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**Need and Demand Analysis For
Aqua Vista Apartments
646 Aqua Vista Drive
Newport News, Virginia 23607**

**Prepared For
BLVD Capital
11911 San Vicente Boulevard, Suite 355
Los Angeles, California 90049**

**Effective Date
July 13, 2022**

**Date of Report
July 25, 2022**



July 25, 2022

Mr. Josh Lettiere
BLVD Capital
11911 San Vicente Boulevard, Suite 355
Los Angeles, California 90049

Dear Mr. Lettiere:

Following is a market study which was completed for BLVD Capital, under the guidelines set forth by the Virginia Housing. The subject property is located at 646 Aqua Vista Drive in Newport News, Virginia. The subject is an existing Section 8 family development that consists of 10 three-story walk-up buildings containing a total of 150 units and an accessory building. The subject will be rehabilitated. Once rehabilitation is complete, the subject will retain its subsidies as well as be 100 percent Low Income Housing Tax Credit (LIHTC) at 60 percent of the area median income. The buildings have brick exteriors and asphalt shingle roofing. Each unit contains the following amenities: refrigerator, range/oven, vinyl, wood composite and blinds. Once rehabilitation is complete, the units will also contain a microwave and smart thermostat. The property provides the following project amenities: laundry facility, on-site management and on-site maintenance area. Once rehabilitation is complete, the property will also contain a clubhouse, exercise room, picnic area with BBQ grills, dog park, community garden, business center, service coordinator and video surveillance. The complex contains an open asphalt parking lot with 218 parking spaces.

The purpose of the following market study is to determine if the community has a need for the rehabilitated subject units. To do so, the analyst, Samuel T. Gill, utilized data from the U.S. Census Bureau; Ribbon Demographics, 2022 Data; and various other demographic resources. Community information and opinion was also utilized. This information was collected during a field survey conducted by Samuel T. Gill while visiting the subject on July 13, 2022. An attempt was made to survey 100 percent of all competitive housing in the area.

We certify that there is not now nor will there be an identity of interest between or among the applicant, contractor, architect, engineer, attorney, interim lender, subcontractors, material suppliers, equipment lessors or any of their members, directors, officers, stockholders, partners or beneficiaries without prior written identification to Virginia Housing and written consent to such identity of interest by Virginia Housing. All recommendations and conclusions are based solely on the professional opinion and best efforts of the analysts. This statement is given for the purpose of inducing the United States of America to make a loan as requested in the loan pre-application or application of which this statement is a part.

Samuel T. Gill
Market Analyst

Janice F. Gill, MAI
Market Analyst



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CERTIFICATION

This is to certify that a field visit was made by the market analyst or one of his associates and information was obtained from publications of federal, state and local agencies. Interviews were held with apartment owners or managers, local officials and others as appropriate who may be knowledgeable of the housing market in Newport News.

In accordance with Virginia Housing, I hereby certify that the information provided in this Market Study was written according to Virginia Housing's market study requirements and is truthful and accurate to the best of my knowledge and belief. The estimates of demand for multifamily housing made by this report are based on the assumption of a free market situation, unencumbered by local mores, affirmative fair housing marketing or prejudice toward the site location.

This is to affirm that I will receive no fees which are contingent upon approval of the project by Virginia Housing, before or after the fact, and that I will have no interest in the housing project.

Samuel T. Gill
Market Analyst
Tax ID Number: 43-1352932

Janice F. Gill, MAI
Market Analyst

July 25, 2022



IDENTITY OF INTEREST

I understand and agree that Virginia Housing will consider an identity of interest to exist between the loan applicant as the party of the first part and general contractors, architects, engineers, attorneys, interim lenders, subcontractors, material suppliers or equipment lessors as parties of the second part under any of the following conditions:

1. When there is any financial interest of the party of the first part in the party of the second part;
2. When one or more of the officers, directors, stockholders or partners of the party of the first part is also an officer, director, stockholder or partner of the party of the second part;
3. When any officer, director, stockholder or partner of the party of the first part has any financial interest whatsoever in the party of the second part;
4. When the party of the second part advances any funds to the party of the first part other than an interim lender advancing funds to enable the applicant to pay for construction and other authorized and legally eligible expenses during the construction period;
5. When the party of the second part provides and pays on behalf of the party of the first part the cost of any legal services, architectural services or interim financing other than those of the survey, general superintendent or engineer employed by a general contractor in connection with obligations under the construction contract;
6. When the party of the second part takes stock or any interest in the party of the first part as part of the consideration to be paid them; and
7. When there exists or comes into being any side deals, agreements, contracts or undertakings entered into thereby altering, amending or canceling any of the required closing documents or approval conditions as approved by Virginia Housing.

I certify that there is not now nor will there be an identity of interest between or among the applicant, contractor, architect, interim lender, subcontractors, material suppliers, equipment lessors or any of their members, directors, officers, stockholders, partners or beneficiaries without prior written identification to Virginia Housing and written consent to such identity of interest by Virginia Housing. This statement is given for the purpose of inducing the United States of America to make a loan as requested in the loan pre-application or application of which this statement is a part.

There is no identity of interest between the loan applicant and the Market Analyst or Gill Group.

Samuel T. Gill
Market Analyst

Janice F. Gill, MAI
Market Analyst

July 25, 2022



NCHMA MEMBER CERTIFICATION



Formerly known as
National Council of Affordable
Housing Market Analysts

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

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

Samuel T. Gill
Market Analyst
Gill Group

July 25, 2022

EXECUTIVE SUMMARY



Executive Summary

It is the opinion of the analyst that a market exists for the proposed rehabilitation of the existing 150-unit development designed for families and that there is no need for alterations of any kind. This recommendation is made based on the information included in this report and assuming that the project is completed as detailed in this report. Any changes to the proposed rehabilitation of the subject could alter the findings in this report.

Project Description

The subject, Aqua Vista Apartments, is an existing Section 8 development designated for families that contains 150 units. The subject will undergo renovation. Once renovation is complete, the subject will continue to be a Section 8 development as well as a Low Income Housing Tax Credit property. The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two to five persons and incomes below \$60,600 will be eligible for the rehabilitated development's LIHTC units. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$49,989 and \$60,600 would be eligible for the rehabilitated development' LIHTC units. Households with three to five persons and annual incomes between \$49,989 and \$80,800 will be eligible tenants for the market-rate three-bedroom units.

The following chart lists the subject's unit mix. The property has a total of 136,920 net rentable square feet.

Unit Type	# of Units	Square Feet	Total Square Footage
1/1	60	752	45,120
2/1	60	945	56,700
3/1	30	1,170	35,100
	150		136,920

The following chart lists the subject's existing unit distribution by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
1/1	60	752	\$910	N/A
2/1	60	945	\$1,066	N/A
3/1	30	1,170	\$1,319	N/A
	150			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	60	752	60%	\$1,052	\$1,313	N/A	\$1,313
2/1	60	945	60%	\$1,263	\$1,549	N/A	\$1,549
3/1	29	1,170	60%	\$1,458	\$1,785	N/A	\$1,785
3/1	1	1,170	Market	N/A	\$1,458	N/A	\$1,458

Since the subject will retain its Section 8 contract, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. However, tenants will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants be required to pay more than the maximum allowable LIHTC rent.



Income Averaging

The developer has not selected to use the Income-Averaging option.

Housing Profile

The rental housing stock in the market area is comprised of single-family homes and market-rate and subsidized/income-restricted apartment complexes. The current vacancy rate in surveyed subsidized/income-restricted apartment complexes is 2.0 percent. The current vacancy rate in surveyed market-rate apartment complexes is 3.0 percent.

The proposed rehabilitation of the existing Section 8 family development will not have an adverse impact on the market area. There were seven income-restricted developments confirmed in the market area. All of the properties have units with similar percent AMI and/or are subsidized. Therefore, all properties confirmed will compete with the subject. However, all developments maintain high occupancy rates and lengthy waiting lists from which the subject could draw residents. Therefore, it does not appear the market area is saturated with affordable housing.

Market Feasibility

The following tables show the capture rates for the rehabilitated development both with and without considering subsidies.

