

NATIONAL LAND ADVISORY GROUP

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**AN APARTMENT ANALYSIS
IN THE
CITY OF
PORTSMOUTH, VIRGINIA
FOR THE NEW CONSTRUCTION OF A
FAMILY APARTMENT DEVELOPMENT
UNDER THE
HOUSING TAX CREDIT PROGRAM
(Holley Pointe)**

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March 10, 2019



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I. EXECUTIVE SUMMARY

A. DEVELOPMENT RECOMMENDATIONS

- ◆ Based on the income qualification standards of the Virginia Housing Development Authority's Low-Income Tax Credit Program; economic and demographic statistics; area perception and growth; an analysis of supply and demand characteristics, absorption trends of residential construction; and a survey of the rental and apartment market in the City of Portsmouth, Virginia area, this study has established that a **market does exist for the new construction of a 50-unit rental family housing development:**

Holley Pointe Portsmouth, Virginia

- ◆ With the proposed plans to make 5-units (10.0%) available to family households with incomes below 30.0%, 5-units (10.0%) available to family households with incomes below 40.0%, 15-units (30.0%) available to family households with incomes below 50.0%, 10-units (20.0%) available to family households with incomes below 70.0% and 15-units (30.0%) available to family households with incomes below 80.0% of the area median income, in the City of Portsmouth, Virginia area proposed as follows:

UNIT BY TYPE AND BEDROOM

BEDROOM TYPE	TWO	THREE
BATHROOMS	1.5	2.0
Units @ 30%	4	1
Units @ 40%	4	1
Units @ 50%	12	3
Units @ 70%	8	2
Units @ 80%	12	3
SQUARE FEET (approx.)	793-808	1,043
GROSS RENT	\$502-\$832-\$998- \$1,082-\$1,182	\$583-\$968-\$1,157- \$1,303-\$1,388
UTILITY ALLOWANCE *	\$181-\$182	\$214-\$253
RENTAL ASSISTANCE	\$324	\$378
NET RENT	\$320-\$493-\$650- \$900- \$1,000	\$330-\$565-\$715- \$1,050-\$1,135

* estimated and provided from developer and housing authority

- ◆ The proposed 50-unit family development is to be the new construction and opened by the Spring 2021. ***We recommend no changes to the proposed development.*** Because the development is proposed to be new construction, the development will be a value and a positive factor for the family market of Portsmouth.
- ◆ The development will maintain the four-story garden style units, built in frame construction, in 1 building on 1.88 acres. The development will have a minimum of 69 parking spaces available for tenants and the community building.
- ◆ Each garden style unit in the proposed development would be renovated with energy star rated refrigerator, range with hood, disposal, dishwasher, microwave, air conditioning, washer/dryer hookups, flooring and blinds. The units will contain one and one-half or two full bathrooms. Net rents will include trash removal; however, a utility allowance of \$181-\$182 per month for a two-bedroom unit and \$214-\$253 for a three-bedroom unit is estimated for electric and water/sewer utility costs.
- ◆ Project amenities associated with a family-orientated development are important to the success of the proposed facility, including: laundry room, community room, on-site rental management office, computer room, elevator, park areas with benches, bike racks and parking for each building. There will be commercial space on the first floor which will be owned by a separate entity.
- ◆ The development and unit plans were reviewed. The proposed development will be new construction offering family amenities. The proposed rental units are appropriate for the Portsmouth market area. The unit and project amenities are adequate for the targeted market, while the unit styles, specifically the design and square footage, will positively influence the absorption, offering a flexibility of living style for family occupants.
- ◆ The absorption potential for tenants in the Portsmouth rental market, based on the proposed net rents for two-bedroom and three-bedroom units is excellent. Additionally, in the past, newer product in the Portsmouth area has had positive acceptability and absorption patterns, with a product at a higher market rent. The proposed 50-unit family development should create a strong pre-leasing activity program to have a successful initial rent-up period. Absorption, while traditionally viewed as a function of the market-rate housing market, must also consider the impact of income and household size criteria set forth by the tax credit and proposed competitive rental developments within the Portsmouth market area.
- ◆ The subject property is adequately located within two miles of all essential resident services, including but not limited to: governmental services, educational, shopping, employment and medical facilities.

- ◆ The Portsmouth PMA consists of all of a portion of the City of Portsmouth, as well as a portion of the surrounding areas in City of Chesapeake and the City of Norfolk. The Primary Market Area is roughly bounded by the Elizabeth River and the northern portion of the City of Portsmouth to the north, U.S. Route 460 (Military Highway) to the south, the Elizabeth River and City of Norfolk to the east and Victory Boulevard and Cavalier Boulevard to the west. The Portsmouth PMA includes all or part of the following census tracts:

Chesapeake	Norfolk	Portsmouth			
205.00	40.02	2102.00	2111.00	2119.00	2126.00
214.01	49.00	2103.00	2114.00	2120.00	2127.01
214.03	50.00	2104.00	2115.00	2121.00	2127.02
214.04	-	2105.00	2116.00	2123.00	2132.00
-	-	2106.00	2117.00	2124.00	9801.00
-	-	2109.00	2118.00	2125.00	-

- ◆ When reviewing the comparable properties of the existing market-rate developments, the proposed rents are within the appropriate rent differentials. Therefore, based on the current existing rental market of Portsmouth, the proposed development would be a value in the market area.
- ◆ There will be minimal overlap of net rents between the existing LIHTC developments and the proposed LIHTC family development; additionally, because of the current depth of households and the strong rental market, the Portsmouth market area can support these developments. Current market area demands will have no problem in absorbing any proposed product coming on-line in 2019.
- ◆ The development, in reference to current market conditions, will have specific strengths, including: neighborhood presence, residential location, visibility, accessibility, quality design and affordable rents. There are no obvious weaknesses to achieve success for this development.

B. DEMAND ANALYSIS & PROGRAM SUPPORT

- ◆ The Portsmouth Primary Market Area capture factor and penetration factor for tax credit units are based on the number of family renter households in the appropriate income ranges supporting the proposed rents.
- ◆ The adjusted annual income range specified appropriate by the tax credit program for low to moderate-income family renter households is \$20,200 (lower end of one-person household moderate-income) to \$64,800 (five-person household moderate-income) for the Portsmouth PMA. In 2019, there were a total of 5,167 family renter households in the Primary Market Area of the proposed site within this income range.

- ◆ The capture rates and penetration factors are as follows:

	30%	40%	50%	70%	80%	Overall
<i>Capture Rate without project based subsidies</i>	1.3%	1.2%	3.0%	1.9%	3.3%	2.2%
<i>Capture Rate with project based subsidies</i>	1.3%	0.2%	3.0%	1.9%	3.3%	1.1%
<i>Penetration Rate</i>	7.5%	17.5%	26.7%	29.6%	43.9%	25.5%
<i>Absorption Period</i>	0.6-0.7	0.6-0.7	1.7-2.1	1.1-1.4	1.7-2.1	5.6-7.1

- ◆ Based on the competitive product in the Portsmouth market area, the proposed 50-unit development of LIHTC units represents an overall 2.2% capture rate without project based subsidies and 1.1% with project based subsidies. Additionally, the overall area has a 25.5% penetration rate. ***The overall capture factors and penetration rate for the proposed family development are appropriate for the Portsmouth PMA.***

II. SCOPE OF WORK

A. OBJECTIVES

This study analyzes the market feasibility of the new construction of a family rental development, Holley Pointe Apartments, in the City of Portsmouth, Virginia in association with the Virginia Housing Development Authority's Low-Income Housing Tax Credit program. After fully discussing the scope and area of survey with Mr. Jeffrey Woda of the Woda Cooper Companies, Inc.; National Land Advisory Group undertook the analysis.

B. METHODOLOGY AND LIMITATIONS

The methodology we use in our studies is centered on three analytical principles: the Primary Market Area (PMA), a field survey of the modern apartments and rental housing in the primary and secondary (if necessary) market areas, and the application and analysis generated for demographic and economic purposes.

A complete analysis for new construction within the rental market requires five considerations: a field survey of modern apartment's rentals; an analysis of area housing, an analysis of the area economy; a demographic analysis; and recommendations for development. Information is gathered from many internal and external sources, including, but not limited to: real estate owners, property managers, state and local government officials, public records, real estate professionals, U.S. Census Bureau, major employers, local chamber or development organizations and secondary demographic services. National Land Advisory Group accepts the materials and data from these sources as correct information and assumes no liability for inaccurate data or analysis.

An important consideration in identifying support (supply and demand characteristics) is to determine the Primary Market Area (PMA). The establishment of a Primary Market Area is typically the smallest geographic area from which the proposed development is expected to draw a majority of its potential residents. The market area generally relates to the natural, socioeconomic and/or manmade characteristics and boundaries of the subject site area.

Additionally, input into defining the PMA includes interviews with area government officials; transportation alternatives; and the evaluation of existing housing, demographic and socioeconomic trends and patterns. Of course, personal site visits and the interaction with nearby neighborhoods or communities are strongly applied. When defining the specific development opportunities, National Land Advisory Group will not comprise any market or sub-market area larger than the subject site area defined by this report. No radius analysis was used in the compilation of data.

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at national, state and county levels, as well as third party suppliers. Market information has been obtained from sources presumed to be reliable, including developers, owners and representatives. However, this information cannot be warranted by National Land Advisory Group. While the methodology employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

The data in this report is derived from several sources: the U.S. Census Bureau, the American Community Survey, Applied Geographic Solutions/FBI UCR, Esri and Urban Decision Group. The data is apportioned to the various geographies using a Geospatial Information System (GIS). The GIS allocates data points such as population, households, and housing units, using Census block group apportionment or Census tract apportionment - depending on the availability of data. The GIS will apportion the data based on the location of Census block points as they relate to the geography that the data is being apportioned for. In other words, the GIS will examine the data associated with the block points that lie within a geographical boundary (PMA, place, county, or state) and will then proportionally allocate associated data from a block group or census tract, to the principal geographical boundary that is receiving the data. Official geographic boundaries are provided by the U.S. Census Bureau and reflect the official boundaries as of July 2010. The data in this report that utilizes Census and American Community Survey data may differ slightly from data that is aggregated using the American

Factfinder tool. The potential differences in the data can be attributed to rounding, apportioning, and access to masked data that is not provided to the general public. The differences, if any, are generally less than 1%. However, smaller geographies such as places with less than 2,000 people are susceptible to greater variations between data points.

The U.S. Census no longer collects detailed housing and demographic information - data that was formerly collected by the long form of the Decennial Census. This data is now collected by the American Community Survey (ACS). The ACS is conducted more frequently (quarterly) but utilizes a much smaller sample size; therefore there can be high margins of error in some instances. The margins of error will decrease proportionally as the population base increases and the size of the geography increases. This report utilizes data from the 2006-2010 ACS, (when available 2013-2017 ACS), which is an average of estimates taken over a five-year period and eventually weighted back to the official 2010 Census. The ACS recommends that its data only be compared to other, non-overlapping ACS datasets. Please use caution when examining any data derived from the ACS, especially in less populated areas.

The objective of this report is to gather, analyze, and present as many market components as reasonably possible within the time constraints agreed upon. The conclusions contained in this report are based on the best judgments of the analysts; we make no guarantees or assurances that the projections or conclusions will be realized as stated. It is our function to provide our best effort in data collection, and to express opinions based on our evaluations. National Land Advisory Group, at all times, has remained an unbiased, third party principal. This analysis has been conducted with direct consideration of the client's development objectives. For these reasons, the conclusions and recommendations in this study are applicable only to the purposes identified herein, and only for the potential uses as described to us by our client. Use of the conclusions and recommendations in this study by any other party or for any other purpose is strictly prohibited, unless otherwise specified in writing by National Land Advisory Group, LLC.

III. PROJECT DESCRIPTION

A. SUBJECT SITE

Within the proposed Holley Pointe Apartment development of 50-units, the proposed plans is to make 5-units (10.0%) available to family households with incomes below 30.0%, 5-units (10.0%) available to family households with incomes below 40.0%, 15-units (30.0%) available to family households with incomes below 50.0%, 10-units (20.0%) available to family households with incomes below 70.0% and 15-units (30.0%) available to family households with incomes below 80.0% of the area median income, in the City of Portsmouth, Virginia area proposed as follows:

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UTILITY ALLOWANCE *	\$181-\$182	\$214-\$253
RENTAL ASSISTANCE	\$324	\$378
NET RENT	\$320-\$493-\$650- \$900- \$1,000	\$330-\$565-\$715- \$1,050-\$1,135

* estimated and provided from developer and housing authority

The proposed 50-unit family development is to be new construction (2020) and opened by the Spring of 2021.

The development will maintain the four-story garden style units, built in frame construction, in 1 building on 1.88 acres. The development will have a minimum of 69 parking spaces available for tenants and the community building.

Each garden style unit in the proposed development would be new construction with energy star rated refrigerator, range with hood, disposal, dishwasher, microwave, air conditioning, washer/dryer hookups, flooring and blinds. The units will contain one and one-half or two full bathrooms. Net rents will include trash removal; however, a utility allowance of \$181-\$182 per month for a two-bedroom unit and \$214-\$253 for a three-bedroom unit is estimated for electric and water/sewer utility costs.

Project amenities associated with a family-orientated development are important to the success of the proposed facility, including: laundry room, community room, on-site rental management office, computer room, elevator, park areas with benches, bike racks and parking the building. There will be commercial space on the first floor which will be owned by a separate entity.

The development and unit plans were reviewed. The proposed development will be new construction offering family amenities. The proposed rental units are appropriate for the Portsmouth market area. The unit and project amenities are adequate for the targeted market, while the unit styles, specifically the design and square footage, will positively influence the absorption, offering a flexibility of living style for family occupants. Additional upgrades will be made to the exterior and landscaping.

The development will maintain a consistent and effective landscaping plan throughout the site, especially maintaining a good front-door image.

IV. SITE

A. DESCRIPTION

The proposed site is located in the northeast portion of the City of Portsmouth, Virginia. The subject site is located immediately northwest of the Effingham Street and County Street intersection. The subject site is located just south and west of a main commercial district of the City of Portsmouth. The subject site is flat and undeveloped. The site has excellent visibility and accessibility as it has road frontage on four streets, one of which is a main road serving the Portsmouth community. All of the area's major commercial/retail facilities and employment centers are easily accessed from the site area. The site is located in an area of mixed-uses, including both residential and commercial.

NORTH

The site is bordered on the north by King Street. Located immediately north of King Street are several commercial buildings with frontage on High Street, a main east/west artery serving the northern portion of the City of Portsmouth. Located north of High Street are various commercial facilities including fast-food restaurants, a hotel and a residential area. This residential area is made up of primarily multi-family developments including The Myrtles at Olde Towne Apartments. Located within one-half mile north of the subject site is the Naval Medical Center of Portsmouth. Established residential residences are also located north, northeast and northwest of the site within one-half mile. The Southern Branch of the Elizabeth River, Scott Creek and the City of Norfolk are located farther north. Located within this area are major employers associated with Elizabeth River. The City of Newport News is located farther north.

EAST

The site is bordered on the east by Effingham Street, a main north/south artery which serves the eastern portion of the City of Portsmouth. Immediately east of Effingham Street is the Jewish Museum and Cultural Center. Farther east is an established residential neighborhood of the Olde Towne Portsmouth. Located northeast of the subject site, located along High Street, are various shops, churches and restaurants of the historic Olde Towne

area. Continuing east and located within one-quarter mile are established residences, both single-family homes and newer multi-family developments. This area extends east to Water Street. Additionally, within this neighborhood are numerous government buildings including the Portsmouth Police Department and Federal Courthouse. Immediately east of the Central Business District of the City of Portsmouth is the Elizabeth River, a major employment and recreational center for the area. Within this immediate area are a waterfront park, ferry docks, and government operations. Various Naval ships are docked in the Elizabeth River between the Cities of Portsmouth and Norfolk. Located on the east side of the Elizabeth River is the Norfolk Central Business District.

SOUTH

The site is bordered on the south by County Street, an east/west artery in the site area. Located south of County Street is the Ebenezer Baptist Church. Farther south is an area of mixed-uses, but predominantly residential. There are several churches, a YMCA facility, several commercial facilities located south of the subject site. Interstate 264 is a main artery linking to Interstates 64 and 664 to the west and to the City of Norfolk via the downtown tunnels to the east. Southeast of the subject site, located within one-half mile is a main commercial district of Portsmouth which includes a beverage distribution facility, the Portsmouth Judicial Center and several boat service centers. There are also many support facilities for the maintenance and repair of U.S. Naval vessels. South and southwest of the site is an established residential district, made up of both established and newer single-family residences and multi-family developments. This area extends south over one-half mile to the Norfolk Naval Shipyard, a major employment center. Farther south is the City of Chesapeake, Virginia.

WEST

The subject site is bordered on the west by Chestnut Street, a very lightly traveled road. Immediately west of Chestnut Street is the 112-unit Victory Square Apartments. This is an LIHTC community for seniors and is 100% occupied with a waiting list. Farther west, located within two-tenths of a mile are the New Mt. Olivet Baptist Church and the 122-unit Phoebus Square Apartments. These units are government subsidized through the

Portsmouth Redevelopment and Housing Authority, but is also a LIHTC community, primarily for seniors. These one-bedroom units are 100% occupied with a waiting list. Farther west are additional LIHTC communities serving both elderly and family tenants. These developments are located along King Street and County Street. Farther west and extending west over one mile are established residential areas, commercial/retail facilities and the I.C. Norcrom High School. The 296-unit London Oaks Apartments, a HUD funded community for families, is located farther west. Farther west are established residential neighborhoods and various commercial/industrial facilities.

GENERAL

The site is located in northeast portion of City of Portsmouth, Virginia. The site is immediately west of the Portsmouth Central Business District. The subject site is located northwest of the Effingham Street and County Street intersection. The subject site is flat, vacant and undeveloped. The subject site is located in an area of mixed-uses including both residential and commercial. The subject site is easily accessible and has excellent visibility with excellent ingress and egress for the area. All essential resident services, including mass transportation and medical facilities, are located at the site and within one-half mile of the subject site.

B. SITE AND LOCATION ANALYSIS

LOCATION

The City of Portsmouth is located in the western portion of The Hampton Roads metropolitan area in the southeastern part of The Commonwealth of Virginia at the crossroads of U.S. Route 17, 58 and 460 and Interstate 264. State Routes 141 and 164 are located within the immediate area. The City of Norfolk, Virginia and Interstate 464 are located approximately one-quarter mile east of the City of Portsmouth area, located on the east side of the Elizabeth River. Interstate 64 is located approximately 6 miles south of the subject site. The subject site area is located in the eastern portion of Portsmouth, immediately west of the Portsmouth Central Business District.

UTILITIES

Electric service is provided by Dominion Energy. Gas service is provided by Columbia Gas of Virginia. Water, storm and sewer services are provided by the City of Portsmouth. Telephone service is provided by several national carriers including Cox and Verizon.

FINANCIAL SOURCES

There are four banking and credit union institutions in the City of Portsmouth area. Additional financial and banking services can be obtained in nearby communities, including the Norfolk area.

MEDIA

Portsmouth receives television stations from stations throughout the Hampton Roads metropolitan area, as well as several regional outlets within the greater area. Radio service is provided by Portsmouth and the Hampton Roads metropolitan area stations; other service outlets are provided from additional communities including those of northeast North Carolina. Cable TV is available for the Portsmouth area.

The Virginia Pilot is the daily newspaper and The Currents is the Sunday edition. Other newspapers are distributed from throughout the Hampton Roads area. Several smaller weekly and local newspapers are also available and distributed in the area.

EDUCATION

The education system serving the proposed site area is the Portsmouth Public School District consisting of thirteen Elementary, three Middle and three High Schools. There are several private elementary and secondary schools in the area. Several institutions of higher education are located within the surrounding area, including: Tidewater Community College, (several campuses in Hampton Roads region), Old Dominion University and Norfolk State University.

LOCATION ANALYSIS

Community Amenities	Name	Driving Distance from Site (Miles)
Transit	Bus Station Bus Station	0.1 Northwest 0.1 Southwest
Convenience Store	Shell 7-Eleven	0.3 South 0.3 Northeast
Grocery	Food Lion Kroger Marketplace	0.8 West 2.0 West
Discount Department Store	Dollar Tree Dollar General Family Dollar Store	0.3 Northwest 0.6 East 0.8 West
Schools: Elementary Middle/Junior High Senior High	Park View Elementary School Churchland Middle School IC Norcom High School	0.7 Northwest 0.7 East 1.0 West
Police	Portsmouth Police	0.6 East
Fire	Portsmouth Fire Department	0.9 East
Post Office	US Post Office	0.8 East
Bank	Navy Federal Credit Union Wells Fargo	0.6 East 0.7 East
Recreational Facilities	Effingham Street YMCA Neighborhood Facility Rec Center	0.4 South 0.5 Southwest
Gas Station	Shell 7-Eleven	0.3 South 0.3 Northeast
Pharmacy	Rite Aid Food Lion Pharmacy	0.4 West 0.8 West
Restaurant	Gospport Tavern Hardee's Mc Donald's Five Boroughs Restaurant	0.2 Northeast 0.3 North 0.3 North 0.4 East
Day Care	Jump Start Creative Child Dev	0.3 Northwest
Community Center	Effingham Street YMCA Neighborhood Facility Rec Center	0.4 South 0.5 Southwest
Library	Portsmouth Public Library	0.6 East
Medical Center	Downtown Med Center	0.3 Northwest
Museum	Jewish Museum & Cultural Center	0.4 East
Park	Crawford Park Columbia Park	0.3 North 0.5 Southwest
Church	Victory Fellowship Church New Mt Olivet Baptist Church Ebenezer Baptist Church	0.1 Southwest 0.2 West 0.2 Southeast

