

A MARKET FEASIBILITY

STUDY OF:

HOPEWELL

HEIGHTS

APARTMENTS

A MARKET FEASIBILITY STUDY OF:

HOPEWELL HEIGHTS APARTMENTS

Located at:
4105 Old Iron Court
Hopewell, Virginia 23860

Effective Date: March 25, 2021
Report Date: May 6, 2021

Prepared for:
Wade Wood
Investment Officer
Involve Communities
105 Tallapoosa Street, Suite 300
Montgomery, AL 36104

Prepared by:
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May 6, 2021

Wade Wood
Investment Officer
Involve Communities
105 Tallapoosa Street, Suite 300
Montgomery, AL 36104

Re: Market Study for Hopewell Heights Apartments, located in Hopewell, Virginia

Dear Mr. Wood:

At your request, Novogradac & Company LLP has performed a market study of the multifamily rental market in the Hopewell, Virginia area relative to the above-referenced Section 8 project.

The purpose of this market study is to assess the viability of Hopewell Heights Apartments (Subject), a proposed acquisition/rehabilitation development. The Subject consists of 150 one, two, three, and four-bedroom units, all of which benefit from a Section 8 HAP contract; therefore, tenants pay just 30 percent of their income towards rent. The property was originally constructed and placed in service in 1980 and is proposed for LIHTC renovations, with an anticipated 12-month renovation timeframe starting September 2021. Post-renovation, the Subject's units will be rent and income restricted to 60 percent of the Area Median Income (AMI) or below. Further, all units will continue to benefit from Section 8 subsidy.

We have been asked to test achievable rents. We assume all information provided by the client correctly reflects the Subject. Any material changes from the development scheme provided may affect the conclusions shown in this report. 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. Vitus Development IV, LLC is the client in this engagement. We understand that they will submit this document to the Virginia Housing (formerly known as VHDA) for tax credit application. The scope of this report meets the requirements of Virginia Housing, including the following:

- Inspecting the site of the proposed Subject and its general location.
- Project Description
- Supply Analysis
- Market Area Analysis
- Demand Analysis
- Absorption Analysis
- Conclusions and Recommendations
- Required Appendices

The depth of discussion contained in the report is specific to the needs of the client, specifically the requirements of Virginia Housing pursuant to the 2021 market study requirements. Novogradac Consulting LLP adheres to market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). 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, which Novogradac certifies as a NCHMA-compliant comprehensive market analysis full narrative report, conforms to those standards;

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any slight modifications or departures from those standards are considered incidental. Novogradac is a disinterested third party. The report and the conclusions are subject to the *Assumptions and Limiting conditions* attached

Involve Communities is the client in this engagement and intended user of this report. We understand that they will use this document to assist in obtaining tax credits. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, Involve Communities, LLC 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 users under a separate agreement.

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.

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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I. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

Hopewell Heights Apartments, the Subject, is a 150-unit Section 8 development. The Subject consists of 95 one-bedroom, 37 two-bedroom, 12 three-bedroom, and six four-bedroom units, within a single six-story midrise-style residential building, as well as two-story townhome buildings, totaling nine buildings. Post-renovation, the Subject's units will be rent and income restricted to 60 percent of the Area Median Income (AMI). Further, all units will continue to benefit from Section 8 subsidy and tenants will continue to pay a portion of income as rent, not to exceed the lesser of the LIHTC or contract rents. The Subject will target seniors aged 62 and over in the 100 one and two-bedroom units, while the remaining 50 units will target families.

The Subject's proposed rents are detailed in the following table.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent	Proposed Net LIHTC Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	Proposed Contracts (2)	% of Maximum Allowable Gross Rent
<i>@60% AMI (Section 8)</i>									
1BR / 1BA*	606	95	\$724	\$940	\$72	\$1,012	\$1,012	\$940	100%
2BR / 1BA*	1,004	5	\$807	\$1,065	\$110	\$1,175	\$1,215	\$1,065	97%
2BR / 1BA TH**	930	32	\$741	\$1,094	\$121	\$1,215	\$1,215	\$1,110	100%
3BR / 2BA TH**	1,240	12	\$796	\$1,238	\$166	\$1,404	\$1,404	\$1,335	100%
4BR / 2.5BA TH**	1,478	6	\$889	\$1,427	\$139	\$1,566	\$1,566	\$1,560	100%
		150							

Notes (1) Source of Utility Allowance provided by Hopewell Housing Redevelopment and Housing Authority, effective 1/1/2021.

(2) Based on 3rd Party RCS dated March 25, 2021

*Seniors 55 and over units

**Family units

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

Strengths

- Post-renovation, the Subject will exhibit improved condition, and will offer an improved amenity package with the addition of microwaves and video surveillance.
- All units will continue to benefit from Section 8 subsidy post-renovation. As such, tenants will continue to pay just 30 percent of their income towards rent. Further, all tenants are expected to remain income qualified post-renovation, and renovations will occur with tenants in place.
- Vacancy rates among the LIHTC properties range from zero to 4.8 percent, with an overall vacancy rate of just 0.8 percent in the market. Vacancy rates among the market rate properties range from zero to 1.5 percent, with an average of just 0.4 percent.
- The Subject is located in close proximity to many services, public transportation, and retailers.

- The Subject’s capture rates as proposed and absent subsidy are excellent. Further, the penetration rates in both scenarios are moderate. Overall, the demand calculations indicated ample demand for affordable housing.

Weaknesses

- The Subject’s unit sizes and amenities will generally be inferior to the comparable properties. However, as an existing subsidized property that has historically been well received, we do not believe this will have any significant impact on the Subject’s marketability, moving forward as a renovated subsidized property. Further, the amenity package will be slightly improved post-renovation, and subsidy will remain in place for all units.

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

It should be noted that this absorption period assumes the Subject is hypothetically 100 percent vacant.

Capture Rate - Senior Tenancy - As Proposed	18.4%
Project Wide Absorption Period (Months)*	6 months

*It should be noted that this absorption period assumes the Subject is hypothetically 100 percent vacant; however, the Subject is in fact an existing Section 8 development that is currently 100 percent occupied.

Capture Rate - Family Tenancy - As Proposed	4.0%
Project Wide Absorption Period (Months)*	3 months

*It should be noted that this absorption period assumes the Subject is hypothetically 100 percent vacant; however, the Subject is in fact an existing Section 8 development that is currently 100 percent occupied.

II. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Location: The Subject is located at 4102 Old Iron Court in Hopewell, Virginia 23860.

Site Description: The site is irregular in shape with frontage along the north and south sides of Old Iron Court. The property consists of a single six-story midrise-style residential building, as well as two-story townhome buildings, totaling nine buildings. Additionally, the Subject site is 10.79 acres, or approximately 470,012 square feet.

Aerial of Subject:



Source: Google Maps, retrieved 4/2021

Proposed Rents and Unit Mix:

The following table details the proposed 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	Current Contract Rent	Proposed Net LIHTC Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	Proposed Contracts (2)	% of Maximum Allowable Gross Rent
<i>@60% AMI (Section 8)</i>									
1BR / 1BA*	606	95	\$724	\$940	\$72	\$1,012	\$1,012	\$940	100%
2BR / 1BA*	1,004	5	\$807	\$1,065	\$110	\$1,175	\$1,215	\$1,065	97%
2BR / 1BA TH**	930	32	\$741	\$1,094	\$121	\$1,215	\$1,215	\$1,110	100%
3BR / 2BA TH**	1,240	12	\$796	\$1,238	\$166	\$1,404	\$1,404	\$1,335	100%
4BR / 2.5BA TH**	1,478	6	\$889	\$1,427	\$139	\$1,566	\$1,566	\$1,560	100%
		150							

Notes (1) Source of Utility Allowance provided by Hopewell Housing Redevelopment and Housing Authority, effective 1/1/2021.

(2) Based on 3rd Party RCS dated March 25, 2021

*Seniors 55 and over units

**Family units

Following rehabilitation and the allocation of LIHTCs, all 150 of the Subject's units will be restricted at 60 percent AMI, with proposed rents set at the 2021 maximum allowable levels, with the exception of the senior two-bedroom units.

Current Asking and Achieved Rents:

The Subject's current contract and achieved rents, as well as the projected rents, are detailed in the following table.

CURRENT RENTS

Unit Type	Unit Size (SF)	# of Units	Current Contract Rent	Utility Allowance (1)	Gross Rent	Fair Market Rents
<i>Section 8</i>						
1BR / 1BA*	962	95	\$724	\$72	\$796	\$1,020
2BR / 1BA*	962	5	\$807	\$110	\$917	\$1,163
2BR / 1BA TH**	962	32	\$741	\$121	\$862	\$1,163
3BR / 2BA TH**	1,185	12	\$796	\$166	\$962	\$1,538
4BR / 2.5BA TH**	1,186	6	\$889	\$139	\$1,028	\$1,840
Total		150				

Notes (1) Utility Allowance is dictated by HUD, based on the current Rent Schedule, effective 1/1/2020

*Seniors 55 and over units

**Family units

RENT ROLL ANALYSIS

Unit Type	# of Units	# of Occupied Units	Occupancy Rate	Unit Size (SF)	Current Asking Rents	Average Tenant-Paid Rent	Proposed Contract Rent (1)	Percentage Increase in Proposed vs. Current Rents
<i>Section 8</i>								
1BR / 1BA*	95	95	100%	962	\$724	\$299	\$940	23.0%
2BR / 1BA*	5	5	100%	962	\$807	\$333	\$1,065	24.2%
2BR / 1BA TH**	32	32	100%	962	\$741	\$333	\$1,110	33.2%
3BR / 2BA TH**	12	12	100%	1,185	\$796	\$359	\$1,335	40.4%
4BR / 2.5BA TH**	6	6	100%	1,186	\$889	\$234	\$1,560	43.0%
	150	150	100%					

(1) Based on 3rd Party RCS dated March 25, 2021

*Seniors 62 and over units

**Family units

Following rehabilitation and the allocation of new LIHTCs, all of the Subject units will be restricted at 60 percent AMI with proposed rents at the 2021 maximum allowable levels, with the exception of the two-bedroom floor plan, and will be increased from current rent levels. The percentage increase in contract rents ranges from 23 to 43 percent; however, actual out of pocket costs to tenants will not change, as they will continue to pay just 30 percent of income toward rent.

Target Population:

The Subject will continue to target seniors aged 62 and over in the 100 one and two-bedroom flat-style units, while the remaining 50 townhome units will target families.

Utility Structure:

The tenants are responsible for electric hot water, electric cooking, and other electric utility expenses. The landlord is responsible for cold water, sewer, and trash expenses and all common area utilities. There are no proposed changes to the utility structure post-renovation. The Subject's utility allowances are dictated by HUD. The utility structure varies among the comparable properties; we have adjusted the comparable rents in accordance with the utility schedule obtained from the Hopewell Redevelopment and Housing Authority, effective January 1, 2021, which is the most recent available.

Unit Mix:

The following table illustrates the Subject's unit mix and sizes as provided by the developer.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	45	584	26,280
1BR / 1BA	1	584	584
1BR / 1BA	8	584	4,672
1BR / 1BA	6	584	3,504
1BR / 1BA	30	630	18,900
1BR / 1BA	5	630	3,150
2BR / 1BA	5	838	4,190
2BR / 1BA	31	930	28,830
2BR / 1BA	1	930	930
3BR / 1.5BA	12	1,240	14,880
4BR / 1.5BA	6	1,537	9,222
TOTAL	150		115,142

- NLA:** Approximately 115,142 square feet as outlined in the table above.
- Unit Amenities:** The Subject’s units currently offer blinds, carpet and vinyl flooring, central air conditioning, coat closet, hand rails, and pull cords. Appliances include ovens and refrigerators. Post renovation, the in-unit amenities will remain the same.
- Common Amenities:** The Subject features a courtyard, elevator, central laundry facility, and on-site management. There are no additional common area amenities proposed with the renovations.
- Parking:** The Subject features off-street parking to its tenants at no additional cost. There are approximately 153 surface parking spaces, which equates to a parking ratio of approximately 1.02 spaces per unit. Overall, the parking offered at the Subject is reasonable given its tenancy.
- Number of Stories:** The property consists of a single six-story midrise-style residential building, as well as two-story townhome buildings, totaling nine buildings.
- Date of Construction:** The Subject was constructed and placed in service in 1980, and is proposed to be renovated with LIHTCs, with a 12-month renovation starting in September 2021, ending in September 2022.
- Scope of Renovations:** The scope of renovations will include, but not be limited to the following: siding repairs, new insulation, new roofing, new gutters and downspouts, interior/exterior paint, new fire alarms, new kitchen cabinets and countertops, updated bathroom tubs and plumbing, new appliances, new entry doors, electrical updates, concrete sidewalk repairs, parking lot resurfacing and restriping, HVAC improvements, and ADA upgrades. The total renovation hard costs are estimated to be \$3,485,400, or \$23,236 per unit. The construction timeline is anticipated to be 12 months, starting in September 2021, with an anticipated completion date of September 2022.

**Target Population and
Occupancy Type:**

The Subject will continue to target seniors and family households generally ranging from one to four persons. Based on the unit mix and proposed rent levels, the annual incomes will range from zero to \$87,720, as proposed. Absent subsidy, annual qualifying incomes would hypothetically range from \$30,180 to \$87,720. According to the most recent rent roll provided, dated March 25, 2021, the Subject was fully occupied.

**Americans with
Disabilities Act of 1990:**

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

**Quality of Construction Condition
and Deferred Maintenance:**

The Subject appears to have been constructed using average-quality materials and the structure/units are in average to good condition and exhibit minimal deferred maintenance. Post-renovation, the Subject will be in good condition with no deferred maintenance.

Functional Utility:

Based upon a site inspection of the Subject property, the units are functional and market-oriented.

Conclusion:

The Subject property is a 150-unit Section 8 development in average condition and will be in good condition post-rehabilitation. The Subject does not suffer from functional obsolescence and provides average to good utility for its intended use. The proposed renovations will enable the Subject to maintain and/or improve its competitive position in the market.

HOPEWELL HEIGHTS APARTMENTS – HOPEWELL, VIRGINIA – MARKET STUDY

Property Profile Report

Hopewell Heights Apartments

Comp # Subject
 Effective Rent Date 3/25/2021

Location 4105 Old Iron Ct
 Hopewell, VA 23860
 Hopewell County
 (verified)
 Units 150
 Vacant Units 0
 Vacancy Rate 0.00%
 Type Various (age-restricted)
 (6 stories)
 Year Built / Renovated 1980 / 2022
 Contact Name Leasing Manager
 Phone 804-458-1961



Market

Program	Section 8	Leasing Pace	N/A
Annual Turnover Rate	12%	Change in Rent (Past Year)	N/A
Units/Month Absorbed	N/A	Concession	N/A
Section 8 Tenants	N/A		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Midrise (6 stories)	95	606	\$940	\$0	@60% (Section 8)	Yes	0	0.00%	yes
2	1	Midrise (6 stories)	5	1,004	\$1,105	\$0	@60% (Section 8)	Yes	0	0.00%	yes
2	1	Townhouse (2 stories)	32	930	\$1,094	\$0	@60% (Section 8)	Yes	0	0.00%	yes
3	2	Townhouse (2 stories)	12	1,240	\$1,238	\$0	@60% (Section 8)	Yes	0	0.00%	yes
4	2.5	Townhouse (2 stories)	6	1,478	\$1,427	\$0	@60% (Section 8)	Yes	0	0.00%	yes

Amenities

In-Unit	Balcony/Patio Blinds Carpet/Hardwood Carpeting Central A/C Coat Closet Garbage Disposal Oven Pull Cords Refrigerator	Security	Video Surveillance
Property	Clubhouse/Meeting Room/Community Room Courtyard Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Service Coordination	Premium	none
Services	none	Other	none

Comments

This is a Section 8 development built in 1979. The midrise building (100 units) is age 55+ and disabled, while the TH's (50 units) are family.

III. LOCATION, MARKET AREA DEFINITION & PROPERTY CHARACTERISTICS

LOCATION AND MARKET AREA DEFINITION

Primary Market Area

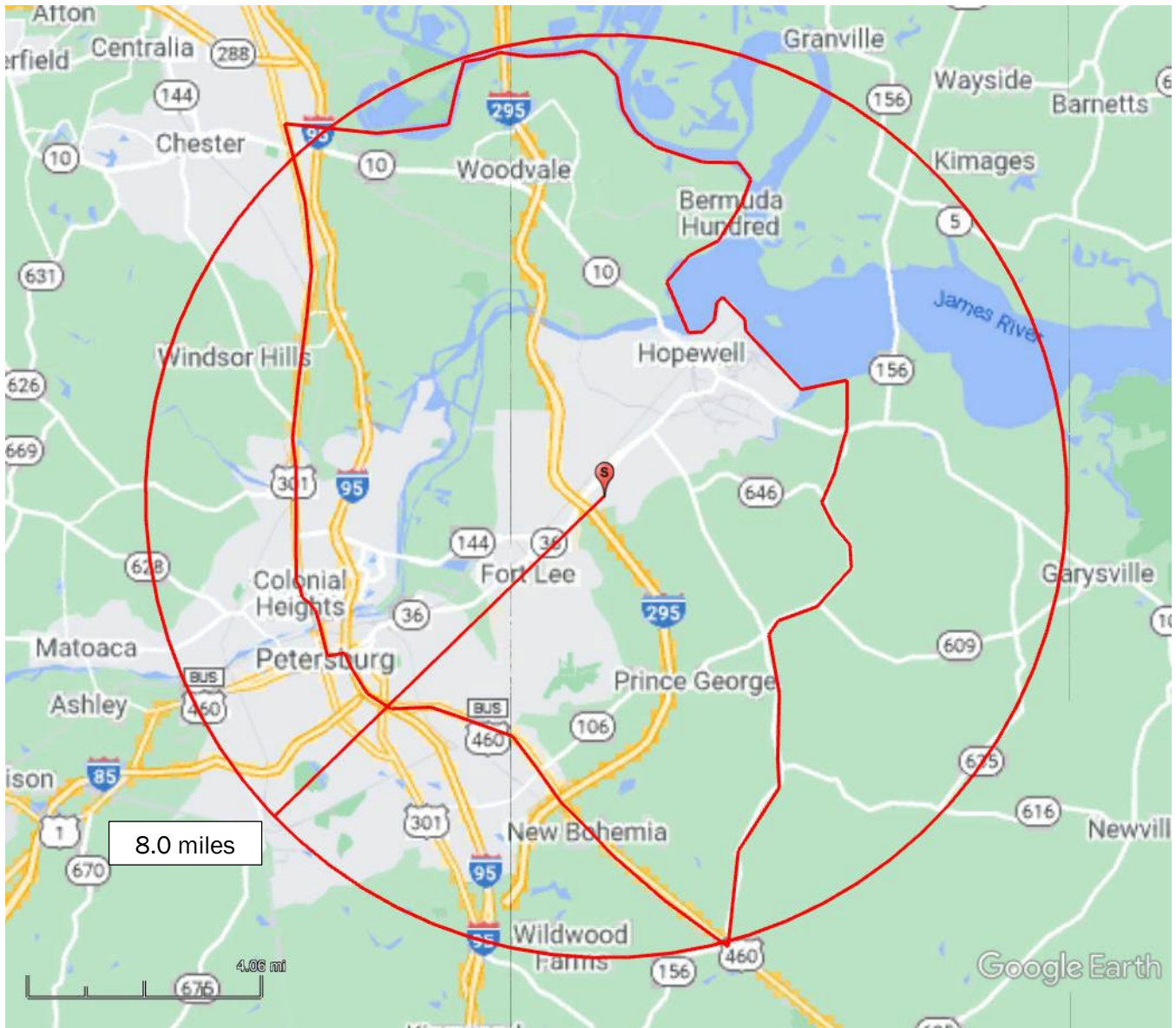
For the purposes of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood-oriented” and are generally very reluctant to move from the area in which they have grown up. 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. Ninety percent of the Subject’s potential tenants are expected to hail from the PMA; however, demand estimates will not be adjusted to reflect the potential for “leakage,” as the demand template published in the 2021 Virginia Housing Market Study Guidelines does not explicitly permit an allowance for demand originating outside the PMA.

The Subject property is located in Hopewell, Virginia. The primary market area is defined as the cities of Hopewell, Woodvale, Prince George, Fort Lee, and portions of Petersburg, New Bohemia, and Colonial Heights. The boundaries of the PMA are defined as James River to the north, James River, County Road 644, and County Road 156 to the east, U.S. Highway 160 and U.S. Highway 460 to the south and Interstate 95 and U.S. Highway 301 to the west. The PMA was determined based on input from area property managers, including the manager at the Subject property.

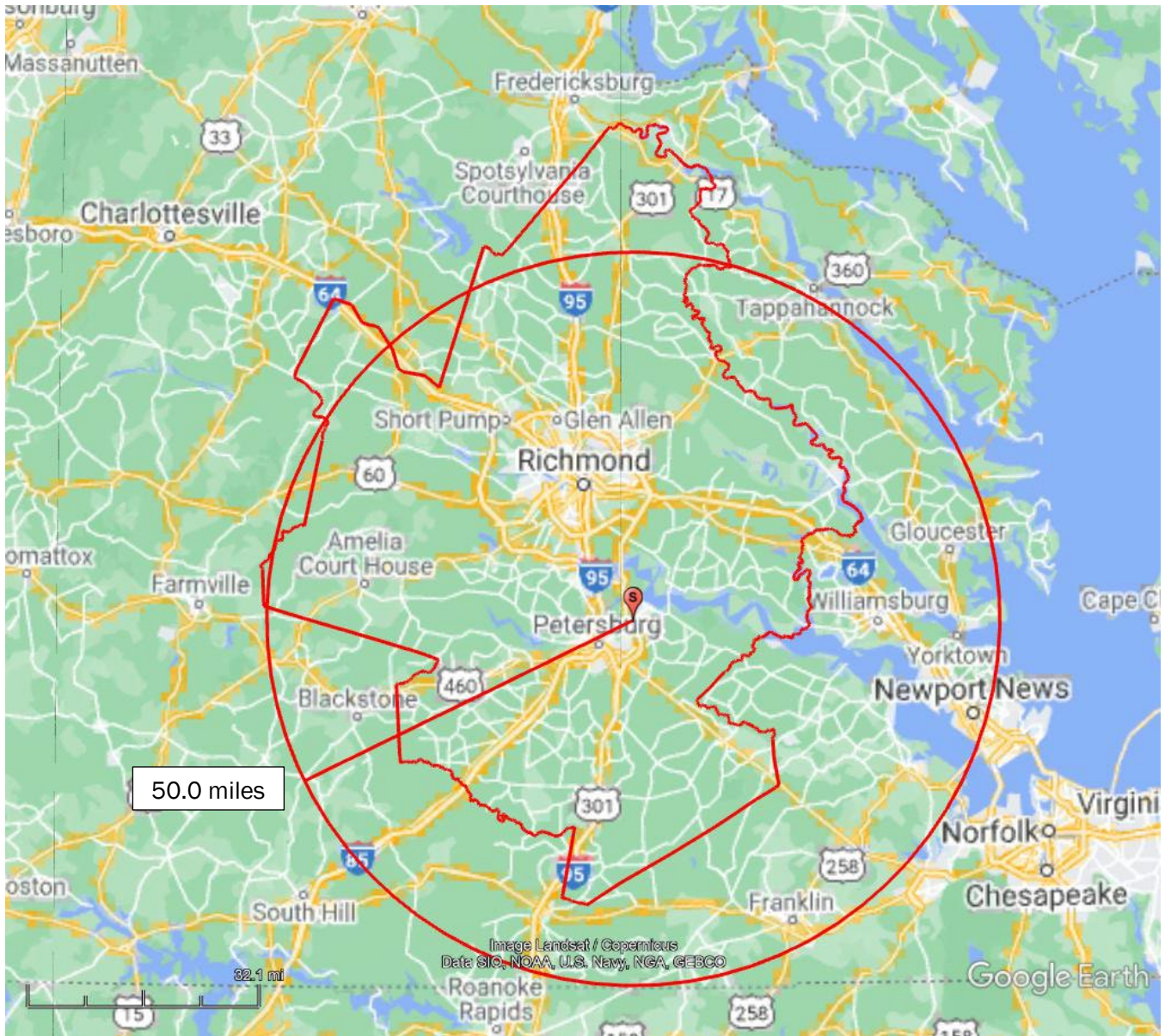
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Richmond, VA MSA and the Primary Market Area (PMA) are areas of growth or contraction. Maps outlining the general PMA boundaries as well as the MSA can be found on the following pages.

Per VHDA guidelines, analysts are to include secondary or tertiary markets. The secondary market in this case is the Richmond, VA MSA, which is comprised of Prince George, Dinwiddie, Henrico, King and Queen, Charles City, New Kent, Goochland, Hanover, Sussex, King William, Chesterfield, Powhatan, and Amelia Counties, as well as the independent cities of Colonial Heights, Hopewell, Petersburg, and Richmond. Maps of both the PMA and MSA can be found on the following pages.

