unknown			
<b>Total</b>	<b>1</b>	<b>6</b>	<b>7</b>

Total Units			
	Elderly	Family	Total
<1960		12	12
1960-1969			
1970-1979		22	22
1980-1989	32	41	73
1990-1999			
2000+		26	26
Unknown			
<b>Total</b>	<b>32</b>	<b>101</b>	<b>133</b>

Source: Allen & Associates



Our research suggests that of the 7 confirmed market area properties (133 units) included in this report, 1 property (12 units) was constructed before 1960, 0 properties (0 units) were constructed between 1960 and 1969, 2 properties (22 units) between 1970 and 1979, 3 properties (73 units) between 1980 and 1989, 0 properties (0 units) between 1990 and 1999, and 1 property (26 units) after 2000. In addition, 0 properties (0 units) had an unknown date of construction.



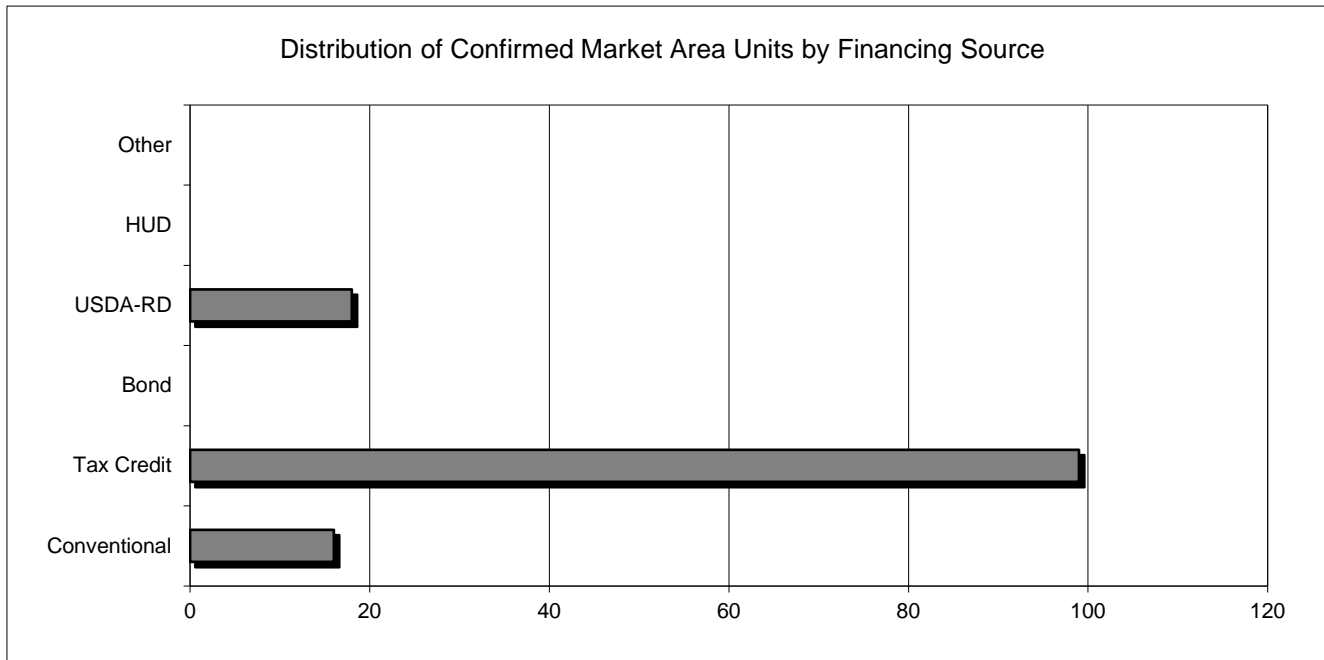
## Rental Property Inventory, Confirmed, Inside Market Area, by Financing Source

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		2	2
Tax Credit	1	3	4
Bond			
USDA-RD		1	1
HUD			
Other			
<b>Total</b>	<b>1</b>	<b>6</b>	<b>7</b>

Total Units			
	Elderly	Family	Total
Conventional		16	16
Tax Credit	32	67	99
Bond			
USDA-RD		18	18
HUD			
Other			
<b>Total</b>	<b>32</b>	<b>101</b>	<b>133</b>

Source: Allen & Associates



Our research suggests that of the 7 confirmed properties in the market area, 2 properties (consisting of 16 units) are conventionally financed, 4 properties (consisting of 99 units) include tax credit financing, 0 properties (consisting of 0 units) are bond financed, 1 property (consisting of 18 units) is exclusively USDA-RD financed, and 0 properties (consisting of 0 units) are exclusively HUD financed.

The average project size for this market area is 19 units. The smallest projects are conventionally financed, averaging 8 units in size. The largest projects are tax credit financed, averaging 25 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	-	-	-	-	-	-	-	-	-
1-Bedroom	\$786	\$786	\$786	-	-	-	-	-	-
2-Bedroom	\$610	\$714	\$648	\$610	\$869	\$727	\$617	\$1,100	\$858
3-Bedroom	\$644	\$676	\$660	\$676	\$850	\$734	-	-	-
4-Bedroom	-	-	-	-	-	-	-	-	-

Unit Size									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	-	-	-	-	-	-
1-Bedroom	569	569	569	-	-	-	-	-	-
2-Bedroom	850	850	850	850	927	869	900	1,000	950
3-Bedroom	925	925	925	925	1,111	987	-	-	-
4-Bedroom	-	-	-	-	-	-	-	-	-

Rent per Square Foot									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	-	-	-	-	-	-
1-Bedroom	\$1.38	\$1.38	\$1.38	-	-	-	-	-	-
2-Bedroom	\$0.72	\$0.84	\$0.76	\$0.72	\$0.94	\$0.84	\$0.69	\$1.10	\$0.90
3-Bedroom	\$0.70	\$0.73	\$0.71	\$0.73	\$0.77	\$0.74	-	-	-
4-Bedroom	-	-	-	-	-	-	-	-	-

Source: Allen & Associates



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

- 0-Bedroom, not applicable
- 1-Bedroom, not applicable
- 2-Bedroom, \$0.84 per square foot
- 3-Bedroom, \$0.74 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, not applicable
- 2-Bedroom, \$0.90 per square foot
- 3-Bedroom, not applicable
- 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):

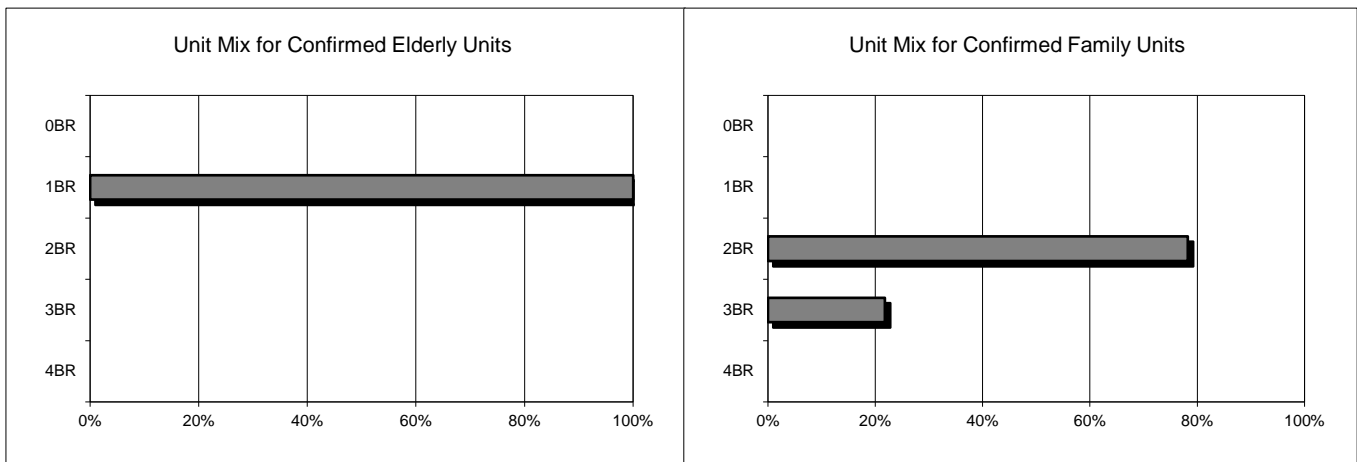
Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

Elderly					Family				
Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
0-Bedroom					0-Bedroom				
1-Bedroom	32			32	1-Bedroom				
2-Bedroom					2-Bedroom	28	35	16	79
3-Bedroom					3-Bedroom	10	12		22
4-Bedroom					4-Bedroom				
Total	32			32	Total	38	47	16	101

Unit Mix					Unit Mix				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
0-Bedroom					0-Bedroom				
1-Bedroom	100%			100%	1-Bedroom				
2-Bedroom					2-Bedroom	74%	74%	100%	78%
3-Bedroom					3-Bedroom	26%	26%		22%
4-Bedroom					4-Bedroom				
Total	100%			100%	Total	100%	100%	100%	100%

Source: Allen & Associates



Our research suggests the following unit mix for the 32 confirmed elderly units located in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, 100 percent (32 units in survey)
- 2-Bedroom, not applicable (0 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 101 confirmed family units located in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, not applicable (0 units in survey)
- 2-Bedroom, 78 percent (79 units in survey)
- 3-Bedroom, 22 percent (22 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	14%	Central	86%
2-4 Story	86%	Wall Units	0%
5-10 Story	0%	Window Units	14%
>10 Story	0%	None	0%
Project Amenities		Heat	
Ball Field	0%	Central	86%
BBQ Area	0%	Wall Units	14%
Billiards	0%	Baseboards	0%
Bus/Comp Ctr	0%	Radiators	0%
Car Care Ctr	0%	None	0%
Comm Center	14%		
Elevator	0%	Parking	
Fitness Center	0%	Garage	0%
Gazebo	0%	Covered	0%
Hot Tub/Jacuzzi	0%	Assigned	0%
Horseshoe Pit	0%	Open	100%
Lake	0%	None	0%
Library	0%		
Movie Theatre	0%	Laundry	
Picnic Area	0%	Central	57%
Playground	43%	W/D Units	29%
Pool	0%	W/D Hookups	0%
Sauna	0%		
Sports Court	0%	Security	
Walking Trail	0%	Call Buttons	14%
		Cont Access	0%
		Courtesy Officer	0%
		Monitoring	0%
		Security Alarms	0%
		Security Patrols	0%
Unit Amenities		Services	
Blinds	100%	After School	0%
Ceiling Fans	0%	Concierge	0%
Upgraded Flooring	100%	Hair Salon	0%
Fireplace	0%	Health Care	0%
Patio/Balcony	57%	Linens	0%
Storage	57%	Meals	0%
		Transportation	0%
Kitchen Amenities			
Stove	100%		
Refrigerator	100%		
Disposal	14%		
Dishwasher	29%		
Microwave	14%		

Source: Allen & Associates

Our research suggests that 14 percent of confirmed market area properties are 1 story in height, 86 percent are 2-4 stories in height, 0 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: 0 percent have a business/computer center, 14 percent have a community center, 0 percent have a fitness center, 43 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, 100 percent have carpeting, 57 percent have patios/balconies, and 57 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, 29 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 57 percent of area properties have central laundry facilities, while 0 percent have washer/dryer hookups, and 29 percent have washer/dryer units in each residential unit.

A total of 14 percent of confirmed market area properties have call buttons, 0 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
004	Angelwood at Caroline	38.0459	-77.3574	2014	na	Restricted	Family	Stabilized	Tax Credit	26	0	100.0%	0%	0%	-	250 people
010	Caroline Manor Apartments Phase 1	38.0473	-77.3571	1984	2001	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%	0%	0%	-	10 people
011	Caroline Manor Apartments Phase 2	38.0507	-77.3427	1988	2005	Restricted	Family	Stabilized	Tax Credit	17	0	100.0%	0%	0%	-	5 people
014	Courthouse Lane Phase 1	38.0518	-77.3432	1983	2002	Subsidized	Elderly	Stabilized	Tax Credit	32	0	100.0%	0%	0%	-	50 people
025	Lee Street Townhomes	38.0490	-77.3552	1975	2001	Restricted	Family	Stabilized	RD	18	0	100.0%	0%	0%	-	30 people
026	Long Apartments	38.0536	-77.3486	1978	2016	Market Rate	Family	Stabilized	Conventional	4	1	75.0%	0%	0%	-	no
035	Sparta Apartments	37.9916	-77.2286	1940	2007	Market Rate	Family	Rehabilitation	Conventional	12	3	75.0%	0%	0%	-	-

## 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.

The subject property is located in an area with very few market rate elderly developments. Consequently, we have elected to use general occupancy properties in our analysis of market rents. This is appropriate because most of the existing elderly renters currently reside in general occupancy units creating a linkage between the two property types. Our research suggests that the majority of elderly renter households in the market area currently reside in general occupancy housing. This is consistent with a 1995 AARP member survey which found that 80 percent of respondents resided in general occupancy properties. Because such a high percentage of seniors reside in general occupancy housing, the subject property will need to be priced competitively to attract these renters. Consequently, it is not only appropriate - but prudent - to address general occupancy rents when determining market rents for age-restricted units in this market.

