

A MARKET FEASIBILITY STUDY OF:
AUTUMN WILLOW

9%

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AUTUMN WILLOW 9%

13090 Autumn Willow Drive
Fairfax, Fairfax County, Virginia 22030

Effective Date: February 16, 2021
Report Date: March 12, 2021

Prepared for:
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March 12, 2021

Nicholas C. Bracco
Regional Vice President, Mid-Atlantic Region
Michaels Development
1700 Diagonal Road, Suite 330
Alexandria, VA 22314

Re: Market Study - Application for Autumn Willow 9%, located in Fairfax, Fairfax County, Virginia

Dear Mr. Bracco:

At your request, Novogradac Consulting LLP has performed a study of the multifamily rental market in the Fairfax, Fairfax County, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We completed a rent and demand letter for the Subject property in February 2020, and an appraisal and application market study for the Subject property in August 2020. We concurrently completed an application market study on The Lodge At Autumn Willow 4%, which will consist of 75 units restricted to senior households ages 62 and above earning 60 percent of the AMI, or less. The Lodge At Autumn Willow 4% will be located within the same two-story, elevator-serviced, lowrise building as the Subject, and there will be no physical separation between the two properties. We have not performed any additional services in the past three years for the Subject property.

The purpose of this market study is to assess the viability of the proposed 75-unit LIHTC project. It will be a newly constructed property that will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will be restricted to senior households ages 62 and above earning 30, 50 and 60 percent of AMI, or less. Of these 75 units, eight units restricted at 30 percent of AMI will benefit from Section 8 subsidy, wherein tenants pay 30 percent of their income towards rent. 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:

- Inspecting the site of the proposed Subject, and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized 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.

Virginia Housing is the client in this engagement and intended user of this report. As our client, Virginia Housing 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. 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.

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 is 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 collections since April 2020 that are better than expected for all types of multifamily properties. According to the National Multifamily Housing Council's (NMHC) Rent Payment Tracker, NMHC found that 80.4 percent of apartment households made a full or partial rent payment by March 6, 2021, a slight increase compared to the 79.2 percent that had made a payment by February 6th, a month prior. Additionally, March 2021 rent payments decreased 4.1 percentage points relative to March 2020. Recent rent payment figures show that additional support tenants received during the pandemic, most recently with \$600 individual stimulus payments in December, continues to provide renters with some degree of security against economic distress facing communities across the country. 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. In March 2020, congress passed a \$2 trillion stimulus bill to respond to the coronavirus pandemic, with cash and assistance for Americans, and small businesses impacted by the virus. In December 2020, congress passed a \$900 billion stimulus bill in further response to the coronavirus pandemic. In March 2021, the Senate passed a third stimulus bill. The \$1.9 trillion stimulus bill includes \$1,400 checks to low and middle income families, additional unemployment aid, investment in transit, schools, hospitals, funding for infrastructure and assistance with child care.
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. Fairfax County 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 Fairfax County as of March 1, 2021.



Source: USAfacts.org, March 2021

According a WalletHub analysis dated February 25, 2021, Virginia was ranked 46 out of the 51 states and the District of Columbia for states whose weekly unemployment claims are recovering the quickest since the start of the COVID-19. As of December 2020, the unemployment rate in the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA) was 5.6 percent, compared to the national unemployment rate of 6.5 percent.

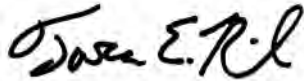
5. It should be noted that we suspect that vigilance with social distancing as a result of COVID-19 may be a reason for the lack of responsiveness to some of our inquiries for rental data. Despite this, we obtained ample data for our survey and we believe our conclusions are credible.

MR. NICHOLAS C. BRACCO
MICHAELS DEVELOPMENT
MARCH 12, 2021
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Respectfully submitted,
Novogradac Consulting LLP



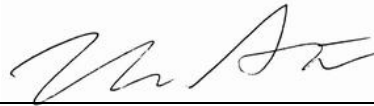
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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- Subject Site Description:** The Subject site is located at 13090 Autumn Willow Drive in Fairfax, Fairfax County, Virginia 22030.
- Surrounding Land Uses:** The Subject site is located in the western portion of Fairfax. Immediately north of the Subject site is vacant wooded land, a parking lot, Autumn Willow Park and Stringfellow Soccer Park. Immediately east of the Subject site is Stringfellow Park, Willow Pond Trail and power lines. Immediately south of the Subject is a creek and vacant wooded land. Immediately west of the Subject site is a tennis court and single-family homes in good condition. The surroundings uses are generally in good condition. The Subject site is rated as “Car Dependent” by WalkScore with a score of 26, indicating that almost all errands require a car. The nearest bus stop is located immediately northwest of the Subject site at the at the northwest corner of Autumn Willow Drive and Stringfellow Road.
- Subject Property Description:** Autumn Willow 9%, the Subject, is a proposed 75-unit LIHTC development. The Subject will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will be restricted to senior households ages 62 and above earning 30, 50 and 60 percent of AMI, or less. Of these 75 units, eight units restricted at 30 percent of AMI will benefit from Section 8 subsidy, wherein tenants pay 30 percent of their income towards rent. The Subject will consist of one two-story elevator-serviced lowrise building. The Subject site is currently vacant wooded land. The Subject is one of two planned projects located within the same building. The Lodge At Autumn Willow 4% will be located within the same two-story, elevator-serviced, lowrise building as the Subject, and there will be no physical separation between the two properties. The Lodge At Autumn Willow 4% will consist of 75 units restricted to senior households ages 62 and above earning 60 percent of the AMI, or less. The two projects will share 133 off-street surface parking spaces.
- Proposed Rents:** The following table details proposed rents for the Subject’s units.

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
@30%							
1BR / 1BA	696	8	\$648	\$60	\$708	\$708	\$1,500
@30% (Section 8)							
1BR / 1BA	696	4	\$1,438	\$60	\$1,498	\$708	\$1,500
2BR / 1BA	938	2	\$1,618	\$72	\$1,690	\$850	\$1,707
2BR / 1BA	1,044	2	\$1,618	\$72	\$1,690	\$850	\$1,707
@50%							
1BR / 1BA	696	15	\$1,121	\$60	\$1,181	\$1,181	\$1,500
2BR / 1BA	938	1	\$1,345	\$72	\$1,417	\$1,417	\$1,707
2BR / 1BA	1,044	6	\$1,345	\$72	\$1,417	\$1,417	\$1,707
@60%							
1BR / 1BA	696	16	\$1,357	\$60	\$1,417	\$1,417	\$1,500
1BR / 1BA	796	2	\$1,357	\$60	\$1,417	\$1,417	\$1,500
2BR / 1BA	1,044	5	\$1,629	\$72	\$1,701	\$1,701	\$1,707
2BR / 1BA	1,141	6	\$1,629	\$72	\$1,701	\$1,701	\$1,707
2BR / 1BA	1,163	4	\$1,629	\$72	\$1,701	\$1,701	\$1,707
2BR / 1BA	1,205	4	\$1,629	\$72	\$1,701	\$1,701	\$1,707
75							

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

All of the Subject's proposed rents will be set at the maximum allowable LIHTC rents.

Target Household Income Levels:

Based on the proposed restrictions, the range of annual household income levels is depicted below.

62+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@30% (Section 8)		@50%		@60%	
1BR	\$21,240	\$30,240	\$0	\$30,240	\$35,430	\$50,400	\$42,510	\$60,480
2BR	-	-	\$0	\$30,240	\$42,510	\$50,400	\$51,030	\$60,480

62+ INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$21,240	\$30,240	\$35,430	\$50,400	\$42,510	\$60,480
2BR	\$50,700	\$30,240	\$42,510	\$50,400	\$51,030	\$60,480

Economic Conditions

Employment in the PMA is concentrated in the prof/scientific/tech services, educational services, and public administration industries, which collectively comprise 47.2 percent of local employment. The large share of PMA employment in the public administration industry is notable as this industry is historically stable, and exhibits greater resilience during economic downturns. As of December 2020, MSA employment is below record levels, and declined 6.3 percent over the past year, compared to a 5.6 percent decline across the

overall nation. Fairfax County 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. According a WalletHub analysis dated February 25, 2021, Virginia was ranked 46 out of the 51 states and the District of Columbia for states whose weekly unemployment claims are recovering the quickest since the start of the COVID-19. We expect economic conditions to improve as restrictions continue to be lifted.

Primary Market Area

The PMA is generally defined as the cities of Fairfax, Centreville Tysons and Chantilly. The PMA boundaries are defined as Sully Road, Lee Jackson Memorial Highway, and Pleasant Valley Road to the west, Compton Road, Clifton Road, Chapel Road, Burke Lake Road and Braddock Road to the south, Interstate 495 to the east, and Dulles Access Road to the north. The PMA was defined based on interviews with property managers and local authorities. We anticipate that the property will experience some “leakage” from outside the PMA and we estimated that and 20 percent respectively of the tenants will come from outside these boundaries. The PMA is 142 square miles in size. The drive time zone of the PMA is approximately 20 minutes.

The Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of Frederick, Montgomery, Calvert, Charles and Prince George’s Counties in Maryland; Washington, DC; Arlington, Clarke, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford and Warren Counties in Virginia; Jefferson County in West Virginia; and the independent cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park in Virginia.

Demographic Data

The population in the PMA increased by 17.6 percent between 2000 and 2020, compared to the 29.4 percent increase in the regional MSA and 19.1 percent increase across the overall nation. The senior population in the PMA increased by 30.0 percent between 2010 and 2020, compared to the 34.6 percent increase in the regional MSA and 24.8 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 32.2 percent as of 2020. This is similar to the estimated 33 percent of renter households across the overall nation. As of 2020, the median income in the PMA is above 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 rising 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	Tenancy	Total Units	Vacant Units	Vacancy Rate
Cascades Village*	LIHTC	Senior	150	17	11.3%
Forest Glen Phase II	LIHTC	Senior	119	12	10.1%
Herndon Harbor House*	LIHTC	Senior	120	1	0.8%
Kendrick Court	LIHTC	Senior	140	4	2.9%
Madison Ridge	LIHTC	Family	98	0	0.0%
Archstone Fairchase	Market	Family	392	7	1.8%
Elms At Centreville	Market	Family	268	9	3.4%
Gables Centerpointe	Market	Family	121	2	1.7%
The Julian At Fair Lakes	Market	Family	150	8	5.3%
Woodway At Trinity Center	Market	Family	504	7	1.4%
Total LIHTC			627	34	5.4%
Total Market Rate			1,435	33	2.3%
Overall Total			2,062	67	3.2%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 11.3 percent, with an overall weighted average of 3.2 percent. The manager at one of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 5.4 percent, above the 2.3 percent average reported by the market rate properties. One of the LIHTC comparables, Madison Ridge, reported operating with a waiting list. The contacts at Cascades Village and Forest Glen Phase II stated the elevated vacancy rates are due to impacts from COVID-19 and demand at the property has decreased during the winter months. The contact at Forest Glen Phase II noted they expect demand to increase during the spring months. As noted in the section on concessions, four of the comparables are offering concessions, three of which are market rate properties and one of which is a LIHTC property. Cascades Village and Forest Glen Phase II report they are achieving maximum allowable LIHTC rents. However, these two properties operate with vacancy rates above 10 percent. Cascades Village offers no concessions and reports the highest asking rents of the LIHTC properties. Given the rent decreases reported by the market rate comparables, the maximum allowable LIHTC rents at Cascades Village and Forest Glen Phase II may be more than the market can bear at this time and concessions may help rectify the elevated vacancy. We previously interviewed Cascades Village and Forest Glen Phase II in 1Q2019, 1Q2020 and 3Q2020. Cascades Village had reported a vacancy rate of 1.3 percent in each previous interview, and Forest Glen Phase II had reported vacancy rates of 2.5 percent, 0.8 percent and 0.0 percent in 1Q2019, 1Q2020 and 3Q2020, respectively. This indicates the vacancy rates at Cascades Village and Forest Glen Phase II are typically low, and the current vacancy rates are atypical for the properties. All of the market rate properties reported vacancy rates of 5.3 percent or lower. The contact at The Julian At Fair Lakes stated the elevated vacancy rate is due to a slower leasing pace than is common for the property during the winter months. The following table details the historical vacancy of the comparables from 2019 to present.

HISTORICAL VACANCY

Property Name	Program	Total Units	2019 Q1	2020 Q1	2020 Q3	2021 Q1
Cascades Village	LIHTC	150	1.3%	1.3%	1.3%	11.3%
Forest Glen Phase II	LIHTC	119	2.5%	0.8%	0.0%	10.1%
Herndon Harbor House	LIHTC	120	0.0%	0.0%	1.7%	0.8%
Kendrick Court	LIHTC	140	0.0%	0.0%	2.1%	2.9%
Madison Ridge	LIHTC	98	1.0%	0.0%	0.0%	0.0%
Archstone Fairchase	Market	392	N/A	N/A	0.3%	1.8%
Elms At Centreville	Market	268	3.4%	3.0%	0.4%	3.4%
Gables Centerpointe	Market	121	N/A	N/A	2.5%	1.7%
The Julian At Fair Lakes	Market	150	2.0%	2.0%	2.7%	5.3%
Woodway At Trinity Center	Market	504	3.2%	3.6%	0.4%	1.4%

As demonstrated in the table above, the elevated vacancy reported by Cascades Village, Forest Glen Phase II and The Julian At Fair Lakes are uncharacteristic for the properties, and these properties typically operate with low vacancy rates.

The following table details comments by property managers at the comparable properties regarding the impact of COVID-19 at the properties.

COVID-19 DISCUSSION

Property Name	Rent Structure	Tenancy	Comment
Cascades Village*	LIHTC	Senior	The contact reported that there has been an increase in vacancy due to impacts from COVID-19 as well as the slower traffic in the winter season. The contact also stated that there have been some late payments and payment plans but the contact was unable to provide the number of tenants who are utilizing them.
Forest Glen Phase II	LIHTC	Senior	The contact stated that traffic has been slower at the property due to impacts caused by the COVID-19 pandemic. The contact reported that leasing is expected to increase again in the spring.
Herndon Harbor House*	LIHTC	Senior	The contact stated COVID-19 has not reduced demand at the property, but leasing available units has become more difficult due to restrictions with viewing properties and finding tenants on the waiting list who are income qualified. The contact reported that the property has been able to maintain strong demand throughout the pandemic typically staying above 98 percent occupancy.
Kendrick Court	LIHTC	Senior	The contact stated the property is typically fully occupied, but COVID-19 has made leasing at the property more difficult. Even though people are less willing to move, demand has remained strong.
Madison Ridge	LIHTC	Family	N/A
Archstone Fairchase	Market	Family	The contact reported that there have been many operational changes due to COVID-19 but not any significant impacts.
Elms At Centreville	Market	Family	The contact reported that the property has been allowing tenants to break leases and offering payment plans for tenants with financial issues due to COVID-19. The contact estimated that six tenants have moved from the property due to job loss during the pandemic. However, occupancy has remained strong staying above 90 percent throughout the pandemic.
Gables Centerpointe	Market	Family	The contact reported that there have been some tenants with financial difficulties due to COVID-19 but was unable to comment on rent collections.
The Julian At Fair Lakes	Market	Family	The contact reported that leasing has been slower but that is common during the winter months and is not completely due to COVID-19.
Woodway At Trinity Center	Market	Family	The contact reported that the main effects from COVID-19 have been the closure of amenities.

*Located outside of the PMA

We understand from our interviews with senior property managers that leasing has slowed due to the COVID-19 pandemic and that has impacted occupancy. With the distribution of vaccines we believe senior properties will experience a more accelerated leasing pace. The following table details vacancy by bedroom type for the comparable properties surveyed:

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	OBR	1BR	2BR	3BR	Overall
Cascades Village*	LIHTC	Senior	-	13.8%	0.0%	-	11.3%
Forest Glen Phase II	LIHTC	Senior	-	8.9%	16.7%	-	10.1%
Herndon Harbor House*	LIHTC	Senior	-	0.8%	-	-	0.8%
Kendrick Court	LIHTC	Senior	-	2.9%	2.8%	-	2.9%
Madison Ridge	LIHTC	Family	-	0.0%	0.0%	-	0.0%
Archstone Fairchase	Market	Family	0.0%	3.4%	0.5%	3.6%	1.8%
Elms At Centreville	Market	Family	-	6.9%	1.7%	-	3.4%
Gables Centerpointe	Market	Family	-	1.4%	2.0%	-	1.7%
The Julian At Fair Lakes	Market	Family	13.3%	3.4%	6.5%	-	5.3%
Woodway At Trinity Center	Market	Family	-	2.4%	0.4%	-	1.4%

*Located outside of the PMA

As proposed, the Subject will consist of one and two-bedroom units. Vacancy rates in the market average 4.6 percent for one-bedroom units and 1.5 percent for two-bedroom units. Overall, vacancy rates in the market are moderate to low. This supports that there is demand for additional 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. We believe the current performance is a confluence of events that makes the market temporarily soft. COVID-19 results in fewer seniors eager to move into new quarters. The holidays and winter are typically a slower leasing period for all multifamily properties. Finally, as mentioned earlier, COVID-19 has impacted the Northern Virginia economy to a greater degree than the national average. Historically, the market produced strong occupancies, robust rent growth, and LIHTC rents are maximum. We believe this current situation is temporary and that the market will show resilience in the short term and return to typical health. Therefore, we expect the Subject will operate with a vacancy rate of five percent or less.

Absorption

We were unable to obtain recent absorption information from any of the comparable properties. Therefore, we searched Fairfax County for properties that could provide absorption information. The following table details our findings.

ABSORPTION

Property Name	City	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Woods At Birchwood	Ashburn	LIHTC	Senior	2019	83	15
The Belnor Senior Residences	Marlow Heights	LIHTC	Senior	2019	122	31
Pointe View At Aspen Hill	Aspen Hill	LIHTC	Senior	2019	120	20
The Elms At Clarksburg Village Encore	Clarksburg	Market	Senior	2017	90	6

The LIHTC comparables illustrate absorption rates ranging from 15 to 31 units per month. The market rate property experienced a lower rate of 6 units per month. We estimate the Subject will experience an absorption rate of 20 units per month, indicating an absorption period of three to four 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 as follows:

DEMAND CONCLUSION

Calculation	As Proposed	Absent Subsidy
@30%	2.1%	2.9%
@30% (Section 8)	0.4%	-
@50%	2.4%	2.4%
@60%	3.2%	3.2%
All Units	2.0%	3.4%

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 is 4.3 percent for the first year of operation as a LIHTC property as proposed, and 8.2 percent absent subsidy. 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 1,651 units of demand in the first year of the Subject’s operation as proposed, and 865 absent subsidy. The Subject’s units will need to accommodate 71 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 VA 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.

	As Proposed	Absent Subsidy
Project Wide Capture Rate- LIHTC Units @30% AMI	2.0%	4.1%
Project Wide Capture Rate- LIHTC Units @30% AMI (Section 8)	0.5%	-
Project Wide Capture Rate- LIHTC Units @50% AMI	3.2%	3.2%
Project Wide Capture Rate- LIHTC Units @60% AMI	4.9%	4.9%
Project Wide Capture Rate- All LIHTC Units	2.7%	5.1%
Project Wide Absorption Period (Months)	3-4 months	3-4 months

These are low capture rates and indicative of ample demand for the Subject.

Strengths

- The Subject will be in excellent condition once completed.
- Two of the LIHTC comparable properties reported achieving maximum allowable LIHTC rents.
- The Subject is located in close proximity to public transportation options, services, and amenities.
- The Subject has low capture rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject’s two-bedroom unit size at 938 square feet is below the surveyed average of the comparables. The LIHTC comparable Kendrick Court offers smaller one and two-bedroom unit sizes

and reported operating with 2.9 percent vacancy, indicating smaller unit sizes are not detrimental to property performance in the market.

- Currently, the market is temporarily under-performing historic occupancies. We believe this is related to the COVID-19 pandemic and we expect the market will rebound to historic levels in the short term.

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 Fairfax, Virginia area relative to Autumn Willow 9%, a proposed LIHTC development. The Subject will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will be restricted to senior households ages 62 and above earning 30, 50 and 60 percent of AMI, or less. Of these 75 units, eight units restricted at 30 percent of AMI will benefit from Section 8 subsidy, wherein tenants pay 30 percent of their income towards rent. The Subject will consist of one two-story elevator-serviced lowrise building. The Subject site is currently vacant wooded land. The Subject is one of two planned projects located within the same building. The Lodge At Autumn Willow 4% will be located within the same two-story, elevator-serviced, lowrise building as the Subject, and there will be no physical separation between the two properties. The Lodge At Autumn Willow 4% will consist of 75 units restricted to senior households ages 62 and above earning 60 percent of the AMI, or less.
Developer/Client Information:	Michaels Development.
Intended Use and Users of the Report:	The report will be submitted to the Virginia Housing (VA Housing) for application purposes. The intended user of the report is VA Housing.
Scope of the Report:	<ul style="list-style-type: none">▪ Inspecting the site of the to-be-developed Subject and its general location.▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.▪ Investigating the general economic health and conditions of the 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 Subject site was most recently inspected by Tara Rial on February 16, 2021, which shall be the effective date of this report.
Primary Contact for the Report:	H. Blair Kincer, MAI, CRE, LEED Green Associate (Blair.Kincer@novoco.com) and Kelly Gorman (Kelly.Gorman@novoco.com; 732-623-7005).

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

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

Subject Property Description:

Autumn Willow 9%, the Subject, is a proposed 75-unit LIHTC development. The Subject will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will be restricted to senior households ages 62 and above earning 30, 50 and 60 percent of AMI, or less. Of these 75 units, eight units restricted at 30 percent of AMI will benefit from Section 8 subsidy, wherein tenants pay 30 percent of their income towards rent. The Subject will consist of one two-story elevator-serviced lowrise building. The Subject site is currently vacant wooded land. The Subject is one of two planned projects located within the same building. The Lodge At Autumn Willow 4% will be located within the same two-story, elevator-serviced, lowrise building as the Subject, and there will be no physical separation between the two properties. The Lodge At Autumn Willow 9% will consist of 75 units restricted to senior households ages 62 and above earning 60 percent of the AMI, or less. The two projects will share 133 off-street surface parking spaces.

Construction Type:

The Subject is a proposed LIHTC development to be constructed with funding under the LIHTC program. The Subject will consist of one two-story elevator-serviced lowrise building. The Lodge At Autumn Willow 4% will be located within the same two-story, elevator-serviced, lowrise building as the Subject, and there will be no physical separation between the two properties. The two projects will share 133 off-street surface parking spaces.

Occupancy Type:

The Subject will target senior households ages 62 and above. We have tested demand for the Subject's units for the senior population ages 62 and above.

Proposed Rents:

The following table details the proposed rents for the Subject's units.

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
@30%							
1BR / 1BA	696	8	\$648	\$60	\$708	\$708	\$1,500
@30% (Section 8)							
1BR / 1BA	696	4	\$1,438	\$60	\$1,498	\$708	\$1,500
2BR / 1BA	938	2	\$1,618	\$72	\$1,690	\$850	\$1,707
2BR / 1BA	1,044	2	\$1,618	\$72	\$1,690	\$850	\$1,707
@50%							
1BR / 1BA	696	15	\$1,121	\$60	\$1,181	\$1,181	\$1,500
2BR / 1BA	938	1	\$1,345	\$72	\$1,417	\$1,417	\$1,707
2BR / 1BA	1,044	6	\$1,345	\$72	\$1,417	\$1,417	\$1,707
@60%							
1BR / 1BA	696	16	\$1,357	\$60	\$1,417	\$1,417	\$1,500
1BR / 1BA	796	2	\$1,357	\$60	\$1,417	\$1,417	\$1,500
2BR / 1BA	1,044	5	\$1,629	\$72	\$1,701	\$1,701	\$1,707
2BR / 1BA	1,141	6	\$1,629	\$72	\$1,701	\$1,701	\$1,707
2BR / 1BA	1,163	4	\$1,629	\$72	\$1,701	\$1,701	\$1,707
2BR / 1BA	1,205	4	\$1,629	\$72	\$1,701	\$1,701	\$1,707
75							

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

All of the Subject’s proposed rents will be set at the maximum allowable LIHTC rents.

Assisted Housing Program:

Eight of the units restricted at 30 percent of AMI will operate with Section 8 subsidy, wherein tenants pay 30 percent of their income towards rent.

Construction Date:

Construction on the Subject is expected to begin in February 2022 and be completed in July 2023.

Target Household Income Levels:

Based on the proposed restrictions, the range of annual household income levels is depicted below.

62+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@30% (Section 8)		@50%		@60%	
1BR	\$21,240	\$30,240	\$0	\$30,240	\$35,430	\$50,400	\$42,510	\$60,480
2BR	-	-	\$0	\$30,240	\$42,510	\$50,400	\$51,030	\$60,480

62+ INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$21,240	\$30,240	\$35,430	\$50,400	\$42,510	\$60,480
2BR	\$50,700	\$30,240	\$42,510	\$50,400	\$51,030	\$60,480

Utility Structure:

Tenants at the Subject will be responsible for electric heat, central air conditioning, electric cooking, electric water heating and general electric. The landlord is responsible for cold water, sewer and trash collection expenses. The comparable properties' utility structures are illustrated in the respective property summaries and are adjusted appropriately to account for differences relative to the Subject, based on the Virginia Housing's utility allowance, effective July 1, 2020.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR
Heating - Electric	Tenant	\$25	\$32
Cooking - Electric	Tenant	\$4	\$5
Other Electric	Tenant	\$15	\$19
Air Conditioning	Tenant	\$7	\$9
Water Heating - Electric	Tenant	\$13	\$16
Water	Landlord	\$22	\$29
Sewer	Landlord	\$27	\$34
Trash	Landlord	\$12	\$12
TOTAL - Paid By Landlord		\$61	\$75
TOTAL - Paid By Tenant		\$64	\$81
TOTAL - Paid By Tenant Provided by Developer		\$60	\$72
DIFFERENCE		94%	89%

Source: Virginia Housing, 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	43	696	29,928
1BR / 1BA	2	796	1,592
2BR / 1BA	3	938	2,814
2BR / 1BA	13	1,044	13,572
2BR / 1BA	6	1,141	6,846
2BR / 1BA	4	1,163	4,652
2BR / 1BA	4	1,205	4,820
TOTAL	75		64,224

Net Leasable Area:

Approximately 64,224 square feet.

Unit Amenities:

The Subject will offer blinds, carpeting, central air conditioning, coat closets, dishwashers, grab bars, hand rails, ovens, pull cords, refrigerators, and washer/dryers in terms of in-unit amenities.

Common Area Amenities:

The Subject will offer a community room, elevators, exercise facility, on-site management, service coordination and WiFi in the community areas in terms of common area amenities.

The common area amenities will be shared between the Subject and The Lodge At Autumn Willow 4%.

Parking:

The Subject and The Lodge At Autumn Willow 4% will offer a total of 133 off-street surface parking spaces. Autumn Willow 9% will consist of 75 units, will be located within the same building as the Subject, and there will be no physical separation between the two properties. The Subject and The Lodge At Autumn Willow 4% will consist of a total of 150 units, which equates to approximately 0.9 parking spaces per unit. There will be no fee for parking. The Subject's parking ratio is similar to what was observed in the market.

Number of Stories and Buildings:

The Subject will consist of one two-story elevator-serviced lowrise building. The Lodge At Autumn Willow 4% will be located within the same two-story, elevator-serviced, lowrise building as the Subject, and there will be no physical separation between the two properties.

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 constructed, the Subject will not suffer from deferred maintenance. We assume the Subject will be constructed in a timely manner with quality construction.

Functional Utility:

We have reviewed the Subject's floor plans and determined them to be functional.

Conclusion:

The Subject property will be a newly constructed 75-unit LIHTC development restricted to senior households ages 62 and above. The Subject will exhibit excellent condition upon completion.

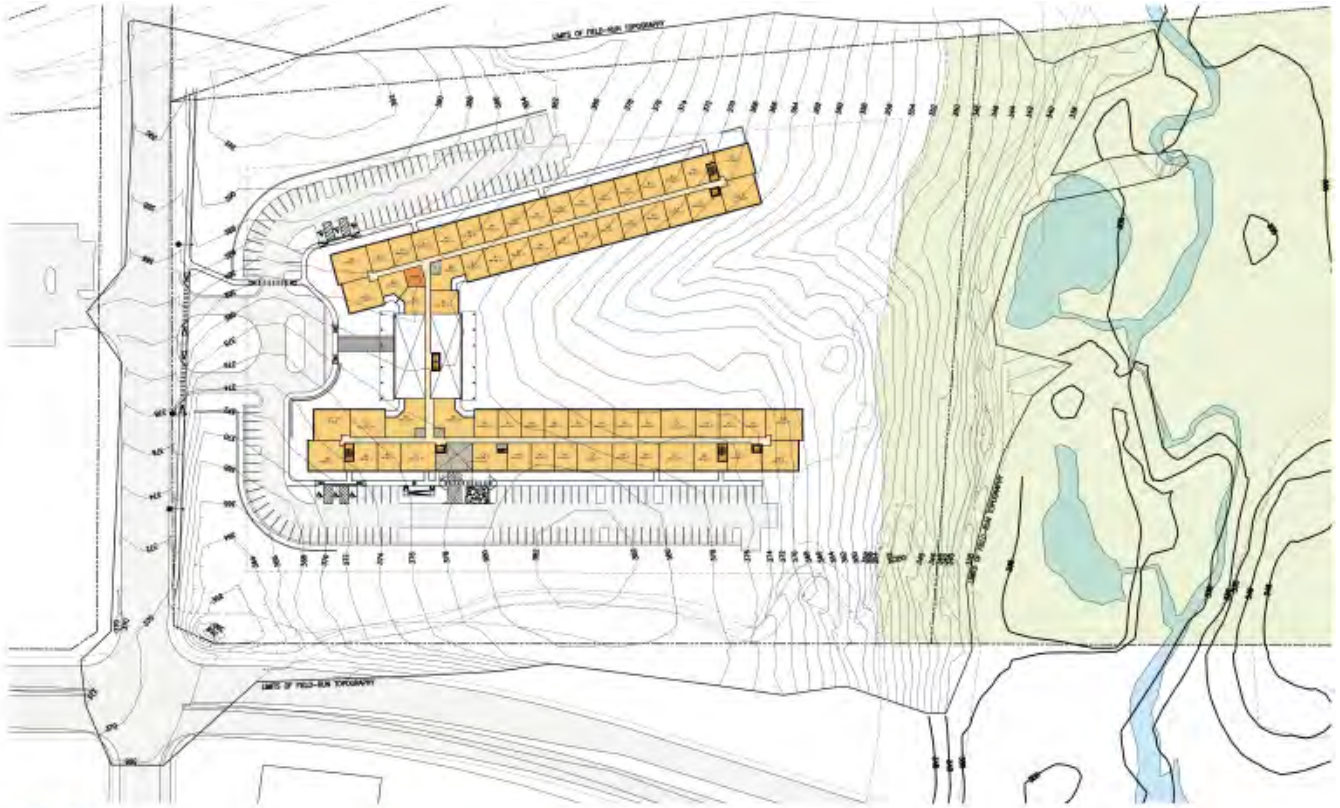
Architect:

KTGY Architecture + Planning.

Site and Architectural Plans:

A copy of the site and architectural plans are available on the following pages and in the addenda of this report.

