

# MARKET STUDY

Property:  
Mt. Sterling Senior 9% B  
Bartholomew Fair Drive  
Sterling, Loudoun County, Virginia 20164



Type of Property:  
Affordable Multifamily Development  
Elderly  
New Construction

Date of Report:  
March 11, 2019

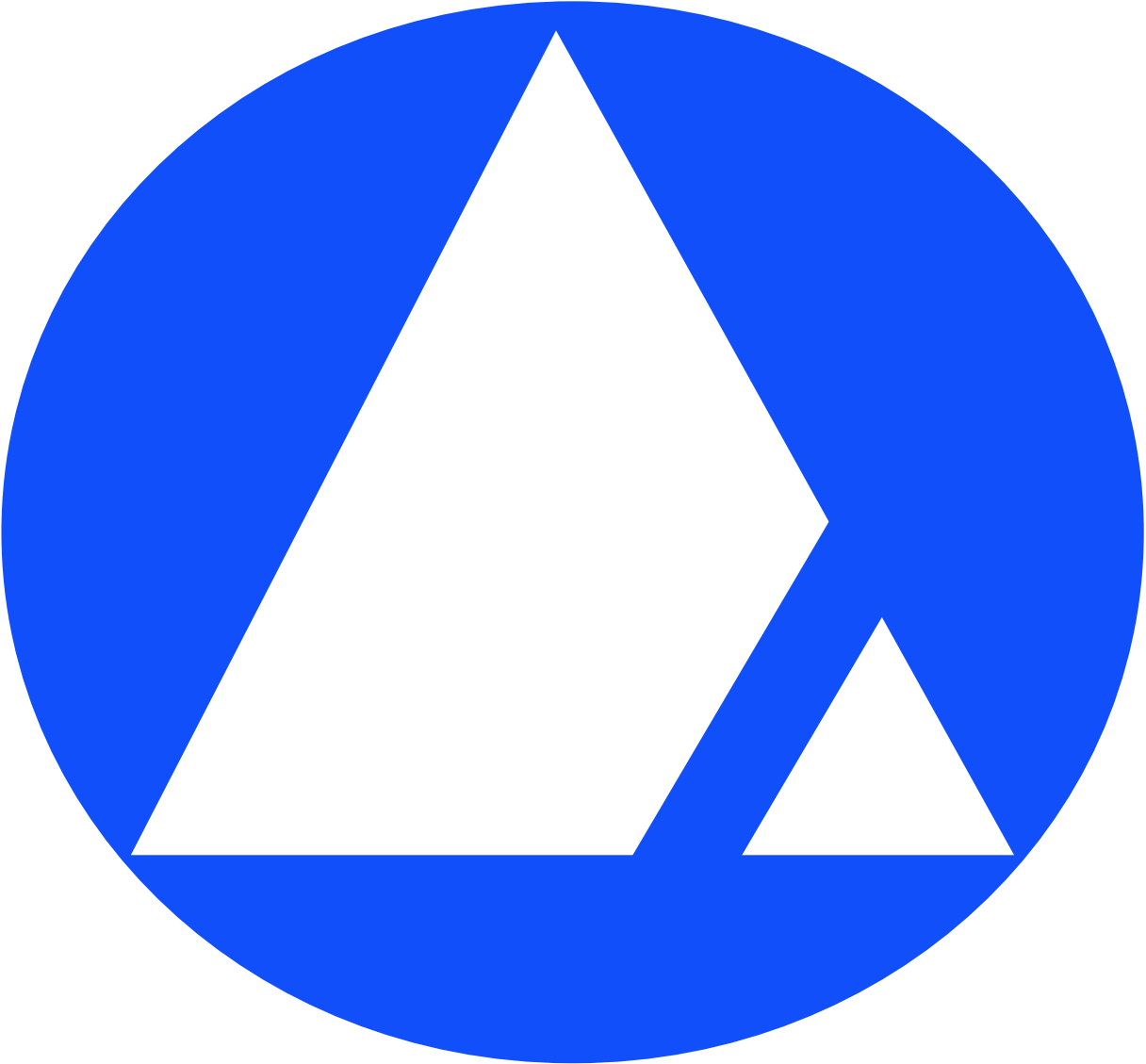
Effective Date:  
March 6, 2019

Date of Site Visit:  
October 22, 2018

Prepared For:  
Ms. Laura London  
Arlington Partnership for Affordable Housing  
4318 N Carlin Springs Road  
Arlington, Virginia 22203  
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AAC File Number:  
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March 11, 2019

Ms. Laura London  
Arlington Partnership for Affordable Housing  
4318 N Carlin Springs Road  
Arlington, Virginia 22203

Re: Mt. Sterling Senior 9% B

Dear Ms. Laura London:

The subject property, known as Mount Sterling Senior 9% B, is a proposed multifamily development to be located on Bartholomew Fair Drive between Price Cascades Plaza and Benedict Drive in Sterling, Loudoun County, Virginia. The subject property consists of 48 revenue-producing units. The sponsor has proposed to construct the subject property with tax credit financing. The subject property is a 62+ age restricted community.

The subject property is proposed to consist of 48 revenue-producing units including 1- and 2-bedroom garden-style apartment units. A total of 5 units are proposed to be income restricted to 30% of AMI; a total of 19 units are proposed to be income restricted to 50% of AMI; a total of 24 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 5 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing. Under the proposed terms of the proposed tax credit financing, these restrictions will have a term of 30 years.

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

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

The report has been generated for the benefit of our client Arlington Partnership for Affordable Housing. 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 Mount Sterling Senior 9% B, is a proposed multifamily development to be located on Bartholomew Fair Drive between Price Cascades Plaza and Benedict Drive in Sterling, Loudoun County, Virginia. The subject property consists of 48 revenue-producing units. The sponsor has proposed to construct the subject property with tax credit financing. The subject property is a 62+ age restricted community.

### Proposed Unit Mix

The subject property is proposed to consist of 48 revenue-producing units including 1- and 2-bedroom garden-style apartment units. A total of 5 units are proposed to be income restricted to 30% of AMI; a total of 19 units are proposed to be income restricted to 50% of AMI; a total of 24 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 5 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing. Under the proposed terms of the proposed tax credit financing, these restrictions will have a term of 30 years.

Unit Type / Income Limit / Rent Limit	Proposed Unit Configuration		Units	Gross Rent	UA	Net Rent
	HOME	Subsidized				
1BR-1BA-610sf / 30% of AMI / 30% of AMI	No	No	3	\$659	\$130	\$529
1BR-1BA-614sf / 30% of AMI / 30% of AMI	No	No	2	\$659	\$130	\$529
1BR-1BA-614sf / 50% of AMI / 50% of AMI	No	No	10	\$1,099	\$130	\$969
1BR-1BA-626sf / 50% of AMI / 50% of AMI	No	No	3	\$1,099	\$130	\$969
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	No	1	\$1,099	\$130	\$969
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	Yes	5	\$1,570	\$130	\$1,440
1BR-1BA-631sf / 60% of AMI / 60% of AMI	No	No	4	\$1,319	\$130	\$1,189
1BR-1BA-643sf / 60% of AMI / 60% of AMI	No	No	2	\$1,319	\$130	\$1,189
1BR-1BA-646sf / 60% of AMI / 60% of AMI	No	No	4	\$1,319	\$130	\$1,189
1BR-1BA-667sf / 60% of AMI / 60% of AMI	No	No	3	\$1,319	\$130	\$1,189
2BR-1.5BA-833sf / 60% of AMI / 60% of AMI	No	No	4	\$1,582	\$158	\$1,424
2BR-1.5BA-887sf / 60% of AMI / 60% of AMI	No	No	4	\$1,582	\$158	\$1,424
2BR-1.5BA-904sf / 60% of AMI / 60% of AMI	No	No	3	\$1,582	\$158	\$1,424
Total/Average			48	\$1,273	\$136	\$1,136

### Site Description

The subject property includes an irregular-shaped parcel consisting of approximately 2.28 acres and approximately 850 feet of road frontage.

A total of 35 parking spaces are planned for this development (30 regular / 5 accessible / 0.73 spaces per unit). Privately-owned parking areas are planned for the subject property. We normally see 1.0 to 1.5 spaces per unit for projects like the subject. Public transportation is found in the immediate area. In our opinion, the current parking appears a bit light for the subject property.

### Additional Considerations:

Zoning	R-16. Legal, conforming use.
Environmental	New construction. No suspected environmental conditions.
Topography	No issues detected.
Flood	Zone X. Outside the 100-year flood zone.
DDA Status	Loudoun County, Virginia. Not designated as a Difficult to Develop Area.
QCT Status	Tract 6115.01. Not designated as a Qualified Census Tract.
Access	Very good. Located near a heavily-traveled road.
Visibility	Very good. Significant frontage and drive-by traffic.

In our opinion, the site is suitable for development.

#### Neighborhood Description

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

In our opinion, the subject property has an excellent location relative to competing properties with respect to area amenities.

#### Additional Considerations:

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

In our opinion, the neighborhood is suitable for development.

#### Primary Market Area

We defined the primary market area by generating a 10-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 104,182 persons and covers a total of 31.8 square miles, making it 6.4 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 104,182 and is projected to grow 1.6 percent this year.
Households	Market area households currently stand at 35,377 and is projected to grow 1.6 percent this year.
Renter Households	Market area renter households currently stand at 8,677 and is projected to grow 0.6 percent this year.
Renter Tenure	Market area renter tenure currently stands at 24.5 percent.
Rent Growth	Market area rents have grown 2.50% 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 1,208,285 and is projected to grow 2.1 percent this year.
Civ Employment	Regional civilian employment currently stands at 896,318 and is projected to grow 1.9 percent this year.
Empl by Industry	Regional establishment employment currently stands at 1,208,285. The data suggests that Professional and Technical Services is the largest employment category accounting for 21.4% of total regional employment. Retail Trade is the second largest category accounting for 8.5% of total employment. Health Care and Social Assistance is the third largest category accounting for 8.1% of total employment. State and Local Government is the fourth largest category accounting for 7.2% of total employment. Accommodation and Food Services is the

Top Employers	fifth largest category accounting for 6.7% of total employment. The top employers include: (1) Sodexo (8500 employees); (2) Inova Fairfax Hospital (5127 employees) and; (3) AT&T Store (5000 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 4,005 units. The occupancy rate for these units currently stands at 92 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	12	3,144	165	95%
Restricted	7	766	146	81%
Subsidized	1	95	5	95%
Total	20	4,005	316	92%

Stabilized				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	10	2,913	101	97%
Restricted	3	470	5	99%
Subsidized	0	0	0	0%
Total	13	3,383	106	97%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	1	165	8	95%
Restricted	2	155	0	100%
Subsidized	1	90	0	100%
Total	4	410	8	98%

Pipeline				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	1	66	56	15%
Restricted	1	96	96	0%
Subsidized	0	0	0	0%
Total	2	162	152	6%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	1	45	45	0%
Subsidized	0	5	5	0%
Total	1	50	50	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
015	Commons on Potomac Squar	104	99%	2011	no	Market Rate	Family	0.30
027	Lerner Parc Dulles	393	98%	2007	na	Market Rate	Family	1.08
028	Lerner Remington	406	96%	1999	na	Market Rate	Family	1.30
029	Lerner Windmill Parc	437	97%	2015	na	Market Rate	Family	0.97
053	Village at Potomac Falls Apar	162	96%	1999	na	Market Rate	Family	1.90

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
003	Acclaim At Sterling	102	97%	1998	na	Restricted	Family	1.47
005	Arbor Terrace at Herndon	80	98%	2005	na	Restricted	Elderly	1.70
007	Ashburn Meadows Phase 2	160	97%	2002	na	Restricted	Family	3.76
012	Cascades Village Rental Horr	150	100%	2001	na	Restricted	Elderly	0.59
017	Fields at Cascades Apartmen	320	99%	1995	na	Restricted	Family	0.39
022	Herndon Harbor House 1 & 2	120	100%	2001	na	Restricted	Elderly	2.89
036	North Point Affordable Housin	48	100%	1998	na	Restricted	Family	3.70
058	Wingler House West Phase 2	132	98%	2004	2018	Restricted	Elderly	4.13

### Achievable Rents

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

Unit Type / Income Limit / Rent Limit	Achievable Rents			Units	Achievable	Proposed	Advantage
	HOME	Subsidized					
1BR-1BA-610sf / 30% of AMI / 30% of AMI	No	No		3	\$529	\$529	0.0%
1BR-1BA-614sf / 30% of AMI / 30% of AMI	No	No		2	\$529	\$529	0.0%
1BR-1BA-614sf / 50% of AMI / 50% of AMI	No	No		10	\$969	\$969	0.0%
1BR-1BA-626sf / 50% of AMI / 50% of AMI	No	No		3	\$969	\$969	0.0%
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	No		1	\$969	\$969	0.0%
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	Yes		5	\$1,525	\$1,440	5.6%
1BR-1BA-631sf / 60% of AMI / 60% of AMI	No	No		4	\$1,189	\$1,189	0.0%
1BR-1BA-643sf / 60% of AMI / 60% of AMI	No	No		2	\$1,189	\$1,189	0.0%
1BR-1BA-646sf / 60% of AMI / 60% of AMI	No	No		4	\$1,189	\$1,189	0.0%
1BR-1BA-667sf / 60% of AMI / 60% of AMI	No	No		3	\$1,189	\$1,189	0.0%
2BR-1.5BA-833sf / 60% of AMI / 60% of AMI	No	No		4	\$1,424	\$1,424	0.0%
2BR-1.5BA-887sf / 60% of AMI / 60% of AMI	No	No		4	\$1,424	\$1,424	0.0%
2BR-1.5BA-904sf / 60% of AMI / 60% of AMI	No	No		3	\$1,424	\$1,424	0.0%
Total / Average				48	\$1,145	\$1,136	0.8%

Our analysis suggests an average achievable rent of \$1,145 for the subject property. This is compared with an average proposed rent of \$1,136, yielding an achievable rent advantage of 0.8 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

### NCHMA Demand Analysis

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

Unit Type / Rent Type / Income Limit	Vac Units at Market Entry	Gross Demand	Vacant & Pipeline Units	Capture Rate Gross	Capture Rate Net	Penetration Rate	Absorption Pd (Mos)
1-Bedroom / Subsidized / 50% of AMI	5	604	5	0.8%	0.8%	12.7%	<1
1-Bedroom / Restricted / 30% of AMI	5	184	0	2.7%	2.7%	2.7%	3
1-Bedroom / Restricted / 50% of AMI	14	192	0	7.3%	7.3%	7.8%	8
1-Bedroom / Restricted / 60% of AMI	13	165	37	7.9%	10.2%	106.1%	9
2-Bedroom / Restricted / 60% of AMI	11	105	8	10.5%	11.3%	21.0%	11



Project-Wide Gross Capture Rate	7.3%
Project-Wide Net Capture Rate	7.9%
Project-Wide Penetration Rate	44.5%
Stabilized Occupancy	97%
Project-Wide Absorption Period	11 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 a competitive market for the 1BR/60% of AMI units, Management should monitor these units closely during lease up.

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 11 months of absorption and an average absorption rate of 4.1 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	6.6%
Project-Wide Capture Rate - Market Units	0.0%
Project-Wide Capture Rate - All Units	6.6%
Project-Wide Absorption Period (Months)	11 mos

#### Conclusion

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

Because of the demonstrated depth of demand in this area, we do not believe the construction of this property will have an adverse impact on existing projects in the market area.

Mt. Sterling Senior 9% B  
 Bartholomew Fair Drive (Between Price Cascades Plaza and Benedict Drive)  
 Sterling, Virginia 20164

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Minimum Income	\$3,900	\$19,770		\$32,970	\$39,570				\$3,900
Maximum Income	\$46,900	\$28,140		\$46,900	\$56,280				\$56,280
New Rental Households	35	6		7	6				54
(+)									
Existing Households - Overburdened	316	50		60	52				478
(+)									
Existing Households - Substandard Housing	63	10		12	10				95
(+)									
Elderly Households - Likely to Convert to Rental Housing	103	16		20	17				
(+)									
Existing Qualifying Tenants - To Remain After Renovation									
(+)									
Total Demand	517	82		99	85				626
(-)									
Supply (Directly Comparable Vacant Units Completed or in Pipeline in PMA)	5				45				50
(=)									
Net Demand	512	82		99	40				576
Proposed Units	5	5		14	24				48
Capture Rate	1.0%	6.1%		14.1%	60.6%				8.3%
Absorption Period (Months)	11 mos	11 mos		11 mos	11 mos				11 mos

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## PROJECT OVERVIEW

### Project Description

The subject property, known as Mount Sterling Senior 9% B, is a proposed multifamily development to be located on Bartholomew Fair Drive between Price Cascades Plaza and Benedict Drive in Sterling, Loudoun County, Virginia. The subject property consists of 48 revenue-producing units. The sponsor has proposed to construct the subject property with tax credit financing. The subject property is a 62+ age restricted community.

Select project details are summarized below:

Project Description	
Property Name	Mt. Sterling Senior 9% B
Street Number	Bartholomew Fair Drive
Street Name	(Between Price Cascades Plaza
Street Type	and Benedict Drive)
City	Sterling
County	Loudoun County
State	Virginia
Zip	20164
Units	48
Year Built	2019
Project Rent	Restricted
Project Type	Elderly
Project Status	Prop Const
Financing Type	Tax Credit

### 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 11-month absorption period. This yields a date of stabilization of August 1, 2021.

### Unit Configuration

The subject property is proposed to consist of 48 revenue-producing units including 1- and 2-bedroom garden-style apartment units. A total of 5 units are proposed to be income restricted to 30% of AMI; a total of 19 units are proposed to be income restricted to 50% of AMI; a total of 24 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 5 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing. Under the proposed terms of the proposed tax credit financing, these restrictions will have a term of 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	610	Garden/Flat	30%	30%	No	No	3	\$659	\$529
1	1.0	614	Garden/Flat	30%	30%	No	No	2	\$659	\$529
1	1.0	614	Garden/Flat	50%	50%	No	No	10	\$1,099	\$969
1	1.0	626	Garden/Flat	50%	50%	No	No	3	\$1,099	\$969
1	1.0	643	Garden/Flat	50%	50%	No	No	1	\$1,099	\$969
1	1.0	643	Garden/Flat	50%	50%	No	Yes	5	\$1,570	\$1,440
1	1.0	631	Garden/Flat	60%	60%	No	No	4	\$1,319	\$1,189
1	1.0	643	Garden/Flat	60%	60%	No	No	2	\$1,319	\$1,189
1	1.0	646	Garden/Flat	60%	60%	No	No	4	\$1,319	\$1,189
1	1.0	667	Garden/Flat	60%	60%	No	No	3	\$1,319	\$1,189
2	1.5	833	Garden/Flat	60%	60%	No	No	4	\$1,582	\$1,424
2	1.5	887	Garden/Flat	60%	60%	No	No	4	\$1,582	\$1,424
2	1.5	904	Garden/Flat	60%	60%	No	No	3	\$1,582	\$1,424
Total/Average		686						48	\$1,273	\$1,136

## 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	\$24,630	\$32,840	\$41,050	\$49,260	\$57,470	\$65,680
2.0 Person	\$28,140	\$37,520	\$46,900	\$56,280	\$65,660	\$75,040
3.0 Person	\$31,650	\$42,200	\$52,750	\$63,300	\$73,850	\$84,400
4.0 Person	\$35,160	\$46,880	\$58,600	\$70,320	\$82,040	\$93,760
5.0 Person	\$37,980	\$50,640	\$63,300	\$75,960	\$88,620	\$101,280
6.0 Person	\$40,800	\$54,400	\$68,000	\$81,600	\$95,200	\$108,800
7.0 Person	\$43,620	\$58,160	\$72,700	\$87,240	\$101,780	\$116,320
8.0 Person	\$46,440	\$61,920	\$77,400	\$92,880	\$108,360	\$123,840

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	\$99,000	4.8%
2009	\$102,700	3.7%
2010	\$103,500	0.8%
2011	\$106,100	2.5%
2012	\$107,500	1.3%
2013	\$107,300	-0.2%
2014	\$107,000	-0.3%
2015	\$109,200	2.1%
2016	\$108,600	-0.5%
2017	\$110,300	1.6%
2018	\$117,200	6.3%

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:

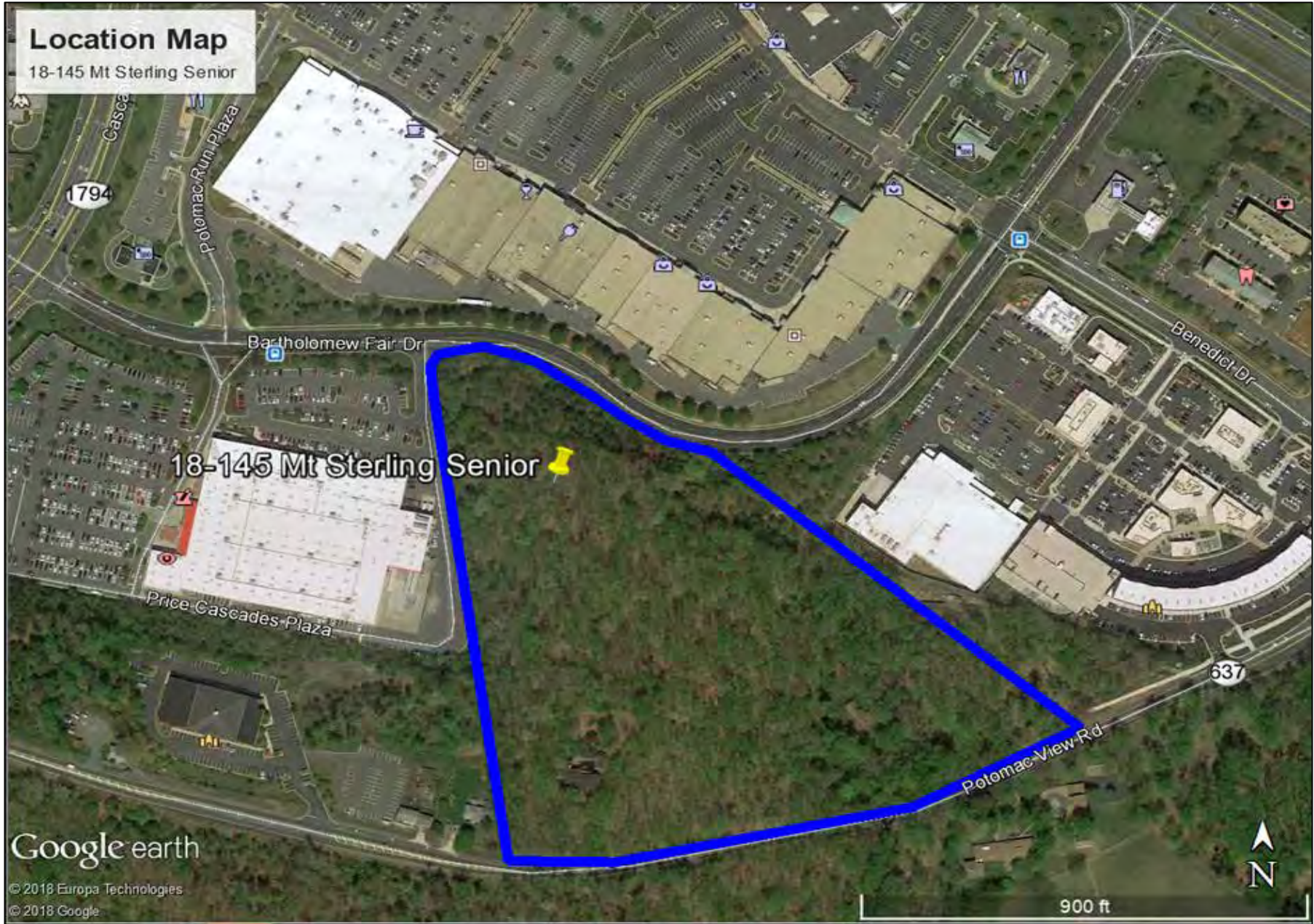
Maximum Housing Expense						
Unit Type	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
0 Bedroom	\$615	\$821	\$1,026	\$1,231	\$1,436	\$1,642
1 Bedroom	\$659	\$879	\$1,099	\$1,319	\$1,539	\$1,759
2 Bedroom	\$791	\$1,055	\$1,318	\$1,582	\$1,846	\$2,110
3 Bedroom	\$914	\$1,219	\$1,523	\$1,828	\$2,133	\$2,438
4 Bedroom	\$1,020	\$1,360	\$1,700	\$2,040	\$2,380	\$2,720

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	\$1,530
1 Bedroom	\$1,570
2 Bedroom	\$1,800
3 Bedroom	\$2,350
4 Bedroom	\$2,890

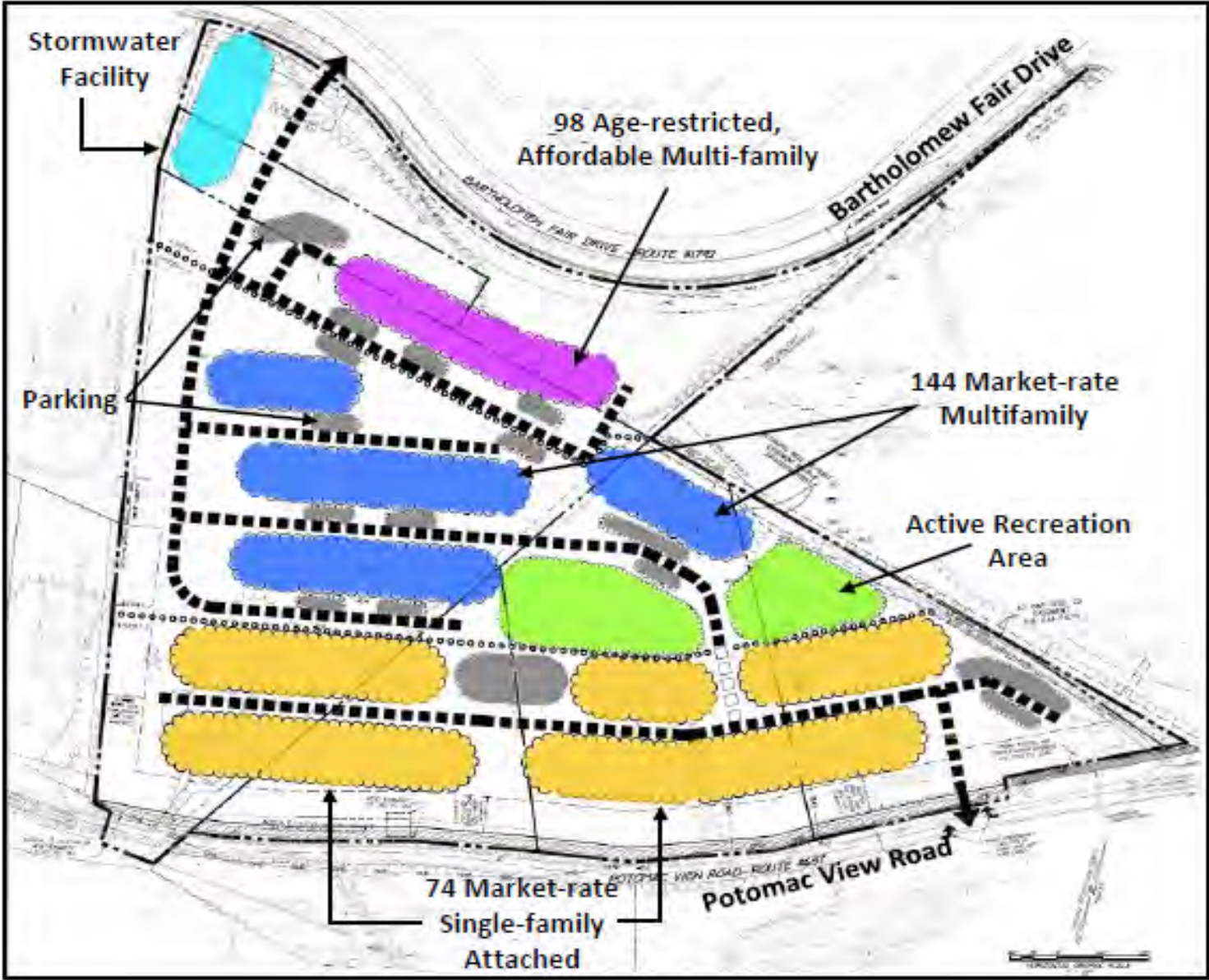
Source: HUD







Site Plan





# Site Plan (Continued)



Building Plans



View From Northeast



View From Northwest



View From Southeast



View From Southwest



**Mt. Sterling Senior Housing**  
Sterling, Virginia  
Perspective Views  
August 16, 2018

## IMPROVEMENT DESCRIPTION & ANALYSIS

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

### **Building Features**

The subject property is proposed to consist of 48 revenue-producing units in 1 residential building and 0 non-residential buildings. The development is proposed to include approximately 32,921 square feet of net rentable area and 47,229 square feet of gross building area.

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

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

The subject property is proposed to include slab on grade foundations.

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

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

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

The subject is proposed to include brick & cementitious lap siding, single hung vinyl double pane windows, and solid core 2-panel unit entry doors.

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

The subject is proposed to include flat TPO membrane roofs.

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

The subject property is proposed to include elevators and interior common area stairwells.

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

Domestic water piping is proposed to be constructed of CPVC pipe and fittings. Wastewater lines consist of PVC pipe and fittings. Potable hot water is proposed to be supplied via individual electric hot water heaters.

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

The subject property is proposed to include individual SEER 15 split system heat pumps & closet-mounted air handlers.

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

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

#### Fire Suppression

The subject property is proposed to be equipped with an NFPA-13 fully automatic fire suppression (sprinkler) system. In addition, hard-wired smoke detectors with battery backup are proposed in each bedroom area.

## **Unit Features**

The subject property is proposed to contain 48 revenue-producing units including 43 regular units and 5 accessible units, including 59 bedrooms, 48 full bathrooms and 11 half bathrooms.

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

### Walls / Ceilings / Interior Doors

Subject property units are proposed to include 8-foot 9-inch ceilings, painted gypsum wallboard & ceilings, wood solid-core 2-panel interior doors and wood solid-core 2-panel closet doors.

### Floor Covering

Floor covering is proposed to consist of luxury vinyl plank in the entryways, kitchens & living areas, ceramic tile in the bathrooms, and wall-to-wall carpeting in the bedrooms.

### Kitchens

Kitchens are proposed to include electric four-top ranges, range hoods, frost-free refrigerators, garbage disposals, dishwashers, microwaves, solid wood cabinets, laminated countertops and stainless steel sinks.

### Bathrooms

Bathrooms are proposed to include solid wood vanities, cultured marble sinks & countertops, porcelain sinks & toilets, along with fiberglass tubs & ceramic tile surrounds.

## **Project Amenities**

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

### Site & Common Area Amenities

A billiard/game room, community center, elevator, fitness center, gazebo/patio, library, movie/media center, picnic area, and walking trail are proposed for the subject property.

### Parking

Open parking is proposed for the subject property.

### Laundry

A washer/dryer units are proposed for the subject property.

### Security

Call buttons, controlled access, and monitoring are proposed for the subject property.

### Services

No additional services are proposed for the subject property.

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

## **Utility Configuration**

The subject property is proposed to include electric heat, electric cooking and electric hot water. 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	610	Garden/Flat	30% of AMI	30% of AMI	No	No	3	\$130	\$99
1	1.0	614	Garden/Flat	30% of AMI	30% of AMI	No	No	2	\$130	\$99
1	1.0	614	Garden/Flat	50% of AMI	50% of AMI	No	No	10	\$130	\$99
1	1.0	626	Garden/Flat	50% of AMI	50% of AMI	No	No	3	\$130	\$99
1	1.0	643	Garden/Flat	50% of AMI	50% of AMI	No	No	1	\$130	\$99
1	1.0	643	Garden/Flat	50% of AMI	50% of AMI	No	Yes	5	\$130	\$99
1	1.0	631	Garden/Flat	60% of AMI	60% of AMI	No	No	4	\$130	\$99
1	1.0	643	Garden/Flat	60% of AMI	60% of AMI	No	No	2	\$130	\$99
1	1.0	646	Garden/Flat	60% of AMI	60% of AMI	No	No	4	\$130	\$99
1	1.0	667	Garden/Flat	60% of AMI	60% of AMI	No	No	3	\$130	\$99
2	1.5	833	Garden/Flat	60% of AMI	60% of AMI	No	No	4	\$158	\$130
2	1.5	887	Garden/Flat	60% of AMI	60% of AMI	No	No	4	\$158	\$130
2	1.5	904	Garden/Flat	60% of AMI	60% of AMI	No	No	3	\$158	\$130
Total/Average								48	\$136	\$106

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

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

### Useful Life Analysis

We anticipate a useful/economic life of 50 years for this development, assuming that appropriate replacement reserves are established for this property.

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

		Actual Age   Effective Age   Condition			Rank		
		Rating					
Key	Project Name	Actual Age	Effective Age	Property Condition	Actual Age	Effective Age	Property Condition
Sub	Mt. Sterling Senior 9% B	2019	2018	4.50	1	1	1
003	Acclaim At Sterling	1998	2000	3.00	12	10	13
005	Arbor Terrace at Herndon	2005	2010	4.00	5	3	4
007	Ashburn Meadows Phase 2	2002	2005	4.00	7	6	4
012	Cascades Village Rental Homes	2001	2005	3.50	8	6	9
015	Commons on Potomac Square	2011	2010	4.00	3	3	4
017	Fields at Cascades Apartments	1995	2000	3.50	14	10	9
022	Herndon Harbor House 1 & 2	2001	2000	3.00	8	10	13
027	Lerner Parc Dulles	2007	2010	4.00	4	3	4
028	Lerner Remington	1999	2005	4.00	10	6	4
029	Lerner Windmill Parc	2015	2015	4.50	2	2	1
036	North Point Affordable Housing (RIHC)	1998	2000	3.50	12	10	9
053	Village at Potomac Falls Apartments	1999	2000	3.50	10	10	9
058	Wingler House West Phase 2	2004	2005	4.50	6	6	1

Source: Allen & Associates; Sponsor

		Amenities																				
		Site & Common Area Amenities																				
Key	Project Name	Ball Field	BQ Area	Billiards Game Rm	Business Comp Ctr	Car Care Center	Community Center	Elevator	Fitness Center	Gazabo Patio	Hot Tub Jacuzzi	Herb Garden	Horseshoes	Lake	Library	Movie Media Ctr	Picnic Area	Playground	Pool	Sauna	Sports Court	Walking Trail
Sub	Mt. Sterling Senior 9% B	no	no	yes	no	no	yes	yes	yes	yes	no	no	no	no	yes	yes	yes	no	no	no	no	yes
003	Acclaim At Sterling	no	no	no	no	no	no	no	yes	yes	no	no	no	no	no	no	no	yes	yes	no	yes	yes
005	Arbor Terrace at Herndon	no	yes	yes	yes	no	no	yes	yes	no	no	no	no	no	no	no	yes	no	yes	no	no	yes
007	Ashburn Meadows Phase 2	no	yes	no	no	no	no	no	yes	no	no	no	no	no	no	no	yes	yes	yes	no	no	no
012	Cascades Village Rental Homes	no	no	yes	no	no	yes	yes	yes	yes	no	no	no	no	yes	yes	no	no	no	no	no	no
015	Commons on Potomac Square	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes
017	Fields at Cascades Apartments	no	yes	no	no	yes	no	no	yes	no	no	no	no	no	no	no	yes	yes	yes	no	yes	no
022	Herndon Harbor House 1 & 2	no	no	no	no	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
027	Lerner Parc Dulles	no	yes	yes	yes	yes	yes	yes	yes	no	no	no	no	no	no	yes	yes	yes	yes	yes	no	no
028	Lerner Remington	no	no	yes	yes	yes	yes	no	yes	yes	no	no	no	no	no	yes	no	yes	yes	yes	yes	no
029	Lerner Windmill Parc	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	yes	yes	yes	yes	no	yes	no
036	North Point Affordable Housing (RIHC)	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
053	Village at Potomac Falls Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	yes	no	no	yes	yes	yes	no	yes	no
058	Wingler House West Phase 2	no	no	no	yes	no	yes	yes	yes	yes	no	no	no	no	yes	yes	no	no	no	no	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	Mt. Sterling Senior 9% B	yes	no	yes	no	no	no	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no	no
003	Acclaim At Sterling	yes	no	yes	no	yes	no	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no
005	Arbor Terrace at Herndon	yes	no	yes	no	no	yes	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no
007	Ashburn Meadows Phase 2	yes	no	yes	no	no	no	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no
012	Cascades Village Rental Homes	yes	no	yes	no	no	no	yes	yes	yes	yes	no	no	yes	no	no	yes	no	no	no	no
015	Commons on Potomac Square	yes	no	yes	no	yes	no	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no	no
017	Fields at Cascades Apartments	yes	no	yes	some	yes	yes	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no
022	Herndon Harbor House 1 & 2	yes	no	yes	no	no	no	yes	yes	yes	no	no	yes	no	no	no	yes	no	no	no	no
027	Lerner Parc Dulles	yes	yes	yes	no	some	no	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no	no
028	Lerner Remington	yes	yes	yes	some	yes	no	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no	no
029	Lerner Windmill Parc	yes	yes	yes	no	some	no	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no	no
036	North Point Affordable Housing (RIHC)	yes	no	yes	no	no	no	yes	yes	no	no	no	yes	no	no	no	yes	no	no	no	no
053	Village at Potomac Falls Apartments	yes	yes	yes	some	yes	no	yes	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no	no
058	Wingler House West Phase 2	yes	no	yes	no	no	no	yes	yes	yes	yes	no	yes	no	no	no	yes	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	Mt. Sterling Senior 9% B	no	no	no	yes	no	no	yes	no	yes	yes	no	yes	no	no	na	na	na	na	na	na	na
003	Acclaim At Sterling	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
005	Arbor Terrace at Herndon	no	no	no	yes	no	no	yes	no	no	yes	no	no	no	no	no	no	yes	no	no	yes	yes
007	Ashburn Meadows Phase 2	no	no	no	yes	yes	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no	no
012	Cascades Village Rental Homes	no	no	no	yes	no	yes	no	no	yes	yes	no	no	no	no	no	no	yes	yes	no	no	no
015	Commons on Potomac Square	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
017	Fields at Cascades Apartments	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
022	Herndon Harbor House 1 & 2	no	no	no	yes	no	yes	no	no	yes	yes	no	no	no	no	no	no	no	no	no	no	no
027	Lerner Parc Dulles	some	no	no	yes	no	no	yes	no	no	yes	yes	no	no	no	no	no	no	no	no	no	no
028	Lerner Remington	some	no	no	yes	no	no	yes	no	no	no	no	no	no	no	na	na	na	na	na	na	na
029	Lerner Windmill Parc	no	no	no	yes	no	no	yes	no	no	yes	no	no	no	no	na	na	na	na	na	na	na
036	North Point Affordable Housing (RIHC)	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
053	Village at Potomac Falls Apartments	no	no	no	yes	no	no	yes	no	no	yes	yes	no	no	no	no	no	no	no	no	no	no
058	Wingler House West Phase 2	no	no	no	yes	no	yes	no	no	yes	yes	no	yes	yes	no	no	no	yes	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	Mt. Sterling Senior 9% B	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes
003	Acclaim At Sterling	yes	no	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes
005	Arbor Terrace at Herndon	yes	no	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	
007	Ashburn Meadows Phase 2	yes	no	yes	no	yes	yes	yes	no	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes
012	Cascades Village Rental Homes	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	
015	Commons on Potomac Square	yes	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no
017	Fields at Cascades Apartments	no	yes	no	yes	yes	yes	yes	no	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes
022	Herndon Harbor House 1 & 2	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	no	yes	yes	yes	yes	
027	Lerner Parc Dulles	yes	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no
028	Lerner Remington	yes	no	yes	no	yes	yes	no	yes	yes	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no
029	Lerner Windmill Parc	yes	no	yes	no	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes
036	North Point Affordable Housing (RIHC)	no	yes	no	yes	yes	yes	no	yes	no	no	yes	no	no	no	no	no	no	no	yes	yes	no	
053	Village at Potomac Falls Apartments	yes	no	no	yes	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no
058	Wingler House West Phase 2	no	no	no	yes	yes	yes	no	no	no	no	no	no	yes	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	17	19	20
Cooking - Gas	3	3	4	6	7
Cooking - Elec	4	4	6	8	10
Other Electric	14	17	23	30	36
Air Conditioning	4	5	6	8	10
Hot Water-Gas	6	7	10	13	16
Hot Water-Elec	10	11	14	17	20
Water	19	20	25	33	42
Sewer	26	28	39	55	71
Trash	28	28	28	28	28

Source: Local Utility Providers; HUD

## SITE DESCRIPTION & ANALYSIS

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

### Survey

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

### Site Plan

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

#### Acres / Lot Shape / Frontage

The subject property includes an irregular-shaped parcel consisting of approximately 2.28 acres and approximately 850 feet of road frontage.

#### Zoning

According to the sponsor, the subject property is currently zoned R-16 Townhouse/Multifamily District. It is our understanding that the zoning for the subject is a legal, conforming use.

#### Parking / Streets / Curbs / Sidewalks

A total of 35 parking spaces are planned for this development (30 regular / 5 accessible / 0.73 spaces per unit). Privately-owned parking areas are planned for the subject property. We normally see 1.0 to 1.5 spaces per unit for projects like the subject. Public transportation is found in the immediate area. In our opinion, the current parking appears a bit light for the subject property.

#### Dumpsters / Dumpster Enclosures

The subject includes 2 publicly-owned dumpsters.

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

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

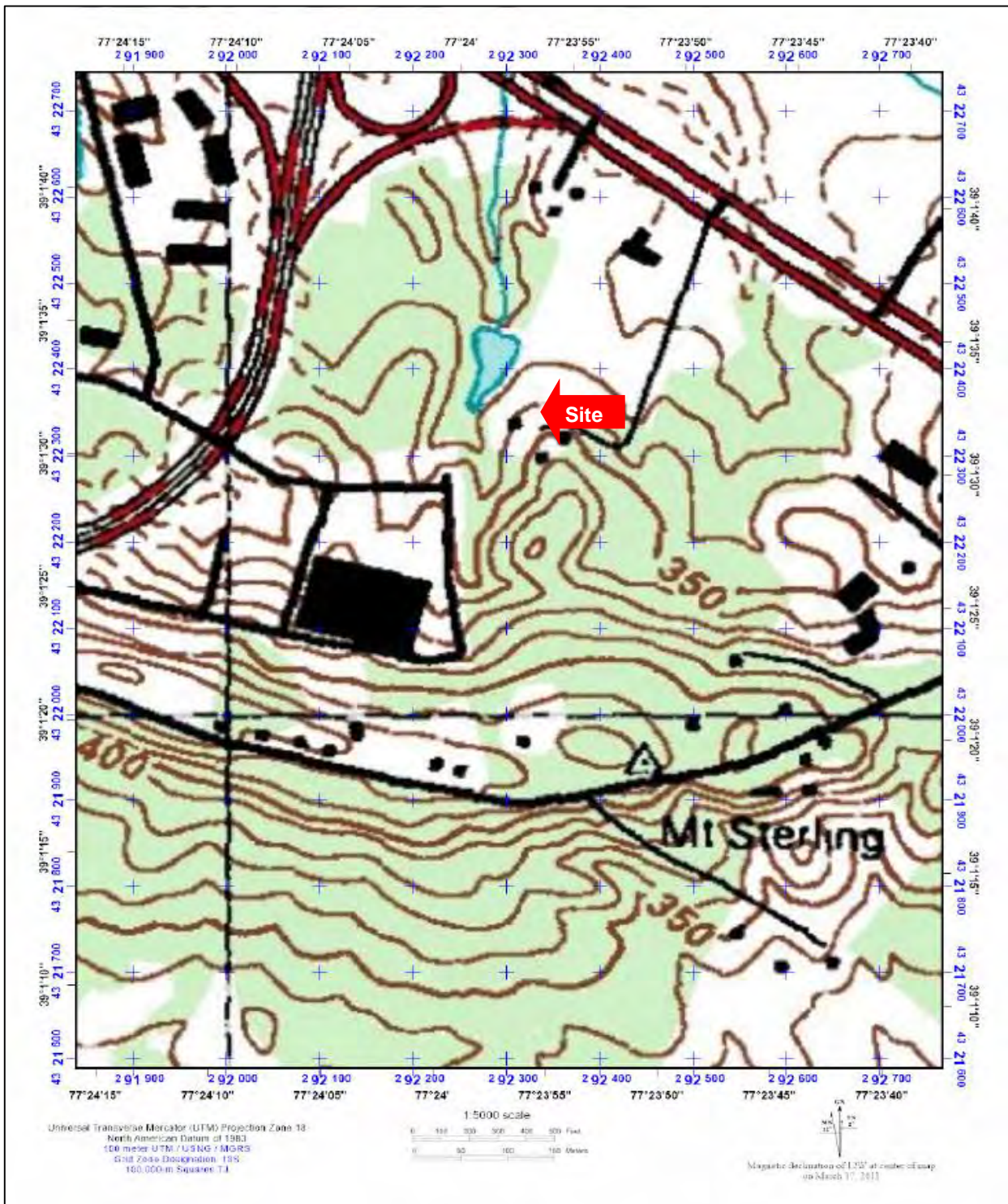
### Nuisances, Hazards, Detrimental Influences & Environmental

We did not observe any nuisances, hazards, detrimental influences or recognized environmental conditions on our inspection of the subject property. 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 sloping and drains to adjacent properties to the north and west. 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:

**FloodInsights Report For:**  
 Latitude: 39.023897 Longitude: -77.399233  
 Original Input Address: Latitude: 39.023897 Longitude: -77.399233

---

**Flood Zone Determinations (Non-Guaranteed)**


**SFHA** Within 250 feet of multiple flood zones?  
 Out No

**Map Number**  
 51107C0269E

Community	Community_Name	Zone	Panel	Panel_Dte	COBRA
510090	UNINCORPORATED AREAS	X	0269E	February 17, 2017	COBRA_OUT

**FIPS** CensusTract  
 51107 6115.01

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**FloodMap Legend**

**Flood Zones**

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FEMA

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02/09/19

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According to FEMA map number 51107C0269E dated February 17, 2017, the subject property is located in Zone X. This is an area that is identified as being located outside the 100-year flood zone.

