



REAL PROPERTY **RESEARCH** GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

Market Feasibility Analysis

White Marsh Pointe Apartments

Suffolk, Virginia

Prepared for:

The Communities Group

Site Inspection: December 18, 2018

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EXECUTIVE SUMMARY

The Communities Group has retained Real Property Research Group, Inc. (RPRG) to conduct a market assessment to evaluate the proposed construction of White Marsh Pointe Apartments, a multi-family rental community in the Suffolk area of unincorporated Suffolk, Virginia. White Marsh Pointe Apartments, after construction, will consist of 93 units in five three-story garden style buildings and a community building. Ten units will be designated UFAS compliant; eight units will be modified for mobility and two units for audio/visual. The overall number of units will not change from the original community. All units will continue to be restricted to households earning up to 60 percent AMI.

The subject property will offer one-bedroom, two-bedroom and three-bedroom units, a breakdown of which includes:

Unit Mix/Rents								
AMI Level	Bed	Bath	Quantity	Published Sq Foot	Net Rent	Rent/ Sq. Foot	Utility Allowance	Gross Rent
40%	1	1	2	724	\$416	\$0.57	\$146	\$562
50%	1	1	12	724	\$557	\$0.77	\$146	\$703
60%	1	1	3	724	\$697	\$0.96	\$146	\$843
Subtotal			17	724	\$565	\$0.78	\$146	\$711
40%	2	2	6	970	\$481	\$0.50	\$194	\$675
50%	2	2	24	970	\$649	\$0.67	\$194	\$843
60%	2	2	26	970	\$818	\$0.84	\$194	\$1,012
Subtotal			56	970	\$709	\$0.73	\$194	\$903
40%	3	2	2	1,109	\$519	\$0.47	\$238	\$757
50%	3	2	10	1,109	\$737	\$0.66	\$238	\$975
60%	3	2	8	1,109	\$932	\$0.84	\$238	\$1,170
Subtotal			20	1,109	\$793	\$0.72	\$238	\$1,031
Total			93					

Rents include: Trash

Source: The Communities Group

Based on our research, including a site visit on December 18, 2018, we have arrived at the following findings:

Site Analysis: White Marsh Pointe Apartments is in an appropriate location for a general occupancy, affordable rental community, with convenient access to services and amenities, employment nodes and public bus transportation.

- The subject community is located at the terminus of Davis Boulevard in the southeast portion of the City of Suffolk, Virginia. The surrounding land uses include another older, brick garden apartment community and older single family homes.
- The subject community offers convenient access to public bus transportation. The Lake Kennedy Drive bus stop (Orange Line) is within a short walk of the community, providing access throughout the city. Suffolk Transit offers two connections to the Hampton Roads Transit bus routes allowing passengers to access transportation into the city of Suffolk as well as Chesapeake, Norfolk, Hampton, Portsmouth, Newport News and Virginia Beach.
- Residents of White Marsh Pointe Apartments can walk to local retail, East Suffolk Rec Center, Great Dismal Swamp. Additional services and amenities are within convenient driving distance.
- The subject site has been established as a successful location for an affordable rental community. The Suffolk Redevelopment and Housing Authority's waitlist consists of 179 households.



Economic Analysis: Suffolk has a strong economy with very low unemployment rates and ongoing job expansions.

- Suffolk's most recent annual average unemployment rate of 4.2 percent is higher than the statewide average of 3.8 percent and lower than the national average of 4.4 percent.
- From 2011 to 2017, Suffolk had net annual job gain each year, with an overall net gain of nearly 6,000 jobs, or net job gain of 20 percent over the seven-year period.
- Trade-Trans-Utilities sector represents roughly a quarter of all jobs in the county, much higher than the national proportion of 18.8 percent.
- Major employers in Suffolk include the Suffolk Public Schools, Navy information Dominance Forces, Sentara Health System, J7 Joint Staff, and City of Suffolk.

Population and Household Trends: The White Marsh Pointe Market Area had a steady population and household growth between 2000 and 2010. Market area household growth will slow over the next five years.

- The market area added 9,553 people (21.3 percent growth) and 3,338 households (20 percent growth) from the 2000 to 2010 census counts. During the same period, South Hampton Roads population grew by 5.9 percent and its household base grew by 7.3 percent.
- The market area is projected to reach 63,326 people and 22,982 households by 2023. Annual increases in the market area from 2018 to 2023 are projected at 1.4 percent for population (4,200 people) and 1.3 percent for households (1,456 households). South Hampton Roads also is projected to increase in population and households at an annual rate of 0.7 percent over the same period.

Demographic Characteristics:

- The median age of the population in the White Marsh Pointe Market Area is 38 years old compared to 35 years in South Hampton Roads. Thirty-six percent of the population in the market area is adults age 35 to 61, in line with the countywide proportion of 34 percent.
- The most common market area household type a household without children at 39.6 percent of all households compared to 39.5 percent of households throughout South Hampton Roads.
- The White Marsh Pointe Market Area's renter percentage decreased from 32.6 percent in 2000 to 30.8 percent in 2010. In the last eight years, the renter percentage increased to 35 percent, as all net new growth was attributed to renter households. The market area's renter household base is projected to increase slightly to 33.5 percent by 2023, lower than the countywide proportion of 40.3 percent.
- Fifty-six percent of renter households in the White Marsh Pointe Market Area had one or two people including 30.2 percent with one person. Three and four-person households comprised 31 percent of renter households in the White Marsh Pointe Market Area and 12.7 percent had five or more people.
- The White Marsh Pointe Market Area's estimated 2018 median income of \$60,335 is \$4,355 or 6.7 percent less than the \$64,690 median income in South Hampton Roads.
- The median income by tenure in the White Marsh Pointe Market Area as of 2018 was \$37,482 among renters compared to \$76,689 among owner households. Forty-seven percent of renter households earn less than \$35,000, and 34.4 percent earn \$35,000 to \$74,999.

Competitive Analysis: The multifamily rental communities in the White Marsh Pointe Market Area are performing well with low stabilized vacancy rates.

- The surveyed communities are performing well with a stabilized vacancy rate of 2.9 percent among 1,296 surveyed units at 17 communities. The stabilized vacancy among Upper Tier



properties is 3.7 percent. The Lower Tier aggregate vacancy rate is 2.1 percent, and the LIHTC vacancy rate is 1.4 percent. Subsidized community are fully occupied other than units held off line for renovation or redevelopment. The Suffolk Redevelopment and Housing Authority's waitlist for subsidized units consists of 179 households.

- The average year built of 2010 among Upper Tier properties and 1969 among Lower Tier properties. The subject community was placed in service in 1978 and is among the oldest properties in the market.
- The only property to open since 2015 in this market is Meridian Obici, a 224 unit mid-rise community. Since opening in August 2016, Meridian Obici is leasing up at an average pace of less than fifteen units per month.
- Average effective rents among Lower Tier communities are:
 - One-bedroom rents at \$675 for 578 square feet or \$1.17 per square foot. One-bedroom LIHTC units at 60 percent AMI range for \$725.
 - Two-bedroom rents at \$779 for 847 square feet or \$0.92 per square foot. Two-bedroom LIHTC rents at 60 percent AMI range from \$833 to \$855.
 - Three-bedroom rents at \$914 for 1,069 square feet or \$0.85 per square foot. Three-bedroom LIHTC rents at 60 percent AMI range for \$963
- RPRG identified one 55+ age restricted community that are reasonably likely to deliver in the next three years, for a short-term pipeline of 51 units. There are no known communities to report in the long-term pipeline.
- RPRG derived a market rent of \$866 for one-bedroom, \$988 for two bedroom units and \$1,390 for three bedroom units.

Based on these findings, we have arrived at the following conclusions:

- **Demand for Subject Units:** Accounting for household trends, necessary unit replacement, and a stabilized structural vacancy rate of 5.0 percent, RPRG projects an excess demand of 286 rental units over the next 36 months.
- **Affordability and Penetration:** Assuming a 35 percent rent burden, the 93 unit White Marsh Pointe Apartments would need to capture 1.1 percent of income-qualified households and 2 percent of income-qualified renter households to lease all units. These capture rates are low, and even if there were no subsidies, the 93 units targeting 60 percent AMI would only need to capture 3.4 percent of income-qualified renters. The overall renter penetration rate is 11.6 percent for all subsidized units. RPRG considers these capture and penetration rates to be readily achievable, with the inventory of affordable units addressing less than one-tenth of the income qualified renters in the market.
- **Unit Distribution:** The project unit mix will consist of 17 one-bedroom units (18.2 percent), 56 two-bedroom units (60.2 percent) and 20 three-bedroom units (21.6 percent). The average unit distribution of Lower Tier communities in the market area is 13.5 percent for one-bedroom units, 66.5 percent two-bedroom units, and 17.5 percent three-bedroom units. The subject's unit mix is reasonable and will serve small households of one or more households, particularly given the larger unit sizes. The predominance of two-bedroom units allows the subject to serve individuals, couples and small families. This unit mix has proven to be marketable as the community's only vacancies are in preparation for the redevelopment and with a long waiting list.
- **Unit Size:** The average unit sizes at White Marsh Pointe Apartments are 724 square feet for the one-bedroom units, 970 square feet for two-bedroom units and 1,109 square feet for three-bedroom units. These are among the larger units in the market and are above the



average Lower Tier unit sizes of 578 square feet for one-bedroom units, 847 square feet for two-bedroom units, and 1,069 square feet for three-bedroom units. The larger sizes are reasonable given that the subject provides an affordable housing option at the low end of the rent range. Furthermore, the unit sizes are slightly higher to those of the most competitive, affordable product in the market, and the property will maintain full occupancy after construction in part to long waiting lists.

- **Unit Features:** The subject's units have central air conditioning and dishwashers. As part of the construction, new luxury vinyl tile will be installed. All units will have new appliances including refrigerators/freezers, dishwashers and ranges. In addition, ample cabinets, wiring, countertops and plumbing fixtures will be installed. This will increase the marketability of the community and will place it at an advantage with respect to the other older Lower Tier properties in the market.
- **Community Amenities:** The subject community has a community room, laundry facility, and open area. As part of the construction, a community building, playground, and green space will be added. This amenity package is appropriate for an affordable rental community and will be competitive in the market. This amenity package is appropriate for an affordable rental community and will be competitive in the market.
- **Price Position:** The subject's pricing is appropriate and very competitive. Among each bedroom size:
 - One-bedroom units – The subject's units are the largest in the market amongst the tax credit communities. The pricing is at the lower end of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market
 - Two-bedroom units – The subject's units are among the larger in the market. The Residences at October and Suffolk Station are closely comparable tax credit communities. The subject's two-bedroom units are larger than five market rate communities. The pricing is at the lower end of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.
 - Three-bedroom units – The positioning is similar as that of the two-bedroom units. The subject's units are among the larger communities in the market. The pricing is at the lower end of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.

Absorption Estimate: The only property to open since 2015 in this market is Meridian Obici, a 224-unit mid-rise community. Since opening in August 2016, Meridian Obici is leasing up at an average pace of less than fifteen units per month. We do not believe this pace is representative of typical market conditions, given the unique product type and its pricing well above the top of the market.

White Marsh Pointe Apartments is new construction replacing the Parker Riddick Apartments. Half of the current residents are expected to be retained after the completion of the property. As the project will be converted from public housing under the Section 18 program, Tenant Protection Vouchers (TPVs) will be issued to eligible tenants to protect them from a loss of rental assistance, which would result in an increase in their housing costs. Upon completion of White Marsh Pointe Apartments, residents will be given first option to return. Given that the Suffolk Housing Authority current waiting list for is 179 households, and the new construction will increase the marketability of the subject, we expect a very short absorption period regardless of whether existing tenants with TPV's return. Given that the new White Marsh Pointe Apartments will have rental subsidies, they will be absorbed as fast as the can be leased up administratively. It is reasonable to assume the community will be fully occupied within 3 months, or 31 units a month.

Impact on Existing Market: RPRG does not anticipate that the subject will have an adverse impact on the existing rental market as the subject is an existing and fully occupied subsidized community.



All of the general occupancy subsidized communities in the market area have demonstrated consistent full occupancy with extensive waiting lists. Tax credit communities also have a very low vacancy rate of 1.4 percent.

Additionally, the subject's capture rate is readily achievable, the penetration rate is well within acceptable range, and a gross analysis of supply and demand indicates an excess of demand that could support additional rental units beyond the subject and other planned units.



I. INTRODUCTION

A. Overview of Subject

The subject of this report is the proposed demolition and new construction of a multi-family rental community in the City of Suffolk, Virginia. White Marsh Pointe Apartments will consist of 93 units contained in 5 three-story garden style buildings and a community building. The existing occupied community was built by the Suffolk Redevelopment and Housing Authority as a public housing community in 1981. All units will continue to be restricted to households earning up to 60 percent AMI. Table 1 presents the applicable income and rent limits for the Virginia Beach-Norfolk-Newport News, VA-NC MSA in which the subject is located. All units in the community are currently subsidized through public housing funds, which will continue post construction with Tenant Protection Vouchers.

Table 1 LIHTC Income and Rent Limits, Virginia Beach-Norfolk-Newport News, VA-NC MSA

HUD 2018 Median Household Income										
Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area	\$75,000									
Very Low Income for 4 Person Household	\$37,500									
2018 Computed Area Median Gross Income	\$75,000									
1 Bedroom	\$146									
2 Bedroom	\$194									
3 Bedroom	\$238									
Household Income Limits by Household Size:										
Household Size	30%	40%	50%	60%	80%	100%	120%	150%	200%	
1 Person	\$15,750	\$21,000	\$26,250	\$31,500	\$42,000	\$52,500	\$63,000	\$78,750	\$105,000	
2 Persons	\$18,000	\$24,000	\$30,000	\$36,000	\$48,000	\$60,000	\$72,000	\$90,000	\$120,000	
3 Persons	\$20,250	\$27,000	\$33,750	\$40,500	\$54,000	\$67,500	\$81,000	\$101,250	\$135,000	
4 Persons	\$22,500	\$30,000	\$37,500	\$45,000	\$60,000	\$75,000	\$90,000	\$112,500	\$150,000	
5 Persons	\$24,300	\$32,400	\$40,500	\$48,600	\$64,800	\$81,000	\$97,200	\$121,500	\$162,000	
Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom):										
Persons	# Bed-rooms	30%	40%	50%	60%	80%	100%	120%	150%	200%
1.5	1	\$16,875	\$22,500	\$28,125	\$33,750	\$45,000	\$56,250	\$67,500	\$84,375	\$112,500
3	2	\$20,250	\$27,000	\$33,750	\$40,500	\$54,000	\$67,500	\$81,000	\$101,250	\$135,000
4.5	3	\$23,400	\$31,200	\$39,000	\$46,800	\$62,400	\$78,000	\$93,600	\$117,000	\$156,000
LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom)										
# Persons	30%		40%		50%		60%		80%	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
1 Bedroom	\$421	\$275	\$562	\$416	\$703	\$557	\$843	\$697	\$1,125	\$979
2 Bedroom	\$506	\$312	\$675	\$481	\$843	\$649	\$1,012	\$818	\$1,350	\$1,156
3 Bedroom	\$585	\$347	\$780	\$542	\$975	\$737	\$1,170	\$932	\$1,560	\$1,322

Source: U.S. Department of Housing and Urban Development

B. Purpose

The purpose of this market study is to perform a market feasibility analysis through an examination of site characteristics, the economic context, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of demand, and affordability/penetration rate analyses.

C. Format of Report

The report format is Comprehensive. Accordingly, the market study addresses all required items set forth in the 2018 Market Study Guidelines of the Virginia Housing Development Authority (VHDA). Furthermore, the market analyst has considered the recommended model content and market study index of the National Council of Housing Market Analysts (NCHMA).



D. Client, Intended User, and Intended Use

The Client is The Communities Group (Developer). Other intended users are the Suffolk Redevelopment and Housing Authority, VHDA and other potential lenders or investors. The report is expected to be submitted to VHDA as part of an application for four percent tax credits.

E. Applicable Requirements

This market study is intended to conform to the requirements of the following:

- VHDA's 2018 Market Study Guidelines.
- NCHMA's Model Content Standards and Market Study Checklist.

F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below:

- Please refer to Appendix 2 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Timothy Houseal (Analyst) completed field analysis including an inspection of the subject site, comparable communities, and market area on December 18, 2018.
- Information gathered through field and phone interviews and email correspondence was used throughout the various sections of this report. The interviewees included rental community property managers and Kevin Wyne, Principal Planner, City of Suffolk.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

The conclusions reached in a market assessment are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix I of this report.

H. Other Pertinent Remarks

None.

II. PROJECT DESCRIPTION

A. Project Overview

Parker Riddick Apartments is an existing 93-unit garden apartment community in the unincorporated Suffolk, Virginia. The property was placed in service in 1981. All units are LIHTC units serving households earning up to 60 percent AMI. The Communities Group is seeking nine percent tax credits to demolish the existing community and constructing 93 new units.

B. Project Type and Target Market

The new White Marsh Pointe Apartments will be a general occupancy LIHTC property. The project unit mix will consist of 17 one-bedroom units (18.2 percent), 56 two-bedroom units (60.2 percent) and 20 three-bedroom units (21.6 percent). All units will be affordable to households earning up to 60 percent AMI. As the project will be converted from public housing under the Section 18 program, Tenant Protection Vouchers (TPVs) will be issued to eligible tenants to protect them from a loss of rental assistance, which would result in an increase in their housing costs. When the new units are online vouchers will be available.

C. Building Types and Placement

White Marsh Pointe Apartments will consist of 5 three-story garden-style apartment buildings and a community building (Figure 1). Upon the completion of the construction, the leasing/management office that is currently on site will be relocated to the adjacent Cypress Manor Apartments. The community will be positioned 100 feet off of Davis Boulevard to allow for the easement for Dominion Power. White Marsh Pointe Apartments' unit mix will consist of 48 two-bedroom units in two buildings, 24 three-bedroom units in two buildings and one building with 13 one-bedroom units and 8 two-bedroom units.

Figure 1 Site Plan

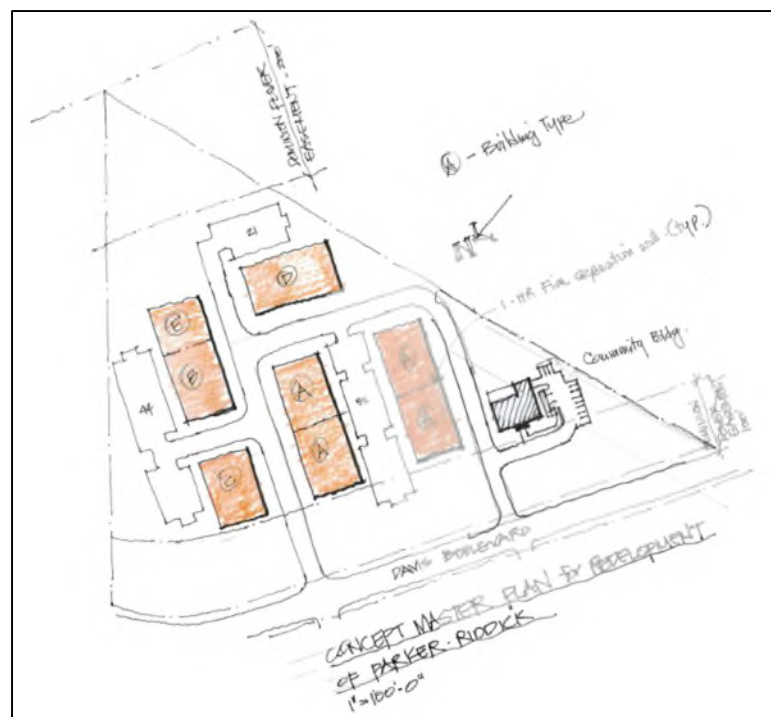
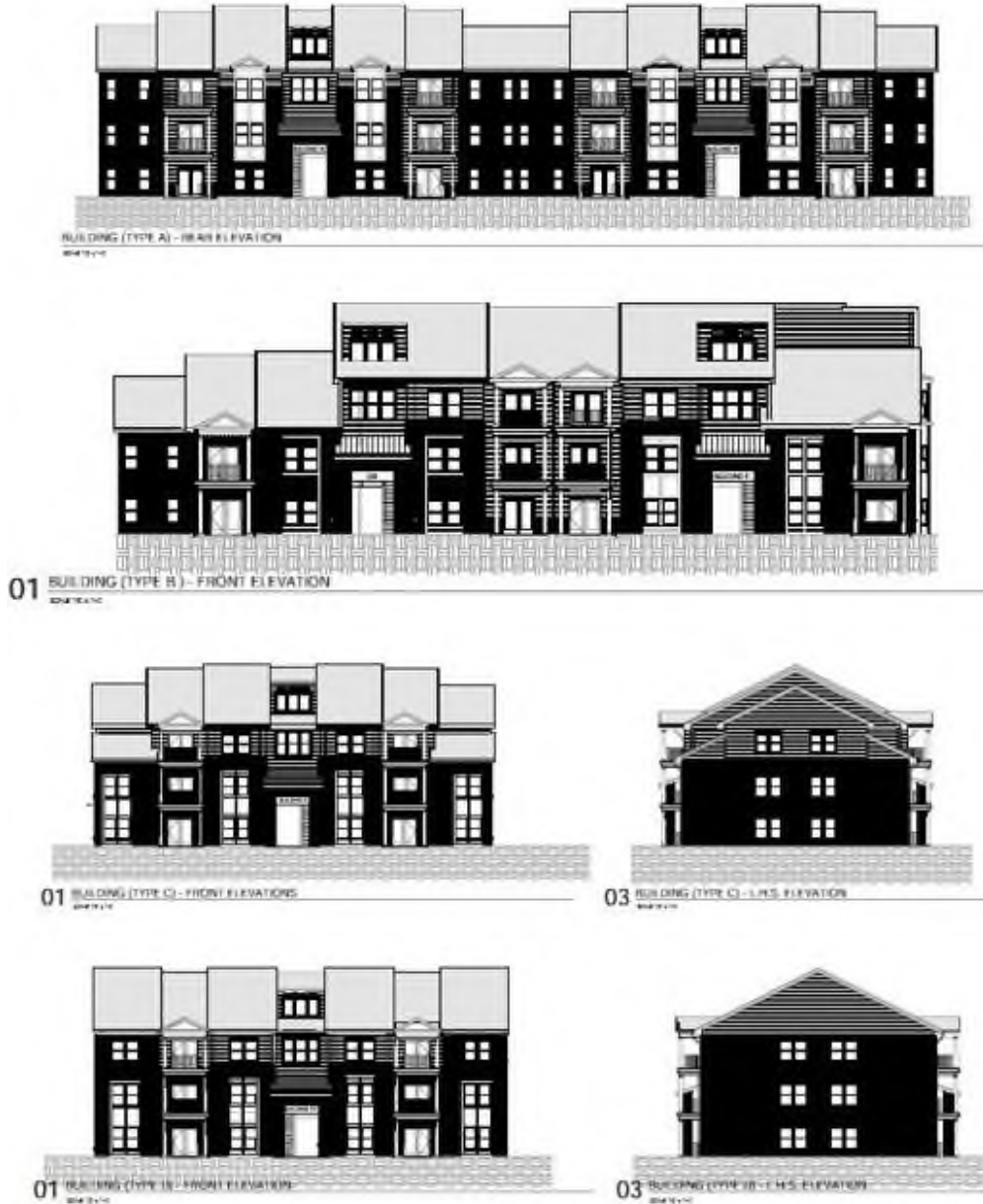


Figure 2 presents the subject’s proposed building designs. The development will consist of four building types.

Figure 2 White Marsh Pointe Apartments Elevations



D. Detailed Project Description

1. Project Description

As part of the redevelopment of Parker Riddick Apartments site, ten units built will be designated UFAS compliant; eight units will be designed to address mobility issues and two units will address



audio/visual issues. All 32 ground floor units will have UFAS approved Universal Design to allow for unit conversion to meet the needs of disabled residents.

The new White Marsh Pointe Apartments will consist of 93 residential units including 17 two-bedroom units (18.3 percent) and 56 two-bedroom units (60.2 percent) and 20 three-bedroom units (21.5 percent). The one-bedroom units will be 724 square feet in size, two-bedrooms will be 970 square feet and the three-bedroom will be 1,109 square feet (Table 2). The one-bedroom units will have one bathroom and two- and three-bedroom units will have two bathrooms. All units will be LIHTC units restricted to households with incomes at or below 60 percent AMI. There will be no rent increases upon completion of the construction, so all current households will continue to be qualified to reside in the community post rehabilitation. Further, all units will be subsidized.

Table 2 Detailed Unit Mix and Rents, White Marsh Pointe Apartments

Unit Mix/Rents								
AMI Level	Bed	Bath	Quantity	Published Sq Foot	Net Rent	Rent/ Sq. Foot	Utility Allowance	Gross Rent
40%	1	1	2	724	\$416	\$0.57	\$146	\$562
50%	1	1	12	724	\$557	\$0.77	\$146	\$703
60%	1	1	3	724	\$697	\$0.96	\$146	\$843
Subtotal			17	724	\$565	\$0.78	\$146	\$711
40%	2	2	6	970	\$481	\$0.50	\$194	\$675
50%	2	2	24	970	\$649	\$0.67	\$194	\$843
60%	2	2	26	970	\$818	\$0.84	\$194	\$1,012
Subtotal			56	970	\$709	\$0.73	\$194	\$903
40%	3	2	2	1,109	\$519	\$0.47	\$238	\$757
50%	3	2	10	1,109	\$737	\$0.66	\$238	\$975
60%	3	2	8	1,109	\$932	\$0.84	\$238	\$1,170
Subtotal			20	1,109	\$793	\$0.72	\$238	\$1,031
Total			93					

Rents include: Trash

Source: The Communities Group

All units will offer a range, refrigerator and dishwasher (Table 3). Units will have new luxury vinyl tile throughout. Common area amenities will include a community building, playground, green space and laundry room. The following is a summary of key design items:

Unit Interiors:

- Ample cabinets, countertops and plumbing fixtures.
- All units will receive new refrigerators/freezers, dishwashers and ranges.
- All units will have new luxury vinyl tile flooring throughout.
- Ten units will be UFAS compliant (2 one-bedroom, 6 two-bedrooms, and 2 three-bedroom); 8 mobility, 2 audio/vision.
- All 32 ground floors units will have Universal Design.
- Each unit will have washer/dryer rough-in.
- Patio/balcony for each unit.

Exteriors/Common Areas:

- Building exteriors: 86 percent brick and 15 percent hardiplank.
- Community building with meeting space, rental office, and maintenance facility.
- Laundry facility.
- Updated playground will be added to the community.



- Green space.

Table 3 White Marsh Pointe Apartments Project Details

Project Information		Additional Information	
Number of Residential Buildings	5	Construction Start Date	November 2019
Building Type	Garden Style	Date of First Move-In	September 2020
Number of Stories	3	Construction Finish Date	November 2020
Construction Type	New Construction	Parking Type	Surface
Design Characteristics (exterior)	Brick	Parking Cost	None
Community Amenities	Community room, laundry room, playground, green space	Kitchen Amenities	
		Dishwasher	Yes
		Disposal	
		Microwave	
		Range	Yes
		Refrigerator	Yes
Unit Features	Refrigerator, stove, and ample cabinets in kitchens, patio/balcony, washer/dryer hookups	Utilities Included	
		Water/Sewer	Tenant
		Trash	Owner
		Heat	Tenant
		Heat Source	Electric
		Hot/Water	Tenant
		Electricity	Tenant
Other:	Tenant		

Source: The Communities Group

2. Other Proposed Uses

None.

3. Proposed Timing of Development

Construction is scheduled to commence in November 2019. The units will be available on a rolling basis starting approximately in September 2020 with completion of construction in early November 2020.

Half of the current residents are expected to be retained after the completion of the property, with no permanent displacement. Residents will be given Tenant Protection Vouchers and assisted by Suffolk Redevelopment and Housing Authority to obtain off-site residences. Upon completion of White Marsh Pointe Apartments, residents will be given first option to return. There will be roughly a 90 day window from when the first building delivers to the last building.

III. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The subject community is located at the terminus of Davis Boulevard in the southeast portion of the City of Suffolk, Virginia (Map 1). The community is accessible via Davis Boulevard, which intersects White Marsh Road (Route 642) less than one-third of a mile to the east.

Map 1 Site Location



2. Existing Uses

The existing community consists of 93 units in 13 garden-style residential buildings with adjacent parking lots (Figure 3).

3. Size, Shape, and Topography

The 8.7-acre site for White Marsh Pointe Apartments is irregular and appears to be flat.



Subject building facing west.

Figure 3 Images of the Subject Site



View of one of the subject's residential buildings facing east towards Great Dismal Swamp.



Subject building located along Davis Blvd facing east.



One of subject buildings facing south towards from Davis Blvd.

