

MARKET STUDY

Property:
Sweetbriar II
19274 Elementary Drive
Abingdon, Virginia 24210



Type of Property:
Affordable Multifamily Development
Family
New Construction

Date of Report:
March 17, 2021

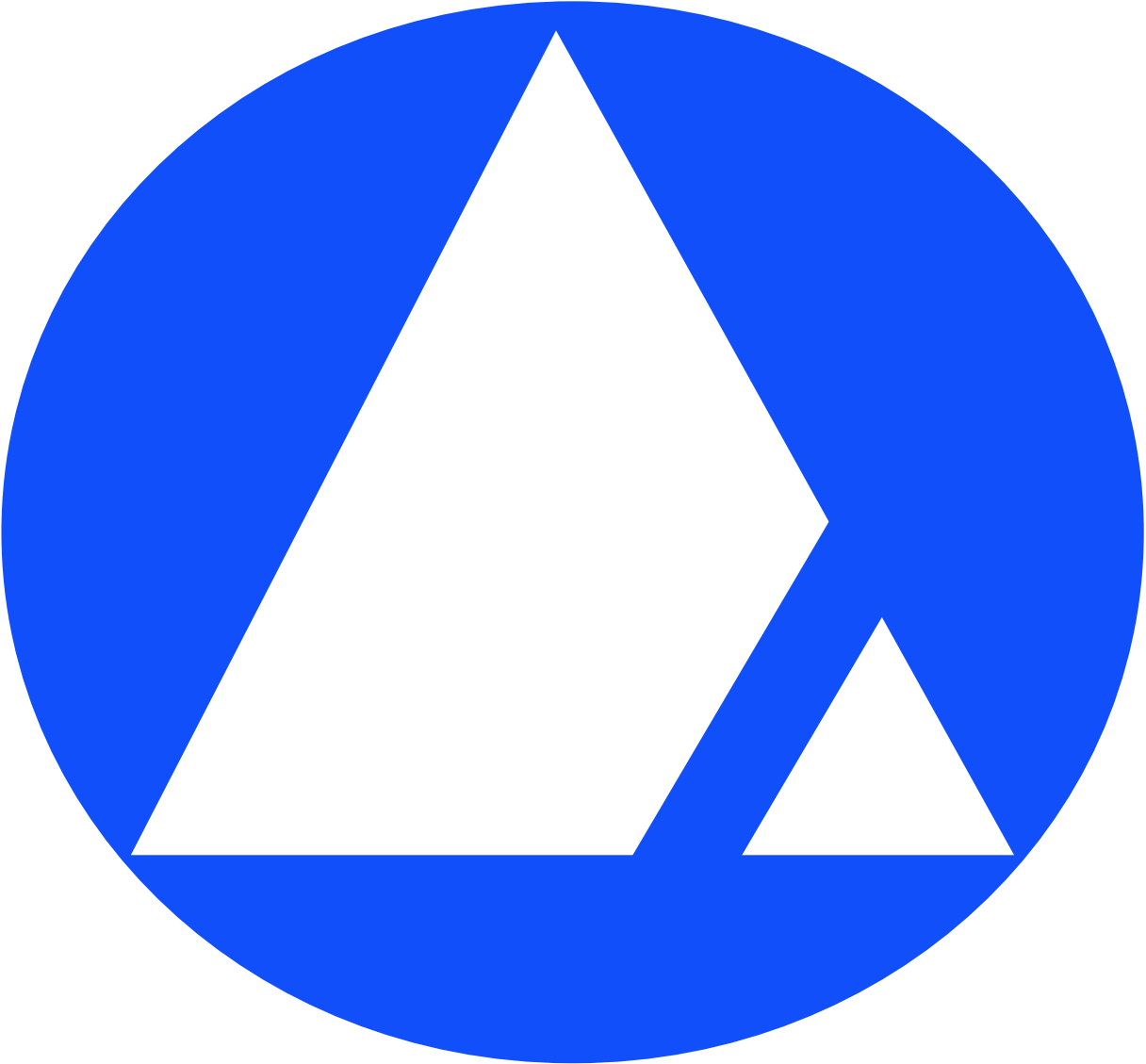
Effective Date:
March 17, 2021

Date of Site Visit:
March 17, 2021

Prepared For:
Mr. Bryan Ailey
People Inc.
1173 West Main Street
Abingdon, Virginia 24210
Phone: 276-623-9000 | Cell: 276-608-1884
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AAC File Number:
21-031





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March 17, 2021

Mr. Bryan Ailey
People Inc.
1173 West Main Street
Abingdon, Virginia 24210

Re: Sweetbriar II

Dear Mr. Bryan Ailey:

The subject property, known as Sweetbriar II, is a proposed affordable rental development to be located at 19274 Elementary Drive in Abingdon, Washington County, Virginia. The subject property is proposed to consist of 22 revenue-producing units to be built with an allocation of tax credits. The subject property is an open age community.

The subject property is proposed to consist of 22 revenue-producing units including 3-bedroom duplex units. A total of 22 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 5 units are proposed to benefit from project-based rental assistance; a total of 11 units are proposed to benefit from HOME financing. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

The scope of this assignment consists of a comprehensive market analysis for the subject property. The market study was completed in accordance with VHDA, National Council for Housing Market Analyst (NCHMA) guidelines and the Uniform Standards of Professional Practice (USPAP). The completion of this report involved a site visit, interviews with local property managers, and the collection of market data through discussions with persons knowledgeable of the local real estate market.

The purpose, intended use, and function of the report is to assess the marketability of the subject property for tax credit application purposes. This report should not be used for any other purposes without the express written permission of Allen & Associates Consulting.

The report has been generated for the benefit of our client People Inc. VHDA is named as an additional user of the report. No other person or entity may use the report for any reason whatsoever without our express written permission.

A summary of our findings and conclusions is found in the following pages. The conclusions reported are based on the conditions that exist as of the effective date of this report. These factors are subject to change and may alter, or otherwise affect the findings and conclusions presented in this report.

To the best of our knowledge, this report presents an accurate evaluation of market conditions for the subject property as of the effective date of this report. While the analysis that follows is based upon information obtained from sources believed to be reliable, no guarantee is made of its accuracy.

Feel free to contact us with any questions or comments.

Respectfully submitted:
ALLEN & ASSOCIATES CONSULTING



Jeff Carroll

EXECUTIVE SUMMARY

The following is a summary of our key findings and conclusions with respect to the subject property:

Project Description

The subject property, known as Sweetbriar II, is a proposed affordable rental development to be located at 19274 Elementary Drive in Abingdon, Washington County, Virginia. The subject property is proposed to consist of 22 revenue-producing units to be built with an allocation of tax credits. The subject property is an open age community.

Proposed Unit Mix

The subject property is proposed to consist of 22 revenue-producing units including 3-bedroom duplex units. A total of 22 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 5 units are proposed to benefit from project-based rental assistance; a total of 11 units are proposed to benefit from HOME financing. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

Unit Type / Income Limit / Rent Limit	Proposed Unit Configuration		Units	Gross Rent	UA	Net Rent
	HOME	Subsidized				
3BR-2BA-1103sf / 60% of AMI / 40% of AMI	Yes	Yes	3	\$886	\$226	\$660
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	Yes	2	\$886	\$226	\$660
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	No	1	\$726	\$226	\$500
3BR-2BA-961sf / 60% of AMI / 50% of AMI	Yes	No	5	\$726	\$226	\$500
3BR-2BA-961sf / 60% of AMI / 60% of AMI	no	No	3	\$726	\$226	\$500
3BR-2BA-1090sf / 60% of AMI / 60% of AMI	no	No	8	\$726	\$226	\$500
Total/Average			22	\$762	\$226	\$536

Site Description

The subject property includes an irregular-shaped parcel consisting of approximately 5.08 acres and approximately 100 feet of road frontage.

A total of 44 parking spaces are planned for this development (33 regular / 11 accessible / 2.00 spaces per unit). Privately-owned parking areas are planned for the subject property. We normally see 1.5 to 2.0 spaces per unit for projects like the subject. A bus stop is located 0.25 miles away from the subject property. In our opinion, the current parking appears adequate for the subject property.

Additional Considerations:

Zoning	R-1 Residential Limited. Legal, conforming use.
Environmental	New construction. No suspected environmental conditions.
Topography	No issues detected.
Flood	Zone X. Outside the 100-year flood zone.
DDA Status	Washington County, Virginia. Not designated as a Difficult to Develop Area.
QCT Status	Tract 104.02. Not designated as a Qualified Census Tract.
Access	Fair to Good. Not located near a heavily-traveled road.
Visibility	Fair to good. Significant frontage but minimal drive-by traffic.

In our opinion, the site is suitable for development.

Neighborhood Description

In our opinion, the subject property has a very good location relative to competing properties with respect to neighborhood characteristics.

In our opinion, the subject property has a good location relative to competing properties with respect to area amenities.

Additional Considerations:

Crime	Similar crime rates to market average.
Schools	Similar graduation rates to market average.
Average Commute	Similar commutes to market average.

In our opinion, the neighborhood is suitable for development.

Primary Market Area

We defined the primary market area by generating a 20-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

The primary market area includes a population of 63,986 persons and covers a total of 374.6 square miles, making it 21.8 miles across on average.

We estimate that up to 20 percent of demand will come from areas outside of the primary market area.

Demographic Characteristics

We anticipate moderate population and household growth for the market area. Renter households are anticipated to increase modestly as well. Finally, we anticipate that rents will grow with CPI over the next few years. Additional details follow:

Population	Market area population currently stands at 63,986 and is projected to grow 0.4 percent this year.
Households	Market area households currently stand at 26,147 and is projected to grow 0.0 percent this year.
Renter Households	Market area renter households currently stand at 7,713 and is projected to grow 0.0 percent this year.
Renter Tenure	Market area renter tenure currently stands at 29.5 percent.
Rent Growth	Market area rents have grown 2.50% annually since 2010.

Regional Economic Outlook

We anticipate moderate economic growth for the region. Additional details follow:

Est Employment	Regional establishment employment currently stands at 54,129 and is projected to grow 1.0 percent this year.
Civ Employment	Regional civilian employment currently stands at 44,298 and is projected to grow 0.4 percent this year.
Empl by Industry	Regional establishment employment currently stands at 54,129. The data suggests that Retail Trade is the largest employment category accounting for 13.6% of total regional employment. State and Local Government is the second largest category accounting for 12.3% of total employment. Manufacturing is the third largest category accounting for 10.7% of total employment. Health Care and Social Assistance is the fourth largest category accounting for 10.6% of total employment. Accommodation and Food Services is the fifth largest category accounting for 8.3% of total employment.
Top Employers	The top employers include: (1) K-VA-T Food Stores (1001 employees); (2) Johnston Memorial Hospital (687 employees) and; (3) Walmart Supercenter (550 employees).
Layoffs/Expansions	Employers have begun to rehire staff after the 2020 COVID layoffs.

Supply Analysis

Our analysis includes a total of 40 confirmed market area properties consisting of 1,581 units. The occupancy rate for these units currently stands at 96 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

The following tables summarize our findings for this market area:

Grand Total				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	24	826	35	96%
Restricted	12	378	23	94%
Subsidized	4	377	3	99%
Total	40	1,581	61	96%

Stabilized				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	24	826	35	96%
Restricted	9	277	13	95%
Subsidized	2	301	3	99%
Total	35	1,404	51	96%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	2	71	1	99%
Subsidized	2	71	0	100%
Total	4	142	1	99%

Pipeline				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	1	30	9	70%
Subsidized	0	5	0	100%
Total	1	35	9	74%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	0	0	0	0%
Subsidized	0	0	0	0%
Total	0	0	0	0%

Most Comparable Properties

An overview of the market rate comparables selected for purposes of our analysis follows. The properties we consider to be the best comparables are highlighted for the reader's reference.

Key	Property	Units	Occupancy	Built	Renovated	Rents	Type	Miles to Sub
017	Downtown Plaza Apartments	76	97%	1968	na	Market Rate	Family	11.97
023	Glade Terrace Apartments 1	12	100%	2012	na	Market Rate	Family	14.00
024	Glade Terrace Apartments 2	4	100%	2013	na	Market Rate	Family	14.00
027	Hallock Drive Townhomes	38	100%	2003	na	Market Rate	Family	1.70
042	Mountain Empire Apartments	48	96%	1990	na	Market Rate	Family	5.43
046	Pinehedge Condominiums	30	100%	1985	2009	Market Rate	Family	2.37
047	Promise Landing Apartments	86	100%	1990	na	Market Rate	Family	6.30
077	Willow Run Apartments	192	98%	2009	na	Market Rate	Family	5.24
081	Wyndale Court Condominium	16	100%	2003	na	Market Rate	Family	0.69

An overview of the restricted rent comparables selected for purposes of our analysis follows. The properties we consider to be the best comparables are highlighted for the reader's reference.

Key	Property	Units	Occupancy	Built	Renovated	Rents	Type	Miles to Sub
028	Harbor Landing Apartments	32	97%	2004	na	Restricted	Family	10.59
029	Highland View Apartments	44	100%	1983	2013	Restricted	Family	2.26
050	Ridgecrest Town Apartments	72	93%	2008	na	Restricted	Family	8.21
062	Sweetbriar 1	20	100%	2009	na	Restricted	Family	0.00

Achievable Rents

In the following table we present our concluded achievable rents and rent advantage for the subject property:

Unit Type / Income Limit / Rent Limit	Achievable Rents		Units	Achievable	Proposed	Advantage
	HOME	Subsidized				
3BR-2BA-1103sf / 60% of AMI / 40% of AMI	Yes	Yes	3	\$775	\$660	14.8%
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	Yes	2	\$775	\$660	14.8%
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	No	1	\$584	\$500	14.4%
3BR-2BA-961sf / 60% of AMI / 50% of AMI	Yes	No	5	\$584	\$500	14.4%
3BR-2BA-961sf / 60% of AMI / 60% of AMI	no	No	3	\$600	\$500	16.7%
3BR-2BA-1090sf / 60% of AMI / 60% of AMI	no	No	8	\$600	\$500	16.7%
Total / Average			22	\$635	\$536	15.6%

Our analysis suggests an average achievable rent of \$635 for the subject property. This is compared with an average proposed rent of \$536, yielding an achievable rent advantage of 15.6 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

NCHMA Demand Analysis

In the following tables we present our concluded demand, capture rate, penetration rate and absorption period estimates for the subject property using the NCHMA demand methodology:

Unit Type / Rent Type / Income Limit	Vac Units at Market Entry	Gross Demand	Vacant & Pipeline Units	Capture Rate Gross	Capture Rate Net	Penetration Rate	Absorption Pd (Mos)
3-Bedroom / Subsidized / 60% of AMI	5	3,081	0	0.2%	0.2%	2.6%	<1
3-Bedroom / Restricted / 60% of AMI	17	629	1	2.7%	2.7%	11.3%	3

Project-Wide Gross Capture Rate	0.7%
Project-Wide Net Capture Rate	0.7%
Project-Wide Penetration Rate	4.9%
Stabilized Occupancy	97%
Project-Wide Absorption Period	3 mos

In our opinion, the estimated project-level capture rate suggests an appropriate number of units for the subject property. The unit level capture rates suggest an appropriate mix of units for the subject property.

In our opinion, the estimated project-level penetration rate suggest an appropriate number of units for the subject property. The unit-level penetration rates suggest an appropriate mix of units for the subject property.

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 3 months of absorption and an average absorption rate of 7.4 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

It is important to note that this analysis does not account for pent-up demand, pre-leasing efforts or rent concessions. In our opinion, an effective pre-leasing effort could result in a month-for-month reduction in the estimated absorption period for this project. In addition, any concessions or rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods significantly.

VHDA Demand Analysis

In the following table we present our concluded capture rate and absorption period estimates for the subject property using the VHDA demand methodology:

Project-Wide Capture Rate - LIHTC Units	2.1%
Project-Wide Capture Rate - Market Units	0.0%
Project-Wide Capture Rate - All Units	2.1%
Project-Wide Absorption Period (Months)	3 mos

Conclusion

In conclusion, the subject property appears to be feasible from a market standpoint. The units appear to be priced appropriately and we anticipate a rapid lease-up after construction.

Because of the demonstrated depth of demand in this area, we do not believe the construction of this property will have an adverse impact on existing projects in the market area.

Sweetbriar II
 19274 Elementary Drive
 Abingdon, Virginia 24210

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Minimum Income	\$7,749				\$24,891				\$7,749
Maximum Income	\$40,380				\$40,380				\$40,380
New Rental Households	1				0				2
(+)									
Existing Households - Overburdened	797				163				960
(+)									
Existing Households - Substandard Housing	80				16				96
(+)									
Elderly Households - Likely to Convert to Rental Housing									
(+)									
Existing Qualifying Tenants - To Remain After Renovation									
(+)									
Total Demand	878				179				1,057
(-)									
Supply (Directly Comparable Vacant Units Completed or in Pipeline in PMA)					1				1
(=)									
Net Demand	878				178				1,056
Proposed Units	5				17				22
Capture Rate	0.6%				9.5%				2.1%
Absorption Period (Months)	3 mos				3 mos				3 mos

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PROJECT OVERVIEW

Project Description

The subject property, known as Sweetbriar II, is a proposed affordable rental development to be located at 19274 Elementary Drive in Abingdon, Washington County, Virginia. The subject property is proposed to consist of 22 revenue-producing units to be built with an allocation of tax credits. The subject property is an open age community.

Select project details are summarized below:

Project Description	
Property Name	Sweetbriar II
Street Number	19274
Street Name	Elementary
Street Type	Drive
City	Abingdon
County	Washington County
State	Virginia
Zip	24210
Units	22
Project Rent	Restricted
Project Type	Family
Project Status	Prop Const
Financing Type	Tax Credit
Latitude	36.7142
Longitude	-82.0200

Construction and Lease-Up Schedule

We anticipate a 12-month construction period for this project. Assuming a June 1, 2022 closing, this yields a date of completion of June 1, 2023. Our demand analysis (found later in this report) suggests a 3-month absorption period. This yields a date of stabilization of September 1, 2023.

Unit Configuration

The subject property is proposed to consist of 22 revenue-producing units including 3-bedroom duplex units. A total of 22 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 5 units are proposed to benefit from project-based rental assistance; a total of 11 units are proposed to benefit from HOME financing. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

Proposed Unit Configuration										
BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
3	2.0	1,103	Duplex	60%	40%	Yes	Yes	3	\$886	\$660
3	2.0	1,103	Duplex	60%	50%	Yes	Yes	2	\$886	\$660
3	2.0	1,103	Duplex	60%	50%	Yes	No	1	\$726	\$500
3	2.0	961	Duplex	60%	50%	Yes	No	5	\$726	\$500
3	2.0	961	Duplex	60%	60%	no	No	3	\$726	\$500
3	2.0	1,090	Duplex	60%	60%	no	No	8	\$726	\$500
Total/Average		1,047						22	\$762	\$536

Income & Rent Limits

The subject property is operated subject to certain income restrictions. The following table gives the applicable income limits for this area:

Income Limits						
HH Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
1.0 Person	\$13,080	\$17,440	\$21,800	\$26,160	\$30,520	\$34,880
2.0 Person	\$14,940	\$19,920	\$24,900	\$29,880	\$34,860	\$39,840
3.0 Person	\$16,830	\$22,440	\$28,050	\$33,660	\$39,270	\$44,880
4.0 Person	\$18,690	\$24,920	\$31,150	\$37,380	\$43,610	\$49,840
5.0 Person	\$20,190	\$26,920	\$33,650	\$40,380	\$47,110	\$53,840
6.0 Person	\$21,690	\$28,920	\$36,150	\$43,380	\$50,610	\$57,840
7.0 Person	\$23,190	\$30,920	\$38,650	\$46,380	\$54,110	\$61,840
8.0 Person	\$24,660	\$32,880	\$41,100	\$49,320	\$57,540	\$65,760

Source: HUD; State Housing Finance Agency

The income limits found above were based (in part) on HUD's published median household income for the area. The table below shows how this statistic has increased/decreased over the past several years:

Historical Median Income		
Year	\$	Change
2008	\$46,500	2.0%
2009	\$49,000	5.4%
2010	\$49,400	0.8%
2011	\$49,500	0.2%
2012	\$50,200	1.4%
2013	\$48,700	-3.0%
2014	\$50,600	3.9%
2015	\$51,800	2.4%
2016	\$50,700	-2.1%
2017	\$54,500	7.5%
2018	\$54,800	0.6%
2019	\$55,100	0.5%
2020	\$59,100	7.3%

Source: HUD

The subject property is operated subject to certain rent restrictions. The following table gives the maximum housing expense (net rent limit + tenant-paid utilities) for this area:

Maximum Housing Expense						
Unit Type	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
0 Bedroom	\$327	\$436	\$545	\$654	\$763	\$872
1 Bedroom	\$350	\$467	\$583	\$700	\$817	\$934
2 Bedroom	\$420	\$561	\$701	\$841	\$981	\$1,122
3 Bedroom	\$486	\$648	\$810	\$972	\$1,134	\$1,296
4 Bedroom	\$542	\$723	\$903	\$1,084	\$1,265	\$1,446

Source: HUD

The following table sets forth the gross fair market rents (net fair market rents + tenant-paid utilities) that would apply to any Section 8 voucher recipients or any units benefiting from HOME financing at the subject property:

Fair Market Rents	
Unit Type	Gross Rent
0 Bedroom	\$513
1 Bedroom	\$533
2 Bedroom	\$701
3 Bedroom	\$916
4 Bedroom	\$1,008

Source: HUD



Site Plan

HUGHES ASSOCIATES
 ARCHITECTS & ENGINEERS
 656 ELM AVENUE SW | ROANOKE, VIRGINIA 24016
 540.342.4002 www.HughesAE.com

LAND #/PAR	AREA (SQ)	AREA (ACRES)	STATUS
1	15,752	0.36	EXISTING
2	15,500	0.36	EXISTING
3	15,500	0.36	EXISTING
4	15,500	0.36	EXISTING
5	15,500	0.36	EXISTING
6	15,500	0.36	EXISTING
7	15,500	0.36	EXISTING
8	15,500	0.36	EXISTING
9	15,500	0.36	EXISTING
10	15,500	0.36	EXISTING
11	15,500	0.36	EXISTING
12	15,500	0.36	EXISTING
13	15,500	0.36	EXISTING
14	15,500	0.36	EXISTING
15	15,500	0.36	EXISTING
16	15,500	0.36	EXISTING
17	15,500	0.36	EXISTING
18	15,500	0.36	EXISTING
19	15,500	0.36	EXISTING
20	15,500	0.36	EXISTING
21	15,500	0.36	EXISTING
22	15,500	0.36	EXISTING
23	15,500	0.36	EXISTING
24	15,500	0.36	EXISTING
25	15,500	0.36	EXISTING
26	15,500	0.36	EXISTING
27	15,500	0.36	EXISTING
28	15,500	0.36	EXISTING
29	15,500	0.36	EXISTING
30	15,500	0.36	EXISTING
31	15,500	0.36	EXISTING
32	15,500	0.36	EXISTING
33	15,500	0.36	EXISTING
34	15,500	0.36	EXISTING
35	15,500	0.36	EXISTING
36	15,500	0.36	EXISTING
37	15,500	0.36	EXISTING
38	15,500	0.36	EXISTING
39	15,500	0.36	EXISTING
40	15,500	0.36	EXISTING
41	15,500	0.36	EXISTING
42	15,500	0.36	EXISTING
43	15,500	0.36	EXISTING
44	15,500	0.36	EXISTING
45	15,500	0.36	EXISTING
46	15,500	0.36	EXISTING
47	15,500	0.36	EXISTING
48	15,500	0.36	EXISTING
49	15,500	0.36	EXISTING
50	15,500	0.36	EXISTING
51	15,500	0.36	EXISTING
52	15,500	0.36	EXISTING
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81	15,500	0.36	EXISTING
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86	15,500	0.36	EXISTING
87	15,500	0.36	EXISTING
88	15,500	0.36	EXISTING
89	15,500	0.36	EXISTING
90	15,500	0.36	EXISTING
91	15,500	0.36	EXISTING
92	15,500	0.36	EXISTING
93	15,500	0.36	EXISTING
94	15,500	0.36	EXISTING
95	15,500	0.36	EXISTING
96	15,500	0.36	EXISTING
97	15,500	0.36	EXISTING
98	15,500	0.36	EXISTING
99	15,500	0.36	EXISTING
100	15,500	0.36	EXISTING



12.284 ACRES TOTAL
 108.1 ACRES TOTAL FOR 11 PARCELS PROPOSED FOR NEW CONSTRUCTION
 0.261 ACRES AVERAGE PARCEL SIZE FOR NEW CONSTRUCTION

AREAS BASED ON THE ORIGINAL SURVEYING PLAN - USE FOR GENERAL INFORMATIONAL PURPOSES ONLY

- GENERAL NOTES:**
- 44 NEW BUILDING SPACES TOTAL (IN DEVELOPMENT)
 - 8,400 SQ FT OF PARKING SPACES
 - MINIMUM WIDTH OF SIDEWALK ACCESSIBLE TO WALKING IS 4 FEET
 - ACCESSIBLE ROUTES DO NOT TRAVEL BEHIND OR THROUGH PARKING SPACES
 - 23 ADA COMPLIANT TOILETS
 - 12 ADA COMPLIANT SHOWERS
 - NO VERTICAL TRANSPORTATION REQUIRED OR PROVIDED
 - LANDSCAPING AND LIGHTING TO BE COLLECTED AT THE END OF EACH DEVELOPMENT
- ACCESSIBLE ROUTE** — — — — —
- 1" R/C MINIMUM SLOPE REQUIREMENTS
 - 0.5% MAXIMUM VERTICAL SLOPE
 - 2.0% MAXIMUM CROSS SLOPE

- KEY:**
- OVERHEAD ELECTRICAL
 - WATER
 - SEWER
 - LANDSCAPE LIGHTS
 - DRAINAGE / SWALE AREA
 - DRAINAGE COLLECTOR
 - EXISTING BUILDINGS
 - PROPOSED BUILDINGS
 - PROPOSED MAXIMUM LOCATION FOR EACH SPACE (SCENARIO 1)
 - ACCESSIBLE PARKING SPACES BY ACCESSIBLE PATH - MAX. 2% SLOPE IN ALL DIRECTIONS
 - PROPOSED CONCRETE SIDEWALK
 - PROPOSED ADJUNCT PAVING - PARKING IN DEVELOPMENT

- NOTES:**
- THE UNDEVELOPED PARCELS HAVE ELECTRICAL TRANSFORMERS IN PLACE
 - THE UNDEVELOPED PARCELS HAVE WATER METER VALETS IN PLACE
 - THE UNDEVELOPED PARCELS HAVE SEWER USE IN PLACE



SWEETBRIAR PHASE II LIHTC APPLICATION ELEMENTARY DRIVE, ABINGDON, VIRGINIA

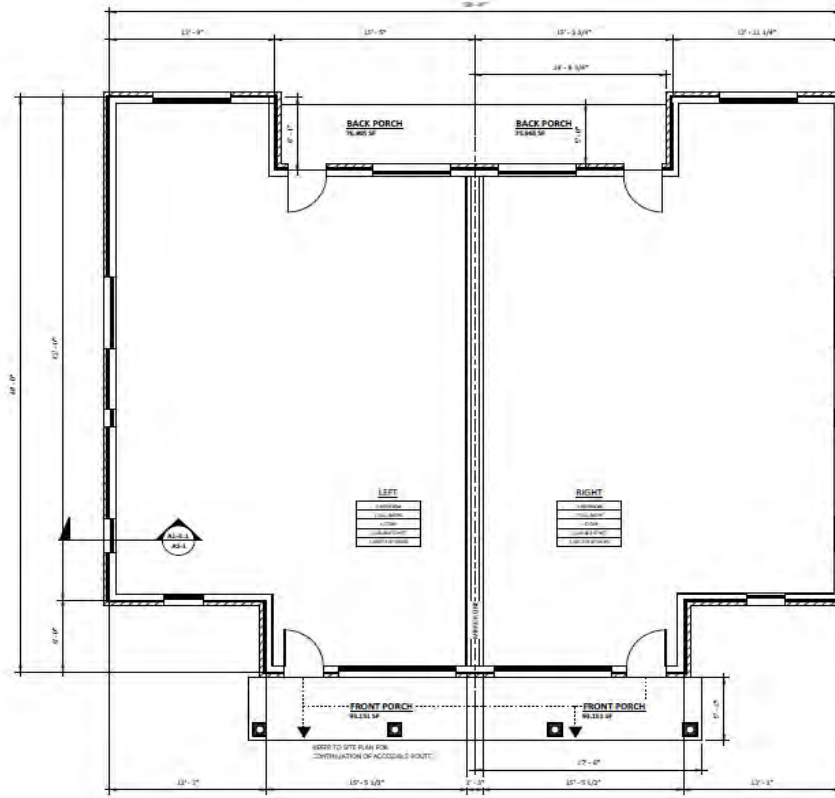
SITE PLAN - SCENARIO 1
 Scale 1" = 50'

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 12 March 2020

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AS
 ACCESSIBLE ROUTE

SWEETBRIAR PHASE II
LIHTC APPLICATION
 ELEMENTARY DRIVE, ABINGDON, VIRGINIA

AS-11 BUILDING PLAN - DUPLEX 1 (HUD 504 UFAS & UD)
 A1.3 1/4" = 1'-0"

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 12 March 2020

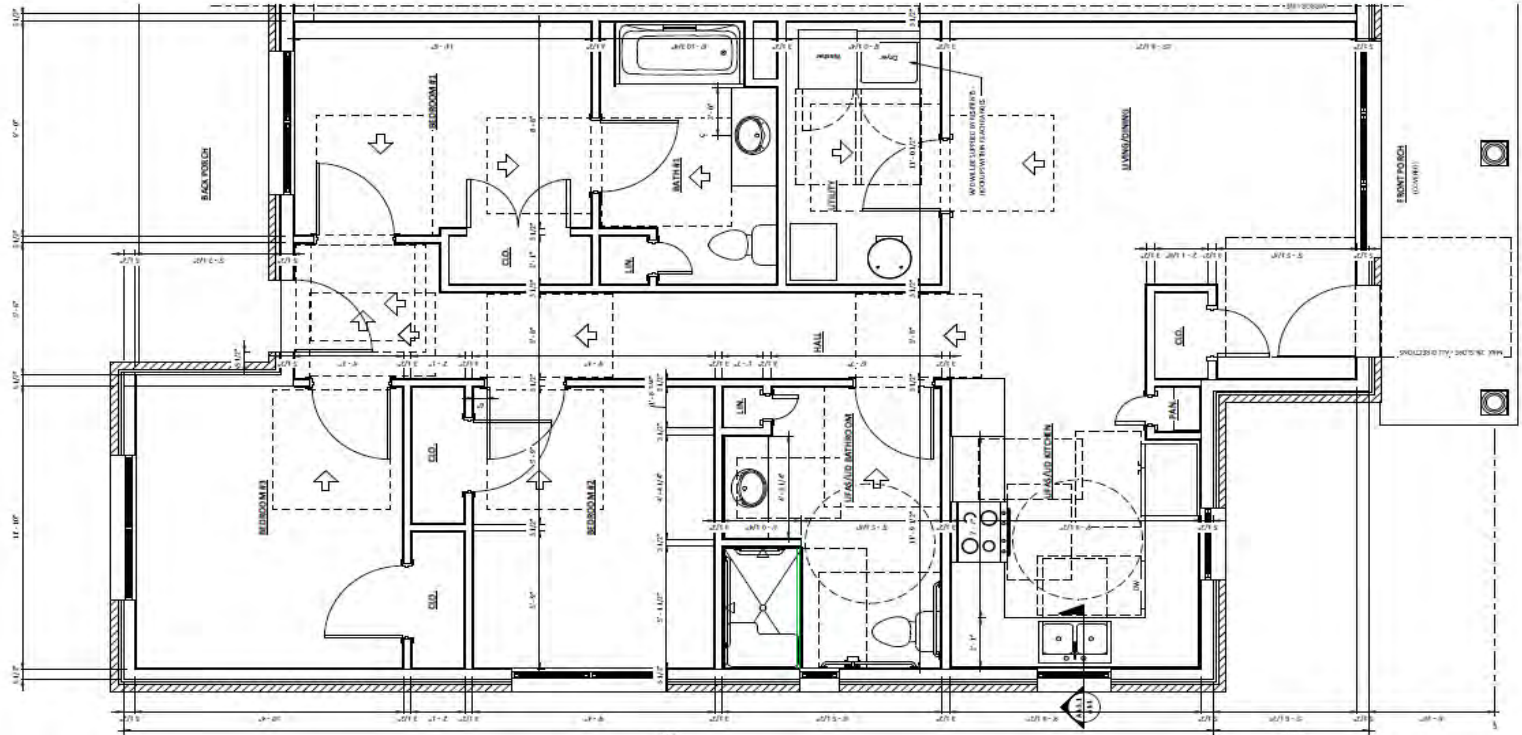
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Building Plans (Continued)

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| <p>GENERAL 504 UFAS & UD ITEMS</p> <ul style="list-style-type: none"> • VINYL PLANK FLOORING THROUGHOUT • WOOD GRAIN TRIM • CHERRY STEEL WINDOWS W/ ADA COMPLIANT HARDWARE AND BLINDS • VINYL COATED WIRE COUPLER HANGERS AT ACCESSIBLE HEIGHT • LOW VOC PAINT • ENERGY STAR LIGHTING BACKDRY W/ QUARTZ BLADE • ALL SINK WINGS INTERIOR DOORS • BATTERY ROOF ACCESS TO ALL AREAS: MINIMUM 3" PASSAGE WITH ALL CONTROLS, ENTRIES, OUTLETS, AND ELECTRIC PANELS, BREAKERS MEET • ACCESSIBLE CONTROL AND REACH RANGE SYSTEM • 504 UFAS CLEAR FLOOR AREA AT ALL CONTROLS • ACCESSIBLE THROUGH DOORWAY TRANSITION THROUGHOUT • ACCESSIBLE DOOR (L) SWIFT & HEADING (UPWARD UNIT) | <p>504 UFAS & UD BATHROOM</p> <ul style="list-style-type: none"> • HIC TOILET W/ GRAB BARS (INKL HOLDING) • BOLL UNDER SINK W/ OFFSET DRAIN AND CONCEALED VENT FAN • TIE KITCHEN • FROD AND ADJUSTABLE SINKOVER HEADS • LEVER HANDLE FIXTURES • CEANABLE FLOORING AND BASE • ENERGY STAR DUTTED EXHAUST FAN • BATH ACCESSORY: W/ WALL BRACING BRACKS (SINKED) • HIC BATHGLASS SHG IN 30" W/ET FROM SLP FLOOR W/ GRAB BARS AND SINK (WALL BRACING) | <p>504 UFAS & UD KITCHEN</p> <ul style="list-style-type: none"> • SOLID WOOD/SPINWOOD CABINETS W/ BLOCKING • CONVERTED W/ WIRE GRABBERS • TAUBET W/ LEVER HANDLE • ROLL UNDER SINK W/ OFFSET DRAIN AND CONCEALED VENT FAN • ROLL UNDER OVEN WORKSTATION • ENERGY STAR DISHWASHER • FRONT CONTROLLED ELECTRIC RANGE • BELL (PUSH) AND DUTTED RANGE HOOD W/ FIRE SUPPRESSION • THERMOSTAT (IC) CONTROLS (SIDE BY SIDE) • ENERGY STAR LIGHT FIXTURE - MIN 4" OF LONG WITH (2) BULBS • FACET/LEVER HANDLE (UPWARD UNIT) | <p>504 UFAS & UD UTILITIES</p> <ul style="list-style-type: none"> • WATERING LOW FLOW TOILETS, SINKS/STAND • SHOWERS • ENERGY STAR GAS SOURCE HEAT RUMP (SEE 6 HERE W/ 8.4 GPM REDESIGN) • TRV • AIR TIGHT INSULATED SUCTHORN • ELECTRIC WATER HEATER GAS SE • LEFITY CONTROLS MOUNTED AT ACCESSIBLE HEIGHT • ELECTRICAL AND PLUMBING LOCALS FOR WASH/DISH/SINK • DISHWASHER LOCAL • TRV WAYS TO INTERNET AND CABLE TV • GENERAL ALL-115V W/ (2) 15A • (2) EXTERIOR PORCH LIGHTS | <p>GENERAL UNIVERSAL DESIGN NOTES</p> <ul style="list-style-type: none"> • MIN. CLEAR FLOOR SPACE OF 48" X 60" PART THE LATCH AT WALL • SIDE OF ALL DOORS • CLEAR OPENING WIDTH IS NOT LESS THAN 32" AT PASSAGE • LOCKS: MIN. 30" EXTERIOR DOORS • LEVER HANDLES AT ALL DOORS • LEVER HANDLES PROVIDED AT ALL PLUMBING FIXTURES |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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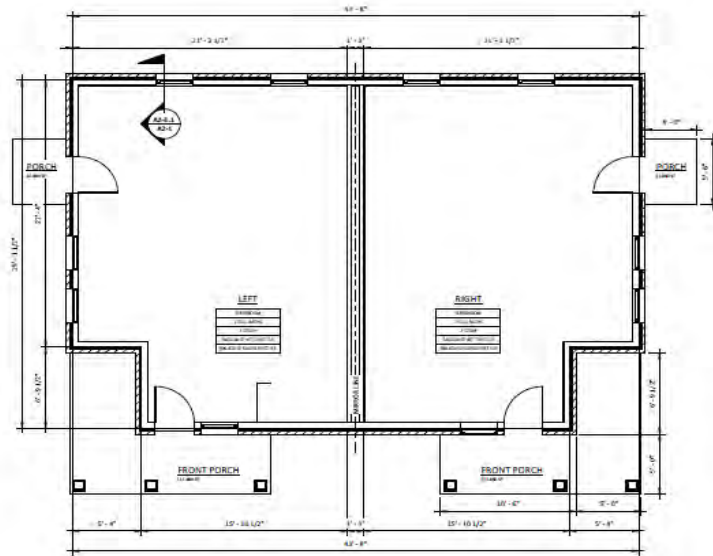
UNIT PLAN - DUPLEX 1 (HUD 504 UFAS & UD)
1/2" = 1'-0"
A-2.1 / A-2.2

SWEETBRIAR PHASE II
LIHTC APPLICATION
ELEMENTARY DRIVE, ABINGDON, VIRGINIA

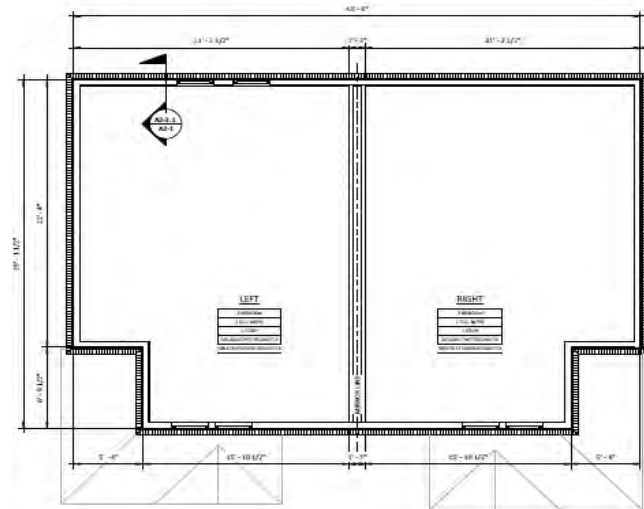
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A2.1.1 BUILDING PLAN - DUPLEX 2 FIRST FLOOR
A2.3 1/4" = 1'-0"



A2.1.2 BUILDING PLAN - DUPLEX 2 SECOND FLOOR
A2.3 1/4" = 1'-0"

SWEETBRIAR PHASE II
LIHTC APPLICATION
 ELEMENTARY DRIVE ABINGDON, VIRGINIA

Comm No. 20011
 12 March 2020

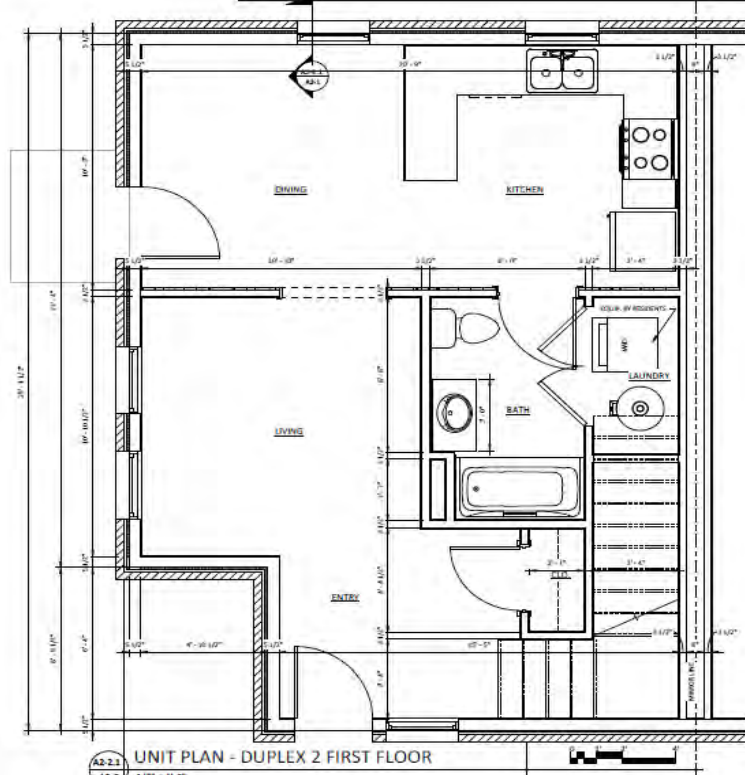
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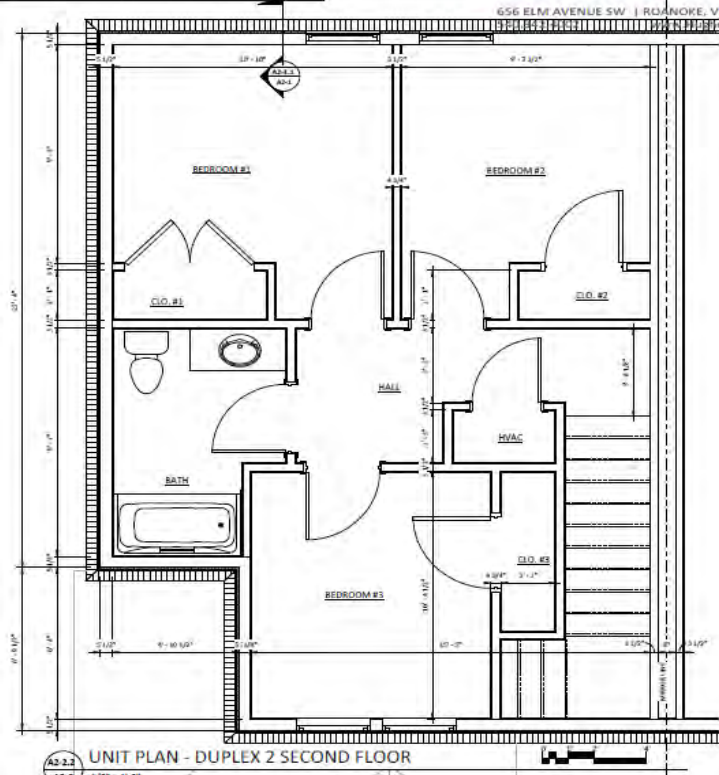


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- | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GENERAL ITEMS STANDARD UNIT <ul style="list-style-type: none"> • VINYL PLANS ALLOWING "THROUSHES" • BRICK SMOKE TRAIL • ENERGY STAR WINDOWS WITH BLINDS • VINYL COATED WIRE CLOSET • LOW VOC PAINT • UNDERSTAIR LIGHTING PACKAGE W/ GRALED FAUCET • CE EXT. PORCH LIGHTS • ALL SIZE WINGED INTERIOR DOORS | STANDARD BATHROOM <ul style="list-style-type: none"> • WATERFENCE LOW-FLOW TOILET • BATHROOM VANITY W/ WATERFENCE LOW-FLOW FAUCET • WATERFENCE LOW-FLOW SHOWER HEAD • ENERGY STAR DUCTED EXHAUST FAN • BATH ACCESSORIES W/ WALL BLOCKING • SHOWER/TOILET WITH NON-SLIP FLOOR | STANDARD KITCHEN <ul style="list-style-type: none"> • SOLID WOOD/VENEER CABINETS W/ SHOOKS • COUNTERTOP W/ BACK & SIDE SPRAYS • DOUBLE BOWL SINK W/ FAUCET • ELECTRICAL DISHWASHER • ELECTRIC RANGE • HAND DUCTED RANGE HOOD W/ FIRE SUPPRESSION • ENERGY STAR REFRIGERATOR • UNDERSTAIR LIGHT PACKAGE - MIN 4'-0" LONG WITH CE FLOOR • W/ ADIC/LAMINATE EDGING BAND | STANDARD UTILITIES <ul style="list-style-type: none"> • ENERGY STAR SOLID HEAT PUMP W/ STEEL VENT • W/ 5.0 EER REFRIGERANT • EX • AIR TIGHT INSULATED DUCTWORK • ELECTRIC WATER HEATER & BS D • PEE WARD TO PREVENT ANTI-CALITY • ELECTRICAL AND PLUMBING HOOKUPS FOR WAREHOUSE • SEWAGE INCINERATION • CONFORM ALL UTILITY LINES |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



UNIT PLAN - DUPLEX 2 FIRST FLOOR
 A2-2.1
 A2-3 1/2" = 1'-0"



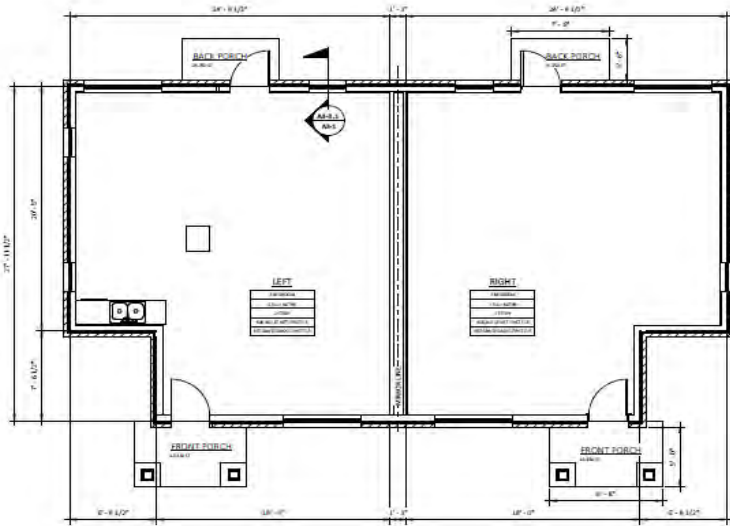
UNIT PLAN - DUPLEX 2 SECOND FLOOR
 A2-2.2
 A2-3 1/2" = 1'-0"