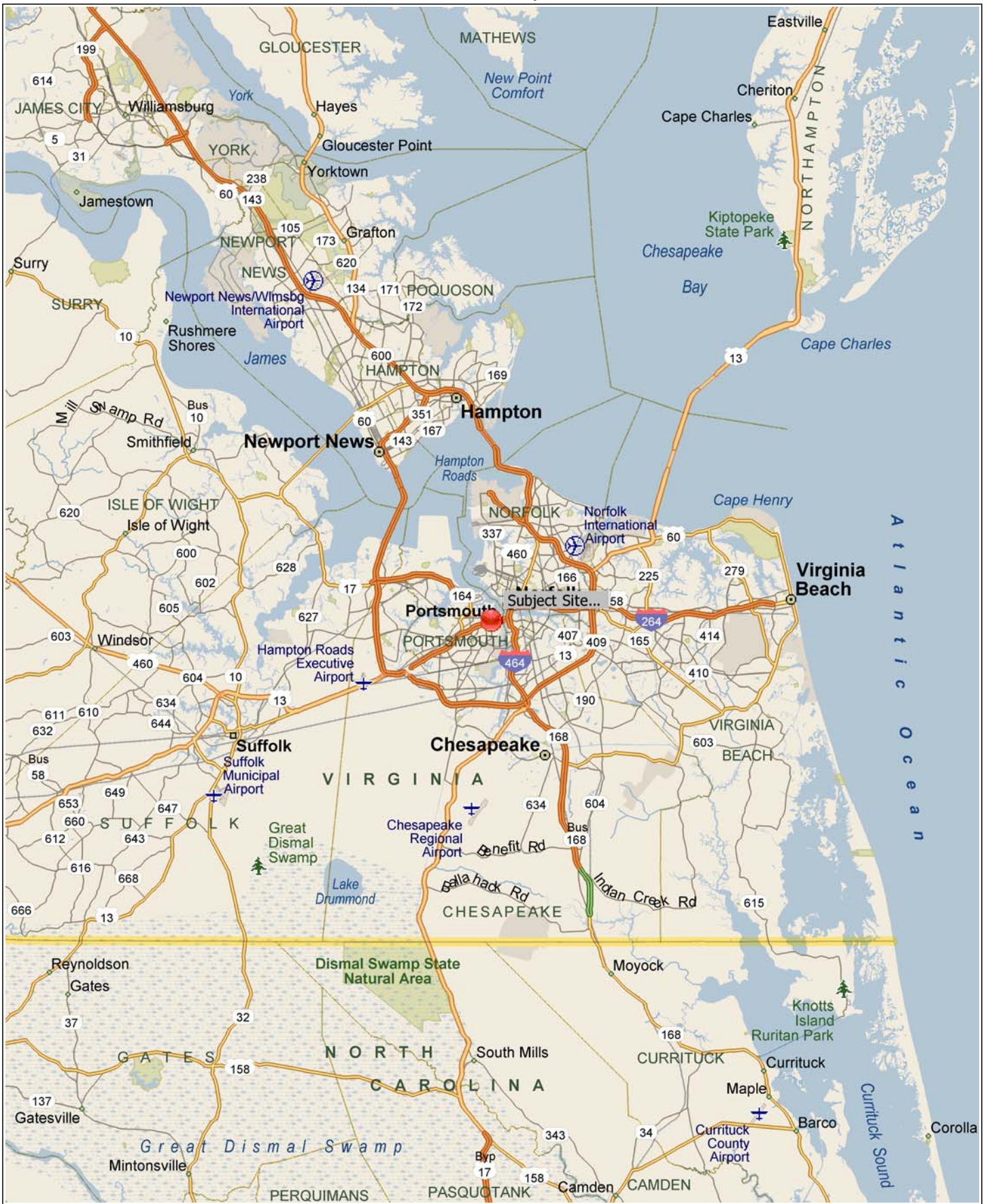


**SUBJECT SITE
PORTSMOUTH, VA**



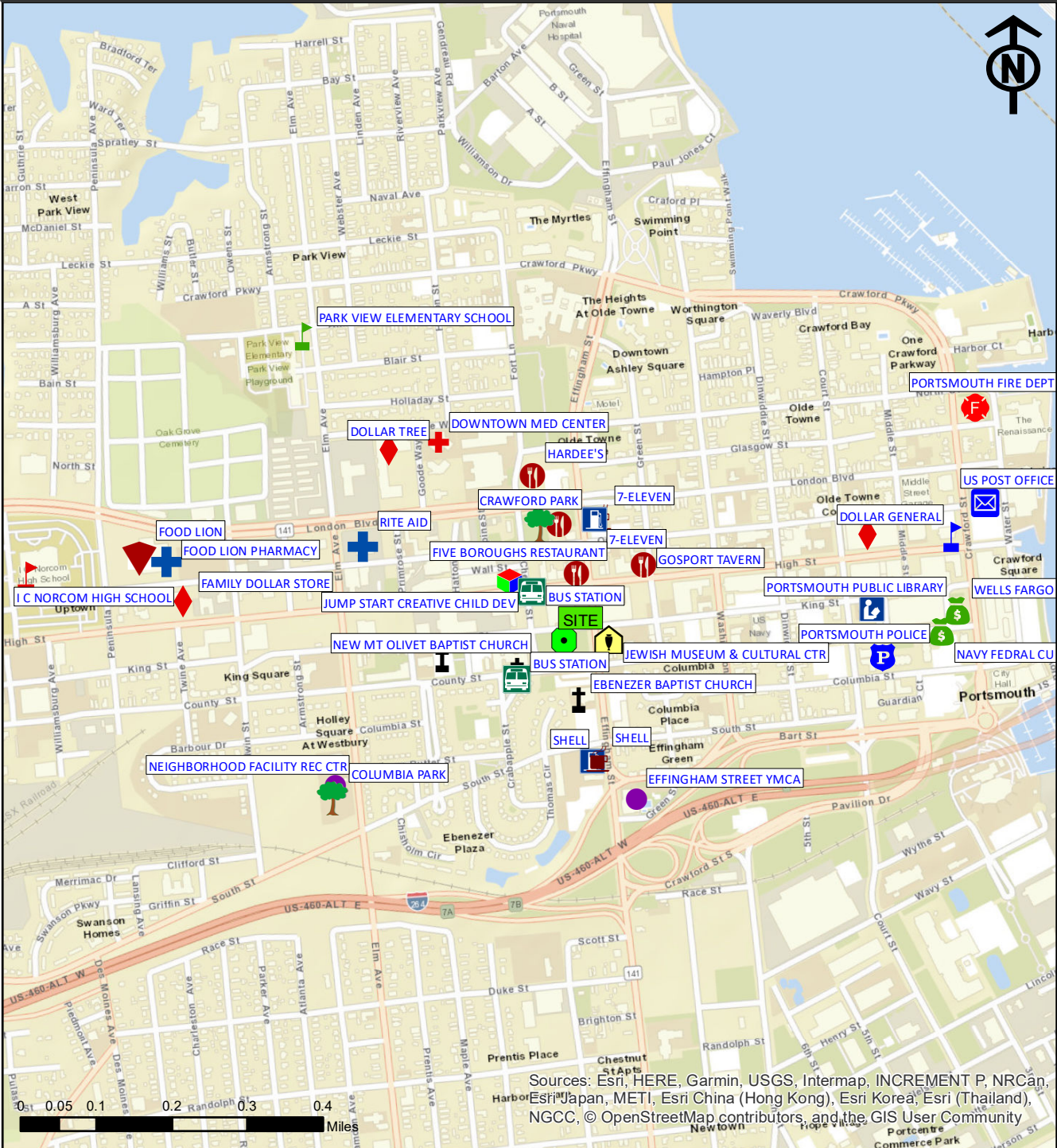
**NORTH - SOUTH
EAST - WEST**

Area Map



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Portsmouth, VA: Map of Neighborhood Services



- | | | | |
|-------------------|----------------|---------------|-------------------|
| Site | Fire | Middle School | Post Office |
| Bank | Gas | Museum | Recreation Center |
| Child Care | Grocery | Park | Restaurant |
| Church | High School | Pharmacy | Shopping |
| Convenience Store | Library | Police | Transit |
| Elementary School | Medical Center | | |

C. CRIME ISSUES

The source for crime data is the FBI Uniform Crime Report (UCR). The FBI collects data from over 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The FBI's Uniform Crime Reporting (UCR) Program collects offenses that come to the attention of law enforcement for violent crime and property crime, as well as data regarding clearances of these offenses. In addition, the FBI collects auxiliary data about these offenses (e.g., time of day of burglaries). The expanded offense data also include trends in both crime volume and crime rate per 100,000 inhabitants. Finally, the UCR Program collects expanded homicide data which includes information about homicide victims and offenders, weapons used, the circumstances surrounding the offenses, and justifiable homicides.

The following information is the most current, as reported to the FBI:

2018 CRIME RISK

	ZIP Code 23704	Portsmouth MSA	Virginia
	<u>Number</u>	<u>Number</u>	<u>Number</u>
Personal Crime			
Murder	623	318	87
Rape	181	139	74
Robbery	352	191	51
Assault	248	143	47
TOTAL PERSONAL CRIME	275	158	51
Property Crime			
Burglary	328	225	52
Larceny	292	194	85
Motor Vehicle	210	126	45
TOTAL PROPERTY CRIME	293	195	75
Overall Crime Risk	291	190	72

Source: Applied Geographic Solutions; FBI Uniform Crime Report

Crime Risk is a block group and higher level geographic database consisting of a series of standardized indexes for a range of serious crimes against both persons and property. It is derived from an extensive analysis of several years of crime reports from the vast majority of law enforcement jurisdictions nationwide. The crimes include murder, rape, robbery, assault, burglary, larceny, and motor vehicle theft. These categories are the primary reporting categories used by the FBI in its Uniform Crime Report (UCR), with the exception of Arson, for which data is very inconsistently reported at the jurisdictional level.

In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately, as well as a total index. While this provides a useful measure of the relative “overall” crime rate in an area, it must be recognized that these are unweighted indexes, in that a murder is weighted no more heavily than a purse snatching in the computation. For this reason, caution is advised when using any of the aggregate index values.

V. PRIMARY MARKET AREA

The Primary Market Area (PMA) is defined by and includes the immediate population base and part of the surrounding urban populations. An important consideration in identifying support (supply and demand characteristics) is to determine the Primary Market Area (PMA). The establishment of a PMA is typically the smallest geographic area from which the proposed development is expected to draw a majority of its potential residents. The market area generally relates to the natural, socioeconomic and/or manmade characteristics and boundaries of the subject site area.

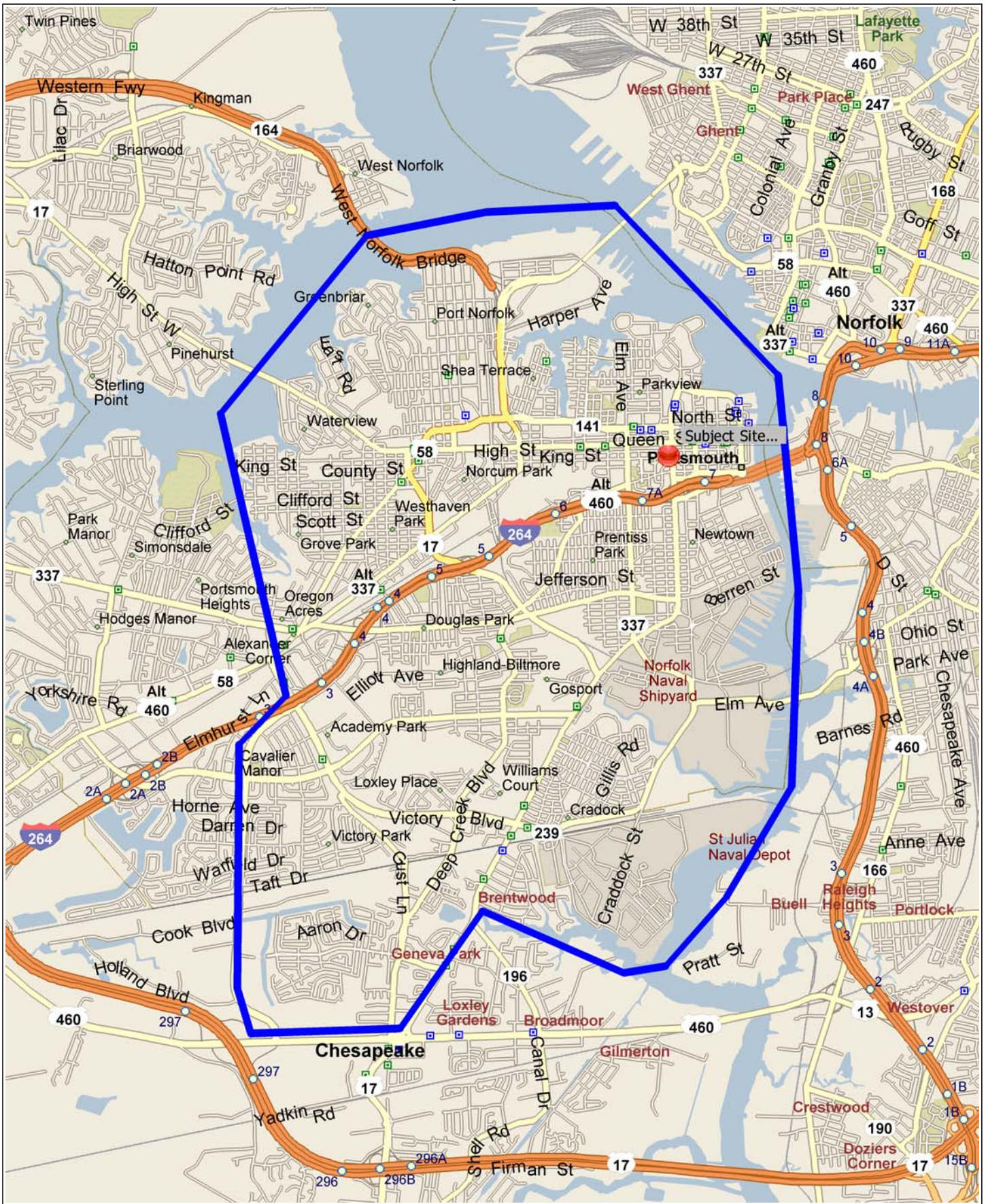
Additionally, input into defining the PMA includes interviews with area government officials; transportation alternatives; and the evaluation of existing housing, demographic and socioeconomic trends and patterns. Of course, personal site visits and the interaction with nearby neighborhoods or communities are strongly applied. When defining the specific development opportunities, National Land Advisory Group will not comprise any market or sub-market area larger than the subject site area defined by this report. No radius analysis was used in the compilation of data.

The Portsmouth PMA consists of all of a portion of the City of Portsmouth, as well as a portion of the surrounding areas in City of Chesapeake and the City of Norfolk. The Primary Market Area is roughly bounded by the Elizabeth River and the northern portion of the City of Portsmouth to the north, U.S. Route 460 (Military Highway) to the south, the Elizabeth River and City of Norfolk to the east and Victory Boulevard and Cavalier Boulevard to the west. The Portsmouth PMA includes all or part of the following census tracts:

Chesapeake	Norfolk	Portsmouth			
205.00	40.02	2102.00	2111.00	2119.00	2126.00
214.01	49.00	2103.00	2114.00	2120.00	2127.01
214.03	50.00	2104.00	2115.00	2121.00	2127.02
214.04	-	2105.00	2116.00	2123.00	2132.00
-	-	2106.00	2117.00	2124.00	9801.00
-	-	2109.00	2118.00	2125.00	-

The City of Portsmouth is located in the western portion of The Hampton Roads metropolitan area in the southeastern part of The Commonwealth of Virginia at the crossroads of U.S. Route 17, 58 and 460 and Interstate 264. State Routes 141 and 164 are located within the immediate area. The City of Norfolk, Virginia and Interstate 464 are located approximately one-quarter mile east of the City of Portsmouth area, located on the east side of the Elizabeth River. Interstate 64 is located approximately 6 miles south of the subject site. The subject site area is located in the eastern portion of Portsmouth, immediately west of the Portsmouth Central Business District. State and Federal branch offices are located in the Portsmouth Central Business District, which is located less than one-quarter mile east of the subject site.

Primary Market Area



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VI. EMPLOYMENT AND ECONOMY

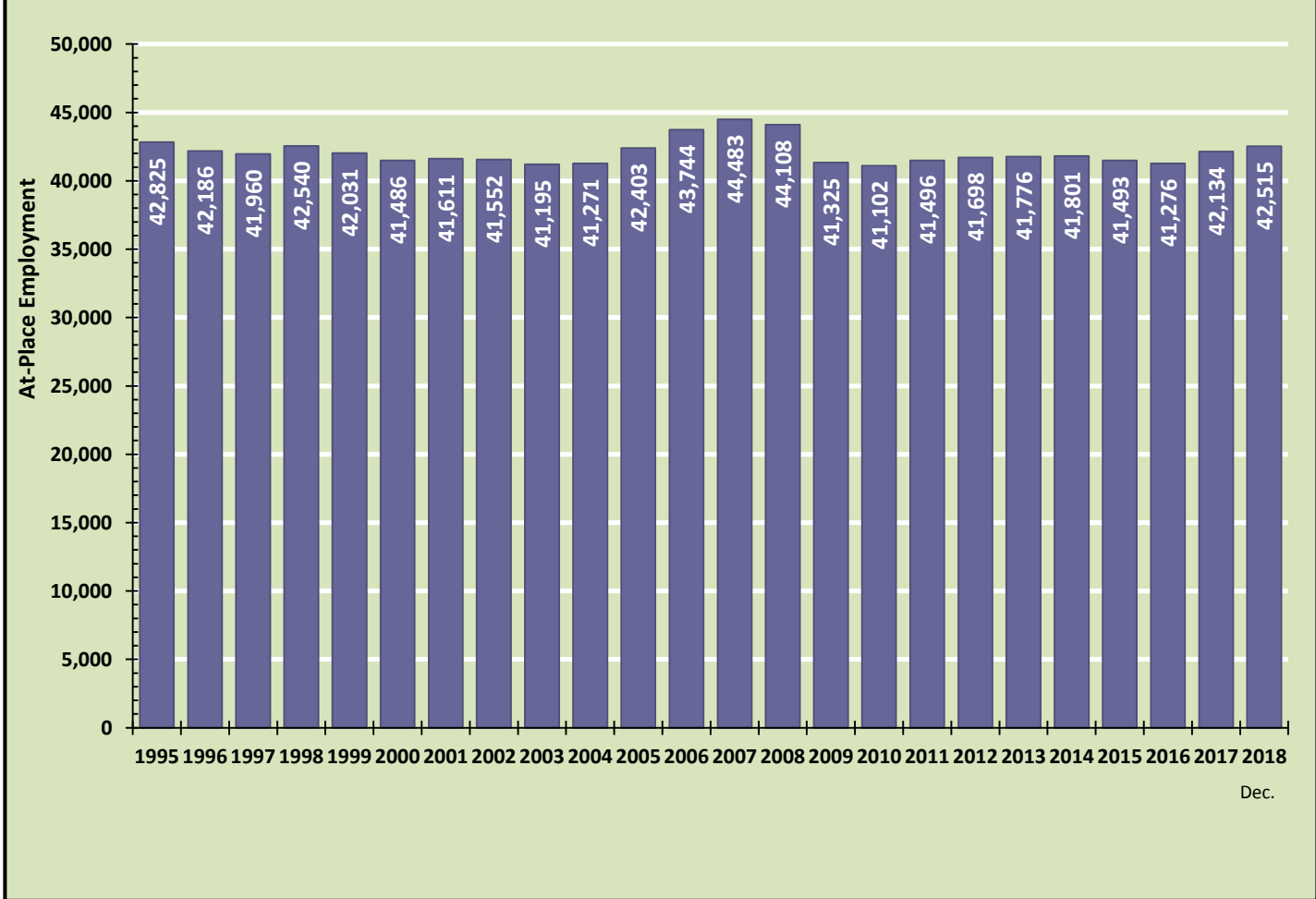
The 2017 unemployment rate for the City of Portsmouth was 5.4% as compared to 3.8% for the Commonwealth of Virginia. The unemployment rate has fluctuated over the past ten years and has typically been higher than the average for the Commonwealth of Virginia. The City of Portsmouth's unemployment rate peaked in 2010 at 9.6% and dropped to its lowest level of 3.4% in 2000. The most recent unemployment rate of 3.8% (December 2018) is one of the lowest reported in the past ten years for the City of Portsmouth.

Year	Average Unemployment Rate				Employment
	City of Portsmouth	LWIA XVI	Virginia	USA	City of Portsmouth
1995	7.1%	5.0%	4.5%	5.6%	42,825
1996	7.6%	5.0%	4.4%	5.4%	42,186
1997	7.5%	4.8%	3.8%	4.9%	41,960
1998	5.4%	3.5%	2.9%	4.5%	42,540
1999	5.0%	3.3%	2.7%	4.2%	42,031
2000	3.4%	2.6%	2.3%	4.0%	41,486
2001	4.4%	3.3%	3.2%	4.7%	41,611
2002	5.3%	4.1%	4.2%	5.8%	41,552
2003	5.4%	4.2%	4.1%	6.0%	41,195
2004	5.5%	4.1%	3.8%	5.5%	41,271
2005	5.4%	4.0%	3.6%	5.1%	42,403
2006	4.4%	3.4%	3.1%	4.6%	43,744
2007	4.2%	3.2%	3.0%	4.6%	44,483
2008	5.2%	4.2%	3.9%	5.8%	44,108
2009	8.5%	6.8%	6.7%	9.3%	41,325
2010	9.6%	7.5%	7.1%	9.6%	41,102
2011	9.4%	7.2%	6.6%	8.9%	41,496
2012	8.8%	6.6%	6.1%	8.1%	41,698
2013	8.1%	6.1%	5.7%	7.4%	41,776
2014	7.3%	5.6%	5.2%	6.2%	41,801
2015	6.2%	4.8%	4.5%	5.3%	41,493
2016	6.2%	4.6%	4.1%	4.9%	41,276
2017	5.4%	4.1%	3.8%	4.4%	42,134
2018*	3.8%	2.9%	2.6%	3.9%	42,515
City of Portsmouth Employment				Percent Change 2008 - 2017	-4.7%

*December 2018
Source: Virginia Employment Commission

Total average at-place employment in the City of Portsmouth was 44,108 employees in 2008 and 42,134 employees in 2017, a decrease of 4.7%. The most recent total for at-place employment is slightly higher in the City of Portsmouth at 42,515 employees.

TABLE 2
Total At-Place Employment
 City of Portsmouth, Virginia



Dec.

In a distribution of employment for the City of Portsmouth in Third Quarter 2018, there were two prominent industries; the largest category was Federal Government which accounted for 32.7% of the employment base. The next largest category was Health Care and Social Assistance at 15.8%. When reviewing the immediate site area, the ship repairs, government and healthcare categories make up a high percentage of the employment base.

TABLE 3
DISTRIBUTION OF EMPLOYMENT
City of Portsmouth – LWIA XVI – Virginia
3rd Quarter 2014 - 3rd Quarter 2018

Category	City of Portsmouth			LWIA XVI			Virginia		
	Number		% Change	Number		% Change	Number		% Change
	2014	2018		2014	2018		2014	2018	
Agriculture, Forestry, Fishing & Hunting	-	(c)	-	813	819	0.7%	13,765	14,519	5.5%
Mining, Quarrying, & Oil & Gas Extraction	-	-	-	64	88	37.5%	7,367	5,900	-19.9%
Utilities	129	(c)	-	909	830	-8.7%	10,627	10,788	1.5%
Construction	2,361	1,730	-26.7%	24,920	26,713	7.2%	182,370	200,697	10.0%
Manufacturing	1,522	1,504	-1.2%	22,993	24,742	7.6%	232,317	240,225	3.4%
Wholesale Trade	658	511	-22.3%	13,817	12,946	-6.3%	111,316	109,821	-1.3%
Retail Trade	3,091	2,939	-4.9%	58,214	57,857	-0.6%	411,215	409,263	-0.5%
Transportation & Warehousing	1,784	2,011	12.7%	17,490	18,763	7.3%	101,751	118,080	16.0%
Information	305	261	-14.4%	8,378	8,301	-0.9%	71,801	66,689	-7.1%
Finance & Insurance	549	472	-14.0%	17,537	17,873	1.9%	130,118	140,122	7.7%
Real Estate & Rental & Leasing	512	455	-11.1%	9,193	9,329	1.5%	52,668	55,732	5.8%
Professional, Scientific, & Technical Services	1,301	1,538	18.2%	33,386	33,094	-0.9%	386,923	428,042	10.6%
Management of Companies & Enterprises	57	38	-33.3%	6,419	7,229	12.6%	74,868	76,531	2.2%
Administrative & Support & Waste Management	2,784	2,593	-6.9%	32,147	32,968	2.6%	220,050	245,074	11.4%
Educational Services	140	98	-30.0%	7,808	8,295	6.2%	58,314	63,021	8.1%
Health Care & Social Assistance	7,160	6,845	-4.4%	61,794	66,598	7.8%	406,278	439,686	8.2%
Arts, Entertainment, & Recreation	204	187	-8.3%	5,779	6,543	13.2%	58,437	63,717	9.0%
Accommodation & Food Services	2,193	2,242	2.2%	51,265	55,764	8.8%	328,356	355,956	8.4%
Other Services (except Public Administration)	1,733	1,467	-15.3%	16,569	17,584	6.1%	133,211	146,892	10.3%
Federal Government	13,031	14,182	8.8%	35,780	43,497	21.6%	170,219	180,129	5.8%
State Government	846	771	-8.9%	13,808	12,719	-7.9%	147,344	146,580	-0.5%
Local Government	3,561	3,492	-1.9%	53,199	52,669	-1.0%	344,322	358,143	4.0%
Unclassified	-	56	-	(c)	1,317	-	4,675	20,591	340.4%
TOTAL	43,920	43,430	-1.1%	492,280	516,535	4.9%	3,658,311	3,896,196	6.5%

(c) - undisclosed due to confidentiality

Source: Virginia Employment Commission

Several major employers exist within the greater City of Portsmouth/Hampton Roads area, as follows:

Employer Name	City	# Emps	Industry Sector	Product / Service
Huntington Ingalls Industries (NN Shipbuilding)	Newport News	24,000	Manufacturing	Shipbuilding & repair
Sentara Healthcare	Norfolk	22,000	Services	Full-service health care network
Virginia Beach City Public Schools	Virginia Beach	10,576	Government / Military	Public schools
Norfolk Naval Shipyard	Portsmouth	8,500	Government / Military	Shipbuilding & repair
Riverside Health System	Newport News	8,000	Services	Full-service health care network
Virginia Beach City	Virginia Beach	7,000	Government / Military	Municipal government
Norfolk City Public Schools	Norfolk	6,527	Government / Military	Public schools
Chesapeake City Public Schools	Chesapeake	5,726	Government / Military	Public schools
Newport News City	Newport News	5,600	Government / Military	Municipal government
Naval Medical Center Portsmouth	Portsmouth	5,400	Government / Military	Hospital; healthcare
Newport News City Public Schools	Newport News	4,600	Government / Military	Public schools
Norfolk City	Norfolk	4,364	Government / Military	Municipal government
NASA Langley Research Center	Hampton	4,000	Government / Military	Aerospace research & technology center
Portsmouth City Public Schools	Portsmouth	3,000	Government / Military	Public schools
Portsmouth City	Portsmouth	2,000	Government / Military	Municipal government
Bon Secours Hampton Roads Health System	Portsmouth	1,300	Services	Hospitals & health care services
Earl Industries	Portsmouth	900	Manufacturing	Shipbuilding & repair
Towne Bank	Portsmouth	840	FIRE	Commercial banking
The Pines Residential Treatment Center	Portsmouth	500	Services	Behavioral health programs
United States 5th District Coast Guard Command	Portsmouth	379	Government / Military	District Five Command Center
CDI Marine Company	Portsmouth	330	Services	Naval arch & marine engineering services
CINTAS Corporation (Bardusch Corp)	Portsmouth	318	Services	Uniform & linen supply services
Massimo Zanetti Beverage USA (Headquarters)	Portsmouth	300	D/T/L/P	Ground roasted coffee distribution

Sources: *hreda.com*; *Hoovers, Inc.*; *InfoGroup@infoUSA.com*; *Company Data*; *Localities*; *VEDP*; *VEC*

D/T/L/P = Distribution / Transportation / Logistics / Public Utility

FIRE = Finance / Insurance / Real Estate

Additionally, the City of Portsmouth area development officials are securing new employment opportunities for the area, specifically for the area shipyard business. Additionally, there are a several active industrial parks within the regional area of the proposed site. The area has a very active development partnership office offering opportunities for growth in the immediate Portsmouth area.