Primary Market Area (PMA) Map

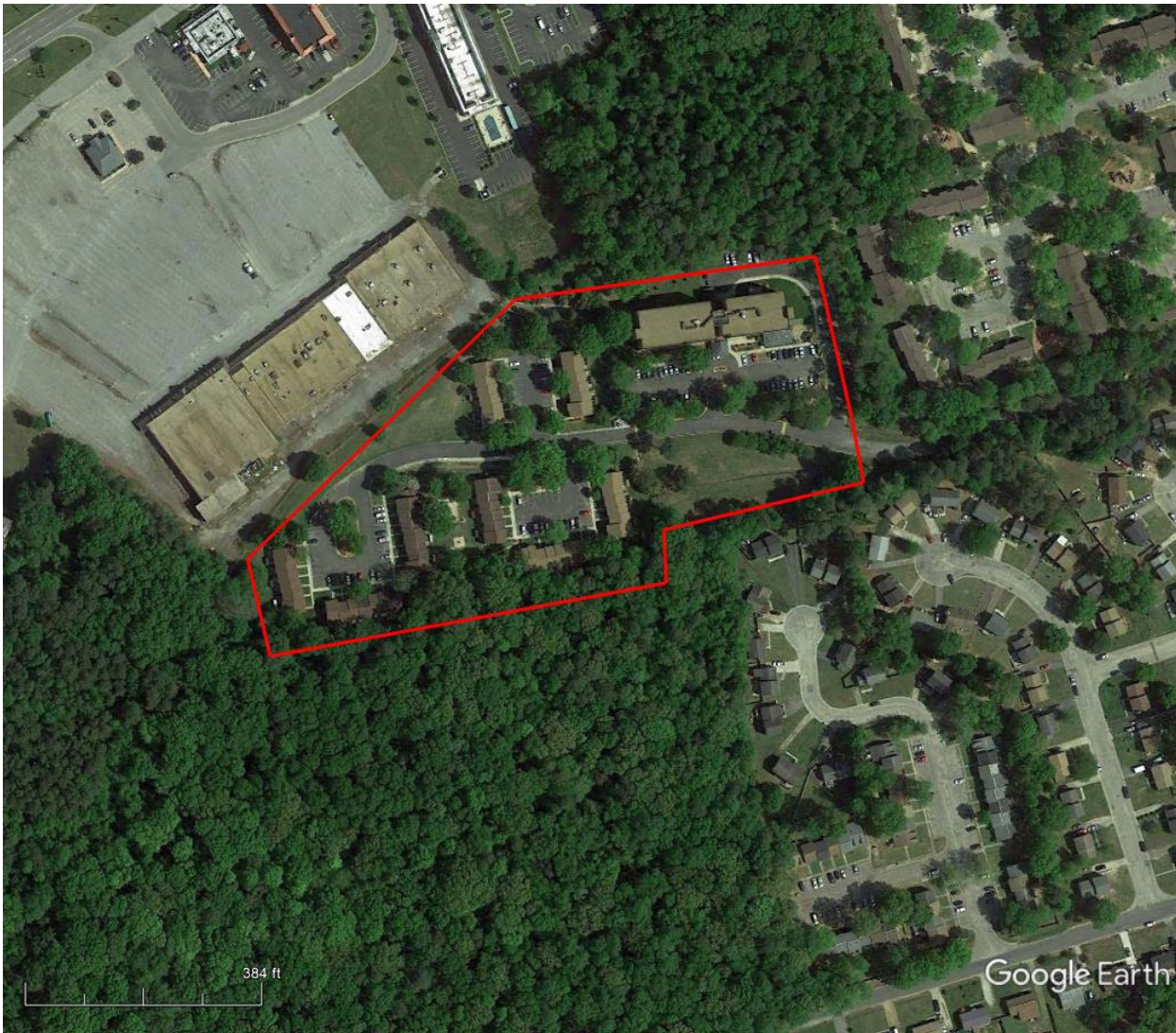


Secondary Market Area (SMA) Map



DESCRIPTION OF THE SITE

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



Source: Google Maps, retrieved 4/2021

- Size:** The Subject site consists of 10.79 acres, or approximately 470,012 square feet.
- Shape:** The Subject parcel is irregular in shape but functional.
- Frontage:** The Subject has frontage along the north and south sides of Old Iron Court.
- Topography:** The site is generally level.
- Utilities:** All utilities are available to the site.

Visibility/Views:

The Subject has average visibility from Old Iron Court. Views to the north and west of the Subject consist of wooded land and commercial/retail uses, including Colonial Corner Shopping Center, Holiday Inn Express Hopewell, and Hopewell/Prince George Chamber of Commerce, all of which are in good condition. Views to the east of the Subject consists of Piper Square Apartments which exhibits good condition. Piper Square Apartments is a Section 8 development that targets families. It should be noted this property was not utilized as a rental comparable due to its rent and income restrictions. Views to the south of the Subject consist of wooded land and single-family homes in good condition. Overall, visibility and views are considered average.

Surrounding Uses:

The Subject is located in the Cedar Level neighborhood in the southwestern portion of Hopewell. The neighborhood consists of a mixture of single-family homes, houses of worship, multifamily uses, as well as commercial/retail uses primarily located along the south side of Oaklawn Boulevard. To the north and west of the Subject consist of wooded land and commercial/retail uses, including Colonial Corner Shopping Center, Holiday Inn Express Hopewell, and Hopewell/Prince George Chamber of Commerce, all of which are in good condition. Further north, land use consists of a house of worship and commercial/retail uses, including Citgo Gas Station, Marathon Gas Station, Wawa, and Captain D's restaurant, all of which are in good condition. Land use to the east of the Subject consists of Piper Square Apartments which exhibits good condition. Piper Square Apartments is a Section 8 development that targets families. It should be noted this property was not utilized as a rental comparable due to its rent and income restrictions. Further east, land use consists of single-family homes in average condition. Land use to the south of the Subject consists of wooded land and single-family homes in good condition. Overall, the majority of surrounding land uses are in average to good condition. According to Zillow, single-family homes in the Subject's area are currently listed for between \$115,000 and \$400,000 with the majority listed for around \$175,000.

Access and Traffic Flow:

The Subject is accessed via Old Iron Court. Old Iron Court is a two-lane lightly traveled road generally traversing east/west, which provides access to Old Iron Road, located 0.1 miles east of the Subject. Old Iron Road is a lightly traveled road generally traversing north/south that provides access to Courthouse Road, approximately 0.3 miles northeast of the Subject. Courthouse Road is a two-lane lightly traveled road generally traversing east/west that provides access to County Highway 36, approximately 0.4 miles to the northwest of the Subject site. County Highway 36 is a moderately traveled six-lane highway that generally traverses northeast/southwest and provides access throughout the city of Hopewell, to the city of Petersburg, approximately 5.5 miles to the southwest, and to Interstate 295, approximately 0.4 miles to the northwest of the Subject. Interstate 295 provides access throughout

the city of Hopewell and the city of Richmond approximately 19.9 miles to the northwest of the Subject. Overall, traffic in the Subject’s immediate area is considered light, and access is considered good.

Layout and Curb Appeal:

Based on our inspection, the Subject has a functional layout and average curb appeal.

The following table outlines various characteristics.

SUMMARY OF SUBJECT SITE	
Visibility	Average
Views	Average
Access/Traffic Flow	Good/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 tests 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.

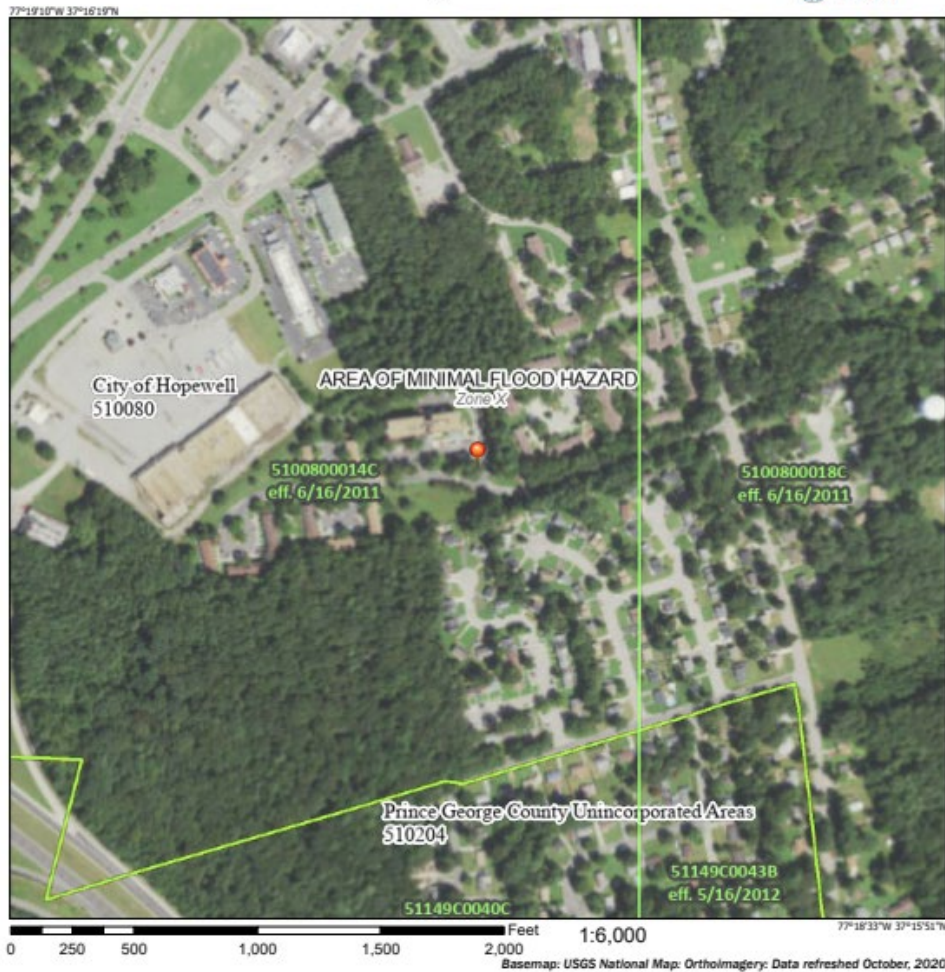
Environmental Assessment:

We were not provided with an environmental assessment report. Further, we did not observe any obvious environmental hazards during our site inspection; however, we are not experts within this field.

Flood Plain:

Based on information provided by www.Floodinsights.com, the Subject site is located within Zone X, outside of the area inundated by the 100-year and 500-year flood plains. The corresponding FEMA map is community panel number 51149C0040C, revised June 16, 2011. Further analysis by Novogradac is beyond the scope of the report.

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, V, AEV
- With BFE or Depth Zone AE, AO, AH, VC, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee. Zone D

OTHER AREAS

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 4/8/2021 at 10:07 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

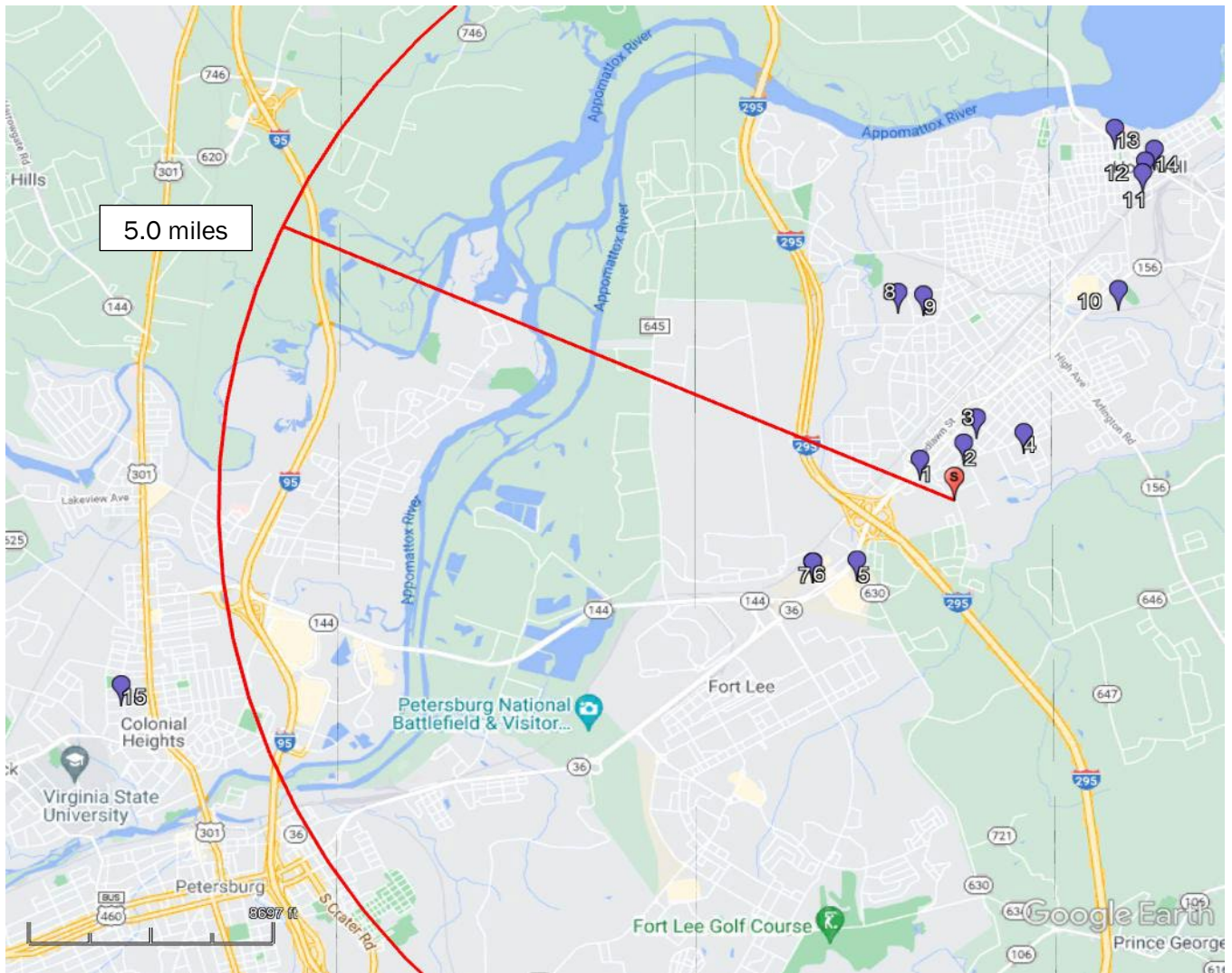
Source: www.fema.gov, April 2021

Detrimental Influences:

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

Proximity to Local Services

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



LOCAL AMENITIES

#	Service or Amenity	Distance from Subject	#	Service or Amenity	Distance from Subject
1	Walgreens	0.3 miles	9	Hopewell High School	1.5 miles
2	Woodlawn Park	0.4 miles	10	Carter G. Woodson Middle School	1.9 miles
3	Fire Station	0.6 miles	11	Post Office	2.7 miles
4	Marathon	0.7 miles	12	Police Department	2.8 miles
5	First Colonial Bank	0.8 miles	13	John Randolph Medical Center	2.9 miles
6	Bus Stop	1.1 miles	14	Appomattox Regional Library	2.9 miles
7	Food Lion	1.1 miles	15	Colonial Heights Senior Citizen	5.8 miles
8	Patrick Copeland Elementary School	1.5 miles	-	-	-

Public Transportation

Hopewell is served by Petersburg Area Transit (PAT). The PAT bus services Petersburg, Hopewell, Colonial Heights, and the surrounding counties. The closest bus stop is located along Plaza Drive, approximately 1.1 miles southwest of the Subject. Service is offered Monday through Friday from 6:15 AM through 6:15 PM and Saturdays from 7:15 AM until 6:15 PM. Fares start at \$1.75 for adults, and are \$0.85 for seniors over the age of 65, persons with disabilities, and Medicare card holders, while children under the age of six ride for free.

Conclusion

The Subject is located in the Cedar Level neighborhood in the southwestern portion of Hopewell. The neighborhood consists of a mixture of single-family homes, houses of worship, multifamily uses, as well as commercial/retail uses primarily located along the south side of Oaklawn Boulevard. Access to public transportation, groceries, pharmacy, and shopping is convenient. The Subject's location is considered good and is well suited for multifamily housing.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior and surface parking



Picnic area



Tenant mailboxes



Leasing office



Central laundry facility



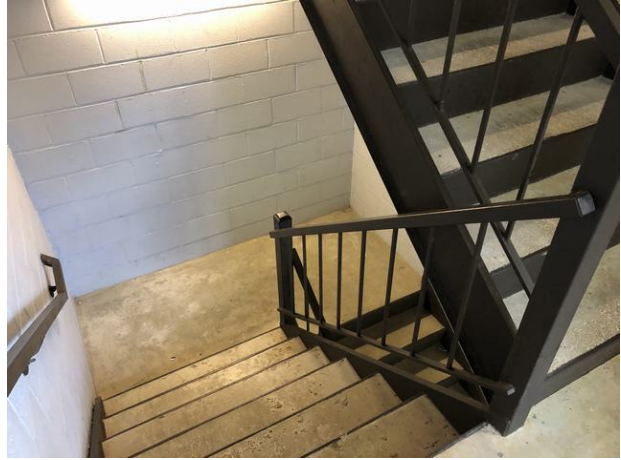
Community room



Computer lab



Exercise facility



Typical stairway



Typical hallway



Typical living area



Typical kitchen



Typical bedroom



Typical bathroom



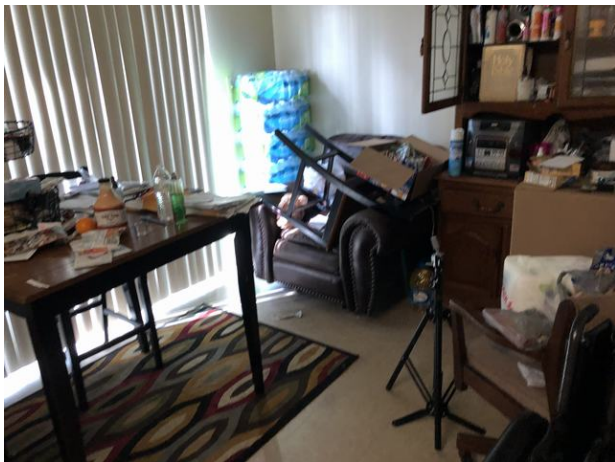
Typical living area



Typical kitchen



Typical bedroom



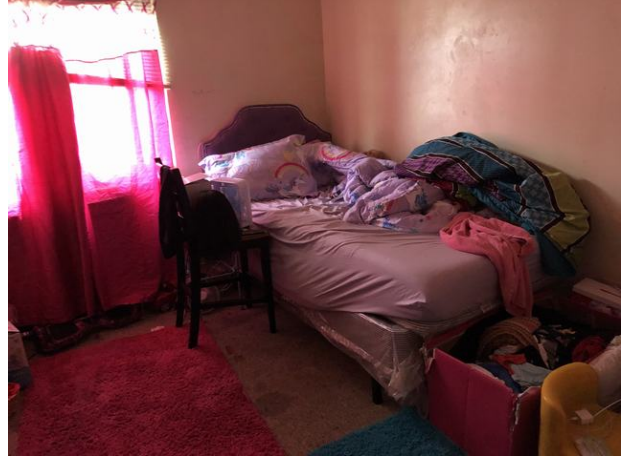
Typical living area



Typical kitchen



Typical bedroom



Typical bedroom



Typical bathroom



Typical living area



Typical kitchen



Typical in-unit stairway



Typical bedroom



Typical bedroom



Typical bedroom



Typical bathroom



Piper Square Section 8 development east of Subject



Single-family homes to the south of Subject



Single-family homes to the south of Subject



House of worship to the east of Subject along Courthouse Road



Site of recently demolished shopping center to the northwest of Subject



Bowling alley to the northwest of Subject along Oaklawn Boulevard



Retail use to the northwest of Subject along Oaklawn Boulevard



Commercial use (hotel) to the north of Subject along Courthouse Road



View along Old Iron Court facing east



View along Old Iron Court facing west

Crime Risk

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. The following table illustrates crime statistics for the PMA and the MSA as compared to the nation.

2020 CRIME INDICES

	PMA	MSA
Total Crime*	115	100
Personal Crime*	104	96
Murder	119	189
Rape	89	87
Robbery	95	116
Assault	109	85
Property Crime*	117	100
Burglary	93	86
Larceny	130	107
Motor Vehicle Theft	75	83

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

*Unweighted aggregations

As indicated in the table above, total, personal, and property crime indices in the PMA are just above that of the MSA and nation. The Subject offers video surveillance, which will remain in place post-renovation. Observations of the PMA and interviews with market participants and property managers indicate that crime is not a serious issue in the area. Nonetheless, the Subject’s property manager noted that the Subject has little to no crime, as most of the incidents occur offsite.

IV. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The following sections will provide an analysis of the economic and demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Richmond, VA Metropolitan Statistical Area (MSA) are areas of growth or contraction.

Employment and Unemployment Trends

The table below illustrates the total employed and unemployment rates for the MSA and nation.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Richmond, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2005	570,167	-	4.1%	-	141,730,000	-	5.1%	-
2006	584,358	2.5%	3.5%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	594,827	1.8%	3.4%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	600,856	1.0%	4.5%	1.1%	145,363,000	-0.5%	5.8%	1.2%
2009	577,465	-3.9%	7.7%	3.2%	139,878,000	-3.8%	9.3%	3.5%
2010	578,496	0.2%	8.0%	0.3%	139,064,000	-0.6%	9.6%	0.3%
2011	590,551	2.1%	7.3%	-0.7%	139,869,000	0.6%	9.0%	-0.7%
2012	600,051	1.6%	6.6%	-0.7%	142,469,000	1.9%	8.1%	-0.9%
2013	607,785	1.3%	6.1%	-0.5%	143,929,000	1.0%	7.4%	-0.7%
2014	618,505	1.8%	5.5%	-0.5%	146,305,000	1.7%	6.2%	-1.2%
2015	625,848	1.2%	4.7%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	636,273	1.7%	4.2%	-0.5%	151,436,000	1.7%	4.9%	-0.4%
2017	646,752	1.6%	3.9%	-0.3%	153,337,000	1.3%	4.4%	-0.5%
2018	656,676	1.5%	3.2%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	668,525	1.8%	2.9%	-0.3%	157,538,000	1.1%	3.7%	-0.2%
2020	636,259	-4.8%	6.4%	3.5%	147,795,000	-6.2%	8.1%	4.4%
2021 YTD Average*	613,747	-3.5%	6.0%	-0.4%	149,466,000	1.1%	6.5%	-1.6%
Feb-2020	682,544	-	2.8%	-	158,017,000	-	3.8%	-
Feb-2021	614,252	-10.0%	5.9%	3.1%	149,522,000	-5.4%	6.6%	2.8%

Source: U.S. Bureau of Labor Statistics, April 2021

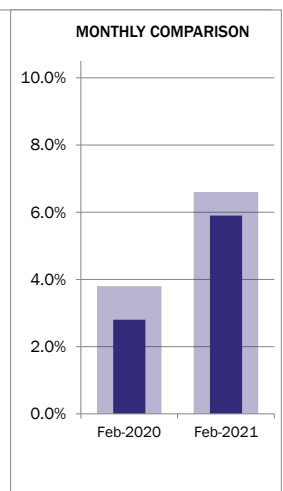
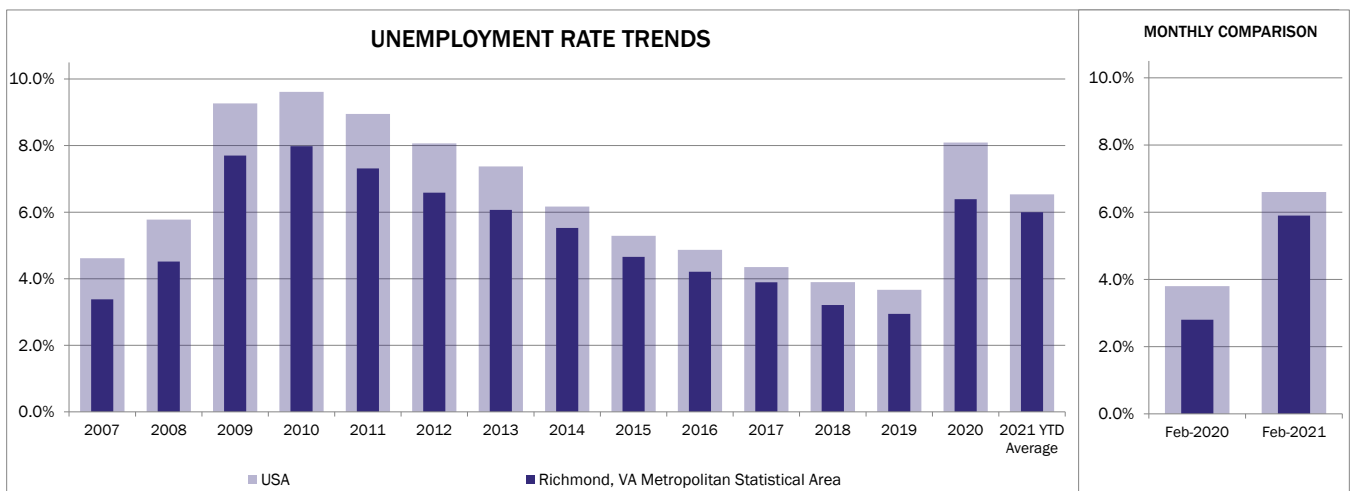
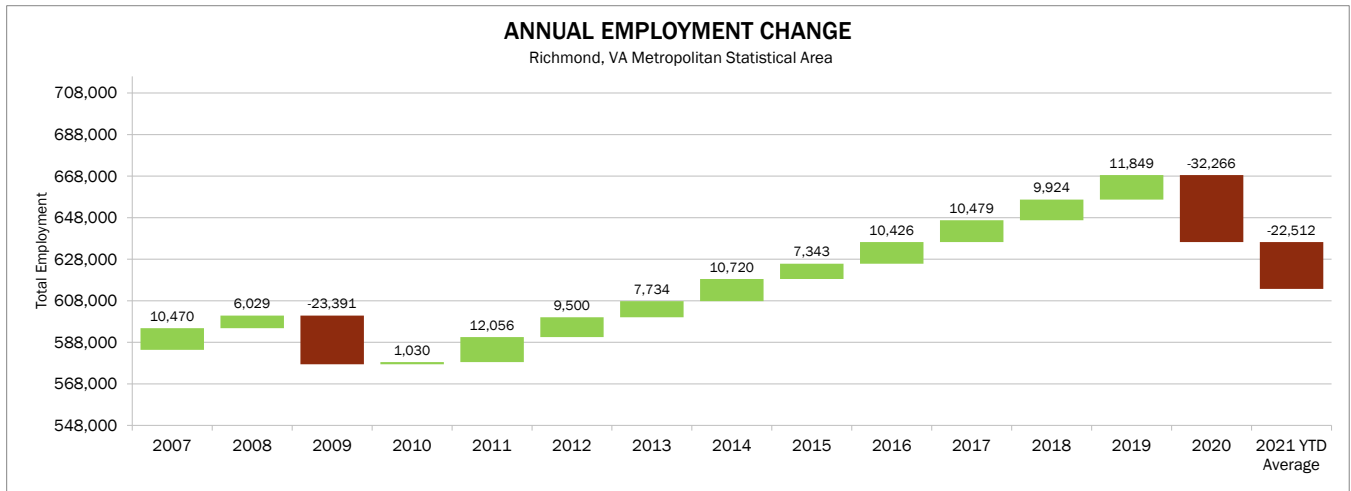
*2021 data is through February

Historically, the MSA has been an area of employment growth, as total employment decreased in just one year (2009) between 2005 and 2019. Total employment in the MSA peaked in 2019, prior to the onset of COVID-19. However, between February 2020 and February 2021, total employment in the MSA declined by 10.0 percent, compared to a 5.4 percent decline across the overall nation. Overall, total employment in the MSA appears to have been affected to a greater degree when compared to the nation overall.