CAPTURE RATE BY INCOME LIMITS			
	All Units @ 60% (\$0- \$60,600)	All Units @ Market (\$49,989 - \$80,800)	Project Total (\$0 to \$80,800)
Income Restrictions:			
All Units at Subject	1.2%	0.04%	1.1%
Vacant Units at Subject	0.1%	0.00%	0.08%

CAPTURE RATE BY INCOME LIMITS			
	All Units @ 60% (\$36,069- \$60,600)	All Units @ Market (\$49,989 - \$80,800)	Project Total (\$36,069 to \$80,800)
Income Restrictions:			
All Units at Subject	4.2%	0.04%	3.2%

The market shows a net demand of 13,268 households for all units when considering the Section 8 subsidy and a net demand of 4,713 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 and LIHTC development that is currently 93 percent occupied, with 10 vacant units. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 150 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 0.08 percent and is considered good. The capture rate, without considering the subsidy, is 3.2 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.



Evaluation of Project

The subject is located at 646 Aqua Vista Drive. Therefore, the subject has good visibility and easy access. The subject's site plan and project design are similar to competing apartment developments. The subject's unit mix of one- two- and three-bedroom units are suitable in the market. The subject's current and proposed unit and project amenities will be competitive with the surveyed comparables, and the subject's rents will provide a good value to prospective tenants.

Positive/Negative Attributes

Strengths: The subject's location is comparable to other developments in the market area. Its current and proposed in-unit and common area amenities will be competitive with the other developments in the market area. When these factors are taken into consideration, the subject's rehabilitated units will provide a good value to prospective tenants.

Weaknesses: There are no apparent weaknesses.

Conclusions

The subject can retain its required share of the market area for the following reasons:

- The subject's design and amenities are competitive with other existing projects. Therefore, no modifications to the subject are necessary.
- Once rehabilitation is complete, the subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to gain through 2027, indicating a need for additional housing the market area. In addition, as all restricted properties confirmed maintain high occupancy rates and lengthy waiting lists, it appears the market is not oversaturated with affordable rental housing.
- Aqua Vista Apartments is an existing 150-unit Section 8 family development that will be rehabilitated. Once rehabilitation is complete, the subject will retain its subsidies for all units as well as be 100 percent LIHTC at 60 percent of the area median income. Due to the presence of the subsidies, tenants will never be required to pay more than 30 percent of their income towards rent and utilities. Therefore, the rehabilitated subject will continue to be a great asset to the area.
- The subject is currently 93 percent occupied. The rehabilitation of the subject will not displace any current residents. In addition, as the property will retain its subsidies, it is anticipated that all current tenants will remain income-qualified once rehabilitation is complete. Therefore, the subject will not need to absorb any additional units.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the proposed development is suitable for the market area. Given the current acceptable vacancy rates for affordable properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.

INTRODUCTION AND SCOPE OF WORK



Introduction and Scope of Work

The Scope of Work Rule requires us to gather and analyze information about those assignment elements that are necessary to properly identify the problem to be solved. According to the Standards Rule 1-2, identification of the problem to be solved requires us to identify the following assignment elements.

- Client and any other intended users: The client and developer for this market study assignment is BLVD Capital. The intended users of the report are BLVD Capital and Virginia Housing. No other users are intended.
- Intended use of the analyst's opinions and conclusions: The intended use of this market study is to apply for Low Income Housing Tax Credits through Virginia Housing.
- Effective date of the analyst's opinions and conclusions: The effective date of the rental estimate is July 13, 2022.
- Subject of the assignment and its relevant characteristics: The subject property is an existing 50-unit apartment complex known as Aqua Vista Apartments. The subject is located along the north and south side of Oak Bluff Court. Its physical address is 646 Aqua Vista Drive.
- Assignment conditions: Assignment conditions include assumptions, extraordinary assumptions, hypothetical conditions, supplemental standards, jurisdictional exceptions, and other conditions that affect the scope of work. The following assumptions are used in this market study assignment: *The market study was written under the extraordinary assumption that the property will be rehabilitated as indicated in the Scope of Work. This market study was written under the extraordinary assumption that there are no long term impacts from the COVID-19 pandemic. The market rents in the need and demand analysis were determined under the hypothetical condition that the subject will be unrestricted or conventional and not subject to any rent restrictions.*
- An environmental audit was not provided. I am not qualified to complete an environmental audit. The stated opinion of rental rates is predicated on the assumption that no hazardous substances or conditions materially affect the subject property.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. No specific compliance survey or analysis of the identified property has been made to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property will not comply with one or more of the requirements of the Act. If so, this fact could have an adverse impact upon the value of the property. Since there is no direct evidence relating to this issue, it is assumed that no substantial immediate outlays will be mandated by governing authorities to meet ADA requirements.
- Unemployment statistics are based on the information available from the U.S. Department of Labor Bureau of Labor Statistics. The data shown in this report is based on the data available as of the effective date of the analysis. The Department of Labor will periodically revise the data by incorporating additional information that was not available at the time of the initial publication of the estimates. The initial data is revised twice, first within two months of initial publication in order to incorporate additional sample data from respondents in the survey and recalculate seasonal adjustment factors, and second on an annual basis to incorporate a benchmark revision that estimates nearly complete employment counts available from unemployment insurance tax records.
- The U.S. Census Bureau American Community Survey (ACS) uses a series of monthly samples to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. Initially, five years of samples were required to produce these small-area data. Once the U.S. Census Bureau released its first five-year estimates, new small-area statistics were produced annually. The Census Bureau also produces three-year and one-year data products for larger geographic areas.
- The American Housing Survey (AHS) is sponsored by the Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau. The survey provides up-to-date information about the quality and cost of housing in the United States and major metropolitan areas. It also includes questions about the physical condition of homes and neighborhoods, the



cost of financing and maintaining homes and the characteristics of people who live in these homes. The survey is conducted every other year and covers all 50 states and the District of Columbia. The 2015 AHS underwent a major redesign. Prior to this survey, the same households were re-surveyed every two years. A new sample was redrawn in 2015 for the first time since 1985, and new households were asked to participate in the survey. Additionally, the questionnaire was redesigned with some variables added and others dropped or modified. Imputation methods were also streamlined, and the weighting methodology changed. Therefore, some estimates in 2015 are not comparable to previous years.

- The building improvements meet all governing codes, unless otherwise noted in this report.

An **extraordinary assumption**¹ is defined as:

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The analyst has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The analyst complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.²

A **hypothetical condition**³ is defined as:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market condition or trends; or about the integrity of data used in an analysis.

A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The analyst complies with the disclosure requirements set forth in USPAP for hypothetical conditions.⁴

The following extraordinary assumptions are used in this market study consultation assignment: *The market study was written under the extraordinary assumption that the property will be rehabilitated as indicated in the Scope of Work. This market study was written under the extraordinary assumption that there are no long term impacts from the COVID-19 pandemic.*

The following hypothetical condition are used in this market study consultation assignment: *The market rents in the need and demand analysis were determined under the hypothetical condition that the subject will be unrestricted or conventional and not subject to any rent restrictions.*

¹ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition (Effective January 1, 2020 through December 31, 2022) (The Appraisal Foundation, 2020), pg. 4

² Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition (Effective January 1, 2020 through December 31, 2022) (The Appraisal Foundation, 2020), pg. 14

³ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition (Effective January 1, 2020 through December 31, 2022) (The Appraisal Foundation, 2020), pg. 4

⁴ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition (Effective January 1, 2020 through December 31, 2022) (The Appraisal Foundation, 2020), pg. 14



This market study was completed in accordance with the requirements set forth in Virginia Housing's 2022 Market Study Guidelines.

Janice F. Gill, MAI, State Certified General Real Estate Appraiser and Market Analyst, oversaw and supervised all data collection and analysis and performed the research. The following actions were taken to complete this market study.

- The property that is the subject of this report was originally inspected on July 13, 2022. In addition, on July 13, 2022, Erik Sargus conducted an interior and exterior inspection of the subject property to determine the property's physical and functional characteristics. Mr. Sargus inspected all common areas and at least one unit of each varying type. He interviewed Josh Lettiere to determine the rental rates, services and amenities offered to the tenants of the subject property.
- The purpose of this market study is to determine if the community has a need for the subject units. To do so, the analysts utilize data from the U.S. Census Bureau; Ribbon Demographics, 2022 Data; and various other demographic resources. Community information and opinion was also utilized. The research retrieved data from several of the following: internet sites, local newspapers and rental publications, city records, owners and managers of local apartment properties, local real estate brokers, fellow analysts and the analyst's office files.
- During the week of July 13, 2022, Samuel T. Gill, inspected the exterior of each comparable property used in the analysis. During the site inspections or in separate telephone interviews, Samuel T. Gill, or one of his associates, spoke with the managers of the comparable properties to confirm all data and to collect additional information about each comparable including size, age, amenities, occupancy rates and general market information. The property manager provided floor plans or other information describing the size of comparable units after it was explained that the interior size was needed.
- Samuel T. Gill and Janice F. Gill, MAI, the primary market analysts, completed the data and adjustments columns of the Rent Comparability Grids and determined the final estimate of rents. After completing the Rent Comparability Grids, Samuel T. Gill and Janice F. Gill, MAI, derived an estimated market rent and an estimated achievable rent for each unit type. Samuel T. Gill and Janice F. Gill, MAI, also completed the demand, penetration rate and capture rate conclusions through analysis of all aspects of the subject, market area and demographic data available to the analyst.

