

MARKET STUDY

Property:
Luray Village Apartments
111 Sixth Street
Luray, Page County, Virginia 22835



Type of Property:
Affordable Multifamily Development
Elderly
Renovation

Date of Report:
February 21, 2019

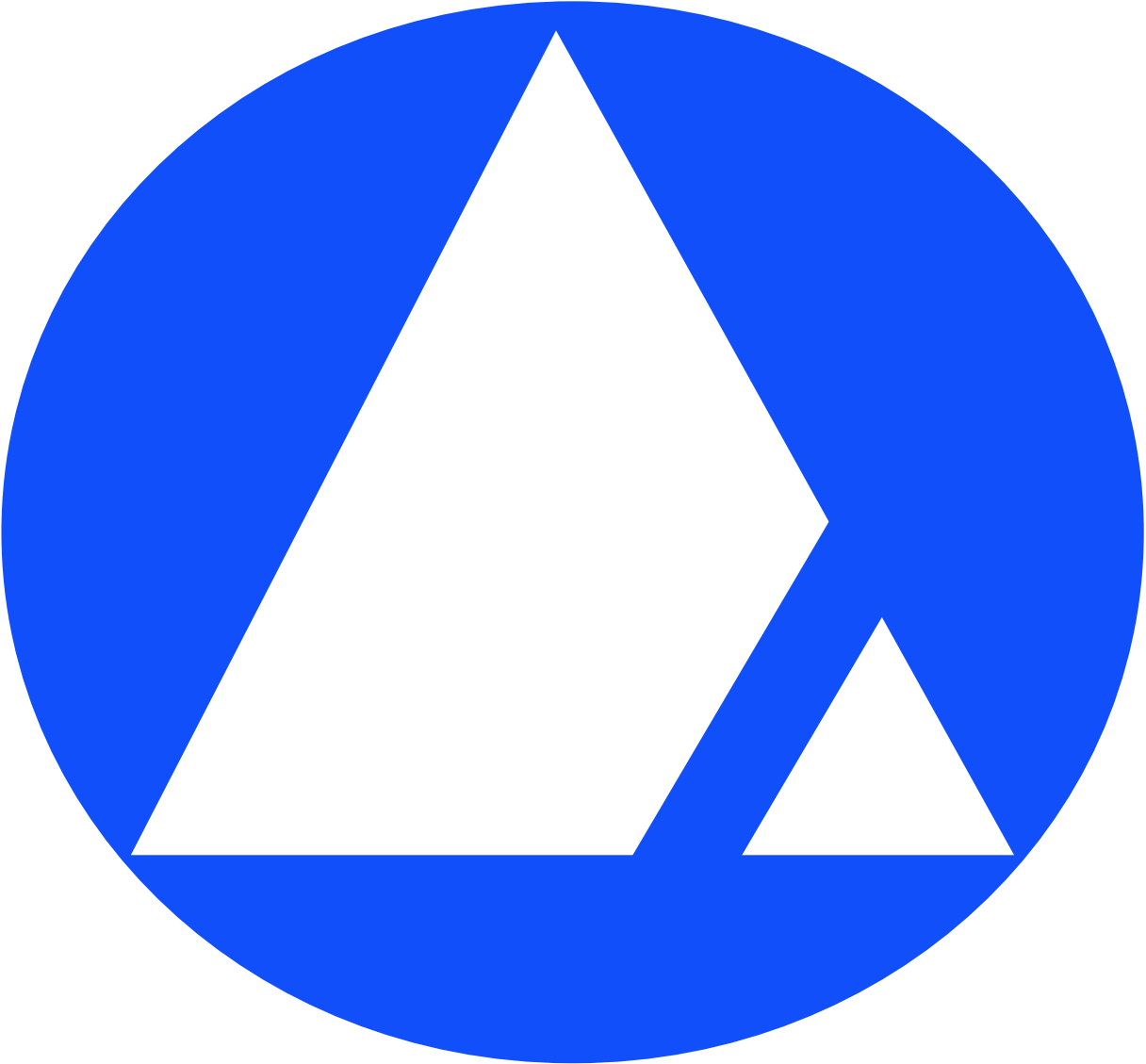
Effective Date:
February 19, 2019

Date of Site Visit:
February 3, 2019

Prepared For:
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February 21, 2019

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

Re: Luray Village Apartments

Dear Mr. Ari Severe:

The subject property, known as Luray Village Apartments, is an existing affordable multifamily development located at 111 Sixth Street in Luray, Page County, Virginia (Map # 42A12-3-32-11). The subject property consists of 34 revenue-producing units originally constructed in 1999 with tax credit and USDA-RD financing. The sponsor has proposed to renovate the property with an allocation of tax credits and the assumption and reamortization of the outstanding USDA-RD 515 loan. The subject property is a 62+ age restricted community.

The subject property is proposed to consist of 34 revenue-producing units including 1- and 2-bedroom garden apartments. A total of 4 units are proposed to be income restricted to 40% of AMI; a total of 11 units are proposed to be income restricted to 50% of AMI; a total of 14 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 33 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing.

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

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

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

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

To the best of our knowledge, this report presents an accurate evaluation of market conditions for the subject property as of the effective date of this report. While the analysis that follows is based upon information obtained from sources believed to be reliable, no guarantee is made of its accuracy.

Feel free to contact us with any questions or comments.

Respectfully submitted:
ALLEN & ASSOCIATES CONSULTING

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

Jeff Carroll

EXECUTIVE SUMMARY

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

Project Description

The subject property, known as Luray Village Apartments, is an existing affordable multifamily development located at 111 Sixth Street in Luray, Page County, Virginia (Map # 42A12-3-32-11). The subject property consists of 34 revenue-producing units originally constructed in 1999 with tax credit and USDA-RD financing. The sponsor has proposed to renovate the property with an allocation of tax credits and the assumption and reamortization of the outstanding USDA-RD 515 loan. The subject property is a 62+ age restricted community.

Proposed Unit Mix

The subject property is proposed to consist of 34 revenue-producing units including 1- and 2-bedroom garden apartments. A total of 4 units are proposed to be income restricted to 40% of AMI; a total of 11 units are proposed to be income restricted to 50% of AMI; a total of 14 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 33 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing.

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

Unit Type / Income Limit / Rent Limit	Proposed Unit Configuration		Units	Gross Rent	UA	Net Rent
	HOME	Subsidized				
1BR-1BA-601sf / 40% of AMI / 40% of AMI	No	Yes	3	\$681	\$106	\$575
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	Yes	11	\$681	\$106	\$575
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	Yes	14	\$681	\$106	\$575
2BR-1BA-716sf / 40% of AMI / 40% of AMI	No	Yes	1	\$794	\$119	\$675
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	Yes	2	\$794	\$119	\$675
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	Yes	2	\$794	\$119	\$675
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	No	1	\$789	\$119	\$670
Total/Average			34	\$701	\$108	\$593

Site Description

The subject property includes an irregular-shaped parcel consisting of approximately 3.21 acres and approximately 500 feet of road frontage.

A total of 37 parking spaces are planned for this development (29 regular / 8 accessible / 1.09 spaces per unit). Privately-owned parking areas are planned for the subject property. We normally see 1.5 to 2.0 spaces per unit for projects like the subject. Public transportation is not found in the area. In our opinion, the current parking appears light for the subject property.

Additional Considerations:

Zoning	R-4 Residential. Legal, conforming use.
Environmental	1999 construction. No suspected environmental conditions.
Topography	No issues detected.
Flood	Zone X. Outside the 100-year flood zone.
DDA Status	Page County, Virginia. Not designated as a Difficult to Develop Area.
QCT Status	Tract 303.00. Not designated as a Qualified Census Tract.
Access	Fair to Good. Located off a moderately-traveled road.
Visibility	Fair to Good. Located off a moderately-traveled road.

In our opinion, the site is suitable for development.

Neighborhood Description

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

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

Additional Considerations:

Crime	Similar to market average.
Schools	Similar to market average.
Average Commute	Longer than market average.

In our opinion, the neighborhood is suitable for development.

Primary Market Area

We defined the primary market area by generating a 20-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

The primary market area includes a population of 40,613 persons and covers a total of 509.7 square miles, making it 25.5 miles across on average.

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

Demographic Characteristics

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

Population	Market area population currently stands at 40,613 and is projected to grow 0.2 percent this year.
Households	Market area households currently stand at 16,244 and is projected to grow 0.1 percent this year.
Renter Households	Market area renter households currently stand at 4,844 and is projected to decline 0.5 percent this year.
Renter Tenure	Market area renter tenure currently stands at 29.8 percent.
Rent Growth	Market area rents have grown 2.69% annually since 2010.

Regional Economic Outlook

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

Est Employment	Regional establishment employment currently stands at 49,644 and is projected to grow 1.4 percent this year.
Civ Employment	Regional civilian employment currently stands at 53,881 and is projected to grow 1.1 percent this year.
Empl by Industry	Regional establishment employment currently stands at 49,644. The data suggests that Manufacturing is the largest employment category accounting for 11.3% of total regional employment. Retail Trade is the second largest category accounting for 11.1% of total employment. State and Local Government is the third largest category accounting for 10.4% of total employment. Health Care and Social Assistance is the fourth largest category accounting for 9.6% of total employment. Accommodation and Food Services is the fifth largest category accounting for 8.0% of total employment.

Top Employers The top employers include: (1) George's Inc (1200 employees); (2) VF Jeanswear (600 employees) and; (3) R R Donnelley (500 employees).
Layoffs/Expansions Major employers are currently hiring; none reported any pending layoffs.

Supply Analysis

Our analysis includes a total of 20 confirmed market area properties consisting of 806 units. The occupancy rate for these units currently stands at 90 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

The following tables summarize our findings for this market area:

Grand Total				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	5	170	7	96%
Restricted	13	482	70	85%
Subsidized	2	154	0	100%
Total	20	806	77	90%

Stabilized				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	4	162	6	96%
Restricted	10	391	18	95%
Subsidized	0	48	0	100%
Total	14	601	24	96%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	2	39	0	100%
Subsidized	2	106	0	100%
Total	4	145	0	100%

Pipeline				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	1	8	1	88%
Restricted	1	52	52	0%
Subsidized	0	0	0	0%
Total	2	60	53	12%

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

Most Comparable Properties

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

Key	Property	Units	Occupancy	Built	Renovated	Rents	Type	Miles to Sub
021	Lakeview Townhomes	43	95%	1975	2008	Market Rate	Family	12.17
031	Mountain View	62	97%	1983	2007	Market Rate	Family	12.37
046	Rose Hill Apartments	56	96%	1989	2013	Market Rate	Family	11.76
058	Tannery Apartments	102	95%	1984	na	Market Rate	Family	17.06

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

Key	Property	Units	Occupancy	Built	Renovated	Rents	Type	Miles to Sub
012	Echo Mountain Apartments	50	100%	1998	na	Restricted	Family	12.13
033	New Market North Phase 2	40	100%	1989	2012	Restricted	Family	12.66
043	Ridge Apartments Phase 3	24	96%	2004	na	Restricted	Family	12.34
061	Valley Vista Apartments	85	84%	1972	2010	Restricted	Family	12.37

Achievable Rents

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

Achievable Rents							
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Achievable	Proposed	Advantage	
1BR-1BA-601sf / 40% of AMI / 40% of AMI	No	Yes	3	\$600	\$575	4.2%	
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	Yes	11	\$600	\$575	4.2%	
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	Yes	14	\$600	\$575	4.2%	
2BR-1BA-716sf / 40% of AMI / 40% of AMI	No	Yes	1	\$700	\$675	3.6%	
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	Yes	2	\$700	\$675	3.6%	
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	Yes	2	\$700	\$675	3.6%	
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	No	1	\$575	\$670	-16.5%	
Total / Average			34	\$614	\$593	3.5%	

Our analysis suggests an average achievable rent of \$614 for the subject property. This is compared with an average proposed rent of \$593, yielding an achievable rent advantage of 3.5 percent. Overall, the subject property appears to be priced at or below achievable rents for the area (although one or more units appear to exceed achievable rents).

NCHMA Demand Analysis

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

Unit Type / Rent Type / Income Limit	Vac Units at Market Entry	Gross Demand	Vacant & Pipeline Units	Capture Rate Gross	Capture Rate Net	Penetration Rate	Absorption Pd (Mos)
1-Bedroom / Subsidized / 60% of AMI	14	412	0	3.4%	3.4%	26.5%	5
2-Bedroom / Subsidized / 60% of AMI	2	412	0	0.5%	0.5%	1.9%	<1
2-Bedroom / Restricted / 60% of AMI	1	169	0	0.6%	0.6%	0.6%	4
Project-Wide Gross Capture Rate				4.1%			
Project-Wide Net Capture Rate				4.1%			
Project-Wide Penetration Rate				28.6%			
Stabilized Occupancy				97%			
Project-Wide Absorption Period				5 mos			

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

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

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 5 months of absorption and an average absorption rate of 3.5 units per month for this project. In our opinion, the absorption period

suggests an appropriate number and mix of units for the subject property.

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

VHDA Demand Analysis

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

Project-Wide Capture Rate - LIHTC Units	3.9%
Project-Wide Capture Rate - Market Units	0.0%
Project-Wide Capture Rate - All Units	3.9%
Project-Wide Absorption Period (Months)	5 mos

Conclusion

In conclusion, the subject property appears to be feasible from a market standpoint, subject to the recommendations in this report. Some of the units appears to be priced above achievable rents; the sponsor should revisit the rents for these units. In addition, we anticipate a rapid lease-up after construction.

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

Luray Village Apartments
 111 Sixth Street
 Luray, Virginia 22835

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Minimum Income	\$3,180				\$20,430				\$3,180
Maximum Income	\$28,020				\$28,020				\$28,020
New Rental Households	14				3				17
(+)									
Existing Households - Overburdened	226				46				271
(+)									
Existing Households - Substandard Housing	46				9				55
(+)									
Elderly Households - Likely to Convert to Rental Housing	73				15				
(+)									
Existing Qualifying Tenants - To Remain After Renovation	8								8
(+)									
Total Demand	367				73				352
(-)									
Supply (Directly Comparable Vacant Units Completed or in Pipeline in PMA)									
(=)									
Net Demand	367				73				352
Proposed Units	16				1				17
Capture Rate	4.4%				1.4%				4.8%
Absorption Period (Months)	5 mos				5 mos				5 mos

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PROJECT OVERVIEW

Project Description

The subject property, known as Luray Village Apartments, is an existing affordable multifamily development located at 111 Sixth Street in Luray, Page County, Virginia (Map # 42A12-3-32-11). The subject property consists of 34 revenue-producing units originally constructed in 1999 with tax credit and USDA-RD financing. The sponsor has proposed to renovate the property with an allocation of tax credits and the assumption and reamortization of the outstanding USDA-RD 515 loan. The subject property is a 62+ age restricted community.

Select project details are summarized below:

Project Description	
Property Name	Luray Village Apartments
Street Number	111
Street Name	Sixth
Street Type	Street
City	Luray
County	Page County
State	Virginia
Zip	22835
Units	34
Year Built	1999
Project Rent	Restricted
Project Type	Elderly
Project Status	Prop Rehab
Financing Type	Tax Credit

Scope of Renovation

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

Construction and Lease-Up Schedule

We anticipate a 12-month construction period for this project. Assuming a September 1, 2019 closing, this yields a date of completion of September 1, 2020. Our demand analysis (found later in this report) suggests a 5-month absorption period. This yields a date of stabilization of February 1, 2021.

Unit Configuration

The subject property currently consists of 34 revenue-producing units including 1- and 2-bedroom garden apartments. A total of 33 units are currently income restricted to 50% of AMI; a total of 1 unit is currently income restricted to 60% of AMI; no units are currently set aside as market rate units; a total of 33 units currently benefit from project-based rental assistance. The subject property currently stands at 100% occupancy. The current rent and income restrictions will remain in place for the next 35 years or until the outstanding USDA-RD debt is repaid,

Current Unit Configuration										
BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
1	1.0	601	Garden/Flat	50%	50%	No	Yes	27	\$657	\$575
1	1.0	601	Garden/Flat	60%	60%	No	No	1	\$657	\$575
2	1.0	716	Garden/Flat	50%	50%	No	Yes	6	\$698	\$608
Total/Average		621						34	\$664	\$581

The subject property is proposed to consist of 34 revenue-producing units including 1- and 2-bedroom garden

apartments. A total of 4 units are proposed to be income restricted to 40% of AMI; a total of 11 units are proposed to be income restricted to 50% of AMI; a total of 14 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 33 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing.

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

Proposed Unit Configuration										
BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
1	1.0	601	Garden/Flat	40%	40%	No	Yes	3	\$681	\$575
1	1.0	601	Garden/Flat	50%	50%	No	Yes	11	\$681	\$575
1	1.0	601	Garden/Flat	60%	60%	No	Yes	14	\$681	\$575
2	1.0	716	Garden/Flat	40%	40%	No	Yes	1	\$794	\$675
Total/Average		621						34	\$701	\$593

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



USDA Rural Rental Assistance Program (Section 521)

Housing Assistance Council

June 2008

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

Purpose

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

Eligibility

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

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

Terms

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

Priority

Overall priority is provided to renewal of expiring contracts.

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

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

Comments

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

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

Income & Rent Limits

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

Income Limits						
HH Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
1.0 Person	\$12,270	\$16,360	\$20,450	\$24,540	\$28,630	\$32,720
2.0 Person	\$14,010	\$18,680	\$23,350	\$28,020	\$32,690	\$37,360
3.0 Person	\$15,780	\$21,040	\$26,300	\$31,560	\$36,820	\$42,080
4.0 Person	\$17,520	\$23,360	\$29,200	\$35,040	\$40,880	\$46,720
5.0 Person	\$18,930	\$25,240	\$31,550	\$37,860	\$44,170	\$50,480
6.0 Person	\$20,310	\$27,080	\$33,850	\$40,620	\$47,390	\$54,160
7.0 Person	\$21,720	\$28,960	\$36,200	\$43,440	\$50,680	\$57,920
8.0 Person	\$23,130	\$30,840	\$38,550	\$46,260	\$53,970	\$61,680

Source: HUD; State Housing Finance Agency

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

Historical Median Income		
Year	\$	Change
2008	\$50,000	1.8%
2009	\$53,100	6.2%
2010	\$53,300	0.4%
2011	\$54,100	1.5%
2012	\$54,800	1.3%
2013	\$54,800	0.0%
2014	\$55,100	0.5%
2015	\$55,100	0.0%
2016	\$51,000	-7.4%
2017	\$51,300	0.6%
2018	\$53,500	4.3%

Source: HUD

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

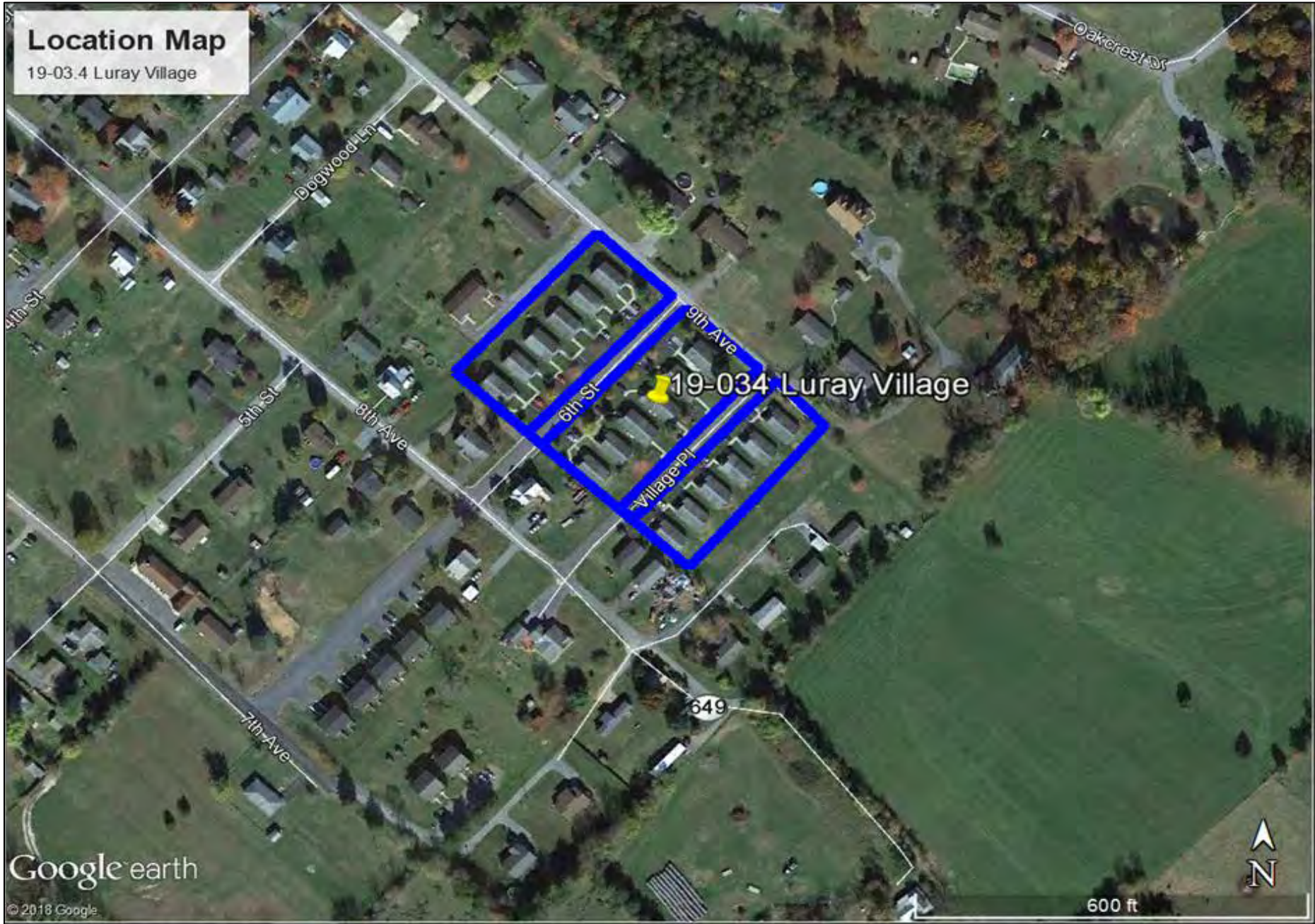
Maximum Housing Expense						
Unit Type	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
0 Bedroom	\$306	\$409	\$511	\$613	\$715	\$818
1 Bedroom	\$328	\$438	\$547	\$657	\$766	\$876
2 Bedroom	\$394	\$526	\$657	\$789	\$920	\$1,052
3 Bedroom	\$455	\$607	\$759	\$911	\$1,063	\$1,215
4 Bedroom	\$507	\$677	\$846	\$1,015	\$1,184	\$1,354

Source: HUD

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

Fair Market Rents	
Unit Type	Gross Rent
0 Bedroom	\$488
1 Bedroom	\$602
2 Bedroom	\$726
3 Bedroom	\$990
4 Bedroom	\$1,142

Source: HUD



IMPROVEMENT DESCRIPTION & ANALYSIS

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

Building Features

The subject property currently consists of 34 revenue-producing units in 17 residential buildings and 1 non-residential building. The development currently includes approximately 21,124 square feet of net rentable area and 28,169 square feet of gross building area.

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

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

The subject property includes slab on grade foundations.

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

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

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

The subject currently includes vinyl siding, double hung aluminum double pane windows, steel clad insulated six-panel unit entry doors, and sliding glass patio doors. The sponsor proposes to replace the siding, windows and exterior doors as part of the planned renovation. Vinyl windows are proposed after renovation.

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

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

Vertical Transportation - Elevator, Interior Stair Systems

None.

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

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

HVAC - Heating, Air Conditioning, Ventilation

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

Electrical and Communications - Distribution, Aluminum Wiring, etc.

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

Fire Suppression

The subject property is not currently equipped with an NFPA-13 fully automatic fire suppression (sprinkler) system. However, hard-wired smoke detectors with battery backup are found in each bedroom area. The sponsor proposes to replace the smoke detectors as part of the planned renovation.

Unit Features

The subject property currently contains 34 revenue-producing units including 31 regular units and 3 accessible units including 40 bedrooms, 34 full bathrooms and 0 half bathrooms.

The subject property is proposed to contain 34 revenue-producing units including 29 regular units and 5 accessible units, including 40 bedrooms, 34 full bathrooms and 0 half bathrooms.

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

Walls / Ceilings / Interior Doors

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

Floor Covering

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

Kitchens

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

Bathrooms

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

Project Amenities

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

Site & Common Area Amenities

A community center is currently found at the subject property.

Parking

Open parking is found at the subject property.

Laundry

Central laundry facilities are currently found at the subject property.

Security

No security amenities are currently found at the subject property.

Services

No additional services are currently found at the subject property.

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

Utility Configuration

The subject property currently includes electric heat, electric cooking and electric hot water. All utilities - including cold water, sewer and trash - are currently paid by the resident.

The sponsor has proposed a utility configuration change as part of the planned renovation. All utilities - with the

exception of trash - are proposed to be paid by the resident.

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

Utility Allowances										
BR	BA	SF	Unit Type	Inc Lmt	Rnt Lmt	HOME	Subs	Units	UA	HUD UA
1	1.0	601	Garden/Flat	40% of AMI	40% of AMI	No	Yes	3	\$106	\$139
1	1.0	601	Garden/Flat	50% of AMI	50% of AMI	No	Yes	11	\$106	\$139
1	1.0	601	Garden/Flat	60% of AMI	60% of AMI	No	Yes	14	\$106	\$139
2	1.0	716	Garden/Flat	40% of AMI	40% of AMI	No	Yes	1	\$119	\$183
2	1.0	716	Garden/Flat	50% of AMI	50% of AMI	No	Yes	2	\$119	\$183
2	1.0	716	Garden/Flat	60% of AMI	60% of AMI	No	Yes	2	\$119	\$183
2	1.0	716	Garden/Flat	60% of AMI	60% of AMI	No	No	1	\$119	\$183
Total/Average								34	\$108	\$147

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

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

Useful Life Analysis

The subject property was originally constructed in 1999 and is currently in fair condition. In our opinion, the subject has a remaining useful life & remaining economic life of 20 years in its current condition. Assuming the scope of work described above, we anticipate a remaining useful life & remaining economic life of 50 years after renovation. Finally, we estimate a post-renovation effective age of 10 years for this project.

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

Actual Age Effective Age Condition								
Rating					Rank			
Key	Project Name	Actual Age	Effective Age	Property Condition	Actual Age	Effective Age	Property Condition	
Sub	Luray Village Apartments	1999	2009	4.00	2	1	1	
012	Echo Mountain Apartments	1998	2000	3.00	3	4	6	
021	Lakeview Townhomes	1975	1985	2.25	8	8	9	
031	Mountain View	1983	2000	3.50	7	4	3	
033	New Market North Phase 2	1989	2005	4.00	4	2	1	
043	Ridge Apartments Phase 3	2004	2005	3.50	1	2	3	
046	Rose Hill Apartments	1989	2000	3.00	4	4	6	
058	Tannery Apartments	1984	1985	2.50	6	8	8	
061	Valley Vista Apartments	1972	2000	3.50	9	4	3	

Source: Allen & Associates; Sponsor

Amenities

		Site & Common Area Amenities																					
Key	Project Name	Ball Field	BBQ Area	Billiards Game Rm	Business Comp Ctr	Car Care Center	Community Center	Elevator	Fitness Center	Gazabo Pato	Hot Tub Jacuzzi	Herb Garden	Horseshoes	Lake	Library	Movie Media Ctr	Picnic Area	Playground	Pool	Sauna	Sports Court	Walking Trail	
Sub	Luray Village Apartments	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
012	Echo Mountain Apartments	no	yes	no	yes	no	yes	no	no	no	no	no	no	no	no	no	yes	yes	no	no	no	no	no
021	Lakeview Townhomes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
031	Mountain View	no	yes	no	no	no	yes	yes	yes	no	no	no	no	no	no	yes	yes	no	no	no	no	no	no
033	New Market North Phase 2	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	no	no	yes	no	no
043	Ridge Apartments Phase 3	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	no	yes	yes	no	no	yes	no	no
046	Rose Hill Apartments	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	no	no	no	no	no
058	Tannery Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
061	Valley Vista Apartments	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	no	yes	no	no

		Unit Amenities					Kitchen Amenities					Air Conditioning				Heat						
Key	Project Name	Blinds	Ceiling Fans	Carpeting	Fireplace	Patio Balcony	Storage	Stove	Refrigerator	Disposal	Dishwasher	Microwave	Central	Wall Units	Window Units	None	Central	Wall Units	Baseboards	Boiler Radiator	None	
Sub	Luray Village Apartments	yes	yes	yes	no	yes	no	yes	yes	no	yes	no	yes	no	no	no	yes	no	no	no	no	no
012	Echo Mountain Apartments	yes	no	yes	no	yes	no	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no	no
021	Lakeview Townhomes	yes	no	yes	no	some	no	yes	yes	some	some	no	yes	no	no	no	yes	no	no	no	no	no
031	Mountain View	yes	no	yes	no	yes	no	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no	no	no
033	New Market North Phase 2	yes	no	yes	no	yes	yes	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no	no
043	Ridge Apartments Phase 3	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no	no	no
046	Rose Hill Apartments	yes	no	yes	no	yes	no	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no	no
058	Tannery Apartments	no	no	yes	no	Some	no	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no	no
061	Valley Vista Apartments	yes	no	yes	no	some	no	yes	yes	no	yes	no	yes	no	no	no	yes	no	no	no	no	no

		Parking					Laundry			Security					Services								
Key	Project Name	Garage	Covered Parking	Assigned Parking	Open Parking	None	Central	W/D Units	W/D Hookups	Call Buttons	Controlled Access	Courtesy Officer	Monitoring	Security Alarms	Security Patrols	After School	Concierge	Hair Salon	Health Care	House-keeping	Meals	Trans- portation	
Sub	Luray Village Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
012	Echo Mountain Apartments	no	no	no	yes	no	yes	no	yes	no	no	no	no	yes	no	no	no	no	no	no	no	no	no
021	Lakeview Townhomes	no	no	no	yes	no	yes	no	some	no	no	no	no	no	no	no	no	no	no	no	no	no	no
031	Mountain View	no	no	no	yes	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
033	New Market North Phase 2	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
043	Ridge Apartments Phase 3	no	no	no	yes	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
046	Rose Hill Apartments	no	no	no	yes	no	yes	no	no	no	no	yes	no	no	na	na	na	na	na	na	na	na	na
058	Tannery Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
061	Valley Vista Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no

Source: Allen & Associates; Sponsor

		Utilities																					
Key	Project Name	Tenant-Paid											Owner-Paid										
		Heat / Gas	Heat / Electric	Cooking / Gas	Cooking / Electric	Other / Electric	AC / Electric	HW / Gas	HW / Electric	Water	Sewer	Trash	Heat / Gas	Heat / Electric	Cooking / Gas	Cooking / Electric	Other / Electric	AC / Electric	HW / Gas	HW / Electric	Water	Sewer	Trash
Sub	Luray Village Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes
012	Echo Mountain Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes
021	Lakeview Townhomes	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes
031	Mountain View	no	no	no	yes	yes	no	no	no	no	no	no	yes	no	no	no	no	yes	yes	no	yes	yes	yes
033	New Market North Phase 2	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes
043	Ridge Apartments Phase 3	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes
046	Rose Hill Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes
058	Tannery Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	yes	no	no	no	no	no	no	no	no	yes	yes	no
061	Valley Vista Apartments	no	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	no	yes	yes	yes

Source: Allen & Associates; Sponsor

HUD Utility Schedule Model Output					
	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Heat - Gas	36	39	43	46	50
Heat - Elec	12	14	16	18	19
Cooking - Gas	3	3	4	6	7
Cooking - Elec	4	5	7	9	11
Other Electric	14	17	24	30	37
Air Conditioning	4	4	6	8	9
Hot Water-Gas	6	7	10	13	17
Hot Water-Elec	10	11	14	18	21
Water	36	38	50	68	86
Sewer	48	50	66	90	114
Trash	9	9	9	9	9

Source: Local Utility Providers; HUD

SITE DESCRIPTION & ANALYSIS

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

Survey

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

Site Plan

A site plan for the subject property was not provided to the analyst for review. Site plans are necessary to analyze the site improvements, parking configuration, internal traffic flow, location of building improvements and landscaping improvements for the subject property. The developer did provide us with a description of the development's site features. A summary of these features is found below.

Acres / Lot Shape / Frontage

The subject property includes an irregular-shaped parcel consisting of approximately 3.21 acres and approximately 500 feet of road frontage.

Zoning

According to the sponsor, the subject property is currently zoned R-4. It is our understanding that the current zoning for the subject is a legal, conforming use.

Parking / Streets / Curbs / Sidewalks

A total of 37 parking spaces are planned for this development (29 regular / 8 accessible / 1.09 spaces per unit). Privately-owned parking areas are planned for the subject property. We normally see 1.5 to 2.0 spaces per unit for projects like the subject. Public transportation is not found in the area. In our opinion, the current parking appears light for the subject property.

Dumpsters / Dumpster Enclosures

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

Landscaping / Perimeter Fence / Retaining Walls / Entry Sign

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

Stormwater Management / Site Lighting / Water Service / Wastewater Service

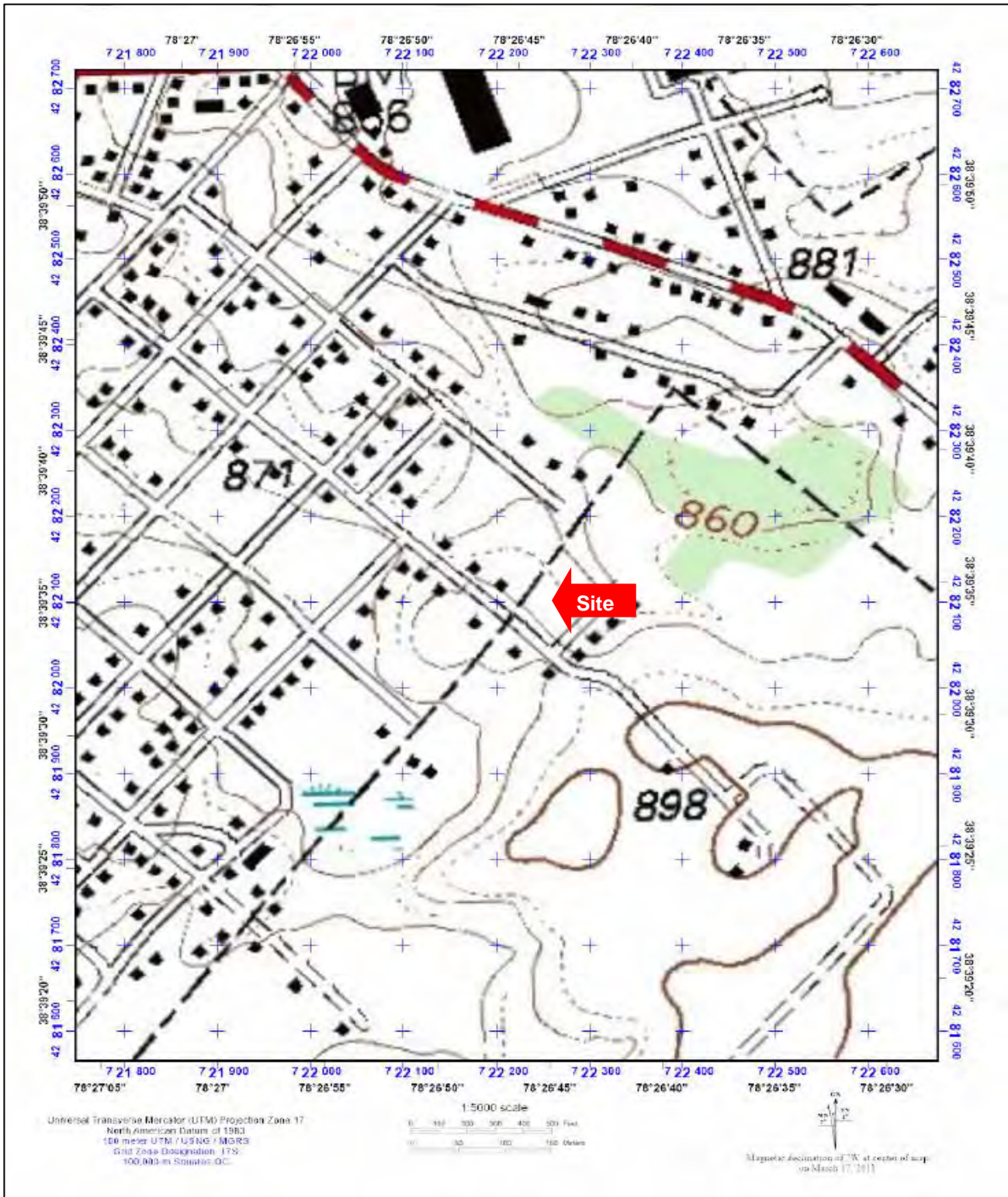
Stormwater management consists of catch basins and concrete pipe connecting to a public system. Site lighting consists of publicly-owned HID poles. Domestic water service to buildings consists of ductile iron pipe connecting to a public system. Wastewater service to buildings consists of PVC pipe connecting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

Nuisances, Hazards, Detrimental Influences & Environmental

We did not observe any nuisances, hazards, detrimental influences or recognized environmental conditions on our inspection of the subject property. The subject property was originally constructed in 1999, after the 1978 ban on lead and asbestos containing construction materials. Nevertheless, we recommend that the sponsor obtain a comprehensive environmental assessment from a qualified professional.