Subject Site Plan



Architecture & Planning
300.200.1800
www.ktgy.com

General Contractor
1275 North River Road, Suite 112
Washington, DC 20016

AUTUMN WILLOW SENIOR LIVING
FAIRFAX COUNTY, VA # 2209-0001

CONCEPT DESIGN
SEPTEMBER 11, 2021



SECOND FLOOR - EL. 394'-2"
FLOOR PLAN

A1.2

Source: Sponsor, March 2021

Subject Rendering



Source: Sponsor, March 2021

PROPERTY PROFILE REPORT

The Lodge At Autumn Willow 4%

Effective Rent Date	3/07/2021
Location	13090 Autumn Willow Dr Fairfax, VA 22030 Fairfax County
Distance	N/A
Units	75
Vacant Units	N/A
Vacancy Rate	N/A
Type	Lowrise (age-restricted) (2 stories)
Year Built/Renovated	2023 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Seniors 62+
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	Lowrise (2 stories)	4	617	\$1,357	\$0	@60%	N/A	N/A	N/A	yes	None
1	1	Lowrise (2 stories)	55	696	\$1,357	\$0	@60%	N/A	N/A	N/A	yes	None
1	1	Lowrise (2 stories)	2	796	\$1,357	\$0	@60%	N/A	N/A	N/A	yes	None
1	1	Lowrise (2 stories)	2	799	\$1,357	\$0	@60%	N/A	N/A	N/A	yes	None
2	1	Lowrise (2 stories)	2	938	\$1,629	\$0	@60%	N/A	N/A	N/A	yes	None
2	1	Lowrise (2 stories)	2	1,044	\$1,629	\$0	@60%	N/A	N/A	N/A	yes	None
2	1	Lowrise (2 stories)	4	1,141	\$1,629	\$0	@60%	N/A	N/A	N/A	yes	None
2	1	Lowrise (2 stories)	4	1,163	\$1,629	\$0	@60%	N/A	N/A	N/A	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,357	\$0	\$1,357	\$0	\$1,357
2BR / 1BA	\$1,629	\$0	\$1,629	\$0	\$1,629

The Lodge At Autumn Willow 4%, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Grab Bars		
Hand Rails	Oven		
Pull Cords	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Off-Street Parking		
On-Site Management	Service Coordination		
Wi-Fi			

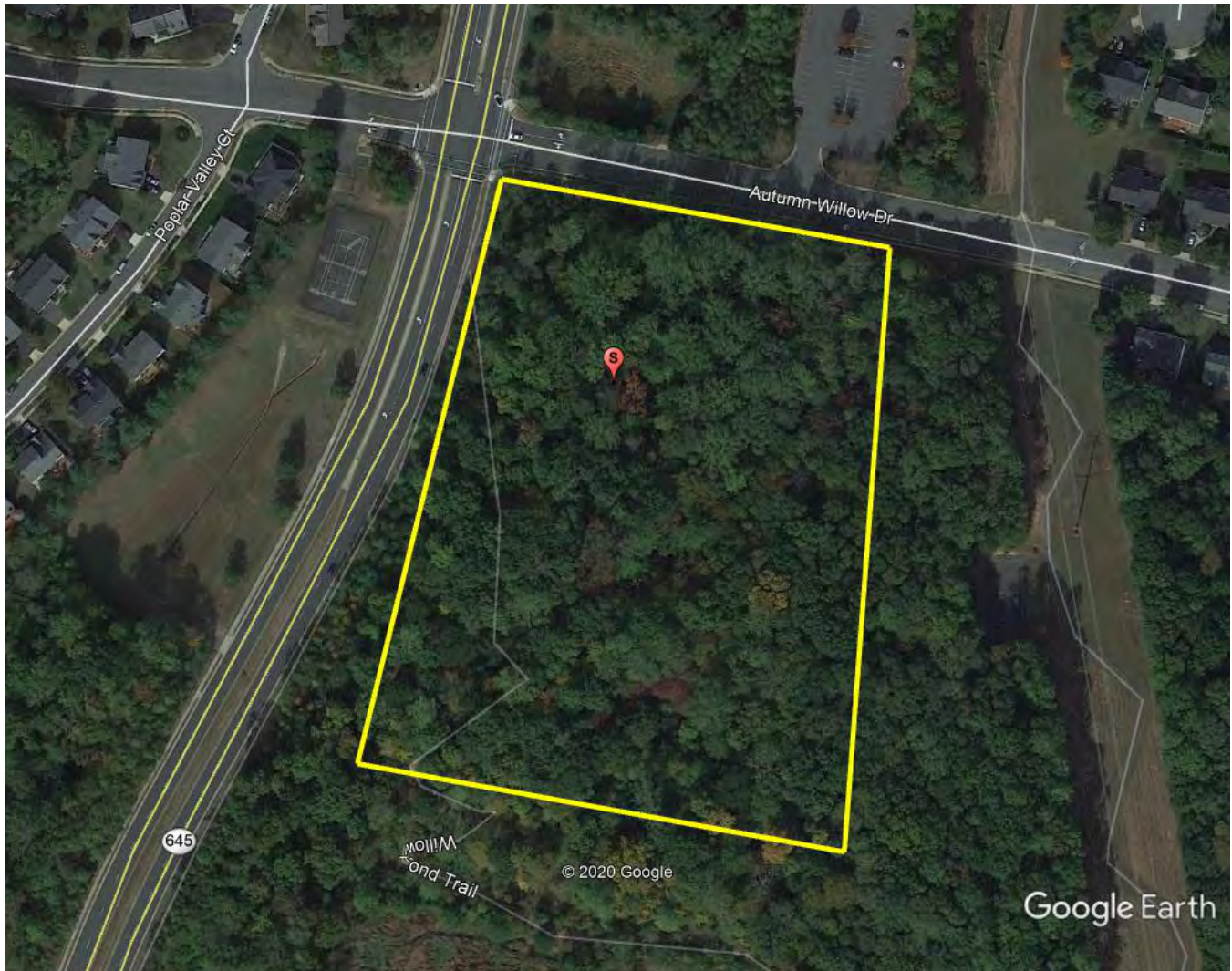
Comments

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. Note that the Subject and The Lodge At Autumn Willow 4% will be located within the same parcel. Both projects will be contained within the same two-story, elevator-serviced, lowrise building, and there will be no physical separation between the two properties.



Source: Google Earth, March 2021

Subject Site Description:

The Subject is located at 13090 Autumn Willow Drive in Fairfax, Fairfax County, Virginia 22030.

Size:

The Subject site is approximately 10.89 acres, or 474,368 square feet. The Subject and The Lodge At Autumn Willow 4% are approved for the development of 150 units through a special exception.

Shape:

The site is generally rectangular in shape.

Frontage: The Subject site has frontage along the south side of Autumn Willow Drive and partially on the east side of Stringfellow Road.

Topography: The Subject site slopes slightly from north to south.

Utilities: All utilities are provided to the site.

Visibility/Views: The Subject is visible from Stringfellow Road and Autumn Willow Drive. Immediately north of the Subject site is vacant wooded land, a parking lot, Autumn Willow Park and Stringfellow Soccer Park. Immediately east of the Subject site is Stringfellow Park, Willow Pond Trail and power lines. Immediately south of the Subject is a creek and vacant wooded land. Immediately west of the Subject site is a tennis court and single-family homes in good condition. Overall, visibility is considered good and views are considered average.

Surrounding Uses: The Subject is located in western Fairfax County. The Subject site is rated as “Car Dependent” by WalkScore with a score of 26, indicating that almost all errands require a car. The following depicts the surrounding uses of the Subject.



Parking lot located north of Subject site



Park located north of Subject site

North: Immediately north of the Subject site is vacant wooded land, a parking lot, and a park. Farther north are single-family homes in good condition, condominiums and townhouses in good condition, and a number of retail uses including Target, Walmart, a home goods store, a beauty store, and restaurants.



Power lines and walking path located east of Subject site



Single-family homes located east of Subject site

East: Immediately east of the Subject site is a walking trail and power lines. Farther east are single-family homes in good condition, a shelter for homeless families, a used car dealership, a landfill and recycling center, an animal shelter, a gym, a gas station, and a retail uses including a Costco and Office Depot. The landfill and recycling center is located approximately 1.4 miles east of the Subject site and is not observable from the Subject site. No odor was detected at the time of inspection and the landfill and recycling center is not considered a detrimental influence. The comparable market rate properties The Julian At Fair Lakes in excellent condition, Archstone Fairchase in good condition, and Gables Centerpointe in good condition are also located east of the Subject site. These properties have been included as comparable properties in this report.



Commercial use located south of Subject site



Single-family homes located south of Subject site

South: Immediately south of the Subject is a creek and vacant wooded land. Farther south are single-family homes in good condition, a gas provider, and a golf course. Southwest of the Subject site is a pharmacy and restaurants.



Single-family homes located west of Subject site



Townhouses located west of Subject site

West: Immediately west of the Subject site is a tennis court and single-family homes in good condition. Farther west are additional single-family homes in good condition, townhouses in good condition, a gas station, and retail uses including a pharmacy, grocery store, and restaurants. The comparable market rate properties Elms At Centreville in good condition and Woodway At Trinity Center in average condition are also located west of the Subject site. These properties have been included as comparable properties in this report.

Access and Traffic Flow:

The Subject is accessible from Autumn Willow Drive and Stringfellow Road. Autumn Willow Drive is a lightly trafficked two-lane road and Stringfellow Road is a moderately trafficked five-lane road. Stringfellow Road connects with Interstate 66 approximately 0.6 miles north of the Subject site. Interstate 66 provides east to west access throughout Virginia and the Washington D.C. area. Interstate 66 provides access to Washington D.C. approximately 23 miles east of the Subject site. Stringfellow Road connects with Lee Highway approximately 0.4 miles south of the Subject site. Lee Highway intersects with Main Street approximately 4.8 miles east of the Subject site, which provides access to downtown Fairfax approximately 5.9 miles east of the Subject site. Overall, access and traffic flow are considered good.

Layout and Curb Appeal:

The Subject will consist of one two-story elevator-serviced lowrise building. The Subject and The Lodge At Autumn Willow 4% will be located within the same building and there will be no physical separation between the two properties. The Subject and The Lodge At Autumn Willow 4% will offer a total of 133 off-street surface parking spaces. The Subject site is located on the corner of Stringfellow Road and Autumn Willow Drive and has good visibility. The Subject will be newly constructed and exhibit excellent curb appeal.

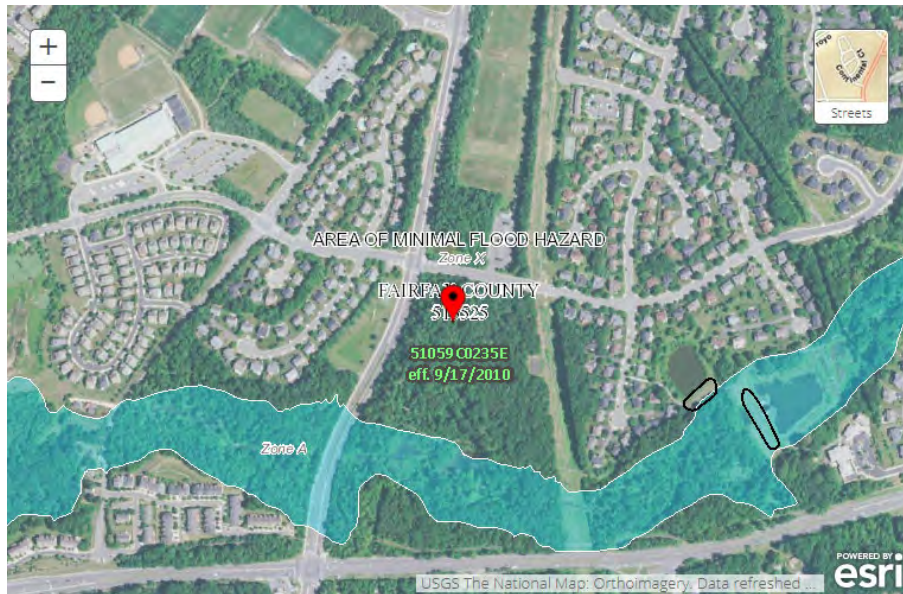
Drainage: We have not been provided with a soil and subsoil report. We are not experts in this field and assume the soil is adequate for development.

Soil and Subsoil Conditions: We have not been provided with an environmental report. We are not experts in this field and assume the site is adequate for development.

Environmental Assessment: We have not been provided with an environmental report. Further analysis is beyond the scope of this report. Novogradac Consulting LLP does not have expertise in this field and cannot opine on this matter.

Detrimental Influences: The Subject is located immediately west of high tensions power lines. The Subject is located 1.4 miles west of a landfill and recycling center. The landfill and recycling center is not observable from the Subject site and no odor was detected at the time of inspection. No additional detrimental influences were identified.

Flood Plain: According to the FEMA Flood Map Service Center Community Panel Number 51059C0235E, effective on 09/17/2010, the Subject site is located in Zone X and is located in an area that is not in a flood zone. Further analysis is beyond the scope of this report. Novogradac Consulting LLP does not have expertise in this field and cannot opine on this matter.



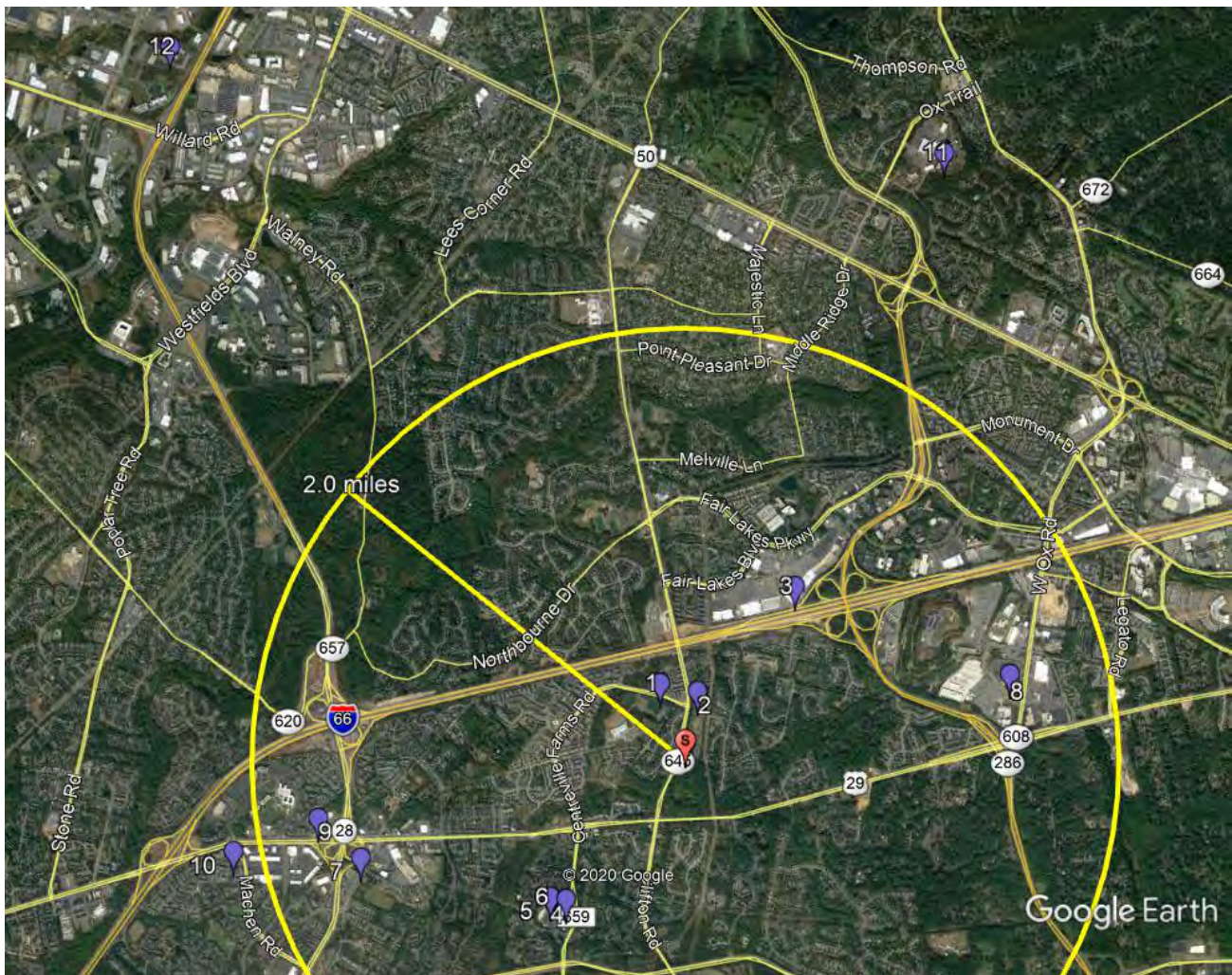
Source: FEMA Flood Map Service Center, March 2021

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	0.3 miles
2	Autumn Willow Park	0.3 miles
3	Target	0.9 miles
4	United Bank	0.9 miles
5	Giant Food (grocery)	0.9 miles
6	Giant Pharmacy	0.9 miles
7	Centreville Fire Station	1.5 miles
8	Virginia State Police	1.6 miles
9	United States Postal Service	1.7 miles
10	Centreville Regional Library	2.1 miles
11	Inova Fair Oaks Hospital	3.0 miles
12	Sully Senior Center	4.0 miles



Source: Google Earth, March 2021

Public Transportation:

Fairfax Connector provides fixed-route and paratransit bus service to residents of Fairfax County. The nearest bus stop is located immediately northwest of the Subject site at the northwest corner of Autumn Willow Drive and Stringfellow Road. The bus stop is serviced by bus route 630 and 631. Bus routes 630 and 631 travel from Centreville to Vienna, operate seven days a week, and typically run every hour. Regular one-way adult fare is \$2.00 and discounted fare for seniors and persons with disabilities is \$1.00.

Crime Statistics:

The following tables show crime statistics from 2020 for the PMA.

2020 CRIME INDICES

	PMA	Washington-Arlington-Alexandria, DC-VA-MD-WV MSA
Total Crime*	63	98
Personal Crime*	27	107
Murder	33	136
Rape	56	73
Robbery	29	141
Assault	23	93
Property Crime*	68	97
Burglary	34	69
Larceny	82	102
Motor Vehicle Theft	44	135

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

*Unweighted aggregations

The table above illustrates the crime risk as an index where 100 represents the national average. Indices above 100 are above the national average, and indices below 100 are below the national average. Total crime indices in the PMA are well-below the national average and below the MSA. The Subject's security features include limited access and intercom systems. The upcoming Supply Section of this report provides a more detailed analysis of crime indices on a 0.5 mile basis. We believe that the Subject's proposed security features will be market-oriented.

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. Additionally, there are various retail/commercial uses located along Fair Lakes Parkway which is approximately 0.9 miles north of the Subject. The Subject is located in a primarily residential neighborhood, with the majority of the immediate surrounding uses consisting of single-family homes and townhouses. The Subject will be a compatible use within the existing neighborhood.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



View of Subject site



View of Subject site



View of Subject site



View of Subject site



View of Subject site



View of Subject site



View east along Autumn Willow Drive



View west along Autumn Willow Drive



Commercial use located south of Subject site



Single-family homes located south of Subject site



Parking lot located north of Subject site



Park located north of Subject site



Power lines and walking path located east of Subject site



Single-family homes located east of Subject site



Single-family homes located west of Subject site



Townhouses located west of Subject site



Typical residential use in Subject neighborhood



Typical residential use in Subject neighborhood



Typical residential use in Subject neighborhood



Typical residential use in Subject neighborhood

E. MARKET AREA DEFINITION

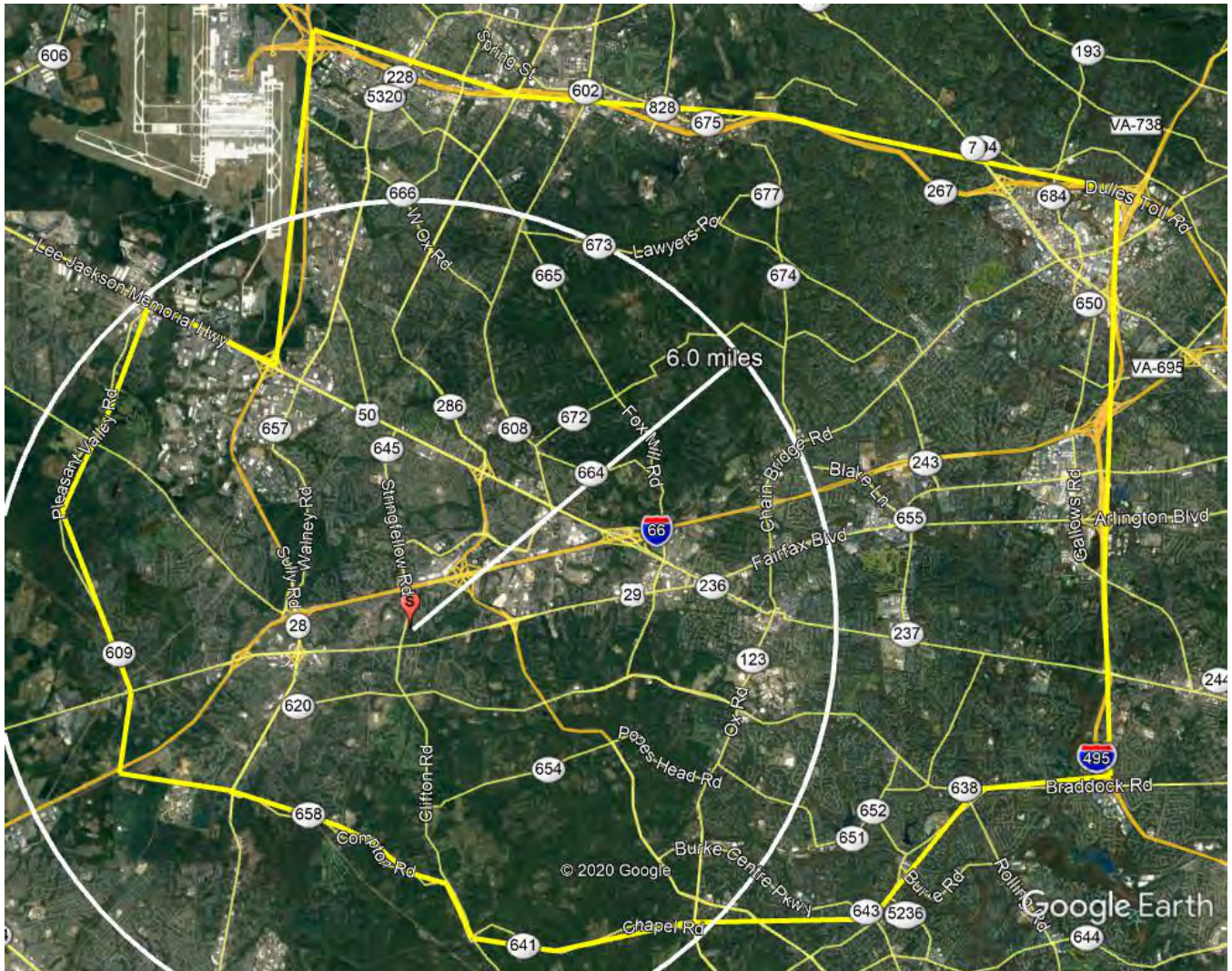
MARKET AREA

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 PMA is generally defined as the cities of Fairfax, Centreville Tysons and Chantilly. The PMA boundaries are defined as Sully Road, Lee Jackson Memorial Highway, and Pleasant Valley Road to the west, Compton Road, Clifton Road, Chapel Road, Burke Lake Road and Braddock Road to the south, Interstate 495 to the east, and Dulles Access Road to the north. The PMA was defined based on interviews with property managers and local authorities. We anticipate that the property will experience some “leakage” from outside the PMA and we estimated that and 20 percent respectively of the tenants will come from outside these boundaries. The PMA is 142 square miles in size. The drive time zone of the PMA is approximately 20 minutes.

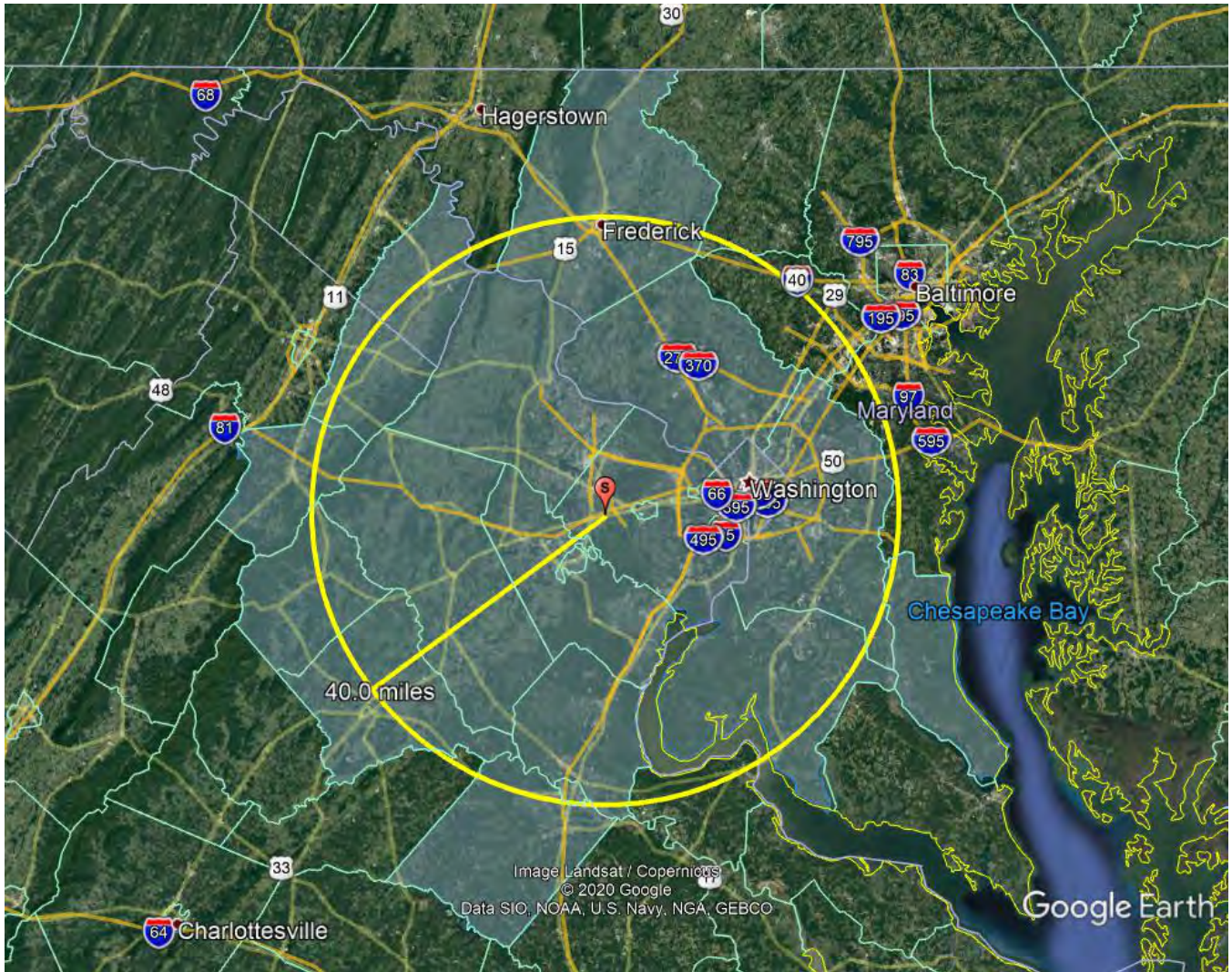
The Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of Frederick, Montgomery, Calvert, Charles and Prince George’s Counties in Maryland; Washington, DC; Arlington, Clarke, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford and Warren Counties in Virginia; Jefferson County in West Virginia; and the independent cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park in Virginia. Maps outlining the general PMA boundaries as well as the MSA can be found on the following pages.

Primary Market Area Map



Source: Google Earth, March 2021

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, March 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 Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA) are areas of growth or contraction.

Employment by Industry

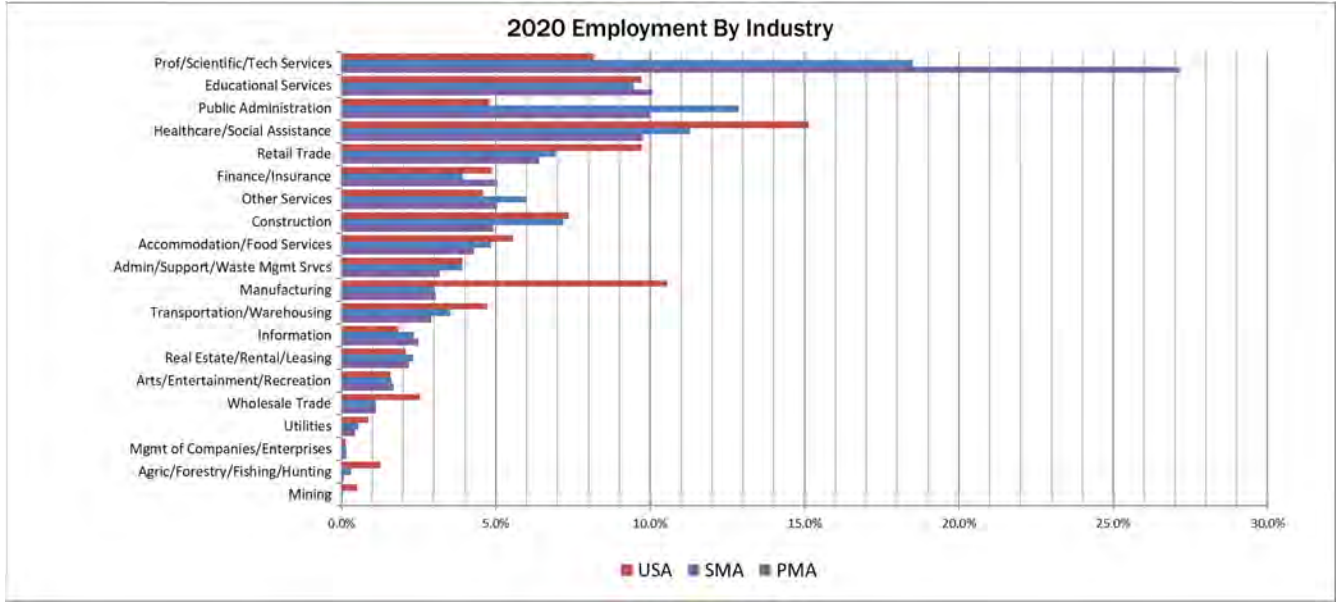
The following chart illustrates employment by industry as of 2020.

2020 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Prof/Scientific/Tech Services	73,901	27.2%	12,049,828	8.2%
Educational Services	27,401	10.1%	14,320,448	9.7%
Public Administration	27,159	10.0%	7,071,492	4.8%
Healthcare/Social Assistance	26,565	9.8%	22,313,586	15.1%
Retail Trade	17,441	6.4%	14,356,334	9.7%
Finance/Insurance	13,736	5.0%	7,169,665	4.9%
Other Services	13,706	5.0%	6,772,309	4.6%
Construction	13,355	4.9%	10,829,187	7.4%
Accommodation/Food Services	11,670	4.3%	8,202,612	5.6%
Admin/Support/Waste Mgmt Svcs	8,644	3.2%	5,786,624	3.9%
Manufacturing	8,309	3.1%	15,550,554	10.6%
Transportation/Warehousing	7,915	2.9%	6,959,787	4.7%
Information	6,808	2.5%	2,723,217	1.8%
Real Estate/Rental/Leasing	5,938	2.2%	3,082,197	2.1%
Arts/Entertainment/Recreation	4,627	1.7%	2,329,497	1.6%
Wholesale Trade	3,039	1.1%	3,744,789	2.5%
Utilities	1,179	0.4%	1,274,383	0.9%
Mgmt of Companies/Enterprises	413	0.2%	210,175	0.1%
Agric/Forestry/Fishing/Hunting	188	0.1%	1,852,333	1.3%
Mining	95	0.0%	729,605	0.5%
Total Employment	272,089	100.0%	147,328,622	100.0%

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

Employment in the PMA is concentrated in the prof/scientific/tech services, educational services, and public administration industries, which collectively comprise 47.2 percent of local employment. The large share of PMA employment in the public administration industry is notable as this industry is historically stable, and exhibits greater resilience during economic downturns. Relative to the overall nation, the PMA features comparatively greater employment in the prof/scientific/tech services, public administration, and information industries. Conversely, the PMA is underrepresented in the manufacturing, healthcare/social assistance, and retail trade industries.



Growth by Industry

The following table illustrates the change in total employment by sector from 2000 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
Prof/Scientific/Tech Services	57,462	22.3%	73,901	27.2%	16,439	2.9%
Educational Services	22,264	8.7%	27,401	10.1%	5,137	2.3%
Public Administration	32,406	12.6%	27,159	10.0%	-5,247	-1.6%
Healthcare/Social Assistance	24,834	9.7%	26,565	9.8%	1,731	0.7%
Retail Trade	20,982	8.2%	17,441	6.4%	-3,541	-1.7%
Finance/Insurance	13,078	5.1%	13,736	5.0%	658	0.5%
Other Services	14,254	5.5%	13,706	5.0%	-548	-0.4%
Construction	11,788	4.6%	13,355	4.9%	1,567	1.3%
Accommodation/Food Services	12,940	5.0%	11,670	4.3%	-1,270	-1.0%
Admin/Support/Waste Mgmt Svcs	8,793	3.4%	8,644	3.2%	-149	-0.2%
Manufacturing	6,602	2.6%	8,309	3.1%	1,707	2.6%
Transportation/Warehousing	5,935	2.3%	7,915	2.9%	1,980	3.3%
Information	11,770	4.6%	6,808	2.5%	-4,962	-4.2%
Real Estate/Rental/Leasing	5,620	2.2%	5,938	2.2%	318	0.6%
Arts/Entertainment/Recreation	2,977	1.2%	4,627	1.7%	1,650	5.5%
Wholesale Trade	3,485	1.4%	3,039	1.1%	-446	-1.3%
Utilities	892	0.3%	1,179	0.4%	287	3.2%
Mgmt of Companies/Enterprises	339	0.1%	413	0.2%	74	2.2%
Agric/Forestry/Fishing/Hunting	526	0.2%	188	0.1%	-338	-6.4%
Mining	197	0.1%	95	0.0%	-102	-5.2%
Total Employment	257,144	100.0%	272,089	100.0%	14,945	0.6%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 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 0.6 percent between 2010 and 2020. The industries which expanded most substantially during this period include prof/scientific/tech services, educational services, and transportation/warehousing. Conversely, the public administration, information, and retail trade sectors experienced the least growth.