#### 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, 1-Bedroom Units

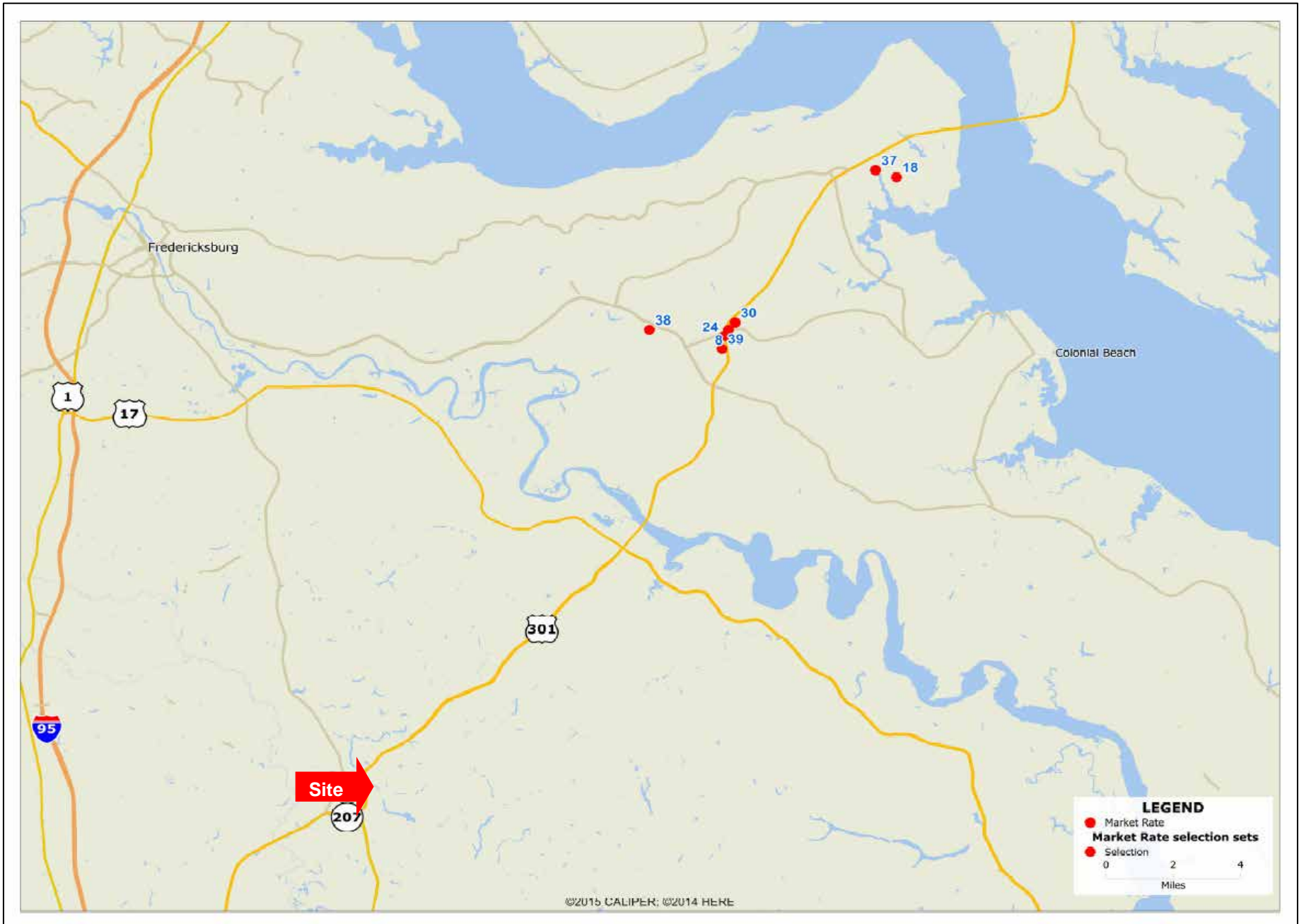
Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
008	Baker House Apartments	1965	2000	Market Rate	Family	Stabilized								\$700
018	Dahlgren Harbor Apartments	1941	2010	Market Rate	Family	Stabilized								
024	Kings Mill Apartments	1985	na	Market Rate	Family	Stabilized								
026	Long Apartments	1978	2016	Market Rate	Family	Stabilized								
030	Nick's Place Duplexes	2005	na	Market Rate	Family	Stabilized								
037	Swallows Landing Apartments	1987	2016	Market Rate	Family	Stabilized								\$820
038	Willow Glen Apartments	1992	na	Market Rate	Family	Stabilized								
039	Woodside Apartments	1995	na	Market Rate	Family	Stabilized								

Source: Allen & Associates

Rental Property Inventory, 2-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
008	Baker House Apartments	1965	2000	Market Rate	Family	Stabilized								\$800
018	Dahlgren Harbor Apartments	1941	2010	Market Rate	Family	Stabilized								\$839
024	Kings Mill Apartments	1985	na	Market Rate	Family	Stabilized								\$810
026	Long Apartments	1978	2016	Market Rate	Family	Stabilized								\$1,100
030	Nick's Place Duplexes	2005	na	Market Rate	Family	Stabilized								\$900
037	Swallows Landing Apartments	1987	2016	Market Rate	Family	Stabilized								
038	Willow Glen Apartments	1992	na	Market Rate	Family	Stabilized								\$885
039	Woodside Apartments	1995	na	Market Rate	Family	Stabilized								\$885

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 \$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 \$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 \$0.00 per each minute of commute.

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

*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 \$25 per point for differences in condition ratings between the subject and the comparables.

Condition			
Adjustment	Survey Range		Concluded
Rating	\$10	\$50	\$25

*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 \$2.50 per year for differences in effective age between the subject and the comparables.

Effective Age			
Adjustment	Survey Range		Concluded
Rating	\$1.00	\$5.00	\$2.50

*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	\$5
Billiards	\$2	\$10	\$2
Bus/Comp Ctrs	\$2	\$10	\$2
Car Care Center	\$2	\$10	\$2
Community Center	\$2	\$10	\$2
Elevator	\$10	\$100	\$10
Fitness Center	\$2	\$10	\$10
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	\$5
Playground	\$2	\$10	\$5
Pool	\$2	\$10	\$10
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	\$10
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	\$10
Dishwasher	\$2	\$10	\$10
Microwave	\$2	\$10	\$10

### *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 \$10 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$25.

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

### *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	\$2
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$2
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2



Rent Conclusion, 1BR-1BA-606sf

The development of our rent conclusion for the 1BR-1BA-606sf units is found below.

Our analysis included the evaluation of a total of 10 unit types found at 7 properties. We selected the 10 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 10 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-01	Courthouse Lane Phase 1	1BR-1BA-606sf	\$695	\$0	\$695	-	\$0	\$695	-
008-01	Baker House Apartments	1BR-1BA-700sf	\$700	\$0	\$700	\$227	\$19	\$719	5
008-02	Baker House Apartments	2BR-1BA-1000sf	\$800	\$0	\$800	\$271	-\$25	\$775	7
018-01	Dahlgren Harbor Apartments	2BR-1BA-668sf	\$825	\$0	\$825	\$154	-\$16	\$809	2
018-02	Dahlgren Harbor Apartments	2BR-1BA-668sf	\$853	\$0	\$853	\$154	-\$16	\$836	2
018-03	Dahlgren Harbor Apartments	3BR-1BA-1176sf	\$1,280	\$0	\$1,280	\$241	-\$103	\$1,177	6
024-01	Kings Mill Apartments	2BR-1BA-987sf	\$810	\$0	\$810	\$281	-\$93	\$717	8
030-01	Nick's Place Duplexes	2BR-1.5BA-1000sf	\$900	\$0	\$900	\$214	-\$68	\$832	4
037-01	Swallows Landing Apartments	1BR-1BA-588sf	\$820	\$0	\$820	\$87	\$8	\$828	1
038-01	Willow Glen Apartments	2BR-1BA-987sf	\$885	\$0	\$885	\$294	-\$81	\$804	10
039-01	Woodside Apartments	2BR-1BA-987sf	\$885	\$0	\$885	\$281	-\$93	\$792	8

Adjusted Rent, Minimum	\$717
Adjusted Rent, Maximum	\$1,177
Adjusted Rent, Average	\$829
Adjusted Rent, Modified Average	\$799
Rent, Concluded	\$800

Our analysis suggests a rent of \$800 for the 1BR-1BA-606sf units at the subject property.

In our opinion, the 1BR-1BA-588sf units at Swallows Landing Apartments (Property # 037), the 2BR-1BA-668sf units at Dahlgren Harbor Apartments (Property # 018), the 2BR-1.5BA-1000sf units at Nick's Place Duplexes (Property # 030), the 1BR-1BA-700sf units at Baker House Apartments (Property # 008), and the 2BR-1BA-987sf units at Woodside Apartments (Property # 039) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$124	\$76	\$48
Condition	\$25	4.00	2.55	-\$36
Effective Age	\$2.50	2009	1990	-\$48
Dishwasher	\$10	yes	no	-\$10
Adjustments				-\$46
Adjusted Rent, Minimum				\$671
Adjusted Rent, Maximum				\$1,131
Adjusted Rent, Average				\$783
Adjusted Rent, Modified Average				\$754
Rent, Concluded, As Is				\$755

Our analysis suggests an "as is" rent of \$755 for the 1BR-1BA-606sf units at the subject property.

Comparable	Subject	1		2		3		4		5	
Property-Unit Key	Sub-01	008-01		018-02		030-01		037-01		039-01	
Unit Type	1BR-1BA-606sf	1BR-1BA-700sf		2BR-1BA-668sf		2BR-1.5BA-1000sf		1BR-1BA-588sf		2BR-1BA-987sf	
Property Name	Courthouse Lane Phase 1	Baker House Apartments		Dahlgren Harbor Apartments		Nick's Place Duplexes		Swallows Landing Apartments		Woodside Apartments	
Address	150 Courthouse Lane	11540 Ridge Road		5392 Harbor Court		12066 Nick's Place		16265 Dahlgren Road		11411 Woodside Drive	
City	Bowling Green	King George		King George		King George		King George		King George	
State	Virginia	Virginia		Virginia		Virginia		Virginia		Virginia	
Zip	22427	22485		22485		22485		22485		22485	
Latitude	38.05183	38.26521		38.33622		38.26851		38.33948		38.25629	
Longitude	-77.34318	-77.14188		-77.04997		-77.13835		-77.06144		-77.14539	
Miles to Subject	0.00	16.61		23.13		16.89		22.80		16.11	
Year Built	1983	1965		1941		2005		1987		1995	
Year Rehab	2019	2000		2010		na		2016		na	
Project Rent	Subsidized	Market Rate		Market Rate		Market Rate		Market Rate		Market Rate	
Project Type	Elderly	Family		Family		Family		Family		Family	
Project Status	Prop Rehab	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized	
Phone	(804) 633-9900	(540) 775-4805		(540) 663-2617		(540) 775-4805		(540) 663-2617		(540) 775-2889	
Effective Date	26-Feb-19	06-Feb-19		05-Feb-19		06-Feb-19		05-Feb-19		05-Feb-19	
<u>Project Level</u>											
Units	32	14		73		6		24		40	
Vacant Units	0	0		0		0		0		1	
Vacancy Rate	0%	0%		0%		0%		0%		3%	
<u>Unit Type</u>											
Units	2	4		36		6		24		40	
Vacant Units	0	0		0		0		0		1	
Vacancy Rate	0%	0%		0%		0%		0%		3%	
Street Rent	\$695	\$700		\$853		\$900		\$820		\$885	
Concessions	\$0	\$0		\$0		\$0		\$0		\$0	
Net Rent	\$695	\$700		\$853		\$900		\$820		\$885	
	<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>
Tenant-Paid Utilities	TPU	\$124	\$51	-\$73	\$68	-\$56	\$132	\$8	\$122	-\$2	\$68
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Internet	\$0	yes	no	\$0	no	\$0	no	\$0	no	\$0	no
Bedrooms	\$0	1	1	\$0	2	\$0	2	\$0	1	\$0	2
Bathrooms	\$100	1.00	1.00	\$0	1.00	\$0	1.50	-\$50	1.00	\$0	1.00
Square Feet	\$0.20	606	700	-\$19	668	-\$12	1000	-\$79	588	\$4	987
Visibility	\$0	2.50	2.75	\$0	2.00	\$0	2.00	\$0	3.50	\$0	2.00
Access	\$0	3.50	2.75	\$0	2.50	\$0	1.50	\$0	3.50	\$0	2.75
Neighborhood	\$0	2.60	3.70	\$0	4.50	\$0	3.80	\$0	4.50	\$0	3.10
Area Amenities	\$0	4.50	3.20	\$0	2.30	\$0	2.50	\$0	2.90	\$0	2.00
Median HH Income	\$0.0000	\$31,250	\$82,330	\$0	\$91,250	\$0	\$69,223	\$0	\$91,250	\$0	\$45,769
Average Commute	\$0	30.39	32.56	\$0	32.20	\$0	37.18	\$0	32.20	\$0	31.24
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na
Personal Crime	\$0	6.1%	3.4%	\$0	1.8%	\$0	2.4%	\$0	1.8%	\$0	3.3%
Condition	\$25	4.00	2.25	\$44	3.00	\$25	3.25	\$19	4.00	\$0	3.00
Effective Age	\$2.50	2009	1995	\$35	2005	\$10	2000	\$23	2010	-\$3	1995
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
BBQ Area	\$5	no	no	\$0	yes	-\$5	no	\$0	no	\$0	no
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Bus/Comp Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Community Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Fitness Center	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	yes
Gazebo	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Picnic Area	\$5	no	no	\$0	yes	-\$5	no	\$0	no	\$0	no
Playground	\$5	no	no	\$0	yes	-\$5	no	\$0	no	\$0	no
Pool	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	yes
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Sports Court	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes
Ceiling Fans	\$2	no	yes	-\$2	yes	-\$2	yes	-\$2	no	\$0	no
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Patio/Balcony	\$10	yes	no	\$10	some	\$10	yes	\$0	some	\$10	yes
Storage	\$10	yes	no	\$10	no	\$10	no	\$10	no	\$10	no
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes
Disposal	\$10	no	no	\$0	no	\$0	no	\$0	yes	-\$10	no
Dishwasher	\$10	yes	some	\$10	no	\$10	yes	\$0	no	\$10	no
Microwave	\$10	no	some	\$0	no	\$0	no	\$0	no	\$0	yes
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Central	\$10	yes	yes	\$10	yes	\$0	no	\$10	no	\$10	no
W/D Units	\$10	no	yes	-\$10	no	\$0	yes	-\$10	no	\$0	no
W/D Hookups	\$25	no	no	\$0	no	\$0	no	\$0	yes	-\$25	yes
Call Buttons	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Monitoring	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Security Patrols	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Indicated Rent		\$800	\$719		\$836		\$832		\$828		\$792

**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
1BR-1BA-606sf / 40% of AMI / 40% of AMI	No	Yes	2	\$800	\$695	13.1%
1BR-1BA-566sf / 40% of AMI / 40% of AMI	No	Yes	2	\$800	\$695	13.1%
1BR-1BA-566sf / 50% of AMI / 50% of AMI	No	Yes	12	\$800	\$695	13.1%
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	Yes	16	\$800	\$695	13.1%
Total / Average			32	\$800	\$695	13.1%

Our analysis suggests an average unrestricted market rent of \$800 for the subject property. This is compared with an average proposed rent of \$695, yielding an unrestricted market rent advantage of 13.1 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 98 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								
1-Bedroom								100%
2-Bedroom								98%
3-Bedroom								
4-Bedroom								
Total								98%

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								
1-Bedroom	100%							
2-Bedroom	100%			100%	100%		100%	75%
3-Bedroom	100%			100%	100%			
4-Bedroom								
Total	100%			100%	100%		100%	75%

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 \$930 to \$1042 since 2010. This represents an average 1.5% annual increase over this period.

