

**NEED AND DEMAND ANALYSIS  
FOR THE GLADE VIEW TRACE APARTMENTS  
IN  
CHESTERFIELD, VIRGINIA**

**Prepared for  
Glade View Trace VA LLC  
for submission to  
Virginia Housing**

**Virginia Housing Application: 2021 C- 37**

As of February 25, 2021

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## TABLE OF CONTENTS

A. EXECUTIVE SUMMARY .....	Page 1
B. INTRODUCTION AND SCOPE OF WORK .....	Page 3
C. PROJECT DESCRIPTION .....	Page 5
D. LOCATION .....	Page 10
E. MARKET AREA DEFINITION .....	Page 17
F. EMPLOYMENT AND ECONOMY .....	Page 19
G. DEMOGRAPHIC CHARACTERISTICS .....	Page 26
H. COMPETITIVE ENVIRONMENT .....	Page 37
I. AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES, AND PENETRATION RATES..	Page 45
J. LOCAL PERSPECTIVES OF RENTAL HOUSING MARKET .....	Page 55
K. ANALYSIS/CONCLUSIONS .....	Page 56
L. OTHER REQUIREMENTS .....	Page 57
MARKET STUDY TERMINOLOGY .....	Page 62

## LIST OF TABLES

Table 1 - Distance to Neighborhood and Community Amenities . . . . .	Page 15
Table 2 - Total Employment . . . . .	Page 19
Table 3 - Employment, by sector . . . . .	Page 20
Table 4 - Unemployment trends . . . . .	Page 21
Table 5 - Major Employers . . . . .	Page 22
Table 6 - Wages by Industry Sector . . . . .	Page 23
Table 7 - Commuting Data . . . . .	Page 24
Table 8 - Commuting Patterns . . . . .	Page 25
Table 9- Population Trends . . . . .	Page 26
Table 10 - Household Trends . . . . .	Page 27
Table 11 - Age Distribution . . . . .	Page 28
Table 12 - Population and Households, 55 years and older . . . . .	Page 29
Table 13 - Household Size . . . . .	Page 30
Table 14 - Tenure . . . . .	Page 31
Table 15 - Tenure of Elderly Households . . . . .	Page 32
Table 16 - Household Income . . . . .	Page 33
Table 17 - Household Income, Households aged 65 and older . . . . .	Page 34
Table 18 - Household Income, Renter Households . . . . .	Page 35
Table 19 - Residential Construction Since 2000 . . . . .	Page 36
Table 20 - Market Rate Properties . . . . .	Page 38
Table 21 - Income Limits . . . . .	Page 45
Table 22 - Rents and Income Targeting . . . . .	Page 46
Table 23 - Qualifying Income Ranges . . . . .	Page 47
Table 24 - Household Income, Older Renter Households . . . . .	Page 49
Table 25 - Demand Calculations . . . . .	Page 51
Table 26 - Capture Rates . . . . .	Page 52

**A. EXECUTIVE SUMMARY**

The following provides a brief summary of each of the major sections in the market analysis.

The Glade View Trace Apartments will comprise the construction of 50 units for elderly households. Five units will be targeted to households with incomes up to 30 percent of the median, 20 units will be targeted to households with incomes up to 50 percent of the median, with eight units targeted at 60 percent of the median, and 17 units will be targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status. Given that the project will include units targeted to households with incomes in excess of 60 percent of the local area median income, income averaging is applied.

There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location.

The market area for the proposed development is defined as central Chesterfield County.

In Chesterfield County, employment grew from 156,307 in 2010 to 183,821 in 2019.

In Chesterfield County, it is seen that the most recent annual unemployment rate is 2.7 percent, down from 3.0 percent the previous year. The rate was 7.3 percent in 2010.

It should be noted that data - both nationally and locally - suggest that employment gains over the last decade or so have been significantly impacted with the onset of the economic disruption caused by the coronavirus pandemic. In Chesterfield County, for example, 182,297 people were employed in September 2020, compared with 189,081 in September 2019 - 6,784 fewer jobs.

The population of the project market area is projected to increase from 48,717 in 2021 to 49,410 in 2026. The number of households is projected to increase from 18,374 in 2021 to 18,759 in 2025. The number of renter households is projected to increase from 5,344 to 6,116.

The elderly population (55 years and older) of the project market area is projected to increase from 20,032 in 2021 to 23,485 in 2026. The number of older households is projected to increase from 11,865 in 2021 to 13,911 in 2026. The number of older rents is projected to increase from 2,284 to 3,149 over this period.

There are three apartment complexes located in the central Chesterfield area which cater to older persons - each of which is financed with low income housing tax credits. There are no market rate complexes designated solely for seniors, although one tax credit property offers some market rate units.

Based on our survey of the senior units in this area, there is a market-wide occupancy rate of 99.6 percent - there being one vacant unit out of a total of 264 units. Each of these complexes is tax credit-financed.

The total net need for tax credit units such as is proposed in the central Chesterfield area by 2026 is calculated to be for 1,715 units. Given the calculated need, the proposed 50-unit development amounts to 2.9 percent of the need, as calculated.

Consideration of the capture rate (2.9 percent), the (2.3 percent) affordability analysis capture rate and (11.2 percent) penetration rate suggests that the proposed development is very marketable, as proposed.

Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated five-month period, or so.

The proposed development will not have an impact on existing housing in the area.

The proposed development is considered marketable and can be developed as proposed.

Astoria data:

Project Wide Capture Rate, LIHTC units: 2.9 percent

Project Wide Capture Rate, market units: n/a

Project Wide Capture Rate, all units: 2.9 percent

Project Wide Absorption Period (Months):Five months, or so.

B. INTRODUCTION AND SCOPE OF WORK

This report is a professional market analysis of the need and demand for the proposed development.

The report is prepared for Glade View Trace VA LLC, for submission to Virginia Housing.

The report is designed to satisfy the underwriting criteria of the reviewing agency for which it was performed, and the conclusions, based on the results of our research, experience, and expertise reflect the predicted ability of the project, as presented to us, to meet or exceed that reviewing agency's guidelines. Thus, a positive conclusion does not necessarily imply that the project would be found to be feasible or successful under different underwriting standards, and this study does not necessarily incorporate generally accepted professional market study standards and elements pre-empted by the guidelines set out by the reviewing agency.

The report was completed using professional market techniques. The findings of this study are predicated upon the assumption that the proposed development, as presented to us, will be located at the site described in the report, that it will be funded through the program under which it was prepared, and within the stated projection period.

Further, the findings are based on the assumption that once funded, the complex will be well-designed, well-marketed, and professionally managed.

The site of the proposed apartments was visited (on February 25, 2021).

The site was visited by T. Ronald Brown.

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis. The President of the firm is T. Ronald Brown. Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland. He has 35 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last three decades or so, Mr. Brown has produced more than 3,000 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown is responsible for the analysis and write-up of this report – performing the role of both analyst and author.

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**Report for the Glade View Trace Apartments in Chesterfield, Virginia**

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To the best of our knowledge, this report is an accurate representation of market conditions. While due care and professional housing market study techniques were used, no guarantee is made of the findings.

It is stated that we do not have, nor will have in the future, any material interest in the proposed development, and that there is no identity of interest between us and the party for whom the project was prepared. Further, we state that the payment of the fee is not contingent upon a favorable conclusion, nor approval of the project by any agency before or after the fact. The payment of the fee does not include payment for testimony nor further consultation.

**Submitted, and attested to, by:**

T. Ronald Brown, President  
T. Ronald Brown: Research & Analysis  
P.O. Box 18534  
Asheville, North Carolina 28814  
919. 233.0670 or 919.612.5328



Date: March 18, 2021

**C. PROJECT DESCRIPTION**

Glade View Trace will comprise 50 units - all two-bedroom units. The project is new construction.

The project is to be configured as follows:

	<u>Units</u>	<u>sq. ft</u>	<u>Rent</u>	<u>Targeting*</u>
2 bedroom/1 ½ bath	5	950	\$512	less than 30 percent
2 bedroom/1 ½ bath	20	950	\$915	less than 50 percent
2 bedroom/1 ½ bath	8	950	\$1,110	less than 60 percent
2 bedroom/1 ½ bath	17	950	\$1,420	less than 80 percent

\* percentage of area median income

Of the 50-unit total, all will be targeted to elderly households (55 years and older). Five units will be targeted to households with incomes up to 30 percent of the median, 20 units will be targeted to households with incomes up to 50 percent of the median, with eight units targeted at 60 percent of the median, and 17 units will be targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status. Given that the project will include units targeted to households with incomes in excess of 60 percent of the local area median income, income averaging is applied. Thus, the average target income, overall, cannot exceed 60 percent of the median.

Utilities (excluding trash collection) will be paid by the tenant - utility allowances are \$91 for the two-bedroom units. Based on information supplied by the developer, the proposed apartments will meet energy-saving standards, both for construction and for appliances provided.

The property will feature a single-three story building and will have a brick exterior. There will be an elevator. Common area and site amenities include a multi-purpose room and laundry. The property will offer various enhancements, as per Virginia Housing guidelines.

There are 60 parking spaces, shared with adjacent uses, as per overall development plan.

Representative architectural drawings are set out on the following pages.

It is understood that the construction program would commence in April, 2022 and would be completed within 12 months, or so.