Topography

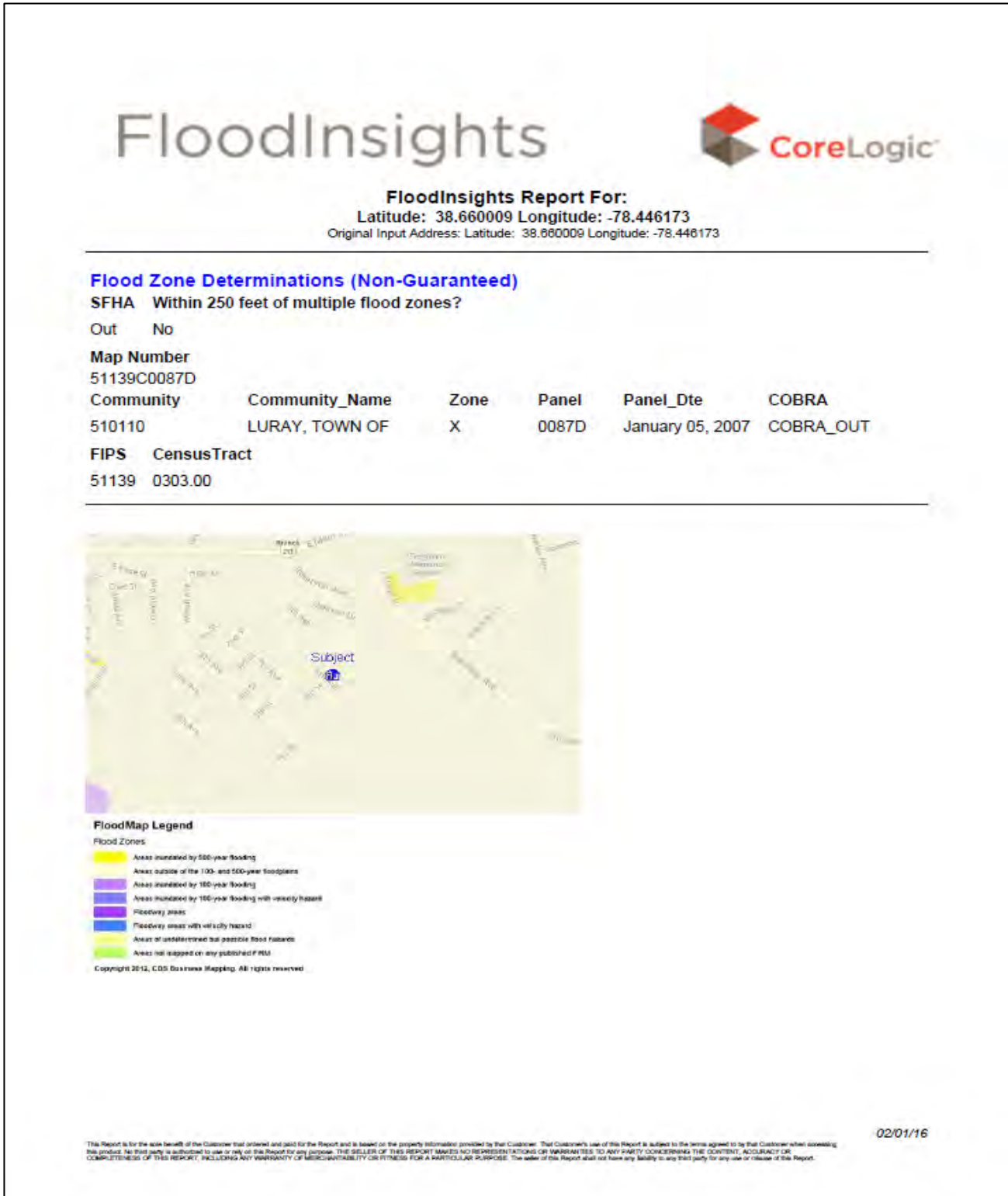
The USGS map showing the topography of the subject property and surrounding area is found below:



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

Flood Zone

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



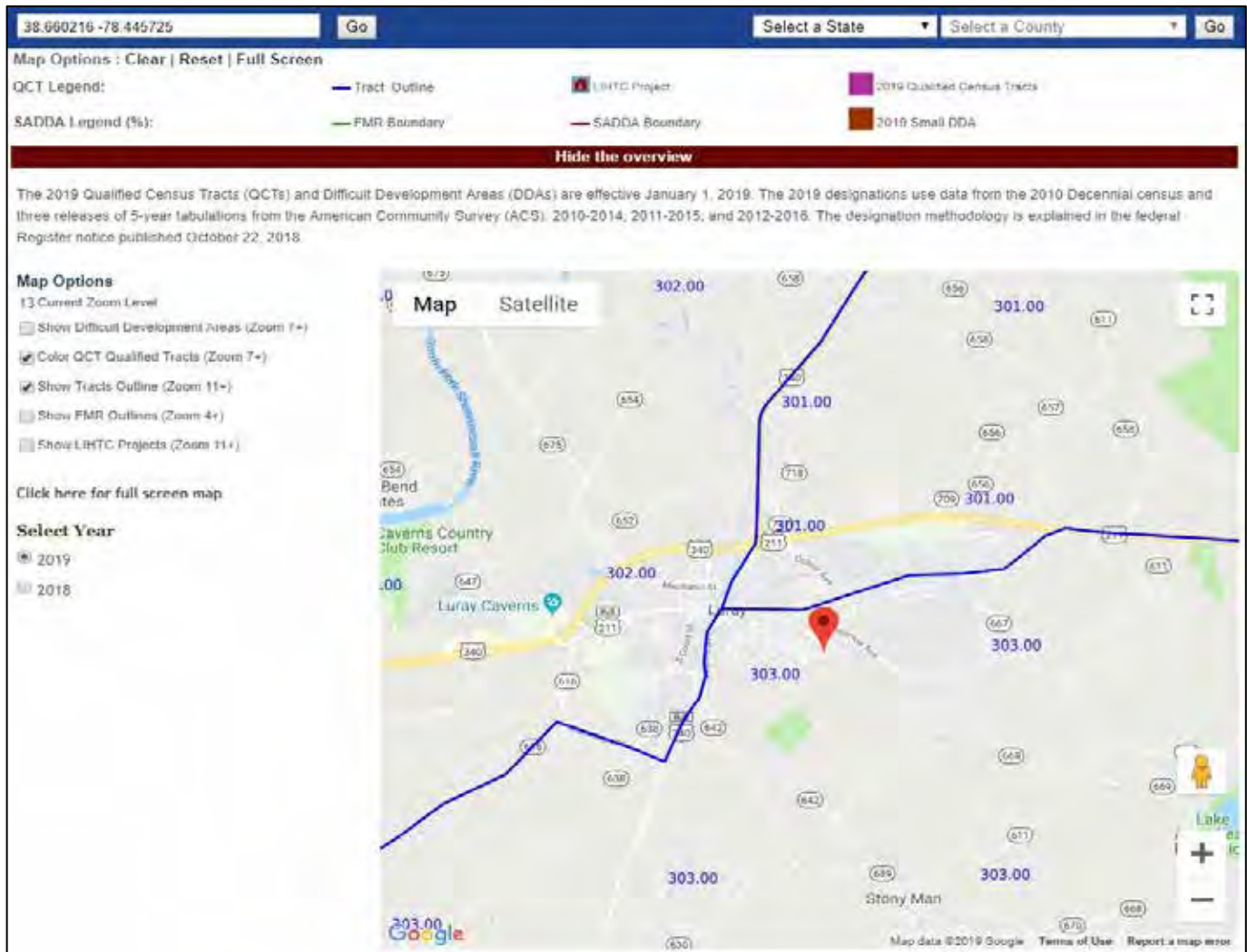
According to FEMA map number 51139C0087D dated January 05, 2007, the subject property is located in Zone X. This is an area that is identified as being located outside the 100-year flood zone.

Difficult to Develop Area Status

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

Qualified Census Tract Status

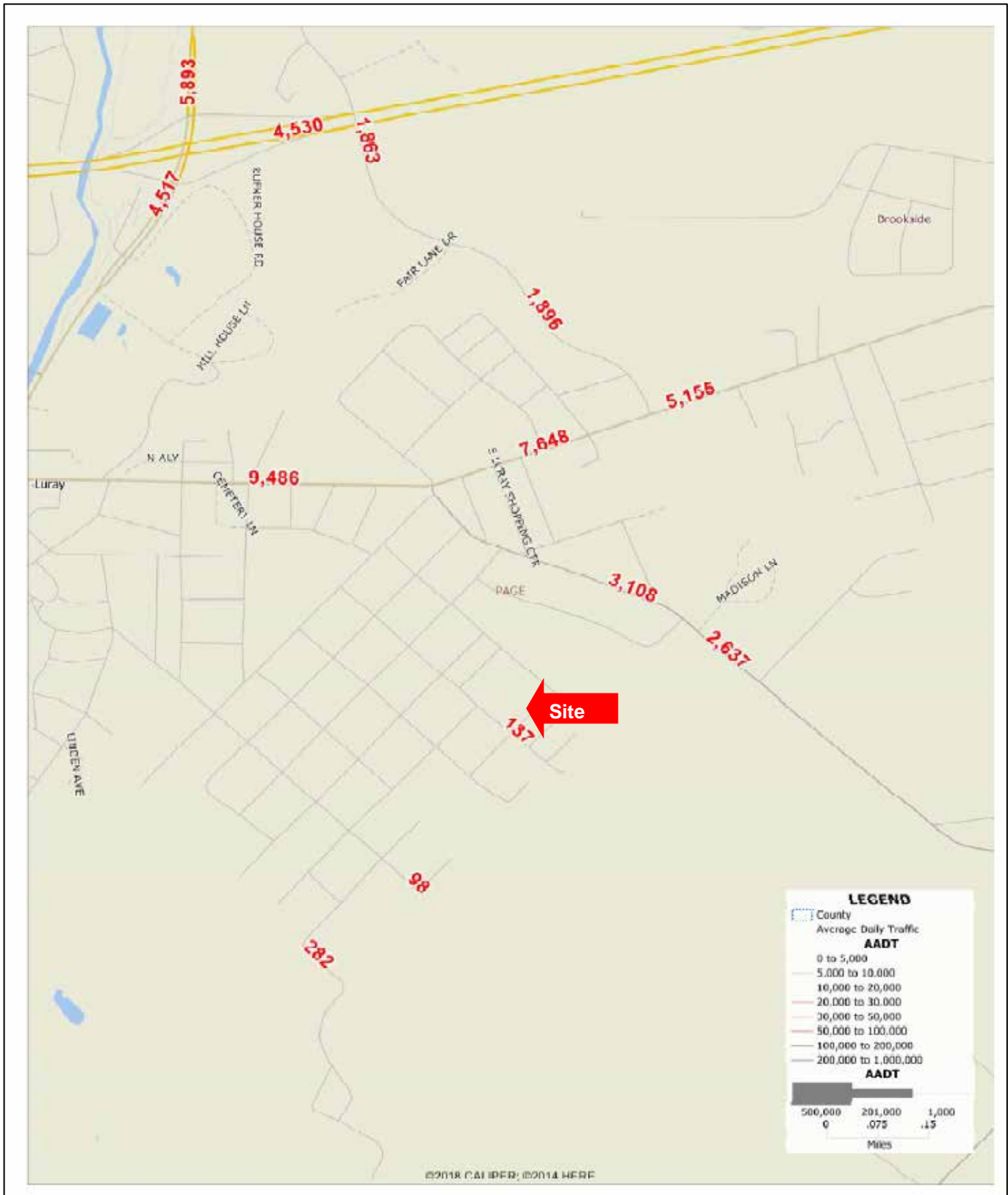
The federal government has identified census tracts throughout the United States that include high concentrations of low-income households and substandard housing units. These areas, known as Qualified Census Tracts, qualify for special funding under various state and federal programs. A QCT map showing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



The subject property is located in Census Tract 303.00 - an area that is not designated as a Qualified Census Tract. Consequently, the subject property does not appear to qualify for special QCT funding under state and federal programs.

Traffic Patterns, Access & Visibility

A traffic map identifying the subject property is found below:



Access

The subject property is located on Sixth Street, approximately 2 blocks south of State Highway 211 in Luray, Virginia. State Highway 211 is a moderately-traveled east-west road carrying approximately 9,000 vehicles per day. We did not observe any road or infrastructure improvements taking place in the immediate vicinity of the subject property. In our opinion, therefore, accessibility is fair to good by virtue of the location of the subject property relative to existing streets and thoroughfares.

Visibility

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

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

Access & Visibility					
Rating				Rank	
Key	Project Name	Access	Visibility	Access	Visibility
Sub	Luray Village Apartments	2.50	2.00	8	8
012	Echo Mountain Apartments	3.00	3.00	3	3
021	Lakeview Townhomes	3.00	3.00	3	3
031	Mountain View	3.00	3.00	3	3
033	New Market North Phase 2	3.50	3.50	1	1
043	Ridge Apartments Phase 3	2.50	3.25	8	2
046	Rose Hill Apartments	3.25	2.00	2	8
058	Tannery Apartments	3.00	3.00	3	3
061	Valley Vista Apartments	3.00	3.00	3	3

Source: Allen & Associates

NEIGHBORHOOD DESCRIPTION & ANALYSIS

Neighborhood

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

Life Cycle

Neighborhoods are sometimes thought to evolve through four distinct stages:

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

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

Surrounding Properties

The subject property is located in Luray, Virginia. The immediate area consists of residential land uses.

Single family in good condition is located to the north, south, east, and west of the subject property. Neighboring land uses appear to be complimentary to the use of the subject property. The condition of the neighboring properties appears to be complimentary as well.

Surrounding property uses are summarized in the table found below:

Surrounding Properties		
Direction	Use	Condition
North	Single Family	Good
South	Single Family	Good
East	Single Family	Good
West	Single Family	Good

Source: Allen & Associates

Economic Characteristics

The subject property is located in an area with average household incomes of \$52,065 (in 2015 dollars); this is compared with \$46,421 for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with median cash rents of \$657 (in 2015 dollars); this is compared with \$683 for the most comparable properties included in this analysis.

Finally, the subject property is located in an area with median single family home values of \$205,700 (in 2015 dollars); this is compared with \$208,489 for the most comparable properties included in this analysis.

Crime Rates

The subject property is located in an area with personal crime rates of 0.8%. Personal crime includes offenses such as rape, murder, robbery and assault. Our research suggests that the average personal crime rate for the most comparable properties stands at 1.3%.

In addition, the subject property is located in an area with property crime rates of 1.3%. Property crimes include offenses such as burglary, larceny and theft. Our research suggests that the average property crime rate for the most comparable properties stands at 0.8%.

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

Educational Attainment

The subject property is located in an area with high school graduation rates of 80.8%; this is compared with 80.8% for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with college graduation rates of 16.5%; this is compared with 20.1% for the most comparable properties included in this analysis.

Commuting Patterns

The subject property is located in an area with an average drive to work of 34.5 minutes; this is compared with 28.9 minutes for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with an average of 1.83 vehicles per household; this is compared with 1.80 vehicles per household for the most comparable properties included in this analysis.

Conclusion

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

Proximity to Area Amenities

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

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

Proximity to Area Amenities		
Amenity	Name	Miles
Bank	F&M Bank	0.4 mi N
Grocery	Shoppers Value Foods	0.3 mi N
Emergency Clinic	Page Memorial Hospital	1.2 mi W
Pharmacy	Walmart Pharmacy	2.6 mi W
Discount Store	Peebles	0.3 mi N
Elementary School	Luray Elementary School	0.6 mi SW
Middle School	Luray Middle School	0.6 mi W
High School	Luray High School	2.2 mi W
Bus Stop	-	-

Source: Google Maps

F&M Bank, Shoppers Value Foods, Walmart Pharmacy, and Peebles are all located less than 3.0 miles away from the subject property. Page Memorial Hospital is located 1.2 miles away.

Number of Area Amenities

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

- Microsoft Streets & Trips identified 4 banks within 2.0 miles of the subject property. The subject is ranked 6 out of the 9 properties included in this analysis.
- A total of 4 grocery stores are in the vicinity of the subject property. The subject is ranked 6 for the area.
- A total of 2 hospital are in the vicinity of the subject property. The subject is ranked 1 for the area.
- A total of 2 pharmacies are in the vicinity of the subject property. The subject is ranked 6 for the area.
- A total of 6 shopping centers are in the vicinity of the subject property. The subject is ranked 6 for the area.

Nearest Area Amenities

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

- According to Microsoft Streets & Trips, the nearest bank is 0.3 miles away from the subject property. The subject is ranked 6 out of the 9 properties included in this analysis.
- The nearest grocery store is 0.29 miles away from the subject property. The subject is ranked 5 for the area.
- The nearest hospital is 1.29 miles away from the subject property. The subject is ranked 6 for the area.
- The nearest pharmacy is 0.29 miles away from the subject property. The subject is ranked 4 for the area.
- The nearest shopping center is 0.3 miles away from the subject property. The subject is ranked 6 for the area.

Conclusion

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

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

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

Neighborhood Ratings

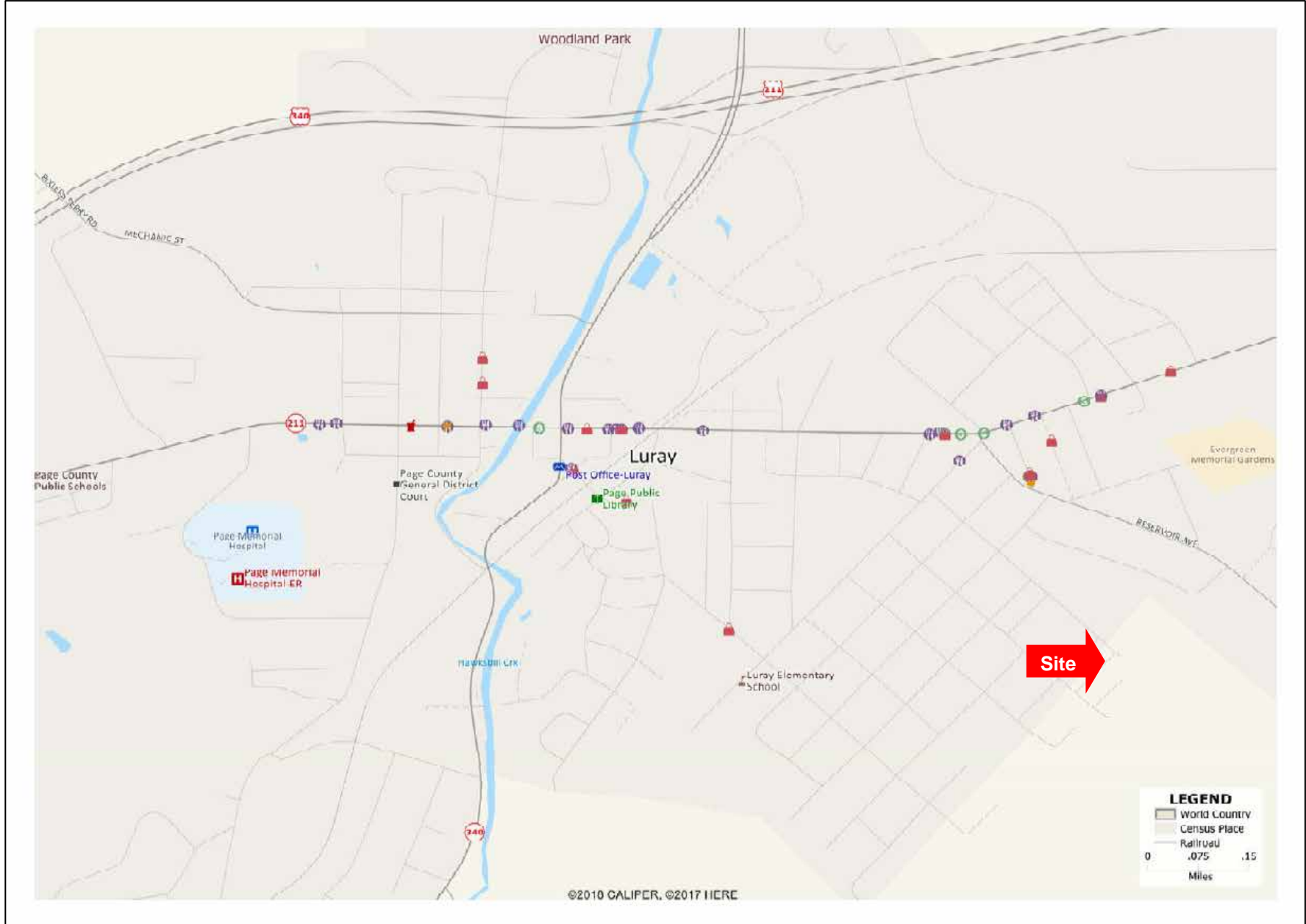
		Rating								Rank (1 = Property with Highest Rating)								Final Rating (1-5 Scale)
		Surrounding Area			Crime Rates		Education		Commute	Surrounding Area			Crime Rates		Education		Commute	
Key	Project Name	Avg HH Income (2015)	Med Cash Rent (2015)	Med SF Value (2015)	Personal Crime	Property Crime	High School or More	Bachelor's or More	Average Commute	Avg HH Income (2015)	Med Cash Rent (2015)	Med SF Value (2015)	Personal Crime	Property Crime	High School or More	Bachelor's or More	Average Commute	
Sub	Luray Village Apartments	\$52,065	\$657	\$205,700	0.8%	1.3%	80.8%	16.5%	34.52	1	6	7	7	8	8	8	9	2.80
012	Echo Mountain Apartments	\$47,460	\$741	\$220,000	0.3%	0.4%	81.8%	20.2%	29.01	3	1	1	1	1	2	3	3	4.50
021	Lakeview Townhomes	\$47,460	\$741	\$220,000	0.3%	0.4%	81.8%	20.2%	29.01	3	1	1	1	1	2	3	3	4.50
031	Mountain View	\$47,460	\$741	\$220,000	0.3%	0.4%	81.8%	20.2%	29.01	3	1	1	1	1	2	3	3	4.50
033	New Market North Phase 2	\$36,413	\$590	\$200,800	0.8%	1.4%	81.4%	28.7%	23.74	9	8	8	6	9	7	1	1	2.70
043	Ridge Apartments Phase 3	\$47,460	\$741	\$220,000	0.3%	0.4%	81.8%	20.2%	29.01	3	1	1	1	1	2	3	3	4.50
046	Rose Hill Apartments	\$50,242	\$587	\$207,600	7.7%	1.1%	85.1%	21.6%	27.39	2	9	6	9	7	1	2	2	3.50
058	Tannery Apartments	\$41,765	\$612	\$162,300	0.9%	1.0%	70.5%	13.7%	29.71	8	7	9	8	6	9	9	8	2.00
061	Valley Vista Apartments	\$47,460	\$741	\$220,000	0.3%	0.4%	81.8%	20.2%	29.01	3	1	1	1	1	2	3	3	4.50

Proximity to Area Amenities

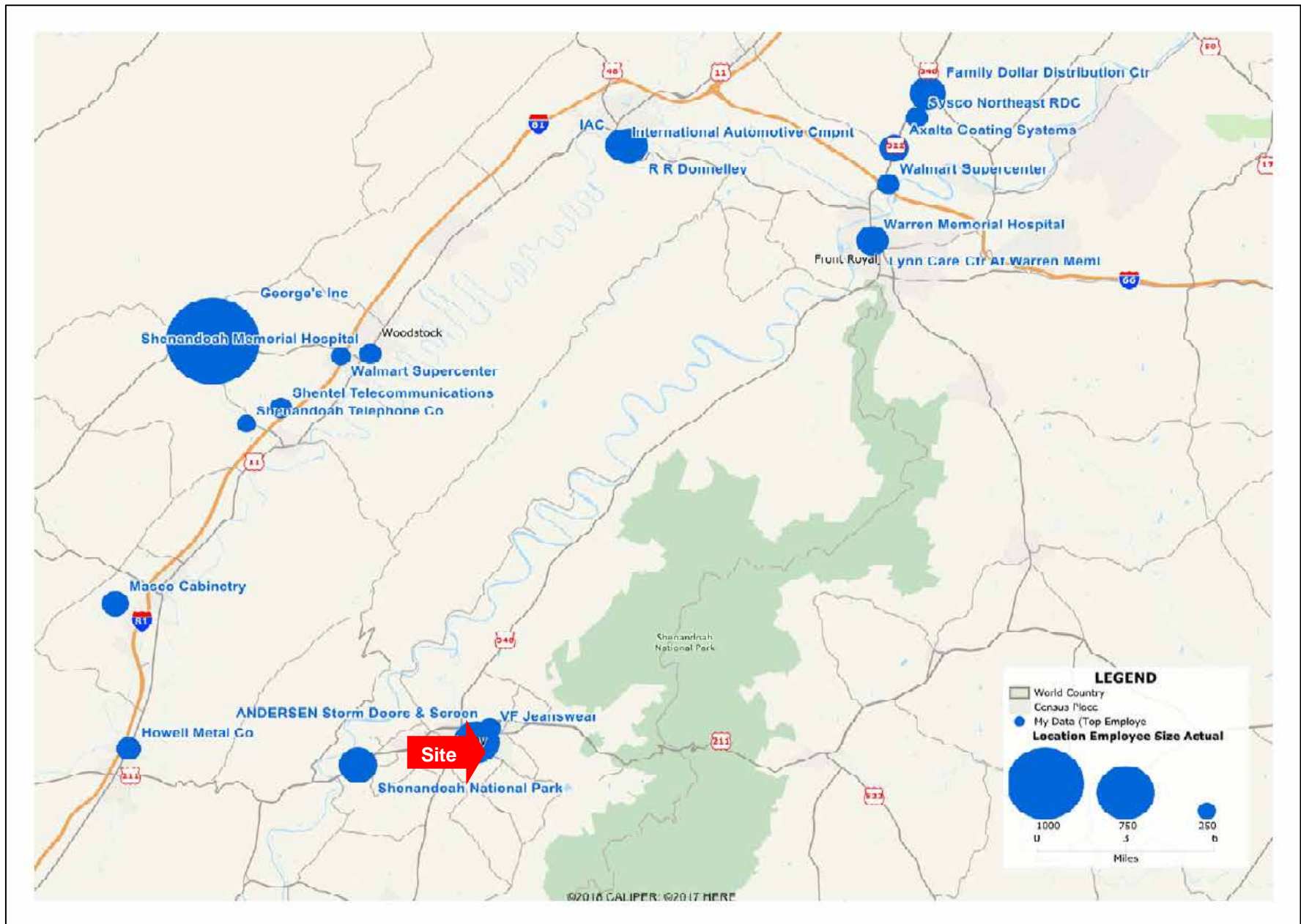
		Rating								Rank (1 = Property with Highest Rating)								Final Rating (1-5 Scale)
		Number within 2.0 miles of Property					Nearest to Property, Miles			Number within 2.0 miles of Property					Nearest to Property, Miles			
Key	Project Name	Banks	Grocery	Hospital	Pharmacy	Shopping Center	Shopping Center	Grocery	Hospital	Banks	Grocery	Hospital	Pharmacy	Shopping Center	Shopping Center	Grocery	Hospital	
Sub	Luray Village Apartments	4	4	2	2	6	0.3	0.3	1.3	6	6	1	6	6	6	5	6	3.30
012	Echo Mountain Apartments	7	5	2	4	12	0.3	0.3	0.7	5	1	1	1	5	7	6	5	3.10
021	Lakeview Townhomes	8	5	2	4	15	0.2	0.2	0.5	1	1	1	1	1	5	1	4	4.00
031	Mountain View	8	5	2	4	15	0.2	0.3	0.1	1	1	1	1	1	3	3	2	4.40
033	New Market North Phase 2	3	4	0	2	2	0.6	0.6	10.8	8	6	7	6	9	9	8	8	2.00
043	Ridge Apartments Phase 3	8	5	2	4	15	0.2	0.2	0.2	1	1	1	1	1	1	2	3	4.50
046	Rose Hill Apartments	2	2	0	1	5	0.2	0.6	4.1	9	9	7	8	7	2	9	7	2.30
058	Tannery Apartments	4	3	0	1	4	0.4	0.3	13.1	6	8	7	8	8	8	7	9	2.10
061	Valley Vista Apartments	8	5	2	4	15	0.2	0.3	0.1	1	1	1	1	1	3	3	1	4.40

Source: US Census; Claritas; Google Maps

Proximity to Area Amenities



Proximity to Area Employers



SUBJECT PROPERTY PHOTOS

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



Subject Property



Looking North from Entrance



Looking South from Entrance



Looking East from Entrance



Looking West from Entrance



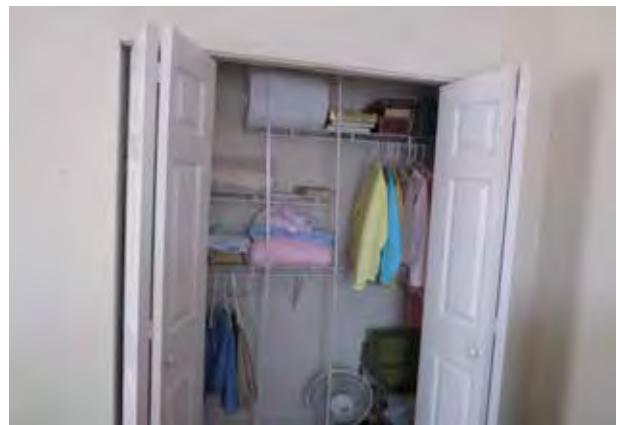
Typical Family Room



Typical Kitchen



Typical Bedroom



Typical Closet



Typical Bathroom



Utility Room



Laundry Room



Community Room

MARKET AREA

Overview

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

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

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

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

Our primary and secondary market area definitions are found below.

Primary Market Area

We defined the primary market area by generating a 20-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

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

Census Tract	County	State
51139030100	Page County	Virginia
51139030200	Page County	Virginia
51139030300	Page County	Virginia
51139030400	Page County	Virginia
51139030500	Page County	Virginia
51171040400	Shenandoah County	Virginia
51171040500	Shenandoah County	Virginia
51171040600	Shenandoah County	Virginia
51171040700	Shenandoah County	Virginia
51171040800	Shenandoah County	Virginia
51187020300	Warren County	Virginia
51187020700	Warren County	Virginia

The primary market area includes a population of 40,613 persons and covers a total of 509.7 square miles, making it 25.5 miles across on average.

Secondary Market Area

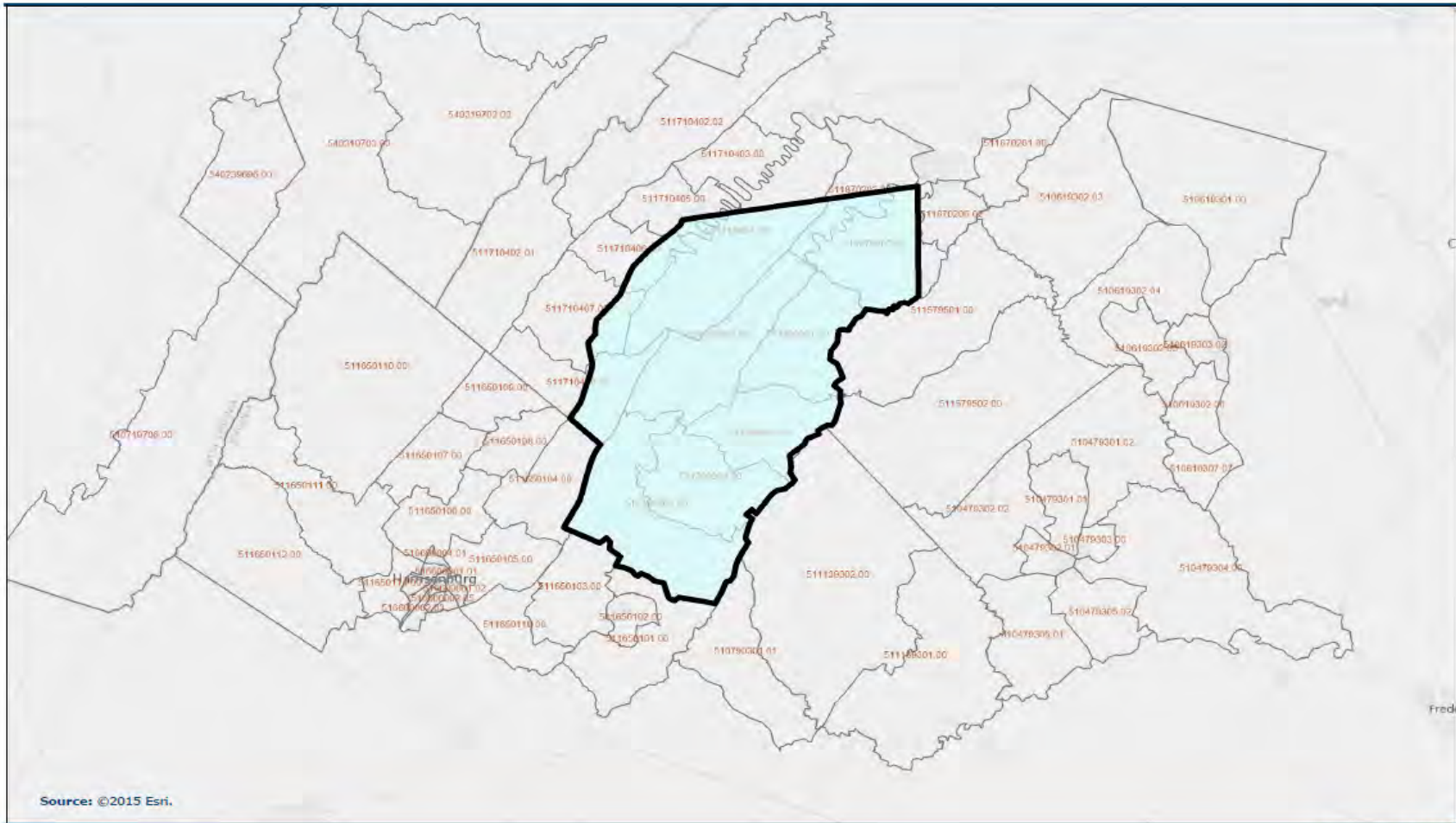
We estimate that up to 40 percent of demand will come from areas outside of the primary market area.

Market Area



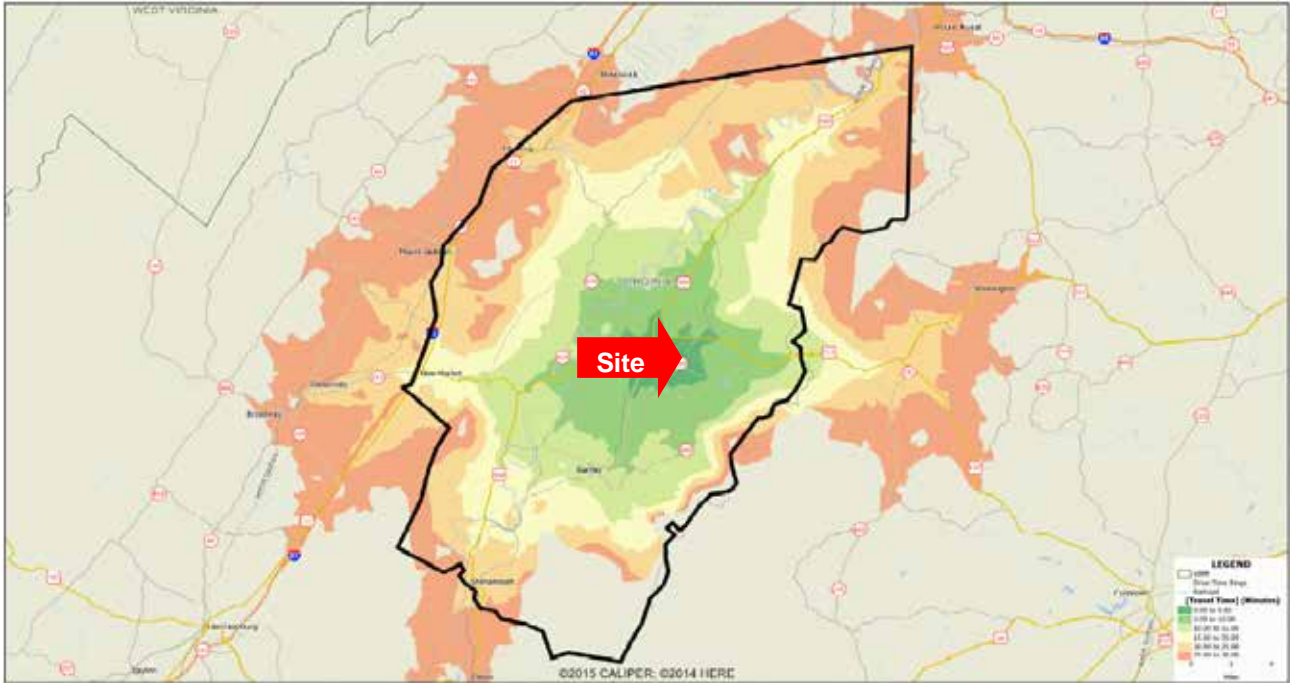
Market Area

16-023 Luray Village



January 22, 2016

Drive Time

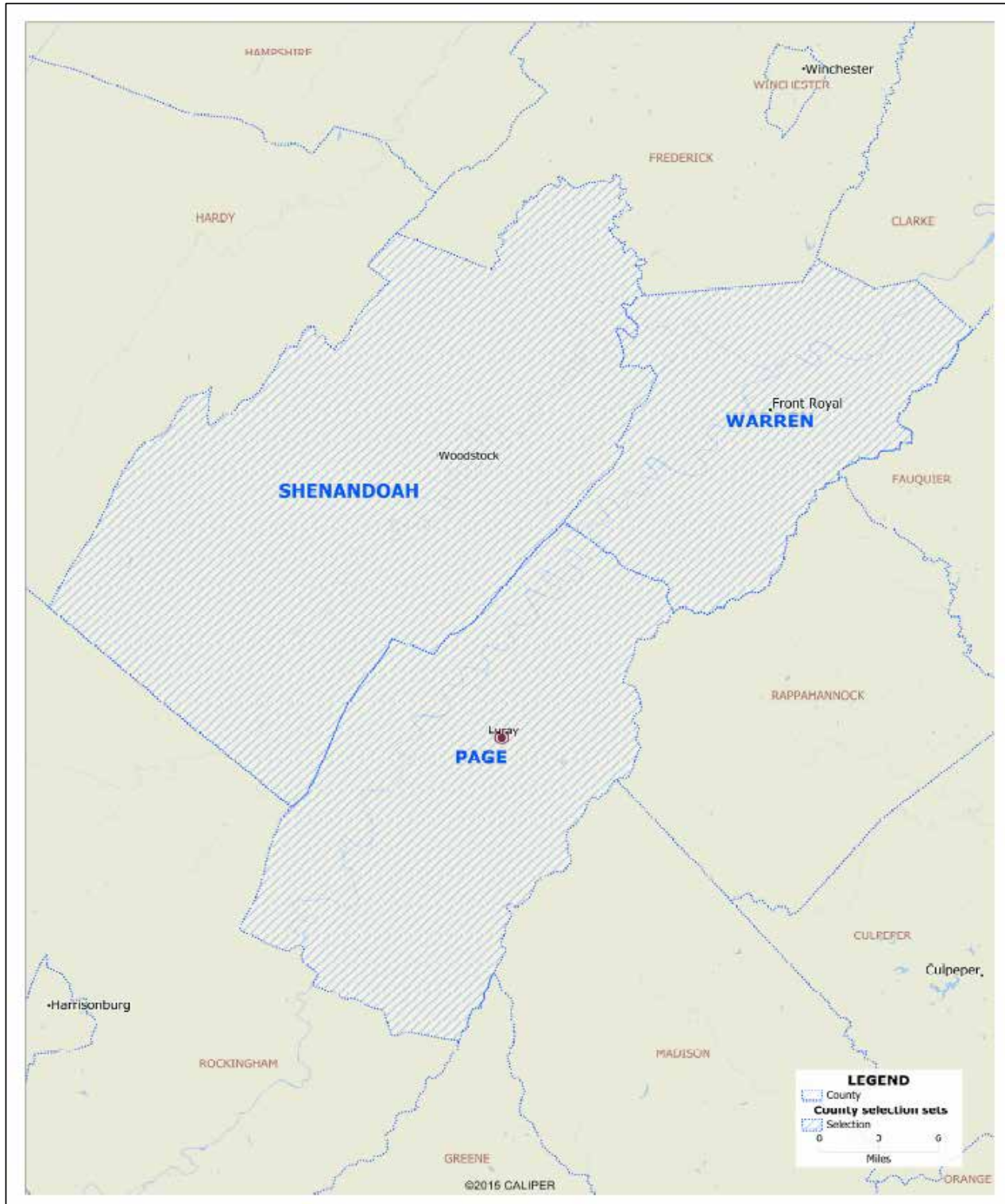


Existing Multifamily



ECONOMIC OUTLOOK

In this section we conduct an analysis of the regional economy. For purposes of our analysis, we define the region as Page, Shenandoah, and Warren Counties, Virginia. A map depicting the Region is found below.



Employment by Industry

The Bureau of Labor Statistics (BLS) tracks establishment employment by major industry. In the table below we present the current breakdown and percent distribution. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Establishment Employment			
Industry	Region	Reg %	US %
Farm Employment	2,149	4.3%	1.3%
Forestry, Fishing, Related Activities And Other Employment	393	0.8%	0.5%
Mining Employment	46	0.1%	0.7%
Utilities Employment	154	0.3%	0.3%
Construction Employment	3,494	7.0%	5.5%
Manufacturing Employment	5,633	11.3%	6.7%
Wholesale Trade Employment	777	1.6%	3.6%
Retail Trade Employment	5,506	11.1%	10.3%
Transportation And Warehousing Employment	2,187	4.4%	3.5%
Information Employment	484	1.0%	1.7%
Finance And Insurance Employment	1,301	2.6%	5.3%
Real Estate And Rental And Lease Employment	2,048	4.1%	4.7%
Professional And Technical Services Employment	1,999	4.0%	6.9%
Management Of Companies And Enterprises Employment	452	0.9%	1.3%
Administrative And Waste Services Employment	2,359	4.8%	6.0%
Educational Services Employment	1,133	2.3%	2.4%
Health Care And Social Assistance Employment	4,755	9.6%	11.6%
Arts, Entertainment, And Recreation Employment	1,283	2.6%	2.2%
Accommodation And Food Services Employment	3,959	8.0%	7.5%
Other Services, Except Public Administration Employment	3,503	7.1%	5.8%
Federal Civilian Government Employment	514	1.0%	1.4%
Federal Military Employment	333	0.7%	0.9%
State And Local Government Employment	5,182	10.4%	9.8%
Establishment Employment	49,644	100.0%	100.0%

Source: W&P Economics

Regional establishment employment currently stands at 49,644. The data suggests that Manufacturing is the largest employment category accounting for 11.3% of total regional employment. Retail Trade is the second largest category accounting for 11.1% of total employment. State and Local Government is the third largest category accounting for 10.4% of total employment. Health Care and Social Assistance is the fourth largest category accounting for 9.6% of total employment. Accommodation and Food Services is the fifth largest category accounting for 8.0% of total employment.