Since 2005, the MSA has experienced a lower average unemployment rate relative to the nation in every year. However, like most areas nationwide, the Richmond, VA MSA has been significantly impacted by COVID-19. As of February 2021, the unemployment rate in the MSA is 5.9 percent, which represents a 3.1 percentage point increase from February 2020. This compares to the current national unemployment rate of 6.6 percent, which is a 2.8 percentage point increase from one year prior. Although the unemployment rate in the MSA remains elevated, recent trends indicate slow, but steady declines in unemployment month-over-month.

The Hopewell economy, in particular, has not fared well relative to the MSA and the nation in terms of unemployment. According to the U.S. Bureau of Labor Statistics, the March 2021 unemployment rate in Hopewell is 9.5 percent, which is below the unemployment rate from February 2021 (10.3 percent). As of the date of this report, the duration of the pandemic's impact on the local economy is unknown, though it is clear the impact has been significant. However, given the heavy reliance on the retail trade industries in the PMA, we believe the local Hopewell economy may take longer than the MSA and nation to recover.

The charts following provide more illustration of the changes in employment and unemployment rate trends in the MSA.



Employment by Industry

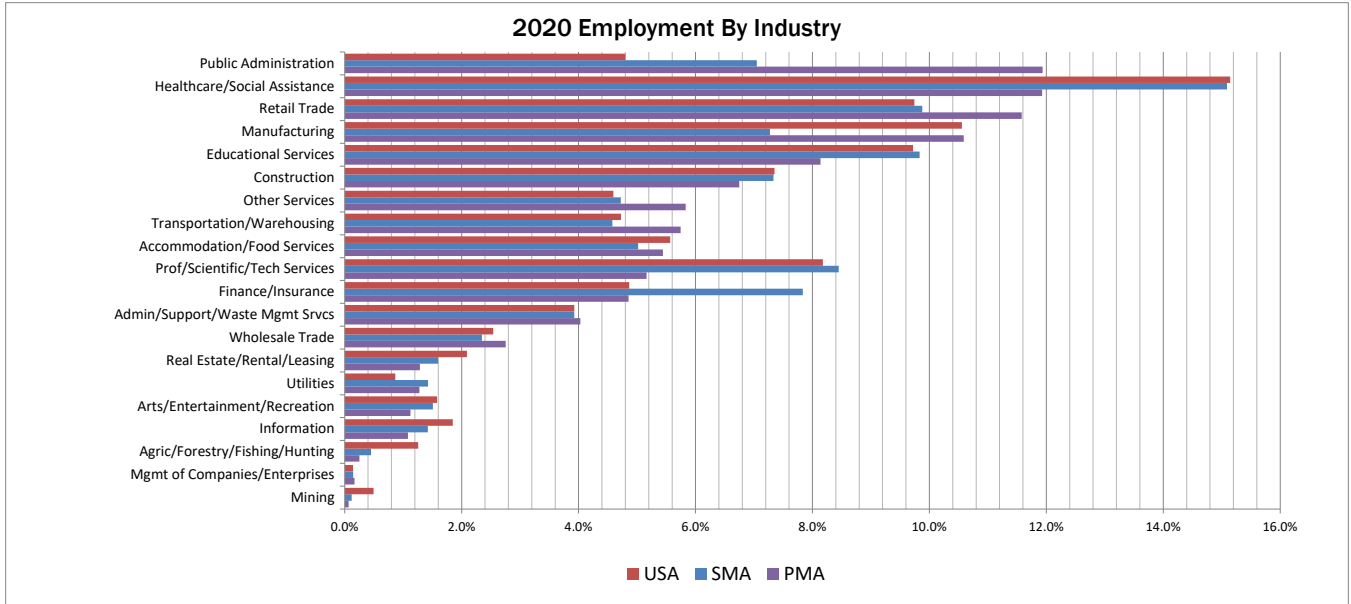
The following table depicts employment by industry in the Primary Market Area (PMA) and the nation.

2020 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Public Administration	3,860	11.9%	7,071,492	4.8%
Healthcare/Social Assistance	3,857	11.9%	22,313,586	15.1%
Retail Trade	3,744	11.6%	14,356,334	9.7%
Manufacturing	3,423	10.6%	15,550,554	10.6%
Educational Services	2,631	8.1%	14,320,448	9.7%
Construction	2,182	6.7%	10,829,187	7.4%
Other Services	1,886	5.8%	6,772,309	4.6%
Transportation/Warehousing	1,858	5.7%	6,959,787	4.7%
Accommodation/Food Services	1,760	5.4%	8,202,612	5.6%
Prof/Scientific/Tech Services	1,669	5.2%	12,049,828	8.2%
Finance/Insurance	1,570	4.9%	7,169,665	4.9%
Admin/Support/Waste Mgmt Svcs	1,303	4.0%	5,786,624	3.9%
Wholesale Trade	890	2.8%	3,744,789	2.5%
Real Estate/Rental/Leasing	416	1.3%	3,082,197	2.1%
Utilities	413	1.3%	1,274,383	0.9%
Arts/Entertainment/Recreation	364	1.1%	2,329,497	1.6%
Information	350	1.1%	2,723,217	1.8%
Agric/Forestry/Fishing/Hunting	81	0.3%	1,852,333	1.3%
Mgmt of Companies/Enterprises	54	0.2%	210,175	0.1%
Mining	22	0.1%	729,605	0.5%
Total Employment	32,333	100.0%	147,328,622	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021.

Employment in the PMA is concentrated in the public administration, healthcare/social assistance, and retail trade industries, which collectively comprise 35.4 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has significant share of employment in the public administration and healthcare industries, which are historically known to offer greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the public administration, retail trade, and other services industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, professional/scientific/technology services, and educational services industries.



Major Employers

The table below shows the largest employers in the greater Richmond, VA metropolitan area. Data was not available for the City of Hopewell.

MAJOR EMPLOYERS Richmond, VA Metro Area		
Employer Name	Industry	# Of Employees
Fort Lee Army	Military	12,700
Dominion Resources	Utilities	5,433
Amazon.com	E-commerce Fulfillment/Logistics	3,800
Smithfield Packing Company	Manufacturing/Food Processing	2,500
United Parcel Service (UPS)	Logistics	2,490
DuPont	Manufacturing (chemicals)	2,376
Shamin Hotels	Leisure/Hospitality	1,800
General Dynamics Corp.	Professional Services	1,450
Southside Regional Medical Center	Healthcare	1,280
AdvanSix	Manufacturing (chemicals)	1,177
Virginia State University	Education	1,150
General Electric	Manufacturing (power generation turbines)	928
John Randolph Medical Center	Patient Account Services	850
Hillphoenix	Manufacturing (refrigeration products)	791
Sabra Dipping Company	Food Processing	700
WestRock	Paperboard	668
Walmart Distribution Center	Distribution Center	545
Perdue Foods	Food Processing/Distribution	525
Campofrio Food Group America	Food Processing	500
Food Lion Distribution Center	Food Distribution/Logistics	500
Amsted Rail Co. (Brenco)	Manufacturing (rail products)	450
Maruchan	Food Processing	420
Gerdau Ameristeel	Manufacturing (steel)	410
Standards Motor Products	Distribution/Logistics	400
Northrop Grumman Corporation	Data Center	377
Arm & Hammer	Manufacturing	320
Rolls-Royce North America	Manufacturing (automobile/aircraft)	300
Evonik	Manufacturing (skin care)	300
Total		45,140

Source: Virginia's Gateway Region, 2018, retrieved April 2021

The major employers in the Richmond area operate in a variety of industries ranging from those that are considered historically stable including healthcare and government, to those that are more volatile such as accommodations, manufacturing, and retail. The largest employer, Fort Lee, is located 1.8 miles from the Subject. As of 2019, Fort Lee supports over 23,000 direct and indirect jobs in the region, including 12,700 direct jobs. In addition, the base has a total regional economic impact of \$2.25 billion, which accounts for approximately 10.1 percent of the gross domestic product (GDP) for the Tri-Cities area (Petersburg, Colonial Heights, and Hopewell).

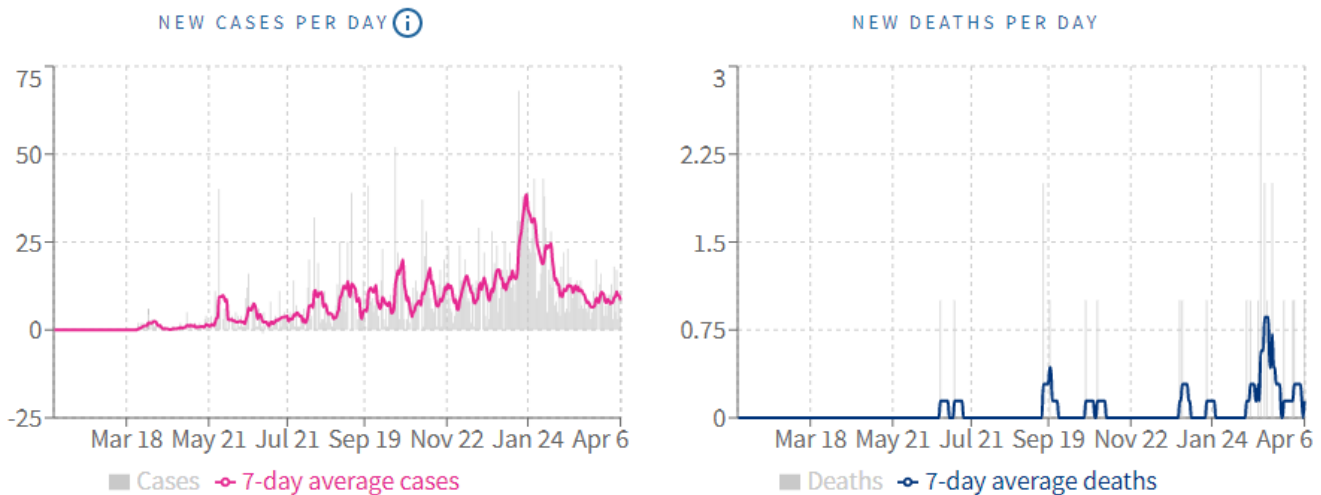
Fort Lee Economic Impact

Fort Lee is the Richmond MSA's largest employer by a wide margin, and is located approximately 1.8 miles southwest of the Subject. Fort Lee is home to several major military agencies and training facilities and supports over 23,000 jobs. In addition, the base has a total regional economic impact of \$2.25 billion, and accounts for approximately 10.1 percent of the gross domestic product (GDP) for the Tri-Cities area (Petersburg, Colonial Heights, and Hopewell). It was estimated that Fort Lee military personnel had an economic impact of approximately \$517.5-million in 2019, which supported an estimated 6,042 jobs in the

surrounding region. In August 2020, Fort Lee began work on a 10-year, \$50-million revitalization plan, which is planned to upgrade and renovate 750 housing units across the Fort.

COVID-19 Impact

As of April 8, 2021, Hopewell has reported a total 2,390 cases of COVID-19, with 64 confirmed deaths, and a seven-day average of 1,454 new cases. As shown in the following charts, the number of new known cases per day has been stable, though the number of new cases per day has tapered off over the last few weeks, after peaking in early 2021.



Source: USAfacts.org, retrieved 4/8/2021

According to the CDC, Virginia ranks among the top 10 states for percentage of population to receive at least one round of vaccination shots. As of the date of this report, the state is under Executive Order 72, which requires the following mandates:

- Reduction in public and private gatherings: All public and private in-person gatherings must be limited to 25 individuals, down from the current cap of 250 people. This includes outdoor and indoor settings.
- Expansion of mask mandate: All Virginians aged five and over are required to wear face coverings in indoor public spaces. This expands the current mask mandate, which has been in place in Virginia since May 29 and requires all individuals aged 10 and over to wear face coverings in indoor public settings.
- Strengthened enforcement within essential retail businesses: All essential retail businesses, including grocery stores and pharmacies, must adhere to statewide guidelines for physical distancing, wearing face coverings, and enhanced cleaning. While certain essential retail businesses have been required to adhere to these regulations as a best practice, violations will now be enforceable through the Virginia Department of Health as a Class One misdemeanor.
- All individuals in Virginia should remain at their place of residence between the hours of 12:00 AM and 5:00 AM, unless one of nine exceptions are being followed.
- On-site alcohol curfew: The on-site sale, consumption, and possession of alcohol is prohibited after 10:00 p.m. in any restaurant, dining establishment, food court, brewery, microbrewery, distillery, winery, or tasting room. Alcoholic beverages may be sold for delivery or takeout after 10:00 PM.

All restaurants, dining establishments, food courts, breweries, microbreweries, distilleries, wineries, and tasting rooms must be closed between 12:00 AM and 5:00 AM. Virginia law does not distinguish between

restaurants and bars, however, under current restrictions, individuals that choose to consume alcohol prior to 10:00 p.m. must be served in a restaurant and remain seated at tables six feet apart.

Employment Contraction

The Worker Adjustment and Retraining Notification Act (WARN) provides protection to workers, their families and communities by requiring employers to provide notification of plant closings and mass layoffs. There have been no WARN notices in Hopewell since 2017, according to the Virginia Employment Commission’s WARN filings.

Employment Expansion

We contacted Charles Dane with the Economic Development Office in regards to economic development in the city of Hopewell. Mr. Dane provided the following details on new expansions and developments within Hopewell.

HOPEWELL EMPLOYMENT EXPANSIONS

Expansion/New Development	Investment	# Of Employees	Timeline
Ashland Chemical	\$92,000,000 Further expansion and upgrade	N/Av	2022
PHM Brands	\$50,000,000 New Industry	75	2021
ADVANSIX	\$156,000,000 Upgrade and Expansion	40	2021
Virginia American Water	\$30,000,000 Upgrade to Facilities	5	2021
Fort Lee	\$50,000,000 upgrade and renovate to 750 housing units	N/Av	2020
CVS Pharmacy	New Pharmacy	25	2020

Wages by Occupation

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

MSA - 2ND QTR 2019 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	656,320	\$25.30	\$52,620
Management Occupations	28,220	\$62.64	\$130,290
Legal Occupations	6,500	\$48.09	\$100,020
Computer and Mathematical Occupations	23,880	\$44.17	\$91,870
Healthcare Practitioners and Technical Occupations	41,890	\$41.25	\$85,800
Architecture and Engineering Occupations	9,150	\$41.03	\$85,350
Business and Financial Operations Occupations	49,890	\$37.49	\$77,980
Life, Physical, and Social Science Occupations	5,880	\$33.31	\$69,280
Arts, Design, Entertainment, Sports, and Media Occupations	8,400	\$26.23	\$54,550
Educational Instruction and Library Occupations	36,830	\$26.05	\$54,180
Installation, Maintenance, and Repair Occupations	26,770	\$24.71	\$51,410
Community and Social Service Occupations	12,990	\$22.97	\$47,780
Construction and Extraction Occupations	30,070	\$21.77	\$45,280
Protective Service Occupations	18,070	\$21.20	\$44,090
Sales and Related Occupations	67,630	\$20.34	\$42,310
Office and Administrative Support Occupations	91,930	\$19.54	\$40,640
Production Occupations	28,560	\$19.32	\$40,190
Farming, Fishing, and Forestry Occupations	580	\$18.12	\$37,690
Transportation and Material Moving Occupations	56,270	\$16.55	\$34,420
Personal Care and Service Occupations	15,160	\$14.87	\$30,940
Healthcare Support Occupations	24,680	\$13.92	\$28,950
Building and Grounds Cleaning and Maintenance Occupations	19,960	\$13.48	\$28,040
Food Preparation and Serving Related Occupations	53,010	\$11.53	\$23,970

Source: Department Of Labor, Occupational Employment Statistics, 5/2019, retrieved 4/2021

The previous chart illustrates average hourly and annual wages by employment classification. The classification with the lowest average hourly wage is food preparation and serving-related occupations at \$11.53 per hour. Those in management occupations obtained the highest average hourly wage of \$62.64. Utilizing the average wage of the food preparation and serving-related occupations at \$11.53 per hour at 2,080 annual hours equates to \$23,970. The qualifying incomes for the Subject's affordable units will range from zero to \$87,720. Absent subsidy, the qualifying incomes for the Subject's affordable units as proposed will range from \$30,180 to \$87,720. The upper end of the qualifying income is \$87,720, which corresponds to an approximate hourly wage rate of \$42.17. An element not reflected in the wage rate data is the Subject offers 100 units that target seniors 62 and over. As such, are expected to be out of the workforce.

Commuting Patterns

The chart below shows the travel time to work for commuters in the PMA according to ESRI data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	833	2.5%
Travel Time 5-9 min	3,368	10.3%
Travel Time 10-14 min	5,028	15.4%
Travel Time 15-19 min	6,184	18.9%
Travel Time 20-24 min	5,679	17.4%
Travel Time 25-29 min	2,009	6.1%
Travel Time 30-34 min	4,338	13.3%
Travel Time 35-39 min	643	2.0%
Travel Time 40-44 min	1,154	3.5%
Travel Time 45-59 min	2,171	6.6%
Travel Time 60-89 min	831	2.5%
Travel Time 90+ min	489	1.5%

Source: US Census 2020, Novogradac Consulting LLP, April 2021

As shown above, approximately 64.5 percent of the workers in the PMA have a commute time of 24 minutes or less. Overall, it appears that most residents work within Hopewell and nearby areas such as Fort Lee and Petersburg for employment opportunities.

Conclusion

The Richmond, VA MSA has a strong and diverse economy that sees employment in the public administration, healthcare/social assistance, and retail trade industries. The largest employer, Fort Lee, is located approximately 1.8 miles southwest from the Subject. As of 2019, Fort Lee supports over 23,000 direct and indirect jobs in the region, including 12,700 direct jobs. In addition, the base has a total regional economic impact of \$2.25 billion, which accounts for approximately 10.1 percent of the gross domestic product (GDP) for the Tri-Cities area (Petersburg, Colonial Heights, and Hopewell). Between February 2020 and February 2021, total employment in the MSA declined by 10.0 percent, compared to a 5.4 percent decline across the overall nation. Overall, total employment in the MSA appears to have been affected to a greater degree when compared to the nation overall. As of February 2021, the unemployment rate in the MSA is 5.9 percent, which represents a 3.1 percentage point increase from February 2020. This compares to the current national unemployment rate of 6.6 percent, which is a 2.8 percentage point increase from one year prior. Although the unemployment rate in the MSA remains elevated, recent trends indicate slow, but steady declines in unemployment month-over-month. Locally, the Hopewell economy has fared worse than the MSA and the nation, as the city has experienced a 5.3 percentage point increase between March 2020 and March 2021. Given Hopewell's heavy reliance on the retail trade industry in the PMA, we believe the Hopewell economy may take longer than the MSA and nation to recover.

V. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

According to VHDA market study requirements, current year's estimate (2021) and a five-year projection is required to shown among the demographic data. As of the date of this report, 2021 data is unavailable. As such, we have utilized 2020 data.

Population and Household Trends

The following tables illustrate general population and households in the PMA, the MSA and the nation from 2000 through 2025, along with data for the senior 62 and over population.

POPULATION

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	69,273	-	1,070,616	-	280,304,282	-
2010	75,673	0.9%	1,208,101	1.3%	308,745,538	1.0%
2020	79,813	0.5%	1,334,502	1.0%	333,793,107	0.8%
2025	81,858	0.5%	1,400,619	1.0%	346,021,282	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

SENIOR POPULATION, 62+

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	11,730	-	157,214	-	41,290,411	-
2010	11,709	0.0%	186,038	1.8%	50,358,738	2.2%
2020	15,526	3.2%	270,341	4.4%	68,111,198	3.4%
2025	17,724	2.8%	316,569	3.4%	77,676,691	2.8%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

HOUSEHOLDS

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	25,737	-	421,896	-	105,081,032	-
2010	27,390	0.6%	468,524	1.1%	116,716,293	1.1%
2020	29,109	0.6%	518,005	1.0%	126,083,847	0.8%
2025	29,885	0.5%	543,427	1.0%	130,658,491	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 62+

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	7,556	-	101,495	-	26,088,125	-
2010	7,693	0.2%	130,177	2.8%	33,899,803	3.0%
2020	9,127	1.8%	164,022	2.5%	40,898,199	2.0%
2025	10,169	2.3%	188,319	3.0%	45,846,465	2.4%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

As illustrated above, total population and the number of households in the PMA increased at a lesser rate than both the MSA and the nation from 2010 to 2020. Total population and households in the PMA are expected to increase at a slower rate than both the MSA and the nation through 2025. Additionally, the senior population and household (62 and up) are expected to increase in the PMA, however at a slower rate than the MSA through 2025. The growth projections for the local area, though moderate, suggest that

housing options will continue to be a necessity within the PMA, which bodes well for the preservation of the Subject.

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 2025.

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.46	-	2.46	-	2.59	-
2010	2.60	0.6%	2.50	0.2%	2.57	-0.1%
2020	2.58	-0.1%	2.51	0.0%	2.58	0.0%
2025	2.58	0.0%	2.51	0.0%	2.59	0.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

As shown in the previous table, the average household size in the PMA increased from 2000 to 2020, but is projected to remain stable through 2025. The average household size in the MSA has increased from 2000 to 2020, but is projected to remain stable through 2025. The average household size in the PMA is just above that of the MSA and similar to the nation.

Household Tenure

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

Year	TENURE PATTERNS PMA			
	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	18,144	70.5%	7,593	29.5%
2010	17,042	62.2%	10,348	37.8%
2020	17,491	60.1%	11,618	39.9%
2025	18,045	60.4%	11,840	39.6%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

Year	PMA TENURE PATTERNS OF SENIORS 62+			
	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	5,915	78.3%	1,641	21.7%
2010	6,173	80.2%	1,520	19.8%
2020	7,110	77.9%	2,017	22.1%
2025	7,946	78.1%	2,223	21.9%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

As of 2020, approximately 39.9 percent of households in the PMA reside in renter-occupied housing units. Through 2025, the number of renter-occupied housing units is projected to increase. Further, similar trends are expected for senior renter households in the PMA.

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		2020		2025	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	3,038	40.0%	3,703	31.9%	3,801	32.1%
2 persons	1,939	25.5%	2,717	23.4%	2,734	23.1%
3 persons	1,266	16.7%	2,142	18.4%	2,181	18.4%
4 persons	779	10.3%	1,630	14.0%	1,673	14.1%
5+ persons	571	7.5%	1,426	12.3%	1,451	12.3%
Total	7,593	100.0%	11,618	100.0%	11,840	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION 62+

Household Size	2000		2020		2025	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	1,196	72.9%	1,374	68.1%	1,513	64.4%
2 persons	347	21.1%	353	17.5%	391	19.6%
3 persons	62	3.8%	158	7.8%	170	7.8%
4 persons	30	1.8%	62	3.1%	77	4.2%
5+ persons	6	0.4%	70	3.5%	72	3.9%
Total	1,641	100.0%	2,017	100.0%	2,223	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

Historically, the majority of renter households in the PMA have consisted of one and two-person households. The Subject will generally range from one to six-persons, which encompasses nearly all renter households. Through 2025, the number of size eligible renter households is projected to remain relatively stable, while the overall number of renter households is projected to increase. The household size composition of renter households in the PMA is a positive indicator for the Subject's units. Additionally, 85.6 percent of renter households in 2020 were between one and two-persons for seniors 62 and over. Through 2025, the number of size eligible renter households for those 62 and up is projected to decrease slightly to 84 percent of households.

Median Household Income Levels

The following table illustrates the median household income for all households in the PMA, the MSA, and the nation from 2000 through 2025.

MEDIAN HOUSEHOLD INCOME

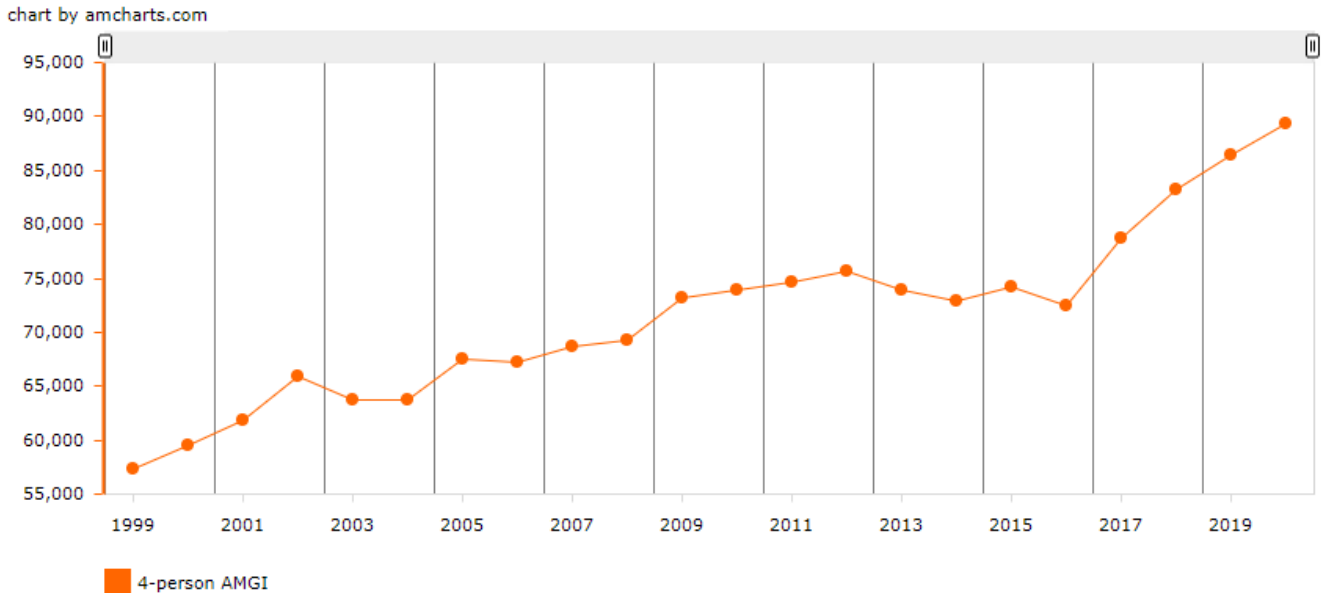
Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$39,170	-	\$46,959	-	\$44,333	-
2020	\$54,401	1.9%	\$67,337	2.1%	\$62,203	2.0%
2025	\$56,588	0.8%	\$72,082	1.4%	\$67,325	1.6%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

As of 2020, the median household income of the PMA is below the MSA and the nation. Through 2025, the PMA median household income is projected to increase at a slower rate than the MSA and the nation.

