

Market Analysis
The View at Broadlands
Ashburn, Virginia

Prepared for:

Mr. Charlie Irick
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December, 2020

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December 22, 2020

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Charlie:

Attached is our full narrative market study for the 93-unit apartment building, The View at Broadlands, which will be submitted to officials of Virginia Housing for non-taxable bond financing with 4% Low Income Housing Tax Credits. The proposal is for general occupancy apartments with a mix of rents that range from 50% to 60% to 70% of AMI. Construction of the apartment building is expected to start by early-2022, at the latest and units are expected to be available for occupancy during 2023.

The site for The View at Broadlands is excellent in terms of access to employment, commercial establishments and highway access. Broadlands is the current most active development community in Loudoun County and considerable housing demand exists to support an abundance of new job growth.

The market study to follow shows a sizable pent-up demand for affordable housing for families with a capture rate of 8.7 percent for project lease-up. The study proposal is excellent in terms of supply/demand and location. The report to follow, which carefully includes all required market and economic data and analysis required by Virginia Housing is very positive for the proposal, as is.

Sincerely,

Stuart M. Patz
President

SMP/mes

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Section I Introduction

Following is the detailed full narrative market study for the proposed 93-unit, affordable, new construction family apartment building to be built during late-2021 or early-2022 on an attractive site at the southeastern intersection of Mooreview Parkway and Old Ryan Road in the Ashburn/South Broadlands community of Loudoun County, Virginia, and just south of the Dulles Greenway (SR 267) and within walking distance of the future Ashburn Station Metro Station. Once built, The View at Broadlands will have rent and income restrictions, but no age restrictions.

The View at Broadlands is designed for moderate-income families and proposed to be financed with tax exempt bonds and 4% Low Income Housing Tax Credit (LIHTC) financing, through Virginia Housing, formerly Virginia Housing Development Authority. To follow the market study guidelines of Virginia Housing, the report to follow is presented in three sections.

The first section is the Introduction, which provides a detailed analysis of the study site and its setting along the Dulles Toll Road in central Loudoun County. Included in the site description is an analysis of adjacent land uses, particularly commercial and public facilities, that are needed to serve the new resident population. As the study site is located in an established community, most required neighborhood facilities are in place.

The site development plan is also presented, which describes the number and types of apartment units being planned at The View at Broadlands. This analysis studies the various AMI categories under study for the apartment proposal and the types of amenities and building features to be built. A key to the description of the development is the identification of the target market for the apartment building, with particular emphasis of how the proposal meets the HUD income guidelines for LIHTC apartment properties in Loudoun County.

Section I has a second subsection, an economic overview of the Loudoun County marketplace. The key factors studied in this subsection are at-place jobs and employment growth, as these two economic factors are the best determination of Loudoun County's economic stability. Additionally, at-place jobs and employment growth are the basis for determining population and household growth, including the type of housing under study. The economic overview includes trends on at-place jobs and employment, but also presents data on new development proposals that are expected to generate net job growth.

The second section is the supply/demand analysis for new affordable housing. First presented is a demographic analysis of a market area defined for The View at Broadlands. The demographic analysis "solves" for the number of market area households within the three income categories under study -- 50% of AMI (\$42,600 to \$63,000), 60% of AMI (\$52,000 to \$75,600) and 70% of AMI (\$61,200 to \$88,200). These income categories are determined based on the proposed rents, as will be described below.

Income averaging will be applied to this proposal. Therefore, the average target income will not exceed 60% of AMI. The demographic analysis is studied to a forecast date of 2023, as The View at Broadlands is likely to be started by early-2022 and open for occupancy by first quarter 2023, with lease-up during 2023.

The second part of Section II is the analysis of the LIHTC general occupancy apartment properties in the market area. We identified 13 properties that would be competitive with The View at Broadlands, based on rent and income restrictions. Only four of these "comps" were recently built. One is still in lease-up.

These apartment properties are studied for rents, occupancy, unit sizes, characteristics, apartment amenities and features. These project characteristics are compared with The View at Broadlands proposal to determine the subject's competitive position in the current Loudoun County marketplace.

The third and final section of the report is the Conclusions, which is the net demand analysis for new affordable apartment units for families in the defined market area. Also within this section is the determination of the achievable rents for the proposed apartment units, expressed in constant 2020 dollars, and the lease-up period for the 93 proposed apartment units. Where needed, recommendations for project changes are presented.

The View at Broadlands

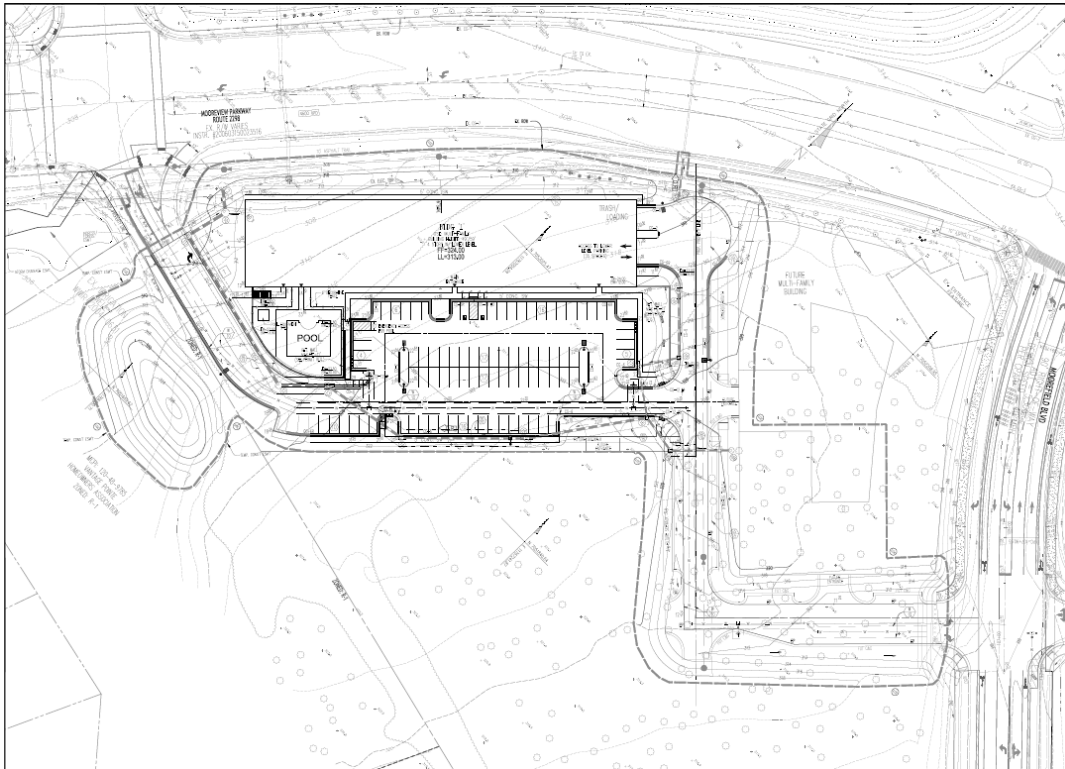
Site Description

The View at Broadlands site is a vacant, irregularly-shaped property of 6.76-acres in size. The site is located at the southwestern intersection of Mooreview Parkway and Old Ryan Road, just south of the Dulles Greenway (SR 267) and within walking distance of the Ashburn Station Metro Station, which is under construction and expected to be operational in the summer of 2021. The site, shown in Map A below, is zoned PDTRC (Planned Development-Transit Related Center).



Map A - Site Location

A larger plan of the site is shown below with site access shown from two locations: (1) from Moorefield Boulevard on the east and (2) from Mooreview Parkway from the north. The site is rectangular in shape along Mooreview Parkway, but has an irregular shaped elevated area on the west and an “L” shaped portion on the south, which extends east to Moorefield Boulevard. The property has an abundance of open space on all sides except the site’s north boundary.



Map B - Site Boundary

The site is shown in the northern aerial on Page 7. It is undeveloped and fully wooded. A welcome sign to the Broadlands community in a landscaped area, shown in the photo below, is located to the immediate north of the site, at the intersection of Mooreview Parkway and Old Ryan Road.



Broadlands Welcome Sign

The aerial also identifies adjacent developments. To the east of the site, on the eastern side of Old Ryan Road, is the Broadlands 772 Park and Ride (Note 1). This is a commuter parking lot with 160 parking spaces. This lot is served by two Metro Connection Bus routes. The location for passengers to be picked up is on Old Ryan Road at the entrance to the park and ride lot, near the intersection of Ashburn Village Boulevard and Old Ryan Road.

Adjacent to this parking lot is the fire and rescue building, Moorefield Station 23 (Note 2). The 5,900± square foot station opened in 2011. The station is staffed 24 hours a day, seven days a week with career personnel from Loudoun County Fire and Rescue and houses a fire engine, ALS Ambulance, BLS Ambulance, the Mobile Ambulance Bus and EMS Supervisor. Photos of the commuter lot and fire station are shown below.



Broadlands 772 Park and Ride



Moorefield Station 23

Also located near the site is the 121,950± square foot, Harris Teeter-anchored Broadlands Marketplace (Note 3), which was built in 2006. Smaller tenants at this retail center include Walgreens, McDonald's, Virginia Tire and Auto, Bank of America, and several restaurants including Rubino's Pizzeria, Saffron Indian Cuisine.

Other adjacent developments are shown to be residential. These include Vantage Pointe (Note 4), a subdivision of single-family homes developed in the early-2000's and priced in the \$700,000's, as well as Loudoun Place (Note 5), a townhome subdivision built in the late-2010's and priced in the upper-\$500,000's. Photos of typical homes in these two subdivisions are shown below. They are shown to be attractive and well-maintained.



Vantage Pointe



Loudoun Place

Also nearby is the expansive Broadlands South subdivision (Note 6), with a mix of townhomes and single-family homes. Just north of the site, on the north side of Mooreview Parkway, is the Broadlands Wetlands Preservation Area (Note 7), which offers a walking trail.



Northern Aerial

Photos of the study site are shown next. As previously noted, the site is vacant and largely wooded.



View of Site from Mooreview Parkway



View of Site from Old Ryan Road

Next shown is a wider aerial view of the study site and its setting in Broadlands South. The aerial shows the site to be located within a mixed-use setting and within close proximity to an abundance of retailers. It also shows the site to be within a rapidly expanded community.

The site is located several hundred feet south of Mooreview Parkway's intersection with the Dulles Greenway. The Dulles Greenway is part of SR 267, a primary state highway that consists of two end-to-end toll roads, the Dulles Toll Road and Dulles Greenway. The combined roadway provides a toll road for commuting and a free lane for access to Washington Dulles International Airport. The roadway runs for nearly 29 miles between the Town of Leesburg in the west and Falls Church in the east. It accesses many of the major employment centers in Northern Virginia.

Also shown in the aerial is the site's walkability to the future Ashburn Station Metro Station (Note 1), which will be located in the median of the Dulles Greenway near its intersection with Ryan Road. The station will serve Metro's Silver Line and include pedestrian bridges from both sides of the Dulles Greenway. It will include bus drop-off/pickup and parking for approximately 3,300 vehicles. This will be the western terminus of the Silver Line. The station is expected to open in July, 2021. Once built, The View at Broadlands will be one of only two LIHTC properties that is walking distance from a Metro Station.

Adjacent to the metro station is the Moorefield development (Note 2), a 592-acre mixed-use development. The project is master planned to contain over 6,000 residential units and ten million square feet of commercial space. Much of the original Moorefield land has been sold to other developers, but it is all still zoned for mixed use – commercial and residential. Portions of Moorefield include the Harris Teeter-anchored Broadlands Marketplace, the Westmoore townhome community and Moorefield Station Elementary School.

Construction on Townes at Metro Walk is an ongoing subdivision at this development and will include 739 homes at build out. These will be three-level townhomes priced in the low-\$700,000's. The first set of homes is expected to deliver in early-2021.

Apart from the adjacent Harris Teeter-anchored Broadlands Marketplace (Note 3) and a Home Depot (Note 4), the aerial shows the site to be located near several large shopping centers. These are briefly detailed in the paragraphs below.

- **Shoppes at Ryan Park** (Note 5). This is a 187,410± square foot shopping center that is anchored by a 65,420± square foot Giant grocery store. It is also the location of the 25,000± square foot Kaiser Permanente Ashburn Medical Center. Smaller retailers include Taste of Asia, Panera Bread, Chipotle Mexican Grill and La Vida Massage.
- **Loudoun Station** (Note 6). This is mixed-use development that opened in 2013 with nearly 700 apartment units and approximately 150,000 square feet of retail, restaurants, and entertainment venues that includes the 11-screen AMC - Loudoun Station theatre, 50,000 square feet of office space and a 1,500-space commuter parking garage.

Chesterbrook Academy Preschool is currently under construction and will occupy 21,100± square feet of ground-level retail space in a new building at Loudoun Station that will be completed in early-2021.

The owner of Loudoun Station, Comstock Cos., submitted plans in the summer of 2020 to construct a 12-story, 200,000± square foot building called One Gramercy, which would be the tallest building in Loudoun County. It's set to be built on one of the westernmost sections of the property, directly across from the AMC movie theater. The building would be primarily office space with 6,400±

square feet of ground-floor retail and five levels of structured podium parking included in the plans. The proposal has not yet been approved.

Adjacent to Loudoun Station is the proposed Gramercy District (Note 7). It is master planned for 2.8 million square feet of space, including 2,105 residential homes being touted as a “smart city.” Plans include a hotel, office and business center, as well as 150,000± square feet of retail space and two parking garages. feet of coworking office space. A second phase of the development, covering the eastern half of the property, could primarily be anchored by a 325,000 square foot office building with ground-floor retail.

South of Loudoun Station and the future Gramercy District contain several large data centers Digital Realty and Instore Solutions (Note 8).



Wider Aerial View

Map C is a street map that shows the magnitude of development in the Ashburn/ Broadlands area. This is a fully developed area of Loudoun County, east to

Belmont Ridge Road. Considerable residential development is occurring on Belmont Ridge Road, as the areas to the east are nearly fully developed.

