

A MARKET FEASIBILITY STUDY OF:
WOODLANDS AT
OYSTER POINT

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WOODLANDS AT OYSTER POINT

819 Forrest Drive
Newport News, VA, 23606

Effective Date: January 28, 2021
Report Date: February 11, 2021

Prepared for:
Mark Hall
Co-Managing Member
AOZPCREI Woodlands LLC
Woodlands At Oyster Point Apartments
819 Forrest Drive
Newport News, VA, 23606

Prepared by:
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February 11, 2021

Mark Hall
Co-Managing Member
AOZPCREI Woodlands LLC
Woodlands At Oyster Point Apartments
819 Forrest Drive
Newport News, VA, 23606

Re: Market Study - Application for Woodlands At Oyster Point, located in Newport News, Virginia

Dear Mr. Hall:

At your request, Novogradac Consulting LLP has performed a study of the multifamily rental market in the Newport News, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project.

The purpose of this market study is to assess the viability of the existing 152-unit market rate development proposed to be renovated through the use of Low Income Housing Tax Credit (LIHTC) equity. As proposed, all 152 units will target households earning 60 percent of AMI or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Virginia Housing, including the following:

- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.
- Investigating the general economic health and conditions of the multifamily rental market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income-eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary and Secondary Market Area(s), if applicable.
- Surveying competing projects, both LIHTC and market-rate.

Novogradac Consulting LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (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.

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.

AOZPCREI Woodlands LLC is the client in this engagement and intended user of this report. Virginia Housing is an authorized user and may rely on the representations made therein. As our client, AOZPCREI Woodlands LLC owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document

to meet any specific needs of the potential uses under a separate agreement. The Stated Purpose of this assignment is for application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering. The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

In the wake of the COVID-19 pandemic there has been significant turmoil and uncertainty. Governments across the globe are taking dramatic efforts to reduce the strain on health care systems. These efforts result in extensive impacts on economic activity. However, governments are also implementing significant economic stimulus packages to help with this economic disruption. It unclear how effectively the stimulus packages will blunt the impact from the emergency measures. Additionally, a nation-wide vaccine initiative is currently underway that will begin to ease the impact from the pandemic. At this point, it is unclear as to how these measures will impact the specific housing market surrounding the Subject. However, some trends are clear:

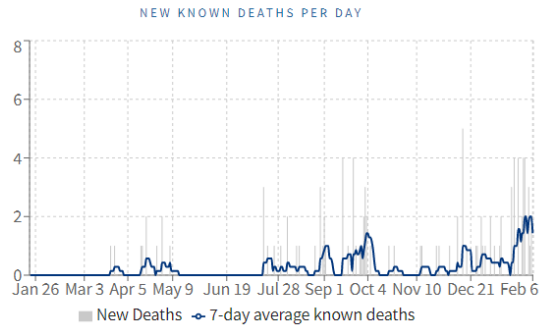
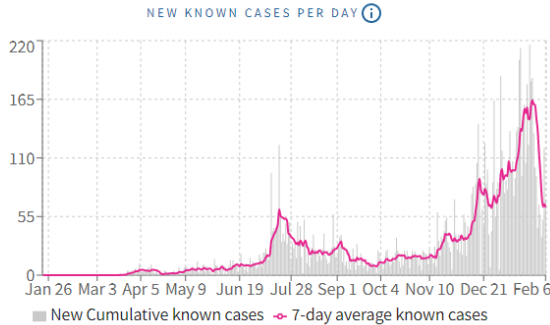
1. Clients and market participants throughout the country report April through January collections that were better than expected for all types of multifamily properties. According to a report from the National Multifamily Housing Council, January 2021 rent collections were down by 1.7 percentage points year-over-year from January 2020. Note that the apartments in this sample are market rate apartments in multifamily buildings and do not include affordable units. Through January 6, 2021, 75.4 percent of households made full or partial rent payments for January, according to the National Multifamily Housing Council. Although one-in-four renters did not pay their rent in the first week of the month, the majority of these missed payments are made up with late payments by the end of the month. A significant change in the market is not yet discernible and we continue to be relatively optimistic about the market's ability to weather the current economic storm.
2. Based upon various conversations with market participants and published articles and webinars, many believe that multifamily real estate will be impacted, but significantly less so than other sectors. Further, the impact is expected be shorter lived. Many view multifamily as a safer haven during this period of uncertainty.
3. Novogradac maintains a proprietary database of operating results from our surveys of affordable and market rate properties. The database was implemented in 2005 and contains over 100,000 individual properties. The national occupancy rate for two-bedroom, 60 percent LIHTC properties dipped slightly during the Great Recession, but began a rebound after 2009. In 2008, the occupancy rate was 96.3 percent and it dropped less than one percentage point during the slowdown, to 95.4 percent in 2009 before beginning a gradual increase that slowed between 2016 and 2018, but continued through 2019. While this recession will undoubtedly be different than the last, this performance supports the points made above and illustrates the resilience in the affordable housing sector.
4. Newport News is currently in the third phase of reopening, which allows for businesses to open as well as events and gatherings with restrictions and occupancy limits. The following table illustrates the number of COVID-19 cases and deaths in Newport News as of February 7, 2021.

Newport News, City of, Virginia Coronavirus Cases and Deaths

Track the spread of COVID-19 by county

Data Updated Feb 07, 2021

	Total Reported	On Feb 06	7-Day Average
Cumulative known cases	10,173	71	64
Deaths	103	0	1



Source: USAfacts.org, February 2021


According a WalletHub analysis dated January 26, 2021, Virginia was ranked 21 out of the 51 states and the District of Columbia for states with unemployment rates recovering the most. As of December 2020, the unemployment rate in the Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA) was 5.3 percent, compared to the national unemployment rate of 6.5 percent.

- Based upon discussions with market participants, collections have been strong due to increases in unemployment payments and Economic Impact (Stimulus) Payments. The first stimulus package expired on July 31, 2020 and the second expires January 15, 2021. The stimulus packages include monetary assistance to the nation's hospitals, provided direct pay to individuals, expanded unemployment benefits, and provided money for states and businesses impacted by the pandemic.

MR. MARK HALL
AOZPCREI WOODLANDS LLC
FEBRUARY 2021
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Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this project.

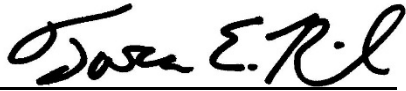
Respectfully submitted,
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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Subject Site Description: The Subject is located at 819 Forrest Drive in Newport News, Virginia 23606.

Surrounding Land Uses: The immediate neighborhood consists of single-family homes in average condition, multifamily uses in average to good condition, retail uses, commercial uses, and houses of worship. To the north are the market rate properties Victoria Place in average condition, Boston Cove in good condition, and The Villages At City Center in average condition. Farther north is the Section 8 property Christian Village in average condition, the LIHTC properties Forrest Landing Apartments and Pilot House in good condition, and the market rate properties Park Place At City Center in good condition and Belmont At City Center in excellent condition. Also located north of Subject are single-family homes in average condition, and commercial and retail uses including grocery stores, a Target, and restaurants. To the south are an exterminator, pharmacy, restaurant, and office building. Farther south are additional retail and commercial uses including a restaurant and spa, a house of worship and single-family homes in average condition. To the east is the market rate property Newport Landing Apartments in good condition. Farther east is the Section 8 development Great Oak Housing in average condition, and retail and commercial uses including restaurants, auto shops, a law firm, and a bank. To the west is the market rate property Oyster Point Place in average condition. Also located west of the Subject is the LIHTC property Sharps Landing in good condition and the market rate properties Kingstowne Apartments in good condition and Chesapeake Bay Apartments in good condition. Also located west of the Subject are retail and commercial uses including a car rental store, a car dealer, a pharmacy, and restaurants, along with an elementary school and single-family homes in average condition. The Section 8 properties Great Oak Housing and Christian Village have been excluded as comparable properties due to their differing rent structures. The remaining properties listed have been included as comparable properties in this report.

Residential uses in the Subject's neighborhood are generally in average condition. The majority of homes in the area were built prior to 1980 and has a median sales price of \$262,947. The Subject is designated as "Somewhat Walkable" by Walk Score with a score of 57 out of 100.

Subject Property Description: The Subject is an existing market rate multifamily property targeted towards family households. The Subject consists of 20, two-story garden-style buildings. The Subject was originally constructed in 1978. The Subject is currently in fair condition. Post renovation, all of the rental units will be restricted to households earning 60 percent of the AMI, or less. Post renovations, the Subject will be in good condition.

Current Rents and Unit Mix:

The Subject property is operating as a market rate development. According to the January 2021 rent roll, the Subject is currently 84.9 percent occupied and vacant units are being held offline for renovation.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Vacant Units	Asking Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
<i>Market Rate</i>							
1BR / 1BA	650	4	2	\$665	\$525	\$665	\$595
2BR / 1BA	750	146	19	\$750	\$595	\$760	\$650
3BR / 1BA	850	2	2	\$850	-	-	-
Total		152	23				

The following table details the unit mix and unit sizes for the Subject based on information provided by property management.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	4	650	2,600
2BR / 1BA	146	750	109,500
3BR / 1BA	2	850	1,700
TOTAL	152		113,800

Proposed Rents and Unit Mix:

The following table details proposed rents for the Subject’s units. The Subject’s units will be renovated with LIHTC and restricted to households earning 60 percent of AMI or less. The Subject currently operates as a market rate property.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents
<i>@60%</i>							
1BR / 1BA	650	4	\$872	\$56	\$928	\$928	\$958
2BR / 1BA	750	146	\$1,041	\$73	\$1,114	\$1,114	\$1,136
3BR / 1BA	850	2	\$1,198	\$89	\$1,287	\$1,287	\$1,603
		152					

Notes (1) Source of Utility Allowance provided by the Developer.

Proposed Renovations:

Overall, the Subject's improvements are in fair condition at the time of the inspection. According to the client, the Subject is expected to undergo a comprehensive renovation of the property, with hard costs of approximately \$44,232 per unit. New amenities added during renovations will include a community room, an exercise facility, a picnic area, and in-unit washer/dryers. The scope of renovation will include the following.

SCOPE OF RENOVATIONS

Paving/concrete repairs	Remove/replace bike location	Furnish/install new garbage disposal
Ramps at concrete sidewalk	Build new canopy w/concrete slab w/kitchen/bar	Patch existing walls
Furnish mailboxes	Pool furniture at canopy	Furnish new drywall at tub surrounds
Irrigation/tree cutting/landscaping	Men's/Women's bathroom	Paint units ceilings/walls/doors/frames/wood base
Waterproof exterior walls where needed	New gym with incased storefront	Paint tubs
Repair exterior sheathing	New coating on concrete deck at pool	Furnish & install all new diffusers/vent covers in units
New entrance awnings	Replace all outlets/switches	Replace all exhaust fans
Paint exterior roofs	Furnish/install new sink/faucet	Water tanks
Paint/repair siding	Furnish/install new shower head/faucet/plug at tub	Floor tile
Take off/replace existing gutters - where damaged	Furnish/install new plumbing at kitchen	Bathroom towel bar/shower rod/toilet paper holder
Demo/replace all windows	Furnish/install new toilet flange/wax ring/toilet	Wall tile
Patch/paint stairwells	Furnish/install new vanity/vanity bowl/faucet/mirror	Tile backsplashes
Demo/replace carpet in stairwells with treads	Furnish new plumbing for washer	Furnish/install appliances
Leasing furniture	Replace all piping with new CPVC piping	Furnish/install new cabinets
Signage	Video/jet all existing sewer lines	Pulls/knobs
Lighting	Furnish and install new hot water tanks per VHDA code	Furnish/install Quartz stone
	IntelliFlow A2C-WB automatic washing machine water shutoff	Furnish/install blinds

Target Household Income Levels: Based on the proposed restrictions, the range of annual household income levels is depicted below.

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
1BR	\$31,817	\$39,600
2BR	\$38,194	\$44,580
3BR	\$44,126	\$53,460

Economic Conditions

Employment in the PMA is concentrated in the healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 38 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. As of December 2020, MSA employment is below record levels, and declined 5.4 percent over the past year, compared to a 5.6 percent decline across the overall nation. Although the long-term impacts of the COVID-19 pandemic are uncertain, the MSA experienced an employment contraction smaller than that of the overall nation, and the MSA's unemployment rate is currently below that of the overall nation. These measurements illustrate that the MSA has been impacted by the pandemic to a lesser extent than the overall nation and the resilience of the local economy.

Primary Market Area

The Subject is located in the southeastern portion of Virginia in the Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA). The primary market area (PMA) for the Subject generally consists of State Route 171 and State Route 134 to the north, State Route 172 and N Armistead Avenue to the east, State Route 134, Interstate 258, and State Route 32 to the south, and the James River and Deep Creek to the west. The PMA encompasses 37 square miles and is defined based on interviews/conversations with the local housing authority and managers of the comparable surveyed properties. We estimated that 10 percent of the Subject's tenants will come from outside of these boundaries. The PMA encompasses an approximate drive time zone of 10 minutes. The Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of the independent cities of Virginia

Beach, Norfolk, Chesapeake, Newport News, Hampton, Portsmouth, Suffolk, Williamsburg, Franklin, and Poquoson, and the counties of James City, York, Isle of Wight, Southampton, Gloucester, Mathews, Camden, Currituck, and Gates in Virginia and North Carolina.

Demographic Data

The population in the PMA increased by 12.4 percent between 2000 and 2020, compared to the 13.6 percent increase in the regional MSA and 19.1 percent increase across the overall nation. The percentage of renter households in the PMA remained relatively stable between 2010 and 2020, and is estimated to be 53 percent as of 2020. This is more than the estimated 33 percent of renter households across the overall nation. As of 2020, the median income in the PMA is slightly below the surrounding MSA. Historical median household income growth in the PMA trailed the MSA between 2000 and 2020. Although PMA growth also trended below the nation, median household income in the broader MSA increased 0.5 percent faster than the overall nation during this same time period. Overall, the combination of stable population and household income levels bodes well for future demand for multifamily housing.

Vacancy

The following table summarizes overall weighted vacancy levels at the surveyed properties.

OVERALL VACANCY					
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate	
Ada Park Apartments	LIHTC	42	2	4.8%	
Forrest Landing Apartments	LIHTC	120	0	0.0%	
Pilot House	LIHTC	132	0	0.0%	
Sharps Landing	LIHTC	180	2	1.1%	
Wellesley Woods Apartments	LIHTC	120	0	0.0%	
Belmont At City Center	Market	232	17	7.3%	
Boston Cove	Market	34	1	2.9%	
Chesapeake Bay Apartments	Market	300	10	3.3%	
Kingstowne Apartments	Market	384	17	4.4%	
Newport Landing Apartments	Market	160	3	1.9%	
Oyster Point Place	Market	277	6	2.2%	
Park Place At City Center	Market	363	5	1.4%	
The Villages At City Center	Market	116	3	2.6%	
Victoria Place	Market	36	3	8.3%	
Total LIHTC		594	4	0.7%	
Total Market Rate		1,902	65	3.4%	
Overall Total		2,496	69	2.8%	

The comparables reported vacancy rates ranging from zero to 8.3 percent, with an overall weighted average of 2.8 percent. Managers at three of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.7 percent, well below the 3.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.7 percent is considered low, and indicative of supply constrained conditions. Three of the LIHTC comparables and one of the market rate comparables reported operating with waiting lists. According to the Subject’s January 2021 rent roll, the Subject is currently operating with 15.1 percent vacancy as units are being held offline for renovations. All of the market rate properties reported vacancy rates of 8.3 percent or lower. The contact at Belmont City Center stated the property is experiencing slightly elevated vacancy rates as the property has experienced higher than normal turnover as a result of COVID-19 and leasing vacant units has taken longer than usual. The contact at Victoria Place was unable to comment on the property’s elevated vacancy rate. However, Victoria Place only has three vacant units, which has resulted in an inflated vacancy rate due to the property’s small size of 36 total units. Moreover, other adjacent market rate comparables such as Boston Cove, The Villages At City

Center, and Newport Landing Apartments are operating with low vacancy rates, which suggests the immediate location of the Subject is not detrimental to property performance. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of five percent or less.

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

VACANCY BY BEDROOM TYPE						
Property Name	Rent Structure	1BR	2BR	3BR	4BR	Overall
Ada Park Apartments	LIHTC	-	6.7%	0.0%	-	4.8%
Forrest Landing Apartments	LIHTC	0.0%	0.0%	0.0%	-	0.0%
Pilot House	LIHTC	-	0.0%	0.0%	-	0.0%
Sharps Landing	LIHTC	6.3%	0.6%	-	-	1.1%
Wellesley Woods Apartments	LIHTC	-	0.0%	0.0%	-	0.0%
Belmont At City Center	Market	6.0%	8.3%	-	-	7.3%
Boston Cove	Market	0.0%	0.0%	8.3%	0.0%	2.9%
Chesapeake Bay Apartments	Market	3.4%	3.3%	-	-	3.3%
Kingstowne Apartments	Market	5.0%	4.4%	3.3%	-	4.4%
Newport Landing Apartments	Market	0.0%	2.2%	5.0%	-	1.9%
Oyster Point Place	Market	0.0%	2.6%	-	-	2.2%
Park Place At City Center	Market	3.5%	0.0%	0.0%	-	1.4%
The Villages At City Center	Market	7.1%	1.3%	0.0%	0.0%	2.6%
Victoria Place	Market	8.3%	8.3%	-	-	8.3%

The Subject consists of one, two and three-bedroom units. Overall, the vacancy rates in the market are low, particularly among the LIHTC comparables. This supports that there is demand for additional affordable rental housing in the market. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Absorption

It should be noted that the Subject is an existing market rate property that will be renovated with tenants in place. According to the client, approximately 75 percent of the current tenants will income qualify under the new income restrictions and approximately 50 percent of the tenants are expected to stay post-renovations. We expect most tenants will leave over the short run given the significant rent increases. We were able to obtain absorption information from three properties located within 26 miles of the Subject. The following table details our findings.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
October Station	LIHTC	Family	2018	48	24
Ada Park Apartments*	LIHTC	Family	2018	42	8
Meridian Obici	Market	Family	2016	224	14

*Used as a comparable property in this report

The properties reported absorption rates ranging from eight to 24 units per month, with an overall average of 15 units per month. If the Subject were hypothetically vacant, we expect it would experience an absorption rate of 15 units per month. This equates to an absorption period of 10 months.

Demand

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 for the LIHTC units is 2.3 percent.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate for the first year of operation as a LIHTC property is 5.1 percent. 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 2,830 units of demand in the first year of the Subject’s operation. The Subject’s units will need to accommodate 144 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 Virginia Housing 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 @60% AMI - As Proposed	5.8%
Project Wide Absorption Period (Months)	10 months

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

Strengths

- The Subject will be in good condition once renovated.
- Three of the LIHTC comparable properties reported waiting lists.
- Four of the LIHTC comparable properties that offer units restricted at 60 percent AMI reported achieving the maximum allowable rents.
- The Subject is located in close proximity to public transportation options, services, and amenities.
- The Subject has low capture rates and penetration rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject offers small unit sizes. The Subject’s two and three-bedroom unit sizes are below the surveyed average. None of the comparables offer smaller two or three-bedroom units. The market rate property Boston Cove offers similar two-bedroom unit sizes to the Subject and reported operating with 2.9 percent vacancy, indicating that smaller unit sizes are not detrimental to performance in the market. We have accounted for the Subject’s unit sizes in our determination of achievable rents.

Recommendations

In general, we believe there is demand in the marketplace for the Subject. We recommend no changes for the Subject property.

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:	Novogradac Consulting LLP has performed a comprehensive market study of the multifamily rental market in the Newport News, Virginia area relative to Woodlands At Oyster Point, the Subject. The Subject is an existing market rate multifamily property targeted towards family households. The Subject consists of 20, two-story garden-style buildings. The Subject consists of four one-bedroom units, 146 two-bedroom units, and two three-bedroom units. The Subject is proposed for renovations, which will be financed under the Low Income Housing Tax Credit (LIHTC) program. Upon renovation, the Subject will target households earning 60 percent of the AMI or less. The Subject was originally constructed in 1978. The Subject is proposed to be extensively renovated with LIHTC equity in 2022. We have not performed any services in the past three years for the Subject property.
Developer/Client Information:	AOZPCREI Woodlands LLC.
Intended Use and Users of the Report:	The report will be submitted to Virginia Housing (successor to VHDA) for application purposes. The intended user of the report is Virginia Housing.
Scope of the Report:	<ul style="list-style-type: none">▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.▪ Investigating the general economic health and conditions of the senior rental market.▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.▪ Reviewing relevant public records and contacting appropriate public agencies.▪ Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.▪ Establishing the Subject's Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The effective date of this report is January 28, 2021, which is when we inspected the Subject property.
Primary Contact for the Report:	Tara Rial (Tara.Rial@novoco.com).

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

The project description will discuss the physical features of the Subject property, as well as its current and proposed unit mix and rents.

Subject Property Description:

The Subject is located at 819 Forrest Drive in Newport News, Virginia. The Subject is an existing market rate multifamily property targeted towards family households. The Subject consists of 20, two-story garden-style buildings. The Subject was originally constructed in 1978. The Subject is currently in fair condition. The Subject is proposed to be extensively renovated with LIHTC equity in 2022. We expect the Subject to be in good condition post-renovation.

Construction Type:

The Subject is wood frame construction with vinyl siding.

Occupancy Type:

The Subject targets family households.

Current Rents:

According to the January 2021 rent roll, the Subject is currently 84.9 percent occupied.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Vacant Units	Asking Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
<i>Market Rate</i>							
1BR / 1BA	650	4	2	\$665	\$525	\$665	\$595
2BR / 1BA	750	146	19	\$750	\$595	\$760	\$650
3BR / 1BA	850	2	2	\$850	-	-	-
Total		152	23				

Proposed Rents and Unit Mix:

The following table details proposed rents for the Subject’s units. The Subject’s units will be renovated with LIHTC and restricted to households earning 60 percent of AMI or less. The Subject currently operates as a market rate property.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents
<i>@60%</i>							
1BR / 1BA	650	4	\$872	\$56	\$928	\$928	\$958
2BR / 1BA	750	146	\$1,041	\$73	\$1,114	\$1,114	\$1,136
3BR / 1BA	850	2	\$1,198	\$89	\$1,287	\$1,287	\$1,603
		152					

Notes (1) Source of Utility Allowance provided by the Developer.

Proposed Renovations:

Overall, the Subject's improvements are in fair condition at the time of the inspection. According to the client, the Subject is expected to undergo a comprehensive renovation of the property, with hard costs of approximately \$44,232 per unit. New amenities added during renovations will include a community room, an exercise facility, a

picnic area, and in-unit washer/dryers. The scope of renovation will include the following.

SCOPE OF RENOVATIONS

Paving/concrete repairs	Remove/replace bike location	Furnish/install new garbage disposal
Ramps at concrete sidewalk	Build new canopy w/concrete slab w/kitchen/bar	Patch existing walls
Furnish mailboxes	Pool furniture at canopy	Furnish new drywall at tub surrounds
Irrigation/tree cutting/landscaping	Men's/Women's bathroom	Paint units ceilings/walls/doors/frames/wood base
Waterproof exterior walls where needed	New gym with incased storefront	Paint tubs
Repair exterior sheathing	New coating on concrete deck at pool	Furnish & install all new diffusers/vent covers in units
New entrance awnings	Replace all outlets/switches	Replace all exhaust fans
Paint exterior roofs	Furnish/install new sink/faucet	Water tanks
Paint/repair siding	Furnish/install new shower head/faucet/plug at tub	Floor tile
Take off/replace existing gutters - where damaged	Furnish/install new plumbing at kitchen	Bathroom towel bar/shower rod/toilet paper holder
Demo/replace all windows	Furnish/install new toilet flange/wax ring/toilet	Wall tile
Patch/paint stairwells	Furnish/install new vanity/vanity bowl/faucet/mirror	Tile backsplashes
Demo/replace carpet in stairwells with treads	Furnish new plumbing for washer	Furnish/install appliances
Leasing furniture	Replace all piping with new CPVC piping	Furnish/install new cabinets
Signage	Video/jet all existing sewer lines	Pulls/knobs
Lighting	Furnish and install new hot water tanks per VHDA code	Furnish/install Quartz stone
	IntelliFlow A2C-WB automatic washing machine water shutoff	Furnish/install blinds

Assisted Housing Program: None of the units will continue to operate with subsidy.

Construction Date: The Subject was originally constructed in 1978. The Subject is proposed to be extensively renovated with LIHTC equity beginning construction in April 2021 and completing construction in April 2022.

Target Household Income Levels: Based on the proposed restrictions, the range of annual household income levels is depicted below.

FAMILY INCOME LIMITS

Unit Type	Minimum	Maximum
	Allowable Income	Allowable Income
	@60%	
1BR	\$31,817	\$39,600
2BR	\$38,194	\$44,580
3BR	\$44,126	\$53,460

Utility Structure: The Subject offers electric heating, electric water heating, electric cooking, and central air conditioning. The landlord is responsible for cold water, sewer and trash collection expenses. Tenants are responsible for electric heating, electric water heating, electric cooking and general electric expenses. The following table depicts the utility allowance calculations, which were utilized to adjust the rent comparables to the Subject's utility convention. The utility allowance information below was provided by the Virginia Housing Development Authority, effective July 2020, the most current available.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating - Electric	Tenant	\$25	\$32	\$40
Cooking - Electric	Tenant	\$4	\$5	\$7
Other Electric	Tenant	\$15	\$19	\$23
Air Conditioning	Tenant	\$7	\$9	\$11
Water Heating - Electric	Tenant	\$13	\$16	\$20
Water	Landlord	\$22	\$29	\$35
Sewer	Landlord	\$27	\$34	\$42
Trash	Landlord	\$12	\$12	\$12
TOTAL - Paid By Landlord		\$61	\$75	\$89
TOTAL - Paid By Tenant		\$64	\$81	\$101
TOTAL - Paid By Tenant Provided by Developer		\$56	\$73	\$89
DIFFERENCE		88%	90%	88%

Source: Virginia Housing Development Authority, effective 7/2020

Unit Mix: The following table illustrates the Subject’s unit mix and size:

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	4	650	2,600
2BR / 1BA	146	750	109,500
3BR / 1BA	2	850	1,700
TOTAL	152		113,800

Net Leasable Area: Approximately 113,800 square feet.

Unit Amenities: The Subject offers blinds, central a/c, coat closets, dishwashers, ovens, refrigerators, and washer/dryer hookups. Washer/dryers will be added during renovations.

Common Area Amenities: The Subject offers a courtyard, on-site management, off-street parking, a playground, and a swimming pool. A community room, exercise facility, and picnic area will be added during renovations.

Parking: The property offers 262 off-street parking spaces, or 1.72 parking spaces per unit. According to management, the number of parking spaces offered is adequate.

Number of Stories and Buildings: The Subject consists of 20, two-story garden-style buildings.

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

Quality of Construction Condition and Deferred Maintenance: As newly renovated, the Subject will not suffer from deferred maintenance. We assume the Subject will be renovated in a timely manner with quality construction.

Functional Utility: We reviewed and inspected the Subject’s floor plans, as well as inspected the Subject property, and determined the utility to be reasonable.

Site and Architectural Plans: A copy of the floor plans can be found in the addenda of this report.

Conclusion: The Subject property will be a newly renovated LIHTC development. The Subject will exhibit good condition upon completion.

PROPERTY PROFILE REPORT

Woodlands At Oyster Point

Effective Rent Date	2/11/2021
Location	819 Forrest Dr Newport News, VA 23606 Newport News County
Distance	N/A
Units	152
Vacant Units	23
Vacancy Rate	15.1%
Type	Garden (2 stories)
Year Built/Renovated	1978 / 2022
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	N/A
Phone	N/A



Market Information

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	4	650	\$872	\$0	@60%	N/A	2	50.0%	yes	None
2	1	Garden (2 stories)	146	750	\$1,041	\$0	@60%	N/A	19	13.0%	yes	None
3	1	Garden (2 stories)	2	850	\$1,198	\$0	@60%	N/A	2	100.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$872	\$0	\$872	\$0	\$872
2BR / 1BA	\$1,041	\$0	\$1,041	\$0	\$1,041
3BR / 1BA	\$1,198	\$0	\$1,198	\$0	\$1,198

Woodlands At Oyster Point, continued

Amenities

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

Comments

None

D. LOCATION

LOCATION

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



Source: Google Earth, February 2021

Subject Site Description:	The Subject is located at 819 Forrest Drive, Newport News, Virginia 23606.
Size:	The Subject site is 311,454 square feet or 7.15 acres, according to the client.
Shape:	The Subject site is generally irregular in shape.
Frontage:	The site has frontage along Forrest Drive and Woods Road.
Topography:	Generally level.

- Utilities:** All utilities are provided to the site.
- Surrounding Visibility/Views:** The Subject has visibility from Forrest Drive and Woods Road. Views consist of the market rate properties Victoria Place in average condition, Boston Cove in good condition, and The Villages At City Center in average condition to the north, an exterminator, pharmacy, restaurant, and office building to the south, the market rate property Newport Landing Apartments in good condition to the east, and the market rate property Oyster Point Place in average condition to the west. All of the market rate properties listed have been included as comparable properties in this report. Overall, visibility and views are considered average.
- Surrounding Uses:** The immediate neighborhood consists of single-family homes in average condition, multifamily uses in average to good condition, retail uses, commercial uses, and houses of worship. To the north are the market rate properties Victoria Place in average condition, Boston Cove in good condition, and The Villages At City Center in average condition. Farther north is the Section 8 property Christian Village in average condition, the LIHTC properties Forrest Landing Apartments and Pilot House in good condition, and the market rate properties Park Place At City Center in good condition and Belmont At City Center in excellent condition. Also located north of Subject are single-family homes in average condition, and commercial and retail uses including grocery stores, a Target, and restaurants. To the south are an exterminator, pharmacy, restaurant, and office building. Farther south are additional retail and commercial uses including a restaurant and spa, a house of worship and single-family homes in average condition. To the east is the market rate property Newport Landing Apartments in good condition. Farther east is the Section 8 development Great Oak Housing in average condition, and retail and commercial uses including restaurants, auto shops, a law firm, and a bank. To the west is the market rate property Oyster Point Place in average condition. Also located west of the Subject is the LIHTC property Sharps Landing in good condition and the market rate properties Kingstowne Apartments in good condition and Chesapeake Bay Apartments in good condition. Also located west of the Subject are retail and commercial uses including a car rental store, a car dealer, a pharmacy, and restaurants, along with an elementary school and single-family homes in average condition. The Section 8 properties Great Oak Housing and Christian Village have been excluded as comparable properties due to their differing rent structures. The remaining properties listed have been included as comparable properties in this report.
- Access and Traffic Flow:** The Subject can be accessed through Tree Drive, Madeline Place, and Forrest Drive. Madeline Place and Tree Drive are low-trafficked streets that provide access to the Subject's parking from Forrest Drive. Forrest Drive is a low-trafficked one-lane road that intersects with J Clyde Morris Boulevard to the south and Jefferson Avenue to the west. J Clyde Morris Boulevard traverses north towards Tabb and

southwest towards Christopher Newport University. Jefferson Avenue traverses north and south through Newport News where numerous retail uses are located. Overall, access is considered good.

