

A MARKET FEASIBILITY STUDY OF:

RIVERBEND

APARTMENTS

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RIVERBEND

APARTMENTS

Located At:
108 Midkiff Lane
Radford, Radford City, Virginia 24141

Effective Date: March 2, 2020
Report Date: March 11, 2020

Prepared for:
PJ Hornik
Southport Financial Services, Inc.
5403 W Gray Street
Tampa, FL 33609

Assignment Code: 10221500

Prepared by:
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March 11, 2020

Mr. PJ Hornik
Southport Financial Services, Inc.
5403 W Gray Street
Tampa, FL 33609

Re: Market Study of Riverbend Apartments
108 Midkiff Lane,
Radford, Radford City, Virginia 24141

Dear Mr. Hornik:

At your request, Novogradac Consulting LLP has performed a study of the multifamily rental market in the Radford, Virginia area relative to the above-referenced Section 8 project. We have been engaged to perform an appraisal and HUD RCS along with this market study. We have previously performed a preliminary rent analysis on the property that is the Subject of this report, effective January 25, 2020. The appraisal group has performed no other services in the past three years on the subject property of this report.

The purpose of this market study is to assess the viability of Riverbend Apartments ("Subject"). The Subject is an existing 60-unit multifamily Section 8 property that will be renovated with LIHTC funding. The property will offer 60 subsidized one, two, three, and four-bedroom units restricted to households earning 50 and 60 percent of the Area Median Income (AMI), or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the 2020 market study requirements of the Virginia Housing Development Authority (VHDA) and conforms to VHDA guidelines. In addition to the addressee, additional users of this report include VHDA.

The National Council of Housing Market Analysts (NCHMA) is a professional organization chartered to promote the development of high quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report generally conforms to those standards. Any slight modifications or departures from those standards are considered incidental and result from the specific market study requirements of VHDA. The scope of the study is based on agreed upon procedures as outlined in the engagement letter and as summarized as follows:

- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- In-person inspection of the Subject property.
- Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.
- Investigating the general economic health and conditions of the rental market.
- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.
- Reviewing relevant public records and contacting appropriate public agencies.
- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary Market Area, if applicable.
- Surveying competing projects, both LIHTC and market-rate.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

Southport Financial Services, Inc. is the client in this engagement and intended user of this report. Furthermore, Virginia Housing Development Authority (VHDA) is an authorized user of this market study and VHDA may rely on representations made herein. As our client Southport Financial Services, Inc. owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted

the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

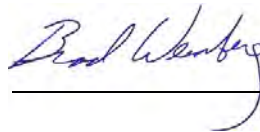
The Stated Purpose of this assignment is to assist with underwriting and for submittal to VHDA for the purposes of obtaining LIHTC funding. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners. Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this project.

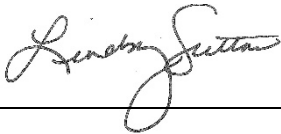
Respectfully submitted,
Novogradac Consulting LLP



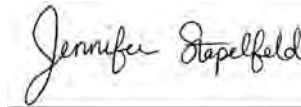
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ADDENDA

- Statement of Qualifications*
- Data Sources*
- NCHMA Certification and Checklist*
- Utility Allowance Schedule*
- Subject and Neighborhood Photographs*
- Site and Floor Plans*
- Subject Matrices and Property Profiles*

I. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The Subject is an existing 60-unit Section 8 multifamily rental development known as Riverbend Apartments. The Subject consists of 15 one-, 30 two-, 10 three-, and 5 four-bedroom units contained in 14 two-story garden-style and townhome residential buildings. In addition, there is one single-story clubhouse/leasing office. The Subject's buildings were originally built in 1974 and are constructed with wood siding exterior and pitched, asphalt-shingled roofs. The Subject is located at 108 Midkiff Lane in Radford, Radford city, Virginia 24141. The Subject currently benefits from a 40-year term HAP contract (HAP# VA36-HO27-151) that covers all 60 of the Subject's units. According to the most recent HAP rent schedule provided by the client, the Subject's contract rents went into effect on March 1, 2020. According to a rent roll dated March 2, 2020, the Subject was 100 percent occupied and maintains a waiting list.

The Subject is proposing significant renovations with LIHTC equity in 2020. Following rehabilitation, all of the Subject units will continue to receive Project-Based Section 8 rental assistance and will also be restricted to households earning 50 and 60 percent of AMI, or less. Additionally, the developer has elected to restrict the hypothetical LIHTC rents at 40, 50 and 60 percent of AMI levels. The construction timeline is anticipated to be six to eight months, starting in August 2020, with an anticipated completion date of April 2021. Renovations are expected to occur with tenants in place to limit tenant disruption. Additionally, according to the client, the Subject is applying for a Chapter 15 mark-up-to-market restructuring of the current Section 8 contract.

The Subject is located in the western portion of Radford, which is a primarily residential neighborhood consisting of single-family homes in fair to good condition, multifamily uses in average to good condition, vacant land and pastures, and small commercial and retail uses scattered along W Main St/1st Street, north of the Subject. Land uses south of the Subject consist of Ingles Farm, a large farm along the New River. Land uses north and west of the Subject consist of single-family homes in average overall condition. Uses farther west of the Subject include a public riverside park, office, religious, and various retail and commercial uses along W Main Street. Uses west include, but are not limited to, the following: Riverview Park, Deli-Mart, a Citgo gas station Radford Water Department, Autos Unlimited, West Radford Church of God, Ferguson Supply Store, and Bucko's Pantry. Directly east of the Subject, land use consists of River Bend Outlook, a multifamily use that was excluded as a comparable due to its affordability restrictions. Land use to the south and east of the Subject is wooded land and single-family homes in average condition. Overall, the majority of surrounding land uses are in fair to good condition.

The following table details the proposed hypothetical LIHTC rents and unit mix for the Subject. The utility allowance/structure will remain the same for the Subject as renovated.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Proposed LIHTC Rent	Utility Allowance (1)	Monthly Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	% of LIHTC Max. Allowable Gross Rent	2019 HUD Fair Market Rents
<i>@40% AMI</i>								
1BR/1BA(HC)	566	3	\$496	\$79	\$575	\$575	100.00%	\$759
4BR/2BA	1,489	3	\$684	\$206	\$890	\$890	100.00%	\$1,526
<i>@50% AMI</i>								
1BR/1BA	566	4	\$615	\$104	\$719	\$719	100.00%	\$759
2BR/1.5BA	1,059	7	\$728	\$135	\$863	\$863	100.00%	\$869
2BR/1.5BA	1,089	7	\$728	\$135	\$863	\$863	100.00%	\$869
3BR/1.5BA	1,268	5	\$804	\$193	\$997	\$997	100.00%	\$1,256
4BR/2BA	1,489	1	\$906	\$206	\$1,112	\$1,112	100.00%	\$1,526
<i>@60% AMI</i>								
1BR/1BA	566	8	\$759	\$104	\$863	\$863	100.00%	\$759
2BR/1.5BA	1,059	8	\$901	\$135	\$1,036	\$1,036	100.00%	\$869
2BR/1.5BA	1,089	8	\$901	\$135	\$1,036	\$1,036	100.00%	\$869
3BR/1.5BA	1,268	5	\$1,004	\$193	\$1,197	\$1,197	100.00%	\$1,256
4BR/2BA(HC)	1,489	1	\$1,145	\$191	\$1,336	\$1,335	100.07%	\$1,526
Total		60						

Notes (1) Source of Utility Allowances per Subject's HUD rent schedule, 3/1/2020

In general, we believe there is demand in the marketplace for the Subject as conceived. We recommend no changes to the general development scheme.

Strengths

- As a newly renovated property, the Subject will exhibit a slightly superior to similar condition relative to the majority of the comparable properties.
- The Subject’s projected LIHTC rents represent significant discounts to the achievable market rents.
- The LIHTC vacancy at the comparable properties is 3.2 percent, which suggests a stable market for affordable housing. According to a rent roll dated March 2, 2020, the Subject was 100 percent occupied and maintains a waiting list.
- The Subject primarily offers a townhouse design for a majority of its units, which will offer greater appeal to family renters over garden-style design.

Weaknesses

- The Subject’s one- and two-bedroom unit sizes offer slight market disadvantages relative to the average unit sizes of the comparables.

Capture Rates - VHDA:

The VHDA net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households.

VHDA DEMAND AND NET DEMAND

Income Restrictions	@40% (Section 8)	@40% - Absent Subsidy	@50% (Section 8)	@50% - Absent Subsidy	@60% (Section 8)	@60% - Absent Subsidy	Total Project Demand As Proposed - (LIHTC/Section 8)	Total Project Demand Absent Subsidy - LIHTC Units
	(\$0 - \$35,600)	(\$20,571 - \$35,600)	(\$0 - \$44,500)	(\$24,651 - \$44,500)	(\$0 - \$53,400)	(\$29,589 - \$53,400)	(\$0 - \$53,400)	(\$20,571 - \$53,400)
Demand from New Renter HHs (age and income appropriate)	-147	-12	-148	-11	-132	6	-132	3
PLUS	+	+	+	+	+	+	+	+
Demand from Existing Renter HHs - Rent Overburdened (47.5%)	8,121	2,365	9,383	2,951	10,509	3,259	10,509	4,752
PLUS	+	+	+	+	+	+	+	+
Demand from Existing Renter HHs - Substandard Housing	69	20	79	25	89	28	89	40
=	=	=	=	=	=	=	=	=
Sub Total	8,043	2,373	9,314	2,965	10,466	3,293	10,466	4,796
Demand from Existing Households - Elderly Homeowner Turnover	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Demand	8,043	2,373	9,314	2,965	10,466	3,293	10,466	4,796
Less	-	-	-	-	-	-	-	-
New Supply (Directly comparable vacant units completed or proposed in PMA)	0	0	6	6	3	3	9	9
NET DEMAND	8,043	2,373	9,308	2,959	10,463	3,290	10,457	4,787
Proposed Units	6	6	24	24	30	30	60	60
CAPTURE RATE	0.07%	0.25%	0.26%	0.81%	0.29%	0.91%	0.57%	1.25%
Absorption Period	< 1 month	< 1 month	1-2 months	1-2 months	2 months	2 months	4 months	4 months

We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties, as well as the prevalence of lengthy waiting lists at four of the five comparable LIHTC properties. Of note, four of the five market rate comparables also reported maintaining waiting lists. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate - All Units (LIHTC/Section 8)	0.6%
Project Wide Capture Rate - LIHTC Units	1.3%
Project Wide Absorption Period	4 months

The following table illustrates the conclusions from this table. These are low capture rates and are indicative of ample demand for the Subject.

Conclusions/Recommendations

- In general, we believe there is demand in the marketplace for the Subject as conceived. We recommend no changes to the general development scheme. We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties, as well as the prevalence of lengthy waiting lists at four of the five comparable LIHTC properties. Of note, four of the five market rate comparables also reported maintaining waiting lists. The Subject will be well-positioned in the market as a newly renovated affordable property, and will exhibit slightly superior to similar condition relative to the majority of the comparable properties. The market exhibits strong demand for additional affordable housing, with vacancy rates ranging from zero to 8.6 percent at the comparable LIHTC properties, with an average vacancy rate of 3.2 percent. Vacancy and collection loss at the Subject is expected to be no more than three percent over the long term, which is in line with the Subject’s historical vacancy. Based on the comparable data, we have concluded to achievable LIHTC rents as illustrated in the following table:

ACHIEVABLE LIHTC RENTS

	1BR	2BR	3BR	4BR	Max Level?
Achievable Rent @ 40%	\$471	-	-	\$684	Yes
Achievable Rent @ 50%	\$615	\$728	\$804	\$906	Yes
Achievable Rent @ 60%	\$725	\$850	\$825	\$1,050	No

The Subject’s rents offer significant market rent advantages. Overall, we believe there is demand for the Subject.

II. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:	Novogradac Consulting LLP has performed a comprehensive market study of the multifamily rental market in the Radford, Virginia area to assess the viability of Riverbend Apartments (“Subject”). The Subject is an existing 60-unit multifamily Section 8 property that is proposed for renovations with LIHTCs. Tenants at the Subject pay 30 percent of their income towards rent under the Section 8 subsidy. The property will offer 60 subsidized units restricted to 60 percent of the Area Median Income (AMI), or less, post-renovation. We have been engaged to perform an appraisal and HUD RCS along with this market study. We previously completed a preliminary rent analysis on the subject property of this report, effective January 25, 2020. The Subject is proposed to be financed through VHDA’s competitive nine percent LIHTC program.
Developer/Client Information:	Southport Financial Services, Inc.
Intended Use and Users of the Report:	The report will be submitted to the Virginia Housing Development Authority (VHDA) for application purposes. The intended users of the report are VHDA and Southport Financial Services, Inc.
Scope of the Report:	<ul style="list-style-type: none">▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ In-person inspection of the Subject site and its general location.▪ Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.▪ Investigating the general economic health and conditions of the multifamily rental market.▪ Estimating number of income-eligible households and performing an analysis of relevant demographic demand for the Subject.▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income-eligible tenants in the Primary Market Area.▪ Reviewing relevant public records and contacting public agencies.▪ Analysis of the economic and social conditions in the market area, in relation to the project.▪ Establishing the Subject’s Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject site was inspected by H. Blair Kincer on March 2, 2020, which shall serve as the effective date of this report.
Primary Contacts for the Report:	H. Blair Kincer – Blair.Kincer@novoco.com; Brad Weinberg - Brad.Weinberg@novoco.com; Lindsey Sutton - Lindsey.Sutton@novoco.com; Jennifer Stapelfeld - Jennifer.Stapelfeld@novoco.com, 904-703-9890;

III. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- Location:** The Subject site is located at 108 Midkiff Lane, Radford, Virginia 24141.
- Site Description:** The Subject site consists of one irregularly-shaped parcel totaling 8.764 acres, or approximately 381,760 square feet. The Subject has frontage along Midkiff Lane and W Main Street.
- Visibility/Views:** The Subject has average visibility. The Subject is located in a residential neighborhood with generally limited traffic. To the north, east, and south of the Subject, views consist generally of vacant land. To the west, the Subject’s views consists of single-family homes in fair to average condition. Overall, visibility is considered average, and views are considered average.
- Access and Traffic Flow:** The Subject site is accessible by Midkiff Lane, a small residential roadway that becomes 2nd Street and connect to Hart Lane 0.3-mile west of the Subject. Midkiff Lane traverses through the Subject property and provides direct access from the southeast side of the property to W Main Street. W Main Street provides access northbound to Radford’s city center, as well as provides access to I-81, approximately 1.3 miles south of the Subject. I-81 is a major highway providing access to Roanoke, VA and Knoxville, TN, approximately 35 miles east and 230 miles southwest, respectively. Overall, traffic in the Subject’s immediate area is considered moderate, and access is considered good.
- Existing Improvements:** The Subject property consists of 15 one-, 30 two, 10 three-, and 5 four-bedroom units contained within 14 two-story garden and townhome- style residential buildings, in addition to a single-story clubhouse/leasing office. The Subject was constructed in 1974 and is proposed to be significantly renovated with LIHTC equity in 2020.
- Aerial Photo:**



Source: Google Earth, February 2020

Site Layout:



Source: City of Radford GIS, February 2020

Proposed Rents and Unit Mix:

The following table details the proposed rents and unit mix for the Subject. The utility structure will remain the same for the Subject as renovated.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Proposed LIHTC Rent	Utility Allowance (1)	Monthly Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	% of LIHTC Max. Allowable Gross Rent	2019 HUD Fair Market Rents
<i>@40% AMI</i>								
1BR/1BA(HC)	566	3	\$496	\$79	\$575	\$575	100.00%	\$759
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2BR/1.5BA	1,089	7	\$728	\$135	\$863	\$863	100.00%	\$869
3BR/1.5BA	1,268	5	\$804	\$193	\$997	\$997	100.00%	\$1,256
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<i>@60% AMI</i>								
1BR/1BA	566	8	\$759	\$104	\$863	\$863	100.00%	\$759
2BR/1.5BA	1,059	8	\$901	\$135	\$1,036	\$1,036	100.00%	\$869
2BR/1.5BA	1,089	8	\$901	\$135	\$1,036	\$1,036	100.00%	\$869
3BR/1.5BA	1,268	5	\$1,004	\$193	\$1,197	\$1,197	100.00%	\$1,256
4BR/2BA(HC)	1,489	1	\$1,145	\$191	\$1,336	\$1,335	100.07%	\$1,526
Total		60						

Notes (1) Source of Utility Allowances per Subject's HUD rent schedule, 3/1/2020

Target Population & Occupancy Type:

The Subject currently targets low-income households of the general population. Based on the unit mix and proposed rent levels, the annual incomes will range from \$26,674 to \$53,400 for units at the 60 percent of AMI level. According to the most recent rent roll, dated March 2, 2020, the Subject's was 100 percent occupied with a waiting list.

Utility Structure:

The Subject offers all electric utilities. Tenants are responsible for all electric utility expenses, while the landlord covers cold water, sewer and trash removal expenses. Following the renovations, the utility structure will remain the same. The Subject currently utilizes project-specific utility allowances, which are shown in the table above. The utility structure varies among the comparable properties and we have adjusted the comparables' rents in accordance with the utility calculations from VHDA, effective July 1, 2019.

VHDA UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR	4BR
Heating - Electric	Tenant	\$27	\$35	\$43	\$55
Cooking - Electric	Tenant	\$4	\$5	\$7	\$8
Other Electric	Tenant	\$15	\$20	\$24	\$31
Air Conditioning	Tenant	\$7	\$9	\$12	\$15
Water Heating - Electric	Tenant	\$13	\$17	\$21	\$27
Water	Landlord	\$22	\$29	\$35	\$45
Sewer	Landlord	\$27	\$35	\$43	\$55
Trash	Landlord	\$11	\$11	\$11	\$11
TOTAL - Paid By Landlord		\$60	\$75	\$89	\$111
TOTAL - Paid By Tenant		\$66	\$86	\$107	\$136
TOTAL - Paid By Tenant per 7/1/2016 HUD schedule		\$79-85	\$133	\$167	\$201-222
DIFFERENCE		120-129%	155%	156%	148-163%

Source: VHDA 2 Exposed Walls, eff. 7/1/2019

Unit Mix:

The following table illustrates the Subject's existing unit mix and sizes:

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	15	566	8,490
2BR / 1.5BA	15	1,059	15,885
2BR / 1.5BA	15	1,089	16,335
3BR / 1.5BA	10	1,268	12,680
4BR / 2BA	5	1,489	7,445
Total	60		60,835

- Net Rentable Area:** Approximately 60,835 square feet as outlined in the table above.
- Number of Stories:** The Subject consists of 14 two-story garden-style and townhome residential buildings, in addition to a single-story clubhouse/leasing office.
- Unit Amenities:** The Subject’s in-unit amenities currently include a balcony/patio, blinds, carpet flooring, central heating and air conditioning, coat closets, exterior storage units, ovens, and refrigerators. The Subject’s three- and four-bedroom units offer washer/dryer hookups. Upon completion of the proposed renovations, all units will replace the existing carpet with new vinyl-flooring. Further, microwave and dishwasher appliances will be added, post-renovations
- Common Area Amenities:** The community amenities offered by the Subject currently include a clubhouse/leasing office with on-site management, central laundry facilities, a playground, and off-street parking. The Subject will add common-area Wi-Fi as a community amenity, post-renovations.
- Security Features:** The Subject does not offer any security features.
- Parking:** The Subject features off-street parking to its tenants at no additional cost. There are approximately 86 surface parking spaces, which equates to a parking ratio of approximately 1.4 spaces per unit. Overall, the parking offered at the Subject is reasonable given its tenancy and proximity to public transportation.
- Number of Stories:** The Subject property consists of 15 one-, 30 two, 10 three-, and 5 four-bedroom units contained within 14 two-story garden and townhome- style residential buildings, in addition to a single-story clubhouse/leasing office
- Date of Construction:** The Subject was originally built in 1974. The construction timeline is anticipated to be six to eight months, starting in August 2020, with an anticipated completion date of April 2021. Renovations are expected to occur with tenants in place with minimal tenant disruption.
- Construction Details:** The scope of renovations will include, but not be limited to the following:

Interior	Exterior	Misc
<ul style="list-style-type: none"> • New interior paint; • Upgrade/replace kitchen appliances; • Addition of microwaves/dishwashers; • Replace kitchen and bathroom • New bathroom fixtures/accessories; • Replace carpet with new vinyl flooring; 	<ul style="list-style-type: none"> • Replace windows and exterior doors; • Replace/repair siding/exterior; • Sidewalks & repairs, as needed; • Upgrade exterior patio/storage • Landscaping upgrades; • Repair roofs (as needed); 	<ul style="list-style-type: none"> • Office/Community Bldg; • ADA/Life Safety Compliance; • Window Coverings • Electric (Light fixtures, GFIs); • General Demo & Misc. cleaning • Addition of common-area Wi-Fi

The total renovation hard costs are estimated to \$3,000,000, or approximately \$50,000 per unit. The construction timeline is anticipated to be six to eight months, starting in August 2020, with an anticipated completion date of April 2021. Renovations are expected to occur with tenants in place to limit tenant disruption.

Assisted Housing Program:

The Subject currently benefits from a 40-year term HAP contract (HAP# VA36-H027-151) that covers all 60 of the Subject's units. According to the most recent HAP rent schedule provided by the client, the Subject's contract rents went into effect on March 1, 2020. Additionally, according to the client, the Subject is applying for a Chapter 15 mark-up-to-market restructuring of the current Section 8 contract.

Target Population and Occupancy Type:

The Subject currently targets low-income households of the general population. According to the most recent rent roll, dated March 2, 2020, the Subject's was 100 percent occupied with a waiting list. Post-renovation, the Subject will be set-aside for low to moderate-income tenants restricted to households earning 50 and 60 percent of the AMI or less. Based on the unit mix and proposed rent levels, the annual incomes will range from \$24,651 to \$53,400 for units at 50 and 60 percent of AMI level(s).

Americans with Disabilities Act of 1990:

We assume the property does not have any violations of the Americans with Disabilities Act of 1990.

Quality of Construction Condition and Deferred Maintenance:

We assume the Subject will be renovated in a timely manner consistent with the information provided, using average-quality materials in a professional manner.

Functional Utility:

We reviewed plans for the Subject property and inspected the property; the unit sizes and layout appear functional and market-oriented.

Conclusion:

The Subject will be a newly renovated Section 8 and LIHTC property and will exhibit good condition upon completion of renovations. The renovation of the Subject is expected to be an improvement to the existing neighborhood.

PROPERTY PROFILE REPORT

Riverbend Apartments

Effective Rent Date	3/02/2020
Location	108 Midkiff Ln Radford, VA 24141 Radford County
Distance	N/A
Units	60
Vacant Units	N/A
Vacancy Rate	N/A
Type	Various (2 stories)
Year Built/Renovated	1974 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Vickie Adams
Phone	(540) 633-0071



Market Information

Program	@40% (Section 8), @50% (Section 8), @60%
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	N/A
Waiting List	Yes

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	3	566	\$471	\$0	@40% (Section 8)	N/A	N/A	N/A	yes	None
1	1	Garden (2 stories)	4	566	\$615	\$0	@50% (Section 8)	N/A	N/A	N/A	yes	None
1	1	Garden (2 stories)	8	566	\$759	\$0	@60% (Section 8)	N/A	N/A	N/A	yes	None
2	1.5	Townhouse (2 stories)	7	1,059	\$728	\$0	@50% (Section 8)	N/A	N/A	N/A	yes	None
2	1.5	Townhouse (2 stories)	7	1,089	\$728	\$0	@50% (Section 8)	N/A	N/A	N/A	yes	None
2	1.5	Townhouse (2 stories)	8	1,059	\$901	\$0	@60% (Section 8)	N/A	N/A	N/A	yes	None
2	1.5	Townhouse (2 stories)	8	1,089	\$901	\$0	@60% (Section 8)	N/A	N/A	N/A	yes	None
3	1.5	Townhouse (2 stories)	5	1,268	\$804	\$0	@50% (Section 8)	N/A	N/A	N/A	yes	None
3	1.5	Townhouse (2 stories)	5	1,268	\$1,004	\$0	@60% (Section 8)	N/A	N/A	N/A	yes	None
4	2	Townhouse (2 stories)	3	1,489	\$684	\$0	@40% (Section 8)	N/A	N/A	N/A	yes	None
4	2	Townhouse (2 stories)	1	1,489	\$906	\$0	@50% (Section 8)	N/A	N/A	N/A	yes	None
4	2	Townhouse (2 stories)	1	1,489	\$1,129	\$0	@60% (Section 8)	N/A	N/A	N/A	yes	None

Riverbend Apartments, continued

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$471	\$0	\$471	\$0	\$471	1BR / 1BA	\$615	\$0	\$615	\$0	\$615
4BR / 2BA	\$684	\$0	\$684	\$0	\$684	2BR / 1.5BA	\$728	\$0	\$728	\$0	\$728
						3BR / 1.5BA	\$804	\$0	\$804	\$0	\$804
						4BR / 2BA	\$906	\$0	\$906	\$0	\$906

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$759	\$0	\$759	\$0	\$759
2BR / 1.5BA	\$901	\$0	\$901	\$0	\$901
3BR / 1.5BA	\$1,004	\$0	\$1,004	\$0	\$1,004
4BR / 2BA	\$1,129	\$0	\$1,129	\$0	\$1,129

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Grab Bars		
Microwave	Oven		
Pull Cords	Refrigerator		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Playground		

Comments

The property is reportedly fully occupied and maintains a waiting list. Riverbend is currently a Section 8 property that is proposing renovations with LIHTC equity. It should be noted that three- and four-bedroom units offer washer/dryer hookups. The profile reflects proposed LIHTC asking rents. The units will feature microwaves, dishwashers, common-area WiFi, and vinyl-flooring, post renovation. No other new amenities will be added; however, all existing units will be updated.

Photos



IV. LOCATION

LOCATION

Description of the Site

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow.



Source: Google Earth, retrieved February 2020

- Size:** The Subject site consists of approximately 8.764 acres, or approximately 381,760 square feet.
- Shape:** The Subject consists of one irregularly shaped parcel.
- Frontage:** The Subject has frontage along Midkiff Lane and W Main Street.
- Topography:** The site is slightly sloping to level.
- Utilities:** All utilities are available to the site.
- Visibility/Views:** The Subject has average visibility. The Subject is located in a residential neighborhood with generally limited traffic. To the north, east, and south of the Subject, views consist generally of vacant land. To the west, the Subject's views consists of single-family homes in fair to average condition. Overall, visibility is considered average, and views are considered average.
- Surrounding Uses:** The Subject is located in the western portion of Radford, which is a primarily residential neighborhood consisting of single-family homes in fair to good condition, multifamily uses in average to good condition, vacant land and pastures, and small commercial and retail uses scattered along W Main St/1st Street, north of the Subject. Land uses south of the Subject consist of Ingles Farm, a large farm along the New River. Land uses north and west of the Subject consist of single-family homes in average overall condition. Uses farther west of the Subject include a public riverside park, office, religious,

and various retail and commercial uses along W Main Street. Uses west include, but are not limited to, the following: Riverview Park, Deli-Mart, a Citgo gas station Radford Water Department, Autos Unlimited, West Radford Church of God, Ferguson Supply Store, and Bucko’s Pantry. Directly east of the Subject, land use consists of River Bend Outlook, a multifamily use that was excluded as a comparable due to its affordability restrictions. Land use to the south and east of the Subject is wooded land and single-family homes in average condition. Overall, the majority of surrounding land uses are in fair to good condition.

Access and Traffic Flow:

The Subject site is accessible by Midkiff Lane, a small residential roadway that becomes 2nd Street and connect to Hart Lane 0.3-mile west of the Subject. Midkiff Lane traverses through the Subject property and provides direct access from the southeast side of the property to W Main Street. W Main Street provides access northbound to Radford’s city center, as well as provides access to I-81, approximately 1.3 miles south of the Subject. I-81 is a major highway providing access to Roanoke, VA and Knoxville, TN, approximately 35 miles east and 230 miles southwest, respectively. Overall, traffic in the Subject’s immediate area is considered moderate, and access is considered good.

Existing Improvements:

The Subject property consists of 15 one-, 30 two-, 10 three-, and 5 four-bedroom units contained within 14 two-story garden and townhome- style residential buildings, in addition to a single-story clubhouse/leasing office.

Layout and Curb Appeal:

Based on our inspection, the Subject has a functional layout for its intended use and offers average curb appeal.

The following table summarizes various characteristics of the Subject site.

SUMMARY OF SUBJECT SITE	
Visibility	Average
Views	Average
Access/Traffic Flow	Average/Light
Layout/Curb Appeal	Average

Drainage:

Appears adequate, however, no specific tests were performed. Further, Novogradac is not an expert in this field and cannot opine on this issue.

Soil and Subsoil Conditions:

Novogradac did not perform any soil and subsoil test upon inspection of the site, as this is beyond the scope of work. We have not been provided with a soil and subsoil report. We are not experts in this field and assume the soil is adequate for development.

Environmental Assessment:

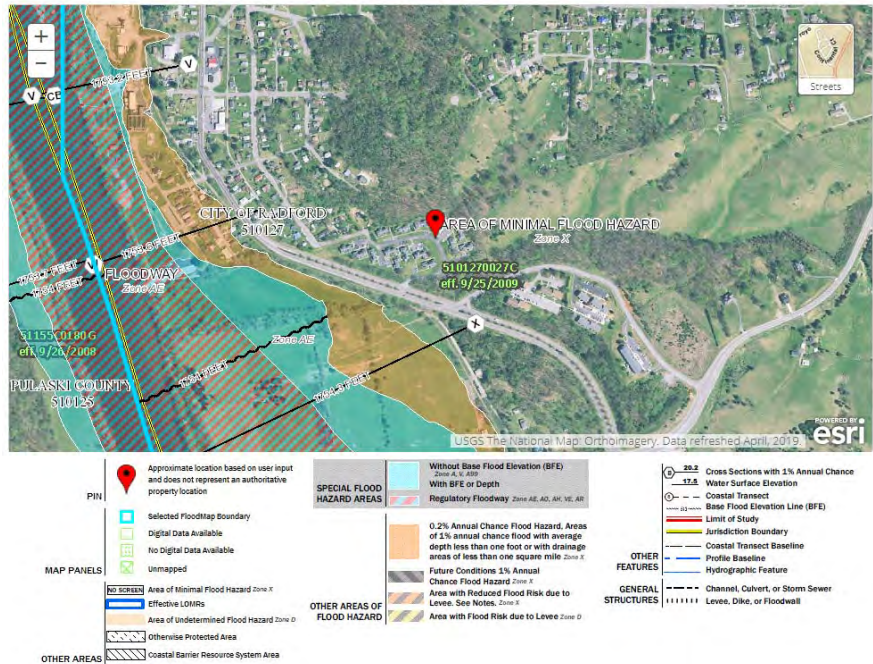
We requested but were not provided with a Phase I Environmental Report for the Subject. During our inspection, we walked the grounds of the Subject and the rear of the building and observed no obvious signs of detrimental environmental conditions. However, Novogradac and Company LLP does not have expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions.

Flood Plain:

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 51063C0025C, dated April 2008, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the .02 percent annual chance floodplains. Novogradac Consulting LLP does not offer expertise in this field and cannot

RIVERBEND APARTMENTS – RADFORD, VIRGINIA – VHDA MARKET STUDY

opine on this issue. Further analysis by Novogradac is beyond the scope of the report. Further analysis by Novogradac is beyond the scope of the report.



Source: www.FEMA.gov

Detrimental Influences:

At the time of the inspection, there were no detrimental influences observed by the appraiser that would adversely impact the marketability of the Subject.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



SUBJECT SIGNAGE



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



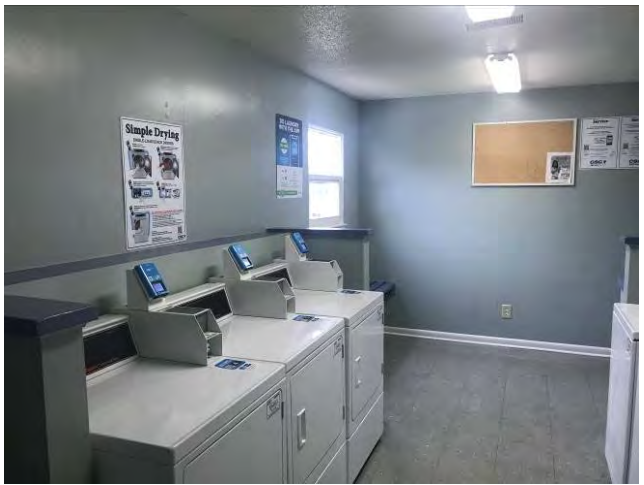
SUBJECT EXTERIOR



MANAGEMENT/LEASING OFFICE



CENTRAL LAUNDRY ROOM



CENTRAL LAUNDRY ROOM



SUBJECT PLAYGROUND



SUBJECT PROPERTY AND TYPICAL WALKWAY



TYPICAL WALKWAY



TYPICAL WALKWAY/UNIT ENTRANCE



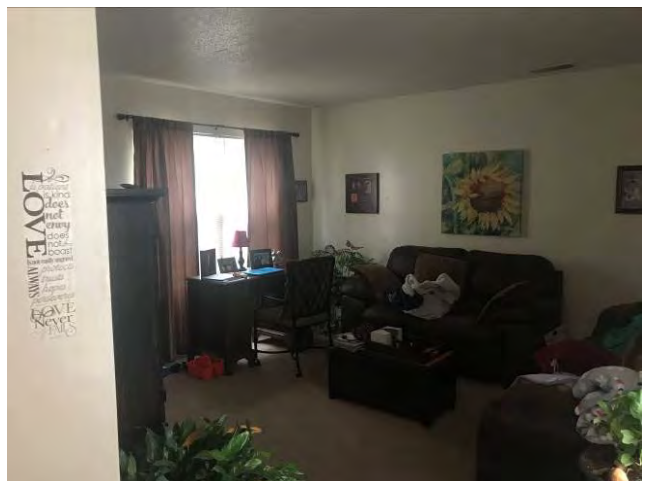
TYPICAL ENTRY AREA



TYPICAL ENTRY AREA (VACANT 2BR TH)



TYPICAL LIVING ROOM



TYPICAL LIVING ROOM



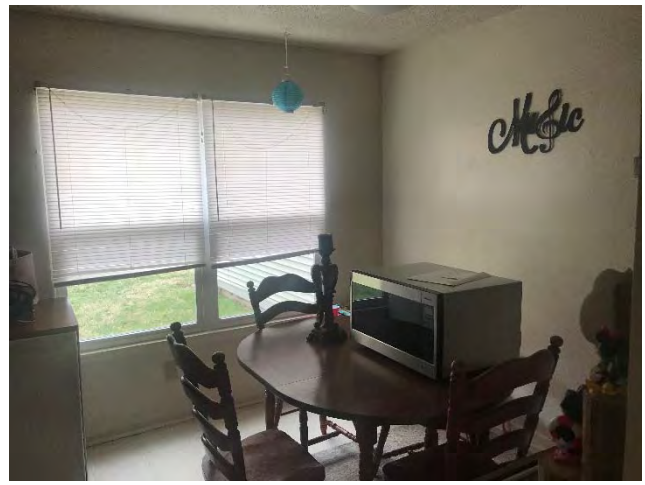
TYPICAL KITCHEN



TYPICAL KITCHEN



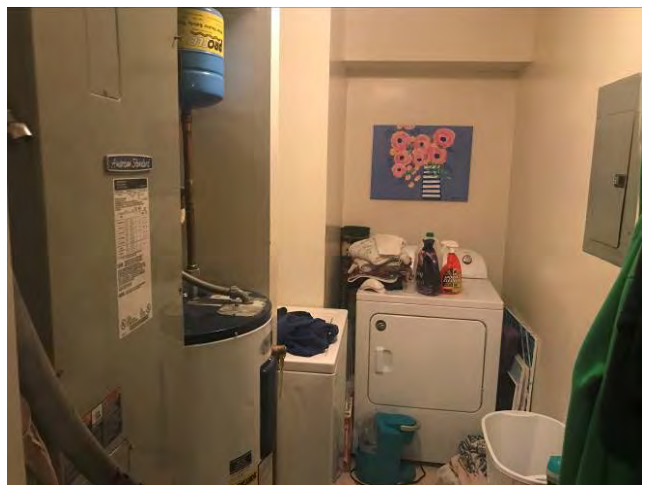
TYPICAL DINING AREA



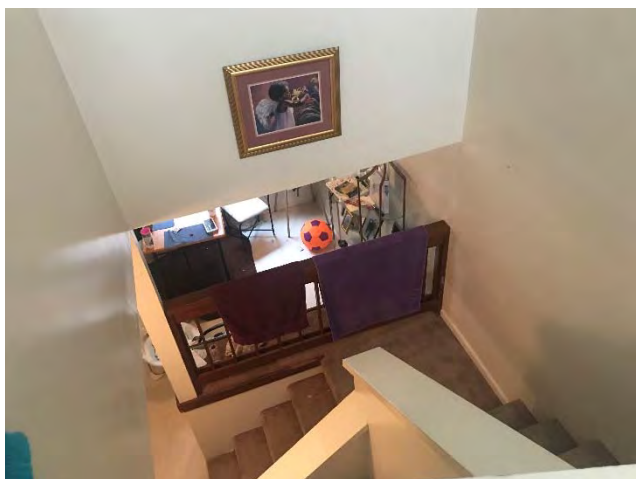
TYPICAL DINING AREA



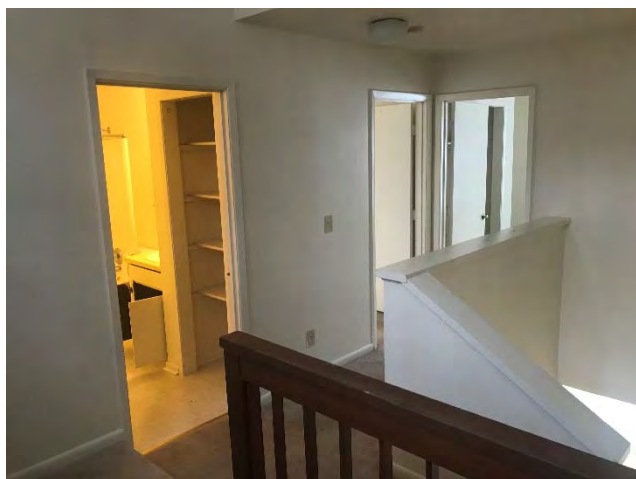
UTILITY CLOSET & W/D APPLIANCES



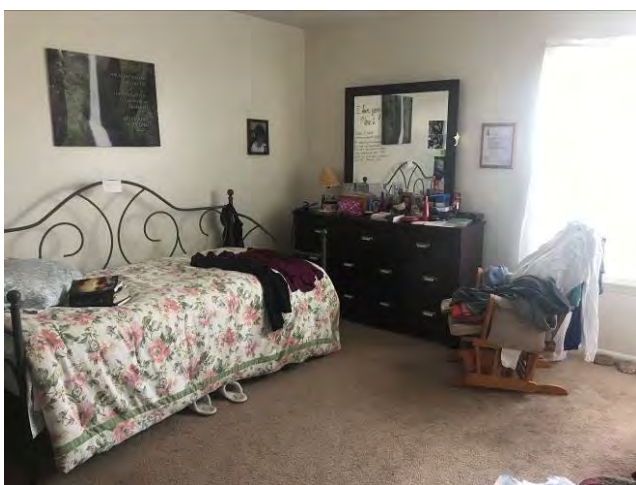
UTILITY CLOSET & W/D APPLIANCES



TYPICAL STAIRWAY (TH)