As noted by the major employers, the employment bases and suppliers associated with government services, healthcare and ship repairs have had increases over the past several years, which have had a positive impact on the employment within the City of Portsmouth market area. Interviews with local company officials and area government officials indicated that a turnaround to a positive employment trend is expected through this year.

The Portsmouth area is heavily impacted by the U.S. Navy's Norfolk Naval Shipyard. This facility has created many private-sector business opportunities in ship repair business. The Port of Virginia operates two terminals in Portsmouth – Portsmouth Marine Terminals (PMT) and the Virginia International Gateway (VIG). Economic development tools like the state-designated Enterprise Zone program and locally-funded incentives attract new businesses to Portsmouth, as well as encourage the growth of existing industries. Within the Hampton Roads military region, there are 9 military installations including 3 joint-base complexes that cover multiple locations, bringing the total number of military bases to 15 for the area. All five branches of the military have a presence here (US Navy, US Army, US Air Force, US Coast Guard and USMC). Hampton Roads is home to 9 military installations employing approximately 78,000 active-duty and reserve personnel and over 40,000 civilians. Additionally, Headquarters - Supreme Allied Commander Transformation (HQ SACT), located in Norfolk, is the only NATO command in North America. These exiting military personnel are a unique asset to the region because they continually renew the labor pool.

The Portsmouth Marine Terminal, part of the Port of Hampton Roads and owned by the Virginia Port Authority, is a 220-acre facility handling containerized and break-bulk cargo. At this Foreign Trade Zone-designated terminal, CSX and Norfolk Southern, via the

Norfolk and Portsmouth Belt Line Railroad, offer direct rail service from the Portsmouth Marine Terminal for transportation throughout the east. Motor carriers and common carrier terminals – 175 carriers and 150 terminals – help transport goods from the port of entry to a well-connected system of interstate highways.

The City of Portsmouth, along with Norfolk and Portsmouth functions in some as core cities for the Hampton Roads area. The City of Portsmouth has a significant number of people commuting into the city from neighboring localities. Portsmouth draws large numbers of workers from Norfolk and Virginia Beach, but its dominance as a job center is in the western part of Tidewater, especially neighboring Chesapeake and Suffolk. The fastest growing sources of Portsmouth commuters include Suffolk and Isle of Wight County, which have allowed significant residential development over the past two decades. Commuters are served by Hampton Roads Transit (HRT). Pedestrian ferry crosses the Elizabeth River daily between Portsmouth and Norfolk. Companies have cited the transportation infrastructure as the major deciding factor in locating or expanding in the region.

Additionally, approximately 65,000 people are employed in the medical and life sciences industry in Hampton Roads alone. Companies such as Bon Secours, Hampton Roads Health System, Chesapeake Regional Healthcare, Children's Hospital of The King's Daughters, Eastern Virginia Medical School, LifeNet Health, Operation Smile, Riverside Health Systems and Sentara Healthcare, as well as more than 33 hospitals and 65 urgent care clinics continue to enhance the region's medical presence. Additionally, the Naval Medical Center of Portsmouth consists of approximately 4,300 military medical personnel working with the more than 420,000 active duty members, family members and retirees in Hampton Roads area.

The majority of the City of Portsmouth area employment base is a combination of government, healthcare services and shipyard services, as in the above-mentioned employers. The diversity within its employment base is enough to maintain the employment base. In fact, according to the American Community Survey for 2013-2017,

approximately 58.6% of the county employment base worked outside the county, a moderately high percentage. This is typical in communities with strong adjacent metropolitan areas having a diverse employment base offering competitive opportunities. Additionally, the area transportation system combined with the location of nearby suburban communities of the Hampton Roads area is a function that will help maintain additional employment opportunities in other areas, while maintaining the City of Portsmouth area as a viable housing alternative.

TABLE 4
**ANALYSIS OF
 PLACE OF WORK**
Residents of Portsmouth City and Adjacent Cities/Counties in Virginia
 American Community Survey 2013-2017

City/County	Total Workforce Number	% Employed In City/County of Residence	% Employed Outside City/County of Residence	Mean Travel Time (in Minutes)
Chesapeake city	113,563	40.8%	59.2%	25.9
Hampton city	65,174	47.7%	52.3%	22.4
Newport News city	87,442	59.3%	40.7%	23.0
Norfolk city	126,639	65.6%	34.4%	21.2
Portsmouth city*	43,723	41.4%	58.6%	24.1
Suffolk city	41,736	37.9%	62.1%	28.4

*SITE City/County

Source: U.S. Census Bureau, American Community Survey 2013-2017 (Table S0801)

The average weekly wage for Third Quarter in the City of Portsmouth increased 5.6%, from \$972 in 2014 to \$1,026 in 2018. The largest gain in earnings was seen in the Educational Services category, increasing 32.2% and averaging \$546 per week in Third Quarter 2018.

TABLE 5

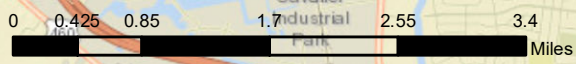
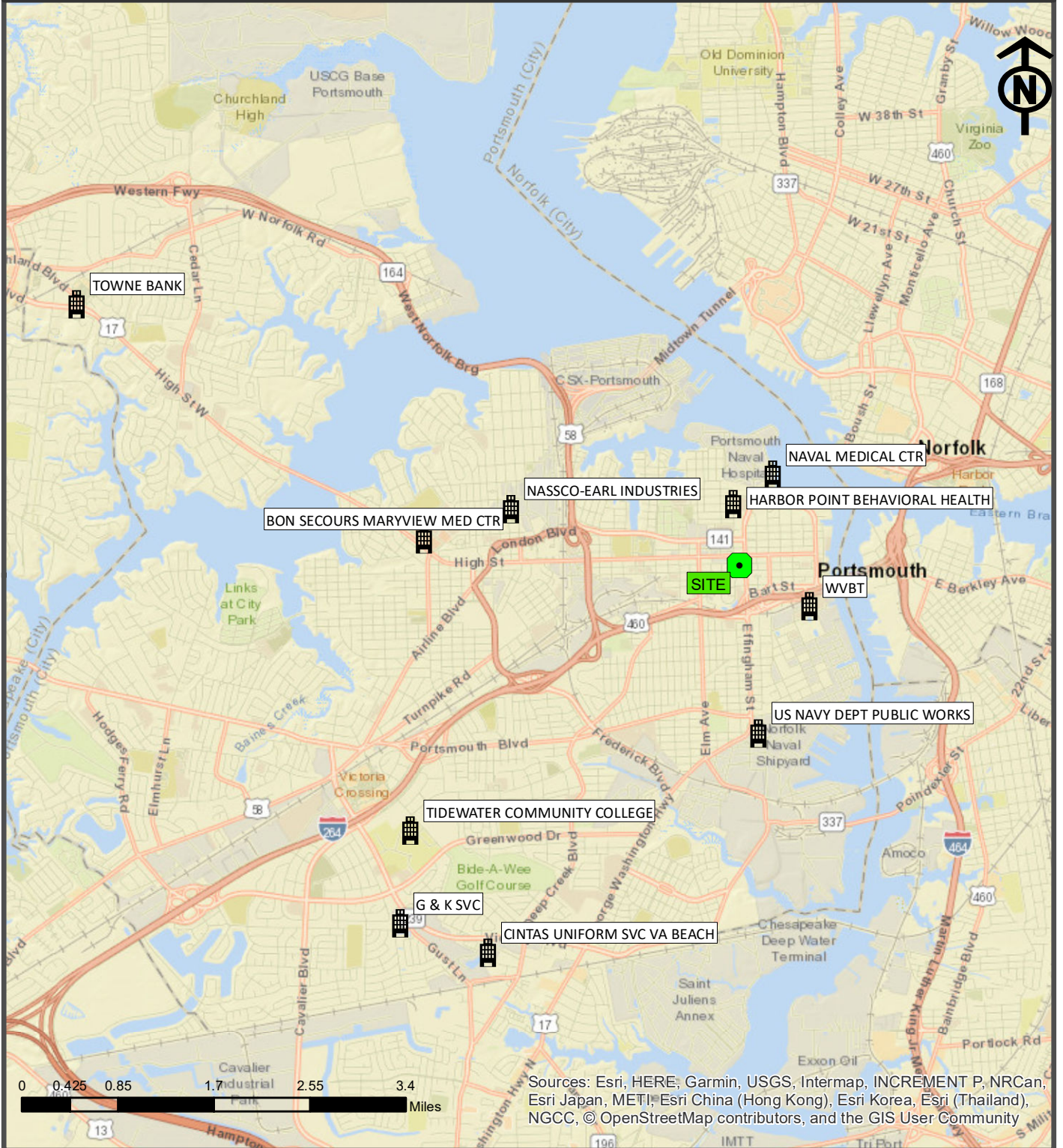
AVERAGE WEEKLY EARNINGS
City of Portsmouth – LWIA XVI – Virginia
3rd Quarter 2014 - 3rd Quarter 2018

Category	City of Portsmouth			LWIA XVI			Virginia		
	Average Wage		% Change	Average Wage		% Change	Average Wage		% Change
	2014	2018		2014	2018		2014	2018	
Agriculture, Forestry, Fishing & Hunting	-	(c)	-	\$601	\$651	8.3%	\$572	\$664	16.1%
Mining, Quarrying, & Oil & Gas Extraction	-	-	-	\$1,090	\$1,308	20.0%	\$1,236	\$1,380	11.7%
Utilities	\$1,800	(c)	-	\$1,533	\$1,765	15.1%	\$1,632	\$2,121	30.0%
Construction	\$882	\$1,048	18.8%	\$869	\$988	13.7%	\$949	\$1,089	14.8%
Manufacturing	\$985	\$1,023	3.9%	\$945	\$1,013	7.2%	\$1,041	\$1,106	6.2%
Wholesale Trade	\$876	\$1,044	19.2%	\$1,086	\$1,223	12.6%	\$1,401	\$1,573	12.3%
Retail Trade	\$424	\$469	10.6%	\$468	\$512	9.4%	\$515	\$569	10.5%
Transportation & Warehousing	\$1,145	\$1,431	25.0%	\$1,073	\$1,119	4.3%	\$904	\$971	7.4%
Information	\$1,252	\$1,217	-2.8%	\$962	\$1,045	8.6%	\$1,634	\$1,826	11.8%
Finance & Insurance	\$740	\$932	25.9%	\$1,155	\$1,234	6.8%	\$1,413	\$1,690	19.6%
Real Estate & Rental & Leasing	\$530	\$690	30.2%	\$781	\$879	12.5%	\$918	\$1,044	13.7%
Professional, Scientific, & Technical Services	\$1,204	\$1,413	17.4%	\$1,271	\$1,361	7.1%	\$1,811	\$1,926	6.4%
Management of Companies & Enterprises	\$1,762	\$1,692	-4.0%	\$1,440	\$1,407	-2.3%	\$1,801	\$2,008	11.5%
Administrative & Waste Services	\$662	\$731	10.4%	\$620	\$677	9.2%	\$714	\$818	14.6%
Educational Services	\$413	\$546	32.2%	\$783	\$848	8.3%	\$809	\$870	7.5%
Health Care & Social Assistance	\$837	\$814	-2.7%	\$886	\$914	3.2%	\$891	\$948	6.4%
Arts, Entertainment, & Recreation	\$420	\$433	3.1%	\$379	\$376	-0.8%	\$425	\$439	3.3%
Accommodation & Food Services	\$272	\$291	7.0%	\$315	\$340	7.9%	\$340	\$380	11.8%
Other Services (except Public Administration)	\$654	\$765	17.0%	\$542	\$583	7.6%	\$757	\$806	6.5%
Federal Government	\$1,457	\$1,430	-1.9%	\$1,447	\$1,492	3.1%	\$1,764	\$1,810	2.6%
State Government	\$637	\$734	15.2%	\$822	\$918	11.7%	\$943	\$1,049	11.2%
Local Government	\$835	\$792	-5.1%	\$775	\$841	8.5%	\$808	\$906	12.1%
Unclassified	-	\$688	-	(c)	\$633	-	\$868	\$815	-6.1%
TOTAL Average Weekly Wage	\$972	\$1,026	5.6%	\$825	\$886	7.4%	\$989	\$1,082	9.4%



(c) - undisclosed due to confidentiality

Source: Virginia Employment Commission

Portsmouth, VA: Map of Major Employers



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, © OpenStreetMap contributors, and the GIS User Community

-  Site
-  Major Employers

VII. DEMOGRAPHIC CHARACTERISTICS

The following is a summary of the demographic situation for the City of Portsmouth, Virginia. Information on population, area income analysis, crime, employment, unemployment and existing housing conditions was compiled for the City of Portsmouth, the Portsmouth Primary Market Area (PMA) and the Portsmouth MSA. This information will show past, current, and future trends.

A. POPULATION

The City of Portsmouth population numbered 95,535 in 2010 and increased 0.7% to 96,161 in 2019. Population is expected to number 95,391 by 2024, decreasing 0.8% from 2019. The City of Portsmouth households numbered 37,324 in 2010 and increased 0.3% to 37,426 in 2019. Households are expected to number 37,018 by 2024, decreasing 1.1% from 2019.

The Portsmouth PMA population numbered 63,989 in 2010 and increased 1.9% to 65,226 in 2019. Population is expected to number 65,292 by 2024, increasing 0.1% from 2019. Portsmouth PMA households numbered 24,257 in 2010 and increased 1.6% to 24,654 in 2019. Households are expected to number 24,603 by 2024, decreasing 0.2% from 2019.

The Portsmouth MSA population numbered 1,676,822 in 2010 and increased 5.4% to 1,766,984 in 2019. Population is expected to number 1,823,934 by 2024, increasing 3.2% from 2019. Portsmouth MSA households numbered 619,692 in 2010 and increased 6.9% to 662,461 in 2019. Households are expected to number 683,360 by 2024, increasing 3.2% from 2019.

The population per household in 2024 is projected to be 2.58 for the City of Portsmouth, compared to 2.65 in the Portsmouth PMA and 2.67 for the Portsmouth MSA. The 2019 population per household in the City of Portsmouth is 2.57, compared to 2.65 for the Portsmouth PMA, and 2.67 for the Portsmouth MSA. In 2010, the population per

household was 2.56 for the City of Portsmouth, 2.64 for the Portsmouth PMA and 2.71 for the Portsmouth MSA.

TABLE 6
POPULATION AND HOUSEHOLDS
City of Portsmouth – Portsmouth PMA – Portsmouth MSA, Virginia
 2000 – 2010 – 2019 (Estimated) – 2024 (Projected)

POPULATION	Portsmouth	Portsmouth PMA	Portsmouth MSA
2000	100,565	66,714	1,580,057
2010	95,535	63,989	1,676,822
Change 2000-2010	-5.0%	-4.1%	6.1%
2019	96,161	65,226	1,766,984
Change 2010-2019	0.7%	1.9%	5.4%
2024	95,391	65,292	1,823,934
Change 2019-2024	-0.8%	0.1%	3.2%
HOUSEHOLDS	Portsmouth	Portsmouth PMA	Portsmouth MSA
2000	38,170	25,009	581,560
2010	37,324	24,257	619,692
Change 2000-2010	-2.2%	-3.0%	6.6%
2019	37,426	24,654	662,461
Change 2010-2019	0.3%	1.6%	6.9%
2024	37,018	24,603	683,360
Change 2019-2024	-1.1%	-0.2%	3.2%

Sources: U.S. Census Bureau; Esri

Based on 2010 Census data, a small percentage of the population is living in group quarters, with the City of Portsmouth at 3.6%. and 4.1% in the Virginia Beach-Norfolk-Newport News, VA-NC Metro Area. A majority of the households in the City of Portsmouth and the Virginia Beach-Norfolk-Newport News, VA-NC Metro Area are traditional family households. The average household size for the City of Portsmouth is 2.47 and 2.55 in the Virginia Beach-Norfolk-Newport News, VA-NC Metro Area.

TABLE 7

GROUP QUARTERS AND HOUSEHOLDS
City of Portsmouth – Portsmouth MSA, Virginia
Virginia Beach-Norfolk-Newport News, VA-NC Metro Area (part)
 Census 2010

	Portsmouth		Virginia Beach-Norfolk-Newport News, VA-NC Metro Area (part)	
	Number	Percent	Number	Percent
Total Population	95,535	100.0%	1,648,136	100.0%
In Group Quarters	3,416	3.6%	68,993	4.2%
Institutionalized	2,541	2.7%	16,887	1.0%
Noninstitutionalized	875	0.9%	52,106	3.2%
In Households	92,119	96.4%	1,579,143	95.8%
Family	75,778	79.3%	1,323,110	80.3%
Nonfamily	16,341	17.1%	256,033	15.5%
Total Households	37,324		619,692	
Average Household Size	2.47		2.55	

Source: U.S. Census Bureau, 2010 Census Summary File 1

In the Portsmouth Primary Market Area, family households (under the age of 55) increased 4.5% for renter households and decreased 21.1% for owner households from 2010 to 2019. Between 2019 and 2024, family renter households (under the age of 55) are projected to decrease 3.3%, while owner households are estimated to decrease 0.4%.

In the Portsmouth Primary Market Area, households (aged 55 to 64 years) increased 41.7% for renter households and decreased 8.8% for owner households from 2010 to 2019.

Between 2019 and 2024, renter households (aged 55 to 64 years) are projected to decrease 3.9%, while owner households are estimated to decrease 12.1%.

In the Portsmouth Primary Market Area, senior households (aged 62 years and older) increased 33.3% for renter households and 8.7% for owner households from 2010 to 2019. Between 2019 and 2024, senior renter households (aged 62 years and older) are projected to increase 0.6%, while owner households are estimated to increase 10.0%.

In the Portsmouth Primary Market Area, senior households (aged 65 years and older) increased 30.8% for renter households and 12.6% for owner households from 2010 to 2019. Between 2019 and 2024, senior renter households (aged 65 years and older) are projected to increase 2.0%, while owner households are estimated to increase 14.0%.

TABLE 8

RENTER & OWNER HOUSEHOLD TRENDS

Portsmouth PMA

2010 (Census) – 2019 (Estimated) – 2024 (Projected)

RENTER HOUSEHOLDS	Under 55 Years	55-64 Years	62+ Years	65+ Years
2010	8,266	1,535	2,039	1,579
2019	8,635	2,175	2,718	2,065
Change 2010-2019	4.5%	41.7%	33.3%	30.8%
2024	8,353	2,091	2,734	2,106
Change 2019-2024	-3.3%	-3.9%	0.6%	2.0%
OWNER HOUSEHOLDS	Under 55 Years	55-64 Years	62+ Years	65+ Years
2010	6,300	2,772	4,637	3,805
2019	4,968	2,528	5,041	4,283
Change 2010-2019	-21.1%	-8.8%	8.7%	12.6%
2024	4,950	2,221	5,548	4,882
Change 2019-2024	-0.4%	-12.1%	10.0%	14.0%

Sources: U.S. Census Bureau; Esri

In 2010 the median age among Portsmouth PMA residents was 34.5 years. An analysis of age groups determined that 29.4% were under the age of 21; 58.4% were 21 to 64 years old; and 12.2% were 65 years or older.

In 2019 the median age among the Portsmouth PMA residents is estimated to be 36.1 years. An analysis of age groups determined that 27.9% are under the age of 21; 57.3% are 21 to 64 years old; and 14.8% are 65 years or older.

In 2024 the median age among the Portsmouth PMA residents is projected to be 36.9 years. An analysis of age groups determined that 28.1% will be under the age of 21; 55.4% will be 21 to 64 years old; and 16.5% will be 65 years or older.

For reference, the average age for the Portsmouth PMA was 36.8 in 2010 and increased to 38.2 in 2019. The average age is expected to be 38.6 by 2024.

**TABLE 9
POPULATION BY AGE & SEX
Portsmouth PMA**

<i>Census 2010</i>				<i>Current Year Estimates - 2019</i>				<i>Five-Year Projections - 2024</i>			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	2,522	2,469	4,991	0 to 4 Years	2,325	2,286	4,611	0 to 4 Years	2,318	2,257	4,575
5 to 9 Years	2,212	2,166	4,378	5 to 9 Years	2,311	2,265	4,576	5 to 9 Years	2,228	2,159	4,387
10 to 14 Years	2,083	1,865	3,948	10 to 14 Years	2,154	2,081	4,235	10 to 14 Years	2,226	2,132	4,358
15 to 17 Years	1,352	1,329	2,681	15 to 17 Years	1,150	1,126	2,276	15 to 17 Years	1,233	1,228	2,461
18 to 20 Years	1,473	1,331	2,804	18 to 20 Years	1,330	1,179	2,509	18 to 20 Years	1,338	1,186	2,524
21 to 24 Years	1,988	1,996	3,984	21 to 24 Years	1,813	1,723	3,536	21 to 24 Years	1,677	1,558	3,235
25 to 34 Years	4,715	4,901	9,616	25 to 34 Years	4,941	5,005	9,946	25 to 34 Years	4,710	4,675	9,385
35 to 44 Years	3,799	3,848	7,647	35 to 44 Years	4,008	4,122	8,130	35 to 44 Years	4,324	4,424	8,748
45 to 54 Years	4,341	4,660	9,001	45 to 54 Years	3,733	3,902	7,635	45 to 54 Years	3,587	3,682	7,269
55 to 64 Years	3,335	3,776	7,111	55 to 64 Years	3,752	4,355	8,107	55 to 64 Years	3,532	4,025	7,557
65 to 74 Years	1,642	2,308	3,950	65 to 74 Years	2,416	3,111	5,527	65 to 74 Years	2,781	3,517	6,298
75 to 84 Years	1,019	1,597	2,616	75 to 84 Years	1,081	1,709	2,790	75 to 84 Years	1,280	1,958	3,238
85 Years and Up	399	862	1,261	85 Years and Up	450	897	1,347	85 Years and Up	424	832	1,256
Total	30,880	33,108	63,988	Total	31,464	33,761	65,225	Total	31,658	33,633	65,291
Median Age	32.9	36.4	34.5	Median Age	34.4	37.7	36.1	Median Age	35.2	38.5	36.9
Average Age	35.3	38.2	36.8	Average Age	36.6	39.6	38.2	Average Age	37.1	40.1	38.6

Source: Census 2010; Esri

PERCENT POPULATION BY AGE & SEX

Portsmouth PMA

<i>Census 2010</i>				<i>Current Year Estimates - 2019</i>				<i>Five-Year Projections - 2024</i>			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	3.9%	3.9%	7.8%	0 to 4 Years	3.6%	3.5%	7.1%	0 to 4 Years	3.6%	3.5%	7.0%
5 to 9 Years	3.5%	3.4%	6.8%	5 to 9 Years	3.5%	3.5%	7.0%	5 to 9 Years	3.4%	3.3%	6.7%
10 to 14 Years	3.3%	2.9%	6.2%	10 to 14 Years	3.3%	3.2%	6.5%	10 to 14 Years	3.4%	3.3%	6.7%
15 to 17 Years	2.1%	2.1%	4.2%	15 to 17 Years	1.8%	1.7%	3.5%	15 to 17 Years	1.9%	1.9%	3.8%
18 to 20 Years	2.3%	2.1%	4.4%	18 to 20 Years	2.0%	1.8%	3.8%	18 to 20 Years	2.0%	1.8%	3.9%
21 to 24 Years	3.1%	3.1%	6.2%	21 to 24 Years	2.8%	2.6%	5.4%	21 to 24 Years	2.6%	2.4%	5.0%
25 to 34 Years	7.4%	7.7%	15.0%	25 to 34 Years	7.6%	7.7%	15.2%	25 to 34 Years	7.2%	7.2%	14.4%
35 to 44 Years	5.9%	6.0%	12.0%	35 to 44 Years	6.1%	6.3%	12.5%	35 to 44 Years	6.6%	6.8%	13.4%
45 to 54 Years	6.8%	7.3%	14.1%	45 to 54 Years	5.7%	6.0%	11.7%	45 to 54 Years	5.5%	5.6%	11.1%
55 to 64 Years	5.2%	5.9%	11.1%	55 to 64 Years	5.8%	6.7%	12.4%	55 to 64 Years	5.4%	6.2%	11.6%
65 to 74 Years	2.6%	3.6%	6.2%	65 to 74 Years	3.7%	4.8%	8.5%	65 to 74 Years	4.3%	5.4%	9.6%
75 to 84 Years	1.6%	2.5%	4.1%	75 to 84 Years	1.7%	2.6%	4.3%	75 to 84 Years	2.0%	3.0%	5.0%
85 Years and Up	0.6%	1.3%	2.0%	85 Years and Up	0.7%	1.4%	2.1%	85 Years and Up	0.6%	1.3%	1.9%
Total	48.3%	51.7%	100.0%	Total	48.2%	51.8%	100.0%	Total	48.5%	51.5%	100.0%

Source: Census 2010; Esri

In a 2010 analysis of household composition in the City of Portsmouth and Portsmouth MSA, there were 37,324 and 619,692 total households, respectively. A distribution of family makeup compared with each other is as follows:

TABLE 10
DISTRIBUTION OF HOUSEHOLDS BY TENURE
City of Portsmouth & Portsmouth MSA, Virginia
 Census 2010

	Portsmouth				Portsmouth MSA			
	<u>Owner-Occupied</u>		<u>Renter-Occupied</u>		<u>Owner-Occupied</u>		<u>Renter-Occupied</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Households								
Married Couples	10,931	49.8%	2,998	19.5%	233,935	60.0%	60,666	26.4%
Families w/ Male Head Only	1,027	4.7%	946	6.2%	15,285	3.9%	13,010	5.7%
Families w/ Female Head Only	3,186	14.5%	4,899	31.9%	42,577	10.9%	55,707	24.2%
Non-Family Households								
Living Alone	5,771	26.3%	5,217	34.0%	80,492	20.7%	74,896	32.6%
Not Living Alone	<u>1,047</u>	<u>4.8%</u>	<u>1,302</u>	<u>8.5%</u>	<u>17,432</u>	<u>4.5%</u>	<u>25,692</u>	<u>11.2%</u>
TOTAL Households	21,962	100.0%	15,362	100.0%	389,721	100.0%	229,971	100.0%
Householders 65 Years & Older								
Married Couples	2,730	40.8%	229	11.6%	49,380	50.8%	4,390	16.7%
Families w/ Male Head Only	241	3.6%	71	3.6%	2,708	2.8%	678	2.6%
Families w/ Female Head Only	1,060	15.8%	319	16.2%	10,425	10.7%	3,030	11.5%
Non-Family Households								
Living Alone	2,499	37.3%	1,276	64.7%	32,426	33.4%	17,420	66.1%
Not Living Alone	<u>165</u>	<u>2.5%</u>	<u>77</u>	<u>3.9%</u>	<u>2,264</u>	<u>2.3%</u>	<u>826</u>	<u>3.1%</u>
TOTAL Households 65+	6,695	100.0%	1,972	100.0%	97,203	100.0%	26,344	100.0%
	Portsmouth PMA	2010		2019		2024		
	<u>Households</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	
	Owner-Occupied	12,878	53.1%	11,779	47.8%	12,052	49.0%	
	Renter-Occupied	11,379	46.9%	12,875	52.2%	12,551	51.0%	

Sources: U.S. Census Bureau, 2010 Census Summary File 1; Esri

B. INCOME

In the City of Portsmouth, estimated median household income is \$47,915 for 2019 and is projected to increase to \$52,849 by 2024. The median household income in the Portsmouth PMA is \$42,112 for 2019 and is expected to increase to \$47,651 by 2024. The median household income in the Portsmouth MSA is \$61,617 for 2019 and is projected to increase to \$70,258 by 2024.