Layout and Curb Appeal:

The Subject consists of 20 two-story garden-style buildings. The Subject will be newly renovated and exhibit good curb appeal.

Drainage:

We have not been provided with a drainage report. We are not experts in this field and assume the drainage is adequate for development.

Soil and Subsoil Conditions:

We have not been provided with a soil and subsoil report. We are not experts in this field and assume the site is adequate for development.

Environmental Assessment:

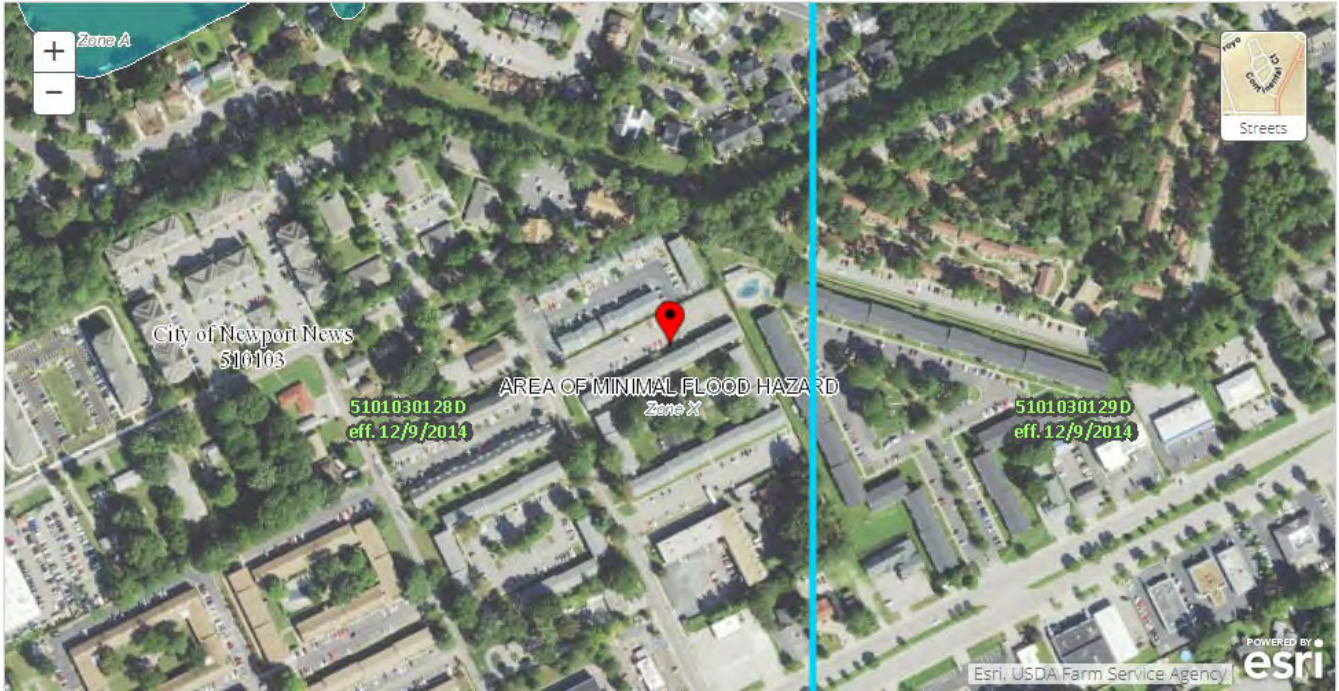
No environmental engineering reports were provided. Nonetheless, Novogradac Consulting LLP are not experts in this field and could not opine. No soil or subsoil engineering reports were provided. Nonetheless, Novogradac Consulting LLP are not experts in this field and could not opine.

Detrimental Influences:

We are not aware of any detrimental influences that would impact the marketability of the Subject.

Flood Plain:

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 5101030128D, dated December 2014, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the .02 percent annual chance floodplains. Novogradac & Company LLP does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report.



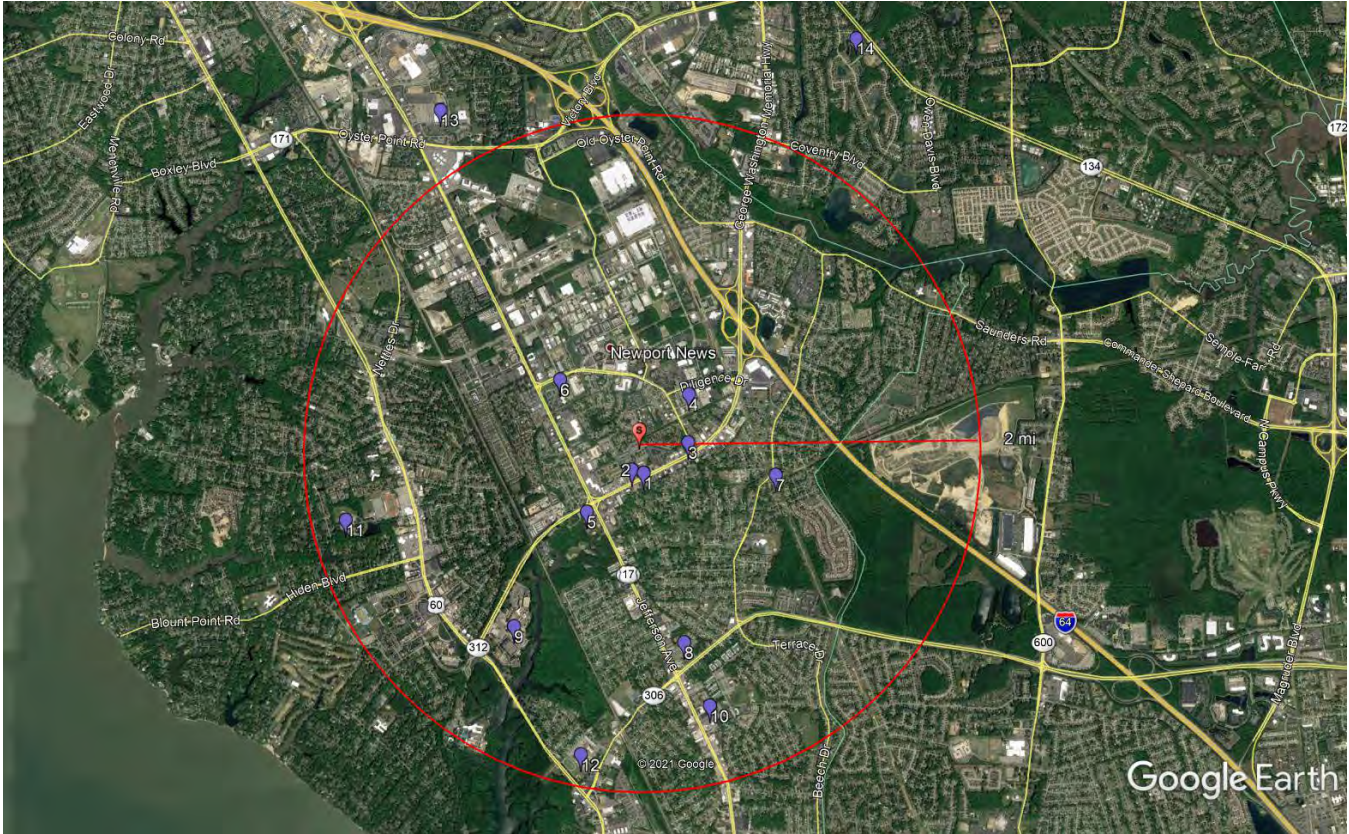
Source: FEMA Flood Map Service Center, February 2021

Locational Amenities:

The following table and map illustrate the Subject’s proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop	0.2 miles
2	Rite Aid Pharmacy	0.2 miles
3	BB&T Bank	0.3 miles
4	United States Postal Service	0.4 miles
5	Deer Park Elementary School	0.5 miles
6	Newport News Fire Department	0.6 miles
7	Robinson-Bruton Park	0.8 miles
8	Walmart Neighborhood Market	1.2 miles
9	Riverside Regional Medical Center	1.3 miles
10	Newport News Police Department	1.6 miles
11	Gildersleeve Middle School	1.8 miles
12	Warwick High School	1.8 miles
13	Target	2.3 miles
14	Tabb Library	2.8 miles



Source: Google Earth, February 2021

Public Transportation:

Public Transportation in Newport News is provided by Hampton Roads Transit, which operates 24 local bus routes in Newport News. One way fares within the metro are \$1.75 for general passengers, and half priced fares are offered to children, seniors, and persons with disabilities. There is a bus stop 0.2 miles south of the Subject that is served by bus route 111. The Subject is located 5.0 miles north of the nearest Amtrak train station, Newport News.

Crime:

The following tables show crime indices for the PMA.

2020 CRIME INDICES

	PMA	Virginia Beach-Norfolk- Newport News, VA-NC
Total Crime*	115	125
Personal Crime*	95	106
Murder	107	159
Rape	118	111
Robbery	118	143
Assault	80	86
Property Crime*	118	128
Burglary	71	99
Larceny	138	142
Motor Vehicle Theft	76	92

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

*Unweighted aggregations

Total crime indices in the PMA are slightly above the national average and similar to the surrounding MSA. Both geographic areas feature crime indices above the overall nation. The Subject does not offer any security amenities. The upcoming Supply Section of this report provides a more detailed analysis of crime indices on a 0.5-mile basis.

Conclusion:

The Subject’s neighborhood appears to be a good location for a multifamily development. The majority of the local amenities are located within approximately two miles of the Subject. The Subject is located in a primarily mixed-use neighborhood. The Subject is a compatible use within the existing neighborhood.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject exterior



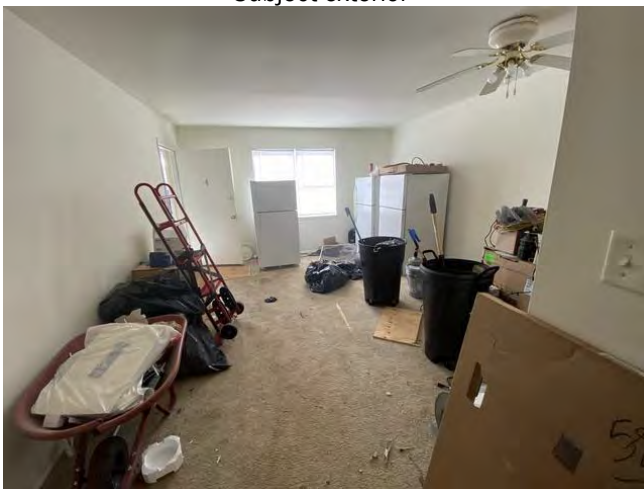
Subject exterior



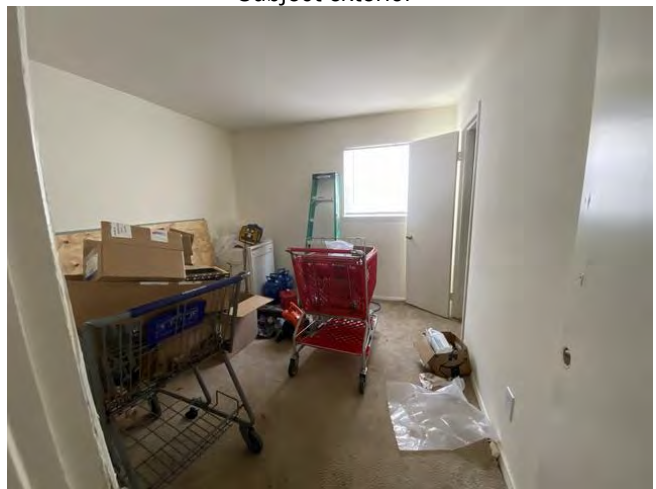
Subject exterior



Subject exterior



Subject typical living space for one-bedroom unit



Subject typical bedroom for one-bedroom unit



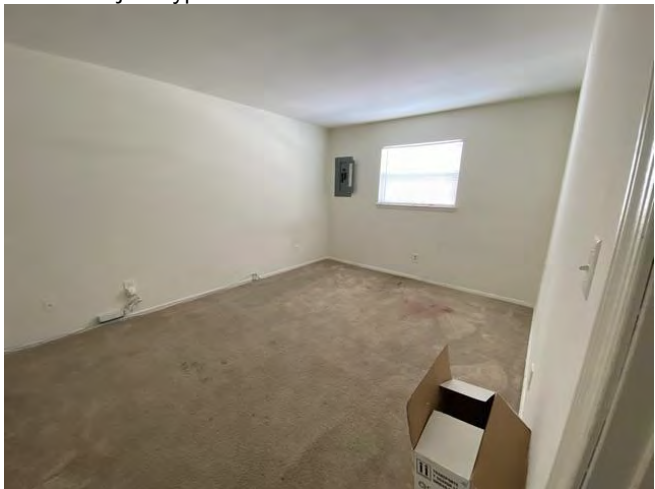
Subject typical bathroom for one-bedroom unit



Subject typical kitchen for one-bedroom unit



Subject typical living space for two-bedroom unit



Subject typical bedroom for two-bedroom unit



Subject typical bathroom for two-bedroom unit



Subject typical kitchen for two-bedroom unit



Subject typical living space for three-bedroom unit



Subject typical bedroom for three-bedroom unit



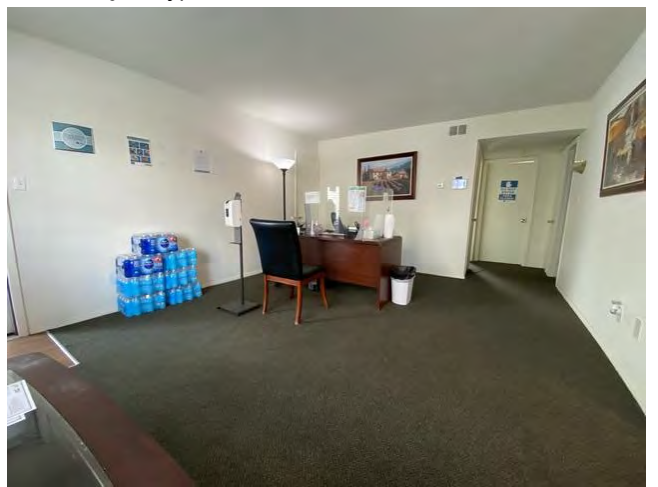
Subject typical bathroom for three-bedroom unit



Subject typical kitchen for three-bedroom unit



Subject courtyard



Subject office



Subject laundry room (will be demolished)



Subject swimming pool



Christian Village (excluded) located north of the Subject



The Villages At City Center (included) located north of the Subject



Oyster Point Place (included) located west of the Subject



Kingstowne Apartments (included) located west of the Subject



Office building south of the Subject



Retail uses south of the Subject



Newport Landing Apartments (included) east of the Subject



Newport Landing Apartments (included) east of the Subject



Typical single-family home in Subject neighborhood



Typical single-family home in Subject neighborhood



Typical single-family home in Subject neighborhood



Typical single-family home in Subject neighborhood



View south along Forrest Drive



View north along Forrest Drive

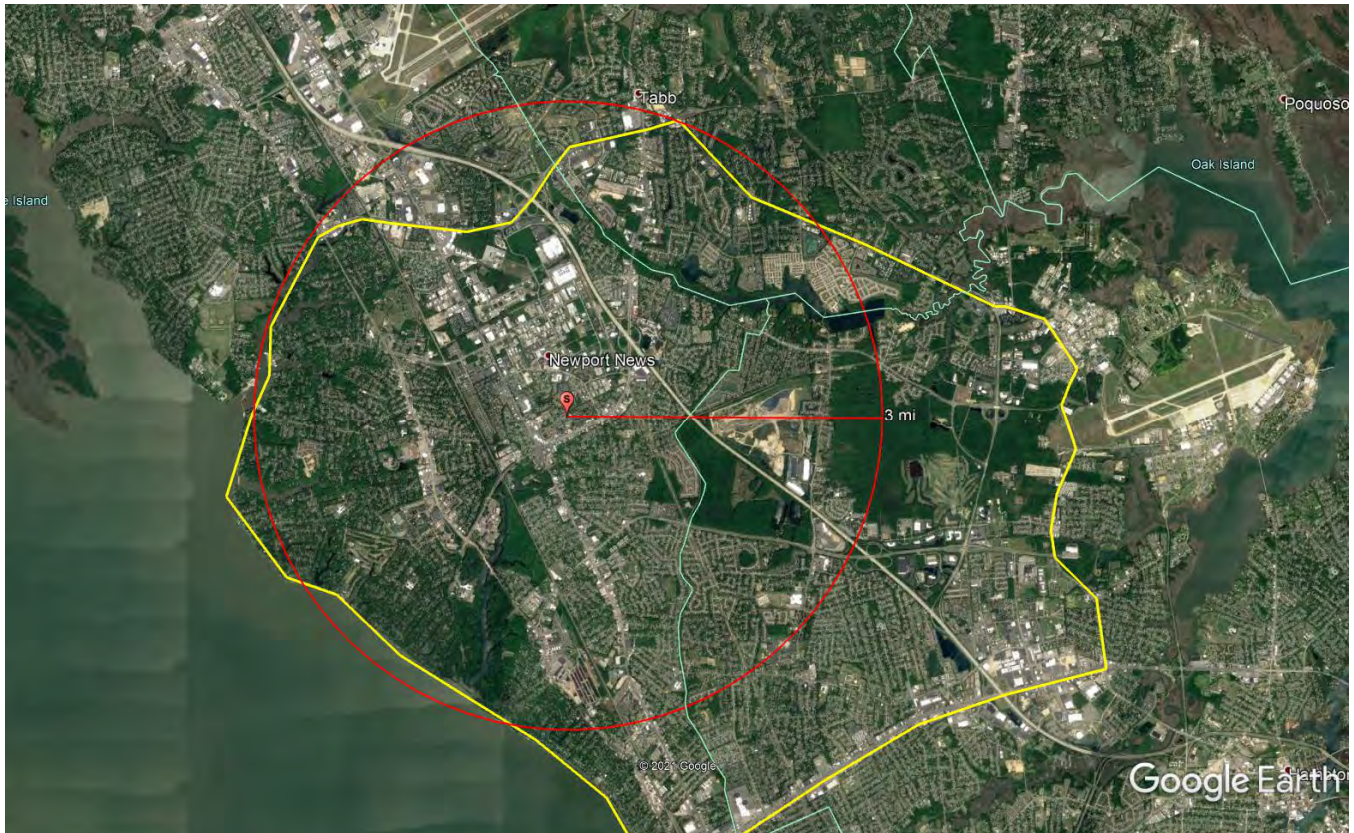
E. MARKET AREA DEFINITION

MARKET AREA

For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are 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.

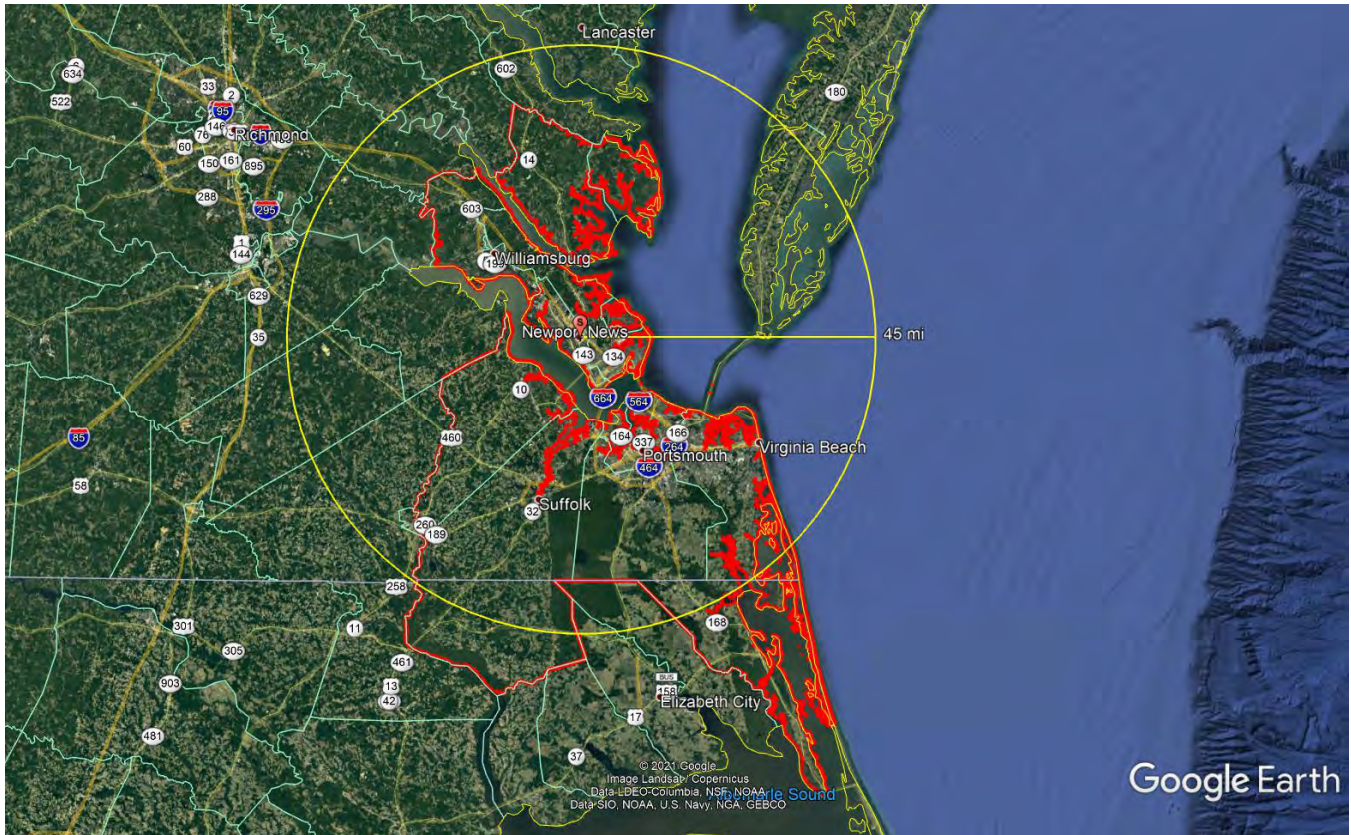
The Subject is located in the southeastern portion of Virginia in the Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA). The primary market area (PMA) for the Subject generally consists of State Route 171 and State Route 134 to the north, State Route 172 and N Armistead Avenue to the east, State Route 134, Interstate 258, and State Route 32 to the south, and the James River and Deep Creek to the west. The PMA encompasses 37 square miles and is defined based on interviews/conversations with the local housing authority and managers of the comparable surveyed properties. We estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. The PMA encompasses an approximate drive time zone of 10 minutes. The Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of the independent cities of Virginia Beach, Norfolk, Chesapeake, Newport News, Hampton, Portsmouth, Suffolk, Williamsburg, Franklin, and Poquoson, and the counties of James City, York, Isle of Wight, Southampton, Gloucester, Mathews, Camden, Currituck, and Gates in Virginia and North Carolina.

Primary Market Area Map



Source: Google Earth, February 2021

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, February 2021

F. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

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

Employment by Industry

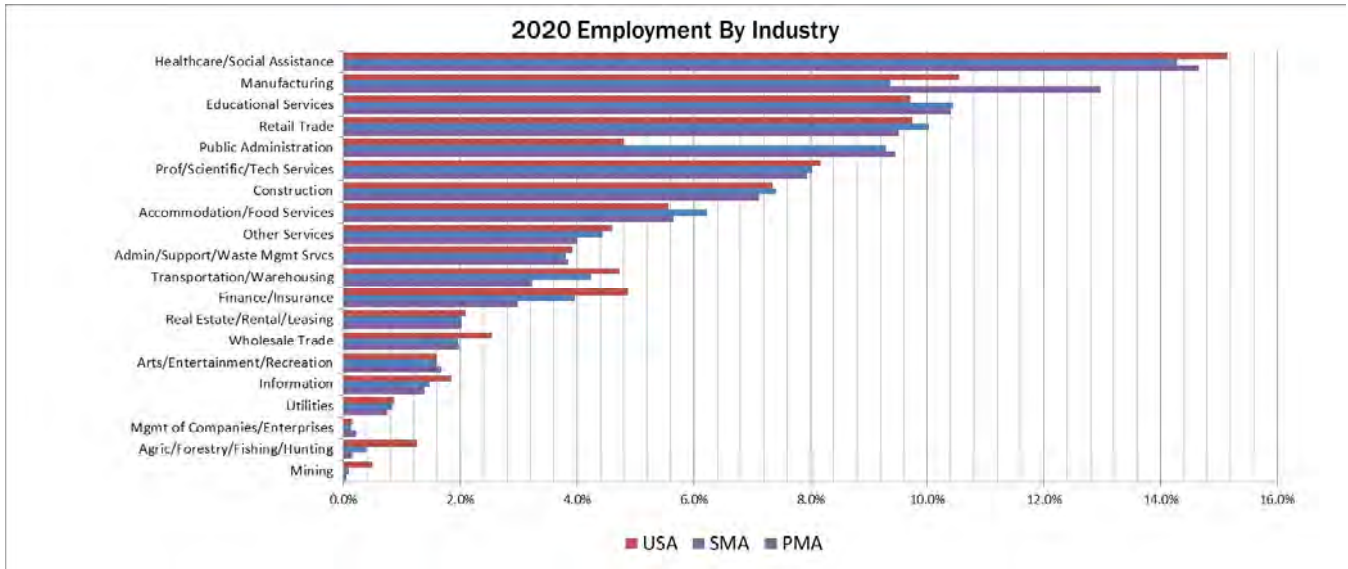
The following chart illustrates employment by industry as of 2020.

2020 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	8,216	14.7%	22,313,586	15.1%
Manufacturing	7,273	13.0%	15,550,554	10.6%
Educational Services	5,836	10.4%	14,320,448	9.7%
Retail Trade	5,331	9.5%	14,356,334	9.7%
Public Administration	5,303	9.5%	7,071,492	4.8%
Prof/Scientific/Tech Services	4,456	7.9%	12,049,828	8.2%
Construction	3,995	7.1%	10,829,187	7.4%
Accommodation/Food Services	3,169	5.7%	8,202,612	5.6%
Other Services	2,238	4.0%	6,772,309	4.6%
Admin/Support/Waste Mgmt Svcs	2,157	3.8%	5,786,624	3.9%
Transportation/Warehousing	1,811	3.2%	6,959,787	4.7%
Finance/Insurance	1,676	3.0%	7,169,665	4.9%
Real Estate/Rental/Leasing	1,128	2.0%	3,082,197	2.1%
Wholesale Trade	1,111	2.0%	3,744,789	2.5%
Arts/Entertainment/Recreation	938	1.7%	2,329,497	1.6%
Information	780	1.4%	2,723,217	1.8%
Utilities	417	0.7%	1,274,383	0.9%
Mgmt of Companies/Enterprises	119	0.2%	210,175	0.1%
Agric/Forestry/Fishing/Hunting	85	0.2%	1,852,333	1.3%
Mining	28	0.0%	729,605	0.5%
Total Employment	56,067	100.0%	147,328,622	100.0%

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

Employment in the PMA is concentrated in the healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 38 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is 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 educational services industries. Conversely, the PMA is underrepresented in the finance/insurance, transportation/warehousing, and agric/forestry/fishing/hunting industries.



Growth by Industry

The following table illustrates the change in total employment by sector from 2010 to 2020 in the PMA.

2010-2020 CHANGE IN EMPLOYMENT - PMA

Industry	2010		2020		2010-2020	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	6,844	13.4%	8,216	14.7%	1,372	2.0%
Manufacturing	5,148	10.0%	7,273	13.0%	2,125	4.1%
Educational Services	6,900	13.5%	5,836	10.4%	-1,064	-1.5%
Retail Trade	6,065	11.8%	5,331	9.5%	-734	-1.2%
Public Administration	5,000	9.8%	5,303	9.5%	303	0.6%
Prof/Scientific/Tech Services	3,432	6.7%	4,456	7.9%	1,024	3.0%
Construction	3,185	6.2%	3,995	7.1%	810	2.5%
Accommodation/Food Services	3,316	6.5%	3,169	5.7%	-147	-0.4%
Other Services	2,369	4.6%	2,238	4.0%	-131	-0.6%
Admin/Support/Waste Mgmt Svcs	2,157	4.2%	2,157	3.8%	0	0.0%
Transportation/Warehousing	1,075	2.1%	1,811	3.2%	736	6.8%
Finance/Insurance	1,289	2.5%	1,676	3.0%	387	3.0%
Real Estate/Rental/Leasing	1,251	2.4%	1,128	2.0%	-123	-1.0%
Wholesale Trade	962	1.9%	1,111	2.0%	149	1.5%
Arts/Entertainment/Recreation	954	1.9%	938	1.7%	-16	-0.2%
Information	752	1.5%	780	1.4%	28	0.4%
Utilities	380	0.7%	417	0.7%	37	1.0%
Mgmt of Companies/Enterprises	33	0.1%	119	0.2%	86	26.1%
Agric/Forestry/Fishing/Hunting	122	0.2%	85	0.2%	-37	-3.0%
Mining	0	0.0%	28	0.0%	28	0.0%
Total Employment	51,234	100.0%	56,067	100.0%	4,833	0.9%

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

*Industry data current as of 2010. Other projections current as of 2020.

* Change in percentage is calculated as a rate of change by industry.

Total employment in the PMA increased at an annualized rate of 0.9 percent between 2010 and 2020. The industries which expanded most substantially during this period include manufacturing, healthcare/social assistance, and prof/scientific/tech services. Conversely, the educational services, retail trade, and accommodation/food services sectors experienced the least growth.

Major Employers

The following table details the major employers in Newport News.

MAJOR EMPLOYERS – NEWPORT NEWS, VA

Employer Name	Industry	# Of Employees
Huntington Ingalls Industries	Manufacturing	24,000
Riverside Health System	Healthcare	8,000
City of Newport News	Government	5,600
Newport News City Public Schools	Education	4,600
Canon Virginia, Inc.	Manufacturing	1,500
AAFES Dan Daniel Distribution	Supplier	1,100
Christopher Newport University	Education	1,100
APAC Customer Services, Inc.	Customer Care	850
Specialty Food Group, Inc	Manufacturing	850
Ferguson Enterprises, Inc.	Manufacturing	800
Jefferson Laboratory	Scientific Research	700
Continental Automotive Group	Manufacturing	600
The Daily Press, Inc.	Newspaper Publishing	550
Leibherr Mining Equipment Co.	Manufacturing	500
Verizon Wireless	Telecommunication	450
Langley Federal credit Union	Finance	400
Warwick Plumbing & Heating, Inc.	Contractor	350
Triumph Allied Aerospace Systems	Manufacturing	290
Virginia Health Services, Inc.	Healthcare	283
W.M. Jordan Company	Contractor	252
Totals		52,775

Source: Hampton Roads Economic Development Alliance, February 2021

The largest employers in Newport News are concentrated in the manufacturing, healthcare, government, and education sectors. The healthcare and education sectors are considered to be stable industries in times of economic downturn. However, the manufacturing industry is historically volatile during times of recession. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact to demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. The MSA is home to many large companies including the headquarters of three Fortune 500 companies: Norfolk Southern, Dollar Tree Inc., and Smithfield Foods. Other major companies headquartered in the area include CMA CGM, Zim Integrated Shipping Services, Maersk Line Limited, Landmark Media Enterprises, FHC Health Systems, and Portfolio Recovery Associates. The region’s large port facilities also support thousands of jobs. It is among the few deep-water ports on the eastern seaboard, which can accommodate large ships that can pass through the recently expanded Panama Canal.