Map C shows the close proximity of the View at Broadlands site to schools, churches, and shopping centers. To the east of the Dulles Greenway are several large employment centers.

Of note is the close proximity of Exit 6 along Dulles Greenway, which provides access directly to the study site.

From the View at Broadlands site, Wynridge Drive/Ridgeway Drive provides access to the area schools and to Clairborne Parkway which runs north/south from the Dulles Greenway and extends north to Farmwell Parkway which runs east/west throughout Ashburn. Overall, the Broadlands site is well located within an upscale and fully developed section of Loudoun County.



Map C - Apartment Site Setting

Site Setting

Map D shows the study site's immediate setting along Mooreview Parkway. This roadway, which is a four-lane divided road near the site, extends from Loudoun County Parkway in the south to Route 7 in the north. It becomes Ashburn Village Road once it crosses the Dulles Greenway north of the site. A photo of this roadway, fronting the study site, is shown below.



Mooreview Parkway

Apart from the nearby Moorefield Station Elementary School (Note 1) the 155,000± square foot Harris Teeter-anchored Shoppes at Moorefield Village (Note 2), development along this roadway south of the site is fully residential. Also located in this area are two major residential developments: Westmoore (Note 3), which is under construction with 599 townhomes planned, and Moorefield Green (Note 4), which was recently built out with 55 single-family homes and 473 townhomes.

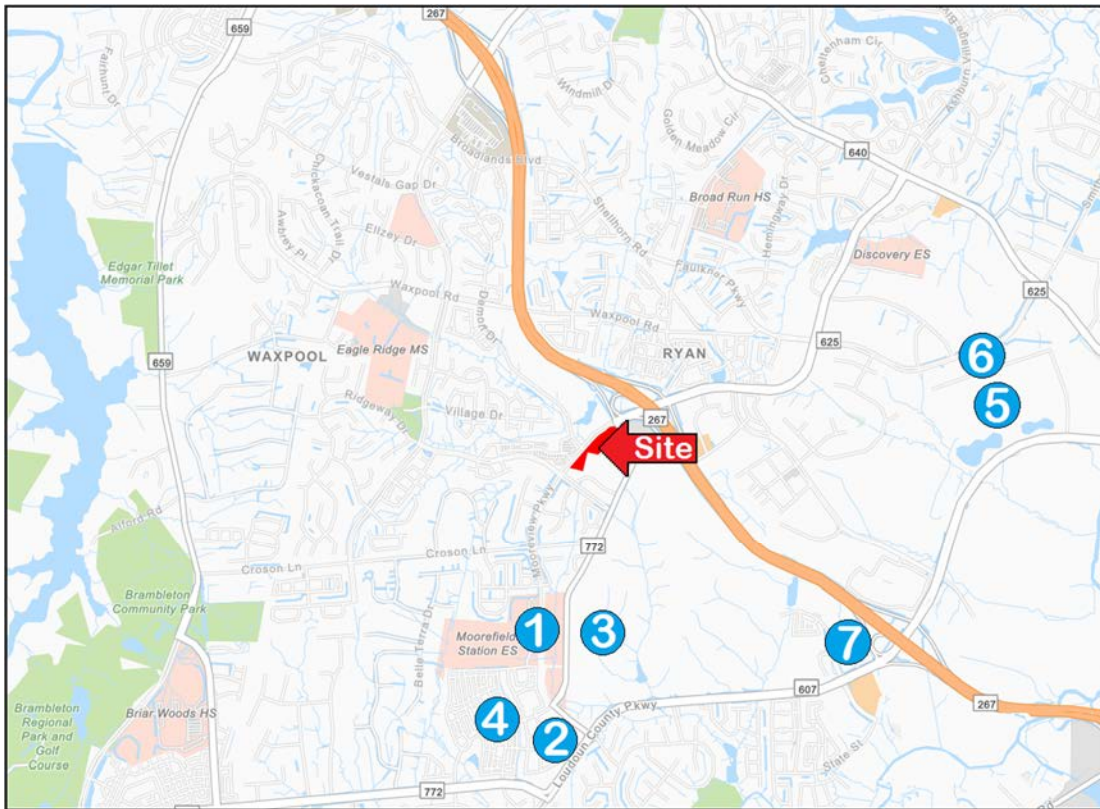
Development along Mooreview Parkway north of the Dulles Greenway also contains a mix of residential units and an abundance of retail space. Most of the nearby retail space was described above and is located immediately north of the Dulles Greenway. Several large data centers are also accessed from this roadway further north.

Also located in this area is the Quantum Park office park (Note 5), located just off the Fairfax County Parkway, where the U.S. Customs and Border Protection will occupy 445,000± square feet of space formerly occupied by MCI/WorldCom. The agency will employ 3,700 people at the facility. The agency is currently spread across 11 leased buildings and nearly 629,700± square feet, mainly concentrated in the Virginia 95 Business Park in Springfield, in addition to properties in Kingstowne, Alexandria and Chantilly. The 125.8-acre Quantum Park, which contains 1.9 million square feet within 12 buildings, will continue to house the operations of Verizon Business.

Near Quantum Park is also the location of the recently-build 370,000± square foot data center constructed by Aligned Energy (Note 6) in 2019. The company broke ground in June, 2020 on a second 513,000 square foot data center in June, 2020.

Another major development area near the study site is the recently approved Silver District West (Note 7), west of the Dulles Greenway at Loudoun County Parkway. This proposal includes up to 3,706 residences, including 381 townhouses and 3,325 multi-family units, an estimated 980,000 square feet of commercial space composed of 740,000 square feet of office and 240,000 square feet of retail space. It will also include two public use sites, including eight acres for public use and approximately 23 acres for a Broad Run Trail public park.

Old Ryan Road, which marks the site's northern boundary, is a short roadway that currently serves the adjacent commuter parking lot and fire station as well as the residential developments further south.



Map D - Site Setting

Following is a brief description of the public and commercial facilities that will serve the resident population at The View at Broadlands.

Medical Care. The closest hospital to the study site is the Inova HealthPlex - Ashburn, located 2.7 miles southeast of the study site at 22505 Landmark Court. The 50,500± square foot hospital opened in 2015. The hospital acts as a 24-hour emergency center for minor to emergency care with free patient ambulance transportation to Inova Loudoun Hospital, located in Lansdowne, if emergency hospital admittance is needed.

Community Facilities. The closest post office to the study site is located at 43150 Broadlands Center Plaza, approximately 2.0 miles northwest of the study site. Moorefield Fire and Rescue, Company 23 is the closet fire station, located within walking distance from the View at Broadlands site. Brambleton Library is the closet library to the study site, at 3.6 miles southwest at 22850 Brambleton Plaza.

Religious Institutions. Several churches are located within close proximity to the study site. These are detailed in the table below.

<u>Location of Nearby Churches</u>	
<u>Name</u>	<u>Address</u>
Our Savior's Way Lutheran Church	43115 Waxpool Rd
Mt Hope Baptist Church	42507 Mt Hope Rd
Heritage Baptist Church	21700 Shellhorn Rd
Broadlands Community Church	43673 Catton Pl
Bridge Community Church	21660 Red Rum Dr Ste 188
Source: S. Patz & Associates field survey	

Education. The View at Broadlands will be served by Loudoun County Public Schools, which enroll nearly 84,000 students in 94 schools. School-aged children residing in the community will be served by the following public schools:

<u>Schools to The View at Broadlands</u>		
<u>School</u>	<u>Address</u>	<u>Distance</u>
Mill Run Elementary School	42940 Ridgeway Dr	1.4 miles W
Eagle Ridge Middle School	42901 Waxpool Rd	1.8 miles NW
Briar Woods High School	22525 Belmont Ridge Rd	2.7 miles SW
Source: Loudoun County Public Schools		

Parks and Recreation. Several playgrounds and parks are located near the study site. These are briefly detailed in the paragraphs below.

- **Moorefield Community Park** is located at 43240 Clarendon Square. This is an 84-acre community park co-located on the same site as the Moorefield Station Elementary School that opened in October, 2020. It includes two rectangular athletic fields and one diamond field with field lighting, trail and sidewalk network, restrooms, concessions and parking adjacent to the school.
- **Chick Ford and Ryan Bickel Fields** are located at 43950 Grace Bridge Drive. This park consists of four acres, with two baseball / softball fields located adjacent to Discovery Elementary School.
- **Lyndora Park** is located at 43624 Lucketts Bridge Circle. This is a 17-acre park that includes a multipurpose trail, baseball diamonds, football field, picnic area, soccer fields and playground.

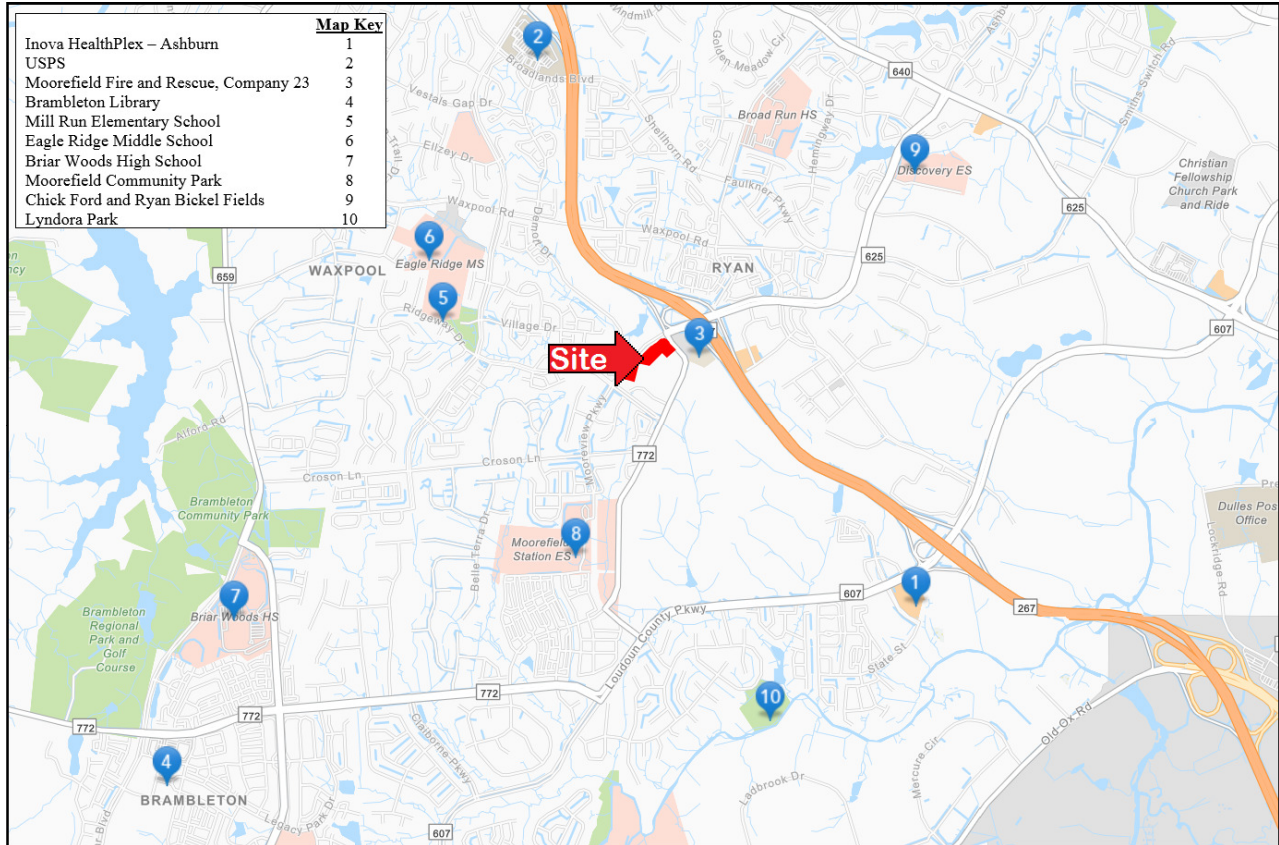
Shopping. As previously noted, several grocery stores and shopping centers are located near the study site, some of which are within walking distance. These shopping centers house a Harris Teeter, Giant, Home Depot and an abundance of regional and national retailers and restaurants.

In addition to these retailers are an abundance of other shopping centers near the site, largely in the Ashburn and Sterling areas. Big box retailers in these shopping centers include Lowe's Home Improvement, Walmart, Target, Macy's and JCPenney.



Map E - Nearby Shopping Centers

Map F shows the location of the community facilities that will serve residents at The View at Broadlands. Most important is that the setting has a full array of basic services for area residents. Overall, the greater Broadlands community is fully supplied with all neighborhood features that support new housing, and considerable new housing is being built to serve the expanding area job market. However, much of the new housing is higher-priced and for sale. The View at Broadlands “targets” a market that is now underserved, with a pent-up demand for affordable housing for families.



