

A MARKET FEASIBILITY

STUDY OF:

DERBY RUN II

A MARKET FEASIBILITY STUDY OF:

DERBY RUN II

Located at:
6 Derby Drive
Hampton, Hampton County, Virginia 23666

Effective Date: January 29, 2020
Report Date: March 9, 2020

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

Prepared by:
Novogradac & Company LLP
6700 Antioch Road, Suite 450
Merriam, KS 66204
913-677-4600





March 9, 2020

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

Re: Market Study for Derby Run II, located in Hampton, Virginia

Dear Mr. Wood:

At your request, Novogradac & Company LLP has performed a market study of the multifamily rental market in the Hampton, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC)/market rate project. It should be noted that we are concurrently preparing an application appraisal.

The purpose of this market study is to assess the viability of Derby Run II (Subject), a proposed acquisition/rehabilitation development. The Subject consists of 144 two and three-bedroom units, 116 of which are restricted at 60 percent of the area median income (AMI) or less. The remaining 28 units are market rate. The property was originally constructed and placed in service in 1997 with LIHTCs, and is proposed to again be renovated with LIHTCs, with an anticipated 12-month renovation timeframe starting August 2020. The Subject's initial 15-year compliance period expired in 2012 and a 15-year extended use agreement is now in effect through 2027. Upon renovation, the Subject will enter into a new 15-year compliance period and subsequent extended-use period. Post-renovation, 116 units will be LIHTC and 28 will be market rate.

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. Envolve Communities is the client in this engagement. We understand that they will submit this document to the Virginia Housing Development Authority (VHDA) for tax credit application. The scope of this report meets the requirements of VHDA, including the following:

- Inspecting the site of the proposed Subject and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.
- Investigating the general economic health and conditions of the rental market.
- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.

**DERBY RUN II
MARKET STUDY
MARCH 2020
PAGE 2**

- Reviewing relevant public records and contacting appropriate public agencies.
- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary Market Area, if applicable.
- Surveying competing projects, both LIHTC and market-rate.

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

The National Council of Housing Market Analysts (NCHMA) is a professional organization chartered to promote the development of high quality market analysis for the affordable housing industry. Novogradac & Company LLP is a charter member of this organization and adheres to the market study guidelines promulgated by NCHMA. The NCHMA certification and checklist can be found in the *Addenda* of this report. Please refer to the checklist to find the sections in which content is located.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



Rachel B. Denton, MAI
Partner
Rachel.Denton@novoco.com
(913) 312-4612



Jon Sestak
Senior Analyst
Jon.Sestak@novoco.com
(913) 312-4625



Patrick Vigna
Junior Analyst

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY AND CONCLUSIONS.....	1
II. PROJECT DESCRIPTION	5
III. LOCATION, MARKET AREA DEFINITION & PROPERTY CHARACTERISTICS.....	12
IV. EMPLOYMENT AND ECONOMY	29
V. DEMOGRAPHIC CHARACTERISTICS.....	37
VI. COMPETITIVE ENVIRONMENT	45
VII. DEMAND ANALYSIS / CONCLUSIONS.....	109
VIII. LOCAL PERSPECTIVE OF RENTAL HOUSING AND HOUSING ALTERNATIVES	120

ADDENDUM A - ASSUMPTIONS AND LIMITING CONDITIONS

ADDENDUM B - STATEMENT OF QUALIFICATIONS

ADDENDUM C - DATA SOURCES

ADDENDUM D - NCHMA CERTIFICATION

ADDENDUM E - UTILITY ALLOWANCE SCHEDULE

ADDENDUM F - SUBJECT AND NEIGHBORHOOD PHOTOGRAPHS

I. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

Derby Run II, the Subject, consists of a 144-unit low-income housing tax credit (LIHTC)/market rate development with 116 two and three-bedroom units restricted to households earning 60 percent of the area median income (AMI) or less. The remaining 28 two and three-bedroom units are market rate. The Subject's initial 15-year compliance period expired in 2012 and the 15-year extended-use agreement is now in effect and will extend through 2027. Upon renovation, the Subject will enter into a new 15-year compliance period and subsequent extended-use period. Post-renovation, 116 units will be LIHTC and 28 will be market rate.

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

PROPOSED RENTS								
Unit Type	Unit Size (SF)	# of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	% of Maximum Allowable Gross Rent	
@60%								
2BR/2BA	962	74	\$964	\$107	\$1,071	\$1,071	100.0%	
3BR/2BA	1,185	12	\$1,079	\$158	\$1,237	\$1,237	100.0%	
3BR/2BA	1,186	15	\$1,078	\$159	\$1,237	\$1,237	100.0%	
3BR/2BA	1,187	15	\$1,077	\$160	\$1,237	\$1,237	100.0%	
Market Rate								
2BR/2BA	962	4	\$967	-	-	-	-	
2BR/2BA	962	18	\$953	-	-	-	-	
3BR/2BA	1,185	4	\$1,079	-	-	-	-	
3BR/2BA	1,185	2	\$1,097	-	-	-	-	
		144						

Notes (1) According to the developer, project-specific utility allowance.

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

Strengths

- The Subject's unit sizes are considered competitive and offer a slight advantage compared to comparable LIHTC properties.
- Historically, the Subject's in-unit, community amenities, and unit sizes have been well-accepted in the market; thus, we believe they will continue to be competitive with the comparables.
- The local economy is outperforming the nation in terms of total employment growth and low unemployment rate. Between November 2018 and November 2019, the unemployment rate decreased 0.1 percentage points to 2.7 percent, while the nation reported a decrease of 0.2 percentage points to 3.3 percent.
- Vacancy rates among the LIHTC properties range from zero to 10.6 percent, with an average of 3.5 percent. However, excluding Wilsondale Apartments (which reported elevated vacancy due to difficulties income-qualifying tenants), vacancy rates among the LIHTC properties range from zero to 2.2 percent, with an average of just 1.2 percent.
- The Subject is an existing LIHTC development that has historically maintained strong occupancy.
- The Subject is located in close proximity to many services, public transportation, and retailers.

Weaknesses

- None significant.

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

Project Wide Capture Rate - LIHTC Units	6.1%
Project Wide Capture Rate - Market Units	0.6%
Project Wide Capture Rate - All Units (As Proposed)	2.9%
Project Wide Absorption Period (Months)	6-8 months

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

II. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Location: The Subject is located at 6 Derby Drive in Hampton, Virginia 23666.

Site Description: The site is irregular in shape with frontage along the west side of Magruder Boulevard. The property consists of 12 two and three-story garden-style residential buildings, as well as a one-story single-story community/leasing building, totaling 13 buildings. Additionally, the Subject site is 9.57 acres or approximately 416,869 square feet.

Aerial of Subject:



Source: Google Maps, retrieved 1/2020

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)	# of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	% of Maximum Allowable Gross Rent
<i>@60%</i>							
2BR/2BA	962	74	\$964	\$107	\$1,071	\$1,071	100.0%
3BR/2BA	1,185	12	\$1,079	\$158	\$1,237	\$1,237	100.0%
3BR/2BA	1,186	15	\$1,078	\$159	\$1,237	\$1,237	100.0%
3BR/2BA	1,187	15	\$1,077	\$160	\$1,237	\$1,237	100.0%
<i>Market Rate</i>							
2BR/2BA	962	4	\$967	-	-	-	-
2BR/2BA	962	18	\$953	-	-	-	-
3BR/2BA	1,185	4	\$1,079	-	-	-	-
3BR/2BA	1,185	2	\$1,097	-	-	-	-
144							

Notes (1) According to the developer, project-specific utility allowance.

Following rehabilitation and the allocation of new LIHTCs, 116 of the Subject's units will be restricted at 60 percent AMI with proposed rents set at the 2019 maximum allowable level. The remaining units will be market rate.

Current Asking and Achieved Rents:

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

CURRENT ASKING, ACHIEVED, AND PROPOSED RENTS

Unit Type	Unit Size (SF)	Current Asking Rents	Average Tenant-Paid Rent	Proposed Rent	Percentage Increase in Proposed vs. Achieved Rents	Percentage Increase in Proposed vs. Current Asking Rents
<i>60% AMI</i>						
2BR/2BA	962	\$884	\$864	\$964	11.6%	9.0%
2BR/2BA	962	\$894	\$894	\$964	7.8%	7.8%
2BR/2BA	962	\$900	\$900	\$964	7.1%	7.1%
3BR/2BA	1,185	\$1,027	\$1,027	\$1,079	5.1%	5.1%
3BR/2BA	1,186	\$1,069	\$1,055	\$1,078	2.2%	0.8%
3BR/2BA	1,187	\$1,012	\$1,011	\$1,077	6.5%	6.4%
<i>Market Rate</i>						
2BR/2BA	962	\$913	\$913	\$967	5.9%	5.9%
2BR/2BA	962	\$917	\$917	\$953	3.9%	3.9%
3BR/2BA	1,185	\$1,028	\$1,028	\$1,079	5.0%	5.0%
3BR/2BA	1,185	\$1,045	\$1,045	\$1,097	5.0%	5.0%

Following rehabilitation and the allocation of new LIHTCs, 116 of the Subject units will be restricted at 60 percent AMI with proposed rents at the 2019 maximum allowable level and will be increased from current rent levels. The remaining units will be market rate, which are also projected to increase.

Target Population:

The Subject will continue to target families earning 60 percent AMI or less, as well as families with higher incomes, which will reside in the market rate units.

Utility Structure:

The tenants are responsible for all electric utilities including electric cooking, electric water heating, electric heating, and general electric expenses, as well cold water and sewer expenses. The landlord is responsible for trash expenses and all common area utilities. The Subject receives utility reimbursement income as water and sewer expenses that are passed along to tenants as part of a RUBS system. The utility structure varies among the comparable properties; we have adjusted the comparables’ rents in accordance with the utility schedule obtained from the Hampton Redevelopment and Housing Authority, effective December 1, 2018, most recent available.

UTILITY ALLOWANCES

Utility	Paid By	Two-Bedroom	Three-Bedroom
Air Conditioning	Tenant	\$12	\$15
Cooking - Electric	Tenant	\$11	\$12
Water Heating - Electric	Tenant	\$23	\$36
Heating - Electric	Tenant	\$38	\$46
Other Electric	Tenant	\$43	\$50
Water	Tenant	\$32	\$45
Sewer	Tenant	\$39	\$62
Trash Collection	Landlord	\$26	\$26
Total Utility Allowance		\$224	\$292
Total Landlord Paid Utilities		\$26	\$26
Total Tenant Paid Utilities		\$198	\$266

Source: Hampton Redevelopment and Housing Authority, effective December 1, 2018.

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	# of Units	Unit Size (SF)	Net Rentable Area
2BR/2BA	96	962	92,352
3BR/2BA	18	1,185	21,330
3BR/2BA	15	1,186	17,790
3BR/2BA	15	1,187	17,805
Total	144		149,277

NLA:

Approximately 149,277 square feet as outlined in the table above.

Unit Amenities:

The Subject’s units currently offer a balcony/patios, blinds, carpet and vinyl flooring, central air conditioning, coat closet, hand rails, and basic cable included in the asking rent. Appliances include dishwashers, ovens, microwaves, and refrigerators. Post renovation, the in-unit amenities will remain the same.

Common Amenities:

The Subject features a clubhouse/community room, central laundry facility, on-site management, playground, and swimming pool. 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 272 surface parking spaces, which equates to a parking ratio of approximately 1.89 spaces per unit. Overall, the parking offered at the Subject is reasonable given its tenancy and proximity to public transportation.
Number of Stories:	The property consists of 12 two and three-story garden-style residential buildings, as well as a single-story community/leasing building, totaling 13 buildings.
Date of Construction:	The Subject was constructed and placed in service in 1997, and is proposed to be renovated again with LIHTCs, with a 12-month renovation starting in August 2020, ending in August 2021.
Scope of Renovations:	The scope of renovations will include, but not be limited to the following: new vinyl siding, new insulation, new roofing, new gutters and downspouts, new windows, interior/exterior paint, new fire detectors, 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 \$4,682,169, or \$32,575 per unit. The construction timeline is anticipated to be 12 months, starting in August 2020, with an anticipated completion date of August 2021.
Target Population and Occupancy Type:	The Subject will continue to be set-aside for two, three, four, and five-person households. Based on the unit mix and proposed rent levels, the annual incomes will range from \$36,720 to \$51,420 for units at the 60 percent AMI. Further, the annual incomes will range from \$34,308 to \$100,000 for the Subject's market rate units, which we believe is reasonable. According to the most recent rent roll provided, dated December 6, 2019, the Subject was 89.6 percent 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 144-unit LIHTC/market rate 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.

DERBY RUN II – HAMPTON, VIRGINIA – MARKET STUDY

Derby Run II

Location	6 Derby Run Hampton, VA 23666 Hampton County
Units	144
Vacant Units	15
Vacancy Rate	10.4%
Type	Garden (3 stories)
Year Built / Renovated	1997 / 2021
Major Competitors	Derby Run I
Tenant Characteristics	Families and the general population
Contact Name	Maria
Phone	757-865-1000



Market

Program	@60%, Market	Leasing Pace	n/a
Annual Turnover Rate	30%	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	50%		

Utilities

A/C	not included – central	Other Electric	not included
Cooking	not included – electric	Water	not included
Water Heat	not included – electric	Sewer	not 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?
2	2	Garden (3 stories)	74	962	\$964	\$0	@60%	No	N/A	N/A	yes
2	2	Garden (3 stories)	18	962	\$953	\$0	Market	No	N/A	N/A	N/A
2	2	Garden (3 stories)	4	962	\$967	\$0	Market	No	N/A	N/A	N/A
3	2	Garden (3 stories)	12	1,185	\$1,079	\$0	@60%	No	N/A	N/A	yes
3	2	Garden (3 stories)	15	1,186	\$1,078	\$0	@60%	No	N/A	N/A	yes
3	2	Garden (3 stories)	15	1,187	\$1,077	\$0	@60%	No	N/A	N/A	yes
3	2	Garden (3 stories)	2	1,185	\$1,097	\$0	Market	No	0	0.0%	N/A
3	2	Garden (3 stories)	4	1,185	\$1,079	\$0	Market	No	0	0.0%	N/A

Amenities

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Hand Rails Oven Refrigerator	Security	none
Property	Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Playground Swimming Pool	Premium	none
Services	none	Other	none

III. LOCATION, MARKET AREA DEFINITION & PROPERTY CHARACTERISTICS

LOCATION AND MARKET AREA DEFINITION

Primary Market Area

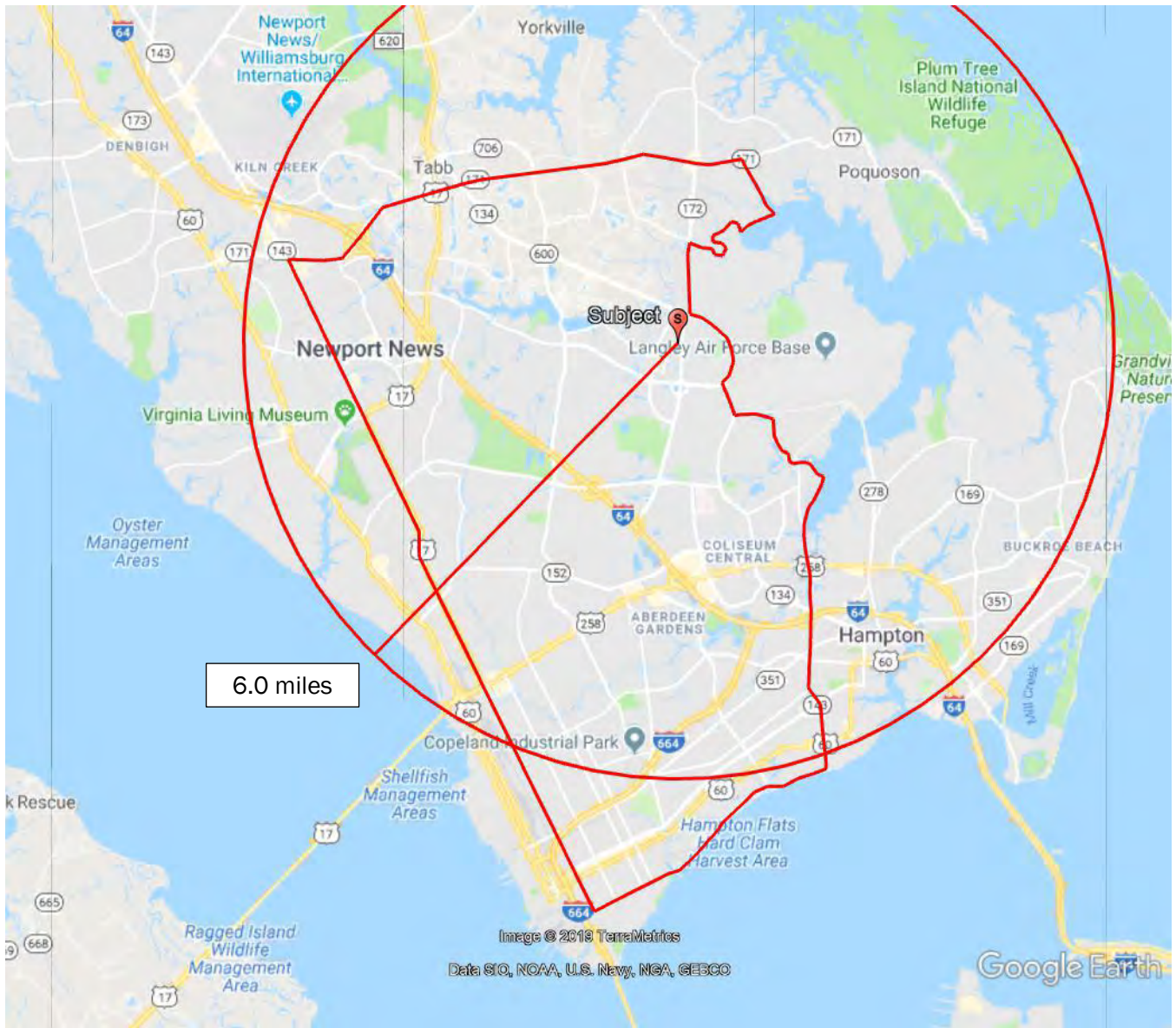
For the purposes of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood-oriented” and are generally very reluctant to move from the area in which they have grown up. 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 2020 VHDA Market Study Guidelines does not explicitly permit an allowance for demand originating outside the PMA.

The Subject property is located in Hampton, Virginia. The primary market area is defined as the cities of Hampton and Newport News. The boundaries of the PMA are defined as Victory Boulevard to the north, Commander Shepard Boulevard, Southwest Branch Back River, and LaSalle Avenue to the east, 16th Street and Chesapeake Avenue to the south and Jefferson Avenue to the west. The PMA was determined based on input from area property managers, including the manager at the Subject property.

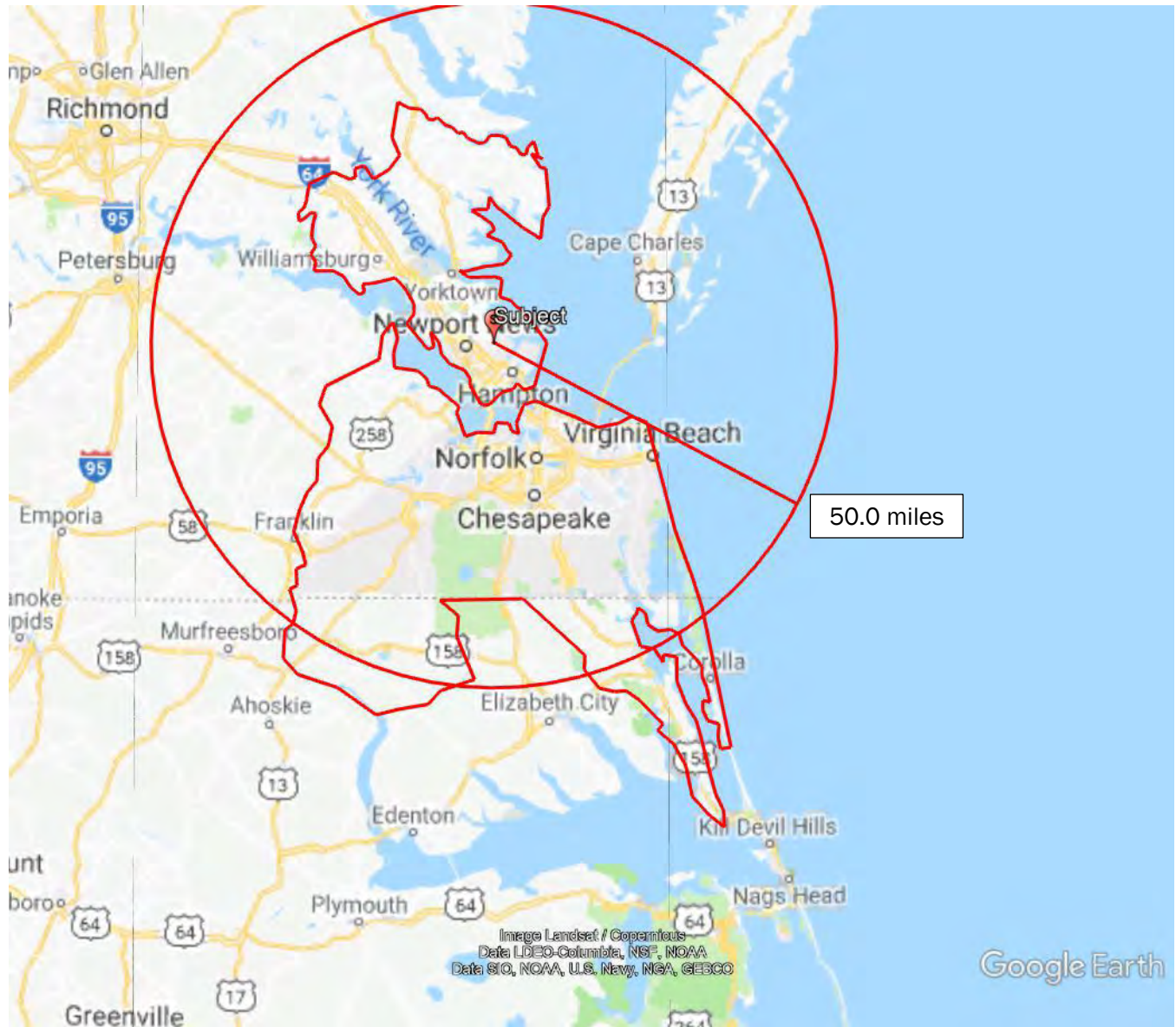
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Virginia Beach-Norfolk-Newport News, VA-NC MSA and the Primary Market Area (PMA) are areas of growth 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 Virginia Beach-Norfolk-Newport News, VA-NC MSA, which is defined as Currituck and Gates Counties in North Carolina and Gloucester, Isle of Wight, James City, and York Counties in Virginia, as well as the independent cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, and Virginia Beach. 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 1/2020

- Size:** The Subject site consists of 9.57 acres or approximately 416,869 square feet.
- Shape:** The Subject parcel is generally rectangular in shape.
- Frontage:** The Subject has frontage along the west side of Magruder Boulevard.
- Topography:** The site is generally level.
- Utilities:** All utilities are available to the site.
- Visibility/Views:** The Subject has good visibility from Magruder Boulevard. Views to the north of the Subject consist of a house of worship and Falcon Creek

Luxury Apartments, a market rate development in good condition. Views to the east and west consist of vacant wooded land. Views to the south consist of Phase I of the Subject. Overall, visibility is considered good, and views are considered average.