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

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

In the table above we highlight the basic industries for the region. The distribution of employment in these industries exceeds that for the United States. These basic industries represent about 33,443 employees or about 67.4% of total regional employment. These are the industries that drive the regional economy.

Earnings by Industry

The Bureau of Labor Statistics (BLS) tracks average earnings by major industry. In the table below we present the current breakdown and rank. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Average Earnings (2009 \$)		
Industry	Earnings	Rank
Farm Employment	\$15,646	21
Forestry, Fishing, Related Activities And Other Employment	\$21,366	18
Mining Employment	\$9,109	23
Utilities Employment	\$74,604	3
Construction Employment	\$38,754	10
Manufacturing Employment	\$49,284	5
Wholesale Trade Employment	\$41,934	8
Retail Trade Employment	\$22,786	17
Transportation And Warehousing Employment	\$43,452	6
Information Employment	\$42,465	7
Finance And Insurance Employment	\$30,691	14
Real Estate And Rental And Lease Employment	\$10,792	22
Professional And Technical Services Employment	\$37,888	11
Management Of Companies And Enterprises Employment	\$76,394	2
Administrative And Waste Services Employment	\$32,056	13
Educational Services Employment	\$28,632	16
Health Care And Social Assistance Employment	\$39,223	9
Arts, Entertainment, And Recreation Employment	\$15,752	20
Accommodation And Food Services Employment	\$16,331	19
Other Services, Except Public Administration Employment	\$29,776	15
Federal Civilian Government Employment	\$87,848	1
Federal Military Employment	\$32,949	12
State And Local Government Employment	\$51,220	4
Establishment Employment	\$34,609	

Source: W&P Economics

The data suggests that Federal Civilian Government is the highest paid industry averaging \$87,848 per employee. Management of Companies is the second highest paid industry averaging \$76,394 per employee. Utilities is the third highest paid profession averaging \$74,604 per employee. State and Local Government is the fourth highest paid industry averaging \$51,220 per employee. Manufacturing is the fifth highest paid category averaging \$49,284 per employee. These figures are compared with regional Average Earnings of \$34,609 per employee.

The highlighted industries represent basic industries for the region. Average earnings for these basic industries comes to \$34,452 or 0.5% lower than average for the region.

Top Employers

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

Top Employers				
Name	Employees	SIC Code	Industry Description	Location Type
George's Inc	1,200	2015-01	Poultry Processing Plants (Mfrs)	Branch
VF Jeanswear	600	2325-02	Jeans-Manufacturers	Branch
R R Donnelley	500	2752-02	Printers (Mfrs)	Branch
Shenandoah National Park	500	7999-51	Parks	Branch
Family Dollar Distribution Ctr	475	5099-98	Distribution Centers (Whls)	Branch
IAC	450	7539-52	Automobile Interior Repair	-
Lynn Care Ctr At Warren Meml	425	8051-01	Nursing & Convalescent Homes	-
Axalta Coating Systems	390	3479-04	Coatings-Protective-Manufacturers	Branch
Masco Cabinetry	360	2434-01	Cabinets-Manufacturers	Branch
Howell Metal Co	330	3312-02	Tubing (Manufacturers)	Subsidiary

Source: InfoUSA

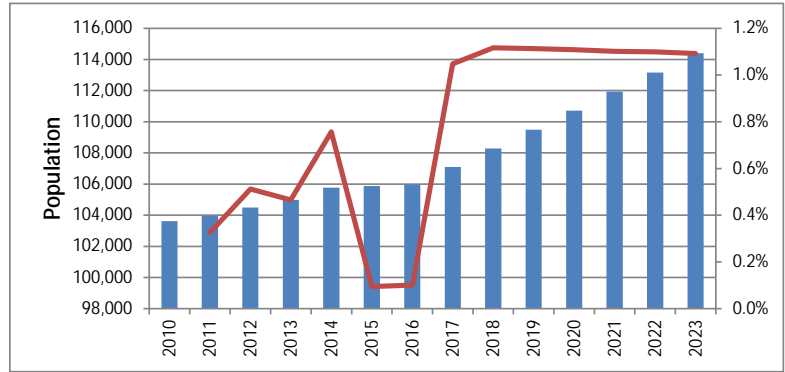
The top employers include: (1) George's Inc (1200 employees); (2) VF Jeanswear (600 employees) and; (3) R R Donnelley (500 employees).

Population

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

Population Forecast		
Year	Pop	Growth %
2010	103,626	
2011	103,964	0.3%
2012	104,496	0.5%
2013	104,982	0.5%
2014	105,777	0.8%
2015	105,877	0.1%
2016	105,984	0.1%
2017	107,095	1.0%
2018	108,291	1.1%
2019	109,497	1.1%
2020	110,711	1.1%
2021	111,931	1.1%
2022	113,161	1.1%
2023	114,397	1.1%

Source: US Census; W&P Economics



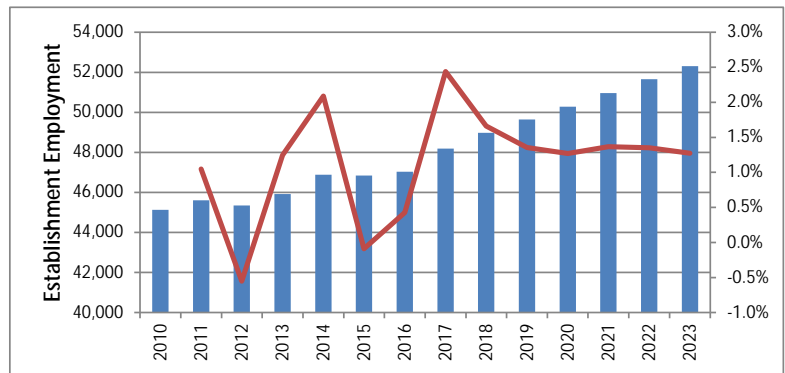
Population increased from 103,626 in 2010 to 108,291 in 2018 and is anticipated to increase to 114,397 in 2023.

Establishment Employment

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

Establishment Employment Forecast		
Year	Est Emp	Growth %
2010	45,132	
2011	45,605	1.0%
2012	45,353	-0.6%
2013	45,918	1.2%
2014	46,877	2.1%
2015	46,835	-0.1%
2016	47,034	0.4%
2017	48,181	2.4%
2018	48,981	1.7%
2019	49,644	1.4%
2020	50,274	1.3%
2021	50,960	1.4%
2022	51,649	1.4%
2023	52,306	1.3%

Source: BLS; W&P Economics



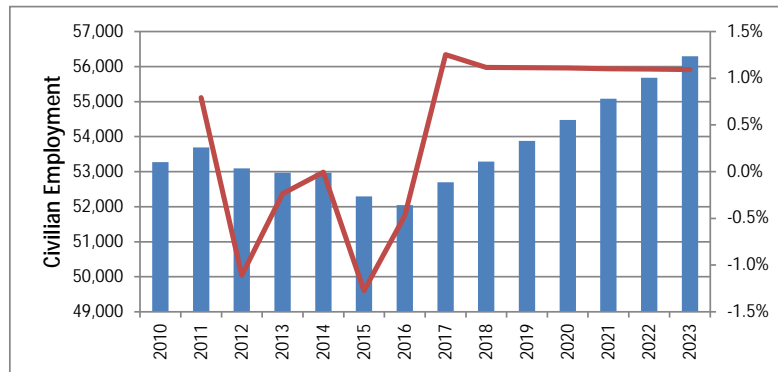
Establishment employment increased from 45,132 in 2010 to 48,981 in 2018 and is anticipated to increase to 52,306 in 2023.

Civilian Employment

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

Civilian Employment Forecast		
Year	Civ Emp	Growth %
2010	53,270	
2011	53,692	0.8%
2012	53,097	-1.1%
2013	52,972	-0.2%
2014	52,968	0.0%
2015	52,294	-1.3%
2016	52,047	-0.5%
2017	52,699	1.3%
2018	53,288	1.1%
2019	53,881	1.1%
2020	54,479	1.1%
2021	55,079	1.1%
2022	55,684	1.1%
2023	56,293	1.1%

Source: BLS; W&P Economics



Civilian employment decreased from 53,270 in 2010 to 52,699 in 2017 and is anticipated to increase to 56,293 in 2023.

Labor Force and Unemployment

In this section we take a look at the labor force and unemployment. The table below shows civilian employment, unemployment and labor force statistics for the region since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via the Texas A&M Real Estate Center.

Labor Force & Unemployment				
Year	Civ Emp	Unemp	Lab Force	Unemp Rate
2010	53,270	4,773	48,497	9.0%
2011	53,692	4,360	49,332	8.1%
2012	53,097	3,916	49,181	7.4%
2013	52,972	3,513	49,459	6.6%
2014	52,968	3,144	49,824	5.9%
2015	52,294	2,635	49,659	5.0%
2016	52,047	2,244	49,803	4.3%
2017	52,699	2,104	50,595	4.0%

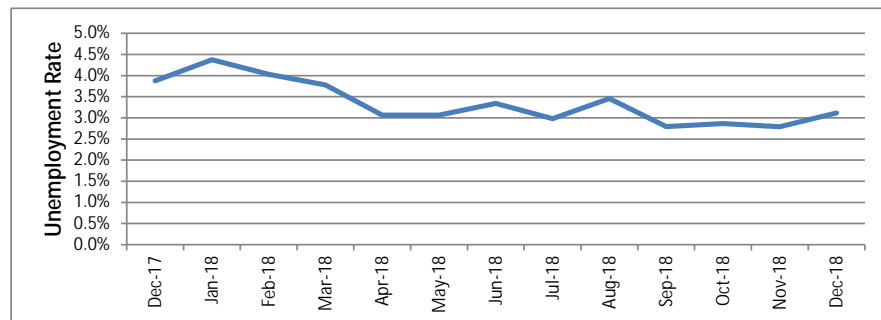
Source: BLS; Texas A&M Real Estate Center

Unemployment decreased from 4,773 in 2010 to 2,104 in 2017. The unemployment rate decreased from 9.0% in 2010 to 4.0% in 2017.

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

Unemployment Rate	
Month	Unemp Rate
Dec-17	3.9%
Jan-18	4.4%
Feb-18	4.0%
Mar-18	3.8%
Apr-18	3.1%
May-18	3.1%
Jun-18	3.3%
Jul-18	3.0%
Aug-18	3.5%
Sep-18	2.8%
Oct-18	2.9%
Nov-18	2.8%
Dec-18	3.1%

Source: TAMU



The Unemployment Rate for the Region came in at 3.9% in December 2017 and 3.1% in December 2018.

Building Permits

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

Building Permits				
Year	1 Family	2-4 Family	5+ Family	Total
2000	515	12	24	551
2001	658	8	62	728
2002	791	4	122	917
2003	798	0	60	858
2004	1,030	2	0	1,032
2005	1,179	4	0	1,183
2006	980	2	0	982
2007	617	0	6	623
2008	338	0	12	350
2009	212	6	0	218
2010	167	0	10	177
2011	181	0	10	191
2012	179	10	10	199
2013	199	0	0	199
2014	213	0	0	213
2015	252	2	0	254
2016	306	2	0	308
2017	362	0	0	362

Source: US Census

Building permits for the region increased from 551 in 2000 to 1,183 in 2005, before decreasing to 177 in 2010 and increasing to 362 in 2017.

Conclusion

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

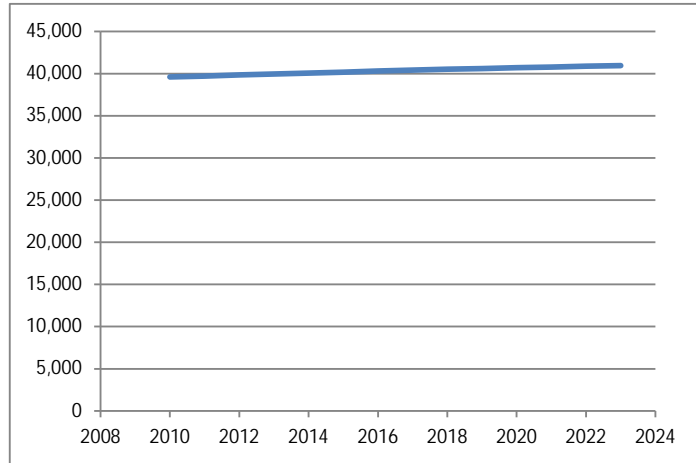
DEMOGRAPHIC CHARACTERISTICS

Population

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

Population Forecast		
Year	Population	Growth %
2010	39,606	-
2011	39,721	0.3%
2012	39,837	0.3%
2013	39,952	0.3%
2014	40,068	0.3%
2015	40,183	0.3%
2016	40,298	0.3%
2017	40,414	0.3%
2018	40,529	0.3%
2019	40,613	0.2%
2020	40,697	0.2%
2021	40,782	0.2%
2022	40,866	0.2%
2023	40,950	0.2%

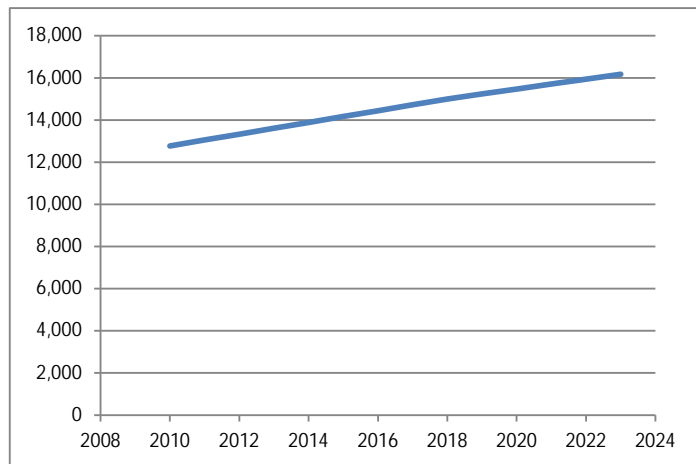
Source: ESRI; Allen & Associates



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

55+ Population Forecast		
Year	Population	Growth %
2010	12,768	-
2011	13,047	2.2%
2012	13,327	2.1%
2013	13,606	2.1%
2014	13,885	2.1%
2015	14,164	2.0%
2016	14,444	2.0%
2017	14,723	1.9%
2018	15,002	1.9%
2019	15,236	1.6%
2020	15,469	1.5%
2021	15,703	1.5%
2022	15,936	1.5%
2023	16,170	1.5%

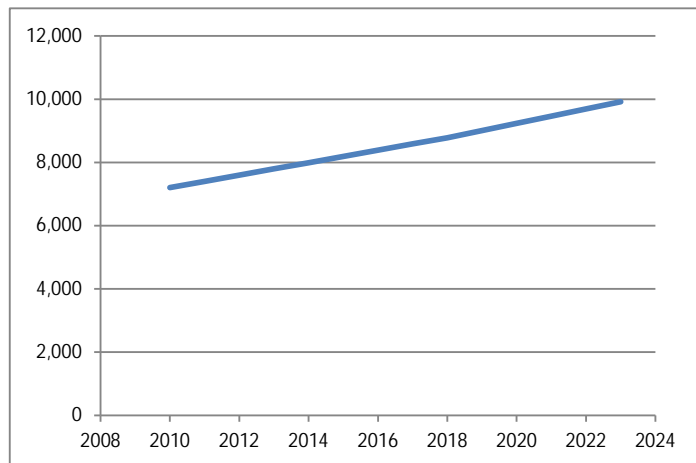
Source: ESRI; Allen & Associates



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

65+ Population Forecast		
Year	Population	Growth %
2010	7,204	-
2011	7,401	2.7%
2012	7,598	2.7%
2013	7,795	2.6%
2014	7,993	2.5%
2015	8,190	2.5%
2016	8,387	2.4%
2017	8,584	2.4%
2018	8,781	2.3%
2019	9,008	2.6%
2020	9,236	2.5%
2021	9,463	2.5%
2022	9,691	2.4%
2023	9,918	2.3%

Source: ESRI; Allen & Associates

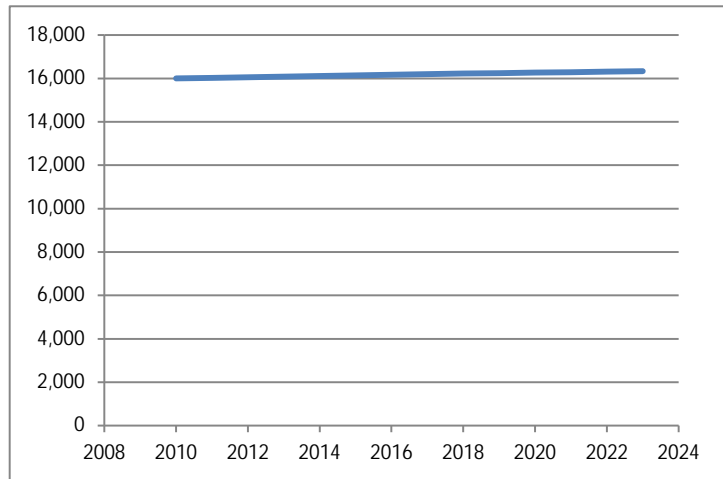


Households

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

Household Forecast		
Year	Households	Growth %
2010	16,002	-
2011	16,030	0.2%
2012	16,057	0.2%
2013	16,085	0.2%
2014	16,112	0.2%
2015	16,140	0.2%
2016	16,167	0.2%
2017	16,195	0.2%
2018	16,222	0.2%
2019	16,244	0.1%
2020	16,267	0.1%
2021	16,289	0.1%
2022	16,312	0.1%
2023	16,334	0.1%

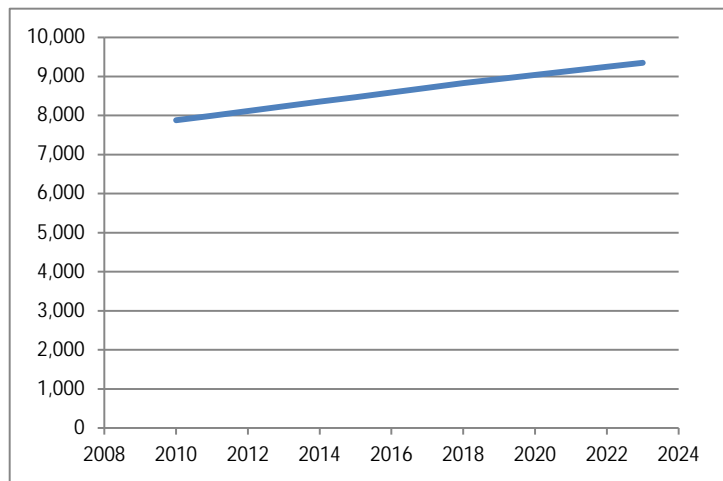
Source: ESRI; Allen & Associates



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

55+ Household Forecast		
Year	Households	Growth %
2010	7,880	-
2011	7,999	1.5%
2012	8,117	1.5%
2013	8,236	1.5%
2014	8,354	1.4%
2015	8,473	1.4%
2016	8,591	1.4%
2017	8,710	1.4%
2018	8,828	1.4%
2019	8,932	1.2%
2020	9,037	1.2%
2021	9,141	1.2%
2022	9,246	1.1%
2023	9,350	1.1%

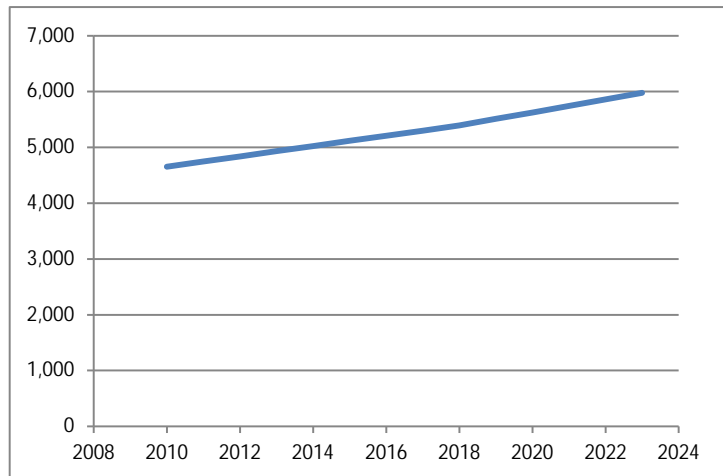
Source: ESRI; Allen & Associates



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

65+ Household Forecast		
Year	Households	Growth %
2010	4,654	-
2011	4,747	2.0%
2012	4,839	1.9%
2013	4,932	1.9%
2014	5,024	1.9%
2015	5,117	1.8%
2016	5,209	1.8%
2017	5,302	1.8%
2018	5,394	1.7%
2019	5,511	2.2%
2020	5,628	2.1%
2021	5,744	2.1%
2022	5,861	2.0%
2023	5,978	2.0%

Source: ESRI; Allen & Associates

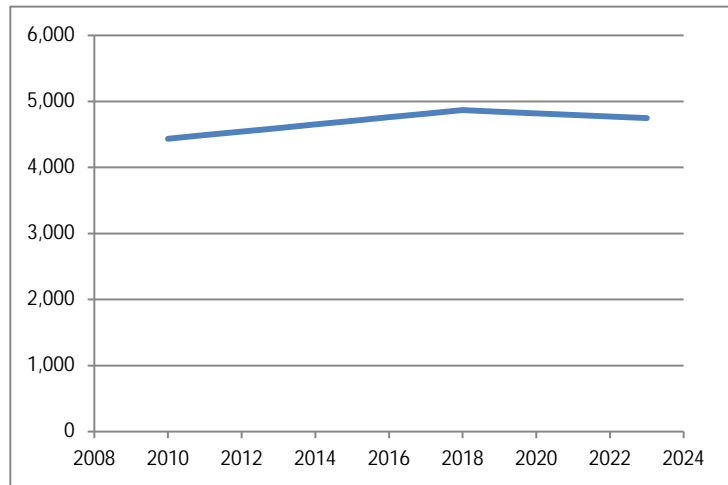


Renter Households

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

Renter Household Forecast		
Year	Households	Growth %
2010	4,434	-
2011	4,489	1.2%
2012	4,543	1.2%
2013	4,597	1.2%
2014	4,652	1.2%
2015	4,706	1.2%
2016	4,760	1.2%
2017	4,815	1.1%
2018	4,869	1.1%
2019	4,844	-0.5%
2020	4,820	-0.5%
2021	4,795	-0.5%
2022	4,770	-0.5%
2023	4,746	-0.5%

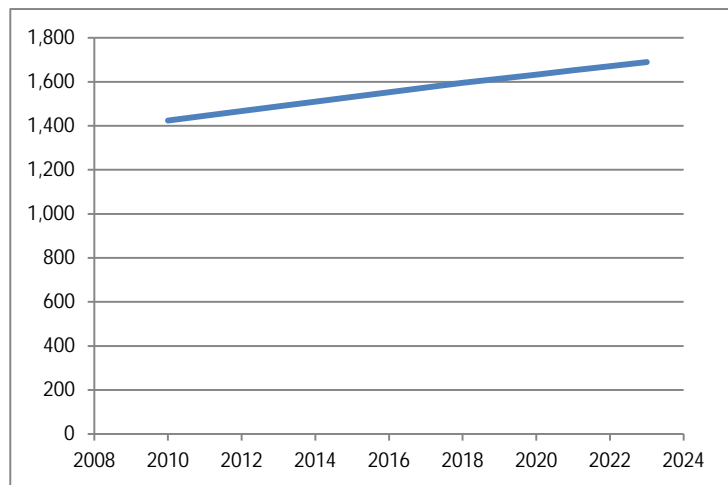
Source: ESRI; Allen & Associates



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

55+ Renter Household Forecast		
Year	Households	Growth %
2010	1,424	-
2011	1,445	1.5%
2012	1,467	1.5%
2013	1,488	1.5%
2014	1,510	1.4%
2015	1,531	1.4%
2016	1,552	1.4%
2017	1,574	1.4%
2018	1,595	1.4%
2019	1,614	1.2%
2020	1,633	1.2%
2021	1,652	1.2%
2022	1,671	1.1%
2023	1,690	1.1%

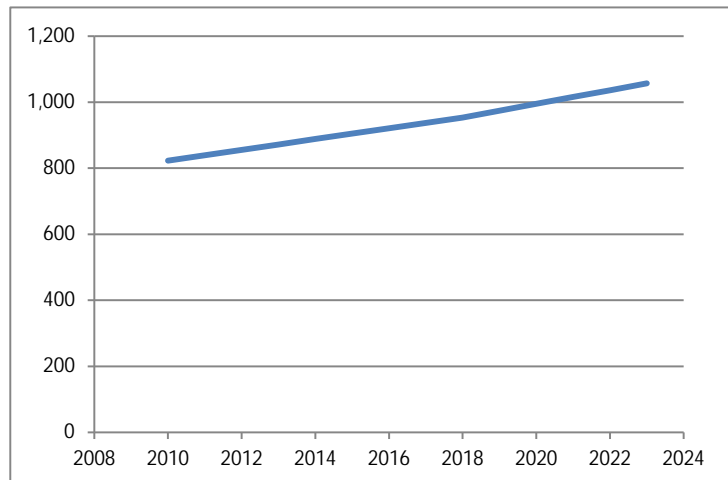
Source: ESRI; Allen & Associates



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

65+ Renter Household Forecast		
Year	Households	Growth %
2010	823	-
2011	839	2.0%
2012	856	1.9%
2013	872	1.9%
2014	888	1.9%
2015	905	1.8%
2016	921	1.8%
2017	938	1.8%
2018	954	1.7%
2019	975	2.2%
2020	995	2.1%
2021	1,016	2.1%
2022	1,036	2.0%
2023	1,057	2.0%

Source: ESRI; Allen & Associates



Household Income

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

2019 \$		Households, by Income, by Size						
Min	Max	2019 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	519	150	130	35	19	9	862
\$10,000	\$19,999	954	343	239	81	44	20	1,681
\$20,000	\$29,999	721	669	216	104	22	11	1,743
\$30,000	\$39,999	544	828	243	177	53	27	1,872
\$40,000	\$49,999	254	637	385	249	135	71	1,730
\$50,000	\$59,999	336	563	132	258	99	52	1,440
\$60,000	\$74,999	215	746	335	227	125	63	1,710
\$75,000	\$99,999	192	862	348	333	174	97	2,006
\$100,000	\$124,999	127	466	328	218	114	54	1,307
\$125,000	\$149,999	148	313	120	103	67	36	789
\$150,000	\$199,999	114	257	171	110	35	15	702
\$200,000	more	73	170	66	64	19	9	402
Total		4,196	6,005	2,713	1,959	907	465	16,244

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

2019 \$		55+ Households, by Income, by Size						
Min	Max	2019 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	319	121	4	8	1	0	453
\$10,000	\$19,999	766	186	51	19	0	0	1,022
\$20,000	\$29,999	540	436	106	22	2	1	1,107
\$30,000	\$39,999	325	570	53	13	10	4	976
\$40,000	\$49,999	175	501	214	49	32	17	989
\$50,000	\$59,999	253	396	84	66	21	9	829
\$60,000	\$74,999	167	525	164	20	35	16	926
\$75,000	\$99,999	148	668	65	48	15	8	951
\$100,000	\$124,999	100	362	150	39	28	12	691
\$125,000	\$149,999	63	214	50	11	17	6	361
\$150,000	\$199,999	81	201	68	28	4	1	383
\$200,000	more	60	129	26	23	4	1	243
Total		2,996	4,310	1,035	347	169	76	8,932

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

2019 \$		65+ Households, by Income, by Size						
Min	Max	2019 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	169	25	1	6	0	0	201
\$10,000	\$19,999	616	114	34	4	0	0	767
\$20,000	\$29,999	402	347	91	6	2	1	847
\$30,000	\$39,999	236	427	30	2	1	0	698
\$40,000	\$49,999	110	391	107	43	32	17	699
\$50,000	\$59,999	193	252	56	17	17	7	541
\$60,000	\$74,999	110	338	66	5	7	4	530
\$75,000	\$99,999	106	315	16	4	9	5	455
\$100,000	\$124,999	37	199	48	8	23	10	325
\$125,000	\$149,999	47	103	9	6	3	0	169
\$150,000	\$199,999	53	97	12	8	2	1	172
\$200,000	more	27	73	5	2	1	0	107
Total		2,106	2,680	474	110	97	45	5,511

Source: ESRI & Ribbon Demographics

Renter Household Income

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

2019 \$		2019 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	328	49	83	29	13	7	508
\$10,000	\$19,999	448	172	73	59	34	16	802
\$20,000	\$29,999	316	190	141	81	19	10	758
\$30,000	\$39,999	178	311	122	78	40	19	748
\$40,000	\$49,999	93	159	195	73	94	49	663
\$50,000	\$59,999	76	114	20	71	31	20	332
\$60,000	\$74,999	71	136	54	18	37	21	335
\$75,000	\$99,999	30	63	51	99	31	20	293
\$100,000	\$124,999	32	50	35	34	11	6	168
\$125,000	\$149,999	17	18	14	10	9	1	69
\$150,000	\$199,999	33	25	23	15	10	1	107
\$200,000	more	33	9	7	10	2	0	62
Total		1,655	1,296	817	576	331	169	4,844

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

2019 \$		2019 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	165	26	1	4	1	0	197
\$10,000	\$19,999	291	61	5	1	0	0	357
\$20,000	\$29,999	180	54	46	1	0	0	281
\$30,000	\$39,999	63	77	1	11	6	3	161
\$40,000	\$49,999	55	74	63	4	13	7	216
\$50,000	\$59,999	48	24	4	21	3	2	102
\$60,000	\$74,999	49	17	20	2	3	2	94
\$75,000	\$99,999	24	12	11	6	2	0	55
\$100,000	\$124,999	15	14	10	5	2	2	48
\$125,000	\$149,999	10	5	2	3	4	0	23
\$150,000	\$199,999	26	7	15	2	1	0	52
\$200,000	more	22	3	3	1	1	0	30
Total		947	373	180	62	36	15	1,614

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

2019 \$		2019 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	110	10	0	4	0	0	124
\$10,000	\$19,999	201	26	3	1	0	0	231
\$20,000	\$29,999	115	44	44	0	0	0	203
\$30,000	\$39,999	37	44	1	1	1	0	84
\$40,000	\$49,999	35	41	22	1	13	7	118
\$50,000	\$59,999	30	13	1	16	0	0	60
\$60,000	\$74,999	40	12	20	1	0	0	74
\$75,000	\$99,999	13	4	5	0	2	0	24
\$100,000	\$124,999	4	1	7	1	0	0	14
\$125,000	\$149,999	7	3	0	1	2	0	13
\$150,000	\$199,999	15	2	2	1	0	0	20
\$200,000	more	6	1	1	1	1	0	10
Total		613	202	105	29	18	7	975

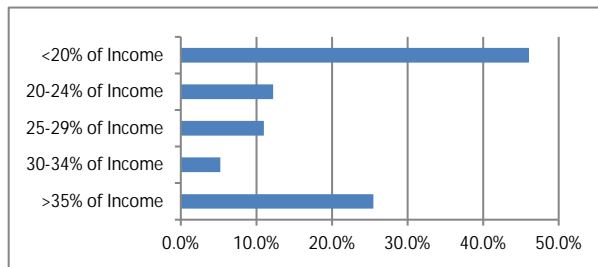
Source: ESRI & Ribbon Demographics

Overburdened Renter Households

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

Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	46.1%
20-24% of Income Spent on Housing	12.2%
25-29% of Income Spent on Housing	11.0%
30-34% of Income Spent on Housing	5.2%
>35% of Income Spent on Housing	25.5%
Total	100.0%

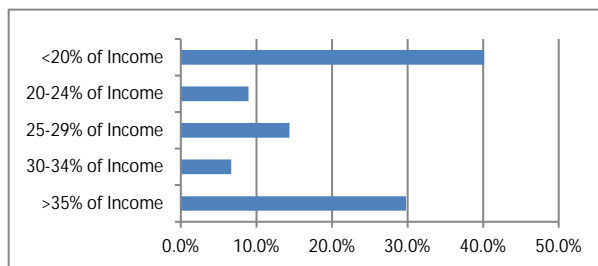
Source: U.S. Census Bureau



Our research suggests that 25.5 percent of the renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 30.7 percent of the renter households are overburdened to 30 percent of income.

55+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	40.1%
20-24% of Income Spent on Housing	9.0%
25-29% of Income Spent on Housing	14.4%
30-34% of Income Spent on Housing	6.7%
>35% of Income Spent on Housing	29.8%
Total	100.0%

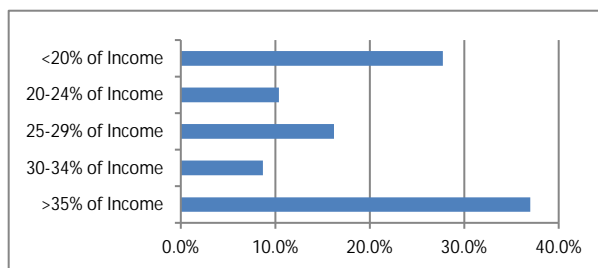
Source: U.S. Census Bureau



Our research suggests that 29.8 percent of the 55+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 36.5 percent of the 55+ renter households are overburdened to 30 percent of income.

65+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	27.7%
20-24% of Income Spent on Housing	10.4%
25-29% of Income Spent on Housing	16.2%
30-34% of Income Spent on Housing	8.7%
>35% of Income Spent on Housing	37.0%
Total	100.0%

Source: U.S. Census Bureau



Our research suggests that 37.0 percent of the 65+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 45.7 percent of the 65+ renter households are overburdened to 30 percent of income.

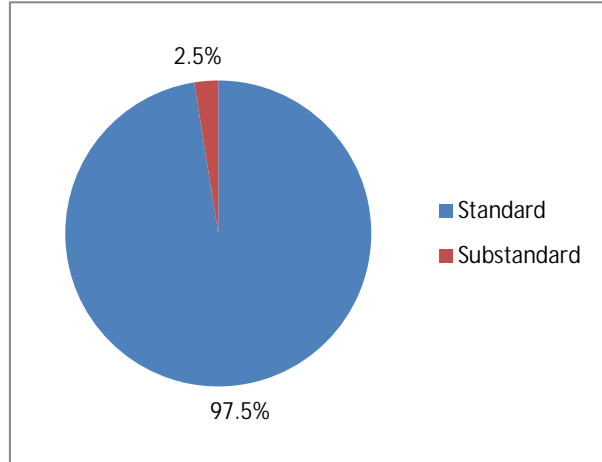
Owner Substandard Units

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

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

Owner Substandard Units	
	% of Total
1.00 persons per room or less	97.5%
1.01 to 1.50 persons per room	0.8%
1.51 persons per room or more	0.2%
Complete Plumbing	98.4%
1.00 persons per room or less	1.6%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.0%
Lacking Complete Plumbing	1.6%
Standard	97.5%
Substandard	2.5%
Total	100.0%

Source: U.S. Census Bureau



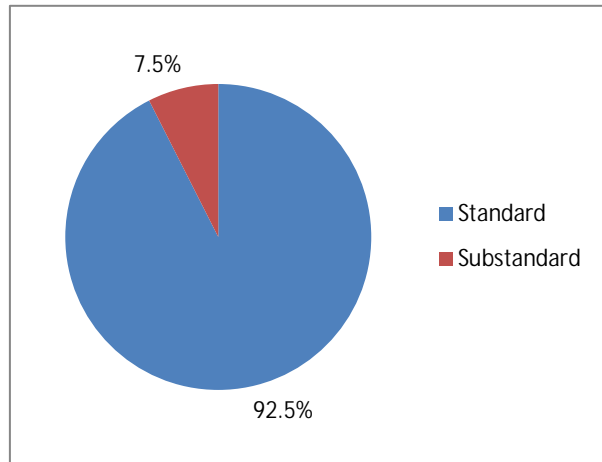
Our research suggests that 2.5 percent of occupied owner housing units in the market area are substandard.

Renter Substandard Units

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

Renter Substandard Units	
	% of Total
1.00 persons per room or less	92.5%
1.01 to 1.50 persons per room	2.8%
1.51 persons per room or more	1.6%
Complete Plumbing	96.9%
1.00 persons per room or less	3.0%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.1%
Lacking Complete Plumbing	3.1%
Standard	92.5%
Substandard	7.5%
Total	100.0%

Source: U.S. Census Bureau



Our research suggests that 7.5 percent of renter owner housing units in the market area are substandard.

Owner Movership

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

Owner Movership, by Size								
Market Area								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Owner to Owner	2.2%	3.5%	4.5%	4.5%	4.8%	5.2%	6.1%	3.7%
Owner to Renter	2.1%	2.0%	3.6%	3.3%	3.3%	5.0%	7.6%	2.7%
Owner Movership Rate	4.3%	5.5%	8.1%	7.8%	8.1%	10.2%	13.7%	6.4%

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

Our research suggests an owner movership rate of 6.4 percent.

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

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

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

Renter Movership

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

Renter Movership, by Size								
Market Area								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Renter to Renter	9.5%	21.3%	30.0%	36.1%	36.5%	39.5%	61.0%	21.6%
Renter to Owner	2.3%	8.7%	8.8%	11.3%	12.4%	9.6%	11.3%	6.8%
Renter Movership Rate	11.8%	30.0%	38.9%	47.4%	48.8%	49.1%	72.3%	28.4%

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

Our research suggests a renter movership rate of 28.4 percent.