Map F - Location of Area Community and Public Facilities

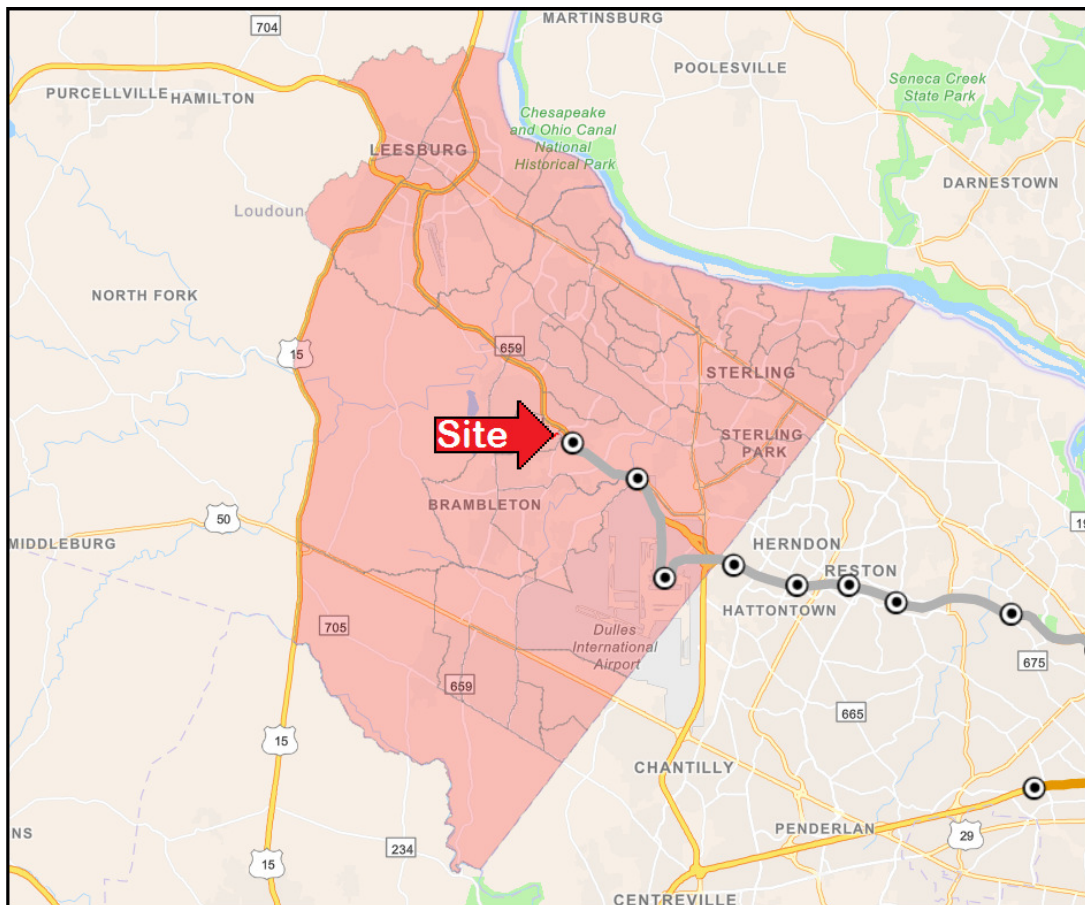
Market Area Definition

The defined market area for The View at Broadlands, is based on input from area on-site managers at affordable apartment properties, in that portion of Loudoun County, generally including the Town of Leesburg on the west and points further east. This area includes the larger unincorporated communities of Ashburn, Cascades, Broadlands, South Riding and Sterling. The more rural western portions of Loudoun County, which includes the towns of Purcellville, Round Hill and Middleburg, were excluded from the market area, as on-site management at area affordable apartment communities noted that they rarely compete for families in that part of the County.

Specifically, the market area extends from the Loudoun County-Prince William County border in the south to the Virginia-Maryland border in the north. The market area's eastern boundary is the Loudoun County-Fairfax County border. The western

boundary is generally U.S. Route 15. This is the active development area of Loudoun County, with the western portion of the County being low density development with large lot single-family homes, plus built-out towns with limited land or zoning for new apartment unit development.

The market area is large, but Loudoun County has a large and pent-up demand for affordable housing as noted above, and families have limited options for affordable housing. Thus, the market area for The View at Broadlands extends for all of Loudoun County east of Dulles Airport and along the County's major north/south and east/west highways.



Map G - The View at Broadlands Market Area

The View at Broadlands Development Program

Table 1 provides a detailed description of The View at Broadlands proposal, with data on apartment unit sizes, unit mix and proposed rents and project features and amenities. The apartment units will be restricted to households earning 50%, 60% and 70% of the Area Median Income (AMI). Within this total will be ten units restricted to 50% of AMI, 76 units restricted to 60% of AMI and seven units restricted to 70% of AMI.

Income averaging will be applied, meaning the average target household income being served will not exceed 60% of AMI. The proposal meets key Virginia Housing income averaging requirements given that at least 40 percent of the units will be restricted to incomes at or below 60% of AMI and there will be no market rate units.

Table 1 shows a unit mix of 37 one-bedroom, 48 two-bedroom and eight three-bedroom apartments. All one-bedroom apartments will have a full bathroom, while the two- and three-bedroom floor plans will have two full bathrooms.

In terms of income restrictions, four of the one-bedroom units will have 50% rents, 30 will have 60% rents and three will have 70% rents. Five of the two-bedroom units will have 50% rents, while 40 will have 60% rents and three will have 70% rents. One of three-bedroom units will have 50% rents while one will also have 70% rents. The remaining six three-bedroom units will have 60% rents.

The one-bedroom units will average 747 square feet, ranging in size between 642 and 856 square feet. The two-bedroom apartments will average 1,082 square feet in size, ranging in size between 871 and 1,204 square feet. The three-bedroom apartments will average 1,366 square feet. The three-bedroom apartment unit sizes will range between 1,357 and 1,369 square feet.

Also shown in Table 1 are the proposed net rents, which will exclude utilities. These units will each include a full size washer and dryer.

The one-bedroom 50% units will rent for \$1,065. This is compared to a rent of \$1,300 for the one-bedroom 60% units and \$1,530 for the one-bedroom 70% units. The two-bedroom 50% units will rent for \$1,270, while the two-bedroom 60% units will rent for \$1,550 and the two-bedroom 70% units will rent for \$1,835. The three-bedroom 50% units will rent for \$1,450. The three-bedroom 60% rents will be \$1,780 while the three-bedroom 70% rents will be \$2,100. All rents are reported in 2020 constant dollar values.

Of note, and shown in Table 1, are three proposed handicap accessible units, one for each apartment unit size. Also of note is that the one-bedroom units essentially have two models, one with 640± square feet and one with 850± square feet. This concept also exists for the two-bedroom units, with apartment sizes in the 900± square foot size range and in the 1,100 to 1,300 square foot size range. All three-bedroom units are 1,360± square feet or larger.

The following market data will show that the proposed units at The View at Broadlands are spacious compared with the current affordable market. Also of note is that 76 of the 93 apartment units will have balconies, including all of the three-bedroom apartment units and 36 of the two-bedroom units.

	Restriction	Units	Size (Sq. Ft.)	Net Rent	UA	Gross Rent
<u>1BR/ 1BA</u>						
A1 2/	70% of AMI	3	856	\$1,530	\$115	\$1,645
A1 2/	60% of AMI	22	856	\$1,300	\$115	\$1,415
A1 – Alt 1 2/	60% of AMI	4	844	\$1,300	\$115	\$1,415
A1 – Alt 2 2/	60% of AMI	3	855	\$1,300	\$115	\$1,415
A1 – HC 2/	60% of AMI	1	856	\$1,300	\$115	\$1,415
A2	50% of AMI	1	642	\$1,065	\$115	\$1,180
A2 – Alt 1	50% of AMI	1	642	\$1,065	\$115	\$1,180
A2 – Alt 2	50% of AMI	1	642	\$1,065	\$115	\$1,180
A2 – Alt 3	50% of AMI	<u>1</u>	642	\$1,065	\$115	\$1,180
(Subtotal/ Average)		(37)	(747)			
<u>2BR/ 2BA</u>						
B1 2/	70% of AMI	3	1,204	\$1,835	\$143	\$1,978
B1 2/	60% of AMI	15	1,204	\$1,550	\$143	\$1,693
B1 – Alt 1 2/	60% of AMI	6	1,112	\$1,550	\$143	\$1,693
B1 – Alt 2 2/	60% of AMI	7	1,111	\$1,550	\$143	\$1,693
B1 – Alt 3 2/	60% of AMI	3	1,192	\$1,550	\$143	\$1,693
B1 – HC 2/	60% of AMI	1	1,204	\$1,550	\$143	\$1,693
B2 2/	60% of AMI	7	1,268	\$1,550	\$143	\$1,693
B2 – Alt 1 2/	60% of AMI	1	1,321	\$1,550	\$143	\$1,693
B3	50% of AMI	1	890	\$1,270	\$143	\$1,413
B3 – Alt 1	50% of AMI	1	908	\$1,270	\$143	\$1,413
B3 – Alt 2	50% of AMI	1	914	\$1,270	\$143	\$1,413
B3 – Alt 3	50% of AMI	1	890	\$1,270	\$143	\$1,413
B4 2/	50% of AMI	<u>1</u>	971	\$1,270	\$143	\$1,413
(Subtotal/ Average)		(48)	(1,082)			
<u>3BR/ 2BA</u>						
C1 2/	70% of AMI	1	1,369	\$2,100	\$182	\$2,282
C1 2/	60% of AMI	3	1,369	\$1,780	\$182	\$1,962
C1 – Alt 1 2/	60% of AMI	1	1,357	\$1,780	\$182	\$1,962
C1 – Alt 2 2/	60% of AMI	2	1,368	\$1,780	\$182	\$1,962
C1 – HC 2/	50% of AMI	<u>1</u>	1,368	\$1,450	\$182	\$1,632
(Subtotal/ Average)		(8)	(1,366)			
Total		93				
Notes: 1/ Rents to include only trash collection. All units to include washers and dryers. 2/ Includes balcony.						
Source: Flatiron Partners						

Rent Comparison

Table 2 shows the gross rents for the apartment units at The View at Broadlands, with a utility allowance (UA) added to the net rents, to calculate gross rents. The UA was calculated by the sponsor based on the apartment unit sizes and energy efficient HVAC system appliances, and overall energy efficiency. The apartment building will be energy efficient within the Virginia Housing guidelines.

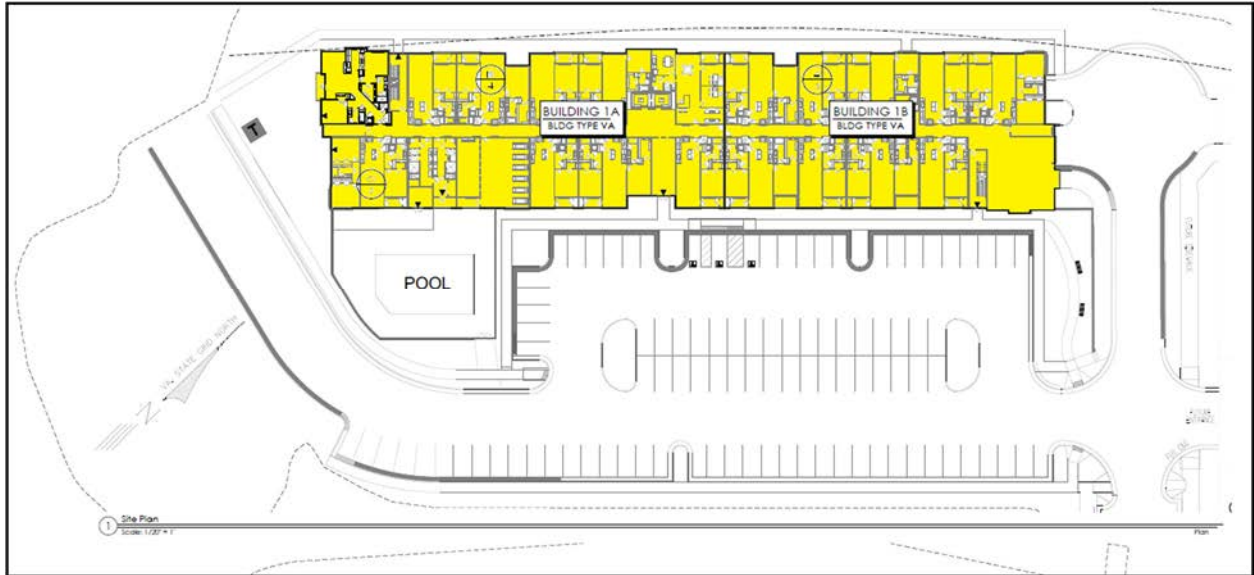
The gross rents shown for each income restriction are compared with the HUD maximum allowable gross rents for the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area, to determine whether the proposed gross rents are within the HUD approved guidelines. The comparison shows that the proposed gross rents at The View at Broadlands, based on the calculated UA, are below the maximum allowable rents for Loudoun County and the Washington, DC FMR Area.

Table 2: <u>Rent Comparison Chart, View at Broadlands and HUD Maximum Allowable Rates, December, 2020</u>				
	<u>View at Broadlands</u>			<u>HUD Maximum Allowable</u>
	<u>Net Rent</u>	<u>UA</u>	<u>Gross Rent</u>	
<u>50% of AMI</u>				
1BR/ 1BA	\$1,065	\$115	\$1,180	\$1,181
2BR/ 2BA	\$1,270	\$143	\$1,413	\$1,417
3BR/ 2BA	\$1,450	\$182	\$1,632	\$1,638
<u>60% of AMI</u>				
1BR/ 1BA	\$1,300	\$115	\$1,415	\$1,417
2BR/ 2BA	\$1,550	\$143	\$1,693	\$1,701
3BR/ 2BA	\$1,780	\$182	\$1,962	\$1,965
<u>70% of AMI</u>				
1BR/ 1BA	\$1,530	\$115	\$1,645	\$1,653
2BR/ 2BA	\$1,835	\$143	\$1,978	\$1,984
3BR/ 2BA	\$2,100	\$182	\$2,282	\$2,293
Source: HUD and Flatiron Partners				

Site Plan and Building Design

The site plan below shows that the apartment building will consist of a single rectangular-shaped building of four stories that will front on Mooreview Parkway. Apart from sidewalks, the only exterior amenity will be an outdoor swimming pool.

Surface parking will be located in front of the building, buffering the building from the street. There will be a total of 135 parking spaces, including 35 underground spaces. This total equates to a parking ratio of 1.45 spaces per unit. There will be no charges for parking. Of note, The View at Broadlands will be within walking distance of a to-be-built Metro station.