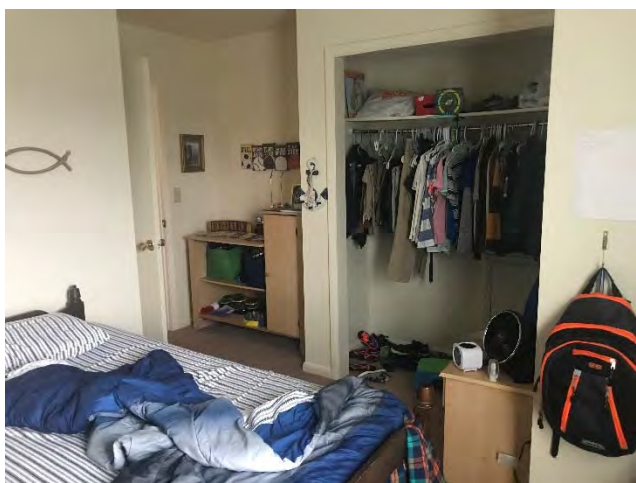
TYPICAL UPSTAIRS HALLWAY



TYPICAL BEDROOM



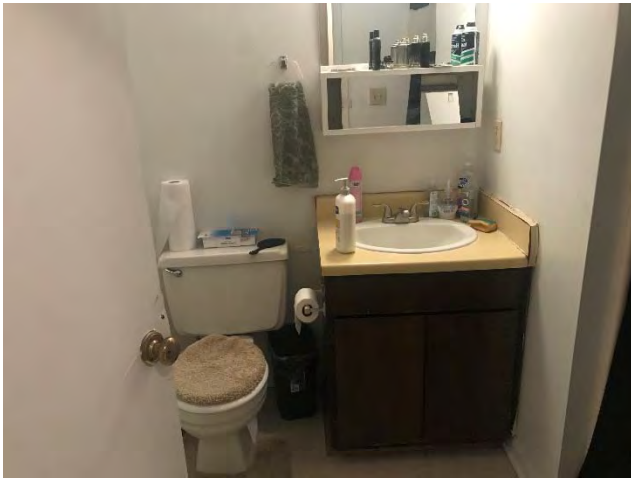
TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL BEDROOM / CLOSET (VACANT 2BR)



TYPICAL HALF-BATHROOM



TYPICAL FULL BATHROOM (VACANT)



VIEW OF SOUTHBOUND W MAIN ST FROM SUBJECT



STREET VIEW @ WEST MAIN & HIGHLAND



NEW RIVER OUTLOOK MF USE EAST OF SUBJECT



TYPICAL SINGLE-FAMILY HOMES NEAR SUBJECT



SURROUNDING USES IN SUBJECT NEIGHBORHOOD



CLOSED GREDE FOUNDRY 1-MILE NORTH OF SUBJECT



SURROUNDING USE IN SUBJECT NEIGHBORHOOD



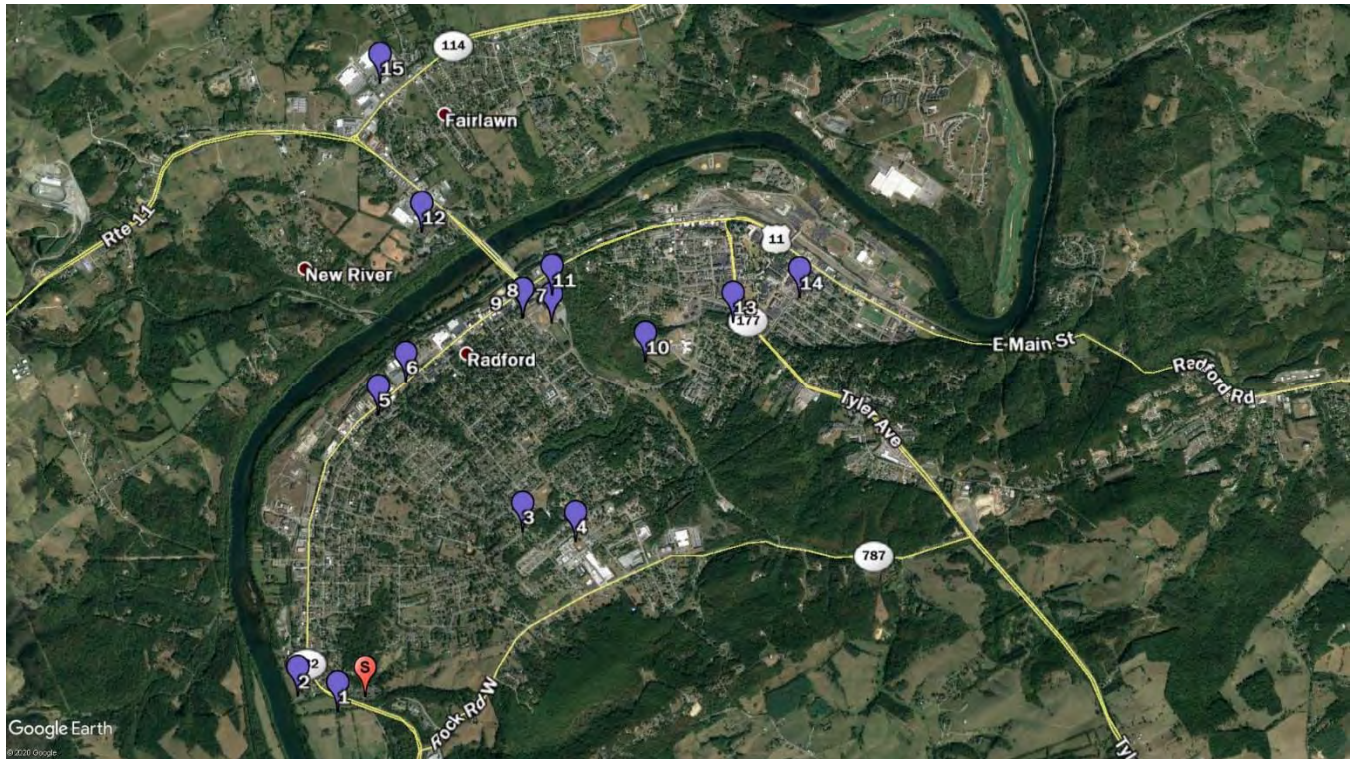
SURROUNDING USE IN SUBJECT NEIGHBORHOOD

Proximity to Local Services:

The Subject is located in close proximity to services including public transportation, retail, public schools, and medical facilities. The distances of various services from the Subject and a map of the locations are provided following.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance (Crow)	Map #	Service or Amenity	Distance (Crow)
1	Bus Stop Rte 30 & 31	On-site	9	Atlantic Union Bank	2.1 miles
2	Riverside Park	0.3 miles	10	Radford Recreation Center	2.2 miles
3	McHarg Elementary	1.2 miles	11	Radford Library	2.2 miles
4	Radford Fire & Rescue Dept.	1.3 miles	12	Kroger	2.3 miles
5	US Post Office	1.4 miles	13	Virginia Secondary School	2.6 miles
6	Radford City Police Department	1.6 miles	14	Radford University	2.9 miles
7	Radford High School	2.1 miles	15	Walmart Supercenter	3.0 miles
8	Atlantic Union Bank	2.1 miles	16	Carilion New River Medical	4.6 miles



Location and Proximity to Metropolitan Areas

The following table illustrates distances to surrounding cities and metropolitan areas from the Subject:

PROXIMITY TO MAJOR CITIES	
Location	Miles
Roanoke, VA	35 miles
Winston-Salem, NC	75 miles
Richmond, VA	171 miles
Charlottesville, VA	133 miles

Transportation

Highway: The region’s comprehensive transportation system includes interstate, state, and local highways. Access to Interstate 81 is located approximately 1.3 miles to the south of the Subject, Interstate 81 traverses east/west and provides access to Roanoke, VA and Knoxville, TN, approximately 35 miles east and 228 miles, respectively.

Air: The nearest major airport is the Roanoke–Blacksburg Regional Airport (ROA), located approximately 35 miles east of the Subject in Roanoke. ROA served more than 600,000 passengers in 2017, and offers the following airlines: Allegiant, American, Delta, and United.

Mass Transit: Radford Transit provides public transit services within the City of Radford via seven local bus routes that operate Monday through Friday from 7:00 AM to 10:00 PM. Fares are \$1.00 for one-way rides to the general public, children under 12 years ride for free, and monthly passes are available for \$20 per month. Adults ages 65 and older and passengers with a Radford Transit Disability Card ride for free. The closest bus stop is located at the intersection of Midkiff Lane and 2nd Street, on the Subject’s western border, and is serviced by Routes 30 and 31. These routes provide access to East Main Street, Radford University, and to all other bus routes at the Hub Transfer Center.

Walkability: The Subject’s neighborhood features limited sidewalks and is in close proximity to public transportation. Further, the site is designated as “Car-Dependent” by WalkScore with a score of 20 (out of 100), which is defined as some errands require a car.

Healthcare

Carilion Clinic is a healthcare network throughout the New River Valley region, which serves the communities of Montgomery, Pulaski, Floyd, Wythe, Giles and the City of Radford. The Carilion New River Valley Medical Center is an award-winning 110-bed acute care facility providing a variety of in-patient and out-patient general medical services, including emergency services, diagnostic imaging, heart care, rehabilitation services, and surgical services. The closest medical center is 4.6 miles southeast of the Subject.

Higher Education

Radford University, founded in 1910, is a midsize public university with undergraduate and graduate programs located in the heart of Radford, Virginia. The 204-acre campus offers enrollment to approximately 9,700 students annually in medicine, business, arts, and health. The Subject is located 2.2 miles southwest of Radford University’s main campus.

Crime Statistics

The following tables show crime statistics from 2017 for the PMA. The table below depicts crime indices in the PMA in comparison to that of the MSA and the nation. A crime index below 100 is below the national average and anything over 100 is above the nation’s crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime rate of 200 would be twice that of the national average.

2019 CRIME INDICES

	PMA	Blacksburg-Christiansburg- Radford, VA MSA
Total Crime*	57	62
Personal Crime*	31	34
Murder	63	69
Rape	70	76
Robbery	14	15
Assault	35	38
Property Crime*	60	66
Burglary	44	48
Larceny	70	77
Motor Vehicle Theft	23	25

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

*Unweighted aggregations

Total crime risk indices in the PMA are well-below the national average and similar to the MSA. Both geographic areas feature crime risk indices below the overall nation. The Subject does not offer any security amenities and is generally similar to a majority of the comparables. Coupled with the low overall crime index in the PMA, the lack of security features offered by the Subject does not appear to impact the marketability of the Subject. We believe the Subject is competitive in the market in terms of security features.

Conclusion

The Subject is located in the western portion of Radford, which is a primarily residential neighborhood consisting of single-family homes in fair to good condition, multifamily uses in average to good condition, vacant land and pastures, and small commercial and retail uses scattered along W Main St/1st Street, north of the Subject. Access to public transportation, groceries, pharmacy, and shopping is convenient. Overall, the Subject’s location is considered average. The neighborhood is well suited for this type of affordable multifamily housing.

V. MARKET AREA DEFINITION

MARKET AREA DEFINITION

Primary Market Area

For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

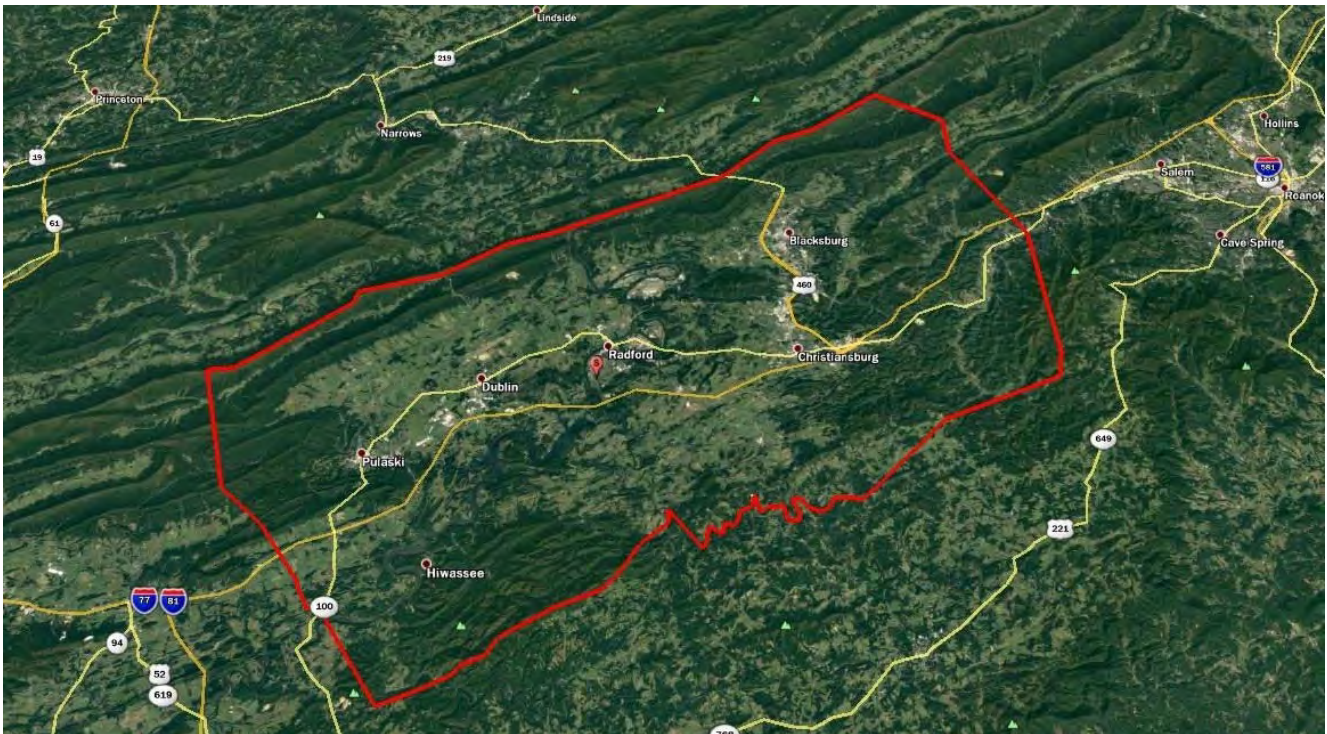
The Subject property is located in Radford, Virginia. The boundaries of the PMA are defined below:

- North:** Pulaski and Montgomery County lines
- South:** Pulaski and Montgomery County lines
- East:** Montgomery County line
- West:** Pulaski County line

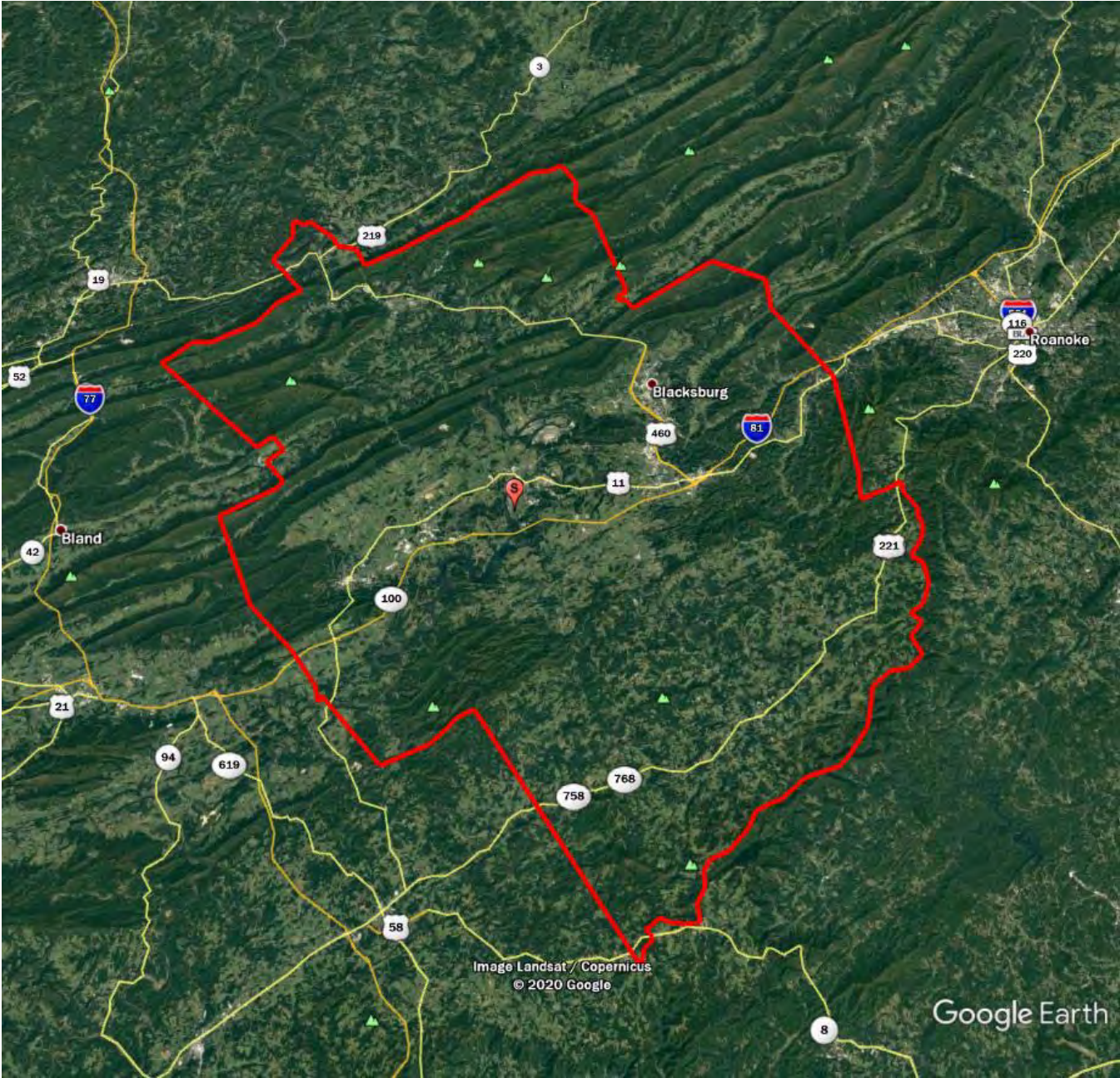
The PMA was determined based on input from area property managers, including the manager at the Subject property.

Per VHDA guidelines, analysts are not to include secondary or tertiary markets. In this case, we have conservatively defined the PMA for a multifamily development (also per specific VHDA guidance) and the secondary market area is simply presented as a source of comparison to the PMA.

Primary Market Area (PMA) Map



Secondary Market Area (SMA) Map



VI. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The city of Radford has a strong and diverse economy that is concentrated within the education, healthcare, manufacturing, government, retail trade sectors, and arts/entertainment/recreation sectors. Radford University, a midsize public university, is the largest employer in the city of Radford. The other largest employers offered in Radford are diverse and are represented in the education, healthcare, and manufacturing sectors. Radford is an independent city and is surrounded by Montgomery and Pulaski Counties. As of the 2010 census, the population in Radford was 16,408.

Major Employers

The following table illustrates the major employers in the city of Radford. It should be noted that we were unable to obtain employee counts for each employer.

MAJOR EMPLOYERS - RADFORD, VA

Employer	Industry
Radford University	Education
Kollmorgen Corporation	Manufacturing
City of Radford	Government
Radford City School Board	Education
Wackenhut Services Inc	Security Services
Radford Nursing & Rehabilitation	Healthcare Services
Pyrotechnique by Grucci	Manufacturing
Marty, Inc.	Manufacturing
Techlab Inc	Manufacturing
Macado's Inc.	Food Services
U.S. Department of Defense	Government
Harvey Chevrolet Corporation	Retail Trade

Source: Virginia Employment Commission, Novogradac, January 2020

The large portion of major employers in the healthcare and government sectors provides a stable employment base for a large portion of the workforce. The major employers in the area provide employment for a broad range of workers, spanning hi-tech, skilled, and service occupations.

Employment and Unemployment Trends

The table below illustrates employment and unemployment trends in the MSA and nation from 2000 through YTD.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

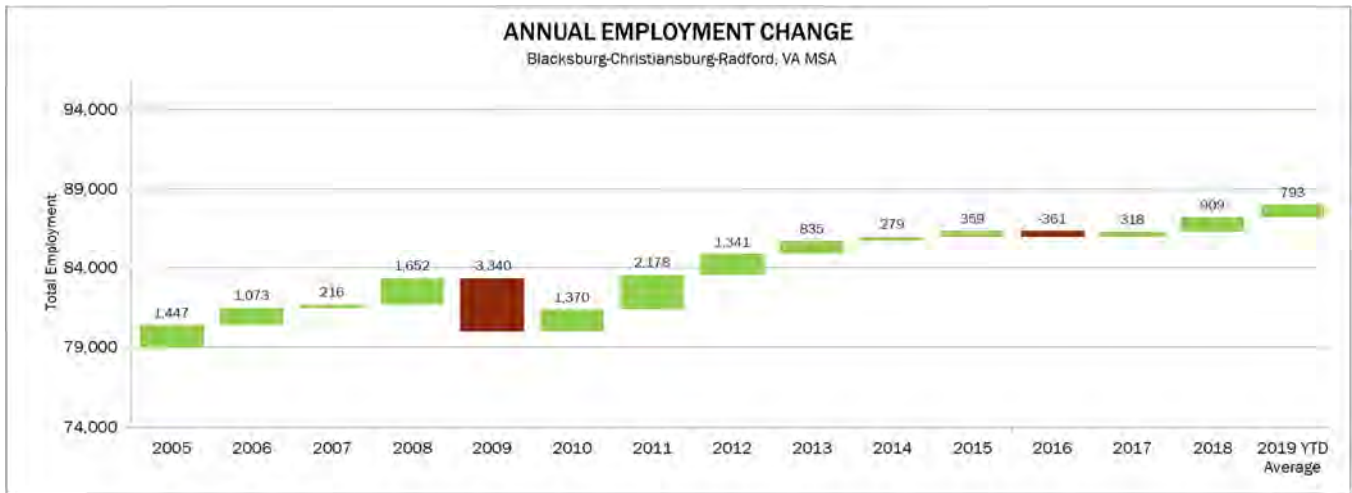
Year	Blacksburg-Christiansburg-Radford, VA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2003	79,505	-	4.6%	-	137,736,000	-	6.0%	-
2004	78,947	-0.7%	4.6%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	80,394	1.8%	4.1%	-0.5%	141,730,000	1.8%	5.1%	-0.5%
2006	81,467	1.3%	3.4%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	81,683	0.3%	3.9%	0.5%	146,047,000	1.1%	4.6%	0.0%
2008	83,335	2.0%	4.8%	0.9%	145,363,000	-0.5%	5.8%	1.2%
2009	79,995	-4.0%	8.2%	3.4%	139,878,000	-3.8%	9.3%	3.5%
2010	81,365	1.7%	8.3%	0.0%	139,064,000	-0.6%	9.6%	0.3%
2011	83,543	2.7%	7.1%	-1.1%	139,869,000	0.6%	9.0%	-0.7%
2012	84,884	1.6%	6.5%	-0.6%	142,469,000	1.9%	8.1%	-0.9%
2013	85,719	1.0%	6.3%	-0.2%	143,929,000	1.0%	7.4%	-0.7%
2014	85,998	0.3%	5.5%	-0.8%	146,305,000	1.7%	6.2%	-1.2%
2015	86,357	0.4%	4.6%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	85,996	-0.4%	4.7%	0.1%	151,436,000	1.7%	4.9%	-0.4%
2017	86,313	0.4%	4.2%	-0.5%	153,337,000	1.3%	4.4%	-0.5%
2018	87,223	1.1%	3.1%	-1.1%	155,761,000	1.6%	3.9%	-0.4%
2019 YTD Average*	88,016	0.9%	3.0%	-0.1%	157,538,083	1.1%	3.7%	-0.2%
Dec-2018	87,566	-	2.7%	-	156,481,000	-	3.7%	-
Dec-2019	90,420	3.3%	3.4%	0.7%	158,504,000	1.3%	3.4%	-0.3%

Source: U.S. Bureau of Labor Statistics, March 2020

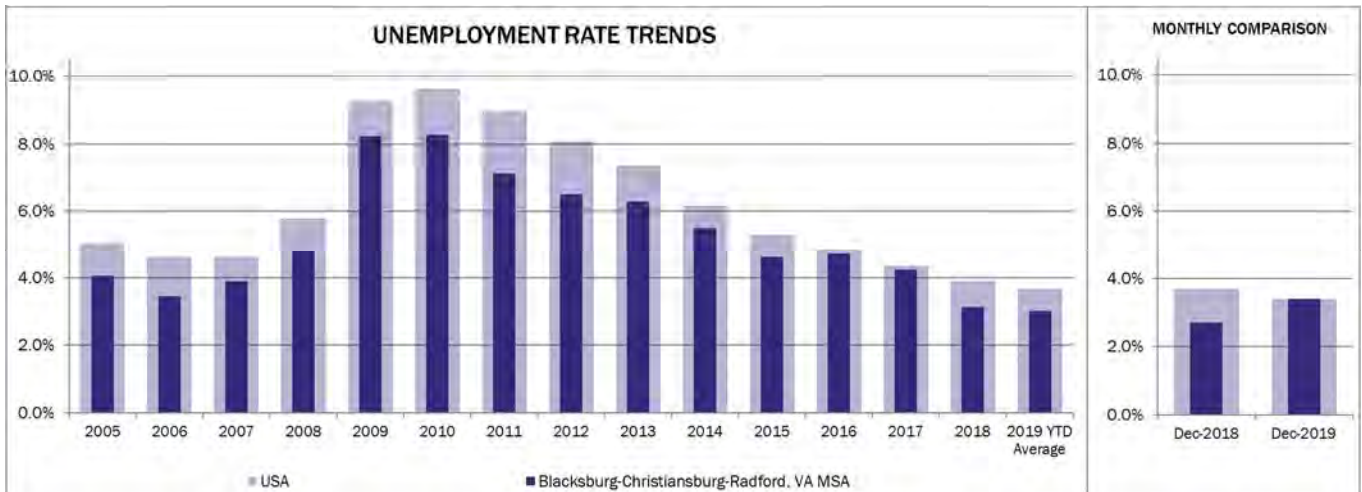
*2019 data is through October

Prior to the national recession, average employment growth in the MSA generally trailed the nation. Annual job growth in the MSA lagged the nation in all but two years between 2003 and 2007. Comparatively speaking, the MSA economy

performed well during the recession. Total MSA employment contracted by only 4.0 percent (2008-2009), less than the 4.8 percent decline reported by the overall nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2011, three years prior to the overall nation. More recently, average employment growth in the MSA lagged the nation in every year since 2012. As of December 2019, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 3.3 percent, compared to 1.8 percent across the nation.



The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. Unemployment in the MSA reached a historic low in 2006, a year before the overall nation. The local labor market demonstrated relative strength during the recession, as the rate of unemployment increased by only 4.4 percentage points, compared to a 5.0 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rates in the MSA and nation are both 3.4 percent. Overall, the local economy appears to have fully recovered from the national recession and is steadily expanding.



Employment by Industry

The following table depicts employment by industry in the Primary Market Area (PMA) and the nation.

2019 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	17,577	24.9%	14,565,802	9.1%
Manufacturing	7,490	10.6%	16,057,876	10.0%
Retail Trade	7,437	10.5%	17,127,172	10.7%
Healthcare/Social Assistance	7,282	10.3%	22,612,482	14.1%
Accommodation/Food Services	7,119	10.1%	11,738,765	7.3%
Prof/Scientific/Tech Services	3,843	5.4%	11,744,228	7.3%
Construction	3,555	5.0%	11,245,975	7.0%
Public Administration	2,924	4.1%	7,828,907	4.9%
Other Services	2,718	3.9%	8,141,078	5.1%
Admin/Support/Waste Mgmt Svcs	2,284	3.2%	6,106,184	3.8%
Transportation/Warehousing	1,844	2.6%	7,876,848	4.9%
Arts/Entertainment/Recreation	1,626	2.3%	3,332,132	2.1%
Finance/Insurance	1,311	1.9%	7,377,311	4.6%
Information	941	1.3%	3,157,650	2.0%
Real Estate/Rental/Leasing	801	1.1%	3,204,043	2.0%
Wholesale Trade	726	1.0%	4,183,931	2.6%
Utilities	452	0.6%	1,276,400	0.8%
Agric/Forestry/Fishing/Hunting	441	0.6%	1,915,709	1.2%
Mgmt of Companies/Enterprises	149	0.2%	237,307	0.1%
Mining	50	0.1%	819,151	0.5%
Total Employment	70,570	100.0%	160,548,951	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

Employment in the PMA is concentrated in the educational services, manufacturing, and retail trade industries, which collectively comprise 46.1 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the educational services, accommodation/food services, and manufacturing industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, finance/insurance, and transportation/warehousing industries.

Employment Contraction/Expansion

We consulted the Virginia Employment Commission’s Worker Adjustment and Retraining Notification (WARN) filings to determine the reported contractions within the Western Virginia Region, which includes the counties of Roanoke, Montgomery, Radford City, Pulaski, Franklin, Wythe, and surrounding areas from 2017 to 2020 YTD. The notices are summarized in the table below.

WARN LISTINGS
WESTERN VIRGINIA REGION (2017 - 2020 YTD)

Company	Industry	City	Employees Affected	Layoff Date
Norfolk Southern	Transportation	Roanoke	104	4/18/2020
Earth Fare	Grocery/Retail	Roanoke	94	2/17/2020
Volvo Trucks North America	Transportation	Dublin	700	1/20/2020
FreightCar America, Inc.	Transportation	Roanoke	200	9/20/2019
GE	Manufacturing	Salem	245	7/12/2019
Bristol Compressors	Manufacturing	Bristol	303	11/5/2018
Ammar's, Inc.	Retail Trade	Bluefield	97	10/2/2018
Ammar's, Inc.	Retail Trade	Pulaski	28	10/2/2018
Ammar's, Inc.	Retail Trade	Galax	30	10/2/2018
Avante	Healthcare Services	Roanoke	78	5/31/2018
Dish Network	Telecommunications	Christiansburg	570	5/15/2018
Walmart-Roanoke #3618	Retail Trade	Roanoke	72	1/8/2018
Shaw Industries Group, Inc.	Manufacturing	Stuart	166	10/31/2017
Cardinal Logistics Management Corp	Professional Services	Salem	69	12/2/2017
JCPenney	Retail Trade	Roanoke	72	7/31/2017
LSC Communications	Commercial Printing	Salem	140	7/23/2017
FreightCar America, Inc.	Transportation	Roanoke	<u>364</u>	4/24/2017
Total			3,332	

Source: Virginia Employment Commission, retrieved February 2020

As illustrated, there have been 17 WARN notices impacting 3,332 workers in the Western Region of Virginia since 2017. Taken in context with the size of the local labor markets and the business expansions outlined below, this is a relatively small number of documented layoffs within the past three years and can be considered an indicator of a generally healthy local economy.

Employment Expansion/Contractions

We attempted to contact the City of Radford’s Office of Economic Development regarding any new employment expansions or contractions in the area. However, as of the date of this report, our calls and emails had not been returned. Further, we researched the Montgomery County Office of Economic Development website and various online articles for additional expansions in the region. Our findings are detailed below.

- In August 2019, 1901 Group, an IT services company broke ground on its 45,000 square foot operation center expansion in Blacksburg. The company will reportedly make a capital investment of approximately \$4 million to construct the facility and grow its operations. The expansion is expected to create 580 jobs in Blacksburg and Montgomery County by 2021.
- In May 2019, Ozmo, a Blacksburg-based technology start up announced plans to invest at least \$200,000 to hire 40 additional employees. The company was founded in 2016 and will now employ 70 people.
- Oran Safety Glasses (OSG), a manufacturer of specialty glass for buses, military vehicles, and trains, invested \$4.45 million to expand its manufacturing operations in Montgomery County. This expansion created 55 new jobs for the area in addition to retaining the 75 existing employees.

Wages by Occupation

The following table illustrates the mean hourly and annual wages for various occupations in the Blacksburg-Christiansburg-Radford, VA MSA; information at the PMA level was not available.

BLACKSBURG-CHRISTIANSBURG-RADFORD, VA METROPOLITAN STATISTICAL AREA - 2ND QTR

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	70,060	\$21.17	\$44,040
Management Occupations	2,450	\$52.72	\$109,670
Legal Occupations	190	\$39.53	\$82,230
Architecture and Engineering Occupations	1,390	\$36.37	\$75,660
Healthcare Practitioners and Technical Occupations	3,340	\$34.87	\$72,540
Computer and Mathematical Occupations	1,630	\$33.88	\$70,470
Life, Physical, and Social Science Occupations	550	\$32.12	\$66,800
Business and Financial Operations Occupations	2,590	\$31.41	\$65,330
Education, Training, and Library Occupations	7,700	\$28.41	\$59,090
Community and Social Service Occupations	1,080	\$21.27	\$44,230
Installation, Maintenance, and Repair Occupations	3,270	\$19.81	\$41,190
Protective Service Occupations	1,470	\$19.64	\$40,850
Construction and Extraction Occupations	2,240	\$19.12	\$39,760
Production Occupations	8,870	\$18.72	\$38,930
Office and Administrative Support Occupations	9,030	\$15.79	\$32,850
Sales and Related Occupations	6,540	\$14.67	\$30,510
Transportation and Material Moving Occupations	3,700	\$14.64	\$30,450
Healthcare Support Occupations	1,370	\$14.43	\$30,020
Farming, Fishing, and Forestry Occupations	120	\$13.58	\$28,250
Building and Grounds Cleaning and Maintenance Occupations	2,590	\$13.45	\$27,970
Personal Care and Service Occupations	2,370	\$12.42	\$25,820
Food Preparation and Serving Related Occupations	6,570	\$10.98	\$22,840
Arts, Design, Entertainment, Sports, and Media Occupations	1,000	\$0.00	\$0

Source: Department Of Labor, Occupational Employment Statistics, 5/2018, retrieved 3/2020

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$10.98 per hour. The highest average hourly wage, of \$52.72, is for those in management occupations. Qualifying income for the Subject's affordable units will range between \$0 and \$53,400 under the proposed scenario. Absent subsidy, qualifying incomes of the Subject's tenants will range from \$26,674 to \$53,400. This encompasses a significant amount of the employment based on wages in the area.

An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base. An element not reflected in the wage rate data is that many positions represent part-time employment, and the starting rates are typically lower than mean wage rates. Household income data shown later in this report demonstrates a significant number of households within the region have earnings of less than \$30,000.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to 2019 US Census data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	No. of Commuters	Percentage
Travel Time < 5 min	2,508	3.8%
Travel Time 5-9 min	10,956	16.6%
Travel Time 10-14 min	14,491	22.0%
Travel Time 15-19 min	12,066	18.3%
Travel Time 20-24 min	8,415	12.8%
Travel Time 25-29 min	3,722	5.6%
Travel Time 30-34 min	5,390	8.2%
Travel Time 35-39 min	1,638	2.5%
Travel Time 40-44 min	1,383	2.1%
Travel Time 45-59 min	2,583	3.9%
Travel Time 60-89 min	1,870	2.8%
Travel Time 90+ min	913	1.4%
Weighted Average	21 minutes	

Source: US Census 2019, Novogradac Consulting LLP, March 2020

As shown in the preceding table, the weighted average commute time in the PMA is approximately 21 minutes. More than 73 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the educational services, manufacturing, and retail trade industries, which collectively comprise 46.1 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. Nonetheless, the effects of the national recession were less severe in the surrounding MSA, which saw total employment fall by only 4 percent, compared to 4.8 percent across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2011, three years prior to the overall nation. As of December 2019, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 3.3 percent, compared to 1.3 percent across the overall nation. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

VII. DEMOGRAPHIC CHARACTERISTICS

General Population and Household Trends

The following tables illustrate general population and household trends in the PMA, SMA, and nation from 2000 to 2024.

POPULATION

Year	PMA		Blacksburg-Christiansburg-Radford, VA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	121,343	-	155,548	-	281,250,431	-
2010	145,688	2.0%	178,237	1.5%	308,745,538	1.0%
2019	153,183	0.6%	186,750	0.5%	332,417,793	0.8%
2024	156,506	0.4%	190,264	0.4%	345,487,602	0.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

Historical population growth in the PMA remained relatively stable between 2000 and 2010. Population growth in the PMA slowed between 2010 and 2019, and was similar to the MSA. Growth in both geographic areas remained below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.4 percent through 2024, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the nation.

HOUSEHOLDS

Year	PMA		Blacksburg-Christiansburg-Radford, VA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	48,768	-	61,550	-	105,409,439	-
2010	56,595	1.6%	70,209	1.4%	116,716,296	1.1%
2019	59,207	0.5%	73,131	0.4%	125,168,557	0.8%
2024	60,487	0.4%	74,454	0.4%	129,589,563	0.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

Historical household growth in the PMA remained relatively stable between 2000 and 2010. Household growth in the PMA slowed between 2010 and 2019, and was similar to the MSA. Growth in both geographic areas remained below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.4 percent through 2024, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the nation.

Average Household Size

The following table is a summary of the average household size in the PMA, the MSA and the nation from 2000 through 2024. This table includes households of all ages.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Blacksburg-Christiansburg-Radford, VA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.41	-	2.45	-	2.59	-
2010	2.33	-0.3%	2.34	-0.5%	2.58	-0.1%
2019	2.36	0.1%	2.37	0.1%	2.59	0.1%
2024	2.36	0.0%	2.37	0.0%	2.60	0.1%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2024.

Median Household Income Levels

The following table illustrates the median household income for all households in the PMA, the SMA, and the nation from 2000 through 2024.