Employment Expansion/Contractions

We conducted research to determine recently announced business expansions within the Newport News region.

- S23 Holdings, LLC and its affiliates—which include East Coast Repair and Fabrication (ECR), an industry leader in the marine, industrial, and commercial sectors is planning to invest \$64.4 million to establish a corporate and industrial campus in Newport News, VA for ship repair, manufacturing, and to rehabilitate piers. S23 Holdings also considered Florida and Puerto Rico for the project, which is anticipated to create 332 new jobs.
- In 2020, with the U.S. Navy rebuilding its fleet to a possible 355 ships, up from about 290, there’s a 10-year backlog at Newport News Shipbuilding (NNS), which is building nine Virginia-class Block V attack submarines with General Dynamics Electric Boat, as part of a \$22.2 billion contract awarded in December 2019, the Navy’s largest-ever shipbuilding contract. NNS plans for approximately 2,500 hires through 2021, based on the trades and salaried openings – though hiring was put on hold in spring 2020 as a result of the COVID-19 crisis. The Port of Virginia wrapped up the \$320 million Virginia International Gateway terminal expansion in 2019 and is midway through its \$375 million Norfolk International Terminals expansion project. To beef up its competitive advantage, it aims to be the East Coast’s deepest port, with a dredging project scheduled to be finished by 2024. The Virginia Department of Mines, Minerals and Energy estimates that the industry is anticipated to create 14,000 jobs in the commonwealth.
- Eagle Aviation Technologies, LLC, announced in September 2019 its plans to invest \$207,500 to expand its manufacturing facility in the City of Newport News, VA. The company will add new production equipment at the operation and create 75 new jobs. Eagle Aviation Technologies, LLC has not provided a timeline for the expansion since the announcement.
- A Virginia Beach sheet metal company is planning a \$15.8 million expansion. The plans will add 100,000 square foot production facility and create 200 new jobs. In a news release, Governor Ralph Northam touted the plans as an advanced manufacturing success story. The sheet metal company has not yet provided a timeline for the expansion.

We have reviewed publications by Virginia Employment Commission WARN (Worker Adjustment and Retraining Notification Act) filings since 2019 for layoffs occurring within the Newport News area. Our findings are illustrated in the following table.

WARN LISTINGS
Newport News, VA

Company	Industry	Employees Affected	Layoff Date
TitleMax of Virginia	Title Loans	55	1/16/2021
Avis Budget Group	Car Rental	86	9/4/2020
trium Hospitality Embassy Suites Hamptc	Hospitality	130	5/12/2020
Visionworks, Inc.	Eyewear/Optical retailing	19	4/23/2020
Ames Cleaners and Formal Inc.	Dry Cleaning	25	4/13/2020
Continental	Manufacturing	6	2/7/2020
Phoenix Theatres Entertainment	Theatre Management Services	112	2/20/2019
Total		433	

Source: Virginia Employment Commission, February 2021

As shown, there have been 433 layoffs in the Newport News area since 2019, which are modest compared to the total employment in the PMA.

Employment and Unemployment Trends

The table below details the employment and unemployment trends in the MSA as well as the 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
2004	743,738	-	4.1%	-	139,252,000	-	5.5%	-
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	793,074	-0.4%	4.9%	-0.7%	148,833,000	1.7%	5.3%	-0.9%
2016	797,517	0.6%	4.7%	-0.3%	151,436,000	1.7%	4.9%	-0.4%
2017	813,727	2.0%	4.1%	-0.6%	153,337,000	1.3%	4.4%	-0.5%
2018	823,663	1.2%	3.3%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	833,499	1.2%	3.1%	-0.2%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	793,585	-4.8%	6.8%	3.7%	147,794,750	-6.2%	8.1%	4.4%
Dec-2019	834,872	-	2.7%	-	158,504,000	-	3.4%	-
Dec-2020	790,145	-5.4%	5.3%	2.6%	149,613,000	-5.6%	6.5%	3.1%

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

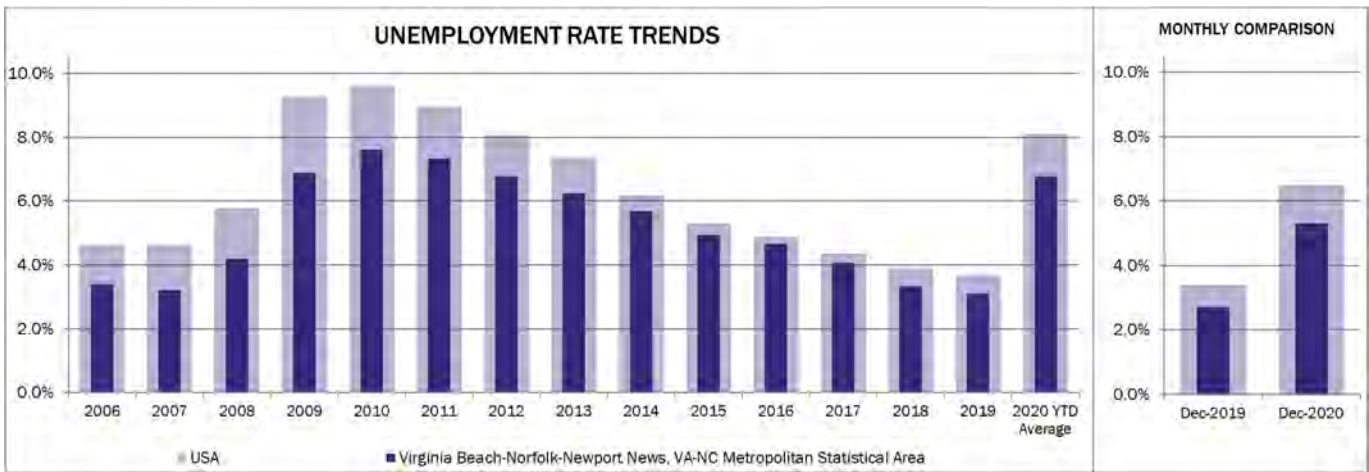
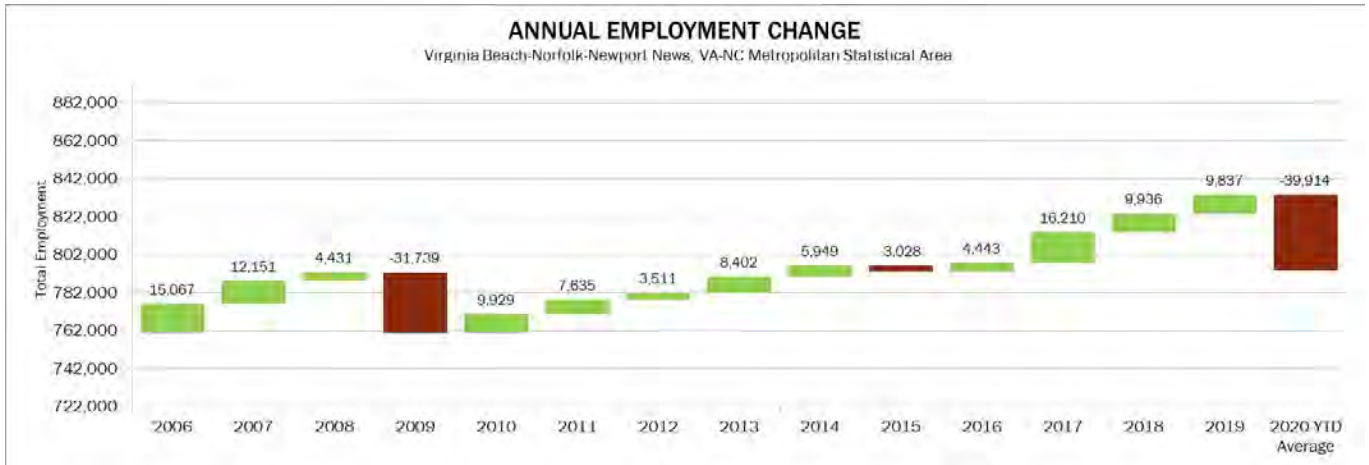
*2020 data is through September

Since 2012, average employment growth in the MSA trailed the nation in all but two years. As of December 2020, MSA employment is below record levels, and declined 5.4 percent over the past year, compared to a 5.6 percent decline across the overall nation.

Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 5.3 percent, lower than the current national unemployment rate of 6.5 percent. The contracting employment and increase in unemployment over the past year illustrates the recent impact of the COVID-19 pandemic on the MSA. However, the MSA experienced an employment contraction smaller than that of the overall nation, and the MSA's unemployment rate is currently below that of the overall nation. These measurements illustrate that the MSA has been impacted by the pandemic to a lesser extent than the overall nation and the resilience of the local economy.

The following graphs illustrate historical total employment patterns and unemployment rate changes in the PMA.

WOODLANDS AT OYSTER POINT – NEWPORT NEWS, VIRGINIA – MARKET STUDY



Wages by Occupation

The following table illustrates the wages by occupation for the MSA.

VIRGINIA BEACH-NORFOLK-NEWPORT NEWS, VA-NC METROPOLITAN STATISTICAL AREA - 2ND QTR

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	758,420	\$23.86	\$49,620
Management Occupations	29,300	\$56.39	\$117,300
Legal Occupations	4,650	\$42.36	\$88,110
Computer and Mathematical Occupations	21,740	\$41.79	\$86,930
Architecture and Engineering Occupations	22,000	\$40.18	\$83,570
Healthcare Practitioners and Technical Occupations	45,040	\$37.94	\$78,920
Business and Financial Operations Occupations	45,300	\$36.35	\$75,610
Life, Physical, and Social Science Occupations	6,950	\$35.38	\$73,590
Educational Instruction and Library Occupations	45,510	\$28.24	\$58,730
Arts, Design, Entertainment, Sports, and Media Occupations	9,800	\$26.72	\$55,580
Community and Social Service Occupations	11,380	\$24.22	\$50,380
Installation, Maintenance, and Repair Occupations	36,660	\$23.69	\$49,280
Construction and Extraction Occupations	39,470	\$22.57	\$46,950
Protective Service Occupations	21,040	\$21.78	\$45,290
Production Occupations	37,110	\$20.14	\$41,890
Office and Administrative Support Occupations	97,120	\$18.50	\$38,470
Sales and Related Occupations	74,430	\$17.55	\$36,500
Farming, Fishing, and Forestry Occupations	700	\$17.32	\$36,020
Transportation and Material Moving Occupations	63,780	\$17.31	\$36,000
Healthcare Support Occupations	29,530	\$14.44	\$30,030
Personal Care and Service Occupations	20,120	\$13.39	\$27,860
Building and Grounds Cleaning and Maintenance Occupations	24,440	\$12.70	\$26,410
Food Preparation and Serving Related Occupations	72,370	\$11.54	\$24,000

Source: Department Of Labor, Occupational Employment Statistics, 5/2019, retrieved 2/2021

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$11.54 per hour. The highest average hourly wage, of \$56.39, is for those in management occupations.

Qualifying income for the Subject's affordable units will range between \$31,817 and \$53,460. Utilizing the upper end of the Subject's qualifying income at \$53,460 corresponds to an approximate hourly wage rate of \$25.70. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

Commuting Patterns

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

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	733	1.3%
Travel Time 5-9 min	5,711	10.2%
Travel Time 10-14 min	10,885	19.4%
Travel Time 15-19 min	13,110	23.4%
Travel Time 20-24 min	8,023	14.3%
Travel Time 25-29 min	2,436	4.3%
Travel Time 30-34 min	6,432	11.5%
Travel Time 35-39 min	1,348	2.4%
Travel Time 40-44 min	1,411	2.5%
Travel Time 45-59 min	3,379	6.0%
Travel Time 60-89 min	1,804	3.2%
Travel Time 90+ min	760	1.4%
Weighted Average	24 minutes	

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

As shown in the preceding table, the weighted average commute time in the PMA is approximately 24 minutes. More than 68 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, manufacturing, and educational services industries, which collectively comprise 38 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. As of December 2020, MSA employment is below record levels, and declined 5.4 percent over the past year, compared to a 5.6 percent decline across the overall nation. Although the long-term impacts of the COVID-19 pandemic are uncertain, the MSA experienced an employment contraction smaller than that of the overall nation, and the MSA's unemployment rate is currently below that of the overall nation. These measurements illustrate that the MSA has been impacted by the pandemic to a lesser extent than the overall nation and the resilience of the local economy.

G. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

The tables below illustrate population and household trends in the PMA, MSA, and nation from 2000 through 2025.

POPULATION

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	100,882	-	1,552,245	-	280,304,282	-
2010	111,249	1.0%	1,675,603	0.8%	308,745,538	1.0%
2020	113,420	0.2%	1,763,677	0.5%	333,793,107	0.8%
2025	113,255	0.0%	1,801,237	0.4%	346,021,282	0.7%

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

Historical population growth in the PMA exceeded the MSA between 2000 and 2010. The PMA experienced population growth similar to the nation whereas the MSA underperformed national growth rates. Population growth in the PMA slowed between 2010 and 2020, and grew by less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to remain stagnant through 2025, which is below projected growth in the MSA and nation.

HOUSEHOLDS

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	40,380	-	578,113	-	105,081,032	-
2010	45,222	1.2%	629,949	0.9%	116,716,293	1.1%
2020	46,030	0.2%	662,604	0.5%	126,083,847	0.8%
2025	45,927	0.0%	676,837	0.4%	130,658,491	0.7%

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

Historical household growth in the PMA exceeded the MSA between 2000 and 2010. The PMA experienced household growth greater than the overall nation whereas the MSA underperformed national growth rates. Household growth in the PMA slowed between 2010 and 2020, and grew by less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to decrease to remain stagnant through 2025, which is below projected growth in the MSA and nation.

General Household Income Distribution

The following table illustrates household income distribution in the PMA and the MSA.

HOUSEHOLD INCOME PMA

Income Cohort	2020		PMA		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,862	6.2%	2,697	5.9%	-33		-1.2%	
\$10,000-19,999	3,089	6.7%	2,933	6.4%	-31		-1.0%	
\$20,000-29,999	3,694	8.0%	3,502	7.6%	-38		-1.0%	
\$30,000-39,999	4,373	9.5%	3,759	8.2%	-123		-2.8%	
\$40,000-49,999	4,142	9.0%	4,218	9.2%	15		0.4%	
\$50,000-59,999	4,358	9.5%	3,827	8.3%	-106		-2.4%	
\$60,000-74,999	5,463	11.9%	5,459	11.9%	-1		0.0%	
\$75,000-99,999	6,617	14.4%	6,697	14.6%	16		0.2%	
\$100,000-124,999	4,294	9.3%	4,534	9.9%	48		1.1%	
\$125,000-149,999	2,838	6.2%	3,080	6.7%	48		1.7%	
\$150,000-199,999	2,453	5.3%	2,842	6.2%	78		3.2%	
\$200,000+	1,847	4.0%	2,379	5.2%	106		5.8%	
Total	46,030	100.0%	45,927	100.0%				

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

HOUSEHOLD INCOME SMA

Income Cohort	2020		Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	36,930	5.6%	34,648	5.1%	-456		-1.2%	
\$10,000-19,999	47,748	7.2%	43,914	6.5%	-767		-1.6%	
\$20,000-29,999	52,466	7.9%	49,049	7.2%	-683		-1.3%	
\$30,000-39,999	52,074	7.9%	48,459	7.2%	-723		-1.4%	
\$40,000-49,999	53,535	8.1%	49,526	7.3%	-802		-1.5%	
\$50,000-59,999	51,249	7.7%	49,618	7.3%	-326		-0.6%	
\$60,000-74,999	70,676	10.7%	68,684	10.1%	-398		-0.6%	
\$75,000-99,999	91,895	13.9%	92,562	13.7%	133		0.1%	
\$100,000-124,999	69,309	10.5%	72,286	10.7%	595		0.9%	
\$125,000-149,999	46,506	7.0%	52,770	7.8%	1,253		2.7%	
\$150,000-199,999	45,167	6.8%	54,232	8.0%	1,813		4.0%	
\$200,000+	45,049	6.8%	61,089	9.0%	3,208		7.1%	
Total	662,604	100.0%	676,837	100.0%				

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

General Household Size Distribution

The following table is a summary of the household size distribution in the PMA, the MSA and the nation.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.45	-	2.57	-	2.59	-
2010	2.42	-0.1%	2.56	-0.1%	2.57	-0.1%
2020	2.38	-0.2%	2.55	0.0%	2.58	0.0%
2025	2.38	0.0%	2.55	0.0%	2.59	0.0%

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

The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2025.

Household Tenure

The tables below illustrate tenure patterns in the PMA from 2000 through 2025.

TENURE PATTERNS PMA

Year	Owner-	Percentage	Renter-	Percentage
	Occupied Units	Owner-Occupied	Occupied Units	Renter-Occupied
2000	25,089	62.1%	15,291	37.9%
2010	23,352	51.6%	21,870	48.4%
2020	21,657	47.0%	24,373	53.0%
2025	21,500	46.8%	24,427	53.2%

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA remained relatively stable between 2010 and 2020, and is estimated to be 53 percent as of 2020. This is more than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2025.

General Renter Household Income Distribution

The following table illustrates total renter household income distribution.

Income Cohort	RENTER HOUSEHOLD INCOME					
	2020		PMA 2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,235	9.2%	2,120	8.7%	-23	-1.0%
\$10,000-19,999	2,241	9.2%	2,132	8.7%	-22	-1.0%
\$20,000-29,999	2,485	10.2%	2,373	9.7%	-22	-0.9%
\$30,000-39,999	3,108	12.8%	2,689	11.0%	-84	-2.7%
\$40,000-49,999	2,791	11.5%	2,903	11.9%	22	0.8%
\$50,000-59,999	2,731	11.2%	2,431	10.0%	-60	-2.2%
\$60,000-74,999	2,736	11.2%	2,852	11.7%	23	0.8%
\$75,000-99,999	3,105	12.7%	3,267	13.4%	32	1.0%
\$100,000-124,999	1,152	4.7%	1,377	5.6%	45	3.9%
\$125,000-149,999	777	3.2%	938	3.8%	32	4.1%
\$150,000-199,999	539	2.2%	652	2.7%	23	4.2%
\$200,000+	473	1.9%	693	2.8%	44	9.3%
Total	24,373	100.0%	24,427	100.0%		

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

Household Size Distribution

The table below shows the breakdown of households by number of persons in the household within the Subject's PMA for general households and senior households.

Household Size	PMA HOUSEHOLD SIZE DISTRIBUTION					
	2000		2020		2025	
	Total	Percent	Total	Percent	Total	Percent
1 persons	10,628	26.3%	14,487	31.5%	14,610	31.8%
2 persons	13,698	33.9%	14,691	31.9%	14,579	31.7%
3 persons	7,390	18.3%	8,144	17.7%	8,110	17.7%
4 persons	5,612	13.9%	5,406	11.7%	5,338	11.6%
5+ persons	3,052	7.6%	3,302	7.2%	3,290	7.2%
Total	40,380	100.0%	46,030	100.0%	45,927	100.0%

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

As of 2020, the majority of senior households in the PMA consist of one and two persons.

Renter Household Size Distribution

The table below shows the breakdown of general and senior renter households by number of persons in the household within the Subject’s PMA.

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION

Household Size	2000		2020		2025	
	Total	Percent	Total	Percent	Total	Percent
1 persons	5,749	37.6%	9,617	39.5%	9,719	39.8%
2 persons	4,272	27.9%	6,534	26.8%	6,412	26.2%
3 persons	2,553	16.7%	4,003	16.4%	4,028	16.5%
4 persons	1,677	11.0%	2,511	10.3%	2,527	10.3%
5+ persons	1,040	6.8%	1,708	7.0%	1,741	7.1%
Total	15,291	100.0%	24,373	100.0%	24,427	100.0%

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

As of 2020, the majority of senior renter households in the PMA consist of one and two persons.

Median Household Income Levels

The table below illustrates the median household income in the PMA, the SMA, and the nation from 2000 through 2025.

MEDIAN HOUSEHOLD INCOME

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$45,680	-	\$43,057	-	\$44,333	-
2020	\$57,451	1.3%	\$64,926	2.5%	\$62,203	2.0%
2025	\$59,603	0.7%	\$69,071	1.3%	\$67,325	1.6%

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

As of 2020, the median income in the PMA is slightly below the surrounding MSA. Historical median household income growth in the PMA trailed the MSA between 2000 and 2020. Although PMA growth also trended below the nation, median household income in the broader MSA increased 0.5 percent faster than the overall nation during this same time period. Of note, PMA income levels declined from 103 percent of the national median income in 2000 to 92 percent in 2020. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.7 percent through 2025, which is below projected growth in the MSA and nation.

Rent Overburdened Households

The following table illustrates the percentage of households paying greater than 35 percent of their income towards housing in the PMA, the MSA, and the nation.

RENT OVERBURDENED

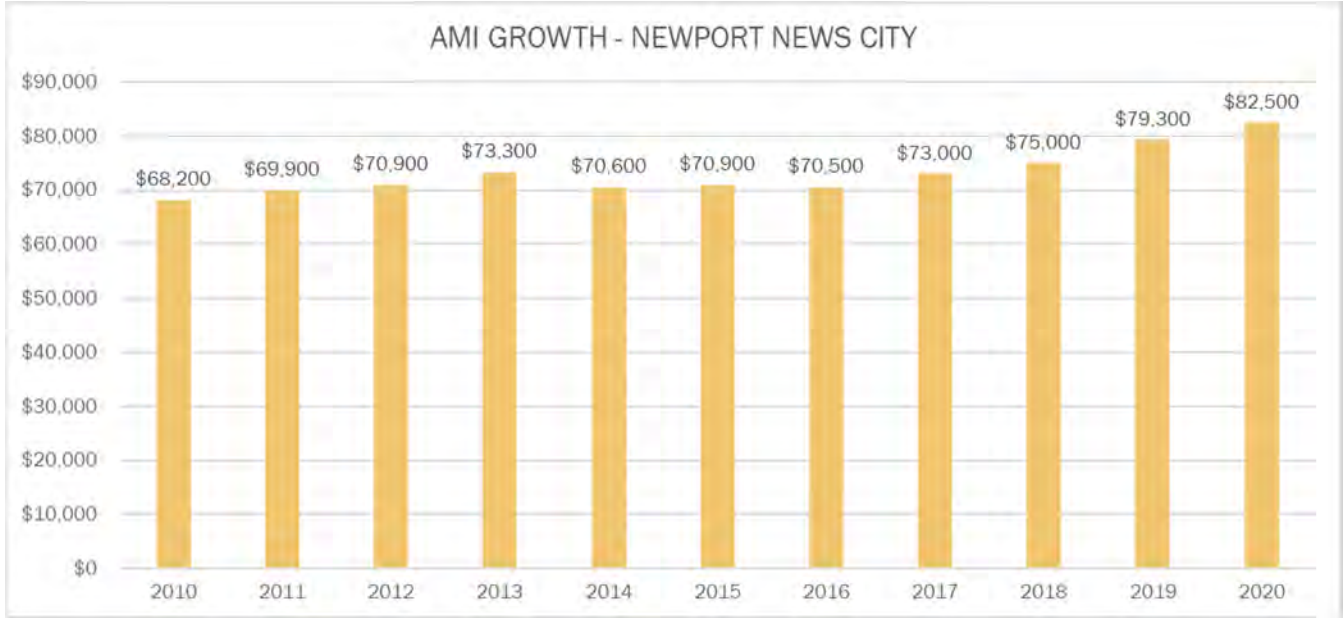
Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2020	6,821	41.9%	104,824	44.8%	16,610,566	42.7%

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

As illustrated, the percentage of rent overburdened households in the PMA is below the MSA and the nation.

Area Median Income

For Section 42 LIHTC rent determination purposes, the HUD AMI is used. It should be noted that the HUD AMI differs from the median household income illustrated previously. HUD uses the Area Median Income in metropolitan and non-metropolitan areas to calculate income limits for eligibility in a variety of housing programs. HUD estimates the AMI for an area in the current year and adjusts that amount for different household sizes so that household incomes may be expressed as a percentage of the area median income. The following chart illustrates the AMI level for a four-person household in Newport News.



Source: Novogradac & Company, LLP, October 2020

Overall, the AMI has increased by an average of 2.1 percent annually between 2010 and 2020. The AMI in Newport News peaked in 2020, indicating that all properties will be restricted to the same rent and income limits as the Subject. There is no held harmless in in Newport News City at this time. The following chart illustrates the change in AMI over the past seven years.

NEWPORT NEWS CITY AMI GROWTH (2013-2020)

Year	2013	2014	2015	2016	2017	2018	2019	2020
AMI	\$73,300	\$70,600	\$70,900	\$70,500	\$73,000	\$75,000	\$79,300	\$82,500
Percentage	3.4%	-3.7%	0.4%	-0.6%	3.5%	2.7%	5.7%	4.0%

Conclusion

The population in the PMA increased by 12.4 percent between 2000 and 2020, compared to the 13.6 percent increase in the regional MSA and 19.1 percent increase across the overall nation. The percentage of renter households in the PMA remained relatively stable between 2010 and 2020, and is estimated to be 53 percent as of 2020. This is more than the estimated 33 percent of renter households across the overall nation. As of 2020, the median income in the PMA is slightly below the surrounding MSA. Historical median household income growth in the PMA trailed the MSA between 2000 and 2020. Although PMA growth also trended below the nation, median household income in the broader MSA increased 0.5 percent faster than the overall nation during this same time period. Overall, the combination of stable population and household income levels bodes well for future demand for multifamily housing.

H. COMPETITIVE ENVIRONMENT

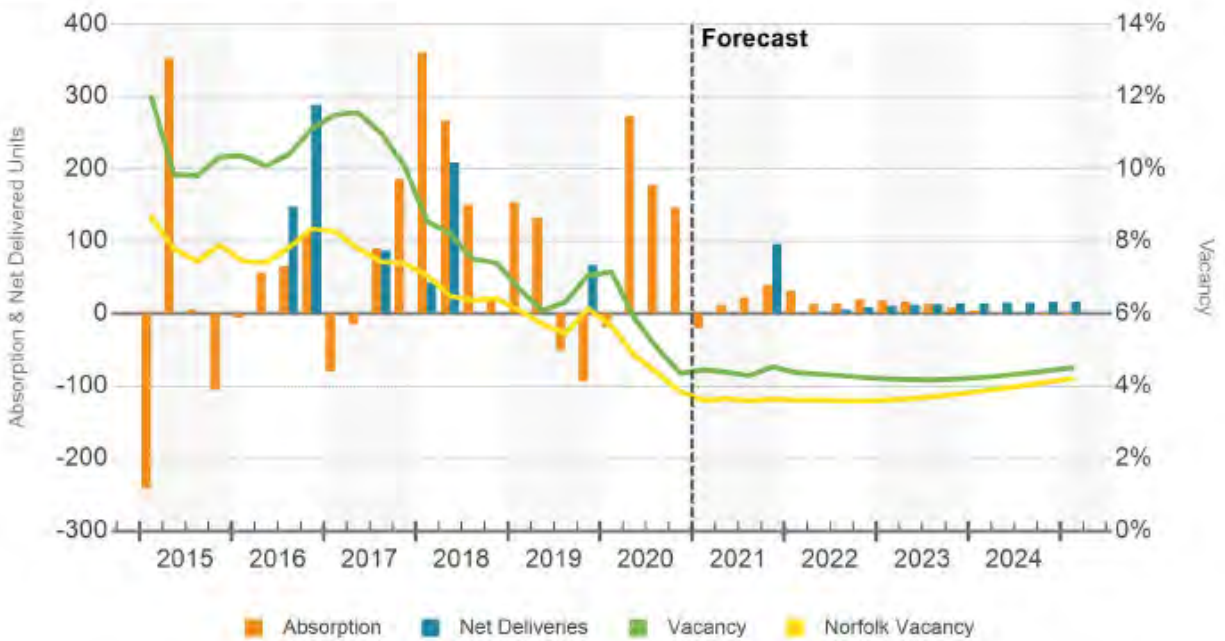
HOUSING SUMMARY

We consulted a Costar report for the Newport News submarket to gather information on the local apartment rental market.

It should be noted that Costar updated the macroeconomic data to reflect forecasts released by Oxford Economics on April 24, 2020 in response to the COVID-19 outbreak. Among other factors, the projections assume job losses of 9.6 million in 2020 followed by 8.7 million jobs gained in 2021, unemployment reverting to the post 2000 average over the five-year forecast and interest rates increasing to 4.1 percent by the end of 2020 up from 3.6 percent in 2Q20.

According to CoStar as of February 2021, there are currently 21,163 existing multifamily units within the Subject’s submarket. The current vacancy rate in the submarket is at 4.4 percent and over the past five years has averaged 8.0 percent. The vacancy rate in the submarket is expected to remain stable through the end of 2021 and through 2025 as there are limited additions to supply.

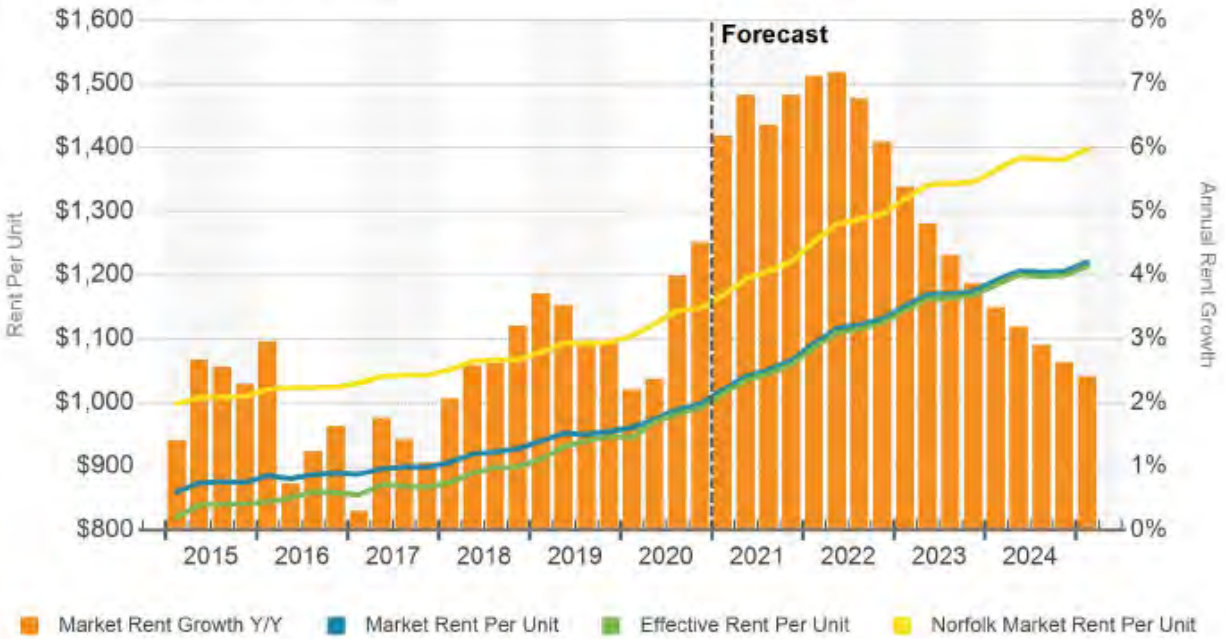
ABSORPTION, NET DELIVERIES & VACANCY



Source: CoStar, February 2021

As vacancy rates in the submarket have decreased over the past several years, rent growth has been strong. Rent growth is expected to increase at twice the historic average through 2022, and continue to increase but at a slower pace through 2025. This indicates strong continued demand for rental housing in the submarket in future years, which bodes well for the Subject.

MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, February 2021

Age of Housing Stock

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

HOUSING STOCK BY YEAR BUILT

	PMA		Virginia Beach-Norfolk- Newport News, VA-NC MSA		USA	
Built 2010 or later	2,907	5.9%	23,085	3.3%	3,480,297	2.6%
Built 2000 to 2009	5,787	11.7%	91,920	13.1%	19,435,745	14.5%
Built 1990 to 1999	8,379	16.9%	109,217	15.5%	19,018,824	14.2%
Built 1980 to 1989	10,518	21.2%	138,461	19.7%	18,425,173	13.7%
Built 1970 to 1979	6,174	12.4%	113,420	16.1%	20,898,334	15.6%
Built 1960 to 1969	7,139	14.4%	85,001	12.1%	14,571,755	10.9%
Built 1950 to 1959	6,094	12.3%	70,315	10.0%	14,169,107	10.6%
Built 1940 to 1949	1,441	2.9%	31,367	4.5%	6,834,743	5.1%
Built 1939 or earlier	1,202	2.4%	40,359	5.7%	17,407,947	13.0%
Total Housing Units	49,641	100.0%	703,145	100.0%	134,241,925	100.0%

Source: US Census American Community Estimates, February 2021

As illustrated in the previous table, the majority of the housing stock in the Subject’s PMA was built between 1950 and 1999.

Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard.

SUBSTANDARD HOUSING			
Year	PMA	Virginia Beach-Norfolk-Newport News, VA-NC MSA	USA
	Percentage	Percentage	Percentage
2020	0.26%	1.02%	1.70%

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

The percentage of residents living in substandard housing in the PMA is below that of the MSA and below the nation.

Building Permits

The following table depicts building activity from 2000 through 2019 for the city of Newport News.

BUILDING PERMITS: NEWPORT NEWS CITY 2000 - 2020

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	407	0	0	407
2001	481	0	114	595
2002	319	0	973	1,292
2003	257	3	212	472
2004	280	0	463	743
2005	198	0	452	650
2006	262	0	276	538
2007	124	0	439	563
2008	159	0	236	395
2009	86	0	307	393
2010	129	0	59	188
2011	148	0	637	785
2012	161	0	126	287
2013	92	0	123	215
2014	109	0	221	330
2015	107	0	405	512
2016	120	0	112	232
2017	102	0	339	441
2018	124	0	0	124
2019	122	0	96	218
2020	160	0	0	160
Total	3,947	3	5,590	9,540
Average	188	0	266	454

Source: US Census Bureau Building Permits, February 2021

As illustrated in the previous table, approximately 59 percent of the residential building permits issued in Newport News over the past 20 years are multifamily permits.

Rent/Buy Analysis

We performed a rent/buy analysis. Our inputs assume a three-bedroom single-family home listing on Zillow in the Subject's neighborhood with a purchase price of \$275,000 and an interest rate of 4.0 percent for a 30-year fixed mortgage with a 10 percent down payment. This was compared to the cost to rent the Subject's three-bedroom unit. This analysis indicates that with a monthly differential of \$644, it is more affordable to rent than to purchase a home. This indicates that the Subject will face limited competition with home ownership at current interest rate levels. The rent buy analysis is illustrated in the following table.

RENT BUY ANALYSIS				
Property Type:		Three-Bedroom Single Family Home		
Sale Price				\$275,000
Down Payment at 10%				\$27,500
Mortgage Amount				\$247,500
Current Interest Rate				4.00%
	<i>Homeownership Costs</i>	<i>Monthly</i>	<i>% of Home Value</i>	<i>Annual</i>
Mortgage Payment		\$1,182		\$14,179
Property Taxes		\$286	1.25%	\$3,438
Private Mortgage Insurance ¹		\$103	0.50%	\$1,238
Maintenance		\$458	2.00%	\$5,500
Utility Costs ²		\$89		\$1,068
Tax Savings		-\$276		-\$3,315
Cost Comparison				
		<i>Monthly</i>		<i>Annual</i>
Costs of Homeownership		\$1,842		\$22,108
Cost of Renting At Subject	-	\$1,198		\$14,376
Differential		\$644		\$7,732
Cost of Occupancy				
<i>Homeownership</i>				
Closing Costs			3.0%	\$8,250
Down Payment at 10%			10.0%	\$27,500
Total				\$35,750
<i>Subject Rental</i>				
First Month's Rent		\$1,198		
Security Deposit		<u>\$1,198</u>		
Total		\$2,396		

(1) Based upon 0.50 percent of mortgage amount.

(2) Utility Costs Included in Rent at Subject

As illustrated, the “cash due at occupancy” category adds to more than \$35,000 for the down payment and closing costs. The cash necessary for homeownership is still a barrier to many families. In general, first-time homebuyers have difficulty saving for a down payment. Further, renting at the Subject is more affordable than purchasing even a modest single-family home in the Subject's area. For this reason, we believe that the Subject will face limited competition from homeownership.

SURVEY OF COMPARABLE PROPERTIES

Comparable properties are examined on the basis of physical characteristics; i.e., building type, building age/quality, the level of common amenities, absorption rates, and 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 market.

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

To evaluate the competitive position of the Subject, we surveyed a total of 2,496 units in 14 rental properties. We include nine market rate properties, located between 0.1 and 0.7 miles of the Subject. All five of the LIHTC comparables are located within the PMA and all nine of the market rate comparables are located within the PMA. Overall, we believe the availability of data is adequate to support our conclusions. We were able to conducted interviews with all comparable properties in February 2021. While property managers reported that tenants were negatively impacted by the ongoing pandemic, none of the property manager’s reported significant increases in vacancies.

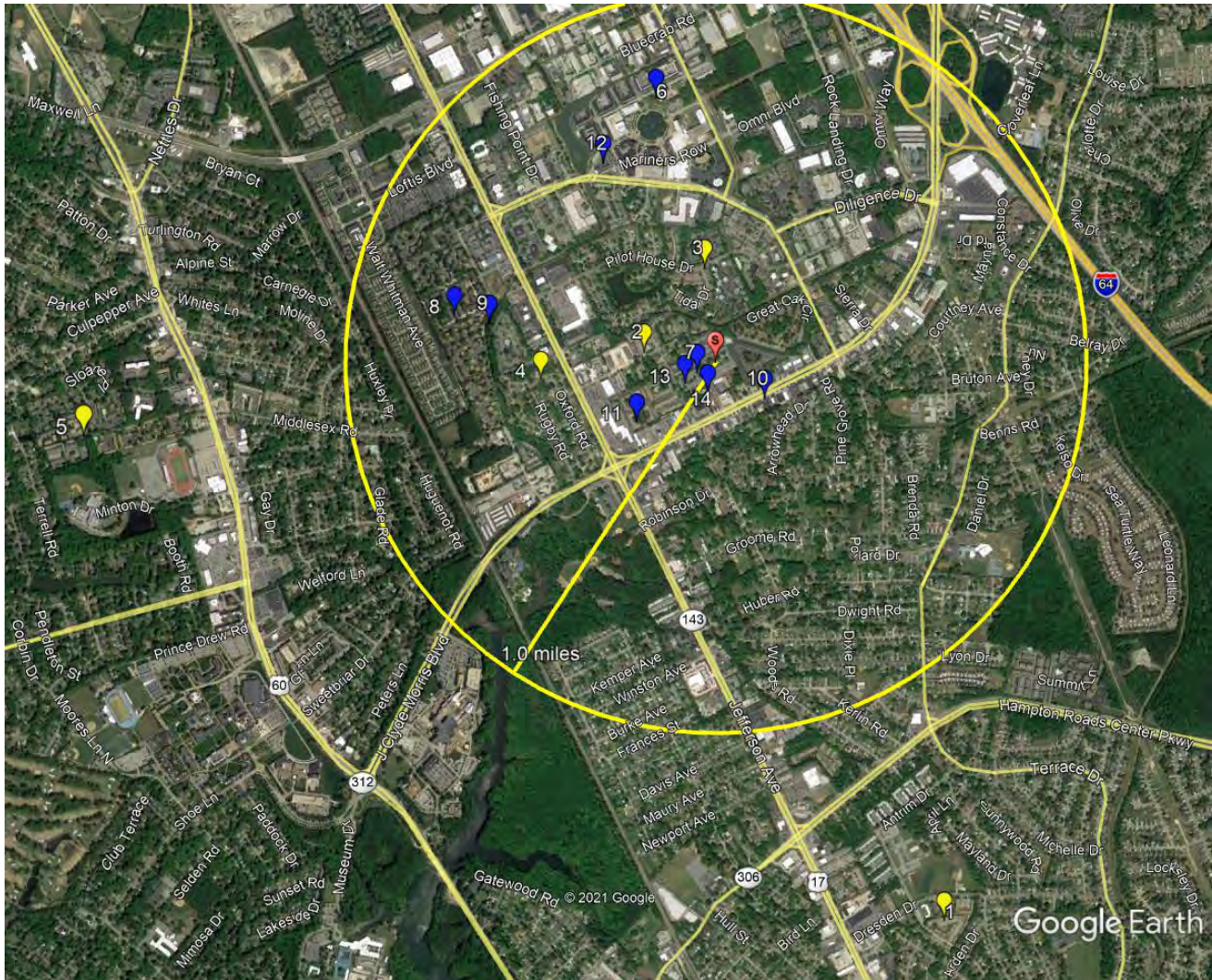
A summary table comparing the individual comparable properties with the Subject and individual property profiles are provided on the following pages. A map illustrating the location of the Subject in relation to the comparable properties is included on the following page.

The following table identifies the properties in the Subject’s market area that were not used for various reasons.

EXCLUDED PROPERTIES			
Property Name	Rent Structure	Tenancy	Reason for Exclusion
Magruder Run II	LIHTC	Family	Closer comparables available
Ivy Farms	LIHTC/PBRA	Family	Only offers 2BR units
Century Plaza Apartments	LIHTC / Section 8	Family	Subsidized
Magruder Run I	LIHTC	Family	Closer comparables available
Great Oak	Section 8	Senior	Differing rent structure and tenancy
Somerset At Town Center	LIHTC	Senior	Differing tenancy
Dresden	LIHTC	Senior	Differing tenancy
Pavilion	LIHTC	Family	More comparable properties available
Waterford Pointe	LIHTC	Family	Closer comparables available
801 Main Street	LIHTC	Senior	Differing tenancy
Nettles Drive Apartments	Section 8	Senior/Disabled	Differing rent structure and tenancy
Bruton Park Group Home	Section 8	Senior/Disabled	Differing rent structure and tenancy
Berkley South Apartments	Section 8	Family	Differing rent structure
Great Oak Housing	Section 8	Family	Differing rent structure
Newport News Transition T/C	Section 8	Family	Differing rent structure
Seton Manor	Section 8	Senior	Differing rent structure and tenancy
Wellesley Commons	Section 8	Senior/Disabled	Differing rent structure and tenancy
Christian Village	Section 8	Senior/Disabled	Differing rent structure and tenancy
Groome Road Group Home	Section 8	Senior/Disabled	Differing rent structure and tenancy
Dresden Drive Group Home	Section 8	Senior/Disabled	Differing rent structure and tenancy
Oyster Point-Brighton Apartments	Section 8	Family	Differing rent structure
Berkley West & Berkley Village	Section 8	Family	Differing rent structure
Meridian Parkside	Market	Family	Closer comparables available
Hidden North Apartments	Market	Family	Closer comparables available
Winston Townhouses	Market	Family	Only offers 2BR units
Ashton At Oyster Point	Market	Family	Closer comparables available
Compass At City Center	Market	Family	Unable to contact
The Suites At Port Warwick	Market	Family	Closer comparables available
Arboretum Place Apartments	Market	Family	Closer comparables available

Detailed matrices describing the individual competitive properties, as well as the proposed Subject, are provided in the addenda of this report. A map illustrating the location of the Subject in relation to the comparable properties follows.

Comparable Rental Property Map



Source: Google Earth, February 2021

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Woodlands At Oyster Point	Newport News	@60%	-
1	Ada Park Apartments	Newport News	@40%, @50%, @60%	1.6 miles
2	Forrest Landing Apartments	Newport News	@60%	0.2 miles
3	Pilot House	Newport News	@60%	0.3 miles
4	Sharps Landing	Newport News	@60%	0.5 miles
5	Wellesley Woods Apartments	Newport News	@60%	1.7 miles
6	Belmont At City Center	Newport News	Market	0.7 miles
7	Boston Cove	Newport News	Market	0.1 miles
8	Chesapeake Bay Apartments	Newport News	Market	0.7 miles
9	Kingstowne Apartments	Newport News	Market	0.6 miles
10	Newport Landing Apartments	Newport News	Market	0.2 miles
11	Oyster Point Place	Newport News	Market	0.3 miles
12	Park Place At City Center	Newport News	Market	0.6 miles
13	The Villages At City Center	Newport News	Market	0.1 miles
14	Victoria Place	Newport News	Market	0.1 miles

WOODLANDS AT OYSTER POINT – NEWPORT NEWS, 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	Woodlands At Oyster Point 819 Forrest Dr Newport News, VA 23606 Newport News County		Garden 2-stories 1978 / 2022 Family	@60%	1BR / 1BA	4	2.6%	650	@60%	\$872	Yes	N/A	2	50.0%
					2BR / 1BA	146	96.1%	750	@60%	\$1,041	Yes	N/A	19	13.0%
					3BR / 1BA	2	1.3%	850	@60%	\$1,198	Yes	N/A	2	100.0%
					152									
1	Ada Park Apartments 674 Summer Day Court Newport News, VA 23601 Newport News County	1.6 miles	Garden 3-stories 2018 / n/a Family	@40%, @50%, @60%	2BR / 2BA	5	11.9%	866	@40%	\$806	Yes	Yes	0	0.0%
					2BR / 2BA	16	38.1%	866	@50%	\$991	Yes	Yes	1	6.3%
					2BR / 2BA	9	21.4%	866	@60%	\$1,177	Yes	Yes	1	11.1%
					3BR / 2BA	4	9.5%	1,030	@50%	\$1,149	Yes	Yes	0	0.0%
					3BR / 2BA	8	19.1%	1,030	@60%	\$1,364	Yes	Yes	0	0.0%
42										2	4.8%			
2	Forrest Landing Apartments 22 Forrest Drive Newport News, VA 23606 Newport News County	0.2 miles	Garden 3-stories 2010 / n/a Family	@60%	1BR / 1BA	18	15.0%	800	@60%	\$884	Yes	Yes	0	0.0%
					2BR / 2BA	72	60.0%	1,056	@60%	\$1,038	Yes	Yes	0	0.0%
					3BR / 2BA	30	25.0%	1,232	@60%	\$1,182	Yes	Yes	0	0.0%
120										0	0.0%			
3	Pilot House 701 Bndstock Circle Newport News, VA 23606 Newport News County	0.3 miles	Garden 3-stories 1992 / 2015 Family	@60%	2BR / 2BA	102	77.3%	1,000	@60%	\$989	Yes	No	0	0.0%
					3BR / 2BA	30	22.7%	1,320	@60%	\$1,135	Yes	No	0	0.0%
132										0	0.0%			
4	Sharps Landing 550 Pavilion Place Newport News, VA 23606 Newport News County	0.5 miles	Garden 2-stories 1972 / 2014 Family	@60%	1BR / 1BA	16	8.9%	653	@60%	\$844	No	No	1	6.3%
					2BR / 1.5BA	164	91.1%	883	@60%	\$1,003	No	No	1	0.6%
180										2	1.1%			
5	Wellesley Woods Apartments 600 Huntgate Circle Newport News, VA 23606 Newport News County	1.7 miles	Garden 3-stories 1996 / n/a Family	@60%	2BR / 2BA	84	70.0%	1,000	@60%	\$989	Yes	Yes	0	0.0%
					3BR / 2BA	36	30.0%	1,320	@60%	\$1,135	Yes	Yes	0	0.0%
120										0	0.0%			
6	Belmont At City Center 900 Lakefront Commons Newport News, VA 23606 Warwick County	0.7 miles	Midrise 4-stories 2012 / n/a Family	Market	1BR / 1BA	100	43.1%	778	Market	\$1,094	N/A	Yes	6	6.0%
					2BR / 2BA	132	56.9%	1,254	Market	\$1,346	N/A	Yes	11	8.3%
232										17	7.3%			
7	Boston Cove 828 Forrest Drive Newport News, VA 23606 Newport News County	0.1 miles	Townhouse 2-stories 2008 / n/a Family	Market	1BR / 1BA	1	2.9%	600	Market	\$934	N/A	No	0	0.0%
					1BR / 1BA	2	5.9%	800	Market	\$956	N/A	No	0	0.0%
					2BR / 1BA	16	47.1%	760	Market	\$925	N/A	No	0	0.0%
					2BR / 1.5BA	2	5.9%	900	Market	\$1,149	N/A	No	0	0.0%
					3BR / 2.5BA	12	35.3%	1,437	Market	\$1,370	N/A	No	1	8.3%
					4BR / 3BA	1	2.9%	1,588	Market	\$1,500	N/A	No	0	0.0%
34										1	2.9%			
8	Chesapeake Bay Apartments 550 Saint Michaels Way Newport News, VA 23606 Newport News County	0.7 miles	Garden 2-stories 1987 / 2019 Family	Market	1BR / 1BA	68	22.7%	486	Market	\$1,070	N/A	No	3	4.4%
					1BR / 1BA	52	17.3%	620	Market	\$1,136	N/A	No	0	0.0%
					1BR / 1BA	60	20.0%	730	Market	\$1,300	N/A	No	2	3.3%
					1BR / 1BA	28	9.3%	806	Market	\$1,372	N/A	No	2	7.1%
					2BR / 2BA	64	21.3%	926	Market	\$1,421	N/A	No	3	4.7%
					2BR / 2BA	28	9.3%	1,082	Market	\$1,564	N/A	No	0	0.0%
300										10	3.3%			
9	Kingstowne Apartments 500 Oscar Loop Newport News, VA 23606 Newport News County	0.6 miles	Garden 2-stories 1986 / 2020 Family	Market	1BR / 1BA	80	20.8%	800	Market	\$959	N/A	No	4	5.0%
					2BR / 1BA	144	37.5%	980	Market	\$1,150	N/A	No	6	4.2%
					2BR / 1.5BA	90	23.4%	1,100	Market	\$1,299	N/A	No	4	4.4%
					2BR / 2BA	40	10.4%	800	Market	\$1,042	N/A	No	2	5.0%
					3BR / 2.5BA	30	7.8%	1,450	Market	\$1,475	N/A	No	1	3.3%
384										17	4.4%			
10	Newport Landing Apartments 19 Port Lndg Newport News, VA 23601 Newport News County	0.2 miles	Garden 2-stories 1967 / 2015 Family	Market	1BR / 1BA	24	15.0%	850	Market	\$895	N/A	No	0	0.0%
					1.5BR / 1BA	24	15.0%	900	Market	\$945	N/A	No	0	0.0%
					2BR / 1BA	46	28.8%	950	Market	\$995	N/A	No	2	4.4%
					2.5BR / 1BA	46	28.8%	1,000	Market	\$1,045	N/A	No	0	0.0%
					3BR / 1.5BA	20	12.5%	1,100	Market	\$1,195	N/A	No	1	5.0%
160										3	1.9%			
11	Oyster Point Place 102 Americana Drive Newport News, VA 23606 Newport News County	0.3 miles	Garden 2-stories 1969 / 2007 Family	Market	1BR / 1BA	45	16.3%	750	Market	\$779	N/A	No	0	0.0%
					2BR / 1BA	117	42.2%	950	Market	\$863	N/A	No	3	2.6%
					2BR / 1BA	115	41.5%	1,000	Market	\$863	N/A	No	3	2.6%
277										6	2.2%			
12	Park Place At City Center 675 Town Center Newport News, VA 23606 Newport News County	0.6 miles	Midrise 4-stories 2004 / n/a Family	Market	1BR / 1BA	141	38.8%	830	Market	\$1,239	N/A	No	5	3.6%
					2BR / 2BA	201	55.4%	1,233	Market	\$1,424	N/A	No	0	0.0%
					3BR / 2BA	21	5.8%	1,423	Market	\$1,871	N/A	No	0	0.0%
363										5	1.4%			
13	The Villages At City Center 828 Forrest Dr Newport News, VA 23606 Newport News County	0.1 miles	Garden 2-stories 1971 / 1992 Family	Market	1BR / 1BA	28	24.1%	686	Market	\$943	N/A	None	2	7.1%
					2BR / 1BA	75	64.7%	872	Market	\$1,044	N/A	None	1	1.3%
					3BR / 2BA	12	10.3%	1,437	Market	\$1,363	N/A	None	0	0.0%
					4BR / 3BA	1	0.9%	1,588	Market	\$1,542	N/A	None	0	0.0%
116										3	2.6%			
14	Victoria Place 831 Forrest Dr Newport News, VA 23606 Newport News County	0.1 miles	Garden 3-stories 1985 / n/a Family	Market	1BR / 1BA	12	33.3%	800	Market	\$1,008	N/A	None	1	8.3%
					2BR / 1BA	12	33.3%	760	Market	\$980	N/A	None	1	8.3%
					2BR / 2BA	12	33.3%	800	Market	\$1,056	N/A	None	1	8.3%
36										3	8.3%			

WOODLANDS AT OYSTER POINT – NEWPORT NEWS, VIRGINIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	2,496	Weighted Occupancy:	97.2%		
	Market Rate	1,902	Market Rate	96.6%		
	Tax Credit	594	Tax Credit	99.3%		
	One Bedroom One Bath Property		Two Bedroom One Bath Property		Three Bedroom One Bath Property	
	Average		Average		Average	
RENT	Chesapeake Bay Apartments (Market)	\$1,372	Chesapeake Bay Apartments (Market)(2BA)	\$1,564	Park Place At City Center (Market)(2BA)	\$1,871
	Chesapeake Bay Apartments (Market)	\$1,300	Park Place At City Center (Market)(2BA)	\$1,424	Kingstowne Apartments (Market)(2.5BA)	\$1,475
	Park Place At City Center (Market)	\$1,239	Chesapeake Bay Apartments (Market)(2BA)	\$1,421	Boston Cove (Market)(2.5BA)	\$1,370
	Chesapeake Bay Apartments (Market)	\$1,136	Belmont At City Center (Market)(2BA)	\$1,346	Ada Park Apartments (@60%)(2BA)	\$1,364
	Belmont At City Center (Market)	\$1,094	Kingstowne Apartments (Market)(1.5BA)	\$1,299	The Villages At City Center (Market)(2BA)	\$1,363
	Chesapeake Bay Apartments (Market)	\$1,070	Ada Park Apartments (@60%)(2BA)	\$1,177	Woodlands At Oyster Point (@60%)	\$1,198
	Victoria Place (Market)	\$1,008	Kingstowne Apartments (Market)	\$1,150	Newport Landing Apartments (Market)(1.5BA)	\$1,195
	Kingstowne Apartments (Market)	\$959	Boston Cove (Market)(1.5BA)	\$1,149	Forrest Landing Apartments (@60%)(2BA)	\$1,182
	Boston Cove (Market)	\$956	Victoria Place (Market)(2BA)	\$1,056	Ada Park Apartments (@50%)(2BA)	\$1,149
	The Villages At City Center (Market)	\$943	The Villages At City Center (Market)	\$1,044	Pilot House (@60%)(2BA)	\$1,135
	Boston Cove (Market)	\$934	Kingstowne Apartments (Market)(2BA)	\$1,042	Wellesley Woods Apartments (@60%)(2BA)	\$1,135
	Newport Landing Apartments (Market)	\$895	Woodlands At Oyster Point (@60%)	\$1,041		
	Forrest Landing Apartments (@60%)	\$884	Forrest Landing Apartments (@60%)(2BA)	\$1,038		
	Woodlands At Oyster Point (@60%)	\$872	Sharps Landing (@60%)(1.5BA)	\$1,003		
	Sharps Landing (@60%)	\$844	Newport Landing Apartments (Market)	\$995		
	Oyster Point Place (Market)	\$779	Ada Park Apartments (@50%)(2BA)	\$991		
			Pilot House (@60%)(2BA)	\$989		
			Wellesley Woods Apartments (@60%)(2BA)	\$989		
			Victoria Place (Market)	\$980		
			Boston Cove (Market)	\$925		
		Oyster Point Place (Market)	\$863			
		Oyster Point Place (Market)	\$863			
		Ada Park Apartments (@40%)(2BA)	\$806			
SQUARE FOOTAGE	Newport Landing Apartments (Market)	850	Belmont At City Center (Market)(2BA)	1,254	Kingstowne Apartments (Market)(2.5BA)	1,450
	Park Place At City Center (Market)	830	Park Place At City Center (Market)(2BA)	1,233	Boston Cove (Market)(2.5BA)	1,437
	Chesapeake Bay Apartments (Market)	806	Kingstowne Apartments (Market)(1.5BA)	1,100	The Villages At City Center (Market)(2BA)	1,437
	Forrest Landing Apartments (@60%)	800	Chesapeake Bay Apartments (Market)(2BA)	1,082	Park Place At City Center (Market)(2BA)	1,423
	Boston Cove (Market)	800	Forrest Landing Apartments (@60%)(2BA)	1,056	Pilot House (@60%)(2BA)	1,320
	Kingstowne Apartments (Market)	800	Wellesley Woods Apartments (@60%)(2BA)	1,000	Wellesley Woods Apartments (@60%)(2BA)	1,320
	Victoria Place (Market)	800	Oyster Point Place (Market)	1,000	Forrest Landing Apartments (@60%)(2BA)	1,232
	Belmont At City Center (Market)	778	Pilot House (@60%)(2BA)	1,000	Newport Landing Apartments (Market)(1.5BA)	1,100
	Oyster Point Place (Market)	750	Kingstowne Apartments (Market)	980	Ada Park Apartments (@50%)(2BA)	1,030
	Chesapeake Bay Apartments (Market)	730	Oyster Point Place (Market)	950	Ada Park Apartments (@60%)(2BA)	1,030
	The Villages At City Center (Market)	686	Newport Landing Apartments (Market)	950	Woodlands At Oyster Point (@60%)	850
	Sharps Landing (@60%)	653	Chesapeake Bay Apartments (Market)(2BA)	926		
	Woodlands At Oyster Point (@60%)	650	Boston Cove (Market)(1.5BA)	900		
	Chesapeake Bay Apartments (Market)	620	Sharps Landing (@60%)(1.5BA)	883		
	Boston Cove (Market)	600	The Villages At City Center (Market)	872		
	Chesapeake Bay Apartments (Market)	486	Ada Park Apartments (@40%)(2BA)	866		
			Ada Park Apartments (@60%)(2BA)	866		
			Ada Park Apartments (@50%)(2BA)	866		
			Kingstowne Apartments (Market)(2BA)	800		
			Victoria Place (Market)(2BA)	800		
		Victoria Place (Market)	760			
		Boston Cove (Market)	760			
		Woodlands At Oyster Point (@60%)	750			
RENT PER SQUARE FOOT	Chesapeake Bay Apartments (Market)	\$2.20	Chesapeake Bay Apartments (Market)(2BA)	\$1.53	Woodlands At Oyster Point (@60%)	\$1.41
	Chesapeake Bay Apartments (Market)	\$1.83	Chesapeake Bay Apartments (Market)(2BA)	\$1.45	Ada Park Apartments (@60%)(2BA)	\$1.32
	Chesapeake Bay Apartments (Market)	\$1.78	Woodlands At Oyster Point (@60%)	\$1.39	Park Place At City Center (Market)(2BA)	\$1.31
	Chesapeake Bay Apartments (Market)	\$1.70	Ada Park Apartments (@60%)(2BA)	\$1.36	Ada Park Apartments (@50%)(2BA)	\$1.12
	Boston Cove (Market)	\$1.56	Victoria Place (Market)(2BA)	\$1.32	Newport Landing Apartments (Market)(1.5BA)	\$1.09
	Park Place At City Center (Market)	\$1.49	Kingstowne Apartments (Market)(2BA)	\$1.30	Kingstowne Apartments (Market)(2.5BA)	\$1.02
	Belmont At City Center (Market)	\$1.41	Victoria Place (Market)	\$1.29	Forrest Landing Apartments (@60%)(2BA)	\$0.96
	The Villages At City Center (Market)	\$1.37	Boston Cove (Market)(1.5BA)	\$1.28	Boston Cove (Market)(2.5BA)	\$0.95
	Woodlands At Oyster Point (@60%)	\$1.34	Boston Cove (Market)	\$1.22	The Villages At City Center (Market)(2BA)	\$0.95
	Sharps Landing (@60%)	\$1.29	The Villages At City Center (Market)	\$1.20	Pilot House (@60%)(2BA)	\$0.86
	Victoria Place (Market)	\$1.26	Kingstowne Apartments (Market)(1.5BA)	\$1.18	Wellesley Woods Apartments (@60%)(2BA)	\$0.86
	Kingstowne Apartments (Market)	\$1.20	Kingstowne Apartments (Market)	\$1.17		
	Boston Cove (Market)	\$1.20	Park Place At City Center (Market)(2BA)	\$1.15		
	Forrest Landing Apartments (@60%)	\$1.11	Ada Park Apartments (@50%)(2BA)	\$1.14		
	Newport Landing Apartments (Market)	\$1.05	Sharps Landing (@60%)(1.5BA)	\$1.14		
	Oyster Point Place (Market)	\$1.04	Belmont At City Center (Market)(2BA)	\$1.07		
			Newport Landing Apartments (Market)	\$1.05		
			Pilot House (@60%)(2BA)	\$0.99		
			Wellesley Woods Apartments (@60%)(2BA)	\$0.99		
			Forrest Landing Apartments (@60%)(2BA)	\$0.98		
		Ada Park Apartments (@40%)(2BA)	\$0.93			
		Oyster Point Place (Market)	\$0.91			
		Oyster Point Place (Market)	\$0.86			

PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed:

Location

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Woodlands At Oyster Point	Newport News	Family	LIHTC	-	\$46,510	\$240,600	186	57	6.6%	72.0%
1	Ada Park Apartments	Newport News	Family	LIHTC	1.6 miles	\$42,915	\$192,000	136	36	15.4%	45.0%
2	Forrest Landing Apartments	Newport News	Family	LIHTC	0.2 miles	\$44,469	\$240,600	186	65	8.3%	70.1%
3	Pilot House	Newport News	Family	LIHTC	0.3 miles	\$45,519	\$240,600	186	65	6.7%	78.1%
4	Sharps Landing	Newport News	Family	LIHTC	0.5 miles	\$45,010	\$240,600	154	78	9.7%	75.5%
5	Wellesley Woods Apartments	Newport News	Family	LIHTC	1.7 miles	\$47,458	\$240,600	96	38	7.4%	52.9%
6	Belmont At City Center	Newport News	Family	Market	0.7 miles	\$50,463	\$240,600	268	51	0.0%	79.5%
7	Boston Cove	Newport News	Family	Market	0.1 miles	\$44,469	\$240,600	186	65	8.3%	70.1%
8	Chesapeake Bay Apartments	Newport News	Family	Market	0.7 miles	\$46,181	\$240,600	156	71	8.8%	73.4%
9	Kingstowne Apartments	Newport News	Family	Market	0.6 miles	\$45,220	\$240,600	156	72	10.2%	75.1%
10	Newport Landing Apartments	Newport News	Family	Market	0.2 miles	\$48,497	\$192,000	186	59	5.9%	66.6%
11	Oyster Point Place	Newport News	Family	Market	0.3 miles	\$43,688	\$240,600	186	58	9.2%	70.8%
12	Park Place At City Center	Newport News	Family	Market	0.6 miles	\$50,283	\$240,600	206	71	0.9%	79.2%
13	The Villages At City Center	Newport News	Family	Market	0.1 miles	\$44,197	\$240,600	186	65	8.3%	70.0%
14	Victoria Place	Newport News	Family	Market	0.1 miles	\$44,640	\$240,600	186	62	8.3%	69.4%

The Subject site is located in a mixed-use neighborhood, in the central portion of Newport News. Surrounding uses consist of multifamily developments in average to good condition, single-family homes in average condition, and retail and commercial uses. Weaknesses of the Subject's location include limited walkability. The Subject's location is designated 'Somewhat Walkable' by Walk Score with a score of 57, indicating some errands can be accomplished on foot.