SWEETBRIAR PHASE II
LIHTC APPLICATION
 ELEMENTARY DRIVE ABINGDON, VIRGINIA

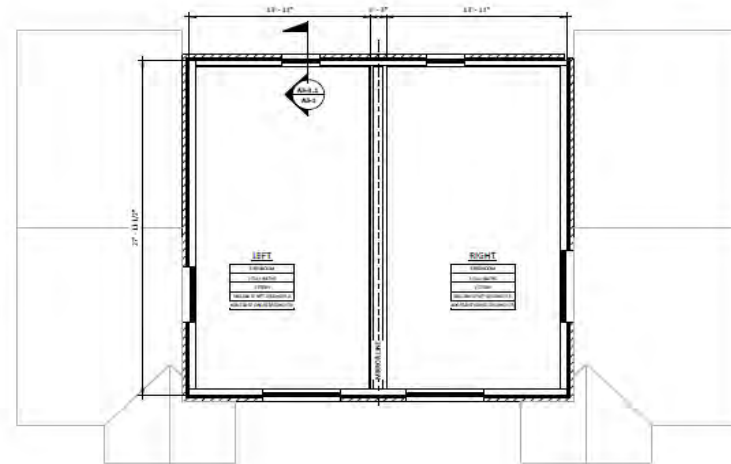
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AS-1.1 BUILDING PLAN - DUPLEX 3 FIRST FLOOR
 AS-3 1/4" = 1'-0"



AS-1.2 BUILDING PLAN - DUPLEX 3 SECOND FLOOR
 AS-3 1/4" = 1'-0"

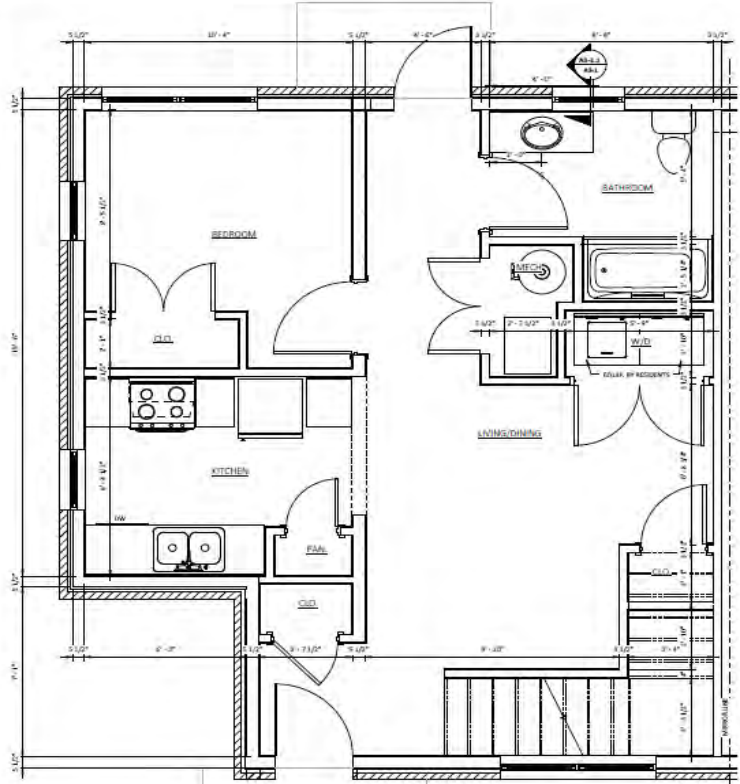


SWEETBRIAR PHASE II
LIHTC APPLICATION
 ELEMENTARY DRIVE ABINGDON, VIRGINIA

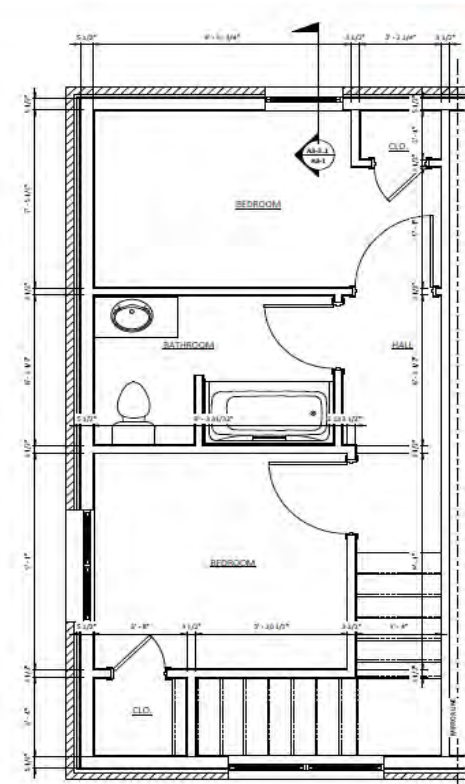
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Building Plans (Continued)



A3-2.1 UNIT PLAN - DUPLEX 3 FIRST FLOOR
A3-3 1/2" = 1'-0"



A3-2.2 UNIT PLAN - DUPLEX 3 SECOND FLOOR
A3-3 1/2" = 1'-0"

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- GENERAL FINISH STANDARDS UNIT**
 - VINYL PLANK FLOORING THROUGHOUT
 - WOOD GRADE TRIM
 - ENERGY STAR WINDOWS WITH KENEDY
 - VINYL COATED WIRE CLOSET
 - LOW VOC PAINT
 - ENERGY STAR LIGHTING PACKAGES W/ COULDED BULBS
 - COLLECT HORIZONTAL BIRDS
 - ALL SIZE APPLIANCE INTERIOR DOORS
- STANDARD BATHROOM**
 - WATERSEALING LOW FLOW ALC TOILET
 - BATHROOM VANITY W/ WATERSEALING LOW FLOW FAUCET
 - WATERSEALING LOW FLOW SHOWER HEAD
 - PAINTED OAK DUCTED EXHAUST FAN
 - BATH ACCESSORIES W/ BUCKLE
 - SECURANTILES WITH NON-SLIP FLOOR
- STANDARD KITCHEN**
 - SOLID WOOD PLYWOOD CABINETS W/ BLOCKING
 - COUNTERTOP W/ BACK & SIDE SPRAYING
 - DOUBLE BOWL SINK W/ FAUCET
 - ENERGY STAR DISHWASHER
 - ELECTRIC RANGE
 - HAND DUCTED RANGE HOOD W/ FIRE SUPPRESSOR
 - ENERGY STAR REFRIGERATOR
 - QUENCHED LAMINATE FLOORING - MAX 4" JTGING WITH CO.
 - BUILT-IN
 - PLASTIC LAMINATE BOUND BASKS
- STANDARD OTHERS**
 - ENERGY STAR AIR SOURCE HEAT PUMP 16 SEER 9.5 HSPF W/ 8.5 SEER REFRIGERANT
 - DIV.
 - AIR TIGHT, INSULATED DUCTWORK
 - ELECTRIC WATER HEATER BUILT IN
 - PRE-WIRED TO INTERNET AND CABLE TV
 - ELECTRICAL AND PLUMBING HOOKUPS FOR WINDTURBINE
 - BROWN INSULATION
 - GENERAL ALL UTILITY LINES

SWEETBRIAR PHASE II
LIHTC APPLICATION
ELEMENTARY DRIVE ABINGDON, VIRGINIA

Comm No. 20011
12 March 2020

IMPROVEMENT DESCRIPTION & ANALYSIS

Our improvement analysis includes an evaluation of the following factors with respect to the subject property: (1) Building Features; (2) Unit Features; (3) Project Amenities, (4) Utility Configuration; and (5) Useful Life Analysis.

Building Features

The subject property is proposed to consist of 22 revenue-producing units in 11 residential buildings and 0 non-residential buildings. The development is proposed to include approximately 23,026 square feet of net rentable area and 27,868 square feet of gross building area.

Additional information regarding the subject property's proposed major building systems is found below.

Foundation - Concrete Slab, Basements, Crawl Spaces, etc.

The subject property is proposed to include crawl space foundations.

Structural Frame - Floor, Wall, Roof Structural Systems, etc.

The subject property is proposed to be constructed with wood frame surfaced with plywood. Floor/ceiling assemblies are proposed to consist of wood joists & plywood or concrete subfloors. Roof assemblies are proposed to consist of wood trusses & plywood sheathing.

Exterior Wall - Exterior Finishes, Doors, Windows, Exterior Stairs, etc.

The subject is proposed to include fiber cement siding & brick veneer, double hung vinyl double pane windows, steel clad insulated six-panel unit entry doors, and steel clad insulated six-panel patio doors.

Roof - Sheathing, Coverings, Warranties, Gutters & Downspouts, Soffit & Fascia, etc.

The subject is proposed to include gabled asphalt shingle roofs.

Vertical Transportation - Elevator, Interior Stair Systems

The subject property is not proposed to include elevators.

Plumbing - Sanitary, Storm, Sewer, Fixtures, Domestic Hot Water

Domestic water piping is proposed to be constructed of CPVC pipe and fittings. Wastewater lines consist of PVC pipe and fittings. Potable hot water is proposed to be supplied via individual electric hot water heaters.

HVAC - Heating, Air Conditioning, Ventilation

The subject property is proposed to include individual interior-mounted electric heat, individual exterior-mounted a/c compressors with interior-mounted air handlers.

Electrical and Communications - Distribution, Aluminum Wiring, etc.

Buildings are proposed to receive electrical power from exterior pad-mounted transformers. Electrical service to units is proposed to consist of 120/240V AC with 100 amps available for each panel. Electrical wiring is proposed to consist of copper. Properly grounded, three-prong outlets are proposed in each dwelling unit. The outlets located in the wet areas are proposed to be Ground Fault Circuit Interrupter (GFCI) outlets. Surface-mounted fluorescent & LED fixtures are proposed.

Fire Suppression

The subject property is not proposed to be equipped with an NFPA-13 fully automatic fire suppression (sprinkler) system. In addition, hard-wired smoke detectors with battery backup are proposed in each bedroom area.

Unit Features

The subject property is proposed to contain 22 revenue-producing units including 17 regular units and 5 accessible units, including 66 bedrooms, 44 full bathrooms and 0 half bathrooms.

Additional information regarding the subject property's proposed unit features is found below.

Walls / Ceilings / Interior Doors

Subject property units are proposed to include 8 foot ceilings, painted gypsum wallboard & ceilings, wood solid-core flat panel interior doors, and wood solid-core flat panel closet doors.

Floor Covering

Floor covering is proposed to consist of luxury vinyl plank in the entryways, ceramic tile in the bathrooms & kitchens, along with luxury vinyl plank in the living areas & bedrooms.

Kitchens

Kitchens are proposed to include electric four-top ranges, range hoods, frost-free refrigerators, dishwashers, composite wood cabinets, laminated countertops and stainless steel sinks.

Bathrooms

Bathrooms are proposed to include composite wood vanities, cultured marble countertops, porcelain sinks & toilets, along with fiberglass tubs & surrounds.

Project Amenities

A discussion of the development's proposed project amenities is found below.

Site & Common Area Amenities

No project amenities are proposed for the subject property.

Parking

Open parking is proposed for the subject property.

Laundry

Washer/dryer hookups are proposed for the subject property.

Security

Call buttons are proposed for select units at the subject property.

Services

No special services are proposed for the subject property.

Tables comparing the subject property's proposed amenities to that of the most comparable properties are found at the end of this section.

Utility Configuration

The subject property is proposed to include electric heat, electric cooking and electric hot water. All utilities - with the exception of trash - are proposed to be paid by the resident.

In the table that follows we compare the subject's proposed utility allowances (also known as tenant paid utilities) to the estimated allowances using the HUD Utility Schedule Model:

Utility Allowances										
BR	BA	SF	Unit Type	Inc Lmt	Rnt Lmt	HOME	Subs	Units	UA	HUD UA
3	2.0	1,103	Duplex	60% of AMI	40% of AMI	Yes	Yes	3	\$226	\$280
3	2.0	1,103	Duplex	60% of AMI	50% of AMI	Yes	Yes	2	\$226	\$280
3	2.0	1,103	Duplex	60% of AMI	50% of AMI	Yes	No	1	\$226	\$280
3	2.0	961	Duplex	60% of AMI	50% of AMI	Yes	No	5	\$226	\$280
3	2.0	961	Duplex	60% of AMI	60% of AMI	no	No	3	\$226	\$280
3	2.0	1,090	Duplex	60% of AMI	60% of AMI	no	No	8	\$226	\$280
Total/Average								22	\$226	\$280

The HUD utility allowances are a good measure of the energy costs for a given property. Our analysis suggests that

the proposed utility allowances are lower than those established using the HUD model.

Tables comparing the subject property's utility configuration to that of the most comparable properties are found at the end of this section. Outputs from the HUD Utility Schedule Model are also found there.

Useful Life Analysis

We anticipate a useful/economic life of 50 years for this development, assuming that appropriate replacement reserves are established for this property.

In the course of completing this study, we rated the condition of the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). We also evaluated the actual and effective ages of the subject and select comparables. A table summarizing our findings is found below:

		Actual Age Effective Age Condition			Rank		
		Rating					
Key	Project Name	Actual Age	Effective Age	Property Condition	Actual Age	Effective Age	Property Condition
Sub	Sweetbriar II	2021	2021	4.50	1	1	1
017	Downtown Plaza Apartments	1968	1995	2.50	14	12	14
023	Glade Terrace Apartments 1	2012	2010	4.00	3	2	4
024	Glade Terrace Apartments 2	2013	2010	4.00	2	2	4
027	Hallock Drive Townhomes	2003	2000	4.00	8	9	4
028	Harbor Landing Apartments	2004	2010	4.00	7	2	4
029	Highland View Apartments	1983	2005	4.00	13	6	4
042	Mountain Empire Apartments	1990	1995	3.75	10	12	12
046	Pinehedge Condominiums	1985	2005	4.00	12	6	4
047	Promise Landing Apartments	1990	2000	4.00	10	9	4
050	Ridgecrest Town Apartments	2008	2005	4.50	6	6	1
062	Sweetbriar 1	2009	2010	4.50	4	2	1
077	Willow Run Apartments	2009	2000	4.00	4	9	4
081	Wyndale Court Condominiums	2003	1995	3.00	8	12	13

Source: Allen & Associates; Sponsor

Utilities

Key	Project Name	Tenant-Paid											Owner-Paid											
		Heat / Gas	Heat / Electric	Cooking / Gas	Cooking / Electric	Other / Electric	AC / Electric	HW / Gas	HW / Electric	Water	Sewer	Trash	Heat / Gas	Heat / Electric	Cooking / Gas	Cooking / Electric	Other / Electric	AC / Electric	HW / Gas	HW / Electric	Water	Sewer	Trash	
Sub	Sweetbriar II	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes
017	Downtown Plaza Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no
023	Glade Terrace Apartments 1	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	
024	Glade Terrace Apartments 2	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	
027	Hallock Drive Townhomes	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	
028	Harbor Landing Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	
029	Highland View Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
042	Mountain Empire Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
046	Pinehedge Condominiums	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
047	Promise Landing Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	
050	Ridgecrest Town Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
062	Sweetbriar 1	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	
077	Willow Run Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	
081	Wyndale Court Condominiums	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	

Source: Allen & Associates; Sponsor

HUD Utility Schedule Model Output

	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Heat - Gas	23	25	27	29	31
Heat - Elec	10	12	14	16	18
Cooking - Gas	1	2	2	3	4
Cooking - Elec	3	4	6	7	9
Other Electric	12	15	20	26	32
Air Conditioning	3	3	4	5	6
Hot Water-Gas	3	4	6	8	9
Hot Water-Elec	8	10	12	15	18
Water	42	45	64	102	141
Sewer	40	43	62	92	121
Trash	12	12	12	12	12

Source: Local Utility Providers; HUD

SITE DESCRIPTION & ANALYSIS

Our assessment of the site included an evaluation of the following factors with respect to the subject property: (1) Survey; (2) Site Plan; (3) Nuisances, Hazards, Detrimental Influences & Environmental; (4) Topography; (5) Flood Zone; (6) Difficult to Develop Area Status; (7) Qualified Census Tract Status; and (8) Traffic Patterns, Access & Visibility.

Survey

A survey for the subject property was provided to the analyst for review. Current surveys should be evaluated to ascertain whether there are any easements encumbering the subject property. Our review/inspection suggested that the site is currently encumbered by standard utility easements that do not adversely affect its marketability and that the site is serviced by municipal utilities.

Site Plan

A site plan for the subject property was provided to the analyst for review. Site plans are necessary to analyze the site improvements, parking configuration, internal traffic flow, location of building improvements and landscaping improvements for the subject property. Our review did not identify any problem areas with respect to the subject property. A summary of the development's site features is found below.

Acres / Lot Shape / Frontage

The subject property includes an irregular-shaped parcel consisting of approximately 5.08 acres and approximately 100 feet of road frontage.

Zoning

According to the sponsor, the subject property is currently zoned R-1, Residential Limited. It is our understanding that the current zoning for the subject is a legal, conforming use.

Parking / Streets / Curbs / Sidewalks

A total of 44 parking spaces are planned for this development (33 regular / 11 accessible / 2.00 spaces per unit). Privately-owned parking areas are planned for the subject property. We normally see 1.5 to 2.0 spaces per unit for projects like the subject. A bus stop is located 0.25 miles away from the subject property. In our opinion, the current parking appears adequate for the subject property.

Dumpsters / Dumpster Enclosures

The subject includes 22 roll out bins.

Landscaping / Perimeter Fence / Retaining Walls / Entry Sign

Trees, shrubs & lawns are found at the subject property. A perimeter fence is not found at the subject property. Retaining walls are not found at this property. One unlighted entry sign is found at this property.

Stormwater Management / Site Lighting / Water Service / Wastewater Service

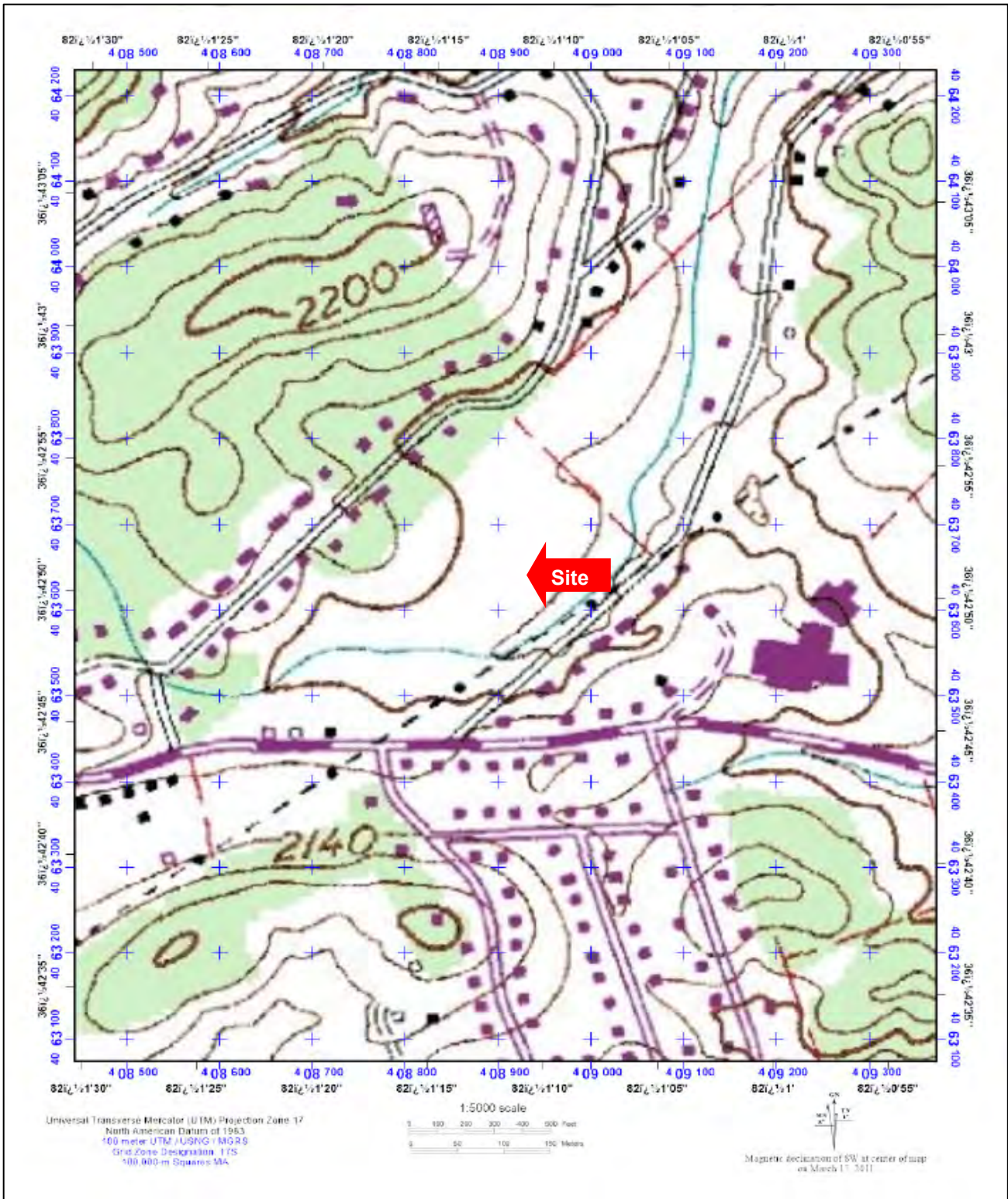
Stormwater management consists of catch basins and concrete pipe connecting to a public system. Site lighting consists of publicly-owned HID poles. Domestic water service to buildings consists of ductile iron pipe connecting to a public system. Wastewater service to buildings consists of PVC pipe connecting to a public system.

Nuisances, Hazards, Detrimental Influences & Environmental

We did not observe any nuisances, hazards, detrimental influences or recognized environmental conditions on our inspection of the subject property. Nevertheless, we recommend that the sponsor obtain a comprehensive environmental assessment from a qualified professional.

Topography

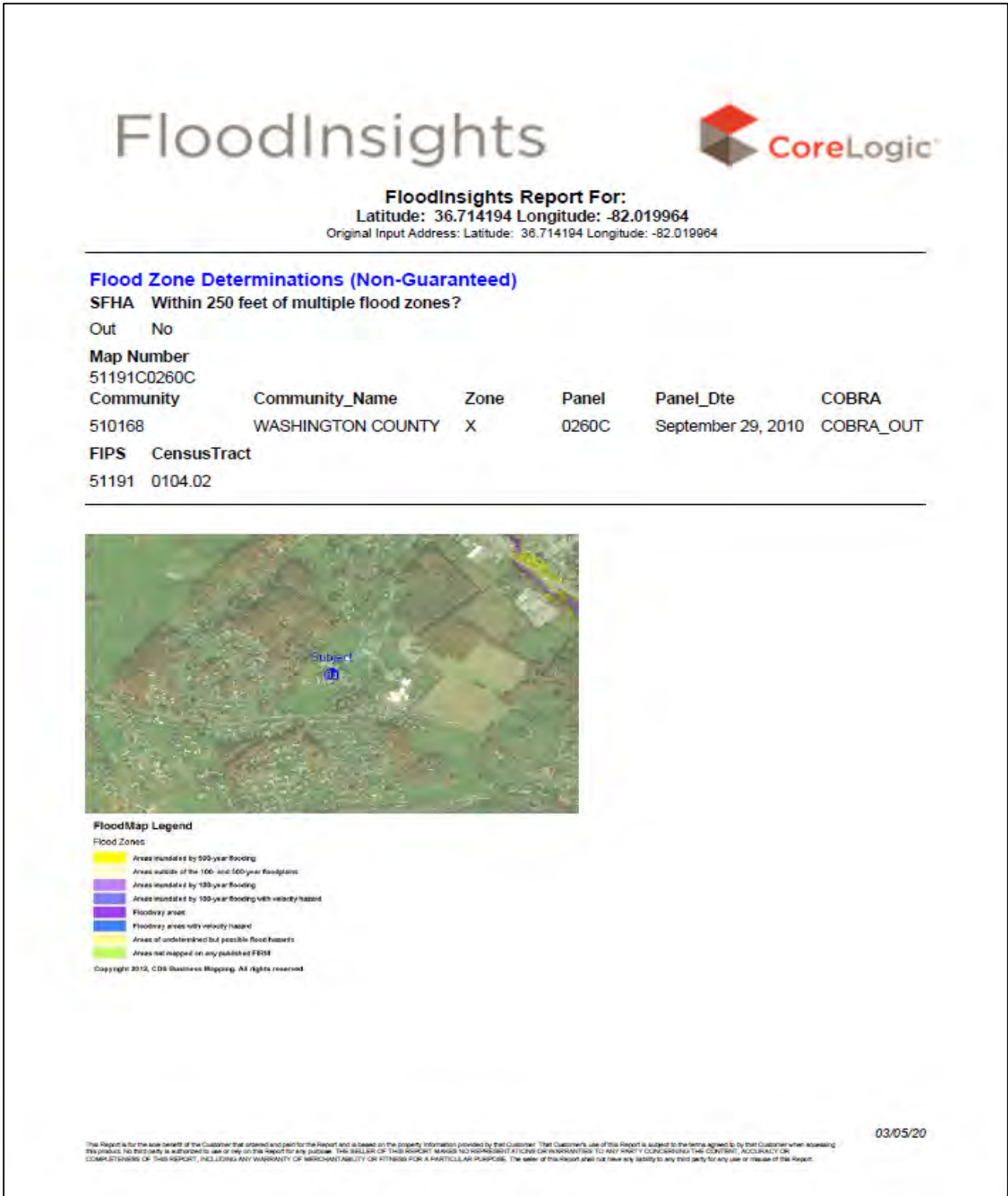
The USGS map showing the topography of the subject property and surrounding area is found below:



The topographic map shows that the site is flat and drains to adjacent properties to the south and east. In our opinion, there do not appear to be any topographic issues with respect to the subject property.

Flood Zone

The map showing the location of the subject property relative to nearby areas prone to flooding (identified in purple) is found below:



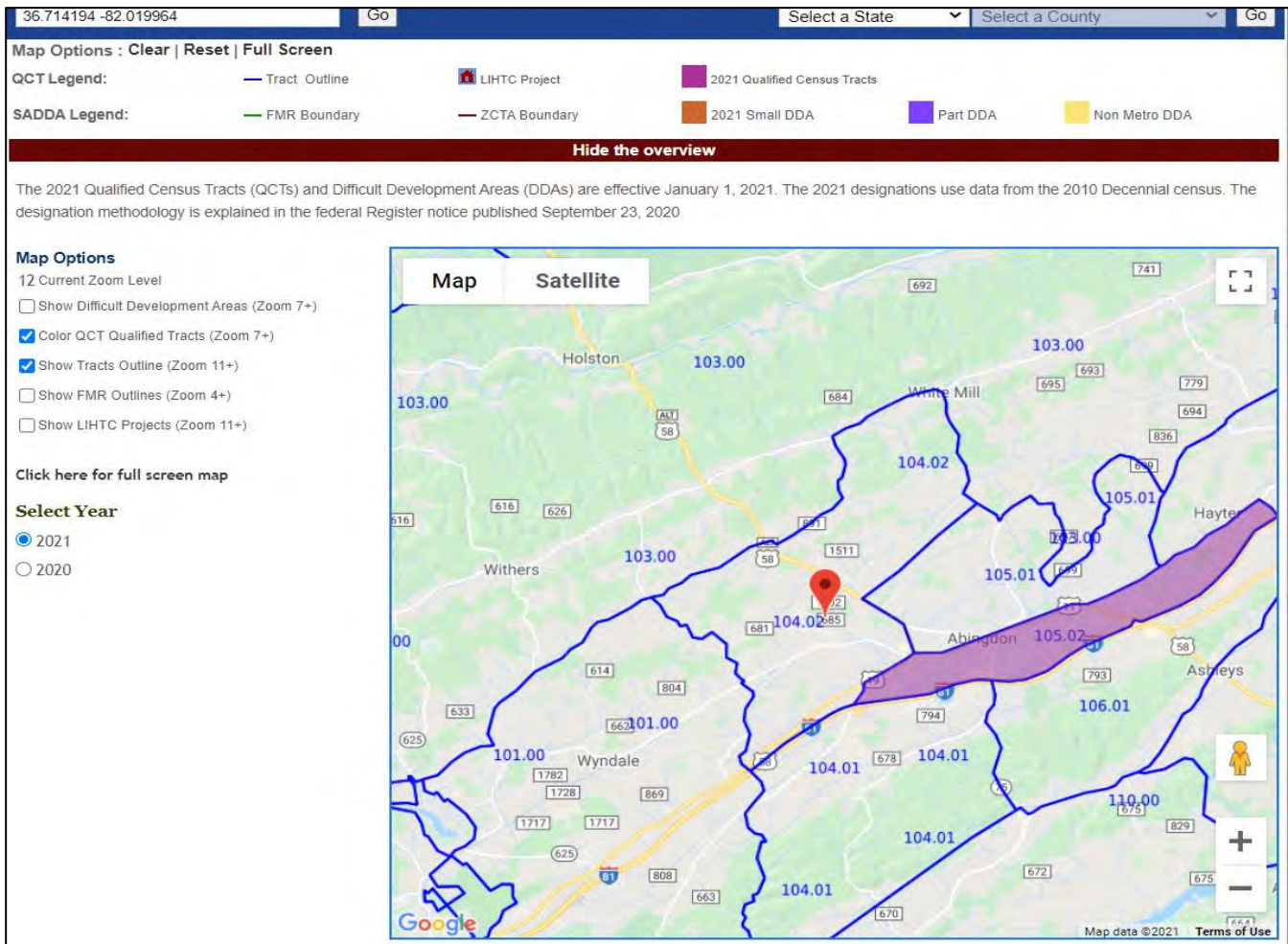
According to FEMA map number 51191C0260C dated September 29, 2010, the subject property is located in Zone X. This is an area that is identified as being located outside the 100-year flood zone.

Difficult to Develop Area Status

The subject property is located in Washington County, Virginia - an area that is not designated as a Difficult to Develop Area. Consequently, the subject property does not appear to qualify for special DDA funding under state and federal programs.

Qualified Census Tract Status

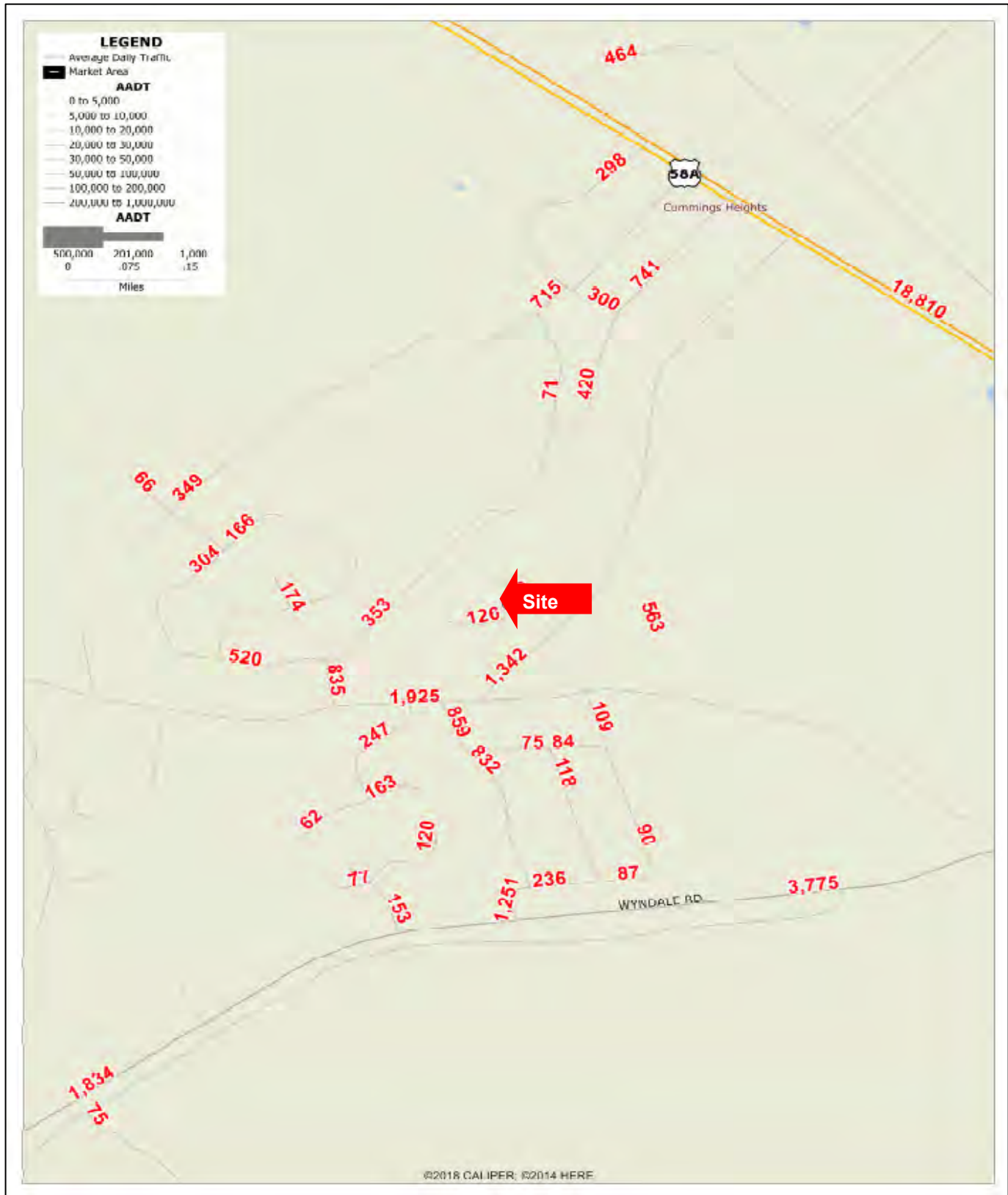
The federal government has identified census tracts throughout the United States that include high concentrations of low-income households and substandard housing units. These areas, known as Qualified Census Tracts, qualify for special funding under various state and federal programs. A QCT map showing the location of the subject property is found below:



The subject property is located in Census Tract 104.02 - an area that is not designated as a Qualified Census Tract. Consequently, the subject property does not appear to qualify for special QCT funding under state and federal programs.

Traffic Patterns, Access & Visibility

A traffic map identifying the subject property is found below:



Access

The subject property is located on Elementary Drive, approximately 0.5 miles south of US 58A in Abingdon, Virginia. Elementary Drive is a moderately-traveled north-south road carrying approximately 1,500 vehicles per day. We did not observe any road or infrastructure improvements taking place in the immediate vicinity of the subject property. In our opinion, therefore, accessibility is fair to good by virtue of the location of the subject property relative to existing streets and thoroughfares.

Visibility

The subject property is visible from Elementary Drive with limited frontage and a moderate volume of drive-by traffic. Consequently, in our opinion visibility is fair to good by virtue of the exposure of the subject property to existing drive-by traffic volumes.

In the course of completing this study, we rated the access and visibility for the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). A table summarizing our findings is found below:

Access & Visibility					
Rating				Rank	
Key	Project Name	Access	Visibility	Access	Visibility
Sub	Sweetbriar II	2.50	2.50	8	5
017	Downtown Plaza Apartments	3.00	2.50	3	5
023	Glade Terrace Apartments 1	4.00	2.50	1	5
024	Glade Terrace Apartments 2	4.00	2.50	1	5
027	Hallock Drive Townhomes	2.00	2.00	13	10
028	Harbor Landing Apartments	2.50	2.50	8	5
029	Highland View Apartments	3.00	3.00	3	1
042	Mountain Empire Apartments	3.00	2.00	3	10
046	Pinehedge Condominiums	2.50	2.00	8	10
047	Promise Landing Apartments	2.00	2.00	13	10
050	Ridgecrest Town Apartments	3.00	2.75	3	4
062	Sweetbriar 1	3.00	3.00	3	1
077	Willow Run Apartments	2.50	2.00	8	10
081	Wyndale Court Condominiums	2.50	3.00	8	1

Source: Allen & Associates

NEIGHBORHOOD DESCRIPTION & ANALYSIS

Neighborhood

Our assessment of the neighborhood includes an evaluation of the following factors with respect to the subject property: (1) Life Cycle; (2) Surrounding Properties; (3) Economic Characteristics; (4) Crime Rates; (5) Educational Attainment; and (6) Commuting Patterns.

Life Cycle

Neighborhoods are sometimes thought to evolve through four distinct stages:

- Growth – A period during which the area gains public favor and acceptance.
- Stability – A period of equilibrium without marked gains or losses.
- Decline – A period of diminishing demand.
- Revitalization – A period of renewal, redevelopment, modernization, and increasing demand.

Based on our evaluation of the neighborhood, the subject property is located in an area that appears to be in the stability stage of its life cycle. Modest population growth is anticipated for the next several years.

Surrounding Properties

The subject property is located in Abingdon, Virginia. The immediate area consists of residential land uses.

Single family in good condition is located to the north, south, east, and west of the subject property. Neighboring land uses appear to be complimentary to the use of the subject property. The condition of the neighboring properties appears to be complimentary as well.

Surrounding property uses are summarized in the table found below:

Surrounding Properties		
Direction	Use	Condition
North	Single Family	Good
South	Single Family	Good
East	Single Family	Good
West	Single Family	Good

Source: Allen & Associates

Economic Characteristics

The subject property is located in an area with average household incomes of \$50,643 (in 2015 dollars); this is compared with \$37,437 for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with median cash rents of \$606 (in 2015 dollars); this is compared with \$627 for the most comparable properties included in this analysis.

Finally, the subject property is located in an area with median single family home values of \$150,400 (in 2015 dollars); this is compared with \$138,257 for the most comparable properties included in this analysis.

Crime Rates

The subject property is located in an area with personal crime rates of 3.8%. Personal crime includes offenses such as rape, murder, robbery and assault. Our research suggests that the average personal crime rate for the most comparable properties stands at 4.2%.

In addition, the subject property is located in an area with property crime rates of 2.6%. Property crimes include offenses such as burglary, larceny and theft. Our research suggests that the average property crime rate for the most comparable properties stands at 4.7%.

Please note: The crime statistics included in this analysis are historical area-wide figures. These statistics make no consideration for changing demographics or the implementation of an affirmative crime prevention program at the subject property.

Educational Attainment

The subject property is located in an area with high school graduation rates of 85.3%; this is compared with 81.3% for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with college graduation rates of 25.6%; this is compared with 21.1% for the most comparable properties included in this analysis.

Commuting Patterns

The subject property is located in an area with an average drive to work of 20.7 minutes; this is compared with 20.6 minutes for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with an average of 1.70 vehicles per household; this is compared with 1.54 vehicles per household for the most comparable properties included in this analysis.

Conclusion

In our opinion, the subject property has a very good location relative to competing properties with respect to neighborhood characteristics.

Proximity to Area Amenities

Our assessment included an evaluation of the proximity of various amenities to the subject and the most comparable properties. We looked at the following amenities in our analysis: (1) Banks; (2) Grocery; (3) Emergency Clinics; (4) Pharmacies; and (5) Discount Stores.

A listing of some of the area amenities is found below. An amenity map is found in the following pages:

Proximity to Area Amenities		
Amenity	Name	Miles
Bank	BB&T	1.3 mi SE
Grocery	Food Country USA	0.6 mi N
Emergency Clinic	MedWorks	1.5 mi SE
Pharmacy	Northgate Pharmacy	1.5 mi SE
Discount Store	Mark It Down	0.6 mi NE
Elementary School	E B Stanley Elementary School	3.7 mi NE
Middle School	Wallace Middle School	7.5 mi
High School	William King High School	1.8 mi SE
Bus Stop	-	-

Source: Google Maps

BB&T, Food Country USA, Northgate Pharmacy, and Mark It Down discount store are all located less than 1.5 miles away from the subject property. MedWorks is located 1.5 miles away.

Number of Area Amenities

We utilized Microsoft Streets & Trips to evaluate the subject and the most comparable properties with respect to the number of amenities in the immediate area.

- Microsoft Streets & Trips identified 6 banks within 2.0 miles of the subject property. The subject is ranked 8 out of the 14 properties included in this analysis.
- A total of 5 grocery stores are in the vicinity of the subject property. The subject is ranked 10 for the area.
- A total of 0 hospital are in the vicinity of the subject property. The subject is ranked 5 for the area.
- A total of 4 pharmacies are in the vicinity of the subject property. The subject is ranked 7 for the area.
- A total of 14 shopping centers are in the vicinity of the subject property. The subject is ranked 8 for the area.

Nearest Area Amenities

We utilized Microsoft Streets & Trips to evaluate the subject and the most comparable properties with respect to the nearest area amenities.

- According to Microsoft Streets & Trips, the nearest bank is 1.21 miles away from the subject property. The subject is ranked 12 out of the 14 properties included in this analysis.
- The nearest grocery store is 0.61 miles away from the subject property. The subject is ranked 8 for the area.
- The nearest hospital is 2.57 miles away from the subject property. The subject is ranked 6 for the area.
- The nearest pharmacy is 1.19 miles away from the subject property. The subject is ranked 7 for the area.
- The nearest shopping center is 0.6 miles away from the subject property. The subject is ranked 8 for the area.

Conclusion

In our opinion, the subject property has a good location relative to competing properties with respect to area amenities.

Tables comparing the subject property's proximity to area amenities to that of the most comparable properties is found on the next page. Maps showing the proximity of the subject property to area amenities and area employers is also found in the following pages.

In the course of completing this study, we rated the neighborhood and the proximity to area amenities for the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). The tables on the following pages give these ratings.

Neighborhood Ratings

		Rating									Rank (1 = Property with Highest Rating)									Final Rating (1-5 Scale)
		Surrounding Area			Crime Rates		Education		Commute	Surrounding Area			Crime Rates		Education		Commute			
Key	Project Name	Avg HH Income (2015)	Med Cash Rent (2015)	Med SF Value (2015)	Personal Crime	Property Crime	High School or More	Bachelor's or More	Average Commute	Avg HH Income (2015)	Med Cash Rent (2015)	Med SF Value (2015)	Personal Crime	Property Crime	High School or More	Bachelor's or More	Average Commute			
Sub	Sweetbriar II	\$50,643	\$606	\$150,400	3.8%	2.6%	85.3%	25.6%	20.72	2	10	5	10	7	8	4	5	3.80		
017	Downtown Plaza Apartments	\$21,719	\$561	\$56,700	9.7%	23.6%	82.8%	7.6%	21.45	12	12	13	14	14	10	13	10	2.00		
023	Glade Terrace Apartments 1	\$38,149	\$647	\$128,200	8.5%	0.5%	87.1%	25.2%	21.37	9	5	7	12	1	2	6	8	4.00		
024	Glade Terrace Apartments 2	\$38,149	\$647	\$128,200	8.5%	0.5%	87.1%	25.2%	21.37	9	5	7	12	1	2	6	8	4.00		
027	Hallock Drive Townhomes	\$16,447	\$413	\$108,100	2.7%	5.1%	74.5%	9.0%	15.57	13	13	11	4	11	11	11	1	2.70		
028	Harbor Landing Apartments	\$24,150	\$711	\$50,900	2.2%	1.0%	58.8%	4.1%	23.40	11	3	14	2	3	14	14	13	2.80		
029	Highland View Apartments	\$16,447	\$413	\$108,100	2.7%	5.1%	74.5%	9.0%	15.57	13	13	11	4	11	11	11	1	2.70		
042	Mountain Empire Apartments	\$47,530	\$620	\$223,700	3.3%	2.0%	85.8%	38.4%	19.34	4	8	1	8	4	4	1	3	4.50		
046	Pinehedge Condominiums	\$51,875	\$631	\$198,600	3.1%	10.6%	85.6%	23.3%	21.99	1	7	3	6	13	7	8	11	3.60		
047	Promise Landing Apartments	\$47,530	\$620	\$223,700	3.3%	2.0%	85.8%	38.4%	19.34	4	8	1	8	4	4	1	3	4.50		
050	Ridgecrest Town Apartments	\$39,116	\$770	\$125,100	1.9%	3.2%	85.8%	17.7%	20.89	8	2	9	1	9	6	9	7	3.70		
062	Sweetbriar 1	\$50,643	\$606	\$150,400	3.8%	2.6%	85.3%	25.6%	20.72	2	10	5	10	7	8	4	5	3.80		
077	Willow Run Apartments	\$40,313	\$839	\$115,600	2.6%	4.4%	72.0%	13.4%	22.85	7	1	10	3	10	13	10	12	3.10		
081	Wyndale Court Condominiums	\$41,406	\$696	\$167,900	3.1%	2.5%	87.5%	33.3%	23.71	6	4	4	7	6	1	3	14	3.90		

Proximity to Area Amenities

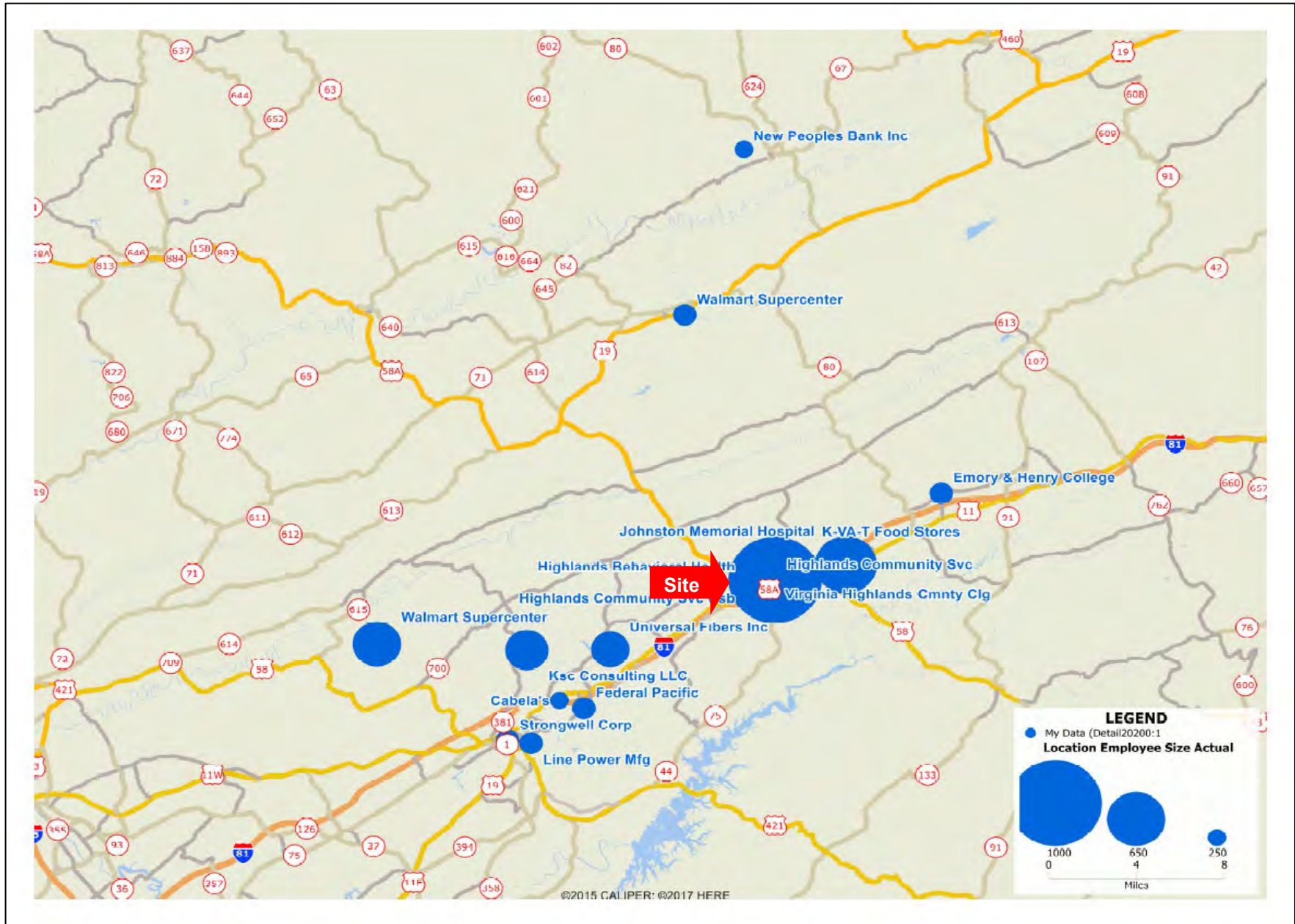
		Rating									Rank (1 = Property with Highest Rating)									Final Rating (1-5 Scale)
		Number within 2.0 miles of Property					Nearest to Property, Miles				Number within 2.0 miles of Property					Nearest to Property, Miles				
Key	Project Name	Banks	Grocery	Hospital	Pharmacy	Shopping Center	Shopping Center	Grocery	Hospital	Banks	Grocery	Hospital	Pharmacy	Shopping Center	Shopping Center	Grocery	Hospital			
Sub	Sweetbriar II	6	5	0	4	14	0.6	0.6	2.6	8	10	5	7	8	8	8	6	3.30		
017	Downtown Plaza Apartments	22	15	0	12	52	0.2	0.3	3.2	1	2	5	1	1	3	5	9	4.30		
023	Glade Terrace Apartments 1	3	7	0	0	1	0.3	0.1	11.4	10	4	5	12	13	5	1	13	2.90		
024	Glade Terrace Apartments 2	3	7	0	0	1	0.3	0.1	11.4	10	4	5	12	13	5	1	13	2.90		
027	Hallock Drive Townhomes	14	6	2	9	35	0.6	0.7	1.7	3	7	1	3	5	8	11	3	3.90		
028	Harbor Landing Apartments	19	16	0	6	38	0.7	0.6	4.9	2	1	5	6	2	11	10	11	3.30		
029	Highland View Apartments	14	7	2	9	36	0.1	0.1	0.9	3	4	1	3	3	1	4	2	4.50		
042	Mountain Empire Apartments	2	5	0	1	9	0.2	0.1	2.6	13	10	5	10	10	4	3	8	3.00		
046	Pinehedge Condominiums	11	6	2	10	36	0.8	1.2	0.6	6	7	1	2	3	12	14	1	3.50		
047	Promise Landing Apartments	3	4	0	0	4	1.2	1.1	3.5	10	14	5	12	12	14	13	10	2.00		
050	Ridgecrest Town Apartments	7	6	0	2	23	0.1	0.4	7.1	7	7	5	9	7	1	6	12	3.60		
062	Sweetbriar 1	6	5	0	4	14	0.6	0.6	2.6	8	10	5	7	8	8	8	6	3.30		
077	Willow Run Apartments	2	5	0	1	9	0.8	0.8	2.5	13	10	5	10	10	13	12	5	2.50		
081	Wyndale Court Condominiums	13	8	1	8	31	0.4	0.6	2.0	5	3	4	5	6	7	7	4	4.00		

Source: US Census; Claritas; Google Maps

Proximity to Area Amenities



Proximity to Area Employers



SUBJECT PROPERTY PHOTOS

Photos of the subject property and the surrounding area are found below:



Subject Property



Looking North From Entrance



Looking South From Entrance



Looking East From Entrance



Looking West From Entrance

MARKET AREA

Overview

Market areas are influenced by a variety of interrelated factors. These factors include site location, economic, and demographic characteristics (tenure, income, rent levels, etc.), local transportation patterns, physical boundaries (rivers, streams, topography, etc.), census geographies, and the location of comparable and/or potentially competing communities.