Surrounding Uses:

The Subject is located in the Hampton Roads Center neighborhood in the northern portion of Hampton. The neighborhood consists of a mixture of single-family homes, multifamily uses, as well as civic and commercial/retail uses primarily located along the east and west sides of Magruder Boulevard. To the north of the Subject is a house of worship, as well as several single-family homes and Falcon Creek Luxury Apartments, a market rate development in good condition. It should be noted that Falcon Creek Luxury Apartments has not been utilized as a comparable due to its differing unit mix (one and two bedroom units). Land use northeast of the Subject includes a variety of commercial/retail uses including Taco Bell, McDonalds, Bojangles, Hardees, and Papa John's Pizza, all of which exhibit good condition. Land use to the east of the Subject is vacant wooded land, as well as commercial uses in good condition. Also located to the east of the Subject, is Luna Pointe Apartments, a market rate development in good condition. This development has also not been utilized as a comparable due to its differing unit mix (studios and two-bedroom units). Land use to the south of the Subject consists of Phase I of the Subject, as well as a variety of commercial/retail uses in average to good condition. Further south is The Samuel Apartments, a market rate property in average condition. The Samuel Apartments has been utilized as a comparable and is currently 97.2 percent occupied. Land use to the west of the Subject consists of vacant wooded land and several single family homes in average to good condition. Overall, the majority of surrounding land uses are in average to good condition. According to Zillow.com, single-family homes in the Subject's area are currently listed for between \$120,000 and \$589,000 with the majority listed for around \$200,000.

Access and Traffic Flow:

The Subject is accessed via the north side of Floyd Thompson Drive., through Phase I of the Subject. Floyd Thompson Drive is a four-lane moderately traveled road generally traversing east and west, which provides access to County Road 134, located 0.1 miles southeast of the Subject. County Road 134 is a north-south traversing road that provides access to Interstate 64 and Highway 17. Interstate 64 provides access throughout the city of Hampton and the state of Virginia. 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	Good
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 5119C0159D, revised January 16, 2015. 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, AE
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage

FloodMap Legend

Flood Zones

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

OTHER FLOI

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

OT

- Floodway areas with velocity hazard

S

- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

Copyright 2012, CDS Business Mapping. All rights reserved.

Cross Sections with 1% Annual Chance

- 20.2 Water Surface Elevation
- 17.5 Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary

OTHER FEATURES

- 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.

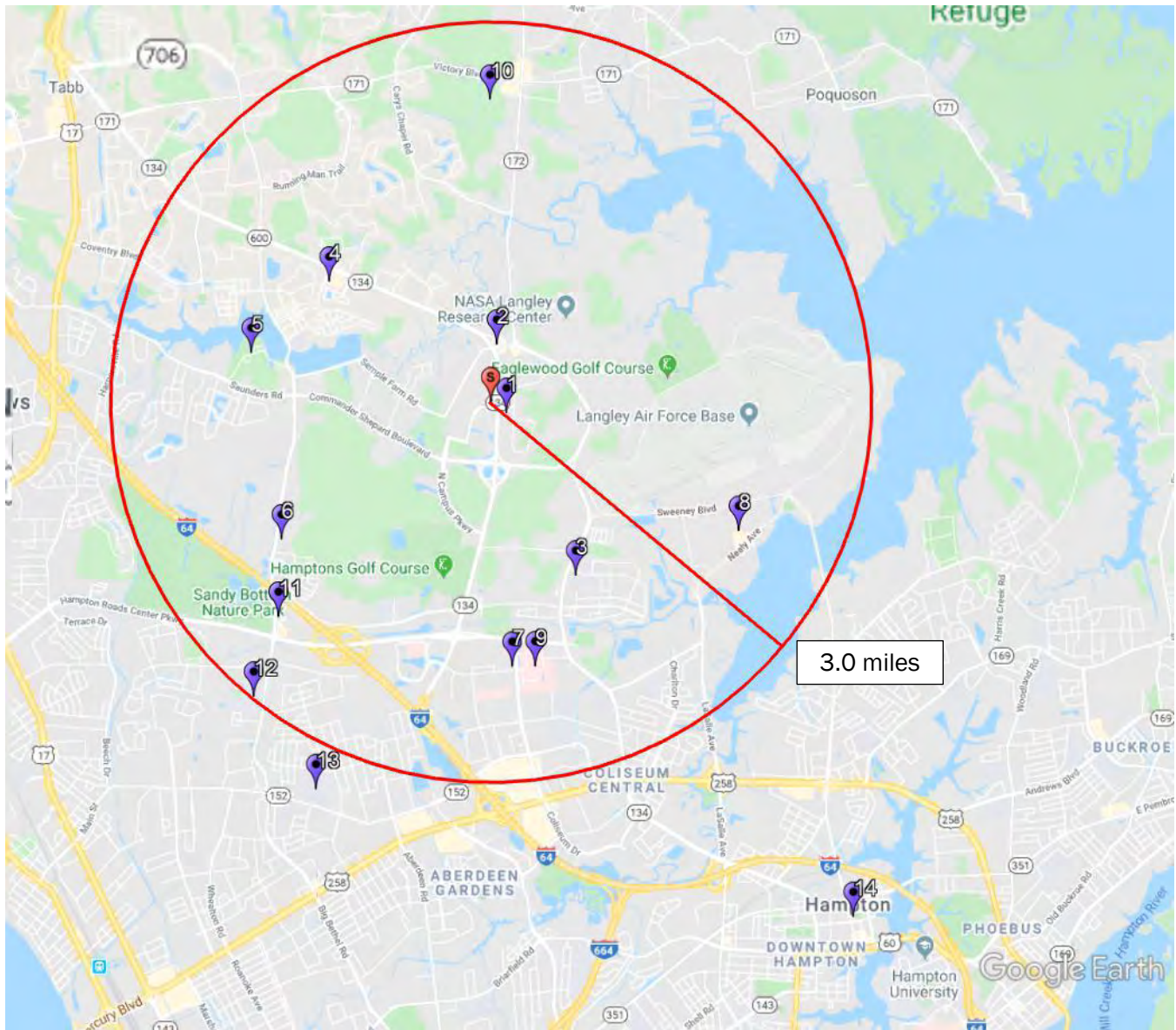
Source: www.fema.gov, January 2020

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

Map #	Service or Amenity	Distance from Subject	Map #	Service or Amenity	Distance from Subject
1	Bus Stop	0.2 miles	8	Post Office	2.2 miles
2	Gas Station	0.4 miles	9	Hospital	2.2 miles
3	Machen Elementary School	1.6 miles	10	Library	2.3 miles
4	Grocery Store	1.6 miles	11	Pharmacy	2.4 miles
5	Bethel Park	1.9 miles	12	Bethel High School	3.0 miles
6	Fire Station	2.0 miles	13	Cesar Tarrant Middle School	3.4 miles
7	Bank	2.2 miles	14	Police Department	5.0 miles

Public Transportation

Hampton is served by Hampton Roads Transit (HRT). The HRT bus services six cities: Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, and Virginia Beach. HRT operates 56 fixed regular bus routes. The closest bus stop is located at the intersection of Magruder Boulevard and Floyd Thompson Drive, approximately 0.2 miles southeast of the Subject. The HRT also offers light rail and ferry services. The light rail extends 7.4 miles from the Eastern Virginia Medical complex east through downtown Norfolk to Newton Road at the border of Virginia Beach. The HRT operates three 150-passenger ferries on the Elizabeth River between Norfolk and Portsmouth. They travel between the North Landing and High Street in Portsmouth and the Waterside District in Downtown Norfolk. Ferries operate every 30 minutes and are open seven days a week 5:30 AM to 11:45 PM. Adult one-way passes for the bus, light rail, and ferry are \$2.00, discounted fares are \$1.00, and children 17 years old or younger are free.

Conclusion

The Subject is located in the Hampton Roads Center neighborhood in the northern portion of Hampton. The neighborhood consists of a mixture of single-family homes, multifamily uses, as well as civic and commercial/retail uses primarily located along the east and west sides of Magruder 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



Typical surface parking lot



Subject's exterior



Subject's exterior



Exterior of clubhouse/community room



Community room



Picnic area



Playground



Typical central laundry facility



Swimming pool



Typical exterior stairway



Typical living room



Typical coat closet



Typical kitchen



Typical bedroom



Typical bedroom



Typical bathroom



Typical balcony



Typical kitchen



Dining area



Typical bedroom



Typical bedroom



Typical bedroom



Typical bathroom



House of worship north of Subject



Derby Run I south of Subject



Typical single-family home southwest of the Subject



Typical single-family home west of the Subject



Typical retail use in Subject's neighborhood



Typical retail use in Subject's neighborhood



Vacant land west of the Subject



Vacant land west of the Subject



View along Floyd Thompson Drive facing east



View along Derby Drive facing north

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.

2019 CRIME RISK INDICES

	PMA	MSA
Total Crime*	135	127
Personal Crime*	110	108
Murder	171	162
Rape	116	112
Robbery	145	147
Assault	91	88
Property Crime*	138	129
Burglary	86	99
Larceny	161	144
Motor Vehicle Theft	93	94

Source: Esri Demographics 2019, Novogradac & Company LLP, January 2020

*Unweighted aggregations

As indicated in the table above, total, personal, and property crime indices in the PMA are above that of the MSA and nation. The Subject offers courtesy patrol and video surveillance, which will both remain in place post-renovation. Observations of the PMA and interviews with market participants and property managers indicate. Nonetheless, the Subject’s property manager noted that the Subject has little to no crime, as most of the incidents occur offsite. Based on the strong historical performance, we believe the Subject will remain competitive when compared with the comparables, with respect to crime incidence.

IV. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The Greater Virginia Beach metropolitan area has a strong and diverse economy that is concentrated within the healthcare/social assistance, retail trade, and manufacturing industries. The NASA Langley Research Center is located approximately 0.7 miles northeast of the Subject and employs approximately 4,000 employees. Hampton is the location of the Fifth Federal Reserve District, which is a financial hub for the mid-Atlantic region. Hampton is also the headquarters for GE Financial Assurance, Anthem Inc., Markel Corporation, and Land America Financial Group. Further, Hampton has attracted large customer service centers for companies like Capital One, Hewlett Packard, Owens & Minor, Mazda, and Time-Life. The Hampton economy benefits from its mid-Atlantic location.

Employment and Unemployment Trends

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

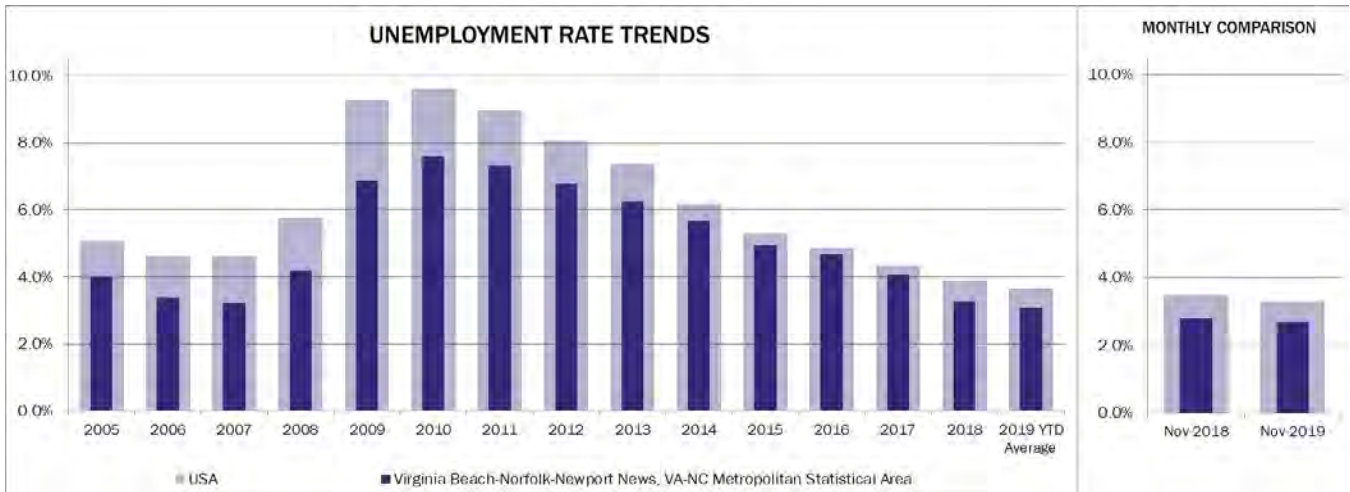
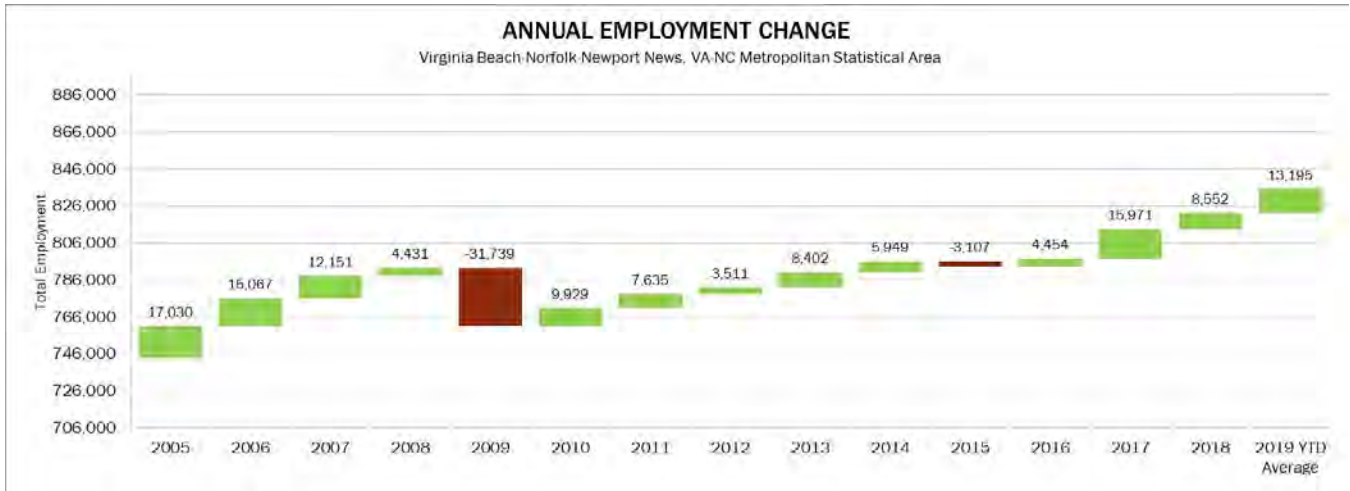
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)									
Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area					USA				
Year	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change	
2003	735,598	-	4.2%	-	137,736,000	-	6.0%	-	
2004	743,738	1.1%	4.1%	-0.1%	139,252,000	1.1%	5.5%	-0.5%	
2005	760,768	2.3%	4.0%	-0.1%	141,730,000	1.8%	5.1%	-0.5%	
2006	775,834	2.0%	3.4%	-0.6%	144,427,000	1.9%	4.6%	-0.5%	
2007	787,986	1.6%	3.2%	-0.2%	146,047,000	1.1%	4.6%	0.0%	
2008	792,416	0.6%	4.2%	1.0%	145,363,000	-0.5%	5.8%	1.2%	
2009	760,677	-4.0%	6.9%	2.7%	139,878,000	-3.8%	9.3%	3.5%	
2010	770,605	1.3%	7.6%	0.7%	139,064,000	-0.6%	9.6%	0.3%	
2011	778,240	1.0%	7.3%	-0.3%	139,869,000	0.6%	9.0%	-0.7%	
2012	781,751	0.5%	6.8%	-0.5%	142,469,000	1.9%	8.1%	-0.9%	
2013	790,153	1.1%	6.2%	-0.5%	143,929,000	1.0%	7.4%	-0.7%	
2014	796,102	0.8%	5.7%	-0.6%	146,305,000	1.7%	6.2%	-1.2%	
2015	792,995	-0.4%	4.9%	-0.7%	148,833,000	1.7%	5.3%	-0.9%	
2016	797,450	0.6%	4.7%	-0.3%	151,436,000	1.7%	4.9%	-0.4%	
2017	813,421	2.0%	4.1%	-0.6%	153,337,000	1.3%	4.4%	-0.5%	
2018	821,973	1.1%	3.3%	-0.8%	155,761,000	1.6%	3.9%	-0.4%	
2019 YTD Average*	835,168	1.6%	3.1%	-0.2%	157,538,083	1.1%	3.7%	-0.2%	
Nov-2018	817,194	-	2.8%	-	157,015,000	-	3.5%	-	
Nov-2019	837,036	2.4%	2.7%	-0.1%	158,945,000	1.2%	3.3%	-0.2%	

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

*2019 data is through October

Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2003 and 2007. Comparatively speaking, the MSA economy performed well during the recession. Total MSA employment contracted by only 4.0 percent (2008-2009), less than the 4.8 percent decline reported nationwide (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2014, the same year as the overall nation. Since 2012, average employment growth in the MSA trailed the nation in all but two years. As of November 2019, total employment in the MSA is at a post-recessionary high and increased at an annualized rate of 2.4 percent, compared to 1.2 percent across the overall nation.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. The local labor market demonstrated relative strength during the recession, as the rate of unemployment increased by only 3.4 percentage points, compared to a 3.8 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a lower unemployment rate compared to the national average. According to the most recent labor statistics, the unemployment rate in the MSA is 2.7 percent, lower than the current national unemployment rate of 3.3 percent. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.



As indicated in the graphs above, the MSA was less affected by the latest recession than the nation as a whole.

Employment by Industry

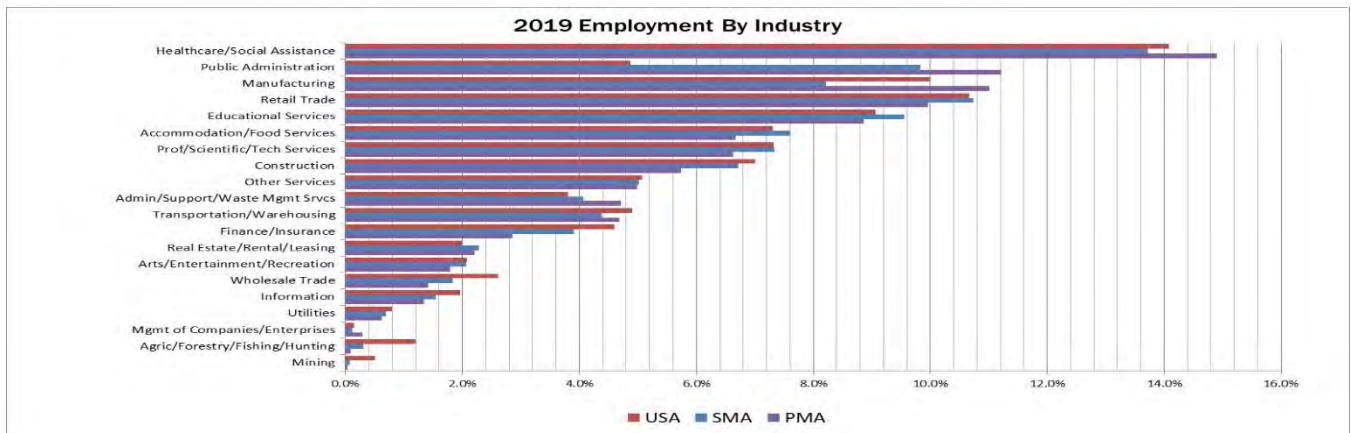
The following table depicts employment by industry in the Primary Market Area (PMA) and the nation.

2019 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	10,309	14.9%	22,612,482	14.1%
Public Administration	7,757	11.2%	7,828,907	4.9%
Manufacturing	7,618	11.0%	16,057,876	10.0%
Retail Trade	6,890	10.0%	17,127,172	10.7%
Educational Services	6,134	8.9%	14,565,802	9.1%
Accommodation/Food Services	4,619	6.7%	11,738,765	7.3%
Prof/Scientific/Tech Services	4,589	6.6%	11,744,228	7.3%
Construction	3,974	5.7%	11,245,975	7.0%
Other Services	3,455	5.0%	8,141,078	5.1%
Admin/Support/Waste Mgmt Svcs	3,260	4.7%	6,106,184	3.8%
Transportation/Warehousing	3,244	4.7%	7,876,848	4.9%
Finance/Insurance	1,980	2.9%	7,377,311	4.6%
Real Estate/Rental/Leasing	1,527	2.2%	3,204,043	2.0%
Arts/Entertainment/Recreation	1,239	1.8%	3,332,132	2.1%
Wholesale Trade	976	1.4%	4,183,931	2.6%
Information	926	1.3%	3,157,650	2.0%
Utilities	426	0.6%	1,276,400	0.8%
Mgmt of Companies/Enterprises	205	0.3%	237,307	0.1%
Agric/Forestry/Fishing/Hunting	62	0.1%	1,915,709	1.2%
Mining	17	0.0%	819,151	0.5%
Total Employment	69,207	100.0%	160,548,951	100.0%

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

Employment in the PMA is concentrated in the healthcare/social assistance, public administration, manufacturing, and retail trade industries, which collectively comprise 47.1 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the healthcare and public administration industries, which are historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the public administration, manufacturing, and admin/support/waste management services industries. Conversely, the PMA is underrepresented in the finance/insurance, construction, and wholesale trade industries.



Major Employers

The following table details the largest employers in Hampton, Virginia.

MAJOR EMPLOYERS - HAMPTON

Employer	Industry	Number of Employees
NASA Langley Research Center	Public Administration	4,000
Hampton City Public Schools	Educational Services	3,000
TE Connectivity, Ltd.	Manufacturing	2,200
Hampton City	Public Administration	1,875
Hampton Veteran's Affairs (VA) Medical Center	Healthcare/Social Assistance	1,071
Hampton Roads Transit (HRT)	Transportation/Warehousing	1,000
Hampton University	Educational Services	1,000
IBEX, Inc.	Admin/Support/Waste Mgmt Srvcs	750
Nextel Communications	Prof/Scientific/Tech Services	750
Computer Sciences Corporation (CSC)	Prof/Scientific/Tech Services	500
Science & Technology Corporation	Prof/Scientific/Tech Services	462
Faneuil, Inc.	Other Services	420
Alcoa-Howmet, Hampton	Manufacturing	400
Thomas Nelson Community College	Educational Services	400
Old Point Financial Corporation	Finance/Insurance	298
PRA Group, Inc.	Finance/Insurance	260
Catalina Cylinders-East	Manufacturing	220
Raytheon Technical Services Company	Prof/Scientific/Tech Services	218
ADVEX Corporation	Manufacturing	200
Computer Sciences Corporation	Prof/Scientific/Tech Services	180
Valeo Hampton	Transportation/Warehousing	165
Wyle Laboratories, Inc.	Prof/Scientific/Tech Services	150
Craft Machine Works, Inc.	Manufacturing	148
Analytical Services & Materials, Inc.	Prof/Scientific/Tech Services	130
Main Industries, Inc.	Construction	110
Graham & Rollins, Inc.	Manufacturing	100
Liberty-Source PBC	Finance/Insurance	100
M. Price Distributing Company	Transportation/Warehousing	100
Maida Development Company	Manufacturing	100

Source: Hampton Roads Economic Development Alliance, January 2020

The largest employers in the city of Hampton are within the public administration, educational services, manufacturing, and healthcare/social assistance industries. NASA Langley Research Center is the largest employer with 4,000 employees, followed by the Hampton City Public Schools and TE Connectivity, Ltd. These positions provide a stable employment base for a large portion of the workforce. The major employers in the area provide employment for a broad range of workers, spanning hi-tech, skilled, and service occupations.

Military Installation

Hampton Roads is composed of the cities of Newport News, Hampton, and Norfolk. Hampton Roads is the east coast center for military activity. It was estimated that the total active military personnel living in the Hampton Roads area is approximately 83,000 persons. Major military units and headquarters in the Hampton Roads region include NATO's Allied Command Transformation, U.S. Joint Forces Command, U.S. Fleet Forces Command, the U.S. Air Force's Air Combat Command, U.S. Marine Corps Forces Command, and the U.S. Army Training and Doctrine Command. The military has 64 ships ported in the area and 36 aircraft

squadrons. The Subject is located approximately 0.8 miles south of the NASA Langley Research Center (the city’s largest employer) and approximately 2.0 miles west of the Langley Air Force Base.

Employment Contraction

The following table lists business closures and layoffs in Hampton, Virginia from 2016 to 2020 year-to-date, according to the Virginia Employment Commission’s Worker Adjustment and Retraining Notification (WARN) filings.