The affordable properties are located between 0.2 and 1.7 miles from the Subject site. The LIHTC comparables are generally in neighborhoods considered similar to the Subject's location. One exception is Ada Park Apartments, which offers lower median home prices, lower median rents, a lower Walk Score, and higher area vacancy, and is considered inferior to the Subject's neighborhood. The market rate developments are located between 0.1 and 0.7 miles from the Subject site. The market rate comparables are generally in neighborhoods considered similar to the Subject's location.

Age, Condition, and Design

The following table illustrates the Subject's design and condition in comparison to the comparable properties.

	Subject	Ada Park Apartments	Forrest Landing Apartments	Pilot House	Sharps Landing	Wellesley Woods Apartments	Belmont At City Center	Boston Cove	Chesapeake Bay Apartments	Kingstowne Apartments	Newport Landing Apartments	Oyster Point Place	Park Place At City Center	The Villages At City Center	Victoria Place
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market	Market	Market	Market
Building	Garden	Garden	Garden	Garden	Garden	Garden	Midrise	Townhouse	Garden	Garden	Garden	Garden	Midrise	Garden	Garden
Property Type	2-stories	3-stories	3-stories	3-stories	2-stories	3-stories	4-stories	2-stories	2-stories	2-stories	2-stories	2-stories	4-stories	2-stories	3-stories
# of Stories	2	3	3	3	2	3	4	2	2	2	2	2	4	2	3
Year Built	1978	2018	2010	1992	1972	1996	2012	2008	1987	1986	1967	1969	2004	1971	1985
Year Renovated	2022	n/a	n/a	2015	2014	n/a	n/a	n/a	2019	2020	2015	2007	n/a	1992	n/a
Elevators	no	no	no	no	no	no	yes	no	no	no	no	no	yes	no	no
Courtyard	yes	no	no	no	no	no	yes	no	no	no	no	yes	no	no	no

The Subject will be a newly renovated property, and will exhibit good condition. The comparable properties were constructed or renovated between 1985 and 2020. The majority of comparables exhibit condition

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ranging from slightly inferior to inferior relative to the proposed Subject. Exceptions include Ada Park Apartments and Belmont At City Center, which were constructed as recently as 2018. These properties exhibit excellent condition, and are considered superior to the proposed Subject. Forrest Landing Apartments, Pilot House, Sharps Landing, Boston Cove, Chesapeake Bay Apartments, Kingstowne Apartments, Newport Landing Apartments, and Park Place At City Center were constructed or renovated between 2004 and 2020, and exhibit similar condition relative to the proposed Subject.

The proposed Subject will offer a two-story garden style design, similar to 11 of the comparable properties. Belmont At City Center and Park Place At City Center are midrise developments and is considered superior to the Subject, as the Subject lacks elevators. We considered the Subject's design and condition in our determination of achievable rents.

Unit Size

The following table summarizes unit sizes in the market area, and provides a comparison of the Subject’s unit size and the surveyed average unit sizes in the market.

UNIT SIZE COMPARISON

Bedroom Type	1BR	2BR	3BR
Subject	650	750	850
Average	743	952	1,278
Min	486	760	1,030
Max	900	1,254	1,450
Advantage/Disadvantage	-13%	-21%	-33%

The Subject’s two and three-bedroom unit sizes are below the surveyed average. The market rate property Boston Cove offers similar two-bedroom unit sizes to the Subject and reported operating with 2.9 percent vacancy, indicating that smaller unit sizes are not detrimental to performance in the market. None of the comparables offer smaller two or three-bedroom units. We accounted the Subject’s unit sizes in our determination of achievable rents. The following table ranks the Subject’s unit sizes to the unit sizes at the comparable properties.

SQUARE FOOTAGE RANKING COMPARISON

One Bedroom One Bath		Two Bedroom One Bath		Three Bedroom One Bath	
Property Name	Size	Property Name	Size	Property Name	Size
Newport Landing Apartments (Market)	850	Belmont At City Center (Market)(2BA)	1,254	Kingstowne Apartments (Market)(2.5BA)	1,450
Park Place At City Center (Market)	830	Park Place At City Center (Market)(2BA)	1,233	Boston Cove (Market)(2.5BA)	1,437
Chesapeake Bay Apartments (Market)	806	Kingstowne Apartments (Market)(1.5BA)	1,100	The Villages At City Center (Market)(2BA)	1,437
Forrest Landing Apartments (@60%)	800	Chesapeake Bay Apartments (Market)(2BA)	1,082	Park Place At City Center (Market)(2BA)	1,423
Boston Cove (Market)	800	Forrest Landing Apartments (@60%)(2BA)	1,056	Pilot House (@60%)(2BA)	1,320
Kingstowne Apartments (Market)	800	Wellesley Woods Apartments (@60%)(2BA)	1,000	Wellesley Woods Apartments (@60%)(2BA)	1,320
Victoria Place (Market)	800	Oyster Point Place (Market)	1,000	Forrest Landing Apartments (@60%)(2BA)	1,232
Belmont At City Center (Market)	778	Pilot House (@60%)(2BA)	1,000	Newport Landing Apartments (Market)(1.5BA)	1,100
Oyster Point Place (Market)	750	Kingstowne Apartments (Market)	980	Ada Park Apartments (@50%)(2BA)	1,030
Chesapeake Bay Apartments (Market)	730	Oyster Point Place (Market)	950	Ada Park Apartments (@60%)(2BA)	1,030
The Villages At City Center (Market)	686	Newport Landing Apartments (Market)	950	Woodlands At Oyster Point (@60%)	850
Sharps Landing (@60%)	653	Chesapeake Bay Apartments (Market)(2BA)	926		
Woodlands At Oyster Point (@60%)	650	Boston Cove (Market)(1.5BA)	900		
Chesapeake Bay Apartments (Market)	620	Sharps Landing (@60%)(1.5BA)	883		
Boston Cove (Market)	600	The Villages At City Center (Market)	872		
Chesapeake Bay Apartments (Market)	486	Ada Park Apartments (@40%)(2BA)	866		
		Ada Park Apartments (@60%)(2BA)	866		
		Ada Park Apartments (@50%)(2BA)	866		
		Kingstowne Apartments (Market)(2BA)	800		
		Victoria Place (Market)(2BA)	800		
		Victoria Place (Market)	760		
		Boston Cove (Market)	760		
		Woodlands At Oyster Point (@60%)	750		

Utility Structure

The following table details the Subject's utility structure in comparison to the comparable properties. The utility conventions differ at the comparable properties; therefore, we adjusted "base" or "asking" rents of the comparable properties to "net" rents, reflecting the Subject's utility convention.

Subject	Ada Park Apartments	Forrest Landing Apartments	Pilot House	Sharps Landing	Wellesley Woods Apartments	Belmont At City Center	Boston Cove	Chesapeake Bay Apartments	Kingstowne Apartments	Newport Landing Apartments	Oyster Point Place	Park Place At City Center	The Villages At City Center	Victoria Place
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market	Market	Market	Market
Utility Structure														
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	yes	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	no	yes	no	yes	no	yes	yes	yes	no	no	yes	no
Sewer	yes	no	no	yes	no	yes	yes	no	yes	yes	no	no	yes	no
Trash	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	no	yes	yes	no

In-Unit Amenities

The following table compares the Subject's in-unit amenities with comparable properties.

Subject	Ada Park Apartments	Forrest Landing Apartments	Pilot House	Sharps Landing	Wellesley Woods Apartments	Belmont At City Center	Boston Cove	Chesapeake Bay Apartments	Kingstowne Apartments	Newport Landing Apartments	Oyster Point Place	Park Place At City Center	The Villages At City Center	Victoria Place
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market	Market	Market	Market
Unit Amenities														
Balcony/Patio	no	no	yes	yes	yes	yes	yes	yes	yes	no	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	no	no	no	no	yes	no	no	no	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	no	no	no	no	yes	yes	yes	yes	no	yes	no	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	no	no	yes	no	no	no	no	no	no
Vaulted Ceilings	no	no	no	no	no	yes	no	no	no	no	no	no	no	no
Walk-In Closet	no	yes	yes	yes	yes	no	yes	no	yes	yes	yes	yes	yes	no
Washer/Dryer	yes	no	yes	no	no	no	yes	yes	no	yes	no	yes	yes	yes
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen														
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	no	yes	yes	no	yes	yes	no	yes	yes	yes	yes	yes	yes
Microwave	no	no	no	no	no	yes	yes	yes	no	yes	no	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notable unit amenities the Subject offers include washer/dryers and dishwashers. The majority of the surveyed comparables offer unit amenities ranging from slightly inferior to slightly superior relative to the Subject. Exceptions include Boston Cove, Chesapeake Bay Apartments, and Park Place At City Center, which feature superior in-unit amenity packages relative to the Subject. These properties offer features such as balconies/patios, disposals, walk-in closets, and microwaves, which the Subject will lack. Overall, we believe the Subject's proposed unit amenities will be competitive in the market.

Property Amenities

The following table compares the Subject’s property amenities with comparable properties.

	Subject	Ada Park Apartments	Forrest Landing Apartments	Pilot House	Sharps Landing	Wellesley Woods Apartments	Belmont At City Center	Boston Cove	Chesapeake Bay Apartments	Kingstowne Apartments	Newport Landing Apartments	Oyster Point Place	Park Place At City Center	The Villages At City Center	Victoria Place
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market	Market	Market	Market
Community															
Business Center	no	yes	yes	no	no	no	yes	no	yes	no	no	no	no	no	no
Community Room	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	no	no	yes	no	no
Central Laundry	no	yes	no	yes	yes	no	no	no	no	yes	yes	yes	no	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Concierge	no	no	no	no	no	no	no	no	yes	no	no	no	no	no	no
Recreation															
Basketball Court	no	no	no	no	no	no	no	no	no	yes	no	no	no	no	no
Exercise Facility	yes	no	yes	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no
Playground	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes	yes	no	yes	yes
Swimming Pool	yes	no	yes	yes	yes	yes	no	no	yes	yes	yes	yes	yes	no	yes
Picnic Area	yes	no	no	yes	no	no	yes	no	yes	no	yes	yes	yes	yes	yes
Sport Court	no	no	no	no	no	no	no	no	yes	no	no	no	no	no	no
Tennis Court	no	no	no	no	no	no	no	no	yes	yes	no	no	no	no	no
Recreational Area	no	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no
WiFi	no	no	no	no	no	no	yes	no	yes	no	no	no	no	no	no

Notable property amenities the Subject offers include a community room, on-site management, a fitness center, a playground, and a swimming pool. The amenity packages the comparables offer vary in quality, ranging from inferior to superior relative to the Subject. The property Chesapeake Bay Apartments offers features such as a business center and is generally considered superior to the Subject. Properties such as Ada Park Apartments, Boston Cove, and The Villages At City Center lack features such as a fitness center, a community room, and a swimming pool and are generally considered inferior to the Subject. The amenity packages of Forrest Landing Apartments, Pilot House, Sharps Landing, Wellesley Woods Apartments, Belmont At City Center, Kingstowne Apartments, and Park Place At City Center offer features that are considered similar to the Subject. Overall, we believe the Subject's property amenities will be competitive in the market.

Security Features

The following table compares the Subject’s security amenities with comparable properties.

	Subject	Ada Park Apartments	Forrest Landing Apartments	Pilot House	Sharps Landing	Wellesley Woods Apartments	Belmont At City Center	Boston Cove	Chesapeake Bay Apartments	Kingstowne Apartments	Newport Landing Apartments	Oyster Point Place	Park Place At City Center	The Villages At City Center	Victoria Place
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market	Market	Market	Market
Crime Risk Index	186	136	130	186	154	96	268	186	156	156	186	186	206	186	186
Security															
Intercom (Buzzer)	no	no	no	no	no	no	yes	no	no	no	no	no	yes	no	no
Limited Access	no	no	no	no	no	no	yes	yes	no	no	yes	no	yes	yes	yes
Patrol	no	no	no	no	no	no	no	no	no	yes	no	yes	no	no	no
Perimeter Fencing	no	yes	no	no	no	no	no	yes	no	no	yes	no	yes	yes	yes
Video Surveillance	no	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no

According to ESRI Demographic data, crime indices in the Subject's location are modestly elevated relative to the national average. The Subject does not offer any security amenities. A majority of the comparables offer one or more forms of security amenities, which is considered superior to the Subject. Overall, the comparables security features are superior compared to the Subject. We considered the Subject's lack of security amenities in our determination of achievable rents.

Parking

The following table compares the Subject’s parking amenities with comparable properties.

	Subject	Ada Park Apartments	Forrest Landing Apartments	Pilot House	Sharps Landing	Wellesley Woods Apartments	Belmont At City Center	Boston Cove	Chesapeake Bay Apartments	Kingstowne Apartments	Newport Landing Apartments	Oyster Point Place	Park Place At City Center	The Villages At City Center	Victoria Place
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market	Market	Market	Market
Crime Index	186	136	130	186	154	96	268	186	156	156	186	186	206	186	186
Security															
Intercom (Buzzer)	no	no	no	no	no	no	yes	no	no	no	no	no	yes	no	no
Limited Access	no	no	no	no	no	no	yes	yes	no	no	yes	no	yes	yes	yes
Patrol	no	no	no	no	no	no	no	no	no	yes	no	yes	no	no	no
Perimeter Fencing	no	yes	no	no	no	no	no	yes	no	no	yes	no	yes	yes	yes
Video Surveillance	no	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no

The property offers 262 off-street parking spaces, or 1.72 parking spaces per unit. According to management, the number of parking spaces offered is adequate. All of the comparables offer free surface parking and two

offer carport parking for a fee. The comparables offer parking ratios ranging from 1.03 to 2.00 spaces per unit, and are generally similar to the Subject.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Tenant Makeup

The Subject currently operates as a public housing property; therefore, vouchers are not utilized. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS		
Property Name	Rent Structure	Housing Choice Voucher Tenants
Ada Park Apartments	LIHTC	25%
Forrest Landing Apartments	LIHTC	N/A
Pilot House	LIHTC	N/A
Sharps Landing	LIHTC	55%
Wellesley Woods Apartments	LIHTC	65%
Belmont At City Center	Market	0%
Boston Cove	Market	0%
Chesapeake Bay Apartments	Market	0%
Kingstowne Apartments	Market	0%
Newport Landing Apartments	Market	0%
Oyster Point Place	Market	0%
Park Place At City Center	Market	0%
The Villages At City Center	Market	0%
Victoria Place	Market	N/A

The comparable properties reported voucher usage ranging from zero to 65 percent. None of the market rate properties reported voucher usage. Three of the LIHTC properties reported voucher usage, with an average utilization of 48.3 percent. The highest voucher usage was reported by Wellesley Woods Apartments, a 120-unit LIHTC property located 1.7 miles west of the Subject. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately 25 percent.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER		
Property Name	Rent Structure	Annual Turnover
Ada Park Apartments	LIHTC	25%
Forrest Landing Apartments	LIHTC	15%
Pilot House	LIHTC	15%
Sharps Landing	LIHTC	25%
Wellesley Woods Apartments	LIHTC	20%
Belmont At City Center	Market	35%
Boston Cove	Market	10%
Chesapeake Bay Apartments	Market	16%
Kingstowne Apartments	Market	25%
Newport Landing Apartments	Market	35%
Oyster Point Place	Market	35%
Park Place At City Center	Market	25%
The Villages At City Center	Market	25%
Victoria Place	Market	N/A
Average Turnover		24%

It should be noted that we were unable to obtain turnover data for one of the surveyed comparables Victoria Place. The remaining comparables reported turnover rates ranging from ten to 35 percent, with an overall average of 23.5 percent. The LIHTC comparables operate with an average turnover rate of 20 percent, which was slightly below the 25.8 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate a turnover rate of approximately 20 percent.

Vacancy Levels

The following table summarizes overall weighted vacancy levels at the surveyed properties.

OVERALL VACANCY					
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate	
Ada Park Apartments	LIHTC	42	2	4.8%	
Forrest Landing Apartments	LIHTC	120	0	0.0%	
Pilot House	LIHTC	132	0	0.0%	
Sharps Landing	LIHTC	180	2	1.1%	
Wellesley Woods Apartments	LIHTC	120	0	0.0%	
Belmont At City Center	Market	232	17	7.3%	
Boston Cove	Market	34	1	2.9%	
Chesapeake Bay Apartments	Market	300	10	3.3%	
Kingstowne Apartments	Market	384	17	4.4%	
Newport Landing Apartments	Market	160	3	1.9%	
Oyster Point Place	Market	277	6	2.2%	
Park Place At City Center	Market	363	5	1.4%	
The Villages At City Center	Market	116	3	2.6%	
Victoria Place	Market	36	3	8.3%	
Total LIHTC		594	4	0.7%	
Total Market Rate		1,902	65	3.4%	
Overall Total		2,496	69	2.8%	

The comparables reported vacancy rates ranging from zero to 8.3 percent, with an overall weighted average of 2.8 percent. Managers at three of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.7 percent, well below the 3.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.7 percent is considered low, and indicative of supply constrained conditions. Three of the LIHTC comparables and one of the market rate comparables reported operating with waiting lists. According to the Subject’s January 2021 rent roll, the Subject is currently operating with 15.1 percent vacancy as units are being held offline for renovations. All of the market rate properties reported vacancy rates of 8.3 percent or lower. The contact at Belmont City Center stated the property is experiencing slightly elevated vacancy rates as the property has experienced higher than normal turnover as a result of COVID-19 and leasing vacant units has taken longer than usual. The contact at Victoria Place was unable to comment on the property’s elevated vacancy rate. However, Victoria Place only has three vacant units, which has resulted in an inflated vacancy rate due to the property’s small size of 36 total units. Moreover, other adjacent market rate comparables such as Boston Cove, The Villages At City Center, and Newport Landing Apartments are operating with low vacancy rates, which suggests the immediate location of the Subject is not detrimental to property performance. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of five percent or less.

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

VACANCY BY BEDROOM TYPE						
Property Name	Rent Structure	1BR	2BR	3BR	4BR	Overall
Ada Park Apartments	LIHTC	-	6.7%	0.0%	-	4.8%
Forrest Landing Apartments	LIHTC	0.0%	0.0%	0.0%	-	0.0%
Pilot House	LIHTC	-	0.0%	0.0%	-	0.0%
Sharps Landing	LIHTC	6.3%	0.6%	-	-	1.1%
Wellesley Woods Apartments	LIHTC	-	0.0%	0.0%	-	0.0%
Belmont At City Center	Market	6.0%	8.3%	-	-	7.3%
Boston Cove	Market	0.0%	0.0%	8.3%	0.0%	2.9%
Chesapeake Bay Apartments	Market	3.4%	3.3%	-	-	3.3%
Kingstowne Apartments	Market	5.0%	4.4%	3.3%	-	4.4%
Newport Landing Apartments	Market	0.0%	2.2%	5.0%	-	1.9%
Oyster Point Place	Market	0.0%	2.6%	-	-	2.2%
Park Place At City Center	Market	3.5%	0.0%	0.0%	-	1.4%
The Villages At City Center	Market	7.1%	1.3%	0.0%	0.0%	2.6%
Victoria Place	Market	8.3%	8.3%	-	-	8.3%

The Subject consists of one, two and three-bedroom units. Overall, the vacancy rates in the market are low, particularly among the LIHTC comparables. This supports that there is demand for additional affordable rental housing in the market. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Historical Vacancy Levels

The following table summarizes overall historical vacancy levels at the surveyed properties.

HISTORICAL VACANCY											
Property Name	Program	2014 Q4	2015 Q2	2016 Q1	2016 Q3	2017 Q2	2017 Q4	2019	2020 Q2	2020 Q4	2021 Q1
Ada Park Apartments	LIHTC	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	N/A	4.8%	4.8%
Forrest Landing Apartments	LIHTC	N/A	N/A	3.3%	N/A	N/A	0.8%	3.3%	N/A	N/A	0.0%
Pilot House	LIHTC	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	3.0%	N/A	0.0%
Sharps Landing	LIHTC	N/A	N/A	5.0%	0.6%	N/A	5.0%	0.0%	N/A	N/A	1.1%
Wellesley Woods Apartments	LIHTC	N/A	N/A	4.2%	2.5%	N/A	N/A	0.0%	N/A	N/A	0.0%
Belmont At City Center	Market	3.0%	5.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.3%
Boston Cove	Market	N/A	N/A	N/A	N/A	5.9%	N/A	N/A	N/A	N/A	2.9%
Chesapeake Bay Apartments	Market	N/A	N/A	N/A	N/A	6.7%	N/A	N/A	4.0%	3.0%	3.3%
Kingstowne Apartments	Market	N/A	N/A	N/A	N/A	1.5%	N/A	N/A	N/A	N/A	4.4%
Newport Landing Apartments	Market	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.9%
Oyster Point Place	Market	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.2%
Park Place At City Center	Market	5.3%	2.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.4%
The Villages At City Center	Market	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.6%
Victoria Place	Market	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.3%

As seen in the table above, a majority of the comparables have remained generally stable or decreased vacancy rates over the past few years. This bodes well for the Subject's market.

Concessions

Belmont At City Center is currently offering \$175 off per month for its one-bedroom units and \$300 off per month for its two-bedroom units. None of the remaining comparable properties are offering concessions at this time. We do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate.

Waiting Lists

The following table illustrates the length of waiting lists reported at the comparable developments.

WAITING LIST		
Property Name	Rent Structure	Waiting List Length
Ada Park Apartments	LIHTC	Yes; five households in length
Forrest Landing Apartments	LIHTC	Yes; short but unknown length
Pilot House	LIHTC	None
Sharps Landing	LIHTC	None
Wellesley Woods Apartments	LIHTC	Yes; four households
Belmont At City Center	Market	Yes, unknown length for select units
Boston Cove	Market	None
Chesapeake Bay Apartments	Market	None
Kingstowne Apartments	Market	None
Newport Landing Apartments	Market	None
Oyster Point Place	Market	None
Park Place At City Center	Market	None
The Villages At City Center	Market	None
Victoria Place	Market	None

Three of the affordable properties and one of the market rate properties reported waiting lists. The market rate comparable Belmont At City Center maintains a waiting list for select units with no current availability. Some of the local property managers of the affordable developments reported that there is strong demand in

the market for affordable housing. Given the low vacancy rates and waiting lists among the LIHTC comparables, we believe that the Subject could maintain a waiting list as a stabilized restricted property.

Absorption

It should be noted that the Subject is an existing market rate property that will be renovated with tenants in place. According to the client, approximately 75 percent of the current tenants will income qualify under the new income restrictions and approximately 50 percent of the tenants are expected to stay post-renovations. We expect most tenants will leave over the short run given the significant rent increases. We were able to obtain absorption information from three properties located within 26 miles of the Subject. The following table details our findings.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
October Station	LIHTC	Family	2018	48	24
Ada Park Apartments*	LIHTC	Family	2018	42	8
Meridian Obici	Market	Family	2016	224	14

*Used as a comparable property in this report

The properties reported absorption rates ranging from eight to 24 units per month, with an overall average of 15 units per month. If the Subject were hypothetically vacant, we expect it would experience an absorption rate of 15 units per month. This equates to an absorption period of 10 months.

Rental Rate Increases

The following table illustrates rental rate increases as reported by the comparable properties.

RENT GROWTH

Property Name	Rent Structure	Rent Growth
Ada Park Apartments	LIHTC	Kept at Max
Forrest Landing Apartments	LIHTC	Increased up to 4%
Pilot House	LIHTC	Kept at max
Sharps Landing	LIHTC	None
Wellesley Woods Apartments	LIHTC	Increased 4%
Belmont At City Center	Market	Increased 2%
Boston Cove	Market	Increased 2%
Chesapeake Bay Apartments	Market	Increased 3%
Kingstowne Apartments	Market	None to decreased 3%
Newport Landing Apartments	Market	None
Oyster Point Place	Market	None
Park Place At City Center	Market	None to increased 6%
The Villages At City Center	Market	None
Victoria Place	Market	None

Several of the comparable properties reported rent growth over the past year. According to CoStar, asking rent growth in the submarket was 5.3 percent over the past 12 months. Over the next five years, rent growth in the submarket is expected to average 3.9 percent. We anticipate that the Subject would be able to achieve regular rental rate increases of two percent, although within the limits of LIHTC maximum allowable rent guidelines.

Reasonability of Rents

The following table is a comparison of the Subject’s and comparable properties’ rents. For the purposes of this market study, “Base Rents” are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. “Net rents” are rents adjusted for the cost of utilities (adjusted to the Subject’s convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an “apples-to-apples” comparison of rents. The table below illustrates the Subject’s proposed CHAP rents and unit mix.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents
@60%							
1BR / 1BA	650	4	\$872	\$56	\$928	\$928	\$958
2BR / 1BA	750	146	\$1,041	\$73	\$1,114	\$1,114	\$1,136
3BR / 1BA	850	2	\$1,198	\$89	\$1,287	\$1,287	\$1,603
		152					

Notes (1) Source of Utility Allowance provided by the Developer.

Comparable LIHTC Rents

The Subject will be restricted to 60 percent of the AMI. The following table illustrates the Subject’s rents compared to the LIHTC rents of the comparable LIHTC properties. The rents have been adjusted for variance in utilities, as well as concessions, if applicable.

LIHTC RENT COMPARISON @60%							
Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?	
Woodlands At Oyster Point	Newport News	Family	\$872	\$1,041	\$1,198	Yes	
LIHTC Maximum Rent (Net)	Newport News city		\$872	\$1,041	\$1,198		
Ada Park Apartments	Newport News	Family	-	\$1,177	\$1,364	Yes	
Forrest Landing Apartments	Newport News	Family	\$884	\$1,038	\$1,182	Yes	
Pilot House	Newport News	Family	-	\$989	\$1,135	Yes	
Sharps Landing	Newport News	Family	\$844	\$1,003	-	No	
Wellesley Woods Apartments	Newport News	Family	-	\$989	\$1,135	Yes	
Average			\$864	\$1,039	\$1,204		
Achievable LIHTC Rent			\$872	\$1,041	\$1,198		

Four of the LIHTC comparable properties that offer units restricted at 60 percent AMI reported achieving the maximum allowable rents. The contact at Sharps Landing stated the property is achieving 2019 maximum allowable rents, but has not raised its rents to the 2020 maximum allowable levels. It should be noted that any difference between the LIHTC maximum allowable rental levels and property specific maximum allowable rental levels is assumed to be caused by different property specific utility allowances.

Most Similar LIHTC

Based upon the overall comparison ratings, the Subject will be most similar to Pilot House and Sharps Landing.

Pilot House is a 132-unit, garden-style development located 0.3 miles north of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 1992 and renovated in 2015. We consider the condition of this property similar relative to the Subject, which was built in 1978 and will be renovated in 2022. The manager at Pilot House reported the property as fully occupied, indicating the current rents are well accepted in the market. Pilot House offers balconies/patios and walk-in

closets, which the Subject will lack. However, the Subject will offer washer/dryers, which is not provided by Pilot House. The in-unit and property amenity packages offered by Pilot House are both considered similar on balance relative to the Subject's amenities. In overall terms, we believe the Subject will be a similar product relative to the Pilot House. We believe the Subject can achieve maximum allowable rents at 60 percent of AMI, similar to Pilot House.

Sharps Landing is a 180-unit, garden-style development located 0.5 miles west of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 1972 and renovated in 2014. We consider the condition of this property similar relative to the Subject, which was built in 1978 and will be renovated in 2022. The manager at Sharps Landing reported a low vacancy rate of 1.1 percent, indicating the current rents are well accepted in the market. Sharps Landing offers balconies/patios and walk-in closets, which the Subject will lack. However, the Subject will offer washer/dryers, which is not provided by Sharps Landing. The in-unit and property amenity packages offered by Sharps Landing are both considered similar on balance relative to the Subject's amenities. In overall terms, we believe the Subject will be a similar product relative to the Sharps Landing. We believe the Subject can achieve rents similar to Sharps Landing.

The Subject is considered similar to the most comparable LIHTC properties analyzed above. Therefore, we believe the Subject will be able to achieve maximum allowable rents similar to Pilot House.

Achievable Market Rents

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 Consulting LLP concluded that the property is competitive with the market rate competition and achievable rents are within the market rental range. Achievable rents represent net market rate rent levels that we believe a project of the property's condition and quality could reasonably achieve.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@60%	\$872	\$779	\$1,372	\$1,053	\$1,050	17%
2BR / 1BA	@60%	\$1,041	\$863	\$1,564	\$1,141	\$1,200	13%
3BR / 1BA	@60%	\$1,198	\$1,195	\$1,871	\$1,455	\$1,350	11%

We compared the Subject to Park Place At City Center, Boston Cove and Chesapeake Bay Apartments.