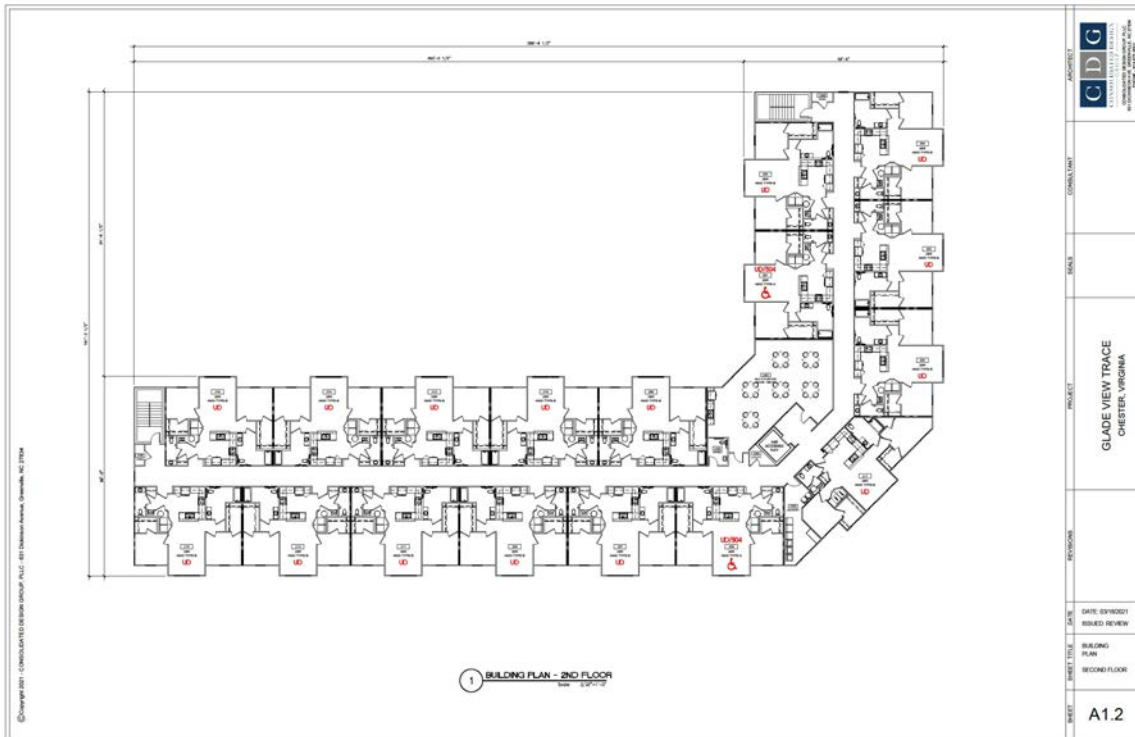
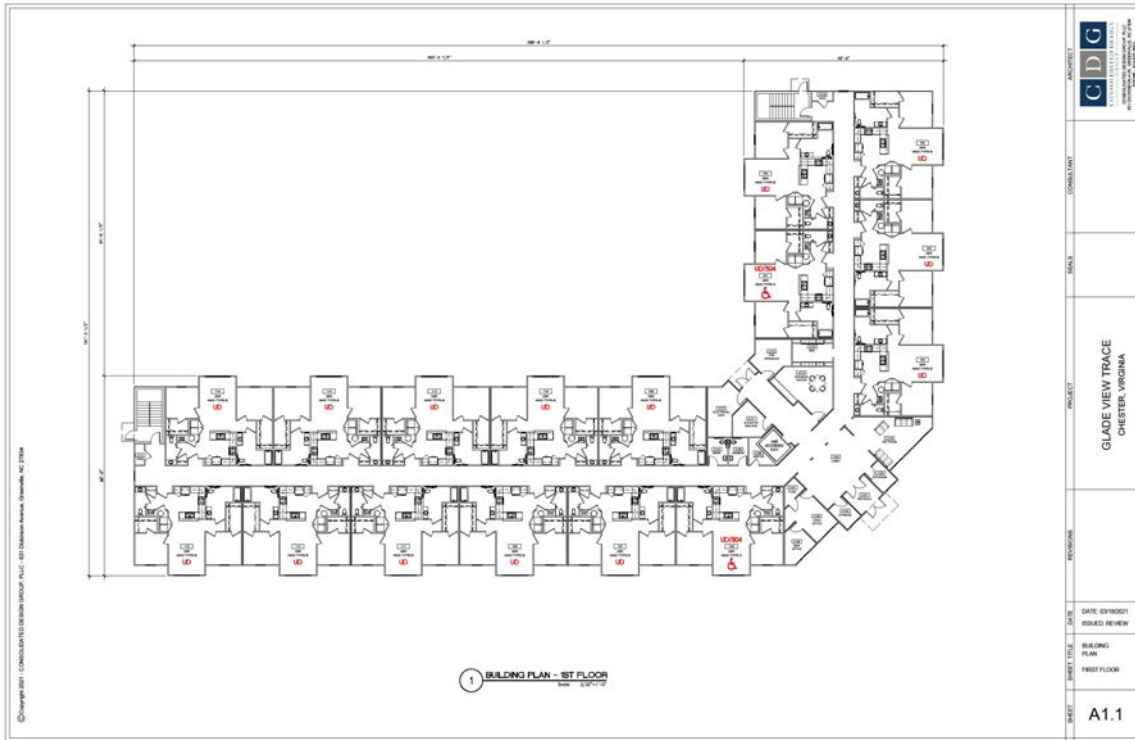
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Site plan



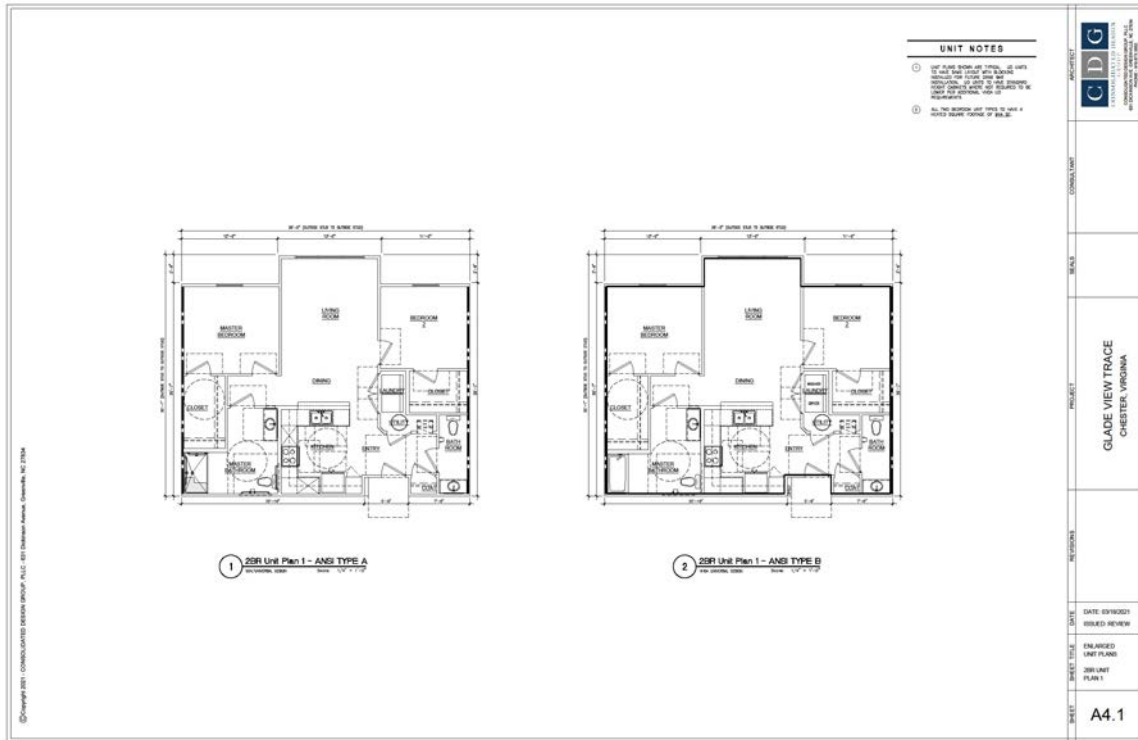
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Floor plan



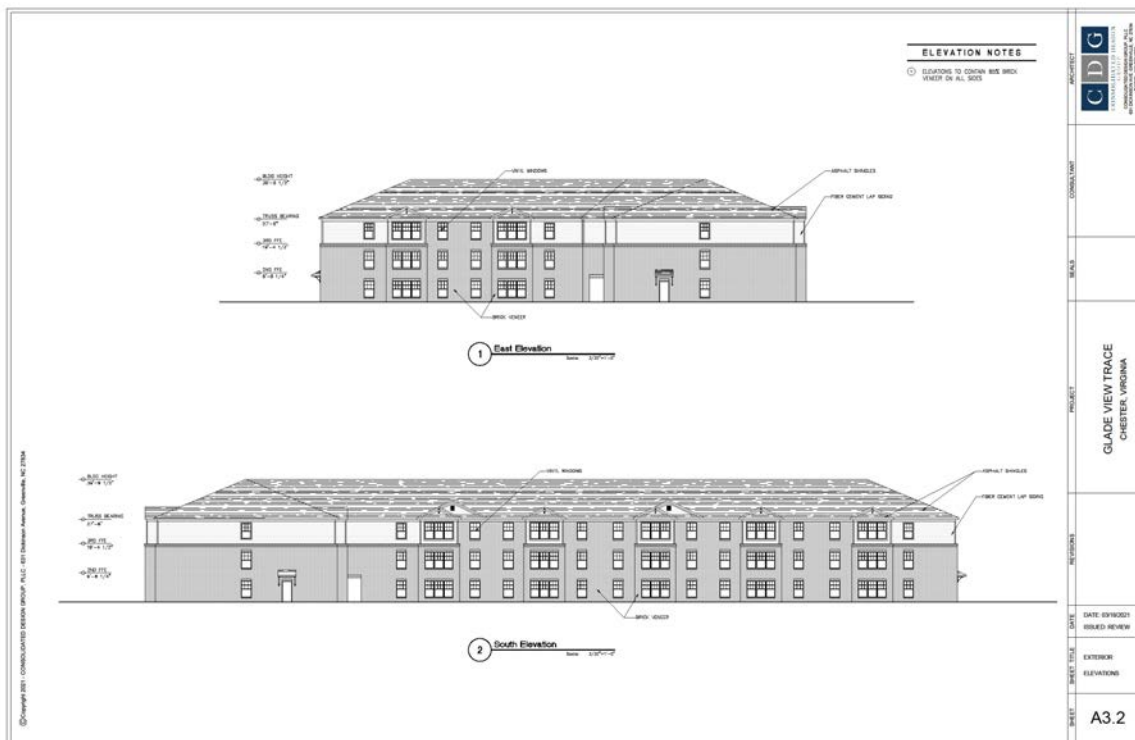
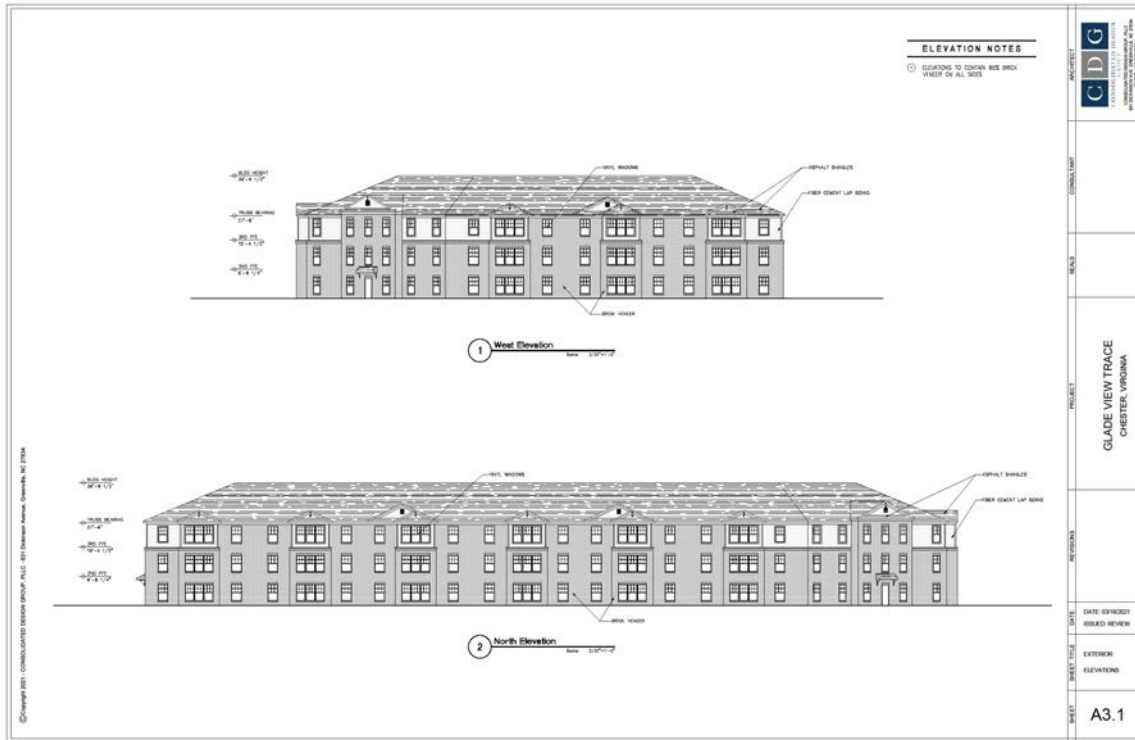
# Report for the Glade View Trace Apartments in Chesterfield, Virginia

## Unit plans



# Report for the Glade View Trace Apartments in Chesterfield, Virginia

## Elevations



D. LOCATION

The site of the Glade View Trace Apartments is on West Booker Boulevard off Iron Bridge Road (VA 10) in central Chesterfield County. Adjacent properties on West Booker Boulevard include small, established, single-family homes. Other properties in the area include various business such as Goodwill store and a gym, as well as single-story homes to the south of those businesses. The Coves at Magnolia Lakes development - a waterfront community for persons aged 55 years and older - is located across Iron Bridge Road, to the north of the site. The site is flat and is wooded.







View onto property



View on property



View on property



View north on W Booker Blvd., at site



View south on W. Booker blvd., at site



View across W. Booker Blvd., at site





View west on Iron Bridge Rd., at W Booker Blvd.