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

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

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

SUPPLY ANALYSIS

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

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

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

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

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

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

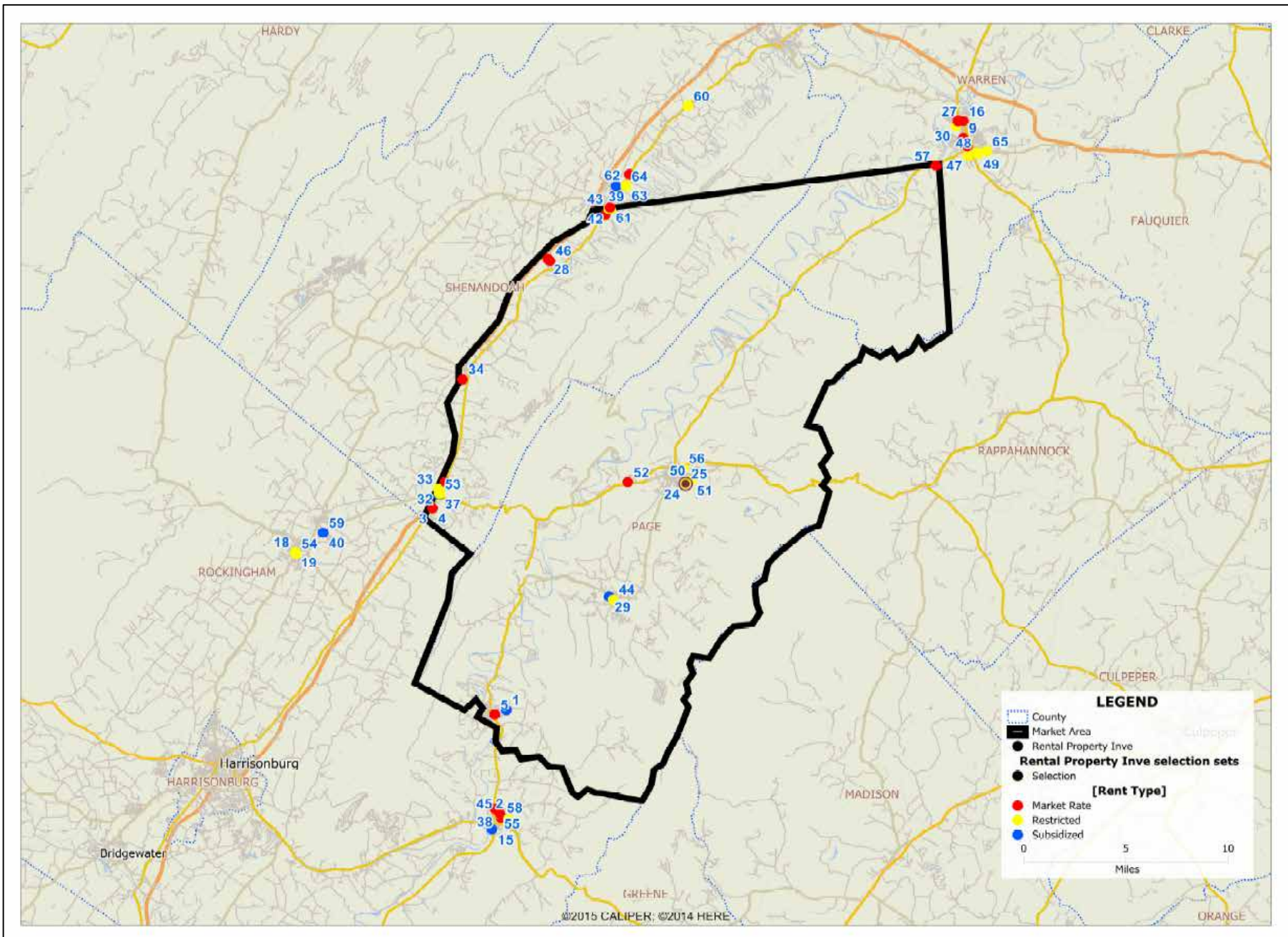
The balance of this section includes a breakdown of confirmed market area properties by rent type, project status, year built, and financing source. We also include a rent, unit mix, and amenity summary for confirmed market area properties. Finally, we provide summary of vouchers, concessions, and waiting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

Rental Property Inventory

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
001	Autumn Ridge Apartments	38.4903	-78.6079	1997	na	Subsidized	Elderly	Stabilized	Tax Credit	34	0	100.0%
002	B.W. Gooden Apartments	38.4126	-78.6140	1993	na	Market Rate	Family	Stabilized	Conventional	14	3	78.6%
003	Buchannan's Apartments	38.6419	-78.6747	1981	na	Market Rate	Family	Duplicate	Conventional	8	1	87.5%
004	Buchannan's Apartments	38.6419	-78.6747	1981	na	Market Rate	Family	Unstabilized	Conventional	8	1	87.5%
005	Columns Apartments	38.4869	-78.6185	1976	na	Market Rate	Family	Unconfirmed	Conventional	12	0	100.0%
006	Congress Street Apartments	38.6529	-78.6685	2001	na	Restricted	Family	Stabilized	Tax Credit	38	0	100.0%
007	Corr Family Apartments Phase 1	38.9331	-78.1990	1979	na	Market Rate	Family	Unconfirmed	Conventional	12	2	83.3%
008	Corr Family Apartments Phase 2	38.9322	-78.1990	1979	na	Market Rate	Family	Unconfirmed	Conventional	8	0	100.0%
009	Corr Family Apartments Phase 3	38.9198	-78.1943	1980	na	Market Rate	Family	Unconfirmed	Conventional	12	1	91.7%
010	Corr Family Apartments Phase 4	38.9140	-78.1907	1980	na	Market Rate	Family	Unconfirmed	Conventional	73	9	87.7%
011	Corr Family Apartments Phase 4	38.9140	-78.1907	1980	na	Market Rate	Family	Unconfirmed	Conventional	0	0	0.0%
012	Echo Mountain Apartments	38.8610	-78.5203	1998	na	Restricted	Family	Stabilized	Tax Credit	50	0	100.0%
013	Elk Run Manor	38.4083	-78.6060	2009	na	Restricted	Elderly	Non-Inventory	Tax Credit	60	60	0.0%
014	Elk Run Manor	38.4083	-78.6060	2009	na	Restricted	Elderly	Non-Inventory	Tax Credit	60	60	0.0%
015	Elkmont Apartments	38.4006	-78.6210	1991	2013	Subsidized	Family	Stabilized	Tax Credit	44	0	100.0%
016	Front Royal Town Apartments	38.9326	-78.1944	1972	2006	Restricted	Family	Stabilized	Tax Credit	20	0	100.0%
017	Good Life Apartment	38.6615	-78.6633	2007	na	Market Rate	Family	Special Needs	Conventional	0	0	0.0%
018	Highlands Apartments Phase 1	38.6088	-78.7990	2000	na	Restricted	Family	Stabilized	Tax Credit	38	0	100.0%
019	Highlands Apartments Phase 2	38.6088	-78.7991	2001	na	Restricted	Family	Stabilized	Tax Credit	24	2	91.7%
020	John Perry House Apartments	38.8677	-78.5141	1983	2007	Market Rate	Family	Duplicate	HUD	62	2	96.8%
021	Lakeview Townhomes	38.8625	-78.5183	1975	2008	Market Rate	Family	Stabilized	Conventional	43	2	95.3%
022	Lucas Lane Apartments	38.4160	-78.6180	1987	na	Market Rate	Family	Stabilized	Conventional	26	0	100.0%
023	Luray Meadows Apartments	38.6716	-78.4477	2019	na	Restricted	Family	Construction	Tax Credit	52	52	0.0%
024	Luray Village Apartments	38.6602	-78.4457	1998	2004	Restricted	Elderly	Stabilized	Tax Credit	34	0	100.0%
025	Luray Village Apartments	38.6602	-78.4457	1999	2019	Restricted	Elderly	Prop Rehab	Tax Credit	34	0	100.0%
026	Luther Crest Apartments	38.6518	-78.6691	1988	na	Subsidized	Elderly	Stabilized	HUD	39	0	100.0%
027	Lynn D Apartments	38.9326	-78.1944	1972	2006	Market Rate	Family	Duplicate	Tax Credit	0	0	0.0%
028	Madison Village Condos	38.8291	-78.5704	2008	na	Market Rate	Family	Stabilized	Conventional	1	0	100.0%
029	Massanutten Valley Apartments	38.5755	-78.5150	1995	na	Subsidized	Elderly	Unconfirmed	Tax Credit	36	0	100.0%
030	Mountain Oaks Apartments	38.9290	-78.2009	1948	2006	Restricted	Family	Stabilized	Tax Credit	59	0	100.0%
031	Mountain View	38.8677	-78.5141	1983	2007	Market Rate	Family	Stabilized	HUD	62	2	96.8%
032	New Market North Phase 1	38.6565	-78.6692	1983	na	Restricted	Family	Stabilized	RD	34	0	100.0%
033	New Market North Phase 2	38.6565	-78.6692	1989	2012	Restricted	Family	Stabilized	Tax Credit	40	0	100.0%
034	New Valley Properties	38.7386	-78.6476	1983	na	Market Rate	Family	Unconfirmed	Conventional	68	10	85.3%
035	North Gate Garden Buildings 2, 3, & 4	38.8925	-78.4966	2010	na	Market Rate	Family	Stabilized	Conventional	30	0	100.0%
036	North Gate Garden Building 1	38.8925	-78.4966	2013	na	Market Rate	Family	Stabilized	Conventional	12	2	83.3%
037	Northwestern Properties	38.6527	-78.6687	na	na	Subsidized	Family	Special Needs	Other	4	0	100.0%
038	Northwood Apartments	38.4141	-78.6151	1990	na	Market Rate	Family	Stabilized	Conventional	16	0	100.0%
039	Old Woodstock High School HUD Prjct	38.8837	-78.5084	2009	na	Subsidized	Elderly	Prop Const	HUD	11	11	0.0%
040	Plains Apartments	38.6235	-78.7738	1987	na	Restricted	Family	Stabilized	RD	32	0	100.0%
041	Ridge Apartments Phase 1	38.8661	-78.5136	2001	na	Restricted	Family	Stabilized	Tax Credit	38	0	100.0%
042	Ridge Apartments Phase 2	38.8667	-78.5152	2002	na	Restricted	Family	Stabilized	Tax Credit	38	0	100.0%
043	Ridge Apartments Phase 3	38.8667	-78.5152	2004	na	Restricted	Family	Stabilized	Tax Credit	24	1	95.8%
044	Robert Williams Apartments	38.5733	-78.5112	2008	na	Restricted	Family	Non-Inventory	Tax Credit	40	40	0.0%
045	Rockingham Garden Apartments	38.4125	-78.6155	na	na	Market Rate	Family	Unconfirmed	Conventional	0	0	0.0%
046	Rose Hill Apartments	38.8277	-78.5686	1989	2013	Market Rate	Family	Stabilized	Conventional	56	2	96.4%
047	Royal Arms Apartments	38.9066	-78.1900	1975	2002	Restricted	Family	Stabilized	Tax Credit	144	7	95.1%
048	Royal Hills Apartments Phase 1	38.9088	-78.1817	1985	2014	Restricted	Family	Stabilized	Tax Credit	46	0	100.0%
049	Royal Hills Apartments Phase 2	38.9079	-78.1812	1985	na	Restricted	Family	Stabilized	Tax Credit	42	0	100.0%
050	Rugby Square Apartments Phase 1	38.6628	-78.4406	1989	2011	Restricted	Family	Stabilized	RD	48	3	93.8%

Rental Property Inventory

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
051	Rugby Square Apartments Phase 2	38.6628	-78.4406	1990	2011	Restricted	Family	Stabilized	Tax Credit	44	0	100.0%
052	Schewels Furniture	38.6613	-78.4980	1984	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
053	Shenandoah Commons of New Market	38.6524	-78.6687	2001	na	Restricted	Elderly	Stabilized	Tax Credit	38	0	100.0%
054	Springbrook Place Apartments	38.6077	-78.7985	2000	na	Restricted	Elderly	Stabilized	Tax Credit	38	0	100.0%
055	Standardsville Village	38.4126	-78.6153	na	na	Restricted	Family	Unconfirmed	RD	16	0	100.0%
056	Stoneybrook Meadows Apartments	38.6718	-78.4479	2011	na	Restricted	Family	Non-Inventory	Tax Credit	96	96	0.0%
057	Stonwall Jackson Apartments	38.8990	-78.2190	1957	na	Market Rate	Family	Unconfirmed	Conventional	15	0	100.0%
058	Tannery Apartments	38.4095	-78.6128	1984	na	Market Rate	Family	Stabilized	Conventional	102	5	95.1%
059	Timber Hills Apartments	38.6235	-78.7738	1985	na	Subsidized	Family	Stabilized	RD	48	0	100.0%
060	Toms Brook High School Project	38.9439	-78.4435	1939	2012	Restricted	Family	Stabilized	Tax Credit	14	0	100.0%
061	Valley Vista Apartments	38.8677	-78.5140	1972	2010	Restricted	Family	Stabilized	Tax Credit	85	14	83.5%
062	Woodstock Village Phase 1	38.8843	-78.4997	1985	na	Restricted	Family	Stabilized	RD	46	0	100.0%
063	Woodstock Village Phase 1	38.8843	-78.4997	1985	2016	Restricted	Family	Non-Inventory	Tax Credit	46	2	95.7%
064	Woodstock Village Phase 2	38.8837	-78.4997	1989	na	Restricted	Family	Stabilized	Tax Credit	42	2	95.2%
065	Shenandoah Commons of Front Royal	38.9099	-78.1733	1998	na	Restricted	Family	Stabilized	Tax Credit	119	0	100.0%



Rental Property Inventory, Unconfirmed

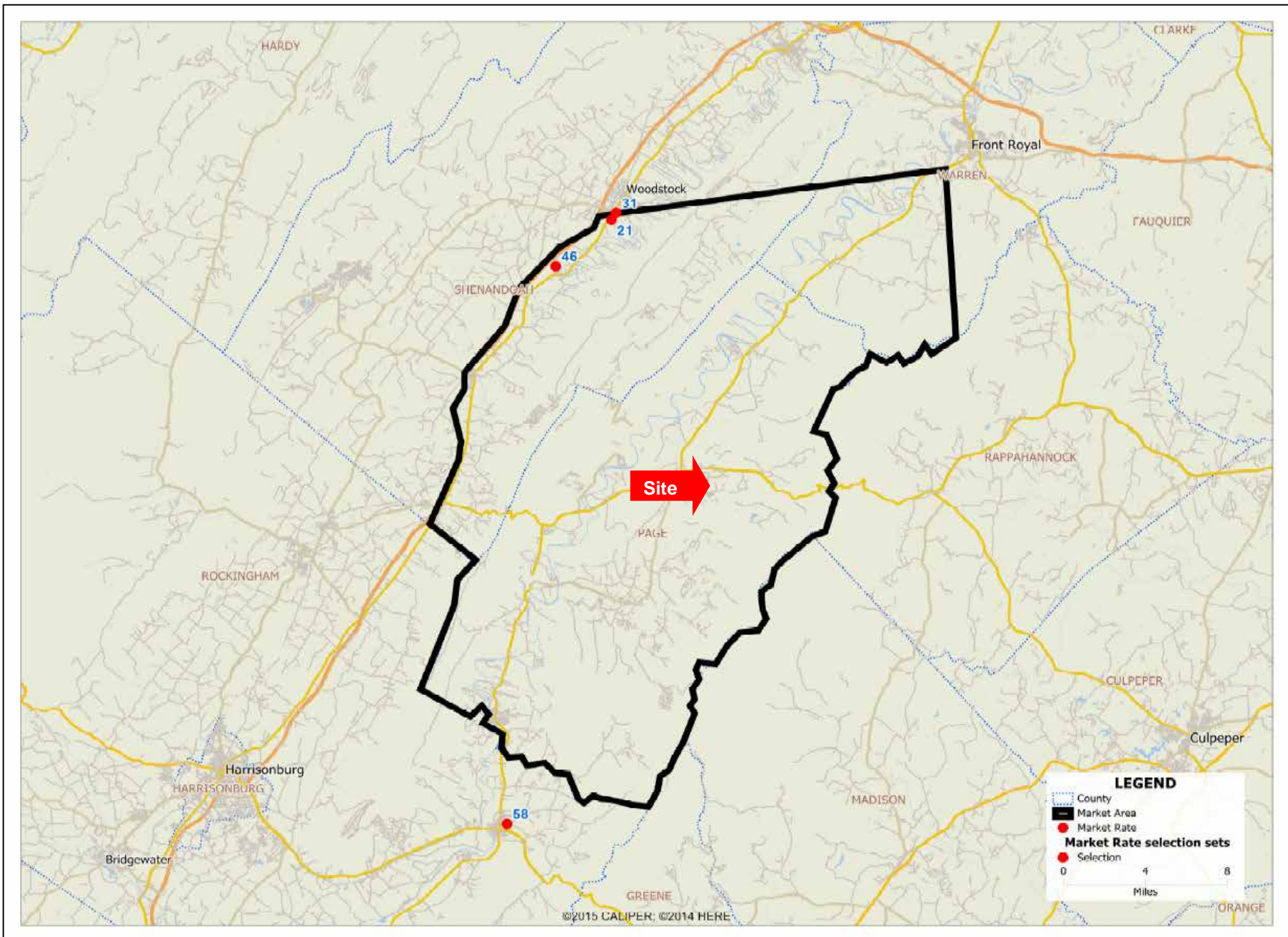
Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
005	Columns Apartments	38.4869	-78.6185	1976	na	Market Rate	Family	Unconfirmed	Conventional	12	0	100.0%
007	Corr Family Apartments Phase 1	38.9331	-78.1990	1979	na	Market Rate	Family	Unconfirmed	Conventional	12	2	83.3%
008	Corr Family Apartments Phase 2	38.9322	-78.1990	1979	na	Market Rate	Family	Unconfirmed	Conventional	8	0	100.0%
009	Corr Family Apartments Phase 3	38.9198	-78.1943	1980	na	Market Rate	Family	Unconfirmed	Conventional	12	1	91.7%
010	Corr Family Apartments Phase 4	38.9140	-78.1907	1980	na	Market Rate	Family	Unconfirmed	Conventional	73	9	87.7%
011	Corr Family Apartments Phase 4	38.9140	-78.1907	1980	na	Market Rate	Family	Unconfirmed	Conventional	0	0	0.0%
029	Massanutten Valley Apartments	38.5755	-78.5150	1995	na	Subsidized	Elderly	Unconfirmed	Tax Credit	36	0	100.0%
034	New Valley Properties	38.7386	-78.6476	1983	na	Market Rate	Family	Unconfirmed	Conventional	68	10	85.3%
045	Rockingham Garden Apartments	38.4125	-78.6155	na	na	Market Rate	Family	Unconfirmed	Conventional	0	0	0.0%
055	Standardsville Village	38.4126	-78.6153	na	na	Restricted	Family	Unconfirmed	RD	16	0	100.0%
057	Stonwall Jackson Apartments	38.8990	-78.2190	1957	na	Market Rate	Family	Unconfirmed	Conventional	15	0	100.0%

Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
001	Autumn Ridge Apartments	38.4903	-78.6079	1997	na	Subsidized	Elderly	Stabilized	Tax Credit	34	0	100.0%
004	Buchanan's Apartments	38.6419	-78.6747	1981	na	Market Rate	Family	Unstabilized	Conventional	8	1	87.5%
006	Congress Street Apartments	38.6529	-78.6685	2001	na	Restricted	Family	Stabilized	Tax Credit	38	0	100.0%
012	Echo Mountain Apartments	38.8610	-78.5203	1998	na	Restricted	Family	Stabilized	Tax Credit	50	0	100.0%
021	Lakeview Townhomes	38.8625	-78.5183	1975	2008	Market Rate	Family	Stabilized	Conventional	43	2	95.3%
023	Luray Meadows Apartments	38.6716	-78.4477	2019	na	Restricted	Family	Construction	Tax Credit	52	52	0.0%
024	Luray Village Apartments	38.6602	-78.4457	1998	2004	Restricted	Elderly	Stabilized	Tax Credit	34	0	100.0%
026	Luther Crest Apartments	38.6518	-78.6691	1988	na	Subsidized	Elderly	Stabilized	HUD	39	0	100.0%
028	Madison Village Condos	38.8291	-78.5704	2008	na	Market Rate	Family	Stabilized	Conventional	1	0	100.0%
031	Mountain View	38.8677	-78.5141	1983	2007	Market Rate	Family	Stabilized	HUD	62	2	96.8%
032	New Market North Phase 1	38.6565	-78.6692	1983	na	Restricted	Family	Stabilized	RD	34	0	100.0%
033	New Market North Phase 2	38.6565	-78.6692	1989	2012	Restricted	Family	Stabilized	Tax Credit	40	0	100.0%
041	Ridge Apartments Phase 1	38.8661	-78.5136	2001	na	Restricted	Family	Stabilized	Tax Credit	38	0	100.0%
042	Ridge Apartments Phase 2	38.8667	-78.5152	2002	na	Restricted	Family	Stabilized	Tax Credit	38	0	100.0%
043	Ridge Apartments Phase 3	38.8667	-78.5152	2004	na	Restricted	Family	Stabilized	Tax Credit	24	1	95.8%
046	Rose Hill Apartments	38.8277	-78.5686	1989	2013	Market Rate	Family	Stabilized	Conventional	56	2	96.4%
050	Rugby Square Apartments Phase 1	38.6628	-78.4406	1989	2011	Restricted	Family	Stabilized	RD	48	3	93.8%
051	Rugby Square Apartments Phase 2	38.6628	-78.4406	1990	2011	Restricted	Family	Stabilized	Tax Credit	44	0	100.0%
053	Shenandoah Commons of New Market	38.6524	-78.6687	2001	na	Restricted	Elderly	Stabilized	Tax Credit	38	0	100.0%
061	Valley Vista Apartments	38.8677	-78.5140	1972	2010	Restricted	Family	Stabilized	Tax Credit	85	14	83.5%

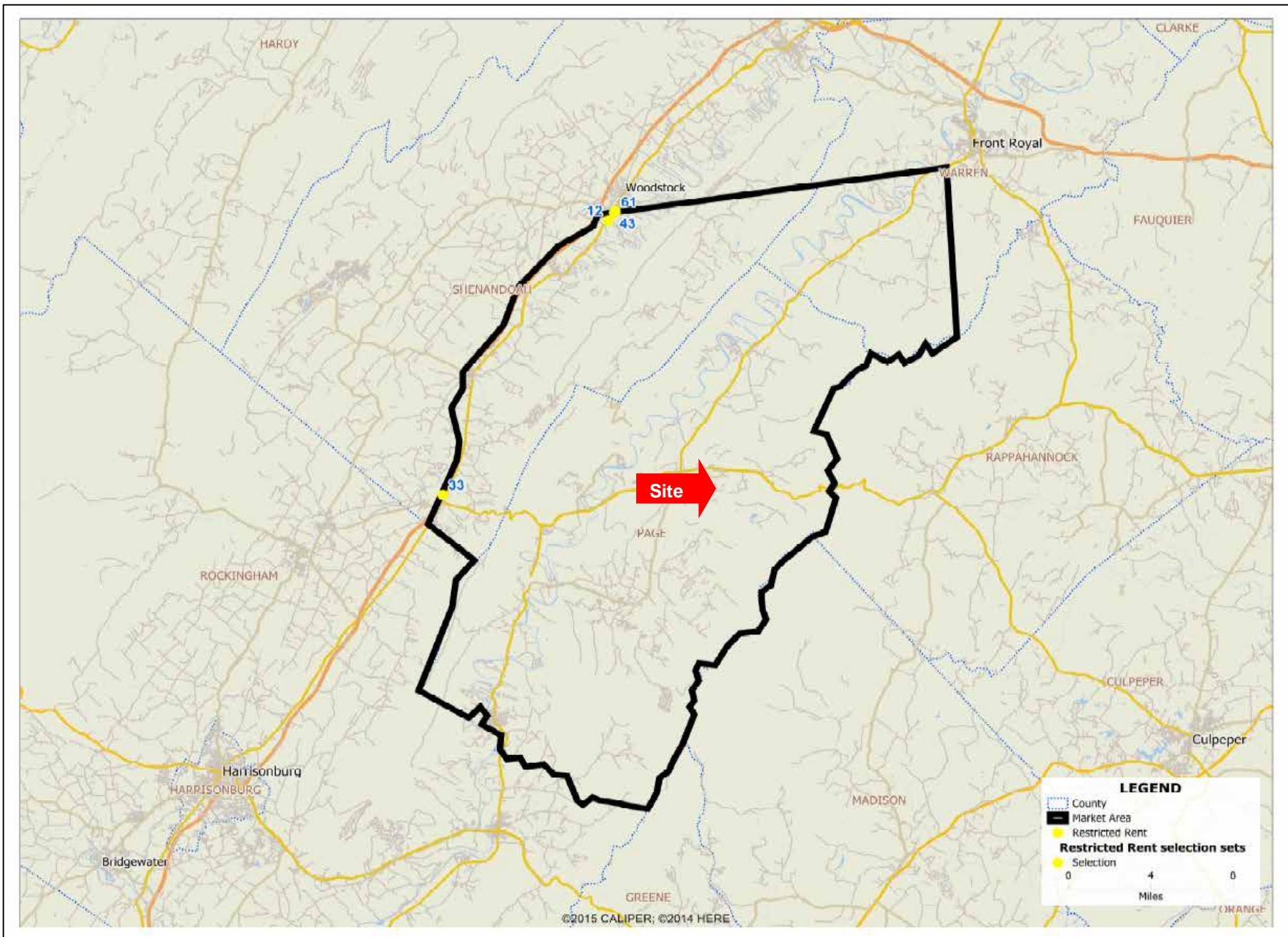
Master List of Market Rate Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
021	Lakeview Townhomes	38.8625	-78.5183	1975	2008	Market Rate	Family	Stabilized	Conventional	43	2	95.3%
031	Mountain View	38.8677	-78.5141	1983	2007	Market Rate	Family	Stabilized	HUD	62	2	96.8%
046	Rose Hill Apartments	38.8277	-78.5686	1989	2013	Market Rate	Family	Stabilized	Conventional	56	2	96.4%
058	Tannery Apartments	38.4095	-78.6128	1984	na	Market Rate	Family	Stabilized	Conventional	102	5	95.1%



Master List of Restricted Rent Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
012	Echo Mountain Apartments	38.8610	-78.5203	1998	na	Restricted	Family	Stabilized	Tax Credit	50	0	100.0%
033	New Market North Phase 2	38.6565	-78.6692	1989	2012	Restricted	Family	Stabilized	Tax Credit	40	0	100.0%
043	Ridge Apartments Phase 3	38.8667	-78.5152	2004	na	Restricted	Family	Stabilized	Tax Credit	24	1	95.8%
061	Valley Vista Apartments	38.8677	-78.5140	1972	2010	Restricted	Family	Stabilized	Tax Credit	85	14	83.5%



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

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

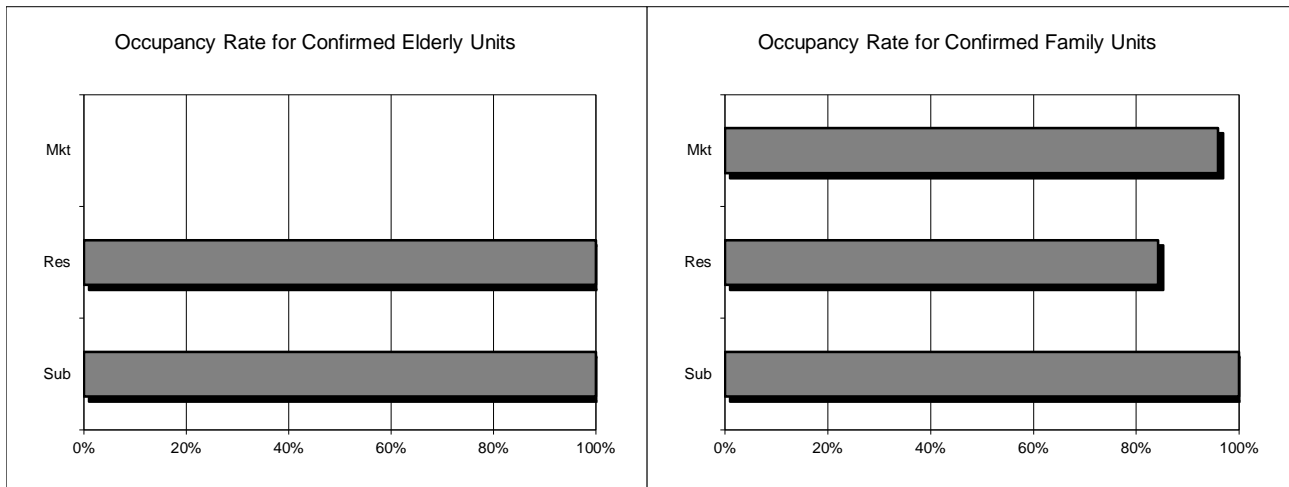
Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Market Rate		5	5
Restricted	2	11	13
Subsidized	2		2
Total	4	16	20

Total Units			
	Elderly	Family	Total
Market Rate		170	170
Restricted	39	443	482
Subsidized	106	48	154
Total	145	661	806

Vacant Units			
	Elderly	Family	Total
Market Rate		7	7
Restricted		70	70
Subsidized			
Total		77	77

Occupancy Rate			
	Elderly	Family	Total
Market Rate		96%	96%
Restricted	100%	84%	85%
Subsidized	100%	100%	100%
Total	100%	88%	90%

Source: Allen & Associates



Our analysis includes a total of 20 confirmed market area properties consisting of 806 units. The occupancy rate for these units currently stands at 90 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

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

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

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

Rental Property Inventory, Confirmed, Inside Market Area

Elderly					Family				
Total Properties					Total Properties				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	2	2		4	Stabilized		10	4	14
Lease Up					Lease Up				
Construction					Construction		1		1
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized			1	1
Subtotal					Subtotal		1	1	2
Total	2	2		4	Total		11	5	16

Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	106	39		145	Stabilized	48	391	162	601
Lease Up					Lease Up				
Construction					Construction		52		52
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized			8	8
Subtotal					Subtotal		52	8	60
Total	106	39		145	Total	48	443	170	661

Vacant Units					Vacant Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized					Stabilized		18	6	24
Lease Up					Lease Up				
Construction					Construction		52		52
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized			1	1
Subtotal					Subtotal		52	1	53
Total					Total		70	7	77

Source: Allen & Associates

Our survey includes a total of 18 stabilized market area properties consisting of 746 units standing at 97 percent occupancy.

Our survey also includes a total of 2 market area properties consisting of 60 units that are not yet stabilized.

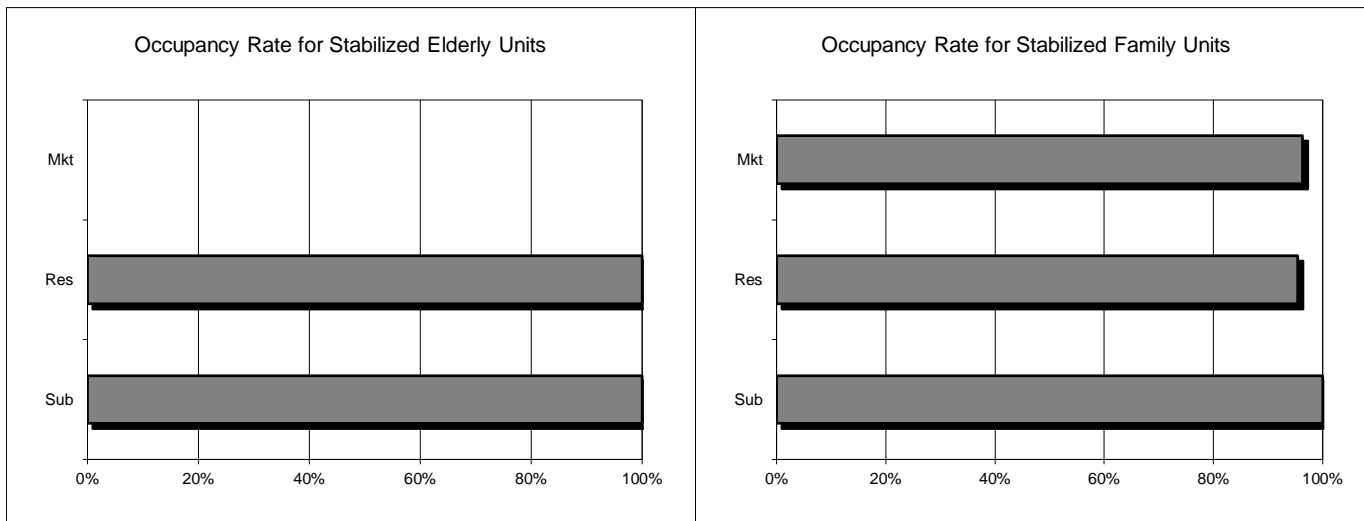
Unstabilized units (also referred to as pipeline units) include vacant units in lease up, construction, rehabilitation, proposed new construction, and units with proposed renovation plans.

Rental Property Inventory, Confirmed, Inside Market Area

Elderly					Family				
Occupancy Rate					Occupancy Rate				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	100%	100%		100%	Stabilized	100%	95%	96%	96%
Lease Up					Lease Up				
Construction					Construction		0%		0%
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized			88%	88%
Subtotal					Subtotal		0%	88%	12%
Total	100%	100%		100%	Total	100%	84%	96%	88%

Source: Allen & Associates

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



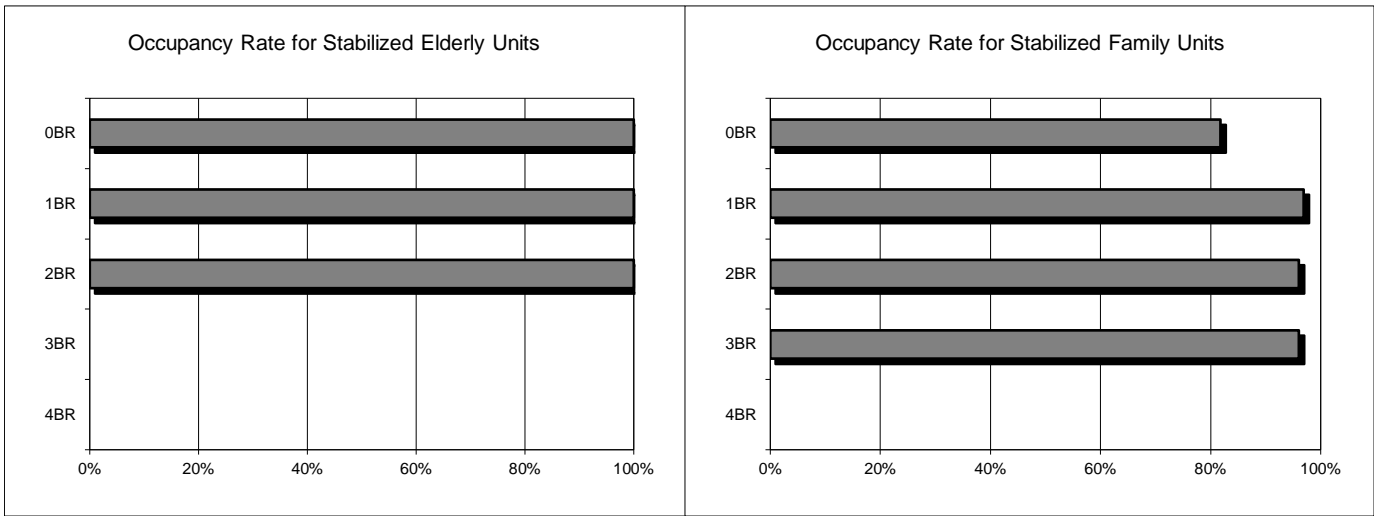
Our research suggests the following occupancy levels for the 145 stabilized elderly units in this market area:

- Subsidized, 100 percent (106 units in survey)
- Restricted, 100 percent (39 units in survey)
- Market Rate, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 601 stabilized family units in this market area:

- Subsidized, 100 percent (48 units in survey)
- Restricted, 95 percent (391 units in survey)
- Market Rate, 96 percent (162 units in survey)

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



Our research suggests the following occupancy levels for the 145 stabilized elderly units in this market area:

- 0-Bedroom, 100 percent (5 units in survey)
- 1-Bedroom, 100 percent (134 units in survey)
- 2-Bedroom, 100 percent (6 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 601 stabilized family units in this market area:

- 0-Bedroom, 82 percent (11 units in survey)
- 1-Bedroom, 97 percent (159 units in survey)
- 2-Bedroom, 96 percent (331 units in survey)
- 3-Bedroom, 96 percent (100 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

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

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

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

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

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								11	11
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total								11	11

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

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								2	2
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total								2	2

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

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								82%	82%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total								82%	82%

Source: Allen & Associates

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

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	3			1	1				5
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	3			1	1				5

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	3			3	5		3	2	16
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized								1	1
Subtotal								1	1
Total	3			3	5		3	3	17

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	95			38	1				134
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	95			38	1				134

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	17			24	21		29	68	159
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized								4	4
Subtotal								4	4
Total	17			24	21		29	72	163

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

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				2			1	2	5
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total				2			1	2	5

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

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%			92%	100%		97%	97%	97%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized								100%	100%
Subtotal								100%	100%
Total	100%			92%	100%		97%	97%	97%

Source: Allen & Associates

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

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

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	3			3	6		3	4	19
Lease Up									
Construction					1				1
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized								1	1
Subtotal					1			1	2
Total	3			3	7		3	5	21

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	6								6
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	6								6

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	31			69	98		67	66	331
Lease Up									
Construction					41				41
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized								4	4
Subtotal					41			4	45
Total	31			69	139		67	70	376

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

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				4	5		2	2	13
Lease Up									
Construction					41				41
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized								1	1
Subtotal					41			1	42
Total				4	46		2	3	55

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

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%			94%	95%		97%	97%	96%
Lease Up									
Construction					0%				0%
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized								75%	75%
Subtotal					0%			75%	7%
Total	100%			94%	67%		97%	96%	85%

Source: Allen & Associates

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

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

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				2	5		1	2	10
Lease Up									
Construction					1				1
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal					1				1
Total				2	6		1	2	11

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

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				13	68		2	17	100
Lease Up									
Construction					11				11
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal					11				11
Total				13	79		2	17	111

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

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized					4				4
Lease Up									
Construction					11				11
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal					11				11
Total					15				15

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

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				100%	94%		100%	100%	96%
Lease Up									
Construction					0%				0%
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal					0%				0%
Total				100%	81%		100%	100%	86%

Source: Allen & Associates

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

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

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

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

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

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

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

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

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

Source: Allen & Associates

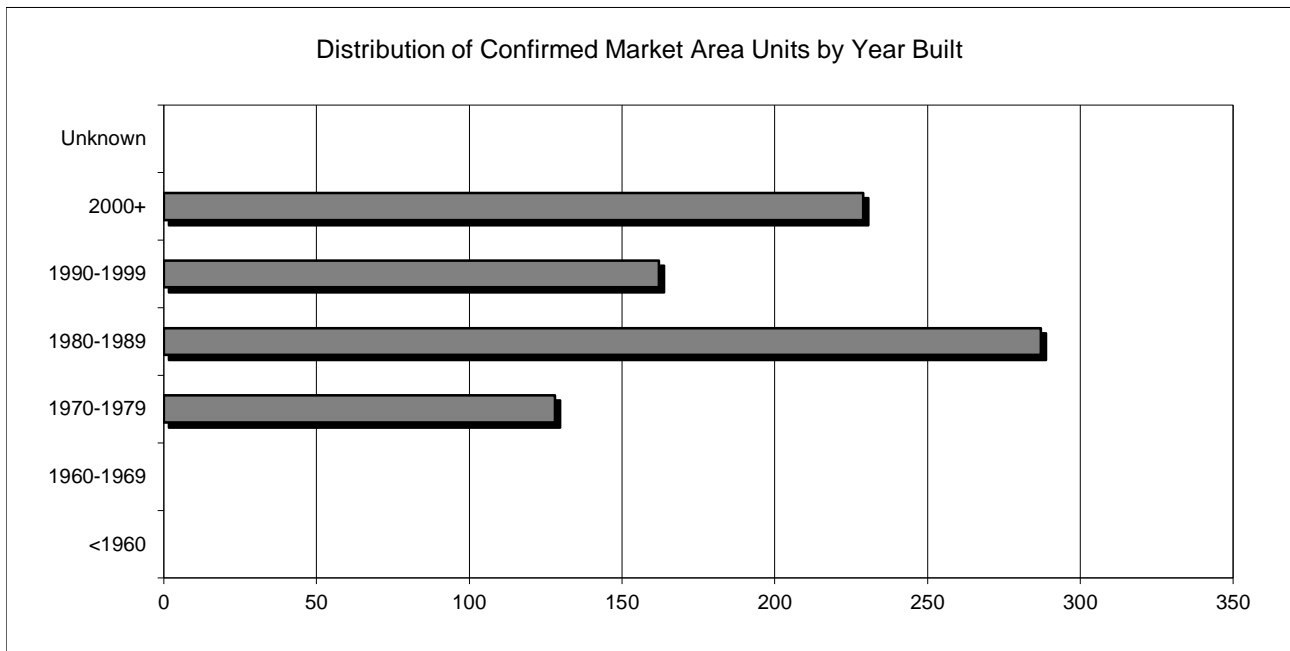
Rental Property Inventory, Confirmed, Inside Market Area, by Year Built

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

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
<1960			
1960-1969			
1970-1979		2	2
1980-1989	1	6	7
1990-1999	2	2	4
2000+	1	6	7
Unknown			
Total	4	16	20

Total Units			
	Elderly	Family	Total
<1960			
1960-1969			
1970-1979		128	128
1980-1989	39	248	287
1990-1999	68	94	162
2000+	38	191	229
Unknown			
Total	145	661	806

Source: Allen & Associates



Our research suggests that of the 20 confirmed market area properties (806 units) included in this report, 0 properties (0 units) were constructed before 1960, 0 properties (0 units) were constructed between 1960 and 1969, 2 properties (128 units) between 1970 and 1979, 7 properties (287 units) between 1980 and 1989, 4 properties (162 units) between 1990 and 1999, and 7 properties (229 units) after 2000. In addition, 0 properties (0 units) had an unknown date of construction.