Park Place At City Center is a 363-unit, midrise development located 0.6 miles northwest of the Subject site, in a neighborhood considered similar relative to the Subject's location. The property was built in 2004, and currently exhibits similar condition relative to the Subject, which was built in 1978 and will be renovated in 2022. The manager at Park Place At City Center reported a low vacancy rate of 1.4 percent, indicating the current rents are well accepted in the market. Park Place At City Center offers balconies/patios, walk-in closets, and microwaves, all of which the proposed Subject will lack. However, the Subject will offer a playground, which is not provided by Park Place At City Center. On balance, we believe the in-unit and property amenity packages offered by Park Place At City Center to be superior and similar relative to the Subject, respectively. In overall terms, we believe the Subject will be a slightly inferior product relative to the Park Place At City Center. Our concluded achievable market rents for the Subject's units are below the rents reported by Park Place At City Center. The following table compares the Subject with Park Place At City Center.

SUBJECT COMPARISON TO PARK PLACE AT CITY CENTER

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Park Place At City Center Rent	Square Feet	Park Place At City Center RPSF
1BR / 1BA	\$1,050	650	\$1.62	\$1,239	830	\$1.49
2BR / 1BA	\$1,200	750	\$1.60	\$1,424	1,233	\$1.15
3BR / 1BA	\$1,350	850	\$1.59	\$1,871	1,423	\$1.31

Boston Cove is a 34-unit, development located 0.1 miles southwest of the Subject site, in a neighborhood considered similar relative to the Subject's location. The property was built in 2008, and currently exhibits similar condition relative to the Subject, which was built in 1978 and will be renovated in 2022. The manager at Boston Cove reported a vacancy rate of 2.9 percent, indicating the current rents are well accepted in the market. Boston Cove offers balconies/patios, walk-in closets, and microwaves, all of which the proposed Subject will lack. However, the Subject will offer a community room, a fitness center, and a swimming pool, none of which are provided by Boston Cove. On balance, we believe the in-unit and property amenity packages offered by Boston Cove to be slightly superior and slightly inferior relative to the Subject, respectively. In overall terms, we believe the Subject will be a slightly superior product relative to the Boston Cove. The following table compares the Subject with Boston Cove.

SUBJECT COMPARISON TO BOSTON COVE

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Boston Cove Rent	Square Feet	Boston Cove RPSF
1BR / 1BA	\$1,050	650	\$1.62	\$934	600	\$1.56
2BR / 1BA	\$1,200	750	\$1.60	\$925	760	\$1.22
3BR / 1BA	\$1,350	850	\$1.59	\$1,370	1,437	\$0.95

Chesapeake Bay Apartments is a 300-unit, garden-style development located 0.7 miles west of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 1987 and renovated in 2019. We consider the condition of this property similar relative to the Subject, which was built in 1978 and will be renovated in 2022. The manager at Chesapeake Bay Apartments reported a vacancy rate of 3.3 percent, indicating the current rents are well accepted in the market. Chesapeake Bay Apartments offers balconies/patios, exterior storage, microwaves, a business center, tennis courts, and WiFi in the community areas, all of which the proposed Subject will lack. However, the Subject will offer a playground, which is not provided by Chesapeake Bay Apartments. The in-unit and property amenity packages offered by Chesapeake Bay Apartments are both considered superior relative to the Subject's amenities. In overall terms, we believe the Subject will be a slightly inferior product relative to the Chesapeake Bay Apartments. Our concluded achievable market rents for the Subject's units are below the rents reported by Chesapeake Bay Apartments. The following table compares the Subject with Chesapeake Bay Apartments.

SUBJECT COMPARISON TO CHESAPEAKE BAY APARTMENTS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Chesapeake Bay Apartments Rent	Square Feet	Chesapeake Bay Apartments RPSF
1BR / 1BA	\$1,050	650	\$1.62	\$1,136	620	\$1.83
2BR / 1BA	\$1,200	750	\$1.60	\$1,421	926	\$1.53
3BR / 1BA	\$1,350	850	\$1.59	-	-	-

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We placed the Subject’s achievable market rents above those at Boston Cove on a rent-per-square-foot basis and below those at Park Place At City Center and Chesapeake Bay Apartments. Therefore, we believe the Subject can achieve market rents of **\$1,050**, **\$1,200** and **\$1,350** for its one, two and three-bedroom units, respectively.

The Subject’s achievable LIHTC rents and achievable market rents are above the current market rents, as detailed in the following table.

RENT INCREASE							
Unit Type	Unit Size (SF)	Number of Units	Current Market Rate Asking Rent	Achievable LIHTC Rent	Difference Between Current Rent and ALR	Achievable Market Rent	Difference Between Current Rent and AMR
<i>Market Rate</i>							
1BR / 1BA	650	4	\$665	\$872	\$207	\$1,050	\$385
2BR / 1BA	750	146	\$750	\$1,041	\$291	\$1,200	\$450
3BR / 1BA	850	2	\$850	\$1,198	\$348	\$1,350	\$500
Total		152					

According to the client, the Subject is expected to undergo a comprehensive renovation of the property, with hard costs of approximately \$44,232 per unit. New amenities added during renovations will include a community room, an exercise facility, a picnic area, and in-unit washer/dryers. Moreover, the developer has rehabbed similar properties, including the market rate property Hampton Road which underwent a \$35,000 per unit rehab, which resulted in rent increases of approximately \$300. Considering the scope of rehabilitation of the Subject, including the added amenities, along with previous projects with similar rehabilitations and rent increases, we believe the rent increases at the Subject are achievable.

Summary Evaluation

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. Strengths of the Subject will include its good condition and property amenities. Weaknesses include its small unit sizes. The LIHTC comparables reported limited vacancy and some reported waiting lists. Based on the comparable data, we believe the Subject can achieve maximum allowable rents for its units restricted at 60 percent AMI. The Subject will be well-accepted in the market as a LIHTC property.

I. AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES AND PENETRATION RATES

AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES, AND PENETRATION RATES

Introduction

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

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

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

Capture Rate Determination

The following analysis will take the reader through a multi-step process in determining an appropriate capture rate for the Subject. Our analysis takes the entire population and distributes it by the following characteristics:

- 1) PMA Demography
- 2) Income Qualified
- 3) Renter Households
- 4) Unit Size Appropriate

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

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. A certain percent of the Subject’s tenants are expected to hail from the PMA; demand estimates will be adjusted to reflect the potential for “leakage.”

The Subject is located in the southeastern portion of Virginia in the Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA). The primary market area (PMA) for the Subject generally consists of State Route 171 and State Route 134 to the north, State Route 172 and N Armistead Avenue to the east, State Route 134, Interstate 258, and State Route 32 to the south, and the James River and Deep Creek to the west. The PMA encompasses 37 square miles and is defined based on interviews/conversations with the local housing authority and managers of the comparable surveyed properties. We estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. The PMA encompasses an approximate drive time zone of 10 minutes. The Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area

(MSA) will serve as the Secondary Market Area (SMA). The MSA consists of the independent cities of Virginia Beach, Norfolk, Chesapeake, Newport News, Hampton, Portsmouth, Suffolk, Williamsburg, Franklin, and Poquoson, and the counties of James City, York, Isle of Wight, Southampton, Gloucester, Mathews, Camden, Currituck, and Gates in Virginia and North Carolina.

Demographic Information

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

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

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

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

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Newport News City, VA
AMI for four person household:	\$79,300
Tenancy (Family vs Senior):	Family
Affordability percentage:	35 percent
Leakage:	10 percent

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

First, we estimate the Subject’s minimum and maximum income levels (income bands) for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. This provides the upper end of the income band as illustrated below. However, the minimum income is not established by HUD and must be estimated. Often, lower-income families pay a higher percentage of gross income toward housing costs. The industry standard is 35 percent for LIHTC-only calculations for family oriented properties. For senior properties this number increases to 40 percent based upon the nature of senior household economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the application percentage to determine an income level. For example, if a

property has a one bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent. The minimum allowable income in the absent subsidy scenario is based on the achievable LIHTC rent.

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
1BR	\$31,817	\$39,600
2BR	\$38,194	\$44,580
3BR	\$44,126	\$53,460

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

RENTER HOUSEHOLD INCOME

Income Cohort	2020		PMA		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,235	9.2%	2,120	8.7%	-23	-1.0%	-23	-1.0%
\$10,000-19,999	2,241	9.2%	2,132	8.7%	-22	-1.0%	-22	-1.0%
\$20,000-29,999	2,485	10.2%	2,373	9.7%	-22	-0.9%	-22	-0.9%
\$30,000-39,999	3,108	12.8%	2,689	11.0%	-84	-2.7%	-84	-2.7%
\$40,000-49,999	2,791	11.5%	2,903	11.9%	22	0.8%	22	0.8%
\$50,000-59,999	2,731	11.2%	2,431	10.0%	-60	-2.2%	-60	-2.2%
\$60,000-74,999	2,736	11.2%	2,852	11.7%	23	0.8%	23	0.8%
\$75,000-99,999	3,105	12.7%	3,267	13.4%	32	1.0%	32	1.0%
\$100,000-124,999	1,152	4.7%	1,377	5.6%	45	3.9%	45	3.9%
\$125,000-149,999	777	3.2%	938	3.8%	32	4.1%	32	4.1%
\$150,000-199,999	539	2.2%	652	2.7%	23	4.2%	23	4.2%
\$200,000+	473	1.9%	693	2.8%	44	9.3%	44	9.3%
Total	24,373	100.0%	24,427	100.0%				

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

Step Three – Income Distribution

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

FAMILY INCOME DISTRIBUTION 2020

Income Cohort	Total Renter Households	@60%		
		cohort overlap	% in cohort	# in cohort
\$0-9,999	2,235			
\$10,000-19,999	2,241			
\$20,000-29,999	2,485			
\$30,000-39,999	3,108	8,181	81.8%	2,543
\$40,000-49,999	2,791	9,999	100.0%	2,791
\$50,000-59,999	2,731	3,461	34.6%	945
\$60,000-74,999	2,736			
\$75,000-99,999	3,105			
\$100,000-124,999	1,152			
\$125,000-149,999	777			
\$150,000-199,999	539			
\$200,000+	473			
Total	24,373		25.8%	6,279

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

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

Step Five – Unit Size Appropriate

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

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

HOUSEHOLD DISTRIBUTION

HOUSEHOLD DISTRIBUTION		
1 BR	90%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
2 BR	10%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	60%	Of three-person households in 2BR units
3 BR	30%	Of four-person households in 2BR units
	40%	Of three-person households in 3BR units
	40%	Of four-person households in 3BR units
	50%	Of five-person households in 3BR units

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

Step Six – Capture Rate by Bedroom Mix

The capture rate is simply determined by dividing the number of units by unit type for the Subject by the total number of qualified renter households for that unit type. This calculation is then adjusted for leakage to arrive at a final determination of capture rate by bedroom type and AMI level.

CAPTURE RATE ANALYSIS BY UNIT TYPE

In order to determine demand for the proposed market mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for all AMI levels.

60 Percent of AMI Demand

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.5%	9,617
2 persons	26.8%	6,534
3 persons	16.4%	4,003
4 persons	10.3%	2,511
5+ persons	7.0%	1,708
Total	100.0%	24,373

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,617	x 25.8%	2,478
2 persons	6,534	x 25.8%	1,683
3 persons	4,003	x 25.8%	1,031
4 persons	2,511	x 25.8%	647
5+ persons	1,708	x 25.8%	440
Total	24,373		6,279

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,567
2BR	2,407
3BR	891
Total	5,865

Capture Rate Analysis - @60%

	Developer's Unit Mix	Capture Rate
1BR	4	0.16%
2BR	146	6.06%
3BR	2	0.22%
Total/Overall	152	2.59%

Adjusted for Leakage from Outside of the PMA

10%

1BR	4	0.14%
2BR	146	5.46%
3BR	2	0.20%
Total/Overall	152	2.33%

ANNUAL CAPTURE RATE ANALYSIS

The following calculation derives an estimated market penetration rate based on per annum demand. This is an indication of the percentage of net demand penetration that the Subject must attract in order to reach stabilized occupancy. This measure essentially takes the available household demand searching for apartments in the market area and deducts competition in order to determine net demand available to the Subject. The table below outlines the analysis of this methodology.

The annual demand for rental housing depends upon the following factors:

Population/Household Change

Population change as a result of new households moving in or out of the area: This was previously calculated, in the estimated population increase from 2020 to 2025. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

Additions to Supply

We reviewed LIHTC allocations published by the Virginia Housing. According to the Virginia Housing projects list, there has been one LIHTC allocation in the Subject’s PMA within the last four years.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Status	Distance to Subject
Huntington Village	2018	LIHTC	Family	96	96	Under Construction	1.6 miles

Source: Virginia Housing, February 2021

Huntington Village was allocated tax credits in 2018 for the new construction of 96 two and three-bedroom units restricted at 50 and 60 percent of AMI. The property is currently under construction and is expected to complete construction in June 2021. All of the units are expected to be competitive with the Subject.

Therefore, we removed 96 planned, proposed, or under construction properties from the demand analysis that we expect to compete with the Subject.

Annual Demand Table

ANNUAL DEMAND		
Calculation		PMA
Number of Renter Households in 2020		24,373
Increase in Number of Renter Households		54
Number of Renter Households in 2025		24,427
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		53.0%
Percentage of Income-Qualified Renter Households		25.8%
Number of Income-Qualified Renter Households		6,279
Percentage of Rent-Overburdened		41.9%
Existing Income-Qualified Renter Household Turnover		2,630
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		11
Percentage of Income-Qualified Renter Households		25.8%
New Rental Income Qualified Households		3
<i>Capture Rate Analysis</i>		
Number of Units in Subject		152
Occupied Units at Subject With Vacancy of:	5%	144
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		2,633
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		2,926
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	96	
Total Demand after Competition (Turnover and Growth)		2,830
Yielded Annual Capture Rate of Available Demand in 2021		5.1%

The yielded capture rate is approximately 5.1 percent of available demand per annum, for the Subject’s units as proposed, which is low and indicative of strong demand.

VIRGINIA HOUSING DEMAND ANALYSIS

We also included the required demand table from the Virginia Housing market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject property. The supply illustrates all proposed or under construction units in the PMA.

All of the Subject’s units will be restricted to households earning 60 percent of AMI or less. Two of the LIHTC comparables reported vacancy for their units at 60 percent AMI.

According to Virginia Housing, between 2017 and February 2021, there has been one project allocated tax credits within the PMA. This project is considered competitive with the Subject.

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)
New Rental Households	54
+	
Existing Households - Overburdened	2,630
+	
Existing Households - Substandard Housing	16
+	
Senior Households - Likely to Covert to Rental Housing	n/a
+	
Qualified Tenants- To Remain After Renovation	0
TOTAL DEMAND	2,700
-	
Supply (includes directly comparable vacant units or in pipeline in PMA)	99
NET DEMAND	2,601
PROPOSED UNITS	152
CAPTURE RATE	5.8%
ABSORPTION PERIOD	10 months

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

Project Wide Capture Rate- LIHTC Units @60% AMI - As Proposed	5.8%
Project Wide Absorption Period (Months)	10 months

Capture Rate and Virginia Housing 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 for the LIHTC units is 2.3 percent.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate for the first year of operation as a LIHTC property is 5.1 percent. 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 2,830 units of demand in the first year of the Subject’s operation. The Subject’s units will need to accommodate 144 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 Virginia Housing 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 @60% AMI - As Proposed	5.8%
Project Wide Absorption Period (Months)	10 months

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

PENETRATION RATE ANALYSIS

Per Virginia Housing guidelines, we also performed a penetration rate analysis for the Subject’s LIHTC units, as illustrated in the following tables.

PENETRATION RATE	
Number of Proposed Competitive LIHTC Units in the PMA	96
	+
Number of Existing Competitive Family LIHTC Units in the PMA	1,277
	+
Number of Proposed LIHTC Units at the Subject	152
	=
Total	1,525
	/
Income Eligible Households - All AMI Levels	6,279
	=
Overall Penetration Rate - Market Focus (NCHMA)	24.3%

The overall penetration rate is derived by taking the number of proposed or under construction affordable units within the PMA, combined with the number of existing affordable units, and the number of the Subject’s units divided by the number of income eligible households.

Existing affordable housing projects in the PMA will not be adversely affected by the proposed renovations of the Subject property. A survey of comparable affordable LIHTC rental housing developments in the area demonstrates significant demand for quality rental units. The following table illustrates the LIHTC properties within the PMA.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units
Ada Park Apartments*	LIHTC	Family	42	42
Forrest Landing Apartments*	LIHTC	Family	120	120
Wellesley Woods Apartments*	LIHTC	Family	120	120
Magruder Run II	LIHTC	Family	144	116
Ivy Farms	LIHTC/PBRA	Family	168	108
Century Plaza Apartments	LIHTC / Section 8	Family	120	0
Magruder Run I	LIHTC	Family	160	128
Great Oak	Section 8	Senior	143	0
Somerset At Town Center	LIHTC	Senior	151	114
Dresden	LIHTC	Senior	32	32
Sharps Landing*	LIHTC	Family	180	180
Pavilion	LIHTC	Family	32	32
Pilot House*	LIHTC	Family	132	132
Waterford Pointe	LIHTC	Family	120	120
801 Main Street	LIHTC/PBRA	Senior	44	33
Nettles Drive Apartments	Section 8	Senior/Disabled	30	0
Bruton Park Group Home	Section 8	Senior/Disabled	5	0
Berkley South Apartments	Section 8	Family	190	0
Great Oak Apts.	Section 8	Family	143	0
Newport News Transition T/C	Section 8	Family	12	0
Seton Manor	Section 8	Senior	112	0
Wellesley Commons	Section 8	Senior/Disabled	40	0
Christian Village	Section 8	Senior/Disabled	43	0
Groome Road Group Home	Section 8	Senior/Disabled	5	0
Dresden Drive Group Home	Section 8	Senior/Disabled	5	0
Oyster Point-Brighton Apartments	Section 8	Family	196	0
Berkley West & Berkley Village	Section 8	Family	373	0
Total			2,862	1,277

*Used as a comparable property in this report

It should be noted that the Subject is an existing market rate property that will be renovated with tenants in place. According to the client, approximately 75 percent of the current tenants will income qualify under the new income restrictions and approximately 50 percent of the tenants are expected to stay post-renovations. We expect most tenants will leave over the short run given the significant rent increases. We were able to obtain absorption information from three properties located within 26 miles of the Subject. The following table details our findings.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
October Station	LIHTC	Family	2018	48	24
Ada Park Apartments*	LIHTC	Family	2018	42	8
Meridian Obici	Market	Family	2016	224	14

*Used as a comparable property in this report

The properties reported absorption rates ranging from eight to 24 units per month, with an overall average of 15 units per month. If the Subject were hypothetically vacant, we expect it would experience an absorption rate of 15 units per month. This equates to an absorption period of 10 months.

Rent conclusions were provided in Section H.

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

**J. LOCAL PERSPECTIVES OF
RENTAL HOUSING MARKET
AND HOUSING
ALTERNATIVES**

INTERVIEWS

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

Local Housing Authority Discussion

The Newport News Redevelopment and Housing Authority (NNRHA) is the agency responsible for managing the Housing Choice Voucher Program in Newport News, Virginia. We attempted to contact the Newport News Redevelopment and Housing Authority multiple times but we were unable to speak with a representative. According to the website NNRHA manages over 2,200 Housing Choice Vouchers (Section 8) and owns and manages over 1,600 affordable rental housing units across the City. The Housing Choice Voucher waiting list is currently closed.

Planning Discussion

According to Costar, there are no planned or under construction multifamily development within the PMA.

LIHTC Competition / Recent and Proposed Construction

According to the Virginia Housing projects list, there has been one LIHTC allocation in the Subject’s PMA within the last four years.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Status	Distance to Subject
Huntington Village	2018	LIHTC	Family	96	96	Under Construction	1.6 miles
				96	96		

Source: Virginia Housing, February 2021

Huntington Village was allocated tax credits in 2018 for the new construction of 96 two and three-bedroom units restricted at 50 and 60 percent of AMI. The property is currently under construction and is expected to complete construction in June 2021. All of the units are expected to be competitive with the Subject.

We deducted the units planned for Huntington Village from our demand analysis.

K. ANALYSIS/CONCLUSIONS

Recommendations

In general, we believe there is demand in the marketplace for the Subject. We recommend no changes for the Subject property.

Demand Summary

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

Project Wide Capture Rate- LIHTC Units @60% AMI - As Proposed	5.8%
Project Wide Absorption Period (Months)	10 months

Additionally, the overall penetration rate for the Subject is 24.3 percent. It should be noted that the penetration rate analysis we derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). Overall, the derived penetration rate for the Subject is considered reasonable.

Strengths and Weaknesses of the Subject

Strengths

- The Subject will be in good condition once renovated.
- Three of the LIHTC comparable properties reported waiting lists.
- Four of the LIHTC comparable properties that offer units restricted at 60 percent AMI reported achieving the maximum allowable rents.
- The Subject is located in close proximity to public transportation options, services, and amenities.
- The Subject has low capture rates and penetration rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject offers small unit sizes. The Subject’s two and three-bedroom unit sizes are below the surveyed average. None of the comparables offer smaller two or three-bedroom units. The market rate property Boston Cove offers similar two-bedroom unit sizes to the Subject and reported operating with 2.9 percent vacancy, indicating that smaller unit sizes are not detrimental to performance in the market. We have accounted for the Subject’s unit sizes in our determination of achievable rents.

Absorption Estimate

It should be noted that the Subject is an existing market rate property that will be renovated with tenants in place. According to the client, approximately 75 percent of the current tenants will income qualify under the new income restrictions and approximately 50 percent of the tenants are expected to stay post-renovations. We expect most tenants will leave over the short run given the significant rent increases. We were able to obtain absorption information from three properties located within 26 miles of the Subject. The following table details our findings.

ABSORPTION

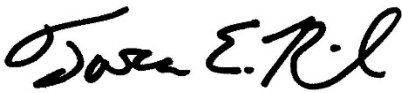
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Meridian Obici	Market	Family	2016	224	14

*Used as a comparable property in this report

The properties reported absorption rates ranging from eight to 24 units per month, with an overall average of 15 units per month. If the Subject were hypothetically vacant, we expect it would experience an absorption rate of 15 units per month. This equates to an absorption period of 10 months.

L. OTHER REQUIREMENTS

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 Virginia Housing.
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 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.



Tara Rial
Manager

February 11, 2021
Date

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 market analyst 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 market analyst 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 market study 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 market analyst. Nor shall the market analyst, firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
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 market study 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 market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst 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 market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst 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 property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

ADDENDUM B
Subject Property and Neighborhood Photographs

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject exterior



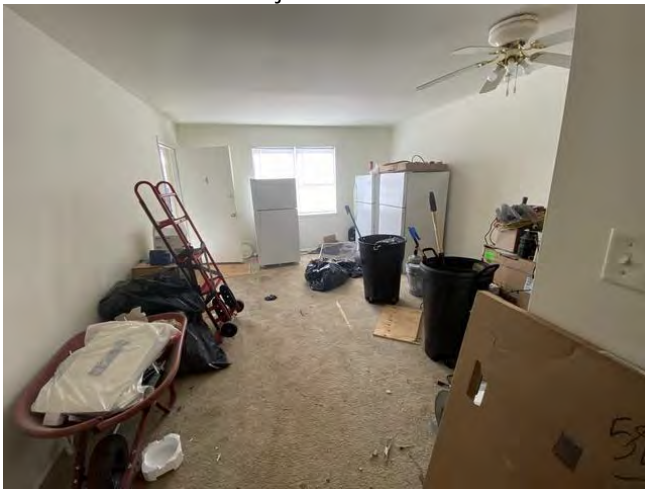
Subject exterior



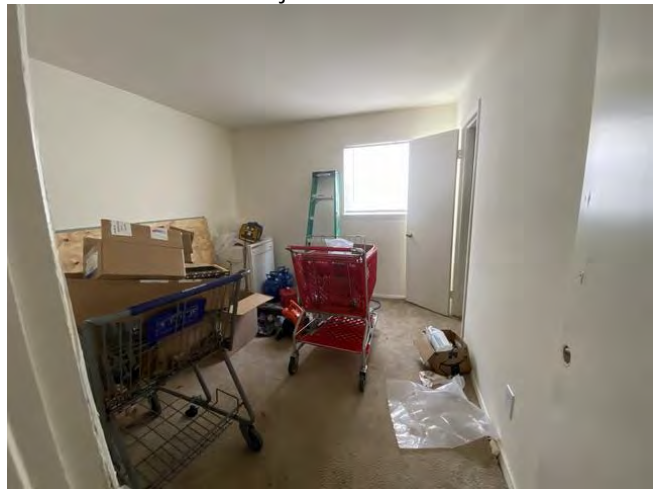
Subject exterior



Subject exterior



Subject typical living space for one-bedroom unit



Subject typical bedroom for one-bedroom unit



Subject typical bathroom for one-bedroom unit



Subject typical kitchen for one-bedroom unit



Subject typical living space for two-bedroom unit



Subject typical bedroom for two-bedroom unit



Subject typical bathroom for two-bedroom unit



Subject typical kitchen for two-bedroom unit



Subject typical living space for three-bedroom unit



Subject typical bedroom for three-bedroom unit



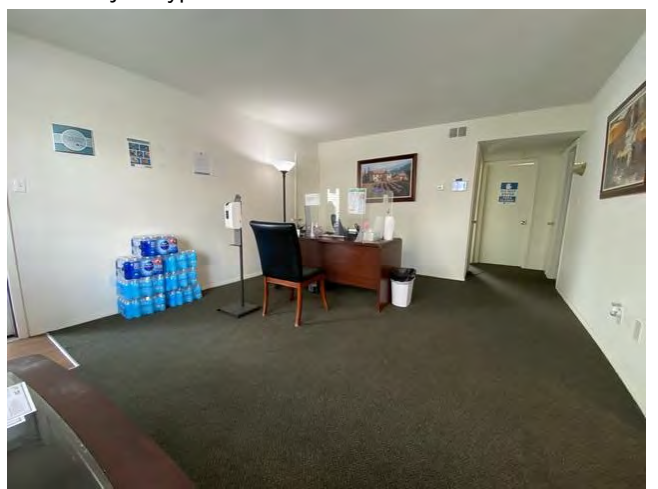
Subject typical bathroom for three-bedroom unit



Subject typical kitchen for three-bedroom unit



Subject courtyard



Subject office



Subject laundry room (will be demolished)



Subject swimming pool



Christian Village (excluded) located north of the Subject



The Villages At City Center (included) located north of the Subject



Oyster Point Place (included) located west of the Subject



Kingstowne Apartments (included) located west of the Subject



Office building south of the Subject



Retail uses south of the Subject



Newport Landing Apartments (included) east of the Subject



Newport Landing Apartments (included) east of the Subject



Typical single-family home in Subject neighborhood



Typical single-family home in Subject neighborhood



Typical single-family home in Subject neighborhood



Typical single-family home in Subject neighborhood



View south along Forrest Drive



View north along Forrest Drive

ADDENDUM C
Subject Matrices and Property Profiles

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	Woodlands At Oyster Point 819 Forrest Dr Newport News, VA 23606 Newport News County		Garden 2-stories 1978 / 2022 Family	@60%	1BR / 1BA	4	2.6%	650	@60%	\$872	Yes	N/A	2	50.0%
					2BR / 1BA	146	96.1%	750	@60%	\$1,041	Yes	N/A	19	13.0%
					3BR / 1BA	2	1.3%	850	@60%	\$1,198	Yes	N/A	2	100.0%
1	Ada Park Apartments 674 Summer Day Court Newport News, VA 23601 Newport News County	1.6 miles	Garden 3-stories 2018 / n/a Family	@40%, @50%, @60%	2BR / 2BA	5	11.9%	866	@40%	\$806	Yes	Yes	0	0.0%
					2BR / 2BA	16	38.1%	866	@50%	\$991	Yes	Yes	1	6.3%
					2BR / 2BA	9	21.4%	866	@60%	\$1,177	Yes	Yes	1	11.1%
					3BR / 2BA	4	9.5%	1,030	@50%	\$1,149	Yes	Yes	0	0.0%
					3BR / 2BA	8	19.1%	1,030	@60%	\$1,364	Yes	Yes	0	0.0%
										42				
2	Forrest Landing Apartments 22 Forrest Drive Newport News, VA 23606 Newport News County	0.2 miles	Garden 3-stories 2010 / n/a Family	@60%	1BR / 1BA	18	15.0%	800	@60%	\$884	Yes	Yes	0	0.0%
					2BR / 2BA	72	60.0%	1,056	@60%	\$1,038	Yes	Yes	0	0.0%
					3BR / 2BA	30	25.0%	1,232	@60%	\$1,182	Yes	Yes	0	0.0%
3	Pilot House 701 Bridestock Circle Newport News, VA 23606 Newport News County	0.3 miles	Garden 3-stories 1992 / 2015 Family	@60%	2BR / 2BA	102	77.3%	1,000	@60%	\$989	Yes	No	0	0.0%
					3BR / 2BA	30	22.7%	1,320	@60%	\$1,135	Yes	No	0	0.0%
4	Sharps Landing 550 Pavilion Place Newport News, VA 23606 Newport News County	0.5 miles	Garden 2-stories 1972 / 2014 Family	@60%	1BR / 1BA	16	8.9%	653	@60%	\$844	No	No	1	6.3%
					2BR / 1.5BA	164	91.1%	883	@60%	\$1,003	No	No	1	0.6%
5	Wellesley Woods Apartments 600 Huntgate Circle Newport News, VA 23606 Newport News County	1.7 miles	Garden 3-stories 1996 / n/a Family	@60%	2BR / 2BA	84	70.0%	1,000	@60%	\$989	Yes	Yes	0	0.0%
					3BR / 2BA	36	30.0%	1,320	@60%	\$1,135	Yes	Yes	0	0.0%
										120				
6	Belmont At City Center 900 Lakefront Commons Newport News, VA 23606 Warwick County	0.7 miles	Midrise 4-stories 2012 / n/a Family	Market	1BR / 1BA	100	43.1%	778	Market	\$1,094	N/A	Yes	6	0.0%
					2BR / 2BA	132	56.9%	1,254	Market	\$1,346	N/A	Yes	11	8.3%
7	Boston Cove 828 Forrest Drive Newport News, VA 23606 Newport News County	0.1 miles	Townhouse 2-stories 2008 / n/a Family	Market	1BR / 1BA	1	2.9%	600	Market	\$934	N/A	No	0	0.0%
					1BR / 1BA	2	5.9%	800	Market	\$956	N/A	No	0	0.0%
					2BR / 1BA	16	47.1%	760	Market	\$925	N/A	No	0	0.0%
					2BR / 1.5BA	2	5.9%	900	Market	\$1,149	N/A	No	0	0.0%
					3BR / 2.5BA	12	35.3%	1,437	Market	\$1,370	N/A	No	1	8.3%
					4BR / 3BA	1	2.9%	1,588	Market	\$1,500	N/A	No	0	0.0%
8	Chesapeake Bay Apartments 550 Saint Michaels Way Newport News, VA 23606 Newport News County	0.7 miles	Garden 2-stories 1987 / 2019 Family	Market	1BR / 1BA	68	22.7%	486	Market	\$1,070	N/A	No	3	4.4%
					1BR / 1BA	52	17.3%	620	Market	\$1,136	N/A	No	0	0.0%
					1BR / 1BA	60	20.0%	730	Market	\$1,300	N/A	No	2	3.3%
					1BR / 1BA	28	9.3%	806	Market	\$1,372	N/A	No	2	7.1%
					2BR / 2BA	64	21.3%	926	Market	\$1,421	N/A	No	3	4.7%
					2BR / 2BA	28	9.3%	1,082	Market	\$1,564	N/A	No	0	0.0%
										300				
9	Kingstowne Apartments 500 Oscar Loop Newport News, VA 23606 Newport News County	0.6 miles	Garden 2-stories 1986 / 2020 Family	Market	1BR / 1BA	80	20.8%	800	Market	\$959	N/A	No	4	5.0%
					2BR / 1BA	144	37.5%	980	Market	\$1,150	N/A	No	6	4.2%
					2BR / 1.5BA	90	23.4%	1,100	Market	\$1,299	N/A	No	4	4.4%
					2BR / 2BA	40	10.4%	800	Market	\$1,042	N/A	No	2	5.0%
					3BR / 2.5BA	30	7.8%	1,450	Market	\$1,475	N/A	No	1	3.3%
										384				
10	Newport Landing Apartments 19 Port Lndg Newport News, VA 23601 Newport News County	0.2 miles	Garden 2-stories 1967 / 2015 Family	Market	1BR / 1BA	24	15.0%	850	Market	\$895	N/A	No	0	0.0%
					1.5BR / 1BA	24	15.0%	900	Market	\$945	N/A	No	0	0.0%
					2BR / 1BA	46	28.8%	950	Market	\$995	N/A	No	2	4.4%
					2.5BR / 1BA	46	28.8%	1,000	Market	\$1,045	N/A	No	0	0.0%
					3BR / 1.5BA	20	12.5%	1,100	Market	\$1,195	N/A	No	1	5.0%
										160				
11	Oyster Point Place 102 Americana Drive Newport News, VA 23606 Newport News County	0.3 miles	Garden 2-stories 1969 / 2007 Family	Market	1BR / 1BA	45	16.3%	750	Market	\$779	N/A	No	0	0.0%
					2BR / 1BA	117	42.2%	950	Market	\$863	N/A	No	3	2.6%
					2BR / 1BA	115	41.5%	1,000	Market	\$863	N/A	No	3	2.6%
										277				
12	Park Place At City Center 675 Town Center Newport News, VA 23606 Newport News County	0.6 miles	Midrise 4-stories 2004 / n/a Family	Market	1BR / 1BA	141	38.8%	830	Market	\$1,239	N/A	No	5	3.6%
					2BR / 2BA	201	55.4%	1,233	Market	\$1,424	N/A	No	0	0.0%
					3BR / 2BA	21	5.8%	1,423	Market	\$1,871	N/A	No	0	0.0%
										363				
13	The Villages At City Center 828 Forrest Dr Newport News, VA 23606 Newport News County	0.1 miles	Garden 2-stories 1971 / 1992 Family	Market	1BR / 1BA	28	24.1%	686	Market	\$943	N/A	None	2	7.1%
					2BR / 1BA	75	64.7%	872	Market	\$1,044	N/A	None	1	1.3%
					3BR / 2BA	12	10.3%	1,437	Market	\$1,363	N/A	None	0	0.0%
					4BR / 3BA	1	0.9%	1,588	Market	\$1,542	N/A	None	0	0.0%
										116				
14	Victoria Place 831 Forrest Dr Newport News, VA 23606 Newport News County	0.1 miles	Garden 3-stories 1985 / n/a Family	Market	1BR / 1BA	12	33.3%	800	Market	\$1,008	N/A	None	1	8.3%
					2BR / 1BA	12	33.3%	760	Market	\$980	N/A	None	1	8.3%
					2BR / 2BA	12	33.3%	800	Market	\$1,056	N/A	None	1	8.3%
										36				
										3	8.3%			

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.