In areas where the county seat is the largest city, centrally located, and draws from the entire county, the county may be the market area. In the case where there are potentially competing communities in one county, the market area may be part of the county. In fact, the market area could include portions of adjacent counties. In this case, a combination of county subdivisions may be used to define the market area. In urban or suburban areas, the market area will be adjacent to the site extending to all locations of similar character with residents or potential residents likely to be interested in the project. In this case, county subdivisions, townships, or a combination of census tracts may be used to define the market area.

Allen & Associates recently conducted a series of property management interviews to better understand market areas and resident moving patterns for multifamily properties. Our study suggested that markets may be classified into the following general categories: urban, suburban and rural. Renters in urban markets are typically willing to move 5 to 10 minutes when looking for a new apartment. Our research also shows that renters in suburban markets are normally willing to move 10 to 15 minutes when looking for a new place to live. Renters in rural markets are typically willing to move 15 to 20 minutes when looking for a new apartment. We considered these general guidelines in our evaluation of the subject property.

Our study suggested that secondary market areas were generally a function of whether the proposed development was family or elderly. Our research suggested that secondary market demand for family properties ranged from 10 to 30 percent. Secondary market demand for elderly properties ranged from 10 to 50 percent. Although seniors move less frequently than younger renters, they are often willing to move longer distances when looking for housing. We considered these general secondary market guidelines in our evaluation of the subject property.

Our primary and secondary market area definitions are found below.

Primary Market Area

We defined the primary market area by generating a 20-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

Primary market area, drive time and existing multifamily maps are found in the following pages. The primary market area included all or part of the following census tracts:

Census Tract	County	State
51167030300	Russell County	Virginia
51167030401	Russell County	Virginia
51167030600	Russell County	Virginia
51191010100	Washington County	Virginia
51191010200	Washington County	Virginia
51191010300	Washington County	Virginia
51191010401	Washington County	Virginia
51191010402	Washington County	Virginia
51191010501	Washington County	Virginia
51191010502	Washington County	Virginia
51191010601	Washington County	Virginia
51191010602	Washington County	Virginia
51191010700	Washington County	Virginia
51191010800	Washington County	Virginia

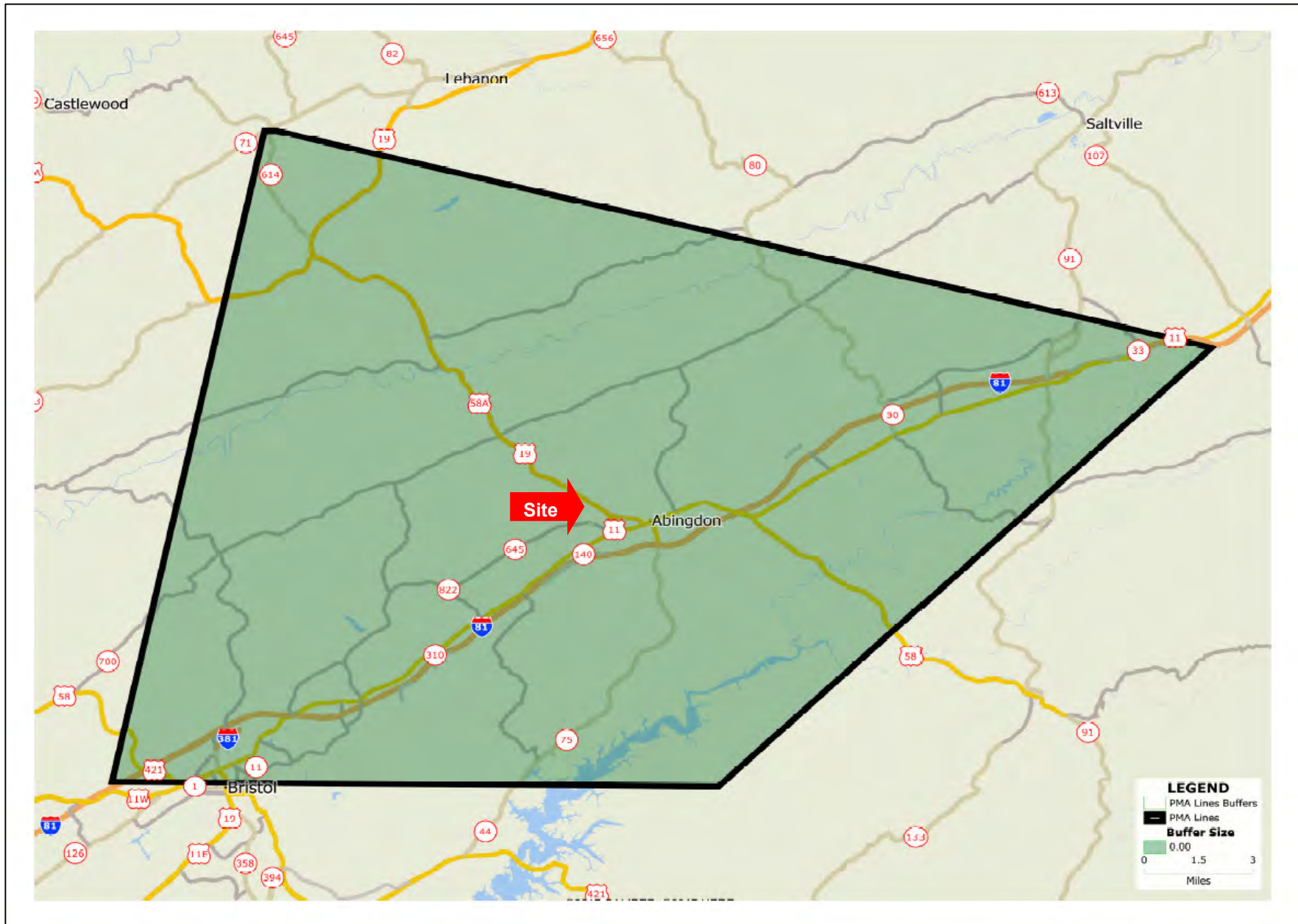
51191010900	Washington County	Virginia
51191011000	Washington County	Virginia
51520020100	Bristol city	Virginia
51520020200	Bristol city	Virginia
51520020300	Bristol city	Virginia
51520020400	Bristol city	Virginia

The primary market area includes a population of 63,986 persons and covers a total of 374.6 square miles, making it 21.8 miles across on average.

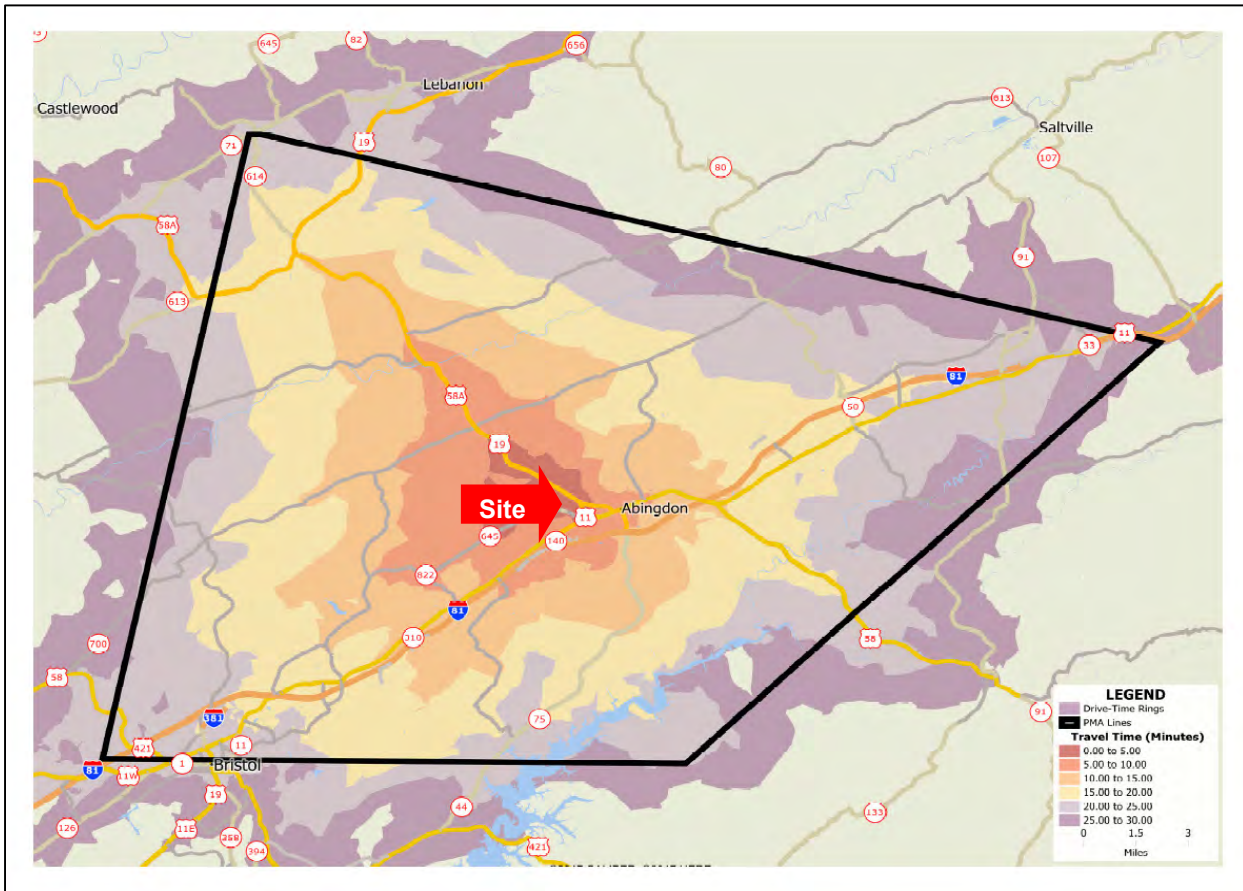
Secondary Market Area

We estimate that up to 20 percent of demand will come from areas outside of the primary market area.

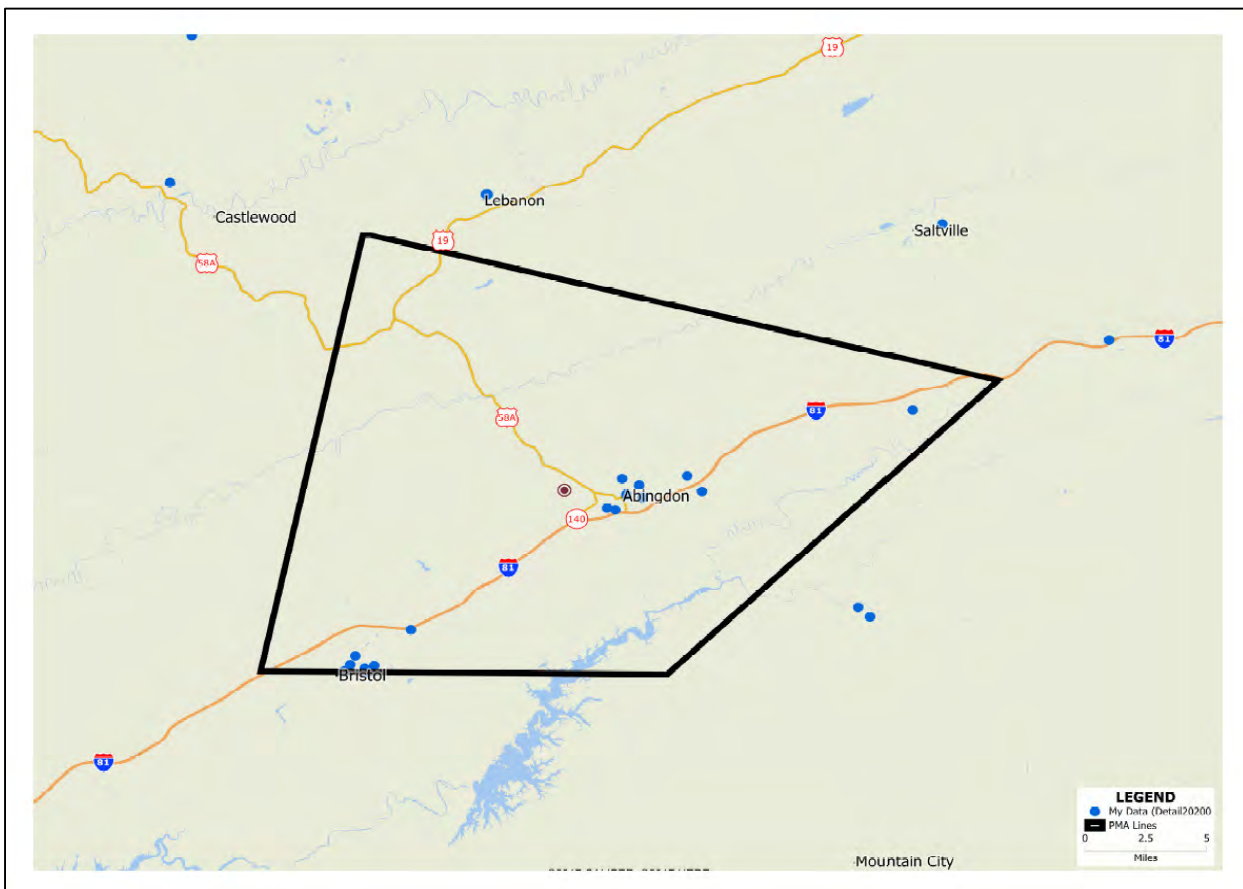
Market Area



Drive Time

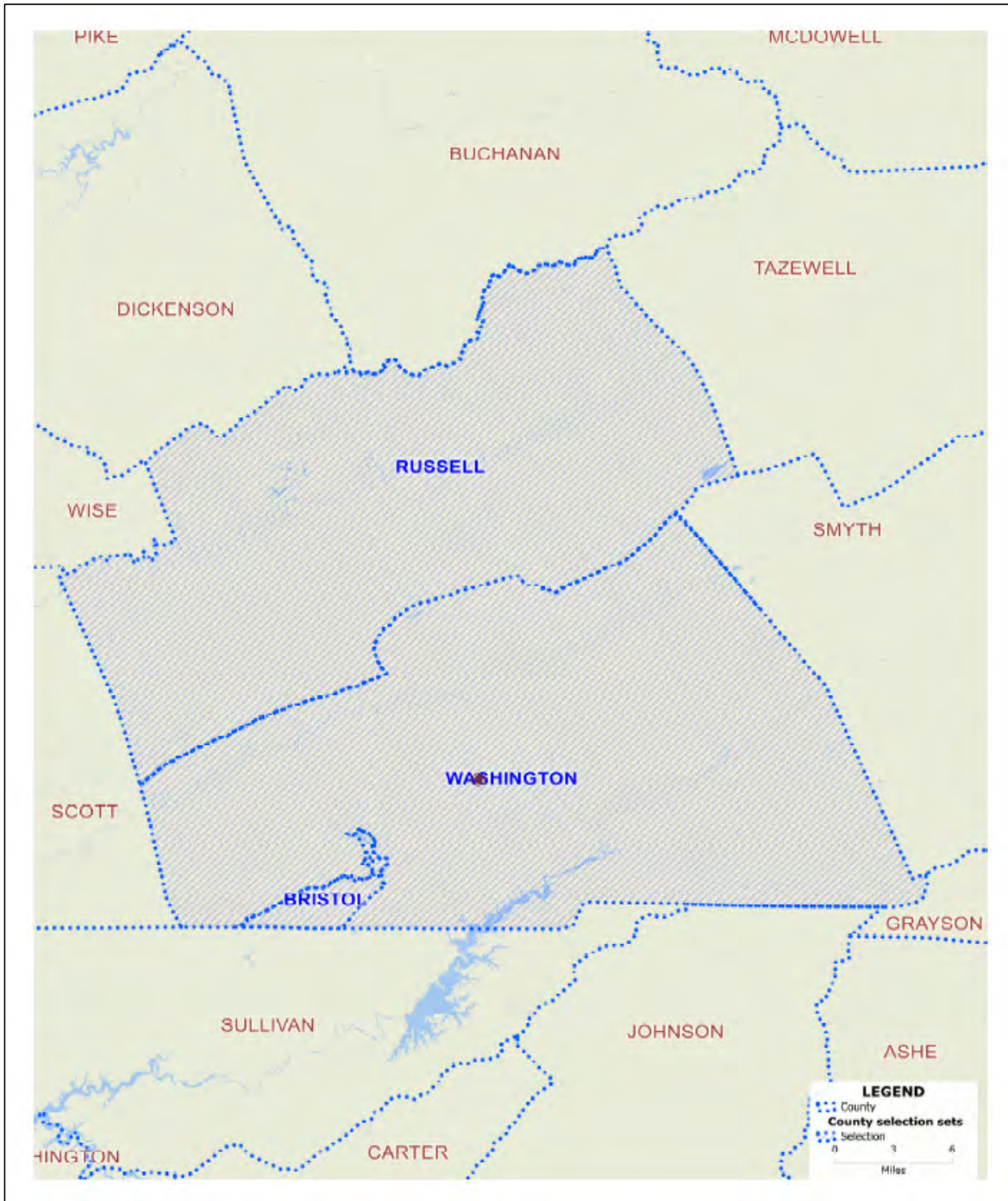


Existing Multifamily



ECONOMIC OUTLOOK

In this section we conduct an analysis of the regional economy. For purposes of our analysis, we define the region as the City of Bristol as well as Russell & Washington Counties, Virginia. A map depicting the Region is found below.



Employment by Industry

The Bureau of Labor Statistics (BLS) tracks establishment employment by major industry. In the table below we present the current breakdown and percent distribution. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Establishment Employment			
Industry	Region	Reg %	US %
Farm Employment	2,956	5.5%	1.3%
Forestry, Fishing, Related Activities And Other Employment	233	0.4%	0.5%
Mining Employment	729	1.3%	0.7%
Utilities Employment	118	0.2%	0.3%
Construction Employment	2,388	4.4%	5.4%
Manufacturing Employment	5,815	10.7%	6.5%
Wholesale Trade Employment	1,909	3.5%	3.5%
Retail Trade Employment	7,352	13.6%	10.3%
Transportation And Warehousing Employment	1,842	3.4%	3.4%
Information Employment	504	0.9%	1.6%
Finance And Insurance Employment	1,903	3.5%	5.3%
Real Estate And Rental And Lease Employment	1,697	3.1%	4.7%
Professional And Technical Services Employment	2,201	4.1%	6.9%
Management Of Companies And Enterprises Employment	874	1.6%	1.3%
Administrative And Waste Services Employment	1,873	3.5%	6.0%
Educational Services Employment	774	1.4%	2.5%
Health Care And Social Assistance Employment	5,742	10.6%	11.9%
Arts, Entertainment, And Recreation Employment	656	1.2%	2.2%
Accommodation And Food Services Employment	4,511	8.3%	7.5%
Other Services, Except Public Administration Employment	2,784	5.1%	5.9%
Federal Civilian Government Employment	278	0.5%	1.4%
Federal Military Employment	311	0.6%	0.9%
State And Local Government Employment	6,679	12.3%	9.8%
Establishment Employment	54,129	100.0%	100.0%

Source: W&P Economics

Regional establishment employment currently stands at 54,129. The data suggests that Retail Trade is the largest employment category accounting for 13.6% of total regional employment. State and Local Government is the second largest category accounting for 12.3% of total employment. Manufacturing is the third largest category accounting for 10.7% of total employment. Health Care and Social Assistance is the fourth largest category accounting for 10.6% of total employment. Accommodation and Food Services is the fifth largest category accounting for 8.3% of total employment.

Economists generally classify employment two ways: basic and non-basic. Basic employment, which is considered to be the engine of a local economy, includes industries that rely on external factors to fuel demand. For instance, mining, logging and manufacturers are frequently considered basic employers. Goods for these industries are shipped outside the location where they are produced. Non-basic employers depend largely on local demand and usually employ local workers. For example, grocery stores and restaurants are sometimes considered non-basic employers.

The Location Quotient (LQ) technique is the most common method of identifying basic industries for a given economy. The LQ technique compares the share of workers in each industry of a given economy with that of a larger reference economy. If the number of workers in the given economy is greater than that of the reference economy, these are considered to be basic industries because they fill needs beyond those of the reference community.

In the table above we highlight the basic industries for the region. The distribution of employment in these industries exceeds that for the United States. These basic industries represent about 28,916 employees or about 53.4% of total regional employment. These are the industries that drive the regional economy.

Earnings by Industry

The Bureau of Labor Statistics (BLS) tracks average earnings by major industry. In the table below we present the current breakdown and rank. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Average Earnings (2009 \$)		
Industry	Earnings	Rank
Farm Employment	\$2,038	23
Forestry, Fishing, Related Activities And Other Employment	\$27,348	17
Mining Employment	\$204,726	1
Utilities Employment	\$106,610	2
Construction Employment	\$37,410	12
Manufacturing Employment	\$58,212	5
Wholesale Trade Employment	\$46,420	9
Retail Trade Employment	\$26,927	18
Transportation And Warehousing Employment	\$49,452	7
Information Employment	\$42,647	10
Finance And Insurance Employment	\$34,408	13
Real Estate And Rental And Lease Employment	\$16,156	22
Professional And Technical Services Employment	\$41,430	11
Management Of Companies And Enterprises Employment	\$102,808	3
Administrative And Waste Services Employment	\$26,436	19
Educational Services Employment	\$33,806	14
Health Care And Social Assistance Employment	\$47,355	8
Arts, Entertainment, And Recreation Employment	\$21,861	20
Accommodation And Food Services Employment	\$19,348	21
Other Services, Except Public Administration Employment	\$33,429	15
Federal Civilian Government Employment	\$88,446	4
Federal Military Employment	\$29,720	16
State And Local Government Employment	\$52,556	6
Establishment Employment	\$40,686	

Source: W&P Economics

The data suggests that Mining is the highest paid industry averaging \$204,726 per employee. Utilities is the second highest paid industry averaging \$106,610 per employee. Management of Companies is the third highest paid profession averaging \$102,808 per employee. Federal Civilian Government is the fourth highest paid industry averaging \$88,446 per employee. Manufacturing is the fifth highest paid category averaging \$58,212 per employee. These figures are compared with regional Average Earnings of \$40,686 per employee.

The highlighted industries represent basic industries for the region. Average earnings for these basic industries comes to \$66,659 or 63.8% higher than average for the region.

Top Employers

The table below gives a listing of the region's top employers. The data comes from InfoUSA and includes a primary industry description for each employer.

Top Employers				
Name	Employees	SIC Code	Industry Description	Location Type
K-VA-T Food Stores	1,001	5099-98	Distribution Centers (Whls)	-
Johnston Memorial Hospital	687	8062-02	Hospitals	-
Walmart Supercenter	550	5311-02	Department Stores	Branch
Ksc Consulting LLC	499	8711-06	Engineers	-
Universal Fibers Inc	450	2655-01	Fiber & Fiber Products (Mfrs)	Branch
Emory & Henry College	300	8221-01	Schools-Universities & Colleges Academic	-
Federal Pacific	300	5063-30	Electric Equipment & Supplies-Wholesale	0
Highlands Behavioral Health	300	8063-01	Mental Health Services	-
Highlands Community Svc	300	8999-99	Services NEC	-
Highlands Community Svc Csb	300	8999-99	Services NEC	-

Source: InfoUSA

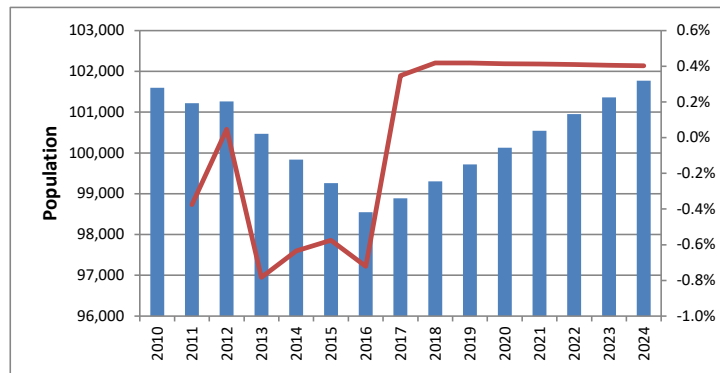
The top employers include: (1) K-VA-T Food Stores (1001 employees); (2) Johnston Memorial Hospital (687 employees) and; (3) Walmart Supercenter (550 employees).

Population

In this section we present population data for the region. The table and graph below show historic data since 2010. The historic data comes from the US Census; the forecast comes from Woods & Pool Economics.

Population Forecast		
Year	Pop	Growth %
2010	101,599	
2011	101,217	-0.4%
2012	101,265	0.0%
2013	100,472	-0.8%
2014	99,834	-0.6%
2015	99,260	-0.6%
2016	98,544	-0.7%
2017	98,887	0.3%
2018	99,301	0.4%
2019	99,716	0.4%
2020	100,129	0.4%
2021	100,543	0.4%
2022	100,955	0.4%
2023	101,364	0.4%
2024	101,773	0.4%

Source: US Census; W&P Economics



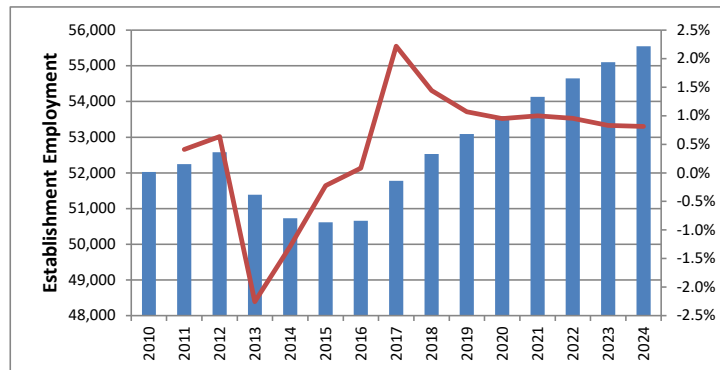
Population decreased from 101,599 in 2010 to 100,129 in 2020 and is anticipated to increase to 101,773 in 2024.

Establishment Employment

In this section we present establishment employment data for the region. The table and graph below show historic data since 2010. The historic data comes from the Bureau of Labor Statistics (BLS); the forecast comes from Woods & Pool Economics.

Establishment Employment Forecast		
Year	Est Emp	Growth %
2010	52,029	
2011	52,242	0.4%
2012	52,575	0.6%
2013	51,389	-2.3%
2014	50,728	-1.3%
2015	50,615	-0.2%
2016	50,656	0.1%
2017	51,780	2.2%
2018	52,526	1.4%
2019	53,088	1.1%
2020	53,593	1.0%
2021	54,129	1.0%
2022	54,645	1.0%
2023	55,100	0.8%
2024	55,547	0.8%

Source: BLS; W&P Economics



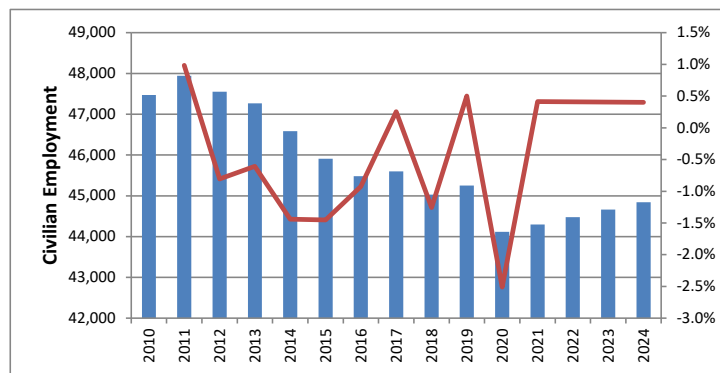
Establishment employment increased from 52,029 in 2010 to 53,593 in 2020 and is anticipated to increase to 55,547 in 2024.

Civilian Employment

In this section we present civilian employment data for the region. The table and graph below show historic data since 2010. The historic data comes from the Bureau of Labor Statistics (BLS); the forecast utilizes data from Woods & Pool Economics.

Civilian Employment Forecast		
Year	Civ Emp	Growth %
2010	47,474	
2011	47,941	1.0%
2012	47,554	-0.8%
2013	47,265	-0.6%
2014	46,585	-1.4%
2015	45,909	-1.5%
2016	45,483	-0.9%
2017	45,599	0.3%
2018	45,025	-1.3%
2019	45,251	0.5%
2020	44,115	-2.5%
2021	44,298	0.4%
2022	44,479	0.4%
2023	44,659	0.4%
2024	44,839	0.4%

Source: BLS; W&P Economics



Civilian employment decreased from 47,474 in 2010 to 44,115 in 2020 and is anticipated to increase to 44,839 in 2024.

Labor Force and Unemployment

In this section we take a look at the labor force and unemployment. The table below shows civilian employment, unemployment and labor force statistics for the region since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via the Texas A&M Real Estate Center.

Labor Force & Unemployment				
Year	Civ Emp	Unemp	Lab Force	Unemp Rate
2010	47,474	4,117	43,357	8.7%
2011	47,941	3,792	44,149	7.9%
2012	47,554	3,471	44,083	7.3%
2013	47,265	3,303	43,962	7.0%
2014	46,585	2,977	43,608	6.4%
2015	45,909	2,447	43,462	5.3%
2016	45,483	2,337	43,146	5.1%
2017	45,599	2,024	43,575	4.4%
2018	45,025	1,672	43,353	3.7%
2019	45,251	1,632	43,619	3.6%
2020	44,115	2,682	41,433	6.1%

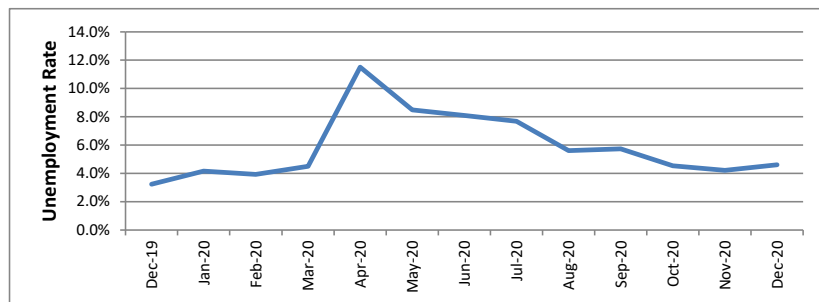
Source: BLS; Texas A&M Real Estate Center

Unemployment decreased from 4,117 in 2010 to 2,682 in 2020. The unemployment rate decreased from 8.7% in 2010 to 6.1% in 2020.

The table and graph below show the unemployment rate for the region for the past 12 months.

Unemployment Rate	
Month	Unemp Rate
Dec-19	3.2%
Jan-20	4.2%
Feb-20	3.9%
Mar-20	4.5%
Apr-20	11.5%
May-20	8.5%
Jun-20	8.1%
Jul-20	7.7%
Aug-20	5.6%
Sep-20	5.7%
Oct-20	4.5%
Nov-20	4.2%
Dec-20	4.6%

Source: TAMU



The Unemployment Rate for the Region came in at 3.2% in December 2019 and 4.6% in December 2020.

Building Permits

In this section we look at building permits. The table and graph below show historical data for the region since 2000. The data set comes from the US Census.

Building Permits				
Year	1 Family	2-4 Family	5+ Family	Total
2000	374	10	5	389
2001	326	21	5	352
2002	385	10	80	475
2003	334	32	108	474
2004	577	31	32	640
2005	377	26	115	518
2006	461	4	0	465
2007	399	20	37	456
2008	180	67	44	291
2009	131	23	10	164
2010	142	17	0	159
2011	157	4	20	181
2012	108	23	0	131
2013	105	2	0	107
2014	82	4	9	95
2015	84	6	0	90
2016	90	56	0	146
2017	77	14	0	91
2018	78	10	0	88
2019	75	10	0	85

Source: US Census

Building permits for the region increased from 389 in 2000 to 640 in 2004, before decreasing to 90 in 2015 and decreasing to 85 in 2019.

Conclusion

As of today, much of the United States is under a COVID-19 lockdown. The long term economic effects associated with this are enormous, but still unclear. We could be looking at a strong V-shaped recovery. We could be looking at a long, slow recovery. That said, the reader is cautioned that the opinions presented in this report do not reflect these effects.

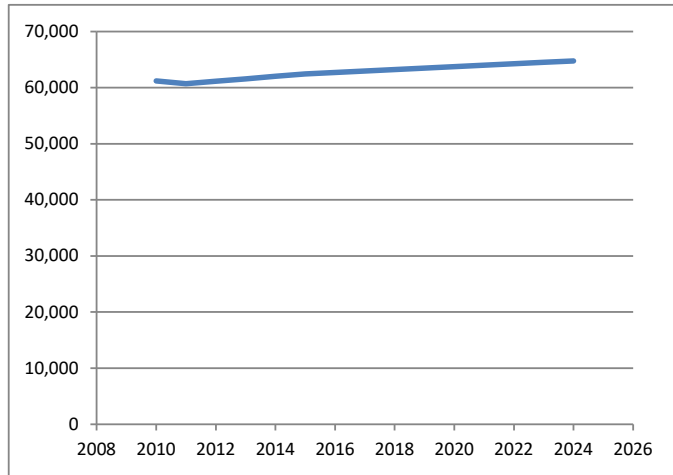
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Population

In the table below we give the 2010-2024 Caliper Corporation population projection for the Market Area.

Population Forecast		
Year	Population	Growth %
2010	61,191	-
2011	60,704	-0.8%
2012	61,143	0.7%
2013	61,582	0.7%
2014	62,020	0.7%
2015	62,459	0.7%
2016	62,713	0.4%
2017	62,968	0.4%
2018	63,222	0.4%
2019	63,477	0.4%
2020	63,731	0.4%
2021	63,986	0.4%
2022	64,243	0.4%
2023	64,500	0.4%
2024	64,759	0.4%

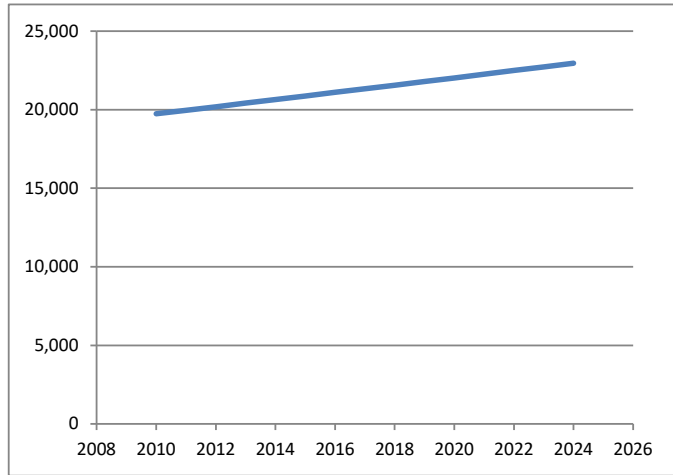
Source: Caliper; Allen & Associates



In the table below we give the 2010-2024 Caliper Corporation 55+ population projection for the Market Area.

55+ Population Forecast		
Year	Population	Growth %
2010	19,742	-
2011	19,964	1.1%
2012	20,188	1.1%
2013	20,415	1.1%
2014	20,645	1.1%
2015	20,874	1.1%
2016	21,104	1.1%
2017	21,333	1.1%
2018	21,563	1.1%
2019	21,792	1.1%
2020	22,025	1.1%
2021	22,258	1.1%
2022	22,491	1.0%
2023	22,724	1.0%
2024	22,958	1.0%

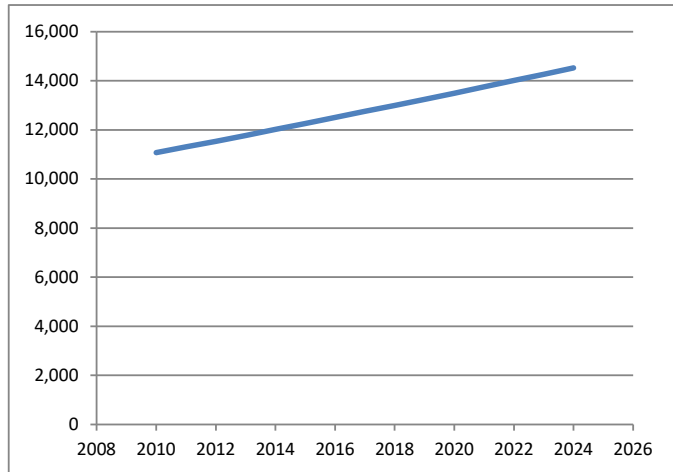
Source: Caliper; Allen & Associates



In the table below we give the 2010-2024 Caliper Corporation 65+ population projection for the Market Area.

65+ Population Forecast		
Year	Population	Growth %
2010	11,075	-
2011	11,304	2.1%
2012	11,538	2.1%
2013	11,777	2.1%
2014	12,021	2.1%
2015	12,265	2.0%
2016	12,508	2.0%
2017	12,752	1.9%
2018	12,996	1.9%
2019	13,240	1.9%
2020	13,497	1.9%
2021	13,755	1.9%
2022	14,012	1.9%
2023	14,269	1.8%
2024	14,527	1.8%

Source: Caliper; Allen & Associates

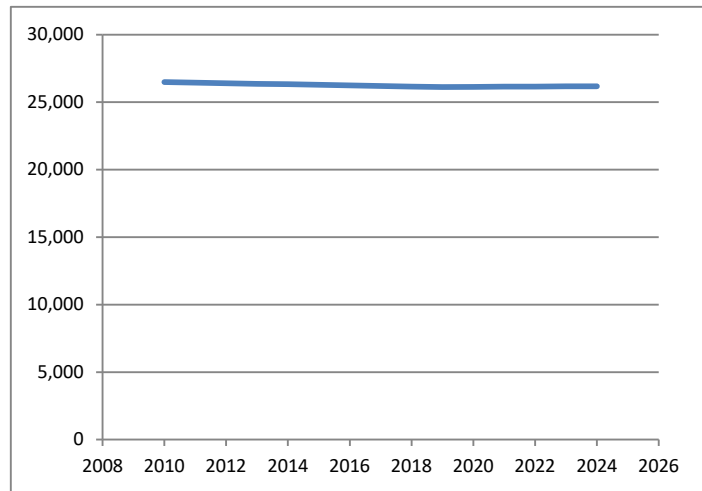


Households

In the table below we give the 2010-2024 Claritas household projection for the Market Area.

Household Forecast		
Year	Households	Growth %
2010	26,490	-
2011	26,449	-0.2%
2012	26,408	-0.2%
2013	26,367	-0.2%
2014	26,326	-0.2%
2015	26,285	-0.2%
2016	26,245	-0.2%
2017	26,204	-0.2%
2018	26,163	-0.2%
2019	26,122	-0.2%
2020	26,135	0.0%
2021	26,147	0.0%
2022	26,160	0.0%
2023	26,172	0.0%
2024	26,185	0.0%

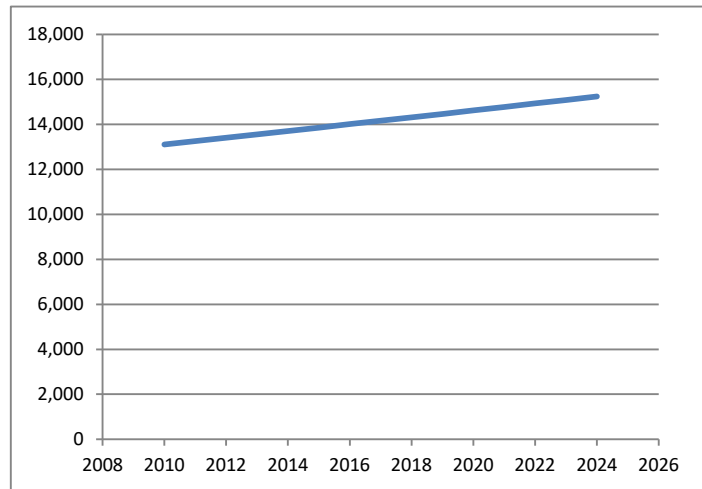
Source: Claritas; Allen & Associates



In the table below we give the 2010-2024 Claritas 55+ household projection for the Market Area.

55+ Household Forecast		
Year	Households	Growth %
2010	13,107	-
2011	13,254	1.1%
2012	13,403	1.1%
2013	13,554	1.1%
2014	13,706	1.1%
2015	13,858	1.1%
2016	14,011	1.1%
2017	14,163	1.1%
2018	14,315	1.1%
2019	14,468	1.1%
2020	14,622	1.1%
2021	14,777	1.1%
2022	14,932	1.0%
2023	15,087	1.0%
2024	15,241	1.0%

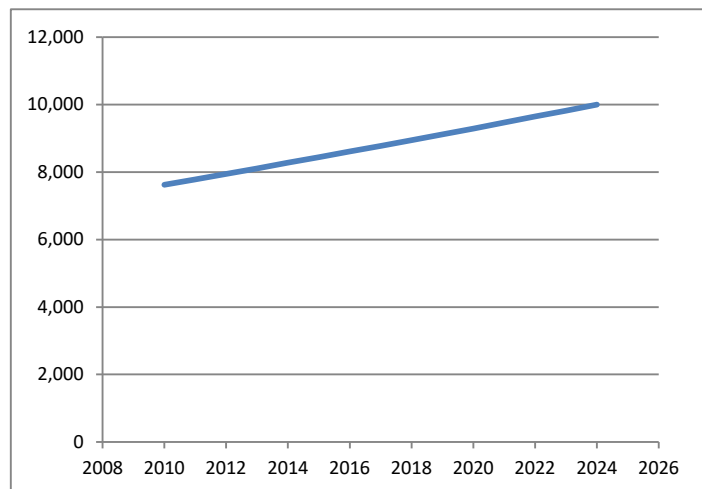
Source: Claritas; Allen & Associates



In the table below we give the 2010-2024 Claritas 65+ household projection for the Market Area.

65+ Household Forecast		
Year	Households	Growth %
2010	7,624	-
2011	7,782	2.1%
2012	7,943	2.1%
2013	8,107	2.1%
2014	8,275	2.1%
2015	8,443	2.0%
2016	8,611	2.0%
2017	8,779	1.9%
2018	8,947	1.9%
2019	9,114	1.9%
2020	9,292	1.9%
2021	9,469	1.9%
2022	9,646	1.9%
2023	9,823	1.8%
2024	10,000	1.8%

Source: Claritas; Allen & Associates

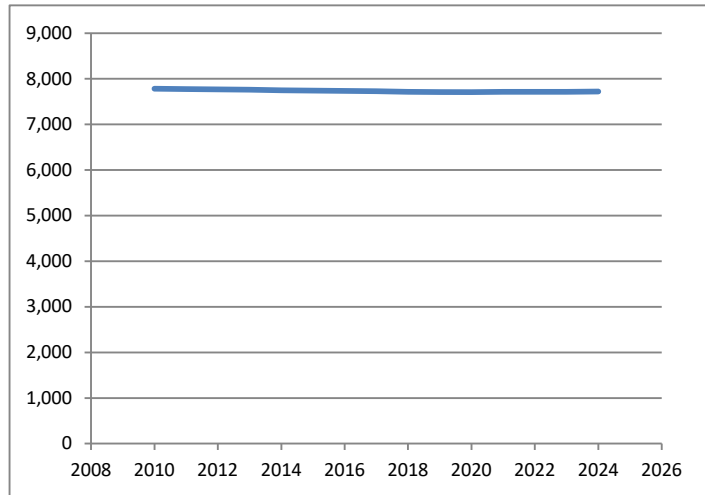


Renter Households

In the table below we give the 2010-2024 Claritas renter household projection for the Market Area.