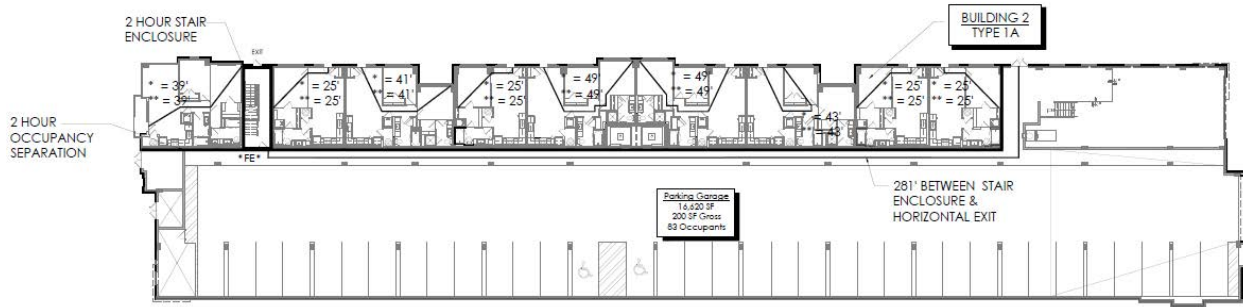
The View at Broadlands Site Plan

Shown next is a rendering of the View at Broadlands building. This will be a four-story elevator-served building, with one level of underground parking. The swimming pool is shown to be accessed from a proposed amenity area on the ground level. The building will have an attractive, contemporary design with a flat roof, partially brick exterior and recessed balconies.



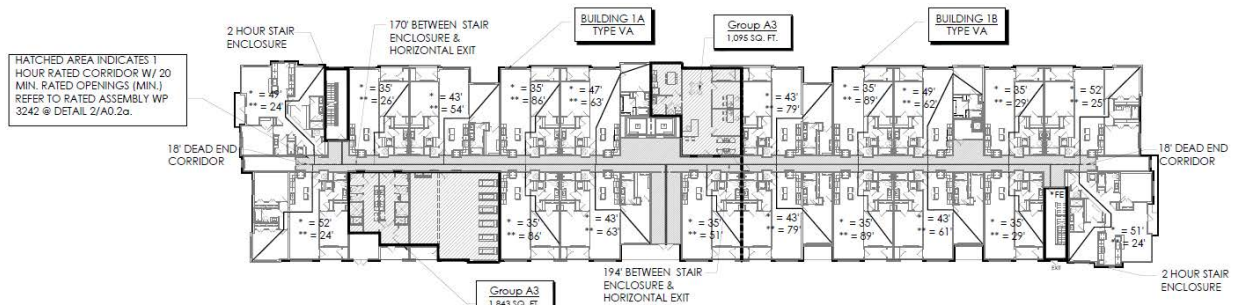
Rendering of The View at Broadlands

Following are floor plans of each level in the building. First shown is the garage level, which will contain 35 parking spaces, that are available without a charge. The basement level will also contain four one-bedroom and five two-bedroom apartment units on the north side.



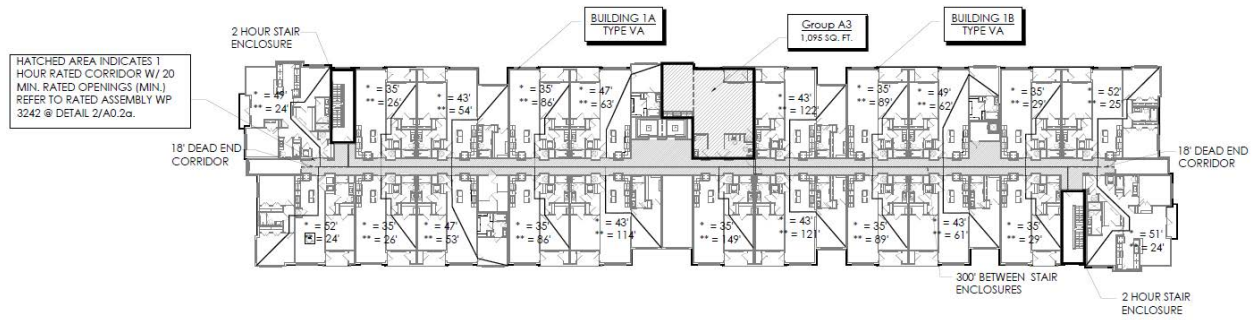
Garage Level

Next shown is the ground level floor plan, which will provide entry into the building. The building will have a central corridor accessing each of the apartment units. A 4,030± square foot amenity space, containing a clubroom and fitness center, will be located near the access to the outdoor swimming pool. This level will contain 18 apartment units, including eight one-bedroom, nine two-bedroom and one three-bedroom units.



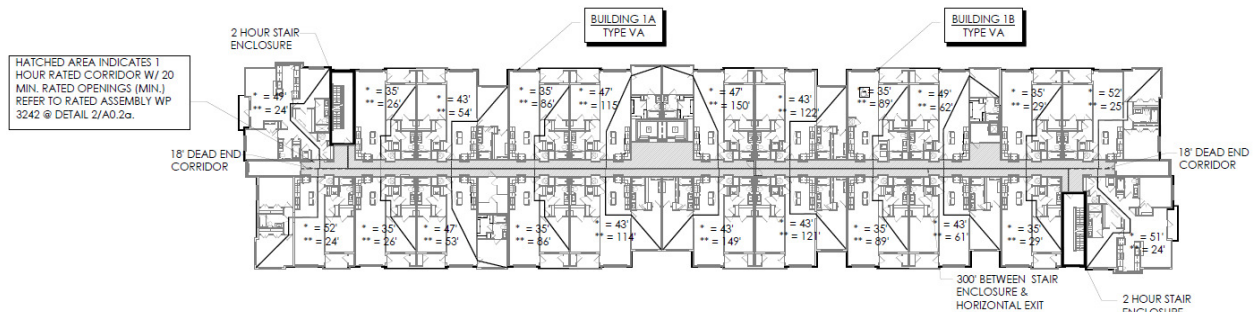
First Floor

The second floor, shown below, will be fully residential with 20 apartment units. Within this total will be nine one-bedroom, ten two-bedroom and one three-bedroom units.



Second Floor

The third level will also be entirely residential with 21 units, including eight one-bedroom, 12 two-bedroom and one three-bedroom units. This floor plan is shown below.



Third Floor

The fourth floor will contain only residential units. Of the 21 units on this level, there will be eight one-bedroom, 12 two-bedroom and one three-bedroom units.



Fourth Floor

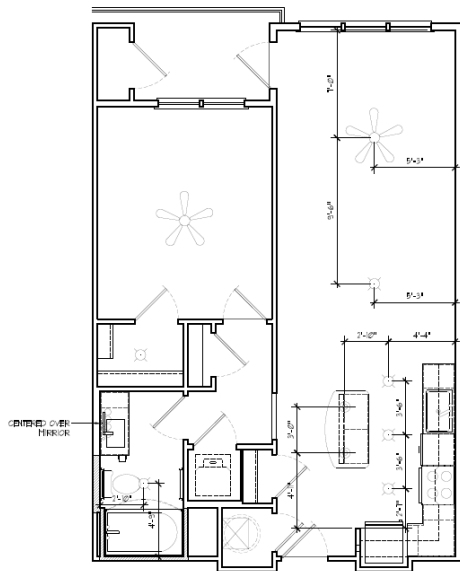
Unit Floor Plans

Shown next are typical floor plans for the one-, two- and three-bedroom apartment units. The one-bedroom units will have a full bathroom, while the two- and

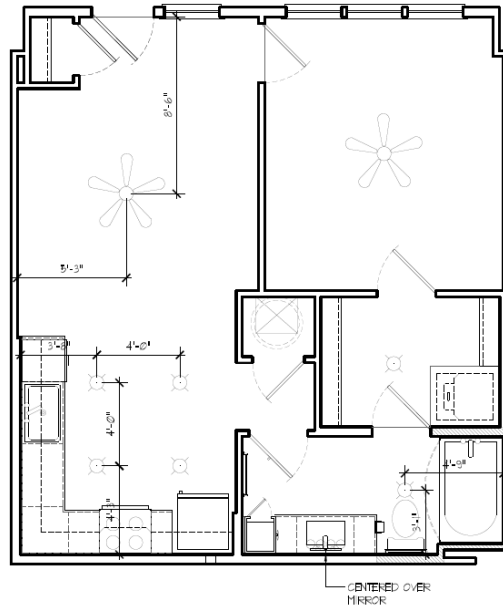
three-bedroom units will have two full bathrooms. An abundance of the floor plans will have recessed balconies and all will contain in-unit washers and dryers. All units will have open floor plans that include an open kitchen and combined living and dining room. All master bedrooms will have walk-in closets.

Shown below are the two floor plans for the one- and two-bedroom units. The larger units include: (1) a larger kitchen; (2) large bathrooms, (3) larger living area and (4) large common areas.

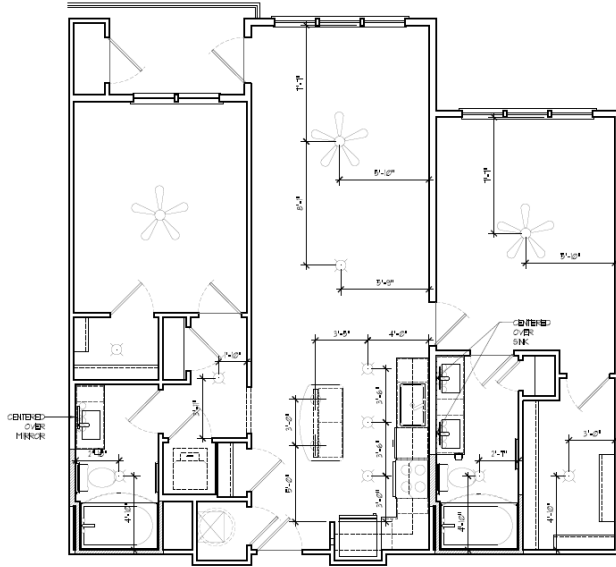
All units will have central air conditioning, dishwasher, garbage disposal and ice maker. Living rooms, dining rooms and kitchens will have vinyl tile flooring. All bedrooms will be carpeted.



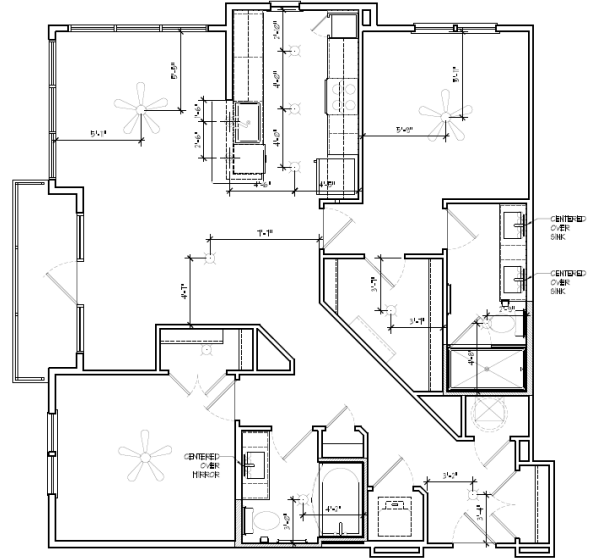
Typical 1BR/1BA (A1 Floor Plan)



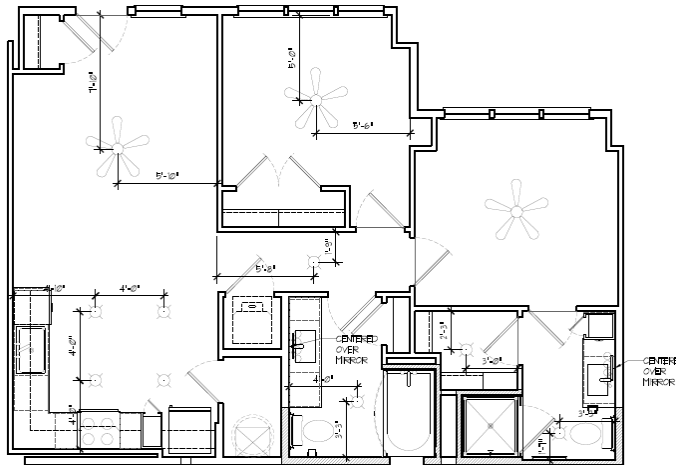
Typical 1BR/1BA (A2 Floor Plan)



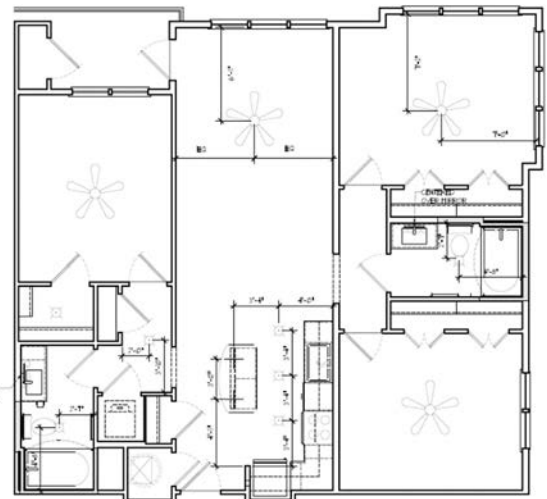
Typical 2BR/2BA (B1 Floor Plan)



Typical 2BR/2BA (B2 Floor Plan)



Typical 2BR/2BA (B3 Floor Plan)



Typical 3BR/2BA (C1 Floor Plan)

Development Costs

The proposed building costs, including soft costs and land acquisition, are \$26.7 million, or \$287,000 per unit.

Economic Overview Analysis

This part of the market analysis presents an economic overview of the defined market area in terms of job and employment growth. Three economic factors are presented and analyzed: (1) at-place job growth, (2) employment and labor force trends, and (3) an evaluation of active development plans that are expected to generate new job and employment growth.

The three economic factors under study are analyzed in the paragraphs to follow. Key to this analysis is that job growth supports growth in population and households, and therefore, housing unit demand, including the type under study. Thus, the establishment of market area economic stability is a key issue related to the demographic growth of the market area.

Data on employment and labor force are presented for all of Loudoun County, as data is provided by the Department of Commerce, Bureau of Labor Statistics (BLS). BLS data are only published on a county-wide or city-wide basis. However, within Loudoun County, almost all of the economic development is within the defined market area.