PROJECT DESCRIPTION



Project Description

Project Name: Aqua Vista Apartments
Location: 646 Aqua Vista Drive
Newport News, Virginia
Project Type: Family
Construction Type: Rehabilitated
Developer: BLVD Capital
Area Median Family Income: \$93,500

The subject, Aqua Vista Apartments, is an existing Section 8 development designated for families that contains 150 units, all of which are subsidized. The subject will undergo renovation. Once renovation is complete, the subject will retain its subsidies, as well as be a Low Income Housing Tax Credit multifamily development. The property is applying for an allocation of Low-Income Housing Tax Credits for 149 units, which will set the income eligibility to individuals earning 60 percent of the area median income or below and \$60,600 when considering subsidy and between \$36,069 and \$60,600 not considering any subsidy. The property will offer one market-rate three-bedroom unit, which will be suitable for residents with incomes between \$49,989 and \$80,800.

Project Design

Aqua Vista Apartments is comprised of ten three-story walk-up buildings containing 150 units. The buildings have concrete slab foundation and wood framing, with brick exteriors and asphalt shingle roofing. The complex was constructed in 1970 and will be rehabilitated. Landscaping is minimal and consist of grass, trees and shrubs. The property will not be a scattered site development.

Unit Features

Each unit contains the following amenities: refrigerator, range/oven, vinyl, wood composite and blinds. Once rehabilitation is complete, the units will also contain a microwave and smart thermostat.

Common Amenities and Services

The property provides the following project amenities: laundry facility, on-site management and on-site maintenance area. Once rehabilitation is complete, the property will also contain a clubhouse, exercise room, picnic area with BBQ grills, dog park, community garden, business center, service coordinator and video surveillance.

Parking

The complex contains an open asphalt parking lot with 218 parking spaces. Therefore, the subject has a parking ratio 1.45 parking spaces per unit.



Utilities

The following table describes the project's utility combination.

UTILITY SCHEDULE		
Utility	Type	Who Pays
Heat	Forced Air Gas	Landlord
Air Conditioning	Central Electric	Landlord
Hot Water	Gas	Landlord
Cooking	Gas	Landlord
Other Electric	Electric	Landlord
Cold Water/Sewer	N/A	Landlord
Trash Collection	N/A	Landlord

Unit Mix, Size and Rent Structure

The following chart lists the subject's unit mix. The property has a total of 136,920 net rentable square feet.

Unit Type	# of Units	Square Feet	Total Square Footage
1/1	60	752	45,120
2/1	60	945	56,700
3/1	30	1,170	35,100
	150		136,920

The following chart lists the subject's existing unit distribution by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
1/1	60	752	\$910	N/A
2/1	60	945	\$1,066	N/A
3/1	30	1,170	\$1,319	N/A
	150			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	60	752	60%	\$1,052	\$1,313	N/A	\$1,313
2/1	60	945	60%	\$1,263	\$1,549	N/A	\$1,549
3/1	29	1,170	60%	\$1,458	\$1,785	N/A	\$1,785
3/1	1	1,170	Market	N/A	\$1,458	N/A	\$1,458

Since the subject will retain its Section 8 contract, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. However, tenants will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants be required to pay more than the maximum allowable LIHTC rent.



The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two to five persons and incomes below \$60,600 will be eligible for the rehabilitated development's LIHTC units. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$49,989 and \$60,600 would be eligible for the rehabilitated development' LIHTC units. Households with three to five persons and annual incomes between \$49,989 and \$80,800 will be eligible tenants for the market-rate three-bedroom units.

LIHTC INCOME LIMITS		
Person in Households	60%	80%
1	\$39,300	\$52,400
2	\$44,880	\$59,840
3	\$50,520	\$67,360
4	\$56,100	\$74,800
5	\$60,600	\$80,800
6	\$65,100	\$86,800

Source: HUD

*The 80 percent of the area median income was utilized for the three-bedroom unit market-rate unit.

Tenant Services

The subject will offer a Resident Service Coordinator. The Resident Service Coordinator Program is offered to support and link residents with appropriate community-based services. The service coordinator provides information on and arranges support from local foodbanks and charities and information on local, state and federal resources. In addition, the service coordinator assists with set up of needed services, assists with home visits, assists with completing forms or contacting organizations for various needs, etc. Furthermore, the subject property will offer additional services such as financial literacy education and classes; programs to assist residents with the learning of the English language; health education and nutrition seminars; computer training classes; on-site social and interactive activities with local law enforcement; recreation activities such as arts and crafts; on-site social events such as game nights, potlucks, movie nights and holiday celebrations.

Scope of Work

The property will undergo a substantial rehabilitation and will be in good condition. The proposed scope of work is comprehensive and includes replacement of appliances, kitchen cabinets, bath vanities and medicine cabinets, windows, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring and structural elements such as exterior brick and wall supports, roofing and re-grading and striping of the parking lots. In addition, the developer will be adding microwaves and smart thermostats to the units, and the following project amenities will be added: exercise room, picnic area (BBQ grills), dog park, community garden, business center and service coordinator. The total estimated cost of rehabilitation is \$9,027,294, or \$60,182 per unit. The rehabilitation is anticipated to begin in October 2021 and end in October 2022.



Location/Site Characteristics

The subject consist of one irregular-shaped tract of land that contains 5.368 acres, and is currently zoned R-8, High Density Multiple Family Dwelling District. Therefore, the subject is a legal, conforming use. The subject is not a scattered site development. The subject is located in Census Tract #0301.00.

The subject neighborhood is comprised primarily of single-family residences and is 90 percent built up. Approximately 45 percent of the land use is made up of single-family residences. About 40 percent is comprised of commercial properties. Another five percent of the land use is made up of multifamily dwellings. The remaining 10 percent is vacant land. Vacant land is located north of the site. Hampton Roads is located south of the site. Single-family residences are located east of the subject. King-Lincoln Park and Fishing Pier are located west of the subject. The area is mostly suburban.

SITE EVALUATION



Project Location

The existing Section 8 development contains 150 units and is located in Newport News, Virginia. The independent city of Newport News is located in the southeastern portion of Virginia. Nearby cities include Radford, Lynchburg, Martinsville and Beckley. Nearby cities include Bethel Manor, Hampton, Poquoson, Carrollton, Smithfield, Rushmere, Benns Church and Yorktown.

The primary market area for the subject consists of the following census tracts in Hampton City: 0104.00, 0105.01, 0115.00, 0116.00, 0118.00, 0119.00 and 0120.00; and the following census tracts in Newport News City: 0301.00, 0303.00, 0304.00, 0305.00, 0306.00, 0608.00, 0309.00, 0311.00, 0312.00 and 0313.00. The market area has the following boundaries: North – CSXT/Amtrak Railroads, U.S. Highway 258, State Highway 415, Southwest Branch Back River, Interstate 664, State Highway 415, State Highway 134 and Whiting Street; South – Hampton Roads and James River; East – Hampton Roads; and West – James River.

Newport News is served by Interstate 664; U.S. Highway 17, 60 and 258; and State Highways 143, 152, 168, 169, 351 and 600. Newport News is home to the Newport News/Williamsburg International Airport. Amtrak is available in the area for passenger rail service. Public transit is available Hampton Roads Transit, which offers public transit via bus, light rail and ferry.