TABLE 11
MEDIAN HOUSEHOLD INCOME TRENDS
City of Portsmouth – Portsmouth PMA – Portsmouth MSA, Virginia
 2006-2010 (ACS) – 2019 (Estimated) – 2024 (Projected)

MEDIAN HOUSEHOLD INCOME	Portsmouth	Portsmouth PMA	Portsmouth MSA
2010	\$45,488	\$45,768	\$57,639
2019	\$47,915	\$42,112	\$61,617
Change 2000 - 2019	5.3%	-8.0%	6.9%
2024	\$52,849	\$47,651	\$70,258
Change 2019 - 2024	10.3%	13.2%	14.0%

Sources: U.S. Census Bureau; Esri

By age group, the 2019 income for Portsmouth PMA households is highest in the 55 to 64 age range. For 2024, household income is projected to be highest in the 55 to 64 age range. Between 2019 and 2024, the largest percent change is expected to be in the 65 to 74 age group and the \$150,000 and over income range.

TABLE 12
DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE
Portsmouth PMA
Base Year Estimates - 2010

Renter Households							
Under Age 55 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	327	477	329	127	103	68	1,432
\$10,000 - 20,000	399	582	402	155	126	83	1,747
\$20,000 - 30,000	255	372	256	99	81	53	1,116
\$30,000 - 40,000	265	387	267	103	84	55	1,162
\$40,000 - 50,000	213	311	214	83	67	44	932
\$50,000 - 60,000	102	149	103	40	32	21	447
\$60,000 - 75,000	158	230	159	61	50	33	691
\$75,000 - 100,000	123	180	124	48	39	26	539
\$100,000 - 150,000	42	61	42	16	13	9	182
\$150,000+	4	6	4	1	1	1	17
Total	1,888	2,755	1,899	732	597	395	8,266
Aged 55-64 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	193	56	38	15	12	8	322
\$10,000 - 20,000	217	62	43	17	14	9	361
\$20,000 - 30,000	133	38	26	10	8	5	222
\$30,000 - 40,000	110	32	22	8	7	5	184
\$40,000 - 50,000	96	28	19	7	6	4	160
\$50,000 - 60,000	47	13	9	4	3	2	78
\$60,000 - 75,000	47	13	9	4	3	2	78
\$75,000 - 100,000	54	16	11	4	3	2	90
\$100,000 - 150,000	21	6	4	2	1	1	35
\$150,000+	2	1	0	0	0	0	4
Total	921	265	183	70	57	38	1,535
Aged 62+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	293	75	52	20	16	11	467
\$10,000 - 20,000	352	89	61	24	19	13	558
\$20,000 - 30,000	217	56	39	15	12	8	347
\$30,000 - 40,000	168	46	32	12	10	7	274
\$40,000 - 50,000	102	29	20	8	6	4	168
\$50,000 - 60,000	39	11	8	3	2	2	64
\$60,000 - 75,000	42	12	8	3	3	2	69
\$75,000 - 100,000	42	11	8	3	2	2	69
\$100,000 - 150,000	13	4	3	1	1	1	21
\$150,000+	1	0	0	0	0	0	2
Total	1,270	332	229	88	72	48	2,039
Aged 65+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	235	58	40	15	13	8	370
\$10,000 - 20,000	287	70	48	19	15	10	449
\$20,000 - 30,000	177	45	31	12	10	6	280
\$30,000 - 40,000	135	36	25	10	8	5	219
\$40,000 - 50,000	74	20	14	5	4	3	120
\$50,000 - 60,000	25	7	5	2	1	1	41
\$60,000 - 75,000	28	8	5	2	2	1	45
\$75,000 - 100,000	26	7	5	2	1	1	42
\$100,000 - 150,000	6	2	1	0	0	0	11
\$150,000+	1	0	0	0	0	0	1
Total	994	253	174	67	55	36	1,579

Sources: U.S. Census Bureau; Esri; Urban Decision Group

**DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE**
Portsmouth PMA
Base Year Estimates - 2010

Owner Households							
Under Age 55 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	59	94	52	35	17	10	267
\$10,000 - 20,000	95	152	85	57	27	16	433
\$20,000 - 30,000	97	155	86	58	27	17	441
\$30,000 - 40,000	153	245	136	92	43	26	695
\$40,000 - 50,000	157	251	139	94	44	27	713
\$50,000 - 60,000	160	256	142	96	45	27	726
\$60,000 - 75,000	256	409	227	154	72	44	1,161
\$75,000 - 100,000	173	276	153	104	49	29	785
\$100,000 - 150,000	165	263	146	99	46	28	747
\$150,000+	73	117	65	44	21	13	333
Total	1,388	2,219	1,232	833	391	236	6,300
Aged 55-64 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	47	52	29	20	9	6	163
\$10,000 - 20,000	72	79	44	30	14	8	248
\$20,000 - 30,000	65	72	40	27	13	8	225
\$30,000 - 40,000	83	92	51	34	16	10	286
\$40,000 - 50,000	105	116	64	43	20	12	361
\$50,000 - 60,000	91	100	56	38	18	11	312
\$60,000 - 75,000	107	118	66	44	21	13	369
\$75,000 - 100,000	92	101	56	38	18	11	316
\$100,000 - 150,000	92	101	56	38	18	11	315
\$150,000+	52	57	32	21	10	6	178
Total	807	888	493	333	157	95	2,772
Aged 62+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	181	106	59	40	19	11	417
\$10,000 - 20,000	302	175	97	66	31	19	690
\$20,000 - 30,000	266	157	87	59	28	17	614
\$30,000 - 40,000	292	181	100	68	32	19	692
\$40,000 - 50,000	240	155	86	58	27	17	583
\$50,000 - 60,000	156	104	58	39	18	11	386
\$60,000 - 75,000	201	132	73	50	23	14	493
\$75,000 - 100,000	151	99	55	37	17	11	370
\$100,000 - 150,000	98	72	40	27	13	8	259
\$150,000+	50	38	21	14	7	4	134
Total	1,937	1,220	677	458	215	130	4,637
Aged 65+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	167	91	50	34	16	10	368
\$10,000 - 20,000	280	152	84	57	27	16	616
\$20,000 - 30,000	246	135	75	51	24	14	546
\$30,000 - 40,000	267	153	85	57	27	16	606
\$40,000 - 50,000	208	120	67	45	21	13	475
\$50,000 - 60,000	129	74	41	28	13	8	292
\$60,000 - 75,000	168	97	54	36	17	10	383
\$75,000 - 100,000	123	69	38	26	12	7	275
\$100,000 - 150,000	71	42	23	16	7	4	164
\$150,000+	35	21	12	8	4	2	81
Total	1,695	953	529	358	168	102	3,805

Sources: U.S. Census Bureau; Esri; Urban Decision Group

TABLE 13
DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE
Portsmouth PMA
Current Year Estimates - 2019

Renter Households							
Under Age 55 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	312	367	239	127	55	51	1,151
\$10,000 - 20,000	335	394	256	136	59	55	1,236
\$20,000 - 30,000	372	438	284	151	66	61	1,372
\$30,000 - 40,000	319	375	244	130	56	52	1,177
\$40,000 - 50,000	274	322	209	112	48	45	1,011
\$50,000 - 60,000	175	205	133	71	31	28	643
\$60,000 - 75,000	208	244	159	85	37	34	766
\$75,000 - 100,000	194	228	148	79	34	32	715
\$100,000 - 150,000	97	113	74	39	17	16	356
\$150,000+	56	66	43	23	10	9	208
Total	2,343	2,755	1,789	953	413	382	8,635
Aged 55-64 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	217	97	63	33	15	13	438
\$10,000 - 20,000	225	101	65	35	15	14	454
\$20,000 - 30,000	174	78	51	27	12	11	352
\$30,000 - 40,000	122	55	36	19	8	8	248
\$40,000 - 50,000	115	52	34	18	8	7	233
\$50,000 - 60,000	61	27	18	9	4	4	123
\$60,000 - 75,000	63	28	18	10	4	4	126
\$75,000 - 100,000	54	24	16	8	4	3	109
\$100,000 - 150,000	26	12	7	4	2	2	52
\$150,000+	20	9	6	3	1	1	40
Total	1,076	481	313	166	72	67	2,175
Aged 62+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	262	67	43	23	10	9	415
\$10,000 - 20,000	651	138	90	48	21	19	966
\$20,000 - 30,000	320	76	49	26	11	10	492
\$30,000 - 40,000	174	45	29	16	7	6	277
\$40,000 - 50,000	153	41	27	14	6	6	246
\$50,000 - 60,000	56	16	11	6	2	2	94
\$60,000 - 75,000	53	16	10	6	2	2	90
\$75,000 - 100,000	47	14	9	5	2	2	78
\$100,000 - 150,000	20	6	4	2	1	1	35
\$150,000+	15	5	3	2	1	1	25
Total	1,751	423	275	146	63	59	2,718
Aged 65+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	197	38	24	13	6	5	283
\$10,000 - 20,000	583	108	70	37	16	15	830
\$20,000 - 30,000	267	52	34	18	8	7	387
\$30,000 - 40,000	137	29	19	10	4	4	203
\$40,000 - 50,000	118	25	16	9	4	4	176
\$50,000 - 60,000	38	8	5	3	1	1	57
\$60,000 - 75,000	35	8	5	3	1	1	52
\$75,000 - 100,000	31	6	4	2	1	1	46
\$100,000 - 150,000	13	3	2	1	0	0	19
\$150,000+	9	2	1	1	0	0	13
Total	1,428	279	181	96	42	39	2,065

Sources: U.S. Census Bureau; Esri; Urban Decision Group

**DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE
Portsmouth PMA
Current Year Estimates - 2019**

Owner Households							
Under Age 55 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	24	40	18	13	5	4	104
\$10,000 - 20,000	21	35	16	11	4	3	91
\$20,000 - 30,000	58	97	44	31	11	10	251
\$30,000 - 40,000	87	147	67	47	17	15	380
\$40,000 - 50,000	80	135	61	43	16	13	347
\$50,000 - 60,000	127	214	97	68	25	21	552
\$60,000 - 75,000	160	270	122	86	32	27	697
\$75,000 - 100,000	236	399	180	127	47	39	1,028
\$100,000 - 150,000	231	390	176	124	46	38	1,006
\$150,000+	118	198	90	63	23	20	512
Total	1,142	1,926	871	611	227	190	4,968
Aged 55-64 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	34	36	17	12	4	4	106
\$10,000 - 20,000	31	34	15	11	4	3	98
\$20,000 - 30,000	60	65	29	20	8	6	188
\$30,000 - 40,000	72	78	35	25	9	8	226
\$40,000 - 50,000	71	76	34	24	9	8	222
\$50,000 - 60,000	94	101	46	32	12	10	294
\$60,000 - 75,000	105	113	51	36	13	11	331
\$75,000 - 100,000	137	148	67	47	17	15	432
\$100,000 - 150,000	126	136	61	43	16	13	395
\$150,000+	75	81	37	26	10	8	236
Total	804	868	393	275	102	86	2,528
Aged 62+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	92	81	37	26	10	8	253
\$10,000 - 20,000	233	196	89	62	23	19	623
\$20,000 - 30,000	252	226	102	72	27	22	702
\$30,000 - 40,000	202	198	90	63	23	20	595
\$40,000 - 50,000	176	178	80	56	21	18	529
\$50,000 - 60,000	149	155	70	49	18	15	457
\$60,000 - 75,000	152	158	71	50	19	16	466
\$75,000 - 100,000	225	217	98	69	26	21	657
\$100,000 - 150,000	156	169	76	54	20	17	491
\$150,000+	84	93	42	30	11	9	269
Total	1,721	1,671	756	530	197	165	5,041
Aged 65+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	81	70	32	22	8	7	221
\$10,000 - 20,000	223	186	84	59	22	18	593
\$20,000 - 30,000	235	207	94	66	24	20	645
\$30,000 - 40,000	180	175	79	55	21	17	527
\$40,000 - 50,000	155	155	70	49	18	15	462
\$50,000 - 60,000	121	124	56	39	15	12	368
\$60,000 - 75,000	121	124	56	39	15	12	367
\$75,000 - 100,000	184	173	78	55	20	17	527
\$100,000 - 150,000	118	128	58	41	15	13	373
\$150,000+	62	69	31	22	8	7	199
Total	1,480	1,411	638	448	166	139	4,283

Sources: U.S. Census Bureau; Esri; Urban Decision Group

TABLE 14
DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE
Portsmouth PMA
Future Year Estimates - 2024

Renter Households							
Under Age 55 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	348	365	234	134	51	52	1,184
\$10,000 - 20,000	321	337	216	124	47	48	1,094
\$20,000 - 30,000	402	422	271	155	59	60	1,369
\$30,000 - 40,000	333	350	224	129	49	50	1,134
\$40,000 - 50,000	282	297	190	109	41	42	962
\$50,000 - 60,000	187	196	126	72	27	28	637
\$60,000 - 75,000	201	211	136	78	30	30	686
\$75,000 - 100,000	161	169	108	62	24	24	547
\$100,000 - 150,000	97	102	65	37	14	14	330
\$150,000+	120	126	81	47	18	18	410
Total	2,452	2,575	1,652	948	360	366	8,353
Aged 55-64 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	187	117	75	43	16	17	455
\$10,000 - 20,000	184	114	73	42	16	16	446
\$20,000 - 30,000	150	93	60	34	13	13	363
\$30,000 - 40,000	91	57	36	21	8	8	221
\$40,000 - 50,000	77	48	31	18	7	7	186
\$50,000 - 60,000	42	26	17	10	4	4	103
\$60,000 - 75,000	44	27	17	10	4	4	106
\$75,000 - 100,000	28	18	11	7	2	3	69
\$100,000 - 150,000	18	11	7	4	2	2	45
\$150,000+	41	25	16	9	4	4	99
Total	862	537	344	198	75	76	2,091
Aged 62+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	220	62	40	23	9	9	361
\$10,000 - 20,000	620	123	79	45	17	17	902
\$20,000 - 30,000	293	70	45	26	10	10	452
\$30,000 - 40,000	159	40	26	15	6	6	251
\$40,000 - 50,000	193	45	29	17	6	6	296
\$50,000 - 60,000	81	21	13	8	3	3	128
\$60,000 - 75,000	72	19	12	7	3	3	116
\$75,000 - 100,000	47	12	8	5	2	2	75
\$100,000 - 150,000	28	8	5	3	1	1	45
\$150,000+	65	18	12	7	3	3	107
Total	1,776	418	268	154	58	59	2,734
Aged 65+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	164	27	17	10	4	4	225
\$10,000 - 20,000	564	89	57	33	12	13	768
\$20,000 - 30,000	248	42	27	15	6	6	343
\$30,000 - 40,000	131	24	15	9	3	3	185
\$40,000 - 50,000	170	31	20	11	4	4	240
\$50,000 - 60,000	68	13	8	5	2	2	97
\$60,000 - 75,000	59	11	7	4	2	2	84
\$75,000 - 100,000	39	7	4	3	1	1	55
\$100,000 - 150,000	22	4	3	2	1	1	32
\$150,000+	53	10	7	4	1	1	77
Total	1,518	257	165	95	36	37	2,106

Sources: U.S. Census Bureau; Esri; Urban Decision Group

**DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE
Portsmouth PMA
Future Year Estimates - 2024**

Owner Households							
Under Age 55 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	35	55	24	17	6	6	142
\$10,000 - 20,000	26	41	18	12	4	4	105
\$20,000 - 30,000	83	132	57	40	14	14	341
\$30,000 - 40,000	112	177	77	54	20	19	459
\$40,000 - 50,000	79	125	54	38	14	13	324
\$50,000 - 60,000	126	199	87	61	22	21	516
\$60,000 - 75,000	145	229	100	71	25	24	594
\$75,000 - 100,000	269	426	185	131	47	44	1,102
\$100,000 - 150,000	255	404	176	124	44	42	1,046
\$150,000+	78	124	54	38	14	13	321
Total	1,208	1,911	832	588	210	200	4,950
Aged 55-64 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	43	41	18	13	5	4	124
\$10,000 - 20,000	36	34	15	11	4	4	103
\$20,000 - 30,000	79	76	33	23	8	8	228
\$30,000 - 40,000	76	73	32	22	8	8	218
\$40,000 - 50,000	53	52	22	16	6	5	154
\$50,000 - 60,000	81	78	34	24	9	8	232
\$60,000 - 75,000	88	85	37	26	9	9	255
\$75,000 - 100,000	133	128	56	39	14	13	383
\$100,000 - 150,000	126	122	53	37	13	13	364
\$150,000+	55	53	23	16	6	6	158
Total	769	741	323	228	82	77	2,221
Aged 62+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	72	71	31	22	8	7	211
\$10,000 - 20,000	193	184	80	56	20	19	552
\$20,000 - 30,000	217	224	98	69	25	23	656
\$30,000 - 40,000	166	186	81	57	21	19	531
\$40,000 - 50,000	170	193	84	59	21	20	548
\$50,000 - 60,000	172	213	93	65	23	22	588
\$60,000 - 75,000	163	200	87	62	22	21	554
\$75,000 - 100,000	279	311	135	96	34	32	887
\$100,000 - 150,000	197	256	111	79	28	27	697
\$150,000+	90	119	52	36	13	12	322
Total	1,719	1,956	852	601	215	204	5,548
Aged 65+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
less than \$10,000	59	59	25	18	6	6	173
\$10,000 - 20,000	182	173	75	53	19	18	521
\$20,000 - 30,000	194	201	88	62	22	21	588
\$30,000 - 40,000	144	164	72	51	18	17	466
\$40,000 - 50,000	154	178	77	55	20	19	502
\$50,000 - 60,000	148	189	82	58	21	20	519
\$60,000 - 75,000	136	174	76	54	19	18	478
\$75,000 - 100,000	240	272	119	84	30	28	772
\$100,000 - 150,000	159	219	95	67	24	23	588
\$150,000+	74	103	45	32	11	11	275
Total	1,489	1,733	755	533	191	181	4,882

Sources: U.S. Census Bureau; Esri; Urban Decision Group

TABLE 15
HOUSEHOLDS BY INCOME AND AGE
Portsmouth PMA

Census 2010

Income	Age	Age	Age	Age	Age	Age	Age	Total	Percent
	15 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75+ Years		
Less than \$10,000	276	529	413	481	485	302	436	2,922	12.0%
\$10,000 - 20,000	352	692	522	614	609	387	678	3,854	15.9%
\$20,000 - 30,000	134	530	399	494	447	354	472	2,830	11.7%
\$30,000 - 40,000	120	663	543	531	470	470	355	3,152	13.0%
\$40,000 - 50,000	277	443	386	539	521	355	240	2,761	11.4%
\$50,000 - 60,000	54	334	300	485	390	187	146	1,896	7.8%
\$60,000 - 75,000	147	604	544	557	447	241	187	2,727	11.2%
\$75,000 - 100,000	64	338	362	560	406	141	176	2,047	8.4%
\$100,000 - 150,000	0	222	296	411	350	121	54	1,454	6.0%
\$150,000+	<u>4</u>	<u>57</u>	<u>105</u>	<u>184</u>	<u>182</u>	<u>59</u>	<u>23</u>	<u>614</u>	<u>2.5%</u>
Total	1,428	4,412	3,870	4,856	4,307	2,617	2,767	24,257	100.0%
Percent	5.9%	18.2%	16.0%	20.0%	17.8%	10.8%	11.4%	100.0%	

Source: U.S. Census Bureau, Esri

HOUSEHOLDS BY INCOME AND AGE
Portsmouth PMA

Current Year Estimates - 2019

Income	Age	Age	Age	Age	Age	Age	Age	Total	Percent
	15 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75+ Years		
Less than \$10,000	128	417	362	348	544	242	262	2,303	9.3%
\$10,000 - 20,000	271	395	320	341	552	617	806	3,302	13.4%
\$20,000 - 30,000	192	602	461	368	540	500	532	3,195	13.0%
\$30,000 - 40,000	139	556	469	393	474	442	288	2,761	11.2%
\$40,000 - 50,000	130	443	401	384	455	413	225	2,451	9.9%
\$50,000 - 60,000	75	407	346	367	417	279	146	2,037	8.3%
\$60,000 - 75,000	95	522	444	402	457	275	144	2,339	9.5%
\$75,000 - 100,000	78	558	534	573	541	303	270	2,857	11.6%
\$100,000 - 150,000	38	391	462	471	447	283	109	2,201	8.9%
\$150,000+	<u>11</u>	<u>145</u>	<u>235</u>	<u>329</u>	<u>276</u>	<u>162</u>	<u>50</u>	<u>1,208</u>	<u>4.9%</u>
Total	1,157	4,436	4,034	3,976	4,703	3,516	2,832	24,654	100.0%
Percent	4.7%	18.0%	16.4%	16.1%	19.1%	14.3%	11.5%	100.0%	

Source: Esri

HOUSEHOLDS BY INCOME AND AGE
Portsmouth PMA

Five-Year Projections - 2024

Income	Age	Age	Age	Age	Age	Age	Age	Total	Percent
	15 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75+ Years		
Less than \$10,000	83	426	429	388	579	188	210	2,303	9.4%
\$10,000 - 20,000	187	344	319	349	549	552	737	3,037	12.3%
\$20,000 - 30,000	138	623	538	411	591	455	476	3,232	13.1%
\$30,000 - 40,000	113	526	511	443	439	375	276	2,683	10.9%
\$40,000 - 50,000	96	436	414	340	340	439	303	2,368	9.6%
\$50,000 - 60,000	145	365	355	288	335	412	204	2,104	8.6%
\$60,000 - 75,000	140	419	409	312	361	376	186	2,203	9.0%
\$75,000 - 100,000	138	490	544	477	452	440	387	2,928	11.9%
\$100,000 - 150,000	69	369	508	430	409	450	170	2,405	9.8%
\$150,000 and up	<u>21</u>	<u>134</u>	<u>269</u>	<u>307</u>	<u>257</u>	<u>267</u>	<u>85</u>	<u>1,340</u>	<u>5.4%</u>
Total	1,130	4,132	4,296	3,745	4,312	3,954	3,034	24,603	100.0%
Percent	4.6%	16.8%	17.5%	15.2%	17.5%	16.1%	12.3%	100.0%	

Source: Esri

HOUSEHOLDS BY INCOME AND AGE
Portsmouth PMA

Projected Change - 2019 to 2024

Income	Age	Age	Age	Age	Age	Age	Age	Total	Percent Change
	15 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75+ Years		
Less than \$10,000	-45	9	67	40	35	-54	-52	0	0.0%
\$10,000 - 20,000	-84	-51	-1	8	-3	-65	-69	-265	-8.0%
\$20,000 - 30,000	-54	21	77	43	51	-45	-56	37	1.2%
\$30,000 - 40,000	-26	-30	42	50	-35	-67	-12	-78	-2.8%
\$40,000 - 50,000	-34	-7	13	-44	-115	26	78	-83	-3.4%
\$50,000 - 60,000	70	-42	9	-79	-82	133	58	67	3.3%
\$60,000 - 75,000	45	-103	-35	-90	-96	101	42	-136	-5.8%
\$75,000 - 100,000	60	-68	10	-96	-89	137	117	71	2.5%
\$100,000 - 150,000	31	-22	46	-41	-38	167	61	204	9.3%
\$150,000+	<u>10</u>	<u>-11</u>	<u>34</u>	<u>-22</u>	<u>-19</u>	<u>105</u>	<u>35</u>	<u>132</u>	<u>10.9%</u>
Total	-27	-304	262	-231	-391	438	202	-51	-0.2%
Percent Change	-2.3%	-6.9%	6.5%	-5.8%	-8.3%	12.5%	7.1%	-0.2%	

Source: Esri

C. HOUSING ANALYSIS

Information on building permits for the City of Portsmouth and the Hampton Roads Metropolitan Statistical Area (MSA) and (is officially the Virginia Beach-Norfolk-Newport News VA-NC MSA) has been reported back to 1990. In an analysis of multi-family housing starts by building permits, since 2008 there has been new multi-family construction permitted every year in the Hampton Roads MSA, however it has been sporadic in the City of Portsmouth. Between 2015 and 2017, in the City of Portsmouth there were 2 multi-family units authorized, while there were 6,592 multi-family permits authorized in the remainder of the Hampton Roads MSA. During this period, less than 1% of the multi-family units authorized in the Hampton Roads MSA were built inside the city limits of Portsmouth.