At-Place Jobs

At-place employment refers to jobs physically based at employers in the market area, whether the job is based in private sector or government offices, manufacturing facilities, schools, retail stores, restaurants, nursing home, or other facilities. Again, most of Loudoun County's jobs are within the defined market area.

As of year-end 2019, Loudoun County had nearly 175,500 at-place jobs. That total is 42,560± jobs above the pre-recession peak in 2008. The County witnessed significant job losses in 2009, when 3,200± jobs were eliminated due to the recession of that period. Nevertheless, total jobs exceeded the pre-recession levels by 2011 and employment growth has continued every year since. Approximately 4,540 new jobs

were created in 2018, while an additional 6,420 new jobs were added most recently in 2019.

The largest private employment sector in Loudoun County is Local Government, which accounts for nearly 12.2 percent of total employment. This sector grew by over 41 percent since 2008, adding 6,260± new jobs during that period. This growth has been driven by overall population growth in the County. Much of this employment is part of the Loudoun County Public School system, which is the largest employer in the County with 11,580± employees. The public-school system alone has added 1,740± jobs since 2010.

The second largest employment sector in Loudoun County is the Professional and Technical Services sector, which also accounts for over 12 percent of total employment and has added over 6,000 new jobs over the past decade. This growth has been generated by the “hi-tech” industry, with particular job growth along the Dulles Tollway. There have been several major job announcements over the past ten years that have driven this high level of employment growth. Major announcements in several industrial sectors since 2010 include the 26 companies listed in Table 3 below.

Table 3: Major Job Announcements, Professional and Technical Services, Loudoun County, VA, 2010-2019

	<u>Business Description</u>	<u>Year Announced</u>	<u>New Jobs</u>
Submer Inc.	Immersion cooling solutions for data centers	2019	10
Aperionics	Technology that identifies infections	2019	34
Hanley Energy	Manufacturing facility for data center	2019	21
Uavionix	Develops GPS receivers for aviation	2018	8
Cynet Systems Inc.	Staffing services	2018	17
DMY Engineering Consultants	Offers geotechnical services	2018	7
Remington Mulch Company	Supplies mulch, soils, and woodchips	2018	30
Discovery, Inc.	American media company	2018	240
Verite Group	Data protection	2017	75
ePurchasing Network	Develops purchasing intranet platform	2017	17
FCi Federal	Federal contractor	2016	100
Sentry Control Systems	Parking systems technology	2016	10
Lowers Risk Group	IT company providing risk mitigation,	2015	282
Saab Defense and Security USA	Technology solutions for defense	2015	10
Telos Corporation	IT solutions and services	2014	160
VoodooLunchbox, Inc.	Multi-tenant cloud analytic platform	2013	27
Perceptive Software	Data capture	2013	30
ePlus Inc.	Technology solutions integration	2012	45
iGATE	Integrated technology and operations	2012	250
Perceptive Software	Data capture and enterprise search	2012	100
Metron Aviation	Air traffic management	2012	350
Infinitive	Process engineering	2011	61
Technica Corporation	IT solutions	2011	25
Symantec Corporation	Internet infrastructure services	2010	250
NeuStar, Inc.	Directory and network services	2010	280
Consult America, Inc.	IT consulting services provider	2010	30
Total			2,469

Source: Virginia Economic Development Partnership

These are all professional jobs that are the basis for the County’s demographic growth. Of note is that net growth for 2019 is well below past years.

Apart from the Information industrial category, every other employment sector has added jobs since 2008. Sectors that have added over 2,000 jobs during that period include: Accommodations/ Food Services (5,570± new jobs), Health Care (5,360± new jobs), Manufacturing (3,250± new jobs)/ Administrative/ Waste Services (2,760± new jobs), Transportation/ Warehousing (2,230± new jobs) and Construction (2,060± new jobs).

Employment losses were only realized in the Information sector, which has shed 910± over since 2008. Many of these jobs were related to AOL laying off nearly 1,200

people earlier in the decade. Employment in this sector has risen steadily by 390± jobs since 2017.

Table 4: Trends in Average At-Place Employment, Loudoun County, Virginia, 2008-2019

Industry	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Agriculture	430	409	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Mining	190	182	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Utilities	ND	ND	90	95	120	126	130	132	137	143	152	146
Construction	15,188	13,114	13,745	13,264	12,756	12,694	13,419	13,879	14,502	15,675	16,246	17,250
Manufacturing	4,637	4,301	4,441	4,675	4,808	6,191	6,047	6,350	6,841	7,084	7,495	7,888
Wholesale Trade	ND	ND	2,899	3,199	3,185	3,406	3,320	3,235	3,174	3,282	3,339	3,386
Retail Trade	16,292	15,822	16,337	16,876	17,103	17,005	17,114	17,754	18,051	17,923	17,956	17,725
Transport./ Wareh..	9,652	9,273	9,311	9,554	9,860	9,763	9,980	9,835	10,364	10,806	10,746	11,877
Information	8,191	7,833	7,231	7,368	7,007	6,940	7,504	7,245	7,018	6,887	7,045	7,277
Finance/Insurance	2,625	2,628	2,584	2,713	2,959	3,208	3,170	3,251	3,400	3,665	3,696	3,741
Real Estate	1,542	1,601	1,712	1,776	1,798	1,844	1,643	1,740	1,892	2,039	2,177	2,273
Prof./Tech.	15,070	15,310	15,676	16,484	17,123	17,550	17,085	18,296	18,775	19,651	20,717	21,149
Mgmt of Co.s	921	1,065	1,158	1,145	1,266	1,331	1,330	1,353	1,360	1,438	1,461	1,412
Admin./Waste	7,332	7,145	7,339	7,825	8,791	9,631	9,961	10,938	10,703	10,045	9,677	10,094
Education	1,807	1,847	1,880	2,156	2,300	2,483	2,613	2,814	2,848	2,922	2,928	3,467
Health Care	8,287	8,701	9,138	9,645	9,907	10,480	10,863	11,255	11,533	12,148	12,807	13,647
Arts/Enter./Rec.	1,765	1,874	2,125	2,244	2,286	2,607	2,590	3,003	3,390	3,508	3,554	3,535
Accom./Food	11,221	10,730	11,018	11,834	12,465	13,340	13,840	14,723	15,696	16,345	16,406	16,791
Other Services	4,044	3,916	4,244	4,473	4,841	4,957	5,008	5,209	5,451	5,535	5,730	5,719
Local Gov.	15,119	15,665	15,625	16,144	16,761	17,106	17,454	17,921	18,512	19,009	20,301	21,381
State Gov.	936	930	948	1,010	1,022	1,077	1,111	1,099	1,060	1,058	1,082	1,064
Federal Gov.	4,336	4,154	4,269	4,391	4,301	4,049	3,814	3,758	4,070	4,189	4,358	4,536
Total	132,938	129,736	132,340	137,434	141,249	146,358	148,593	154,560	159,753	164,537	169,077	175,497

Notes: ND = Data do not meet BLS or State agency disclosure standards.

Source: United States Department of Labor, Bureau of Labor Statistics

Much of the job growth in Loudoun County occurred along the Route 7 corridor on the north side of the County, and along the Dulles Access Road (SR 267). Considerable net new jobs were realized also along the Route 28 Corridor, the evolving primary commercial corridor in the County. Job growth throughout the County generated considerable population and household growth, as will be presented below.

Table 5 shows the net change in at-place job totals over the past twelve years. As shown, the only sector with job losses since 2008 is the Information sector. Besides the diversified economy, the key figure shown in Table 5 is the 32 percent net growth in new jobs since 2008, for a net increase of 42,560± jobs.

Table 5: <u>Change in Total At-Place Employment, Loudoun County, Virginia, 2008-2019</u>		
	<u>Net Change</u>	<u>Percent Increase</u>
Construction	2,062	13.6%
Manufacturing	3,251	70.1%
Retail Trade	1,433	8.8%
Transport. & Warehousing	2,225	23.1%
Information	-914	-11.2%
Finance/Insurance	1,116	42.5%
Real Estate	731	47.4%
Professional/Tech. Services	6,079	40.3%
Management of Companies	491	53.3%
Admin./Waste Services	2,762	37.7%
Educational Services	1,660	91.9%
Health Care	5,360	64.7%
Arts/Enter./Recreation	1,770	100.3%
Accommodations/Food	5,570	49.6%
Other Services	1,675	41.4%
Local Government	6,262	41.4%
State Government	128	13.7%
Federal Government	200	4.6%
Total (average)	42,559	(32.0%)

Source: United States Department of Labor, Bureau of Labor Statistics

Employment and Labor Force

At-place jobs refer to where the job is located, and in this instance, that relates to jobs physically located in Loudoun County. Employment refers to the number of market area residents who are employed, no matter where the job is located. At-place job totals are significantly lower compared with employment, which means that sizable net out-commuting occurs from Loudoun County to neighboring counties and cities, particularly Fairfax County, Arlington County and other Northern Virginia locations. Considerable out-commuting also occurs to Maryland via Route 15 north.

Table 6 details employment data in Loudoun County. Employment grew by 51,120± over the past twelve years, which is slightly larger than at-place job growth. That is the reason for the high demand for new housing in the County. That is likely the result of increased residential growth. The same “growth” pattern exists for employment and labor force as for at-place jobs – net increase until 2008 and then a decline. For market area employment, growth rebounded from the pre-recession employment level in 2011.

Total employment has increased every year since 2010, which is a positive sign. Employment grew by 5,350± most recently in 2019. The increase in the labor force since 2009 is also a positive sign, suggesting growing confidence in the economy among the County's population.

Table 6: Trends in Employment and Unemployment, Loudoun County, Virginia, 2008-2019				
	Labor Force	Employment	Unemployment	Percent Unemployed
2008	173,148	168,299	4,849	2.8%
2009	174,290	166,112	8,178	4.7%
2010	175,439	166,487	8,952	5.1%
2011	181,515	173,042	8,473	4.7%
2012	186,073	177,798	8,275	4.4%
2013	191,048	182,680	8,368	4.4%
2014	195,838	187,500	8,338	4.3%
2015	200,040	192,906	7,134	3.6%
2016	207,000	200,319	6,681	3.2%
2017	214,084	207,604	6,480	3.0%
2018	219,593	214,065	5,528	2.5%
2019	224,573	219,414	5,159	2.3%
Net Change	51,425	51,115	310	-0.5%

Source: United States Department of Labor, Bureau of Labor Statistics

Impact of Covid-19 Pandemic. Table 7 shows monthly employment data up to August, 2020 to illustrate the County's employment impact of the COVID-19 pandemic. This is the date for which the most recent data are available. Trend data show that since year-end 2019, employment in Loudoun County has fallen by over 12,000, with the number of unemployed growing by nearly 7,000. The labor force has also contracted by over 5,500 people, meaning many of those who have lost their jobs have retired or decided not to search for employment at this time. The one positive note is that employment has begun to recover as of May, 2020. Employment has increased by 9,010± since that time.

However, the 12,000± loss in employment is significant and high for a marketplace as vibrant as Loudoun County. However, the Loudoun County unemployment rate is still rather low. The unemployment rate is likely to decrease in 2021, as more control of the Covid-19 pandemic is achieved. Data presented in Section II

will show that the current employment loss has not affected the County’s apartment market under study.

Table 7: <u>Trends in Employment and Unemployment</u> <u>Loudoun County, Virginia, 2019-2020</u>				
	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Percent Unemployed</u>
2019	224,573	219,414	5,159	2.3%
January, 2020	226,778	221,331	5,447	2.4%
February, 2020	228,327	223,417	4,910	2.2%
March, 2020	226,550	220,544	6,006	2.7%
April, 2020	219,877	198,184	21,693	9.9%
May, 2020	218,974	201,257	17,717	8.1%
June, 2020	221,061	204,578	16,483	7.5%
July, 2020	220,621	205,382	15,239	6.9%
August, 2020	219,047	207,194	11,853	5.4%
Net Change	-5,526	-12,220	6,694	3.1%
Source: United States Department of Labor, Bureau of Labor Statistics				

Net Job Growth

Following in Table 8 is a list of new job announcements tracked by the Virginia Economic Development Partnership and the Loudoun Economic Development. Compared with net job growth listed from BLS data since 2014. This list is limited to 2019 and 2020 announcements. Loudoun County’s economic development staff reports that these are the only data that they have, as they do not track job growth at medical, office or retail business expansions.

There is no doubt that job growth in Loudoun County is significantly larger than what is listed in Table 8. Of note is the relatively large number of data centers announcements, many of which are not attributed to specific companies due to privacy and security concerns. These jobs are classified under Professional and Technical Services in Table 4 above.

Table 8: New and Expanding Business, Loudoun County/ Route 50 Corridor, 2019-2020 1/

<u>Company Name</u>	<u>Business Description</u>	<u>Date Announced</u>	<u>New Jobs</u>
Data Storage Science	IT service provider	Sep-20	24
IACET	Continuing education and training	Aug-20	20
Not Publicly Announced	Data center	Aug-20	30
Not Publicly Announced	Data center	Aug-20	111
Not Publicly Announced	Data center	Aug-20	23
Not Publicly Announced	Data center	Aug-20	80
Not Publicly Announced	R&D	Aug-20	200
Not Publicly Announced	Data center	Aug-20	200
Not Publicly Announced	Data center	Jul-20	20
The Building People	Technology and building integration services	Jul-20	50
Not Publicly Announced	Data center	May-20	40
Not Publicly Announced	Data center	Mar-20	45
Qore Performance	Manufactures wearable technology for military	Mar-20	10
Airbus Group	Warehouse for aircraft parts	Feb-20	25
Not Publicly Announced	Data center	Feb-20	45
Not Publicly Announced	Data center	Feb-20	60
Not Publicly Announced	Data center	Feb-20	10
Not Publicly Announced	Data center	Feb-20	45
Datatility Inc.	Provides cloud and data center services	Feb-20	13
Not Publicly Announced	Data center	Feb-20	20
Not Publicly Announced	Data center	Feb-20	25
Not Publicly Announced	Data center	Feb-20	20
Not Publicly Announced	Data center	Feb-20	20
Not Publicly Announced	Data center	Jan-20	120
Not Publicly Announced	Data center	Jan-20	35
JK Moving & Storage	Moving, storage, and relocation services	Dec-19	100
Not Publicly Announced	Data center	Dec-19	175
Not Publicly Announced	Data center services	Dec-19	50
Submer Inc.	Immersion cooling solutions for data centers	Nov-19	10
Inland Technologies	U.S. headquarters relocation	Jul-19	50
Not Publicly Announced	Data center	Jul-19	175
Not Publicly Announced	Data center	Jul-19	40
ORBCOMM	Provider of wireless data networking	Jul-19	30
Airbus Satair	Warehouse for aircraft parts	Jun-19	77
Aperiomics	Technology that identifies infections	Jun-19	34
Sure Power	Data center	May-19	65
Cologix, Inc.	Data center	Apr-19	25
Hanley Energy	Manufacturing facility for data center	Apr-19	<u>21</u>
Total			2,143

Notes: 1/ Only announcements with ten or more new employees shown.