Major Employers

The following table lists the major employers in Fairfax County, Virginia as of 2021.

**MAJOR EMPLOYERS
FAIRFAX COUNTY, VA**

Employer Name	Industry	# Of Employees
Inova	Health Care and Social Assistance	10,000+
Amazon	Information/Transportation and Warehousing	5,000-9,999
Booz Allen Hamilton	Professional, Scientific and Technical Services	5,000-9,999
Capital One	Finance and Insurance	5,000-9,999
Freddie Mac	Finance and Insurance	5,000-9,999
General Dynamics	Professional, Scientific and Technical Services	5,000-9,999
SAIC	Professional, Scientific and Technical Services	5,000-9,999
MITRE	Professional, Scientific and Technical Services	2,500-4,999
Navy Federal Credit Union	Banking	2,500-4,999
Northrop Grumman	Aerospace and Defense	2,500-4,999

Source: Fairfax County Economic Development Authority, March 2021

Fairfax County’s major employers are primarily concentrated within the health care and social assistance, professional, scientific and technical services, and finance and insurance industries. We believe that the diverse industries represented by major employers provide stability to the local economy.

Employment Expansion/Contractions

The following table illustrates layoffs and closures in Fairfax from the onset of the COVID-19 pandemic in March 2020 through March 2021. These are provided from the Worker Adjustment and Retraining Notification (WARN) filings, according to the Virginia Employment Commission.

**WARN LISTINGS (3/2020 - 3/2021)
FAIRFAX, VA**

Month	Employees Affected
March 2020	459
April 2020	-
May 2020	-
June 2020	-
July 2020	-
August 2020	-
September 2020	-
October 2020	42
November 2020	-
December 2020	49
January 2021	-
February 2021	-
March 2021	-
Total	550

Source: Virginia Employment Commission, March 2021

According to the Virginia Employment Commission, there have been 550 job losses in Fairfax since the onset of the COVID-19 pandemic in March 2020. This represents less than one percent of the workforce in the PMA.

An important factor underlying the depth of demand for rental units of all types is the level of employment expansion and contraction in a region. We researched recent economic expansions and contractions in Fairfax County, VA, which are highlighted below.

- Kreative Technologies LLC, an IT company, announced in February 2021 it will be expanding its office in Fairfax by investing \$1.5 million and adding 296 jobs. A timeline for the expansion is not yet available.
- Microsoft will invest \$64 million into a facility located in Reston Town Center, Fairfax County. Microsoft will occupy a 400,000 square foot facility and will create 1,500 new jobs. The project is expected to be ready by July 2021.
- Macedon Technologies announced in January 2020 will invest \$1.65 million in expanding its headquarters in Reston, Fairfax County. The expansion is expected to create 147 new jobs.
- Expel, Inc., a security provider, announced in January 2020 it will invest \$1.4 million into expanding its facility in Herndon, Fairfax County. The expansion is expected to create 164 new jobs over the next three years.
- Amazon announced in August 2020 it will be opening two grocery stores in Fairfax County. The grocery stores will be 8,000 and 12,700 square feet in size. An expected opening date and the number of employees expected to be hired is not yet available.

Employment and Unemployment Trends

The table below illustrates the employment and unemployment rate for the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA) from 2004 to December 2020.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

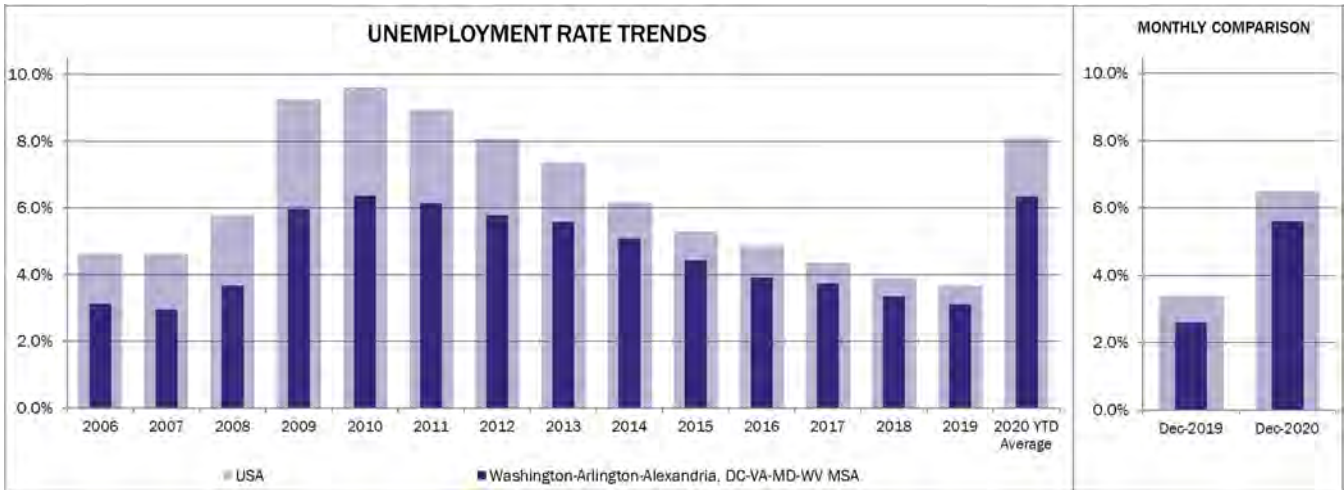
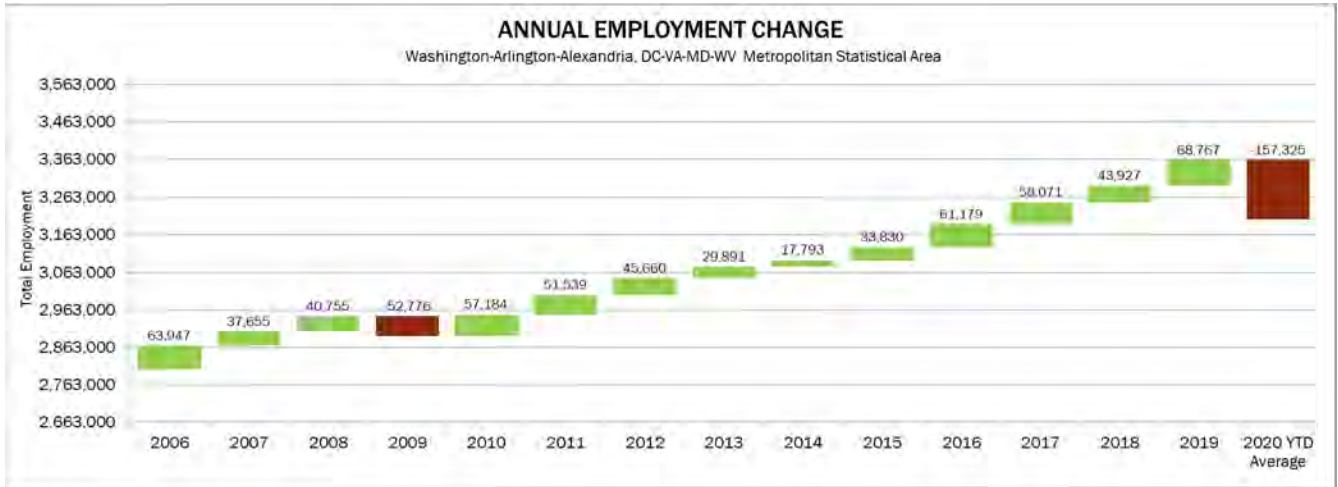
Year	Washington-Arlington-Alexandria, DC-VA-MD-WV MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	2,729,743	-	3.7%	-	139,252,000	-	5.5%	-
2005	2,803,963	2.7%	3.5%	-0.3%	141,730,000	1.8%	5.1%	-0.5%
2006	2,867,910	2.3%	3.1%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	2,905,565	1.3%	3.0%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	2,946,320	1.4%	3.7%	0.7%	145,363,000	-0.5%	5.8%	1.2%
2009	2,893,543	-1.8%	6.0%	2.3%	139,878,000	-3.8%	9.3%	3.5%
2010	2,950,727	2.0%	6.4%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	3,002,266	1.7%	6.2%	-0.2%	139,869,000	0.6%	9.0%	-0.7%
2012	3,047,925	1.5%	5.8%	-0.4%	142,469,000	1.9%	8.1%	-0.9%
2013	3,077,817	1.0%	5.6%	-0.2%	143,929,000	1.0%	7.4%	-0.7%
2014	3,095,609	0.6%	5.1%	-0.5%	146,305,000	1.7%	6.2%	-1.2%
2015	3,129,440	1.1%	4.4%	-0.6%	148,833,000	1.7%	5.3%	-0.9%
2016	3,190,619	2.0%	3.9%	-0.5%	151,436,000	1.7%	4.9%	-0.4%
2017	3,248,690	1.8%	3.7%	-0.2%	153,337,000	1.3%	4.4%	-0.5%
2018	3,292,617	1.4%	3.4%	-0.4%	155,761,000	1.6%	3.9%	-0.4%
2019	3,361,384	2.1%	3.1%	-0.3%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	3,204,059	-4.7%	6.3%	3.2%	147,794,750	-6.2%	8.1%	4.4%
Dec-2019	3,387,569	-	2.6%	-	158,504,000	-	3.4%	-
Dec-2020	3,175,714	-6.3%	5.6%	3.0%	149,613,000	-5.6%	6.5%	3.1%

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

*2020 data is through December

Since 2012, job growth in the MSA generally exceeded the nation. As of December 2020, MSA employment is below record levels, and declined 6.3 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 5.6 percent, lower than the current national unemployment rate of 6.5 percent. Fairfax County 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. According a WalletHub analysis dated February 25, 2021, Virginia was ranked 46 out of the 51 states and the District of Columbia for states whose weekly unemployment claims are recovering the quickest since the start of the COVID-19.



Wages by Occupation

The following table illustrates the wages by occupation for the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA.

WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV MSA - 2ND QTR 2019 AREA WAGE

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	3,179,340	\$34.90	\$72,600
Management Occupations	254,570	\$72.53	\$150,870
Legal Occupations	68,860	\$69.87	\$145,320
Computer and Mathematical Occupations	242,090	\$52.23	\$108,640
Life, Physical, and Social Science Occupations	63,660	\$51.57	\$107,270
Architecture and Engineering Occupations	62,800	\$51.10	\$106,280
Healthcare Practitioners and Technical Occupations	150,380	\$46.77	\$97,290
Business and Financial Operations Occupations	323,820	\$46.13	\$95,950
Arts, Design, Entertainment, Sports, and Media Occupations	74,450	\$40.87	\$85,000
Educational Instruction and Library Occupations	202,570	\$32.34	\$67,260
Community and Social Service Occupations	43,000	\$29.45	\$61,260
Protective Service Occupations	92,140	\$28.69	\$59,680
Installation, Maintenance, and Repair Occupations	96,050	\$27.62	\$57,440
Construction and Extraction Occupations	117,590	\$25.52	\$53,070
Office and Administrative Support Occupations	358,860	\$23.21	\$48,270
Sales and Related Occupations	272,300	\$22.68	\$47,180
Production Occupations	54,340	\$21.03	\$43,740
Farming, Fishing, and Forestry Occupations	1,780	\$19.83	\$41,240
Transportation and Material Moving Occupations	168,420	\$19.78	\$41,140
Healthcare Support Occupations	93,760	\$16.51	\$34,350
Building and Grounds Cleaning and Maintenance Occupations	103,140	\$16.36	\$34,030
Personal Care and Service Occupations	78,760	\$16.33	\$33,960
Food Preparation and Serving Related Occupations	256,020	\$14.63	\$30,420

Source: Department Of Labor, Occupational Employment Statistics, 5/2019, retrieved 3/2021

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 \$14.63 per hour. The highest average hourly wage, of \$72.53, is for those in management occupations.

Qualifying income for the Subject's affordable units will range between \$0 and \$60,480 as proposed, and \$21,240 to \$60,480 absent subsidy. Utilizing the upper end of the Subject's qualifying income at \$60,480 corresponds to an approximate hourly wage rate of \$29.08. 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 will be common amongst the Subject's tenant base. Additionally, as the Subject will target seniors, we expect many tenants to be reliant on social security.

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	2,987	1.2%
Travel Time 5-9 min	13,094	5.3%
Travel Time 10-14 min	21,883	8.9%
Travel Time 15-19 min	29,882	12.1%
Travel Time 20-24 min	31,436	12.8%
Travel Time 25-29 min	17,339	7.0%
Travel Time 30-34 min	39,012	15.8%
Travel Time 35-39 min	9,746	4.0%
Travel Time 40-44 min	15,308	6.2%
Travel Time 45-59 min	30,755	12.5%
Travel Time 60-89 min	27,183	11.0%
Travel Time 90+ min	7,858	3.2%
Weighted Average	35 minutes	

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

As shown in the preceding table, the weighted average commute time in the PMA is approximately 35 minutes. Only 40 percent of PMA commuters travel under 24 minutes, indicating many households work outside of the PMA, likely in the nearby cities of Alexandria, Arlington and Washington D.C. to the east. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the prof/scientific/tech services, educational services, and public administration industries, which collectively comprise 47.2 percent of local employment. The large share of PMA employment in the public administration industry is notable as this industry is historically stable, and exhibits greater resilience during economic downturns. As of December 2020, MSA employment is below record levels, and declined 6.3 percent over the past year, compared to a 5.6 percent decline across the overall nation. Fairfax County 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. According a WalletHub analysis dated February 25, 2021, Virginia was ranked 46 out of the 51 states and the District of Columbia for states whose weekly unemployment claims are recovering the quickest since the start of the COVID-19. We expect economic conditions to improve as restrictions continue to be lifted.

G. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

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

POPULATION

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	421,663	-	4,857,585	-	280,304,282	-
2010	460,942	0.9%	5,636,232	1.6%	308,745,538	1.0%
2020	496,068	0.7%	6,284,416	1.1%	333,793,107	0.8%
2025	512,894	0.7%	6,613,726	1.0%	346,021,282	0.7%

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

Historical population growth in the PMA trailed the MSA between 2000 and 2010. However, population growth in the broader MSA exceeded the nation during the same time period. Population growth in the PMA slowed between 2010 and 2020, and grew by slightly less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.7 percent through 2025, which is below the MSA and similar to the nation.

HOUSEHOLDS

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	148,522	-	1,826,775	-	105,081,032	-
2010	166,223	1.2%	2,094,036	1.5%	116,716,293	1.1%
2020	179,793	0.8%	2,329,902	1.1%	126,083,847	0.8%
2025	186,209	0.7%	2,450,377	1.0%	130,658,491	0.7%

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

Historical household growth in the PMA trailed the MSA between 2000 and 2010. Household growth in the PMA slowed between 2010 and 2020, and grew by slightly less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.7 percent through 2025, which is below the MSA and similar to the nation.

Senior Population and Household Trends

The table below illustrates population and household trends for seniors in the PMA, MSA, and nation from 2000 through 2025.

SENIOR POPULATION, 62+

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	38,830	-	551,662	-	41,290,411	-
2010	56,048	4.4%	736,803	3.4%	50,358,738	2.2%
2020	84,441	4.9%	1,100,547	4.8%	68,111,198	3.4%
2025	97,995	3.2%	1,289,299	3.4%	77,676,691	2.8%

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

SENIOR POPULATION, 65+

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	29,853	-	448,534	-	34,835,393	-
2010	41,351	3.9%	564,896	2.6%	40,267,984	1.6%
2020	65,986	5.8%	876,752	5.4%	55,449,333	3.7%
2025	78,868	3.9%	1,052,412	4.0%	64,733,944	3.3%

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

Historical senior population growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced senior population growth greater than the overall nation during the same time period. Senior population growth in the PMA increased between 2010 and 2020, and grew at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decline to 3.9 percent through 2025, similar to the MSA and above the overall nation.

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 62+

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	22,955	-	342,948	-	26,088,125	-
2010	37,604	6.4%	493,716	4.4%	33,899,803	3.0%
2020	46,399	2.3%	633,412	2.8%	40,898,199	2.0%
2025	54,068	3.3%	744,521	3.5%	45,846,465	2.4%

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

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 65+

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	-	-	-	-	-	-
2010	28,524	-	381,881	-	27,341,463	-
2020	37,086	2.9%	514,145	3.4%	34,108,601	2.4%
2025	44,376	3.9%	618,518	4.1%	39,169,871	3.0%

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

Senior household growth in the PMA grew by slightly less than the MSA between 2010 and 2020. According to ESRI demographic projections, annualized PMA growth is expected to rise to 3.9 percent through 2025, similar to the MSA and above the overall nation.

Population by Age

POPULATION BY AGE IN 2020

Age Cohort	PMA		Washington-Arlington- Alexandria, DC-VA-MD-WV MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	27,333	5.5%	371,367	5.9%	19,889,287	6.0%
5-9	29,687	6.0%	390,838	6.2%	20,473,059	6.1%
10-14	33,071	6.7%	413,703	6.6%	20,951,714	6.3%
15-19	32,309	6.5%	387,909	6.2%	21,057,396	6.3%
20-24	31,249	6.3%	387,347	6.2%	22,236,205	6.7%
25-29	35,125	7.1%	461,731	7.3%	23,934,075	7.2%
30-34	35,751	7.2%	475,488	7.6%	22,819,624	6.8%
35-39	37,705	7.6%	471,540	7.5%	21,955,092	6.6%
40-44	33,397	6.7%	419,533	6.7%	20,132,896	6.0%
45-49	34,092	6.9%	415,023	6.6%	20,512,248	6.1%
50-54	34,293	6.9%	416,077	6.6%	20,952,941	6.3%
55-59	35,311	7.1%	424,117	6.7%	22,326,129	6.7%
60-64	30,759	6.2%	372,991	5.9%	21,103,108	6.3%
65-69	23,952	4.8%	303,523	4.8%	18,229,243	5.5%
70-74	18,164	3.7%	233,239	3.7%	14,441,592	4.3%
75-79	11,278	2.3%	149,415	2.4%	9,667,836	2.9%
80-84	6,672	1.3%	92,734	1.5%	6,323,871	1.9%
85+	5,920	1.2%	97,841	1.6%	6,786,791	2.0%
Total	496,068	100.0%	6,284,416	100.0%	333,793,107	100.0%

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

POPULATION BY AGE IN 2025 ESTIMATE

Age Cohort	PMA		Washington-Arlington- Alexandria, DC-VA-MD-WV MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	28,624	5.6%	394,937	6.0%	20,619,393	6.0%
5-9	29,390	5.7%	394,647	6.0%	20,660,136	6.0%
10-14	30,407	5.9%	401,182	6.1%	21,328,050	6.2%
15-19	31,564	6.2%	402,034	6.1%	21,628,463	6.3%
20-24	30,219	5.9%	389,911	5.9%	21,572,719	6.2%
25-29	37,051	7.2%	463,336	7.0%	22,364,042	6.5%
30-34	39,760	7.8%	520,975	7.9%	24,582,813	7.1%
35-39	38,383	7.5%	506,615	7.7%	23,598,049	6.8%
40-44	37,988	7.4%	475,849	7.2%	22,271,886	6.4%
45-49	33,251	6.5%	415,173	6.3%	20,292,996	5.9%
50-54	33,360	6.5%	403,950	6.1%	20,273,270	5.9%
55-59	32,150	6.3%	397,893	6.0%	20,524,276	5.9%
60-64	31,879	6.2%	394,812	6.0%	21,571,245	6.2%
65-69	26,924	5.2%	343,651	5.2%	20,174,621	5.8%
70-74	20,835	4.1%	272,810	4.1%	16,697,532	4.8%
75-79	15,302	3.0%	203,683	3.1%	12,734,832	3.7%
80-84	8,798	1.7%	121,778	1.8%	7,847,591	2.3%
85+	7,009	1.4%	110,490	1.7%	7,279,368	2.1%
Total	512,894	100.0%	6,613,726	100.0%	346,021,282	100.0%

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

General Household Income Distribution

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

HOUSEHOLD INCOME PMA

Income Cohort	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	5,130	2.9%	5,152	2.8%	4	0.1%
\$10,000-19,999	4,040	2.2%	4,096	2.2%	11	0.3%
\$20,000-29,999	5,079	2.8%	4,974	2.7%	-21	-0.4%
\$30,000-39,999	6,041	3.4%	5,855	3.1%	-37	-0.6%
\$40,000-49,999	6,729	3.7%	6,556	3.5%	-35	-0.5%
\$50,000-59,999	7,690	4.3%	7,488	4.0%	-40	-0.5%
\$60,000-74,999	12,228	6.8%	12,054	6.5%	-35	-0.3%
\$75,000-99,999	20,353	11.3%	20,256	10.9%	-19	-0.1%
\$100,000-124,999	20,797	11.6%	20,567	11.0%	-46	-0.2%
\$125,000-149,999	18,064	10.0%	18,428	9.9%	73	0.4%
\$150,000-199,999	26,121	14.5%	27,202	14.6%	216	0.8%
\$200,000+	47,521	26.4%	53,581	28.8%	1,212	2.6%
Total	179,793	100.0%	186,209	100.0%		

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

HOUSEHOLD INCOME SMA

Income Cohort	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	88,879	3.8%	85,692	3.5%	-637	-0.7%
\$10,000-19,999	90,096	3.9%	86,788	3.5%	-662	-0.7%
\$20,000-29,999	101,640	4.4%	95,480	3.9%	-1,232	-1.2%
\$30,000-39,999	111,920	4.8%	106,410	4.3%	-1,102	-1.0%
\$40,000-49,999	114,659	4.9%	108,908	4.4%	-1,150	-1.0%
\$50,000-59,999	121,291	5.2%	115,474	4.7%	-1,163	-1.0%
\$60,000-74,999	184,096	7.9%	177,013	7.2%	-1,417	-0.8%
\$75,000-99,999	281,562	12.1%	278,841	11.4%	-544	-0.2%
\$100,000-124,999	256,252	11.0%	257,405	10.5%	231	0.1%
\$125,000-149,999	210,121	9.0%	223,292	9.1%	2,634	1.3%
\$150,000-199,999	291,353	12.5%	315,656	12.9%	4,861	1.7%
\$200,000+	478,033	20.5%	599,418	24.5%	24,277	5.1%
Total	2,329,902	100.0%	2,450,377	100.0%		

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

Annual household income levels will range from \$0 to \$60,480 for the Subject’s housing units as proposed, and \$21,240 to \$60,480 absent subsidy.

Senior Household Income Distribution

The following table illustrates senior household income distribution of the general population in 2020, and 2025 for the PMA and the MSA.

HOUSEHOLD INCOME PMA 62+

Income Cohort	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,542	3.3%	1,728	3.2%	37	2.4%
\$10,000-	2,057	4.4%	2,187	4.0%	26	1.3%
\$20,000-	1,803	3.9%	1,974	3.7%	34	1.9%
\$30,000-	2,424	5.2%	2,654	4.9%	46	1.9%
\$40,000-	2,491	5.4%	2,700	5.0%	42	1.7%
\$50,000-	2,306	5.0%	2,519	4.7%	43	1.8%
\$60,000-	3,628	7.8%	4,058	7.5%	86	2.4%
\$75,000-	5,087	11.0%	5,745	10.6%	132	2.6%
\$100,000-	5,115	11.0%	5,783	10.7%	134	2.6%
\$125,000-	4,452	9.6%	5,242	9.7%	158	3.5%
\$150,000-	5,806	12.5%	6,941	12.8%	227	3.9%
\$200,000+	9,688	20.9%	12,537	23.2%	570	5.9%
Total	46,399	100.0%	54,068	100.0%		

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

HOUSEHOLD INCOME PMA 65+

Income Cohort	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,251	3.4%	1,446	3.3%	39	3.1%
\$10,000-19,999	1,871	5.0%	2,011	4.5%	28	1.5%
\$20,000-29,999	1,552	4.2%	1,739	3.9%	37	2.4%
\$30,000-39,999	2,090	5.6%	2,346	5.3%	51	2.4%
\$40,000-49,999	2,175	5.9%	2,404	5.4%	46	2.1%
\$50,000-59,999	1,926	5.2%	2,161	4.9%	47	2.4%
\$60,000-74,999	3,083	8.3%	3,543	8.0%	92	3.0%
\$75,000-99,999	4,216	11.4%	4,876	11.0%	132	3.1%
\$100,000-124,999	4,254	11.5%	4,926	11.1%	134	3.2%
\$125,000-149,999	3,565	9.6%	4,332	9.8%	153	4.3%
\$150,000-199,999	4,482	12.1%	5,553	12.5%	214	4.8%
\$200,000+	6,621	17.9%	9,039	20.4%	484	7.3%
Total	37,086	100.0%	44,376	100.0%		

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

HOUSEHOLD INCOME SMA 62+

Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area						
Income Cohort	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	32,792	5.2%	34,895	4.7%	421	1.3%
\$10,000-	43,153	6.8%	44,972	6.0%	364	0.8%
\$20,000-	40,353	6.4%	41,959	5.6%	321	0.8%
\$30,000-	40,706	6.4%	43,377	5.8%	534	1.3%
\$40,000-	39,996	6.3%	43,032	5.8%	607	1.5%
\$50,000-	37,180	5.9%	40,536	5.4%	671	1.8%
\$60,000-	53,541	8.5%	58,942	7.9%	1,080	2.0%
\$75,000-	73,876	11.7%	84,143	11.3%	2,053	2.8%
\$100,000-	61,438	9.7%	71,516	9.6%	2,016	3.3%
\$125,000-	47,954	7.6%	59,017	7.9%	2,213	4.6%
\$150,000-	60,086	9.5%	75,441	10.1%	3,071	5.1%
\$200,000+	102,337	16.2%	146,691	19.7%	8,871	8.7%
Total	633,412	100.0%	744,521	100.0%		

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

HOUSEHOLD INCOME SMA 65+

Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area						
Income Cohort	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	28,162	5.5%	30,618	5.0%	491	1.7%
\$10,000-19,999	38,016	7.4%	40,317	6.5%	460	1.2%
\$20,000-29,999	35,504	6.9%	37,615	6.1%	422	1.2%
\$30,000-39,999	35,138	6.8%	38,283	6.2%	629	1.8%
\$40,000-49,999	34,375	6.7%	37,882	6.1%	701	2.0%
\$50,000-59,999	31,183	6.1%	34,922	5.6%	748	2.4%
\$60,000-74,999	44,739	8.7%	50,611	8.2%	1,174	2.6%
\$75,000-99,999	60,140	11.7%	70,649	11.4%	2,102	3.5%
\$100,000-124,999	49,702	9.7%	59,702	9.7%	2,000	4.0%
\$125,000-149,999	37,831	7.4%	48,194	7.8%	2,073	5.5%
\$150,000-199,999	45,569	8.9%	59,449	9.6%	2,776	6.1%
\$200,000+	73,786	14.4%	110,276	17.8%	7,298	9.9%
Total	514,145	100.0%	618,518	100.0%		

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

As illustrated previously, 39.4 percent of senior households ages 65 and above earn between \$0 and \$59,999.

General Household Size Distribution

The following table is a summary of the average household size in the PMA, the MSA and the nation from 2000 through 2025. This table includes households of all ages.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.81	-	2.60	-	2.59	-
2010	2.74	-0.2%	2.64	0.1%	2.57	-0.1%
2020	2.71	-0.1%	2.65	0.0%	2.58	0.0%
2025	2.71	0.0%	2.66	0.0%	2.59	0.0%

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

The average household size in the PMA is larger 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.

General Household Tenure

The following table is a summary of the tenure patterns of the housing stock in the PMA.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage	Renter-Occupied Units	Percentage
		Owner-Occupied		Renter-Occupied
2000	114,205	76.9%	34,317	23.1%
2010	118,243	71.1%	47,980	28.9%
2020	121,846	67.8%	57,947	32.2%
2025	123,653	66.4%	62,556	33.6%

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA increased between 2010 and 2020, and is estimated to be 32.2 percent as of 2020. This is similar to 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, while the number of renter households grows.

Senior Tenure Patterns

The following table is a summary of the senior tenure patterns of the housing stock in the PMA.

PMA TENURE PATTERNS OF SENIORS 62+

Year	Owner-Occupied Units	Percentage	Renter-Occupied Units	Percentage
		Owner-Occupied		Renter-Occupied
2000	19,819	86.3%	3,136	13.7%
2010	31,382	83.5%	6,222	16.5%
2020	37,931	81.7%	8,468	18.3%
2025	43,569	80.6%	10,499	19.4%

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

PMA TENURE PATTERNS OF SENIORS 65+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	-	-	-	-
2010	23,827	83.5%	4,697	16.5%
2020	30,286	81.7%	6,800	18.3%
2025	35,814	80.7%	8,562	19.3%

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

The preceding table details senior household tenure patterns in the PMA. The percentage of senior renter households in the PMA increased between 2010 and 2020, and is estimated to be 18.3 percent as of 2020. According to ESRI demographic projections, the percentage of senior renter households in the PMA is expected to increase slightly through 2025, while the number of senior renter households grows.

General Renter Household Income Distribution

The following table illustrates total renter household income distribution.

RENTER HOUSEHOLD INCOME

Income Cohort	PMA					
	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,059	5.3%	3,132	5.0%	15	0.5%
\$10,000-19,999	2,159	3.7%	2,238	3.6%	16	0.7%
\$20,000-29,999	2,595	4.5%	2,586	4.1%	-2	-0.1%
\$30,000-39,999	3,138	5.4%	3,070	4.9%	-14	-0.4%
\$40,000-49,999	3,266	5.6%	3,265	5.2%	0	0.0%
\$50,000-59,999	3,960	6.8%	3,996	6.4%	7	0.2%
\$60,000-74,999	6,324	10.9%	6,398	10.2%	15	0.2%
\$75,000-99,999	8,745	15.1%	9,165	14.7%	84	1.0%
\$100,000-124,999	7,875	13.6%	8,376	13.4%	100	1.3%
\$125,000-149,999	5,491	9.5%	6,142	9.8%	130	2.4%
\$150,000-199,999	5,863	10.1%	6,993	11.2%	226	3.9%
\$200,000+	5,472	9.4%	7,195	11.5%	345	6.3%
Total	57,947	100.0%	62,556	100.0%		

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

In the previous tables, the percentage of renter occupied households was applied to the total number of households in each income level. As illustrated, the largest concentrations of renter households fall into the \$60,000 to \$124,999 income cohorts. The Subject’s residents will need to earn between \$0 to \$60,480 as proposed, and \$21,240 to \$60,480 absent subsidy. Approximately 31.4 percent of renter households earn between \$0 to \$59,999 and could provide demand for the Subject’s units.

Household Size Distribution

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

PMA HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2020		2025	
	Total	Percent	Total	Percent	Total	Percent
1 persons	27,301	18.4%	40,272	22.4%	42,372	22.8%
2 persons	48,888	32.9%	55,740	31.0%	57,302	30.8%
3 persons	27,620	18.6%	33,180	18.5%	34,301	18.4%
4 persons	27,013	18.2%	29,618	16.5%	30,279	16.3%
5+ persons	17,700	11.9%	20,983	11.7%	21,955	11.8%
Total	148,522	100.0%	179,793	100.0%	186,209	100.0%

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

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

Renter Household Size Distribution

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2020		2025	
	Total	Percent	Total	Percent	Total	Percent
1 persons	9,974	29.1%	19,744	34.1%	21,444	34.3%
2 persons	10,877	31.7%	15,682	27.1%	16,445	26.3%
3 persons	5,649	16.5%	9,386	16.2%	10,133	16.2%
4 persons	4,202	12.2%	7,054	12.2%	7,720	12.3%
5+ persons	3,615	10.5%	6,081	10.5%	6,814	10.9%
Total	34,317	100.0%	57,947	100.0%	62,556	100.0%

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

Historically, the majority of renter households in the PMA have consisted of one and two-person households. In 2020, approximately 61 percent of renter-households were one or two-persons. The number of three-person and larger renter households has remained stable since 2000.

Median Household Income Levels

The table below illustrates Median Household Income in the PMA, MSA, and nation from 2000 through 2025.