View east on Iron Bridge Rd., at W. Booker Blvd.



The site is off Iron Bridge Road - VA 10 - the major thoroughfare serving central Chesterfield County - and the focus for much of that area's commercial development. Access to the site is very good.

Given the site location and its situation, the site is very visible from West Booker Boulevard.

Access from the site to major thoroughfares, shopping, and other services is very good.

The site is within four and one-third miles of the intersection of Iron Bridge Road and the World War II Veterans Memorial Highway (VA 288), and is a similar distance from the intersection of Iron Bridge Road and Interstate 95.

It is understood that public transportation is available on-demand at the site through Access Chesterfield

A Lidl grocery store is located on Iron Bridge Road, just over one mile to the west of the site of the proposed development. Other stores to the west on Iron Bridge Road include an ALDI store, a Kroger store, and a Food Lion. Other stores in this area include pharmacies such as CVS and Walgreens, and discount stores such as Dollar Tree - all within two- to three miles of the site.

The site is within two miles of the Chesterfield County government center.

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Report for the Glade View Trace Apartments in Chesterfield, Virginia

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The following table illustrates the noteworthy community amenities serving the site and the (driving) distance to the site.

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Table 1 - Distance to Neighborhood and Community Amenities

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<u>Category</u>	<u>Neighborhood/Community Amenity</u>	<u>Distance (miles)</u>
Highways	Iron Bridge Road (VA 10)	0.1
	WW II Veterans Memorial Highway (VA 288)	4.3
	Interstate 95	4.3
Retail - Grocery	Lidl	1.1
	ALDI	1.9
	Kroger	2.3
	Food Lion	3.1
Retail - Other	Wal-mart	0.5
	Target	4.4
Pharmacies	Walgreens	2.0
Library	Chester	2.0
	Chesterfield	3.8
Post Office	Chester Post Office	3.7

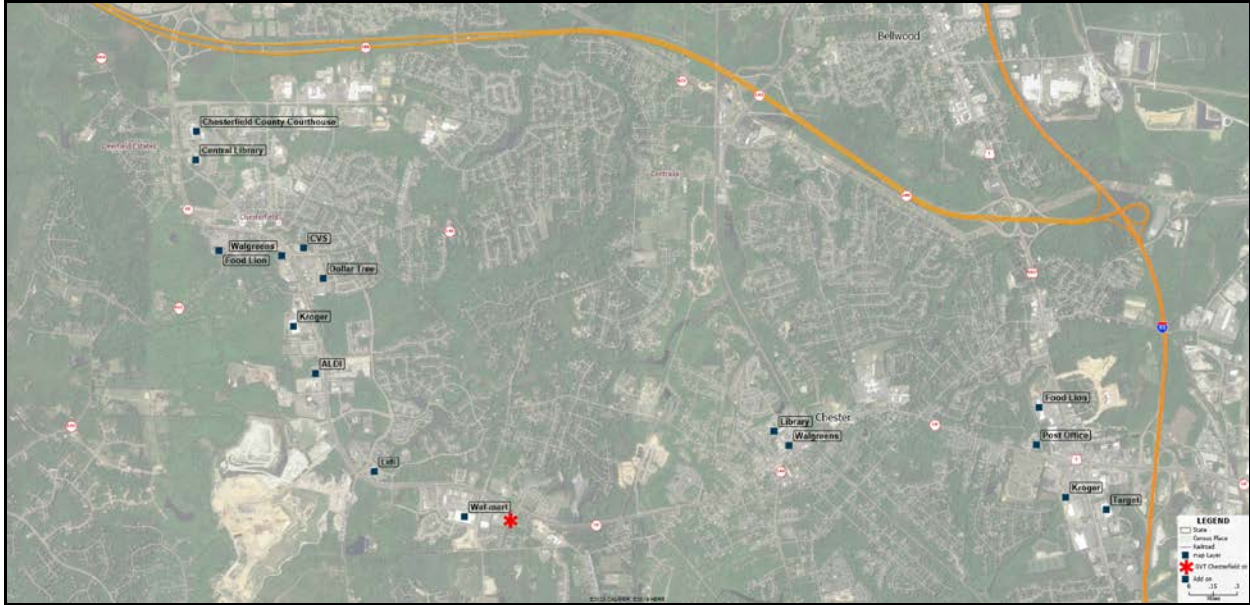
Source: T.Ronald Brown: Research & Analysis

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## Report for the Glade View Trace Apartments in Chesterfield, Virginia

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Based on our observations during our site visit, there is no reason to expect that the risk of crime in this neighborhood would be greater or less than that for other parts of the market area.

There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location.

The site is considered marketable.

**E. MARKET AREA DEFINITION**

Market areas are defined on the basis of the consideration of many inter-related factors. These include consideration of the site location, consideration of socio-demographic characteristics of the area (tenure, income, rent-levels, etc.), local commuting patterns, physical (or other) boundaries, census geographies, and especially the location of comparable and/or potentially competing communities.

In communities such as county seats where that community is the county's largest community and is centrally located and can draw from the entire county, the county may be the market area. In circumstances where there are potentially competing communities in one county, the market area will be that part of the county (and, potentially, portions of adjacent counties) which the proposed development is most likely to draw from. In urban or suburban markets, the market area will be areas adjacent to the site and will extend to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project. Here combinations of census tracts, may be used to define the market area.

The unincorporated community of Chesterfield is located in central Chesterfield County in central Virginia. The market area for the proposed development is defined as central Chesterfield County, as defined by several census tracts. This area is focused on the site of the proposed development and extends to an approximately five mile hinterland. The market area, as defined, therefore is that which constitutes the area adjacent to the site of the proposed development and extends to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project.

# Report for the Glade View Trace Apartments in Chesterfield, Virginia

## Market area



F. EMPLOYMENT AND ECONOMY

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general.

Employment trends

Employment trends for Chesterfield County are illustrated in the table, below. Employment in 2010 was 156,307. Since then, employment has grown - to 183,821 in 2019 - an increase of over 27,500 jobs over that period.

It should be noted that data - both nationally and locally - suggest that employment gains over the last decade or so have been significantly impacted with the onset of the economic disruption caused by the coronavirus pandemic. In Chesterfield County, for example, 182,297 people were employed in September 2020, compared with 189,081 in September 2019 - 6,784 fewer jobs.

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Table 2 - Total Employment

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		Change over previous year	
		<u>number</u>	<u>percent</u>
2010	156,307		
2011	159,940	3,633	2.3
2012	162,433	2,493	1.6
2013	164,793	2,360	1.5
2014	168,197	3,404	2.1
2015	170,275	2,078	1.2
2016	173,447	3,172	1.9
2017	177,006	3,559	2.1
2018	180,588	3,582	2.0
2019	183,821	3,233	1.8

Source: Bureau of Labor Statistics

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Employment trends, by sector

Information on employment, by industry for Chesterfield County in 2018 and 2019 (the most recent annual data) is set out in Table 3, below. From this it is seen that, with respect to employment, the largest subsectors were accommodation and retail trade and healthcare, 13.1 percent and 11.7 percent, respectively, in the most recent year.

Table 3 - Employment, by sector

	2018		2019		pct change
	number	percent	number	percent	
Agriculture, Forestry, etc Mining, etc.					
Utilities	674	0.5	547	0.4	-18.8
Construction	9,997	7.2	10,074	7.3	0.8
Manufacturing	8,135	5.9	7,968	5.8	-2.1
Wholesale trade	5,184	3.7	5,393	3.9	4.0
Retail trade	18,212	13.2	18,007	13.1	-1.1
Transp. and Warehousing	10,545	7.6	8,629	6.3	-18.2
Information	1,346	1.0	1,311	1.0	-2.6
Finance and Insurance	4,555	3.3	4,496	3.3	-1.3
Real estate	1,373	1.0	1,460	1.1	6.3
Professional and Technical services	7,762	5.6	7,584	5.5	-2.3
Management	1,306	0.9	1,283	0.9	-1.8
Administrative and Waste services	10,512	7.6	10,979	8.0	4.4
Educational services	1,286	0.9	1,233	0.9	-4.1
Health Care and Social Assistance	15,843	11.4	16,039	11.7	1.2
Arts, Entertainment, Recreation	2,737	2.0	2,909	2.1	6.3
Accommodation and Food services	12,256	8.9	12,189	8.9	-0.5
Other Services	5,328	3.8	5,116	3.7	-4.0
Unclassified	206	0.1	412	0.3	100.0
Total (all establishments)	138,428		137,108		-1.0

Source: Bureau of Labor Statistics

Unemployment trends

Unemployment trends for Chesterfield County are illustrated in the table, below. Rates for Virginia and for the U.S as a whole are also shown, for reference. Here it is seen that the most recent annual unemployment rate for that county is 2.7 percent, down from 3.0 percent the previous year. The rate was 7.3 percent in 2010.

Again, the impact of the economic disruption caused by the coronavirus pandemic is revealed in unemployment numbers. In Chesterfield County, for example, the unemployment rate was 5.7 percent in September 2020, compared with 2.6 percent in September 2019. The annual average unemployment rate for the US as a whole was 8.1 percent, compared with 3.7 percent for 2019. (Data for 2020 are not yet available at the state or county level.)

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Table 4 - Unemployment trends

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	Chesterfield		
	<u>County</u>	<u>Virginia</u>	<u>U.S.</u>
2010	7.3%	7.1%	9.6%
2011	6.8%	6.6%	8.9%
2012	6.1%	6.1%	8.1%
2013	5.7%	5.7%	7.4%
2014	5.1%	5.2%	6.2%
2015	4.3%	4.5%	5.3%
2016	3.9%	4.1%	4.9%
2017	3.6%	3.7%	4.4%
2018	3.0%	3.0%	3.9%
2019	2.7%	2.8%	3.7%
2020			8.1%

Source: Bureau of Labor Statistics

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**Report for the Glade View Trace Apartments in Chesterfield, Virginia**

**Major Employers**

The major private employers in the Chesterfield County area are listed in Table 5, below. From this table it is seen that the area’s largest employers include Amazon.com, the local healthcare systems, DuPont, UPS, and Wal-Mart. Significant public sources of employment include the Defense Supply Center, the local public schools, and state and local government.

**Table 5 - Major Employers**

<u>Employer Name</u>	<u>Product/Service</u>	<u>Employees</u>
Amazon.com	Internet fulfillment center	1,000 +
HCA Virginia Health System	Healthcare	1,000 +
United Parcel Service	Express delivery service	1,000 +
Wal-mart Stores	Retail trade	1,000 +
Dupont Specialty Products	Chemicals manufacturing	1,000 +
Kroger	Retail food distribution	1,000 +
Bon Secours Richmond	Healthcare	1,000 +
Food Lion	Retail food distribution	1,000 +
Capital One	Financial services	1,000 +
Hill Phoenix	Refrigeration equipment	500 - 999
Maximus Services	Administrative/ support services	500 - 999
YMCA	Civic organization	500 - 999
Atlantic Constructors	Construction	500 - 999
Interspan	Administrative/ support services	500 - 999
Sabra Dipping	Hummus, dips	500 - 999
Virginia Credit Union	Financial services	500 - 999
Lowe's Home Centers	Building materials, etc	500 - 999
Integrity Staffing Solutions	Administrative/ support services	500 - 999
Target	Retail trade	250 -499
Home Depot	Building materials supply, etc	250 -499
Abilene Motor Express	Truck Transportation	250 -499
Results Customer Solution	Administrative/ support services	250 -499
WaWa	Gasoline Stations	250 -499
Xerox State Healthcare	Data Processing, etc.	250 -499
Old Dominion Insulation	Specialty contractors	250 -499

Source: Chesterfield Economic Development

**Report for the Glade View Trace Apartments in Chesterfield, Virginia**

Virginia Economic Development Partnership reports 1,191 new jobs added at 14 locations in recent years (2019 and 2020). With respect to closures and layoffs, the Virginia Economic Development Partnership reports 145 losses at two locations. The VA WARN system itemizes several layoffs throughout the Richmond area - primarily in the retail and hospitality sectors.