WARN NOTICES 2016-2020 YTD - HAMPTON, VA

Employer	Notice Date	Location	Layoff/Closure	Employees Affected
Phoenix Theatres Entertainment	1/23/2019	Hampton	Layoff	<u>112</u>
Total 2019 YTD				112
Farm Fresh #6244	3/14/2018	Hampton	Closure	82
Farm Fresh #6249	3/14/2018	Hampton	Closure	102
Farm Fresh #6257	3/14/2018	Hampton	Closure	111
Farm Fresh #6260	3/14/2018	Hampton	Closure	<u>70</u>
Total 2018				365
Riverside Pace	11/7/2016	Hampton	Closure	96
IBEX Global	8/14/2016	Hampton	Layoff	215
Sprint	1/22/2016	Hampton	Layoff	380
General Dynamics Mission Systems	1/19/2016	Hampton	Layoff	60
Macy's	1/6/2016	Hampton	Closure	<u>109</u>
Total 2016				860
Total 2016-2020 YTD				1,337

Source: Virginia Employment Commission, January 2020

As seen in the previous table, there have been a total of 1,337 positions affected by WARN filings since 2016. It should be noted that there were no WARN notices filed in 2017 in the city, as well as through year-to-date 2020.

Employment Expansion

We spoke with Kacy Futrell with the Department of Economic Development in regards to economic development in the city of Hampton. Ms. Futrell directed us to the department’s website for further information via online publications. Below we have detailed our findings.

- In January 2020, Kroger announced they will close their location along Coliseum Drive and open a bigger location along Mercury Boulevard. The new location will be located at 1050 West Mercury Boulevard and will add an additional 135 jobs, for a total of 237 employees. The expansion brought an estimated \$60 million investment to the area. The new location is scheduled to open by end of January.
- In August 2019, Registrar Corporation began an expansion of their current facility. Registrar Corporation was founded in Hampton in 2003 with four employees and has grown to employ over 140. This upcoming expansion will increase the size of the office space by 2,400 square feet.
- In September 2019, Faneuil, a Hampton-based customer service outsourcing company, recently acquired Realtime Digital Innovations, to streamline its customer care process. The deal totaled approximately \$10 million.

- Construction is nearing completion on Phase III of Brooks Crossing in the Southeast Community. The project includes a 95,000 square-foot office building to be occupied by engineering and design professionals from Newport News Shipbuilding. The new development will bring a \$1.4 million investment to the area for a new workforce development and education program for 90 people.

Wages by Occupation

The following table illustrates the mean hourly and annual wages for various occupations in the Virginia Beach-Norfolk-Newport News, VA-NC MSA; information at the PMA level was not available.

MSA - 2ND QTR 2018 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	754,600	\$23.29	\$48,450
Management Occupations	26,540	\$57.43	\$119,460
Computer and Mathematical Occupations	20,860	\$40.91	\$85,090
Architecture and Engineering Occupations	21,830	\$39.84	\$82,860
Legal Occupations	4,880	\$39.68	\$82,540
Healthcare Practitioners and Technical Occupations	44,760	\$37.36	\$77,700
Business and Financial Operations Occupations	43,090	\$36.25	\$75,400
Life, Physical, and Social Science Occupations	5,980	\$34.22	\$71,170
Education, Training, and Library Occupations	45,530	\$27.81	\$57,840
Arts, Design, Entertainment, Sports, and Media Occupations	8,840	\$24.68	\$51,340
Community and Social Service Occupations	12,280	\$24.03	\$49,980
Installation, Maintenance, and Repair Occupations	35,190	\$23.69	\$49,280
Construction and Extraction Occupations	37,530	\$21.88	\$45,510
Protective Service Occupations	20,330	\$21.32	\$44,340
Production Occupations	35,630	\$19.97	\$41,530
Transportation and Material Moving Occupations	49,780	\$18.18	\$37,810
Office and Administrative Support Occupations	113,080	\$17.74	\$36,900
Sales and Related Occupations	80,510	\$17.01	\$35,380
Farming, Fishing, and Forestry Occupations	720	\$16.46	\$34,250
Healthcare Support Occupations	21,950	\$15.80	\$32,870
Building and Grounds Cleaning and Maintenance Occupations	24,680	\$12.47	\$25,940
Personal Care and Service Occupations	27,000	\$12.25	\$25,490
Food Preparation and Serving Related Occupations	73,600	\$11.39	\$23,690

Source: Department Of Labor, Occupational Employment Statistics, 5/2018, retrieved 1/2020

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 \$11.39 per hour. Those in management occupations obtained the highest average hourly wage of \$57.43. Utilizing the average wage of the food preparation and serving-related occupations at \$11.39 per hour at 2,080 annual hours equates to \$23,690. The qualifying incomes for the Subject’s affordable units as proposed will range from \$36,720 to \$51,420. The upper end of the qualifying income is \$51,420, which corresponds to an approximate hourly wage rate of \$24.72, which is just above the mean hourly and mean annual wage in the MSA.

An element not reflected in the wage rate data is that many positions represent part-time employment, and the starting rates are typically lower than mean wage rates. Household income data shown later in this report demonstrates a significant number of households within the region have earnings of less than \$30,000.

Commuting Patterns

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

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	822	1.3%
Travel Time 5-9 min	6,654	10.1%
Travel Time 10-14 min	13,629	20.7%
Travel Time 15-19 min	15,378	23.4%
Travel Time 20-24 min	9,363	14.2%
Travel Time 25-29 min	2,981	4.5%
Travel Time 30-34 min	6,861	10.4%
Travel Time 35-39 min	1,453	2.2%
Travel Time 40-44 min	1,650	2.5%
Travel Time 45-59 min	3,544	5.4%
Travel Time 60-89 min	2,133	3.2%
Travel Time 90+ min	1,274	1.9%
Weighted Average	24 minutes	

Source: US Census 2019, Novogradac & Company LLP, January 2020

As shown above, the average travel time for individuals in the PMA is 24 minutes. Approximately 69.7 percent of the workers in the PMA have a commute time of 24 minutes or less. Overall, it appears that most residents work within Hampton and nearby areas such as Newport News for employment opportunities.

Conclusion

The Virginia Beach-Norfolk-Newport News, VA-NC MSA has a strong and diverse economy that sees employment within the healthcare/social assistance, public administration, manufacturing, and retail trade industries. The NASA Langley Research Center is the largest employer in the city employing 4,000 employees, followed by Hampton City Public Schools, and TE Connectivity. Between November 2018 and November 2019, the MSA total employment increased 2.4 percent, which is above the national growth of 1.2 percent. As of 2014, the MSA and nation both surpassed total employment pre-recessionary levels, indicating that the MSA and nation both have recovered from the recent recession. Between November 2018 and November 2019, the unemployment rate in the MSA decreased 0.1 percentage points to 2.7 percent, while the nation reported a decrease of 0.2 percentage points to 3.3 percent. The MSA’s recent employment growth and declining unemployment rate are indicators that the local economy has long since recovered from the national recession, and is in a period of expansion.

V. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

According to VHDA market study requirements, currency year’s estimate (2020) and a five-year projection is required to shown among the demographic data. As of the date of this report, 2020 data is unavailable. As such, we have utilized 2019 data.

Population and Household Trends

The following tables illustrate general population and households in the PMA, the MSA and the nation from 2000 through 2024.

POPULATION

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	124,128	-	1,551,400	-	281,250,431	-
2010	140,739	1.3%	1,676,822	0.8%	308,745,538	1.0%
2019	143,967	0.2%	1,771,432	0.6%	332,417,793	0.8%
2024	144,653	0.1%	1,820,702	0.6%	345,487,602	0.8%

Source: Esri Demographics 2019, Novogradac & Company LLP, January 2020

HOUSEHOLDS

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	50,707	-	577,747	-	105,409,439	-
2010	57,164	1.3%	630,416	0.9%	116,716,296	1.1%
2019	58,415	0.2%	663,467	0.6%	125,168,557	0.8%
2024	58,596	0.1%	681,358	0.5%	129,589,563	0.7%

Source: Esri Demographics 2019, Novogradac & Company LLP, January 2020

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 2019. Total population and households in the PMA are expected to increase at a slower rate than both the MSA and the nation through 2024. The growth projections for the local area, though modest, 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 2024.

AVERAGE HOUSEHOLD SIZE

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.42	-	2.58	-	2.59	-
2010	2.44	0.1%	2.55	-0.1%	2.58	-0.1%
2019	2.45	0.0%	2.56	0.1%	2.59	0.1%
2024	2.45	0.0%	2.57	0.0%	2.60	0.1%

Source: Esri Demographics 2019, Novogradac & Company LLP, January 2020

As shown in the previous table, the average household size in the PMA increased slightly from 2000 to 2019, but is projected to remain stable through 2024. The average household size in the MSA has decreased from 2000 to 2019, but is projected to increase through 2024. The average household size in the PMA is below that of the MSA and nation, which will continue to be the case through 2024.

Household Tenure

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

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	28,081	55.4%	22,626	44.6%
2019	28,352	48.5%	30,063	51.5%
2024	29,052	49.6%	29,544	50.4%

Source: Esri Demographics 2019, Novogradac & Company LLP, January 2020

As of 2019, approximately 51.5 percent of households in the PMA reside in renter-occupied housing units. Through 2024, the percentage and number of renter-occupied housing units are projected to decrease.

Renter Household Size Distribution

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2019		2024	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	7,702	34.0%	11,671	38.8%	11,594	39.2%
2 persons	5,941	26.3%	7,522	25.0%	7,267	24.6%
3 persons	3,967	17.5%	4,900	16.3%	4,834	16.4%
4 persons	2,915	12.9%	3,306	11.0%	3,258	11.0%
5+ persons	2,101	9.3%	2,664	8.9%	2,591	8.8%
Total	22,626	100.0%	30,063	100.0%	29,544	100.0%

Source: Esri Demographics 2019, Novogradac & Company LLP, January 2020

Historically, the majority of renter households in the PMA have consisted of one and two-person households. The Subject will target two, three, four, and five-person households, which consists of 61.2 percent of renter households in 2019. Through 2024, the number of size eligible renter households is projected to remain relatively stable, while the overall number of renter households is projected to decrease. The household size composition of renter households in the PMA is a positive indicator for the Subject’s units.

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 2024.

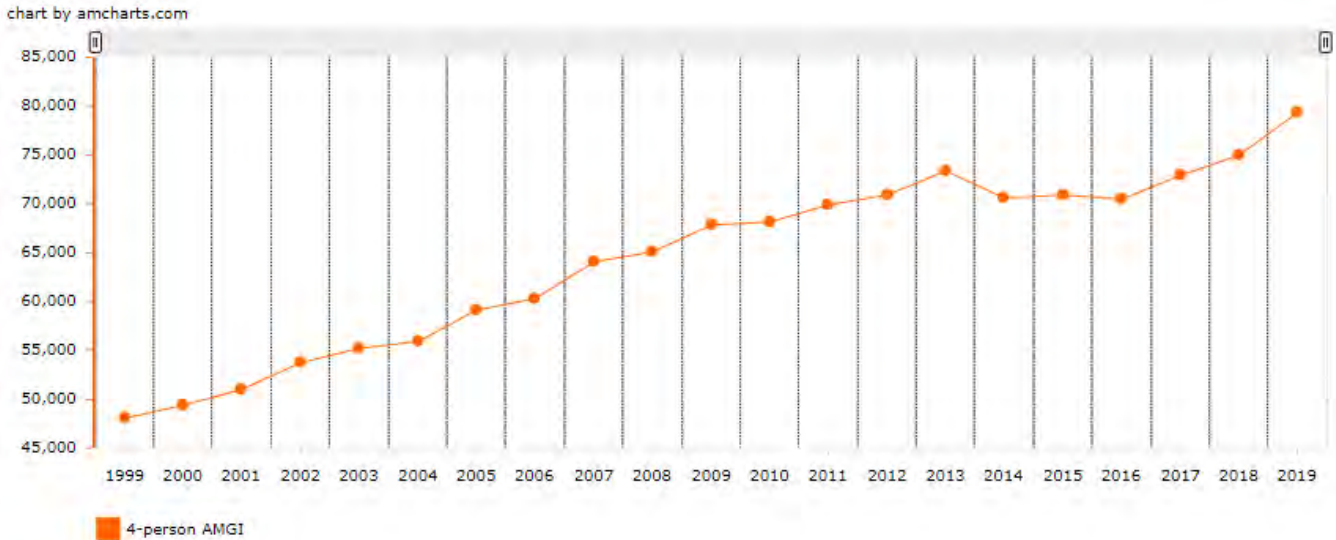
MEDIAN HOUSEHOLD INCOME						
Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$27,429	-	\$41,304	-	\$44,882	-
2019	\$54,198	5.1%	\$65,648	3.1%	\$60,548	1.8%
2024	\$59,803	2.1%	\$74,365	2.7%	\$69,180	2.9%

Source: Esri Demographics 2019, Novogradac & Company LLP, January 2020

As of 2019, the median household income of the PMA is below the MSA and the nation. Through 2024, 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 the Hampton City, VA County between 1999 and 2019.



Display: 4-person AMGI

Average Increase (AMGI): 2.5%/year
 Source: Novogradac & Company LLP, January 2020

Overall, the AMI has increased by an average of 2.5 percent annually between 1999 and 2019. The chart above illustrates that the AMI in county has generally increased since 1999, with decreases in 2014 and 2016. As of 2019, the AMI in the county is \$79,300. In 2013, the AMI declined in 84 percent of counties nationwide based on a HUD methodological change. The county appears to not have been affected by this methodology change. The Subject’s proposed rents are set at the 2019 maximum allowable levels; therefore, rent increases will be directly dependent on AMI growth. The majority of counties and regions in the nation are currently experiencing their highest AMI levels to date, which is also true for Hampton city.

Household Income Distribution

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

HOUSEHOLD INCOME PMA

Income Cohort	2019		PMA		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	4,228	7.2%	3,994	6.8%	-47		-1.1%	
\$10,000-19,999	6,247	10.7%	5,818	9.9%	-86		-1.4%	
\$20,000-29,999	7,005	12.0%	6,631	11.3%	-75		-1.1%	
\$30,000-39,999	6,300	10.8%	6,187	10.6%	-23		-0.4%	
\$40,000-49,999	5,800	9.9%	5,586	9.5%	-43		-0.7%	
\$50,000-59,999	5,042	8.6%	4,944	8.4%	-20		-0.4%	
\$60,000-74,999	5,862	10.0%	5,914	10.1%	10		0.2%	
\$75,000-99,999	6,901	11.8%	7,115	12.1%	43		0.6%	
\$100,000-124,999	4,168	7.1%	4,448	7.6%	56		1.3%	
\$125,000-149,999	2,582	4.4%	2,889	4.9%	61		2.4%	
\$150,000-199,999	2,541	4.3%	2,852	4.9%	62		2.4%	
\$200,000+	1,739	3.0%	2,218	3.8%	96		5.5%	
Total	58,415	100.0%	58,596	100.0%				

Source: HISTA Data / Ribbon Demographics 2019, Novogradac & Company LLP, January 2020

HOUSEHOLD INCOME MSA

Income Cohort	2019		MSA		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	39,701	6.0%	38,703	5.7%	-200		-0.5%	
\$10,000-19,999	54,100	8.2%	52,394	7.7%	-341		-0.6%	
\$20,000-29,999	60,453	9.1%	58,891	8.6%	-312		-0.5%	
\$30,000-39,999	62,671	9.4%	61,147	9.0%	-305		-0.5%	
\$40,000-49,999	59,348	8.9%	59,069	8.7%	-56		-0.1%	
\$50,000-59,999	55,354	8.3%	55,420	8.1%	13		0.0%	
\$60,000-74,999	72,124	10.9%	73,105	10.7%	196		0.3%	
\$75,000-99,999	90,237	13.6%	93,423	13.7%	637		0.7%	
\$100,000-124,999	63,068	9.5%	67,413	9.9%	869		1.4%	
\$125,000-149,999	39,132	5.9%	43,312	6.4%	836		2.1%	
\$150,000-199,999	36,796	5.5%	41,478	6.1%	936		2.5%	
\$200,000+	30,483	4.6%	37,003	5.4%	1,304		4.3%	
Total	663,467	100.0%	681,358	100.0%				

Source: HISTA Data / Ribbon Demographics 2019, Novogradac & Company LLP, January 2020

As of 2019, approximately 40.7 percent of households within the PMA have annual incomes below \$40,000. Through 2024, the percentage of low-income households earning less than \$40,000 annually is projected to decline slightly to 38.6 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.

Renter Household Income Distribution

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

RENTER HOUSEHOLD INCOME

Income Cohort	2019		PMA		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,081	10.2%	2,866	9.7%	-43		-43	-1.4%
\$10,000-19,999	4,527	15.1%	4,147	14.0%	-76		-76	-1.7%
\$20,000-29,999	4,927	16.4%	4,609	15.6%	-64		-64	-1.3%
\$30,000-39,999	3,735	12.4%	3,611	12.2%	-25		-25	-0.7%
\$40,000-49,999	3,272	10.9%	3,074	10.4%	-40		-40	-1.2%
\$50,000-59,999	2,619	8.7%	2,571	8.7%	-10		-10	-0.4%
\$60,000-74,999	2,610	8.7%	2,717	9.2%	21		21	0.8%
\$75,000-99,999	2,717	9.0%	2,821	9.5%	21		21	0.8%
\$100,000-124,999	1,078	3.6%	1,210	4.1%	26		26	2.4%
\$125,000-149,999	495	1.6%	598	2.0%	21		21	4.2%
\$150,000-199,999	437	1.5%	545	1.8%	22		22	4.9%
\$200,000+	565	1.9%	775	2.6%	42		42	7.4%
Total	30,063	100.0%	29,544	100.0%				

Source: HISTA Data / Ribbon Demographics 2019, Novogradac & Company LLP, January 2020

RENTER HOUSEHOLD INCOME

Income Cohort	2019		MSA		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	26,671	10.4%	25,597	10.0%	-215		-215	-0.8%
\$10,000-19,999	32,424	12.6%	30,677	12.0%	-349		-349	-1.1%
\$20,000-29,999	34,104	13.3%	32,441	12.7%	-333		-333	-1.0%
\$30,000-39,999	34,230	13.3%	32,476	12.7%	-351		-351	-1.0%
\$40,000-49,999	28,054	10.9%	27,569	10.8%	-97		-97	-0.3%
\$50,000-59,999	23,448	9.1%	23,355	9.1%	-19		-19	-0.1%
\$60,000-74,999	25,566	9.9%	26,078	10.2%	102		102	0.4%
\$75,000-99,999	23,582	9.2%	24,690	9.6%	222		222	0.9%
\$100,000-124,999	11,917	4.6%	13,048	5.1%	226		226	1.9%
\$125,000-149,999	6,896	2.7%	7,839	3.1%	189		189	2.7%
\$150,000-199,999	5,592	2.2%	6,487	2.5%	179		179	3.2%
\$200,000+	4,809	1.9%	6,079	2.4%	254		254	5.3%
Total	257,293	100.0%	256,336	100.0%				

Source: HISTA Data / Ribbon Demographics 2019, Novogradac & Company LLP, January 2020

As of 2019, approximately 54.1 percent of renter households within the PMA have annual incomes below \$40,000. Through 2024, the percentage of low-income renter households earning less than \$40,000 annually is projected to decline to 51.5 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.

Age of Housing Stock

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

HOUSING STOCK BY YEAR BUILT

	PMA	Percentage
Built 2005 or later	3,189	5.0%
Built 2000 to 2004	7,002	11.1%
Built 1990 to 1999	9,124	14.4%
Built 1980 to 1989	10,482	16.6%
Built 1970 to 1979	7,138	11.3%
Built 1960 to 1969	10,029	15.9%
Built 1950 to 1959	9,319	14.7%
Built 1940 to 1949	4,031	6.4%
Built 1939 or earlier	2,892	4.6%
Total Housing Units	63,206	100.0%

Source: Esri Demographics 2019, Novogradac & Company LLP, January 2020

Of the housing stock, 84.0 percent was constructed between 1950 and 2004. The largest percentage of housing stock was built between 1980 and 1989, followed by housing stock built between 1960 and 1969. Further, the PMA exhibits a mix of relatively older housing stock along with some new housing stock, as 16.1 percent of the housing stock was built in 2000 or later. The data does not reflect condition, which oftentimes is well-maintained through ongoing maintenance. The field inspection of the area reflects a varied housing stock, generally in average condition.

Building Permits

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

BUILDING PERMITS: HAMPTON 2000 - 2019 YTD

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	324	0	0	324
2001	348	0	0	348
2002	277	0	0	277
2003	198	0	432	630
2004	321	0	129	450
2005	259	0	620	879
2006	240	0	140	380
2007	217	4	185	406
2008	187	0	58	245
2009	139	0	554	693
2010	130	0	0	130
2011	164	0	278	442
2012	137	0	10	147
2013	145	0	108	253
2014	160	0	0	160
2015	162	0	0	162
2016	149	0	0	149
2017	170	0	0	170
2018	180	0	0	180
2019*	169	0	0	169
Total	4,076	4	2,514	6,594
Average**	206	0	132	338

*Through November 2019

**Excludes 2019

Source: US Census Bureau Building Permits, January 2020

As illustrated in the previous table, approximately 61.8 percent of the residential units permitted in the city of Hampton have been single-family and duplex homes, while 38.2 percent of the residential units permitted have been for developments of three or more units. As such, multifamily building permits in Hampton have been outpaced by single-family development since 2000.

Conclusion

The PMA is an area of significant population and household growth. The PMA and MSA have shown moderate population and household growth figures over the last decade. The PMA and MSA demonstrated annual population growth at rates of 0.2 and 0.6 percent from 2010 to 2019, slower than that of the nation. Over the same period of time, the household growth rates of the PMA and MSA also were slower than that of the nation. As of 2019, approximately 54.1 percent of renter households within the PMA have annual incomes below \$40,000. Through 2024, the percentage of renter households is projected to decrease slightly to 51.5 percent of renter households within the PMA that will still earn less than \$40,000 annually. The income limitations for the Subject's affordable units will range from \$36,720 to \$51,420. With a growing number of renters in the PMA and a large percentage of renters with low income, coupled with an aging housing stock, we project that there will be substantial demand for new or renovated affordable housing units.

VI. COMPETITIVE ENVIRONMENT

COMPETITIVE ENVIRONMENT

HOUSING SUMMARY

Based on the most recent *CoStar Market Report* for Hampton City County, the county experienced a slight decrease of 0.8 percentage points in vacancy rates between the fourth quarter 2018 and the fourth quarter 2019. As illustrated in the tables and chart following, the vacancy rate is projected to remain relatively stable at 6.8 percent through 2023.