Year	MEDIAN HOUSEHOLD INCOME					
	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$94,977	-	\$69,009	-	\$44,333	-
2020	\$127,984	1.7%	\$104,012	2.5%	\$62,203	2.0%
2025	\$135,033	1.1%	\$109,467	1.0%	\$67,325	1.6%

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

As of 2020, the median income in the PMA is above 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. According to ESRI demographic projections, annualized PMA growth is expected to slow to 1.1 percent through 2025, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the 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

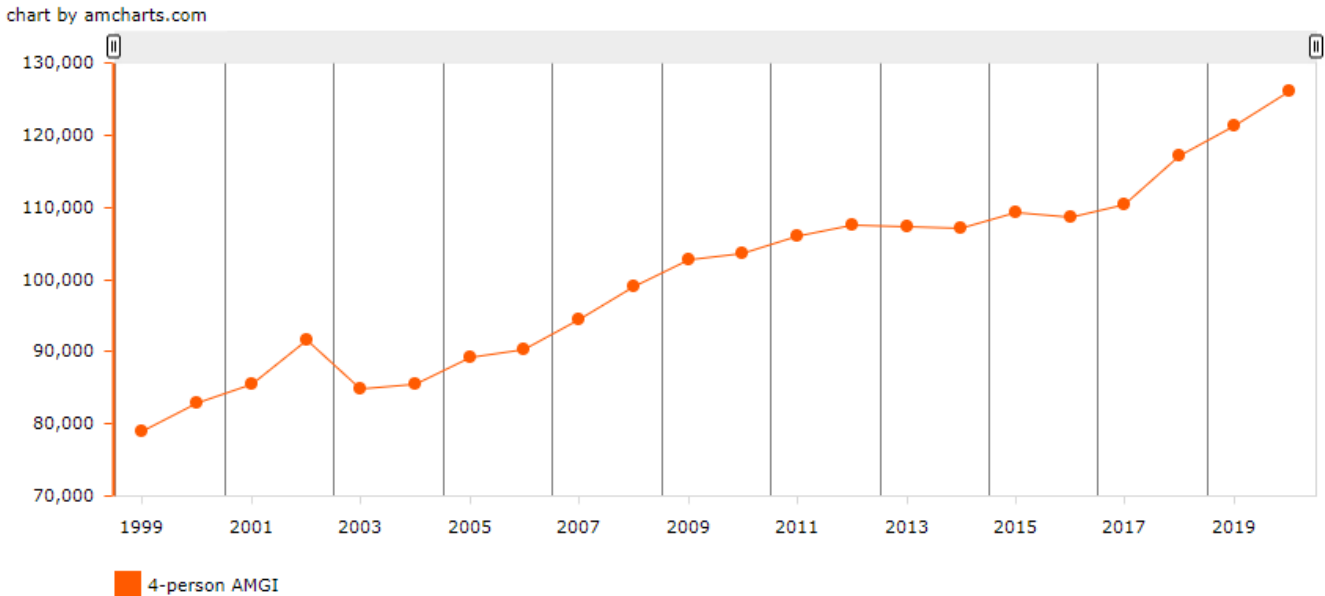
Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2020	15,027	32.9%	288,638	38.8%	16,610,566	42.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 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 Fairfax County.



Source: Novogradac & Company, LLP, March 2021

Overall, the AMI has increased by an average of 2.8 percent annually between 1999 and 2020. Over 84 percent of counties in the country experienced an increase in AMI in 2018, and this is also true of Fairfax County. The AMI in Fairfax County reached a record high in 2020. The following chart illustrates the annual growth in AMI since 2013.

FAIRFAX COUNTY AMI GROWTH (2013-2020)

Year	2013	2014	2015	2016	2017	2018	2019	2020
AMI	\$107,300	\$107,000	\$109,200	\$108,600	\$110,300	\$117,200	\$121,300	\$126,000
Percentage	-0.2%	-0.3%	2.1%	-0.5%	1.6%	6.3%	3.5%	3.9%

The Subject’s proposed rents are set at the maximum allowable levels; therefore, future rent increases will be directly dependent upon future increases in the AMI and changes in the market.

Conclusion

The population in the PMA increased by 17.6 percent between 2000 and 2020, compared to the 29.4 percent increase in the regional MSA and 19.1 percent increase across the overall nation. The senior population in the PMA increased by 30.0 percent between 2010 and 2020, compared to the 34.6 percent increase in the regional MSA and 24.8 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 32.2 percent as of 2020. This is similar to the estimated 33 percent of renter households across the overall nation. As of 2020, the median income in the PMA is above 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 rising population and household income levels bodes well for future demand for multifamily housing.

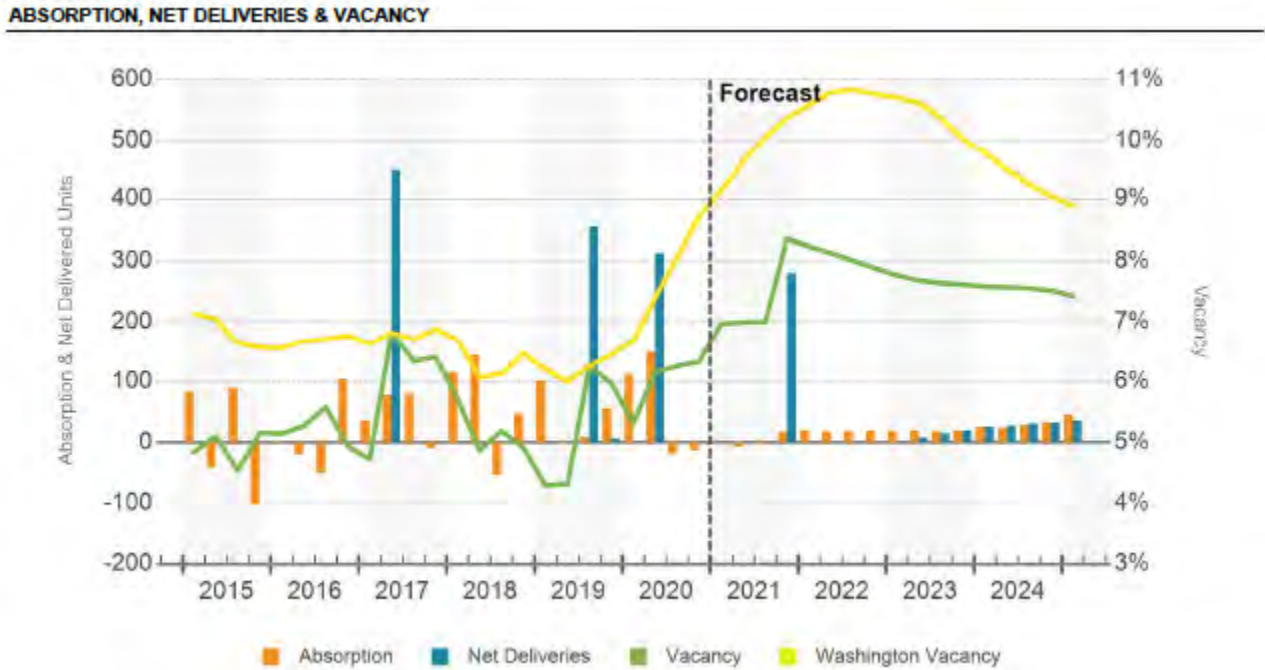
H. COMPETITIVE ENVIRONMENT

HOUSING SUMMARY

We consulted a Costar submarket report to gather information on the Outlying Fairfax County rental market. The table below illustrates net deliveries, net absorption, and average vacancy in the Outlying Fairfax County submarket.

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 2025 up from 3.6 percent in 2Q20.

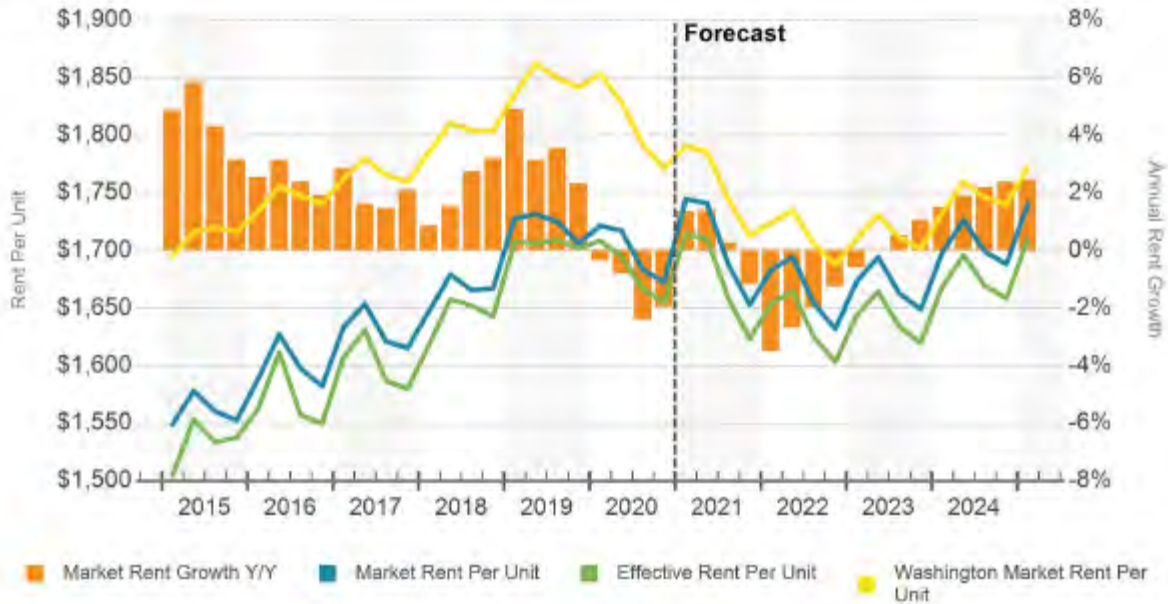
The following chart illustrates Fairfax market vacancy in the green line.



Source: Costar, March 2021

Vacancy in the submarket has historically remained below vacancy levels in the Washington DC metro area. The average vacancy rate was 6.3 percent in 2020. Vacancy levels are expected to peak in late 2021 and slowly decline over the projection period. The vacancy rate is expected to remain below that of the Washington DC metro area.

MARKET RENT PER UNIT & RENT GROWTH



Source: Costar, March 2021

In the above graph, rent growth in the submarket is illustrated in the orange bars. The average asking rent growth in the submarket was negative 2.0 percent in 2020. Rent growth in the area is expected to slowly rebound over the next five years.

Age of Housing Stock

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

HOUSING STOCK BY YEAR BUILT

	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV		USA	
Built 2010 or later	4,779	2.7%	76,444	3.3%	3,480,297	2.6%
Built 2000 to 2009	24,465	14.0%	344,654	15.1%	19,435,745	14.5%
Built 1990 to 1999	34,507	19.8%	339,885	14.9%	19,018,824	14.2%
Built 1980 to 1989	45,923	26.4%	370,848	16.2%	18,425,173	13.7%
Built 1970 to 1979	36,440	20.9%	334,094	14.6%	20,898,334	15.6%
Built 1960 to 1969	18,541	10.6%	283,229	12.4%	14,571,755	10.9%
Built 1950 to 1959	7,233	4.2%	222,165	9.7%	14,169,107	10.6%
Built 1940 to 1949	1,311	0.8%	117,899	5.2%	6,834,743	5.1%
Built 1939 or earlier	962	0.6%	198,061	8.7%	17,407,947	13.0%
Total Housing Units	174,161	100.0%	2,287,279	100.0%	134,241,925	100.0%

Source: US Census American Community Estimates, March 2021

As illustrated in the previous table, the majority of the housing stock in the Subject’s PMA was built between 1970 and 1999.

Substandard Housing

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

SUBSTANDARD HOUSING			
Year	PMA	Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	USA
	Percentage	Percentage	Percentage
2020	1.97%	1.12%	1.70%

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

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

Building Permits

The following table depicts building activity from 2000 through 2020 for Fairfax County.

BUILDING PERMITS: FAIRFAX COUNTY 2000 - 2020				
Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	3,818	0	1,998	5,816
2001	3,498	0	2,623	6,121
2002	2,988	0	2,991	5,979
2003	3,140	0	880	4,020
2004	2,964	0	3,816	6,780
2005	2,276	0	2,077	4,353
2006	1,423	0	666	2,089
2007	1,268	0	250	1,518
2008	892	0	493	1,385
2009	769	0	0	769
2010	896	0	0	896
2011	785	0	0	785
2012	708	0	726	1,434
2013	722	0	313	1,035
2014	925	0	1,324	2,249
2015	837	3	1,881	2,721
2016	885	0	1,785	2,670
2017	1,034	0	930	1,964
2018	1,058	0	499	1,557
2019	1,138	0	1,000	2,138
2020	141	0	26	167
Total	32,165	3	24,278	56,446
Average	1,532	0	1,156	2,688

Source: US Census Bureau Building Permits, March 2021.

The preceding table indicates that local permit issuance peaked in 2004, several years prior to the national recession. Permit volume declined by 89 percent during the recession, reaching a low in 2009. Permit issuance rose in six out of 11 years between 2009 and 2020. Construction activity increased by 10.7 percent between 2018 and 2019, and reached a new post-recession record. Multifamily permit issuance increased by 46.4 percent between 2018 and 2019. Permit issuance decreased by 92.2 percent between 2019 and 2020.

Rent/Buy Analysis

The Subject will target seniors ages 62 and older upon completion. Housing costs in the market are high and seniors are less likely to move from one owner home to another. As such, we do not believe that homeownership will be competitive with the Subject's units, and have not conducted a rent/buy analysis.

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 2,062 units in 10 rental properties. The LIHTC data is considered good. The LIHTC comparables are located between 2.8 and 12.4 miles of the Subject. Two of the comparables are located in Centreville, two are located in Herndon, and one is located in Sterling. Three of the LIHTC comparables are located within the PMA. The market rate data is considered excellent. We included five market rate properties located between 1.3 and 2.4 miles from the Subject site, all of which are located within the PMA. Overall, we believe the availability of data is adequate to support our conclusions.

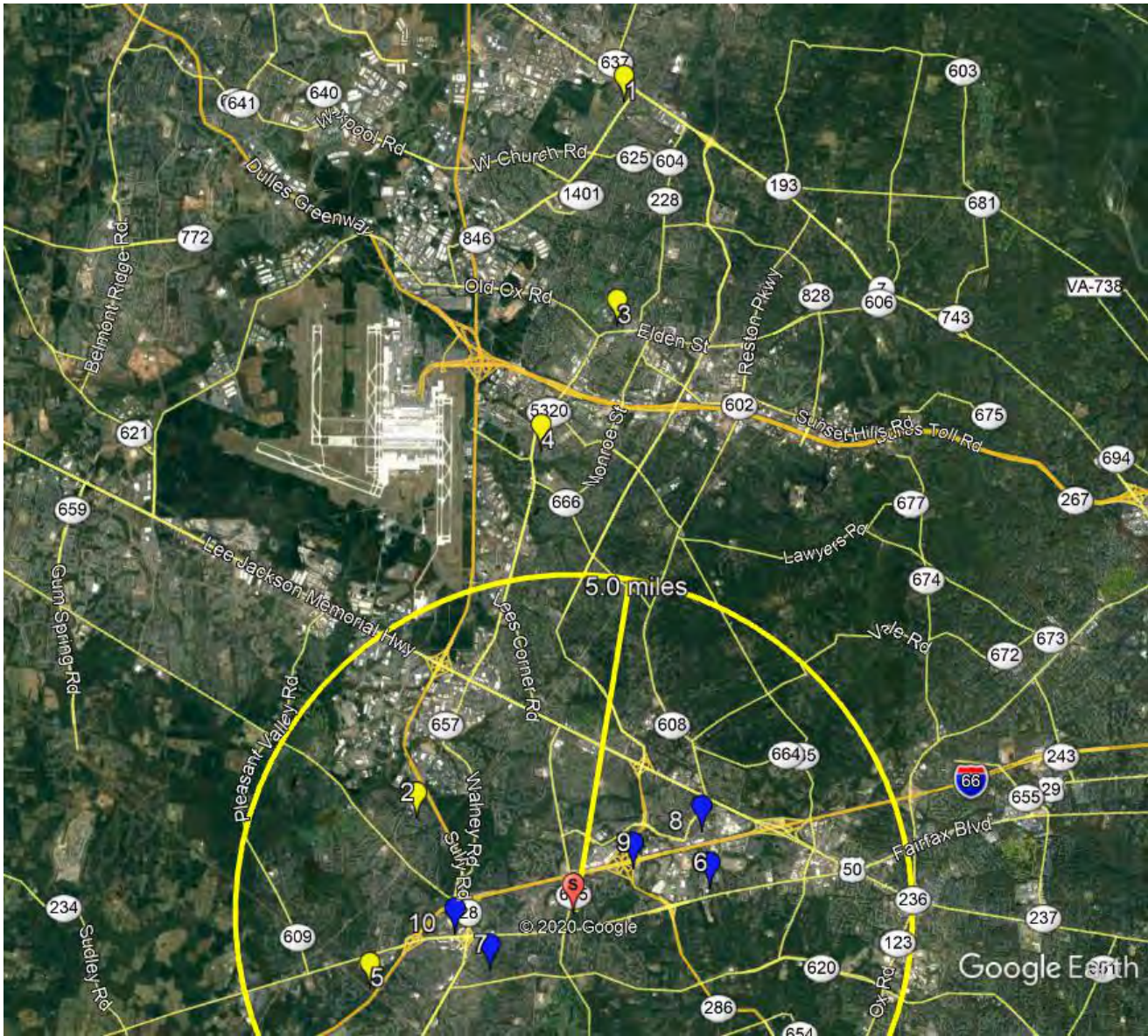
The comparable properties were chosen primarily based on location, age, condition, design, and amenities. Several properties were excluded for various reasons. The following table illustrates the properties that are excluded from the supply analysis of this report.

Excluded properties include, but are not limited to the properties located in the following table.

EXCLUDED PROPERTIES			
Property Name	Rent Structure	Tenancy	Reason for Exclusion
Stonegate Village	LIHTC / Section 8	Family	Subsidized
Lee Overlook	LIHTC	Family	Differing unit mix
Dulles Center I	LIHTC	Family	Differing unit mix
Dulles Center II	LIHTC	Family	Differing unit mix
Jefferson Commons II	LIHTC	Family	Differing unit mix
Castellani Meadows	LIHTC	Family	Differing unit mix
Fields Of Chantilly	LIHTC	Family	Differing unit mix
Fields Of Merrifield	LIHTC	Family	Inferior condition
Oak Creek Townhouses	LIHTC / Section 8	Family	Subsidized
Chantilly Mews	LIHTC / Section 8	Family	Subsidized
Coppermine Place II	LIHTC	Senior	Unable to contact
Crevenna Oaks	LIHTC / Section 8	Family	Subsidized
Summit Oaks	LIHTC / Section 8	Family	Subsidized
Olley Glen	LIHTC	Senior	Only one-bedroom units
Residences At Government Center	LIHTC	Family	More comparable properties available
Forest Glen I	LIHTC	Senior	Differing condition
Pathway Options Group Home	Section 8	Senior/Disabled	Subsidized
Crevenna Oaks Cluster	Section 8	Family	Subsidized
Pathway Visions	Section 8	Senior/Disabled	Subsidized
West Wood Oaks	Section 8	Family	Subsidized
Summit Oaks	Section 8	Family	Subsidized
Tyson's Tower	Section 8	Disabled	Subsidized
Chantilly Mews	Section 8	Family	Subsidized
Minerva Fisher Hall Group Home	Section 8	Family	Subsidized
Wesley Agape House	Section 8	Senior/Disabled	Subsidized
Yorkville Cooperative	Section 8	Family	Subsidized
Coppermine Place	Section 8	Senior/Disabled	Subsidized
Cla Homes II	Section 8	Senior/Disabled	Subsidized

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, March 2021

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Autumn Willow 9%	Fairfax	@30%, @30% (Section 8), @50%, @60%	Senior	-
1	Cascades Village*	Sterling	@50%, @60%	Senior	12.4 miles
2	Forest Glen Phase II	Centreville	@60%	Senior	2.8 miles
3	Herndon Harbor House*	Herndon	@50%, @60%	Senior	9.0 miles
4	Kendrick Court	Herndon	@60%	Senior	7.1 miles
5	Madison Ridge	Centreville	@60%	Family	3.1 miles
6	Archstone Fairchase	Fairfax	Market	Family	2.2 miles
7	Elms At Centreville	Centreville	Market	Family	1.4 miles
8	Gables Centerpointe	Fairfax	Market	Family	2.4 miles
9	The Julian At Fair Lakes	Fairfax	Market	Family	1.3 miles
10	Woodway At Trinity Center	Centreville	Market	Family	1.7 miles

*Located outside PMA

AUTUMN WILLOW 9% – FAIRFAX, VIRGINIA – APPRAISAL

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	Autumn Willow 9% 13090 Autumn Willow Dr Fairfax, VA 22030 Fairfax County		Lowrise 2-stories 2023 / n/a Senior	@30%, @30% (Section 8), @50%, @60%	1BR / 1BA	8	10.7%	696	@30%	\$648	Yes	N/A	N/A	N/A	
					1BR / 1BA	4	5.3%	696	@30% (Section 8)	\$1,438	N/A	N/A	N/A	N/A	
					1BR / 1BA	15	20.0%	696	@50%	\$1,121	Yes	N/A	N/A	N/A	
					1BR / 1BA	16	21.3%	696	@60%	\$1,357	Yes	N/A	N/A	N/A	
					1BR / 1BA	2	2.7%	796	@60%	\$1,357	Yes	N/A	N/A	N/A	
					2BR / 1BA	2	2.7%	938	@30% (Section 8)	\$1,618	N/A	N/A	N/A	N/A	
					2BR / 1BA	2	2.7%	1,044	@30% (Section 8)	\$1,618	N/A	N/A	N/A	N/A	
					2BR / 1BA	1	1.3%	938	@50%	\$1,345	Yes	N/A	N/A	N/A	
					2BR / 1BA	6	8.0%	1,044	@50%	\$1,345	Yes	N/A	N/A	N/A	
					2BR / 1BA	5	6.7%	1,044	@60%	\$1,629	Yes	N/A	N/A	N/A	
					2BR / 1BA	6	8.0%	1,141	@60%	\$1,629	Yes	N/A	N/A	N/A	
					2BR / 1BA	4	5.3%	1,163	@60%	\$1,629	Yes	N/A	N/A	N/A	
					2BR / 1BA	4	5.3%	1,205	@60%	\$1,629	Yes	N/A	N/A	N/A	
					75							N/A	N/A		
1	Cascades Village 46565 Harry Byrd Highway Sterling, VA 20164 Loudoun County	12.4 miles	Lowrise 3-stories 2001 / 2018 Senior	@50%, @60%	1BR / 1BA	43	28.7%	702	@60%	\$1,345	Yes	No	8	18.6%	
					1BR / 1BA	40	26.7%	750	@60%	\$1,345	Yes	No	5	12.5%	
					1BR / 1BA	40	26.7%	768	@60%	\$1,345	Yes	No	4	10.0%	
					2BR / 2BA	27	18.0%	886	@50%	\$1,328	Yes	No	0	0.0%	
					150							17	11.3%		
2	Forest Glen Phase II 14400 Woodmere Court Centreville, VA 20120 Fairfax County	2.8 miles	Midrise 4-stories 1997 / 2017 Senior	@60%	1BR / 1BA	101	84.9%	566	@60%	\$1,323	Yes	No	9	8.9%	
					2BR / 1BA	18	15.1%	806	@60%	\$1,577	Yes	No	3	16.7%	
					119								12	10.1%	
3	Herndon Harbor House 912 Jorss Place Herndon, VA 20170 Fairfax County	9.0 miles	Midrise 4-stories 1998 / n/a Senior	@50%, @60%	1BR / 1BA	4	3.3%	485	@50%	\$966	No	Yes	1	25.0%	
					1BR / 1BA	56	46.7%	572	@50%	\$966	No	Yes	0	0.0%	
					1BR / 1BA	4	3.3%	485	@60%	\$966	No	Yes	0	0.0%	
					1BR / 1BA	56	46.7%	572	@60%	\$966	No	Yes	0	0.0%	
					120								1	0.8%	
4	Kendrick Court 13430 Coppermine Road Herndon, VA 20170 Fairfax County	7.1 miles	Midrise 4-stories 1999 / n/a Senior	@60%	1BR / 1BA	34	24.3%	600	@60%	\$1,339	No	No	1	2.9%	
					1BR / 1BA	40	28.6%	800	@60%	\$1,498	No	No	1	2.5%	
					2BR / 2BA	66	47.1%	900	@60%	\$1,540	No	No	2	3.0%	
										140					
5	Madison Ridge 14800 Rydell Road Centreville, VA 20121 Fairfax County	3.1 miles	Garden 3-stories 1988 / 2007 Family	@60%	1BR / 1BA	14	14.3%	728	@60%	\$1,300	No	Yes	0	0.0%	
					2BR / 2BA	84	85.7%	968	@60%	\$1,555	No	Yes	0	0.0%	
					98									0	0.0%
6	Archstone Fairchase 4411 Dixie Hill Rd. Fairfax, VA 22030 Fairfax County	2.2 miles	Midrise 4-stories 2006 / n/a Family	Market	0BR / 1BA	8	2.0%	488	Market	\$1,408	N/A	No	0	0.0%	
					1BR / 1BA	5	1.3%	556	Market	\$1,397	N/A	No	0	0.0%	
					1BR / 1BA	40	10.2%	664	Market	\$1,497	N/A	No	0	0.0%	
					1BR / 1BA	48	12.2%	731	Market	\$1,610	N/A	No	3	6.3%	
					1BR / 1BA	56	14.3%	873	Market	\$1,707	N/A	No	2	3.6%	
					2BR / 2BA	37	9.4%	1,031	Market	\$1,940	N/A	No	0	0.0%	
					2BR / 2BA	27	6.9%	1,077	Market	\$2,003	N/A	No	0	0.0%	
					2BR / 2BA	15	3.8%	1,112	Market	-	N/A	No	0	0.0%	
					2BR / 2BA	12	3.1%	1,118	Market	\$2,030	N/A	No	0	0.0%	
					2BR / 2BA	48	12.2%	1,136	Market	\$2,116	N/A	No	0	0.0%	
					2BR / 2BA	12	3.1%	1,164	Market	-	N/A	No	0	0.0%	
					2BR / 2BA	54	13.8%	1,175	Market	\$2,044	N/A	No	1	1.9%	
					2BR / 2BA	2	0.5%	1,256	Market	-	N/A	No	0	0.0%	
3BR / 2BA	26	6.6%	1,226	Market	\$2,369	N/A	No	1	3.9%						
3BR / 2BA	2	0.5%	1,305	Market	-	N/A	No	0	0.0%						
					392								7	1.8%	
7	Elms At Centreville 13840 Braddock Springs Road Centreville, VA 20121 Fairfax County	1.4 miles	Garden 3-stories 1987 / 2016 Family	Market	1BR / 1BA	46	17.2%	788	Market	\$1,665	N/A	No	3	6.5%	
					1BR / 1.5BA	12	4.5%	987	Market	\$1,804	N/A	No	1	8.3%	
					2BR / 1BA	60	22.4%	969	Market	\$2,346	N/A	No	1	1.7%	
					2.5BR / 2BA	N/A	N/A	1,147	Market	\$2,416	N/A	No	4	N/A	
					268								9	3.4%	
8	Gables Centerpointe 12190 Waveland Street Fairfax, VA 22033 Fairfax County	2.4 miles	Midrise 4-stories 2011 / n/a Family	Market	1BR / 1BA	72	59.5%	807	Market	\$1,809	N/A	No	1	1.4%	
					2BR / 2BA	49	40.5%	1,106	Market	\$2,087	N/A	No	1	2.0%	
					121									2	1.7%
9	The Julian At Fair Lakes 12751 Fair Lakes Circle Fairfax, VA 22033 Fairfax County	1.3 miles	Midrise 6-stories 2014 / n/a Family	Market	0BR / 1BA	15	10.0%	572	Market	\$1,511	N/A	No	2	13.3%	
					1BR / 1BA	89	59.3%	768	Market	\$1,660	N/A	No	3	3.4%	
					2BR / 2BA	46	30.7%	1,080	Market	\$2,183	N/A	No	3	6.5%	
					150									8	5.3%
10	Woodway At Trinity Center 5751 Wood Meadow Way Centreville, VA 20120 Fairfax County	1.7 miles	Garden 3-stories 1997 / n/a Family	Market	1BR / 1BA	252	50.0%	698	Market	\$1,416	N/A	No	6	2.4%	
					2BR / 2BA	252	50.0%	1,053	Market	\$1,691	N/A	No	1	0.4%	
					504									7	1.4%

Location

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	The Lodge At Autumn Willow 4%	Fairfax	Senior	LIHTC	-	\$188,447	\$560,400	\$1,864	38	26	2.3%	16.9%
1	Cascades Village*	Sterling	Senior	LIHTC	12.4 miles	\$106,062	\$352,800	\$1,724	58	51	2.3%	22.4%
2	Forest Glen Phase II	Centreville	Senior	LIHTC	2.8 miles	\$104,793	\$458,000	\$1,810	87	53	5.2%	32.5%
3	Herndon Harbor House*	Herndon	Senior	LIHTC	9.0 miles	\$106,357	\$461,200	\$1,841	59	78	5.2%	29.1%
4	Kendrick Court	Herndon	Senior	LIHTC	7.1 miles	\$108,577	\$461,200	\$1,841	82	70	3.9%	58.7%
5	Madison Ridge	Centreville	Family	LIHTC	3.1 miles	\$70,472	\$364,700	\$1,780	44	36	6.5%	38.2%
6	Archstone Fairchase	Fairfax	Family	Market	2.2 miles	\$102,270	\$560,400	\$1,864	62	38	5.2%	55.2%
7	Elms At Centreville	Centreville	Family	Market	1.4 miles	\$88,086	\$364,700	\$1,780	50	71	4.5%	51.6%
8	Gables Centerpointe	Fairfax	Family	Market	2.4 miles	\$97,163	\$473,300	\$1,860	57	72	6.7%	55.6%
9	The Julian At Fair Lakes	Fairfax	Family	Market	1.3 miles	\$110,246	\$473,300	\$1,860	49	51	3.7%	29.9%
10	Woodway At Trinity Center	Centreville	Family	Market	1.7 miles	\$77,741	\$458,000	\$1,810	49	67	8.7%	63.2%

*Located outside of the PMA

The Subject site is located in a primarily residential neighborhood, in the western portion of Fairfax. Surrounding uses consist of single-family homes and townhouses in good condition and retail uses. Strengths of the Subject's location include a high median household income level, high median home value, and relatively low crime indices. Weaknesses of the Subject's location include limited walkability. The Subject's location is designated 'Car-Dependent' by Walk Score with a score of 26, and is not considered walkable.

The affordable properties are located between 2.8 and 12.4 miles from the Subject site. The LIHTC comparables are generally in neighborhoods considered inferior relative to the Subject's location. These locations generally exhibit lower median income levels, higher area vacancy, lower median home values, and higher crime indices compared to the Subject's location. None of the LIHTC comparables are in neighborhoods considered superior to the Subject's location.

The market rate developments are located between 1.3 and 2.4 miles from the Subject site. The market rate comparables are generally in neighborhoods considered inferior relative to the Subject's location. These locations generally exhibit lower median income levels, higher crime indices, lower median home values, and higher area vacancy compared to the Subject's location. None of the market rate comparables are in neighborhoods considered superior to the Subject's location. On balance, the location of The Julian At Fair Lakes is 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	Cascades Village	Forest Glen Phase II	Herndon Harbor House	Kendrick Court	Madison Ridge	Archstone Fairchase	Elms At Centreville	Gables Centerpointe	The Julian At Fair Lakes	Woodway At Trinity Center
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Senior	Senior	Senior	Senior	Family	Family	Family	Family	Family	Family
Building											
Property Type	Lowrise	Lowrise	Midrise	Midrise	Midrise	Garden	Midrise	Garden	Midrise	Midrise	Garden
# of Stories	2-stories	3-stories	4-stories	4-stories	4-stories	3-stories	4-stories	3-stories	4-stories	6-stories	3-stories
Year Built	2023	2001	1997	1998	1999	1988	2006	1987	2011	2014	1997
Year Renovated	n/a	2018	2017	n/a	n/a	2007	n/a	2016	n/a	n/a	n/a
Elevators	yes	yes	yes	yes	yes	no	yes	no	yes	yes	no
Courtyard	no	no	no	yes	no	no	no	no	no	yes	no

The Subject will be a new construction, and will exhibit excellent condition. The comparable properties were constructed or renovated between 1997 and 2014. The majority of comparables exhibit condition ranging from slightly inferior to inferior relative to the proposed Subject.

The proposed Subject will offer a two-story lowrise design, similar to seven of the comparable properties. Madison Ridge, Elms At Centreville, and Woodway At Trinity Center offer garden-style designs and are considered inferior to the Subject due to the lack of elevators. We have 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.