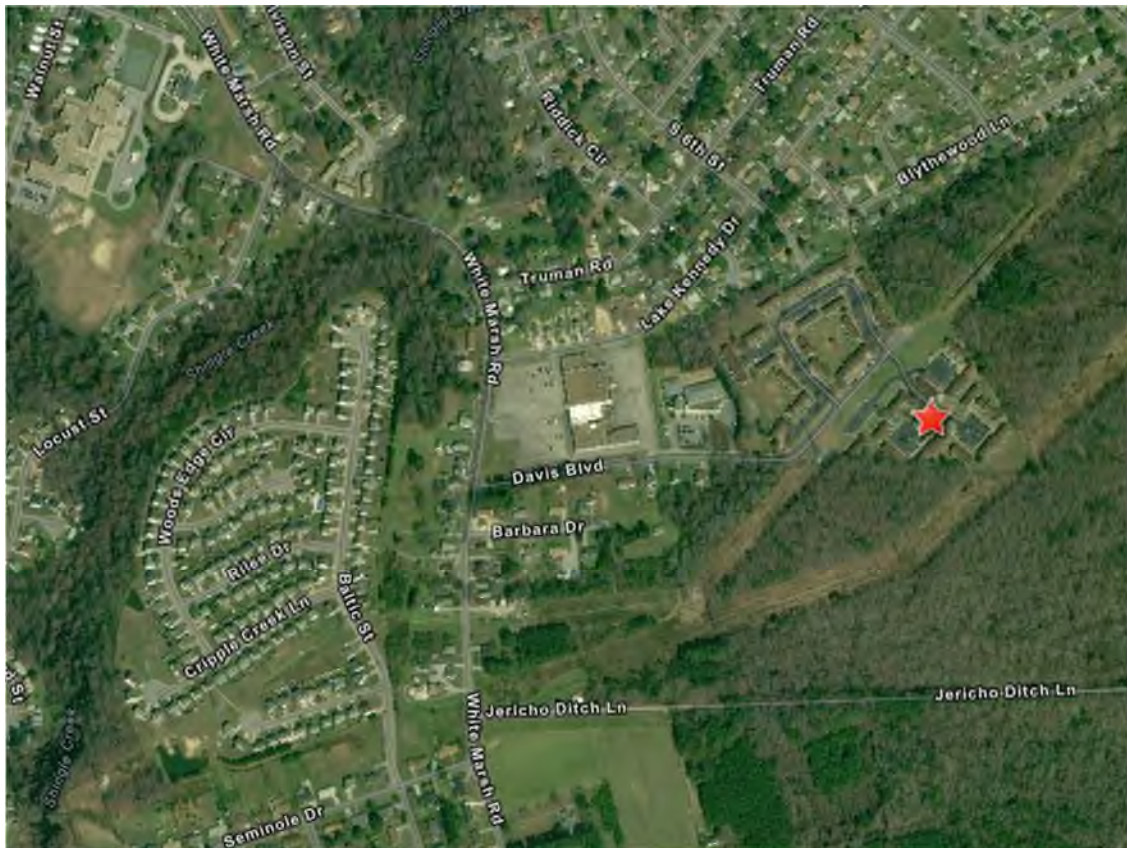


Community room.

4. General Description of Land Uses Surrounding the Subject Site

The subject site is in a densely residential neighborhood (Figure 4). Surrounding land uses include another older, brick garden apartment community and older single family homes. A small retail plaza and a head start school are the only commercial uses in the general vicinity. The subject is just southeast of the City of Suffolk which offers a large concentration of retail and services.

Figure 4 Satellite Image of Site and Surrounding Land Uses



5. Specific Identification of Land Uses Surrounding the Subject Site

The land uses directly bordering the subject site are as follows (Figure 5):

- **North:** East Suffolk Gardens-subdivision and Cypress Manor Apartments.
- **East:** Great Dismal Swamp.
- **South:** Great Dismal Swamp.
- **West:** Retail center, head start school and single family detached homes on Davis Boulevard and White Marsh Road.

Figure 5 Views of Land Uses Near the Site



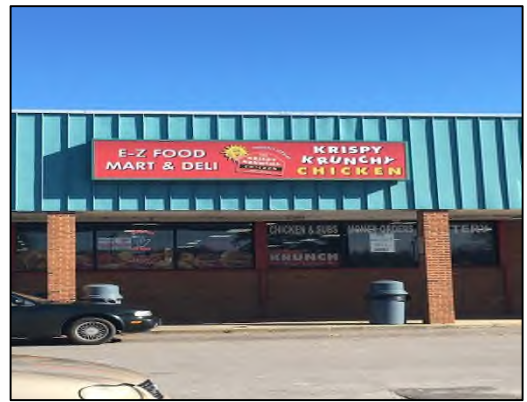
North of the site, single family homes.



West of the site, single family homes on Davis Blvd.



South of the site, wooded area.



Retail center located to the west of the site.



Cypress Manor Apartments facing southeast.



B. Neighborhood Analysis

1. General Description of Neighborhood

The cities of Suffolk, Chesapeake, Portsmouth, Norfolk, and Virginia Beach together make up the South Hampton Roads area, including a large natural harbor with a long history of shipping, shipbuilding, and ship maintenance. The area was a focus of shipbuilding throughout the 18th and 19th centuries. Its location as an East Coast deep-water port has been a key driver of the area's development throughout its centuries of growth. In addition, the area's large number of military installations has been a contributor to growth in the local economies.

The subject neighborhood consists of southeast Suffolk and parts of downtown. The surrounding area is primarily single family houses of varying ages. Houses to the north located in the East Suffolk Gardens and Lake Kennedy Estate neighborhoods are smaller single story ranchers built mostly in the 1950's and 1960's. The Stratford Terrance subdivision to the east is comprised of larger two-story houses with garages that were mostly built in the early 2000's. Houses that line Davis Boulevard, White Marsh Road and Lake Kennedy Drive differ greatly in style, age, and upkeep. Cypress Manor Apartments is located adjacent to the subject. The 113-unit garden style apartment community provides affordable housing for Suffolk and the surrounding area. The closest retail is the shopping center located at the corner of White Marsh Road and Davis Boulevard. The center is anchored by the Living Waters Christian Center. A laundry mat, deli/mart and hair salon also operate within the center. Several destinations are within walking distance such as; Family Dollar, Quicky Mart, Head Start School and East Suffolk Recreation Center.

2. Evidence of New Private/Public Investment

While the subject's neighborhood is built out, RPRG observed three infill development projects during the site visit.

- **Residential Development:** Heardon Construction is underway on the Foxfield Meadows single-family subdivision. The development is located in the Pitchkettle Farms area of Suffolk. The residences consist of three- and four-bedroom homes. The project appears to be well underway with approximately a third of the community built.
- **Commercial Development:** McDonald's and Wendy's are constructing new locations on U.S. Business Route 460 adjacent to the Sentara Obici Hospital. Both locations are close to completion on their respective exteriors and should open in the next few months.

The subject site is in an established mixed-use neighborhood. RPRG did not identify any significant planning activities or neighborhood initiatives that would directly affect the development of apartments on the subject site.

C. Site Visibility and Accessibility

3. Visibility

The subject property is located east of White Marsh Road (Route 642) and does not have visibility from this secondary artery. However, the lack of visibility does not have a negative impact on the subject's marketability. The property manager of Parker Riddick Apartments informed RPRG that prospects are obtained from the waitlist. The waiting list of about one year to one and half years, indicating very strong demand. The property currently has 5 vacancies. Those spaces will remain vacant at this time in preparations for the demolition and new construction.



4. Vehicular Access

White Marsh Pointe Apartments is accessible from Davis Boulevard via White Marsh Road (Route 642). Entrance to the subject site is at Stacey Drive along Davis Boulevard. Davis Boulevard is a small residential road with no thru-traffic. The light traffic is brought in by the residents of the subject community and Cypress Manor Apartments.

5. Availability of Public and Inter Regional Transit

The subject site is just east of White Marsh Road (Route 642). This secondary arterial provides access to the major arterials in Suffolk including U.S. Route 13 and U.S. Route 58. U.S. Route 13 can be accessed within four miles of the subject community, and U.S. Route 58 is about five miles north of the site. I-64/Norfolk can be accessed about 11 miles northeast of the site via U.S. Route 58.

The subject community offers convenient access to public bus transportation. The Lake Kennedy Drive bus stop (Orange Line) is within a short walk of the community, providing access throughout the city via the Suffolk Transit network: Red Line (Northeast), Green Line (Northwest), and Yellow Line (Southwest). Suffolk Transit offers two connections to the Hampton Roads Transit bus routes allowing passengers to access transportation into the city of Suffolk as well as Chesapeake, Norfolk, Hampton, Portsmouth, Newport News and Virginia Beach.

6. Pedestrian Access

Sidewalks are available along the north side of Davis Boulevard except for a roughly 225 foot section between the subject community and the Head Start school. The section has no concrete sidewalk but is still walkable. Residents can walk to several retail establishments, services and amenities. A retail center, recreation center and park are located just west of the community. The nearest bus stop is located 0.4 miles from the subject community providing access to downtown Suffolk.

7. Roadway Improvements under Construction and Planned

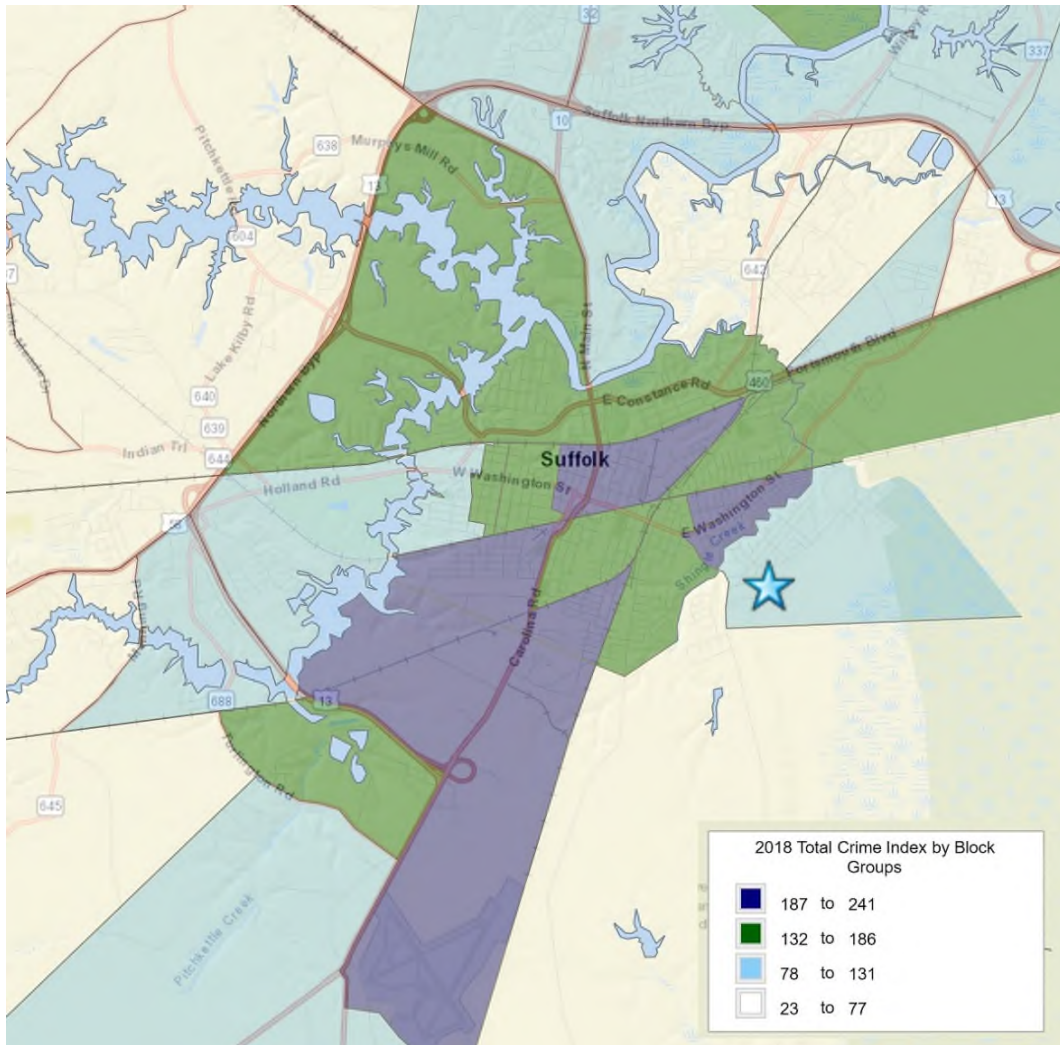
RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. No projects that would significantly impact access to the subject community were identified.

8. Public Safety

CrimeRisk is a census tract level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. An index of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. Based on this modeling, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the census tract level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However, these are un-weighted indexes so that a murder is weighted no more heavily than purse snatching. This is a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

The 2018 CrimeRisk Index for the census tracts in the general vicinity of the subject site is displayed in gradations from white (least risk) to purple (most risk) (Map 2). While the subject's immediate area is shaded blue indicating a crime rate below the national average, it has a lower crime rate than areas to the west and north. RPRG does not expect crime or the perception of crime to negatively impact the subject property's marketability as the crime rate is relatively low when compared to the whole of City of Suffolk.

Map 2 Crime Index Map



D. Residential Support Network

9. Key Facilities and Services near the Subject Site

The appeal of any given community is often based in part to its proximity to those facilities and services required daily. Key facilities and services and their distances from the subject site are listed in Table 4 and their locations are plotted on Map 3.



Table 4 Key Facilities and Services

Map #	Establishment	Type	Address	Driving Distance (Miles)
1	Retail (Fmr White Marsh Plaza)	Retail	White Marsh Rd	0.3
2	Suffolk Transit Orange Route Stop	Public Transit	White Marsh Rd	0.4
3	East Suffolk Recreation Center	Recreation	138 S 6th St	0.8
4	Suffolk Fire Station 3	Public Safety	1001 White Marsh Rd	0.8
5	Family Dollar	Retail	823 E Washington St	1.0
6	Great Dismal Swamp	Recreation	Jericho Ln	1.1
7	Greater Suffolk Medical Center	Medical	114 N Main St	1.7
8	Downtown Suffolk	Retail	N Main St	1.8
9	Morgan Memorial Library	Library	443 W Washington St	2.0
10	Suffolk Police Department	Public Safety	111 Henley Pl	2.3
11	Rite Aid	Pharmacy	515 N Main St	2.4
12	U.S. Post Office	Post Office	445 N Main St	2.4
13	Food Lion	Grocery	1010 Portsmouth Blvd	2.6
14	Constant's Wharf Park & Marina	Recreation	100 E Constance Rd	2.6
15	Suffolk Shopping Center (Kroger, Belk, Payless Shoes)	Retail	1403 N Main St	3.2
16	Suffolk Plaza (Big Lots, Dollar General, Schewels)	Retail	1401 N Main St	3.2
17	Lake Meade Park	Recreation	201 Holly Lawn Pkwy	3.4
18	Walmart Supercenter	Retail	1200 N Main St	4.0
19	Sentara Obici Hospital	Medical	2800 Godwin Blvd	5.0
20	Paul D. Camp Community College Hobbs Suffolk Campus	Education	271 Kenyon Rd	8.1

Source: Field and Internet Research, RPRG, Inc.

Map 3 Location of Key Facilities and Services





10. Essential Services

a) Health Care

The nearest full-service hospital is Sentara Obici Hospital is on Godwin Boulevard in Suffolk, 5.0 miles north of the subject. With 172 licensed beds, the hospital offers a range of services including cardiac, advanced imaging, gynecological, comprehensive breast care services, orthopedics and more. Sentara Obici Hospital is part of the Sentara Healthcare Network. Sentara Family Medicine Physicians along with an occupational medicine practice relocated in November to a new 20,000-square-foot \$6.6 million office building on the Obici Hospital Campus.

b) Education

Suffolk Public Schools serve more than 14,265 students. Students residing at White Marsh Pointe Apartments will be zoned to Elephants Fork Elementary School (4.5 mile), John F Kennedy Middle School (1.9 miles), and Lakeland High School (6.4 mile).

Compared to other schools in the system reporting scores for fifth graders, Elephants Fork Elementary ranked 10th of 11 elementary schools, John F Kennedy Middle School ranked 4th of 4 middle schools, and Lakeland High ranked 3rd of 3 high schools (Table 5). Suffolk’s average school scores are in-line with the state-wide averages for elementary, middle schools, and below the state-wide average for high schools.

For higher education opportunities, the Paul D. Camp Community College Hobbs Suffolk Campus is about eight miles driving distance from the subject community. This campus has more than 1,480 students and offers classes in health sciences; administrative, business and management; industrial technology and the social and professional sciences.

Table 5 Suffolk Schools, Test Scores

Elementary Schools				Middle Schools				
VSLA - 2018				VSLA - 2018				
Grade 5				Grade 8				
Elementary Schools	English	Math	Composite	Rank	Middle Schools	English	Math	Composite
Northern Shores Elementary	88.0%	90.0%	89.0%	1	John Yeates Middle	83.0%	87.0%	85.0%
Driver Elementary	85.0%	87.0%	86.0%	2	King's Fork Middle	75.0%	77.0%	76.0%
Nansemond Parkway Elementary	79.0%	88.0%	83.5%	3	Forest Glen Middle	75.0%	73.0%	74.0%
Oakland Elementary	86.0%	81.0%	83.5%	4	John F. Kennedy Middle	67.0%	73.0%	70.0%
Pioneer Elementary	81.0%	85.0%	83.0%	County Average				
Creekside Elementary	83.0%	81.0%	82.0%	75.0%				
Hillpoint Elementary	73.0%	76.0%	74.5%	77.5%				
Kilby Shores Elementary	77.0%	71.0%	74.0%	76.3%				
Mack Benn Jr. Elementary	70.0%	63.0%	66.5%	74.0%				
Elephant's Fork Elementary	65.0%	67.0%	66.0%	77.0%				
Booker T. Washington Elementary	61.0%	70.0%	65.5%	71.0%				
County Average				77.0%				
77.1%				71.0%				
78.1%				74.0%				
77.6%				74.0%				
80.0%				77.0%				
77.0%				74.0%				
78.5%				74.0%				

High Schools				
EOC - 2018				
Rank	High Schools	Reading	Algebra II	Composite
1	King's Fork High	80.0%	85.0%	82.5%
2	Nansemond River High	89.0%	74.0%	81.5%
3	Lakeland High	82.0%	80.0%	81.0%
County Average		83.7%	79.7%	81.7%
State Average		87.0%	86.0%	86.5%

Virginia Department of Education

c) Commercial Goods and Services

(1) Convenience Goods

The term “convenience goods” refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, fast food, health and beauty aids, household cleaning products, newspapers, and gasoline.



The subject site is located in a predominately residential area. The nearest retail is the shopping center formerly known as the White Marsh Plaza on White Marsh Road 0.3 miles from the site. The center includes a mart/deli, coin laundry, and a beauty salon. The shopping center is also the closest stop for public transportation, giving access to downtown Suffolk and the surrounding area. Family Dollar is located one mile from the subject and is the closest retail for general needs. Food Lion is the closest full-service grocery store less than three mile from the site. All fast food chains (McDonald's, Subway, Chick-fil-a, Wendy's and Burger King) are concentrated to the north along U.S. Business Route 460. The nearest gas station is the Sunoco on Washington Street approximately one mile for the subject site.

(2) Comparison Goods

The term "comparison goods" refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop. Examples of comparison goods are apparel and accessories, furniture and home furnishings, appliances, jewelry, and sporting goods.

A variety of notable name-brand retailers, chain restaurants, and service providers are located throughout Suffolk with particular concentrations along U.S. Business Route 460 north of downtown Suffolk and within three miles of the subject site. The largest major retailers in proximity to the subject site are the Walmart and Lowe's, located four miles to the north. Two large shopping centers are located along the retail corridor north of downtown. The Suffolk Shopping Center contains Kroger, Belk, Payless Shoes, and other small retail stores while Big Lots, Dollar General and Schewels anchor the Suffolk Plaza.

(3) Recreation

The site is approximately one mile walking distance from East Suffolk Recreation Center and the Great Dismal Swamp Park, which provides miles of trails for walkers and hikers amongst a protected wetlands environment. Morgan Memorial Library is two miles driving distance from the subject community. Constant's Wharf Park & Marina is a community park and river access point located 2.6 miles from the subject community. The park offers a wide range of activities including; festivals, summer concerts, walking trails, and canoe and kayak rentals.



IV. ECONOMIC CONTEXT

A. Introduction

This section of the report focuses primarily on economic trends and conditions in conditions in Suffolk, Virginia, the jurisdiction in which the subject site is located. We also presented economic trends in Virginia and the nation for comparison purposes.

B. Labor Force, Resident Employment, and Unemployment

1. Trends in County Labor Force and Resident Employment

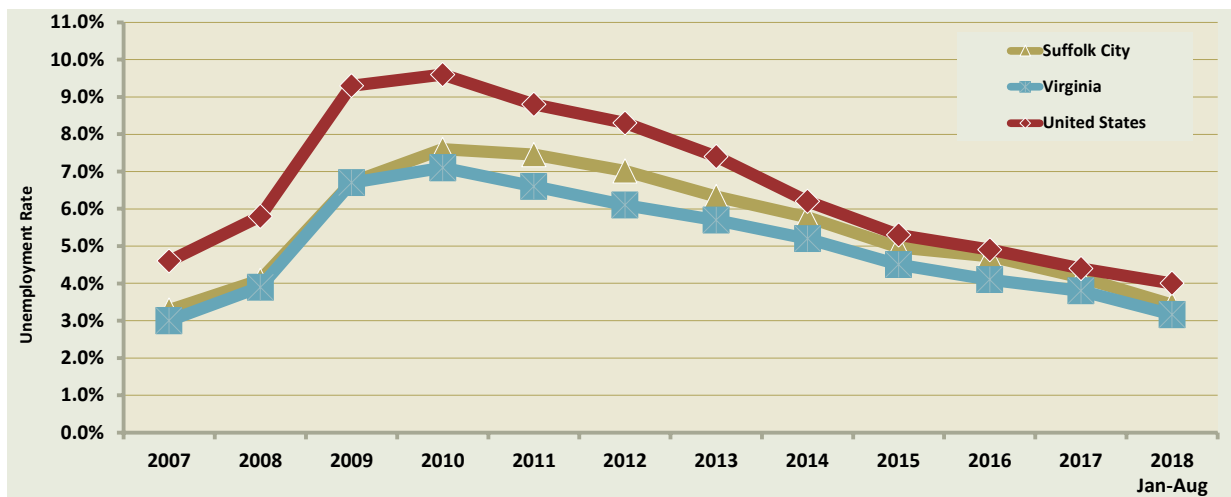
The Suffolk labor force increased by almost 3,700 workers from 2007 to 2017, an increase of 8.5 percent despite fluctuations throughout the period (Table 6). Following the 2009 national recession, the Suffolk unemployment rate decreased rapidly to 4.2 percent as of 2017. Through the first half of 2018, the city’s unemployment rate has continued to decline to an average of 3.4 percent, near the statewide rate of 3.2 percent, and 60 basis points below the national average of 4.0 percent. The number of unemployed workers has declined by 3,100 workers or 41.5 percent since 2010

Table 6 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted

Annual Unemployment	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 Jan-Aug
Labor Force	39,794	40,871	40,575	41,753	41,913	41,803	41,983	42,366	42,290	42,900	43,492	43,728
Employment	38,487	39,201	37,854	38,581	38,790	38,869	39,325	39,919	40,190	40,872	41,684	42,228
Unemployment	1,307	1,670	2,721	3,172	3,123	2,934	2,658	2,447	2,100	2,028	1,808	1,500
Unemployment Rate												
Suffolk City	3.3%	4.1%	6.7%	7.6%	7.5%	7.0%	6.3%	5.8%	5.0%	4.7%	4.2%	3.4%
Virginia	3.0%	3.9%	6.7%	7.1%	6.6%	6.1%	5.7%	5.2%	4.5%	4.1%	3.8%	3.2%
United States	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%	4.4%	4.0%

Source: U.S. Department of Labor, Bureau of Labor Statistics





C. Commutation Patterns

According to 2012-2016 American Community Survey (ACS) data, 20.7 percent of market area workers commuted less than 15 minutes to work (Table 7). Roughly 22.5 percent spent between 15 and 24 minutes commuting to work; another 23.8 percent of market area workers commuted 25 to 34 minutes; and 30 percent commute 35 minutes or more to work.

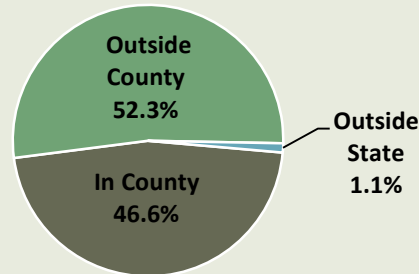
Commutation data reflects the proximity of the various jurisdictions comprising the market area, with 52.3 percent of market area residents commuting outside their jurisdiction of residence. However, only 1.1 percent work outside of Virginia.

Table 7 Commutation Data, White Marsh Pointe Market Area

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	24,615	96.9%	Worked in state of residence:	25,117	98.9%
Less than 5 minutes	403	1.6%	Worked in county of residence	11,824	46.6%
5 to 9 minutes	2,192	8.6%	Worked outside county of residence	13,293	52.3%
10 to 14 minutes	2,671	10.5%	Worked outside state of residence	279	1.1%
15 to 19 minutes	3,011	11.9%	Total	25,396	100%
20 to 24 minutes	2,693	10.6%			
25 to 29 minutes	2,157	8.5%			
30 to 34 minutes	3,884	15.3%			
35 to 39 minutes	1,160	4.6%			
40 to 44 minutes	1,207	4.8%			
45 to 59 minutes	2,912	11.5%			
60 to 89 minutes	1,988	7.8%			
90 or more minutes	337	1.3%			
Worked at home	781	3.1%			
Total	25,396				

Source: American Community Survey 2012-2016

**2012-2016 Commuting Patterns
Cypress Manor Market Area**



Source: American Community Survey 2012-2016

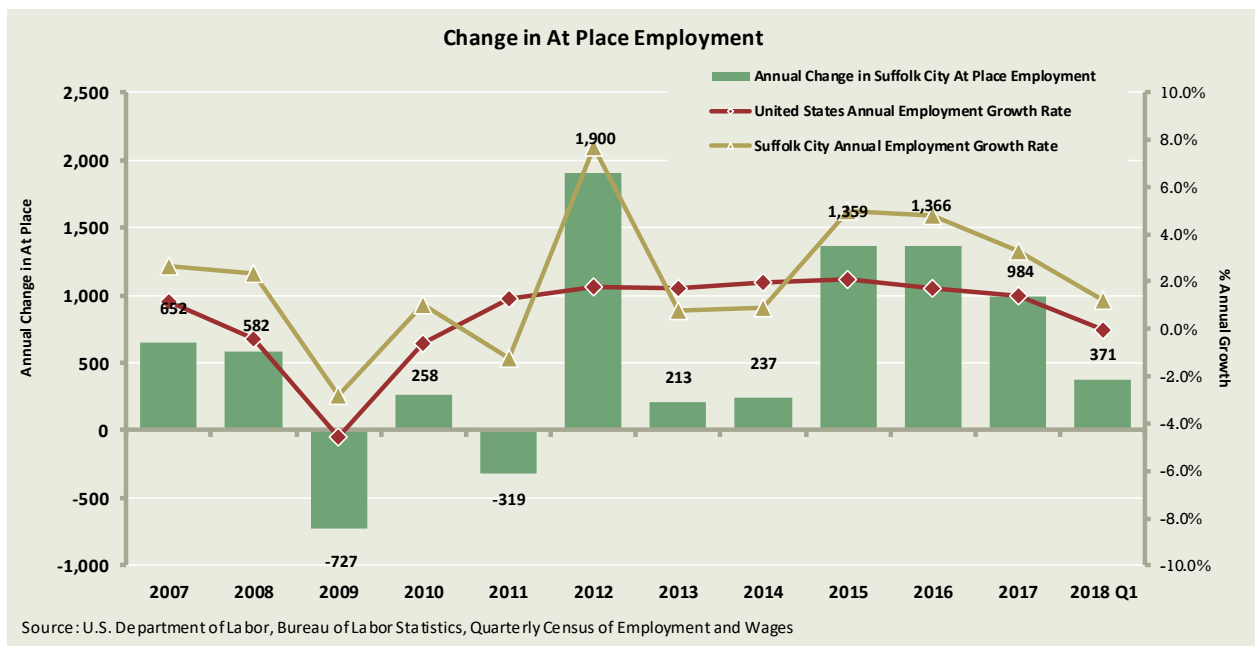
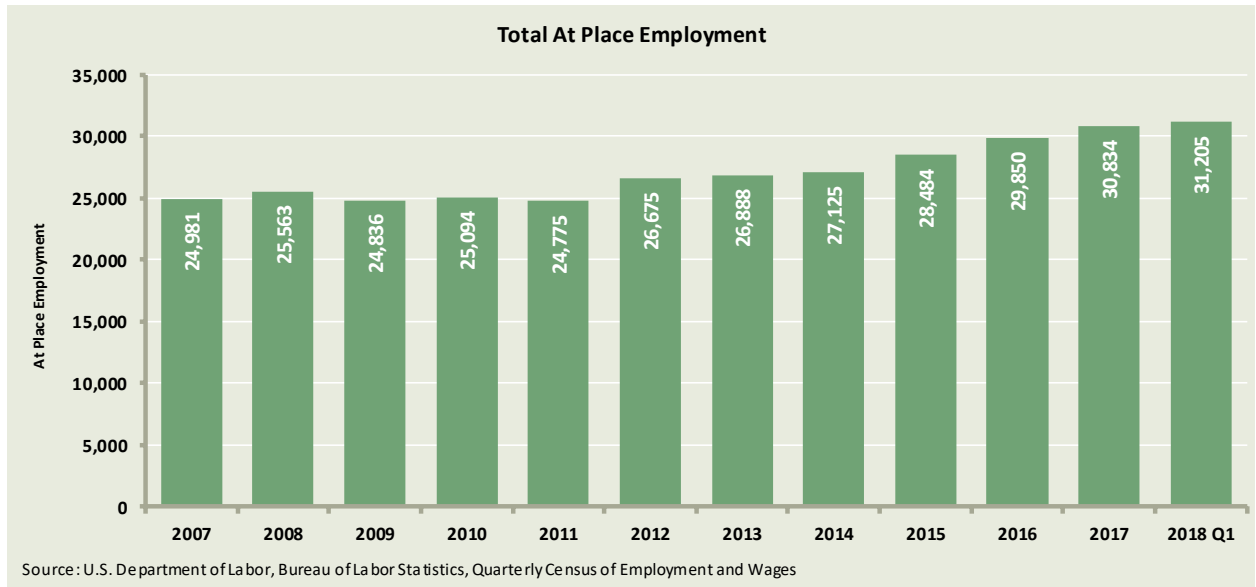
D. County At-Place Employment

1. Trends in Total At-Place Employment

At-place employment in Suffolk has steadily increased since 2007 (Figure 6). Following a temporary pullback in 2011 due to a reduction to the Joint Forces Command Center, at-place employment resumed a steady growth trend, adding over 6,000 jobs, or 20 percent through 2017 with an at-place employment of 30,834. As illustrated in the bottom half of Figure 6, Suffolk annual employment growth has outpaced the national growth rate, as employment growth has accelerated since 2015 with an average annual growth rate of 4.6 percent over the last three years.