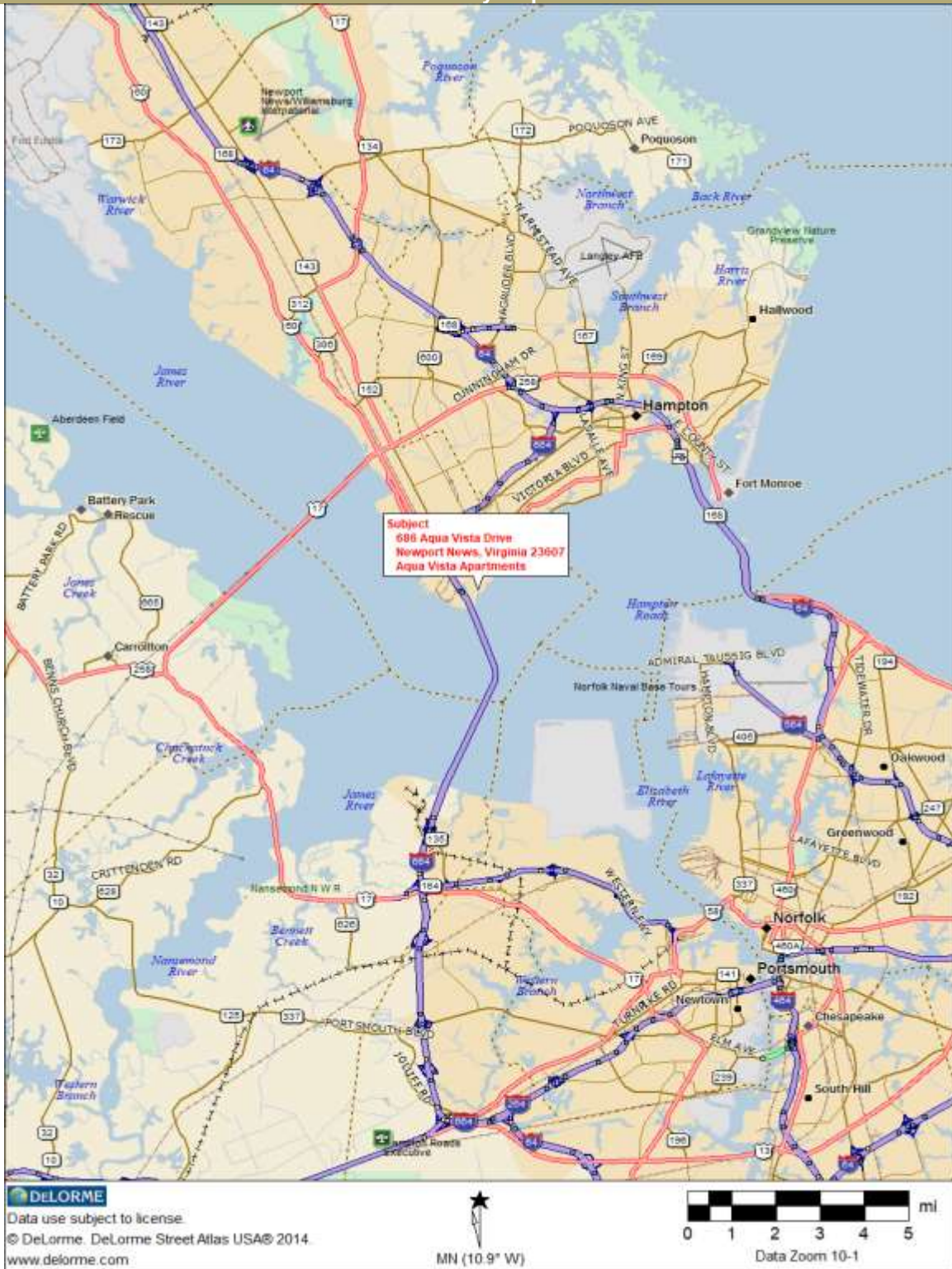


Location Map





Vicinity Map





Community and Site Information

Site Characteristics

The subject site is located in a mixed-use neighborhood in the southern portion of Newport News. The subject is located along Aqua Vista Drive.

The property is easily accessed via Aqua Vista Drive connects to 6th Street. 6th Street then connects to Jefferson Avenue, a major thoroughfare in the surrounding area. Therefore, the subject has average viability and access.

The property site contains approximately 233,830 square feet, or 5.368 acres, and is currently zoned R-8, High Density Multiple Family Dwelling District. Therefore, the subject is a legal, conforming use. A zoning change is unlikely. The subject is not a scattered site development. The subject is located in Census Tract #0301.00.

Surrounding Land Uses

The subject neighborhood is comprised primarily of single-family residences and is 90 percent built up. Approximately 45 percent of the land use is made up of single-family residences. About 40 percent is comprised of commercial properties. Another five percent of the land use is made up of multifamily dwellings. The remaining 10 percent is vacant land. Vacant land is located north of the site. Hampton Roads is located south of the site. Single-family residences are located east of the subject. King-Lincoln Park and Fishing Pier are located west of the subject. The area is mostly suburban.





Subject Photos



View of Sign



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Leasing Office



View of Laundry Facility



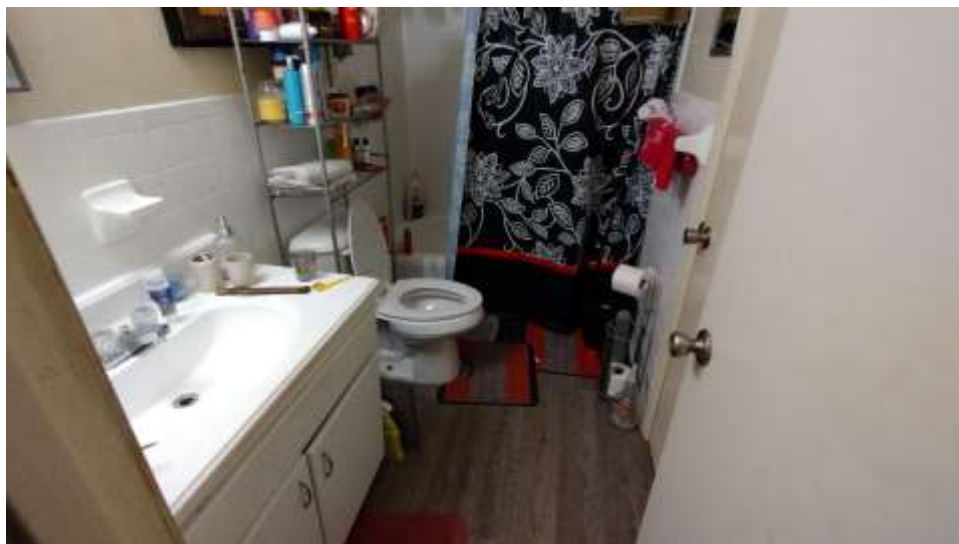
View of Typical Living Area



View of Typical Kitchen Area



View of Typical Bedroom



View of Typical Bath



View of Parking



View of Parking



View of Mail Center



View of Water View



View of Water View



View of Water View



Nearby Employment Opportunities

Most market area tenants have blue collar occupations. According to the Claritas and Ribbon Demographics, approximately 64.2 percent of the market area works in the service and laborer industries.

Regional and Area Data

Parks and Recreational Opportunities

The City of Newport News Recreation Department offers numerous parks, recreation facilities and green areas. The city is home to the Leeward Marina which offers both boating and fishing with several floating docks, a full service fuel station, showers, picnic area with grills and fish cleaning station. The city is also home to the Downing-Gross Cultural Arts Center, which offers several art galleries and programs. Newport News Recreation Department also manages 37 parks located throughout the city, ranging in size from 0.3 acres to over 7,000 acres. Activities and features found at these parks include an archery range, camping, disc golf, fido field dog park, fishing and boating, gardens, geocaching, golf, hiking, biking, jogging, picnicking, shelter rentals, playgrounds, skate park and sledding. The department also offers several programs and classes for seniors, adults and children.

Government/Public Safety

According to the City of Newport News, the City of Newport News is administered by a Council-Mayor form of government in which six citizens are elected from three districts, North Central and South, to service on the City Council. The Mayor is elected at large. The City Council established the City's public policy through resolutions and ordinances, approves proposed programs, and controls the funding of these programs. City Council is guided by the City Charter, as adopted and approved by the Virginia General Assembly, and by its own rules of procedure, resolutions and ordinances. City Council also makes decisions after obtaining input from citizens and staff. The City Manager, City Attorney and City clerk are appointed by the City Council and department heads are appointed by the City Manager. As chief administrative officer of the city, the City Manager oversees the work of all city departments and offices, and administers the polices established by the City Council.

Utilities

Newport News Waterworks provides water service to the residents of the city. Electricity service is provided by Dominion Virginia Power. Natural gas service is provided by Virginia Natural Gas. Basic phone service is provided by AT&T. Internet services are provided by AT&T, Cox Communications and Verizon.