Area Household Income Levels

The following chart illustrates the area median gross income (AMGI) of a four-person household in Hopewell City, VA between 1999 and 2020.



Display: 4-person AMGI

Average Increase (AMGI): 2.1%/year

Source: Novogradac & Company LLP, April 2021

Overall, the AMI in the Richmond, VA MSA has increased by an average of 2.1 percent annually between 1999 and 2020. It is important to note that HUD implemented new methodology procedures for establishing income limits in 2007. The system and underlying data sources that HUD uses to establish income limits is now dependent upon the American Community Survey (ACS), whereas years prior to 2007 had been dependent upon Decennial Census reports. In 2007, two-thirds of the nation experienced flat or decreased AMI levels based largely on this methodology change. As is seen in the previous table, the MSA appears to not have been affected by this methodology change. Additionally, 84 percent of counties nationally also saw a decrease in the 2013 AMI level, which appears to have impacted the MSA. Following the substantial nationwide decreases in 2013, over 81 percent of counties in the country experienced growth in AMI in 2015, which was also the case in the MSA. Most recently, significant increases have accrued nationwide with the release of the 2020 limits. The 2020 AMI for the MSA is \$89,400, which represents an increase of 3.5 percent from 2019. Additionally, the 2021 AMI for the MSA is \$90,000, which represents 0.7 percent increase from 2020. All of the Subject's units benefit from Section 8 subsidy; thus, contract rents are dictated by HUD.

Household Income Distribution

The following tables illustrate the household income distribution for the PMA and MSA for 2020 and 2025.

HOUSEHOLD INCOME PMA

Income Cohort	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,906	6.5%	1,789	6.0%	-23	-1.2%
\$10,000-19,999	2,841	9.8%	2,598	8.7%	-49	-1.7%
\$20,000-29,999	2,432	8.4%	2,363	7.9%	-14	-0.6%
\$30,000-39,999	2,742	9.4%	2,493	8.3%	-50	-1.8%
\$40,000-49,999	2,741	9.4%	2,559	8.6%	-36	-1.3%
\$50,000-59,999	1,957	6.7%	2,211	7.4%	51	2.6%
\$60,000-74,999	2,901	10.0%	2,775	9.3%	-25	-0.9%
\$75,000-99,999	3,802	13.1%	3,864	12.9%	12	0.3%
\$100,000-124,999	2,660	9.1%	2,870	9.6%	42	1.6%
\$125,000-149,999	1,838	6.3%	2,081	7.0%	49	2.6%
\$150,000-199,999	1,756	6.0%	2,139	7.2%	77	4.4%
\$200,000+	1,533	5.3%	2,143	7.2%	122	8.0%
Total	29,109	100.0%	29,885	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2021

HOUSEHOLD INCOME MSA

Income Cohort	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	27,174	5.2%	25,871	4.8%	-261	-1.0%
\$10,000-19,999	36,772	7.1%	33,791	6.2%	-596	-1.6%
\$20,000-29,999	38,494	7.4%	36,621	6.7%	-375	-1.0%
\$30,000-39,999	41,293	8.0%	37,905	7.0%	-678	-1.6%
\$40,000-49,999	41,842	8.1%	40,760	7.5%	-216	-0.5%
\$50,000-59,999	35,603	6.9%	36,223	6.7%	124	0.3%
\$60,000-74,999	50,129	9.7%	49,080	9.0%	-210	-0.4%
\$75,000-99,999	69,002	13.3%	69,820	12.8%	164	0.2%
\$100,000-124,999	53,706	10.4%	56,988	10.5%	656	1.2%
\$125,000-149,999	37,935	7.3%	43,818	8.1%	1,177	3.1%
\$150,000-199,999	39,315	7.6%	48,152	8.9%	1,767	4.5%
\$200,000+	46,740	9.0%	64,398	11.9%	3,532	7.6%
Total	518,005	100.0%	543,427	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2021

HOUSEHOLD INCOME PMA 62+

Income Cohort	2020		PMA		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	455	5.0%	460	4.5%	1	0.2%		
\$10,000-19,999	1,146	12.6%	1,130	11.1%	-3	-0.3%		
\$20,000-29,999	1,160	12.7%	1,216	12.0%	11	1.0%		
\$30,000-39,999	953	10.4%	943	9.3%	-2	-0.2%		
\$40,000-49,999	961	10.5%	955	9.4%	-1	-0.1%		
\$50,000-59,999	749	8.2%	928	9.1%	36	4.8%		
\$60,000-74,999	774	8.5%	834	8.2%	12	1.6%		
\$75,000-99,999	927	10.2%	1,043	10.3%	23	2.5%		
\$100,000-124,999	686	7.5%	829	8.2%	29	4.2%		
\$125,000-149,999	426	4.7%	556	5.5%	26	6.1%		
\$150,000-199,999	460	5.0%	624	6.1%	33	7.1%		
\$200,000+	430	4.7%	651	6.4%	44	10.3%		
Total	9,127	100.0%	10,169	100.0%				

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2021

HOUSEHOLD INCOME MSA 62+

Income Cohort	2020		MSA		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	7,825	4.8%	8,250	4.4%	85	1.1%		
\$10,000-19,999	16,843	10.3%	16,754	8.9%	-18	-0.1%		
\$20,000-29,999	16,548	10.1%	16,972	9.0%	85	0.5%		
\$30,000-39,999	16,236	9.9%	16,300	8.7%	13	0.1%		
\$40,000-49,999	14,844	9.1%	15,998	8.5%	231	1.6%		
\$50,000-59,999	12,136	7.4%	13,841	7.3%	341	2.8%		
\$60,000-74,999	15,735	9.6%	17,294	9.2%	312	2.0%		
\$75,000-99,999	20,582	12.5%	23,591	12.5%	602	2.9%		
\$100,000-124,999	13,627	8.3%	16,530	8.8%	581	4.3%		
\$125,000-149,999	9,556	5.8%	12,676	6.7%	624	6.5%		
\$150,000-199,999	8,841	5.4%	12,499	6.6%	732	8.3%		
\$200,000+	11,249	6.9%	17,614	9.4%	1,273	11.3%		
Total	164,022	100.0%	188,319	100.0%				

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2021

As of 2020, approximately 34.1 percent of households within the PMA have annual incomes below \$40,000. Through 2025, the percentage of low-income households earning less than \$40,000 annually is projected to decline slightly to 30.9 percent. The total number of households within these income cohorts is also projected to decline. However, this is typical due to increasing income as a result of inflation. Additionally, approximately 40.7 percent of senior households (62 and older) within the PMA have annual incomes below \$40,000.

Renter Household Income Distribution

The following tables illustrate the renter household income distribution for the PMA and MSA for 2020 and 2025.

RENTER HOUSEHOLD INCOME

Income Cohort	2020		PMA		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,211	10.4%	1,131	9.6%	-16	-1.3%		
\$10,000-19,999	1,809	15.6%	1,659	14.0%	-30	-1.7%		
\$20,000-29,999	1,158	10.0%	1,133	9.6%	-5	-0.4%		
\$30,000-39,999	1,343	11.6%	1,257	10.6%	-17	-1.3%		
\$40,000-49,999	1,102	9.5%	1,062	9.0%	-8	-0.7%		
\$50,000-59,999	673	5.8%	788	6.7%	23	3.4%		
\$60,000-74,999	1,334	11.5%	1,262	10.7%	-14	-1.1%		
\$75,000-99,999	1,372	11.8%	1,478	12.5%	21	1.5%		
\$100,000-124,999	614	5.3%	708	6.0%	19	3.1%		
\$125,000-149,999	380	3.3%	444	3.8%	13	3.4%		
\$150,000-199,999	359	3.1%	477	4.0%	24	6.6%		
\$200,000+	263	2.3%	441	3.7%	36	13.5%		
Total	11,618	100.0%	11,840	100.0%				

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2021

RENTER HOUSEHOLD INCOME

Income Cohort	2020		MSA		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	18,497	10.2%	17,827	9.3%	-134	-0.7%		
\$10,000-19,999	22,995	12.6%	21,392	11.2%	-321	-1.4%		
\$20,000-29,999	21,068	11.6%	20,417	10.6%	-130	-0.6%		
\$30,000-39,999	20,714	11.4%	19,533	10.2%	-236	-1.1%		
\$40,000-49,999	18,370	10.1%	18,611	9.7%	48	0.3%		
\$50,000-59,999	14,047	7.7%	14,926	7.8%	176	1.3%		
\$60,000-74,999	18,622	10.2%	19,217	10.0%	119	0.6%		
\$75,000-99,999	18,384	10.1%	20,420	10.6%	407	2.2%		
\$100,000-124,999	11,023	6.1%	13,215	6.9%	438	4.0%		
\$125,000-149,999	6,517	3.6%	8,729	4.6%	442	6.8%		
\$150,000-199,999	6,341	3.5%	8,658	4.5%	463	7.3%		
\$200,000+	5,607	3.1%	8,893	4.6%	657	11.7%		
Total	182,185	100.0%	191,838	100.0%				

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2021

RENTER HOUSEHOLD INCOME 62+

Income Cohort	2020		PMA		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	141	7.0%	138	6.2%	-1	-0.4%		
\$10,000-19,999	486	24.1%	491	22.1%	1	0.2%		
\$20,000-29,999	326	16.2%	358	16.1%	6	2.0%		
\$30,000-39,999	222	11.0%	220	9.9%	0	-0.2%		
\$40,000-49,999	230	11.4%	255	11.5%	5	2.2%		
\$50,000-59,999	132	6.5%	172	7.7%	8	6.1%		
\$60,000-74,999	163	8.1%	179	8.1%	3	2.0%		
\$75,000-99,999	105	5.2%	115	5.2%	2	1.9%		
\$100,000-124,999	82	4.1%	109	4.9%	5	6.6%		
\$125,000-149,999	41	2.0%	57	2.6%	3	7.8%		
\$150,000-199,999	49	2.4%	74	3.3%	5	10.2%		
\$200,000+	40	2.0%	55	2.5%	3	7.5%		
Total	2,017	100.0%	2,223	100.0%				

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2021

RENTER HOUSEHOLD INCOME 62+

Income Cohort	2020		MSA		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,491	8.8%	3,807	8.3%	63	1.8%		
\$10,000-19,999	7,762	19.6%	8,010	17.4%	50	0.6%		
\$20,000-29,999	5,448	13.8%	5,878	12.8%	86	1.6%		
\$30,000-39,999	4,152	10.5%	4,393	9.5%	48	1.2%		
\$40,000-49,999	3,479	8.8%	4,061	8.8%	116	3.3%		
\$50,000-59,999	2,602	6.6%	3,168	6.9%	113	4.4%		
\$60,000-74,999	3,149	8.0%	3,708	8.0%	112	3.6%		
\$75,000-99,999	3,164	8.0%	3,903	8.5%	148	4.7%		
\$100,000-124,999	2,023	5.1%	2,629	5.7%	121	6.0%		
\$125,000-149,999	1,538	3.9%	2,263	4.9%	145	9.4%		
\$150,000-199,999	1,462	3.7%	2,252	4.9%	158	10.8%		
\$200,000+	1,265	3.2%	2,018	4.4%	151	11.9%		
Total	39,535	100.0%	46,090	100.0%				

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2021

As of 2020, approximately 47.6 percent of renter households within the PMA have annual incomes below \$40,000. Through 2025, the percentage of low-income renter households earning less than \$40,000 annually is projected to decline to 43.8 percent. The total number of renter households within these income cohorts is also projected to decline. However, this is typical due to increasing income as a result of inflation. Additionally, approximately 58.3 percent of senior households (62 and older) within the PMA have annual incomes below \$40,000. Through 2025, the percentage of low-income households earning less than \$40,000 is projected to decrease to 54.3 percent.

Age of Housing Stock

The age of the area housing stock is presented in the following table:

AGE OF HOUSING STOCK IN PMA

Years	Number of Units	Percent of Housing Stock
Built 2010 or later	1,500	4.8%
Built 2000 to 2009	4,872	15.7%
Built 1990 to 1999	4,857	15.7%
Built 1980 to 1989	3,699	11.9%
Built 1970 to 1979	5,379	17.4%
Built 1960 to 1969	3,508	11.3%
Built 1950 to 1959	3,884	12.5%
Built 1940 to 1949	1,560	5.0%
Built 1939 or earlier	1,705	5.5%
Total	30,964	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, April 2021

Approximately 51.7 percent of the housing stock in the PMA was constructed before 1980. The largest percentage of housing stock was built between 1970 and 1979. According to Zillow, the majority of single-family homes in the Subject's neighborhood were built pre-1960 and range from fair to average condition based on our field observation.

Building Permits

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

BUILDING PERMITS: HOPEWELL - 2000 - 2021 YTD

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	42	0	11	53
2001	49	0	0	49
2002	63	0	0	63
2003	51	0	0	51
2004	41	0	0	41
2005	94	0	0	94
2006	169	0	0	169
2007	158	0	0	158
2008	109	0	0	109
2009	174	0	0	174
2010	39	0	6	45
2011	24	0	0	24
2012	51	0	0	51
2013	58	0	0	58
2014	43	0	0	43
2015	47	0	0	47
2016	52	0	0	52
2017	50	0	0	50
2018	47	0	0	47
2019	43	0	29	72
2020	64	0	0	64
2021*	4	0	0	4
Total	1,472	0	46	1,518

*Through January 2021

Source: US Census Bureau Building Permits, April 2021

As illustrated in the previous table, approximately 96.7 percent of the residential units permitted in the city of Hopewell have been single-family and duplex homes, while just 3.2 percent of the residential units permitted have been for developments of three or more units. As such, multifamily building permits in Hopewell have been outpaced by single-family development since 2000.

Conclusion

Between 2000 and 2020, the PMA experienced a net increase in the population. Through 2025, population in the PMA and MSA is projected to remain relatively stable; whereas, the nation is projected to decrease annually by 0.7 percent, respectively. As of 2020, approximately 39.9 percent of units in the PMA are renter occupied, compared to approximately 33 percent nationwide. The highest concentration of renter households in the PMA are concentrated in the \$10,000 to \$19,999 income cohorts, with approximately 47.6 percent of households earning less than \$40,000 annually. This compares to 45.8 percent in the MSA. Although the PMA is not an area of significant population growth, the large concentration of renter-households in the lowest income cohorts indicates a need for the preservation of affordable rental units.

VI. COMPETITIVE ENVIRONMENT

COMPETITIVE ENVIRONMENT

HOUSING SUMMARY

The Subject is located in the Hopewell City multifamily submarket. According to Costar, “the rapid influx of multifamily units in the greater Richmond area has not translated to this submarket. Only a handful of properties have traded in the Hopewell City Submarket over the past three years. The lack of new supply, along with increased demand, has helped the submarket realize annual rent growth and declining vacancy rates”. Further, according to CoStar, “COVID-19 has had little impact on market performance, as a combination of enhanced unemployment benefits and eviction moratoriums have helped maintain occupancy rates. As a result, property managers have continued to increase rents at an above average pace. The following charts summarize key market characteristics.”

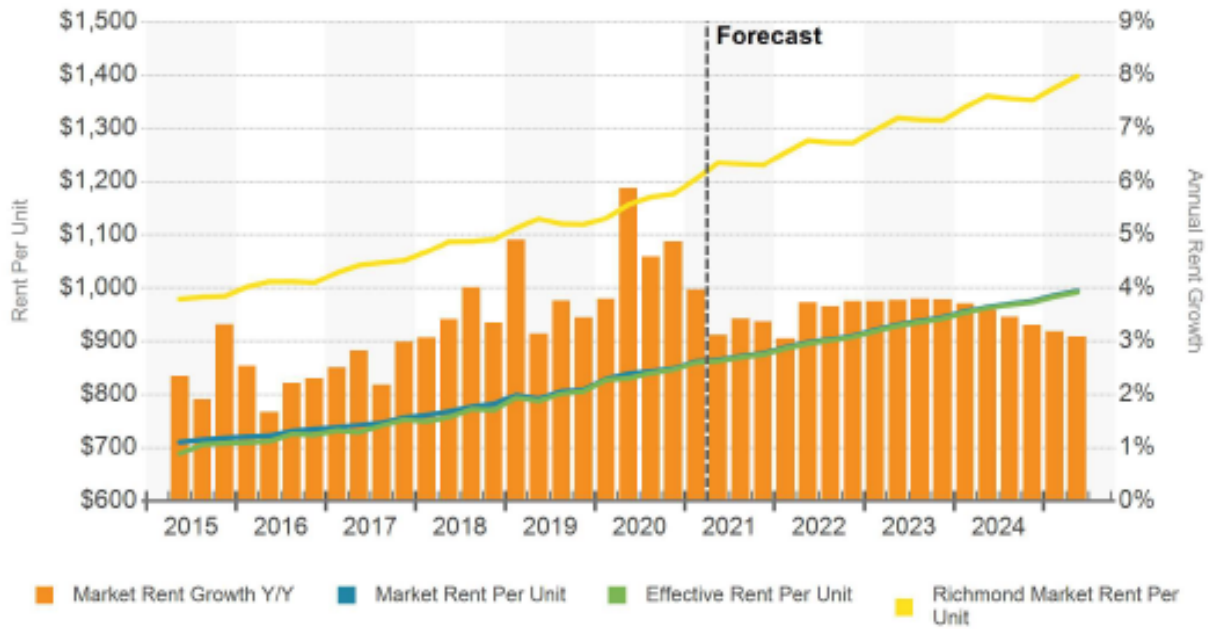
KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	50	0%	\$1,043	\$1,042	0	0	0
3 Star	326	0.7%	\$939	\$937	0	0	0
1 & 2 Star	347	1.5%	\$744	\$743	0	0	0
Submarket	723	1.0%	\$860	\$858	0	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.3%	7.4%	1.3%	11.1%	2014 Q4	1.0%	2021 Q2
Absorption Units	10	1	0	43	2015 Q4	(14)	2017 Q2
Delivered Units	0	0	0	0	2021 Q1	0	2021 Q1
Demolished Units	0	0	0	0	2021 Q1	0	2021 Q1
Asking Rent Growth (YOY)	3.5%	1.7%	3.4%	5.9%	2020 Q2	-6.4%	2002 Q1
Effective Rent Growth (YOY)	3.6%	1.7%	3.5%	8.2%	2016 Q1	-6.5%	2002 Q1
Sales Volume	\$0	\$1.6M	N/A	\$10.7M	2020 Q1	\$0	2021 Q1

Source: CoStar, April 2021

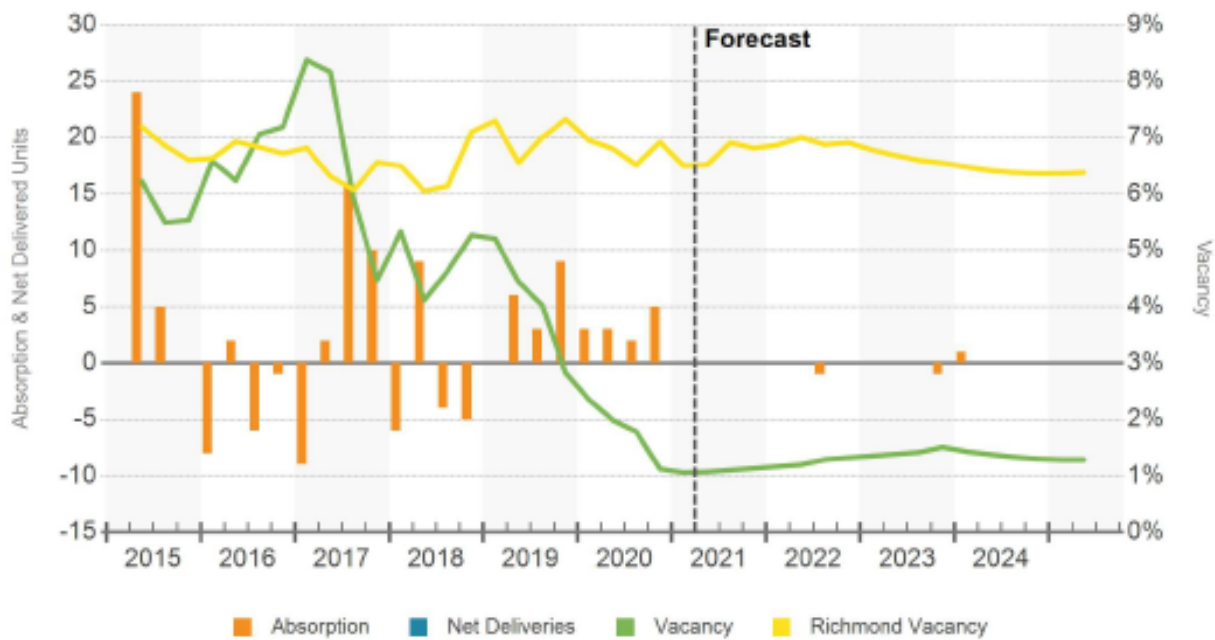
MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, April 2021

Average asking rents increased 3.5 percent over the last year, and are expected to increase at an average rate of 3.4 percent through 2024.

ABSORPTION, NET DELIVERIES & VACANCY



Source: CoStar, April 2021

Rent growth has been healthy, and is expected to continue growing, and vacancy is projected to remain very low.

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

To evaluate the competitive position of the Subject, we surveyed several market rate and LIHTC properties in depth. We have utilized four family LIHTC properties, as well as one senior LIHTC comparable, and six family market rate properties. All of the comparables are located inside the PMA, within 6.7 miles of the Subject. 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.

EXCLUDED AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Tenancy	Year Built	Total Units	Reason for Exclusion
Pinetree	LIHTC	Family	1993	144	Inferior condition
Windy Ridge	LIHTC	Family	1996	72	Inferior condition
Bailey's Ridge	LIHTC	Family	1998	156	Inferior condition
Petersburg East II	LIHTC / Section 8	Family	1976/2002	68	Subsidized rents
Petersburg East I	LIHTC / Section 8	Family	1975/2003	100	Subsidized rents
Liberty Pointe	LIHTC	Family	2013	48	Unable to contact
Summit	LIHTC	Family	2013	56	Unable to contact
Piper Square	Section 8	Family	1970/2021	134	Subsidized rents

LIHTC Competition / Recent and Proposed Construction

According to the Virginia Housing allocation lists, there have been no developments allocated tax credits in the PMA since 2017.

City Planning and Development Department

We attempted to contact the City of Hopewell regarding new, planned, or under construction multifamily and senior developments in the PMA. However, as of the date of this report our calls have not been returned. Additionally, we conducted further online research and utilized Costar to find new, planned, or under construction multifamily and senior developments. Our findings are detailed below.

- Freedman Point was constructed in 2020 and located at 315 E. Cawson Street in Hopewell. The development is a 68-unit family market rate development that consists of two and three-bedroom units. It should be noted this property was utilized as a rental comparable.

Comparable Properties Map

A map illustrating the location of the Subject in relation to the comparable properties is located on the following page. A summary table comparing the individual comparable properties with the proposed Subject and individual property profiles are also provided on the following pages. We have also included an amenity comparison matrix and a rent and square footage ranking table.