Over the past ten years, the City of Portsmouth averaged 47.2 multi-family starts per year compared to 2,120.1 for the Hampton Roads MSA. Between 2015 and 2017, multi-family starts averaged 0.7 and 2,198.0 units in the City of Portsmouth and the Hampton Roads MSA, respectively. Recent years have indicated a continuation of good growth activity in multi-family units to the Hampton Roads MSA base.

Single-family housing starts have accounted for a majority of the overall starts in the City of Portsmouth and the Hampton Roads MSA. Since 2008 there have been single-family permits issued representing an average of 105.6 and 3,637.7 single-family residences per year in the City of Portsmouth and the Hampton Roads MSA, respectively. Between 2015 and 2017, the Hampton Roads MSA averaged 4,174.3 single-family starts per year, indicating an increase in activity. During this same period, the City of Portsmouth had an increase in building permit activity with an average of 124.7 single-family residences per year.

Recent studies by National Land Advisory Group have shown a net deficit of housing in the Hampton Roads MSA, of which a portion would apply towards the City of Portsmouth. However, because of the current activity in multi-family building permits, deficits have decreased slightly in recent years in comparison to the previous ten-year period for the City of Portsmouth and the Hampton Roads MSA.

Interviews with local building and zoning government officials indicated that many areas within the City of Portsmouth have limited availability of zoned land appropriate for multi-family housing. The density range in the area has been from 6 to 24 units per acre, as prescribed in the zoning regulations. However, it should be noted, that while this land is vacant and zoned, not all the land is available for building.

The following is a summary of building permit activity for the City of Portsmouth and the Hampton Roads MSA:

TABLE 16

HOUSING UNITS AUTHORIZED
City of Portsmouth – Hampton Roads MSA – Virginia
1990 - 2018

<u>Year</u>	<u>City of Portsmouth</u>			<u>Hampton Roads MSA</u>		
	<u>Total</u>	<u>Single-Family</u>	<u>Multi-Family</u>	<u>Total</u>	<u>Single-Family</u>	<u>Multi-Family</u>
1990	238	102	136	8,718	6,524	2,194
1991	82	78	4	7,803	6,289	1,514
1992	105	105	0	9,065	7,723	1,342
1993	165	85	80	9,754	7,965	1,789
1994	199	199	0	8,913	7,253	1,660
1995	285	237	48	8,672	6,251	2,421
1996	331	219	112	8,335	6,564	1,771
1997	309	213	96	7,603	6,278	1,325
1998	253	253	0	8,529	7,098	1,431
1999	247	247	0	9,015	7,505	1,510
2000	213	213	0	7,447	6,517	930
2001	224	194	30	8,732	7,105	1,627
2002	153	153	0	10,180	7,653	2,527
2003	378	132	246	10,296	7,793	2,503
2004	379	129	250	10,143	7,251	2,892
2005	227	168	59	11,320	7,627	3,693
2006	193	193	0	7,711	5,902	1,809
2007	392	189	203	6,319	4,760	1,559
2008	337	95	242	5,149	3,338	1,811
2009	85	85	0	5,298	2,995	2,303
2010	66	66	0	3,967	3,150	817
2011	153	153	0	5,569	2,964	2,605
2012	139	55	84	5,380	3,531	1,849
2013	219	87	132	7,383	4,110	3,273
2014	153	141	12	5,715	3,766	1,949
2015	94	94	0	6,722	4,024	2,698
2016	124	122	2	6,213	4,095	2,118
2017	158	158	0	6,182	4,404	1,778
2018*	137	137	0	5,476	4,120	1,356

*Preliminary through December 2018
Source: U.S. Department of Commerce, C-40 Const. Reports

Based on 2010 Census decennial data, the vacancy rate for rental units, regardless of age or condition, was 8.7% in the City of Portsmouth and 8.2% in the Portsmouth MSA. The rental units surveyed included all rentals available whether in multi-family, single-family or mobile home structures, while the vacancies included the seasonal fluctuation of the market area. The vacancy rate for owned, non-rental units, again regardless of age or condition, was 3.5% in the City of Portsmouth and 2.5% in the Portsmouth MSA.

TABLE 17
**VACANCY RATES
 AND
 HOUSING CONDITIONS**
City of Portsmouth – Portsmouth MSA – Virginia
 Census 2010

	Portsmouth		Portsmouth MSA		Virginia	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total Housing Units	40,806	100.0%	671,844	100.0%	3,364,939	100.0%
Occupied Housing	37,324	91.5%	619,692	92.2%	3,056,058	90.8%
Owner Occupied	21,962	58.8%	389,721	62.9%	2,055,186	67.2%
Vacant for Sale	775	3.5%	9,755	2.5%	44,881	2.2%
Vacant Sold, Not Occupied	92	0.4%	1,297	0.3%	9,570	0.5%
Renter Occupied	15,362	41.2%	229,971	37.1%	1,000,872	32.8%
Vacant for Rent	1,336	8.7%	18,770	8.2%	82,493	8.2%
Rented, Not Occupied	50	0.3%	1,077	0.5%	5,408	0.5%
For Seasonal/Recreational/Occasional Use	131	0.3%	10,214	1.5%	80,468	2.4%
For Migrant Workers	0	0.0%	43	<0.1%	608	<0.1%
Other Vacant	1,098	2.7%	10,996	1.6%	85,453	2.5%
Total Vacancy Rate	8.5%		7.8%		9.2%	

**"Other Vacant" category includes those neither for sale nor for rent, usually unrentable or dilapidated.

Source: U.S. Census Bureau, 2010 Census Summary File 1

According to the 2013-2017 American Community Survey data, approximately 94.9% of the owner-occupied housing in the City of Portsmouth is single-family detached or attached units, compared to 94.4% in the Portsmouth MSA. Within renter-occupied housing, the City of Portsmouth has approximately 20.6% in 2 to 4 unit structures and 29.2% in structures of 5 to 19 units. The City of Portsmouth has a total of 31.2% in renter-occupied single-family detached units, slightly more than the Portsmouth MSA at 26.1%.

TABLE 18
**HOUSING UNITS
 BY TYPE OF STRUCTURE**
City of Portsmouth – Portsmouth MSA – Virginia
 American Community Survey 2013-2017

	Portsmouth		Portsmouth MSA		Virginia	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
1 Unit, Detached	17,498	87.8%	317,935	83.4%	1,640,855	79.8%
1, Unit Attached	1,415	7.1%	41,949	11.0%	232,014	11.3%
2 Units	135	0.7%	1,308	0.3%	5,142	0.3%
3-4 Units	157	0.8%	2,673	0.7%	8,784	0.4%
5-9 Units	223	1.1%	3,328	0.9%	16,376	0.8%
10-19 Units	128	0.6%	2,349	0.6%	18,192	0.9%
20-49 Units	39	0.2%	972	0.3%	7,911	0.4%
50 or More Units	150	0.8%	2,167	0.6%	28,348	1.4%
Mobile Home	191	1.0%	8,222	2.2%	96,955	4.7%
Other	0	0.0%	108	<0.1%	496	<0.1%
TOTAL	19,936	100.0%	381,011	100.0%	2,055,073	100.0%
Renter-Occupied Housing Units						
1 Unit, Detached	5,208	31.2%	63,477	26.1%	296,538	28.2%
1, Unit Attached	1,214	7.3%	33,891	14.0%	125,972	12.0%
2 Units	1,142	6.8%	11,955	4.9%	43,004	4.1%
3-4 Units	2,296	13.8%	28,073	11.6%	75,614	7.2%
5-9 Units	3,644	21.8%	42,375	17.5%	124,877	11.9%
10-19 Units	1,238	7.4%	28,598	11.8%	157,129	15.0%
20-49 Units	884	5.3%	11,487	4.7%	50,870	4.8%
50 or More Units	946	5.7%	18,609	7.7%	130,605	12.4%
Mobile Home	108	0.6%	4,272	1.8%	45,274	4.3%
Other	0	0.0%	74	<0.1%	680	0.1%
TOTAL	16,680	100.0%	242,811	100.0%	1,050,563	100.0%

Source: U.S. Census Bureau, American Community Survey 2013-2017 (Table B25032)

In 2017, the median gross rent for specified renter-occupied housing units was \$988 in the City of Portsmouth area, compared to \$1,058 in the Portsmouth MSA and \$1,166 for the Commonwealth of Virginia. The median gross rents for the City of Portsmouth has increased 83.0% from the median 2000 gross rents. It's interesting to note that approximately one-third of the units (37.1%) in the City of Portsmouth were in the \$900 to \$1,249 price range, while the Portsmouth MSA area had approximately one-third (38.7%) of the units in the gross rents range of \$1,000 to \$1,499.

TABLE 19
**DISTRIBUTION OF
 GROSS RENT**
 City of Portsmouth – Portsmouth MSA – Virginia
 American Community Survey 2013-2017

GROSS RENT	Portsmouth		Portsmouth MSA		Virginia	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$100	178	1.1%	1,344	0.6%	3,609	0.3%
\$100-\$149	49	0.3%	913	0.4%	3,365	0.3%
\$150-\$199	145	0.9%	1,187	0.5%	5,474	0.5%
\$200-\$249	216	1.3%	3,502	1.4%	14,348	1.4%
\$250-\$299	200	1.2%	2,757	1.1%	10,217	1.0%
\$300-\$349	367	2.2%	2,503	1.0%	10,572	1.0%
\$350-\$399	213	1.3%	1,449	0.6%	10,220	1.0%
\$400-\$449	187	1.1%	1,798	0.7%	11,900	1.1%
\$450-\$499	219	1.3%	1,677	0.7%	14,558	1.4%
\$500-\$549	238	1.4%	2,196	0.9%	19,224	1.8%
\$550-\$599	248	1.5%	2,267	0.9%	19,453	1.9%
\$600-\$649	362	2.2%	3,334	1.4%	24,395	2.3%
\$650-\$699	429	2.6%	4,426	1.8%	27,837	2.6%
\$700-\$749	679	4.1%	6,280	2.6%	31,039	3.0%
\$750-\$799	812	4.9%	8,502	3.5%	32,838	3.1%
\$800-\$899	1,671	10.0%	21,097	8.7%	73,195	7.0%
\$900-\$999	2,109	12.6%	24,595	10.1%	75,585	7.2%
\$1,000-\$1,249	4,077	24.4%	55,142	22.7%	165,336	15.7%
\$1,250-\$1,499	2,076	12.4%	38,851	16.0%	133,477	12.7%
\$1,500-\$1,999	1,300	7.8%	36,500	15.0%	178,347	17.0%
\$2,000 or More	366	2.2%	14,892	6.1%	129,941	12.4%
No Cash Rent	539	3.2%	7,599	3.1%	55,633	5.3%
TOTAL	16,680	100.0%	242,811	100.0%	1,050,563	100.0%
Median Rent - 2000	\$540		N/A		\$650	
Median Rent - 2013-2017	\$988		\$1,058		\$1,166	
Percent Change 2000 - 2017	83.0%		-		79.4%	

Source: U.S. Census Bureau, Census 2000, American Community Survey 2013-2017 (Tables B25063, B25064)

In reference to the number of rent-overburdened households in 2017, the City of Portsmouth had 7,611 households or 45.7% contributing 35% or more of their household income to gross rent. Therefore, nearly one-half of the income-qualified households in the City of Portsmouth would be considered overburdened. In reference to the number of rent-overburdened households in the Portsmouth MSA, there were 100,095 households or 41.2% contributing 35% or more of their household income to gross rent. Therefore, over one-third of the income-qualified households in the Portsmouth MSA would be considered overburdened.

TABLE 20
**DISTRIBUTION OF GROSS RENT
AS A PERCENTAGE OF
HOUSEHOLD INCOME**
City of Portsmouth – Portsmouth MSA – Virginia
American Community Survey 2013-2017

	Portsmouth		Portsmouth MSA		Virginia	
	Number	Percent	Number	Percent	Number	Percent
Less Than 10 Percent	466	2.8%	5,998	2.5%	35,692	3.4%
10 to 14 Percent	798	4.8%	14,779	6.1%	83,358	7.9%
15 to 19 Percent	1,638	9.8%	25,496	10.5%	125,717	12.0%
20 to 24 Percent	2,092	12.5%	31,701	13.1%	136,424	13.0%
25 to 29 Percent	1,598	9.6%	29,304	12.1%	117,463	11.2%
30 to 34 Percent	1,456	8.7%	23,631	9.7%	91,506	8.7%
35 to 39 Percent	1,395	8.4%	16,920	7.0%	65,490	6.2%
40 to 49 Percent	1,847	11.1%	24,555	10.1%	90,082	8.6%
50 Percent or More	4,369	26.2%	58,620	24.1%	230,304	21.9%
Not Computed	<u>1,021</u>	<u>6.1%</u>	<u>11,807</u>	<u>4.9%</u>	<u>74,527</u>	<u>7.1%</u>
TOTAL	16,680	100.0%	242,811	100.0%	1,050,563	100.0%

Source: U.S. Census Bureau, American Community Survey 2013-2017 (Table B25070)

According to the 2013-2017 American Community Survey, less than 2.0% of the renter-occupied housing units within the City of Portsmouth lack complete plumbing and/or kitchen facilities. In the Portsmouth MSA, 0.5% of the renter-occupied housing units lack complete plumbing facilities, while 1.1% lack kitchen facilities. The median number of rooms for the City of Portsmouth and the Portsmouth MSA ranged from 6.4 to 6.9, approximately four bedrooms in owner-occupied units, and from 4.5 to 4.6 median rooms, or approximately two bedrooms in renter-occupied units.

TABLE 21
HOUSING QUALITY
City of Portsmouth – Portsmouth MSA – Virginia
 American Community Survey 2013-2017

	Portsmouth		Portsmouth MSA		Virginia	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
Lacking Plumbing Facilities	34	0.2%	628	0.2%	4,909	0.2%
Lacking Kitchen Facilities	49	0.2%	707	0.2%	4,750	0.2%
Number of Rooms						
Three or less	284	1.4%	4,729	1.2%	40,962	2.0%
Four	1,373	6.9%	20,866	5.5%	127,256	6.2%
Five	3,601	18.1%	57,480	15.1%	310,871	15.1%
Six or more	<u>14,678</u>	<u>73.6%</u>	<u>297,936</u>	<u>78.2%</u>	<u>1,575,984</u>	<u>76.7%</u>
TOTAL	19,936	100.0%	381,011	100.0%	2,055,073	100.0%
Median Rooms	6.4		6.9		7.0	
Renter-Occupied Housing Units						
Lacking Plumbing Facilities	57	0.3%	1,226	0.5%	5,350	0.5%
Lacking Kitchen Facilities	177	1.1%	2,662	1.1%	14,213	1.4%
Number of Rooms						
Three or less	2,674	16.0%	47,606	19.6%	248,323	23.6%
Four	5,501	33.0%	70,033	28.8%	283,861	27.0%
Five	4,236	25.4%	54,730	22.5%	215,929	20.6%
Six or more	<u>4,269</u>	<u>25.6%</u>	<u>70,442</u>	<u>29.0%</u>	<u>302,450</u>	<u>28.8%</u>
TOTAL	16,680	100.0%	242,811	100.0%	1,050,563	100.0%
Median Rooms	4.5		4.6		4.5	

* Rooms excluding bathrooms, porches, balconies, foyers, hallways or half-rooms

† Three rooms = 1 or less bedroom, Four rooms - 2 bedrooms, Five rooms - 3 bedrooms, etc.

Source: U.S. Census Bureau, American Community Survey 2013-2017

Mobility patterns from the 2013-2017 American Community Survey revealed that within the City of Portsmouth area, 22.0% of the occupants in owner-occupied housing units and 75.1% of the occupants in renter-occupied units have moved since 2010. For the Portsmouth MSA, 24.2% of the occupants in owner-occupied units and 78.6% of the occupants in renter-occupied units have moved since 2010. The average occupancy period for renter-occupied housing was 7.3 and 6.7 years for the City of Portsmouth and the Portsmouth MSA, respectively. The average occupancy period for owner-occupied housing was slightly longer in the City of Portsmouth at 20.6 years compared to 18.4 years in the Portsmouth MSA.

TABLE 22
**MOBILITY PATTERNS
 BY HOUSING UNIT**
City of Portsmouth – Portsmouth MSA – Virginia
 American Community Survey 2013-2017

	Portsmouth		Portsmouth MSA		Virginia	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
Moved in 2015 or Later	927	4.6%	19,942	5.2%	99,290	4.8%
Moved in 2010-2014	3,470	17.4%	72,407	19.0%	392,201	19.1%
Moved in 2000-2009	6,726	33.7%	130,175	34.2%	733,146	35.7%
Moved in 1990-1999	3,237	16.2%	76,856	20.2%	396,998	19.3%
Moved in 1980-1989	2,012	10.1%	40,970	10.8%	208,295	10.1%
Moved in 1979 or earlier	<u>3,564</u>	<u>17.9%</u>	<u>40,661</u>	<u>10.7%</u>	<u>225,143</u>	<u>11.0%</u>
TOTAL	19,936	100.0%	381,011	100.0%	2,055,073	100.0%
Average Years	20.6		18.4		18.4	
Renter-Occupied Housing Units						
Moved in 2015 or Later	3,420	20.5%	55,184	22.7%	228,745	21.8%
Moved in 2010-2014	9,114	54.6%	135,738	55.9%	575,082	54.7%
Moved in 2000-2009	3,090	18.5%	39,122	16.1%	182,816	17.4%
Moved in 1990-1999	717	4.3%	8,473	3.5%	38,908	3.7%
Moved in 1980-1989	137	0.8%	2,295	0.9%	13,174	1.3%
Moved in 1979 or earlier	<u>202</u>	<u>1.2%</u>	<u>1,999</u>	<u>0.8%</u>	<u>11,838</u>	<u>1.1%</u>
TOTAL	16,680	100.0%	242,811	100.0%	1,050,563	100.0%
Average Years	7.3		6.7		7.1	

Source: U.S. Census Bureau, American Community Survey 2013-2017 (Table B25038)

The average age of householders in 2010 was 44.1 years for renter-occupied housing in the City of Portsmouth, with 37.6% of the renter base below the age of 35. In the Portsmouth MSA, the average age of householders for renter-occupied housing was 42.3 years.

TABLE 23
**HOUSING UNITS
 BY AGE OF HOUSEHOLDER**
 City of Portsmouth – Portsmouth MSA – Virginia
 Census 2010

	Portsmouth		Portsmouth MSA		Virginia	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
Under 25 Years	332	1.5%	4,732	1.2%	20,478	1.0%
25 to 34 Years	2,760	12.6%	41,287	10.6%	205,591	10.0%
35 to 44 Years	3,281	14.9%	66,525	17.1%	373,677	18.2%
45 to 54 Years	4,363	19.9%	97,372	25.0%	501,051	24.4%
55 to 59 Years	2,382	10.8%	43,367	11.1%	233,821	11.4%
60 to 64 Years	2,149	9.8%	39,235	10.1%	216,029	10.5%
65 to 74 Years	3,140	14.3%	53,736	13.8%	285,856	13.9%
75 to 84 Years	2,443	11.1%	32,548	8.4%	164,284	8.0%
85 Years and Older	<u>1,112</u>	<u>5.1%</u>	<u>10,919</u>	<u>2.8%</u>	<u>54,399</u>	<u>2.6%</u>
TOTAL	21,962	100.0%	389,721	100.0%	2,055,186	100.0%
Average Age	55.5		54.1		54.1	
Renter-Occupied Housing Units						
Under 25 Years	1,863	12.1%	31,286	13.6%	118,778	11.9%
25 to 34 Years	3,917	25.5%	65,121	28.3%	275,456	27.5%
35 to 44 Years	2,646	17.2%	43,983	19.1%	201,974	20.2%
45 to 54 Years	2,931	19.1%	39,442	17.2%	172,603	17.2%
55 to 59 Years	1,160	7.6%	13,633	5.9%	61,040	6.1%
60 to 64 Years	873	5.7%	10,162	4.4%	46,974	4.7%
65 to 74 Years	1,010	6.6%	12,627	5.5%	56,909	5.7%
75 to 84 Years	591	3.8%	8,659	3.8%	41,023	4.1%
85 Years and Older	<u>371</u>	<u>2.4%</u>	<u>5,058</u>	<u>2.2%</u>	<u>26,115</u>	<u>2.6%</u>
TOTAL	15,362	100.0%	229,971	100.0%	1,000,872	100.0%
Average Age	44.1		42.3		43.2	

Source: U.S. Census Bureau, 2010 Census Summary File 1

In 2010, households with one or two people totaled 61.4% for owner-occupied units and 60.7% for renter-occupied units within the City of Portsmouth area. Portsmouth MSA households with one or two people totaled 57.3% for units occupied by owners and 60.5% for units occupied by renters. The average number of persons per household in renter-occupied housing was 2.45 and 2.44 for the City of Portsmouth and the Portsmouth MSA, respectively. For owner-occupied units, the average household size was slightly smaller in the City of Portsmouth at 2.48 compared to 2.61 in the Portsmouth MSA.

TABLE 24
HOUSING UNITS
BY PER PERSON
City of Portsmouth – Portsmouth MSA – Virginia
 Census 2010

	Portsmouth		Portsmouth MSA		Virginia	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Owner-Occupied Housing Units						
1-Person Household	5,771	26.3%	80,492	20.7%	445,994	21.7%
2-Person Household	7,706	35.1%	142,577	36.6%	751,259	36.6%
3-Person Household	3,878	17.7%	72,342	18.6%	358,425	17.4%
4-Person Household	2,667	12.1%	57,716	14.8%	301,012	14.6%
5-Person Household	1,173	5.3%	23,621	6.1%	125,353	6.1%
6-Person Household	457	2.1%	8,382	2.2%	45,267	2.2%
7-Person Household	<u>310</u>	<u>1.4%</u>	<u>4,591</u>	<u>1.2%</u>	<u>27,876</u>	<u>1.4%</u>
TOTAL	21,962	100.0%	389,721	100.0%	2,055,186	100.0%
AVERAGE	2.48		2.61		2.60	
Renter-Occupied Housing Units						
1-Person Household	5,217	34.0%	74,896	32.6%	349,123	34.9%
2-Person Household	4,109	26.7%	64,207	27.9%	273,382	27.3%
3-Person Household	2,728	17.8%	40,885	17.8%	162,078	16.2%
4-Person Household	1,731	11.3%	28,123	12.2%	119,089	11.9%
5-Person Household	924	6.0%	13,454	5.9%	56,863	5.7%
6-Person Household	378	2.5%	5,254	2.3%	23,949	2.4%
7-Person Household	<u>275</u>	<u>1.8%</u>	<u>3,152</u>	<u>1.4%</u>	<u>16,388</u>	<u>1.6%</u>
TOTAL	15,362	100.0%	229,971	100.0%	1,000,872	100.0%
AVERAGE	2.45		2.44		2.41	

Source: U.S. Census Bureau, 2010 Census Summary File 1

A review of the cost burden analysis for the City of Portsmouth indicates a majority of the households have cost burdens of less than 30% in both owner-occupied and renter-occupied households. However, it should be noted that approximately 26.0% of the rental households in the City of Portsmouth have cost burdens exceeding 50%. Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

TABLE 25
**HOUSING COST BURDEN
 BY PERCENTAGE**
City of Portsmouth – Virginia
 CHAS 2011-2015 American Community Survey

	Portsmouth		Virginia	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Owner-Occupied Housing Units				
Cost Burden <=30%	13,150	65.3%	1,545,260	76.2%
Cost Burden >30% to <=50%	4,015	19.9%	293,315	14.5%
Cost Burden >50%	2,845	14.1%	175,995	8.7%
Cost Burden not available	<u>125</u>	<u>0.6%</u>	<u>12,435</u>	<u>0.6%</u>
TOTAL	20,135	100.0%	2,027,005	100.0%
Renter-Occupied Housing Units				
Cost Burden <=30%	7,580	45.6%	556,315	53.7%
Cost Burden >30% to <=50%	4,295	25.8%	232,100	22.4%
Cost Burden >50%	4,330	26.0%	224,730	21.7%
Cost Burden not available	<u>425</u>	<u>2.6%</u>	<u>22,630</u>	<u>2.2%</u>
TOTAL	16,630	100.0%	1,035,775	100.0%

Source: huduser.gov - Comprehensive Housing Affordability Strategy data, 2011-2015 ACS

VIII. COMPETITIVE ENVIRONMENT

A. RENTAL MARKET

The following information and analysis is data collected from a field survey of the modern apartments in the City of Portsmouth Primary Market Area in March 2019 by David Meier, a field analyst with National Land Advisory Group. Every family market-rate, government subsidized and LIHTC apartment development with 12-units (+/-) or more were surveyed by age, unit amenities, square feet (when available), vacancies, rents, utilities, deposits, project amenities and tenant mix. The collected data includes the following:

- ◆ A distribution of both market rate and government subsidized developments by unit mix and vacancy.
- ◆ An analysis of apartment building trends, which includes the number of units, percent distribution, cumulative units, and vacancy rate by year built.
- ◆ A rent and vacancy analysis for studio, 1, 2 and 3 bedroom units, which contains a distribution of units and vacancies by net rent ranges.
- ◆ A project information analysis on each project, listed individually.
- ◆ There are many duplexes in the market area that have not been included in this survey.
- ◆ The project rating given to each apartment development surveyed is a direct relationship between the physical characteristics and three common variables found at each development: unit amenities, development amenities and physical appearance (subjective in nature). For reference, the analysis will summarize these factors to a total of 1 to 10, with 1 being low quality and 10 being an excellent quality rating.