Fair market rent data for the area is found below:

Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2006	\$678	\$757	\$1,010	-	-	-
2007	\$705	\$788	\$1,051	4.0%	4.1%	4.1%
2008	\$779	\$870	\$1,161	10.5%	10.4%	10.5%
2009	\$828	\$925	\$1,234	6.3%	6.3%	6.3%
2010	\$832	\$930	\$1,241	0.5%	0.5%	0.6%
2011	\$857	\$958	\$1,278	3.0%	3.0%	3.0%
2012	\$786	\$878	\$1,171	-8.3%	-8.4%	-8.4%
2013	\$826	\$979	\$1,287	5.1%	11.5%	9.9%
2014	\$830	\$984	\$1,294	0.5%	0.5%	0.5%
2015	\$838	\$993	\$1,306	1.0%	0.9%	0.9%
2016	\$835	\$966	\$1,276	-0.4%	-2.7%	-2.3%
2017	\$871	\$1,005	\$1,332	4.3%	4.0%	4.4%
2018	\$907	\$1,042	\$1,386	4.1%	3.7%	4.1%

Source: HUD

Unrestricted Market Rent Conclusion, As Is

In the table found below we summarize the market rents for the subject property units on an "as is" basis, assuming that the subject were an unrestricted property:

Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market	Proposed	Advantage
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	Yes	30	\$755	\$786	-4.1%
1BR-1BA-606sf / 60% of AMI / 60% of AMI	No	Yes	2	\$755	\$786	-4.1%
Total / Average			32	\$755	\$786	-4.1%

## **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.

The subject property is located in an area with very few market rate elderly developments. Consequently, we have elected to use general occupancy properties in our analysis of market rents. This is appropriate because most of the existing elderly renters currently reside in general occupancy units creating a linkage between the two property types. Our research suggests that the majority of elderly renter households in the market area currently reside in general occupancy housing. This is consistent with a 1995 AARP member survey which found that 80 percent of respondents resided in general occupancy properties. Because such a high percentage of seniors reside in general occupancy housing, the subject property will need to be priced competitively to attract these renters. Consequently, it is not only appropriate - but prudent - to address general occupancy rents when determining market rents for age-restricted units in this market.

### 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, 1-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
001	Angel Court Apartments	2012	na	Restricted	Family	Stabilized								
002	Angelwood Apartments Phase 1	2006	na	Restricted	Family	Stabilized			\$605	\$605				
003	Angelwood Apartments Phase 2	2009	na	Restricted	Family	Stabilized				\$605				
004	Angelwood at Caroline	2014	na	Restricted	Family	Stabilized								
010	Caroline Manor Apartments Phase 1	1984	2001	Restricted	Family	Stabilized								
011	Caroline Manor Apartments Phase 2	1988	2005	Restricted	Family	Stabilized								
012	Colonial Beach Apartments	1985	2017	Restricted	Family	Stabilized	\$628						\$628	
025	Lee Street Townhomes	1975	2001	Restricted	Family	Stabilized								
028	Monmouth Woods Phases 1 and 2	1993	2014	Restricted	Family	Stabilized								
032	Pine Forest Apartments	1985	1999	Restricted	Family	Stabilized	\$509				\$592			

Source: Allen & Associates

Rental Property Inventory, 2-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
001	Angel Court Apartments	2012	na	Restricted	Family	Stabilized				\$715				
002	Angelwood Apartments Phase 1	2006	na	Restricted	Family	Stabilized				\$715				
003	Angelwood Apartments Phase 2	2009	na	Restricted	Family	Stabilized				\$715	\$715			
004	Angelwood at Caroline	2014	na	Restricted	Family	Stabilized				\$715				
010	Caroline Manor Apartments Phase 1	1984	2001	Restricted	Family	Stabilized	\$620					\$869		
011	Caroline Manor Apartments Phase 2	1988	2005	Restricted	Family	Stabilized	\$610			\$610				
012	Colonial Beach Apartments	1985	2017	Restricted	Family	Stabilized	\$694						\$694	
025	Lee Street Townhomes	1975	2001	Restricted	Family	Stabilized	\$714						\$714	
028	Monmouth Woods Phases 1 and 2	1993	2014	Restricted	Family	Stabilized					\$965			
032	Pine Forest Apartments	1985	1999	Restricted	Family	Stabilized	\$559				\$559			

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 \$80 per bedroom.

Bedrooms			
Adjustment	Survey Range		Concluded
Bedrooms	\$0	\$200	\$80

*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 \$0.05 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.00	\$2.00	\$0.05

*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 \$50 per point for differences in amenity ratings between the subject and the comparables.

Area Amenities			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$50

*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 \$0.00 per each minute of commute.

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

*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 \$1.00 per year for differences in effective age between the subject and the comparables.

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

*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	\$10
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	\$2
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	\$10
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	\$10
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 \$25; washer/dryer hookups were valued at \$5.

Laundry			
Adjustment	Survey Range		Concluded
Central	\$5	\$25	\$5
W/D Units	\$10	\$50	\$25
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	\$2
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$2
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

Rent Conclusion, 1BR-1BA-606sf

The development of our rent conclusion for the 1BR-1BA-606sf units is found below.

Our analysis included the evaluation of a total of 17 unit types found at 7 properties. We selected the 17 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 17 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-01	Courthouse Lane Phase 1	1BR-1BA-606sf	\$695	\$0	\$695	-	\$0	\$695	-
001-02	Angel Court Apartments	2BR-1.5BA-1004sf	\$715	\$0	\$715	\$349	-\$95	\$620	10
001-03	Angel Court Apartments	2BR-1.5BA-1040sf	\$715	\$0	\$715	\$351	-\$97	\$618	11
001-04	Angel Court Apartments	2BR-1.5BA-1040sf	\$715	\$0	\$715	\$351	-\$97	\$618	11
001-05	Angel Court Apartments	3BR-2BA-1347sf	\$850	\$0	\$850	\$480	-\$226	\$624	17
002-02	Angelwood Apartments Phase 1	1BR-1BA-1000sf	\$605	\$0	\$605	\$219	-\$5	\$600	3
002-03	Angelwood Apartments Phase 1	2BR-1BA-1190sf	\$715	\$0	\$715	\$289	-\$75	\$640	5
003-07	Angelwood Apartments Phase 2	2BR-1BA-1022sf	\$715	\$0	\$715	\$298	-\$64	\$651	6
003-10	Angelwood Apartments Phase 2	3BR-2BA-1055sf	\$850	\$0	\$850	\$463	-\$229	\$621	14
004-02	Angelwood at Caroline	2BR-1.5BA-863sf	\$715	\$0	\$715	\$348	-\$90	\$625	9
004-03	Angelwood at Caroline	2BR-1.5BA-990sf	\$715	\$0	\$715	\$355	-\$97	\$618	13
004-04	Angelwood at Caroline	3BR-2BA-1038sf	\$850	\$0	\$850	\$470	-\$212	\$638	15
004-05	Angelwood at Caroline	3BR-2BA-1184sf	\$850	\$0	\$850	\$477	-\$219	\$631	16
012-02	Colonial Beach Apartments	1BR-1BA-606sf	\$628	\$0	\$628	\$208	\$54	\$682	1
012-04	Colonial Beach Apartments	2BR-1.5BA-856sf	\$694	\$0	\$694	\$333	-\$72	\$622	8
025-02	Lee Street Townhomes	2BR-1.5BA-850sf	\$714	\$0	\$714	\$312	-\$23	\$691	7
032-02	Pine Forest Apartments	1BR-1BA-556sf	\$592	\$0	\$592	\$210	\$30	\$622	2
032-04	Pine Forest Apartments	2BR-1BA-706sf	\$559	\$0	\$559	\$227	\$7	\$566	4
	Adjusted Rent, Minimum					\$566			
	Adjusted Rent, Maximum					\$691			
	Adjusted Rent, Average					\$629			
	Adjusted Rent, Modified Average					\$629			
	Rent, Concluded					\$675			

Our analysis suggests a rent of \$675 for the 1BR-1BA-606sf units at the subject property.

In our opinion, the 1BR-1BA-606sf units at Colonial Beach Apartments (Property # 012), the 1BR-1BA-556sf units at Pine Forest Apartments (Property # 032), the 1BR-1BA-1000sf units at Angelwood Apartments Phase 1 (Property # 002), the 2BR-1BA-1022sf units at Angelwood Apartments Phase 2 (Property # 003), and the 2BR-1.5BA-850sf units at Lee Street Townhomes (Property # 025) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$124	\$76	\$48
Internet	\$0	yes	no	\$0
Condition	\$15	4.00	2.55	-\$22
Effective Age	\$1.00	2009	1990	-\$19
Dishwasher	\$10	yes	no	-\$10
Adjustments				-\$3
Adjusted Rent, Minimum				\$563
Adjusted Rent, Maximum				\$689
Adjusted Rent, Average				\$626
Adjusted Rent, Modified Average				\$626
Rent, Concluded, As Is				\$670

Our analysis suggests an "as is" rent of \$670 for the 1BR-1BA-606sf units at the subject property.



Comparable	Subject	1	2	3	4	5						
Property-Unit Key	Sub-01	002-02	003-07	012-02	025-02	032-02						
Unit Type	1BR-1BA-606sf	1BR-1BA-1000sf	2BR-1BA-1022sf	1BR-1BA-606sf	2BR-1.5BA-850sf	1BR-1BA-556sf						
Property Name	Courthouse Lane Phase 1	Angelwood Apartments Phase 1	Angelwood Apartments Phase 2	Colonial Beach Apartments	Lee Street Townhomes	Pine Forest Apartments						
Address	150 Courthouse Lane	10073 Kings Highway	10073 Kings Highway	343 12th Street	121 Lee Street	5225 Pine Forest Lane						
City	Bowling Green	King George	King George	Colonial Beach	Bowling Green	King George						
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia						
Zip	22427	22485	22485	22443	22427	22485						
Latitude	38.05183	38.26661	38.26661	38.26257	38.04897	38.33855						
Longitude	-77.34318	-77.17006	-77.17006	-76.97967	-77.35522	-77.06226						
Miles to Subject	0.00	15.62	15.62	23.79	0.70	22.73						
Year Built	1983	2006	2009	1985	1975	1985						
Year Rehab	2019	na	na	2017	2001	1999						
Project Rent	Subsidized	Restricted	Restricted	Restricted	Restricted	Restricted						
Project Type	Elderly	Family	Family	Family	Family	Family						
Project Status	Prop Rehab	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized						
Phone	(804) 633-9900	(540) 775-3492	(540) 775-3492	(804) 224-9496	(804) 633-9900	(540) 663-3475						
Effective Date	26-Feb-19	15-Feb-19	15-Feb-19	07-Feb-19	06-Feb-19	25-Feb-19						
<u>Project Level</u>												
Units	32	24	32	32	18	40						
Vacant Units	0	0	1	0	0	0						
Vacancy Rate	0%	0%	3%	0%	0%	0%						
<u>Unit Type</u>												
Units	2	10	1	15	1	5						
Vacant Units	0	0	0	0	0	0						
Vacancy Rate	0%	0%	0%	0%	0%	0%						
Street Rent	\$695	\$605	\$715	\$628	\$714	\$592						
Concessions	\$0	\$0	\$0	\$0	\$0	\$0						
Net Rent	\$695	\$605	\$715	\$628	\$714	\$592						
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>						
Tenant-Paid Utilities	TPU \$124	\$67	-\$57	\$87	-\$37	\$51	-\$73	\$165	\$41	\$40	-\$84	
Cable	\$0	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0	
Internet	\$0	yes	no	\$0	no	\$0	no	\$0	no	\$0	\$0	
Bedrooms	\$80	1	\$0	2	-\$80	1	\$0	2	-\$80	1	\$0	
Bathrooms	\$100	1.00	1.00	\$0	1.00	\$0	1.00	\$0	1.50	-\$50	1.00	\$0
Square Feet	\$0.05	606	1000	-\$20	1022	-\$21	606	\$0	850	-\$12	556	\$3
Visibility	\$0	2.50	2.00	\$0	2.00	\$0	3.00	\$0	2.00	\$0	3.50	\$0
Access	\$0	3.50	3.00	\$0	3.00	\$0	3.00	\$0	3.00	\$0	3.50	\$0
Neighborhood	\$0	2.60	3.10	\$0	3.10	\$0	2.00	\$0	3.30	\$0	4.50	\$0
Area Amenities	\$50	4.50	2.50	\$100	2.50	\$100	3.40	\$55	3.90	\$30	3.00	\$75
Median HH Income	\$0.0000	\$31,250	\$45,769	\$0	\$45,769	\$0	\$45,909	\$0	\$45,500	\$0	\$91,250	\$0
Average Commute	\$0	30.39	31.24	\$0	31.24	\$0	44.14	\$0	40.50	\$0	32.20	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	6.1%	3.3%	\$0	3.3%	\$0	8.2%	\$0	3.2%	\$0	1.8%	\$0
Condition	\$15	4.00	4.50	-\$8	4.50	-\$8	2.50	\$23	2.50	\$23	3.25	\$11
Effective Age	\$1.00	2009	2010	-\$1	2010	-\$1	1990	\$19	1985	\$24	2000	\$9
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$2
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$10	yes	yes	\$0	yes	\$0	no	\$10	no	\$10	no	\$10
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$2	no	no	\$0	no	\$0	yes	-\$2	no	\$0	yes	-\$2
Playground	\$2	no	no	\$0	no	\$0	yes	-\$2	no	\$0	yes	-\$2
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	yes	yes	\$0	yes	\$0	no	\$2	yes	\$0	yes	\$0
Storage	\$10	yes	yes	\$0	some	\$10	no	\$10	yes	\$0	yes	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	yes	-\$2	no	\$0	no	\$0	no	\$0	no	\$0
Dishwasher	\$10	yes	yes	\$0	yes	\$0	no	\$10	no	\$10	no	\$10
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	no	\$5	no	\$5	yes	\$0	no	\$5	yes	\$0
W/D Units	\$25	no	yes	-\$25	yes	-\$25	no	\$0	yes	-\$25	no	\$0
W/D Hookups	\$5	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Call Buttons	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
<b>Indicated Rent</b>	<b>\$675</b>	<b>\$600</b>	<b>\$651</b>	<b>\$682</b>	<b>\$691</b>	<b>\$622</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
1BR-1BA-606sf / 40% of AMI / 40% of AMI	No	Yes	2	\$675
1BR-1BA-566sf / 40% of AMI / 40% of AMI	No	Yes	2	\$675
1BR-1BA-566sf / 50% of AMI / 50% of AMI	No	Yes	12	\$675
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	Yes	16	\$675
Total / Average			32	\$675

Our analysis suggests an average restricted market rent of \$675 for the subject property.