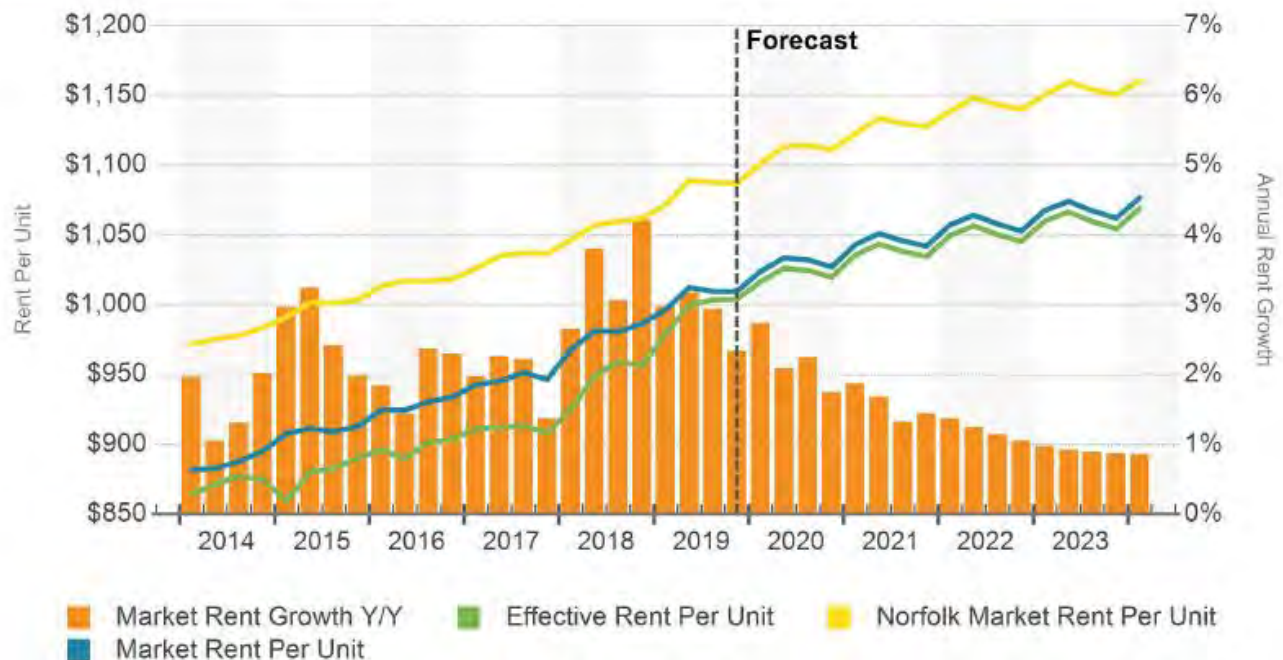
KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	3,363	6.0%	\$1,234	\$1,223	2	0	461
3 Star	4,563	5.8%	\$968	\$959	0	0	322
1 & 2 Star	4,892	6.5%	\$884	\$880	0	0	0
Submarket	12,818	6.1%	\$1,009	\$1,002	2	0	783

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.8%	7.2%	6.8%	11.1%	2016 Q4	4.1%	2002 Q2
Absorption Units	103	105	258	737	2007 Q1	(624)	2015 Q1
Delivered Units	0	138	310	864	2007 Q1	0	2019 Q4
Demolished Units	0	19	10	371	2015 Q4	0	2019 Q4
Asking Rent Growth (YOY)	2.2%	2.4%	1.3%	7.2%	2001 Q2	-1.3%	2010 Q2
Effective Rent Growth (YOY)	4.4%	2.4%	1.4%	7.1%	2001 Q2	-1.3%	2010 Q2
Sales Volume	\$112 M	\$40.0M	N/A	\$141.6M	2019 Q3	\$0	2012 Q2

Source: CoStar, January 2020

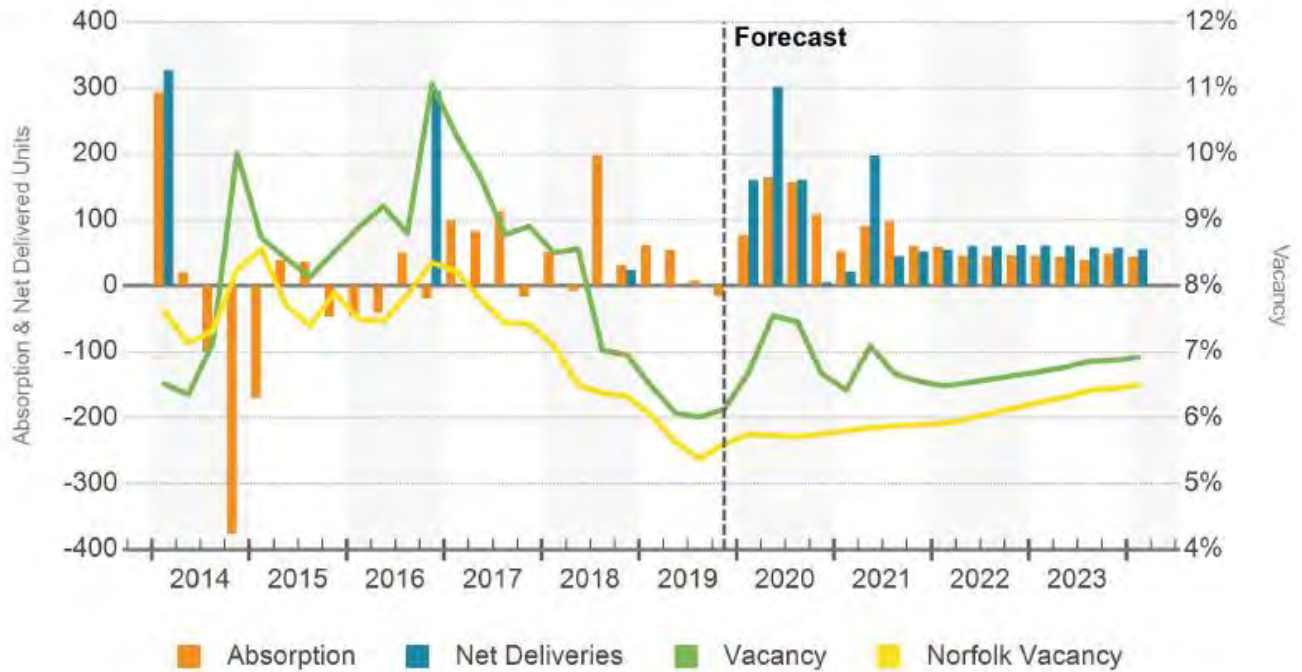
MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, January 2020

Average asking rents increased 2.2 percent over the last year, and are expected to increase at an average rate of 1.3 percent through 2023.

ABSORPTION, NET DELIVERIES & VACANCY



Source: CoStar, January 2020

Rent growth has been healthy, and is expected to continue growing, and vacancy among the affordable supply in the market is much lower than that of the market-rate properties.

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 five LIHTC properties, two of which are mixed-income, as well as six family market rate properties, eight of which are located within the PMA. The remaining three comparables are located just outside of the PMA, within 4.4 miles of the Subject. It should be noted that one comparable, Derby Run I, is the first phase of the Subject site and is operated by the same management as the Subject. All six of the market rate comparable target the general population. 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. The table following details excluded affordable properties in the PMA.

EXCLUDED AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Tenancy	Year Built	Total Units	Reason for Exclusion
Bruton Park Group Home	Section 8	Senior	1994	5	Subsidized rents/tenancy
Berkley South Apartments	Section 8	Family	1985	190	Subsidized rents
Century Plaza Apartments	LIHTC/Section 8	Family	1972	120	Subsidized rents
Great Oak Apartments	LIHTC/Section 8	Family	1978	143	Subsidized rents
Newport News Transition T/C	Section 8	Family	1977	12	Subsidized rents
Paula Maria III	Section 8	Family	1978	198	Subsidized rents
City Line Apartments	LIHTC/Section 8	Family	1975	200	Subsidized rents
Seton Manor	Section 8	Family	1986	112	Subsidized rents
Newport Harbour Apartments	LIHTC/Section 8	Family	1978	200	Subsidized rents
Christian Village Of Eastern Va	Section 8	Senior	1999	43	Subsidized rents/tenancy
Groome Road Group Home	Section 8	Senior	2000	5	Subsidized rents/tenancy
Diggs Drive Group Home	Section 8	Senior	2006	5	Subsidized rents/tenancy
Dresden Drive Group Home	Section 8	Senior	2007	5	Subsidized rents/tenancy
Pinedale Manor	LIHTC	Family	1997	296	Unable to contact
Chestnut Square	LIHTC	Family	2000	40	Differing building design
Ivy Farms	LIHTC	Family	2002	168	Unable to contact
Shell Gardens	LIHTC	Family	2002	48	Unable to contact
Tidewater Seniors	LIHTC	Senior	2003	140	Target tenancy
Ashe Manor	LIHTC	Senior	2005	50	Target tenancy
Westover Station	LIHTC	Family	2005	108	Differing unit mix
Orcutt Village Townhomes I & II	LIHTC	Family	2006/2012	70	Unable to contact
Seven Oaks	LIHTC	Family	2006	202	Differing building design
Somerset At Town Center	LIHTC	Senior	2009	114	Target tenancy
Dresden	LIHTC	Senior	2010	32	Target tenancy
Heritage Forest I & II	LIHTC	Family	2012/2013	248	Unable to contact
Jefferson Brookville	LIHTC (PBRA)	Family	2015	50	Unable to contact

LIHTC Competition / Recent and Proposed Construction

According to the Virginia Housing Development Authority (VHDA), there have been two recently funded developments within the Subject's PMA. According to the VHDA allocation lists since 2016, there have been three developments allocated tax credits in the PMA, one of which is phase I of the Subject (Derby Run I), which has been utilized as a comparable. The remaining two allocations have been detailed below.

- Spratley House Apartments, located at 651 25th Street in Newport News, was allocated tax credits in 2019 for the rehabilitation of a 50-unit Public Housing development targeting families. As a subsidized development, Spratley House Apartments will not directly compete with the Subject.
- Town Center Apartments, located at Saville Row and Pine Chapel Road in Hampton, was allocated tax credits in 2018 for the new construction of 60 units targeting families. The development will directly compete with the Subject's LIHTC Units.

City Planning and Development Department

We contacted Andrew Bell with the City of Hampton regarding new, planned, or under construction multifamily developments in the PMA.

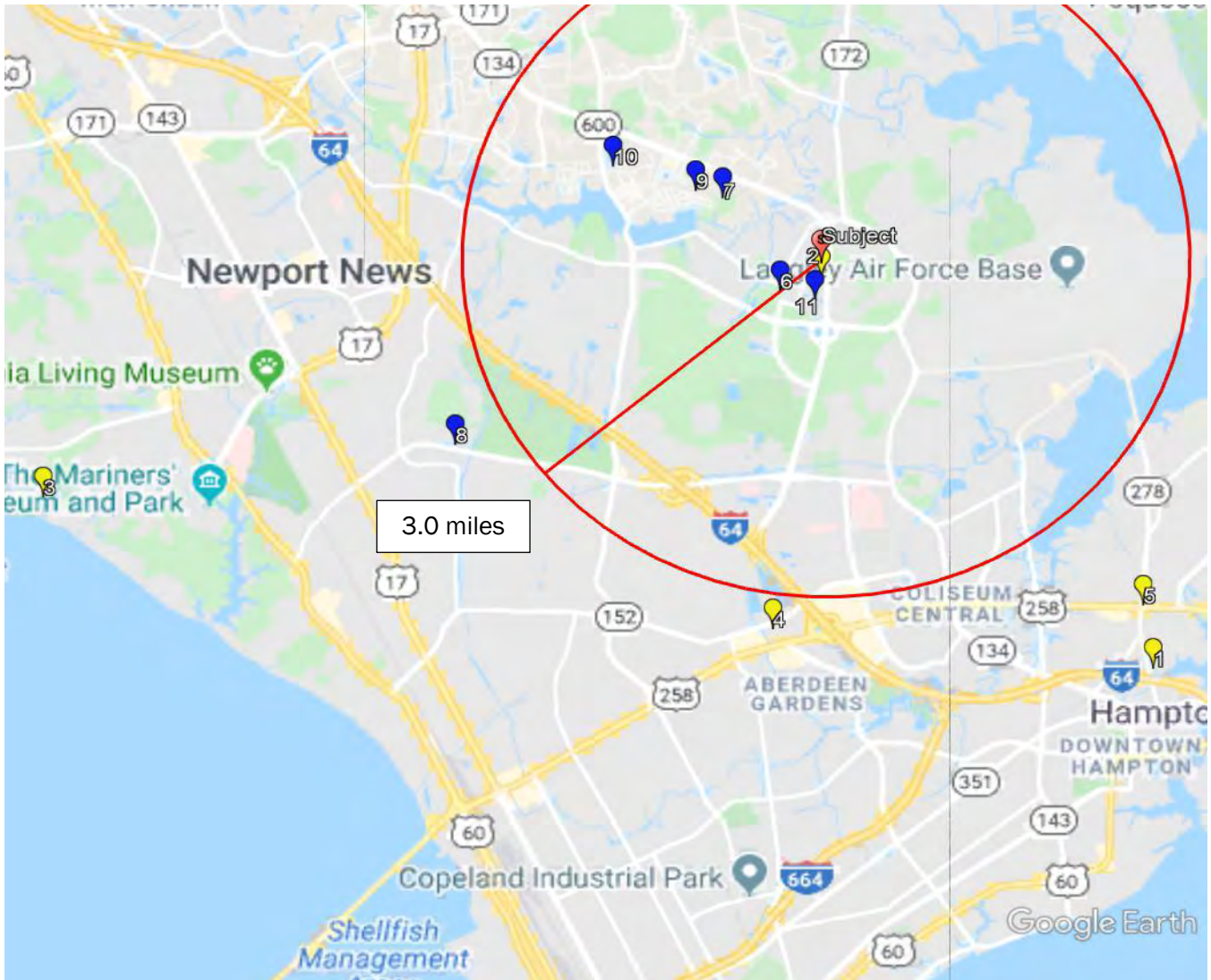
- An apartment complex at the former Wythe Elementary School at 200 Claremont Avenue in Hampton was recently complete. The development will be an adaptive reuse of the school building and will consist of 40 market rate studio and one-bedroom units. Construction began in 2019 and was completed in early 2020. The units directly compete with the Subject's market rate units.
- Axis PTC is to be located at 1850 Merchant Lane and is currently under construction. The development will consist of 169 market rate units. Construction is expected to be complete by the spring of 2020. Units at this development will directly compete with the Subject's market rate units.
- Lumen Apartments is proposed for construction on Commander Shepard Boulevard in Hampton. The development will consist of 301 one, two, and three-bedroom market rate units. The units will directly compete with the Subject's market rate units.

We also consulted data from CoStar, a national real estate research firm. According to CoStar, there are two additional proposed and under construction multifamily developments in the Subject's PMA.

- Axis Apartments II is proposed for construction at 2581 McMenamin Street in Hampton. The market rate development will consist of 160 units. No other information was available. The units will directly compete with the Subject's market rate units.
- Whittaker Place is under construction at 1003 28th Street in Newport News. The market rate development will consist of 67 studio, one, and two-bedroom units. The development is on the site of the former Whittaker Memorial Hospital. Units at the development will directly compete with the Subject's market rate units.

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 page. We have also included an amenity comparison matrix and a rent and square footage ranking table.



COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
1	Bay Creek Apartments*	Hampton	LIHTC	Family	4.4 miles
2	Derby Run I	Hampton	LIHTC/ Market	Family	Adjacent
3	Pilot House*	Newport News	LIHTC	Family	6.7 miles
4	Waterford Pointe	Hampton	LIHTC	Family	3.2 miles
5	Wilsondale Apartments*	Hampton	LIHTC/ Market	Family	4.0 miles
6	Briton Trace Apartments	Hampton	Market	Family	0.4 miles
7	Four Seasons	Yorktown	Market	Family	1.1 miles
8	Meridian Parkside	Newport News	Market	Family	3.4 miles
9	Pines Of York	Yorktown	Market	Family	1.3 miles
10	The Belmont At York	Yorktown	Market	Family	2.0 miles
11	The Samuel Apartments	Hampton	Market	Family	0.2 miles

*Located outside PMA

DERBY RUN II – HAMPTON, 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	Derby Run II 6 Derby Run Hampton, VA 23666 Hampton County	-	Garden 3-stories 1997 / 2021 Family	@60%, Market	2BR / 2BA	74	51.4%	962	@60%	\$964	Yes	No	N/A	N/A
					2BR / 2BA	18	12.5%	962	Market	\$953	N/A	No	N/A	N/A
					2BR / 2BA	4	2.8%	962	Market	\$967	N/A	No	N/A	N/A
					3BR / 2BA	12	8.3%	1,185	@60%	\$1,079	Yes	No	N/A	N/A
					3BR / 2BA	15	10.4%	1,186	@60%	\$1,078	Yes	No	N/A	N/A
					3BR / 2BA	15	10.4%	1,187	@60%	\$1,077	Yes	No	N/A	N/A
					3BR / 2BA	2	1.4%	1,185	Market	\$1,097	N/A	No	0	0.0%
					3BR / 2BA	4	2.8%	1,185	Market	\$1,079	N/A	No	0	0.0%
						144							15	10.4%
1	Bay Creek Apartments 24 Salisbury Way Hampton, VA 23669 Hampton County	4.4 miles	Garden 2-stories 1966 / 1999/2016 Family	@60%	2BR / 1BA	128	69.6%	780	@60%	\$745	No	No	3	2.3%
					3BR / 1.5BA	56	30.4%	1,064	@60%	\$849	No	No	1	1.8%
						184							4	2.2%
2	Derby Run I 6 Derby Run Hampton, VA 23666 Hampton County	0.0 miles	Garden 3-stories 1994 / Ongoing Family	@60%, Market	2BR / 2BA	79	49.4%	1,000	@60%	\$932	Yes	No	2	2.5%
					2BR / 2BA	25	15.6%	1,000	Market	\$936	N/A	No	0	0.0%
					3BR / 2BA	49	30.6%	1,300	@60%	\$1,059	Yes	No	1	2.0%
					3BR / 2BA	7	4.4%	1,300	Market	\$1,102	N/A	No	0	0.0%
											160			
3	Pilot House 701 Bridestock Circle Newport News, VA 23606 Newport News County	4.1 miles	Garden 3-stories 1992 / 2015 Family	@60%	2BR / 2BA	102	77.3%	1,000	@60%	\$873	Yes	Yes	0	0.0%
					3BR / 2BA	30	22.7%	1,320	@60%	\$975	Yes	Yes	0	0.0%
						132							0	0.0%
4	Waterford Pointe 105 Lakeshore Drive East Hampton, VA 23666 Hampton County	3.2 miles	Garden 3-stories 1993 / 2014 Family	@60%	1BR / 1BA	9	7.5%	620	@60%	\$745	Yes	Yes	0	0.0%
					2BR / 1.5BA	66	55.0%	818	@60%	\$885	Yes	Yes	0	0.0%
					3BR / 2BA	45	37.5%	1,006	@60%	\$1,015	Yes	Yes	0	0.0%
						120							0	0.0%
5	Wilsondale Apartments 1212 North King Street Hampton, VA 23669 Hampton County	4.0 miles	Garden 3-stories 2011 / n/a Family	@60%, Market	1BR / 1BA	24	12.1%	858	Market	\$985	N/A	No	0	0.0%
					2BR / 2BA	108	54.6%	964	@60%	\$978	Yes	No	13	12.0%
					2BR / 2BA	24	12.1%	1,149	Market	\$1,260	N/A	No	2	8.3%
					3BR / 2BA	42	21.2%	1,135	@60%	\$1,127	Yes	No	6	14.3%
						198							21	10.6%
6	Briton Trace Apartments 130 Semple Farm Road Hampton, VA 23666 Hampton County	0.4 miles	Garden 3-stories 2013 / n/a Family	Market	2BR / 2BA	N/A	N/A	1,060	Market	\$1,271	N/A	No	0	N/A
					3BR / 2BA	N/A	N/A	1,250	Market	\$1,426	N/A	No	0	N/A
						120							0	0.0%
7	Four Seasons 102 Indian Summer Drive Yorktown, VA 23693 York County	1.1 miles	Garden 2-stories 1976 / n/a Family	Market	1BR / 1BA	N/A	N/A	850	Market	\$889	N/A	No	0	N/A
					2BR / 1.5BA	N/A	N/A	1,100	Market	\$979	N/A	No	4	N/A
					3BR / 2BA	N/A	N/A	1,270	Market	\$1,299	N/A	No	0	N/A
						321							4	1.2%
8	Meridian Parkside 1400 Summit Lane Newport News, VA 23601 Hampton County	3.4 miles	Garden 4-stories 2008 / n/a Family	Market	1BR / 1BA	N/A	N/A	878	Market	\$1,214	N/A	No	6	N/A
					2BR / 2BA	N/A	N/A	1,114	Market	\$1,241	N/A	No	0	N/A
					3BR / 2BA	N/A	N/A	1,414	Market	\$1,561	N/A	No	4	N/A
						308							10	3.2%
9	Pines Of York 3100 Hampton Highway Yorktown, VA 23693 York County	1.3 miles	Garden 2-stories 1974 / n/a Family	Market	1BR / 1BA	N/A	N/A	836	Market	\$1,039	N/A	No	3	N/A
					1.5BR / 1BA	N/A	N/A	915	Market	\$1,044	N/A	No	5	N/A
					2BR / 1.5BA	N/A	N/A	1,118	Market	\$1,564	N/A	No	2	N/A
					3BR / 2BA	N/A	N/A	1,336	Market	\$1,346	N/A	No	2	N/A
						248							12	4.8%
10	The Belmont At York 101 Saint Clair Circle Yorktown, VA 23693 York County	2.0 miles	Garden 3-stories 2000 / n/a Family	Market	1BR / 1BA	N/A	N/A	800	Market	\$1,026	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	1,130	Market	\$1,228	N/A	No	4	N/A
					3BR / 2BA	N/A	N/A	1,280	Market	\$1,399	N/A	No	1	N/A
						300							5	1.7%
11	The Samuel Apartments 2 Tradewinds Quay Hampton, VA 23666 Hampton County	0.2 miles	Garden 3-stories 1988 / 2018 Family	Market	1BR / 1BA	N/A	N/A	788	Market	\$986	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	1,011	Market	\$1,096	N/A	Yes	8	N/A
					3BR / 2BA	N/A	N/A	1,264	Market	\$1,284	N/A	Yes	0	N/A
						284							8	2.8%

DERBY RUN II – HAMPTON, VIRGINIA – MARKET STUDY

AMENITY MATRIX

Subject	Bay Creek Apartments	Derby Run I	Pilot House	Waterford Pointe	Wilsondale Apartments	Briton Trace Apartments	Four Seasons	Meridian Parkside	Pines Of York	The Belmont At York	The Samuel Apartments	
Rent Structure	LIHTC/ Market	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC/ Market	Market	Market	Market	Market	Market	
Building												
Property Type	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	
# of Stories	3-stories	2-stories	3-stories	3-stories	3-stories	3-stories	2-stories	4-stories	2-stories	3-stories	3-stories	
Year Built	1997	1966	1994	1992	1993	2011	2013	1976	2008	1974	2000	
Year Renovated	2021	1999/2016	Ongoing	2015	2014	n/a	n/a	n/a	n/a	n/a	n/a	
Elevators	no	no	no	no	no	no	no	yes	no	no	no	
Utility Structure												
Cooking	no	no	no	no	no	no	no	no	no	no	no	
Water Heat	no	no	no	no	no	no	no	no	no	no	no	
Heat	no	no	no	no	no	no	no	no	no	no	no	
Other Electric	no	no	no	no	no	no	no	no	no	no	no	
Water	no	yes	no	yes	no	no	no	no	no	no	no	
Sewer	no	yes	no	yes	no	no	no	no	no	no	no	
Trash	yes	no	yes	yes	yes	yes	no	yes	no	no	no	
Accessibility												
Unit Amenities												
Balcony/Patio	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Ceiling Fan	no	no	no	no	no	no	yes	yes	no	yes	yes	
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Exterior Storage	no	no	yes	no	yes	no	no	no	yes	yes	yes	
Walk-In Closet	no	no	yes	yes	yes	yes	yes	no	yes	yes	yes	
Washer/Dryer	no	no	no	yes	yes	yes	yes	no	yes	yes	yes	
W/D Hookup	no	no	yes	yes	yes	yes	yes	no	yes	yes	yes	
Kitchen												
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Disposal	no	yes	no	yes	yes	yes	yes	yes	yes	yes	no	
Microwave	no	no	no	no	no	yes	no	yes	yes	no	no	
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Community												
Business Center	no	no	no	no	no	no	yes	yes	yes	yes	no	
Community Room	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	no	
Central Laundry	yes	yes	yes	yes	yes	no	no	yes	no	no	no	
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Recreation												
Exercise Facility	no	no	no	yes	yes	yes	yes	no	yes	yes	yes	
Playground	yes	yes	no	yes	yes	yes	yes	yes	no	yes	yes	
Swimming Pool	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Picnic Area	no	no	no	yes	yes	no	yes	yes	yes	yes	yes	
Tennis Court	no	no	no	no	no	no	no	yes	no	yes	yes	
Theatre	no	no	no	no	no	no	no	no	yes	no	no	
Security												
In-Unit Alarm	no	no	no	no	no	no	no	no	yes	no	no	
Intercom (Phone)	no	no	no	no	no	no	no	no	yes	no	no	
Limited Access	no	no	no	no	no	no	no	no	yes	no	no	
Patrol	no	yes	no	no	yes	no	no	no	no	no	no	
Perimeter Fencing	no	no	no	no	no	yes	no	no	yes	no	no	
Video Surveillance	no	yes	no	no	yes	no	no	no	no	no	no	
Parking												
Garage	no	no	no	no	no	no	no	no	yes	no	yes	
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$160	\$0	\$104	
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25	\$0	