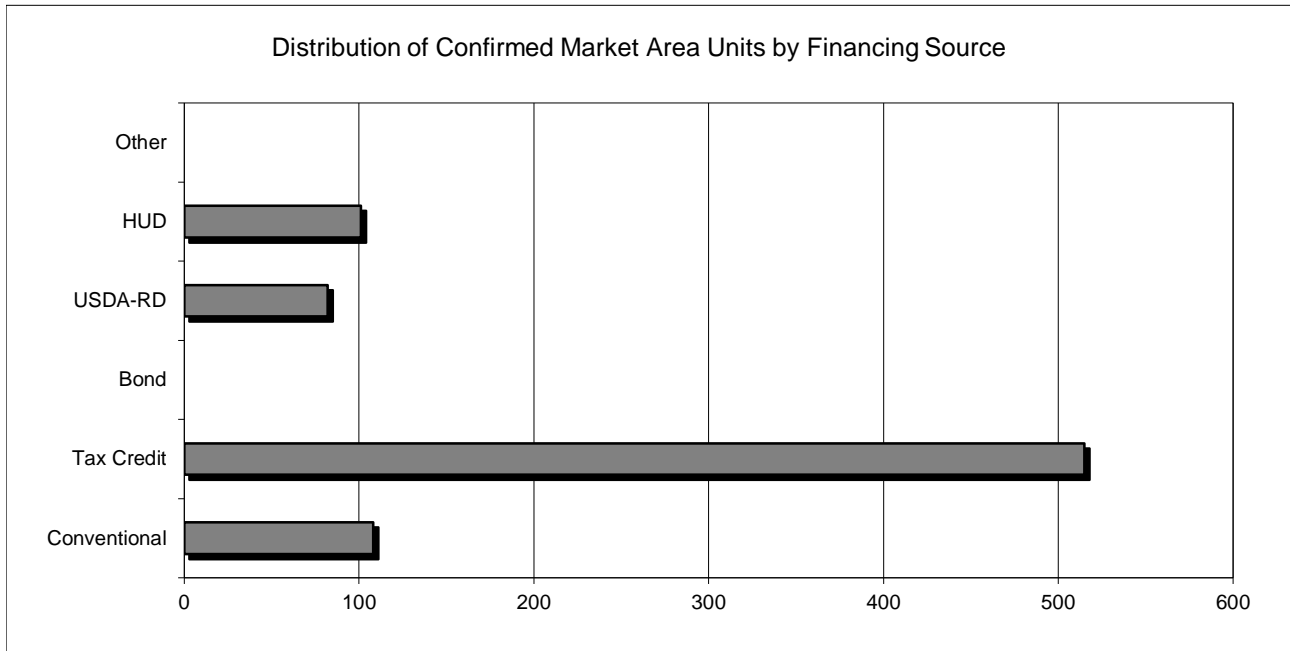
Rental Property Inventory, Confirmed, Inside Market Area, by Financing Source

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

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Conventional		4	4
Tax Credit	3	9	12
Bond			
USDA-RD		2	2
HUD	1	1	2
Other			
Total	4	16	20

Total Units			
	Elderly	Family	Total
Conventional		108	108
Tax Credit	106	409	515
Bond			
USDA-RD		82	82
HUD	39	62	101
Other			
Total	145	661	806

Source: Allen & Associates



Our research suggests that of the 20 confirmed properties in the market area, 4 properties (consisting of 108 units) are conventionally financed, 12 properties (consisting of 515 units) include tax credit financing, 0 properties (consisting of 0 units) are bond financed, 2 properties (consisting of 82 units) are exclusively USDA-RD financed, and 2 properties (consisting of 101 units) are exclusively HUD financed.

The average project size for this market area is 40 units. The smallest projects are conventionally financed, averaging 27 units in size. The largest projects are exclusively HUD financed, averaging 51 units in size.

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

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

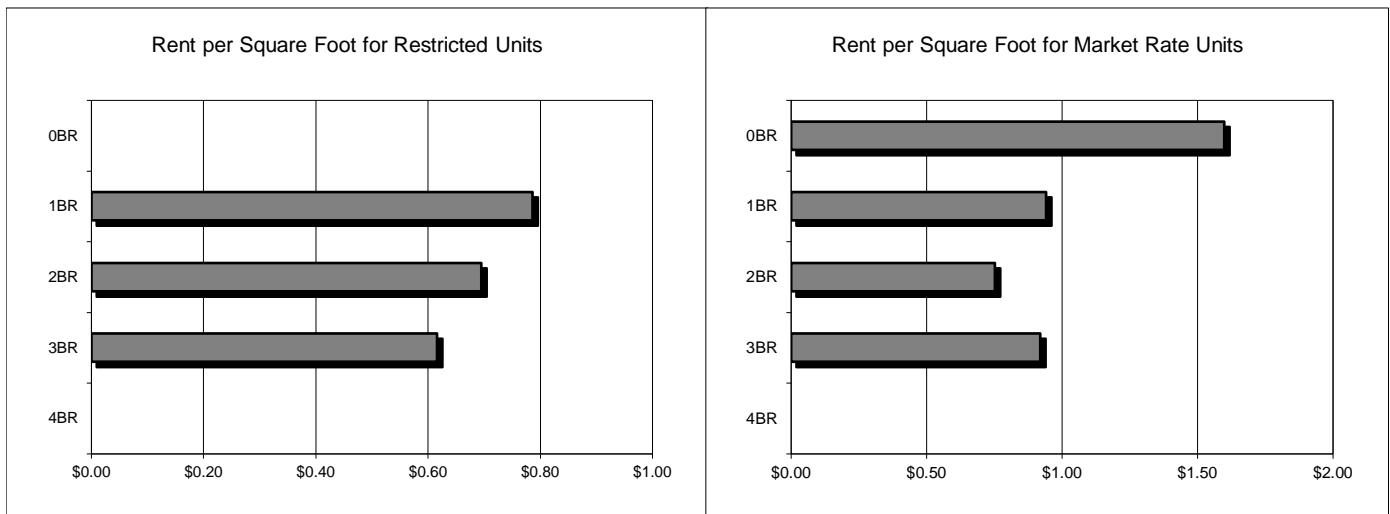
Rental Property Inventory, Confirmed, Inside Market Area

Rents									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	\$606	\$606	\$606	-	-	-	\$515	\$515	\$515
1-Bedroom	\$522	\$679	\$580	\$495	\$630	\$541	\$350	\$675	\$558
2-Bedroom	\$568	\$616	\$599	\$510	\$786	\$630	\$450	\$850	\$728
3-Bedroom	-	-	-	\$546	\$876	\$698	\$850	\$1,100	\$975
4-Bedroom	-	-	-	-	-	-	-	-	-

Unit Size									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	500	500	500	-	-	-	322	322	322
1-Bedroom	525	750	646	550	870	688	492	700	593
2-Bedroom	716	950	842	700	1,061	906	840	1,228	968
3-Bedroom	-	-	-	900	1,336	1,132	1,020	1,100	1,060
4-Bedroom	-	-	-	-	-	-	-	-	-

Rent per Square Foot									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	\$1.21	\$1.21	\$1.21	-	-	-	\$1.60	\$1.60	\$1.60
1-Bedroom	\$0.91	\$0.99	\$0.90	\$0.72	\$0.90	\$0.79	\$0.71	\$0.96	\$0.94
2-Bedroom	\$0.65	\$0.79	\$0.71	\$0.73	\$0.74	\$0.69	\$0.54	\$0.69	\$0.75
3-Bedroom	-	-	-	\$0.61	\$0.66	\$0.62	\$0.83	\$1.00	\$0.92
4-Bedroom	-	-	-	-	-	-	-	-	-

Source: Allen & Associates



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

- 0-Bedroom, not applicable
- 1-Bedroom, \$0.79 per square foot
- 2-Bedroom, \$0.69 per square foot
- 3-Bedroom, \$0.62 per square foot
- 4-Bedroom, not applicable

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

- 0-Bedroom, \$1.60 per square foot
- 1-Bedroom, \$0.94 per square foot
- 2-Bedroom, \$0.75 per square foot
- 3-Bedroom, \$0.92 per square foot
- 4-Bedroom, not applicable

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

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

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

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

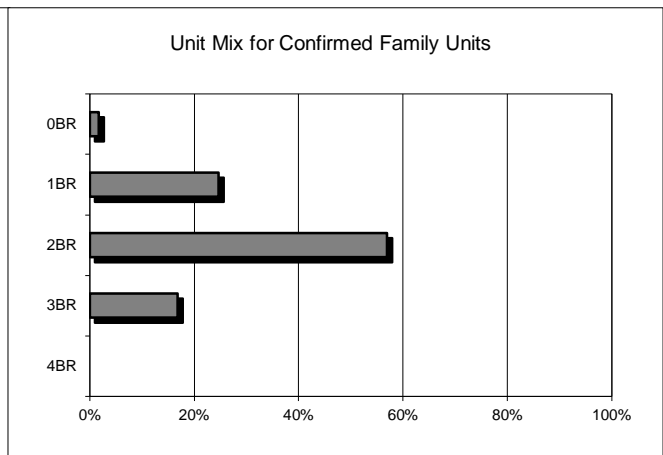
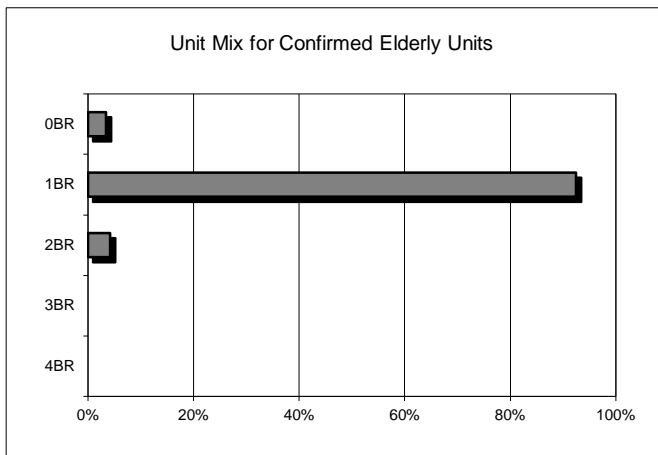
Elderly				
Total Units				
	Sub	Res	Mkt	Tot
0-Bedroom	5			5
1-Bedroom	95	39		134
2-Bedroom	6			6
3-Bedroom				
4-Bedroom				
Total	106	39		145

Family				
Total Units				
	Sub	Res	Mkt	Tot
0-Bedroom			11	11
1-Bedroom	17	74	72	163
2-Bedroom	31	275	70	376
3-Bedroom		94	17	111
4-Bedroom				
Total	48	443	170	661

Unit Mix				
	Sub	Res	Mkt	Tot
0-Bedroom	5%			3%
1-Bedroom	90%	100%		92%
2-Bedroom	6%			4%
3-Bedroom				
4-Bedroom				
Total	100%	100%		100%

Unit Mix				
	Sub	Res	Mkt	Tot
0-Bedroom			6%	2%
1-Bedroom	35%	17%	42%	25%
2-Bedroom	65%	62%	41%	57%
3-Bedroom		21%	10%	17%
4-Bedroom				
Total	100%	100%	100%	100%

Source: Allen & Associates



Our research suggests the following unit mix for the 145 confirmed elderly units located in this market area:

- 0-Bedroom, 3 percent (5 units in survey)
- 1-Bedroom, 92 percent (134 units in survey)
- 2-Bedroom, 4 percent (6 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following unit mix for the 661 confirmed family units located in this market area:

- 0-Bedroom, 2 percent (11 units in survey)
- 1-Bedroom, 25 percent (163 units in survey)
- 2-Bedroom, 57 percent (376 units in survey)
- 3-Bedroom, 17 percent (111 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

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

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

Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary			
Building Type		Air Conditioning	
1 Story	15%	Central	90%
2-4 Story	85%	Wall Units	5%
5-10 Story	0%	Window Units	0%
>10 Story	0%	None	5%
Project Amenities		Heat	
Ball Field	0%	Central	90%
BBQ Area	40%	Wall Units	5%
Billiards	0%	Baseboards	5%
Bus/Comp Ctr	5%	Radiators	0%
Car Care Ctr	0%	None	0%
Comm Center	60%	Parking	
Elevator	10%	Garage	0%
Fitness Center	5%	Covered	0%
Gazebo	30%	Assigned	0%
Hot Tub/Jacuzzi	0%	Open	100%
Horseshoe Pit	0%	None	0%
Lake	0%	Laundry	
Library	0%	Central	90%
Movie Theatre	5%	W/D Units	0%
Picnic Area	75%	W/D Hookups	35%
Playground	45%	Security	
Pool	5%	Call Buttons	10%
Sauna	0%	Cont Access	10%
Sports Court	35%	Courtesy Officer	0%
Walking Trail	10%	Monitoring	5%
Unit Amenities		Security Alarms	5%
Blinds	95%	Security Patrols	0%
Ceiling Fans	20%	Services	
Upgraded Flooring	100%	After School	0%
Fireplace	0%	Concierge	0%
Patio/Balcony	60%	Hair Salon	0%
Storage	45%	Health Care	0%
Kitchen Amenities		Linens	0%
Stove	100%	Meals	0%
Refrigerator	100%	Transportation	0%
Disposal	60%		
Dishwasher	70%		
Microwave	35%		

Source: Allen & Associates

Our research suggests that 15 percent of confirmed market area properties are 1 story in height, 85 percent are 2-4 stories in height, 0 percent are 5-10 stories in height, and 0 percent are over 10 stories in height. In addition, surveyed properties benefit from the following project amenities: 5 percent have a business/computer center, 60 percent have a community center, 5 percent have a fitness center, 45 percent have a playground, and 35 percent have a sports court.

Our research also suggests that the following unit amenities are present at surveyed properties: 95 percent have blinds, 100 percent have carpeting, 60 percent have patios/balconies, and 45 percent have outside storage. Surveyed properties also include the following kitchen amenities: 100 percent have a stove, 100 percent have a refrigerator, 60 percent have a disposal, 70 percent have a dishwasher, and 35 percent have a microwave.

In addition, 90 percent of confirmed market area properties have central heat while 90 percent have central air. Our research also suggests that 100 percent of surveyed properties have open parking. A total of 90 percent of area properties have central laundry facilities, while 35 percent have washer/dryer hookups, and 0 percent have washer/dryer units in each residential unit.

A total of 10 percent of confirmed market area properties have call buttons, 10 percent have controlled access, and 5 percent have security alarms.

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

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

Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy	Concessions	Vouchers	Abs Rate	Waiting List
001	Autumn Ridge Apartments	38.4903	-78.6079	1997	na	Subsidized	Elderly	Stabilized	Tax Credit	34	0	100.0%	0%	0%	-	8 people
004	Buchannan's Apartments	38.6419	-78.6747	1981	na	Market Rate	Family	Unstabilized	Conventional	8	1	87.5%	0%	0%	-	no
006	Congress Street Apartments	38.6529	-78.6685	2001	na	Restricted	Family	Stabilized	Tax Credit	38	0	100.0%	0%	11%	-	6 people
012	Echo Mountain Apartments	38.8610	-78.5203	1998	na	Restricted	Family	Stabilized	Tax Credit	50	0	100.0%	0%	18%	-	no
021	Lakeview Townhomes	38.8625	-78.5183	1975	2008	Market Rate	Family	Stabilized	Conventional	43	2	95.3%	0%	2%	-	no
023	Luray Meadows Apartments	38.6716	-78.4477	2019	na	Restricted	Family	Construction	Tax Credit	52	52	0.0%	0%	0%	-	-
024	Luray Village Apartments	38.6602	-78.4457	1998	2004	Restricted	Elderly	Stabilized	Tax Credit	34	0	100.0%	0%	3%	-	20 people
026	Luther Crest Apartments	38.6518	-78.6691	1988	na	Subsidized	Elderly	Stabilized	HUD	39	0	100.0%	0%	0%	-	no
028	Madison Village Condos	38.8291	-78.5704	2008	na	Market Rate	Family	Stabilized	Conventional	1	0	100.0%	0%	0%	-	-
031	Mountain View	38.8677	-78.5141	1983	2007	Market Rate	Family	Stabilized	HUD	62	2	96.8%	0%	3%	-	40 people
032	New Market North Phase 1	38.6565	-78.6692	1983	na	Restricted	Family	Stabilized	RD	34	0	100.0%	0%	3%	-	no
033	New Market North Phase 2	38.6565	-78.6692	1989	2012	Restricted	Family	Stabilized	Tax Credit	40	0	100.0%	0%	13%	-	15 people
041	Ridge Apartments Phase 1	38.8661	-78.5136	2001	na	Restricted	Family	Stabilized	Tax Credit	38	0	100.0%	0%	32%	-	5 people
042	Ridge Apartments Phase 2	38.8667	-78.5152	2002	na	Restricted	Family	Stabilized	Tax Credit	38	0	100.0%	0%	34%	-	5 people
043	Ridge Apartments Phase 3	38.8667	-78.5152	2004	na	Restricted	Family	Stabilized	Tax Credit	24	1	95.8%	0%	63%	-	45 people
046	Rose Hill Apartments	38.8277	-78.5686	1989	2013	Market Rate	Family	Stabilized	Conventional	56	2	96.4%	0%	2%	-	no
050	Rugby Square Apartments Phase 1	38.6628	-78.4406	1989	2011	Restricted	Family	Stabilized	RD	48	3	93.8%	0%	15%	-	no
051	Rugby Square Apartments Phase 2	38.6628	-78.4406	1990	2011	Restricted	Family	Stabilized	Tax Credit	44	0	100.0%	0%	20%	-	no
053	Shenandoah Commons of New Market	38.6524	-78.6687	2001	na	Restricted	Elderly	Stabilized	Tax Credit	38	0	100.0%	0%	13%	-	11 people
061	Valley Vista Apartments	38.8677	-78.5140	1972	2010	Restricted	Family	Stabilized	Tax Credit	85	14	83.5%	0%	18%	-	no

RENT COMPARABILITY ANALYSIS

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

Unrestricted Rent Analysis

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

Rental Property Inventory, by Unit Type

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

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

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

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

Rent Comparables, Market Rate, Map

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

Rent Comparability Grids

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

Rental Property Inventory, 1-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
002	B.W. Gooden Apartments	1993	na	Market Rate	Family	Stabilized								\$500
021	Lakeview Townhomes	1975	2008	Market Rate	Family	Stabilized								
022	Lucas Lane Apartments	1987	na	Market Rate	Family	Stabilized								\$495
028	Madison Village Condos	2008	na	Market Rate	Family	Stabilized								
031	Mountain View	1983	2007	Market Rate	Family	Stabilized								\$675
035	North Gate Garden Buildings 2, 3, & 4	2010	na	Market Rate	Family	Stabilized								
036	North Gate Garden Building 1	2013	na	Market Rate	Family	Stabilized								
038	Northwood Apartments	1990	na	Market Rate	Family	Stabilized								\$425
046	Rose Hill Apartments	1989	2013	Market Rate	Family	Stabilized								\$650
058	Tannery Apartments	1984	na	Market Rate	Family	Stabilized								\$550

Source: Allen & Associates

Rental Property Inventory, 2-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
002	B.W. Gooden Apartments	1993	na	Market Rate	Family	Stabilized								\$750
021	Lakeview Townhomes	1975	2008	Market Rate	Family	Stabilized								\$793
022	Lucas Lane Apartments	1987	na	Market Rate	Family	Stabilized								
028	Madison Village Condos	2008	na	Market Rate	Family	Stabilized								\$795
031	Mountain View	1983	2007	Market Rate	Family	Stabilized								\$850
035	North Gate Garden Buildings 2, 3, & 4	2010	na	Market Rate	Family	Stabilized								\$927
036	North Gate Garden Building 1	2013	na	Market Rate	Family	Stabilized								\$921
038	Northwood Apartments	1990	na	Market Rate	Family	Stabilized								
046	Rose Hill Apartments	1989	2013	Market Rate	Family	Stabilized								\$750
058	Tannery Apartments	1984	na	Market Rate	Family	Stabilized								\$695

Source: Allen & Associates



Rent Adjustments

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

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

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

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

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

Concessions

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

Tenant-Paid Utilities

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

Technology

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

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

Bedrooms

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$75 per bedroom.

Bedrooms		
Adjustment	Survey Range	Concluded
Bedrooms	\$0 \$200	\$75

Bathrooms

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

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

Square Feet

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.40 per square foot.

Square Feet		
Adjustment	Survey Range	Concluded
Square Feet	\$0.00 \$2.00	\$0.40

Visibility

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$25 per point for differences in visibility ratings between the subject and the comparables.

Visibility		
Adjustment	Survey Range	Concluded
Rating	\$0 \$100	\$25

Access

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$55 per point for differences in access ratings between the subject and the comparables.

Access		
Adjustment	Survey Range	Concluded
Rating	\$0 \$100	\$55

Neighborhood

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$40 per point for differences in neighborhood ratings between the subject and the comparables.

Neighborhood		
Adjustment	Survey Range	Concluded
Rating	\$0 \$100	\$40

Area Amenities

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

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

Median Household Income

Our analysis also included an adjustment for median household income for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.0043 per dollar of median household income.

Median Household Income			
Adjustment	Survey Range		Concluded
Med HH Inc	\$0.0000	\$0.0100	\$0.0043

Average Commute

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 per each minute of commute.

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

Public Transportation

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

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

Personal Crime

Our analysis also included an adjustment for personal crime rates for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$1,156 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$50,000	\$1,156

Condition

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

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

Effective Age

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$1.00 per year for differences in effective age between the subject and the comparables.

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

Project Amenities

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

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

Unit Amenities

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

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

Kitchen Amenities

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

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

Parking

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

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

Laundry

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

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

Security

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

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

Rent Conclusion, 1BR-1BA-601sf

The development of our rent conclusion for the 1BR-1BA-601sf units is found below.

Our analysis included the evaluation of a total of 11 unit types found at 4 properties. We selected the 11 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 11 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
021-01	Lakeview Townhomes	2BR-1BA-700sf	\$700	\$0	\$700	\$387	-\$95	\$605	5
021-02	Lakeview Townhomes	2BR-1.5BA-1000sf	\$900	\$0	\$900	\$507	-\$215	\$685	9
021-03	Lakeview Townhomes	3BR-1.5BA-1100sf	\$1,100	\$0	\$1,100	\$680	-\$272	\$828	11
031-01	Mountain View	1BR-1BA-587sf	\$675	\$0	\$675	\$276	-\$193	\$482	1
031-02	Mountain View	2BR-2BA-870sf	\$850	\$0	\$850	\$444	-\$372	\$478	8
046-01	Rose Hill Apartments	0BR-1BA-322sf	\$515	\$0	\$515	\$436	\$158	\$673	7
046-02	Rose Hill Apartments	1BR-1BA-492sf	\$650	\$0	\$650	\$286	\$22	\$672	3
046-03	Rose Hill Apartments	2BR-2BA-900sf	\$750	\$0	\$750	\$421	-\$200	\$550	6
046-04	Rose Hill Apartments	3BR-2BA-1020sf	\$850	\$0	\$850	\$528	-\$307	\$543	10
058-01	Tannery Apartments	1BR-1BA-450sf	\$550	\$0	\$550	\$286	\$85	\$635	2
058-02	Tannery Apartments	2BR-1BA-800sf	\$695	\$0	\$695	\$364	-\$114	\$581	4

Adjusted Rent, Minimum	\$478
Adjusted Rent, Maximum	\$828
Adjusted Rent, Average	\$612
Adjusted Rent, Modified Average	\$603
Rent, Concluded	\$600

Our analysis suggests a rent of \$600 for the 1BR-1BA-601sf units at the subject property.

In our opinion, the 1BR-1BA-587sf units at Mountain View (Property # 031), the 1BR-1BA-450sf units at Tannery Apartments (Property # 058), the 1BR-1BA-492sf units at Rose Hill Apartments (Property # 046), the 2BR-1BA-800sf units at Tannery Apartments (Property # 058), and the 2BR-1BA-700sf units at Lakeview Townhomes (Property # 021) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

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

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$106	\$82	\$24
Condition	\$10	4.00	3.50	-\$5
Effective Age	\$1.00	2009	1995	-\$14
Picnic Area	\$2	no	yes	\$2
Ceiling Fans	\$2	yes	no	-\$2
Dishwasher	\$2	yes	no	-\$2
Adjustments				\$3
Adjusted Rent, Minimum				\$481
Adjusted Rent, Maximum				\$831
Adjusted Rent, Average				\$615
Adjusted Rent, Modified Average				\$606
Rent, Concluded, As Is				\$605

Our analysis suggests an "as is" rent of \$605 for the 1BR-1BA-601sf units at the subject property.

Comparable	Subject	1	2	3	4	5						
Property-Unit Key	Sub-03	021-01	031-01	046-02	058-01	058-02						
Unit Type	1BR-1BA-601sf	2BR-1BA-700sf	1BR-1BA-587sf	1BR-1BA-492sf	1BR-1BA-450sf	2BR-1BA-800sf						
Property Name	Luray Village Apartments	Lakeview Townhomes	Mountain View	Rose Hill Apartments	Tannery Apartments	Tannery Apartments						
Address	111 Sixth Street	259 Lakeview Drive	149 Valley Vista Drive	1020 Rose Bud Court	520 East Rockingham Street	520 East Rockingham Street						
City	Luray	Woodstock	Woodstock	Edinburg	Elkton	Elkton						
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia						
Zip	22835	22664	22664	22824	22827	22827						
Latitude	38.66022	38.86245	38.86772	38.82772	38.40951	38.40951						
Longitude	-78.44573	-78.51834	-78.51409	-78.56860	-78.61276	-78.61276						
Miles to Subject	0.00	12.17	12.37	11.76	17.06	17.06						
Year Built	1999	1975	1983	1989	1984	1984						
Year Rehab	2019	2008	2007	2013	na	na						
Project Rent	Restricted	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate						
Project Type	Elderly	Family	Family	Family	Family	Family						
Project Status	Prop Rehab	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized						
Phone	(540) 843-0328	(540) 459-5994	(540) 459-5353	(540) 336-4907	(540) 298-9324	(540) 298-9324						
Effective Date	19-Feb-19	05-Feb-19	05-Feb-19	07-Feb-19	05-Feb-19	05-Feb-19						
Project Level												
Units	34	43	62	56	102	102						
Vacant Units	0	2	2	2	5	5						
Vacancy Rate	0%	5%	3%	4%	5%	5%						
Unit Type												
Units	14	16	50	18	38	64						
Vacant Units	0	1	2	0	2	3						
Vacancy Rate	0%	6%	4%	0%	5%	5%						
Street Rent	\$575	\$700	\$675	\$650	\$550	\$695						
Concessions	\$0	\$0	\$0	\$0	\$0	\$0						
Net Rent	\$575	\$700	\$675	\$650	\$550	\$695						
	Adj	Data	Adj	Data	Adj	Data						
Tenant-Paid Utilities	TPU	\$106	\$183	\$77	\$22	-\$84	\$51	-\$55	\$60	-\$46	\$76	-\$30
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	no	no	\$0	yes	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$75	1	2	-\$75	1	\$0	1	\$0	1	\$0	2	-\$75
Bathrooms	\$0	1.00	1.00	\$0	1.00	\$0	1.00	\$0	1.00	\$0	1.00	\$0
Square Feet	\$0.40	601	700	-\$40	587	\$6	492	\$44	450	\$60	800	-\$80
Visibility	\$25	2.00	3.00	-\$25	3.00	-\$25	2.00	\$0	3.00	-\$25	3.00	-\$25
Access	\$55	2.50	3.00	-\$28	3.00	-\$28	3.25	-\$41	3.00	-\$28	3.00	-\$28
Neighborhood	\$40	2.80	4.50	-\$68	4.50	-\$68	3.50	-\$28	2.00	\$32	2.00	\$32
Area Amenities	\$0	3.30	4.00	\$0	4.40	\$0	2.30	\$0	2.10	\$0	2.10	\$0
Median HH Income	\$0.0043	\$52,065	\$47,460	\$20	\$47,460	\$20	\$50,242	\$8	\$41,765	\$44	\$41,765	\$44
Average Commute	\$0	34.52	29.01	\$0	29.01	\$0	27.39	\$0	29.71	\$0	29.71	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$1,156	0.8%	0.3%	-\$6	0.3%	-\$6	7.7%	\$80	0.9%	\$2	0.9%	\$2
Condition	\$10	4.00	2.25	\$18	3.50	\$5	3.00	\$10	2.50	\$15	2.50	\$15
Effective Age	\$1.00	2009	1985	\$24	2000	\$9	2000	\$9	1985	\$24	1985	\$24
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$2	no	no	\$0	yes	-\$2	yes	-\$2	no	\$0	no	\$0
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	no	\$2	yes	\$0	no	\$2	no	\$0	no	\$2
Elevator	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	yes	-\$2	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	yes	-\$2	no	\$0	no	\$0	no	\$0
Picnic Area	\$2	no	no	\$0	yes	-\$2	yes	-\$2	no	\$0	no	\$0
Playground	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	no	\$2	no	\$2
Ceiling Fans	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	yes	some	\$2	yes	\$0	yes	\$0	Some	\$2	Some	\$2
Storage	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	some	\$0	yes	-\$2	yes	-\$2	yes	-\$2	yes	-\$2
Dishwasher	\$2	yes	some	\$2	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Microwave	\$2	no	no	\$0	yes	-\$2	no	\$0	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
W/D Units	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
W/D Hookups	\$5	no	some	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Call Buttons	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Controlled Access	\$2	no	no	\$0	yes	-\$2	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$2	no	no	\$0	no	\$0	yes	-\$2	no	\$0	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Indicated Rent		\$600	\$605	\$482	\$672	\$635	\$672	\$635	\$635	\$635	\$581	\$581

Rent Conclusion, 2BR-1BA-716sf

The development of our rent conclusion for the 2BR-1BA-716sf units is found below.

Our analysis included the evaluation of a total of 11 unit types found at 4 properties. We selected the 11 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 11 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

			Rent Conclusion						
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-07	Luray Village Apartments	2BR-1BA-716sf	\$670	\$0	\$670	-	\$0	\$670	-
021-01	Lakeview Townhomes	2BR-1BA-700sf	\$700	\$0	\$700	\$266	\$13	\$713	2
021-02	Lakeview Townhomes	2BR-1.5BA-1000sf	\$900	\$0	\$900	\$373	-\$107	\$793	5
021-03	Lakeview Townhomes	3BR-1.5BA-1100sf	\$1,100	\$0	\$1,100	\$546	-\$164	\$936	10
031-01	Mountain View	1BR-1BA-587sf	\$675	\$0	\$675	\$410	-\$85	\$590	6
031-02	Mountain View	2BR-2BA-870sf	\$850	\$0	\$850	\$336	-\$264	\$586	4
046-01	Rose Hill Apartments	0BR-1BA-322sf	\$515	\$0	\$515	\$570	\$266	\$781	11
046-02	Rose Hill Apartments	1BR-1BA-492sf	\$650	\$0	\$650	\$420	\$130	\$780	8
046-03	Rose Hill Apartments	2BR-2BA-900sf	\$750	\$0	\$750	\$313	-\$92	\$658	3
046-04	Rose Hill Apartments	3BR-2BA-1020sf	\$850	\$0	\$850	\$420	-\$199	\$651	8
058-01	Tannery Apartments	1BR-1BA-450sf	\$550	\$0	\$550	\$420	\$193	\$743	7
058-02	Tannery Apartments	2BR-1BA-800sf	\$695	\$0	\$695	\$256	-\$6	\$689	1

Adjusted Rent, Minimum	\$586
Adjusted Rent, Maximum	\$936
Adjusted Rent, Average	\$720
Adjusted Rent, Modified Average	\$711
Rent, Concluded	\$700

Our analysis suggests a rent of \$700 for the 2BR-1BA-716sf units at the subject property.

In our opinion, the 2BR-1BA-800sf units at Tannery Apartments (Property # 058), the 2BR-1BA-700sf units at Lakeview Townhomes (Property # 021), the 2BR-2BA-900sf units at Rose Hill Apartments (Property # 046), the 2BR-2BA-870sf units at Mountain View (Property # 031), and the 2BR-1.5BA-1000sf units at Lakeview Townhomes (Property # 021) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

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

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$119	\$90	\$29
Condition	\$10	4.00	3.50	-\$5
Effective Age	\$1.00	2009	1995	-\$14
Picnic Area	\$2	no	yes	\$2
Ceiling Fans	\$2	yes	no	-\$2
Dishwasher	\$2	yes	no	-\$2
Adjustments				\$8
Adjusted Rent, Minimum				\$594
Adjusted Rent, Maximum				\$944
Adjusted Rent, Average				\$728
Adjusted Rent, Modified Average				\$719
Rent, Concluded, As Is				\$710

Our analysis suggests an "as is" rent of \$710 for the 2BR-1BA-716sf units at the subject property.

Comparable	Subject	1	2	3	4	5						
Property-Unit Key	Sub-07	021-01	021-02	031-02	046-03	058-02						
Unit Type	2BR-1BA-716sf	2BR-1BA-700sf	2BR-1.5BA-1000sf	2BR-2BA-870sf	2BR-2BA-900sf	2BR-1BA-800sf						
Property Name	Luray Village Apartments	Lakeview Townhomes	Lakeview Townhomes	Mountain View	Rose Hill Apartments	Tannery Apartments						
Address	111 Sixth Street	259 Lakeview Drive	259 Lakeview Drive	149 Valley Vista Drive	1020 Rose Bud Court	520 East Rockingham Street						
City	Luray	Woodstock	Woodstock	Woodstock	Edinburg	Elkton						
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia						
Zip	22835	22664	22664	22664	22824	22827						
Latitude	38.66022	38.86245	38.86245	38.86772	38.82772	38.40951						
Longitude	-78.44573	-78.51834	-78.51834	-78.51409	-78.56860	-78.61276						
Miles to Subject	0.00	12.17	12.17	12.37	11.76	17.06						
Year Built	1999	1975	1975	1983	1989	1984						
Year Rehab	2019	2008	2008	2007	2013	na						
Project Rent	Restricted	Market Rate	Market Rate	Market Rate	Market Rate	Market Rate						
Project Type	Elderly	Family	Family	Family	Family	Family						
Project Status	Prop Rehab	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized						
Phone	(540) 843-0328	(540) 459-5994	(540) 459-5994	(540) 459-5353	(540) 336-4907	(540) 298-9324						
Effective Date	19-Feb-19	05-Feb-19	05-Feb-19	05-Feb-19	07-Feb-19	05-Feb-19						
Project Level												
Units	34	43	43	62	56	102						
Vacant Units	0	2	2	2	2	5						
Vacancy Rate	0%	5%	5%	3%	4%	5%						
Unit Type												
Units	1	16	14	12	23	64						
Vacant Units	0	1	1	0	0	3						
Vacancy Rate	0%	6%	7%	0%	0%	5%						
Street Rent	\$670	\$700	\$900	\$850	\$750	\$695						
Concessions	\$0	\$0	\$0	\$0	\$0	\$0						
Net Rent	\$670	\$700	\$900	\$850	\$750	\$695						
	Adj	Data	Adj	Data	Adj	Data						
Tenant-Paid Utilities	TPU	\$119	\$183	\$64	\$183	\$64	\$31	-\$88	\$67	-\$52	\$76	-\$43
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0	yes	\$0	no	\$0	no	\$0
Bedrooms	\$75	2	2	\$0	2	\$0	2	\$0	2	\$0	2	\$0
Bathrooms	\$0	1.00	1.00	\$0	1.50	\$0	2.00	\$0	2.00	\$0	1.00	\$0
Square Feet	\$0.40	716	700	\$6	1000	-\$114	870	-\$62	900	-\$74	800	-\$34
Visibility	\$25	2.00	3.00	-\$25	3.00	-\$25	3.00	-\$25	2.00	\$0	3.00	-\$25
Access	\$55	2.50	3.00	-\$28	3.00	-\$28	3.00	-\$28	3.25	-\$41	3.00	-\$28
Neighborhood	\$40	2.80	4.50	-\$68	4.50	-\$68	4.50	-\$68	3.50	-\$28	2.00	\$32
Area Amenities	\$0	3.30	4.00	\$0	4.00	\$0	4.40	\$0	2.30	\$0	2.10	\$0
Median HH Income	\$0.0043	\$52,065	\$47,460	\$20	\$47,460	\$20	\$47,460	\$20	\$50,242	\$8	\$41,765	\$44
Average Commute	\$0	34.52	29.01	\$0	29.01	\$0	29.01	\$0	27.39	\$0	29.71	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$1,156	0.8%	0.3%	-\$6	0.3%	-\$6	0.3%	-\$6	7.7%	\$80	0.9%	\$2
Condition	\$10	4.00	2.25	\$18	2.25	\$18	3.50	\$5	3.00	\$10	2.50	\$15
Effective Age	\$1.00	2009	1985	\$24	1985	\$24	2000	\$9	2000	\$9	1985	\$24
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$2	no	no	\$0	no	\$0	yes	-\$2	yes	-\$2	no	\$0
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	no	\$2	no	\$2	yes	\$0	no	\$2	no	\$2
Elevator	\$10	no	no	\$0	no	\$0	yes	-\$10	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	yes	-\$2	no	\$0	no	\$0
Gazebo	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	yes	-\$2	no	\$0	no	\$0
Picnic Area	\$2	no	no	\$0	no	\$0	yes	-\$2	yes	-\$2	no	\$0
Playground	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$2
Ceiling Fans	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	yes	some	\$2	some	\$2	yes	\$0	yes	\$0	Some	\$2
Storage	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	some	\$0	some	\$0	yes	-\$2	yes	-\$2	yes	-\$2
Dishwasher	\$2	yes	some	\$2	some	\$2	yes	\$0	yes	\$0	yes	\$0
Microwave	\$2	no	no	\$0	no	\$0	yes	-\$2	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
W/D Units	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
W/D Hookups	\$5	no	some	\$0	some	\$0	no	\$0	no	\$0	no	\$0
Call Buttons	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Controlled Access	\$2	no	no	\$0	no	\$0	yes	-\$2	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$2	no	no	\$0	no	\$0	no	\$0	yes	-\$2	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Indicated Rent		\$700	\$713		\$793		\$586		\$658		\$689	

Unrestricted Market Rent Conclusion

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

Unrestricted Market Rent Conclusion						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market	Proposed	Advantage
1BR-1BA-601sf / 40% of AMI / 40% of AMI	No	Yes	3	\$600	\$575	4.2%
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	Yes	11	\$600	\$575	4.2%
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	Yes	14	\$600	\$575	4.2%
2BR-1BA-716sf / 40% of AMI / 40% of AMI	No	Yes	1	\$700	\$675	3.6%
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	Yes	2	\$700	\$675	3.6%
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	Yes	2	\$700	\$675	3.6%
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	No	1	\$700	\$670	4.3%
Total / Average			34	\$618	\$593	4.1%

Our analysis suggests an average unrestricted market rent of \$618 for the subject property. This is compared with an average proposed rent of \$593, yielding an unrestricted market rent advantage of 4.1 percent. Overall, the subject property appears to be priced at or below unrestricted market rents for the area.

We selected a total of 4 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 96 percent.