The proposed development is not located in a market - such as a resort area - that would need housing for employees in such a specific market, although, as noted, the tourism industry is significant.

**Wages by Industry Sector**

Information on wages, by employment sector, for Chesterfield County is set out in Table 6, below. Here, average wages show some variation - both between sectors and also over time - with average wages increasing by 2.4 percent between 2018 and 2019.

**Table 6 - Wages by Industry Sector**

	<u>2018</u>	<u>2019</u>	<u>pct change</u>
Agriculture, Forestry, etc Mining, etc.			
Utilities	\$2,017	\$2,057	2.0
Construction	\$1,115	\$1,220	9.4
Manufacturing	\$1,407	\$1,400	-0.5
Wholesale trade	\$1,486	\$1,497	0.7
Retail trade	\$563	\$592	5.2
Transp. and Warehousing	\$757	\$873	15.3
Information	\$1,236	\$1,246	0.8
Finance and Insurance	\$1,417	\$1,482	4.6
Real estate	\$1,057	\$1,077	1.9
Professional and Technical services	\$1,524	\$1,496	-1.8
Management	\$2,815	\$2,128	-24.4
Administrative and Waste services	\$669	\$669	0.0
Educational services	\$611	\$630	3.1
Health Care and Social Assistance	\$937	\$970	3.5
Arts, Entertainment, Recreation	\$295	\$292	-1.0
Accommodation and Food services	\$324	\$339	na
Other Services	\$647	\$657	1.5
Unclassified	\$743	\$760	2.3
<b>Total (all establishments)</b>	<b>\$911</b>	<b>\$933</b>	<b>2.4</b>

Source: Bureau of Labor Statistics

Commuting patterns

With respect to commuting, data from the American Community Survey, 46.2 percent of workers resident in the Chesterfield County were employed there. The average driving time to work for residents of that area was 26.6 minutes.

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Table 7 - Commuting Data

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	<u>number</u>	<u>percent</u>
Total Workers	173,790	100.0
Worked in County of residence	80,291	46.2
Worked outside County of residence	93,499	53.8
Mean travel time to work (minutes)	26.6	

Source: 2015 to 2019 American Community Survey; T.Ronald Brown: Research & Analysis

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**Report for the Glade View Trace Apartments in Chesterfield, Virginia**

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Commuting patterns data are no longer provided in the Decennial Census. Here, data are obtained from the LEHD Origin-Destination Statistics program available from the Census Bureau's OnTheMap application. These data, on commuting patterns for persons who live and/or work in the Williamsburg area are set out, below.

Here it is seen that many persons who work in Chesterfield County commute into the County from, adjacent jurisdictions - primarily from Henrico County and the City of Richmond. Likewise, many residents of Chesterfield County commute to work in Richmond and Henrico County, for example.

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Table 8 - Commuting Patterns

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Working in Chesterfield County	40,805
Where Chesterfield County workers are commuting from:	
Henrico County	13,730
Richmond City	11,548
Hanover County	3,730
Powhatan County	2,766
Petersburg City	2,542
Dinwiddie County	2,091
Prince George County	1,979
Hopewell City	1,957
Colonial Heights City	1,628
Elsewhere	30,466
Where Chesterfield County residents are commuting to:	
Henrico County	27,404
Richmond City	23,070
Hanover County	5,026
Fairfax County	3,946
Goochland County	3,173
Petersburg City	2,007
Colonial Heights City	1,802
Virginia Beach City	1,592
Hopewell City	1,505
Elsewhere	23,065

Source: LEHD Origin-Destination Statistics program/OnTheMap; T.Ronald Brown: Research & Analysis

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While the local economy recovers from the impact of the COVID pandemic, the local economic conditions will not likely have a direct positive or negative impact on the subject property, to any significant extent.

**G. DEMOGRAPHIC CHARACTERISTICS**

Population and Household Trends

In 2000, the population of Chesterfield County was 259,903, and in 2010 the population was recorded as 316,236. Population projections for Chesterfield County are provided by the Virginia State Data Center. Based on these data, the population of the area is projected to be 353,553 by 2021, and to be around 376,244 by 2026.

In 2000, the population of the market area was 40,667, and in 2010 the population was recorded as 46,669. Population projections for the market area are based on the average of several small area population projection techniques using census tract trends for 2000 to 2010 in Chesterfield County, corrected for the official State Data Center numbers. Based on these data, the population of the area is projected to be 48,717 by 2021, and to be around 49,410 by 2026.

Information on population trends and changes between 2000 and 2026 are set out in Table 9, below.

Table 9- Population Trends

	Market Area	Chesterfield County
2000	40,667	259,903
2010	46,669	316,236
2021	48,717	353,553
2026	49,410	376,244
absolute change		
2000-2010	6,002	56,333
2010-2021	2,048	37,317
2021-2026	693	22,691
annual change		
2000-2010	600	5,633
2010-2021	186	3,392
2021-2026	139	4,538

Source: 2000 and 2010 Census; Virginia State Data Center; T.Ronald Brown: Research & Analysis

Projections of the number of households for the project market area, and for Chesterfield County are set out in Table 10, below.

In 2000, there were 93,772 households in Chesterfield County and 115,680 in 2010. Based on the population projections set out, above, there will be around 131,293 households in 2021 and 140,692 in 2026.

There were 14,373 households in the market area in 2000 and 17,287 in 2010. Projections show around 18,374 and 18,759 households in 2021 and 2026, respectively.

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Table 10 - Household Trends

---

	Market Area	Chesterfield County
2000	14,373	93,772
2010	17,287	115,680
2021	18,374	131,293
2026	18,759	140,692
absolute change		
2000-2010	2,914	21,908
2010-2021	1,087	15,613
2021-2026	385	9,399
annual change		
2000-2010	291	2,191
2010-2021	99	1,419
2021-2026	77	1,880

Source: 2000 Census and 2010 Census; T.Ronald Brown: Research & Analysis

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Population and household characteristics

Age distribution

The distribution of the population, by age, for the market area, and Chesterfield County is set out in Table 11, below. These data are from the 2010 Census.

Table 11 - Age Distribution

	Market Area		Chesterfield County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
Under 5 years	2,606	5.6	19,897	6.3
5 to 9 years	2,998	6.4	22,791	7.2
10 to 14 years	3,332	7.1	24,195	7.7
15 to 19 years	3,458	7.4	24,886	7.9
20 to 24 years	2,640	5.7	17,509	5.5
25 to 29 years	2,757	5.9	18,085	5.7
30 to 34 years	2,864	6.1	19,796	6.3
35 to 39 years	3,161	6.8	22,238	7.0
40 to 44 years	3,608	7.7	23,798	7.5
45 to 49 years	3,884	8.3	25,688	8.1
50 to 54 years	3,933	8.4	24,542	7.8
55 to 59 years	3,418	7.3	21,698	6.9
60 to 64 years	2,869	6.1	18,235	5.8
65 to 69 years	1,963	4.2	11,949	3.8
70 to 74 years	1,162	2.5	7,606	2.4
75 to 79 years	825	1.8	5,633	1.8
80 to 84 years	613	1.3	4,194	1.3
85 years and over	578	1.2	3,496	1.1
55 and older	11,428	24.5	72,811	23.0
65 and older	5,141	11.0	32,878	10.4
Total	46,669		316,236	

Source: 2010 Census; T.Ronald Brown: Research & Analysis



Age projections

Official population projections by age at the County level are provided by the Virginia State Data Center. Here, the population of Chesterfield County aged 55 years and older is projected to increase from 72,811 in 2010 to 101,189 in 2021 and to 108,648 by 2026.

In 2010, there were a total of 11,428 persons aged 55 years or older in the project market area, in 6,769 households. By 2021, it is projected (on the basis of survivorship rates and the County projections for Chesterfield County) that there will be 20,032 elderly persons in 11,865 households in the market area. By 2026 it is projected that there will be 23,485 elderly persons in 13,911 households in the market area. The number of older renters is projected to increase from 2,284 to 3,149 between 2021 and 2026.

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Table 12 - Population and Households, 55 years and older

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<b>Market Area</b>			
	<u>Population</u>	<u>H'holds</u>	<u>Renters</u>
2000	6,439	3,675	358
2010	11,428	6,769	912
2021	20,032	11,865	2,284
2026	23,485	13,911	3,149
<b>Chesterfield County</b>			
	<u>Population</u>	<u>H'holds</u>	<u>Renters</u>
2000	43,011	25,562	2,704
2010	72,811	44,009	5,973
2021	101,189	61,161	10,919
2026	108,648	65,670	13,280

Source: 2000 Census and 2010 Census; Virginia State Data Center; T.Ronald Brown: Research & Analysis

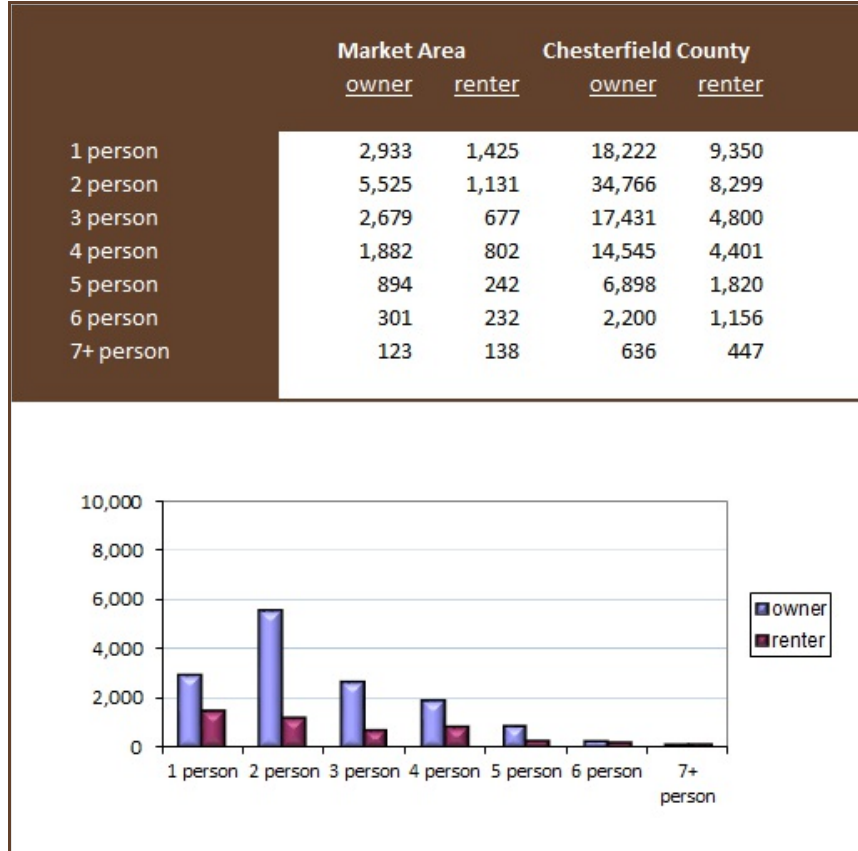
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Household size

Table 13 below, sets out household size, by tenure, for households in the market area, and Chesterfield County.

Table 13 - Household Size



Source: 2015 to 2019 American Community Survey; T.Ronald Brown: Research & Analysis

Tenure

Table 14, below, sets out the number and proportion of owner and renter households for the market area and for Chesterfield County. In the years beyond 2010, the tenure proportions are based on 2000 to 2010 tenure trends. In 2010, 22.6 percent of households in the market area were renters, and 22.5 percent in Chesterfield County were renters.