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 100 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%		100%	100%	100%		100%	
2-Bedroom	100%			98%	100%		100%	
3-Bedroom								
4-Bedroom								
Total	100%		100%	99%	100%		100%	

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								
1-Bedroom	100%							
2-Bedroom	100%			100%	100%		100%	75%
3-Bedroom	100%			100%	100%			
4-Bedroom								
Total	100%			100%	100%		100%	75%

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 2006. According to our analysis, maximum 2-bedroom rents for the area grew from \$998 to \$1123 since 2010. This represents an average 1.6% 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
2006	\$756	\$907	\$1,048	-	-	-
2007	\$773	\$927	\$1,072	2.2%	2.2%	2.3%
2008	\$780	\$936	\$1,081	0.9%	1.0%	0.8%
2009	\$824	\$988	\$1,142	5.6%	5.6%	5.6%
2010	\$831	\$998	\$1,153	0.8%	1.0%	1.0%
2011	\$839	\$1,007	\$1,164	1.0%	0.9%	1.0%
2012	\$851	\$1,021	\$1,179	1.4%	1.4%	1.3%
2013	\$831	\$998	\$1,153	-2.4%	-2.3%	-2.2%
2014	\$820	\$984	\$1,137	-1.3%	-1.4%	-1.4%
2015	\$835	\$1,002	\$1,158	1.8%	1.8%	1.8%
2016	\$814	\$977	\$1,129	-2.5%	-2.5%	-2.5%
2017	\$885	\$1,062	\$1,228	8.7%	8.7%	8.8%
2018	\$936	\$1,123	\$1,298	5.8%	5.7%	5.7%

Source: HUD

#### Restricted Market Rent Conclusion, As Is

In the table found below we summarize the market rents for the subject property units on an "as is" basis, assuming that the subject were a restricted property:

Restricted Market Rent Conclusion, As Is				
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	Yes	30	\$670
1BR-1BA-606sf / 60% of AMI / 60% of AMI	No	Yes	2	\$670
Total / Average			32	\$670

**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
1BR-1BA-606sf / 40% of AMI / 40% of AMI	No	Yes	2	\$624	\$124	\$500
1BR-1BA-566sf / 40% of AMI / 40% of AMI	No	Yes	2	\$624	\$124	\$500
1BR-1BA-566sf / 50% of AMI / 50% of AMI	No	Yes	12	\$780	\$124	\$656
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	Yes	16	\$936	\$124	\$812
Total / Average			32	\$839	\$124	\$715

Our analysis suggests an average net LIHTC rent limit of \$715 for 32 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
1BR-1BA-606sf / 40% of AMI / 40% of AMI	No	Yes	-	-	-	-
1BR-1BA-566sf / 40% of AMI / 40% of AMI	No	Yes	-	-	-	-
1BR-1BA-566sf / 50% of AMI / 50% of AMI	No	Yes	-	-	-	-
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	Yes	-	-	-	-
Total / Average			-	-	-	-

HOME funding is not proposed for 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
1BR-1BA-606sf / 40% of AMI / 40% of AMI	No	Yes	2	\$500	-	\$800	\$800
1BR-1BA-566sf / 40% of AMI / 40% of AMI	No	Yes	2	\$500	-	\$800	\$800
1BR-1BA-566sf / 50% of AMI / 50% of AMI	No	Yes	12	\$656	-	\$800	\$800
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	Yes	16	\$812	-	\$800	\$800
Total / Average			32	\$715	-	\$800	\$800

Our analysis suggests an average program rent limit of \$800 for 32 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
1BR-1BA-606sf / 40% of AMI / 40% of AMI	No	Yes	2	\$800	\$800	\$675	\$800	\$695	13.1%
1BR-1BA-566sf / 40% of AMI / 40% of AMI	No	Yes	2	\$800	\$800	\$675	\$800	\$695	13.1%
1BR-1BA-566sf / 50% of AMI / 50% of AMI	No	Yes	12	\$800	\$800	\$675	\$800	\$695	13.1%
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	Yes	16	\$800	\$800	\$675	\$800	\$695	13.1%
Total / Average			32	\$800	\$800	\$675	\$800	\$695	13.1%

Our analysis suggests an average achievable rent of \$800 for the subject property. This is compared with an average proposed rent of \$695, yielding an achievable rent advantage of 13.1 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
1BR-1BA-606sf / 40% of AMI / 40% of AMI	No	No	2	\$500	\$800	\$675	\$500	\$695	-39.0%
1BR-1BA-566sf / 40% of AMI / 40% of AMI	No	No	2	\$500	\$800	\$675	\$500	\$695	-39.0%
1BR-1BA-566sf / 50% of AMI / 50% of AMI	No	No	12	\$656	\$800	\$675	\$656	\$695	-5.9%
1BR-1BA-566sf / 60% of AMI / 60% of AMI	No	No	16	\$812	\$800	\$675	\$675	\$695	-3.0%
Total / Average			32	\$715	\$800	\$675	\$646	\$695	-7.6%

## 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 65+ 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:

2019 \$		65+ Renter Households, by Income, by Size							
		2020							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total	
\$0	to \$9,999	74	0	5	0	0	0	79	
\$0	to \$19,999	158	7	8	0	0	0	173	
\$0	to \$29,999	166	9	11	1	0	0	187	
\$0	to \$39,999	175	25	11	1	0	0	212	
\$0	to \$49,999	199	33	12	1	0	0	245	
\$0	to \$59,999	202	46	17	2	1	0	269	
\$0	to \$74,999	206	112	20	5	1	0	345	
\$0	to \$99,999	250	116	20	6	1	0	394	
\$0	to \$124,999	252	119	20	7	1	0	399	
\$0	to \$149,999	254	120	23	7	1	0	405	
\$0	to \$199,999	258	123	23	7	1	0	412	
\$0	or more	264	127	26	7	1	0	425	

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, 1-Bedroom Units

Overview						Total Units								Vacant Units								
Key Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt	Sub	30%	40%	50%	60%	70%	80%	Mkt	
014 Courthouse Lane Phase 1	1983	2002	Subsidized	Elderly	Stabilized	32																
Total						32																

Source: Allen & Associates

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

In this section we estimate demand for the 1-Bedroom / Subsidized / 60% of AMI units at the subject property. Our analysis assumes a total of 32 units, 16 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 50% income qualification ratio and 2-person households.

Unit Details	
Target Population	65+ Households
Unit Type	1-Bedroom
Rent Type	Subsidized
Income Limit	60% of AMI
Total Units	32
Vacant Units at Market Entry	16

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$124
Gross Rent	\$124
Income Qualification Ratio	50%
Minimum Qualified Income	\$248
Months/Year	12
Minimum Qualified Income	\$2,976

65+ Renter Households, by Income, by Size								
2020								
2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	74	0	5	0	0	0
\$0	to	\$19,999	158	7	8	0	0	0
\$0	to	\$29,999	166	9	11	1	0	0
\$0	to	\$39,999	175	25	11	1	0	0
\$0	to	\$49,999	199	33	12	1	0	0
\$0	to	\$59,999	202	46	17	2	1	0
\$0	to	\$74,999	206	112	20	5	1	0
\$0	to	\$99,999	250	116	20	6	1	0
\$0	to	\$124,999	252	119	20	7	1	0
\$0	to	\$149,999	254	120	23	7	1	0
\$0	to	\$199,999	258	123	23	7	1	0
\$0	or	more	264	127	26	7	1	0

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$34,980	\$39,960	\$44,940	\$49,920	\$53,940	\$57,960	

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	170	24	0	0	0	0
HH Below Minimum Income	19	0	0	0	0	0
Subtotal	152	24	0	0	0	0

Demand Estimate 176

Our analysis suggests demand for a total of 176 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.

65+ Renter Households, by Income, by Size								
			2020					
2019	\$		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	74	0	5	0	0	0
\$0	to	\$19,999	158	7	8	0	0	0
\$0	to	\$29,999	166	9	11	1	0	0
\$0	to	\$39,999	175	25	11	1	0	0
\$0	to	\$49,999	199	33	12	1	0	0
\$0	to	\$59,999	202	46	17	2	1	0
\$0	to	\$74,999	206	112	20	5	1	0
\$0	to	\$99,999	250	116	20	6	1	0
\$0	to	\$124,999	252	119	20	7	1	0
\$0	to	\$149,999	254	120	23	7	1	0
\$0	to	\$199,999	258	123	23	7	1	0
\$0	or	more	264	127	26	7	1	0

Demand Estimate, Subsidized						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	\$34,980	\$39,960	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$34,980	\$39,960	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	\$2,976	\$2,976	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$2,976	\$2,976	-	-	-	-
HH Below Upper Income	170	24	0	0	0	0
HH Below Lower Income	19	0	0	0	0	0
Subtotal	152	24	0	0	0	0

Demand Estimate

176

Our analysis suggests demand for a total of 176 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.

65+ Renter Households, by Income, by Size								
		2020						
2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	74	0	5	0	0	0
\$0	to	\$19,999	158	7	8	0	0	0
\$0	to	\$29,999	166	9	11	1	0	0
\$0	to	\$39,999	175	25	11	1	0	0
\$0	to	\$49,999	199	33	12	1	0	0
\$0	to	\$59,999	202	46	17	2	1	0
\$0	to	\$74,999	206	112	20	5	1	0
\$0	to	\$99,999	250	116	20	6	1	0
\$0	to	\$124,999	252	119	20	7	1	0
\$0	to	\$149,999	254	120	23	7	1	0
\$0	to	\$199,999	258	123	23	7	1	0
\$0	or	more	264	127	26	7	1	0

Demand Estimate, Project-Level							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, Subsidized	\$34,980	\$39,960	-	-	-	-	
Maximum Income, 30% of AMI	-	-	-	-	-	-	
Maximum Income, 40% of AMI	-	-	-	-	-	-	
Maximum Income, 50% of AMI	-	-	-	-	-	-	
Maximum Income, 60% of AMI	-	-	-	-	-	-	
Maximum Income, 70% of AMI	-	-	-	-	-	-	
Maximum Income, 80% of AMI	-	-	-	-	-	-	
Maximum Income, Market Rate	-	-	-	-	-	-	
Maximum Allowable Income	\$34,980	\$39,960	-	-	-	-	
Minimum Income, Subsidized	\$2,976	\$2,976	-	-	-	-	
Minimum Income, 30% of AMI	-	-	-	-	-	-	
Minimum Income, 40% of AMI	-	-	-	-	-	-	
Minimum Income, 50% of AMI	-	-	-	-	-	-	
Minimum Income, 60% of AMI	-	-	-	-	-	-	
Minimum Income, 70% of AMI	-	-	-	-	-	-	
Minimum Income, 80% of AMI	-	-	-	-	-	-	
Minimum Income, Market Rate	-	-	-	-	-	-	
Minimum Qualified Income	\$2,976	\$2,976	-	-	-	-	
HH Below Upper Income	170	24	0	0	0	0	
HH Below Lower Income	19	0	0	0	0	0	
Subtotal	152	24	0	0	0	0	

Demand Estimate

176

Our analysis suggests project-level demand for a total of 176 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.

Subject Property Units (Total)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	32								32
2BR									
3BR									
4BR									
Tot	32								32

Subject Property Units (Vacant at Market Entry)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	16								16
2BR									
3BR									
4BR									
Tot	16								16

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.

Gross Demand									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	176								176
2BR									
3BR									
4BR									
Tot	176								176

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:

Capture Rates (Subject Property Units / Gross Demand)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	9.1%								9.1%
2BR									
3BR									
4BR									
Tot	9.1%								9.1%

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.

	Sub	30%	40%	50%	60%	70%	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.

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	176								176
2BR									
3BR									
4BR									
Tot	176								176

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:

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	9.1%								9.1%
2BR									
3BR									
4BR									
Tot	9.1%								9.1%

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.

Subject Property Units (Total)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	32								32
2BR									
3BR									
4BR									
Tot	32								32

Subject Property Units (Vacant at Market Entry)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	16								16
2BR									
3BR									
4BR									
Tot	16								16

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.

Gross Demand									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	176								176
2BR									
3BR									
4BR									
Tot	176								176

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.

Competing & Pipeline Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	32								32
2BR									
3BR									
4BR									
Tot	32								32

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	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	48								48
2BR									
3BR									
4BR									
Tot	48								48

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	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	27.3%								27.3%
2BR									
3BR									
4BR									
Tot	27.3%								27.3%

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	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	32							
2BR								
3BR								
4BR								

Subject Property Units (Vacant at Market Entry)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	16							
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	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	176							
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	5.0%
Movership	8.0%
Total	13.0%

Growth & Movership Estimate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	23							
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	
	40%

Growth & Movership Estimate

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	38							
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	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	1							
2BR								
3BR								
4BR								

Fair Share

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	75.0%							
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	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	2.4							
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, Elderly, Stabilized Occupancy

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	100%							
2BR								
3BR								
4BR								



Occupancy Rate, Select Comparables								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	100%		100%	100%	100%		100%	100%
2BR	100%			98%	100%		100%	98%
3BR								
4BR								

Concluded Stabilized Occupancy Rate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	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	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	16							
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	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	7							
2BR								
3BR								
4BR								

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 7 months of absorption and an average absorption rate of 2.4 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

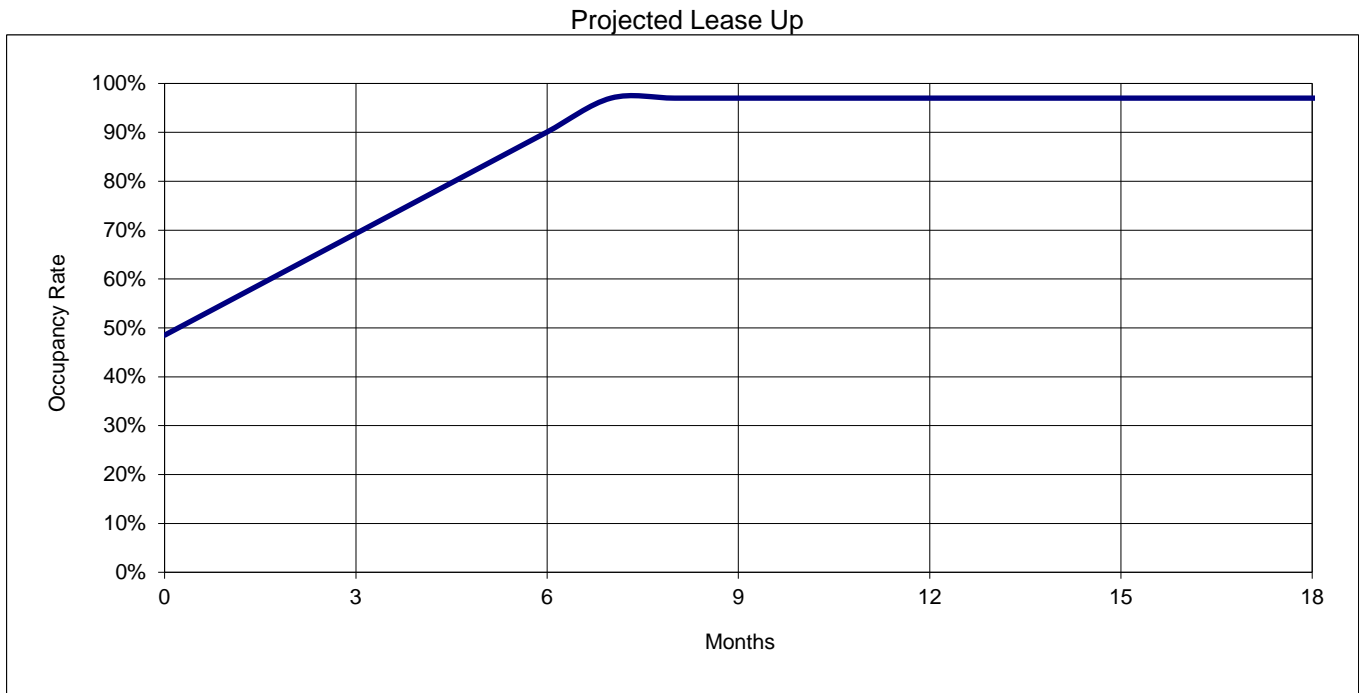
Absorption rates for age-restricted multifamily properties depend on a variety of factors: (1) The competitive environment in which the property resides; (2) The pricing of the subject property units relative to competing units, (3) The presence of rent or income restrictions at the subject property; and (4) The availability of any rent concessions or rental assistance at the subject property. Subsidized elderly properties normally lease up at a rate of 12-16 units per month. Unsubsidized elderly properties with rent and income restrictions typically fill at a rate of 4-8 units per month. Market rate elderly properties normally lease up at a rate of 8-12 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	Abs
001	Angel Court Apartments	2012	na	Restricted	Family	24	4.8
003	Angelwood Apartments Phase 2	2009	na	Restricted	Family	32	8.0

## 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 3 months, 80 percent occupancy in 4 months, and 90 percent occupancy in 5 months. We anticipate that the subject property will stabilize at 97 percent occupancy in 7 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 55+ renter households that would qualify to live at the subject property at the lesser of achievable rents or the sponsor's proposed rents. Our analysis accounts for any rent subsidies for the subject property.