Source: Virginia Economic Development Partnership, Loudoun Economic Development

Largest Employers

Table 9 lists the largest employers in Loudoun County. The list is long and quite diverse. It includes numerous large government agencies, several high-tech firms, and

primary firms with salaried jobs. Many of these employers are associated with Dulles International Airport and the Loudoun County government.

Table 9: Largest Employers by Type of Business, Loudoun County, Virginia, 2020

Employer	Sector	Employees
Loudoun County Schools	Educational Services	1,000+ employees
County of Loudoun	Justice, Public Order, and Safety Activities	1,000+ employees
United Airlines Inc	Air Transportation	1,000+ employees
U.S. Department of Homeland Defense	Administration of Economic Programs	1,000+ employees
M.C. Dean, Inc.	Specialty Trade Contractors	1,000+ employees
Orbital Sciences Corporation	Computer and Electronic Product Manufacturing	1,000+ employees
Raytheon Company	Computer and Electronic Product Manufacturing	1,000+ employees
Loudoun Hospital Center	Hospitals	1,000+ employees
Swissport U.S.A., Inc.	Support Activities for Transportation	1,000+ employees
God Bless America Inc	Support Activities for Transportation	1,000+ employees
Amazon Fulfillment Services Inc.	Administrative and Support Services	1,000+ employees
Postal Service	Postal Service	1,000+ employees
Wal Mart	General Merchandise Stores	1,000+ employees
Dynalectric Company	Specialty Trade Contractors	1,000+ employees
Worldcom	Telecommunications	1,000+ employees
Harris Teeter Supermarket	Food and Beverage Stores	500 to 999 employees
Gate Gourmet	Food Services and Drinking Places	500 to 999 employees
Loudoun Medical Group	Ambulatory Health Care Services	500 to 999 employees
Wegmans Store #07	Food and Beverage Stores	500 to 999 employees
U.S. Department of Transportation	Support Activities for Transportation	500 to 999 employees
George Washington University	Educational Services	500 to 999 employees
Metro Washington Airports	Administration of Economic Programs	500 to 999 employees
Bowers	Specialty Trade Contractors	500 to 999 employees
Giant Food	Food and Beverage Stores	500 to 999 employees

Source: Virginia Employment Commission

Section II Affordable Apartment Market Analysis

Following is the supply/demand analysis for the 93-unit View at Broadlands. Section II has two subsections. The first is the demographic analysis that “solves” for the number and growth of renter households with incomes, reported in constant 2020 dollar values, within the three income groups under study for The View at Broadlands: 50% of AMI (\$42,600 to \$63,000), 60% of AMI (\$52,000 to \$75,600) and 70% of AMI (\$61,200 to \$88,200). These income brackets are based on the proposed net rents at The View at Broadlands, with 30 percent of income allocated to net rent. The upper rent limits are based on the HUD maximum allowable rate for a family of four and a three-bedroom apartment unit. Income averaging will be applied to this proposal. Therefore, the average target income will not exceed 60% of AMI.

The forecast date for the demographic analysis is 2023, as The View at Broadlands are likely to be started by late-2021 and ready for occupancy in late-2022, or early-2023. Lease-up is expected in 2023.

The second part of Section II is the analysis of the competitive affordable apartment market for families within the defined market area. We identified 13 apartment properties. These were built over the 1995 to 2020 period, with half of these apartment properties built prior to 2000. Not all will be direct “comps” for The View at Broadlands, but all are studied to show the depth (or lack of) of affordable housing in Loudoun County.

These apartment properties are studied for occupancy, rent, unit and property features and characteristics, and curb appeal. They are compared with The View at Broadlands to determine Broadland’s competitive market position.

Demographic Analysis

Population Trends and Projections

The 2019 population estimate for the market area is 352,500± and is based off on calculations from the Weldon Cooper Center for Public Service. That total exceeds the 2010 Census count by 86,290± people, which is an average net growth of 9,600± persons per year. This is compared to an annualized growth rate of 12,630± during the 2000's.

Table 10: Trends and Projections of Population and Households by Tenure and Income, View at Broadlands Market Area, 1990-2023 (Constant 2020 Dollars)					
	1990	2000	2010	2019	2023
Market Area Population	67,730	139,870	266,200	352,490	390,840
Group Quarters Population 3/	450	710	760	900	1,000
Household Population	67,280	139,160	265,440	351,590	389,840
Persons Per Household	3.00	2.84	2.99	3.01	3.02
Households	22,400	49,090	88,920	116,810	129,090
Renter Households	6,230	10,280	20,770	30,140	37,440
Percent Renters	27.8%	20.9%	23.4%	25.8%	26.9%
Target Market					
50% of AMI (\$42,600-\$63,000)					
Total Households	1,040	1,720	2,500	3,200	3,510
Percent of Renter Households	16.7%	16.7%	12.0%	10.6%	9.4%
60% of AMI (\$52,000-\$75,600)					
Total Households	1,250	1,880	2,850	3,720	4,170
Percent of Renter Households	20.1%	18.3%	13.7%	12.3%	11.1%
70% of AMI (\$61,200-\$88,200)					
Total Households	1,510	1,930	2,700	3,390	3,700
Percent of Renter Households	24.2%	18.8%	13.0%	11.3%	9.9%
Notes: 1/ Includes the following 2010 U.S. Census tracts in Loudoun County: 6104, 6105.03, 6105.04, 6105.05, 6105.06, 6105.07, 6106.01, 6106.02, 6106.03, 6106.04, 6110.02, 6110.04, 6110.05, 6110.06, 6110.09, 6110.10, 6110.11, 6110.12, 6110.13, 6110.14, 6110.15, 6110.16, 6110.17, 6110.18, 6110.19, 6110.20, 6110.21, 6110.22, 6110.23, 6110.24, 6110.25, 6110.01, 6111.02, 6112.02, 6112.04, 6112.05, 6112.06, 6112.07, 6112.08, 6112.09, 6113, 6114, 6115.01, 6115.02, 6116.01, 6116.02, 6117, 6118.01, 6118.02, 6118.03, 6118.04, 6118.05, 6118.06, 6119 and 9801.					
Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census; Weldon Cooper Center for Public Services; S. Patz and Associates, Inc.					

The lower rate of population growth since 2010 is due largely to the lingering impact of the past recession, as well as to high costs associated with new housing unit development. Based on past trends and ongoing employment growth, the market area's population is projected to grow by 38,350± and reach 390,840± by 2023. The net population growth for the post-2019 period, based on past trends, could be conservative, as there is a sizable amount of new commercial and residential development proposed over the next few years.

Group Quarters Population

The market area has a very small Group Quarters population, most of which are persons living in nursing homes, hospitals, and assisted living facilities. The Group Quarters population has remained essentially flat since 2000 and is not projected to significantly grow. The subtraction of the Group Quarters population from total population generates Household Population, which is the basis for the analysis of new housing unit demand.

Households

Trend data on households show a sizable increase since the 1990's. As of 2019, the County's household total reached an estimated 116,810±, which is an increase of 27,890± households (occupied housing units) since 2010. That trend is expected to continue for the 2019 to 2023 period. The market area is projected to contain 129,090± households by 2023, an increase of 12,280± over the 2019 household count.

Data in Table 10 also show that the market area has a large average household size of nearly 3.0 in 2010, the date of the most recent Census count. This high average denotes a large percentage of home ownership in the market area with an abundance of single-family homes and townhomes occupied by families.

The average household size did decrease somewhat during the 1990's, but increased during the 2010 decade. The most recent increase was likely due to the

recession and families doubling up. It also indicates that the market area attracts mostly families, even in apartment units. The average household size is projected to increase slightly to 3.02 by 2023.

Renter Households

The percentage of renter households, compared to total households, has increased steadily since 2000, as a result of the many apartment communities built in the market area since that time. In 2019, approximately 25.8 percent of total households in the market area were renter households. This is compared to 23.4 percent in 2010 and 20.9 percent in 2000. An increase to 26.9 percent is projected in 2023, which is a total of 37,440± households.

Even with the growth of renter households, 10,490± during the 2000's and 9,370± for the between 2010 and 2019, the 25.8 percent renters is well below the national and state averages of 35.9 percent and 33.9 percent, respectively.

Target Renter Households

The View at Broadlands will serve three target markets: 50%, 60% and 70% of AMI. Each cohort is briefly described in the paragraphs below.

- **50% of AMI.** These households earn annual incomes of between \$42,600 and \$63,000, when reported in constant 2020 dollars. There were 3,200± renter households in this income category in 2019, which is an increase of 700± households over the total in 2010. By 2023, this figure is projected to increase by 310± and reach 3,510± renter households. This will represent 9.4 percent of market area renter households.
- **60% of AMI.** This market represents households that earn annual incomes of between \$52,000 and \$75,600, when reported in constant 2020 dollars, based on the proposed rent. Approximately 12.3 percent of market area renters fell within this income bracket in 2019, which is down from 13.7 percent in 2010 and 18.3 percent in 2000. The decline percentage of target renters, despite large numbers of renter household growth is due to the much larger number of higher rent, market rate apartment units built in recent years relative to the addition of affordable apartment units. There were an estimated 3,720± renter households within this income range in

2019, which is an increase of 870± over the 2010 level. This total is projected to increase by 450± by 2023 to reach a total of 4,170± households.

- **70% of AMI.** Renter households within this income bracket earn annual incomes of between \$61,200 and \$88,200, when reported in constant 2020 dollars. 11.3 percent, or 3,390± of market area renter households, fell within this income range in 2019. This is an increase from 2,700± in 2010. By 2023, the number of renter households in this income category is expected to grow by 310± and reach 3,700± households.

Again, the income ranges under study are based on the entry income of 30 percent of net rent and the top income level that falls within the HUD maximum allowable incomes.

Renter Households by Size

The following chart shows that 29 percent of all renter households in Loudoun County are one-person households. This is a much lower percentage compared with most large marketplaces. Two-person households equal nearly 26 percent of total renter households. These percentages are lower compared with nearly built out communities. Data are from the 2010 Census.

<u>Renter-Occupied Housing Units by Size, Loudoun County, Virginia, 2010</u>		
	<u>Number</u>	<u>Percent</u>
1-person household	6,717	29.0%
2-person household	5,958	25.7%
3-person household	3,891	16.8%
4-person household	3,420	14.7%
5-person household	1,820	7.8%
6-person household	774	3.3%
7-or-more-person household	619	2.7%
Total	23,199	100%
Source: U.S. Census Bureau		

Characteristics of the Market

Table 11 presents a list of the 13 general occupancy LIHTC apartment complexes in the market area. Excluded from this list are properties with deep rent subsidies (i.e.,

Section 8) and apartments with age-restrictions. These complexes would not be competitive with the View at Broadlands proposal. The communities under study are generally competitive, even though some were built prior to 2006. All have rents restricted to 50% and 60% of the Area Median Income (AMI). None have rents restricted to 70% of AMI, though very few of these units are proposed at the subject proposal.

Three of these apartment complexes, with 522 apartment units, have opened since 2010. The newest apartment complex to open is the 96-unit Ashburn Chase. Move-ins were expected to begin there in September, 2020, but management notes that Loudoun County officials pushed back the opening date for residents to move by December, 2020. Nevertheless, management has pre-leased approximately 60 percent of the apartment units to date, or over 20 units per month, on average. This is an attractive elevator-served building.

One apartment complex—Stone Springs—opened in September, 2019 with 128 units. The community achieved stabilized occupancy in under a year and now has only three vacant units. Also recent to open is the 96-unit Heronview, which opened in April, 2018 with a mix of rent restricted units. This complex is fully occupied. The only other apartment to open since 2010 is Woods at Brambleton. It opened in 2015 with 202 and is at full occupancy.

The other competitive apartments are older, having been largely built in the 1990's and 2000's. The one more mature complex is Fields of Leesburg, which was built in phases in the early-1970's but underwent full renovations in 1999. These older apartments contain 1,972 apartment units and have a combined vacancy rate of 2.7 percent.

Other salient points in Table 11 are as follows:

- Excluding the apartments in lease-up at Ashburn Chase, the market area has a very low vacancy rate of only 2.3 percent, or 56 units.

- 40 percent of the vacant units are at Ashburn Chase, which is leasing approximately 20 units per month, on average.
- Seven of the apartment properties under study have only three or fewer vacant units.
- The only property with a high vacancy rate is the mature Fields of Leesburg, where nearly six percent of units are vacant. Management notes that this is not typical and that normal vacancy is about three percent. The current vacancy could be a result of the Covid-19 pandemic.
- The addition of new apartments since 2010 has not adversely impacted occupancy at the older apartment properties.
- An estimated 350± units are occupied by residents with Section 8 vouchers (14 percent), which is below the norm at most marketplaces.
- Although some of the fully-occupied apartments likely maintain waitlists, these data were not provided by on-site management.