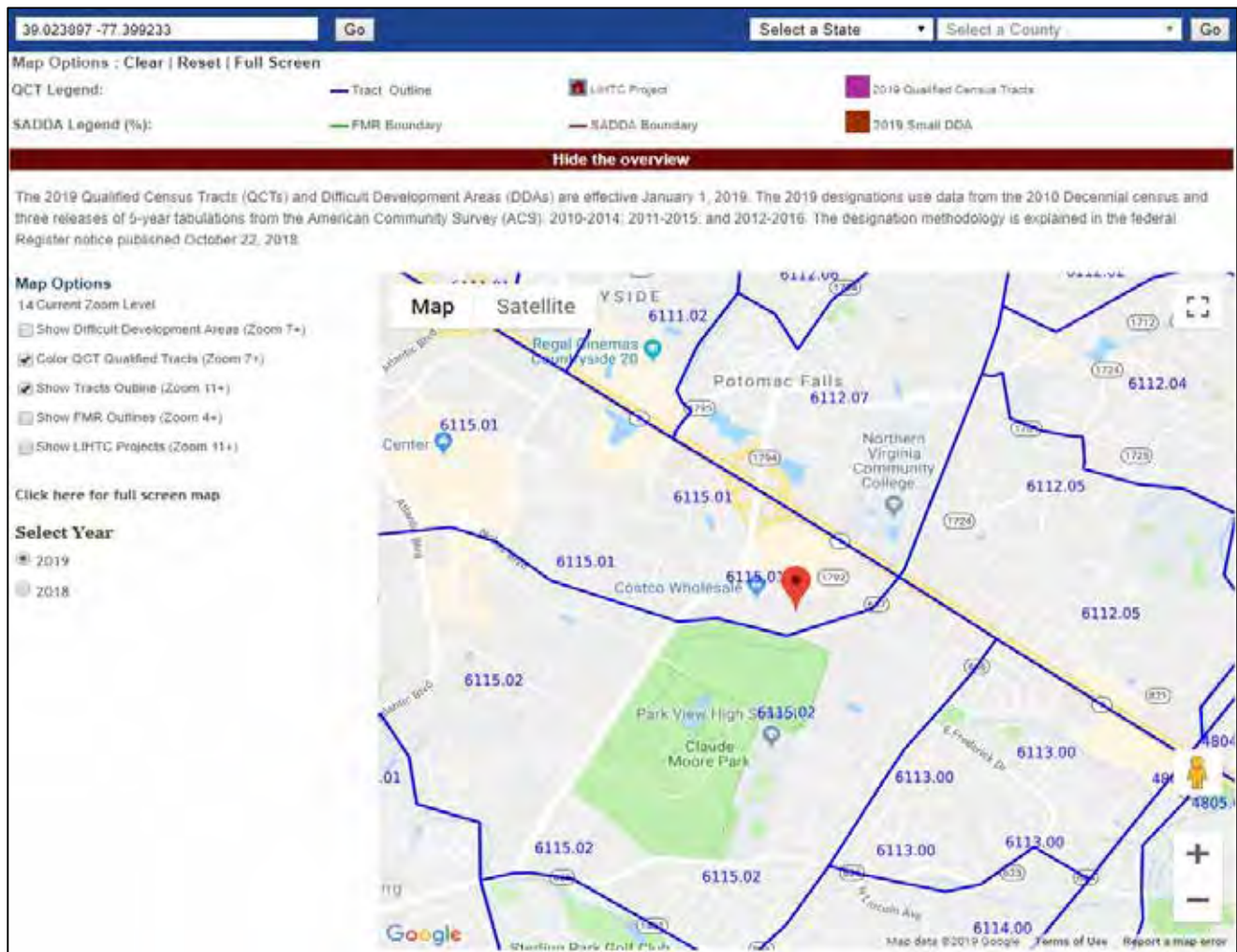


## Difficult to Develop Area Status

The subject property is located in Loudoun 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 6115.01 - 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 Bartholomew Fair Drive, approximately 1 block east of Cascades Parkway in Sterling, Virginia. Bartholomew Fair Drive is a moderately-traveled east-west road carrying approximately 3,000 vehicles per day. Cascades Parkway is a heavily-traveled north-south road carrying approximately 24,000 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 very good by virtue of the location of the subject property relative to existing streets and thoroughfares.

### Visibility

The subject property is visible from Bartholomew Fair Drive with significant frontage and a moderate volume of drive-by traffic. Consequently, in our opinion visibility is very 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	Mt. Sterling Senior 9% B	4.00	4.00	1	1	
003	Acclaim At Sterling	2.50	2.50	10	10	
005	Arbor Terrace at Herndon	3.50	3.50	3	5	
007	Ashburn Meadows Phase 2	3.50	4.00	3	1	
012	Cascades Village Rental Homes	2.50	2.50	10	10	
015	Commons on Potomac Square	2.50	2.50	10	10	
017	Fields at Cascades Apartments	3.50	3.00	3	7	
022	Herndon Harbor House 1 & 2	2.50	2.50	10	10	
027	Lerner Parc Dulles	3.50	3.50	3	5	
028	Lerner Remington	4.00	4.00	1	1	
029	Lerner Windmill Parc	3.00	3.00	8	7	
036	North Point Affordable Housing (RIHC)	2.50	2.00	10	14	
053	Village at Potomac Falls Apartments	3.00	3.00	8	7	
058	Wingler House West Phase 2	3.50	4.00	3	1	

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 Sterlong, Virginia. The immediate area consists of commercial land uses.

Retail in very good condition is located to the north, east and west of the subject property; vacant land is located to the south. 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	Retail	Very Good
South	Vacant Land	-
East	Retail	Very Good
West	Retail	Very Good

Source: Allen & Associates

### Economic Characteristics

The subject property is located in an area with average household incomes of \$73,214 (in 2015 dollars); this is compared with \$98,557 for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with median cash rents of \$1,633 (in 2015 dollars); this is compared with \$1,540 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 \$440,400 (in 2015 dollars); this is compared with \$406,936 for the most comparable properties included in this analysis.

### Crime Rates

The subject property is located in an area with personal crime rates of 0.7%. 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 1.2%.

In addition, the subject property is located in an area with property crime rates of 3.0%. Property crimes include offenses such as burglary, larceny and theft. Our research suggests that the average property crime rate for the most comparable properties stands at 2.1%.

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

Educational Attainment

The subject property is located in an area with high school graduation rates of 90.2%; this is compared with 91.8% for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with college graduation rates of 53.9%; this is compared with 55.5% 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 28.6 minutes; this is compared with 30.3 minutes for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with an average of 1.89 vehicles per household; this is compared with 1.80 vehicles per household for the most comparable properties included in this analysis.

Conclusion

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

**Proximity to Area Amenities**

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

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

Proximity to Area Amenities		
Amenity	Name	Miles
Bank	Wells Fargo Bank	0.1 mi NE
Grocery	Harris Teeter	0.1 mi E
Emergency Clinic	CareNow Urgent Care	0.1 mi NW
Pharmacy	Costco Pharmacy	0.1 mi W
Discount Store	Costco	0.1 mi W
Elementary School	Chesterbrook Academy	0.4 mi NW
Middle School	Chesterbrook Academy	0.4 mi NW
High School	Park View High School	0.8 mi NE
Bus Stop	Price Cascades Plaza	0.1 mi NW

Source: Google Maps

Wells Fargo Bank, Harris Teeter, and Costco are all located less than 0.1 miles away from the subject property. CareNow Urgent Care is located 0.1 miles away.

Number of Area Amenities

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

number of amenities in the immediate area.

- Microsoft Streets & Trips identified 25 banks within 2.0 miles of the subject property. The subject is ranked 2 out of the 14 properties included in this analysis.
- A total of 18 grocery stores are in the vicinity of the subject property. The subject is ranked 2 for the area.
- A total of 0 hospital are in the vicinity of the subject property. The subject is ranked 3 for the area.
- A total of 10 pharmacies are in the vicinity of the subject property. The subject is ranked 1 for the area.
- A total of 123 shopping centers are in the vicinity of the subject property. The subject is ranked 1 for the area.

#### Nearest Area Amenities

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

- According to Microsoft Streets & Trips, the nearest bank is 0.17 miles away from the subject property. The subject is ranked 5 out of the 14 properties included in this analysis.
- The nearest grocery store is 0.73 miles away from the subject property. The subject is ranked 11 for the area.
- The nearest hospital is 4.49 miles away from the subject property. The subject is ranked 11 for the area.
- The nearest pharmacy is 0.11 miles away from the subject property. The subject is ranked 2 for the area.
- The nearest shopping center is 0.04 miles away from the subject property. The subject is ranked 1 for the area.

#### Conclusion

In our opinion, the subject property has an excellent 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

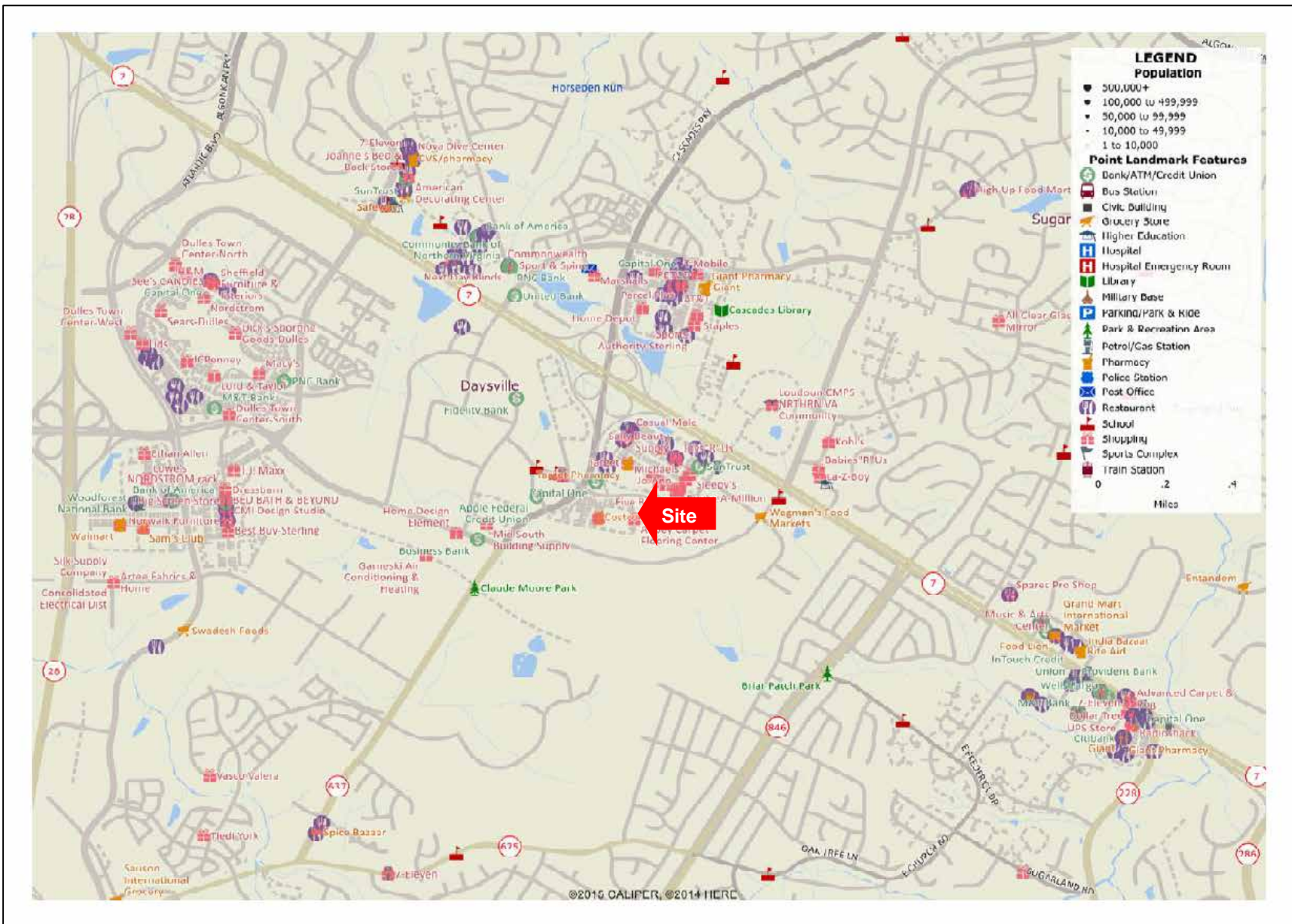
		Rating									Rank (1 = Property with Highest Rating)								Final Rating (1-5 Scale)
		Surrounding Area			Crime Rates		Education		Commute	Surrounding Area			Crime Rates		Education		Commute		
Key	Project Name	Avg HH Income (2015)	Med Cash Rent (2015)	Med SF Value (2015)	Personal Crime	Property Crime	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	Mt. Sterling Senior 9% B	\$73,214	\$1,633	\$440,400	0.7%	3.0%	90.2%	53.9%	28.64	10	5	3	3	9	7	6	3	3.80	
003	Acclaim At Sterling	\$72,527	\$1,521	\$240,000	1.1%	0.7%	80.2%	41.5%	27.30	14	10	14	9	4	13	13	1	2.40	
005	Arbor Terrace at Herndon	\$164,853	\$2,001	\$508,100	1.2%	0.6%	100.0%	68.1%	32.00	1	1	2	10	1	1	3	11	4.50	
007	Ashburn Meadows Phase 2	\$84,167	\$1,379	\$327,400	1.4%	0.6%	86.4%	48.1%	32.16	8	11	13	12	2	12	12	12	2.10	
012	Cascades Village Rental Homes	\$82,933	\$1,053	\$336,200	0.5%	2.1%	79.6%	29.2%	28.84	9	13	12	1	8	14	14	7	2.60	
015	Commons on Potomac Square	\$151,544	\$2,001	\$400,000	0.6%	1.6%	99.4%	58.0%	33.55	3	1	8	2	7	4	4	13	4.00	
017	Fields at Cascades Apartments	\$73,214	\$1,633	\$440,400	0.7%	3.0%	90.2%	53.9%	28.64	10	5	3	3	9	7	6	3	3.80	
022	Herndon Harbor House 1 & 2	\$91,429	\$874	\$352,000	3.8%	3.8%	87.6%	50.3%	30.16	6	14	10	14	13	11	10	9	2.00	
027	Lerner Parc Dulles	\$73,214	\$1,633	\$440,400	0.7%	3.0%	90.2%	53.9%	28.64	10	5	3	3	9	7	6	3	3.80	
028	Lerner Remington	\$89,375	\$1,816	\$339,700	1.4%	5.8%	100.0%	55.9%	27.95	7	3	11	11	14	1	5	2	3.10	
029	Lerner Windmill Parc	\$73,214	\$1,633	\$440,400	0.7%	3.0%	90.2%	53.9%	28.64	10	5	3	3	9	7	6	3	3.80	
036	North Point Affordable Housing (RIHC)	\$153,571	\$1,535	\$620,800	1.1%	1.0%	100.0%	82.1%	29.62	2	9	1	7	6	1	1	8	3.90	
053	Village at Potomac Falls Apartments	\$104,667	\$1,720	\$397,300	1.1%	0.7%	96.3%	49.2%	31.07	4	4	9	8	3	5	11	10	3.20	
058	Wingler House West Phase 2	\$91,875	\$1,123	\$414,000	1.9%	0.8%	94.4%	79.6%	37.61	5	12	7	13	5	6	2	14	2.70	

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	Mt. Sterling Senior 9% B	25	18	0	10	123	0.0	0.7	4.5	2	2	3	1	1	1	11	11	4.50	
003	Acclaim At Sterling	13	15	0	7	45	0.2	0.2	3.4	11	3	3	7	11	7	4	7	3.60	
005	Arbor Terrace at Herndon	9	10	0	5	36	0.1	0.1	3.3	12	8	3	13	12	3	2	6	3.60	
007	Ashburn Meadows Phase 2	8	9	0	6	20	1.0	0.9	2.8	13	10	3	9	13	14	14	4	2.00	
012	Cascades Village Rental Homes	22	13	0	7	110	0.1	0.8	4.3	6	4	3	7	6	6	13	9	2.70	
015	Commons on Potomac Square	23	12	0	9	118	0.2	0.4	4.7	4	6	3	2	3	7	6	13	3.50	
017	Fields at Cascades Apartments	23	12	0	9	120	0.2	0.5	4.9	4	6	3	2	2	10	9	14	3.10	
022	Herndon Harbor House 1 & 2	32	22	2	8	58	0.3	0.6	1.4	1	1	1	4	10	11	10	2	4.00	
027	Lerner Parc Dulles	18	7	0	8	113	0.1	0.2	4.3	8	11	3	4	5	4	5	10	3.10	
028	Lerner Remington	17	5	0	6	107	0.1	0.1	4.0	9	13	3	9	7	4	3	8	3.30	
029	Lerner Windmill Parc	19	7	0	8	118	0.2	0.4	4.5	7	11	3	4	3	9	7	11	2.70	
036	North Point Affordable Housing (RIHC)	24	13	2	6	67	0.1	0.1	1.2	3	4	1	9	9	2	1	1	4.30	
053	Village at Potomac Falls Apartments	16	4	0	5	99	0.7	0.7	3.3	10	14	3	13	8	13	11	5	2.20	
058	Wingler House West Phase 2	8	10	0	6	18	0.6	0.5	2.5	13	8	3	9	14	12	8	3	2.50	

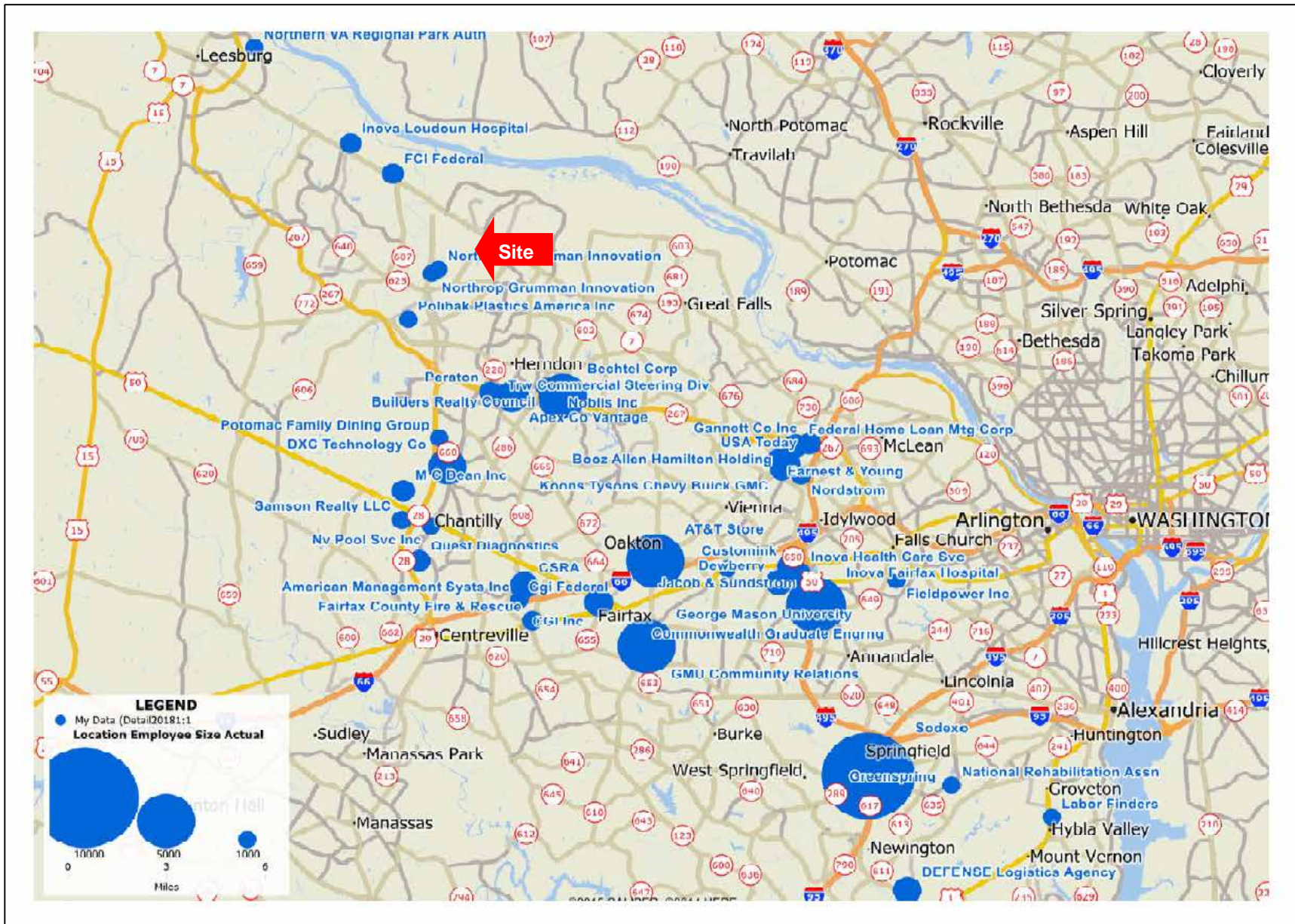
Source: US Census; Claritas; Google Maps

## Proximity to Area Amenities





# Proximity to Area Employers





## SUBJECT PROPERTY PHOTOS

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



Subject Property



Looking North From Entrance



Looking South From Entrance



Looking East From Entrance



Looking West From Entrance

# MARKET AREA

## Overview

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

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

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

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

Our primary and secondary market area definitions are found below.

## Primary Market Area

We defined the primary market area by generating a 10-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
51059480401	Fairfax County	Virginia
51059480402	Fairfax County	Virginia
51059480501	Fairfax County	Virginia
51059480502	Fairfax County	Virginia
51059480503	Fairfax County	Virginia
51059480504	Fairfax County	Virginia
51059480801	Fairfax County	Virginia
51059480802	Fairfax County	Virginia
51059480901	Fairfax County	Virginia
51107611002	Loudoun County	Virginia
51107611006	Loudoun County	Virginia
51107611015	Loudoun County	Virginia
51107611018	Loudoun County	Virginia
51107611020	Loudoun County	Virginia
51107611101	Loudoun County	Virginia
51107611102	Loudoun County	Virginia
51107611202	Loudoun County	Virginia

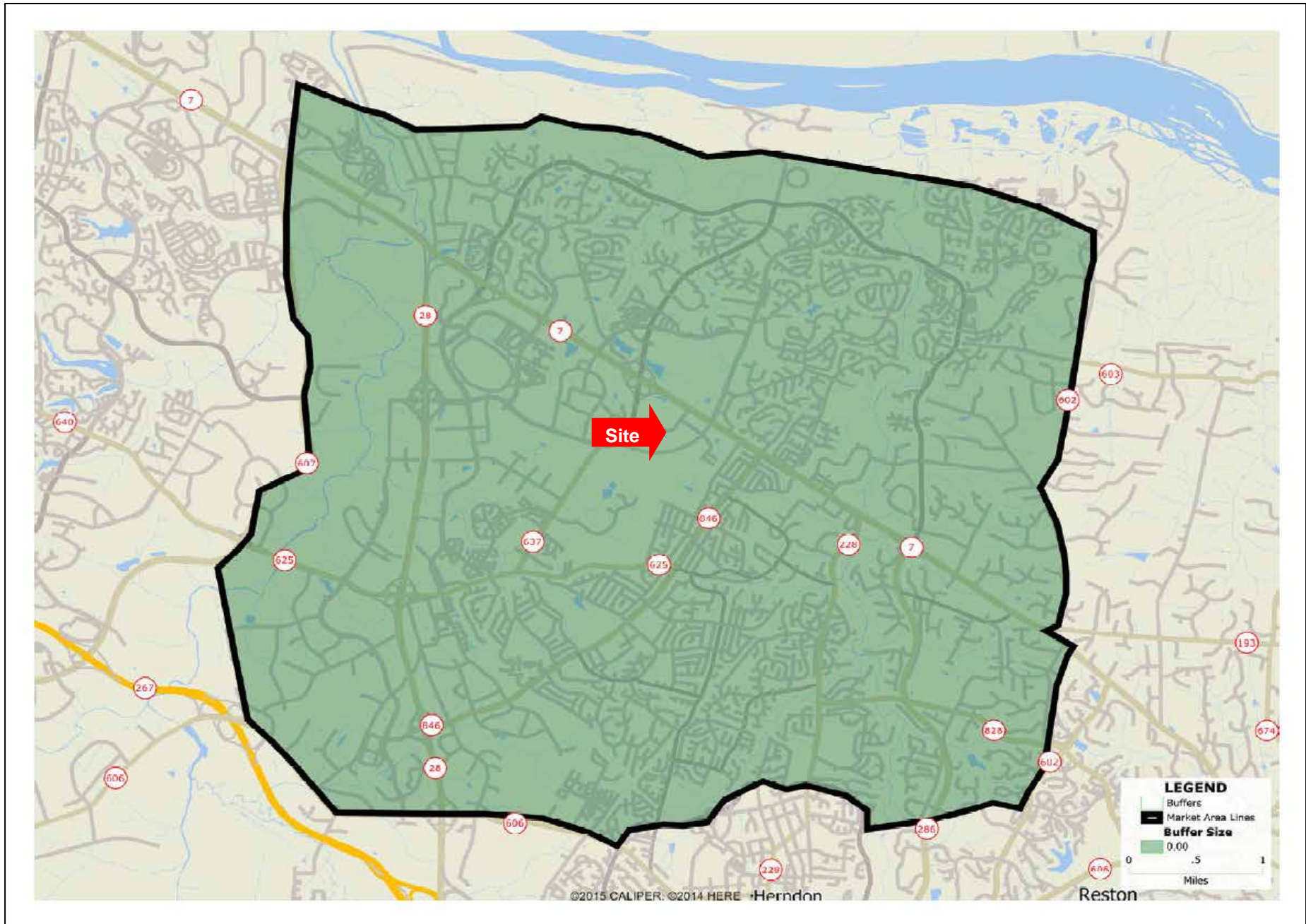
51107611204	Loudoun County	Virginia
51107611205	Loudoun County	Virginia
51107611206	Loudoun County	Virginia
51107611207	Loudoun County	Virginia
51107611208	Loudoun County	Virginia
51107611209	Loudoun County	Virginia
51107611300	Loudoun County	Virginia
51107611400	Loudoun County	Virginia
51107611501	Loudoun County	Virginia
51107611502	Loudoun County	Virginia
51107611601	Loudoun County	Virginia
51107611602	Loudoun County	Virginia
51107611700	Loudoun County	Virginia

The primary market area includes a population of 104,182 persons and covers a total of 31.8 square miles, making it 6.4 miles across on average.

### **Secondary Market Area**

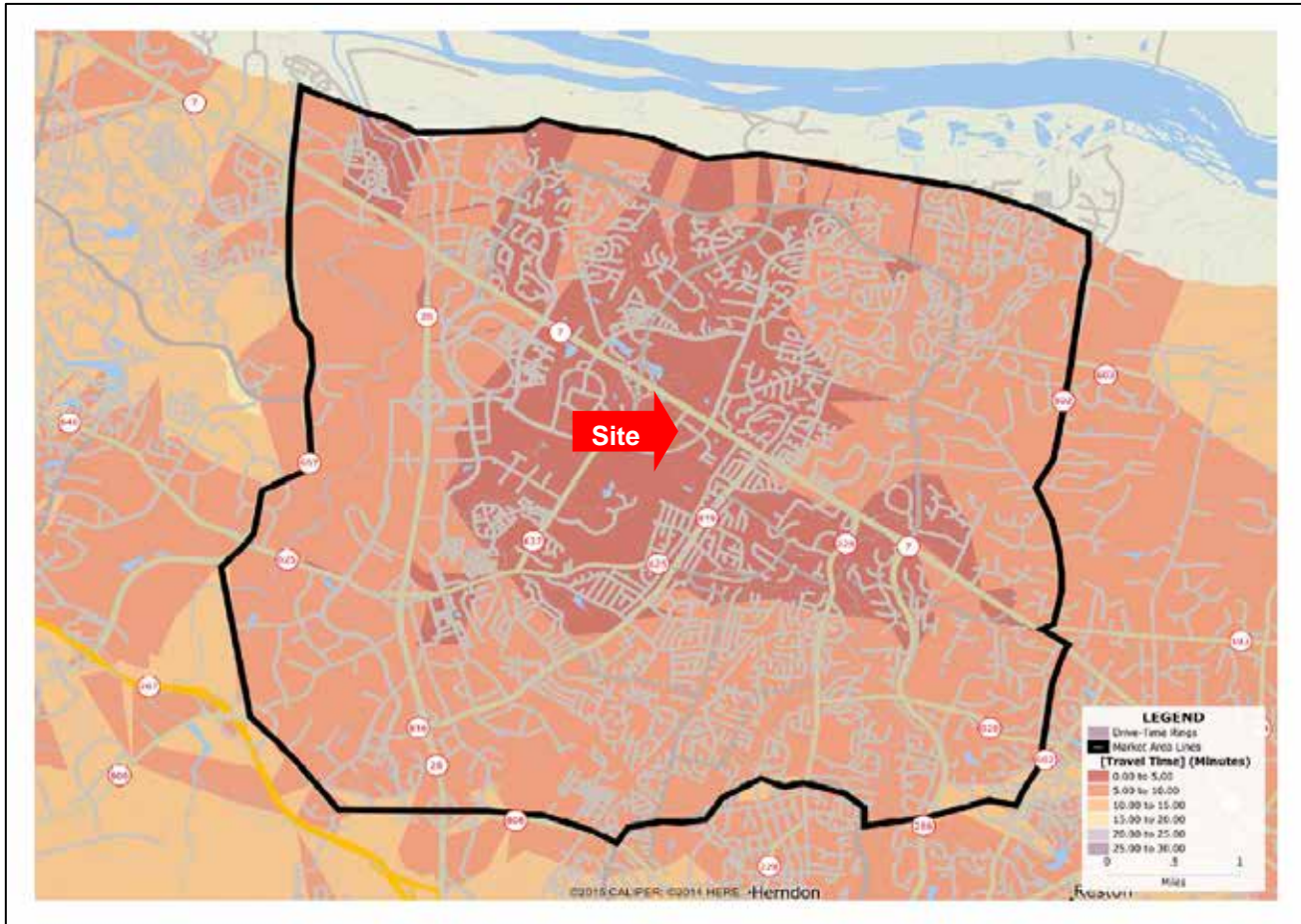
We estimate that up to 40 percent of demand will come from areas outside of the primary market area.

## Market Area

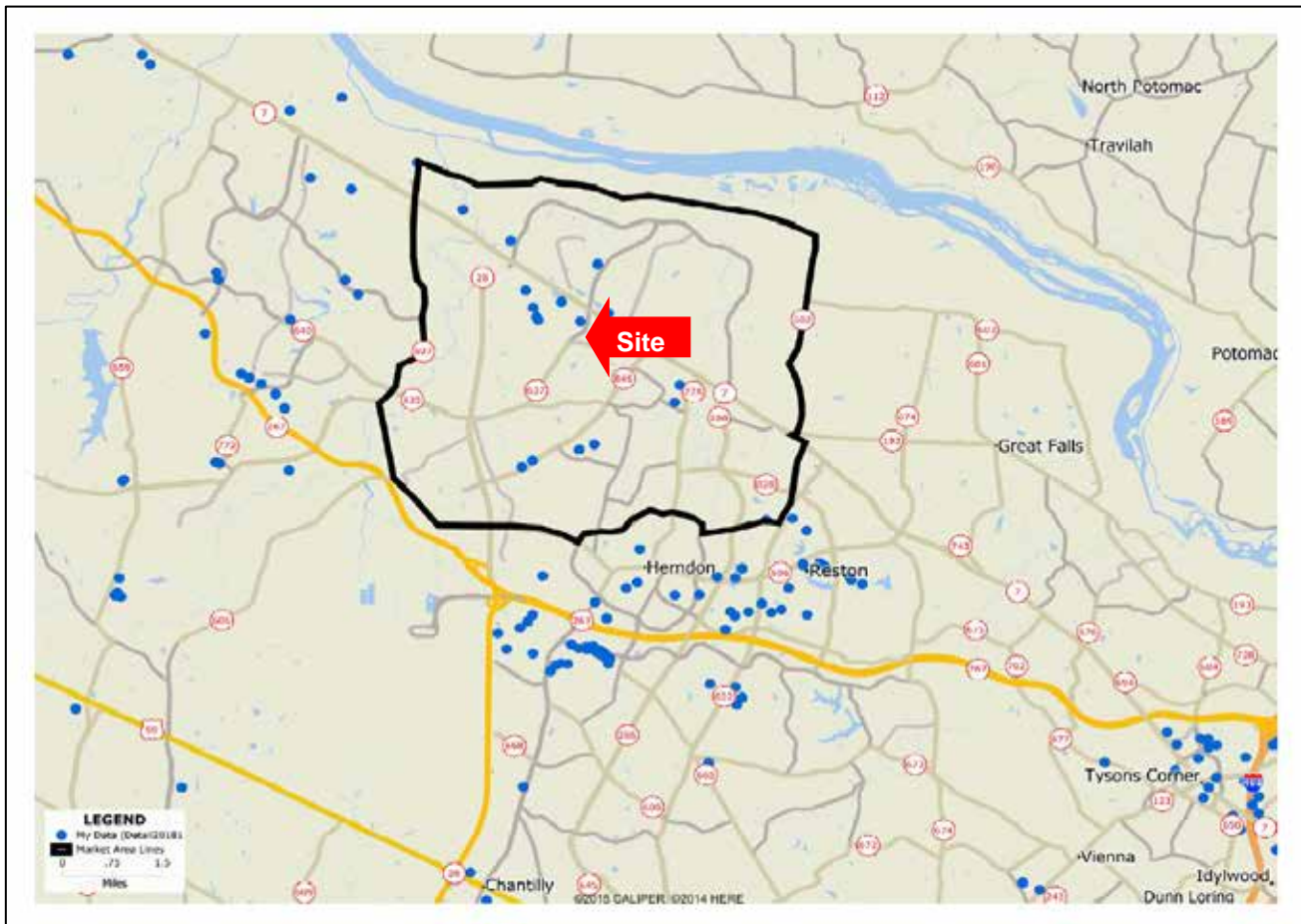




# Drive Time



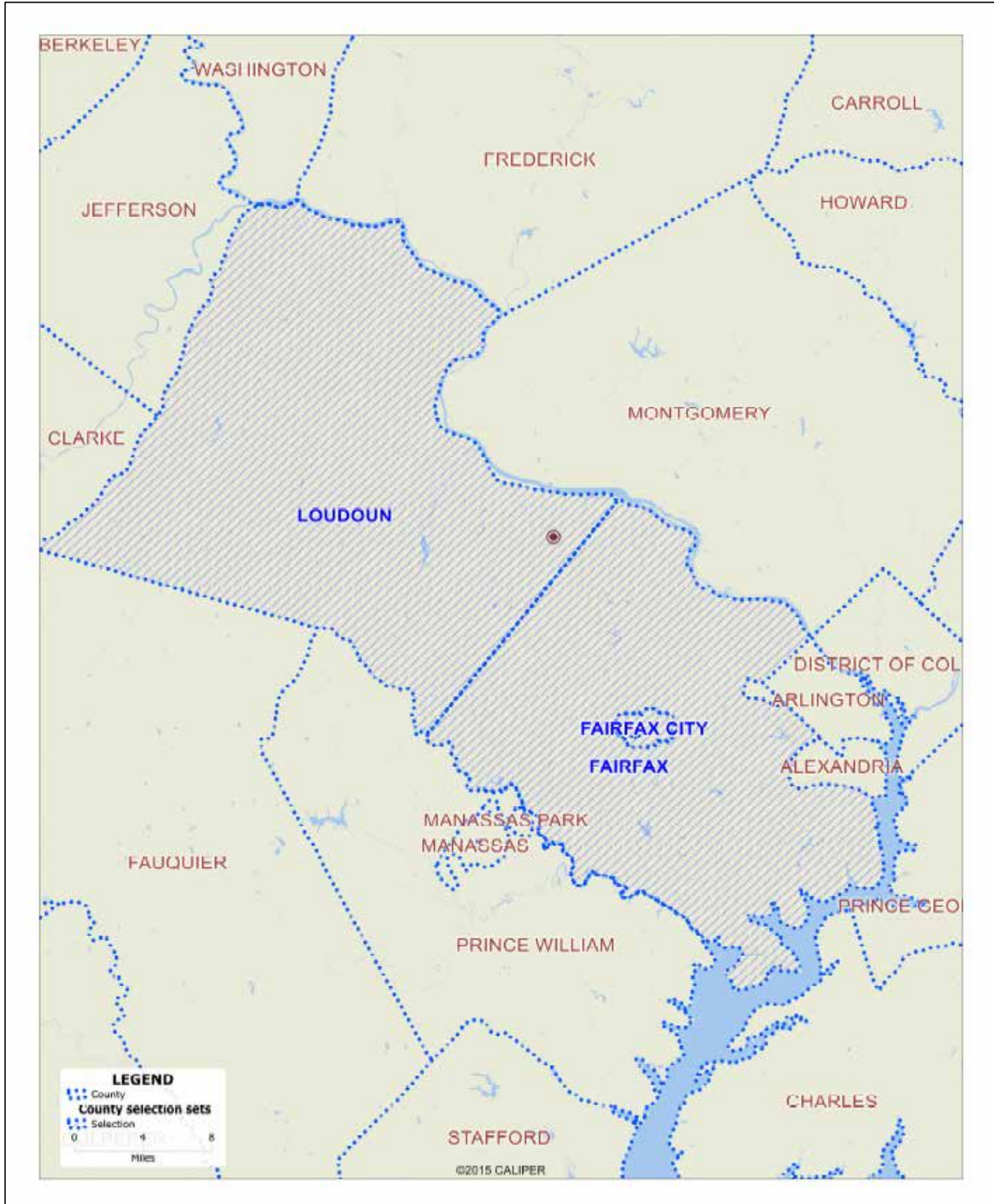
# Existing Multifamily





## ECONOMIC OUTLOOK

In this section we conduct an analysis of the regional economy. For purposes of our analysis, we define the region as Falls Church, Fairfax, Fairfax County, and Loudoun County, Virginia. A map depicting the Region is found below.



## Employment by Industry

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

Establishment Employment			
Industry	Region	Reg %	US %
Farm Employment	1,985	0.2%	1.3%
Forestry, Fishing, Related Activities And Other Employment	899	0.1%	0.5%
Mining Employment	1,841	0.2%	0.7%
Utilities Employment	2,362	0.2%	0.3%
Construction Employment	61,191	5.1%	5.5%
Manufacturing Employment	15,665	1.3%	6.7%
Wholesale Trade Employment	25,782	2.1%	3.6%
Retail Trade Employment	103,041	8.5%	10.3%
Transportation And Warehousing Employment	36,063	3.0%	3.5%
Information Employment	35,368	2.9%	1.7%
Finance And Insurance Employment	51,781	4.3%	5.3%
Real Estate And Rental And Lease Employment	58,999	4.9%	4.7%
Professional And Technical Services Employment	258,710	21.4%	6.9%
Management Of Companies And Enterprises Employment	22,072	1.8%	1.3%
Administrative And Waste Services Employment	78,260	6.5%	6.0%
Educational Services Employment	30,296	2.5%	2.4%
Health Care And Social Assistance Employment	98,426	8.1%	11.6%
Arts, Entertainment, And Recreation Employment	25,999	2.2%	2.2%
Accommodation And Food Services Employment	80,576	6.7%	7.5%
Other Services, Except Public Administration Employment	70,025	5.8%	5.8%
Federal Civilian Government Employment	50,483	4.2%	1.4%
Federal Military Employment	10,896	0.9%	0.9%
State And Local Government Employment	87,565	7.2%	9.8%
Establishment Employment	1,208,285	100.0%	100.0%

Source: W&P Economics

Regional establishment employment currently stands at 1,208,285. The data suggests that Professional and Technical Services is the largest employment category accounting for 21.4% of total regional employment. Retail Trade is the second largest category accounting for 8.5% of total employment. Health Care and Social Assistance is the third largest category accounting for 8.1% of total employment. State and Local Government is the fourth largest category accounting for 7.2% of total employment. Accommodation and Food Services is the fifth largest category accounting for 6.7% of total employment.

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

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

In the table above we highlight the basic industries for the region. The distribution of employment in these industries exceeds that for the United States. These basic industries represent about 534,188 employees or about 44.2% of total regional employment. These are the industries that drive the regional economy.

## Earnings by Industry

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

Average Earnings (2009 \$)		
Industry	Earnings	Rank
Farm Employment	\$4,231	23
Forestry, Fishing, Related Activities And Other Employment	\$23,894	21
Mining Employment	\$22,632	22
Utilities Employment	\$187,483	1
Construction Employment	\$76,449	10
Manufacturing Employment	\$78,195	9
Wholesale Trade Employment	\$111,422	4
Retail Trade Employment	\$37,476	15
Transportation And Warehousing Employment	\$35,352	17
Information Employment	\$101,857	6
Finance And Insurance Employment	\$90,188	8
Real Estate And Rental And Lease Employment	\$34,682	18
Professional And Technical Services Employment	\$109,726	5
Management Of Companies And Enterprises Employment	\$170,774	2
Administrative And Waste Services Employment	\$52,569	13
Educational Services Employment	\$37,371	16
Health Care And Social Assistance Employment	\$58,938	12
Arts, Entertainment, And Recreation Employment	\$32,424	19
Accommodation And Food Services Employment	\$27,058	20
Other Services, Except Public Administration Employment	\$39,356	14
Federal Civilian Government Employment	\$125,609	3
Federal Military Employment	\$96,786	7
State And Local Government Employment	\$73,727	11
Establishment Employment	\$72,483	

Source: W&P Economics

The data suggests that Utilities is the highest paid industry averaging \$187,483 per employee. Management of Companies is the second highest paid industry averaging \$170,774 per employee. Federal Civilian Government is the third highest paid profession averaging \$125,609 per employee. Wholesale trade is the fourth highest paid industry averaging \$111,422 per employee. Professional and Technical Services is the fifth highest paid category averaging \$109,726 per employee. These figures are compared with regional Average Earnings of \$72,483 per employee.

The highlighted industries represent basic industries for the region. Average earnings for these basic industries comes to \$90,370 or 24.7% higher than average for the region.

## Top Employers

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

Top Employers				
Name	Employees	SIC Code	Industry Description	Location Type
Sodexo	8,500	5963-05	Food Service-Management	Branch
Inova Fairfax Hospital	5,127	8062-02	Hospitals	Subsidiary
AT&T Store	5,000	4812-07	Cellular Telephones (Services)	Branch
George Mason University	5,000	8221-01	Schools-Universities & Colleges Academic	Subsidiary
Bechtel Corp	4,000	8711-06	Engineers	Headquarter
GMU Community Relations	4,000	8222-98	Junior-Community College-Tech Institutes	Branch
DXC Technology Co	3,000	4911-01	Electric Companies	Branch
Apex Co Vantage	2,500	8742-13	Marketing Programs & Services	-
CGI Inc	2,100	7371-09	Information Technology Services	Headquarter
CSRA	2,000	7371-09	Information Technology Services	Branch

Source: InfoUSA

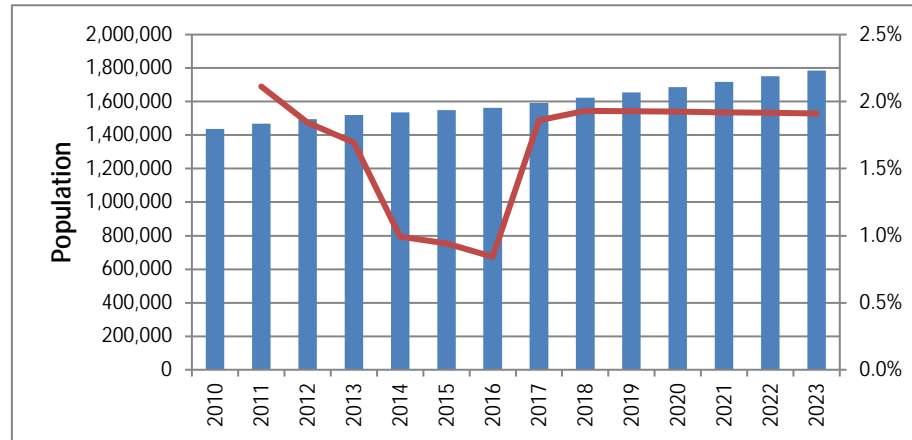
The top employers include: (1) Sodexo (8500 employees); (2) Inova Fairfax Hospital (5127 employees) and; (3) AT&T Store (5000 employees).