Figure 6 At-Place Employment, Suffolk



2. At-Place Employment by Industry Sector

The Suffolk economy is focused on a several key industry sectors with the Government and Trade-Transportation-Utilities sectors each representing more than 20 percent of all citywide jobs (Figure 7). In addition to these two largest sectors, the Education Health sector accounts for a greater proportion of all city jobs (16.8 percent) than the national average proportion of 15.6 percent. Other significant sectors include Professional-Business (12.6 percent) and Leisure-Hospitality (10.3 percent). However, these two sectors are underrepresented relative to their portion in the nation. The city has a substantially smaller proportion of Financial Activities jobs than the nation as a whole, with 2.0 percent of the local job share compared to 5.6 percent nationwide.



Figure 7 Total Employment by Sector

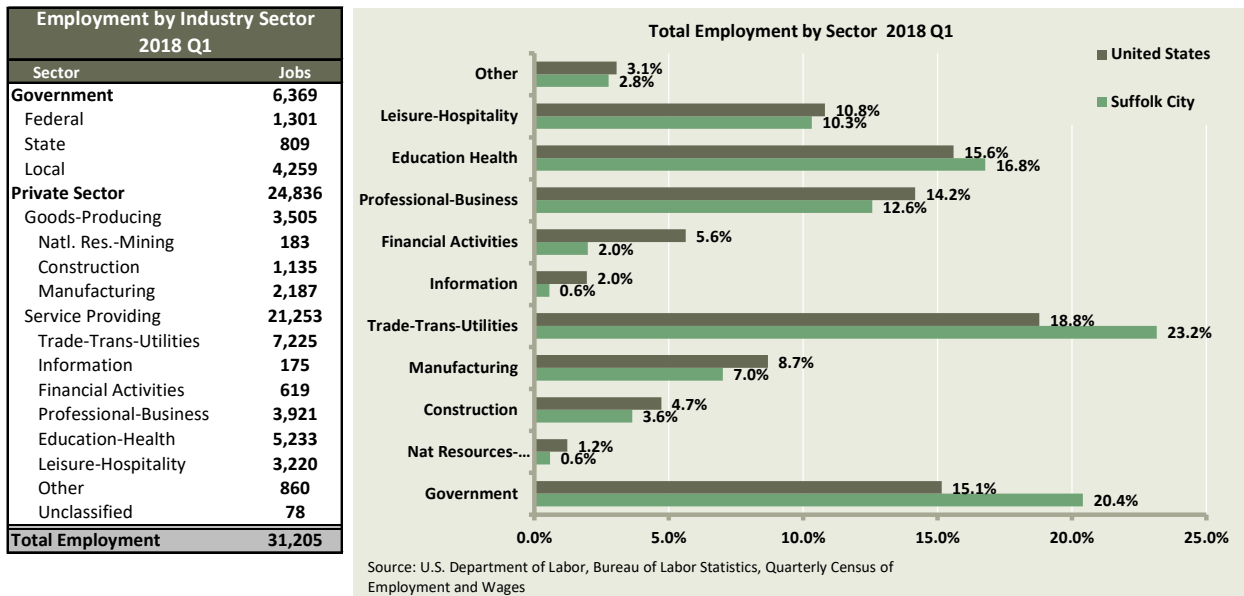
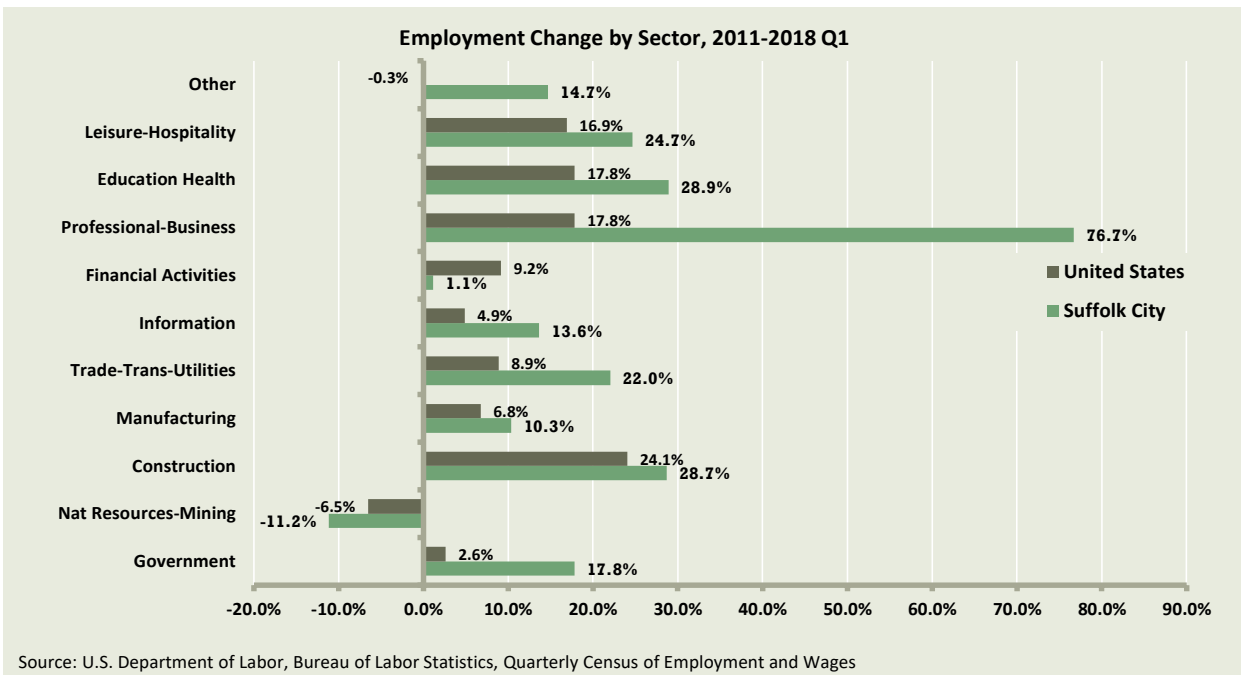


Figure 8 Employment Change by Sector, 2011-2018(Q1)



E. Wage Data

The average annual wage in 2017 for Suffolk was \$46,435, roughly 18 percent lower than the \$56,506 average for Virginia and 16 percent lower than the national average of \$55,375 (Table 8). The city demonstrated a steady increase in average annual wages since 2010, increasing every year but one over the last eight years, with the growth trend moderating since 2014.



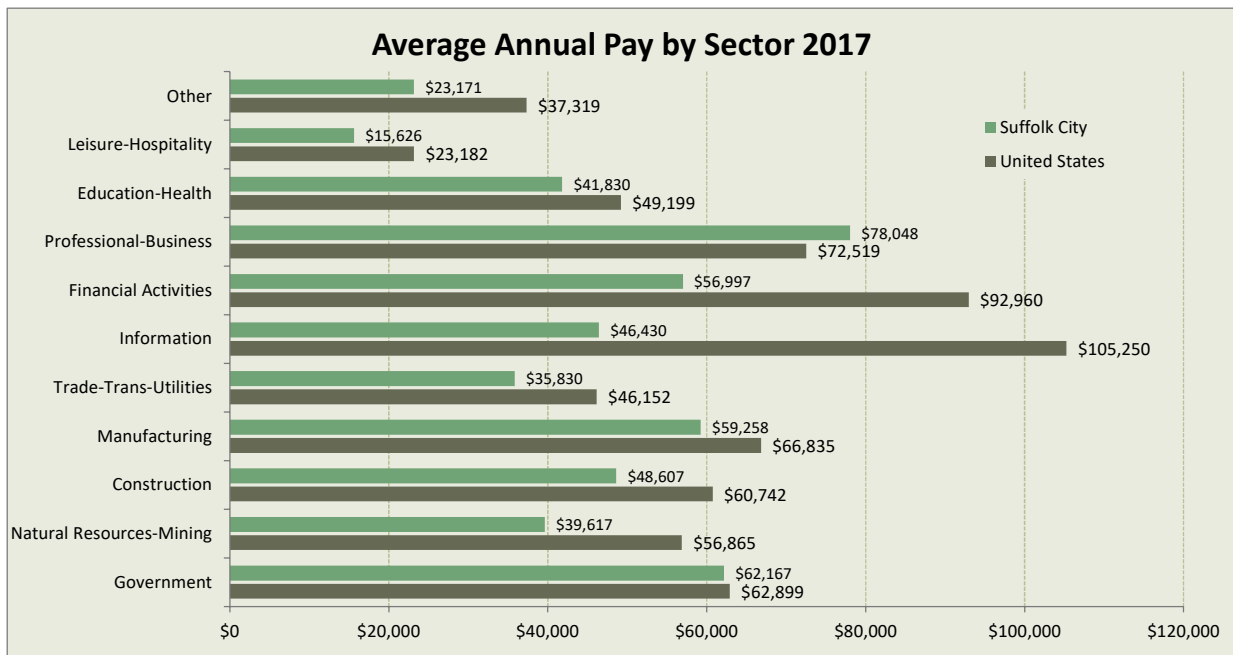
Figure 9 compares the average annual wage by economic sector for Suffolk to the average annual wage by economic sector for the United States as of 2017. Overall, average wages in Suffolk are generally lower relative to the average wages in the United States. The Professional-Business sector is the highest wage sectors in Suffolk with an average annual wage of \$78,048, exceeding the national average wage of \$72,519 in this sector. No other citywide sector exceeded the national average wage. The key Government sector is the second highest wage sectors (\$62,167) and is comparable to the U.S. average. The important Trade-Transportation-Utilities sector (\$35,830) lags the U.S. average of \$46,152, as did the Education-Health sector averaging \$41,830 compared to the U.S. average of \$49,199.

Table 8 Wage Data, Suffolk

	2010	2011	2012	2013	2014	2015	2016	2017
Suffolk City	\$39,426	\$40,153	\$43,618	\$44,819	\$46,517	\$46,992	\$46,222	\$46,435
Virginia	\$49,651	\$50,657	\$51,646	\$51,918	\$52,929	\$54,276	\$54,836	\$56,506
United States	\$46,751	\$48,043	\$49,289	\$49,804	\$51,361	\$52,942	\$53,621	\$55,375

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 9 Wage by Sector, Suffolk



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

F. Major Employers

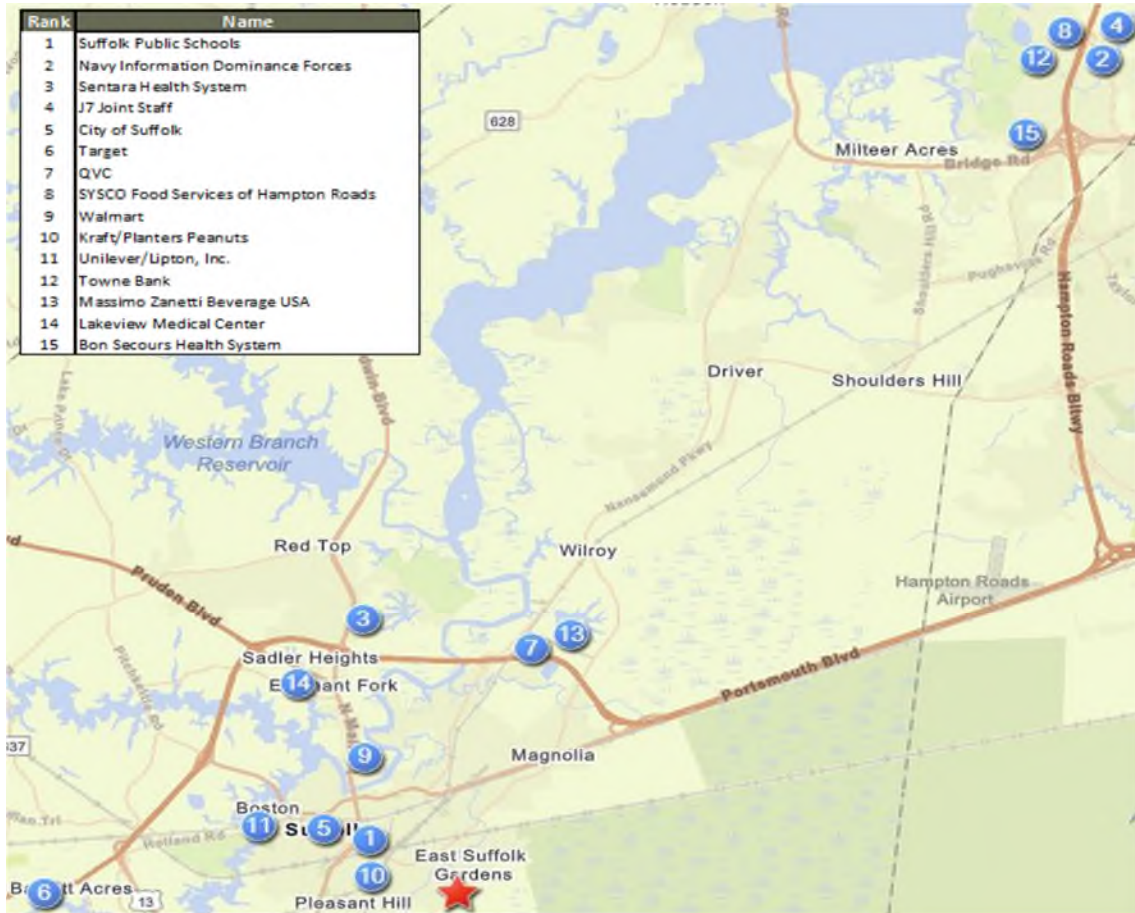
A list of Suffolk’s largest employers reflects a diverse representation of industry sectors (Table 9). The largest regional employer is the Suffolk Public School District with an estimated 1,780 employees throughout the city. Two of the top five employers are related to military installations. Additional top employers represent the Manufacturing, Transportation-Warehouse-Utilities, and Education-Health sectors. As shown in Map 4, 10 of the 15 major employers in the county are relatively close to the subject community.



Table 9 Major Employers, Suffolk

Rank	Name	Sector	Employment
1	Suffolk Public Schools	Education	1,780
2	Navy Information Dominance Forces	ModSim and Technology	1,500
3	Sentara Health System	Healthcare	1,300
4	J7 Joint Staff	ModSim and Technology	1,200
5	City of Suffolk	Government	1,139
6	Target	Warehousing and Distr.	1,100
7	QVC	Warehousing and Distr.	900
8	SYSCO Food Services of Hampton Roads	Warehousing and Distr.	500
9	Walmart	Retail	450
10	Kraft/Planters Peanuts	Food/Beverage Process.	340
11	Unilever/Lipton, Inc.	Food/Beverage Process.	300
12	Towne Bank	Banking	300
13	Massimo Zanetti Beverage USA	Food/Beverage Process.	300
14	Lakeview Medical Center	Medical	270
15	Bon Secours Health System	Medical	269

Map 4 Major Employers, Suffolk





G. Economic Expansions, Contractions, and Projections

The Suffolk County Economic Development Authority provides annual data on new and expanding businesses. The following is a summary of larger job additions announced:

- **Target Distribution Center:** Target expanded its Suffolk distribution center on Manning Bridge Road, adding 600 new jobs at the facility.
- **Peet's Coffee,** a coffee manufacturing company in Suffolk, expanded in early 2018 with a new 175,000 square foot facility at the CenterPoint Intermodal Center on Enterprise Drive. The new facility will create 135 positions.
- **Panattoni Development Company, Inc.** is completing a 284,580-square-foot Class A warehouse located in the Virginia Regional Commerce Park at 5391 Virginia Regional Drive in Suffolk, Va. The development will feature 32' clear height ceilings, 55 dock doors, 1 drive-in level overhead door on each end, customized office space, ESFR sprinkler system, and high efficiency, high output, T-5 lighting.
- **Emser Tile** completed a new 400,000-square-foot manufacturing facility in Centerpoint Industrial Park.
- **Kroger Mid-Atlantic:** Kroger opens a new 57,000 square foot location at 1401 North Main Street in Suffolk adding 114 new jobs.
- **Metro Diner,** a restaurant in Suffolk, opened a new location in March 2018 at 2051 Sun Harbour Avenue. The new location has generated 100 new jobs.
- **Wanchese Fish Company** announces plans to expand operations in Suffolk adding 70 new jobs.

RPRG identified one large scale layoff or closure in Suffolk. The Farm Fresh Food & Pharmacy located at 1401 N Main Street closed in May of this year. The store employed 95 workers. Supervalu the parent company of Farm Fresh sold the location to another supermarket chain, Kroger. Former Farm Fresh employees were given hiring consideration at the new Kroger location.

H. Economic Conclusions and Projections

The city of Suffolk and surrounding area represents an expanding and increasingly diverse economy. As areas within and around Norfolk and Portsmouth become increasingly built out, residential and commercial growth has been accelerating throughout Suffolk. Through August 2018, the city's unemployment rate has declined to an average of 3.4 percent, and the number of unemployed workers has declined by 3,100 workers or 41.5 percent since 2010. At-place employment in Suffolk has steadily increased since 2011, adding over 6,000 jobs, or 20 percent, through 2017 with an at-place employment of 30,834. Suffolk annual employment growth has outpaced the national growth rate, as employment growth has accelerated since 2015 with an average annual growth rate of 4.6 percent over the last three years. According to local economic development officials, announcements of companies relocating to and expanding throughout Suffolk have increased recently, and they have received more interest among new companies looking to make the region home than ever before. Job growth is expected to continue the recent strong pace through the near term.



V. HOUSING MARKET AREA

A. Introduction

The primary market area, referred to as the White Marsh Pointe Market Area in this report, is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive rental housing alternatives are located. In defining the White Marsh Pointe Market Area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

B. Delineation of Market Area

The White Marsh Pointe Market Area consists of census tracts in Suffolk (Map 5). The boundaries of the White Marsh Pointe Market Area and their approximate distance from the subject site are:

North:	Route 125/Nansemond River/Western Branch Reservoir	4.75 miles
East:	Suffolk/Chesapeake County border	3.8 miles
South:	Virginia/North Carolina state line	11.6 miles
West:	Suffolk/Isle of Wright County border	13.0 miles
Southwest:	Suffolk/Southampton County border	21.1 miles

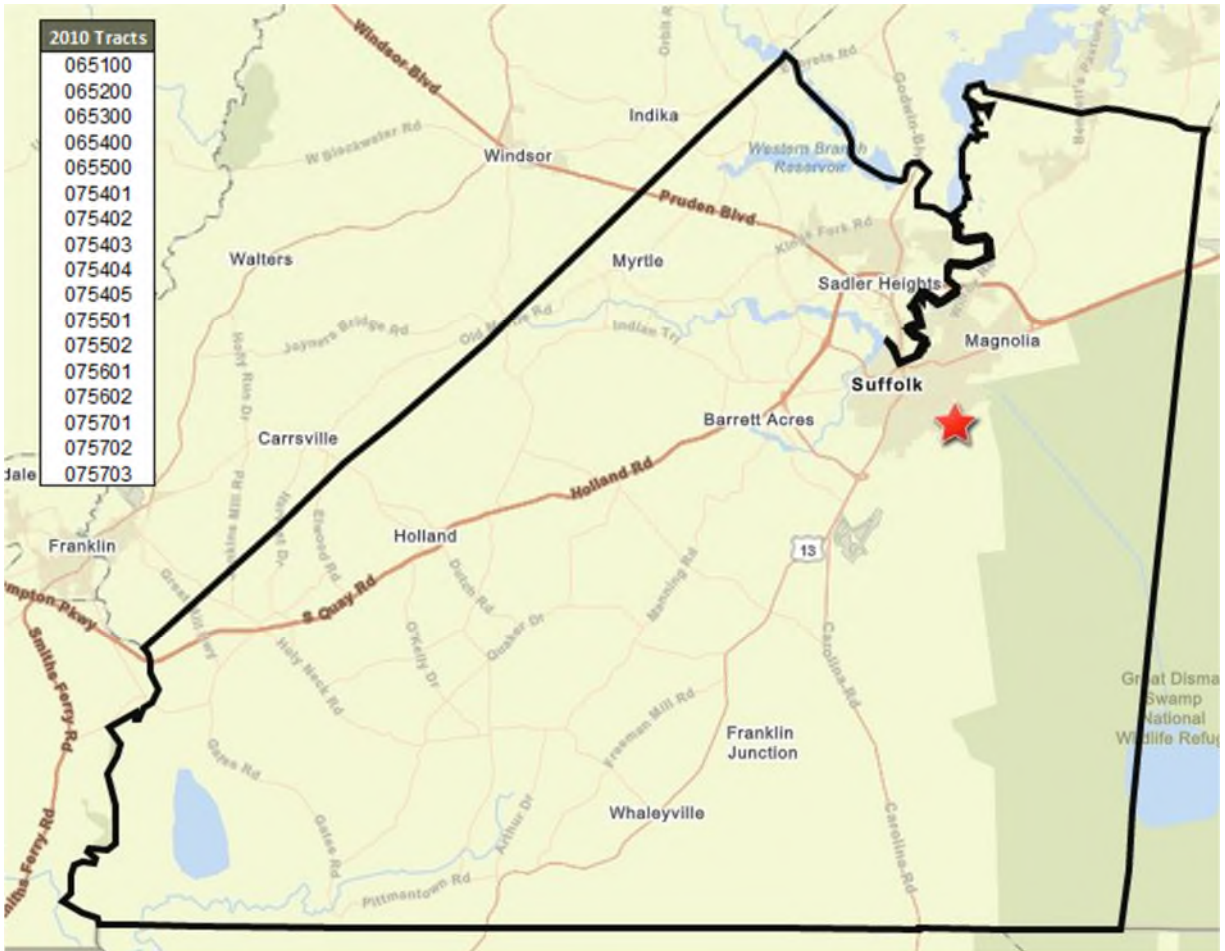
The subject site is centrally located within the city of Suffolk, south of downtown. As such, RPRG has defined the primary market area as consisting of 17 census tracts surrounding downtown Suffolk and south of downtown Suffolk. Because of the irregular shape and size of the census tracts surrounding downtown Suffolk, portions of the Great Dismal Swamp National Wildlife Refuge are also included within the market area.

This market area includes the portions of Suffolk most comparable with the subject location. The boundaries of the market area reflect the transition to adjacent markets that offer intervening rental opportunities and are not directly comparable with the subject site: the area to the northeast, including the most northern portion of Suffolk and the cities of Portsmouth and Chesapeake, are more densely developed with stronger orientation to Norfolk; the areas to the north is transiting to a more affluent suburban community with multiple planned residential subdivisions, emerging retail and commercial development. We believe residents of this market area would consider the subject site as an acceptable location of market rate rental housing.

As appropriate for this analysis, the White Marsh Pointe Market Area is compared to South Hampton Roads, which is considered the secondary market area. Demand estimates are based only on the White Marsh Pointe Market Area.



Map 5 White Marsh Pointe Market Area





VI. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the White Marsh Pointe Market Area and South Hampton Roads using U.S. Census data and data from Esri, a national data vendor which prepares small area estimates and projections of population and households. We also considered population estimates and projections prepared by local stakeholder Weldon Cooper Center, released July 2017. Estimates and projections from Esri and Weldon Cooper Center were nearly identical and after consideration, RPRG elected to use the Esri figures. Building permit trends collected from the HUD State of the Cities Data Systems (SOCDS) database were also considered.

B. Trends in Population and Households

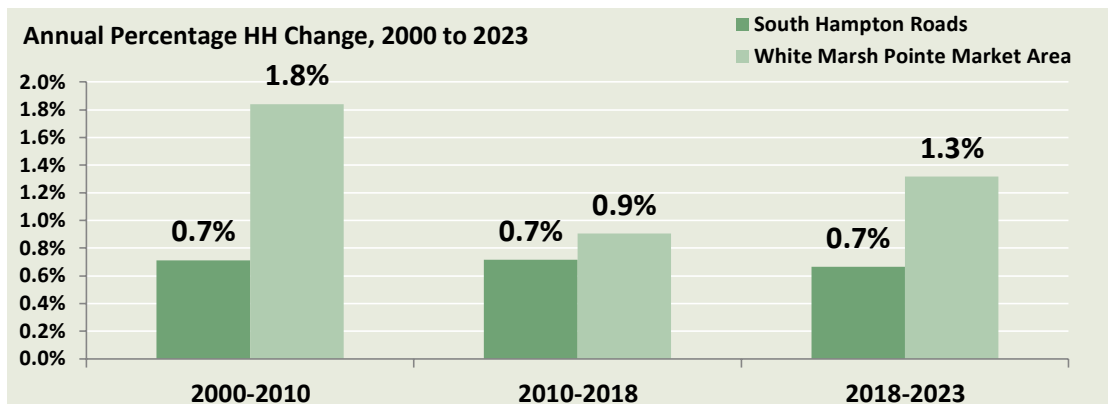
1. Recent Past Trends

The White Marsh Pointe Market Area’s and household base grew robustly, from 2000 to 2010, reflecting it as an emerging market. The market area recorded net growth of 9,553 people (21.3 percent growth) and 3,338 households (20 percent) between Census counts (Table 10); annual rates of growth were 1.9 percent for population and 1.8 percent for households. During the same period, South Hampton Roads’ population grew by 5.9 percent and its household base grew by 7.3 percent. The region’s annual growth rates were 0.6 percent for population and 0.7 percent for households.

Table 10 Population and Household Trends

		South Hampton Roads				White Marsh Pointe Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	1,023,086					44,949				
2010	1,083,126	60,040	5.9%	6,004	0.6%	54,502	9,553	21.3%	955	1.9%
2018	1,148,996	65,870	6.1%	8,234	0.7%	59,126	4,624	8.5%	578	1.0%
2023	1,188,527	39,531	3.4%	7,906	0.7%	63,326	4,200	7.1%	840	1.4%
		South Hampton Roads				White Marsh Pointe Market Area				
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	372,018					16,690				
2010	399,340	27,322	7.3%	2,732	0.7%	20,028	3,338	20.0%	334	1.8%
2018	422,772	23,432	5.9%	2,929	0.7%	21,526	1,498	7.5%	187	0.9%
2023	437,068	14,296	3.4%	2,859	0.7%	22,982	1,456	6.8%	291	1.3%

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.





Growth rates in the White Marsh Pointe Market Area slowed relative to the previous decade, but remained steady, with annual net growth of 1.0 percent for population and 0.9 percent for households between 2010 and 2018. The market area’s total net growth over the past eight years was 4,624 people and 1,498 households. South Hampton Roads’ rate of growth continued without change from 2010 to 2018 but remained below the market area with net annual growth of 0.7 percent for population and households.

2. Projected Trends

Esri projects the White Marsh Pointe Market Area’s growth rates continuing over the next five years at 1.4 percent per year among population and 1.3 percent among households. This translates into growth of 840 persons and 291 households annually. The market area is projected to reach 63,326 people and 22,982 households by 2023. South Hampton Roads’ population and household growth rates are also projected to remain steady with annual growth of 0.7 percent for population and households.