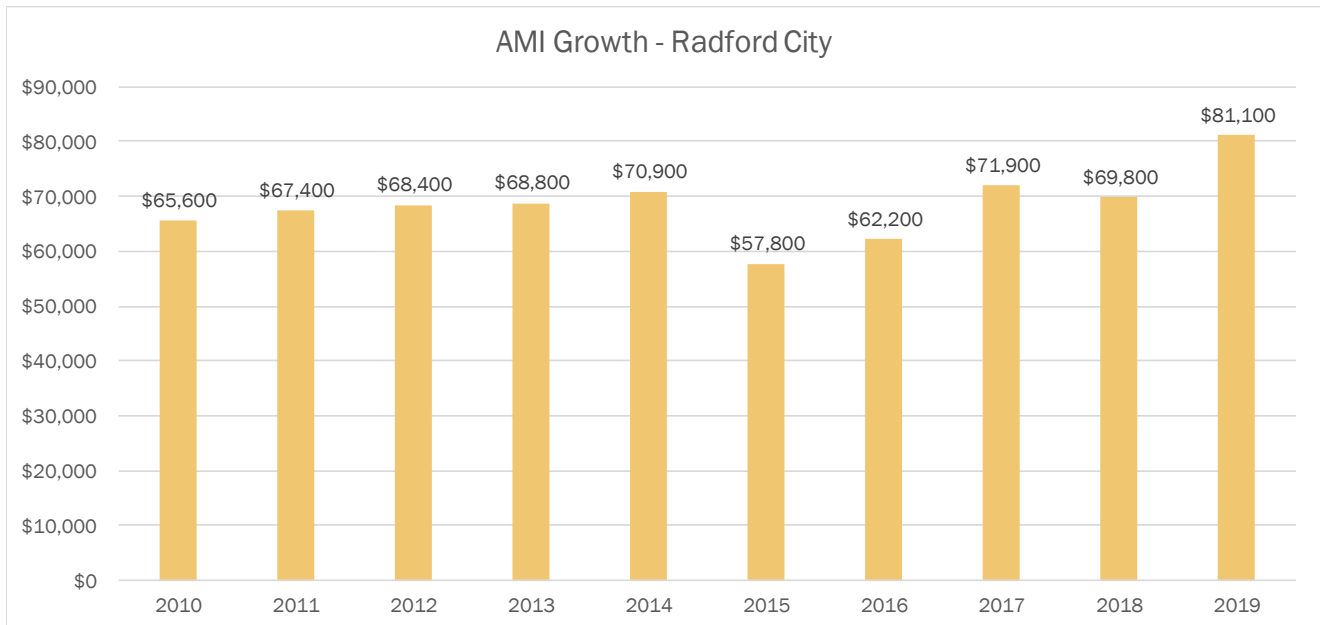
Year	MEDIAN HOUSEHOLD INCOME					
	PMA		Blacksburg-Christiansburg-Radford, VA Metropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$24,202	-	\$24,325	-	\$44,882	-
2019	\$54,305	6.5%	\$53,676	6.3%	\$60,548	1.8%
2024	\$60,874	2.4%	\$59,524	2.2%	\$69,180	2.9%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

As of 2019, the median income in the PMA is generally similar to the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2019 and both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 54 percent of the national median income in 2000 to 90 percent in 2019. The overall rise in median income levels reflects a market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. According to ESRI demographic projections, annualized PMA growth is expected to decline to 2.4 percent through 2024, and it will remain above projected MSA growth but both geographic areas are expected to trail the nation.

Area Household Income Levels

For Section 42 LIHTC rent determination purposes, the AMI is used. The following chart illustrates the AMI level for a four-person household in Radford City.



Overall, the AMI has increased by an average of 2.6 percent annually between 2010 and 2019. The AMI in Radford City peaked in 2019, indicating that all properties will be held to the same rent and income limits as the Subject. Radford experienced a substantial increase in the AMI, of 16.2 percent, from 2018 to 2019.

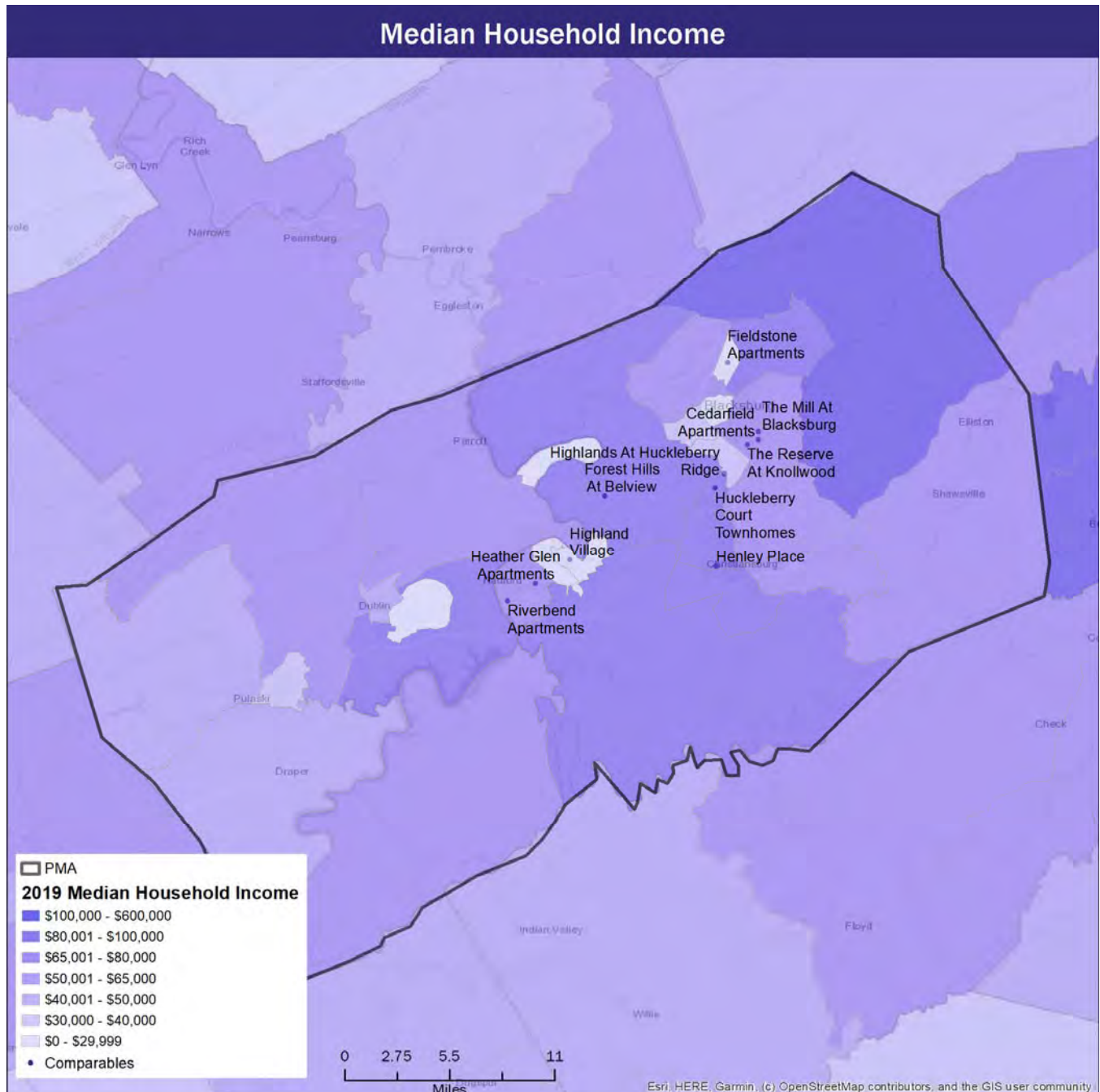
The following table illustrates the change in AMI over the past seven years.

RADFORD CITY AMI GROWTH (2013-2019)

Year	2013	2014	2015	2016	2017	2018	2019
AMI	\$68,800	\$70,900	\$57,800	\$62,200	\$71,900	\$69,800	\$81,100
Percentage	0.6%	3.1%	-18.5%	7.6%	15.6%	-2.9%	16.2%

All of the Subject’s proposed rents for its LIHTC units are set at the maximum allowable levels; therefore, rent increases for the Subject’s units will not be directly dependent upon future increases in the AMI.

The following map illustrates median household income throughout the PMA for the Subject and the rent comparables as of 2019.



Household Income Distribution

The following tables illustrate the household income distribution for the PMA and MSA for 2019 and 2024.

HOUSEHOLD INCOME PMA

Income Cohort	2019		PMA		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	7,454	12.6%	7,236	12.0%	-44	-0.6%		
\$10,000-19,999	7,505	12.7%	7,298	12.1%	-41	-0.6%		
\$20,000-29,999	6,369	10.8%	6,338	10.5%	-6	-0.1%		
\$30,000-39,999	5,761	9.7%	5,543	9.2%	-44	-0.8%		
\$40,000-49,999	5,807	9.8%	5,759	9.5%	-10	-0.2%		
\$50,000-59,999	4,760	8.0%	4,784	7.9%	5	0.1%		
\$60,000-74,999	5,281	8.9%	5,405	8.9%	25	0.5%		
\$75,000-99,999	6,046	10.2%	6,417	10.6%	74	1.2%		
\$100,000-124,999	4,023	6.8%	4,361	7.2%	68	1.7%		
\$125,000-149,999	2,276	3.8%	2,639	4.4%	73	3.2%		
\$150,000-199,999	1,853	3.1%	2,162	3.6%	62	3.3%		
\$200,000+	2,072	3.5%	2,545	4.2%	95	4.6%		
Total	59,207	100.0%	60,487	100.0%				

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

HOUSEHOLD INCOME SMA

Income Cohort	2019		Blacksburg-Christiansburg-Radford, VA Metropolitan Statistical Area		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	8,093	11.1%	7,817	10.5%	-55	-0.7%		
\$10,000-19,999	8,923	12.2%	8,576	11.5%	-69	-0.8%		
\$20,000-29,999	7,789	10.7%	7,664	10.3%	-25	-0.3%		
\$30,000-39,999	7,210	9.9%	6,942	9.3%	-54	-0.7%		
\$40,000-49,999	7,397	10.1%	7,229	9.7%	-34	-0.5%		
\$50,000-59,999	6,217	8.5%	6,173	8.3%	-9	-0.1%		
\$60,000-74,999	6,715	9.2%	6,850	9.2%	27	0.4%		
\$75,000-99,999	8,016	11.0%	8,500	11.4%	97	1.2%		
\$100,000-124,999	5,271	7.2%	5,716	7.7%	89	1.7%		
\$125,000-149,999	2,844	3.9%	3,315	4.5%	94	3.3%		
\$150,000-199,999	2,184	3.0%	2,668	3.6%	97	4.4%		
\$200,000+	2,472	3.4%	3,004	4.0%	106	4.3%		
Total	73,131	100.0%	74,454	100.0%				

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

As of 2019, approximately 36 percent of households within the PMA have annual incomes below \$30,000. Through 2024, the percentage of low-income households earning less than \$30,000 annually is projected to decline slightly to 34.5 percent.

Renter Household Income Distribution

The following tables illustrate the renter household income distribution for the PMA and SMA for 2019 and 2024.

RENTER HOUSEHOLD INCOME

Income Cohort	2019		PMA		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,241	23.0%	6,020	22.0%	-44	-0.7%		
\$10,000-19,999	5,160	19.0%	5,028	18.4%	-26	-0.5%		
\$20,000-29,999	3,333	12.3%	3,324	12.1%	-2	-0.1%		
\$30,000-39,999	2,890	10.7%	2,851	10.4%	-8	-0.3%		
\$40,000-49,999	2,819	10.4%	2,853	10.4%	7	0.2%		
\$50,000-59,999	2,109	7.8%	2,174	7.9%	13	0.6%		
\$60,000-74,999	1,523	5.6%	1,632	6.0%	22	1.4%		
\$75,000-99,999	1,249	4.6%	1,377	5.0%	26	2.0%		
\$100,000-124,999	643	2.4%	723	2.6%	16	2.5%		
\$125,000-149,999	422	1.6%	476	1.7%	11	2.6%		
\$150,000-199,999	395	1.5%	487	1.8%	18	4.7%		
\$200,000+	343	1.3%	442	1.6%	20	5.8%		
Total	27,127	100.0%	27,387	100.0%				

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

RENTER HOUSEHOLD INCOME

Income Cohort	2019		Blacksburg-Christiansburg-Radford, VA Metropolitan Statistical Area		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,573	21.8%	6,315	20.8%	-52	-0.8%		
\$10,000-19,999	5,751	19.0%	5,541	18.2%	-42	-0.7%		
\$20,000-29,999	3,860	12.8%	3,806	12.5%	-11	-0.3%		
\$30,000-39,999	3,162	10.5%	3,098	10.2%	-13	-0.4%		
\$40,000-49,999	3,183	10.5%	3,195	10.5%	2	0.1%		
\$50,000-59,999	2,399	7.9%	2,454	8.1%	11	0.5%		
\$60,000-74,999	1,749	5.8%	1,885	6.2%	27	1.6%		
\$75,000-99,999	1,482	4.9%	1,644	5.4%	32	2.2%		
\$100,000-124,999	723	2.4%	824	2.7%	20	2.8%		
\$125,000-149,999	492	1.6%	577	1.9%	17	3.5%		
\$150,000-199,999	429	1.4%	545	1.8%	23	5.4%		
\$200,000+	392	1.3%	507	1.7%	23	5.9%		
Total	30,195	100.0%	30,391	100.0%				

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

As of 2019, approximately 54.3 percent of renter households within the PMA have annual incomes below \$30,000. Through 2024, the percentage of low-income renter households earning less than \$30,000 annually is projected to decline slightly to 52.5 percent. Although this percentage is decreasing, the need for affordable housing is still evident as over 50 percent of renter households earn less than \$30,000 annually.

Conclusion

The population in the PMA increased by 26.2 percent between 2000 and 2019, compared to the 20.1 percent increase in the regional MSA and 18.2 percent increase across the overall nation. The percentage of renter households in the PMA remained relatively stable between 2000 and 2019, and is estimated to be 45.8 percent as of 2019. This is more than the estimated 33 percent of renter households across the overall nation. As of 2019, the median income in the PMA is similar the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2019. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 54 percent of the national median income in 2000 to 90 percent in 2019. The percentage of rent over-burdened households - defined as households with shelter costs exceeding 35 percent of gross income - is exceptionally elevated in the PMA at 49.7 percent, compared to only 42.7 percent across the overall nation. Overall, the combination of a large share of rent-overburdened households, and rising population and income levels, bodes well for future demand for multifamily housing.

VIII. COMPETITIVE ENVIRONMENT

AGE OF HOUSING STOCK

The following table illustrates the age of the existing housing stock in the PMA.

AGE OF HOUSING STOCK IN PMA		
Years	Number of Units	Percent of Housing Stock
Built 2005 or later	1,842	2.9%
Built 2000 to 2004	9,400	15.0%
Built 1990 to 1999	10,444	16.7%
Built 1980 to 1989	9,111	14.5%
Built 1970 to 1979	11,777	18.8%
Built 1960 to 1969	6,837	10.9%
Built 1950 to 1959	5,023	8.0%
Built 1940 to 1949	3,532	5.6%
<u>Built 1939 or earlier</u>	<u>4,745</u>	<u>7.6%</u>
Total	62,711	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

The data demonstrates a significant portion of the existing housing stock in the PMA, approximately 65 percent, was constructed in 1989 and earlier. Additionally, 82 percent of the existing housing stock was constructed prior to 2000. Therefore, the PMA exhibits a relatively older housing stock but there is a notable amount of recent construction that has occurred since 2000. The data does not reflect condition, which oftentimes is well-maintained through ongoing maintenance. The field inspection of the area reflects a varied housing stock, generally in fair to average condition. The Subject will be in good condition following the proposed renovations, which will positively impact the Subject's neighborhood.

Household Tenure

The following table illustrates the breakdown of households by tenure within the Subject's PMA.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	28,841	59.1%	19,927	40.9%
2019	32,080	54.2%	27,127	45.8%
2024	33,100	54.7%	27,387	45.3%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA remained relatively stable between 2000 and 2019, and is estimated to be 45.8 percent as of 2019. This is more than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2024.

Renter Household Size Distribution

The following table illustrates the breakdown of renter households by number of persons in the household within the Subject's PMA.

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2019		2024	
	Total	Percent	Total	Percent	Total	Percent
1 persons	6,760	33.9%	9,895	36.5%	10,076	36.8%
2 persons	6,212	31.2%	8,153	30.1%	8,145	29.7%
3 persons	3,658	18.4%	4,835	17.8%	4,879	17.8%
4 persons	2,605	13.1%	3,240	11.9%	3,257	11.9%
5+ persons	692	3.5%	1,004	3.7%	1,030	3.8%
Total	19,927	100.0%	27,127	100.0%	27,387	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, March 2020

Historically, the majority of renter households in the PMA have consisted of one and two-person households. The Subject will target one, two, three, four, and five-person households. Through 2024, the number of three, four, and five-person renter households is projected to slightly increase, while the percentage of renter households is expected to remain relatively stable during the same time period. The projected increase in total number of renter households, and the household size composition of renter households in the PMA is a positive indicator for the Subject’s affordable rental units.

Building Permits

Historical building permit information for Radford City from the U.S. Census Bureau, is presented in the following chart.

BUILDING PERMITS: RADFORD CITY (2004-2018)

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2004	30	0	26	56
2005	20	0	52	72
2006	19	0	46	65
2007	20	0	0	20
2008	13	0	6	19
2009	11	0	0	11
2010	15	0	15	30
2011	8	0	35	43
2012	8	0	5	13
2013	14	0	80	94
2014	10	0	0	10
2015	4	0	0	4
2016	11	4	0	15
2017	15	3	10	28
<u>2018</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>13</u>
Total	211	7	275	493

Source: US Census Bureau Building Permits, March 2020

As illustrated in the previous table, building permits for residential units in Radford County have been generally evenly split between single-family homes and multifamily dwellings with five or more units. It should be noted that reporting of permit data by the county to the census is done on a voluntary basis.

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics; i.e., building type, property age/quality, level of common amenities, and absorption rates, as well as similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the local rental market.

Description of Property Types Surveyed/Determination of Number of Tax Credit Units

To evaluate the competitive position of the Subject, we surveyed a total of 1,126 units in 10 rental properties. The LIHTC data is considered average. We included five affordable developments located between 1.4 and 13.5 miles from the Subject site, all of which are located within the PMA. The market rate data in Radford is considered average as well, thus we expanded our search to nearby cities and have included five market rate properties located between 3.1 and 12.4 miles from the Subject site, all of which are located within the PMA. Overall, we believe the availability of data is adequate to support our conclusions. We also visited and surveyed other properties that were excluded from the market survey because they are not considered comparable to the Subject or would not participate in the survey. Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general. Detailed matrices describing the individual competitive properties used in our supply analysis, as well as the Subject, are provided in the addenda of this report. A map illustrating the location of the Subject in relation to the comparable properties is located on the next page.

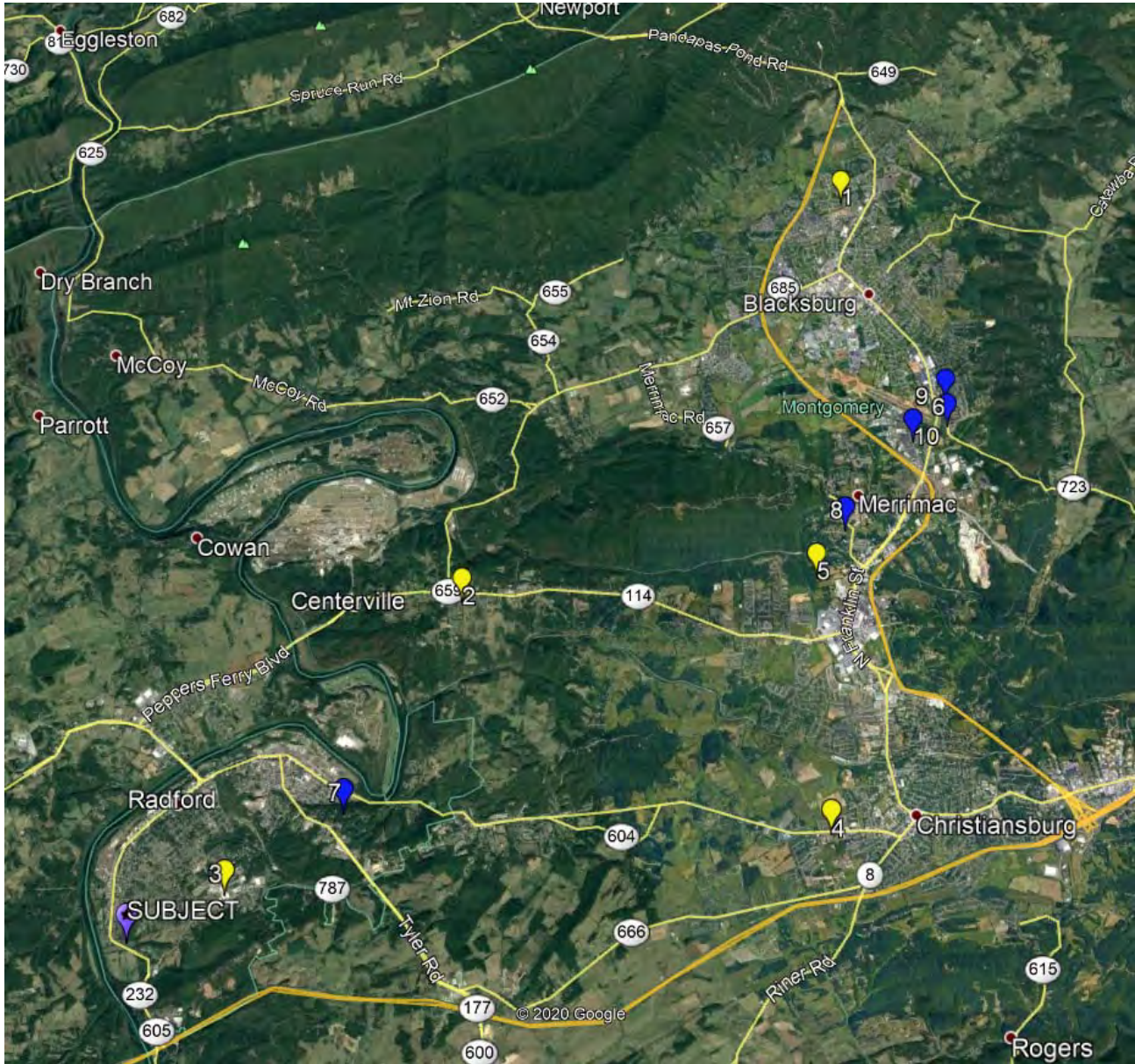
The table following details affordable properties in the PMA.

AFFORDABLE HOUSING IN THE PMA

Property Name	Rent Structure	Total Units	Total LIHTC Units	Tenancy
Hunting Hills	LIHTC	12	12	Senior
Landings Plaza	LIHTC	18	18	Family
Cedar Crest I, II, & III	LIHTC	36	36	Family
New River Gardens I & II	LIHTC	78	78	Family
Sunvalley	LIHTC	92	92	Family
Ridgewood Place	LIHTC	24	24	Family
Ridgewood Place Seniors	LIHTC	32	32	Senior
Heather Glen Apartments*	LIHTC	40	40	Family
Huckleberry Court Townhomes	LIHTC	40	40	Family
Henley Place*	LIHTC	50	50	Family
High Meadows	LIHTC	41	41	Family
Pulaski Village	LIHTC	60	60	Senior
Linden Green Aka Old Farm Village II	LIHTC/Section 8	44	44	Family
Forest Hills at Belview*	LIHTC	84	84	Family
Willow Woods Preservation	LIHTC	70	70	Family
Laurel Woods (Pulaski)	LIHTC/Section 8	143	139	Family
New River Overlook	LIHTC	40	40	Family
Smokey Ridge	LIHTC/Section 8	40	40	Senior
Cambridge Square	LIHTC	46	46	Family
Christiansburg Bluff	Section 8	40	0	Family
Ellett Road Community Apartments	Section 8	120	0	Family
Lantern Ridge Apts	Section 8	12	0	Senior
Meadowview Apartments	Section 8	120	0	Family
New River House	LIHTC/Section 8	98	98	Family
Parkview Of Radford	Section 8	42	0	Senior
Trolinger House	Section 8	13	0	Senior
Washington Square Apartments	Section 8	102	0	Senior
Willow Woods	Section 8	120	0	Family
Bradley's Ridge Apartments	Section 8	144	0	Family
Melinda's Melody	Section 8	58	0	Senior
Fairfax Village	Section 8	48	0	Senior
	Section 8	40	0	Family

*Utilized as a rent comparable

Comparable Properties Map



COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Riverbend Apartments	Radford	LIHTC/ Section 8	-
1	Fieldstone Apartments	Blacksburg	LIHTC	13.5 miles
2	Forest Hills At Belview	Radford	LIHTC	6.0 miles
3	Heather Glen Apartments	Radford	LIHTC	1.4 miles
4	Henley Place	Christiansburg	LIHTC	8.8 miles
5	Huckleberry Court Townhomes	Christiansburg	LIHTC	9.8 miles
6	Cedarfield Apartments	Blacksburg	Market	12.4 miles
7	Highland Village	Radford	Market	3.1 miles
8	Highlands At Huckleberry Ridge	Blacksburg	Market	10.5 miles
9	The Mill At Blacksburg	Blacksburg	Market	12.6 miles
10	The Reserve At Knollwood	Blacksburg	Market	11.9 miles

RIVERBEND APARTMENTS – RADFORD, VIRGINIA – VHDA MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Riverbend Apartments 108 Midkiff Ln Radford, VA 24141 Radford County	-	Various 2-stories 1974 / 2020 Family	@40% (Section 8), @50% (Section 8), @60% (Section 8)	1BR / 1BA	3	5.0%	560	@40% (Section 8)	\$496	Yes	N/A	N/A	N/A
					1BR / 1BA	4	6.7%	560	@50% (Section 8)	\$615	Yes	N/A	N/A	N/A
					1BR / 1BA	8	13.3%	560	@60% (Section 8)	\$759	Yes	N/A	N/A	N/A
					2BR / 1.5BA	7	11.7%	1,059	@50% (Section 8)	\$728	Yes	N/A	N/A	N/A
					2BR / 1.5BA	7	11.7%	1,088	@50% (Section 8)	\$728	Yes	N/A	N/A	N/A
					2BR / 1.5BA	8	13.3%	1,059	@60% (Section 8)	\$901	Yes	N/A	N/A	N/A
					2BR / 1.5BA	8	13.3%	1,088	@60% (Section 8)	\$901	Yes	N/A	N/A	N/A
					3BR / 1.5BA	5	8.3%	1,350	@50% (Section 8)	\$804	Yes	N/A	N/A	N/A
					3BR / 1.5BA	5	8.3%	1,350	@60% (Section 8)	\$1,004	Yes	N/A	N/A	N/A
					4BR / 2BA	3	5.0%	1,630	@40% (Section 8)	\$684	Yes	N/A	N/A	N/A
4BR / 2BA	1	1.7%	1,630	@50% (Section 8)	\$906	Yes	N/A	N/A	N/A					
4BR / 2BA	1	1.7%	1,630	@60% (Section 8)	\$1,134	Yes	N/A	N/A	N/A					
					60							N/A	N/A	
1	Fieldstone Apartments 401 Givens Lane Blacksburg, VA 24060 Montgomery County	13.5 miles	Garden 3-stories 2017 / n/a Family	@60%	2BR / 2BA	60	71.4%	1,009	@60%	\$979	Yes	No	2	3.3%
					3BR / 2BA	6	7.1%	1,176	@60%	\$1,128	Yes	No	0	0.0%
					3BR / 2BA	18	21.4%	1,189	@60%	\$1,128	Yes	No	1	5.6%
					84							3	3.6%	
2	Forest Hills At Belview 3226 Peppers Ferry Road NW Radford, VA 24141 Montgomery County	6.0 miles	Various 2-stories 2011 / n/a Family	@40%, @50%	1BR / 1BA	7	10.0%	707	@40%	\$500	No	Yes	0	0.0%
					1BR / 1BA	7	10.0%	709	@50%	\$600	No	Yes	1	14.3%
					2BR / 1.5BA	16	22.9%	980	@50%	\$715	No	Yes	1	6.3%
					2BR / 1.5BA	10	14.3%	1,011	@50%	\$715	No	Yes	1	10.0%
					3BR / 2BA	6	8.6%	1,123	@50%	\$815	No	Yes	1	16.7%
					3BR / 2BA	14	20.0%	1,161	@50%	\$815	No	Yes	1	7.1%
					4BR / 2BA	6	8.6%	1,244	@50%	\$895	No	Yes	1	16.7%
4BR / 2BA	4	5.7%	1,247	@50%	\$895	No	Yes	0	0.0%					
					70							6	8.6%	
3	Heather Glen Apartments 1700 Wadsworth Street Radford, VA 24141 Radford County	1.4 miles	Townhouse 2-stories 2004 / n/a Family	@40%, @50%	1BR / 1.5BA	2	5.0%	1,029	@40%	\$502	No	Yes	0	0.0%
					2BR / 2.5BA	2	5.0%	1,350	@40%	\$603	No	Yes	0	0.0%
					3BR / 2.5BA	36	90.0%	1,438	@50%	\$859	No	Yes	0	0.0%
					40							0	0.0%	
4	Henley Place 1020-1150 Beaver Drive Christiansburg, VA 24073 Montgomery County	8.8 miles	Townhouse 2-stories 2006 / n/a Family	@50%, @60%	2BR / 2.5BA	9	22.0%	1,656	@50%	\$705	No	Yes	0	0.0%
					3BR / 2.5BA	27	65.9%	2,253	@60%	\$915	No	Yes	0	0.0%
					4BR / 2.5BA	5	12.2%	2,582	@60%	\$1,005	No	Yes	0	0.0%
										41				
5	Huckleberry Court Townhomes 501-599 Virginian Drive Christiansburg, VA 24073 Montgomery County	9.8 miles	Townhouse 2-stories 2005 / n/a Family	@50%, @60%	2BR / 2.5BA	6	12.0%	1,185	@50%	\$640	No	Yes	0	0.0%
					2BR / 2.5BA	6	12.0%	1,185	@60%	\$769	No	Yes	0	0.0%
					3BR / 2.5BA	27	54.0%	1,366	@60%	\$867	No	Yes	0	0.0%
					4BR / 2.5BA	11	22.0%	1,939	@60%	\$959	No	Yes	0	0.0%
					50							0	0.0%	
6	Cedarfield Apartments 200 Old Cedarfield Drive Blacksburg, VA 24060 Montgomery County	12.4 miles	Various 1-stories 1993 / n/a Family	Market	1BR / 1BA	4	3.8%	652	Market	\$992	N/A	No	0	0.0%
					1BR / 1BA	16	15.1%	792	Market	\$1,062	N/A	No	0	0.0%
					2BR / 1BA	12	11.3%	869	Market	\$1,120	N/A	No	0	0.0%
					2BR / 2BA	36	34.0%	992	Market	\$1,217	N/A	No	0	0.0%
					2BR / 2.5BA	6	5.7%	1,280	Market	\$1,461	N/A	No	0	0.0%
					3BR / 2.5BA	32	30.2%	1,444	Market	\$1,745	N/A	No	0	0.0%
					106							0	0.0%	
7	Highland Village 400 Robey Street Radford, VA 24141 Radford County	3.1 miles	Garden 3-stories 1984 / n/a Family	Market	1BR / 1BA	37	17.1%	340	Market	\$409	N/A	Yes	0	0.0%
					1.5BR / 1BA	60	27.7%	546	Market	\$584	N/A	No	2	3.3%
					1.5BR / 1BA	6	2.8%	654	Market	\$734	N/A	Yes	0	0.0%
					2BR / 1BA	34	15.7%	654	Market	\$814	N/A	Yes	0	0.0%
					2.5BR / 1BA	20	9.2%	754	Market	\$854	N/A	Yes	0	0.0%
					2.5BR / 1BA	37	17.1%	860	Market	\$894	N/A	Yes	0	0.0%
					3BR / 2BA	2	0.9%	1,280	Market	\$1,273	N/A	Yes	0	0.0%
					4BR / 2BA	21	9.7%	1,280	Market	\$1,544	N/A	Yes	0	0.0%
					217							2	0.9%	
8	Highlands At Huckleberry Ridge 535 Blackrock Drive Blacksburg, VA 24060 Montgomery County	10.5 miles	Garden 2-stories 2015 / 2019 Family	Market	1BR / 1BA	20	8.1%	918	Market	\$1,224	N/A	Yes	0	0.0%
					1.5BR / 1BA	20	8.1%	1,216	Market	\$1,324	N/A	Yes	0	0.0%
					2BR / 2BA	94	38.1%	1,267	Market	\$1,414	N/A	Yes	0	0.0%
					2.5BR / 2BA	60	24.3%	1,506	Market	\$1,529	N/A	Yes	0	0.0%
					3BR / 2BA	53	21.5%	1,363	Market	\$1,703	N/A	Yes	0	0.0%
					247							0	0.0%	
9	The Mill At Blacksburg 1811 Grayland Street Blacksburg, VA 24060 Montgomery County	12.6 miles	Garden 3-stories 1968 / 2013 Family	Market	1BR / 1BA	53	33.1%	535	Market	\$830	N/A	No	0	0.0%
					2BR / 1BA	54	33.8%	780	Market	\$930	N/A	No	0	0.0%
					3BR / 1BA	53	33.1%	1,025	Market	\$1,200	N/A	No	0	0.0%
					160							0	0.0%	
10	The Reserve At Knollwood 2401 Pamela Way Blacksburg, VA 24060 Montgomery County	11.9 miles	Garden 3-stories 2013 / n/a Family	Market	1BR / 1BA	N/A	N/A	691	Market	\$1,200	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	1,085	Market	\$1,572	N/A	Yes	0	N/A
					3BR / 3BA	N/A	N/A	1,216	Market	\$2,091	N/A	Yes	0	N/A
					111							0	0.0%	

PROPERTY PROFILE REPORT

Fieldstone Apartments

Effective Rent Date	2/14/2020
Location	401 Givens Lane Blacksburg, VA 24060 Montgomery County
Distance	N/A
Units	84
Vacant Units	3
Vacancy Rate	3.6%
Type	Garden (3 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Jessica
Phone	540-605-8156



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	60	1,009	\$915	\$0	@60%	No	2	3.3%	yes	None
3	2	Garden (3 stories)	6	1,176	\$1,050	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	18	1,189	\$1,050	\$0	@60%	No	1	5.6%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$915	\$0	\$915	\$0	\$915
3BR / 2BA	\$1,050	\$0	\$1,050	\$0	\$1,050

Fieldstone Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	Solarium, Black Appliances
Central Laundry	Off-Street Parking		
On-Site Management	Wi-Fi		

Comments

The contact had no additional comments.

Fieldstone Apartments, continued

Trend Report

Vacancy Rates

1Q19	2Q19	3Q19	1Q20
3.6%	3.6%	0.0%	3.6%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	5.0%	\$828	\$0	\$828	\$828
2019	2	5.0%	\$828	\$0	\$828	\$828
2019	3	0.0%	\$828	\$0	\$828	\$828
2020	1	3.3%	\$915	\$0	\$915	\$915

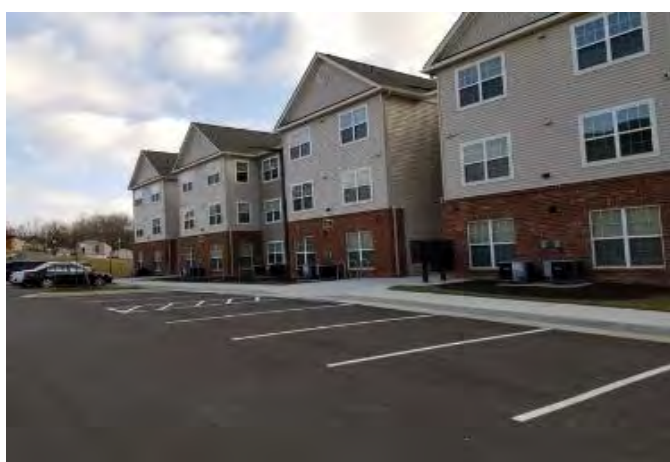
3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$949	\$0	\$949	\$949
2019	2	0.0%	\$949	\$0	\$949	\$949
2019	3	0.0%	\$949	\$0	\$949	\$949
2020	1	4.2%	\$1,050	\$0	\$1,050	\$1,050

Trend: Comments

1Q19	This property completed construction in 2017 and is currently stabilized. The contact reported three vacant units that are currently available. There is no waiting list at this time. The contact was unable to provide absorption information.
2Q19	N/A
3Q19	The contact had no additional comments.
1Q20	N/A

Photos



PROPERTY PROFILE REPORT

Forest Hills At Belview

Effective Rent Date	2/18/2020
Location	3226 Peppers Ferry Road NW Radford, VA 24141 Montgomery County
Distance	9.5 miles
Units	70
Vacant Units	6
Vacancy Rate	8.6%
Type	Various (2 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	12/12/2011
Last Unit Leased	6/30/2012
Major Competitors	None identified
Tenant Characteristics	Mostly local area families and approximately 6% seniors
Contact Name	Erica
Phone	540-639-1100



Market Information

Program	@40%, @50%
Annual Turnover Rate	30%
Units/Month Absorbed	11
HCV Tenants	50%
Leasing Pace	Within one month
Annual Chg. in Rent	Increase <1%-8.6%
Concession	Reduced deposits
Waiting List	Yes, five households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	7	707	\$500	\$0	@40%	Yes	0	0.0%	no	None
1	1	One-story	7	709	\$600	\$0	@50%	Yes	1	14.3%	no	None
2	1.5	One-story	16	980	\$715	\$0	@50%	Yes	1	6.2%	no	None
2	1.5	Townhouse (2 stories)	10	1,011	\$715	\$0	@50%	Yes	1	10.0%	no	None
3	2	Townhouse (2 stories)	6	1,123	\$815	\$0	@50%	Yes	1	16.7%	no	None
3	2	Townhouse (2 stories)	14	1,161	\$815	\$0	@50%	Yes	1	7.1%	no	None
4	2	Townhouse (2 stories)	6	1,244	\$895	\$0	@50%	Yes	1	16.7%	no	None
4	2	Townhouse (2 stories)	4	1,247	\$895	\$0	@50%	Yes	0	0.0%	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$500	\$0	\$500	\$0	\$500	1BR / 1BA	\$600	\$0	\$600	\$0	\$600
						2BR / 1.5BA	\$715	\$0	\$715	-\$48	\$667
						3BR / 2BA	\$815	\$0	\$815	-\$55	\$760
						4BR / 2BA	\$895	\$0	\$895	\$0	\$895

Forest Hills At Belview, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Off-Street Parking	None	None
On-Site Management	Picnic Area		
Playground			

Comments

The contact reported two of the vacant units are pre-leased. She acknowledged vacancy is elevated and attributed it to several evictions and walk-outs which are caused by delinquent accounts. The contact stated rents are set below the maximum allowable but is still high for those not utilizing Housing Choice Vouchers which causes skip outs and residents falling behind on rent payments.