Bedroom Type	1BR	2BR
Subject	696 – 796	938 – 1,205
Average	689	1,044
Min	485	800
Max	987	1,256
Advantage/Disadvantage	0.95% : 15.45%	-10.11% : 15.47%

The Subject's one and two-bedroom unit sizes range in size. The Subject's one-bedroom unit sizes are similar to superior in comparison to the surveyed average of the comparables. The Subject's two-bedroom unit size at 938 square feet is below the surveyed average of the comparables, the Subject's two-bedroom unit size at 1,044 square feet is similar to the surveyed average of the comparables, and the Subject's two-bedroom unit sizes at 1,141, 1,163 and 1,205 square feet are above the surveyed average of the comparables. The LIHTC comparable Kendrick Court offers smaller one and two-bedroom unit sizes and reported operating with 2.9 percent vacancy, indicating smaller unit sizes are not detrimental to property performance in the market. We have taken into account the Subject's proposed 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.

One Bedroom One Bath		Two Bedroom One Bath	
Property Name	Size	Property Name	Size
Elms At Centreville (Market)(1.5BA)	987	Archstone Fairchase (Market)(2BA)	1,256
Archstone Fairchase (Market)	873	Autumn Willow 9% (@60%)	1,205
Gables Centerpointe (Market)	807	Archstone Fairchase (Market)(2BA)	1,175
Autumn Willow 9% (@60%)	796	Archstone Fairchase (Market)(2BA)	1,164
Elms At Centreville (Market)	788	Autumn Willow 9% (@60%)	1,163
Cascades Village (@60%)	768	Autumn Willow 9% (@60%)	1,141
The Julian At Fair Lakes (Market)	768	Archstone Fairchase (Market)(2BA)	1,136
Cascades Village (@60%)	750	Archstone Fairchase (Market)(2BA)	1,118
Archstone Fairchase (Market)	731	Archstone Fairchase (Market)(2BA)	1,112
Madison Ridge (@60%)	728	Gables Centerpointe (Market)(2BA)	1,106
Cascades Village (@60%)	702	The Julian At Fair Lakes (Market)(2BA)	1,080
Woodway At Trinity Center (Market)	698	Archstone Fairchase (Market)(2BA)	1,077
Autumn Willow 9% (@30%)	696	Woodway At Trinity Center (Market)(2BA)	1,053
Autumn Willow 9% (@60%)	696	Autumn Willow 9% (@60%)	1,044
Autumn Willow 9% (@50%)	696	Autumn Willow 9% (@50%)	1,044
Autumn Willow 9% (@30%)	696	Autumn Willow 9% (@30%)	1,044
Archstone Fairchase (Market)	664	Archstone Fairchase (Market)(2BA)	1,031
Kendrick Court (@60%)	600	Elms At Centreville (Market)	969
Herndon Harbor House (@50%)	572	Madison Ridge (@60%)(2BA)	968
Herndon Harbor House (@60%)	572	Autumn Willow 9% (@30%)	938
Forest Glen Phase II (@60%)	566	Autumn Willow 9% (@50%)	938
Archstone Fairchase (Market)	556	Kendrick Court (@60%)(2BA)	900
Herndon Harbor House (@50%)	485	Cascades Village (@50%)(2BA)	886
Herndon Harbor House (@60%)	485	Forest Glen Phase II (@60%)	806
		Kendrick Court (@60%)	800

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	Cascades Village	Forest Glen Phase II	Herndon Harbor House	Kendrick Court	Madison Ridge	Archstone Fairchase	Elms At Centreville	Gables Centerpointe	The Julian At Fair Lakes	Woodway At Trinity Center
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market
Tenancy	Senior	Senior	Senior	Senior	Senior	Family	Family	Family	Family	Family
Utility Structure										
Cooking	no	no	no	yes	no	no	no	no	no	no
Water Heat	no	no	yes	yes	yes	no	no	no	no	no
Heat	no	no	yes	yes	yes	no	no	no	no	no
Other Electric	no	no	no	yes	no	no	no	no	no	no
Water	yes	yes	yes	yes	yes	yes	no	no	no	no
Sewer	yes	yes	yes	yes	yes	yes	no	no	no	no
Trash	yes	yes	yes	yes	yes	yes	no	yes	no	yes

In-Unit Amenities

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

Subject	Cascades Village	Forest Glen Phase II	Herndon Harbor House	Kendrick Court	Madison Ridge	Archstone Fairchase	Elms At Centreville	Gables Centerpointe	The Julian At Fair Lakes	Woodway At Trinity Center
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market
Tenancy	Senior	Senior	Senior	Senior	Senior	Family	Family	Family	Family	Family
Accessibility										
Grab Bars	yes	yes	yes	yes	yes	no	no	no	no	no
Hand Rails	yes	yes	yes	yes	yes	no	no	no	no	no
Pull Cords	yes	yes	yes	yes	yes	no	no	no	no	no
Unit Amenities										
Balcony/Patio	no	no	yes	yes	yes	yes	no	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	yes	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	no	no	no	no	no	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	no	no	no	yes	yes	yes	no	no
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	yes	yes	yes	yes
Fireplace	no	no	no	no	no	no	yes	no	no	no
Vaulted Ceilings	no	no	no	no	no	no	yes	no	no	no
Walk-In Closet	no	no	yes	no	no	yes	yes	no	no	no
Washer/Dryer	yes	yes	no	no	no	yes	yes	yes	yes	yes
W/D Hookup	yes	yes	no	no	no	yes	yes	yes	yes	yes
Kitchen										
Dishwasher	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	no	no	yes	no	no	yes	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notable unit amenities the Subject offers include central air conditioning, washer/dryers, and dishwashers. The majority of the surveyed comparables offer unit amenities ranging from slightly superior to superior relative to the Subject. These properties offer features such as disposals, balconies/patios, exterior storage, microwaves, and walk-in closets, none of which are included in the Subject's proposed amenity scheme. The amenity package offered by Cascades Village is considered similar to the Subject. 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	Cascades Village	Forest Glen Phase II	Herndon Harbor House	Kendrick Court	Madison Ridge	Archstone Fairchase	Elms At Centreville	Gables Centerpointe	The Julian At Fair Lakes	Woodway At Trinity Center
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Senior	Senior	Senior	Senior	Family	Family	Family	Family	Family
Community										
Business Center	no	no	no	no	yes	no	yes	no	yes	no
Community Room	yes	yes	yes	no	yes	yes	no	yes	no	yes
Central Laundry	no	yes	yes	yes	yes	no	no	no	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Concierge	no	no	no	no	no	no	no	no	yes	no
Recreation										
Basketball Court	no	no	no	no	no	no	no	no	no	yes
Exercise Facility	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Playground	no	no	no	no	no	yes	no	yes	no	yes
Swimming Pool	no	no	no	no	no	yes	yes	yes	no	yes
Picnic Area	no	no	yes	no	no	yes	no	no	yes	yes
Sport Court	no	no	no	no	no	no	no	yes	no	yes
Tennis Court	no	no	no	no	no	yes	no	yes	no	no
Sauna	no	no	no	no	no	no	no	no	yes	no
Jacuzzi	no	no	no	no	no	no	yes	no	no	no
Hot Tub	no	no	no	no	no	no	yes	no	no	no
Recreational Area	no	no	no	no	yes	no	no	no	yes	no
Volleyball Court	no	no	no	no	no	no	no	no	no	yes
WiFi	yes	no	no	no	no	no	no	no	no	no
Service Coordination	yes	no	no	no	no	no	no	no	no	no
Senior Services										
Hairdresser/Barber	no	yes	no	no	yes	no	no	no	no	no

Notable property amenities the Subject offers include a community room, on-site management, a fitness center, and WiFi. WiFi will be available at the Subject in the community areas. None of the comparables offer community WiFi. The majority of the surveyed comparables offer property amenities ranging from slightly superior to superior relative to the Subject. These properties offer features such as a swimming pool and a business center, none of which are included in the Subject's proposed amenity scheme. The amenity packages of Cascades Village, Forest Glen Phase II, and Gables Centerpointe 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	Cascades Village	Forest Glen Phase II	Herndon Harbor House	Kendrick Court	Madison Ridge	Archstone Fairchase	Elms At Centreville	Gables Centerpointe	The Julian At Fair Lakes	Woodway At Trinity Center
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Senior	Senior	Senior	Senior	Family	Family	Family	Family	Family
Crime Risk Index	38	58	87	59	82	44	62	50	57	49
Security										
In-Unit Alarm	no	no	no	yes	no	no	yes	no	no	no
Intercom (Buzzer)	yes	yes	yes	yes	yes	no	yes	no	yes	no
Limited Access	yes	yes	yes	yes	yes	no	yes	no	yes	no
Perimeter Fencing	no	no	no	yes	no	no	no	no	no	no
Video Surveillance	no	yes	yes	no	no	no	no	yes	no	yes

According to ESRI Demographic data, crime indices in the Subject's location are well below the national average. The Subject's security features include limited access and intercom systems. A majority of the comparables offer two to three security amenities, similar to the Subject. An exception is Herndon Harbor House which offers four security features; however, this property is located in an area with a higher crime index. It is noteworthy that Madison Ridge, Elms At Centreville, and Woodway At Trinity Center all offer one or fewer security features.

Parking

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

	Subject	Cascades Village	Forest Glen Phase II	Herndon Harbor House	Kendrick Court	Madison Ridge	Archstone Fairchase	Elms At Centreville	Gables Centerpointe	The Julian At Fair Lakes	Woodway At Trinity Center
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Senior	Senior	Senior	Senior	Family	Family	Family	Family	Family	Family
Walk Score	26	51	53	78	70	36	38	71	72	51	67
Parking Ratio	0.89	0.67	-	-	1.07	1.02	0.64	1.12	0.88	1.60	1.62
Parking											
Carpport	no	no	yes	no	no	no	no	no	no	no	no
Carpport Fee	\$0	\$0	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Garage	no	no	no	no	no	no	no	no	yes	yes	yes
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40	\$100
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

We were able to obtain parking data for eight of the comparables. The Subject site is designated 'Car-Dependent' by Walk Score with a score of 26, and is not considered walkable. The Subject and The Lodge At Autumn Willow 4% will offer a total of 133 off-street surface parking spaces. The Lodge At Autumn Willow 4% will consist of 75 units, will be located within the same building as the Subject, and there will be no physical separation between the two properties. The Subject and The Lodge At Autumn Willow 4% will consist of a total of 150 units, which equates to approximately 0.9 parking spaces per unit. There will be no fee for parking. The comparables offer parking ratios ranging from 0.6 to 1.6 spaces per unit. Three of the comparables offer garage parking and one of the comparables offers carport parking. The Subject's parking is similar to the majority of the comparables. We believe the Subject's parking ratio is appropriate for the Subject's senior tenancy. As such, we have considered the Subject's parking scheme to be market oriented.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Tenant Makeup

The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS			
Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Cascades Village*	LIHTC	Senior	30%
Forest Glen Phase II	LIHTC	Senior	24%
Herndon Harbor House*	LIHTC	Senior	10%
Kendrick Court	LIHTC	Senior	23%
Madison Ridge	LIHTC	Family	30%
Archstone Fairchase	Market	Family	0%
Elms At Centreville	Market	Family	0%
Gables Centerpointe	Market	Family	0%
The Julian At Fair Lakes	Market	Family	0%
Woodway At Trinity Center	Market	Family	0%

*Located outside of the PMA

The comparable properties reported voucher usage ranging from zero to 30 percent. None of the market rate properties reported voucher usage. Five of the LIHTC properties reported voucher usage, with an average utilization of 23.4 percent. The highest voucher usage was reported by Cascades Village, a 150-unit LIHTC property located 12.4 miles north 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	Tenancy	Annual Turnover
Cascades Village*	LIHTC	Senior	15%
Forest Glen Phase II	LIHTC	Senior	20%
Herndon Harbor House*	LIHTC	Senior	5%
Kendrick Court	LIHTC	Senior	7%
Madison Ridge	LIHTC	Family	9%
Archstone Fairchase	Market	Family	40%
Elms At Centreville	Market	Family	17%
Gables Centerpointe	Market	Family	35%
The Julian At Fair Lakes	Market	Family	10%
Woodway At Trinity Center	Market	Family	34%
Average Turnover			19%

*Located outside of the PMA

The comparables reported turnover rates ranging from five to 40 percent, with an overall average of 19.2 percent. The LIHTC comparables operate with an average turnover rate of 11.2 percent, which was less than half the 27.2 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 10 percent.

Vacancy Levels

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

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Cascades Village*	LIHTC	Senior	150	17	11.3%
Forest Glen Phase II	LIHTC	Senior	119	12	10.1%
Herndon Harbor House*	LIHTC	Senior	120	1	0.8%
Kendrick Court	LIHTC	Senior	140	4	2.9%
Madison Ridge	LIHTC	Family	98	0	0.0%
Archstone Fairchase	Market	Family	392	7	1.8%
Elms At Centreville	Market	Family	268	9	3.4%
Gables Centerpointe	Market	Family	121	2	1.7%
The Julian At Fair Lakes	Market	Family	150	8	5.3%
Woodway At Trinity Center	Market	Family	504	7	1.4%
Total LIHTC			627	34	5.4%
Total Market Rate			1,435	33	2.3%
Overall Total			2,062	67	3.2%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 11.3 percent, with an overall weighted average of 3.2 percent. The manager at one of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 5.4 percent, above the 2.3 percent average reported by the market rate properties. One of the LIHTC comparables, Madison Ridge, reported operating with a waiting list. The contacts at Cascades Village and Forest Glen Phase II stated the elevated vacancy rates are due to impacts from COVID-19 and demand at the property has decreased during the winter months. The contact at Forest Glen Phase II noted they expect demand to increase during the spring months. As noted in the section on concessions, four of the comparables are offering concessions, three of which are market rate properties

and one of which is a LIHTC property. Cascades Village and Forest Glen Phase II report they are achieving maximum allowable LIHTC rents. However, these two properties operate with vacancy rates above 10 percent. Cascades Village offers no concessions and reports the highest asking rents of the LIHTC properties. Given the rent decreases reported by the market rate comparables, the maximum allowable LIHTC rents at Cascades Village and Forest Glen Phase II may be more than the market can bear at this time and concessions may help rectify the elevated vacancy. We previously interviewed Cascades Village and Forest Glen Phase II in 1Q2019, 1Q2020 and 3Q2020. Cascades Village had reported a vacancy rate of 1.3 percent in each previous interview, and Forest Glen Phase II had reported vacancy rates of 2.5 percent, 0.8 percent and 0.0 percent in 1Q2019, 1Q2020 and 3Q2020, respectively. This indicates the vacancy rates at Cascades Village and Forest Glen Phase II are typically low, and the current vacancy rates are atypical for the properties. All of the market rate properties reported vacancy rates of 5.3 percent or lower. The contact at The Julian At Fair Lakes stated the elevated vacancy rate is due to a slower leasing pace than is common for the property during the winter months. The following table details the historical vacancy of the comparables from 2019 to present.

HISTORICAL VACANCY

Property Name	Program	Total Units	2019 Q1	2020 Q1	2020 Q3	2021 Q1
Cascades Village	LIHTC	150	1.3%	1.3%	1.3%	11.3%
Forest Glen Phase II	LIHTC	119	2.5%	0.8%	0.0%	10.1%
Herndon Harbor House	LIHTC	120	0.0%	0.0%	1.7%	0.8%
Kendrick Court	LIHTC	140	0.0%	0.0%	2.1%	2.9%
Madison Ridge	LIHTC	98	1.0%	0.0%	0.0%	0.0%
Archstone Fairchase	Market	392	N/A	N/A	0.3%	1.8%
Elms At Centreville	Market	268	3.4%	3.0%	0.4%	3.4%
Gables Centerpointe	Market	121	N/A	N/A	2.5%	1.7%
The Julian At Fair Lakes	Market	150	2.0%	2.0%	2.7%	5.3%
Woodway At Trinity Center	Market	504	3.2%	3.6%	0.4%	1.4%

As demonstrated in the table above, the elevated vacancy reported by Cascades Village, Forest Glen Phase II and The Julian At Fair Lakes are uncharacteristic for the properties, and these properties typically operate with low vacancy rates.

The following table details comments by property managers at the comparable properties regarding the impact of COVID-19 at the properties.

COVID-19 DISCUSSION

Property Name	Rent Structure	Tenancy	Comment
Cascades Village*	LIHTC	Senior	The contact reported that there has been an increase in vacancy due to impacts from COVID-19 as well as the slower traffic in the winter season. The contact also stated that there have been some late payments and payment plans but the contact was unable to provide the number of tenants who are utilizing them.
Forest Glen Phase II	LIHTC	Senior	The contact stated that traffic has been slower at the property due to impacts caused by the COVID-19 pandemic. The contact reported that leasing is expected to increase again in the spring.
Herndon Harbor House*	LIHTC	Senior	The contact stated COVID-19 has not reduced demand at the property, but leasing available units has become more difficult due to restrictions with viewing properties and finding tenants on the waiting list who are income qualified. The contact reported that the property has been able to maintain strong demand throughout the pandemic typically staying above 98 percent occupancy.
Kendrick Court	LIHTC	Senior	The contact stated the property is typically fully occupied, but COVID-19 has made leasing at the property more difficult. Even though people are less willing to move, demand has remained strong.
Madison Ridge	LIHTC	Family	N/A
Archstone Fairchase	Market	Family	The contact reported that there have been many operational changes due to COVID-19 but not any significant impacts.
Elms At Centreville	Market	Family	The contact reported that the property has been allowing tenants to break leases and offering payment plans for tenants with financial issues due to COVID-19. The contact estimated that six tenants have moved from the property due to job loss during the pandemic. However, occupancy has remained strong staying above 90 percent throughout the pandemic.
Gables Centerpointe	Market	Family	The contact reported that there have been some tenants with financial difficulties due to COVID-19 but was unable to comment on rent collections.
The Julian At Fair Lakes	Market	Family	The contact reported that leasing has been slower but that is common during the winter months and is not completely due to COVID-19.
Woodway At Trinity Center	Market	Family	The contact reported that the main effects from COVID-19 have been the closure of amenities.

*Located outside of the PMA

We understand from our interviews with senior property managers that leasing has slowed due to the COVID-19 pandemic and that has impacted occupancy. With the distribution of vaccines we believe senior properties will experience a more accelerated leasing pace. The following table details vacancy by bedroom type for the comparable properties surveyed:

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	0BR	1BR	2BR	3BR	Overall
Cascades Village*	LIHTC	Senior	-	13.8%	0.0%	-	11.3%
Forest Glen Phase II	LIHTC	Senior	-	8.9%	16.7%	-	10.1%
Herndon Harbor House*	LIHTC	Senior	-	0.8%	-	-	0.8%
Kendrick Court	LIHTC	Senior	-	2.9%	2.8%	-	2.9%
Madison Ridge	LIHTC	Family	-	0.0%	0.0%	-	0.0%
Archstone Fairchase	Market	Family	0.0%	3.4%	0.5%	3.6%	1.8%
Elms At Centreville	Market	Family	-	6.9%	1.7%	-	3.4%
Gables Centerpointe	Market	Family	-	1.4%	2.0%	-	1.7%
The Julian At Fair Lakes	Market	Family	13.3%	3.4%	6.5%	-	5.3%
Woodway At Trinity Center	Market	Family	-	2.4%	0.4%	-	1.4%

*Located outside of the PMA

As proposed, the Subject will consist of one and two-bedroom units. Vacancy rates in the market average 4.6 percent for one-bedroom units and 1.5 percent for two-bedroom units. Overall, vacancy rates in the market are moderate to low. This supports that there is demand for additional 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. We believe the current performance is a confluence of events that makes the market temporarily soft. COVID-19 results in fewer seniors eager to move into new quarters. The holidays and winter are typically a slower leasing period for all multifamily properties. Finally, as mentioned earlier, COVID-19 has impacted the Northern Virginia economy to a greater degree than the national average. Historically, the market produced strong occupancies, robust rent growth, and LIHTC rents are maximum. We believe this current situation is temporary and that the market will show resilience in the short term and return to typical health. Therefore, we expect the Subject will operate with a vacancy rate of five percent or less.

Concessions

Four of the comparables reported offering concessions. The LIHTC comparable Kendrick Court is offering one month free rent for two-bedroom one-bathroom units. The market rate comparable Archstone Fairchase is offering \$500 off first month’s rent. The market rate comparable The Julian At Fair Lakes is offering \$1,000 of first month’s rent. The market rate comparable Woodway At Trinity Center is offering one month’s free rent. None of the remaining comparables are currently offering concessions. Considering the majority of comparables and only one of the LIHTC comparables is offering concessions, 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	Tenancy	Waiting List Length
Cascades Village*	LIHTC	Senior	None
Forest Glen Phase II	LIHTC	Senior	None
Herndon Harbor House*	LIHTC	Senior	None
Kendrick Court	LIHTC	Senior	None
Madison Ridge	LIHTC	Family	Yes, up to 6 months
Archstone Fairchase	Market	Family	None
Elms At Centreville	Market	Family	None
Gables Centerpointe	Market	Family	None
The Julian At Fair Lakes	Market	Family	None
Woodway At Trinity Center	Market	Family	None

*Located outside of the PMA

One of the LIHTC properties reported a waiting list. Given the moderate to low vacancy rates among the LIHTC comparables, we believe that the Subject could maintain a waiting list as a stabilized LIHTC property.

Absorption

We were unable to obtain recent absorption information from any of the comparable properties. Therefore, we searched Fairfax County for properties that could provide absorption information. The following table details our findings.

ABSORPTION							
Property Name	City	Rent	Tenancy	Year	Total Units	Absorption (units/month)	
The Woods At Birchwood	Ashburn	LIHTC	Senior	2019	83	15	
The Belnor Senior Residences	Marlow Heights	LIHTC	Senior	2019	122	31	
Pointe View At Aspen Hill	Aspen Hill	LIHTC	Senior	2019	120	20	
The Elms At Clarksburg Village Encore	Clarksburg	Market	Senior	2017	90	6	

The LIHTC comparables illustrate absorption rates ranging from 15 to 31 units per month. The market rate property experienced a lower rate of 6 units per month. We estimate the Subject will experience an absorption rate of 20 units per month, indicating an absorption period of three to four months.

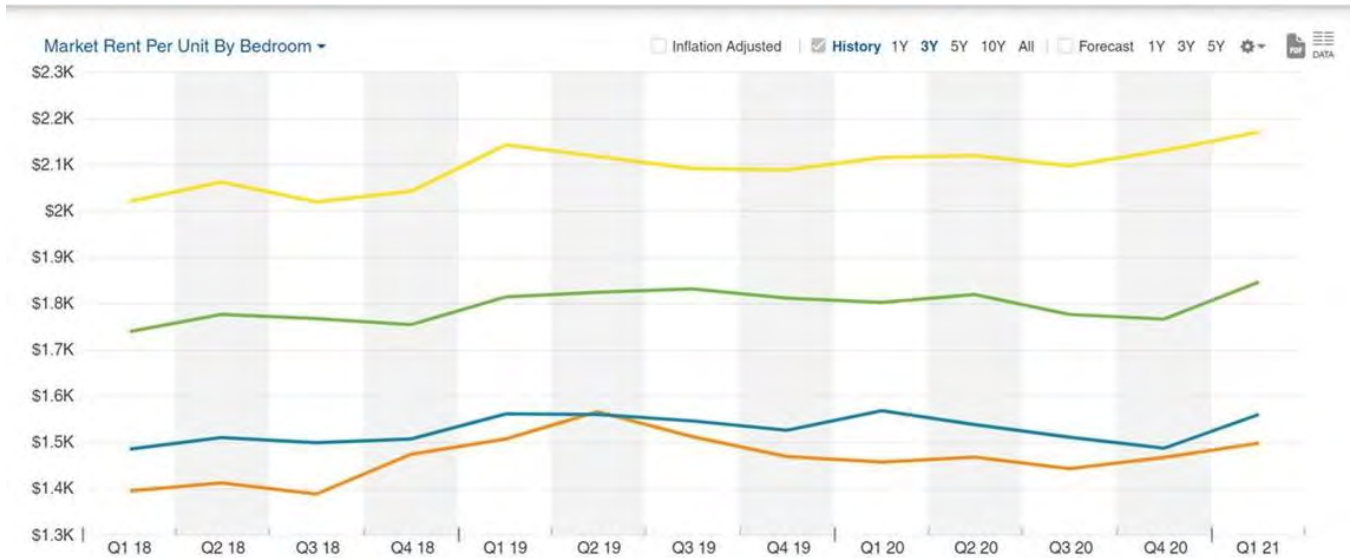
Rental Rate Increases

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

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Cascades Village*	LIHTC	Senior	Increased 2-3%
Forest Glen Phase II	LIHTC	Senior	Increased 4%
Herndon Harbor House*	LIHTC	Senior	Decreased 6% to increased 2%
Kendrick Court	LIHTC	Senior	Decreased 3% to increased 3%
Madison Ridge	LIHTC	Family	None
Archstone Fairchase	Market	Family	Increased 3-8%
Elms At Centreville	Market	Family	Decreased 10% to increased 10%
Gables Centerpointe	Market	Family	Decreased 3% to increased 3%
The Julian At Fair Lakes	Market	Family	Decreased 4-11%
Woodway At Trinity Center	Market	Family	Decreased 4-5%

*Located outside of the PMA

Three comparable properties reported rent growth over the past year, four reported rent growth and rent decreases, one reported no rent growth, and two reported rent decreases. Two of the LIHTC comparables, Cascades Village and Forest Glen Phase II, reported achieving 2020 maximum allowable rents. However it should be noted that Cascades Village and Forest Glen Phase II reported elevated vacancy. The contacts at Kendrick Court and Madison Ridge stated the properties are achieving 2019 maximum allowable rents, but have not raised their rents to the 2020 maximum allowable rents due to the COVID-19 pandemic. Herndon Harbor House is the only LIHTC comparable that reported rents below maximum allowable levels. The contact at Herndon Harbor House was unable to state why the property was achieving rents below the maximum allowable level. We view the negative rent trend to be a temporary characteristic in this market as the below graph illustrates market rent growth has been positive over a long term. We expect the market to return to modest positive growth once the COVID-19 crisis has resolved. As discussed in the CoStar data, rents are expected to fluctuate over the next year and stabilize thereafter. We anticipate that the Subject will be able to achieve moderate rent growth over a typical hold period, which may be constrained by the applicable LIHTC rent limits.



Source: CoStar, March 2021

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 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	
@30%								
1BR / 1BA	696	8	\$648	\$60	\$708	\$708	\$1,500	
@30% (Section 8)								
1BR / 1BA	696	4	\$1,438	\$60	\$1,498	\$708	\$1,500	
2BR / 1BA	938	2	\$1,618	\$72	\$1,690	\$850	\$1,707	
2BR / 1BA	1,044	2	\$1,618	\$72	\$1,690	\$850	\$1,707	
@50%								
1BR / 1BA	696	15	\$1,121	\$60	\$1,181	\$1,181	\$1,500	
2BR / 1BA	938	1	\$1,345	\$72	\$1,417	\$1,417	\$1,707	
2BR / 1BA	1,044	6	\$1,345	\$72	\$1,417	\$1,417	\$1,707	
@60%								
1BR / 1BA	696	16	\$1,357	\$60	\$1,417	\$1,417	\$1,500	
1BR / 1BA	796	2	\$1,357	\$60	\$1,417	\$1,417	\$1,500	
2BR / 1BA	1,044	5	\$1,629	\$72	\$1,701	\$1,701	\$1,707	
2BR / 1BA	1,141	6	\$1,629	\$72	\$1,701	\$1,701	\$1,707	
2BR / 1BA	1,163	4	\$1,629	\$72	\$1,701	\$1,701	\$1,707	
2BR / 1BA	1,205	4	\$1,629	\$72	\$1,701	\$1,701	\$1,707	
		75						

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

Comparable LIHTC Rents

The Subject’s proposed LIHTC rents are set at the maximum allowable level. The following table illustrates the Subject’s LIHTC rents compared to the LIHTC rents of the comparable LIHTC properties. The rents have been adjusted for variances in utilities, as well as concessions, if applicable. None of the comparables offer units restricted at 30 percent of AMI.

LIHTC RENT COMPARISON @30%					
	County	Tenancy	1BR	2BR	Rents at Max?
Autumn Willow 9%	Fairfax	Senior	\$648	-	Yes
Autumn Willow 9% (Section 8)	Fairfax	Senior	\$1,438*	\$1,618*	N/A
LIHTC Maximum Rent (Net)	Fairfax		\$648	\$778	
Achievable LIHTC Rent	-	-	\$648	\$778	

*Contract rents

LIHTC RENT COMPARISON @50%

Property Name	County	Tenancy	1BR	2BR	Rents at Max?
Autumn Willow 9%	Fairfax	Senior	\$1,121	\$1,345	Yes
LIHTC Maximum Rent (Net)	Fairfax		\$1,121	\$1,345	
LIHTC Maximum Rent (Net) (Loudoun County)	Loudoun		\$1,121	\$1,345	
Cascades Village	Loudoun	Senior	-	\$1,328	Yes
Herndon Harbor House	Fairfax	Senior	\$966	-	No
Average			\$966	\$1,328	
Achievable LIHTC Rent			\$1,121	\$1,345	

LIHTC RENT COMPARISON @60%

Property Name	County	Tenancy	1BR	2BR	Rents at Max?
Autumn Willow 9%	Fairfax	Senior	\$1,357	\$1,629	Yes
LIHTC Maximum Rent (Net)	Fairfax		\$1,357	\$1,629	
LIHTC Maximum Rent (Net) (Loudoun County)	Loudoun		\$1,357	\$1,629	
Cascades Village	Loudoun	Senior	\$1,345	-	Yes
Forest Glen Phase II	Fairfax	Senior	\$1,323	\$1,577	Yes
Herndon Harbor House	Fairfax	Senior	\$966	-	No
Kendrick Court	Fairfax	Senior	\$1,339	\$1,540	No
Madison Ridge	Fairfax	Family	\$1,300	\$1,555	No
Average			\$1,255	\$1,557	
Achievable LIHTC Rent			\$1,357	\$1,629	

Two of the LIHTC properties, Cascades Village and Forest Glen Phase II, reported achieving 2020 maximum allowable rents. However, both of these properties reported elevated vacancy rates. Two of the LIHTC comparables, Kendrick Court and Madison Ridge, reported achieving 2019 maximum allowable rents. These two LIHTC comparables have not raised their rent to the 2020 levels due to the COVID-19 pandemic. The contact at Herndon Harbor House reported rents below maximum allowable rents but was unable to state why rents were held below 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 Madison Ridge and Forest Glen Phase II.

Madison Ridge is a 98-unit, garden-style development located 3.1 miles west of the Subject site, in a neighborhood considered inferior relative to the Subject's location. This property was constructed in 1988 and renovated in 2007. We consider the condition of this property inferior relative to the Subject, which will be built in 2023. The manager at Madison Ridge reported the property as fully occupied, indicating the current rents are well accepted in the market. Madison Ridge offers balconies/patios, walk-in closets, disposals, a playground, a swimming pool, and tennis courts, all of which the proposed Subject will lack. However, the proposed Subject will offer a fitness center and WiFi in the community areas, neither of which are offered by Madison Ridge. The in-unit and property amenity packages offered by Madison Ridge are both considered superior relative to the Subject's amenities. In overall terms, we believe the Subject will be a slightly superior product relative to the Madison Ridge based on its condition and location.

Forest Glen Phase II is a 119-unit, midrise development located 2.8 miles northwest of the Subject site, in a neighborhood considered inferior relative to the Subject's location. This property was constructed in 1997 and renovated in 2017. We consider the condition of this property slightly inferior relative to the Subject, which was built in 2023. The manager at Forest Glen Phase II reported the property as operating with an elevated vacancy rate of 10.1 percent. The contact at Forest Glen Phase II stated the elevated vacancy rates are due

to impacts by COVID-19 and demand at the property has decreased during the winter months. The contact noted they expect demand to increase during the spring months. Forest Glen Phase II had reported vacancy rates of 2.5 percent, 0.8 percent and 0.0 percent in 1Q2019, 1Q2020 and 3Q2020, respectively. This indicates the vacancy rate at Forest Glen Phase II is typically low, and the current vacancy rate is atypical for the property. Forest Glen Phase II offers balconies/patios, walk-in closets, disposals, and carports, all of which the proposed Subject will lack. However, the Subject will offer washer/dryers, and WiFi in the community areas, none of which are provided by Forest Glen Phase II. On balance, we believe the in-unit and property amenity packages offered by Forest Glen Phase II to be slightly inferior and similar relative to the Subject, respectively. In overall terms, we believe the Subject will be a slightly superior product relative to the Forest Glen Phase II.