DERBY RUN II – HAMPTON, VIRGINIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	2,375	Weighted Occupancy:	97.2%
	Market Rate	1,581	Market Rate	97.5%
	Tax Credit	794	Tax Credit	96.5%
		Two Bedroom Two Bath	Three Bedroom Two Bath	
	Property	Average	Property	Average
RENT	Pines Of York (Market)(1.5BA)	\$1,564	Meridian Parkside (Market)	\$1,561
	Briton Trace Apartments (Market)	\$1,271	Briton Trace Apartments (Market)	\$1,426
	Wilsondale Apartments (Market)	\$1,260	The Belmont At York (Market)	\$1,399
	Meridian Parkside (Market)	\$1,241	Pines Of York (Market)	\$1,346
	The Belmont At York (Market)	\$1,228	Four Seasons (Market)	\$1,299
	The Samuel Apartments (Market)	\$1,096	The Samuel Apartments (Market)	\$1,284
	Four Seasons (Market)(1.5BA)	\$979	Wilsondale Apartments (@60%)	\$1,127
	Wilsondale Apartments (@60%)(1.5BA)	\$978	Derby Run I (Market)	\$1,102
	Derby Run II (Market)	\$967	Derby Run II (Market)	\$1,097
	Derby Run II (@60%)	\$964	Derby Run II (@60%)	\$1,079
	Derby Run II (Market)	\$953	Derby Run II (@60%)	\$1,079
	Derby Run I (Market)	\$936	Derby Run II (@60%)	\$1,078
	Derby Run I (@60%)	\$932	Derby Run II (@60%)	\$1,077
	Waterford Pointe (@60%)(1.5BA)	\$885	Derby Run I (@60%)	\$1,059
	Pilot House (@60%)	\$873	Waterford Pointe (@60%)	\$1,015
	Bay Creek Apartments (@60%)(1BA)	\$745	Pilot House (@60%)	\$975
				Bay Creek Apartments (@60%)(1.5BA)
SQUARE FOOTAGE	Wilsondale Apartments (Market)	1,149	Meridian Parkside (Market)	1,414
	The Belmont At York (Market)	1,130	Pines Of York (Market)	1,336
	Pines Of York (Market)(1.5BA)	1,118	Pilot House (@60%)	1,320
	Meridian Parkside (Market)	1,114	Derby Run I (@60%)	1,300
	Four Seasons (Market)(1.5BA)	1,100	Derby Run I (Market)	1,300
	Briton Trace Apartments (Market)	1,060	The Belmont At York (Market)	1,280
	The Samuel Apartments (Market)	1,011	Four Seasons (Market)	1,270
	Derby Run I (Market)	1,000	The Samuel Apartments (Market)	1,264
	Derby Run I (@60%)	1,000	Briton Trace Apartments (Market)	1,250
	Pilot House (@60%)	1,000	Derby Run II (@60%)	1,187
	Wilsondale Apartments (@60%)(1.5BA)	964	Derby Run II (@60%)	1,186
	Derby Run II (Market)	962	Derby Run II (Market)	1,185
	Derby Run II (Market)	962	Derby Run II (Market)	1,185
	Derby Run II (@60%)	962	Derby Run II (@60%)	1,185
	Waterford Pointe (@60%)(1.5BA)	818	Wilsondale Apartments (@60%)	1,135
	Bay Creek Apartments (@60%)(1BA)	780	Bay Creek Apartments (@60%)(1.5BA)	1,064
				Waterford Pointe (@60%)
RENT PER SQUARE FOOT	Pines Of York (Market)(1.5BA)	\$1.40	Briton Trace Apartments (Market)	\$1.14
	Briton Trace Apartments (Market)	\$1.20	Meridian Parkside (Market)	\$1.10
	Meridian Parkside (Market)	\$1.11	The Belmont At York (Market)	\$1.09
	Wilsondale Apartments (Market)	\$1.10	Four Seasons (Market)	\$1.02
	The Belmont At York (Market)	\$1.09	The Samuel Apartments (Market)	\$1.02
	The Samuel Apartments (Market)	\$1.08	Waterford Pointe (@60%)	\$1.01
	Waterford Pointe (@60%)(1.5BA)	\$1.08	Pines Of York (Market)	\$1.01
	Wilsondale Apartments (@60%)(1.5BA)	\$1.01	Wilsondale Apartments (@60%)	\$0.99
	Derby Run II (Market)	\$1.01	Derby Run II (Market)	\$0.93
	Derby Run II (@60%)	\$1.00	Derby Run II (Market)	\$0.91
	Derby Run II (Market)	\$0.99	Derby Run II (@60%)	\$0.91
	Bay Creek Apartments (@60%)(1BA)	\$0.96	Derby Run II (@60%)	\$0.91
	Derby Run I (Market)	\$0.94	Derby Run II (@60%)	\$0.91
	Derby Run I (@60%)	\$0.93	Derby Run I (Market)	\$0.85
	Four Seasons (Market)(1.5BA)	\$0.89	Derby Run I (@60%)	\$0.81
	Pilot House (@60%)	\$0.87	Bay Creek Apartments (@60%)(1.5BA)	\$0.80
			Pilot House (@60%)	\$0.74

PROPERTY PROFILE REPORT

Bay Creek Apartments

Effective Rent Date	1/15/2020
Location	24 Salisbury Way Hampton, VA 23669 Hampton County
Distance	4.4 miles
Units	184
Vacant Units	4
Vacancy Rate	2.2%
Type	Garden (2 stories)
Year Built/Renovated	1966 / 1999/2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Bridgeport; Derby Run I & II
Tenant Characteristics	Most from Hampton-Newport News area
Contact Name	Ms. Clark
Phone	757-722-6089



Market Information

Program	@60%
Annual Turnover Rate	13%
Units/Month Absorbed	N/A
HCV Tenants	70%
Leasing Pace	Within 10 days
Annual Chg. in Rent	Remained stable since 4Q18
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	not 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	Garden (2 stories)	128	780	\$790	\$0	@60%	No	3	2.3%	no	None
3	1.5	Garden (2 stories)	56	1,064	\$930	\$0	@60%	No	1	1.8%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$790	\$0	\$790	-\$45	\$745
3BR / 1.5BA	\$930	\$0	\$930	-\$81	\$849

Amenities

In-Unit	Security	Services
Blinds	Patrol	None
Central A/C	Video Surveillance	
Dishwasher		
Oven		
Property	Premium	Other
Central Laundry	None	None
On-Site Management		

Comments

The property was formerly known as King Street Commons.

Bay Creek Apartments, continued

Trend Report

Vacancy Rates

1Q16	4Q18	2Q19	1Q20
9.8%	2.7%	2.2%	2.2%

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	7.0%	\$775	\$0	\$775	\$730
2018	4	3.9%	\$790	\$0	\$790	\$745
2019	2	2.3%	\$790	\$0	\$790	\$745
2020	1	2.3%	\$790	\$0	\$790	\$745

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	16.1%	\$900	\$0	\$900	\$819
2018	4	0.0%	\$930	\$0	\$930	\$849
2019	2	1.8%	\$930	\$0	\$930	\$849
2020	1	1.8%	\$930	\$0	\$930	\$849

Trend: Comments

1Q16	There is on-site patrol a few days a week. According to management, the high turnover is mostly due to evictions due to unpaid rent or violation of lease terms. According to the most recent rent roll provided, dated January 13, 2016, the Subject's vacancy rate was 8.2 percent with fifteen vacant units. As of the effective date of value/date of inspection, the Subject's vacancy rate was reported to be 9.8 percent with 18 vacant units. The asking rents shown are for the units "as renovated." A \$15 application fee and \$99 security deposit is currently being offered for all units.
4Q18	Rent is kept at max for the two bedroom units are kept at max rent. Off street parking is included in rent. Waiting list is only available for the three bedroom units.
2Q19	The property was formerly known as King Street Commons.
1Q20	N/A

Photos



PROPERTY PROFILE REPORT

Derby Run I

Effective Rent Date	1/15/2020
Location	6 Derby Run Hampton, VA 23666 Hampton County
Distance	0.1 miles
Units	160
Vacant Units	3
Vacancy Rate	1.9%
Type	Garden (3 stories)
Year Built/Renovated	1994 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Derby Run II
Tenant Characteristics	Mixed tenancy, general population, families
Contact Name	Maria
Phone	757-865-1000



Market Information

Program	@60%, Market
Annual Turnover Rate	26%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Kept at max
Concession	None reported
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	79	1,000	\$932	\$0	@60%	No	2	2.5%	yes	None
2	2	Garden (3 stories)	25	1,000	\$936	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	49	1,300	\$1,059	\$0	@60%	No	1	2.0%	yes	None
3	2	Garden (3 stories)	7	1,300	\$1,102	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$932	\$0	\$932	\$0	\$932	2BR / 2BA	\$936	\$0	\$936	\$0	\$936
3BR / 2BA	\$1,059	\$0	\$1,059	\$0	\$1,059	3BR / 2BA	\$1,102	\$0	\$1,102	\$0	\$1,102

Derby Run I, continued

Amenities

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

Comments

The property is operated by the same ownership/management as the Subject, Derby Run II. The property is currently undergoing renovations, which began in December of 2019. Renovations are expected to be complete by the third quarter of 2020.

Derby Run I, continued

Trend Report

Vacancy Rates

4Q18	2Q19	1Q20
N/A	1.9%	1.9%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	2.5%	\$893	\$0	\$893	\$893
2020	1	2.5%	\$932	\$0	\$932	\$932

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	2.0%	\$1,000	\$0	\$1,000	\$1,000
2020	1	2.0%	\$1,059	\$0	\$1,059	\$1,059

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$925	\$0	\$925	\$925
2020	1	0.0%	\$936	\$0	\$936	\$936

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$1,045	\$0	\$1,045	\$1,045
2020	1	0.0%	\$1,102	\$0	\$1,102	\$1,102

Trend: Comments

4Q18 N/A

2Q19 N/A

1Q20 The property is operated by the same ownership/management as the Subject, Derby Run II. The property is currently undergoing renovations, which began in December of 2019. Renovations are expected to be complete by the third quarter of 2020.

Photos



PROPERTY PROFILE REPORT

Pilot House

Effective Rent Date	1/15/2020
Location	701 Bridestock Circle Newport News, VA 23606 Newport News County
Distance	6.7 miles
Units	132
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1992 / 2015
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Arboretum Place, Wellesley Woods
Tenant Characteristics	mixed tenancy; mostly families
Contact Name	Shannon
Phone	757-873-9780



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Yes - Two months

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	102	1,000	\$944	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	30	1,320	\$1,082	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$944	\$0	\$944	-\$71	\$873
3BR / 2BA	\$1,082	\$0	\$1,082	-\$107	\$975

Pilot House, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer(\$40.00)	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

Contact was unable to provide information on Housing Choice Voucher utilization. The property offers washer/dryers for rent at a cost of \$40 per month.

Trend Report

Vacancy Rates

3Q08	1Q09	2Q19	1Q20
0.8%	1.5%	0.0%	0.0%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	1.0%	\$715	\$0	\$715	\$644
2009	1	2.0%	\$744	\$0	\$744	\$673
2019	2	0.0%	\$925	\$0	\$925	\$854
2020	1	0.0%	\$944	\$0	\$944	\$873

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	0.0%	\$806	\$0	\$806	\$699
2009	1	0.0%	\$851	\$0	\$851	\$744
2019	2	0.0%	\$1,055	\$0	\$1,055	\$948
2020	1	0.0%	\$1,082	\$0	\$1,082	\$975

Trend: Comments

3Q08	Contact stated that the one vacancy has an application on it. There are currently two households on the waiting list.
1Q09	Contact was unable to provide the total number of tenants utilizing housing choice vouchers at the time of the survey. There was a four percent increase on the two-bedroom units, and a six percent increase on the three-bedroom units.
2Q19	Contact was unable to provide the total number of tenants utilizing housing choice vouchers at the time of the survey. The property offers washer/dryers for rent at a cost of \$40 per month. The contact reported that the rent rates collected are the 2019 maximum allowable.
1Q20	Contact was unable to provide information on Housing Choice Voucher utilization. The property offers washer/dryers for rent at a cost of \$40 per month.

Photos



PROPERTY PROFILE REPORT

Waterford Pointe

Effective Rent Date	1/15/2020
Location	105 Lakeshore Drive East Hampton, VA 23666 Hampton County
Distance	3.2 miles
Units	120
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1993 / 2014
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Bridgeport; Derby Run I & II
Tenant Characteristics	Families from Hampton-Newport News; little to no military
Contact Name	Priscilla
Phone	757-827-7900



Market Information

Program	@60%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	60%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Stable since 2019
Concession	None
Waiting List	Yes - 150 HH

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)	9	620	\$745	\$0	@60%	Yes	0	0.0%	yes	None
2	1.5	Garden (3 stories)	66	818	\$885	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	45	1,006	\$1,015	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$745	\$0	\$745	\$0	\$745
2BR / 1.5BA	\$885	\$0	\$885	\$0	\$885
3BR / 2BA	\$1,015	\$0	\$1,015	\$0	\$1,015

Waterford Pointe, continued

Amenities

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

Comments

Each unit offers an in-unit washer/dryer.

Waterford Pointe, continued

Trend Report

Vacancy Rates

4Q17	4Q18	2Q19	1Q20
0.0%	0.0%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$731	\$0	\$731	\$731
2018	4	0.0%	\$745	\$0	\$745	\$745
2019	2	0.0%	\$745	\$0	\$745	\$745
2020	1	0.0%	\$745	\$0	\$745	\$745

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$865	\$0	\$865	\$865
2018	4	0.0%	\$875	\$0	\$875	\$875
2019	2	0.0%	\$885	\$0	\$885	\$885
2020	1	0.0%	\$885	\$0	\$885	\$885

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$960	\$0	\$960	\$960
2018	4	0.0%	\$1,015	\$0	\$1,015	\$1,015
2019	2	0.0%	\$1,015	\$0	\$1,015	\$1,015
2020	1	0.0%	\$1,015	\$0	\$1,015	\$1,015

Trend: Comments

4Q17	The property maintains and waiting list 50 households in length.
4Q18	The property offers full size washer/dryers in every unit. There is no additional cost for off street parking.
2Q19	The contact had no additional comments. Rents are set at the 2018 maximum allowable level.
1Q20	Each unit offers an in-unit washer/dryer.

Photos



PROPERTY PROFILE REPORT

Wilsondale Apartments

Effective Rent Date	1/15/2020
Location	1212 North King Street Hampton, VA 23669 Hampton County
Distance	4 miles
Units	198
Vacant Units	21
Vacancy Rate	10.6%
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	Derby Run I & II
Tenant Characteristics	Mixed tenancy from local area.
Contact Name	Amber
Phone	757-723-7368



Market Information

Program	@60%, Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	60%
Leasing Pace	Within one month
Annual Chg. in Rent	Kept at max/Inc. 0-7% since 3Q19
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)	24	858	\$985	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Garden (3 stories)	108	964	\$978	\$0	@60%	No	13	12.0%	yes	None
2	2	Garden (3 stories)	24	1,149	\$1,260	\$0	Market	No	2	8.3%	N/A	None
3	2	Garden (3 stories)	42	1,135	\$1,127	\$0	@60%	No	6	14.3%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$978	\$0	\$978	\$0	\$978	1BR / 1BA	\$985	\$0	\$985	\$0	\$985
3BR / 2BA	\$1,127	\$0	\$1,127	\$0	\$1,127	2BR / 2BA	\$1,260	\$0	\$1,260	\$0	\$1,260

Wilsondale Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

The contact noted that the property's elevated vacancy is due to the property having issues income-qualifying tenants and getting them to pass the required credit check. Despite this, rents are set at maximum allowable levels and are believed to be achievable. Each unit offers an in-unit washer/dryer.

Wilsondale Apartments, continued

Trend Report

Vacancy Rates

4Q18	2Q19	3Q19	1Q20
1.0%	12.6%	12.6%	10.6%

Trend: @60%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	0.0%	\$898	\$0	\$898	\$898
2019	2	N/A	\$948	\$0	\$948	\$948
2019	3	N/A	\$948	\$0	\$948	\$948
2020	1	12.0%	\$978	\$0	\$978	\$978

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	0.0%	\$1,025	\$0	\$1,025	\$1,025
2019	2	N/A	\$1,052	\$0	\$1,052	\$1,052
2019	3	N/A	\$1,052	\$0	\$1,052	\$1,052
2020	1	14.3%	\$1,127	\$0	\$1,127	\$1,127

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	4.2%	\$979	\$0	\$979	\$979
2019	2	N/A	\$985	\$82	\$903	\$903
2019	3	N/A	\$985	\$82	\$903	\$903
2020	1	0.0%	\$985	\$0	\$985	\$985

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	4.2%	\$1,250	\$0	\$1,250	\$1,250
2019	2	N/A	\$1,260	\$105	\$1,155	\$1,155
2019	3	N/A	\$1,260	\$105	\$1,155	\$1,155
2020	1	8.3%	\$1,260	\$0	\$1,260	\$1,260

Trend: Comments

4Q18	The property was constructed in phases. Phase one opened with a mix of tax credit and market rate units. Phase two opened with just market rate units. Each unit has a washer/dryer in unit. Off street parking is included in rent. The property does accept Housing Choice Vouchers but the contact would not state how many tenants are utilizing them.
2Q19	The contact noted that poor management is responsible for the relatively high vacancy rate. The contact stated that the old management did not lease any new units, so several units had been sitting offline for 300 days. Since August, new management has been leasing units again and have made significant progress since they took over.
3Q19	The contact noted that poor management is responsible for the relatively high vacancy rate. The contact stated that the prior management did not lease any new units, so several units had been sitting offline for 300 days. Since August 2018, new management has been leasing units again and made significant progress since they took over.
1Q20	The contact noted that the property's elevated vacancy is due to the property having issues income-qualifying tenants and getting them to pass the required credit check. Despite this, rents are set at maximum allowable levels and are believed to be achievable. Each unit offers an in-unit washer/dryer.

Photos



PROPERTY PROFILE REPORT

Briton Trace Apartments

Effective Rent Date	1/14/2020
Location	130 Semple Farm Road Hampton, VA 23666 Hampton County
Distance	0.4 miles
Units	120
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, some families
Contact Name	Property Manager
Phone	757-605-5455



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Inc. 0-4% since 2Q19
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	not 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)	N/A	1,060	\$1,245	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,250	\$1,400	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,245	\$0	\$1,245	\$26	\$1,271
3BR / 2BA	\$1,400	\$0	\$1,400	\$26	\$1,426

Briton Trace Apartments, continued

Amenities

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

Comments

The property does not accept Housing Choice Vouchers. Each unit offers an in-unit washer/dryer.

Briton Trace Apartments, continued

Trend Report

Vacancy Rates

4Q18	2Q19	1Q20
N/A	0.0%	0.0%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,245	\$0	\$1,245	\$1,271
2019	2	N/A	\$1,199	\$0	\$1,199	\$1,225
2020	1	N/A	\$1,245	\$0	\$1,245	\$1,271

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,385	\$0	\$1,385	\$1,411
2019	2	N/A	\$1,400	\$0	\$1,400	\$1,426
2020	1	N/A	\$1,400	\$0	\$1,400	\$1,426

Trend: Comments

4Q18	The property does not accept Housing Choice Vouchers. In-unit washer/dryer is included with rent.
2Q19	N/A
1Q20	The property does not accept Housing Choice Vouchers. Each unit offers an in-unit washer/dryer.

Photos



PROPERTY PROFILE REPORT

Four Seasons

Effective Rent Date	1/13/2020
Location	102 Indian Summer Drive Yorktown, VA 23693 York County
Distance	1.1 miles
Units	321
Vacant Units	4
Vacancy Rate	1.2%
Type	Garden (2 stories)
Year Built/Renovated	1976 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pines of York
Tenant Characteristics	Some families, general tenancy
Contact Name	Casey
Phone	757-598-7288



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. 0-8% since 2Q19
Concession	2BRs renting for \$979
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 (2 stories)	N/A	850	\$889	\$0	Market	No	0	N/A	N/A	None
2	1.5	Garden (2 stories)	N/A	1,100	\$1,065	\$86	Market	No	4	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,270	\$1,299	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$889	\$0	\$889	\$0	\$889
2BR / 1.5BA	\$1,065	\$86	\$979	\$0	\$979
3BR / 2BA	\$1,299	\$0	\$1,299	\$0	\$1,299

Four Seasons, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court			

Comments

The base rents are shown in the profile. Monthly premiums of \$36 to \$100 are charged if the unit has washer/dryer hookups. The property does not accept Housing Choice Vouchers.

Four Seasons, continued

Trend Report

Vacancy Rates

4Q18	2Q19	1Q20
3.7%	1.2%	1.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$854	\$0	\$854	\$854
2019	2	N/A	\$889	\$0	\$889	\$889
2020	1	N/A	\$889	\$0	\$889	\$889

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,034	\$86	\$948	\$948
2019	2	N/A	\$1,065	\$86	\$979	\$979
2020	1	N/A	\$1,065	\$86	\$979	\$979

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,175	\$0	\$1,175	\$1,175
2019	2	N/A	\$1,199	\$0	\$1,199	\$1,199
2020	1	N/A	\$1,299	\$0	\$1,299	\$1,299

Trend: Comments

4Q18	The property does not accept Housing Choice Vouchers. Off street parking is provided to the tenants. The contact could not provide the breakdown by unit type. Contact could not comment on annual turnover rate. Rents range based on floor plan. Base units are reflected in profile.
2Q19	The base rents are shown in the profile. Monthly premiums of \$36 to \$100 are charged if the unit has washer/dryer hookups. The property does not accept Housing Choice Vouchers.
1Q20	N/A

Photos



PROPERTY PROFILE REPORT

Meridian Parkside

Effective Rent Date	1/15/2020
Location	1400 Summit Lane Newport News, VA 23601 Hampton County
Distance	3.4 miles
Units	308
Vacant Units	10
Vacancy Rate	3.2%
Type	Garden (4 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Monticello, Signature, Hampton Center
Tenant Characteristics	Primarily young couples from the area
Contact Name	Kimberly
Phone	757-595-0118



Market Information

Program	Market
Annual Turnover Rate	16%
Units/Month Absorbed	25
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Changes daily
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	not 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 (4 stories)	N/A	878	\$1,188	\$0	Market	No	6	N/A	N/A	AVG*
1	1	Garden (4 stories)	N/A	943	\$1,240	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (4 stories)	N/A	813	\$1,135	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (4 stories)	N/A	1,114	\$1,215	\$0	Market	No	0	N/A	N/A	AVG*
2	2	Garden (4 stories)	N/A	1,204	\$1,285	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (4 stories)	N/A	1,024	\$1,145	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (4 stories)	N/A	1,414	\$1,535	\$0	Market	No	4	N/A	N/A	AVG*
3	2	Garden (4 stories)	N/A	1,457	\$1,555	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (4 stories)	N/A	1,371	\$1,515	\$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,135 - \$1,240	\$0	\$1,135 - \$1,240	\$26	\$1,161 - \$1,266
2BR / 2BA	\$1,145 - \$1,285	\$0	\$1,145 - \$1,285	\$26	\$1,171 - \$1,311
3BR / 2BA	\$1,515 - \$1,555	\$0	\$1,515 - \$1,555	\$26	\$1,541 - \$1,581

Meridian Parkside, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Intercom (Phone)	
Coat Closet	Dishwasher	Limited Access	
Garbage Disposal	Microwave	Perimeter Fencing	
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Elevators		
Exercise Facility	Garage(\$160.00)		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		
Theatre			

Comments

The property does not accept Housing Choice Vouchers. Garage parking is available for an additional fee of \$160 per month. Each unit offers an in-unit washer/dryer. The contact noted the property utilizes LRO; causing the rents to change daily.