Forest Hills At Belview, continued

Trend Report

Vacancy Rates

1Q19	2Q19	3Q19	1Q20
4.3%	2.9%	8.6%	8.6%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$454	\$0	\$454	\$454
2019	2	0.0%	\$454	\$0	\$454	\$454
2019	3	0.0%	\$460	\$0	\$460	\$460
2020	1	0.0%	\$500	\$0	\$500	\$500

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	14.3%	\$587	\$0	\$587	\$587
2019	2	0.0%	\$587	\$0	\$587	\$587
2019	3	0.0%	\$591	\$0	\$591	\$591
2020	1	14.3%	\$600	\$0	\$600	\$600

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	3.8%	\$697	\$0	\$697	\$649
2019	2	3.8%	\$697	\$0	\$697	\$649
2019	3	3.8%	\$706	\$0	\$706	\$658
2020	1	7.7%	\$715	\$0	\$715	\$667

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$757	\$0	\$757	\$702
2019	2	0.0%	\$757	\$0	\$757	\$702
2019	3	20.0%	\$810 - \$819	\$0	\$810 - \$819	\$755 - \$764
2020	1	10.0%	\$815	\$0	\$815	\$760

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	10.0%	\$870	\$0	\$870	\$870
2019	2	10.0%	\$870	\$0	\$870	\$870
2019	3	10.0%	\$890	\$0	\$890	\$890
2020	1	10.0%	\$895	\$0	\$895	\$895

Trend: Comments

1Q19	The contact reported one of the vacant units is preleased and the other two have applications pending approval.
2Q19	The contact reported rents have not changed since last survey (2.26.2019). Only 2 vacant units.
3Q19	Of the six vacancies, two units are pre-leased. Management acknowledged vacancy is elevated and attributed it to several evictions and walk-outs. The property is offering a concession of an only \$99 security deposit. The contact reported they've had many applicants for the vacant units.
1Q20	The contact reported two of the vacant units are pre-leased. She acknowledged vacancy is elevated and attributed it to several evictions and walk-outs which are caused by delinquent accounts. The contact stated rents are set below the maximum allowable but is still high for those not utilizing Housing Choice Vouchers which causes skip outs and residents falling behind on rent payments.

Photos



PROPERTY PROFILE REPORT

Heather Glen Apartments

Effective Rent Date	2/14/2020
Location	1700 Wadsworth Street Radford, VA 24141 Radford County
Distance	N/A
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	12/01/2003
Leasing Began	1/01/2004
Last Unit Leased	12/14/2008
Major Competitors	Cedar Crest Townhomes, Ridgewood Place
Tenant Characteristics	Mostly singles and families from the City of Radford
Contact Name	Jody
Phone	540-382-5058



Market Information

Program	@40%, @50%
Annual Turnover Rate	5%
Units/Month Absorbed	2
HCV Tenants	40%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 3.3%-5.2%
Concession	None
Waiting List	Yes, 148 households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1.5	Townhouse (2 stories)	2	1,029	\$502	\$0	@40%	Yes	0	0.0%	no	None
2	2.5	Townhouse (2 stories)	2	1,350	\$603	\$0	@40%	Yes	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	36	1,438	\$859	\$0	@50%	Yes	0	0.0%	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1.5BA	\$502	\$0	\$502	\$0	\$502	3BR / 2.5BA	\$859	\$0	\$859	-\$55	\$804
2BR / 2.5BA	\$603	\$0	\$603	-\$48	\$555						

Heather Glen Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Garage	Off-Street Parking	None	None

Comments

The property is typically at 100 percent occupancy. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area. Despite strong demand, the contact stated rents are set below the maximum allowable to maintain affordability for many low income applicants in the area.

Heather Glen Apartments, continued

Trend Report

Vacancy Rates

1Q19	2Q19	3Q19	1Q20
5.0%	0.0%	0.0%	0.0%

Trend: @40%

1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$477	\$0	\$477	\$477
2019	2	0.0%	\$477	\$0	\$477	\$477
2019	3	0.0%	\$477	\$0	\$477	\$477
2020	1	0.0%	\$502	\$0	\$502	\$502

Trend: @50%

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	5.6%	\$743	\$0	\$743	\$688
2019	2	0.0%	\$743	\$0	\$743	\$688
2019	3	0.0%	\$743	\$0	\$743	\$688
2020	1	0.0%	\$859	\$0	\$859	\$804

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$578	\$0	\$578	\$530
2019	2	0.0%	\$578	\$0	\$578	\$530
2019	3	0.0%	\$578	\$0	\$578	\$530
2020	1	0.0%	\$603	\$0	\$603	\$555

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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Trend: Comments

1Q19	Contact stated that property is typically at or near full occupancy. Both vacant units have applications pending approval. Some units offer attached garages at no additional charge and only the two- and three-bedroom units offer washer and dryer hook ups and appliances.
2Q19	Contact stated that rents from 1.7.2019 survey are still accurate. Currently zero vacancies.
3Q19	The property is typically at 100 percent occupancy. The three properties overseen by this leasing office receive approximately 40 calls/inquiries per day. Management noted 10 rental applications are filed on a daily basis. The contact reported some tenants have lived at the property since it was placed in service. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area.
1Q20	The property is typically at 100 percent occupancy. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area. Despite strong demand, the contact stated rents are set below the maximum allowable to maintain affordability for many low income applicants in the area.

Photos



PROPERTY PROFILE REPORT

Henley Place

Effective Rent Date	2/14/2020
Location	1020-1150 Beaver Drive Christiansburg, VA 24073 Montgomery County
Distance	10.7 miles
Units	41
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	10/01/2005
Leasing Began	2/01/2006
Last Unit Leased	11/08/2008
Major Competitors	Cedar Crest Townhomes, Ridgewood Place
Tenant Characteristics	Families, working professionals
Contact Name	Jody
Phone	340-382-5058



Market Information

Program	@50%, @60%
Annual Turnover Rate	5%
Units/Month Absorbed	2
HCV Tenants	34%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes, 100HH

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2.5	Townhouse (2 stories)	9	1,656	\$705	\$0	@50%	Yes	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	27	2,253	\$915	\$0	@60%	Yes	0	0.0%	no	None
4	2.5	Townhouse (2 stories)	5	2,582	\$1,005	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2.5BA	\$705	\$0	\$705	-\$48	\$657	3BR / 2.5BA	\$915	\$0	\$915	-\$55	\$860
						4BR / 2.5BA	\$1,005	\$0	\$1,005	\$0	\$1,005

Henley Place, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Garage	Off-Street Parking	None	None
On-Site Management			

Comments

The property is typically at 100 percent occupancy. The three properties overseen by this leasing office receive approximately 40 calls/inquiries per day. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area. Despite strong demand, the contact stated rents are set below the maximum allowable to maintain affordability for many low income applicants in the area.

Trend Report

Vacancy Rates

1Q19	2Q19	3Q19	1Q20
2.4%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$680	\$0	\$680	\$632
2019	2	0.0%	\$680	\$0	\$680	\$632
2019	3	0.0%	\$680	\$0	\$680	\$632
2020	1	0.0%	\$705	\$0	\$705	\$657

Trend: @60%

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	3.7%	\$890	\$0	\$890	\$835
2019	2	0.0%	\$890	\$0	\$890	\$835
2019	3	0.0%	\$890	\$0	\$890	\$835
2020	1	0.0%	\$915	\$0	\$915	\$860

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,005	\$0	\$1,005	\$1,005
2019	2	0.0%	\$1,005	\$0	\$1,005	\$1,005
2019	3	0.0%	\$1,005	\$0	\$1,005	\$1,005
2020	1	0.0%	\$1,005	\$0	\$1,005	\$1,005

Trend: Comments

1Q19	The contact estimated waiting times on the waiting list can vary from three to six months. She reported the current vacancy has an application pending approval.
2Q19	Contact reported that rents from 1.7.2019 survey are still accurate. Zero vacancies.
3Q19	The property is typically at 100 percent occupancy. The three properties overseen by this leasing office receive approximately 40 calls/inquiries per day. Management noted 10 rental applications are filed on a daily basis. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area.
1Q20	The property is typically at 100 percent occupancy. The three properties overseen by this leasing office receive approximately 40 calls/inquiries per day. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area. Despite strong demand, the contact stated rents are set below the maximum allowable to maintain affordability for many low income applicants in the area.

Photos



PROPERTY PROFILE REPORT

Huckleberry Court Townhomes

Effective Rent Date	2/14/2020
Location	501-599 Virginian Drive Christiansburg, VA 24073 Montgomery County
Distance	6.9 miles
Units	50
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	11/01/2005
Leasing Began	12/01/2005
Last Unit Leased	10/01/2006
Major Competitors	Cedar Crest Townhomes, Ridgewood Place
Tenant Characteristics	Majority are singles and families from the county
Contact Name	Jody
Phone	540-382-5058



Market Information

Program	@50%, @60%
Annual Turnover Rate	6%
Units/Month Absorbed	5
HCV Tenants	54%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 3%-4.5%
Concession	None
Waiting List	Yes, 100 households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2.5	Townhouse (2 stories)	6	1,185	\$576	\$0	@50%	Yes	0	0.0%	no	None
2	2.5	Townhouse (2 stories)	6	1,185	\$705	\$0	@60%	Yes	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	27	1,366	\$789	\$0	@60%	Yes	0	0.0%	no	None
4	2.5	Townhouse (2 stories)	11	1,939	\$859	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2.5BA	\$576	\$0	\$576	\$0	\$576	2BR / 2.5BA	\$705	\$0	\$705	\$0	\$705
						3BR / 2.5BA	\$789	\$0	\$789	\$0	\$789
						4BR / 2.5BA	\$859	\$0	\$859	\$0	\$859

Huckleberry Court Townhomes, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Off-Street Parking	On-Site Management	None	None
Picnic Area	Playground		

Comments

The property is typically at 100 percent occupancy and a lengthy waiting list. Despite significant demand, rents are set below the maximum allowable to maintain affordability for most low income applicants in the area. Rents increased \$25 across the board in the fall of 2019.

Huckleberry Court Townhomes, continued

Trend Report

Vacancy Rates

1Q19	2Q19	3Q19	1Q20
2.0%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$680	\$0	\$680	\$680
2019	2	0.0%	\$680	\$0	\$680	\$680
2019	3	0.0%	\$551	\$0	\$551	\$551
2020	1	0.0%	\$576	\$0	\$576	\$576

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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Trend: @60%

2.5BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$680	\$0	\$680	\$680
2020	1	0.0%	\$705	\$0	\$705	\$705

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$680	\$0	\$680	\$680
2020	1	0.0%	\$705	\$0	\$705	\$705

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	3.7%	\$764	\$0	\$764	\$764
2019	2	0.0%	\$764	\$0	\$764	\$764
2019	3	0.0%	\$764	\$0	\$764	\$764
2020	1	0.0%	\$789	\$0	\$789	\$789

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$834	\$0	\$834	\$834
2019	2	0.0%	\$834	\$0	\$834	\$834
2019	3	0.0%	\$834	\$0	\$834	\$834
2020	1	0.0%	\$859	\$0	\$859	\$859

4BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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Trend: Comments

1Q19	The contact stated overall occupancy rates have remained stable during the past year. A short waiting list with a typical wait of six months was reported. Rents are not and haven't been at the maximum allowable for several years and the contact noted max rents would be too high for most tenants.
2Q19	The contact reported that rents are still correct from 1.7.2019 survey. No vacancies as of 6.6.2019.
3Q19	The property is typically at 100 percent occupancy. The three properties overseen by this leasing office receive approximately 40 calls/inquiries per day. Management noted 10 rental applications are filed on a daily basis. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area.
1Q20	The property is typically at 100 percent occupancy and a lengthy waiting list. Despite significant demand, rents are set below the maximum allowable to maintain affordability for most low income applicants in the area. Rents increased \$25 across the board in the fall of 2019.

Photos



PROPERTY PROFILE REPORT

Cedarfield Apartments

Effective Rent Date	1/30/2020
Location	200 Old Cedarfield Drive Blacksburg, VA 24060 Montgomery County
Distance	N/A
Units	106
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	1993 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mostly students
Contact Name	Laura - CMG Management
Phone	540-961-0500



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	0
HCV Tenants	0%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased 9-10%
Concession	None
Waiting List	Yes, unknown length

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	4	652	\$943	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	16	792	\$1,013	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	12	869	\$1,056	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	36	992	\$1,153	\$0	Market	No	0	0.0%	N/A	None
2	2.5	Townhouse (2 stories)	6	1,280	\$1,397	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	32	1,444	\$1,667	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$943 - \$1,013	\$0	\$943 - \$1,013	\$49	\$992 - \$1,062
2BR / 1BA	\$1,056	\$0	\$1,056	\$64	\$1,120
2BR / 2BA	\$1,153	\$0	\$1,153	\$64	\$1,217
2BR / 2.5BA	\$1,397	\$0	\$1,397	\$64	\$1,461
3BR / 2.5BA	\$1,667	\$0	\$1,667	\$78	\$1,745

Cedarfield Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Internet	Carpeting	Limited Access	
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Window A/C	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Basketball Court	Off-Street Parking	None	None
On-Site Management	Picnic Area		
Recreation Areas	Volleyball Court		

Comments

Cedarfield Apartments is a multifamily market rate property that offers 68 three-story garden- and 38 two-story townhouse-style units. The property is typically 100 percent occupied. The contact stated the property does not maintain a specific waiting list, though they have already preleased 82 percent of units for the 2020 fall semester. Further, the contact confirmed that internet service/Wi-Fi is provided for all units and is included in rent. Since our prior survey in August 2019, rents increased considerably; 9-10 percent for garden units, and seven percent for townhome units.

This is a sister property of The Reserve at Knollwood, both managed by CMG Management.

Cedarfield Apartments, continued

Trend Report

Vacancy Rates

1Q19	2Q19	3Q19	1Q20
0.0%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$863 - \$926	\$0	\$863 - \$926	\$912 - \$975
2019	2	0.0%	\$863 - \$926	\$0	\$863 - \$926	\$912 - \$975
2019	3	0.0%	\$863 - \$926	\$0	\$863 - \$926	\$912 - \$975
2020	1	0.0%	\$943 - \$1,013	\$0	\$943 - \$1,013	\$992 - \$1,062

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$967	\$0	\$967	\$1,031
2019	2	0.0%	\$967	\$0	\$967	\$1,031
2019	3	0.0%	\$967	\$0	\$967	\$1,031
2020	1	0.0%	\$1,056	\$0	\$1,056	\$1,120

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,300	\$0	\$1,300	\$1,364
2019	2	0.0%	\$1,300	\$0	\$1,300	\$1,364
2019	3	0.0%	\$1,300	\$0	\$1,300	\$1,364
2020	1	0.0%	\$1,397	\$0	\$1,397	\$1,461

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,050	\$0	\$1,050	\$1,114
2019	2	0.0%	\$1,050	\$0	\$1,050	\$1,114
2019	3	0.0%	\$1,050	\$0	\$1,050	\$1,114
2020	1	0.0%	\$1,153	\$0	\$1,153	\$1,217

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,560	\$0	\$1,560	\$1,638
2019	2	0.0%	\$1,560	\$0	\$1,560	\$1,638
2019	3	0.0%	\$1,560	\$0	\$1,560	\$1,638
2020	1	0.0%	\$1,667	\$0	\$1,667	\$1,745

Trend: Comments

1Q19	The contact provided limited information. A waiting list is currently maintained for August move ins but the length was not provided.
2Q19	The contact reported that his team manages this property and four others in the area. All of which have kept rents at the same levels since October of 2018. The contact reported that this property is 100% occupied
3Q19	The property is typically 100 percent occupied. The contact had no additional comments.
1Q20	Cedarfield Apartments is a multifamily market rate property that offers 68 three-story garden- and 38 two-story townhouse-style units. The property is typically 100 percent occupied. The contact stated the property does not maintain a specific waiting list, though they have already preleased 82 percent of units for the 2020 fall semester. Further, the contact confirmed that internet service/Wi-Fi is provided for all units and is included in rent. Since our prior survey in August 2019, rents increased considerably: 9-10 percent for garden units, and seven percent for townhome units. This is a sister property of The Reserve at Knollwood, both managed by CMG Management.

Photos



PROPERTY PROFILE REPORT

Highland Village

Effective Rent Date	1/30/2020
Location	400 Robey Street Radford, VA 24141 Radford County
Distance	N/A
Units	217
Vacant Units	2
Vacancy Rate	0.9%
Type	Garden (3 stories)
Year Built/Renovated	1984 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Hunter's Ridge
Tenant Characteristics	85 percent students, 15 percent professionals
Contact Name	Heather
Phone	540-731-1336



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased to 2 weeks.
Annual Chg. in Rent	1BR/2BR Inc 8-19%, 3BR/4BR Remained
Concession	None
Waiting List	Yes, length unknown.

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	37	340	\$475	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	60	546	\$650	\$0	Market	No	2	3.3%	N/A	None
1	1	Garden (3 stories)	6	654	\$800	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	34	654	\$900	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	20	754	\$940	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	37	860	\$980	\$0	Market	Yes	0	0.0%	N/A	None
3.5	2	Garden (3 stories)	2	1,280	\$1,380	\$0	Market	Yes	0	0.0%	N/A	None
4	2	Garden (3 stories)	21	1,280	\$1,680	\$0	Market	Yes	0	0.0%	N/A	None

Highland Village, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$475	\$0	\$475	-\$66	\$409
1.5BR / 1BA	\$650 - \$800	\$0	\$650 - \$800	-\$66	\$584 - \$734
2BR / 1BA	\$900	\$0	\$900	-\$86	\$814
2.5BR / 1BA	\$940 - \$980	\$0	\$940 - \$980	-\$86	\$854 - \$894
3BR / 2BA	\$1,380	\$0	\$1,380	-\$107	\$1,273
4BR / 2BA	\$1,680	\$0	\$1,680	-\$136	\$1,544

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher*	Oven		
Refrigerator	Washer/Dryer *		
Property		Premium	Other
Basketball Court	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		
Volleyball Court			

Comments

The property maintains a waiting list for the 2020-2021 school year, as approximately 85 percent of tenants are students, though the contact confirmed rents are not offered by the bedroom. The contact reported a lengthy waiting list but was unsure how many applicants it entails. Further, the property has already preleased 58 percent of units for the 2020 school year. There are currently two vacant one-bedroom units. It should be noted one-bedroom units do not have washer/dryers, and all units offer dishwashers except the smallest 340 square-foot one-bedroom units. No shuttle service is provided, the contact stated.

The property does not accept Housing Choice Vouchers. The contact reported strong demand for housing in the area. Since our prior survey in August 2019, rents increased considerably for one- and two-bedroom units (\$35-\$120, or 8-19 percent), while rents for the three- and four-bedroom units have remained stable since our prior survey.

Trend Report

Vacancy Rates

1Q19	2Q19	3Q19	1Q20
0.0%	0.0%	0.0%	0.9%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$540 - \$675	\$0	\$540 - \$675	\$474 - \$609
2019	2	0.0%	\$545 - \$675	\$0	\$545 - \$675	\$479 - \$609
2019	3	0.0%	\$545 - \$680	\$0	\$545 - \$680	\$479 - \$614
2020	1	3.0%	\$650 - \$800	\$0	\$650 - \$800	\$584 - \$734

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$435	\$0	\$435	\$369
2019	2	0.0%	\$440	\$0	\$440	\$374
2019	3	0.0%	\$440	\$0	\$440	\$374
2020	1	0.0%	\$475	\$0	\$475	\$409

2.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$820 - \$850	\$0	\$820 - \$850	\$734 - \$764
2019	2	0.0%	\$840 - \$880	\$0	\$840 - \$880	\$754 - \$794
2019	3	0.0%	\$840 - \$880	\$0	\$840 - \$880	\$754 - \$794
2020	1	0.0%	\$940 - \$980	\$0	\$940 - \$980	\$854 - \$894

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$780	\$0	\$780	\$694
2019	2	0.0%	\$800	\$0	\$800	\$714
2019	3	0.0%	\$800	\$0	\$800	\$714
2020	1	0.0%	\$900	\$0	\$900	\$814

3.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,380	\$0	\$1,380	\$1,273
2019	2	0.0%	\$1,380	\$0	\$1,380	\$1,273
2019	3	0.0%	\$1,380	\$0	\$1,380	\$1,273
2020	1	0.0%	\$1,380	\$0	\$1,380	\$1,273

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,680	\$0	\$1,680	\$1,544
2019	2	0.0%	\$1,680	\$0	\$1,680	\$1,544
2019	3	0.0%	\$1,680	\$0	\$1,680	\$1,544
2020	1	0.0%	\$1,680	\$0	\$1,680	\$1,544

Trend: Comments

- 1Q19 The property maintains a waiting list for the 2019-2020 school year, since majority of the tenants are students. The contact was unsure of how many applicants were on the waitlist. The property does not charge by the bedroom but the majority of tenants are students and most leases run from August through July. Rents typically increase in July but there were not rent increases during the past year.
- 2Q19 The property maintains a waiting list for the 2019-2020 school year, since majority of the tenants are students. The contact was unsure of how many applicants were on the waitlist. The property does not charge by the bedroom but the majority of tenants are students and most leases run from August through July. Rents typically increase in July.
- 3Q19 The property is typically 100 percent occupied. The property maintains a waiting list for the 2019-2020 school year, as the majority of the tenants are students. The contact reported all 10 households on the waiting list are waiting for one and two-bedroom units. Management estimated the property is 85 percent student tenancy. The property does not accept Housing Choice Vouchers. The contact reported strong demand for housing.
- 1Q20 The property maintains a waiting list for the 2020-2021 school year, as approximately 85 percent of tenants are students, though the contact confirmed rents are not offered by the bedroom. The contact reported a lengthy waiting list but was unsure how many applicants it entails. Further, the property has already preleased 58 percent of units for the 2020 school year. There are currently two vacant one-bedroom units. It should be noted one-bedroom units do not have washer/dryers, and all units offer dishwashers except the smallest 340 square-foot one-bedroom units. No shuttle service is provided, the contact stated.
- The property does not accept Housing Choice Vouchers. The contact reported strong demand for housing in the area. Since our prior survey in August 2019, rents increased considerably for one- and two-bedroom units (\$35-\$120, or 8-19 percent), while rents for the three- and four-bedroom units have remained stable since our prior survey.

Photos



PROPERTY PROFILE REPORT

Highlands At Huckleberry Ridge

Effective Rent Date	1/30/2020
Location	535 Blackrock Drive Blacksburg, VA 24060 Montgomery County
Distance	N/A
Units	247
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2015 / 2019
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mix of local area professionals and some students at VT
Contact Name	Peyton
Phone	540-552-0826



Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Varies
Annual Chg. in Rent	6-11%
Concession	None
Waiting List	Yes, across all unit types.

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	20	918	\$1,175	\$0	Market	Yes	0	0.0%	N/A	None
1.5	1	Garden (2 stories)	20	1,216	\$1,275	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	94	1,267	\$1,350	\$0	Market	Yes	0	0.0%	N/A	None
2.5	2	Garden (2 stories)	60	1,506	\$1,465	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	53	1,363	\$1,625	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,175	\$0	\$1,175	\$49	\$1,224
1.5BR / 1BA	\$1,275	\$0	\$1,275	\$49	\$1,324
2BR / 2BA	\$1,350	\$0	\$1,350	\$64	\$1,414
2.5BR / 2BA	\$1,465	\$0	\$1,465	\$64	\$1,529
3BR / 2BA	\$1,625	\$0	\$1,625	\$78	\$1,703

Highlands At Huckleberry Ridge, continued

Amenities

In-Unit		Security	Services
Sunroom/Solarium	Blinds	None	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage (\$130-\$150)		
Off-Street Parking	On-Site Management		
Playground	Recreation Areas		
Swimming Pool			

Comments

The contact reported the property is typically at 100 percent occupancy. The contact reported vacancies may appear in late February/mid-march, depending on demand and turnover. Demand is highest for the one-bedroom units. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and graduate students residing at the property.

Units do not offer a balcony/patio and instead all units include a separate sunroom. The units with extra half-bedroom's offer a loft space in addition to a sunroom. Garages are priced between \$130 to \$150 based on size. The contact was unable to provide the total number of garages offered, although she indicated none are currently available and that a waitlist is maintained for garage spaces.

This property completed the planned second phase of the property in Summer 2019 and now offers 388 total units. The same floor plans are offered for an additional \$50 premium in the new second phase. However, the contact was unable to breakout the unit mix to include the second phase. Thus, the asking rents and unit mix shown above are of the 247 units of 'phase I' It should be noted that the entire 388-unit property is fully occupied.

Highlands At Huckleberry Ridge, continued

Trend Report

Vacancy Rates

1Q19	2Q19	3Q19	1Q20
0.4%	0.4%	0.0%	0.0%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,145	\$0	\$1,145	\$1,194
2019	2	0.0%	\$1,205	\$0	\$1,205	\$1,254
2019	3	0.0%	\$1,205	\$0	\$1,205	\$1,254
2020	1	0.0%	\$1,275	\$0	\$1,275	\$1,324

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,065	\$0	\$1,065	\$1,114
2019	2	0.0%	\$1,100	\$0	\$1,100	\$1,149
2019	3	0.0%	\$1,100	\$0	\$1,100	\$1,149
2020	1	0.0%	\$1,175	\$0	\$1,175	\$1,224

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,294	\$0	\$1,294	\$1,358
2019	2	0.0%	\$1,324	\$0	\$1,324	\$1,388
2019	3	0.0%	\$1,324	\$0	\$1,324	\$1,388
2020	1	0.0%	\$1,465	\$0	\$1,465	\$1,529

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	1.1%	\$1,175	\$0	\$1,175	\$1,239
2019	2	1.1%	\$1,235	\$0	\$1,235	\$1,299
2019	3	0.0%	\$1,235	\$0	\$1,235	\$1,299
2020	1	0.0%	\$1,350	\$0	\$1,350	\$1,414

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,349	\$0	\$1,349	\$1,427
2019	2	0.0%	\$1,499	\$0	\$1,499	\$1,577
2019	3	0.0%	\$1,499	\$0	\$1,499	\$1,577
2020	1	0.0%	\$1,625	\$0	\$1,625	\$1,703

Trend: Comments

- 1Q19 The contact reported the property is typically at or near 100 percent occupancy. She noted turnover tends to be higher during the summer months as many leases run through July. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and grad students residing at the property. Garages are priced between \$120 to \$140 based on size. The contact noted a second phase of the property with approximately an additional 100 units are under construction and expected to be completed in late March of 2019.
- 2Q19 The contact reported the property is typically at or near 100 percent occupancy. She noted turnover tends to be higher during the summer months as many leases run through July. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and grad students residing at the property. Garages are priced between \$120 to \$140 based on size. Phase 2 of the property (100 units) is currently in lease up.
- 3Q19 The contact reported the property is typically at 100 percent occupancy. The contact reported the first vacancy to come up will likely be in September. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and graduate students residing at the property. Garages are priced between \$120 to \$140 based on size.
- 1Q20 The contact reported the property is typically at 100 percent occupancy. The contact reported vacancies may appear in late February/mid-march, depending on demand and turnover. Demand is highest for the one-bedroom units. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and graduate students residing at the property.
- Units do not offer a balcony/patio and instead all units include a separate sunroom. The units with extra half-bedroom's offer a loft space in addition to a sunroom. Garages are priced between \$130 to \$150 based on size. The contact was unable to provide the total number of garages offered, although she indicated none are currently available and that a waitlist is maintained for garage spaces.
- This property completed the planned second phase of the property in Summer 2019 and now offers 388 total units. The same floor plans are offered for an additional \$50 premium in the new second phase. However, the contact was unable to breakout the unit mix to include the second phase. Thus, the asking rents and unit mix shown above are of the 247 units of 'phase I' It should be noted that the entire 388-unit property is fully occupied.

Photos



PROPERTY PROFILE REPORT

The Mill At Blacksburg

Effective Rent Date	1/30/2020
Location	1811 Grayland Street Blacksburg, VA 24060 Montgomery County
Distance	N/A
Units	160
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1968 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mix of local area households and some students
Contact Name	Roxie
Phone	540-552-4272



Market Information

Program	Market
Annual Turnover Rate	45%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	Increased 4-7%.
Concession	None
Waiting List	None

Utilities

A/C	not included -- wall
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	53	535	\$830	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	54	780	\$930	\$0	Market	No	0	0.0%	N/A	None
3	1	Garden (3 stories)	53	1,025	\$1,200	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$830	\$0	\$830	\$0	\$830
2BR / 1BA	\$930	\$0	\$930	\$0	\$930
3BR / 1BA	\$1,200	\$0	\$1,200	\$0	\$1,200

The Mill At Blacksburg, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Coat Closet	Dishwasher* 3BR only		
Ceiling Fan	Microwave		
Oven	Refrigerator		
Wall A/C			
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	Hammock Park
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Recreation Areas	Swimming Pool		
Volleyball Court			

Comments

The contact reported a mix of mostly students at Virginia Tech as well as some local area households. The property does not charge by the bedroom. The contact stated the property will sometimes maintain a small waiting list if a specific unit is desired, and they have already fully preleased 100 percent of units for the 2020 school year. The majority of leases run from August through July.

The property accepts Housing Choice Vouchers but no tenants are currently utilizing them. The contact indicated the voucher payments do not typically cover the monthly rent. Dishwashers are only offered in the three-bedroom units. Since our prior survey in August 2019, rents increased \$31-\$105 per month, or 4-10 percent across all unit types.

Trend Report

Vacancy Rates

1Q19	2Q19	3Q19	1Q20
0.6%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$799	\$0	\$799	\$799
2019	2	0.0%	\$799	\$0	\$799	\$799
2019	3	0.0%	\$799	\$0	\$799	\$799
2020	1	0.0%	\$830	\$0	\$830	\$830

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	1.9%	\$839	\$0	\$839	\$839
2019	2	0.0%	\$870	\$0	\$870	\$870
2019	3	0.0%	\$870	\$0	\$870	\$870
2020	1	0.0%	\$930	\$0	\$930	\$930

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,065	\$0	\$1,065	\$1,065
2019	2	0.0%	\$1,095	\$0	\$1,095	\$1,095
2019	3	0.0%	\$1,095	\$0	\$1,095	\$1,095
2020	1	0.0%	\$1,200	\$0	\$1,200	\$1,200

Trend: Comments

1Q19	The contact reported a mix of mostly students at Virginia Tech as well as some local area households. The property does not charge rents by the bedroom. The majority of leases run from August through July.
2Q19	N/A
3Q19	The contact reported a mix of mostly students at Virginia Tech as well as some local area households. The property does not charge by the bedroom. The majority of leases run from August through July.
1Q20	The contact reported a mix of mostly students at Virginia Tech as well as some local area households. The property does not charge by the bedroom. The contact stated the property will sometimes maintain a small waiting list if a specific unit is desired, and they have already fully preleased 100 percent of units for the 2020 school year. The majority of leases run from August through July.

The property accepts Housing Choice Vouchers but no tenants are currently utilized them. The contact indicated the voucher payments do not typically cover the monthly rent. Dishwashers are only offered in the three-bedroom units. Since our prior survey in August 2019, rents increased \$31-\$105 per month, or 4-10 percent across all unit types.

Photos



PROPERTY PROFILE REPORT

The Reserve At Knollwood

Effective Rent Date	1/30/2020
Location	2401 Pamela Way Blacksburg, VA 24060 Montgomery County
Distance	N/A
Units	111
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Smith Landing, Highlands at Huckleberry
Tenant Characteristics	Medical/graduate students, undergraduate students, 75-80% students, professionals
Contact Name	Laura - CMG Management
Phone	540-961-0500



Market Information

Program	Market
Annual Turnover Rate	48%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased to 1 week.
Annual Chg. in Rent	Increased 7-12%.
Concession	None
Waiting List	Yes, and 82% preleased for fall 2020 semester.

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	691	\$1,151	\$0	Market	Yes	0	N/A	N/A	AVG*
1	1	Garden (3 stories)	N/A	715	\$1,175	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	667	\$1,129	\$0	Market	Yes	0	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,085	\$1,508	\$0	Market	Yes	0	N/A	N/A	AVG*
2	2	Garden (3 stories)	N/A	1,112	\$1,521	\$0	Market	Yes	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,058	\$1,480	\$0	Market	Yes	0	N/A	N/A	LOW
3	3	Garden (3 stories)	N/A	1,216	\$2,013	\$0	Market	Yes	0	N/A	N/A	AVG*
3	3	Garden (3 stories)	N/A	1,226	\$2,029	\$0	Market	Yes	0	N/A	N/A	HIGH
3	3	Garden (3 stories)	N/A	1,206	\$1,997	\$0	Market	Yes	0	N/A	N/A	LOW

The Reserve At Knollwood, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,129 - \$1,175	\$0	\$1,129 - \$1,175	\$49	\$1,178 - \$1,224
2BR / 2BA	\$1,480 - \$1,521	\$0	\$1,480 - \$1,521	\$64	\$1,544 - \$1,585
3BR / 3BA	\$1,997 - \$2,029	\$0	\$1,997 - \$2,029	\$78	\$2,075 - \$2,107

Amenities

In-Unit	Security	Services
Blinds	None	None
Carpet/Hardwood		
Coat Closet		
Ceiling Fan		
Microwave		
Walk-In Closet		
Property	Premium	Other
Clubhouse/Meeting Room/Community	None	Tanning Salon
Off-Street Parking		
Recreation Areas		
Wi-Fi		

Comments

This property was FKA Knollwood Reserve. The property is typically 100 percent occupied. The contact was unable to provide a unit mix breakout by unit type. The contact stated the property does maintain a waiting list unknown in length; though, they have already preleased 82 percent of units for the 2020 fall semester. The contact reported many graduate students, specifically medical students at Virginia Tech are tenants. Management estimated the property is 75 to 80 percent students, including graduate and undergraduate students. The contact reported strong demand for housing, attributing the strong performance of the property with the growth of Virginia Tech.

Rent ranges shown in the profile depend on unit location, being an end unit or not. All units provide washer/dryer appliances. Further, the contact confirmed that internet service/Wi-Fi is provided for all units and is included in rent. Wi-Fi access is also available in common areas at this property. It should be noted that The Reserve at Knollwood is a sister property of Cedarfield Apartments, both managed by CMG Management.

The Reserve At Knollwood, continued

Trend Report

Vacancy Rates

1Q19	2Q19	3Q19	1Q20
0.0%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,071 - \$1,087	\$0	\$1,071 - \$1,087	\$1,120 - \$1,136
2019	2	N/A	\$1,071 - \$1,087	\$0	\$1,071 - \$1,087	\$1,120 - \$1,136
2019	3	N/A	\$1,071 - \$1,087	\$0	\$1,071 - \$1,087	\$1,120 - \$1,136
2020	1	N/A	\$1,129 - \$1,175	\$0	\$1,129 - \$1,175	\$1,178 - \$1,224

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,379 - \$1,423	\$0	\$1,379 - \$1,423	\$1,443 - \$1,487
2019	2	N/A	\$1,379 - \$1,423	\$0	\$1,379 - \$1,423	\$1,443 - \$1,487
2019	3	N/A	\$1,379 - \$1,423	\$0	\$1,379 - \$1,423	\$1,443 - \$1,487
2020	1	N/A	\$1,480 - \$1,521	\$0	\$1,480 - \$1,521	\$1,544 - \$1,585

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,767 - \$1,817	\$0	\$1,767 - \$1,817	\$1,845 - \$1,895
2019	2	N/A	\$1,767 - \$1,817	\$0	\$1,767 - \$1,817	\$1,845 - \$1,895
2019	3	N/A	\$1,767 - \$1,817	\$0	\$1,767 - \$1,817	\$1,845 - \$1,895
2020	1	N/A	\$1,997 - \$2,029	\$0	\$1,997 - \$2,029	\$2,075 - \$2,107

Trend: Comments

1Q19	This property was FKA Knollwood Reserve. The property typically stays fully occupied with low turnover during August through May with most turnover occurring during the summer months. Length of the current waiting list was not provided but those on the list are waiting for fall semester move ins.
2Q19	This property was FKA Knollwood Reserve. The contact reported that rents have not changed since October of 2018 and occupancy remains at 100%. The property typically stays fully occupied with low turnover during August through May with most turnover occurring during the summer months. Length of the current waiting list was not provided but those on the list are waiting for fall semester move ins.
3Q19	This property was FKA Knollwood Reserve. The property is typically 100 percent occupied. The contact reported many graduate students, specifically medical students at Virginia Tech are tenants. Management estimated the property is 75 to 80 percent student including graduate and undergraduate students. The contact reported strong demand for housing. Management attributed the strong performance of the property to the growth of Virginia Tech.
1Q20	This property was FKA Knollwood Reserve. The property is typically 100 percent occupied. The contact was unable to provide a unit mix breakout by unit type. The contact stated the property does maintain a waiting list unknown in length; though, they have already preleased 82 percent of units for the 2020 fall semester. The contact reported many graduate students, specifically medical students at Virginia Tech are tenants. Management estimated the property is 75 to 80 percent students, including graduate and undergraduate students. The contact reported strong demand for housing, attributing the strong performance of the property with the growth of Virginia Tech.

Rent ranges shown in the profile depend on unit location, being an end unit or not. All units provide washer/dryer appliances. Further, the contact confirmed that internet service/Wi-Fi is provided for all units and is included in rent. Wi-Fi access is also available in common areas at this property. It should be noted that The Reserve at Knollwood is a sister property of Cedarfield Apartments, both managed by CMG Management.