- ◆ The following is a breakdown of the surveyed senior and family-orientated market-rate, LIHTC developments and government subsidized developments:

TABLE 26

**DISTRIBUTION OF
MARKET RATE, TAX CREDIT AND GOVERNMENT SUBSIDIZED
APARTMENT UNITS AND VACANCIES
Portsmouth, Virginia PMA
March 2019**

<u>MARKET RATE</u>	<u>UNITS</u>		<u>VACANCIES</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Studio	6	0.4%	1	16.7%
One-Bedroom	741	52.6%	31	4.2%
Two-Bedroom	619	43.9%	50	8.1%
Three-Bedroom	44	3.1%	5	11.4%
Four-Bedroom	-	-	-	-
TOTAL	1,410	100.0%	87	6.2%

<u>TAX CREDIT</u>	<u>Number</u>		<u>Percent</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Studio	-	-	-	-
One-Bedroom	114	22.0%	2	1.8%
Two-Bedroom	368	71.0%	2	0.5%
Three-Bedroom	36	6.9%	0	0.0%
Four-Bedroom	-	-	-	-
TOTAL	518	100.0%	4	0.8%

<u>GOVERNMENT SUBSIDIZED</u>	<u>Number</u>		<u>Percent</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Studio	-	-	-	-
One-Bedroom	729	39.8%	0	0.0%
Two-Bedroom	791	43.2%	4	0.5%
Three-Bedroom	263	14.4%	4	1.5%
Four-Bedroom	48	2.6%	3	6.3%
TOTAL	1,831	100.0%	11	0.6%

- ◆ The Portsmouth market area consists of market-rate, LIHTC and government subsidized rental housing units. Approximately 37.5% of the units are market-rate units (1,410) with an overall vacancy rate of 6.2%. LIHTC units make up approximately 13.8% of the units and have a 0.8% vacancy rate. The 1,831 government subsidized units comprise 48.7% of the units and have a very low vacancy rate of 0.6%.
- ◆ The lower vacancy rates for can be contributed to many aspects, including the lack of newer product in the rental market, typified by selective vacancies at the developments. Even though there are no vacancies in the government subsidized developments they are working from waiting lists to fill any vacancies that become available. All of the developments have waiting list.
- ◆ A majority of the developments have occupancies at 96% or higher in the Portsmouth Primary Market Area. Only one development has a higher vacancy rate than normal; however this development has recently had mass evictions in the Portsmouth area and is typically at a higher occupancy rate.
- ◆ The Portsmouth area has a substantial base of different rental housing types, with a good percentage of family living options.
- ◆ Approximately 62.9% of the Portsmouth market area units were built after 2000. The most recent units were built in 2017 and represent 2.3% of the rental unit base surveyed.
- ◆ The Portsmouth market area has had an average annual release of 139.2 units over the past ten years.

TABLE 27

MULTI-FAMILY CONSTRUCTION TRENDS
Portsmouth, Virginia PMA
1970-2019

<u>YEAR OF PROJECT OPENING*</u>	<u>NUMBER OF UNITS</u>	<u>PERCENT DISTRIBUTION</u>	<u>CUMULATIVE UNITS</u>
Before 1970	895	23.8%	895
1970 – 1974	-	-	895
1975 – 1979	312	8.3%	1,207
1980 – 1984	188	5.0%	1,395
1985 – 1989	-	-	1,395
1990 – 1994	-	-	1,395
1995 – 1999	-	-	1,395
2000 – 2004	170	4.5%	1,565
2005	453	12.1%	2,018
2006	136	3.6%	2,154
2007	57	1.5%	2,211
2008	156	4.2%	2,367
2009	317	8.4%	2,684
2010	575	15.3%	3,259
2011	-	-	3,259
2012	48	1.3%	3,307
2013	55	1.5%	3,362
2014	146	3.9%	3,508
2015	-	-	3,508
2016	165	4.4%	3,673
2017	86	2.3%	3,759
2018	-	-	3,759
2019	-	-	3,759
TOTAL	3,759	100.0%	

AVERAGE ANNUAL RELEASE OF UNITS: **2009-2018**

139.2

*Based on rehabilitation

- ◆ The following is a distribution of market-rate and LIHTC unit net rents, if applicable. Net rents for market rate units include water, sewer, and trash removal. The adjusted net rent is determined by subtracting the owner-paid utilities such as gas, electric, heat and cable TV from the quoted rents, as well as adding tenant-paid water, sewer, and trash removal.

TABLE 28

**RENT AND VACANCY ANALYSIS
STUDIO MARKET RATE & LIHTC UNITS
Portsmouth, Virginia PMA
March 2019**

<u>Net Rent</u>	<u>TOTAL UNITS</u>		<u>VACANCIES</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
-	-	-	-	-
\$999	<u>6</u>	<u>100.0%</u>	<u>1</u>	16.7%
TOTAL	6	100.0%	1	16.7%

MEDIAN RENT: \$999

TABLE 29

**RENT AND VACANCY ANALYSIS
ONE-BEDROOM MARKET RATE & LIHTC UNITS
Portsmouth, Virginia PMA
March 2019**

<u>Net Rent</u>	<u>TOTAL UNITS</u>		<u>VACANCIES</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$1315 - \$1498	234	27.4%	10	4.3%
\$1119 - \$1256	233	27.3%	9	3.9%
\$882 - \$1099	265	31.0%	12	4.5%
\$700 - \$774	<u>123</u>	<u>14.4%</u>	<u>2</u>	1.6%
TOTAL	855	100.0%	33	3.9%

MEDIAN RENT: \$1,142

TABLE 30

**RENT AND VACANCY ANALYSIS
TWO-BEDROOM MARKET RATE & LIHTC UNITS
Portsmouth, Virginia PMA
March 2019**

<u>Net Rent</u>	<u>TOTAL UNITS</u>		<u>VACANCIES</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$1600 - \$1751	146	14.8%	7	4.8%
\$1500 - \$1550	96	9.7%	4	4.2%
\$1218 - \$1300	85	8.6%	3	3.5%
\$900 - \$1090	218	22.1%	10	4.6%
\$699 - \$800	<u>442</u>	<u>44.8%</u>	<u>28</u>	6.3%
TOTAL	987	100.0%	52	5.3%

MEDIAN RENT: \$945

TABLE 31

**RENT AND VACANCY ANALYSIS
THREE-BEDROOM MARKET RATE & LIHTC UNITS
Portsmouth, Virginia PMA
March 2019**

<u>Net Rent</u>	<u>TOTAL UNITS</u>		<u>VACANCIES</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$2,050	1	1.3%	1	100.0%
\$1041 - \$1845	54	67.5%	0	0.0%
\$844 - \$900	<u>25</u>	<u>31.3%</u>	<u>4</u>	16.0%
TOTAL	80	100.0%	5	6.3%

MEDIAN RENT: \$1,264

- ◆ The Portsmouth area median rents are \$999 for a studio unit, \$1,142 for a one-bedroom unit, \$945 for a two-bedroom unit, and \$1,264 for a three-bedroom unit.
- ◆ The Portsmouth PMA has twenty-one family-orientated and six senior-orientated developments, of which sixteen are government subsidized. Some developments have a combination of unit and tenant types within these housing developments.

- ◆ The market-rate units have a slightly higher vacancy rate because of the normal, but consistent turnover, in the market area. The rental base is more transient because of the employment types in the market area, specifically the government/military employers. Even with that noted, the occupancy levels are still good for market-rate, LIHTC and government subsidized units.

- ◆ Interviews were conducted with apartment community managers, Realtors and property owners regarding the rent ranges of rental units scattered throughout the City of Portsmouth. There are some rental units located in the Portsmouth area which are not part of the traditional apartment communities. In a review of these housing alternatives within the Portsmouth market area, it was noted that there are several alternative rentals, including duplexes, triplexes, units above commercial store fronts and single-family residences. The following is an estimation of the rents for these types of facilities:

Studio	\$600-\$750
One-Bedroom	\$725-\$850
Two-Bedroom	\$830-\$1,025
Three-Bedroom	\$950-\$1,650

- ◆ In conducting the field analysis of the rental housing market in the City of Portsmouth, interviews were conducted with an array of city officials, chamber and development department official, several realtors, the housing authority and some of the apartment managers. Most public officials embraced the proposed family development concept noting there is a need for additional affordable housing in the Portsmouth area. Rental managers were also positive as they indicated strong occupancy the difficulty of serving affordable households.

B. LOW-INCOME HOUSING TAX CREDIT PROJECTS

- ◆ Under the Virginia Housing Development Authority’s guidelines, fifteen developments within the Portsmouth Primary Market Area have received LIHTC allocations since 2000 and have been included in this analysis. The following are the LIHTC developments:

Development	Year	Type	Units
Victory Square (#1)	2004	Senior	112
Pheobus Square (#2) *	2009	Senior	138
Effingham Plaza (#11) *	1977	Senior	178
King Square (#12) *	2007	Senior	57
London Oaks (#13) *	2010 (r)	Family	296
Seaboard Square I-II (#14) *	2009-10	Family	221
Marsh Landing (#19)	1999 (r)	Family	250
Dale Homes (#20) *	1940	Family	209
Hope Village (#21) *	2012 (r)	Senior	48
Southside Gardens (#22) *	1979	Family	134
Hamilton Place I-II (#23) *	2010	Family	168
Crescent Place (#24)	2008	Family	156
Malvern Hill (#25) *	2013 (r)	Senior	55
Westbury (#25) *	2002	Family	58
Holley Square (#27) *	2005	Family	59
Lexington Place I	Approved in 2018	Family	72

* *Additional government subsidies*

- ◆ All of these senior and family LIHTC developments, which have been included within our field survey section; are inside the Portsmouth PMA.

- ◆ Overall, the fifteen senior and family developments contain 2,139 LIHTC units, of which there are 4 vacant or a 99.8% occupancy rate. Twelve of the LIHTC developments contain additional government subsidies.
- ◆ The six senior developments consist of 588 units and 2 vacancies for a 99.7% occupancy rate. The nine family developments contain 1,551 units with 2 vacancies for a 99.9% occupancy rate.
- ◆ A newer development is Malvern Hill, renovated in 2013 and containing 55 units. The development is 100% occupied.
- ◆ Recently approved, in 2018, is the Lexington Place I Apartments. This development is a 72-unit family development owned and operated by the Portsmouth Redevelopment and Housing Authority. The one-bedroom, two-bedroom and three-bedroom development should open in 2020.

C. PUBLIC HOUSING AGENCY SURVEY

In accordance with the guidelines established for the LIHTC program, contact was initiated with the local governing public housing agency. Several of the developments are located within the field survey section of this analysis. The existing government subsidized units have a non-existent vacancy rate. The developments have extensive waiting lists.

The Portsmouth Redevelopment and Housing Authority, which represents the City of Portsmouth, is the local housing authority which service the Section 8 housing and vouchers in Portsmouth. As noted in an interview with the RRHA, indicated they have 1,960 vouchers in service for Portsmouth and a waiting list of over 7,000 individuals. The waiting list is closed.

D. PLANNED OR PROPOSED DEVELOPMENT

Additionally, according to local governmental officials, other rental developments have been moving forward in the market area, but none have submitted formal plans for development for the subject site area of the Portsmouth. However, there is preliminary development activity. It must be noted that the Portsmouth area has been active in the multi-family development area.

E. COMPARABLE PROPERTIES AND ACHIEVABLE RENTS

In a review of comparable family properties and rent adjustments in the Portsmouth Primary Market Area, it was noted that there are three developments that would be considered as most comparable to the product. These developments have market-rate units with a family market segment associated to the product and tenant base. The following is a review of this development and rent adjustments to the proposed subject site.

Project #	Name	# Units	Occupancy	Type	Year
4.	The Myrtles at Olde Towne	394	92.6%	MR	2005
10.	Starboard Townhomes	78	66.7%	MR	1966
18.	Ebeneezer Plaza	52	100.0%	MR	1969
	Subject Site	50	-	LIHTC	2021

As noted, within the three competitive developments a total of 524 units exist with 55 vacant units or an overall 89.5% occupancy rate. However, it should be noted that the vacant units have had many recent evictions, as well as standard turnover.

The rent comparisons for the competitive analysis were based on the following: building structure, year built or renovated, overall quality rating, area/neighborhood rating, square footage, number of bathrooms, appliances, unit amenities, project amenities, utilities, on-site management, furnished units, etc. (see Rent Comparison Chart):

The following is a comparison of the one market-rate development to the proposed family development. Attached are detailed charts outlining rent adjustments for the proposed development.

RENT ADJUSTMENTS			
Project #	Name	Two-Bedroom	Three-Bedroom
4.	The Myrtles at Olde Towne	\$1,087	\$1,417
10.	Starboard Townhomes	\$938	\$1,066
18.	Ebenezer Plaza	\$895	\$988
Average		\$973	\$1,157
Subject Site (50%-70%)		\$650-\$900	\$715-\$1,050

It should be noted that the average of the comparable two-bedroom unit is \$973, somewhat higher than the proposed \$650-\$900 average net rents at 50% and 70% AMI. The proposed two-bedroom rent represents 66.8%-92.5% of the average comparable two-bedroom rent in the market area at 50% and 70% AMI. Within the three-bedroom market, the average comparable unit is \$1,157, somewhat higher than the proposed \$715-\$1,050 average net rents at 50% and 70% AMI. The proposed three-bedroom rent represents 61.8%-90.8% of the average comparable three-bedroom rent in the market area at 50% and 70% AMI. When reviewing the comparable developments, the proposed rents are within the appropriate rent differentials (5-15% of the existing market conditions). Therefore, based on the current existing rental market, the proposed development would be a value in the market area.

Rent Comparability Grid

Unit Type →

Two-Bedroom

Subject		Comp #1		Comp #2		Comp #3	
Project Name		The Myrtles at Olde Towne		Starboard Townhomes		Ebenezer Plaza	
Street Address		850 Crawford Pkwy		1001 Seventh Street		1140 Chisolm Circle	
City County		Portsmouth		Portsmouth		Portsmouth	
Subject		Portsmouth		Portsmouth		Portsmouth	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,090		\$800		\$778	
2	Date Last Leased (mo/yr)						
3	Rent Concessions						
4	Occupancy for Unit Type	93%		92%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,090	1.25	\$800	1.00	\$778	0.80
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>							
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	4		2		2	
7	Yr. Built/Yr. Renovated	2021	\$16	1966	\$55	1969	\$52
8	Condition /Street Appeal	E	G	G		G	
9	Neighborhood	G	G	G		G	
10	Same Market? Miles to Subj		G	G		G	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	Adj	Data	\$ Adj
11	# Bedrooms	2		2		2	
12	# Baths	1.5	(\$10)	1	\$5	1	\$5
13	Unit Interior Sq. Ft.	793-808	(\$7)	800	\$1	975	(\$17)
14	Balcony/ Patio	X	S	X		X	
15	AC: Central/ Wall	X	X	X		X	
16	Range/ refrigerator	XX	XX	XX		XX	
17	Microwave/ Dishwasher	X	(\$7)		\$7		\$7
18	Washer/Dryer Hook-up	X	X		\$10	X	
19	Washer/Dryer		(\$20)				
20	Floor Coverings	X	X	X		X	
21	Window Coverings	X	X	X		X	
22	Cable/ Satellite/Internet						
23	Special Features	X	X		\$5		\$5
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)		S				
25	Extra Storage	X	X		\$5		\$5
26	Security	X	X		\$5		\$5
27	Clubhouse/ Meeting Rooms	XX	XX		\$10		\$10
28	Pool/ Recreation Areas	X	(\$5)		\$5		\$5
29	Laundry Room	X	X	X			\$10
30	On Site Mgnt Office	X	X	X		X	
31	Other	X	\$5		\$5		\$5
32	Neighborhood Networks						
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	T-E	T-E	T-G		T-G	
34	Cooling (in rent?/ type)	T-E	T-E	T-E		T-E	
35	Cooking (in rent?/ type)	T-E	T-E	T-E		T-E	
36	Hot Water (in rent?/ type)	T-E	T-E	T-G		T-G	
37	Other Electric						
38	Cold Water/ Sewer	T	L \$25	L	\$25	L	\$25
39	Trash/Recycling	L	L	L		L	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	5	11		10	1
41	Sum Adjustments B to D	\$21	(\$49)	\$113		\$109	(\$17)
42	Sum Utility Adjustments	\$25		\$25		\$25	
		Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$3)	\$95	\$138	\$138	\$117	\$151
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,087		\$938		\$895	
45	Adj Rent/Last rent		100%		117%		115%
46	Estimated Market Rent	\$973		← Estimated Market Rent/ Sq. Ft			

Appraiser's Signature Date

Attached are explanations of :

a. why & how each adjustment was made
b. how market rent was



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APARTMENT FIELD SURVEY

INDIVIDUAL SUMMARY



PROJECT DESCRIPTION AND INFORMATION
Portsmouth, Virginia PMA
March 2019

Apartment Project #	Project Name	Address	City, State	Phone Number	Contact	Year Built	Project Type	Quality Rating	Total Units	Total Vacant	Percent Occupied
1	Victory Square	900 County St	Portsmouth, VA	(757) 397-9991	Estelita	2004	LIHTC	8.0	112	2	98.2%
2	Pheobus Square	606 Phoebus St	Portsmouth, VA	(844) 897-9465	Valzenia	2009	Gov't / LIHTC	8.0	138	0	100.0%
3	The Quarters at Park View	1140 London Blvd	Portsmouth, VA	(844) 394-7917	Nicole	2014	MR	8.5	146	4	97.3%
4	The Myrtles at Olde Towne I-II	850 Crawford Pkwy	Portsmouth, VA	(757) 354-4974	Ezera / Kendall	2005	MR	8.5	394	29	92.6%
5	Harbor Square	911 Randolph St	Portsmouth, VA	(757) 393-9540	Akika	1941	MR	6.0	96	4	95.8%
6	Harbor Tower	1 Harbor Ct	Portsmouth, VA	(757) 393-1600	Erin	1983	MR	8.5	188	6	96.8%
7	Harbor Vista	800 Crawford St	Portsmouth, VA	(757) 605-4612	Tiana	2006	MR	8.5	136	3	97.8%
8	The Seaboard	1 High St	Portsmouth, VA	(757) 512-6067	Brian	2017	MR	8.5	86	4	95.3%
9	Sterling King Apartments	714 Court St	Portsmouth, VA	(757) 399-0058	Nicole	2016	MR	8.5	113	6	94.7%
10	Starboard Townhomes	1001 Seventh St	Portsmouth, VA	(757) 606-2149	Adrien	1966	MR	8.0	78	26	66.7%
11	Effingham Plaza	715 Madison St	Portsmouth, VA	(844) 864-0672	Miss Crocker	1977	Gov't / LIHTC	6.0	178	0	100.0%
12	King Square	606 Phoebus St	Portsmouth, VA	(757) 394-2971	Valzenia	2007	Gov't / LIHTC	8.0	57	0	100.0%
13	London Oaks	2680 High St	Portsmouth, VA	(757) 390-6347	Seema	2010 (rehab)	Gov't / LIHTC	6.5	296	0	100.0%
14	Seaboard Square I-II	2847 Berkley Ave	Portsmouth, VA	(757) 391-2906	Valzenia	2009-2010	Gov't / LIHTC	8.0	221	0	100.0%
15	Tower 507	507 High St	Portsmouth, Va	(757) 903-0022	Summer	2016	MR	8.0	52	1	98.1%
16	Montgomery Square	714 King St	Portsmouth, VA	(757) 778-0801	Brian	2009	MR	8.0	69	4	94.2%
17	Swanson Homes	1746 South St	Portsmouth, VA	(757) 391-3046	Lillian	1941	Gov't	6.0	210	11	94.8%
18	Ebenezer Plaza	1140 Chisolm Cir	Portsmouth, VA	(757) 399-1722	Justin	1969	MR	6.5	52	0	100.0%
19	Marsh Landing	1044 Washington Hwy	Portsmouth, VA	(757) 393-1064	Janice	1942	LIHTC	7.0	250	2	99.2%
20	Dale Homes	1729 Columbus Ave	Portsmouth, VA	(757) 391-3051	Francesca	1940	Gov't / LIHTC	5.0	209	0	100.0%
21	Hope Village	611 Sixth St	Portsmouth, VA	(757) 391-2906	Valzenia	2012 (rehab)	Gov't / LIHTC	8.0	48	0	100.0%
22	Southside Gardens	707 Seventh St	Portsmouth, VA	(757) 399-0271	Valzenia	1979	Gov't / LIHTC	7.0	134	0	100.0%
23	Hamilton Place I-II	1025 Patriot Way	Portsmouth, VA	(757) 391-0332	Valzenia	2010	Gov't / LIHTC	7.0	168	0	100.0%
24	Crescent Place	2804 Turnpike Rd	Portsmouth, VA	(757) 673-3962	Neily	2008	LIHTC	6.5	156	0	100.0%
25	Malvern Hill	426 King St	Portsmouth, VA	(757) 393-0905	James	2013 (rehab)	Gov't / LIHTC	7.0	55	0	100.0%
26	Westbury	606 Phoebus St	Portsmouth, VA	(757) 391-2972	Miss Casell	2002	Gov't / LIHTC	8.0	58	0	100.0%
27	Holley Square	606 Phoebus St	Portsmouth, VA	(757) 391-2972	Miss Casell	2005	Gov't / LIHTC	8.0	59	0	100.0%

RENT AND VACANCY ANALYSIS by STUDIO UNITS
Portsmouth, Virginia PMA
March 2019

Apartment Project #	Project Name	Style	Number	Vacant	Rent	Sq. Ft.
1	Victory Square					
2	Pheobus Square					
3	The Quarters at Park View	G	6	1	\$999	516
4	The Myrtles at Olde Towne I-II					
5	Harbor Square					
6	Harbor Tower					
7	Harbor Vista					
8	The Seaboard					
9	Sterling King Apartments					
10	Starboard Townhomes					
11	Effingham Plaza					
12	King Square					
13	London Oaks					
14	Seaboard Square I-II					
15	Tower 507					
16	Montgomery Square					
17	Swanson Homes					
18	Ebenezer Plaza					
19	Marsh Landing					
20	Dale Homes					
21	Hope Village					
22	Southside Gardens					
23	Hamilton Place I-II					
24	Crescent Place					
25	Malvern Hill					
26	Westbury					
27	Holley Square					

RENT AND VACANCY ANALYSIS by ONE-BEDROOM UNITS
Portsmouth, Virginia PMA
March 2019

Apartment Project #	Project Name	Style	Number	Vacant	Rent 1.0 Bath	Rent 1.5 Bath	Sq. Ft.
1	Victory Square	G	98	2	\$755		675
2	Pheobus Square	G	138	0	*		975
3	The Quarters at Park View	G	118	2	\$999-1400		691-994
4	The Myrtles at Olde Towne I-II	G	212	14	\$882-1498		604-936
5	Harbor Square						
6	Harbor Tower	G	94	2	\$1050-1225		763-795
7	Harbor Vista	G	98	3	\$1215-1315		
8	The Seaboard	G	74	4	\$1189-1329		632-684
9	Sterling King Apartments	G	50	4	\$1256-1350		623-864
10	Starboard Townhomes	TH	9	0	\$700		650
11	Effingham Plaza	G	146	0	*		530
12	King Square	G	8	0	*		
13	London Oaks	G	48	0	*		640
14	Seaboard Square I-II	G	56	0	*		
15	Tower 507	G	42	1	\$1099-1119		437-785
16	Montgomery Square	G	44	1	\$1149 / 1250		680 / 770
17	Swanson Homes	G	64	0	*		728
18	Ebenezer Plaza						
19	Marsh Landing						
20	Dale Homes	G	52	0	*		
21	Hope Village	G	40	0	*		
22	Southside Gardens	G	68	0	*		800
23	Hamilton Place I-II	G	24	0	*		
24	Crescent Place	G	16	0	\$774		812
25	Malvern Hill	G	55	0	*		
26	Westbury	G	10	0	*		
27	Holley Square	G	20	0	*		