3. Building Permit Trends

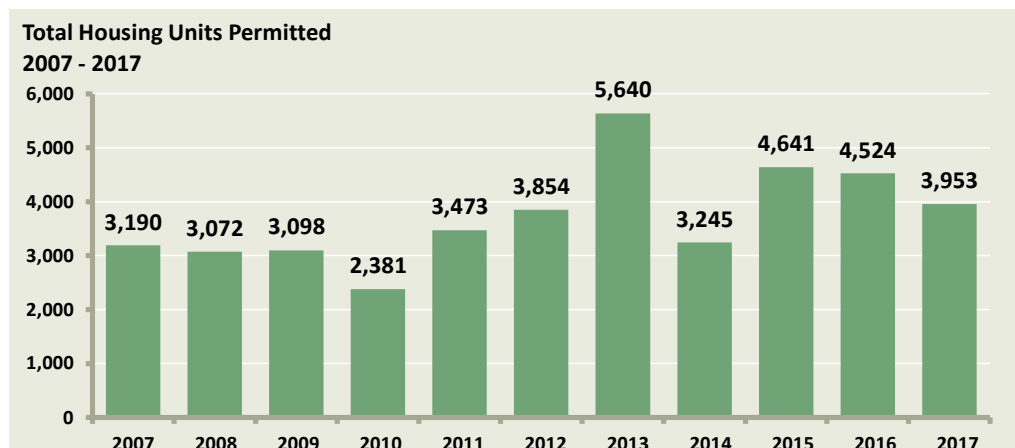
Data on the number of building permits for new residential units is not available at a level that would allow us to approximate building permits in the White Marsh Pointe Market Area specifically. Therefore, we explore building permit data for South Hampton Roads as a whole. Over much of the last decade, residential building permit activity surpassed household growth in South Hampton Roads (Table 11). Between 2007 and 2017, annual residential building permit totals averaged 3,734 units.

After reaching a low of 2,381 units permitted in 2010, annual permit activity has averaged 4,190 units from 2011 through 2017. Over the 11-year period, 61 percent of permits were for single-family homes and 37 percent were for units in multifamily buildings of five or more units. Since 2013, the percentage of permitted multifamily units has increased to 39 percent.

Table 11 Building Permits by Structure Type

South Hampton Roads												2007-2017	Annual Average
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
Single Family	2,555	1,774	1,776	1,797	1,831	2,299	2,712	2,365	2,654	2,640	2,824	25,227	2,293
Two Family	106	60	14	26	4	28	6	22	8	84	12	370	34
3 - 4 Family	91	32	3	0	4	0	12	29	20	0	0	191	17
5+ Family	438	1,206	1,305	558	1,634	1,527	2,910	829	1,959	1,800	1,117	15,283	1,389
Total	3,190	3,072	3,098	2,381	3,473	3,854	5,640	3,245	4,641	4,524	3,953	41,071	3,734

Source: U.S. Census Bureau, C-40 Building Permit Reports





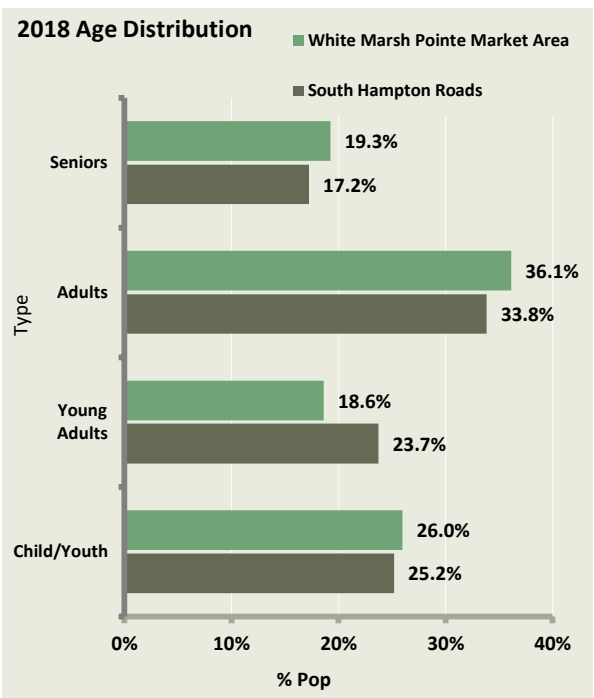
C. Demographic Characteristics

1. Age Distribution and Household Type

The market area consists of a slightly older population base with a median age of 38 years compared to the South Hampton Roads’ median age of 35 years (Table 12). Esri estimates that adults aged 35 to 61 represent the largest age cohort, consisting of 36 percent of the market area, compared to only 33.8 percent of the South Hampton Roads. Young adults aged 45 to 54 represent the largest individual age sector, comprising 13.7 percent of the market area. Adults aged 25 to 34 account for 13 percent and adults aged 35 to 44 comprise 12.7 percent. The PMA has slightly more seniors than the secondary market area, but fewer young adults which account for roughly one fifth of the market area population and 23.7 percent of South Hampton Roads.

Table 12 Age Distribution

2018 Age Distribution	South Hampton Roads		White Marsh Pointe Market Area	
	#	%	#	%
Children/Youth	289,279	25.2%	15,360	26.0%
Under 5 years	70,409	6.1%	3,664	6.2%
5-9 years	71,731	6.2%	3,959	6.7%
10-14 years	71,669	6.2%	4,089	6.9%
15-19 years	75,470	6.6%	3,648	6.2%
Young Adults	272,810	23.7%	11,012	18.6%
20-24 years	94,961	8.3%	3,319	5.6%
25-34 years	177,849	15.5%	7,693	13.0%
Adults	388,835	33.8%	21,372	36.1%
35-44 years	146,074	12.7%	7,521	12.7%
45-54 years	143,443	12.5%	8,125	13.7%
55-61 years	99,318	8.6%	5,726	9.7%
Seniors	198,072	17.2%	11,382	19.3%
62-64 years	42,565	3.7%	2,454	4.2%
65-74 years	92,687	8.1%	5,276	8.9%
75-84 years	43,917	3.8%	2,577	4.4%
85 and older	18,903	1.6%	1,075	1.8%
TOTAL	1,148,996	100%	59,126	100%
Median Age	35		38	



Source: Esri; RPRG, Inc.

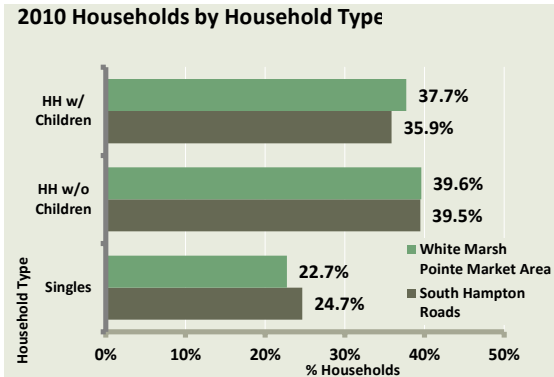
Households without children were the most common household type in the White Marsh Pointe Market Area at 39.6 percent while those households represented 35.5 percent of South Hampton Roads households (Table 13). Similarly, 37.7 percent of the households in the market area were multi-person households with children, slightly above the 35.9 percent of households in South Hampton Roads. Single-person households comprised 22.7 percent of all households in the market area, nearly two percentage points below the South Hampton Roads’ percentage of single-person households.



Table 13 Households by Household Type

2010 Households by Household Type	South Hampton Roads		White Marsh Pointe Market Area	
	#	%	#	%
Married w/Children	86,942	21.8%	4,567	22.8%
Other w/ Children	56,271	14.1%	2,988	14.9%
Households w/ Children	143,213	35.9%	7,555	37.7%
Married w/o Children	100,981	25.3%	5,499	27.5%
Other Family w/o Children	29,204	7.3%	1,695	8.5%
Non-Family w/o Children	27,415	6.9%	731	3.6%
Households w/o Children	157,600	39.5%	7,925	39.6%
Singles	98,527	24.7%	4,548	22.7%
Total	399,340	100%	20,028	100%

Source: 2010 Census; RPRG, Inc.

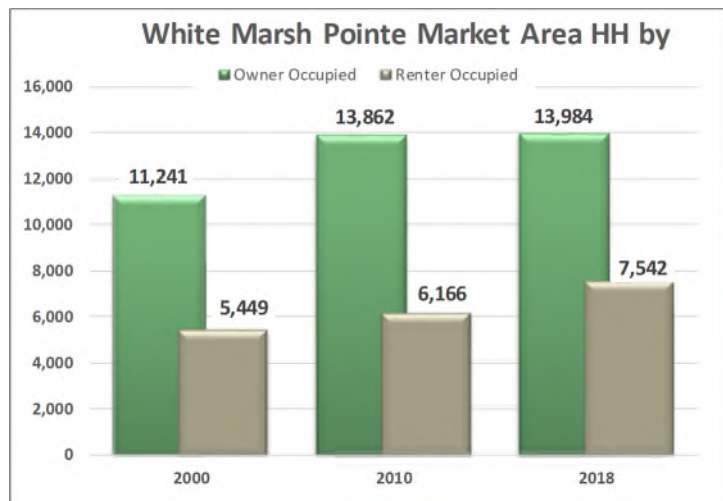


2. Renter Households

a) Recent Past Trends

The number of renter households in the White Marsh Pointe Market Area increased from 5,499 in 2000 to 7,542 in 2018 for a net increase of 8,860 renter households or 38.4 percent (Figure 10). By comparison, the number of owner households in the market area increased by 24.4 percent during the same period, from 11,241 to 13,984.

Figure 10 White Marsh Pointe Market Area HH by Tenure, 2000 to 2018



The White Marsh Pointe Market Area’s renter percentage of 35 percent in 2018 is lower than the region’s 41.5 percent (Table 14). However, the market area was adding a greater proportion of renter households to the area over this time period. The market area’s annual average growth by tenure over the past 18 years was 116 renter households (1.8 percent) and 152 owner households (1.2 percent). The last column of Table 14 (blue shaded) quantifies the market area’s net growth by tenure over the past 18 years; renter households contributed 43.4 percent of net household growth over this period. Renter households contributed a greater disproportionate percentage of net household growth in the South Hampton Roads Market Area at 69.8 percent of net household growth over the past 18 years.

¹ Based on change from 2000 to 2010 Census counts and Esri’s 2018 Estimate



Table 14 Households by Tenure, 2000-2018

South Hampton Roads	2000		2010		2018		Change 2000-2018				% of Change 2000 - 2018
							Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	232,052	62.4%	249,577	62.5%	247,402	58.5%	15,350	6.6%	853	0.4%	30.2%
Renter Occupied	139,966	37.6%	149,763	37.5%	175,370	41.5%	35,404	25.3%	1,967	1.3%	69.8%
Total Occupied	372,018	100%	399,340	100%	422,772	100%	50,754	13.6%	2,820	0.7%	100%
Total Vacant	23,656		30,594		33,243						
TOTAL UNITS	395,674		429,934		456,015						

White Marsh Pointe Market Area	2000		2010		2018		Change 2000-2018				% of Change 2000 - 2018
							Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	11,241	67.4%	13,862	69.2%	13,984	65.0%	2,743	24.4%	152	1.2%	56.7%
Renter Occupied	5,449	32.6%	6,166	30.8%	7,542	35.0%	2,093	38.4%	116	1.8%	43.3%
Total Occupied	16,690	100%	20,028	100%	21,526	100%	4,836	29.0%	269	1.4%	100%
Total Vacant	1,120		1,653		1,838						
TOTAL UNITS	17,810		21,681		23,364						

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

b) Projected Trends

Esri projects the renter household growth in the market area to slow significantly over the next five years despite an increase in overall household growth, a significant departure from past census trends and Esri’s previous estimates/projections. Esri changed its methodology for determining household tenure in its most recent² data release to include national multi-family property data from Axiometrics in addition to other changes³. Esri’s new methodology is producing significant deviations from recent past trends that are inconsistent with verified construction and lease-up activity in many markets across the United States, including the White Marsh Pointe Market Area.

As detailed Table 15, Esri projects renter households to increase by only 208 households over the next five years or annual growth of roughly 42 renter households; the market area added an average of 116 renter household a year over the past 18 years.

Based on our research including an analysis of demographic and multi-family trends, RPRG projects renter households to continue to contribute roughly 43 percent of net household growth over the next five years, a similar rate as occurred over the last 18 years.

² July 2018 Release

³ Correspondence with Douglas Skuta or Esri on 7/27/18



Table 15 Households by Tenure, 2018-2023

White Marsh Pointe Market Area	2018		2023 Esri HH by Tenure		Esri Change by Tenure	
	#	%	#	%	#	%
Housing Units						
Owner Occupied	13,984	65.0%	15,232	66.3%	1,248	85.7%
Renter Occupied	7,542	35.0%	7,750	33.7%	208	14.3%
Total Occupied	21,526	100%	22,982	100%	1,456	100%
Total Vacant	1,838		1,956			
TOTAL UNITS	23,364		24,938			

White Marsh Pointe Market Area	2018		2023 RPRG HH by Tenure		RPRG Change by Tenure	
	#	%	#	%	#	%
Housing Units						
Owner Occupied	13,984	65.0%	14,814	64.5%	830	57.0%
Renter Occupied	7,542	35.0%	8,168	35.5%	626	43.0%
Total Occupied	21,526	100%	22,982	100%	1,456	100%
Total Vacant	1,838		1,956			
TOTAL UNITS	23,364		24,938			

Source: Esri, RPRG, Inc.

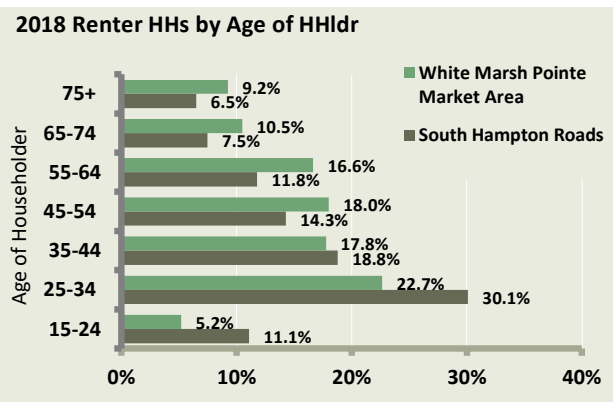
c) Renter Household Characteristics

Young working age households age 25 to 44 account for 40.5 percent of all renter households in the White Marsh Pointe Market Area and nearly half in South Hampton Roads (Table 16). Young adults age 25 to 34 is the largest individual cohort in both areas including 22.7 percent in the market area. Less than six percent of renter householders are under the age of 25 and 36.3 percent are age 55+.

Table 16 Renter Households by Age of Householder

Renter Households	South Hampton Roads		White Marsh Pointe Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	19,437	11.1%	391	5.2%
25-34 years	52,768	30.1%	1,709	22.7%
35-44 years	32,941	18.8%	1,341	17.8%
45-54 years	25,057	14.3%	1,359	18.0%
55-64 years	20,677	11.8%	1,255	16.6%
65-74 years	13,081	7.5%	791	10.5%
75+ years	11,408	6.5%	696	9.2%
Total	175,370	100%	7,542	100%

Source: Esri, Real Property Research Group, Inc.



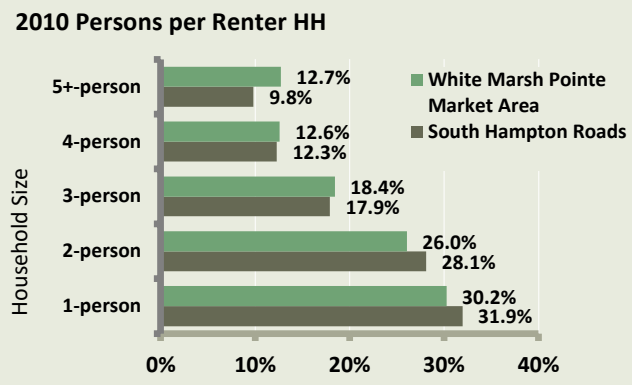
Thirty percent of 2010 renter households in the market area are single individuals, slightly lower than the South Hampton Roads' proportion of 31.9 percent (Table 17). Two-person households comprised 26 percent of renter households and 18.4 percent of renter households had three persons. Twenty-five percent of market area households were larger households of four persons or more.



Table 17 Renter Households by Household Size

Renter Occupied	South Hampton Roads		White Marsh Pointe Market Area	
	#	%	#	%
1-person hhld	47,845	31.9%	1,865	30.2%
2-person hhld	42,047	28.1%	1,606	26.0%
3-person hhld	26,820	17.9%	1,136	18.4%
4-person hhld	18,383	12.3%	776	12.6%
5+-person hhld	14,668	9.8%	783	12.7%
TOTAL	149,763	100%	6,166	100%

Source: 2010 Census



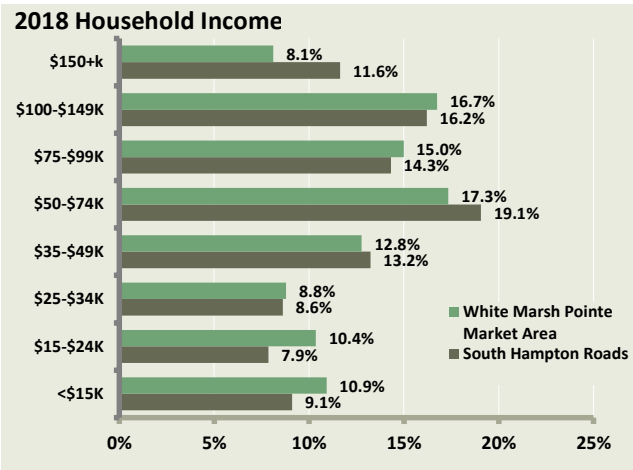
3. Income Characteristics

Based on income distributions provided by Esri, households in the White Marsh Pointe Market Area have a 2018 median household income of \$60,335 per year, 6.7 percent lower than the \$64,690 median income in South Hampton Roads (Table 18). Thirty percent of households in the White Marsh Pointe Market Area earn less than \$35,000, 30 percent earn \$35,000 to \$74,999, and 31.7 percent earn between \$75,000 and \$149,999. Eight percent of households earn more than \$150,000.

Table 18 Household Income

Estimated 2018 Household Income		South Hampton Roads		White Marsh Pointe Market Area		
		#	%	#	%	
less than	\$15,000	38,455	9.1%	2,350	10.9%	
	\$15,000	\$24,999	33,216	7.9%	2,231	10.4%
	\$25,000	\$34,999	36,430	8.6%	1,891	8.8%
	\$35,000	\$49,999	55,939	13.2%	2,748	12.8%
	\$50,000	\$74,999	80,567	19.1%	3,732	17.3%
	\$75,000	\$99,999	60,486	14.3%	3,224	15.0%
	\$100,000	\$149,999	68,515	16.2%	3,604	16.7%
	\$150,000	Over	49,164	11.6%	1,746	8.1%
Total		422,772	100%	21,526	100%	
Median Income		\$64,690		\$60,335		

Source: Esri; Real Property Research Group, Inc.

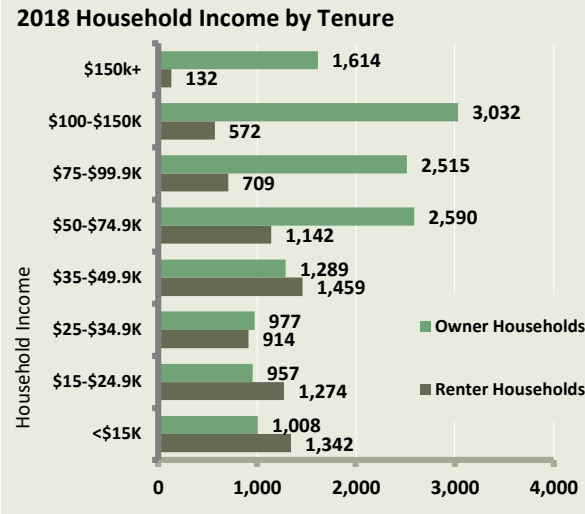


Based on the U.S. Census Bureau’s American Community Survey data, the breakdown of tenure, and household estimates, RPRG estimates that the median income of White Marsh Pointe Market Area households by tenure is \$37,482 for renters and \$76,689 for owners (Table 19). Forty-seven percent of renter households in the White Marsh Pointe Market Area earn less than \$35,000, 34.4 percent earn \$35,000 to \$74,999, and 17 percent earn between \$75,000 and \$149,999. Two percent of households earn more than \$150,000.



Table 19 Household Income by Tenure, White Marsh Pointe Market Area

Estimated 2018 HH Income		Renter Households		Owner Households	
White Marsh Pointe Market Area		#	%	#	%
less than \$15,000		1,342	17.8%	1,008	7.2%
\$15,000 - \$24,999		1,274	16.9%	957	6.8%
\$25,000 - \$34,999		914	12.1%	977	7.0%
\$35,000 - \$49,999		1,459	19.3%	1,289	9.2%
\$50,000 - \$74,999		1,142	15.1%	2,590	18.5%
\$75,000 - \$99,999		709	9.4%	2,515	18.0%
\$100,000 - \$149,999		572	7.6%	3,032	21.7%
\$150,000 over		132	1.7%	1,614	11.5%
Total		7,542	100%	13,984	100%
Median Income		\$37,482		\$76,689	



Source: American Community Survey 2012-2016 Estimates, RPRG, Inc.

4. Cost-Burdened Renter Households

‘Rent Burden’ is defined as the ratio of a household’s gross monthly housing costs – rent paid to landlords plus utility costs – to that household’s monthly income. Data regarding the concept of rent burden from the 2012-2016 ACS highlight that more than one-third (37.5 percent) of all renter households residing in the White Marsh Pointe Market Area have rent burdens of 40 percent or higher. The cost-burdened situation of many low- to moderate-income renter households is a primary indicator of a need for new affordable income- and rent-restricted rental housing in the primary market area. Additionally, 3.3 percent of the rental housing stock within the market area can be considered substandard, i.e., lacking complete plumbing facilities, or overcrowded with more than 1.0 occupants per room.

Table 20 Rent Burden by Household Income, 2012-2016, White Marsh Pointe Market Area

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	290	4.0%
10.0 to 14.9 percent	268	3.7%
15.0 to 19.9 percent	761	10.5%
20.0 to 24.9 percent	877	12.1%
25.0 to 29.9 percent	646	8.9%
30.0 to 34.9 percent	916	12.6%
35.0 to 39.9 percent	462	6.4%
40.0 to 49.9 percent	615	8.5%
50.0 percent or more	1,919	26.4%
Not computed	519	7.1%
Total	7,273	100.0%
> 40% income on rent	2,534	37.5%

Source: American Community Survey 2012-2016

Substandardness	
Total Households	
Owner occupied:	
Complete plumbing facilities:	13,080
1.00 or less occupants per room	12,992
1.01 or more occupants per room	88
Lacking complete plumbing facilities:	5
Overcrowded or lacking plumbing	93
Renter occupied:	
Complete plumbing facilities:	7,223
1.00 or less occupants per room	7,036
1.01 or more occupants per room	187
Lacking complete plumbing facilities:	50
Overcrowded or lacking plumbing	237
Substandard Housing	330
% Total Stock Substandard	1.6%
% Rental Stock Substandard	3.3%



VII. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the White Marsh Pointe Market Area. We pursued several avenues of research to identify multifamily rental projects that are in the planning stages or under construction in the White Marsh Pointe Market Area. We contacted planning officials with all relevant municipalities, searched online records, and interviewed local developers.

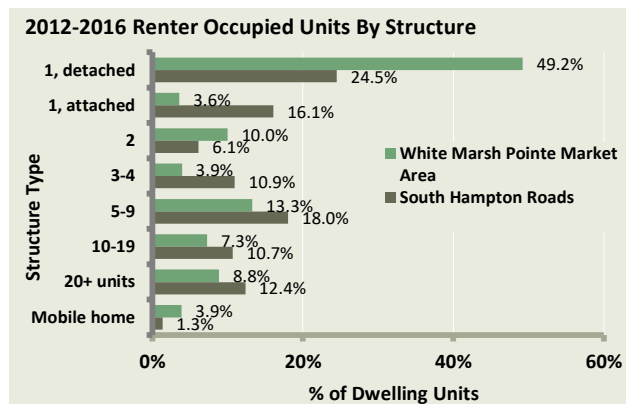
B. Overview of Market Area Housing Stock

The White Marsh Pointe Market Area’s renter households reside within a variety of structure types including 29.4 percent in multi-family structures with at least five units and 49.2 percent in single-family detached homes (Table 21). Townhomes and duplex units combine for 13.6 percent of market area rentals and 3.9 percent of rentals are mobile homes. The South Hampton Roads has a higher percentage of renter occupied units in structures with five or more units, a lower number of single-family detached homes, and 1.3 percent among mobile homes.

Table 21 Renter Occupied Housing Units by Structure Type

Renter Occupied	South Hampton Roads		White Marsh Pointe Market Area	
	#	%	#	%
1, detached	39,935	24.5%	3,579	49.2%
1, attached	26,191	16.1%	261	3.6%
2	9,991	6.1%	726	10.0%
3-4	17,822	10.9%	286	3.9%
5-9	29,396	18.0%	966	13.3%
10-19	17,409	10.7%	530	7.3%
20+ units	20,145	12.4%	643	8.8%
Mobile home	2,170	1.3%	282	3.9%
TOTAL	163,059	100%	7,273	100%

Source: American Community Survey 2012-2016



The White Marsh Pointe Market Area’s rental housing stock is four years older than that of the South Hampton Roads region. The median year built of renter occupied units is 1974 in the market area and 1978 in the region (Table 22). Renter occupied units built in the 1970’s and 1980’s comprised over one quarter of the market area and 40 percent of the region, while another 11.5 percent of all market area rental units were built in the 1990’s. Among the newest rental stock, only 2.4 percent of all market area rental units were built in 2010 or later, similar to the 2.9 percent share of the region’s rental inventory.

According to ACS data, the median value among owner-occupied housing units in the White Marsh Pointe Market Area as of 2012-2016 was \$211,349, 13.5 percent less than the South Hampton Roads median of \$244,583 (Table 23). This data is a less accurate and reliable indicator of home prices in an area than actual sales data but offers insight on relative housing values among two or more areas.



Table 22 Occupied Units by Tenure and Year Built

Renter Occupied	South Hampton Roads		White Marsh Pointe Market Area	
	#	%	#	%
2014 or later	619	0.4%	0	0.0%
2010 to 2013	4,054	2.5%	171	2.4%
2000 to 2009	19,176	11.8%	950	13.1%
1990 to 1999	21,905	13.4%	837	11.5%
1980 to 1989	33,244	20.4%	1,023	14.1%
1970 to 1979	31,495	19.3%	1,089	15.0%
1960 to 1969	19,292	11.8%	616	8.5%
1950 to 1959	14,572	8.9%	887	12.2%
1940 to 1949	8,230	5.0%	471	6.5%
1939 or earlier	10,551	6.5%	1,229	16.9%
TOTAL	163,138	100%	7,273	100%
MEDIAN YEAR BUILT	1978		1974	

Source: American Community Survey 2012-2016

2012-2016 Rental Units by Year Built

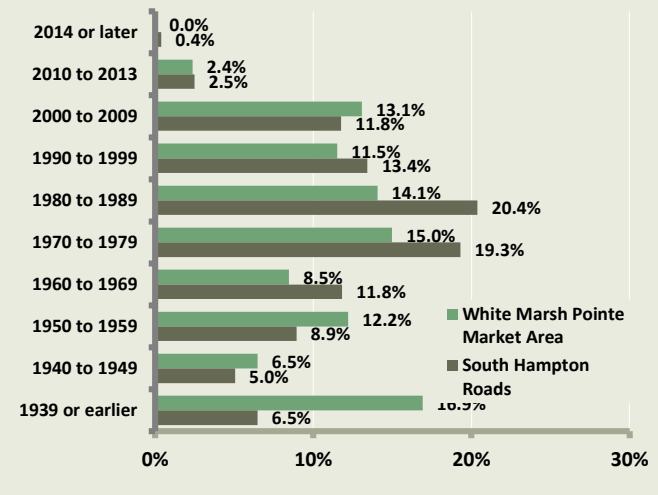
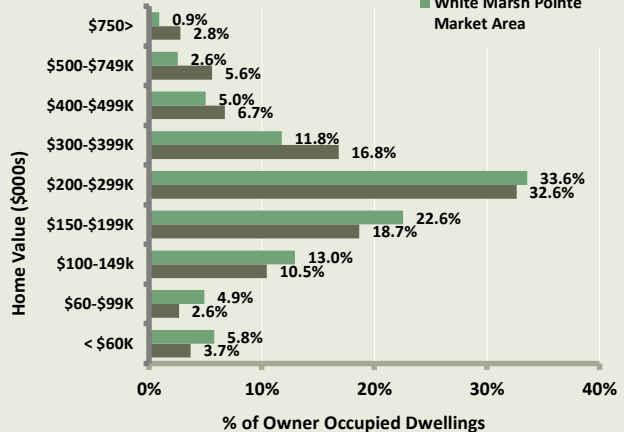


Table 23 Value of Owner Occupied Housing Stock

2012-2016 Home Value	South Hampton Roads		White Marsh Pointe Market Area	
	#	%	#	%
less than \$60,000	8,951	3.7%	755	5.8%
\$60,000 - \$99,999	6,422	2.6%	642	4.9%
\$100,000 - \$149,999	25,414	10.5%	1,696	13.0%
\$150,000 - \$199,999	45,336	18.7%	2,951	22.6%
\$200,000 - \$299,999	79,228	32.6%	4,392	33.6%
\$300,000 - \$399,999	40,860	16.8%	1,541	11.8%
\$400,000 - \$499,999	16,320	6.7%	657	5.0%
\$500,000 - \$749,999	13,589	5.6%	334	2.6%
\$750,000 over	6,772	2.8%	117	0.9%
Total	242,892	100%	13,085	100%
Median Value	\$244,583		\$211,349	

Source: American Community Survey 2012-2016

2012-2016 Home Value



C. Survey of General Occupancy Rental Communities

1. Introduction to the Rental Housing Survey

RPRG surveyed 17 multi-family rental communities in the White Marsh Pointe Market Area, which include a range of property types and price points. The survey goes beyond the most directly comparable communities to provide an overall insight on market conditions and rental housing options. For the purposes of this analysis, we have segmented the surveyed communities into two tiers:

- **Upper Tier** – Nine market rate communities operating at the top of the market.
- **Lower Tier** – Eight older communities priced below the top of the market area including five market rate properties and three LIHTC properties with rent/income restricted units.