Photos



AMENITY MATRIX

Subject	Fieldstone Apartments	Forest Hills At Belview	Heather Glen Apartments	Henley Place	Huckleberry Court Townhomes	Cedarfield Apartments	Highland Village	Highlands At Huckleberry Ridge	Mill At Blacksburg	Reserve At Knollwood	
Rent Structure	LIHTC/Section 8	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	
Building											
Property Type	G/TH	Garden	Various	Townhouse	Townhouse	Townhouse	Various	Garden	Garden	Garden	Garden
# of Stories	2-stories	3-stories	2-stories	2-stories	2-stories	2-stories	1-stories	3-stories	2-stories	3-stories	3-stories
Year Built	1974	2017	2011	2004	2006	2005	1993	1984	2015	1968/2013	2013
Year Renovated	2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2019	2013	n/a
Utility Structure											
Cooking	no	no	no	no	no	no	no	yes	no	no	no
Water Heat	no	no	no	no	no	no	no	yes	no	no	no
Heat	no	no	no	no	no	no	no	yes	no	no	no
Other Electric	no	no	no	no	no	no	no	yes	no	no	no
Water	yes	no	yes	yes	yes	no	no	yes	no	yes	no
Sewer	yes	no	yes	yes	yes	no	no	yes	no	yes	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Accessibility											
Unit Amenities											
Balcony/Patio	yes	no	yes	yes	yes	yes	yes	no	yes	no	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	yes	no	no	no	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	no
Hardwood/LVT*	yes	no	no	no	no	no	no	no	yes	no	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Ceiling Fan	no	no	no	yes	yes	yes	yes	no	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	no	no	no	no	no	yes	no	no	no	no
Fireplace	no	no	no	no	no	no	no	no	yes	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	yes	no	no
Walk-In Closet	no	yes	yes	yes	yes	yes	yes	no	yes	no	yes
Wall A/C	no	no	no	no	no	no	no	no	no	yes	no
Window A/C	no	no	no	no	no	no	yes	no	no	no	no
Washer/Dryer	no	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
W/D Hookup**	yes	yes	yes	yes	yes	yes	yes	no	no	no	no
Kitchen											
Dishwasher*	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	no	yes	yes	yes	yes	yes	no	yes	no	yes
Microwave*	yes	no	no	no	no	no	yes	no	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Community											
Business Center	no	no	no	no	no	no	no	no	yes	no	no
Community Room	no	yes	yes	no	no	no	no	no	yes	yes	yes
Central Laundry	yes	yes	no	no	no	no	no	yes	no	yes	no
On-Site Mgmt	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Recreation											
Basketball Court	no	no	no	no	no	no	yes	yes	no	yes	no
Exercise Facility	no	yes	no	no	no	no	no	no	yes	no	yes
Playground	yes	no	yes	no	no	yes	no	no	yes	no	no
Swimming Pool	no	no	no	no	no	no	no	yes	yes	yes	yes
Picnic Area	no	no	yes	no	no	yes	yes	yes	no	yes	no
Recreational Area	no	no	no	no	no	no	yes	no	yes	yes	yes
Volleyball Court	no	no	no	no	no	no	yes	yes	no	yes	no
WiFi*	Y (common)	yes	no	no	no	no	Y (unit)	no	no	no	Y (both)
Security											
Intercom (Buzzer)	no	no	no	no	no	no	yes	no	no	no	no
Limited Access	no	no	no	no	no	no	yes	no	no	no	no
Patrol	no	no	no	yes	no	no	no	no	no	no	no
Perimeter Fencing	no	no	no	yes	no	no	no	no	no	no	no
Video Surveillance	no	no	yes	no	no	no	no	no	no	no	no
Parking											
Garage	no	no	no	yes	yes	no	no	no	yes	no	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

*Will be added post-renovations

** Washer/dryer hookups in Subject's 3BR & 4BR units only.

RIVERBEND APARTMENTS – RADFORD, VIRGINIA – VHDA MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING –								
All rents adjusted for utilities and concessions extracted from the market.								
	Units Surveyed:	1,126	Weighted Occupancy:	99.0%	Weighted Occupancy:	99.0%		
	Market Rate	841	Market Rate	99.8%	Market Rate	99.8%		
	Tax Credit	285	Tax Credit	96.8%	Tax Credit	96.8%		
One Bedroom One Bath		Two Bedroom One and a Half Bath		Three Bedroom One and a Half Bath		Four Bedroom Two Bath		
Property	Average	Property	Average	Property	Average	Property	Average	
RENT	Highlands At Huckleberry Ridge (Market)	\$1,224	The Reserve At Knollwood (Market)(2BA)	\$1,572	The Reserve At Knollwood (Market)(3BA)	\$2,091	Highland Village (Market)	\$1,544
	The Reserve At Knollwood (Market)	\$1,200	Cedarfield Apartments (Market)(2.5BA)	\$1,461	Cedarfield Apartments (Market)(2.5BA)	\$1,745	Riverbend Apartments (@60%)	\$1,134
	Cedarfield Apartments (Market)	\$1,062	Highlands At Huckleberry Ridge (Market)(2BA)	\$1,414	Highlands At Huckleberry Ridge (Market)(2BA)	\$1,703	Henley Place (@60%)(2.5BA)	\$1,005
	Cedarfield Apartments (Market)	\$992	Cedarfield Apartments (Market)(2BA)	\$1,217	Highland Village (Market)(2BA)	\$1,273	Huckleberry Court Townhomes (@60%)(2.5BA)	\$959
	The Mill At Blacksburg (Market)	\$830	Cedarfield Apartments (Market)(1BA)	\$1,120	The Mill At Blacksburg (Market)(1BA)	\$1,200	Riverbend Apartments (@50%)	\$906
	Riverbend Apartments (@60%)	\$759	Fieldstone Apartments (@60%)(2BA)	\$979	Fieldstone Apartments (@60%)(2BA)	\$1,128	Forest Hills At Belview (@50%)	\$895
	Riverbend Apartments (@50%)	\$615	The Mill At Blacksburg (Market)(1BA)	\$930	Fieldstone Apartments (@60%)(2BA)	\$1,128	Forest Hills At Belview (@50%)	\$895
	Forest Hills At Belview (@50%)	\$600	Riverbend Apartments (@60%)	\$901	Riverbend Apartments (@60%)	\$1,004	Riverbend Apartments (@40%)	\$684
	Heather Glen Apartments (@40%)(1.5BA)	\$502	Riverbend Apartments (@60%)	\$901	Henley Place (@60%)(2.5BA)	\$915		
	Forest Hills At Belview (@40%)	\$500	Highland Village (Market)(1BA)	\$814	Huckleberry Court Townhomes (@60%)(2.5BA)	\$867		
	Riverbend Apartments (@40%)	\$496	Huckleberry Court Townhomes (@60%)(2.5BA)	\$769	Heather Glen Apartments (@50%)(2.5BA)	\$859		
	Highland Village (Market)	\$409	Riverbend Apartments (@50%)	\$728	Forest Hills At Belview (@50%)(2BA)	\$815		
			Riverbend Apartments (@50%)	\$728	Forest Hills At Belview (@50%)(2BA)	\$815		
			Forest Hills At Belview (@50%)	\$715	Riverbend Apartments (@50%)	\$804		
			Forest Hills At Belview (@50%)	\$715				
		Henley Place (@50%)(2.5BA)	\$705					
		Huckleberry Court Townhomes (@50%)(2.5BA)	\$640					
		Heather Glen Apartments (@40%)(2.5BA)	\$603					
SQUARE FOOTAGE	Heather Glen Apartments (@40%)(1.5BA)	1,029	Henley Place (@50%)(2.5BA)	1,656	Henley Place (@60%)(2.5BA)	2,253	Henley Place (@60%)(2.5BA)	2,582
	Highlands At Huckleberry Ridge (Market)	918	Heather Glen Apartments (@40%)(2.5BA)	1,350	Cedarfield Apartments (Market)(2.5BA)	1,444	Huckleberry Court Townhomes (@60%)(2.5BA)	1,939
	Cedarfield Apartments (Market)	792	Cedarfield Apartments (Market)(2.5BA)	1,280	Heather Glen Apartments (@50%)(2.5BA)	1,438	Riverbend Apartments (@40%)	1,630
	Forest Hills At Belview (@50%)	709	Highlands At Huckleberry Ridge (Market)(2BA)	1,267	Huckleberry Court Townhomes (@60%)(2.5BA)	1,366	Riverbend Apartments (@50%)	1,630
	Forest Hills At Belview (@40%)	707	Huckleberry Court Townhomes (@60%)(2.5BA)	1,185	Highlands At Huckleberry Ridge (Market)(2BA)	1,363	Riverbend Apartments (@60%)	1,630
	The Reserve At Knollwood (Market)	691	Huckleberry Court Townhomes (@50%)(2.5BA)	1,185	Riverbend Apartments (@50%)	1,350	Highland Village (Market)	1,280
	Cedarfield Apartments (Market)	652	Riverbend Apartments (@50%)	1,088	Riverbend Apartments (@60%)	1,350	Forest Hills At Belview (@50%)	1,247
	Riverbend Apartments (@50%)	560	Riverbend Apartments (@60%)	1,088	Highland Village (Market)(2BA)	1,280	Forest Hills At Belview (@50%)	1,244
	Riverbend Apartments (@60%)	560	The Reserve At Knollwood (Market)(2BA)	1,085	The Reserve At Knollwood (Market)(3BA)	1,216		
	Riverbend Apartments (@40%)	560	Riverbend Apartments (@60%)	1,059	Fieldstone Apartments (@60%)(2BA)	1,189		
	The Mill At Blacksburg (Market)	535	Riverbend Apartments (@50%)	1,059	Fieldstone Apartments (@60%)(2BA)	1,176		
	Highland Village (Market)	340	Forest Hills At Belview (@50%)	1,011	Forest Hills At Belview (@50%)(2BA)	1,161		
			Fieldstone Apartments (@60%)(2BA)	1,009	Forest Hills At Belview (@50%)(2BA)	1,123		
			Cedarfield Apartments (Market)(2BA)	992	The Mill At Blacksburg (Market)(1BA)	1,025		
			Forest Hills At Belview (@50%)	980				
		Cedarfield Apartments (Market)(1BA)	869					
		The Mill At Blacksburg (Market)(1BA)	780					
		Highland Village (Market)(1BA)	654					
RENT PER SQUARE FOOT	The Reserve At Knollwood (Market)	\$1.74	The Reserve At Knollwood (Market)(2BA)	\$1.45	The Reserve At Knollwood (Market)(3BA)	\$1.72	Highland Village (Market)	\$1.21
	The Mill At Blacksburg (Market)	\$1.55	Cedarfield Apartments (Market)(1BA)	\$1.29	Highlands At Huckleberry Ridge (Market)(2BA)	\$1.25	Forest Hills At Belview (@50%)	\$0.72
	Cedarfield Apartments (Market)	\$1.52	Highland Village (Market)(1BA)	\$1.24	Cedarfield Apartments (Market)(2.5BA)	\$1.21	Forest Hills At Belview (@50%)	\$0.72
	Riverbend Apartments (@60%)	\$1.36	Cedarfield Apartments (Market)(2BA)	\$1.23	The Mill At Blacksburg (Market)(1BA)	\$1.17	Riverbend Apartments (@60%)	\$0.70
	Cedarfield Apartments (Market)	\$1.34	The Mill At Blacksburg (Market)(1BA)	\$1.19	Highland Village (Market)(2BA)	\$0.99	Riverbend Apartments (@50%)	\$0.56
	Highlands At Huckleberry Ridge (Market)	\$1.33	Cedarfield Apartments (Market)(2.5BA)	\$1.14	Fieldstone Apartments (@60%)(2BA)	\$0.96	Huckleberry Court Townhomes (@60%)(2.5BA)	\$0.49
	Highland Village (Market)	\$1.20	Highlands At Huckleberry Ridge (Market)(2BA)	\$1.12	Fieldstone Apartments (@60%)(2BA)	\$0.95	Riverbend Apartments (@40%)	\$0.42
	Riverbend Apartments (@50%)	\$1.10	Fieldstone Apartments (@60%)(2BA)	\$0.97	Riverbend Apartments (@60%)	\$0.74	Henley Place (@60%)(2.5BA)	\$0.39
	Riverbend Apartments (@40%)	\$0.89	Riverbend Apartments (@60%)	\$0.85	Forest Hills At Belview (@50%)(2BA)	\$0.73		
	Forest Hills At Belview (@50%)	\$0.85	Riverbend Apartments (@60%)	\$0.83	Forest Hills At Belview (@50%)(2BA)	\$0.70		
	Forest Hills At Belview (@40%)	\$0.71	Forest Hills At Belview (@50%)	\$0.73	Huckleberry Court Townhomes (@60%)(2.5BA)	\$0.63		
	Heather Glen Apartments (@40%)(1.5BA)	\$0.49	Forest Hills At Belview (@50%)	\$0.71	Heather Glen Apartments (@50%)(2.5BA)	\$0.60		
			Riverbend Apartments (@50%)	\$0.69	Riverbend Apartments (@50%)	\$0.60		
			Riverbend Apartments (@50%)	\$0.67	Henley Place (@60%)(2.5BA)	\$0.41		
			Huckleberry Court Townhomes (@60%)(2.5BA)	\$0.65				
		Huckleberry Court Townhomes (@50%)(2.5BA)	\$0.54					
		Heather Glen Apartments (@40%)(2.5BA)	\$0.45					
		Henley Place (@50%)(2.5BA)	\$0.43					

PROPERTY CHARACTERISTICS

Following are relevant characteristics of comparable properties surveyed:

Location

The Subject is located in the western portion of Radford, which is a primarily residential neighborhood consisting of single-family homes in fair to good condition, multifamily uses in average to good condition, vacant land and pastures, and small commercial and retail uses scattered along W Main St/1st Street, north of the Subject. The following table compares the Subject to comparable properties.

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Riverbend Apartments	Radford	Family	LIHTC (Sec 8)	-	\$51,652	\$167,000	\$771	84	12	5.3%	48.7%
1	Fieldstone Apartments	Blacksburg	Family	LIHTC	13.5 miles	\$34,813	\$295,200	\$994	58	15	11.9%	58.1%
2	Forest Hills At Belview	Radford	Family	LIHTC	6.0 miles	\$55,976	\$167,000	\$771	39	4	13.8%	23.4%
3	Heather Glen Apartments	Radford	Family	LIHTC	1.4 miles	\$49,769	\$167,000	\$771	108	12	5.1%	39.4%
4	Henley Place	Christiansburg	Family	LIHTC	8.8 miles	\$44,602	\$183,200	\$839	129	17	6.9%	51.3%
5	Huckleberry Court Townhomes	Christiansburg	Family	LIHTC	9.8 miles	\$67,962	\$183,200	\$839	61	10	14.7%	26.3%
6	Cedarfield Apartments	Blacksburg	Family	Market	12.4 miles	\$53,194	\$295,200	\$994	77	56	7.7%	67.5%
7	Highland Village	Radford	Family	Market	3.1 miles	\$12,286	\$167,000	\$771	58	41	9.4%	83.8%
8	Highlands At Huckleberry Ridge	Blacksburg	Family	Market	10.5 miles	\$46,883	\$295,200	\$994	61	14	7.1%	57.5%
9	The Mill At Blacksburg	Blacksburg	Family	Market	12.6 miles	\$53,341	\$295,200	\$994	67	57	7.6%	67.7%
10	The Reserve At Knollwood	Blacksburg	Family	Market	11.9 miles	\$51,456	\$295,200	\$994	60	15	10.9%	57.5%

As illustrated above, the Subject's location exhibits generally similar household incomes, median home values and median rents relative to the three comparables in Radford, and is slightly inferior to the remaining comparables located in Blacksburg and Christiansburg, Virginia. The Subject's neighborhood exhibits a slightly inferior location compared to the remaining four properties located in Blacksburg, in terms of median home values and median rents. Based on these factors, we adjusted each of these comparables downward by \$50 for location. Overall, the Subject is considered generally similar to slightly inferior to the comparables.

Size, Age and Condition

The Subject was constructed in 1979 and is in average condition. Following renovations, the Subject will be considered in good condition. Highlands at Huckleberry Ridge and Reserve at Knollwood were constructed between 2013 and 2015, exhibiting excellent condition, superior to the Subject "as is" and slightly superior to the Subject's anticipated condition, post-renovations. Cedarfield Apartments and Highland Village were built between 1993 and 2013, exhibiting average condition, similar to the Subject "as is" and inferior to the Subject "as renovated." The remaining comparable, The Mill at Blacksburg was built in 1968 and reported renovations in 2013. However, based on our inspection, this property is considered to be in average condition and similar to the Subject "as is" and inferior to the Subject "as renovated."

The LIHTC properties range in size from 40 to 84 units, generally similar to the Subject's size. The market rate developments range from 106 to 247 units, with an average development size of 168 units. The Subject falls within the range of development size for LIHTC properties, but below the range of development size for the market rate properties. However, there is no distinct correlation between property size and rental rates.

Unit Size

The following table illustrates the unit sizes of the Subject and the comparable properties.

UNIT SIZE COMPARISON

Bedroom Type	1BR	2BR	3BR	4BR
Subject	566	1,059 - 1,089	1,268	1,489
Average	732	1,084	1,336	1,658
Min	340	654	1,025	1,244
Max	1,216	1,656	2,253	2,582
Advantage/Disadvantage	-24%	-2.28% : 0.40%	-5%	-9%

The Subject offers one-, two-, three-, and four-bedroom units, which are below the average unit sizes of the comparables for the majority of the units. The Subject's unit sizes are similar to slightly above the comparable average for two-bedroom units. The Subject's unit sizes provide a disadvantage of two to 24 percent for its smaller unit sizes when compared to all of the comparables, but a slight advantage for its larger two-bedroom units. Overall, the Subject's unit sizes are

considered similar to inferior to the majority of the comparables. We have considered the Subject's unit sizes in our rent conclusions.

Unit Amenities

The Subject's in-unit amenities currently include a balcony/patio, blinds, carpet flooring, central heating and air conditioning, coat closets, exterior storage units, ovens, and refrigerators. The Subject's three- and four-bedroom units offer washer/dryer hookups. Upon completion of the proposed renovations, all units will replace the existing carpet with new vinyl-flooring. Further, microwave and dishwasher appliances will be added, post-renovations. For a detailed comparison between the Subject and the comparables, please refer to the amenity matrix at the beginning of this section of the report. Regarding in-unit amenities, the Subject is considered slightly superior to the majority of LIHTC comparables, and slightly inferior to slightly superior to the market rate comparables. We believe that the unit amenities are and will remain competitive.

Common Area Amenities

The community amenities offered by the Subject currently include a clubhouse/leasing office with on-site management, central laundry facilities, a playground, and off-street parking. The Subject will add common-area Wi-Fi as a community amenity, post-renovations. For a detailed comparison between the Subject and the comparables, please refer to the amenity matrix at the beginning of this section of the report. Regarding community amenities, the Subject is considered similar to slightly inferior to the majority of LIHTC comparables, and slightly inferior to the market rate comparables. Nonetheless, we believe that the common area amenities are and will remain sufficiently competitive as an affordable property.

Security Features

According to ESRI Demographic data, crime risk indices in the Subject's location are well below the national average. The Subject does not offer any security amenities, similar to the majority of the comparables. Only three comparables offer at least one security feature. Based on the historical performance of the Subject and the demographic data, we believe the Subject will remain competitive.

Utility Structure

The Subject offers all electric utilities. Tenants are responsible for all electric utility expenses, while the landlord covers cold water, sewer and trash removal expenses. Following the renovations, the utility structure will remain the same. The Subject currently utilizes project-specific utility allowances, which are shown in the current rents table, previously provided above. There are no proposed changes to the utility structure post-renovation. The utility structure varies among the comparable properties and we have adjusted the comparables' rents in accordance with the utility calculations from VHDA, effective July 1, 2019.

Parking

The Subject features off-street parking to its tenants at no additional cost. There are approximately 86 surface parking spaces, which equates to a parking ratio of approximately 1.4 spaces per unit. Overall, the parking offered at the Subject is reasonable given its tenancy and proximity to public transportation. All of the comparable properties offer free off-street parking, similar to the Subject. In addition, three comparable that offers garage parking for no additional fee. Overall, the Subject will be considered similar to slightly inferior to the majority of the comparables in terms of parking.

MARKET CHARACTERISTICS

Following are relevant market characteristics for comparable properties surveyed.

Vacancy Levels

The following table details vacancy levels at comparable properties.

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Fieldstone Apartments	LIHTC	84	3	3.6%
Forest Hills At Belview	LIHTC	70	6	8.6%
Heather Glen Apartments	LIHTC	40	0	0.0%
Henley Place	LIHTC	41	0	0.0%
Huckleberry Court Townhomes	LIHTC	50	0	0.0%
Cedarfield Apartments	Market	106	0	0.0%
Highland Village	Market	217	2	0.9%
Highlands At Huckleberry Ridge	Market	247	0	0.0%
The Mill At Blacksburg	Market	160	0	0.0%
The Reserve At Knollwood	Market	111	0	0.0%
Total LIHTC		285	9	3.2%
Total Market Rate		841	2	0.2%
Overall Total		1,126	11	1.0%

The comparables reported vacancy rates ranging from zero to 8.6 percent, with an overall weighted average of 1.0 percent. Managers at three of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 3.2 percent, slightly above the 0.2 percent average reported by the market rate properties. One LIHTC property, Forest Hills at Belview, reported an elevated vacancy rate. However, according to management, two of these vacancies are preleased. Further, the contact noted that the elevated vacancy rate is atypical and is due to several recent evictions. All of the market rate properties reported vacancy rates of 0.9 percent or lower. Additionally, it should be noted that eight of the 10 comparables maintain a waiting list. Based on the performance of the comparable properties, we expect the Subject to operate with an annual vacancy and collection loss of three percent, or less.

The following table details vacancy by bedroom type for the comparable properties surveyed:

VACANCY BY BEDROOM TYPE						
Property Name	Rent Structure	1BR	2BR	3BR	4BR	Overall
Fieldstone Apartments	LIHTC	-	3.3%	4.2%	-	3.6%
Forest Hills At Belview	LIHTC	7.1%	7.7%	10.0%	10.0%	8.6%
Heather Glen Apartments	LIHTC	0.0%	0.0%	0.0%	-	0.0%
Henley Place	LIHTC	-	0.0%	0.0%	0.0%	0.0%
Huckleberry Court Townhomes	LIHTC	-	0.0%	0.0%	0.0%	0.0%
Cedarfield Apartments	Market	0.0%	0.0%	0.0%	-	0.0%
Highland Village	Market	1.9%	0.0%	0.0%	0.0%	0.9%
Highlands At Huckleberry Ridge	Market	0.0%	0.0%	0.0%	-	0.0%
The Mill At Blacksburg	Market	0.0%	0.0%	0.0%	-	0.0%
The Reserve At Knollwood	Market	-	-	-	-	0.0%

The Subject's historical expenses do not indicate a vacancy and collection loss for the past three years, and the budget indicates 2.0 percent in 2020. According to a rent roll dated March 2, 2020, the Subject was 100 percent occupied and maintains a waiting list. Based upon the Subject's current/historical data and the comparable data, we believe the Subject will operate with a physical vacancy of three percent or less.

Concessions

None of the comparables reported offering rent concessions at the time of interview. We do not expect the Subject will need to rely on concessions to maintain a stabilized occupancy.

Turnover

The following table details turnover rates at comparable properties that were able to report data.

TURNOVER		
Property Name	Rent Structure	Annual Turnover
Fieldstone Apartments	LIHTC	20%
Forest Hills At Belview	LIHTC	30%
Heather Glen Apartments	LIHTC	5%
Henley Place	LIHTC	5%
Huckleberry Court Townhomes	LIHTC	6%
Cedarfield Apartments	Market	50%
Highland Village	Market	35%
Highlands At Huckleberry Ridge	Market	40%
The Mill At Blacksburg	Market	45%
The Reserve At Knollwood	Market	48%
Average Turnover		28%

The comparables reported turnover rates ranging from five to 50 percent, with an overall average of 28 percent. The LIHTC comparables operate with an average turnover rate of 13 percent, which was less than half the 44 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate a turnover rate of approximately 20 percent or less going forward.

Waiting Lists

The following table illustrates the waiting lists offered at the comparable properties included in our survey.

WAITING LIST		
Property Name	Rent Structure	Waiting List Length
Fieldstone Apartments	LIHTC	None
Forest Hills At Belview	LIHTC	Yes, five households
Heather Glen Apartments	LIHTC	Yes, 148 households
Henley Place	LIHTC	Yes, 100HH
Huckleberry Court Townhomes	LIHTC	Yes, 100HH
Cedarfield Apartments	Market	Yes, unknown length
Highland Village	Market	Yes, unknown length
Highlands At Huckleberry Ridge	Market	Yes
The Mill At Blacksburg	Market	None
The Reserve At Knollwood	Market	Yes

Overall, four affordable properties maintain a waiting list, indicating unmet demand in the Subject's market for affordable housing. Further, four of the market rate comparables maintain waiting lists. The Subject currently maintains a waiting list with an unknown length. We believe the Subject will be able to continue to maintain a waiting list post-renovation.

Rental Rate Increases

The following table illustrates rent growth at the comparables.

RENT GROWTH		
Property Name	Rent Structure	Rent Growth
Fieldstone Apartments	LIHTC	None
Forest Hills At Belview	LIHTC	Increase <1%-8.6%
Heather Glen Apartments	LIHTC	Increased 3.3%-5.2%
Henley Place	LIHTC	None
Huckleberry Court Townhomes	LIHTC	Increased 3%-4.5%
Cedarfield Apartments	Market	Increased 9-10%
Highland Village	Market	Increased for 1 & 2BR units only
Highlands At Huckleberry Ridge	Market	Increased 6%-11%
The Mill At Blacksburg	Market	Increased 4-7%.
The Reserve At Knollwood	Market	Increased 7-12%.

Three of the LIHTC comparable properties reported rental increases, as did all of the market rate comparables. The Subject's proposed LIHTC rents are set at the maximum allowable levels at 60 percent of AMI; thus, future rent increases will be dependent on increases in AMI as well as market demand.

Absorption Estimate

We were able to obtain absorption information from three of the surveyed LIHTC comparable properties. Thus, we expanded our search for absorption data to include Roanoke and nearby counties, which is detailed following.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption
Fieldstone Senior Apts	LIHTC	Senior	2018	60	10
Fieldstone*	LIHTC	Family	2017	84	16.8
Forest Hills At Belview*	LIHTC	Family	2011	70	11
Dara Heights Apartments	LIHTC	Family	2008	48	16
Heather Glen*	LIHTC	Family	2004	40	2
Sedona	Market	Family	2013	271	20
The View At Liberty Center	Market	Family	2014	257	21
LIHTC Average				60	11
Market Average				264	21
Overall Average				119	14

*Utilized as rental comparable

Based on the information above, we estimate that the Subject would reach a stabilized occupancy within four months, at an absorption rate of approximately 15 units per month, in the event that it needed to reabsorb its tenancy. It should be noted that the Subject is currently operating at a stabilized occupancy; thus, this analysis is hypothetical. Further, the proposed renovations will occur with minimal disruption to tenants. Therefore, we do not believe that there will be a need for any significant reabsorption of units.

Affordable Properties in the PMA

We do not believe the Subject will adversely affect existing affordable housing projects in the PMA. A survey of comparable affordable LIHTC rental housing developments in the area demonstrate substantial demand for quality rental units.

AFFORDABLE HOUSING IN THE PMA

Property Name	Rent Structure	Total Units	Total LIHTC Units	Tenancy
Hunting Hills	LIHTC	12	12	Senior
Landings Plaza	LIHTC	18	18	Family
Cedar Crest I, II, & III	LIHTC	36	36	Family
New River Gardens I & II	LIHTC	78	78	Family
Sunvalley	LIHTC	92	92	Family
Ridgewood Place	LIHTC	24	24	Family
Ridgewood Place Seniors	LIHTC	32	32	Senior
Heather Glen Apartments*	LIHTC	40	40	Family
Huckleberry Court Townhomes	LIHTC	40	40	Family
Henley Place*	LIHTC	50	50	Family
High Meadows	LIHTC	41	41	Family
Pulaski Village	LIHTC	60	60	Senior
Linden Green Aka Old Farm Village II	LIHTC/Section 8	44	44	Family
Forest Hills at Belview*	LIHTC	84	84	Family
Willow Woods Preservation	LIHTC	70	70	Family
Laurel Woods (Pulaski)	LIHTC/Section 8	143	139	Family
New River Overlook	LIHTC	40	40	Family
Smokey Ridge	LIHTC/Section 8	40	40	Senior
Cambridge Square	LIHTC	46	46	Family
Christiansburg Bluff	Section 8	40	0	Family
Ellett Road Community Apartments	Section 8	120	0	Senior
Lantern Ridge Apts	Section 8	12	0	Family
Meadowview Apartments	Section 8	120	0	Family
New River House	LIHTC/Section 8	98	98	Family
Parkview Of Radford	Section 8	42	0	Senior
Trolinger House	Section 8	13	0	Senior
Washington Square Apartments	Section 8	102	0	Senior
Willow Woods	Section 8	120	0	Family
Bradley's Ridge Apartments	Section 8	144	0	Family
Melinda's Melody	Section 8	58	0	Senior
Fairfax Village	Section 8	48	0	Senior
	Section 8	40	0	Family

*Utilized as a rent comparable

Reasonability of Rents

The tables below illustrate the Subject’s proposed asking rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Proposed LIHTC Rent	Utility Allowance (1)	Monthly Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	% of LIHTC Max. Allowable Gross Rent	2019 HUD Fair Market Rents
<i>@40% AMI</i>								
1BR/1BA(HC)	566	3	\$496	\$79	\$575	\$575	100.00%	\$759
4BR/2BA	1,489	3	\$684	\$206	\$890	\$890	100.00%	\$1,526
<i>@50% AMI</i>								
1BR/1BA	566	4	\$615	\$104	\$719	\$719	100.00%	\$759
2BR/1.5BA	1,059	7	\$728	\$135	\$863	\$863	100.00%	\$869
2BR/1.5BA	1,089	7	\$728	\$135	\$863	\$863	100.00%	\$869
3BR/1.5BA	1,268	5	\$804	\$193	\$997	\$997	100.00%	\$1,256
4BR/2BA	1,489	1	\$906	\$206	\$1,112	\$1,112	100.00%	\$1,526
<i>@60% AMI</i>								
1BR/1BA	566	8	\$759	\$104	\$863	\$863	100.00%	\$759
2BR/1.5BA	1,059	8	\$901	\$135	\$1,036	\$1,036	100.00%	\$869
2BR/1.5BA	1,089	8	\$901	\$135	\$1,036	\$1,036	100.00%	\$869
3BR/1.5BA	1,268	5	\$1,004	\$193	\$1,197	\$1,197	100.00%	\$1,256
4BR/2BA(HC)	1,489	1	\$1,145	\$191	\$1,336	\$1,335	100.07%	\$1,526
Total		60						

Notes (1) Source of Utility Allowances per Subject’s HUD rent schedule, 3/1/2020

Comparable LIHTC Rents – As Renovated

Following rehabilitation and the allocation of Low Income Housing Tax Credits (LIHTCs), all of the Subject units will continue to receive Project-Based Section 8 rental assistance and will also be rent restricted at the 40, 50, and 60 percent AMI levels. The proposed rents are set at the 2019 maximum allowable rents. The following tables illustrate the Subject’s rents compared to the LIHTC rents of the comparable properties surveyed. The rents have been adjusted for variances in utilities.

LIHTC RENT COMPARISON @40%

Property Name	County	1BR	4BR
Riverbend Apartments	Radford	\$496	\$684
LIHTC Maximum Rent (Net)	Radford city	\$496	\$684
Forest Hills At Belview	Montgomery	\$500	-
Heather Glen Apartments	Radford	\$502	-
Average		\$501	-
Achievable LIHTC Rent		\$496	\$684

LIHTC RENT COMPARISON @50%

Property Name	County	Tenancy	1BR	2BR	3BR	4BR
Riverbend Apartments	Radford	Family	\$615	\$728	\$804	\$906
LIHTC Maximum Rent (Net)	Radford city		\$615	\$728	\$804	\$906
Forest Hills At Belview	Montgomery	Family	\$600	\$715	\$815	\$895
Heather Glen Apartments	Radford	Family	-	-	\$859	-
Henley Place	Montgomery	Family	-	\$705	-	-
Huckleberry Court Townhomes	Montgomery	Family	-	\$640	-	-
Average			\$600	\$687	\$837	\$895
Achievable LIHTC Rent			\$615	\$728	\$804	\$906

Only one of the comparable properties, Fieldstone Apartments, reported rents at the maximum allowable levels. However, this comparable appears to be achieving rents above the maximum allowable, which could be due to a project-specific utility allowance. Additionally, two comparables, Forest Hills at Belview and Heather Glen Apartments, are located within the city of Radford, similar to the Subject, and offer units with similar rent restrictions at the 40 and 50 percent of AMI levels. These two comparables also reported current rents below maximum allowable levels at both set asides, but indicated high demand for affordable units in the area and maintain waiting lists, indicating they may not be testing the market in terms of rents.

LIHTC RENT COMPARISON @60%

Property Name	County	1BR	2BR	3BR	4BR
Riverbend Apartments	Radford	\$759	\$901	\$1,004	\$1,134
LIHTC Maximum Rent (Net)	Radford	\$759	\$901	\$1,004	\$1,134
LIHTC Maximum Rent (Net)	Montgomery	\$759	\$901	\$1,004	\$1,134
Fieldstone Apartments	Montgomery	-	\$979	\$1,128	-
Henley Place	Montgomery	-	-	\$915	\$1,005
Huckleberry Court Townhomes	Montgomery	-	\$769	\$867	\$959
Average	Montgomery	-	\$874	\$970	\$982
Achievable LIHTC Rent	Montgomery	\$725	\$850	\$925	\$1,050

The Subject’s current Section 8 rents are below the proposed LIHTC rents. Further, all of the Subject’s tenants would be subject to the new LIHTC rents, post-renovation, if the Section 8 rental assistance were hypothetically no longer be in place. Due to the very low vacancy rates among the comparables, as well as the market data indicating lengthy waiting lists for the majority of the comparables, the current rents do not appear to be testing the market. However, the Subject and surrounding areas are heavily populated with students attending various universities and this population does not qualify to live at a LIHTC property under Section 42 code. Thus, it appears that the market seasonality due to the local universities also has impacted achievable LIHTC rents at the affordable developments in the area. However, the most recently constructed property did report maximum allowable rents and only three vacant units, indicating maximum allowable rents may be achievable in the market for new construction or recently-renovated developments. Thus, we have concluded to achievable LIHTC rents of **\$471** and **\$684** for the one- and four-bedroom units restricted at 40 percent of AMI. Further, we have concluded to maximum achievable 50 percent AMI rents of **\$615, \$728, \$804, and \$906** for the Subject’s one-, two-, three-, and four-bedroom unit types, respectively.

Further, and even though the Subject will be newly-renovated, we believe maximum 60 percent AMI rents are not achievable in the current market. Accordingly, rents slightly below maximum levels are attainable for the units at the 60 percent AMI set aside and we have concluded to rents of **\$725, \$850, \$925, and \$1,050** for the one-, two-, three-, and four-bedroom units, respectively, for the Subject’s proposed rents at 60 percent AMI. . Additionally, this scenario is hypothetical given the Section 8 subsidy will remain at the Subject, post renovations. A summary of our achievable LIHTC rents are provided in the following table.

ACHIEVABLE LIHTC RENTS

	1BR	2BR	3BR	4BR	Max Level?
Achievable Rent @ 40%	\$471	-	-	\$684	Yes
Achievable Rent @ 50%	\$615	\$728	\$804	\$906	Yes
Achievable Rent @ 60%	\$725	\$850	\$825	\$1,050	No

Market Rent Comparison – As Is

The following table illustrates our concluded market rents and current contract rents compared to the market rate comparables, based on the previously provided rent grids.

SUBJECT COMPARISON TO ADJUSTED MARKET RENTS - AS IS

Unit Type	Subject's Current Contract Rents	Adjusted Minimum	Adjusted Maximum	Adjusted Average	Achievable Market Rent As-Is	Subject Rent Advantage
1BR/1BA (Garden)	\$486	\$722	\$865	\$800	\$800	41%
1BR/1BA HC (Garden)	\$507	\$747	\$890	\$816	\$820	40%
2BR/1.5BA (TH)	\$540	\$1,016	\$1,315	\$1,050	\$1,050	50%
3BR/1.5BA (TH)	\$679	\$1,258	\$1,826	\$1,300	\$1,300	49%
4BR/2BA (TH)	\$740	\$1,567	\$2,169	\$1,795	\$1,675	57%
4BR/2BA HC (TH)	\$757	\$1,592	\$2,194	\$1,820	\$1,695	56%

As shown in the table above, the Subject's current Section 8 rents are below the range of market rate comparable properties for all unit types. Further, the Subject's current Section 8 rents provide between a 40 and 57 percent rent advantage to the achievable market rents, as is. Thus, our achievable as is market rent conclusions will be utilized in our "as is" unrestricted scenario. Additionally, the current contract rents are below market and the developer is in the process of a mark-up-to-market for the Subject.

Achievable Market Rent Comparison – As Proposed

The maximum achievable market rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market-rate projects in the area based on the rent grids provided in the following section. The Subject will be competitive with the market-rate competition and achievable as proposed market rents are within the range of adjusted market rents.

The following table illustrates our estimates of the Subject's achievable market rents post renovations.