RENT AND VACANCY ANALYSIS by TWO-BEDROOM UNITS
Portsmouth, Virginia PMA
March 2019

Apartment Project #	Project Name	Style	Number	Vacant	Rent 1.0 Bath	Rent 1.5 Bath	Rent 2.0+ Bath	Sq. Ft.
1	Victory Square	G	14	0	\$900			880
2	Pheobus Square							
3	The Quarters at Park View	G	22	1			\$1550	1160
4	The Myrtles at Olde Towne I-II	G	164	15			\$1090-1751	872-1137
5	Harbor Square	G	96	4	\$699			800
6	Harbor Tower	G	94	4			\$1218-1528	1050-2093
7	Harbor Vista	G	38	0			\$1525-1725	1349
8	The Seaboard	G	12	0			\$1300	1099-1195
9	Sterling King Apartments	G	63	2			\$1600	1116
10	Starboard Townhomes	TH	62	22	\$800			800
11	Effingham Plaza	G	32	0	*			740
12	King Square	TH	34	0	*			
13	London Oaks	G	192	0	*			840-970
14	Seaboard Square I-II	TH	113	0		*	*	
15	Tower 507	G	10	0			\$1250	817
16	Montgomery Square	G	24	2			\$1259-1500	901-1300
17	Swanson Homes	TH	86	4	*			1012
18	Ebenezer Plaza	TH	34	0	\$778			975
19	Marsh Landing	G (56) / TH (194)	250	2	\$705			630
20	Dale Homes	TH	99	0	*			
21	Hope Village	G	8	0	*			
22	Southside Gardens	TH	50	0		*		1200
23	Hamilton Place I-II	G	120	0	*			
24	Crescent Place	G	104	0			\$920	1181
25	Malvern Hill							
26	Westbury	TH	36	0			*	
27	Holley Square	G	21	0	*			

RENT AND VACANCY ANALYSIS by THREE-BEDROOM UNITS
Portsmouth, Virginia PMA
March 2019

Apartment Project #	Project Name	Style	Number	Vacant	Rent 1.0 Bath	Rent 1.5 Bath	Rent 2.0+ Bath	Sq. Ft.
1	Victory Square							
2	Pheobus Square							
3	The Quarters at Park View							
4	The Myrtles at Olde Towne I-II	G	18	0			\$1386-1845	1026-1122
5	Harbor Square							
6	Harbor Tower							
7	Harbor Vista							
8	The Seaboard							
9	Sterling King Apartments							
10	Starboard Townhomes	TH	7	4	\$900			950
11	Effingham Plaza							
12	King Square	TH	15	0	*			
13	London Oaks	TH	26	0	*		*	1154
14	Seaboard Square I-II	TH	52	0			*	
15	Tower 507							
16	Montgomery Square	TH	1	1			\$2050	2300
17	Swanson Homes	TH	52	4	*			1308
18	Ebenezer Plaza	TH	18	0		\$844		1090
19	Marsh Landing							
20	Dale Homes	TH	48	0	*			
21	Hope Village							
22	Southside Gardens	TH	16	0			*	1400
23	Hamilton Place I-II	G	24	0			*	
24	Crescent Place	G	36	0			\$1041	1379
25	Malvern Hill							
26	Westbury	TH	12	0			*	
27	Holley Square	G	18	0			*	

RENT AND VACANCY ANALYSIS by FOUR-BEDROOM UNITS
Portsmouth, Virginia PMA
March 2019

Apartment Project #	Project Name	Style	Number	Vacant	Rent 1.0 Bath	Rent 1.5 Bath	Rent 2.0+ Bath	Sq. Ft.
1	Victory Square							
2	Pheobus Square							
3	The Quarters at Park View							
4	The Myrtles at Olde Towne I-II							
5	Harbor Square							
6	Harbor Tower							
7	Harbor Vista							
8	The Seaboard							
9	Sterling King Apartments							
10	Starboard Townhomes							
11	Effingham Plaza							
12	King Square							
13	London Oaks	TH	30	0		*		1350
14	Seaboard Square I-II							
15	Tower 507							
16	Montgomery Square							
17	Swanson Homes	TH	8	3		*		1736
18	Ebenezer Plaza							
19	Marsh Landing							
20	Dale Homes	TH	10	0	*			
21	Hope Village							
22	Southside Gardens							
23	Hamilton Place I-II							
24	Crescent Place							
25	Malvern Hill							
26	Westbury							
27	Holley Square							

UNIT AMENITIES
Portsmouth, Virginia PMA
March 2019

Apartment Project #	Project Name	Range / Stove	Refrigerator	Dishwasher	Garbage Disposal	Microwave	Breakfast Bar	Other		Air Conditioning	Drapes / Blinds	Carpeting	Fireplace	Washer / Dryer	Washer / Dryer Hookups	Patio or Balcony	Ceiling Fans	Security Alarm	Walk-in Closet(s)	Handicapped Design	Other
1	Victory Square	X	X	X	X	X				X	X	X								S	library
2	Pheobus Square	X	X	X	X					X	X	X								S	
3	The Quarters at Park View	X	X	X	X	X				X	X	X		X	X	X		X		S	
4	The Myrtles at Olde Towne I-II	X	X	X	X	X				X	X	X		X	X	S			X		
5	Harbor Square	X	X							X		X									
6	Harbor Tower	X	X	X	X	X				X	X	X	S	X	X			X			den, sunroom, concierge services
7	Harbor Vista	X	X	X	X	X				X	X	X			X	S					
8	The Seaboard	X	X	X	X	X				X	X			X	X		X			S	bike racks, high ceilings
9	Sterling King Apartments	X	X	X	X	X				X	X	X		X	X	X				S	hardwood floors
10	Starboard Townhomes	X	X							X	X	X									
11	Effingham Plaza	X	X							X	X	X								X	
12	King Square																				
13	London Oaks	X	X							X					S	S					
14	Seaboard Square I-II	X	X	X						X	X	X		X	X	X					
15	Tower 507	X	X	X	X	X		hardwood floors		X	X	X		X	X		X				high ceilings
16	Montgomery Square	X	X	X	X	X				X	X	X		X	X	S	X	X	X	S	storage, hardwood floors
17	Swanson Homes	X	X							X		X			X	X					
18	Ebenezer Plaza	X	X							X		X			X	X					
19	Marsh Landing	X	X							X		X			X	X					
20	Dale Homes	X	X												S	S					
21	Hope Village	X	X	X						X	X	X									
22	Southside Gardens	X	X							X	X	X			S						
23	Hamilton Place I-II	X	X	X	X					X	X	X		X	X					S	
24	Crescent Place	X	X	X	X					X	X	X		X	X					S	
25	Malvern Hill	X	X							X	X	X								S	
26	Westbury	X	X		X					X	X	X		X	X						
27	Holley Square	X	X							X	X	X		X	X						

PROJECT AMENITIES
Portsmouth, Virginia PMA
March 2019

Apartment Project #	Project Name	Garages	Carports	Club House	Rental Office / Management	Activity / Community Room	Laundry Room	Playground	Sauna / Jacuzzi	Tennis Court	Basketball / Volleyball Court	Computer / Office Room	Swimming Pool	Exercise Room	Security Door / Gate	Elevator	Storage Areas	Picnic Area	Lake / Water Feature	Other
1	Victory Square				X	X	X							X		X				
2	Pheobus Square				X	X	X								X	X				
3	The Quarters at Park View	\$150		X	X	X	X					X	X	X		X	X	X		
4	The Myrtles at Olde Towne I-II			X	X	X	X	X				X	X	X		X		X		gameroom, media center
5	Harbor Square				X		X													
6	Harbor Tower	X		X	X		X		X	X		X	X	X	X	X		X		boat docks, courtyard, media center
7	Harbor Vista			X	X	X	X													
8	The Seaboard	\$60			X								X	X	X	X				sundeck
9	Sterling King Apartments	\$150		X	X	X		X				X	X	X	X	X		X		media center, gameroom, grills, library
10	Starboard Townhomes				X		X													
11	Effingham Plaza				X	X	X								X					
12	King Square																			
13	London Oaks				X		X	X										S		
14	Seaboard Square I-II																			
15	Tower 507														X	X				
16	Montgomery Square													X	X	X		X		bike rack
17	Swanson Homes					X	X													
18	Ebenezer Plaza				X															
19	Marsh Landing			X	X		X	X												
20	Dale Homes						X	X												
21	Hope Village				X	X	X													
22	Southside Gardens				X		X													
23	Hamilton Place I-II				X		X							X						
24	Crescent Place			X	X	X														
25	Malvern Hill				X	X	X								X	X				
26	Westbury				X															
27	Holley Square				X		X													

UTILITY ANALYSIS
Portsmouth, Virginia PMA
March 2019

Apartment Project #	Project Name	Electric	Heat			Water	Sewer	Trash	Cable	Internet Wired
			Gas	Electric	Hot Water					
1	Victory Square	T		T		L	L	L		
2	Pheobus Square	T		T		L	L	L		
3	The Quarters at Park View	T		T		L	L	L		
4	The Myrtles at Olde Towne I-II	T	T			L	L	L	T/L	T/L
5	Harbor Square	T		T		L	L	L		
6	Harbor Tower	T		T		L	L	L		
7	Harbor Vista	T		T		L	L	L		L
8	The Seaboard	L		L		L	L	L	L	
9	Sterling King Apartments	T		T		L	L	L		
10	Starboard Townhomes	T	T			L	L	L		
11	Effingham Plaza	T	L			L	L	L		
12	King Square	T		T		T	T	T		
13	London Oaks	T		T		L	L	L		
14	Seaboard Square I-II	L		L		L	L	L		
15	Tower 507	L	L			L	L	L	L	L
16	Montgomery Square	T		T		L	L	L		
17	Swanson Homes	T	T			L	L	L		
18	Ebenezer Plaza	T	T			L	L	L		
19	Marsh Landing	T	T			L	L	L		
20	Dale Homes	T	T			L	L	L		
21	Hope Village	T		T		L	L	L		
22	Southside Gardens	T		T		L	L	L		
23	Hamilton Place I-II	T	T			L	L	L		
24	Crescent Place	T	T			L	L	L		
25	Malvern Hill	T		T		T	T	L		
26	Westbury	T	T			L	L	L		
27	Holley Square	T		T		L	L	L		

T=Tenant
L=Landlord

PROJECT FEES AND COMMENTS
Portsmouth, Virginia PMA
March 2019

Apartment Project #	Project Name	Security	Application Fee	Comments
1	Victory Square	\$199-400	\$18	Tax Credit Property - Senior - 2-BR waiting list
2	Pheobus Square	based on income		*Government Subsidized - PRHA - Senior - long waiting list - Tax Credit Property - Includes (16) 1-BR units at The Cottages
3	The Quarters at Park View	\$250	\$50	
4	The Myrtles at Olde Towne I-II	\$300-1000	\$50	Includes 2 mid-rise buidings nearby - Landlord pays Electric Heat within Phase I
5	Harbor Square	\$300	\$50	Special: \$300 off first 2 months' rent
6	Harbor Tower	\$400	\$40	25 stories
7	Harbor Vista	\$300		
8	The Seaboard	\$200	\$50	6 stories has a restaurant - Renters insurance required
9	Sterling King Apartments	\$250-400	\$50	
10	Starboard Townhomes	\$250	\$30	Special: second month free - Under new management - Planning many more community amenities - High vacancy due to numerous evictions
11	Effingham Plaza	varies		*Government Subsidized - PRHA - Senior - Tax Credit Property - 6 month waiting list
12	King Square	varies		*Government Subsidized - PRHA / HOPE VI - Senior - Tax Credit Property
13	London Oaks	varies		*Government Subsidized - HUD Section 8 - Tax Credit Property - Waiting list
14	Seaboard Square I-II	varies		*Government Subsidized - PRHA - Family - Tax Credit Property - 1.5-2 year waiting list
15	Tower 507	\$200	\$50	Renovated hotel, first floor retail
16	Montgomery Square	\$0-500		Mix estimated by leasing agent
17	Swanson Homes	varies		*Government Subsidized - PRHA - Family - Vacant units off-line
18	Ebenezer Plaza	\$300		Mix unconfirmed
19	Marsh Landing	varies		Tax Credit Property - Renovated 1999
20	Dale Homes	\$50-1 month		*Government Subsidized - PRHA - Family - Waiting list - Tax Credit Property - Ongoing renovation, has a total of 296 units, 87 units off-line
21	Hope Village	varies		*Government Subsidized - PRHA - Senior - Tax Credit Property - Solar panels - 1.5-2 year waiting list
22	Southside Gardens	varies-1 month		*Government Subsidized - HUD Section 8 - Tax Credit Property - Waiting list
23	Hamilton Place I-II	varies		*Government Subsidized - PRHA - Waiting list - Tax Credit Property
24	Crescent Place	\$300-750		Tax Credit Property
25	Malvern Hill	1 month		*Government Subsidized - HUD Section 8 thru VHDF - Senior - Waiting list: over 1 year - Tax Credit Property
26	Westbury	varies		*Government Subsidized - PRHA - Tax Credit Property - Waiting list
27	Holley Square	varies		*Government Subsidized - PRHA - Family - Tax Credit Property

**APARTMENT
FIELD SURVEY**

**PHOTOGRAPHS
(SELECTED)**



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1. Victory Square



2. Pheobus Square



3. The Quarters at Park View



4. The Myrtles at Olde Towne



5. Harbor Square



6. Harbor Tower



7. Harbor Vista



8. The Seaboard



9. Sterling King Apartments



10. Starboard Townhomes



11. Effingham Plaza



12. King Square
VIII-28



13. London Oaks



14. Seaboard Square I-II



15. Tower 507



16. Montgomery Square



17. Swanson Homes





19. Marsh Landing



20. Dale Homes



21. Hope Village



22. Southside Gardens



23. Hamilton Place I-II



24. Crescent Place
VIII-30



25. Malvern Hill



26. Westbury



27. Holley Square

IX. AFFORDABILITY, DEMAND AND PENETRATION RATE ANALYSIS

The City of Portsmouth support for the Low-Income Tax Credit Program family units are based upon the household size and the appropriate income limits supported by a proposed base rent. However, rent restrictions are based on the number of bedrooms per unit rather than the actual family size as follows:

<u>BEDROOM PER UNIT</u>	<u>PERSONS PER UNIT (BASIS)</u>
STUDIO	1.0
ONE-BEDROOM	1.5
TWO-BEDROOM	3.0
THREE-BEDROOM	4.5
FOUR-BEDROOM	6.0

The development, in order to be a qualified tax credit rental project, must meet the needs of one of the following occupancy and rent restrictions:

- ◆ At least 20.0% of the rental units must be reserved for tenants at 50.0% or less of the area median income adjusted for family size **or**
- ◆ At least 40.0% of the rental units must be reserved for tenants at 60.0% or less of the area median income adjusted for family size **or**
- ◆ Deep Rent and Income Averaging skewing option.

Based on the United States Department of Housing and Urban Development estimates, the median income for the Portsmouth, Virginia (Portsmouth MSA) area, the following is a distribution by person, of the maximum allowable income and rent available under the 30%, 40%, 50%, 70% and 80% program, proposed for this development:

**30%, 40%, 50%, 70% AND 80% PROGRAM OPTION
MAXIMUM INCOME/RENT LEVEL**

	30%	40%	50%	70%	80%
One-Person	\$15,750	\$21,000	\$26,250	\$36,750	\$42,000
Two-Person	\$18,000	\$24,000	\$30,000	\$42,000	\$48,000
Three-Person	\$20,250	\$27,000	\$33,750	\$47,250	\$54,000
Four-Person	\$22,500	\$30,000	\$37,500	\$52,500	\$60,000
Five-Person	\$24,300	\$32,400	\$40,500	\$56,700	\$64,800
Six-Person	\$26,100	\$34,800	\$43,500	\$60,900	\$69,600

The following is the adjusted annual income range specified appropriate by the tax credit 30%, 40%, 50%, 70% and 80% program for low to moderate-income family households for the Portsmouth PMA. The income range is calculated using the VHDA guidelines and the proposed gross rents by unit type, **excluding any income overlap**. The following is a summary of family **renter-occupied** households in the Primary Market Area of the proposed site within this income range for 2019:

Family Households – 2019 Portsmouth, Virginia PMA					
	Income Range	Persons	2019	2024	Number Change
30%	\$20,200-\$24,300	1-5	866	851	(15)
40%	\$26,960-\$32,400	1-5	1,024	992	(32)
50%	\$33,200-\$40,500	1-5	1,178	1,117	(61)
70%	\$43,200-\$51,950	1-5	1,130	1,111	(19)
80%	\$51,951-\$64,800	1-5	968	958	(11)
Overall	\$20,200-\$64,800	1-5	5,167	5,029	(138)

The adjusted annual income range specified appropriate by the tax credit program for low to moderate-income family renter households is \$20,200 (lower end of one-person household moderate-income) to \$64,800 (five-person household moderate-income) for the Portsmouth PMA. In 2019, there were a total of 5,167 family renter households in the Primary Market Area of the proposed site within this income range.

The following chart is derived by following the tax credit guidelines for calculating gross and net rents, by the bedroom type, for the Portsmouth, Virginia area:

<u>TYPE OF UNIT</u>	<u>AMI</u>	<u>GROSS RENT PER MONTH</u>	<u>UTILITY COST</u>	<u>NET RENT</u>
TWO-BEDROOM	30%	\$506	\$180	\$326
	40%	\$675	\$180	\$495
	50%	\$843	\$180	\$663
	70%	\$1,181	\$180	\$1,001
	80%	\$1,350	\$180	\$1,170
THREE-BEDROOM	30%	\$585	\$249	\$336
	40%	\$780	\$249	\$531
	50%	\$975	\$249	\$726
	70%	\$1,365	\$249	\$1,116
	80%	\$1,560	\$249	\$1,311

These rents are the maximum allowable gross rents for the Low-Income Tax Credit Program. It should be noted that utility calculations (electric, trash, water & sewer) are estimates provided by the local housing agency and developer and are based on the current statistics available for one and two-story units with similar utility rates. Within the actual development, the developer will include the water/sewer and trash costs.

A. DEMAND ANALYSIS

The following demand estimates are based on income, current households, and proposed households, turnover ratios of units in the market area and the percent of renter qualified households within the Portsmouth Primary Market Area. Additionally, when needed,

previous experiences and/or proprietary research completed by our organization was used in the calculation of appropriate Portsmouth Primary Market Area demand analysis percentages. **Calculations were completed for the proposed development with and without additional project based subsidies.**

DEMAND CALCULATIONS WITHOUT PROJECT BASED SUBSIDIES

**PORTSMOUTH PRIMARY MARKET AREA DEMAND WITHOUT SUBSIDIES
FROM EXISTING AND PROJECTED FAMILY HOUSEHOLDS:**

	30%	40%	50%	70%	80%	Overall
Existing Family Renter HH (2019)	12,875	12,875	12,875	12,875	12,875	12,875
Total Income Qualified Family Renter HH	866	1,024	1,178	1,130	968	5,167
Percentage Family Renter Income Qualified HH	6.7%	7.9%	9.2%	8.8%	7.5%	40.1%
New Projected Family HH (2019-2024)	(15)	(32)	(61)	(19)	(11)	(138)
Demand of Projected Renter HH (2019-2021)	(6)	(13)	(24)	(8)	(4)	(55)
Total Qualified Family Rental HH	866	1,024	1,178	1,130	968	5,167
Rent Overburdened Family HH (%) (T20)	45.7%	45.7%	45.7%	45.7%	45.7%	45.7%
Total Qualified Family Renter HH	396	468	538	516	442	2,360
Total Qualified Family Rental HH	866	1,024	1,178	1,130	968	5,167
Substandard Housing (%) (T21)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Total Qualified Family Renter HH	13	15	18	17	15	78
<i>Estimated Annual Demand</i>	403	470	532	525	453	2,383
-						
Competitive						
Proposed	14	36	22	-	-	72
Existing	-	-	4	-	-	4
Under Construction	-	-	-	-	-	-
=						
<i>Net Demand</i>	389	434	506	525	453	2,307
<i>Proposed Development</i>	5	5	15	10	15	50
<i>Capture Rate without project based subsidies</i>	1.3%	1.2%	3.0%	1.9%	3.3%	2.2%
<i>Absorption Period</i>	0.6-0.7	0.6-0.7	1.7-2.1	1.1-1.4	1.7-2.1	5.6-7.1

Based on the above analysis for 2019, the annual demand in family households for the Primary Market Area is estimated at 2,383 rental units per year without project based subsidies. It is important to note, that the annual demand is expected to decrease in the future, the actual number of family renter households in the market area will be decreasing by an average rate of 28 family renter households per year, typically in the higher income ranges.

The proposed 50-unit development of LIHTC family units represents 2.2% of the overall yearly demand without project based subsidies, while the AMI's range from a low of 1.2% to a high of 3.3% of the overall yearly demand within the Portsmouth market area, an appropriate percentage.

DEMAND CALCULATIONS WITH PROJECT BASED SUBSIDIES

**PORTSMOUTH PRIMARY MARKET AREA DEMAND WITH SUBSIDIES
FROM EXISTING AND PROJECTED FAMILY HOUSEHOLDS:**

	30%	40%	50%	70%	80%	Overall
Existing Family Renter HH (2019)	12,875	12,875	12,875	12,875	12,875	12,875
Total Income Qualified Family Renter HH	866	6,027	1,178	1,130	968	10,169
Percentage Family Renter Income Qualified HH	6.7%	46.8%	9.2%	8.8%	7.5%	79.0%
New Projected Family HH (2019-2024)	(15)	14	(61)	(19)	(11)	(92)
Demand of Projected Renter HH (2019-2021)	(6)	6	(24)	(8)	(4)	(36)
Total Qualified Family Rental HH	866	6,027	1,178	1,130	968	10,169
Rent Overburdened Family HH (%) (T20)	45.7%	45.7%	45.7%	45.7%	45.7%	45.7%
Total Qualified Family Renter HH	396	2,754	538	516	442	4,646
Total Qualified Family Rental HH	866	6,027	1,178	1,130	968	10,169
Substandard Housing (%) (T21)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Total Qualified Family Renter HH	13	90	18	17	15	153
<i>Estimated Annual Demand</i>	403	2,850	532	525	453	4,763

Competitive	Proposed	14	36	22	-	-	72
	Existing	-	-	4	-	-	4
	Under Construction	-	-	-	-	-	-
	=						
	Net Demand	389	2,814	506	525	453	4,687
Proposed Development		5	5	15	10	15	50
	Capture Rate with project based subsidies	1.3%	0.2%	3.0%	1.9%	3.3%	1.1%
	Absorption Period	0.6-0.7	0.3-0.4	1.7-2.1	1.1-1.4	1.7-2.1	5.6-7.1

Based on the above analysis for 2019, the annual demand in family households for the Primary Market Area is estimated at 4,763 rental units per year with project based subsidies. It is important to note, that the annual demand is expected to decrease in the future, the actual number of family renter households in the market area will be decreasing by an average rate of 18 family renter households per year, typically in the higher income ranges.

The proposed 50-unit development of LIHTC family units represents 1.1% of the overall yearly demand with project based subsidies, while the AMI's range from a low of 0.2% to a high of 3.3% of the overall yearly demand within the Portsmouth market area, an appropriate percentage.

B. PENETRATION FACTOR

The Portsmouth Primary Market Area penetration factor for tax credit units is based on the number of total family renter households in the appropriate income ranges supporting the proposed rents. The penetration rate is based on the percentage of age and income qualified renter households, calculated by dividing the number of competitive tax credit units that are proposed, existing and under construction.

PENETRATION RATE	30%	40%	50%	70%	80%	Overall
<i>Proposed Development</i>	5	5	15	10	15	50
-						
Competitive						
Proposed	14	36	22	-	-	72
Existing	46	138	277	325	410	1,196
Under Construction	-	-	-	-	-	-
=						
<i>Total</i>	65	179	314	335	425	1,318
/						
<i>Total Qualified Renter HH (2019-21)</i>	866	1,024	1,178	1,130	968	5,167
<i>Penetration Rate</i>	7.5%	17.5%	26.7%	29.6%	43.9%	25.5%

Based on the competitive product in the Portsmouth market area, the proposed 50-unit development of LIHTC units represents an overall 25.5% penetration rate. The overall capture factor and penetration rate for the proposed family development are appropriate for the PMA.

X. ANALYSIS AND CONCLUSIONS

A. INTRODUCTION

These conclusions are based upon the income qualification standards of the Virginia Housing Development Authority's Low Income Tax Credit Program; economic and demographic statistics; area perception and growth; an analysis of supply and demand characteristics, absorption trends of residential construction; and a survey of the family rental apartment market in the City of Portsmouth, Virginia area. The tax credit program, for rental housing, is a function of household size and income limitations based on area median incomes. In addition, previous experience, based on analyzes of existing rental-housing developments, aided in identifying family trends which enabled us to develop support criteria for the recommendations.