HOPEWELL HEIGHTS APARTMENTS – HOPEWELL, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Hopewell Heights Apartments 4105 Old Iron Ct Hopewell, VA 23860 Hopewell County	-	Various 6-stories 1980 / 2022 Senior/Family	Section 8	1BR / 1BA	95	63.3%	606	@60% (Section 8)	\$940	Yes	Yes	0	0.0%
					2BR / 1BA	5	3.3%	1,004	@60% (Section 8)	\$1,105	No	Yes	0	0.0%
					2BR / 1BA	32	21.3%	930	@60% (Section 8)	\$1,094	Yes	Yes	0	0.0%
					3BR / 2BA	12	8.0%	1,240	@60% (Section 8)	\$1,238	Yes	Yes	0	0.0%
					4BR / 2.5BA	6	4.0%	1,478	@60% (Section 8)	\$1,427	Yes	Yes	0	0.0%
					150							0	0.0%	
1	Clearfield Apartments 100 Clearfield Circle Colonial Heights, VA 23824 Colonial Heights County	4.6 miles	Garden 2-stories 1992 / n/a Family	@60%	2BR / 2BA 3BR / 2BA	72 72	50.0% 50.0%	965 1,165	@60% @60%	\$1,085 \$1,234	Yes Yes	Yes Yes	0 0	0.0% 0.0%
						144							0	0.0%
2	Dunlop Farms 1000 Dunlop Pl Colonial Heights, VA 23834 Chesterfield County	4.7 miles	One-story 1-stories 2001 / n/a Senior	@50%	2BR / 1BA 2BR / 1BA	70 18	79.6% 20.5%	820 825	@50% @50%	\$873 \$873	Yes Yes	No No	0 0	0.0% 0.0%
						88							0	0.0%
3	Oaks Of Dunlop Farms 101 Old Oak Lane Colonial Heights, VA 23834 Colonial Heights County	4.6 miles	Garden 2-stories 1992 / 2012 Family	@60%	1BR / 1BA 2BR / 2BA 3BR / 2BA	44 78 22	30.6% 54.2% 15.3%	590 796 947	@60% @60% @60%	\$940 \$1,100 \$1,300	Yes Yes Yes	Yes Yes Yes	0 0 0	0.0% 0.0% 0.0%
						144							0	0.0%
4	Puddledock Place 1910 Fine Street Prince George, VA 23875 Prince George County	3.5 miles	Garden 3-stories 2014 / n/a Family	@40%, @50%	2BR / 2BA 2BR / 2BA 3BR / 2BA	9 51 24	10.7% 60.7% 28.6%	992 992 1,079	@40% @50% @50%	\$724 \$924 \$1,060	No No No	Yes Yes Yes	0 0 4	0.0% 0.0% 16.7%
						84							4	4.8%
5	Puddledock Place II 1910 Fine Street Prince George, VA 23875 Prince George County	2.9 miles	Garden 3-stories 2014 / n/a Family	@40%, @50%	1BR / 1BA 1BR / 1BA 2BR / 2BA 3BR / 2BA	8 4 42 18	11.1% 5.6% 58.3% 25.0%	750 750 975 1,125	@40% @50% @50% @50%	\$603 \$772 \$924 \$1,060	No No No No	Yes Yes Yes Yes	0 0 0 0	0.0% 0.0% 0.0% 0.0%
						72							0	0.0%
6	Canterbury Townhomes 510 Nottingham Ct Hopewell, VA 23860 Prince George County	0.7 miles	Townhouse 2-stories 1984 / 2008 Family	Market	2BR / 1BA 2BR / 1.5BA	N/A N/A	N/A N/A	875 950	Market Market	\$877 \$943	N/A N/A	Yes Yes	0 0	N/A N/A
						142							0	0.0%
7	Farmingdale Townhouses 3611 Wilmington Avenue Hopewell, VA 23860 Hopewell County	1.0 miles	Townhouse 2-stories 1972 / 2009 Family	Market	2BR / 1BA 2BR / 1.5BA	N/A N/A	N/A N/A	1,008 1,088	Market Market	\$1,020 \$1,140	N/A N/A	Yes Yes	0 0	N/A N/A
						121							0	0.0%
8	Freedman Point 315 E Cawson St Hopewell, VA 23860 Hopewell County	3.0 miles	Midrise 3-stories 2020 / n/a Family	Market	2BR / 1.5BA 3BR / 2BA	N/A N/A	N/A N/A	828 1,129	Market Market	\$1,029 \$1,176	N/A N/A	Yes Yes	1 0	N/A N/A
						68							1	1.5%
9	Independence Place 5000 Owens Way Prince George, VA 23875 Prince George County	1.0 miles	Garden 3-stories 2011 / n/a Family	Market	1BR / 1BA 2BR / 2BA 4BR / 4BA	64 66 100	27.8% 28.7% 43.5%	725 967 1,488	Market Market Market	\$1,189 \$1,285 \$1,579	N/A N/A N/A	No No No	0 1 0	0.0% 1.5% 0.0%
						230							1	0.4%
10	River's Bend Apartments 401 Liverpool Circle Chester, VA 23836 Chesterfield County	6.7 miles	Garden 3-stories 1999 / n/a Family	Market	1BR / 1BA 2BR / 2BA 3BR / 2BA	42 102 24	13.2% 32.1% 7.6%	719 1,123 1,345	Market Market Market	\$1,074 \$1,307 \$1,549	N/A N/A N/A	No No No	0 1 1	0.0% 1.0% 4.2%
						318							2	0.6%
11	Riverside Park 310 Woodbine Street Hopewell, VA 23860 Hopewell County	2.7 miles	Garden 3-stories 1969 / 2000 Family	Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1BA 3BR / 1BA	40 N/A N/A 40 40	33.3% N/A N/A 33.3% 33.3%	500 620 760 750 1,070	Market Market Market Market Market	\$795 \$835 \$860 \$910 \$1,025	N/A N/A N/A N/A N/A	No No No No No	0 0 0 0 0	0.0% N/A N/A 0.0% 0.0%
						120							0	0.0%

HOPEWELL HEIGHTS APARTMENTS – HOPEWELL, VIRGINIA – MARKET STUDY

AMENITY MATRIX

	Subject	Clearfield Apartments	Dunlop Farms	Oaks Of Dunlop Farms	Puddledock Place	Puddledock Place II	Canterbury Townhomes	Farmingdale Townhouses	Freedman Point	Independence Place	River's Bend Apartments	Riverside Park
Rent Structure	Section 8 Senior	LIHTC Family	LIHTC Senior	LIHTC Family	LIHTC Family	LIHTC Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family
Building												
Property Type	Various	Garden	One-story	Garden	Garden	Garden	Townhouse	Townhouse	Midrise	Garden	Garden	Garden
# of Stories	6-stories	2-stories	1-stories	2-stories	3-stories	3-stories	2-stories	2-stories	3-stories	3-stories	3-stories	3-stories
Year Built	1980	1992	2001	1992	2014	2014	1984	1972	2020	2011	1999	1969
Year Renovated	n/a	n/a	n/a	2012	n/a	n/a	2008	2009	n/a	n/a	n/a	2000
Elevators	yes	no	no	no	no	no	no	no	yes	no	no	no
Courtyard	yes	no	yes	no	no	no	no	no	no	yes	no	yes
Utility Structure												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	yes	no	no	no	no	no	no	no	no	no
Heat	no	no	yes	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	yes	yes	no	no	yes	yes	no	yes	no	yes
Sewer	yes	no	yes	yes	yes	yes	yes	yes	no	yes	no	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Accessibility												
Unit Amenities												
Balcony/Patio	yes	yes	yes	yes	no	no	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	no	no	no	yes	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	yes	yes	no	no	no	no	no	yes	yes	yes	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	yes	yes	yes	no	no	no	no	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	no	yes	no	yes	yes	yes
Fireplace	no	no	no	yes	no	no	no	no	no	no	yes	no
Walk-In Closet	no	yes	yes	no	yes	yes	no	yes	no	yes	yes	yes
Washer/Dryer	no	no	yes	yes	no	no	yes	no	no	yes	yes	no
W/D Hookup	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	no
Kitchen												
Dishwasher	no	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no
Disposal	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Microwave	no	no	no	no	no	yes	no	yes	yes	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community												
Business Center	no	yes	no	no	yes	yes	no	no	no	yes	yes	no
Community Room	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no
Central Laundry	yes	yes	no	no	yes	yes	no	yes	yes	no	no	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation												
Basketball Court	no	no	no	no	no	yes	no	no	no	yes	no	no
Exercise Facility	yes	yes	no	no	yes	yes	no	yes	no	yes	yes	no
Playground	no	yes	no	yes	yes	yes	yes	no	no	yes	yes	no
Swimming Pool	no	yes	no	yes	no	no	yes	yes	no	yes	yes	no
Picnic Area	no	no	no	no	yes	yes	yes	yes	no	yes	yes	no
Sport Court	no	no	yes	no	no	no	no	no	no	no	no	no
Tennis Court	no	no	no	no	no	no	no	no	no	yes	yes	no
Recreational Area	no	no	no	no	yes	yes	no	no	no	no	yes	no
Volleyball Court	no	yes	no	yes	no	no	no	no	no	yes	no	no
Service	yes	no	yes	no	yes	yes	no	no	no	no	no	no
Hairdresser/Barber	no	no	yes	no	no	no	no	no	no	no	no	no
Security												
Intercom (Buzzer)	no	no	no	no	no	no	no	no	yes	no	no	no
Limited Access	no	no	no	yes	no	no	no	yes	yes	yes	no	no
Perimeter Fencing	no	no	no	no	no	no	no	no	yes	no	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	no	no	no
Parking												
Carport	no	yes	yes	no	no	no	no	no	yes	no	no	no
Carport Fee	\$0	\$0	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Garage	no	no	no	no	no	no	no	no	yes	no	yes	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90	\$0
Off-Street Parking	yes	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	\$0

HOPEWELL HEIGHTS APARTMENTS – HOPEWELL, VIRGINIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.								
	Units Surveyed:	1,531	Weighted Occupancy:	99.5%				
	Market Rate	999	Market Rate	99.6%				
	Tax Credit	532	Tax Credit	99.2%				
One Bedroom One Bath		Two Bedroom One Bath		Three Bedroom Two Bath		Four Bedroom Two and a Half Bath		
Property	Average	Property	Average	Property	Average	Property	Average	
RENT	Independence Place (Market)	\$1,189	River's Bend Apartments (Market)(2BA)	\$1,307	River's Bend Apartments (Market)	\$1,549	Independence Place (Market)(4BA)	\$1,579
	River's Bend Apartments (Market)	\$1,074	Independence Place (Market)(2BA)	\$1,285	Oaks Of Dunlop Farms (@60%)	\$1,300	Hopewell Heights Apartments (@60%)	\$1,427
	Hopewell Heights Apartments (@60%)	\$940	Farmingdale Townhouses (Market)(1.5BA)	\$1,140	Hopewell Heights Apartments (@60%)	\$1,238		
	Oaks Of Dunlop Farms (@60%)	\$940	Hopewell Heights Apartments (@60%)	\$1,105	Clearfield Apartments (@60%)	\$1,234		
	Riverside Park (Market)	\$860	Oaks Of Dunlop Farms (@60%)(2BA)	\$1,100	Freedman Point (Market)	\$1,176		
	Riverside Park (Market)	\$835	Hopewell Heights Apartments (@60%)	\$1,094	Puddledock Place II (@50%)	\$1,060		
	Riverside Park (Market)	\$795	Clearfield Apartments (@60%)(2BA)	\$1,085	Puddledock Place (@50%)	\$1,060		
	Puddledock Place II (@50%)	\$772	Freedman Point (Market)(1.5BA)	\$1,029	Riverside Park (Market)(1BA)	\$1,025		
	Puddledock Place II (@40%)	\$603	Farmingdale Townhouses (Market)	\$1,020				
			Canterbury Townhomes (Market)(1.5BA)	\$943				
			Puddledock Place (@50%)(2BA)	\$924				
			Puddledock Place II (@50%)(2BA)	\$924				
			Riverside Park (Market)	\$910				
			Canterbury Townhomes (Market)	\$877				
			Dunlop Farms (@50%)	\$873				
			Dunlop Farms (@50%)	\$873				
			Puddledock Place (@40%)(2BA)	\$724				
SQUARE FOOTAGE	Riverside Park (Market)	760	River's Bend Apartments (Market)(2BA)	1,123	River's Bend Apartments (Market)	1,345	Independence Place (Market)(4BA)	1,488
	Puddledock Place II (@50%)	750	Farmingdale Townhouses (Market)(1.5BA)	1,088	Hopewell Heights Apartments (@60%)	1,240	Hopewell Heights Apartments (@60%)	1,478
	Puddledock Place II (@40%)	750	Farmingdale Townhouses (Market)	1,008	Clearfield Apartments (@60%)	1,165		
	Independence Place (Market)	725	Hopewell Heights Apartments (@60%)	1,004	Freedman Point (Market)	1,129		
	River's Bend Apartments (Market)	719	Puddledock Place (@40%)(2BA)	992	Puddledock Place II (@50%)	1,125		
	Riverside Park (Market)	620	Puddledock Place (@50%)(2BA)	992	Puddledock Place (@50%)	1,079		
	Hopewell Heights Apartments (@60%)	606	Puddledock Place II (@50%)(2BA)	975	Riverside Park (Market)(1BA)	1,070		
	Oaks Of Dunlop Farms (@60%)	590	Independence Place (Market)(2BA)	967	Oaks Of Dunlop Farms (@60%)	947		
	Riverside Park (Market)	500	Clearfield Apartments (@60%)(2BA)	965				
			Canterbury Townhomes (Market)(1.5BA)	950				
			Hopewell Heights Apartments (@50%)	930				
			Canterbury Townhomes (Market)	875				
			Freedman Point (Market)(1.5BA)	828				
			Dunlop Farms (@50%)	825				
			Dunlop Farms (@50%)	820				
			Oaks Of Dunlop Farms (@60%)(2BA)	796				
			Riverside Park (Market)	750				
RENT PER SQUARE FOOT	Independence Place (Market)	\$1.64	Oaks Of Dunlop Farms (@60%)(2BA)	\$1.38	Oaks Of Dunlop Farms (@60%)	\$1.37	Independence Place (Market)(4BA)	\$1.06
	Oaks Of Dunlop Farms (@60%)	\$1.59	Independence Place (Market)(2BA)	\$1.33	River's Bend Apartments (Market)	\$1.15	Hopewell Heights Apartments (@60%)	\$0.97
	Riverside Park (Market)	\$1.59	Freedman Point (Market)(1.5BA)	\$1.24	Clearfield Apartments (@60%)	\$1.06		
	Hopewell Heights Apartments (@60%)	\$1.55	Riverside Park (Market)	\$1.21	Freedman Point (Market)	\$1.04		
	River's Bend Apartments (Market)	\$1.49	Hopewell Heights Apartments (@60%)	\$1.18	Hopewell Heights Apartments (@60%)	\$1.00		
	Riverside Park (Market)	\$1.35	River's Bend Apartments (Market)(2BA)	\$1.16	Puddledock Place (@50%)	\$0.98		
	Riverside Park (Market)	\$1.13	Clearfield Apartments (@60%)(2BA)	\$1.12	Riverside Park (Market)(1BA)	\$0.96		
	Puddledock Place II (@50%)	\$1.03	Hopewell Heights Apartments (@60%)	\$1.10	Puddledock Place II (@50%)	\$0.94		
	Puddledock Place II (@40%)	\$0.80	Dunlop Farms (@50%)	\$1.06				
			Dunlop Farms (@50%)	\$1.06				
			Farmingdale Townhouses (Market)(1.5BA)	\$1.05				
			Farmingdale Townhouses (Market)	\$1.01				
			Canterbury Townhomes (Market)	\$1.00				
			Canterbury Townhomes (Market)(1.5BA)	\$0.99				
			Puddledock Place II (@50%)(2BA)	\$0.95				
			Puddledock Place (@50%)(2BA)	\$0.93				
			Puddledock Place (@40%)(2BA)	\$0.73				

PROPERTY PROFILE REPORT

Clearfield Apartments

Effective Rent Date	4/08/2021
Location	100 Clearfield Circle Colonial Heights, VA 23824 Colonial Heights County
Distance	4.6 miles
Units	144
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1992 / 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	Bonnie
Phone	804-352-6633



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	39%
Leasing Pace	Within one week
Annual Chg. in Rent	Kept at max
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 (2 stories)	72	965	\$1,031	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	72	1,165	\$1,168	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,031	\$0	\$1,031	\$54	\$1,085
3BR / 2BA	\$1,168	\$0	\$1,168	\$66	\$1,234

Clearfield Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Carport	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool	Volleyball Court		

Comments

The contact noted rents are set at the 2020 maximum allowable levels, however, the property intends on increasing rents to the 2021 maximum allowable levels. Carport parking is available to tenants at no additional cost. During the COVID-19 pandemic, a few residents have been unable to pay their rent on time. However, payment plans are in place for the delinquent tenants. Further, the property manager reported a stable amount of traffic and inquiries on units recently.

Trend Report

Vacancy Rates

1Q20	4Q20	1Q21	2Q21
3.5%	0.0%	0.0%	0.0%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	6.9%	\$930	\$0	\$930	\$984
2020	4	0.0%	\$1,031	\$0	\$1,031	\$1,085
2021	1	0.0%	\$1,031	\$0	\$1,031	\$1,085
2021	2	0.0%	\$1,031	\$0	\$1,031	\$1,085

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	0.0%	\$1,052	\$0	\$1,052	\$1,118
2020	4	0.0%	\$1,168	\$0	\$1,168	\$1,234
2021	1	0.0%	\$1,168	\$0	\$1,168	\$1,234
2021	2	0.0%	\$1,168	\$0	\$1,168	\$1,234

Trend: Comments

1Q20	Washer/dryers are available to rent for \$40 per month. The property accepts Housing Choice Vouchers but the contact was unable to determine how many tenants were using vouchers.
4Q20	Washer/dryers are available to rent for \$40 per month. The property accepts Housing Choice Vouchers but the contact was unable to determine how many tenants were using vouchers. The contact noted that they did make payment arrangements for those laid off due to COVID-19 and the property applied for the financial assistance program from the State of Virginia.
1Q21	During the COVID-19 pandemic, a few residents have been unable to pay their rent on time. However, payment plans are in place for the delinquent tenants. Further, the property manager reported a stable amount of traffic and inquiries on units recently.
2Q21	The contact noted rents are set at the 2020 maximum allowable levels, however, the property intends on increasing rents to the 2021 maximum allowable levels. Carport parking is available to tenants at no additional cost. During the COVID-19 pandemic, a few residents have been unable to pay their rent on time. However, payment plans are in place for the delinquent tenants. Further, the property manager reported a stable amount of traffic and inquiries on units recently.

Photos



Comments

The contact noted rents are set at the 2020 maximum allowable levels, however, the property intends on increasing rents to the 2021 maximum allowable levels. Each unit offers an in-unit washer/dryer. Carport parking is available to tenants for an additional \$25 per month. The contact noted the property did not see a change in vacancy or increase in delinquencies due to the ongoing COVID-19 pandemic.

Trend Report

Vacancy Rates

3Q14	2Q17	2Q21
2.3%	0.0%	0.0%

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	2.3%	\$822	\$0	\$822	\$755
2017	2	0.0%	\$829 - \$832	\$0	\$829 - \$832	\$762 - \$765
2021	2	0.0%	\$940	\$0	\$940	\$873

Trend: Comments

- 3Q14 Management is currently offering a reduced application fee. Five tenants currently use Housing Choice Vouchers. Approximately 75 percent of the tenants moved to the property from a single family home.
- 2Q17 The property consists of 12 buildings, including the clubhouse. There are 106 parking spaces, of which 19 are carport spaces. Additionally, washer/dryer units can be rented for \$45 per month.

The pet fee is a one-time cost of \$150 and a monthly cost of \$15 per pet.
- 2Q21 The contact noted rents are set at the 2020 maximum allowable levels, however, the property intends on increasing rents to the 2021 maximum allowable levels. Each unit offers an in-unit washer/dryer. Carport parking is available to tenants for an additional \$25 per month. The contact noted the property did not see a change in vacancy or increase in delinquencies due to the ongoing COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Oaks Of Dunlop Farms

Effective Rent Date	3/10/2021
Location	101 Old Oak Lane Colonial Heights, VA 23834 Colonial Heights County
Distance	4.6 miles
Units	144
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1992 / 2012
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Families from the Colonial Heights area
Contact Name	Francesca
Phone	804-520-8500



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Pre-leased to one weeks
Annual Chg. in Rent	Kept at max
Concession	None
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	Garden (2 stories)	44	590	\$940	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	78	796	\$1,100	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	22	947	\$1,300	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$940	\$0	\$940	\$0	\$940
2BR / 2BA	\$1,100	\$0	\$1,100	\$0	\$1,100
3BR / 2BA	\$1,300	\$0	\$1,300	\$0	\$1,300

Oaks Of Dunlop Farms, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Off-Street Parking	None	None
On-Site Management	Playground		
Swimming Pool	Volleyball Court		

Comments

The contact noted rents are set at the 2020 maximum allowable levels, however, the property intends on increasing rents to the 2021 maximum allowable levels. According to the property manager, the property has experienced no significant impact from the COVID-19 pandemic. Each unit offers an in-unit washer/dryer.

Oaks Of Dunlop Farms, continued

Trend Report

Vacancy Rates

1Q20	4Q20	1Q21	2Q21
2.1%	0.0%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	0.0%	\$900	\$0	\$900	\$900
2020	4	0.0%	\$940	\$0	\$940	\$940
2021	1	0.0%	\$940	\$0	\$940	\$940
2021	2	0.0%	\$940	\$0	\$940	\$940

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	2.6%	\$1,070	\$0	\$1,070	\$1,070
2020	4	0.0%	\$1,100	\$0	\$1,100	\$1,100
2021	1	0.0%	\$1,100	\$0	\$1,100	\$1,100
2021	2	0.0%	\$1,100	\$0	\$1,100	\$1,100

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	4.5%	\$1,250	\$0	\$1,250	\$1,250
2020	4	0.0%	\$1,300	\$0	\$1,300	\$1,300
2021	1	0.0%	\$1,300	\$0	\$1,300	\$1,300
2021	2	0.0%	\$1,300	\$0	\$1,300	\$1,300

Trend: Comments

1Q20	Washer/dryers are available to rent for \$50 per month. The contact had no additional comments.
4Q20	Tenants can rent in-unit washer/dryers for \$50 per month. The property has negotiated payment plans for two tenants who have lost their jobs due to COVID-19; however, rent collection and vacancy has been largely unaffected.
1Q21	According to the property manager, the property has experienced no significant impact from the COVID-19 pandemic. Further, the demand for rental housing in the area is high.
2Q21	The contact noted rents are set at the 2020 maximum allowable levels, however, the property intends on increasing rents to the 2021 maximum allowable levels. According to the property manager, the property has experienced no significant impact from the COVID-19 pandemic. Each unit offers an in-unit washer/dryer.

Photos



PROPERTY PROFILE REPORT

Puddledock Place

Effective Rent Date	4/06/2021
Location	1910 Fine Street Prince George, VA 23875 Prince George County
Distance	3.5 miles
Units	84
Vacant Units	4
Vacancy Rate	4.8%
Type	Garden (3 stories)
Year Built/Renovated	2014 / N/A
Marketing Began	N/A
Leasing Began	8/01/2014
Last Unit Leased	11/01/2014
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy from local area
Contact Name	Property manager
Phone	804-835-9437



Market Information

Program	@40%, @50%
Annual Turnover Rate	20%
Units/Month Absorbed	26
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	Inc. 3-5% annually
Concession	None
Waiting List	Yes - Unknown

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	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)	9	992	\$685	\$0	@40%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	51	992	\$885	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	24	1,079	\$1,015	\$0	@50%	Yes	4	16.7%	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$685	\$0	\$685	\$39	\$724	2BR / 2BA	\$885	\$0	\$885	\$39	\$924
						3BR / 2BA	\$1,015	\$0	\$1,015	\$45	\$1,060

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Recreation Areas	Service Coordination		

Comments

The contact noted the property has a waiting list, however, they were unable to provide the length. The property sets rent below the maximum allowable levels to help maintain affordability. The contact was unable to provide the percentage of tenants utilizing Housing Choice Vouchers. The contact noted the property has not been affected by the ongoing COVID-19 pandemic.

Puddledock Place, continued

Trend Report

Vacancy Rates

4Q12	4Q15	2Q17	2Q21
N/A	N/A	N/A	4.8%

Trend: @40%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$563	\$0	\$563	\$602
2015	4	N/A	\$575	\$0	\$575	\$614
2017	2	N/A	\$575	\$0	\$575	\$614
2021	2	0.0%	\$685	\$0	\$685	\$724

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$703	\$0	\$703	\$742
2015	4	N/A	\$725	\$0	\$725	\$764
2017	2	N/A	\$781	\$0	\$781	\$820
2021	2	0.0%	\$885	\$0	\$885	\$924

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$833	\$0	\$833	\$878
2015	4	N/A	\$830	\$0	\$830	\$875
2017	2	N/A	\$891	\$0	\$891	\$936
2021	2	16.7%	\$1,015	\$0	\$1,015	\$1,060

Trend: Comments

4Q12	Puddledock Place Apartments will consist of the new construction of 84 two and three-bedroom units at 40 and 50 percent AMI restriction. The developer anticipates construction to be completed in December 2013.
4Q15	N/A
2Q17	The contact was unable to provide the current rent for the 40% units or the current occupancy. She also could not provide a turnover rate or the percentage of tenants using housing choice vouchers.
2Q21	The contact noted the property has a waiting list, however, they were unable to provide the length. The property sets rent below the maximum allowable levels to help maintain affordability. The contact was unable to provide the percentage of tenants utilizing Housing Choice Vouchers. The contact noted the property has not been affected by the ongoing COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Puddledock Place II

Effective Rent Date	4/12/2021
Location	1910 Fine Street Prince George, VA 23875 Prince George County
Distance	2.9 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2014 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Families from the Prince George County area
Contact Name	Property manager
Phone	843-352-4102



Market Information

Program	@40%, @50%
Annual Turnover Rate	20%
Units/Month Absorbed	18
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	Inc. 3-5% annually
Concession	None
Waiting List	Yes - Unknown

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	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)	8	750	\$575	\$0	@40%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	4	750	\$744	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	42	975	\$885	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	18	1,125	\$1,015	\$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	\$575	\$0	\$575	\$28	\$603	1BR / 1BA	\$744	\$0	\$744	\$28	\$772
						2BR / 2BA	\$885	\$0	\$885	\$39	\$924
						3BR / 2BA	\$1,015	\$0	\$1,015	\$45	\$1,060

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Property		Premium	Other
Basketball Court	Business Center/Computer Lab	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Recreation Areas		
Service Coordination			

Comments

The contact noted the property has a waiting list, however, they were unable to provide the length. The property sets rent below the maximum allowable levels to help maintain affordability. The contact was unable to provide the percentage of tenants utilizing Housing Choice Vouchers. The contact noted the property has not been affected by the ongoing COVID-19 pandemic.

Trend Report

Vacancy Rates

3Q13	2Q17	2Q21
N/A	N/A	0.0%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$477	\$0	\$477	\$505
2017	2	N/A	\$477	\$0	\$477	\$505
2021	2	0.0%	\$575	\$0	\$575	\$603

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$615	\$0	\$615	\$643
2017	2	N/A	\$615	\$0	\$615	\$643
2021	2	0.0%	\$744	\$0	\$744	\$772

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$733	\$0	\$733	\$772
2017	2	N/A	\$733	\$0	\$733	\$772
2021	2	0.0%	\$885	\$0	\$885	\$924

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$836	\$0	\$836	\$881
2017	2	N/A	\$836	\$0	\$836	\$881
2021	2	0.0%	\$1,015	\$0	\$1,015	\$1,060

Trend: Comments

3Q13 N/A

2Q17 N/A

2Q21 The contact noted the property has a waiting list, however, they were unable to provide the length. The property sets rent below the maximum allowable levels to help maintain affordability. The contact was unable to provide the percentage of tenants utilizing Housing Choice Vouchers. The contact noted the property has not been affected by the ongoing COVID-19 pandemic.

Photos



Comments

Each unit offers an in-unit washer/dryer. The property does not accept Housing Choice Vouchers. The contact noted the property offers a wait list, however, they were unable to provide the length and preferred not to provide any information on the impact of COVID-19 on property operations.