SUBJECT COMPARISON TO ADJUSTED MARKET RENTS - AS PROPOSED

Unit Type	Subject's Current Contract Rents	Adjusted Minimum	Adjusted Maximum	Adjusted Average	Achievable Market Rent As-Renovated	Subject Rent Advantage
1BR/1BA (Garden)	\$486	\$822	\$965	\$891	\$900	48%
1BR/1BA HC (Garden)	\$507	\$847	\$990	\$916	\$920	47%
2BR/1.5BA (TH)	\$540	\$1,126	\$1,425	\$1,213	\$1,160	55%
3BR/1.5BA (TH)	\$679	\$1,373	\$1,941	\$1,568	\$1,415	53%
4BR/2BA (TH)	\$740	\$1,687	\$2,289	\$1,915	\$1,795	60%
4BR/2BA HC (TH)	\$757	\$1,712	\$2,314	\$1,940	\$1,815	59%

The following table illustrates the Subject's achievable LIHTC rents, absent subsidy, compared to the adjusted market rents in the market.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Adjusted Minimum	Adjusted Maximum	Adjusted Average	Achievable Market Rent As-Renovated	Subject LIHTC Rent Advantage
1BR/1BA (HC)	@40% (Section 8)	\$496	\$822	\$965	\$891	\$920	46%
4BR/2BA (HC)	@40% (Section 8)	\$684	\$1,712	\$2,314	\$1,940	\$1,815	62%
1BR/1BA	@50% (Section 8)	\$615	\$822	\$965	\$891	\$900	32%
2BR/1.5BA	@50% (Section 8)	\$728	\$1,126	\$1,425	\$1,213	\$1,160	37%
2BR/1.5BA	@50% (Section 8)	\$728	\$1,126	\$1,425	\$1,213	\$1,160	37%
3BR/1.5BA	@50% (Section 8)	\$804	\$1,373	\$1,941	\$1,568	\$1,415	43%
4BR/2BA	@50% (Section 8)	\$906	\$1,687	\$2,289	\$1,915	\$1,795	50%
1BR/1BA	@60% (Section 8)	\$725	\$822	\$965	\$891	\$900	19%
2BR/1.5BA	@60% (Section 8)	\$850	\$1,126	\$1,425	\$1,213	\$1,160	27%
2BR/1.5BA	@60% (Section 8)	\$850	\$1,126	\$1,425	\$1,213	\$1,160	27%
3BR/1.5BA	@60% (Section 8)	\$925	\$1,373	\$1,941	\$1,568	\$1,415	35%
4BR/2BA	@60% (Section 8)	\$1,050	\$1,687	\$2,289	\$1,915	\$1,795	42%

We completed rent adjustment grids to conclude to achievable market rent levels. The grids are found on the following pages:

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Riverbend Apartments		Cedarfield Apartments		Highland Village		Highlands At Huckleberry Ridge		The Mill At Blacksburg		The Reserve At Knollwood	
108 Midkiff Ln		200 Old Cedarfield Drive		400 Robey Street		535 Blackrock Drive		1811 Grayland Street		2401 Pamela Way	
Radford, Radford city, VA		Blacksburg, Montgomery, VA		Radford, Radford city, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$943	N	\$800	N	\$1,175	N	\$830	N	\$1,151	N
2	Date Last Leased (mo/yr)	Jan-20		Jan-20		Jan-20		Jan-20		Jan-20	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100.0%		100.0%		100.0%		100.0%		100.0%	
5	Effective Rent & Rent / sq. ft	\$943	\$1.45	\$800	\$1.22	\$1,175	\$1.28	\$830	\$1.55	\$1,151	\$1.67
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	G / 2		G / 3		G / 2		G / 3		G / 3	
7	Yr. Built / Yr. Renovated	1974	(\$45)	1993		1984		2015	(\$100)	1968 / 2013	(\$100)
8	Condition / Street Appeal	A		A		E	(\$50)	A		E	(\$50)
9	Neighborhood	A	(\$50)	G		A	(\$50)	G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.	Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Bathrooms	1		1		1		1		1	
13	Unit Interior Sq. Ft.	566	(\$31)	652	(\$27)	654	(\$113)	535	\$12	691	(\$52)
14	Balcony / Patio	Y		Y		N	\$10	Y		N	\$10
15	AC: Central / Wall	C		C		C		Wa		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R	\$5
17	Microwave / Dishwasher	N/N	(\$15)	M / D	(\$10)	D	(\$15)	M / D	(\$5)	M / D	(\$15)
18	Washer / Dryer	L	(\$35)	WD		L	(\$35)	WD		L	(\$35)
19	Floor Coverings	C		C		C		HW	(\$5)	C	(\$5)
20	Window Coverings	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	N	(\$10)	Y - Unit		N		N		Y - Both	(\$20)
22	Special Features	None	(\$10)	CF, WIC		None		CF, Fireplace, WIC, Vaulted	(\$20)	CF	(\$5)
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L/G(\$140)		L	
25	Extra Storage	Y		Y		N	\$10	N	\$10	N	\$10
26	Security	N	(\$5)	Y		N		N		N	
27	Clubhouse / Meeting Rooms	N		N		N		MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	(\$5)	RR	(\$15)	P/RR	(\$15)	P/E/R	(\$15)	P/RR	(\$15)
29	Business Ctr / Nbrhd Network	N		N		N		BC	(\$10)	N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E	(\$27)	Y/E		N/E		N/E	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C		N/W	
35	Cooking (in rent? / type)	N/E		N/E	(\$4)	Y/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E	(\$13)	Y/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y	\$49	N/N		Y/Y		N/N	\$49	Y/Y	\$49
39	Trash / Recycling	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		(9)	2	(3)	1	(11)	3	(5)	3	(11)
41	Sum Adjustments B to D		(\$206)	\$20	(\$52)	\$10	(\$423)	\$32	(\$85)	\$25	(\$357)
42	Sum Utility Adjustments		\$49		(\$44)	\$49				\$49	
43	Net / Gross Adjustments B to E		(\$157)	\$255	(\$76)	\$116	(\$364)	\$482	(\$53)	\$117	(\$283)
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$786		\$724		\$811		\$777		\$868	
45	Adj Rent / Last rent		83%		91%		69%		94%		75%
46	Estimated Market Rent	\$800		\$1.41 Estimated Market Rent / Sq. Ft.							

- Allen K. March 2, 2020
Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Riverbend Apartments 108 Midkiff Ln Radford, Radford city, VA		Cedarfield Apartments 200 Old Cedarfield Drive Blacksburg, Montgomery, VA		Highland Village 400 Robey Street Radford, Radford city, VA		Highlands At Huckleberry Ridge 535 Blackrock Drive Blacksburg, Montgomery, VA		The Mill At Blacksburg 1811 Grayland Street Blacksburg, Montgomery, VA		The Reserve At Knollwood 2401 Pamela Way Blacksburg, Montgomery, VA	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$943	N	\$800	N	\$1,175	N	\$830	N	\$1,151	N
2	Date Last Leased (mo/yr)	Jan-20		Jan-20		Jan-20		Jan-20		Jan-20	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100.0%		100.0%		100.0%		100.0%		100.0%	
5	Effective Rent & Rent /sq. ft	\$943	\$1.45	\$800	\$1.22	\$1,175	\$1.28	\$830	\$1.55	\$1,151	\$1.67
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	G / 2		G / 3		G / 2		G / 3		G / 3	
7	Yr. Built / Yr. Renovated	1974 / 2020		1993		2015	(\$55)	1968 / 2013	\$45	2013	(\$55)
8	Condition / Street Appeal	G	\$25	A	\$25	E	(\$25)	A	\$25	E	(\$25)
9	Neighborhood	A	(\$50)	G		G	(\$50)	G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.		Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Bathrooms	1		1		1		1		1	
13	Unit Interior Sq. Ft.	566	(\$33)	652	(\$29)	918	(\$115)	535	\$10	691	(\$55)
14	Balcony / Patio	Y		Y	\$10	Y		N	\$10	N	\$10
15	AC: Central / Wall	C		C		C		Wa		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R	\$5
17	Microwave / Dishwasher	M / D		M / D	\$5	M / D		M	\$10	M / D	
18	Washer / Dryer	L	(\$35)	WD		WD	(\$35)	L		WD	(\$35)
19	Floor Coverings	LVT	\$5	C	\$5	HW		C	\$5	HW	
20	Window Coverings	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	Y - Common		Y - Unit	\$10	N	\$10	N	\$10	Y - Both	(\$10)
22	Special Features	None	(\$10)	CF, WIC		None	(\$20)	CF, Fireplace, WIC, Vaulted	(\$5)	CF	(\$5)
23	Tenancy Features										
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L/G(\$140)		L		L	
25	Extra Storage	Y		Y	\$10	N	\$10	N	\$10	N	\$10
26	Security	N	(\$5)	Y		N		N		N	
27	Clubhouse / Meeting Rooms	N		N		MR	(\$10)	MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	(\$5)	RR	(\$15)	P/RR	(\$15)	P/RR	(\$15)	P/E/R	(\$15)
29	Business Ctr / Nbrhd Network	N		N		N		BC	(\$10)	N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E	(\$27)	N/E		N/E		N/E	N/G
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/W		N/C	
35	Cooking (in rent? / type)	N/E		N/E	(\$4)	N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E	(\$13)	N/E		N/E		N/E	N/G
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y	\$49	N/N		Y/Y	\$49	N/N		Y/Y	\$49
39	Trash / Recycling	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	(6)	7	(2)	2	(9)	8	(4)	3	(9)
41	Sum Adjustments B to D	\$30	(\$138)	\$110	(\$44)	\$20	(\$335)	\$125	(\$80)	\$25	(\$260)
42	Sum Utility Adjustments	\$49		\$49	(\$44)	\$49		\$49		\$49	
43	Net / Gross Adjustments B to E	(\$59)	\$217	\$22	\$198	(\$266)	\$404	\$45	\$205	(\$196)	\$334
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$884		\$822		\$909		\$875		\$965	
45	Adj Rent / Last rent		94%		103%		77%		105%		84%
46	Estimated Market Rent	\$900	\$1.59 Estimated Market Rent / Sq. Ft.								

Allen Kim March 2, 2020
Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5		
Riverbend Apartments		Cedarfield Apartments		Highland Village		Highlands At Huckleberry Ridge		The Mill At Blacksburg		The Reserve At Knollwood		
108 Midkiff Ln		200 Old Cedarfield Drive		400 Robey Street		535 Blackrock Drive		1811 Grayland Street		2401 Pamela Way		
Radford, Radford city, VA		Blacksburg, Montgomery, VA		Radford, Radford city, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA		
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
1	\$ Last Rent / Restricted?	\$1,056	N	\$940	N	\$1,350	N	\$930	N	\$1,508	N	
2	Date Last Leased (mo/yr)	Jan-20		Jan-20		Jan-20		Jan-20		Jan-20		
3	Rent Concessions	N		N		N		N		N		
4	Occupancy for Unit Type	100.0%		100.0%		100.0%		100.0%		100.0%		
5	Effective Rent & Rent / sq. ft	\$1,056	\$1.22	\$940	\$1.25	\$1,350	\$1.07	\$930	\$1.19	\$1,508	\$1.39	
In Parts B thru E, adjust only for differences the subject's market values.												
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
6	Structure / Stories	T / 2	G / 3	\$25	G / 3	\$25	G / 2	\$25	G / 3	\$25	G / 3	\$25
7	Yr. Built / Yr. Renovated	1974	1993	(\$45)	1984		2015	(\$100)	1968 / 2013		2013	(\$100)
8	Condition / Street Appeal	A	A		A		E	(\$70)	A		E	(\$70)
9	Neighborhood	A	G	(\$50)	A		G	(\$50)	G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.		Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
11	# Bedrooms	2	2		2		2		2		2	
12	# Bathrooms	1.5	1	\$15	1	\$15	2	(\$15)	1	\$15	2	(\$15)
13	Unit Interior Sq. Ft.	1059	869	\$58	754	\$95	1267	(\$55)	780	\$83	1085	(\$9)
14	Balcony / Patio	Y	Y		N	\$10	Y		N	\$10	N	\$10
15	AC: Central / Wall	C	C		C		C		Wa		C	
16	Range / Refrigerator	R/F	R/F		R/F		R/F		R/F		R	\$5
17	Microwave / Dishwasher	N/N	M / D	(\$15)	D	(\$10)	M / D	(\$15)	M	(\$5)	M / D	(\$15)
18	Washer / Dryer	L	WD	(\$35)	WD	(\$35)	WD	(\$35)	L		WD	(\$35)
19	Floor Coverings	C	C		C		HW	(\$5)	C		HW	(\$5)
20	Window Coverings	Y	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	N	Y - Unit	(\$10)	N		N		N		Y - Both	(\$20)
22	Special Features	None	CF, WIC	(\$10)	None		CF, Fireplace, WIC, Vaulted	(\$20)	CF	(\$5)	CF	(\$5)
23												
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
24	Parking (\$ Fee)	L	L		L		L/G(\$140)		L		L	
25	Extra Storage	Y	Y		N	\$10	N	\$10	N	\$10	N	\$10
26	Security	N	Y	(\$5)	N		N		N		N	
27	Clubhouse / Meeting Rooms	N	N		N		MR	(\$10)	MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	RR	(\$5)	P/RR	(\$15)	P/E/R	(\$15)	P/RR	(\$15)	P/E/R	(\$15)
29	Business Ctr / Nbd Network	N	N		N		BC	(\$10)	N		N	
30	Service Coordination	N	N		N		N		N		N	
31	Non-shelter Services	N	N		N		N		N		N	
32	Neighborhood Network	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
33	Heat (in rent? / type)	N/E	N/E		Y/E	(\$35)	N/E		N/E		N/G	
34	Cooling (in rent? / type)	N/C	N/C		N/C		N/C		N/W		N/C	
35	Cooking (in rent? / type)	N/E	N/E		Y/E	(\$5)	N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E	N/E		Y/E	(\$17)	N/E		N/E		N/G	
37	Other Electric	N	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y	N/N	\$64	Y/Y		N/N	\$64	Y/Y		N/N	\$64
39	Trash / Recycling	Y	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	
40	# Adjustments B to D	3	(8)	5	(3)	2	(12)	5	(5)	4	(12)	
41	Sum Adjustments B to D	\$98	(\$175)	\$155	(\$60)	\$35	(\$400)	\$143	(\$85)	\$50	(\$349)	
42	Sum Utility Adjustments	\$64			(\$57)	\$64				\$64		
43	Net / Gross Adjustments B to E	(\$13)	\$337	\$38	\$272	(\$301)	\$499	\$58	\$228	(\$235)	\$463	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		
44	Adjusted Rent (5 + 43)	\$1,043		\$978		\$1,049		\$988		\$1,273		
45	Adj Rent / Last rent		99%		104%		78%		106%		84%	
46	Estimated Market Rent	\$1,050	\$0.99 Estimated Market Rent / Sq. Ft.									

Allen King

March 2, 2020

Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Riverbend Apartments		Cedarfield Apartments		Highland Village		Highlands At Huckleberry Ridge		The Mill At Blacksburg		The Reserve At Knollwood	
108 Mckiff Ln		200 Old Cedarfield Drive		400 Robey Street		535 Blackrock Drive		1811 Grayland Street		2401 Pamela Way	
Radford, Radford city, VA		Blacksburg, Montgomery, VA		Radford, Radford city, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,056	N	\$940	N	\$1,350	N	\$930	N	\$1,508	N
2	Date Last Leased (mo/yr)	Jan-20		Jan-20		Jan-20		Jan-20		Jan-20	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100.0%		100.0%		100.0%		100.0%		100.0%	
5	Effective Rent & Rent / sq. ft	\$1,056	\$1.22	\$940	\$1.25	\$1,350	\$1.07	\$930	\$1.19	\$1,508	\$1.39
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2	\$25	G / 3	\$25	G / 2	\$25	G / 3	\$25	G / 3	\$25
7	Yr. Built / Yr. Renovated	1974 / 2020	1993	1984	\$45	2015	(\$55)	1968 / 2013	\$45	2013	(\$55)
8	Condition / Street Appeal	G	\$35	A	\$35	E	(\$35)	A	\$35	E	(\$35)
9	Neighborhood	A	(\$50)	A		G	(\$50)	G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.		Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Bathrooms	1.5	\$15	1	\$15	2	(\$15)	1	\$15	2	(\$15)
13	Unit Interior Sq. Ft.	1,059	\$94	754	\$133	1,267	(\$23)	780	\$119	1,085	\$33
14	Balcony / Patio	Y		N	\$10	Y		N	\$10	N	\$10
15	AC: Central / Wall	C		C		C		Wa		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R	\$5
17	Microwave / Dishwasher	M / D		D	\$5	M / D		M	\$10	M / D	
18	Washer / Dryer	L	(\$35)	WD	(\$35)	WD	(\$35)	L		WD	(\$35)
19	Floor Coverings	LVT	\$5	C	\$5	HW		C	\$5	HW	
20	Window Coverings	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	Y - Common		Y - Unit	\$10	N	\$10	N	\$10	Y - Both	(\$10)
22	Special Features	None	(\$10)	CF, WIC		None		CF, Fireplace, WIC, Vaulted	(\$20)	CF	(\$5)
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L/G(\$140)		L		L	
25	Extra Storage	Y		Y	\$10	N	\$10	N	\$10	N	\$10
26	Security	N	(\$5)	N		N		N		N	
27	Clubhouse / Meeting Rooms	N		N		MR	(\$10)	MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	(\$5)	RR	(\$15)	P/E/R	(\$15)	P/RR	(\$15)	P/E/R	(\$15)
29	Business Ctr / Nbhnd Network	N		N		BC	(\$10)	N		N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E	(\$35)	N/E		N/E		N/G	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/W		N/C	
35	Cooking (in rent? / type)	N/E		N/E	(\$5)	N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E	(\$17)	N/E		N/E		N/G	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y	\$64	N/N		N/N	\$64	Y/Y		N/N	\$64
39	Trash / Recycling	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	(5)	10	(2)	3	(10)	10	(4)	5	(9)
41	Sum Adjustments B to D	\$174	(\$105)	\$293	(\$50)	\$45	(\$268)	\$284	(\$80)	\$83	(\$230)
42	Sum Utility Adjustments	\$64			(\$57)	\$64				\$64	
43	Net / Gross Adjustments B to E	\$133	\$343	\$186	\$400	(\$159)	\$377	\$204	\$364	(\$83)	\$377
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,189		\$1,126		\$1,191		\$1,134		\$1,425	
45	Adj Rent / Last rent		113%		120%		88%		122%		94%
46	Estimated Market Rent	\$1,160	\$1.10 Estimated Market Rent / Sq. Ft.								

 March 2, 2020
Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Riverbend Apartments		Cedarfield Apartments		Highland Village		Highlands At Huckleberry Ridge		The Mill At Blacksburg		The Reserve At Knollwood	
108 Midkiff Ln		200 Old Cedarfield Drive		400 Robey Street		535 Blackrock Drive		1811 Grayland Street		2401 Pamela Way	
Radford, Radford city, VA		Blacksburg, Montgomery, VA		Radford, Radford city, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,667	N	\$1,380	N	\$1,625	N	\$1,200	N	\$2,013	N
2	Date Last Leased (mo/yr)	Jan-20		Jan-20		Jan-20		Jan-20		Jan-20	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100.0%		100.0%		100.0%		100.0%		100.0%	
5	Effective Rent & Rent / sq. ft	\$1,667	\$1.15	\$1,380	\$1.08	\$1,625	\$1.19	\$1,200	\$1.17	\$2,013	\$1.66
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2		G / 3	\$25	G / 2	\$25	G / 3	\$25	G / 3	\$25
7	Yr. Built / Yr. Renovated	1974	(\$45)	1984		2015	(\$100)	1968 / 2013		2013	(\$100)
8	Condition / Street Appeal	A		A		E	(\$80)	A		E	(\$80)
9	Neighborhood	A	(\$50)	A		G	(\$50)	G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.	Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3.5	(\$50)	3		3		3	
12	# Bathrooms	1.5	(\$30)	2	(\$15)	2	(\$15)	1	\$15	3	(\$45)
13	Unit Interior Sq. Ft.	1,268	(\$51)	1,444		1,280	(\$3)	1,363	(\$28)	1,025	\$71
14	Balcony / Patio	Y		Y		N	\$10	Y		N	\$10
15	AC: Central / Wall	C		C		C		Wa		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R	\$5
17	Microwave / Dishwasher	N/N	(\$15)	M / D	(\$10)	D	(\$10)	M / D	(\$15)	M / D	(\$15)
18	Washer / Dryer	L/HU	(\$25)	WD	(\$25)	WD	(\$25)	WD	(\$25)	L	\$10
19	Floor Coverings	C		C		C		HW	(\$5)	C	
20	Window Coverings	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	N	(\$10)	Y - Unit		N		N		Y - Both	(\$20)
22	Special Features	None	(\$10)	CF, WIC		None		CF, Fireplace, WIC, Vaulted	(\$20)	CF	(\$5)
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L/G(\$140)		L	
25	Extra Storage	Y		Y		N	\$10	N	\$10	N	\$10
26	Security	N	(\$5)	Y		N		N		N	
27	Clubhouse / Meeting Rooms	N		N		N		MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	(\$5)	RR		P/RR	(\$15)	P/E/R	(\$15)	P/RR	(\$15)
29	Business Ctr / Nbrhd Network	N		N		N		BC	(\$10)	N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E		Y/E	(\$43)	N/E		N/G	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C		N/W	
35	Cooking (in rent? / type)	N/E		N/E		Y/E	(\$7)	N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		Y/E	(\$21)	N/E		N/G	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y		N/N	\$78	Y/Y		N/N	\$78	Y/Y	
39	Trash / Recycling	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		(10)	3	(6)	2	(12)	6	(5)	5	(11)
41	Sum Adjustments B to D		(\$246)	\$45	(\$118)	\$35	(\$373)	\$141	(\$95)	\$72	(\$370)
42	Sum Utility Adjustments		\$78		(\$71)	\$78		\$78		\$78	
43	Net / Gross Adjustments B to E		(\$168)	\$324	(\$144)	\$234	(\$260)	\$486		\$46	\$236
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,499		\$1,236		\$1,365		\$1,246		\$1,793	
45	Adj Rent / Last rent		90%		90%		84%		104%		89%
46	Estimated Market Rent	\$1,300		\$1.03 Estimated Market Rent / Sq. Ft.							

-Abhi Kim
Date March 2, 2020

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Riverbend Apartments 108 Midkiff Ln Radford, Radford city, VA		Cedarfield Apartments 200 Old Cedarfield Drive Blacksburg, Montgomery, VA		Highland Village 400 Robey Street Radford, Radford city, VA		Highlands At Huckleberry Ridge 535 Blackrock Drive Blacksburg, Montgomery, VA		The Mill At Blacksburg 1811 Grayland Street Blacksburg, Montgomery, VA		The Reserve At Knollwood 2401 Pamela Way Blacksburg, Montgomery, VA	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,667	N	\$1,380	N	\$1,625	N	\$1,200	N	\$2,013	N
2	Date Last Leased (mo/yr)	Jan-20		Jan-20		Jan-20		Jan-20		Jan-20	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100.0%		100.0%		100.0%		100.0%		100.0%	
5	Effective Rent & Rent / sq. ft	\$1,667	\$1.15	\$1,380	\$1.08	\$1,625	\$1.19	\$1,200	\$1.17	\$2,013	\$1.66
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2		T / 2		G / 3	\$25	G / 2	\$25	G / 3	\$25
7	Yr. Built / Yr. Renovated	1974 / 2020		1993		1984	\$45	2015	(\$55)	1968 / 2013	\$45
8	Condition / Street Appeal	G	\$40	A	\$40	E	(\$40)	A	\$40	E	(\$40)
9	Neighborhood	A	(\$50)	G	(\$50)	A	(\$50)	G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.		Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3	(\$50)	3.5	(\$50)	3		3	
12	# Bathrooms	1.5	(\$30)	2.5	(\$30)	2	(\$15)	2	(\$15)	1	\$15
13	Unit Interior Sq. Ft.	1,268	(\$27)	1,444	(\$27)	1,280	\$19	1,363	(\$4)	1,025	\$95
14	Balcony / Patio	Y		Y		N	\$10	Y		N	\$10
15	AC: Central / Wall	C		C		C		C		Wa	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R	\$5
17	Microwave / Dishwasher	M / D		M / D		D	\$5	M / D		M / D	
18	Washer / Dryer	L/HU	(\$25)	WD	(\$25)	WD	(\$25)	WD	(\$25)	L	\$10
19	Floor Coverings	LVT	\$5	C	\$5	C	\$5	HW		C	\$5
20	Window Coverings	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	Y - Common		Y - Unit		N	\$10	N	\$10	N	\$10
22	Special Features	None	(\$10)	CF, WIC	(\$10)	None		CF, Fireplace, WIC, Vaulted	(\$20)	CF	(\$5)
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L/G(\$140)		L	
25	Extra Storage	Y		Y		N	\$10	N	\$10	N	\$10
26	Security	N	(\$5)	Y	(\$5)	N		N		N	
27	Clubhouse / Meeting Rooms	N		N		N		MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	(\$5)	RR	(\$5)	P/RR	(\$15)	P/E/R	(\$15)	P/RR	(\$15)
29	Business Ctr / Nbd Network	N		N		N		BC	(\$10)	N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E		Y/E	(\$43)	N/E		N/E	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C		N/W	
35	Cooking (in rent? / type)	N/E		N/E		Y/E	(\$7)	N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		Y/E	(\$21)	N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y	\$78	N/N	\$78	Y/Y	\$78	N/N	\$78	Y/Y	\$78
39	Trash / Recycling	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	(7)	9	(4)	3	(10)	10	(4)	5	(9)
41	Sum Adjustments B to D	\$45	(\$152)	\$169	(\$105)	\$45	(\$244)	\$265	(\$80)	\$105	(\$255)
42	Sum Utility Adjustments	\$78		\$78	(\$71)	\$78		\$78		\$78	
43	Net / Gross Adjustments B to E	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
		(\$29)	\$275	(\$7)	\$345	(\$121)	\$367	\$185	\$345	(\$72)	\$438
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,638		\$1,373		\$1,504		\$1,385		\$1,941	
45	Adj Rent / Last rent		98%		99%		93%		115%		96%
46	Estimated Market Rent	\$1,415		\$1.12 Estimated Market Rent / Sq. Ft.							

 March 2, 2020
Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Riverbend Apartments		Cedarfield Apartments		Highland Village		Highlands At Huckleberry Ridge		The Mill At Blacksburg		The Reserve At Knollwood	
108 Midkiff Ln		200 Old Cedarfield Drive		400 Robey Street		535 Blackrock Drive		1811 Grayland Street		2401 Pamela Way	
Radford, Radford city, VA		Blacksburg, Montgomery, VA		Radford, Radford city, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA	
Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Data		Data		Data		Data		Data		Data	
on		on		on		on		on		on	
Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Data		Data		Data		Data		Data		Data	
\$ Last Rent / Restricted?		\$1,667		\$1,680		\$1,625		\$1,200		\$2,013	
Date Last Leased (mo/yr)		Jan-20		Jan-20		Jan-20		Jan-20		Jan-20	
Rent Concessions		N		N		N		N		N	
Occupancy for Unit Type		100.0%		100.0%		100.0%		100.0%		100.0%	
Effective Rent & Rent / sq. ft		\$1,667		\$1,680		\$1,625		\$1,200		\$2,013	
		\$1.15		\$1.31		\$1.19		\$1.17		\$1.66	
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition											
Structure / Stories		T / 2		T / 2		G / 3		G / 2		G / 3	
Yr. Built / Yr. Renovated		1974 / 2020		1993		1984		2015		1968 / 2013	
Condition / Street Appeal		A		A		A		E		E	
Neighborhood		A		G		A		G		G	
Same Market? Miles to Subj.		Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9	
C. Unit Equipment / Amenities											
# Bedrooms		4		3		4		3		3	
# Bathrooms		2		2.5		2		2		3	
Unit Interior Sq. Ft.		1,489		1,444		1,280		1,363		1,216	
Balcony / Patio		Y		Y		N		Y		N	
AC: Central / Wall		C		C		C		C		C	
Range / Refrigerator		R/F		R/F		R/F		R/F		R	
Microwave / Dishwasher		N/N		M / D		D		M / D		M / D	
Washer / Dryer		L/HU		WD		WD		WD		WD	
Floor Coverings		C		C		C		HW		C	
Window Coverings		Y		Y		Y		Y		Y	
Cable / Satellite / Internet		N		Y - Unit		N		N		Y - Both	
Special Features		None		CF, WIC		None		CF, Fireplace, WIC, Vaulted		CF	
D. Site Equipment / Amenities											
Parking (\$ Fee)		L		L		L		L/G(\$140)		L	
Extra Storage		Y		Y		N		N		N	
Security		N		Y		N		N		N	
Clubhouse / Meeting Rooms		N		N		N		MR		MR	
Pool / Recreation Areas		R		RR		P/RR		P/E/R		P/RR	
Business Ctr / Nbd Network		N		N		N		BC		N	
Service Coordination		N		N		N		N		N	
Non-shelter Services		N		N		N		N		N	
Neighborhood Network		N		N		N		N		N	
E. Utilities											
Heat (in rent? / type)		N/E		N/E		Y/E		N/E		N/G	
Cooling (in rent? / type)		N/C		N/C		N/C		N/C		N/C	
Cooking (in rent? / type)		N/E		N/E		Y/E		N/E		N/E	
Hot water (in rent? / type)		N/E		N/E		Y/E		N/E		N/G	
Other Electric		N		N		N		N		N	
Cold Water / Sewer		Y/Y		N/N		Y/Y		N/N		N/N	
Trash / Recycling		Y		Y		Y		Y		Y	
F. Adjustments Recap											
# Adjustments B to D		2		(9)		4		(3)		(11)	
Sum Adjustments B to D		\$213		(\$180)		\$114		(\$50)		(\$365)	
Sum Utility Adjustments		\$100				(\$90)		\$100		\$100	
Net / Gross Adjustments B to E		\$133		\$493		(\$26)		\$254		\$33	
G. Adjusted & Market Rents											
Adjusted Rent (5 + 43)		\$1,800		\$1,654		\$1,658		\$1,526		\$2,111	
Adj Rent / Last rent				108%		98%		102%		127%	
Estimated Market Rent		\$1,675		\$1.12 Estimated Market Rent / Sq. Ft.							

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March 2, 2020

Date

Attached are explanations of:

- a. why & how each adjustment was made
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- c. how this analysis was used for a similar unit type

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Riverbend Apartments		Cedarfield Apartments		Highland Village		Highlands At Huckleberry Ridge		The Mill At Blacksburg		The Reserve At Knollwood	
108 Mckiff Ln		200 Old Cedarfield Drive		400 Robey Street		535 Blackrock Drive		1811 Grayland Street		2401 Pamela Way	
Radford, Radford city, VA		Blacksburg, Montgomery, VA		Radford, Radford city, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,667	N	\$1,680	N	\$1,625	N	\$1,200	N	\$2,013	N
2	Date Last Leased (mo/yr)	Jan-20		Jan-20		Jan-20		Jan-20		Jan-20	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100.0%		100.0%		100.0%		100.0%		100.0%	
5	Effective Rent & Rent / sq. ft	\$1,667	\$1.15	\$1,680	\$1.31	\$1,625	\$1.19	\$1,200	\$1.17	\$2,013	\$1.66
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2		T / 2		G / 3	\$25	G / 3	\$25	G / 3	\$25
7	Yr. Built / Yr. Renovated	1974 / 2020		1993		1984	\$45	2015	(\$55)	1968 / 2013	\$45
8	Condition / Street Appeal	G	\$45	A	\$45	E	(\$45)	A	\$45	E	(\$45)
9	Neighborhood	A	(\$50)	G	(\$50)	A	(\$50)	G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.		Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	4	\$200	3		4		3	\$200	3	\$200
12	# Bathrooms	2	(\$15)	2.5		2		1	\$30	3	(\$30)
13	Unit Interior Sq. Ft.	1,489	\$54	1,444		1,280	\$115	1,363	\$80	1,025	\$177
14	Balcony / Patio	Y		Y		N	\$10	Y		N	\$10
15	AC: Central / Wall	C		C		C		Wa		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R	\$5
17	Microwave / Dishwasher	M / D		M / D		D	\$5	M / D		M / D	
18	Washer / Dryer	L/HU	(\$25)	WD	(\$25)	WD	(\$25)	L	\$10	WD	(\$25)
19	Floor Coverings	HW	\$5	C	\$5	C	\$5	HW	\$5	HW	
20	Window Coverings	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	Y - Common		Y - Unit		N	\$10	N	\$10	Y - Both	(\$10)
22	Special Features	None	(\$10)	CF, WIC	(\$10)	None		CF, Fireplace, WIC, Vaulted	(\$20)	CF	(\$5)
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L/G(\$140)		L	
25	Extra Storage	Y		Y		N	\$10	N	\$10	N	\$10
26	Security	N	(\$5)	Y		N		N		N	
27	Clubhouse / Meeting Rooms	N		N		N		MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	(\$5)	RR	(\$5)	P/RR	(\$15)	P/E/R	(\$15)	P/RR	(\$15)
29	Business Ctr / Nbhnd Network	N		N		N		BC	(\$10)	N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E		Y/E	(\$55)	N/E		N/E	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C		N/W	
35	Cooking (in rent? / type)	N/E		N/E		Y/E	(\$8)	N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		Y/E	(\$27)	N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y	\$100	N/N		Y/Y		N/N	\$100	Y/Y	
39	Trash / Recycling	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	(6)	9	(2)	5	(8)	11	(4)	6	(9)
41	Sum Adjustments B to D	\$304	(\$110)	\$270	(\$40)	\$325	(\$230)	\$567	(\$80)	\$421	(\$245)
42	Sum Utility Adjustments	\$100			(\$90)	\$100				\$100	
43	Net / Gross Adjustments B to E	\$294	\$514	\$140	\$400	\$195	\$655	\$487	\$647	\$276	\$766
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,961		\$1,820		\$1,820		\$1,687		\$2,289	
45	Adj Rent / Last rent		118%		108%		112%		141%		114%
46	Estimated Market Rent	\$1,795		\$1.21 Estimated Market Rent / Sq. Ft.							

Allen Ki March 2, 2020
Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

The following sections provide additional detail and support for significant adjustments in the rent grids. Adjustments are explained as follows:

Structure

The Subject’s units are structured as two-story garden and townhome-style units. The Subject’s townhome design is considered a slightly superior design to garden and walk-up style design, which all of the comparables offer. Our experience with properties nation-wide indicates that townhouse units are typically considered more desirable and more expensive than garden-style, walkup units. As such, we applied a \$25 upward adjustment to the comparables that offer garden/walk-up designs in the two, three and four-bedroom rent grids.

Condition Adjustment

The Subject will be in good condition post renovation. Three of the comparables are in average condition and are considered slightly inferior to the Subject’s anticipated condition. Highlands at Huckleberry Ridge and The Reserve at Knollwood are both in excellent condition, considered slightly superior to the Subject’s anticipated condition, post rehabilitation. The following table illustrates the condition designation and the applicable levels attributed to the determined condition for the comparables.

CONDITION DESIGNATION		Adjustment Amount Per Level			
Condition	Description	1BR	2BR	3BR	4BR
Excellent	Desirable curb appeal, high end amenities & finishes, no deferred maintenance.	\$25	\$35	\$40	\$45
Good	Well maintained or renovated/updated, limited deferred maintenance.	\$25	\$35	\$40	\$45
Average	Minor upgrades needed, some original finishes and amenities.	\$25	\$35	\$40	\$45
Fair	In need of repair, obvious deferred maintenance.	\$25	\$35	\$40	\$45

The following table and analysis details the condition adjustment made to each comparable in the respective rent grids. The comparables received adjustments ranging from negative \$45 to positive \$45, as applicable, in our as renovated rent grids. The adjustment per level (i.e. average to good, excellent to good, etc.) is below three percent of the calculated average (for each unit type) of the unadjusted asking rents of the comparables in each grid.

Property Name	Condition/Street Appeal	Correlated Adjustment (As Renovated)			
		1BR	2BR	3BR	4BR
Riverbend (Subject)	Good	-	-	-	-
Cedarfield	Average	\$25	\$35	\$40	\$45
Highland Village	Average	\$25	\$35	\$40	\$45
Highland @ Huckleberry	Excellent	(\$25)	(\$35)	(\$40)	(\$45)
Mill Blacksburg	Average	\$25	\$35	\$40	\$45
Reserve Knoll	Excellent	(\$25)	(\$35)	(\$40)	(\$45)

The table below illustrates the effect of renovation on market rate properties located in the central and western regions of Virginia.

RENOVATED UNIT PRICE INCREASED

Property Name	City	Rent Increase	Notes
Fairfield Crossing	Falls Church, VA	\$75	Renovations include new flooring, paint, finishes, kitchens, and lighting.
Banbury Lake Village Apartments	Virginia Beach, VA	\$100	Renovations include new cabinets, appliances, new in-unit flooring.
The Ashby at McLean	McLean, VA	\$85 - \$175	Updated kitchen appliances, new bathroom fixtures, new flooring.
The Birches	Chesapeake, VA	\$94	Renovations include new kitchen cabinetry, new countertops, replaced appliances, new in-unit flooring.

As seen above, rents increased \$75 to \$175, post renovations. According to property managers we have interviewed, the amount of increase is dependent on the scope of work with the most significant increases occurring when amenities are added, and improvements are made to the unit interiors and common areas that the residents use on a daily basis.

It is clear that improved condition commands a significant premium. The scope of the proposed renovations provided by the developer include, but is not limited to, the following:

Interior	Exterior	Misc
<ul style="list-style-type: none"> • New interior paint; • Upgrade/replace kitchen appliances; • Addition of microwaves/dishwashers; • Replace kitchen and bathroom • New bathroom fixtures/accessories; • Replace carpet with new vinyl flooring; 	<ul style="list-style-type: none"> • Replace windows and exterior doors; • Replace/repair siding/exterior; • Sidewalks & repairs, as needed; • Upgrade exterior patio/storage • Landscaping upgrades; • Repair roofs (as needed); 	<ul style="list-style-type: none"> • Office/Community Bldg; • ADA/Life Safety Compliance; • Window Coverings • Electric (Light fixtures, GFIs); • General Demo & Misc. cleaning • Addition of common-area Wi-Fi

According to the developer, the estimated hard costs for renovations total \$3,000,000, or approximately \$50,000 per unit. Further, the renovations are expected to occur over a six to eight month period with limited tenant displacement. Based upon the Subject’s scope of work and the above market data on increases in rent for multifamily properties that have renovated, we believe the renovation of the Subject would increase the street appeal/condition from average to good. Additionally, we have accounted for the additional amenities that will be added including microwaves, dishwashers, common-area Wi-Fi, equating to a net post renovation increase ranging from \$100 to \$120 for the Subject’s one-, two-, three-, and four-bedroom unit types over our concluded as is market rents.

Bedroom Adjustment

Highland Village offers 3.4 bedrooms in the three-bedroom grid, and is the only comparable that offers four-bedroom units comparable to the Subject in the four-bedroom rent grid. A bedroom adjustment was applied to the comparables that offer a differing number of bedrooms. The following table details the differential in rents for bedrooms among the comparables.

SUPPORT FOR BEDROOM ADJUSTMENT

Property Name	Unit Type	Structure	Rent	SF	Rent / SF	Value of Extra SF	Value of Bedroom
Cedarfield Apartments	1BR / 1BA	Garden	\$943	652	\$1.45		
	2BR / 1BA	Garden	\$1,056	869	\$1.22	\$66	\$47
	Difference		\$113	217	\$0.52		
Cedarfield Apartments	2BR / 2.5BA	Townhouse	\$1,397	1,280	\$1.09		
	3BR / 2.5BA	Townhouse	\$1,667	1,444	\$1.15	\$47	\$223
	Difference		\$270	164	\$1.65		
Highland Village	1.5BR / 1BA	Garden	\$650	546	\$1.19		
	2.5BR / 1BA	Garden	\$940	754	\$1.25	\$65	\$225
	Difference		\$290	208	\$1.39		
Highland Village	1.5BR / 1BA	Garden	\$800	654	\$1.22		
	2.5BR / 1BA	Garden	\$940	754	\$1.25	\$31	\$109
	Difference		\$140	100	\$1.40		
Highland Village	1.5BR / 1BA	Garden	\$800	654	\$1.22		
	2.5BR / 1BA	Garden	\$980	860	\$1.14	\$59	\$121
	Difference		\$180	206	\$0.87		
The Mill At Blacksburg	2BR / 1BA	Garden	\$930	780	\$1.19		
	3BR / 1BA	Garden	\$1,200	1,025	\$1.17	\$72	\$198
	Difference		\$270	245	\$1.10		
Average							\$154

As illustrated, the differential for bedrooms ranges from \$47 to \$225. We concluded to a value of \$100 for a full bedroom, and have applied a downward \$50 adjustment to Highland Village in the three-bedroom grid, and an upward \$100 adjustment in the four-bedroom grid to the four comparables that offer three bedrooms.

Bathroom Adjustment

In the two-, three-, and four-bedroom rent grids, one or more of the comparable properties offers a differing number of bathrooms relative to the Subject in the appropriate unit type. To determine the value of a bathroom, we conducted an analysis on the value of a bathroom in the market. The following tables detail our findings.