Health Services

Mary Immaculate Hospital, Riverside Regional Medical Center, and Riverside Hospital are healthcare and medical facilities located in Newport News that serve the residents of the city and the surrounding area. Other medical services located in Newport News include City Center Medical Pavilion, Riverside Regional Medical Center, Tidewater Medical Center, Thimble Shoals Medical Park, Warwick Medical and Pro Center, Medical and Longevity Center, Sentara Port Warwick Ambulatory Surgery Center, Peninsula Health Center, Riverside Health System, Riverside Regional Medical Center, Preventive Medical Center, Patients Choice Medical Center, Velocity Urgent Care, L & O Medical Center, M.D. Express Urgent Care and Riverside Family Medicine at the Brentwood Medical Center.

Transportation

Major roadways that swerve the City of Newport News include Interstates 64E and 664; U.S. Highways 17, 60 and 258; and State Highways 143, 152, 168, 169, 351, and 600. Newport News is served by three airports: the Newport News/Williamsburg International Airport in Newport News; Norfolk International Airport in Norfolk, approximately 27 miles from Newport News; and Richmond/Byrd International Airport approximately 68 miles away in Richmond. Amtrak is available in the area for passenger rail service. Public transportation is provided by Hampton Roads Transit which serves most of Newport News.



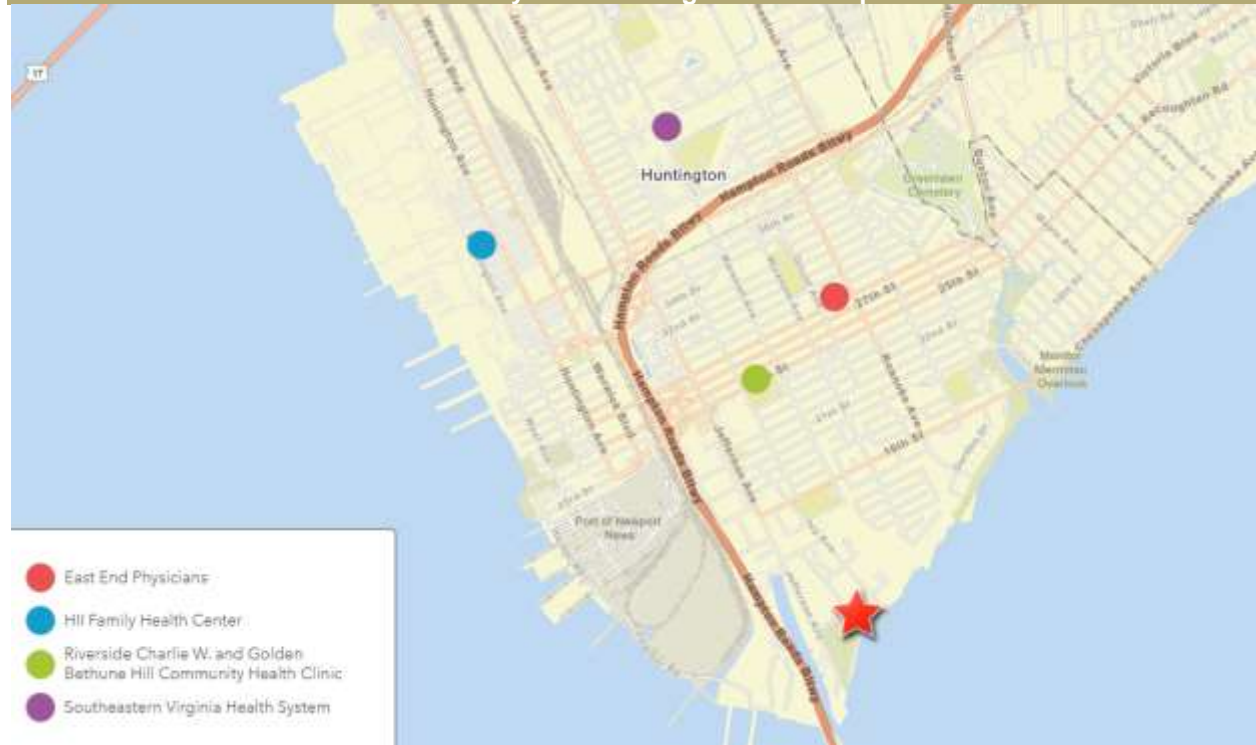
Hampton Roads Transit also operated Handi-Ride which provides transportation services for the physically and mentally challenged and offers public transit via bus, light rail and ferry.

Crime

According to AreaVibes, approximately 596 per 100,000 residents are victims of a violent crime annually, and approximately 2,529 per 100,000 residents are victims of a property crime each year. There has been a total of 5,540 crimes in the city within the past year, 1,056 of which are violent crimes and 4,484 of which are property crimes. The crime rate for Newport News is 25.5 percent higher than for the nation. The total number of crimes in the city has decreased 8.0 percent within the past year, according to AreaVibes. There is a 1 in 168 chance of being the victim of a violent crime and a 1 in 40 chance of being the victim of a property crime. The life cycle is generally in the stability stage. The subject contains video surveillance which helps to protect it from crime. Therefore, there are no major adverse influences or hazards observed or known by the appraiser in the immediate surrounding area.



Community Services Legends and Maps



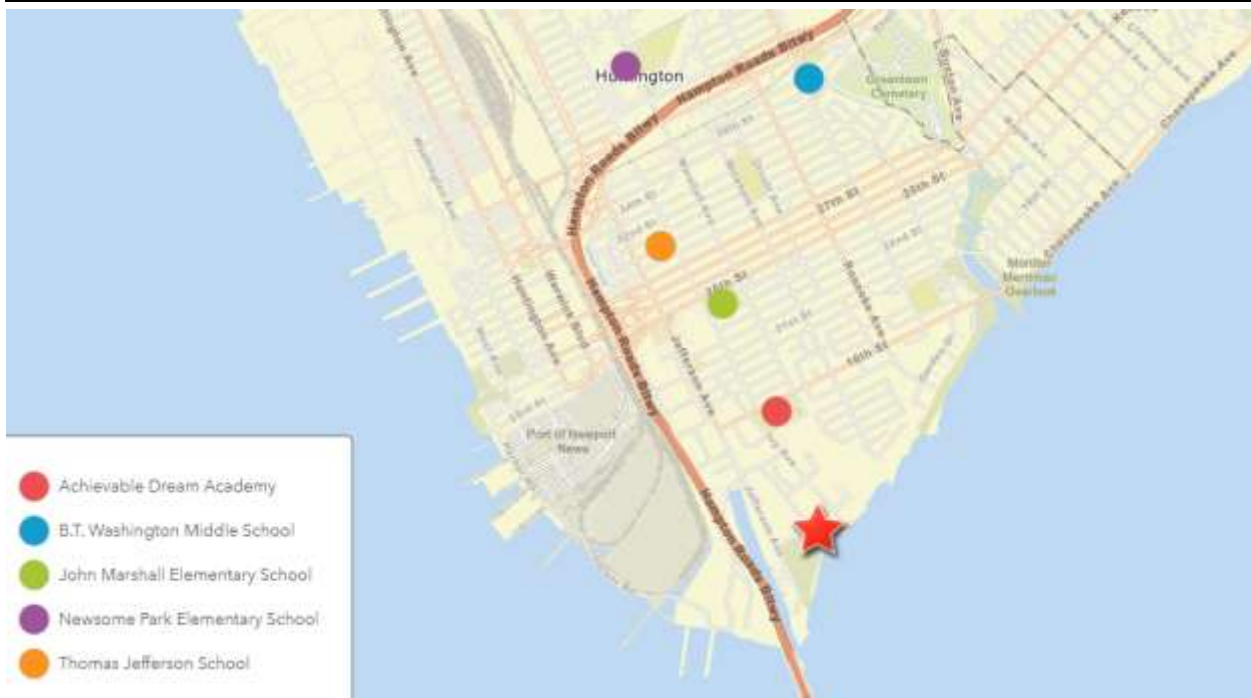
MEDICAL FACILITIES

Service	Distance From Site (in Miles)
Riverside Charlie W. and Golden Bethune Hill Community Health Clini	1.5
East End Physicians	2.2
Southeastern Virginia Health System	2.8
Hill Family Health Center	3.2