Due to the elevated vacancy rates at Cascades Village and Forest Glen Phase II, which are the two LIHTC comparables achieving maximum allowable rents, we also considered the LIHTC properties Belvoir Square and Springfield Crossing in our analysis of achievable LIHTC rents. Belvoir Square is a family tenancy, midrise property located 16.2 miles southeast of the Subject site in an inferior location. Belvoir Square was constructed in 2017 and exhibits similar condition to the Subject, which will be constructed in 2023. Belvoir Square offers studio, one and two-bedroom units restricted at 80 and 100 percent of AMI, as well as market rate units. The property reported achieving maximum allowable rents at 80 and 100 percent of AMI. We previously interviewed Belvoir Square in December 2020, and the property reported operating with 2.8 percent vacancy, indicating the asking rents are well accepted in the market.

Springfield Crossing is a family tenancy property with a mixture of garden-style and highrise design located 13.5 miles southeast of the Subject site in an inferior location. Springfield Crossing was constructed in 2001 and exhibits inferior condition to the Subject, which will be constructed in 2023. Springfield Crossing offers two and three-bedroom units restricted at 50 and 60 percent of AMI, and reported achieving maximum allowable rents at 60 percent of AMI. We previously interviewed Springfield Crossing in November 2020, and the property reported operating with 0.6 percent vacancy, indicating the asking rents are well accepted in the market. Considering Belvoir Square and Springfield Crossing reported achieving maximum allowable LIHTC rents and operating with low vacancy rates, we believe maximum allowable rents are achievable at the Subject.

We believe the Subject will be able to achieve the maximum allowable rents at 30, 50 and 60 percent of AMI, similar to Forest Glen Phase II and above Madison Ridge.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject’s rental rates are above the achievable market rents. The following table shows both market rent comparisons and achievable market rents. We have utilized a weighted average of 700 square feet and 980 square feet for the Subject’s one and two-bedroom unit sizes, respectively, to determine the achievable market rents.

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	@30%	\$648	\$1,397	\$1,809	\$1,618	\$1,775	63%
1BR / 1BA	@30% (Section 8)	\$648	\$1,397	\$1,809	\$1,618	\$1,775	63%
1BR / 1BA	@50%	\$1,121	\$1,397	\$1,809	\$1,618	\$1,775	37%
1BR / 1BA	@60%	\$1,357	\$1,397	\$1,809	\$1,618	\$1,775	24%
2BR / 1BA	@30% (Section 8)	\$778	\$1,691	\$2,346	\$2,049	\$2,175	64%
2BR / 1BA	@50%	\$1,345	\$1,691	\$2,346	\$2,049	\$2,175	38%
2BR / 1BA	@60%	\$1,629	\$1,691	\$2,346	\$2,049	\$2,175	25%

In September 2020, this competitive set reported higher rents in general as minimum and maximum rents were higher for one and two-bedroom units. While average two-bedroom units increased since September from \$1,974 to \$2,049, average one-bedroom rents decreased \$82 from \$1,700. As discussed, rent decreases are directly related to the COVID-19 pandemic and not typical prior to 2020. Therefore, we view the most recent rents with skepticism. We believe the COVID-19 crisis is temporary and the market will recover in the short run. Therefore, while typically we would weigh current rents heavily, we also consider the long term trend and heavily consider rents from 2019 and 2020 in our full determination.

The Subject’s achievable LIHTC rents at all AMI levels are below the achievable market rents and offer an advantage of 24 to 64 percent over the achievable market rents. The Subject will be considered most similar to Gables Centerpointe, Archstone Fairchase and The Julian At Fair Lakes. Our concluded achievable market rents are generally above Gables Centrepointe and The Julian At Fair Lakes. Our concluded achievable market rents for the Subject’s two-bedroom units are slightly below The Julian At Fair Lakes.

Gables Centerpointe is a 121-unit, midrise development located 2.4 miles northeast of the Subject site, in a neighborhood considered inferior relative to the Subject's location. The property was built in 2011, and currently exhibits slightly inferior condition relative to the proposed Subject, which will be new construction. The manager at Gables Centerpointe reported a low vacancy rate of 1.7 percent, indicating the current rents are well accepted in the market. Gables Centerpointe offers exterior storage, disposals, microwaves, a business center, and free garages, all of which the proposed Subject will lack. However, the Subject will offer WiFi in the community areas, which is not provided by Gables Centerpointe. On balance, we believe the in-unit and property amenity packages offered by Gables Centerpointe to be slightly superior and similar relative to the proposed Subject, respectively. In overall terms, we believe the Subject will be a similar product relative to the Gables Centerpointe. Our concluded achievable market rents for the Subject are similar to the rents reported by Gables Centerpointe. The following table compares the Subject with Gables Centerpointe. Note that Gables Centerpointe offers two-bedroom two-bathroom units, and the Subject offers two-bedroom one-bathroom units.

SUBJECT COMPARISON TO GABLES CENTERPOINTE

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Gables Centerpointe Rent	Square Feet	Gables Centerpointe RPSF
1BR / 1BA	\$1,775	700	\$2.54	\$1,809	807	\$2.24
2BR / 1BA	\$2,175	980	\$2.22	\$2,087	1,106	\$1.89

Archstone Fairchase is a 392-unit, midrise development located 2.2 miles east of the Subject site, in a neighborhood considered inferior relative to the Subject's location. The property was built in 2006, and currently exhibits inferior condition relative to the Subject, which will be built in 2023. The manager at Archstone Fairchase reported a low vacancy rate of 1.8 percent, indicating the current rents are well accepted in the market. Archstone Fairchase offers complimentary internet, exterior storage, fireplaces, vaulted ceilings, walk-in closets, disposals, microwaves, a business center, a swimming pool, and hot tubs, all of which the proposed Subject will lack. However, the proposed Subject will offer a community room and WiFi in the community areas, neither of which are offered by Archstone Fairchase. On balance, we believe the in-unit and property amenity packages offered by Archstone Fairchase to be superior and slightly superior relative to the Subject, respectively. In overall terms, we believe the Subject will be a slightly superior product relative to the Archstone Fairchase. Our concluded achievable market rents for the Subject's units are above the rents reported by Archstone Fairchase. The following table compares the Subject with Archstone Fairchase. Note that Archstone Fairchase offers two-bedroom two-bathroom units, and the Subject offers two-bedroom one-bathroom units.

SUBJECT COMPARISON TO ARCHSTONE FAIRCHASE

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Archstone Fairchase Rent	Square Feet	Archstone Fairchase RPSF
1BR / 1BA	\$1,775	700	\$2.54	\$1,497	664	\$2.25
2BR / 1BA	\$2,175	980	\$2.22	\$1,940	1,031	\$1.88

The Julian At Fair Lakes is a 150-unit, midrise development located 1.3 miles northeast of the Subject site, in a neighborhood considered similar relative to the Subject's location. The property was built in 2014, and currently exhibits similar condition relative to the Subject, which will be built in 2023. The manager at The Julian At Fair Lakes reported a moderate vacancy rate of 5.3 percent. The contact at The Julian At Fair Lakes stated the elevated vacancy rate is due to a slower leasing pace that is common for the property during the winter months. The Julian At Fair Lakes offers exterior storage, microwaves, a swimming pool and recreational areas, all of which the proposed Subject will lack. However, the proposed Subject will offer a community room and WiFi in the community areas, neither of which are offered by The Julian At Fair Lakes. On balance, we believe the in-unit and property amenity packages offered by The Julian At Fair Lakes to be slightly superior and superior relative to the Subject, respectively. In overall terms, we believe the Subject will be similar to slightly inferior relative to the Julian At Fair Lakes. Our concluded achievable market rents are similar to The Julian At Fair Lakes. The following table compares the Subject with The Julian At Fair Lakes.

SUBJECT COMPARISON TO THE JULIAN AT FAIR LAKES

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	The Julian At Fair Lakes Rent	Square Feet	The Julian At Fair Lakes RPSF
1BR / 1BA	\$1,775	700	\$2.54	\$1,660	768	\$2.16
2BR / 1BA	\$2,175	980	\$2.22	\$2,183	1,080	\$2.02

Summary Evaluation

The Subject will be newly constructed, and upon completion, will exhibit excellent condition. The market exhibits strong demand for affordable housing, with limited vacancy among the majority of the comparables and strong absorption rates at LIHTC properties that have opened in the past year. As a stabilized property, we expect the Subject to operate with annual vacancy and collection loss of five percent or less. As detailed in our analysis of LIHTC rents, we believe that maximum allowable rents are achievable. Further, recent rent growth in the market indicates that rental rate increases of two percent annually are achievable within the confines of LIHTC program requirements.

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 PMA is generally defined as the cities of Fairfax, Centreville Tysons and Chantilly. The PMA boundaries are defined as Sully Road, Lee Jackson Memorial Highway, and Pleasant Valley Road to the west, Compton Road, Clifton Road, Chapel Road, Burke Lake Road and Braddock Road to the south, Interstate 495 to the east, and Dulles Access Road to the north. The PMA was defined based on interviews with property managers and local authorities. We anticipate that the property will experience some “leakage” from outside the PMA and we estimated that and 20 percent respectively of the tenants will come from outside these boundaries. The PMA is 142 square miles in size.

Demographic Information

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

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

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

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

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Fairfax County, VA
AMI for four person household:	\$121,300
Tenancy (Family vs Senior):	Senior
Affordability percentage:	40 percent
Leakage:	20 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.

62+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@30% (Section 8)		@50%		@60%	
1BR	\$21,240	\$30,240	\$0	\$30,240	\$35,430	\$50,400	\$42,510	\$60,480
2BR	-	-	\$0	\$30,240	\$42,510	\$50,400	\$51,030	\$60,480

62+ INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$21,240	\$30,240	\$35,430	\$50,400	\$42,510	\$60,480
2BR	\$50,700	\$30,240	\$42,510	\$50,400	\$51,030	\$60,480

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 62+

Income Cohort	PMA					
	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	692	8.2%	790	7.5%	20	2.8%
\$10,000-	899	10.6%	1,000	9.5%	20	2.2%
\$20,000-	606	7.2%	712	6.8%	21	3.5%
\$30,000-	711	8.4%	855	8.1%	29	4.1%
\$40,000-	581	6.9%	691	6.6%	22	3.8%
\$50,000-	705	8.3%	844	8.0%	28	3.9%
\$60,000-	707	8.3%	908	8.6%	40	5.7%
\$75,000-	810	9.6%	1,021	9.7%	42	5.2%
\$100,000-	784	9.3%	971	9.2%	37	4.8%
\$125,000-	625	7.4%	841	8.0%	43	6.9%
\$150,000-	597	7.1%	785	7.5%	38	6.3%
\$200,000+	751	8.9%	1,081	10.3%	66	8.8%
Total	8,468	100.0%	10,499	100.0%		

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

AUTUMN WILLOW 9% – FAIRFAX, VIRGINIA – APPRAISAL

62+ INCOME DISTRIBUTION 2020

Income Cohort	Total Renter Households	@30%			@30% (Section 8)			@50%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	692				9,999	100.0%	692						9,999	100.0%	692	
\$10,000-19,999	899				9,999	100.0%	899						9,999	100.0%	899	
\$20,000-29,999	606	8,758	87.6%	531	9,999	100.0%	606						9,999	100.0%	606	
\$30,000-39,999	711	241	2.4%	17	241	2.4%	17	4,568	45.7%	325			4,809	48.1%	342	
\$40,000-49,999	581							9,999	100.0%	581	7,488	74.9%	435	9,999	100.0%	581
\$50,000-59,999	705							401	4.0%	28	9,999	100.0%	705	9,999	100.0%	705
\$60,000-74,999	707										481	3.2%	23	481	3.2%	23
\$75,000-99,999	810															
\$100,000-124,999	784															
\$125,000-149,999	625															
\$150,000-199,999	597															
\$200,000+	751															
Total	8,468		6.5%	548		26.1%	2,214		11.0%	934		13.7%	1,163		45.4%	3,848

62+ INCOME DISTRIBUTION 2020 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@30%			@50%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	692												
\$10,000-19,999	899												
\$20,000-29,999	606	8,758	87.6%	531							8,758	87.6%	531
\$30,000-39,999	711	241	2.4%	17	4,568	45.7%	325				4,809	48.1%	342
\$40,000-49,999	581				9,999	100.0%	581	7,488	74.9%	435	9,999	100.0%	581
\$50,000-59,999	705				401	4.0%	28	9,999	100.0%	705	9,999	100.0%	705
\$60,000-74,999	707							481	3.2%	23	481	3.2%	23
\$75,000-99,999	810												
\$100,000-124,999	784												
\$125,000-149,999	625												
\$150,000-199,999	597												
\$200,000+	751												
Total	8,468		6.5%	548		11.0%	934		13.7%	1,163		25.8%	2,181

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

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

Step Five – Unit Size Appropriate

Household size is assumed to be 1.5 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

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.

30 Percent of AMI Demand – As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	56.3%	4,767
2 persons	23.6%	2,000
3 persons	8.7%	740
4 persons	4.4%	369
5+ persons	7.0%	592
Total	100.0%	8,468

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,767	x	308
2 persons	2,000	x	129
3 persons	740	x	48
4 persons	369	x	24
5+ persons	592	x	38
Total	8,468		548

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	303
2BR	-
Total	303

Capture Rate Analysis - @30%

	Developer's Unit Mix	Capture Rate
1BR	8	2.64%
2BR	-	-
Total/Overall	8	2.64%

Adjusted for Leakage from Outside of the PMA

20%

1BR	8	2.11%
2BR	-	-
Total/Overall	8	2.11%

30 Percent of AMI (Section 8) Demand – As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	56.3%	4,767
2 persons	23.6%	2,000
3 persons	8.7%	740
4 persons	4.4%	369
5+ persons	7.0%	592
Total	100.0%	8,468

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,767	x	1,246
2 persons	2,000	x	523
3 persons	740	x	193
4 persons	369	x	96
5+ persons	592	x	155
Total	8,468		2,214

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,226
2BR	543
Total	1,769

Capture Rate Analysis - @30% (Section 8)

	Developer's Unit Mix	Capture Rate
1BR	4	0.33%
2BR	4	0.74%
Total/Overall	8	0.45%

Adjusted for Leakage from Outside of the PMA 20%

1BR	4	0.26%
2BR	4	0.59%
Total/Overall	8	0.36%

50 Percent of AMI Demand – As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	56.3%	4,767
2 persons	23.6%	2,000
3 persons	8.7%	740
4 persons	4.4%	369
5+ persons	7.0%	592
Total	100.0%	8,468

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,767	x	526
2 persons	2,000	x	221
3 persons	740	x	82
4 persons	369	x	41
5+ persons	592	x	65
Total	8,468		934

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	517
2BR	229
Total	746

Capture Rate Analysis - @50%

	Developer's Unit Mix	Capture Rate
1BR	15	2.90%
2BR	7	3.06%
Total/Overall	22	2.95%

Adjusted for Leakage from Outside of the PMA

20%

1BR	15	2.32%
2BR	7	2.44%
Total/Overall	22	2.36%

60 Percent of AMI Demand – As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	56.3%	4,767
2 persons	23.6%	2,000
3 persons	8.7%	740
4 persons	4.4%	369
5+ persons	7.0%	592
Total	100.0%	8,468

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,767	x	655
2 persons	2,000	x	275
3 persons	740	x	102
4 persons	369	x	51
5+ persons	592	x	81
Total	8,468		1,163

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	644
2BR	285
Total	929

Capture Rate Analysis - @60%

	Developer's Unit Mix	Capture Rate
1BR	18	2.79%
2BR	19	6.66%
Total/Overall	37	3.98%

Adjusted for Leakage from Outside of the PMA

20%

1BR	18	2.24%
2BR	19	5.33%
Total/Overall	37	3.19%

All Units Demand – As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	56.3%	4,767
2 persons	23.6%	2,000
3 persons	8.7%	740
4 persons	4.4%	369
5+ persons	7.0%	592
Total	100.0%	8,468

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,767	x	45.4%	2,166
2 persons	2,000	x	45.4%	909
3 persons	740	x	45.4%	336
4 persons	369	x	45.4%	168
5+ persons	592	x	45.4%	269
Total	8,468			3,848

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,131
2BR	944
Total	3,075

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	45	2.11%
2BR	30	3.18%
Total/Overall	75	2.44%

Adjusted for Leakage from Outside of the PMA

20%

1BR	45	1.69%
2BR	30	2.54%
Total/Overall	75	1.95%

30 Percent of AMI Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	56.3%	4,767
2 persons	23.6%	2,000
3 persons	8.7%	740
4 persons	4.4%	369
5+ persons	7.0%	592
Total	100.0%	8,468

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,767	x 6.5%	308
2 persons	2,000	x 6.5%	129
3 persons	740	x 6.5%	48
4 persons	369	x 6.5%	24
5+ persons	592	x 6.5%	38
Total	8,468		548

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	303
2BR	134
Total	438

Capture Rate Analysis - @30% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	12	3.95%
2BR	4	2.98%
Total/Overall	16	3.65%

Adjusted for Leakage from Outside of the PMA

20%

1BR	12	3.16%
2BR	4	2.38%
Total/Overall	16	2.92%

All Units Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	56.3%	4,767
2 persons	23.6%	2,000
3 persons	8.7%	740
4 persons	4.4%	369
5+ persons	7.0%	592
Total	100.0%	8,468

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,767	x 25.8%	1,228
2 persons	2,000	x 25.8%	515
3 persons	740	x 25.8%	191
4 persons	369	x 25.8%	95
5+ persons	592	x 25.8%	153
Total	8,468		2,181

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,208
2BR	535
Total	1,743

Capture Rate Analysis - All Units Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	45	3.72%
2BR	30	5.61%
Total/Overall	75	4.30%

Adjusted for Leakage from Outside of the PMA 20%

1BR	45	2.98%
2BR	30	4.49%
Total/Overall	75	3.44%

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 utilized CoStar to determine a list of new and proposed developments in the PMA from CoStar. The following table illustrates these projects.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
11842 Sunrise Valley Dr	Market	Family	113	0	Proposed	7.6 miles
1336-1348 Spring Hill Rd	Market/Affordable	Senior	36	9	Proposed	11.1 miles
1521 Westbranch Dr	Market	Family	435	0	Proposed	11.4 miles
1831 Wiehle Ave	Market	Family	504	0	Proposed	8.1 miles
2324 Windcharm St	Market	Family	3	0	Proposed	7.7 miles
2722 Merrilee Dr	Market	Family	239	0	Proposed	9.5 miles
3211 Jermantown Rd	Market	Family	160	0	Proposed	5.3 miles
3905 Fair Ridge Dr	Market	Family	36	0	Under Construction	2.5 miles
Arbor Row I	Market	Family	382	0	Proposed	11.2 miles
Arbor Row II	Market	Family	312	0	Proposed	11.2 miles
Bastille St	Market	Family	120	0	Proposed	7.4 miles
Block D	Market	Family	266	0	Proposed	7.6 miles
Block F	Market	Family	350	0	Proposed	7.6 miles
Blvd Two	Market	Family	275	0	Proposed	8.1 miles
Brentford at the Mile	Market	Family	410	0	Under Construction	11.4 miles
Brightview Fair Oaks	Market	Senior	173	0	Under Construction	0.9 miles
Building 2 - Residential	Market	Family	144	0	Proposed	7.7 miles
Building 2 - Residential	Market	Family	380	0	Proposed	7.7 miles
Building 3 - Residential	Market	Family	322	0	Proposed	7.7 miles
Building A	Market	Family	450	0	Proposed	10.5 miles
Building I	Market/Affordable	Family	430	0	Proposed	10.7 miles
C-2A	Market	Family	750	0	Proposed	10.6 miles
C-2B	Market	Family	442	0	Proposed	10.6 miles
Campus Commons	Market	Family	479	0	Proposed	7.8 miles
Erickson at Braddock	Market/Affordable	Senior	1225	80	Proposed	6.4 miles
Faraday Park	Market	Family	407	0	Under Construction	8.0 miles
Greensboro Park Place Tower A	Market	Family	276	0	Proposed	10.8 miles
Greensboro Park Place Tower B	Market	Family	244	0	Proposed	10.8 miles
Halley Rise	Market	Family	640	0	Under Construction	7.5 miles
Hanover Tysons	Market/Affordable	Family	412	0	Under Construction	11.4 miles
MF-2	Market	Family	200	0	Proposed	7.7 miles
Ovation at Arrowbrook	Market	Family	274	0	Proposed	7.7 miles
Roland Clarke	Market	Family	306	0	Under Construction	7.8 miles
Royal Victoria Dr	Market	Family	270	0	Proposed	7.3 miles
Sprague Ln	Market	Family	120	0	Proposed	7.4 miles
The Boro - Phase II	Market	Family	1175	0	Proposed	10.7 miles
The Moxley	Market	Family	403	0	Under Construction	4.0 miles
The View	Market	Family	1400	0	Proposed	10.6 miles
Westpark Plaza Apartments	Market	Family	1300	0	Proposed	10.6 miles
Woodland Park East	Market/Affordable	Family	679	0	Proposed	7.5 miles
The Lodge At Autumn Willow 4%	LIHTC/Section 8	Senior	75	75	Proposed	0.0 miles
Totals			16,617	164		

Source: CoStar, March 2021

- **1336-1348 Spring Hill Rd** is a proposed midrise development restricted to senior households ages 60 and above. Of the 36 total units, nine are proposed to be affordable units. Proposed income restrictions and a construction timeline are not yet available. The nine affordable units are considered competitive with the Subject.
- **Erickson on Braddock** is a proposed rental development restricted to senior households ages 62 and above. The development will offer 1,050 independent living units and 175 assisted living units. Of the properties total 1,225 units, 80 will be affordable units. A construction timeline is not yet available. The 80 affordable units are considered competitive with the Subject.
- **The Lodge At Autumn Willow 4%** is a proposed LIHTC project that will be developed alongside the Subject and will be located within the same building. The project will offer 75 units restricted at 60 percent of AMI. All of the units are considered competitive with the Subject.

None of the remaining planned and under construction developments are considered competitive with the Subject due to differing tenancy and rent structure.

According to Virginia Housing, there have been two properties allocated tax credits within the PMA since 2017. The following table illustrates these allocations.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Status
Arrowbrook Centre Apartments	2019	LIHTC	Family	126	0	Planned
One University Family	2020	LIHTC	Family	120	0	Planned
				246	0	

Source: Virginia Housing, March 2021

Both of the development allocated tax credits are family tenancy and are not considered competitive with the Subject due to differing tenancy.

Therefore, we have removed 164 planned and under construction units that are expected to be competitive with the Subject from our *Demand Analysis*.

Annual Demand Table – As Proposed**ANNUAL DEMAND**

Calculation	PMA
Number of Renter Households in 2020	8,468
Increase in Number of Renter Households	2,031
Number of Renter Households in 2025	10,499
<i>Existing Demand</i>	
Percentage of Total Households that are Renter	18.3%
Percentage of Income-Qualified Renter Households	45.4%
Number of Income-Qualified Renter Households	3,848
Percentage of Rent-Overburdened	32.9%
Existing Income-Qualified Renter Household Turnover	1,268
<i>New Income-Qualified Demand, Stated Annually</i>	
Increase in Renter Households per Annum	406
Percentage of Income-Qualified Renter Households	45.4%
New Rental Income Qualified Households	185
<i>Capture Rate Analysis</i>	
Number of Units in Subject	75
Occupied Units at Subject With Vacancy of: 5%	71
Units Pre-Leased	0
Total Demand (Turnover and Growth) from within PMA	1,452
Portion Originating within PMA	80%
Total Demand (Turnover and Growth) from within PMA	1,815
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	164
Total Demand after Competition (Turnover and Growth)	1,651
Yielded Annual Capture Rate of Available Demand in 2021	4.3%

Annual Demand Table – Absent Subsidy

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2020		8,468
Increase in Number of Renter Households		2,031
Number of Renter Households in 2025		10,499
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		18.3%
Percentage of Income-Qualified Renter Households		25.8%
Number of Income-Qualified Renter Households		2,181
Percentage of Rent-Overburdened		32.9%
Existing Income-Qualified Renter Household Turnover		718
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		406
Percentage of Income-Qualified Renter Households		25.8%
New Rental Income Qualified Households		105
<i>Capture Rate Analysis</i>		
Number of Units in Subject		75
Occupied Units at Subject With Vacancy of:	5%	71
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		823
Portion Originating within PMA		80%
Total Demand (Turnover and Growth) from within PMA		1,029
Less: Existing LIHTC Projects in Absorption Process (Number of Units)		164
Total Demand after Competition (Turnover and Growth)		865
Yielded Annual Capture Rate of Available Demand in 2021		8.2%

The yielded capture rate is approximately 4.3 percent of available demand per annum for the Subject's units as proposed and 8.2 absent subsidy, which is low to moderate and indicative of strong demand.

VA HOUSING DEMAND ANALYSIS

We also included the required demand table from the VA 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.

We have included the directly comparable vacant units at the comparable properties. There are currently three LIHTC properties in the PMA that are under construction or recently allocated that will be considered directly competitive with the Subject.

There are currently 34 vacant income restricted units among the affordable inventory in the PMA that are competitive with the Subject. The following table details the AMI distribution of the planned developments and developments currently under construction, as well as vacant units, in the PMA. The AMI levels at 1336-1348 Spring Hill Rd and Erickson on Braddock are not yet available, but we have conservatively considered the units competitive with the Subject and have distributed the units evenly across the Subject’s AMI restrictions.

OVERALL VACANCY - As Proposed

Property Name	30% AMI Units	30% AMI (Section 8) Units	50% AMI Units	60% AMI Units	All Units
<i>Proposed Units</i>					
1336-1348 Spring Hill Rd	2	2	2	3	9
Erickson on Braddock	20	20	20	20	80
Autumn Willow 9%	0	0	0	75	75
<i>Vacant Units</i>					
Cascades Village	0	0	0	17	17
Forest Glen Phase II	0	0	0	12	12
Herndon Harbor House	0	0	1	0	1
Kendrick Court	0	0	0	4	4
Total	22	22	23	131	198

OVERALL VACANCY - Absent Subsidy

Property Name	30% AMI Units	50% AMI Units	60% AMI Units	All Units
<i>Proposed Units</i>				
1336-1348 Spring Hill Rd	3	3	3	9
Erickson on Braddock	26	27	27	80
Autumn Willow 9%	0	0	75	75
<i>Vacant Units</i>				
Cascades Village	0	0	17	17
Forest Glen Phase II	0	0	12	12
Herndon Harbor House	0	1	0	1
Kendrick Court	0	0	4	4
Total	29	31	138	198

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

AUTUMN WILLOW 9% – FAIRFAX, VIRGINIA – MARKET STUDY

Income Restrictions	Up to 30% (min. income to max income) - As Proposed	Up to 30% Section 8 (min. income to max income) - As Proposed	Up to 50% (min. income to max income) - As Proposed	Up to 60% (min. income to max income) - As Proposed	All LIHTC (min. income to max income) - As Proposed	Up to 30% (min. income to max income) - Absent Subsidy	Up to 50% (min. income to max income) - Absent Subsidy	Up to 60% (min. income to max income) - Absent Subsidy	All LIHTC (min. income to max income) - Absent Subsidy
New Rental Households	132	530	223	278	922	132	223	278	524
+ Existing Households - Overburdened	181	727	306	382	1,265	181	306	382	719
+ Existing Households - Substandard Housing	13	54	23	28	94	13	23	28	53
+ Senior Households - Likely to Convert to Rental Housing	97	391	165	205	679	97	165	205	386
+ Qualified Tenants- To Remain After Renovation	0	0	0	0	0	0	0	0	0
TOTAL DEMAND	424	1,702	717	893	2,960	424	717	893	1,682
Supply (includes directly comparable vacant units or in pipeline in PMA)	22	22	23	131	198	29	31	138	198
NET DEMAND	402	1,680	694	762	2,762	395	686	755	1,484
PROPOSED UNITS	8	8	22	37	75	16	22	37	75
CAPTURE RATE	2.0%	0.5%	3.2%	4.9%	2.7%	4.1%	3.2%	4.9%	5.1%
ABSORPTION PERIOD	3-4 months	3-4 months	3-4 months	3-4 months	3-4 months	5-6 months	5-6 months	5-6 months	5-6 months

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

	As Proposed	Absent Subsidy
Project Wide Capture Rate- LIHTC Units @30% AMI	2.0%	4.1%
Project Wide Capture Rate- LIHTC Units @30% AMI (Section 8)	0.5%	-
Project Wide Capture Rate- LIHTC Units @50% AMI	3.2%	3.2%
Project Wide Capture Rate- LIHTC Units @60% AMI	4.9%	4.9%
Project Wide Capture Rate- All LIHTC Units	2.7%	5.1%
Project Wide Absorption Period (Months)	3-4 months	3-4 months

Capture Rate and VA 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 as follows:

DEMAND CONCLUSION

Calculation	As Proposed	Absent Subsidy
@30%	2.1%	2.9%
@30% (Section 8)	0.4%	-
@50%	2.4%	2.4%
@60%	3.2%	3.2%
All Units	2.0%	3.4%

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 is 4.3 percent for the first year of operation as a LIHTC property as proposed, and 8.2 percent absent subsidy. 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 1,651 units of demand in the first year of the Subject’s operation as proposed, and 865 absent subsidy. The Subject’s units will need to accommodate 71 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 VA 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.

	As Proposed	Absent Subsidy
Project Wide Capture Rate- LIHTC Units @30% AMI	2.0%	4.1%
Project Wide Capture Rate- LIHTC Units @30% AMI (Section 8)	0.5%	-
Project Wide Capture Rate- LIHTC Units @50% AMI	3.2%	3.2%
Project Wide Capture Rate- LIHTC Units @60% AMI	4.9%	4.9%
Project Wide Capture Rate- All LIHTC Units	2.7%	5.1%
Project Wide Absorption Period (Months)	3-4 months	3-4 months

These are low capture rates and indicative of ample demand for the Subject.

PENETRATION RATE ANALYSIS

Existing affordable housing projects in the PMA will not be adversely affected by the construction of the Subject property. A survey of comparable affordable LIHTC rental housing developments in the area demonstrates demand for quality rental units. The following table illustrates the LIHTC properties within the PMA that offer similar unit types and AMI levels, and are senior oriented.

AUTUMN WILLOW 9% – FAIRFAX, VIRGINIA – MARKET STUDY

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units As Proposed	Subsidy	Competitive Units Absent Subsidy
Stonegate Village	LIHTC / Section 8	Family	240	0		0
Lee Overlook	LIHTC	Family	195	0		0
Dulles Center I	LIHTC	Family	144	0		0
Dulles Center II	LIHTC	Family	128	0		0
Jefferson Commons II	LIHTC	Family	136	0		0
Castellani Meadows	LIHTC	Family	24	0		0
Kendrick Court*	LIHTC	Senior	139	139		139
Fields Of Chantilly	LIHTC	Family	360	0		0
Fields Of Merrifield	LIHTC	Family	124	0		0
Oak Creek Townhouses	LIHTC / Section 8	Family	46	0		0
Chantilly Mews	LIHTC / Section 8	Family	50	0		0
Coppermine Place II	LIHTC	Senior	66	66		66
Crevena Oaks	LIHTC / Section 8	Family	50	0		0
Summit Oaks	LIHTC / Section 8	Family	50	0		0
Olley Glen	LIHTC	Senior	90	90		90
Residences At Government Center	LIHTC	Family	280	0		0
Forest Glen I	LIHTC	Senior	83	83		83
Forest Glen II*	LIHTC	Senior	119	119		119
Madison Ridge*	LIHTC	Family	98	0		0
Pathway Options Group Home	Section 8	Senior/Disabled	3	3		0
Crevena Oaks Cluster	Section 8	Family	50	0		0
Pathway Visions	Section 8	Senior/Disabled	8	8		0
West Wood Oaks	Section 8	Family	54	0		0
Summit Oaks	Section 8	Family	50	0		0
Tyson's Tower	Section 8	Disabled	274	0		0
Chantilly Mews	Section 8	Family	50	0		0
Minerva Fisher Hall Group Home	Section 8	Family	12	0		0
Wesley Agape House	Section 8	Senior/Disabled	12	12		0
Yorkville Cooperative	Section 8	Family	237	0		0
Coppermine Place	Section 8	Senior/Disabled	22	22		0
Cla Homes II	Section 8	Senior/Disabled	7	7		0
Total			3,201	549		497

*Used as a comparable property

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

PENETRATION RATE - As Proposed	
Number of Proposed Competitive LIHTC Units in the PMA	164
	+
Number of Existing Competitive Senior LIHTC Units in the PMA	549
	+
Number of Proposed LIHTC Units at the Subject	75
	=
Total	788
	/
Income Eligible Households - All AMI Levels	3,848
	=
Overall Penetration Rate - Market Focus (NCHMA)	20.5%

PENETRATION RATE - Absent Subsidy	
Number of Proposed Competitive LIHTC Units in the PMA	164
	+
Number of Existing Competitive Senior LIHTC Units in the PMA	497
	+
Number of Proposed LIHTC Units at the Subject	75
	=
Total	736
	/
Income Eligible Households - All AMI Levels	2,181
	=
Overall Penetration Rate - Market Focus (NCHMA)	33.7%

The overall penetration rate is derived by taking the number of LIHTC units proposed or under construction within the PMA, combined with the number of existing LIHTC units, and the number of the Subject’s units divided by the number of income eligible households. As previously discussed, there are three proposed/under construction developments considered in our VA Housing demand. This penetration rate is low to moderate and does not consider leakage or conversions for senior homeowners to renters.