Trend Report

Vacancy Rates

1Q21	2Q21
N/A	0.0%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	N/A	\$0	N/A	N/A
2021	2	N/A	\$955	\$0	\$955	\$943

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	N/A	\$0	N/A	N/A
2021	2	N/A	\$889	\$0	\$889	\$877

Trend: Comments

1Q21 N/A

2Q21 Each unit offers an in-unit washer/dryer. The property does not accept Housing Choice Vouchers. The contact noted the property offers a wait list, however, they were unable to provide the length and preferred not to provide any information on the impact of COVID-19 on property operations.

Photos



PROPERTY PROFILE REPORT

Farmingdale Townhouses

Effective Rent Date	4/08/2021
Location	3611 Wilmington Avenue Hopewell, VA 23860 Hopewell County
Distance	1 mile
Units	121
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	1972 / 2009
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Other local market rate developments
Tenant Characteristics	Mixed tenancy from local area, mainly families
Contact Name	N/A
Phone	(804)458-3451



Market Information

Program	Market
Annual Turnover Rate	18%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	None reported
Concession	None
Waiting List	Yes - Unknown

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	1	Townhouse (2 stories)	N/A	1,008	\$1,020	\$0	Market	Yes	0	N/A	N/A	None
2	1.5	Townhouse (2 stories)	N/A	1,088	\$1,140	\$0	Market	Yes	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,020	\$0	\$1,020	\$0	\$1,020
2BR / 1.5BA	\$1,140	\$0	\$1,140	\$0	\$1,140

Farmingdale Townhouses, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpet/Hardwood	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Swimming Pool			

Comments

The property does not accept Housing Choice Vouchers. The contact noted the property offers a wait list, however, they were unable to provide the length. The contact was unable to provide a breakdown by bedroom type and provided no other information on COVID-19 policies or tenant information.

Farmingdale Townhouses, continued

Trend Report

Vacancy Rates

1Q21	2Q21
N/A	0.0%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	N/A	\$0	N/A	N/A
2021	2	N/A	\$1,140	\$0	\$1,140	\$1,140

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	N/A	\$0	N/A	N/A
2021	2	N/A	\$1,020	\$0	\$1,020	\$1,020

Trend: Comments

1Q21 N/A

2Q21 The property does not accept Housing Choice Vouchers. The contact noted the property offers a wait list, however, they were unable to provide the length. The contact was unable to provide a breakdown by bedroom type and provided no other information on COVID-19 policies or tenant information.

Photos



PROPERTY PROFILE REPORT

Freedman Point

Effective Rent Date	4/06/2021
Location	315 E Cawson St Hopewell, VA 23860 Hopewell County
Distance	3 miles
Units	68
Vacant Units	1
Vacancy Rate	1.5%
Type	Midrise (3 stories)
Year Built/Renovated	2020 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Other local market rate developments
Tenant Characteristics	Mixed tenancy from local area, mainly families
Contact Name	Property manager
Phone	804-704-7476



Market Information

Program	Market
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	None reported
Concession	None
Waiting List	Yes - Unknown

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	1.5	Midrise (3 stories)	N/A	828	\$975	\$0	Market	Yes	1	N/A	N/A	None
3	2	Midrise (3 stories)	N/A	1,129	\$1,110	\$0	Market	Yes	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$975	\$0	\$975	\$54	\$1,029
3BR / 2BA	\$1,110	\$0	\$1,110	\$66	\$1,176

Freedman Point, continued

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Perimeter Fencing	
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Carport	Clubhouse/Meeting Room/Community	None	None
Elevators	Garage		
Central Laundry	Off-Street Parking		
On-Site Management			

Comments

The contact was unable to provide a breakdown by bedroom type. Carport and garage parking are available to tenants at no additional cost. The contact noted the property has a waiting list, however, they were unable to provide the wait list information. The contact noted the ongoing COVID-19 pandemic has affected this property and tenants by lowered incomes, lost jobs and the need for rental assistance. The contact was unable to provide absorption information or Housing Choice Voucher utilization.

Freedman Point, continued

Trend Report

Vacancy Rates

1Q21	2Q21
N/A	1.5%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	N/A	\$0	N/A	N/A
2021	2	N/A	\$975	\$0	\$975	\$1,029

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	2	N/A	\$1,110	\$0	\$1,110	\$1,176

Trend: Comments

1Q21 N/A

2Q21 The contact was unable to provide a breakdown by bedroom type. Carport and garage parking are available to tenants at no additional cost. The contact noted the property has a waiting list, however, they were unable to provide the wait list information. The contact noted the ongoing COVID-19 pandemic has affected this property and tenants by lowered incomes, lost jobs and the need for rental assistance. The contact was unable to provide absorption information or Housing Choice Voucher utilization.

Photos



PROPERTY PROFILE REPORT

Independence Place

Effective Rent Date	4/14/2021
Location	5000 Owens Way Prince George, VA 23875 Prince George County
Distance	1 mile
Units	230
Vacant Units	1
Vacancy Rate	0.4%
Type	Garden (3 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	1200 Aqua & Crater Square
Tenant Characteristics	Mixed tenancy from local area, mainly families
Contact Name	Leasing Manager
Phone	804-210-4140



Market Information

Program	Market
Annual Turnover Rate	16%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	Inc. 1-11% since 4Q20
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	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)	64	725	\$1,189	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	66	967	\$1,285	\$0	Market	No	1	1.5%	N/A	None
4	4	Garden (3 stories)	100	1,488	\$1,579	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,189	\$0	\$1,189	\$0	\$1,189
2BR / 2BA	\$1,285	\$0	\$1,285	\$0	\$1,285
4BR / 4BA	\$1,579	\$0	\$1,579	\$0	\$1,579

Independence Place, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Cable/Satellite/Internet	Carpet/Hardwood		
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage(\$25.00)	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Basketball Court	Business Center/Computer Lab	None	Gameroom, putting green
Clubhouse/Meeting Room/Community	Courtyard		
Exercise Facility	Garage(\$125.00)		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Tennis Court		
Volleyball Court			

Comments

The property offers furnished and un-furnished units for lease lengths between three and 12 months. The prices reflected in the profile are for 12 month leases for un-furnished units. Each unit offers an in-unit washer/dryer. Garages are available for \$125 per month, and exterior storage from \$25 to \$50 per month. The property is currently accepting Housing Choice Vouchers but could not determine how many were in effect. The contact has been negatively impacted during the COVID-19 pandemic due to late payments or the tenant's inability to complete payments.

Independence Place, continued

Trend Report

Vacancy Rates

1Q20	2Q20	4Q20	2Q21
3.5%	3.5%	3.0%	0.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	3.1%	\$1,181	\$0	\$1,181	\$1,181
2020	2	3.1%	\$1,181	\$0	\$1,181	\$1,181
2020	4	4.7%	\$1,069	\$0	\$1,069	\$1,069
2021	2	0.0%	\$1,189	\$0	\$1,189	\$1,189

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	3.0%	\$1,206	\$0	\$1,206	\$1,206
2020	2	3.0%	\$1,206	\$0	\$1,206	\$1,206
2020	4	6.1%	\$1,239	\$0	\$1,239	\$1,239
2021	2	1.5%	\$1,285	\$0	\$1,285	\$1,285

4BR / 4BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	4.0%	\$1,457	\$0	\$1,457	\$1,457
2020	2	4.0%	\$1,457	\$0	\$1,457	\$1,457
2020	4	0.0%	\$1,559	\$0	\$1,559	\$1,559
2021	2	0.0%	\$1,579	\$0	\$1,579	\$1,579

Trend: Comments

1Q20 N/A

2Q20 N/A

4Q20 The property offers furnished and un-furnished units for lease lengths between three and 12 months. The prices reflected in the profile are for 12 month leases at the un-furnished units. Garages are available for \$125 per month, and exterior storage rents from \$25 to \$50 per month. The property is currently accepting Housing Choice Vouchers but could not determine how many were in effect. The contact has been negatively impacted during the COVID-19 pandemic due to late payments or the tenant's inability to complete payments.

2Q21 The property offers furnished and un-furnished units for lease lengths between three and 12 months. The prices reflected in the profile are for 12 month leases for un-furnished units. Each unit offers an in-unit washer/dryer. Garages are available for \$125 per month, and exterior storage from \$25 to \$50 per month. The property is currently accepting Housing Choice Vouchers but could not determine how many were in effect. The contact has been negatively impacted during the COVID-19 pandemic due to late payments or the tenant's inability to complete payments.

Photos



PROPERTY PROFILE REPORT

River's Bend Apartments

Effective Rent Date	4/14/2021
Location	401 Liverpool Circle Chester, VA 23836 Chesterfield County
Distance	6.7 miles
Units	318
Vacant Units	2
Vacancy Rate	0.6%
Type	Garden (3 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Rivermont Station, White Oak
Tenant Characteristics	Mixed tenancy
Contact Name	Leasing Agent
Phone	804-530-0200



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Inc. 2-5% annually
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
1	1	Garden (3 stories)	42	719	\$1,033	\$0	Market	No	0	0.0%	N/A	AVG*
1	1	Garden (3 stories)	N/A	782	\$1,085	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	696	\$980	\$0	Market	No	0	N/A	N/A	LOW
2	1	Garden (3 stories)	150	936	\$1,203	\$0	Market	No	0	0.0%	N/A	AVG
2	1	Garden (3 stories)	N/A	936	\$1,250	\$0	Market	No	0	N/A	N/A	HIGH
2	1	Garden (3 stories)	N/A	936	\$1,155	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (3 stories)	102	1,123	\$1,253	\$0	Market	No	1	1.0%	N/A	AVG*
2	2	Garden (3 stories)	N/A	1,173	\$1,300	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,072	\$1,205	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	24	1,345	\$1,483	\$0	Market	No	1	4.2%	N/A	AVG*
3	2	Garden (3 stories)	N/A	1,372	\$1,515	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,317	\$1,450	\$0	Market	No	0	N/A	N/A	LOW

River's Bend Apartments, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$980 - \$1,085	\$0	\$980 - \$1,085	\$41	\$1,021 - \$1,126
2BR / 1BA	\$1,155 - \$1,250	\$0	\$1,155 - \$1,250	\$54	\$1,209 - \$1,304
2BR / 2BA	\$1,205 - \$1,300	\$0	\$1,205 - \$1,300	\$54	\$1,259 - \$1,354
3BR / 2BA	\$1,450 - \$1,515	\$0	\$1,450 - \$1,515	\$66	\$1,516 - \$1,581

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Fireplace	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$90.00)		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Recreation Areas	Swimming Pool		
Tennis Court			

Comments

The property does not accept Housing Choice Vouchers. Each unit offers an in-unit washer/dryer. Garage parking is available to tenants for an additional \$90 per month. The contact noted the property has generally been unaffected by the COVID-19 pandemic.

River's Bend Apartments, continued

Trend Report

Vacancy Rates

4Q16	1Q17	4Q17	2Q21
2.2%	5.0%	3.1%	0.6%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	2.3%	\$1,095	\$0	\$1,095	\$1,136

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	4.8%	\$945 - \$975	\$0	\$945 - \$975	\$986 - \$1,016
2017	1	N/A	\$885 - \$975	\$0	\$885 - \$975	\$926 - \$1,016
2017	4	N/A	\$905 - \$995	\$0	\$905 - \$995	\$946 - \$1,036
2021	2	N/A	\$980 - \$1,085	\$0	\$980 - \$1,085	\$1,021 - \$1,126

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	3.1%	\$1,095	\$0	\$1,095	\$1,149
2017	1	1.3%	\$1,000	\$0	\$1,000	\$1,054
2017	4	N/A	\$1,015 - \$1,060	\$0	\$1,015 - \$1,060	\$1,069 - \$1,114
2021	2	N/A	\$1,155 - \$1,250	\$0	\$1,155 - \$1,250	\$1,209 - \$1,304

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	0.0%	\$1,120 - \$1,130	\$0	\$1,120 - \$1,130	\$1,174 - \$1,184
2017	1	N/A	\$1,000 - \$1,160	\$0	\$1,000 - \$1,160	\$1,054 - \$1,214
2017	4	N/A	\$1,015 - \$1,160	\$0	\$1,015 - \$1,160	\$1,069 - \$1,214
2021	2	N/A	\$1,205 - \$1,300	\$0	\$1,205 - \$1,300	\$1,259 - \$1,354

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	4.2%	\$1,320 - \$1,340	\$0	\$1,320 - \$1,340	\$1,386 - \$1,406
2017	1	N/A	\$1,250 - \$1,310	\$0	\$1,250 - \$1,310	\$1,316 - \$1,376
2017	4	N/A	\$1,275 - \$1,358	\$0	\$1,275 - \$1,358	\$1,341 - \$1,424
2021	2	N/A	\$1,450 - \$1,515	\$0	\$1,450 - \$1,515	\$1,516 - \$1,581

3BR / 3BA

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

4Q16	No additional comments
1Q17	The contact indicated the relatively high turnover rate is due to many tenants being military or temporary contractors. The property does not accept Housing Choice Vouchers.
4Q17	The property does not accept Housing Choice Vouchers.
2Q21	The property does not accept Housing Choice Vouchers. Each unit offers an in-unit washer/dryer. Garage parking is available to tenants for an additional \$90 per month. The contact noted the property has generally been unaffected by the COVID-19 pandemic.

PROPERTY PROFILE REPORT

Riverside Park

Effective Rent Date	4/01/2021
Location	310 Woodbine Street Hopewell, VA 23860 Hopewell County
Distance	2.7 miles
Units	120
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1969 / 2000
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Sunny
Phone	866-769-5249



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Inc. 0-7% since 2Q20
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
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)	40	500	\$795	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	N/A	620	\$835	\$0	Market	No	0	N/A	N/A	None
1	1	Garden (3 stories)	N/A	760	\$860	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (3 stories)	40	750	\$910	\$0	Market	No	0	0.0%	N/A	None
3	1	Garden (3 stories)	40	1,070	\$1,025	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$795 - \$860	\$0	\$795 - \$860	\$0	\$795 - \$860
2BR / 1BA	\$910	\$0	\$910	\$0	\$910
3BR / 1BA	\$1,025	\$0	\$1,025	\$0	\$1,025

Riverside Park, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Exterior Storage(\$25.00)		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Courtyard	Central Laundry	None	None
Off-Street Parking	On-Site Management		

Comments

Exterior storage is available for an additional \$25 per month. A waiting list is maintained as needed but there is not one kept at this time. The contact noted the property has been generally unaffected by the ongoing COVID-19 pandemic.

Riverside Park, continued

Trend Report

Vacancy Rates

1Q19	1Q20	2Q20	2Q21
0.0%	5.0%	5.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$720 - \$795	\$0	\$720 - \$795	\$720 - \$795
2020	1	N/A	\$745 - \$825	\$0	\$745 - \$825	\$745 - \$825
2020	2	N/A	\$745 - \$825	\$0	\$745 - \$825	\$745 - \$825
2021	2	N/A	\$795 - \$860	\$0	\$795 - \$860	\$795 - \$860

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$825	\$0	\$825	\$825
2020	1	5.0%	\$850	\$0	\$850	\$850
2020	2	5.0%	\$850	\$0	\$850	\$850
2021	2	0.0%	\$910	\$0	\$910	\$910

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$990 - \$1,040	\$0	\$990 - \$1,040	\$990 - \$1,040
2020	1	5.0%	\$1,025	\$0	\$1,025	\$1,025
2020	2	5.0%	\$1,025	\$0	\$1,025	\$1,025
2021	2	0.0%	\$1,025	\$0	\$1,025	\$1,025

Trend: Comments

1Q19	Exterior storage is available for \$25 per month. The Subject normally maintains a short waiting list.
1Q20	The contact reported stable occupancy during the past year. Exterior storage is available for \$25 per month. A waiting list is maintained as needed but there is not one kept at this time.
2Q20	N/A
2Q21	Exterior storage is available for an additional \$25 per month. A waiting list is maintained as needed but there is not one kept at this time. The contact noted the property has been generally unaffected by the ongoing COVID-19 pandemic.

Photos



LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score
S	Hopewell Heights Apartments	Hopewell	Senior	Section 8	-	\$36,743	\$137,000	\$841	96	40
1	Clearfield Apartments	Colonial Heights	Family	LIHTC	4.6 miles	\$50,396	\$124,300	\$789	122	40
2	Dunlop Farms	Colonial Heights	Senior	LIHTC	4.7 miles	\$57,069	\$166,700	\$992	101	1
3	Oaks Of Dunlop Farms	Colonial Heights	Family	LIHTC	4.6 miles	\$51,400	\$166,700	\$992	122	37
4	Puddledock Place	Prince George	Family	LIHTC	3.5 miles	\$70,447	\$203,800	\$1,156	47	45
5	Puddledock Place II	Prince George	Family	LIHTC	2.9 miles	\$38,889	\$203,800	\$1,156	44	11
6	Canterbury Townhomes	Hopewell	Family	Market	0.7 miles	\$52,456	\$137,000	\$841	83	21
7	Farmingdale Townhouses	Hopewell	Family	Market	1.0 miles	\$47,012	\$137,000	\$841	98	21
8	Freedman Point	Hopewell	Family	Market	3.0 miles	\$33,469	\$137,000	\$841	259	63
9	Independence Place	Prince George	Family	Market	1.0 miles	\$45,480	\$203,800	\$1,156	50	38
10	River's Bend Apartments	Chester	Family	Market	6.7 miles	\$112,484	\$225,800	\$1,355	81	9
11	Riverside Park	Hopewell	Family	Market	2.7 miles	\$49,927	\$137,000	\$841	85	38

PROPERTY CHARACTERISTICS

Following are relevant characteristics of comparable properties surveyed:

Location

The Subject’s location is similar to Canterbury Townhomes, Farmingdale Townhouses, Freedman Point, and Riverside Park in terms of median home value and median rent, all of which are located in Hopewell. Additionally, Puddledock Place II is located in an area with similar median household income, but lower crime risk indices compared to the Subject. Eight of the comparables are located in areas with higher household income and similar to higher crime indices. Conway Apartments and Freedman Point are located in an inferior location in terms of median household income and crime risk indices. Puddledock Place, Canterbury Townhomes, Farmingdale Townhouses, Independence Place and River’s Bend Apartments are located in superior locations in terms of median household incomes and home values. The Subject’s WalkScore is considered “Car Dependent”, which is similar to the majority of comparables; the outlier is Freedman Point, which exhibits a “Somewhat Walkable” location, slightly superior to the Subject. When considering the data collectively, the Subject offers a similar location to Canterbury Townhomes, Farmingdale Point, and Freedman Point, and a slightly inferior location to the remaining comparables.

Size, Age and Condition

The Subject was constructed in 1980 and is in average condition. Following renovations, the Subject will be in good condition.

Puddledock Place, Puddledock Place II, and Freedman Point were built or last renovated between 2011 and 2020 and exhibit excellent condition, superior to the Subject “as is” and similar to the Subject “as renovated.” Additionally, Dunlop Farms, Oaks of Dunlop Farms, Canterbury Townhouses, Farmingdale Townhouses, and Riverside Park were built or renovated between 2000 and 2012 and exhibit good condition, slightly superior to the Subject “as is” and similar to the Subject “as renovated.” The remaining comparables were built between 1980 and 1999 and exhibit average condition, similar to the Subject “as is” and slightly inferior to the Subject “as renovated.”

The LIHTC properties range in size from 72 to 144 units, with an average development size of 106 units, while the market rate developments range from 68 to 318 units, with an average development size of 167 units. The Subject falls just outside the range of development sizes among LIHTC product and within the range of development sizes among market rate comparables. Further, there appears to be 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	606	930 - 1,004	1,240	1,478
Average	677	930	1,123	1,488
Min	500	750	947	1,488
Max	760	1,123	1,345	1,488
Advantage/Disadvantage	-10%	0% : 8%	10%	-1%

UNIT SIZE COMPARISON - LIHTC COMPARABLES

Bedroom Type	1BR	2BR	3BR	4BR
Subject	606	930 - 1,004	1,240	1,478
Average	697	909	1,079	-
Min	590	796	947	-
Max	750	992	1,165	-
Advantage/Disadvantage	-15.0%	2% : 10%	13%	-

The Subject offers one, two, three, and four-bedroom units. The Subject's one-bedroom units are smaller compared to the average unit sizes of all comparables, but within the overall range. The Subject's two and three-bedroom unit sizes provide an advantage ranging from two to 13 percent compared to the surveyed average. Based on the overall market, the Subject's four-bedroom units are generally similar to the surveyed average. Overall, the Subject's unit sizes are considered competitive with the comparables.

Unit Amenities

The Subject's townhouse units currently offer blinds, carpet and vinyl flooring, central air conditioning, and coat closet. The Subject's midrise units currently offer blinds, carpet and vinyl flooring, central air conditioning, and coat closet hand rails, and pull cords. Appliances include ovens and refrigerators. Post renovation, the in-unit amenities will remain the same. 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 similar to slightly superior to the majority of LIHTC and market rate comparables. We believe that the in-unit amenities are and will remain competitive.

Common Area Amenities

The Subject features a community room, courtyard, computer lab, elevator (age-restricted midrise building), exercise facility, central laundry facility, and on-site management. There are no additional common area amenities proposed with the 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 slightly inferior to slightly superior to the comparables. Nonetheless, we believe that the common area amenities are and will remain sufficiently competitive as an affordable property.

Security Features

The Subject offers video surveillance. Three of the comparables offer at least one type of security feature, such as intercom systems, limited access, perimeter fencing, or video surveillance, while the remaining comparables offer no security features. We believe the Subject will remain competitive.

Utility Structure

The tenants are responsible for electric hot water, electric cooking, and other electric utility expenses. The landlord is responsible for cold water, sewer, and trash expenses and all common area utilities. There are no proposed changes to the utility structure post-renovation. The Subject's utility allowances are dictated by HUD. The utility structure varies among the comparable properties; we have adjusted the comparable rents in accordance with the utility schedule obtained from the Hopewell Redevelopment and Housing Authority, effective January 1, 2021, which is the most recent available.

Parking

The Subject features off-street parking to its tenants at no additional cost. There are approximately 153 surface parking spaces, which equates to a parking ratio of approximately 1.02 spaces per unit. Overall, the parking offered at the Subject is reasonable given its mixed tenancy but which is majority ag-restricted. All of the comparable properties offer free off-street parking, similar to the Subject. In addition, there is one

comparable which offers garage parking at no additional cost. One comparable reported offering garage parking for an additional \$90 per month. Further, there are two comparables that offer carport parking at no additional cost, while one comparable offers carport parking for an additional \$25 per month. The Subject will be considered similar to slightly inferior to the majority of the comparables in terms of parking.

Summary of Property Characteristics

All of the comparables are located inside the PMA, within 6.7 miles of the Subject. The Subject appears to be located in a generally similar to slightly inferior location when compared to the majority of comparables. The Subject is currently in average condition and will be in good overall condition post-renovation, similar to slightly superior to the majority of the comparable properties. The Subject's unit sizes are considered competitive and are similar to slightly superior to the comparable averages, with the exception of the one-bedroom units. Regarding in-unit and community amenities, the Subject is considered competitive to the majority of LIHTC and market rate comparables, which will remain the case post-renovation.

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	Tenancy	Total Units	Vacant Units	Vacancy Rate
Clearfield Apartments	LIHTC	Family	144	0	0.0%
Dunlop Farms	LIHTC	Senior	88	0	0.0%
Oaks Of Dunlop Farms	LIHTC	Family	144	0	0.0%
Puddledock Place	LIHTC	Family	84	4	4.8%
Puddledock Place II	LIHTC	Family	72	0	0.0%
Canterbury Townhomes	Market	Family	142	0	0.0%
Farmingdale Townhouses	Market	Family	121	0	0.0%
Freedman Point	Market	Family	68	1	1.5%
Independence Place	Market	Family	230	1	0.4%
River's Bend Apartments	Market	Family	318	2	0.6%
Riverside Park	Market	Family	120	0	0.0%
Total LIHTC			532	4	0.8%
Total Market Rate			999	4	0.4%
Overall Total			1,531	8	0.5%

Physical vacancy rates among the comparables range from zero to 4.8 percent, with an overall vacancy rate of 0.5 percent in the market. Vacancy rates among the LIHTC properties range from zero to 4.8 percent, with an average of 0.8 percent. Vacancy rates among the market rate properties range from zero to 1.5 percent, with an average of 0.4 percent. Therefore, we expect the Subject to operate with vacancy and collection loss of five percent post-renovation, when also considering the subsidy that will remain in place for all units.

We have also surveyed the comparable properties to assess the impact of the COVID-19 pandemic on vacancy and turnover and tenant inability to pay rent as a result of furloughs and job losses. Clearfield Apartments and Freedman Point reported increased delinquencies due the COVID- 19 pandemic; however, neither were able to quantify the number of tenants behind on rent. Nonetheless, three of the market rate properties increased rent, while the remainder did not report an increase. None of the comparable properties reported an increase in vacancies due to the COVID-19 pandemic. Additionally, the remaining nine comparables reported no adverse impact on occupancy or bad debt in the last year. For the properties experiencing issues with tenant inability to pay rent, managers have developed a variety of payment plans or payment deferrals, which vary in length, to limit turnover and to alleviate the current strain on tenants. Most of the comparable properties reporting adverse impact from COVID-19 do not expect the number of tenants experiencing difficulties to increase substantially in the coming months. However, all properties are handling issues on a month-to-month basis.

Concessions

None of the comparables are currently offering concessions. Given the limited presence of concessions in the market, we do not believe that the Subject will need to offer concessions to remain stabilized.

Turnover

The following table details turnover rates at comparable properties.

TURNOVER			
Property Name	Rent Structure	Tenancy	Annual Turnover
Clearfield Apartments	LIHTC	Family	20%
Dunlop Farms	LIHTC	Senior	5%
Oaks Of Dunlop Farms	LIHTC	Family	15%
Puddledock Place	LIHTC	Family	20%
Puddledock Place II	LIHTC	Family	20%
Canterbury Townhomes	Market	Family	21%
Farmingdale Townhouses	Market	Family	18%
Freedman Point	Market	Family	17%
Independence Place	Market	Family	16%
River's Bend Apartments	Market	Family	25%
Riverside Park	Market	Family	30%

Turnover rates in the market range from five to 30 percent, with an average of 19 percent. The LIHTC properties average 16 percent turnover. The market rate properties average 21 percent turnover. Subject management indicated a lower historical turnover rate of approximately eight percent. Based on the performance of the comparables, as well as historical operations, we expect the Subject will operate with a turnover rate of 10 percent or less.