		Units Surveyed:	2,496	Weighted Occupancy:	97.2%	
		Market Rate	1,902	Market Rate	96.6%	
		Tax Credit	594	Tax Credit	99.3%	
		One Bedroom One Bath		Two Bedroom One Bath		
		Property	Average	Property	Average	
		Three Bedroom One Bath		Property		
		Average		Average		
RENT	Chesapeake Bay Apartments (Market)	\$1,372	Chesapeake Bay Apartments (Market)(2BA)	\$1,564	Park Place At City Center (Market)(2BA)	\$1,871
	Chesapeake Bay Apartments (Market)	\$1,300	Park Place At City Center (Market)(2BA)	\$1,424	Kingstowne Apartments (Market)(2.5BA)	\$1,475
	Park Place At City Center (Market)	\$1,239	Chesapeake Bay Apartments (Market)(2BA)	\$1,421	Boston Cove (Market)(2.5BA)	\$1,370
	Chesapeake Bay Apartments (Market)	\$1,136	Belmont At City Center (Market)(2BA)	\$1,346	Ada Park Apartments (@60%)(2BA)	\$1,364
	Belmont At City Center (Market)	\$1,094	Kingstowne Apartments (Market)(1.5BA)	\$1,299	The Villages At City Center (Market)(2BA)	\$1,363
	Chesapeake Bay Apartments (Market)	\$1,070	Ada Park Apartments (@60%)(2BA)	\$1,177	Woodlands At Oyster Point (@60%)	\$1,198
	Victoria Place (Market)	\$1,008	Kingstowne Apartments (Market)	\$1,150	Newport Landing Apartments (Market)(1.5BA)	\$1,195
	Kingstowne Apartments (Market)	\$959	Boston Cove (Market)(1.5BA)	\$1,149	Forrest Landing Apartments (@60%)(2BA)	\$1,182
	Boston Cove (Market)	\$956	Victoria Place (Market)(2BA)	\$1,056	Ada Park Apartments (@50%)(2BA)	\$1,149
	The Villages At City Center (Market)	\$943	The Villages At City Center (Market)	\$1,044	Pilot House (@60%)(2BA)	\$1,135
	Boston Cove (Market)	\$934	Kingstowne Apartments (Market)(2BA)	\$1,042	Wellesley Woods Apartments (@60%)(2BA)	\$1,135
	Newport Landing Apartments (Market)	\$895	Woodlands At Oyster Point (@60%)	\$1,041		
	Forrest Landing Apartments (@60%)	\$884	Forrest Landing Apartments (@60%)(2BA)	\$1,038		
	Woodlands At Oyster Point (@60%)	\$872	Sharps Landing (@60%)(1.5BA)	\$1,003		
	Sharps Landing (@60%)	\$844	Newport Landing Apartments (Market)	\$995		
	Oyster Point Place (Market)	\$779	Ada Park Apartments (@50%)(2BA)	\$991		
			Pilot House (@60%)(2BA)	\$989		
			Wellesley Woods Apartments (@60%)(2BA)	\$989		
			Victoria Place (Market)	\$980		
			Boston Cove (Market)	\$925		
		Oyster Point Place (Market)	\$863			
		Oyster Point Place (Market)	\$863			
		Ada Park Apartments (@40%)(2BA)	\$806			
SQUARE FOOTAGE	Newport Landing Apartments (Market)	850	Belmont At City Center (Market)(2BA)	1,254	Kingstowne Apartments (Market)(2.5BA)	1,450
	Park Place At City Center (Market)	830	Park Place At City Center (Market)(2BA)	1,233	Boston Cove (Market)(2.5BA)	1,437
	Chesapeake Bay Apartments (Market)	806	Kingstowne Apartments (Market)(1.5BA)	1,100	The Villages At City Center (Market)(2BA)	1,437
	Forrest Landing Apartments (@60%)	800	Chesapeake Bay Apartments (Market)(2BA)	1,082	Park Place At City Center (Market)(2BA)	1,423
	Boston Cove (Market)	800	Forrest Landing Apartments (@60%)(2BA)	1,056	Pilot House (@60%)(2BA)	1,320
	Kingstowne Apartments (Market)	800	Wellesley Woods Apartments (@60%)(2BA)	1,000	Wellesley Woods Apartments (@60%)(2BA)	1,320
	Victoria Place (Market)	800	Oyster Point Place (Market)	1,000	Forrest Landing Apartments (@60%)(2BA)	1,232
	Belmont At City Center (Market)	778	Pilot House (@60%)(2BA)	1,000	Newport Landing Apartments (Market)(1.5BA)	1,100
	Oyster Point Place (Market)	750	Kingstowne Apartments (Market)	980	Ada Park Apartments (@50%)(2BA)	1,030
	Chesapeake Bay Apartments (Market)	730	Oyster Point Place (Market)	950	Ada Park Apartments (@60%)(2BA)	1,030
	The Villages At City Center (Market)	686	Newport Landing Apartments (Market)	950	Woodlands At Oyster Point (@60%)	850
	Sharps Landing (@60%)	653	Chesapeake Bay Apartments (Market)(2BA)	926		
	Woodlands At Oyster Point (@60%)	650	Boston Cove (Market)(1.5BA)	900		
	Chesapeake Bay Apartments (Market)	620	Sharps Landing (@60%)(1.5BA)	883		
	Boston Cove (Market)	600	The Villages At City Center (Market)	872		
	Chesapeake Bay Apartments (Market)	486	Ada Park Apartments (@40%)(2BA)	866		
			Ada Park Apartments (@60%)(2BA)	866		
			Ada Park Apartments (@50%)(2BA)	866		
			Kingstowne Apartments (Market)(2BA)	800		
			Victoria Place (Market)(2BA)	800		
		Victoria Place (Market)	760			
		Boston Cove (Market)	760			
		Woodlands At Oyster Point (@60%)	750			
RENT PER SQUARE FOOT	Chesapeake Bay Apartments (Market)	\$2.20	Chesapeake Bay Apartments (Market)(2BA)	\$1.53	Woodlands At Oyster Point (@60%)	\$1.41
	Chesapeake Bay Apartments (Market)	\$1.83	Chesapeake Bay Apartments (Market)(2BA)	\$1.45	Ada Park Apartments (@60%)(2BA)	\$1.32
	Chesapeake Bay Apartments (Market)	\$1.78	Woodlands At Oyster Point (@60%)	\$1.39	Park Place At City Center (Market)(2BA)	\$1.31
	Chesapeake Bay Apartments (Market)	\$1.70	Ada Park Apartments (@60%)(2BA)	\$1.36	Ada Park Apartments (@50%)(2BA)	\$1.12
	Boston Cove (Market)	\$1.56	Victoria Place (Market)(2BA)	\$1.32	Newport Landing Apartments (Market)(1.5BA)	\$1.09
	Park Place At City Center (Market)	\$1.49	Kingstowne Apartments (Market)(2BA)	\$1.30	Kingstowne Apartments (Market)(2.5BA)	\$1.02
	Belmont At City Center (Market)	\$1.41	Victoria Place (Market)	\$1.29	Forrest Landing Apartments (@60%)(2BA)	\$0.96
	The Villages At City Center (Market)	\$1.37	Boston Cove (Market)(1.5BA)	\$1.28	Boston Cove (Market)(2.5BA)	\$0.95
	Woodlands At Oyster Point (@60%)	\$1.34	Boston Cove (Market)	\$1.22	The Villages At City Center (Market)(2BA)	\$0.95
	Sharps Landing (@60%)	\$1.29	The Villages At City Center (Market)	\$1.20	Pilot House (@60%)(2BA)	\$0.86
	Victoria Place (Market)	\$1.26	Kingstowne Apartments (Market)(1.5BA)	\$1.18	Wellesley Woods Apartments (@60%)(2BA)	\$0.86
	Kingstowne Apartments (Market)	\$1.20	Kingstowne Apartments (Market)	\$1.17		
	Boston Cove (Market)	\$1.20	Park Place At City Center (Market)(2BA)	\$1.15		
	Forrest Landing Apartments (@60%)	\$1.11	Ada Park Apartments (@50%)(2BA)	\$1.14		
	Newport Landing Apartments (Market)	\$1.05	Sharps Landing (@60%)(1.5BA)	\$1.14		
	Oyster Point Place (Market)	\$1.04	Belmont At City Center (Market)(2BA)	\$1.07		
			Newport Landing Apartments (Market)	\$1.05		
			Pilot House (@60%)(2BA)	\$0.99		
			Wellesley Woods Apartments (@60%)(2BA)	\$0.99		
			Forrest Landing Apartments (@60%)(2BA)	\$0.98		
		Ada Park Apartments (@40%)(2BA)	\$0.93			
		Oyster Point Place (Market)	\$0.91			
		Oyster Point Place (Market)	\$0.86			

PROPERTY PROFILE REPORT

Ada Park Apartments

Effective Rent Date	2/08/2021
Location	674 Summer Day Court Newport News, VA 23601 Newport News County
Distance	1.6 miles
Units	42
Vacant Units	2
Vacancy Rate	4.8%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	1/01/2018
Last Unit Leased	6/01/2018
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Beth
Phone	757-926-4811



Market Information

Program	@40%, @50%, @60%
Annual Turnover Rate	25%
Units/Month Absorbed	8
HCV Tenants	25%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Kept at Max
Concession	None
Waiting List	Yes; five households in length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	5	866	\$743	\$0	@40%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	16	866	\$928	\$0	@50%	Yes	1	6.2%	yes	None
2	2	Garden (3 stories)	9	866	\$1,114	\$0	@60%	Yes	1	11.1%	yes	None
3	2	Garden (3 stories)	4	1,030	\$1,072	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	8	1,030	\$1,287	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$743	\$0	\$743	\$63	\$806	2BR / 2BA	\$928	\$0	\$928	\$63	\$991
						3BR / 2BA	\$1,072	\$0	\$1,072	\$77	\$1,149
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	\$1,114	\$0	\$1,114	\$63	\$1,177						
3BR / 2BA	\$1,287	\$0	\$1,287	\$77	\$1,364						

Ada Park Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Perimeter Fencing	None
Central A/C	Coat Closet	Video Surveillance	
Dishwasher	Exterior Storage		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Playground		

Comments

The contact reported that the property is following guidelines and working with tenants to navigate rental programs, but there have not been any significant impacts due to COVID-19.

Ada Park Apartments, continued

Trend Report

Vacancy Rates

3Q16	2Q19	4Q20	1Q21
N/A	0.0%	4.8%	4.8%

Trend: @40%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$500	\$0	\$500	\$563
2019	2	0.0%	\$538	\$0	\$538	\$601
2020	4	0.0%	\$555	\$0	\$555	\$618
2021	1	0.0%	\$743	\$0	\$743	\$806

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$655	\$0	\$655	\$718
2019	2	0.0%	\$706	\$0	\$706	\$769
2020	4	6.2%	\$745	\$0	\$745	\$808
2021	1	6.2%	\$928	\$0	\$928	\$991

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$1,072	\$0	\$1,072	\$1,149

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$750	\$0	\$750	\$813
2019	2	0.0%	\$775	\$0	\$775	\$838
2020	4	11.1%	\$825	\$0	\$825	\$888
2021	1	11.1%	\$1,114	\$0	\$1,114	\$1,177

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$825	\$0	\$825	\$902
2019	2	0.0%	\$850	\$0	\$850	\$927
2020	4	0.0%	\$925	\$0	\$925	\$1,002
2021	1	0.0%	\$1,287	\$0	\$1,287	\$1,364

Trend: Comments

3Q16	N/A
2Q19	The property began leasing units in January 2018 and was fully absorbed by June 2018. The property increased its rents to the 2019 maximum allowable level in March 2019.
4Q20	No additional information
1Q21	The contact reported that the property is following guidelines and working with tenants to navigate rental programs, but there have not been any significant impacts due to COVID-19.

Photos



PROPERTY PROFILE REPORT

Forrest Landing Apartments

Effective Rent Date	2/08/2021
Location	22 Forrest Drive Newport News, VA 23606 Newport News County
Distance	0.2 miles
Units	120
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sharp's Landing
Tenant Characteristics	Mostly families from the area; some senior households. Many employed in low wage clerical jobs
Contact Name	Kiera
Phone	757-327-0230



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	20
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased up to 4%
Concession	None
Waiting List	Yes; short but unknown length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	18	800	\$835	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	72	1,056	\$975	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	30	1,232	\$1,105	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$835	\$0	\$835	\$49	\$884
2BR / 2BA	\$975	\$0	\$975	\$63	\$1,038
3BR / 2BA	\$1,105	\$0	\$1,105	\$77	\$1,182

Forrest Landing Apartments, continued

Amenities

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

Comments

This property consists of two phases. The property manager reported a significant number of tenants utilize Housing Choice Vouchers, however the number of tenants utilizing the vouchers could not be disclosed. The property has recently started a waitlist. The contact reported that there have not been any issues with payments due to COVID-19. The contact stated that traffic at the property has increased and there have been less moveouts.

Forrest Landing Apartments, continued

Trend Report

Vacancy Rates

3Q17	4Q17	2Q19	1Q21
0.8%	0.8%	3.3%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	0.0%	\$734	\$0	\$734	\$783
2017	4	0.0%	\$740	\$0	\$740	\$789
2019	2	5.6%	\$808	\$0	\$808	\$857
2021	1	0.0%	\$835	\$0	\$835	\$884

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	1.4%	\$863	\$0	\$863	\$926
2017	4	1.4%	\$863	\$0	\$863	\$926
2019	2	2.8%	\$946	\$0	\$946	\$1,009
2021	1	0.0%	\$975	\$0	\$975	\$1,038

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	3	0.0%	\$984	\$0	\$984	\$1,061
2017	4	0.0%	\$984	\$0	\$984	\$1,061
2019	2	3.3%	\$1,078	\$0	\$1,078	\$1,155
2021	1	0.0%	\$1,105	\$0	\$1,105	\$1,182

Trend: Comments

3Q17	The property accepts Housing Choice Vouchers; however, the contact was unsure how many are currently being utilized.
4Q17	N/A
2Q19	This property consists of two phases. The property manager reported a significant number of tenants utilize Housing Choice Vouchers, however the number of tenants utilizing the vouchers could not be disclosed.
1Q21	This property consists of two phases. The property manager reported a significant number of tenants utilize Housing Choice Vouchers, however the number of tenants utilizing the vouchers could not be disclosed. The property has recently started a waitlist. The contact reported that there have not been any issues with payments due to COVID-19. The contact stated that traffic at the property has increased and there have been less moveouts.

Photos





PROPERTY PROFILE REPORT

Pilot House

Effective Rent Date	1/27/2021
Location	701 Bridestock Circle Newport News, VA 23606 Newport News County
Distance	0.3 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	Tameka
Phone	757-873-9780



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within three weeks
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	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	\$989	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	30	1,320	\$1,135	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$989	\$0	\$989	\$0	\$989
3BR / 2BA	\$1,135	\$0	\$1,135	\$0	\$1,135

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 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

The property accepts Housing Choice Vouchers but the contact was unable to determine the number of tenants utilizing vouchers. The contact reported the property has been minimally affected by the ongoing COVID-19 pandemic in terms of rent collection and overall performance.

Trend Report

Vacancy Rates

2Q19	1Q20	2Q20	1Q21
0.0%	0.0%	3.0%	0.0%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$925	\$0	\$925	\$925
2020	1	0.0%	\$944	\$0	\$944	\$944
2020	2	3.9%	\$980	\$0	\$980	\$980
2021	1	0.0%	\$989	\$0	\$989	\$989

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$1,055	\$0	\$1,055	\$1,055
2020	1	0.0%	\$1,082	\$0	\$1,082	\$1,082
2020	2	0.0%	\$1,135	\$0	\$1,135	\$1,135
2021	1	0.0%	\$1,135	\$0	\$1,135	\$1,135

Trend: Comments

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.
2Q20	Contact was unable to provide information on Housing Choice Voucher utilization. The contact reported the property has experienced a decrease in new leases signed amid the COVID-19 outbreak. Rents are currently at the 2020 maximum allowable level.
1Q21	The property accepts Housing Choice Vouchers but the contact was unable to determine the number of tenants utilizing vouchers. The contact reported the property has been minimally affected by the ongoing COVID-19 pandemic in terms of rent collection and overall performance.

Photos



PROPERTY PROFILE REPORT

Sharps Landing

Effective Rent Date	2/08/2021
Location	550 Pavilion Place Newport News, VA 23606 Newport News County
Distance	0.5 miles
Units	180
Vacant Units	2
Vacancy Rate	1.1%
Type	Garden (2 stories)
Year Built/Renovated	1972 / 2014
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Forrest Landing
Tenant Characteristics	None identified
Contact Name	Leasing
Phone	844-774-5239



Market Information

Program	@60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	55%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None
Waiting List	None. However, the property has enough demand where units are pre-leased upon move-out.

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)	16	653	\$795	\$0	@60%	No	1	6.2%	no	None
2	1.5	Garden (2 stories)	164	883	\$940	\$0	@60%	No	1	0.6%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$795	\$0	\$795	\$49	\$844
2BR / 1.5BA	\$940	\$0	\$940	\$63	\$1,003

Sharps Landing, continued

Amenities

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

Comments

The contact reported the property fluctuates between 50% and 75% Voucher tenants at the property. However, the contact reported the property could operate at occupancy above 95 percent with total voucher tenants closer to 25%. Further, there are enough households within the Newport News area that can afford the property without the use of Vouchers. The contact reported the rents have been maintained at the 2019 maximum allowable level. The property does not currently keep a waiting list; however, the contact reported the property is able to pre-lease units upon turnover. The contact estimated turnover at 25% to 30%. The contact reported that there have been some late payments due to COVID-19 but leasing and occupancy has remained steady. Managed by same company as Forrest Landing.

Sharps Landing, continued

Trend Report

Vacancy Rates

3Q16	4Q17	2Q19	1Q21
0.6%	5.0%	0.0%	1.1%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$734	\$0	\$734	\$783
2017	4	N/A	\$731	\$0	\$731	\$780
2019	2	0.0%	\$795	\$0	\$795	\$844
2021	1	6.2%	\$795	\$0	\$795	\$844

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.6%	\$860	\$0	\$860	\$923
2017	4	N/A	\$860	\$0	\$860	\$923
2019	2	0.0%	\$940	\$0	\$940	\$1,003
2021	1	0.6%	\$940	\$0	\$940	\$1,003

Trend: Comments

3Q16	This property is located in the Oyster Point area of Newport News. This former market rate property was renovated and converted to LIHTC operation in 2014. The contact was unable to provide an estimate of the number of Housing Choice Voucher holders at the property.
4Q17	This property does accept Housing Choice Vouchers. The contact for this property estimated about half of the tenants use Housing Choice Vouchers. Three units are preleased. Annual rent increases come from management not the property directly. The contact was unclear about annual turnover rate.
2Q19	The contact reported the property fluctuates between 50% and 75% Voucher tenants at the property. However, the contact reported the property could operate at occupancy above 95 percent with total voucher tenants closer to 25%. Further, there are enough households within the Newport News area that can afford the property without the use of Vouchers. The contact reported the rents have been increased to the 2019 maximum allowable level. The property does not currently keep a waiting list; however, the contact reported the property is able to pre-lease all units upon turnover. The contact estimated turnover at 25% to 30%.
1Q21	The contact reported the property fluctuates between 50% and 75% Voucher tenants at the property. However, the contact reported the property could operate at occupancy above 95 percent with total voucher tenants closer to 25%. Further, there are enough households within the Newport News area that can afford the property without the use of Vouchers. The contact reported the rents have been maintained at the 2019 maximum allowable level. The property does not currently keep a waiting list; however, the contact reported the property is able to pre-lease units upon turnover. The contact estimated turnover at 25% to 30%. The contact reported that there have been some late payments due to COVID-19 but leasing and occupancy has remained steady. Managed by same company as Forrest Landing.

Photos



PROPERTY PROFILE REPORT

Wellesley Woods Apartments

Effective Rent Date	2/08/2021
Location	600 Huntgate Circle Newport News, VA 23606 Newport News County
Distance	1.7 miles
Units	120
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1996 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pilot House
Tenant Characteristics	Half local, half from outside of the area
Contact Name	Shelly
Phone	757-249-5553



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	65%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 4%
Concession	None
Waiting List	Yes; four households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	84	1,000	\$989	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	36	1,320	\$1,135	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$989	\$0	\$989	\$0	\$989
3BR / 2BA	\$1,135	\$0	\$1,135	\$0	\$1,135

Amenities

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

Comments

The contact would not disclose the number of tenants utilizing the Housing Choice Vouchers. Washers and dryers can be rented for \$45 per month. The contact was unable to comment on any impacts due to COVID-19.

Trend Report

Vacancy Rates

1Q16	3Q16	2Q19	1Q21
4.2%	2.5%	0.0%	0.0%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$855	\$0	\$855	\$855
2016	3	N/A	\$860	\$0	\$860	\$860
2019	2	0.0%	\$925	\$0	\$925	\$925
2021	1	0.0%	\$989	\$0	\$989	\$989

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$978	\$0	\$978	\$978
2016	3	N/A	\$988	\$0	\$988	\$988
2019	2	0.0%	\$1,055	\$0	\$1,055	\$1,055
2021	1	0.0%	\$1,135	\$0	\$1,135	\$1,135

Trend: Comments

1Q16	The contact stated that the property is currently performing better than it has in some time. Four of the five vacant units are pre-leased. The property is currently undergoing renovations as units turn over, including redoing kitchens, bathrooms, and flooring. The contact said that management will occasionally offer reduced rents on two-bedroom units. Washers and dryers can be rented for \$45 per month (utilization rate unknown). One parking space per unit is included with rent.
3Q16	The contact stated that all three vacant units have been pre-leased. The contact said that management will occasionally offer reduced rents on two-bedroom units. Washers and dryers can be rented for \$45 per month (utilization rate unknown). One parking space per unit is included with rent.
2Q19	The contact would not disclose the number of tenants utilizing the Housing Choice Vouchers. Washers and dryers can be rented for \$45 per month. The contact reported that the rent rates provided are the maximum allowable rates for 2019.
1Q21	The contact would not disclose the number of tenants utilizing the Housing Choice Vouchers. Washers and dryers can be rented for \$45 per month. The contact was unable to comment on any impacts due to COVID-19.

Photos



PROPERTY PROFILE REPORT

Belmont At City Center

Effective Rent Date	2/05/2021
Location	900 Lakefront Commons Newport News, VA 23606 Warwick County
Distance	0.7 miles
Units	232
Vacant Units	17
Vacancy Rate	7.3%
Type	Midrise (4 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Erica
Phone	(888) 695-3967



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	2BR Increased 2 percent
Concession	\$175 to \$300 off per month
Waiting List	Yes, unknown length for select units

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	Midrise (4 stories)	100	778	\$1,220	\$175	Market	Yes	6	6.0%	N/A	AVG*
1	1	Midrise (4 stories)	0	851	\$1,339	\$175	Market	Yes	0	N/A	N/A	HIGH
1	1	Midrise (4 stories)	0	704	\$1,100	\$175	Market	Yes	0	N/A	N/A	LOW
2	2	Midrise (4 stories)	132	1,254	\$1,583	\$300	Market	Yes	11	8.3%	N/A	AVG*
2	2	Midrise (4 stories)	0	1,437	\$1,818	\$300	Market	Yes	0	N/A	N/A	HIGH
2	2	Midrise (4 stories)	0	1,070	\$1,347	\$300	Market	Yes	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,100 - \$1,339	\$175	\$925 - \$1,164	\$49	\$974 - \$1,213
2BR / 2BA	\$1,347 - \$1,818	\$300	\$1,047 - \$1,518	\$63	\$1,110 - \$1,581

Belmont At City Center, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Carport(\$30.00)	None	None
Clubhouse/Meeting Room/Community	Courtyard		
Elevators	Exercise Facility		
Off-Street Parking	On-Site Management		
Picnic Area	Recreation Areas		
Wi-Fi			

Comments

The ranges in rent reflect many different floor plans offered at the property. This property does not accept Housing Choice Vouchers. The contact stated the property has experienced an elevated amount of turnover due to COVID-19 and leasing vacant units has taken longer than usual.

Trend Report

Vacancy Rates

4Q14	2Q15	1Q21
3.0%	5.2%	7.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$975 - \$1,260	\$0	\$975 - \$1,260	\$1,024 - \$1,309
2015	2	N/A	\$975 - \$1,260	\$81 - \$105	\$894 - \$1,155	\$943 - \$1,204
2021	1	6.0%	\$1,100 - \$1,339	\$175	\$925 - \$1,164	\$974 - \$1,213

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$1,295 - \$1,720	\$0	\$1,295 - \$1,720	\$1,358 - \$1,783
2015	2	N/A	\$1,295 - \$1,770	\$108 - \$148	\$1,187 - \$1,622	\$1,250 - \$1,685
2021	1	8.3%	\$1,347 - \$1,818	\$300	\$1,047 - \$1,518	\$1,110 - \$1,581

Trend: Comments

- 4Q14 The contact was unable to specify the unit mix but was able to state there are 100 one-bedroom units and 132 two-bedroom units. The ranges in rent reflect many different floor plans offered at the property.
- 2Q15 The ranges in rent reflect many different floor plans offered at the property. This property does not accept Housing Choice Vouchers.
- 1Q21 The ranges in rent reflect many different floor plans offered at the property. This property does not accept Housing Choice Vouchers. The contact stated the property has experienced an elevated amount of turnover due to COVID-19 and leasing vacant units has taken longer than usual.

Photos



PROPERTY PROFILE REPORT

Boston Cove

Effective Rent Date	2/05/2021
Location	828 Forrest Drive Newport News, VA 23606 Newport News County
Distance	0.1 miles
Units	34
Vacant Units	1
Vacancy Rate	2.9%
Type	Townhouse (2 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kingstowne Apartments
Tenant Characteristics	Families from all over
Contact Name	Jennifer
Phone	757-599-0470



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	9
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 2%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	1	600	\$934	\$0	Market	No	0	0.0%	N/A	None
1	1	Townhouse (2 stories)	2	800	\$956	\$0	Market	No	0	0.0%	N/A	None
2	1	Townhouse (2 stories)	16	760	\$925	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	2	900	\$1,149	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	12	1,437	\$1,370	\$0	Market	No	1	8.3%	N/A	None
4	3	Townhouse (2 stories)	1	1,588	\$1,500	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$934 - \$956	\$0	\$934 - \$956	\$0	\$934 - \$956
2BR / 1BA	\$925	\$0	\$925	\$0	\$925
2BR / 1.5BA	\$1,149	\$0	\$1,149	\$0	\$1,149
3BR / 2.5BA	\$1,370	\$0	\$1,370	\$0	\$1,370
4BR / 3BA	\$1,500	\$0	\$1,500	\$0	\$1,500

Boston Cove, continued

Amenities

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

Comments

This property does not accept Housing Choice Vouchers. The contact stated the property has maintained stable occupancy throughout the COVID-19 pandemic.