B. RECOMMENDATIONS

This study has established that a market exists for a 50-unit family rental housing project, Holley Pointe, to be new construction within the criteria set forth by the Virginia Housing Development Authority's Low-Income Housing Tax Credit Program. The proposed 50-unit development is estimated to open in Spring 2021.

With the proposed plans to make 5-units (10.0%) available to family households with incomes below 30.0%, 5-units (10.0%) available to family households with incomes below 40.0%, 15-units (30.0%) available to family households with incomes below 50.0%, 10-units (20.0%) available to family households with incomes below 70.0% and 15-units (30.0%) available to family households with incomes below 80.0% of the area median income, in the City of Portsmouth, Virginia area proposed as follows:

UNIT BY TYPE AND BEDROOM

BEDROOM TYPE	TWO	THREE
BATHROOMS	1.5	2.0
Units @ 30%	4	1
Units @ 40%	4	1
Units @ 50%	12	3
Units @ 70%	8	2
Units @ 80%	12	3
SQUARE FEET (approx.)	793-808	1,043
GROSS RENT	\$502-\$832-\$998- \$1,082-\$1,182	\$583-\$968-\$1,157- \$1,303-\$1,388
UTILITY ALLOWANCE *	\$181-\$182	\$214-\$253
RENTAL ASSISTANCE	\$324	\$378
NET RENT	\$320-\$493-\$650- \$900- \$1,000	\$330-\$565-\$715- \$1,050-\$1,135

* estimated and provided from developer and housing authority

The development will maintain the four-story garden style units, built in frame construction, in 1 building on 1.88 acres. The development will have a minimum of 69 parking spaces available for tenants and the community building.

Each garden style unit in the proposed development would be new construction with energy star rated refrigerator, range with hood, disposal, dishwasher, microwave, air conditioning, washer/dryer hookups, flooring and blinds. The units will contain one and one-half or two full bathrooms. Net rents will include trash removal; however, a utility allowance of \$181-\$182 per month for a two-bedroom unit and \$214-\$253 for a three-bedroom unit is estimated for electric and water/sewer utility costs.

Project amenities associated with a family-orientated development are important to the success of the proposed facility, including: laundry room, community room, on-site rental management office, computer room, elevator, park areas with benches, bike racks and parking for the building. There will be commercial space on the first floor which will be owned by a separate entity.

The development and unit plans were reviewed. The proposed development will be new construction offering family amenities. The proposed rental units are appropriate for the Portsmouth market area. The unit and project amenities are adequate for the targeted market, while the unit styles, specifically the design and square footage, will positively influence the absorption, offering a flexibility of living style for family occupants. Additional upgrades will be made to the exterior and landscaping.

The development will maintain a consistent and effective landscaping plan throughout the site, especially maintaining a good front-door image. From a marketing point of view, it would be beneficial if the proposed site would be able to create some identity to develop an environment within this development. The Portsmouth area apartment developments have done an adequate job in creating a complete development theme or environment.

Because of the high percentage of family units, a strong marketing plan and development layout should focus on family function activities. A positive attribute is that the proposed site is in an area of good accessibility and visibility in the Portsmouth area. Because of the existing apartment bases located in the area of the proposed site, this rental base will help create a synergism effect of established or new prospective renters. Because of the ideal accessibility to major arteries in the area, detail should be given to marketing the location of the development and the transportation routes to the proposed site. Superior signage and advertising, capitalizing on the visibility factor, would increase the absorption associated with the proposed site.

Additionally, the proposed net rents need to be viewed as competitive or a value within the City of Portsmouth rental market area to achieve an appropriate market penetration.

The proposed net rents are within the guidelines established for the low-income tax credit program as summarized as below:

Two-Bedroom						
AMI	Proposed Gross Rent	Max. LIHTC Gross Rent	Median Market Rent*	Achievable Rent*	Fair Market Rent (FMR)	90% of FMR
30%	\$502	\$506	\$1,127	\$1,174	\$1,095	\$986
	Percent (%)	99.2%	44.5%	42.8%	45.8%	50.9%
40%	\$674	\$675	\$1,127	\$1,174	\$1,095	\$986
	Percent (%)	99.9%	59.8%	57.4%	61.6%	68.4%
50%	\$832	\$843	\$1,127	\$1,174	\$1,095	\$986
	Percent (%)	98.7%	73.8%	70.9%	75.8%	84.2%
70%	\$1,082	\$1,181	\$1,127	\$1,174	\$1,095	\$986
	Percent (%)	91.6%	96.0%	92.2%	98.6%	110.0%
80%	\$1,182	\$1,350	\$1,127	\$1,174	\$1,095	\$986
	Percent (%)	87.6%	104.9%	100.7%	107.9%	119.9%
Three-Bedroom						
AMI	Proposed Gross Rent	Max. LIHTC Gross Rent	Median Market Rent*	Achievable Rent*	Fair Market Rent (FMR)	90% of FMR
30%	\$583	\$585	\$1,517	\$1,420	\$1,533	\$1,380
	Percent (%)	99.7%	38.4%	41.1%	38.0%	42.3%
40%	\$779	\$780	\$1,517	\$1,420	\$1,533	\$1,380
	Percent (%)	99.9%	51.4%	54.9%	50.8%	56.5%
50%	\$968	\$975	\$1,517	\$1,420	\$1,533	\$1,380
	Percent (%)	99.3%	63.8%	68.2%	62.9%	69.8%
70%	\$1,303	\$1,365	\$1,517	\$1,420	\$1,533	\$1,380
	Percent (%)	95.5%	85.9%	91.8%	84.7%	94.0%
80%	\$1,388	\$1,560	\$1,517	\$1,420	\$1,533	\$1,380
	Percent (%)	89.0%	91.5%	97.7%	90.5%	100.6%

* Adjusted for Gross Rent

Based on the current rental market conditions and the proposed net rents of \$320-\$1,000 for a two-bedroom unit and \$330-\$1,135 for a three-bedroom unit, combined with a family development of quality construction, the proposed development will be perceived as a value in the Portsmouth market area, when compared to the two-bedroom and three-bedroom market rents. We anticipate that a portion (90%) of the support for the proposed units will be generated from the existing family rental base.

The step-up opportunity for tenants in the Portsmouth rental market, based on the proposed net rent for a two-bedroom and three-bedroom units are good, typically over 25%, with units at or below \$50 of the proposed 50% and 70% AMI rents. Additionally, the market has an excellent base of units at prices higher than the proposed 50% and 70% AMI net rents. Therefore, the proposed units combined with quality amenities and location can expect a better than average absorption rate. More specifically, the area competition is not as much as a concern; because of the quality/value function that these new family units will offer in the area. Therefore, the proposed net two-bedroom and three-bedroom rents are targeted properly for not only immediate step-up opportunities, but market acceptability.

The absorption potential for tenants in the Portsmouth rental market, based on the proposed net rents for two-bedroom and three-bedroom units is excellent. Additionally, in the past, newer product in the Portsmouth area has had positive acceptability and absorption patterns, with a product at a higher market rent. The proposed 50-unit family development should create a strong pre-leasing activity program to have a successful initial rent-up period. Absorption, while traditionally viewed as a function of the market-rate housing market, must also consider the impact of income and household size criteria set forth by the tax credit and proposed competitive rental developments within the Portsmouth market area.

The rental market in the Portsmouth area has historically been more a function of demand rather than supply, thereby affecting absorption. Factors, other than the existing rental market that affect absorption, would include: demographic characteristics, employment

opportunities, area growth and proposed product acceptability. The Portsmouth market area has successfully absorbed on average 8 to 20 units per month at selected comparable developments. It is anticipated, because of the criteria set forth by the income and household size for family units for the LIHTC Program, the depth of the market demand for family units, assumption of new product, as well as the design associated with this product, absorption is expected to be equal to the area average of 7 to 9 units per month, resulting in a 5.6 to 7.1 month absorption period for the proposed development. The absorption rate may be higher in the initial months of rent-up. At 93.0% occupancy the monthly absorption will range from 5.2 to 6.7 months.

C. MARKET SUMMARY

The following is a summary of the demographic, economic and housing criteria that affect the level of support for the proposed tax credit family apartment development.

The Portsmouth Primary Market Area (PMA) population numbered 63,989 in 2010 and increased 1.9% to 65,226 in 2019. Population is expected to number 65,292 by 2024, increasing 0.1% from 2019. Total households, an important housing indicator, for the Portsmouth PMA households numbered 24,257 in 2010 and increased 1.6% to 24,654 in 2019. Households are expected to number 24,603 by 2024, decreasing 0.2% from 2019.

When reviewing a larger picture, The Portsmouth Metropolitan Statistical Area (MSA) population numbered 1,676,822 in 2010 and increased 5.4% to 1,766,984 in 2019. Population is expected to number 1,823,934 by 2024, increasing 3.2% from 2019. Portsmouth MSA households numbered 619,692 in 2010 and increased 6.9% to 662,461 in 2019. Households are expected to number 683,360 by 2024, increasing 3.2% from 2019.

In the Portsmouth Primary Market Area, family households (under the age of 55) increased 4.5% for renter households and decreased 21.1% for owner households from 2010 to 2019. Between 2019 and 2024, family renter households (under the age of 55) are projected to decrease 3.3%, while owner households are estimated to decrease 0.4%.

In the Portsmouth Primary Market Area, households (aged 55 to 64 years) increased 41.7% for renter households and decreased 8.8% for owner households from 2010 to 2019. Between 2019 and 2024, renter households (aged 55 to 64 years) are projected to decrease 3.9%, while owner households are estimated to decrease 12.1%.

In the Portsmouth Primary Market Area, senior households (aged 62 years and older) increased 33.3% for renter households and 8.7% for owner households from 2010 to 2019. Between 2019 and 2024, senior renter households (aged 62 years and older) are projected to increase 0.6%, while owner households are estimated to increase 10.0%.

In the Portsmouth Primary Market Area, senior households (aged 65 years and older) increased 30.8% for renter households and 12.6% for owner households from 2010 to 2019. Between 2019 and 2024, senior renter households (aged 65 years and older) are projected to increase 2.0%, while owner households are estimated to increase 14.0%.

The median household income in 2019 is \$47,915 in the City of Portsmouth and estimated at \$52,849 in 2024. The median household income in 2019 is \$42,112 in the City of Portsmouth Primary Market Area and estimated at \$47,651 in 2024. The median income for Portsmouth MSA in 2019 is \$61,617. The estimated median household income for Portsmouth MSA in 2024 is \$70,258.

Employment in the City of Portsmouth decreased 4.7% from 44,108 in 2008 to 42,134 in 2017. Also, employment has remained stable around the 42,000. In recent years, the employment levels in Portsmouth MSA and the City of Portsmouth have shown slight increases. As noted by the major employers, the employment bases and suppliers associated with government and healthcare have increased, which have had a significant impact on the employment within the City of Portsmouth market area. The employment base of Portsmouth is dominated by the following industries or categories: ship repairs, government and health care as reflected by the area's largest employers.

At the end of 2017, the unemployment rate of the City of Portsmouth was 5.4%, the lowest it has been in the past five years of analysis. Between 2013 and 2017, the unemployment rate has ranged from 5.4% to 8.1%. The unemployment rate for the City of Portsmouth has typically been somewhat higher than the state average.

The City of Portsmouth area has always been a center for ship servicing, health care and government operations; this is especially true within the immediate subject site area. The areas larger employers consist of Huntington Ingalls Industries, Sentara Healthcare, Norfolk Naval Shipyard, riverside Health System, Naval Medical Center, Portsmouth Public Schools, Portsmouth City and the Bon Secours Hampton Roads Health System. Interviews with local company officials and area government officials indicated that a turnaround to a positive employment trend is expected through this year.

The Portsmouth area is heavily impacted by the U.S. Navy's Norfolk Naval Shipyard. This facility has created many private-sector business opportunities in ship repair business. The Port of Virginia operates two terminals in Portsmouth – Portsmouth Marine Terminals (PMT) and the Virginia International Gateway (VIG). Economic development tools like the state-designated Enterprise Zone program and locally-funded incentives attract new businesses to Portsmouth, as well as encourage the growth of existing industries. Within the Hampton Roads military region, there are 9 military installations including 3 joint-base complexes that cover multiple locations. All five branches of the military have a presence here (US Navy, US Army, US Air Force, US Coast Guard and USMC). Hampton Roads is home to military installations employing approximately 78,000 active-duty and reserve personnel and over 40,000 civilians.

The Portsmouth Marine Terminal, part of the Port of Hampton Roads and owned by the Virginia Port Authority, is a 220-acre facility handling containerized and break-bulk cargo. At this Foreign Trade Zone-designated terminal, CSX and Norfolk Southern, via the Norfolk and Portsmouth Belt Line Railroad, offer direct rail service from the Portsmouth Marine Terminal for transportation throughout the east.

The City of Portsmouth, along with Norfolk and Portsmouth functions in some as core cities for the Hampton Roads area. The City of Portsmouth has a significant number of people commuting into the city from neighboring localities. Portsmouth draws large numbers of workers from Norfolk and Virginia Beach, but its dominance as a job center is in the western part of Tidewater, especially neighboring Chesapeake and Suffolk. Commuters are served by Hampton Roads Transit (HRT). Pedestrian ferry crosses the Elizabeth River daily between Portsmouth and Norfolk. Companies have cited the transportation infrastructure as the major deciding factor in locating or expanding in the region.

Additionally, approximately 65,000 people are employed in the medical and life sciences industry in Hampton Roads alone. Companies such as Bon Secours, Hampton Roads Health System, Chesapeake Regional Healthcare, Children's Hospital of The King's Daughters, Eastern Virginia Medical School, LifeNet Health, Operation Smile, Riverside Health Systems and Sentara Healthcare, as well as more than 33 hospitals and 65 urgent care clinics continue to enhance the region's medical presence. Additionally, the Naval Medical Center of Portsmouth consists of approximately 4,300 military medical personnel working with the more than 420,000 active duty members, family members and retirees in Hampton Roads area.

Of the six area places, the City of Portsmouth ranks third in the percentage of persons employed outside their county of residence, 58.6%. This somewhat high percentage can be attributed to the accessibility and proximity of solid and diverse employment opportunities offered in the surrounding adjacent areas. However, because of the strong bases of several employment sections in this area, any increase or decreases in these employment centers would have a minimal effect on mobility patterns of residents within this market area. The accessibility to other employment areas can help maintain the City of Portsmouth as a viable housing option and alternative. The City of Portsmouth, combined with the support from the area, has a diverse employment base able to support its own community; any nominal decline of the employment base would have a minimal effect on the City of Portsmouth economy and housing support.

Housing activity has maintained stability in the City of Portsmouth and Portsmouth CBSA in the ten year period surveyed, with good growth in both the single-family and multi-family markets. Over the ten years, the overall housing units authorized in the City of Portsmouth has averaged 152.8 units per year and Portsmouth CBSA has averaged 5,749.1 units per year. It should be noted, that construction in the City of Portsmouth has been weighted with multi-family activity. The City of Portsmouth has averaged 47.2 multi-family permits in the past 10 years, while single-family permits have averaged 105.6. The City of Portsmouth and Portsmouth MSA have also shown stability in permit activity, the majority of recent construction has mainly been in the single-family construction component.

In 2010, approximately one-third (41.0%) of the total housing units in the City of Portsmouth were rental units, offering an established base of rental units. The reported vacancy rate was 8.7% for all the rental units. In Portsmouth MSA, multi-family units represented 37.2% of all the housing units in 2010. The reported vacancy rate was 8.2%, again for all rental unit types. The median number of occupants in renter-occupied living units in the City of Portsmouth was 2.45, slightly higher than Portsmouth MSA at 2.44 in 2010.

The 2017 American Community Survey reports a total 16,680 specified renter-occupied housing units in the City of Portsmouth and 242,811 in the Portsmouth MSA. The median rent in 2017 for the City of Portsmouth was \$988 slightly lower than Portsmouth MSA at \$1,058. All rents in the City of Portsmouth ranged from less than \$100 to \$2,000 or higher. The largest percentage of units was in the \$900 to \$1,249 price range, representing 37.1% of the units in the City of Portsmouth. Median gross rents in the City of Portsmouth have increased approximately 83.0% since 2000.

At the time of this family study, in the Portsmouth market area, a total of 1,410 modern market-rate family-orientated apartment units in eleven developments were surveyed. There are three LIHTC developments (without additional financing) with a total of 518 units. Additionally, there were 1,831 government subsidized apartment units in thirteen

developments were located and surveyed in the Portsmouth market area. Market rate units have vacancies that are somewhat low, 6.2% (87-unit) in the market area; however many vacancies are in one development with turnover. The LIHTC units have a vacancy rate of less than 1.0%, while the government vacancy rate is also less than 1.0%. The Portsmouth family market-rate apartment base contains a disproportionate ratio of one-bedroom market-rate units; however the vacancy rate is below 5.0%.

It should be noted that the Portsmouth rental market area has been experiencing new apartment growth in the past several years. Between 2016 and 2019, there have been 251 market-rate, LIHTC or government units added to the Portsmouth rental market. Additionally, according to local governmental officials, one other rental development has submitted formal plans for development. The Lexington Place I, a 72-unit LIHTC development for families, is scheduled for construction this year. It must be noted, that when units turnover in the Portsmouth market area, they are adequately absorbed. Therefore, there are indications of a pent-up demand in several segments of the market area, and any new units can expect to experience the same absorption potential, as long as a viable market demand exists.

Median rents of market-rate and LIHTC units are moderate to high; additionally, there is a good base of higher-priced units in the City of Portsmouth rental market area. The studio units have a median rent of \$999. One-bedroom units have a median rent of \$1,142, with 27.4% of the one-bedroom units in the upper-rent range of \$1,315-\$1,498. Two-bedroom units have a median rent of \$957, with 14.8% of the two-bedroom units in the upper-rent range of \$1,600-\$1,751. Three-bedroom units have a median rent of \$1,264, with 68.8% of the three-bedroom units in the upper-rent range of \$1,041-\$2,050.

In recent years, market rate rents have been able to increase at a yearly rate of more than 2.0%, because of the new construction of rental units, having an impact on the area rental market and rents. The median rents for units are driven slightly lower, because of the large base of older multi-family units; that typically obtain lower rents. Approximately 37.1% of the units were built before 1985.

Under the Virginia Housing Development Authority's guidelines, fifteen developments within the Portsmouth Primary Market Area have received LIHTC allocations since 2000 and have been included in this analysis. All of these senior and family LIHTC developments, which have been included within our field survey section; are inside the Portsmouth PMA. Overall, the fifteen senior and family developments contain 2,139 LIHTC units, of which there are 4 vacant or a 99.8% occupancy rate. Twelve of the LIHTC developments contain additional government subsidies. The six senior developments consist of 588 units and 2 vacancies for 99.7% occupancy rate. The nine family developments contain 1,551 units with 2 vacancies for a 99.9% occupancy rate. Recently approved, in 2018, is the Lexington Place I Apartments. This development is a 72-unit family development owned and operated by the Portsmouth Redevelopment and Housing Authority. The one-bedroom, two-bedroom and three-bedroom development should open in 2020.

In a review of comparable properties and rent adjustments in the Portsmouth Primary Market Area, it was noted that there were three family developments that would be considered as most comparable to the product.

It should be noted that the average of the comparable two-bedroom unit is \$973, somewhat higher than the proposed \$650-\$900 average net rents at 50% and 70% AMI. The proposed two-bedroom rent represents 66.8%-92.5% of the average comparable two-bedroom rent in the market area at 50% and 70% AMI. Within the three-bedroom market, the average comparable unit is \$1,157, somewhat higher than the proposed \$715-\$1,050 average net rents at 50% and 70% AMI. The proposed three-bedroom rent represents 61.8%-90.8% of the average comparable three-bedroom rent in the market area at 50% and 70% AMI. When reviewing the comparable developments, the proposed rents are within the appropriate rent differentials (5-15% of the existing market conditions). Therefore, based on the current existing rental market, the proposed development would be a value in the market area.

In a review of the government subsidized rental units in the immediate market area, it was noted that vacancies are almost non-existent. Typically, when vacancies occur in the area developments, they are filled from waiting list of the qualified tenants. A majority of the subsidized developments have extensive waiting lists for both family and family housing. Additionally, an interview with the Portsmouth Redevelopment and Housing Authority (which oversees the City of Portsmouth) indicated that they have over 1,960 households in the Section 8 Certificate and Voucher program for the Portsmouth. The agency also indicated that there are over 7,000 family and elderly (one-bedroom) participants on a waiting list for housing. As in previous experiences with local housing authorities, it is expected that additional support could be generated from these prospective tenants, as well as the tenants currently on area developments waiting lists.

XI. OTHER REQUIREMENTS

A. VIRGINIA HOUSING DEVELOPMENT AUTHORITY'S LOW-INCOME TAX CREDIT REQUIREMENTS

According to the Virginia Housing Development Authority's 2019 Low-Income Tax Credit Program, specific requirements needed for analysis of market viability have been completed and incorporated into the market feasibility study prepared by National Land Advisory Group, in the sections as described in Market Study Guidelines & Contents of this market study.

B. CONSULTANT'S STATEMENT AND MARKET STUDY CERTIFICATION CONSULTANT'S STATEMENT AND LIMITATIONS

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

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

Certificate of Membership

National Land Advisory Group
Is a Member Firm in Good Standing of




Formerly known as
National Council of Affordable
Housing Market Analysts

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202-939-1750

Membership Term
2/1/2019 to 1/31/2020




Thomas Amdur
Executive Director, NH&RA

While the document specifies National Land Advisory Group the certification is always signed by the individual completing the study and attesting to the certification.

MARKET STUDY CERTIFICATION

The undersigned, a recognized firm of independent market analysts knowledgeable and experienced in the development of affordable rental properties, completed this Market Study of Holley Pointe (project name) for the Woda Cooper Companies, Inc. (developer name). The market analyst made a physical inspection of the market area, reviewed all relevant data, and independently established the conclusions for this report.

The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed units. The market analyst does hereby state, in our best judgment that a market can support the demand for the proposed project as of March 10, 2019. I understand that any misrepresentation in this statement may result in the denial of participation in the LIHTC Program in Virginia as administered by VHDA.

To the best of our knowledge, all data contained in this report is correct to the extent that the local, Commonwealth of Virginia, and federal recording agencies accurately record and publish this data. All projections were based on current professionally accepted methodology. The market analyst makes no guarantees or assurances that projections or conclusions in the study will be realized as stated.

The market analyst has no financial interest in the proposed project. The fee assessed for the study was not contingent on the proposed project being approved by the Virginia Housing Development Authority. The Virginia Housing Development Authority is an authorized user of this market study and may rely on the representations made within.

By: National Land Advisory Group
(Market Analyst Company/Firm)

By: 
(Authorized Representative)

Title: President

Date: March 10, 2019

C. COMPANY PROFILE

National Land Advisory Group, established in 1987, is a multi-faceted corporation engaged in the market research and consulting of various real estate activities. National Land Advisory Group supplies consulting services to real estate and finance professionals and state housing agencies through conducting market feasibility studies. National Land Advisory Group also provides a land evaluation and acquisition service for selective clients. Areas of concentration include residential housing and commercial developments. Research activity has been conducted on a national basis.

The National Land Advisory Group has researched residential and commercial markets for growth potential and investment opportunities, prepared feasibility studies for conventional and assisted housing developments, and determined feasibility for both family and elderly facilities. Recent income-assisted housing analyses have been conducted for Low-Income Housing Tax Credit (LIHTC) programs, as well as developments associated with the Housing and Urban Development and Rural Housing Development Programs. The associates of National Land Advisory Group have performed market feasibility analyses for rental, condominium, and single-family subdivision developments, as well as, commercial, recreational, hotel/motel and industrial developments in numerous communities throughout the United States.

Additionally, National Land Advisory Group evaluates land acquisitions, specializing in helping developers capitalize on residential and commercial opportunities. National Land's investment methodology has resulted in the successful acquisition of numerous parcels of undeveloped land which are either completed or under development by an associated developer or client. National Land's acquisition tasks include market research, formal development planning, working with professional planning consultants and local government planning officials.

An independent market analyst, Richard Barnett (rbarnett@landadvisory.biz), President of National Land Advisory Group, specializes in both the residential and commercial sectors. Combining over twenty years of professional experience in the housing field with a degree in Real Estate and Urban Development from The Ohio State University, Mr. Barnett brings a wealth of information and insight into his analyses of housing markets. Between 1978 and 1987, Mr. Barnett served as a real estate consultant and market analyst, in the capacity of vice-president of a national real estate research firm. Since 1987, with the establishment of National Land Advisory Group, Mr. Barnett has produced hundreds of market studies for housing and commercial developments throughout the United States. Numerous articles and quotes by Mr. Barnett have been published in national publications.

Recently, real estate market analysis studies have been completed in the following states:

Alabama	Arkansas	California	Colorado
Florida	Georgia	Idaho	Illinois
Indiana	Iowa	Kentucky	Louisiana
Michigan	Minnesota	Mississippi	Missouri
Nebraska	Nevada	New Jersey	New Mexico
New York	North Carolina	North Dakota	Ohio
Pennsylvania	South Carolina	South Dakota	Tennessee
Texas	Utah	Virginia	Washington DC
West Virginia	Wisconsin		

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