We were unable to obtain recent absorption information from any of the comparable properties. Therefore, we searched Fairfax County for properties that could provide absorption information. The following table details our findings.

ABSORPTION

Property Name	City	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Woods At Birchwood	Ashburn	LIHTC	Senior	2019	83	15
The Belnor Senior Residences	Marlow Heights	LIHTC	Senior	2019	122	31
Pointe View At Aspen Hill	Aspen Hill	LIHTC	Senior	2019	120	20
The Elms At Clarksburg Village Encore	Clarksburg	Market	Senior	2017	90	6

The LIHTC comparables illustrate absorption rates ranging from 15 to 31 units per month. The market rate property experienced a lower rate of 6 units per month. We estimate the Subject will experience an absorption rate of 20 units per month, indicating an absorption period of three to four 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 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

We obtained information in regards to the availability of Housing Choice Vouchers within the jurisdiction. According to the Fairfax County Housing Authority, the waiting list is currently closed. The following details the payment standards for one and two-bedroom units.

PAYMENT STANDARDS (NET)	
Unit Type	Payment Standard
One-Bedroom	\$1,642
Two-Bedroom	\$1,869

Source: Virginia Housing, effective January 2021

The payment standards are above the achievable LIHTC rents for all the Subject's units. Therefore, tenants using vouchers will not have to pay additional rent out of pocket to reside at the Subject.

Planning Discussion

We utilized CoStar to determine a list of new and proposed developments in the PMA from CoStar. The following table illustrates these projects.

AUTUMN WILLOW 9% – FAIRFAX, VIRGINIA – MARKET STUDY

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
11842 Sunrise Valley Dr	Market	Family	113	0	Proposed	7.6 miles
1336-1348 Spring Hill Rd	Market/Affordable	Senior	36	9	Proposed	11.1 miles
1521 Westbranch Dr	Market	Family	435	0	Proposed	11.4 miles
1831 Wiehle Ave	Market	Family	504	0	Proposed	8.1 miles
2324 Windcharm St	Market	Family	3	0	Proposed	7.7 miles
2722 Merrilee Dr	Market	Family	239	0	Proposed	9.5 miles
3211 Jermantown Rd	Market	Family	160	0	Proposed	5.3 miles
3905 Fair Ridge Dr	Market	Family	36	0	Under Construction	2.5 miles
Arbor Row I	Market	Family	382	0	Proposed	11.2 miles
Arbor Row II	Market	Family	312	0	Proposed	11.2 miles
Bastille St	Market	Family	120	0	Proposed	7.4 miles
Block D	Market	Family	266	0	Proposed	7.6 miles
Block F	Market	Family	350	0	Proposed	7.6 miles
Bldv Two	Market	Family	275	0	Proposed	8.1 miles
Brentford at the Mile	Market	Family	410	0	Under Construction	11.4 miles
Brightview Fair Oaks	Market	Senior	173	0	Under Construction	0.9 miles
Building 2 - Residential	Market	Family	144	0	Proposed	7.7 miles
Building 2 - Residential	Market	Family	380	0	Proposed	7.7 miles
Building 3 - Residential	Market	Family	322	0	Proposed	7.7 miles
Building A	Market	Family	450	0	Proposed	10.5 miles
Building I	Market/Affordable	Family	430	0	Proposed	10.7 miles
C-2A	Market	Family	750	0	Proposed	10.6 miles
C-2B	Market	Family	442	0	Proposed	10.6 miles
Campus Commons	Market	Family	479	0	Proposed	7.8 miles
Erickson at Braddock	Market/Affordable	Senior	1225	80	Proposed	6.4 miles
Faraday Park	Market	Family	407	0	Under Construction	8.0 miles
Greensboro Park Place Tower A	Market	Family	276	0	Proposed	10.8 miles
Greensboro Park Place Tower B	Market	Family	244	0	Proposed	10.8 miles
Halley Rise	Market	Family	640	0	Under Construction	7.5 miles
Hanover Tysons	Market/Affordable	Family	412	0	Under Construction	11.4 miles
MF-2	Market	Family	200	0	Proposed	7.7 miles
Ovation at Arrowbrook	Market	Family	274	0	Proposed	7.7 miles
Roland Clarke	Market	Family	306	0	Under Construction	7.8 miles
Royal Victoria Dr	Market	Family	270	0	Proposed	7.3 miles
Sprague Ln	Market	Family	120	0	Proposed	7.4 miles
The Boro - Phase II	Market	Family	1175	0	Proposed	10.7 miles
The Moxley	Market	Family	403	0	Under Construction	4.0 miles
The View	Market	Family	1400	0	Proposed	10.6 miles
Westpark Plaza Apartments	Market	Family	1300	0	Proposed	10.6 miles
Woodland Park East	Market/Affordable	Family	679	0	Proposed	7.5 miles
The Lodge At Autumn Willow 4%	LIHTC/Section 8	Senior	75	75	Proposed	0.0 miles
Totals			16,617	164		

Source: CoStar, March 2021

- **1336-1348 Spring Hill Rd** is a proposed midrise development restricted to senior households ages 60 and above. Of the 36 total units, nine are proposed to be affordable units. Proposed income restrictions and a construction timeline are not yet available. The nine affordable units are considered competitive with the Subject.
- **Erickson on Braddock** is a proposed rental development restricted to senior households ages 62 and above. The development will offer 1,050 independent living units and 175 assisted living units. Of the properties total 1,225 units, 80 will be affordable units. A construction timeline is not yet available. The 80 affordable units are considered competitive with the Subject.
- **The Lodge At Autumn Willow 4%** is a proposed LIHTC project that will be developed alongside the Subject and will be located within the same building. The project will offer 75 units restricted at 60 percent of AMI. All of the units are considered competitive with the Subject.

None of the remaining planned and under construction developments are considered competitive with the Subject due to differing tenancy and rent structure.

According to Virginia Housing, there have been two properties allocated tax credits within the PMA since 2017. The following table illustrates these allocations.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Status
Arrowbrook Centre Apartments	2019	LIHTC	Family	126	0	Planned
One University Family	2020	LIHTC	Family	120	0	Planned
				246	0	

Source: Virginia Housing, March 2021

Both of the development allocated tax credits are family tenancy and are not considered competitive with the Subject due to differing tenancy.

Therefore, we have removed 164 planned and under construction units that are expected to be competitive with the Subject 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.

	As Proposed	Absent Subsidy
Project Wide Capture Rate- LIHTC Units @30% AMI	2.0%	4.1%
Project Wide Capture Rate- LIHTC Units @30% AMI (Section 8)	0.5%	-
Project Wide Capture Rate- LIHTC Units @50% AMI	3.2%	3.2%
Project Wide Capture Rate- LIHTC Units @60% AMI	4.9%	4.9%
Project Wide Capture Rate- All LIHTC Units	2.7%	5.1%
Project Wide Absorption Period (Months)	3-4 months	3-4 months

Additionally, the overall penetration rate for the Subject is 20.5 percent as proposed, and 33.7 percent absent subsidy. It should be noted that the penetration rate analysis we have derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA) or senior tenants downsizing from homeownership to renters. Overall, the derived penetration rate for the Subject is considered low to moderate and reasonable.

Strengths and Weaknesses of the Subject

Strengths

- The Subject will be in excellent condition once completed.
- Two of the LIHTC comparable properties reported achieving maximum allowable LIHTC rents.
- The Subject is located in close proximity to public transportation options, services, and amenities.
- The Subject has low capture rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject’s two-bedroom unit size at 938 square feet is below the surveyed average of the comparables. The LIHTC comparable Kendrick Court offers smaller one and two-bedroom unit sizes and reported operating with 2.9 percent vacancy, indicating smaller unit sizes are not detrimental to property performance in the market.
- Currently, the market is temporarily under-performing historic occupancies. We believe this is related to the COVID-19 pandemic and we expect the market will rebound to historic levels in the short term.

Absorption Estimate

We were unable to obtain recent absorption information from any of the comparable properties. Therefore, we searched Fairfax County for properties that could provide absorption information. The following table details our findings.

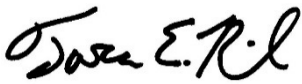
ABSORPTION

Property Name	City	Rent	Tenancy	Year	Total Units	Absorption (units/month)
The Woods At Birchwood	Ashburn	LIHTC	Senior	2019	83	15
The Belnor Senior Residences	Marlow Heights	LIHTC	Senior	2019	122	31
Pointe View At Aspen Hill	Aspen Hill	LIHTC	Senior	2019	120	20
The Elms At Clarksburg Village Encore	Clarksburg	Market	Senior	2017	90	6

The LIHTC comparables illustrate absorption rates ranging from 15 to 31 units per month. The market rate property experienced a lower rate of 6 units per month. We estimate the Subject will experience an absorption rate of 20 units per month, indicating an absorption period of three to four 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 VA 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 VA Housing or in any way acting for, at the request of, or on behalf of VA Housing.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.



Tara Rial
Manager
Tara.Rial@novoco.com

March 12, 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



View of Subject site



View of Subject site



View of Subject site



View of Subject site



View of Subject site



View of Subject site



View east along Autumn Willow Drive



View west along Autumn Willow Drive



Commercial use located south of Subject site



Single-family homes located south of Subject site



Parking lot located north of Subject site



Park located north of Subject site



Power lines and walking path located east of Subject site



Single-family homes located east of Subject site



Single-family homes located west of Subject site



Townhouses located west of Subject site



Typical residential use in Subject neighborhood



Typical residential use in Subject neighborhood



Typical residential use in Subject neighborhood



Typical residential use in Subject neighborhood

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	Autumn Willow 9% 13090 Autumn Willow Dr Fairfax, VA 22030 Fairfax County	-	Lowrise 2-stories 2023 / n/a Senior	@30%, @30% (Section 8), @50%, @60%	1BR / 1BA	8	10.7%	696	@30%	\$648	Yes	N/A	N/A	N/A
					1BR / 1BA	4	5.3%	696	@30% (Section 8)	\$1,438	N/A	N/A	N/A	N/A
					1BR / 1BA	15	20.0%	696	@50%	\$1,121	Yes	N/A	N/A	N/A
					1BR / 1BA	16	21.3%	696	@60%	\$1,357	Yes	N/A	N/A	N/A
					1BR / 1BA	2	2.7%	796	@60%	\$1,357	Yes	N/A	N/A	N/A
					2BR / 1BA	2	2.7%	938	@30% (Section 8)	\$1,618	N/A	N/A	N/A	N/A
					2BR / 1BA	2	2.7%	1,044	@30% (Section 8)	\$1,618	N/A	N/A	N/A	N/A
					2BR / 1BA	1	1.3%	938	@50%	\$1,345	Yes	N/A	N/A	N/A
					2BR / 1BA	6	8.0%	1,044	@50%	\$1,345	Yes	N/A	N/A	N/A
					2BR / 1BA	5	6.7%	1,044	@60%	\$1,629	Yes	N/A	N/A	N/A
					2BR / 1BA	6	8.0%	1,141	@60%	\$1,629	Yes	N/A	N/A	N/A
					2BR / 1BA	4	5.3%	1,163	@60%	\$1,629	Yes	N/A	N/A	N/A
					2BR / 1BA	4	5.3%	1,205	@60%	\$1,629	Yes	N/A	N/A	N/A
<u>75</u>														
1	Cascades Village 46565 Harry Byrd Highway Sterling, VA 20164 Loudoun County	12.4 miles	Lowrise 3-stories 2001 / 2018 Senior	@50%, @60%	1BR / 1BA	43	28.7%	702	@60%	\$1,345	Yes	No	8	18.6%
					1BR / 1BA	40	26.7%	750	@60%	\$1,345	Yes	No	5	12.5%
					1BR / 1BA	40	26.7%	768	@60%	\$1,345	Yes	No	4	10.0%
					2BR / 2BA	27	18.0%	886	@50%	\$1,328	Yes	No	0	0.0%
<u>150</u>														
2	Forest Glen Phase II 14400 Woodmere Court Centreville, VA 20120 Fairfax County	2.8 miles	Midrise 4-stories 1997 / 2017 Senior	@60%	1BR / 1BA	101	84.9%	566	@60%	\$1,323	Yes	No	9	8.9%
					2BR / 1BA	18	15.1%	806	@60%	\$1,577	Yes	No	3	16.7%
<u>119</u>														
3	Herndon Harbor House 912 Jorss Place Herndon, VA 20170 Fairfax County	9.0 miles	Midrise 4-stories 1998 / n/a Senior	@50%, @60%	1BR / 1BA	4	3.3%	485	@50%	\$966	No	Yes	8	18.6%
					1BR / 1BA	56	46.7%	572	@50%	\$966	No	Yes	0	0.0%
					1BR / 1BA	4	3.3%	485	@60%	\$966	No	Yes	0	0.0%
					1BR / 1BA	56	46.7%	572	@60%	\$966	No	Yes	0	0.0%
<u>120</u>														
4	Kendrick Court 13430 Coppermine Road Herndon, VA 20170 Fairfax County	7.1 miles	Midrise 4-stories 1999 / n/a Senior	@60%	1BR / 1BA	34	24.3%	600	@60%	\$1,339	No	No	1	2.9%
					2BR / 1BA	40	28.6%	800	@60%	\$1,498	No	No	1	2.5%
					2BR / 2BA	66	47.1%	900	@60%	\$1,540	No	No	2	3.0%
<u>140</u>														
5	Madison Ridge 14800 Rydell Road Centreville, VA 20121 Fairfax County	3.1 miles	Garden 3-stories 1988 / 2007 Family	@60%	1BR / 1BA	14	14.3%	728	@60%	\$1,300	No	Yes	0	0.0%
					2BR / 2BA	84	85.7%	968	@60%	\$1,555	No	Yes	0	0.0%
<u>98</u>														
6	Archstone Fairchase 4411 Dixie Hill Rd. Fairfax, VA 22030 Fairfax County	2.2 miles	Midrise 4-stories 2006 / n/a Family	Market	0BR / 1BA	8	2.0%	488	Market	\$1,408	N/A	No	0	0.0%
					1BR / 1BA	5	1.3%	556	Market	\$1,397	N/A	No	0	0.0%
					1BR / 1BA	40	10.2%	664	Market	\$1,497	N/A	No	0	0.0%
					1BR / 1BA	48	12.2%	731	Market	\$1,610	N/A	No	3	6.3%
					1BR / 1BA	56	14.3%	873	Market	\$1,707	N/A	No	2	3.6%
					2BR / 2BA	37	9.4%	1,031	Market	\$1,940	N/A	No	0	0.0%
					2BR / 2BA	27	6.9%	1,077	Market	\$2,003	N/A	No	0	0.0%
					2BR / 2BA	15	3.8%	1,112	Market	-	N/A	No	0	0.0%
					2BR / 2BA	12	3.1%	1,118	Market	\$2,030	N/A	No	0	0.0%
					2BR / 2BA	48	12.2%	1,136	Market	\$2,116	N/A	No	0	0.0%
					2BR / 2BA	12	3.1%	1,164	Market	-	N/A	No	0	0.0%
					2BR / 2BA	54	13.8%	1,175	Market	\$2,044	N/A	No	1	1.9%
					2BR / 2BA	2	0.5%	1,256	Market	-	N/A	No	0	0.0%
3BR / 2BA	26	6.6%	1,226	Market	\$2,369	N/A	No	1	3.9%					
3BR / 2BA	2	0.5%	1,305	Market	-	N/A	No	0	0.0%					
<u>392</u>														
7	Elms At Centreville 13840 Braddock Springs Road Centreville, VA 20121 Fairfax County	1.4 miles	Garden 3-stories 1987 / 2016 Family	Market	1BR / 1BA	46	17.2%	788	Market	\$1,665	N/A	No	3	6.5%
					1BR / 1.5BA	12	4.5%	987	Market	\$1,804	N/A	No	1	8.3%
					2BR / 1BA	60	22.4%	969	Market	\$2,346	N/A	No	1	1.7%
					2.5BR / 2BA	N/A	N/A	1,147	Market	\$2,416	N/A	No	4	N/A
<u>268</u>														
8	Gables Centerpointe 12190 Waveland Street Fairfax, VA 22033 Fairfax County	2.4 miles	Midrise 4-stories 2011 / n/a Family	Market	1BR / 1BA	72	59.5%	807	Market	\$1,809	N/A	No	1	1.4%
					2BR / 2BA	49	40.5%	1,106	Market	\$2,087	N/A	No	1	2.0%
<u>121</u>														
9	The Julian At Fair Lakes 12751 Fair Lakes Circle Fairfax, VA 22033 Fairfax County	1.3 miles	Midrise 6-stories 2014 / n/a Family	Market	0BR / 1BA	15	10.0%	572	Market	\$1,511	N/A	No	2	13.3%
					1BR / 1BA	89	59.3%	768	Market	\$1,660	N/A	No	3	3.4%
					2BR / 2BA	46	30.7%	1,080	Market	\$2,183	N/A	No	3	6.5%
<u>150</u>														
10	Woodway At Trinity Center 5751 Wood Meadow Way Centreville, VA 20120 Fairfax County	1.7 miles	Garden 3-stories 1997 / n/a Family	Market	1BR / 1BA	252	50.0%	698	Market	\$1,416	N/A	No	6	2.4%
					2BR / 2BA	252	50.0%	1,053	Market	\$1,691	N/A	No	1	0.4%
<u>504</u>														
<u>7</u>														
1.4%														

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	2,062	Weighted Occupancy:	96.8%
	Market Rate	1,435	Market Rate	97.7%
	Tax Credit	627	Tax Credit	94.6%
	One Bedroom One Bath		Two Bedroom One Bath	
	Property	Average	Property	Average
RENT	Gables Centerpointe (Market)	\$1,809	Elms At Centreville (Market)	\$2,346
	Elms At Centreville (Market)(1.5BA)	\$1,804	The Julian At Fair Lakes (Market)(2BA)	\$2,183
	Archstone Fairchase (Market)	\$1,707	Archstone Fairchase (Market)(2BA)	\$2,116
	Elms At Centreville (Market)	\$1,665	Gables Centerpointe (Market)(2BA)	\$2,087
	The Julian At Fair Lakes (Market)	\$1,660	Archstone Fairchase (Market)(2BA)	\$2,044
	Archstone Fairchase (Market)	\$1,610	Archstone Fairchase (Market)(2BA)	\$2,030
	Archstone Fairchase (Market)	\$1,497	Archstone Fairchase (Market)(2BA)	\$2,003
	Autumn Willow 9% (@30%)	\$1,438	Archstone Fairchase (Market)(2BA)	\$1,940
	Woodway At Trinity Center (Market)	\$1,416	Woodway At Trinity Center (Market)(2BA)	\$1,691
	Archstone Fairchase (Market)	\$1,397	Autumn Willow 9% (@60%)	\$1,629
	Autumn Willow 9% (@60%)	\$1,357	Autumn Willow 9% (@60%)	\$1,629
	Autumn Willow 9% (@60%)	\$1,357	Autumn Willow 9% (@60%)	\$1,629
	Cascades Village (@60%)	\$1,345	Autumn Willow 9% (@60%)	\$1,629
	Cascades Village (@60%)	\$1,345	Autumn Willow 9% (@30%)	\$1,618
	Cascades Village (@60%)	\$1,345	Autumn Willow 9% (@30%)	\$1,618
	Kendrick Court (@60%)	\$1,339	Forest Glen Phase II (@60%)	\$1,577
	Forest Glen Phase II (@60%)	\$1,323	Madison Ridge (@60%)(2BA)	\$1,555
	Madison Ridge (@60%)	\$1,300	Kendrick Court (@60%)(2BA)	\$1,540
	Autumn Willow 9% (@50%)	\$1,121	Kendrick Court (@60%)	\$1,498
	Herndon Harbor House (@50%)	\$966	Autumn Willow 9% (@50%)	\$1,345
	Herndon Harbor House (@50%)	\$966	Autumn Willow 9% (@50%)	\$1,345
	Herndon Harbor House (@60%)	\$966	Cascades Village (@50%)(2BA)	\$1,328
	Herndon Harbor House (@60%)	\$966		
	Autumn Willow 9% (@30%)	\$648		
SQUARE FOOTAGE	Elms At Centreville (Market)(1.5BA)	987	Archstone Fairchase (Market)(2BA)	1,256
	Archstone Fairchase (Market)	873	Autumn Willow 9% (@60%)	1,205
	Gables Centerpointe (Market)	807	Archstone Fairchase (Market)(2BA)	1,175
	Autumn Willow 9% (@60%)	796	Archstone Fairchase (Market)(2BA)	1,164
	Elms At Centreville (Market)	788	Autumn Willow 9% (@60%)	1,163
	Cascades Village (@60%)	768	Autumn Willow 9% (@60%)	1,141
	The Julian At Fair Lakes (Market)	768	Archstone Fairchase (Market)(2BA)	1,136
	Cascades Village (@60%)	750	Archstone Fairchase (Market)(2BA)	1,118
	Archstone Fairchase (Market)	731	Archstone Fairchase (Market)(2BA)	1,112
	Madison Ridge (@60%)	728	Gables Centerpointe (Market)(2BA)	1,106
	Cascades Village (@60%)	702	The Julian At Fair Lakes (Market)(2BA)	1,080
	Woodway At Trinity Center (Market)	698	Archstone Fairchase (Market)(2BA)	1,077
	Autumn Willow 9% (@30%)	696	Woodway At Trinity Center (Market)(2BA)	1,053
	Autumn Willow 9% (@60%)	696	Autumn Willow 9% (@60%)	1,044
	Autumn Willow 9% (@50%)	696	Autumn Willow 9% (@50%)	1,044
	Autumn Willow 9% (@30%)	696	Autumn Willow 9% (@30%)	1,044
	Archstone Fairchase (Market)	664	Archstone Fairchase (Market)(2BA)	1,031
	Kendrick Court (@60%)	600	Elms At Centreville (Market)	969
	Herndon Harbor House (@50%)	572	Madison Ridge (@60%)(2BA)	968
	Herndon Harbor House (@60%)	572	Autumn Willow 9% (@30%)	938
	Forest Glen Phase II (@60%)	566	Autumn Willow 9% (@50%)	938
	Archstone Fairchase (Market)	556	Kendrick Court (@60%)(2BA)	900
	Herndon Harbor House (@50%)	485	Cascades Village (@50%)(2BA)	886
	Herndon Harbor House (@60%)	485	Forest Glen Phase II (@60%)	806
		Kendrick Court (@60%)	800	
RENT PER SQUARE FOOT	Archstone Fairchase (Market)	\$2.51	Elms At Centreville (Market)	\$2.42
	Forest Glen Phase II (@60%)	\$2.34	The Julian At Fair Lakes (Market)(2BA)	\$2.02
	Archstone Fairchase (Market)	\$2.25	Forest Glen Phase II (@60%)	\$1.96
	Gables Centerpointe (Market)	\$2.24	Gables Centerpointe (Market)(2BA)	\$1.89
	Kendrick Court (@60%)	\$2.23	Archstone Fairchase (Market)(2BA)	\$1.88
	Archstone Fairchase (Market)	\$2.20	Kendrick Court (@60%)	\$1.87
	The Julian At Fair Lakes (Market)	\$2.16	Archstone Fairchase (Market)(2BA)	\$1.86
	Elms At Centreville (Market)	\$2.11	Archstone Fairchase (Market)(2BA)	\$1.86
	Autumn Willow 9% (@30%)	\$2.07	Archstone Fairchase (Market)(2BA)	\$1.82
	Woodway At Trinity Center (Market)	\$2.03	Archstone Fairchase (Market)(2BA)	\$1.74
	Herndon Harbor House (@60%)	\$1.99	Autumn Willow 9% (@30%)	\$1.72
	Herndon Harbor House (@50%)	\$1.99	Kendrick Court (@60%)(2BA)	\$1.71
	Archstone Fairchase (Market)	\$1.96	Madison Ridge (@60%)(2BA)	\$1.61
	Autumn Willow 9% (@60%)	\$1.95	Woodway At Trinity Center (Market)(2BA)	\$1.61
	Cascades Village (@60%)	\$1.92	Autumn Willow 9% (@60%)	\$1.56
	Elms At Centreville (Market)(1.5BA)	\$1.83	Autumn Willow 9% (@30%)	\$1.55
	Cascades Village (@60%)	\$1.79	Cascades Village (@50%)(2BA)	\$1.50
	Madison Ridge (@60%)	\$1.79	Autumn Willow 9% (@50%)	\$1.43
	Cascades Village (@60%)	\$1.75	Autumn Willow 9% (@60%)	\$1.43
	Autumn Willow 9% (@60%)	\$1.70	Autumn Willow 9% (@60%)	\$1.40
	Herndon Harbor House (@50%)	\$1.69	Autumn Willow 9% (@60%)	\$1.35
	Herndon Harbor House (@60%)	\$1.69	Autumn Willow 9% (@50%)	\$1.29
	Autumn Willow 9% (@50%)	\$1.61		
	Autumn Willow 9% (@30%)	\$0.93		

PROPERTY PROFILE REPORT

Cascades Village

Effective Rent Date	2/16/2021
Location	46565 Harry Byrd Highway Sterling, VA 20164 Loudoun County
Distance	12.4 miles
Units	150
Vacant Units	17
Vacancy Rate	11.3%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2001 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Winger House, Copper Manor, Forest Glen
Tenant Characteristics	Seniors 55+, average age of 80.
Contact Name	Greg / Tracy
Phone	703-896-9771



Market Information

Program	@50%, @60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	30%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 2-3%
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	Lowrise (3 stories)	43	702	\$1,345	\$0	@60%	No	8	18.6%	yes	None
1	1	Lowrise (3 stories)	40	750	\$1,345	\$0	@60%	No	5	12.5%	yes	None
1	1	Lowrise (3 stories)	40	768	\$1,345	\$0	@60%	No	4	10.0%	yes	None
2	2	Lowrise (3 stories)	27	886	\$1,328	\$0	@50%	No	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,328	\$0	\$1,328	\$0	\$1,328	1BR / 1BA	\$1,345	\$0	\$1,345	\$0	\$1,345

Amenities

<p>In-Unit Blinds Central A/C Dishwasher Grab Bars Oven Refrigerator Washer/Dryer hookup</p>	<p>Carpeting Coat Closet Garbage Disposal Hand Rails Pull Cords Washer/Dryer</p>	<p>Security Intercom (Buzzer) Limited Access Video Surveillance</p>	<p>Services None</p>
<p>Property Clubhouse/Meeting Room/Community Exercise Facility Off-Street Parking</p>	<p>Elevators Central Laundry On-Site Management</p>	<p>Premium Hairdresser / Barber</p>	<p>Other Theatre, Zumba</p>

Comments

The property manager mentioned they installed new vinyl flooring in the apartments in 2018 and added new furniture and window treatments in common areas, but have not had any other major renovations. The property is not currently utilizing a waiting list. The contact reported that there has been an increase in vacancy due to impacts from COVID-19 as well as the slower traffic in the winter season. The contact also stated that there have been some late payments and payment plans but the contact was unable to provide the number of tenants who are utilizing them.

Cascades Village, continued

Trend Report

Vacancy Rates

1Q19	1Q20	3Q20	1Q21
1.3%	1.3%	1.3%	11.3%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,229	\$0	\$1,229	\$1,229
2020	1	0.0%	\$1,276	\$0	\$1,276	\$1,276
2020	3	0.0%	\$1,276	\$0	\$1,276	\$1,276
2021	1	0.0%	\$1,328	\$0	\$1,328	\$1,328

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,245	\$0	\$1,245	\$1,245
2020	1	N/A	\$1,293	\$0	\$1,293	\$1,293
2020	3	1.6%	\$1,293	\$0	\$1,293	\$1,293
2021	1	13.8%	\$1,345	\$0	\$1,345	\$1,345

2BR / 2BA

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

1Q19	The property manager mentioned they installed new vinyl flooring in the apartments in 2018 and added new furniture and window treatments in common areas, but have not had any other major renovations. The contact reported a strong demand for affordable housing in the market.
1Q20	N/A
3Q20	The property manager mentioned they installed new vinyl flooring in the apartments in 2018 and added new furniture and window treatments in common areas, but have not had any other major renovations. The contact reported a strong demand for affordable housing in the market. The property has not raised its rents in 2020 due to COVID-19. The two vacant units are pre-leased.
1Q21	The property manager mentioned they installed new vinyl flooring in the apartments in 2018 and added new furniture and window treatments in common areas, but have not had any other major renovations. The property is not currently utilizing a waiting list. The contact reported that there has been an increase in vacancy due to impacts from COVID-19 as well as the slower traffic in the winter season. The contact also stated that there have been some late payments and payment plans but the contact was unable to provide the number of tenants who are utilizing them.

Photos



PROPERTY PROFILE REPORT

Forest Glen Phase II

Effective Rent Date	2/16/2021
Location	14400 Woodmere Court Centreville, VA 20120 Fairfax County
Distance	2.8 miles
Units	119
Vacant Units	12
Vacancy Rate	10.1%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	1997 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Most from Northern Virginia; some from NY or PA; 20% former homeowners; average age is 65
Contact Name	James
Phone	(703) 802-9502



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	24%
Leasing Pace	Within 2 to 6 weeks
Annual Chg. in Rent	Increased 4%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	101	566	\$1,361	\$0	@60%	No	9	8.9%	yes	None
2	1	Midrise (4 stories)	18	806	\$1,625	\$0	@60%	No	3	16.7%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,361	\$0	\$1,361	-\$38	\$1,323
2BR / 1BA	\$1,625	\$0	\$1,625	-\$48	\$1,577

Forest Glen Phase II, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Video Surveillance	
Garbage Disposal	Grab Bars		
Hand Rails	Oven		
Pull Cords	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Carport(\$30.00)	Clubhouse/Meeting Room/Community	None	None
Elevators	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		

Comments

The contact stated that there is higher demand for one-bedroom units than for two-bedroom units at the property. Major renovations to Forest Glen were finished in early 2017 which include new flooring, new hvac, new cabinetry, and new appliances. The contact stated that traffic has been slower at the property due to impacts caused by the COVID-19 pandemic. The contact reported that leasing is expected to increase again in the spring.

Forest Glen Phase II, continued

Trend Report

Vacancy Rates

1Q19	1Q20	3Q20	1Q21
2.5%	0.8%	0.0%	10.1%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	3.0%	\$1,268	\$0	\$1,268	\$1,230
2020	1	1.0%	\$1,314	\$0	\$1,314	\$1,276
2020	3	0.0%	\$1,314	\$0	\$1,314	\$1,276
2021	1	8.9%	\$1,361	\$0	\$1,361	\$1,323

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,511	\$0	\$1,511	\$1,463
2020	1	0.0%	\$1,567	\$0	\$1,567	\$1,519
2020	3	0.0%	\$1,567	\$0	\$1,567	\$1,519
2021	1	16.7%	\$1,625	\$0	\$1,625	\$1,577

Trend: Comments

1Q19	The contact stated that there is high demand in the area for affordable senior housing in the area. The contact stated that there is higher demand for one-bedroom units than for two-bedroom units at the property. Two of the vacant units are pre-leased. Major renovations to Forest Glen were finished in early 2017 which include new flooring, new hvac, new cabinetry, and new appliances.
1Q20	N/A
3Q20	The contact stated that there is higher demand for one-bedroom units than for two-bedroom units at the property. Major renovations to Forest Glen were finished in early 2017 which include new flooring, new hvac, new cabinetry, and new appliances. The contact stated the property has not yet raised their rents to 2020 maximum allowable levels due to COVID-19 and is uncertain when the property will raise its rents. The property is achieving 2019 maximum allowable rents. The contact stated COVID-19 has not impacted demand at the property.
1Q21	The contact stated that there is higher demand for one-bedroom units than for two-bedroom units at the property. Major renovations to Forest Glen were finished in early 2017 which include new flooring, new hvac, new cabinetry, and new appliances. The contact stated that traffic has been slower at the property due to impacts caused by the COVID-19 pandemic. The contact reported that leasing is expected to increase again in the spring.