Renter Household Forecast		
Year	Households	Growth %
2010	7,783	-
2011	7,775	-0.1%
2012	7,767	-0.1%
2013	7,759	-0.1%
2014	7,750	-0.1%
2015	7,742	-0.1%
2016	7,734	-0.1%
2017	7,726	-0.1%
2018	7,718	-0.1%
2019	7,710	-0.1%
2020	7,711	0.0%
2021	7,713	0.0%
2022	7,715	0.0%
2023	7,717	0.0%
2024	7,719	0.0%

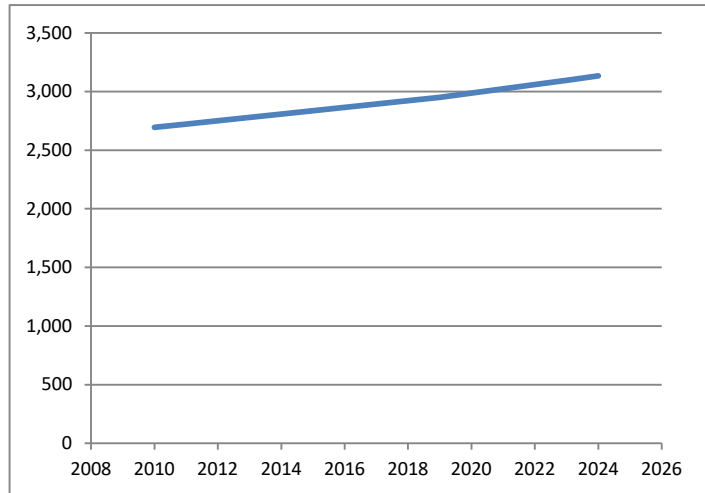
Source: Claritas; Allen & Associates



In the table below we give the 2010-2024 Claritas 55+ renter household projection for the Market Area.

55+ Renter Household Forecast		
Year	Households	Growth %
2010	2,695	-
2011	2,723	1.0%
2012	2,750	1.0%
2013	2,779	1.0%
2014	2,807	1.0%
2015	2,836	1.0%
2016	2,864	1.0%
2017	2,893	1.0%
2018	2,921	1.0%
2019	2,950	1.0%
2020	2,986	1.3%
2021	3,023	1.2%
2022	3,060	1.2%
2023	3,097	1.2%
2024	3,134	1.2%

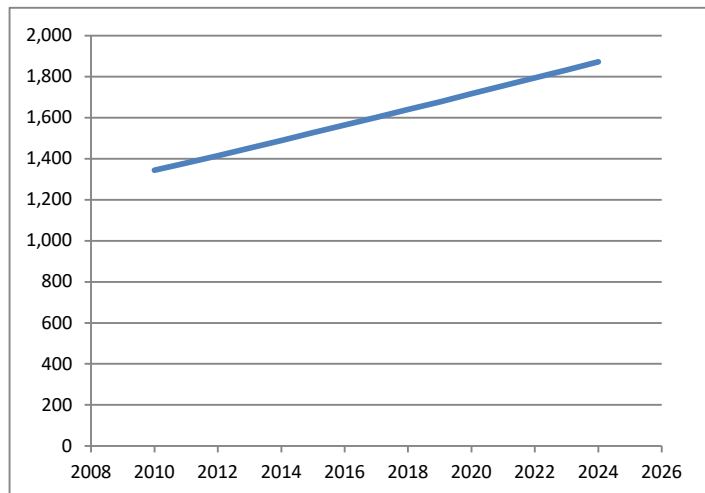
Source: Claritas; Allen & Associates



In the table below we give the 2010-2024 Claritas 65+ renter household projection for the Market Area.

65+ Renter Household Forecast		
Year	Households	Growth %
2010	1,344	-
2011	1,379	2.6%
2012	1,415	2.6%
2013	1,452	2.6%
2014	1,489	2.6%
2015	1,527	2.5%
2016	1,565	2.5%
2017	1,602	2.4%
2018	1,640	2.4%
2019	1,677	2.3%
2020	1,716	2.3%
2021	1,755	2.3%
2022	1,795	2.2%
2023	1,834	2.2%
2024	1,873	2.1%

Source: Claritas; Allen & Associates



Household Income

The following table shows the current distribution of household incomes for the Market Area. The data set comes from Claritas and Ribbon Demographics.

2021 \$		Households, by Income, by Size						
Min	Max	2021 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	1,306	398	187	54	29	3	1,978
\$10,000	\$19,999	1,919	840	316	111	43	12	3,242
\$20,000	\$29,999	1,517	1,307	342	176	95	32	3,468
\$30,000	\$39,999	903	1,214	391	244	87	37	2,875
\$40,000	\$49,999	674	1,016	496	192	82	30	2,490
\$50,000	\$59,999	385	823	263	240	150	60	1,920
\$60,000	\$74,999	401	1,181	546	450	111	44	2,735
\$75,000	\$99,999	176	1,170	648	634	234	111	2,973
\$100,000	\$124,999	222	716	395	175	107	45	1,660
\$125,000	\$149,999	139	413	329	96	42	10	1,029
\$150,000	\$199,999	148	279	200	169	65	24	885
\$200,000	more	106	375	116	194	74	27	892
Total		7,896	9,732	4,230	2,734	1,119	436	26,147

The following table shows the current distribution of 55+ household incomes for the Market Area.

2021 \$		55+ Households, by Income, by Size						
Min	Max	2021 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	823	156	37	15	16	1	1,048
\$10,000	\$19,999	1,633	529	99	27	15	1	2,304
\$20,000	\$29,999	1,084	1,007	165	37	24	4	2,320
\$30,000	\$39,999	632	894	172	17	14	3	1,731
\$40,000	\$49,999	495	692	144	21	61	24	1,438
\$50,000	\$59,999	263	688	96	59	28	8	1,142
\$60,000	\$74,999	291	809	224	32	16	5	1,377
\$75,000	\$99,999	121	809	216	77	53	16	1,292
\$100,000	\$124,999	167	490	89	37	22	5	810
\$125,000	\$149,999	111	262	95	23	11	2	504
\$150,000	\$199,999	120	189	46	14	8	0	377
\$200,000	more	83	285	44	14	7	1	434
Total		5,822	6,811	1,427	373	274	69	14,777

The following table shows the current distribution of 65+ household incomes for the Market Area.

2021 \$		65+ Households, by Income, by Size						
Min	Max	2021 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	400	69	21	5	9	1	506
\$10,000	\$19,999	1,352	296	56	10	10	1	1,725
\$20,000	\$29,999	888	766	99	16	15	2	1,787
\$30,000	\$39,999	475	678	124	9	10	2	1,298
\$40,000	\$49,999	350	459	91	6	41	15	962
\$50,000	\$59,999	172	462	72	50	14	4	775
\$60,000	\$74,999	197	473	128	21	9	4	832
\$75,000	\$99,999	97	366	73	31	16	5	589
\$100,000	\$124,999	93	258	38	6	8	3	406
\$125,000	\$149,999	76	114	56	4	6	2	259
\$150,000	\$199,999	67	103	19	6	2	0	198
\$200,000	more	33	91	3	6	0	0	134
Total		4,199	4,137	781	172	142	39	9,469

Source: Claritas & Ribbon Demographics

Renter Household Income

The following table shows the current distribution of renter household incomes for the Market Area. The data set comes from Claritas and Ribbon Demographics.

2021 \$		2021 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	754	239	120	38	9	2	1,163
\$10,000	\$19,999	961	393	147	41	12	2	1,557
\$20,000	\$29,999	630	397	141	103	70	29	1,371
\$30,000	\$39,999	388	201	144	80	57	29	898
\$40,000	\$49,999	213	205	269	46	22	4	758
\$50,000	\$59,999	94	91	59	108	65	26	443
\$60,000	\$74,999	161	159	34	34	26	6	421
\$75,000	\$99,999	28	165	53	122	48	21	436
\$100,000	\$124,999	82	113	5	43	10	1	254
\$125,000	\$149,999	70	56	22	24	7	0	180
\$150,000	\$199,999	68	36	7	11	7	1	130
\$200,000	more	36	30	11	13	11	0	101
Total		3,485	2,086	1,012	665	344	122	7,713

The following table shows the current distribution of 55+ renter household incomes for the Market Area.

2021 \$		2021 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	361	46	9	3	7	1	429
\$10,000	\$19,999	704	124	33	5	10	1	876
\$20,000	\$29,999	334	177	12	9	10	2	544
\$30,000	\$39,999	198	45	27	7	5	0	282
\$40,000	\$49,999	109	91	39	3	10	1	252
\$50,000	\$59,999	44	53	11	6	10	3	127
\$60,000	\$74,999	64	18	15	8	11	4	120
\$75,000	\$99,999	23	70	6	8	11	1	118
\$100,000	\$124,999	41	17	3	3	4	1	69
\$125,000	\$149,999	47	12	7	12	2	0	81
\$150,000	\$199,999	45	17	3	3	4	0	71
\$200,000	more	28	14	2	7	3	0	53
Total		1,999	684	167	73	88	13	3,023

The following table shows the current distribution of 65+ renter household incomes for the Market Area.

2021 \$		2021 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	101	15	5	3	4	1	128
\$10,000	\$19,999	532	16	13	4	7	1	572
\$20,000	\$29,999	267	121	10	3	6	1	408
\$30,000	\$39,999	148	37	12	5	3	0	206
\$40,000	\$49,999	50	40	8	3	7	1	109
\$50,000	\$59,999	25	17	11	6	8	3	70
\$60,000	\$74,999	44	12	13	3	7	4	83
\$75,000	\$99,999	15	8	1	4	6	1	34
\$100,000	\$124,999	22	9	2	3	3	1	40
\$125,000	\$149,999	30	6	6	2	1	0	45
\$150,000	\$199,999	26	8	1	2	0	0	37
\$200,000	more	11	6	1	5	0	0	23
Total		1,272	295	84	41	52	12	1,755

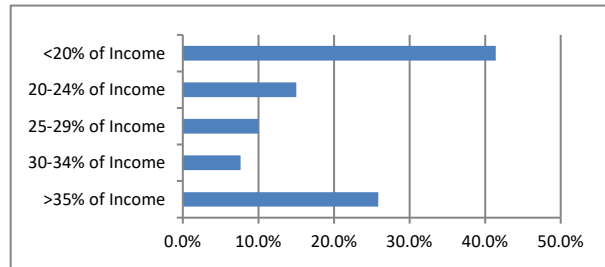
Source: Claritas & Ribbon Demographics

Overburdened Renter Households

The following tables give overburdened renter household data for the Market Area. The data set comes from the U.S. Census Bureau.

Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	41.4%
20-24% of Income Spent on Housing	15.0%
25-29% of Income Spent on Housing	10.0%
30-34% of Income Spent on Housing	7.7%
>35% of Income Spent on Housing	25.9%
Total	100.0%

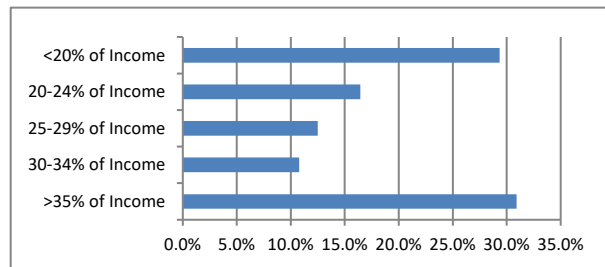
Source: U.S. Census Bureau



Our research suggests that 25.9 percent of the renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 33.5 percent of the renter households are overburdened to 30 percent of income.

55+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	29.4%
20-24% of Income Spent on Housing	16.5%
25-29% of Income Spent on Housing	12.5%
30-34% of Income Spent on Housing	10.8%
>35% of Income Spent on Housing	30.9%
Total	100.0%

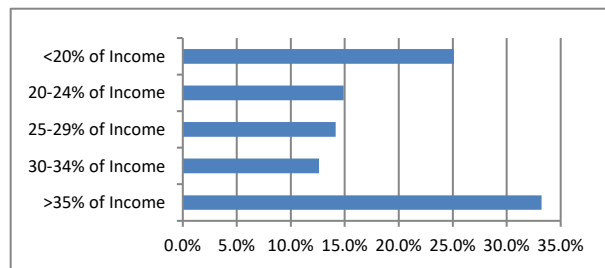
Source: U.S. Census Bureau



Our research suggests that 30.9 percent of the 55+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 41.7 percent of the 55+ renter households are overburdened to 30 percent of income.

65+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	25.1%
20-24% of Income Spent on Housing	14.9%
25-29% of Income Spent on Housing	14.2%
30-34% of Income Spent on Housing	12.6%
>35% of Income Spent on Housing	33.2%
Total	100.0%

Source: U.S. Census Bureau



Our research suggests that 33.2 percent of the 65+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 45.8 percent of the 65+ renter households are overburdened to 30 percent of income.

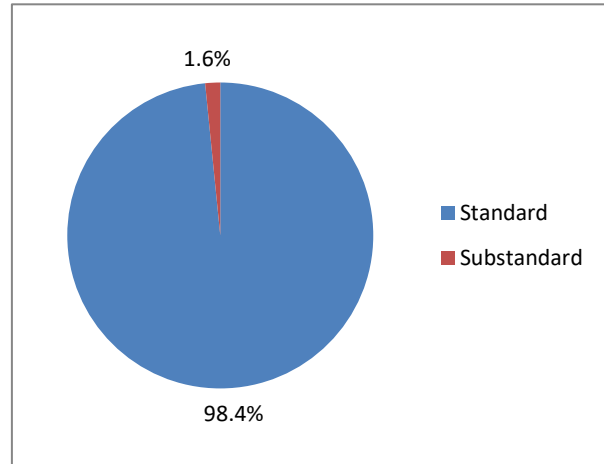
Owner Substandard Units

The U.S. Census Bureau defines substandard housing units as follows: (1) Units without complete plumbing; or (2) Units with 1.00 or more persons per room.

The following tables give owner substandard housing unit data for occupied housing units in the nation, state, region and market area. The data comes from the U.S. Census Bureau:

Owner Substandard Units	
	% of Total
1.00 persons per room or less	98.4%
1.01 to 1.50 persons per room	0.5%
1.51 persons per room or more	0.1%
Complete Plumbing	99.1%
1.00 persons per room or less	0.9%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.0%
Lacking Complete Plumbing	0.9%
Standard	98.4%
Substandard	1.6%
Total	100.0%

Source: U.S. Census Bureau



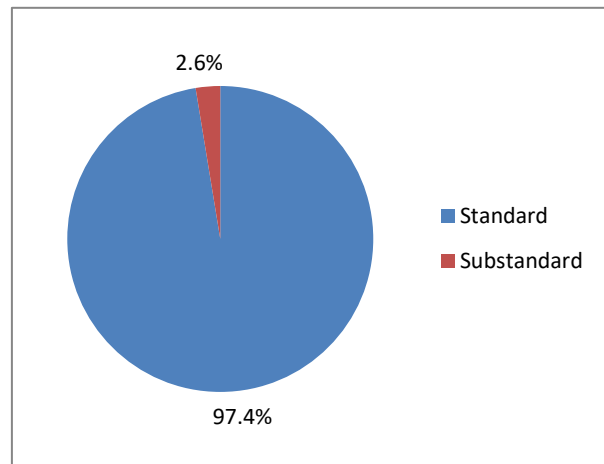
Our research suggests that 1.6 percent of occupied owner housing units in the market area are substandard.

Renter Substandard Units

The following tables give renter substandard housing unit data for occupied housing units in the nation, state, region and market area. The data comes from the U.S. Census Bureau:

Renter Substandard Units	
	% of Total
1.00 persons per room or less	97.4%
1.01 to 1.50 persons per room	1.3%
1.51 persons per room or more	0.4%
Complete Plumbing	99.2%
1.00 persons per room or less	0.8%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.0%
Lacking Complete Plumbing	0.8%
Standard	97.4%
Substandard	2.6%
Total	100.0%

Source: U.S. Census Bureau



Our research suggests that 2.6 percent of renter owner housing units in the market area are substandard.

Owner Movership

The following tables give owner household movership data for the market area with an estimated breakout by household size. The data comes from the U.S. Census Bureau and the American Housing Survey:

Owner Movership, by Size								
Market Area								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Owner to Owner	2.1%	3.3%	4.3%	4.2%	4.6%	5.0%	5.8%	3.5%
Owner to Renter	2.0%	1.9%	3.4%	3.1%	3.1%	4.7%	7.2%	2.6%
Owner Movership Rate	4.1%	5.2%	7.7%	7.4%	7.7%	9.7%	13.0%	6.1%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an owner movership rate of 6.1 percent.

Elderly Owner Movership, by Size								
AHS Survey								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Owner to Owner	2.0%	2.8%	2.3%	1.6%	3.1%	1.0%	3.7%	2.4%
Owner to Renter	1.7%	0.8%	1.4%	2.1%	0.6%	2.6%	0.0%	1.2%
Owner Movership Rate	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an elderly owner movership rate of 3.7 percent.

Renter Movership

The following tables give renter household movership data for the market area with an estimated breakout by household size. The data comes from the U.S. Census Bureau and the American Housing Survey:

Renter Movership, by Size								
Market Area								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Renter to Renter	9.8%	21.9%	31.0%	37.2%	37.6%	40.7%	62.9%	22.2%
Renter to Owner	2.4%	9.0%	9.1%	11.6%	12.7%	9.9%	11.6%	7.0%
Renter Movership Rate	12.2%	30.9%	40.1%	48.8%	50.4%	50.6%	74.6%	29.2%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests a renter movership rate of 29.2 percent.

Elderly Renter Movership, by Size								
AHS Survey								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Renter to Renter	7.4%	6.6%	7.2%	7.6%	6.0%	7.8%	0.0%	7.1%
Renter to Owner	0.6%	1.4%	0.7%	0.4%	2.0%	0.2%	8.0%	0.9%
Renter Movership Rate	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an elderly renter movership rate of 8.0 percent.

SUPPLY ANALYSIS

In conducting our analysis, we began by attempting to compile a list of every multifamily property with 10 or more units in the market area. We included conventionally-financed multifamily communities as well as properties financed by the local housing authority and the state housing finance agency in our listing. We even included properties financed by and/or subsidized by USDA and/or HUD. Finally, we included properties that are either proposed or currently under construction. The result was a listing of projects with 10 or more units - whether existing, under construction, or proposed - for this area. Our rental property inventory listing is found in the pages that follow.

A map showing the location of the properties included in the rental property inventory is found in the pages that follow. Properties identified with red pushpins have 100 percent market rate units (market rate properties), properties identified with yellow pushpins have a mixture of market rate / restricted / subsidized units (restricted properties), and properties identified with blue pushpins have 100 percent project-based rental assistance (subsidized properties).

After accounting for any unconfirmed properties and any properties that are located outside the defined market area, we arrived at a list of confirmed market area properties. This was the listing of properties upon which our analysis is based. In our opinion, the properties included on this list give a credible picture of market conditions as of the effective date of this report. This listing is found in the pages that follow.

Our next step was to compile a master list of unrestricted market rate rent comparables from the listing of confirmed properties. We eliminated any properties which were either under construction, being renovated, in lease up, or which were unstabilized for one reason or another. We identified market rate properties of similar age and condition to the subject property. If we were unable to identify a sufficient number of market rate comparables in the market area, we included market rate properties from outside the market area. If we were still unable to identify a sufficient number of market rate comparables, we included rent restricted properties - provided, however, that the rents charged at these properties were below statutory limits and similar to the rents charged at the market rate properties in the market area (suggesting that these rent restricted properties were *de facto* market rate properties).

Finally, we compiled a master list of restricted rent comparables from the listing of confirmed properties. We used the same approach described above for unrestricted market rate properties.

The resulting master lists of rent comparables and accompanying locator maps are found in this section as well. Detailed write-ups for the properties included on these lists are found in the Appendix. We include write-ups for *all* of the rent comparables identified on our master lists, regardless of whether they ended up being selected as one of the *best* rent comparables. We did this for two reasons: (1) To be transparent; and (2) To provide the reader with context regarding our selection process.

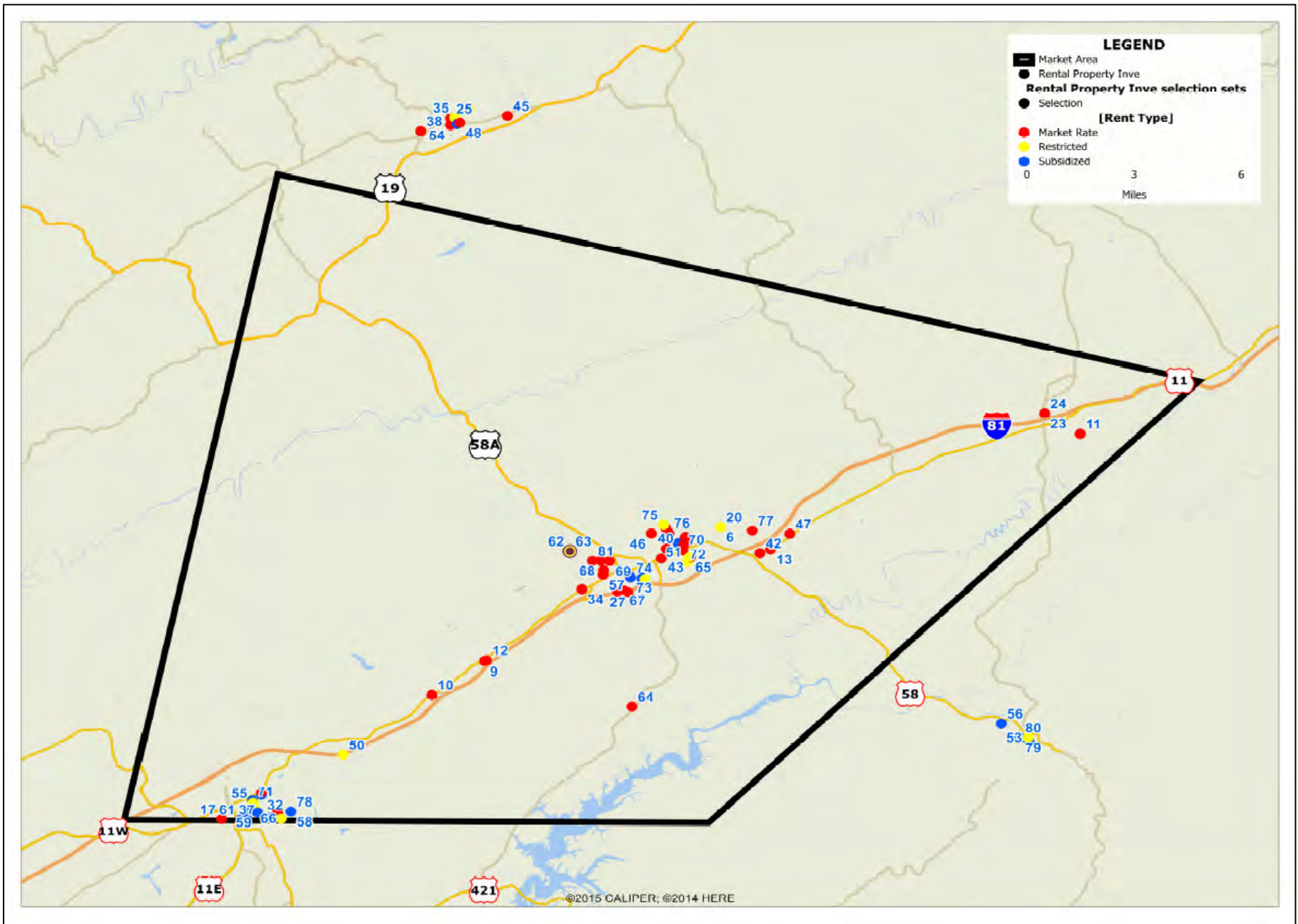
The balance of this section includes a breakdown of confirmed market area properties by rent type, project status, year built, and financing source. We also include a rent, unit mix, and amenity summary for confirmed market area properties. Finally, we provide summary of vouchers, concessions, and waiting lists for the properties included in this report.

Rental Property Inventory

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
001	Abingdon Green Apartments	36.7176	-81.9652	1989	2009	Subsidized	Elderly	Unconfirmed	Tax Credit	32	0	100.0%
002	Abingdon Terrace Apartments	36.7022	-81.9836	1987	na	Subsidized	Elderly	Duplicate	RD	32	1	96.9%
003	Abingdon Terrace Apartments	36.7022	-81.9836	1987	2013	Subsidized	Elderly	Stabilized	Tax Credit	32	0	100.0%
004	Abingdon Village Apartments	36.7018	-81.9821	1983	na	Restricted	Family	Duplicate	RD	48	48	0.0%
005	Aston Ridge Apartments	36.7216	-81.9699	1990	na	Market Rate	Family	Stabilized	Conventional	24	3	87.5%
006	Baugh Lane Apartments	36.7247	-81.9440	na	na	Market Rate	Family	Duplicate	Tax Credit	0	0	0.0%
007	Beverly Builders Inc	36.6962	-81.9908	na	na	Market Rate	Family	Duplicate	Conventional	0	0	0.0%
008	Bonham Circle Apartments	36.6046	-82.1805	1968	1996	Subsidized	Family	Stabilized	Other	65	0	100.0%
009	Brentwood Towns Apartments	36.6661	-82.0631	1990	na	Market Rate	Family	Stabilized	Conventional	31	2	93.5%
010	Catalina Apartments	36.6512	-82.0896	1940	na	Market Rate	Family	Stabilized	Conventional	17	8	52.9%
011	Cedar Bay	36.7657	-81.7624	2017	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
012	Cedar Ridge Apartments	36.6663	-82.0620	1984	na	Market Rate	Family	Stabilized	Conventional	39	0	100.0%
013	Clifton Stewart Rentals	36.7150	-81.9186	na	na	Market Rate	Family	Duplicate	Conventional	0	0	0.0%
014	Copper Creek Apartments	36.9014	-82.0769	1990	2008	Subsidized	Elderly	Stabilized	Tax Credit	35	0	100.0%
015	Cross Creek Apartments	36.7058	-82.0029	na	na	Market Rate	Family	Unconfirmed	Conventional	0	0	0.0%
016	Douglass School Apartments	36.6074	-82.1757	1925	2006	Restricted	Elderly	Stabilized	Tax Credit	41	0	100.0%
017	Downtown Plaza Apartments	36.5968	-82.1957	1968	na	Market Rate	Family	Stabilized	Conventional	76	2	97.4%
018	East Ridge Apartments	36.6001	-82.1675	na	na	Market Rate	Family	Duplicate	Conventional	65	3	95.4%
019	Eastridge Apartments	36.6000	-82.1676	1970	2008	Restricted	Family	Stabilized	HUD	96	3	96.9%
020	Edgemont Townhouses	36.7247	-81.9440	1978	2008	Restricted	Family	Stabilized	Tax Credit	7	0	100.0%
021	Fairview Apartments	36.7114	-81.9590	1979	na	Market Rate	Family	Stabilized	Conventional	36	9	75.0%
022	Gardenside Village Apartments	36.9079	-82.0710	2009	na	Restricted	Family	Non-Inventory	Tax Credit	36	0	100.0%
023	Glade Terrace Apartments 1	36.7745	-81.7803	2012	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%
024	Glade Terrace Apartments 2	36.7745	-81.7803	2013	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
025	Grandview Village Apartments	36.9039	-82.0802	1975	na	Market Rate	Family	Unconfirmed	Conventional	125	12	90.4%
026	Gray Drive Apartments	36.7203	-81.9617	1968	2009	Market Rate	Family	Stabilized	Conventional	14	0	100.0%
027	Hallock Drive Townhomes	36.6962	-81.9959	2003	na	Market Rate	Family	Stabilized	Conventional	38	0	100.0%
028	Harbor Landing Apartments	36.5969	-82.1657	2004	na	Restricted	Family	Stabilized	Tax Credit	32	1	96.9%
029	Highland View Apartments	36.7018	-81.9821	1983	2013	Restricted	Family	Stabilized	Tax Credit	44	0	100.0%
030	Highlands Apartments	36.7146	-81.9630	2006	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
031	Johnson Apartments	36.7152	-81.9713	1950	na	Market Rate	Family	Stabilized	Conventional	10	1	90.0%
032	Johnson Court Apartments	36.6075	-82.1756	1941	2010	Subsidized	Family	Unconfirmed	Other	60	4	93.3%
033	Jones Manor Apartments	36.5976	-82.1705	1955	1990	Subsidized	Family	Unconfirmed	Other	50	0	100.0%
034	Jonesville Manor	36.6975	-82.0139	2015	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
035	Lebanon Square Apartments	36.9043	-82.0781	1990	2007	Restricted	Family	Stabilized	Tax Credit	48	0	100.0%
036	Lee Garden Apartments	36.6086	-82.1756	1952	1990	Market Rate	Family	Condominiums	Conventional	0	0	0.0%
037	Leisure Park Towers Apartments	36.5967	-82.1830	1979	2006	Subsidized	Elderly	Unconfirmed	HUD	150	7	95.3%
038	Leonard's Circle Apartments	36.8983	-82.0952	1977	1990	Market Rate	Family	Unconfirmed	Conventional	8	0	100.0%
039	Mahaffey Agency Real Estate	36.7110	-81.9739	na	2008	Market Rate	Family	Duplicate	Conventional	0	0	0.0%
040	Mill Way Apartments	36.7242	-81.9716	1980	na	Market Rate	Family	Stabilized	Conventional	33	3	90.9%
041	Mosby Homes	36.6050	-82.1801	1966	2010	Subsidized	Family	Unconfirmed	Other	40	1	97.5%
042	Mountain Empire Apartments	36.7133	-81.9240	1990	na	Market Rate	Family	Stabilized	Conventional	48	2	95.8%
043	Nicholas Apartments	36.7116	-81.9596	1996	na	Market Rate	Family	Stabilized	Conventional	40	0	100.0%
044	Oak Knoll Apartments	36.6311	-81.7882	1983	2011	Subsidized	Family	Stabilized	Tax Credit	21	0	100.0%
045	Pinegrove Apartments	36.9050	-82.0515	na	na	Market Rate	Family	Unconfirmed	Conventional	24	1	95.8%
046	Pinehedge Condominiums	36.7218	-81.9788	1985	2009	Market Rate	Family	Stabilized	Conventional	30	0	100.0%
047	Promise Landing Apartments	36.7217	-81.9090	1990	na	Market Rate	Family	Stabilized	Conventional	86	0	100.0%
048	Ray's Main Street Apartments	36.9019	-82.0755	2007	na	Market Rate	Family	Unconfirmed	Conventional	7	3	57.1%
049	Rice Terrace Apartments	36.6009	-82.1820	1929	1996	Subsidized	Family	Unconfirmed	Other	136	0	100.0%
050	Ridgecrest Town Apartments	36.6251	-82.1344	2008	na	Restricted	Family	Stabilized	Tax Credit	72	5	93.1%
051	Ridgefield Court Apartments	36.7095	-81.9607	1987	na	Restricted	Family	Stabilized	RD	48	7	85.4%
052	Riverside Place Apartments	36.6326	-81.7887	1925	1989	Market Rate	Family	Duplicate	HUD	0	0	0.0%

Rental Property Inventory

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
053	Riverside Place Apartments	36.6326	-81.7887	1923	2011	Restricted	Family	Stabilized	Tax Credit	22	0	100.0%
054	Russell Arms Apartments	36.9009	-82.0802	na	na	Market Rate	Family	Unconfirmed	Conventional	0	0	0.0%
055	Sapling Grove Apartments	36.6038	-82.1799	2008	na	Restricted	Family	Stabilized	Tax Credit	26	0	100.0%
056	Settlers Point Apartments	36.6387	-81.8022	1982	2012	Subsidized	Family	Stabilized	Tax Credit	62	0	100.0%
057	Singleton Properties	36.7038	-82.0032	1987	na	Market Rate	Family	Stabilized	Conventional	18	0	100.0%
058	Springdale Village Apartments	36.6001	-82.1607	1981	na	Subsidized	Family	Duplicate	Tax Credit	136	136	0.0%
059	Stant Hall Apartments	36.5998	-82.1777	1955	1990	Subsidized	Family	Unconfirmed	Other	50	0	100.0%
060	Stone Mill Apartments	36.7049	-81.9912	1978	na	Market Rate	Family	Stabilized	Conventional	10	0	100.0%
061	Sunhouse M/R Group Home	36.5967	-82.1861	na	na	Subsidized	Family	Special Needs	HUD	12	1	91.7%
062	Sweetbriar 1	36.7142	-82.0200	2009	na	Restricted	Family	Stabilized	Tax Credit	20	0	100.0%
063	Sweetbriar II	36.7142	-82.0200	2021	na	Restricted	Family	Prop Const	Tax Credit	22	22	0.0%
064	Sweetland Apartments	36.6461	-81.9886	1997	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%
065	Theo's Ridge	36.7116	-81.9596	1980	2015	Restricted	Family	Prop Rehab	Tax Credit	35	9	74.3%
066	Thomas Jefferson Senior Apartments	36.6015	-82.1790	1892	2005	Restricted	Elderly	Stabilized	Tax Credit	30	1	96.7%
067	Townhouse Apartments	36.6968	-81.9928	na	na	Market Rate	Family	Duplicate	Conventional	0	0	0.0%
068	Village Green Townhomes Phase 1	36.7100	-82.0044	1999	na	Market Rate	Family	Stabilized	Conventional	14	0	100.0%
069	Village Green Townhomes Phase 2	36.7099	-82.0000	2004	na	Market Rate	Family	Unconfirmed	Conventional	12	0	100.0%
070	Village Square Apartments	36.7149	-81.9630	1965	na	Market Rate	Family	Stabilized	Conventional	10	1	90.0%
071	Villages at Oakview	36.6046	-82.1805	2015	na	Restricted	Family	Non-Inventory	Tax Credit	48	48	0.0%
072	Walden Road Apartments	36.7173	-81.9623	1886	2008	Market Rate	Family	Unconfirmed	Conventional	14	0	100.0%
073	Washington Court Apartments	36.7026	-81.9894	1991	na	Subsidized	Elderly	Duplicate	Tax Credit	39	1	97.4%
074	Washington Court Apartments	36.7026	-81.9894	1991	2013	Subsidized	Elderly	Stabilized	Tax Credit	39	0	100.0%
075	Whites Mill Point Apartments	36.7257	-81.9727	2006	na	Restricted	Family	Stabilized	Tax Credit	32	0	100.0%
076	Whites Mill Road Apartments	36.7223	-81.9703	1996	na	Market Rate	Family	Stabilized	Conventional	16	1	93.8%
077	Willow Run Apartments	36.7232	-81.9279	2009	na	Market Rate	Family	Stabilized	Conventional	192	3	98.4%
078	Woodlands (The)	36.6001	-82.1607	1981	2012	Subsidized	Family	Stabilized	Tax Credit	136	0	100.0%
079	Woods Landing Apartments	36.6325	-81.7930	1993	na	Subsidized	Elderly	Duplicate	Tax Credit	40	6	85.0%
080	Woods Landing Apartments	36.6325	-81.7930	1993	2013	Subsidized	Elderly	Stabilized	Tax Credit	40	0	100.0%
081	Wyndale Court Condominiums	36.7099	-82.0086	2003	na	Market Rate	Family	Stabilized	Conventional	16	0	100.0%



Rental Property Inventory, Unconfirmed

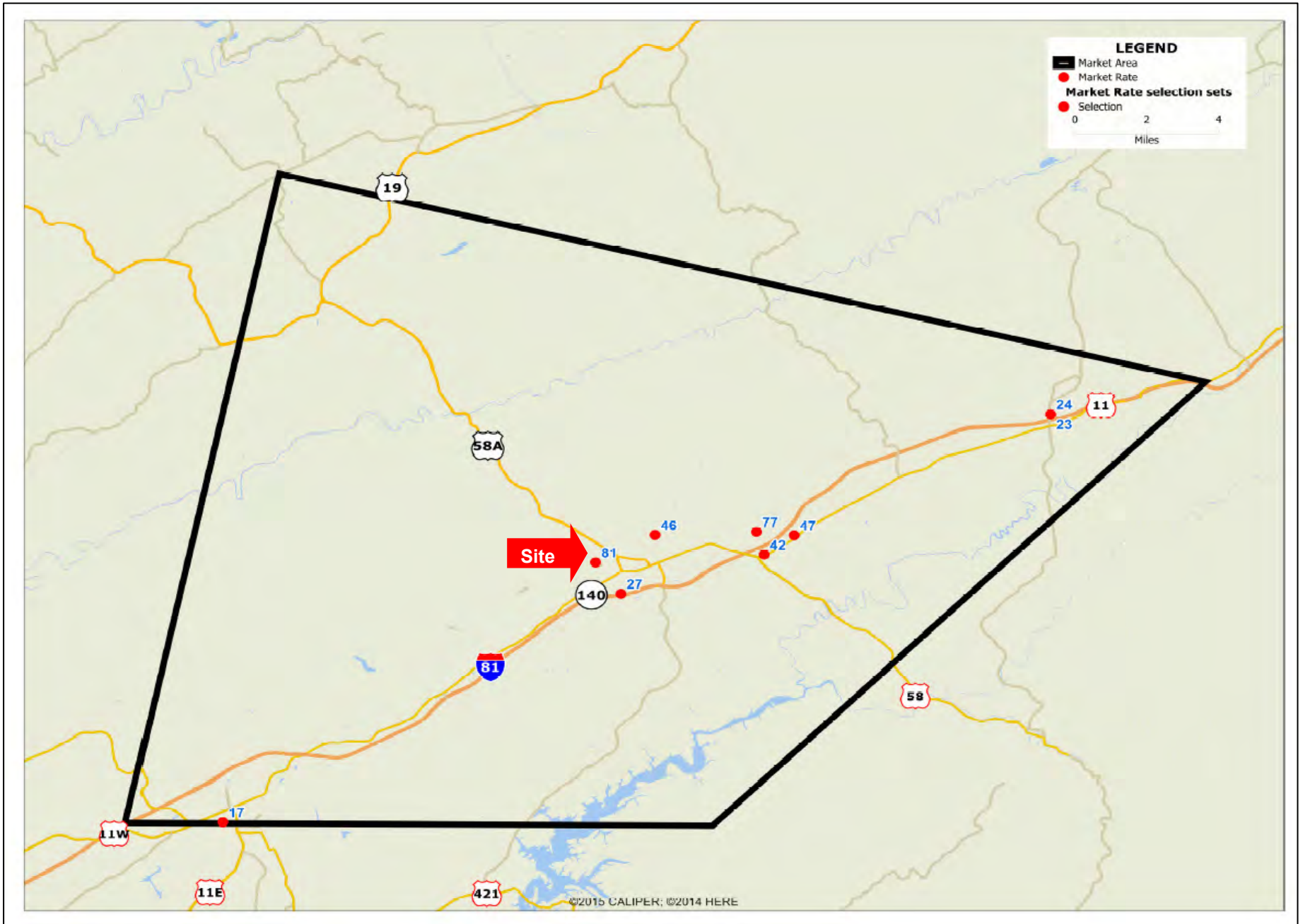
Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
001	Abingdon Green Apartments	36.7176	-81.9652	1989	2009	Subsidized	Elderly	Unconfirmed	Tax Credit	32	0	100.0%
015	Cross Creek Apartments	36.7058	-82.0029	na	na	Market Rate	Family	Unconfirmed	Conventional	0	0	0.0%
025	Grandview Village Apartments	36.9039	-82.0802	1975	na	Market Rate	Family	Unconfirmed	Conventional	125	12	90.4%
032	Johnson Court Apartments	36.6075	-82.1756	1941	2010	Subsidized	Family	Unconfirmed	Other	60	4	93.3%
033	Jones Manor Apartments	36.5976	-82.1705	1955	1990	Subsidized	Family	Unconfirmed	Other	50	0	100.0%
037	Leisure Park Towers Apartments	36.5967	-82.1830	1979	2006	Subsidized	Elderly	Unconfirmed	HUD	150	7	95.3%
038	Leonard's Circle Apartments	36.8983	-82.0952	1977	1990	Market Rate	Family	Unconfirmed	Conventional	8	0	100.0%
041	Mosby Homes	36.6050	-82.1801	1966	2010	Subsidized	Family	Unconfirmed	Other	40	1	97.5%
045	Pinegrove Apartments	36.9050	-82.0515	na	na	Market Rate	Family	Unconfirmed	Conventional	24	1	95.8%
048	Ray's Main Street Apartments	36.9019	-82.0755	2007	na	Market Rate	Family	Unconfirmed	Conventional	7	3	57.1%
049	Rice Terrace Apartments	36.6009	-82.1820	1929	1996	Subsidized	Family	Unconfirmed	Other	136	0	100.0%
054	Russell Arms Apartments	36.9009	-82.0802	na	na	Market Rate	Family	Unconfirmed	Conventional	0	0	0.0%
059	Stant Hall Apartments	36.5998	-82.1777	1955	1990	Subsidized	Family	Unconfirmed	Other	50	0	100.0%
069	Village Green Townhomes Phase 2	36.7099	-82.0000	2004	na	Market Rate	Family	Unconfirmed	Conventional	12	0	100.0%
072	Walden Road Apartments	36.7173	-81.9623	1886	2008	Market Rate	Family	Unconfirmed	Conventional	14	0	100.0%

Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
003	Abingdon Terrace Apartments	36.7022	-81.9836	1987	2013	Subsidized	Elderly	Stabilized	Tax Credit	32	0	100.0%
005	Aston Ridge Apartments	36.7216	-81.9699	1990	na	Market Rate	Family	Stabilized	Conventional	24	3	87.5%
008	Bonham Circle Apartments	36.6046	-82.1805	1968	1996	Subsidized	Family	Stabilized	Other	65	0	100.0%
009	Brentwood Towns Apartments	36.6661	-82.0631	1990	na	Market Rate	Family	Stabilized	Conventional	31	2	93.5%
010	Catalina Apartments	36.6512	-82.0896	1940	na	Market Rate	Family	Stabilized	Conventional	17	8	52.9%
012	Cedar Ridge Apartments	36.6663	-82.0620	1984	na	Market Rate	Family	Stabilized	Conventional	39	0	100.0%
016	Douglass School Apartments	36.6074	-82.1757	1925	2006	Restricted	Elderly	Stabilized	Tax Credit	41	0	100.0%
017	Downtown Plaza Apartments	36.5968	-82.1957	1968	na	Market Rate	Family	Stabilized	Conventional	76	2	97.4%
019	Eastridge Apartments	36.6000	-82.1676	1970	2008	Restricted	Family	Stabilized	HUD	96	3	96.9%
020	Edgemont Townhouses	36.7247	-81.9440	1978	2008	Restricted	Family	Stabilized	Tax Credit	7	0	100.0%
021	Fairview Apartments	36.7114	-81.9590	1979	na	Market Rate	Family	Stabilized	Conventional	36	9	75.0%
023	Glade Terrace Apartments 1	36.7745	-81.7803	2012	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%
024	Glade Terrace Apartments 2	36.7745	-81.7803	2013	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
026	Gray Drive Apartments	36.7203	-81.9617	1968	2009	Market Rate	Family	Stabilized	Conventional	14	0	100.0%
027	Hallock Drive Townhomes	36.6962	-81.9959	2003	na	Market Rate	Family	Stabilized	Conventional	38	0	100.0%
028	Harbor Landing Apartments	36.5969	-82.1657	2004	na	Restricted	Family	Stabilized	Tax Credit	32	1	96.9%
029	Highland View Apartments	36.7018	-81.9821	1983	2013	Restricted	Family	Stabilized	Tax Credit	44	0	100.0%
031	Johnson Apartments	36.7152	-81.9713	1950	na	Market Rate	Family	Stabilized	Conventional	10	1	90.0%
040	Mill Way Apartments	36.7242	-81.9716	1980	na	Market Rate	Family	Stabilized	Conventional	33	3	90.9%
042	Mountain Empire Apartments	36.7133	-81.9240	1990	na	Market Rate	Family	Stabilized	Conventional	48	2	95.8%
043	Nicholas Apartments	36.7116	-81.9596	1996	na	Market Rate	Family	Stabilized	Conventional	40	0	100.0%
046	Pinehedge Condominiums	36.7218	-81.9788	1985	2009	Market Rate	Family	Stabilized	Conventional	30	0	100.0%
047	Promise Landing Apartments	36.7217	-81.9090	1990	na	Market Rate	Family	Stabilized	Conventional	86	0	100.0%
050	Ridgecrest Town Apartments	36.6251	-82.1344	2008	na	Restricted	Family	Stabilized	Tax Credit	72	5	93.1%
051	Ridgefield Court Apartments	36.7095	-81.9607	1987	na	Restricted	Family	Stabilized	RD	48	7	85.4%
055	Sapling Grove Apartments	36.6038	-82.1799	2008	na	Restricted	Family	Stabilized	Tax Credit	26	0	100.0%
057	Singleton Properties	36.7038	-82.0032	1987	na	Market Rate	Family	Stabilized	Conventional	18	0	100.0%
060	Stone Mill Apartments	36.7049	-81.9912	1978	na	Market Rate	Family	Stabilized	Conventional	10	0	100.0%
062	Sweetbriar 1	36.7142	-82.0200	2009	na	Restricted	Family	Stabilized	Tax Credit	20	0	100.0%
064	Sweetland Apartments	36.6461	-81.9886	1997	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%
065	Theo's Ridge	36.7116	-81.9596	1980	2015	Restricted	Family	Prop Rehab	Tax Credit	35	9	74.3%
066	Thomas Jefferson Senior Apartments	36.6015	-82.1790	1892	2005	Restricted	Elderly	Stabilized	Tax Credit	30	1	96.7%
068	Village Green Townhomes Phase 1	36.7100	-82.0044	1999	na	Market Rate	Family	Stabilized	Conventional	14	0	100.0%
070	Village Square Apartments	36.7149	-81.9630	1965	na	Market Rate	Family	Stabilized	Conventional	10	1	90.0%
074	Washington Court Apartments	36.7026	-81.9894	1991	2013	Subsidized	Elderly	Stabilized	Tax Credit	39	0	100.0%
075	Whites Mill Point Apartments	36.7257	-81.9727	2006	na	Restricted	Family	Stabilized	Tax Credit	32	0	100.0%
076	Whites Mill Road Apartments	36.7223	-81.9703	1996	na	Market Rate	Family	Stabilized	Conventional	16	1	93.8%
077	Willow Run Apartments	36.7232	-81.9279	2009	na	Market Rate	Family	Stabilized	Conventional	192	3	98.4%
078	Woodlands (The)	36.6001	-82.1607	1981	2012	Subsidized	Family	Stabilized	Tax Credit	136	0	100.0%
081	Wyndale Court Condominiums	36.7099	-82.0086	2003	na	Market Rate	Family	Stabilized	Conventional	16	0	100.0%