Trend Report

Vacancy Rates

1Q16	3Q16	2Q19	1Q20
14.6%	8.1%	2.9%	3.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,000 - \$1,105	\$83 - \$92	\$917 - \$1,013	\$943 - \$1,039
2016	3	N/A	\$1,000 - \$1,105	\$0	\$1,000 - \$1,105	\$1,026 - \$1,131
2019	2	N/A	\$1,145 - \$1,220	\$0	\$1,145 - \$1,220	\$1,171 - \$1,246
2020	1	N/A	\$1,135 - \$1,240	\$0	\$1,135 - \$1,240	\$1,161 - \$1,266

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,085 - \$1,485	\$90 - \$124	\$995 - \$1,361	\$1,021 - \$1,387
2016	3	N/A	\$1,085 - \$1,485	\$0	\$1,085 - \$1,485	\$1,111 - \$1,511
2019	2	N/A	\$1,254 - \$1,500	\$0	\$1,254 - \$1,500	\$1,280 - \$1,526
2020	1	N/A	\$1,145 - \$1,285	\$0	\$1,145 - \$1,285	\$1,171 - \$1,311

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,570 - \$1,738	\$131 - \$145	\$1,439 - \$1,589	\$1,465 - \$1,615
2016	3	N/A	\$1,672 - \$1,776	\$0	\$1,672 - \$1,776	\$1,698 - \$1,802
2019	2	N/A	\$1,530 - \$1,750	\$0	\$1,530 - \$1,750	\$1,556 - \$1,776
2020	1	N/A	\$1,515 - \$1,555	\$0	\$1,515 - \$1,555	\$1,541 - \$1,581

Trend: Comments

1Q16	This property does not accept Housing Choice Vouchers. The contact was unable to provide an estimate of annual turnover. The contact told us that management typically runs rent specials monthly. When asked about the vacancy rate, the contact responded that management was working on it and would not discuss further. However, it is noted that this property has reported high vacancy in the past. At that time, higher vacancy was attributed to high turnover of military personnel. Storage units are available for \$75 per month, and garage parking spaces are available for \$200 per month. The contact could not estimate parking utilization.
3Q16	The contact stated that the occupancy at this property typically fluctuates between 90 and 94 percent. This property reported volatile rent growth over the preceding year, ranging from negative five percent to positive three percent. Storage units are available for \$75 per month, and 44 garage parking spaces are available for \$175 per month. Garage parking is 73 percent utilized. This property does not accept Housing Choice Vouchers.
2Q19	The contact reported that all of the storage lockers and parking garages are being utilized by the tenants, and there are waiting lists for both of these amenities. The property does not accept Housing Choice Vouchers. Garage parking is available for an additional fee of \$200 per month.
1Q20	The property does not accept Housing Choice Vouchers. Garage parking is available for an additional fee of \$160 per month. Each unit offers an in-unit washer/dryer. The contact noted the property utilizes LRO; causing the rents to change daily.

Photos



PROPERTY PROFILE REPORT

Pines Of York

Effective Rent Date	1/15/2020
Location	3100 Hampton Highway Yorktown, VA 23693 York County
Distance	1.3 miles
Units	248
Vacant Units	12
Vacancy Rate	4.8%
Type	Garden (2 stories)
Year Built/Renovated	1974 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, military
Contact Name	Jasmine
Phone	757-690-2555



Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not 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)	N/A	836	\$1,013	\$0	Market	No	3	N/A	N/A	AVG*
1	1	Garden (2 stories)	N/A	836	\$1,030	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (2 stories)	N/A	836	\$995	\$0	Market	No	0	N/A	N/A	LOW
1.5	1	Garden (2 stories)	N/A	915	\$1,018	\$0	Market	No	5	N/A	N/A	AVG*
1.5	1	Garden (2 stories)	N/A	915	\$1,045	\$0	Market	No	0	N/A	N/A	HIGH
1.5	1	Garden (2 stories)	N/A	915	\$990	\$0	Market	No	0	N/A	N/A	LOW
2	1.5	Garden (2 stories)	N/A	1,118	\$1,538	\$0	Market	No	2	N/A	N/A	AVG*
2	1.5	Garden (2 stories)	N/A	1,118	\$1,780	\$0	Market	No	0	N/A	N/A	HIGH
2	1.5	Garden (2 stories)	N/A	1,118	\$1,295	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (2 stories)	N/A	1,336	\$1,320	\$0	Market	No	2	N/A	N/A	AVG*
3	2	Garden (2 stories)	N/A	1,336	\$1,345	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (2 stories)	N/A	1,336	\$1,295	\$0	Market	No	0	N/A	N/A	LOW

Pines Of York, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$995 - \$1,030	\$0	\$995 - \$1,030	\$26	\$1,021 - \$1,056
1.5BR / 1BA	\$990 - \$1,045	\$0	\$990 - \$1,045	\$26	\$1,016 - \$1,071
2BR / 1.5BA	\$1,295 - \$1,780	\$0	\$1,295 - \$1,780	\$26	\$1,321 - \$1,806
3BR / 2BA	\$1,295 - \$1,345	\$0	\$1,295 - \$1,345	\$26	\$1,321 - \$1,371

Amenities

In-Unit	Blinds	Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage(\$16.00)	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property	Clubhouse/Meeting Room/Community	Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Off-Street Parking(\$25.00)		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court			

Comments

The contact noted that the relatively high turnover rate is due to the large number of tenants who are in the military. Exterior storage is available for an additional fee of \$16 to \$64 per month. The property does not accept Housing Choice Vouchers. Each unit offers an in-unit washer/dryer. The property utilizes LRO; causing the rents to change daily. Rents range based on floor plan and availability. The contact was unable to provide a breakdown by bedroom type.

Trend Report

Vacancy Rates

4Q18	2Q19	3Q19	1Q20
N/A	2.8%	2.8%	4.8%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	N/A	\$995	\$0	\$995	\$1,021
2019	3	N/A	\$995	\$0	\$995	\$1,021
2020	1	N/A	\$990 - \$1,045	\$0	\$990 - \$1,045	\$1,016 - \$1,071

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$850 - \$895	\$0	\$850 - \$895	\$876 - \$921
2019	2	N/A	\$925	\$0	\$925	\$951
2019	3	N/A	\$925	\$0	\$925	\$951
2020	1	N/A	\$995 - \$1,030	\$0	\$995 - \$1,030	\$1,021 - \$1,056

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,035	\$0	\$1,035	\$1,061
2019	2	N/A	\$1,085	\$0	\$1,085	\$1,111
2019	3	N/A	\$1,085	\$0	\$1,085	\$1,111
2020	1	N/A	\$1,295 - \$1,780	\$0	\$1,295 - \$1,780	\$1,321 - \$1,806

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	N/A	\$0	N/A	N/A
2020	1	N/A	\$1,295 - \$1,345	\$0	\$1,295 - \$1,345	\$1,321 - \$1,371

Trend: Comments

4Q18	The property does not accept Housing Choice Vouchers. In-unit washer/dryer is included with rent.
2Q19	The contact noted that the relatively high turnover rate is due to the large number of tenants who are in the military. Exterior storage is available for an additional fee of \$16 to \$64 per month. A reserved off-street uncovered parking is available for an additional fee of \$25 per month. The property does not accept Housing Choice Vouchers. In-unit washer/dryers are included with rent.
3Q19	N/A
1Q20	The contact noted that the relatively high turnover rate is due to the large number of tenants who are in the military. Exterior storage is available for an additional fee of \$16 to \$64 per month. The property does not accept Housing Choice Vouchers. Each unit offers an in-unit washer/dryer. The property utilizes LRO; causing the rents to change daily. Rents range based on floor plan and availability. The contact was unable to provide a breakdown by bedroom type.

Photos



PROPERTY PROFILE REPORT

The Belmont At York

Effective Rent Date	1/14/2020
Location	101 Saint Clair Circle Yorktown, VA 23693 York County
Distance	2 miles
Units	300
Vacant Units	5
Vacancy Rate	1.7%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pines of York
Tenant Characteristics	Mixed tenancy from local area.
Contact Name	Jennifer
Phone	757-223-1000



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Changes daily
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	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	800	\$1,000	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,130	\$1,202	\$0	Market	No	4	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,280	\$1,373	\$0	Market	No	1	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,000	\$0	\$1,000	\$26	\$1,026
2BR / 2BA	\$1,202	\$0	\$1,202	\$26	\$1,228
3BR / 2BA	\$1,373	\$0	\$1,373	\$26	\$1,399

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Garage(\$104.00)	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court			

Comments

Base rents are shown in the profile. Rents range from \$43 to \$44 more per month based on floor level and view. Garage parking is available for an additional fee of \$104 per month. Additional uncovered off-street parking space is available for an additional fee of \$75 per month. The property does not accept Housing Choice Vouchers. The property utilizes LRO; causing the rents to change daily. The contact was unable to provide a breakdown by bedroom type.

Trend Report

Vacancy Rates

4Q18	2Q19	1Q20
0.7%	0.0%	1.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$983	\$0	\$983	\$1,009
2019	2	N/A	\$960	\$0	\$960	\$986
2020	1	N/A	\$1,000	\$0	\$1,000	\$1,026

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,162	\$0	\$1,162	\$1,188
2019	2	N/A	\$1,145	\$0	\$1,145	\$1,171
2020	1	N/A	\$1,202	\$0	\$1,202	\$1,228

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,306	\$0	\$1,306	\$1,332
2019	2	N/A	\$1,320	\$0	\$1,320	\$1,346
2020	1	N/A	\$1,373	\$0	\$1,373	\$1,399

Trend: Comments

4Q18	The property does not accept Housing Choice Vouchers.
2Q19	Base rents are shown in the profile. Rents range from \$43 to \$44 more per month based on floor level and view. Garage parking is available for an additional fee of \$104 per month. Additional uncovered off-street parking space is available for an additional fee of \$75 per month. The property does not accept Housing Choice Vouchers.
1Q20	Base rents are shown in the profile. Rents range from \$43 to \$44 more per month based on floor level and view. Garage parking is available for an additional fee of \$104 per month. Additional uncovered off-street parking space is available for an additional fee of \$75 per month. The property does not accept Housing Choice Vouchers. The property utilizes LRO; causing the rents to change daily. The contact was unable to provide a breakdown by bedroom type.

Photos



PROPERTY PROFILE REPORT

The Samuel Apartments

Effective Rent Date	1/15/2020
Location	2 Tradewinds Quay Hampton, VA 23666 Hampton County
Distance	0.2 miles
Units	284
Vacant Units	8
Vacancy Rate	2.8%
Type	Garden (3 stories)
Year Built/Renovated	1988 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Briton Trace Apartments, The Belmont at York
Tenant Characteristics	Mixed tenancy from local area
Contact Name	Jerold
Phone	757-907-9973



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Fluc. 0-2% since 2Q19
Concession	None
Waiting List	Yes - Unknown

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	788	\$960	\$0	Market	Yes	0	N/A	N/A	AVG*
1	1	Garden (3 stories)	N/A	788	\$1,035	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	788	\$885	\$0	Market	Yes	0	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,011	\$1,070	\$0	Market	Yes	8	N/A	N/A	AVG*
2	2	Garden (3 stories)	N/A	1,011	\$1,145	\$0	Market	Yes	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,011	\$995	\$0	Market	Yes	0	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,264	\$1,258	\$0	Market	Yes	0	N/A	N/A	AVG*
3	2	Garden (3 stories)	N/A	1,264	\$1,340	\$0	Market	Yes	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,264	\$1,175	\$0	Market	Yes	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$885 - \$1,035	\$0	\$885 - \$1,035	\$26	\$911 - \$1,061
2BR / 2BA	\$995 - \$1,145	\$0	\$995 - \$1,145	\$26	\$1,021 - \$1,171
3BR / 2BA	\$1,175 - \$1,340	\$0	\$1,175 - \$1,340	\$26	\$1,201 - \$1,366

The Samuel Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage(\$35.00)	Ceiling Fan		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Exercise Facility	Garage(\$95.00)	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Tennis Court		

Comments

Garage parking is available to tenants for an additional fee of \$95 per month. Exterior storage is available for an additional fee of \$35 per month. The property does not accept Housing Choice Vouchers. Each unit offers an in-unit washer/dryer. The contact was unable to provide a breakdown by bedroom type.

The Samuel Apartments, continued

Trend Report

Vacancy Rates

4Q18	2Q19	1Q20
1.1%	4.2%	2.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$885	\$0	\$885	\$911
2019	2	N/A	\$1,011	\$0	\$1,011	\$1,037
2020	1	N/A	\$885 - \$1,035	\$0	\$885 - \$1,035	\$911 - \$1,061

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,271	\$0	\$1,271	\$1,297

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$962	\$0	\$962	\$988
2019	2	N/A	\$1,147	\$0	\$1,147	\$1,173
2020	1	N/A	\$995 - \$1,145	\$0	\$995 - \$1,145	\$1,021 - \$1,171

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	N/A	\$1,465	\$0	\$1,465	\$1,491
2020	1	N/A	\$1,175 - \$1,340	\$0	\$1,175 - \$1,340	\$1,201 - \$1,366

Trend: Comments

4Q18 N/A

2Q19 The rents shown in the profile are for renovated units. Non-renovated units rent for \$160 to \$250 less per month. Renovations include new countertops, flooring, paint, and appliances. Garage parking is available for an additional fee of \$95 per month. Exterior storage is available for an additional fee of \$35 per month. The property does not accept Housing Choice Vouchers. In-unit washer/dryers are included with rent.

1Q20 Garage parking is available to tenants for an additional fee of \$95 per month. Exterior storage is available for an additional fee of \$35 per month. The property does not accept Housing Choice Vouchers. Each unit offers an in-unit washer/dryer. The contact was unable to provide a breakdown by bedroom type.

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	Derby Run II	Hampton	Family	LIHTC/ Market	-	\$53,278	\$194,400	\$1,073	137	38
1	Bay Creek Apartments*	Hampton	Family	LIHTC	4.4 miles	\$36,249	\$195,700	\$999	82	40
2	Derby Run I	Hampton	Family	LIHTC/ Market	0.0 miles	\$53,278	\$194,400	\$1,073	137	38
3	Pilot House*	Newport News	Family	LIHTC	6.7 miles	\$56,867	\$240,600	\$1,041	143	60
4	Waterford Pointe	Hampton	Family	LIHTC	3.2 miles	\$47,294	\$194,400	\$1,073	120	52
5	Wilsondale Apartments*	Hampton	Family	LIHTC/ Market	4.0 miles	\$37,655	\$195,700	\$999	62	60
6	Briton Trace Apartments	Hampton	Family	Market	0.4 miles	\$53,583	\$194,400	\$1,073	77	19
7	Four Seasons	Yorktown	Family	Market	1.1 miles	\$75,693	\$342,500	\$1,452	47	31
8	Meridian Parkside	Newport News	Family	Market	3.4 miles	\$64,838	\$192,000	\$914	143	6
9	Pines Of York	Yorktown	Family	Market	1.3 miles	\$65,146	\$342,500	\$1,452	47	33
10	The Belmont At York	Yorktown	Family	Market	2.0 miles	\$68,513	\$342,500	\$1,452	41	9
11	The Samuel Apartments	Hampton	Family	Market	0.2 miles	\$53,363	\$194,400	\$1,073	94	34

*Located outside of the PMA

PROPERTY CHARACTERISTICS

Following are relevant characteristics of comparable properties surveyed:

Location

The Subject's location is similar to Derby Run I in terms of median household incomes and total crime risk indices. Additionally, Briton Trace Apartments and The Samuel Apartments are also located in areas with similar median household incomes, but lower crime risk indices compared to the Subject. Pilot House is located just outside of the PMA in an area with a similar median household income, but higher crime risk index. Bay Creek Apartments, Waterford Pointe, and Wilsondale Apartments are located in an inferior location in terms of median household income, but superior location in terms of crime risk indices. Four Seasons, Meridian Parkside, Pines of York, and The Belmont at York are located in superior locations in terms of median household incomes and crime risk indices. The Subject's WalkScore is considered Car-Dependent, which is similar to the majority of comparables. Overall, the Subject appears to be located in a generally similar to slightly inferior location when compared to the majority of comparables.

Size, Age and Condition

The Subject was constructed in 1997 and is in average condition. Following renovations, the Subject will be considered in good condition.

Bay Creek Apartments, Waterford Pointe, Wilsondale Apartments, Briton Trace Apartments, Meridian Parkside, Pilot House, and The Samuel Apartments were built or last renovated between 2008 and 2018 and exhibit good condition, slightly superior to the Subject "as is" and similar to the Subject "as renovated." The remaining comparables were built between 1974 and 2000 and exhibit average condition, similar to the Subject "as is" and slightly inferior to the Subject "as renovated." It should be noted however that phase I of the Subject, Derby Run I, is currently undergoing renovations, which started in December 2019.

The LIHTC properties range in size from 120 to 198 units, with an average development size of 159 units, while the market rate developments range from 120 to 321 units, with an average development size of 264 units. The Subject falls within the range of development sizes among LIHTC and market rate competition. 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	2BR	3BR
Subject	962	1,185 - 1,187
Average	1,019	1,245
Min	780	1,006
Max	1,149	1,414
Advantage/Disadvantage	-5.6%	-4.8% to -4.7%

UNIT SIZE COMPARISON – LIHTC COMPARABLES

Bedroom Type	2BR	3BR
Subject	962	1,185 - 1,187
Average	904	1,125
Min	780	1,006
Max	1,300	1,149
Advantage/Disadvantage	6.4%	5.3% to 5.4%

The Subject offers two and three-bedroom units, which are smaller compared to the average unit sizes of all comparables. The Subject's two and three-bedroom unit sizes provide a disadvantage ranging from 5.6 to 4.8 percent compared to the surveyed average. However, the Subject's two and three-bedroom unit sizes provide a 5.3 to 6.4 percent advantage when compared to just the LIHTC properties. Overall, the Subject's unit sizes are considered competitive with the comparables.

Unit Amenities

The Subject's units currently offer balcony/patios, blinds, carpet and vinyl flooring, central air conditioning, coat closet, hand rails, and basic cable included in the asking rent. Appliances include dishwashers, ovens, microwaves, and refrigerators. Post renovation, 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 inferior 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 clubhouse/community room, central laundry facility, on-site management, playground, and swimming pool. 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 similar to slightly inferior 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 does not offer any security features. Five of the comparables offer at least one type of security feature, such as in-unit alarms, intercom systems, limited access, courtesy patrol, perimeter fencing, or video surveillance, while the remaining comparables do not. Based on the Subject's historical performance, we believe the Subject will remain competitive.

Utility Structure

The tenants are responsible for all electric utilities including electric cooking, electric water heating, electric heating, and general electric expenses, as well cold water and sewer expenses. The landlord is responsible for trash expenses and all common area utilities. The Subject receives utility reimbursement income as water and sewer expenses are passed along to tenants as part of a RUBS system. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from the Hampton Redevelopment and Housing Authority, effective December 1, 2018, the most recent available.

Parking

The Subject features off-street parking to its tenants at no additional cost. There are 272 surface parking spaces, which equates to a parking ratio of approximately 1.9 spaces per unit. Overall, the parking offered at the Subject is reasonable given its tenancy and proximity to public transportation. Nine of the comparable properties offer free off-street parking, similar to the Subject, while the remaining comparable charges an additional fee of \$25 for off-street parking. In addition, there are three comparables which offer garage parking for an additional fee ranging from \$95 to \$160 per month. The Subject will be considered similar to the majority of the comparables in terms of parking.

Summary of Property Characteristics

Eight of the comparables are located within the PMA, whereas the remaining three comparables are located just outside of the PMA, within 6.7 miles of the Subject. The comparables are located in similar to slightly inferior locations when compared to the Subject. The Subject is currently in average condition and will be in good overall condition post-renovation, similar to slightly superior to the comparable properties. The Subject's unit sizes are considered competitive and offer an advantage over the LIHTC comparables. 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
Bay Creek Apartments*	LIHTC	Family	184	4	2.2%
Derby Run I	LIHTC/ Market	Family	160	3	1.9%
Pilot House*	LIHTC	Family	132	0	0.0%
Waterford Pointe	LIHTC	Family	120	0	0.0%
Wilsondale Apartments*	LIHTC/ Market	Family	198	21	10.6%
Briton Trace Apartments	Market	Family	120	0	0.0%
Four Seasons	Market	Family	321	4	1.2%
Meridian Parkside	Market	Family	308	10	3.2%
Pines Of York	Market	Family	248	12	4.8%
The Belmont At York	Market	Family	300	5	1.7%
The Samuel Apartments	Market	Family	284	8	2.8%
Total LIHTC			794	28	3.5%
Total LIHTC w/o Wilsondale Apts			596	7	1.2%
Total Market Rate			1,581	39	2.5%
Overall Total			2,375	67	2.8%

*Located outside of the PMA

Physical vacancy rates among the comparables range from zero to 10.6 percent, with an overall vacancy rate of 2.8 percent in the market. Vacancy rates among the LIHTC properties range from zero to 10.6 percent, with an average of 3.5 percent. Wilsondale Apartments reported the highest vacancy rate among the comparables at 10.6 percent. The contact at the property noted that the property's elevated vacancy is due to the property having trouble income-qualifying tenants and finding credit-eligible tenants. Excluding Wilsondale Apartments, the vacancy rates of the LIHTC properties range from zero to 2.2 percent, with an average of just 1.2 percent. Vacancy rates among the market rate properties range from zero to 4.8 percent, with an average of 2.5 percent. The following table illustrates the Subject's historical vacancy and collection loss rates as obtained from the audited financial statements:

HISTORICAL VACANCY/COLLECTION	
Year	Vacancy/Collection Loss Rate
Oct 2019 T-12	6.6%
2018	11.0%
2017	8.3%
2016	11.5%

The Subject’s vacancy and collection loss rates have been 11.5, 8.3, and 11.0 in 2016, 2017, and in 2018, respectively. Furthermore, the Subject’s vacancy and collection loss is just 6.6 percent according to the Subject’s October 2019 T-12 financial statement. The client noted that elevated vacancy at the Subject in past years was due to poor management and inefficiently turned units. According to the most recent rent roll provided, dated December 6, 2019, the Subject was 89.6 percent occupied. Furthermore, 50 percent of tenants reported utilizing Housing Vouchers at the Subject. Based upon the Subject’s current/historical data and the comparable data, we believe the Subject will operate with a vacancy rate of five percent or less post-renovation given its improved condition.

Concessions

Currently, only one of the comparable properties, Four Seasons, reported offering concessions. Four Seasons reported a concession of discounted two-bedroom market rate units on certain floor plans. Despite 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
Bay Creek Apartments*	LIHTC	Family	13%
Derby Run I	LIHTC/ Market	Family	26%
Pilot House*	LIHTC	Family	15%
Waterford Pointe	LIHTC	Family	10%
Wilsondale Apartments*	LIHTC/ Market	Family	30%
Briton Trace Apartments	Market	Family	25%
Four Seasons	Market	Family	30%
Meridian Parkside	Market	Family	16%
Pines Of York	Market	Family	40%
The Belmont At York	Market	Family	25%
The Samuel Apartments	Market	Family	25%
Average Turnover			23%

*Located outside of the PMA

Turnover rates in the market range from 10 to 40 percent, with an average of 23 percent. The LIHTC properties averaged 19 percent turnover. The market rate properties averaged 27 percent turnover. The Subject’s reported turnover rate is approximately 30 percent annually. Overall, we expect that the Subject will continue to experience a turnover rate of 25 percent or less, similar to the comparables.