Table 14 - Tenure

---

Market Area			persons per household	Owner-occupied		Renter-occupied	
	population	households		number	percent	number	percent
2000	40,667	14,373	2.83	11,784	82.0	2,589	18.0
2010	46,669	17,287	2.70	13,375	77.4	3,912	22.6
2021	48,717	18,374	2.65	13,030	70.9	5,344	29.1
2026	49,410	18,759	2.63	12,643	67.4	6,116	32.6
<b>Chesterfield County</b>							
	population	households	persons per household	number	percent	number	percent
2000	259,903	93,772	2.77	75,874	80.9	17,898	19.1
2010	316,236	115,680	2.73	89,603	77.5	26,077	22.5
2021	353,553	131,293	2.69	95,752	72.9	35,542	27.1
2026	376,244	140,692	2.67	99,302	70.6	41,390	29.4

Source: 2000 Census and 2010 Census; T.Ronald Brown: Research & Analysis

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Tenure by age

Table 15, below, sets out the number of owner and renter households, by age of household head for older households in the market area, and in Chesterfield County, based on data in the 2015 to 2019 American Community Survey. From this table it can be seen that, for example, 1,187 out of 9,001 households headed by a person 55 years or older in the market area are renters (13.2 percent).

Table 15 - Tenure of Elderly Households

	Households	Owner-occupied		Renter-occupied	
		number	percent	number	percent
<b>Market Area</b>					
55 to 59 years	1,925	1,598	83.0	327	17.0
60 to 64 years	1,934	1,758	90.9	176	9.1
65 to 74 years	3,282	2,924	89.1	358	10.9
75 to 84 years	1,287	1,106	85.9	181	14.1
85 years and older	573	428	74.7	145	25.3
total, 55 and older	9,001	7,814	86.8	1,187	13.2
total, 65 and older	5,142	4,458	86.7	684	13.3
<b>Chesterfield County</b>					
55 to 59 years	13,890	11,601	83.5	2,289	16.5
60 to 64 years	12,398	10,966	88.4	1,432	11.6
65 to 74 years	19,236	17,236	89.6	2,000	10.4
75 to 84 years	7,624	6,638	87.1	986	12.9
85 years and older	3,340	2,330	69.8	1,010	30.2
total, 55 and older	56,488	48,771	86.3	7,717	13.7
total, 65 and older	30,200	26,204	86.8	3,996	13.2

Source: 2015 to 2019 American Community Survey; T.Ronald Brown: Research & Analysis

Income Distribution

The distribution of household incomes for the market area, and Chesterfield County, are set out in Table 16, below. These figures are taken from the 2015 to 2019 American Community Survey, and as such are subject to the limitations imposed by this source.

The median household income for Chesterfield County as a whole is seen to be \$82,559. The median income for the market area is estimated at \$78,323.

Table 16 - Household Income

	Market area		Chesterfield County	
	number	percent	number	percent
less than \$10,000	457	2.5	3,273	2.6
\$10,000 to \$14,999	590	3.2	2,683	2.1
\$15,000 to \$19,999	311	1.7	2,990	2.4
\$20,000 to \$24,999	392	2.1	2,848	2.3
\$25,000 to \$29,999	703	3.8	4,127	3.3
\$30,000 to \$34,999	803	4.3	4,636	3.7
\$35,000 to \$39,999	529	2.9	4,141	3.3
\$40,000 to \$44,999	912	4.9	5,107	4.1
\$45,000 to \$49,999	777	4.2	4,860	3.9
\$50,000 to \$59,999	1,676	9.0	9,779	7.8
\$60,000 to \$74,999	1,738	9.4	12,487	10.0
\$75,000 to \$99,999	2,924	15.8	18,515	14.8
\$100,000 to \$124,999	2,730	14.7	16,608	13.3
\$125,000 to \$149,999	1,659	8.9	10,876	8.7
\$150,000 to \$199,999	1,843	9.9	11,536	9.2
\$200,000 or more	503	2.7	10,505	8.4
median income	\$78,323 *		\$82,599	

\* Estimate

Source: 2015 to 2019 American Community Survey; T.Ronald Brown: Research & Analysis

Income, by age

The distribution of household incomes for persons aged 65 years and older in the market area, and in Chesterfield County are set out in Table 17, below. Again, these figures are taken from the 2015 to 2019 American Community Survey, and as such are subject to the limitations imposed by this source.

The median household income for older persons in Chesterfield County as a whole is seen to be \$60,130. The median income for the market area is estimated at \$53,052.

Table 17 - Household Income, Households aged 65 and older

	Market area		Chesterfield County	
	number	percent	number	percent
less than \$10,000	148	2.9	1,044	3.5
\$10,000 to \$14,999	306	6.0	1,293	4.3
\$15,000 to \$19,999	218	4.2	1,331	4.4
\$20,000 to \$24,999	232	4.5	1,349	4.5
\$25,000 to \$29,999	310	6.0	1,492	4.9
\$30,000 to \$34,999	455	8.8	1,750	5.8
\$35,000 to \$39,999	180	3.5	1,284	4.3
\$40,000 to \$44,999	398	7.7	1,525	5.0
\$45,000 to \$49,999	177	3.4	1,382	4.6
\$50,000 to \$59,999	487	9.5	2,622	8.7
\$60,000 to \$74,999	441	8.6	2,917	9.7
\$75,000 to \$99,999	632	12.3	3,901	12.9
\$100,000 to \$124,999	475	9.2	3,063	10.1
\$125,000 to \$149,999	278	5.4	1,893	6.3
\$150,000 to \$199,999	183	3.6	1,574	5.2
\$200,000 or more	222	4.3	1,780	5.9
median income	\$53,052 *		\$60,130	

\* Estimate

Source: 2015 to 2019 American Community Survey; T.Ronald Brown: Research & Analysis

Renter Income

The distribution of household incomes for renter households for the market area and Chesterfield County are set out in Table 15, below. These figures are also taken from the 2015 to 2019 American Community Survey.

The median renter household income for Chesterfield County as a whole is seen to be \$50,939. The median income for the market area is estimated at \$56,222.

Table 18 - Household Income, Renter Households

	Market area		Chesterfield County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	252	5.4	1,661	5.5
\$10,000 to \$19,999	336	7.2	2,510	8.3
\$20,000 to \$34,999	742	16.0	4,973	16.4
\$35,000 to \$49,999	728	15.7	5,686	18.8
\$50,000 to \$74,999	1,067	23.0	6,338	20.9
\$75,000 to \$99,999	702	15.1	4,008	13.2
\$100,000 or more	820	17.6	5,097	16.8
median income	\$56,222 *		\$50,939	

\* Estimate

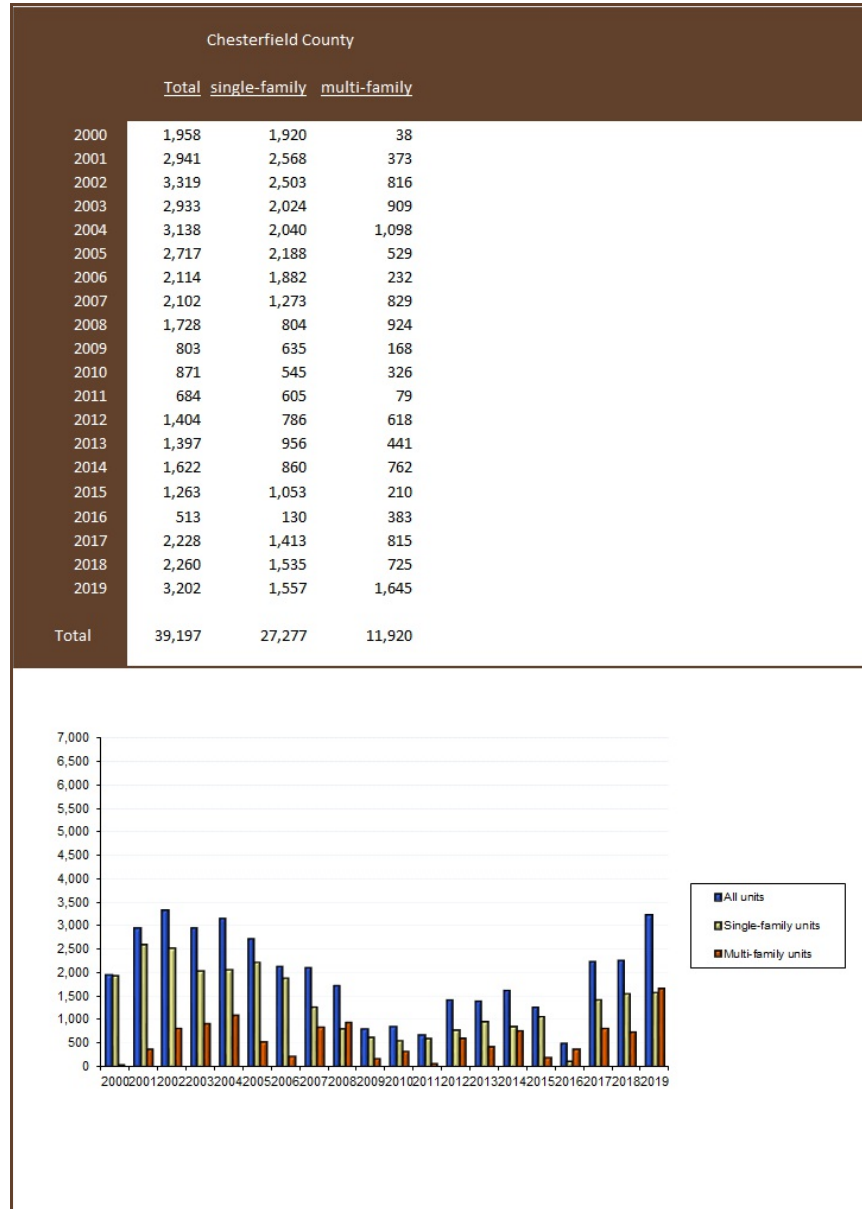
Source: 2015 to 2019 American Community Survey; T.Ronald Brown: Research & Analysis

## Report for the Glade View Trace Apartments in Chesterfield, Virginia

### Building permit trends

Table 19 below gives details of residential construction in Chesterfield County since 2000. Where the data exist, it can be seen that a total of 39,197 units were added throughout the County, of which 11,920 were multi-family units. No data exist for the market area.

Table 19 - Residential Construction Since 2000



Source: Current Construction Reports, Bureau of the Census; T. Ronald Brown: Research & Analysis



#### H. COMPETITIVE ENVIRONMENT

There are three apartment complexes located in the central Chesterfield area which cater to older persons, and a fourth that has been funded - each of which is financed with low income housing tax credits. There are no market rate complexes designated solely for seniors, although one tax credit property offers market rate units. These complexes were identified and surveyed, and where useful information was made available to us, this is presented, below.

Based on information from Virginia Housing, the tax credit properties designated for seniors are as follows:

Chester Village Green (163 units)  
Courthouse Seniors (69 units)  
Grand Oaks (32 units)  
Watermark Gardens (80 units)

Chester Village Green is a large single, three-story, development which opened in 2004. This complex is designated for persons aged 62 years and older. There are a total of 163 units - a mix of 65 one-bedroom units and 98 two-bedroom units. It is understood that 124 units are available at tax credit rents and that there are 39 market rate units. Tax credit rents are \$839 and \$999 for the one - and two-bedroom units, respectively. Market rents are \$1,259 for a one-bedroom unit and \$1,379 for a two- bedroom unit. Rent includes water and sewer, and trash pick-up. The property is reported to have no vacant units at present, with typical occupancy reported to be around 100 percent.

Courthouse Seniors opened in 2002 at a site in Chesterfield. One-bedroom units (of which there are 56) rent for \$941 and the 13 two-bedroom (one and one-half bath) units are available for \$1,124. There is one vacant unit at this location at present. The complex is typically fully occupied, with a waiting list.

Grand Oaks is a 32-unit senior property located off West Hundred Road, adjacent to the 184-unit Grand Oaks family tax credit property. The 32 senior units have one bathroom and rent for \$1,124, including utilities. There are no vacant units at this location at present - with the property staying effectively full, with a waiting list.

The Watermark Gardens is an 80-unit tax credit-financed complex for seniors that was awarded credits in 2020. It is to be located on Iron Bridge Road, roughly halfway between the Chippenham Parkway and the World War II Veterans Memorial Highway, in both-central Chesterfield County. This site is located within, but in the extreme northern portion of the market area for the proposed development. There will be eight one-bedroom units and 72-two-bedroom units, with rents targeted at 30 percent, 50 percent, 60 percent, and 80 percent of the median. Construction is expected to start in the Spring of 2021.

There are no subsidized complexes which cater to seniors located in the project market area. The closest is the Rockwood Village complex, which is located off Courthouse Road, south of US 360. Here, there are 82 one-bedroom units that were built in 2000 and financed through the HUD §202 program.



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**Report for the Glade View Trace Apartments in Chesterfield, Virginia**

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Based on our survey of the senior units in this area , there is a market-wide occupancy rate of 99.6 percent - there being one vacant unit out of a total of 264 units. Each of these complexes are tax credit financed.

Again, there are no market rate senior properties in the market area (although, as noted, 39 units are available at market rents at Chester Village Green).

As noted, there are no potentially comparable market rate apartment developments that cater to the elderly in the market area. Thus, several market rate properties have been identified as potential comparable properties - they have been chosen on the basis of age, location, and bedroom mix.. Information for the one- and two-bedroom units at these various properties are summarized below.

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Table 20 - Market Rate Properties

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<u>Property</u>	<u>Year built</u>	<u>One-bedroom rents</u>	<u>Two-bedroom rents</u>
Meridian at Watermark	2011	\$1,115-1,525	\$1,395-1,425
River Forest	2005	\$1,285	\$1,315-1,455
Waterside at Ironbridge	1987	\$1,096-1,171	\$1,234-1,292

Source: Apartment Managers; T. Ronald Brown: Research & Analysis

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The location, rent levels, unit size, age, features, and amenities were analyzed in order to try to establish an estimate of market rent levels for the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around \$1,151 for a one-bedroom unit and around \$1,278 for a two-bedroom unit. Here, it should be noted that the market rate units at the Chester Village Green property rent for \$1,259 for a one-bedroom unit and for \$1,379 for a two-bedroom unit (including utilities). With respect to the subject property, these rents are seen to above the proposed rents at 60 percent of the median, and significantly above those at lower levels. The rent for the two-bedroom units at 80 percent of the median is seen to be commensurate with the estimate of market rent and the rent for the existing market rate units in the area, given that the proposed development will not be made available until 2023.



River Forest



Meridian Watermark



Waterside at Ironbridge

**Report for the Glade View Trace Apartments in Chesterfield, Virginia**

The various complexes surveyed are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Chester Village Green	LIHTC/market rate	2004	163	0	100.0
Courthouse Seniors	LIHTC	2002	69	1	98.6
Grand Oaks	LIHTC	2008	32	0	100.0
Watermark	LIHTC	2023	80	n/a	n/a

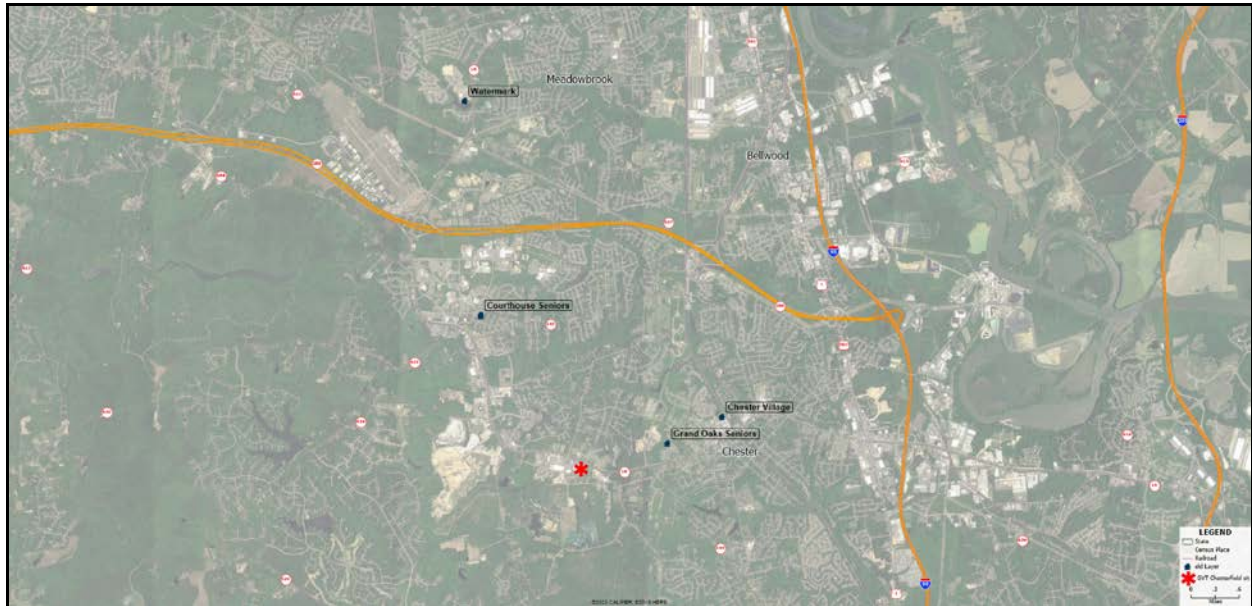
	0 br/1ba			1 br/1ba		
	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>
Glade View Trace						
Chester Village Green				59	786	\$839-1,259
Courthouse Seniors				56	640	\$941
Grand Oaks						
Watermark						

	2 br/1-1½ ba			2 br/2 ba		
	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>
Glade View Trace					950	\$512-1,420
Chester Village Green	104	958	\$999-1,379			
Courthouse Seniors	13	894	\$1,124			
Grand Oaks	32	998	\$1,124			
Watermark						

# Report for the Glade View Trace Apartments in Chesterfield, Virginia

## Apartment locations





**Chester Village Green**

Location: 11701 Chester Village Dr., Chester  
 Financing: LIHTC  
 Year built: 2004  
 Total units: 163  
 Vacant unit: 0 (100 percent occupied)

Telephone: 804.425.1200

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>2 br/1 ba</u>
Units:	52	7	73	31
Unit size (sq. ft.):	786	786	958	958
Rent:	\$839*	\$1,259	\$999*	\$1,379
Rent/sq. ft.:	\$1.07*	\$1.60	\$1.04*	\$1.44

Management: Franklin Johnston Group (Cathy [2/22])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Security/ gate  Parking (Garages)  Laundry

Unit features: Microwave  Dishwasher  Washer/Dryer (\$ )  Washer/Dryer Hook-up   
 Fireplaces (\$ )  Patios/balconies

\* tax credit



**Courthouse Seniors**

Location: 6500 Fore Circle, Chesterfield  
 Financing: LIHTC  
 Year built: 2002  
 Total units: 69  
 Vacant unit: 1 (98.6 percent occupied)

Telephone: 804.796.9191

	<u>1 br/1 ba</u>	<u>2 br/1 ½ ba</u>
Units:	56	13
Unit size (sq. ft.):	640	894
Rent:	\$941*	\$1,124*
Rent/sq. ft.:	\$1.47*	\$1.26*

Management: Fore Property Group (Barbara [2/23])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Security/ gate  Parking (Garages)  Laundry

Unit features: Microwave  Dishwasher  Washer/Dryer (\$ )  Washer/Dryer Hook-up   
 Fireplaces (\$ )  Patios/balconies

\* tax credit





**Grand Oaks**

Location: 5301 Grand Oaks Forest Circle, Chester  
Financing: LIHTC  
Year built: 2008  
Total units: 32  
Vacant unit: 0 (100 percent occupied)

Telephone: 804.706.9435

2 br/1 ba

Units: 32  
Unit size (sq. ft.): 998  
Rent: \$1,124\*  
Rent/sq. ft.: \$1.13\*

Management: NRP Group (Liz [2/22])  
Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
Business Center  Security/ gate  Parking (Garages)  Laundry

Unit features: Microwave  Dishwasher  Washer/Dryer (\$ )  Washer/Dryer Hook-up   
Fireplaces (\$ )  Patios/balconies

\* tax credit

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

**Demand Analysis**

The proposed development will rent to older adults - defined as those aged 55 years and older.

The market for the proposed apartments is derived from two principal sources: the population and household growth market, and from existing households currently living in the area who could move to the project were it to be made available. With respect to the latter, separate consideration is given to market area renter households and market area owner-occupied households.

Income is a key variable in the analysis of housing markets. Of the 50 units proposed, five will be targeted to households with incomes up to 30 percent of the median, 20 will be targeted to households with incomes up to 50 percent of the median, with eight targeted at 60 percent of the median, and 17 units will be targeted at 80 percent of the median (and therefore applying income averaging).

The HUD income limits for Chesterfield County (the Richmond MSA) are set out below. The median income for Chesterfield County in 2020 is \$89,400 - having been \$86,400 in 2019, and \$73,900 in 2010. This represents a 3.5 percent increase over the previous year, and a 21.0 percent increase over the last decade (or an average of 1.92 percent per year).

The maximum housing expenses for the proposed units are based on the above income limits and assume an average 1.5 persons per household and that renters will pay no more than 30 percent of their incomes on housing expenses (rent plus utilities).

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**Table 21 - Income Limits and Maximum Housing Costs**

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Income Limits				
	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
1 person	\$18,780	\$31,300	\$37,560	\$50,080
2 person	\$21,480	\$35,800	\$42,960	\$57,280
3 person	\$24,150	\$40,250	\$48,300	\$64,400
Maximum Housing Costs				
	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
1 bedroom	\$503	\$839	\$1,007	\$1,342
2 bedroom	\$604	\$1,006	\$1,208	\$1,610

Source: HUD

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**Report for the Glade View Trace Apartments in Chesterfield, Virginia**

Information as to rents and income targeting, and qualifying income ranges are set out in Table 22, below

Table 22 - Rents and Income Targeting

Income targeting					
	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>	<u>Total</u>
2 bedroom	5	20	8	17	50
total	5	20	8	17	50
proposed rents					
	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>	
2 bedroom	\$512	\$915	\$1,110	\$1,420	
proposed rents as a proportion (%) of maximum					
	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>	
2 bedroom	99.9	100.0	99.5	93.9	

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowance for the proposed development is \$91 for the two-bedroom units.

From the table above, it can be seen that housing expenses at the proposed apartments effectively fall at or near the maximum allowable for the units targeted at each of the 30 percent, 50 percent levels, and 60 percent levels. The rent for the units at 80 percent of the median is seen to be around 94 percent of the maximum allowable.

**Report for the Glade View Trace Apartments in Chesterfield, Virginia**

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Qualifying income ranges are a function of the income needed to afford the proposed units and the mandated upper income limits. There is no official lower income limit for the proposed apartments. However, for the purposes of this report it is assumed that tenants will pay no more than 40 percent of their income on housing costs (rent and utilities). The upper limits are a function of household size - based on a standard of one and one-half persons per bedroom, capped at two persons for elderly complexes). The qualifying income limits for one- bedroom units are based on the proposed rent levels relative to the maximum allowable.

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Table 23 - Qualifying Income Ranges

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qualifying income ranges		
	<u>30 percent</u>	
	lower	upper
2 bedroom	\$18,090	\$21,480
	<u>50 percent</u>	
	lower	upper
2 bedroom	\$30,180	\$35,800
	<u>60 percent</u>	
	lower	upper
2 bedroom	\$36,030	\$42,960
	<u>80 percent</u>	
	lower	upper
2 bedroom	\$45,330	\$57,280

Source: Applicant; T Ronald Brown: Research & Analysis

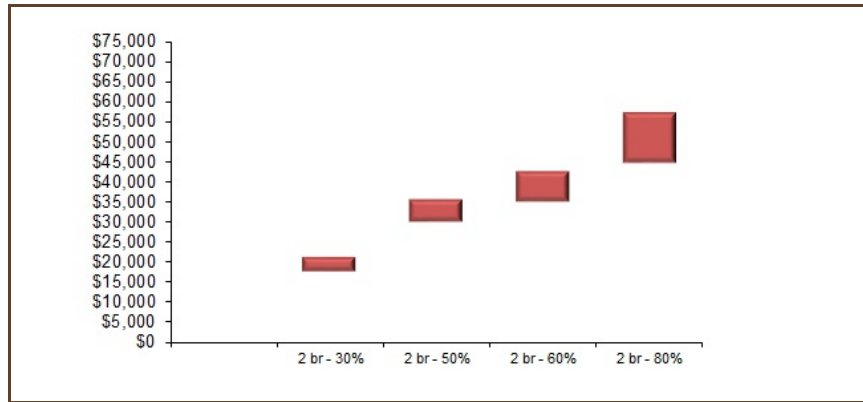
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## Report for the Glade View Trace Apartments in Chesterfield, Virginia

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The various qualifying income ranges, by bedroom mix and income targeting are illustrated, below. It should be noted from the diagram that the target income ranges for the two-bedroom units are somewhat compressed because two-person households are to be used for the upper income limit (and 1.5 persons for one-bedroom units). Any gaps and/or overlaps between these target income ranges will necessarily be taken into consideration in our calculations.



The major variables to be examined are age, tenure, and income. These data are no longer available from the Decennial Census. Nonetheless, data can be extrapolated from the most recent American Community Survey - again, subject the limitations of those data. These data, for the market area for the proposed complex, are set out below.

**Table 24 - Household Income, Older Renter Households**

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Income	All Older Owners		All Older Renters		Overburdened Renters	
	Number	Percentage	Number	Percentage	Number	Percentage
Up to \$10,000	1,249	6.3	300	8.4	207	9.4
\$10,000 - \$19,999	3,191	16.0	966	27.2	650	29.5
\$20,000 - \$34,999	4,697	23.6	1,050	29.6	754	34.2
\$35,000 - \$50,000	3,795	19.1	648	18.2	399	18.1
\$50,000 - \$75,000	3,627	18.2	264	7.4	84	3.8
\$75,000 - \$100,000	1,298	6.5	162	4.6	49	2.2
\$100,000 and over	2,032	10.2	162	4.6	59	2.7
<b>Total</b>	<b>19,889</b>		<b>3,551</b>		<b>2,201</b>	<b>62.0</b>

Source: 2015 to 2019 American Community Survey; T.Ronald Brown: Research & Analysis

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As noted, these data are necessarily from the American Community Survey and are based on the 5-year average for the period from 2015 to 2019 - and not for a specific year.

From this table it can be seen that 8.4 percent of the market area older renter households have incomes less than \$10,000 and a further 27.2 percent have incomes between \$10,000 and \$20,000. Around 29.6 percent of older renters are seen to be in the \$25,000 to \$35,000 income range. As many as 62 percent of all older renters are rent-overburdened. This table also illustrates how rent-overburdened households are concentrated in the lower income groups.

Based on the income ranges set out in Table 23 and the income distribution set out in Table 24, it is found that 10.9 percent of households at the 30 percent of the qualify for the proposed units, and around 14.3 percent of market area older renter households qualify for units at 50 percent of the median. The corresponding figures for units at the 60 percent and 80 percent levels are 13.1 percent and 14.6 percent, respectively.

Projections of need and demand are based upon a 2021 to 2026 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

The number of elderly renters is projected to increase by 865 between 2021 and 2026 (from 2,284 to 3,149 households). Based on the distribution of elderly renter household incomes there are 458 new elderly renter households which qualify for the proposed development.

Again, the market for the proposed apartments comprises not only demand from population and household growth, but also from existing older households—both homeowners and renters—who would move to the new apartments were they made available. The extent to which any new development is able to attract a certain share of this market is largely a factor of several interrelated factors. These include the location of the development, the amenities it offers, the quality of design and the effectiveness of the development’s marketing and management. That is, the perceived value of the community in terms of price, convenience, and life-style.

Our calculations show that there will be a total of 1,665 older renter households in the qualifying income ranges in the project market area. These figures have to be adjusted to reflect the proportion that are likely to move to a new complex . With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, 68.2 percent of renters at the 30 percent level are rent-overburdened, and 71.4 percent of renters qualifying at 50 percent are overburdened. Around 64.8 percent of those at 60 percent of the median are rent-overburdened, with the corresponding proportion for households at 80 percent of the median being 52.2 percent. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. The proportion is based on a two-year loss of 1.2 percent of rental units detailed in the 2016 Edition of “Components of Inventory Change” published by HUD. Based on the number of rental units in the project market area this translates to a need for an additional 51 units.

Our calculations show that there will be a total of 4,504 older owner-occupied households in the qualifying income ranges in the market area. With respect to the existing elderly homeowners it is realistically assumed that perhaps 5 percent would consider moving to the proposed apartments. This translates to around 224 new older renters.

**Report for the Glade View Trace Apartments in Chesterfield, Virginia**

Total demand is therefore seen to amount to 1,795 units. This total demand has to be segmented to determine demand by number of bedrooms per unit. For the purposes of this report, it can be reasonably assumed that up two-thirds of older households would choose a one-bedroom unit, and one-third would chose a two-bedroom unit.

These figures are based on a 2021 to 2026 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. One directly comparable project has been added in the project market area over the projection period. This is the 80-unit Watermark Gardens complex that was funded in 2020. The property will have eight one-bedroom units and 72 two-bedroom units - with units targeted at 30 percent, 50 percent, 60 percent, 70 percent, and 80 percent of the median. No other comparable properties have been funded or are under construction in the market area. The net need is therefore for 1,715 units.

The preceding calculations are summarized in the table, below.

Table 25 - Demand Calculations

	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>	<u>Total</u>
(i) income eligible new renter households	94	124	113	126	458
(ii) income eligible existing renter households	343	452	412	459	1,665
(iii) existing renter households, likely to move	234	322	267	239	1,063
(iv) renters in obsolete housing	10	14	13	14	51
(v) income eligible existing owner households	684	1,178	1,322	1,294	4,478
(vi) existing owner households, likely to move	34	59	66	65	224
 Total demand (i)+(iii)+(iv)+(vi)	 373	 519	 459	 444	 1,795
 Supply	 8	 32	 24	 16	 80
 Net demand	 365	 487	 435	 428	 1,715

Source: T. Ronald Brown: Research & Analysis

**Report for the Glade View Trace Apartments in Chesterfield, Virginia**

Capture rates are illustrated in the table, below.

**Table 26 - Capture Rates**

	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>	<u>Total</u> *
<b>Total demand</b>					
1 bedroom	246	343	303	293	1,184
2 bedroom	127	176	156	151	610
<b>Total</b>	<b>373</b>	<b>519</b>	<b>459</b>	<b>444</b>	<b>1,795</b>
<b>Supply</b>					
1 bedroom	8	0	0	0	8
2 bedroom	0	32	24	16	72
<b>Total</b>	<b>8</b>	<b>32</b>	<b>24</b>	<b>16</b>	<b>80</b>
<b>Net demand</b>					
1 bedroom	238	343	303	293	1,176
2 bedroom	127	144	132	135	538
<b>Total</b>	<b>365</b>	<b>487</b>	<b>435</b>	<b>428</b>	<b>1,715</b>
<b>Units proposed</b>					
1 bedroom	0	0	0	0	0
2 bedroom	5	20	8	17	50
<b>Total</b>	<b>5</b>	<b>20</b>	<b>8</b>	<b>17</b>	<b>50</b>
<b>Capture rates</b>					
1 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
2 bedroom	3.9%	13.8%	6.1%	12.6%	9.3%
<b>Total</b>	<b>1.4%</b>	<b>4.1%</b>	<b>1.8%</b>	<b>4.0%</b>	<b>2.9%</b>

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, the proposed 50-unit development amounts to 2.9 percent of the total net need.

The capture rate, by bedroom, is determined to be 9.3 percent for the 50 two-bedroom units.

The five two-bedroom units targeted at 30 percent of the median amount to 1.4 percent of the demand for two-bedroom units at that target income level. The 20 two-bedroom units at 50 percent of the median amount to 13.8 percent of demand at that target level, and the eight two-bedroom units targeted at the 60 percent level amount to around 6.1 percent of demand for two-bedroom units at that level. The 17 two-bedroom units targeted at 80 percent represent 12.6 percent of demand at that level.

The capture rates presented above are considered reasonable for this property.

#### ABSORPTION RATES

As noted, the capture rates presented above are considered realistic. Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated five-month period, or so.



### Affordability Analysis

Here, an affordability analysis addresses the total number of income eligible renter households in the market are relative to the size of the proposed development.

The minimum income is that associated with the rent for the least expensive unit offered, and the upper limit is based on the 80 percent limit (the highest target income range) for the largest unit size, by number of bedrooms. Here, the lower income is seen to be that for the proposed two-bedroom units that will be targeted to households at the 30 percent level. That is, \$512 per month. Given a \$91 utility allowance and a 40 percent rent-to-income ratio, the lower qualifying income is seen to be \$18,090. The upper income is \$57,280. Based on the income data set out in Table 24, there are found to be 2,138 older renter households in that range. Thus, the proposed 50-unit development corresponds to a 2.3 percent affordability analysis capture rate.

### Penetration rate.

A penetration rate is defined, for the purposes of this analysis, as the proportion of income-eligible households needed to fill the proposed development, plus those in existing competitive units, plus any in competitive units that are approved and funded for future development.

The lower income limit for this analysis is the income needed to afford the least expensive competitive unit in the market (or the rent for the least-expensive proposed unit, if lower), and the upper income limit is the upper income limit for the competitive units (or the proposed units, if higher). Our survey of the existing, competitive inventory, shows that there are no existing properties that are comparable to the proposed units (given that Watermark Gardens has yet to be placed-in-service). Thus, given the rents for the proposed development, the target income range for this market is that as set out above. That is, from \$18,030 to \$57,280. There are as, noted, 2,138 qualifying elderly renter households in the market area. It is seen that 40 units are proposed, there are 118 comparable tax credit (two-bedroom) units (at the Chester Village Green, Courthouse Seniors and Grand Oaks complexes), with 72 comparable units under construction or funded for future construction (at Watermark Gardens) - a total of 240 units. Thus, the penetration rate - as defined - amounts to 11.2 percent.

### Summary

Consideration of the capture rate (2.8 percent), the (2.3 percent) affordability analysis capture rate and (11.2 percent) penetration rate suggests that the proposed development is marketable, as proposed.

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

As part of the research for this market study, interviews were held with property managers, local government officials, and others with particular knowledge of the local housing market. The proposed development will offer an attractive, new, apartment complex - to be leased subject to the provisions of the Low Income Housing Tax Credit program. Property managers of existing complexes and/or other representatives of management companies were a potential source of information.

As noted, property managers are a major source of information for a project such as that proposed (their contact details are provided as part of the rental survey set out in the previous pages). Cathy, the manager at Chester Village Green, believes that a new complex for seniors who be well-received, especially for units targeted at or below 50 percent of median income. The manager at Courthouse seniors - Barbara - believes that a new complex for seniors is absolutely needed, stating that she has a long waiting list and gets daily phone calls enquiring about availability. Liz, who manages Grand Oaks points to a long waiting list as evidence that new senior housing is needed in the area.

**K. ANALYSIS/CONCLUSIONS**

Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated five-month period, or so.

Based on the proposed development's site, bedroom mix, amenities and features, the proposed development is considered marketable and should be accepted in this market.

The site location will offer a significant advantage as will the proposed rents, particularly those set to be affordable to households at 30 and 50 percent of the median.

The proposed development should not have a negative impact on existing housing.

It is our recommendation that, based upon our analysis, the proposed apartments should be developed as proposed, and that the project should be awarded low income housing tax credits. This conclusion is based on our analysis of the economic and demographic criteria of the project market area as defined and on our project specific demand analysis and survey of the supply of rental housing in the market--as set out in the foregoing report and summarized in the Executive Summary.

L. OTHER REQUIREMENTS

Statement and signature

I affirm the following:

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



Market Analyst

Date March 18, 2021

As affirmed in the Scope of Work, there is no identity of interest between the analyst and the entity for which the report has been prepared.

Similarly, the recommendations and conclusions are based solely on the analyst's experience, opinion, and best efforts.

### Analyst Qualifications

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis.

The President of the firm is T. Ronald Brown. He has 30 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last two decades or so, Mr. Brown has produced around 2,500 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland.

The firm has primary experience in market analysis for residential projects including both single-family homes and multi-family units (for sale and for rent). A significant proportion of the firm's business focuses on apartment market studies—for family renters and for elderly persons. These reports include conventionally financed projects (including HUD 221 (d) (4) projects), affordable housing (including low income tax credit financed projects) and subsidized housing.

Clients include for-profit developers, non-profit developers and community development corporations, state housing finance agencies, syndicators, and municipalities.

List of sources

The foregoing reports contains information from a variety of sources - those sources (such as contact numbers for property interviews) are cited at the appropriate place in the report itself. The major sources of data include:

The U.S. Census - 2000 and 2010, and the American Community Survey (2015-2019)  
Virginia Housing  
U.S. Department of HUD  
Virginia State Data Center/Weldon Cooper Center for Public Service  
Virginia Employment Commission  
Virginia Economic Development Partnership  
Chesterfield County  
U.S. Bureau of Labor Statistics  
HUDUSER (e.g., SOCDs building permits database)

## Report for the Glade View Trace Apartments in Chesterfield, Virginia

### Market study Checklist

A. Executive Summary	Pages
Executive Summary	1-2
B. Scope of Work	
Scope of Work	3-4
C. Project Description	
Unit mix inc. bedrooms, bathrooms, sq. footage, rents and Income targeting	5
Utilites (and utility sources) included in rent	5
Target market/population description	5
Project description inc. unit features and community amenities	5
Date of construction/preliminary completion	5
Scope of work, existing rents, and existing vacancies (rehabilitation)	5
D. Location	
Concise description of the site and adjacent parcels	10
Site photos/maps	10-13
Map of community services	16
Site evaluation/neighborhood inc. visibility, accessibility and crime	14-15
E. Market area	
Market area description	17
Market area map	18
F. Employment and Economy	
Employment trends	19
Employment by sector	20
Unemployment rates	21
Major employers/employment centers and proximity to site	22
Recent or planned employment expansions/reductions	23
G. Demographic Characteristics	
Population and household estimates and projections	26-27
Area building permits	36
Population and household characteristics inc. income, tenure, and size	28-35
For senior or special need projects, data specific to target market	29,32,34
H. Competitive Environment	
Comparable property profiles and photos	42-44
Map of comparable properties	41
Existing rental housing evaluation inc. vacancy and rents	37-38
Comparison of subject to comparable properties	39-40
Discussion of availability and cost of other affordable housing options	n/a
Rental communities under construction, approved, or proposed	37,51
Data specific to target market (senior/special needs)	n/a
I. Affordability, Demand, and Penetration Rate Analysis	
Estimate of demand	35-53
Affordability analysis, with capture rate	54
Penetration rate analysis with capture rate	54
J. Analysis/Conclusions	
Absorption rate and estimated stabilized occupancy for subject	56
Evaluation of proposed rent levels, inc estimate of market rent	56
Precise statement of key conclusions	56
Market strengths and weaknesses impacting project	56
Product recommendations and/or suggested modifications to subject	56
Discussion of subject property's impact on existing housng	56
Discussion of risks or other mitigating circumstances impacting subject	56
Interviews with area housing stakeholders	55
K. Other Requirements	
Certifications	57-58
Statement of quailifications	59
Sources of data not otherwise identified	60



## MARKET STUDY TERMINOLOGY

The following presents the accepted definitions of various terms typically found in real estate market studies. These definitions are typically followed unless reviewing agency requirements differ.

**Absorption period** - the period of time necessary for a newly constructed or renovated property to achieve the *stabilized level of occupancy*. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the *stabilized level of occupancy* has a signed lease. Assumes a typical premarketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

**Absorption rate** - the average number of units rented each month during the *absorption period*.

**Acceptable rent burden** - the rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

**Achievable rents** - See *Market Rent, Achievable Restricted Rent*.

**Affordable housing** - housing affordable to low or very low-income tenants.

**Amenity** - tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.

**Annual demand** - the total estimated demand present to the market in any one year for the type of units proposed.

**Assisted housing** - housing where federal, state or other programs *subsidize* the monthly costs to the tenants.

**Bias** - a proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.

**Capture rate** - the percentage of age, size, and income qualified renter households in the *primary market area* that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. 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*. See also: penetration rate.

**Comparable property** - a property that is representative of the rental housing choices of the subject's *primary market area* and that is similar in construction, size, amenities, location, and/or age. Comparable and *competitive* properties are generally used to derive market rent and to evaluate the subject's position in the market.

**Competitive property** - a property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

**Comprehensive market study** - NCHMA (the National Council of Housing Market Analysts) defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'

**Concession** - discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).

**Demand** - the total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

**Effective rents** - contract rent less concessions.

**Household trends** - changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.e. at marriage or separation), changes in average household size, and net *migration*.

**Income band** - the range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined *acceptable rent burden* percentage and the maximum typically<sup>7</sup> is pre-defined by specific program requirements or by general market parameters.

**Infrastructure** - services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

**Market advantage** - the difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property.  $(\text{market rent} - \text{proposed rent}) / \text{market rent} * 100$

**Market analysis** - a study of real estate market conditions for a specific type of property.

**Market area** - See *primary market area*.

**Market demand** - the total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand. A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.

**Market rent** - the rent that an apartment, without rent or income restrictions or rent subsidies, would command in the *primary market area* considering its location, features and amenities. Market rent should be adjusted for *concessions* and owner paid utilities included in the rent.

**Market study** - a comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.

**Marketability** - the manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

**Market vacancy rate, economic** - percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.

**Market vacancy rate, physical** - average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.

**Migration** - the movement of households into or out of an area, especially a *primary market area*.

**Mixed income property** - an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50%, and 60%).

**Mobility** - the ease with which people move from one location to another.

**Move-up demand** - an estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to new tax credit properties.

**Multi-family** - structures that contain more than two housing units.

**Neighborhood** - an area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

**Net rent (also referred to as contract rent or lease rent)** - Gross rent less tenant paid utilities.

**Penetration rate** - The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed with six months of the subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market \* 100, see also: capture rate.

**Pent-up demand** - a market in which there is a scarcity of supply and vacancy rates are very low.

**Population trends** - changes in population levels for a particular area over a specific period of time – which is a function of the level of births, deaths, and net *migration*.

**Primary market area** - a geographic area from which a property is expected to draw the majority of its residents.

**Programmatic rents** - See *restricted rents*.

**Project based rent assistance** - rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

**Redevelopment** - the redesign or rehabilitation of existing properties.

**Rent burden** - gross rent divided by adjusted monthly household income.

**Rent burdened households** - households with *rent burden* above the level determined by the lender, investor, or public program to be an acceptable rent-to-income.

**Restricted rent** - the rent charged under the restrictions of a specific housing program or subsidy.

**Restricted rent, achievable** - the rents that the project can attain taking into account both market conditions and rent in the *primary market area* and income restrictions.

**Saturation** - the point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.

**Secondary market area** - the portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.

**Special needs population** - specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs population include: substance abusers, visually impaired person or persons with mobility limitations.

**Stabilized level of occupancy** - the underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

**Subsidy** - monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's *contract rent* and the amount paid by the tenant toward rent.

**Substandard conditions** - housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

**Target income band** - the *income band* from which the subject property will draw tenants.

**Target population** - the market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.

**Tenant paid utilities** - the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

**Turnover period** - 1. An estimate of the number of housing units in a market area as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period.  $\text{Housing units with new occupants} / \text{housing units} * 100$  2. The percent of occupants in a given apartment complex that move in one year.

**Unmet housing need** - new units required in the market area to accommodate household growth, homeless people, and housing in substandard conditions.

**Unrestricted rents** - rents that are not subject to *restriction*.

**Unrestricted units** - units that are not subject to any income or rent restrictions.

**Vacancy period** - the amount of time that an apartment remains vacant and available for rent.

**Vacancy rate-economic vacancy rate - physical** - maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

## Other Terms

The following terms are also to be found in professional market studies - here, this information is drawn from various sources including HUD, the Census Bureau, and the Urban Land Institute.

**Area Median Income (AMI)** - 100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.

**Attached housing** - two or more dwelling units connected with party walls (e.g. townhouses or flats).

**Basic rent** - the maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

**Below Market Interest Rate program (BMIR)** - Program targeted to renters with income not exceeding 80% or area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

**Census tract** - a small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

**Central Business District (CBD)** - the center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

**Community Development Corporation (CDC)** - entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

**Condominium** - a form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

**Contract rent** - 1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).



**Difficult Development Area (DDA)** - an area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.

**Detached housing** - a freestanding dwelling unit, typically single-family, situated on its own lot.

**Elder or senior housing** - housing where (1) all units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

**Extremely low income** - person or household with income below 30% of the Area Median Income adjusted for household size.

**Fair Market Rent (FMR)** - the estimates established by HUD of the Gross rents (Contract rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally set FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50<sup>th</sup> percentile of rents.

**Garden apartments** - apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.

**Gross rent** - the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

**High-rise** - a residential building having more than ten stories.

**Household** - one or more people who occupy a housing unit as their usual place of residence.

**Housing unit** - house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

**Housing Choice Voucher (Section 8 Program)** - federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households in the use of the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

**Housing Finance Agency (FHA)** - state or local agencies responsible for financing housing and administering assisted housing programs.

**HUD Section 8 Program** - federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the contract rent and a specified percentage of tenants' adjusted income.

**HUD Section 202 Program** - federal program which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

**HUD Section 811 Program** - federal program which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.

**HUD Section 236 Program** - federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

**Income limits** - maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes income limits each year for 30% median. Very low income (50%), and low income (80%), for households with 1 through 8 people.

**Low income** - person or household with gross household income below 80% of Area Median Income adjusted for household size.

**Low income housing tax credit** - a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.

**Low rise building** - a building with one to three stories.

**Metropolitan Statistical Area (MSA)** - a geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities have a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

**Mid-rise** - a building with four to ten stories.

**Moderate income** - person or household with gross household income between 80 and 120 percent of area median income adjusted for household size.

**Public Housing or Low Income Conventional Public Housing** - HUD program administered by local (or regional) Housing Authorities which serves low- and very-low income households with rent based on the same formula used for HUD Section 8 assistance.

**Qualified Census Tract (QCT)** - any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60% of the area median income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credit may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.

**Rural Development (RD) market rent** - a monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. The rent is the maximum rent that a tenant can pay at an RD Property.

**Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program)** - federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

**Single-family housing** - a dwelling unit, either attached or detached, designed for use by one household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

**State Data Center (SDC)** - a state agency or university facility identified by the governor of each state to participate in the Census Bureau's cooperative network for the dissemination of the census data.

**Tenant** - one who rents real property from another.

**Tenure** - the distinction between owner-occupied and renter-occupied housing units.

**Townhouse (or Row House)** - single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.

**Very low income** - person or household whose gross household income does not exceed 50% of Area Median Income adjusted for household size.

**Zoning** - classification and regulation of land by local governments according to use categories (zones); often also includes density designations.