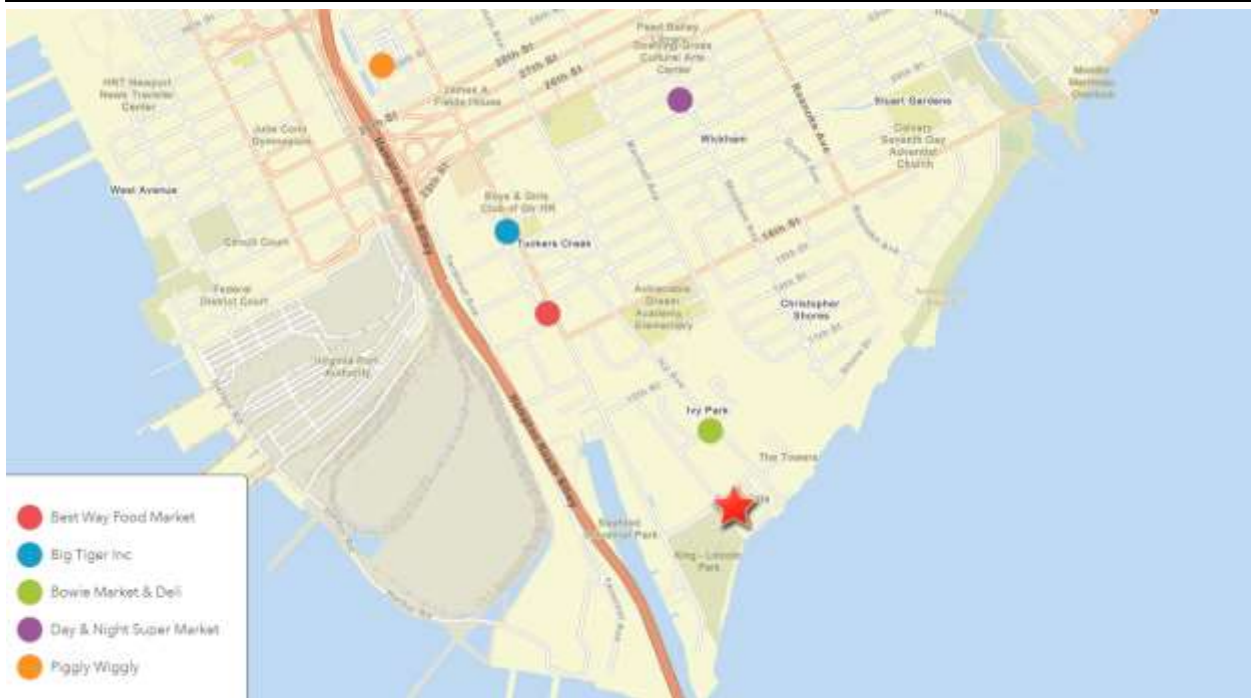
PHARMACIES

Service	Distance From Site (in Miles)
Southeast Community Pharmacy	1.3
East End Physicians Pharmacy	2.2
Smith's Pharmacy	2.5



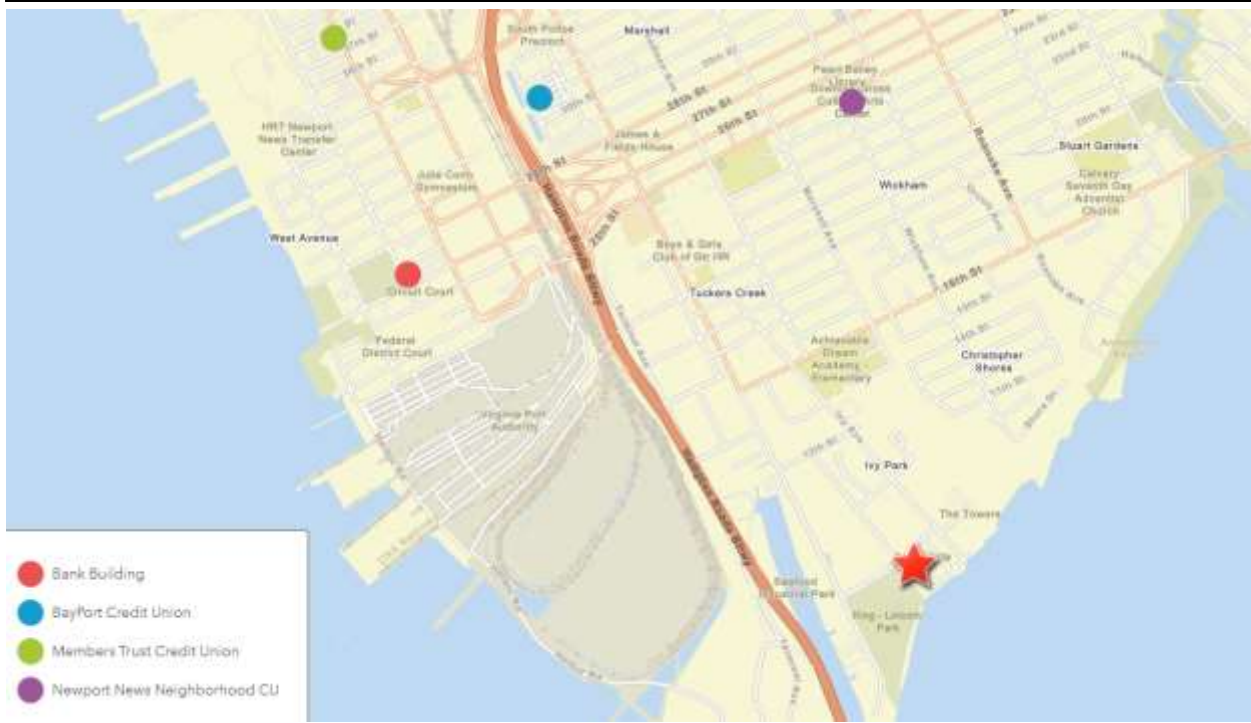
SCHOOLS

Service	Distance From Site (in Miles)
Achievable Dream Academy	1.0
Thomas Jefferson School	1.6
John Marshall Elementary School	1.7
Newsome Park Elementary School	2.6
B.T. Washington Middle School	3.1



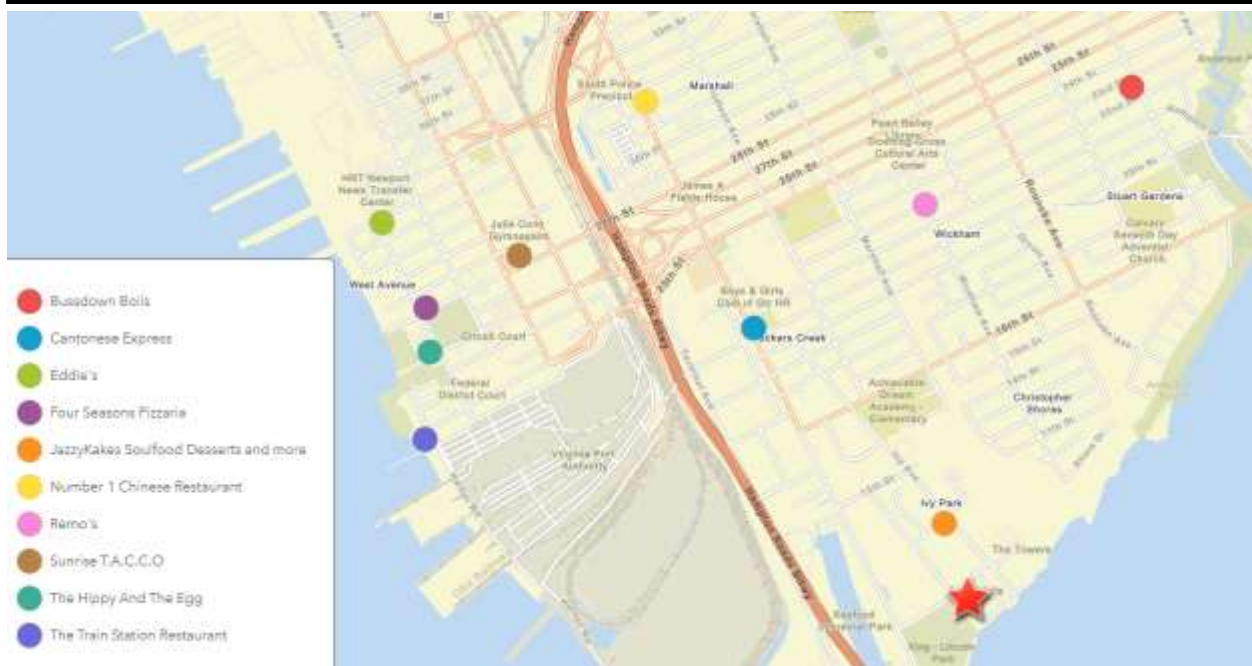
GROCERY STORES/SUPERMARKETS

Service	Distance From Site (in Miles)
Bowie Market & Deli	0.3
Best Way Food Market	0.8
Big Tiger Inc	1.0
Day & Night Super Market	1.6
Piggly Wiggly	1.7