## 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	1,437,389	
2011	1,467,758	2.1%
2012	1,494,823	1.8%
2013	1,520,151	1.7%
2014	1,535,228	1.0%
2015	1,549,718	0.9%
2016	1,562,775	0.8%
2017	1,591,839	1.9%
2018	1,622,571	1.9%
2019	1,653,861	1.9%
2020	1,685,686	1.9%
2021	1,718,060	1.9%
2022	1,750,987	1.9%
2023	1,784,453	1.9%

Source: US Census; W&P Economics



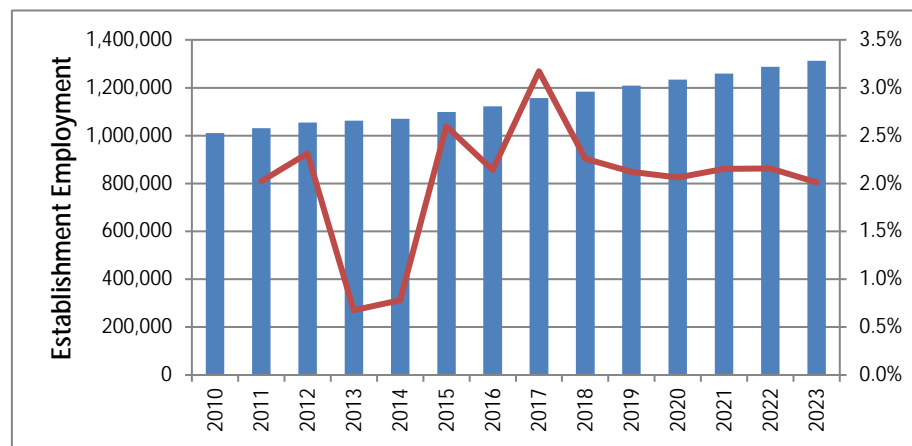
Population increased from 1,437,389 in 2010 to 1,622,571 in 2018 and is anticipated to increase to 1,784,453 in 2023.

## 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	1,010,444	
2011	1,030,902	2.0%
2012	1,054,775	2.3%
2013	1,061,909	0.7%
2014	1,070,205	0.8%
2015	1,097,993	2.6%
2016	1,121,488	2.1%
2017	1,157,053	3.2%
2018	1,183,201	2.3%
2019	1,208,285	2.1%
2020	1,233,197	2.1%
2021	1,259,724	2.2%
2022	1,286,894	2.2%
2023	1,312,767	2.0%

Source: BLS; W&P Economics



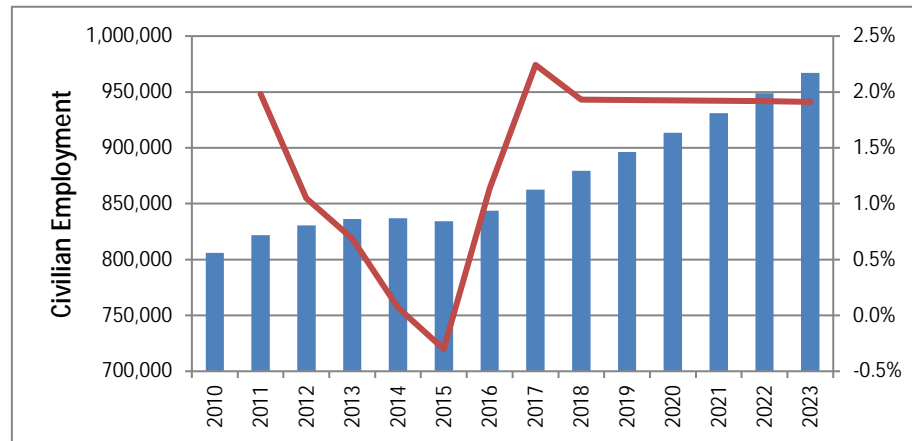
Establishment employment increased from 1,010,444 in 2010 to 1,183,201 in 2018 and is anticipated to increase to 1,312,767 in 2023.

## Civilian Employment

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

Year	Civ Emp	Growth %
2010	805,992	
2011	821,957	2.0%
2012	830,561	1.0%
2013	836,276	0.7%
2014	836,833	0.1%
2015	834,311	-0.3%
2016	843,785	1.1%
2017	862,705	2.2%
2018	879,360	1.9%
2019	896,318	1.9%
2020	913,566	1.9%
2021	931,111	1.9%
2022	948,956	1.9%
2023	967,093	1.9%

Source: BLS; W&P Economics



Civilian employment increased from 805,992 in 2010 to 862,705 in 2017 and is anticipated to increase to 967,093 in 2023.

## Labor Force and Unemployment

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

Year	Civ Emp	Unemp	Lab Force	Unemp Rate
2010	805,992	41,010	764,982	5.1%
2011	821,957	38,943	783,014	4.7%
2012	830,561	37,281	793,280	4.5%
2013	836,276	36,813	799,463	4.4%
2014	836,833	35,148	801,685	4.2%
2015	834,311	29,735	804,576	3.6%
2016	843,785	27,382	816,403	3.2%
2017	862,705	26,181	836,524	3.0%

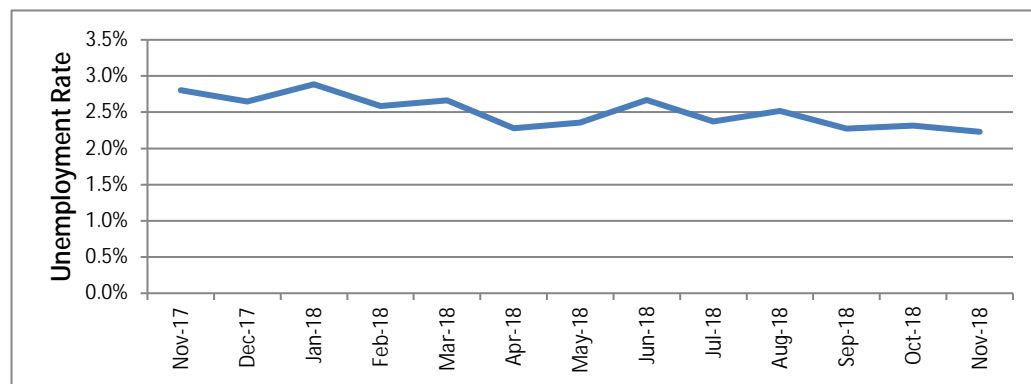
Source: BLS; Texas A&M Real Estate Center

Unemployment decreased from 41,010 in 2010 to 26,181 in 2017. The unemployment rate decreased from 5.1% in 2010 to 3.0% in 2017.

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

Month	Unemp Rate
Nov-17	2.8%
Dec-17	2.6%
Jan-18	2.9%
Feb-18	2.6%
Mar-18	2.7%
Apr-18	2.3%
May-18	2.4%
Jun-18	2.7%
Jul-18	2.4%
Aug-18	2.5%
Sep-18	2.3%
Oct-18	2.3%
Nov-18	2.2%

Source: TAMU



The Unemployment Rate for the Region came in at 2.8% in November 2017 and 2.2% in November 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	3,985	0	1,998	5,983
2001	3,595	0	2,719	6,314
2002	3,011	6	2,991	6,008
2003	3,157	2	880	4,039
2004	3,024	0	3,816	6,840
2005	2,328	0	2,077	4,405
2006	1,469	0	666	2,135
2007	1,312	0	250	1,562
2008	914	0	493	1,407
2009	795	0	0	795
2010	942	0	0	942
2011	847	0	0	847
2012	781	2	726	1,509
2013	793	0	313	1,106
2014	1,016	0	1,834	2,850
2015	886	17	1,881	2,784
2016	1,083	0	1,881	2,964
2017	1,090	0	960	2,050

Source: US Census

Building permits for the region increased from 5,983 in 2000 to 6,840 in 2004, before decreasing to 795 in 2009 and increasing to 2,050 in 2017.

## Conclusion

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



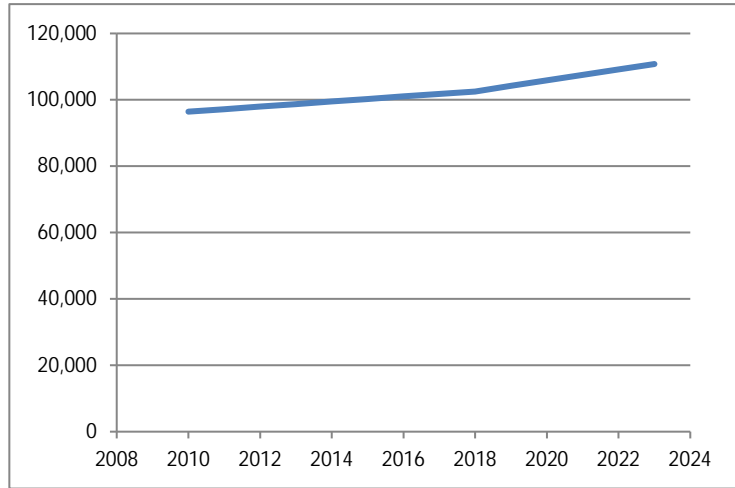
## DEMOGRAPHIC CHARACTERISTICS

### 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	96,437	-
2011	97,199	0.8%
2012	97,961	0.8%
2013	98,723	0.8%
2014	99,485	0.8%
2015	100,246	0.8%
2016	101,008	0.8%
2017	101,770	0.8%
2018	102,532	0.7%
2019	104,182	1.6%
2020	105,832	1.6%
2021	107,482	1.6%
2022	109,132	1.5%
2023	110,782	1.5%

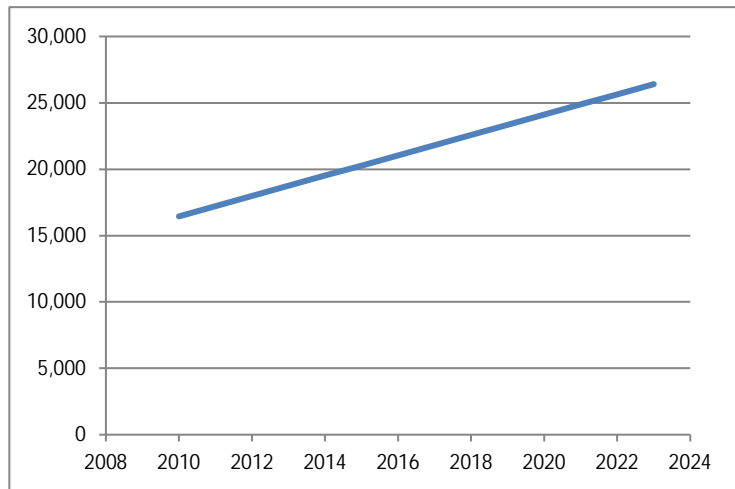
Source: ESRI; Allen & Associates



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

55+ Population Forecast		
Year	Population	Growth %
2010	16,446	-
2011	17,213	4.7%
2012	17,980	4.5%
2013	18,747	4.3%
2014	19,515	4.1%
2015	20,282	3.9%
2016	21,049	3.8%
2017	21,816	3.6%
2018	22,583	3.5%
2019	23,348	3.4%
2020	24,113	3.3%
2021	24,877	3.2%
2022	25,642	3.1%
2023	26,407	3.0%

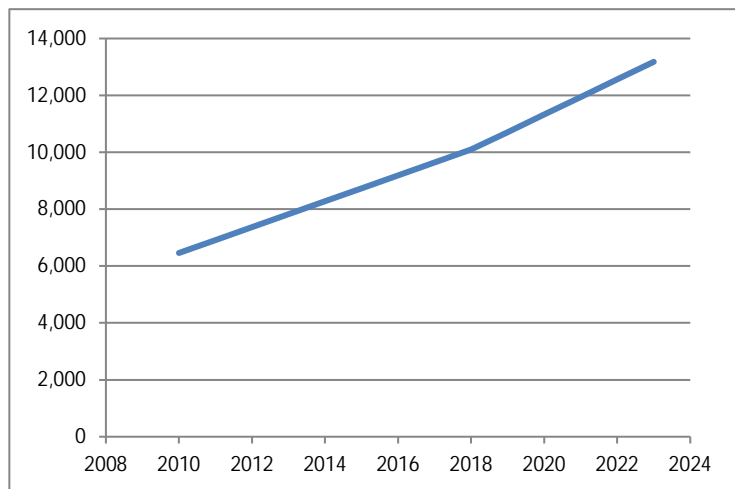
Source: ESRI; Allen & Associates



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

65+ Population Forecast		
Year	Population	Growth %
2010	6,460	-
2011	6,914	7.0%
2012	7,368	6.6%
2013	7,822	6.2%
2014	8,276	5.8%
2015	8,730	5.5%
2016	9,184	5.2%
2017	9,638	4.9%
2018	10,092	4.7%
2019	10,710	6.1%
2020	11,327	5.8%
2021	11,945	5.5%
2022	12,562	5.2%
2023	13,180	4.9%

Source: ESRI; Allen & Associates

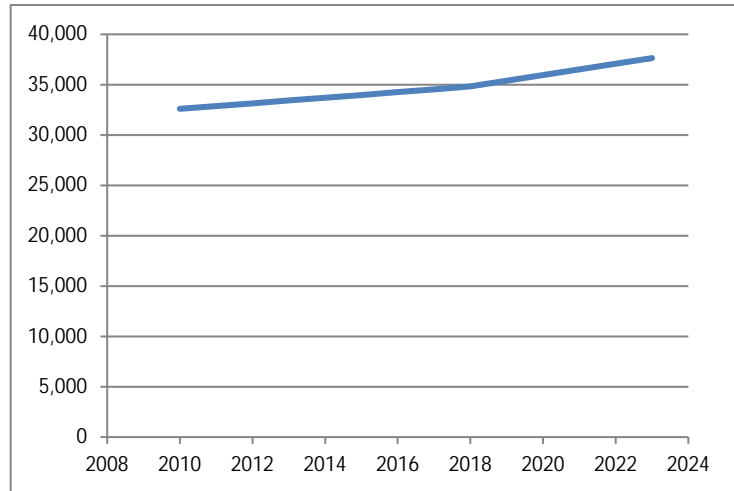


## Households

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	32,601	-
2011	32,877	0.8%
2012	33,154	0.8%
2013	33,430	0.8%
2014	33,707	0.8%
2015	33,983	0.8%
2016	34,259	0.8%
2017	34,536	0.8%
2018	34,812	0.8%
2019	35,377	1.6%
2020	35,943	1.6%
2021	36,508	1.6%
2022	37,074	1.5%
2023	37,639	1.5%

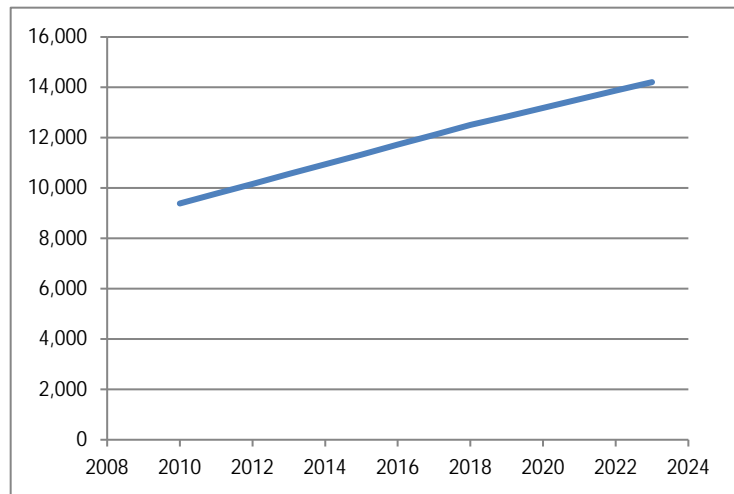
Source: ESRI; Allen & Associates



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

55+ Household Forecast		
Year	Households	Growth %
2010	9,386	-
2011	9,776	4.1%
2012	10,165	4.0%
2013	10,555	3.8%
2014	10,944	3.7%
2015	11,334	3.6%
2016	11,723	3.4%
2017	12,113	3.3%
2018	12,502	3.2%
2019	12,843	2.7%
2020	13,184	2.7%
2021	13,524	2.6%
2022	13,865	2.5%
2023	14,206	2.5%

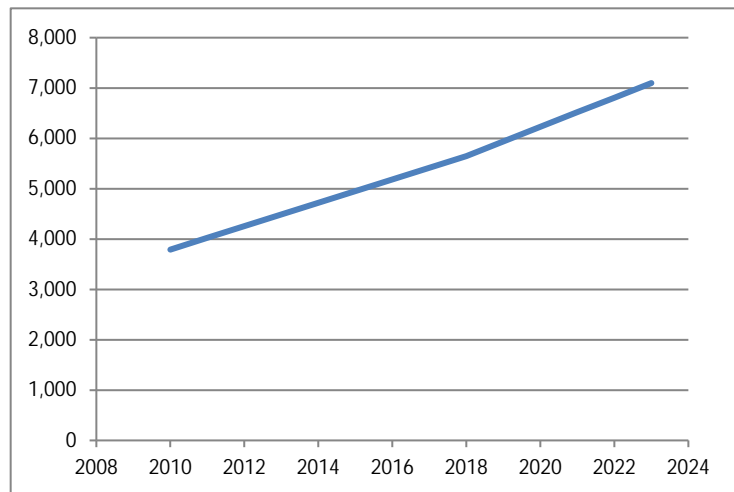
Source: ESRI; Allen & Associates



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

65+ Household Forecast		
Year	Households	Growth %
2010	3,790	-
2011	4,022	6.1%
2012	4,255	5.8%
2013	4,487	5.5%
2014	4,720	5.2%
2015	4,952	4.9%
2016	5,184	4.7%
2017	5,417	4.5%
2018	5,649	4.3%
2019	5,939	5.1%
2020	6,229	4.9%
2021	6,518	4.7%
2022	6,808	4.4%
2023	7,098	4.3%

Source: ESRI; Allen & Associates

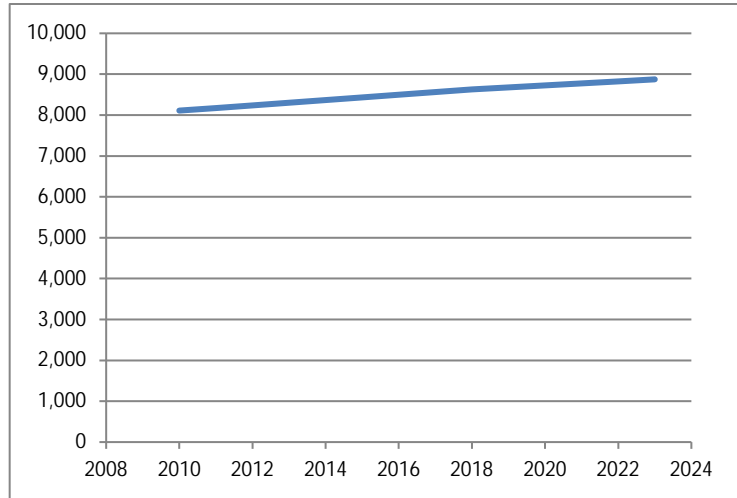


## Renter Households

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	8,110	-
2011	8,175	0.8%
2012	8,239	0.8%
2013	8,304	0.8%
2014	8,369	0.8%
2015	8,433	0.8%
2016	8,498	0.8%
2017	8,563	0.8%
2018	8,627	0.8%
2019	8,677	0.6%
2020	8,726	0.6%
2021	8,775	0.6%
2022	8,825	0.6%
2023	8,874	0.6%

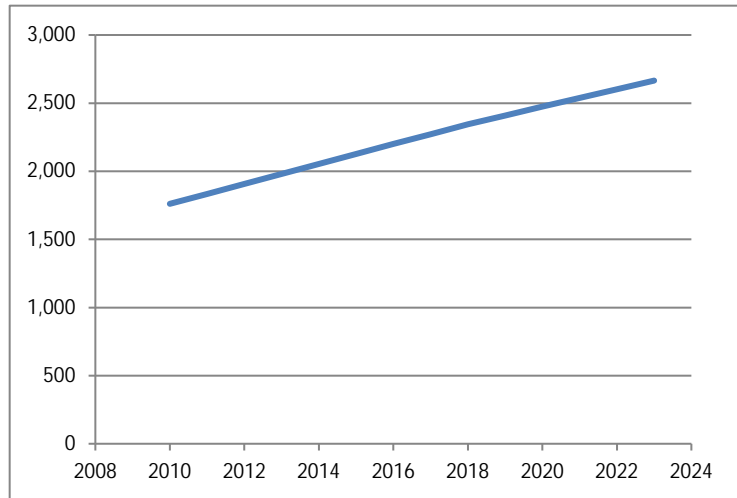
Source: ESRI; Allen & Associates



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	1,761	-
2011	1,834	4.1%
2012	1,907	4.0%
2013	1,980	3.8%
2014	2,053	3.7%
2015	2,126	3.6%
2016	2,199	3.4%
2017	2,273	3.3%
2018	2,346	3.2%
2019	2,410	2.7%
2020	2,474	2.7%
2021	2,537	2.6%
2022	2,601	2.5%
2023	2,665	2.5%

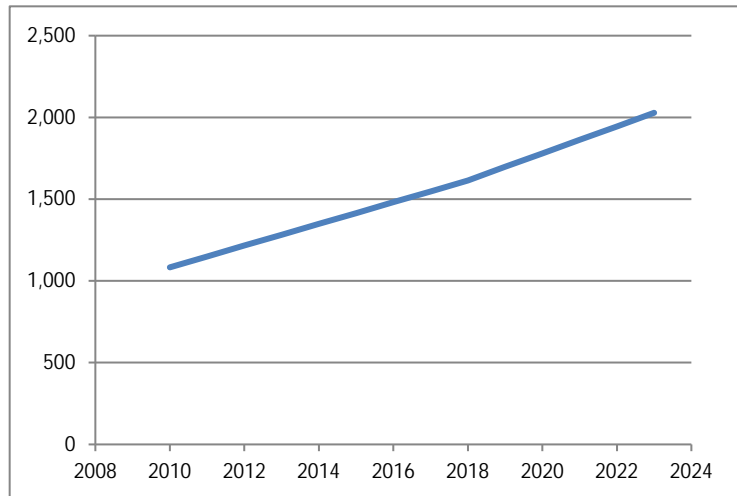
Source: ESRI; Allen & Associates



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	1,083	-
2011	1,149	6.1%
2012	1,216	5.8%
2013	1,282	5.5%
2014	1,349	5.2%
2015	1,415	4.9%
2016	1,481	4.7%
2017	1,548	4.5%
2018	1,614	4.3%
2019	1,697	5.1%
2020	1,780	4.9%
2021	1,863	4.7%
2022	1,945	4.4%
2023	2,028	4.3%

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	303	281	69	54	28	16	751
\$10,000	\$19,999	444	153	87	60	31	22	797
\$20,000	\$29,999	436	277	272	108	59	51	1,204
\$30,000	\$39,999	462	298	298	238	94	93	1,483
\$40,000	\$49,999	318	393	174	211	76	77	1,249
\$50,000	\$59,999	692	385	227	159	63	51	1,578
\$60,000	\$74,999	698	801	410	409	132	117	2,568
\$75,000	\$99,999	956	1,376	505	471	468	437	4,212
\$100,000	\$124,999	1,063	1,208	808	494	362	294	4,228
\$125,000	\$149,999	581	885	757	697	431	325	3,677
\$150,000	\$199,999	609	1,307	1,211	1,035	477	396	5,035
\$200,000	more	384	2,563	1,977	2,166	891	616	8,598
Total		6,947	9,927	6,795	6,101	3,113	2,494	35,377

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	226	137	43	18	13	6	444
\$10,000	\$19,999	347	119	47	27	11	10	561
\$20,000	\$29,999	310	169	59	39	19	18	614
\$30,000	\$39,999	242	209	74	29	15	9	578
\$40,000	\$49,999	170	194	43	13	21	21	463
\$50,000	\$59,999	252	204	100	26	28	18	627
\$60,000	\$74,999	331	314	124	68	31	20	887
\$75,000	\$99,999	385	723	126	40	50	52	1,376
\$100,000	\$124,999	326	594	155	70	66	58	1,269
\$125,000	\$149,999	278	396	302	139	51	41	1,205
\$150,000	\$199,999	293	711	373	144	75	46	1,642
\$200,000	more	171	1,425	683	512	232	152	3,176
Total		3,331	5,194	2,129	1,125	613	451	12,843

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	189	69	18	9	7	2	293
\$10,000	\$19,999	320	91	26	10	7	4	458
\$20,000	\$29,999	277	122	39	27	12	10	487
\$30,000	\$39,999	154	163	27	19	7	3	372
\$40,000	\$49,999	105	131	15	3	13	15	282
\$50,000	\$59,999	123	129	19	6	6	2	283
\$60,000	\$74,999	171	176	55	40	10	1	452
\$75,000	\$99,999	257	415	56	7	12	9	755
\$100,000	\$124,999	200	304	54	30	34	34	657
\$125,000	\$149,999	117	196	71	51	14	8	457
\$150,000	\$199,999	124	209	103	24	35	20	516
\$200,000	more	89	641	69	51	46	30	926
Total		2,125	2,646	552	276	203	137	5,939

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	157	176	26	4	8	2	372	
\$10,000	\$19,999	221	73	23	18	19	14	367	
\$20,000	\$29,999	186	122	186	42	33	32	601	
\$30,000	\$39,999	226	96	146	151	25	26	669	
\$40,000	\$49,999	157	156	80	106	29	29	556	
\$50,000	\$59,999	371	86	137	74	9	3	680	
\$60,000	\$74,999	292	350	129	111	46	39	967	
\$75,000	\$99,999	396	373	131	166	111	79	1,257	
\$100,000	\$124,999	367	318	310	66	63	45	1,169	
\$125,000	\$149,999	152	236	81	58	102	87	717	
\$150,000	\$199,999	183	67	123	101	28	17	520	
\$200,000	more	120	367	107	95	64	50	801	
Total		2,828	2,420	1,479	991	536	422	8,677	

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	118	65	14	1	2	0	199	
\$10,000	\$19,999	150	50	16	6	7	3	231	
\$20,000	\$29,999	133	41	15	3	6	5	204	
\$30,000	\$39,999	75	53	13	1	5	2	149	
\$40,000	\$49,999	43	36	15	3	6	6	110	
\$50,000	\$59,999	94	42	39	2	5	2	184	
\$60,000	\$74,999	109	57	30	6	7	5	213	
\$75,000	\$99,999	131	86	37	8	9	7	278	
\$100,000	\$124,999	109	85	59	1	7	5	266	
\$125,000	\$149,999	72	57	31	5	5	4	173	
\$150,000	\$199,999	107	19	20	4	4	0	153	
\$200,000	more	39	174	18	5	8	5	249	
Total		1,180	764	307	44	71	43	2,410	

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	108	22	7	1	1	0	139	
\$10,000	\$19,999	152	52	11	3	6	2	225	
\$20,000	\$29,999	134	29	13	3	5	4	188	
\$30,000	\$39,999	54	43	6	2	2	1	108	
\$40,000	\$49,999	34	27	6	1	3	4	75	
\$50,000	\$59,999	66	28	7	1	3	0	106	
\$60,000	\$74,999	55	27	5	2	4	0	94	
\$75,000	\$99,999	117	50	26	0	3	2	198	
\$100,000	\$124,999	85	51	15	1	2	1	155	
\$125,000	\$149,999	51	41	17	0	3	1	115	
\$150,000	\$199,999	87	10	4	2	1	0	104	
\$200,000	more	18	156	7	1	5	3	190	
Total		962	538	124	18	38	18	1,697	

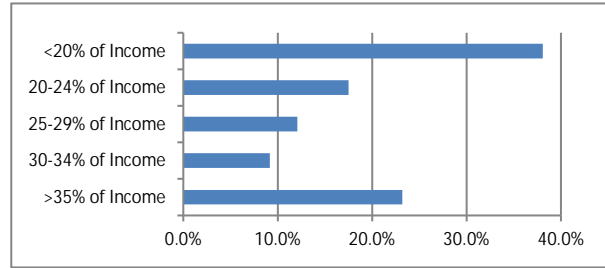
Source: ESRI & Ribbon Demographics

## 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	38.1%
20-24% of Income Spent on Housing	17.5%
25-29% of Income Spent on Housing	12.1%
30-34% of Income Spent on Housing	9.2%
>35% of Income Spent on Housing	23.2%
<b>Total</b>	<b>100.0%</b>

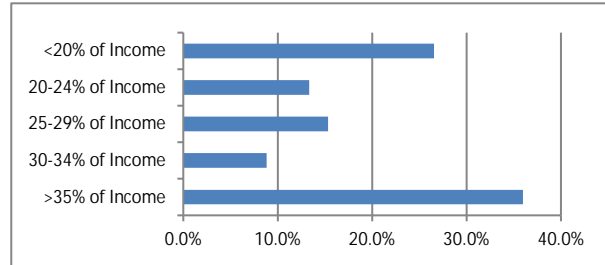
Source: U.S. Census Bureau



Our research suggests that 23.2 percent of the renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 32.4 percent of the renter households are overburdened to 30 percent of income.

55+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	26.6%
20-24% of Income Spent on Housing	13.3%
25-29% of Income Spent on Housing	15.3%
30-34% of Income Spent on Housing	8.8%
>35% of Income Spent on Housing	36.0%
<b>Total</b>	<b>100.0%</b>

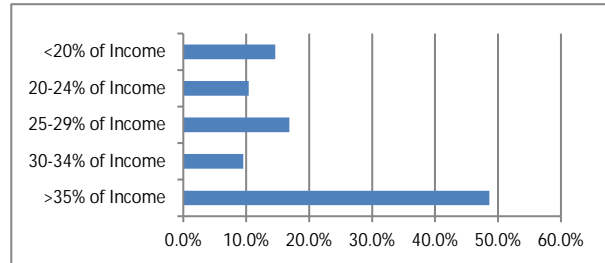
Source: U.S. Census Bureau



Our research suggests that 36.0 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 44.8 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	14.6%
20-24% of Income Spent on Housing	10.4%
25-29% of Income Spent on Housing	16.8%
30-34% of Income Spent on Housing	9.5%
>35% of Income Spent on Housing	48.6%
<b>Total</b>	<b>100.0%</b>

Source: U.S. Census Bureau



Our research suggests that 48.6 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 58.2 percent of the 65+ renter households are overburdened to 30 percent of income.



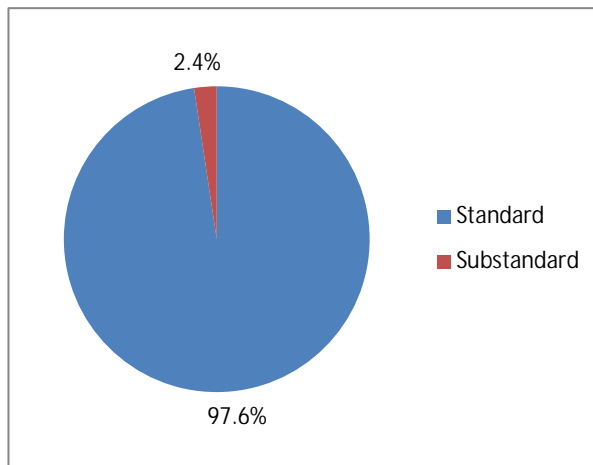
### Owner Substandard Units

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	97.6%
1.01 to 1.50 persons per room	1.4%
1.51 persons per room or more	0.8%
Complete Plumbing	99.8%
1.00 persons per room or less	0.2%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.0%
Lacking Complete Plumbing	0.2%
Standard	97.6%
Substandard	2.4%
Total	100.0%

Source: U.S. Census Bureau



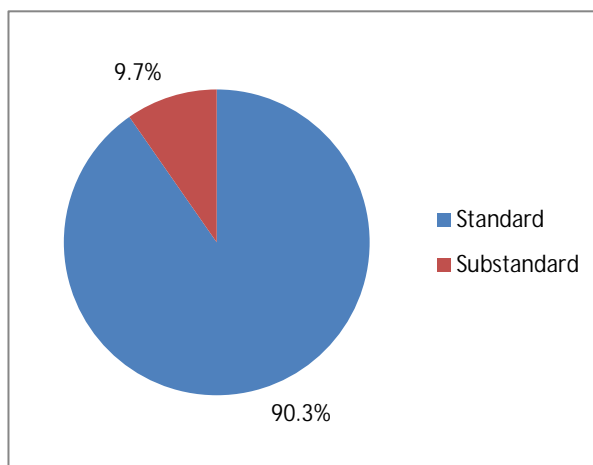
Our research suggests that 2.4 percent of occupied owner housing units in the market area are substandard.

### Renter Substandard Units

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

Renter Substandard Units	
	% of Total
1.00 persons per room or less	90.3%
1.01 to 1.50 persons per room	5.3%
1.51 persons per room or more	4.2%
Complete Plumbing	99.8%
1.00 persons per room or less	0.1%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.1%
Lacking Complete Plumbing	0.2%
Standard	90.3%
Substandard	9.7%
Total	100.0%

Source: U.S. Census Bureau



Our research suggests that 9.7 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	4.9%	7.7%	10.0%	9.9%	10.7%	11.6%	13.5%	8.2%
Owner to Renter	4.7%	4.4%	7.9%	7.3%	7.3%	11.0%	16.9%	6.0%
Owner Movership Rate	9.6%	12.1%	17.9%	17.2%	18.0%	22.6%	30.3%	14.2%

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

Our research suggests an owner movership rate of 14.2 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	13.7%	30.6%	43.2%	51.9%	52.5%	56.8%	87.8%	31.0%
Renter to Owner	3.3%	12.5%	12.7%	16.2%	17.8%	13.8%	16.2%	9.8%
Renter Movership Rate	17.0%	43.1%	55.9%	68.1%	70.2%	70.6%	104.0%	40.8%

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

Our research suggests a renter movership rate of 40.8 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.

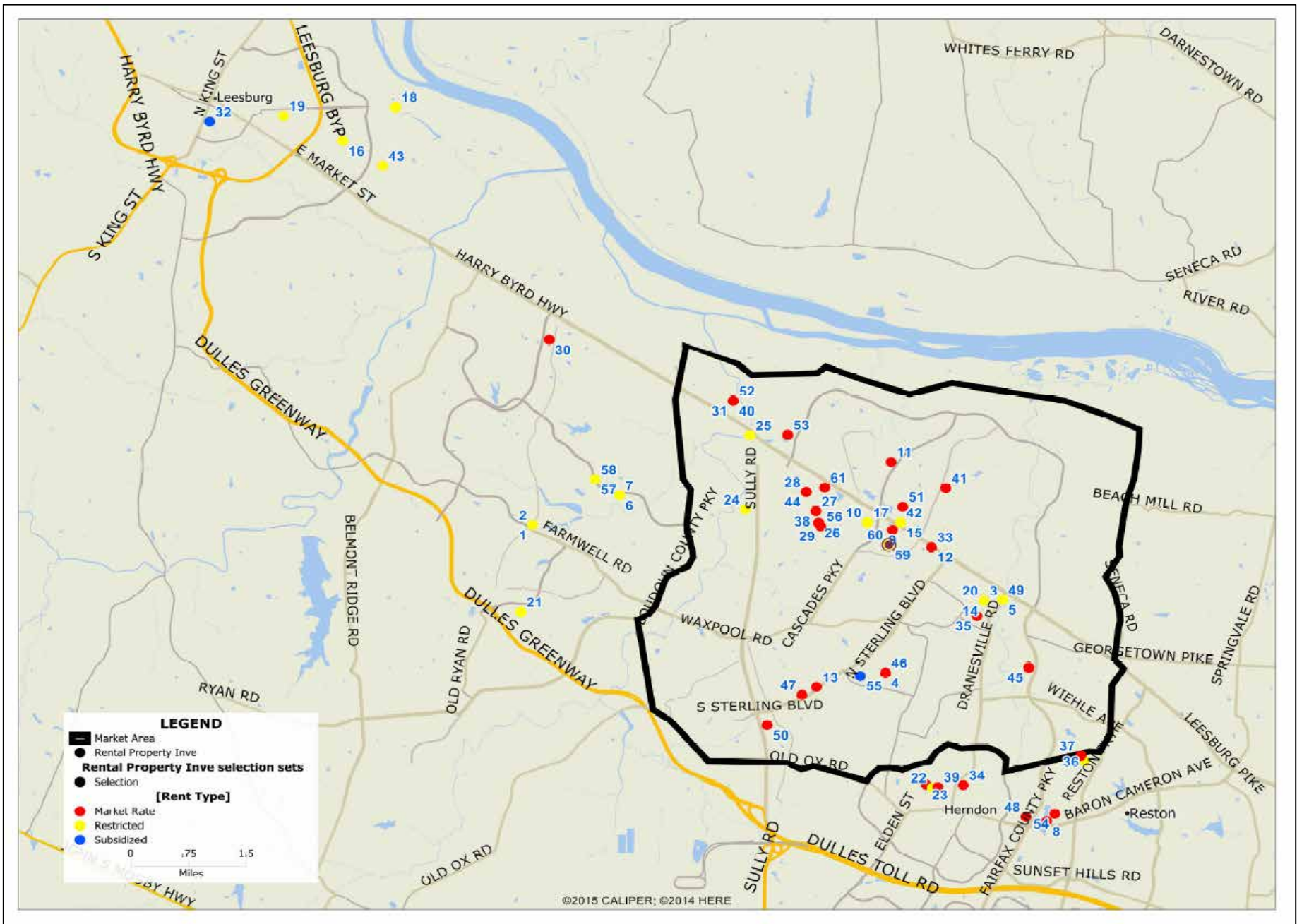
The balance of this section includes a breakdown of confirmed market area properties by rent type, project status, year built, and financing source. We also include a rent, unit mix, and amenity summary for confirmed market area properties. Finally, we provide summary of vouchers, concessions, and waiting 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	Acclaim (The) at Ashburn Phase 1	39.0279	-77.4862	1999	na	Restricted	Family	Stabilized	Tax Credit	150	0	100.0%
002	Acclaim (The) at Ashburn Phase 2	39.0279	-77.4862	2000	na	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
003	Acclaim At Sterling	39.0124	-77.3761	1998	na	Restricted	Family	Stabilized	Tax Credit	102	3	97.1%
004	Amurcon Corp of VA	38.9976	-77.4001	1988	na	Market Rate	Elderly	Unconfirmed	Conventional	90	10	88.9%
005	Arbor Terrace at Herndon	39.0126	-77.3715	2005	na	Restricted	Elderly	Stabilized	Conventional	80	2	97.5%
006	Ashburn Meadows Phase 1	39.0341	-77.4649	2000	na	Restricted	Family	Stabilized	Tax Credit	177	0	100.0%
007	Ashburn Meadows Phase 2	39.0341	-77.4649	2002	na	Restricted	Family	Stabilized	Tax Credit	160	5	96.9%
008	Avalon Reston Landing	38.9671	-77.3607	2001	na	Market Rate	Family	Stabilized	Conventional	400	8	98.0%
009	Brandywine Corp Center	39.0270	-77.3984	2000	na	Market Rate	Family	Condominiums	Conventional	0	0	0.0%
010	Cascades Commons Apartments	39.0285	-77.4045	1995	na	Market Rate	Family	Duplicate	Tax Credit	0	0	0.0%
011	Cascades Overlook Apartments	39.0409	-77.3987	1991	2000	Market Rate	Family	Stabilized	Conventional	360	18	95.0%
012	Cascades Village Rental Homes	39.0234	-77.3889	2001	na	Restricted	Elderly	Stabilized	Tax Credit	150	0	100.0%
013	Chase Heritage Apartment Homes	38.9947	-77.4169	1989	2010	Market Rate	Family	Stabilized	Conventional	236	8	96.6%
014	Chatham Glen Apartments	39.0124	-77.3761	1998	na	Market Rate	Family	Duplicate	Tax Credit	0	0	0.0%
015	Commons on Potomac Square	39.0285	-77.3964	2011	no	Market Rate	Family	Stabilized	Conventional	104	1	99.0%
016	Evans Ridge Apartments	39.1069	-77.5325	1996	na	Restricted	Family	Stabilized	Tax Credit	150	3	98.0%
017	Fields at Cascades Apartments	39.0285	-77.4045	1995	na	Restricted	Family	Stabilized	Tax Credit	320	2	99.4%
018	Fields of Leesburg Phase 1	39.1138	-77.5196	1971	1999	Restricted	Family	Stabilized	Tax Credit	156	5	96.8%
019	Fields of Leesburg Phase 2	39.1121	-77.5469	1972	1999	Restricted	Family	Stabilized	Tax Credit	248	8	96.8%
020	Fields of Sterling Apartments	39.0124	-77.3761	1998	na	Restricted	Family	Duplicate	Tax Credit	102	1	99.0%
021	Grove at Flynns Crossing	39.0101	-77.4890	1999	na	Restricted	Family	Stabilized	Tax Credit	168	2	98.8%
022	Herndon Harbor House 1 & 2	38.9740	-77.3887	2001	na	Restricted	Elderly	Stabilized	Tax Credit	120	0	100.0%
023	Herndon Harbor House 2	38.9746	-77.3901	2002	na	Market Rate	Elderly	Duplicate	Tax Credit	0	0	0.0%
024	Heronview Apartments	39.0312	-77.4343	2018	na	Restricted	Family	Construction	Tax Credit	96	96	0.0%
025	Kincora LI Units	39.0464	-77.4332	2011	na	Restricted	Family	Non-Inventory	Tax Credit	96	96	0.0%
026	Lerner Corporation	39.0284	-77.4164	2015	na	Market Rate	Family	Duplicate	Conventional	0	0	0.0%
027	Lerner Parc Dulles	39.0308	-77.4171	2007	na	Market Rate	Family	Stabilized	Conventional	393	8	98.0%
028	Lerner Remington	39.0347	-77.4194	1999	na	Market Rate	Family	Stabilized	Conventional	406	18	95.6%
029	Lerner Windmill Parc	39.0277	-77.4159	2015	na	Market Rate	Family	Stabilized	Conventional	437	12	97.3%
030	Loudoun County	39.0661	-77.4821	2017	na	Market Rate	Family	Prop Const	Tax Credit	0	0	0.0%
031	Loudoun Heights	39.0535	-77.4372	1993	2012	Market Rate	Family	Stabilized	Conventional	467	19	95.9%
032	Madison House Apartments	39.1109	-77.5649	1980	2003	Subsidized	Elderly	Stabilized	Tax Credit	100	0	100.0%
033	Mirror Ridge at Community Village	39.0234	-77.3889	2002	na	Market Rate	Elderly	Duplicate	Tax Credit	0	0	0.0%
034	Mohammed A Shah	38.9745	-77.3811	1966	na	Market Rate	Family	Non-Inventory	Conventional	1	0	100.0%
035	Muirfield Woods Apartments	39.0093	-77.3777	1987	na	Market Rate	Family	Stabilized	Conventional	156	7	95.5%
036	North Point Affordable Housing (RIHC)	38.9793	-77.3514	1998	na	Restricted	Family	Stabilized	Tax Credit	48	0	100.0%
037	North Point Villas	38.9806	-77.3524	1999	na	Market Rate	Family	Condominiums	Conventional	0	0	0.0%
038	Parc Dulles at Dulles Town Center	39.0308	-77.4171	2007	na	Market Rate	Family	Duplicate	Conventional	393	25	93.6%
039	Park Avenue Apartments	38.9741	-77.3873	1964	2006	Market Rate	Family	Stabilized	Conventional	44	0	100.0%
040	Point at River Ridge Apartments	39.0535	-77.4372	1993	2012	Market Rate	Family	Duplicate	Conventional	467	22	95.3%
041	Potomac Garden Apartments	39.0355	-77.3854	1979	na	Market Rate	Family	Stabilized	Conventional	192	4	97.9%
042	Potomac Square Apartments	39.0285	-77.3964	2011	na	Restricted	Family	Duplicate	Conventional	103	31	69.9%
043	Potomac Station Apartments	39.1018	-77.5227	2003	na	Restricted	Family	Stabilized	Tax Credit	150	0	100.0%
044	Remington At DTC Apartments	39.0347	-77.4194	1999	na	Market Rate	Family	Duplicate	Conventional	409	22	94.6%
045	Sojourn Apartments	38.9987	-77.3651	2003	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
046	Sommerset Retirement	38.9976	-77.4001	1988	na	Market Rate	Elderly	Stabilized	Conventional	90	6	93.3%
047	Sterling 1 Indl LP	38.9931	-77.4204	1989	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
048	Stuart Woods Apartments	38.9680	-77.3658	1972	2005	Market Rate	Family	Stabilized	Conventional	451	8	98.2%
049	Sugarland Hill Senior Apartments	39.0126	-77.3715	2005	na	Restricted	Elderly	Duplicate	Conventional	80	10	87.5%
050	Towneplace Suites-Dulles Airport	38.9869	-77.4290	1999	na	Market Rate	Family	Hotel	Conventional	0	0	0.0%
051	Towneplace Suites-Sterling	39.0317	-77.3959	1998	na	Market Rate	Family	Hotel	Conventional	0	0	0.0%
052	University Heights Apartments	39.0535	-77.4372	1993	na	Market Rate	Family	Duplicate	Conventional	467	4	99.1%

Rental Property Inventory

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
053	Village at Potomac Falls Apartments	39.0465	-77.4239	1999	na	Market Rate	Family	Stabilized	Conventional	162	6	96.3%
054	Waterside Apartments	38.9686	-77.3587	1985	2009	Market Rate	Family	Stabilized	Conventional	276	25	90.9%
055	William Watters House	38.9970	-77.4062	1991	2005	Subsidized	Elderly	Stabilized	Tax Credit	90	0	100.0%
056	Windmill Parc Apartments	39.0277	-77.4159	2015	na	Market Rate	Family	Duplicate	Conventional	284	15	94.7%
057	Wingler House East Phase 1	39.0373	-77.4709	1999	na	Restricted	Elderly	Stabilized	Tax Credit	132	1	99.2%
058	Wingler House West Phase 2	39.0373	-77.4709	2004	2018	Restricted	Elderly	Stabilized	Tax Credit	132	3	97.7%
059	Mt. Sterling Senior 9% B	39.0239	-77.3992	2019	na	Restricted	Elderly	Prop Const	Tax Credit	48	48	0.0%
060	Mt Sterling Senior 4%	39.0239	-77.3992	2019	na	Restricted	Elderly	Prop Const	Tax Credit	50	50	0.0%
061	City Center Townes	39.0356	-77.4149	2018	na	Market Rate	Family	Construction	Conventional	66	56	15.2%





Rental Property Inventory, Unconfirmed

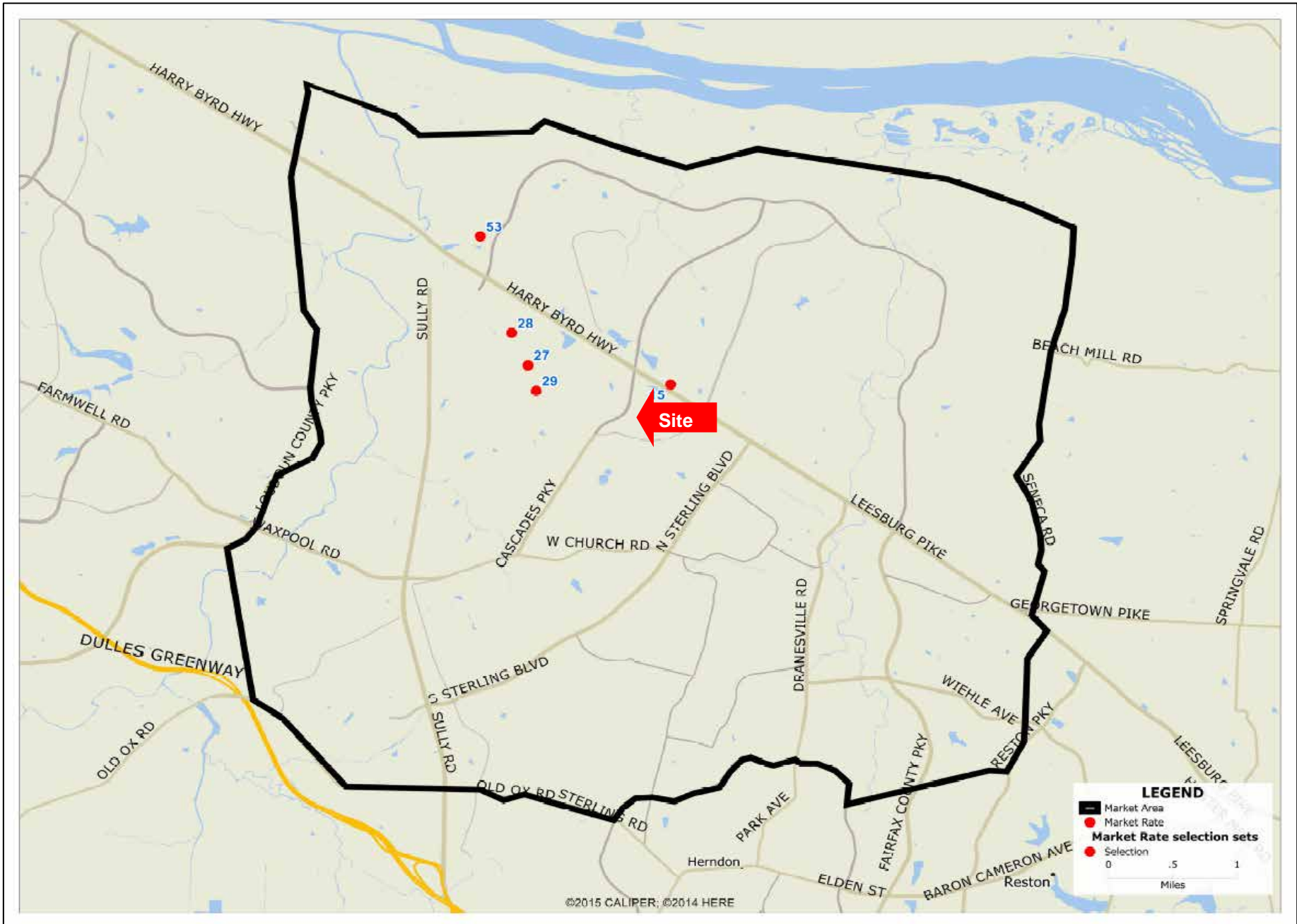
Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
004	Amurcon Corp of VA	38.9976	-77.4001	1988	na	Market Rate	Elderly	Unconfirmed	Conventional	90	10	88.9%

Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
003	Acclaim At Sterling	39.0124	-77.3761	1998	na	Restricted	Family	Stabilized	Tax Credit	102	3	97.1%
005	Arbor Terrace at Herndon	39.0126	-77.3715	2005	na	Restricted	Elderly	Stabilized	Conventional	80	2	97.5%
011	Cascades Overlook Apartments	39.0409	-77.3987	1991	2000	Market Rate	Family	Stabilized	Conventional	360	18	95.0%
012	Cascades Village Rental Homes	39.0234	-77.3889	2001	na	Restricted	Elderly	Stabilized	Tax Credit	150	0	100.0%
013	Chase Heritage Apartment Homes	38.9947	-77.4169	1989	2010	Market Rate	Family	Stabilized	Conventional	236	8	96.6%
015	Commons on Potomac Square	39.0285	-77.3964	2011	no	Market Rate	Family	Stabilized	Conventional	104	1	99.0%
017	Fields at Cascades Apartments	39.0285	-77.4045	1995	na	Restricted	Family	Stabilized	Tax Credit	320	2	99.4%
024	Heronview Apartments	39.0312	-77.4343	2018	na	Restricted	Family	Construction	Tax Credit	96	96	0.0%
027	Lerner Parc Dulles	39.0308	-77.4171	2007	na	Market Rate	Family	Stabilized	Conventional	393	8	98.0%
028	Lerner Remington	39.0347	-77.4194	1999	na	Market Rate	Family	Stabilized	Conventional	406	18	95.6%
029	Lerner Windmill Parc	39.0277	-77.4159	2015	na	Market Rate	Family	Stabilized	Conventional	437	12	97.3%
031	Loudoun Heights	39.0535	-77.4372	1993	2012	Market Rate	Family	Stabilized	Conventional	467	19	95.9%
035	Muirfield Woods Apartments	39.0093	-77.3777	1987	na	Market Rate	Family	Stabilized	Conventional	156	7	95.5%
036	North Point Affordable Housing (RIHC)	38.9793	-77.3514	1998	na	Restricted	Family	Stabilized	Tax Credit	48	0	100.0%
041	Potomac Garden Apartments	39.0355	-77.3854	1979	na	Market Rate	Family	Stabilized	Conventional	192	4	97.9%
046	Sommerset Retirement	38.9976	-77.4001	1988	na	Market Rate	Elderly	Stabilized	Conventional	90	6	93.3%
053	Village at Potomac Falls Apartments	39.0465	-77.4239	1999	na	Market Rate	Family	Stabilized	Conventional	162	6	96.3%
055	William Watters House	38.9970	-77.4062	1991	2005	Subsidized	Elderly	Stabilized	Tax Credit	90	0	100.0%
060	Mt Sterling Senior 4%	39.0239	-77.3992	2019	na	Restricted	Elderly	Prop Const	Tax Credit	50	50	0.0%
061	City Center Townes	39.0356	-77.4149	2018	na	Market Rate	Family	Construction	Conventional	66	56	15.2%

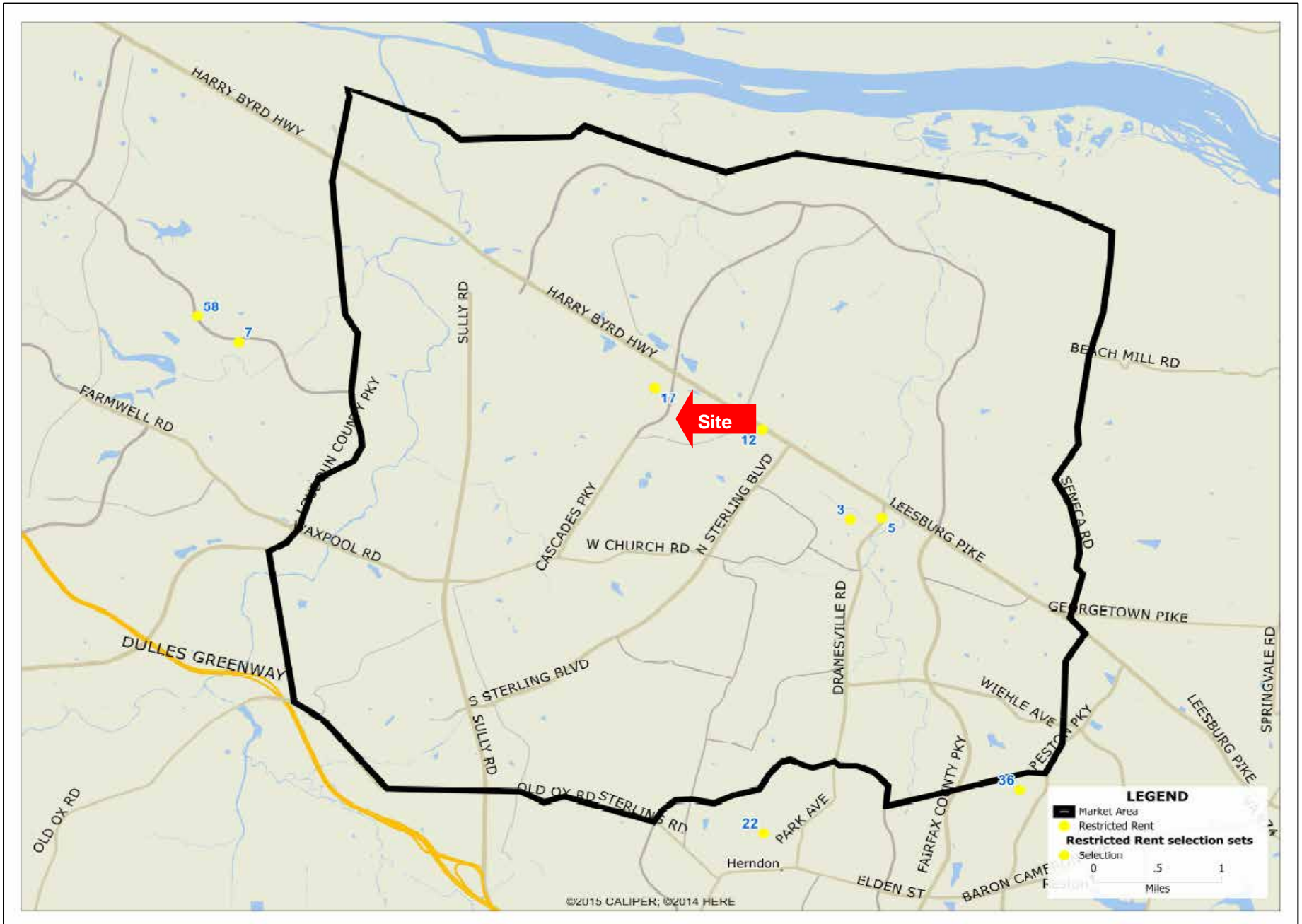
Master List of Market Rate Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
015	Commons on Potomac Square	39.0285	-77.3964	2011	no	Market Rate	Family	Stabilized	Conventional	104	1	99.0%
027	Lerner Parc Dulles	39.0308	-77.4171	2007	na	Market Rate	Family	Stabilized	Conventional	393	8	98.0%
028	Lerner Remington	39.0347	-77.4194	1999	na	Market Rate	Family	Stabilized	Conventional	406	18	95.6%
029	Lerner Windmill Parc	39.0277	-77.4159	2015	na	Market Rate	Family	Stabilized	Conventional	437	12	97.3%
053	Village at Potomac Falls Apartments	39.0465	-77.4239	1999	na	Market Rate	Family	Stabilized	Conventional	162	6	96.3%



Master List of Restricted Rent Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
003	Acclaim At Sterling	39.0124	-77.3761	1998	na	Restricted	Family	Stabilized	Tax Credit	102	3	97.1%
005	Arbor Terrace at Herndon	39.0126	-77.3715	2005	na	Restricted	Elderly	Stabilized	Conventional	80	2	97.5%
007	Ashburn Meadows Phase 2	39.0341	-77.4649	2002	na	Restricted	Family	Stabilized	Tax Credit	160	5	96.9%
012	Cascades Village Rental Homes	39.0234	-77.3889	2001	na	Restricted	Elderly	Stabilized	Tax Credit	150	0	100.0%
017	Fields at Cascades Apartments	39.0285	-77.4045	1995	na	Restricted	Family	Stabilized	Tax Credit	320	2	99.4%
022	Herndon Harbor House 1 & 2	38.9740	-77.3887	2001	na	Restricted	Elderly	Stabilized	Tax Credit	120	0	100.0%
036	North Point Affordable Housing (RIHC)	38.9793	-77.3514	1998	na	Restricted	Family	Stabilized	Tax Credit	48	0	100.0%
058	Wingler House West Phase 2	39.0373	-77.4709	2004	2018	Restricted	Elderly	Stabilized	Tax Credit	132	3	97.7%





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

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

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Market Rate	1	11	12
Restricted	3	4	7
Subsidized	1		1
<b>Total</b>	<b>5</b>	<b>15</b>	<b>20</b>

Total Units			
	Elderly	Family	Total
Market Rate	165	2,979	3,144
Restricted	200	566	766
Subsidized	95		95
<b>Total</b>	<b>460</b>	<b>3,545</b>	<b>4,005</b>

Vacant Units			
	Elderly	Family	Total
Market Rate	8	157	165
Restricted	45	101	146
Subsidized	5		5
<b>Total</b>	<b>58</b>	<b>258</b>	<b>316</b>

Occupancy Rate			
	Elderly	Family	Total
Market Rate	95%	95%	95%
Restricted	78%	82%	81%
Subsidized	95%		95%
<b>Total</b>	<b>87%</b>	<b>93%</b>	<b>92%</b>

Source: Allen & Associates



Our analysis includes a total of 20 confirmed market area properties consisting of 4,005 units. The occupancy rate for these units currently stands at 92 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

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

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

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

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

Elderly					Family				
Total Properties					Total Properties				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	1	2	1	4	Stabilized		3	10	13
Lease Up					Lease Up				
Construction					Construction		1	1	2
Rehabilitation					Rehabilitation				
Prop Const		1		1	Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal		1		1	Subtotal		1	1	2
Total	1	3	1	5	Total		4	11	15

Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	90	155	165	410	Stabilized		470	2,913	3,383
Lease Up					Lease Up				
Construction					Construction		96	66	162
Rehabilitation					Rehabilitation				
Prop Const	5	45		50	Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal	5	45		50	Subtotal		96	66	162
Total	95	200	165	460	Total		566	2,979	3,545

Vacant Units					Vacant Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized			8	8	Stabilized		5	101	106
Lease Up					Lease Up				
Construction					Construction		96	56	152
Rehabilitation					Rehabilitation				
Prop Const	5	45		50	Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal	5	45		50	Subtotal		96	56	152
Total	5	45	8	58	Total		101	157	258

Source: Allen & Associates

Our survey includes a total of 17 stabilized market area properties consisting of 3,793 units standing at 97 percent occupancy.

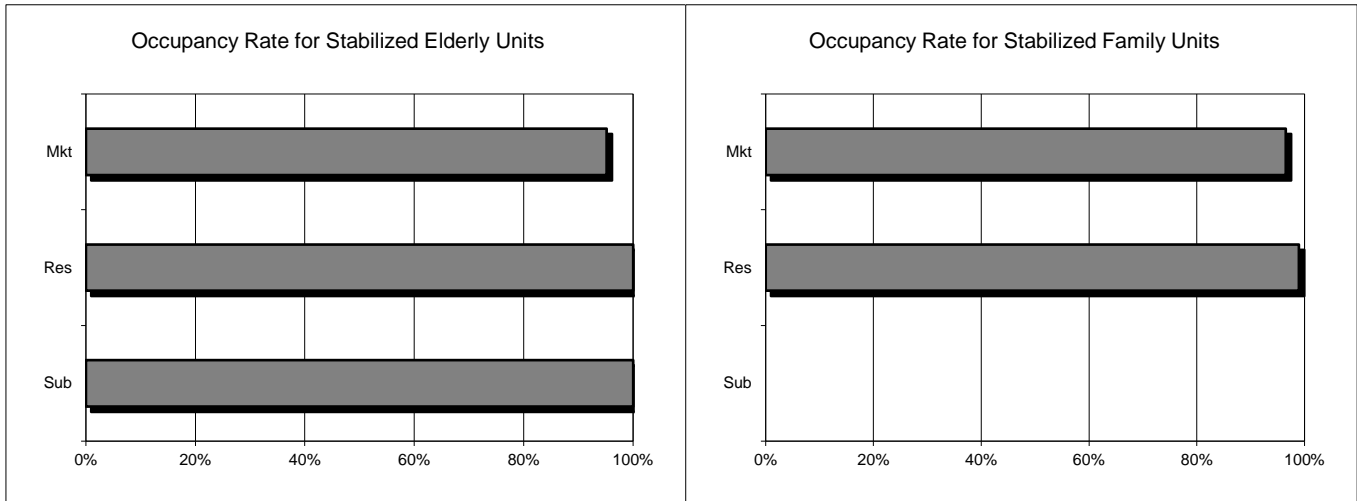
Our survey also includes a total of 3 market area properties consisting of 212 units that are not yet stabilized. Unstabilized units (also referred to as pipeline units) include vacant units in lease up, construction, rehabilitation, proposed new construction, and units with proposed renovation plans.

Rental Property Inventory, Confirmed, Inside Market Area

Elderly					Family				
Occupancy Rate					Occupancy Rate				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	100%	100%	95%	98%	Stabilized		99%	97%	97%
Lease Up					Lease Up				
Construction					Construction		0%	15%	6%
Rehabilitation					Rehabilitation				
Prop Const	0%	0%		0%	Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal	0%	0%		0%	Subtotal		0%	15%	6%
Total	95%	78%	95%	87%	Total		82%	95%	93%

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:



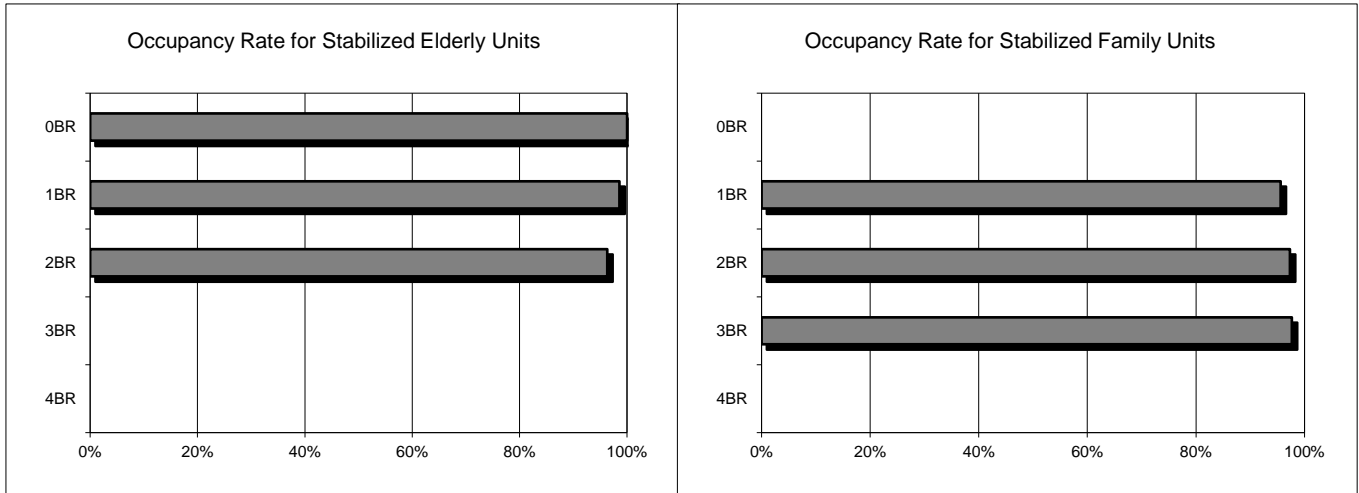
Our research suggests the following occupancy levels for the 410 stabilized elderly units in this market area:

- Subsidized, 100 percent (90 units in survey)
- Restricted, 100 percent (155 units in survey)
- Market Rate, 95 percent (165 units in survey)

Our research suggests the following occupancy levels for the 3,383 stabilized family units in this market area:

- Subsidized, not applicable (0 units in survey)
- Restricted, 99 percent (470 units in survey)
- Market Rate, 97 percent (2913 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 410 stabilized elderly units in this market area:

- 0-Bedroom, 100 percent (23 units in survey)
- 1-Bedroom, 99 percent (279 units in survey)
- 2-Bedroom, 96 percent (108 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 3,383 stabilized family units in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, 96 percent (976 units in survey)
- 2-Bedroom, 97 percent (2020 units in survey)
- 3-Bedroom, 98 percent (387 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									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	23								23
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	23								23

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

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

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

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

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

Source: Allen & Associates

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

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

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized					1			10	11
Lease Up									
Construction			1	1					2
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			1	1					2
Total			1	1	1			10	13

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	67			1	125			86	279
Lease Up									
Construction									
Rehabilitation									
Prop Const	5				37				42
Prop Rehab									
Unstabilized									
Subtotal	5				37				42
Total	72			1	162			86	321

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized					12			964	976
Lease Up									
Construction			6	12					18
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			6	12					18
Total			6	12	12			964	994

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								4	4
Lease Up									
Construction									
Rehabilitation									
Prop Const	5				37				42
Prop Rehab									
Unstabilized									
Subtotal	5				37				42
Total	5				37			4	46

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								43	43
Lease Up									
Construction			6	12					18
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			6	12					18
Total			6	12				43	61

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%			100%	100%			95%	99%
Lease Up									
Construction									
Rehabilitation									
Prop Const	0%				0%				0%
Prop Rehab									
Unstabilized									
Subtotal	0%				0%				0%
Total	93%			100%	77%			95%	86%

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

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				2	1			2	5
Lease Up									
Construction									
Rehabilitation									
Prop Const					1				1
Prop Rehab									
Unstabilized									
Subtotal					1				1
Total				2	2			2	6

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				1	3			10	14
Lease Up									
Construction			1	1				1	3
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			1	1				1	3
Total			1	2	3			11	17

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				26	3			79	108
Lease Up									
Construction									
Rehabilitation									
Prop Const					8				8
Prop Rehab									
Unstabilized									
Subtotal					8				8
Total				26	11			79	116

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				20	324			1,676	2,020
Lease Up									
Construction			6	52				45	103
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			6	52				45	103
Total			6	72	324			1,721	2,123

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								4	4
Lease Up									
Construction									
Rehabilitation									
Prop Const					8				8
Prop Rehab									
Unstabilized									
Subtotal					8				8
Total					8			4	12

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized					4			50	54
Lease Up									
Construction			6	52				40	98
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			6	52				40	98
Total			6	52	4			90	152

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				100%	100%			95%	96%
Lease Up									
Construction									
Rehabilitation									
Prop Const					0%				0%
Prop Rehab									
Unstabilized									
Subtotal					0%				0%
Total				100%	27%			95%	90%

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				100%	99%			97%	97%
Lease Up									
Construction			0%	0%				11%	5%
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			0%	0%				11%	5%
Total			0%	28%	99%			95%	93%

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					3			8	11
Lease Up									
Construction			1	1				1	3
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			1	1				1	3
Total			1	1	3			9	14

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					114			273	387
Lease Up									
Construction			2	18				21	41
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			2	18				21	41
Total			2	18	114			294	428

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

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized					1			8	9
Lease Up									
Construction			2	18				16	36
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			2	18				16	36
Total			2	18	1			24	45

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					99%			97%	98%
Lease Up									
Construction			0%	0%				24%	12%
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal			0%	0%				24%	12%
Total			0%	0%	99%			92%	89%

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

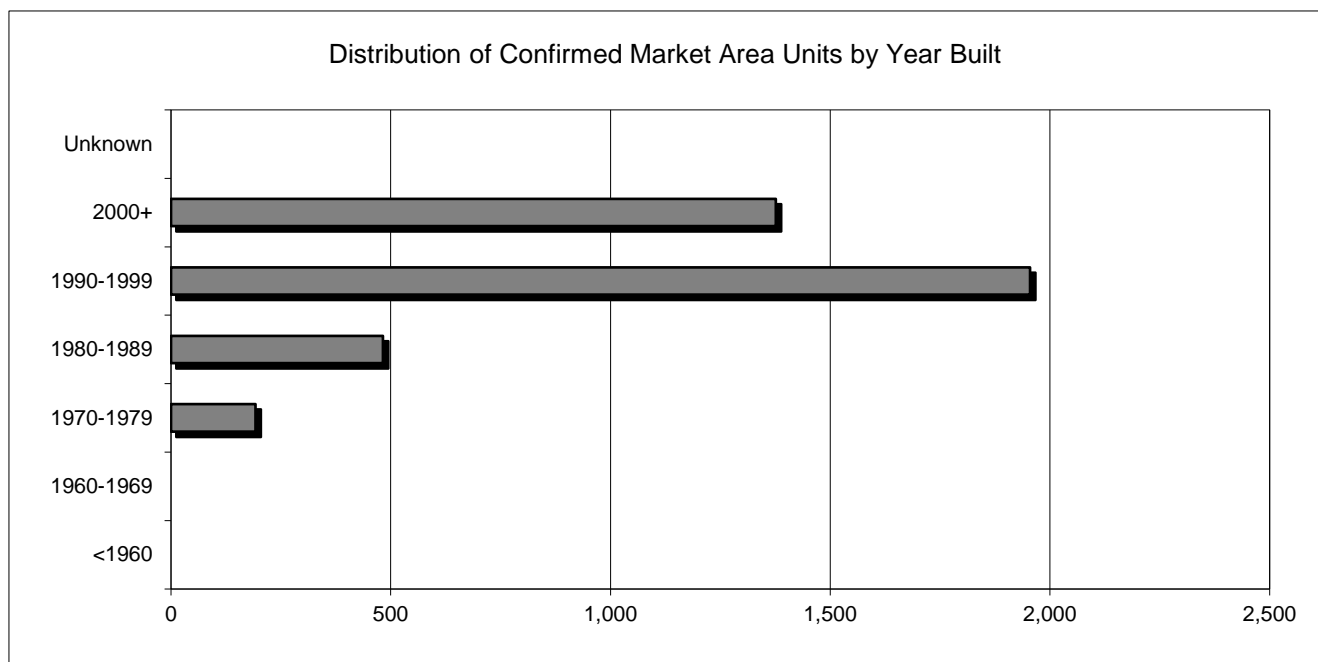
## Rental Property Inventory, Confirmed, Inside Market Area, by Year Built

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		1	1
1980-1989	1	2	3
1990-1999	1	7	8
2000+	3	5	8
Unknown			
<b>Total</b>	<b>5</b>	<b>15</b>	<b>20</b>

Total Units			
	Elderly	Family	Total
<1960			
1960-1969			
1970-1979		192	192
1980-1989	90	392	482
1990-1999	90	1,865	1,955
2000+	280	1,096	1,376
Unknown			
<b>Total</b>	<b>460</b>	<b>3,545</b>	<b>4,005</b>

Source: Allen & Associates



Our research suggests that of the 20 confirmed market area properties (4005 units) included in this report, 0 properties (0 units) were constructed before 1960, 0 properties (0 units) were constructed between 1960 and 1969, 1 property (192 units) between 1970 and 1979, 3 properties (482 units) between 1980 and 1989, 8 properties (1,955 units) between 1990 and 1999, and 8 properties (1,376 units) after 2000. In addition, 0 properties (0 units) had an unknown date of construction.

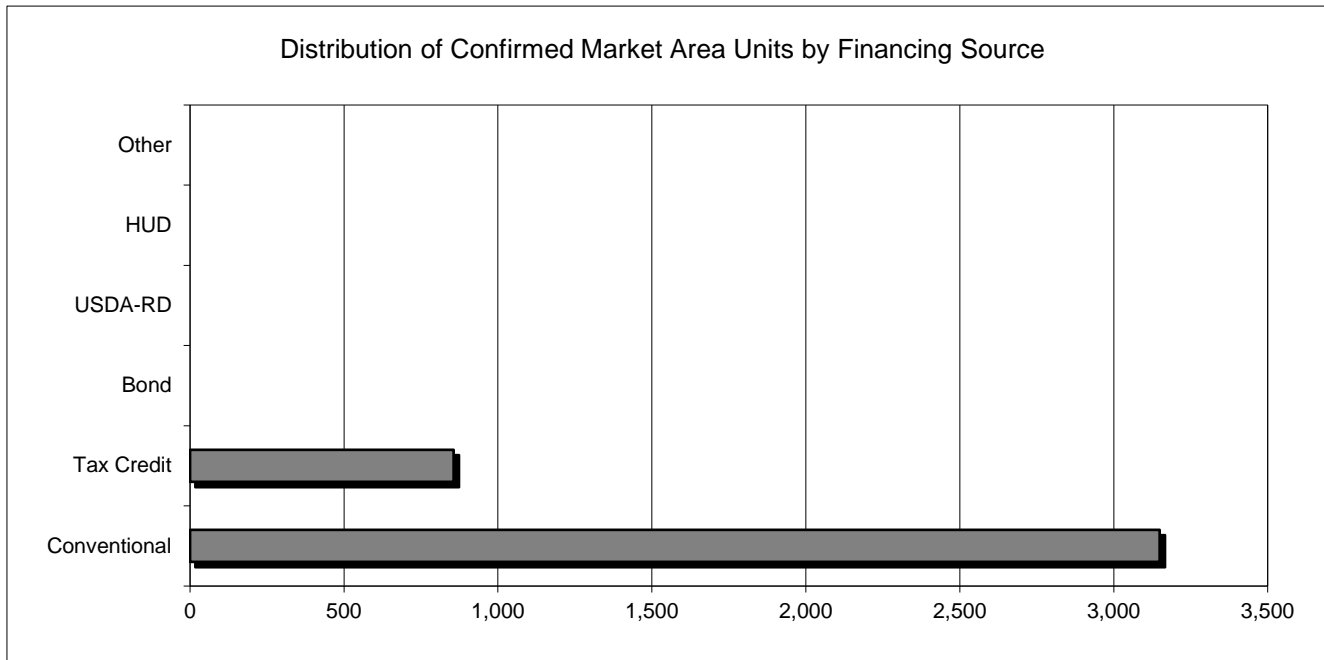
## Rental Property Inventory, Confirmed, Inside Market Area, by Financing Source

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

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Conventional	2	11	13
Tax Credit	3	4	7
Bond			
USDA-RD			
HUD			
Other			
<b>Total</b>	<b>5</b>	<b>15</b>	<b>20</b>

Total Units			
	Elderly	Family	Total
Conventional	170	2,979	3,149
Tax Credit	290	566	856
Bond			
USDA-RD			
HUD			
Other			
<b>Total</b>	<b>460</b>	<b>3,545</b>	<b>4,005</b>

Source: Allen & Associates



Our research suggests that of the 20 confirmed properties in the market area, 13 properties (consisting of 3149 units) are conventionally financed, 7 properties (consisting of 856 units) include tax credit financing, 0 properties (consisting of 0 units) are bond financed, 0 properties (consisting of 0 units) are exclusively USDA-RD financed, and 0 properties (consisting of 0 units) are exclusively HUD financed.

The average project size for this market area is 200 units. The smallest projects are tax credit financed, averaging 122 units in size. The largest projects are conventionally financed, averaging 242 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	\$855	\$855	\$855	-	-	-	-	-	-
1-Bedroom	\$973	\$1,440	\$1,207	\$778	\$1,189	\$1,013	\$1,226	\$3,889	\$1,723
2-Bedroom	-	-	-	\$600	\$1,489	\$1,220	\$1,398	\$4,455	\$2,028
3-Bedroom	-	-	-	\$965	\$1,720	\$1,380	\$1,795	\$2,405	\$1,982
4-Bedroom	-	-	-	-	-	-	-	-	-

Unit Size									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	460	460	460	-	-	-	-	-	-
1-Bedroom	540	652	596	628	791	701	652	842	760
2-Bedroom	-	-	-	860	1,010	940	850	1,179	1,043
3-Bedroom	-	-	-	1,101	1,178	1,131	1,140	1,556	1,291
4-Bedroom	-	-	-	-	-	-	-	-	-

Rent per Square Foot									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	\$1.86	\$1.86	\$1.86	-	-	-	-	-	-
1-Bedroom	\$1.80	\$2.21	\$2.02	\$1.24	\$1.50	\$1.44	\$1.88	\$4.62	\$2.27
2-Bedroom	-	-	-	\$0.70	\$1.47	\$1.30	\$1.64	\$3.78	\$1.94
3-Bedroom	-	-	-	\$0.88	\$1.46	\$1.22	\$1.55	\$1.57	\$1.54
4-Bedroom	-	-	-	-	-	-	-	-	-

Source: Allen & Associates





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

- 0-Bedroom, not applicable
- 1-Bedroom, \$1.44 per square foot
- 2-Bedroom, \$1.30 per square foot
- 3-Bedroom, \$1.22 per square foot
- 4-Bedroom, not applicable

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

- 0-Bedroom, not applicable
- 1-Bedroom, \$2.27 per square foot
- 2-Bedroom, \$1.94 per square foot
- 3-Bedroom, \$1.54 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):

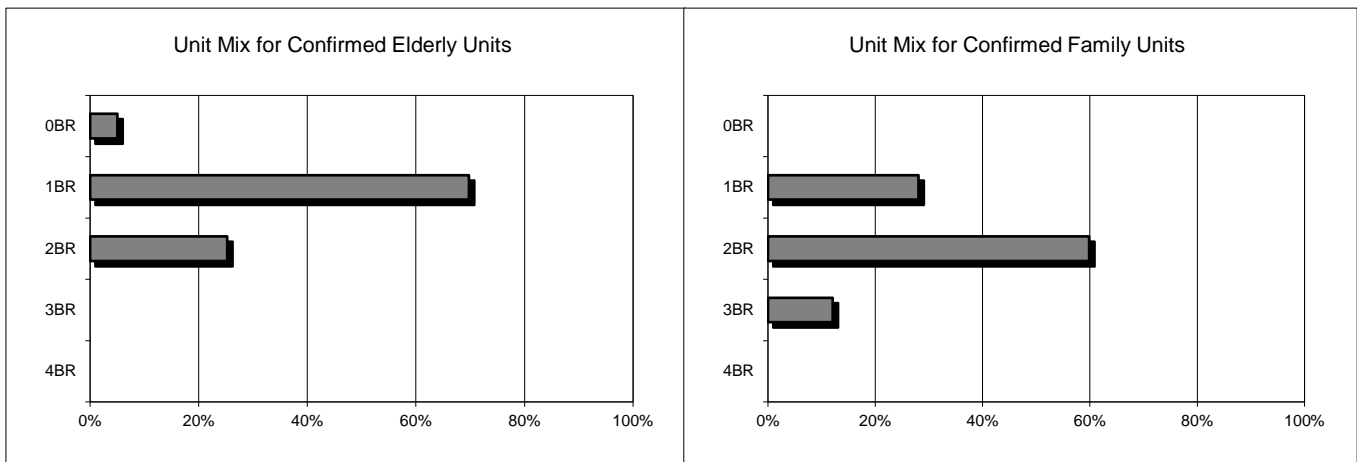
Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

Elderly					Family				
Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
0-Bedroom	23			23	0-Bedroom				
1-Bedroom	72	163	86	321	1-Bedroom		30	964	994
2-Bedroom		37	79	116	2-Bedroom		402	1,721	2,123
3-Bedroom					3-Bedroom		134	294	428
4-Bedroom					4-Bedroom				
<b>Total</b>	<b>95</b>	<b>200</b>	<b>165</b>	<b>460</b>	<b>Total</b>		<b>566</b>	<b>2,979</b>	<b>3,545</b>

Unit Mix					Unit Mix				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
0-Bedroom	24%			5%	0-Bedroom				
1-Bedroom	76%	82%	52%	70%	1-Bedroom		5%	32%	28%
2-Bedroom		19%	48%	25%	2-Bedroom		71%	58%	60%
3-Bedroom					3-Bedroom		24%	10%	12%
4-Bedroom					4-Bedroom				
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Allen & Associates



Our research suggests the following unit mix for the 460 confirmed elderly units located in this market area:

- 0-Bedroom, 5 percent (23 units in survey)
- 1-Bedroom, 70 percent (321 units in survey)
- 2-Bedroom, 25 percent (116 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 3,545 confirmed family units located in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, 28 percent (994 units in survey)
- 2-Bedroom, 60 percent (2,123 units in survey)
- 3-Bedroom, 12 percent (428 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	0%	Central	95%
2-4 Story	100%	Wall Units	5%
5-10 Story	0%	Window Units	0%
>10 Story	0%	None	0%
Project Amenities		Heat	
Ball Field	0%	Central	95%
BBQ Area	50%	Wall Units	5%
Billiards	40%	Baseboards	0%
Bus/Comp Ctr	45%	Radiators	0%
Car Care Ctr	35%	None	0%
Comm Center	65%	Parking	
Elevator	40%	Garage	5%
Fitness Center	80%	Covered	0%
Gazebo	25%	Assigned	0%
Hot Tub/Jacuzzi	0%	Open	95%
Horseshoe Pit	0%	None	0%
Lake	5%	Laundry	
Library	20%	Central	35%
Movie Theatre	30%	W/D Units	65%
Picnic Area	55%	W/D Hookups	5%
Playground	50%	Security	
Pool	65%	Call Buttons	20%
Sauna	10%	Cont Access	40%
Sports Court	40%	Courtesy Officer	10%
Walking Trail	25%	Monitoring	5%
Unit Amenities		Security Alarms	0%
Blinds	100%	Security Patrols	0%
Ceiling Fans	40%	Services	
Upgraded Flooring	100%	After School	0%
Fireplace	0%	Concierge	0%
Patio/Balcony	55%	Hair Salon	15%
Storage	30%	Health Care	5%
Kitchen Amenities		Linens	0%
Stove	100%	Meals	5%
Refrigerator	100%	Transportation	10%
Disposal	75%		
Dishwasher	80%		
Microwave	40%		

Source: Allen & Associates

Our research suggests that 0 percent of confirmed market area properties are 1 story in height, 100 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: 45 percent have a business/computer center, 65 percent have a community center, 80 percent have a fitness center, 50 percent have a playground, and 40 percent have a sports court.

Our research also suggests that the following unit amenities are present at surveyed properties: 100 percent have blinds, 100 percent have carpeting, 55 percent have patios/balconies, and 30 percent have outside storage. Surveyed properties also include the following kitchen amenities: 100 percent have a stove, 100 percent have a refrigerator, 75 percent have a disposal, 80 percent have a dishwasher, and 40 percent have a microwave.

In addition, 95 percent of confirmed market area properties have central heat while 95 percent have central air. Our research also suggests that 95 percent of surveyed properties have open parking. A total of 35 percent of area properties have central laundry facilities, while 5 percent have washer/dryer hookups, and 65 percent have washer/dryer units in each residential unit.

A total of 20 percent of confirmed market area properties have call buttons, 40 percent have controlled access, and 0 percent have security alarms.

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

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

Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy	Concessions	Vouchers	Abs Rate	Waiting List
003	Acclaim At Sterling	39.0124	-77.3761	1998	na	Restricted	Family	Stabilized	Tax Credit	102	3	97.1%	0%	10%	-	no
005	Arbor Terrace at Herndon	39.0126	-77.3715	2005	na	Restricted	Elderly	Stabilized	Conventional	80	2	97.5%	7%	0%	-	2 people
011	Cascades Overlook Apartments	39.0409	-77.3987	1991	2000	Market Rate	Family	Stabilized	Conventional	360	18	95.0%	7%	0%	-	-
012	Cascades Village Rental Homes	39.0234	-77.3889	2001	na	Restricted	Elderly	Stabilized	Tax Credit	150	0	100.0%	0%	20%	-	no
013	Chase Heritage Apartment Homes	38.9947	-77.4169	1989	2010	Market Rate	Family	Stabilized	Conventional	236	8	96.6%	0%	0%	-	-
015	Commons on Potomac Square	39.0285	-77.3964	2011	no	Market Rate	Family	Stabilized	Conventional	104	1	99.0%	0%	0%	-	no
017	Fields at Cascades Apartments	39.0285	-77.4045	1995	na	Restricted	Family	Stabilized	Tax Credit	320	2	99.4%	0%	6%	-	no
024	Heronview Apartments	39.0312	-77.4343	2018	na	Restricted	Family	Construction	Tax Credit	96	96	0.0%	0%	0%	-	-
027	Lerner Parc Dulles	39.0308	-77.4171	2007	na	Market Rate	Family	Stabilized	Conventional	393	8	98.0%	1%	0%	-	no
028	Lerner Remington	39.0347	-77.4194	1999	na	Market Rate	Family	Stabilized	Conventional	406	18	95.6%	1%	1%	-	-
029	Lerner Windmill Parc	39.0277	-77.4159	2015	na	Market Rate	Family	Stabilized	Conventional	437	12	97.3%	1%	0%	10.70	-
031	Loudoun Heights	39.0535	-77.4372	1993	2012	Market Rate	Family	Stabilized	Conventional	467	19	95.9%	5%	0%	-	-
035	Muirfield Woods Apartments	39.0093	-77.3777	1987	na	Market Rate	Family	Stabilized	Conventional	156	7	95.5%	0%	1%	-	no
036	North Point Affordable Housing (RIHC)	38.9793	-77.3514	1998	na	Restricted	Family	Stabilized	Tax Credit	48	0	100.0%	0%	25%	-	no
041	Potomac Garden Apartments	39.0355	-77.3854	1979	na	Market Rate	Family	Stabilized	Conventional	192	4	97.9%	0%	0%	-	3 people
046	Sommerset Retirement	38.9976	-77.4001	1988	na	Market Rate	Elderly	Stabilized	Conventional	90	6	93.3%	0%	0%	-	-
053	Village at Potomac Falls Apartments	39.0465	-77.4239	1999	na	Market Rate	Family	Stabilized	Conventional	162	6	96.3%	0%	0%	-	no
055	William Watters House	38.9970	-77.4062	1991	2005	Subsidized	Elderly	Stabilized	Tax Credit	90	0	100.0%	0%	0%	-	2 years
060	Mt Sterling Senior 4%	39.0239	-77.3992	2019	na	Restricted	Elderly	Prop Const	Tax Credit	50	50	0.0%	0%	0%	-	-
061	City Center Townes	39.0356	-77.4149	2018	na	Market Rate	Family	Construction	Conventional	66	56	15.2%	-	0%	-	-

## RENT COMPARABILITY ANALYSIS

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

### **Unrestricted Rent Analysis**

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

#### Rental Property Inventory, by Unit Type

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

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

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

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

#### Rent Comparables, Market Rate, Map

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

#### Rent Comparability Grids

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



Rental Property Inventory, 1-Bedroom Units

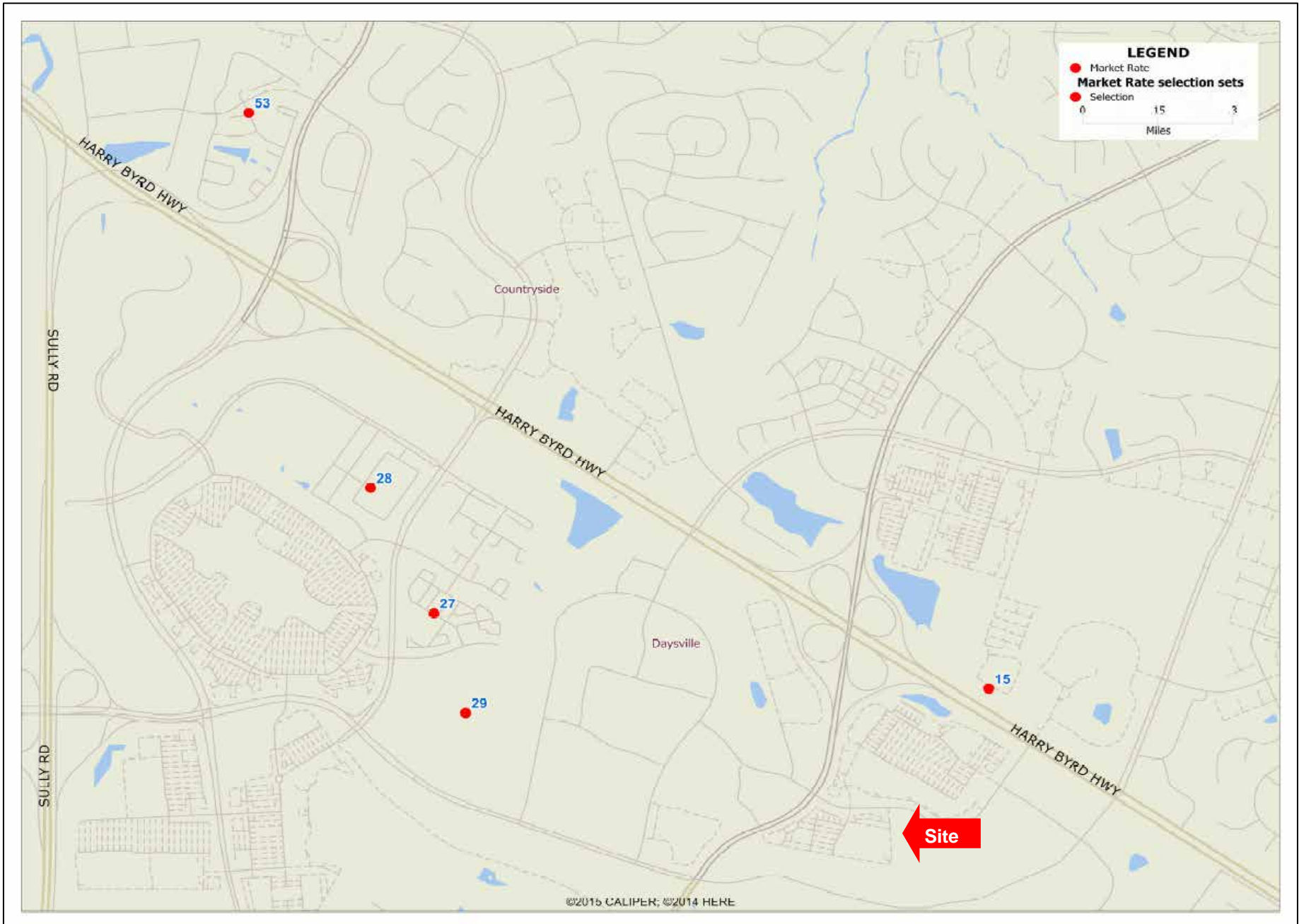
Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
008	Avalon Reston Landing	2001	na	Market Rate	Family	Stabilized								\$1,897
011	Cascades Overlook Apartments	1991	2000	Market Rate	Family	Stabilized								\$1,405
013	Chase Heritage Apartment Homes	1989	2010	Market Rate	Family	Stabilized								\$1,226
015	Commons on Potomac Square	2011	no	Market Rate	Family	Stabilized								\$1,591
027	Lerner Parc Dulles	2007	na	Market Rate	Family	Stabilized								\$1,467
028	Lerner Remington	1999	na	Market Rate	Family	Stabilized								\$1,396
029	Lerner Windmill Parc	2015	na	Market Rate	Family	Stabilized								\$1,640
031	Loudoun Heights	1993	2012	Market Rate	Family	Stabilized								\$1,394
035	Muirfield Woods Apartments	1987	na	Market Rate	Family	Stabilized								\$1,333
039	Park Avenue Apartments	1964	2006	Market Rate	Family	Stabilized								
041	Potomac Garden Apartments	1979	na	Market Rate	Family	Stabilized								\$1,266
046	Sommerset Retirement	1988	na	Market Rate	Elderly	Stabilized								\$2,596
048	Stuart Woods Apartments	1972	2005	Market Rate	Family	Stabilized								\$1,323
053	Village at Potomac Falls Apartments	1999	na	Market Rate	Family	Stabilized								\$1,471
054	Waterside Apartments	1985	2009	Market Rate	Family	Stabilized								\$1,401

Source: Allen & Associates

Rental Property Inventory, 2-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
008	Avalon Reston Landing	2001	na	Market Rate	Family	Stabilized								\$2,005
011	Cascades Overlook Apartments	1991	2000	Market Rate	Family	Stabilized								\$1,550
013	Chase Heritage Apartment Homes	1989	2010	Market Rate	Family	Stabilized								\$1,451
015	Commons on Potomac Square	2011	no	Market Rate	Family	Stabilized								\$1,810
027	Lerner Parc Dulles	2007	na	Market Rate	Family	Stabilized								\$2,083
028	Lerner Remington	1999	na	Market Rate	Family	Stabilized								\$1,678
029	Lerner Windmill Parc	2015	na	Market Rate	Family	Stabilized								\$2,021
031	Loudoun Heights	1993	2012	Market Rate	Family	Stabilized								\$1,398
035	Muirfield Woods Apartments	1987	na	Market Rate	Family	Stabilized								\$1,586
039	Park Avenue Apartments	1964	2006	Market Rate	Family	Stabilized								\$1,350
041	Potomac Garden Apartments	1979	na	Market Rate	Family	Stabilized								\$1,540
046	Sommerset Retirement	1988	na	Market Rate	Elderly	Stabilized								\$3,099
048	Stuart Woods Apartments	1972	2005	Market Rate	Family	Stabilized								\$1,434
053	Village at Potomac Falls Apartments	1999	na	Market Rate	Family	Stabilized								\$1,662
054	Waterside Apartments	1985	2009	Market Rate	Family	Stabilized								\$1,643

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 \$100 per bathroom.

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

*Square Feet*

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.70 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.00	\$2.00	\$0.70

*Visibility*

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

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

*Access*

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

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

*Neighborhood*

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

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

*Area Amenities*

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

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

*Median Household Income*

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

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

*Average Commute*

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

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

*Public Transportation*

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

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

*Personal Crime*

Our analysis also included an adjustment for personal crime rates for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$25,400 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$50,000	\$25,400

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

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

*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 \$3.00 per year for differences in effective age between the subject and the comparables.

Effective Age			
Adjustment	Survey Range		Concluded
Rating	\$1.00	\$5.00	\$3.00

*Project Amenities*

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

Project Amenities			
Adjustment	Survey Range		Concluded
Ball Field	\$2	\$10	\$2
BBQ Area	\$2	\$10	\$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	\$10
Gazebo	\$2	\$10	\$10
Hot Tub/Jacuzzi	\$2	\$10	\$2
Horseshoe Pit	\$2	\$10	\$2
Lake	\$2	\$10	\$10
Library	\$2	\$10	\$2
Movie Theatre	\$2	\$10	\$2
Picnic Area	\$2	\$10	\$10
Playground	\$2	\$10	\$10
Pool	\$2	\$10	\$10
Sauna	\$2	\$10	\$2
Sports Court	\$2	\$10	\$10
Walking Trail	\$2	\$10	\$2

*Unit Amenities*

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

Unit Amenities			
Adjustment	Survey Range		Concluded
Blinds	\$2	\$10	\$2
Ceiling Fans	\$2	\$10	\$10
Carpeting	\$2	\$10	\$2
Fireplace	\$2	\$10	\$2
Patio/Balcony	\$2	\$10	\$9
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	\$9
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$2
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

Rent Conclusion, 1BR-1BA-667sf

The development of our rent conclusion for the 1BR-1BA-667sf units is found below.

Our analysis included the evaluation of a total of 32 unit types found at 5 properties. We selected the 32 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 32 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-10	Mt. Sterling Senior 9% B	1BR-1BA-667sf	\$1,189	\$0	\$1,189	-	\$0	\$1,189	-
015-01	Commons on Potomac Square	1BR-1BA-705sf	\$1,470	\$0	\$1,470	\$206	\$64	\$1,534	5
015-02	Commons on Potomac Square	1BR-1BA-909sf	\$1,720	\$0	\$1,720	\$349	-\$79	\$1,641	9
015-03	Commons on Potomac Square	2BR-2BA-1112sf	\$1,748	\$0	\$1,748	\$722	-\$390	\$1,358	21
015-04	Commons on Potomac Square	2BR-2BA-1251sf	\$1,878	\$0	\$1,878	\$819	-\$487	\$1,391	25
027-01	Lerner Parc Dulles	1BR-1BA-745sf	\$1,477	\$71	\$1,406	\$195	-\$27	\$1,379	4
027-02	Lerner Parc Dulles	1BR-1BA-840sf	\$1,585	\$71	\$1,514	\$261	-\$93	\$1,420	6
027-03	Lerner Parc Dulles	1BR-1BA-871sf	\$1,527	\$71	\$1,456	\$283	-\$115	\$1,341	8
027-04	Lerner Parc Dulles	2BR-2BA-1130sf	\$1,943	\$0	\$1,943	\$695	-\$465	\$1,478	20
027-05	Lerner Parc Dulles	2BR-2.5BA-1182sf	\$2,222	\$0	\$2,222	\$782	-\$552	\$1,671	24
027-06	Lerner Parc Dulles	3BR-2BA-1216sf	\$2,022	\$0	\$2,022	\$896	-\$584	\$1,438	27
028-01	Lerner Remington	1BR-1BA-741sf	\$1,322	\$25	\$1,297	\$400	\$170	\$1,467	10
028-02	Lerner Remington	1BR-1BA-860sf	\$1,484	\$25	\$1,459	\$483	\$87	\$1,546	13
028-03	Lerner Remington	1BR-1BA-893sf	\$1,414	\$25	\$1,389	\$506	\$64	\$1,453	14
028-04	Lerner Remington	2BR-1BA-1031sf	\$1,644	\$25	\$1,619	\$734	-\$102	\$1,517	22
028-05	Lerner Remington	2BR-2BA-1186sf	\$1,706	\$25	\$1,681	\$942	-\$310	\$1,371	29
028-06	Lerner Remington	2BR-2BA-1212sf	\$1,761	\$25	\$1,736	\$961	-\$328	\$1,407	30
028-07	Lerner Remington	3BR-2BA-1371sf	\$2,294	\$25	\$2,269	\$1,213	-\$499	\$1,770	32
029-01	Lerner Windmill Parc	1BR-1BA-677sf	\$1,563	\$25	\$1,538	\$91	-\$57	\$1,481	1
029-02	Lerner Windmill Parc	1BR-1BA-728sf	\$1,616	\$25	\$1,591	\$127	-\$93	\$1,498	2
029-03	Lerner Windmill Parc	1BR-1BA-775sf	\$1,628	\$25	\$1,603	\$160	-\$126	\$1,477	3
029-04	Lerner Windmill Parc	1BR-1BA-931sf	\$1,856	\$25	\$1,831	\$269	-\$235	\$1,596	7
029-05	Lerner Windmill Parc	2BR-2BA-990sf	\$1,965	\$25	\$1,940	\$527	-\$445	\$1,495	15
029-06	Lerner Windmill Parc	2BR-2BA-1050sf	\$1,965	\$25	\$1,940	\$569	-\$487	\$1,453	16
029-07	Lerner Windmill Parc	2BR-2BA-1160sf	\$2,128	\$25	\$2,103	\$646	-\$564	\$1,539	18
029-08	Lerner Windmill Parc	2BR-2BA-1178sf	\$2,128	\$25	\$2,103	\$659	-\$577	\$1,526	19
029-09	Lerner Windmill Parc	3BR-2BA-1350sf	\$2,405	\$0	\$2,405	\$920	-\$756	\$1,649	28
053-01	Village at Potomac Falls Apartment	1BR-1BA-555sf	\$1,440	\$0	\$1,440	\$407	\$241	\$1,681	11
053-02	Village at Potomac Falls Apartment	1BR-1BA-795sf	\$1,500	\$0	\$1,500	\$418	\$73	\$1,573	12
053-03	Village at Potomac Falls Apartment	2BR-1BA-905sf	\$1,580	\$0	\$1,580	\$627	-\$72	\$1,508	17
053-04	Village at Potomac Falls Apartment	2BR-2BA-980sf	\$1,610	\$0	\$1,610	\$779	-\$225	\$1,385	23
053-05	Village at Potomac Falls Apartment	2BR-2BA-1120sf	\$1,780	\$0	\$1,780	\$877	-\$323	\$1,457	26
053-06	Village at Potomac Falls Apartment	3BR-2BA-1140sf	\$1,795	\$0	\$1,795	\$1,032	-\$396	\$1,399	31

Adjusted Rent, Minimum	\$1,341
Adjusted Rent, Maximum	\$1,770
Adjusted Rent, Average	\$1,497
Adjusted Rent, Modified Average	\$1,493

Rent, Concluded

\$1,525

Our analysis suggests a rent of \$1,525 for the 1BR-1BA-667sf units at the subject property.

In our opinion, the 1BR-1BA-677sf units at Lerner Windmill Parc (Property # 029), the 1BR-1BA-705sf units at Commons on Potomac Square (Property # 015), the 1BR-1BA-840sf units at Lerner Parc Dulles (Property # 027), the 1BR-1BA-741sf units at Lerner Remington (Property # 028), and the 1BR-1BA-555sf units at Village at Potomac Falls Apartments (Property # 053) are the best comparables for the units at the subject property.

Comparable	Subject	1	2	3	4	5				
Property-Unit Key	Sub-10	015-01	027-02	028-01	029-01	053-01				
Unit Type	1BR-1BA-667sf	1BR-1BA-705sf	1BR-1BA-840sf	1BR-1BA-741sf	1BR-1BA-677sf	1BR-1BA-555sf				
Property Name	Mt. Sterling Senior 9% B	Commons on Potomac Square	Lerner Parc Dulles	Lerner Remington	Lerner Windmill Parc	Village at Potomac Falls Apartments				
Address	/ Fair Drive (Between Price Cascades Pl	21282 McFadden Square	21153 Parc Dulles Square	21000 Stanford Square	21258 Windmill Parc Drive	20576 Idle Brook Terrace				
City	Sterling	Sterling	Sterling	Dulles	Sterling	Sterling				
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia				
Zip	20164	20165	20166	20166	20166	20165				
Latitude	39.02390	39.02845	39.03080	39.03474	39.02769	39.04649				
Longitude	-77.39923	-77.39641	-77.41705	-77.41941	-77.41587	-77.42394				
Miles to Subject	0.00	0.30	1.08	1.30	0.97	1.90				
Year Built	2019	2011	2007	1999	2015	1999				
Year Rehab	na	na	na	na	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 Const	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized				
Phone	na	(703) 947-0798	(703) 433-1220	(703) 433-0000	(703) 430-9000	(703) 421-9111				
Effective Date	06-Mar-19	22-Oct-18	18-Oct-18	22-Oct-18	23-Oct-18	23-Oct-18				
<u>Project Level</u>										
Units	48	104	393	406	437	162				
Vacant Units	48	1	8	18	12	6				
Vacancy Rate	100%	1%	2%	4%	3%	4%				
<u>Unit Type</u>										
Units	3	16	48	30	44	24				
Vacant Units	3	0	2	5	3	1				
Vacancy Rate	100%	0%	4%	17%	7%	4%				
Street Rent	\$1,189	\$1,470	\$1,585	\$1,322	\$1,563	\$1,440				
Concessions	\$0	\$0	\$71	\$25	\$25	\$0				
Net Rent	\$1,189	\$1,470	\$1,514	\$1,297	\$1,538	\$1,440				
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>			
Tenant-Paid Utilities	TPU	\$130	\$147	\$17	\$147	\$21	\$123	-\$7	\$148	\$18
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	yes	no	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$100	1	1	\$0	1	\$0	1	\$0	1	\$0
Bathrooms	\$100	1.00	1.00	\$0	1.00	\$0	1.00	\$0	1.00	\$0
Square Feet	\$0.70	667	705	-\$27	840	-\$121	741	-\$52	677	-\$78
Visibility	\$0	4.00	2.50	\$0	3.50	\$0	4.00	\$0	3.00	\$0
Access	\$0	4.00	2.50	\$0	3.50	\$0	4.00	\$0	3.00	\$0
Neighborhood	\$0	3.80	4.00	\$0	3.80	\$0	3.10	\$0	3.80	\$0
Area Amenities	\$0	4.50	3.50	\$0	3.10	\$0	3.30	\$0	2.70	\$0
Median HH Income	\$0.0000	\$73,214	\$151,544	\$0	\$73,214	\$0	\$89,375	\$0	\$73,214	\$0
Average Commute	\$0	28.64	33.55	\$0	28.64	\$0	27.95	\$0	28.64	\$0
Public Transportation	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Personal Crime	\$25,400	0.7%	0.6%	-\$36	0.7%	\$0	1.4%	\$163	0.7%	\$0
Condition	\$50	4.50	4.00	\$25	4.00	\$25	4.00	\$25	4.50	\$0
Effective Age	\$3.00	2018	2010	\$24	2010	\$24	2005	\$39	2015	\$9
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$10	no	no	\$0	yes	-\$10	no	\$0	yes	-\$10
Billiards	\$2	yes	no	\$2	yes	\$0	yes	\$0	yes	\$0
Bus/Comp Center	\$10	no	no	\$0	yes	-\$10	yes	-\$10	yes	-\$10
Car Care Center	\$2	no	no	\$0	yes	-\$2	yes	-\$2	no	\$0
Community Center	\$10	yes	no	\$10	yes	\$0	yes	\$0	yes	\$0
Elevator	\$10	yes	no	\$10	yes	\$0	no	\$10	yes	\$0
Fitness Center	\$10	yes	no	\$10	yes	\$0	yes	\$0	yes	\$0
Gazebo	\$10	yes	no	\$10	yes	\$10	yes	\$0	yes	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2
Movie Theatre	\$2	yes	no	\$2	yes	\$0	yes	\$0	yes	\$0
Picnic Area	\$10	yes	no	\$10	yes	\$0	no	\$10	yes	\$0
Playground	\$10	no	no	\$0	yes	-\$10	yes	-\$10	yes	-\$10
Pool	\$10	no	no	\$0	yes	-\$10	yes	-\$10	yes	-\$10
Sauna	\$2	no	no	\$0	yes	-\$2	yes	-\$2	no	\$0
Sports Court	\$10	no	no	\$0	no	\$0	yes	-\$10	yes	-\$10
Walking Trail	\$2	yes	yes	\$0	no	\$2	no	\$2	no	\$2
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$10	no	no	\$0	yes	-\$10	yes	-\$10	yes	-\$10
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	some	\$0	no	\$0
Patio/Balcony	\$9	no	yes	-\$9	some	\$0	yes	-\$9	some	\$0
Storage	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Dishwasher	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Microwave	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Garage	\$50	no	no	\$0	some	\$0	some	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	no	no	\$0	no	\$0	no	\$0	no	\$0
W/D Units	\$10	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0
W/D Hookups	\$5	no	no	\$0	no	\$0	no	\$0	no	\$0
Call Buttons	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2
Controlled Access	\$9	yes	no	\$9	yes	\$0	no	\$9	yes	\$0
Courtesy Officer	\$2	no	no	\$0	yes	-\$2	no	\$0	no	\$0
Monitoring	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0
Indicated Rent	\$1,525	\$1,534	\$1,420	\$1,467	\$1,481	\$1,681				

Rent Conclusion, 2BR-1.5BA-904sf

The development of our rent conclusion for the 2BR-1.5BA-904sf units is found below.

Our analysis included the evaluation of a total of 32 unit types found at 5 properties. We selected the 32 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 32 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-13	Mt. Sterling Senior 9% B	2BR-1.5BA-904sf	\$1,424	\$0	\$1,424	-	\$0	\$1,424	-
015-01	Commons on Potomac Square	1BR-1BA-705sf	\$1,470	\$0	\$1,470	\$463	\$352	\$1,822	18
015-02	Commons on Potomac Square	1BR-1BA-909sf	\$1,720	\$0	\$1,720	\$327	\$209	\$1,929	7
015-03	Commons on Potomac Square	2BR-2BA-1112sf	\$1,748	\$0	\$1,748	\$378	-\$102	\$1,646	11
015-04	Commons on Potomac Square	2BR-2BA-1251sf	\$1,878	\$0	\$1,878	\$475	-\$199	\$1,679	19
027-01	Lerner Parc Dulles	1BR-1BA-745sf	\$1,477	\$71	\$1,406	\$395	\$261	\$1,667	14
027-02	Lerner Parc Dulles	1BR-1BA-840sf	\$1,585	\$71	\$1,514	\$329	\$195	\$1,708	8
027-03	Lerner Parc Dulles	1BR-1BA-871sf	\$1,527	\$71	\$1,456	\$307	\$173	\$1,629	4
027-04	Lerner Parc Dulles	2BR-2BA-1130sf	\$1,943	\$0	\$1,943	\$351	-\$177	\$1,766	9
027-05	Lerner Parc Dulles	2BR-2.5BA-1182sf	\$2,222	\$0	\$2,222	\$438	-\$264	\$1,958	17
027-06	Lerner Parc Dulles	3BR-2BA-1216sf	\$2,022	\$0	\$2,022	\$552	-\$296	\$1,726	25
028-01	Lerner Remington	1BR-1BA-741sf	\$1,322	\$25	\$1,297	\$598	\$458	\$1,755	27
028-02	Lerner Remington	1BR-1BA-860sf	\$1,484	\$25	\$1,459	\$515	\$375	\$1,834	22
028-03	Lerner Remington	1BR-1BA-893sf	\$1,414	\$25	\$1,389	\$492	\$352	\$1,741	21
028-04	Lerner Remington	2BR-1BA-1031sf	\$1,644	\$25	\$1,619	\$490	\$186	\$1,805	20
028-05	Lerner Remington	2BR-2BA-1186sf	\$1,706	\$25	\$1,681	\$599	-\$22	\$1,659	28
028-06	Lerner Remington	2BR-2BA-1212sf	\$1,761	\$25	\$1,736	\$617	-\$40	\$1,695	29
028-07	Lerner Remington	3BR-2BA-1371sf	\$2,294	\$25	\$2,269	\$869	-\$211	\$2,058	32
029-01	Lerner Windmill Parc	1BR-1BA-677sf	\$1,563	\$25	\$1,538	\$421	\$231	\$1,769	15
029-02	Lerner Windmill Parc	1BR-1BA-728sf	\$1,616	\$25	\$1,591	\$385	\$195	\$1,786	13
029-03	Lerner Windmill Parc	1BR-1BA-775sf	\$1,628	\$25	\$1,603	\$352	\$162	\$1,765	10
029-04	Lerner Windmill Parc	1BR-1BA-931sf	\$1,856	\$25	\$1,831	\$281	\$53	\$1,884	3
029-05	Lerner Windmill Parc	2BR-2BA-990sf	\$1,965	\$25	\$1,940	\$191	-\$157	\$1,783	1
029-06	Lerner Windmill Parc	2BR-2BA-1050sf	\$1,965	\$25	\$1,940	\$233	-\$199	\$1,741	2
029-07	Lerner Windmill Parc	2BR-2BA-1160sf	\$2,128	\$25	\$2,103	\$310	-\$276	\$1,827	5
029-08	Lerner Windmill Parc	2BR-2BA-1178sf	\$2,128	\$25	\$2,103	\$323	-\$289	\$1,814	6
029-09	Lerner Windmill Parc	3BR-2BA-1350sf	\$2,405	\$0	\$2,405	\$576	-\$468	\$1,937	26
053-01	Village at Potomac Falls Apartment	1BR-1BA-555sf	\$1,440	\$0	\$1,440	\$715	\$529	\$1,969	31
053-02	Village at Potomac Falls Apartment	1BR-1BA-795sf	\$1,500	\$0	\$1,500	\$547	\$361	\$1,861	24
053-03	Village at Potomac Falls Apartment	2BR-1BA-905sf	\$1,580	\$0	\$1,580	\$383	\$216	\$1,796	12
053-04	Village at Potomac Falls Apartment	2BR-2BA-980sf	\$1,610	\$0	\$1,610	\$435	\$63	\$1,673	16
053-05	Village at Potomac Falls Apartment	2BR-2BA-1120sf	\$1,780	\$0	\$1,780	\$533	-\$35	\$1,745	23
053-06	Village at Potomac Falls Apartment	3BR-2BA-1140sf	\$1,795	\$0	\$1,795	\$688	-\$108	\$1,687	30

Adjusted Rent, Minimum	\$1,629
Adjusted Rent, Maximum	\$2,058
Adjusted Rent, Average	\$1,785
Adjusted Rent, Modified Average	\$1,781

Rent, Concluded

\$1,775

Our analysis suggests a rent of \$1,775 for the 2BR-1.5BA-904sf units at the subject property.

In our opinion, the 2BR-2BA-990sf units at Lerner Windmill Parc (Property # 029), the 2BR-2BA-1130sf units at Lerner Parc Dulles (Property # 027), the 2BR-2BA-1112sf units at Commons on Potomac Square (Property # 015), the 2BR-1BA-905sf units at Village at Potomac Falls Apartments (Property # 053), and the 2BR-1BA-1031sf units at Lerner Remington (Property # 028) are the best comparables for the units at the subject property.

Comparable	Subject	1	2	3	4	5	
Property-Unit Key	Sub-13	015-03	027-04	028-04	029-05	053-03	
Unit Type	2BR-1.5BA-904sf	2BR-2BA-1112sf	2BR-2BA-1130sf	2BR-1BA-1031sf	2BR-2BA-990sf	2BR-1BA-905sf	
Property Name	Mt. Sterling Senior 9% B	Commons on Potomac Square	Lerner Parc Dulles	Lerner Remington	Lerner Windmill Parc	Village at Potomac Falls Apartments	
Address	/ Fair Drive (Between Price Cascades Pl	21282 McFadden Square	21153 Parc Dulles Square	21000 Stanford Square	21258 Windmill Parc Drive	20576 Idle Brook Terrace	
City	Sterling	Sterling	Sterling	Dulles	Sterling	Sterling	
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia	
Zip	20164	20165	20166	20166	20166	20165	
Latitude	39.02390	39.02845	39.03080	39.03474	39.02769	39.04649	
Longitude	-77.39923	-77.39641	-77.41705	-77.41941	-77.41587	-77.42394	
Miles to Subject	0.00	0.30	1.08	1.30	0.97	1.90	
Year Built	2019	2011	2007	1999	2015	1999	
Year Rehab	na	na	na	na	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 Const	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	
Phone	na	(703) 947-0798	(703) 433-1220	(703) 433-0000	(703) 430-9000	(703) 421-9111	
Effective Date	06-Mar-19	22-Oct-18	18-Oct-18	22-Oct-18	23-Oct-18	23-Oct-18	
<u>Project Level</u>							
Units	48	104	393	406	437	162	
Vacant Units	48	1	8	18	12	6	
Vacancy Rate	100%	1%	2%	4%	3%	4%	
<u>Unit Type</u>							
Units	3	38	118	81	55	25	
Vacant Units	3	0	1	4	1	1	
Vacancy Rate	100%	0%	1%	5%	2%	4%	
Street Rent	\$1,424	\$1,748	\$1,943	\$1,644	\$1,965	\$1,580	
Concessions	\$0	\$0	\$0	\$25	\$25	\$0	
Net Rent	\$1,424	\$1,748	\$1,943	\$1,619	\$1,940	\$1,580	
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>
Tenant-Paid Utilities	TPU \$158	\$178 \$20	\$178 \$20	\$182 \$24	\$154 -\$4	\$180 \$22	
Cable	\$0 no	no \$0	no \$0	no \$0	no \$0	no \$0	
Internet	\$0 yes	no \$0	no \$0	no \$0	no \$0	no \$0	
Bedrooms	\$100 2	2 \$0	2 \$0	2 \$0	2 \$0	2 \$0	
Bathrooms	\$100 1.50	2.00 -\$50	2.00 -\$50	1.00 \$50	2.00 -\$50	1.00 \$50	
Square Feet	\$0.70 904	1112 -\$146	1130 -\$158	1031 -\$89	990 -\$60	905 -\$1	
Visibility	\$0 4.00	2.50 \$0	3.50 \$0	4.00 \$0	3.00 \$0	3.00 \$0	
Access	\$0 4.00	2.50 \$0	3.50 \$0	4.00 \$0	3.00 \$0	3.00 \$0	
Neighborhood	\$0 3.80	4.00 \$0	3.80 \$0	3.10 \$0	3.80 \$0	3.20 \$0	
Area Amenities	\$0 4.50	3.50 \$0	3.10 \$0	3.30 \$0	2.70 \$0	2.20 \$0	
Median HH Income	\$0.0000 \$73,214	\$151,544 \$0	\$73,214 \$0	\$89,375 \$0	\$73,214 \$0	\$104,667 \$0	
Average Commute	\$0 28.64	33.55 \$0	28.64 \$0	27.95 \$0	28.64 \$0	31.07 \$0	
Public Transportation	\$0 yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
Personal Crime	\$25,400 0.7%	0.6% -\$36	0.7% \$0	1.4% \$163	0.7% \$0	1.1% \$91	
Condition	\$50 4.50	4.00 \$25	4.00 \$25	4.00 \$25	4.50 \$0	3.50 \$50	
Effective Age	\$3.00 2018	2010 \$24	2010 \$24	2005 \$39	2015 \$9	2000 \$54	
Ball Field	\$2 no	no \$0	no \$0	no \$0	no \$0	no \$0	
BBQ Area	\$10 no	no \$0	yes -\$10	no \$0	yes -\$10	yes -\$10	
Billiards	\$2 yes	no \$2	yes \$0	yes \$0	yes \$0	no \$2	
Bus/Comp Center	\$10 no	no \$0	yes -\$10	yes -\$10	yes -\$10	yes -\$10	
Car Care Center	\$2 no	no \$0	yes -\$2	yes -\$2	no \$0	yes -\$2	
Community Center	\$10 yes	no \$10	yes \$0	yes \$0	yes \$0	yes \$0	
Elevator	\$10 yes	no \$10	yes \$0	no \$10	yes \$0	no \$10	
Fitness Center	\$10 yes	no \$10	yes \$0	yes \$0	yes \$0	yes \$0	
Gazebo	\$10 yes	no \$10	no \$10	yes \$0	yes \$0	no \$10	
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	\$10 no	no \$0	no \$0	no \$0	no \$0	yes -\$10	
Library	\$2 yes	no \$2	no \$2	no \$2	no \$2	no \$2	
Movie Theatre	\$2 yes	no \$2	yes \$0	yes \$0	yes \$0	no \$2	
Picnic Area	\$10 yes	no \$10	yes \$0	no \$10	yes \$0	yes \$0	
Playground	\$10 no	no \$0	yes -\$10	yes -\$10	yes -\$10	yes -\$10	
Pool	\$10 no	no \$0	yes -\$10	yes -\$10	yes -\$10	yes -\$10	
Sauna	\$2 no	no \$0	yes -\$2	yes -\$2	no \$0	no \$0	
Sports Court	\$10 no	no \$0	no \$0	yes -\$10	yes -\$10	yes -\$10	
Walking Trail	\$2 yes	yes \$0	no \$2	no \$2	no \$2	no \$2	
Blinds	\$2 yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
Ceiling Fans	\$10 no	no \$0	yes -\$10	yes -\$10	yes -\$10	yes -\$10	
Carpeting	\$2 yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
Fireplace	\$2 no	no \$0	no \$0	some \$0	no \$0	some \$0	
Patio/Balcony	\$9 no	yes -\$9	some \$0	yes -\$9	some \$0	yes -\$9	
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 yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
Dishwasher	\$2 yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
Microwave	\$2 yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
Garage	\$50 no	no \$0	some \$0	some \$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 no	no \$0	no \$0	no \$0	no \$0	no \$0	
W/D Units	\$10 yes	yes \$0	yes \$0	yes \$0	yes \$0	yes \$0	
W/D Hookups	\$5 no	no \$0	no \$0	no \$0	no \$0	no \$0	
Call Buttons	\$2 yes	no \$2	no \$2	no \$2	yes \$2	no \$2	
Controlled Access	\$9 yes	no \$9	yes \$0	no \$9	yes \$0	yes \$0	
Courtesy Officer	\$2 no	no \$0	yes -\$2	no \$0	no \$0	yes -\$2	
Monitoring	\$2 yes	no \$2	no \$2	no \$2	no \$2	no \$2	
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	\$1,775	\$1,646	\$1,766	\$1,805	\$1,783	\$1,796	



**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-610sf / 30% of AMI / 30% of AMI	No	No	3	\$1,525	\$529	65.3%
1BR-1BA-614sf / 30% of AMI / 30% of AMI	No	No	2	\$1,525	\$529	65.3%
1BR-1BA-614sf / 50% of AMI / 50% of AMI	No	No	10	\$1,525	\$969	36.5%
1BR-1BA-626sf / 50% of AMI / 50% of AMI	No	No	3	\$1,525	\$969	36.5%
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	No	1	\$1,525	\$969	36.5%
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	Yes	5	\$1,525	\$1,440	5.6%
1BR-1BA-631sf / 60% of AMI / 60% of AMI	No	No	4	\$1,525	\$1,189	22.0%
1BR-1BA-643sf / 60% of AMI / 60% of AMI	No	No	2	\$1,525	\$1,189	22.0%
1BR-1BA-646sf / 60% of AMI / 60% of AMI	No	No	4	\$1,525	\$1,189	22.0%
1BR-1BA-667sf / 60% of AMI / 60% of AMI	No	No	3	\$1,525	\$1,189	22.0%
2BR-1.5BA-833sf / 60% of AMI / 60% of AMI	No	No	4	\$1,775	\$1,424	19.8%
2BR-1.5BA-887sf / 60% of AMI / 60% of AMI	No	No	4	\$1,775	\$1,424	19.8%
2BR-1.5BA-904sf / 60% of AMI / 60% of AMI	No	No	3	\$1,775	\$1,424	19.8%
Total / Average			48	\$1,582	\$1,136	28.2%

Our analysis suggests an average unrestricted market rent of \$1,582 for the subject property. This is compared with an average proposed rent of \$1,136, yielding an unrestricted market rent advantage of 28.2 percent. Overall, the subject property appears to be priced at or below unrestricted market rents for the area.

We selected a total of 5 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 97 percent.

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

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								
1-Bedroom								96%
2-Bedroom								98%
3-Bedroom								
4-Bedroom								
Total								97%

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

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom	100%							
1-Bedroom	100%			100%	100%			96%
2-Bedroom				100%	99%			97%
3-Bedroom					99%			97%
4-Bedroom								
Total	100%			100%	99%			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 \$1494 to \$1793 since 2010. This represents an average 2.5% annual increase over this period.

Fair market rent data for the area is found below:

Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2006	\$1,080	\$1,225	\$1,580	-	-	-
2007	\$1,134	\$1,286	\$1,659	5.0%	5.0%	5.0%
2008	\$1,168	\$1,324	\$1,708	3.0%	3.0%	3.0%
2009	\$1,131	\$1,288	\$1,647	-3.2%	-2.7%	-3.6%
2010	\$1,318	\$1,494	\$1,927	16.5%	16.0%	17.0%
2011	\$1,289	\$1,461	\$1,885	-2.2%	-2.2%	-2.2%
2012	\$1,328	\$1,506	\$1,943	3.0%	3.1%	3.1%
2013	\$1,191	\$1,412	\$1,890	-10.3%	-6.2%	-2.7%
2014	\$1,239	\$1,469	\$1,966	4.0%	4.0%	4.0%
2015	\$1,230	\$1,458	\$1,951	-0.7%	-0.7%	-0.8%
2016	\$1,402	\$1,623	\$2,144	14.0%	11.3%	9.9%
2017	\$1,513	\$1,746	\$2,300	7.9%	7.6%	7.3%
2018	\$1,561	\$1,793	\$2,353	3.2%	2.7%	2.3%

Source: HUD

## Restricted Rent Analysis

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

### Rental Property Inventory, by Unit Type

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

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

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

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

### Rent Comparables, Restricted Rent, Map

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

### Rent Comparability Grids

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

Rental Property Inventory, 1-Bedroom Units

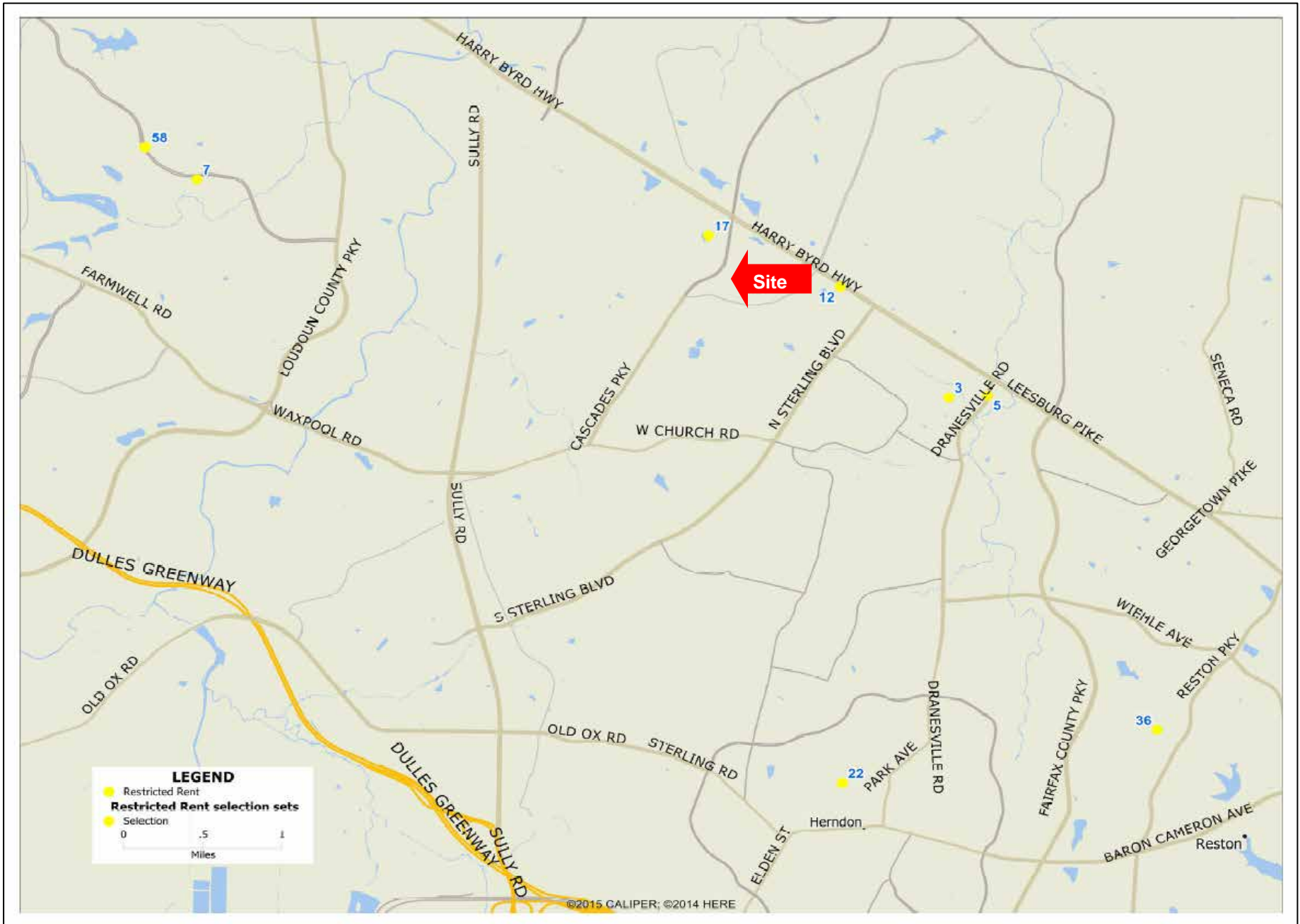
Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
001	Acclaim (The) at Ashburn Phase 1	1999	na	Restricted	Family	Stabilized								
002	Acclaim (The) at Ashburn Phase 2	2000	na	Restricted	Family	Stabilized								
003	Acclaim At Sterling	1998	na	Restricted	Family	Stabilized								
005	Arbor Terrace at Herndon	2005	na	Restricted	Elderly	Stabilized				\$977				\$3,889
006	Ashburn Meadows Phase 1	2000	na	Restricted	Family	Stabilized								
007	Ashburn Meadows Phase 2	2002	na	Restricted	Family	Stabilized								
012	Cascades Village Rental Homes	2001	na	Restricted	Elderly	Stabilized					\$1,170			
016	Evans Ridge Apartments	1996	na	Restricted	Family	Stabilized								
017	Fields at Cascades Apartments	1995	na	Restricted	Family	Stabilized								
018	Fields of Leesburg Phase 1	1971	1999	Restricted	Family	Stabilized					\$1,200			
019	Fields of Leesburg Phase 2	1972	1999	Restricted	Family	Stabilized								
021	Grove at Flynns Crossing	1999	na	Restricted	Family	Stabilized				\$1,292	\$1,292			
022	Herndon Harbor House 1 & 2	2001	na	Restricted	Elderly	Stabilized	\$970			\$970	\$970			
036	North Point Affordable Housing (RIHC)	1998	na	Restricted	Family	Stabilized					\$1,048			
043	Potomac Station Apartments	2003	na	Restricted	Family	Stabilized								
057	Wingler House East Phase 1	1999	na	Restricted	Elderly	Stabilized					\$931			
058	Wingler House West Phase 2	2004	2018	Restricted	Elderly	Stabilized					\$1,010			

Source: Allen & Associates

Rental Property Inventory, 2-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	20%	30%	40%	50%	60%	80%	Mkt
001	Acclaim (The) at Ashburn Phase 1	1999	na	Restricted	Family	Stabilized				\$1,129				
002	Acclaim (The) at Ashburn Phase 2	2000	na	Restricted	Family	Stabilized				\$1,129				
003	Acclaim At Sterling	1998	na	Restricted	Family	Stabilized					\$1,489			
005	Arbor Terrace at Herndon	2005	na	Restricted	Elderly	Stabilized				\$1,099	\$1,428			\$4,455
006	Ashburn Meadows Phase 1	2000	na	Restricted	Family	Stabilized					\$1,328			
007	Ashburn Meadows Phase 2	2002	na	Restricted	Family	Stabilized					\$1,436			
012	Cascades Village Rental Homes	2001	na	Restricted	Elderly	Stabilized				\$1,229				
016	Evans Ridge Apartments	1996	na	Restricted	Family	Stabilized				\$1,152	\$1,400			
017	Fields at Cascades Apartments	1995	na	Restricted	Family	Stabilized				\$1,170	\$1,434			
018	Fields of Leesburg Phase 1	1971	1999	Restricted	Family	Stabilized					\$1,240			
019	Fields of Leesburg Phase 2	1972	1999	Restricted	Family	Stabilized					\$1,240			
021	Grove at Flynns Crossing	1999	na	Restricted	Family	Stabilized				\$1,491	\$1,491			
022	Herndon Harbor House 1 & 2	2001	na	Restricted	Elderly	Stabilized								
036	North Point Affordable Housing (RIHC)	1998	na	Restricted	Family	Stabilized					\$1,250			
043	Potomac Station Apartments	2003	na	Restricted	Family	Stabilized					\$1,343			
057	Wingler House East Phase 1	1999	na	Restricted	Elderly	Stabilized					\$1,157			
058	Wingler House West Phase 2	2004	2018	Restricted	Elderly	Stabilized					\$1,190			

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 \$200 per bedroom.

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

*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 \$0.35 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.00	\$2.00	\$0.35

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

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

*Access*

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

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

*Neighborhood*

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

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

*Area Amenities*

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

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

*Median Household Income*

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

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

*Average Commute*

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$15.00 per each minute of commute.

Average Commute			
Adjustment	Survey Range		Concluded
Avg Commute	\$0.00	\$20.00	\$15.00

*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 \$1,350 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$50,000	\$1,350

*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.

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

*Project Amenities*

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

Project Amenities			
Adjustment	Survey Range		Concluded
Ball Field	\$2	\$10	\$2
BBQ Area	\$2	\$10	\$2
Billiards	\$2	\$10	\$2
Bus/Comp Ctrs	\$2	\$10	\$2
Car Care Center	\$2	\$10	\$2
Community Center	\$2	\$10	\$2
Elevator	\$10	\$100	\$10
Fitness Center	\$2	\$10	\$10
Gazebo	\$2	\$10	\$10
Hot Tub/Jacuzzi	\$2	\$10	\$2
Horseshoe Pit	\$2	\$10	\$2
Lake	\$2	\$10	\$2
Library	\$2	\$10	\$4
Movie Theatre	\$2	\$10	\$4
Picnic Area	\$2	\$10	\$2
Playground	\$2	\$10	\$10
Pool	\$2	\$10	\$10
Sauna	\$2	\$10	\$2
Sports Court	\$2	\$10	\$10
Walking Trail	\$2	\$10	\$10

*Unit Amenities*

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

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

*Kitchen Amenities*

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

Kitchen Amenities			
Adjustment	Survey Range		Concluded
Stove	\$2	\$10	\$2
Refrigerator	\$2	\$10	\$2
Disposal	\$2	\$10	\$10
Dishwasher	\$2	\$10	\$10
Microwave	\$2	\$10	\$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 \$50; washer/dryer hookups were valued at \$5.

Laundry			
Adjustment	Survey Range		Concluded
Central	\$5	\$25	\$5
W/D Units	\$10	\$50	\$50
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	\$7
Controlled Access	\$2	\$10	\$2
Courtesy Officer	\$2	\$10	\$10
Monitoring	\$2	\$10	\$2
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

Rent Conclusion, 1BR-1BA-667sf

The development of our rent conclusion for the 1BR-1BA-667sf units is found below.

Our analysis included the evaluation of a total of 19 unit types found at 8 properties. We selected the 19 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 19 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-10	Mt. Sterling Senior 9% B	1BR-1BA-667sf	\$1,189	\$0	\$1,189	-	\$0	\$1,189	-
003-01	Acclaim At Sterling	2BR-1.5BA-872sf	\$1,489	\$0	\$1,489	\$519	-\$219	\$1,270	8
003-02	Acclaim At Sterling	2BR-1.5BA-872sf	\$1,489	\$0	\$1,489	\$519	-\$219	\$1,270	8
003-03	Acclaim At Sterling	2BR-2BA-895sf	\$1,489	\$0	\$1,489	\$527	-\$227	\$1,262	12
003-04	Acclaim At Sterling	2BR-2BA-895sf	\$1,489	\$0	\$1,489	\$527	-\$227	\$1,262	12
003-05	Acclaim At Sterling	3BR-2BA-1101sf	\$1,720	\$0	\$1,720	\$799	-\$499	\$1,221	16
003-06	Acclaim At Sterling	3BR-2BA-1101sf	\$1,720	\$0	\$1,720	\$799	-\$499	\$1,221	16
005-06	Arbor Terrace at Herndon	2BR-2BA-1003sf	\$1,428	\$0	\$1,428	\$504	-\$251	\$1,177	7
007-01	Ashburn Meadows Phase 2	2BR-1BA-877sf	\$1,436	\$0	\$1,436	\$456	-\$155	\$1,281	5
007-02	Ashburn Meadows Phase 2	2BR-2BA-1010sf	\$1,436	\$0	\$1,436	\$503	-\$201	\$1,235	6
007-03	Ashburn Meadows Phase 2	3BR-2BA-1178sf	\$1,648	\$0	\$1,648	\$796	-\$426	\$1,222	15
012-01	Cascades Village Rental Homes	1BR-1BA-735sf	\$1,170	\$0	\$1,170	\$280	\$54	\$1,224	1
017-02	Fields at Cascades Apartments	2BR-2BA-1010sf	\$1,434	\$0	\$1,434	\$525	-\$223	\$1,211	11
017-03	Fields at Cascades Apartments	3BR-2BA-1178sf	\$1,645	\$0	\$1,645	\$819	-\$447	\$1,198	18
022-03	Herndon Harbor House 1 & 2	1BR-1BA-529sf	\$970	\$0	\$970	\$451	\$181	\$1,151	4
036-01	North Point Affordable Housing (RII)	1BR-1BA-791sf	\$1,048	\$0	\$1,048	\$384	\$185	\$1,233	3
036-02	North Point Affordable Housing (RII)	2BR-2BA-967sf	\$1,250	\$0	\$1,250	\$630	-\$62	\$1,188	14
036-03	North Point Affordable Housing (RII)	3BR-2BA-1139sf	\$1,437	\$0	\$1,437	\$875	-\$306	\$1,131	19
058-01	Wingler House West Phase 2	1BR-1BA-592sf	\$1,010	\$0	\$1,010	\$301	\$209	\$1,219	2
058-02	Wingler House West Phase 2	2BR-2BA-872sf	\$1,190	\$0	\$1,190	\$522	-\$64	\$1,126	10

Adjusted Rent, Minimum	\$1,126
Adjusted Rent, Maximum	\$1,281
Adjusted Rent, Average	\$1,216
Adjusted Rent, Modified Average	\$1,217
 Rent, Concluded	 \$1,225

Our analysis suggests a rent of \$1,225 for the 1BR-1BA-667sf units at the subject property.

In our opinion, the 1BR-1BA-735sf units at Cascades Village Rental Homes (Property # 012), the 1BR-1BA-592sf units at Wingler House West Phase 2 (Property # 058), the 1BR-1BA-791sf units at North Point Affordable Housing (RIHC) (Property # 036), the 1BR-1BA-529sf units at Herndon Harbor House 1 & 2 (Property # 022), and the 2BR-1BA-877sf units at Ashburn Meadows Phase 2 (Property # 007) are the best comparables for the units at the subject property.

Comparable	Subject	1	2	3	4	5						
Property-Unit Key	Sub-10	007-01	012-01	022-03	036-01	058-01						
Unit Type	1BR-1BA-667sf	2BR-1BA-877sf	1BR-1BA-735sf	1BR-1BA-529sf	1BR-1BA-791sf	1BR-1BA-592sf						
Property Name	Mt. Sterling Senior 9% B	Ashburn Meadows Phase 2	Cascades Village Rental Homes	Herndon Harbor House 1 & 2	North Point Affordable Housing (RHC)	Wingler House West Phase 2						
Address	/ Fair Drive (Between Price Cascades Pl	21030 Lowry Park Terrace	46565 Harry Byrd Highway	873 Grace Street	1520 North Point Drive	20900 Runny Meade Terrace						
City	Sterling	Ashburn	Sterling	Herndon	Reston	Ashburn						
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia						
Zip	20164	20147	20177	20170	20194	20147						
Latitude	39.02390	39.03408	39.02338	38.97400	38.97931	39.03728						
Longitude	-77.39923	-77.46489	-77.38886	-77.38865	-77.35144	-77.47093						
Miles to Subject	0.00	3.76	0.59	2.89	3.70	4.13						
Year Built	2019	2002	2001	2001	1998	2004						
Year Rehab	na	na	na	na	na	2018						
Project Rent	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted						
Project Type	Elderly	Family	Elderly	Elderly	Family	Elderly						
Project Status	Prop Const	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized						
Phone	na	(703) 723-3390	(703) 896-9771	(703) 904-9444	(571) 271-4780	(703) 858-9507						
Effective Date	06-Mar-19	12-Oct-18	12-Oct-18	12-Oct-18	12-Oct-18	15-Oct-18						
<u>Project Level</u>												
Units	48	160	150	120	48	132						
Vacant Units	48	5	0	0	0	3						
Vacancy Rate	100%	3%	0%	0%	0%	2%						
<u>Unit Type</u>												
Units	3	65	125	60	12	69						
Vacant Units	3	3	0	0	0	2						
Vacancy Rate	100%	5%	0%	0%	0%	3%						
Street Rent	\$1,189	\$1,436	\$1,170	\$970	\$1,048	\$1,010						
Concessions	\$0	\$0	\$0	\$0	\$0	\$0						
Net Rent	\$1,189	\$1,436	\$1,170	\$970	\$1,048	\$1,010						
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>						
Tenant-Paid Utilities	TPU \$130	\$146	\$16	\$49	-\$81	\$0	-\$130	\$79	-\$51	\$93	-\$37	
Cable	\$0	no	no	\$0	no	\$0	na	\$0	yes	\$0	no	\$0
Internet	\$0	yes	no	\$0	no	\$0	na	\$0	yes	\$0	no	\$0
Bedrooms	\$200	1	2	-\$200	1	\$0	1	\$0	1	\$0	1	\$0
Bathrooms	\$0	1.00	1.00	\$0	1.00	\$0	1.00	\$0	1.00	\$0	1.00	\$0
Square Feet	\$0.35	667	877	-\$74	735	-\$24	529	\$48	791	-\$43	592	\$26
Visibility	\$50	4.00	4.00	\$0	2.50	\$75	2.50	\$75	2.00	\$100	4.00	\$0
Access	\$0	4.00	3.50	\$0	2.50	\$0	2.50	\$0	2.50	\$0	3.50	\$0
Neighborhood	\$0	3.80	2.10	\$0	2.60	\$0	2.00	\$0	3.90	\$0	2.70	\$0
Area Amenities	\$0	4.50	2.00	\$0	2.70	\$0	4.00	\$0	4.30	\$0	2.50	\$0
Median HH Income	\$0.0000	\$73,214	\$84,167	\$0	\$82,933	\$0	\$91,429	\$0	\$153,571	\$0	\$91,875	\$0
Average Commute	\$15	28.64	32.16	\$53	28.84	\$3	30.16	\$23	29.62	\$15	37.61	\$135
Public Transportation	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Personal Crime	\$1,350	0.7%	1.4%	\$9	0.5%	-\$3	3.8%	\$41	1.1%	\$5	1.9%	\$16
Condition	\$10	4.50	4.00	\$5	3.50	\$10	3.00	\$15	3.50	\$10	4.50	\$0
Effective Age	\$1.00	2018	2005	\$13	2005	\$13	2000	\$18	2000	\$18	2005	\$13
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$2	no	yes	-\$2	no	\$0	no	\$0	no	\$0	no	\$0
Billiards	\$2	yes	no	\$2	yes	\$0	no	\$2	no	\$2	no	\$2
Bus/Comp Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$2
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	no	\$2	yes	\$0	yes	\$0	no	\$2	yes	\$0
Elevator	\$10	yes	no	\$10	yes	\$0	yes	\$0	no	\$10	yes	\$0
Fitness Center	\$10	yes	yes	\$0	yes	\$0	yes	\$0	no	\$10	yes	\$0
Gazebo	\$10	yes	no	\$10	yes	\$0	no	\$10	no	\$10	yes	\$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	\$4	yes	no	\$4	yes	\$0	no	\$4	no	\$4	yes	\$0
Movie Theatre	\$4	yes	no	\$4	yes	\$0	no	\$4	no	\$4	yes	\$0
Picnic Area	\$2	yes	yes	\$0	no	\$2	no	\$2	no	\$2	no	\$2
Playground	\$10	no	yes	-\$10	no	\$0	no	\$0	no	\$0	no	\$0
Pool	\$10	no	yes	-\$10	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Walking Trail	\$10	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$4	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
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	\$10	yes	yes	\$0	yes	\$0	yes	\$0	no	\$10	yes	\$0
Dishwasher	\$10	yes	yes	\$0	yes	\$0	no	\$10	no	\$10	yes	\$0
Microwave	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
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	yes	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	no	no	\$0	yes	-\$5	yes	-\$5	yes	-\$5	yes	-\$5
W/D Units	\$50	yes	yes	\$0	no	\$50	no	\$50	no	\$50	no	\$50
W/D Hookups	\$5	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Call Buttons	\$7	yes	no	\$7	yes	\$0	yes	\$0	no	\$7	yes	\$0
Controlled Access	\$2	yes	no	\$2	yes	\$0	yes	\$0	no	\$2	yes	\$0
Courtesy Officer	\$10	no	yes	-\$10	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	yes	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$2
Security Patrols	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Indicated Rent	\$1,225	\$1,281	\$1,224	\$1,151	\$1,233	\$1,219						

Rent Conclusion, 2BR-1.5BA-904sf

The development of our rent conclusion for the 2BR-1.5BA-904sf units is found below.

Our analysis included the evaluation of a total of 19 unit types found at 8 properties. We selected the 19 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 19 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-13	Mt. Sterling Senior 9% B	2BR-1.5BA-904sf	\$1,424	\$0	\$1,424	-	\$0	\$1,424	-
003-01	Acclaim At Sterling	2BR-1.5BA-872sf	\$1,489	\$0	\$1,489	\$287	\$36	\$1,525	7
003-02	Acclaim At Sterling	2BR-1.5BA-872sf	\$1,489	\$0	\$1,489	\$287	\$36	\$1,525	7
003-03	Acclaim At Sterling	2BR-2BA-895sf	\$1,489	\$0	\$1,489	\$279	\$28	\$1,517	5
003-04	Acclaim At Sterling	2BR-2BA-895sf	\$1,489	\$0	\$1,489	\$279	\$28	\$1,517	5
003-05	Acclaim At Sterling	3BR-2BA-1101sf	\$1,720	\$0	\$1,720	\$544	-\$244	\$1,476	14
003-06	Acclaim At Sterling	3BR-2BA-1101sf	\$1,720	\$0	\$1,720	\$544	-\$244	\$1,476	14
005-06	Arbor Terrace at Herndon	2BR-2BA-1003sf	\$1,428	\$0	\$1,428	\$249	\$4	\$1,432	4
007-01	Ashburn Meadows Phase 2	2BR-1BA-877sf	\$1,436	\$0	\$1,436	\$188	\$100	\$1,536	1
007-02	Ashburn Meadows Phase 2	2BR-2BA-1010sf	\$1,436	\$0	\$1,436	\$216	\$54	\$1,490	2
007-03	Ashburn Meadows Phase 2	3BR-2BA-1178sf	\$1,648	\$0	\$1,648	\$485	-\$171	\$1,477	11
012-01	Cascades Village Rental Homes	1BR-1BA-735sf	\$1,170	\$0	\$1,170	\$543	\$309	\$1,479	13
017-02	Fields at Cascades Apartments	2BR-2BA-1010sf	\$1,434	\$0	\$1,434	\$234	\$32	\$1,466	3
017-03	Fields at Cascades Apartments	3BR-2BA-1178sf	\$1,645	\$0	\$1,645	\$508	-\$192	\$1,453	12
022-03	Herndon Harbor House 1 & 2	1BR-1BA-529sf	\$970	\$0	\$970	\$762	\$436	\$1,406	19
036-01	North Point Affordable Housing (RII)	1BR-1BA-791sf	\$1,048	\$0	\$1,048	\$608	\$440	\$1,488	16
036-02	North Point Affordable Housing (RII)	2BR-2BA-967sf	\$1,250	\$0	\$1,250	\$375	\$193	\$1,443	10
036-03	North Point Affordable Housing (RII)	3BR-2BA-1139sf	\$1,437	\$0	\$1,437	\$620	-\$51	\$1,386	18
058-01	Wingler House West Phase 2	1BR-1BA-592sf	\$1,010	\$0	\$1,010	\$612	\$464	\$1,474	17
058-02	Wingler House West Phase 2	2BR-2BA-872sf	\$1,190	\$0	\$1,190	\$289	\$191	\$1,381	9

Adjusted Rent, Minimum	\$1,381
Adjusted Rent, Maximum	\$1,536
Adjusted Rent, Average	\$1,471
Adjusted Rent, Modified Average	\$1,472
 Rent, Concluded	 \$1,475

Our analysis suggests a rent of \$1,475 for the 2BR-1.5BA-904sf units at the subject property.

In our opinion, the 2BR-1BA-877sf units at Ashburn Meadows Phase 2 (Property # 007), the 2BR-2BA-1010sf units at Fields at Cascades Apartments (Property # 017), the 2BR-2BA-1003sf units at Arbor Terrace at Herndon (Property # 005), the 2BR-2BA-895sf units at Acclaim At Sterling (Property # 003), and the 2BR-2BA-872sf units at Wingler House West Phase 2 (Property # 058) are the best comparables for the units at the subject property.



Comparable	Subject	1	2	3	4	5						
Property-Unit Key	Sub-13	003-04	005-06	007-01	017-02	058-02						
Unit Type	2BR-1.5BA-904sf	2BR-2BA-895sf	2BR-2BA-1003sf	2BR-1BA-877sf	2BR-2BA-1010sf	2BR-2BA-872sf						
Property Name	Mt. Sterling Senior 9% B	Acclaim At Sterling	Arbor Terrace at Herndon	Ashburn Meadows Phase 2	Fields at Cascades Apartments	Wingler House West Phase 2						
Address	/ Fair Drive (Between Price Cascades Pl	46910 Shady Point Square	1100 Dranesville Road	21030 Lowry Park Terrace	21260 Huntington Square	20900 Runny Meade Terrace						
City	Sterling	Sterling	Herndon	Ashburn	Sterling	Ashburn						
State	Virginia	Virginia	Virginia	Virginia	Virginia	Virginia						
Zip	20164	20164	20170	20147	20166	20147						
Latitude	39.02390	39.01238	39.01257	39.03408	39.02847	39.03728						
Longitude	-77.39923	-77.37606	-77.37150	-77.46489	-77.40448	-77.47093						
Miles to Subject	0.00	1.47	1.70	3.76	0.39	4.13						
Year Built	2019	1998	2005	2002	1995	2004						
Year Rehab	na	na	na	na	na	2018						
Project Rent	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted						
Project Type	Elderly	Family	Elderly	Family	Family	Elderly						
Project Status	Prop Const	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized						
Phone	na	(703) 404-9711	(703) 956-6311	(703) 723-3390	(703) 404-2000	(703) 858-9507						
Effective Date	06-Mar-19	12-Oct-18	15-Oct-18	12-Oct-18	12-Oct-18	15-Oct-18						
<u>Project Level</u>												
Units	48	102	80	160	320	132						
Vacant Units	48	3	2	5	2	3						
Vacancy Rate	100%	3%	3%	3%	1%	2%						
<u>Unit Type</u>												
Units	3	43	3	65	220	63						
Vacant Units	3	1	0	3	1	1						
Vacancy Rate	100%	2%	0%	5%	0%	2%						
Street Rent	\$1,424	\$1,489	\$1,428	\$1,436	\$1,434	\$1,190						
Concessions	\$0	\$0	\$0	\$0	\$0	\$0						
Net Rent	\$1,424	\$1,489	\$1,428	\$1,436	\$1,434	\$1,190						
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>						
Tenant-Paid Utilities	TPU	\$158	\$93	-\$65	\$94	-\$64	\$146	-\$12	\$148	-\$10	\$118	-\$40
Cable	\$0	no	no	\$0	yes	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	yes	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$200	2	2	\$0	2	\$0	2	\$0	2	\$0	2	\$0
Bathrooms	\$0	1.50	2.00	\$0	2.00	\$0	1.00	\$0	2.00	\$0	2.00	\$0
Square Feet	\$0.35	904	895	\$3	1003	-\$35	877	\$9	1010	-\$37	872	\$11
Visibility	\$50	4.00	2.50	\$75	3.50	\$25	4.00	\$0	3.00	\$50	4.00	\$0
Access	\$0	4.00	2.50	\$0	3.50	\$0	3.50	\$0	3.50	\$0	3.50	\$0
Neighborhood	\$0	3.80	2.40	\$0	4.50	\$0	2.10	\$0	3.80	\$0	2.70	\$0
Area Amenities	\$0	4.50	3.60	\$0	3.60	\$0	2.00	\$0	3.10	\$0	2.50	\$0
Median HH Income	\$0.0000	\$73,214	\$72,527	\$0	\$164,853	\$0	\$84,167	\$0	\$73,214	\$0	\$91,875	\$0
Average Commute	\$15	28.64	27.30	-\$20	32.00	\$50	32.16	\$53	28.64	\$0	37.61	\$135
Public Transportation	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Personal Crime	\$1,350	0.7%	1.1%	\$5	1.2%	\$7	1.4%	\$9	0.7%	\$0	1.9%	\$16
Condition	\$10	4.50	3.00	\$15	4.00	\$5	4.00	\$5	3.50	\$10	4.50	\$0
Effective Age	\$1.00	2018	2000	\$18	2010	\$8	2005	\$13	2000	\$18	2005	\$13
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$2	no	no	\$0	yes	-\$2	yes	-\$2	yes	-\$2	no	\$0
Billiards	\$2	yes	no	\$2	yes	\$0	no	\$2	no	\$2	no	\$2
Bus/Comp Center	\$2	no	no	\$0	yes	-\$2	no	\$0	no	\$0	yes	-\$2
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	yes	-\$2	no	\$0
Community Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	yes	\$0
Elevator	\$10	yes	no	\$10	yes	\$0	no	\$10	no	\$10	yes	\$0
Fitness Center	\$10	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Gazebo	\$10	yes	yes	\$0	no	\$10	no	\$10	no	\$10	yes	\$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	\$4	yes	no	\$4	no	\$4	no	\$4	no	\$4	yes	\$0
Movie Theatre	\$4	yes	no	\$4	no	\$4	no	\$4	no	\$4	yes	\$0
Picnic Area	\$2	yes	no	\$2	yes	\$0	yes	\$0	yes	\$0	no	\$2
Playground	\$10	no	yes	-\$10	no	\$0	yes	-\$10	yes	-\$10	no	\$0
Pool	\$10	no	yes	-\$10	yes	-\$10	yes	-\$10	yes	-\$10	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$10	no	yes	-\$10	no	\$0	no	\$0	yes	-\$10	no	\$0
Walking Trail	\$10	yes	yes	\$0	yes	\$0	no	\$10	no	\$10	no	\$10
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$4	no	no	\$0	no	\$0	no	\$0	some	\$0	no	\$0
Patio/Balcony	\$10	no	yes	-\$10	no	\$0	no	\$0	yes	-\$10	no	\$0
Storage	\$10	no	no	\$0	yes	-\$10	no	\$0	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	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Dishwasher	\$10	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Microwave	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
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	yes	\$0	no	\$0	no	\$0
Central	\$5	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$5
W/D Units	\$50	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$50
W/D Hookups	\$5	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Call Buttons	\$7	yes	no	\$7	no	\$7	no	\$7	no	\$7	yes	\$0
Controlled Access	\$2	yes	no	\$2	yes	\$0	no	\$2	no	\$2	yes	\$0
Courtesy Officer	\$10	no	no	\$0	no	\$0	yes	-\$10	no	\$0	no	\$0
Monitoring	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	yes	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$2
Security Patrols	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Indicated Rent		\$1,475	\$1,517		\$1,432		\$1,536		\$1,466		\$1,381	

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-610sf / 30% of AMI / 30% of AMI	No	No	3	\$1,225
1BR-1BA-614sf / 30% of AMI / 30% of AMI	No	No	2	\$1,225
1BR-1BA-614sf / 50% of AMI / 50% of AMI	No	No	10	\$1,225
1BR-1BA-626sf / 50% of AMI / 50% of AMI	No	No	3	\$1,225
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	No	1	\$1,225
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	Yes	5	\$1,225
1BR-1BA-631sf / 60% of AMI / 60% of AMI	No	No	4	\$1,225
1BR-1BA-643sf / 60% of AMI / 60% of AMI	No	No	2	\$1,225
1BR-1BA-646sf / 60% of AMI / 60% of AMI	No	No	4	\$1,225
1BR-1BA-667sf / 60% of AMI / 60% of AMI	No	No	3	\$1,225
2BR-1.5BA-833sf / 60% of AMI / 60% of AMI	No	No	4	\$1,475
2BR-1.5BA-887sf / 60% of AMI / 60% of AMI	No	No	4	\$1,475
2BR-1.5BA-904sf / 60% of AMI / 60% of AMI	No	No	3	\$1,475
Total / Average			48	\$1,282

Our analysis suggests an average restricted market rent of \$1,282 for the subject property.

We selected a total of 8 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 99 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%	99%			100%
2-Bedroom				100%	98%			96%
3-Bedroom								
4-Bedroom								
Total	100%			100%	99%			97%

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

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom	100%							
1-Bedroom	100%			100%	100%			96%
2-Bedroom				100%	99%			97%
3-Bedroom					99%			97%
4-Bedroom								
Total	100%			100%	99%			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 \$1397 to \$1582 since 2010. This represents an average 1.7% annual increase over this period.

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

Maximum Tax Credit Rents, 60% of AMI						
Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2006	\$1,016	\$1,219	\$1,409	-	-	-
2007	\$1,063	\$1,276	\$1,474	4.6%	4.7%	4.6%
2008	\$1,114	\$1,337	\$1,544	4.8%	4.8%	4.7%
2009	\$1,155	\$1,386	\$1,602	3.7%	3.7%	3.8%
2010	\$1,164	\$1,397	\$1,615	0.8%	0.8%	0.8%
2011	\$1,194	\$1,432	\$1,655	2.6%	2.5%	2.5%
2012	\$1,209	\$1,451	\$1,677	1.3%	1.3%	1.3%
2013	\$1,207	\$1,449	\$1,674	-0.2%	-0.1%	-0.2%
2014	\$1,204	\$1,445	\$1,669	-0.2%	-0.3%	-0.3%
2015	\$1,228	\$1,474	\$1,704	2.0%	2.0%	2.1%
2016	\$1,222	\$1,466	\$1,694	-0.5%	-0.5%	-0.6%
2017	\$1,241	\$1,489	\$1,721	1.6%	1.6%	1.6%
2018	\$1,318	\$1,582	\$1,828	6.2%	6.2%	6.2%

Source: HUD

**Achievable Rent Conclusion**

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

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

LIHTC Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
1BR-1BA-610sf / 30% of AMI / 30% of AMI	No	No	3	\$659	\$130	\$529
1BR-1BA-614sf / 30% of AMI / 30% of AMI	No	No	2	\$659	\$130	\$529
1BR-1BA-614sf / 50% of AMI / 50% of AMI	No	No	10	\$1,099	\$130	\$969
1BR-1BA-626sf / 50% of AMI / 50% of AMI	No	No	3	\$1,099	\$130	\$969
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	No	1	\$1,099	\$130	\$969
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	Yes	5	\$1,099	\$130	\$969
1BR-1BA-631sf / 60% of AMI / 60% of AMI	No	No	4	\$1,319	\$130	\$1,189
1BR-1BA-643sf / 60% of AMI / 60% of AMI	No	No	2	\$1,319	\$130	\$1,189
1BR-1BA-646sf / 60% of AMI / 60% of AMI	No	No	4	\$1,319	\$130	\$1,189
1BR-1BA-667sf / 60% of AMI / 60% of AMI	No	No	3	\$1,319	\$130	\$1,189
2BR-1.5BA-833sf / 60% of AMI / 60% of AMI	No	No	4	\$1,582	\$158	\$1,424
2BR-1.5BA-887sf / 60% of AMI / 60% of AMI	No	No	4	\$1,582	\$158	\$1,424
2BR-1.5BA-904sf / 60% of AMI / 60% of AMI	No	No	3	\$1,582	\$158	\$1,424
Total / Average			48	\$1,223	\$136	\$1,087

Our analysis suggests an average net LIHTC rent limit of \$1,087 for 48 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-610sf / 30% of AMI / 30% of AMI	No	No	-	-	-	-
1BR-1BA-614sf / 30% of AMI / 30% of AMI	No	No	-	-	-	-
1BR-1BA-614sf / 50% of AMI / 50% of AMI	No	No	-	-	-	-
1BR-1BA-626sf / 50% of AMI / 50% of AMI	No	No	-	-	-	-
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	No	-	-	-	-
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	Yes	-	-	-	-
1BR-1BA-631sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
1BR-1BA-643sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
1BR-1BA-646sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
1BR-1BA-667sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
2BR-1.5BA-833sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
2BR-1.5BA-887sf / 60% of AMI / 60% of AMI	No	No	-	-	-	-
2BR-1.5BA-904sf / 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-610sf / 30% of AMI / 30% of AMI	No	No	3	\$529	-	-	\$529
1BR-1BA-614sf / 30% of AMI / 30% of AMI	No	No	2	\$529	-	-	\$529
1BR-1BA-614sf / 50% of AMI / 50% of AMI	No	No	10	\$969	-	-	\$969
1BR-1BA-626sf / 50% of AMI / 50% of AMI	No	No	3	\$969	-	-	\$969
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	No	1	\$969	-	-	\$969
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	Yes	5	\$969	-	\$1,525	\$1,525
1BR-1BA-631sf / 60% of AMI / 60% of AMI	No	No	4	\$1,189	-	-	\$1,189
1BR-1BA-643sf / 60% of AMI / 60% of AMI	No	No	2	\$1,189	-	-	\$1,189
1BR-1BA-646sf / 60% of AMI / 60% of AMI	No	No	4	\$1,189	-	-	\$1,189
1BR-1BA-667sf / 60% of AMI / 60% of AMI	No	No	3	\$1,189	-	-	\$1,189
2BR-1.5BA-833sf / 60% of AMI / 60% of AMI	No	No	4	\$1,424	-	-	\$1,424
2BR-1.5BA-887sf / 60% of AMI / 60% of AMI	No	No	4	\$1,424	-	-	\$1,424
2BR-1.5BA-904sf / 60% of AMI / 60% of AMI	No	No	3	\$1,424	-	-	\$1,424
Total / Average			48	\$1,087	-	\$1,525	\$1,145

Our analysis suggests an average program rent limit of \$1,145 for 48 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-610sf / 30% of AMI / 30% of AMI	No	No	3	\$529	\$1,525	\$1,225	\$529	\$529	0.0%
1BR-1BA-614sf / 30% of AMI / 30% of AMI	No	No	2	\$529	\$1,525	\$1,225	\$529	\$529	0.0%
1BR-1BA-614sf / 50% of AMI / 50% of AMI	No	No	10	\$969	\$1,525	\$1,225	\$969	\$969	0.0%
1BR-1BA-626sf / 50% of AMI / 50% of AMI	No	No	3	\$969	\$1,525	\$1,225	\$969	\$969	0.0%
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	No	1	\$969	\$1,525	\$1,225	\$969	\$969	0.0%
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	Yes	5	\$1,525	\$1,525	\$1,225	\$1,525	\$1,440	5.6%
1BR-1BA-631sf / 60% of AMI / 60% of AMI	No	No	4	\$1,189	\$1,525	\$1,225	\$1,189	\$1,189	0.0%
1BR-1BA-643sf / 60% of AMI / 60% of AMI	No	No	2	\$1,189	\$1,525	\$1,225	\$1,189	\$1,189	0.0%
1BR-1BA-646sf / 60% of AMI / 60% of AMI	No	No	4	\$1,189	\$1,525	\$1,225	\$1,189	\$1,189	0.0%
1BR-1BA-667sf / 60% of AMI / 60% of AMI	No	No	3	\$1,189	\$1,525	\$1,225	\$1,189	\$1,189	0.0%
2BR-1.5BA-833sf / 60% of AMI / 60% of AMI	No	No	4	\$1,424	\$1,775	\$1,475	\$1,424	\$1,424	0.0%
2BR-1.5BA-887sf / 60% of AMI / 60% of AMI	No	No	4	\$1,424	\$1,775	\$1,475	\$1,424	\$1,424	0.0%
2BR-1.5BA-904sf / 60% of AMI / 60% of AMI	No	No	3	\$1,424	\$1,775	\$1,475	\$1,424	\$1,424	0.0%
Total / Average			48	\$1,145	\$1,582	\$1,282	\$1,145	\$1,136	0.8%

Our analysis suggests an average achievable rent of \$1,145 for the subject property. This is compared with an average proposed rent of \$1,136, yielding an achievable rent advantage of 0.8 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

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

Achievable Rents, No Rent Subsidies									
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
1BR-1BA-610sf / 30% of AMI / 30% of AMI	No	No	3	\$529	\$1,525	\$1,225	\$529	\$529	0.0%
1BR-1BA-614sf / 30% of AMI / 30% of AMI	No	No	2	\$529	\$1,525	\$1,225	\$529	\$529	0.0%
1BR-1BA-614sf / 50% of AMI / 50% of AMI	No	No	10	\$969	\$1,525	\$1,225	\$969	\$969	0.0%
1BR-1BA-626sf / 50% of AMI / 50% of AMI	No	No	3	\$969	\$1,525	\$1,225	\$969	\$969	0.0%
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	No	1	\$969	\$1,525	\$1,225	\$969	\$969	0.0%
1BR-1BA-643sf / 50% of AMI / 50% of AMI	No	No	5	\$969	\$1,525	\$1,225	\$969	\$1,440	-48.6%
1BR-1BA-631sf / 60% of AMI / 60% of AMI	No	No	4	\$1,189	\$1,525	\$1,225	\$1,189	\$1,189	0.0%
1BR-1BA-643sf / 60% of AMI / 60% of AMI	No	No	2	\$1,189	\$1,525	\$1,225	\$1,189	\$1,189	0.0%
1BR-1BA-646sf / 60% of AMI / 60% of AMI	No	No	4	\$1,189	\$1,525	\$1,225	\$1,189	\$1,189	0.0%
1BR-1BA-667sf / 60% of AMI / 60% of AMI	No	No	3	\$1,189	\$1,525	\$1,225	\$1,189	\$1,189	0.0%
2BR-1.5BA-833sf / 60% of AMI / 60% of AMI	No	No	4	\$1,424	\$1,775	\$1,475	\$1,424	\$1,424	0.0%
2BR-1.5BA-887sf / 60% of AMI / 60% of AMI	No	No	4	\$1,424	\$1,775	\$1,475	\$1,424	\$1,424	0.0%
2BR-1.5BA-904sf / 60% of AMI / 60% of AMI	No	No	3	\$1,424	\$1,775	\$1,475	\$1,424	\$1,424	0.0%
Total / Average			48	\$1,087	\$1,582	\$1,282	\$1,087	\$1,136	-4.5%

## 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	113	24	7	1	1	0	146	
\$0	to \$19,999	272	78	19	4	7	2	382	
\$0	to \$29,999	413	109	32	7	12	6	579	
\$0	to \$39,999	469	154	39	8	14	7	692	
\$0	to \$49,999	505	183	45	9	18	11	771	
\$0	to \$59,999	575	213	52	10	21	11	882	
\$0	to \$74,999	633	241	58	13	25	11	981	
\$0	to \$99,999	755	293	85	13	28	13	1,188	
\$0	to \$124,999	845	347	101	14	30	14	1,351	
\$0	to \$149,999	899	390	119	15	33	15	1,471	
\$0	to \$199,999	990	400	123	17	34	15	1,580	
\$0	or more	1,009	564	130	18	40	19	1,780	

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		
005 Arbor Terrace at Herndon	2005	na	Restricted	Elderly	Stabilized				1				24										
012 Cascades Village Rental Homes	2001	na	Restricted	Elderly	Stabilized					125													
046 Sommerset Retirement	1988	na	Market Rate	Elderly	Stabilized								62									4	
055 William Watters House	1991	2005	Subsidized	Elderly	Stabilized	67																	
060 Mt Sterling Senior 4%	2019	na	Restricted	Elderly	Prop Const	5				37				5								37	
<b>Total</b>						72			1	162			86	5								37	4

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		
005 Arbor Terrace at Herndon	2005	na	Restricted	Elderly	Stabilized				1	3			51									2	
012 Cascades Village Rental Homes	2001	na	Restricted	Elderly	Stabilized				25														
046 Sommerset Retirement	1988	na	Market Rate	Elderly	Stabilized								28									2	
055 William Watters House	1991	2005	Subsidized	Elderly	Stabilized																		
060 Mt Sterling Senior 4%	2019	na	Restricted	Elderly	Prop Const					8												8	
<b>Total</b>									26	11			79									8	4

Source: Allen & Associates

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

In this section we estimate demand for the 1-Bedroom / Subsidized / 50% of AMI units at the subject property. Our analysis assumes a total of 5 units, 5 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	50% of AMI
Total Units	5
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$130
Gross Rent	\$130
Income Qualification Ratio	50%
Minimum Qualified Income	\$260
Months/Year	12
Minimum Qualified Income	\$3,120

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	113	24	7	1	1	0
	\$0	to	\$19,999	272	78	19	4	7	2
	\$0	to	\$29,999	413	109	32	7	12	6
	\$0	to	\$39,999	469	154	39	8	14	7
	\$0	to	\$49,999	505	183	45	9	18	11
	\$0	to	\$59,999	575	213	52	10	21	11
	\$0	to	\$74,999	633	241	58	13	25	11
	\$0	to	\$99,999	755	293	85	13	28	13
	\$0	to	\$124,999	845	347	101	14	30	14
	\$0	to	\$149,999	899	390	119	15	33	15
	\$0	to	\$199,999	990	400	123	17	34	15
	\$0	or	more	1,009	564	130	18	40	19

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$41,050	\$46,900	\$52,750	\$58,600	\$63,300	\$68,000	

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	473	173	0	0	0	0
HH Below Minimum Income	34	7	0	0	0	0
Subtotal	439	166	0	0	0	0

Demand Estimate 604

Our analysis suggests demand for a total of 604 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, 30% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 30% of AMI units at the subject property. Our analysis assumes a total of 5 units, 5 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	Restricted
Income Limit	30% of AMI
Total Units	5
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$529
Utilities	\$130
Gross Rent	\$659
Income Qualification Ratio	50%
Minimum Qualified Income	\$1,318
Months/Year	12
Minimum Qualified Income	\$15,816

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	113	24	7	1	1	0
\$0	to	\$19,999	272	78	19	4	7	2
\$0	to	\$29,999	413	109	32	7	12	6
\$0	to	\$39,999	469	154	39	8	14	7
\$0	to	\$49,999	505	183	45	9	18	11
\$0	to	\$59,999	575	213	52	10	21	11
\$0	to	\$74,999	633	241	58	13	25	11
\$0	to	\$99,999	755	293	85	13	28	13
\$0	to	\$124,999	845	347	101	14	30	14
\$0	to	\$149,999	899	390	119	15	33	15
\$0	to	\$199,999	990	400	123	17	34	15
\$0	or	more	1,009	564	130	18	40	19

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$24,630	\$28,140	\$31,650	\$35,160	\$37,980	\$40,800	

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	335	103	0	0	0	0
HH Below Minimum Income	200	54	0	0	0	0
Subtotal	135	49	0	0	0	0

Demand Estimate 184

Our analysis suggests demand for a total of 184 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 14 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	Restricted
Income Limit	50% of AMI
Total Units	14
Vacant Units at Market Entry	14

Minimum Qualified Income	
Net Rent	\$969
Utilities	\$130
Gross Rent	\$1,099
Income Qualification Ratio	50%
Minimum Qualified Income	\$2,198
Months/Year	12
Minimum Qualified Income	\$26,376

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	113	24	7	1	1	0
	\$0	to	\$19,999	272	78	19	4	7	2
	\$0	to	\$29,999	413	109	32	7	12	6
	\$0	to	\$39,999	469	154	39	8	14	7
	\$0	to	\$49,999	505	183	45	9	18	11
	\$0	to	\$59,999	575	213	52	10	21	11
	\$0	to	\$74,999	633	241	58	13	25	11
	\$0	to	\$99,999	755	293	85	13	28	13
	\$0	to	\$124,999	845	347	101	14	30	14
	\$0	to	\$149,999	899	390	119	15	33	15
	\$0	to	\$199,999	990	400	123	17	34	15
	\$0	or	more	1,009	564	130	18	40	19

Maximum Allowable Income								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Allowable Income			\$41,050	\$46,900	\$52,750	\$58,600	\$63,300	\$68,000

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			473	173	0	0	0	0
HH Below Minimum Income			357	97	0	0	0	0
Subtotal			116	76	0	0	0	0

Demand Estimate 192

Our analysis suggests demand for a total of 192 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 13 units, 13 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	Restricted
Income Limit	60% of AMI
Total Units	13
Vacant Units at Market Entry	13

Minimum Qualified Income	
Net Rent	\$1,189
Utilities	\$130
Gross Rent	\$1,319
Income Qualification Ratio	50%
Minimum Qualified Income	\$2,638
Months/Year	12
Minimum Qualified Income	\$31,656

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	113	24	7	1	1	0
\$0	to	\$19,999	272	78	19	4	7	2
\$0	to	\$29,999	413	109	32	7	12	6
\$0	to	\$39,999	469	154	39	8	14	7
\$0	to	\$49,999	505	183	45	9	18	11
\$0	to	\$59,999	575	213	52	10	21	11
\$0	to	\$74,999	633	241	58	13	25	11
\$0	to	\$99,999	755	293	85	13	28	13
\$0	to	\$124,999	845	347	101	14	30	14
\$0	to	\$149,999	899	390	119	15	33	15
\$0	to	\$199,999	990	400	123	17	34	15
\$0	or	more	1,009	564	130	18	40	19

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$49,260	\$56,280	\$63,300	\$70,320	\$75,960	\$81,600	

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	501	201	0	0	0	0
HH Below Minimum Income	421	116	0	0	0	0
Subtotal	80	85	0	0	0	0

Demand Estimate 165

Our analysis suggests demand for a total of 165 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 11 units, 11 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	11
Vacant Units at Market Entry	11

Minimum Qualified Income	
Net Rent	\$1,424
Utilities	\$158
Gross Rent	\$1,582
Income Qualification Ratio	50%
Minimum Qualified Income	\$3,164
Months/Year	12
Minimum Qualified Income	\$37,968

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	113	24	7	1	1	0
\$0	to	\$19,999	272	78	19	4	7	2
\$0	to	\$29,999	413	109	32	7	12	6
\$0	to	\$39,999	469	154	39	8	14	7
\$0	to	\$49,999	505	183	45	9	18	11
\$0	to	\$59,999	575	213	52	10	21	11
\$0	to	\$74,999	633	241	58	13	25	11
\$0	to	\$99,999	755	293	85	13	28	13
\$0	to	\$124,999	845	347	101	14	30	14
\$0	to	\$149,999	899	390	119	15	33	15
\$0	to	\$199,999	990	400	123	17	34	15
\$0	or	more	1,009	564	130	18	40	19

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$49,260	\$56,280	\$63,300	\$70,320	\$75,960	\$81,600	

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	501	201	0	0	0	0
HH Below Minimum Income	455	143	0	0	0	0
Subtotal	46	58	0	0	0	0

Demand Estimate 105

Our analysis suggests demand for a total of 105 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	113	24	7	1	1	0
\$0	to	\$19,999	272	78	19	4	7	2
\$0	to	\$29,999	413	109	32	7	12	6
\$0	to	\$39,999	469	154	39	8	14	7
\$0	to	\$49,999	505	183	45	9	18	11
\$0	to	\$59,999	575	213	52	10	21	11
\$0	to	\$74,999	633	241	58	13	25	11
\$0	to	\$99,999	755	293	85	13	28	13
\$0	to	\$124,999	845	347	101	14	30	14
\$0	to	\$149,999	899	390	119	15	33	15
\$0	to	\$199,999	990	400	123	17	34	15
\$0	or	more	1,009	564	130	18	40	19

Demand Estimate, Subsidized							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$41,050	\$46,900	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$41,050	\$46,900	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$3,120	\$3,120	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$3,120	\$3,120	-	-	-	-	-
HH Below Upper Income	473	173	0	0	0	0	0
HH Below Lower Income	34	7	0	0	0	0	0
Subtotal	439	166	0	0	0	0	0

Demand Estimate

604

Our analysis suggests demand for a total of 604 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, 30% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 30% 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	113	24	7	1	1	0
\$0	to	\$19,999	272	78	19	4	7	2
\$0	to	\$29,999	413	109	32	7	12	6
\$0	to	\$39,999	469	154	39	8	14	7
\$0	to	\$49,999	505	183	45	9	18	11
\$0	to	\$59,999	575	213	52	10	21	11
\$0	to	\$74,999	633	241	58	13	25	11
\$0	to	\$99,999	755	293	85	13	28	13
\$0	to	\$124,999	845	347	101	14	30	14
\$0	to	\$149,999	899	390	119	15	33	15
\$0	to	\$199,999	990	400	123	17	34	15
\$0	or	more	1,009	564	130	18	40	19

Demand Estimate, Restricted, 30% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$24,630	\$28,140	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$24,630	\$28,140	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$15,816	\$15,816	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$15,816	\$15,816	-	-	-	-	-
HH Below Upper Income	335	103	0	0	0	0	0
HH Below Lower Income	200	54	0	0	0	0	0
Subtotal	135	49	0	0	0	0	0

Demand Estimate

184

Our analysis suggests demand for a total of 184 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.

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	113	24	7	1	1	0
\$0	to	\$19,999	272	78	19	4	7	2
\$0	to	\$29,999	413	109	32	7	12	6
\$0	to	\$39,999	469	154	39	8	14	7
\$0	to	\$49,999	505	183	45	9	18	11
\$0	to	\$59,999	575	213	52	10	21	11
\$0	to	\$74,999	633	241	58	13	25	11
\$0	to	\$99,999	755	293	85	13	28	13
\$0	to	\$124,999	845	347	101	14	30	14
\$0	to	\$149,999	899	390	119	15	33	15
\$0	to	\$199,999	990	400	123	17	34	15
\$0	or	more	1,009	564	130	18	40	19

Demand Estimate, Restricted, 50% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	
Maximum Income, 1BR	\$41,050	\$46,900	-	-	-	-	
Maximum Income, 2BR	-	-	-	-	-	-	
Maximum Income, 3BR	-	-	-	-	-	-	
Maximum Income, 4BR	-	-	-	-	-	-	
Maximum Allowable Income	\$41,050	\$46,900	-	-	-	-	
Minimum Income, 0BR	-	-	-	-	-	-	
Minimum Income, 1BR	\$26,376	\$26,376	-	-	-	-	
Minimum Income, 2BR	-	-	-	-	-	-	
Minimum Income, 3BR	-	-	-	-	-	-	
Minimum Income, 4BR	-	-	-	-	-	-	
Minimum Qualified Income	\$26,376	\$26,376	-	-	-	-	
HH Below Upper Income	473	173	0	0	0	0	
HH Below Lower Income	357	97	0	0	0	0	
Subtotal	116	76	0	0	0	0	

Demand Estimate

192

Our analysis suggests demand for a total of 192 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	113	24	7	1	1	0
\$0	to	\$19,999	272	78	19	4	7	2
\$0	to	\$29,999	413	109	32	7	12	6
\$0	to	\$39,999	469	154	39	8	14	7
\$0	to	\$49,999	505	183	45	9	18	11
\$0	to	\$59,999	575	213	52	10	21	11
\$0	to	\$74,999	633	241	58	13	25	11
\$0	to	\$99,999	755	293	85	13	28	13
\$0	to	\$124,999	845	347	101	14	30	14
\$0	to	\$149,999	899	390	119	15	33	15
\$0	to	\$199,999	990	400	123	17	34	15
\$0	or	more	1,009	564	130	18	40	19

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$49,260	\$56,280	-	-	-	-	-
Maximum Income, 2BR	\$49,260	\$56,280	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$49,260	\$56,280	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$31,656	\$31,656	-	-	-	-	-
Minimum Income, 2BR	\$37,968	\$37,968	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$31,656	\$31,656	-	-	-	-	-
HH Below Upper Income	501	201	0	0	0	0	0
HH Below Lower Income	421	116	0	0	0	0	0
Subtotal	80	85	0	0	0	0	0

Demand Estimate

165

Our analysis suggests demand for a total of 165 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	113	24	7	1	1	0
\$0	to	\$19,999	272	78	19	4	7	2
\$0	to	\$29,999	413	109	32	7	12	6
\$0	to	\$39,999	469	154	39	8	14	7
\$0	to	\$49,999	505	183	45	9	18	11
\$0	to	\$59,999	575	213	52	10	21	11
\$0	to	\$74,999	633	241	58	13	25	11
\$0	to	\$99,999	755	293	85	13	28	13
\$0	to	\$124,999	845	347	101	14	30	14
\$0	to	\$149,999	899	390	119	15	33	15
\$0	to	\$199,999	990	400	123	17	34	15
\$0	or	more	1,009	564	130	18	40	19

Demand Estimate, Project-Level							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, Subsidized	\$41,050	\$46,900	-	-	-	-	
Maximum Income, 30% of AMI	\$24,630	\$28,140	-	-	-	-	
Maximum Income, 40% of AMI	-	-	-	-	-	-	
Maximum Income, 50% of AMI	\$41,050	\$46,900	-	-	-	-	
Maximum Income, 60% of AMI	\$49,260	\$56,280	-	-	-	-	
Maximum Income, 70% of AMI	-	-	-	-	-	-	
Maximum Income, 80% of AMI	-	-	-	-	-	-	
Maximum Income, Market Rate	-	-	-	-	-	-	
Maximum Allowable Income	\$49,260	\$56,280	-	-	-	-	
Minimum Income, Subsidized	\$3,120	\$3,120	-	-	-	-	
Minimum Income, 30% of AMI	\$15,816	\$15,816	-	-	-	-	
Minimum Income, 40% of AMI	-	-	-	-	-	-	
Minimum Income, 50% of AMI	\$26,376	\$26,376	-	-	-	-	
Minimum Income, 60% of AMI	\$31,656	\$31,656	-	-	-	-	
Minimum Income, 70% of AMI	-	-	-	-	-	-	
Minimum Income, 80% of AMI	-	-	-	-	-	-	
Minimum Income, Market Rate	-	-	-	-	-	-	
Minimum Qualified Income	\$3,120	\$3,120	-	-	-	-	
HH Below Upper Income	501	201	0	0	0	0	
HH Below Lower Income	34	7	0	0	0	0	
Subtotal	468	194	0	0	0	0	

Demand Estimate

661

Our analysis suggests project-level demand for a total of 661 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	5	5		14	13				37
2BR					11				11
3BR									
4BR									
Tot	5	5		14	24				48

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	5	5		14	13				37
2BR					11				11
3BR									
4BR									
Tot	5	5		14	24				48

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	604	184		192	165				1,145
2BR					105				105
3BR									
4BR									
Tot	604	184		192	165				661

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	0.8%	2.7%		7.3%	7.9%				3.2%
2BR					10.5%				10.5%
3BR									
4BR									
Tot	0.8%	2.7%		7.3%	14.5%				7.3%

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	5				37				42
2BR					8				8
3BR									
4BR									
Tot	5				45				50

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	599	184		192	128				1,103
2BR					97				97
3BR									
4BR									
Tot	599	184		192	120				611

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	0.8%	2.7%		7.3%	10.2%				3.4%
2BR					11.3%				11.3%
3BR									
4BR									
Tot	0.8%	2.7%		7.3%	20.0%				7.9%

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

## Penetration Rates

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

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	5	5		14	13				37
2BR					11				11
3BR									
4BR									
Tot	5	5		14	24				48

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	5	5		14	13				37
2BR					11				11
3BR									
4BR									
Tot	5	5		14	24				48

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	604	184		192	165				1,145
2BR					105				105
3BR									
4BR									
Tot	604	184		192	165				661

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

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	72			1	162				235
2BR					11				11
3BR									
4BR									
Tot	72			1	173				246

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	77	5		15	175				272
2BR					22				22
3BR									
4BR									
Tot	77	5		15	197				294

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	12.7%	2.7%		7.8%	106.1%				23.8%
2BR					21.0%				21.0%
3BR									
4BR									
Tot	12.7%	2.7%		7.8%	119.4%				44.5%

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 a competitive market for the 1BR/60% of AMI units, Management should monitor these units closely during lease up.

## 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	5	5		14	13			
2BR					11			
3BR								
4BR								

Subject Property Units (Vacant at Market Entry)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	5	5		14	13			
2BR					11			
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	604	184		192	165			
2BR					105			
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	4.9%
Movership	8.0%
Total	12.9%

Growth & Movership Estimate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	78	24		25	21			
2BR					13			
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	129	39		41	35			
2BR					22			
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	2			1	2			2
2BR				2	2			2
3BR								
4BR								

Fair Share

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	50.0%	50.0%		50.0%	50.0%			
2BR					50.0%			
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	5.4	1.6		1.7	1.5			
2BR					0.9			
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%			95%
2BR				100%	100%			95%
3BR								
4BR								

Occupancy Rate, Select Comparables								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	100%			100%	99%			96%
2BR				100%	98%			98%
3BR								
4BR								

Concluded Stabilized Occupancy Rate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	97%	97%		97%	97%			
2BR					97%			
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	5	5		14	13			
2BR					11			
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	<1	3		8	9			
2BR					11			
3BR								
4BR								

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 11 months of absorption and an average absorption rate of 4.1 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

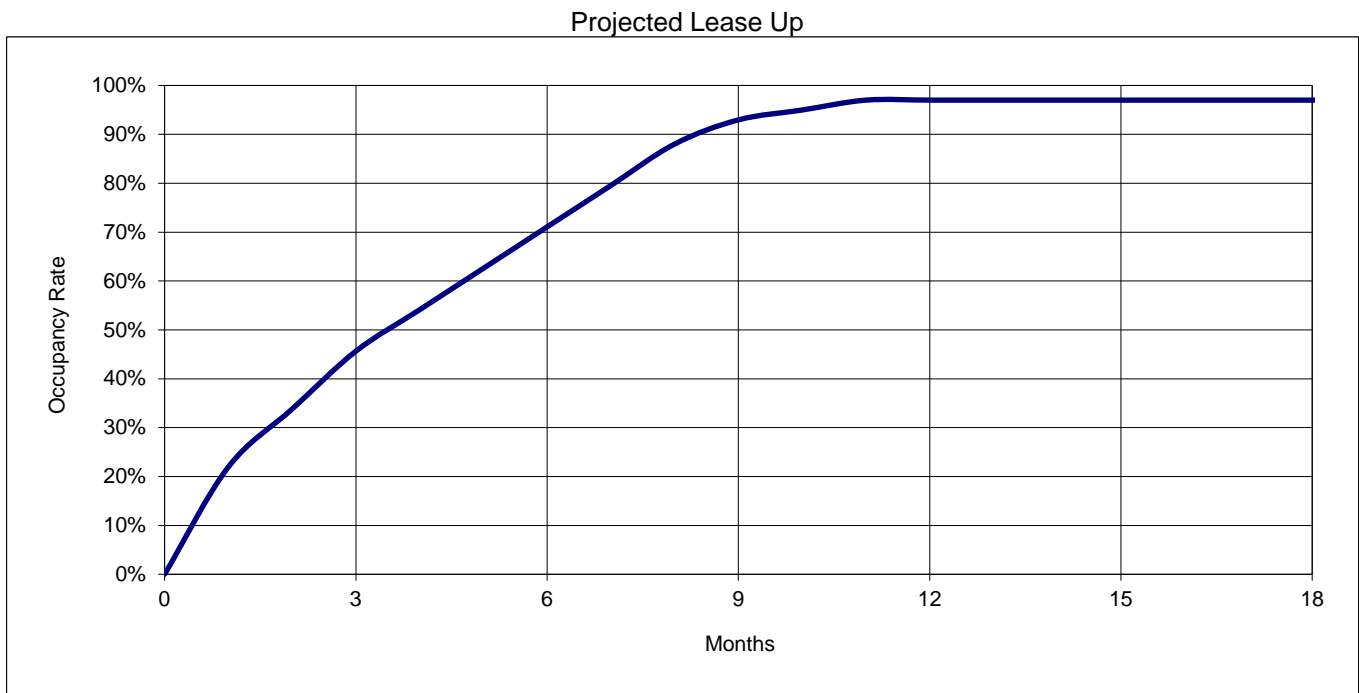
Absorption rates for age-restricted multifamily properties depend on a variety of factors: (1) The competitive environment in which the property resides; (2) The pricing of the subject property units relative to competing units, (3) The presence of rent or income restrictions at the subject property; 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
002	Acclaim (The) at Ashburn Phase 2	2000	na	Restricted	Family	24	-
005	Arbor Terrace at Herndon	2005	na	Restricted	Elderly	80	-
006	Ashburn Meadows Phase 1	2000	na	Restricted	Family	177	-
007	Ashburn Meadows Phase 2	2002	na	Restricted	Family	160	-
008	Avalon Reston Landing	2001	na	Market Rate	Family	400	-
012	Cascades Village Rental Homes	2001	na	Restricted	Elderly	150	-
015	Commons on Potomac Square	2011	no	Market Rate	Family	104	-
022	Herndon Harbor House 1 & 2	2001	na	Restricted	Elderly	120	-
027	Lerner Parc Dulles	2007	na	Market Rate	Family	393	-
029	Lerner Windmill Parc	2015	na	Market Rate	Family	437	10.7
043	Potomac Station Apartments	2003	na	Restricted	Family	150	-
058	Wingler House West Phase 2	2004	2018	Restricted	Elderly	132	-

## 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.



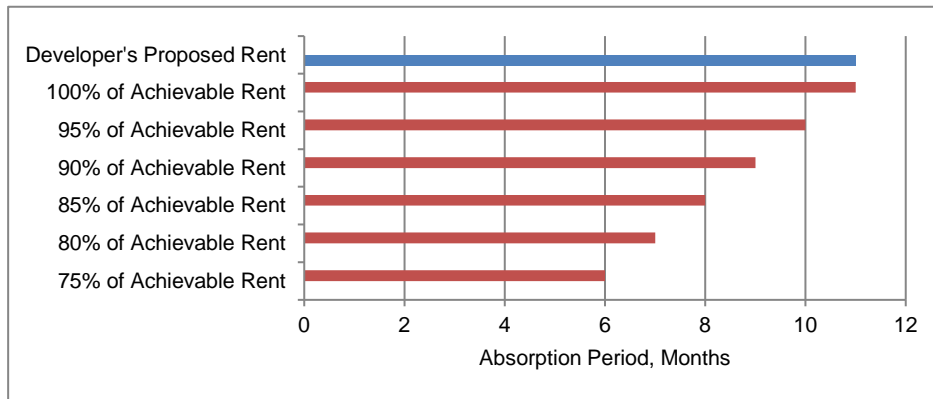
Our analysis suggests that the subject property will achieve 70 percent occupancy in 5 months, 80 percent occupancy in 7 months, and 90 percent occupancy in 8 months. We anticipate that the subject property will stabilize at 97 percent occupancy in 11 months.

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.

## Sensitivity Analysis

We also explored the relationship between rent level, capture rates, penetration rates, and absorption period. For purposes of this analysis, we forecasted demand and fill rates at 75%, 80%, 85%, 90%, 95% and 100% of achievable rent (derived earlier in this report). Our analysis is summarized below:

Scenario	Capture Rate	Penetration Rate	Absorption
Developer's Proposed Rent	7.9%	44.5%	11 months
100% of Achievable Rent	7.9%	44.5%	11 months
95% of Achievable Rent	7.9%	44.5%	10 months
90% of Achievable Rent	7.9%	44.5%	9 months
85% of Achievable Rent	7.9%	44.5%	8 months
80% of Achievable Rent	7.9%	44.5%	7 months
75% of Achievable Rent	7.9%	44.5%	6 months



Our analysis suggests the following relationship between rent levels and fill rates: At the developer's proposed rent we anticipate a 11-month absorption period; at 100% of achievable rent we anticipate a 11-month absorption period; at 75% of achievable rent we anticipate a 6-month absorption period.

## 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	118	65	14	1	2	0	199
\$0	to	\$19,999	267	115	30	7	9	3	431
\$0	to	\$29,999	400	156	45	9	15	8	634
\$0	to	\$39,999	476	209	58	11	21	10	784
\$0	to	\$49,999	519	245	73	14	26	16	894
\$0	to	\$59,999	613	286	112	16	31	18	1,077
\$0	to	\$74,999	723	343	142	21	39	23	1,291
\$0	to	\$99,999	853	430	180	29	47	29	1,568
\$0	to	\$124,999	962	515	239	30	54	34	1,834
\$0	to	\$149,999	1,035	571	269	35	60	37	2,007
\$0	to	\$199,999	1,141	590	290	39	63	37	2,160
\$0	or	more	1,180	764	307	44	71	43	2,410

Source: ESRI & Ribbon Demographics

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

In this section we estimate demand for the 1-Bedroom / Subsidized / 50% of AMI units at the subject property. Our analysis assumes a total of 5 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	Subsidized
Income Limit	50% of AMI
Total Units	5
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$130
Gross Rent	\$130
Income Qualification Ratio	40%
Minimum Qualified Income	\$325
Months/Year	12
Minimum Qualified Income	\$3,900

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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$41,050	\$46,900	\$52,750	\$58,600	\$63,300	\$68,000	

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	480	232	0	0	0	0	
HH Below Minimum Income	41	23	0	0	0	0	
Subtotal	439	210	0	0	0	0	

Demand Estimate 649

Our analysis suggests demand for a total of 649 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, 30% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 30% of AMI units at the subject property. Our analysis assumes a total of 5 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	30% of AMI
Total Units	5
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$529
Utilities	\$130
Gross Rent	\$659
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,648
Months/Year	12
Minimum Qualified Income	\$19,770

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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$24,630	\$28,140	\$31,650	\$35,160	\$37,980	\$40,800	

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	327	148	0	0	0	0
HH Below Minimum Income	260	113	0	0	0	0
Subtotal	67	35	0	0	0	0

Demand Estimate 103

Our analysis suggests demand for a total of 103 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 14 units, 14 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	14
Vacant Units at Market Entry	14

Minimum Qualified Income	
Net Rent	\$969
Utilities	\$130
Gross Rent	\$1,099
Income Qualification Ratio	40%
Minimum Qualified Income	\$2,748
Months/Year	12
Minimum Qualified Income	\$32,970

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	118	65	14	1	2	0
	\$0	to	\$19,999	267	115	30	7	9	3
	\$0	to	\$29,999	400	156	45	9	15	8
	\$0	to	\$39,999	476	209	58	11	21	10
	\$0	to	\$49,999	519	245	73	14	26	16
	\$0	to	\$59,999	613	286	112	16	31	18
	\$0	to	\$74,999	723	343	142	21	39	23
	\$0	to	\$99,999	853	430	180	29	47	29
	\$0	to	\$124,999	962	515	239	30	54	34
	\$0	to	\$149,999	1,035	571	269	35	60	37
	\$0	to	\$199,999	1,141	590	290	39	63	37
	\$0	or	more	1,180	764	307	44	71	43

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$41,050	\$46,900	\$52,750	\$58,600	\$63,300	\$68,000	

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	480	232	0	0	0	0
HH Below Minimum Income	419	169	0	0	0	0
Subtotal	61	63	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, 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 13 units, 13 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	13
Vacant Units at Market Entry	13

Minimum Qualified Income	
Net Rent	\$1,189
Utilities	\$130
Gross Rent	\$1,319
Income Qualification Ratio	40%
Minimum Qualified Income	\$3,298
Months/Year	12
Minimum Qualified Income	\$39,570

### 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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Maximum Allowable Income							
		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Allowable Income		\$49,260	\$56,280	\$63,300	\$70,320	\$75,960	\$81,600

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		515	270	0	0	0	0
HH Below Minimum Income		472	206	0	0	0	0
Subtotal		42	63	0	0	0	0

Demand Estimate 106

Our analysis suggests demand for a total of 106 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 11 units, 11 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	11
Vacant Units at Market Entry	11

Minimum Qualified Income	
Net Rent	\$1,424
Utilities	\$158
Gross Rent	\$1,582
Income Qualification Ratio	40%
Minimum Qualified Income	\$3,955
Months/Year	12
Minimum Qualified Income	\$47,460

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	118	65	14	1	2	0
	\$0	to	\$19,999	267	115	30	7	9	3
	\$0	to	\$29,999	400	156	45	9	15	8
	\$0	to	\$39,999	476	209	58	11	21	10
	\$0	to	\$49,999	519	245	73	14	26	16
	\$0	to	\$59,999	613	286	112	16	31	18
	\$0	to	\$74,999	723	343	142	21	39	23
	\$0	to	\$99,999	853	430	180	29	47	29
	\$0	to	\$124,999	962	515	239	30	54	34
	\$0	to	\$149,999	1,035	571	269	35	60	37
	\$0	to	\$199,999	1,141	590	290	39	63	37
	\$0	or	more	1,180	764	307	44	71	43

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$49,260	\$56,280	\$63,300	\$70,320	\$75,960	\$81,600	

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	515	270	0	0	0	0
HH Below Minimum Income	506	234	0	0	0	0
Subtotal	9	35	0	0	0	0

Demand Estimate 44

Our analysis suggests demand for a total of 44 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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Demand Estimate, Subsidized						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	\$41,050	\$46,900	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$41,050	\$46,900	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	\$3,900	\$3,900	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$3,900	\$3,900	-	-	-	-
HH Below Upper Income	480	232	0	0	0	0
HH Below Lower Income	41	23	0	0	0	0
Subtotal	439	210	0	0	0	0

Demand Estimate

649

Our analysis suggests demand for a total of 649 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, 30% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 30% 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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Demand Estimate, Restricted, 30% of AMI						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	\$24,630	\$28,140	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$24,630	\$28,140	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	\$19,770	\$19,770	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$19,770	\$19,770	-	-	-	-
HH Below Upper Income	327	148	0	0	0	0
HH Below Lower Income	260	113	0	0	0	0
Subtotal	67	35	0	0	0	0

Demand Estimate

103

Our analysis suggests demand for a total of 103 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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Demand Estimate, Restricted, 50% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$41,050	\$46,900	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$41,050	\$46,900	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$32,970	\$32,970	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$32,970	\$32,970	-	-	-	-	-
HH Below Upper Income	480	232	0	0	0	0	0
HH Below Lower Income	419	169	0	0	0	0	0
Subtotal	61	63	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, 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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Demand Estimate, Restricted, 60% of AMI						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	\$49,260	\$56,280	-	-	-	-
Maximum Income, 2BR	\$49,260	\$56,280	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$49,260	\$56,280	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	\$39,570	\$39,570	-	-	-	-
Minimum Income, 2BR	\$47,460	\$47,460	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$39,570	\$39,570	-	-	-	-
HH Below Upper Income	515	270	0	0	0	0
HH Below Lower Income	472	206	0	0	0	0
Subtotal	42	63	0	0	0	0

Demand Estimate

106

Our analysis suggests demand for a total of 106 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	649	103		124	106			

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								
2.7%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	35	6		7	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								
48.6%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	316	50		60	52			

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

Substandard Renter Households								
9.7%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	63	10		12	10			

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	103	16		20	17			

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	5	5		14	24			
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot								



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	517	82		99	84			

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	5				45			

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	512	82		99	39			

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	1.0%	6.1%		14.2%	60.8%			

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	6.6%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	6.6%
Project-Wide Absorption Period (Months)	11 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	118	65	14	1	2	0	199	
\$0	to \$19,999	267	115	30	7	9	3	431	
\$0	to \$29,999	400	156	45	9	15	8	634	
\$0	to \$39,999	476	209	58	11	21	10	784	
\$0	to \$49,999	519	245	73	14	26	16	894	
\$0	to \$59,999	613	286	112	16	31	18	1,077	
\$0	to \$74,999	723	343	142	21	39	23	1,291	
\$0	to \$99,999	853	430	180	29	47	29	1,568	
\$0	to \$124,999	962	515	239	30	54	34	1,834	
\$0	to \$149,999	1,035	571	269	35	60	37	2,007	
\$0	to \$199,999	1,141	590	290	39	63	37	2,160	
\$0	or more	1,180	764	307	44	71	43	2,410	

Source: ESRI & Ribbon Demographics

## Demand Estimate, 1-Bedroom, Restricted, 30% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 30% of AMI units at the subject property. Our analysis assumes a total of 5 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	30% of AMI
Total Units	5
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$529
Utilities	\$130
Gross Rent	\$659
Income Qualification Ratio	40%
Minimum Qualified Income	\$1,648
Months/Year	12
Minimum Qualified Income	\$19,770

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	118	65	14	1	2	0
	\$0	to	\$19,999	267	115	30	7	9	3
	\$0	to	\$29,999	400	156	45	9	15	8
	\$0	to	\$39,999	476	209	58	11	21	10
	\$0	to	\$49,999	519	245	73	14	26	16
	\$0	to	\$59,999	613	286	112	16	31	18
	\$0	to	\$74,999	723	343	142	21	39	23
	\$0	to	\$99,999	853	430	180	29	47	29
	\$0	to	\$124,999	962	515	239	30	54	34
	\$0	to	\$149,999	1,035	571	269	35	60	37
	\$0	to	\$199,999	1,141	590	290	39	63	37
	\$0	or	more	1,180	764	307	44	71	43

Maximum Allowable Income								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Allowable Income			\$24,630	\$28,140	\$31,650	\$35,160	\$37,980	\$40,800

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			327	148	0	0	0	0
HH Below Minimum Income			260	113	0	0	0	0
Subtotal			67	35	0	0	0	0

Demand Estimate 103

Our analysis suggests demand for a total of 103 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 19 units, 19 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	19
Vacant Units at Market Entry	19

Minimum Qualified Income	
Net Rent	\$969
Utilities	\$130
Gross Rent	\$1,099
Income Qualification Ratio	40%
Minimum Qualified Income	\$2,748
Months/Year	12
Minimum Qualified Income	\$32,970

55+ Renter Households, by Income, by Size									
2019									
	2019	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	118	65	14	1	2	0
	\$0	to	\$19,999	267	115	30	7	9	3
	\$0	to	\$29,999	400	156	45	9	15	8
	\$0	to	\$39,999	476	209	58	11	21	10
	\$0	to	\$49,999	519	245	73	14	26	16
	\$0	to	\$59,999	613	286	112	16	31	18
	\$0	to	\$74,999	723	343	142	21	39	23
	\$0	to	\$99,999	853	430	180	29	47	29
	\$0	to	\$124,999	962	515	239	30	54	34
	\$0	to	\$149,999	1,035	571	269	35	60	37
	\$0	to	\$199,999	1,141	590	290	39	63	37
	\$0	or	more	1,180	764	307	44	71	43

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$41,050	\$46,900	\$52,750	\$58,600	\$63,300	\$68,000	

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	480	232	0	0	0	0
HH Below Minimum Income	419	169	0	0	0	0
Subtotal	61	63	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, 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 13 units, 13 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	13
Vacant Units at Market Entry	13

Minimum Qualified Income	
Net Rent	\$1,189
Utilities	\$130
Gross Rent	\$1,319
Income Qualification Ratio	40%
Minimum Qualified Income	\$3,298
Months/Year	12
Minimum Qualified Income	\$39,570

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	118	65	14	1	2	0
	\$0	to	\$19,999	267	115	30	7	9	3
	\$0	to	\$29,999	400	156	45	9	15	8
	\$0	to	\$39,999	476	209	58	11	21	10
	\$0	to	\$49,999	519	245	73	14	26	16
	\$0	to	\$59,999	613	286	112	16	31	18
	\$0	to	\$74,999	723	343	142	21	39	23
	\$0	to	\$99,999	853	430	180	29	47	29
	\$0	to	\$124,999	962	515	239	30	54	34
	\$0	to	\$149,999	1,035	571	269	35	60	37
	\$0	to	\$199,999	1,141	590	290	39	63	37
	\$0	or	more	1,180	764	307	44	71	43

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$49,260	\$56,280	\$63,300	\$70,320	\$75,960	\$81,600	

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	515	270	0	0	0	0
HH Below Minimum Income	472	206	0	0	0	0
Subtotal	42	63	0	0	0	0

Demand Estimate 106

Our analysis suggests demand for a total of 106 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 11 units, 11 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	11
Vacant Units at Market Entry	11

Minimum Qualified Income	
Net Rent	\$1,424
Utilities	\$158
Gross Rent	\$1,582
Income Qualification Ratio	40%
Minimum Qualified Income	\$3,955
Months/Year	12
Minimum Qualified Income	\$47,460

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	118	65	14	1	2	0
	\$0	to	\$19,999	267	115	30	7	9	3
	\$0	to	\$29,999	400	156	45	9	15	8
	\$0	to	\$39,999	476	209	58	11	21	10
	\$0	to	\$49,999	519	245	73	14	26	16
	\$0	to	\$59,999	613	286	112	16	31	18
	\$0	to	\$74,999	723	343	142	21	39	23
	\$0	to	\$99,999	853	430	180	29	47	29
	\$0	to	\$124,999	962	515	239	30	54	34
	\$0	to	\$149,999	1,035	571	269	35	60	37
	\$0	to	\$199,999	1,141	590	290	39	63	37
	\$0	or	more	1,180	764	307	44	71	43

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$49,260	\$56,280	\$63,300	\$70,320	\$75,960	\$81,600	

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	515	270	0	0	0	0
HH Below Minimum Income	506	234	0	0	0	0
Subtotal	9	35	0	0	0	0

Demand Estimate 44

Our analysis suggests demand for a total of 44 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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Demand Estimate, Subsidized						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	-	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	-	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	-	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	-	-	-	-	-	-
HH Below Upper Income	0	0	0	0	0	0
HH Below Lower Income	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0

Demand Estimate 0

Our analysis suggests demand for a total of 0 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, 30% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 30% 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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Demand Estimate, Restricted, 30% of AMI						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	\$24,630	\$28,140	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$24,630	\$28,140	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	\$19,770	\$19,770	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$19,770	\$19,770	-	-	-	-
HH Below Upper Income	327	148	0	0	0	0
HH Below Lower Income	260	113	0	0	0	0
Subtotal	67	35	0	0	0	0

Demand Estimate

103

Our analysis suggests demand for a total of 103 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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Demand Estimate, Restricted, 50% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$41,050	\$46,900	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$41,050	\$46,900	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$32,970	\$32,970	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$32,970	\$32,970	-	-	-	-	-
HH Below Upper Income	480	232	0	0	0	0	0
HH Below Lower Income	419	169	0	0	0	0	0
Subtotal	61	63	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, 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	118	65	14	1	2	0
\$0	to	\$19,999	267	115	30	7	9	3
\$0	to	\$29,999	400	156	45	9	15	8
\$0	to	\$39,999	476	209	58	11	21	10
\$0	to	\$49,999	519	245	73	14	26	16
\$0	to	\$59,999	613	286	112	16	31	18
\$0	to	\$74,999	723	343	142	21	39	23
\$0	to	\$99,999	853	430	180	29	47	29
\$0	to	\$124,999	962	515	239	30	54	34
\$0	to	\$149,999	1,035	571	269	35	60	37
\$0	to	\$199,999	1,141	590	290	39	63	37
\$0	or	more	1,180	764	307	44	71	43

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$49,260	\$56,280	-	-	-	-	-
Maximum Income, 2BR	\$49,260	\$56,280	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$49,260	\$56,280	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$39,570	\$39,570	-	-	-	-	-
Minimum Income, 2BR	\$47,460	\$47,460	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$39,570	\$39,570	-	-	-	-	-
HH Below Upper Income	515	270	0	0	0	0	0
HH Below Lower Income	472	206	0	0	0	0	0
Subtotal	42	63	0	0	0	0	0

Demand Estimate

106

Our analysis suggests demand for a total of 106 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		103		124	106			

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								
2.7%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot		6		7	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								
48.6%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot		50		60	52			

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

Substandard Renter Households								
9.7%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot		10		12	10			

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	0	16		20	17			

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		5		19	24			
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot								

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	0	82		99	84			

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					45			

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	0	82		99	39			

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		6.1%		19.2%	60.8%			

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	21.8%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	21.8%
Project-Wide Absorption Period (Months)	11 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	Commons on Potomac Square
Street Number	21282
Street Name	McFadden
Street Type	Square
City	Sterling
State	Virginia
Zip	20165
Phone Number	(703) 947-0798
Year Built	2011
Year Renovated	no
Minimum Lease	12
Min. Security Dep.	\$99
Other Fees	\$350
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	39.0285
Longitude	-77.3964
Nearest Crossroads	na
AAC Code	18-145 015

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Nina, Leasing Agent
Phone Number	(703) 947-0798
Interview Date	22-Oct-18
Interviewed By	JS

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	705	Garden/Flat	Mar	Mar	No	No	16		\$1,470		\$1,470	\$147	\$1,617
1	1.0	909	Garden/Flat	Mar	Mar	No	No	15		\$1,720		\$1,720	\$147	\$1,867
2	2.0	1112	Garden/Flat	Mar	Mar	No	No	38		\$1,748		\$1,748	\$178	\$1,926
2	2.0	1251	Garden/Flat	Mar	Mar	No	No	35	1	\$1,878		\$1,878	\$178	\$2,056
Total / Average		1,067						104	1	\$1,745		\$1,745	\$169	\$1,914

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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	4.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	4.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.00	3.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.50	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	yes
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	yes
Fitness Ctr	no	yes
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	yes
Movie/Media Ctr	no	yes
Picnic Area	no	yes
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	yes	yes
Comp vs. Subject	Inferior	

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

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	yes
Dishwasher	yes	yes
Microwave	yes	yes
Comp vs. Subject	Similar	

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	yes	yes
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	no	na
Health Care	no	na
Housekeeping	no	na
Meals	no	na
Transportation	no	na
Comp vs. Subject	Similar	

Commons on Potomac Square is an existing multifamily development located at 21282 McFadden Square in Sterling, Virginia. The property, which consists of 104 apartment units, was originally constructed in 2011 with conventional financing. All units are set aside as market rate units. The property currently stands at 99 percent occupancy.

Project Information

Property Name	Lerner Parc Dulles
Street Number	21153
Street Name	Parc Dulles
Street Type	Square
City	Sterling
State	Virginia
Zip	20166
Phone Number	(703) 433-1220
Year Built	2007
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$550
Other Fees	\$550
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	39.0308
Longitude	-77.4171
Nearest Crossroads	na
AAC Code	18-145 027

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Will, Asst. Manager
Phone Number	(703) 858-5222
Interview Date	18-Oct-18
Interviewed By	JS

Property operates with "LRO" rental rate program, which determines the rental rate with supply and demand. Rent reflects special pricing of \$300 move in on 1BR units. The rates shown in this report represent some of the different floor plans available at this property. Contact was unable to give rent rates for floorplans unless available or coming available. Total

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	745	Garden/Flat	Mar	Mar	No	No	30	2	\$1,477	\$71	\$1,406	\$147	\$1,553
1	1.0	840	Garden/Flat	Mar	Mar	No	No	48	2	\$1,585	\$71	\$1,514	\$147	\$1,661
1	1.0	871	Garden/Flat	Mar	Mar	No	No	40	1	\$1,527	\$71	\$1,456	\$147	\$1,603
2	2.0	1130	Garden/Flat	Mar	Mar	No	No	118	1	\$1,943		\$1,943	\$178	\$2,121
2	2.5	1182	Townhome	Mar	Mar	No	No	118	1	\$2,222		\$2,222	\$178	\$2,400
3	2.0	1216	Garden/Den	Mar	Mar	No	No	39	1	\$2,022		\$2,022	\$219	\$2,241
Total / Average		1,063						393	8	\$1,913	\$21	\$1,892	\$173	\$2,064



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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.50	4.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.50	4.00
Comp vs. Subject	Inferior	

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

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.10	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	yes	yes
Bus/Comp Ctr	yes	no
Car Care Ctr	yes	no
Comm Center	yes	yes
Elevator	yes	yes
Fitness Ctr	yes	yes
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	yes
Movie/Media Ctr	yes	yes
Picnic Area	yes	yes
Playground	yes	no
Pool	yes	no
Sauna	yes	no
Sports Court	no	no
Walking Trail	no	yes
Comp vs. Subject	Superior	

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

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	yes
Dishwasher	yes	yes
Microwave	yes	yes
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	some	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	yes	yes
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	yes	yes
Courtesy Officer	yes	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	no	na
Health Care	no	na
Housekeeping	no	na
Meals	no	na
Transportation	no	na
Comp vs. Subject	Similar	

Lerner Parc Dulles is an existing multifamily development located at 21153 Parc Dulles Square in Sterling, Virginia. The property, which consists of 393 apartment units, was originally constructed in 2007 with conventional financing. All units are set aside as market rate units. The property currently stands at 98 percent occupancy.

Project Information

Property Name	Lerner Remington
Street Number	21000
Street Name	Stanford
Street Type	Square
City	Dulles
State	Virginia
Zip	20166
Phone Number	(703) 433-0000
Year Built	1999
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$500
Other Fees	\$550
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	5
Latitude	39.0347
Longitude	-77.4194
Nearest Crossroads	na
AAC Code	18-145 028

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Justine, Leasing Agent
Phone Number	(703) 433-0000
Interview Date	22-Oct-18
Interviewed By	JS

Rent reflects special pricing of \$300 move in special. The rates shown in this report represent some of the different floor plans available at this property. Contact was unable to give rent rates for floorplans unless available or coming available. Some rents were projected out. Total property unit count correct. Units called Townhomes are actually Garden

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	741	Garden/Flat	Mar	Mar	No	No	30	5	\$1,322	\$25	\$1,297	\$151	\$1,448
1	1.0	860	Garden/Flat	Mar	Mar	No	No	52	1	\$1,484	\$25	\$1,459	\$151	\$1,610
1	1.0	893	Townhome	Mar	Mar	No	No	40	1	\$1,414	\$25	\$1,389	\$151	\$1,540
2	1.0	1031	Garden/Flat	Mar	Mar	No	No	81	4	\$1,644	\$25	\$1,619	\$182	\$1,801
2	2.0	1186	Townhome	Mar	Mar	No	No	81	3	\$1,706	\$25	\$1,681	\$182	\$1,863
2	2.0	1212	Garden/Flat	Mar	Mar	No	No	81	3	\$1,761	\$25	\$1,736	\$182	\$1,918
3	2.0	1371	Garden/Flat	Mar	Mar	No	No	41	1	\$2,294	\$25	\$2,269	\$223	\$2,492
Total / Average		1,075						406	18	\$1,678	\$25	\$1,653	\$177	\$1,830

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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	4.00	4.00
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	4.00	4.00
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.10	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.30	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	yes	yes
Bus/Comp Ctr	yes	no
Car Care Ctr	yes	no
Comm Center	yes	yes
Elevator	no	yes
Fitness Ctr	yes	yes
Gazebo/Patio	yes	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	yes
Movie/Media Ctr	yes	yes
Picnic Area	no	yes
Playground	yes	no
Pool	yes	no
Sauna	yes	no
Sports Court	yes	no
Walking Trail	no	yes
Comp vs. Subject	Inferior	

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

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	yes
Dishwasher	yes	yes
Microwave	yes	yes
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	some	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	yes	yes
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	na
Concierge	na	na
Hair Salon	na	na
Health Care	na	na
Housekeeping	na	na
Meals	na	na
Transportation	na	na
Comp vs. Subject	Similar	

Lerner Remington is an existing multifamily development located at 21000 Stanford Square in Dulles, Virginia. The property, which consists of 406 apartment units, was originally constructed in 1999 with conventional financing. All units are set aside as market rate units. The property currently stands at 96 percent occupancy.

Project Information

Property Name	Lerner Windmill Parc
Street Number	21258
Street Name	Windmill Parc
Street Type	Drive
City	Sterling
State	Virginia
Zip	20166
Phone Number	(703) 430-9000
Year Built	2015
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$500
Other Fees	\$550
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	39.0277
Longitude	-77.4159
Nearest Crossroads	na
AAC Code	18-145 029

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Katie, Leasing Agent
Phone Number	(703) 430-9000
Interview Date	23-Oct-18
Interviewed By	JS

Property with 437 has 36 floorplans with rent changes weekly. Reports reflect the units built to date (Assumed #). 52 ADU units with rents at 30% of income, not reflected in this report. Rent reflects special pricing of \$300 off move in. 1st building opened in January, 2015, with 4 more building to be completed by June, 2017. Contact was unable to give rent

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	677	Garden/Flat	Mar	Mar	No	No	44	3	\$1,563	\$25	\$1,538	\$123	\$1,661
1	1.0	728	Garden/Den	Mar	Mar	No	No	44	2	\$1,616	\$25	\$1,591	\$123	\$1,714
1	1.0	775	Garden/Flat	Mar	Mar	No	No	45	1	\$1,628	\$25	\$1,603	\$123	\$1,726
1	1.0	931	Garden/Den	Mar	Mar	No	No	44	2	\$1,856	\$25	\$1,831	\$123	\$1,954
2	2.0	990	Garden/Flat	Mar	Mar	No	No	55	1	\$1,965	\$25	\$1,940	\$154	\$2,094
2	2.0	1050	Garden/Flat	Mar	Mar	No	No	54	1	\$1,965	\$25	\$1,940	\$154	\$2,094
2	2.0	1160	Garden/Flat	Mar	Mar	No	No	54	1	\$2,128	\$25	\$2,103	\$154	\$2,257
2	2.0	1178	Garden/Flat	Mar	Mar	No	No	53	1	\$2,128	\$25	\$2,103	\$154	\$2,257
3	2.0	1350	Garden/Flat	Mar	Mar	No	No	44		\$2,405		\$2,405	\$195	\$2,600
Total / Average		991						437	12	\$1,928	\$22	\$1,905	\$146	\$2,051

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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	4.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	4.00
Comp vs. Subject	Inferior	

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

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.70	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.50	4.50
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2015	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	yes	yes
Bus/Comp Ctr	yes	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	yes	yes
Fitness Ctr	yes	yes
Gazebo/Patio	yes	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	yes
Movie/Media Ctr	yes	yes
Picnic Area	yes	yes
Playground	yes	no
Pool	yes	no
Sauna	no	no
Sports Court	yes	no
Walking Trail	no	yes
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Wood Laminate	yes	yes
Fireplace	no	no
Patio/Balcony	some	no
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	yes
Dishwasher	yes	yes
Microwave	yes	yes
Comp vs. Subject	Similar	

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	yes	yes
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	na
Concierge	na	na
Hair Salon	na	na
Health Care	na	na
Housekeeping	na	na
Meals	na	na
Transportation	na	na
Comp vs. Subject	Similar	

Lerner Windmill Parc is an existing multifamily development located at 21258 Windmill Parc Drive in Sterling, Virginia. The property, which consists of 437 apartment units, was originally constructed in 2015 with conventional financing. All units are set aside as market rate units. The property currently stands at 97 percent occupancy.

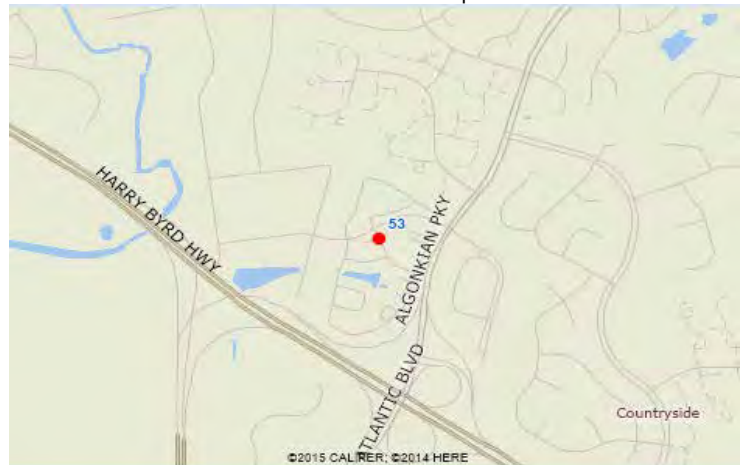
Project Information

Property Name	Village at Potomac Falls Apartments
Street Number	20576
Street Name	Idle Brook
Street Type	Terrace
City	Sterling
State	Virginia
Zip	20165
Phone Number	(703) 421-9111
Year Built	1999
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$200
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	39.0465
Longitude	-77.4239
Nearest Crossroads	na
AAC Code	18-145 053

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Amy, Leasing Agent
Phone Number	(703) 421-9111
Interview Date	23-Oct-18
Interviewed By	JS

Property operates with the "LRO" rental rate program which determines the rental rate with supply and demand. The rates shown in this report represent some of the different floor plans available at this property. Contact was unable to give rent rates for floorplans unless available or coming available. Total property unit count correct. Contact projected out

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	555	Garden/Flat	Mar	Mar	No	No	24	1	\$1,440		\$1,440	\$148	\$1,588
1	1.0	795	Garden/Flat	Mar	Mar	No	No	25	1	\$1,500		\$1,500	\$148	\$1,648
2	1.0	905	Garden/Flat	Mar	Mar	No	No	25	1	\$1,580		\$1,580	\$180	\$1,760
2	2.0	980	Garden/Flat	Mar	Mar	No	No	28	1	\$1,610		\$1,610	\$180	\$1,790
2	2.0	1120	Garden/Flat	Mar	Mar	No	No	30	1	\$1,780		\$1,780	\$180	\$1,960
3	2.0	1140	Garden/Flat	Mar	Mar	No	No	30	1	\$1,795		\$1,795	\$221	\$2,016
Total / Average		932						162	6	\$1,629		\$1,629	\$178	\$1,807

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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	4.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	4.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.20	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.20	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	yes
Bus/Comp Ctr	yes	no
Car Care Ctr	yes	no
Comm Center	yes	yes
Elevator	no	yes
Fitness Ctr	yes	yes
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	yes	no
Library	no	yes
Movie/Media Ctr	no	yes
Picnic Area	yes	yes
Playground	yes	no
Pool	yes	no
Sauna	no	no
Sports Court	yes	no
Walking Trail	no	yes
Comp vs. Subject	Inferior	

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

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	yes
Dishwasher	yes	yes
Microwave	yes	yes
Comp vs. Subject	Similar	

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	yes	yes
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	yes	yes
Courtesy Officer	yes	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	no	na
Health Care	no	na
Housekeeping	no	na
Meals	no	na
Transportation	no	na
Comp vs. Subject	Similar	

Village at Potomac Falls Apartments is an existing multifamily development located at 20576 Idle Brook Terrace in Sterling, Virginia. The property, which consists of 162 apartment units, was originally constructed in 1999 with conventional financing. All units are set aside as market rate units. The property currently stands at 96 percent occupancy.

**RENT COMPARABLES, RESTRICTED RENT**



Project Information

Property Name	Acclaim At Sterling	
Street Number	46910	
Street Name	Shady Point	
Street Type	Square	
City	Sterling	
State	Virginia	
Zip	20164	
Phone Number	(703) 404-9711	
Year Built	1998	
Year Renovated	na	
Minimum Lease	12	
Min. Security Dep.	\$900	
Other Fees	\$25	
Waiting List	no	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	1996	Tax Credit
Vouchers		10
Latitude		39.0124
Longitude		-77.3761
Nearest Crossroads	off Dranesville Road & Route 7	
AAC Code	18-145	003

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Carri, Temp Management
Phone Number	(703) 404-9711
Interview Date	12-Oct-18
Interviewed By	JS

1996 TC's awarded for construction of this property without project based rental assistance. 2018 - new roofs. Contact advised no longer ADU at the property and all Income Limits are at 60%.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	872	Garden/Flat	60%	60%	No	No	2		\$1,489		\$1,489	\$93	\$1,582
2	1.5	872	Garden/Flat	60%	60%	No	No	33	2	\$1,489		\$1,489	\$93	\$1,582
2	2.0	895	Garden/Flat	60%	60%	No	No	2		\$1,489		\$1,489	\$93	\$1,582
2	2.0	895	Garden/Flat	60%	60%	No	No	43	1	\$1,489		\$1,489	\$93	\$1,582
3	2.0	1101	Garden/Flat	60%	60%	No	No	2		\$1,720		\$1,720	\$93	\$1,813
3	2.0	1101	Garden/Flat	60%	60%	No	No	20		\$1,720		\$1,720	\$93	\$1,813
Total / Average		932						102	3	\$1,539		\$1,539	\$93	\$1,632

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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	4.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	4.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.40	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.60	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	yes
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	yes
Fitness Ctr	yes	yes
Gazebo/Patio	yes	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	yes
Movie/Media Ctr	no	yes
Picnic Area	no	yes
Playground	yes	no
Pool	yes	no
Sauna	no	no
Sports Court	yes	no
Walking Trail	yes	yes
Comp vs. Subject	Inferior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	yes	yes
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	no	na
Health Care	no	na
Housekeeping	no	na
Meals	no	na
Transportation	no	na
Comp vs. Subject	Similar	

Acclaim At Sterling is an existing multifamily development located at 46910 Shady Point Square in Sterling, Virginia. The property, which consists of 102 apartment units, was originally constructed in 1998 . This property is currently operated as a rent restricted property. The property currently stands at 97 percent occupancy.

Project Information

Property Name	Arbor Terrace at Herndon
Street Number	1100
Street Name	Dranesville
Street Type	Road
City	Herndon
State	Virginia
Zip	20170
Phone Number	(703) 956-6311
Year Built	2005
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	
Other Fees	\$4,000
Waiting List	2 people
Project Rent	Restricted
Project Type	Elderly
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	39.0126
Longitude	-77.3715
Nearest Crossroads	na
AAC Code	18-145 005

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Karen, Marketing Director
Phone Number	(703) 956-6311
Interview Date	15-Oct-18
Interviewed By	JS

Rent reflects special pricing on 1003 sqft unit @ \$4200. Property amenities include putting green, shuffleboard, free daily continental breakfast, and Bingo. 2017 began renovations, which include new counters, light fixtures, SS appliances. Rent rates include all meals and transportation. ADU unit rates from Fairfax County site.

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	760	Garden/Flat	50%	50%	No	No	1		\$977		\$977	\$77	\$1,054
1	1.0	760	Garden/Flat	Mar	Mar	No	No	15		\$3,889		\$3,889	\$70	\$3,959
1	1.0	850	Garden/Flat	Mar	Mar	No	No	6		\$3,889		\$3,889	\$70	\$3,959
1	1.0	983	Garden/Flat	Mar	Mar	No	No	3		\$3,889		\$3,889	\$84	\$3,973
2	2.0	1003	Garden/Flat	50%	50%	No	No	1		\$1,099		\$1,099	\$94	\$1,193
2	2.0	1003	Garden/Flat	60%	60%	No	No	3		\$1,428		\$1,428	\$94	\$1,522
2	2.0	1003	Garden/Flat	Mar	Mar	No	No	40	1	\$4,800	\$600	\$4,200	\$94	\$4,294
2	2.0	1069	Garden/Flat	Mar	Mar	No	No	3		\$4,800		\$4,800	\$94	\$4,894
2	2.0	1420	Garden/Flat	Mar	Mar	No	No	8	1	\$5,600		\$5,600	\$94	\$5,694
Total / Average		986						80	2	\$4,386	\$300	\$4,086	\$87	\$4,173

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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.50	4.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.50	4.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	3.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.60	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	yes	yes
Bus/Comp Ctr	yes	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	yes	yes
Fitness Ctr	yes	yes
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	yes
Movie/Media Ctr	no	yes
Picnic Area	yes	yes
Playground	no	no
Pool	yes	no
Sauna	no	no
Sports Court	no	no
Walking Trail	yes	yes
Comp vs. Subject	Inferior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	yes	yes
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	yes	na
Health Care	no	na
Housekeeping	no	na
Meals	yes	na
Transportation	yes	na
Comp vs. Subject	Superior	

Arbor Terrace at Herndon is an existing multifamily development located at 1100 Dranesville Road in Herndon, Virginia. The property, which consists of 80 apartment units, was originally constructed in 2005 . This property is currently operated as a rent restricted property. The property currently stands at 98 percent occupancy.