Photos



PROPERTY PROFILE REPORT

Herndon Harbor House

Effective Rent Date	2/16/2021
Location	912 Jorss Place Herndon, VA 20170 Fairfax County
Distance	9 miles
Units	120
Vacant Units	1
Vacancy Rate	0.8%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	1998 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kendrick Court, Wingler House
Tenant Characteristics	Seniors 62+, average age 80
Contact Name	Kim
Phone	703-904-9444



Market Information

Program	@50%, @60%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Decreased 6% to increased 2%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	4	485	\$1,030	\$0	@50%	Yes	1	25.0%	no	None
1	1	Midrise (4 stories)	56	572	\$1,030	\$0	@50%	Yes	0	0.0%	no	None
1	1	Midrise (4 stories)	4	485	\$1,030	\$0	@60%	Yes	0	0.0%	no	None
1	1	Midrise (4 stories)	56	572	\$1,030	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,030	\$0	\$1,030	-\$64	\$966	1BR / 1BA	\$1,030	\$0	\$1,030	-\$64	\$966

Herndon Harbor House, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Intercom (Buzzer)	
Coat Closet	Garbage Disposal	Limited Access	
Grab Bars	Hand Rails	Perimeter Fencing	
Microwave	Oven		
Pull Cords	Refrigerator		
Property		Premium	Other
Courtyard	Elevators	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		

Comments

No major renovations have taken place, only regular upkeep of apartments as the apartments turnover. The contact stated the vacant unit is pre-leased but there is no longer a waiting list. The contact stated COVID-19 has not reduced demand at the property, but leasing available units has become more difficult due to restrictions with viewing properties and finding tenants on the waiting list who are income qualified. The contact reported that the property has been able to maintain strong demand throughout the pandemic typically staying above 98 percent occupancy. Rent for 50 and 60 percent units are the same.

Trend Report

Vacancy Rates

1Q19	1Q20	3Q20	1Q21
0.0%	0.0%	1.7%	0.8%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$990	\$0	\$990	\$926
2020	1	0.0%	\$1,010	\$0	\$1,010	\$946
2020	3	1.7%	\$1,010 - \$1,116	\$0	\$1,010 - \$1,116	\$946 - \$1,052
2021	1	1.7%	\$1,030	\$0	\$1,030	\$966

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,096	\$0	\$1,096	\$1,032
2020	1	0.0%	\$1,096	\$0	\$1,096	\$1,032
2020	3	1.7%	\$1,010 - \$1,116	\$0	\$1,010 - \$1,116	\$946 - \$1,052
2021	1	0.0%	\$1,030	\$0	\$1,030	\$966

Trend: Comments

1Q19	The contact reported 100 inquiries per week. No major renovations have taken place, only regular upkeep of apartments as the apartments turnover.
1Q20	N/A
3Q20	No major renovations have taken place, only regular upkeep of apartments as the apartments turnover. The contact stated the two vacant units are being leased off the waiting list. The contact stated COVID-19 has not reduced demand at the property, but leasing available units has become more difficult due to restrictions with viewing properties and finding tenants on the waiting list who are income qualified.
1Q21	No major renovations have taken place, only regular upkeep of apartments as the apartments turnover. The contact stated the vacant unit is pre-leased but there is no longer a waiting list. The contact stated COVID-19 has not reduced demand at the property, but leasing available units has become more difficult due to restrictions with viewing properties and finding tenants on the waiting list who are income qualified. The contact reported that the property has been able to maintain strong demand throughout the pandemic typically staying above 98 percent occupancy. Rent for 50 and 60 percent units are the same.

Photos



PROPERTY PROFILE REPORT

Kendrick Court

Effective Rent Date	2/17/2021
Location	13430 Coppermine Road Herndon, VA 20170 Fairfax County
Distance	7.1 miles
Units	140
Vacant Units	4
Vacancy Rate	2.9%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Wingler House, Harbor House, Forest Glen
Tenant Characteristics	Seniors 55+, average age of 73.
Contact Name	Jamie
Phone	703-793-9300



Market Information

Program	@60%
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	23%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Decreased 3% to increased 3%
Concession	\$500 off first month's rent for 2BR/1BA
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	34	600	\$1,377	\$0	@60%	No	1	2.9%	no	None
2	1	Midrise (4 stories)	40	800	\$1,588	\$42	@60%	No	1	2.5%	no	None
2	2	Midrise (4 stories)	66	900	\$1,588	\$0	@60%	No	2	3.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,377	\$0	\$1,377	-\$38	\$1,339
2BR / 1BA	\$1,588	\$42	\$1,546	-\$48	\$1,498
2BR / 2BA	\$1,588	\$0	\$1,588	-\$48	\$1,540

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Garbage Disposal	Grab Bars		
Hand Rails	Oven		
Pull Cords	Refrigerator		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	Hairdresser / Barber	library, Emergency Response
Elevators	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Recreation Areas		

Comments

The property installed new flooring in the apartments in 2018, but no other major renovations have taken place since the building opened. The contact stated that rents are at the maximum allowable rent. The contact stated the property is typically fully occupied, but COVID-19 has made leasing at the property more difficult. Even though people are less willing to move, demand has remained strong. The contact stated the property is achieving 2019 maximum allowable rents, but has not raised its rents to the 2020 maximum allowable levels due to the COVID-19 pandemic.

Kendrick Court, continued

Trend Report

Vacancy Rates

1Q19	1Q20	3Q20	1Q21
0.0%	0.0%	2.1%	2.9%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,282	\$0	\$1,282	\$1,244
2020	1	0.0%	\$1,328	\$0	\$1,328	\$1,290
2020	3	2.9%	\$1,328	\$0	\$1,328	\$1,290
2021	1	2.9%	\$1,377	\$0	\$1,377	\$1,339

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,532	\$0	\$1,532	\$1,484
2020	1	0.0%	\$1,588	\$0	\$1,588	\$1,540
2020	3	2.5%	\$1,588	\$0	\$1,588	\$1,540
2021	1	2.5%	\$1,588	\$42	\$1,546	\$1,498

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,532	\$0	\$1,532	\$1,484
2020	1	0.0%	\$1,588	\$0	\$1,588	\$1,540
2020	3	1.5%	\$1,588	\$0	\$1,588	\$1,540
2021	1	3.0%	\$1,588	\$0	\$1,588	\$1,540

Trend: Comments

1Q19	The property manager was unsure of the proportion of tenants who were previously homeowners. The rents are not set at maximum allowable levels, but they are attainable per the contact. The property installed new flooring in the apartments in 2018, but no other major renovations have taken place since the building opened.
1Q20	The property installed new flooring in the apartments in 2018, but no other major renovations have taken place since the building opened.
3Q20	The property installed new flooring in the apartments in 2018, but no other major renovations have taken place since the building opened. The contact stated the property has not raised their rents due to COVID-19. The contact stated the property is typically fully occupied, but COVID-19 has made leasing at the property more difficult. However, demand has remained strong.
1Q21	The property installed new flooring in the apartments in 2018, but no other major renovations have taken place since the building opened. The contact stated that rents are at the maximum allowable rent. The contact stated the property is typically fully occupied, but COVID-19 has made leasing at the property more difficult. Even though people are less willing to move, demand has remained strong. The contact stated the property is achieving 2019 maximum allowable rents, but has not raised its rents to the 2020 maximum allowable levels due to the COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Madison Ridge

Effective Rent Date	2/23/2021
Location	14800 Rydell Road Centreville, VA 20121 Fairfax County
Distance	3.1 miles
Units	98
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1988 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lee Overlook
Tenant Characteristics	Mostly families, few seniors; most from Northern VA
Contact Name	Flor
Phone	703-988-9380



Market Information

Program	@60%
Annual Turnover Rate	9%
Units/Month Absorbed	N/A
HCV Tenants	30%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes, up to 6 months

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	14	728	\$1,300	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	84	968	\$1,555	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,300	\$0	\$1,300	\$0	\$1,300
2BR / 2BA	\$1,555	\$0	\$1,555	\$0	\$1,555

Madison Ridge, continued

Amenities

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

Comments

The property manager reported that 13 units were renovated in 2018 and are usually renovated on an as needed basis. The property manager did not report the details of the renovations. The contact was unable to comment on any impacts due to COVID-19. The contact reported that the property is achieving 2019 maximum allowable rents, but has not raised its rent to 2020 maximum allowable levels due to the COVID-19 pandemic.

Madison Ridge, continued

Trend Report

Vacancy Rates

1Q19	1Q20	3Q20	1Q21
1.0%	0.0%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	7.1%	\$1,215	\$0	\$1,215	\$1,215
2020	1	0.0%	\$1,300	\$0	\$1,300	\$1,300
2020	3	0.0%	\$1,300	\$0	\$1,300	\$1,300
2021	1	0.0%	\$1,300	\$0	\$1,300	\$1,300

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,430	\$0	\$1,430	\$1,430
2020	1	0.0%	\$1,555	\$0	\$1,555	\$1,555
2020	3	0.0%	\$1,555	\$0	\$1,555	\$1,555
2021	1	0.0%	\$1,555	\$0	\$1,555	\$1,555

Trend: Comments

1Q19	The property manager reported that 13 units were renovated in 2018 and are usually renovated on an as needed basis. The property manager did not report the details of the renovations.
1Q20	N/A
3Q20	N/A
1Q21	The property manager reported that 13 units were renovated in 2018 and are usually renovated on an as needed basis. The property manager did not report the details of the renovations. The contact was unable to comment on any impacts due to COVID-19. The contact reported that the property is achieving 2019 maximum allowable rents, but has not raised its rent to 2020 maximum allowable levels due to the COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Archstone Fairchase

Effective Rent Date 2/17/2021
Location 4411 Dixie Hill Rd.
Fairfax, VA 22030
Fairfax County
Distance 2.2 miles
Units 392
Vacant Units 7
Vacancy Rate 1.8%
Type Midrise (4 stories)
Year Built/Renovated 2006 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Falls at Flint Hill
Tenant Characteristics Mixed tenancy from the area.
Contact Name Ryan
Phone 703.322.1002



Market Information

Program Market
Annual Turnover Rate 40%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Within two weeks
Annual Chg. in Rent Increased 3-8%
Concession \$500 off first month's rent
Waiting List None

Utilities

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

Archstone Fairchase, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (4 stories)	8	488	\$1,403	\$42	Market	No	0	0.0%	N/A	None
1	1	Midrise (4 stories)	5	556	\$1,378	\$42	Market	No	0	0.0%	N/A	None
1	1	Midrise (4 stories)	40	664	\$1,478	\$42	Market	No	0	0.0%	N/A	None
1	1	Midrise (4 stories)	48	731	\$1,591	\$42	Market	No	3	6.2%	N/A	None
1	1	Midrise (4 stories)	56	873	\$1,688	\$42	Market	No	2	3.6%	N/A	None
2	2	Midrise (4 stories)	37	1,031	\$1,907	\$42	Market	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	27	1,077	\$1,970	\$42	Market	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	15	1,112	N/A	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	12	1,118	\$1,997	\$42	Market	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	48	1,136	\$2,083	\$42	Market	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	12	1,164	N/A	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	54	1,175	\$2,011	\$42	Market	No	1	1.9%	N/A	None
2	2	Midrise (4 stories)	2	1,256	N/A	\$0	Market	No	0	0.0%	N/A	None
3	2	Midrise (4 stories)	26	1,226	\$2,322	\$42	Market	No	1	3.8%	N/A	None
3	2	Midrise (4 stories)	2	1,305	N/A	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,403	\$42	\$1,361	\$47	\$1,408
1BR / 1BA	\$1,378 - \$1,688	\$42	\$1,336 - \$1,646	\$61	\$1,397 - \$1,707
2BR / 2BA	\$1,907 - \$2,083	\$0 - \$42	\$1,865 - \$2,041	\$75	\$1,940 - \$2,116
3BR / 2BA	\$2,322	\$0 - \$42	\$2,280	\$89	\$2,369

Amenities

In-Unit	Security	Services
Blinds	In-Unit Alarm	None
Carpeting	Intercom (Buzzer)	
Coat Closet	Limited Access	
Exterior Storage		
Fireplace		
Microwave		
Refrigerator		
Walk-In Closet		
Washer/Dryer hookup		
Property	Premium	Other
Business Center/Computer Lab	None	None
Exercise Facility		
Off-Street Parking		
Swimming Pool		

Comments

The property does not accept Section 8 vouchers. Some rents were unavailable as units have been occupied. The contact reported that there have been many operational changes due to COVID-19 but not any significant impacts.

Trend Report

Vacancy Rates

4Q10	3Q11	3Q20	1Q21
0.8%	3.8%	0.3%	1.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.6%	\$1,238 - \$1,555	\$0	\$1,238 - \$1,555	\$1,299 - \$1,616
2011	3	N/A	\$1,591 - \$1,806	\$100	\$1,491 - \$1,706	\$1,552 - \$1,767
2020	3	0.0%	\$1,378 - \$1,623	\$0	\$1,378 - \$1,623	\$1,439 - \$1,684
2021	1	3.4%	\$1,378 - \$1,688	\$42	\$1,336 - \$1,646	\$1,397 - \$1,707

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.7%	\$1,880 - \$2,015	\$0	\$1,880 - \$2,015	\$1,955 - \$2,090
2011	3	N/A	\$1,833 - \$1,935	\$0	\$1,833 - \$1,935	\$1,908 - \$2,010
2020	3	0.5%	\$1,765 - \$1,857	\$0	\$1,765 - \$1,857	\$1,840 - \$1,932
2021	1	0.5%	\$1,907 - \$2,083	\$0 - \$42	\$1,865 - \$2,041	\$1,940 - \$2,116

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	1.1%	\$2,040 - \$2,186	\$0	\$2,040 - \$2,186	\$2,129 - \$2,275
2011	3	N/A	\$2,243	\$0	\$2,243	\$2,332
2020	3	0.0%	\$2,242	\$0	\$2,242	\$2,331
2021	1	3.6%	\$2,322	\$0 - \$42	\$2,280	\$2,369

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$1,206	\$0	\$1,206	\$1,253
2011	3	N/A	\$1,423	\$0	\$1,423	\$1,470
2020	3	0.0%	\$1,323	\$0	\$1,323	\$1,370
2021	1	0.0%	\$1,403	\$42	\$1,361	\$1,408

Trend: Comments

4Q10	Management estimated the number of units for each floor plan.
3Q11	Contacted stated that the local rental market has been strong over the last year. Rents have gone up on average \$200 per unit since last year. The currently occupancy rate is 97% and there are 15 vacant units of a total of 392 units. The turn over rate is at 52.3% for the year. Archstone Fairchase is offering a 100\$ off a month concession on 1 bedroom units only.
3Q20	The property does not accept Section 8 vouchers.
1Q21	The property does not accept Section 8 vouchers. Some rents were unavailable as units have been occupied. The contact reported that there have been many operational changes due to COVID-19 but not any significant impacts.

Photos



PROPERTY PROFILE REPORT

Elms At Centreville

Effective Rent Date	2/18/2021
Location	13840 Braddock Springs Road Centreville, VA 20121 Fairfax County
Distance	1.4 miles
Units	268
Vacant Units	9
Vacancy Rate	3.4%
Type	Garden (3 stories)
Year Built/Renovated	1987 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Bent Tree Apartments, Woodway Apartments
Tenant Characteristics	A variety of singles, couples, and families; few seniors
Contact Name	Linda
Phone	703-830-6464



Market Information

Program	Market
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Decreased 10% to increased 10%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	46	788	\$1,616	\$0	Market	No	3	6.5%	N/A	None
1	1.5	Garden (3 stories)	12	987	\$1,755	\$0	Market	No	1	8.3%	N/A	None
2	1	Garden (3 stories)	60	969	\$2,283	\$0	Market	No	1	1.7%	N/A	None
2.5	2	Garden (3 stories)	N/A	1,147	\$2,353	\$0	Market	No	4	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,616	\$0	\$1,616	\$49	\$1,665
1BR / 1.5BA	\$1,755	\$0	\$1,755	\$49	\$1,804
2BR / 1BA	\$2,283	\$0	\$2,283	\$63	\$2,346
2.5BR / 2BA	\$2,353	\$0	\$2,353	\$63	\$2,416

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	Package Service
Exercise Facility	Off-Street Parking		
On-Site Management	Playground		
Sport Court	Swimming Pool		
Tennis Court			

Comments

The property uses rent optimization software, which accounts for the variation in rent. Trash is included for a flat rate of \$35 per unit. The contact reported that the property has been allowing tenants to break leases and offering payment plans for tenants with financial issues due to COVID-19. The contact estimated that six tenants have moved from the property due to job loss during the pandemic. However, occupancy has remained strong staying above 90 percent throughout the pandemic.

Trend Report

Vacancy Rates

1Q19	1Q20	3Q20	1Q21
3.4%	3.0%	0.4%	3.4%

Trend: Market

1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	8.3%	\$2,015	\$0	\$2,015	\$2,064
2020	1	8.3%	\$2,292	\$0	\$2,292	\$2,341
2020	3	0.0%	\$1,898	\$0	\$1,898	\$1,947
2021	1	8.3%	\$1,755	\$0	\$1,755	\$1,804

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	2.2%	\$1,679	\$0	\$1,679	\$1,728
2020	1	6.5%	\$1,787	\$0	\$1,787	\$1,836
2020	3	2.2%	\$2,041	\$0	\$2,041	\$2,090
2021	1	6.5%	\$1,616	\$0	\$1,616	\$1,665

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$2,111	\$0	\$2,111	\$2,174
2020	1	N/A	\$2,306	\$0	\$2,306	\$2,369
2020	3	N/A	\$1,872	\$0	\$1,872	\$1,935
2021	1	N/A	\$2,353	\$0	\$2,353	\$2,416

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	6.7%	\$1,942	\$0	\$1,942	\$2,005
2020	1	1.7%	\$2,089	\$0	\$2,089	\$2,152
2020	3	0.0%	\$1,895	\$0	\$1,895	\$1,958
2021	1	1.7%	\$2,283	\$0	\$2,283	\$2,346

2BR / 2BA

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

1Q19	No major renovations have occurred since 2015, when the exterior facade was replaced.
1Q20	Prices change daily according to the contact.
3Q20	The property uses rent optimization software, which accounts for the variation in rent. Trash is included for a flat rate of \$35 per unit.
1Q21	The property uses rent optimization software, which accounts for the variation in rent. Trash is included for a flat rate of \$35 per unit. The contact reported that the property has been allowing tenants to break leases and offering payment plans for tenants with financial issues due to COVID-19. The contact estimated that six tenants have moved from the property due to job loss during the pandemic. However, occupancy has remained strong staying above 90 percent throughout the pandemic.

Photos



PROPERTY PROFILE REPORT

Gables Centerpointe

Effective Rent Date	2/19/2021
Location	12190 Waveland Street Fairfax, VA 22033 Fairfax County
Distance	2.4 miles
Units	121
Vacant Units	2
Vacancy Rate	1.7%
Type	Midrise (4 stories)
Year Built/Renovated	2011 / 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	Julie
Phone	703-218-8492



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Decreased 3% to increased 3%
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	Midrise (4 stories)	72	807	\$1,748	\$0	Market	No	1	1.4%	N/A	AVG*
1	1	Midrise (4 stories)	0	867	\$1,904	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Midrise (4 stories)	0	746	\$1,592	\$0	Market	No	0	N/A	N/A	LOW
2	2	Midrise (4 stories)	49	1,106	\$2,012	\$0	Market	No	1	2.0%	N/A	AVG*
2	2	Midrise (4 stories)	0	1,126	\$2,100	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Midrise (4 stories)	0	1,086	\$1,923	\$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,592 - \$1,904	\$0	\$1,592 - \$1,904	\$61	\$1,653 - \$1,965
2BR / 2BA	\$1,923 - \$2,100	\$0	\$1,923 - \$2,100	\$75	\$1,998 - \$2,175

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Exterior Storage	Video Surveillance	
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Rooftop patio with a fire pit
Elevators	Exercise Facility		
Garage	On-Site Management		

Comments

The property offers one free parking spot per apartment and second spots are an additional \$75 per month. The contact reported that there have been some tenants with financial difficulties due to COVID-19 but was unable to comment on rent collections.

Trend Report

Vacancy Rates

4Q14	3Q20	1Q21
2.5%	2.5%	1.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$1,450 - \$1,790	\$0	\$1,450 - \$1,790	\$1,511 - \$1,851
2020	3	0.0%	\$1,560 - \$1,845	\$0	\$1,560 - \$1,845	\$1,621 - \$1,906
2021	1	1.4%	\$1,592 - \$1,904	\$0	\$1,592 - \$1,904	\$1,653 - \$1,965

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$1,803 - \$1,875	\$0	\$1,803 - \$1,875	\$1,878 - \$1,950

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	N/A	\$2,023 - \$2,128	\$0	\$2,023 - \$2,128	\$2,098 - \$2,203
2021	1	2.0%	\$1,923 - \$2,100	\$0	\$1,923 - \$2,100	\$1,998 - \$2,175

Trend: Comments

4Q14	The contact stated the property was built in 2011 and offers 71 one-bedroom units at 779 square feet and 49 two-bedroom units at 1086 square feet. Rents range depending on what floor each unit is on, with higher floors commanding higher rent. The contact did not have a breakdown of the three total vacant units. The property offers one free parking spot per apartment and second spots are an additional \$75 per month.
3Q20	The property offers one free parking spot per apartment and second spots are an additional \$75 per month.
1Q21	The property offers one free parking spot per apartment and second spots are an additional \$75 per month. The contact reported that there have been some tenants with financial difficulties due to COVID-19 but was unable to comment on rent collections.

Photos



PROPERTY PROFILE REPORT

The Julian At Fair Lakes

Effective Rent Date	2/19/2021
Location	12751 Fair Lakes Circle Fairfax, VA 22033 Fairfax County
Distance	1.3 miles
Units	150
Vacant Units	8
Vacancy Rate	5.3%
Type	Midrise (6 stories)
Year Built/Renovated	2014 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Property Manager
Phone	(866) 459-2514



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	16
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Decreased 4-11%
Concession	\$1,000 upfront for new move ins
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
0	1	Midrise (6 stories)	15	572	\$1,559	\$83	Market	No	2	13.3%	N/A	None
1	1	Midrise (6 stories)	89	768	\$1,694	\$83	Market	No	3	3.4%	N/A	AVG*
1	1	Midrise (6 stories)	N/A	888	\$1,786	\$83	Market	No	0	N/A	N/A	HIGH
1	1	Midrise (6 stories)	N/A	647	\$1,602	\$83	Market	No	0	N/A	N/A	LOW
2	2	Midrise (6 stories)	46	1,080	\$2,203	\$83	Market	No	3	6.5%	N/A	AVG*
2	2	Midrise (6 stories)	N/A	1,215	\$2,390	\$83	Market	No	0	N/A	N/A	HIGH
2	2	Midrise (6 stories)	N/A	945	\$2,016	\$83	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,559	\$83	\$1,476	\$35	\$1,511
1BR / 1BA	\$1,602 - \$1,786	\$83	\$1,519 - \$1,703	\$49	\$1,568 - \$1,752
2BR / 2BA	\$2,016 - \$2,390	\$83	\$1,933 - \$2,307	\$63	\$1,996 - \$2,370

The Julian At Fair Lakes, continued

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Exterior Storage	Microwave		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Concierge	Courtyard	None	None
Elevators	Exercise Facility		
Garage(\$40.00)	Off-Street Parking		
On-Site Management	Picnic Area		
Recreation Areas	Sauna		
Swimming Pool			

Comments

The property uses rent optimization software, which accounts for the decrease in rent over the past year. The contact reported that leasing has been slower but that is common during the winter months and is not completely due to COVID-19.

Trend Report

Vacancy Rates

1Q19	1Q20	3Q20	1Q21
2.0%	2.0%	2.7%	5.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	2.2%	\$1,695	\$0	\$1,695	\$1,744
2020	1	1.1%	\$1,800	\$0	\$1,800	\$1,849
2020	3	3.4%	\$1,687	\$0	\$1,687	\$1,736
2021	1	N/A	\$1,602 - \$1,786	\$83	\$1,519 - \$1,703	\$1,568 - \$1,752

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,997	\$0	\$1,997	\$2,060
2020	1	0.0%	\$2,100	\$0	\$2,100	\$2,163

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	2.2%	\$2,200	\$0	\$2,200	\$2,263
2020	1	2.2%	\$2,300	\$0	\$2,300	\$2,363
2020	3	0.0%	\$2,347	\$0	\$2,347	\$2,410
2021	1	N/A	\$2,016 - \$2,390	\$83	\$1,933 - \$2,307	\$1,996 - \$2,370

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,504	\$0	\$1,504	\$1,539
2020	1	6.7%	\$1,650	\$0	\$1,650	\$1,685
2020	3	6.7%	\$1,671	\$0	\$1,671	\$1,706
2021	1	13.3%	\$1,559	\$83	\$1,476	\$1,511

Trend: Comments

1Q19 N/A

1Q20 N/A

3Q20 The property uses rent optimization software, which accounts for the decrease in rent over the past year.

1Q21 The property uses rent optimization software, which accounts for the decrease in rent over the past year. The contact reported that leasing has been slower but that is common during the winter months and is not completely due to COVID-19.

Photos



PROPERTY PROFILE REPORT

Woodway At Trinity Center

Effective Rent Date	2/19/2021
Location	5751 Wood Meadow Way Centreville, VA 20120 Fairfax County
Distance	1.7 miles
Units	504
Vacant Units	7
Vacancy Rate	1.4%
Type	Garden (3 stories)
Year Built/Renovated	1997 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Post Corners
Tenant Characteristics	Mainly students and professionals; few seniors.
Contact Name	Tara
Phone	703-830-1185



Market Information

Program	Market
Annual Turnover Rate	34%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Decreased 4-5%
Concession	One month free rent
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	252	698	\$1,478	\$123	Market	No	6	2.4%	N/A	AVG*
1	1	Garden (3 stories)	N/A	735	\$1,580	\$132	Market	No	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	660	\$1,375	\$115	Market	No	0	N/A	N/A	LOW
2	2	Garden (3 stories)	252	1,053	\$1,763	\$147	Market	No	1	0.4%	N/A	AVG*
2	2	Garden (3 stories)	N/A	1,100	\$1,830	\$153	Market	No	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,005	\$1,695	\$141	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,375 - \$1,580	\$115 - \$132	\$1,260 - \$1,448	\$61	\$1,321 - \$1,509
2BR / 2BA	\$1,695 - \$1,830	\$141 - \$153	\$1,554 - \$1,677	\$75	\$1,629 - \$1,752

Woodway At Trinity Center, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Business Center/Computer Lab	None	Fitness trail, aerobics classes.
Car Wash	Clubhouse/Meeting Room/Community		
Exercise Facility	Garage(\$100.00)		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Sport Court	Swimming Pool		
Volleyball Court			

Comments

Approximately 50 units have been renovated to include new kitchen cabinets, granite countertops, and stainless steel appliances. These units have a rent premium of approximately \$100 for a one-bedroom unit and \$140 for a two-bedroom unit. The base rents for an unrenovated unit are presented in this profile. Management was unsure of whether the entire property will be renovated in the near future. This property does not accept Housing Choice Vouchers. Garage parking fees are \$100 for a space in a joint (shared) garage, and \$150 for a space in a private garage. The contact reported that the main effects from COVID-19 have been the closure of amenities.

Woodway At Trinity Center, continued

Trend Report

Vacancy Rates

1Q19	1Q20	3Q20	1Q21
3.2%	3.6%	0.4%	1.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,472	\$0	\$1,472	\$1,533
2020	1	N/A	\$1,525	\$0	\$1,525	\$1,586
2020	3	0.0%	\$1,393	\$0	\$1,393	\$1,454
2021	1	N/A	\$1,375 - \$1,586	\$115 - \$132	\$1,260 - \$1,448	\$1,321 - \$1,509

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,809	\$0	\$1,809	\$1,884
2020	1	N/A	\$1,844	\$0	\$1,844	\$1,919
2020	3	0.8%	\$1,718	\$0	\$1,718	\$1,793
2021	1	N/A	\$1,695 - \$1,836	\$141 - \$153	\$1,554 - \$1,677	\$1,629 - \$1,752

Trend: Comments

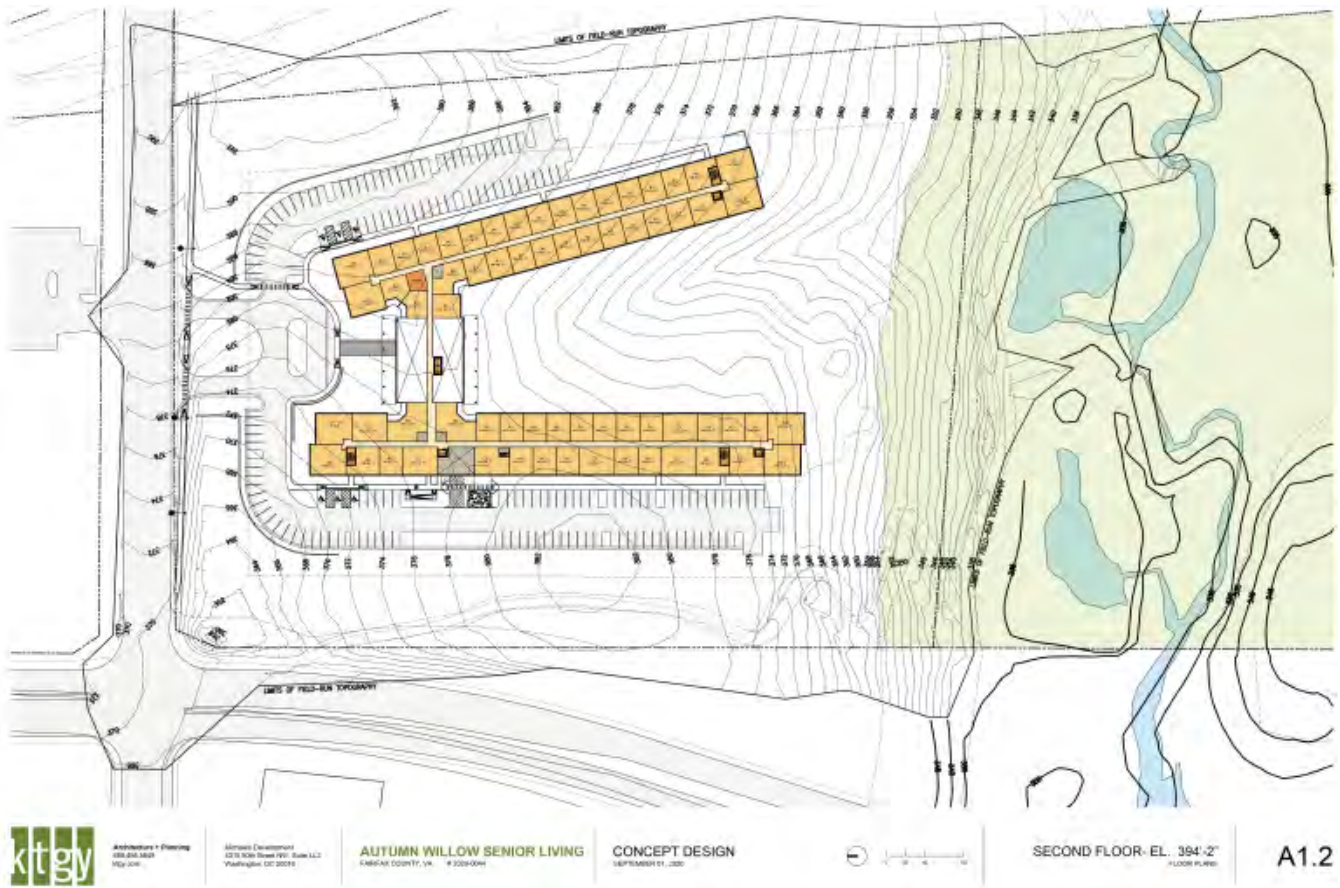
1Q19	Approximately 50 units have been renovated to include new kitchen cabinets, granite countertops, and stainless steel appliances. These units have a rent premium of approximately \$100 for a one-bedroom unit and \$140 for a two-bedroom unit. The base rents for an unrenovated unit are presented in this profile. Management was unsure of whether the entire property will be renovated in the near future. This property does not accept Housing Choice Vouchers. Garage parking fees are \$100 for a space in a joint (shared) garage, and \$150 for a space in a private garage.
1Q20	N/A
3Q20	N/A
1Q21	Approximately 50 units have been renovated to include new kitchen cabinets, granite countertops, and stainless steel appliances. These units have a rent premium of approximately \$100 for a one-bedroom unit and \$140 for a two-bedroom unit. The base rents for an unrenovated unit are presented in this profile. Management was unsure of whether the entire property will be renovated in the near future. This property does not accept Housing Choice Vouchers. Garage parking fees are \$100 for a space in a joint (shared) garage, and \$150 for a space in a private garage. The contact reported that the main effects from COVID-19 have been the closure of amenities.

Photos



ADDENDUM D
Site and Floor Plans

Subject Site Plan



Source: Sponsor, March 2021

Subject Rendering



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

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

Tara Rial
Manager