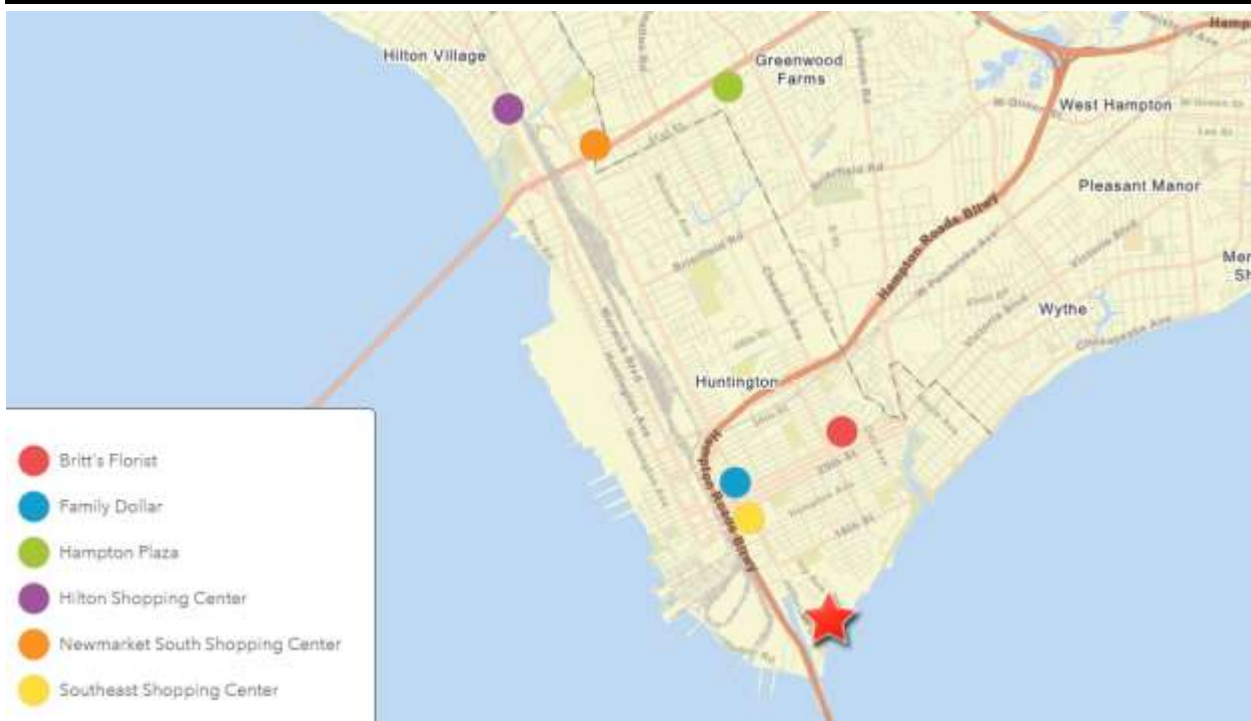
BANKS/LENDING INSTITUTIONS

Service	Distance From Site (in Miles)
BayPort Credit Union	1.6
Newport News Neighborhood CU	1.7
Bank Building	1.9
Members Trust Credit Union	2.6



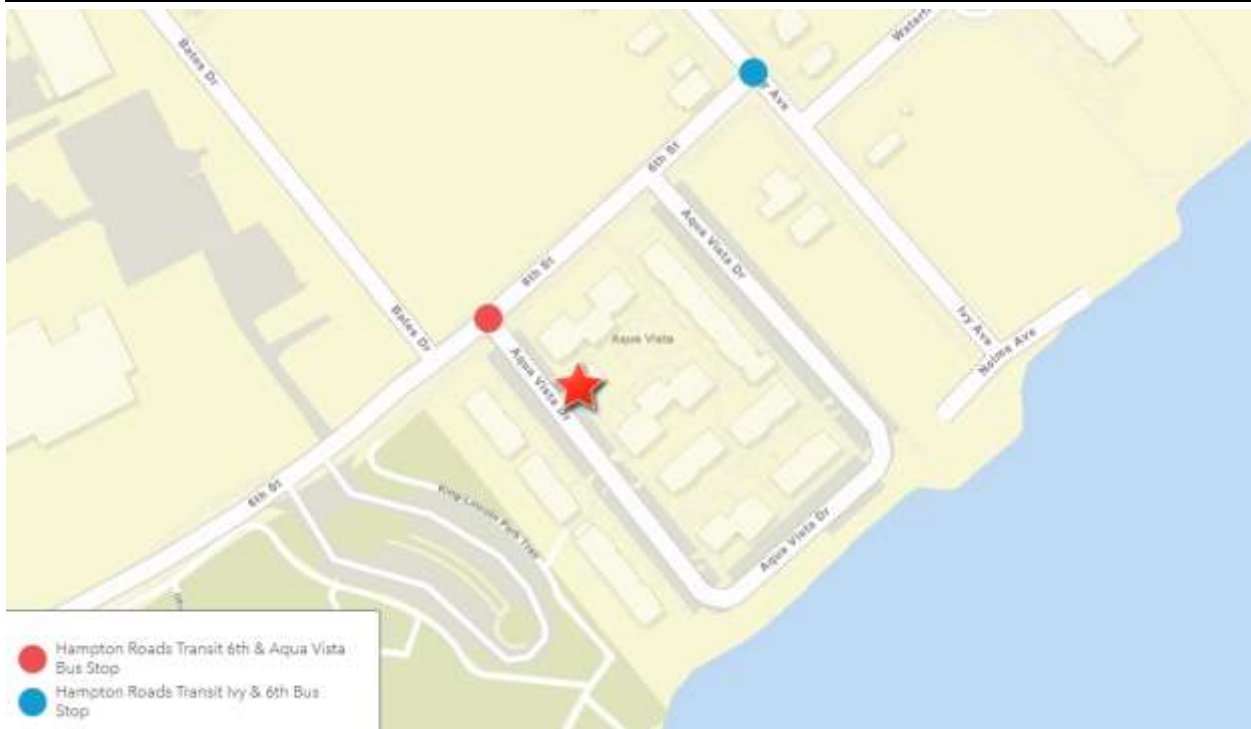
RESTAURANTS

Service	Distance From Site (in Miles)
JazzyKakes Soulfood Desserts and more	0.3
Cantonese Express	1.0
Remo's	1.5
Number 1 Chinese Restaurant	1.6
Sunrise T.A.C.C.O	1.9
The Hippy And The Egg	2.0
Busstown Boils	2.1
Four Seasons Pizzeria	2.1
The Train Station Restaurant	2.3
Eddie's	2.3



SHOPPING

Service	Distance From Site (in Miles)
Southeast Shopping Center	1.2
Family Dollar	1.5
Britt's Florist	2.4
Newmarket South Shopping Center	4.4
Hilton Shopping Center	5.3
Hampton Plaza	5.5