Boston Cove, continued

Trend Report

Vacancy Rates

1Q09	2Q17	3Q17	1Q21
3.0%	5.9%	5.9%	2.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$934 - \$956	\$0	\$934 - \$956	\$934 - \$956

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	4.5%	\$1,100	\$0	\$1,100	\$1,100
2017	2	4.5%	\$1,049	\$0	\$1,049	\$1,049
2017	3	4.5%	\$1,049	\$0	\$1,049	\$1,049
2021	1	0.0%	\$1,149	\$0	\$1,149	\$1,149

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$925	\$0	\$925	\$925

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$1,250	\$0	\$1,250	\$1,250
2017	2	0.0%	\$1,289	\$0	\$1,289	\$1,289
2017	3	9.1%	\$1,289	\$0	\$1,289	\$1,289
2021	1	8.3%	\$1,370	\$0	\$1,370	\$1,370

4BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	100.0%	\$1,500	\$0	N/A	N/A
2017	3	0.0%	\$1,500	\$0	N/A	N/A
2021	1	0.0%	\$1,500	\$0	\$1,500	\$1,500

Trend: Comments

1Q09	Contact stated that the one vacant unit has an application pending.
2Q17	N/A
3Q17	This property does not accept HCVs.
1Q21	This property does not accept Housing Choice Vouchers. The contact stated the property has maintained stable occupancy throughout the COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Chesapeake Bay Apartments

Effective Rent Date	2/05/2021
Location	550 Saint Michaels Way Newport News, VA 23606 Newport News County
Distance	0.7 miles
Units	300
Vacant Units	10
Vacancy Rate	3.3%
Type	Garden (2 stories)
Year Built/Renovated	1987 / 2019
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Crystal
Phone	757-599-7873



Market Information

Program	Market
Annual Turnover Rate	16%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 3% since 3Q20
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 (2 stories)	68	486	\$1,009	\$0	Market	No	3	4.4%	N/A	None
1	1	Garden (2 stories)	52	620	\$1,075	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	60	730	\$1,239	\$0	Market	No	2	3.3%	N/A	None
1	1	Garden (2 stories)	28	806	\$1,311	\$0	Market	No	2	7.1%	N/A	None
2	2	Garden (2 stories)	64	926	\$1,346	\$0	Market	No	3	4.7%	N/A	None
2	2	Garden (2 stories)	28	1,082	\$1,489	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,009 - \$1,311	\$0	\$1,009 - \$1,311	\$61	\$1,070 - \$1,372
2BR / 2BA	\$1,346 - \$1,489	\$0	\$1,346 - \$1,489	\$75	\$1,421 - \$1,564

Chesapeake Bay Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Microwave		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Concierge		
Exercise Facility	Off-Street Parking		
On-Site Management	Picnic Area		
Sport Court	Swimming Pool		
Tennis Court	Wi-Fi		

Comments

The property does not accept Housing Choice Vouchers. The contact stated the property has not been largely effected by COVID-19. Select units come with fireplaces.

Chesapeake Bay Apartments, continued

Trend Report

Vacancy Rates

2Q20	3Q20	4Q20	1Q21
4.0%	3.0%	3.0%	3.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	N/A	\$924 - \$1,160	\$0	\$924 - \$1,160	\$985 - \$1,221
2020	3	2.9%	\$949 - \$1,165	\$0	\$949 - \$1,165	\$1,010 - \$1,226
2020	4	4.0%	\$943 - \$1,208	\$42	\$901 - \$1,166	\$962 - \$1,227
2021	1	3.4%	\$1,009 - \$1,311	\$0	\$1,009 - \$1,311	\$1,070 - \$1,372

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	N/A	\$1,303 - \$1,423	\$0	\$1,303 - \$1,423	\$1,378 - \$1,498
2020	3	3.2%	\$1,303 - \$1,423	\$0	\$1,303 - \$1,423	\$1,378 - \$1,498
2020	4	1.6%	\$1,342 - \$1,462	\$42	\$1,300 - \$1,420	\$1,375 - \$1,495
2021	1	3.3%	\$1,346 - \$1,489	\$0	\$1,346 - \$1,489	\$1,421 - \$1,564

Trend: Comments

2Q20	The property is currently finishing in-unit renovations with only 20 nonrenovated units remaining, including new cabinets, new black appliances, new fixtures, and new hardwood floor. The contact stated no major changes in rent collection or vacancies due to COVID-19
3Q20	According to the contact, the vacant units are due to the COVID-19 pandemic. The property does accept Housing Choice Vouchers although there are no tenants utilizing them at this time.
4Q20	The property does not accept Housing Choice Vouchers. The property is currently offering a special of \$500 off first month's rent on all available units if leased before December 1st.
1Q21	The property does not accept Housing Choice Vouchers. The contact stated the property has not been largely effected by COVID-19. Select units come with fireplaces.

Photos



PROPERTY PROFILE REPORT

Kingstowne Apartments

Effective Rent Date	2/04/2021
Location	500 Oscar Loop Newport News, VA 23606 Newport News County
Distance	0.6 miles
Units	384
Vacant Units	17
Vacancy Rate	4.4%
Type	Garden (2 stories)
Year Built/Renovated	1986 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Chesapeake Bay, The Harbors Apartments
Tenant Characteristics	Mixed tenancy
Contact Name	Monica
Phone	(757) 595-2141



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	A three percent decrease on the two-bedrooms
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	80	800	\$959	\$0	Market	No	4	5.0%	N/A	None
2	1	Garden (2 stories)	144	980	\$1,150	\$0	Market	No	6	4.2%	N/A	None
2	1.5	Garden (2 stories)	90	1,100	\$1,299	\$0	Market	No	4	4.4%	N/A	None
2	2	Garden (2 stories)	40	800	\$1,042	\$0	Market	No	2	5.0%	N/A	None
3	2.5	Garden (2 stories)	30	1,450	\$1,475	\$0	Market	No	1	3.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$959	\$0	\$959	\$0	\$959
2BR / 1BA	\$1,150	\$0	\$1,150	\$0	\$1,150
2BR / 1.5BA	\$1,299	\$0	\$1,299	\$0	\$1,299
2BR / 2BA	\$1,042	\$0	\$1,042	\$0	\$1,042
3BR / 2.5BA	\$1,475	\$0	\$1,475	\$0	\$1,475

Kingstowne Apartments, continued

Amenities

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

Comments

The property was purchased by a new owner in 2020 and is in the process of renovating units. The rents in the profile reflect renovated units.

Kingstowne Apartments, continued

Trend Report

Vacancy Rates

1Q09	2Q17	3Q17	1Q21
4.2%	1.5%	3.1%	4.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$700	\$0	\$700	\$700
2017	2	0.0%	\$695	\$0	\$695	\$695
2017	3	1.9%	\$695	\$0	\$695	\$695
2021	1	5.0%	\$959	\$0	\$959	\$959

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$900	\$0	\$900	\$900
2017	2	1.3%	\$849	\$0	\$849	\$849
2017	3	3.8%	\$849	\$0	\$849	\$849
2021	1	4.4%	\$1,299	\$0	\$1,299	\$1,299

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$775	\$0	\$775	\$775
2017	2	2.6%	\$795	\$0	\$795	\$795
2017	3	2.6%	\$795	\$0	\$795	\$795
2021	1	4.2%	\$1,150	\$0	\$1,150	\$1,150

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	5.0%	\$1,042	\$0	\$1,042	\$1,042

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$1,050	\$0	\$1,050	\$1,050
2017	2	1.9%	\$1,095	\$0	\$1,095	\$1,095
2017	3	3.8%	\$1,095	\$0	\$1,095	\$1,095
2021	1	3.3%	\$1,475	\$0	\$1,475	\$1,475

Trend: Comments

1Q09	Contact was unable to provide the complete breakdown of the vacancies per bedroom type, but she did state the majority of the vacancies were in the two-bedroom units. There was a three percent decrease on the two-bedroom one-bath units. Contact also reported that the property is experiencing a high turnover due to the national recession.
2Q17	N/A
3Q17	The contact stated they currently maintain a waitlist for their units but could not provide length.
1Q21	The property was purchased by a new owner in 2020 and is in the process of renovating units. The rents in the profile reflect renovated units.

Photos



PROPERTY PROFILE REPORT

Newport Landing Apartments

Effective Rent Date	2/05/2021
Location	19 Port Lndg Newport News, VA 23601 Newport News County
Distance	0.2 miles
Units	160
Vacant Units	3
Vacancy Rate	1.9%
Type	Garden (2 stories)
Year Built/Renovated	1967 / 2015
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Oyster Pointe Place
Tenant Characteristics	Mixed tenants
Contact Name	Monica
Phone	(757) 595-3510



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within three weeks
Annual Chg. in Rent	N/A
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	24	850	\$895	\$0	Market	No	0	0.0%	N/A	None
1.5	1	Garden (2 stories)	24	900	\$945	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	46	950	\$995	\$0	Market	No	2	4.3%	N/A	None
2.5	1	Garden (2 stories)	46	1,000	\$1,045	\$0	Market	No	0	0.0%	N/A	None
3	1.5	Garden (2 stories)	20	1,100	\$1,195	\$0	Market	No	1	5.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$895	\$0	\$895	\$0	\$895
1.5BR / 1BA	\$945	\$0	\$945	\$0	\$945
2BR / 1BA	\$995	\$0	\$995	\$0	\$995
2.5BR / 1BA	\$1,045	\$0	\$1,045	\$0	\$1,045
3BR / 1.5BA	\$1,195	\$0	\$1,195	\$0	\$1,195

Newport Landing Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Limited Access	None
Central A/C	Coat Closet	Perimeter Fencing	
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The contact stated the property has maintained stable occupancy throughout the COVID-19 pandemic. The contact stated the property does not accept Housing Choice Vouchers. The property is formerly known as Jefferson East.

Newport Landing Apartments, continued

Trend Report

Vacancy Rates

1Q05	2Q07	3Q08	1Q21
2.5%	2.5%	1.9%	1.9%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	0.0%	\$699	\$0	\$699	\$699
2008	3	4.2%	\$725	\$0	\$725	\$725
2021	1	0.0%	\$945	\$0	\$945	\$945

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	2.1%	\$599 - \$620	\$0	\$599 - \$620	\$599 - \$620
2007	2	0.0%	\$675	\$0	\$675	\$675
2008	3	4.2%	\$705	\$0	\$705	\$705
2021	1	0.0%	\$895	\$0	\$895	\$895

2.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	0.0%	\$849	\$0	\$849	\$849
2008	3	0.0%	\$879	\$0	\$879	\$879
2021	1	0.0%	\$1,045	\$0	\$1,045	\$1,045

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	3.3%	\$699 - \$779	\$0	\$699 - \$779	\$699 - \$779
2007	2	8.7%	\$799	\$0	\$799	\$799
2008	3	2.2%	\$815	\$0	\$815	\$815
2021	1	4.3%	\$995	\$0	\$995	\$995

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2005	1	0.0%	\$825	\$0	\$825	\$825
2007	2	0.0%	\$899	\$0	\$899	\$899
2008	3	0.0%	\$925	\$0	\$925	\$925
2021	1	5.0%	\$1,195	\$0	\$1,195	\$1,195

Trend: Comments

- 1Q05 Jefferson East is a garden-style market-rate property that was built in the 1970s. The units have hardwood floors in them rather than carpet. Washers and dryers are available for rent for an additional \$50. The management stated that the rental market is very strong and that most properties have little or no vacancy.
- 2Q07 3/30/2007 - The property management company is Great Atlantic. The manager stated that the market is performing strong. The property currently has 43 active duty military member tenants primarily from Langley AFB and Fort Eustis. About half of the military tenants are married and the other half are singles. The manager believes that military members choose to live at the property because of its convenience to the installation and amenities and the RPP (Rental Partnership Program) which provides \$36 monthly discount for military members. More than half of the military members renew their leases after their initial leases expire. All major amenities are located within two miles of the property. Rents increased between nine percent and thirteen percent over the past two years.
- 2/18/2005 - Jefferson East is a garden-style market-rate property that was built in the 1970s. The units have hardwood floors in them rather than carpet. Washers and dryers are available for rent for an additional \$50. The management stated that the rental market is very strong and that most properties have little or no vacancy.
- 3Q08 Contact stated that none of the vacancies have applications on them. The annual turnover rate is high due to new management of the property. There was a four percent increase on the one-bedroom units, and a three percent increase on the one, two, and three bedroom units.
- 1Q21 The contact stated the property has maintained stable occupancy throughout the COVID-19 pandemic. The contact stated the property does not accept Housing Choice Vouchers. The property is formerly known as Jefferson East.

Photos



PROPERTY PROFILE REPORT

Oyster Point Place

Effective Rent Date	2/05/2021
Location	102 Americana Drive Newport News, VA 23606 Newport News County
Distance	0.3 miles
Units	277
Vacant Units	6
Vacancy Rate	2.2%
Type	Garden (2 stories)
Year Built/Renovated	1969 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Newport Landing Apartments
Tenant Characteristics	Mixed tenancy from all over
Contact Name	Madeline
Phone	757-595-5072



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	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)	45	750	\$718	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	117	950	\$788	\$0	Market	No	3	2.6%	N/A	None
2	1	Garden (2 stories)	115	1,000	\$788	\$0	Market	No	3	2.6%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$718	\$0	\$718	\$61	\$779
2BR / 1BA	\$788	\$0	\$788	\$75	\$863

Oyster Point Place, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Patrol	None
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Courtyard	Central Laundry	None	Dog park
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

The contact stated occupancy rates have not been effected by COVID-19, but the property has not raised rents.

Trend Report

Vacancy Rates

3Q08	1Q09	1Q21
7.2%	28.1%	2.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	N/A	\$709	\$50	\$659	\$720
2009	1	N/A	\$599	\$0	\$599	\$660
2021	1	0.0%	\$718	\$0	\$718	\$779

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	N/A	\$689 - \$869	\$130 - \$154	\$559 - \$715	\$634 - \$790
2009	1	N/A	\$619 - \$649	\$0	\$619 - \$649	\$694 - \$724
2021	1	2.6%	\$788	\$0	\$788	\$863

Trend: Comments

3Q08	Oyster Point Apartments is a market rate property offering 278 one and two-bedroom units. The property is currently undergoing renovations. The property recently completed exterior renovations, which includes new landscaping and roofs. Units are being renovated as they are turned over. Unit renovations include new cabinetry, carpeting, and appliances. The contact stated that three of the 20 vacant units are renovate and are pre-leased. The remaining 17 vacant units are undergoing renovations. The property offers washer/dryer units available for rent for a premium of \$50. The contact believes there is strong demand for affordable housing for median income households. The contact believes that rents in the market are to high for households that work low to moderate-paying jobs.
1Q09	Contact was unable to provide the complete breakdown of the vacancies per bedroom type, but she did state the majority were in the two-bedrooms. She also noted that the property is definitely feeling the impact of the recession. Rents were lowered tremendously to increase occupancy. There was a 16% decrease on the one-bedroom units, a ten percent decrease on the small two-bedroom units, and a 25% decrease on the two-bedroom deluxe units.
1Q21	The contact stated occupancy rates have not been effected by COVID-19, but the property has not raised rents.

Photos



PROPERTY PROFILE REPORT

Park Place At City Center

Effective Rent Date	2/05/2021
Location	675 Town Center Newport News, VA 23606 Newport News County
Distance	0.6 miles
Units	363
Vacant Units	5
Vacancy Rate	1.4%
Type	Midrise (4 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Villages of Stoney Run, Falcon Creek
Tenant Characteristics	Mixed tenancy from all over
Contact Name	Rihanna
Phone	757-594-9799



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased up to 6 percent
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	Midrise (4 stories)	141	830	\$1,190	\$0	Market	No	5	3.5%	N/A	AVG*
1	1	Midrise (4 stories)	0	988	\$1,302	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Midrise (4 stories)	0	672	\$1,078	\$0	Market	No	0	N/A	N/A	LOW
2	2	Midrise (4 stories)	201	1,233	\$1,361	\$0	Market	No	0	0.0%	N/A	AVG*
2	2	Midrise (4 stories)	0	1,437	\$1,421	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Midrise (4 stories)	0	1,028	\$1,301	\$0	Market	No	0	N/A	N/A	LOW
3	2	Midrise (4 stories)	21	1,423	\$1,794	\$0	Market	No	0	0.0%	N/A	AVG*
3	2	Midrise (4 stories)	0	1,584	\$1,901	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Midrise (4 stories)	0	1,267	\$1,687	\$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,078 - \$1,302	\$0	\$1,078 - \$1,302	\$49	\$1,127 - \$1,351
2BR / 2BA	\$1,301 - \$1,421	\$0	\$1,301 - \$1,421	\$63	\$1,364 - \$1,484
3BR / 2BA	\$1,687 - \$1,901	\$0	\$1,687 - \$1,901	\$77	\$1,764 - \$1,978

Park Place At City Center, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Perimeter Fencing	
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Carport(\$30.00)	Clubhouse/Meeting Room/Community	None	None
Elevators	Exercise Facility		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		

Comments

Rent ranges are due to different floor plans. This property does not accept Housing Choice Vouchers. Management was unable to comment on the impact of COVID-19 at the property.

Park Place At City Center, continued

Trend Report

Vacancy Rates

1Q09	4Q14	2Q15	1Q21
6.1%	5.3%	2.2%	1.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$952	\$79	\$873	\$922
2014	4	N/A	\$952 - \$1,180	\$0	\$952 - \$1,180	\$1,001 - \$1,229
2015	2	N/A	\$1,026 - \$1,226	\$0	\$1,026 - \$1,226	\$1,075 - \$1,275
2021	1	3.5%	\$1,078 - \$1,302	\$0	\$1,078 - \$1,302	\$1,127 - \$1,351

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$1,208	\$101	\$1,107	\$1,170
2014	4	N/A	\$1,208 - \$1,494	\$49 - \$73	\$1,159 - \$1,421	\$1,222 - \$1,484
2015	2	N/A	\$1,232 - \$1,544	\$103 - \$129	\$1,129 - \$1,415	\$1,192 - \$1,478
2021	1	0.0%	\$1,301 - \$1,421	\$0	\$1,301 - \$1,421	\$1,364 - \$1,484

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	N/A	\$1,588	\$132	\$1,456	\$1,533
2014	4	N/A	\$1,588 - \$1,825	\$0	\$1,588 - \$1,825	\$1,665 - \$1,902
2015	2	N/A	\$1,623 - \$1,885	\$0	\$1,623 - \$1,885	\$1,700 - \$1,962
2021	1	0.0%	\$1,687 - \$1,901	\$0	\$1,687 - \$1,901	\$1,764 - \$1,978

Trend: Comments

1Q09	Contact was unable to provide the complete breakdown of the vacancies per bedroom type at the time of the survey. Rents reflected in the rent grid are starting rents. The rent range depends on the location of the unit and if the unit has a balcony. The one-bedroom ranges between \$952-\$1,180, the two-bedrooms range between \$1,208-\$1,494, and the three-bedrooms range between \$1,588-\$1,825.
4Q14	Rent ranges are due to different floor plans and unit amenities. Five percent rent discounts are offered to military personnel. Discounted rents ranging from \$608 to \$627 for first month's rent are being offered on two-bedroom units, in which there are 17 available units. The contact stated the property typically remains 93 to 95 percent occupied.
2Q15	Rent ranges are due to different floor plans. This property does not accept Housing Choice Vouchers. Management was unable to comment on the annual turnover rate at the property.
1Q21	Rent ranges are due to different floor plans. This property does not accept Housing Choice Vouchers. Management was unable to comment on the impact of COVID-19 at the property.

Photos



PROPERTY PROFILE REPORT

The Villages At City Center

Effective Rent Date	2/05/2021
Location	828 Forrest Dr Newport News, VA 23606 Newport News County
Distance	0.1 miles
Units	116
Vacant Units	3
Vacancy Rate	2.6%
Type	Garden (2 stories)
Year Built/Renovated	1971 / 1992
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Property manager
Phone	(757) 599-0470



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	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	28	686	\$947	\$0	Market	None	2	7.1%	N/A	None
2	1	Garden (2 stories)	75	872	\$1,049	\$0	Market	None	1	1.3%	N/A	None
3	2	Garden (2 stories)	12	1,437	\$1,370	\$0	Market	None	0	0.0%	N/A	None
4	3	Garden (2 stories)	1	1,588	\$1,550	\$0	Market	None	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$947	\$0	\$947	-\$4	\$943
2BR / 1BA	\$1,049	\$0	\$1,049	-\$5	\$1,044
3BR / 2BA	\$1,370	\$0	\$1,370	-\$7	\$1,363
4BR / 3BA	\$1,550	\$0	\$1,550	\$0	\$1,550

The Villages At City Center, continued

Amenities

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

Comments

The contact stated the property has experienced an elevated turnover due to COVID-19, but occupancy rates have remained generally stable regardless.

Photos



PROPERTY PROFILE REPORT

Victoria Place

Effective Rent Date	2/05/2021
Location	831 Forrest Dr Newport News, VA 23606 Newport News County
Distance	0.1 miles
Units	36
Vacant Units	3
Vacancy Rate	8.3%
Type	Garden (3 stories)
Year Built/Renovated	1985 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Property manager
Phone	(757) 599-0470



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	None
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 (3 stories)	12	800	\$947	\$0	Market	None	1	8.3%	N/A	None
2	1	Garden (3 stories)	12	760	\$905	\$0	Market	None	1	8.3%	N/A	None
2	2	Garden (3 stories)	12	800	\$981	\$0	Market	None	1	8.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$947	\$0	\$947	\$61	\$1,008
2BR / 1BA	\$905	\$0	\$905	\$75	\$980
2BR / 2BA	\$981	\$0	\$981	\$75	\$1,056

Victoria Place, continued

Amenities

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

Comments

The contact was unable to comment on the usage of Housing Choice Vouchers, the turnover rate, and the impact of COVID-19 on the property.

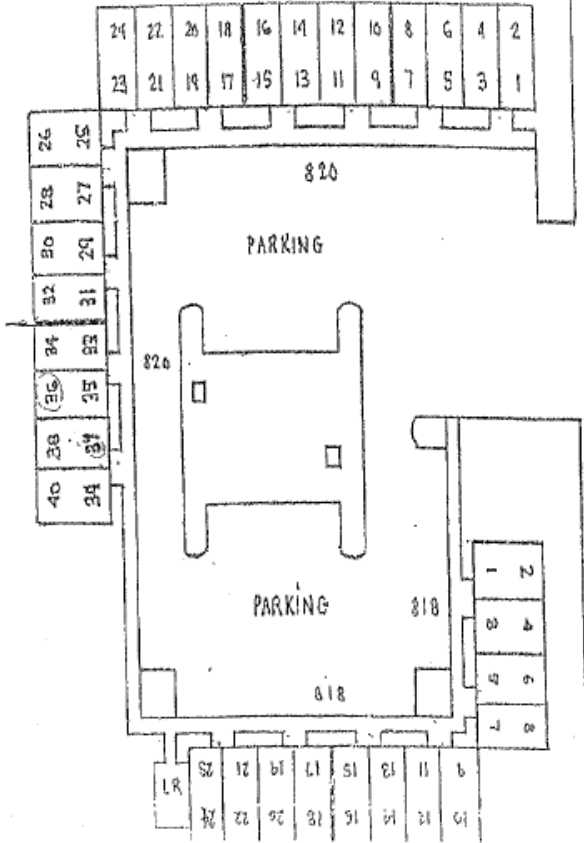
Photos



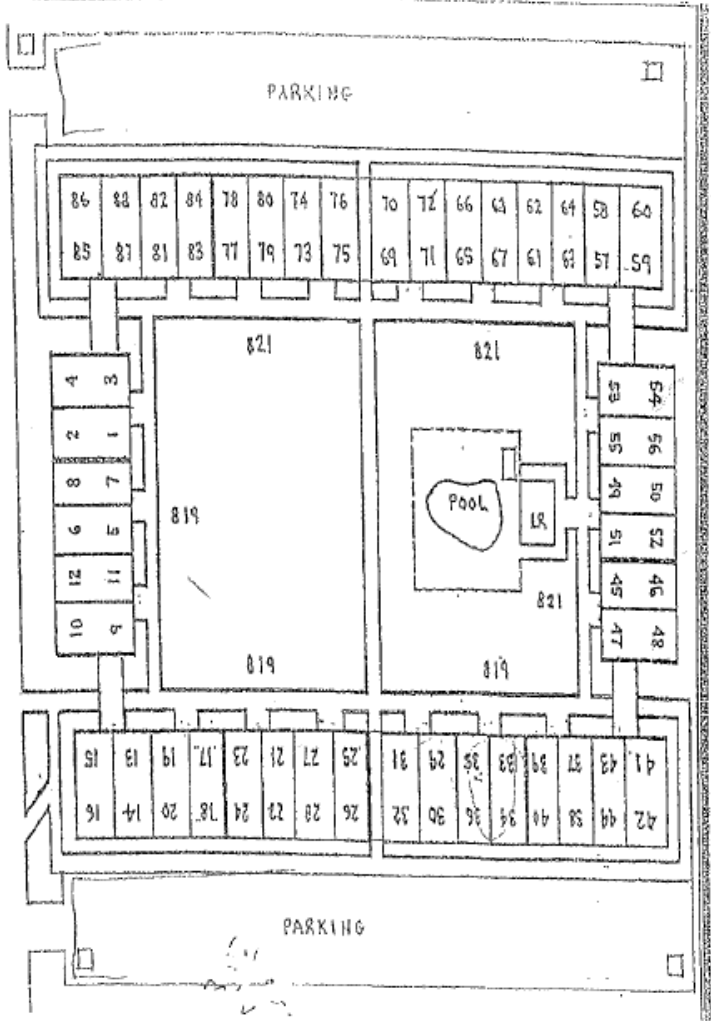
ADDENDUM D
Site and Floor Plans

Wellington Apartments at Oyster Point

519 Forrest Drive, Apartment 15
 Newport News, Virginia 23606
 (804) 596-4112



FORREST DRIVE



Source: Client, 2/2021



Source: Client, 2/2021

ADDENDUM E
Utility Allowance

ADDENDUM F
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. NHCG-939 – State of New Hampshire
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

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

IV. Professional Training

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

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

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

V. Real Estate Assignments – Examples

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

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

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
KELLY MCNANY GORMAN**

I. Education

Virginia Tech, Blacksburg, VA
Bachelor of Arts in Urban Affairs and Planning

II. Professional Experience

Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Asset Manager, Housing Opportunities Commission of Montgomery County, MD
Senior Real Estate Analyst, Novogradac & Company LLP
Acquisitions Associate, Kaufman & Broad Multi-Housing Group, Inc. (KBMH)

III. Certifications, Professional Training and Continuing Education

Licensed Certified General Appraiser, CT License #RCG.0001437
Licensed Certified General Appraiser, NJ License #42RG00245500
Licensed Certified General Appraiser, NY License #46000051239
Licensed Certified General Appraiser, PA License #GA004390

Attended and presented at tax credit application training sessions and seminars, valuation of GP Interest sessions, numerous conferences and classes in real estate valuation, finance, asset management and affordable housing development using tax credits and tax exempt financing.

IV. Real Estate Assignments – Examples

A representative sample of Asset Management, Market Study, Due Diligence and Valuation Engagements includes the following:

- Managed and conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Managed and conducted market studies and appraisals of various LIHTC, affordable and market rate properties for numerous clients. The subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, operating expense and demand analysis. Appraisals included various value scenarios including hypothetical land value as if vacant, insurable value, value of LIHTC, abatements and PILOTs, below market debt, ground leases, value of historic credits, etc. Work has been national in scope.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.

- Provided appraisals and market studies for a variety of properties types located throughout the United States. The reports provided included a variety of property types including vacant land, multifamily rental properties, retail buildings, etc.
- Managed a portfolio of ten multifamily properties with a total of over 2,000 units. Portfolio a range of property types including an historic property, garden style, luxury high rise, two senior independent living and one assisted living facility. Responsible for the management, oversight, financial analysis and financial reporting. Coordinated the preparation of property operating budgets, capital budgets and long range plans. Monitored compliance with regulations, policies and procedures. Completed special property management projects consisting of research and reporting. Analyzed property management financial statements and multifamily rental markets surveys.
- Managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. 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. Recommendations included a workout for one of the 16 assets.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of property condition and deferred maintenance, security issues, signage, marketing strategy and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assess how the property compares to competition. Analyzed operating expense results.

NMTC Consulting Assignments

Performed investment due diligence for a variety of NMTC transactions.

- Performed loan consulting engagements in which GoVal provided opinions regarding whether third party lenders would reasonably lend to NMTC projects based upon deal structure and likelihood of repayment. These engagements involved the analysis of sources of collateral, sources of repayment and reviewing transaction documents, surveying lenders and examining the deal structure.
- Oversaw an analysis of NMTC activity analyzing sizing and recommending strategies for a NMTC investor. Engagement consisted of compilation of NMTC award data from CDFI by location, CDE type, year, award amount and conduct interviews with market participants to better understand investment objectives and competitor activity.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Tara Rial

I. Education

Loyola University Maryland, Baltimore, MD
Bachelors of Business Administration

II. Professional Experience

Manager, Novogradac & Company LLP
Analyst, Novogradac & Company LLP
Senior Research Associate, CoStar Group,

III. Research Assignments

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.
- Assisted with a variety of asset management services for a developer including monitoring and reporting property performance on a quarterly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects.
- Conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

NICODEMO AGOSTINO

I. Education

McGill University – Montreal, QC
Bachelor of Civil Law (B.C.L.) and Bachelor of Laws (LL.B.)

McGill University – Montreal, QC
Bachelor of Arts, Art History

II. Professional Experience

Analyst, *Novogradac & Company LLP* – December 2020 – Present
Junior Analyst, *Novogradac & Company LLP* – January 2019 – December 2020
Assistant Contract Administrator, *Office of Innovation, McGill University* – June 2016 – June 2018
Legal Clinic Intern, *Commission for Environmental Cooperation* – September 2016 – December 2016

III. Research Assignments

A representative sample of work on various types of projects:

- Conducted numerous market and feasibility studies for proposed and existing Low-Income Housing Tax Credit (LIHTC), HUD subsidized, and market rate properties for use by real estate developers, governmental entities, and financial institutions. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing LIHTC and market rate multifamily properties. Analysis includes property screenings, expense comparability analysis, demographic and economic analysis.
- Performed all aspects of data collection and data mining for use in market studies, feasibility studies, and appraisals.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.
- Conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Conducted market studies for retail and commercial properties utilized for underwriting purposes.

ADDENDUM G
NCHMA Certification and Checklist

NCHMA Market Study Index

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

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

NCHMA Market Study Index

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

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



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

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

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

Tara Rial
Manager
Tara.Rial@novoco.com