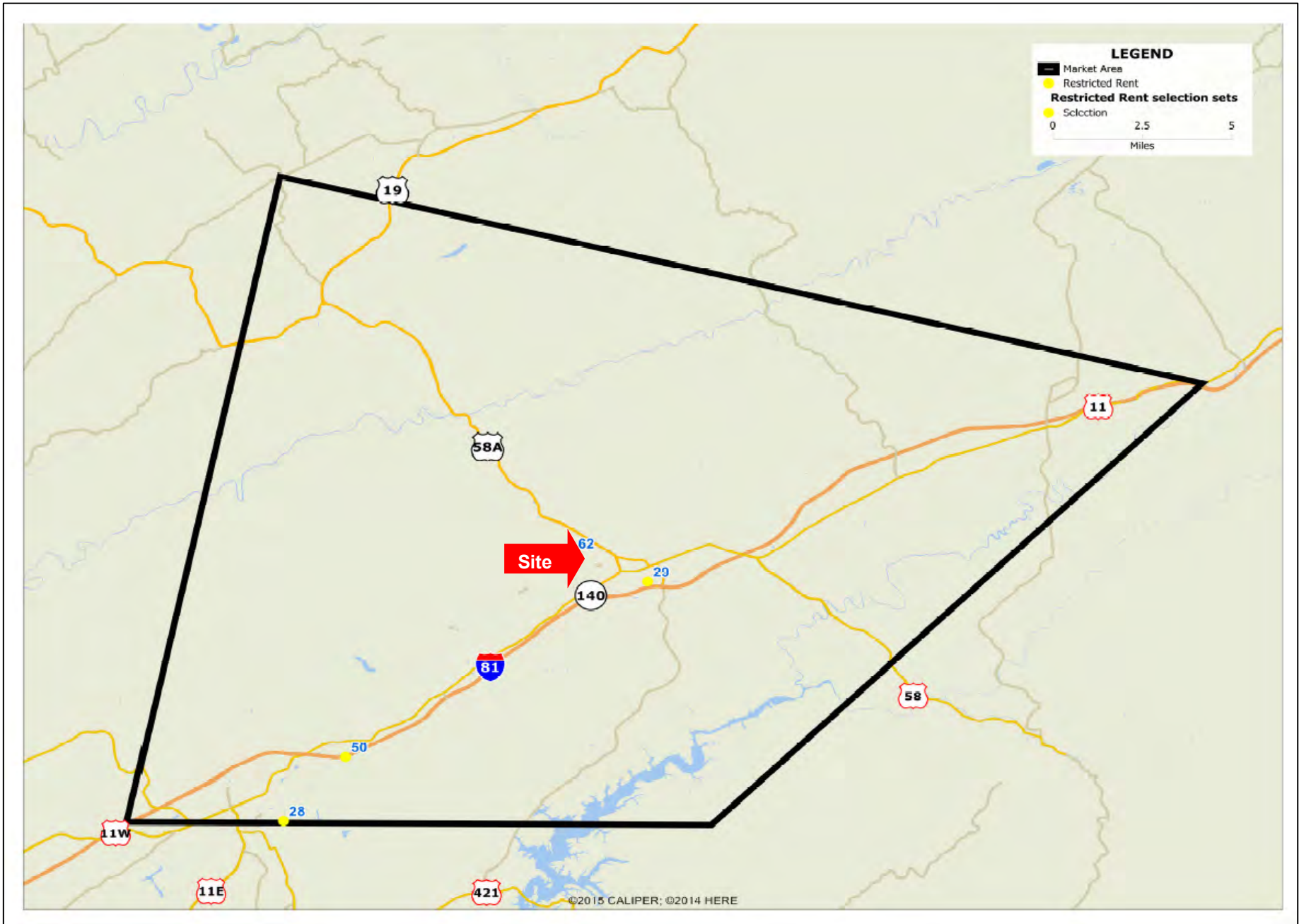
Master List of Market Rate Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
017	Downtown Plaza Apartments	36.5968	-82.1957	1968	na	Market Rate	Family	Stabilized	Conventional	76	2	97.4%
023	Glade Terrace Apartments 1	36.7745	-81.7803	2012	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%
024	Glade Terrace Apartments 2	36.7745	-81.7803	2013	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
027	Hallock Drive Townhomes	36.6962	-81.9959	2003	na	Market Rate	Family	Stabilized	Conventional	38	0	100.0%
029	Highland View Apartments	36.7018	-81.9821	1983	2013	Restricted	Family	Stabilized	Tax Credit	44	0	100.0%
042	Mountain Empire Apartments	36.7133	-81.9240	1990	na	Market Rate	Family	Stabilized	Conventional	48	2	95.8%
046	Pinehedge Condominiums	36.7218	-81.9788	1985	2009	Market Rate	Family	Stabilized	Conventional	30	0	100.0%
047	Promise Landing Apartments	36.7217	-81.9090	1990	na	Market Rate	Family	Stabilized	Conventional	86	0	100.0%
077	Willow Run Apartments	36.7232	-81.9279	2009	na	Market Rate	Family	Stabilized	Conventional	192	3	98.4%
081	Wyndale Court Condominiums	36.7099	-82.0086	2003	na	Market Rate	Family	Stabilized	Conventional	16	0	100.0%



Master List of Restricted Rent Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
028	Harbor Landing Apartments	36.5969	-82.1657	2004	na	Restricted	Family	Stabilized	Tax Credit	32	1	96.9%
050	Ridgecrest Town Apartments	36.6251	-82.1344	2008	na	Restricted	Family	Stabilized	Tax Credit	72	5	93.1%
062	Sweetbriar 1	36.7142	-82.0200	2009	na	Restricted	Family	Stabilized	Tax Credit	20	0	100.0%



Rental Property Inventory, Confirmed, Inside Market Area, by Rent Type

The following tables and graphs provide a summary of the confirmed market area properties included in this analysis broken out by rent type:

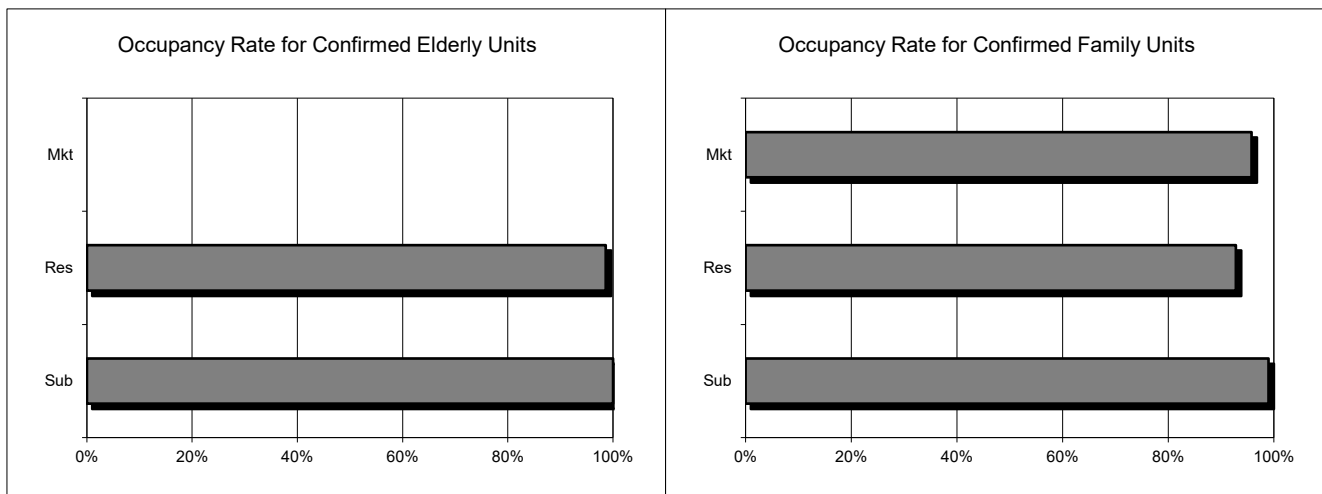
Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Market Rate		24	24
Restricted	2	10	12
Subsidized	2	2	4
Total	4	36	40

Total Units			
	Elderly	Family	Total
Market Rate		826	826
Restricted	71	307	378
Subsidized	71	306	377
Total	142	1,439	1,581

Vacant Units			
	Elderly	Family	Total
Market Rate		35	35
Restricted	1	22	23
Subsidized		3	3
Total	1	60	61

Occupancy Rate			
	Elderly	Family	Total
Market Rate		96%	96%
Restricted	99%	93%	94%
Subsidized	100%	99%	99%
Total	99%	96%	96%

Source: Allen & Associates



Our analysis includes a total of 40 confirmed market area properties consisting of 1,581 units. The occupancy rate for these units currently stands at 96 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

Confirmed market area properties break down by rent type and tenure as shown in the tables above.

Rental Property Inventory, Confirmed, Inside Market Area, by Project Status

The following tables and graphs provide a summary of the confirmed market area properties included in this analysis broken out by project status:

Rental Property Inventory, Confirmed, Inside Market Area

Elderly				
Total Properties				
	Sub	Res	Mkt	Tot
Stabilized	2	2		4
Lease Up				
Construction				
Rehabilitation				
Prop Const				
Prop Rehab				
Unstabilized				
Subtotal				
Total	2	2		4

Family				
Total Properties				
	Sub	Res	Mkt	Tot
Stabilized	2	9	24	35
Lease Up				
Construction				
Rehabilitation				
Prop Const				
Prop Rehab		1		1
Unstabilized				
Subtotal		1		1
Total	2	10	24	36

Total Units				
	Sub	Res	Mkt	Tot
Stabilized	71	71		142
Lease Up				
Construction				
Rehabilitation				
Prop Const				
Prop Rehab				
Unstabilized				
Subtotal				
Total	71	71		142

Total Units				
	Sub	Res	Mkt	Tot
Stabilized	301	277	826	1,404
Lease Up				
Construction				
Rehabilitation				
Prop Const				
Prop Rehab	5	30		35
Unstabilized				
Subtotal	5	30		35
Total	306	307	826	1,439

Vacant Units				
	Sub	Res	Mkt	Tot
Stabilized		1		1
Lease Up				
Construction				
Rehabilitation				
Prop Const				
Prop Rehab				
Unstabilized				
Subtotal				
Total		1		1

Vacant Units				
	Sub	Res	Mkt	Tot
Stabilized	3	13	35	51
Lease Up				
Construction				
Rehabilitation				
Prop Const				
Prop Rehab		9		9
Unstabilized				
Subtotal		9		9
Total	3	22	35	60

Source: Allen & Associates

Our survey includes a total of 39 stabilized market area properties consisting of 1,546 units standing at 97 percent occupancy.

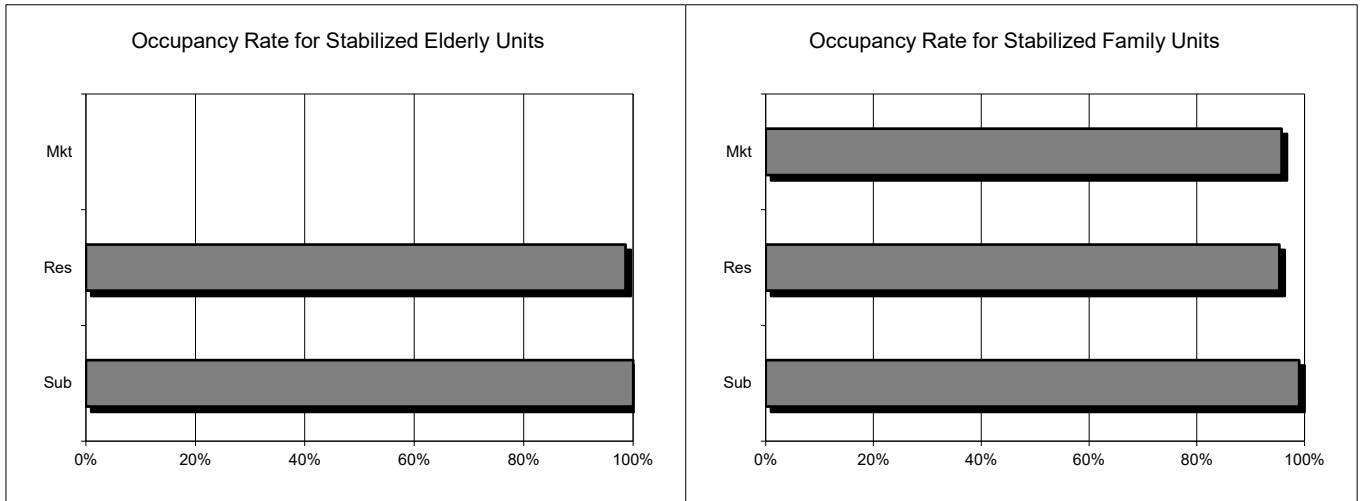
Our survey also includes a total of 1 market area property consisting of 35 units that is not yet stabilized. Unstabilized units (also referred to as pipeline units) include vacant units in lease up, construction, rehabilitation, proposed new construction, and units with proposed renovation plans.

Rental Property Inventory, Confirmed, Inside Market Area

Elderly					Family				
Occupancy Rate					Occupancy Rate				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	100%	99%		99%	Stabilized	99%	95%	96%	96%
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab					Prop Rehab	100%	70%		74%
Unstabilized					Unstabilized				
Subtotal					Subtotal	100%	70%		74%
Total	100%	99%		99%	Total	99%	93%	96%	96%

Source: Allen & Associates

Occupancies of stabilized market area properties broken out by occupancy type (elderly or family) and rent type (subsidized, restricted or market rate) are found below:



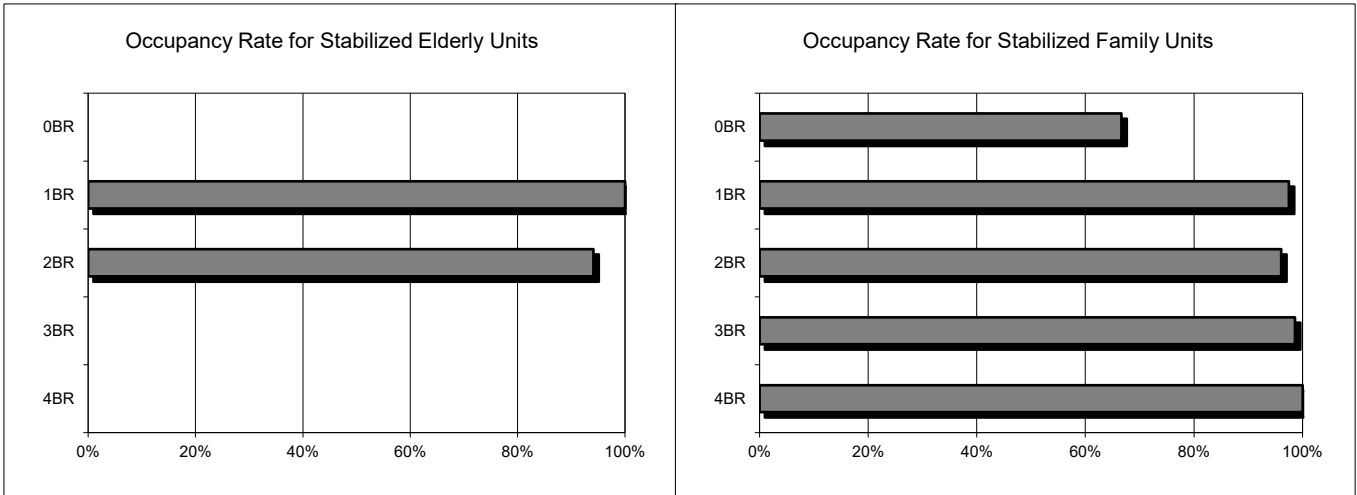
Our research suggests the following occupancy levels for the 142 stabilized elderly units in this market area:

- Subsidized, 100 percent (71 units in survey)
- Restricted, 99 percent (71 units in survey)
- Market Rate, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 1,404 stabilized family units in this market area:

- Subsidized, 99 percent (301 units in survey)
- Restricted, 95 percent (277 units in survey)
- Market Rate, 96 percent (826 units in survey)

Occupancy rates for stabilized market area properties broken out by occupancy type (elderly or family) and unit type are found below (supporting data is found in the pages that follow):



Our research suggests the following occupancy levels for the 142 stabilized elderly units in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, 100 percent (125 units in survey)
- 2-Bedroom, 94 percent (17 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 1,404 stabilized family units in this market area:

- 0-Bedroom, 67 percent (21 units in survey)
- 1-Bedroom, 97 percent (318 units in survey)
- 2-Bedroom, 96 percent (842 units in survey)
- 3-Bedroom, 99 percent (211 units in survey)
- 4-Bedroom, 100 percent (12 units in survey)

Rental Property Inventory, Confirmed, Inside Market Area, 0-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								4	4
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal								4	4
Total								4	4

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								21	21
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal								21	21
Total								21	21

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								7	7
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal								7	7
Total								7	7

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								67%	67%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal								67%	67%
Total								67%	67%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 1-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	2			2	1				5
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	2			2	1				5

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	5			1	3			1	13
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab					1				1
Unstabilized									
Subtotal					1				1
Total	5			1	4			1	13

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	71			42	12				125
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	71			42	12				125

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	54			2	9			11	242
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab					6				6
Unstabilized									
Subtotal					6				6
Total	54			2	15			11	242

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	1							1	6
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab					1				1
Unstabilized									
Subtotal					1				1
Total	1				1			1	6

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%			100%	100%				100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%			100%	100%				100%

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	98%			100%	100%			91%	98%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab					83%				83%
Unstabilized									
Subtotal					83%				83%
Total	98%			100%	93%			91%	98%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 2-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				2	1				3
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal				2	1				3
Total				2	1				3

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	7			3	6		1	22	39
Lease Up									
Construction									
Rehabilitation									
Prop Const					1				1
Prop Rehab									
Unstabilized									
Subtotal					1				1
Total	7			3	7		1	22	40

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				13	4				17
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal				13	4				17
Total				13	4				17

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	164			35	115		22	506	842
Lease Up									
Construction									
Rehabilitation									
Prop Const					22				22
Prop Rehab									
Unstabilized									
Subtotal					22				22
Total	164			35	137		22	506	864

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				1					1
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal				1					1
Total				1					1

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	2				4		6	21	33
Lease Up									
Construction									
Rehabilitation									
Prop Const					8				8
Prop Rehab									
Unstabilized									
Subtotal					8				8
Total	2				12		6	21	41

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				92%	100%				94%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total				92%	100%				94%

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	99%			100%	97%		73%	96%	96%
Lease Up									
Construction									
Rehabilitation									
Prop Const					64%				64%
Prop Rehab									
Unstabilized									
Subtotal					64%				64%
Total	99%			100%	91%		73%	96%	95%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 3-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	4			3	4			5	16
Lease Up									
Construction									
Rehabilitation									
Prop Const					1				2
Prop Rehab	1								
Unstabilized									
Subtotal	1				1				2
Total	5			3	5			5	18

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	71			31	52			57	211
Lease Up									
Construction									
Rehabilitation									
Prop Const					2				7
Prop Rehab	5								
Unstabilized									
Subtotal	5				2				7
Total	76			31	54			57	218

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				1	1			1	3
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total				1	1			1	3

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%			97%	98%			98%	99%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	100%				100%				100%
Unstabilized									
Subtotal	100%				100%				100%
Total	100%			97%	98%			98%	99%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 4-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	2								2
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	2								2

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	12								12
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	12								12

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%								100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%								100%

Source: Allen & Associates

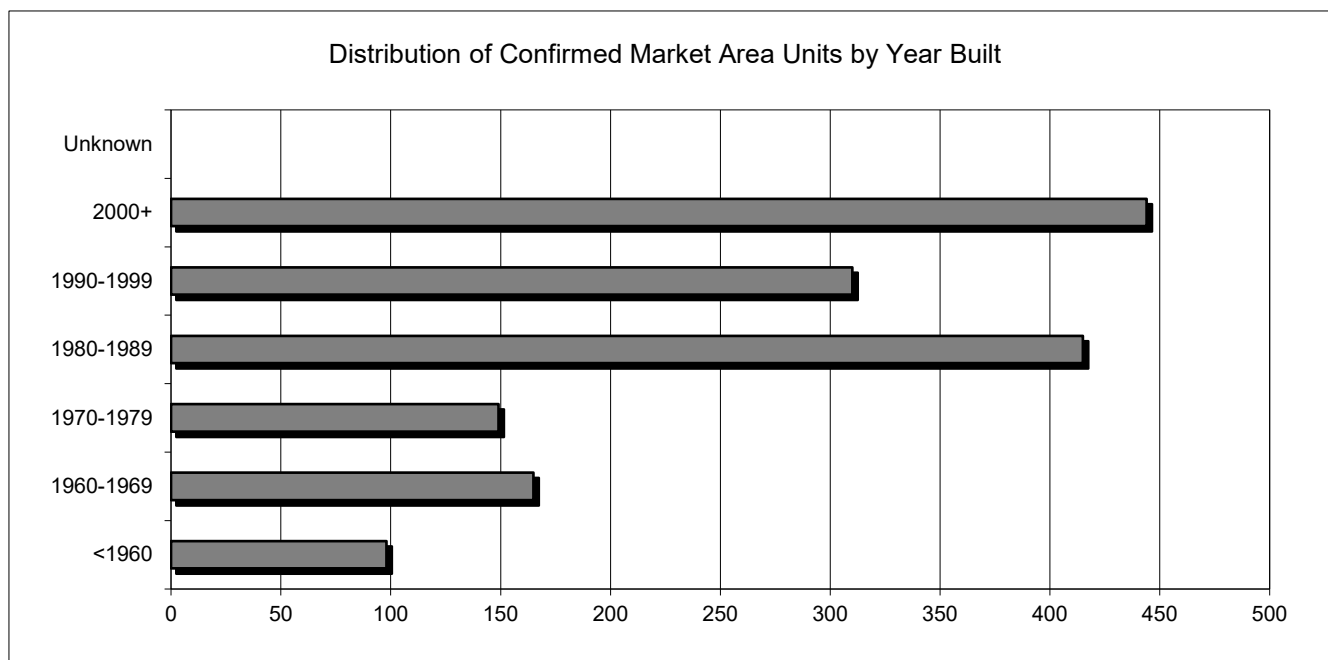
Rental Property Inventory, Confirmed, Inside Market Area, by Year Built

The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by year built:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
<1960	2	2	4
1960-1969		4	4
1970-1979		4	4
1980-1989	1	8	9
1990-1999	1	8	9
2000+		10	10
Unknown			
Total	4	36	40

Total Units			
	Elderly	Family	Total
<1960	71	27	98
1960-1969		165	165
1970-1979		149	149
1980-1989	32	383	415
1990-1999	39	271	310
2000+		444	444
Unknown			
Total	142	1,439	1,581

Source: Allen & Associates



Our research suggests that of the 40 confirmed market area properties (1581 units) included in this report, 4 properties (98 units) were constructed before 1960, 4 properties (165 units) were constructed between 1960 and 1969, 4 properties (149 units) between 1970 and 1979, 9 properties (415 units) between 1980 and 1989, 9 properties (310 units) between 1990 and 1999, and 10 properties (444 units) after 2000. In addition, 0 properties (0 units) had an unknown date of construction.

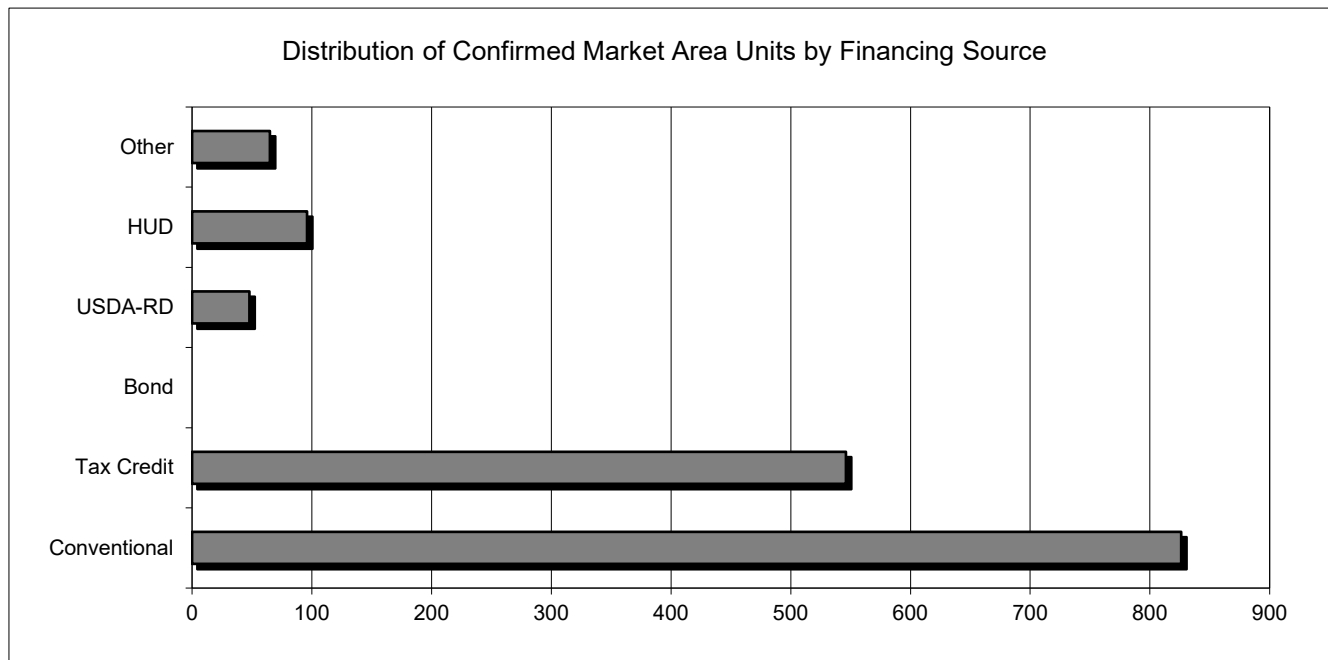
Rental Property Inventory, Confirmed, Inside Market Area, by Financing Source

The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by financing source:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Conventional		24	24
Tax Credit	4	9	13
Bond			
USDA-RD		1	1
HUD		1	1
Other		1	1
Total	4	36	40

Total Units			
	Elderly	Family	Total
Conventional		826	826
Tax Credit	142	404	546
Bond			
USDA-RD		48	48
HUD		96	96
Other		65	65
Total	142	1,439	1,581

Source: Allen & Associates



Our research suggests that of the 40 confirmed properties in the market area, 24 properties (consisting of 826 units) are conventionally financed, 13 properties (consisting of 546 units) include tax credit financing, 0 properties (consisting of 0 units) are bond financed, 1 property (consisting of 48 units) is exclusively USDA-RD financed, and 1 property (consisting of 96 units) is exclusively HUD financed.

The average project size for this market area is 40 units. The smallest projects are conventionally financed, averaging 34 units in size. The largest projects are exclusively HUD financed, averaging 96 units in size.

Rental Property Inventory, Confirmed, Inside Market Area, Rent Summary

The following tables and graphs provide a summary of the rents charged at confirmed market area properties broken out by unit type:

Rental Property Inventory, Confirmed, Inside Market Area

Rents									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	-	-	-	\$325	\$475	\$388
1-Bedroom	\$375	\$499	\$440	\$300	\$437	\$390	\$375	\$550	\$445
2-Bedroom	\$425	\$575	\$492	\$400	\$705	\$498	\$463	\$700	\$583
3-Bedroom	\$565	\$646	\$610	\$480	\$811	\$606	\$600	\$755	\$685
4-Bedroom	\$670	\$730	\$700	-	-	-	-	-	-

Unit Size

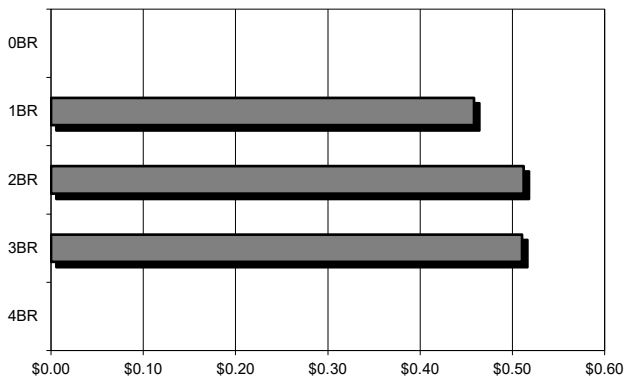
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	-	-	-	450	700	538
1-Bedroom	572	776	643	589	1,408	850	450	800	641
2-Bedroom	723	1,010	886	746	1,437	973	650	1,200	944
3-Bedroom	790	1,250	1,006	903	1,385	1,187	1,200	1,344	1,249
4-Bedroom	1,271	1,400	1,336	-	-	-	-	-	-

Rent per Square Foot

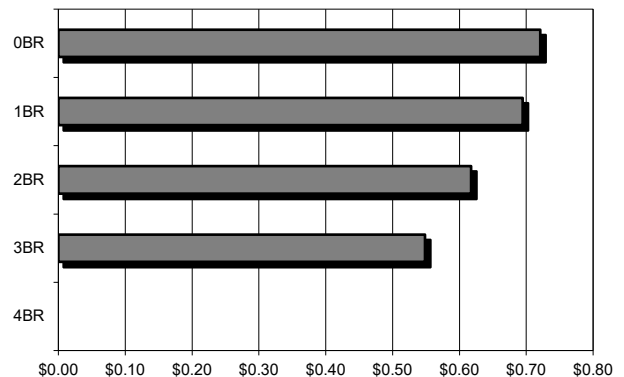
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	-	-	-	\$0.68	\$0.72	\$0.72
1-Bedroom	\$0.64	\$0.66	\$0.68	\$0.31	\$0.51	\$0.46	\$0.69	\$0.83	\$0.69
2-Bedroom	\$0.57	\$0.59	\$0.56	\$0.49	\$0.54	\$0.51	\$0.58	\$0.71	\$0.62
3-Bedroom	\$0.52	\$0.72	\$0.61	\$0.53	\$0.59	\$0.51	\$0.50	\$0.56	\$0.55
4-Bedroom	\$0.52	\$0.53	\$0.52	-	-	-	-	-	-

Source: Allen & Associates

Rent per Square Foot for Restricted Units



Rent per Square Foot for Market Rate Units



Our research suggests the following average rent levels for confirmed restricted rent units:

- 0-Bedroom, not applicable
- 1-Bedroom, \$0.46 per square foot
- 2-Bedroom, \$0.51 per square foot
- 3-Bedroom, \$0.51 per square foot
- 4-Bedroom, not applicable

Our research suggests the following average rent levels for confirmed market rate units:

- 0-Bedroom, \$0.72 per square foot
- 1-Bedroom, \$0.69 per square foot
- 2-Bedroom, \$0.62 per square foot
- 3-Bedroom, \$0.55 per square foot
- 4-Bedroom, not applicable

A detailed listing of rents and floor areas for confirmed market area properties by unit type and income target is found in the following pages.

Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

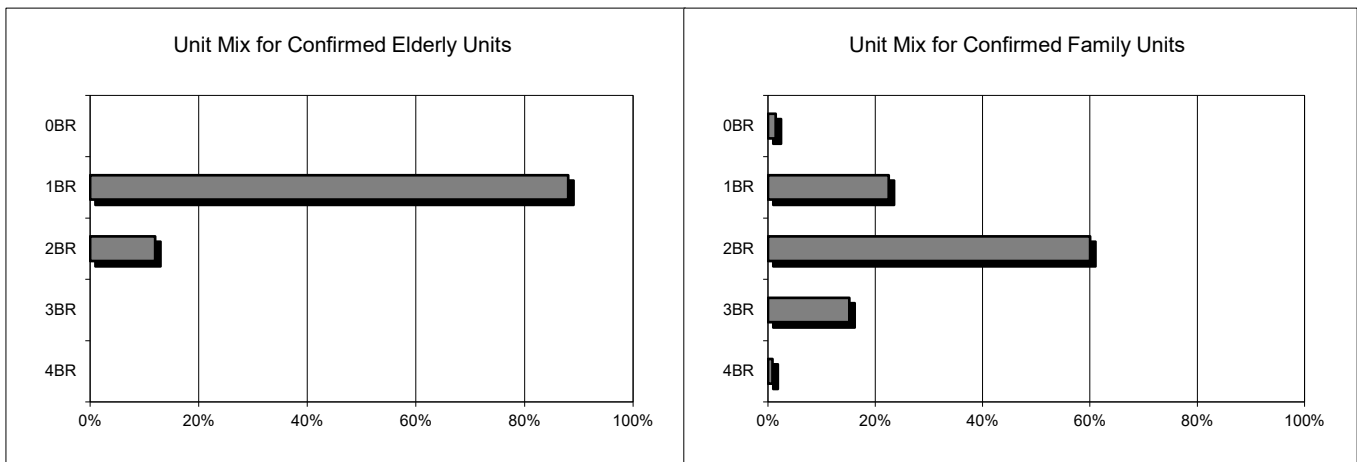
In the tables and graphs found below we present a breakdown of unit mix for confirmed market area properties broken out by occupancy type (elderly or family):

Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

Elderly					Family				
Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
0-Bedroom					0-Bedroom			21	21
1-Bedroom	71	54		125	1-Bedroom	54	28	242	324
2-Bedroom		17		17	2-Bedroom	164	194	506	864
3-Bedroom					3-Bedroom	76	85	57	218
4-Bedroom					4-Bedroom	12			12
Total	71	71		142	Total	306	307	826	1,439

Unit Mix					Unit Mix				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
0-Bedroom					0-Bedroom			3%	1%
1-Bedroom	100%	76%		88%	1-Bedroom	18%	9%	29%	23%
2-Bedroom		24%		12%	2-Bedroom	54%	63%	61%	60%
3-Bedroom					3-Bedroom	25%	28%	7%	15%
4-Bedroom					4-Bedroom	4%			1%
Total	100%	100%		100%	Total	100%	100%	100%	100%

Source: Allen & Associates



Our research suggests the following unit mix for the 142 confirmed elderly units located in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, 88 percent (125 units in survey)
- 2-Bedroom, 12 percent (17 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following unit mix for the 1,439 confirmed family units located in this market area:

- 0-Bedroom, 1 percent (21 units in survey)
- 1-Bedroom, 23 percent (324 units in survey)
- 2-Bedroom, 60 percent (864 units in survey)
- 3-Bedroom, 15 percent (218 units in survey)
- 4-Bedroom, 1 percent (12 units in survey)

Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary

In the table found below we present a summary of amenities found at confirmed market area properties:

Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary			
Building Type		Air Conditioning	
1 Story	8%	Central	80%
2-4 Story	93%	Wall Units	15%
5-10 Story	0%	Window Units	5%
>10 Story	0%	None	0%
Project Amenities		Heat	
Ball Field	0%	Central	85%
BBQ Area	5%	Wall Units	8%
Billiards	0%	Baseboards	8%
Bus/Comp Ctr	10%	Radiators	0%
Car Care Ctr	0%	None	0%
Comm Center	28%	Parking	
Elevator	5%	Garage	3%
Fitness Center	13%	Covered	0%
Gazebo	5%	Assigned	0%
Hot Tub/Jacuzzi	0%	Open	100%
Horseshoe Pit	0%	None	0%
Lake	0%	Laundry	
Library	3%	Central	43%
Movie Theatre	0%	W/D Units	13%
Picnic Area	10%	W/D Hookups	43%
Playground	20%	Security	
Pool	8%	Call Buttons	13%
Sauna	0%	Cont Access	5%
Sports Court	5%	Courtesy Officer	0%
Walking Trail	3%	Monitoring	3%
Unit Amenities		Security Alarms	5%
Blinds	93%	Security Patrols	0%
Ceiling Fans	5%	Services	
Upgraded Flooring	95%	After School	0%
Fireplace	0%	Concierge	0%
Patio/Balcony	68%	Hair Salon	0%
Storage	15%	Health Care	0%
Kitchen Amenities		Linens	0%
Stove	100%	Meals	0%
Refrigerator	100%	Transportation	0%
Disposal	45%		
Dishwasher	63%		
Microwave	10%		

Source: Allen & Associates

Our research suggests that 8 percent of confirmed market area properties are 1 story in height, 93 percent are 2-4 stories in height, 0 percent are 5-10 stories in height, and 0 percent are over 10 stories in height. In addition, surveyed properties benefit from the following project amenities: 10 percent have a business/computer center, 28 percent have a community center, 13 percent have a fitness center, 20 percent have a playground, and 5 percent have a sports court.

Our research also suggests that the following unit amenities are present at surveyed properties: 93 percent have blinds, 95 percent have carpeting, 68 percent have patios/balconies, and 15 percent have outside storage. Surveyed properties also include the following kitchen amenities: 100 percent have a stove, 100 percent have a refrigerator, 45 percent have a disposal, 63 percent have a dishwasher, and 10 percent have a microwave.

In addition, 85 percent of confirmed market area properties have central heat while 80 percent have central air. Our research also suggests that 100 percent of surveyed properties have open parking. A total of 43 percent of area properties have central laundry facilities, while 43 percent have washer/dryer hookups, and 13 percent have washer/dryer units in each residential unit.

A total of 13 percent of confirmed market area properties have call buttons, 5 percent have controlled access, and 5 percent have security alarms.

It is also our understanding that the majority of confirmed market area properties provide cable access.

Finally, in the following pages we provide a summary of vouchers, concessions and waiting lists for the confirmed market area properties included in this report. We also include any absorption information we have uncovered as part of our research.

Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy	Concessions	Vouchers	Abs Rate	Waiting List
003	Abingdon Terrace Apartments	36.7022	-81.9836	1987	2013	Subsidized	Elderly	Stabilized	Tax Credit	32	0	100.0%	0%	0%	-	18 people
005	Aston Ridge Apartments	36.7216	-81.9699	1990	na	Market Rate	Family	Stabilized	Conventional	24	3	87.5%	0%	8%	-	-
008	Bonham Circle Apartments	36.6046	-82.1805	1968	1996	Subsidized	Family	Stabilized	Other	65	0	100.0%	0%	0%	-	yes
009	Brentwood Towns Apartments	36.6661	-82.0631	1990	na	Market Rate	Family	Stabilized	Conventional	31	2	93.5%	0%	0%	-	no
010	Catalina Apartments	36.6512	-82.0896	1940	na	Market Rate	Family	Stabilized	Conventional	17	8	52.9%	0%	0%	-	-
012	Cedar Ridge Apartments	36.6663	-82.0620	1984	na	Market Rate	Family	Stabilized	Conventional	39	0	100.0%	0%	0%	-	-
016	Douglass School Apartments	36.6074	-82.1757	1925	2006	Restricted	Elderly	Stabilized	Tax Credit	41	0	100.0%	0%	44%	-	2 people
017	Downtown Plaza Apartments	36.5968	-82.1957	1968	na	Market Rate	Family	Stabilized	Conventional	76	2	97.4%	0%	0%	-	-
019	Eastridge Apartments	36.6000	-82.1676	1970	2008	Restricted	Family	Stabilized	HUD	96	3	96.9%	0%	4%	-	7 people
020	Edgemont Townhouses	36.7247	-81.9440	1978	2008	Restricted	Family	Stabilized	Tax Credit	7	0	100.0%	0%	0%	-	-
021	Fairview Apartments	36.7114	-81.9590	1979	na	Market Rate	Family	Stabilized	Conventional	36	9	75.0%	0%	0%	-	yes
023	Glade Terrace Apartments 1	36.7745	-81.7803	2012	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%	0%	8%	-	no
024	Glade Terrace Apartments 2	36.7745	-81.7803	2013	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%	0%	25%	-	yes
026	Gray Drive Apartments	36.7203	-81.9617	1968	2009	Market Rate	Family	Stabilized	Conventional	14	0	100.0%	0%	14%	-	-
027	Hallock Drive Townhomes	36.6962	-81.9959	2003	na	Market Rate	Family	Stabilized	Conventional	38	0	100.0%	0%	0%	-	-
028	Harbor Landing Apartments	36.5969	-82.1657	2004	na	Restricted	Family	Stabilized	Tax Credit	32	1	96.9%	0%	31%	-	no
029	Highland View Apartments	36.7018	-81.9821	1983	2013	Restricted	Family	Stabilized	Tax Credit	44	0	100.0%	0%	77%	44.00	7 people
031	Johnson Apartments	36.7152	-81.9713	1950	na	Market Rate	Family	Stabilized	Conventional	10	1	90.0%	0%	0%	-	-
040	Mill Way Apartments	36.7242	-81.9716	1980	na	Market Rate	Family	Stabilized	Conventional	33	3	90.9%	0%	9%	-	-
042	Mountain Empire Apartments	36.7133	-81.9240	1990	na	Market Rate	Family	Stabilized	Conventional	48	2	95.8%	0%	0%	-	no
043	Nicholas Apartments	36.7116	-81.9596	1996	na	Market Rate	Family	Stabilized	Conventional	40	0	100.0%	0%	0%	-	no
046	Pinehedge Condominiums	36.7218	-81.9788	1985	2009	Market Rate	Family	Stabilized	Conventional	30	0	100.0%	0%	0%	-	-
047	Promise Landing Apartments	36.7217	-81.9090	1990	na	Market Rate	Family	Stabilized	Conventional	86	0	100.0%	0%	0%	-	no
050	Ridgecrest Town Apartments	36.6251	-82.1344	2008	na	Restricted	Family	Stabilized	Tax Credit	72	5	93.1%	0%	42%	62.00	6 people
051	Ridgefield Court Apartments	36.7095	-81.9607	1987	na	Restricted	Family	Stabilized	RD	48	7	85.4%	0%	13%	-	12 people
055	Sapling Grove Apartments	36.6038	-82.1799	2008	na	Restricted	Family	Stabilized	Tax Credit	26	0	100.0%	0%	42%	26.00	2 years
057	Singleton Properties	36.7038	-82.0032	1987	na	Market Rate	Family	Stabilized	Conventional	18	0	100.0%	0%	0%	-	-
060	Stone Mill Apartments	36.7049	-81.9912	1978	na	Market Rate	Family	Stabilized	Conventional	10	0	100.0%	0%	0%	-	-
062	Sweetbriar 1	36.7142	-82.0200	2009	na	Restricted	Family	Stabilized	Tax Credit	20	0	100.0%	0%	55%	20.00	800 people
064	Sweetland Apartments	36.6461	-81.9886	1997	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%	0%	0%	-	yes
065	Theo's Ridge	36.7116	-81.9596	1980	2015	Restricted	Family	Prop Rehab	Tax Credit	35	9	74.3%	0%	0%	-	no
066	Thomas Jefferson Senior Apartments	36.6015	-82.1790	1892	2005	Restricted	Elderly	Stabilized	Tax Credit	30	1	96.7%	0%	37%	-	no
068	Village Green Townhomes Phase 1	36.7100	-82.0044	1999	na	Market Rate	Family	Stabilized	Conventional	14	0	100.0%	0%	0%	-	-
070	Village Square Apartments	36.7149	-81.9630	1965	na	Market Rate	Family	Stabilized	Conventional	10	1	90.0%	0%	0%	-	-
074	Washington Court Apartments	36.7026	-81.9894	1991	2013	Subsidized	Elderly	Stabilized	Tax Credit	39	0	100.0%	0%	0%	-	5 people
075	Whites Mill Point Apartments	36.7257	-81.9727	2006	na	Restricted	Family	Stabilized	Tax Credit	32	0	100.0%	0%	53%	32.00	14 people
076	Whites Mill Road Apartments	36.7223	-81.9703	1996	na	Market Rate	Family	Stabilized	Conventional	16	1	93.8%	0%	0%	-	-
077	Willow Run Apartments	36.7232	-81.9279	2009	na	Market Rate	Family	Stabilized	Conventional	192	3	98.4%	0%	0%	-	15 people
078	Woodlands (The)	36.6001	-82.1607	1981	2012	Subsidized	Family	Stabilized	Tax Credit	136	0	100.0%	0%	0%	-	yes
081	Wyndale Court Condominiums	36.7099	-82.0086	2003	na	Market Rate	Family	Stabilized	Conventional	16	0	100.0%	0%	0%	-	10 people

RENT COMPARABILITY ANALYSIS

In this section we develop restricted and unrestricted market rent conclusions for the subject property on an "as if complete & stabilized" basis. Our analysis begins with an evaluation of unrestricted market rents.

Unrestricted Rent Analysis

In this section we develop an unrestricted market rent conclusion for the subject property units. Our analysis began by selecting comparable rentals to use to develop estimates of market rents for the units at the subject property, assuming that the subject was an unrestricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

Rental Property Inventory, by Unit Type

In the following pages we present an inventory of properties included in this analysis. Rents for these properties, broken out by unit type, were used in selecting the rent comparables used in this analysis.

The properties that we consider to be comparable to the subject property are highlighted in the tables found in the following pages. We attempted to select stabilized market rate properties as comparables for purposes of our rent comparability analysis.

Comparables with restricted rents are used when a sufficient number of market rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

Rent Comparables, Market Rate, Map

A map showing the location of the properties selected as comparables in this analysis is found in the following pages. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the select rent comparables are found in the Appendix to this report.

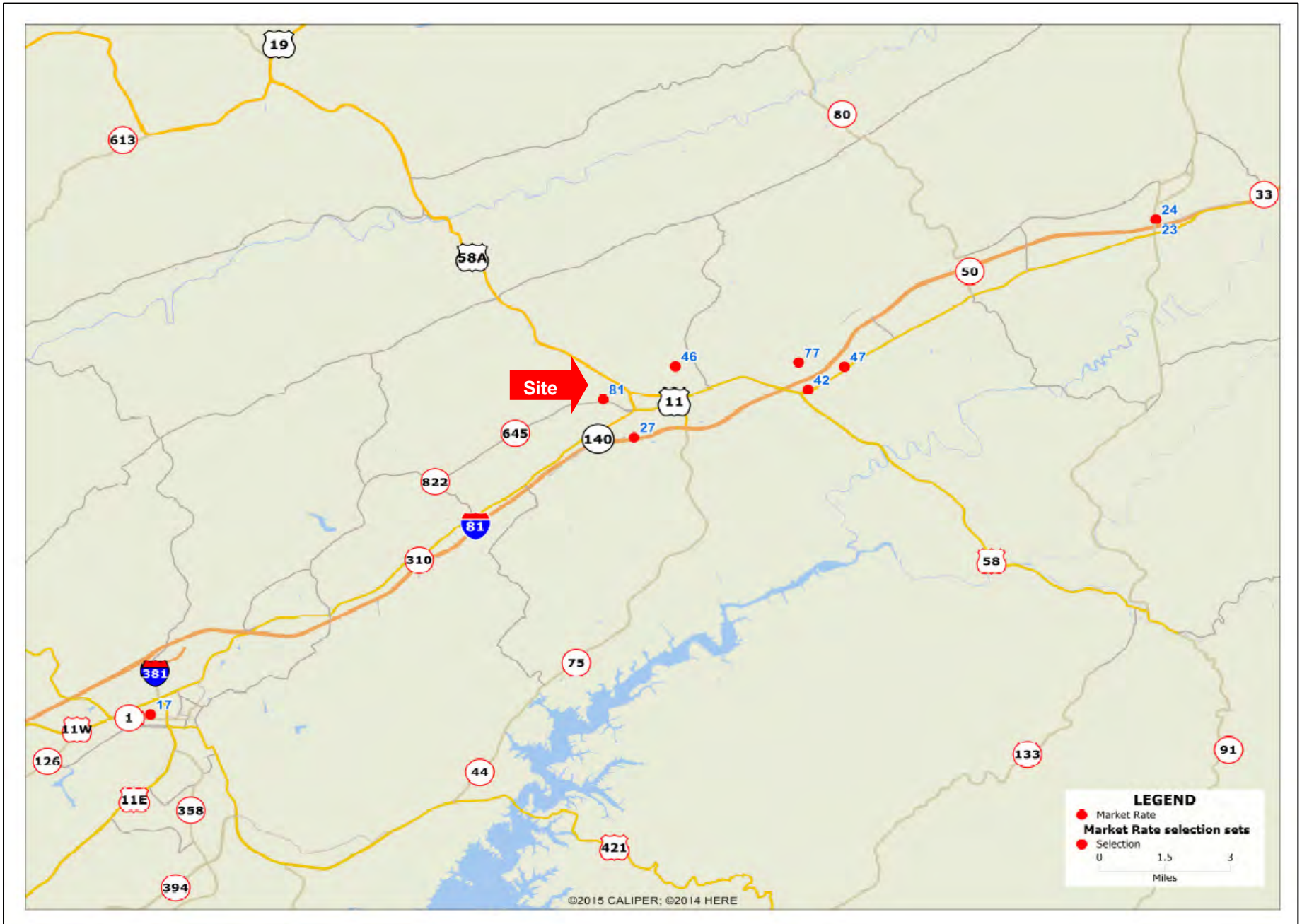
Rent Comparability Grids

Our analysis employed the use of rent comparability grids and resulted in an unrestricted market rent estimate for each of the subject's unit types. These grids and a narrative describing our rent adjustments are found in the following pages.