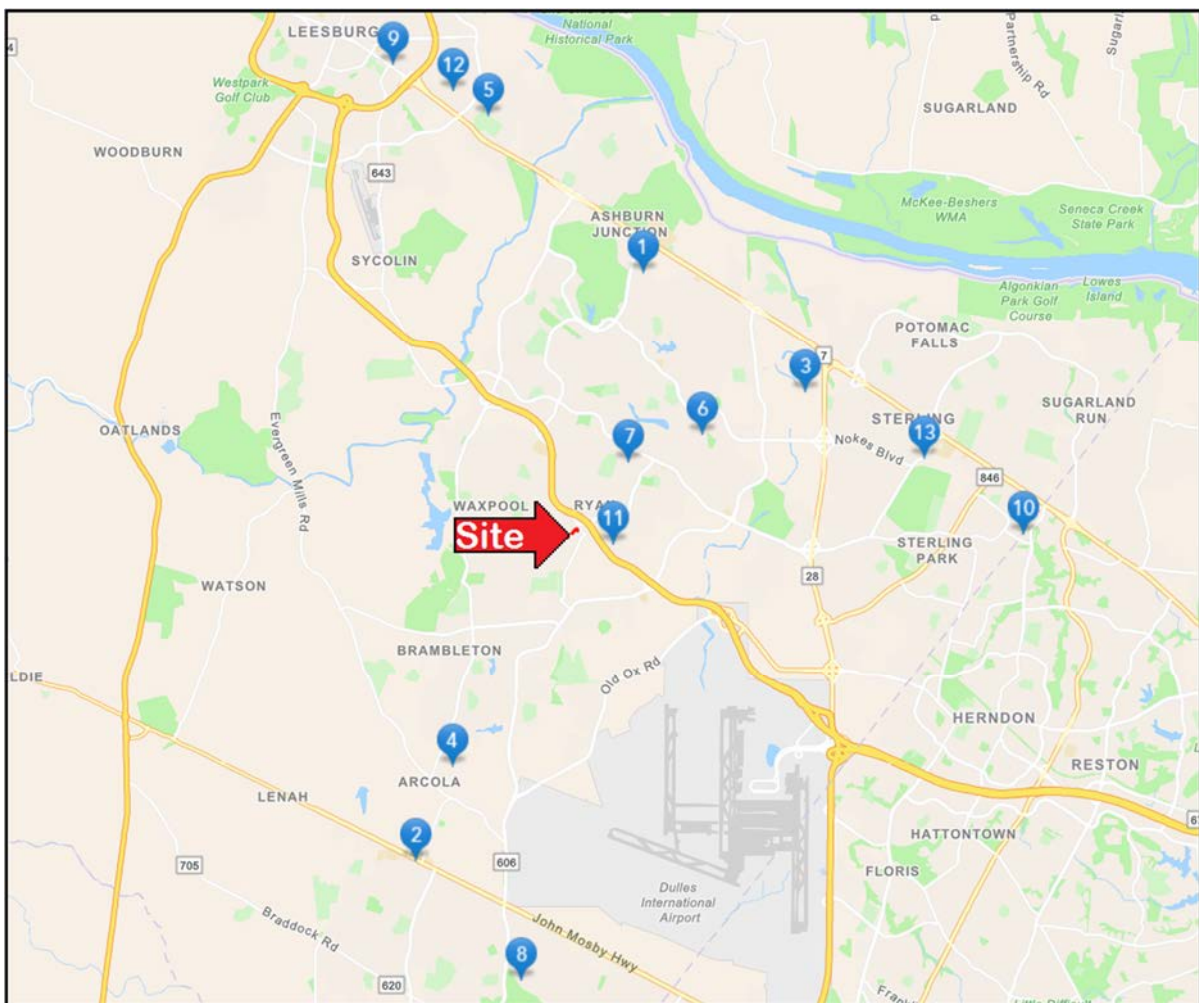
Table 11: <u>Characteristics of Competitive Apartment Communities, View at Broadlands Market Area, VA, November, 2020</u>				
	<u>Map H Key</u>	<u>Year Built</u>	<u>Total Units</u>	<u>Vacant Units</u>
Ashburn Chase	1	Dec-20 1/	96	38 2/
Stone Springs	2	Sep-19	128	3
Heronview	3	Apr-18	96	0
Woods at Brambleton	4	2015	202	0
Potomac Station	5	2002	150	1
Ashburn Meadows I & II	6	2000/02	336	2
Acclaim at Ashburn I & II	7	1999/00	174	0
Abbey at South Riding	8	1999	168	8
Fields of Leesburg I & II	9	1971/72/99 1/	404	24 4/
Acclaim at Sterling	10	1998	102	0
Grove at Flynn's Crossing	11	1998	168	8
Evans Ridge	12	1996	150	4
Fields at Cascades	13	1995	<u>320</u>	<u>6</u>
Total			2,494	94
Vacancy Rate				2.3% 5/

Notes: 1/ Planned to open in late-summer 2020, but pushed back by County. New opening date is December, 2020.
2/ In lease-up.
3/Built in II phases in 1971 and 1972. Renovated in 1999.
4/ Typically at 97 percent occupancy.
5/ Excludes apartments in lease-up (Ashburn Chase)

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Map H shows the locations of each of the apartment properties under study. Potomac Station, Fields of Leesburg and Evans Ridge are located in the Leesburg area. Ashburn Chase, Ashburn Meadows, and Acclaim at Ashburn are located in Ashburn. Heronview, Acclaim at Sterling and Fields at Cascades are located in Sterling. Stone Springs, Woods at Brambleton and Abbey at South Riding are located to the west of Dulles International Airport.

Grove at Flynn’s Crossing (No. 11) is located closest to the study site off Ashburn Village Road. This complex, as well as the proposal, are the only two apartment properties that are within walking distance from a Metro station. The Ashburn properties are also in close proximity to The View at Broadlands.



Map H - Locations of Competitive Apartments

Shown next are photos of each of the apartment properties under study. The three newest complexes- Ashburn Chase, Stone Spring and Heronview—have contemporary designs and are elevators-served buildings. The remaining apartment buildings are multi-story garden buildings without elevators. The View at Broadlands will have an equal or more attractive exterior design in comparison with the newer market area properties.



Ashburn Chase



Stone Spring



Heronview



Woods at Brambleton



Potomac Station



Ashburn Meadows



Acclaim at Ashburn



Abbey at South Riding



Fields of Leesburg



Acclaim at Sterling



Grove at Flynn's Crossing



Evans Ridge



Fields at Cascades

Net Rent Analysis

Table 12 shows the net rents at each of the affordable family apartment properties under study. All rents were adjusted to exclude the cost of utilities to be comparable with the proposed rent structure at The View at Broadlands. Eight of the 13 “comps” have in-unit washers and dryers at no additional cost.

There is a wide range of rents in the list shown in Table 12. This is partly due to the difference in age for these apartment properties, but also reflects rents in both the 50% and 60% of AMI categories. Again, none of these properties offer units with 70% net rents. Of note is that all of the mature properties have “kept pace” in rent with the newer

properties, i.e., have been able to increase rents in line with HUD's maximum allowable guidelines.

The market area average net rent for a one-bedroom unit is \$1,157, or \$92 above the proposed 50% one-bedroom rents at The View, \$143 below the proposed one-bedroom 60% rents and \$373 below the proposed 70% one-bedroom rents at The View at Broadlands.

Ashburn Chase has similarly-priced 60% one-bedroom rents to the study proposal, as does Abbey at South Riding and Fields of Leesburg. The one-bedroom units at Abbey at South Riding and Fields of Leesburg are slightly below the proposed one-bedroom 60% rents at The View at Broadlands.

The lower one-bedroom rents at Ashburn Chase as well as all one-bedroom rents at Heronview and Woods at Brambleton, are similar to the proposed 50% one-bedroom rents at The View at Broadlands. All of these one-bedroom rents are below the maximum allowable rents.

The market area two-bedroom net rents average \$1,390, or \$120 above the proposed 50% two-bedroom rents at The View, \$160 below the proposed two-bedroom 60% rents and \$445 below the proposed two-bedroom 70% rents at The View at Broadlands. As with its one-bedroom rents, the 60% two-bedroom rents at Ashburn Chase are priced similarly to The View at Broadlands' proposed 60% two-bedroom rents. Two-bedroom rents at Potomac Station and Ashburn Meadows exceed the proposed 60% two-bedroom rents at The View at Broadlands.

The lower priced two-bedroom rents at Ashburn Chase and Field of Leesburg are similar to the proposed 50% two-bedroom rents at The View at Broadlands. Two-bedroom rents at Heronview, Woods of Brambleton and Acclaim at Ashburn are below the proposed 50% two-bedroom rents at The View at Broadlands.

The market area three-bedroom rents average just under \$1,600, or \$146 above the proposed three-bedroom 50% rents at The View, \$184 below the three-bedroom 60% rents and \$504 below the proposed three-bedroom 70% rents at The View at Broadlands.

Several of the apartment properties being studied have three-bedroom rents over \$1,700, including Ashburn Chase, Potomac Station, Ashburn Meadows, Abbey at South Riding, Grove at Flynn’s Crossing, Evans Ridge and Fields at Cascades. The lower priced three-bedroom rents at Ashburn Chase and Fields of Leesburg are similar to the proposed three-bedroom 50% rents at The View at Broadlands.

Table 12: <u>Rental Rates at Competitive Apartment Communities, View at Broadlands Market Area, VA, November, 2020</u> 1/			
	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>
Ashburn Chase 2/ 4/	\$1,055-\$1,290	\$1,270-\$1,550	\$1,465-\$1,745
Stone Springs 2/	\$1,185-\$1,190	\$1,425-\$1,435	\$1,655
Heronview 3/	\$983	\$1,158	\$1,324
Woods at Brambleton 2/ 5/ 6/	\$1,040	\$1,075	\$1,075
Potomac Station 2/ 5/	--	\$1,597	\$1,844
Ashburn Meadows I & II 6/	--	\$1,603	\$1,853
Acclaim at Ashburn I & II 7/	--	\$1,196	\$1,379
Abbey at South Riding 2/	\$1,275	\$1,483	\$1,767
Fields of Leesburg I & II	\$1,261	\$1,262-\$1,387	\$1,392-\$1,497
Acclaim at Sterling 2/ 7/	--	\$1,461	\$1,687
Grove at Flynn’s Crossing	\$1,183	\$1,476	\$1,703
Evans Ridge 2/ 8/	--	\$1,487	\$1,708
Fields at Cascades 2/ 5/	--	\$1,320-\$1,599	\$1,844
Average	\$1,157	\$1,390	\$1,596
Proposed Rents (50% of AMI) 2/	\$1,065	\$1,270	\$1,450
Proposed Rents (60% of AMI) 2/	\$1,300	\$1,550	\$1,780
Proposed Rents (70% of AMI) 2/	\$1,530	\$1,835	\$2,100
Notes: 1/ Rents adjusted to exclude all utilities. Excludes 30% rent units. 2/ Includes in-unit washer/dryer. 3/ Estimate. Only 50% rents shown. 4/ Lower rents are 50% rents. Higher rents are 60% rents. 5/ Smaller two-bedroom units have 1.0 bathrooms. 6/ Larger two-bedroom and all three-bedroom units are townhomes. Three-bedroom units have 2.5 bathrooms. 7/ Smaller two-bedroom units have 1.5 bathrooms. 8/ All two-bedroom units have 1.0 bathrooms.			
Source: Field and Telephone Survey by S. Patz and Associates, Inc.			

Overall, the rents proposed at The View at Broadlands are at market or somewhat below market for the two- and three-bedroom units. Management will not charge for the 35 structured parking spaces at The View at Broadlands.

Rent Per Square Foot

The rent per square foot calculation is presented in Table 13. The one-bedroom rent per square foot for the 50% units at The View at Broadlands is \$0.02 above the market area average for that unit size. The proposed 60% one-bedroom units at The View at Broadlands has a rent per square foot calculation that is \$0.12 below the market area average. The rent per square foot calculation for the one-bedroom 70% units at The View at Broadlands are only \$0.15 above the market area average. Ashburn Chase and Fields of Leesburg have high rent per square foot calculations.

The rent per square foot for the study site is below “market” for the two- and three-bedroom 50% and 60% units compared with the market area average.

Table 13: <u>Rent per Square Foot at Competitive Apartment Communities, View at Broadlands Market Area, VA, November, 2020</u>			
	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>
Ashburn Chase	\$1.93	\$1.66	\$1.72
Stone Springs	\$1.58	\$1.33	\$1.34
Heronview	\$1.32	\$1.04	\$0.88
Woods at Brambleton	\$1.45	\$1.05	\$0.85
Potomac Station	--	\$1.57	\$1.46
Ashburn Meadows I & II	--	\$1.70	\$1.57
Acclaim at Ashburn I & II	--	\$1.35	\$1.25
Abbey at South Riding	\$1.77	\$1.52	\$1.51
Fields of Leesburg I & II	\$1.96	\$1.43	\$1.44
Acclaim at Sterling	--	\$1.65	\$1.53
Grove at Flynn’s Crossing	\$1.47	\$1.41	\$1.34
Evans Ridge	--	\$1.60	\$1.62
Fields at Cascades	--	\$1.47	\$1.57
Average	\$1.64	\$1.45	\$1.39
Proposed Rent per Square Foot (50% of AMI)	\$1.66	\$1.39	\$1.06
Proposed Rent per Square Foot (60% of AMI)	\$1.52	\$1.29	\$1.30
Proposed Rent per Square Foot (70% of AMI)	\$1.79	\$1.52	\$1.53

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Apartment Unit Sizes

The View at Broadlands has different unit sizes for the one- and two-bedroom units. The smaller size of both unit types are generally competitive with the market area averages. However, for both the one-and two-bedroom units, The View at Broadlands will have units that are much larger than the market area averages. The three-bedroom units at The View at Broadlands are large compared with the competitive market by 200 square feet.