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:

2019 \$		55+ Renter Households, by Income, by Size							
		2019							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total	
\$0	to \$9,999	96	2	7	0	2	0	107	
\$0	to \$19,999	183	16	10	0	7	3	218	
\$0	to \$29,999	194	24	12	1	9	3	244	
\$0	to \$39,999	239	44	13	1	9	3	310	
\$0	to \$49,999	267	65	15	1	27	15	392	
\$0	to \$59,999	273	90	22	14	29	15	443	
\$0	to \$74,999	295	155	27	16	29	15	537	
\$0	to \$99,999	339	194	28	20	33	19	631	
\$0	to \$124,999	342	211	29	21	34	19	656	
\$0	to \$149,999	350	216	32	21	35	19	672	
\$0	to \$199,999	358	253	32	21	40	21	724	
\$0	or more	364	258	38	22	41	21	743	

Source: ESRI & Ribbon Demographics

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

In this section we estimate demand for the 1-Bedroom / Subsidized / 60% of AMI units at the subject property. Our analysis assumes a total of 32 units, 16 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	1-Bedroom
Rent Type	Subsidized
Income Limit	60% of AMI
Total Units	32
Vacant Units at Market Entry	16

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$124
Gross Rent	\$124
Income Qualification Ratio	40%
Minimum Qualified Income	\$310
Months/Year	12
Minimum Qualified Income	\$3,720

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	96	2	7	0	2	0
	\$0	to	\$19,999	183	16	10	0	7	3
	\$0	to	\$29,999	194	24	12	1	9	3
	\$0	to	\$39,999	239	44	13	1	9	3
	\$0	to	\$49,999	267	65	15	1	27	15
	\$0	to	\$59,999	273	90	22	14	29	15
	\$0	to	\$74,999	295	155	27	16	29	15
	\$0	to	\$99,999	339	194	28	20	33	19
	\$0	to	\$124,999	342	211	29	21	34	19
	\$0	to	\$149,999	350	216	32	21	35	19
	\$0	to	\$199,999	358	253	32	21	40	21
	\$0	or	more	364	258	38	22	41	21

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$34,980	\$39,960	\$44,940	\$49,920	\$53,940	\$57,960	

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	214	43	0	0	0	0
HH Below Minimum Income	34	1	0	0	0	0
Subtotal	181	42	0	0	0	0

Demand Estimate 223

Our analysis suggests demand for a total of 223 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.

55+ Renter Households, by Income, by Size								
2019								
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	96	2	7	0	2	0
\$0	to	\$19,999	183	16	10	0	7	3
\$0	to	\$29,999	194	24	12	1	9	3
\$0	to	\$39,999	239	44	13	1	9	3
\$0	to	\$49,999	267	65	15	1	27	15
\$0	to	\$59,999	273	90	22	14	29	15
\$0	to	\$74,999	295	155	27	16	29	15
\$0	to	\$99,999	339	194	28	20	33	19
\$0	to	\$124,999	342	211	29	21	34	19
\$0	to	\$149,999	350	216	32	21	35	19
\$0	to	\$199,999	358	253	32	21	40	21
\$0	or	more	364	258	38	22	41	21

Demand Estimate, Subsidized							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$34,980	\$39,960	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$34,980	\$39,960	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$3,720	\$3,720	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$3,720	\$3,720	-	-	-	-	-
HH Below Upper Income	214	43	0	0	0	0	0
HH Below Lower Income	34	1	0	0	0	0	0
Subtotal	181	42	0	0	0	0	0

Demand Estimate

223

Our analysis suggests demand for a total of 223 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	30%	40%	50%	60%	70%	80%	Mkt
Tot	223							

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								
3.4%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	15							

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								
35.5%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	79							

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								
9.4%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	21							

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	30%	40%	50%	60%	70%	80%	Mkt
Tot	33				0			

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	30%	40%	50%	60%	70%	80%	Mkt
Tot	32							
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	16							

The next step in our analysis is to tally up total demand for the subject property. Our estimates are found below.

Total Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	165				0			

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	30%	40%	50%	60%	70%	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	30%	40%	50%	60%	70%	80%	Mkt
Tot	165				0			

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	30%	40%	50%	60%	70%	80%	Mkt
Tot	19.4%							

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	19.4%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	19.4%
Project-Wide Absorption Period (Months)	7 months

Please note: Project-wide capture rate estimates do not account for income band overlap at the project level.



## VHDA DEMAND ANALYSIS (UNSUBSIDIZED)

### 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 55+ renter households that would qualify to live at the subject property at the lesser of achievable rents or the sponsor's proposed rents. Our analysis ignores any rent subsidies for the subject property.

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:

55+ Renter Households, by Income, by Size

2019 \$			2019						
Min	to	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total
\$0	to	\$9,999	96	2	7	0	2	0	107
\$0	to	\$19,999	183	16	10	0	7	3	218
\$0	to	\$29,999	194	24	12	1	9	3	244
\$0	to	\$39,999	239	44	13	1	9	3	310
\$0	to	\$49,999	267	65	15	1	27	15	392
\$0	to	\$59,999	273	90	22	14	29	15	443
\$0	to	\$74,999	295	155	27	16	29	15	537
\$0	to	\$99,999	339	194	28	20	33	19	631
\$0	to	\$124,999	342	211	29	21	34	19	656
\$0	to	\$149,999	350	216	32	21	35	19	672
\$0	to	\$199,999	358	253	32	21	40	21	724
\$0	or	more	364	258	38	22	41	21	743

Source: ESRI & Ribbon Demographics

## 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 4 units, 2 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	40% of AMI
Total Units	4
Vacant Units at Market Entry	2

Minimum Qualified Income	
Net Rent	\$500
Utilities	\$124
Gross Rent	\$624
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,560
Months/Year	12
Minimum Qualified Income	\$18,720

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	96	2	7	0	2	0
	\$0	to	\$19,999	183	16	10	0	7	3
	\$0	to	\$29,999	194	24	12	1	9	3
	\$0	to	\$39,999	239	44	13	1	9	3
	\$0	to	\$49,999	267	65	15	1	27	15
	\$0	to	\$59,999	273	90	22	14	29	15
	\$0	to	\$74,999	295	155	27	16	29	15
	\$0	to	\$99,999	339	194	28	20	33	19
	\$0	to	\$124,999	342	211	29	21	34	19
	\$0	to	\$149,999	350	216	32	21	35	19
	\$0	to	\$199,999	358	253	32	21	40	21
	\$0	or	more	364	258	38	22	41	21

Maximum Allowable Income								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Allowable Income			\$23,320	\$26,640	\$29,960	\$33,280	\$35,960	\$38,640

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			186	21	0	0	0	0
HH Below Minimum Income			170	14	0	0	0	0
Subtotal			16	7	0	0	0	0

Demand Estimate

24

Our analysis suggests demand for a total of 24 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 12 units, 6 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	12
Vacant Units at Market Entry	6

Minimum Qualified Income	
Net Rent	\$656
Utilities	\$124
Gross Rent	\$780
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,950
Months/Year	12
Minimum Qualified Income	\$23,400

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	96	2	7	0	2	0
	\$0	to	\$19,999	183	16	10	0	7	3
	\$0	to	\$29,999	194	24	12	1	9	3
	\$0	to	\$39,999	239	44	13	1	9	3
	\$0	to	\$49,999	267	65	15	1	27	15
	\$0	to	\$59,999	273	90	22	14	29	15
	\$0	to	\$74,999	295	155	27	16	29	15
	\$0	to	\$99,999	339	194	28	20	33	19
	\$0	to	\$124,999	342	211	29	21	34	19
	\$0	to	\$149,999	350	216	32	21	35	19
	\$0	to	\$199,999	358	253	32	21	40	21
	\$0	or	more	364	258	38	22	41	21

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$29,150	\$33,300	\$37,450	\$41,600	\$44,950	\$48,300	

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	193	30	0	0	0	0
HH Below Minimum Income	186	18	0	0	0	0
Subtotal	7	12	0	0	0	0

Demand Estimate 18

Our analysis suggests demand for a total of 18 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 16 units, 8 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	16
Vacant Units at Market Entry	8

Minimum Qualified Income	
Net Rent	\$675
Utilities	\$124
Gross Rent	\$799
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,998
Months/Year	12
Minimum Qualified Income	\$23,970

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	96	2	7	0	2	0
	\$0	to	\$19,999	183	16	10	0	7	3
	\$0	to	\$29,999	194	24	12	1	9	3
	\$0	to	\$39,999	239	44	13	1	9	3
	\$0	to	\$49,999	267	65	15	1	27	15
	\$0	to	\$59,999	273	90	22	14	29	15
	\$0	to	\$74,999	295	155	27	16	29	15
	\$0	to	\$99,999	339	194	28	20	33	19
	\$0	to	\$124,999	342	211	29	21	34	19
	\$0	to	\$149,999	350	216	32	21	35	19
	\$0	to	\$199,999	358	253	32	21	40	21
	\$0	or	more	364	258	38	22	41	21

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$34,980	\$39,960	\$44,940	\$49,920	\$53,940	\$57,960	

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	214	43	0	0	0	0
HH Below Minimum Income	187	19	0	0	0	0
Subtotal	27	24	0	0	0	0

Demand Estimate 52

Our analysis suggests demand for a total of 52 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.

55+ Renter Households, by Income, by Size								
2019								
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	96	2	7	0	2	0
\$0	to	\$19,999	183	16	10	0	7	3
\$0	to	\$29,999	194	24	12	1	9	3
\$0	to	\$39,999	239	44	13	1	9	3
\$0	to	\$49,999	267	65	15	1	27	15
\$0	to	\$59,999	273	90	22	14	29	15
\$0	to	\$74,999	295	155	27	16	29	15
\$0	to	\$99,999	339	194	28	20	33	19
\$0	to	\$124,999	342	211	29	21	34	19
\$0	to	\$149,999	350	216	32	21	35	19
\$0	to	\$199,999	358	253	32	21	40	21
\$0	or	more	364	258	38	22	41	21

Demand Estimate, Restricted, 40% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$23,320	\$26,640	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$23,320	\$26,640	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$18,720	\$18,720	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$18,720	\$18,720	-	-	-	-	-
HH Below Upper Income	186	21	0	0	0	0	0
HH Below Lower Income	170	14	0	0	0	0	0
Subtotal	16	7	0	0	0	0	0

Demand Estimate

24

Our analysis suggests demand for a total of 24 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.

55+ Renter Households, by Income, by Size								
2019								
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	96	2	7	0	2	0
\$0	to	\$19,999	183	16	10	0	7	3
\$0	to	\$29,999	194	24	12	1	9	3
\$0	to	\$39,999	239	44	13	1	9	3
\$0	to	\$49,999	267	65	15	1	27	15
\$0	to	\$59,999	273	90	22	14	29	15
\$0	to	\$74,999	295	155	27	16	29	15
\$0	to	\$99,999	339	194	28	20	33	19
\$0	to	\$124,999	342	211	29	21	34	19
\$0	to	\$149,999	350	216	32	21	35	19
\$0	to	\$199,999	358	253	32	21	40	21
\$0	or	more	364	258	38	22	41	21

Demand Estimate, Restricted, 50% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$29,150	\$33,300	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$29,150	\$33,300	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$23,400	\$23,400	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$23,400	\$23,400	-	-	-	-	-
HH Below Upper Income	193	30	0	0	0	0	0
HH Below Lower Income	186	18	0	0	0	0	0
Subtotal	7	12	0	0	0	0	0

Demand Estimate

18

Our analysis suggests demand for a total of 18 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.

55+ Renter Households, by Income, by Size								
2019								
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	96	2	7	0	2	0
\$0	to	\$19,999	183	16	10	0	7	3
\$0	to	\$29,999	194	24	12	1	9	3
\$0	to	\$39,999	239	44	13	1	9	3
\$0	to	\$49,999	267	65	15	1	27	15
\$0	to	\$59,999	273	90	22	14	29	15
\$0	to	\$74,999	295	155	27	16	29	15
\$0	to	\$99,999	339	194	28	20	33	19
\$0	to	\$124,999	342	211	29	21	34	19
\$0	to	\$149,999	350	216	32	21	35	19
\$0	to	\$199,999	358	253	32	21	40	21
\$0	or	more	364	258	38	22	41	21

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$34,980	\$39,960	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$34,980	\$39,960	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$23,970	\$23,970	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$23,970	\$23,970	-	-	-	-	-
HH Below Upper Income	214	43	0	0	0	0	0
HH Below Lower Income	187	19	0	0	0	0	0
Subtotal	27	24	0	0	0	0	0

Demand Estimate

52

Our analysis suggests demand for a total of 52 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	30%	40%	50%	60%	70%	80%	Mkt
Tot			24	18	52			

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								
3.4%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			2	1	4			

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								
35.5%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			9	6	18			

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								
9.4%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			2	2	5			

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	30%	40%	50%	60%	70%	80%	Mkt
Tot			4	4	9			

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	30%	40%	50%	60%	70%	80%	Mkt
Tot			4	12	16			
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			2	6	8			



The next step in our analysis is to tally up total demand for the subject property. Our estimates are found below.

Total Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			18	19	44			

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	30%	40%	50%	60%	70%	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	30%	40%	50%	60%	70%	80%	Mkt
Tot			18	19	44			

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	30%	40%	50%	60%	70%	80%	Mkt
Tot			22.2%	62.6%	36.6%			

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	39.5%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	39.5%
Project-Wide Absorption Period (Months)	7 months

Please note: Project-wide capture rate estimates do not account for income band overlap at the project level.