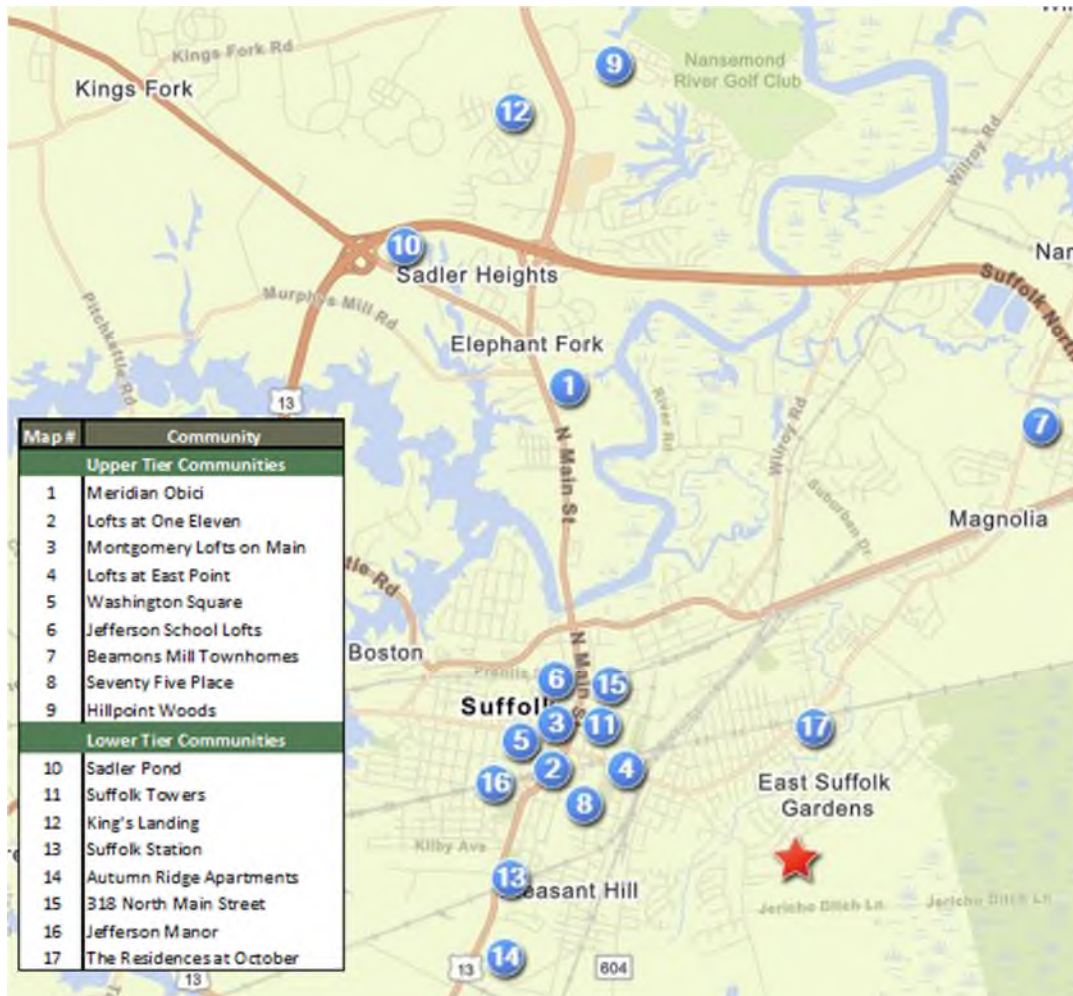
Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 5.



2. Location

Map 6 shows the locations of the surveyed competitive communities in relation to the subject site. The Lofts at East Point is the closest community to the subject, just over a mile northwest of the site. Hillpoint Woods is the farthest competitive surveyed community from the subject, roughly six miles north of the site. The Residences at October, one of the newest tax credit communities is located 1.3 miles north of the site. Most of market rate and tax credit communities are concentrated in a cluster in downtown Suffolk. The remaining communities are much more scatter throughout the market area.

Map 6 Surveyed Competitive Rental Communities



3. Age of Communities

The overall year built of the surveyed communities is 1991 (Table 24). The nine Upper Tier communities were built from 2005 to 2016 with an average year built of 2010. The eight Lower Tier communities were built from 1925 to 2013 with an average year built of 1969. However, the three tax credit communities in the market have an average placed in service date of 1996 with the newest tax credit community introduced in 2013.

Table 24 Rental Communities Summary

Map #	Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
Upper Tier Communities									
1	Meridian Obici	2016	Mid Rise	224	10	4.5%	\$1,135	\$1,424	None
2	Lofts at One Eleven	2012	Adaptive Reuse	26	2	7.7%	\$1,005	\$1,350	None
3	Montgomery Lofts on Main	2013	Adaptive Reuse	12	0	0.0%	\$925	\$1,340	None
4	Lofts at East Point	2010	Adaptive Reuse	33	2	6.1%	\$1,099	\$1,284	None
5	Washington Square	2014	Adaptive Reuse	71	1	1.4%	\$1,024	\$1,279	None
6	Jefferson School Lofts	2008	Adaptive Reuse	16	1	6.3%	\$1,195	\$1,250	None
7	Beamons Mill TH	2007	Gar/TH	54	1	1.9%	\$995	\$1,250	None
8	Seventy Five Place	2009	Adaptive Reuse	16	4	25.0%	\$1,179	\$1,249	None
9	Hillpoint Woods	2005	Gar	144	1	0.7%	\$938	\$1,038	None
Upper Tier Total				596	22	3.7%			
Upper Tier Average		2010		66			\$1,055	\$1,274	
Lower Tier Communities									
10	Sadler Pond	1989	Gar	110	1	0.9%		\$950	None
11	Suffolk Towers	1925	Mid Rise	59	5	8.5%	\$795	\$900	None
12	King's Landing*	1992	Gar	120	0	0.0%	\$740	\$875	None
13	Suffolk Station	1987	Gar	112	3	2.7%		\$855	None
14	Autumn Ridge Apts*	1982	Gar/TH	176	5	2.8%	\$710	\$830	\$200 off 1st month
15	318 North Main Street	1920	Gar	12	0	0.0%		\$795	None
16	Jefferson Manor	1945	Adaptive Reuse	39	1	2.6%	\$595	\$695	None
17	The Residences at October*	2013	Gar	72	0	0.0%		\$673	None
Lower Tier Total				700	15	2.1%			
Lower Tier Average		1969		88			\$710	\$822	
Total				1,296	37	2.9%			
Average		1991		76			\$949	\$1,061	
LIHTC Total/Average		1996		368	5	1.4%	\$725	\$793	

(*) Tax Credit Community

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Phone Survey, RPRG, Inc. December 2018

4. Structure Type

Six Upper Tier communities are an adaptive reuse of either a retail or industrial building and three are newer constructed mid-rise or garden/townhouse buildings. The Lower Tier communities include a combination of adaptive reuse, mid-rise, and garden-style apartments.

5. Size of Communities

The 17 surveyed communities range from 12 to 224 units and average 76 units per community. Upper Tier communities are smaller on average with 66 units per community compared to 88 units for the Lower Tier.

6. Vacancy Rates

The 17 communities with just under 1,300 units report 37 vacancies for an aggregate vacancy rate of 2.9 percent. Aggregate vacancy rates by tier are 3.7 percent for Upper Tier and 2.1 percent for Lower Tier. Vacancy rates at individual Upper Tier properties range from 0.0 percent (Montgomery Lofts on Main) to 25 percent (Seventy Five Place). Lower Tier vacancy rates range from 0.0 percent (three properties) to 8.5 percent (Suffolk Tower).

The aggregate LIHTC vacancy rate is a low 1.4 percent and ranged from 0.0 percent (two communities) to 8.5 percent (Suffolk Towers).



7. Rent Concessions

Indicative of a tight market, no Upper Tier and only one Lower Tier property offers a rent incentive. Autumn Ridge Apartments, which has five vacancies, is offering an incentive of \$200 off the first month rent.

8. Absorption History

The Meridian Obici is the most recent community to complete lease-up, delivering its first units in August 2016 and reaching 95 percent leased by September 2018, resulting in an average absorption pace of 15 units per month.

D. Analysis of Rental Pricing and Product

1. Payment of Utility Costs

Three Upper Tier properties include any utilities in rent (Table 25). In contrast, the older Lower Tier properties typically do not include utilities in rent, except for trash. One Lower Tier property includes all utilities in rent.

2. Unit Features

All Upper Tier offer dishwashers and all but one offers microwave. All but one community offers surface parking. Montgomery Lofts only offers parking within the building's ground level garage for a fee of \$65 per month. Six of the Upper Tier communities offer a washer/dryer standard. Meridian Obici and Beamons Mill are optional for a fee. Hillpoint Woods provides only washer/dryer hook-ups in their units, but washer/dryer are available for rent.

Among Lower Tier properties, 5 of 8 have dishwashers in all units, while none of the properties include microwaves. Half of the Lower Tier properties offer washer/dryer machines as an option for a fee while the other half either provide the hook ups or offer an on-site laundry facility. 318 N Main Street Apartments is the only community that does not offer in-unit or laundry room within the community. The closest laundry is the Wash House located 0.7 miles to the north on Main Street.



Table 25 Utility Arrangement and Unit Features, Surveyed Communities

Community	Heat Type	Utilities Included in Rent					Dish-washer	Micro-wave	Parking	In-Unit Laundry	
		Heat	Hot Water	Cooking	Electric	Water					Trash
Subject Property	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	Hook Ups
Upper Tier Communities											
Meridian Obici		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Optional/Fee
Lofts at One Eleven	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std - Full
Montgomery Lofts on Main	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Parking Garage/Fee	Std - Stacked
Lofts at East Point	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std - Full
Washington Square		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std - Stacked
Jefferson School Lofts	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std - Full
Beamons Mill TH	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	Optional/Fee
Seventy Five Place	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std - Full
Hillpoint Woods	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Hook Ups
Lower Tier Communities											
Sadler Pond	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	Optional/Fee
Suffolk Towers	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	N/A	Surface	N/A
King's Landing	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	Optional/Fee
Suffolk Station	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	Optional/Fee
Autumn Ridge Apts	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	Hook Ups
318 North Main Street	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	N/A	Surface	N/A
Jefferson Manor		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		N/A	Surface	N/A
The Residences at October	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	Optional/Fee

Source: Phone Survey, RPRG, Inc. December 2018

3. Parking

Montgomery Lofts only offers optional underground garage parking for a fee of \$65 per month (Table 26). Two properties have optional detached garages with fees of \$100 and \$120 per month. One property have paid on-site surface parking, with fee of \$30.

Table 26 Garage Parking Fees

Garages		
Community	Type	Price
Hillpointe Woods	Detached Garage	\$100
Meridian Obici	Detached Garage	\$120
Montgomery Lofts on Main	Underground Garage	\$65

Paid Surface Parking		
Community	Type	Price
Suffolk Towers	Paid On Site	\$30

4. Community Amenities

This is not a high amenity market as only two communities offer multiple amenity options in the Upper Tier (Table 27). Six of the Upper Tier communities do not provide amenities of any kind. These communities mostly entail adaptive reuse apartments located in downtown Suffolk. Half of the Lower Tier communities offer at least one amenity with the pool and playground being the most common.



Table 27 Community Amenities, Surveyed Communities

Community	Clubhouse	Fitness Room	Pool	Hot Tub	Playground	Tennis Court	Business Center	Gated Entry
Subject Property	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Upper Tier Communities								
Meridian Obici	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lofts at One Eleven	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Montgomery Lofts on Main	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lofts at East Point	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Washington Square	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson School Lofts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Beamons Mill TH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Seventy Five Place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hillpoint Woods	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lower Tier Communities								
Sadler Pond	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suffolk Towers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
King's Landing	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suffolk Station	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Autumn Ridge Apts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
318 North Main Street	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson Manor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Residences at October	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Phone Survey, RPRG, Inc. December 2018

5. Distribution of Units by Bedroom Type

We have unit distributions for over 95 percent of the inventory surveyed. All Upper Tier communities have one- and two-bedroom units, while one has just one efficiency unit and three Upper Tier properties have three-bedroom units (Table 28). Among the 10 Lower Tier properties, all have two-bedroom units, and five have one-bedroom units, six have three-bedroom units and two offer efficiencies.

Two bedroom units are the most common unit type among Upper Tier communities accounting for 47.3 percent of all units. One bedroom units comprise 43.5 percent of Upper Tier units. Lower Tier properties have a greater emphasis on two-bedroom units, accounting for two-thirds of all units (65.5 percent). Eighteen percent of Lower Tier units are three-bedroom units while 14 percent are one-bedrooms, and two percent are efficiency units.



Table 28 Unit Distribution, Size and Pricing, Surveyed Rental Communities

Community	Total Units	Efficiency Units			One Bedroom Units				Two Bedroom Units				Three Bedroom Units				
		Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject Property 40%	10				2	\$416	724	\$0.57	6	\$481	970	\$0.50	2	\$519	1,109	\$0.47	
Subject Property 50%	46				12	\$557	724	\$0.77	24	\$649	970	\$0.67	10	\$737	1,109	\$0.66	
Subject Property 60%	37				3	\$697	724	\$0.96	26	\$818	970	\$0.84	8	\$932	1,109	\$0.84	
Upper Tier Communities																	
Meridian Obici	224				128	\$1,085	833	\$1.30	80	\$1,364	1,101	\$1.24	16	\$1,671	1,432	\$1.17	
Beamons Mill TH	54				1	\$995	840	\$1.18	16	\$1,250	1,286	\$0.97	37	\$1,293	1,378	\$0.94	
Montgomery Lofts on Main	12				1	\$840	828	\$1.01	11	\$1,235	1,037	\$1.19					
Jefferson School Lofts	16				4	\$1,180	1,100	\$1.07	12	\$1,230	1,250	\$0.98					
Lofts at One Eleven	26				20	\$885	646	\$1.37	5	\$1,200	858	\$1.40	1	\$1,427	1,117	\$1.28	
Lofts at East Point	33				19	\$1,014	689	\$1.47	14	\$1,179	884	\$1.33					
Washington Square	71				60	\$904	666	\$1.36	11	\$1,129	921	\$1.23					
Seventy Five Place	16	1	\$886	480	\$1.85	2	\$1,059	661	\$1.60	13	\$1,099	870	\$1.26				
Hillpoint Woods	144				24	\$938	818	\$1.15	120	\$1,038	914	\$1.14					
Upper Tier Total/Average	596		\$886	480	\$1.85		\$989	787	\$1.26		\$1,192	1,013	\$1.18		\$1,464	1,309	\$1.12
Upper Tier Unit Distribution	596	1				259				282				54			
Upper Tier % of Total	100.0%	0.2%				43.5%				47.3%				9.1%			
Lower Tier Communities																	
Sadler Pond	110								86	\$950	900	\$1.06	24	\$1,020	1,100	\$0.93	
King's Landing 60%*	120								72	\$855	858	\$1.00					
Suffolk Station	112								80	\$855	1,000	\$0.86	32	\$953	1,100	\$0.87	
Autumn Ridge Apts 60%*	24								16	\$833	850	\$0.98	8	\$963	1,013	\$0.95	
Autumn Ridge Apts 50%*	24								16	\$833	850	\$0.98	8	\$817	1,013	\$0.81	
318 North Main Street	12								12	\$775	800	\$0.97					
Autumn Ridge Apts Mkt	128								24	\$693	556	\$1.25					
Suffolk Towers	59		\$574	450	\$1.28		\$675	500	\$1.35	88	\$773	731	\$1.06	16	\$933	990	\$0.94
Jefferson Manor	39	16	\$535	414	\$1.29	15	\$605	594	\$1.02	8	\$705	575	\$1.23				
The Residences at October 50%*	64									40	\$700	1,000	\$0.70	24	\$799	1,200	\$0.67
The Residences at October 40%*	8									8	\$535	1,000	\$0.54				
Lower Tier Total/Average	700		\$555	432	\$1.28		\$675	578	\$1.17		\$779	847	\$0.92		\$914	1,069	\$0.85
Lower Tier Unit Distribution	641	16				87				426				112			
Lower Tier % of Total	91.6%	2.5%				13.6%				66.5%				17.5%			
Total/Average	1,296		\$665	448	\$1.48		\$892	722	\$1.23		\$964	922	\$1.05		\$1,097	1,149	\$0.95
Unit Distribution	1,296	17				346				708				166			
% of Total	100.0%	1.3%				26.7%				54.6%				12.8%			
Tax Credit Total/Average	240						\$725	661	\$1.10		\$751	912	\$0.84		\$860	1,075	\$0.81
Unit Distribution	240					48				152				40			
% of Total	100.0%					20.0%				63.3%				16.7%			

(*) Tax Credit Community

Source: Phone Survey, RPRG, Inc. December 2018

(1) Rent is adjusted to include only trash and incentives

6. Effective Rents

Unit rents presented in Table 28 are net or effective rents, as opposed to street or advertised rents. We applied downward adjustments to street rents to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, net rents represent the hypothetical situation where only trash is included in rent. This is the utility arrangement for the subject community.

Among Upper Tier communities, the average effective rents are:

- **One bedroom** rents at \$989 for 787 square feet or \$1.26 per square foot.
- **Two bedroom** rents at \$1,192 for 1,013 square feet or \$1.18 per square foot.
- **Three bedroom** rents at \$1,464 for 1,309 square feet or \$1.12 per square foot.

Among Lower Tier communities, the average effective rents are:

- **One bedroom** rents at \$675 for 578 square feet or \$1.17 per square foot.
- **Two bedroom** rents at \$779 for 847 square feet or \$0.92 per square foot.
- **Three bedroom** rents at \$914 for 1,069 square feet or \$0.85 per square foot.



Among the LIHTC communities, only King’s Landing has 60 percent one-bedroom units, which rent for \$725. Two-bedroom tax credit net rents average \$844 for 60 percent units and \$767 for 50 percent units. The one three bedroom 60 percent unit offering rents for \$963 while the rent at the two 50 percent three bedroom offerings average \$808.

7. Subsidized Rental Communities

Many multifamily rental units in the White Marsh Pointe Market Area have project-based rent subsidies. Projects with deep subsidy units include those where rental assistance is provided in the form of Annual Contributions Contracts (ACC) for public housing rental properties, project-based HUD Section 8 rent subsidies, or through other governmental programs. In these subsidized arrangements, tenants pay an amount roughly equivalent to 30+/- percent of their income toward housing costs (rent plus utility costs), while the rent subsidy covers the remainder of the relevant housing costs.

RPRG identified five existing subsidized rental communities targeting the general population (non-age restricted) within the White Marsh Pointe Market Area (Table 29), (Map 7). The properties include three traditional public housing communities (Parker Riddick Apartments, Hoffer Apartments, and Colander Bishop Apartments) with a total of 273 units and two privately owned and managed HUD Section 8 properties, Heritage Acres and Wilson Pines, with a total of 180 units. The five communities (plus the subject) include a total 546 subsidized units.

Table 29 Subsidized Rental Communities, White Marsh Pointe Market Area

Map #	Community	Address	Year Built	# Units *	Vacant Units	Waiting List
SRHA Public Housing Communities						
	Parker Riddick Apartments (^)	94 Stacey Drive	1981	93	5	179 Hhlds
1	Cypress Manor	94 Stacey Drive	1978	113	4	179 Hhlds
2	Hoffer Apartments	2210 E Washington St	1984	80	0	179 Hhlds
3	Colander Bishop Apartments	925 Brook Avenue	1986	80	0	179 Hhlds
Subtotal				366	9	
Privately Managed Communities						
4	Heritage Acres	1015 Nansemond Pky	1980	76	0	Unavailable
5	Wilson Pines	2525 E Washington St	1981	104	0	Lengthy
Total Units				546	9	

Source: Field Survey, Real Property Research Group, Inc. December 2018.

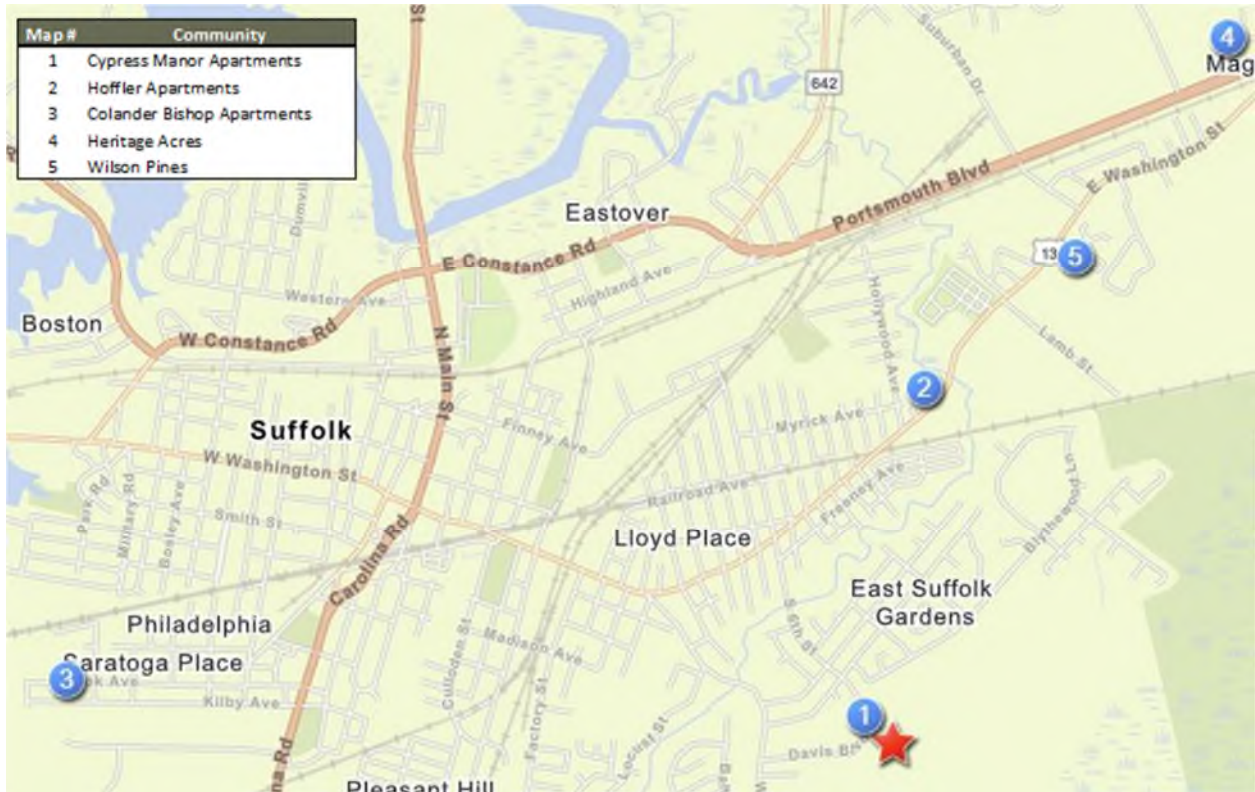
* Only subsidized units included

(^) Subject

Lysandra Shaw of the Suffolk Redevelopment and Housing Authority (SRHA) provided information on the SRHA managed properties, vacancies, and waiting lists. The waitlist currently contains 179 households. SRHA estimates the time on the waitlist to between one and two years. The two privately managed communities administer their own waiting lists.

Note that the only vacancies exist at the subject and Cypress Manor Apartments. Both communities are scheduled for either a complete reconstruction or a major renovation, therefore vacant units will no longer be backfilled. Residents at the subject will be given Tenant Protection Vouchers and assisted by Suffolk Redevelopment and Housing Authority to obtain off-site residences.

Map 7 Surveyed Subsidized Rental Communities



E. Derivation of Market Rent

1. Introduction

To illustrate the position of the proposed subject rents within the local rental market, rent levels of the most comparable market-rate communities are adjusted for a variety of factors including: location, curb appeal, unit size (square footage), in-unit appliances and other features, common area amenities, concessions, and utility arrangements for each bedroom type. The purpose of this exercise is to determine whether the proposed LIHTC rents for the subject offer a value relative to market-rate rent levels within a given market area. The rent derived for bedroom type is not to be confused with an appraisal or rent comparability study (RCS) based approach, which is more specific as it compares specific models in comparable rental communities to specific floor plans at the subject and is used for income/expense analysis and valuation.

2. Selection of Comparable Properties

To derive market rents for this project, we selected rental comparables most relevant to the subject in terms of target market (family), structure types offered (garden, townhomes, and mid-rise), age and condition, and community features and amenities offered. Lofts at East Point offer similar sized units, Suffolk Station and Sadler Pond offer a similar unit configuration and unit sizes.

3. Description of Rent Adjustments

An explanation of each rent adjustment made to the comparable communities follows:

Rents Charged – current asking rents, adjusted for utilities and incentives, if applicable



Design, Location, Condition – adjustments made in this section include:

- **Structure/Stories** – The subject is a three-story garden style apartment community as is one of the comparable communities. Lofts at East Point is a five-story adaptive reuse apartment building. A positive \$10 adjustment was applied. A \$10 negative adjustment has been made for Suffolk Station as it has two-stories.
- **Elevator Served:** A positive adjustment of \$20 has been made to allot for the elevator at Lofts at East Point.
- **Year Built/ Renovated** – The subject was placed in service in 1981 and will be redeveloped concluding in 2020. We applied an upward adjustment of \$8-\$25 to account for the year built for the comparable communities. Suffolk Station is the oldest of the comparables which was built in 1987.
- **Quality/Street Appeal** – Two of the comparable communities have above average quality/street appeal resulting in a downward \$10 adjustment. We made a negative adjustment of \$20 as Suffolk Station is considered to have excellent appeal.
- **Location** – A \$10-20 downward adjustment has been as all comparables have an above average or excellent location.

Unit Equipment / Amenities– adjustments made in this section include:

- **Bedrooms** – No adjustments were necessary.
- **Bathrooms** – No adjustments were necessary.
- **Square Footage** – Differences between comparables and the subject property are accounted for by an upward or downward adjustment of \$0.25 per foot.
- **Unit Features** – Adjustments were made for unit features included or excluded at the subject property. The exact value of each specific adjustment is somewhat subjective as particular amenities are more attractive to certain renters and less important to others. Adjustment values of \$5 were made for balcony/patio, dishwashers and microwaves, and washer/dryer hook-ups and \$25 for washer/dryer machines.
- **Site Equipment / Amenities** –Adjustment values of \$10 to \$25 were applied in relations the amenities; community room/clubhouse, pool and playground.



Table 30 Rent Adjustments Summary

Rent Adjustments Summary	
B. Design, Location, Condition	
Structure / Stories	\$10.00
Elevator Served	\$20.00
Year Built / Condition	\$0.75
Quality/Street Appeal	\$10.00
Location	\$10.00
C. Unit Equipment / Amenities	
Number of Bedrooms	\$30.00
Number of Bathrooms	\$30.00
Unit Interior Square Feet	\$0.25
Balcony / Patio / Porch	\$5.00
AC Type:	\$5.00
Range / Refrigerator	\$25.00
Microwave / Dishwasher	\$5.00
Washer / Dryer: In Unit	\$25.00
Washer / Dryer: Hook-ups	\$5.00
D. Site Equipment / Amenities	
Community Room/Clubhouse	\$25.00
Pool	\$10.00
Playground	\$10.00
Fitness Center	\$10.00
Business Center	\$5.00

The evaluated subject rents in the following grids are the proposed rents for the 60 percent AMI units. In this analysis, we averaged the adjusted rents to estimate the achievable market rent for the subject project. According to our adjustment calculations, the estimated market rents for the units at White Marsh Pointe Apartments are \$866 for one-bedroom units (Table 31), \$988 for two-bedroom units (Table 32) and \$1,390 for three-bedroom units (Table 33). This results in rent advantages ranging from 17.2 percent for 60 percent two-bedroom units to 62.7 percent for 40 percent three-bedroom units (Table 34).