VALUE OF BATHROOM

Cedarfield Apartments				
Unit Type	Rent	SF	Rent/SF	
2BR / 1BA	\$1,056	869	\$1.22	
2BR / 2BA	\$1,153	992	\$1.16	
<i>Calculation of Value</i>				
1. Square Foot Differential * 0.25	=	30.75		
2. Additional SF x RPSF Larger	=	\$36		
3. Diff. in rent for 2BR / 1BA and 2BR / 2BA - SF Value	=	\$61		
Value of full-bathroom		\$61		

Based on the analysis presented in the above table, the value of a full bathroom equals \$61. However, this is a small sample size and we have valued a full bathroom at \$30. Therefore, the value of a half-bathroom equates to \$15. Accordingly, we applied appropriate adjustments to the comparables with a different number of bathrooms than the Subject in the two, three, and four-bedroom rent grids. Our adjustments are within HUD guidance.

Square Footage Adjustment

The Subject and the comparable properties vary in square footage. Most market observers agree that with all other variables being equal, a larger unit is more desirable than a smaller unit. However, typically the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function (i.e. a 600 square foot two-bedroom functions similarly to a 700 square foot two-bedroom) reflective of economies of scale. In other words, there is a diminishing return of value for additional square footage, as each additional square foot does not necessarily equal additional functional utility. Matched pairs are the preferred methods to use for derivation of an adjustment. However, no matched pairs were available in the market. Therefore, we have applied a market standard that has been observed in similar markets as follows: the square foot difference between the Comparable and the Subject is divided by four and then multiplied by the rent per square foot of the Comparable. In other words, we estimate that the additional square footage is worth approximately 25 percent of the rent per square foot in comparison to the base square footage.

Washer/Dryer

The Subject offers central laundry facilities and further, in-unit washer/dryer hookups are offered in the three- and four-bedroom townhome units. Three of the comparables offer in-unit washer/dryer appliances, one offers washer/dryer hookups and central laundry, and The Mill At Blacksburg offers central laundry only. We have used a cost/benefit methodology to determine the level of adjustment for in-unit washers and dryers. If a household does three loads of laundry a week, for \$3.00 per load, the cost would be approximately \$36 per month. This indicates approximately a \$35 value to in-unit washer and dryer appliances. We have valued central laundry and washer/dryer hookups at \$10 each and applied adjustments to all of the comparables based on the respective amenities offered.

Pool/Recreation Areas

The Subject offers a playground as a recreational amenity for tenants. All five comparables offer a slightly superior to superior mix of recreational amenities relative to the Subject. Highland Village and Highlands at Huckleberry Ridge offer a swimming pool, gym/exercise area, and playground or picnic area. Cedarfield offers a sport court and picnic area. The Mill at Blacksburg and The Reserve at Knollwood offer a pool, sport court/gym area, and additional recreation amenity. We valued a pool at \$10 and the remaining amenities at \$5 each and have applied downward adjustments accordingly based on the superior mix of amenities offered among the comparables.

Conclusions and Recommendations

The Subject will be newly renovated, and upon completion, will exhibit good condition. The surveyed properties exhibit inferior to slightly superior condition relative to the anticipated condition of the Subject. The market exhibits stable demand for affordable housing, with limited vacancy and the presence of waiting lists among affordable properties. As a stabilized property, we expect the Subject to operate with an annual vacancy and collection loss of three percent, or less. As detailed in our analysis of LIHTC rents at 60 percent of AMI, we do not believe that maximum allowable rents are achievable at present. Recent rent growth in the market indicates that annual rental rate increases of one to two percent are achievable within the confines of LIHTC program requirements. Our estimated achievable market rents for the Subject are \$900, \$1,160, \$1,415, and \$1,795 for the primary one- two, three, and four-bedroom units, respectively. For the secondary one- and four-bedroom handicapped-accessible units offered at the Subject, we've concluded to slightly higher rents for these units, based on the accessible-specific amenities offered. In summary, we've concluded to supplementary achievable as proposed market rents of \$920 and \$1,815 for these units, respectively.

IX. AFFORDABILITY ANALYSIS/DEMAND ANALYSIS

DEMAND ANALYSIS

Introduction

The Subject will be a newly renovated 60-unit LIHTC and Section 8 development. The Subject offers 15 one-, 30 two-, 10 three-, and 5 four-bedroom units that will be subsidized and income-restricted to 60 percent of AMI. We calculated the number of income-eligible residents in this section of the analysis. LIHTC rents are based upon a percentage of the AMI, adjusted for household size and utilities. HUD estimates the relevant income levels, with annual updates. Rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its income at the appropriate AMI levels. Household size for developments is assumed to be 1.5 person per bedroom for LIHTC rent calculation purposes. To assess the likely number of tenants in the market area eligible to live in the Subject, we used Census information as provided by ESRI Business Information Solutions.

Primary Market Area Defined

For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

The Subject site is located in Radford, Radford City, Virginia. The boundaries of the PMA are defined as the Pulaski and Montgomery County lines to the north and south, the Montgomery County line to the east, and the Pulaski County line to the west. The PMA encompasses approximately 728 square miles and was primarily devised based on our conversations with local property managers on the area that potential tenants for the project are likely drawn.

Income-Eligible Calculations

To establish the number of income-eligible potential tenants for the Subject, the calculations are as follows:

First, we estimate the Subject’s minimum and maximum income levels for the LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. For Radford City, the 2019 AMI is \$81,100 for a four-person household. Maximum incomes are set at the maximum 50 and 60 percent of AMI level(s). Minimum income levels were calculated based on the assumption that lower-income households should pay no more than 35 percent of their income towards rent. The minimum income levels absent subsidy, are calculated from the gross achievable LIHTC rents.

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40% (Section 8)		@50% (Section 8)		@60% (Section 8)	
1BR	\$0	\$24,560	\$0	\$30,700	\$0	\$36,840
2BR	\$0	-	\$0	\$34,550	\$0	\$41,460
3BR	\$0	-	\$0	\$41,450	\$0	\$49,740
4BR	\$0	\$35,600	\$0	\$44,500	\$0	\$53,400

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40%		@50%		@60%	
1BR	\$20,571	\$24,560	\$24,651	\$30,700	\$29,589	\$36,840
2BR	-	-	\$29,589	\$34,550	\$35,520	\$41,460
3BR	-	-	\$34,183	\$41,450	\$41,040	\$49,740
4BR	\$30,514	\$35,600	\$38,126	\$44,500	\$45,943	\$53,400

Often, lower-income households pay a higher percentage of gross income toward housing costs. Therefore, we used 35 percent for LIHTC calculations in the LIHTC scenario.

Secondly, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject site.

RENTER HOUSEHOLD INCOME

Income Cohort	PMA					
	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,241	23.0%	6,020	22.0%	-44	-0.7%
\$10,000-19,999	5,160	19.0%	5,028	18.4%	-26	-0.5%
\$20,000-29,999	3,333	12.3%	3,324	12.1%	-2	-0.1%
\$30,000-39,999	2,890	10.7%	2,851	10.4%	-8	-0.3%
\$40,000-49,999	2,819	10.4%	2,853	10.4%	7	0.2%
\$50,000-59,999	2,109	7.8%	2,174	7.9%	13	0.6%
\$60,000-74,999	1,523	5.6%	1,632	6.0%	22	1.4%
\$75,000-99,999	1,249	4.6%	1,377	5.0%	26	2.0%
\$100,000-124,999	643	2.4%	723	2.6%	16	2.5%
\$125,000-149,999	422	1.6%	476	1.7%	11	2.6%
\$150,000-199,999	395	1.5%	487	1.8%	18	4.7%
\$200,000+	343	1.3%	442	1.6%	20	5.8%
Total	27,127	100.0%	27,387	100.0%		

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, March 2020

Third, we combine the allowable income range with the income distribution analysis in order to determine the number of potential income-qualified households. In some cases, the LIHTC income-eligible band overlaps with more than one census income range. In those cases, the prorated share of more than one census range will be calculated. This provides an estimate of the total number of households that are income-eligible. This also derives an estimate of the percentage of the households that are income-eligible, illustrated by AMI threshold.

FAMILY INCOME DISTRIBUTION 2019

Income Cohort	Total Renter Households	@40% (Section 8)			@50% (Section 8)			@60% (Section 8)			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	6,241	9,999	100.0%	6,241	9,999	100.0%	6,241	9,999	100.0%	6,241	9,999	100.0%	6,241
\$10,000-19,999	5,160	9,999	100.0%	5,160	9,999	100.0%	5,160	9,999	100.0%	5,160	9,999	100.0%	5,160
\$20,000-29,999	3,333	9,999	100.0%	3,333	9,999	100.0%	3,333	9,999	100.0%	3,333	9,999	100.0%	3,333
\$30,000-39,999	2,890	5,601	56.0%	1,619	9,999	100.0%	2,890	9,999	100.0%	2,890	9,999	100.0%	2,890
\$40,000-49,999	2,819				4,501	45.0%	1,269	9,999	100.0%	2,819	9,999	100.0%	2,819
\$50,000-59,999	2,109							3,401	34.0%	717	3,401	34.0%	717
\$60,000-74,999	1,523												
\$75,000-99,999	1,249												
\$100,000-124,999	643												
\$125,000-149,999	422												
\$150,000-199,999	395												
\$200,000+	343												
Total	27,127		60.3%	16,353		69.6%	18,893		78.0%	21,160		78.0%	21,160

FAMILY INCOME DISTRIBUTION 2019 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@40%			@50%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	6,241												
\$10,000-19,999	5,160												
\$20,000-29,999	3,333	9,427	94.3%	3,142	5,347	53.5%	1,782	410	4.1%	137	9,427	94.3%	3,142
\$30,000-39,999	2,890	5,601	56.0%	1,619	9,999	100.0%	2,890	9,999	100.0%	2,890	9,999	100.0%	2,890
\$40,000-49,999	2,819				4,501	45.0%	1,269	9,999	100.0%	2,819	9,999	100.0%	2,819
\$50,000-59,999	2,109							3,401	34.0%	717	3,401	34.0%	717
\$60,000-74,999	1,523												
\$75,000-99,999	1,249												
\$100,000-124,999	643												
\$125,000-149,999	422												
\$150,000-199,999	395												
\$200,000+	343												
Total	27,127		17.6%	4,761		21.9%	5,941		24.2%	6,563		35.3%	9,569

Demand Analysis One - Capture Rate Analysis by Unit Type

In order to determine demand for the proposed unit mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for the 60 percent of AMI level.

The by-unit-type breakdown illustrates an adequate demand, when considered on a by-bedroom-type basis. We added a 10 percent adjustment factor to compensate for a potential tenancy originating from outside the PMA.

The distribution of households by unit type is dependent on the following assumptions.

HOUSEHOLD DISTRIBUTION

HOUSEHOLD DISTRIBUTION		
1 BR	30%	Of one-person households in 1BR units
	40%	Of two-person households in 1BR units
2 BR	70%	Of one-person households in 2BR units
	60%	Of two-person households in 2BR units
	20%	Of three-person households in 2BR units
3 BR	50%	Of three-person households in 3BR units
	60%	Of four-person households in 3BR units
	50%	Of five-person households in 3BR units
4 BR	30%	Of three-person households in 4BR units
	40%	Of four-person households in 4BR units
	50%	Of five-person households in 4BR units

40% AMI/Section 8 Demand – (As Proposed)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.5%	9,895
2 persons	30.1%	8,153
3 persons	17.8%	4,835
4 persons	11.9%	3,240
<u>5+ persons</u>	<u>3.7%</u>	<u>1,004</u>
Total	100.0%	27,127

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,895	x	60.3%	5,965
2 persons	8,153	x	60.3%	4,915
3 persons	4,835	x	60.3%	2,915
4 persons	3,240	x	60.3%	1,953
<u>5+ persons</u>	<u>1,004</u>	<u>x</u>	<u>60.3%</u>	<u>605</u>
Total	27,127			16,353

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	3,755
2BR	-
3BR	-
<u>4BR</u>	<u>1,958</u>
Total	5,714

Capture Rate Analysis - @40% (Section 8)

	Developer's Unit Mix	Capture Rate
1BR	3	0.08%
2BR	-	-
3BR	-	-
<u>4BR</u>	<u>3</u>	<u>0.15%</u>
Total/Overall	6	0.11%

Adjusted for Leakage from Outside of the PMA

10%

1BR	3	0.07%
2BR	-	-
3BR	-	-
<u>4BR</u>	<u>3</u>	<u>0.14%</u>
Total/Overall	6	0.09%

40% AMI Demand (Absent Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.5%	9,895
2 persons	30.1%	8,153
3 persons	17.8%	4,835
4 persons	11.9%	3,240
<u>5+ persons</u>	<u>3.7%</u>	<u>1,004</u>
Total	100.0%	27,127

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,895	x	17.6%
2 persons	8,153	x	17.6%
3 persons	4,835	x	17.6%
4 persons	3,240	x	17.6%
<u>5+ persons</u>	<u>1,004</u>	<u>x</u>	<u>17.6%</u>
Total	27,127		4,761

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,093
2BR	-
3BR	-
<u>4BR</u>	<u>570</u>
Total	1,664

Capture Rate Analysis - @40% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	3	0.27%
2BR	-	-
3BR	-	-
<u>4BR</u>	<u>3</u>	<u>0.53%</u>
Total/Overall	6	0.36%

Adjusted for Leakage from Outside of the PMA

10%

1BR	3	0.25%
2BR	-	-
3BR	-	-
<u>4BR</u>	<u>3</u>	<u>0.47%</u>
Total/Overall	6	0.32%

50% AMI/Section 8 Demand – (As Proposed)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.5%	9,895
2 persons	30.1%	8,153
3 persons	17.8%	4,835
4 persons	11.9%	3,240
<u>5+ persons</u>	<u>3.7%</u>	<u>1,004</u>
Total	100.0%	27,127

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,895	x	69.6%
2 persons	8,153	x	69.6%
3 persons	4,835	x	69.6%
4 persons	3,240	x	69.6%
<u>5+ persons</u>	<u>1,004</u>	<u>x</u>	<u>69.6%</u>
Total	27,127		18,893

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	4,339
2BR	8,904
3BR	3,387
<u>4BR</u>	<u>2,262</u>
Total	18,893

Capture Rate Analysis - @50% (Section 8)

	Developer's Unit Mix	Capture Rate
1BR	4	0.09%
2BR	14	0.16%
3BR	5	0.15%
<u>4BR</u>	<u>1</u>	<u>0.04%</u>
Total/Overall	24	0.13%

Adjusted for Leakage from Outside of the PMA

10%

1BR	4	0.08%
2BR	14	0.14%
3BR	5	0.13%
<u>4BR</u>	<u>1</u>	<u>0.04%</u>
Total/Overall	24	0.11%

50% AMI Demand (Absent Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.5%	9,895
2 persons	30.1%	8,153
3 persons	17.8%	4,835
4 persons	11.9%	3,240
<u>5+ persons</u>	<u>3.7%</u>	<u>1,004</u>
Total	100.0%	27,127

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,895	x 21.9%	2,167
2 persons	8,153	x 21.9%	1,786
3 persons	4,835	x 21.9%	1,059
4 persons	3,240	x 21.9%	710
<u>5+ persons</u>	<u>1,004</u>	<u>x 21.9%</u>	<u>220</u>
Total	27,127		5,941

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,364
2BR	2,800
3BR	1,065
<u>4BR</u>	<u>711</u>
Total	5,941

Capture Rate Analysis - @50% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	4	0.29%
2BR	14	0.50%
3BR	5	0.47%
<u>4BR</u>	<u>1</u>	<u>0.14%</u>
Total/Overall	24	0.40%

Adjusted for Leakage from Outside of the PMA

10%

1BR	4	0.26%
2BR	14	0.45%
3BR	5	0.42%
<u>4BR</u>	<u>1</u>	<u>0.13%</u>
Total/Overall	24	0.36%

60% AMI/Section 8 Demand – (As Proposed)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.5%	9,895
2 persons	30.1%	8,153
3 persons	17.8%	4,835
4 persons	11.9%	3,240
<u>5+ persons</u>	<u>3.7%</u>	<u>1,004</u>
Total	100.0%	27,127

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,895	x	78.0%	7,719
2 persons	8,153	x	78.0%	6,360
3 persons	4,835	x	78.0%	3,772
4 persons	3,240	x	78.0%	2,527
<u>5+ persons</u>	<u>1,004</u>	<u>x</u>	<u>78.0%</u>	<u>783</u>
Total	27,127			21,160

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	4,859
2BR	9,973
3BR	3,794
<u>4BR</u>	<u>2,534</u>
Total	21,160

Capture Rate Analysis - @60% (Section 8)

	Developer's Unit Mix	Capture Rate
1BR	8	0.16%
2BR	16	0.16%
3BR	5	0.13%
<u>4BR</u>	<u>1</u>	<u>0.04%</u>
Total/Overall	30	0.14%

Adjusted for Leakage from Outside of the PMA

10%

1BR	8	0.15%
2BR	16	0.14%
3BR	5	0.12%
<u>4BR</u>	<u>1</u>	<u>0.04%</u>
Total/Overall	30	0.13%

60% AMI Demand (Absent Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.5%	9,895
2 persons	30.1%	8,153
3 persons	17.8%	4,835
4 persons	11.9%	3,240
<u>5+ persons</u>	<u>3.7%</u>	<u>1,004</u>
Total	100.0%	27,127

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,895	x 24.2%	2,394
2 persons	8,153	x 24.2%	1,973
3 persons	4,835	x 24.2%	1,170
4 persons	3,240	x 24.2%	784
<u>5+ persons</u>	<u>1,004</u>	<u>x 24.2%</u>	<u>243</u>
Total	27,127		6,563

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,507
2BR	3,093
3BR	1,177
<u>4BR</u>	<u>786</u>
Total	6,563

Capture Rate Analysis - @60% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	8	0.53%
2BR	16	0.52%
3BR	5	0.42%
<u>4BR</u>	<u>1</u>	<u>0.13%</u>
Total/Overall	30	0.46%

Adjusted for Leakage from Outside of the PMA

10%

1BR	8	0.48%
2BR	16	0.47%
3BR	5	0.38%
<u>4BR</u>	<u>1</u>	<u>0.11%</u>
Total/Overall	30	0.41%

All Units Demand – (As Proposed)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.5%	9,895
2 persons	30.1%	8,153
3 persons	17.8%	4,835
4 persons	11.9%	3,240
<u>5+ persons</u>	<u>3.7%</u>	<u>1,004</u>
Total	100.0%	27,127

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,895	x 78.0%	7,719
2 persons	8,153	x 78.0%	6,360
3 persons	4,835	x 78.0%	3,772
4 persons	3,240	x 78.0%	2,527
<u>5+ persons</u>	<u>1,004</u>	<u>x 78.0%</u>	<u>783</u>
Total	27,127		21,160

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	4,859
2BR	9,973
3BR	3,794
<u>4BR</u>	<u>2,534</u>
Total	21,160

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	15	0.31%
2BR	30	0.30%
3BR	10	0.26%
<u>4BR</u>	<u>5</u>	<u>0.20%</u>
Total/Overall	60	0.28%

Adjusted for Leakage from Outside of the PMA

10%

1BR	15	0.28%
2BR	30	0.27%
3BR	10	0.24%
<u>4BR</u>	<u>5</u>	<u>0.18%</u>
Total/Overall	60	0.26%

All Units Demand – (Absent Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.5%	9,895
2 persons	30.1%	8,153
3 persons	17.8%	4,835
4 persons	11.9%	3,240
<u>5+ persons</u>	<u>3.7%</u>	<u>1,004</u>
Total	100.0%	27,127

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,895	x 35.3%	3,490
2 persons	8,153	x 35.3%	2,876
3 persons	4,835	x 35.3%	1,705
4 persons	3,240	x 35.3%	1,143
<u>5+ persons</u>	<u>1,004</u>	<u>x 35.3%</u>	<u>354</u>
Total	27,127		9,569

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,197
2BR	4,510
3BR	1,716
<u>4BR</u>	<u>1,146</u>
Total	9,569

Capture Rate Analysis - All Units Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	15	0.68%
2BR	30	0.67%
3BR	10	0.58%
<u>4BR</u>	<u>5</u>	<u>0.44%</u>
Total/Overall	60	0.63%

Adjusted for Leakage from Outside of the PMA

10%

1BR	15	0.61%
2BR	30	0.60%
3BR	10	0.52%
<u>4BR</u>	<u>5</u>	<u>0.39%</u>
Total/Overall	60	0.56%

Annual Demand (As Proposed)

ANNUAL DEMAND		
Calculation		PMA
Number of Renter Households in 2019		27,127
Increase in Number of Renter Households		260
Number of Renter Households in 2024		27,387
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		45.8%
Percentage of Income-Qualified Renter Households		78.0%
Number of Income-Qualified Renter Households		21,160
Percentage of Rent-Overburdened		49.7%
Existing Income-Qualified Renter Household Turnover		10,509
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		52
Percentage of Income-Qualified Renter Households		78.0%
New Rental Income Qualified Households		41
<i>Capture Rate Analysis</i>		
Number of Units in Subject		60
Occupied Units at Subject With Vacancy of:	5%	57
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		10,549
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		11,721
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		11,721
Yielded Annual Capture Rate of Available Demand in 2020		0.50%

Annual Demand (Absent Subsidy)

ANNUAL DEMAND - ABSENT SUBSIDY

Calculation	PMA
Number of Renter Households in 2019	27,127
Increase in Number of Renter Households	260
Number of Renter Households in 2024	27,387
<i>Existing Demand</i>	
Percentage of Total Households that are Renter	45.8%
Percentage of Income-Qualified Renter Households	35.3%
Number of Income-Qualified Renter Households	9,569
Percentage of Rent-Overburdened	49.7%
Existing Income-Qualified Renter Household Turnover	4,752
<i>New Income-Qualified Demand, Stated Annually</i>	
Increase in Renter Households per Annum	52
Percentage of Income-Qualified Renter Households	35.3%
New Rental Income Qualified Households	18
<i>Capture Rate Analysis</i>	
Number of Units in Subject	60
Occupied Units at Subject With Vacancy of: 5%	57
Units Pre-Leased	0
Total Demand (Turnover and Growth) from within PMA	4,771
Portion Originating within PMA	90%
Total Demand (Turnover and Growth) from within PMA	5,301
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0
Total Demand after Competition (Turnover and Growth)	5,301
Yielded Annual Capture Rate of Available Demand in 2020	1.1%

VHDA Demand Table

We also included the required demand table from the VHDA market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject site. The supply illustrates all proposed or under construction units in the PMA. We determined that there are no proposed competitive LIHTC units in the PMA. However, there are currently nine vacant units at the comparable LIHTC properties set-aside at the 40, 50, and 60 percent AMI level, or below, which are considered directly competitive with the Subject’s LIHTC units. We have deducted these nine units in our VHDA demand analysis.

The table below illustrates the resulting capture rates for demand currently proposed in the PMA.

VHDA DEMAND AND NET DEMAND								
Income Restrictions	@40% (Section 8) (\$0 - \$35,600)	@40% - Absent Subsidy (\$20,571 - \$35,600)	@50% (Section 8) (\$0 - \$44,500)	@50% - Absent Subsidy (\$24,651 - \$44,500)	@60% (Section 8) (\$0 - \$53,400)	@60% - Absent Subsidy (\$29,589 - \$53,400)	Total Project Demand As Proposed - (LIHTC/Section 8) (\$0 - \$53,400)	Total Project Demand Absent Subsidy - LIHTC Units (\$20,571 - \$53,400)
Demand from New Renter HHs (age and income appropriate)	-147	-12	-148	-11	-132	6	-132	3
PLUS	+	+	+	+	+	+	+	+
Demand from Existing Renter HHs - Rent Overburdened	8,121	2,365	9,383	2,951	10,509	3,259	10,509	4,752
PLUS	+	+	+	+	+	+	+	+
Demand from Existing Renter HHs - Substandard Housing	69	20	79	25	89	28	89	40
=	=	=	=	=	=	=	=	=
Sub Total	8,043	2,373	9,314	2,965	10,466	3,293	10,466	4,796
Demand from Existing Households - Elderly Homeowner Turnover	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Demand	8,043	2,373	9,314	2,965	10,466	3,293	10,466	4,796
Less	-	-	-	-	-	-	-	-
New Supply (Directly comparable vacant units completed or proposed in PMA)	0	0	6	6	3	3	9	9
NET DEMAND	8,043	2,373	9,308	2,959	10,463	3,290	10,457	4,787
Proposed Units	6	6	24	24	30	30	60	60
CAPTURE RATE	0.07%	0.25%	0.26%	0.81%	0.29%	0.91%	0.57%	1.25%
Absorption Period	< 1 month	< 1 month	1-2 months	1-2 months	2 months	2 months	4 months	4 months

We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties, as well as the prevalence of lengthy waiting lists at four of the five comparable LIHTC properties. Of note, four of the five market rate comparables also reported maintaining waiting lists. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate - All Units (LIHTC/Section 8)	0.6%
Project Wide Capture Rate - LIHTC Units	1.3%
Project Wide Absorption Period	4 months

Novoco and VHDA Capture Rate Conclusions

The Novoco demand analysis illustrates ample demand for the Subject based on capture rates of income-eligible renter households. In terms of total income-eligible renter households, the calculation illustrates capture rates below one percent for all units at 40, 50, and 60 percent of AMI levels with and without the Section 8 subsidy, respectively.

DEMAND CONCLUSION

Calculation	As Proposed	Absent Subsidy
@40% (Section 8)	0.1%	0.3%
@50% (Section 8)	0.1%	0.4%
@60% (Section 8)	0.1%	0.4%
All Units	0.3%	0.6%
Annual Demand	0.5%	1.1%

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a similarly low annual capture rate. This annual Novoco capture rate is 0.50 percent and 1.1 percent for the first year of operation as a LIHTC/Section 8 and LIHTC-only property, respectively. This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize, if vacant. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates there are approximately 11,721 units and 5,301 units of net demand in the first year of the Subject’s operation following renovation. The Subject’s units will need to accommodate 57 total units of demand in order to stabilize at 95 percent occupancy, as if vacant. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

The VHDA net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table.

Project Wide Capture Rate - All Units (LIHTC/Section 8)	0.6%
Project Wide Capture Rate - LIHTC Units	1.3%
Project Wide Absorption Period	4 months

This is a low capture rate and indicative of strong demand for the proposed affordable Subject. We do not believe renovation of the existing project will harm other VHDA properties, as the capture rates are low and the vacancy is low.

Penetration Rate Analysis

Per VHDA guidelines, we also performed a penetration rate analysis for the Subject’s units as proposed and absent subsidy, as illustrated in the following tables.

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive LIHTC Units in the PMA	0
	+
Number of Existing Competitive Family LIHTC Units in the PMA	948
	+
Number of Proposed LIHTC Units at the Subject	60
	=
Total	1,008
	/
Income Eligible Households - All AMI Levels	21,160
	=
Overall Penetration Rate - Market Focus (NCHMA)	4.8%

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	0
	+
Number of Existing Competitive Family LIHTC Units in the PMA	627
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	60
	=
Total	687
	/
Income Eligible Households - All AMI Levels	9,569
	=
Overall Penetration Rate - Market Focus (NCHMA)	7.2%

The overall penetration rate is derived by taking the number of affordable units proposed or under construction within the PMA, combined with the number of proposed competitive LIHTC units, and the number of the Subject’s units divided by the number of income-eligible households. As detailed in the supply analysis, there are no competitive LIHTC developments proposed within the PMA to remove from the previous calculations. The following table illustrates the existing affordable properties in the PMA.

AFFORDABLE HOUSING IN THE PMA

Property Name	Rent Structure	Total Units	Total LIHTC Units	Tenancy
Hunting Hills	LIHTC	12	12	Senior
Landings Plaza	LIHTC	18	18	Family
Cedar Crest I, II, & III	LIHTC	36	36	Family
New River Gardens I & II	LIHTC	78	78	Family
Sunvalley	LIHTC	92	92	Family
Ridgewood Place	LIHTC	24	24	Family
Ridgewood Place Seniors	LIHTC	32	32	Senior
Heather Glen Apartments*	LIHTC	40	40	Family
Huckleberry Court Townhomes	LIHTC	40	40	Family
Henley Place*	LIHTC	50	50	Family
High Meadows	LIHTC	41	41	Family
Pulaski Village	LIHTC	60	60	Senior
Linden Green Aka Old Farm Village II	LIHTC/Section 8	44	44	Family
Forest Hills at Belview*	LIHTC	84	84	Family
Willow Woods Preservation	LIHTC/Section 8	70	70	Family
Laurel Woods (Pulaski)	LIHTC	143	139	Family
New River Overlook	LIHTC/Section 8	40	40	Senior
Smokey Ridge	LIHTC	46	46	Family
Cambridge Square	Section 8	40	0	Family
Christiansburg Bluff	Section 8	120	0	Family
Ellett Road Community Apartments	Section 8	12	0	Senior
Lantern Ridge Apts	Section 8	120	0	Family
Meadowview Apartments	LIHTC/Section 8	98	98	Family
New River House	Section 8	42	0	Senior
Parkview Of Radford	Section 8	13	0	Senior
Trolinger House	Section 8	102	0	Senior
Washington Square Apartments	Section 8	120	0	Family
Willow Woods	Section 8	144	0	Family
Bradley's Ridge Apartments	Section 8	58	0	Senior
Melinda's Melody	Section 8	48	0	Senior
Fairfax Village	Section 8	40	0	Family

*Utilized as a rent comparable

The overall penetration rate for the market is 4.8 percent and 7.2 percent with and without subsidy, respectively. The penetration rate analysis we presented is moderate, as it does not account for leakage (i.e. tenants originating outside of the PMA). This penetration rate is considered reasonable overall.

Absorption Estimate

According to our rent survey and the analysis of affordable housing demand, the demand for housing of all types is strong. We were able to obtain absorption information from three of the surveyed LIHTC comparable properties. Thus, we expanded our search for absorption data to include Roanoke and nearby counties, which is detailed following.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption
Fieldstone Senior Apts	LIHTC	Senior	2018	60	10
Fieldstone*	LIHTC	Family	2017	84	16.8
Forest Hills At Belview*	LIHTC	Family	2011	70	11
Dara Heights Apartments	LIHTC	Family	2008	48	16
Heather Glen*	LIHTC	Family	2004	40	2
Sedona	Market	Family	2013	271	20
The View At Liberty Center	Market	Family	2014	257	21
LIHTC Average				60	11
Market Average				264	21
Overall Average				119	14

*Utilized as rental comparable

Based on the information above, we estimate that the Subject would reach a stabilized occupancy within four months, at an absorption rate of approximately 15 units per month, in the event that it needed to reabsorb its tenancy. It should be noted that the Subject is currently operating at a stabilized occupancy; thus, this analysis is hypothetical. Further, the proposed renovations will occur with minimal disruption to tenants. Therefore, we do not believe that there will be a need for any significant reabsorption of units.

Rent conclusions were provided in Section F.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject.

X. LOCAL PERSPECTIVE OF RENTAL HOUSING AND HOUSING ALTERNATIVES

INTERVIEWS/DISCUSSION

In order to ascertain the need for housing in the Subject’s area, interviews were conducted with various local officials.

Radford City Rental Assistance Office

According to Mr. Gabe Martin with the Radford City Rental Assistance Office’s Housing Choice Voucher program, there are 113 vouchers allotted to Radford City. Mr. Martin indicated that 102 of the vouchers administered to Radford City are currently in use, while 11 are available and have yet to be administered. Further, Mr. Martin noted he is attempting to verify the applicants on the waiting list and intends to distribute the 11 remaining vouchers. Mr. Martin reported that there is high demand for affordable housing in Radford and the waiting list is currently comprised of 35 households. Mr. Martin reported there is ample difficulty for some voucher holders to find suitable housing based on the substantial number of student-housing projects and landlords unaccepting of vouchers in Radford. The gross payment standards, effective January 1, 2020, are as follows:

VOUCHER PAYMENT STANDARDS

Unit Type	Payment Standards (Gross)	Subject's Current Contract Rents	Subject's Proposed LIHTC Rents
1BR	\$959	\$471-\$489	\$778-\$784
2BR	\$1,092	\$523	\$903
3BR	\$1,575	\$659	\$1,030
4BR	\$1,917	\$719-\$738	\$1,113-\$1,134

The Subject’s current and proposed gross rents are below the current payment standards, indicating residents will not need to pay additional rent out of pocket to reside in the Subject’s units. According to the most recent rent roll provided, dated March 2, 2020, the Subject’s was 100 percent occupied with a waiting list.

Radford City Planning and Development Department

We attempted to contact the Radford City Planning and Development Department regarding new multifamily developments in the Subject’s rental market. However, as of the date of this report, our calls have not been returned. We have additionally utilized CoStar’s New Construction Listings in order to gather additional information on proposed, planned, under construction, or recently completed multifamily development within the Subject’s PMA. We do not believe any of the multifamily properties planned or under construction in the pipeline will directly compete with the Subject based on their student-based tenancy, or lack of affordable units. Our findings are detailed in the table below.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status
Terrace View	Market	Student	1,054	0	Under Construction
Stadium View	Market	Student	77	0	Proposed
Adams at Peppers Ferry II	Market	Family	156	0	Under Construction
Highlands at Huckleberry Ridge II	Market	Family	100	0	Complete
Totals			1,387	0	

Source: CoStar, January 2020

LIHTC Competition / Recent and Proposed Construction

According to the Virginia Housing Development Authority (VHDA), only one development has received LIHTC allocations within the Subject’s PMA since 2017. New River Gardens I, an existing multifamily LIHTC development, was allocated new LIHTC funding in 2018 for its rehabilitation. New River Gardens I consists of 48 one-bedroom units and was originally constructed in 1992. The development is located directly east of the Subject. However, due to its incomparable unit mix, and current stabilized operations, we do not believe the development will be directly competitive with the Subject, post renovation.

XI. ANALYSIS/CONCLUSIONS

ANALYSIS/CONCLUSIONS

In general, we believe there is demand in the marketplace for the Subject as conceived. However, given the Subject will be renovated, we believe that rents slightly below the maximum allowable levels are attainable and supported by the market. Thus, we have concluded to rents of **\$725, \$850, \$925, and \$1,050** for the one-, two-, three-, and four-bedroom units, respectively, for the Subject’s proposed rents at 60 percent AMI.

Strengths

- As a newly renovated property, the Subject will exhibit a slightly superior to similar condition relative to the majority of the comparable properties.
- The Subject’s projected LIHTC rents represent significant discounts to the achievable market rents.
- The LIHTC vacancy at the comparable properties is 3.2 percent, which suggests a stable market for affordable housing. According to a rent roll dated March 2, 2020, the Subject was 100 percent occupied and maintains a waiting list.
- The Subject primarily offers a townhouse design for a majority of its units, which will offer greater appeal to family renters over garden-style design.

Weaknesses

- The Subject’s one- and two-bedroom unit sizes offer slight market disadvantages relative to the average unit sizes of the comparables.

Capture Rates - VHDA:

The VHDA net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The table below illustrates the resulting capture rates via VHDA demand currently proposed in the PMA.

VHDA DEMAND AND NET DEMAND								
Income Restrictions	@40% (Section 8) (\$0 - \$35,600)	@40% - Absent Subsidy (\$20,571 - \$35,600)	@50% (Section 8) (\$0 - \$44,500)	@50% - Absent Subsidy (\$24,651 - \$44,500)	@60% (Section 8) (\$0 - \$53,400)	@60% - Absent Subsidy (\$29,589 - \$53,400)	Total Project Demand As Proposed - (LIHTC/Section 8) (\$0 - \$53,400)	Total Project Demand Absent Subsidy - LIHTC Units (\$20,571 - \$53,400)
Demand from New Renter HHs (age and income appropriate)	-147	-12	-148	-11	-132	6	-132	3
PLUS	+	+	+	+	+	+	+	+
Demand from Existing Renter HHs - Rent Overburdened	8,121	2,365	9,383	2,951	10,509	3,259	10,509	4,752
PLUS	+	+	+	+	+	+	+	+
Demand from Existing Renter HHs - Substandard Housing	69	20	79	25	89	28	89	40
=	=	=	=	=	=	=	=	=
Sub Total	8,043	2,373	9,314	2,965	10,466	3,293	10,466	4,796
Demand from Existing Households - Elderly Homeowner Turnover	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Demand	8,043	2,373	9,314	2,965	10,466	3,293	10,466	4,796
Less	-	-	-	-	-	-	-	-
New Supply (Directly comparable vacant units completed or proposed in PMA)	0	0	6	6	3	3	9	9
NET DEMAND	8,043	2,373	9,308	2,959	10,463	3,290	10,457	4,787
Proposed Units	6	6	24	24	30	30	60	60
CAPTURE RATE	0.07%	0.25%	0.26%	0.81%	0.29%	0.91%	0.57%	1.25%
Absorption Period	< 1 month	< 1 month	1-2 months	1-2 months	2 months	2 months	4 months	4 months

We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties, as well as the prevalence of lengthy waiting lists at four of the five comparable LIHTC properties. Of note, four of the five market rate comparables also reported maintaining waiting lists. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate - All Units (LIHTC/Section 8)	0.6%
Project Wide Capture Rate - LIHTC Units	1.3%
Project Wide Absorption Period	4 months

Conclusions/Recommendations

- In general, we believe there is demand in the marketplace for the Subject, as proposed. Additionally, the market has reported strong occupancy rates and waiting lists at eight of the 10 comparable properties. The Subject will be well-positioned in the market as a newly renovated affordable property, and will exhibit slightly superior to similar condition relative to the majority of the comparable properties. The market exhibits strong demand for additional affordable housing, with vacancy rates ranging from zero to 8.6 percent at the comparable LIHTC properties, with an average vacancy rate of 3.2 percent. Vacancy and collection loss at the Subject is expected to be no more than three percent over the long term, which is in line with the Subject’s historical vacancy. Based on the comparable data, we believe the proposed rental rates are not achievable at maximum allowable levels. We recommend and have concluded to respective LIHTC rents of **\$725, \$850, \$925, and \$1,050** for the one-, two-, three, and four-bedroom units for the Subject’s proposed rents at 60 percent AMI. Our concluded rent levels will offer significant market rent advantages. Overall, we believe there is demand for the Subject.

XII. OTHER REQUIREMENTS

I affirm the following:

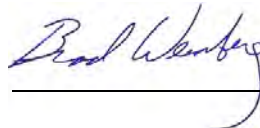
1. I (H. Blair Kincer) have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by 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.

This report was written according to the 2020 VHDA market study guidelines. The recommendations and conclusions are based solely on professional opinion and best efforts.

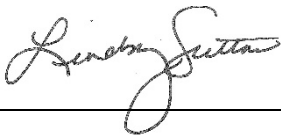
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ASSUMPTIONS AND LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures, or the correction of any defects now proposed or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the proposed or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative

to this report or to the Subject site unless satisfactory additional arrangements are made prior to the need for such services.