**RENT COMPARABLES, MARKET RATE**

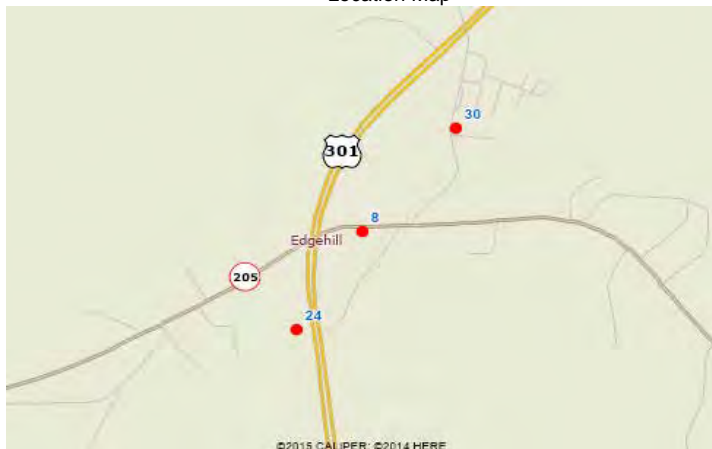
Project Information

Property Name	Baker House Apartments
Street Number	11540
Street Name	Ridge
Street Type	Road
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 775-4805
Year Built	1965
Year Renovated	2000
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	38.2652
Longitude	-77.1419
Nearest Crossroads	na
AAC Code	19-036 008

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Amanda, Management
Phone Number	(540) 273-7646
Interview Date	06-Feb-19
Interviewed By	RF

2018 and 2019 renovations to some units, which involves expanded open kitchens, tile in bathrooms, and refinishing wood floors. 1BR renovated units are at \$50 more than the reported rates and 2BR are \$100 more. Also manages Nick's Place. 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	700	Garden/Flat	Mar	Mar	No	No	4		\$700		\$700	\$51	\$751
2	1.0	1000	Garden/Flat	Mar	Mar	No	No	10		\$800		\$800	\$67	\$867
Total / Average		914						14		\$771		\$771	\$62	\$834

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.75	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.75	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.70	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.20	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	2.25	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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
Movary/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
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	no	yes
Storage	no	yes
Comp vs. Subject	Inferior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	some	yes
Microwave	some	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	no	yes
Wall Units	no	no
Window Units	yes	no
None	no	no
Comp vs. Subject	Inferior	

Heat		
Amenity	Comp	Subj
Central	no	yes
Wall Units	no	no
Baseboards	yes	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Inferior	

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	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Baker House Apartments is an existing multifamily development located at 11540 Ridge Road in King George, Virginia. The property, which consists of 14 apartment units, was originally constructed in 1965 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

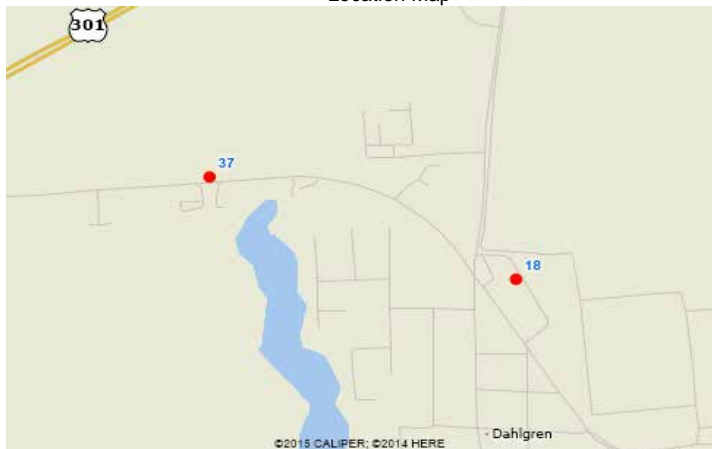
Project Information

Property Name	Dahlgren Harbor Apartments
Street Number	5392
Street Name	Harbor
Street Type	Court
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 663-2617
Year Built	1941
Year Renovated	2010
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$32
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	38.3362
Longitude	-77.0500
Nearest Crossroads	de 2nd entrance to Naval base
AAC Code	19-036 018

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Karen, Manager
Phone Number	(540) 663-2617
Interview Date	05-Feb-19
Interviewed By	RF

2010 renovations include central heating and air conditioning, windows, roofs, patched parking lot, new cabinets and appliances. New parking lot in 2014. Contact advised in 2015, 60% of units renovated with varied upgrades such as flooring, cabinets, and counters. 2018 & 2019 upgrading to plank flooring and new fixtures. Rent range due to

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
2	1.0	668	Garden/Flat	Mar	Mar	No	No	36		\$825		\$825	\$68	\$893
2	1.0	668	Garden/Flat	Mar	Mar	No	No	36		\$853		\$853	\$68	\$921
3	1.0	1176	Garden/Flat	Mar	Mar	No	No	1		\$1,280		\$1,280	\$83	\$1,363
Total / Average		675						141		\$845		\$845	\$68	\$913

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.30	4.50
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	2005	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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
Movary/Media Ctr	no	no
Picnic Area	yes	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
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	some	yes
Storage	no	yes
Comp vs. Subject	Inferior	

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	no	yes
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Dahlgren Harbor Apartments is an existing multifamily development located at 5392 Harbor Court in King George, Virginia. The property, which consists of 73 apartment units, was originally constructed in 1941 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

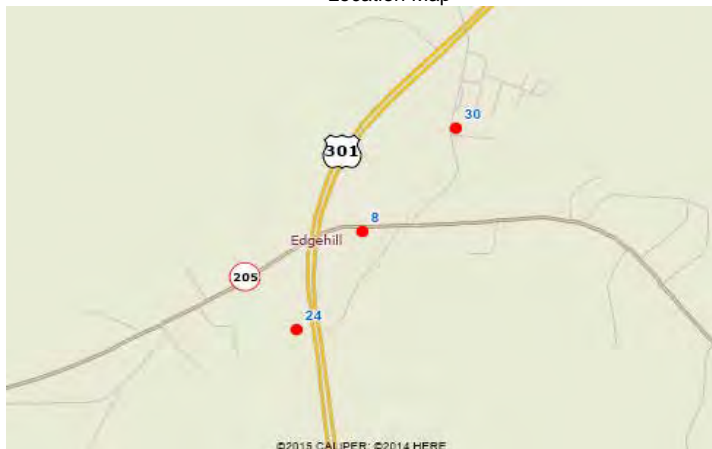
Project Information

Property Name	Kings Mill Apartments
Street Number	13533
Street Name	Kings Mill
Street Type	Drive
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 775-2889
Year Built	1985
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$600
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	38.2621
Longitude	-77.1443
Nearest Crossroads	if Hwy 301, north side of Hwy 3
AAC Code	19-036 024

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Brook Payne, Management
Phone Number	(540) 775-2889
Interview Date	05-Feb-19
Interviewed By	RF

Sister properties that share amenities are Woodside and Willow Glen. 2015 of new roofs within last 10 years. 2018 & 2019 changing flooring to vinyl hardwood. 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
2	1.0	987	Garden/Flat	Mar	Mar	No	No	28	1	\$810		\$810	\$68	\$878
Total / Average		987						28	1	\$810		\$810	\$68	\$878

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.75	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.10	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.00	4.50
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	1995	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	yes	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
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	yes
Comp vs. Subject	Inferior	

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	no	no
W/D Hookups	yes	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Kings Mill Apartments is an existing multifamily development located at 13533 Kings Mill Drive in King George, Virginia. The property, which consists of 28 apartment units, was originally constructed in 1985 with conventional financing. All units are set aside as market rate units. The property currently stands at 96 percent occupancy.



Project Information

Property Name	Nick's Place Duplexes
Street Number	12066
Street Name	Nick's
Street Type	Place
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 775-4805
Year Built	2005
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	38.2685
Longitude	-77.1384
Nearest Crossroads	Church Rd near mobile homes
AAC Code	19-036 030

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Amanda, Management
Phone Number	(540) 273-7646
Interview Date	06-Feb-19
Interviewed By	RF

Also manages Baker House Apartments. 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
2	1.5	1000	Duplex	Mar	Mar	No	No	6		\$900		\$900	\$132	\$1,032
Total / Average		1,000						145	6	\$900		\$900	\$132	\$1,032

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	1.50	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.80	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.50	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.25	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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
Movary/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
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	yes
Comp vs. Subject	Inferior	

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	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	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Nick's Place Duplexes is an existing multifamily development located at 12066 Nick's Place in King George, Virginia. The property, which consists of 6 apartment units, was originally constructed in 2005 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Swallows Landing Apartments
Street Number	16265
Street Name	Dalhgren
Street Type	Road
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 663-2617
Year Built	1987
Year Renovated	2016
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$32
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	38.3395
Longitude	-77.0614
Nearest Crossroads	na
AAC Code	19-036 037

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Karen, Manager
Phone Number	(540) 663-2617
Interview Date	05-Feb-19
Interviewed By	RF

Property consists of 6 four-plexes. 4 buildings renovated with new windows, roofs and siding. 2019 replacing flooring to plank flooring. 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	588	Garden/Flat	Mar	Mar	No	No	24		\$820		\$820	\$122	\$942
Total / Average		588						24		\$820		\$820	\$122	\$942

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.50	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.50	3.50
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.90	4.50
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	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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	some	yes
Storage	no	yes
Comp vs. Subject	Inferior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Similar	

Air Conditioning		
Amenity	Comp	Subj
Central	no	yes
Wall Units	yes	no
Window Units	no	no
None	no	no
Comp vs. Subject	Inferior	

Heat		
Amenity	Comp	Subj
Central	no	yes
Wall Units	no	no
Baseboards	yes	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Inferior	

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	no	no
W/D Hookups	yes	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Swallows Landing Apartments is an existing multifamily development located at 16265 Dalhgren Road in King George, Virginia. The property, which consists of 24 apartment units, was originally constructed in 1987 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

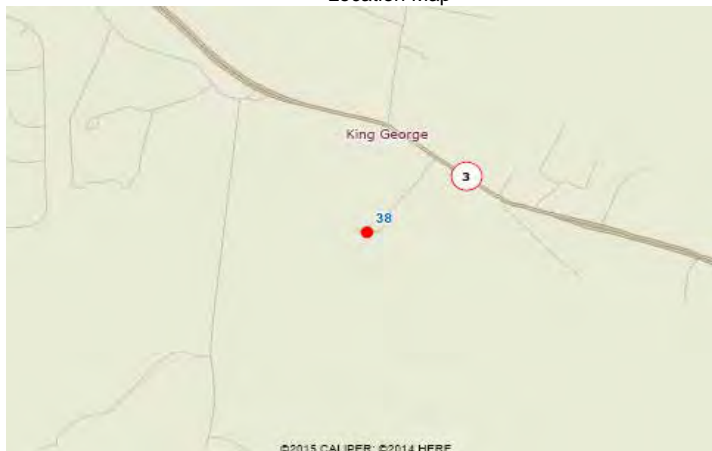
Project Information

Property Name	Willow Glen Apartments
Street Number	10481
Street Name	Cherry
Street Type	Street
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 775-2889
Year Built	1992
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$600
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	38.2652
Longitude	-77.1852
Nearest Crossroads	na
AAC Code	19-036 038

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Brook Payne, Management
Phone Number	(540) 775-2889
Interview Date	05-Feb-19
Interviewed By	RF

Shares amenities with sister properties Woodside and Kingsmill Apartments. Contact advised in 2015 new roofs within last 10 years. 2018 changing flooring to plank. 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
2	1.0	987	Garden/Flat	Mar	Mar	No	No	28	2	\$885		\$885	\$68	\$953
Total / Average		987						28	2	\$885		\$885	\$68	\$953

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	1.50	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.00	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.10	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.30	4.50
Comp vs. Subject	Inferior	

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	1995	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	yes	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
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	yes
Comp vs. Subject	Inferior	

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	no	no
W/D Hookups	yes	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Willow Glen Apartments is an existing multifamily development located at 10481 Cherry Street in King George, Virginia. The property, which consists of 28 apartment units, was originally constructed in 1992 with conventional financing. All units are set aside as market rate units. The property currently stands at 93 percent occupancy.

Project Information

Property Name	Woodside Apartments
Street Number	11411
Street Name	Woodside
Street Type	Drive
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 775-2889
Year Built	1995
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$600
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	38.2563
Longitude	-77.1454
Nearest Crossroads	na
AAC Code	19-036 039

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Brook Payne, Management
Phone Number	(540) 775-2889
Interview Date	05-Feb-19
Interviewed By	RF

Shares amenities with sister properties Kings Mill and Willow Glen.  
 Contact advised in 2015 new roofs with 10 years. 2018 changing flooring to plank. 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
2	1.0	987	Garden/Flat	Mar	Mar	No	No	40	1	\$885		\$885	\$68	\$953
Total / Average		987					151	40	1	\$885		\$885	\$68	\$953

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.75	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.10	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.00	4.50
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	1995	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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	yes	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
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	yes
Comp vs. Subject	Inferior	

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	no	no
W/D Hookups	yes	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Woodside Apartments is an existing multifamily development located at 11411 Woodside Drive in King George, Virginia. The property, which consists of 40 apartment units, was originally constructed in 1995 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	Angel Court Apartments
Street Number	
Street Name	Faith
Street Type	Drive
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 775-3492
Year Built	2012
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$350
Other Fees	\$25
Waiting List	175 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2010 Tax Credit
Vouchers	1
Latitude	38.2666
Longitude	-77.1701
Nearest Crossroads	west of Angelwood, Phase 2
AAC Code	19-036 001

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Shavonne, Management
Phone Number	(540) 709-7361
Interview Date	15-Feb-19
Interviewed By	RF

2010 TC's awarded for new construction of this property without project based rental assistance. 12 units are duplexes and 12 units are triplexes. Community Center is located at Angelwood, Phase 2, but accessible to this property. Tenants have great walking areas, though they are not official walking trails. There are no new apartments or

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
2	1.5	1004	Garden/Flat	50%	40%	Yes	No	3		\$715		\$715	\$87	\$802
2	1.5	1004	Garden/Flat	50%	50%	Yes	No	9		\$715		\$715	\$87	\$802
2	1.5	1040	Garden/Flat	50%	50%	Yes	No	2		\$715		\$715	\$87	\$802
2	1.5	1040	Garden/Flat	50%	50%	No	No	6		\$715		\$715	\$87	\$802
3	2.0	1347	Garden/Flat	50%	50%	No	No	4		\$850		\$850	\$104	\$954
Total / Average		1,073						154	24	\$738		\$738	\$90	\$827

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	no	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.10	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.50	4.50
Comp vs. Subject	Inferior	

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	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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
Movary/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	yes
Storage	some	yes
Comp vs. Subject	Inferior	

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	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Angel Court Apartments is an existing multifamily development located at 0 Faith Drive in King George, Virginia. The property, which consists of 24 apartment units, was originally constructed in 2012. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Angelwood Apartments Phase 1
Street Number	10073
Street Name	Kings
Street Type	Highway
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 775-3492
Year Built	2006
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$350
Other Fees	\$25
Waiting List	250 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2004 Tax Credit
Vouchers	2
Latitude	38.2666
Longitude	-77.1701
Nearest Crossroads	just off Route 3
AAC Code	19-036 002

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Shavonne, Management
Phone Number	(540) 709-7361
Interview Date	15-Feb-19
Interviewed By	RF

2004 TC's awarded for construction of this property without project based rental assistance. Project Faith no longer manages this property. Now managed by Virginia Community Development Corporation. 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	1000	Garden/Flat	40%	40%	No	No	4		\$605		\$605	\$67	\$672
1	1.0	1000	Garden/Flat	50%	50%	No	No	10		\$605		\$605	\$67	\$672
2	1.0	1190	Garden/Flat	50%	50%	No	No	10		\$715		\$715	\$87	\$802
Total / Average		1,079						156	24	\$651		\$651	\$75	\$726

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.10	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.50	4.50
Comp vs. Subject	Inferior	

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	2009
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	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	no	no
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
Movary/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	Similar	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	yes	yes
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	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Angelwood Apartments Phase 1 is an existing multifamily development located at 10073 Kings Highway in King George, Virginia. The property, which consists of 24 apartment units, was originally constructed in 2006. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Angelwood Apartments Phase 2
Street Number	10073
Street Name	Kings
Street Type	Highway
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 775-3492
Year Built	2009
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$350
Other Fees	\$25
Waiting List	250 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2007 Tax Credit
Vouchers	2
Latitude	38.2666
Longitude	-77.1701
Nearest Crossroads	just off Route 3
AAC Code	19-036 003

Photo



Interview Notes

Person Interviewed	Ms. Shavonne, Management
Phone Number	(540) 709-7361
Interview Date	15-Feb-19
Interviewed By	RF

2007 TC's awarded for construction of this property without project based rental assistance. Tenants have great walking areas, though they are not official walking trails. Project Faith no longer manages this property. Now managed by Virginia Community Development Corporation. There are no new apartments or businesses nearby.