Table 31 Market Rent Analysis – One-Bedroom Units

One Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
White Marsh Pointe Apartments 94 Stacey Dr Suffolk, Virginia	Lofts at East Point		Suffolk Station		Sadler Pond		
	326 W. Washington St		100 Forest Oak Ln		2500 Sandy Spring Ln		
	Suffolk	Virginia	Suffolk	Virginia	Suffolk	Virginia	
Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	
Street Rent	\$697	\$1,014	\$0	\$875	\$0	\$950	\$0
Utilities Included	Trash	H, HW, C, W/S, T	(\$140)	Trash	\$0	Trash	\$0
Rent Concessions	None	None	\$0	None	\$0	None	\$0
Effective Rent	\$697	\$874		\$875		\$950	
<i>In parts B thru D, adjustments were made only for differences:</i>							
B. Design, Location, Condition	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	
Structure / Stories	Garden/3	Adapt/5	\$10	Garden/2	(\$10)	Garden/3	\$0
Elevator Served	No	Yes	\$20	No	\$0	No	\$0
Year Built / Condition	2020	2010	\$8	1987	\$25	1989	\$23
Quality/Street Appeal	Excellent	Average	\$20	Above Average	\$10	Above Average	\$10
Location	Average	Above Average	(\$10)	Excellent	(\$20)	Above Average	(\$10)
C. Unit Equipment / Amenities	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	
Number of Bedrooms	1	1	\$0	1	\$0	2	(\$30)
Number of Bathrooms	1	1	\$0	1	\$0	2	(\$30)
Unit Interior Square Feet	724	689	\$0	1,054	(\$83)	900	(\$44)
Balcony / Patio / Porch	Yes	No	\$5	No	\$5	Yes	\$0
AC Type:	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	Yes / Yes	(\$5)	Yes / Yes	(\$5)	No / Yes	\$0
Washer / Dryer: In Unit	No	Yes	(\$25)	Yes	(\$25)	Yes	(\$25)
Washer / Dryer: Hook-ups	Yes	No	\$5	No	\$5	No	\$5
D. Site Equipment / Amenities	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	
Community Room/Clubhouse	Yes	No	\$0	No	\$25	No	\$25
Pool	No	No	\$0	No	\$0	Yes	(\$10)
Playground	Yes	No	\$10	No	\$10	No	\$10
Fitness Center	No	No	\$0	No	\$0	No	\$0
Business Center	No	No	\$0	No	\$0	No	\$0
E. Adjustments Recap	Positive	Negative	Positive	Negative	Positive	Negative	
Total Number of Adjustments	7	3	6	5	5	6	
Sum of Adjustments B to D	\$78	(\$40)	\$80	(\$143)	\$73	(\$149)	
F. Total Summary							
Gross Total Adjustment	\$118		\$223		\$222		
Net Total Adjustment	\$38		(\$63)		(\$76)		
G. Adjusted And Achievable Rents	Adj. Rent	Adj. Rent	Adj. Rent				
Adjusted Rent	\$912	\$812	\$874				
% of Effective Rent	104.3%	92.8%	92.0%				
Estimated Market Rent	\$866						
Rent Advantage \$	\$169						
Rent Advantage %	19.5%						



Table 32 Market Rent Analysis – Two-Bedroom Units

Two Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
White Marsh Pointe Apartments 94 Stacey Dr Suffolk, Virginia	Lofts at East Point		Suffolk Station		Sadler Pond		
	326 W. Washington St		100 Forest Oak Ln		2500 Sandy Spring Ln		
	Suffolk	Virginia	Suffolk	Virginia	Suffolk	Virginia	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$818	\$1,179	\$0	\$875	\$0	\$950	\$0
Utilities Included	Trash	H, HW, C, W/S, T	(\$140)	Trash	\$0	Trash	\$0
Rent Concessions	None	None	\$0	None	\$0	None	\$0
Effective Rent	\$818	\$1,039		\$875		\$950	
<i>In parts B thru D, adjustments were made only for difference:</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/3	Adapt/5	\$10	Garden/2	(\$10)	Garden/3	\$0
Elevator Served	No	Yes	\$20	No	\$0	No	\$0
Year Built / Condition	2020	2010	\$8	1987	\$25	1989	\$23
Quality/Street Appeal	Excellent	Average	\$20	Above Average	\$10	Above Average	\$10
Location	Average	Above Average	(\$10)	Excellent	(\$20)	Above Average	(\$10)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	970	884	\$22	1,000	\$0	900	\$18
Balcony / Patio / Porch	Yes	No	\$5	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	Yes / Yes	(\$5)	No / Yes	\$0	No / Yes	\$0
Washer / Dryer: In Unit	No	Yes	(\$25)	Yes	(\$25)	Yes	(\$25)
Washer / Dryer: Hook-ups	Yes	No	\$5	No	\$5	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Community Room/Clubhouse	Yes	No	\$0	No	\$0	No	\$25
Pool	No	No	\$0	No	\$0	Yes	(\$10)
Playground	Yes	No	\$10	No	\$10	No	\$10
Fitness Center	No	No	\$0	No	\$0	No	\$0
Business Center	No	No	\$0	No	\$0	No	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		8	3	4	3	6	3
Sum of Adjustments B to D		\$100	(\$40)	\$50	(\$55)	\$91	(\$45)
F. Total Summary							
Gross Total Adjustment		\$140		\$105		\$136	
Net Total Adjustment		\$60		(\$5)		\$46	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,099		\$870		\$996	
% of Effective Rent		105.8%		99.4%		104.8%	
Estimated Market Rent	\$988						
Rent Advantage \$	\$170						
Rent Advantage %	17.2%						



Table 33 Market Rent Analysis – Three-Bedroom Units

Three Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
White Marsh Pointe Apartments 94 Stacey Dr Suffolk, Virginia	Lofts at East Point		Suffolk Station		Sadler Pond		
	326 W. Washington St		100 Forest Oak Ln		2500 Sandy Spring Ln		
	Suffolk	Virginia	Suffolk	Virginia	Suffolk	Virginia	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$932	\$1,179	\$0	\$978	\$0	\$1,020	\$0
Utilities Included	Trash	H, HW, C, W/S, T	(\$140)	Trash	\$0	Trash	\$0
Rent Concessions	None	None	\$0	None	\$0	None	\$0
Effective Rent	\$932	\$1,039		\$978		\$1,020	
<i>In parts B thru D, adjustments were made only for difference:</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/3	Adapt/5	\$10	Garden/2	(\$10)	Garden/3	\$0
Elevator Served	No	Yes	\$20	No	\$0	No	\$0
Year Built / Condition	2020	2010	\$8	1987	\$25	1989	\$23
Quality/Street Appeal	Excellent	Average	\$20	Above Average	\$10	Above Average	\$10
Location	Average	Above Average	(\$10)	Excellent	(\$20)	Above Average	(\$10)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	2	\$30	3	\$0	3	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	1,109	884	\$56	1,100	\$2	1,100	\$2
Balcony / Patio / Porch	Yes	No	\$5	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)or	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	No / Yes	Yes / Yes	(\$5)	No / Yes	\$0	No / Yes	\$0
Washer / Dryer: In Unit	No	Yes	(\$25)	Yes	(\$25)	Yes	(\$25)
Washer / Dryer: Hook-ups	Yes	No	\$5	No	\$5	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Community Room/Clubhou:	Yes	No	\$25	No	\$25	No	\$25
Pool	No	No	\$0	No	\$0	Yes	(\$10)
Playground	Yes	No	\$10	No	\$10	No	\$10
Fitness Center	No	No	\$0	No	\$933	No	\$0
Business Center	No	No	\$0	No	\$0	No	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		10	3	7	3	6	3
Sum of Adjustments B to D		\$189	(\$40)	\$1,010	(\$55)	\$75	(\$45)
F. Total Summary							
Gross Total Adjustment		\$229		\$1,065		\$120	
Net Total Adjustment		\$149		\$955		\$30	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,188		\$1,933		\$1,050	
% of Effective Rent		114.3%		197.6%		102.9%	
Estimated Market Rent	\$1,390						
Rent Advantage \$	\$458						
Rent Advantage %	33.0%						

Table 34 Market Rent Advantage - Summary

	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
40% AMI Units			
Subject Rent	\$416	\$481	\$519
Estimated Market Rent	\$866	\$988	\$1,390
Rent Advantage (\$)	\$450	\$507	\$871
Rent Advantage (%)	52.0%	51.3%	62.7%
50% AMI Units			
Subject Rent	\$557	\$649	\$737
Estimated Market Rent	\$866	\$988	\$1,390
Rent Advantage (\$)	\$309	\$339	\$653
Rent Advantage (%)	35.7%	34.3%	47.0%
60% AMI Units			
Subject Rent	\$697	\$818	\$932
Estimated Market Rent	\$866	\$988	\$1,390
Rent Advantage (\$)	\$169	\$170	\$458
Rent Advantage (%)	19.5%	17.2%	33.0%

Source: RPRG, Inc.

F. Achievable Restricted Rents

The market rent derived above is an estimate of what a willing landlord might reasonably expect to receive, and a willing tenant might reasonably expect to pay for a unit at the subject. However, as a tax credit community, the maximum rent that a project owner can charge for a low-income unit is a gross rent based on bedroom size and applicable HUD's median household income for the subject area. If these LIHTC maximum gross/net rents are below the market rent, then the maximum rents also function as the achievable rents for each unit type and income band. Conversely, if the market rents are below the LIHTC maximum rents, then the market rents act as the achievable rents. Therefore, achievable rents are the lower of the market rent or maximum LIHTC rent.

As shown in Table 35, the maximum LIHTC rent for one-bedroom, two-bedroom and three-bedroom units is below the estimated market rent less 10 percent. The proposed rents for the subject are below the achievable LIHTC rents.



Table 35 Achievable Tax Credit Rent

	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
40% AMI Units			
Estimated Market Rent	\$866	\$988	\$1,390
Less 10%	\$779	\$890	\$1,251
Maximum LIHTC Rent	\$420	\$486	\$543
Achievable Rent	\$420	\$486	\$543
SUBJECT RENT	\$416	\$481	\$519
50% AMI Units			
Estimated Market Rent	\$866	\$988	\$1,390
Less 10%	\$779	\$890	\$1,251
Maximum LIHTC Rent	\$561	\$654	\$738
Achievable Rent	\$561	\$654	\$738
SUBJECT RENT	\$557	\$649	\$737
60% AMI Units			
Estimated Market Rent	\$866	\$988	\$1,390
Less 10%	\$779	\$890	\$1,251
Maximum LIHTC Rent	\$701	\$823	\$933
Achievable Rent	\$701	\$823	\$933
SUBJECT RENT	\$697	\$818	\$932

G. Proposed and Under Construction Rental Communities

As of December 2018, RPRG identified 51 units at a multifamily rental development that is proposed or planned in the market area. In Table 36, we list key information on the planned project with a multifamily rental component identified in the White Marsh Pointe Market Area. Map 8 illustrates the location of the pipeline rental community.

The pipeline community is considered near term. The near term projects are those that are under construction, and those which are reasonably likely to deliver in the next three years. The near-term project is considered in our derivation of three-year rental demand in the market and account for 51 units. The project has not appeared to have broken ground at this point. The Villas at Reid Landing is a 51-unit 55+ age restricted LIHTC community in Suffolk.

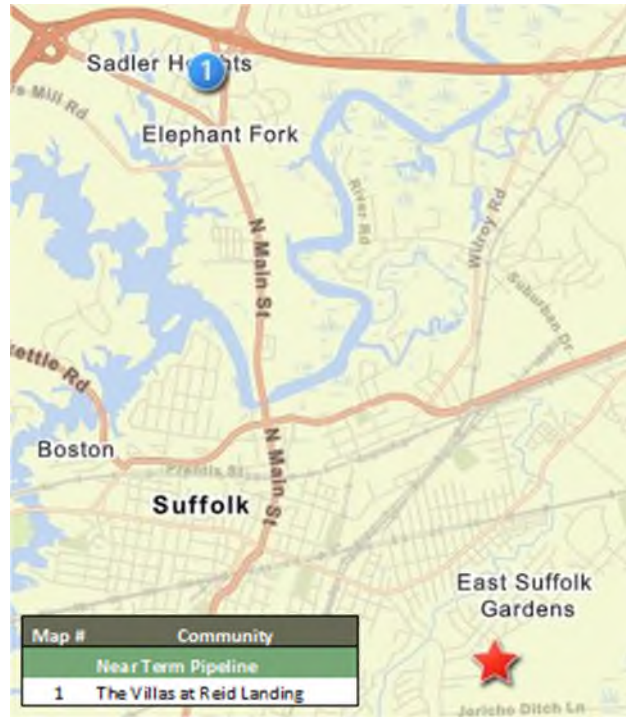
The long-term projects do not have financing secured, do not have full approvals, are on hold for the present, and/or have estimated delivery dates beyond the next three years. There are no known long-term developments anticipated at this point.

Table 36 Pipeline Communities, White Marsh Pointe Market Area

Name of Project	Location	Developer	No. of Units	Status
Near-Term				
The Villas at Reid Landing	William Reid Drive	Gardner Capital	51	51 unit age-restricted, 55- and over senior living facility with several options of one-, two-, and three-bedroom sizes. Funding was approved in February 2018. Project secured \$700,000 in tax credits. City also committed \$425,000 of their HUD entitlement funding
Total Near-Term Pipeline			51	

Source: Ken Wyne, AICP, Principal Planner, City of Suffolk

Map 8 Pipeline Rental Communities, White Marsh Pointe Market Area





VIII. FINDINGS AND CONCLUSIONS

A. Key Findings

Based on the preceding review of the subject project and demographic and competitive housing trends in the White Marsh Pointe Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

White Marsh Pointe Apartments is in an appropriate location for a general occupancy, affordable rental community, with convenient access to services and amenities, employment nodes and public bus transportation.

- The proposed community is located at the terminus of Davis Boulevard in the southeast portion of the City of Suffolk, Virginia. The surrounding land uses include comparable older, brick garden apartment community and older single family homes.
- The subject community offers convenient access to public bus transportation. The Lake Kennedy Drive bus stop (Orange Line) is within a short walk of the community, providing access throughout the city. Suffolk Transit offers two connections to the Hampton Roads Transit bus routes allowing passengers to access transportation into the city of Suffolk as well as Chesapeake, Norfolk, Hampton, Portsmouth, Newport News and Virginia Beach.
- Residents of White Marsh Pointe Apartments can walk to a local retail, East Suffolk Rec Center, Great Dismal Swamp. Additional services and amenities are within convenient driving distance.
- The subject site has been established as a successful location for an affordable rental community. The Suffolk Redevelopment and Housing Authority's waitlist consists of 179 households.

2. Economic Context

Suffolk has a strong economy with very low unemployment rates and ongoing job expansions.

- Suffolk's most recent annual average unemployment rate of 4.2 percent is higher than the statewide average of 3.8 percent, but lower than the national average of 4.4 percent.
- From 2011 to 2017, Suffolk had net annual job gain each year, with an overall net gain of nearly 6,000 jobs, or net job gain of 20 percent over the seven-year period.
- Trade-Trans-Utilities sector represents roughly a quarter of all jobs in the county, much higher than the national proportion of 18.8 percent.
- Major employers in Suffolk include the Suffolk Public Schools, Navy information Dominance Forces, Sentara Health System, J7 Joint Staff, and City of Suffolk.

3. Population and Household Trends

The White Marsh Pointe Market Area had a robust population and household growth between 2000 and 2010. Esri projects slower household growth in the market area over the next five years, in line with household growth rates for White Marsh Pointe Apartments as a whole.

- The market area added 9,553 people (21.3 percent growth) and 3,338 households (20 percent growth) from the 2000 to 2010 census counts. During the same period, South Hampton Roads population grew by 5.9 percent and its household base grew by 7.3 percent.
- The market area is projected to reach 63,326 people and 22,982 households by 2023. Annual increases in the market area from 2018 to 2023 are projected at 1.4 percent for population



(4,200 people) and 1.3 percent for households (1,456 households). South Hampton Roads also is projected to increase in population and households at an annual rate of 1.7 percent over the same period.

4. Demographic Analysis

The demographics of the White Marsh Pointe Market Area reflect its high-density suburban location with small household sizes, high renter percentage, and mixed income profile.

- The median age of the population in the market area is 38 years old compared to 35 years in South Hampton Roads. Thirty-six percent of the population in the market area is adults age 35 to 61, in line with the countywide proportion of 33.8 percent.
- The most common household type in the market area as of 2010 is married without children at 39.6 percent of all households compared to 39.6 percent of households countywide.
- The White Marsh Pointe Market Area's renter percentage decreased from 32.6 percent in 2000 to 30.8 percent. In the last eight years, the renter percentage increased to 35 percent, as most new growth was attributed to renter households. The market area's renter household base is projected to increase to 35.5 percent through 2023, seven percent lower than the countywide proportion of 40.3 percent.
- Fifty Six percent of renter households in the White Marsh Pointe Market Area had one or two people including 30.2 percent with one person. Three and four-person households comprised 31 percent of renter households in the White Marsh Pointe Market Area and 12.7 percent had five or more people.
- The White Marsh Pointe Market Area's estimated 2018 median income of \$60,335 is \$4,355 or 6.7 percent less than the \$64,690 median income in South Hampton Roads.
- The median income by tenure in the White Marsh Pointe Market Area as of 2018 was \$37,482 among renters compared to \$76,689 among owner households. Forty-six percent of renter households earn less than \$35,000, and 34.4 percent earn between \$35,000 and \$74,999.

5. Competitive Housing Analysis

The multifamily rental communities in the White Marsh Pointe Market Area are performing well with low stabilized vacancy rates.

- The surveyed communities are performing well with a stabilized vacancy rate of 2.9 percent among 1,296 surveyed units at 17 communities. The stabilized vacancy among Upper Tier properties is 3.7 percent. The Lower Tier aggregate vacancy rate is 2.1 percent, and the LIHTC vacancy rate is 1.4 percent. The subject community in preparations for the planned demolition and new construction has ceased back filling vacant units. The Suffolk Redevelopment and Housing Authority's waitlist consists of 179 households.
- The average year built of 2010 among Upper Tier properties and 1969 among Lower Tier properties. The subject community was placed in service in 1981 and is among the oldest properties in the market.
- The only property to open since 2015 in this market is Meridian Obici, a 224-unit mid-rise community. Since opening in August 2016, Meridian Obici is leasing up at an average pace of less than fifteen units per month.
- Average effective rents among Lower Tier communities are:
 - One bedroom rents at \$675 for 578 square feet or \$1.17 per square foot. One-bedroom LIHTC units at 60 percent AMI range for \$725.



- Two bedroom rents at \$779 for 847 square feet or \$0.92 per square foot. Two-bedroom LIHTC rents at 60 percent AMI range from \$833 to \$855.
- Three bedroom rents at \$914 for 1,069 square feet or \$0.85 per square foot. Three-bedroom LIHTC rents at 60 percent AMI range for \$963.
- RPRG identified one 55+ age restricted community that is reasonably likely to deliver in the next three years, for a short term pipeline of 51 units. There are no known communities to report in the long term pipeline.

B. Derivation of Net Demand

6. Methodology

RPRG's Derivation of Demand calculation is intended to gauge whether sufficient demand from renter households would be available in the primary market area to absorb the number of new units proposed for the subject White Marsh Pointe Apartments plus those units proposed at other pipeline rental communities that are expected to be brought online over a coming three-year period. The result of this analysis can be either a positive number (which shows the extent to which available demand for rental units would exceed available supply) or a negative number (which shows the extent to which available supply would exceed the number of units needed/demanded over the period in question). The closer the concluded number is to zero, the closer the rental market would be to an effective balance of supply and demand.

The three-year period in question for this analysis is December 2018 through December 2021. We restrict the analysis to a three-year period in part to avoid artificially inflating demand by incorporating demand that would not be created until well after the new units at the subject project are introduced to the market and in part due to the difficulty in accurately predicting the likely supply of competing rental units beyond the three-year period.

RPRG's Derivation of Demand calculation is a gross analysis, meaning that the calculation balances the demand for new rental housing units of all types (i.e. luxury market-rate, more affordable market-rate, tax credit, rent-subsidized, and age-restricted) versus the upcoming supply of rental housing units of all types. The Derivation of Demand calculation is an incremental or net analysis, in that it focuses on the change in demand over the period in question as opposed to focusing on the market's total demand. Considerations such as household incomes and the floor plan types and proposed rents for the subject and other pipeline projects are not factored into the Derivation of Demand; rather, we address the interplay of these factors within the Affordability Analysis and Penetration Analysis in the next section of this report.

RPRG sums demand generated from three broad sources in order to arrive at 'Net Demand for New Rental Units' over the 2018 to 2021 period:

- **Projected Change in the Household Base.** Earlier in this report, RPRG presented projections of household change within the primary market area over the 2018 to 2023 period. For this analysis, we factor in three years' worth of the household change suggested by the annual rate of household growth or decline (2018 to 2019, 2019 to 2020, and 2020 to 2021). Note that net household change incorporates growth or decline stemming from both household migration into and out of the market area and organic changes within existing households (i.e. new household formation as a result of children moving out of their parents' homes, divorces, roommates electing to rent separately) and household migration into and out of the market area.
- **Units Removed from the Housing Stock.** A number of factors contribute to the removal of housing units in a given geographic area. An April 2016 report prepared for the U.S. Department of Housing and Urban Development by Econometrica, Inc. provides quantitative evidence of such



removal factors.⁴ Using data collected as part of the national American Housing Survey (AHS) in 2011 and 2013, Econometrica highlighted the portions of the total number of housing units lost attributable to each of the following: units lost through demolition or natural disasters; units badly damaged or condemned (and thus unlivable); units lost due to merger of two or more units into a single unit or the conversion of a single unit into multiple units; units changed from residential to non-residential use; units (primarily mobile homes) moved out from their 2011 location; and units lost in other (unclassified) ways. Econometrica tabulated Components of Inventory Change (CINCH) data based on a range of unit characteristics such as occupancy (occupied, vacant, or seasonal); region (Northeast, Midwest, South, or West); tenure (owner- or renter-occupied); metro status (units located in central cities, suburban areas, or outside of metro areas); and year built.

- **Competitive Multifamily Vacancy Rates.** The final source of demand that factors into RPRG’s calculation of net demand for new rental units is the observed vacancy rate in the primary market area’s competitive rental market. RPRG assumes that a 5.0 percent vacancy rate – a typical underwriting standard – is required to keep a rental market relatively elastic. Elasticity in this context means that an adequate number of quality housing units are vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. When the market vacancy rate is below 5.0 percent, additional units are needed to ensure an adequate number of available units from which to choose. When the market vacancy rate is above 5.0 percent, the market has the capacity to absorb some additional demand, whereby that amount of demand would not need to be met through the development of new units. In considering competitive vacancy rates, we focus on multifamily units in part because the scattered market in single-family homes, condominiums, and other properties is extremely fluid and cannot be relied upon to consistently serve renter households, since the inventory can convert to homeownership very quickly.

7. Net Demand Calculation

Table 37 applies the discussion of sources of demand for new rental units to the White Marsh Pointe Market Area. The steps in our Derivation of Demand analysis for the three-year period between December 2018 and December 2021 are as follows:

- An estimate of demand for the subject’s proposed new units is calculated based in part on Census trends and Esri projections of household growth in the White Marsh Pointe Market Area. Per the household trend information discussed earlier, RPRG estimates that the White Marsh Pointe Market Area includes 21,526 households as of 2018, a number that is projected to increase to 22,982 households by 2023. Based on this estimate and projection, RPRG calculates through interpolation that the market area consists of 21,793 households as of December 2021 rising to 22,667 households as of December 2021; thus, the White Marsh Pointe Market Area would gain 874 net households during the three-year study period.
- Based on American Housing Survey data, researchers have analyzed Components of Inventory Change (CINCH). Using national statistical observations from 2011 and 2013, Econometrica determined that the average annual loss of occupied housing units in the United States between 2011 and 2013 (for all reasons other than the moving of homes, particularly mobile homes) was 0.27 percent of the total occupied stock. This blended rate includes an annual loss of 0.47 percent of renter occupied units and 0.18 percent of owner-occupied units. Applying this removal rate of 0.27 percent over the next three years, RPRG estimates that approximately 192 housing units are likely to be lost in the market area. The subject is considered to be included in the total number of lost units as the community is planned for demolition.

⁴ American Housing Survey, Components of Inventory Change 2011-2013; Prepared by Econometrica, Inc. for the U.S. Department of Housing & Urban Development’s Office of Policy Development & Research; April 2016.

Table 37 Derivation of Net Demand, White Marsh Pointe Market Area

Demand			
<i>Projected Change in Household Base</i>			Units
December 2018 Households			21,793
December 2021 Households			22,667
Net Change in Households			874
Add: Units Removed from Housing Stock	Housing Stock	Removal Rate	Units Removed
2018 Housing Stock	23,364	0.27%	63
2019 Housing Stock	23,679	0.27%	64
2020 Housing Stock	23,994	0.27%	65
Total Units Removed from Housing Stock			192
New Housing Demand			1,065
Average Percent Renter Households over Analysis Period			35.2%
New Rental Housing Demand			375
Add: Multifamily Competitive Vacancy	Inventory		Vacant
Stabilized Multifamily Communities	1,296		37
Deep-Subsidy Multifamily Communities	453		4
Subtotal Stabilized Communities	1,749		41
Total Competitive Inventory	1,749		41
Market Vacancy at 5%			87
Less: Current Vacant Units			-41
Vacant Units Required to Reach 5% Market Vacancy			46
Total Demand for New Rental Units			422
Planned Additions to the Supply			
		Total Units	95% Occupancy
The Villas at Reid Landing		51	48
White Marsh Pointe Apartments (Subject)		93	88
Total New Rental Supply		144	136
Excess Demand for Rental Housing			286

Source: RPRG, Inc.

- Combining units removed with household changes, the market area has a total demand of 1,065 new housing units in the market between December 2018 and December 2021.
- Over the next three-year period, renter households are expected to account for 35.5 percent of total net household growth in the White Marsh Pointe Market Area. This translates to a net new demand for 375 rental housing units through December 2021.
- RPRG surveyed 17 stabilized general occupancy rental communities in the primary market area with 1,296 combined units. Of these, 37 are vacant, yielding a 2.9 percent vacancy rate. The 4 identified deeply subsidized communities in the primary market area consist of 453 units, of which four are currently reported as vacant. The subject's 93 units were excluded from the total number of deep-subsidy multifamily communities as the subject in its current form will be demolished.



Adding the 37 vacant general occupancy units to the four vacant deep subsidy unit results in 41 total vacant units in the market area.

RPRG assumes a 95 percent occupancy level in calculating the third broad component of demand. Given the surveyed competitive marketplace of 1,749 units (market rate, tax credit, and deep subsidy units), approximately 87 vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the 41 vacant units from this number reveals a demand for 46 rental units in the White Marsh Pointe Market Area.

- Summing demand from household change, projected unit removals, and the vacancy rate in the existing market, there would be total demand for 422 new rental units in the primary market area over the next three years.
- Net demand for new rental units must be balanced against new rental stock likely to be added to the market area's inventory over this period. White Marsh Pointe Apartments will be constructed on the current site of the Parker Riddick Apartment, adding 93 units into the market area. The Villas at Reid Landing is a new 55+ age restricted community that will add 51 units to the market area, although timing is uncertain, we cautiously include these units. Applying a structural vacancy rate of five percent, these projects will add 136 units to the existing supply.
- Upon subtracting the expected additions to the supply of 136 units from net demand for 422 units over the next three years, we determine that the market area will have an excess demand of 286 rental units in the White Marsh Pointe Market Area as of December 2021.

8. Conclusions on Net Demand

The calculated 286-unit excess demand within the three-year period is an indication that sufficient demand will be available in the primary market area to support the subject's 93 units as well as the identified pipeline project. We note displaced tenants will be given Tenant Protection Vouchers and assisted by Suffolk Redevelopment and Housing Authority to obtain off-site residences. Upon completion of White Marsh Pointe Apartments, residents will be given first option to return.

C. Effective Demand – Affordability/Capture & Penetration Analyses

1. Methodology

Following our estimate of the depth of demand for net new rental units in the primary market area, we next test whether sufficient income-qualified households would be available to support the specific units at the subject property and properties in the same broad segment of the rental market in terms of pricing. This analysis is conducted independently of the Net Demand Analysis as units at the subject property are likely to be filled by a combination of new households (either moving to or created in the market area) and existing households moving within the market area. The total demand – comprised of the net or incremental demand and the demand from existing households – is the relevant frame of reference for the analysis.

The Affordability/Capture Analysis tests the percentage of income-qualified households in the primary market area that the subject community must capture to achieve full occupancy. The Penetration Analysis tests the percentage of income-qualified households in the market area that the subject community and comparable competitive communities combined must capture to achieve full occupancy. The combination of the Net Demand, Affordability/Capture, and Penetration Analyses determines if the primary market area can support additional rental units and if sufficient households exist in the targeted income range to support the proposed units.