14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject site will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.
20. The party for whom this report is prepared has reported to the appraiser there are no original proposed condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
22. No in-depth inspection was made of proposed plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of proposed insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject site.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

ADDENDUM A

Statement of Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President/Owner, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various industry conferences regarding the HTC, RETC, NMTC and LIHTC and various market analysis and valuation issues.

Obtained the MAI designation in 1998, maintaining continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings: Commercial
- 3) Valuation of Sustainable Buildings: Residential

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered

(LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CVA, CRE

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)

Member, The Counselors of Real Estate (CRE)

Member, Urban Land Institute

Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628

State of California – Certified General Real Estate Appraiser, No. 27638

Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340

State of Florida – Certified General Real Estate Appraiser; No. RZ3249

State of Maine – Certified General Real Estate Appraiser, No. CG3435

State of Maryland – Certified General Real Estate Appraiser; No. 6048

Commonwealth of Massachusetts – Certified General Real Estate Appraiser; No. 103769

State of Michigan – Certified General Real Estate Appraiser, No. 1201074327

State of Nebraska – Certified General Real Estate Appraiser, No. CG2015008R

State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900

State of Ohio – Certified General Real Estate Appraiser; No. 2006007302

State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111

State of South Carolina – Certified General Real Estate Appraiser; No. 4566

III. Professional Experience

Partner, Novogradac & Company LLP

President, Capital Realty Advisors, Inc.

Vice President, The Community Partners Realty Advisory Services Group, LLC

President, Weinberg Group, Real Estate Valuation & Consulting

Manager, Ernst & Young LLP, Real Estate Valuation Services

Senior Appraiser, Joseph J. Blake and Associates

Senior Analyst, Chevy Chase F.S.B.

Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIREI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country
Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process," *Affordable Housing Finance*, March 2001

VI. Real Estate Assignments

A representative sample of Due Diligence, Consulting or Valuation Engagements includes:

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a "flat" rent, or an "income-based" rent. The flat rent is based on the "market rent", defined as the rent charged for a comparable unit in the private,

unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.

- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

STATEMENT OF PROFESSIONAL QUALIFICATIONS
LINDSEY SUTTON

EDUCATION

Texas State University, Bachelor of Business Administration in Finance

LICENSING AND AFFILIATIONS

Certified General Real Estate Appraiser – State of Texas (TX 1380684-G)
Certified General Real Estate Appraiser – State of Washington (1102489)
Certified General Real Estate Appraiser – State of Colorado (CG.200001730)
Certified General Real Estate Appraiser – State of Louisiana (G447)

Candidate for Designation in the Appraisal Institute
Member – Commercial Real Estate Women (CREW) Network

EXPERIENCE

Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Real Estate Analyst
Novogradac & Company LLP, Real Estate Researcher

PROFESSIONAL TRAINING

National USPAP and USPAP Updates
General Appraiser Report Writing and Case Studies
General Appraiser Sales Comparison Approach
General Appraiser Site Valuation Approach
Expert Witness for Commercial Appraisers
Commercial Appraisal Review
Real Estate Finance Statistics and Valuation Modeling
General Appraiser Income Approach Part II
General Appraiser Income Approach Part I
General Appraiser Market Analysis and Highest & Best Use
Basic Appraisal Procedures
Basic Appraisal Principles
Advanced Hotel Appraising – Full Service Hotels
Basic Hotel Appraising – Limited Service Hotels
Appraisal of Assisted Living Facilities
Divorce and Estate Appraisal Elements

REAL ESTATE ASSIGNMENTS

A representative sample of work on various types of projects:

- Managed and completed hundreds of market studies and appraisals for proposed new construction and existing Low Income Housing Tax Credit, USDA Rural Development, Section 8 and market rate multifamily and age-restricted developments. This included property screenings, market and demographic analysis, comparable rent surveys, supply and demand analysis, determination of market rents, expense comparability analysis,

and other general market analysis. Property types include proposed multifamily, acquisition with rehabilitation, historic rehabilitation, adaptive reuse, and single-family development.

- Complete agency and HUD appraisals using the cost approach, income capitalization approach, and sales comparison approach for Low Income Housing Tax Credit, USDA Rural Development, and Section 8 properties. Additional assignments also include partnership valuations and commercial land valuation.
- Prepared HUD Market-to-Market rent comparability studies for Section 8 multifamily developments.
- Perform valuations of General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Prepare Fair Market Value analyses for solar panel installations in connection with financing and structuring analyses performed for various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, these reports can be used in connection with application for the Federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and the ITC funding process.
- Perform market studies and appraisals for proposed and existing multifamily properties under the HUD MAP program. These reports meet the requirements outlined in Chapter 7 of the HUD MAP Guide for the 221(d)4, 223(f), and the LIHTC Pilot Program.
- Consult with lenders and developers and complete valuation assignments for developments converting under the RAD program.
- Prepare valuations for unique redevelopment sites with mixed uses including a variety of commercial, multifamily, and recreational uses. Further, performing analysis and valuations for assisted living facilities for potential acquisition, hold or trade purposes.
- Prepare and develop individual development models for forecasting and residual land value analysis for large-scale development sites

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Jennifer Stapelfeld

EDUCATION

The Florida State University

- Bachelor of Science – Economics & Statistics

PROFESSIONAL EXPERIENCE

Analyst, Novogradac & Company, LLP (December 2018 – Present)

Junior Analyst, Novogradac & Company, LLP (October 2017 – December 2018)

- Assist in appraisals and market studies for proposed new construction and rehabilitation of affordable, market rate, and age-restricted multifamily developments. Research includes market, economic, and demographic analyses, comparable rent surveys, supply and demand analysis, valuation analysis, capitalization rate analysis, determination of market rents, and general market analysis.
- Assists with appraisals using the cost approach, income capitalization approach, and sales comparison approach for multifamily developments. Analyze historic audited financial statements and proposed operating statements to determine property expense projections.
- Conducts physical inspections of subject properties and comparable properties to determine condition and evaluate independent physical condition assessments.
- Prepare HUD MUTM and Transferring Budget Authority (8(bb)(1)) Rent Comparability Studies for Section 8 multifamily developments.

Economist II - Occupational Employment Statistics, Texas Workforce Commission (2015-2018)

Budget Analyst - Budget Office, The University of Texas at Austin (2013-2015)

Real Estate Assignments:

The analyst has conducted research and completed assignments in the following U.S states:

Arizona	Illinois	Nevada	South Carolina
California	Indiana	New Jersey	Texas
Colorado	Iowa	New York	Utah
Connecticut	Louisiana	North Carolina	Virginia
District of Columbia	Maryland	North Dakota	Washington
Florida	Michigan	Ohio	West Virginia
Georgia	Minnesota	Oregon	Wyoming
Hawaii	Mississippi	Pennsylvania	
	Nebraska		

ADDENDUM B

Data Sources

DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing, and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of proposed, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- Radford Economic Development Department
- New River Valley Regional Commission
- Radford City Planning and Development Department
- Virginia Employment Commission
- Virginia Workforce Network
- ESRI, Business Information Solutions
- Ribbon Demographics
- CoStar Rental Market Report
- US Department of Commerce, Bureau of Labor Statistics
- Department of Housing and Urban Development (HUD)
- Virginia Housing Development Authority Utility Allowance
- VHDA Market Study Requirements, 2019

ADDENDUM C

NCHMA Certification and Checklist



NCHMA MEMBER CERTIFICATION

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

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

Jennifer Stapelfeld
Analyst

Date: March 11, 2020

NCHMA Market Study Index

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

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

NCHMA Market Study Index

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

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

ADDENDUM D

Utility Allowance Schedule



Virginia Housing Development Authority
Housing Choice Voucher Program

**Allowances for
Tenant-Furnished Utilities
and Other Services**

Family Name: _____ Unit Address: _____ _____ Voucher Size*: _____ Unit Bedroom Size*: _____ <i>*Use smaller size to calculate tenant-supplied utilities and appliances.</i>

		Unit Type: 2 Exposed Walls				Effective Date: 07/01/2019			
Utility	Usage	Monthly Dollar Amount							
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR
Appliance	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Bottled Gas	Cooking	\$8.00	\$11.00	\$14.00	\$18.00	\$22.00	\$26.00	\$29.00	\$32.00
	Home Heating	\$48.00	\$67.00	\$86.00	\$105.00	\$133.00	\$153.00	\$172.00	\$191.00
	Water Heating	\$20.00	\$28.00	\$36.00	\$44.00	\$56.00	\$64.00	\$72.00	\$80.00
Electricity	Cooking	\$3.00	\$4.00	\$5.00	\$7.00	\$8.00	\$10.00	\$11.00	\$12.00
	Cooling (A/C)	\$5.00	\$7.00	\$9.00	\$12.00	\$15.00	\$17.00	\$19.00	\$21.00
	Home Heating	\$20.00	\$27.00	\$35.00	\$43.00	\$55.00	\$62.00	\$70.00	\$78.00
	Other Electric	\$11.00	\$15.00	\$20.00	\$24.00	\$31.00	\$35.00	\$40.00	\$44.00
	Water Heating	\$10.00	\$13.00	\$17.00	\$21.00	\$27.00	\$30.00	\$34.00	\$38.00
Natural Gas	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00
	Home Heating	\$9.00	\$13.00	\$16.00	\$20.00	\$25.00	\$28.00	\$33.00	\$36.00
	Water Heating	\$4.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$16.00
Oil	Home Heating	\$40.00	\$56.00	\$71.00	\$87.00	\$110.00	\$126.00	\$142.00	\$158.00
	Water Heating	\$16.00	\$22.00	\$29.00	\$35.00	\$45.00	\$51.00	\$58.00	\$64.00
Sewer	Other	\$20.00	\$27.00	\$35.00	\$43.00	\$55.00	\$62.00	\$70.00	\$78.00
Trash Collection	Other	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Water	Other	\$16.00	\$22.00	\$29.00	\$35.00	\$45.00	\$51.00	\$58.00	\$64.00
UTILITY ALLOWANCE TOTAL:		\$	\$	\$	\$	\$	\$	\$	\$

ADDENDUM E

Subject and Neighborhood Photographs

RIVERBEND APARTMENTS - RADFORD, VIRGINIA
SOURCE: MOLLY CARPENTER, JUNIOR ANALYST
DATE: JANUARY 10, 2019



SUBJECT SIGNAGE



SUBJECT EXTERIOR



SUBJECT EXTERIOR AND PARKING



SUBJECT EXTERIOR



SUBJECT EXTERIOR AND FENCED PATIO



SUBJECT WALKWAY AND LEASING OFFICE

RIVERBEND APARTMENTS - RADFORD, VIRGINIA
SOURCE: MOLLY CARPENTER, JUNIOR ANALYST
DATE: JANUARY 10, 2019



SUBJECT BASKETBALL COURT AND EXTERIOR



SUBJECT CROSS STREET SIGNAGE



SUBJECT ON-SITE MANAGEMENT OFFICE



SUBJECT ACCESS AND TOPOGRAPHY



VIEW SOUTH ON FAIRFAX STREET



VIEW NORTH ON FAIRFAX STREET

RIVERBEND APARTMENTS - RADFORD, VIRGINIA
SOURCE: MOLLY CARPENTER, JUNIOR ANALYST
DATE: JANUARY 10, 2019



TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL LIVING ROOM



TYPICAL LIVING ROOM



TYPICAL KITCHEN



TYPICAL KITCHEN

RIVERBEND APARTMENTS - RADFORD, VIRGINIA
SOURCE: MOLLY CARPENTER, JUNIOR ANALYST
DATE: JANUARY 10, 2019



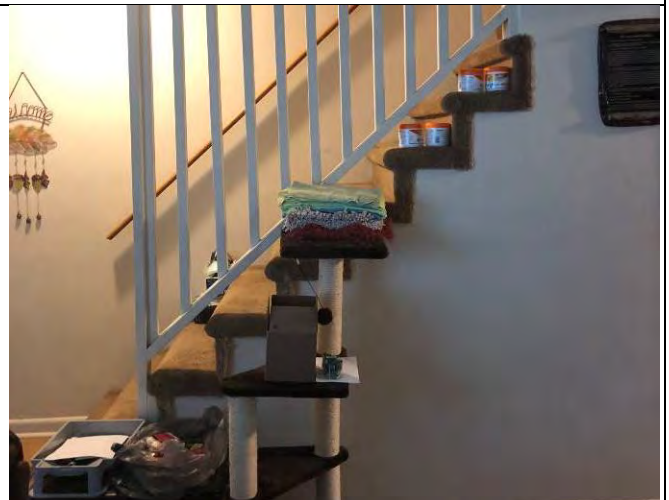
TYPICAL BATHROOM



TYPICAL BATHROOM



TYPICAL UNIT HALLWAY



TYPICAL TOWNHOUSE STAIRWAY



TYPICAL CLOSET



SUBJECT MAINTENANCE SHOP

RIVERBEND APARTMENTS - RADFORD, VIRGINIA

SOURCE: MOLLY CARPENTER, JUNIOR ANALYST

DATE: JANUARY 10, 2019



TYPICAL SINGLE-FAMILY HOME IN SUBJECT NEIGHBORHOOD



TYPICAL SINGLE-FAMILY HOME IN SUBJECT NEIGHBORHOOD



RETAIL USE NEAR SUBJECT



POST OFFICE NEAR SUBJECT

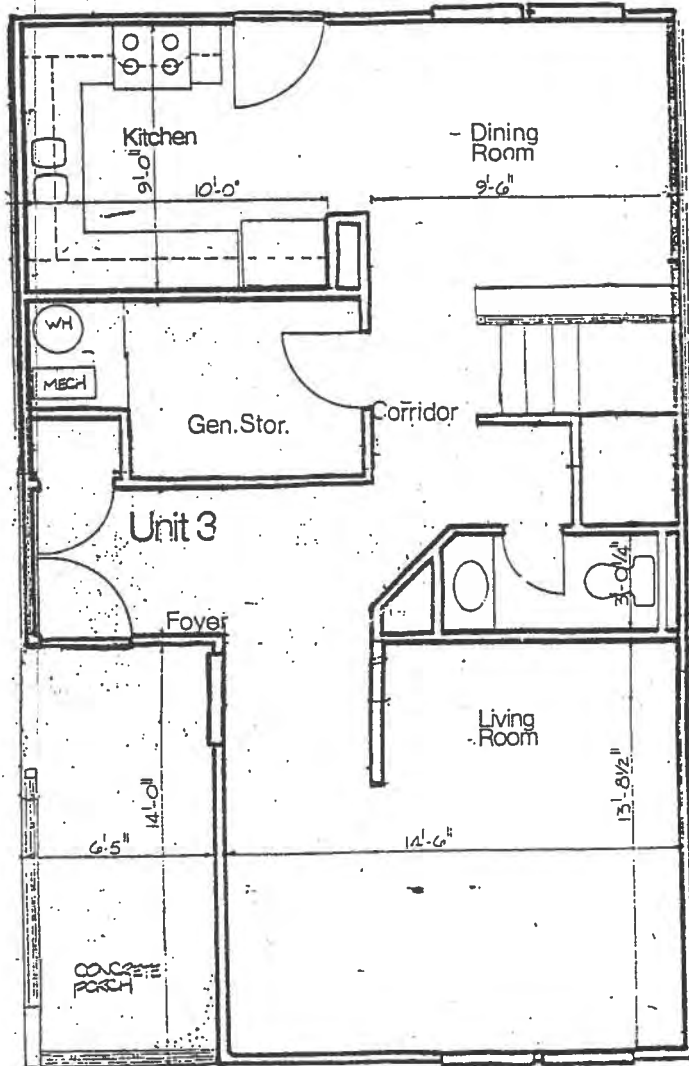
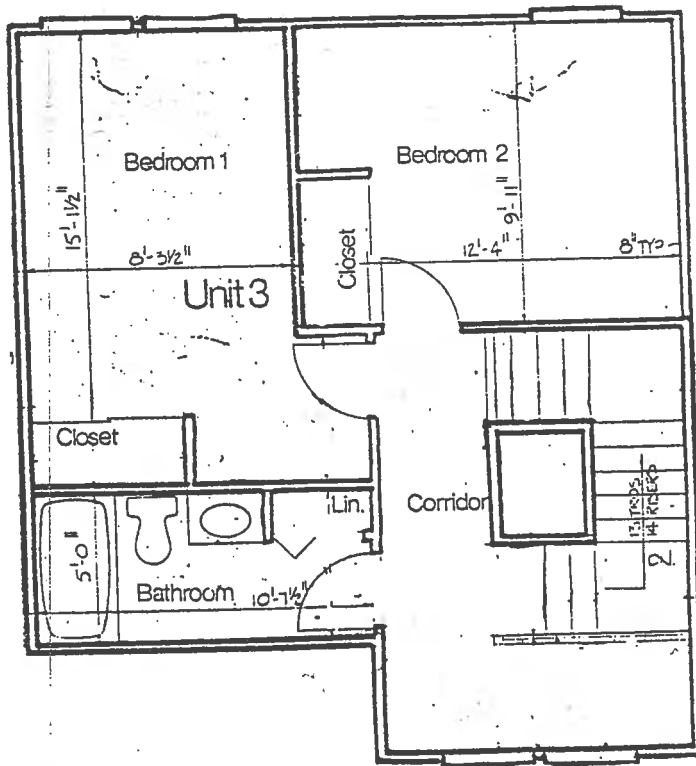


PUBLIC LIBRARY NEAR SUBJECT



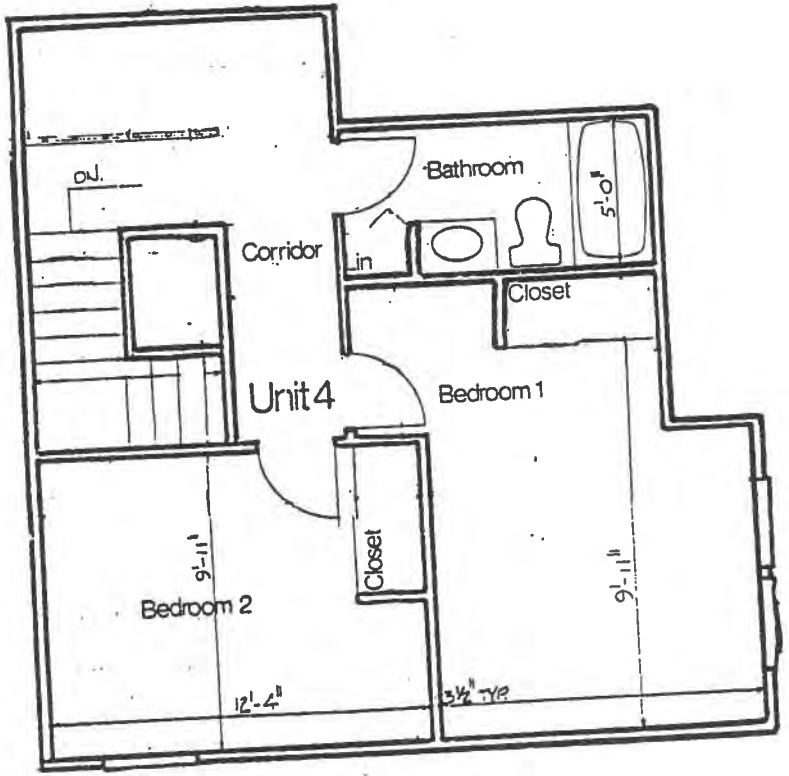
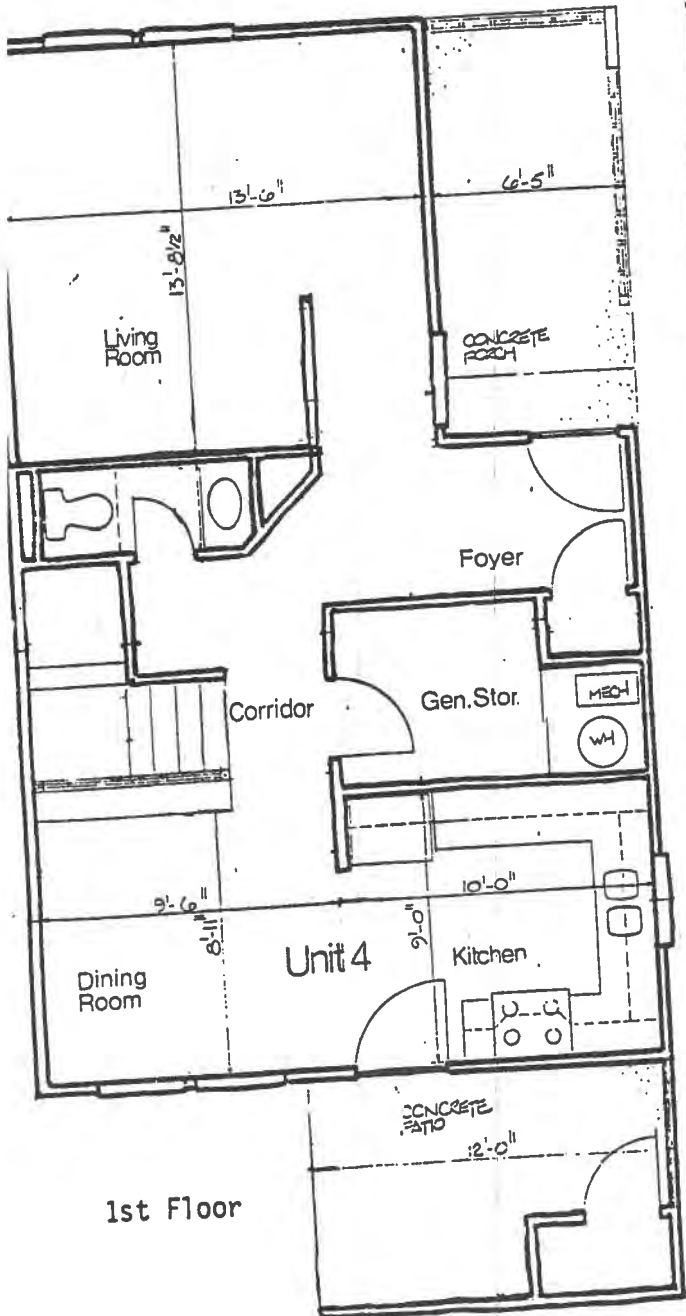
RADFORD UNIVERSITY REC CENTER NEAR SUBJECT

Addendum E
Floor Plans

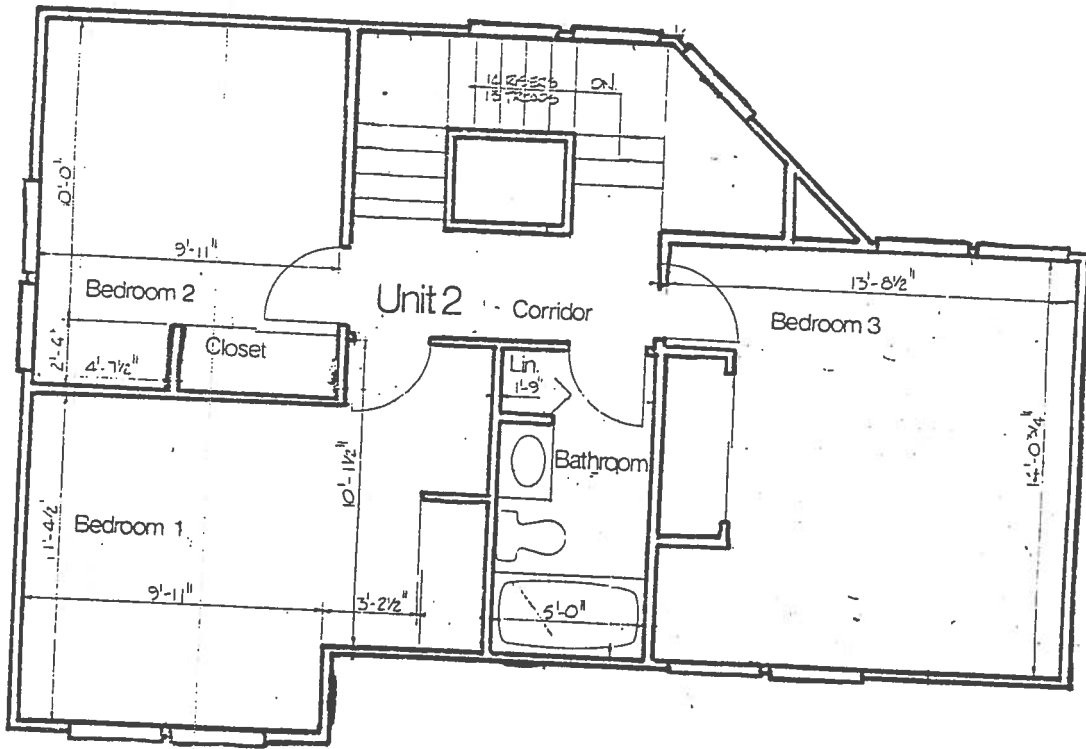


Two Bedroom
Townhouse A

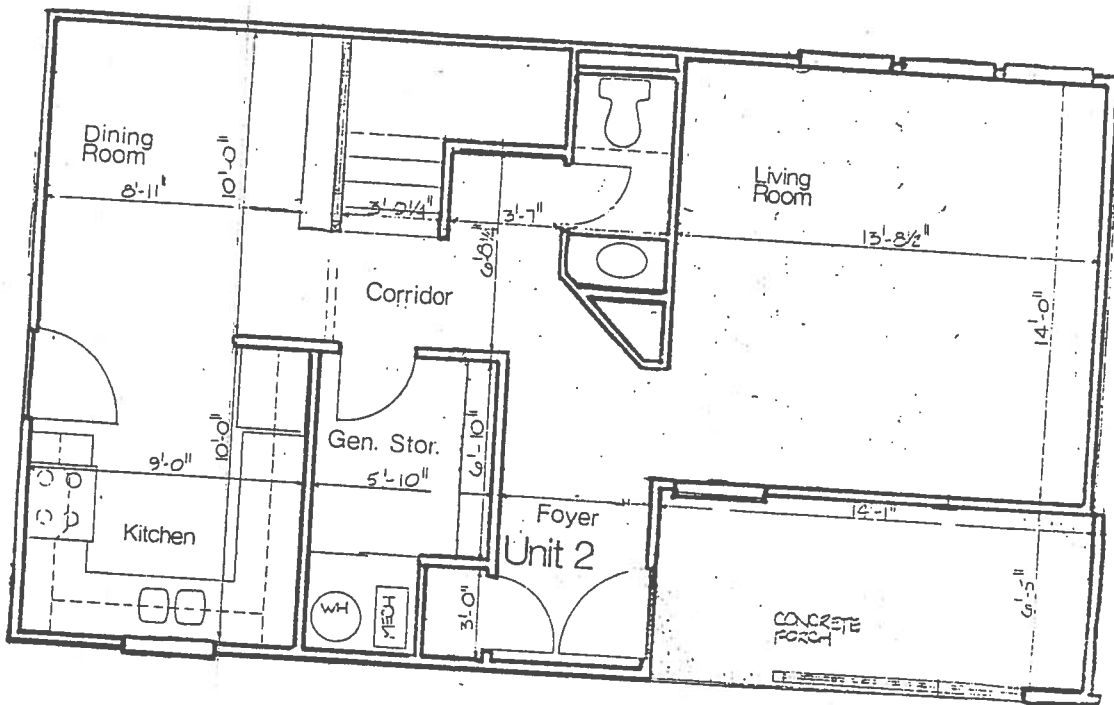
4/550



Two Bedroom
Townhouse B

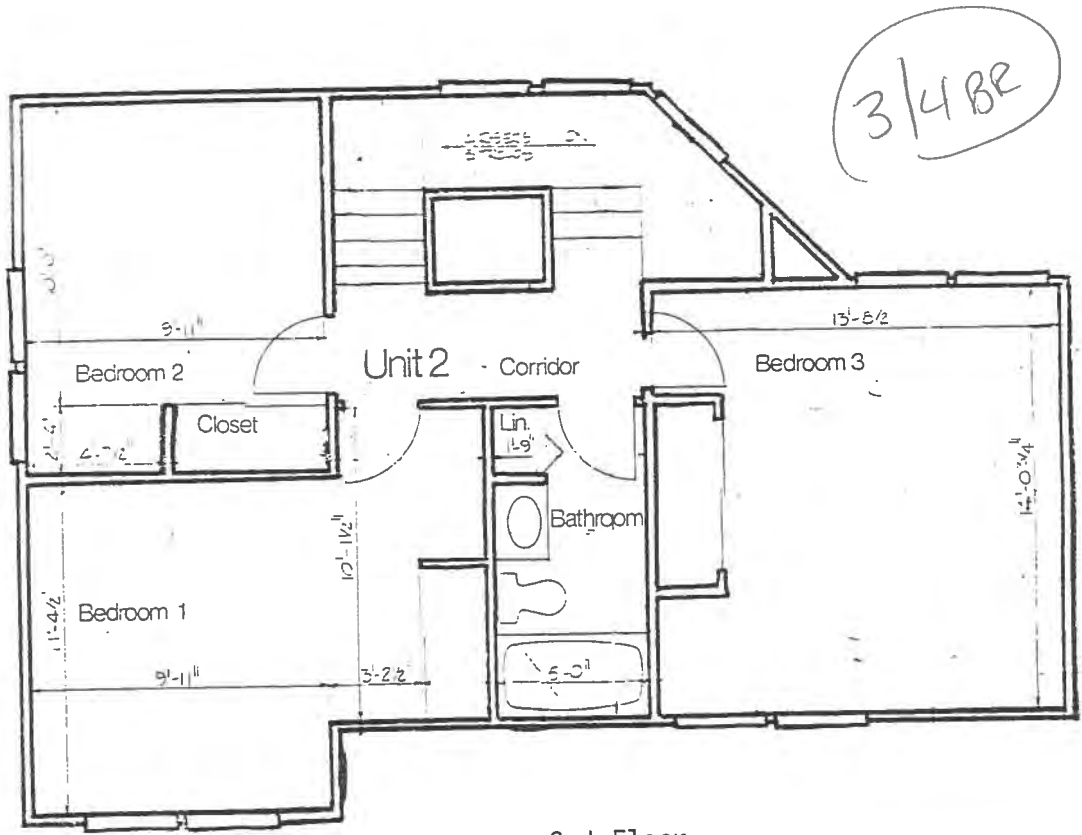


2nd Floor

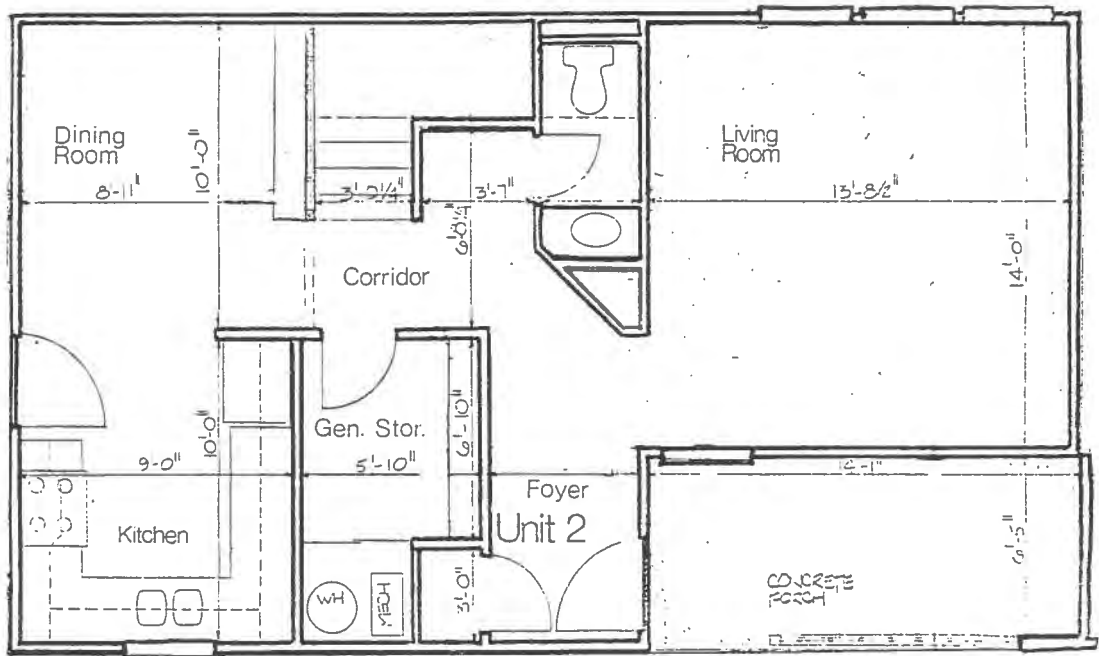


1st Floor

Three Bedroom
Townhouse

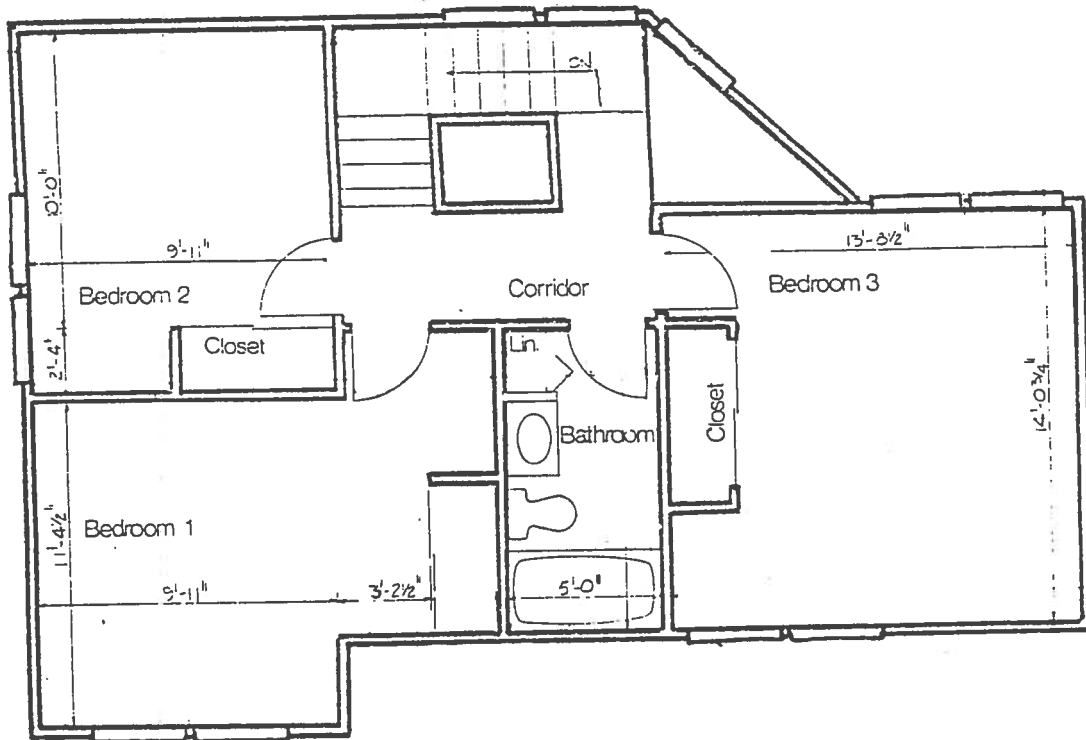


2nd Floor

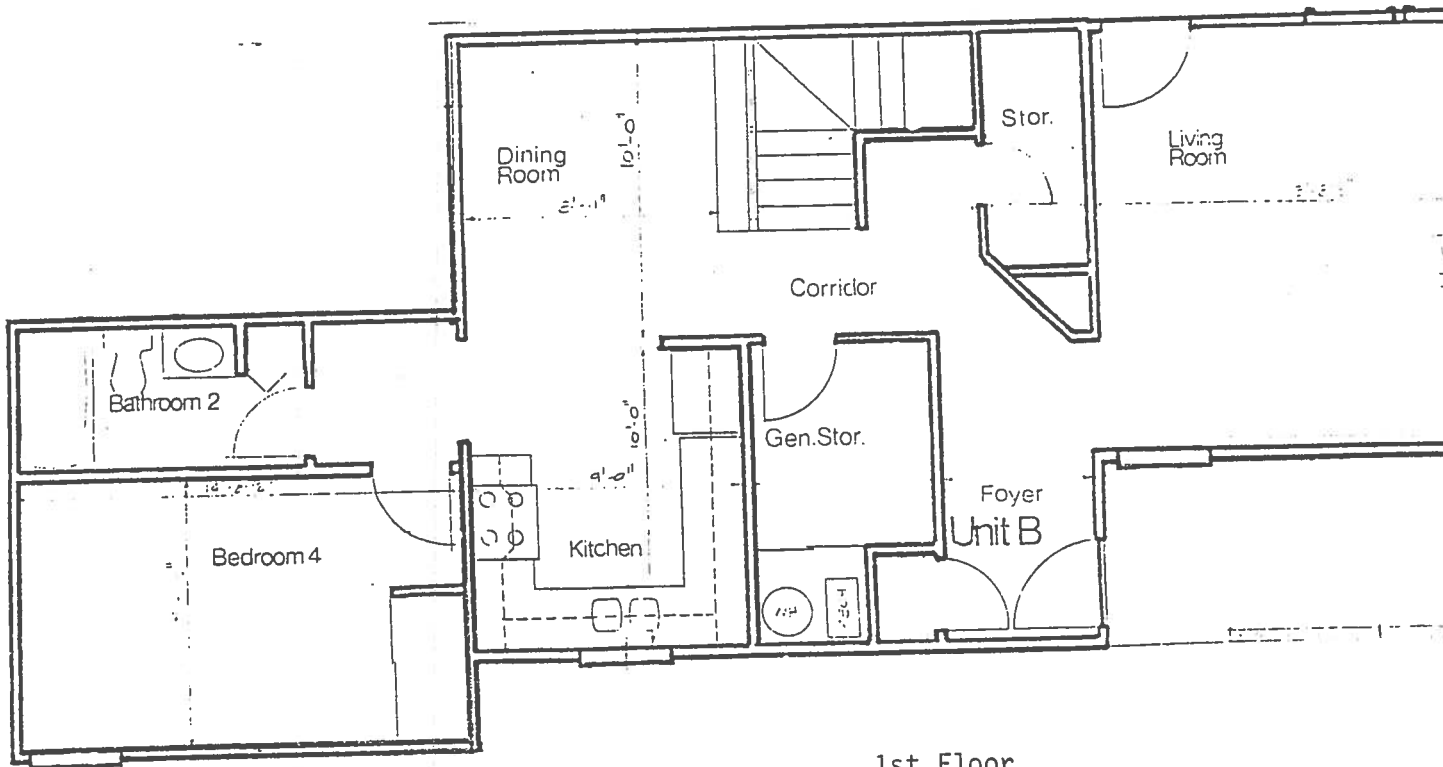


1st Floor

3BR



2nd Floor



1st Floor