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

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								
1-Bedroom								96%
2-Bedroom								96%
3-Bedroom								
4-Bedroom								
Total								96%

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

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom	100%							82%
1-Bedroom	100%			97%	100%		97%	97%
2-Bedroom	100%			94%	95%		97%	97%
3-Bedroom				100%	94%		100%	100%
4-Bedroom								
Total	100%			96%	95%		97%	96%

HUD conducts an annual rent survey to derive Fair Market Rent estimates for an area. Based on this, 2-bedroom rents for the area grew from \$595 to \$723 since 2010. This represents an average 2.7% annual increase over this period.

Fair market rent data for the area is found below:

HUD Fair Market Rents						
Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2006	\$382	\$501	\$646	-	-	-
2007	\$397	\$521	\$672	3.9%	4.0%	4.0%
2008	\$425	\$558	\$720	7.1%	7.1%	7.1%
2009	\$443	\$581	\$749	4.2%	4.1%	4.0%
2010	\$453	\$595	\$768	2.3%	2.4%	2.5%
2011	\$467	\$613	\$791	3.1%	3.0%	3.0%
2012	\$467	\$613	\$791			
2013	\$579	\$699	\$871	24.0%	14.0%	10.1%
2014	\$540	\$652	\$812	-6.7%	-6.7%	-6.8%
2015	\$540	\$652	\$812			
2016	\$586	\$678	\$956	8.5%	4.0%	17.7%
2017	\$576	\$664	\$940	-1.7%	-2.1%	-1.7%
2018	\$614	\$723	\$1,002	6.6%	8.9%	6.6%

Source: HUD

Unrestricted Market Rent Conclusion, As Is

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

Unit Type / Income Limit / Rent Limit	Unrestricted Market Rent Conclusion, As Is					
	HOME	Subsidized	Units	Market	Proposed	Advantage
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	Yes	27	\$605	\$575	5.0%
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	No	1	\$605	\$575	5.0%
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	Yes	6	\$710	\$608	14.4%
Total / Average			34	\$624	\$581	6.8%

Restricted Rent Analysis

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

Rental Property Inventory, by Unit Type

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

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

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

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

Rent Comparables, Restricted Rent, Map

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

Rent Comparability Grids

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

Rental Property Inventory, 1-Bedroom Units

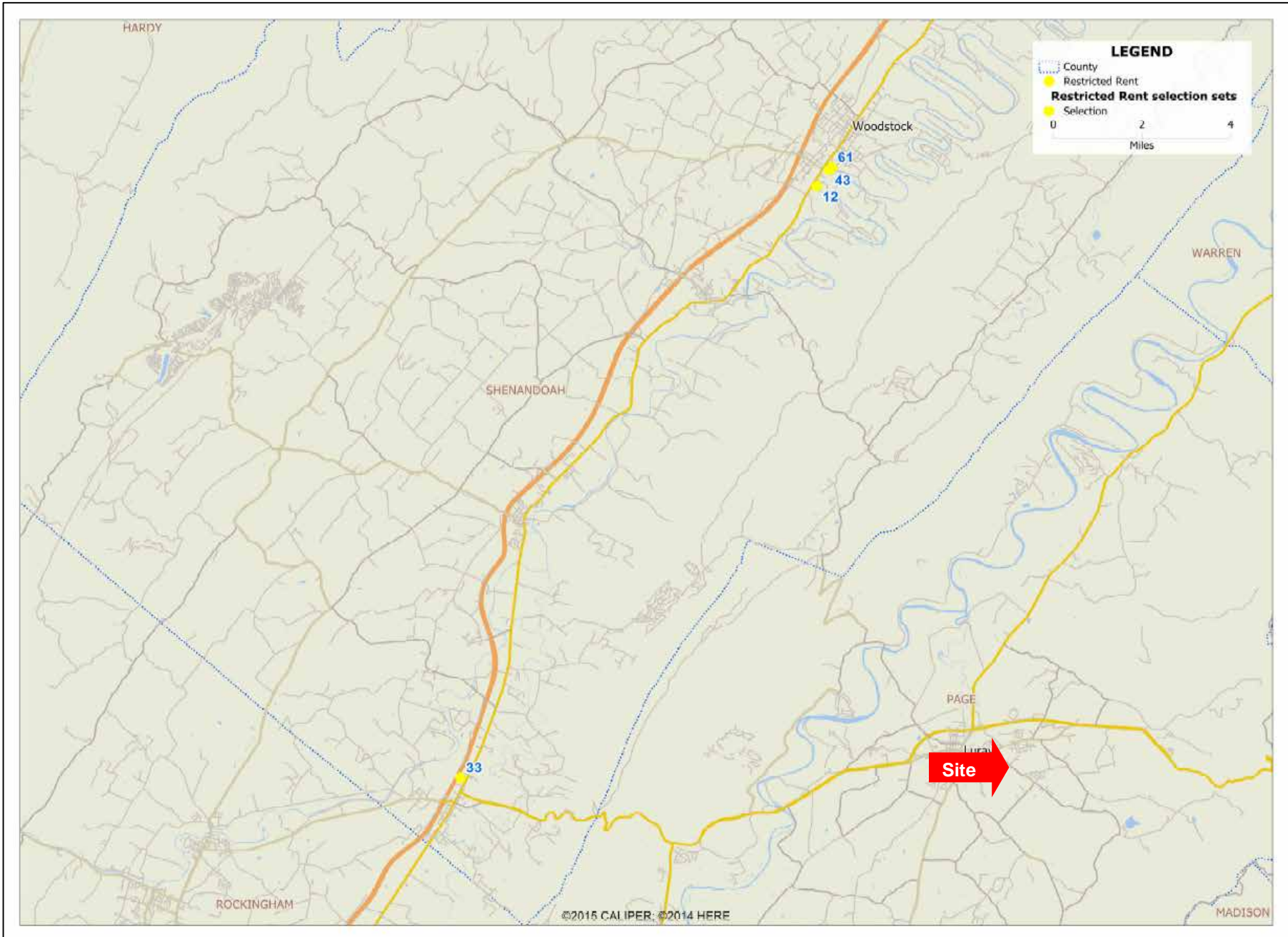
Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
006	Congress Street Apartments	2001	na	Restricted	Family	Stabilized				\$505				
012	Echo Mountain Apartments	1998	na	Restricted	Family	Stabilized				\$520	\$626			
016	Front Royal Town Apartments	1972	2006	Restricted	Family	Stabilized			\$365					
018	Highlands Apartments Phase 1	2000	na	Restricted	Family	Stabilized					\$525			
019	Highlands Apartments Phase 2	2001	na	Restricted	Family	Stabilized					\$500			
024	Luray Village Apartments	1998	2004	Restricted	Elderly	Stabilized	\$575				\$575			
030	Mountain Oaks Apartments	1948	2006	Restricted	Family	Stabilized								
032	New Market North Phase 1	1983	na	Restricted	Family	Stabilized	\$522						\$522	
033	New Market North Phase 2	1989	2012	Restricted	Family	Stabilized	\$557				\$557			
040	Plains Apartments	1987	na	Restricted	Family	Stabilized	\$514						\$514	
041	Ridge Apartments Phase 1	2001	na	Restricted	Family	Stabilized					\$515			
042	Ridge Apartments Phase 2	2002	na	Restricted	Family	Stabilized					\$515			
043	Ridge Apartments Phase 3	2004	na	Restricted	Family	Stabilized					\$515			
047	Royal Arms Apartments	1975	2002	Restricted	Family	Stabilized	\$565							
048	Royal Hills Apartments Phase 1	1985	2014	Restricted	Family	Stabilized	\$517			\$517				
049	Royal Hills Apartments Phase 2	1985	na	Restricted	Family	Stabilized	\$520				\$603			
050	Rugby Square Apartments Phase 1	1989	2011	Restricted	Family	Stabilized							\$630	
051	Rugby Square Apartments Phase 2	1990	2011	Restricted	Family	Stabilized	\$561						\$561	
053	Shenandoah Commons of New Market	2001	na	Restricted	Elderly	Stabilized				\$495				
054	Springbrook Place Apartments	2000	na	Restricted	Elderly	Stabilized				\$495				
060	Toms Brook High School Project	1939	2012	Restricted	Family	Stabilized			\$377					
061	Valley Vista Apartments	1972	2010	Restricted	Family	Stabilized				\$500				
062	Woodstock Village Phase 1	1985	na	Restricted	Family	Stabilized							\$482	
064	Woodstock Village Phase 2	1989	na	Restricted	Family	Stabilized	\$482				\$675			
065	Shenandoah Commons of Front Royal	1998	na	Restricted	Family	Stabilized								

Source: Allen & Associates

Rental Property Inventory, 2-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
006	Congress Street Apartments	2001	na	Restricted	Family	Stabilized				\$555				
012	Echo Mountain Apartments	1998	na	Restricted	Family	Stabilized				\$624	\$763			
016	Front Royal Town Apartments	1972	2006	Restricted	Family	Stabilized				\$605	\$605			
018	Highlands Apartments Phase 1	2000	na	Restricted	Family	Stabilized					\$625			
019	Highlands Apartments Phase 2	2001	na	Restricted	Family	Stabilized								
024	Luray Village Apartments	1998	2004	Restricted	Elderly	Stabilized	\$608							
030	Mountain Oaks Apartments	1948	2006	Restricted	Family	Stabilized			\$438	\$600				
032	New Market North Phase 1	1983	na	Restricted	Family	Stabilized	\$568						\$568	
033	New Market North Phase 2	1989	2012	Restricted	Family	Stabilized	\$603				\$786			
040	Plains Apartments	1987	na	Restricted	Family	Stabilized	\$544						\$544	
041	Ridge Apartments Phase 1	2001	na	Restricted	Family	Stabilized					\$615			
042	Ridge Apartments Phase 2	2002	na	Restricted	Family	Stabilized					\$615			
043	Ridge Apartments Phase 3	2004	na	Restricted	Family	Stabilized					\$615			
047	Royal Arms Apartments	1975	2002	Restricted	Family	Stabilized	\$565				\$565			
048	Royal Hills Apartments Phase 1	1985	2014	Restricted	Family	Stabilized			\$589	\$839				
049	Royal Hills Apartments Phase 2	1985	na	Restricted	Family	Stabilized	\$573				\$818			
050	Rugby Square Apartments Phase 1	1989	2011	Restricted	Family	Stabilized							\$651	
051	Rugby Square Apartments Phase 2	1990	2011	Restricted	Family	Stabilized	\$616						\$616	
053	Shenandoah Commons of New Market	2001	na	Restricted	Elderly	Stabilized								
054	Springbrook Place Apartments	2000	na	Restricted	Elderly	Stabilized								
060	Toms Brook High School Project	1939	2012	Restricted	Family	Stabilized				\$530				
061	Valley Vista Apartments	1972	2010	Restricted	Family	Stabilized				\$635	\$635			
062	Woodstock Village Phase 1	1985	na	Restricted	Family	Stabilized							\$651	
064	Woodstock Village Phase 2	1989	na	Restricted	Family	Stabilized	\$550				\$774			
065	Shenandoah Commons of Front Royal	1998	na	Restricted	Family	Stabilized				\$866	\$1,039			

Source: Allen & Associates



Rent Adjustments

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

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

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

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

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

Concessions

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

Tenant-Paid Utilities

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

Technology

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

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

Bedrooms

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

Bedrooms		
Adjustment	Survey Range	Concluded
Bedrooms	\$0 \$200	\$100

Bathrooms

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

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

Square Feet

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 per square foot.

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

Visibility

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

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

Access

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$50 per point for differences in access ratings between the subject and the comparables.

Access		
Adjustment	Survey Range	Concluded
Rating	\$0 \$100	\$50

Neighborhood

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$25 per point for differences in neighborhood ratings between the subject and the comparables.

Neighborhood		
Adjustment	Survey Range	Concluded
Rating	\$0 \$100	\$25

Area Amenities

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

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

Median Household Income

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

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

Average Commute

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 per each minute of commute.

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

Public Transportation

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

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

Personal Crime

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

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

Condition

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

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

Effective Age

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$1.00 per year for differences in effective age between the subject and the comparables.

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

Project Amenities

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

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

Unit Amenities

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

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

Kitchen Amenities

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

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

Parking

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

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

Laundry

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$5 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$25.

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

Security

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

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

Rent Conclusion, 1BR-1BA-601sf

The development of our rent conclusion for the 1BR-1BA-601sf units is found below.

Our analysis included the evaluation of a total of 11 unit types found at 4 properties. We selected the 11 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 11 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-03	Luray Village Apartments	1BR-1BA-601sf	\$575	\$0	\$575	-	\$0	\$575	-
012-02	Echo Mountain Apartments	1BR-1BA-632sf	\$626	\$0	\$626	\$212	-\$170	\$457	3
012-04	Echo Mountain Apartments	2BR-1.5BA-911sf	\$763	\$0	\$763	\$294	-\$252	\$512	8
012-06	Echo Mountain Apartments	3BR-2BA-1078sf	\$876	\$0	\$876	\$374	-\$332	\$545	11
033-02	New Market North Phase 2	1BR-1BA-750sf	\$557	\$0	\$557	\$142	-\$105	\$453	1
033-04	New Market North Phase 2	2BR-1BA-950sf	\$786	\$0	\$786	\$244	-\$207	\$580	6
043-01	Ridge Apartments Phase 3	1BR-1BA-833sf	\$515	\$0	\$515	\$163	-\$145	\$371	2
043-02	Ridge Apartments Phase 3	2BR-1.5BA-1051sf	\$615	\$0	\$615	\$245	-\$227	\$389	7
043-03	Ridge Apartments Phase 3	3BR-2BA-1293sf	\$710	\$0	\$710	\$326	-\$308	\$403	10
061-04	Valley Vista Apartments	2BR-1BA-880sf	\$635	\$0	\$635	\$238	-\$186	\$450	4
061-05	Valley Vista Apartments	2BR-2BA-1366sf	\$635	\$0	\$635	\$238	-\$186	\$450	4
061-06	Valley Vista Apartments	3BR-2BA-1012sf	\$745	\$0	\$745	\$323	-\$271	\$475	9
	Adjusted Rent, Minimum							\$371	
	Adjusted Rent, Maximum							\$580	
	Adjusted Rent, Average							\$462	
	Adjusted Rent, Modified Average							\$459	
	Rent, Concluded							\$450	

Our analysis suggests a rent of \$450 for the 1BR-1BA-601sf units at the subject property.

In our opinion, the 1BR-1BA-750sf units at New Market North Phase 2 (Property # 033), the 1BR-1BA-833sf units at Ridge Apartments Phase 3 (Property # 043), the 1BR-1BA-632sf units at Echo Mountain Apartments (Property # 012), the 2BR-1BA-880sf units at Valley Vista Apartments (Property # 061), and the 2BR-1.5BA-1051sf units at Ridge Apartments Phase 3 (Property # 043) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

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

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$106	\$82	\$24
Condition	\$10	4.00	3.50	-\$5
Effective Age	\$1.00	2009	1995	-\$14
Picnic Area	\$10	no	yes	\$10
Ceiling Fans	\$2	yes	no	-\$2
Dishwasher	\$2	yes	no	-\$2
Adjustments				\$11
Adjusted Rent, Minimum				\$382
Adjusted Rent, Maximum				\$591
Adjusted Rent, Average				\$473
Adjusted Rent, Modified Average				\$470
Rent, Concluded, As Is				\$460

Our analysis suggests an "as is" rent of \$460 for the 1BR-1BA-601sf units at the subject property.

Comparable	Subject	1	2	3	4	5						
Property-Unit Key	Sub-03	012-02	033-02	043-01	043-02	061-04						
Unit Type	1BR-1BA-601sf	1BR-1BA-632sf	1BR-1BA-750sf	1BR-1BA-833sf	2BR-1.5BA-1051sf	2BR-1BA-880sf						
Property Name	Luray Village Apartments	Echo Mountain Apartments	New Market North Phase 2	Ridge Apartments Phase 3	Ridge Apartments Phase 3	Valley Vista Apartments						
Address	111 Sixth Street	254 Lora Drive	9091 Congress Street	170 E Reservoir Road	170 E Reservoir Road	132 Valley Vista Drive						
City	Luray	Woodstock	New Market	Woodstock	Woodstock	Woodstock						
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia						
Zip	22835	22664	22844	22664	22664	22664						
Latitude	38.66022	38.86102	38.65648	38.86669	38.86669	38.86765						
Longitude	-78.44573	-78.52034	-78.66924	-78.51518	-78.51518	-78.51395						
Miles to Subject	0.00	12.13	12.66	12.34	12.34	12.37						
Year Built	1999	1998	1989	2004	2004	1972						
Year Rehab	2019	na	2012	na	na	2010						
Project Rent	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted						
Project Type	Elderly	Family	Family	Family	Family	Family						
Project Status	Prop Rehab	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized						
Phone	(540) 843-0328	(540) 459-9712	(540) 740-3989	(540) 459-3590	(540) 459-3590	(540) 459-2119						
Effective Date	19-Feb-19	04-Feb-19	06-Feb-19	05-Feb-19	05-Feb-19	05-Feb-19						
Project Level												
Units	34	50	40	24	24	85						
Vacant Units	0	0	0	1	1	14						
Vacancy Rate	0%	0%	0%	4%	4%	16%						
Unit Type												
Units	14	5	4	4	4	16						
Vacant Units	0	0	0	0	1	3						
Vacancy Rate	0%	0%	0%	0%	25%	19%						
Street Rent	\$575	\$626	\$557	\$515	\$615	\$635						
Concessions	\$0	\$0	\$0	\$0	\$0	\$0						
Net Rent	\$575	\$626	\$557	\$515	\$615	\$635						
	Adj	Data	Adj	Data	Adj	Data						
Tenant-Paid Utilities	TPU	\$106	\$68	-\$38	\$85	-\$21	\$64	-\$42	\$82	-\$24	\$66	-\$40
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$100	1	1	\$0	1	\$0	1	\$0	2	-\$100	2	-\$100
Bathrooms	\$0	1.00	1.00	\$0	1.00	\$0	1.00	\$0	1.50	\$0	1.00	\$0
Square Feet	\$0.00	601	632	\$0	750	\$0	833	\$0	1051	\$0	880	\$0
Visibility	\$0	2.00	3.00	\$0	3.50	\$0	3.25	\$0	3.25	\$0	3.00	\$0
Access	\$50	2.50	3.00	-\$25	3.50	-\$50	2.50	\$0	2.50	\$0	3.00	-\$25
Neighborhood	\$25	2.80	4.50	-\$43	2.70	\$2	4.50	-\$43	4.50	-\$43	4.50	-\$43
Area Amenities	\$0	3.30	3.10	\$0	2.00	\$0	4.50	\$0	4.50	\$0	4.40	\$0
Median HH Income	\$0.0000	\$52,065	\$47,460	\$0	\$36,413	\$0	\$47,460	\$0	\$47,460	\$0	\$47,460	\$0
Average Commute	\$0	34.52	29.01	\$0	23.74	\$0	29.01	\$0	29.01	\$0	29.01	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	0.8%	0.3%	\$0	0.8%	\$0	0.3%	\$0	0.3%	\$0	0.3%	\$0
Condition	\$10	4.00	3.00	\$10	4.00	\$0	3.50	\$5	3.50	\$5	3.50	\$5
Effective Age	\$1.00	2009	2000	\$9	2005	\$4	2005	\$4	2005	\$4	2000	\$9
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$10	no	yes	-\$10	yes	-\$10	no	\$0	no	\$0	no	\$0
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$10	no	yes	-\$10	no	\$0	no	\$0	no	\$0	no	\$0
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$10	yes	yes	\$0	no	\$10	yes	\$0	yes	\$0	yes	\$0
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$10	no	yes	-\$10	yes	-\$10	yes	-\$10	yes	-\$10	no	\$0
Playground	\$10	no	yes	-\$10	yes	-\$10	yes	-\$10	yes	-\$10	no	\$0
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$2
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	yes	-\$2	yes	-\$2	yes	-\$2	yes	-\$2
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$2	yes	no	\$2	no	\$2	yes	\$0	yes	\$0	no	\$2
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$10	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	some	\$10
Storage	\$10	no	no	\$0	yes	-\$10	yes	-\$10	yes	-\$10	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$10	no	yes	-\$10	yes	-\$10	yes	-\$10	yes	-\$10	no	\$0
Dishwasher	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Microwave	\$2	no	no	\$0	no	\$0	yes	-\$2	yes	-\$2	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
W/D Units	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
W/D Hookups	\$25	no	yes	-\$25	no	\$0	yes	-\$25	yes	-\$25	no	\$0
Call Buttons	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Alarms	\$10	no	yes	-\$10	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Indicated Rent	\$450	\$457	\$453	\$371	\$389	\$450						

Rent Conclusion, 2BR-1BA-716sf

The development of our rent conclusion for the 2BR-1BA-716sf units is found below.

Our analysis included the evaluation of a total of 11 unit types found at 4 properties. We selected the 11 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 11 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-07	Luray Village Apartments	2BR-1BA-716sf	\$670	\$0	\$670	-	\$0	\$670	-
012-02	Echo Mountain Apartments	1BR-1BA-632sf	\$626	\$0	\$626	\$325	-\$83	\$544	11
012-04	Echo Mountain Apartments	2BR-1.5BA-911sf	\$763	\$0	\$763	\$207	-\$165	\$599	5
012-06	Echo Mountain Apartments	3BR-2BA-1078sf	\$876	\$0	\$876	\$287	-\$245	\$632	10
033-02	New Market North Phase 2	1BR-1BA-750sf	\$557	\$0	\$557	\$255	-\$18	\$540	8
033-04	New Market North Phase 2	2BR-1BA-950sf	\$786	\$0	\$786	\$157	-\$120	\$667	3
043-01	Ridge Apartments Phase 3	1BR-1BA-833sf	\$515	\$0	\$515	\$276	-\$58	\$458	9
043-02	Ridge Apartments Phase 3	2BR-1.5BA-1051sf	\$615	\$0	\$615	\$158	-\$140	\$476	4
043-03	Ridge Apartments Phase 3	3BR-2BA-1293sf	\$710	\$0	\$710	\$239	-\$221	\$490	7
061-04	Valley Vista Apartments	2BR-1BA-880sf	\$635	\$0	\$635	\$151	-\$99	\$537	1
061-05	Valley Vista Apartments	2BR-2BA-1366sf	\$635	\$0	\$635	\$151	-\$99	\$537	1
061-06	Valley Vista Apartments	3BR-2BA-1012sf	\$745	\$0	\$745	\$236	-\$184	\$562	6

Adjusted Rent, Minimum	\$458
Adjusted Rent, Maximum	\$667
Adjusted Rent, Average	\$549
Adjusted Rent, Modified Average	\$546
Rent, Concluded	\$575

Our analysis suggests a rent of \$575 for the 2BR-1BA-716sf units at the subject property.

In our opinion, the 2BR-1BA-880sf units at Valley Vista Apartments (Property # 061), the 2BR-1BA-950sf units at New Market North Phase 2 (Property # 033), the 2BR-1.5BA-1051sf units at Ridge Apartments Phase 3 (Property # 043), the 2BR-1.5BA-911sf units at Echo Mountain Apartments (Property # 012), and the 3BR-2BA-1012sf units at Valley Vista Apartments (Property # 061) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

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

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$119	\$90	\$29
Condition	\$10	4.00	3.50	-\$5
Effective Age	\$1.00	2009	1995	-\$14
Picnic Area	\$10	no	yes	\$10
Ceiling Fans	\$2	yes	no	-\$2
Dishwasher	\$2	yes	no	-\$2
Adjustments				\$16
Adjusted Rent, Minimum				\$474
Adjusted Rent, Maximum				\$683
Adjusted Rent, Average				\$565
Adjusted Rent, Modified Average				\$562
Rent, Concluded, As Is				\$590

Our analysis suggests an "as is" rent of \$590 for the 2BR-1BA-716sf units at the subject property.

Comparable	Subject	1	2	3	4	5
Property-Unit Key	Sub-07	012-04	033-04	043-02	061-04	061-06
Unit Type	2BR-1BA-716sf	2BR-1.5BA-911sf	2BR-1BA-950sf	2BR-1.5BA-1051sf	2BR-1BA-880sf	3BR-2BA-1012sf
Property Name	Luray Village Apartments	Echo Mountain Apartments	New Market North Phase 2	Ridge Apartments Phase 3	Valley Vista Apartments	Valley Vista Apartments
Address	111 Sixth Street	254 Lora Drive	9091 Congress Street	170 E Reservoir Road	132 Valley Vista Drive	132 Valley Vista Drive
City	Luray	Woodstock	New Market	Woodstock	Woodstock	Woodstock
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia
Zip	22835	22664	22844	22664	22664	22664
Latitude	38.66022	38.86102	38.65648	38.86669	38.86765	38.86765
Longitude	-78.44573	-78.52034	-78.66924	-78.51518	-78.51395	-78.51395
Miles to Subject	0.00	12.13	12.66	12.34	12.37	12.37
Year Built	1999	1998	1989	2004	1972	1972
Year Rehab	2019	na	2012	na	2010	2010
Project Rent	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted
Project Type	Elderly	Family	Family	Family	Family	Family
Project Status	Prop Rehab	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized
Phone	(540) 843-0328	(540) 459-9712	(540) 740-3989	(540) 459-3590	(540) 459-2119	(540) 459-2119
Effective Date	19-Feb-19	04-Feb-19	06-Feb-19	05-Feb-19	05-Feb-19	05-Feb-19
Project Level						
Units	34	50	40	24	85	85
Vacant Units	0	0	0	1	14	14
Vacancy Rate	0%	0%	0%	4%	16%	16%
Unit Type						
Units	1	15	16	4	16	23
Vacant Units	0	0	0	1	3	4
Vacancy Rate	0%	0%	0%	25%	19%	17%
Street Rent	\$670	\$763	\$786	\$615	\$635	\$745
Concessions	\$0	\$0	\$0	\$0	\$0	\$0
Net Rent	\$670	\$763	\$786	\$615	\$635	\$745
	Adj	Data	Data	Adj	Data	Adj
Tenant-Paid Utilities	TPU	\$119	\$86	-\$33	\$83	-\$36
Cable	\$0	no	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0
Bedrooms	\$100	2	2	\$0	2	\$0
Bathrooms	\$0	1.00	1.50	\$0	1.00	\$0
Square Feet	\$0.00	716	911	\$0	950	\$0
Visibility	\$0	2.00	3.00	\$0	3.50	\$0
Access	\$50	2.50	3.00	-\$25	3.50	-\$50
Neighborhood	\$25	2.80	4.50	-\$43	2.70	\$2
Area Amenities	\$0	3.30	3.10	\$0	2.00	\$0
Median HH Income	\$0.0000	\$52,065	\$47,460	\$0	\$36,413	\$0
Average Commute	\$0	34.52	29.01	\$0	23.74	\$0
Public Transportation	\$0	na	na	\$0	na	\$0
Personal Crime	\$0	0.8%	0.3%	\$0	0.8%	\$0
Condition	\$10	4.00	3.00	\$10	4.00	\$0
Effective Age	\$1.00	2009	2000	\$9	2005	\$4
Ball Field	\$2	no	no	\$0	no	\$0
BBQ Area	\$10	no	yes	-\$10	yes	-\$10
Billiards	\$2	no	no	\$0	no	\$0
Bus/Comp Center	\$10	no	yes	-\$10	no	\$0
Car Care Center	\$2	no	no	\$0	no	\$0
Community Center	\$10	yes	yes	\$0	no	\$10
Elevator	\$10	no	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0
Gazebo	\$2	no	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0
Picnic Area	\$10	no	yes	-\$10	yes	-\$10
Playground	\$10	no	yes	-\$10	yes	-\$10
Pool	\$2	no	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	yes	-\$2
Walking Trail	\$2	no	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0
Ceiling Fans	\$2	yes	no	\$2	no	\$2
Carpeting	\$2	yes	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0
Patio/Balcony	\$10	yes	yes	\$0	yes	\$0
Storage	\$10	no	no	\$0	yes	-\$10
Stove	\$2	yes	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0
Disposal	\$10	no	yes	-\$10	yes	-\$10
Dishwasher	\$2	yes	yes	\$0	yes	\$0
Microwave	\$2	no	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0
Central	\$5	yes	yes	\$0	yes	\$0
W/D Units	\$10	no	no	\$0	no	\$0
W/D Hookups	\$25	no	yes	-\$25	no	\$0
Call Buttons	\$2	no	no	\$0	no	\$0
Controlled Access	\$2	no	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0
Monitoring	\$2	no	no	\$0	no	\$0
Security Alarms	\$10	no	yes	-\$10	no	\$0
Security Patrols	\$2	no	no	\$0	no	\$0
Indicated Rent	\$575	\$599	\$667	\$476	\$537	\$562

Restricted Market Rent Conclusion

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

Restricted Market Rent Conclusion				
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market
1BR-1BA-601sf / 40% of AMI / 40% of AMI	No	Yes	3	\$450
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	Yes	11	\$450
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	Yes	14	\$450
2BR-1BA-716sf / 40% of AMI / 40% of AMI	No	Yes	1	\$575
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	Yes	2	\$575
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	Yes	2	\$575
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	No	1	\$575
Total / Average			34	\$472

Our analysis suggests an average restricted market rent of \$472 for the subject property.

We selected a total of 4 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 93 percent.

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

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								
1-Bedroom	100%			100%	100%			
2-Bedroom	100%			91%	91%			
3-Bedroom								
4-Bedroom								
Total	100%			92%	93%			

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

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom	100%							82%
1-Bedroom	100%			97%	100%		97%	97%
2-Bedroom	100%			94%	95%		97%	97%
3-Bedroom				100%	94%		100%	100%
4-Bedroom								
Total	100%			96%	95%		97%	96%

Rents at rent restricted properties tend to move with median household incomes for an area. Given HUD's published median incomes, we derived 1, 2 and 3-bedroom 60% of AMI rent limits since 2006. According to our analysis, maximum 2-bedroom rents for the area grew from \$720 to \$722 since 2010. This represents an average 0.0% annual increase over this period.

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

Maximum Tax Credit Rents, 60% of AMI						
Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2006	\$538	\$645	\$746	-	-	-
2007	\$552	\$663	\$766	2.6%	2.8%	2.7%
2008	\$562	\$675	\$780	1.8%	1.8%	1.8%
2009	\$597	\$717	\$828	6.2%	6.2%	6.2%
2010	\$600	\$720	\$831	0.5%	0.4%	0.4%
2011	\$609	\$730	\$844	1.5%	1.4%	1.6%
2012	\$616	\$740	\$855	1.1%	1.4%	1.3%
2013	\$616	\$740	\$855			
2014	\$620	\$744	\$860	0.6%	0.5%	0.6%
2015	\$620	\$744	\$860			
2016	\$574	\$689	\$796	-7.4%	-7.4%	-7.4%
2017	\$577	\$693	\$800	0.5%	0.6%	0.5%
2018	\$602	\$722	\$835	4.3%	4.2%	4.4%

Source: HUD

Restricted Market Rent Conclusion, As Is

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

Restricted Market Rent Conclusion, As Is				
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	Yes	27	\$460
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	No	1	\$460
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	Yes	6	\$590
Total / Average			34	\$483

Achievable Rent Conclusion

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

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

LIHTC Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
1BR-1BA-601sf / 40% of AMI / 40% of AMI	No	Yes	3	\$438	\$106	\$332
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	Yes	11	\$547	\$106	\$441
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	Yes	14	\$657	\$106	\$551
2BR-1BA-716sf / 40% of AMI / 40% of AMI	No	Yes	1	\$526	\$119	\$407
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	Yes	2	\$657	\$119	\$538
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	Yes	2	\$789	\$119	\$670
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	No	1	\$789	\$119	\$670
Total / Average			34	\$610	\$108	\$502

Our analysis suggests an average net LIHTC rent limit of \$502 for 34 applicable units at the subject property.

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

FMR Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
1BR-1BA-601sf / 40% of AMI / 40% of AMI	No	Yes	-	-	-	-
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	Yes	-	-	-	-
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	Yes	-	-	-	-
2BR-1BA-716sf / 40% of AMI / 40% of AMI	No	Yes	-	-	-	-
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	Yes	-	-	-	-
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	Yes	-	-	-	-
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
Total / Average			-	-	-	-

HOME funding is not proposed for the subject property.

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

Program Rent Limits							
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	LIHTC	FMR	Market	Program
1BR-1BA-601sf / 40% of AMI / 40% of AMI	No	Yes	3	\$332	-	\$600	\$600
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	Yes	11	\$441	-	\$600	\$600
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	Yes	14	\$551	-	\$600	\$600
2BR-1BA-716sf / 40% of AMI / 40% of AMI	No	Yes	1	\$407	-	\$700	\$700
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	Yes	2	\$538	-	\$700	\$700
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	Yes	2	\$670	-	\$700	\$700
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	No	1	\$670	-	-	\$670
Total / Average			34	\$502	-	\$615	\$617

Our analysis suggests an average program rent limit of \$617 for 34 applicable units at the subject property.

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

Achievable Rents									
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
1BR-1BA-601sf / 40% of AMI / 40% of AMI	No	Yes	3	\$600	\$600	\$450	\$600	\$575	4.2%
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	Yes	11	\$600	\$600	\$450	\$600	\$575	4.2%
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	Yes	14	\$600	\$600	\$450	\$600	\$575	4.2%
2BR-1BA-716sf / 40% of AMI / 40% of AMI	No	Yes	1	\$700	\$700	\$575	\$700	\$675	3.6%
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	Yes	2	\$700	\$700	\$575	\$700	\$675	3.6%
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	Yes	2	\$700	\$700	\$575	\$700	\$675	3.6%
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	No	1	\$670	\$700	\$575	\$575	\$670	-16.5%
Total / Average			34	\$617	\$618	\$472	\$614	\$593	3.5%

Our analysis suggests an average achievable rent of \$614 for the subject property. This is compared with an average proposed rent of \$593, yielding an achievable rent advantage of 3.5 percent. Overall, the subject property appears to be priced at or below achievable rents for the area (although one or more units appear to exceed achievable rents).

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

Achievable Rents, No Rent Subsidies									
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
1BR-1BA-601sf / 40% of AMI / 40% of AMI	No	No	3	\$332	\$600	\$450	\$332	\$575	-73.2%
1BR-1BA-601sf / 50% of AMI / 50% of AMI	No	No	11	\$441	\$600	\$450	\$441	\$575	-30.4%
1BR-1BA-601sf / 60% of AMI / 60% of AMI	No	No	14	\$551	\$600	\$450	\$450	\$575	-27.8%
2BR-1BA-716sf / 40% of AMI / 40% of AMI	No	No	1	\$407	\$700	\$575	\$407	\$675	-65.8%
2BR-1BA-716sf / 50% of AMI / 50% of AMI	No	No	2	\$538	\$700	\$575	\$538	\$675	-25.5%
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	No	2	\$670	\$700	\$575	\$575	\$675	-17.4%
2BR-1BA-716sf / 60% of AMI / 60% of AMI	No	No	1	\$670	\$700	\$575	\$575	\$670	-16.5%
Total / Average			34	\$502	\$618	\$472	\$452	\$593	-31.2%

DEMAND ANALYSIS

Overview

In this section we evaluate demand for the subject property using the recommended demand methodology promulgated by the National Council of Housing Market Analysts (NCHMA). For purposes of this analysis, we define demand as the number of 65+ income-qualified renter households (by household size and unit type) that would qualify to live at the subject property at the lesser of the developer's proposed rents or achievable rents.

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

2019 \$		65+ Renter Households, by Income, by Size						
Min	Max	2020						
		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total
\$0	to \$9,999	112	10	0	4	0	0	126
\$0	to \$19,999	318	37	3	5	0	0	363
\$0	to \$29,999	435	81	48	5	0	0	570
\$0	to \$39,999	473	126	49	6	1	0	655
\$0	to \$49,999	508	168	71	7	14	8	776
\$0	to \$59,999	539	182	72	23	14	8	837
\$0	to \$74,999	580	194	93	25	14	8	913
\$0	to \$99,999	593	198	97	25	16	8	937
\$0	to \$124,999	598	200	104	26	16	8	951
\$0	to \$149,999	605	203	104	27	18	8	965
\$0	to \$199,999	620	205	106	29	18	8	985
\$0	or more	626	206	108	30	18	8	995

Source: ESRI & Ribbon Demographics

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

Competing & Pipeline Units, 1-Bedroom Units

Overview		Total Units												Vacant Units								
Key Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt	Sub	30%	40%	50%	60%	70%	80%	Mkt	
001 Autumn Ridge Apartments	1997	na	Subsidized	Elderly	Stabilized	34																
024 Luray Village Apartments	1998	2004	Restricted	Elderly	Stabilized	27				1												
026 Luther Crest Apartments	1988	na	Subsidized	Elderly	Stabilized	34																
053 Shenandoah Commons of New Market	2001	na	Restricted	Elderly	Stabilized				38													
Total						95			38	1												

Source: Allen & Associates

Competing & Pipeline Units, 2-Bedroom Units

Overview		Total Units												Vacant Units									
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt	Sub	30%	40%	50%	60%	70%	80%	Mkt	
001	Autumn Ridge Apartments	1997	na	Subsidized	Elderly	Stabilized	6																
024	Luray Village Apartments	1998	2004	Restricted	Elderly	Stabilized																	
026	Luther Crest Apartments	1988	na	Subsidized	Elderly	Stabilized																	
053	Shenandoah Commons of New Market	2001	na	Restricted	Elderly	Stabilized																	
Total							6																

Source: Allen & Associates

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

In this section we estimate demand for the 1-Bedroom / Subsidized / 60% of AMI units at the subject property. Our analysis assumes a total of 28 units, 14 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 50% income qualification ratio and 2-person households.

Unit Details	
Target Population	65+ Households
Unit Type	1-Bedroom
Rent Type	Subsidized
Income Limit	60% of AMI
Total Units	28
Vacant Units at Market Entry	14

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$106
Gross Rent	\$106
Income Qualification Ratio	50%
Minimum Qualified Income	\$212
Months/Year	12
Minimum Qualified Income	\$2,544

65+ Renter Households, by Income, by Size								
2020								
2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	112	10	0	4	0	0
\$0	to	\$19,999	318	37	3	5	0	0
\$0	to	\$29,999	435	81	48	5	0	0
\$0	to	\$39,999	473	126	49	6	1	0
\$0	to	\$49,999	508	168	71	7	14	8
\$0	to	\$59,999	539	182	72	23	14	8
\$0	to	\$74,999	580	194	93	25	14	8
\$0	to	\$99,999	593	198	97	25	16	8
\$0	to	\$124,999	598	200	104	26	16	8
\$0	to	\$149,999	605	203	104	27	18	8
\$0	to	\$199,999	620	205	106	29	18	8
\$0	or	more	626	206	108	30	18	8

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

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

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	371	72	0	0	0	0
HH Below Minimum Income	28	3	0	0	0	0
Subtotal	343	70	0	0	0	0

Demand Estimate 412

Our analysis suggests demand for a total of 412 size- and income-qualified units in the market area.

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

Demand Estimate, 2-Bedroom, Subsidized, 60% of AMI

In this section we estimate demand for the 2-Bedroom / Subsidized / 60% of AMI units at the subject property. Our analysis assumes a total of 5 units, 2 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 50% income qualification ratio and 2-person households.

Unit Details	
Target Population	65+ Households
Unit Type	2-Bedroom
Rent Type	Subsidized
Income Limit	60% of AMI
Total Units	5
Vacant Units at Market Entry	2

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$119
Gross Rent	\$119
Income Qualification Ratio	50%
Minimum Qualified Income	\$238
Months/Year	12
Minimum Qualified Income	\$2,856

65+ Renter Households, by Income, by Size								
2020								
2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	112	10	0	4	0	0
\$0	to	\$19,999	318	37	3	5	0	0
\$0	to	\$29,999	435	81	48	5	0	0
\$0	to	\$39,999	473	126	49	6	1	0
\$0	to	\$49,999	508	168	71	7	14	8
\$0	to	\$59,999	539	182	72	23	14	8
\$0	to	\$74,999	580	194	93	25	14	8
\$0	to	\$99,999	593	198	97	25	16	8
\$0	to	\$124,999	598	200	104	26	16	8
\$0	to	\$149,999	605	203	104	27	18	8
\$0	to	\$199,999	620	205	106	29	18	8
\$0	or	more	626	206	108	30	18	8

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

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

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	371	72	0	0	0	0
HH Below Minimum Income	28	3	0	0	0	0
Subtotal	343	70	0	0	0	0

Demand Estimate 412

Our analysis suggests demand for a total of 412 size- and income-qualified units in the market area.