Location Map



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	678	Garden/Flat	50%	40%	Yes	No	2		\$605		\$605	\$67	\$672
1	1.0	721	Garden/Flat	50%	50%	Yes	No	3		\$605		\$605	\$67	\$672
1	1.0	748	Garden/Flat	50%	50%	No	No	2		\$605		\$605	\$67	\$672
2	1.0	947	Garden/Flat	50%	40%	Yes	No	2		\$715		\$715	\$87	\$802
2	1.0	950	Garden/Flat	50%	50%	Yes	No	10	1	\$715		\$715	\$87	\$802
2	1.0	962	Garden/Flat	50%	50%	No	No	9		\$715		\$715	\$87	\$802
2	1.0	1022	Garden/Flat	60%	60%	No	No	1		\$715		\$715	\$87	\$802
3	2.0	1051	Garden/Flat	50%	50%	Yes	No	1		\$850		\$850	\$104	\$954
3	2.0	1055	Garden/Flat	50%	50%	No	No	1		\$850		\$850	\$104	\$954
3	2.0	1055	Garden/Flat	60%	60%	No	No	1		\$850		\$850	\$104	\$954
Total / Average		914						158	32	1		\$704	\$84	\$788

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.10	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.50	4.50
Comp vs. Subject	Inferior	

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	2009
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	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	no	no
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
Movary/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	Similar	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	some	yes
Comp vs. Subject	Inferior	

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	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	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Angelwood Apartments Phase 2 is an existing multifamily development located at 10073 Kings Highway in King George, Virginia. The property, which consists of 32 apartment units, was originally constructed in 2009. This property is currently operated as a rent restricted property. The property currently stands at 97 percent occupancy.

Project Information

Property Name	Angelwood at Caroline
Street Number	Lots 16-31
Street Name	Heritage Pines
Street Type	Circle
City	Bowling Green
State	Virginia
Zip	22427
Phone Number	na
Year Built	2014
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$350
Other Fees	\$25
Waiting List	250 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2012 Tax Credit
Vouchers	
Latitude	38.0459
Longitude	-77.3574
Nearest Crossroads	na
AAC Code	19-036 004

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Shavonne, Management
Phone Number	(540) 709-7361
Interview Date	15-Feb-19
Interviewed By	RF

2012 Tax Credit's awarded for new construction of this property without project based rental assistance available to tenants. Caller did not get specifics on Construction or Lease Up during our 2019 survey. 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
2	1.5	863	Garden/Flat	50%	40%	Yes	No	3		\$715		\$715	\$87	\$802
2	1.5	863	Garden/Flat	50%	50%	Yes	No	8		\$715		\$715	\$87	\$802
2	1.5	990	Garden/Flat	50%	50%	Yes	No	11		\$715		\$715	\$87	\$802
3	2.0	1038	Garden/Flat	50%	50%	Yes	No	2		\$850		\$850	\$104	\$954
3	2.0	1184	Garden/Flat	50%	50%	Yes	No	2		\$850		\$850	\$104	\$954
Total / Average		955						160	26	\$736		\$736	\$90	\$825



Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.30	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.50	4.50
Comp vs. Subject	Inferior	

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	2014	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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
Movary/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	yes
Storage	no	yes
Comp vs. Subject	Inferior	

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	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Angelwood at Caroline is an existing multifamily development located at Lots 16-31 Heritage Pines Circle in Bowling Green, Virginia. The property, which consists of 26 apartment units, was originally constructed in 2014 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Colonial Beach Apartments
Street Number	343
Street Name	12th
Street Type	Street
City	Colonial Beach
State	Virginia
Zip	22443
Phone Number	(804) 224-9496
Year Built	1985
Year Renovated	2017
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$18
Waiting List	15 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	RD
Vouchers	1
Latitude	38.2626
Longitude	-76.9797
Nearest Crossroads	na
AAC Code	19-036 012

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Debbie, Manager
Phone Number	(804) 224-9496
Interview Date	07-Feb-19
Interviewed By	RF

RD property with 3 units of project based rental assistance available to tenants. 2016-2017 renovations include unit interiors, kitchens and baths, windows, doors, HVAC, and water heaters.

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	606	Garden/Flat	50%	50%	No	Yes	1		\$628		\$628	\$51	\$679
1	1.0	606	Garden/Flat	80%	80%	No	No	15		\$628		\$628	\$51	\$679
2	1.5	856	Townhome	50%	50%	No	Yes	2		\$694		\$694	\$68	\$762
2	1.5	856	Townhome	80%	80%	No	No	14		\$694		\$694	\$68	\$762
Total / Average		731						32		\$661		\$661	\$60	\$721

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.00	2.60
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.40	4.50
Comp vs. Subject	Inferior	

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	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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
Movary/Media Ctr	no	no
Picnic Area	yes	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	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	no	yes
Storage	no	yes
Comp vs. Subject	Inferior	

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	no	yes
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Colonial Beach Apartments is an existing multifamily development located at 343 12th Street in Colonial Beach, Virginia. The property, which consists of 32 apartment units, was originally constructed in 1985. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Lee Street Townhomes
Street Number	121
Street Name	Lee
Street Type	Street
City	Bowling Green
State	Virginia
Zip	22427
Phone Number	(804) 633-9900
Year Built	1975
Year Renovated	2001
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$11
Waiting List	30 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	RD
Vouchers	
Latitude	38.0490
Longitude	-77.3552
Nearest Crossroads	off Broadus Street
AAC Code	19-036 025

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Deborah, Management
Phone Number	(804) 633-9900
Interview Date	06-Feb-19
Interviewed By	RF

RD property with 17 units of project based rental assistance available to tenants. 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
2	1.5	850	Townhome	50%	50%	No	Yes	17		\$714		\$714	\$165	\$879
2	1.5	850	Townhome	80%	80%	No	No	1		\$714		\$714	\$165	\$879
Total / Average		850						18		\$714		\$714	\$165	\$879

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	3.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.30	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.90	4.50
Comp vs. Subject	Inferior	

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	1985	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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
Movary/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	yes
Storage	yes	yes
Comp vs. Subject	Similar	

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	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	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Lee Street Townhomes is an existing multifamily development located at 121 Lee Street in Bowling Green, Virginia. The property, which consists of 18 apartment units, was originally constructed in 1975 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

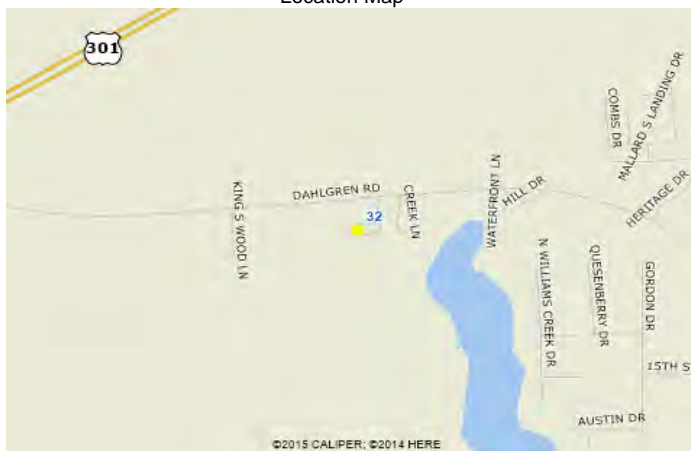
Project Information

Property Name	Pine Forest Apartments
Street Number	5225
Street Name	Pine Forest
Street Type	Lane
City	King George
State	Virginia
Zip	22485
Phone Number	(540) 663-3475
Year Built	1985
Year Renovated	1999
Minimum Lease	12
Min. Security Dep.	\$250
Other Fees	\$25
Waiting List	17 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	1997 Tax Credit
Vouchers	1
Latitude	38.3386
Longitude	-77.0623
Nearest Crossroads	Dahlgren Road (Highway 206)
AAC Code	19-036 032

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Katrina, Manager
Phone Number	(540) 663-3475
Interview Date	25-Feb-19
Interviewed By	DFR

1997 TC's awarded for rehabilitation of this RD property with 30 units of project based rental assistance available to tenants. New Peoples Department Store, Firehouse, and Murphy's Gas.

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	556	Garden/Flat	50%	50%	No	Yes	15		\$509		\$509	\$40	\$549
1	1.0	556	Garden/Flat	60%	60%	No	No	5		\$592		\$592	\$40	\$632
2	1.0	706	Garden/Flat	50%	50%	No	Yes	15		\$559		\$559	\$105	\$664
2	1.0	706	Garden/Flat	60%	60%	No	No	5		\$559		\$559	\$105	\$664
Total / Average		631						166	40	\$544		\$544	\$73	\$617

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.50	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.50	3.50
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	2.60
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.00	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.25	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2009
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	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
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
Movary/Media Ctr	no	no
Picnic Area	yes	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	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	yes	yes
Comp vs. Subject	Similar	

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	no	yes
Wall Units	yes	no
Window Units	no	no
None	no	no
Comp vs. Subject	Inferior	

Heat		
Amenity	Comp	Subj
Central	no	yes
Wall Units	no	no
Baseboards	yes	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Inferior	

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	no	no
Courtesy Officer	no	no
Monitoring	no	no
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	

Pine Forest Apartments is an existing multifamily development located at 5225 Pine Forest Lane in King George, Virginia. The property, which consists of 40 apartment units, was originally constructed in 1985. 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 have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- 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.
- 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

February 27, 2019

Date

## 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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P.O. Box 79196  
Charlotte, North Carolina 28271  
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E-Mail: jcarroll@mba1988.hbs.edu

## Summary

Founder of Tartan Residential, a firm specializing in the development of workforce and affordable housing.

Co-founder of Delphin Properties, a firm specializing in the acquisition and development of manufactured home communities.

Founder of Allen & Associates Consulting, a development consulting firm specializing in workforce and affordable housing.

Wrote articles on workforce and 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 workforce and 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 Housing Market Analysts.

Specialties: Specialties include workforce and affordable housing, low-income housing tax credits, tax-exempt bond transactions, multifamily, manufactured housing, development, development consulting, feasibility studies, market analysis, rent comparability studies, appraisals, capital needs assessments, and utility studies.

## Experience

President | Tartan Residential, Inc. | Charlotte, NC | 1997 - present

Founder of Tartan Residential, a firm specializing in the development of workforce and affordable housing. Major projects include:

- Buchanan's Crossing Subdivision - A 40-unit duplex development serving families in Kansas City, KS. The estimated cost of this three-phase project is \$8.0 million. This mixed income project, targeting families between 50% and 120% of area median income, is financed with a mixture of conventional debt and tax credit equity. Construction commenced in 2016.
- Davidson's Landing - A proposed 115-unit garden apartment community serving families in Kansas City, KS. The estimated cost of this project is \$19 million. This workforce housing development project, which targets families between 30% and 80% of area median income, is proposed to be financed with tax-exempt bonds. Construction is planned to begin in 2019.
- Fraser Court - A proposed 120-unit garden apartment community serving families in Monroe, NC. The estimated cost of this project is \$20 million. This workforce housing development project, which targets families between 40% and 80% of area median income, is proposed to be financed with tax-exempt bonds. Construction is planned to begin in 2019.
- Graham Ridge - A proposed 96-unit garden apartment community serving families in Charlotte, NC. The estimated cost of this project is \$16 million. This workforce housing development project,

which targets families between 40% and 80% of area median income, is proposed to be financed with tax-exempt bonds. Construction is planned to begin in 2019.

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.

President | Allen & Associates Consulting, Inc. | Charlotte, NC | 2000 - present

Founder of Allen & Associates Consulting, a real estate advisory firm specializing in workforce and 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, feasibility studies, market analysis, rent comparability studies, appraisals, capital needs assessments, and utility studies. Performed over 3000 development consulting assignments in 46 states since 2000. Major projects include:

- Market Analysis - 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.
- Appraisals - 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.

Development Director | Clayton, Williams & Sherwood, Inc. | Austin, TX | 1995 - 1997

Development Director 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.





# FY 2019 FAIR MARKET RENT DOCUMENTATION SYSTEM

## The FY 2019 FMRs for All Bedroom Sizes

### Final FY 2019 FMRs By Unit Bedrooms

Year	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY 2019 FMR	\$889	\$932	\$1,067	\$1,421	\$1,713
<a href="#">FY 2018 FMR</a>	\$864	\$907	\$1,042	\$1,386	\$1,684

Caroline County, Virginia is part of the Richmond, VA MSA, which consists of the following counties: Amelia County, VA; Caroline County, VA; Charles City County, VA; Chesterfield County, VA; Dinwiddie County, VA; Goochland County, VA; Hanover County, VA; Henrico County, VA; King William County, VA; New Kent County, VA; Powhatan County, VA; Prince George County, VA; Sussex County, VA; Colonial Heights city, VA; Hopewell city, VA; Petersburg city, VA; and Richmond city, VA. All information here applies to the entirety of the Richmond, VA MSA.