Rental Property Inventory, 3-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt
005	Aston Ridge Apartments	1990	na	Market Rate	Family	Stabilized								
009	Brentwood Towns Apartments	1990	na	Market Rate	Family	Stabilized								
010	Catalina Apartments	1940	na	Market Rate	Family	Stabilized								
012	Cedar Ridge Apartments	1984	na	Market Rate	Family	Stabilized								
017	Downtown Plaza Apartments	1968	na	Market Rate	Family	Stabilized								\$600
021	Fairview Apartments	1979	na	Market Rate	Family	Stabilized								
023	Glade Terrace Apartments 1	2012	na	Market Rate	Family	Stabilized								
024	Glade Terrace Apartments 2	2013	na	Market Rate	Family	Stabilized								
026	Gray Drive Apartments	1968	2009	Market Rate	Family	Stabilized								
027	Hallock Drive Townhomes	2003	na	Market Rate	Family	Stabilized								
031	Johnson Apartments	1950	na	Market Rate	Family	Stabilized								
040	Mill Way Apartments	1980	na	Market Rate	Family	Stabilized								
042	Mountain Empire Apartments	1990	na	Market Rate	Family	Stabilized								\$646
043	Nicholas Apartments	1996	na	Market Rate	Family	Stabilized								
046	Pinehedge Condominiums	1985	2009	Market Rate	Family	Stabilized								\$675
047	Promise Landing Apartments	1990	na	Market Rate	Family	Stabilized								\$750
057	Singleton Properties	1987	na	Market Rate	Family	Stabilized								
060	Stone Mill Apartments	1978	na	Market Rate	Family	Stabilized								
064	Sweetland Apartments	1997	na	Market Rate	Family	Stabilized								
068	Village Green Townhomes Phase 1	1999	na	Market Rate	Family	Stabilized								
070	Village Square Apartments	1965	na	Market Rate	Family	Stabilized								
076	Whites Mill Road Apartments	1996	na	Market Rate	Family	Stabilized								
077	Willow Run Apartments	2009	na	Market Rate	Family	Stabilized								\$755
081	Wyndale Court Condominiums	2003	na	Market Rate	Family	Stabilized								

Source: Allen & Associates



Rent Adjustments

Our analysis included a property management survey and a technique known as "statistical extraction" to help us identify the best adjustments to use. Statistical extraction, which is similar to the matched pair method, helped us derive the optimal adjustments for our particular data set.

Here's a hypothetical example to illustrate how we derived our rent adjustments. Assume that property managers tell us we should expect rent adjustments ranging from \$0.00 to \$0.50 per square foot for a particular market. Next, assume that we select 25 rent comparables with an adjusted sample standard deviation (a statistical measure of variability) of \$100. We employ a square foot rent adjustment of \$0.10 for each comparable resulting in an adjusted sample standard deviation of \$90. This tells us that the assumed adjustment "explained" some of the variability in the data. We repeat this process for adjustments of \$0.20, \$0.30, \$0.40 and \$0.50 which yielded adjusted sample standard deviations of \$80, \$70, \$65 and \$75, respectively. The \$0.40 square foot adjustment "explains" the most variability because any other adjustment yields a higher adjusted sample standard deviation. Consequently, a \$0.40 rent adjustment is the best adjustment for purposes of this example. This is a simplified example because we actually adjusted for numerous variables simultaneously in our analysis.

Many adjustments (bedroom count, bathroom count and square footage) are highly interrelated. Statistical extraction helped us unravel the interrelationships between these variables. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is superior a "plus" adjustment is made. If the subject is inferior a "minus" adjustment is made.

We used the Excel Solver function to help us with our analysis. The Solver function was programmed to minimize the adjusted standard deviation for our data set. We evaluated a total of 62 variables in 22 categories (AC systems, heating systems, technology, bedrooms, bathrooms, square feet, visibility, access, neighborhood, area amenities, condition, effective age, project amenities, elevator, unit amenities, storage, kitchen amenities, parking, laundry, security, on-site management, on-site maintenance) in an effort to identify the mix of adjustments that explained the most variability found in our raw data.

A discussion of our surveyed and concluded adjustments is found below.

Concessions

The first step in our analysis was to account for any concessions at the subject and the comparables. We considered the advertised street rent and concessions being offered and derived a net rent estimate for each comparable. Net rent, defined as advertised street rent minus monthly concessions, represents the cash rent paid by new residents at the various properties. This is the best measure of market value (prior to any other adjustments) for the comparables included in this analysis.

Tenant-Paid Utilities

The next step in our analysis was to account for differences in tenant-paid utilities between the comparable properties and the subject. We used the HUD Utility Schedule Model to derive our adjustments. The HUD model includes a current utility rate survey for the area. In the event that the tenant-paid utilities associated with a particular property are higher or lower than the subject, adjustments were made to account for the differences. Adjustments reflect the difference between the tenant-paid utilities for the comparable property minus that for the subject.

Technology

We accounted for technology (cable and internet access) offered in the rent for each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per month for cable; internet access was valued at \$0.

Adjustment	Technology		Concluded
	Survey	Range	
Cable	\$0	\$50	\$0
Internet	\$0	\$50	\$0

Bedrooms

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$95 per bedroom.

Bedrooms			
Adjustment	Survey Range		Concluded
Bedrooms	\$0	\$200	\$95

Bathrooms

Our analysis also included an adjustment for the number of bathrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$60 per bathroom.

Bathrooms			
Adjustment	Survey Range		Concluded
Bathrooms	\$0	\$100	\$60

Square Feet

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.15 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.00	\$2.00	\$0.15

Visibility

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$100 per point for differences in visibility ratings between the subject and the comparables.

Visibility			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$100

Access

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in access ratings between the subject and the comparables.

Access			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

Neighborhood

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in neighborhood ratings between the subject and the comparables.

Neighborhood			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

Area Amenities

We also accounted for area amenities for each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local amenity data (presented earlier in this report), we assigned a local amenity rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in amenity ratings between the subject and the comparables.

Area Amenities			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

Median Household Income

Our analysis also included an adjustment for median household income for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.0000 per dollar of median household income.

Median Household Income			
Adjustment	Survey Range		Concluded
Med HH Inc	\$0.0000	\$0.0000	\$0.0000

Average Commute

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 per each minute of commute.

Average Commute			
Adjustment	Survey Range		Concluded
Avg Commute	\$0.00	\$0.00	\$0.00

Public Transportation

Our analysis also included an adjustment for the existence of public transportation within walking distance of each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 for public transportation.

Public Transportation			
Adjustment	Survey Range		Concluded
Public Trans	\$0.00	\$0.00	\$0.00

Personal Crime

Our analysis also included an adjustment for personal crime rates for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$0	\$0

Condition

Our analysis also included an adjustment for the condition of each comparable as compared to the subject property. Based on our field review, we assigned a condition rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$10 per point for differences in condition ratings between the subject and the comparables.

Condition			
Adjustment	Survey Range		Concluded
Rating	\$10	\$50	\$10

Effective Age

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$1.00 per year for differences in effective age between the subject and the comparables.

Effective Age			
Adjustment	Survey Range		Concluded
Rating	\$1.00	\$5.00	\$1.00

Project Amenities

We considered the presence of various project amenities at the comparables as compared to the subject property. Project amenities include ball fields, BBQ areas, billiards, business/computer centers, car care centers, community centers, elevators, fitness centers, gazebos, hot tubs/Jacuzzis, horseshoe pits, lakes, libraries, movie theatres, picnic areas, playgrounds, pools, saunas, sports courts and walking trails. The survey range and our concluded adjustment for each amenity is summarized below.

Project Amenities			
Adjustment	Survey Range		Concluded
Ball Field	\$2	\$10	\$2
BBQ Area	\$2	\$10	\$10
Billiards	\$2	\$10	\$2
Bus/Comp Ctrs	\$2	\$10	\$2
Car Care Center	\$2	\$10	\$2
Community Center	\$2	\$10	\$10
Elevator	\$10	\$100	\$10
Fitness Center	\$2	\$10	\$10
Gazebo	\$2	\$10	\$2
Hot Tub/Jacuzzi	\$2	\$10	\$2
Horseshoe Pit	\$2	\$10	\$2
Lake	\$2	\$10	\$2
Library	\$2	\$10	\$2
Movie Theatre	\$2	\$10	\$2
Picnic Area	\$2	\$10	\$10
Playground	\$2	\$10	\$10
Pool	\$2	\$10	\$10
Sauna	\$2	\$10	\$2
Sports Court	\$2	\$10	\$10
Walking Trail	\$2	\$10	\$2

Unit Amenities

We considered the presence of various unit amenities at the comparables as compared to the subject property. Unit amenities include blinds, ceiling fans, carpeting/upgraded flooring, fireplaces, patios/balconies and storage. The survey range and our concluded adjustment for each amenity is summarized below.

Unit Amenities			
Adjustment	Survey Range		Concluded
Blinds	\$2	\$10	\$2
Ceiling Fans	\$2	\$10	\$10
Carpeting	\$2	\$10	\$2
Fireplace	\$2	\$10	\$2
Patio/Balcony	\$2	\$10	\$2
Storage	\$10	\$50	\$10

Kitchen Amenities

We considered the presence of various kitchen amenities at the comparables as compared to the subject property. Kitchen amenities include stoves, refrigerators, disposals, dishwashers and microwaves. The survey range and our concluded adjustment for each amenity is summarized below.

Kitchen Amenities			
Adjustment	Survey Range		Concluded
Stove	\$2	\$10	\$2
Refrigerator	\$2	\$10	\$2
Disposal	\$2	\$10	\$10
Dishwasher	\$2	\$10	\$10
Microwave	\$2	\$10	\$10

Parking

We also adjusted for differing types of parking configurations. We classified parking five ways: (1) Garage, (2) Covered; (3) Assigned, (4) Open and (5) No parking offered. Statistical extraction resulted in an adjustment of \$50 per month for garages; covered parking was valued at \$20; assigned parking was valued at \$10; open parking was valued at \$0; no parking was valued at \$0.

Parking			
Adjustment	Survey Range		Concluded
Garage	\$50	\$200	\$50
Covered	\$20	\$100	\$20
Assigned	\$10	\$50	\$10
Open	\$0	\$0	\$0
None	\$0	\$0	\$0

Laundry

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$25 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$5.

Laundry			
Adjustment	Survey Range		Concluded
Central	\$5	\$25	\$25
W/D Units	\$10	\$50	\$10
W/D Hookups	\$5	\$25	\$5

Security

We considered the presence of various security amenities at the comparables as compared to the subject property. Security amenities include call buttons, controlled access, courtesy officers, monitoring, security alarms and security patrols. The survey range and our concluded adjustment for each amenity is summarized below.

Security			
Adjustment	Survey Range		Concluded
Call Buttons	\$2	\$10	\$2
Controlled Access	\$2	\$10	\$2
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$2
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

Rent Conclusion, 3BR-2BA-1103sf

The development of our rent conclusion for the 3BR-2BA-1103sf units is found below.

Our analysis included the evaluation of a total of 25 unit types found at 9 properties. We selected the 25 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 25 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

		Rent Conclusion							
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-03	Sweetbriar II	3BR-2BA-1103sf	\$500	\$0	\$500	-	\$0	\$500	-
017-01	Downtown Plaza Apartments	1BR-1BA-700sf	\$375	\$0	\$375	\$408	\$358	\$733	19
017-02	Downtown Plaza Apartments	2BR-1.5BA-1050sf	\$600	\$0	\$600	\$341	\$291	\$891	13
017-03	Downtown Plaza Apartments	3BR-1.5BA-1250sf	\$600	\$0	\$600	\$398	\$304	\$904	18
023-01	Glade Terrace Apartments 1	2BR-1.5BA-650sf	\$600	\$0	\$600	\$273	\$145	\$745	5
024-01	Glade Terrace Apartments 2	2BR-1.5BA-650sf	\$600	\$0	\$600	\$273	\$145	\$745	5
027-01	Hallock Drive Townhomes	2BR-1.5BA-950sf	\$650	\$0	\$650	\$264	\$184	\$834	4
042-01	Mountain Empire Apartments	0BR-1BA-700sf	\$400	\$0	\$400	\$677	\$321	\$721	25
042-02	Mountain Empire Apartments	1BR-1BA-700sf	\$475	\$0	\$475	\$572	\$236	\$711	23
042-03	Mountain Empire Apartments	1BR-1BA-700sf	\$500	\$0	\$500	\$572	\$236	\$736	23
042-04	Mountain Empire Apartments	2BR-1BA-1200sf	\$650	\$0	\$650	\$414	\$83	\$733	20
042-05	Mountain Empire Apartments	2BR-1.5BA-1200sf	\$700	\$0	\$700	\$365	\$72	\$772	15
042-06	Mountain Empire Apartments	3BR-2BA-1200sf	\$625	\$0	\$625	\$242	-\$55	\$570	3
042-07	Mountain Empire Apartments	3BR-2BA-1200sf	\$750	\$0	\$750	\$220	-\$33	\$717	1
046-01	Pinehedge Condominiums	2BR-1.5BA-1000sf	\$625	\$0	\$625	\$387	\$35	\$660	17
046-02	Pinehedge Condominiums	3BR-1.5BA-1200sf	\$675	\$0	\$675	\$276	-\$74	\$601	7
047-01	Promise Landing Apartments	1BR-1BA-700sf	\$545	\$0	\$545	\$526	\$254	\$799	21
047-02	Promise Landing Apartments	2BR-1.5BA-1000sf	\$645	\$0	\$645	\$341	\$171	\$816	14
047-03	Promise Landing Apartments	3BR-2BA-1250sf	\$750	\$0	\$750	\$334	\$120	\$870	11
077-01	Willow Run Apartments	1BR-1BA-512sf	\$535	\$0	\$535	\$569	\$265	\$800	22
077-02	Willow Run Apartments	2BR-1BA-784sf	\$645	\$0	\$645	\$383	\$179	\$824	16
077-03	Willow Run Apartments	2BR-1.5BA-900sf	\$695	\$0	\$695	\$335	\$131	\$826	12
077-04	Willow Run Apartments	2BR-2.5BA-960sf	\$725	\$0	\$725	\$326	\$62	\$787	10
077-05	Willow Run Apartments	2BR-1.5BA-960sf	\$725	\$0	\$725	\$312	\$136	\$861	9
077-06	Willow Run Apartments	3BR-2BA-1344sf	\$755	\$0	\$755	\$233	\$21	\$776	2
081-01	Wyndale Court Condominiums	2BR-1.5BA-960sf	\$700	\$0	\$700	\$301	\$73	\$773	8
		Adjusted Rent, Minimum				\$570			
		Adjusted Rent, Maximum				\$904			
		Adjusted Rent, Average				\$768			
		Adjusted Rent, Modified Average				\$771			
		Rent, Concluded				\$775			

Our analysis suggests a rent of \$775 for the 3BR-2BA-1103sf units at the subject property.

In our opinion, the 3BR-2BA-1200sf units at Mountain Empire Apartments (Property # 042), the 3BR-2BA-1344sf units at Willow Run Apartments (Property # 077), the 3BR-1.5BA-1200sf units at Pinehedge Condominiums (Property # 046), the 3BR-2BA-1250sf units at Promise Landing Apartments (Property # 047), and the 3BR-1.5BA-1250sf units at Downtown Plaza Apartments (Property # 017) are the best comparables for the units at the subject property.

Unrestricted Market Rent Conclusion

Based on our evaluation of the rents at the select comparable properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were an unrestricted property:

Unrestricted Market Rent Conclusion						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market	Proposed	Advantage
3BR-2BA-1103sf / 60% of AMI / 40% of AMI	Yes	Yes	3	\$775	\$660	14.8%
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	Yes	2	\$775	\$660	14.8%
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	No	1	\$775	\$500	35.5%
3BR-2BA-961sf / 60% of AMI / 50% of AMI	Yes	No	5	\$775	\$500	35.5%
3BR-2BA-961sf / 60% of AMI / 60% of AMI	no	No	3	\$775	\$500	35.5%
3BR-2BA-1090sf / 60% of AMI / 60% of AMI	no	No	8	\$775	\$500	35.5%
Total / Average			22	\$775	\$536	30.8%

Our analysis suggests an average unrestricted market rent of \$775 for the subject property. This is compared with an average proposed rent of \$536, yielding an unrestricted market rent advantage of 30.8 percent. Overall, the subject property appears to be priced at or below unrestricted market rents for the area.

We selected a total of 10 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 99 percent.

Occupancy rates for the selected rent comparables are broken out below:

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								
1-Bedroom								
2-Bedroom								100%
3-Bedroom	100%			100%	100%			98%
4-Bedroom								
Total	100%			100%	100%			99%

Occupancy rates for all stabilized market area properties are broken out below:

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								67%
1-Bedroom	99%			100%	100%		91%	98%
2-Bedroom	99%			98%	97%		73%	96%
3-Bedroom	100%			97%	98%			98%
4-Bedroom	100%							
Total	99%			98%	97%		79%	96%

HUD conducts an annual rent survey to derive Fair Market Rent estimates for an area. Based on this, 2-bedroom rents for the area grew from \$571 to \$714 since 2010. This represents an average 2.5% annual increase over this period.

Fair market rent data for the area is found below:

HUD Fair Market Rents						
Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2007	\$404	\$502	\$673	-	-	-
2008	\$431	\$535	\$717	6.7%	6.6%	6.5%
2009	\$448	\$557	\$746	3.9%	4.1%	4.0%
2010	\$460	\$571	\$765	2.7%	2.5%	2.5%
2011	\$473	\$588	\$788	2.8%	3.0%	3.0%
2012	\$453	\$563	\$754	-4.2%	-4.3%	-4.3%
2013	\$487	\$626	\$819	7.5%	11.2%	8.6%
2014	\$480	\$617	\$807	-1.4%	-1.4%	-1.5%
2015	\$511	\$658	\$861	6.5%	6.6%	6.7%
2016	\$499	\$660	\$860	-2.3%	0.3%	-0.1%
2017	\$479	\$636	\$836	-4.0%	-3.6%	-2.8%
2018	\$514	\$684	\$903	7.3%	7.5%	8.0%
2019	\$529	\$700	\$924	2.9%	2.3%	2.3%
2020	\$542	\$714	\$933	2.5%	2.0%	1.0%

Source: HUD

Restricted Rent Analysis

In this section we develop a restricted market rent conclusion and an achievable rent conclusion for the subject property units. Our analysis began by selecting comparable rentals to use to develop estimates of market rents for the units at the subject property, assuming that the subject was a restricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

Rental Property Inventory, by Unit Type

In the following pages we present an inventory of properties included in this analysis. Rents for these properties, broken out by unit type, were used in selecting the rent comparables used in this analysis.

The properties that we consider to be comparable to the subject property are highlighted in the tables found in the following pages. We attempted to select stabilized restricted rent properties as comparables for purposes of our rent comparability analysis.

Comparables with market rents are used when a sufficient number of restricted rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

Rent Comparables, Restricted Rent, Map

A map showing the location of the properties selected as comparables in this analysis is found in the following pages. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the select rent comparables are found in the Appendix to this report.

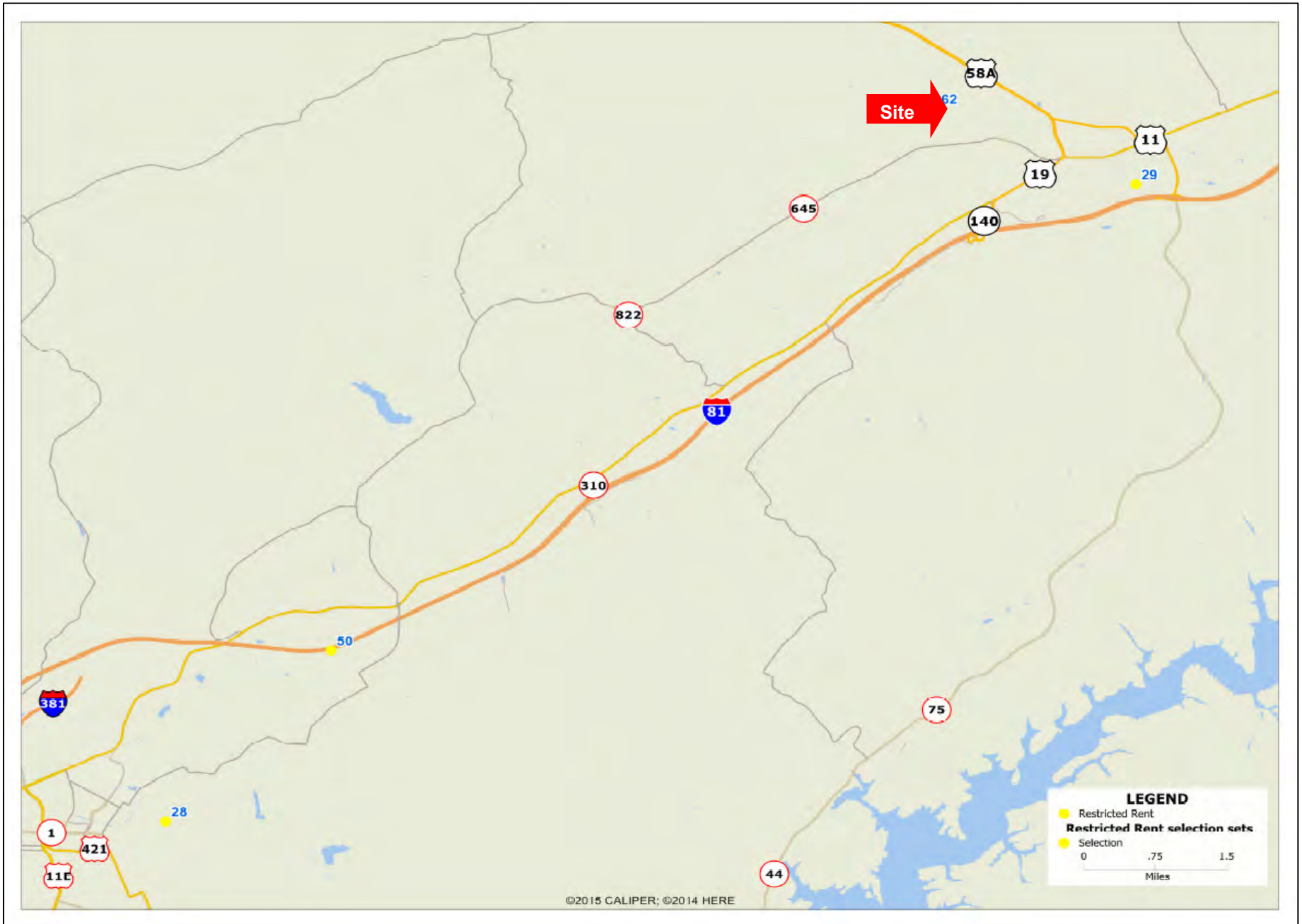
Rent Comparability Grids

Our analysis employed the use of rent comparability grids and resulted in a restricted market rent estimate for each of the subject's unit types. These grids and a narrative describing our rent adjustments are found in the following pages.

Rental Property Inventory, 3-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt
016	Douglass School Apartments	1925	2006	Restricted	Elderly	Stabilized								
019	Eastridge Apartments	1970	2008	Restricted	Family	Stabilized	\$565				\$500			
020	Edgemont Townhouses	1978	2008	Restricted	Family	Stabilized								
028	Harbor Landing Apartments	2004	na	Restricted	Family	Stabilized				\$580				
029	Highland View Apartments	1983	2013	Restricted	Family	Stabilized	\$625			\$625	\$685			
035	Lebanon Square Apartments	1990	2007	Restricted	Family	Stabilized								
050	Ridgecrest Town Apartments	2008	na	Restricted	Family	Stabilized					\$811			
051	Ridgefield Court Apartments	1987	na	Restricted	Family	Stabilized								
053	Riverside Place Apartments	1923	2011	Restricted	Family	Stabilized				\$400	\$400			
055	Sapling Grove Apartments	2008	na	Restricted	Family	Stabilized								
062	Sweetbriar 1	2009	na	Restricted	Family	Stabilized				\$480	\$535			
066	Thomas Jefferson Senior Apartments	1892	2005	Restricted	Elderly	Stabilized								
075	Whites Mill Point Apartments	2006	na	Restricted	Family	Stabilized								

Source: Allen & Associates



Rent Adjustments

Our analysis included a property management survey and a technique known as "statistical extraction" to help us identify the best adjustments to use. Statistical extraction, which is similar to the matched pair method, helped us derive the optimal adjustments for our particular data set.

Here's a hypothetical example to illustrate how we derived our rent adjustments. Assume that property managers tell us we should expect rent adjustments ranging from \$0.00 to \$0.50 per square foot for a particular market. Next, assume that we select 25 rent comparables with an adjusted sample standard deviation (a statistical measure of variability) of \$100. We employ a square foot rent adjustment of \$0.10 for each comparable resulting in an adjusted sample standard deviation of \$90. This tells us that the assumed adjustment "explained" some of the variability in the data. We repeat this process for adjustments of \$0.20, \$0.30, \$0.40 and \$0.50 which yielded adjusted sample standard deviations of \$80, \$70, \$65 and \$75, respectively. The \$0.40 square foot adjustment "explains" the most variability because any other adjustment yields a higher adjusted sample standard deviation. Consequently, a \$0.40 rent adjustment is the best adjustment for purposes of this example. This is a simplified example because we actually adjusted for numerous variables simultaneously in our analysis.

Many adjustments (bedroom count, bathroom count and square footage) are highly interrelated. Statistical extraction helped us unravel the interrelationships between these variables. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is superior a "plus" adjustment is made. If the subject is inferior a "minus" adjustment is made.

We used the Excel Solver function to help us with our analysis. The Solver function was programmed to minimize the adjusted standard deviation for our data set. We evaluated a total of 62 variables in 22 categories (AC systems, heating systems, technology, bedrooms, bathrooms, square feet, visibility, access, neighborhood, area amenities, condition, effective age, project amenities, elevator, unit amenities, storage, kitchen amenities, parking, laundry, security, on-site management, on-site maintenance) in an effort to identify the mix of adjustments that explained the most variability found in our raw data.

A discussion of our surveyed and concluded adjustments is found below.

Concessions

The first step in our analysis was to account for any concessions at the subject and the comparables. We considered the advertised street rent and concessions being offered and derived a net rent estimate for each comparable. Net rent, defined as advertised street rent minus monthly concessions, represents the cash rent paid by new residents at the various properties. This is the best measure of market value (prior to any other adjustments) for the comparables included in this analysis.

Tenant-Paid Utilities

The next step in our analysis was to account for differences in tenant-paid utilities between the comparable properties and the subject. We used the HUD Utility Schedule Model to derive our adjustments. The HUD model includes a current utility rate survey for the area. In the event that the tenant-paid utilities associated with a particular property are higher or lower than the subject, adjustments were made to account for the differences. Adjustments reflect the difference between the tenant-paid utilities for the comparable property minus that for the subject.

Technology

We accounted for technology (cable and internet access) offered in the rent for each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per month for cable; internet access was valued at \$0.

Adjustment	Technology		Concluded
	Survey Range		
Cable	\$0	\$50	\$0
Internet	\$0	\$50	\$0

Bedrooms

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$90 per bedroom.

Bedrooms			
Adjustment	Survey Range		Concluded
Bedrooms	\$0	\$200	\$90

Bathrooms

Our analysis also included an adjustment for the number of bathrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per bathroom.

Bathrooms			
Adjustment	Survey Range		Concluded
Bathrooms	\$0	\$100	\$0

Square Feet

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.15 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.00	\$2.00	\$0.15

Visibility

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in visibility ratings between the subject and the comparables.

Visibility			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

Access

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$15 per point for differences in access ratings between the subject and the comparables.

Access			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$15

Neighborhood

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$100 per point for differences in neighborhood ratings between the subject and the comparables.

Neighborhood			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$100

Area Amenities

We also accounted for area amenities for each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local amenity data (presented earlier in this report), we assigned a local amenity rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$20 per point for differences in amenity ratings between the subject and the comparables.

Area Amenities			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$20

Median Household Income

Our analysis also included an adjustment for median household income for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.0000 per dollar of median household income.

Median Household Income			
Adjustment	Survey Range		Concluded
Med HH Inc	\$0.0000	\$0.0000	\$0.0000

Average Commute

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 per each minute of commute.

Average Commute			
Adjustment	Survey Range		Concluded
Avg Commute	\$0.00	\$0.00	\$0.00

Public Transportation

Our analysis also included an adjustment for the existence of public transportation within walking distance of each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 for public transportation.

Public Transportation			
Adjustment	Survey Range		Concluded
Public Trans	\$0.00	\$0.00	\$0.00

Personal Crime

Our analysis also included an adjustment for personal crime rates for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$0	\$0

Condition

Our analysis also included an adjustment for the condition of each comparable as compared to the subject property. Based on our field review, we assigned a condition rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$50 per point for differences in condition ratings between the subject and the comparables.

Condition			
Adjustment	Survey Range		Concluded
Rating	\$10	\$50	\$50

Effective Age

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$1.00 per year for differences in effective age between the subject and the comparables.

Effective Age			
Adjustment	Survey Range		Concluded
Rating	\$1.00	\$5.00	\$1.00

Project Amenities

We considered the presence of various project amenities at the comparables as compared to the subject property. Project amenities include ball fields, BBQ areas, billiards, business/computer centers, car care centers, community centers, elevators, fitness centers, gazebos, hot tubs/Jacuzzis, horseshoe pits, lakes, libraries, movie theatres, picnic areas, playgrounds, pools, saunas, sports courts and walking trails. The survey range and our concluded adjustment for each amenity is summarized below.

Project Amenities			
Adjustment	Survey Range		Concluded
Ball Field	\$2	\$10	\$2
BBQ Area	\$2	\$10	\$10
Billiards	\$2	\$10	\$2
Bus/Comp Ctrs	\$2	\$10	\$10
Car Care Center	\$2	\$10	\$2
Community Center	\$2	\$10	\$10
Elevator	\$10	\$100	\$10
Fitness Center	\$2	\$10	\$10
Gazebo	\$2	\$10	\$10
Hot Tub/Jacuzzi	\$2	\$10	\$2
Horseshoe Pit	\$2	\$10	\$2
Lake	\$2	\$10	\$2
Library	\$2	\$10	\$2
Movie Theatre	\$2	\$10	\$2
Picnic Area	\$2	\$10	\$10
Playground	\$2	\$10	\$10
Pool	\$2	\$10	\$2
Sauna	\$2	\$10	\$2
Sports Court	\$2	\$10	\$2
Walking Trail	\$2	\$10	\$10

Unit Amenities

We considered the presence of various unit amenities at the comparables as compared to the subject property. Unit amenities include blinds, ceiling fans, carpeting/upgraded flooring, fireplaces, patios/balconies and storage. The survey range and our concluded adjustment for each amenity is summarized below.

Unit Amenities			
Adjustment	Survey Range		Concluded
Blinds	\$2	\$10	\$2
Ceiling Fans	\$2	\$10	\$10
Carpeting	\$2	\$10	\$2
Fireplace	\$2	\$10	\$2
Patio/Balcony	\$2	\$10	\$10
Storage	\$10	\$50	\$10

Kitchen Amenities

We considered the presence of various kitchen amenities at the comparables as compared to the subject property. Kitchen amenities include stoves, refrigerators, disposals, dishwashers and microwaves. The survey range and our concluded adjustment for each amenity is summarized below.

Kitchen Amenities			
Adjustment	Survey Range		Concluded
Stove	\$2	\$10	\$2
Refrigerator	\$2	\$10	\$2
Disposal	\$2	\$10	\$10
Dishwasher	\$2	\$10	\$2
Microwave	\$2	\$10	\$2

Parking

We also adjusted for differing types of parking configurations. We classified parking five ways: (1) Garage, (2) Covered; (3) Assigned, (4) Open and (5) No parking offered. Statistical extraction resulted in an adjustment of \$50 per month for garages; covered parking was valued at \$20; assigned parking was valued at \$10; open parking was valued at \$0; no parking was valued at \$0.

Parking			
Adjustment	Survey Range		Concluded
Garage	\$50	\$200	\$50
Covered	\$20	\$100	\$20
Assigned	\$10	\$50	\$10
Open	\$0	\$0	\$0
None	\$0	\$0	\$0

Laundry

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$25 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$5.

Laundry			
Adjustment	Survey Range		Concluded
Central	\$5	\$25	\$25
W/D Units	\$10	\$50	\$10
W/D Hookups	\$5	\$25	\$5

Security

We considered the presence of various security amenities at the comparables as compared to the subject property. Security amenities include call buttons, controlled access, courtesy officers, monitoring, security alarms and security patrols. The survey range and our concluded adjustment for each amenity is summarized below.

Security			
Adjustment	Survey Range		Concluded
Call Buttons	\$2	\$10	\$10
Controlled Access	\$2	\$10	\$2
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$2
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

Rent Conclusion, 3BR-2BA-1103sf

The development of our rent conclusion for the 3BR-2BA-1103sf units is found below.

Our analysis included the evaluation of a total of 12 unit types found at 4 properties. We selected the 12 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 12 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

		Rent Conclusion							
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-03	Sweetbriar II	3BR-2BA-1103sf	\$500	\$0	\$500	-	\$0	\$500	-
028-01	Harbor Landing Apartments	2BR-2BA-1072sf	\$494	\$0	\$494	\$351	\$111	\$605	4
028-02	Harbor Landing Apartments	3BR-2BA-1304sf	\$580	\$0	\$580	\$252	\$20	\$600	2
029-02	Highland View Apartments	1BR-1BA-740sf	\$435	\$0	\$435	\$659	\$142	\$577	11
029-03	Highland View Apartments	1BR-1BA-589sf	\$435	\$0	\$435	\$682	\$165	\$600	12
029-05	Highland View Apartments	2BR-1.5BA-746sf	\$575	\$0	\$575	\$561	\$58	\$633	9
029-06	Highland View Apartments	2BR-1.5BA-746sf	\$575	\$0	\$575	\$561	\$58	\$633	9
029-08	Highland View Apartments	3BR-2BA-903sf	\$625	\$0	\$625	\$436	-\$44	\$582	6
029-09	Highland View Apartments	3BR-2BA-903sf	\$625	\$0	\$625	\$436	-\$44	\$582	6
029-10	Highland View Apartments	3BR-2BA-1501sf	\$745	\$0	\$745	\$451	-\$119	\$626	8
050-03	Ridgecrest Town Apartments	2BR-1.5BA-1021sf	\$798	\$0	\$798	\$408	-\$141	\$657	5
050-06	Ridgecrest Town Apartments	3BR-2BA-1173sf	\$922	\$0	\$922	\$298	-\$236	\$686	3
062-02	Sweetbriar 1	3BR-2.5BA-1385sf	\$535	\$0	\$535	\$202	-\$38	\$497	1

Adjusted Rent, Minimum	\$497
Adjusted Rent, Maximum	\$686
Adjusted Rent, Average	\$606
Adjusted Rent, Modified Average	\$609
Rent, Concluded	\$600

Our analysis suggests a rent of \$600 for the 3BR-2BA-1103sf units at the subject property.

In our opinion, the 3BR-2.5BA-1385sf units at Sweetbriar 1 (Property # 062), the 3BR-2BA-1304sf units at Harbor Landing Apartments (Property # 028), the 3BR-2BA-1173sf units at Ridgecrest Town Apartments (Property # 050), the 2BR-2BA-1072sf units at Harbor Landing Apartments (Property # 028), and the 3BR-2BA-903sf units at Highland View Apartments (Property # 029) are the best comparables for the units at the subject property.

Restricted Market Rent Conclusion

Based on our evaluation of the rents at the select comparable properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were a restricted property:

Restricted Market Rent Conclusion				
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market
3BR-2BA-1103sf / 60% of AMI / 40% of AMI	Yes	Yes	3	\$600
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	Yes	2	\$600
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	No	1	\$600
3BR-2BA-961sf / 60% of AMI / 50% of AMI	Yes	No	5	\$600
3BR-2BA-961sf / 60% of AMI / 60% of AMI	no	No	3	\$600
3BR-2BA-1090sf / 60% of AMI / 60% of AMI	no	No	8	\$600
Total / Average			22	\$600

Our analysis suggests an average restricted market rent of \$600 for the subject property.

We selected a total of 3 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 98 percent.

The occupancy rate of the selected rent comparables is broken out in the tables below:

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								
1-Bedroom								
2-Bedroom								
3-Bedroom				96%	98%			
4-Bedroom								
Total				96%	98%			

Occupancy rates for all stabilized market area properties are broken out below:

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								67%
1-Bedroom	99%			100%	100%		91%	98%
2-Bedroom	99%			98%	97%		73%	96%
3-Bedroom	100%			97%	98%			98%
4-Bedroom	100%							
Total	99%			98%	97%		79%	96%

Rents at rent restricted properties tend to move with median household incomes for an area. Given HUD's published median incomes, we were able to derive 1, 2 and 3-bedroom 60% of AMI rent limits for the subject's primary market area. According to our analysis, maximum 2-bedroom rents for the area grew from \$667 to \$798 since 2010. This represents an average 2.0% annual increase over this period.

Maximum tax credit rent data for the area is found below:

Maximum Tax Credit Rents, 60% of AMI						
Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2007	\$513	\$616	\$711	-	-	-
2008	\$523	\$628	\$725	1.9%	1.9%	2.0%
2009	\$551	\$662	\$764	5.4%	5.4%	5.4%
2010	\$556	\$667	\$771	0.9%	0.8%	0.9%
2011	\$557	\$668	\$772	0.2%	0.1%	0.1%
2012	\$565	\$678	\$783	1.4%	1.5%	1.4%
2013	\$548	\$657	\$760	-3.0%	-3.1%	-2.9%
2014	\$569	\$683	\$789	3.8%	4.0%	3.8%
2015	\$583	\$699	\$808	2.5%	2.3%	2.4%
2016	\$570	\$684	\$791	-2.2%	-2.1%	-2.1%
2017	\$613	\$736	\$850	7.5%	7.6%	7.5%
2018	\$616	\$740	\$855	0.5%	0.5%	0.6%
2019	\$620	\$744	\$860	0.6%	0.5%	0.6%
2020	\$665	\$798	\$922	7.3%	7.3%	7.2%

Source: HUD

Achievable Rent Conclusion

The next step in our analysis is to develop an achievable rent conclusion for the subject property. Achievable rents represent the absolute highest rent permissible for the area, considering market rents, program rent limits, and any other applicable rent restrictions on the subject property.

Our analysis begins by establishing the applicable program rent limits for the subject property. Program rent limits include any applicable LIHTC and FMR rent limits. LIHTC rent limits typically apply to units benefitting from tax credit and/or bond financing. The LIHTC rent limits for applicable units at the subject property follow:

LIHTC Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
3BR-2BA-1103sf / 60% of AMI / 40% of AMI	Yes	Yes	3	\$648	\$226	\$422
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	Yes	2	\$810	\$226	\$584
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	No	1	\$810	\$226	\$584
3BR-2BA-961sf / 60% of AMI / 50% of AMI	Yes	No	5	\$810	\$226	\$584
3BR-2BA-961sf / 60% of AMI / 60% of AMI	no	No	3	\$972	\$226	\$746
3BR-2BA-1090sf / 60% of AMI / 60% of AMI	no	No	8	\$972	\$226	\$746
Total / Average			22	\$869	\$226	\$643

Our analysis suggests an average net LIHTC rent limit of \$643 for 22 applicable units at the subject property.

FMR rent limits typically apply to units benefitting from HOME funds. The FMR rent limits for applicable units at the subject property follow:

FMR Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
3BR-2BA-1103sf / 60% of AMI / 40% of AMI	Yes	Yes	3	\$916	\$226	\$690
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	Yes	2	\$916	\$226	\$690
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	No	1	\$916	\$226	\$690
3BR-2BA-961sf / 60% of AMI / 50% of AMI	Yes	No	5	\$916	\$226	\$690
3BR-2BA-961sf / 60% of AMI / 60% of AMI	no	No	-	-	-	-
3BR-2BA-1090sf / 60% of AMI / 60% of AMI	no	No	-	-	-	-
Total / Average			11	\$916	\$226	\$690

Our analysis suggests an average net FMR rent limit of \$690 for 11 applicable units at the subject property.

Units benefitting exclusively from tax credits and/or bond financing are subject to LIHTC rent limits. Units benefitting from HOME funds in addition to tax credit and/or bond financing are subject to the lesser of LIHTC rent limits or FMR rent limits. Units benefitting from project-based rental assistance are normally limited to unrestricted market rent. With these parameters in mind, the following table sets forth the concluded program rent limits for applicable units at the subject property:

Program Rent Limits							
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	LIHTC	FMR	Market	Program
3BR-2BA-1103sf / 60% of AMI / 40% of AMI	Yes	Yes	3	\$422	\$690	\$775	\$775
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	Yes	2	\$584	\$690	\$775	\$775
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	No	1	\$584	\$690	-	\$584
3BR-2BA-961sf / 60% of AMI / 50% of AMI	Yes	No	5	\$584	\$690	-	\$584
3BR-2BA-961sf / 60% of AMI / 60% of AMI	no	No	3	\$746	-	-	\$746
3BR-2BA-1090sf / 60% of AMI / 60% of AMI	no	No	8	\$746	-	-	\$746
Total / Average			22	\$643	\$690	\$775	\$708

Our analysis suggests an average program rent limit of \$708 for 22 applicable units at the subject property.

Now that we have established program rent limits, we are in a position to develop an achievable rent conclusion for

the subject property. Achievable rents represent the absolute highest rent permissible for the area, considering unrestricted and restricted market rents, program rent limits, and any other applicable rent restrictions on the subject property. The following table summarizes our findings:

Achievable Rents									
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
3BR-2BA-1103sf / 60% of AMI / 40% of AMI	Yes	Yes	3	\$775	\$775	\$600	\$775	\$660	14.8%
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	Yes	2	\$775	\$775	\$600	\$775	\$660	14.8%
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	No	1	\$584	\$775	\$600	\$584	\$500	14.4%
3BR-2BA-961sf / 60% of AMI / 50% of AMI	Yes	No	5	\$584	\$775	\$600	\$584	\$500	14.4%
3BR-2BA-961sf / 60% of AMI / 60% of AMI	no	No	3	\$746	\$775	\$600	\$600	\$500	16.7%
3BR-2BA-1090sf / 60% of AMI / 60% of AMI	no	No	8	\$746	\$775	\$600	\$600	\$500	16.7%
Total / Average			22	\$708	\$775	\$600	\$635	\$536	15.6%

Our analysis suggests an average achievable rent of \$635 for the subject property. This is compared with an average proposed rent of \$536, yielding an achievable rent advantage of 15.6 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

Finally, assuming no rent subsidies, we arrive at the following achievable rents for units at this property:

Achievable Rents, No Rent Subsidies									
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
3BR-2BA-1103sf / 60% of AMI / 40% of AMI	Yes	No	3	\$422	\$775	\$600	\$422	\$660	-56.4%
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	No	2	\$584	\$775	\$600	\$584	\$660	-13.0%
3BR-2BA-1103sf / 60% of AMI / 50% of AMI	Yes	No	1	\$584	\$775	\$600	\$584	\$500	14.4%
3BR-2BA-961sf / 60% of AMI / 50% of AMI	Yes	No	5	\$584	\$775	\$600	\$584	\$500	14.4%
3BR-2BA-961sf / 60% of AMI / 60% of AMI	no	No	3	\$746	\$775	\$600	\$600	\$500	16.7%
3BR-2BA-1090sf / 60% of AMI / 60% of AMI	no	No	8	\$746	\$775	\$600	\$600	\$500	16.7%
Total / Average			22	\$643	\$775	\$600	\$570	\$536	5.9%

DEMAND ANALYSIS

Overview

In this section we evaluate demand for the subject property using the recommended demand methodology promulgated by the National Council of Housing Market Analysts (NCHMA). For purposes of this analysis, we define demand as the number of income-qualified renter households (by household size and unit type) that would qualify to live at the subject property at the lesser of the developer's proposed rents or achievable rents.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

2021 \$		Renter Households, by Income, by Size							
		2023							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total	
\$0	to \$9,999	754	239	120	38	9	2	1,163	
\$0	to \$19,999	1,716	633	267	80	22	4	2,721	
\$0	to \$29,999	2,346	1,030	409	183	92	33	4,093	
\$0	to \$39,999	2,734	1,231	552	263	149	62	4,991	
\$0	to \$49,999	2,947	1,436	821	310	170	66	5,750	
\$0	to \$59,999	3,041	1,527	880	418	235	91	6,193	
\$0	to \$74,999	3,203	1,686	915	452	261	98	6,615	
\$0	to \$99,999	3,231	1,851	968	574	309	119	7,051	
\$0	to \$124,999	3,313	1,964	973	617	319	120	7,306	
\$0	to \$149,999	3,383	2,020	995	641	326	120	7,486	
\$0	to \$199,999	3,451	2,056	1,002	653	333	122	7,616	
\$0	or more	3,486	2,087	1,013	666	344	122	7,717	

Source: ESRI & Ribbon Demographics

Our analysis includes an estimate of demand along with capture rate and penetration rate estimates. Capture rates were computed two ways: (1) On a gross basis (the number of proposed units divided by qualified demand) and (2) On a net basis (the number of proposed units divided by qualified demand minus competing & pipeline units). Penetration rates are defined as the number of proposed units plus competing & pipeline units divided by income-qualified demand. In the following pages we provide detailed listings of competing & pipeline units in the market area broken by unit type.