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
Bay Creek Apartments*	LIHTC	Family	None
Derby Run I	LIHTC/ Market	Family	None
Pilot House*	LIHTC	Family	Yes - Two months
Waterford Pointe	LIHTC	Family	Yes - 150 HH
Wilsondale Apartments*	LIHTC/ Market	Family	None
Briton Trace Apartments	Market	Family	None
Four Seasons	Market	Family	None
Meridian Parkside	Market	Family	None
Pines Of York	Market	Family	None
The Belmont At York	Market	Family	None
The Samuel Apartments	Market	Family	None

*Located outside of the PMA

Overall, two affordable properties maintain a waiting list, indicating unmet demand in the Subject's market. 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
Bay Creek Apartments*	LIHTC	Family	Stable since 4Q18
Derby Run I	LIHTC/ Market	Family	Kept at max
Pilot House*	LIHTC	Family	Kept at max
Waterford Pointe	LIHTC	Family	Stable since 2Q19
Wilsondale Apartments*	LIHTC/ Market	Family	Kept at max/Inc. 0-7% since 3Q19
Briton Trace Apartments	Market	Family	Inc. 0-4% since 2Q19
Four Seasons	Market	Family	Inc. 0-8% since 2Q19
Meridian Parkside	Market	Family	Changes daily
Pines Of York	Market	Family	Changes daily
The Belmont At York	Market	Family	Changes daily
The Samuel Apartments	Market	Family	Fluc. 0-2% since 2Q19

*Located outside of the PMA

Two of the LIHTC comparable properties reported rents remaining stable over the past year, while three reported rents at the 2019 maximum level. Three market rate comparables reported rent growth overall, while three reported rents changing daily. We believe that the Subject will be able to achieve rents at the maximum allowable level, and rent increases for its LIHTC units will be directly dependent on AMI growth. For the Subject's market rate supply, we believe annual increases ranging from one to four percent are achievable based on evidence reported by the comparable market rate developments.

Absorption

We were unable to obtain absorption information from any of the comparable properties. However, we were able to obtain absorption information from one market rate property located in Suffolk, approximately 4.7 miles from the Subject. Commonwealth at York, a 384-unit market rate development, opened in 2015 and reported an absorption rate of approximately 34 units per month.

Renovations at the Subject will occur with minimal disruption to tenants and rents increases will be minimal for many floor plans; therefore, we do not believe that there will be a need for any significant re-absorption of units. Based on the aforementioned performance of the lease-up property in the Subject’s market, as well as the relatively low vacancy rates reported in the market, we have estimated that the Subject would absorb approximately 18 to 24 units per month, if hypothetically vacant, for an absorption period of approximately six to eight 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 PROPERTIES IN THE PMA

Property Name	Program	Tenancy	Year Built	Total Units	# of LIHTC Units
Bruton Park Group Home	Section 8	Senior	1994	5	0
Berkley South Apartments	Section 8	Family	1985	190	0
Century Plaza Apartments	LIHTC/Section 8	Family	1972	120	120
Great Oak Apartments	LIHTC/Section 8	Family	1978	143	143
Newport News Transition T/C	Section 8	Family	1977	12	0
Paula Maria III	Section 8	Family	1978	198	0
City Line Apartments	Section 8	Family	1975	200	0
Seton Manor	Section 8	Family	1986	112	0
Newport Harbour Apartments	LIHTC/Section 8	Family	1978	200	200
Christian Village Of Eastern Va	Section 8	Senior	1999	43	0
Groome Road Group Home	Section 8	Senior	2000	5	0
Diggs Drive Group Home	Section 8	Senior	2006	5	0
Dresden Drive Group Home	Section 8	Senior	2007	5	0
Derby Run I*	LIHTC	Family	1994	160	160
Pinedale Manor	LIHTC	Family	1997	296	296
Chestnut Square	LIHTC	Family	2000	40	40
Ivy Farms	LIHTC	Family	2002	168	168
Shell Gardens	LIHTC	Family	2002	48	48
Tidewater Seniors	LIHTC	Senior	2003	140	140
Ashe Manor	LIHTC	Senior	2005	50	50
Westover Station	LIHTC	Family	2005	108	108
Orcutt Village Townhomes I & II	LIHTC	Family	2006/2012	70	70
Seven Oaks	LIHTC	Family	2006	202	202
City Line	LIHTC	Family	2007	198	198
Somerset At Town Center	LIHTC	Senior	2009	114	114
Dresden	LIHTC	Senior	2010	32	32
Heritage Forest I & II	LIHTC	Family	2012/2013	248	248
Jefferson Brookville	LIHTC	Family	2015	50	50
Waterford Pointe*	LIHTC	Family	2015	120	120

*Utilized as a rental comparable

Reasonability of Rents

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

CURRENT RENTS

Unit Type	Unit Size (SF)	# of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	% of Maximum Allowable Gross Rent
<i>@60%</i>							
2BR/2BA	962	25	\$884	\$107	\$991	\$1,071	92.5%
2BR/2BA	962	21	\$894	\$107	\$1,001	\$1,071	93.5%
2BR/2BA	962	28	\$900	\$107	\$1,007	\$1,071	94.0%
3BR/2BA	1,185	12	\$1,027	\$158	\$1,185	\$1,237	95.8%
3BR/2BA	1,186	15	\$1,069	\$159	\$1,228	\$1,237	99.3%
3BR/2BA	1,187	15	\$1,012	\$160	\$1,172	\$1,237	94.7%
<i>Market Rate</i>							
2BR/2BA	962	4	\$913	-	-	-	-
2BR/2BA	962	18	\$917	-	-	-	-
3BR/2BA	1,185	4	\$1,028	-	-	-	-
3BR/2BA	1,185	2	\$1,045	-	-	-	-

144

Notes (1) According to the developer, project-specific utility allowance.

PROPOSED RENTS

Unit Type	Unit Size (SF)	# of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	% of Maximum Allowable Gross Rent
<i>@60%</i>							
2BR/2BA	962	74	\$964	\$107	\$1,071	\$1,071	100.0%
3BR/2BA	1,185	12	\$1,079	\$158	\$1,237	\$1,237	100.0%
3BR/2BA	1,186	15	\$1,078	\$159	\$1,237	\$1,237	100.0%
3BR/2BA	1,187	15	\$1,077	\$160	\$1,237	\$1,237	100.0%
<i>Market Rate</i>							
2BR/2BA	962	4	\$967	-	-	-	-
2BR/2BA	962	18	\$953	-	-	-	-
3BR/2BA	1,185	4	\$1,079	-	-	-	-
3BR/2BA	1,185	2	\$1,097	-	-	-	-

144

Notes (1) According to the developer, project-specific utility allowance.

Comparable LIHTC Rents

The Subject is and will continue to offer a large portion of units income-restricted at 60 percent of the AMI or less. We have illustrated rents at properties with similar income restrictions to the Subject. 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	2BR	3BR
Derby Run II (As Is)	Hampton	Family	\$884-\$900	\$1,012-\$1,069
Derby Run II (As Renovated)	Hampton	Family	\$964	\$1,077-\$1,079
2019 LIHTC Maximum Rent (Net)	Hampton		\$964	\$1,079
Bay Creek Apartments*	Hampton	Family	\$790	\$930
Derby Run I	Hampton	Family	\$932	\$1,059
Pilot House*	Newport News	Family	\$944	\$1,082
Waterford Pointe	Hampton	Family	\$885	\$1,015
Wilsondale Apartments*	Hampton	Family	\$978	\$1,127
Average			\$906	\$1,043
Achievable LIHTC Rent			\$964	\$1,077-\$1,079

*Located outside of the PMA

Three of the comparable properties, Derby Run I, Pilot House, and Wilsondale Apartments, reported rents at the 2019 maximum allowable level. However, these comparables appear to be achieving rents either slightly above or slightly below the maximum allowable, which is likely due to differing utility allowance structures. The remaining two comparables, Bay Creek Apartments and Waterford Pointe, reported rents below the maximum allowable level. The Subject’s current LIHTC asking rents are below the maximum allowable level. However, post-renovation rents are expected to be set at the 2019 maximum allowable levels. There is an apparent demand for quality affordable housing in the Subject’s area as supported with low vacancy among the affordable comparable units, as well as the presence of a waiting list at two of the affordable properties. As such, we believe the Subject can achieve maximum allowable rents at the 60 percent AMI level both “as is” and “as proposed”. Further, we believe this is reasonable as the Subject will exhibit a similar condition to Wilsondale Apartments and Pilot House post-renovation, which both reported achieving rents at the maximum allowable level. We believe the elevated vacancy rate at this comparable is not indicative of the demand for its affordable units, but due to ineffective management.

The Subject is/will be most similar to Wilsondale Apartments and Derby Run I.

- Wilsondale Apartments is a 198-unit LIHTC/market rate development, located 4.0 miles southeast of the Subject. Wilsondale Apartments was constructed in 2011, exhibiting good condition, slightly superior to the Subject “as is” and similar to the Subject “as renovated”. This property is contained in a three-story garden-style residential building, similar to the Subject’s design. This property offers a similar location in terms of median home value, slightly superior in-unit amenities as it offers an garbage disposal and in-unit washer/dryer, similar two-bedroom unit sizes, but smaller three-bedroom unit sizes, and generally similar property amenities. Further, this property is 89.4 percent occupied; however, the contact at the property noted that the property’s elevated vacancy is due to the property having trouble income-qualifying tenants and finding credit-qualifying tenants. New management took over the property as of August 2018 and has been working on re-leasing units since. As such, we do not believe that elevated vacancy is indicative of demand for its affordable units. This property reported achieving rents at the 2019 maximum allowable level.
- Derby Run I is a 160-unit LIHTC/market rate development, located adjacent to the Subject, which is operated by the same ownership/management as the Subject. Derby Run I was constructed in

1994, exhibiting average condition, similar to the Subject “as is” and slightly inferior to the Subject “as renovated”. The property is currently undergoing renovations, which started in December 2019. This property is contained in a three-story garden-style residential building, similar to the Subject’s design. This property offers a similar location and similar amenities compared to the Subject. Further, this property is 98.1 percent occupied, and reported rents at the 2019 maximum allowable level.

Overall, based upon our analysis of the market and with particular respect to the most comparable properties and the currently achieved rents, we believe the Subject’s rents at the maximum allowable level are reasonable for both the “as is” and “as renovated” scenarios. The proposed post-renovation rents are set at the same AMI level as the current rents. As such, we believe tenants will remain income-qualified.

Market Rent Comparison

The following table compares the Subject’s current 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	Rent Level	Subject's Proposed Asking Rents	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent "As Is"	Subject Rent Advantage
2BR/2BA	@60%	\$953	\$936	\$1,538	\$1,181	\$1,050	9%
2BR/2BA	@60%	\$964	\$936	\$1,538	\$1,181	\$1,050	8%
2BR/2BA	@60%	\$967	\$936	\$1,538	\$1,181	\$1,050	8%
2BR/2BA	Market	\$967	\$936	\$1,538	\$1,181	\$1,050	8%
2BR/2BA	Market	\$953	\$936	\$1,538	\$1,181	\$1,050	9%
3BR/2BA	@60%	\$1,077	\$1,102	\$1,535	\$1,327	\$1,250	14%
3BR/2BA	@60%	\$1,078	\$1,102	\$1,535	\$1,327	\$1,250	14%
3BR/2BA	@60%	\$1,079	\$1,102	\$1,535	\$1,327	\$1,250	14%
3BR/2BA	Market	\$1,079	\$1,102	\$1,535	\$1,327	\$1,250	14%
3BR/2BA	Market	\$1,097	\$1,102	\$1,535	\$1,327	\$1,250	12%

As shown in the table above, the Subject’s proposed LIHTC rents are below the range of market rate comparable properties. Further, the Subject’s proposed LIHTC rents provide between eight to 14 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 The Samuel Apartments and The Belmont at York.

- The Samuel Apartments is a 284-unit market rate development, located 0.2 miles south of the Subject in a generally similar location. This comparable offers one, two, and three-bedroom units contained in three-story garden residential buildings similar to the Subject’s design. Regarding condition, this property was constructed in 1988 and last renovated in 2018, exhibiting good condition, slightly superior to the Subject “as is” and similar to the Subject “as renovated.” The property is 97.2 percent occupied. This property offers slightly larger two and three-bedroom unit sizes when compared to the Subject, similar in-unit amenities, but slightly superior property amenities compared to that of the Subject.

SUBJECT COMPARISON TO THE SAMUEL APARTMENTS

Unit Type	Rent Level	Subject's Proposed Rents	Square Feet	Subject RPSF	The Samuel Apartments Rent	Square Feet	The Samuel Apartments RPSF	Subject Rent Advantage
2BR/2BA	@60%	\$953	962	\$0.99	\$1,096	1,011	\$1.08	13.0%
2BR/2BA	@60%	\$964	962	\$1.00	\$1,096	1,011	\$1.08	12.0%
2BR/2BA	@60%	\$967	962	\$1.01	\$1,096	1,011	\$1.08	11.8%
2BR/2BA	Market	\$967	962	\$1.01	\$1,096	1,011	\$1.08	11.8%
2BR/2BA	Market	\$953	962	\$0.99	\$1,096	1,011	\$1.08	13.0%
3BR/2BA	@60%	\$1,077	1,185	\$0.91	\$1,284	1,264	\$1.02	16.1%
3BR/2BA	@60%	\$1,078	1,186	\$0.91	\$1,284	1,264	\$1.02	16.0%
3BR/2BA	@60%	\$1,079	1,187	\$0.91	\$1,284	1,264	\$1.02	16.0%
3BR/2BA	Market	\$1,079	1,185	\$0.91	\$1,284	1,264	\$1.02	16.0%
3BR/2BA	Market	\$1,097	1,185	\$0.93	\$1,284	1,264	\$1.02	14.6%

- The Belmont at York is a 300-unit market rate development, located 2.0 miles northwest of the Subject. This comparable offers one, two, and three-bedroom units contained in three-story garden-style residential buildings, similar to the Subject's garden-style design. Regarding condition, this property was constructed in 2000, exhibiting average condition, similar to the Subject "as is" and slightly inferior to the Subject "as renovated." The property is 98.3 percent occupied. This property offers larger two and three-bedroom units than the Subject, similar in-unit amenities, and slightly superior property amenities, as well as a slightly superior location in terms of median home value.

SUBJECT COMPARISON TO THE BELMONT AT YORK

Unit Type	Rent Level	Subject's Proposed Rents	Square Feet	Subject RPSF	The Belmont At York Rent	Square Feet	The Belmont At York RPSF	Subject Rent Advantage
2BR/2BA	@60%	\$953	962	\$0.99	\$1,228	1,130	\$1.09	22.4%
2BR/2BA	@60%	\$964	962	\$1.00	\$1,228	1,130	\$1.09	21.5%
2BR/2BA	@60%	\$967	962	\$1.01	\$1,228	1,130	\$1.09	21.3%
2BR/2BA	Market	\$967	962	\$1.01	\$1,228	1,130	\$1.09	21.3%
2BR/2BA	Market	\$953	962	\$0.99	\$1,228	1,130	\$1.09	22.4%
3BR/2BA	@60%	\$1,077	1,185	\$0.91	\$1,399	1,280	\$1.09	23.0%
3BR/2BA	@60%	\$1,078	1,186	\$0.91	\$1,399	1,280	\$1.09	22.9%
3BR/2BA	@60%	\$1,079	1,187	\$0.91	\$1,399	1,280	\$1.09	22.9%
3BR/2BA	Market	\$1,079	1,185	\$0.91	\$1,399	1,280	\$1.09	22.9%
3BR/2BA	Market	\$1,097	1,185	\$0.93	\$1,399	1,280	\$1.09	21.6%

We have placed the Subject achievable "as renovated" market rents within the range of what is being achieved at both The Samuel Apartments and The Belmont at York.

Achievable Market Rent – As Is

In summary, our estimated achievable market rents for the Subject as is are \$1,050 for the two-bedroom units and \$1,250 for the three-bedroom units, which below the range of the two most like comparables, The Samuel Apartments and The Belmont at York.

Achievable Market Rents – As Renovated

The scope of renovations will include, but not be limited to the following: new vinyl siding, new insulation, new roofing, new gutters and downspouts, new windows, interior/exterior paint, new fire detectors, 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 \$4,682,169, or \$32,575 per unit. The construction timeline is anticipated to be 12 months, starting in August 2020, with an anticipated completion date of August 2021. For comparison purposes, The Belmont at York's three-bedroom units are \$1,399 per month (adjusted for utility differences) and are in average condition, while Meridian Parkside's three-bedroom units are \$1,561 per month (adjusted for utility differences) and are in good condition, which accounts for a \$162 rent differential. Further, these two comparables both offer two-bedroom units as well; however, the rent differential between both of these properties is minimal indicating that larger unit types warrant larger condition premiums. This rent differential is also due to unit size, but is a good indication of value between a property in average versus good condition. It is clear that improved condition commands a significant premium. Therefore, a rent differential of \$100 and \$200 is reasonable for the Subject's two and three-bedroom units. In summary, our estimated achievable market rents for the Subject as renovated are \$1,150 for the two-bedroom units and \$1,450 for the three-bedroom units, which are within the adjusted range of the rents of the comparables.

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 10.6 percent, with an average of 3.5 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 2019 maximum allowable levels. We believe the Subject will continue to be well-accepted in the market as a LIHTC/market rate property. Further, we believe the Subject's achievable and proposed LIHTC rents offer a significant advantage compared to our achievable market rents.

VII. DEMAND ANALYSIS / CONCLUSIONS

DEMAND ANALYSIS/CONCLUSIONS

Introduction

The Subject is an existing LIHTC/market rate development consisting of 144 two and three-bedroom units. The Subject will continue to target families and offer 96 two-bedroom and 48 three-bedroom units. Of the Subject's 144 units, 116 will be restricted to households earning 60 percent AMI or below, whereas the remaining 28 units will be market rate. 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 for family developments 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 Hampton, Virginia. The boundaries of the PMA are defined as Victory Boulevard to the north, Commander Shepard Boulevard, Southwest Branch Back River, and LaSalle Avenue to the east, 16th Street and Chesapeake Avenue to the south and Jefferson Avenue to the west. The PMA was determined based on input from area property managers, including the manager at the Subject property.

Income-eligible Calculations

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

First, we estimate the Subject's minimum and maximum income levels for the LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. For the Virginia Beach-Norfolk, Newport News, VA HMFA, the 2019 AMI is \$79,300 for a four-person household. Maximum incomes are set at the 60 percent AMI level. Minimum income levels were calculated based on the assumption that lower-income households should pay no more than 35 percent of their income towards rent, while senior households should pay no more than 40 percent of their income towards rent. Often, lower-income households pay a higher percentage of gross income toward housing costs. Therefore, we used 35 percent for LIHTC calculations in the LIHTC scenario, consistent with VHDA guidelines. Further, the Subject will offer market rate units, in addition to its LIHTC supply. According to contacts in the market, the general rule is that tenants must have an income of at least 2.5 to three times the monthly income. As such, we have taken the proposed market rate monthly rental rate and multiplied it by three and annualized it for our minimum income requirements. For the maximum income, there will be no maximum income limitation for tenants residing in these units. However, we believe a maximum income limit of \$99,999 is reasonable based on the comparable supply in the area as tenants with higher incomes will likely choose to reside elsewhere.

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

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

FAMILY INCOME LIMITS				
Unit Type	60% AMI		Market Rate	
	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
2BR	\$36,720	\$42,840	\$34,308	\$100,000
3BR	\$42,411	\$51,420	\$38,844	\$100,000

FAMILY INCOME DISTRIBUTION 2019										
Income Cohort	Total Renter Households	@60%			Market			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	3,081									
\$10,000-19,999	4,527									
\$20,000-29,999	4,927									
\$30,000-39,999	3,735	3,279	32.8%	1,225	5,691	56.9%	2,126	3,279	32.8%	1,225
\$40,000-49,999	3,272	9,999	100.0%	3,272	9,999	100.0%	3,272	9,999	100.0%	3,272
\$50,000-59,999	2,619	1,420	14.2%	372	9,999	100.0%	2,619	9,999	100.0%	2,619
\$60,000-74,999	2,610				14,999	100.0%	2,610	14,999	100.0%	2,610
\$75,000-99,999	2,717				24,999	100.0%	2,717	24,999	100.0%	2,717
\$100,000-124,999	1,078									
\$125,000-149,999	495									
\$150,000-199,999	437									
\$200,000+	565									
Total	30,063		16.2%	4,869		44.4%	13,344		41.4%	12,443

Demand Analysis One - Capture Rate Analysis by Unit Type

In order to determine demand for the proposed unit mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for units restricted at 60 percent AMI, as well as its market rate.

The by-unit-type breakdown illustrates an adequate demand at both 60 percent AMI and market rate when considered on a by-bedroom-type basis.

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

HOUSEHOLD DISTRIBUTION		
1 BR	70%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
2 BR	30%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	60%	Of three-person households in 2BR units
3 BR	40%	Of three-person households in 3BR units
	100%	Of four-person households in 3BR units
	100%	Of five-person households in 3BR units

60% AMI Demand

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	38.8%	11,671
2 persons	25.0%	7,522
3 persons	16.3%	4,900
4 persons	11.0%	3,306
5+ persons	8.9%	2,664
Total	100.0%	30,063

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	11,671	x	1,890
2 persons	7,522	x	1,218
3 persons	4,900	x	794
4 persons	3,306	x	535
5+ persons	2,664	x	431
Total	30,063		4,869

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	2,018
3BR	1,284
Total	3,302

Capture Rate Analysis - @60%

	Developer's Unit Mix	Capture Rate
2BR	74	3.7%
3BR	42	3.3%
Total/Overall	116	3.5%

Market Rate Demand

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	38.8%	11,671
2 persons	25.0%	7,522
3 persons	16.3%	4,900
4 persons	11.0%	3,306
5+ persons	8.9%	2,664
Total	100.0%	30,063

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	11,671	x	5,180
2 persons	7,522	x	3,339
3 persons	4,900	x	2,175
4 persons	3,306	x	1,467
5+ persons	2,664	x	1,182
Total	30,063		13,344

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	5,530
3BR	3,520
Total	9,050

Capture Rate Analysis - Market

	Developer's Unit Mix	Capture Rate
2BR	22	0.4%
3BR	6	0.2%
Total/Overall	28	0.3%

All Units

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	38.8%	11,671
2 persons	25.0%	7,522
3 persons	16.3%	4,900
4 persons	11.0%	3,306
5+ persons	8.9%	2,664
Total	100.0%	30,063

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	11,671	x	41.4%	4,831
2 persons	7,522	x	41.4%	3,113
3 persons	4,900	x	41.4%	2,028
4 persons	3,306	x	41.4%	1,368
5+ persons	2,664	x	41.4%	1,103
Total	30,063			12,443

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	5,157
3BR	3,282
Total	8,439

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
2BR	96	1.9%
3BR	48	1.5%
Total/Overall	144	1.7%

Annual Demand Table

ANNUAL DEMAND		
Calculation		PMA
Number of Renter Households in 2019		30,063
Increase in Number of Renter Households		(519)
Number of Renter Households in 2024		29,544
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		51.5%
Percentage of Income-Qualified Renter Households		41.4%
Number of Income-Qualified Renter Households		12,443
Percentage of Rent-Overburdened		45.5%
Existing Income-Qualified Renter Household Turnover		5,666
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		(104)
Percentage of Income-Qualified Renter Households		41.4%
New Rental Income Qualified Households		(43)
<i>Capture Rate Analysis</i>		
Number of Units in Subject		116
Occupied Units at Subject With Vacancy of:	5%	110
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		5,623
Portion Originating within PMA		100%
Total Demand (Turnover and Growth) from within PMA		5,623
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		5,623
Yielded Annual Capture Rate of Available Demand in 2020		2.0%

VHDA 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 three LIHTC properties in the PMA that have been recently allocated; however, only two developments, Town Center Apartments and Derby Run I, will compete directly with the Subject upon completion. Town Center Apartments will consist of 60 total units, which will be absorbed in the market, while Derby Run I was allocated for acquisition/rehabilitation, but currently has three vacant units, which have been accounted for below.

NUMBER OF VACANT LIHTC UNITS IN PMA

Property Name	Number of Vacant Units
Town Center Apartments	60
Derby Run I	3
Total	63

According to Esri Demographics, 45.5 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 6,076 income-qualified renter households in the PMA. Further, 141 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.