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

Demand Estimate, 2-Bedroom, Restricted, 60% of AMI

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

Unit Details	
Target Population	65+ Households
Unit Type	2-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	1
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$575
Utilities	\$119
Gross Rent	\$694
Income Qualification Ratio	50%
Minimum Qualified Income	\$1,388
Months/Year	12
Minimum Qualified Income	\$16,656

65+ Renter Households, by Income, by Size									
2020									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	112	10	0	4	0	0
	\$0	to	\$19,999	318	37	3	5	0	0
	\$0	to	\$29,999	435	81	48	5	0	0
	\$0	to	\$39,999	473	126	49	6	1	0
	\$0	to	\$49,999	508	168	71	7	14	8
	\$0	to	\$59,999	539	182	72	23	14	8
	\$0	to	\$74,999	580	194	93	25	14	8
	\$0	to	\$99,999	593	198	97	25	16	8
	\$0	to	\$124,999	598	200	104	26	16	8
	\$0	to	\$149,999	605	203	104	27	18	8
	\$0	to	\$199,999	620	205	106	29	18	8
	\$0	or	more	626	206	108	30	18	8

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

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

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	371	72	0	0	0	0
HH Below Minimum Income	246	28	0	0	0	0
Subtotal	125	45	0	0	0	0

Demand Estimate 169

Our analysis suggests demand for a total of 169 size- and income-qualified units in the market area.

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

Demand Estimate, Subsidized

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

65+ Renter Households, by Income, by Size								
			2020					
2019	\$		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	112	10	0	4	0	0
\$0	to	\$19,999	318	37	3	5	0	0
\$0	to	\$29,999	435	81	48	5	0	0
\$0	to	\$39,999	473	126	49	6	1	0
\$0	to	\$49,999	508	168	71	7	14	8
\$0	to	\$59,999	539	182	72	23	14	8
\$0	to	\$74,999	580	194	93	25	14	8
\$0	to	\$99,999	593	198	97	25	16	8
\$0	to	\$124,999	598	200	104	26	16	8
\$0	to	\$149,999	605	203	104	27	18	8
\$0	to	\$199,999	620	205	106	29	18	8
\$0	or	more	626	206	108	30	18	8

Demand Estimate, Subsidized						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	\$24,540	\$28,020	-	-	-	-
Maximum Income, 2BR	\$24,540	\$28,020	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$24,540	\$28,020	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	\$2,544	\$2,544	-	-	-	-
Minimum Income, 2BR	\$2,856	\$2,856	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$2,544	\$2,544	-	-	-	-
HH Below Upper Income	371	72	0	0	0	0
HH Below Lower Income	28	3	0	0	0	0
Subtotal	343	70	0	0	0	0

Demand Estimate

412

Our analysis suggests demand for a total of 412 size- and income-qualified units in the market area.

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

Demand Estimate, Restricted, 60% of AMI

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

65+ Renter Households, by Income, by Size								
			2020					
2019	\$		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	112	10	0	4	0	0
\$0	to	\$19,999	318	37	3	5	0	0
\$0	to	\$29,999	435	81	48	5	0	0
\$0	to	\$39,999	473	126	49	6	1	0
\$0	to	\$49,999	508	168	71	7	14	8
\$0	to	\$59,999	539	182	72	23	14	8
\$0	to	\$74,999	580	194	93	25	14	8
\$0	to	\$99,999	593	198	97	25	16	8
\$0	to	\$124,999	598	200	104	26	16	8
\$0	to	\$149,999	605	203	104	27	18	8
\$0	to	\$199,999	620	205	106	29	18	8
\$0	or	more	626	206	108	30	18	8

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	-	-	-	-	-	-	-
Maximum Income, 2BR	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$24,540	\$28,020	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	-	-	-	-	-	-	-
Minimum Income, 2BR	\$16,656	\$16,656	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$16,656	\$16,656	-	-	-	-	-
HH Below Upper Income	371	72	0	0	0	0	0
HH Below Lower Income	246	28	0	0	0	0	0
Subtotal	125	45	0	0	0	0	0

Demand Estimate

169

Our analysis suggests demand for a total of 169 size- and income-qualified units in the market area.

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

Demand Estimate, Project-Level

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

65+ Renter Households, by Income, by Size								
		2020						
2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	112	10	0	4	0	0
\$0	to	\$19,999	318	37	3	5	0	0
\$0	to	\$29,999	435	81	48	5	0	0
\$0	to	\$39,999	473	126	49	6	1	0
\$0	to	\$49,999	508	168	71	7	14	8
\$0	to	\$59,999	539	182	72	23	14	8
\$0	to	\$74,999	580	194	93	25	14	8
\$0	to	\$99,999	593	198	97	25	16	8
\$0	to	\$124,999	598	200	104	26	16	8
\$0	to	\$149,999	605	203	104	27	18	8
\$0	to	\$199,999	620	205	106	29	18	8
\$0	or	more	626	206	108	30	18	8

Demand Estimate, Project-Level							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, Subsidized	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 30% of AMI	-	-	-	-	-	-	-
Maximum Income, 40% of AMI	-	-	-	-	-	-	-
Maximum Income, 50% of AMI	-	-	-	-	-	-	-
Maximum Income, 60% of AMI	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 70% of AMI	-	-	-	-	-	-	-
Maximum Income, 80% of AMI	-	-	-	-	-	-	-
Maximum Income, Market Rate	-	-	-	-	-	-	-
Maximum Allowable Income	\$24,540	\$28,020	-	-	-	-	-
Minimum Income, Subsidized	\$2,544	\$2,544	-	-	-	-	-
Minimum Income, 30% of AMI	-	-	-	-	-	-	-
Minimum Income, 40% of AMI	-	-	-	-	-	-	-
Minimum Income, 50% of AMI	-	-	-	-	-	-	-
Minimum Income, 60% of AMI	\$16,656	\$16,656	-	-	-	-	-
Minimum Income, 70% of AMI	-	-	-	-	-	-	-
Minimum Income, 80% of AMI	-	-	-	-	-	-	-
Minimum Income, Market Rate	-	-	-	-	-	-	-
Minimum Qualified Income	\$2,544	\$2,544	-	-	-	-	-
HH Below Upper Income	371	72	0	0	0	0	0
HH Below Lower Income	28	3	0	0	0	0	0
Subtotal	343	70	0	0	0	0	0

Demand Estimate

412

Our analysis suggests project-level demand for a total of 412 size- and income-qualified units in the market area.

Capture Rates

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

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	28								28
2BR	5				1				6
3BR									
4BR									
Tot	33				1				34

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	14								14
2BR	2				1				3
3BR									
4BR									
Tot	16				1				17

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

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

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	412								412
2BR	412				169				581
3BR									
4BR									
Tot	412				169				412

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

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	3.4%								3.4%
2BR	0.5%				0.6%				0.5%
3BR									
4BR									
Tot	3.9%				0.6%				4.1%

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

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

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

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

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

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	412								412
2BR	412				169				581
3BR									
4BR									
Tot	412				169				412

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

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	3.4%								3.4%
2BR	0.5%				0.6%				0.5%
3BR									
4BR									
Tot	3.9%				0.6%				4.1%

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

Penetration Rates

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

Subject Property Units (Total)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	28								28
2BR	5				1				6
3BR									
4BR									
Tot	33				1				34

Subject Property Units (Vacant at Market Entry)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	14								14
2BR	2				1				3
3BR									
4BR									
Tot	16				1				17

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

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

Gross Demand									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	412								412
2BR	412				169				581
3BR									
4BR									
Tot	412				169				412

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

Competing & Pipeline Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	95								95
2BR	6								6
3BR									
4BR									
Tot	101								101

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

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

Inclusive Supply (Subject Property Units + Competing & Pipeline Units)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	109								109
2BR	8				1				9
3BR									
4BR									
Tot	117				1				118

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

Penetration Rates (Inclusive Supply / Gross Demand)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	26.5%								26.5%
2BR	1.9%				0.6%				1.5%
3BR									
4BR									
Tot	28.4%				0.6%				28.6%

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

Absorption Period

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

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	28							
2BR	5				1			
3BR								
4BR								

Subject Property Units (Vacant at Market Entry)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	14							
2BR	2				1			
3BR								
4BR								

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

Gross Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	412							
2BR	412				169			
3BR								
4BR								

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

Annual Growth & Movership Rate	
Growth	2.1%
Movership	8.0%
Total	10.1%

Growth & Movership Estimate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	42							
2BR	42				17			
3BR								
4BR								

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

Secondary Market Area	
	40%

Growth & Movership Estimate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	69							
2BR	69				28			
3BR								
4BR								

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

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

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

Fair Share								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	50.0%							
2BR	50.0%				10.0%			
3BR								
4BR								

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

Monthly Absorption Rate Estimate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	2.9							
2BR	2.9				0.2			
3BR								
4BR								

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

Rental Property Inventory, Confirmed, Inside Market Area, Elderly, Stabilized Occupancy								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR	100%							
1BR	100%			100%	100%			
2BR	100%							
3BR								
4BR								

Occupancy Rate, Select Comparables								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	100%			100%	100%			96%
2BR	100%			91%	91%			96%
3BR								
4BR								

Concluded Stabilized Occupancy Rate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	97%							
2BR	97%				95%			
3BR								
4BR								

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

Occupied Units at Stabilization								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	14							
2BR	2				1			
3BR								
4BR								

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

Absorption Period (Months to Stabilization)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	5							
2BR	<1				4			
3BR								
4BR								

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 5 months of absorption and an average absorption rate of 3.5 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

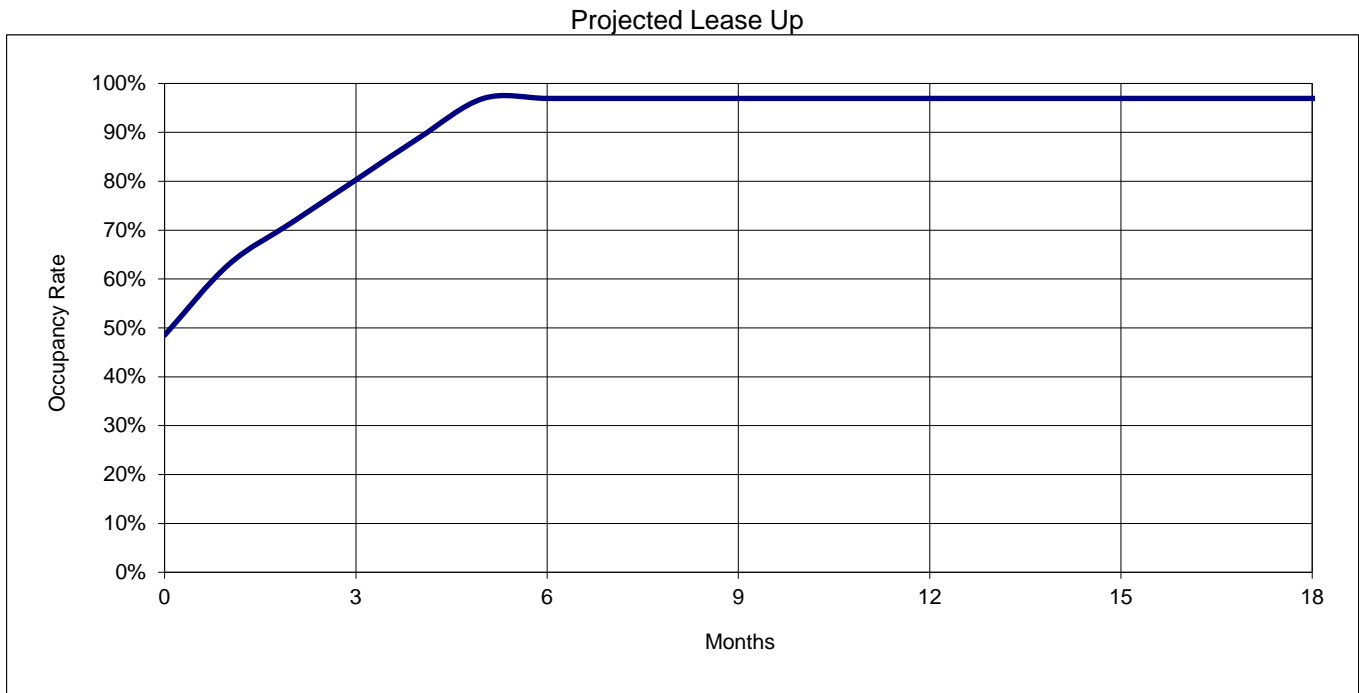
Absorption rates for age-restricted multifamily properties depend on a variety of factors: (1) The competitive environment in which the property resides; (2) The pricing of the subject property units relative to competing units, (3) The presence of rent or income restrictions at the subject property; and (4) The availability of any rent concessions or rental assistance at the subject property. Subsidized elderly properties normally lease up at a rate of 12-16 units per month. Unsubsidized elderly properties with rent and income restrictions typically fill at a rate of 4-8 units per month. Market rate elderly properties normally lease up at a rate of 8-12 units per month.

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

Key	Project	Built	Renovated	Rent Type	Occ Type	Tot Units	Abs
060	Toms Brook High School Project	1939	2012	Restricted	Family	14	5.0

Absorption Analysis

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



Our analysis suggests that the subject property will achieve 70 percent occupancy in 1 months, 80 percent occupancy in 2 months, and 90 percent occupancy in 4 months. We anticipate that the subject property will stabilize at 97 percent occupancy in 5 months.

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

VHDA DEMAND ANALYSIS

Overview

In this section we evaluate demand for the subject property using the VHDA demand methodology. For purposes of this analysis, we define VHDA demand as the number of new income-qualified and existing income-qualified overburdened and substandard 55+ renter households that would qualify to live at the subject property at the lesser of achievable rents or the sponsor's proposed rents. Our analysis accounts for any rent subsidies for the subject property.

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

55+ Renter Households, by Income, by Size

2019 \$			2019						
Min	to	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total
\$0	to	\$9,999	165	26	1	4	1	0	197
\$0	to	\$19,999	456	87	5	5	1	0	554
\$0	to	\$29,999	636	141	51	6	1	0	835
\$0	to	\$39,999	699	218	52	17	7	3	996
\$0	to	\$49,999	754	292	115	21	20	10	1,212
\$0	to	\$59,999	802	316	119	42	23	12	1,314
\$0	to	\$74,999	851	333	138	45	26	14	1,408
\$0	to	\$99,999	875	345	150	51	28	14	1,462
\$0	to	\$124,999	890	359	160	56	31	15	1,510
\$0	to	\$149,999	900	364	161	58	34	15	1,533
\$0	to	\$199,999	926	370	177	60	36	15	1,584
\$0	or	more	947	373	180	62	36	15	1,614

Source: ESRI & Ribbon Demographics

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

In this section we estimate demand for the 1-Bedroom / Subsidized / 60% of AMI units at the subject property. Our analysis assumes a total of 14 units, 7 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	1-Bedroom
Rent Type	Subsidized
Income Limit	60% of AMI
Total Units	14
Vacant Units at Market Entry	7

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$106
Gross Rent	\$106
Income Qualification Ratio	40%
Minimum Qualified Income	\$265
Months/Year	12
Minimum Qualified Income	\$3,180

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	165	26	1	4	1	0
	\$0	to	\$19,999	456	87	5	5	1	0
	\$0	to	\$29,999	636	141	51	6	1	0
	\$0	to	\$39,999	699	218	52	17	7	3
	\$0	to	\$49,999	754	292	115	21	20	10
	\$0	to	\$59,999	802	316	119	42	23	12
	\$0	to	\$74,999	851	333	138	45	26	14
	\$0	to	\$99,999	875	345	150	51	28	14
	\$0	to	\$124,999	890	359	160	56	31	15
	\$0	to	\$149,999	900	364	161	58	34	15
	\$0	to	\$199,999	926	370	177	60	36	15
	\$0	or	more	947	373	180	62	36	15

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

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

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	537	130	0	0	0	0
HH Below Minimum Income	50	8	0	0	0	0
Subtotal	488	122	0	0	0	0

Demand Estimate 610

Our analysis suggests demand for a total of 610 size- and income-qualified units in the market area.

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

Demand Estimate, 2-Bedroom, Subsidized, 60% of AMI

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

Unit Details	
Target Population	55+ Households
Unit Type	2-Bedroom
Rent Type	Subsidized
Income Limit	60% of AMI
Total Units	2
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$106
Gross Rent	\$106
Income Qualification Ratio	40%
Minimum Qualified Income	\$265
Months/Year	12
Minimum Qualified Income	\$3,180

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	165	26	1	4	1	0
	\$0	to	\$19,999	456	87	5	5	1	0
	\$0	to	\$29,999	636	141	51	6	1	0
	\$0	to	\$39,999	699	218	52	17	7	3
	\$0	to	\$49,999	754	292	115	21	20	10
	\$0	to	\$59,999	802	316	119	42	23	12
	\$0	to	\$74,999	851	333	138	45	26	14
	\$0	to	\$99,999	875	345	150	51	28	14
	\$0	to	\$124,999	890	359	160	56	31	15
	\$0	to	\$149,999	900	364	161	58	34	15
	\$0	to	\$199,999	926	370	177	60	36	15
	\$0	or	more	947	373	180	62	36	15

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

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

Demand Estimate								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income			537	130	0	0	0	0
HH Below Minimum Income			50	8	0	0	0	0
Subtotal			488	122	0	0	0	0

Demand Estimate 610

Our analysis suggests demand for a total of 610 size- and income-qualified units in the market area.

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

Demand Estimate, 2-Bedroom, Restricted, 60% of AMI

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

Unit Details	
Target Population	55+ Households
Unit Type	2-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	1
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$575
Utilities	\$106
Gross Rent	\$681
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,703
Months/Year	12
Minimum Qualified Income	\$20,430

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	165	26	1	4	1	0
	\$0	to	\$19,999	456	87	5	5	1	0
	\$0	to	\$29,999	636	141	51	6	1	0
	\$0	to	\$39,999	699	218	52	17	7	3
	\$0	to	\$49,999	754	292	115	21	20	10
	\$0	to	\$59,999	802	316	119	42	23	12
	\$0	to	\$74,999	851	333	138	45	26	14
	\$0	to	\$99,999	875	345	150	51	28	14
	\$0	to	\$124,999	890	359	160	56	31	15
	\$0	to	\$149,999	900	364	161	58	34	15
	\$0	to	\$199,999	926	370	177	60	36	15
	\$0	or	more	947	373	180	62	36	15

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

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

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	537	130	0	0	0	0
HH Below Minimum Income	456	87	0	0	0	0
Subtotal	81	43	0	0	0	0

Demand Estimate 124

Our analysis suggests demand for a total of 124 size- and income-qualified units in the market area.

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

Demand Estimate, Subsidized

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

55+ Renter Households, by Income, by Size								
2019								
2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	165	26	1	4	1	0
\$0	to	\$19,999	456	87	5	5	1	0
\$0	to	\$29,999	636	141	51	6	1	0
\$0	to	\$39,999	699	218	52	17	7	3
\$0	to	\$49,999	754	292	115	21	20	10
\$0	to	\$59,999	802	316	119	42	23	12
\$0	to	\$74,999	851	333	138	45	26	14
\$0	to	\$99,999	875	345	150	51	28	14
\$0	to	\$124,999	890	359	160	56	31	15
\$0	to	\$149,999	900	364	161	58	34	15
\$0	to	\$199,999	926	370	177	60	36	15
\$0	or	more	947	373	180	62	36	15

Demand Estimate, Subsidized							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 2BR	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$24,540	\$28,020	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$3,180	\$3,180	-	-	-	-	-
Minimum Income, 2BR	\$3,180	\$3,180	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$3,180	\$3,180	-	-	-	-	-
HH Below Upper Income	537	130	0	0	0	0	0
HH Below Lower Income	50	8	0	0	0	0	0
Subtotal	488	122	0	0	0	0	0

Demand Estimate

610

Our analysis suggests demand for a total of 610 size- and income-qualified units in the market area.

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

Demand Estimate, Restricted, 60% of AMI

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

55+ Renter Households, by Income, by Size								
2019								
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	165	26	1	4	1	0
\$0	to	\$19,999	456	87	5	5	1	0
\$0	to	\$29,999	636	141	51	6	1	0
\$0	to	\$39,999	699	218	52	17	7	3
\$0	to	\$49,999	754	292	115	21	20	10
\$0	to	\$59,999	802	316	119	42	23	12
\$0	to	\$74,999	851	333	138	45	26	14
\$0	to	\$99,999	875	345	150	51	28	14
\$0	to	\$124,999	890	359	160	56	31	15
\$0	to	\$149,999	900	364	161	58	34	15
\$0	to	\$199,999	926	370	177	60	36	15
\$0	or	more	947	373	180	62	36	15

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	-	-	-	-	-	-	-
Maximum Income, 2BR	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$24,540	\$28,020	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	-	-	-	-	-	-	-
Minimum Income, 2BR	\$20,430	\$20,430	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$20,430	\$20,430	-	-	-	-	-
HH Below Upper Income	537	130	0	0	0	0	0
HH Below Lower Income	456	87	0	0	0	0	0
Subtotal	81	43	0	0	0	0	0

Demand Estimate

124

Our analysis suggests demand for a total of 124 size- and income-qualified units in the market area.

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

Demand Estimate

In this section, we derive our overburdened demand and capture rate estimates for the subject property. Our analysis, which begins with the income-qualified renter household estimates developed above, is found below.

Income Qualified Renter Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	610				124			

The next step in our analysis is to account for 2 years of growth to estimate the demand stemming from new income qualified rental households. Our estimates are found below.

Annual Renter Household Growth Rate								
1.2%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	14				3			

The next step in our analysis is to estimate existing demand stemming from income-qualified overburdened renter households in this market area. Our estimates are found below.

Overburdened Renter Households								
37.0%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	226				46			

The next step in our analysis is to estimate existing demand stemming from income-qualified substandard renter households in this market area. Our estimates are found below.

Substandard Renter Households								
7.5%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	46				9			

The next step in our analysis is to account for elderly homeowners likely to convert to rental housing. This component may not comprise more than 20 percent of total demand. Our estimates are found below.

Elderly Homeowners Likely to Convert to Rental Housing								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	73				15			

The next step in our analysis is to account for existing qualifying tenants likely to remain after renovation. Our estimates are found below.

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	16				1			
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	8							

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

Total Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	367				73			

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

Vacant Competing & Pipeline Units								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot								

The next step in our analysis is to subtract the number of vacant competing & pipeline units from total demand to arrive at a net demand estimate for the subject property. Our estimates are found below.

Net Demand (Total Demand - Vacant Competing & Pipeline Units)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	367				73			

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the total number of subject property units divided by net demand. Underwriters often utilize capture rate limits of 10 to 20 percent using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	4.4%				1.4%			

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	3.9%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	3.9%
Project-Wide Absorption Period (Months)	5 months

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

VHDA DEMAND ANALYSIS (UNSUBSIDIZED)

Overview

In this section we evaluate demand for the subject property using the VHDA demand methodology. For purposes of this analysis, we define VHDA demand as the number of new income-qualified and existing income-qualified overburdened and substandard 55+ renter households that would qualify to live at the subject property at the lesser of achievable rents or the sponsor's proposed rents. Our analysis ignores any rent subsidies for the subject property.

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

2019 \$		55+ Renter Households, by Income, by Size							Total
		2019							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person		
\$0	to \$9,999	165	26	1	4	1	0	197	
\$0	to \$19,999	456	87	5	5	1	0	554	
\$0	to \$29,999	636	141	51	6	1	0	835	
\$0	to \$39,999	699	218	52	17	7	3	996	
\$0	to \$49,999	754	292	115	21	20	10	1,212	
\$0	to \$59,999	802	316	119	42	23	12	1,314	
\$0	to \$74,999	851	333	138	45	26	14	1,408	
\$0	to \$99,999	875	345	150	51	28	14	1,462	
\$0	to \$124,999	890	359	160	56	31	15	1,510	
\$0	to \$149,999	900	364	161	58	34	15	1,533	
\$0	to \$199,999	926	370	177	60	36	15	1,584	
\$0	or more	947	373	180	62	36	15	1,614	

Source: ESRI & Ribbon Demographics

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

In this section we estimate demand for the 1-Bedroom / Restricted / 40% of AMI units at the subject property. Our analysis assumes a total of 3 units, 1 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	40% of AMI
Total Units	3
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$332
Utilities	\$106
Gross Rent	\$438
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,095
Months/Year	12
Minimum Qualified Income	\$13,140

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	165	26	1	4	1	0
	\$0	to	\$19,999	456	87	5	5	1	0
	\$0	to	\$29,999	636	141	51	6	1	0
	\$0	to	\$39,999	699	218	52	17	7	3
	\$0	to	\$49,999	754	292	115	21	20	10
	\$0	to	\$59,999	802	316	119	42	23	12
	\$0	to	\$74,999	851	333	138	45	26	14
	\$0	to	\$99,999	875	345	150	51	28	14
	\$0	to	\$124,999	890	359	160	56	31	15
	\$0	to	\$149,999	900	364	161	58	34	15
	\$0	to	\$199,999	926	370	177	60	36	15
	\$0	or	more	947	373	180	62	36	15

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

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

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	340	78	0	0	0	0
HH Below Minimum Income	252	44	0	0	0	0
Subtotal	87	34	0	0	0	0

Demand Estimate 121

Our analysis suggests demand for a total of 121 size- and income-qualified units in the market area.

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

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

In this section we estimate demand for the 1-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 11 units, 5 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	11
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$441
Utilities	\$106
Gross Rent	\$547
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,368
Months/Year	12
Minimum Qualified Income	\$16,410

55+ Renter Households, by Income, by Size

		2019						
2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	165	26	1	4	1	0
\$0	to	\$19,999	456	87	5	5	1	0
\$0	to	\$29,999	636	141	51	6	1	0
\$0	to	\$39,999	699	218	52	17	7	3
\$0	to	\$49,999	754	292	115	21	20	10
\$0	to	\$59,999	802	316	119	42	23	12
\$0	to	\$74,999	851	333	138	45	26	14
\$0	to	\$99,999	875	345	150	51	28	14
\$0	to	\$124,999	890	359	160	56	31	15
\$0	to	\$149,999	900	364	161	58	34	15
\$0	to	\$199,999	926	370	177	60	36	15
\$0	or	more	947	373	180	62	36	15

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

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

Demand Estimate							
		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income		456	103	0	0	0	0
HH Below Minimum Income		340	63	0	0	0	0
Subtotal		116	41	0	0	0	0

Demand Estimate 157

Our analysis suggests demand for a total of 157 size- and income-qualified units in the market area.

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

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

In this section we estimate demand for the 1-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 14 units, 7 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	14
Vacant Units at Market Entry	7

Minimum Qualified Income	
Net Rent	\$450
Utilities	\$106
Gross Rent	\$556
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,390
Months/Year	12
Minimum Qualified Income	\$16,680

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	165	26	1	4	1	0
	\$0	to	\$19,999	456	87	5	5	1	0
	\$0	to	\$29,999	636	141	51	6	1	0
	\$0	to	\$39,999	699	218	52	17	7	3
	\$0	to	\$49,999	754	292	115	21	20	10
	\$0	to	\$59,999	802	316	119	42	23	12
	\$0	to	\$74,999	851	333	138	45	26	14
	\$0	to	\$99,999	875	345	150	51	28	14
	\$0	to	\$124,999	890	359	160	56	31	15
	\$0	to	\$149,999	900	364	161	58	34	15
	\$0	to	\$199,999	926	370	177	60	36	15
	\$0	or	more	947	373	180	62	36	15

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

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

Demand Estimate								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income			537	130	0	0	0	0
HH Below Minimum Income			354	66	0	0	0	0
Subtotal			183	65	0	0	0	0

Demand Estimate 247

Our analysis suggests demand for a total of 247 size- and income-qualified units in the market area.

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

Demand Estimate, 2-Bedroom, Restricted, 40% of AMI

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

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

Minimum Qualified Income	
Net Rent	\$407
Utilities	\$119
Gross Rent	\$526
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,315
Months/Year	12
Minimum Qualified Income	\$15,780

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	165	26	1	4	1	0
	\$0	to	\$19,999	456	87	5	5	1	0
	\$0	to	\$29,999	636	141	51	6	1	0
	\$0	to	\$39,999	699	218	52	17	7	3
	\$0	to	\$49,999	754	292	115	21	20	10
	\$0	to	\$59,999	802	316	119	42	23	12
	\$0	to	\$74,999	851	333	138	45	26	14
	\$0	to	\$99,999	875	345	150	51	28	14
	\$0	to	\$124,999	890	359	160	56	31	15
	\$0	to	\$149,999	900	364	161	58	34	15
	\$0	to	\$199,999	926	370	177	60	36	15
	\$0	or	more	947	373	180	62	36	15

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

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

Demand Estimate								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income			340	78	0	0	0	0
HH Below Minimum Income			325	60	0	0	0	0
Subtotal			15	18	0	0	0	0

Demand Estimate 33

Our analysis suggests demand for a total of 33 size- and income-qualified units in the market area.

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

Demand Estimate, 2-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 2 units, 1 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	2-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	2
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$538
Utilities	\$119
Gross Rent	\$657
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,643
Months/Year	12
Minimum Qualified Income	\$19,710

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	165	26	1	4	1	0
	\$0	to	\$19,999	456	87	5	5	1	0
	\$0	to	\$29,999	636	141	51	6	1	0
	\$0	to	\$39,999	699	218	52	17	7	3
	\$0	to	\$49,999	754	292	115	21	20	10
	\$0	to	\$59,999	802	316	119	42	23	12
	\$0	to	\$74,999	851	333	138	45	26	14
	\$0	to	\$99,999	875	345	150	51	28	14
	\$0	to	\$124,999	890	359	160	56	31	15
	\$0	to	\$149,999	900	364	161	58	34	15
	\$0	to	\$199,999	926	370	177	60	36	15
	\$0	or	more	947	373	180	62	36	15

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

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

Demand Estimate								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income			456	103	0	0	0	0
HH Below Minimum Income			441	84	0	0	0	0
Subtotal			15	19	0	0	0	0

Demand Estimate 34

Our analysis suggests demand for a total of 34 size- and income-qualified units in the market area.

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

Demand Estimate, 2-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 3 units, 2 of which are anticipated to be vacant on market entry in 2019. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	2-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	3
Vacant Units at Market Entry	2

Minimum Qualified Income	
Net Rent	\$575
Utilities	\$119
Gross Rent	\$694
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,735
Months/Year	12
Minimum Qualified Income	\$20,820

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	165	26	1	4	1	0
	\$0	to	\$19,999	456	87	5	5	1	0
	\$0	to	\$29,999	636	141	51	6	1	0
	\$0	to	\$39,999	699	218	52	17	7	3
	\$0	to	\$49,999	754	292	115	21	20	10
	\$0	to	\$59,999	802	316	119	42	23	12
	\$0	to	\$74,999	851	333	138	45	26	14
	\$0	to	\$99,999	875	345	150	51	28	14
	\$0	to	\$124,999	890	359	160	56	31	15
	\$0	to	\$149,999	900	364	161	58	34	15
	\$0	to	\$199,999	926	370	177	60	36	15
	\$0	or	more	947	373	180	62	36	15

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

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

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	537	130	0	0	0	0
HH Below Minimum Income	465	90	0	0	0	0
Subtotal	72	41	0	0	0	0

Demand Estimate 113

Our analysis suggests demand for a total of 113 size- and income-qualified units in the market area.

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

Demand Estimate, Restricted, 40% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 40% of AMI at the subject property.

55+ Renter Households, by Income, by Size								
2019								
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	165	26	1	4	1	0
\$0	to	\$19,999	456	87	5	5	1	0
\$0	to	\$29,999	636	141	51	6	1	0
\$0	to	\$39,999	699	218	52	17	7	3
\$0	to	\$49,999	754	292	115	21	20	10
\$0	to	\$59,999	802	316	119	42	23	12
\$0	to	\$74,999	851	333	138	45	26	14
\$0	to	\$99,999	875	345	150	51	28	14
\$0	to	\$124,999	890	359	160	56	31	15
\$0	to	\$149,999	900	364	161	58	34	15
\$0	to	\$199,999	926	370	177	60	36	15
\$0	or	more	947	373	180	62	36	15

Demand Estimate, Restricted, 40% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$16,360	\$18,680	-	-	-	-	-
Maximum Income, 2BR	\$16,360	\$18,680	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$16,360	\$18,680	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$13,140	\$13,140	-	-	-	-	-
Minimum Income, 2BR	\$15,780	\$15,780	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$13,140	\$13,140	-	-	-	-	-
HH Below Upper Income	340	78	0	0	0	0	0
HH Below Lower Income	252	44	0	0	0	0	0
Subtotal	87	34	0	0	0	0	0

Demand Estimate

121

Our analysis suggests demand for a total of 121 size- and income-qualified units in the market area.

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

Demand Estimate, Restricted, 50% of AMI

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

55+ Renter Households, by Income, by Size								
2019								
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	165	26	1	4	1	0
\$0	to	\$19,999	456	87	5	5	1	0
\$0	to	\$29,999	636	141	51	6	1	0
\$0	to	\$39,999	699	218	52	17	7	3
\$0	to	\$49,999	754	292	115	21	20	10
\$0	to	\$59,999	802	316	119	42	23	12
\$0	to	\$74,999	851	333	138	45	26	14
\$0	to	\$99,999	875	345	150	51	28	14
\$0	to	\$124,999	890	359	160	56	31	15
\$0	to	\$149,999	900	364	161	58	34	15
\$0	to	\$199,999	926	370	177	60	36	15
\$0	or	more	947	373	180	62	36	15

Demand Estimate, Restricted, 50% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$20,450	\$23,350	-	-	-	-	-
Maximum Income, 2BR	\$20,450	\$23,350	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$20,450	\$23,350	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$16,410	\$16,410	-	-	-	-	-
Minimum Income, 2BR	\$19,710	\$19,710	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$16,410	\$16,410	-	-	-	-	-
HH Below Upper Income	456	103	0	0	0	0	0
HH Below Lower Income	340	63	0	0	0	0	0
Subtotal	116	41	0	0	0	0	0

Demand Estimate

157

Our analysis suggests demand for a total of 157 size- and income-qualified units in the market area.

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

Demand Estimate, Restricted, 60% of AMI

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

55+ Renter Households, by Income, by Size								
2019								
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	165	26	1	4	1	0
\$0	to	\$19,999	456	87	5	5	1	0
\$0	to	\$29,999	636	141	51	6	1	0
\$0	to	\$39,999	699	218	52	17	7	3
\$0	to	\$49,999	754	292	115	21	20	10
\$0	to	\$59,999	802	316	119	42	23	12
\$0	to	\$74,999	851	333	138	45	26	14
\$0	to	\$99,999	875	345	150	51	28	14
\$0	to	\$124,999	890	359	160	56	31	15
\$0	to	\$149,999	900	364	161	58	34	15
\$0	to	\$199,999	926	370	177	60	36	15
\$0	or	more	947	373	180	62	36	15

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 2BR	\$24,540	\$28,020	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$24,540	\$28,020	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$16,680	\$16,680	-	-	-	-	-
Minimum Income, 2BR	\$20,820	\$20,820	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$16,680	\$16,680	-	-	-	-	-
HH Below Upper Income	537	130	0	0	0	0	0
HH Below Lower Income	354	66	0	0	0	0	0
Subtotal	183	65	0	0	0	0	0

Demand Estimate

247

Our analysis suggests demand for a total of 247 size- and income-qualified units in the market area.

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

Demand Estimate

In this section, we derive our overburdened demand and capture rate estimates for the subject property. Our analysis, which begins with the income-qualified renter household estimates developed above, is found below.

Income Qualified Renter Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			121	157	247			

The next step in our analysis is to account for 2 years of growth to estimate the demand stemming from new income qualified rental households. Our estimates are found below.

Annual Renter Household Growth Rate								
1.2%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			3	4	6			

The next step in our analysis is to estimate existing demand stemming from income-qualified overburdened renter households in this market area. Our estimates are found below.

Overburdened Renter Households								
37.0%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			45	58	91			

The next step in our analysis is to estimate existing demand stemming from income-qualified substandard renter households in this market area. Our estimates are found below.

Substandard Renter Households								
7.5%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			9	12	18			

The next step in our analysis is to account for elderly homeowners likely to convert to rental housing. This component may not comprise more than 20 percent of total demand. Our estimates are found below.

Elderly Homeowners Likely to Convert to Rental Housing								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			15	20	31			

The next step in our analysis is to account for existing qualifying tenants likely to remain after renovation. Our estimates are found below.

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			4	13	17			
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			2	7	8			

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

Total Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			73	101	155			

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

Vacant Competing & Pipeline Units								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot								

The next step in our analysis is to subtract the number of vacant competing & pipeline units from total demand to arrive at a net demand estimate for the subject property. Our estimates are found below.

Net Demand (Total Demand - Vacant Competing & Pipeline Units)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			73	101	155			

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the total number of subject property units divided by net demand. Underwriters often utilize capture rate limits of 10 to 20 percent using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot			5.5%	12.9%	11.0%			

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	10.4%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	10.4%
Project-Wide Absorption Period (Months)	5 months

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

RENT COMPARABLES, MARKET RATE

Project Information

Property Name	Lakeview Townhomes
Street Number	259
Street Name	Lakeview
Street Type	Drive
City	Woodstock
State	Virginia
Zip	22664
Phone Number	(540) 459-5994
Year Built	1975
Year Renovated	2008
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	1
Latitude	38.8625
Longitude	-78.5183
Nearest Crossroads	na
AAC Code	19-034 021

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Jeff Patton, Maintenance
Phone Number	(540) 459-5994
Interview Date	05-Feb-19
Interviewed By	DS

Townhomes have decks. 2008 renovations included new roofs. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.0	700	Garden/Flat	Mar	Mar	No	No	16	1	\$700		\$700	\$183	\$883
2	1.5	1000	Townhome	Mar	Mar	No	No	14	1	\$900		\$900	\$183	\$1,083
3	1.5	1100	Townhome	Mar	Mar	No	No	13		\$1,100		\$1,100	\$241	\$1,341
Total / Average		919						43	2	\$886		\$886	\$201	\$1,087

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

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.00
Comp vs. Subject	Superior	

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

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	2.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.00	3.30
Comp vs. Subject	Superior	

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

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1985	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	some	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Lakeview Townhomes is an existing multifamily development located at 259 Lakeview Drive in Woodstock, Virginia. The property, which consists of 43 apartment units, was originally constructed in 1975 with conventional financing. All units are set aside as market rate units. The property currently stands at 95 percent occupancy.

Project Information

Property Name	Mountain View
Street Number	149
Street Name	Valley Vista
Street Type	Drive
City	Woodstock
State	Virginia
Zip	22664
Phone Number	(540) 459-5353
Year Built	1983
Year Renovated	2007
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$30
Waiting List	40 people
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	HUD
Vouchers	2
Latitude	38.8677
Longitude	-78.5141
Nearest Crossroads	na
AAC Code	19-034 031

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Gwen, Management
Phone Number	(540) 459-5353
Interview Date	05-Feb-19
Interviewed By	DS

Previously a HUD property under the name John Perry House, but owner opted out of HUD program. Property renovates units as tenants move out. 50% renovated as of 2016. Some amenity information was obtained 2/7/2019 during a conversation with Ms. Gwen. There are no new apartments or businesses nearby.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	587	Garden/Flat	Mar	Mar	No	No	50	2	\$675		\$675	\$22	\$697
2	2.0	870	Garden/Flat	Mar	Mar	No	No	12		\$850		\$850	\$31	\$881
Total / Average		642						158	62	2	\$709	\$709	\$24	\$733

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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.00
Comp vs. Subject	Superior	

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

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	2.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.40	3.30
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	yes	no
Fitness Ctr	yes	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	yes	no
Picnic Area	yes	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	yes	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Superior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Mountain View is an existing multifamily development located at 149 Valley Vista Drive in Woodstock, Virginia. The property, which consists of 62 apartment units, was originally constructed in 1983 with hud financing. All units are set aside as market rate units. The property currently stands at 97 percent occupancy.