The first component of the Effective Demand analysis involves looking at total income and renter income among White Marsh Pointe Market Area households for the target year. The Developer projects that completed units at White Marsh Pointe Apartments will be available by November 2020



and as such, 2020 is used as the target year for these analyses. RPRG calculated 2020 income distributions for total households and renter households based on RPRG household projections, income estimates from the 2012-2016 ACS, and income projections from Esri (Table 38).

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to property owners and payment of utility bills for which the tenant is responsible. The sum of the

Table 38 Total and Renter Income Distribution, White Marsh Pointe Market Area

White Marsh Pointe Market Area		Total Households		Renter Households	
		#	%	#	%
2020 Income					
less than \$15,000		2,292	10.4%	1,349	17.3%
\$15,000 - \$24,999		2,175	9.8%	1,280	16.4%
\$25,000 - \$34,999		1,859	8.4%	926	11.9%
\$35,000 - \$49,999		2,723	12.3%	1,489	19.1%
\$50,000 - \$74,999		3,750	17.0%	1,182	15.2%
\$75,000 - \$99,999		3,354	15.2%	760	9.8%
\$100,000 - \$149,999		3,986	18.0%	651	8.4%
\$150,000 - Over		1,970	8.9%	153	2.0%
Total		22,108	100%	7,791	100%
Median Income		\$63,365		\$38,432	

Source: American Community Survey 2012-2016 Projections, RPRG, Inc.

contract rent and utility bills is referred to as a household’s ‘gross rent burden’. For the Affordability/Capture and Penetration Analyses, RPRG employs a 35 percent gross rent burden. The 35 percent rent burden is the rent burden mandated by VHDA for use in evaluating proposed general occupancy communities.

2. Affordability Analysis

The steps in our Affordability Analysis for two-bedroom 60 percent AMI units at White Marsh Pointe Apartments (most common floorplan type) at the proposed rents, assuming subsidies (Table 39) are as follows:

- The overall shelter cost (gross rent) for a 60 percent two-bedroom unit at White Marsh Pointe Apartments – the most numerous unit type at the subject – would be \$1,012 per month (\$818 rent plus a \$194 utility allowance).
- Because all units at White Marsh Pointe Apartments will include subsidies, tenants with incomes as low as \$0 will be able to afford a unit. The projected number of households within the White Marsh Pointe Market Area with incomes greater than \$0 in 2018 is 22,108.
- A household occupying a two-bedroom unit and earning 60 percent of AMI for the Virginia Beach-Norfolk-Newport News, VA-NC MSA would have a maximum income of \$40,500. According to the interpolated income distribution for 2019, there would be 14,783 households in the primary market area with incomes exceeding the upper income bound.
- Subtracting the 14,783 households with incomes above the 60 percent maximum income limit from the 22,108 households that could afford to rent this unit, we calculate that 7,325 households in the primary market area as of 2020 would be in the band of affordability for the subject’s two-bedroom units. White Marsh Pointe Apartments would need to capture 0.4 percent of these income-qualified households to absorb all 26 of the two-bedroom units.
- We next tested the range of qualified households that are projected to be renters in 2020. Approximately 7,791 of the market area renter households would be income-qualified for the subject’s two-bedroom units. To absorb 26 two-bedroom units with the proposed rents targeting households earning up to 60 percent of AMI, White Marsh Pointe Apartments would need to capture 0.6 percent of income-qualified renter households as of 2020.
- Following the same methodology, the renter capture rate for the other unit types. Overall, the renter capture rate is 0.3 percent for 40 percent AMI units, 1.2 percent for the 50 percent units and 0.8 percent for the 60 percent units.



- The 93-unit project as a whole would need to capture 1.1 percent of income-qualified households and two percent of income-qualified renter households.

Table 39 Affordability Analysis for White Marsh Pointe Apartments – With Subsidies

40% Units	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
Number of Units	2		6		2	
Net Rent	\$416		\$481		\$519	
Gross Rent	\$562		\$675		\$757	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	no min\$	\$22,500	no min\$	\$27,000	no min\$	\$31,200
Total Households						
Range of Qualified Hhlds	22,108	18,185	22,108	17,269	22,108	16,488
# Qualified Households	3,924		4,839		5,620	
Unit Total HH Capture Rate	0.1%		0.1%		0.0%	
Renter Households						
Range of Qualified Hhlds	7,791	5,482	7,791	4,977	7,791	4,588
# Qualified Hhlds	2,308		2,814		3,203	
Renter HH Capture Rate	0.1%		0.2%		0.1%	
50% Units	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
Number of Units	12		24		10	
Net Rent	\$557		\$649		\$737	
Gross Rent	\$703		\$843		\$975	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	no min\$	\$28,125	no min\$	\$33,750	no min\$	\$39,000
Total Households						
Range of Qualified Hhlds	22,108	17,060	22,108	16,014	22,108	15,056
# Qualified Households	5,048		6,094		7,053	
Unit Total HH Capture Rate	0.2%		0.4%		0.1%	
Renter Households						
Range of Qualified Hhlds	7,791	4,873	7,791	4,352	7,791	3,839
# Qualified Households	2,918		3,439		3,952	
Renter HH Capture Rate	0.4%		0.7%		0.3%	
60% Units	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
Number of Units	3		26		8	
Net Rent	\$697		\$818		\$932	
Gross Rent	\$843		\$1,012		\$1,170	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	no min\$	\$33,750	no min\$	\$40,500	no min\$	\$46,800
Total Households						
Range of Qualified Hhlds	22,108	16,014	22,108	14,783	22,108	13,640
# Qualified Households	6,094		7,325		8,469	
Total HH Capture Rate	0.0%		0.4%		0.1%	
Renter Households						
Range of Qualified Hhlds	7,791	4,352	7,791	3,690	7,791	3,064
# Qualified Households	3,439		4,101		4,726	
Renter HH Capture Rate	0.1%		0.6%		0.2%	

Income Target	# Units	All Households = 22,108				Renter Households = 7,791				
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
40% Units	10	Income Households	no min\$ 22,108	\$31,200 16,488	5,620	0.2%	no min\$ 7,791	\$31,200 4,588	3,203	0.3%
50% Units	46	Income Households	no min\$ 22,108	\$39,000 15,056	7,053	0.7%	no min\$ 7,791	\$39,000 3,839	3,952	1.2%
60% Units	37	Income Households	no min\$ 22,108	\$46,800 13,640	8,469	0.4%	no min\$ 7,791	\$46,800 3,064	4,726	0.8%
Total Units	93	Income Households	no min\$ 22,108	\$46,800 13,640	8,469	1.1%	no min\$ 7,791	\$46,800 3,064	4,726	2.0%

Source: Income Projections, RPRG, Inc.



We repeated this affordability analysis to assuming no subsidy were available and that those subsidized units were set at 50 percent AMI (Table 40). Under this scenario, all 93 units would need to capture 1.8 percent of all income-qualified households and 3.4 percent of all income-qualified renter households to be fully leased as of 2020. While a lack of subsidies would increase the capture rates necessary to lease these units, the increase is small.

Table 40 Affordability Analysis for White Marsh Pointe Apartments – No Subsidies

40% Units	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
Number of Units	2		6		2	
Net Rent	\$416		\$481		\$519	
Gross Rent	\$562		\$675		\$757	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	\$19,269	\$22,500	\$23,143	\$27,000	\$25,954	\$31,200
Total Households						
Range of Qualified Hhlds	18,888	18,185	18,045	17,269	17,463	16,488
# Qualified Households	703		776		975	
Unit Total HH Capture Rate	0.3%		0.8%		0.2%	
Renter Households						
Range of Qualified Hhlds	5,896	5,482	5,400	4,977	5,074	4,588
# Qualified Hhlds	414		423		486	
Renter HH Capture Rate	0.5%		1.4%		0.4%	

50% Units	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
Number of Units	12		24		10	
Net Rent	\$557		\$649		\$737	
Gross Rent	\$703		\$843		\$975	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	\$24,103	\$28,125	\$28,903	\$33,750	\$33,429	\$39,000
Total Households						
Range of Qualified Hhlds	17,836	17,060	16,915	16,014	16,074	15,056
# Qualified Households	776		901		1,018	
Unit Total HH Capture Rate	1.5%		2.7%		1.0%	
Renter Households						
Range of Qualified Hhlds	5,277	4,873	4,801	4,352	4,382	3,839
# Qualified Households	404		449		543	
Renter HH Capture Rate	3.0%		5.3%		1.8%	

60% Units	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
Number of Units	3		26		8	
Net Rent	\$697		\$818		\$932	
Gross Rent	\$843		\$1,012		\$1,170	
% Income for Shelter	35%		35%		35%	
Income Range (Min, Max)	\$28,903	\$33,750	\$34,697	\$40,500	\$40,114	\$46,800
Total Households						
Range of Qualified Hhlds	16,915	16,014	15,838	14,783	14,853	13,640
# Qualified Households	901		1,055		1,214	
Total HH Capture Rate	0.3%		2.5%		0.7%	
Renter Households						
Range of Qualified Hhlds	4,801	4,352	4,264	3,690	3,728	3,064
# Qualified Households	449		574		664	
Renter HH Capture Rate	0.7%		4.5%		1.2%	

Income Target	# Units	All Households = 22,108					Renter Households = 7,791				
		Band of Qualified Hhlds			# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
40% Units	10	Income Households	\$19,269	\$31,200	2,259	0.4%	\$19,269	\$31,200	1,225	0.8%	
		Households	18,888	16,488			5,896	4,588			
50% Units	46	Income Households	\$24,103	\$39,000	2,636	1.7%	\$24,103	\$39,000	1,366	3.4%	
		Households	17,836	15,056			5,277	3,839			
60% Units	37	Income Households	\$28,903	\$46,800	3,100	1.2%	\$28,903	\$46,800	1,649	2.2%	
		Households	16,915	13,640			4,801	3,064			
Total Units	93	Income Households	\$19,269	\$46,800	5,108	1.8%	\$19,269	\$46,800	2,749	3.4%	
		Households	18,888	13,640			5,896	3,064			

Source: Income Projections, RPRG, Inc.



3. Penetration Analysis

To provide further insight into the market dynamics, we have also conducted a Penetration Analysis (Table 41). The Penetration Analysis evaluates the capacity of the market area to serve the entire inventory of directly competitive rental units. Our analysis utilizes the same target date of 2020; and the same 35 percent rent burden.

We focus on those subsidized units competing with the subject. There are 453 subsidized units and the subject. There are no competitive communities in the pipeline being added to the market area. White Marsh Pointe Apartments will replace existing units already counted below. These 546 units will address 11.6 percent of income-qualified renter households (Table 41).

Table 41 Penetration Analysis for White Marsh Pointe Apartments – With Subsidies

Subsidized Units	
Competitive Units	Units
Cypress Manor	113
Hoffler Apartments	80
Colander Bishop Apts	80
Heritage Acres	76
Wilson Pines	104
subtotal	453
Pipeline Units	Units
subtotal	0
Subject Property	Units
	93
Total	546

Income Target	Total Competitive Units	Renter Households = 7,791		# Qualified HHs	Penetration Rate
		Band of Qualified Hhlds			
		One Bedroom	Three Bedroom		
		no min\$	\$46,800		
Total Units	546	7,791	3,064	4,726	11.6%

Source: Estimates, RPRG, Inc.

To be conservative, we repeated this Penetration Analysis to reflect the scenario of the 8 units at 40 percent AMI, 88 units at 50 percent AMI and the 144 units at 60 percent AMI that are LIHTC without any subsidized units (Table 42). Overall, the total inventory of 18 comparable units at 40 percent AMI would address 1.4 percent of income-qualified renter households. The 134 comparable units at 50 percent AMI would address 9.3 percent of income-qualified renter households. The 181 comparable units at 60 percent AMI would address 10.4 percent of income-qualified renter households. These comparable units will address 11.8 percent of income-qualified renter households.



Table 42 Penetration Analysis for White Marsh Pointe Apartments – No Subsidies

40% Units		50% Units		60% Units	
Competitive Units	Units	Competitive Units	Units	Competitive Units	Units
The Res at October	8	Autumn Ridge	24	King's Landing	120
		The Res at October	64	Autumn Ridge	24
subtotal	8	subtotal	88	subtotal	144
Pipeline Units	Units	Pipeline Units	Units	Pipeline Units	Units
subtotal	0	subtotal	0	subtotal	0
Subject Property	Units	Subject Property	Units	Subject Property	Units
	10		46		37
Total	18	Total	134	Total	181

Income Target	Total Competitive Units	Renter Households = 7,791		# Qualified HHs	Penetration Rate
		Band of Qualified Hhlds			
		One Bedroom	Three Bedroom		
40% Units	18	\$19,269 5,896	\$31,200 4,588	1,308	1.4%
		One Bedroom	Three Bedroom		
50% Units	134	\$24,103 5,277	\$39,000 3,839	1,438	9.3%
		One Bedroom	Three Bedroom		
60% Units	181	\$28,903 4,801	\$46,800 3,064	1,736	10.4%
		One Bedroom	Three Bedroom		
Total Units	333	\$19,269 5,896	\$46,800 3,064	2,831	11.8%

4. Conclusions on Affordability and Penetration

RPRG judges that there are sufficient numbers of income-qualified renter households in the market area who could afford the subject at the proposed rents assuming the rent subsidy is in place. Given the demographic and competitive characteristics of the market, we believe these capture rates are readily achievable and illustrate the depth of demand for subsidized rental units in the White Marsh Pointe Market Area.

RPRG considers the calculated penetration rates to be reasonable as well. The penetration rates suggest there is more than enough income-qualified demand in the market area, with the inventory of affordable units addressing less than one third of the income qualified renters in the market.

D. VHDA Demand Methodology

5. VHDA Demand Analysis

The Virginia Housing Development Authority (VHDA) mandates a particular demand methodology in evaluating applications for financing. VHDA opts for a need-driven demand methodology which factors the topics of cost-burdened renters and substandard rental housing into the demand equation. In this section, RPRG calculates demand according to the VHDA methodology for White Marsh Pointe Apartments. VHDA’s demand methodology for general occupancy projects such as the subject accounts for as many as four primary components of potential need/demand:

- **Household Growth or Decline.** The household trend required by VHDA is the net increase or decrease in the number of income-qualified renter households in the primary market area between a base year of 2018 and a target year of 2021.



- Cost Burdened Renters.** VHDA’s second component of demand is cost burdened renters, a designation which is typically defined as those renter households paying more than 35 percent of household income for housing costs. To be conservative, RPRG uses the 2012-2016 ACS data on cost-burdened renter households spending more than 40 percent of income on rent (37.5 percent) as presented earlier in Table 20 to estimate the percentage and number of income-qualified renters for the subject project that will be cost-burdened as of 2018.
- Renter Households in Substandard Housing.** VHDA’s third component of demand accounts for income-qualified renter households living in substandard units, defined as overcrowded units (having 1.01 or more persons per room) and/or units lacking complete plumbing facilities. According to the 2012-2016 ACS, the percentage of renter households in the primary market area that lived in substandard conditions was 3.3 percent (see Table 20).

Table 43 outlines the detailed VHDA demand calculations for White Marsh Pointe Apartments that stem from the three relevant demand components. Total demand available for the 93-unit project is expected to include 186 net new renter households, 1,717 cost-burdened households, 149 households currently residing in substandard housing. The calculation thus yields a total demand for 2,051 additional units of rental housing serving the targeted income bands.

Comparable units that are presently available or that would likely be available by 2020 constitute supply that must be subtracted from total VHDA demand to arrive at VHDA net demand. Based on the known vacancy rates for the rental communities in our survey, there are four vacant units in the competitive supply of subsidized units and 5 units at one tax credit property. The pipeline consists of 51 units that will be added from one 55+ age restricted community, which would not be competitive. The total comparable and pipeline units of 9 subtracted from the demand of 2,051 units, gives a net demand of 2,042 units.

Given net demand for 2,042 units, the 93-unit White Marsh Pointe Apartments project would need to capture 4.6 percent of income-qualified renter households per VHDA’s demand methodology.

Table 43 VHDA Demand by Overall Income Targeting – With Subsidies

Income Target	40% Units	50% Units	60% Units	Project Total
Minimum Income Limit	no min\$	no min\$	no min\$	no min\$
Maximum Income Limit	\$31,200	\$39,000	\$46,800	\$46,800
(A) Renter Income Qualification Percentage	41.1%	50.7%	60.7%	60.7%
Demand from New Renter Households - Calculation (C-B)*F*A	126	155	186	186
+ Demand from Rent Overburdened HHs - Calculation: B*E*F*A	1,163	1,435	1,717	1,717
+ Demand from Substandard Housing - Calculation B*D*F*A	101	125	149	149
Total Income Qualified Renter Demand	1,390	1,715	2,051	2,051
Less: Comparable Vacant Units	4	5		9
Less: Comparable Pipeline Units				
Net Demand	1,386	1,710	2,051	2,042
Subject Proposed Units	10	46	37	93
Capture Rate	0.7%	2.7%	1.8%	4.6%
Estimated Absorption Period				3 Months

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2018 Households	21,526
C). 2021 Households	22,400
D). Substandard Housing (% of Rental Stock)	3.3%
E). Rent Overburdened (% of Renter Hhlds at >40%)	37.5%
F). Renter Percentage (% of all 2018 HHlds)	35.0%



The subject will offer 20 three-bedroom units or 21 percent of the total units. Per VHDA guidelines, we evaluated the demand by large households for these units. We apply a large family rental percentage from Table 17 to the number of renter households that would be income qualified for the three-bedroom units at the subject. Factoring large families, the subject’s three-bedroom units would need to capture 3.9 percent of qualified renter households (Table 44).

Table 44 VHDA Demand for Large Units

Project Total	Three Bedroom Units
<i>Minimum Income Limit</i>	\$0
<i>Maximum Income Limit</i>	\$46,800
Renter Income Qualification Percentage	60.66%
Total Income Qualified Renter Demand	2,051
Large Families (4+ persons)	25%
Large Family Rental Demand	519
Vacant and Comparable Units	1
Net Demand	518
Proposed Units	20
Capture Rate	3.9%

As in the affordability and penetration analysis, we repeated the VHDA Demand Analysis to conservatively reflect the scenario of the project without associated subsidies (Table 45). Excluding the subsidized units raises the capture rates as the lowest income households would not qualify. However, even without the subsidies, the necessary capture rates remain low, rising from 7.8 percent for the total project.

Table 45 VHDA Demand by Overall Income Targeting – No Subsidies

<i>Income Target</i>	40% Units	50% Units	60% Units	Project Total
<i>Minimum Income Limit</i>	\$19,269	\$24,103	\$28,903	\$19,269
<i>Maximum Income Limit</i>	\$31,200	\$39,000	\$46,800	\$46,800
(A) Renter Income Qualification Percentage	15.7%	17.5%	22.3%	35.3%
Demand from New Renter Households - <i>Calculation (C-B)*F*A</i>	48	54	68	108
+ Demand from Rent Overburdened HHs - <i>Calculation: B*E*F*A</i>	445	496	631	998
+ Demand from Substandard Housing - <i>Calculation B*D*F*A</i>	39	43	55	87
Total Income Qualified Renter Demand	532	593	754	1,193
Less: Comparable Vacant Units	0	3	2	5
Less: Comparable Pipeline Units			0	
Net Demand	532	590	752	1,188
Subject Proposed Units	10	46	37	93
Capture Rate	1.9%	7.8%	4.9%	7.8%
Estimated Absorption Period				6 Months

Demand Calculation Inputs	
A). % of Renter HHlds with Qualifying Income	see above
B). 2018 Households	21,526
C). 2021 Households	22,400
D). Substandard Housing (% of Rental Stock)	3.3%
E). Rent Overburdened (% of Renter HHlds at >35%)	37.5%
F). Renter Percentage (% of all 2018 HHlds)	35.0%



6. Conclusions on VHDA Demand

RPRG considers the capture rate for White Marsh Pointe Apartments to be reasonable and achievable. The rate suggests a large number of income-qualified households for LIHTC units at 40, 50 and 60 percent AMI in the subject's market area even without a subsidy available.

E. Target Markets

The project will serve primarily consisting households of one or more persons. Therefore, all units will target very low-income households. With two-, and three-bedroom units, the proposed community would have the capacity to serve married and unmarried couples, roommate households, and single- and dual-parent families with as many as three or four children.

F. Product Evaluation

Considered in the context of the competitive environment and proposed scope of the new construction, the relative position of White Marsh Pointe Apartments is as follows:

- **Site:** The subject site is an appropriate location for general occupancy, affordable rental housing. Several services and amenities are in walking distance, and large concentrations of retail are within a short driving distance. The community is in the job-rich Suffolk, and offers access to public bus transportation.
- **Unit Distribution:** The project unit mix will consist of 17 one-bedroom units (18.2 percent), 56 two-bedroom units (60.2 percent) and 20 three-bedroom units (21.6 percent). The average unit distribution of Lower Tier communities in the market area is a similar 66.5 percent two-bedroom units and 17.5 percent three-bedroom units. The subject's unit mix is reasonable and will serve small households to medium sized households. The predominance of two-bedroom units allows the subject to serve couples and small families. The three-bedroom units will address somewhat larger families. The one-bedroom units will attract singles. This unit mix has proven to be marketable as the community is fully leased and with a long waiting list.
- **Unit Size:** The average unit sizes at White Marsh Pointe Apartments are 724 square feet for the one-bedroom units, 970 square feet for two-bedroom units and 1,109 square feet for three-bedroom units. These are among the larger units in the market and are above the average Lower Tier unit sizes of 578 square feet for one-bedroom units, 847 square feet for two-bedroom units, and 1,069 square feet for three-bedroom units. The larger sizes are reasonable given that the subject provides an affordable housing option at the low end of the rent range. Furthermore, the unit sizes are slightly higher to those of the most competitive, affordable product in the market, and the property will maintain full occupancy after construction in part to long waiting lists.
- **Unit Features:** The subject's units will have central air conditioning and dishwashers. As part of the construction, new luxury vinyl tile will be installed. All units will have new appliances including refrigerators/freezers, dishwashers and ranges. In addition, new cabinets, wiring, countertops and plumbing fixtures will be installed. This will increase the marketability of the community and will place it at an advantage with respect to the other older Lower Tier properties in the market.
- **Community Amenities:** The subject community will have a community room, laundry facility, and open area. As part of the construction, a community building, playground, and green space will be added. This amenity package is appropriate for an affordable rental community and will be competitive in the market. This amenity package is appropriate for an affordable rental community and will be competitive in the market.



G. Price Position

All units will be subsidized and thus tenants will not actually pay the contract rent. Instead, tenant paid portions of rent will be based on a percentage of adjusted annual gross income and will not be subject to market conditions.

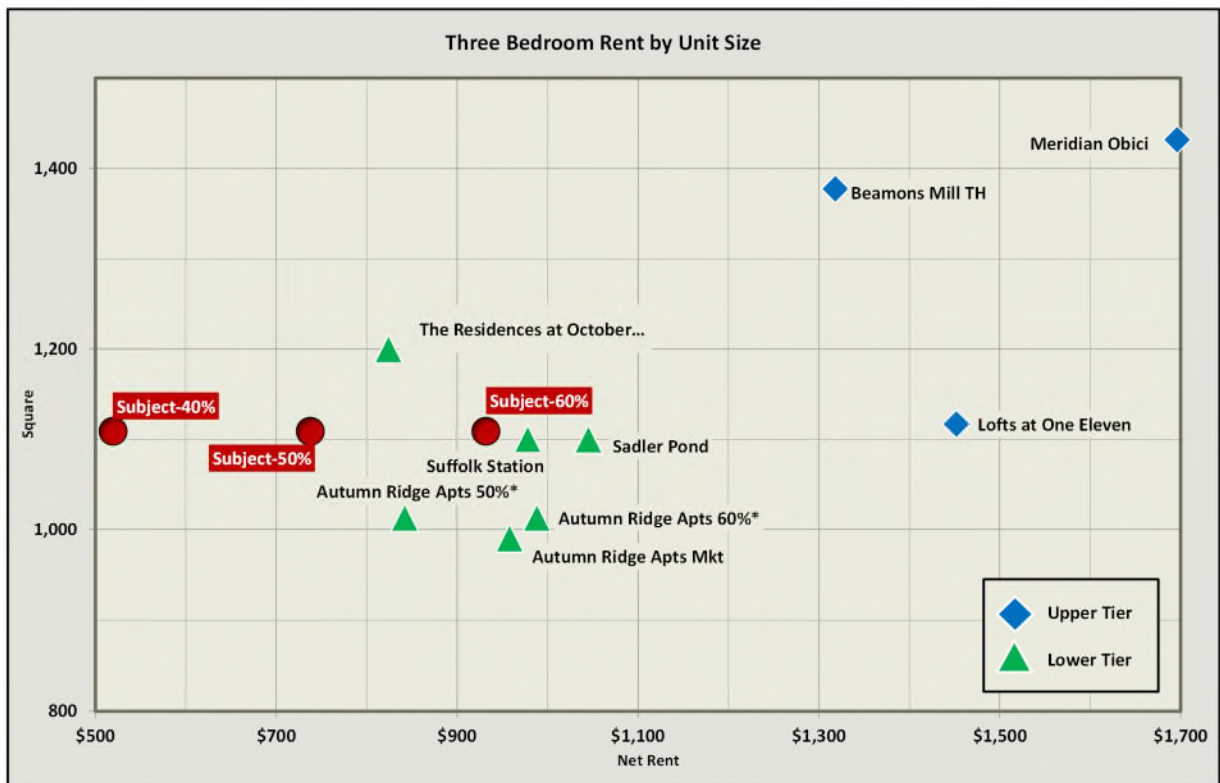
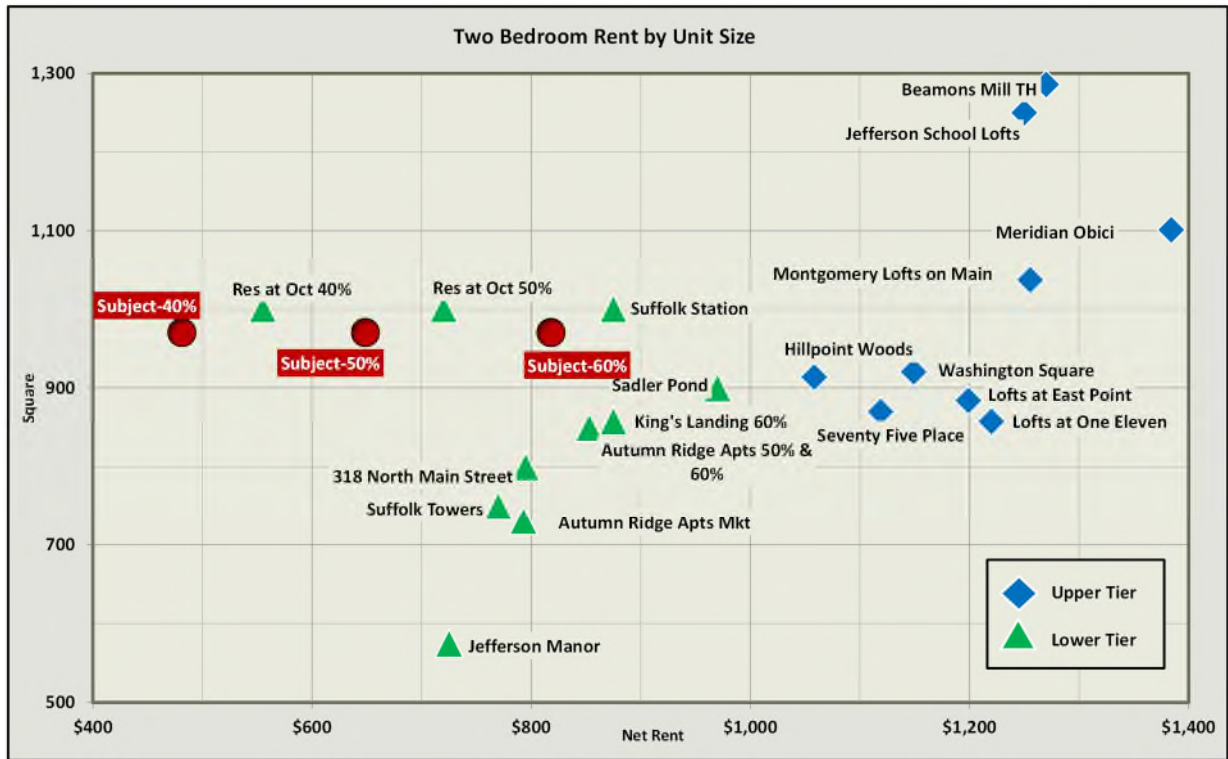
If subsidies were not available, the subject’s proposed rents would revert to the proposed 50 percent LIHTC rents. The tax credit rents proposed for White Marsh Pointe Apartments are well below the tax credit maximums achievable in the primary market area. Figure 11, provides a graphic representation of the competitive positions of the rents and square footages proposed for the subject’s one-, two- and three-bedroom units assuming no subsidies.