Project Information

Property Name	Ashburn Meadows Phase 2	
Street Number	21030	
Street Name	Lowry Park	
Street Type	Terrace	
City	Ashburn	
State	Virginia	
Zip	20147	
Phone Number	(703) 723-3390	
Year Built	2002	
Year Renovated	na	
Minimum Lease	12	
Min. Security Dep.	\$600	
Other Fees	\$70	
Waiting List	no	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	2000	Tax Credit
Vouchers	25	
Latitude	39.0341	
Longitude	-77.4649	
Nearest Crossroads	off Ashburn Village Boulevard	
AAC Code	18-145	007

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Desiree, Leasing Agent	
Phone Number	(703) 723-3390	
Interview Date	12-Oct-18	
Interviewed By	JS	
2000 Bond awarded for construction of this property without project based rental assistance.		

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	877	Garden/Flat	60%	60%	No	No	65	3	\$1,436		\$1,436	\$146	\$1,582
2	2.0	1010	Garden/Flat	60%	60%	No	No	65		\$1,436		\$1,436	\$146	\$1,582
3	2.0	1178	Garden/Flat	60%	60%	No	No	30	2	\$1,648		\$1,648	\$180	\$1,828
Total / Average		987						160	5	\$1,476		\$1,476	\$152	\$1,628

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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	4.00	4.00
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.50	4.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.10	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.00	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	yes
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	yes
Fitness Ctr	yes	yes
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	yes
Movie/Media Ctr	no	yes
Picnic Area	yes	yes
Playground	yes	no
Pool	yes	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	yes
Comp vs. Subject	Inferior	

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

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

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	yes	yes
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	yes	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	no	na
Health Care	no	na
Housekeeping	no	na
Meals	no	na
Transportation	no	na
Comp vs. Subject	Similar	

Ashburn Meadows Phase 2 is an existing multifamily development located at 21030 Lowry Park Terrace in Ashburn, Virginia. The property, which consists of 160 apartment units, was originally constructed in 2002. This property is currently operated as a rent restricted property. The property currently stands at 97 percent occupancy.



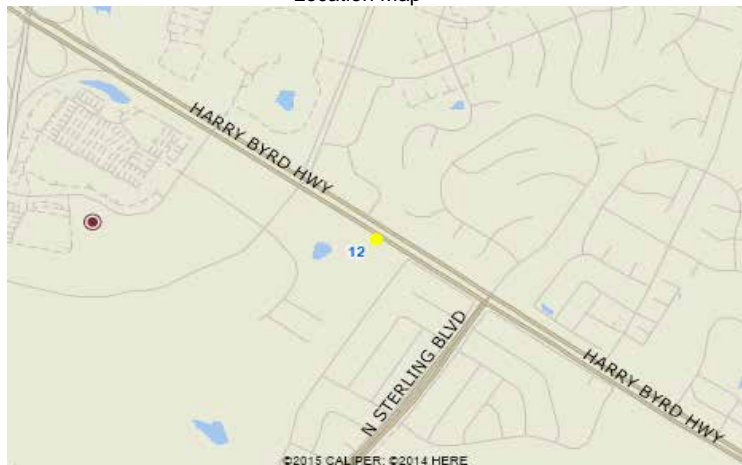
Project Information

Property Name	Cascades Village Rental Homes	
Street Number	46565	
Street Name	Harry Byrd	
Street Type	Highway	
City	Sterling	
State	Virginia	
Zip	20177	
Phone Number	(703) 896-9771	
Year Built	2001	
Year Renovated	na	
Minimum Lease	12	
Min. Security Dep.	\$350	
Other Fees	\$22	
Waiting List	no	
Project Rent	Restricted	
Project Type	Elderly	
Project Status	Stabilized	
Financing	2001	Tax Credit
Vouchers	30	
Latitude	39.0234	
Longitude	-77.3889	
Nearest Crossroads	Potomac View or Sterling Blvd	
AAC Code	18-145	012

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Tracy, Manager
Phone Number	(571) 522-6318
Interview Date	12-Oct-18
Interviewed By	JS

2001 TC's awarded for construction of this property without project based rental assistance. Property amenities include health center, solarium, arts/craft room, suite for guests, and convenience store. 1BR rent going up to \$1245 next month. Contact advised that businesses in the area are not closing or laying off employees. There are no new

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	735	Garden/Flat	60%	60%	No	No	125		\$1,170		\$1,170	\$49	\$1,219
2	1.5	886	Garden/Flat	50%	50%	No	No	25		\$1,229		\$1,229	\$63	\$1,292
Total / Average		760						150		\$1,180		\$1,180	\$51	\$1,231

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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	4.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	4.00
Comp vs. Subject	Inferior	

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

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.70	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	yes	yes
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	yes	yes
Fitness Ctr	yes	yes
Gazebo/Patio	yes	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	yes	yes
Movie/Media Ctr	yes	yes
Picnic Area	no	yes
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	yes
Comp vs. Subject	Inferior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	no
W/D Units	no	yes
W/D Hookups	no	no
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	yes	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	yes	na
Health Care	yes	na
Housekeeping	no	na
Meals	no	na
Transportation	no	na
Comp vs. Subject	Superior	

Cascades Village Rental Homes is an existing multifamily development located at 46565 Harry Byrd Highway in Sterling, Virginia. The property, which consists of 150 apartment units, was originally constructed in 2001 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.



Project Information

Property Name	Fields at Cascades Apartments	
Street Number	21260	
Street Name	Huntington	
Street Type	Square	
City	Sterling	
State	Virginia	
Zip	20166	
Phone Number	(703) 404-2000	
Year Built	1995	
Year Renovated	na	
Minimum Lease	12	
Min. Security Dep.	\$750	
Other Fees	\$15	
Waiting List	no	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	1993	Tax Credit
Vouchers	20	
Latitude	39.0285	
Longitude	-77.4045	
Nearest Crossroads	off Route 7	
AAC Code	18-145	017

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Shirley, Manager
Phone Number	(703) 404-2000
Interview Date	12-Oct-18
Interviewed By	JS

1993 TC's awarded for construction of this property without project based rental assistance. Top floor 2BR 2BA and 3BR units only have fireplaces. There are no new apartments 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	877	Garden/Flat	50%	50%	No	No	20		\$1,170		\$1,170	\$148	\$1,318
2	2.0	1010	Garden/Flat	60%	60%	No	No	220	1	\$1,434		\$1,434	\$148	\$1,582
3	2.0	1178	Garden/Flat	60%	60%	No	No	80	1	\$1,645		\$1,645	\$183	\$1,828
Total / Average		1,044						320	2	\$1,470		\$1,470	\$157	\$1,627

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	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	4.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.50	4.00
Comp vs. Subject	Inferior	

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

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.10	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	yes
Bus/Comp Ctr	no	no
Car Care Ctr	yes	no
Comm Center	no	yes
Elevator	no	yes
Fitness Ctr	yes	yes
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	yes
Movie/Media Ctr	no	yes
Picnic Area	yes	yes
Playground	yes	no
Pool	yes	no
Sauna	no	no
Sports Court	yes	no
Walking Trail	no	yes
Comp vs. Subject	Inferior	

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

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

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

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

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	yes	yes
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	no	na
Health Care	no	na
Housekeeping	no	na
Meals	no	na
Transportation	no	na
Comp vs. Subject	Similar	

Fields at Cascades Apartments is an existing multifamily development located at 21260 Huntington Square in Sterling, Virginia. The property, which consists of 320 apartment units, was originally constructed in 1995. This property is currently operated as a rent restricted property. The property currently stands at 99 percent occupancy.

Project Information

Property Name	Herndon Harbor House 1 & 2
Street Number	873
Street Name	Grace
Street Type	Street
City	Herndon
State	Virginia
Zip	20170
Phone Number	(703) 904-9444
Year Built	2001
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1/2 month
Other Fees	
Waiting List	100 people
Project Rent	Restricted
Project Type	Elderly
Project Status	Stabilized
Financing	1997
Tax Credit	
Vouchers	15
Latitude	38.9740
Longitude	-77.3887
Nearest Crossroads	na
AAC Code	18-145 022

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Kim Gibson, Manager
Phone Number	(703) 904-9444
Interview Date	12-Oct-18
Interviewed By	JS
1997 Bond awarded for construction of Phase 1 and 1999 Bond awarded for construction of Phase 2 with 2 project based rental assistance units available to tenants. There are 4 sunrooms available and the Senior Center on the property is also for use by surrounding senior community. There are no new apartments or businesses nearby. Contact advised	

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	529	Garden/Flat	50%	50%	No	Yes	2		\$970		\$970		\$970
1	1.0	529	Garden/Flat	50%	50%	No	No	58		\$970		\$970		\$970
1	1.0	529	Garden/Flat	60%	60%	No	No	60		\$970		\$970		\$970
Total / Average		529						120		\$970		\$970		\$970

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

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

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	4.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	4.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.00	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.00	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	yes
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	yes	yes
Fitness Ctr	yes	yes
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	yes
Movie/Media Ctr	no	yes
Picnic Area	no	yes
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	yes
Comp vs. Subject	Inferior	

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

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	yes
Dishwasher	no	yes
Microwave	no	yes
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	no
W/D Units	no	yes
W/D Hookups	no	no
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	yes	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	no	na
Health Care	no	na
Housekeeping	no	na
Meals	no	na
Transportation	no	na
Comp vs. Subject	Similar	

Herndon Harbor House 1 & 2 is an existing multifamily development located at 873 Grace Street in Herndon, Virginia. The property, which consists of 120 apartment units, was originally constructed in 2001 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

Project Information

Property Name	North Point Affordable Housing (RIHC)	
Street Number	1520	
Street Name	North Point	
Street Type	Drive	
City	Reston	
State	Virginia	
Zip	20194	
Phone Number	(571) 271-4780	
Year Built	1998	
Year Renovated	na	
Minimum Lease	12	
Min. Security Dep.	\$200	
Other Fees	\$35	
Waiting List	no	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	1996	Tax Credit
Vouchers	12	
Latitude	38.9793	
Longitude	-77.3514	
Nearest Crossroads	na	
AAC Code	18-145	036

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Belinda, Manager
Phone Number	(571) 271-4780
Interview Date	12-Oct-18
Interviewed By	JS

1996 Bond awarded for construction of this property without project base rental assistance. New HVAC in 2017. Tenants receive pass for Restin Association Pool which is not on site. 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	791	Garden/Flat	60%	60%	No	No	12		\$1,048		\$1,048	\$79	\$1,127
2	2.0	967	Garden/Flat	60%	60%	No	No	24		\$1,250		\$1,250	\$94	\$1,344
3	2.0	1139	Garden/Flat	60%	60%	No	No	12		\$1,437		\$1,437	\$110	\$1,547
Total / Average		966						48		\$1,246		\$1,246	\$94	\$1,341

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	no	yes
Internet	no	no
Comp vs. Subject	Superior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	4.00
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	4.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.90	3.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.30	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	yes
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	yes
Fitness Ctr	no	yes
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	yes
Movie/Media Ctr	no	yes
Picnic Area	no	yes
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	yes
Comp vs. Subject	Inferior	

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

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	yes
Dishwasher	no	yes
Microwave	no	yes
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	no
W/D Units	no	yes
W/D Hookups	no	no
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	yes
Cont Access	no	yes
Courtesy Officer	no	no
Monitoring	no	yes
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	no	na
Health Care	no	na
Housekeeping	no	na
Meals	no	na
Transportation	no	na
Comp vs. Subject	Similar	

North Point Affordable Housing (RIHC) is an existing multifamily development located at 1520 North Point Drive in Reston, Virginia. The property, which consists of 48 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	Wingler House West Phase 2	
Street Number	20900	
Street Name	Runny Meade	
Street Type	Terrace	
City	Ashburn	
State	Virginia	
Zip	20147	
Phone Number	(703) 858-9507	
Year Built	2004	
Year Renovated	2018	
Minimum Lease	12	
Min. Security Dep.	\$200	
Other Fees		
Waiting List	yes	
Project Rent	Restricted	
Project Type	Elderly	
Project Status	Stabilized	
Financing	2002	Tax Credit
Vouchers	17	
Latitude	39.0373	
Longitude	-77.4709	
Nearest Crossroads	na	
AAC Code	18-145	058

Photo



Location Map



Interview Notes

Person Interviewed	MS. Claudia, Asst. Manager	
Phone Number	(703) 858-9507	
Interview Date	15-Oct-18	
Interviewed By	JS	

2002 TC's awarded for construction of this property without project based rental assistance. 2018 renovations to be completed this year include unit kitchens and baths. Property amenities include a solarium and a chapel. This phase shares hair salon of Phase 1.

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	592	Garden/Flat	60%	60%	No	No	69	2	\$1,010		\$1,010	\$93	\$1,103
2	2.0	872	Garden/Flat	60%	60%	No	No	63	1	\$1,190		\$1,190	\$118	\$1,308
Total / Average		726						132	3	\$1,096		\$1,096	\$105	\$1,201



Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Gas	no	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	no
Comp vs. Subject	Inferior	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	4.00	4.00
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.50	4.00
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.70	3.80
Comp vs. Subject	Inferior	

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

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.50	4.50
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2018
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	yes
Bus/Comp Ctr	yes	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	yes	yes
Fitness Ctr	yes	yes
Gazebo/Patio	yes	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	yes	yes
Movie/Media Ctr	yes	yes
Picnic Area	no	yes
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	yes
Comp vs. Subject	Inferior	

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

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	yes
Dishwasher	yes	yes
Microwave	no	yes
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	no
W/D Units	no	yes
W/D Hookups	no	no
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	yes	yes
Cont Access	yes	yes
Courtesy Officer	no	no
Monitoring	yes	yes
Security Alarms	yes	no
Security Patrols	no	no
Comp vs. Subject	Superior	

Services		
Amenity	Comp	Subj
After School	no	na
Concierge	no	na
Hair Salon	yes	na
Health Care	no	na
Housekeeping	no	na
Meals	no	na
Transportation	no	na
Comp vs. Subject	Superior	

Wingler House West Phase 2 is an existing multifamily development located at 20900 Runny Meade Terrace in Ashburn, Virginia. The property, which consists of 132 apartment units, was originally constructed in 2004 . This property is currently operated as a rent restricted property. The property currently stands at 98 percent occupancy.



## STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The title to the subject property is merchantable, and the property is free and clear of all liens and encumbrances, except as noted.
- No liability is assumed for matters legal in nature.
- Ownership and management are assumed to be in competent and responsible hands.
- No survey has been made by the appraiser. Dimensions are as supplied by others and are assumed to be correct.
- The report was prepared for the purpose so stated and should not be used for any other reason.
- All direct and indirect information supplied by the owner and their representatives concerning the subject property is assumed to be true and accurate.
- No responsibility is assumed for information supplied by others and such information is believed to be reliable and correct. This includes zoning and tax information provided by Municipal officials.
- The signatories shall not be required to give testimony or attend court or be at any governmental hearing with respect to the subject property unless prior arrangements have been made with the client.
- Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute.
- The legal description is assumed to be accurate.
- This report specifically assumes that there are no site, subsoil, or building contaminants present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value estimates, and change the estimates, if deemed necessary.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with
- This analysis specifically assumes that the subject property is operated as described in this report.
- This analysis specifically assumes that the subject property is constructed/rehabilitated as described in this report.
- This analysis specifically assumes that the subject property is financed as described in this report.
- This analysis specifically assumes the timing set forth in this report.

## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- I made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification. Debbie Rucker and Frank Victory (Allen & Associates Consulting) assisted in compiling the data used in this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Members of the Appraisal Institute.
- I am presently licensed in good standing as a Certified General Real Estate Appraiser in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina, and Virginia, allowing me to appraise all types of real estate.

Respectfully submitted:

ALLEN & ASSOCIATES CONSULTING, INC.



Jeff Carroll

## VHDA CERTIFICATION

I affirm the following:

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



Jeff Carroll

March 5, 2019

Date

## NCHMA MARKET STUDY INDEX

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

<b>Executive Summary</b>		
1	Executive Summary	Executive Summary
<b>Scope of Work</b>		
2	Scope of Work	Letter of Transmittal
<b>Project Description</b>		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	Section 1
4	Utilities (and utility sources) included in rent	Section 2
5	Target market/population description	Section 1
6	Project description including unit features and community amenities	Section 2
7	Date of construction/preliminary completion	Section 1
8	If rehabilitation, scope of work, existing rents, and existing vacancies	Section 1
<b>Location</b>		
9	Concise description of the site and adjacent parcels	Sections 3 & 4
10	Site photos/maps	Section 5
11	Map of community services	Section 4
12	Site evaluation/neighborhood including visibility, accessibility, and crime	Section 4
<b>Market Area</b>		
13	PMA description	Section 6
14	PMA Map	Section 6
<b>Employment and Economy</b>		
15	At-Place employment trends	Section 7
16	Employment by sector	Section 7
17	Unemployment rates	Section 7
18	Area major employers/employment centers and proximity to site	Section 7
19	Recent or planned employment expansions/reductions	Section 7
<b>Demographic Characteristics</b>		
20	Population and household estimates and projections	Section 8
21	Area building permits	Section 7
22	Population and household characteristics including income, tenure, and size	Section 8
23	For senior or special needs projects, provide data specific to target market	Section 8
<b>Competitive Environment</b>		
24	Comparable property profiles and photos	Appendix
25	Map of comparable properties	Section 10
26	Existing rental housing evaluation including vacancy and rents	Section 9
27	Comparison of subject property to comparable properties	Section 10
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	NA
29	Rental communities under construction, approved, or proposed	Section 9
30	For senior or special needs populations, provide data specific to target market	Section 8

## NCHMA MARKET STUDY INDEX

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand	Section 11
32	Affordability analysis with capture rate	Section 11
33	Penetration rate analysis with capture rate	Section 11
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	Section 11
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	Section 10
36	Precise statement of key conclusions	Executive Summary
37	Market strengths and weaknesses impacting project	Executive Summary
38	Product recommendations and/or suggested modifications to subject	Executive Summary
39	Discussion of subject property's impact on existing housing	Executive Summary
40	Discussion of risks or other mitigating circumstances impacting subject	Executive Summary
41	Interviews with area housing stakeholders	Appendix
<b>Other Requirements</b>		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	NA

## MISCELLANEOUS

**JEFFREY B. CARROLL**  
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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.



## FY 2019 FAIR MARKET RENT DOCUMENTATION SYSTEM

### The FY 2019 Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area Small Area FMRs

The following are the steps used to calculate the 2-bedroom rent of \$1,800 for ZIP Code 20164.

1. Evaluate the current 5-year ACS Adjusted Standard Quality (ASQ) 40<sup>th</sup> percentile 2-bedroom gross rent. If the estimate has a margin of error ratio of less than 50% and at least one hundred survey cases, use this as the ZCTA base rent for the SAFMR for the current year.
2. If the 2-Bedroom rent is not reliable, evaluate the 1-Bedroom gross rent. If this estimate is reliable, convert it to a 2-bedroom rent using the appropriate bedroom ratio of the parent HUD metropolitan area.
3. If the 2 and 1-Bedroom rents are not reliable, evaluate the 3-Bedroom gross rent. If this estimate is reliable, convert it to a 2-bedroom rent using the appropriate bedroom ratio of the parent HUD metropolitan area.
4. Repeat the above three steps for the previous two ACS years. If a ZIP code has reliable 2-Bedroom equivalent rents in at least two or the three ACS years, update the non-current year ACS estimates for inflation, and take the average of the reliable estimates as the base rent for FY2019.
5. Calculate a FY2019 Small Area Fair Market Rent by multiplying this base rent by the recent mover factor, the CPI gross rent update factor, and the national trend factor.
6. If the ZIP code does not have a reliable base rent, evaluate the quality of its 5-year ACS Adjusted Standard Quality (ASQ) median all bedroom gross rent for the previous three ACS years. If at least two of these three estimates are reliable, calculate ratios of the ZIP code median gross rent estimate to that of the ZIP code's parent HUD metropolitan area. Take the average of these ratios. If the ZIP code does not have reliable ZIP code median gross rents, examine the reliability of the ZIP code's parent county. If at least two of these three estimates are reliable, calculate ratios of the county median gross rent estimate to that of the county's parent HUD metropolitan area. If county level estimates are not reliable, set the ratio to 1.
7. If necessary apply the ZIP code rent ratio to the FY2019 2-Bedroom Fair Market Rent for the ZIP code's parent HUD metropolitan area.
8. Ensure that the 2-Bedroom SAFMR does not exceed 150% of the parent HUD metropolitan FMR.
9. Ensure the 2-Bedroom SAFMR is not lower than the ZIP code's parent state minimum FMR.
10. Calculate SAFMRs for other bedroom sizes using the bedroom ratios for the ZIP code's parent metropolitan area.
11. Ensure that the SAFMRs do not fall below the appropriate 90% floor.

#### The FY 2019 Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area Small Area FMRs for All Bedroom Sizes in ZIP Code 20164

FY2019 SAFMRs By Unit Bedrooms				
<a href="#">Efficiency</a>	<a href="#">One-Bedroom</a>	<a href="#">Two-Bedroom</a>	<a href="#">Three-Bedroom</a>	<a href="#">Four-Bedroom</a>
\$1,530	\$1,570	\$1,800	\$2,350	\$2,890

The remainder of this page provides complete documentation of the development of the Final FY 2019 2 Bedroom Small Area Fair Market Rent (FMR) for 20164 within the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area.

1. Evaluate the bedroom size estimates of 40<sup>th</sup> percentile gross rent for 20164.

ACS Release	Bedroom Size	Adjusted Standard Quality Estimate of 40 <sup>th</sup> Percentile Gross Rent for 20164	Adjusted Standard Quality Margin of Error of 40 <sup>th</sup> Percentile Gross Rent for 20164	Adjusted Standard Quality count indicator of 40 <sup>th</sup> Percentile Gross Rent for 20164	Margin of Error Ratio	Reliable?	Two Bedroom Adjustment, if applicable	Inflation Adjustment, if applicable
2016	2-Bedroom	\$1,506	\$129	1	$\frac{\$129}{\$1,506} = 0.09$	No	N/A	N/A
	1-Bedroom	\$1,051	\$314	1	$\frac{\$314}{\$1,051} = 0.30$	No	\$1,203	N/A
	3-Bedroom	\$1,672	\$94	2	$\frac{\$94}{\$1,672} = 0.06$	No	\$1,279	N/A
2015	2-Bedroom	\$1,385	\$90	1	$\frac{\$90}{\$1,385} = 0.06$	No	N/A	N/A
	1-Bedroom	\$1,157	\$182	1	$\frac{\$182}{\$1,157} = 0.16$	No	\$1,325	N/A
	3-Bedroom	\$1,688	\$69	2	$\frac{\$69}{\$1,688} = 0.04$	No	\$1,292	N/A
2014	2-Bedroom	\$1,346	\$94	2	$\frac{\$94}{\$1,346} = 0.07$	No	N/A	N/A
	1-Bedroom	\$1,139	\$162	1	$\frac{\$162}{\$1,139} = 0.14$	No	\$1,304	N/A
	3-Bedroom	\$1,704	\$75	2	$\frac{\$75}{\$1,704} = 0.04$	No	\$1,304	N/A

2. Since 20164 does not have a useable bedroom base rent, its SAFMR will be based on a rent ratio.
3. ZCTA level estimates of median gross rent will be used as the numerator for the small area rent ratio

provided at least 2 of the most recent 3 estimates from 5-Year ACS samples are statistically reliable. Reliability is determined by calculating a margin of error ratio for each estimate. If the margin of error is less than 50% of the estimate, then it is considered reliable.

ACS Release	Adjusted Standard Quality Estimate of Median Gross Rent for 20164	Adjusted Standard Quality Margin of Error of Median Gross Rent for 20164	Margin of Error Ratio	Reliable?	Adjusted Standard Quality Estimate of Median Gross Rent for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area	ZIP Code / Metro Ratio
2016	\$1,669	\$81	$\frac{\$81}{\$1,669} = 0.05$	Yes	\$1,582	$\frac{\$1,669}{\$1,582} = 1.055$
2015	\$1,666	\$67	$\frac{\$67}{\$1,666} = 0.04$	Yes	\$1,540	$\frac{\$1,666}{\$1,540} = 1.082$
2014	\$1,674	\$68	$\frac{\$68}{\$1,674} = 0.04$	Yes	\$1,513	$\frac{\$1,674}{\$1,513} = 1.106$

4. Because 3 out of 3 ZCTA level estimates are reliable, their average will be used as the numerator for the small area rent ratio.

2014 Ratio	2015 Ratio	2016 Ratio	Average of Reliable Ratios (Small Area Rent Ratio)
1.106	1.082	1.055	1.081

5. Apply the Small Area Rent Ratio for 20164 to the FY 2019 Metropolitan Fair Market Rent for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area, Rounding to the Nearest \$10

ZIP Code 20164 Small Area Rent Ratio	Metropolitan Fair Market Rent for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area	Preliminary 2 Bedroom Small Area FMR for 20164
1.081	<a href="#">\$1,665</a>	\$1,800

6. Ensure that the 2 Bedroom Small Area FMR Does Not Fall Below the State Minimum FMR.

Preliminary 2 Bedroom Small Area FMR for 20164	State Minimum	2 Bedroom Small Area FMR for 20164
\$1,800	\$700	Do Not Use State Minimum

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

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY2018 FMR	\$1,520	\$1,580	\$1,810	\$2,380	\$2,930

FY2018 Floor	\$1,370	\$1,430	\$1,630	\$2,150	\$2,640
Preliminary FY 2019 SAFMR	\$1,530	\$1,570	\$1,800	\$2,350	\$2,890
Use FY2018 floor for FY2019?	No	No	No	No	No
FY 2019 SAFMR	\$1,530	\$1,570	\$1,800	\$2,350	\$2,890

[HUD Home Page](#) | 
 [HUD User Home](#) | 
 [Data Sets](#) | 
 [Fair Market Rents](#) | 
 [Section 8 Income Limits](#) | 
 [FMR/IL Summary System](#) | 
 [Multifamily Tax Subsidy Project \(MTSP\) Income Limits](#) | 
 [HUD LIHTC Database](#)



## Rent & Income Limit Calculator <sup>©</sup>

If you would like to engage Novogradac & Company LLP to calculate the rent & income limits for your property, please contact Thomas Stagg at [thomas.stagg@novoco.com](mailto:thomas.stagg@novoco.com).

You can view demographic information and a detailed list of affordable housing properties in [compsMART+](#).

Click on the icons below to view historical charts.

### Program and Location Information

<b>Affordable Housing Program</b>	<b>IRS Section 42 Low-Income Housing Tax Credit (LIHTC)</b>
<b>Year</b> <sup>(1)(2)</sup>	2018 (effective 04/01/18)
<b>State</b>	VA
<b>County</b>	Loudoun County
<b>MSA</b>	Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area
<b>Persons / Bedroom</b>	1.5 Person / Bedroom
<b>4-person AMI</b>	\$117,200
<b>National Non-Metropolitan Median Income</b> <sup>(3)(4)</sup>	\$58,400
<b>Hold Harmless</b> <sup>(6)</sup>	You have indicated that your project was placed in service on or after 04/01/2018 and is therefore eligible to have its income and rent limit held harmless beginning with the 2018 limits.
<b>Placed in Service Date</b> <sup>(7)</sup>	On or after 04/01/2018.

### HUD Published Income Limits for 2018 (with no adjustments)

Display Income Limits

Hide Income Limits

#### Section 8

	<b>Charts</b>	<b>MTSP 50%</b>	<b>Extremely Low</b>	<b>Very Low</b>	<b>Low</b>
1 Person		\$41,050	\$24,650	\$41,050	\$54,250
2 Person		\$46,900	\$28,150	\$46,900	\$62,000
3 Person		\$52,750	\$31,650	\$52,750	\$69,750
4 Person		\$58,600	\$35,150	\$58,600	\$77,450
5 Person		\$63,300	\$38,000	\$63,300	\$83,650
6 Person		\$68,000	\$40,800	\$68,000	\$89,850
7 Person		\$72,700	\$43,600	\$72,700	\$96,050
8 Person		\$77,400	\$46,400	\$77,400	\$102,250
9 Person		\$82,050	N/A <sup>(10)</sup>	\$82,050	\$108,450
10 Person		\$86,750	N/A <sup>(10)</sup>	\$86,750	\$114,650
11 Person		\$91,400	N/A <sup>(10)</sup>	\$91,400	\$120,800
12 Person		\$96,100	N/A <sup>(10)</sup>	\$96,100	\$127,000

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

	Charts	60.00%	10.00%	20.00%	30.00%	40.00%	50.00%	140.00%
1 Person		49,260	8,210	16,420	24,630	32,840	41,050	68,964
2 Person		56,280	9,380	18,760	28,140	37,520	46,900	78,792
3 Person		63,300	10,550	21,100	31,650	42,200	52,750	88,620
4 Person		70,320	11,720	23,440	35,160	46,880	58,600	98,448
5 Person		75,960	12,660	25,320	37,980	50,640	63,300	106,344
6 Person		81,600	13,600	27,200	40,800	54,400	68,000	114,240
7 Person		87,240	14,540	29,080	43,620	58,160	72,700	122,136
8 Person		92,880	15,480	30,960	46,440	61,920	77,400	130,032
9 Person		98,460	16,410	32,820	49,230	65,640	82,050	137,844
10 Person		104,100	17,350	34,700	52,050	69,400	86,750	145,740
11 Person		109,680	18,280	36,560	54,840	73,120	91,400	153,552
12 Person		115,320	19,220	38,440	57,660	76,880	96,100	161,448

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

Bedrooms (People)	Charts	60.00%	10.00%	20.00%	30.00%	40.00%	50.00%	FMR	HOME Low Rent	HOME High Rent
Efficiency (1.0)		1,231	205	410	615	821	1,026	1,504	1,026	1,310
1 Bedroom (1.5)		1,319	219	439	659	879	1,099	1,561	1,099	1,405
2 Bedrooms (3.0)		1,582	263	527	791	1,055	1,318	1,793	1,318	1,688
3 Bedrooms (4.5)		1,828	304	609	914	1,219	1,523	2,353	1,523	1,942
4 Bedrooms (6.0)		2,040	340	680	1,020	1,360	1,700	2,902	1,700	2,148
5 Bedrooms (7.5)		2,251	375	750	1,125	1,501	1,876		1,876	2,351

**Before using the numbers from the Rent & Income Limit Calculator<sup>®</sup>, we strongly recommend that you check with the applicable state housing agency to verify that the state agrees with the numbers. The numbers round down to the nearest \$1.**

This Rent & Income Limit Calculator<sup>®</sup> does not calculate low-income housing tax credit (LIHTC) limits greater than 50% LIHTC or 60% LIHTC limits, depending on the minimum set-aside elected with the IRS on Form 8609 in accordance with Internal Revenue Code Section 42(i)(3)(A). In other words, if the 20/50 minimum set-aside was elected then 50% LIHTC is the maximum rent calculated and allowed to qualify as a tax credit unit; or if the 40/60 minimum set-aside was elected then 60% LIHTC is the maximum allowed to qualify as a tax credit unit.

[Revenue Ruling 89-24](#) require that the LIHTC rent & income levels start their calculations with the HUD published very low-income (VLI) amounts because the HUD published VLI amounts include certain HUD adjustments, such as high housing cost for high FMR areas to increase income, and state non-metropolitan median income to provide a floor for income limits. The result is that many counties have VLI amounts that are different than 50% of the AMI published by HUD (the 4-person AMGI we have shown above). The Novogradac Rent & Income Calculator<sup>®</sup> starts by default with the HUD published VLI amounts in accordance with [Revenue Ruling 89-24](#).

(1) The rent and income limits for each year are effective beginning with the effective date shown above. There is a grace period for 45 days to implement the new rent and income limits, which means that the old limits can be relied upon for 45 days after the effective date of the new limits. For example income limits effective 12/04/2012, can be relied on until 1/17/2013. For more information, see [Revenue Ruling 94-57](#).

[IRS LIHC Newsletter #48](#) and [IRS LIHC Newsletter #50](#) clarify that for projects placed in service during the 45-day grace period, the owner may choose the new or the old income limits. For example, if a project was placed in service on 1/8/2013 and the 2012 income limits are higher than the 2013 income limits, an owner may use the higher income limits from 2012 to income qualify tenants and set rents accordingly because the project was placed in service with the 45-day grace period.

**Please note, the Rent & Income Limit Calculator<sup>®</sup> does not apply a 45-day grace period automatically.** The user needs to indicate that the placed in service date and/or gross rent floor date occurred 45 days earlier (in the prior HUD Fiscal Year) if they want to apply the 45-day rule under [Revenue Ruling 94-57](#) that allows owners to rely on the prior year. Therefore, projects that were placed in service during the 45-day grace period, and want to use the prior year, should select that they were placed in service as of the prior year. For example, if a project placed in service on 1/8/2013, and the project wanted to use the 45-day grace period, the user should select that their project was in service prior to 12/4/2012. Similarly, projects that have a gross rent floor effective as of the carryover allocation date (or reservation letter date for bond projects) during the 45-day grace period, and want to use the prior year, should select that the gross rent floor was effective as of the prior year. For example, if a project received a carryover allocation letter on 1/8/2013, and the owner did not elect placed in service date as the gross rent floor, and the project wanted to use the 45-day grace period, the user should select that their gross rent floor was effective prior to 12/4/2012.

(2) For HUD FY 2013 HUD originally issued income limits on December 4, 2012 then issued revised income limits on December 11, 2012. In [IRS LIHC Newsletter #50](#), the IRS has stated that the effective date for the revised FY 2013 income limits is December 4, 2012. Based on this guidance, the Rent & Income Limit Calculator<sup>®</sup> uses December 4, 2013 for the effective date for the revised FY 2013 limits. Please see [IRS LIHC Newsletter #50](#) for more detail.

(3) An area may lose its rural area status. There is no clear guidance that a project is held harmless at the national non-metropolitan income limits when an area loses its rural status. The Rent & Income Limit Calculator<sup>®</sup> assumes that a project that is not indicated as rural in the current year was also not rural in the prior year, and therefore, does not receive hold harmless treatment based on the prior year national non-metro amount.

Please consult your state agency and tax advisor for further clarification.

(4) USDA may change their determination of what projects qualify as rural during the course of a year. Please periodically check with USDA to determine the continued rural eligibility of your project.

The national non-metropolitan median income has been adjusted for household size based on the family size adjustments outlined in the HUD Briefing Materials and as shown in each year's [HUD FAQ](#). The IRS did not specify whether or not to round to the nearest \$50, however, the Rent & Income Limit Calculator<sup>®</sup> will round to the nearest \$50 in accordance with the methodology referenced in HUD Briefing Materials.

(5) A project uses HERA Special if income was determined prior to 1/1/2009 and the project is in a HERA Special county. A project's income limits are held harmless at the prior year income limits if income was determined in the prior year or earlier and the income limits have decreased. Please note that the IRS has informally indicated that the definition of "determined" for purposes of the HERA Special and MTSP Hold Harmless income limits means that a project was placed in service. Please see [IRS LIHC Newsletter #35](#) for more information about "determined" and



projects with buildings that were placed in service before and after HUD income limit effective dates. Therefore, projects placed in service prior to 1/1/2009 are generally eligible for HERA Special. Please see footnote 7 for information about acquisition/rehabilitation projects.

(6) Internal Revenue Code Section 142(d)(2)(i) indicates that hold harmless applies on a calendar year. The Rent & Income Limit Calculator© assumes that "calendar year" in the hold harmless rule means the HUD Fiscal Year. For example, the 2009 calendar year means the HUD Fiscal Year from 3/19/2009 through 5/13/2010. In other words, the Rent & Income Limit Calculator© assumes that "calendar year" in the hold harmless rule means the highest income level achieved during any HUD Fiscal Year.

The Rent & Income Limit Calculator© assumes that a rural project will receive hold harmless treatment at the national non-metro amount based on the prior year national non-metro amount if the national non-metro median income were to fall from year to year. If a rural project qualifies for HERA Special and the HERA Special is higher than the national non-metro, then the HERA Special amount will be used. Please note that the IRS has not issued guidance that specifically allows hold harmless treatment at the national non-metro amount for rural projects, however, Internal Revenue Code 42(g)(4) by reference to Internal Revenue Code 142(d)(2)(E) implies that hold harmless treatment would apply at the national non-metro amount for rural projects. Please consult your tax advisor for further clarification.

(7) Please note that for acquisition/rehabilitation projects, the IRS guidance indicates that income and rent limits are determined at the later of the acquisition date or when management begins income-qualifying households in the project. For example, if a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households in 2011 then the project would be considered placed in service in 2011 for income and rent purposes. If a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households when the rehabilitation placed-in-service in 2012, then the project would be considered placed in service in 2012 for income and rent purposes. Please see [IRS LIHC Newsletter #35](#) for more detail. Please consult your tax advisor for further clarification.

(8) [Revenue Procedure 94-57](#) gives guidance on the gross rent floor election.

#### **Tax credit projects without bond financing:**

"The Internal Revenue Service will treat the gross rent floor in section 42(g)(2)(A) as taking effect on the date an Agency initially allocates a housing credit dollar amount to the building [generally referred to as the 42M letter] under section 42(h)(1). However, the Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that made the allocation to the building no later than the date on which the building is placed in service."

#### **Tax credit projects with bond financing:**

"The Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that issued the determination letter to the building no later than the date on which the building is placed in service."

(9) The Rent & Income Limit Calculator© assumes all buildings in a project have a rent floor effective date under [Revenue Procedure 94-57](#) in the same HUD Fiscal Year. However, if your buildings have rent floor effective dates under [Revenue Procedure 94-57](#) in different HUD Fiscal Years, then you should run the calculator separately for each group of buildings in a particular HUD Fiscal Year.

The Rent & Income Limit Calculator© assumes that different AMGI limits (40%, 35%, 30%, etc.) chosen by the user will also have a rent floor election under [Revenue Procedure 94-57](#) from the same HUD Fiscal Year that applies to the federal level of 50% or 60%.

(10) The Consolidated Appropriations Act of 2014 changed how the 30% income limit is calculated. The 30% limit, which is now called the extremely low income limit, is determined by taking the greater of the 30% income limit as calculated by HUD or the poverty level as determined by the Department of Health and Human Services, which is then capped at the 50% Very Low Income Limit ('VLI') published by HUD. HUD has only published the data up to 8 people. For household sizes above 8 people please visit the following website:  
[http://www.huduser.org/portal/datasets/il/il14/index\\_il2014.html](http://www.huduser.org/portal/datasets/il/il14/index_il2014.html)

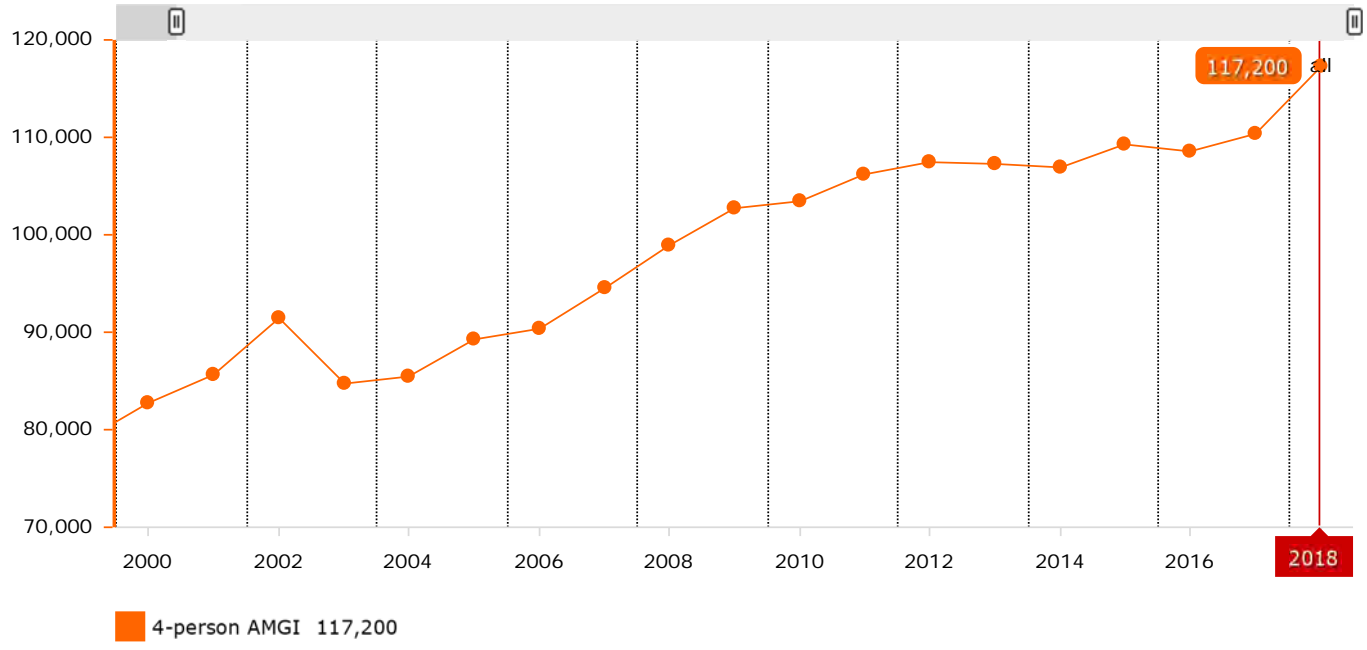
#### **Terms of Use:**

**Utility allowances are inputted by the user and are not reviewed or verified by Novogradac & Company LLP. Novogradac & Company LLP provides no assurance of the accuracy of the particular results you may obtain from the Rent & Income Limit Calculator©; which is designed only to be a quick reference tool and is no substitute for professional tax and accounting advice. The Rent & Income Limit Calculator© should not be used for any final financial decisions. IRS guidelines and actual HUD amounts should be used for any final decisions. Novogradac & Company LLP does not guarantee the accuracy of the amounts shown above. As**

**consideration for your use of this tool, free of any requirement to pay any related monetary compensation to Novogradac & Company LLP, you agree to hold Novogradac & Company LLP harmless from any damages and claims related to use of the Rent & Income Limit Calculator©. If you do not agree with the terms of this paragraph, you may not use the Rent & Income Limit Calculator©.**

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chart by amcharts.com



Display:  4-person AMGI

**Average Increase (AMGI): 2.1%/year**

Close Window

STATE:VIRGINIA

-----I N C O M E L I M I T S-----

	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Richmond, VA MSA									
FY 2018 MFI: 83200	VERY LOW INCOME	29150	33300	37450	41600	44950	48300	51600	54950
	60% INCOME LIMIT	34980	39960	44940	49920	53940	57960	61920	65940
Roanoke, VA HMFA									
FY 2018 MFI: 67200	VERY LOW INCOME	23550	26900	30250	33600	36300	39000	41700	44400
	60% INCOME LIMIT	28260	32280	36300	40320	43560	46800	50040	53280
Staunton-Waynesboro, VA MSA									
FY 2018 MFI: 64300	VERY LOW INCOME	22550	25750	28950	32150	34750	37300	39900	42450
	60% INCOME LIMIT	27060	30900	34740	38580	41700	44760	47880	50940
	HERA Special 50%*	22600	25800	29050	32250	34850	37450	40000	42600
	HERA Special 60%*	27120	30960	34860	38700	41820	44940	48000	51120
Virginia Beach-Norfolk-Newport News, VA-NC HMFA									
FY 2018 MFI: 75000	VERY LOW INCOME	26250	30000	33750	37500	40500	43500	46500	49500
	60% INCOME LIMIT	31500	36000	40500	45000	48600	52200	55800	59400
Warren County, VA HMFA									
FY 2018 MFI: 76700	VERY LOW INCOME	26850	30700	34550	38350	41450	44500	47600	50650
	60% INCOME LIMIT	32220	36840	41460	46020	49740	53400	57120	60780
Washington-Arlington-Alexandria, DC-VA-MD HMFA									
FY 2018 MFI: 117200	VERY LOW INCOME	41050	46900	52750	58600	63300	68000	72700	77400
	60% INCOME LIMIT	49260	56280	63300	70320	75960	81600	87240	92880
Winchester, VA-WV MSA									
FY 2018 MFI: 71100	VERY LOW INCOME	24900	28450	32000	35550	38400	41250	44100	46950
	60% INCOME LIMIT	29880	34140	38400	42660	46080	49500	52920	56340
	HERA Special 50%*	27100	30950	34800	38650	41750	44850	47950	51050
	HERA Special 60%*	32520	37140	41760	46380	50100	53820	57540	61260
Accomack County, VA									
FY 2018 MFI: 52500	VERY LOW INCOME	19600	22400	25200	27950	30200	32450	34700	36900
	60% INCOME LIMIT	23520	26880	30240	33540	36240	38940	41640	44280
Alleghany County-Clifton Forge city-Covington city, VA HNMFA									
FY 2018 MFI: 57200	VERY LOW INCOME	20050	22900	25750	28600	30900	33200	35500	37800
	60% INCOME LIMIT	24060	27480	30900	34320	37080	39840	42600	45360
Bath County, VA									
FY 2018 MFI: 60300	VERY LOW INCOME	21150	24150	27150	30150	32600	35000	37400	39800
	60% INCOME LIMIT	25380	28980	32580	36180	39120	42000	44880	47760
Bland County, VA									
FY 2018 MFI: 62500	VERY LOW INCOME	21900	25000	28150	31250	33750	36250	38750	41250
	60% INCOME LIMIT	26280	30000	33780	37500	40500	43500	46500	49500
Brunswick County, VA									
FY 2018 MFI: 53100	VERY LOW INCOME	19600	22400	25200	27950	30200	32450	34700	36900
	60% INCOME LIMIT	23520	26880	30240	33540	36240	38940	41640	44280

\* Income Limit for any project in a HUD impacted area whose current limit would be less than last year or less than its FY2008 limit times the Current Year Median (FY2018) over the FY2008 median. HUD impacted areas are areas with Section 8 Income Limits held harmless by HUD in FY2007 or FY2008.