Project Information

Property Name	Rose Hill Apartments
Street Number	1020
Street Name	Rose Bud
Street Type	Court
City	Edinburg
State	Virginia
Zip	22824
Phone Number	(540) 336-4907
Year Built	1989
Year Renovated	2013
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$20
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	1
Latitude	38.8277
Longitude	-78.5686
Nearest Crossroads	na
AAC Code	19-034 046

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Dean Smith, Management
Phone Number	(540) 336-4907
Interview Date	07-Feb-19
Interviewed By	DS

Property is adjacent to Madison Park with a swimming pool and tennis courts. Two buildings received new roofs in 2013 but areal view shows the 3rd building has been replaced recently also. New parking lots etc.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
0	1.0	322	Garden/Flat	Mar	Mar	No	No	11	2	\$515		\$515	\$44	\$559
1	1.0	492	Garden/Flat	Mar	Mar	No	No	18		\$650		\$650	\$51	\$701
2	2.0	900	Garden/Flat	Mar	Mar	No	No	23		\$750		\$750	\$67	\$817
3	2.0	1020	Garden/Flat	Mar	Mar	No	No	4		\$850		\$850	\$83	\$933
Total / Average		664						160	56	2	\$679	\$679	\$58	\$737

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

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

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

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.25	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.50	2.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.30	3.30
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Mov/ie/Media Ctr	no	no
Picnic Area	yes	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	yes	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Superior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Rose Hill Apartments is an existing multifamily development located at 1020 Rose Bud Court in Edinburg, Virginia. The property, which consists of 56 apartment units, was originally constructed in 1989 with conventional financing. All units are set aside as market rate units. The property currently stands at 96 percent occupancy.

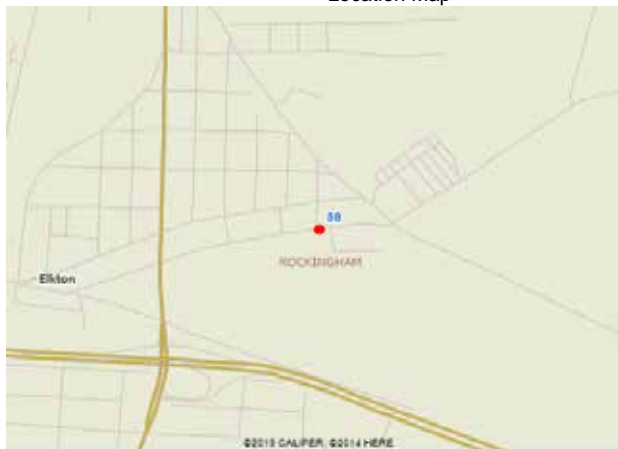
Project Information

Property Name	Tannery Apartments
Street Number	520
Street Name	East Rockingham
Street Type	Street
City	Elkton
State	Virginia
Zip	22827
Phone Number	(540) 298-9324
Year Built	1984
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$600
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	38.4095
Longitude	-78.6128
Nearest Crossroads	na
AAC Code	19-034 058

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Anita, Management
Phone Number	(540) 298-9324
Interview Date	05-Feb-19
Interviewed By	DS

There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	450	Garden/Flat	Mar	Mar		No	38	2	\$550		\$550	\$60	\$610
2	1.0	800	Garden/Flat	Mar	Mar		No	64	3	\$695		\$695	\$76	\$771
Total / Average		670						102	5	\$641		\$641	\$70	\$711

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

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.00
Comp vs. Subject	Superior	

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

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.00	2.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.10	3.30
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	2.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1985	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Tannery Apartments is an existing multifamily development located at 520 East Rockingham Street in Elkton, Virginia. The property, which consists of 102 apartment units, was originally constructed in 1984 with conventional financing. All units are set aside as market rate units. The property currently stands at 95 percent occupancy.

RENT COMPARABLES, RESTRICTED RENT

Project Information

Property Name	Echo Mountain Apartments
Street Number	254
Street Name	Lora
Street Type	Drive
City	Woodstock
State	Virginia
Zip	22664
Phone Number	(540) 459-9712
Year Built	1998
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$25
Waiting List	no
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	1997 Tax Credit
Vouchers	9
Latitude	38.8610
Longitude	-78.5203
Nearest Crossroads	off Route 11
AAC Code	19-034 012

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Michelle, Manager
Phone Number	(540) 459-9712
Interview Date	04-Feb-19
Interviewed By	DS

1997 TC's awarded for construction of this property without project based rental assistance. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	632	Garden/Flat	50%	50%	No	No	5		\$520		\$520	\$68	\$588
1	1.0	632	Garden/Flat	60%	60%	No	No	5		\$626		\$626	\$68	\$694
2	1.5	911	Garden/Flat	50%	50%	No	No	15		\$624		\$624	\$86	\$710
2	1.5	911	Garden/Flat	60%	60%	No	No	15		\$763		\$763	\$86	\$849
3	2.0	1078	Garden/Flat	50%	50%	No	No	5		\$716		\$716	\$106	\$822
3	2.0	1078	Garden/Flat	60%	60%	No	No	5		\$876		\$876	\$106	\$982
Total / Average		889						165	50	\$690		\$690	\$86	\$776

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

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.00
Comp vs. Subject	Superior	

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

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	2.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.10	3.30
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	no
Bus/Comp Ctr	yes	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	yes	no
Playground	yes	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	yes	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	yes	no
Security Patrols	no	no
Comp vs. Subject	Superior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Echo Mountain Apartments is an existing multifamily development located at 254 Lora Drive in Woodstock, Virginia. The property, which consists of 50 apartment units, was originally constructed in 1998. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

Project Information

Property Name	New Market North Phase 2
Street Number	9091
Street Name	Congress
Street Type	Street
City	New Market
State	Virginia
Zip	22844
Phone Number	(540) 740-3989
Year Built	1989
Year Renovated	2012
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$22
Waiting List	15 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	1989
Vouchers	Tax Credit
Latitude	5
Longitude	38.6565
Nearest Crossroads	-78.6692
AAC Code	na
	19-034
	033

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Nora, Manager
Phone Number	(540) 740-3989
Interview Date	06-Feb-19
Interviewed By	DS

1989 TC's awarded for construction of RD property with 20 units of project based rental assistance available to tenants. 2012 renovations included new roofs, siding and windows.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	750	Garden/Flat	50%	50%	No	Yes	4		\$557		\$557	\$85	\$642
1	1.0	750	Garden/Flat	60%	60%	No	No	4		\$557		\$557	\$85	\$642
2	1.0	950	Garden/Flat	50%	50%	No	Yes	16		\$603		\$603	\$83	\$686
2	1.0	950	Garden/Flat	60%	60%	No	No	16		\$786		\$786	\$83	\$869
Total / Average		910						167	40	\$667		\$667	\$83	\$750

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

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.50	2.00
Comp vs. Subject	Superior	

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

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.70	2.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.00	3.30
Comp vs. Subject	Inferior	

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

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	yes	no
Playground	yes	no
Pool	no	no
Sauna	no	no
Sports Court	yes	no
Walking Trail	no	no
Comp vs. Subject	Superior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

New Market North Phase 2 is an existing multifamily development located at 9091 Congress Street in New Market, Virginia. The property, which consists of 40 apartment units, was originally constructed in 1989. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

Project Information

Photo

Property Name	Ridge Apartments Phase 3
Street Number	170
Street Name	E Reservoir
Street Type	Road
City	Woodstock
State	Virginia
Zip	22664
Phone Number	(540) 459-3590
Year Built	2004
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$30
Waiting List	45 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2003 Tax Credit
Vouchers	15
Latitude	38.8667
Longitude	-78.5152
Nearest Crossroads	off Route 11
AAC Code	19-034 043



Location Map



Interview Notes

Person Interviewed	Ms. Linda, Leasing Agent
Phone Number	(540) 459-3590
Interview Date	05-Feb-19
Interviewed By	DS

2003 TC's awarded for construction of this property without project based rental assistance. Units have washer/dryer hookups but, if washer is installed, tenants are charged \$25 fee for water usage.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	833	Garden/Flat	60%	60%	No	No	4		\$515		\$515	\$64	\$579
2	1.5	1051	Garden/Flat	60%	60%	No	No	4	1	\$615		\$615	\$82	\$697
3	2.0	1293	Garden/Flat	60%	60%	No	No	16		\$710		\$710	\$101	\$811
Total / Average		1,176						169	24	\$662		\$662	\$92	\$753

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

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.25	2.00
Comp vs. Subject	Superior	

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

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	2.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.50	3.30
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	yes	no
Playground	yes	no
Pool	no	no
Sauna	no	no
Sports Court	yes	no
Walking Trail	no	no
Comp vs. Subject	Superior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	yes	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Ridge Apartments Phase 3 is an existing multifamily development located at 170 E Reservoir Road in Woodstock, Virginia. The property, which consists of 24 apartment units, was originally constructed in 2004 . This property is currently operated as a rent restricted property. The property currently stands at 96 percent occupancy.

Project Information

Property Name	Valley Vista Apartments
Street Number	132
Street Name	Valley Vista
Street Type	Drive
City	Woodstock
State	Virginia
Zip	22664
Phone Number	(540) 459-2119
Year Built	1972
Year Renovated	2010
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	no
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2008 Tax Credit
Vouchers	15
Latitude	38.8677
Longitude	-78.5140
Nearest Crossroads	next to the hospital
AAC Code	19-034 061

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Tina, Management
Phone Number	(540) 459-2119
Interview Date	05-Feb-19
Interviewed By	DS

2008 TC's awarded to rehab this property, previously a HUD 221 property, without project based rental assistance. 8 units have patios. All units have parquet laminate wood flooring. Security cameras in the office and common areas. All the units have been rehabbed. Ms. Tina advised during our 2019 survey that they have had a large staff

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent	
1	1.0	683	Garden/Flat	50%	50%	yes	No	15	2	\$500		\$500	\$51	\$551	
2	1.0	812	Garden/Flat	50%	50%	yes	No	4		\$635		\$635	\$66	\$701	
2	1.0	880	Garden/Flat	50%	50%	yes	No	24	4	\$635		\$635	\$66	\$701	
2	1.0	880	Garden/Flat	60%	60%	No	No	16	3	\$635		\$635	\$66	\$701	
2	2.0	1366	Garden/Flat	60%	60%	No	No	3	1	\$635		\$635	\$66	\$701	
3	2.0	1012	Garden/Flat	60%	60%	No	No	23	4	\$745		\$745	\$81	\$826	
Total / Average		895						171	85	14	\$641		\$641	\$67	\$708

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

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.00
Comp vs. Subject	Superior	

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

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	2.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.40	3.30
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Mov/ry/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	yes	no
Sauna	no	no
Sports Court	yes	no
Walking Trail	no	no
Comp vs. Subject	Superior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Valley Vista Apartments is an existing multifamily development located at 132 Valley Vista Drive in Woodstock, Virginia. The property, which consists of 85 apartment units, was originally constructed in 1972 . This property is currently operated as a rent restricted property. The property currently stands at 84 percent occupancy.

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The title to the subject property is merchantable, and the property is free and clear of all liens and encumbrances, except as noted.
- No liability is assumed for matters legal in nature.
- Ownership and management are assumed to be in competent and responsible hands.
- No survey has been made by the appraiser. Dimensions are as supplied by others and are assumed to be correct.
- The report was prepared for the purpose so stated and should not be used for any other reason.
- All direct and indirect information supplied by the owner and their representatives concerning the subject property is assumed to be true and accurate.
- No responsibility is assumed for information supplied by others and such information is believed to be reliable and correct. This includes zoning and tax information provided by Municipal officials.
- The signatories shall not be required to give testimony or attend court or be at any governmental hearing with respect to the subject property unless prior arrangements have been made with the client.
- Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute.
- The legal description is assumed to be accurate.
- This report specifically assumes that there are no site, subsoil, or building contaminants present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value estimates, and change the estimates, if deemed necessary.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with
- This analysis specifically assumes that the subject property is operated as described in this report.
- This analysis specifically assumes that the subject property is constructed/rehabilitated as described in this report.
- This analysis specifically assumes that the subject property is financed as described in this report.
- This analysis specifically assumes the timing set forth in this report.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I appraised the subject property in 2018.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- I made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification. Debbie Rucker and Frank Victory (Allen & Associates Consulting) assisted in compiling the data used in this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Members of the Appraisal Institute.
- I am presently licensed in good standing as a Certified General Real Estate Appraiser in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina, and Virginia, allowing me to appraise all types of real estate.

Respectfully submitted:

ALLEN & ASSOCIATES CONSULTING, INC.



Jeff Carroll

VHDA CERTIFICATION

I affirm the following:

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



Jeff Carroll

February 21, 2019

Date

NCHMA MARKET STUDY INDEX

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

Executive Summary		
1	Executive Summary	Executive Summary
Scope of Work		
2	Scope of Work	Letter of Transmittal
Project Description		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	Section 1
4	Utilities (and utility sources) included in rent	Section 2
5	Target market/population description	Section 1
6	Project description including unit features and community amenities	Section 2
7	Date of construction/preliminary completion	Section 1
8	If rehabilitation, scope of work, existing rents, and existing vacancies	Section 1
Location		
9	Concise description of the site and adjacent parcels	Sections 3 & 4
10	Site photos/maps	Section 5
11	Map of community services	Section 4
12	Site evaluation/neighborhood including visibility, accessibility, and crime	Section 4
Market Area		
13	PMA description	Section 6
14	PMA Map	Section 6
Employment and Economy		
15	At-Place employment trends	Section 7
16	Employment by sector	Section 7
17	Unemployment rates	Section 7
18	Area major employers/employment centers and proximity to site	Section 7
19	Recent or planned employment expansions/reductions	Section 7
Demographic Characteristics		
20	Population and household estimates and projections	Section 8
21	Area building permits	Section 7
22	Population and household characteristics including income, tenure, and size	Section 8
23	For senior or special needs projects, provide data specific to target market	Section 8
Competitive Environment		
24	Comparable property profiles and photos	Appendix
25	Map of comparable properties	Section 10
26	Existing rental housing evaluation including vacancy and rents	Section 9
27	Comparison of subject property to comparable properties	Section 10
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	NA
29	Rental communities under construction, approved, or proposed	Section 9
30	For senior or special needs populations, provide data specific to target market	Section 8

NCHMA MARKET STUDY INDEX

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	Section 11
32	Affordability analysis with capture rate	Section 11
33	Penetration rate analysis with capture rate	Section 11
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	Section 11
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	Section 10
36	Precise statement of key conclusions	Executive Summary
37	Market strengths and weaknesses impacting project	Executive Summary
38	Product recommendations and/or suggested modifications to subject	Executive Summary
39	Discussion of subject property's impact on existing housing	Executive Summary
40	Discussion of risks or other mitigating circumstances impacting subject	Executive Summary
41	Interviews with area housing stakeholders	Appendix
Other Requirements		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	NA

MISCELLANEOUS

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Charlotte, North Carolina 28271
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Summary

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

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

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

Wrote articles on workforce and affordable housing, development, property management, market feasibility, and financial analysis for Urban Land magazine, The Journal of Property Management, Community Management magazine, Merchandise magazine, HousingThink, and a publication of the Texas A&M Real Estate Research Center known as Terra Grande.

Conducted seminars on workforce and affordable housing, development, property management, market feasibility, and financial analysis for the American Planning Association, Community Management magazine, the Georgia Department of Community Affairs, the Manufactured Housing Institute, the National Association of State and Local Equity Funds, the Virginia Community Development Corporation, and the National Council of Housing Market Analysts.

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

Experience

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

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

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

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

Co-Founder | Delphin Properties LLC | Charlotte, NC | 1998 - present

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

- Crystal Lakes - A 338-unit manufactured home community serving seniors in Fort Myers, Florida. Purchased the partially-constructed development, completed construction, and sold it for a \$1 million profit.
- Mahler's Glen - A 348-unit development originally planned as a manufactured home community serving families in Garner, North Carolina. Secured zoning and site plan approval, engineered the property (including a private wastewater treatment facility), and sold it to a national homebuilder for a \$2 million profit.
- Beacon Wood - A 363-unit development originally planned as a manufactured home community serving families in Crockery Township, Michigan. Secured zoning and site plan approval, engineered the property, and sold it to a regional homebuilder for a \$1 million profit.

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

Founder of Allen & Associates Consulting, a real estate advisory firm specializing in workforce and affordable housing. Practice areas include low-income housing tax credits, tax-exempt bond transactions, HUD assisted and financed multifamily, USDA-RD assisted and financed properties, public housing, historic tax credits, conventional multifamily, and manufactured housing. Services include development consulting, feasibility studies, market analysis, rent comparability studies, appraisals, capital needs assessments, and utility studies. Performed over 3000 development consulting assignments in 46 states since 2000. Major projects include:

- Market Analysis - Completed market studies for 13 proposed tax credit apartment developments on behalf of the Georgia Department of Community Affairs. The portfolio included 5 family and 8 senior communities. Our analysis identified the 4 best deals for the housing finance agency to consider funding.
- Appraisals - Developed a disposition plan for a 30-property portfolio of apartments on behalf of a private owner. The 921-unit portfolio (located in MD, DE, PA and VA) was valued at \$23 million. Our client relied on our valuations and advice to maximize sales proceeds for the portfolio.
- Capital Needs Assessments - Completed capital needs assessments for an 8-property portfolio of RD-financed apartments on behalf of a private developer. The portfolio (located in FL) included 6 family and 2 senior communities. Our client utilized our assessments to develop a scope of work for the proposed acquisition and renovation of the 214-unit portfolio.
- Utility Allowance Studies - Completed utility allowance studies for a portfolio of tax credit apartments on behalf of a large national owner/developer. The portfolio (located in CT, DC, IL, IN, MA, NC, OH, PA and VA) included 31 properties. Our client utilized our research to maximize rents and net operating income for the portfolio.
- Underwriting - Conducted a financial review on behalf of a local housing authority for the proposed redevelopment of a vacant historic textile mill into loft apartments. Our client had been asked to issue \$4 million in tax-exempt bonds for the \$15 million project. Our assistance in underwriting the transaction resulted in the green light for the development.

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

Development Director for Clayton, Williams & Sherwood, a privately-owned operator of manufactured home communities and apartment complexes. Major projects included:

- Multifamily Development - Managed the construction and lease-up of two apartment communities consisting of 564 units and valued at \$38 million. Each property leased up in excess of 25 units per month.
- Manufactured Home Community Development - Put together development plans for 4 manufactured home communities and 2 manufactured home subdivisions consisting of 2047 units and valued at \$63 million.

Assistant to the President | Southwest Property Trust | Dallas, TX | 1993 - 1995

Assistant to the President for Southwest Property Trust, a large apartment REIT. Provided support to management personnel operating a 12,000-unit apartment portfolio.

Investment Analyst/Manager | GE Capital | Dallas, TX | 1991 - 1993

Investment Analyst/Manager for GE Capital's Residential Construction Lending business. Assisted in the management of a \$500 million investment portfolio including 30 single family residential land development investments and 70 single family construction lines of credit.

Regional Manager | Clayton, Williams & Sherwood, Inc. | Newport Beach, CA | 1989 - 1991

Regional Manager for Clayton, Williams & Sherwood, a privately-owned operator of manufactured home communities and apartment complexes. Major projects included:

- Multifamily Management - Management of a 1200-unit apartment portfolio valued at over \$72 million. Implemented a portfolio-wide 10 percent rent increase while cutting operating expenses 3 percent resulting in a \$7 million increase in portfolio value.
- Manufactured Home Community Management - Management of a 1200-unit manufactured home community portfolio valued at over \$36 million. Implemented a 15 percent rent increase in a 500-unit community resulting in a \$4 million increase in property value.

Education

Harvard Business School | MBA, General Management, Real Estate, Economics | 1986 - 1988

Graduated in 1988 with an MBA from Harvard Business School. Emphasis in General Management and Real Estate with a minor concentration in Economics.

Clemson University | BS, Engineering, Economics | 1978 - 1983

Graduated in 1983 with a BS in Engineering from Clemson University. Minor concentration in Economics. Honors included Dean's List and Alpha Lambda Delta honorary. Elected officer for Phi Delta Theta social fraternity. Awarded scholarship on Clemson's varsity wrestling team.

Certifications, Designations and Affiliations

Mr. Carroll is a certified general appraiser, licensed to appraise real estate in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina and Virginia. Mr. Carroll is also a designated member of the Appraisal Institute (MAI).

Mr. Carroll is a peer-reviewed member of the National Council of Housing Market Analysts (NCHMA), where he served on the Executive Committee and chaired the Data and Ethics Committees.



Rent & Income Limit Calculator ©

If you would like to engage Novogradac & Company LLP to calculate the rent & income limits for your property, please contact Thomas Stagg at thomas.stagg@novoco.com.

You can view demographic information and a detailed list of affordable housing properties in [compsMART+](#).

Click on the icons below to view historical charts.

Program and Location Information

Affordable Housing Program	IRS Section 42 Low-Income Housing Tax Credit (LIHTC)
Year (1)(2)	2018 (effective 04/01/18)
State	VA
County	Page County
MSA	Page County, VA
Persons / Bedroom	1.5 Person / Bedroom
4-person AMI 	\$53,500
National Non-Metropolitan Median Income (3)(4)	\$58,400
Hold Harmless (6)	You have indicated that your project qualifies as a rural area under the 2008 Housing Act (using USDA's determination of rural) and is therefore eligible for the national non-metropolitan income and rent floor.
Placed in Service Date (7)	You have indicated that your project was placed in service on or after 04/01/2018 and is therefore eligible to have its income and rent limit held harmless beginning with the 2018 limits.
	On or after 04/01/2018.













HUD Published Income Limits for 2018 (with no adjustments)

Display Income Limits







Hide Income Limits

		Section 8			
	Charts	MTSP 50%	Extremely Low	Very Low	Low
1 Person		\$19,600	\$12,140	\$19,600	\$31,300
2 Person		\$22,400	\$16,460	\$22,400	\$35,800
3 Person		\$25,200	\$20,780	\$25,200	\$40,250
4 Person		\$27,950	\$25,100	\$27,950	\$44,700
5 Person		\$30,200	\$29,420	\$30,200	\$48,300
6 Person		\$32,450	\$32,450	\$32,450	\$51,900
7 Person		\$34,700	\$34,700	\$34,700	\$55,450
8 Person		\$36,900	\$36,900	\$36,900	\$59,050
9 Person		\$39,150	N/A ⁽¹⁰⁾	\$39,150	\$62,600
10 Person		\$41,350	N/A ⁽¹⁰⁾	\$41,350	\$66,150
11 Person		\$43,600	N/A ⁽¹⁰⁾	\$43,600	\$69,750
12 Person		\$45,850	N/A ⁽¹⁰⁾	\$45,850	\$73,300

LIHTC Income Limits for 2018
(Based on 2018 National Non-Metropolitan Median Income)

	Charts	60.00%	20.00%	30.00%	40.00%	50.00%	70.00%	80.00%	140.00%
1 Person 		24,540	8,180	12,270	16,360	20,450	28,630	32,720	34,356
2 Person 		28,020	9,340	14,010	18,680	23,350	32,690	37,360	39,228
3 Person 		31,560	10,520	15,780	21,040	26,300	36,820	42,080	44,184
4 Person 		35,040	11,680	17,520	23,360	29,200	40,880	46,720	49,056
5 Person 		37,860	12,620	18,930	25,240	31,550	44,170	50,480	53,004
6 Person 		40,620	13,540	20,310	27,080	33,850	47,390	54,160	56,868
7 Person 		43,440	14,480	21,720	28,960	36,200	50,680	57,920	60,816
8 Person 		46,260	15,420	23,130	30,840	38,550	53,970	61,680	64,764
9 Person 		49,080	16,360	24,540	32,720	40,900	57,260	65,440	68,712
10 Person 		51,840	17,280	25,920	34,560	43,200	60,480	69,120	72,576
11 Person 		54,660	18,220	27,330	36,440	45,550	63,770	72,880	76,524
12 Person 		57,480	19,160	28,740	38,320	47,900	67,060	76,640	80,472

LIHTC Rent Limits for 2018
(Based on 2018 National Non-Metropolitan Median Income)

Bedrooms (People)	Charts	60.00%	20.00%	30.00%	40.00%	50.00%	70.00%	80.00%	FMR	HOME Low Rent	HOME High Rent
Efficiency (1.0) 		613	204	306	409	511	715	818	528	490	528
1 Bedroom (1.5) 		657	219	328	438	547	766	876	614	525	614
2 Bedrooms (3.0) 		789	263	394	526	657	920	1,052	723	630	723
3 Bedrooms (4.5) 		911	303	455	607	759	1,063	1,215	1,002	726	969
4 Bedrooms (6.0) 		1,015	338	507	677	846	1,184	1,354	1,130	811	1,061
5 Bedrooms (7.5) 		1,121	373	560	747	934	1,308	1,495		895	1,152

Before using the numbers from the Rent & Income Limit Calculator©, we strongly recommend that you check with the applicable state housing agency to verify that the state agrees with the numbers. The numbers round down to the nearest \$1.

This Rent & Income Limit Calculator© does not calculate low-income housing tax credit (LIHTC) limits greater than 50% LIHTC or 60% LIHTC limits, depending on the minimum set-aside elected with the IRS on Form 8609 in accordance with Internal Revenue Code Section 42(i)(3)(A). In other words, if the 20/50 minimum set-aside was elected then 50% LIHTC is the maximum rent calculated and allowed to qualify as a tax credit unit; or if the 40/60 minimum set-aside was elected then 60% LIHTC is the maximum allowed to qualify as a tax credit unit.

[Revenue Ruling 89-24](#) require that the LIHTC rent & income levels start their calculations with the HUD published very low-income (VLI) amounts because the HUD published VLI amounts include certain HUD adjustments, such as high housing cost for high FMR areas to increase income, and state non-metropolitan median income to provide a floor for income limits. The result is that many counties have VLI amounts that are different than 50% of the AMI published by HUD (the 4-person AMGI we have shown above). The Novogradac Rent & Income Calculator© starts by default with the HUD published VLI amounts in accordance with [Revenue Ruling 89-24](#).

(1) The rent and income limits for each year are effective beginning with the effective date shown above. There is a grace period for 45 days to implement the new rent and income limits, which means that the old limits can be relied upon for 45 days after the effective date of the new limits. For example income limits effective 12/04/2012, can be relied on until 1/17/2013. For more information, see [Revenue Ruling 94-57](#).

[IRS LIHC Newsletter #48](#) and [IRS LIHC Newsletter #50](#) clarify that for projects placed in service during the 45-day grace period, the owner may choose the new or the old income limits. For example, if a project was placed in service on 1/8/2013 and the 2012 income limits are higher than the 2013 income limits, an owner may use the higher income limits from 2012 to income qualify tenants and set rents accordingly because the project was placed in service with the 45-day grace period.

Please note, the Rent & Income Limit Calculator© does not apply a 45-day grace period automatically. The user needs to indicate that the placed in service date and/or gross rent floor date occurred 45 days earlier (in the prior HUD Fiscal Year) if they want to apply the 45-day rule under [Revenue Ruling 94-57](#) that allows owners to rely on the prior year. Therefore, projects that were placed in service during the 45-day grace period, and want to use the prior year, should select that they were placed in service as of the prior year. For example, if a project placed in service on 1/8/2013, and the project wanted to use the 45-day grace period, the user should select that their project was in service prior to 12/4/2012. Similarly, projects that have a gross rent floor effective as of the carryover allocation date (or reservation letter date for bond projects) during the 45-day grace period, and want to use the prior year, should select that the gross rent floor was effective as of the prior year. For example, if a project received a carryover allocation letter on 1/8/2013, and the owner did not elect placed in service date as the gross rent floor, and the project wanted to use the 45-day grace period, the user should select that their gross rent floor was effective prior to 12/4/2012.

(2) For HUD FY 2013 HUD originally issued income limits on December 4, 2012 then issued revised income limits on December 11, 2012. In [IRS LIHC Newsletter #50](#), the IRS has stated that the effective date for the revised FY 2013 income limits is December 4, 2012. Based on this guidance, the Rent & Income Limit Calculator© uses December 4, 2013 for the effective date for the revised FY 2013 limits. Please see [IRS LIHC Newsletter #50](#) for more detail.

(3) An area may lose its rural area status. There is no clear guidance that a project is held harmless at the national non-metropolitan income limits when an area loses its rural status. The Rent & Income Limit Calculator© assumes that a project that is not indicated as rural in the current year was also not rural in the prior year, and therefore, does not receive hold harmless treatment based on the prior year national non-metro amount.

Please consult your state agency and tax advisor for further clarification.

(4) USDA may change their determination of what projects qualify as rural during the course of a year. Please periodically check with USDA to determine the continued rural eligibility of your project.

The national non-metropolitan median income has been adjusted for household size based on the family size adjustments outlined in the HUD Briefing Materials and as shown in each year's [HUD FAQ](#). The IRS did not specify whether or not to round to the nearest \$50, however, the Rent & Income Limit Calculator© will round to the nearest \$50 in accordance with the methodology referenced in HUD Briefing Materials.

(5) A project uses HERA Special if income was determined prior to 1/1/2009 and the project is in a HERA Special county. A project's income limits are held harmless at the prior year income limits if income was determined in the prior year or earlier and the income limits have decreased. Please note that the IRS has informally indicated that the definition of "determined" for purposes of the HERA Special and MTSP Hold Harmless income limits means that a project was placed in service. Please see [IRS LIHC Newsletter #35](#) for more information about "determined" and

projects with buildings that were placed in service before and after HUD income limit effective dates. Therefore, projects placed in service prior to 1/1/2009 are generally eligible for HERA Special. Please see footnote 7 for information about acquisition/rehabilitation projects.

(6) Internal Revenue Code Section 142(d)(2)(i) indicates that hold harmless applies on a calendar year. The Rent & Income Limit Calculator© assumes that "calendar year" in the hold harmless rule means the HUD Fiscal Year. For example, the 2009 calendar year means the HUD Fiscal Year from 3/19/2009 through 5/13/2010. In other words, the Rent & Income Limit Calculator© assumes that "calendar year" in the hold harmless rule means the highest income level achieved during any HUD Fiscal Year.

The Rent & Income Limit Calculator© assumes that a rural project will receive hold harmless treatment at the national non-metro amount based on the prior year national non-metro amount if the national non-metro median income were to fall from year to year. If a rural project qualifies for HERA Special and the HERA Special is higher than the national non-metro, then the HERA Special amount will be used. Please note that the IRS has not issued guidance that specifically allows hold harmless treatment at the national non-metro amount for rural projects, however, Internal Revenue Code 42(g)(4) by reference to Internal Revenue Code 142(d)(2)(E) implies that hold harmless treatment would apply at the national non-metro amount for rural projects. Please consult your tax advisor for further clarification.

(7) Please note that for acquisition/rehabilitation projects, the IRS guidance indicates that income and rent limits are determined at the later of the acquisition date or when management begins income-qualifying households in the project. For example, if a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households in 2011 then the project would be considered placed in service in 2011 for income and rent purposes. If a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households when the rehabilitation placed-in-service in 2012, then the project would be considered placed in service in 2012 for income and rent purposes. Please see [IRS LIHC Newsletter #35](#) for more detail. Please consult your tax advisor for further clarification.

(8) [Revenue Procedure 94-57](#) gives guidance on the gross rent floor election.

Tax credit projects without bond financing:

"The Internal Revenue Service will treat the gross rent floor in section 42(g)(2)(A) as taking effect on the date an Agency initially allocates a housing credit dollar amount to the building [generally referred to as the 42M letter] under section 42(h)(1). However, the Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that made the allocation to the building no later than the date on which the building is placed in service."

Tax credit projects with bond financing:

"The Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that issued the determination letter to the building no later than the date on which the building is placed in service."

(9) The Rent & Income Limit Calculator© assumes all buildings in a project have a rent floor effective date under [Revenue Procedure 94-57](#) in the same HUD Fiscal Year. However, if your buildings have rent floor effective dates under [Revenue Procedure 94-57](#) in different HUD Fiscal Years, then you should run the calculator separately for each group of buildings in a particular HUD Fiscal Year.

The Rent & Income Limit Calculator© assumes that different AMGI limits (40%, 35%, 30%, etc.) chosen by the user will also have a rent floor election under [Revenue Procedure 94-57](#) from the same HUD Fiscal Year that applies to the federal level of 50% or 60%.

(10) The Consolidated Appropriations Act of 2014 changed how the 30% income limit is calculated. The 30% limit, which is now called the extremely low income limit, is determined by taking the greater of the 30% income limit as calculated by HUD or the poverty level as determined by the Department of Health and Human Services, which is then capped at the 50% Very Low Income Limit ('VLI') published by HUD. HUD has only published the data up to 8 people. For household sizes above 8 people please visit the following website:
http://www.huduser.org/portal/datasets/il/il14/index_il2014.html

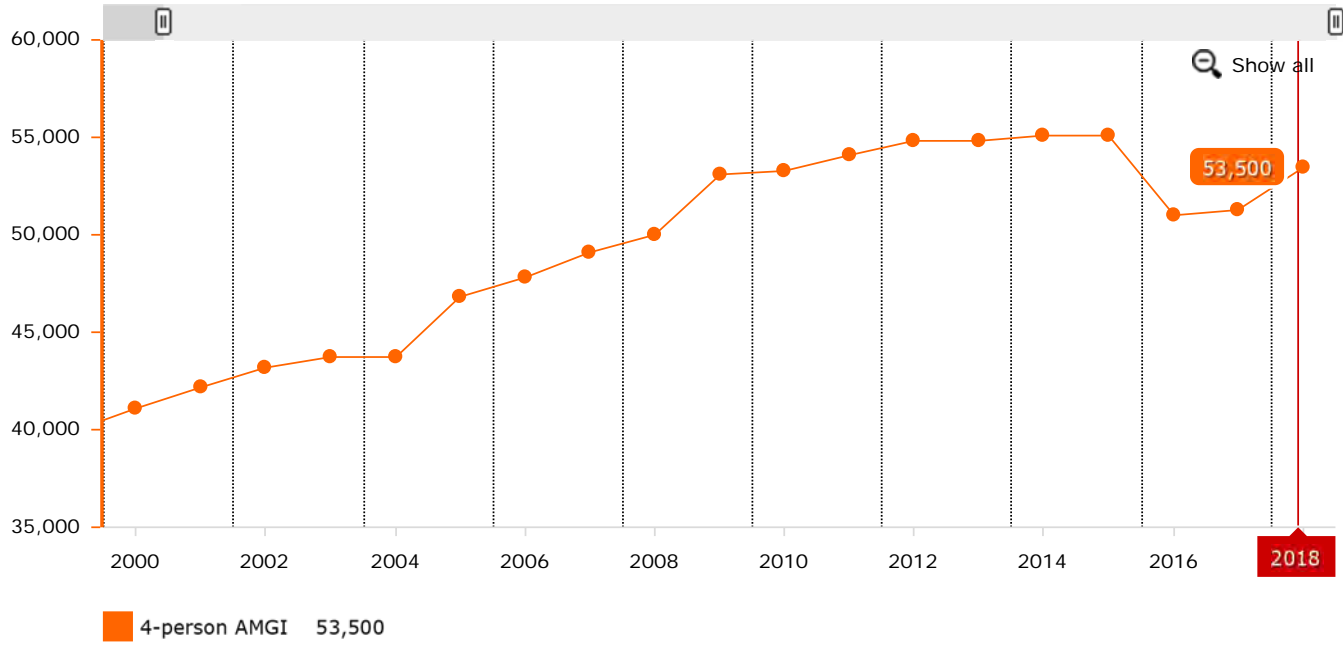
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chart by amcharts.com



Display: 4-person AMGI

Average Increase (AMGI): 1.6%/year

Close Window

STATE:VIRGINIA

-----I N C O M E L I M I T S-----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	
Louisa County, VA FY 2018 MFI: 71300	VERY LOW INCOME 60% INCOME LIMIT	25000 30000	28550 34260	32100 38520	35650 42780	38550 46260	41400 49680	44250 53100	47100 56520
Lunenburg County, VA FY 2018 MFI: 50300	VERY LOW INCOME 60% INCOME LIMIT	19600 23520	22400 26880	25200 30240	27950 33540	30200 36240	32450 38940	34700 41640	36900 44280
Madison County, VA FY 2018 MFI: 57300	VERY LOW INCOME 60% INCOME LIMIT	20650 24780	23600 28320	26550 31860	29500 35400	31900 38280	34250 41100	36600 43920	38950 46740
Mecklenburg County, VA FY 2018 MFI: 51900	VERY LOW INCOME 60% INCOME LIMIT	19600 23520	22400 26880	25200 30240	27950 33540	30200 36240	32450 38940	34700 41640	36900 44280
Middlesex County, VA FY 2018 MFI: 66200	VERY LOW INCOME 60% INCOME LIMIT	23200 27840	26500 31800	29800 35760	33100 39720	35750 42900	38400 46080	41050 49260	43700 52440
Northampton County, VA FY 2018 MFI: 52700	VERY LOW INCOME 60% INCOME LIMIT	19600 23520	22400 26880	25200 30240	27950 33540	30200 36240	32450 38940	34700 41640	36900 44280
Northumberland County, VA FY 2018 MFI: 65000	VERY LOW INCOME 60% INCOME LIMIT	22750 27300	26000 31200	29250 35100	32500 39000	35100 42120	37700 45240	40300 48360	42900 51480
Nottoway County, VA FY 2018 MFI: 55600	VERY LOW INCOME 60% INCOME LIMIT	19600 23520	22400 26880	25200 30240	27950 33540	30200 36240	32450 38940	34700 41640	36900 44280
Orange County, VA FY 2018 MFI: 76000	VERY LOW INCOME 60% INCOME LIMIT	26600 31920	30400 36480	34200 41040	38000 45600	41050 49260	44100 52920	47150 56580	50200 60240
Page County, VA FY 2018 MFI: 53500	VERY LOW INCOME 60% INCOME LIMIT	19600 23520	22400 26880	25200 30240	27950 33540	30200 36240	32450 38940	34700 41640	36900 44280
Patrick County, VA FY 2018 MFI: 46500	VERY LOW INCOME 60% INCOME LIMIT	19600 23520	22400 26880	25200 30240	27950 33540	30200 36240	32450 38940	34700 41640	36900 44280
Pittsylvania County-Danville city, VA HNMFA FY 2018 MFI: 51300	VERY LOW INCOME 60% INCOME LIMIT	19600 23520	22400 26880	25200 30240	27950 33540	30200 36240	32450 38940	34700 41640	36900 44280
Prince Edward County, VA FY 2018 MFI: 56200	VERY LOW INCOME 60% INCOME LIMIT	19700 23640	22500 27000	25300 30360	28100 33720	30350 36420	32600 39120	34850 41820	37100 44520
Richmond County, VA FY 2018 MFI: 57300	VERY LOW INCOME 60% INCOME LIMIT	22600 27120	25800 30960	29050 34860	32250 38700	34850 41820	37450 44940	40000 48000	42600 51120
Rockbridge County-Buena Vista city-Lexington city, VA HNMFA FY 2018 MFI: 55900	VERY LOW INCOME 60% INCOME LIMIT	19950 23940	22800 27360	25650 30780	28450 34140	30750 36900	33050 39660	35300 42360	37600 45120

* Income Limit for any project in a HUD impacted area whose current limit would be less than last year or less than its FY2008 limit times the Current Year Median (FY2018) over the FY2008 median. HUD impacted areas are areas with Section 8 Income Limits held harmless by HUD in FY2007 or FY2008.