Waiting Lists

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

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Clearfield Apartments	LIHTC	Family	None
Dunlop Farms	LIHTC	Senior	None
Oaks Of Dunlop Farms	LIHTC	Family	Yes - five households
Puddledock Place	LIHTC	Family	Yes - Unknown
Puddledock Place II	LIHTC	Family	Yes - Unknown
Canterbury Townhomes	Market	Family	Yes - Unknown
Farmingdale Townhouses	Market	Family	Yes - Unknown
Freedman Point	Market	Family	Yes - Unknown
Independence Place	Market	Family	None
River's Bend Apartments	Market	Family	None
Riverside Park	Market	Family	None

Overall, three affordable properties maintain a waiting list, indicating unmet demand in the Subject's market. Subject management indicated that the property currently maintain a waiting list with approximately 55 households. We believe the Subject may be able to maintain a short waiting list post-renovation with its improved condition and position within the market.

Rental Rate Increases

The following table illustrates the rent increases at the comparable properties.

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Clearfield Apartments	LIHTC	Family	Kept at max
Dunlop Farms	LIHTC	Senior	Kept at max
Oaks Of Dunlop Farms	LIHTC	Family	Kept at max
Puddledock Place	LIHTC	Family	Inc. 3-5% annually
Puddledock Place II	LIHTC	Family	Inc. 3-5% annually
Canterbury Townhomes	Market	Family	None reported
Farmingdale Townhouses	Market	Family	None reported
Freedman Point	Market	Family	None reported
Independence Place	Market	Family	Inc. 1-11% since 4Q20
River's Bend Apartments	Market	Family	Inc. 2-5% annually
Riverside Park	Market	Family	Inc. 0-7% since 2Q20

Two of the LIHTC comparable properties reported rents increased annually, while three reported rents at the 2020 maximum level. The property with rents at the 2020 maximum allowable level noted they did intend on increasing rents to the 2021 maximum allowable level, however, they did not provide specifics. Three of the market rate comparables reported rent growth overall, while the remaining reported no change. The Subject's rents will continue to be dictated by HUD post-renovation. However, we believe the Subject would achieve rent increases of up to five percent annually if it were to hypothetically lose subsidy, in accordance with LIHTC limitations.

Absorption

We were able to obtain absorption data from two of the comparable properties. For support, we expanded our search to a 20-mile radius of the surrounding area for more recent absorption data. These are detailed below.

ABSORPTION						
Property Name	Location	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Canopy At Ginter Park	Richmond	Market	Family	2019	301	16
The Village At Weslake	Richmond	Market	Family	2018	252	42
Shockoe Valley Apartments	Richmond	Market	Family	2016	238	30
Terrace At Manchester	Richmond	Market	Family	2015	148	16
Puddledock Place*	Prince George	LIHTC	Family	2014	84	26
Puddledock Place II*	Prince George	LIHTC	Family	2014	72	18
Average						25

*Utilized as rental comparables

Renovations at the Subject will occur with minimal disruption to tenants and it is expected nearly all tenants will remain income-qualified post-renovation, and that given the subsidy in place for all units, all tenants will continue to contribute a portion of their income as rent; therefore, we do not believe that there will be a need for any significant re-absorption of units. It should be noted we were unable to obtain absorption data for Freedman Point, which opened in early January 2020. Based on the aforementioned performance properties in the Subject's area, as well as the relatively low vacancy rates reported in the market, we have estimated that the Subject would absorb approximately 25 units per month, if hypothetically vacant, for an absorption period of approximately six months.

Affordable Properties in the PMA

Existing affordable housing projects in the PMA will not be adversely affected by the proposed construction of the Subject property. A survey of comparable affordable LIHTC and Section 8 rental housing developments in the area demonstrate significant demand for good quality rental units.

AFFORDABLE HOUSING IN THE PMA

Property Name	Rent Structure	Tenancy	Total # of units	# of LIHTC Units	# of Competitive Units - As Proposed	# of Competitive Units - Absent Subsidy
Oaks Of Dunlop*	LIHTC	Family	144	144	144	144
Pinetree	LIHTC	Family	144	144	144	144
Windy Ridge	LIHTC	Family	72	72	72	72
Bailey's Ridge	LIHTC	Family	156	156	156	156
Petersburg East II	LIHTC	Family	68	68	68	68
Clearfield Apts*	LIHTC	Family	144	144	144	144
Dunlop Farms*	LIHTC	Senior	88	88	88	88
Petersburg East I	LIHTC / Section 8	Family	100	100	100	100
Puddledock Place I & II*	LIHTC	Family	72	72	72	72
Liberty Pointe	LIHTC	Family	48	48	48	48
Summit	LIHTC	Family	56	56	56	56
Petersburg East II	Section 8	Family	68	0	68	68
Piper Square	Section 8	Family	134	0	134	134
Total				1,092	1,160	1,160

*Utilized as rental comparables

Reasonability of Rents

The tables below illustrate the Subject's current and proposed asking rents.

CURRENT RENTS

Unit Type	Unit Size (SF)	# of Units	Current Contract Rent	Utility Allowance (1)	Gross Rent	Fair Market Rents
<i>Section 8</i>						
1BR / 1BA*	962	95	\$724	\$72	\$796	\$1,020
2BR / 1BA*	962	5	\$807	\$110	\$917	\$1,163
2BR / 1BA TH**	962	32	\$741	\$121	\$862	\$1,163
3BR / 2BA TH**	1,185	12	\$796	\$166	\$962	\$1,538
4BR / 2.5BA TH**	1,186	6	\$889	\$139	\$1,028	\$1,840
Total		150				

Notes (1) Utility Allowance is dictated by HUD, based on the current Rent Schedule, effective 1/1/2020

*Seniors 55 and over units

**Family units

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent	Proposed Net LIHTC Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	Proposed Contracts (2)	% of Maximum Allowable Gross Rent
<i>@60% AMI (Section 8)</i>									
1BR / 1BA*	606	95	\$724	\$940	\$72	\$1,012	\$1,012	\$940	100%
2BR / 1BA*	1,004	5	\$807	\$1,065	\$110	\$1,175	\$1,215	\$1,065	97%
2BR / 1BA TH**	930	32	\$741	\$1,094	\$121	\$1,215	\$1,215	\$1,110	100%
3BR / 2BA TH**	1,240	12	\$796	\$1,238	\$166	\$1,404	\$1,404	\$1,335	100%
4BR / 2.5BA TH**	1,478	6	\$889	\$1,427	\$139	\$1,566	\$1,566	\$1,560	100%
150									

Notes (1) Source of Utility Allowance provided by Hopewell Housing Redevelopment and Housing Authority, effective 1/1/2021.

(2) Based on 3rd Party RCS dated March 25, 2021.

*Seniors 55 and over units

**Family units

Post-renovation, all of the Subject’s units will be income-restricted to seniors and families earning 60 percent of the AMI or below. Further, the Subject will continue to benefit from a Section 8 HAP contract. As such, tenants at the Subject will continue to pay just 30 percent of their income towards rent not to exceed the LIHTC maximum allowable rents.

Comparable LIHTC Rents

Post-renovation, the Subject will offer units rent restricted at the 60 percent AMI level and will continue to benefit from a Section 8 HAP contract.

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 @60%

Property Name	County	Tenancy	1BR	2BR*	2BR	3BR	4BR	Rents at Max?
Hopewell Heights Apartments	Hopewell (city)	Senior/Family	\$940	\$1,065	\$1,094	\$1,238	\$1,427	Yes
LIHTC Maximum Rent (Net) (@60%) - 2021	Hopewell (city)		\$940	\$1,105	\$1,094	\$1,238	\$1,427	
LIHTC Maximum Rent (Net) (@50%) - 2021	Hopewell (city)		\$771	\$891	\$981	\$1,004	\$1,166	
LIHTC Maximum Rent (Net) (@60%) - 2020	Hopewell (city)		\$934	\$1,097	\$1,086	\$1,229	\$1,418	
LIHTC Maximum Rent (Net) (@50%) - 2020	Hopewell (city)		\$766	\$896	\$885	\$996	\$1,158	
Clearfield Apartments (@60%)	Colonial Heights	Family	-	\$1,085		\$1,234	-	Yes**
Dunlop Farms (@50%)	Chesterfield	Senior	-	\$873		-	-	Yes**
Oaks Of Dunlop Farms (@60%)	Colonial Heights	Family	\$940	\$1,100		\$1,300	-	Yes**
Puddledock Place (@50%)	Prince George	Family	-	\$924		\$1,060	-	No
Puddledock Place II (@50%)	Prince George	Family	\$772	\$924		\$1,060	-	No
Average			\$772	\$938		\$1,164	-	
Achievable LIHTC Rent @60% - 2021 (Absent Subsidy)			\$940	\$1,094	\$1,094	\$1,238	\$1,427	Yes

*Set below the maximum allowable level

**Set at the 2020 maximum allowable levels

The Subject’s proposed LIHTC rents are set at the 60 percent maximum allowable rents, with the exception of five two-bedroom units. The data for 60 percent AMI rents is limited, with two properties reporting rents at the 2020 maximum allowable levels. In comparison, one comparable reported rents at the 50 percent AMI at the 2020 maximum allowable levels. It should be noted Puddledock Place I and II noted rents below the

maximum allowable levels to maintain affordability. Post-renovation, the Subject will exhibit similar to slightly superior condition to a majority of the LIHTC comparables. However, the Subject’s amenities are generally similar to slightly inferior to the comparables, and the Subject’s one-bedroom unit sizes are below the comparable ranges, while the two and three-bedroom unit sizes are above the comparable ranges. Based on the data, we do believe 60 percent AMI maximum allowable rents would be achievable if the Subject were to hypothetically lose subsidy. It should be noted the LIHTC comparables noted they intend on increasing rents to the 2021 maximum allowable levels, however, they were unable to state when the increase would go into effect

The Subject is/will be most similar to Dunlop Farms and Oaks of Dunlop Farms.

- Dunlop Farms is an 88-unit senior LIHTC development, located 4.7 miles southwest of the Subject. Dunlop Farms was constructed in 2001, exhibiting good condition, similar to the Subject “as renovated”. This property is contained in a single-story garden-style residential building, generally comparable to the Subject’s design. This property offers a slightly superior location, slightly superior in-unit amenities, (as it offers a dishwasher and in-unit washer/dryer), inferior two-bedroom unit sizes, and generally similar property amenities. This property reported achieving rents at the 50 percent AMI 2020 maximum allowable level and is 100 percent occupied.
- Oaks of Dunlop Farms is a 144-unit LIHTC development, located 4.6 miles west of the Subject. Oaks of Dunlop Farms was constructed in 1992 and was renovated in 2012, exhibiting good condition, similar to the Subject “as renovated”. This property is contained in two-story garden-style residential building slightly inferior to the Subject’s design. This property offers a slightly superior location, slightly superior in-unit amenities, (as it offers a dishwasher and in-unit washer/dryer), inferior one, two, and three-bedroom unit sizes, and generally similar property amenities. This property reported achieving rents at the 60 percent AMI 2020 maximum allowable level and is 100 percent occupied.

Overall, the Subject’s proposed LIHTC rental rates are set at the 2021 maximum allowable levels, excluding five two-bedroom senior units. However, post-renovation, all of the Subject’s units will continue to benefit from Section 8 subsidies; thus, tenants will continue paying 30 percent of their income towards rent, and the proposed LIHTC rents are purely hypothetical. Based on our analysis, we have placed the Subject’s achievable 60 percent AMI rents at the maximum allowable levels, absent subsidy, which are in line with Oaks of Dunlop Farms, the most similar LIHTC comparable; this property currently has rents set at the 2020 maximum allowable levels, to be increased to the 2021 maximum allowable levels in the near future.

Market Rent Comparison

The following table compares the Subject’s proposed rents to comparable market rate developments. Rents have been adjusted for differences in utility structure and concessions if applicable.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Unit Size	Rent Level	Current Proposed Rents	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA*	606	@60% (Section 8)	\$940	\$795	\$1,189	\$951	\$1,000	6%
2BR / 1BA*	1,004	@60% (Section 8)	\$1,065	\$877	\$1,307	\$1,064	\$1,100	3%
2BR / 1BA TH**	930	@60% (Section 8)	\$1,094	\$877	\$1,307	\$1,064	\$1,150	5%
3BR / 2BA TH**	1,240	@60% (Section 8)	\$1,238	\$1,025	\$1,549	\$1,250	\$1,350	8%
4BR / 2.5BA TH**	1,478	@60% (Section 8)	\$1,427	\$1,579	\$1,579	\$1,579	\$1,570	9%

*Seniors 62 and over units

**Family units

As shown in the table above, the Subject’s current contract rents are below to within the range of market rate comparable properties. Further, the Subject’s proposed LIHTC rents exhibit a three to nine percent rent advantage to the achievable market rents.

Achievable Market Rent

The achievable market rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market rate projects in the area. Novogradac & Company concluded that the Subject will be competitive with the market rate competition and its achievable rents are within the market rental range. Achievable rents represent net market rate rent levels that we believe a project of the Subject’s condition and quality could reasonably achieve. Overall, the Subject “as renovated” will be most similar to River’s Bend Apartments and Independence Place.

- River’s Bend Apartments is a 318-unit market rate development, located 6.7 miles northwest of the Subject in a slightly inferior location. This comparable offers one, two, and three-bedroom units contained in three-story garden residential buildings, slightly inferior to the Subject’s townhome and midrise-style designs. Regarding condition, this property was constructed in 1999 and exhibits average overall condition, slightly inferior to the Subject “as renovated.” The property is 99.4 percent occupied. This property offers slightly larger one, two and three-bedroom unit sizes when compared to the Subject, and slightly superior in-unit amenities and property amenities compared to that of the Subject.

SUBJECT COMPARISON TO RIVER'S BEND APARTMENTS

Unit Type	Unit Size	Rent Level	Subject Proposed Rent	Square Feet	Subject RPSF	River's Bend Apartments Rent	Square Feet	River's Bend Apartments RPSF	Subject Rent Advantage
1BR / 1BA*	606	@60% (Section 8)	\$940	606	\$1.19	\$1,074	719	\$1.49	12.5%
2BR / 1BA*	1,004	@60% (Section 8)	\$1,065	1,004	\$0.80	\$1,307	1,123	\$1.16	18.5%
2BR / 1BA TH**	930	@60% (Section 8)	\$1,094	930	\$0.80	\$1,307	1,123	\$1.16	16.3%
3BR / 2BA TH**	1,240	@60% (Section 8)	\$1,238	1,240	\$0.64	\$1,549	1,345	\$1.15	20.1%
4BR / 2.5BA TH**	1,478	@60% (Section 8)	\$1,427	1,478	\$0.60	-	-	-	-

*Seniors 62 and over units

**Family units

- Independence Place is a 230-unit market rate development, located 1.0 mile southwest of the Subject. This comparable offers one, two, and four-bedroom units contained in three-story garden-style residential buildings, slightly inferior to the Subject’s townhome and midrise-style designs. Regarding condition, this property was constructed in 2011, exhibiting slightly superior to the Subject “as renovated.” The property is 99.6 percent occupied. This property offers similar one, two, and four-bedroom unit sizes, slightly superior in-unit amenities and property amenities, as well as a slightly superior location.

SUBJECT COMPARISON TO INDEPENDENCE PLACE

Unit Type	Unit Size	Rent Level	Subject Proposed Rent	Square Feet	Subject RPSF	Independence Place Rent	Square Feet	Independence Place RPSF	Subject Rent Advantage
1BR / 1BA*	606	@60% (Section 8)	\$940	606	\$1.19	\$1,189	725	\$1.64	20.9%
2BR / 1BA*	1,004	@60% (Section 8)	\$1,065	1,004	\$0.80	\$1,285	967	\$1.33	17.1%
2BR / 1BA TH**	930	@60% (Section 8)	\$1,094	930	\$0.80	\$1,285	967	\$1.33	14.9%
3BR / 2BA TH**	1,240	@60% (Section 8)	\$1,238	1,240	\$0.64	-	-	-	-
4BR / 2.5BA TH**	1,478	@60% (Section 8)	\$1,427	1,478	\$0.60	\$1,579	1,488	\$1.06	9.6%

*Seniors 62 and over units

**Family units

We have placed the Subject achievable “as renovated” market rents within the range of what is being achieved at both River’s Bend Apartments and Independence Place for the three and four-bedroom units. However, the one and two-bedroom units are slightly below the range of what is being achieved at these two properties.

Conclusions and Recommendations

The Subject will be well-positioned in the market. As a newly-renovated property, the Subject will be in generally similar to slightly superior condition to most of the comparable properties. Vacancy rates among the LIHTC properties range from zero to 4.8 percent, with an average of 0.5 percent. Vacancy/collection loss at the Subject is expected to be no more than five percent over the long term. Based on the comparable data, the proposed rental rates appear achievable at the 2021 maximum allowable levels, absent subsidy. We believe the Subject will continue to be well-accepted in the market as a LIHTC/Section 8 rate property. Further, we believe the Subject’s achievable and proposed LIHTC rents offer an advantage compared to our achievable market rents.

VII. DEMAND ANALYSIS / CONCLUSIONS

DEMAND ANALYSIS/CONCLUSIONS

When evaluating demand for a particular proposed development we rely primarily on two methods. These are a supply analysis and a demand analysis. The supply analysis focuses on satisfied demand and anecdotal reports from property managers and market participants regarding demand. We believe this evidence of demand is the most clear and reliable when measuring housing need in a market area. We explored that indication in the previous sections of this report.

This section focuses on analyzing demographic data to determine housing need. According to NCHMA model content standards there are two measurements used to evaluate demand based on the demographic data. The first measurement is termed the capture rate. NCHMA define Capture Rate as: “The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to fill the units. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area.”

The second measurement is the Penetration Rate, which has similarities to the capture rate. NCHMA defines Penetration Rate as “The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed within six months of the Subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*.”

Introduction

The Subject is an existing Section 8 development consisting of 150 one, two, three, and four-bedroom units. Post-renovation, the Subject will continue to target seniors 62 and over (100 units) and families (50 units) and offer 95 one-bedroom, 37 two-bedroom, 44 three-bedroom, and six four-bedroom units. All of the Subject’s units will continue to benefit from a Section 8 HAP contract; therefore, tenants pay just 30 percent of their income towards rent. 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 by HUD assuming that the maximum net rent a household will pay is 30 percent of its income at the appropriate AMI levels.

Household size is assumed to be 1.5 persons 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 property is located in Hopewell, Virginia. The primary market area is defined as the cities of Hopewell, Woodvale, Prince George, Fort Lee, and portions of Petersburg, New Bohemia, and Colonial Heights. The boundaries of the PMA are defined as James River to the north, James River, County Road 644, and County Road 156 to the east, U.S. Highway 160 and U.S. Highway 460 to the south and Interstate 95 and U.S. Highway 301 to the west.

Demographic Information

The basic demographic information is based upon the definition of a primary market area (“PMA”) and an estimate of the characteristics of the people living within that geographic definition.

Demographic data originates from the Census and is compiled by a third-party data provider. Novogradac & Company uses data provided by the ESRI Business Analyst. Business Analyst brings in data as produced by ESRI’s team of demographers. Sources include the US Census, American Community Survey, and other reputable sources. Housing characteristics are derived from several data sources, including construction data from Hanley Wood Market Intelligence, building permits from counties, the USPS, HUD, BLS, and the Census bureau. Owner and renter occupied units come from the Current Population Survey (BLS) and the Housing Vacancy Survey (Census). Data has been ground-truthed by ESRI staff and proven effective.

ESRI’s products have been used by almost all US federal agencies (including HUD and USDA) , top state level agencies, over 24,000 state and local governments worldwide, as well as many industry leading technology users—AT&T, Citrix, SAP, Oracle, Microsoft. ESRI produces timely updates based on new releases of data.

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who have reached the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data that includes only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Hopewell, VA
2021 AMI for four-person household:	\$90,000
Tenancy (Family vs Senior):	Family/Senior
Affordability percentage:	35/40 percent
Leakage:	0 percent

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 (income bands) for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. This provides the upper end of the income band as illustrated below. However, the minimum income is not established by HUD and must be estimated. Often, lower-income families pay a higher percentage of gross income toward housing costs. The industry standard is 35 percent for LIHTC-only calculations for family-oriented properties. For senior properties this number increases to 40 percent based upon the nature of senior household economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the application percentage to determine an income level. For example, if a property has a one-bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent. It should be noted that the property will offer rents at the 60 percent AMI post renovations. As such,

the minimum allowable income limits in the absent subsidy scenario are based upon the proposed 60 percent AMI rents.

62+ INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60% (Section 8)	
1BR	\$0	\$43,200
2BR	\$0	\$48,600

62+ INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
1BR	\$30,360	\$43,200
2BR	\$35,250	\$48,600

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60% (Section 8)	
2BR	\$0	\$54,000
3BR	\$0	\$62,640
4BR	\$0	\$71,280

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
2BR	\$41,657	\$54,000
3BR	\$48,137	\$62,640
4BR	\$53,691	\$71,280

Second, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject property. This income distribution was illustrated previously in the demographic analysis section of this report.

HOUSEHOLD INCOME PMA

Income Cohort	PMA					
	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,906	6.5%	1,789	6.0%	-23	-1.2%
\$10,000-19,999	2,841	9.8%	2,598	8.7%	-49	-1.7%
\$20,000-29,999	2,432	8.4%	2,363	7.9%	-14	-0.6%
\$30,000-39,999	2,742	9.4%	2,493	8.3%	-50	-1.8%
\$40,000-49,999	2,741	9.4%	2,559	8.6%	-36	-1.3%
\$50,000-59,999	1,957	6.7%	2,211	7.4%	51	2.6%
\$60,000-74,999	2,901	10.0%	2,775	9.3%	-25	-0.9%
\$75,000-99,999	3,802	13.1%	3,864	12.9%	12	0.3%
\$100,000-124,999	2,660	9.1%	2,870	9.6%	42	1.6%
\$125,000-149,999	1,838	6.3%	2,081	7.0%	49	2.6%
\$150,000-199,999	1,756	6.0%	2,139	7.2%	77	4.4%
\$200,000+	1,533	5.3%	2,143	7.2%	122	8.0%
Total	29,109	100.0%	29,885	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, May 2021

Step Three – Income Distribution

Third, we combine the allowable income bands with the income distribution analysis in order to determine the number of potential income-qualified households. The Cohort Overlap is defined as the income amount within income bands defined above that falls within the ESRI provided Income Cohort. The % in Cohort is simply the cohort overlap divided by the income cohort range (generally \$10,000). The # in Cohort is determined by multiplying total renter households by the % in Cohort determination. In some cases, the income-eligible band overlaps with more than one income cohort. In those cases, the cohort overlap for more than one income cohort will be calculated. The sum of these calculations provides an estimate of the total number of households that are income-eligible, both by AMI level and in total.

62+ INCOME DISTRIBUTION 2020 - AS PROPOSED

Income Cohort	Total Renter Households	@60% (Section 8)			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	141	9,999	100.0%	141	9,999	100.0%	141
\$10,000-19,999	486	9,999	100.0%	486	9,999	100.0%	486
\$20,000-29,999	326	9,999	100.0%	326	9,999	100.0%	326
\$30,000-39,999	222	9,999	100.0%	222	9,999	100.0%	222
\$40,000-49,999	230	8,600	86.0%	198	8,600	86.0%	198
\$50,000-59,999	132						
\$60,000-74,999	163						
\$75,000-99,999	105						
\$100,000-124,999	82						
\$125,000-149,999	41						
\$150,000-199,999	49						
\$200,000+	40						
Total	2,017		68.1%	1,373		68.1%	1,373

62+ INCOME DISTRIBUTION 2020 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	141						
\$10,000-19,999	486						
\$20,000-29,999	326						
\$30,000-39,999	222	9,639	96.4%	214	9,639	96.4%	214
\$40,000-49,999	230	8,600	86.0%	198	8,600	86.0%	198
\$50,000-59,999	132						
\$60,000-74,999	163						
\$75,000-99,999	105						
\$100,000-124,999	82						
\$125,000-149,999	41						
\$150,000-199,999	49						
\$200,000+	40						
Total	2,017		20.4%	412		20.4%	412

FAMILY INCOME DISTRIBUTION 2020 - AS PROPOSED

Income Cohort	Total Renter Households	@60% (Section 8)			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	1,211	9,999	100.0%	1,211	9,999	100.0%	1,211
\$10,000-19,999	1,809	9,999	100.0%	1,809	9,999	100.0%	1,809
\$20,000-29,999	1,158	9,999	100.0%	1,158	9,999	100.0%	1,158
\$30,000-39,999	1,343	9,999	100.0%	1,343	9,999	100.0%	1,343
\$40,000-49,999	1,102	9,999	100.0%	1,102	9,999	100.0%	1,102
\$50,000-59,999	673	9,999	100.0%	673	9,999	100.0%	673
\$60,000-74,999	1,334	11,280	75.2%	1,003	11,280	75.2%	1,003
\$75,000-99,999	1,372						
\$100,000-124,999	614						
\$125,000-149,999	380						
\$150,000-199,999	359						
\$200,000+	263						
Total	11,618		71.4%	8,299		71.4%	8,299

FAMILY INCOME DISTRIBUTION 2020 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	1,211						
\$10,000-19,999	1,809						
\$20,000-29,999	1,158						
\$30,000-39,999	1,343						
\$40,000-49,999	1,102	8,342	83.4%	919	8,342	83.4%	919
\$50,000-59,999	673	9,999	100.0%	673	9,999	100.0%	673
\$60,000-74,999	1,334	11,280	75.2%	1,003	11,280	75.2%	1,003
\$75,000-99,999	1,372						
\$100,000-124,999	614						
\$125,000-149,999	380						
\$150,000-199,999	359						
\$200,000+	263						
Total	11,618		22.3%	2,596		22.3%	2,596

Step Four – Income Eligible - Renter Households by Number of People in Household

At this point we know how many income eligible renter households there are within the PMA by AMI level. Using that household figure, we have also calculated percentage of income eligible households to total households by AMI level (AMI percentage eligible). However, in order to provide a demand analysis by bedroom type the number of households must now be allocated to a bedroom mix. The first step in that process is to determine the number of income qualified renter households by the number of persons per household. This can be completed by applying the total number of rental households by person by the AMI percentage eligible. The total number of renter households by person is information provided by ESRI and illustrated in the demographic discussion.