Among each bedroom size:

- One-bedroom units –The subject’s units are the largest in the market amongst the tax credit communities. The pricing is at the lower end of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.
- Two-bedroom units –The subject’s units are among the largest in the market. The Residences at October and Suffolk Station are closely comparable tax credit communities. The subject’s two-bedroom units are larger than five market rate communities. The pricing is at the lower end of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.
- Three-bedroom units – The positioning is similar as that of the two-bedroom units. The subject’s units are among the larger communities in the market. The pricing is at the lower end of the market. The units are priced in line with the other LIHTC units at 60 percent AMI in the market.

Figure 11 Price Position of White Marsh Pointe Apartments







H. Absorption Estimate

The only property to open since 2015 in this market is Meridian Obici, a 224-unit mid-rise community. Since opening in August 2016, Meridian Obici is leasing up at an average pace of less than fifteen units per month. We do not believe this pace is representative of typical market conditions, given the unique product type and its pricing well above the top of the market.

White Marsh Pointe Apartments is new construction replacing the Parker Riddick Apartments. Half of the current residents are expected to be retained after the completion of the property. As the project will be converted from public housing under the Section 18 program, Tenant Protection Vouchers (TPVs) will be issued to eligible tenants to protect them from a loss of rental assistance, which would result in an increase in their housing costs. Upon completion of White Marsh Pointe Apartments, residents will be given first option to return. Given that the Suffolk Housing Authority current waiting list for is 179 households, and the new construction will increase the marketability of the subject, we expect a very short absorption period regardless of whether existing tenants with TPV's return. Given that the new White Marsh Pointe Apartments will have rental subsidies, they will be absorbed as fast as the can be leased up administratively. It is reasonable to assume the community will be fully occupied within 3 months, or 31 units a month.

I. Impact on Existing Market

RPRG does not anticipate that the subject will have an adverse impact on the existing rental market as the subject is an existing and fully occupied subsidized community. All of the general occupancy subsidized communities in the market area have demonstrated consistent full occupancy with extensive waiting lists. Tax credit communities also have a very low vacancy rate of 1.4 percent.

Additionally, the subject's capture rate is readily achievable, the penetration rate is well within acceptable range, and a gross analysis of supply and demand indicates an excess of demand that could support additional rental units beyond the subject and other planned units.

We hope you find this analysis helpful in your decision-making process.

Handwritten signature of Timothy Houseal in black ink.

Timothy Houseal
Analyst

Handwritten signature of Robert M. Lefefeld in black ink.

Robert M. Lefefeld
Founding Principal



IX. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed, and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national, and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities, and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed, and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are neither existing judgments nor any pending or threatened litigation, which could hinder the development, marketing, or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



X. APPENDIX 2 NCHMA CHECKLIST

Introduction: The National Council of Housing Market Analysts provides a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. In cases where the item is not relevant, the author has indicated "N/A" or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

Component (*First occurring page is noted)		*Page(s)
Executive Summary		
1.	Executive Summary	VI
Project Summary		
2.	Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances	4
3.	Utilities (and utility sources) included in rent	4
4.	Project design description	4
5.	Unit and project amenities; parking	4
6.	Public programs included	4
7.	Target population description	4
8.	Date of construction/preliminary completion	6
9.	If rehabilitation, existing unit breakdown and rents	3
10.	Reference to review/status of project plans	N/A
Location and Market Area		
11.	Market area/secondary market area descriptor	24
12.	Concise description of the site and adjacent parcels	7
13.	Description of site characteristics	7
14.	Site photos/maps	8
15.	Map of community services	14
16.	Visibility and accessibility evaluation	11
17.	Crime information	12
Employment and Economy		
18.	Employment by industry	19
19.	Historical unemployment rate	17
20.	Area major employers	21
21.	Five-year employment growth	18
22.	Typical wages by occupation	20



23.	Discussion of commuting patterns of area workers	18
Demographic Characteristics		
24.	Population and household estimates and projections	26
25.	Area building permits	27
26.	Distribution of income	32
27.	Households by tenure	32
Competitive Environment		
28.	Comparable property profiles	78
29.	Map of comparable properties	36
30.	Comparable property photos	78
31.	Existing rental housing evaluation	34
32.	Comparable property discussion	41
33.	Area vacancy rates, including rates for tax credit and government-subsidized communities	37
34.	Comparison of subject property to comparable properties	43
35.	Availability of Housing Choice Vouchers	N/A
36.	Identification of waiting lists	37
37.	Description of overall rental market including share of market-rate and affordable properties	35
38.	List of existing LIHTC properties	35
39.	Discussion of future changes in housing stock	50
40.	Discussion of availability and cost of other affordable housing options, including homeownership	34
41.	Tax credit and other planned or under construction rental communities in market area	50
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	58
43.	Calculation and analysis of Penetration Rate	61
44.	Evaluation of proposed rent levels	66
45.	Derivation of Achievable Market Rent and Market Advantage	43
46.	Derivation of Achievable Restricted Rent	49
47.	Precise statement of key conclusions	65
48.	Market strengths and weaknesses impacting project	65
49.	Recommendation and/or modification to project description	65, if applicable
50.	Discussion of subject property's impact on existing housing	68
51.	Absorption projection with issues impacting performance	68
52.	Discussion of risks or other mitigating circumstances impacting project	68, if applicable
53.	Interviews with area housing stakeholders	50
Certifications		



54.	Preparation date of report	Cover
55.	Date of field work	Cover
56.	Certifications	77
57.	Statement of qualifications	74
58.	Sources of data not otherwise identified	N/A
59.	Utility allowance schedule	N/A



XI. APPENDIX 3 ANALYST RESUMES

TAD SCEPANIAK **Managing Principal**

Tad Scepianiak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm's research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low Income Housing Tax Credit (LIHTC) program and market rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

Tad is National Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as Vice Chair and Co-Chair of Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

- Low Income Tax Credit Rental Housing: Mr. Scepianiak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
- Senior Housing: Mr. Scepianiak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.
- Market Rate Rental Housing: Mr. Scepianiak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
- Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia



ROBERT M. LEFENFELD
Founding Principal

Mr. Lefenfeld, Founding Principal of the firm, with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob provides input and guidance for the completion of the firm's research and analysis products. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively about residential real estate market analysis. Bob has created and teaches the market study module for the MBA HUD Underwriting course and has served as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He is the past National Chair of the National Council of Housing Market Analysts (NCHMA) and currently chairs its FHA Committee.

Areas of Concentrations:

- Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.
- Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.
- Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

Education:

Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.



TIMOTHY HOUSEAL
Analyst

Timothy Houseal joined Real Property Research Group (RPRG) as an analyst in 2018 bringing with him thirteen years of experience in the commercial real estate industry. His educational background consists of coursework in finance, business strategy, economics, and market research.

Prior to joining RPRG, Timothy served as a Certified Research Associate with CoStar Group, leading market research & analysis efforts for the commercial real estate industry. During Timothy's time at CoStar, he produced market analytics, quarterly market reports, and collected competitive real estate market statistical information.

Areas of Concentration:

- **FHA Section 221(d)(4):** Timothy prepares feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multifamily Accelerated Processing (MAP) guidelines for market studies
- **Low Income Housing Tax Credits:** Timothy prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations.

Education:

Bachelor of Science – Marketing; York College of Pennsylvania, York, PA



XII.APPENDIX 4 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 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 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.

A handwritten signature in black ink, appearing to read 'Timothy Houseal'.

Timothy Houseal
Market Analyst

_____12/23/2018_____

Date



XIII. APPENDIX 5 RENTAL COMMUNITY PROFILES

318 North Main Street

Multifamily Community Profile

318 N Main Street
Suffolk, VA 23434

Community Type: Market Rate - General

Structure Type: 3-Story Garden

12 Units 0.0% Vacant (0 units vacant) as of 12/10/2018

Last Major Rehab in 2000 Opened in 1920



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$795	800	\$0.99	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	

Features	
Standard: Ceiling Fan; Central A/C; High Ceilings; Carpet / Vinyl/Linoleum	
Select Units: Patio/Balcony	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Privately Owned Owner: --	

Comments

deck
white appl

Floorplans (Published Rents as of 12/10/2018) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	12	\$795	800	\$.99	Market	12/10/18	0.0%	--	\$795	--
									1/3/18	0.0%	--	\$750	--
									2/18/13	0.0%	--	\$750	--
									8/21/12	8.3%	--	--	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Natural Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

© 2019 Real Property Research Group, Inc. (1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.

Autumn Ridge Apts

Multifamily Community Profile

114 Nancy Drive
Suffolk, VA 23434

Community Type: LIHTC - General
Structure Type: 2-Story Garden/TH

176 Units 2.8% Vacant (5 units vacant) as of 12/11/2018

Opened in 1982



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse:	<input type="checkbox"/> Pool-Outdr: <input type="checkbox"/>
One	--	\$708	556	\$1.27	Comm Rm:	<input type="checkbox"/> Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry:	<input checked="" type="checkbox"/> Tennis: <input type="checkbox"/>
Two	--	\$833	810	\$1.03	Elevator:	<input type="checkbox"/> Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness:	<input type="checkbox"/> CarWash: <input type="checkbox"/>
Three	--	\$929	1,005	\$0.92	Hot Tub:	<input type="checkbox"/> BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna:	<input type="checkbox"/> ComputerCtr: <input type="checkbox"/>
					Playground:	<input checked="" type="checkbox"/>

Features	
Standard: Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Carpet / Vinyl/Linoleum	
Select Units: --	
Optional(\$): --	
Security: Cameras	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: North Bay Group Owner: --	

Comments

ARAI is 128 units, ARAII is 48 LIHTC units. ARAI has 24-1BD, 88-2BD, and 16-3BD. ARAII has 32-2BR and 16-3BR.
 ARAII formerly Lynnhill Commons I&II. 24 units ae 50%, 24 units are 60%. Waitlist- 3 months. Courtyard & picnic area.
 White appl, walk in closets, new roofs, hvac, floors, floors, windows, plumbing, bathrooms & fixtures.

Floorplans (Published Rents as of 12/11/2018) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$710	556	\$1.28	Market	12/11/18	2.8%	\$708	\$833	\$929
Townhouse	--	2	1	--	\$790	731	\$1.08	Market	1/3/18	5.7%	\$666	\$743	\$899
Garden	--	2	1	--	\$850	850	\$1.00	LIHTC/ 60%	8/21/12	--	--	--	--
Garden	--	2	1	--	\$850	850	\$1.00	LIHTC/ 50%					
Garden	--	3	1.5	--	\$980	1,013	\$.97	LIHTC/ 60%					
Garden	--	3	1.5	--	\$834	1,013	\$.82	LIHTC/ 50%					
Townhouse	--	3	1	--	\$950	990	\$.96	Market					

Adjustments to Rent

Incentives:
\$200 off 1st month

Utilities in Rent: Heat Fuel: Electric
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Beamons Mill TH

Multifamily Community Profile

224 Beamons Mill Trail
Suffolk, VA 23434

Community Type: Market Rate - General

Structure Type: 2-Story Garden/TH

54 Units 1.9% Vacant (1 units vacant) as of 12/10/2018

Opened in 2007



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	1.9%	\$1,010	840	\$1.20	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	29.6%	\$1,270	1,286	\$0.99	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	68.5%	\$1,318	1,378	\$0.96	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Patio/Balcony; Carpet	
Select Units: Fireplace	
Optional(\$): In Unit Laundry (\$30.00)	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Crestline Realty Owner: --	

Comments

W/D rental \$50. 55 total units, one is used as a rental office. Only one rental unit is a one-bedroom garden apartment, it remains from the former property that was on the site.
Walk in closets, outside sheds available for lease

Floorplans (Published Rents as of 12/10/2018) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	1	\$995	840	\$1.18	Market	12/10/18	1.9%	\$1,010	\$1,270	\$1,318
Townhouse	--	2	2.5	16	\$1,250	1,286	\$0.97	Market	1/3/18	1.9%	\$890	\$1,230	\$1,286
Townhouse	--	3	1.5	4	\$1,210	1,300	\$0.93	Market	4/11/17	0.0%	\$910	\$1,243	\$1,287
Townhouse	--	3	2.5	14	\$1,280	1,340	\$0.96	Market	2/1/13	0.0%	\$865	\$1,195	\$1,218
Townhouse	--	3	2.5	19	\$1,320	1,422	\$0.93	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Beamons Mill TH

VA800-015084

Hillpoint Woods

Multifamily Community Profile

601 Hillpoint Boulevard
Suffolk, VA 23434

Community Type: Market Rate - General
Structure Type: 2-Story Garden

144 Units 0.7% Vacant (1 units vacant) as of 12/10/2018

Opened in 2005



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	8.3%	\$940	772	\$1.22	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	8.3%	\$965	864	\$1.12	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	83.3%	\$1,058	914	\$1.16	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$100
Property Manager: Ashby Development Owner: --	

Comments

Detached garage/storage locker: \$45-\$100
white appl, laminate counters

Floorplans (Published Rents as of 12/10/2018) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	12	\$925	772	\$1.20	Market	12/10/18	0.7%	\$953	\$1,058	--
Garden	Den	1	1	12	\$950	864	\$1.10	Market	1/3/18	6.9%	\$953	\$1,058	--
Garden	--	2	1	56	\$1,025	902	\$1.14	Market	2/1/13	4.9%	\$918	\$1,006	--
Garden	--	2	2	64	\$1,050	924	\$1.14	Market	8/21/12	3.5%	--	--	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Jefferson Manor

Multifamily Community Profile

201 Lee Street
Suffolk, VA 23434

Community Type: Market Rate - General
Structure Type: 3-Story Adaptive Reuse

39 Units 2.6% Vacant (1 units vacant) as of 12/11/2018

Opened in 1945



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	41.0%	\$548	414	\$1.32	<input type="checkbox"/>	<input type="checkbox"/>
One	38.5%	\$620	594	\$1.04	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	20.5%	\$725	575	\$1.26	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Ceiling Fan; Window A/C	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Hatcher & Associates Owner: --	

Comments

--

Floorplans (Published Rents as of 12/11/2018) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Adaptive Reuse	--	Eff	1	16	\$525	414	\$1.27	Market	12/11/18	2.6%	\$620	\$725	--
Adaptive Reuse	--		1	1	\$595	594	\$1.00	Market					
Adaptive Reuse	--		2	1	\$695	575	\$1.21	Market					

--

Adjustments to Rent

Incentives:
none

Utilities in Rent: Heat Fuel:

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Jefferson School Lofts

Multifamily Community Profile

120 West Finney Avenue
Suffolk, VA 23434

Community Type: Market Rate - General
Structure Type: Adaptive Reuse

16 Units 6.3% Vacant (1 units vacant) as of 12/10/2018

Opened in 2008



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	25.0%	\$1,195	1,100	\$1.09	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	75.0%	\$1,250	1,250	\$1.00	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; HighCeilings; Hardwood	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Clover Properties	
Owner: --	

Comments

SS appl, granite counters
Some units have original chalkboards

Floorplans (Published Rents as of 12/10/2018) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	4	\$1,195	1,100	\$1.09	Market	12/10/18	6.3%	\$1,195	\$1,250	--
Garden	--	2	2	12	\$1,250	1,250	\$1.00	Market	1/3/18	6.3%	\$1,200	\$1,345	--
									2/1/13	0.0%	\$935	\$1,048	--
									8/21/12	0.0%	--	--	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Jefferson School Lofts

VA800-015076

King's Landing

Multifamily Community Profile

1000 Litton Lane
Suffolk, VA 23434

Community Type: LIHTC - General
Structure Type: 3-Story Garden

120 Units 0.0% Vacant (0 units vacant) as of 12/10/2018

Opened in 1992



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
One	40.0%	\$740	661	\$1.12	Comm Rm: <input type="checkbox"/>	Basketball: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	60.0%	\$875	858	\$1.02	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Central A/C; Carpet	
Select Units: --	
Optional(\$): In Unit Laundry (\$31.50)	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Perrel Management Owner: --	

Comments

\$31.50 W/D rental
Waitlist- 8 hhlds

Floorplans (Published Rents as of 12/10/2018) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	48	\$740	661	\$1.12	LIHTC/ 60%	12/10/18	0.0%	\$740	\$875	--
Garden	--	2	1	72	\$875	858	\$1.02	LIHTC/ 60%	1/3/18	1.7%	\$719	\$861	--
									2/26/13	0.0%	\$705	\$840	--
									8/21/12	3.3%	--	--	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

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(2) Published Rent is rent as quoted by management.

Lofts at East Point

Multifamily Community Profile

326 East Washington Street
Suffolk, VA 23434

Community Type: Market Rate - General

Structure Type: Adaptive Reuse

33 Units 6.1% Vacant (2 units vacant) as of 12/10/2018

Opened in 2010



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	57.6%	\$1,029	689	\$1.49	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	42.4%	\$1,199	884	\$1.36	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	Elevator:	Volleyball:
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; Cable TV; Broadband Internet; Hardwood	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	Legend Prop Group
Owner:	Monument Construction Gro

Comments

Granite countertops and stainless steel appliances. Some 2BRs only have 1 bathroom.
Cable and internet included in rent. Historic rehab of former warehouse. Apartments, retail and office space.
Apartments opened February 2010, 95% occupied by July 2010.

Floorplans (Published Rents as of 12/10/2018) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	19	\$1,099	689	\$1.60	Market	12/10/18	6.1%	\$1,029	\$1,199	--
Mid Rise - Elevator	--	2	2	14	\$1,284	884	\$1.45	Market	1/3/18	3.0%	\$923	\$1,299	--
									2/1/13	0.0%	\$879	\$1,015	--
									8/21/12	0.0%	--	--	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Lofts at One Eleven

Multifamily Community Profile

111 W. Washington St.
Suffolk, VA 23434

Community Type: Market Rate - General
Structure Type: 3-Story Adaptive Reuse

26 Units 7.7% Vacant (2 units vacant) as of 12/10/2018

Opened in 2012



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	76.9%	\$900	646	\$1.39	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	19.2%	\$1,220	858	\$1.42	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	3.8%	\$1,452	1,117	\$1.30	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; Hardwood	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Legend Prop Group Owner: Monument Construction Gro	

Comments

Cable and internet included in rent. Custom cabinets, granite counters, SS appl.
Ample parking is available in an adjacent city lot for no additional fee. On-site retail
Adaptive reuse of Damiani Building. Select homes have exposed brick, private entrances and skylights.

Floorplans (Published Rents as of 12/10/2018) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Adaptive Reuse	--	1	1	20	\$1,005	646	\$1.56	Market	12/10/18	7.7%	--	--	--	
Adaptive Reuse	--	2	1	5	\$1,350	858	\$1.57	Market	1/3/18	0.0%	\$900	\$1,220	\$1,452	
Adaptive Reuse	--	3	1	1	\$1,612	1,117	\$1.44	Market	2/26/13	0.0%	\$894	\$1,165	\$1,439	
									8/17/12	0.0%	--	--	--	

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Meridian Obici

Multifamily Community Profile

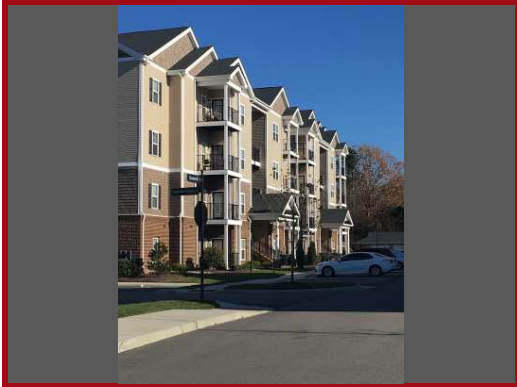
1000 Meridian Obici Way
Suffolk, VA 23434

Community Type: Market Rate - General

Structure Type: 4-Story Mid Rise

224 Units 4.5% Vacant (10 units vacant) as of 12/11/2018

Opened in 2016



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	57.1%	\$1,100	833	\$1.32	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	35.7%	\$1,384	1,101	\$1.26	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	7.1%	\$1,696	1,432	\$1.18	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; Patio/Balcony; HighCeilings; Hardwood	
Select Units: --	
Optional(\$): In Unit Laundry (\$45.00)	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$120
Property Manager: Alliance Residential Owner: --	

Comments

Theater, billiards, cabanas w/ outdoor kitchen, grill area, firepit, coffee bar, breakfast bar, sundeck, media center
Brushed nickel finishes, shaker style cabinets, black appl. Pre-lease 05/16, 1st bldg 08/16, last bldg 11/17
Pool view-\$30, 1&4th flr & pond view-\$10, W&D-\$45 a month. Cable and internet included in rent. Storage-\$35

Floorplans (Published Rents as of 12/11/2018) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Nansemond / Mid Rise -	--	1	1	36	\$1,046	716	\$1.46	Market	12/11/18	4.5%	\$1,100	\$1,384	\$1,696
James / Mid Rise - Elevat	--	1	1	44	\$1,131	839	\$1.35	Market	1/9/18*	9.8%	\$1,069	\$1,338	\$1,623
Merrimac / Mid Rise - Ele	--	1	1	48	\$1,206	916	\$1.32	Market	* Indicates initial lease-up.				
Bennett / Mid Rise - Elev	--	2	2	64	\$1,402	1,062	\$1.32	Market					
Harbor / Mid Rise - Elevat	--	2	2	16	\$1,513	1,259	\$1.20	Market					
Cape / Mid Rise - Elevato	--	3	2	16	\$1,746	1,432	\$1.22	Market					

Adjustments to Rent

Incentives:

none

Utilities in Rent: Heat Fuel:

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Meridian Obici

VA800-027106

Montgomery Lofts on Main

Multifamily Community Profile

139 N Main Street
Suffolk, VA 23434

Community Type: Market Rate - General
Structure Type: 2-Story Adaptive Reuse

12 Units 0.0% Vacant (0 units vacant) as of 12/11/2018

Opened in 2013



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	8.3%	\$855	828	\$1.03	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	91.7%	\$1,255	1,037	\$1.21	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	Elevator:	Volleyball:
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Stacked); Central A/C; Hardwood / Ceramic	
Select Units: --	
Optional(\$): --	
Security: Keyed Bldg Entry	
Parking 1: Underground Garage Fee: \$65	Parking 2: -- Fee: --
Property Manager: Legend Prop Group Owner: --	

Comments

Granite counters, SS appl, custom cabinetry.
Roof deck, grill area.
Cable and internet included in rent.

Floorplans (Published Rents as of 12/11/2018) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	1	1	1	\$925	828	\$1.12	Market	12/11/18	0.0%	\$855	\$1,255	--
	--	2	1.5	1	\$1,225	1,001	\$1.22	Market	1/3/18	0.0%	\$925	\$1,325	--
	--	2	2	8	\$1,315	1,035	\$1.27	Market					
	--	2	1	2	\$1,500	1,061	\$1.41	Market					

Adjustments to Rent

Incentives:
none

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Residences at October, The

Multifamily Community Profile

2028 Freeneey Avenue
Suffolk, VA 23434

CommunityType: LIHTC - General
Structure Type: 3-Story Garden

72 Units 0.0% Vacant (0 units vacant) as of 12/11/2018

Opened in 2013



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	66.7%	\$693	1,000	\$0.69	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	33.3%	\$824	1,200	\$0.69	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard:	Dishwasher
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1:	Free Surface Parking
Fee:	--
Parking 2:	--
Fee:	--
Property Manager:	Lawson Companies
Owner:	--

Comments

Hiking/biking/jogging trail, grill areas
W/D rentals avail, eat-in kitchen w/ pantry, maple cabinets, brushed nickel fixtures
Waitlist: 6 months

Floorplans (Published Rents as of 12/11/2018) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	8	\$535	1,000	\$.54	LIHTC/ 40%	12/11/18	0.0%	--	\$693	\$824
Garden	--	2	2	40	\$700	1,000	\$.70	LIHTC/ 50%	1/3/18	0.0%	--	\$679	\$799
Garden	--	3	2	24	\$799	1,200	\$.67	LIHTC/ 50%					

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Sadler Pond

Multifamily Community Profile

2500 Sandy Spring Lane
Suffolk, VA 23434

Community Type: Market Rate - General

Structure Type: 3-Story Garden

110 Units 0.9% Vacant (1 units vacant) as of 12/11/2018

Opened in 1989



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	78.2%	\$970	900	\$1.08	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	21.8%	\$1,045	1,100	\$0.95	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Carpet	
Select Units: Patio/Balcony	
Optional(\$): In Unit Laundry (\$45.00)	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: United Property Asso Owner: --	

Comments

\$45 W/D rental

Floorplans (Published Rents as of 12/11/2018) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	2	2	86	\$950	900	\$1.06	Market	12/11/18	0.9%	--	\$970	\$1,045	
Garden	--	3	2	24	\$1,020	1,100	\$0.93	Market	1/3/18	3.6%	--	\$920	\$1,010	
									2/1/13	0.0%	--	\$830	\$925	
									8/21/12	0.0%	--	--	--	

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Seventy Five Place

Multifamily Community Profile

75 Commerce Street
Suffolk, VA 23434

Community Type: Market Rate - General
Structure Type: Adaptive Reuse

16 Units 25.0% Vacant (4 units vacant) as of 12/10/2018

Opened in 2009



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	6.3%	\$899	480	\$1.87	<input type="checkbox"/>	<input type="checkbox"/>
One	12.5%	\$1,074	661	\$1.63	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	81.3%	\$1,119	870	\$1.29	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Cable TV; Broadband Internet; Hardwood	
Select Units: Patio/Balcony	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Legend Prop Group Owner: Monument Construction	

Comments

Adaptive reuse of old warehouse building, opened in 2009. Units have granite countertops, hardwood floors, stainless steel appliances.
Cable and internet included in rent.

Floorplans (Published Rents as of 12/10/2018) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Adaptive Reuse	--	Eff	1	1	\$987	480	\$2.06	Market	12/10/18	25.0%	\$1,074	\$1,119	--
Adaptive Reuse	--	1	1	2	\$1,179	661	\$1.79	Market	1/3/18	18.8%	\$1,089	\$1,109	--
Adaptive Reuse	--	2	1	13	\$1,249	870	\$1.44	Market	2/1/13	0.0%	\$882	\$988	--
									8/21/12	0.0%	--	--	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Suffolk Station

Multifamily Community Profile

100 Forrest Oak Lane
Suffolk, VA 23434

Community Type: Market Rate - General
Structure Type: 2-Story Garden

112 Units 2.7% Vacant (3 units vacant) as of 12/10/2018

Opened in 1987



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	71.4%	\$875	1,000	\$0.88	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	28.6%	\$978	1,100	\$0.89	Elevator:	Volleyball:
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Carpet	
Select Units: Patio/Balcony	
Optional(\$): In Unit Laundry (\$45.00)	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: United Property Asso Owner: --	

Comments

Units are renovated as needed on turnover.
Playground, walking trails and a park are located next to property.
W/D rental \$45.

Floorplans (Published Rents as of 12/10/2018) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	80	\$855	1,000	\$0.86	Market	12/10/18	2.7%	--	\$875	\$978
Garden	--	3	2	32	\$953	1,100	\$0.87	Market	1/3/18	8.9%	--	\$788	\$950
									2/4/13	5.4%	--	\$768	\$838
									8/21/12	4.5%	--	--	--

Adjustments to Rent

Incentives:
none

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Suffolk Towers

Multifamily Community Profile

181 N. Main Street
Suffolk, VA 23434

CommunityType: Market Rate - General

Structure Type: Mid Rise

59 Units 8.5% Vacant (5 units vacant) as of 12/10/2018

Last Major Rehab in 2008 Opened in 1925



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	\$587	450	\$1.30	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$690	500	\$1.38	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$770	750	\$1.03	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Ceiling Fan; Carpet / Vinyl/Linoleum	
Select Units: --	
Optional(\$): --	
Security: Unit Alarms	
Parking 1: Surface Parking Fee: \$30	Parking 2: -- Fee: --
Property Manager: Private Owner Owner: --	

Comments

Commerical space on ground floor.
Walk in closets.

Floorplans (Published Rents as of 12/10/2018) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	Eff	1	--	\$675	450	\$1.50	Market	12/10/18	8.5%	\$690	\$770	--
Mid Rise - Elevator	--	1	1	--	\$795	500	\$1.59	Market	1/9/18	5.1%	\$545	\$670	--
Mid Rise - Elevator	--	2	1	--	\$900	750	\$1.20	Market	8/21/12	0.0%	--	--	--

Adjustments to Rent

Incentives:

none

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Suffolk Towers

VA800-017320

Washington Square

Multifamily Community Profile

121-149 W Washington Street
Suffolk, VA 23434

Community Type: Market Rate - General
Structure Type: 2-Story Adaptive Reuse

71 Units 1.4% Vacant (1 units vacant) as of 12/11/2018

Opened in 2014



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	84.5%	\$919	666	\$1.38	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	15.5%	\$1,149	921	\$1.25	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	Elevator:	Volleyball:
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Stacked); HighCeilings; Hardwood	
Select Units: --	
Optional(\$): --	
Security: Keyed Bldg Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Legend Prop Group Owner: --	

Comments

Granite counters, exposed brick, SS appl

Floorplans (Published Rents as of 12/11/2018) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	1	1	60	\$1,024	666	\$1.54	Market	12/11/18	1.4%	\$919	\$1,149	--
	--	2	2	11	\$1,279	921	\$1.39	Market	1/3/18	8.5%	\$899	\$1,149	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel:

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash: