



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Holly Court
201 Wiggins Avenue
Kilmarnock, Lancaster County, Virginia 22482

Prepared For

Ms. Samantha Brown
Community Housing Partners
4915 Radford Avenue, Suite 300
Richmond, Virginia 23230

Authorized User

Virginia Housing
601 S. Belvidere Street
Richmond, Virginia 23220

Effective Date

February 10, 2021

Job Reference Number

21-191 JP

Market Study Certification

NCHMA Certification

This certifies that Ron Pompey, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Kilmarnock, Virginia. Further, the information contained in this report is true and accurate as of February 10, 2021.

Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee for the preparation of the market study. However, no contingency fees exist between our firm and the client.

Virginia Housing Certification

I affirm the following:

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

Certified:



Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: February 10, 2021



Ron Pompey

Market Analyst

ronp@bowenational.com

Date: February 10, 2021



Patrick M. Bowen

President/Market Analyst

Bowen National Research

155 E. Columbus St., Suite 220

Pickerington, OH 43147

(614) 833-9300

patrickb@bowenational.com

Date: February 10, 2021

Table of Contents

- I. Introduction
 - II. Executive Summary
 - III. Project Description
 - IV. Area Analysis
 - V. Rental Housing Analysis (Supply)
 - VI. Achievable Market Rent Analysis
 - VII. Capture Rate Analysis
 - VIII. Local Perspective
 - IX. Analysis & Conclusions
 - X. Site Photographs
 - XI. Comparable Property Profiles
 - XII. Field Survey of Conventional Rentals
 - XIII. Qualifications
- Addendum A – NCHMA Member Certification & Checklist

I. Introduction

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be renovated in Kilmarnock, Virginia. This study was initiated by Ms. Samantha Brown of Community Housing Partners and complies with the guidelines of Virginia Housing. This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the subject site is identified. The Site PMA is generally described as the smallest geographic area expected to generate most of the support for the subject project. Site PMAs are not defined by radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors that include, but are not limited to:

- A detailed demographic and socioeconomic evaluation.
- Interviews with area planners, realtors and other individuals who are familiar with area growth patterns.
- A drive-time analysis to the site.
- Personal observations of the field analyst.
- An evaluation of existing housing supply characteristics and trends.
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property. The information in this survey was collected through a variety of methods, including phone surveys, in-person visits, email and fax. The contact person for each property is listed in *Section XII: Field Survey of Conventional Rentals*.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to the subject development. An in-depth evaluation of those two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the subject property renovations are complete and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- We conduct an analysis following Virginia Housing and NCHMA market study guidelines of the subject project's required capture of the number of income-appropriate households within the Site PMA. This analysis is conducted on a renter household level and a market capture rate is determined for the subject development. This capture rate is compared with acceptable capture rates for similar types of projects to determine whether the subject development's capture rate is achievable. In addition, Bowen National Research also compares all existing and planned LIHTC housing within the market to the number of income-appropriate households. The resulting penetration rate is evaluated in conjunction with the project's capture rate.
- Achievable market rent for the subject development is determined. Using a Rent Comparability Grid, the features of the subject development are compared item-by-item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit.

C. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- Applied Geographic Solutions
- U.S. Department of Labor
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- U.S. Department of Housing and Urban Development (HUD)

D. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of data sources to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of Community Housing Partners or Bowen National Research is strictly prohibited.

II. Executive Summary

Based on the findings contained in this report, it is our opinion that a market exists for the renovations of the existing Holly Court rental property in Kilmarnock, Virginia utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program. The following points support this conclusion:

The following is a summary of key findings from our report:

Project Description

The proposed project involves the renovation of the 40-unit Holly Court apartment property at 201 Wiggins Avenue in Kilmarnock, Virginia. Originally built in 1996 and renovated in 2009, the project operates under the HUD Section 202 program, with all units receiving a direct subsidy and targeting senior households ages 62 and older. The subsidy allows tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a six-household waiting list.

The project will be renovated utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target senior households (ages 62 and older) with incomes of up to 50% of Area Median Household Income (AMHI). Notably, the project will operate with Project-Based Rental Assistance (PBRA) upon completion of renovations. In addition, five of the units will have rents restricted to 40% of AMHI. All renovations are expected to be completed by October 2023. Additional details of the subject project can be found in Section III - *Project Description* of this report.

Site Evaluation

The subject site is the existing Holly Court Apartments located at 201 Wiggins Avenue in the south-central portion of Kilmarnock, Virginia. Surrounding land uses include additional residential dwellings, commercial/retail buildings and wooded land. Although the subject site is generally bordered by wooded land, views of the site are unobstructed from Wiggins Avenue, which borders the site to the south. In addition, entryway signage is clearly visible to motorists traveling on Wiggins Avenue. The subject property derives access from Wiggins Avenue, a two-lane residential roadway that borders the site to the south and experiences light traffic. The light traffic experienced in the site area allows for convenient ingress and egress. Most essential services are located within 2.0 miles of the subject site, some of which are within walking distance. Overall, the site's surrounding land uses and proximity to community services will contribute to its overall marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in Section IV - *Area Analysis*.

Primary Market Area (PMA)

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Kilmarnock Site PMA includes Kilmarnock, Irvington, and White Stone, as well as outlying portions of unincorporated areas of Lancaster County and Northumberland County in Virginia. The boundaries of the Site PMA generally include Monaskon Road, White Chapel Road, Courthouse Road and Davis Mill Road to the north; Chesapeake Bay to the east; Chesapeake Bay to the south; and Chesapeake Bay to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in *Section IV*, beginning on page *IV-10*.

Demographic Trends

Overall, population and households within the Kilmarnock Site PMA increased between 2010 and 2021 and are projected to increase by 269 (2.3%) and 123 (2.2%), respectively, between 2021 and 2026. In addition, senior households ages 65 and older are projected to experience notable growth, increasing by 290, or 10.1%, between 2021 and 2026. In addition, senior renter households are projected to experience modest growth during the same time frame. Although only 482 senior renter households are projected for the market in 2026, approximately 50.0% of these renters are projected to earn below \$30,000. Overall, the demographic trends contained within this report demonstrate a slightly increasing base of current and potential support for the subject project. Detailed demographic trends are included in *Section IV*, beginning on page *IV-11*.

Economic Trends

The Lancaster County economy was improving or stable each year between 2015 and 2019. However, between 2019 and 2020, the county declined by 121 jobs, or 2.3%, as the result of the COVID-19 pandemic, which caused many area businesses to experience a significant reduction in business activity, increasing unemployment and decreasing the county's employment base. This correlates with unemployment rate trends, as the county unemployment rate nearly doubled in 2020 and is above the state average. Specifically, between February and April 2020, the monthly unemployment rate within Lancaster County increased by nearly six percentage points; however, the county's unemployment rate has been generally trending downward since and is near levels reported before the pandemic. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which represent over 26.0% of the market's labor force and provide lower wage paying positions. The subject site will continue to provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable. Detailed economic trends are included in *Section IV*, beginning on page *IV-18*.

Overall Rental Housing Market Conditions

We identified and personally surveyed five conventional housing projects containing a total of 120 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 98.3%, an excellent rate for rental housing. The surveyed rental developments within the market broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	28	2	92.9%
Tax Credit/Government-Subsidized	2	44	0	100.0%
Government-Subsidized	2	48	0	100.0%
Total	5	120	2	98.3%

As the preceding illustrates, we identified and surveyed just five rental housing projects in the rural Site PMA, most of which offer affordable units. The renovations to the subject site will preserve an affordable rental housing product that is in high demand.

Competitive/Comparable Tax Credit Analysis

As stated throughout this report, due to the rural nature of the market area, there are no non-subsidized Low-Income Housing Tax Credit (LIHTC) properties within the Kilmarnock Site PMA that we consider comparable to the proposed development. Due to the lack of non-subsidized LIHTC product within the Site PMA, we identified and surveyed four LIHTC properties outside the Site PMA, but within the region, in Newport News, Virginia. These properties offer unit types and target income (AMHI) levels similar to those at the subject project and two of the four properties are restricted to seniors, similar to the subject site. Note that these properties located outside of the Site PMA are not considered competitive with the subject development and have only been included for comparability purposes. Although located approximately 50 miles from the site, these are the nearest identified and surveyed comparable LIHTC properties in this rural area.

These four LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in *Section XI – Comparable Property Profiles*.

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Holly Court	1996 / 2009 / 2023	40	100.0%	-	6 HH	Seniors 62+; 50% AMHI & Section 202
901	Auburn Pointe	1976 / 1997	275	99.3%	51.0 Miles	1 & 2-Br: 2 HH	Families; 50% & 60% AMHI
902	Checed Warwick Senior	2005	48	100.0%	50.7 Miles	2 HH	Seniors 62+; 40%, 50%, & 60% AMHI
906	King's Ridge	1996	182	100.0%	49.0 Miles	None	Families; 60% AMHI
907	Lexington Commons	1996	132	99.2%	51.7 Miles	None	Seniors 55+; 60% AMHI

900 Map IDs are located outside the Site PMA

OCC. – Occupancy

HH - Households

The four comparable LIHTC projects have a combined occupancy rate of 99.5%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and two properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the region. The subject project will continue to accommodate a portion of this unmet demand.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Holly Court	*\$634/50% (40)	-	-	-
901	Auburn Pointe	\$715/50% (10/0) \$864/60% (56/0)	\$913/60% (177/0)	\$1,154/60% (32/2)	None
902	Checed Warwick Senior	\$538/40% (3/0) \$679/50% (15/0)	\$644/40% (2/0) \$783/50% (20/0) \$838/60% (8/0)	-	None
906	King's Ridge	\$830/60% (32/0)	\$992/60% (94/0)	\$1,174/60% (56/0)	None
907	Lexington Commons	\$933/60% (32/0)	\$982/60% (100/1)	-	None

900 Map IDs are located outside the Site PMA

*Five units with rent restricted to 40% of AMHI

The proposed subject gross rent of \$634 will be the lowest when compared to the LIHTC rents targeting similar income levels within the market. Regardless, the subject project will continue to operate with a subsidy, allowing tenants of the project to pay only a portion of their income towards rent and not the gross rent in the preceding table. This will ensure the subject project represents a significant value to area seniors.

Comparable/Competitive Tax Credit Summary

The four comparable LIHTC projects have a combined occupancy rate of 99.5%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and two properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the region. The subject project will continue to accommodate a portion of this unmet demand. The subject's proposed gross Tax Credit rent is the lowest when compared with those being achieved at the comparable LIHTC properties targeting similar income levels. Although offering the smallest unit sizes and an inferior amenities package, the subject property is expected to be marketable, which is further evidenced by the subject's current 100.0% occupancy rate and waiting list. Based on the preceding factors, the subject project is considered very marketable as proposed, especially when considering the inclusion of a subsidy.

Perception of Value

Based on a HUD Rent Comparability Grid in *Section VI*, it was determined that the present-day achievable market rent for units similar to the proposed subject development is summarized as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$525	\$910	42.3%

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject's proposed Tax Credit rent, which represents a market rent advantage of 42.3%, is considered appropriate and should represent a good value within the Kilmarnock market. It is also important to reiterate that the subject project will operate with a project-based Section 202 subsidy available to all units. Thus, the units at the property will represent an even greater value than that reflected by the market rent advantage in the preceding table, as tenants will pay only 30% of their income towards rent, rather than the proposed rent evaluated throughout this report.

Capture Rate Estimates

The following is a summary of our demand calculations assuming the subject property operates as anticipated, *with a project-based subsidy*:

Demand Component – Age 62+	Overall LIHTC with Subsidy
Net Demand	174
Proposed Units	40
Proposed Units / Net Demand	40 / 174
Capture Rate	= 23.0%

The following is a summary of our demand calculations assuming the unlikely scenario that the subject project operates exclusively as a LIHTC property, *without* any type of project-based subsidy.

Demand Component – Age 55+	Overall LIHTC Only
Net Demand	36
Proposed Units	40
Proposed Units / Net Demand	40 / 36
Capture Rate	= > 100.0%

Overall, the capture rate of 23.0% when considering the retention of a subsidy is considered achievable. In the unlikely event the project-based subsidy was not secured, and the property had to operate *exclusively* under the LIHTC program, the subject project’s capture rate exceeds 100.0%. This is a good indication that the subject project would likely need to continue to operate with a subsidy to ensure there is a sufficient base of age- and income-qualified households.

Regardless, given the subject project is fully occupied and most tenants are expected to remain at the project following renovations, the subject project has an effective capture rate of 0.0%.

Absorption Projections

The subject project currently operates with a subsidy and will operate with a subsidy upon completion of renovations and all units will likely be rented to those households currently eligible to reside at the site. We also assume that most current tenants will remain at the site once renovations are complete. For the purpose of this analysis, however, we have calculated absorption estimates assuming that all of the units will be vacated and will need to be re-rented under the Tax Credit program with a subsidy and then exclusively under the LIHTC program.

Subsidized

Assuming the subject project retains its subsidy on all units but is entirely vacated, we estimate that the 40 subject units can achieve a stabilized occupancy of 93% within four months of re-opening. This is based on a monthly absorption rate of approximately nine units per month.

Tax Credit

Assuming the subject project operated exclusively under the LIHTC program and was completely vacated, it is likely that the subject project would experience difficulties absorbing the vacant units in a reasonable timeframe due to the limited base of income-qualified support in this unlikely scenario.

For the purpose of this analysis, we assume the absorption period at the site begins as soon as the first renovated units are available for occupancy. We also assume that initial units at the site will be available for rent sometime in 2023. Changes to the project’s planned renovations or renovation timeline may alter our absorption projections.

III. Project Description

Project Name:	Holly Court
Location:	201 Wiggins Avenue, Kilmarnock, Virginia 22482 (Lancaster County)
Census Tract:	302.00
Target Market:	Senior Age 62+
Construction Type:	Renovation of Existing Development
Funding Source:	LIHTC

The proposed project involves the renovation of the 40-unit Holly Court apartment property at 201 Wiggins Avenue in Kilmarnock, Virginia. Originally built in 1996 and renovated in 2009, the project operates under the HUD Section 202 program, with all units receiving a direct subsidy and targeting senior households age 62 and older. The subsidy allows tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a six-household waiting list.

The project will be renovated utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target senior households (ages 62 and older) with incomes of up to 50% of Area Median Household Income (AMHI). Notably, the project will operate with Project-Based Rental Assistance (PBRA) upon completion of renovations. In addition, five of the units will have rents restricted to 40% of AMHI. All renovations are expected to be completed by October 2023. Additional details of the subject project are as follows:

Proposed Unit Configuration										
Total Units	Bedroom Type	Baths	Style	Square Feet	*% AMHI	Current Contract Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
40	One-Br.	1.0	Garden	525	50%	\$399	\$525	\$109	\$634	\$671
40	Total									

Source: Community Housing Partners

AMHI – Area Median Household Income (Lancaster County, VA; 2020)

*Five units with rent restricted to 40% of AMHI

The maximum allowable LIHTC gross rent of \$671 is the programmatic limit for units targeting households earning up to 50% of AMHI. However, this limit would only apply in the unlikely scenario that the property ceased to operate with a project-based subsidy.

Building/Site Information	
Residential Buildings:	Three (3) one-story buildings
Building Style:	Walk-up
Community Space:	Integrated throughout
Acres:	4.7

Construction Timeline	
Original Year Built:	1996 (renovated 2009)
Renovation Start:	July 2022
Begin Preleasing:	2022
Renovation End:	October 2023

Unit Amenities		
• Electric Range	• Patio	• Composite Flooring
• Refrigerator	• Central Air Conditioning	• Window Blinds
• Emergency Call System	• Washer/Dryer Hookups	

Community Amenities		
• Laundry Room	• On-Site Management	• Community Room with Kitchen
• TV Lounge	• CCTV/Cameras	• Gazebo
• Picnic Area	• Classes	• Parties/Picnics
• Surface Parking Lot (55 Spaces)		

Utility Responsibility							
	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
Paid By	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Landlord
Source	Electric	Electric	Electric				

Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
40	0	100.0%	6 Households

PLANNED RENOVATION:

The subject property will include the following renovations:

- Replace all flooring
- Install new kitchen appliances, cabinets and countertops
- Paint the interior of all the units
- New bathroom fixtures, replace/refurbish tubs and tub surrounds as needed
- Install new furnaces
- Install new water heaters
- Install new mini-blinds at all windows
- Update exterior with siding/paint
- Repair all sidewalks to remove any trip hazards
- Repair, seal coat and re-stripe the parking lots
- Replace roofs where necessary



FLOOR AND SITE PLAN REVIEW:

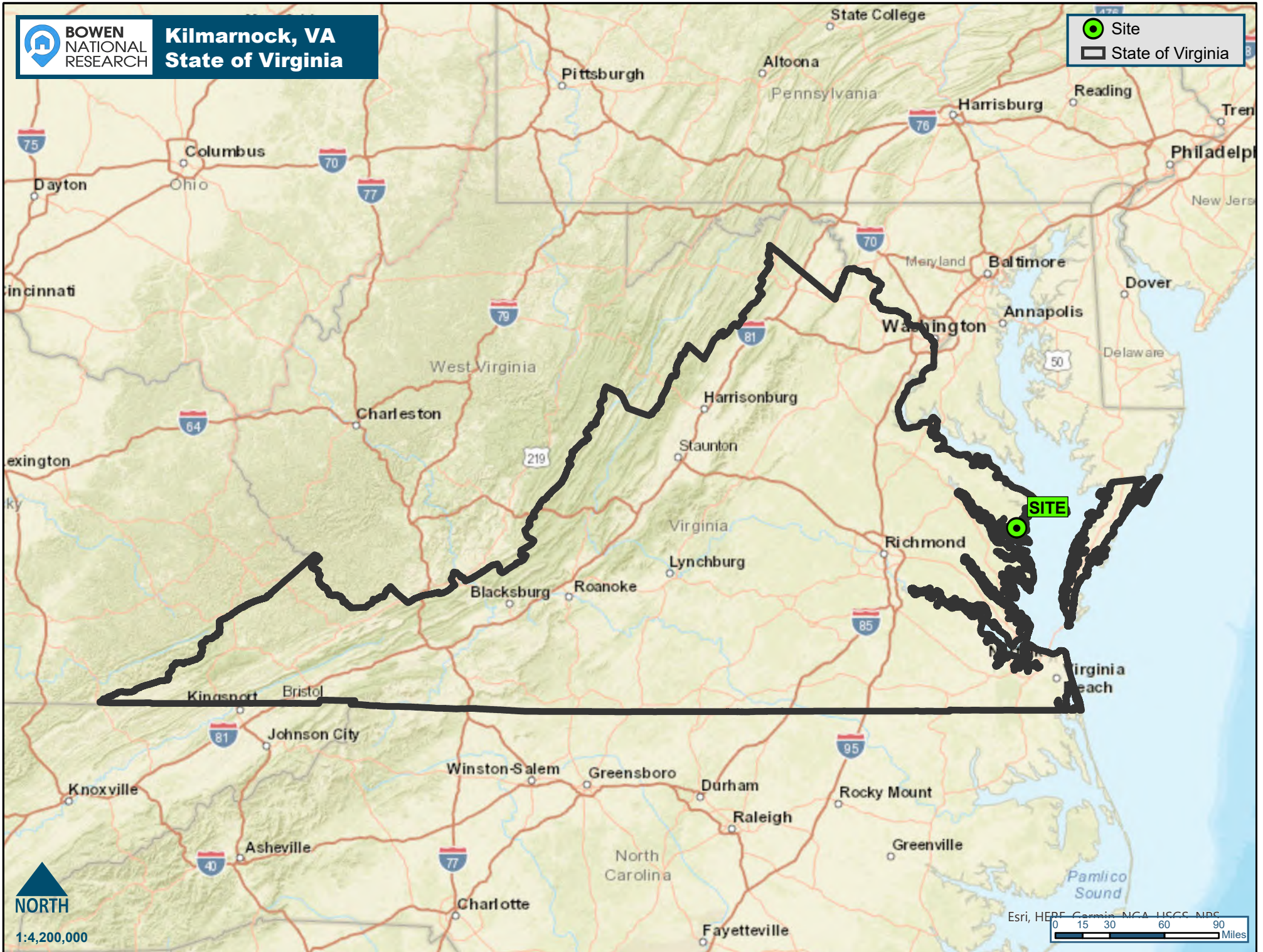
Floor and site plans were not provided for the subject project for review at the time this report was prepared. However, we conducted an on-site visit and evaluation of unit interiors of select units, the exterior of the subject building and property grounds. Based on our evaluation, the subject floor plans and subject building appear to be sufficient, which is evident by the subject’s current occupancy rate of 100.0%. The proposed renovations are expected to improve the general aesthetic appeal of the subject property and improve its overall marketability.

A state map, an area map and a site neighborhood map are on the following pages.



Kilmarnock, VA State of Virginia

 Site
 State of Virginia

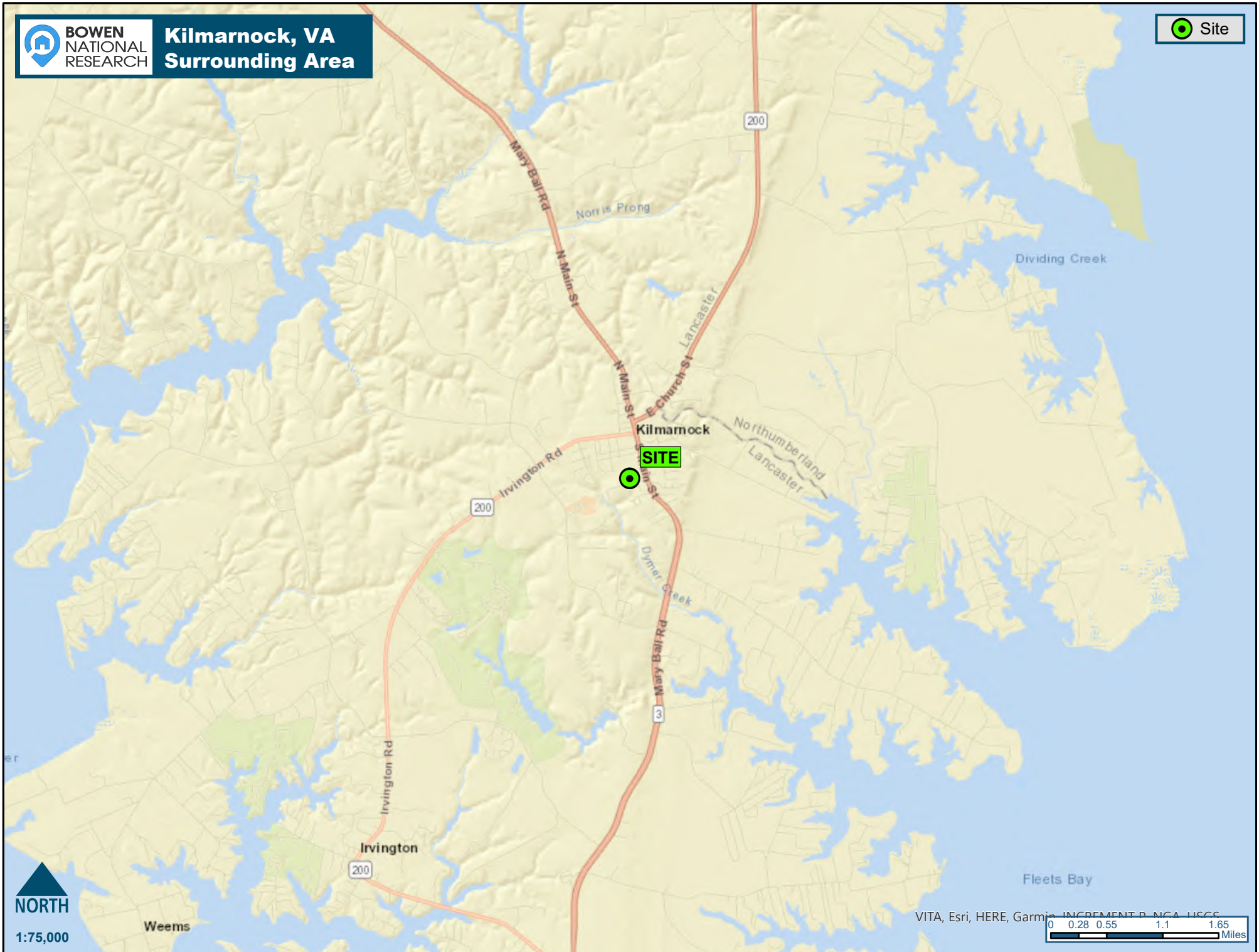


1:4,200,000

Esri, HERE, DeLorme, NGA, USGS, NPS
0 15 30 60 90 Miles



Kilmarnock, VA Surrounding Area



1:75,000

Weems

Irvington

SITE

Kilmarnock

Fleets Bay

VITA, Esri, HERE, Garmin, INCREMENT P, NOAA, USGS
0 0.28 0.55 1.1 1.65 Miles

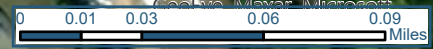


Kilmarnock, VA
Site Neighborhood

Legend
Site Area



1:3,000



IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is the existing Holly Court rental property located at 201 Wiggins Avenue in the south-central portion of Kilmarnock, Virginia. Located within Lancaster County, the subject site is approximately 55.0 miles northeast of Williamsburg, Virginia and approximately 71.0 miles east of Richmond, Virginia. Ron Pompey, an employee of Bowen National Research, inspected the site on February 10, 2021.

2. SURROUNDING LAND USES

The subject site is within an established and partially developed mixed-use area of Kilmarnock. Surrounding land uses include additional residential dwellings, commercial/retail buildings and wooded land. Adjacent land uses are detailed as follows:

North -	The northern boundary is defined by wooded land, which buffers the site from a church and single-family homes in good condition. The downtown area comprised of offices and local businesses is situated farther north of the site.
East -	The eastern boundary is defined by a thin tree line and undeveloped land. An under construction convenience store, commercial/retail buildings, an assisted living facility and church are situated farther east of the site along South Main Street, a two-lane arterial roadway.
South -	The southern boundary is defined by Wiggins Avenue, a two-lane residential roadway. Continuing south are single-family homes and multifamily homes that are considered to be in fair to good condition. Wooded land and single-family homes extend farther south of the site.
West -	The western boundary is defined by a thin tree line, which buffers the site from single-family homes in fair condition. Extending farther west are single-family homes, wooded land, a YMCA and Rappahannock General Hospital.

The subject site is situated within an established and partially developed mixed-use area of Kilmarnock comprised of single-family homes, multifamily homes, churches, a YMCA and a hospital. All of these aforementioned structures are considered to be in fair to good condition. Overall, the subject property fits well with the surrounding land uses and they should contribute to the continued marketability of the site. Photographs of the site can be found in *Section X* of this report.

3. VISIBILITY AND ACCESS

Although the subject site is generally bordered by wooded land, views of the site are unobstructed from Wiggins Avenue, which borders the site to the south. In addition, entryway signage is clearly visible to motorists traveling on Wiggins Avenue. Nonetheless, the limited visibility has not had an adverse impact on the site's marketability, as evidenced by its 100% occupancy rate.

The subject property derives access from Wiggins Avenue, a two-lane residential roadway that borders the site to the south and experiences light traffic. The light traffic experienced in the site area allows for convenient ingress and egress. This aforementioned roadway also provides direct access to and from South Main Street, 0.2 miles east of the site. South Main Street is a two-lane, arterial roadway with moderate traffic, which provides convenient access to the downtown area. State Route 200 is also accessed 0.5 mile north of the site and provides access to surrounding communities. Overall, access of the proposed subject site is considered good.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (miles)
Major Highways	State Route 3 (South Main Street)	0.2 East
	State Route 200 (Irvington Road)	0.5 North
Public Bus Stop	Bay Transit	0.7 North
Major Employers/ Employment Centers	Rappahannock General Hospital	2.0 West
	Walmart Supercenter	2.1 North
Convenience Store	Exxon/Little Sue Food Center	0.7 North
	BP/Fast Mart	1.4 North
	Star Express	1.8 North
Grocery	Tri-Star Supermarket	0.7 North
	Food Lion	1.4 North
	Walmart Supercenter	2.1 North
Discount Department Store	Dollar Tree	1.9 North
	Walmart Supercenter	2.1 North
	Dollar General	4.7 South
Shopping Center/Mall	Lancaster Square	1.4 North
	The Shoppes at Kilmarnock	2.1 North
Hospital	Rappahannock General Hospital	2.0 West
Police	Kilmarnock Police Department	0.6 North
Fire	Kilmarnock Volunteer Fire Department	0.8 North
Post Office	US Post Office	1.0 North
Bank	Virginia Commonwealth Bank	0.5 North
	Chesapeake Bank	0.8 North
	Atlantic Bank	1.1 North
Senior Center	Lancaster Active Lifestyle Center	0.5 South

(Continued)

Community Services	Name	Driving Distance From Site (miles)
Recreational/Gym Facilities	Northern Neck Family YMCA	1.8 West
	BodyFit	4.5 South
Gas Station	Exxon/Little Sue Food Center	0.7 North
	BP/Fast Mart	1.4 North
	Citigo	1.8 North
Pharmacy	Anchor Pharmacy	0.6 North
	Main Street Pharmacy	1.1 North
	CVS	1.7 North
Restaurant	Lee's Restaurant	0.6 North
	Chao Phraya Thai	0.6 North
	Savannah Joe's	0.6 North
Church	Kilmarnock Seventh Day Adventist	0.2 East
	Grace Episcopal	0.3 North
Library	Lancaster Community Library	0.9 Northeast
Park	Kilmarnock Town Centre Park	0.9 North

As the preceding illustrates, most area services such as dining/entertainment, shopping, employment, and mass transit, as well as various other basic community services are located within approximately 2.0 miles of the subject site and are easily accessible given the site's proximity to State Route 3 (South Main Street) and State Route 200 (Irvington Road), which serve as commercial corridors and arterial roadways within the area. Both of these aforementioned roadways are accessed within 0.5 mile of the site. Also, Bay Transit provides scheduled public transportation services within the area, with the nearest bus stop located 0.7 miles north of the site. Notable services within approximately 1.0 mile of the subject site include, but are not limited to Virginia Commonwealth Bank, Exxon - gas station, Little Sue Food Center - convenience store, Tri-Star Supermarket, Lancaster Community Library, Anchor Pharmacy and Savannah Joe's restaurant. The Lancaster Active Lifestyle Center, which provides meals and other activities for seniors is approximately 0.5 miles south. Additionally, the Kilmarnock Town Centre Park provides walking trails, pavilion, and outdoor amphitheater, with a dog park adjacent to it.

Public safety services are provided by the Kilmarnock Police Department and Volunteer Fire Department, both of which are located within less than a mile north of the site. The nearest full-service hospital, with emergency services, is the Rappahannock General Hospital, located 2.0 miles west of the site.

5. OVERALL SITE EVALUATION

The subject site is the existing Holly Court rental property located at 201 Wiggins Avenue in the south-central portion of Kilmarnock, Virginia. Surrounding land uses include additional residential dwellings, commercial/retail buildings and wooded land. Although the subject site is generally bordered by wooded land, views of the site are unobstructed from Wiggins Avenue, which borders the site to the south. In addition, entryway signage is clearly visible to motorists traveling on Wiggins Avenue. The subject property derives access from Wiggins Avenue, a two-lane residential roadway that borders the site to the south and experiences light traffic. The light traffic experienced in the site area allows for convenient ingress and egress. Most essential services are located within 2.0 miles of the subject site, some of which are within walking distance. Overall, the site's surrounding land uses and proximity to community services will contribute to its overall marketability.

6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and a murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

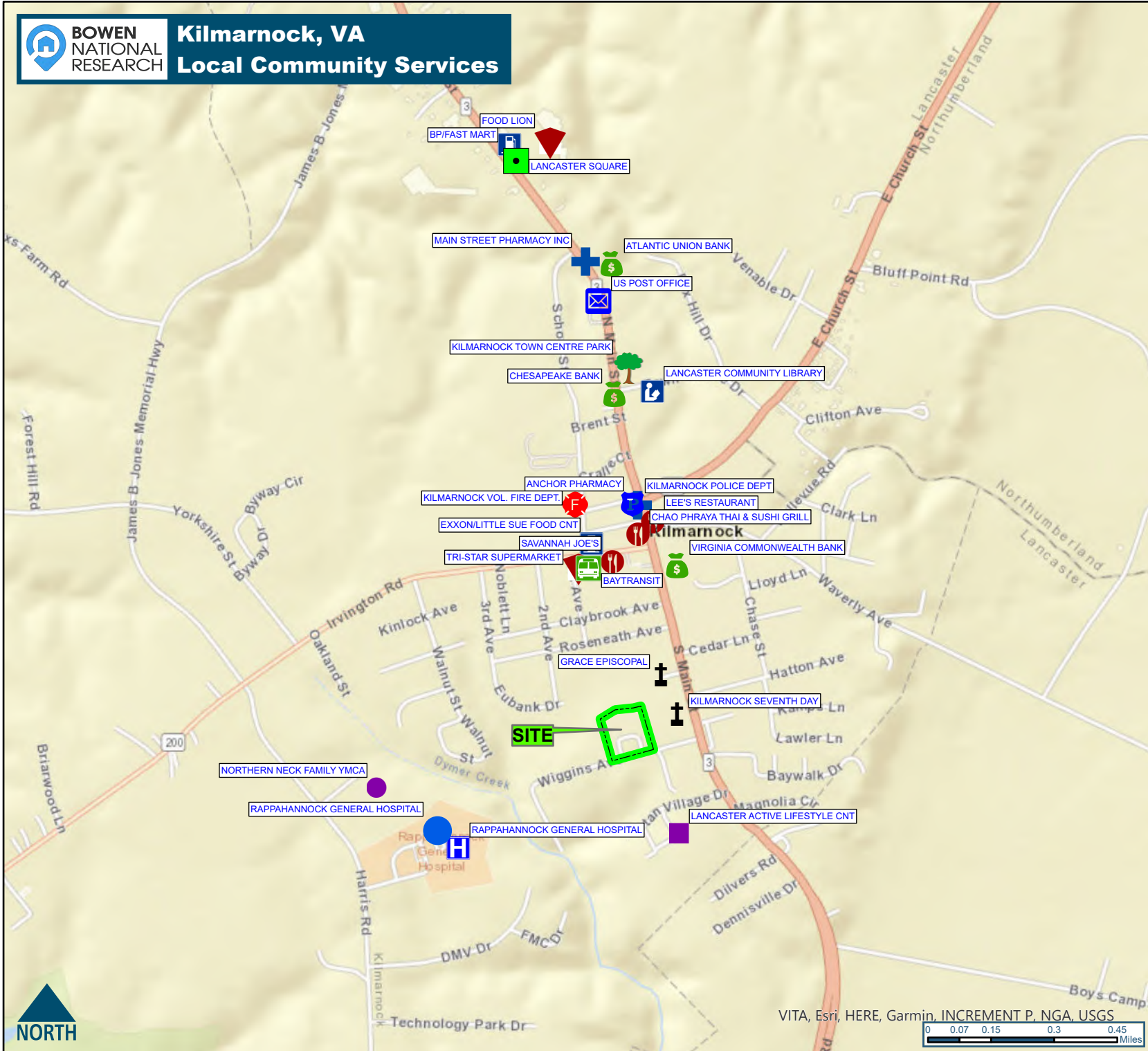
Total crime risk (72) for the Site ZIP Code is below the national average with an overall personal crime index of 32 and a property crime index of 77. Total crime risk (67) for Lancaster County is below the national average with indexes for personal and property crime of 42 and 72, respectively.

	Crime Risk Index	
	Site ZIP Code	Lancaster County
Total Crime	72	67
Personal Crime	32	42
Murder	68	100
Rape	68	60
Robbery	6	22
Assault	36	46
Property Crime	77	72
Burglary	64	66
Larceny	88	79
Motor Vehicle Theft	27	24

Source: Applied Geographic Solutions

As the preceding illustrates, the crime risk index for the site's ZIP Code (72) is similar to that reported for Lancaster County (67) as a whole and both are below the national average of 100. These low crime indexes are expected to continue to contribute to the marketability of the site. In addition, most properties surveyed in the area report high occupancy rates, a good indication that crime has not adversely impacted rental properties in this market.

Maps illustrating the location of community services and crime risk are on the following pages.

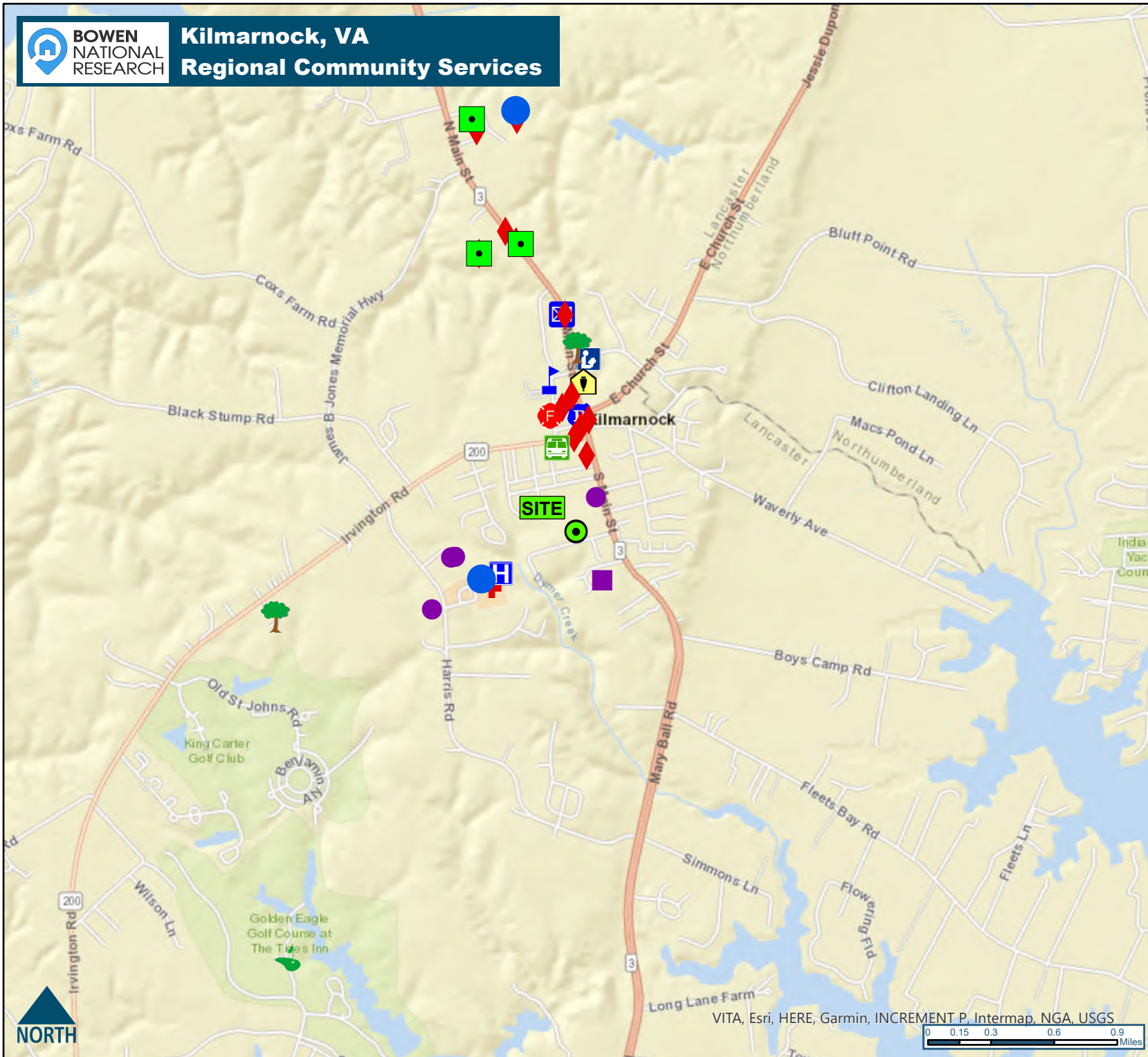


- Legend**
- Site Area
 - Bank
 - Church
 - Fire
 - Gas
 - Grocery
 - Pharmacy
 - Police
 - Post Office
 - Recreation Center
 - Restaurant
 - Senior Services
 - Transit
 - Employer 1000-5000
 - Shopping Center





Kilmarnock, VA Regional Community Services



- Legend**
- Site
 - Fire
 - Golf
 - Hospital
 - Library
 - Medical Center
 - Middle School
 - Museum
 - Park
 - Police
 - Post Office
 - Recreation Center
 - Senior Services
 - Shopping
 - Transit
 - Employer 1000-5000
 - Shopping Center



VITA, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



1:40,000



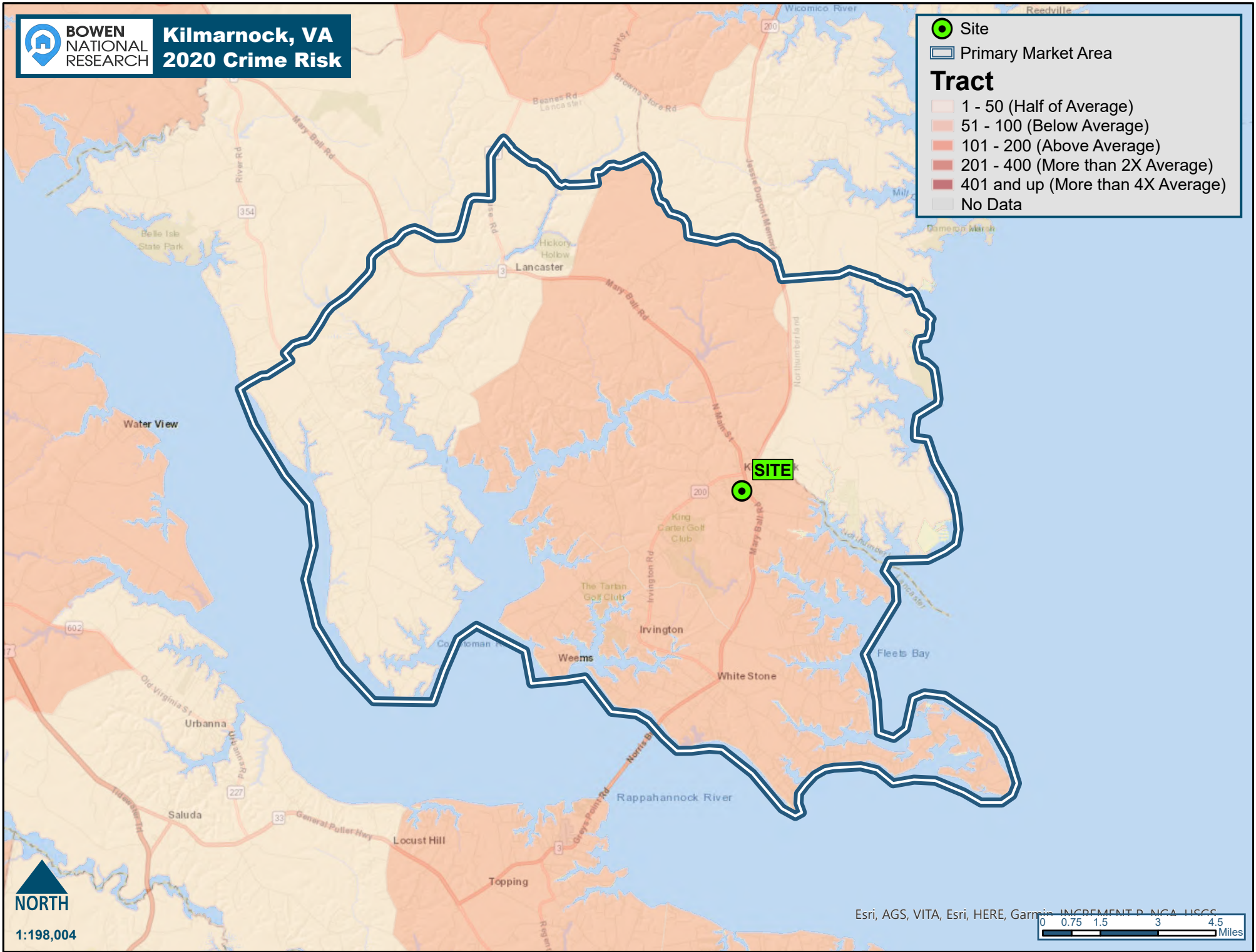
Kilmarnock, VA 2020 Crime Risk

Site

Primary Market Area

Tract

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data



NORTH

1:198,004

Esri, AGS, VITA, Esri, HERE, Garmin, INCREMENT P, NCA, USGS

0 0.75 1.5 3 4.5 Miles

B. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Kilmarnock Site PMA was determined through interviews with management at the subject site, area leasing, and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Kilmarnock Site PMA includes Kilmarnock, Irvington, and White Stone, as well as outlying portions of unincorporated areas of Lancaster County and Northumberland County in Virginia. The boundaries of the Site PMA generally include Monaskon Road, White Chapel Road, Courthouse Road and Davis Mill Road to the north; Chesapeake Bay to the east; Chesapeake Bay to the south; and Chesapeake Bay to the west.

Shabazz McNeill is the Property Manager at Holly Court Apartments (subject site), a government-subsidized property restricted to seniors. Mr. McNeill confirmed the boundaries of the Site PMA, stating that the majority of support for the subject project has originated from within these boundaries. Additionally, Mr. McNeill stated that most of the tenants that reside at the property originated from within Kilmarnock and Lancaster County.

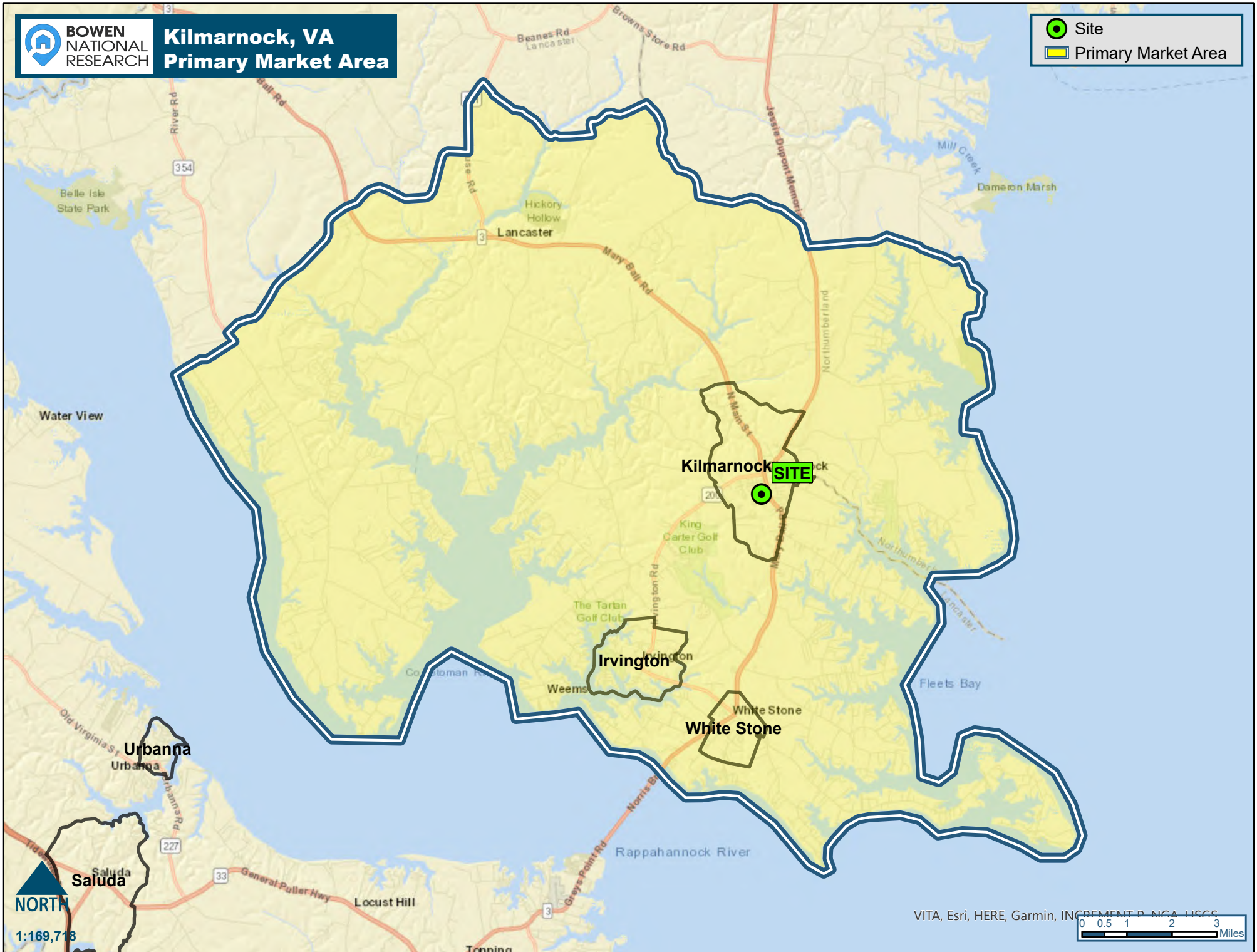
A small portion of support may originate from some of the outlying areas of the Site PMA; we have not, however, considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



Kilmarnock, VA Primary Market Area

- Site
- Primary Market Area



NORTH
1:169,718

VITA, Esri, HERE, Garmin, INCREMENT P, NCA, USGS
0 0.5 1 2 3 Miles

C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2021 (estimated) and 2026 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2021 (Estimated)	2026 (Projected)
Population	11,138	11,036	11,883	12,152
Population Change	-	-102	847	269
Percent Change	-	-0.9%	7.7%	2.3%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Kilmarnock Site PMA population base declined by 102 between 2000 and 2010. This represents a 0.9% decline over the 2000 population, or an annual rate of 0.1%. Between 2010 and 2021, the population increased by 847, or 7.7%. It is projected that the population will increase by 269, or 2.3%, between 2021 and 2026.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	1,903	17.2%	1,774	14.9%	1,760	14.5%	-14	-0.8%
20 to 24	406	3.7%	382	3.2%	343	2.8%	-39	-10.2%
25 to 34	735	6.7%	892	7.5%	803	6.6%	-89	-10.0%
35 to 44	889	8.1%	904	7.6%	1,026	8.4%	122	13.5%
45 to 54	1,536	13.9%	1,255	10.6%	1,169	9.6%	-86	-6.9%
55 to 64	1,958	17.7%	2,015	17.0%	1,832	15.1%	-183	-9.1%
65 to 74	1,810	16.4%	2,498	21.0%	2,673	22.0%	175	7.0%
75 & Over	1,799	16.3%	2,162	18.2%	2,545	20.9%	383	17.7%
Total	11,036	100.0%	11,883	100.0%	12,152	100.0%	269	2.3%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, over 56% of the population is expected to be age 55 and older in 2021. This age group is the primary group of continued and potential support for the subject site and likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

Household trends within the Kilmarnock Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2021 (Estimated)	2026 (Projected)
Households	4,868	5,162	5,557	5,680
Household Change	-	294	395	123
Percent Change	-	6.0%	7.6%	2.2%
Household Size	2.29	2.14	2.11	2.11

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Kilmarnock Site PMA, households increased by 294 (6.0%) between 2000 and 2010. Between 2010 and 2021, households increased by 395 or 7.6%. By 2026, there will be 5,680 households, an increase of 123 households, or 2.2% over 2021 levels. This is an increase of approximately 25 households annually over the next five years.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	97	1.9%	86	1.5%	76	1.3%	-10	-11.6%
25 to 34	334	6.5%	374	6.7%	337	5.9%	-37	-9.9%
35 to 44	497	9.6%	473	8.5%	528	9.3%	55	11.6%
45 to 54	850	16.5%	650	11.7%	595	10.5%	-55	-8.5%
55 to 64	1,093	21.2%	1,089	19.6%	969	17.1%	-120	-11.0%
65 to 74	1,106	21.4%	1,478	26.6%	1,550	27.3%	72	4.9%
75 to 84	800	15.5%	953	17.2%	1,100	19.4%	147	15.4%
85 & Over	385	7.5%	453	8.2%	524	9.2%	71	15.7%
Total	5,162	100.0%	5,557	100.0%	5,680	100.0%	123	2.2%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2021 and 2026, the greatest growth among household age groups is projected to be among those ages 65 and over, increasing by 290 (10.1%). This projected growth among senior households indicates that there will be an increasing need for housing for seniors in the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2021 (Estimated)		2026 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	4,026	78.0%	4,230	76.1%	4,336	76.3%
Renter-Occupied	1,136	22.0%	1,326	23.9%	1,343	23.7%
Total	5,162	100.0%	5,557	100.0%	5,680	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2021, homeowners occupied 76.1% of all occupied housing units, while the remaining 23.9% were occupied by renters.

Households by tenure for those age 62 and older in 2010, 2021 (estimated) and 2026 (projected) are distributed as follows:

Tenure Age 62+	2010 (Census)		2021 (Estimated)		2026 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,250	86.3%	2,751	85.7%	2,978	86.1%
Renter-Occupied	356	13.7%	458	14.3%	482	13.9%
Total	2,606	100.0%	3,208	100.0%	3,460	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

A total of 458 (14.3%) of all households age 62 and older within the Site PMA were renters in 2021. Senior renters are projected to increase by 24, or 5.2%, between 2021 and 2026.

The household sizes by tenure for age 62 and older within the Site PMA, based on the 2021 estimates and 2026 projections, were distributed as follows:

Persons Per Renter Household Age 62+	2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Households	Percent	Households	Percent	Households	Percent
1 Person	254	55.5%	259	53.7%	5	2.0%
2 Persons	88	19.2%	97	20.2%	9	10.7%
3 Persons	52	11.4%	56	11.6%	4	7.3%
4 Persons	38	8.3%	42	8.8%	4	10.5%
5 Persons+	26	5.6%	28	5.7%	2	8.1%
Total	458	100.0%	482	100.0%	24	5.3%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Persons Per Owner Household Age 62+	2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Households	Percent	Households	Percent	Households	Percent
1 Person	925	33.6%	997	33.5%	72	7.7%
2 Persons	1,113	40.5%	1,210	40.6%	97	8.7%
3 Persons	376	13.7%	416	14.0%	40	10.6%
4 Persons	206	7.5%	217	7.3%	11	5.6%
5 Persons+	131	4.8%	138	4.6%	7	5.6%
Total	2,751	100.0%	2,978	100.0%	228	8.3%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The one-bedroom units offered at the subject site will continue to house up to one- and two-person senior households, which comprised the majority of senior households in the market, based on size.

3. INCOME TRENDS

The distribution of households by income within the Kilmarnock Site PMA is summarized as follows:

Household Income	2010 (Census)		2021 (Estimated)		2026 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	435	8.4%	343	6.2%	303	5.3%
\$10,000 to \$19,999	628	12.2%	591	10.6%	547	9.6%
\$20,000 to \$29,999	723	14.0%	526	9.5%	484	8.5%
\$30,000 to \$39,999	630	12.2%	519	9.3%	492	8.7%
\$40,000 to \$49,999	534	10.3%	457	8.2%	413	7.3%
\$50,000 to \$59,999	361	7.0%	447	8.0%	416	7.3%
\$60,000 to \$74,999	384	7.4%	528	9.5%	540	9.5%
\$75,000 to \$99,999	519	10.1%	780	14.0%	878	15.5%
\$100,000 to \$124,999	327	6.3%	489	8.8%	577	10.2%
\$125,000 to \$149,999	184	3.6%	240	4.3%	266	4.7%
\$150,000 to \$199,999	212	4.1%	286	5.1%	329	5.8%
\$200,000 & Over	225	4.4%	353	6.3%	436	7.7%
Total	5,162	100.0%	5,557	100.0%	5,679	100.0%
Median Income	\$43,090		\$57,679		\$65,143	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$43,090. This increased by 33.9% to \$57,679 in 2021. By 2026, it is projected that the median household income will be \$65,143, an increase of 12.9% over 2021.

The distribution of households by income age 62 and older within the Kilmarnock Site PMA is summarized as follows:

Household Income 62+	2010 (Census)		2021 (Estimated)		2026 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	204	7.8%	171	5.3%	158	4.6%
\$10,000 to \$19,999	367	14.1%	400	12.5%	387	11.2%
\$20,000 to \$29,999	373	14.3%	329	10.3%	315	9.1%
\$30,000 to \$39,999	343	13.2%	315	9.8%	312	9.0%
\$40,000 to \$49,999	293	11.2%	261	8.1%	251	7.3%
\$50,000 to \$59,999	198	7.6%	238	7.4%	232	6.7%
\$60,000 to \$74,999	175	6.7%	272	8.5%	306	8.8%
\$75,000 to \$99,999	246	9.4%	407	12.7%	495	14.3%
\$100,000 to \$124,999	148	5.7%	337	10.5%	421	12.2%
\$125,000 to \$149,999	79	3.0%	135	4.2%	153	4.4%
\$150,000 to \$199,999	103	4.0%	170	5.3%	202	5.8%
\$200,000 & Over	77	3.0%	173	5.4%	228	6.6%
Total	2,606	100.0%	3,208	100.0%	3,460	100.0%
Median Income	\$40,546		\$55,332		\$63,630	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income for households age 62 and older was \$40,546. This increased by 36.5% to \$55,332 in 2021. By 2026, it is projected that the median household income will be \$63,630, an increase of 15.0% over 2021.

The following tables illustrate renter household income by household size for 2010, 2021 and 2026 for the Kilmarnock Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	57	47	31	20	15	170
\$10,000 to \$19,999	84	58	38	25	18	223
\$20,000 to \$29,999	71	57	38	25	18	209
\$30,000 to \$39,999	58	46	30	20	15	169
\$40,000 to \$49,999	50	40	27	18	13	147
\$50,000 to \$59,999	17	15	10	6	5	52
\$60,000 to \$74,999	16	16	11	7	5	55
\$75,000 to \$99,999	19	19	13	8	6	65
\$100,000 to \$124,999	6	7	4	3	2	22
\$125,000 to \$149,999	3	4	2	2	1	12
\$150,000 to \$199,999	2	1	1	1	0	5
\$200,000 & Over	1	1	1	1	0	5
Total	384	311	206	136	99	1,136

Source: ESRI; Urban Decision Group

Renter Households	2021 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	56	43	26	19	14	157
\$10,000 to \$19,999	98	60	35	26	19	238
\$20,000 to \$29,999	70	50	30	22	16	188
\$30,000 to \$39,999	58	45	27	20	14	164
\$40,000 to \$49,999	40	34	20	15	11	120
\$50,000 to \$59,999	28	29	17	13	9	95
\$60,000 to \$74,999	34	33	20	15	11	113
\$75,000 to \$99,999	35	36	21	16	11	118
\$100,000 to \$124,999	16	13	8	6	4	46
\$125,000 to \$149,999	7	7	4	3	2	23
\$150,000 to \$199,999	9	8	5	4	3	29
\$200,000 & Over	10	11	6	5	3	36
Total	461	369	218	161	117	1,326

Source: ESRI; Urban Decision Group

Renter Households	2026 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	48	37	22	17	12	136
\$10,000 to \$19,999	90	54	32	24	17	217
\$20,000 to \$29,999	69	47	28	21	15	180
\$30,000 to \$39,999	57	44	26	20	14	160
\$40,000 to \$49,999	33	28	17	13	9	100
\$50,000 to \$59,999	29	30	17	13	9	98
\$60,000 to \$74,999	40	37	22	17	12	128
\$75,000 to \$99,999	38	39	23	18	12	130
\$100,000 to \$124,999	18	15	9	7	5	53
\$125,000 to \$149,999	7	7	4	3	2	24
\$150,000 to \$199,999	16	15	9	7	5	51
\$200,000 & Over	20	20	12	9	6	67
Total	465	375	219	168	117	1,343

Source: ESRI; Urban Decision Group

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2021 and 2026 for the Kilmarnock Site PMA:

Renter Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	29	9	7	4	2	51
\$10,000 to \$19,999	53	15	10	6	5	90
\$20,000 to \$29,999	37	11	8	5	3	63
\$30,000 to \$39,999	32	10	6	5	3	56
\$40,000 to \$49,999	27	9	6	4	2	49
\$50,000 to \$59,999	8	3	1	1	1	15
\$60,000 to \$74,999	6	3	2	1	1	12
\$75,000 to \$99,999	7	3	2	1	1	14
\$100,000 to \$124,999	2	1	0	0	0	3
\$125,000 to \$149,999	1	0	0	0	0	2
\$150,000 to \$199,999	1	0	0	0	0	1
\$200,000 & Over	0	0	0	0	0	1
Total	205	65	43	27	17	356

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2021 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	29	10	6	4	3	52
\$10,000 to \$19,999	68	21	13	9	7	118
\$20,000 to \$29,999	43	15	8	6	5	77
\$30,000 to \$39,999	33	12	7	5	3	60
\$40,000 to \$49,999	20	8	4	4	2	38
\$50,000 to \$59,999	12	5	3	2	1	23
\$60,000 to \$74,999	14	6	4	3	1	28
\$75,000 to \$99,999	14	5	3	3	1	26
\$100,000 to \$124,999	9	3	2	1	1	15
\$125,000 to \$149,999	3	1	0	0	0	5
\$150,000 to \$199,999	5	2	1	1	0	8
\$200,000 & Over	4	1	1	0	0	7
Total	254	88	52	38	26	458

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2026 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	25	10	6	4	3	47
\$10,000 to \$19,999	64	21	13	9	7	113
\$20,000 to \$29,999	44	14	8	7	5	79
\$30,000 to \$39,999	33	13	7	6	3	62
\$40,000 to \$49,999	17	6	4	3	2	32
\$50,000 to \$59,999	13	6	4	2	1	26
\$60,000 to \$74,999	19	9	5	4	2	38
\$75,000 to \$99,999	16	7	4	3	2	32
\$100,000 to \$124,999	10	3	2	1	1	18
\$125,000 to \$149,999	3	1	0	0	0	5
\$150,000 to \$199,999	8	4	2	1	1	15
\$200,000 & Over	7	4	1	1	1	14
Total	259	97	56	42	28	482

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2021 and 2026 for the Kilmarnock Site PMA:

Owner Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	55	58	18	14	8	153
\$10,000 to \$19,999	105	102	31	25	14	277
\$20,000 to \$29,999	117	114	36	28	15	310
\$30,000 to \$39,999	104	109	33	27	15	287
\$40,000 to \$49,999	84	96	29	23	13	244
\$50,000 to \$59,999	62	72	22	17	10	183
\$60,000 to \$74,999	55	64	20	16	8	163
\$75,000 to \$99,999	78	91	28	22	12	232
\$100,000 to \$124,999	50	56	17	14	8	145
\$125,000 to \$149,999	27	31	9	7	4	77
\$150,000 to \$199,999	30	43	13	10	5	102
\$200,000 & Over	22	32	10	8	4	76
Total	788	868	268	211	114	2,250

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2021 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	42	47	16	8	5	119
\$10,000 to \$19,999	104	109	37	20	13	283
\$20,000 to \$29,999	91	99	33	19	12	253
\$30,000 to \$39,999	88	102	34	19	12	255
\$40,000 to \$49,999	75	90	31	17	10	223
\$50,000 to \$59,999	68	89	30	17	11	215
\$60,000 to \$74,999	77	102	34	19	12	244
\$75,000 to \$99,999	122	157	53	29	19	380
\$100,000 to \$124,999	109	129	44	24	15	322
\$125,000 to \$149,999	43	53	17	9	6	129
\$150,000 to \$199,999	53	67	23	12	8	162
\$200,000 & Over	53	69	24	13	8	166
Total	925	1,113	376	206	131	2,751

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2026 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	40	44	15	8	4	111
\$10,000 to \$19,999	102	106	36	19	11	274
\$20,000 to \$29,999	86	92	31	16	11	237
\$30,000 to \$39,999	86	101	35	17	12	250
\$40,000 to \$49,999	74	88	30	16	10	219
\$50,000 to \$59,999	64	86	30	15	10	206
\$60,000 to \$74,999	84	112	39	20	13	268
\$75,000 to \$99,999	147	191	66	35	23	462
\$100,000 to \$124,999	136	162	56	30	19	403
\$125,000 to \$149,999	49	60	20	11	7	147
\$150,000 to \$199,999	61	77	26	14	9	187
\$200,000 & Over	68	89	31	16	10	214
Total	997	1,210	416	217	138	2,978

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

Overall, population and households within the Kilmarnock Site PMA increased between 2010 and 2021 and are projected to increase by 269 (2.3%) and 123 (2.2%), respectively, between 2021 and 2026. In addition, senior households ages 65 and older are projected to experience notable growth, increasing by 290, or 10.1%, between 2021 and 2026. In addition, senior renter households are projected to experience modest growth during the same time frame. Although only 482 senior renter households are projected for the market in 2026, approximately 50.0% of these renters are projected to earn below \$30,000. Overall, the demographic trends contained within this report demonstrate a slightly increasing base of current and potential support for the subject project.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

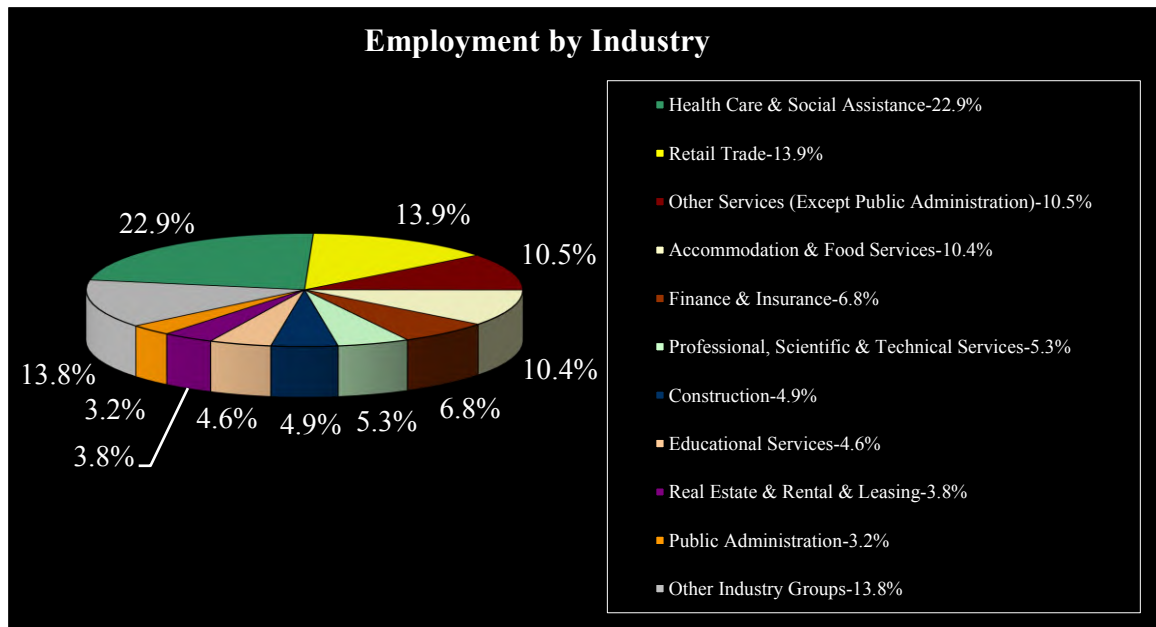
The labor force within the Kilmarnock Site PMA is based primarily in four sectors. Health Care & Social Assistance (which comprises 22.9%), Retail Trade, Other Services (Except Public Administration) and Accommodation & Food Services comprise nearly 58% of the Site PMA labor force. Employment in the Kilmarnock Site PMA, as of 2021, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	6	0.9%	23	0.4%	3.8
Mining	1	0.1%	6	0.1%	6.0
Utilities	0	0.0%	0	0.0%	0.0
Construction	52	7.5%	283	4.9%	5.4
Manufacturing	23	3.3%	169	2.9%	7.3
Wholesale Trade	16	2.3%	171	3.0%	10.7
Retail Trade	134	19.4%	799	13.9%	6.0
Transportation & Warehousing	10	1.4%	31	0.5%	3.1
Information	12	1.7%	93	1.6%	7.8
Finance & Insurance	35	5.1%	391	6.8%	11.2
Real Estate & Rental & Leasing	38	5.5%	218	3.8%	5.7
Professional, Scientific & Technical Services	60	8.7%	308	5.3%	5.1
Management of Companies & Enterprises	1	0.1%	25	0.4%	25.0
Administrative, Support, Waste Management & Remediation Services	18	2.6%	102	1.8%	5.7
Educational Services	7	1.0%	265	4.6%	37.9
Health Care & Social Assistance	57	8.2%	1,318	22.9%	23.1
Arts, Entertainment & Recreation	14	2.0%	134	2.3%	9.6
Accommodation & Food Services	51	7.4%	597	10.4%	11.7
Other Services (Except Public Administration)	100	14.5%	607	10.5%	6.1
Public Administration	29	4.2%	183	3.2%	6.3
Nonclassifiable	28	4.0%	39	0.7%	1.4
Total	692	100.0%	5,762	100.0%	8.3

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Northeast Virginia Nonmetropolitan Area are compared with those of Virginia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Northeast Virginia Nonmetropolitan Area	Virginia
Management Occupations	\$101,600	\$139,610
Business and Financial Occupations	\$82,480	\$86,060
Computer and Mathematical Occupations	\$98,730	\$103,350
Architecture and Engineering Occupations	\$107,990	\$91,730
Community and Social Service Occupations	\$43,640	\$51,320
Art, Design, Entertainment and Sports Medicine Occupations	\$57,180	\$62,380
Healthcare Practitioners and Technical Occupations	\$67,750	\$82,840
Healthcare Support Occupations	\$26,630	\$30,170
Protective Service Occupations	\$46,250	\$48,380
Food Preparation and Serving Related Occupations	\$23,630	\$24,840
Building and Grounds Cleaning and Maintenance Occupations	\$26,610	\$29,210
Personal Care and Service Occupations	\$26,320	\$30,640
Sales and Related Occupations	\$32,800	\$42,290
Office and Administrative Support Occupations	\$35,810	\$41,160
Construction and Extraction Occupations	\$42,800	\$46,800
Installation, Maintenance and Repair Occupations	\$45,280	\$51,510
Production Occupations	\$30,370	\$39,640
Transportation and Moving Occupations	\$31,540	\$37,050

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$23,630 to \$57,180 within the Northeast Virginia Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$91,710. It is important to note that most occupational types within the Northeast Virginia Nonmetropolitan Area have slightly lower typical wages than Virginia's typical wages. The area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw renter support.

The ten largest employers within the Lancaster County area are summarized in the following table. Note that employment numbers were unavailable at the time of this analysis.

Employer Name	Business Type
Bon Secours Health System, Inc.	Health Care
Rappahannock Westminster Canterbury	Retirement Community
Lancaster County School Board	Education
Walmart	Retail
County of Lancaster	Government
Tides Inn	Hotel
Chesapeake Bank	Financial Institution
York Convalescent Center	Health Care
Visiting Angels	Health Care
Northern Neck Insurance Company	Insurance Company

Source: Virginia Employment Commission (2nd Quarter 2020)

Despite multiple attempts, we were unable to receive a response from area economic development representatives regarding the current status of the local economy. The COVID-19 pandemic has impacted the areas businesses. The city, county, state, and federal government are providing assistance through various programs for area businesses. The following are summaries of some recent and notable economic development activity within the Lancaster County area based on our research at the time of this analysis.

- Splash Kilmarnock opened a swimwear and active wear store at 78 South Main Street in February 2021.
- WOWD opened a new women's boutique on Main Street in January 2021.
- Tractor Supply Co. opened a new location October 17, 2020.
- Compass Entertainment Complex opened a new \$18 million entertainment complex in Northern Neck in September 2020. The facility has a full-service restaurant, a cinema, arcade, climbing walls, and go karts.
- Grow, a CBD oil and plant growing company, opened a new store at 84 S. Main Street in June 2020.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on February 26, 2021, and according to the Virginia Employment Commission there have been no WARN notices reported for Kilmarnock in Lancaster County over the past 12 months.

2. EMPLOYMENT TRENDS

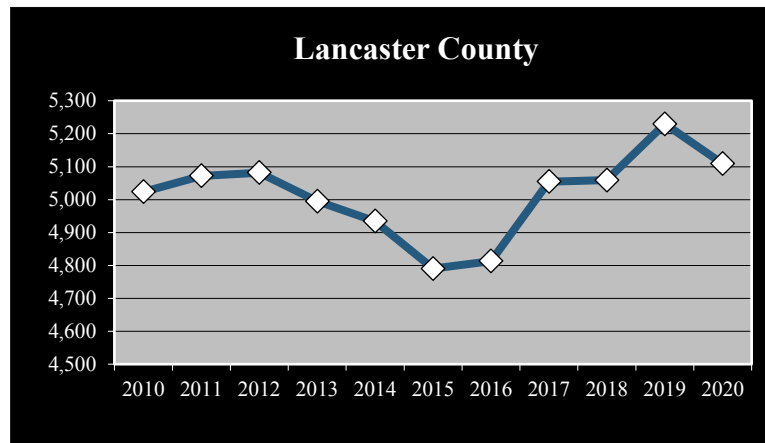
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2020, the employment base has increased by 9.2% over the past five years in Lancaster County, more than the Virginia state increase of 6.5%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Lancaster County, the state of Virginia and the United States.

Year	Total Employment					
	Lancaster County		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2010	5,024	-	3,860,386	-	140,469,139	-
2011	5,072	1.0%	3,934,326	1.9%	141,791,255	0.9%
2012	5,082	0.2%	3,967,987	0.9%	143,621,634	1.3%
2013	4,995	-1.7%	3,995,182	0.7%	145,017,562	1.0%
2014	4,934	-1.2%	4,019,470	0.6%	147,313,048	1.6%
2015	4,791	-2.9%	4,028,801	0.2%	149,500,941	1.5%
2016	4,813	0.5%	4,069,395	1.0%	151,887,366	1.6%
2017	5,055	5.0%	4,151,746	2.0%	154,160,937	1.5%
2018	5,059	0.1%	4,209,651	1.4%	156,081,212	1.2%
2019	5,230	3.4%	4,289,132	1.9%	158,102,439	1.3%
2020	5,109	-2.3%	4,086,176	-4.7%	147,888,051	-6.5%

Source: Department of Labor; Bureau of Labor Statistics

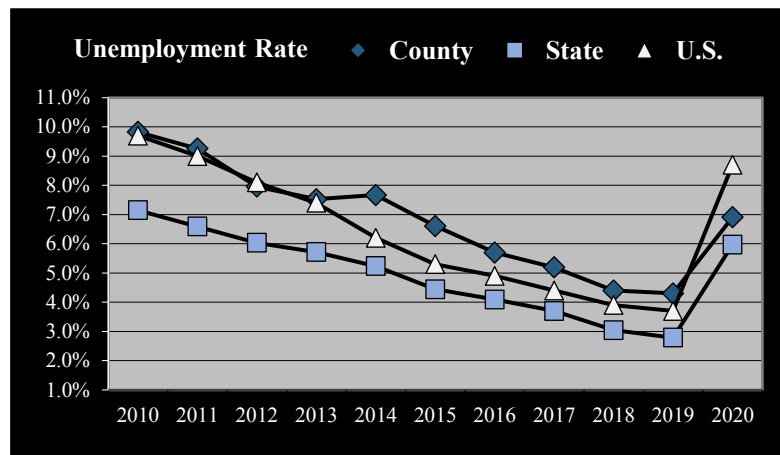


As the preceding illustrates, the Lancaster County employment base improved or remained stable between 2015 and 2019, then experienced a significant decline between 2019 and 2020 due to the COVID-19 pandemic.

Unemployment rates for Lancaster County, the state of Virginia and the United States are illustrated as follows:

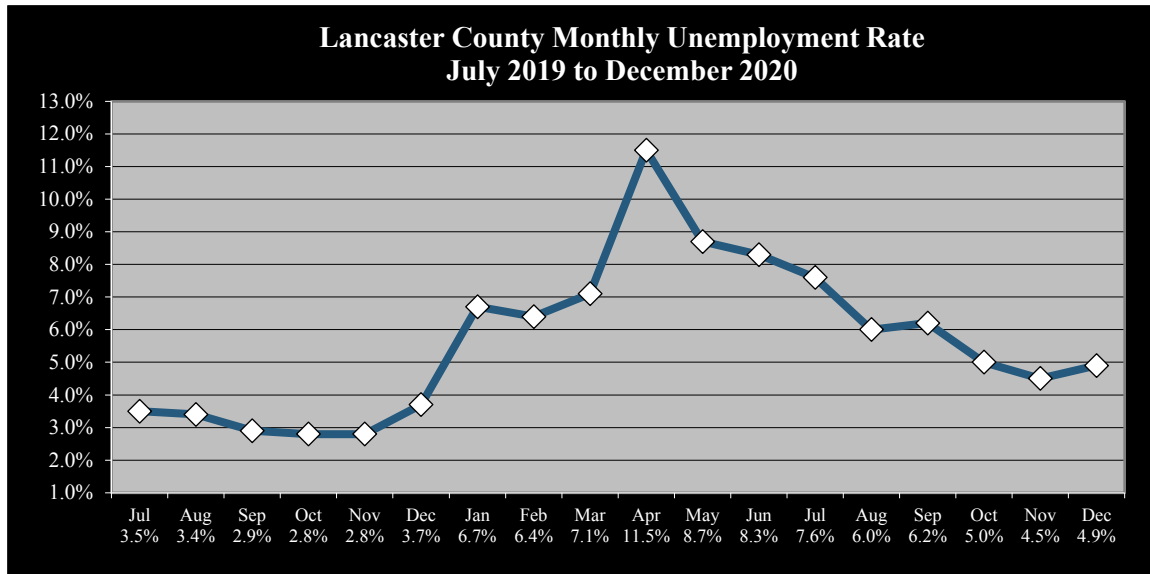
Year	Unemployment Rate		
	Lancaster County	Virginia	United States
2010	9.8%	7.2%	9.7%
2011	9.3%	6.6%	9.0%
2012	8.0%	6.0%	8.1%
2013	7.5%	5.7%	7.4%
2014	7.7%	5.2%	6.2%
2015	6.6%	4.4%	5.3%
2016	5.7%	4.1%	4.9%
2017	5.2%	3.7%	4.4%
2018	4.4%	3.0%	3.9%
2019	4.3%	2.8%	3.7%
2020	6.9%	6.0%	8.7%

Source: Department of Labor, Bureau of Labor Statistics



The unemployment rate in Lancaster County generally declined between 2010 and 2019; however, it was adversely impacted as the result of the COVID-19 pandemic between 2019 and 2020.

The following table illustrates the monthly unemployment rate in Lancaster County for the most recent 18-month period for which data is currently available.



As the preceding table illustrates, the monthly unemployment rate within Lancaster County spiked by nearly six percentage points between February and April 2020. On a positive note, the monthly unemployment rate in the county has generally declined since and is near levels reported from before the pandemic.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Lancaster County.

In-Place Employment Lancaster County			
Year	Employment	Change	Percent Change
2010	4,615	-	-
2011	4,626	11	0.2%
2012	4,631	5	0.1%
2013	4,553	-78	-1.7%
2014	4,499	-54	-1.2%
2015	4,443	-56	-1.2%
2016	4,509	66	1.5%
2017	4,530	21	0.5%
2018	4,522	-8	-0.2%
2019	4,616	94	2.1%
2020*	4,292	-324	-7.0%

Source: Department of Labor, Bureau of Labor Statistics
*Through June

Data for 2019, the most recent year that year-end figures are available, indicates in-place employment in Lancaster County to be 88.3% of the total Lancaster County employment. This means that Lancaster County has more employed persons leaving the county for daytime employment than those who work in the county.

3. ECONOMIC FORECAST

The Lancaster County economy was improving or stable each year between 2015 and 2019. However, between 2019 and 2020, the county declined by 121 jobs, or 2.3%, as the result of the COVID-19 pandemic, which caused many area businesses to experience a significant reduction in business activity, increasing unemployment and decreasing the county's employment base. This correlates with unemployment rate trends, as the county unemployment rate nearly doubled in 2020 and is above the state average. Specifically, between February and April 2020, the monthly unemployment rate within Lancaster County increased by nearly six percentage points; however, the county's unemployment rate has been generally trending downward since and is near levels reported before the pandemic. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which represent over 26.0% of the market's labor force and provide lower wage paying positions. The subject site will continue to provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable.

4. COMMUTING PATTERNS

Based on the American Community Survey (2014-2018), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	3,400	82.3%
Carpooled	358	8.7%
Public Transit	12	0.3%
Walked	43	1.0%
Other Means	69	1.7%
Worked at Home	247	6.0%
Total	4,129	100.0%

Source: American Community Survey (2014-2018); ESRI; Urban Decision Group; Bowen National Research

Over 82% of all workers drove alone, 8.7% carpoled and only 0.3% used public transportation.

Typical travel times to work for the Site PMA residents are illustrated as follows:

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	1,710	41.4%
15 to 29 Minutes	916	22.2%
30 to 44 Minutes	524	12.7%
45 to 59 Minutes	206	5.0%
60 or More Minutes	525	12.7%
Worked at Home	247	6.0%
Total	4,128	100.0%

Source: American Community Survey (2014-2018); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. The subject site is within a 15-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.

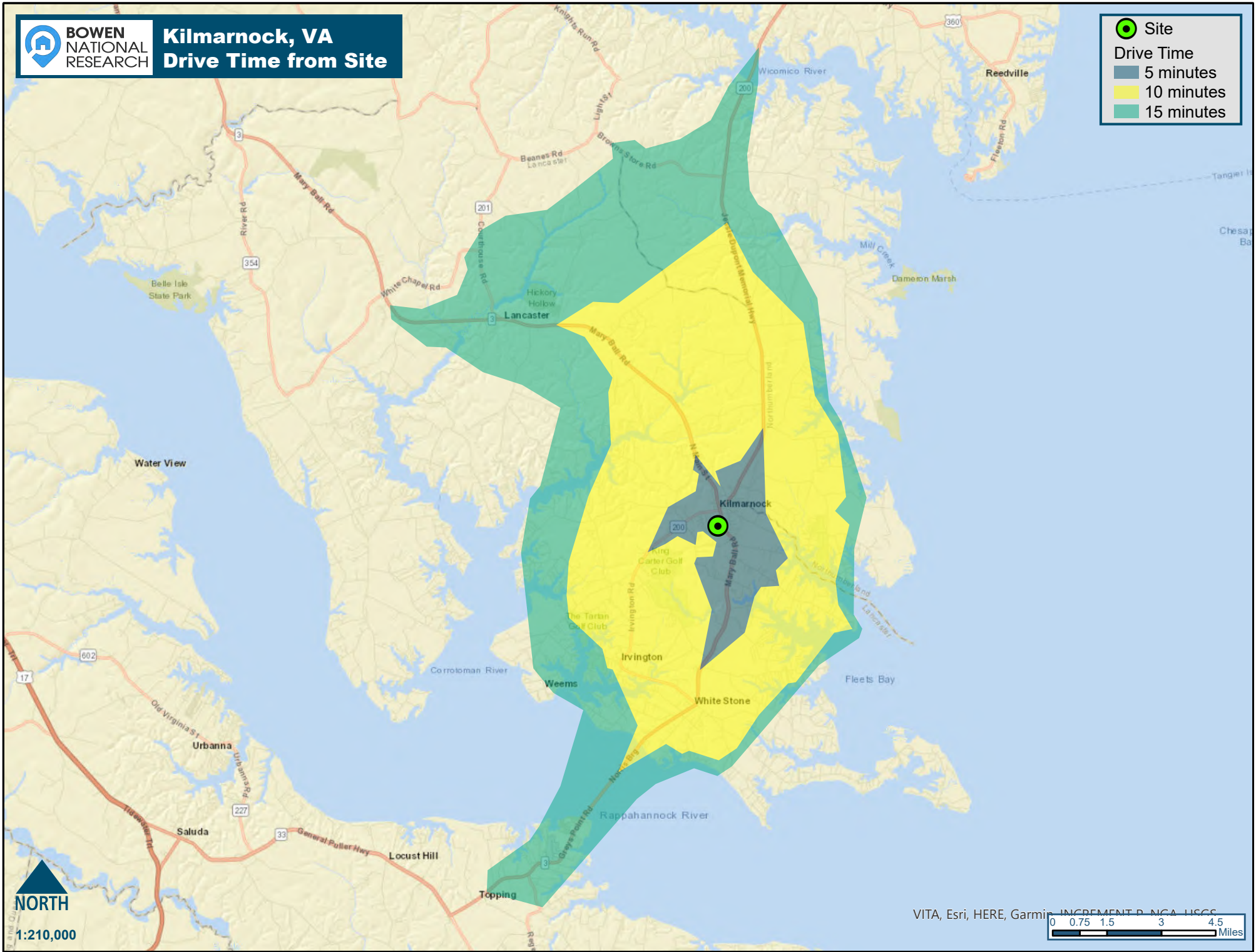


Kilmarnock, VA Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:210,000

VITA, Esri, HERE, Garmin, INCREMENT P, NCA, USGS
0 0.75 1.5 3 4.5 Miles

V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Kilmarnock Site PMA in 2010 and 2021 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2021 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	5,162	70.9%	5,557	67.5%
Owner-Occupied	4,026	78.0%	4,230	76.1%
Renter-Occupied	1,136	22.0%	1,326	23.9%
Vacant	2,122	29.1%	2,679	32.5%
Total	7,284	100.0%	8,236	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2021 update of the 2010 Census, of the 8,236 total housing units in the market, 32.5% were vacant. In 2021, it was estimated that homeowners occupied 76.1% of all occupied housing units, while the remaining 23.9% were occupied by renters.

Conventional Apartments

We identified and personally surveyed five conventional housing projects containing a total of 120 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 98.3%, an excellent rate for rental housing. The surveyed rental developments within the market broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	28	2	92.9%
Tax Credit/Government-Subsidized	2	44	0	100.0%
Government-Subsidized	2	48	0	100.0%
Total	5	120	2	98.3%

As the preceding illustrates, we identified and surveyed just five rental housing projects in the rural Site PMA, most of which offer affordable units. The renovations to the subject site will preserve an affordable rental housing product that is in high demand.

The following table summarizes the breakdown of non-subsidized (market-rate) units surveyed within the Site PMA.

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.0	6	21.4%	1	16.7%	\$808
Two-Bedroom	1.5	6	21.4%	1	16.7%	\$808
Three-Bedroom	2.0	16	57.1%	0	0.0%	\$1,002
Total Market-Rate		28	100.0%	2	7.1%	-

The market-rate units are 92.9% occupied, reflective of just two vacant units. There are no non-subsidized Tax Credit units in the Site PMA.

The following is a distribution of non-subsidized (market-rate) units surveyed by year built for the Site PMA:

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	0	0	0.0%
1980 to 1989	1	28	7.1%
1990 to 1999	0	0	0.0%
2000 to 2009	0	0	0.0%
2010 to 2014	0	0	0.0%
2015	0	0	0.0%
2016	0	0	0.0%
2017	0	0	0.0%
2018	0	0	0.0%
2019	0	0	0.0%
2020	0	0	0.0%
2021*	0	0	0.0%

*As of February

As stated throughout this section of the report, we identified and surveyed just one non-subsidized property in the Site PMA, which was built in 1984. The renovations to the subject site will provide some much needed modern rental units to the Site PMA.

We rated each non-subsidized (market-rate) property surveyed on a scale of "A" through "F". The market-rate property surveyed was rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B	1	28	7.1%

The only non-subsidized property surveyed was assigned a quality rating of "B", which is considered good overall quality.

Government-Subsidized

The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	12	27.3%	0	0.0%
Two-Bedroom	1.0	32	72.7%	0	0.0%
Total Subsidized Tax Credit		44	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	48	100.0%	0	0.0%
Total Subsidized		48	100.0%	0	0.0%

The subsidized Tax Credit units are 100.0% occupied and the government-subsidized units are 100.0% occupied. This high occupancy rate among all subsidized projects in the Site PMA indicates a strong market for low-income housing.

A complete field survey of all conventional apartments we surveyed within the market, as well as an apartment location map, is included in the *Field Survey of Conventional Rentals*.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

As stated throughout this report, due to the rural nature of the market area, there are no non-subsidized Low-Income Housing Tax Credit (LIHTC) properties within the Kilmarnock Site PMA that we consider comparable to the proposed development. Due to the lack of non-subsidized LIHTC product within the Site PMA, we identified and surveyed four LIHTC properties outside the Site PMA, but within the region, in Newport News, Virginia. These properties offer unit types and target income (AMHI) levels similar to those at the subject project and two of the four properties are restricted to seniors, similar to the subject site. Note that these properties located outside of the Site PMA are not considered competitive with the subject development and have only been included for comparability purposes. Although located approximately 50 miles from the site, these are the nearest identified and surveyed comparable LIHTC properties in this rural area.

These four LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in *Section XI – Comparable Property Profiles*.

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Holly Court	1996 / 2009 / 2023	40	100.0%	-	6 HH	Seniors 62+; 50% AMHI & Section 202
901	Auburn Pointe	1976 / 1997	275	99.3%	51.0 Miles	1 & 2-Br: 2 HH	Families; 50% & 60% AMHI
902	Checed Warwick Senior	2005	48	100.0%	50.7 Miles	2 HH	Seniors 62+; 40%, 50%, & 60% AMHI
906	King's Ridge	1996	182	100.0%	49.0 Miles	None	Families; 60% AMHI
907	Lexington Commons	1996	132	99.2%	51.7 Miles	None	Seniors 55+; 60% AMHI

900 Map IDs are located outside the Site PMA

OCC. – Occupancy

HH - Households

The four comparable LIHTC projects have a combined occupancy rate of 99.5%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and two properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the region. The subject project will continue to accommodate a portion of this unmet demand.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Holly Court	*634/50% (40)	-	-	-
901	Auburn Pointe	\$715/50% (10/0) \$864/60% (56/0)	\$913/60% (177/0)	\$1,154/60% (32/2)	None
902	Checed Warwick Senior	\$538/40% (3/0) \$679/50% (15/0)	\$644/40% (2/0) \$783/50% (20/0) \$838/60% (8/0)	-	None
906	King's Ridge	\$830/60% (32/0)	\$992/60% (94/0)	\$1,174/60% (56/0)	None
907	Lexington Commons	\$933/60% (32/0)	\$982/60% (100/1)	-	None

900 Map IDs are located outside the Site PMA

*Five units with rent restricted to 40% of AMHI

The proposed subject gross rent of \$634 will be the lowest when compared to the LIHTC rents targeting similar income levels within the market. Regardless, the subject project will continue to operate with a subsidy, allowing tenants of the project to pay only a portion of their income towards rent and not the gross rent in the preceding table. This will ensure the subject project represents a significant value to area seniors.

The unit sizes (square footage) and number of bathrooms included in each of the comparable LIHTC unit types offered in the region are compared with the subject development in the following tables:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Holly Court	525	-	-
901	Auburn Pointe	850	1,200	1,500
902	Checed Warwick Senior	766	1,030	-
906	King's Ridge	749	949	1,156
907	Lexington Commons	665	800	-

900 Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Holly Court	1.0	-	-
901	Auburn Pointe	1.0	1.5	2.0
902	Checed Warwick Senior	1.0	1.0	-
906	King's Ridge	1.0	2.0	2.0
907	Lexington Commons	1.0	1.0	-

900 Map IDs are located outside the Site PMA

The subject project's unit sizes will continue to be the smallest among the comparable LIHTC properties. However, considering the subject project is currently 100.0% occupied with a waiting list, these unit sizes have not had an impact on the marketability of the site.

The following tables compare the appliances and the unit and project amenities of the subject site with existing Tax Credit properties in the region.

Tax Credit Unit Amenities by Map ID						
	Site* ♦	901	902♦	906	907♦	
Appliances	Dishwasher		X	X	X	
	Disposal		X	X		X
	Icemaker			X		
	Microwave					
	Range	X	X	X	X	X
	Refrigerator	X	X	X	X	X
	No Appliances					
Unit Amenities	AC-Central	X	X	X	X	X
	AC-Other					
	Balcony			X		
	Deck / Patio	X		X		
	Basement					
	Ceiling Fan		S		X	X
	Controlled Access					X
	E-Call System	X		X		X
	Fireplace					
	Furnished					
	Security System					
	Sunroom					
	W/D Hookup	X	X	X	X	
	W/D		O		O	
	Walk-In Closet					
	Window Treatments	X	X	X	X	X
Flooring	Carpet		X	X	X	X
	Ceramic Tile					
	Composite (VCT)(LVT)	X				
	Hardwood					
	Finished Concrete					
	Vinyl					X
Upgraded	Wood Laminate / Plank		X		X	
	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High Ceilings					
	Vaulted Ceilings					
	Crown Molding					
Oversized Windows						
Parking	Attached Garage					
	Detached Garage					
	Street Parking					
	Surface Lot	X	X	X	X	X
	Carport					
	Property Parking Garage					
	Podium Parking					
	No Provided Parking					

♦ - Senior Property

* Proposed Site(s): Holly Court

X = All Units, S = Some Units, O = Optional with Fee

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

	Site*◆	901	902◆	906	907◆
Bike Racks / Storage					
Business Center **			X		
Car Care **					
Common Patio					X
Community Garden					X
Community Space					
Activity / Craft Room					
Chapel					
Clubhouse		X		X	
Conference Room					
Community Kitchen	X				
Community Room	X		X		X
Dining Room - Private					
Dining Room - Public					
Rooftop Lounge					
Study Lounge					
TV Lounge	X				
Concierge Service **					
Convenience Amenities **					
Courtyard					
Covered Outdoor Area **	X				
Elevator			X		X
Laundry Room	X	X	X	X	X
Meals					
On-Site Management	X	X		X	X
Pet Care **					
Recreation					
Basketball					
Bocce Ball					
Firepit					
Fitness Center		X	X		X
Grill				X	
Game Room - Billiards					X
Hiking - Walking Trail					
Hot Tub					
Library					X
Media Room / Theater					X
Picnic Table / Area	X	X		X	X
Playground		X		X	
Putting Green					
Racquetball					
Shuffleboard					
Sports Court					
Swimming Pool - Indoor					
Swimming Pool - Outdoor		X		X	
Tennis					
Volleyball					
Security					
CCTV	X				
Courtesy Officer					
Gated Community					
Gated Parking					
Police Substation					
Social Services **	X				X
Storage - Extra					O
Water Feature					
WiFi					

◆ - Senior Property

* Proposed Site(s): Holly Court

X = All Units, S = Some Units, O = Optional with Fee

** Details in Comparable Property Profile Report

The proposed amenity package for the subject project is considered inferior to those offered among the comparable LIHTC properties, both in terms of unit and project amenities. However, the subject property does not appear to lack any key amenities that would adversely impact its marketability as an affordable property within the Kilmarnock Site PMA. This is particularly true when considering the high occupancy rates maintained at the site and the available subsidy to be provided at the subject project.

Comparable/Competitive Tax Credit Summary

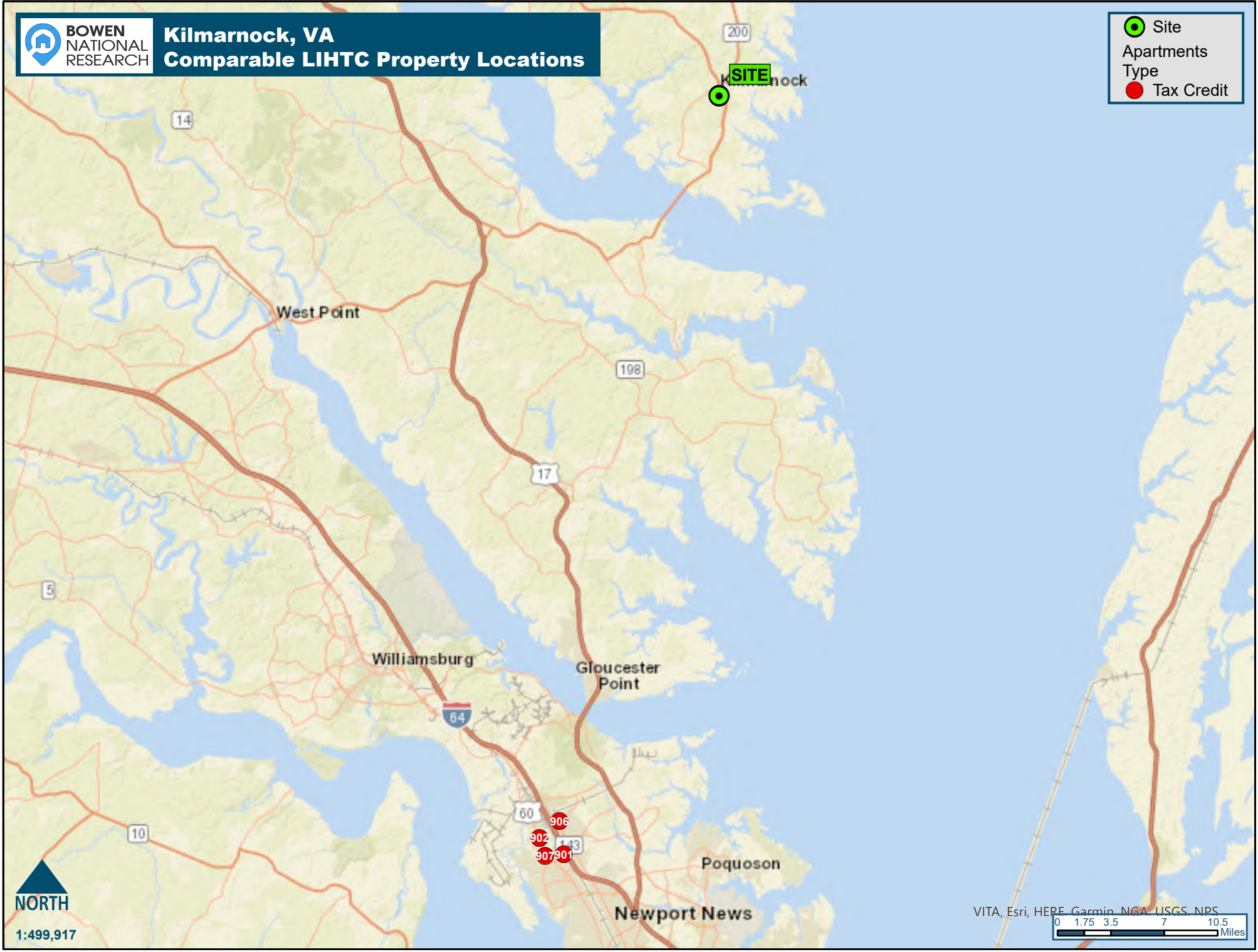
The four comparable LIHTC projects have a combined occupancy rate of 99.5%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and two properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the region. The subject project will continue to accommodate a portion of this unmet demand. The subject's proposed gross Tax Credit rent is the lowest when compared with those being achieved at the comparable LIHTC properties targeting similar income levels. Although offering the smallest unit sizes and an inferior amenities package, the subject property is expected to be marketable, which is further evidenced by the subject's current 100.0% occupancy rate and waiting list. Based on the preceding factors, the subject project is considered very marketable as proposed, especially when considering the inclusion of a subsidy.

A map depicting the location of the most comparable LIHTC properties is included on the following page.



Kilmarnock, VA Comparable LIHTC Property Locations

- Site
- Apartments
- Tax Credit



NORTH
1:499,917

VITA, Esri, HERE, Garmin, NGA, USGS, NPS
0 1.75 3.5 7 10.5 Miles

C. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with planning representatives, it was determined that there are no rental housing projects in the development pipeline within the Site PMA.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

As stated throughout this report, there are no non-subsidized Tax Credit properties within the Site PMA. The two Tax Credit properties in the Site PMA that operate under the Tax Credit program also operate with a subsidy, both of which are 100.0% occupied with waiting lists. In addition, the four comparable LIHTC projects located outside the Site PMA, but within the region, have a combined occupancy rate of 99.5%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and two properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the region. As such, it is not anticipated that the renovations to the subject site will adversely impact the occupancy rates of existing Tax Credit developments. In fact, the renovations to the subject project will preserve affordable rental product that is in high demand.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value within the Site PMA was \$262,414. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$262,414 home is \$1,579, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$262,414
Mortgaged Value = 95% of Median Home Price	\$249,293
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$1,263
Estimated Taxes and Insurance*	\$316
Estimated Monthly Mortgage Payment	\$1,579

*Estimated at 25% of principal and interest

In comparison, the proposed collected rents for the subject property are all subsidized where residents pay up to 30% of their adjusted gross income towards housing costs. As such, residents are unlikely to be able to afford the monthly payments required to own a home. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

The achievable market rents are based primarily on comparable market-rate properties that we have identified within or near the Site PMA. These selected properties are used to derive market rent for a project with characteristics similar to the subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the subject project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The proposed subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Holly Court	1996 / 2023	40	100.0%	40 (100.0%)	-	-
903	Clairmont	2007	216	97.7%	36 (94.4%)	132 (97.7%)	48 (100.0%)
904	Courthouse Commons	1981	24	100.0%	3 (100.0%)	21 (100.0%)	-
908	Monticello at Powhatan	2000	267	97.0%	36 (97.2%)	72 (97.2%)	159 (96.9%)
910	Regency at Longhill	1986 / 2000	224	98.7%	18 (100.0%)	188 (98.9%)	18 (94.4%)
912	Steeplechase	1986 / 2006	220	98.2%	56 (98.2%)	140 (97.9%)	24 (100.0%)

Occ. – Occupancy
 900 Map IDs are located outside the Site PMA

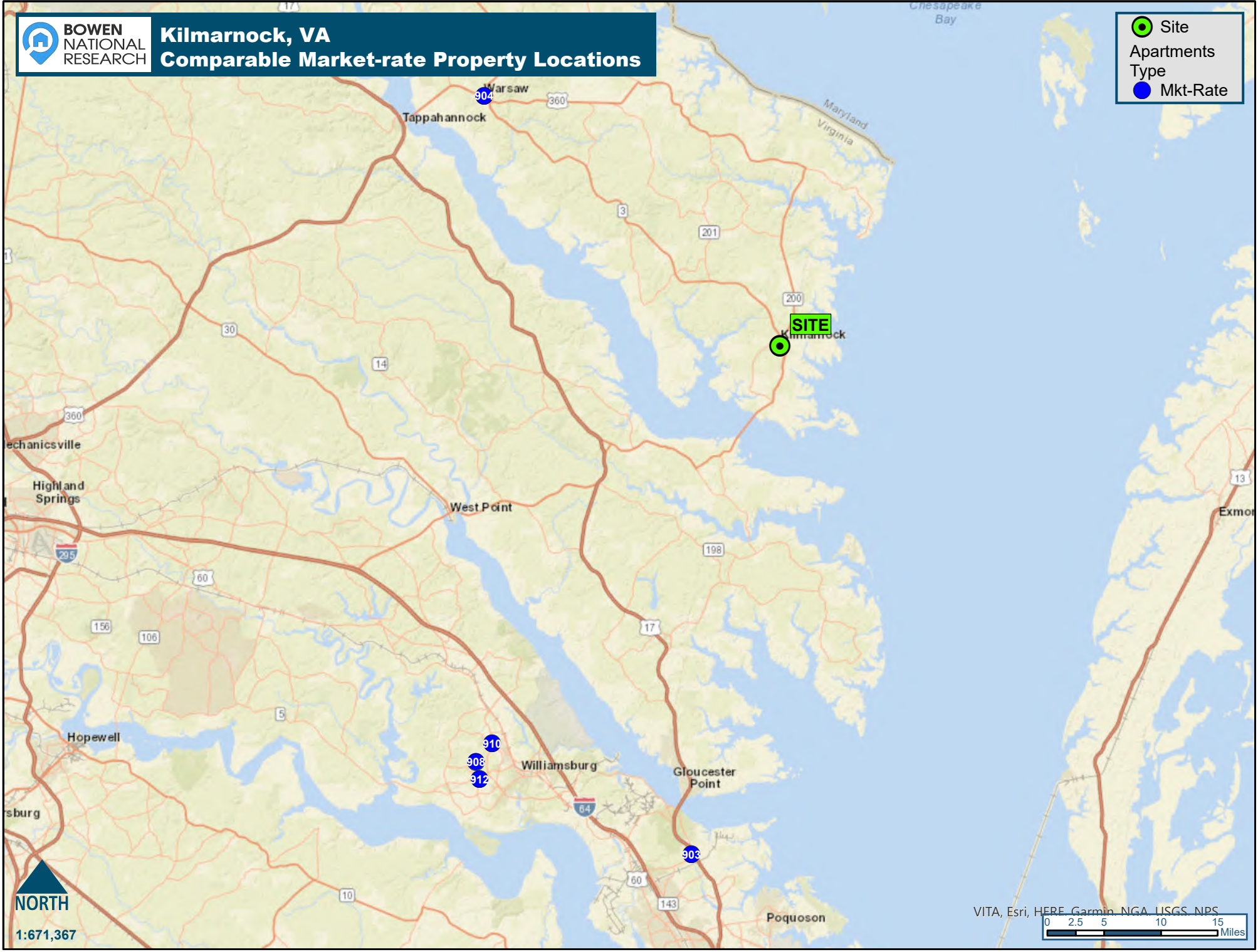
The five selected market-rate projects have a combined total of 951 units with an overall occupancy rate of 97.9%. None of the comparable properties has an occupancy rate below 97.0%.

The Rent Comparability Grid on the following page shows the collected rents for each of the selected properties and illustrates the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the subject development. Preceding the Rent Comparability Grid is a map of the location of the comparable market-rate developments in relation to the location of the subject site.



Kilmarnock, VA Comparable Market-rate Property Locations

- Site
- Apartments
- Mkt-Rate



NORTH

1:671,367

VITA, Esri, HERE, Garmin, NGA, USGS, NPS
0 2.5 5 10 15 Miles

Rent Comparability Grid

Unit Type → **ONE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Holly Court		Clairmont		Courthouse Commons		Monticello at Powhatan		Regency at Longhill		Steeplechase	
201 Wiggins Avenue		100 Arcadia Lp.		260-264 Wallace St.		3500 Carriage House Way		5302 Lone Place Dr.		3700 Steeplechase Dr.	
Kilmarnock, VA		Yorktown, VA		Warsaw, VA		Williamsburg, VA		Williamsburg, VA		Williamsburg, VA	
Data		Data		Data		Data		Data		Data	
Subject		Subject		Subject		Subject		Subject		Subject	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,115		\$675		\$1,319		\$1,170		\$1,157	
2	Date Surveyed	Feb-21		Feb-21		Feb-21		Feb-21		Feb-21	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	94%		100%		97%		100%		98%	
5	Effective Rent & Rent/ sq. ft	\$1,115	1.39	\$675	0.75	\$1,319	1.47	\$1,170	1.67	\$1,157	1.70
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		WU/3		TH/2		WU/2		WU/2,3	
7	Yr. Built/Yr. Renovated	1996/2023		2007 \$3		1981 \$29		2000 \$10		1986/2000 \$17	
8	Condition/Street Appeal	G		G		G		E (\$15)		G	
9	Neighborhood	G		G		G		E (\$10)		G	
10	Same Market?	No	(\$111)	No		No	(\$131)	No	(\$117)	No	(\$115)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	525	(\$94)	800	(\$130)	905	(\$128)	900	(\$60)	700	(\$53)
14	Patio/Balcony	Y		Y		N \$5		Y		Y	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/N	(\$15)	Y/Y	(\$15)	Y/Y	(\$15)	Y/Y	(\$15)	N/Y	(\$10)
18	Washer/Dryer	HU/L	(\$25)	W/D		HU \$5		HU/L	(\$25)	W/D	(\$25)
19	Floor Coverings	V		C/T		C/W/L		C/L		C/W/T	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fan/E-Call System	N/Y	\$5	N/N	\$5	Y/N		Y/N		Y/N	\$5
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	N	\$5	N	\$5
27	Community Space	Y		Y		N	\$5	Y		Y	
28	Pool/Recreation Areas	N	(\$15)	P/F		N		P/F/L	(\$18)	P/F/T/WT	(\$21)
29	Computer/Business Center	N		N		N		N		N	
30	Picnic Area/Storage	Y/N	(\$5)	Y/Y		N/N \$3		N/N \$3		Y/Y	(\$5)
31	Library	N		N		N		N		N	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/G		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		N/N	(\$49)	N/N	
39	Trash/Recycling	Y/N		Y/N	\$12	N/N	\$12	Y/N		N/N	\$12
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	7	8	3	5	7	4	7	5	8
41	Sum Adjustments B to D	\$26	(\$270)	\$65	(\$150)	\$31	(\$322)	\$35	(\$248)	\$37	(\$251)
42	Sum Utility Adjustments			\$12		\$12			(\$49)	\$12	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$244)	\$296	(\$73)	\$227	(\$279)	\$365	(\$262)	\$332	(\$202)	\$300
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$871		\$602		\$1,040		\$908		\$955	
45	Adj Rent/Last rent		78%		89%		79%		78%		83%
46	Estimated Market Rent	\$910	\$1.73 ←	Estimated Market Rent/ Sq. Ft							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grid, it was determined that the present-day achievable market rent for units similar to the subject development is illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$525	\$910	42.3%

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject’s proposed Tax Credit rent, which represents a market rent advantage of 42.3%, is considered appropriate and should represent a good value within the Kilmarnock market. It is also important to reiterate that the subject project will operate with a project-based subsidy available to all units. Thus, the units at the property will represent an even greater value than that reflected by the market rent advantage in the preceding table, as tenants will pay only 30% of their income towards rent, rather than the proposed rent evaluated throughout this report.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.

7. Upon completion of renovations, the subject project will have an effective age of a project built in 2010. The selected properties were built between 1981 and 2007. As such, we have adjusted the rents at the selected properties by \$1 per year of effective age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have an improved appearance, once renovations are complete. We have made adjustments for those properties that we consider to be of superior quality compared to the subject development.
9. Two of the selected properties are located in less desirable neighborhoods than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among these projects and the subject project.
10. All of the comparable market-rate properties are located outside of the Site PMA. Four of the properties are located in the Yorktown and Williamsburg, Virginia areas. These markets are considered slightly superior to the subject market in terms of median household income, median gross rents, and median home values. Thus, the four properties located in these markets have been negatively adjusted by 10.0% to account for out-of-market differences. This adjustment is based on data obtained from the American Community Survey (ACS).
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package generally inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the subject property does offer.
- 24.-32. The subject project offers a limited project amenities package; however, it is generally considered similar to those offered among most of the selected properties. We have made monetary adjustments to reflect the difference between the proposed subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential. Note that we have evaluated the subject project assuming two different scenarios. The first capture rate scenario has been calculated assuming that the project operates with a subsidy available to all units. In this scenario, residents of these subsidized units pay up to 30% of their adjusted gross income towards rent. We also provided a capture rate scenario for the unlikely event that the subject project lost its project-based subsidy, thus requiring all units to operate exclusively under the Tax Credit guidelines, targeting households earning up to 50% of AMHI. Note that when operating with a subsidy, the subject project will be restricted to senior households age 62 and older. However, in the unlikely event the subsidy was lost, and all units had to operate exclusively under the Tax Credit program, the project would be open to senior residents age 55 and older.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Lancaster County, VA MSA, which has a median four-person household income of \$71,600 for 2020. The subject property will be restricted to households with incomes of up to 50% of AMHI. The following table summarizes the maximum allowable income by household size and income level:

Household Size	Targeted AMHI
	Maximum Allowable Income
One-Person	50%
One-Person	\$25,100
Two-Person	\$28,650

1. Maximum Income Limits

The one-bedroom units offered at the subject site are expected to continue to house up to two-person senior households. As such, the maximum allowable income at the subject site is **\$28,650**.

2. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to VHDA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while elderly projects have a 40% rent-to-income ratio.

Since the subject project will continue operate with a subsidy available to all subject units following renovations, the project will continue to be able to serve households with incomes as low as \$0.

However, in the unlikely scenario that the units operate without a subsidy, the proposed LIHTC units will have a lowest gross rent of \$634. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,608. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of \$19,020.

3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live at the subject project with units built to serve households at 50% of AMHI, with and without a subsidy is as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit w/Subsidy Overall	\$0	\$28,650
Tax Credit Only Overall	\$19,020	\$28,650

B. CAPTURE RATE CALCULATIONS

Per VHDA market study requirements, analysts are required to use net demand in calculating capture rates and the absorption period. Net demand is determined by subtracting the supply of vacant comparable units in the PMA, completed or pipeline, from Total Demand. Total Demand includes New Renter Household Growth and Demand from Existing Households (defined below).

The following are the demand components as outlined by Virginia Housing:

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2021 as the base year and projecting forward to 2023, per Virginia Housing guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. In instances where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*

2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*

- a) **Rent overburdened households,** *if any, within the age group, income groups and renters targeted for the subject development. “Overburdened” is defined by Virginia Housing as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 27.0% to 43.9% of households, depending upon income level, within the site PMA, are considered to be rent overburdened.

- b) **Households in substandard housing** *(i.e. overcrowded and/or lack of plumbing: Must be age and income group appropriate. Analysts must use their knowledge of the market area and the subject development to determine if demand from this source is realistic. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 0.7% of all households within the Site PMA are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

- c) **Elderly Homeowners likely to convert to rental housing:** *This component may not comprise more than 20% of total demand. The analyst must provide a narrative describing how these numbers were derived. Analysts are encouraged to be conservative in this regard.*

Based on our experience in the Kilmarnock area as well as throughout markets across the country, we assume 5.0% of all income-eligible senior homeowners in this market may potentially be attracted to the proposed subject site. Considering the limited supply of affordable age-restricted units, it is likely that there are some senior homeowners within the Site PMA that prefer to downsize to an affordable maintenance-free housing alternative, but have been unsuccessful due to the lack of availability of such product in the market. Given this lack of available affordable age-restricted rental alternatives in the market, we believe the subject project will be successful in attracting some senior homeowners, thus we believe a 5.0% homeowner conversion rate to be appropriate for this market.

- d) **Existing qualifying tenants likely to remain after renovations:**
This component of demand applies only to existing developments undergoing rehabilitations.

This demand component was considered in our analysis.

The sum of demand from rental household growth and demand from all components of existing households will constitute total demand.

C. DEMAND/CAPTURE RATE CALCULATIONS

As stated, and discussed in the *Section V*, there are no non-subsidized age-restricted LIHTC properties within the Site PMA. Additionally, there are no additional age-restricted LIHTC properties currently in the development pipeline within the Kilmarnock Site PMA. Based on the preceding factors, we have not considered any directly comparable/competitive supply units in our demand estimates.

The following is a summary of our demand calculations assuming the subject property operates as anticipated, *with a project-based subsidy*:

Demand Component – Age 62+	Overall LIHTC with Subsidy
Demand From New Rental Households (Age- And Income-Appropriate)	233 - 236 = -3
+	
Demand From Existing Households (Rent Overburdened)	236 X 43.9% = 104
+	
Demand From Existing Households (Renters In Substandard Housing)	236 X 0.7% = 2
+	
Demand From Existing Households (Elderly Homeowner Conversion)	620 X 5.0% = 31
+	
Demand From Existing Households (Existing Qualifying Tenants Likely To Remain After Renovations)	40
=	
Total Demand	174
-	
Supply (Directly Comparable Vacant Units Completed Or In The Pipeline)	0
=	
Net Demand	174
Proposed Units	40
Proposed Units / Net Demand	40 / 174
Capture Rate	= 23.0%
Total Absorption Period	4 Months

The following is a summary of our demand calculations assuming the unlikely scenario that the subject project operates exclusively as a LIHTC property, *without* any type of project-based subsidy.

Demand Component – Age 55+	Overall LIHTC Only
Demand From New Rental Households (Age- And Income-Appropriate)	102 - 102 = 0
+	
Demand From Existing Households (Rent Overburdened)	102 X 27.0% = 28
+	
Demand From Existing Households (Renters In Substandard Housing)	102 X 0.7% = 1
+	
Demand From Existing Households (Elderly Homeowner Conversion)	285 X 5.0% = 7*
+	
Demand From Existing Households (Existing Qualifying Tenants Likely To Remain After Renovations)	0
=	
Total Demand	
-	
Supply (Directly Comparable Vacant Units Completed Or In The Pipeline)	0
=	
Net Demand	36
Proposed Units	40
Proposed Units / Net Demand	40 / 36
Capture Rate	= > 100.0%
Total Absorption Period	N/A

*Limited to account for no more than 20% of demand

Overall, the capture rate of 23.0% when considering the retention of a subsidy is considered achievable. In the unlikely event the project-based subsidy was not secured, and the property had to operate *exclusively* under the LIHTC program, the subject project's capture rate exceeds 100.0%. This is a good indication that the subject project would likely need to continue to operate with a subsidy to ensure there is a sufficient base of age- and income-qualified households.

Regardless, given the subject project is fully occupied and most tenants are expected to remain at the project following renovations, the subject project has an effective capture rate of 0.0%.

D. PENETRATION RATE CALCULATIONS

As stated throughout this report, there are non-subsidized LIHTC units within the Site PMA. The income-eligible range for the planned Tax Credit units is \$19,020 to \$28,650. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be an estimated 102 households with eligible incomes. The 40 existing and proposed Tax Credit units represent a penetration rate of 39.2% of the 102 income-eligible households, which is summarized on the following table.

	Market Penetration
Number of LIHTC Units (Proposed and Existing)	40
Income-Eligible Households – 2022	/ 102
Overall Market Penetration Rate	= 39.2%

It is our opinion that the 39.2% penetration rate for the LIHTC units at the site is considered high and likely indicates that the subsidy is needed for the subject project to maintain a stabilized occupancy.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

According to a representative with Virginia Housing, there are approximately 68 Housing Choice Voucher holders within the housing authority’s jurisdiction, and 333 people currently on the waiting list for additional Vouchers. The waiting list is closed and is expected to reopen in 2022. Annual turnover is estimated at eight households. This reflects the continuing need for Housing Choice Voucher assistance.

If the rents do not exceed the payment standards established by the local housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by Virginia Housing, the local payment standards, as well as the proposed subject gross rents, are summarized in the following table:

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$828	\$634 (50%)

As the preceding table illustrates, the proposed gross rent is below the payment standard for the region. As such, those who hold Housing Choice Vouchers will be eligible to reside at the subject site in the unlikely event it lost its current subsidy.

F. ABSORPTION PROJECTIONS

The subject project currently operates with a subsidy and will operate with a subsidy upon completion of renovations and all units will likely be rented to those households currently eligible to reside at the site. We also assume that most current tenants will remain at the site once renovations are complete. For the purpose of this analysis, however, we have calculated absorption estimates assuming that all of the units will be vacated and will need to be re-rented under the Tax Credit program with a subsidy and then exclusively under the LIHTC program.

Subsidized

Assuming the subject project retains its subsidy on all units but is entirely vacated, we estimate that the 40 subject units can achieve a stabilized occupancy of 93% within four months of re-opening. This is based on a monthly absorption rate of approximately nine units per month.

Tax Credit

Assuming the subject project operated exclusively under the LIHTC program and was completely vacated, it is likely that the subject project would experience difficulties absorbing the vacant units in a reasonable timeframe due to the limited base of income-qualified support in this unlikely scenario.

For the purpose of this analysis, we assume the absorption period at the site begins as soon as the first renovated units are available for occupancy. We also assume that initial units at the site will be available for rent sometime in 2023. Changes to the project's planned renovations or renovation timeline may alter our absorption projections.

VIII. Local Perspective (Interviews)

We conducted numerous interviews with local sources familiar with the Kilmarnock area and the housing, economic and/or demographic characteristics that impact the need for affordable housing. These include, but are not limited to, interviews with local planning and building department representatives, local chamber of commerce and/or economic development officials, housing authority representatives, local real estate professionals and/or apartment managers.

Summaries of key interviews regarding the need for affordable rental housing within the area follow:

- Shabazz McNeill, Property Manager at Holly Court (subject site), a government-subsidized rental property restricted to seniors, stated that there is a need for more and improved affordable housing in the area. Mr. McNeill mentioned that the senior population is growing, wanting to downsize and are looking for affordable housing, due to being on fixed incomes. Additionally, there is a limited supply of senior communities in Kilmarnock area.
- Marshall Sebra, Planning and Zoning Director for the city of Kilmarnock, stated there is a need for additional affordable housing in the area. Mr. Sebra stated the area has a high population of seniors and the current senior housing facilities are 100.0% occupied. Mr. Sebra stated any additional housing for seniors would be well received in the city.
- Brian Barnes, Lancaster County Director of Planning and Land Use, stated there is a need for additional affordable housing in the area. Mr. Barnes stated the Counties Comprehensive Plan points to a large gap of affordable housing in the area and addresses the continuing need for affordable housing of all types in the county. Mr. Barnes also stated the area has a great need for affordable senior housing. The area has a very large aging population, and the need is great for housing especially for those that have worked their entire life and are nearing the end of their work careers and relying on social security for their retirement. Mr. Barnes stated any affordable housing developments will be favorably viewed and have the support of planners and officials withing the districts.

IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the existing 40-unit Holly Court rental property, assuming it is renovated as detailed in this report and retains a subsidy. Changes in the project's rents, amenities or renovation completion date may alter these findings.

The subject project will continue to be marketable in terms of age, unit mix, location, amenities and unit sizes. This is further evidenced by the subject's 100.0% occupancy and six-household waiting list. The subject project will continue to offer a project-based subsidy available on all units, which will continue to represent substantial values to low-income renters within the market. We do not have any recommendations for the subject project.

Given the limited supply of affordable rental product in the Kilmarnock market, the subject project will continue to offer a housing alternative to low-income households that are likely underserved. As shown in the Project Specific Demand Analysis section of this report, the subsidized capture rate of 23.0% is considered moderate, yet achievable. Considering the general lack of affordable age-restricted rental product in this market, it is anticipated that the subject development will attract a larger than typical share of age- and income-eligible households. Regardless, the subject project is currently 100.0% occupied with a waiting list and the existing tenants are expected to remain upon completion of renovations. In addition, the subject project will not be introducing any new units to the Kilmarnock market. Therefore, it is our opinion that the subject project will not have an impact on any existing rental developments within the Site PMA.

In the unlikely event the subject project was completely vacated and all units had to be re-rented, the subject project should reach a stabilized occupancy of 93% within approximately four months, assuming it operates with its current subsidy. If the subject project lost its subsidy and had to operate exclusively under the LIHTC program, it would likely experience difficulties reaching and maintaining a stable occupancy level.

We do not have any recommendations for the proposed subject project.

X.

SITE PHOTOGRAPHS

Holly Court



Typical exterior of building



Entryway Signage



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast

Holly Court



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site

Holly Court



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site

Holly Court



Streetscape: East view of Wiggins Avenue



Streetscape: West view of Wiggins Avenue



Picnic Area/Pavillion



Laundry Facility



One-Bedroom (Living Room)



One-Bedroom (Kitchen)

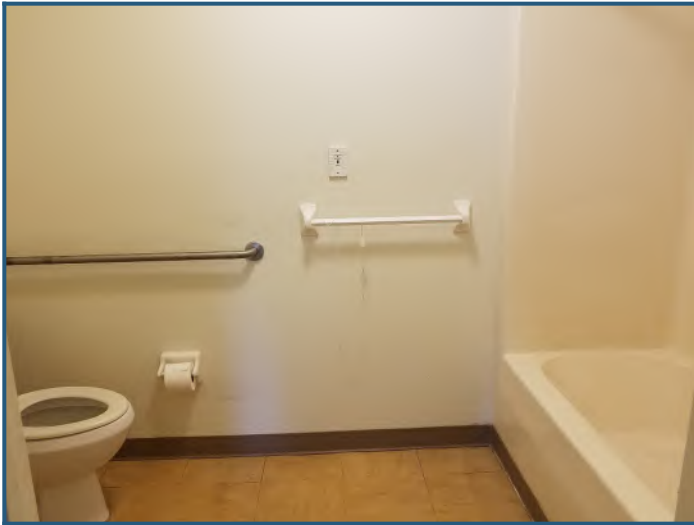
Holly Court



One-Bedroom (Bedroom - View A)



One-Bedroom (Bedroom - View B)



One-Bedroom (Bathroom)

XI.

COMPARABLE
PROPERTY PROFILES

901 Auburn Pointe 51.0 miles to site



Address: 496 Catina Way, Newport News, VA 23608
 Phone: (757) 877-8880 Contact: Montoya
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 275 Year Built: 1976
 Vacant Units: 2 *AR Year:
 Occupancy: 99.3% Yr Renovated: 1997
 Turnover: Stories: 2
 Waitlist: 1 & 2-br; 2 HH
 Rent Special: None

Ratings
 Quality: C+
 Neighborhood: B-
 Access/Visibility: C/C

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Wood Laminate / Plank)

Property Amenities: Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Picnic Table / Area, Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	10	0	850	\$0.76	\$650	50%
1	1	G	56	0	850	\$0.94	\$799	60%
2	1.5	G	177	0	1,200	\$0.69	\$830	60%
3	2	G	32	2	1,500	\$0.70	\$1,050	60%

*Adaptive Reuse

*DTS is based on drive time

902 **Checed Warwick Senior** 50.7 miles to site



Address: 15313-15315 Warwick Blvd., Newport News, VA 23608
 Phone: (757) 833-5940 Contact: Michael (By Phone)
 Property Type: Tax Credit
 Target Population: Senior 62+
 Total Units: 48 Year Built: 2005
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3 (w/Elev)
 Waitlist: 2 HH
 Rent Special: None

Ratings
 Quality: B+
 Neighborhood: B
 Access/Visibility: B+/B+

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Range; Refrigerator; Central AC; Balcony; Deck / Patio; E-Call System; W/D Hookup; Window Treatments; Flooring (Carpet)

Property Amenities: Business Center (Computer); Community Room; Elevator; Laundry Room; Recreation Areas (Fitness Center)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	3	0	766	\$0.62	\$473	40%
1	1	G	15	0	766	\$0.80	\$614	50%
2	1	G	2	0	1,030	\$0.54	\$561	40%
2	1	G	20	0	1,030	\$0.68	\$700	50%
2	1	G	8	0	1,030	\$0.73	\$755	60%

*Adaptive Reuse

*DTS is based on drive time

903 Clairmont 45.2 miles to site



Address: 100 Arcadia Lp., Yorktown, VA 23692
 Phone: (757) 988-8800 Contact: Jenny (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 216 Year Built: 2007
 Vacant Units: 5 *AR Year:
 Occupancy: 97.7% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: None
 Rent Special: None

Ratings
 Quality: B+
 Neighborhood: B+
 Access/Visibility: B/B

Notes: Rent range due to floor level



Features And Utilities

Utility Schedule Provided by: Virginia Housing
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Ceramic Tile)

Property Amenities: Clubhouse; Concierge Services (Package Receiving); Gazebo, Pavilion; On-Site Management; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Playground, Outdoor Swimming Pool); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	36	2	800	\$1.25 - \$1.54	\$998 - \$1,231	Market
2	2	G	132	3	1,130	\$1.07 - \$1.13	\$1,212 - \$1,277	Market
3	2	G	48	0	1,280	\$1.07 - \$1.10	\$1,373 - \$1,405	Market

*Adaptive Reuse

*DTS is based on drive time

904 Courthouse Commons 31.0 miles to site



Address: 260-264 Wallace St., Warsaw, VA 22572
 Phone: (804) 366-0408 Contact: Belinda (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 24 Year Built: 1981
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B/B

Notes:



Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Hardwood, Wood Laminate / Plank)

Property Amenities: On-Site Management

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	T	3	0	905	\$0.75	\$675	Market
2	2	G	12	0	1,004	\$0.77	\$775	Market
2	2	T	9	0	1,005	\$0.72 - \$0.77	\$725 - \$775	Market

*Adaptive Reuse

*DTS is based on drive time

906 King's Ridge 49.0 miles to site



Address: 401 Jester Ct., Newport News, VA 23608
 Phone: (757) 989-0978 Contact: Tamika (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 182 Year Built: 1996
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

Ratings
 Quality: B-
 Neighborhood: B
 Access/Visibility:

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Wood Laminate / Plank)

Property Amenities: Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area, Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	32	0	749	\$1.02	\$765	60%
2	2	G	94	0	949	\$0.96	\$909	60%
3	2	G	56	0	1,156	\$0.93	\$1,070	60%

*Adaptive Reuse

*DTS is based on drive time

907 Lexington Commons 51.7 miles to site



Address: 14534 Old Courthouse Way, Newport News, VA 23608
 Phone: (757) 989-5108 Contact: Jaylal Harvell (By Phone)
 Property Type: Tax Credit
 Target Population: Senior 55+
 Total Units: 132 Year Built: 1996 Ratings
 Vacant Units: 1 *AR Year: Quality: B+
 Occupancy: 99.2% Yr Renovated: Neighborhood: B
 Turnover: Stories: 3 (w/Elev) Access/Visibility: B/B
 Waitlist: None
 Rent Special: None

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Disposal; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; E-Call System; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Common Patio; Community Gardens; Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Game Room-Billiards, Library, Media Room / Theater, Picnic Table / Area); Social Services (Parties / Picnics, Transportation); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	32	0	665	\$1.31	\$868	60%
2	1	G	100	1	800	\$1.12	\$899	60%

*Adaptive Reuse

*DTS is based on drive time

908 Monticello at Powhatan 57.5 miles to site



Address: 3500 Carriage House Way, Williamsburg, VA 23188
 Phone: (757) 220-0444 Contact: Katy (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 267 Year Built: 2000
 Vacant Units: 8 *AR Year:
 Occupancy: 97.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

Ratings
 Quality: A
 Neighborhood: A
 Access/Visibility: B/A

Notes: Rent range based on floor plan & units with 1 or 2-car attached garage



Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; Fireplace; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Wood Laminate / Plank); Premium Countertops

Property Amenities: Clubhouse; Cafe / Coffee Bar; Gazebo; Laundry Room; On-Site Management; Pet Stations; Recreation Areas (Firepit, Fitness Center, Outdoor Swimming Pool); Water Feature

Parking Type: Attached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	36	1	900	\$1.47	\$1,319	Market
2	2	G	72	2	1,240 - 1,370	\$1.25 - \$1.46	\$1,549 - \$1,999	Market
3	2	G	93	3	1,510 - 1,600	\$1.16 - \$1.09	\$1,749	Market
3	2.5	T	66	2	1,700 - 1,900	\$1.38 - \$1.23	\$2,344	Market

*Adaptive Reuse

*DTS is based on drive time

910 Regency at Longhill 55.0 miles to site



Address: 5302 Lone Place Dr., Williamsburg, VA 23188
 Phone: (757) 229-8886 Contact: Kaitlyn (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 224 Year Built: 1986
 Vacant Units: 3 *AR Year:
 Occupancy: 98.7% Yr Renovated: 2000
 Turnover: Stories: 2,3
 Waitlist: None
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B/A

Notes:



Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D; Window Treatments; Flooring (Carpet, Ceramic Tile, Hardwood); Premium Appliances

Property Amenities: Clubhouse; On-Site Management; Recreation Areas (Fitness Center, Hiking-Walking Trail, Picnic Table / Area, Playground, Outdoor Swimming Pool, Tennis); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	18	0	700 - 916	\$1.62 - \$1.30	\$1,170 - \$1,225	Market
2	2	G	188	2	900 - 1,147	\$1.36 - \$1.26	\$1,265 - \$1,490	Market
3	2	G	18	1	1,339 - 1,439	\$1.14 - \$1.12	\$1,585 - \$1,660	Market

*Adaptive Reuse

*DTS is based on drive time

912 Steeplechase 57.3 miles to site



Address: 3700 Steeplechase Dr., Williamsburg, VA 23188
 Phone: (757) 253-2466 Contact: Taylor (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 220 Year Built: 1986
 Vacant Units: 4 *AR Year:
 Occupancy: 98.2% Yr Renovated: 2006
 Turnover: Stories: 2,3
 Waitlist: None
 Rent Special: None

Ratings
 Quality: A-
 Neighborhood: A
 Access/Visibility: B/A

Notes:



Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Fireplace; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Wood Laminate / Plank)

Property Amenities: Clubhouse; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Outdoor Swimming Pool, Tanning Bed); Extra Storage

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	56	1	680 - 798	\$1.70 - \$1.45	\$1,157	Market
2	1	G	68	1	870	\$1.55	\$1,352	Market
2	2	G	72	2	934 - 1,048	\$1.46 - \$1.30	\$1,367	Market
3	2	G	24	0	1,073	\$1.44	\$1,545	Market

*Adaptive Reuse

*DTS is based on drive time

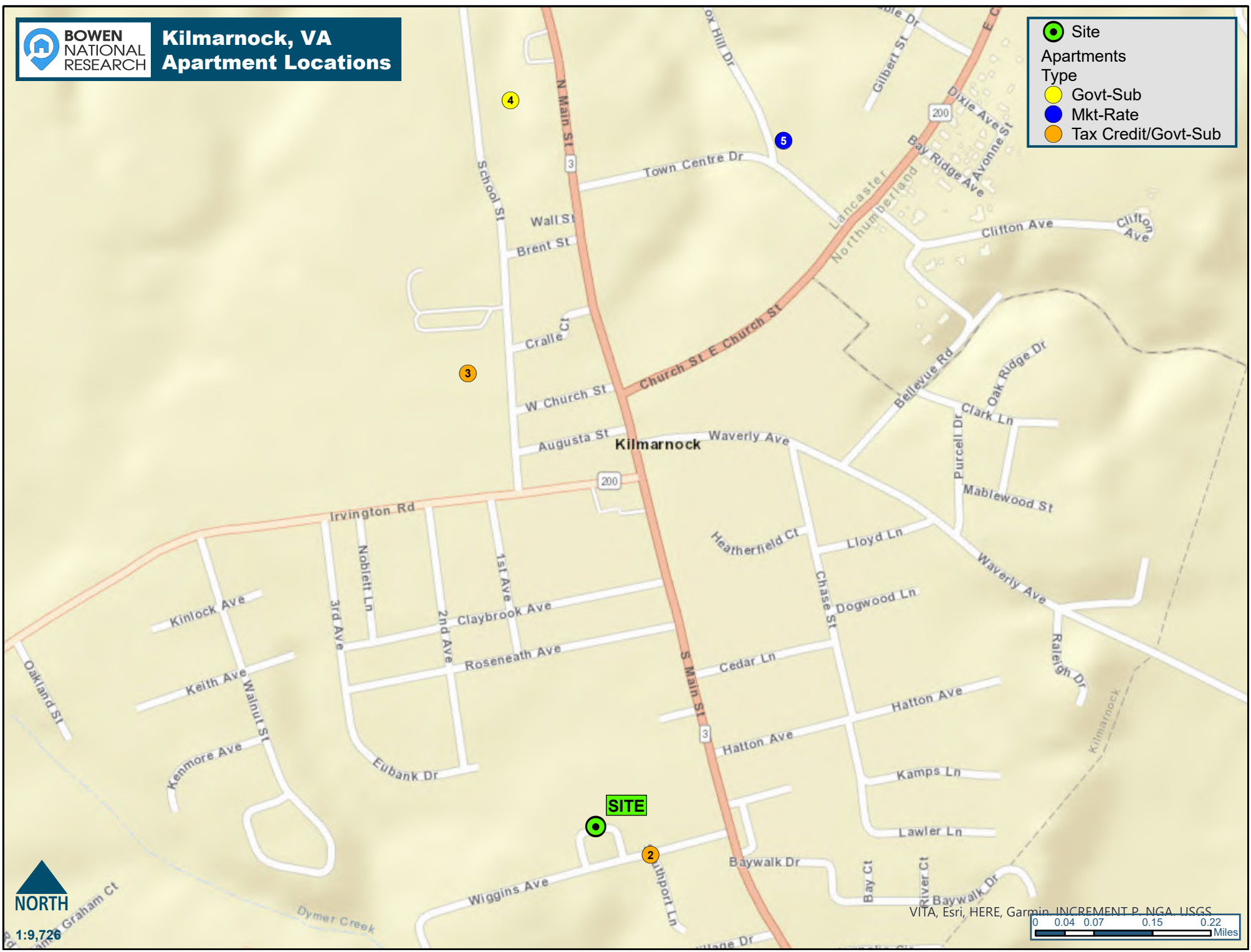
XII.

FIELD SURVEY OF CONVENTIONAL RENTALS



Kilmarnock, VA Apartment Locations


















● Site
 Apartments Type
● Govt-Sub
● Mkt-Rate
● Tax Credit/Govt-Sub

























1:9,726

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	Holly Court	GSS	B+	1996	40	0	100.0%	-
2	Indian Creek	TGS	B	1990	20	0	100.0%	0.1
3	Kilmarnock Village	TGS	B	1984	24	0	100.0%	0.8
4	New Horizon	GSS	B	2009	8	0	100.0%	1.1
5	Town Centre Suites	MRR	B	1984	28	2	92.9%	1.0
901	Auburn Pointe	TAX	C+	1976	275	2	99.3%	51.0
902	Checed Warwick Senior	TAX	B+	2005	48	0	100.0%	50.7
903	Clairmont	MRR	B+	2007	216	5	97.7%	45.2
904	Courthouse Commons	MRR	B	1981	24	0	100.0%	31.0
906	King's Ridge	TAX	B-	1996	182	0	100.0%	49.0
907	Lexington Commons	TAX	B+	1996	132	1	99.2%	51.7
908	Monticello at Powhatan	MRR	A	2000	267	8	97.0%	57.5
910	Regency at Longhill	MRR	B	1986	224	3	98.7%	55.0
912	Steeplechase	MRR	A-	1986	220	4	98.2%	57.3


*Drive distance in miles

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	


1	Holly Court 201 Wiggins Ave, Kilmarnock, VA 22482	Contact: Phone: (804) 435-7916
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1996 BR: 1 Vacant Units: 0 Waitlist: 6 HH AR Year: Target Population: Senior 62+ Yr Renovated: 2009 Rent Special: None Notes: HUD Section 8 & 202	
2	Indian Creek 501 Southport Ln., Kilmarnock, VA 22482	Contact: Connie Phone: (804) 435-2997
	Total Units: 20 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1990 BR: 1, 2 Vacant Units: 0 Waitlist: 12 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; RD 515, no RA	
3	Kilmarnock Village 89 School St, Kilmarnock, VA 22482	Contact: Connie Phone: (804) 435-2500
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1984 BR: 1, 2 Vacant Units: 0 Waitlist: 10 HH AR Year: Target Population: Family Yr Renovated: 2001 Rent Special: None Notes: Tax Credit; RD 515, has RA (23 units)	
4	New Horizon 288 School St., Kilmarnock, VA 22482	Contact: Don Burgio Phone: (804) 695-0326
	Total Units: 8 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2009 BR: 1 Vacant Units: 0 Waitlist: 4 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: HUD Section 811 PRAC	
5	Town Centre Suites 1 Fox Hill Dr, Kilmarnock, VA 22482	Contact: Name not given Phone: (804) 529-9505
	Total Units: 28 UC: 0 Occupancy: 92.9% Stories: 1,2 Year Built: 1984 BR: 2, 3 Vacant Units: 2 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: 3-br rent range based on units with a basement	

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	




901	Auburn Pointe 496 Catina Way, Newport News, VA 23608	Contact: Montoya Phone: (757) 877-8880			
		Total Units: 275 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit	Occupancy: 99.3% Vacant Units: 2	Stories: 2 Waitlist: 1 & 2-br; 2 HH	Year Built: 1976 AR Year: Yr Renovated: 1997




902	Checed Warwick Senior 15313-15315 Warwick Blvd., Newport News, VA 23608	Contact: Michael Phone: (757) 833-5940			
		Total Units: 48 UC: 0 BR: 1, 2 Target Population: Senior 62+ Rent Special: None Notes: Tax Credit	Occupancy: 100.0% Vacant Units: 0	Stories: 3 Waitlist: 2 HH	w/Elevator Year Built: 2005 AR Year: Yr Renovated:




903	Clairmont 100 Arcadia Lp., Yorktown, VA 23692	Contact: Jenny Phone: (757) 988-8800			
		Total Units: 216 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Rent range due to floor level	Occupancy: 97.7% Vacant Units: 5	Stories: 3 Waitlist: None	Year Built: 2007 AR Year: Yr Renovated:





























904	Courthouse Commons 260-264 Wallace St., Warsaw, VA 22572	Contact: Belinda Phone: (804) 366-0408			
		Total Units: 24 UC: 0 BR: 1, 2 Target Population: Family Rent Special: None Notes:	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: None	Year Built: 1981 AR Year: Yr Renovated:



906	King's Ridge 401 Jester Ct., Newport News, VA 23608	Contact: Tamika Phone: (757) 989-0978			
		Total Units: 182 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: None	Year Built: 1996 AR Year: Yr Renovated:

Comparable Property	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income-Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Government-Subsidized	(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(MRT) Market-Rate & Tax Credit	(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	(GSS) Government-Subsidized
(MRG) Market-Rate & Government-Subsidized	(TIN) Tax Credit & Income-Restricted (not LIHTC)	(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
(MIN) Market-Rate & Income-Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Government-Subsidized	

 	907	Lexington Commons 14534 Old Courthouse Way, Newport News, VA 23608	Contact: Jaylal Harvell Phone: (757) 989-5108
	Total Units: 132 UC: 0 Occupancy: 99.2% Stories: 3 w/Elevator Year Built: 1996 BR: 1, 2 Vacant Units: 1 Waitlist: None AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit		
	908	Monticello at Powhatan 3500 Carriage House Way, Williamsburg, VA 23188	Contact: Katy Phone: (757) 220-0444
	Total Units: 267 UC: 0 Occupancy: 97.0% Stories: 2 Year Built: 2000 BR: 1, 2, 3 Vacant Units: 8 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range based on floor plan & units with 1 or 2-car attached garage		
	910	Regency at Longhill 5302 Lone Place Dr., Williamsburg, VA 23188	Contact: Kaitlyn Phone: (757) 229-8886
	Total Units: 224 UC: 0 Occupancy: 98.7% Stories: 2,3 Year Built: 1986 BR: 1, 2, 3 Vacant Units: 3 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2000 Rent Special: None Notes:		
	912	Steeplechase 3700 Steeplechase Dr., Williamsburg, VA 23188	Contact: Taylor Phone: (757) 253-2466
	Total Units: 220 UC: 0 Occupancy: 98.2% Stories: 2,3 Year Built: 1986 BR: 1, 2, 3 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2006 Rent Special: None Notes:		

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	

Source: Virginia Housing
Effective: 07/2020

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	9	14	17	21	26	30	9	14	17	21	26	30
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	45	63	81	99	125	143	45	63	81	99	125	143
	Electric	19	26	34	42	53	61	19	26	34	42	53	61
	Heat Pump	0	0	0	0	0	0	0	0	0	0	0	0
	Oil	36	49	63	78	99	112	36	49	63	78	99	112
Cooking	Natural Gas	2	2	3	3	4	5	2	2	3	3	4	5
	Bottled Gas	8	11	14	17	21	24	8	11	14	17	21	24
	Electric	3	4	5	7	8	10	3	4	5	7	8	10
Other Electric		11	15	19	23	29	34	11	15	19	23	29	34
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
Air Conditioning		5	7	9	12	15	17	5	7	9	12	15	17
Water Heating	Natural Gas	4	6	7	9	11	13	4	6	7	9	11	13
	Bottled Gas	19	26	33	41	52	59	19	26	33	41	52	59
	Electric	9	13	16	20	25	29	9	13	16	20	25	29
	Oil	15	20	26	32	41	46	15	20	26	32	41	46
Water		16	22	29	35	45	51	16	22	29	35	45	51
Sewer		19	27	34	42	53	61	19	27	34	42	53	61
Trash Collection		12	12	12	12	12	12	12	12	12	12	12	12
Internet*		20	20	20	20	20	20	20	20	20	20	20	20
Cable*		20	20	20	20	20	20	20	20	20	20	20	20
Alarm Monitoring*		0	0	0	0	0	0	0	0	0	0	0	0

* Estimated- not from source

XIII. Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Craig Rupert, Market Analyst, has conducted more than 1,000 market feasibility studies throughout the United States since 2010, within both urban and rural markets as well as on various tribal reservations. Mr. Rupert has prepared market studies for numerous types of housing including market-rate, Tax Credit, and various government-subsidized rental product, for-sale product, senior living (assisted living, nursing care, etc.), as well as market studies for retail/commercial space. Market studies prepared by Mr. Rupert have been used for submittal as part of state finance agency Tax Credit and HUD 221 (d)(4) applications, as well as various other financing applications submitted to local, regional, and national-level lenders/financial institutions. Mr. Rupert has a bachelor's degree in Hospitality Management from Youngstown State University.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Ambrose Lester, Market Analyst, has conducted detailed research and analysis on a variety of residential alternatives, including rental and for-sale housing. She has conducted on-site research of buildable sites, surveyed existing rental and for-sale housing and conducted numerous stakeholder interviews. She has also conducted research on unique housing issues such as accessory dwelling units, government policy and programs and numerous special needs populations. Ms. Lester has a degree in Economics from Franciscan University of Steubenville.

Sidney McCrary, Market Analyst, is experienced in the on-site analysis of residential and commercial properties. He has the ability to analyze a site's location in relation to community services, competitive properties and the ease of access and visibility. Mr. McCrary has a Bachelor of Science in Business Administration from Ohio Dominican University.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Ron Pompey, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

Nathan Stelts, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

Jonathan Kabat, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Kabat graduated from The Ohio State University with a Bachelor of Art in History and a minor in Geography.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

Addendum A – Member Certification & Checklist

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

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



Patrick M. Bowen

President

patrickb@bowennational.com

Date: February 10, 2021



Jeff Peters

Market Analyst

jeffp@bowennational.com

Date: February 10, 2021

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary	II
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	III
3.	Utilities (and utility sources) included in rent	III
4.	Project design description	III
5.	Unit and project amenities; parking	III
6.	Public programs included	III
7.	Target population description	III
8.	Date of construction/preliminary completion	III
9.	If rehabilitation, existing unit breakdown and rents	III
10.	Reference to review/status of project plans	III
Location and Market Area		
11.	Market area/secondary market area description	IV
12.	Concise description of the site and adjacent parcels	IV
13.	Description of site characteristics	IV
14.	Site photos/maps	X
15.	Map of community services	IV
16.	Visibility and accessibility evaluation	IV
17.	Crime Information	IV

CHECKLIST (Continued)

		Section (s)
Employment and Economy		
18.	Employment by industry	IV
19.	Historical unemployment rate	IV
20.	Area major employers	IV
21.	Five-year employment growth	IV
22.	Typical wages by occupation	IV
23.	Discussion of commuting patterns of area workers	IV
Demographic Characteristics		
24.	Population and household estimates and projections	IV
25.	Area building permits	V
26.	Distribution of income	IV
27.	Households by tenure	IV
Competitive Environment		
28.	Comparable property profiles	XI
29.	Map of comparable properties	X
30.	Comparable property photographs	XI
31.	Existing rental housing evaluation	V
32.	Comparable property discussion	V
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	V
34.	Comparison of subject property to comparable properties	V
35.	Availability of Housing Choice Vouchers	V
36.	Identification of waiting lists	V & XII
37.	Description of overall rental market including share of market-rate and affordable properties	V
38.	List of existing LIHTC properties	V
39.	Discussion of future changes in housing stock	V
40.	Discussion of availability and cost of other affordable housing options including homeownership	V
41.	Tax Credit and other planned or under construction rental communities in market area	V
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	VII
43.	Calculation and analysis of Penetration Rate	VII
44.	Evaluation of proposed rent levels	V & VI
45.	Derivation of Achievable Market Rent and Market Advantage	VI
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	II
48.	Market strengths and weaknesses impacting project	II
49.	Recommendations and/or modification to project discussion	II
50.	Discussion of subject property's impact on existing housing	V
51.	Absorption projection with issues impacting performance	II
52.	Discussion of risks or other mitigating circumstances impacting project projection	II
53.	Interviews with area housing stakeholders	V

CHECKLIST (Continued)

Other Requirements		Section (s)
54.	Preparation date of report	Title Page
55.	Date of Field Work	Certification
56.	Certifications	Certification
57.	Statement of qualifications	XIII
58.	Sources of data not otherwise identified	I
59.	Utility allowance schedule	XII