Income Restrictions	Up to 60% (min. income to max. income)	Market Rate (min. income to max. income)	Project Total (min. income to max. income)
	As Proposed	As Proposed	As Proposed
New Rental Households	-519	-519	-519
+			
Existing Households - Overburdened	2,217	6,076	6,076
+			
Existing Households - Substandard Housing	141	141	141
+			
Senior Households - Likely to Convert to Rental Housing	n/a	n/a	n/a
+			
Existing Qualifying Tenants - To Remain After Renovation	116	28	144
TOTAL DEMAND	1,955	5,726	5,842
-			
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	63	737	800
NET DEMAND	1,892	4,989	5,042
PROPOSED UNITS	116	28	144
CAPTURE RATE	6.1%	0.6%	2.9%
ABSORPTION PERIOD	6-8 months	6-8 months	6-8 months

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

Project Wide Capture Rate - LIHTC Units	6.1%
Project Wide Capture Rate - Market Units	0.6%
Project Wide Capture Rate - All Units (As Proposed)	2.9%
Project Wide Absorption Period (Months)	6-8 months

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 1.7 percent 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 2.4 percent for 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 5,623 units of demand in the first year of the Subject’s operation after completion as proposed. The Subject’s units will need to accommodate 137 total units of demand 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.

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

Project Wide Capture Rate - LIHTC Units	6.1%
Project Wide Capture Rate - Market Units	0.6%
Project Wide Capture Rate - All Units (As Proposed)	2.9%
Project Wide Absorption Period (Months)	6-8 months

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	Type	Tenancy	Total # of Units	# of LIHTC Units	# of Competitive LIHTC Units
Bruton Park Group Home	Section 8	Senior	5	0	0
Berkley South Apartments	Section 8	Family	190	0	0
Century Plaza Apartments	LIHTC/Section 8	Family	120	120	0
Great Oak Apartments	LIHTC/Section 8	Family	143	143	0
Newport News Transition T/C	Section 8	Family	12	0	0
Paula Maria III	Section 8	Family	198	0	0
City Line Apartments	LIHTC/Section 8	Family	200	0	0
Seton Manor	Section 8	Family	112	0	0
Newport Harbour Apartments	LIHTC/Section 8	Family	200	200	0
Christian Village Of Eastern Va	Section 8	Senior	43	0	0
Groome Road Group Home	Section 8	Senior	5	0	0
Diggs Drive Group Home	Section 8	Senior	5	0	0
Dresden Drive Group Home	Section 8	Senior	5	0	0
Derby Run I*	LIHTC	Family	160	160	128
Pinedale Manor	LIHTC	Family	296	296	0
Chestnut Square	LIHTC	Family	40	40	40
Ivy Farms	LIHTC	Family	168	168	168
Shell Gardens	LIHTC	Family	48	48	48
Tidewater Seniors	LIHTC	Senior	140	140	0
Ashe Manor	LIHTC	Senior	50	50	0
Westover Station	LIHTC	Family	108	108	72
Orcutt Village Townhomes I & II	LIHTC	Family	70	70	70
Seven Oaks	LIHTC	Family	202	202	192
Somerset At Town Center	LIHTC	Senior	114	114	0
Dresden	LIHTC	Senior	32	32	0
Heritage Forest I & II	LIHTC	Family	248	248	214
Jefferson Brookville	LIHTC	Family	50	50	30
Waterford Pointe*	LIHTC	Family	120	120	111
Total			3,084	2,309	1,073

*Utilized as comparable

Two developments have been awarded funding since 2016 in the PMA. Spratley House Apartments is an existing Public Housing development, which was awarded funding in 2019 for rehabilitation. Post-renovation, all units at the development will continue to benefit from project-based subsidies. As such, units will not compete directly with the Subject. Further, Town Center Apartments was awarded funding in 2018 for new construction of 60 two and three-bedroom townhome units. All units at this development will compete with the Subject upon completion and have been deducted from our penetration analysis.

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	
Number of Proposed Competitive family <i>LIHTC</i> Units in the PMA	60
	+
Number of Existing Competitive family <i>LIHTC</i> Units in the PMA	1,073
	+
Number of Proposed family <i>LIHTC</i> Units at the Subject	116
	=
Total	1,249
	/
Income Eligible Households - All AMI Levels	4,869
	=
Overall Penetration Rate	25.7%

The overall penetration rate for the market is 25.7 percent as proposed, which is 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 information from any of the comparable properties. However, we were able to obtain absorption information from one market rate property located in Suffolk, approximately 4.7 miles from the Subject. Commonwealth at York, a 384-unit market rate development, opened in 2015 and reported an absorption rate of approximately 34 units per month.

Renovations at the Subject will occur with minimal disruption to tenants and rents increases will be minimal for many floor plans; therefore, we do not believe that there will be a need for any significant re-absorption of units. Based on the aforementioned performance of the lease-up property in the Subject’s market, as well as the relatively low vacancy rates reported in the market, we have estimated that the Subject would absorb approximately 18 to 24 units per month, if hypothetically vacant, for an absorption period of approximately six to eight 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 proposed rents appear to be achievable and we do not believe the Subject will need to rely on voucher support or a project-based subsidy in the future, despite what recent operations indicate.

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 Development Authority (VHDA), there have been two recently funded developments within the Subject's PMA. According to the VHDA allocation lists since 2016, there have been three developments allocated tax credits in the PMA, one of which is phase I of the Subject (Derby Run I), which has been utilized as a comparable. The remaining two allocations have been detailed below.

- Spratley House Apartments, located at 651 25th Street in Newport News, was allocated tax credits in 2019 for the rehabilitation of a 50-unit Public Housing development targeting families. As a subsidized development, Spratley House Apartments will not directly compete with the Subject.
- Town Center Apartments, located at Saville Row and Pine Chapel Road in Hampton, was allocated tax credits in 2018 for the new construction of 60 units targeting families. The development will directly compete with the Subject's LIHTC Units.

City Planning and Development Department

We contacted Andrew Bell with the City of Hampton regarding new, planned, or under construction multifamily developments in the PMA.

- An apartment complex at the former Wythe Elementary School at 200 Claremont Avenue in Hampton was recently completed. The development will be an adaptive reuse of the school building and will consist of 40 market rate studio and one-bedroom units. Construction began in 2019 and was completed in early 2020. The units directly compete with the Subject's market rate units.
- Axis PTC is to be located at 1850 Merchant Lane and is currently under construction. The development will consist of 169 market rate units. Construction is expected to be complete by the spring of 2020. Units at this development will directly compete with the Subject's market rate units.
- Lumen Apartments is proposed for construction on Commander Shepard Boulevard in Hampton. The development will consist of 301 one, two, and three-bedroom market rate units. The units will directly compete with the Subject's market rate units.

We also consulted data from CoStar, a national real estate research firm. According to CoStar, there are two additional proposed and under construction multifamily developments in the Subject's PMA.

- Axis Apartments II is proposed at 2581 McMenamin Street in Hampton. The market rate development will consist of 160 units. No other information was available. The units will directly compete with the Subject's market rate units.
- Whittaker Place is under construction for construction at 1003 28th Street in Newport News. The market rate development will consist of 67 studio, one, and two-bedroom units. The development is on the site of the former Whittaker Memorial Hospital. Units at the development will directly compete with the Subject's market rate units.

Hampton Redevelopment and Housing Authority

According to Ms. Melvin with the Housing Choice Voucher Program at the Hampton Redevelopment and Housing Authority, there are approximately 2,900 vouchers allotted to Hampton. Ms. Melvin was unable to provide the number of Housing Choice vouchers that have been issued but reported that the waiting list is currently closed and has been since July 13, 2007. Ms. Melvin reported that there is high demand for affordable housing in Hampton due to the high cost of housing. The waiting list currently has an estimated wait time of ten years and there are no plans to reopen the waiting list in the near future. The current payment standards, which are above the Fair Market Rents, are as follows:

VOUCHER PAYMENT STANDARDS

Unit Type	Payment Standard	Subject's Current/Proposed Rents
2BR - 60% AMI	\$1,249	\$991-\$1,007/\$1,071
3BR - 60% AMI	\$1,763	\$1,172-\$1,228/\$1,237
2BR - Market	\$1,249	\$913-\$917/\$953-\$967
3BR - Market	\$1,763	\$1,028-\$1,045/\$1,079-\$1,097

The Subject's current and proposed gross rents are below the current payment standards, indicating residents will not need to pay additional rent out of pocket to reside in the Subject's units. According to the most recent rent roll dated December 6, 2019, the Subject was 89.6 percent occupied, and 72 tenants (50 percent) were utilizing vouchers.

***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.

March 3, 2020

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 is included.

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

Respectfully submitted,

Novogradac Consulting LLP



Rachel B. Denton, MAI
Partner
Rachel.Denton@novoco.com
(913) 312-4612



Jon Sestak
Senior Analyst
Jon.Sestak@novoco.com
(913) 312-4625



Patrick Vigna
Junior Analyst

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

Patrick Vigna

I. Education

James Madison University – Harrisonburg, VA

Bachelor of Science in Geographic Science

II. Professional Experience

Junior Analyst, Novogradac & Company LLP – July 2019 - Present

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing markets studies of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and Housing Choice Voucher information.
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

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 Hampton Planning & Development Department
- Hampton Department of Economic Development
- Hampton Redevelopment and Housing Authority
- Virginia Housing Development Authority
- Virginia Employment Commission
- CoStar New Construction Listing
- CoStar Hampton Roads Region Market Report

Addendum D
NCHMA Certification



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

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

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

Addendum E
Utility Allowance Schedule

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8, EXISTING HOUSING ALLOWANCES FOR TENANT FURNISHED UTILITIES AND OTHER SERVICES	DATE <p style="text-align: center;">12/1/2018</p>
--	--

LOCALITY <p style="text-align: center;">Hampton Redevelopment and Housing Authority</p>	UNIT TYPE <p style="text-align: center;">Row/Townhouse</p>
--	---

UTILITY OR SERVICE	MONTHLY DOLLAR ALLOWANCE						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR
HEATING							
a. Natural Gas	\$18	\$20	\$24	\$27	\$30	\$37	\$45
b. Electric	\$26	\$33	\$40	\$46	\$54	\$69	\$83
c. Propane	\$58	\$68	\$79	\$89	\$102	\$125	\$150
d. Fuel Oil	\$31	\$37	\$43	\$49	\$56	\$70	\$84
AIR CONDITIONING	\$8	\$9	\$12	\$15	\$18	\$23	\$28
COOKING							
a. Natural Gas	\$8	\$8	\$10	\$10	\$11	\$11	\$12
b. Electric	\$9	\$9	\$11	\$12	\$13	\$14	\$15
c. Propane	\$19	\$20	\$23	\$25	\$27	\$28	\$31
OTHER ELECTRIC (lighting, refrigerator, etc.)	\$36	\$39	\$43	\$50	\$56	\$65	\$72
WATER HEATING							
a. Natural Gas	\$9	\$12	\$15	\$21	\$27	\$32	\$40
b. Electric	\$10	\$16	\$23	\$36	\$49	\$62	\$76
c. Propane	\$28	\$37	\$46	\$64	\$83	\$101	\$124
d. Fuel Oil	\$17	\$22	\$28	\$39	\$50	\$61	\$75
WATER	\$20	\$26	\$32	\$45	\$58	\$70	\$83
SEWER	\$13	\$26	\$39	\$62	\$87	\$112	\$136
TRASH COLLECTION	\$26	\$26	\$26	\$26	\$26	\$26	\$26
RANGE	\$3	\$3	\$3	\$3	\$3	\$3	\$3
REFRIGERATOR	\$4	\$4	\$4	\$4	\$4	\$4	\$4
BASE CHARGES - GAS	\$14	\$14	\$14	\$14	\$14	\$14	\$14

**Electric Base Charge included in Other Electric Category*

ACTUAL FAMILY ALLOWANCES: (To be used by family to complete allowance. Complete below for Actual Unit Rented)	UTILITY OR SERVICE	PER MONTH
NAME OF FAMILY	HEATING	\$
ADDRESS OF UNIT	AIR CONDITIONING	\$
	COOKING	\$
	OTHER ELECTRIC	\$
	WATER HEATING	\$
	WATER	\$
	SEWER	\$
	TRASH COLLECTION	\$
	RANGE	\$
	REFRIGERATOR	\$
	NUMBER OF BEDROOMS	BASE CHARGES
	TOTAL	\$

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8. EXISTING HOUSING ALLOWANCES FOR TENANT FURNISHED UTILITIES AND OTHER SERVICES					DATE 12/1/2018		
LOCALITY Hampton Redevelopment and Housing Authority					UNIT TYPE Duplex		
UTILITY OR SERVICE	MONTHLY DOLLAR ALLOWANCE						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR
HEATING							
a. Natural Gas	\$18	\$20	\$24	\$28	\$33	\$41	\$49
b. Electric	\$27	\$33	\$41	\$49	\$60	\$77	\$93
c. Propane	\$59	\$67	\$80	\$93	\$109	\$136	\$163
d. Fuel Oil	\$32	\$37	\$45	\$52	\$61	\$77	\$93
AIR CONDITIONING							
	\$8	\$9	\$12	\$15	\$18	\$23	\$28
COOKING							
a. Natural Gas	\$8	\$8	\$10	\$10	\$11	\$11	\$12
b. Electric	\$9	\$9	\$11	\$12	\$13	\$14	\$15
c. Propane	\$19	\$20	\$23	\$25	\$27	\$28	\$31
OTHER ELECTRIC (lighting, refrigerator, etc.)							
	\$36	\$39	\$43	\$50	\$56	\$65	\$72
WATER HEATING							
a. Natural Gas	\$9	\$12	\$15	\$21	\$27	\$32	\$40
b. Electric	\$10	\$16	\$23	\$36	\$49	\$62	\$76
c. Propane	\$28	\$37	\$46	\$64	\$83	\$101	\$124
d. Fuel Oil	\$17	\$22	\$28	\$39	\$50	\$61	\$75
WATER							
	\$20	\$26	\$32	\$45	\$58	\$70	\$83
SEWER							
	\$13	\$26	\$39	\$62	\$87	\$112	\$136
TRASH COLLECTION							
	\$26	\$26	\$26	\$26	\$26	\$26	\$26
RANGE							
	\$3	\$3	\$3	\$3	\$3	\$3	\$3
REFRIGERATOR							
	\$4	\$4	\$4	\$4	\$4	\$4	\$4
BASE CHARGES - GAS							
	\$14	\$14	\$14	\$14	\$14	\$14	\$14
<i>*Electric Base Charge included in Other Electric Category</i>							
ACTUAL FAMILY ALLOWANCES: (To be used by family to complete allowance. Complete below for Actual Unit Rented)					UTILITY OR SERVICE		PER MONTH
NAME OF FAMILY					HEATING		\$
ADDRESS OF UNIT					AIR CONDITIONING		\$
					COOKING		\$
					OTHER ELECTRIC		\$
					WATER HEATING		\$
					WATER		\$
					SEWER		\$
					TRASH COLLECTION		\$
					RANGE		\$
NUMBER OF BEDROOMS					REFRIGERATOR		\$
					BASE CHARGES		\$
					TOTAL		\$

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8, EXISTING HOUSING ALLOWANCES FOR TENANT FURNISHED UTILITIES AND OTHER SERVICES					DATE 12/1/2018		
LOCALITY Hampton Redevelopment and Housing Authority					UNIT TYPE Garden		
UTILITY OR SERVICE	MONTHLY DOLLAR ALLOWANCE						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR
HEATING							
a. Natural Gas	\$15	\$18	\$22	\$26	\$30	\$37	\$45
b. Electric	\$23	\$30	\$38	\$46	\$56	\$72	\$86
c. Propane	\$50	\$60	\$73	\$85	\$101	\$125	\$150
d. Fuel Oil	\$28	\$34	\$42	\$49	\$58	\$72	\$87
AIR CONDITIONING							
	\$8	\$9	\$12	\$15	\$18	\$23	\$28
COOKING							
a. Natural Gas	\$8	\$8	\$10	\$10	\$11	\$11	\$12
b. Electric	\$9	\$9	\$11	\$12	\$13	\$14	\$15
c. Propane	\$19	\$20	\$23	\$25	\$27	\$28	\$31
OTHER ELECTRIC (lighting, refrigerator, etc.)							
	\$36	\$39	\$43	\$50	\$56	\$65	\$72
WATER HEATING							
a. Natural Gas	\$9	\$12	\$15	\$21	\$27	\$32	\$40
b. Electric	\$10	\$16	\$23	\$36	\$49	\$62	\$76
c. Propane	\$28	\$37	\$46	\$64	\$83	\$101	\$124
d. Fuel Oil	\$17	\$22	\$28	\$39	\$50	\$61	\$75
WATER							
	\$20	\$26	\$32	\$45	\$58	\$70	\$83
SEWER							
	\$13	\$26	\$39	\$62	\$87	\$112	\$136
TRASH COLLECTION							
	\$26	\$26	\$26	\$26	\$26	\$26	\$26
RANGE							
	\$3	\$3	\$3	\$3	\$3	\$3	\$3
REFRIGERATOR							
	\$4	\$4	\$4	\$4	\$4	\$4	\$4
BASE CHARGES - GAS							
	\$14	\$14	\$14	\$14	\$14	\$14	\$14
<i>*Electric Base Charge included in Other Electric Category</i>							
ACTUAL FAMILY ALLOWANCES: (To be used by family to complete allowance. Complete below for Actual Unit Rented)				UTILITY OR SERVICE		PER MONTH	
NAME OF FAMILY				HEATING		\$	
ADDRESS OF UNIT				AIR CONDITIONING		\$	
				COOKING		\$	
				OTHER ELECTRIC		\$	
				WATER HEATING		\$	
				WATER		\$	
				SEWER		\$	
				TRASH COLLECTION		\$	
				RANGE		\$	
				REFRIGERATOR		\$	
NUMBER OF BEDROOMS				BASE CHARGES		\$	
				TOTAL		\$	

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8, EXISTING HOUSING ALLOWANCES FOR TENANT FURNISHED UTILITIES AND OTHER SERVICES	DATE <p style="text-align: center;">12/1/2018</p>
--	--

LOCALITY <p style="text-align: center;">Hampton Redevelopment and Housing Authority</p>	UNIT TYPE <p style="text-align: center;">Single</p>
--	--

UTILITY OR SERVICE	MONTHLY DOLLAR ALLOWANCE						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR
HEATING							
a. Natural Gas	\$21	\$25	\$30	\$35	\$41	\$51	\$62
b. Electric	\$33	\$42	\$53	\$62	\$75	\$97	\$116
c. Propane	\$70	\$85	\$101	\$118	\$138	\$172	\$206
d. Fuel Oil	\$37	\$46	\$55	\$64	\$75	\$95	\$114
AIR CONDITIONING	\$9	\$11	\$14	\$17	\$21	\$26	\$33
COOKING							
a. Natural Gas	\$8	\$8	\$10	\$10	\$11	\$11	\$12
b. Electric	\$9	\$9	\$11	\$12	\$13	\$14	\$15
c. Propane	\$19	\$20	\$23	\$25	\$27	\$28	\$31
OTHER ELECTRIC (lighting, refrigerator, etc.)	\$36	\$39	\$43	\$50	\$56	\$65	\$72
WATER HEATING							
a. Natural Gas	\$9	\$12	\$15	\$21	\$27	\$32	\$40
b. Electric	\$10	\$16	\$23	\$36	\$49	\$62	\$76
c. Propane	\$28	\$37	\$46	\$64	\$83	\$101	\$124
d. Fuel Oil	\$17	\$22	\$28	\$39	\$50	\$61	\$75
WATER	\$20	\$26	\$32	\$45	\$58	\$70	\$83
SEWER	\$13	\$26	\$39	\$62	\$87	\$112	\$136
TRASH COLLECTION	\$26	\$26	\$26	\$26	\$26	\$26	\$26
RANGE	\$3	\$3	\$3	\$3	\$3	\$3	\$3
REFRIGERATOR	\$4	\$4	\$4	\$4	\$4	\$4	\$4
BASE CHARGES - GAS	\$14	\$14	\$14	\$14	\$14	\$14	\$14

*Electric Base Charge included in Other Electric Category

ACTUAL FAMILY ALLOWANCES: (To be used by family to complete allowance. Complete below for Actual Unit Rented)	UTILITY OR SERVICE	PER MONTH
NAME OF FAMILY	HEATING	\$
	AIR CONDITIONING	\$
ADDRESS OF UNIT	COOKING	\$
	OTHER ELECTRIC	\$
	WATER HEATING	\$
	WATER	\$
	SEWER	\$
	TRASH COLLECTION	\$
	RANGE	\$
	REFRIGERATOR	\$
NUMBER OF BEDROOMS	BASE CHARGES	\$
	TOTAL	\$

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8, EXISTING HOUSING ALLOWANCES FOR TENANT FURNISHED UTILITIES AND OTHER SERVICES	DATE 12/1/2018
--	-------------------

LOCALITY Hampton Redevelopment and Housing Authority	UNIT TYPE Mobile Home
---	--------------------------

UTILITY OR SERVICE	MONTHLY DOLLAR ALLOWANCE						
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR
HEATING							
a. Natural Gas	\$19	\$23	\$28	\$33	\$39	\$48	\$58
b. Electric	\$34	\$44	\$55	\$66	\$79	\$100	\$119
c. Propane	\$63	\$77	\$95	\$111	\$131	\$161	\$194
d. Fuel Oil	\$38	\$47	\$57	\$67	\$79	\$98	\$117
AIR CONDITIONING	\$9	\$11	\$14	\$17	\$21	\$26	\$33
COOKING							
a. Natural Gas	\$8	\$8	\$10	\$10	\$11	\$11	\$12
b. Electric	\$9	\$9	\$11	\$12	\$13	\$14	\$15
c. Propane	\$19	\$20	\$23	\$25	\$27	\$28	\$31
OTHER ELECTRIC (lighting, refrigerator, etc.)	\$36	\$39	\$43	\$50	\$56	\$65	\$72
WATER HEATING							
a. Natural Gas	\$9	\$12	\$15	\$21	\$27	\$32	\$40
b. Electric	\$10	\$16	\$23	\$36	\$49	\$62	\$76
c. Propane	\$28	\$37	\$46	\$64	\$83	\$101	\$124
d. Fuel Oil	\$17	\$22	\$28	\$39	\$50	\$61	\$75
WATER	\$20	\$26	\$32	\$45	\$58	\$70	\$83
SEWER	\$13	\$26	\$39	\$62	\$87	\$112	\$136
TRASH COLLECTION	\$26	\$26	\$26	\$26	\$26	\$26	\$26
RANGE	\$3	\$3	\$3	\$3	\$3	\$3	\$3
REFRIGERATOR	\$4	\$4	\$4	\$4	\$4	\$4	\$4
BASE CHARGES - GAS	\$14	\$14	\$14	\$14	\$14	\$14	\$14

*Electric Base Charge included in Other Electric Category

ACTUAL FAMILY ALLOWANCES: (To be used by family to complete allowance. Complete below for Actual Unit Rented)	UTILITY OR SERVICE	PER MONTH
NAME OF FAMILY	HEATING	\$
ADDRESS OF UNIT	AIR CONDITIONING	\$
	COOKING	\$
	OTHER ELECTRIC	\$
	WATER HEATING	\$
	WATER	\$
	SEWER	\$
	TRASH COLLECTION	\$
	RANGE	\$
	REFRIGERATOR	\$
	NUMBER OF BEDROOMS	BASE CHARGES
	TOTAL	\$

Addendum F
Subject and Neighborhood Photographs

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



View of Subject's exterior



View of Subject's exterior



View of Subject's exterior



View of Subject's exterior



View of Subject's exterior



Typical off-street parking spaces



View of exterior of clubhouse/community room



Community room



Community kitchen



Playground



Central laundry facility



Swimming pool



Typical exterior stairway



Typical living room



Typical coat closet



Typical kitchen



Typical bedroom



Typical bedroom



Typical bathroom



Typical balcony



Typical kitchen



Dining area



Typical bedroom



Typical bedroom



Typical bedroom



Typical bathroom



House of worship north of Subject



Derby Run I south of Subject



Typical single-family home east of the Subject



Typical single-family home west of the Subject