Competing & Pipeline Units, 3-Bedroom Units

Overview							Total Units								Vacant Units								
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt	Sub	30%	40%	50%	60%	70%	80%	Mkt	
005	Aston Ridge Apartments	1990	na	Market Rate	Family	Stabilized																	
008	Bonham Circle Apartments	1968	1996	Subsidized	Family	Stabilized	32																
009	Brentwood Towns Apartments	1990	na	Market Rate	Family	Stabilized																	
010	Catalina Apartments	1940	na	Market Rate	Family	Stabilized																	
012	Cedar Ridge Apartments	1984	na	Market Rate	Family	Stabilized																	
017	Downtown Plaza Apartments	1968	na	Market Rate	Family	Stabilized								8									
019	Eastridge Apartments	1970	2008	Restricted	Family	Stabilized	10				6												
020	Edgemont Townhouses	1978	2008	Restricted	Family	Stabilized																	
021	Fairview Apartments	1979	na	Market Rate	Family	Stabilized																	
023	Glade Terrace Apartments 1	2012	na	Market Rate	Family	Stabilized																	
024	Glade Terrace Apartments 2	2013	na	Market Rate	Family	Stabilized																	
026	Gray Drive Apartments	1968	2009	Market Rate	Family	Stabilized																	
027	Hallock Drive Townhomes	2003	na	Market Rate	Family	Stabilized																	
028	Harbor Landing Apartments	2004	na	Restricted	Family	Stabilized				16							1						
029	Highland View Apartments	1983	2013	Restricted	Family	Stabilized	1			5	4												
031	Johnson Apartments	1950	na	Market Rate	Family	Stabilized																	
040	Mill Way Apartments	1980	na	Market Rate	Family	Stabilized																	
042	Mountain Empire Apartments	1990	na	Market Rate	Family	Stabilized								12									1
043	Nicholas Apartments	1996	na	Market Rate	Family	Stabilized																	
046	Pinehedge Condominiums	1985	2009	Market Rate	Family	Stabilized								12									
047	Promise Landing Apartments	1990	na	Market Rate	Family	Stabilized								6									
050	Ridgecrest Town Apartments	2008	na	Restricted	Family	Stabilized					32							1					
051	Ridgefield Court Apartments	1987	na	Restricted	Family	Stabilized																	
055	Sapling Grove Apartments	2008	na	Restricted	Family	Stabilized																	
057	Singleton Properties	1987	na	Market Rate	Family	Stabilized																	
060	Stone Mill Apartments	1978	na	Market Rate	Family	Stabilized																	
062	Sweetbriar 1	2009	na	Restricted	Family	Stabilized				10	10												
064	Sweetland Apartments	1997	na	Market Rate	Family	Stabilized																	
065	Theo's Ridge	1980	2015	Restricted	Family	Prop Rehab	5				2												
068	Village Green Townhomes Phase 1	1999	na	Market Rate	Family	Stabilized																	
070	Village Square Apartments	1965	na	Market Rate	Family	Stabilized																	
075	Whites Mill Point Apartments	2006	na	Restricted	Family	Stabilized																	
076	Whites Mill Road Apartments	1996	na	Market Rate	Family	Stabilized																	
077	Willow Run Apartments	2009	na	Market Rate	Family	Stabilized								19									
078	Woodlands (The)	1981	2012	Subsidized	Family	Stabilized	28																
081	Wyndale Court Condominiums	2003	na	Market Rate	Family	Stabilized																	
Total							76			31	54			57				1	1				1

Source: Allen & Associates

Demand Estimate, 3-Bedroom, Subsidized, 60% of AMI

In this section we estimate demand for the 3-Bedroom / Subsidized / 60% of AMI units at the subject property. Our analysis assumes a total of 5 units, 5 of which are anticipated to be vacant on market entry in 2023. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Subsidized
Income Limit	60% of AMI
Total Units	5
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$226
Gross Rent	\$226
Income Qualification Ratio	35%
Minimum Qualified Income	\$646
Months/Year	12
Minimum Qualified Income	\$7,749

Renter Households, by Income, by Size								
2023								
2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,716	633	267	80	22	4
\$0	to	\$29,999	2,346	1,030	409	183	92	33
\$0	to	\$39,999	2,734	1,231	552	263	149	62
\$0	to	\$49,999	2,947	1,436	821	310	170	66
\$0	to	\$59,999	3,041	1,527	880	418	235	91
\$0	to	\$74,999	3,203	1,686	915	452	261	98
\$0	to	\$99,999	3,231	1,851	968	574	309	119
\$0	to	\$124,999	3,313	1,964	973	617	319	120
\$0	to	\$149,999	3,383	2,020	995	641	326	120
\$0	to	\$199,999	3,451	2,056	1,002	653	333	122
\$0	or	more	3,486	2,087	1,013	666	344	122

Maximum Allowable Income						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Allowable Income	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	\$43,380

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	Yes	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	2,094	1,010	459	239	149	0
HH Below Minimum Income	566	179	90	29	7	0
Subtotal	1,529	831	369	211	142	0

Demand Estimate 3,081

Our analysis suggests demand for a total of 3,081 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 3-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 3-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 17 units, 17 of which are anticipated to be vacant on market entry in 2023. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	17
Vacant Units at Market Entry	17

Minimum Qualified Income	
Net Rent	\$500
Utilities	\$226
Gross Rent	\$726
Income Qualification Ratio	35%
Minimum Qualified Income	\$2,074
Months/Year	12
Minimum Qualified Income	\$24,891

Renter Households, by Income, by Size								
2023								
2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,716	633	267	80	22	4
\$0	to	\$29,999	2,346	1,030	409	183	92	33
\$0	to	\$39,999	2,734	1,231	552	263	149	62
\$0	to	\$49,999	2,947	1,436	821	310	170	66
\$0	to	\$59,999	3,041	1,527	880	418	235	91
\$0	to	\$74,999	3,203	1,686	915	452	261	98
\$0	to	\$99,999	3,231	1,851	968	574	309	119
\$0	to	\$124,999	3,313	1,964	973	617	319	120
\$0	to	\$149,999	3,383	2,020	995	641	326	120
\$0	to	\$199,999	3,451	2,056	1,002	653	333	122
\$0	or	more	3,486	2,087	1,013	666	344	122

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	\$43,380	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	Yes	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	2,094	1,010	459	239	149	0
HH Below Minimum Income	2,000	812	331	126	54	0
Subtotal	95	199	128	113	95	0

Demand Estimate 629

Our analysis suggests demand for a total of 629 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, Subsidized

In this section we account for income-band overlap and develop a demand estimate for the subsidized units at the subject property.

Renter Households, by Income, by Size								
2023								
2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,716	633	267	80	22	4
\$0	to	\$29,999	2,346	1,030	409	183	92	33
\$0	to	\$39,999	2,734	1,231	552	263	149	62
\$0	to	\$49,999	2,947	1,436	821	310	170	66
\$0	to	\$59,999	3,041	1,527	880	418	235	91
\$0	to	\$74,999	3,203	1,686	915	452	261	98
\$0	to	\$99,999	3,231	1,851	968	574	309	119
\$0	to	\$124,999	3,313	1,964	973	617	319	120
\$0	to	\$149,999	3,383	2,020	995	641	326	120
\$0	to	\$199,999	3,451	2,056	1,002	653	333	122
\$0	or	more	3,486	2,087	1,013	666	344	122

Demand Estimate, Subsidized						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	-	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-
Maximum Income, 3BR	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	-	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-
Minimum Income, 3BR	\$7,749	\$7,749	\$7,749	\$7,749	\$7,749	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$7,749	\$7,749	\$7,749	\$7,749	\$7,749	-
HH Below Upper Income	2,094	1,010	459	239	149	0
HH Below Lower Income	566	179	90	29	7	0
Subtotal	1,529	831	369	211	142	0

Demand Estimate 3,081

Our analysis suggests demand for a total of 3,081 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate, Restricted, 60% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 60% of AMI at the subject property.

Renter Households, by Income, by Size								
2023								
2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,716	633	267	80	22	4
\$0	to	\$29,999	2,346	1,030	409	183	92	33
\$0	to	\$39,999	2,734	1,231	552	263	149	62
\$0	to	\$49,999	2,947	1,436	821	310	170	66
\$0	to	\$59,999	3,041	1,527	880	418	235	91
\$0	to	\$74,999	3,203	1,686	915	452	261	98
\$0	to	\$99,999	3,231	1,851	968	574	309	119
\$0	to	\$124,999	3,313	1,964	973	617	319	120
\$0	to	\$149,999	3,383	2,020	995	641	326	120
\$0	to	\$199,999	3,451	2,056	1,002	653	333	122
\$0	or	more	3,486	2,087	1,013	666	344	122

Demand Estimate, Restricted, 60% of AMI						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	-	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-
Maximum Income, 3BR	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	-	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-
Minimum Income, 3BR	\$24,891	\$24,891	\$24,891	\$24,891	\$24,891	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$24,891	\$24,891	\$24,891	\$24,891	\$24,891	-
HH Below Upper Income	2,094	1,010	459	239	149	0
HH Below Lower Income	2,000	812	331	126	54	0
Subtotal	95	199	128	113	95	0

Demand Estimate

629

Our analysis suggests demand for a total of 629 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate, Project-Level

In this section we account for income-band overlap and develop a project-level demand estimate for the subject property.

Renter Households, by Income, by Size								
			2023					
2021	\$		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,716	633	267	80	22	4
\$0	to	\$29,999	2,346	1,030	409	183	92	33
\$0	to	\$39,999	2,734	1,231	552	263	149	62
\$0	to	\$49,999	2,947	1,436	821	310	170	66
\$0	to	\$59,999	3,041	1,527	880	418	235	91
\$0	to	\$74,999	3,203	1,686	915	452	261	98
\$0	to	\$99,999	3,231	1,851	968	574	309	119
\$0	to	\$124,999	3,313	1,964	973	617	319	120
\$0	to	\$149,999	3,383	2,020	995	641	326	120
\$0	to	\$199,999	3,451	2,056	1,002	653	333	122
\$0	or	more	3,486	2,087	1,013	666	344	122

Demand Estimate, Project-Level							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, Subsidized	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-	
Maximum Income, 30% of AMI	-	-	-	-	-	-	
Maximum Income, 40% of AMI	-	-	-	-	-	-	
Maximum Income, 50% of AMI	-	-	-	-	-	-	
Maximum Income, 60% of AMI	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-	
Maximum Income, 70% of AMI	-	-	-	-	-	-	
Maximum Income, 80% of AMI	-	-	-	-	-	-	
Maximum Income, Market Rate	-	-	-	-	-	-	
Maximum Allowable Income	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-	
Minimum Income, Subsidized	\$7,749	\$7,749	\$7,749	\$7,749	\$7,749	-	
Minimum Income, 30% of AMI	-	-	-	-	-	-	
Minimum Income, 40% of AMI	-	-	-	-	-	-	
Minimum Income, 50% of AMI	-	-	-	-	-	-	
Minimum Income, 60% of AMI	\$24,891	\$24,891	\$24,891	\$24,891	\$24,891	-	
Minimum Income, 70% of AMI	-	-	-	-	-	-	
Minimum Income, 80% of AMI	-	-	-	-	-	-	
Minimum Income, Market Rate	-	-	-	-	-	-	
Minimum Qualified Income	\$7,749	\$7,749	\$7,749	\$7,749	\$7,749	-	
HH Below Upper Income	2,094	1,010	459	239	149	0	
HH Below Lower Income	566	179	90	29	7	0	
Subtotal	1,529	831	369	211	142	0	

Demand Estimate 3,081

Our analysis suggests project-level demand for a total of 3,081 size- and income-qualified units in the market area.

Capture Rates

In this section, we summarize our demand conclusions and estimate the capture rate for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	5				17				22
4BR									
Tot	5				17				22

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	5				17				22
4BR									
Tot	5				17				22

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Unit-level demand estimates are found in the body of the chart found below; project-level demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level demand may not add up to project-level demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level demand.

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	3,081				629				3,710
4BR									
Tot	3,081				629				3,081

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by gross demand. Underwriters often utilize capture rate limits of 10 to 25 percent using this methodology. Our estimates are presented below:

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	0.2%				2.7%				0.6%
4BR									
Tot	0.2%				2.7%				0.7%

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by

unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR					1				1
4BR									
Tot					1				1

The next step in our analysis is to subtract the number of vacant competing & pipeline units from gross demand to arrive at a net demand estimate for the subject property units. As described earlier, unit-level net demand estimates are found in the body of the chart found below; project-level net demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level net demand may not add up to project-level net demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level net demand.

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	3,081				628				3,709
4BR									
Tot	3,081				628				3,080

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by net demand. A capture rate in excess of 20 percent is considered excessive using this methodology. Our estimates are presented below:

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	0.2%				2.7%				0.6%
4BR									
Tot	0.2%				2.7%				0.7%

In our opinion, the estimated project-level capture rate suggests an appropriate number of units for the subject property. The unit level capture rates suggest an appropriate mix of units for the subject property.

Penetration Rates

In this section, we summarize our demand conclusions and estimate the penetration rate for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

Subject Property Units (Total)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	5				17				22
4BR									
Tot	5				17				22

Subject Property Units (Vacant at Market Entry)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	5				17				22
4BR									
Tot	5				17				22

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Unit-level demand estimates are found in the body of the chart found below; project-level demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level demand may not add up to project-level demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level demand.

Gross Demand									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	3,081				629				3,710
4BR									
Tot	3,081				629				3,081

The next step in our analysis is to tabulate the number of competing & pipeline units in the market area by unit/income type. This information will be used to derive our penetration rate estimate for the subject property. A table showing the distribution of competing & pipeline units is found below.

Competing & Pipeline Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	76				54				130
4BR									
Tot	76				54				130

The next step in our analysis is to compute inclusive supply for the market area by unit/income type. Inclusive

supply will be taken into account in our penetration rate estimate for the subject property. For purposes of this estimate, inclusive supply consists of vacant subject property units plus competing & pipeline units.

Inclusive Supply (Subject Property Units + Competing & Pipeline Units)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	81				71				152
4BR									
Tot	81				71				152

The next step in our analysis is to compute the penetration rate for the project. For purposes of this computation, penetration rate is defined as inclusive supply divided by gross demand. A penetration rate in excess of 100 percent is considered excessive using this methodology. Our estimates are presented below:

Penetration Rates (Inclusive Supply / Gross Demand)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR									
2BR									
3BR	2.6%				11.3%				4.1%
4BR									
Tot	2.6%				11.3%				4.9%

In our opinion, the estimated project-level penetration rate suggest an appropriate number of units for the subject property. The unit-level penetration rates suggest an appropriate mix of units for the subject property.

Absorption Period

In this section, we estimate the absorption period for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								
3BR	5				17			
4BR								

Subject Property Units (Vacant at Market Entry)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								
3BR	5				17			
4BR								

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Our analysis uses the unit-level demand estimates derived previously.

Gross Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								
3BR	3,081				629			
4BR								

The next step in our analysis is to apply an annual growth & movership rate to derive an annual rental household growth & movership estimate for the market area. Our estimates are found in the tables below.

Annual Growth & Movership Rate	
Growth	0.0%
Movership	29.2%
Total	29.3%

Growth & Movership Estimate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								
3BR	902				184			
4BR								

The next step in our analysis is to account for secondary market area migration in our annual rental household growth & movership estimate for the market area. Our estimates are found in the tables below.

Secondary Market Area	
	20%

Growth & Movership Estimate

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								
3BR	1,127				230			
4BR								

The next step in our analysis is to estimate fair share, or the proportion of growth and movership that we would expect the subject property to capture. The fair share analysis is used extensively in single-family, multifamily, commercial, and retail market studies. The books entitled Market Analysis for Valuation Appraisals (1994, Appraisal Institute) and Market Analysis and Highest & Best Use (2005, Appraisal institute) provide a good overview of this technique and its application to a variety of property types.

Based on our review of the subject and competing properties, along with their relative conditions/locations, we arrive at the following fair share estimates for the various unit/income types at the subject property.

Competing Properties

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								4
1BR	5			1	4		1	13
2BR	7			3	7		1	22
3BR	5			3	5			5
4BR	2							

Fair Share

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								
3BR	50.0%				30.0%			
4BR								

Applying the concluded fair share estimates to annual growth & movership and dividing by twelve yields the following monthly absorption rate estimates for the various unit/income types at the subject property.

Monthly Absorption Rate Estimate

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								
3BR	47.0				5.8			
4BR								

The next step in our analysis is to estimate stabilized occupancy by unit/income type for the subject property. These estimates, which were based on data previously presented in the supply analysis and rent comparability analysis sections of this report, are found below.

Rental Property Inventory, Confirmed, Inside Market Area, Family, Stabilized Occupancy

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								67%
1BR	98%			100%	100%		91%	98%
2BR	99%			100%	97%		73%	96%
3BR	100%			97%	98%			98%
4BR	100%							

Occupancy Rate, Select Comparables								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								100%
3BR				96%	98%			98%
4BR								

Concluded Stabilized Occupancy Rate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								
3BR	97%				97%			
4BR								

Applying the stabilized occupancy rate estimates to the number of vacant subject property units at market entry, yields the number of occupied units by unit/income type at stabilization as set forth below.

Occupied Units at Stabilization								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								
3BR	5				16			
4BR								

Dividing the number of occupied units at stabilization by the monthly absorption rate yields an absorption period estimate by unit/income type for the various units at the subject property. Underwriters often utilize absorption period limits of 12 to 18 months for projects similar to the subject property. Our absorption period estimates are found below.

Absorption Period (Months to Stabilization)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR								
2BR								
3BR	<1				3			
4BR								

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 3 months of absorption and an average absorption rate of 7.4 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

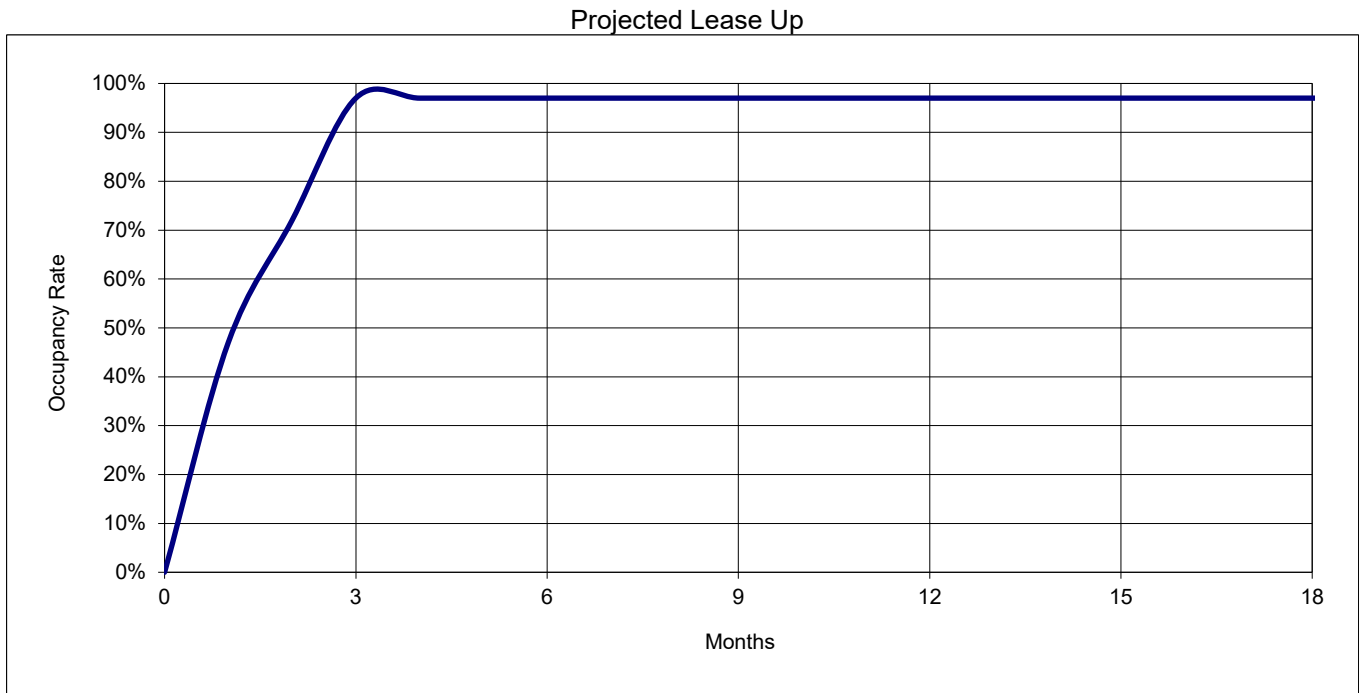
Absorption rates for multifamily properties depend on a variety of factors: (1) The competitive environment in which the property resides; (2) The pricing of the subject property units relative to competing units, (3) The presence of rent or income restrictions at the subject property; and (4) The availability of any rent concessions or rental assistance at the subject property. Subsidized properties normally lease up at a rate of 15-20 units per month. Unsubsidized properties with rent and income restrictions typically fill at a rate of 5-10 units per month. Market rate properties normally lease up at a rate of 10-15 units per month.

As part of our analysis, we inquired about the absorption history for every property we surveyed. The following list summarizes our findings:

Key	Project	Built	Renovated	Rent Type	Occ Type	Tot Units	Ab Rte
029	Highland View Apartments	1983	2013	Restricted	Family	44	44.0
050	Ridgecrest Town Apartments	2008	na	Restricted	Family	72	62.0
053	Riverside Place Apartments	1923	2011	Restricted	Family	22	3.8
055	Sapling Grove Apartments	2008	na	Restricted	Family	26	26.0
062	Sweetbriar 1	2009	na	Restricted	Family	20	20.0
075	Whites Mill Point Apartments	2006	na	Restricted	Family	32	32.0

Absorption Analysis

In this section, we analyze the anticipated lease up for the subject property. We begin our analysis by taking the the absorption period conclusions from the previous section and restating them graphically as illustrated below.



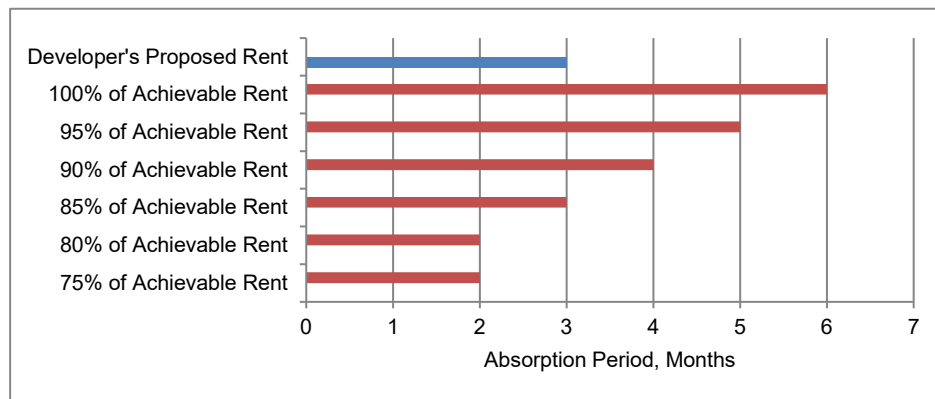
Our analysis suggests that the subject property will achieve 70 percent occupancy in 1 months, 80 percent occupancy in 2 months, and 90 percent occupancy in 2 months. We anticipate that the subject property will stabilize at 97 percent occupancy in 3 months.

It is important to note that this analysis does not account for pent-up demand, pre-leasing efforts or rent concessions. In our opinion, an effective pre-leasing effort could result in a month-for-month reduction in the estimated absorption period for this project. In addition, any concessions or rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods significantly.

Sensitivity Analysis

We also explored the relationship between rent level, capture rates, penetration rates, and absorption period. For purposes of this analysis, we forecasted demand and fill rates at 75%, 80%, 85%, 90%, 95% and 100% of achievable rent (derived earlier in this report). Our analysis is summarized below:

Scenario	Capture Rate	Penetration Rate	Absorption
Developer's Proposed Rent	0.7%	4.9%	3 months
100% of Achievable Rent	0.7%	4.9%	6 months
95% of Achievable Rent	0.7%	4.9%	5 months
90% of Achievable Rent	0.7%	4.9%	4 months
85% of Achievable Rent	0.7%	4.9%	3 months
80% of Achievable Rent	0.7%	4.9%	2 months
75% of Achievable Rent	0.7%	4.9%	2 months



Our analysis suggests the following relationship between rent levels and fill rates: At the developer's proposed rent we anticipate a 3-month absorption period; at 100% of achievable rent we anticipate a 6-month absorption period; at 75% of achievable rent we anticipate a 2-month absorption period.

VHDA DEMAND ANALYSIS

Overview

In this section we evaluate demand for the subject property using the VHDA demand methodology. For purposes of this analysis, we define VHDA demand as the number of new income-qualified and existing income-qualified overburdened and substandard renter households that would qualify to live at the subject property at the lesser of achievable rents or the sponsor's proposed rents. Our analysis accounts for any rent subsidies for the subject property.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

2021 \$		Renter Households, by Income, by Size							Total
		2021							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person		
\$0	to \$9,999	754	239	120	38	9	2	1,163	
\$0	to \$19,999	1,715	633	267	80	22	4	2,720	
\$0	to \$29,999	2,345	1,029	408	183	92	33	4,091	
\$0	to \$39,999	2,733	1,230	552	263	149	62	4,989	
\$0	to \$49,999	2,946	1,435	821	310	170	66	5,747	
\$0	to \$59,999	3,040	1,526	880	418	235	91	6,190	
\$0	to \$74,999	3,201	1,685	914	452	261	98	6,612	
\$0	to \$99,999	3,229	1,850	967	574	309	119	7,048	
\$0	to \$124,999	3,311	1,963	972	617	319	120	7,302	
\$0	to \$149,999	3,381	2,020	995	641	326	120	7,482	
\$0	to \$199,999	3,449	2,055	1,001	652	333	122	7,613	
\$0	or more	3,485	2,086	1,012	665	344	122	7,713	

Source: ESRI & Ribbon Demographics

Demand Estimate, 3-Bedroom, Subsidized, 60% of AMI

In this section we estimate demand for the 3-Bedroom / Subsidized / 60% of AMI units at the subject property. Our analysis assumes a total of 5 units, 5 of which are anticipated to be vacant on market entry in 2021. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Subsidized
Income Limit	60% of AMI
Total Units	5
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$226
Gross Rent	\$226
Income Qualification Ratio	35%
Minimum Qualified Income	\$646
Months/Year	12
Minimum Qualified Income	\$7,749

Renter Households, by Income, by Size								
2021								
2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,715	633	267	80	22	4
\$0	to	\$29,999	2,345	1,029	408	183	92	33
\$0	to	\$39,999	2,733	1,230	552	263	149	62
\$0	to	\$49,999	2,946	1,435	821	310	170	66
\$0	to	\$59,999	3,040	1,526	880	418	235	91
\$0	to	\$74,999	3,201	1,685	914	452	261	98
\$0	to	\$99,999	3,229	1,850	967	574	309	119
\$0	to	\$124,999	3,311	1,963	972	617	319	120
\$0	to	\$149,999	3,381	2,020	995	641	326	120
\$0	to	\$199,999	3,449	2,055	1,001	652	333	122
\$0	or	more	3,485	2,086	1,012	665	344	122

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	\$43,380	

Size Qualified							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Size Qualified	Yes	Yes	Yes	Yes	Yes	No	

Demand Estimate							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
HH Below Maximum Income	2,093	1,009	458	239	149	0	
HH Below Minimum Income	566	179	90	29	7	0	
Subtotal	1,528	830	368	211	142	0	

Demand Estimate 3,079

Our analysis suggests demand for a total of 3,079 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 3-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 3-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 17 units, 17 of which are anticipated to be vacant on market entry in 2021. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	17
Vacant Units at Market Entry	17

Minimum Qualified Income	
Net Rent	\$500
Utilities	\$226
Gross Rent	\$726
Income Qualification Ratio	35%
Minimum Qualified Income	\$2,074
Months/Year	12
Minimum Qualified Income	\$24,891

Renter Households, by Income, by Size								
2021								
2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,715	633	267	80	22	4
\$0	to	\$29,999	2,345	1,029	408	183	92	33
\$0	to	\$39,999	2,733	1,230	552	263	149	62
\$0	to	\$49,999	2,946	1,435	821	310	170	66
\$0	to	\$59,999	3,040	1,526	880	418	235	91
\$0	to	\$74,999	3,201	1,685	914	452	261	98
\$0	to	\$99,999	3,229	1,850	967	574	309	119
\$0	to	\$124,999	3,311	1,963	972	617	319	120
\$0	to	\$149,999	3,381	2,020	995	641	326	120
\$0	to	\$199,999	3,449	2,055	1,001	652	333	122
\$0	or	more	3,485	2,086	1,012	665	344	122

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	\$43,380	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	Yes	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	2,093	1,009	458	239	149	0
HH Below Minimum Income	1,999	811	330	126	54	0
Subtotal	94	198	128	113	95	0

Demand Estimate 629

Our analysis suggests demand for a total of 629 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, Subsidized

In this section we account for income-band overlap and develop a demand estimate for the subsidized units at the subject property.

Renter Households, by Income, by Size								
2021								
	2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,715	633	267	80	22	4
\$0	to	\$29,999	2,345	1,029	408	183	92	33
\$0	to	\$39,999	2,733	1,230	552	263	149	62
\$0	to	\$49,999	2,946	1,435	821	310	170	66
\$0	to	\$59,999	3,040	1,526	880	418	235	91
\$0	to	\$74,999	3,201	1,685	914	452	261	98
\$0	to	\$99,999	3,229	1,850	967	574	309	119
\$0	to	\$124,999	3,311	1,963	972	617	319	120
\$0	to	\$149,999	3,381	2,020	995	641	326	120
\$0	to	\$199,999	3,449	2,055	1,001	652	333	122
\$0	or	more	3,485	2,086	1,012	665	344	122

Demand Estimate, Subsidized						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	-	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-
Maximum Income, 3BR	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	-	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-
Minimum Income, 3BR	\$7,749	\$7,749	\$7,749	\$7,749	\$7,749	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$7,749	\$7,749	\$7,749	\$7,749	\$7,749	-
HH Below Upper Income	2,093	1,009	458	239	149	0
HH Below Lower Income	566	179	90	29	7	0
Subtotal	1,528	830	368	211	142	0

Demand Estimate 3,079

Our analysis suggests demand for a total of 3,079 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate, Restricted, 60% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 60% of AMI at the subject property.

Renter Households, by Income, by Size								
2021								
	2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,715	633	267	80	22	4
\$0	to	\$29,999	2,345	1,029	408	183	92	33
\$0	to	\$39,999	2,733	1,230	552	263	149	62
\$0	to	\$49,999	2,946	1,435	821	310	170	66
\$0	to	\$59,999	3,040	1,526	880	418	235	91
\$0	to	\$74,999	3,201	1,685	914	452	261	98
\$0	to	\$99,999	3,229	1,850	967	574	309	119
\$0	to	\$124,999	3,311	1,963	972	617	319	120
\$0	to	\$149,999	3,381	2,020	995	641	326	120
\$0	to	\$199,999	3,449	2,055	1,001	652	333	122
\$0	or	more	3,485	2,086	1,012	665	344	122

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	-	-	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	-	-	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	\$24,891	\$24,891	\$24,891	\$24,891	\$24,891	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$24,891	\$24,891	\$24,891	\$24,891	\$24,891	-	-
HH Below Upper Income	2,093	1,009	458	239	149	0	0
HH Below Lower Income	1,999	811	330	126	54	0	0
Subtotal	94	198	128	113	95	0	0

Demand Estimate

629

Our analysis suggests demand for a total of 629 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate

In this section, we derive our overburdened demand and capture rate estimates for the subject property. Our analysis, which begins with the income-qualified renter household estimates developed above, is found below.

Income Qualified Renter Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	3,079				629			

The next step in our analysis is to account for 2 years of growth to estimate the demand stemming from new income qualified rental households. Our estimates are found below.

Annual Renter Household Growth Rate								
0.0%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	1				0			

The next step in our analysis is to estimate existing demand stemming from income-qualified overburdened renter households in this market area. Our estimates are found below.

Overburdened Renter Households								
25.9%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	797				163			

The next step in our analysis is to estimate existing demand stemming from income-qualified substandard renter households in this market area. Our estimates are found below.

Substandard Renter Households								
2.6%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	80				16			

The next step in our analysis is to account for elderly homeowners likely to convert to rental housing. This component may not comprise more than 20 percent of total demand. Our estimates are found below.

Elderly Homeowners Likely to Convert to Rental Housing								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot								

The next step in our analysis is to account for existing qualifying tenants likely to remain after renovation. Our estimates are found below.

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	5				17			
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot								

The next step in our analysis is to tally up total demand for the subject property. Our estimates are found below.

Total Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	878				179			

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

Vacant Competing & Pipeline Units								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot					1			

The next step in our analysis is to subtract the number of vacant competing & pipeline units from total demand to arrive at a net demand estimate for the subject property. Our estimates are found below.

Net Demand (Total Demand - Vacant Competing & Pipeline Units)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	878				178			

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the total number of subject property units divided by net demand. Underwriters often utilize capture rate limits of 10 to 20 percent using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	0.6%				9.5%			

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	2.1%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	2.1%
Project-Wide Absorption Period (Months)	3 months

Please note: Project-wide capture rate estimates do not account for income band overlap at the project level.

VHDA DEMAND ANALYSIS (UNSUBSIDIZED)

Overview

In this section we evaluate demand for the subject property using the VHDA demand methodology. For purposes of this analysis, we define VHDA demand as the number of new income-qualified and existing income-qualified overburdened and substandard renter households that would qualify to live at the subject property at achievable rents. Our analysis ignores any rent subsidies for the subject property.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

2021 \$		Renter Households, by Income, by Size							
Min	Max	2021							
		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total	
\$0	to \$9,999	754	239	120	38	9	2	1,163	
\$0	to \$19,999	1,715	633	267	80	22	4	2,720	
\$0	to \$29,999	2,345	1,029	408	183	92	33	4,091	
\$0	to \$39,999	2,733	1,230	552	263	149	62	4,989	
\$0	to \$49,999	2,946	1,435	821	310	170	66	5,747	
\$0	to \$59,999	3,040	1,526	880	418	235	91	6,190	
\$0	to \$74,999	3,201	1,685	914	452	261	98	6,612	
\$0	to \$99,999	3,229	1,850	967	574	309	119	7,048	
\$0	to \$124,999	3,311	1,963	972	617	319	120	7,302	
\$0	to \$149,999	3,381	2,020	995	641	326	120	7,482	
\$0	to \$199,999	3,449	2,055	1,001	652	333	122	7,613	
\$0	or more	3,485	2,086	1,012	665	344	122	7,713	

Source: ESRI & Ribbon Demographics

Demand Estimate, 3-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 3-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 22 units, 22 of which are anticipated to be vacant on market entry in 2021. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	22
Vacant Units at Market Entry	22

Minimum Qualified Income	
Net Rent	\$422
Utilities	\$226
Gross Rent	\$648
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,851
Months/Year	12
Minimum Qualified Income	\$22,217

Renter Households, by Income, by Size									
2021									
	2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	754	239	120	38	9	2
	\$0	to	\$19,999	1,715	633	267	80	22	4
	\$0	to	\$29,999	2,345	1,029	408	183	92	33
	\$0	to	\$39,999	2,733	1,230	552	263	149	62
	\$0	to	\$49,999	2,946	1,435	821	310	170	66
	\$0	to	\$59,999	3,040	1,526	880	418	235	91
	\$0	to	\$74,999	3,201	1,685	914	452	261	98
	\$0	to	\$99,999	3,229	1,850	967	574	309	119
	\$0	to	\$124,999	3,311	1,963	972	617	319	120
	\$0	to	\$149,999	3,381	2,020	995	641	326	120
	\$0	to	\$199,999	3,449	2,055	1,001	652	333	122
	\$0	or	more	3,485	2,086	1,012	665	344	122

Maximum Allowable Income								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Allowable Income			\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	\$43,380

Size Qualified								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified			Yes	Yes	Yes	Yes	Yes	No

Demand Estimate								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income			2,093	1,009	458	239	149	0
HH Below Minimum Income			1,841	712	295	101	36	0
Subtotal			252	297	163	138	113	0

Demand Estimate 964

Our analysis suggests demand for a total of 964 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, Subsidized

In this section we account for income-band overlap and develop a demand estimate for the subsidized units at the subject property.

Renter Households, by Income, by Size								
2021								
	2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,715	633	267	80	22	4
\$0	to	\$29,999	2,345	1,029	408	183	92	33
\$0	to	\$39,999	2,733	1,230	552	263	149	62
\$0	to	\$49,999	2,946	1,435	821	310	170	66
\$0	to	\$59,999	3,040	1,526	880	418	235	91
\$0	to	\$74,999	3,201	1,685	914	452	261	98
\$0	to	\$99,999	3,229	1,850	967	574	309	119
\$0	to	\$124,999	3,311	1,963	972	617	319	120
\$0	to	\$149,999	3,381	2,020	995	641	326	120
\$0	to	\$199,999	3,449	2,055	1,001	652	333	122
\$0	or	more	3,485	2,086	1,012	665	344	122

Demand Estimate, Subsidized							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	-	-	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	-	-	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	-	-	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	-	-	-	-	-	-	-
HH Below Upper Income	0	0	0	0	0	0	0
HH Below Lower Income	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0

Demand Estimate 0

Our analysis suggests demand for a total of 0 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate, Restricted, 60% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 60% of AMI at the subject property.

Renter Households, by Income, by Size								
2021								
	2021	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	754	239	120	38	9	2
\$0	to	\$19,999	1,715	633	267	80	22	4
\$0	to	\$29,999	2,345	1,029	408	183	92	33
\$0	to	\$39,999	2,733	1,230	552	263	149	62
\$0	to	\$49,999	2,946	1,435	821	310	170	66
\$0	to	\$59,999	3,040	1,526	880	418	235	91
\$0	to	\$74,999	3,201	1,685	914	452	261	98
\$0	to	\$99,999	3,229	1,850	967	574	309	119
\$0	to	\$124,999	3,311	1,963	972	617	319	120
\$0	to	\$149,999	3,381	2,020	995	641	326	120
\$0	to	\$199,999	3,449	2,055	1,001	652	333	122
\$0	or	more	3,485	2,086	1,012	665	344	122

Demand Estimate, Restricted, 60% of AMI						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	-	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-
Maximum Income, 3BR	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$26,160	\$29,880	\$33,660	\$37,380	\$40,380	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	-	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-
Minimum Income, 3BR	\$22,217	\$22,217	\$22,217	\$22,217	\$22,217	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$22,217	\$22,217	\$22,217	\$22,217	\$22,217	-
HH Below Upper Income	2,093	1,009	458	239	149	0
HH Below Lower Income	1,841	712	295	101	36	0
Subtotal	252	297	163	138	113	0

Demand Estimate

964

Our analysis suggests demand for a total of 964 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate

In this section, we derive our overburdened demand and capture rate estimates for the subject property. Our analysis, which begins with the income-qualified renter household estimates developed above, is found below.

Income Qualified Renter Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot					964			

The next step in our analysis is to account for 2 years of growth to estimate the demand stemming from new income qualified rental households. Our estimates are found below.

Annual Renter Household Growth Rate								
0.0%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot					0			

The next step in our analysis is to estimate existing demand stemming from income-qualified overburdened renter households in this market area. Our estimates are found below.

Overburdened Renter Households								
25.9%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot					249			

The next step in our analysis is to estimate existing demand stemming from income-qualified substandard renter households in this market area. Our estimates are found below.

Substandard Renter Households								
2.6%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot					25			

The next step in our analysis is to account for elderly homeowners likely to convert to rental housing. This component may not comprise more than 20 percent of total demand. Our estimates are found below.

Elderly Homeowners Likely to Convert to Rental Housing								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot								

The next step in our analysis is to account for existing qualifying tenants likely to remain after renovation. Our estimates are found below.

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot					22			
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot								

The next step in our analysis is to tally up total demand for the subject property. Our estimates are found below.

Total Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot					275			

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

Vacant Competing & Pipeline Units								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot					1			

The next step in our analysis is to subtract the number of vacant competing & pipeline units from total demand to arrive at a net demand estimate for the subject property. Our estimates are found below.

Net Demand (Total Demand - Vacant Competing & Pipeline Units)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot					274			

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the total number of subject property units divided by net demand. Underwriters often utilize capture rate limits of 10 to 20 percent using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot					8.0%			

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	8.0%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	8.0%
Project-Wide Absorption Period (Months)	3 months

Please note: Project-wide capture rate estimates do not account for income band overlap at the project level.

RENT COMPARABLES, MARKET RATE

Project Information

Property Name	Downtown Plaza Apartments
Street Number	1010
Street Name	Newton
Street Type	Street
City	Bristol
State	Virginia
Zip	24201
Phone Number	(276) 466-3241
Year Built	1968
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$25
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.5968
Longitude	-82.1957
Nearest Crossroads	na
AAC Code	21-031 017

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Haley, Manager
Phone Number	(276) 466-3241
Interview Date	22-Feb-21
Interviewed By	JS

In 2011, contact advised approximate building date and said no major renovations have been done on the property to date. Painted exterior 2019. Replacing flooring to laminate as tenants move out.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	700	Garden/Flat	Mar	Mar	No	No	32		\$375		\$375	\$238	\$613
2	1.5	1050	Townhome	Mar	Mar	No	No	36	2	\$600		\$600	\$348	\$948
3	1.5	1250	Townhome	Mar	Mar	No	No	8		\$600		\$600	\$486	\$1,086
Total / Average		924						142		\$505		\$505	\$316	\$821

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	2.50
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.00	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.30	3.30
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	2.50	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	no
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Similar	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	no
W/D Units	no	no
W/D Hookups	some	yes
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Downtown Plaza Apartments is an existing multifamily development located at 1010 Newton Street in Bristol, Virginia. The property, which consists of 76 apartment units, was originally constructed in 1968 with conventional financing. All units are set aside as market rate units. The property currently stands at 97 percent occupancy.

Project Information

Property Name	Glade Terrace Apartments 1
Street Number	33436
Street Name	Bunker Hill
Street Type	Lane
City	Glade Spring
State	Virginia
Zip	24340
Phone Number	(276) 492-1870
Year Built	2012
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	1
Latitude	36.7745
Longitude	-81.7803
Nearest Crossroads	na
AAC Code	21-031 023

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Brandy, Manager
Phone Number	(276) 492-1870
Interview Date	22-Feb-21
Interviewed By	JS

Property was destroyed in 2012 by a tornado and rebuilt these 12 units. (4 units built in 2013 on separate survey). Property used to be called Glade Terrace, Phase 1 & 2, but since construction, it has combined both phases. 2020 new deck.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	650	Garden/Flat	Mar	Mar	No	No	12		\$600		\$600	\$182	\$782
Total / Average		650					144	12		\$600		\$600	\$182	\$782

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	2.50
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	4.00	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.00	3.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.90	3.30
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	no
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Similar	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	yes	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Glade Terrace Apartments 1 is an existing multifamily development located at 33436 Bunker Hill Lane in Glade Spring, Virginia. The property, which consists of 12 apartment units, was originally constructed in 2012 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Glade Terrace Apartments 2
Street Number	33436
Street Name	Bunker Hill
Street Type	Lane
City	Glade Spring
State	Virginia
Zip	24340
Phone Number	(276) 492-1870
Year Built	2013
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	yes
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	1
Latitude	36.7745
Longitude	-81.7803
Nearest Crossroads	na
AAC Code	21-031 024

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Brandy, Manager
Phone Number	(276) 492-1870
Interview Date	22-Feb-21
Interviewed By	JS

Property was destroyed in 2012 by a tornado and rebuilt these 4 units in 2013. (please see other survey sheet for additional 12 units rebuilt in 2012). Property used to be called Glade Terrace, Phase 1 & 2 but since construction, it has now combined both phases as one property. 2020 new decks.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	650	Garden/Flat	Mar	Mar	No	No	4		\$600		\$600	\$182	\$782
Total / Average		650						146		\$600		\$600	\$182	\$782

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	2.50
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	4.00	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.00	3.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.90	3.30
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	no
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Similar	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	yes	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Glade Terrace Apartments 2 is an existing multifamily development located at 33436 Bunker Hill Lane in Glade Spring, Virginia. The property, which consists of 4 apartment units, was originally constructed in 2013 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Hallock Drive Townhomes
Street Number	275
Street Name	Hallock
Street Type	Drive
City	Abingdon
State	Virginia
Zip	24210
Phone Number	(276) 608-0959
Year Built	2003
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$25
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.6962
Longitude	-81.9959
Nearest Crossroads	Main Street, off Stone Mill Road
AAC Code	21-031 027

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Terri, Manager
Phone Number	(276) 608-0959
Interview Date	22-Feb-21
Interviewed By	JS

Contact advised rental rate is \$550. if W/D are provided in the unit. This office also serves Aston Ridge, Gray Drive, and Mill Way Apartments.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	950	Townhome	Mar	Mar	No	No	38		\$650		\$650	\$196	\$846
Total / Average		950						148		\$650		\$650	\$196	\$846

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.00	2.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.70	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.90	3.30
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	no
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Similar	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	some	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Similar	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

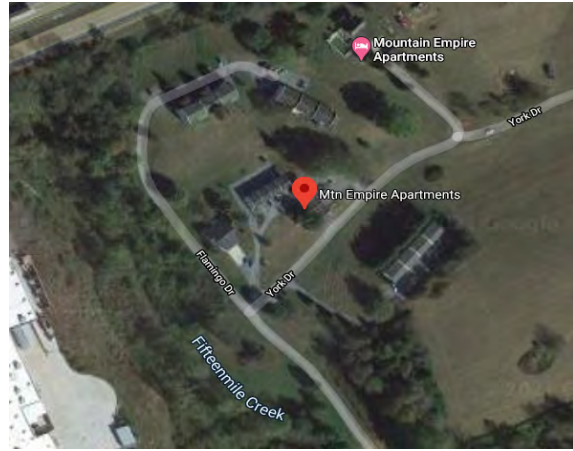
Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Hallock Drive Townhomes is an existing multifamily development located at 275 Hallock Drive in Abingdon, Virginia. The property, which consists of 38 apartment units, was originally constructed in 2003 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Mountain Empire Apartments
Street Number	16158
Street Name	Flamingo
Street Type	Drive
City	Abingdon
State	Virginia
Zip	24211
Phone Number	(276) 698-7752
Year Built	1990
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$25
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.7133
Longitude	-81.9240
Nearest Crossroads	off Lee Highway
AAC Code	21-031 042

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Pat, Manager
Phone Number	(276) 698-7752
Interview Date	22-Feb-21
Interviewed By	JS

The studio apartments have utilities included in the rent. In 2020, contact advised new counters, laminate flooring, and new appliances as tenants move out. Property has 3X2 Duplexes with garages @ \$900.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
0	1.0	700	Garden/Flat	Mar	Mar	No	No	2		\$400		\$400	\$48	\$448
1	1.0	700	Garden/Flat	Mar	Mar	No	No	7		\$475		\$475	\$58	\$533
1	1.0	700	Garden/Flat	Mar	Mar	No	No	7		\$500		\$500	\$58	\$558
2	1.0	1200	Garden/Flat	Mar	Mar	No	No	10		\$650		\$650	\$75	\$725
2	1.5	1200	Townhome	Mar	Mar	No	No	10	1	\$700		\$700	\$94	\$794
3	2.0	1200	Garden/Flat	Mar	Mar	No	No	10		\$625		\$625	\$92	\$717
3	2.0	1200	Townhome	Mar	Mar	No	No	2	1	\$750		\$750	\$114	\$864
Total / Average		1,033						150	48	2	\$602	\$602	\$78	\$680

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	3.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.00	3.30
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.75	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	no
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Similar	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	some	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

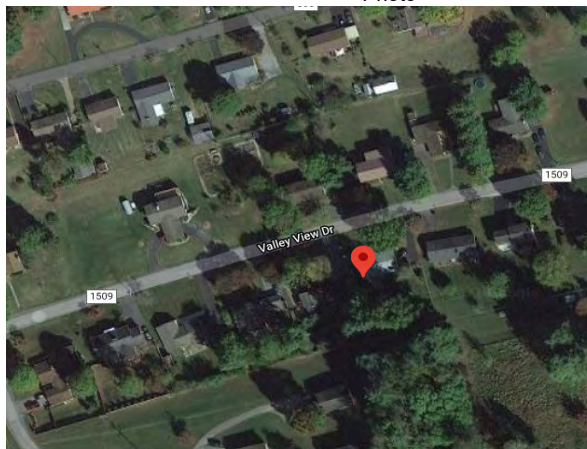
Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Mountain Empire Apartments is an existing multifamily development located at 16158 Flamingo Drive in Abingdon, Virginia. The property, which consists of 48 apartment units, was originally constructed in 1990 with conventional financing. All units are set aside as market rate units. The property currently stands at 96 percent occupancy.