Step Five – Unit Size Appropriate

Household size is assumed to be 1.5 or two persons per bedroom for LIHTC rent calculation purposes for family and seniors, respectively. Additionally, HUD assumes that one-person households are accommodated in one-bedroom units. For LIHTC income purposes, the actual size of the household is used.

The distribution of households by unit type is dependent on the following assumptions. This table has been developed by Novogradac as a result of market research.

HOUSEHOLD DISTRIBUTION

HOUSEHOLD DISTRIBUTION		
1 BR	90%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
2 BR	10%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	30%	Of four-person households in 2BR units
3 BR	100%	Of three-person households in 3BR units
	40%	Of four-person households in 3BR units
	50%	Of five-person households in 3BR units
4 BR	30%	Of four-person households in 4BR units
	50%	Of five-person households in 4BR units

The projected renter household demand by bedroom size can then be determined by applying these weightings to the number of income qualified renter households determined in Step Four.

Step Six – Capture Rate by Bedroom Mix

The capture rate is simply determined by dividing the number of units by unit type for the Subject by the total number of qualified renter households for that unit type.

Demand – As Proposed (Senior)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	68.1%	1,374
2 persons	17.5%	353
3 persons	7.8%	158
4 persons	3.1%	62
5+ persons	3.5%	70
Total	100.0%	2,017

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,374	x	68.1%	935
2 persons	353	x	68.1%	240
3 persons	158	x	68.1%	108
4 persons	62	x	68.1%	42
5+ persons	70	x	68.1%	48
Total	2,017			1,373

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	890
2BR	298
3BR	148
4BR	36
Total	1,373

Capture Rate Analysis - @60% (Section 8) - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	95	10.7%
2BR	5	1.7%
Total/Overall	100	7.3%

Demand – Absent Subsidy (Senior)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	68.1%	1,374
2 persons	17.5%	353
3 persons	7.8%	158
4 persons	3.1%	62
5+ persons	3.5%	70
Total	100.0%	2,017

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,374	x	20.4%	281
2 persons	353	x	20.4%	72
3 persons	158	x	20.4%	32
4 persons	62	x	20.4%	13
5+ persons	70	x	20.4%	14
Total	2,017			412

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	267
2BR	90
3BR	44
4BR	11
Total	412

Capture Rate Analysis - @60% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	95	35.6%
2BR	5	5.6%
Total/Overall	100	24.3%

Demand – As Proposed (Family)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size	Total Number of Renter
	Distribution	Households
1 person	31.9%	3,703
2 persons	23.4%	2,717
3 persons	18.4%	2,142
4 persons	14.0%	1,630
5+ persons	12.3%	1,426
Total	100.0%	11,618

Income-Qualified Renter Demand

	Total Number of Renter		% Income-Qualified	Number Qualified
	Households		Renter Households	Renter Households
1 person	3,703	x	71.4%	2,645
2 persons	2,717	x	71.4%	1,941
3 persons	2,142	x	71.4%	1,530
4 persons	1,630	x	71.4%	1,164
5+ persons	1,426	x	71.4%	1,019
Total	11,618			8,299

Projected Renter Household Demand by Bedroom Size

	Number of Qualified
	Renter Households
1BR	2,769
2BR	2,167
3BR	2,505
4BR	859
Total	8,299

Capture Rate Analysis - @60% (Section 8) - As Proposed

	Developer's Unit Mix	Capture Rate
OBR	-	-
1BR	0	0.0%
2BR	32	1.5%
3BR	12	0.5%
4BR	6	0.7%
Total/Overall	50	0.6%

Demand – Absent Subsidy (Family)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size	Total Number of Renter
	Distribution	Households
1 person	31.9%	3,703
2 persons	23.4%	2,717
3 persons	18.4%	2,142
4 persons	14.0%	1,630
5+ persons	12.3%	1,426
Total	100.0%	11,618

Income-Qualified Renter Demand

	Total Number of Renter		% Income-Qualified	Number Qualified
	Households		Renter Households	Renter Households
1 person	3,703	x	22.3%	827
2 persons	2,717	x	22.3%	607
3 persons	2,142	x	22.3%	479
4 persons	1,630	x	22.3%	364
5+ persons	1,426	x	22.3%	319
Total	11,618			2,596

Projected Renter Household Demand by Bedroom Size

	Number of Qualified
	Renter Households
1BR	866
2BR	678
3BR	784
4BR	269
Total	2,596

Capture Rate Analysis - @60% Absent Subsidy

	Developer's Unit Mix	Capture Rate
2BR	32	4.7%
3BR	12	1.5%
4BR	6	2.2%
Total/Overall	50	1.9%

Annual Demand Table – As Proposed (Senior)

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2020		2,017
Increase in Number of Renter Households		206
Number of Renter Households in 2025		2,223
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		22.1%
Percentage of Income-Qualified Renter Households		68.1%
Number of Income-Qualified Renter Households		1,373
Percentage of Rent-Overburdened		41.4%
Existing Income-Qualified Renter Household Turnover		569
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		41
Percentage of Income-Qualified Renter Households		68.1%
New Rental Income Qualified Households		28
<i>Capture Rate Analysis</i>		
Number of Units in Subject		150
Occupied Units at Subject With Vacancy of:	5%	143
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		597
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		663
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		663
Yielded Annual Capture Rate of Available Demand in 2021		21.5%

Annual Demand Table – Absent Subsidy (Senior)

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2020		2,017
Increase in Number of Renter Households		206
Number of Renter Households in 2025		2,223
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		22.1%
Percentage of Income-Qualified Renter Households		20.4%
Number of Income-Qualified Renter Households		412
Percentage of Rent-Overburdened		41.4%
Existing Income-Qualified Renter Household Turnover		171
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		41
Percentage of Income-Qualified Renter Households		20.4%
New Rental Income Qualified Households		8
<i>Capture Rate Analysis</i>		
Number of Units in Subject		150
Occupied Units at Subject With Vacancy of:	5%	143
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		179
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		199
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		199
Yielded Annual Capture Rate of Available Demand in 2021		71.6%

Annual Demand Table – As Proposed (Family)

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2020		11,618
Increase in Number of Renter Households		222
Number of Renter Households in 2025		11,840
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		39.9%
Percentage of Income-Qualified Renter Households		71.4%
Number of Income-Qualified Renter Households		8,299
Percentage of Rent-Overburdened		41.4%
Existing Income-Qualified Renter Household Turnover		3,437
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		44
Percentage of Income-Qualified Renter Households		71.4%
New Rental Income Qualified Households		32
<i>Capture Rate Analysis</i>		
Number of Units in Subject		150
Occupied Units at Subject With Vacancy of:	5%	143
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		3,468
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		3,854
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		3,854
Yielded Annual Capture Rate of Available Demand in 2021		3.7%

Annual Demand Table – Absent Subsidy (Family)

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2020		11,618
Increase in Number of Renter Households		222
Number of Renter Households in 2025		11,840
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		39.9%
Percentage of Income-Qualified Renter Households		22.3%
Number of Income-Qualified Renter Households		2,596
Percentage of Rent-Overburdened		41.4%
Existing Income-Qualified Renter Household Turnover		1,075
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		44
Percentage of Income-Qualified Renter Households		22.3%
New Rental Income Qualified Households		10
<i>Capture Rate Analysis</i>		
Number of Units in Subject		150
Occupied Units at Subject With Vacancy of:	5%	143
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		1,085
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		1,205
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		1,205
Yielded Annual Capture Rate of Available Demand in 2021		11.8%

VIRGINIA HOUSING DEMAND

We have also included the required demand table from the VHDA market study guidelines. The following table illustrates the total demand and the net demand for the Subject's affordable units, as well as the absorption period all of the Subject's unit. The supply illustrates all proposed or under construction units in the PMA.

There are no recent LIHTC allocations in the PMA. Within the PMA, we are aware of four vacant units, which are detailed in the following table.

NUMBER OF VACANT LIHTC UNITS IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units
Clearfield Apartments	LIHTC	Family	144	0
Dunlop Farms	LIHTC	Family	88	0
Oaks Of Dunlop Farms	LIHTC	Family	144	0
Puddledock Place	LIHTC	Family	84	4
Puddledock Place II	LIHTC	Family	72	0
Total			532	4

According to Esri Demographics, 41.4 percent of renter households are considered overburdened (defined by VHDA as paying more than 35 percent of gross income for gross rent), which equates to 3,405 income-qualified renter households in the PMA. Further, 158 renter households live in substandard housing (defined by VHDA as housing that is overcrowded and/or lack of plumbing).

The following table illustrates the resulting capture rates for demand currently existing in the PMA for senior tenancy.

Income Restrictions (Senior Tenancy)	Up to 60% with subsidy (min. income to max income)
New Rental Households	140
+	
Existing Households - Overburdened	568
+	
Existing Households - Substandard Housing	25
+	
Senior Households - Likely to Covert to Rental Housing (10% of existing senior owner occupants)	0
+	
Qualified Tenants- To Remain After Renovation (n/a)	n/a
TOTAL DEMAND	734
-	
Supply (includes directly comparable vacant units or in pipeline in PMA)	0
NET DEMAND	734
PROPOSED UNITS	150
CAPTURE RATE	20.4%
ABSORPTION PERIOD*	6 months

*It should be noted that this absorption period assumes the Subject is hypothetically 100 percent vacant; however, the Subject is in fact an existing Section 8 development that is currently 100 percent occupied.

We believe there is ample demand for the Subject as proposed. Our concluded capture rates and absorption are shown in the table below.

Capture Rate - Senior Tenancy - As Proposed	18.4%
Project Wide Absorption Period (Months)*	6 months

*It should be noted that this absorption period assumes the Subject is hypothetically 100 percent vacant; however, the Subject is in fact an existing Section 8 development that is currently 100 percent occupied.

The following table illustrates the resulting capture rates for demand currently existing in the PMA for family tenancy.

Income Restrictions (Family Tenancy)	Up to 60% (min. income to max income)
New Rental Households	159
+	
Existing Households - Overburdened	3,436
+	
Existing Households - Substandard Housing	153
+	
+	
Qualified Tenants- To Remain After Renovation (n/a)	n/a
TOTAL DEMAND	3,747
-	
Supply (includes directly comparable vacant units or in pipeline in PMA)	0
NET DEMAND	3,747
PROPOSED UNITS	150
CAPTURE RATE	4.0%
ABSORPTION PERIOD*	6 months

*It should be noted that this absorption period assumes the Subject is hypothetically 100 percent vacant; however, the Subject is in fact an existing Section 8 development that is currently 100 percent occupied.

We believe there is ample demand for the Subject as proposed. Our concluded capture rates and absorption are shown in the table below.

Capture Rate - Family Tenancy - As Proposed	4.0%
Project Wide Absorption Period (Months)*	3 months

*It should be noted that this absorption period assumes the Subject is hypothetically 100 percent vacant; however, the Subject is in fact an existing Section 8 development that is currently 100 percent occupied.

Conclusion

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 18.4 percent for seniors and 4.0 percent for families as proposed.

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. The annual Novoco capture rates as proposed is 21.5 percent for seniors and 3.7 percent for families the

first year of operation. 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. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 663 units of demand for seniors and 3,854 units of demand for families in the first year of the Subject’s operation after completion as proposed. The Subject’s units will need to accommodate 146 total units of demand for seniors and 150 total units of demand for families in order to stabilize at 95 percent occupancy. 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. However, it should be noted that the Subject is an existing Section 8 property that is currently 100 percent occupied.

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

Capture Rate - Senior Tenancy - As Proposed Project Wide Absorption Period (Months)*	20.4%
	6 months

*It should be noted that this absorption period assumes the Subject is hypothetically 100 percent vacant; however, the Subject is in fact an existing Section 8 development that is currently 100 percent occupied.

Capture Rate - Family Tenancy - As Proposed Project Wide Absorption Period (Months)*	4.0%
	3 months

*It should be noted that this absorption period assumes the Subject is hypothetically 100 percent vacant; however, the Subject is in fact an existing Section 8 development that is currently 100 percent occupied.

This is a low capture rate and indicative of adequate demand for the Subject.

Penetration Rate Analysis

The following table illustrates the competitive units as proposed.

AFFORDABLE HOUSING IN THE PMA

Property Name	Rent Structure	Tenancy	Total # of units	# of LIHTC Units	# of Competitive Units - As Proposed	# of Competitive Units - Absent Subsidy
Oaks Of Dunlop*	LIHTC	Family	144	144	144	144
Pinetree	LIHTC	Family	144	144	144	144
Windy Ridge	LIHTC	Family	72	72	72	72
Bailey's Ridge	LIHTC	Family	156	156	156	156
Petersburg East II	LIHTC / Section 8	Family	100	100	100	0
Clearfield Apts*	LIHTC	Family	144	144	144	144
Dunlop Farms*	LIHTC	Senior	88	88	88	88
Petersburg East I	LIHTC / Section 8	Family	68	68	68	0
Puddledock Place I & II*	LIHTC	Family	72	72	72	72
Liberty Pointe	LIHTC	Family	48	48	48	48
Summit	LIHTC	Family	56	56	56	56
Piper Square	Section 8	Family	134	0	134	0
Total				1,092	1,092	924

*Utilized as rental comparables

As shown, we have estimated a total of 1,092 existing affordable units in the PMA as proposed and 924 existing affordable units in the PMA absent subsidy. These units have been deducted from our penetration rate calculation. According to the Virginia Housing allocation lists, there have been no developments allocated tax credits in the PMA since 2017. As such, no future units have been accounted for.

Penetration Rate Analysis

Per VHDA guidelines, we also performed a penetration rate analysis for the Subject’s units, as illustrated in the following table.

PENETRATION RATE - AS PROPOSED	
Number of Proposed Competitive Affordable Units in the PMA	0
	+
Number of Existing Competitive Senior/Family Affordable Units in the PMA	1,192
	+
Number of Proposed Affordable Units at the Subject	150
	=
Total	1,342
	/
Income Eligible Households - All AMI Levels	8,299
	=
Overall Penetration Rate - As Proposed	16.2%

PENETRATION RATE - ABSENT SUBSIDY	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	0
	+
Number of Existing Competitive Senior/Family Affordable Units in the PMA	924
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	150
	=
Total	1,074
	/
Income Eligible Households - All AMI Levels	2,596
	=
Overall Penetration Rate - Absent Subsidy	41.4%

The overall penetration rates for the Subject is 16.2 percent as proposed and 41.4 percent absent subsidy. Both calculations are moderate. The penetration rate we have presented is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA).

Absorption Estimate

We were unable to obtain absorption data from two of the comparable properties. For support, we expanded our search to a 20-mile radius of the surrounding area for recent absorption data. These are detailed below.

ABSORPTION						
Property Name	Location	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Canopy At Ginter Park	Richmond	Market	Family	2019	301	16
The Village At Weslake	Richmond	Market	Family	2018	252	42
Shockoe Valley Apartments	Richmond	Market	Family	2016	238	30
Terrace At Manchester	Richmond	Market	Family	2015	148	16
Puddledock Place*	Prince George	LIHTC	Family	2014	84	26
Puddledock Place II*	Prince George	LIHTC	Family	2014	72	18
Average						25

*Utilized as rental comparables

Renovations at the Subject will occur with minimal disruption to tenants and it is expected nearly all tenants will remain income-qualified post-renovation, and that given the subsidy in place for all units, all tenants will continue to contribute a portion of their income as rent; therefore, we do not believe that there will be a need for any significant re-absorption of units. Based on the aforementioned performance properties in the Subject's area, as well as the relatively low vacancy rates reported in the market, we have estimated that the Subject would absorb approximately 25 units per month, if hypothetically vacant, for an absorption period of approximately six months.

Rent conclusions were provided in the *Competitive Environment* section.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject. The Novoco achievable market rents are reasonable and as a Section 8/LIHTC property, the Subject will continue to operate with a strong occupancy rate.

VIII. LOCAL PERSPECTIVE OF RENTAL HOUSING AND HOUSING ALTERNATIVES

LOCAL PERSPECTIVE OF RENTAL HOUSING ALTERNATIVES

INTERVIEWS/DISCUSSION

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

LIHTC Competition / Recent and Proposed Construction

According to the Virginia Housing allocation lists, there have been no developments allocated tax credits in the PMA since 2017.

City Planning and Development Department

We attempted to contact the City of Hopewell regarding new, planned, or under construction multifamily and senior developments in the PMA. However, as of the date of this report our calls have not been returned. Additionally, we conducted further online research and utilized Costar to find new, planned, or under construction multifamily and senior developments. Our findings are detailed below.

- Freedman Point was constructed in 2020 and located at 315 E Cawson Street in Hopewell. The development is a 68-unit family development that consists of two and three-bedroom units. It should be noted this property was utilized as a rental comparable.

Hopewell Redevelopment and Housing Authority

We attempted to contact the Hopewell Redevelopment and Housing Authority for information on Housing Choice Voucher use in the city; however, our calls have not been returned. The current gross payment standards are illustrated in the following table.

PAYMENT STANDARDS		
Unit Type	Payment Standard	Subject's Proposed Gross Rents
1BR / 1BA	\$1,020	\$1,012
2BR / 1BA	\$1,163	\$1,175-\$1,215
3BR / 2BA	\$1,538	\$1,404
4BR / 2.5BA	\$1,840	\$1,566

The Subject’s proposed one, three, and four-bedroom 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 if hypothetically operating without subsidy. However, the developer’s highest proposed two-bedroom rent is above the payment standard, indicating that voucher holding tenants would need to pay additional rent out-of-pocket. Nonetheless, all of the Subject’s units will continue to benefit from Section 8 subsidy; thus, this analysis is essentially moot, as all tenants residing at the Subject will continue to pay just 30 percent of their income towards rent.

Addendum A
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 existing 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 existing 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 property 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 property 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 existing 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 existing 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 existing 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 property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

May 4, 2021

I affirm the following:

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

This report was written according to the 2021 VHDA market study guidelines. The recommendations and conclusions are based solely on professional opinion and best efforts.

Respectfully submitted,

Novogradac Consulting LLP



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Partner
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(913) 312-4612



Sara Nachbar
Manager
Sara.Nachbar@novoco.com
(913) 312-4625



Ryan Houghtaling
Analyst
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(913) 312-4626

Addendum B
Statement of Qualifications

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON, MAI**

I. EDUCATION

Cornell University, Ithaca, NY
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network
 2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter
 2013 Director of Communications and Board Member for Kansas City CREW
 2014 Secretary and Board Member for Kansas City CREW
 2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527
State of California Certified General Real Estate Appraiser No. AG044228
State of Colorado Certified General Real Estate Appraiser No. 100031319
State of Georgia Certified General Real Estate Appraiser No. 391113
State of Hawaii Certified General Real Estate Appraiser No. CGA1048
State of Illinois Certified General Real Estate Appraiser No. 553.002012
State of Kansas Certified General Real Estate Appraiser No. G-2501
State of Minnesota Certified General Real Estate Appraiser No. 40420897
State of Missouri Certified General Real Estate Appraiser No. 2007035992
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R
State of New Mexico Certified General Real Estate Appraiser No. 03424-G
State of North Dakota Certified General Real Estate Appraiser No. CG-219110
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA
State of Oregon Certified General Real Estate Appraiser No. C000951
State of South Dakota Certified General Real Estate Appraiser No. 1488CG
State of Texas Certified General Real Estate Appraiser No. 1380396

III. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute:
 Appraisal Principals, September 2004
 Basic Income Capitalization, April 2005
 Uniform Standards of Professional Appraisal Practice, various
 Advanced Income Capitalization, August 2006
 General Market Analysis and Highest & Best Use, July 2008
 Advanced Sales Comparison and Cost Approaches, June 2009
 Advanced Applications, June 2010
 General Appraiser Report Writing and Case Studies, July 2014
 Standards and Ethics (USPAP and Business Practices and Ethics)
 MAI Designation General Comprehensive Examination, January 2015
 MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

V. SPEAKING ENGAGEMENTS

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, National Housing and Rehabilitation Association Conferences, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado, Idaho Conference on Housing and Economic Development, and Missouri Workforce Housing Association.

VI. REAL ESTATE ASSIGNMENTS

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

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes 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. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate, and conducted various demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

SARA N. NACHBAR

I. EDUCATION

Missouri State University – Springfield, MO
Bachelor of Science – Finance

II. PROFESSIONAL EXPERIENCE

Manager, Novogradac & Company LLP
Executive Assistant, Helzberg Entrepreneurial Mentoring Program
Claims Associate, Farmers Insurance Group

III. REAL ESTATE ASSIGNMENTS

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies and assisted in appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.
- Conducted more than 40 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation multifamily projects.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Ryan Houghtaling

I. Education

Missouri State University – Springfield, MO
Bachelor of Science General Business

II. Professional Experience

Novogradac & Company LLP – August 2018 – Present
Analyst

State Street Bank – December 2014 – September 2018
Insurance Services, Fund Administration – Associate I
Alternative Investment Solutions – Associate II

III. Research Assignments

A representative sample of work on various types of projects:

- Assists in the preparation of market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Conducts physical inspections of subject properties and comparables to determine condition and evaluate surrounding markets.
- Assists in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements includes site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researches and analyzes local and national economy and economic indicators for specific projects throughout the United States. Research includes employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examines local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

Addendum C
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 existing, comparable properties.

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

- U.S. Census Bureau
- ESRI, Business Information Solutions
- Ribbon Demographics
- US Department of Commerce, Bureau of Labor Statistics
- Department of Housing and Urban Development (HUD)
- City of Hopewell Planning & Zoning Department
- Hopewell Economic Development Office
- Hopewell Redevelopment and Housing Authority
- Virginia Housing
- Virginia Employment Commission
- CoStar New Construction Listing
- CoStar Hopewell County Region Market Report

Addendum D
NCHMA Certification

Certificate of Professional Designation

This certificate verifies that

Rachel Denton
Novogradac & Company LLP

*Has completed NCHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*



Formerly known as
NCAHMA

National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
1/1/2021 to 12/31/2021



A handwritten signature in black ink, appearing to read 'Thomas Amdur'.

Thomas Amdur
President, NCHMA

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.

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

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.

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

Addendum E
Utility Allowance Schedule

Utility Allowances Schedule

U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 09/21/2024)

Locality/PHA		Unit Type				Date (mm/dd/yyyy)	
Hopewell Redevelopment & Housing Authority		Garden/Row/Duplex/Apts				01/01/2021	
Utility or Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	11	14	18	22	26	30
	Bottle Gas	38	47	60	73	85	97
	Electric	38	39	42	58	66	74
	Electric - Heat Pump	34	37	40	55	63	71
	Fuel Oil	25	32	41	49	58	66
Cooking	Natural Gas	2	2	2	2	2	2
	Bottle Gas	5	6	6	7	7	8
	Electric	8	9	11	12	13	15
	Fuel Oil	3	4	4	5	5	5
Other Electric		21	28	33	40	47	53
Air Conditioning		8	9	12	14	18	18
Water Heating	Natural Gas	7	8	9	12	14	16
	Bottle Gas	21	26	30	39	45	64
	Electric	16	20	25	34	44	53
	Fuel Oil	15	17	20	26	30	36
Water		27	28	39	45	62	68
Sewer		13	13	18	21	28	30
Trash Collection		12	12	12	12	12	12
Range		6	6	6	6	6	6
Refrigerator		7	7	7	7	7	7
Other - Specify Customer Charge	a. Virginia Electric	7	7	7	7	7	7
	b. Columbia Gas	18	18	18	18	18	18
Actual Family Allowances - May be used by the family to compute allowance while searching for a unit					Utility/Service/Appliance	Allowance	
Head of Household Name					Heating		
					Cooking		
Unit Address					Other Electric		
					Air Conditioning		
Number of Bedrooms					Water Heating		
					Water		
					Sewer		
					Trash Collection		
					Range/Microwave		
					Refrigerator		
					Other		
					Total		

Addendum F
Subject and Neighborhood Photographs

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior



Subject's exterior and surface parking



Picnic area



Tenant mailboxes



Leasing office



Central laundry facility



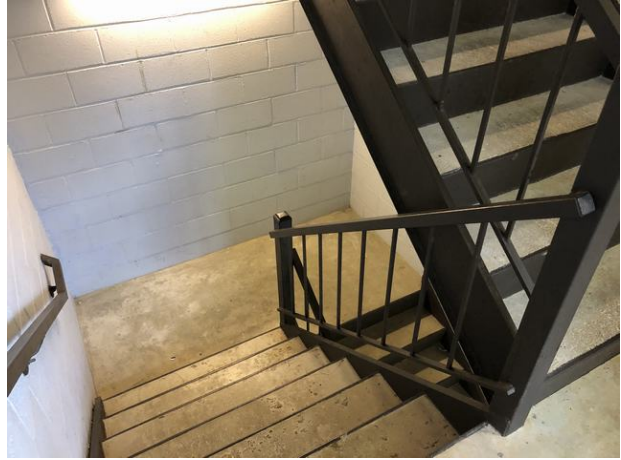
Community room



Computer lab



Exercise facility



Typical stairway



Typical hallway



Typical living area



Typical kitchen



Typical bedroom



Typical bathroom



Typical living area



Typical kitchen



Typical bedroom



Typical living area



Typical kitchen



Typical bedroom



Typical bedroom



Typical bathroom



Typical living area



Typical kitchen



Typical in-unit stairway



Typical bedroom



Typical bedroom



Typical bedroom



Typical bathroom



Piper Square Section 8 development east of Subject



Single-family homes to the south of Subject



Single-family homes to the south of Subject



House of worship to the east of Subject along Courthouse Road



Site of recently demolished shopping center to the northwest of Subject



Bowling alley to the northwest of Subject along Oaklawn Boulevard



Retail use to the northwest of Subject along Oaklawn Boulevard



Retail use to the north of Subject along Courthouse Road



View along Old Iron Court facing east



View along Old Iron Court facing west