	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>
Ashburn Chase	606	847	933
Stone Springs	744-761	1,040-1,103	1,236
Heronview	642-845	905-1,320	1,101-1,579
Woods at Brambleton	716-723	819-1,228	1,267
Potomac Station	--	941-1,093	1,259
Ashburn Meadows I & II	--	877-1,010	1,178
Acclaim at Ashburn I & II	--	872-895	1,101
Abbey at South Riding	720	976	1,172
Fields of Leesburg I & II	644	844-882	944-1,066
Acclaim at Sterling	--	872-895	1,101
Grove at Flynn's Crossing	807	971-1,119	1,267
Evans Ridge	--	932	1,052
Fields at Cascades	--	977-1,010	1,178
Average	713	969	1,161
Broadlands (Average)	642-856	890-1,204	1,357-\$1,369

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Apartment Unit Mix

The View at Broadlands will be located in a more urban setting on a smaller lot in comparison with many competitive apartments in the market area. It will be a multi-story elevator building within walking distance to a new Metro station. Thus, it has a higher percentage of one-bedroom units planned compared with the competitive affordable apartment market in Loudoun County.

Approximately 8.5 percent of the competitive market area affordable rent units are one-bedroom units, compared to 70± percent that are two-bedroom units and 21± percent that are three-bedroom units. Six of the competitive apartments have no one-bedroom units. Three-bedroom units do not comprise the majority of units at any of the comps.

For The View at Broadlands, nearly 40 percent of the apartments will be one-bedroom units and 52 percent will be two-bedroom units. The View at Broadlands will have only eight three-bedroom units. However, all unit sizes have rented well at the market area’s affordable family apartments, so unit mix is not a major factor in the market.

	<u>Studio</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Total Units</u>
Ashburn Chase	0	19	58	19	96
Stone Springs	0	32	84	12	128
Heronview	0	18	58	20	96
Woods at Brambleton	7	58	135	2	202
Potomac Station	0	0	120	30	150
Ashburn Meadows I & II	0	0	280	56	336
Acclaim at Ashburn I & II	0	0	138	36	174
Abbey at South Riding	0	48	84	36	168
Fields of Leesburg I & II	0	13	249	142	404
Acclaim at Sterling	0	0	80	22	102
Grove at Flynn’s Crossing	0	24	126	18	168
Evans Ridge	0	0	90	60	150
Fields at Cascades	<u>0</u>	<u>0</u>	<u>240</u>	<u>80</u>	<u>320</u>
Total	7	212	1,742	533	2,494
Percent of Total	0.3%	8.5%	69.9%	21.4%	100.0%
Proposed Unit Mix	0	37	48	8	93

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Community Amenities

Table 16 shows that all of the competitive apartments are amenitized, with most offering a clubroom or clubhouse, fitness centers, business centers, swimming pools and playgrounds. The properties without in-unit washers and dryers have on-site laundry facilities. The amenity package at The View at Broadlands will be fully competitive.

**Table 16: Community Amenities at Competitive Apartment Communities,
View at Broadlands Market Area, VA, November, 2020**

	<u>Clubhouse</u>	<u>Fitness</u>	<u>Business</u>	<u>Pool</u>	<u>Playground</u>	<u>Laundry</u>
Ashburn Chase	●	●	●	○	○	○
Stone Springs	●	●	●	●	●	○
Heronview	●	●	○	○	○	●
Woods at Brambleton	●	○	○	○	○	○
Potomac Station	●	●	●	●	●	○
Ashburn Meadows I & II	●	●	●	●	●	●
Acclaim at Ashburn I & II	●	●	●	●	●	●
Abbey at South Riding	●	●	●	●	●	○
Fields of Leesburg I & II	○	●	○	●	●	●
Acclaim at Sterling	●	●	●	●	●	○
Grove at Flynn's Crossing	●	●	●	●	●	●
Evans Ridge	●	○	○	●	●	○
Fields at Cascades	●	●	○	●	●	○
Proposed Amenities	●	●	○	●	○	○

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Section III Market Study Conclusions

The analysis presented above shows a very strong affordable apartment market for families, and with the level of population and household growth, a pent-up demand clearly exists. The current competitive affordable apartment market for families has a low vacancy rate of 2.3 percent for properties at stabilized occupancy. There are 90± available apartment units at the 13 competitive properties, with half of these units still in lease-up and the remainder units at mature properties that represent normal vacancy.

Since early-2018, the “market” has supported the lease-up of nearly 300 new affordable apartment units, or 100± per year, on average. The competitive market under study has less than a one year’s supply of available apartment units for the target market under study. This is in a marketplace that is expected to realize the net growth of 450 households targeted for available apartment properties, in terms of household tenure and income, for the projection date of 2023.

The following Analysis of Demand will show the evolving supply/demand analysis for affordable family rental housing for the projection period of 2023.

Analysis of Demand

Pipeline Proposals

The first part of the analysis of demand is the identification of active competitive pipeline proposals for new affordable apartment units for families. There are two, as described in the following paragraphs.

Table 17 details the two affordable, general occupancy apartment properties in active planning in the market area. There are no affordable apartments under construction at this time. The two proposed apartment properties described below include Brambleton Town Center South, with 54 units (11 units at 50% of AMI and 44 units at 60% of AMI), and Tuscarora Crossing, with 90 units (nine units at 30% of AMI,

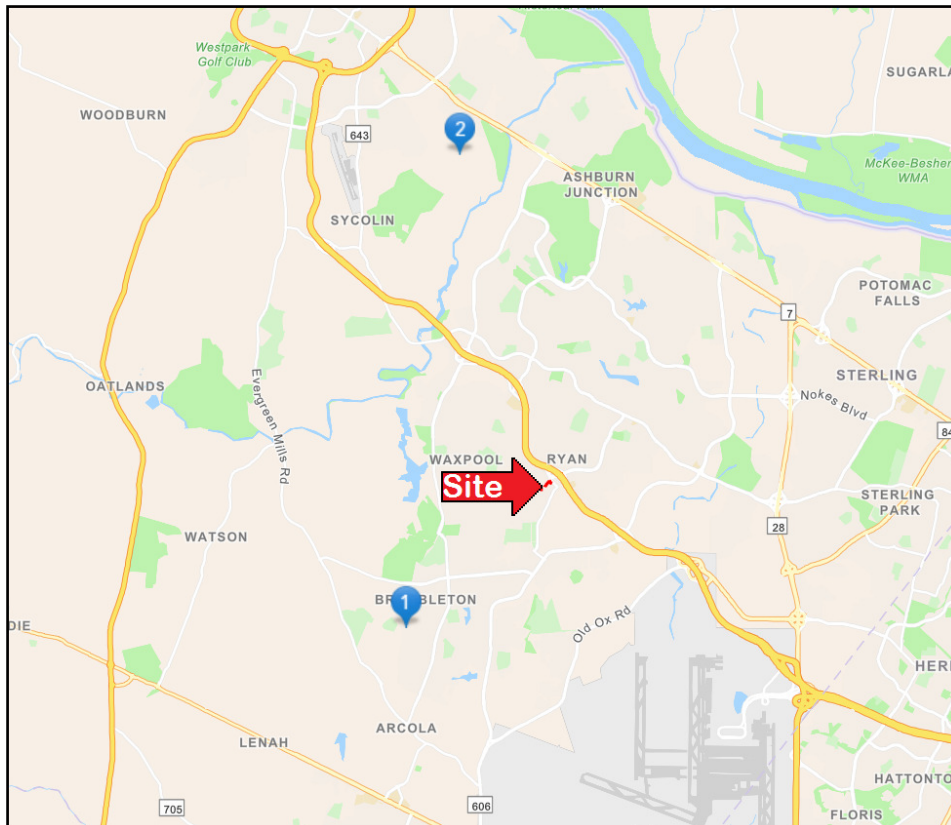
17 units at 50% of AMI and 64 units at 60% of AMI). Construction on both apartment complexes is expected to begin in early-2021. Only 133 of these proposed apartments will be at “50 percent and 60 percent” rents and directly competitive with The View at Broadlands.

Table 17: Characteristics of the Apartment Pipeline, View at Broadlands, Market Area, November, 2020

	<u>Map I</u> <u>Key</u>	<u>30% of</u> <u>AMI</u>	<u>50% of</u> <u>AMI</u>	<u>60% of</u> <u>AMI</u>	<u>Total</u> <u>Units</u>	<u>Status</u>
Brambleton Town Center South	1	0	11	44	54	Early-2021 Start
Tuscarora Crossing	2	9	17	64	90	Early-2021 Start
Total		9	28	105	144	

Source: S. Patz & Associates, Inc.

Map I shows the locations of both proposals. Brambleton Town Center South will be located in Brambleton, south of Broadlands and Tuscarora Crossing will be located in the Leesburg area, to the west of Broadlands South.



Map I - Apartment Pipeline

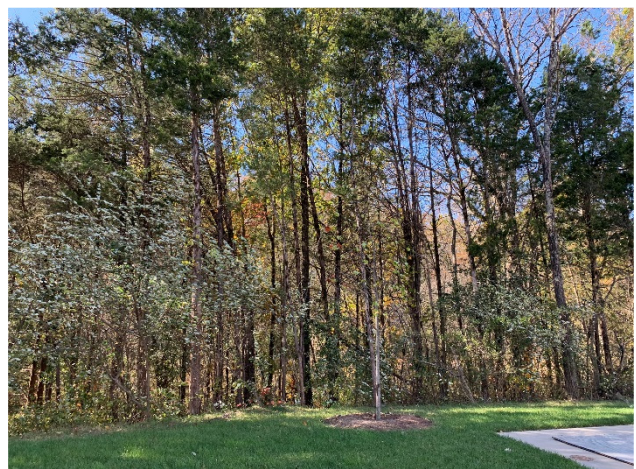
The paragraphs below briefly detail each of the two proposals.

- **Brambleton Town Center South**. This is a proposed affordable apartment complex to include 55 three-story, three-bedroom townhomes at a site just south of Brambleton Town Center at the intersection of Northstar Boulevard and Sullivans Cove Square. Eleven of units will be restricted to rents of 50% of AMI, while the remaining 44 units will be restricted to rents at 60% of AMI. Tenants will have access to local homeowners' association amenities, including a pool, business center, community room, hiking trails and recreation facilities. The development received 4% tax credit financing in 2019 from Virginia Housing and revenue bonds from Loudoun's Economic Development Authority in 2020.
- **Tuscarora Crossing**. This is a proposal for a 90-unit affordable apartment complex located at the intersection of Tuscarora Ridge Drive and Mattaponi Terrace, adjacent to the Village at Leesburg. The development, which has been approved by Loudoun County, is being financed through 4% and 9% tax credits. The complex will contain a mix of 24 one-bedroom, 44 two-bedroom and 22 three-bedroom units. Nine units will be restricted to 30% of AMI, 17 units will be restricted to 50% of AMI and 64 units will be restricted to 60% of AMI. The complex will contain a mix. The apartments will be built in a single, elevator-served building. Amenities will include garage parking, washers/ dryers in each unit, club room, fitness centers, business center, playground and outdoor swimming pool.

The photos below shows the existing conditions of two sites. Both are vacant. Site work has begun on Brambleton Town Center South.



Brambleton Town Center South



Tuscarora Crossing

Demand Table

The demand table is presented next. It shows a projected net growth of 310± targeted family households for the 2019 to 2023 period for the 50% and 70% units. The growth amount is 450± households for the 60% units.

Added to this total is a 15 percent factor to account for expected tenants with rent restrictions for a total demand of 520± renter households for the 60% units and 360± renter households for the 50% and 70% units. The 15 percent add-on can also account for any rent overburdened households, in addition to households with housing vouchers.

We excluded households in substandard housing in our demand analysis, as that is not an issue for residents of Loudoun County. The View at Broadlands is not a senior property. It is a new construction proposal. Thus, the total demand of 520± for the 60% units and 310± for the 50% and 70% units is comprised of net target household growth, plus a likely number of households with rent restriction vouchers.

For supply, we identified 28 new 50% pipeline units and 105 new 60% pipeline units being added to the market. The market area currently has 40± units that are vacant, of which an estimated 5 are 50% units and 35 are 60% units. The other available apartment units are part of normal market area vacancy. Thus, these are excluded from the demand analysis as they are parts of normal vacancy.

Net demand is shown at:

- 330 apartment units at 50% of AMI rents
 - 380 apartment units at 60% of AMI rents
 - 360 apartment units at 70% of AMI rents
- 1,070 total

<u>Demand Table (2019-2023)</u>			
	<u>Up to 50% of AMI</u>	<u>Up to 60% of AMI</u>	<u>Up to 70% of AMI</u>
New Rental Households	310	450	310
PLUS			
Existing Households - Over-Burdened	50	70	50
PLUS			
Existing Households-Substandard Housing	0	0	0
PLUS			
Elderly Households-Likely to Convert to Rental Housing	0	0	0
PLUS			
Existing Qualifying Tenants – to Remain After Renovation	0	0	0
Total Demand	360	520	360
MINUS			
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	30	140	0
<i>Equals</i>			
Net Demand	330	380	360
Absorption Period (in months)	1	4	7

The absorption period is shown as one month for the ten 50% units and seven months for the 70% units. Given the competitive rents, most of these units may be pre-leased at project opening. The absorption period for the 76 units restricted to 60% of AMI is four months. This is based on an expected 20-unit per month lease-up from project start of active pre-leasing.

Capture Rate

The capture rate of total demand is 8.7 percent. Within this total is a capture rate of 3.0 percent for the 50% units, 20.0 percent for the 60% units and 1.9 percent for the 70% units. These are conservative calculations, as the level of rent-restricted units could be higher than 15 percent. The lease-up period is shown as four months from the start of pre-leasing.

The Virginia Housing capture rate chart is as follows:

	<u>Number</u>
<u>Project Wide Capture Rate - LIHTC Units</u>	
50% of AMI (10 units)	3.0%
60% of AMI (76 units)	20.0%
70% of AMI (7 units)	1.9%
Project Wide Capture Rate - Market Rate Units	N/A
Project Wide Capture Rate - All Units	8.7%
Project Wide Absorption Period	4 months 1/

Notes: 1/ Includes units to be pre-leased.

I affirm the following:

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



December 22, 2020

Market Analyst

Date