Project Information

Property Name	Pinehedge Condominiums
Street Number	138
Street Name	Valley View
Street Type	Drive
City	Abingdon
State	Virginia
Zip	24210
Phone Number	(276) 628-2751
Year Built	1985
Year Renovated	2009
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$30
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.7218
Longitude	-81.9788
Nearest Crossroads	Court Street
AAC Code	21-031 046

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Deborah Moore, Owner
Phone Number	(276) 608-8219
Interview Date	26-Feb-21
Interviewed By	JS

Property consists of rental condominiums. The 2009 renovations included new siding, roofs, and retaining walls. There are no new businesses in the area. Contact advised that businesses in the area are not closing or laying off employees. Contact advised in February, 2020 they own another property, Brentwood Towns Apartments in Bristol.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	1000	Townhome	Mar	Mar	No	No	18		\$625		\$625	\$70	\$695
3	1.5	1200	Townhome	Mar	Mar	No	No	12		\$675		\$675	\$86	\$761
Total / Average		1,080						152	30	\$645		\$645	\$76	\$721

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	2.50
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.60	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.50	3.30
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	no
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Similar	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	yes	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Pinehedge Condominiums is an existing multifamily development located at 138 Valley View Drive in Abingdon, Virginia. The property, which consists of 30 apartment units, was originally constructed in 1985 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Promise Landing Apartments
Street Number	16240
Street Name	Samantha
Street Type	Drive
City	Abingdon
State	Virginia
Zip	24211
Phone Number	(276) 623-4254
Year Built	1990
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$40
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.7217
Longitude	-81.9090
Nearest Crossroads	na
AAC Code	21-031 047

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Trisha, Management
Phone Number	(276) 623-4254
Interview Date	02-Mar-21
Interviewed By	JS

There are no new apartments or businesses nearby.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	700	Garden/Flat	Mar	Mar	No	No	20		\$545		\$545	\$175	\$720
2	1.5	1000	Townhome	Mar	Mar	No	No	60		\$645		\$645	\$262	\$907
3	2.0	1250	Townhome	Mar	Mar	No	No	6		\$750		\$750	\$373	\$1,123
Total / Average		948						154	86	\$629		\$629	\$250	\$879

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.00	2.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	3.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.00	3.30
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	yes	no
Elevator	no	no
Fitness Ctr	yes	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	yes	no
Pool	yes	no
Sauna	no	no
Sports Court	yes	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	no	yes
Ceiling Fans	no	no
Hardwood	some	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Inferior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	no
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Promise Landing Apartments is an existing multifamily development located at 16240 Samantha Drive in Abingdon, Virginia. The property, which consists of 86 apartment units, was originally constructed in 1990 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Willow Run Apartments
Street Number	1175
Street Name	Willow Run
Street Type	Drive
City	Abingdon
State	Virginia
Zip	24210
Phone Number	(276) 628-4084
Year Built	2009
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$25
Waiting List	15 people
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.7232
Longitude	-81.9279
Nearest Crossroads	na
AAC Code	21-031 077

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Francis, Management
Phone Number	(276) 628-4084
Interview Date	05-Mar-21
Interviewed By	JS

In 2020, Ms. Francis advised us to go to the website for information and would not give any info over the phone. Website shows rates for some of the different floor plans available at this property. Total property unit count reported is correct. Rent range due to floor plan. 1328 square foot 3 bedroom 2.5 bath Garden units with garages at \$825 per month.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent			
1	1.0	512	Garden/Flat	Mar	Mar	No	No	58	1	\$535		\$535	\$144	\$679			
2	1.0	784	Garden/Flat	Mar	Mar	No	No	54	1	\$645		\$645	\$194	\$839			
2	1.5	900	Garden/Flat	Mar	Mar	No	No	32	1	\$695		\$695	\$194	\$889			
2	2.5	960	Garden/Flat	Mar	Mar	No	No	13		\$725		\$725	\$194	\$919			
2	1.5	960	Townhome	Mar	Mar	No	No	16		\$725		\$725	\$208	\$933			
3	2.0	1344	Garden/Flat	Mar	Mar	No	No	19		\$755		\$755	\$275	\$1,030			
Total / Average		803						156		192		3	\$643		\$643	\$188	\$831

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	2.50
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.10	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.50	3.30
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	no
Elevator	no	no
Fitness Ctr	yes	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	yes	no
Playground	yes	no
Pool	yes	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	no	yes
Storage	no	no
Comp vs. Subject	Inferior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	yes	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Willow Run Apartments is an existing multifamily development located at 1175 Willow Run Drive in Abingdon, Virginia. The property, which consists of 192 apartment units, was originally constructed in 2009 with conventional financing. All units are set aside as market rate units. The property currently stands at 98 percent occupancy.

Project Information

Property Name	Wyndale Court Condominiums
Street Number	640
Street Name	Wyndale
Street Type	Road
City	Abingdon
State	Virginia
Zip	24210
Phone Number	(276) 619-1187
Year Built	2003
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	10 people
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.7099
Longitude	-82.0086
Nearest Crossroads	na
AAC Code	21-031 081

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Andrew Neese, Owner
Phone Number	(276) 619-1187
Interview Date	25-Feb-21
Interviewed By	JS

Property has off-site management and maintenance.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	960	Garden/Flat	Mar	Mar	No	No	16		\$700		\$700	\$182	\$882
Total / Average		960						16		\$700		\$700	\$182	\$882

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	2.50
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.90	3.80
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.00	3.30
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	no
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	yes	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

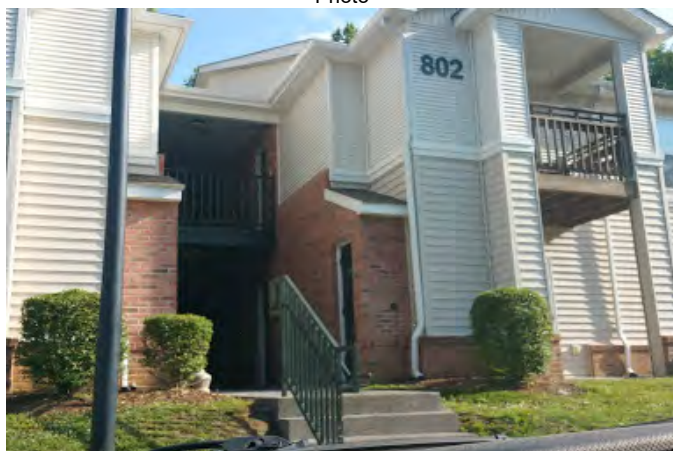
Wyndale Court Condominiums is an existing multifamily development located at 640 Wyndale Road in Abingdon, Virginia. The property, which consists of 16 apartment units, was originally constructed in 2003 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

RENT COMPARABLES, RESTRICTED RENT

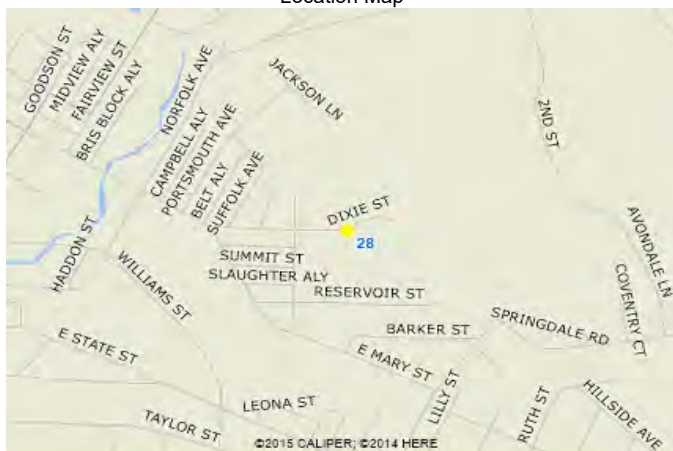
Project Information

Property Name	Harbor Landing Apartments	
Street Number	800	
Street Name	Dixie	
Street Type	Street	
City	Bristol	
State	Virginia	
Zip	24201	
Phone Number	276-642-0500	
Year Built	2004	
Year Renovated	na	
Minimum Lease	12	
Min. Security Dep.	1 month	
Other Fees	\$25	
Waiting List	no	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	2001	Tax Credit
Vouchers		10
Latitude		36.5969
Longitude		-82.1657
Nearest Crossroads		na
AAC Code	21-031	028

Photo



Location Map



Interview Notes

Person Interviewed	Ms. T.J. Barrett, Manager
Phone Number	(276) 591-4660
Interview Date	22-Feb-21
Interviewed By	JS

2001 TC's awarded for construction of this property without project based rental assistance. They also manage Thomas Jefferson Senior Apartments.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	2.0	1072	Garden/Flat	50%	50%	No	No	16		\$494		\$494	\$171	\$665
3	2.0	1304	Garden/Flat	50%	50%	No	No	16	1	\$580		\$580	\$205	\$785
Total / Average		1,188						161	32	1	\$537	\$537	\$188	\$725

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	2.50
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	2.50
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.80	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.30	3.30
Comp vs. Subject	Similar	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	yes	no
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	yes	no
Playground	yes	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Similar	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	no
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Harbor Landing Apartments is an existing multifamily development located at 800 Dixie Street in Bristol, Virginia. The property, which consists of 32 apartment units, was originally constructed in 2004. This property is currently operated as a rent restricted property. The property currently stands at 97 percent occupancy.

Project Information

Property Name	Highland View Apartments
Street Number	502
Street Name	Lowry
Street Type	Drive
City	Abingdon
State	Virginia
Zip	24210
Phone Number	(276) 258-5040
Year Built	1983
Year Renovated	2013
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$10
Waiting List	7 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2011 Tax Credit
Vouchers	34
Latitude	36.7018
Longitude	-81.9821
Nearest Crossroads	off I-81 or Hwy 11
AAC Code	21-031 029

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Santha, Manager
Phone Number	276.623.9000
Interview Date	23-Feb-21
Interviewed By	JS

Property was awarded 2011 TC's to rehab this RD property with 5 units of "sticky vouchers" project based rental assistance from the county and 5 HC units. 10 of the 76 parking spaces are HC accessible. Property had a basket ball court but has removed the nets at this time although the court remains on the site. Property still plans to build a playground

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	589	Garden/Flat	50%	40%	Yes	Yes	2		\$435		\$435	\$54	\$489
1	1.0	740	Garden/Flat	50%	50%	Yes	No	2		\$435		\$435	\$54	\$489
1	1.0	589	Garden/Flat	60%	50%	No	No	4		\$435		\$435	\$54	\$489
2	1.5	746	Garden/Flat	50%	40%	Yes	Yes	2		\$575		\$575	\$61	\$636
2	1.5	746	Garden/Flat	50%	50%	Yes	No	10		\$575		\$575	\$61	\$636
2	1.5	746	Garden/Flat	60%	50%	No	No	14		\$575		\$575	\$61	\$636
3	2.0	903	Garden/Flat	50%	40%	Yes	Yes	1		\$625		\$625	\$73	\$698
3	2.0	903	Garden/Flat	50%	50%	Yes	No	5		\$625		\$625	\$73	\$698
3	2.0	903	Garden/Flat	60%	50%	No	No	2		\$625		\$625	\$73	\$698
3	2.0	1501	Garden/Flat	60%	50%	No	No	2		\$745		\$745	\$87	\$832
Total / Average		787						44		\$566		\$566	\$63	\$629

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.70	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.50	3.30
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.50
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	yes	no
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	yes	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	no	yes
Storage	yes	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Similar	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	no
W/D Units	no	no
W/D Hookups	some	yes
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Highland View Apartments is an existing multifamily development located at 502 Lowry Drive in Abingdon, Virginia. The property, which consists of 44 apartment units, was originally constructed in 1983. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Ridgecrest Town Apartments	
Street Number	2	
Street Name	Heritage	
Street Type	Drive	
City	Bristol	
State	Virginia	
Zip	24201	
Phone Number	(276) 466-2465	
Year Built	2008	
Year Renovated	na	
Minimum Lease	12	
Min. Security Dep.	1 month	
Other Fees	\$21	
Waiting List	6 people	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	2006	Tax Credit
Vouchers	30	
Latitude	36.6251	
Longitude	-82.1344	
Nearest Crossroads	na	
AAC Code	21-031	050

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Jasmine, Manager
Phone Number	(276) 466-2465
Interview Date	24-Feb-21
Interviewed By	JS

2006 TC's awarded for construction of this property without project based rental assistance. There are 4 HC units in the 2BR and 4 HC units in the 3BR gardens. Contact advised the 5 vacant units are waiting on new appliances.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	972	Garden/Flat	60%	40%	No	No	4		\$532		\$532	\$80	\$612
2	1.5	1021	Townhome	60%	50%	No	No	20	1	\$665		\$665	\$80	\$745
2	1.5	1021	Townhome	60%	60%	No	No	16	3	\$798		\$798	\$80	\$878
3	2.0	1123	Garden/Flat	60%	40%	No	No	4		\$615		\$615	\$98	\$713
3	2.0	1173	Townhome	60%	50%	No	No	15	1	\$768		\$768	\$98	\$866
3	2.0	1173	Townhome	60%	60%	No	No	13		\$922		\$922	\$98	\$1,020
Total / Average		1,083						72	5	\$752		\$752	\$88	\$840

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.75	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.70	3.80
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.60	3.30
Comp vs. Subject	Superior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.50	4.50
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	yes	no
Car Care Ctr	no	no
Comm Center	yes	no
Elevator	no	no
Fitness Ctr	yes	no
Gazebo/Patio	yes	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	yes	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	yes	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	no
W/D Units	no	no
W/D Hookups	no	yes
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	yes	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Superior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Ridgecrest Town Apartments is an existing multifamily development located at 2 Heritage Drive in Bristol, Virginia. The property, which consists of 72 apartment units, was originally constructed in 2008. This property is currently operated as a rent restricted property. The property currently stands at 93 percent occupancy.

Project Information

Property Name	Sweetbriar 1
Street Number	19274
Street Name	Elementary
Street Type	Drive
City	Abingdon
State	Virginia
Zip	24210
Phone Number	(276) 623-9000
Year Built	2009
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	800 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2007 Tax Credit
Vouchers	11
Latitude	36.7142
Longitude	-82.0200
Nearest Crossroads	na
AAC Code	21-031 062

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Bo Handley, Asst Prop Mgr
Phone Number	(276) 619-2220
Interview Date	16-Mar-21
Interviewed By	DFR

2007 TC's awarded for construction of this property without project based rental assistance. All units are 2-story townhome-style duplexes with an attached, private garage.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
3	2.5	1385	Duplex	50%	50%	No	No	10		\$480		\$480	\$292	\$772
3	2.5	1385	Duplex	60%	60%	No	No	10		\$535		\$535	\$292	\$827
Total / Average		1,385						167	20	\$508		\$508	\$292	\$800

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.80	3.80
Comp vs. Subject	Similar	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.30	3.30
Comp vs. Subject	Similar	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.50	4.50
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2021
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	no
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Similar	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	yes	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Superior	

Laundry		
Amenity	Comp	Subj
Central	no	no
W/D Units	yes	no
W/D Hookups	no	yes
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	some
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Sweetbriar 1 is an existing multifamily development located at 19274 Elementary Drive in Abingdon, Virginia. The property, which consists of 20 apartment units, was originally constructed in 2009 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The title to the subject property is merchantable, and the property is free and clear of all liens and encumbrances, except as noted.
- No liability is assumed for matters legal in nature.
- Ownership and management are assumed to be in competent and responsible hands.
- No survey has been made by the appraiser. Dimensions are as supplied by others and are assumed to be correct.
- The report was prepared for the purpose so stated and should not be used for any other reason.
- All direct and indirect information supplied by the owner and their representatives concerning the subject property is assumed to be true and accurate.
- No responsibility is assumed for information supplied by others and such information is believed to be reliable and correct. This includes zoning and tax information provided by Municipal officials.
- The signatories shall not be required to give testimony or attend court or be at any governmental hearing with respect to the subject property unless prior arrangements have been made with the client.
- Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute.
- The legal description is assumed to be accurate.
- This report specifically assumes that there are no site, subsoil, or building contaminants present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value estimates, and change the estimates, if deemed necessary.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with
- This analysis specifically assumes that the subject property is operated as described in this report.
- This analysis specifically assumes that the subject property is constructed/rehabilitated as described in this report.
- This analysis specifically assumes that the subject property is financed as described in this report.
- This analysis specifically assumes the timing set forth in this report.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I performed a market study for the subject property in 2020.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- I made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification. Debbie Rucker (Allen & Associates Consulting) assisted in compiling the data used in this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Members of the Appraisal Institute.
- I am presently licensed in good standing as a Certified General Real Estate Appraiser in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina, and Virginia, allowing me to appraise all types of real estate.

Respectfully submitted:

ALLEN & ASSOCIATES CONSULTING, INC.



Jeff Carroll

VHDA 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 Program in Virginia as administered by the VHDA.
- 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 VHDA or in any way acting for, at the request of, or on behalf of VHDA.
- 6) Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.



Jeff Carroll

March 17, 2021

Date

NCHMA MARKET STUDY INDEX

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

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

NCHMA MARKET STUDY INDEX

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

Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	Section 11
32	Affordability analysis with capture rate	Section 11
33	Penetration rate analysis with capture rate	Section 11
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	Section 11
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	Section 10
36	Precise statement of key conclusions	Executive Summary
37	Market strengths and weaknesses impacting project	Executive Summary
38	Product recommendations and/or suggested modifications to subject	Executive Summary
39	Discussion of subject property's impact on existing housing	Executive Summary
40	Discussion of risks or other mitigating circumstances impacting subject	Executive Summary
41	Interviews with area housing stakeholders	Appendix
Other Requirements		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	NA

MISCELLANEOUS

Certificate of Membership

Allen & Associates Consulting Inc.
Is a Member Firm in Good Standing of



National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
8/1/2020 to 7/31/2021



Thomas Amdur
President, NH&RA



QUALIFICATIONS

Allen & Associates Consulting is a real estate advisory firm specializing in affordable housing. Practice areas include low-income housing tax credits, tax-exempt bond transactions, HUD assisted and financed multifamily, USDA-RD assisted and financed properties, public housing, historic tax credits, conventional multifamily, and manufactured housing. Services include development consulting, rent comparability studies, market analysis, feasibility studies, appraisals, capital needs assessments, and utility studies.

Allen & Associates Consulting and its sister organization Allen & Associates Appraisal maintain offices in Charlotte, North Carolina and Detroit, Michigan, respectively. Allen & Associates is approved to provide its services throughout the United States.

The following is a listing of key personnel for Allen & Associates Consulting:

Jeffrey B. Carroll

Jeffrey B. Carroll is President of Allen & Associates Consulting. Since 2000, Mr. Carroll has completed over 3000 development consulting assignments in 46 states. Major projects include:

- *Market Feasibility* - Completed market studies for 13 proposed tax credit apartment developments on behalf of the Georgia Department of Community Affairs. The portfolio included 5 family and 8 senior communities. Our analysis identified the 4 best deals for the housing finance agency to consider funding.
- *Valuation* - Developed a disposition plan for a 30-property portfolio of apartments on behalf of a private owner. The 921-unit portfolio (located in MD, DE, PA and VA) was valued at \$23 million. Our client relied on our valuations and advice to maximize sales proceeds for the portfolio.
- *Capital Needs Assessments* - Completed capital needs assessments for an 8-property portfolio of RD-financed apartments on behalf of a private developer. The portfolio (located in FL) included 6 family and 2 senior communities. Our client utilized our assessments to develop a scope of work for the proposed acquisition and renovation of the 214-unit portfolio.
- *Utility Allowance Studies* - Completed utility allowance studies for a portfolio of tax credit apartments on behalf of a large national owner/developer. The portfolio (located in CT, DC, IL, IN, MA, NC, OH, PA and VA) included 31 properties. Our client utilized our research to maximize rents and net operating income for the portfolio.
- *Underwriting* - Conducted a financial review on behalf of a local housing authority for the proposed redevelopment of a vacant historic textile mill into loft apartments. Our client had been asked to issue \$4 million in tax-exempt bonds for

the \$15 million project. Our assistance in underwriting the transaction resulted in the green light for the development.

Mr. Carroll is a certified general appraiser, licensed to appraise real estate in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina and Virginia. Mr. Carroll is also a designated member of the Appraisal Institute (MAI).

Mr. Carroll is a peer-reviewed member of the National Council of Housing Market Analysts, where he served on the Executive Committee and chaired the Data and Ethics Committees.

In addition, Mr. Carroll has also served as a market study reviewer for the Georgia and Michigan housing finance agencies.

Mr. Carroll has written articles on affordable housing, development, property management, market feasibility, and financial analysis for Urban Land magazine, The Journal of Property Management, Community Management magazine, Merchandise magazine, HousingThink, and a publication of the Texas A&M Real Estate Research Center known as Terra Grande.

Mr. Carroll has conducted seminars on affordable housing, development, property management, market feasibility, and financial analysis for the American Planning Association, Community Management magazine, the Georgia Department of Community Affairs, the Manufactured Housing Institute, the National Association of State and Local Equity Funds, the Virginia Community Development Corporation, and the National Council of Affordable Housing Market Analysts.

Mr. Carroll is also an experienced developer and property manager. His experience includes the development of tax credit apartment communities, conventional market rate apartments, manufactured home communities, and single-family subdivisions. He has also managed a portfolio of apartment complexes and manufactured home communities.

The following is a summary of Mr. Carroll's relevant educational background:

Clemson University, Bachelor of Science Degree	
Major in Engineering	
Minor Concentration in Economics	1983
Harvard University, Master's Degree in Business Administration	
Major in General Management	
Minor Concentration in Economics and Real Estate	1988
Appraisal Institute	
Qualifying Education for Licensure	2001
Continuing Education for Licensure & MAI Designation	2020
ASTM International	
Property Condition Assessments E2018.01	September 2006

The Institute for Professional and Executive Development Tax Credit Property Disposition	October 2007
National Council of Affordable Housing Market Analysts Semi-Annual Meeting & Continuing Education	2002 - 2014
U.S. Department of Housing and Urban Development Utility Allowance Guidebook	September 2007
MAP Training & Certification	September 2007
USDA Rural Development Capital Needs Assessment Provider Training	September 2007
Accessibility Standards Training	September 2007

Mr. Carroll, who was awarded a scholarship on the Clemson University varsity wrestling team, has served as an assistant coach for a local high school wrestling team. Mr. Carroll resides in Charlotte, North Carolina with his wife Becky and his two children, Luke and Brittany.

Debbie Rucker

Debbie Rucker is an analyst with Allen & Associates Consulting, coordinating market research for the company. Mrs. Rucker has worked on over 2000 assignments and has conducted over 40,000 rent surveys.

Mrs. Rucker was also responsible for compiling the database of detailed information on of every tax credit and tax-exempt bond transaction in Virginia, North Carolina, South Carolina, Georgia, Florida, and Texas since 1999.

The following is a summary of Mrs. Rucker’s relevant educational background:

National Council of Affordable Housing Market Analysts Semi-Annual Meeting & Continuing Education	September 2005
Semi-Annual Meeting & Continuing Education	October 2006
Carolinas Council for Affordable Housing Spectrum C ³ P Certification	October 2008

Mrs. Rucker is active in her church and helps run a local judo club. Mrs. Rucker is the mother of three and resides in Weddington, North Carolina.

Michael W. Lash

Michael W. Lash is President of Lash Engineering, an engineering firm located in Charlotte, North Carolina that works closely with Allen & Associates Consulting on utility allowance studies and other specific engagements. Since 1981, Mr. Lash has completed hundreds of assignments including the design of industrial, commercial, multifamily, and single family developments. Mr. Lash is an expert in the design of utility systems, including wastewater and storm water treatment facilities.

Mr. Lash is a certified professional engineer, licensed in the states of Kansas, Louisiana, North Carolina, South Carolina, and Virginia. Mr. Lash graduated from Louisiana Tech University in Civil Engineering in 1981 and has conducted seminars on advanced wastewater treatment, storm water quality treatment and automated engineering drafting and design with Eagle Point Software.

Mr. Lash is active in his church and volunteers his time teaching karate at a local martial arts academy. Mr. Lash resides in Charlotte, North Carolina with his wife and three children.

Matched Address

Gilbert Dr Abingdon VA 24210

User Entered Point:



User Located

Latitude
36.714410447524
Longitude
-82.0199579874298

This address IS located in an eligible area.

* Keep in mind that this is only an initial determination on the eligibility of your address. There are other eligibility factors for this program which cannot be confirmed through this tool.

This address IS located in an eligible area. for properties in the US

RHS SFH MFH
Ineligible Area



Date created: Sunday, February 21, 2021 - 11:21:56 AM (Central Daylight Time)



FY 2021 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2021 Kingsport-Bristol-Bristol, TN-VA MSA FMRs for All Bedroom Sizes

Final FY 2021 & Final FY 2020 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2021 FMR	\$513	\$533	\$701	\$916	\$1,008
FY 2020 FMR	\$533	\$542	\$714	\$933	\$1,029

Washington County, VA is part of the Kingsport-Bristol-Bristol, TN-VA MSA, which consists of the following counties: Hawkins County, TN; Sullivan County, TN; Scott County, VA; Washington County, VA; and Bristol city, VA. All information here applies to the entirety of the Kingsport-Bristol-Bristol, TN-VA MSA.

Fair Market Rent Calculation Methodology

[Show/Hide Methodology Narrative](#)

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

- 2014-2018 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2021 provided the estimate is statistically reliable. For FY2021, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2014-2018 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2021 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2021.
- HUD calculates a recent mover adjustment factor by comparing a 2018 1-year 40th percentile recent mover 2-bedroom rent to the 2014-2018 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
- HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.
- Rents are calculated as of 2019 using the relevant (regional or local) change in gross rent Consumer Price Index (CPI) from annual 2018 to annual 2019.
- All estimates are then inflated from 2019 to FY2021 using a trend factor based on the forecast of gross rent changes through FY2021.
- FY2021 FMRs are then compared to a State minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the State minimum.
- FY2021 FMRs may not be less than 90% of FY2020 FMRs.

The results of the Fair Market Rent Step-by-Step Process

- The following are the 2018 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimate and margin of error for Kingsport-Bristol-Bristol, TN-VA MSA.

Area	ACS ₂₀₁₈ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS ₂₀₁₈ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Kingsport-Bristol-Bristol, TN-VA MSA	\$613	\$13	\$13 / \$613=0.021	6	0.021 < .5 6 ≥ 4 Use ACS ₂₀₁₈ 5-Year Kingsport-Bristol-Bristol, TN-VA MSA

2-Bedroom Adjusted Standard Quality Gross Rent

Since the ACS₂₀₁₈ Margin of Error Ratio is less than .5, the ACS₂₀₁₈ Kingsport-Bristol-Bristol, TN-VA MSA value is used for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent:

Area	FY2021 Base Rent
Kingsport-Bristol-Bristol, TN-VA MSA	\$613

2. A recent mover adjustment factor is applied based on the smallest area of geography which contains Kingsport-Bristol-Bristol, TN-VA MSA and has an ACS₂₀₁₈ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5.

Area	ACS ₂₀₁₈ 1-Year Adjusted Standard Quality Recent-Mover Gross Rent	ACS ₂₀₁₈ 1-Year Adjusted Standard Quality Recent-Mover Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Kingsport-Bristol-Bristol, TN-VA MSA - 2 Bedroom	\$599	\$41	0.068	2	2 < 4 Do Not Use ACS ₂₀₁₈ 1-Year Kingsport-Bristol-Bristol, TN-VA MSA 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent
Kingsport-Bristol-Bristol, TN-VA MSA - All Bedroom	\$588	\$55	0.094	4	0.094 < .5 4 ≥ 4 Use ACS ₂₀₁₈ 1-Year Kingsport-Bristol-Bristol, TN-VA MSA All Bedroom Adjusted Standard Quality Recent-Mover Gross Rent

The smallest area of geography which contains Kingsport-Bristol-Bristol, TN-VA MSA and has an ACS₂₀₁₈ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5 and with a sufficient number of sample cases is Kingsport-Bristol-Bristol, TN-VA MSA.

3. The calculation of the relevant Recent-Mover Adjustment Factor for Kingsport-Bristol-Bristol, TN-VA MSA is as follows:

ACS ₂₀₁₈ 5-Year Area	ACS ₂₀₁₈ 5-Year 40th Percentile Adjusted Standard Quality Gross Rent	ACS ₂₀₁₈ 1-Year 40th Percentile Adjusted Standard Quality Recent-Mover Gross Rent
Kingsport-Bristol-Bristol, TN-VA MSA - All Bedroom	\$626	\$588

Area	Ratio	Recent-Mover Adjustment Factor
Kingsport-Bristol-Bristol, TN-VA MSA	$\frac{\$588}{\$626} = 0.939$	0.9393 < 1.0 Recent-Mover Adjustment Factor floored at 1.0

4. The calculation of the relevant CPI Update Factors for Kingsport-Bristol-Bristol, TN-VA MSA is as follows: HUD updates the 2018 intermediate rent with the ratio of the annual 2019 local or regional CPI to the annual 2018 local or regional CPI to establish rents as of 2019.

Update Factor	Type
CPI Update Factor 1.0295	Region CPI

5. The calculation of the Trend Factor is as follows: HUD forecasts the change in national gross rents from 2019 to 2021 for each CPI area and Census Region. This makes Fair Market Rents "as of" FY2021.

Trend Factor	Trend Factor Type
1.0433	Region

6. The FY 2021 2-Bedroom Fair Market Rent for Kingsport-Bristol-Bristol, TN-VA MSA is calculated as follows:

Area	ACS ₂₀₁₈ 5-Year Estimate	Recent-Mover Adjustment Factor	Annual 2018 to 2019 CPI Adjustment	Trending 1.0433 to FY2021	FY 2021 2-Bedroom FMR
Kingsport-Bristol-Bristol, TN-VA MSA	\$613	1.0000	1.0295	1.0433	$\$613 * 1.000 * 1.0295 * 1.0433 = \658

7. In keeping with HUD policy, the preliminary FY 2021 FMR is checked to ensure that it does not fall below the state minimum.

Since Kingsport-Bristol-Bristol, TN-VA MSA is a multistate area, the highest state minimum of the states comprising Kingsport-Bristol-Bristol, TN-VA MSA is used:

State	FY 2021 State Minimum
Tennessee	\$663
Virginia	\$701

The relevant state minimum is that of Virginia at \$701.

Area	Preliminary FY2021 2-Bedroom FMR	FY 2021 Virginia State Minimum	Final FY2021 2-Bedroom FMR
Kingsport-Bristol-Bristol, TN-VA MSA	\$658	\$701	\$658 ≤ \$701 Use Virginia minimum of \$701

8. Bedroom ratios are applied to calculate FMRs for unit sizes other than two bedrooms.

Click on the links in the table to see how the bedroom ratios are calculated.

FY 2021 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2021 FMR	\$513	\$533	\$701	\$916	\$1,008

9. The FY2021 FMR must not be below 90% of the FY2020 FMR.

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY2020 FMR	\$533	\$542	\$714	\$933	\$1,029
FY2020 floor	\$480	\$488	\$643	\$840	\$927
FY 2021 FMR	\$513	\$533	\$701	\$916	\$1,008
Use FY2020 floor for FY2021?	No	No	No	No	No

Final FY2021 Rents for All Bedroom Sizes for Kingsport-Bristol-Bristol, TN-VA MSA

The following table shows the Final FY 2021 FMRs by bedroom sizes.

Final FY 2021 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Final FY 2021 FMR	\$513	\$533	\$701	\$916	\$1,008

The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

Permanent link to this page: http://www.huduser.gov/portal/datasets/fmr/fmrs/FY2021_code/2021summary.odn?&year=2021&fmrtype=Final&selection_type=county&fips=5119199999

Select a different area

Press below to select a different county within the same state (same primary state for metropolitan areas):

- Anderson County, TN
- Bedford County, TN
- Benton County, TN
- Bledsoe County, TN
- Blount County, TN

Select a new county

Press below to select a different state:

Select a new state

Select a Final FY 2021 Metropolitan FMR Area:

Kingsport-Bristol-Bristol, TN-VA MSA

Select Metropolitan FMR Area



If you would like to engage Novogradac & Company LLP to calculate the rent & income limits for your property, please contact Thomas Stagg at thomas.stagg@novoco.com.

Click on the icons below to view historical charts.

Program and Location Information

Affordable Housing Program
 IRS Section 42 Low-Income Housing Tax Credit (LIHTC)
 Year ⁽¹⁾⁽²⁾ 2020 (effective 04/01/20)
 State VA
 County Washington County
 MSA Kingsport-Bristol-Bristol, TN-VA MSA
 Persons / Bedroom 1.5 Person / Bedroom
 4-person AMI \$59,100
 National Non-Metropolitan Median Income ⁽³⁾⁽⁴⁾ \$62,300
 Hold Harmless ⁽⁶⁾ You have indicated that your project qualifies as a rural area under the 2008 Housing Act (using USDA's determination of rural) and is therefore eligible for the national non-metropolitan income and rent floor.
 Placed in Service Date ⁽⁷⁾ On or after 04/01/2020.

HUD Published Income Limits for 2020 (with no adjustments)

Display Income Limits Hide Income Limits

		Section 8			
	Charts	MTSP 50%	Extremely Low	Very Low	Low
1 Person		\$20,700	\$12,760	\$20,700	\$33,150
2 Person		\$23,650	\$17,240	\$23,650	\$37,850
3 Person		\$26,600	\$21,720	\$26,600	\$42,600
4 Person		\$29,550	\$26,200	\$29,550	\$47,300
5 Person		\$31,950	\$30,680	\$31,950	\$51,100
6 Person		\$34,300	\$34,300	\$34,300	\$54,900
7 Person		\$36,650	\$36,650	\$36,650	\$58,700
8 Person		\$39,050	\$39,050	\$39,050	\$62,450
9 Person		\$41,350	N/A ⁽¹⁰⁾	\$41,350	\$66,200
10 Person		\$43,750	N/A ⁽¹⁰⁾	\$43,750	\$70,000
11 Person		\$46,100	N/A ⁽¹⁰⁾	\$46,100	\$73,800
12 Person		\$48,450	N/A ⁽¹⁰⁾	\$48,450	\$77,550

LIHTC Income Limits for 2020

(Based on 2020 National Non-Metropolitan Median Income)

	Charts	60.00%	20.00%	30.00%	40.00%	50.00%	70.00%	80.00%	140.00%
1 Person	▲▲	26,160	8,720	13,080	17,440	21,800	30,520	34,880	36,624
2 Person	▲▲	29,880	9,960	14,940	19,920	24,900	34,860	39,840	41,832
3 Person	▲▲	33,660	11,220	16,830	22,440	28,050	39,270	44,880	47,124
4 Person	▲▲	37,380	12,460	18,690	24,920	31,150	43,610	49,840	52,332
5 Person	▲▲	40,380	13,460	20,190	26,920	33,650	47,110	53,840	56,532
6 Person	▲▲	43,380	14,460	21,690	28,920	36,150	50,610	57,840	60,732
7 Person	▲▲	46,380	15,460	23,190	30,920	38,650	54,110	61,840	64,932
8 Person	▲▲	49,320	16,440	24,660	32,880	41,100	57,540	65,760	69,048
9 Person	▲▲	52,320	17,440	26,160	34,880	43,600	61,040	69,760	73,248
10 Person	▲▲	55,320	18,440	27,660	36,880	46,100	64,540	73,760	77,448
11 Person	▲▲	58,320	19,440	29,160	38,880	48,600	68,040	77,760	81,648
12 Person	▲▲	61,320	20,440	30,660	40,880	51,100	71,540	81,760	85,848

LIHTC Rent Limits for 2020

(Based on 2020 National Non-Metropolitan Median Income)

Bedrooms (People)	Charts	60.00%	20.00%	30.00%	40.00%	50.00%	70.00%	80.00%	FMR	HOME Low Rent	HOME High Rent
Efficiency (1.0)	▲▲	654	218	327	436	545	763	872	533	517	533
1 Bedroom (1.5)	▲▲	700	233	350	467	583	817	934	542	542	542
2 Bedrooms (3.0)	▲▲	841	280	420	561	701	981	1,122	714	665	714
3 Bedrooms (4.5)	▲▲	972	324	486	648	810	1,134	1,296	933	768	933
4 Bedrooms (6.0)	▲▲	1,084	361	542	723	903	1,265	1,446	1,029	857	1,029
5 Bedrooms (7.5)	▲▲	1,196	398	598	797	996	1,395	1,595		946	1,147

Before using the numbers from the Rent & Income Limit Calculator®, we strongly recommend that you check with the applicable state housing agency to verify that the state agrees with the numbers. The numbers round down to the nearest \$1.

[Revenue Ruling 89-24](#) require that the LIHTC rent & income levels start their calculations with the HUD published very low-income (VLI) amounts because the HUD published VLI amounts include certain HUD adjustments, such as high housing cost for high FMR areas to increase income, and state non-metropolitan median income to provide a floor for income limits. The result is that many counties have VLI amounts that are different than 50% of the AMI published by HUD (the 4-person AMGI we have shown above). Please see this [blog post](#) for more information about the HUD adjustments. The Novogradac Rent & Income Calculator® starts by default with the HUD published VLI amounts in accordance with [Revenue Ruling 89-24](#).

(1) The rent and income limits for each year are effective beginning with the effective date shown above. There is a grace period for 45 days from the release of income limits to implement the new rent and income limits, which means that the old limits can be relied upon for 45 days after the release date of the new limits. For example income limits effective 12/04/2012, can be relied on until 1/17/2013. For more information, see [Revenue Ruling 94-57](#).

[IRS LIHC Newsletter #48](#) and [IRS LIHC Newsletter #50](#) clarify that for projects placed in service during the 45-day grace period, the owner may choose the new or the old income limits. For example, if a project was placed in service on 1/8/2013 and the 2012 income limits are higher than the 2013 income limits, an owner may use the higher income limits from 2012 to income qualify tenants and set rents accordingly because the project was placed in service with the 45-day grace period.

Please note, the Rent & Income Limit Calculator® does not apply a 45-day grace period automatically. The user needs to indicate that the placed in service date and/or gross rent floor date occurred 45 days earlier (in the prior HUD Fiscal Year) if they want to apply the 45-day rule under [Revenue Ruling 94-57](#) that allows owners to rely on the prior year. Therefore, projects that were placed in service during the 45-day grace period, and want to use the prior year, should select that they were placed in service as of the prior year. For example, if a project placed in service on 1/8/2013, and the project wanted to use the 45-day grace period, the user should select that their project was in service prior to 12/4/2012. Similarly, projects that have a gross rent floor effective as of the carryover allocation date (or reservation letter date for bond projects) during the 45-day grace period, and want to use the prior year, should select that the gross rent floor was effective as of the prior year. For example, if a project received a carryover allocation letter on 1/8/2013, and the owner did not elect placed in service date as the gross rent floor, and the project wanted to use the 45-day grace period, the user should select that their gross rent floor was effective prior to 12/4/2012.

(2) For HUD FY 2013 HUD originally issued income limits on December 4, 2012 then issued revised income limits on December 11, 2012. In [IRS LIHC Newsletter #50](#), the IRS has stated that the effective date for the revised FY 2013 income limits is December 4, 2012. Based on this guidance, the Rent & Income Limit Calculator® uses December 4, 2013 for the effective date for the revised FY 2013 limits. Please see [IRS LIHC Newsletter #50](#) for more detail.

(3) An area may lose its rural area status. There is no clear guidance that a project is held harmless at the national non-metropolitan income limits when an area loses its rural status. The Rent & Income Limit Calculator® assumes that a project that is not indicated as rural in the current year was also not rural in the prior year, and therefore, does not receive hold harmless treatment based on the prior year national non-metro amount.

Please consult your state agency and tax advisor for further clarification.

(4) USDA may change their determination of what projects qualify as rural during the course of a year. Please periodically check with USDA to determine the continued rural eligibility of your project.

The national non-metropolitan median income has been adjusted for household size based on the family size adjustments outlined in the HUD Briefing Materials and as shown in each year's [HUD FAQ](#). The IRS did not specify whether or not to round to the nearest \$50, however, the Rent & Income Limit Calculator® will round to the nearest \$50 in accordance with the methodology referenced in HUD Briefing Materials.

(5) A project uses HERA Special if income was determined prior to 1/1/2009 and the project is in a HERA Special county. A project's income limits are held harmless at the prior year income limits if income was determined in the prior year or earlier and the income limits have decreased. Please note that the IRS has informally indicated that the definition of "determined" for purposes of the HERA Special and MTSP Hold Harmless income limits means that a project was placed in service. Please see [IRS LIHC Newsletter #35](#) for more information about "determined" and projects with buildings that were placed in service before and after HUD income limit effective dates. Therefore, projects placed in service prior to 1/1/2009 are generally eligible for HERA Special. Please see footnote 7 for information about acquisition/rehabilitation projects.

(6) Internal Revenue Code Section 142(d)(2)(i) indicates that hold harmless applies on a calendar year. The Rent & Income Limit Calculator® assumes that "calendar year" in the hold harmless rule means the HUD Fiscal Year. For example, the 2009 calendar year means the HUD Fiscal Year from 3/19/2009 through 5/13/2010. In other words, the Rent & Income Limit Calculator® assumes that "calendar year" in the hold harmless rule means the highest income level achieved during any HUD Fiscal Year.

The Rent & Income Limit Calculator® assumes that a rural project will receive hold harmless treatment at the national non-metro amount based on the prior year national non-metro amount if the national non-metro median income were to fall from year to year. If a rural project qualifies for HERA Special and the HERA Special is higher than the national non-metro, then the HERA Special amount will be used. Please note that the IRS has not issued guidance that specifically allows hold harmless treatment at the national non-metro amount for rural projects, however, Internal Revenue Code 42(g)(4) by reference to Internal Revenue Code 142(d)(2)(E) implies that hold harmless treatment would apply at the national non-metro amount for rural projects. Please consult your tax advisor for further clarification.

(7) Please note that for acquisition/rehabilitation projects, the IRS guidance indicates that income and rent limits are determined at the later of the acquisition date or when management begins income-qualifying households in the project. For example, if a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households in 2011 then the project would be considered placed in service in 2011 for income and rent purposes. If a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households when the rehabilitation placed-in-service in 2012, then the project would be considered placed in service in 2012 for income and rent purposes. Please see [IRS LIHC Newsletter #35](#) for more detail. Please consult your tax advisor for further clarification.

(8) [Revenue Procedure 94-57](#) gives guidance on the gross rent floor election.

Tax credit projects without bond financing:

"The Internal Revenue Service will treat the gross rent floor in section 42(g)(2)(A) as taking effect on the date an Agency initially allocates a housing credit dollar amount to the building [generally referred to as the 42M letter] under section 42(h)(1). However, the Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that made the allocation to the building no later than the date on which the building is placed in service."

Tax credit projects with bond financing:

"The Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that issued the determination letter to the building no later than the date on which the building is placed in service."

(9) The Rent & Income Limit Calculator® assumes all buildings in a project have a rent floor effective date under [Revenue Procedure 94-57](#) in the same HUD Fiscal Year. However, if your buildings have rent floor effective dates under [Revenue Procedure 94-57](#) in different HUD Fiscal Years, then you should run the calculator separately for each group of buildings in a particular HUD Fiscal Year.

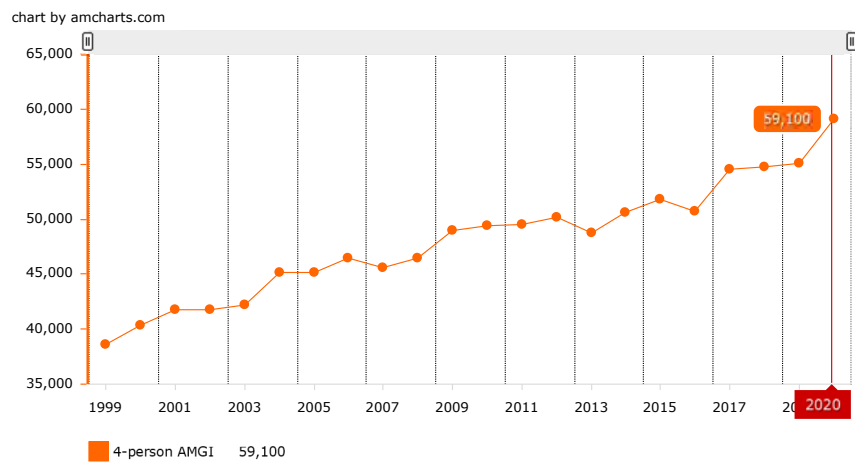
The Rent & Income Limit Calculator® assumes that different AMGI limits (40%, 35%, 30%, etc.) chosen by the user will also have a rent floor election under [Revenue Procedure 94-57](#) from the same HUD Fiscal Year that applies to the federal level of 50% or 60%.

⁽¹⁰⁾ The Consolidated Appropriations Act of 2014 changed how the 30% income limits is calculated. The 30% limit, which is now called the extremely low income limit, is determined by taking the greater of the 30% income limit as calculated by HUD or the poverty level as determined by the Department of Health and Human Services, which is then capped at the 50% Very Low Income Limit ('VLI') published by HUD. HUD has only published the data up to 8 people. For household sizes above 8 people please visit the following website:
<https://www.huduser.gov/portal/datasets/mtsp.html>

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Display: 4-person AMGI

Average Increase (AMGI): 2.0%/year

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