### Fair Market Rent Calculation Methodology

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[Show/Hide Methodology Narrative](#)
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Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2012-2016 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2019 provided the estimate is statistically reliable. For FY2019, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2012-2016 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the

FY2019 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2019.

2. HUD calculates a recent mover adjustment factor by comparing a 2016 1-year 40th percentile recent mover 2-bedroom rent to the 2012-2016 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
3. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.
4. Rents are calculated as of 2017 using the relevant (regional or local) change in gross rent Consumer Price Index (CPI) from annual 2016 to annual 2017.
5. All estimates are then inflated from 2017 to FY2019 using a trend factor based on the forecast of gross rent changes through FY2019.
6. FY2019 FMRs are then compared to a State minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the State minimum.
7. FY2019 FMRs may not be less than 90% of FY2018 FMRs.

**The results of the Fair Market Rent Step-by-Step Process**

1. The following are the 2016 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimate and margin of error for Richmond, VA MSA.

Area	ACS <sub>2016</sub> 5-Year 2-Bedroom Adjusted Standard Quality	ACS <sub>2016</sub> 5-Year 2-Bedroom Adjusted Standard Quality	Ratio	Sample Size Category	Result
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	<b>Gross Rent</b>	<b>Gross Rent Margin of Error</b>			
Richmond, VA MSA	<u>\$914</u>	\$9	\$9 / \$914=0.01	6	0.01 < .5 6 ≥ 4 Use ACS <sub>2016</sub> 5-Year Richmond, VA MSA 2-Bedroom Adjusted Standard Quality Gross Rent

Since the ACS<sub>2016</sub> Margin of Error Ratio is less than .5, the ACS<sub>2016</sub> Richmond, VA MSA value is used for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent:

<b>Area</b>	<b>FY2019 Base Rent</b>
Richmond, VA MSA	\$914

2. A recent mover adjustment factor is applied based on the smallest area of geography which contains Richmond, VA MSA and has an ACS<sub>2016</sub> 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5.

<b>Area</b>	<b>ACS<sub>2016</sub> 1-Year Adjusted Standard Quality Recent-Mover Gross Rent</b>	<b>ACS<sub>2016</sub> 1-Year Adjusted Standard Quality Recent-Mover Gross Rent Margin of Error</b>	<b>Ratio</b>	<b>Sample Size Category</b>	<b>Result</b>
Richmond, VA MSA – 2 Bedroom	<u>\$978</u>	\$35	0.036	6	0.036 < .5 6 ≥ 4 Use ACS <sub>2016</sub> 1-Year Richmond, VA MSA 2-Bedroom Adjusted Standard Quality Recent-Mover

Area	ACS <sub>2016</sub> 1-Year Adjusted Standard Quality Recent- Mover Gross Rent	ACS <sub>2016</sub> 1-Year Adjusted Standard Quality Recent-Mover Gross Rent Margin of Error	Ratio	Sample Size Category	Result
					Gross Rent

The smallest area of geography which contains Richmond, VA MSA and has an ACS<sub>2016</sub> 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5 and with a sufficient number of sample cases is Richmond, VA MSA.

- The calculation of the relevant Recent-Mover Adjustment Factor for Richmond, VA MSA is as follows:

ACS <sub>2016</sub> 5-Year Area	ACS <sub>2016</sub> 5-Year 40th Percentile Adjusted Standard Quality Gross Rent	ACS <sub>2016</sub> 1-Year 40th Percentile Adjusted Standard Quality Recent-Mover Gross Rent
Richmond, VA MSA – 2 Bedroom	<a href="#">\$914</a>	<a href="#">\$978</a>

Area	Ratio	Recent-Mover Adjustment Factor
Richmond, VA MSA	\$978 / \$914 =1.070	1.070 ≥ 1.0 Use calculated Recent-Mover Adjustment Factor of 1.070

- The calculation of the relevant CPI Update Factors for Richmond, VA MSA is as follows: HUD updates the 2016 intermediate rent with the ratio of the annual 2017 local or regional CPI to the annual 2016 local or regional CPI to establish rents as of 2017.

Update Factor	Type
CPI Update Factor	<a href="#">1.0323</a> Region CPI

- The calculation of the Trend Factor is as follows: HUD forecasts the change in national gross rents from 2017 to 2019. This makes Fair Market Rents "as of" FY2019.

<b>National Trend Factor</b>
<a href="#">1.0572</a>

6. The FY 2019 2-Bedroom Fair Market Rent for Richmond, VA MSA is calculated as follows:

Area	<a href="#">ACS2016 5-Year Estimate</a>	<a href="#">Recent- Mover Adjustment Factor</a>	<a href="#">Annual 2016 to 2017 CPI Adjustment</a>	<a href="#">Trending 1.0572 to FY2019</a>	FY 2019 2-Bedroom FMR
Richmond, VA MSA	\$914	1.070	1.0323	1.0572	$\$914 * 1.070 * 1.0323 * 1.0572 = \$1,067$

7. In keeping with HUD policy, the preliminary FY 2019 FMR is checked to ensure that it does not fall below the state minimum.

Area	Preliminary FY2019 2-Bedroom FMR	FY 2019 Virginia State Minimum	Final FY2019 2-Bedroom FMR
Richmond, VA MSA	\$1,067	<a href="#">\$700</a>	$\$1,067 \geq \$700$ Use Richmond, VA MSA FMR of \$1,067

8. Bedroom ratios are applied to calculate FMRs for unit sizes other than two bedrooms.

Click on the links in the table to see how the bedroom ratios are calculated.

FY 2019 FMRs By Unit Bedrooms					
	<a href="#">Efficiency</a>	<a href="#">One- Bedroom</a>	Two- Bedroom	<a href="#">Three- Bedroom</a>	<a href="#">Four- Bedroom</a>
FY 2019 FMR	\$889	\$932	\$1,067	\$1,421	\$1,713

9. The FY2019 FMR must not be below 90% of the FY2018 FMR.

Efficiency	One- Bedroom	Two- Bedroom	Three- Bedroom	Four- Bedroom

FY2018 FMR	\$864	\$907	\$1,042	\$1,386	\$1,684
FY2018 floor	\$778	\$816	\$938	\$1,247	\$1,516
FY 2019 FMR	\$889	\$932	\$1,067	\$1,421	\$1,713
Use FY2018 floor for FY2019?	No	No	No	No	No

**Final FY2019 Rents for All Bedroom Sizes for Richmond, VA MSA**

The following table shows the Final FY 2019 FMRs by bedroom sizes.

**Final FY 2019 FMRs By Unit Bedrooms**

	<b>Efficiency</b>	<b>One-Bedroom</b>	<b>Two-Bedroom</b>	<b>Three-Bedroom</b>	<b>Four-Bedroom</b>
Final FY 2019 FMR	\$889	\$932	\$1,067	\$1,421	\$1,713

The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

Permanent link to this page: [http://www.huduser.gov/portal/data\\_sets/fmr/fmrs/FY2019\\_code/2019summary.odn?&year=2019&fmrtype=Final&selection\\_type=county&fips=5103399999](http://www.huduser.gov/portal/data_sets/fmr/fmrs/FY2019_code/2019summary.odn?&year=2019&fmrtype=Final&selection_type=county&fips=5103399999)

**Select a different area**

Press below to select a different county within the same state (same primary state for metropolitan areas):

- Accomack County, VA
- Albemarle County, VA
- Alexandria city, VA
- Alleghany County, VA
- Amelia County, VA

Select a new county

Press below to select a different state:

Select a new state

Select a Final FY 2019 Metropolitan FMR Area:

Richmond, VA MSA

Select Metropolitan FMR Area

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[FMR/IL Summary System](#) | [Multifamily Tax Subsidy Project \(MTSP\) Income Limits](#) | [HUD](#)  
[LIHTC Database](#)

Prepared by the [Economic and Market Analysis Division](#), HUD. Technical problems or questions? [Contact Us](#).



# 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>	<b>IRS Section 42 Low-Income Housing Tax Credit (LIHTC)</b>
<b>Year</b> <sup>(1)(2)</sup>	2018 (effective 04/01/18)
<b>State</b>	VA
<b>County</b>	Caroline County
<b>MSA</b>	Richmond, VA MSA
<b>Persons / Bedroom</b>	1.5 Person / Bedroom
<b>4-person AMI</b>	\$83,200
<b>National Non-Metropolitan Median Income</b> <sup>(3)(4)</sup>	\$58,400
<b>Hold Harmless</b> <sup>(6)</sup>	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.
<b>Placed in Service Date</b> <sup>(7)</sup>	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		\$29,150	\$17,500	\$29,150	\$46,600
2 Person		\$33,300	\$20,000	\$33,300	\$53,250
3 Person		\$37,450	\$22,500	\$37,450	\$59,900
4 Person		\$41,600	\$25,100	\$41,600	\$66,550
5 Person		\$44,950	\$29,420	\$44,950	\$71,900
6 Person		\$48,300	\$33,740	\$48,300	\$77,200
7 Person		\$51,600	\$38,060	\$51,600	\$82,550
8 Person		\$54,950	\$42,380	\$54,950	\$87,850
9 Person		\$58,250	N/A <sup>(10)</sup>	\$58,250	\$93,150
10 Person		\$61,550	N/A <sup>(10)</sup>	\$61,550	\$98,500
11 Person		\$64,900	N/A <sup>(10)</sup>	\$64,900	\$103,800
12 Person		\$68,200	N/A <sup>(10)</sup>	\$68,200	\$109,150



**LIHTC Income Limits for 2018**  
**(Based on 2018 MTSP Income Limits)**

	Charts	60.00%	20.00%	30.00%	40.00%	50.00%	70.00%	80.00%	140.00%
1 Person		34,980	11,660	17,490	23,320	29,150	40,810	46,640	48,972
2 Person		39,960	13,320	19,980	26,640	33,300	46,620	53,280	55,944
3 Person		44,940	14,980	22,470	29,960	37,450	52,430	59,920	62,916
4 Person		49,920	16,640	24,960	33,280	41,600	58,240	66,560	69,888
5 Person		53,940	17,980	26,970	35,960	44,950	62,930	71,920	75,516
6 Person		57,960	19,320	28,980	38,640	48,300	67,620	77,280	81,144
7 Person		61,920	20,640	30,960	41,280	51,600	72,240	82,560	86,688
8 Person		65,940	21,980	32,970	43,960	54,950	76,930	87,920	92,316
9 Person		69,900	23,300	34,950	46,600	58,250	81,550	93,200	97,860
10 Person		73,860	24,620	36,930	49,240	61,550	86,170	98,480	103,404
11 Person		77,880	25,960	38,940	51,920	64,900	90,860	103,840	109,032
12 Person		81,840	27,280	40,920	54,560	68,200	95,480	109,120	114,576

**LIHTC Rent Limits for 2018**  
**(Based on 2018 MTSP/VLI Income Limits)**

Bedrooms (People)	Charts	60.00%	20.00%	30.00%	40.00%	50.00%	70.00%	80.00%	FMR	HOME Low Rent	HOME High Rent
Efficiency (1.0)		874	291	437	583	728	1,020	1,166	864	728	864
1 Bedroom (1.5)		936	312	468	624	780	1,092	1,249	907	780	907
2 Bedrooms (3.0)		1,123	374	561	749	936	1,310	1,498	1,042	936	1,042
3 Bedrooms (4.5)		1,298	432	649	865	1,081	1,514	1,731	1,386	1,081	1,373
4 Bedrooms (6.0)		1,449	483	724	966	1,207	1,690	1,932	1,684	1,207	1,513
5 Bedrooms (7.5)		1,598	532	799	1,065	1,331	1,864	2,131		1,331	1,650

**Before using the numbers from the Rent & Income Limit Calculator<sup>®</sup>, 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<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> 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)

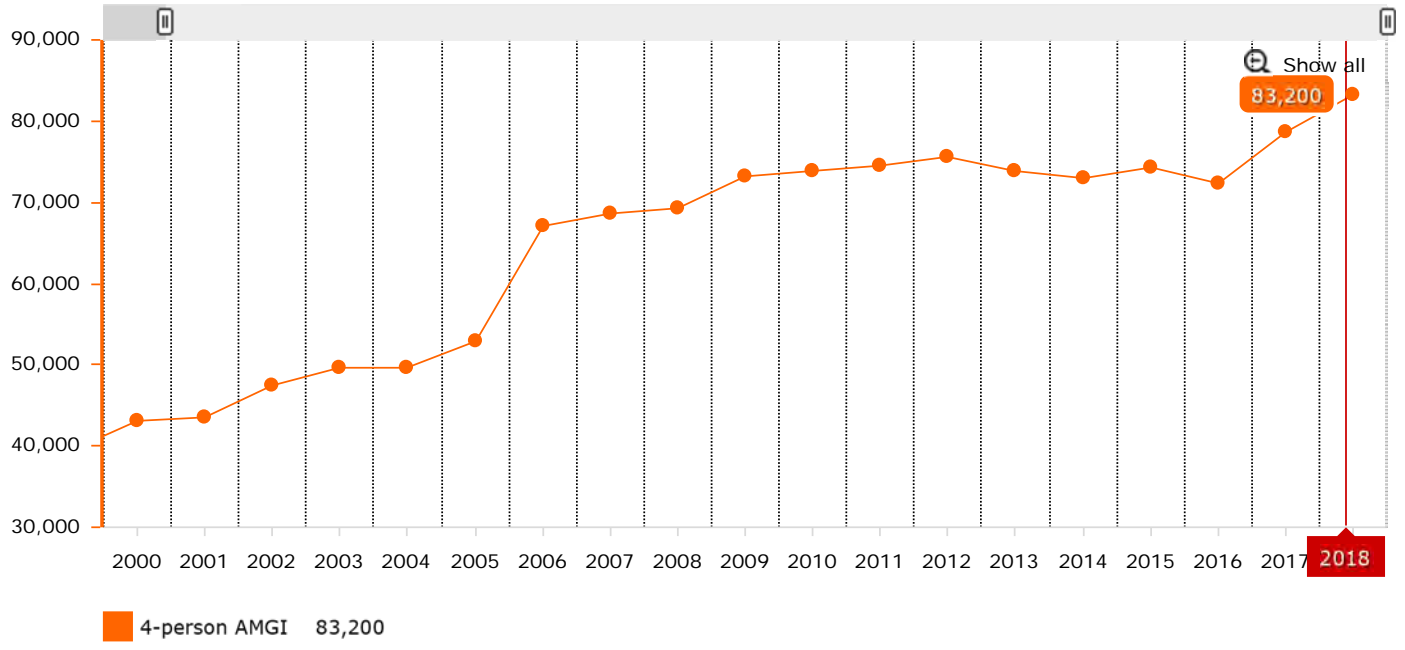
#### **Terms of Use:**

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chart by amcharts.com



Display:  4-person AMGI

**Average Increase (AMGI): 4.0%/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.