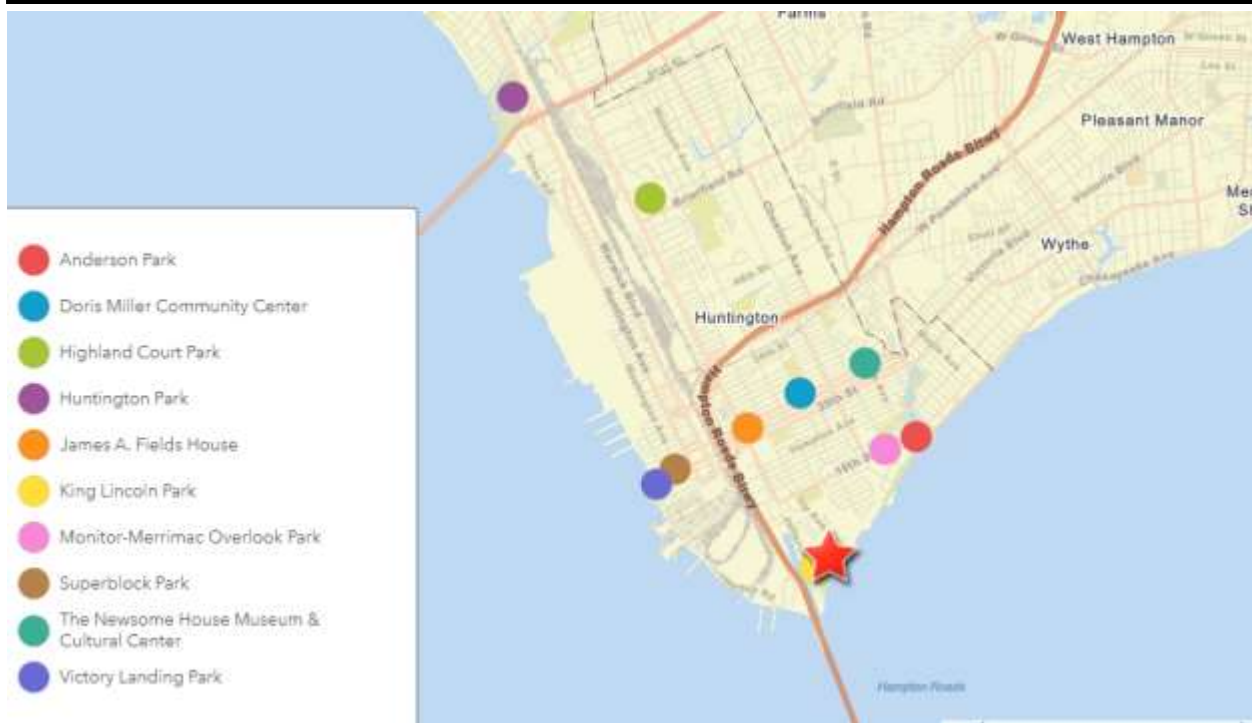


TRANSPORTATION

Service	Distance From Site (in Miles)
Hampton Roads Transit 6th & Aqua Vista Bus Stop	0.1
Hampton Roads Transit Ivy & 6th Bus Stop	0.2

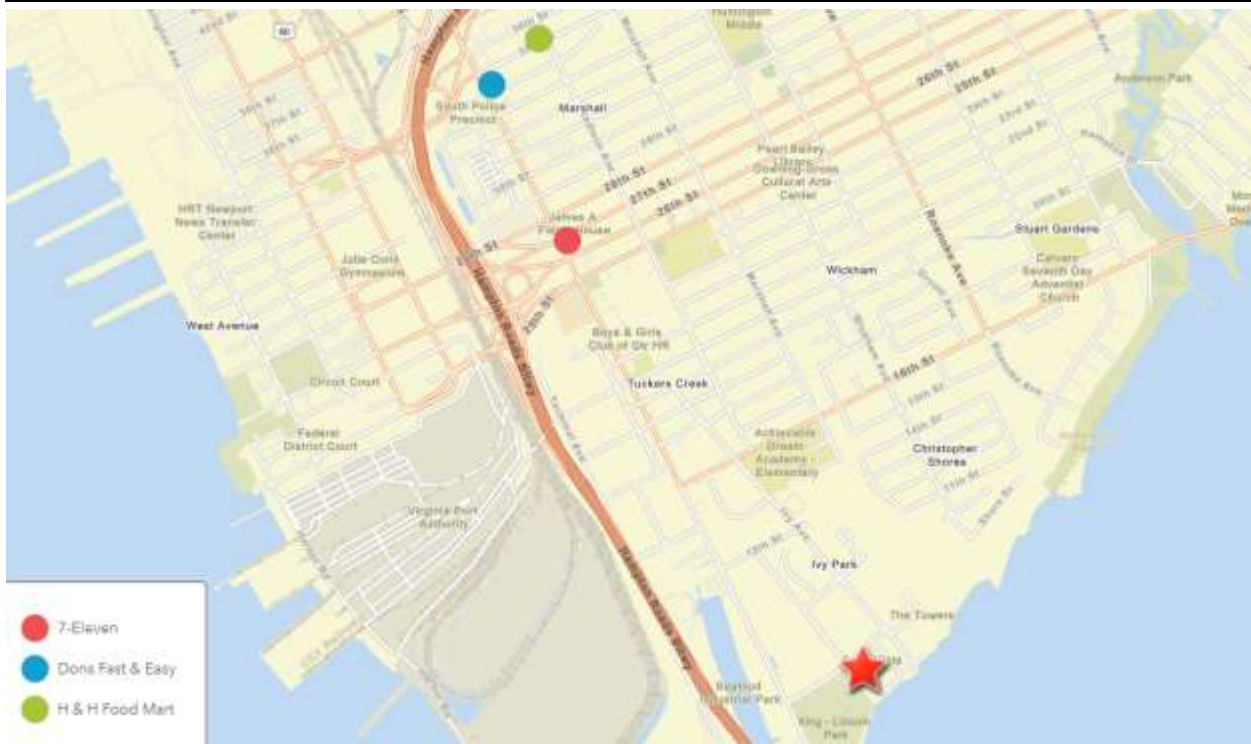


LIBRARIES		
	Service	Distance From Site (in Miles)
Pearl Bailey Library		2.0



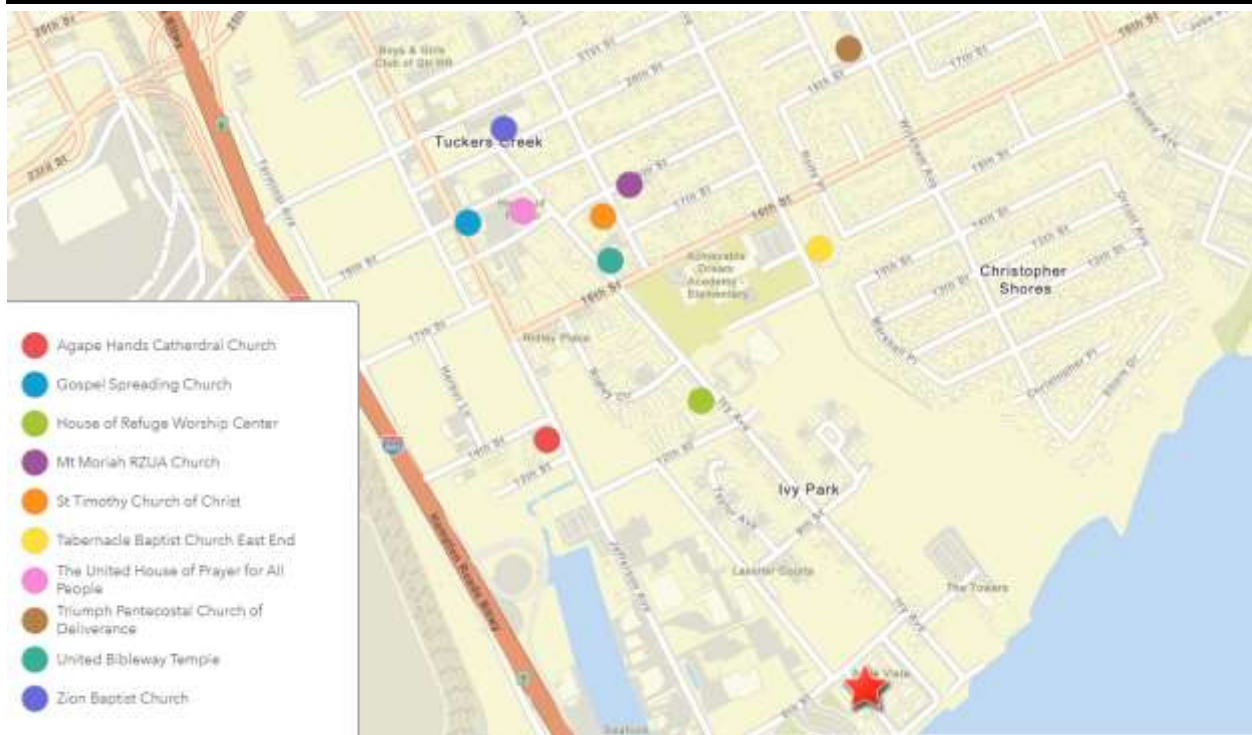
PARKS/RECREATION

Service	Distance From Site (in Miles)
King Lincoln Park	0.2
James A. Fields House	1.4
Superblock Park	1.9
Anderson Park	1.9
Doris Miller Community Center	2.0
Monitor-Merrimac Overlook Park	2.1
Victory Landing Park	2.3
The Newsome House Museum & Cultural Center	2.5
Highland Court Park	3.4
Huntington Park	5.1



CONVENIENCE STORES

Service	Distance From Site (in Miles)
7-Eleven	1.4
Dons Fast & Easy	1.7
H & H Food Mart	1.9



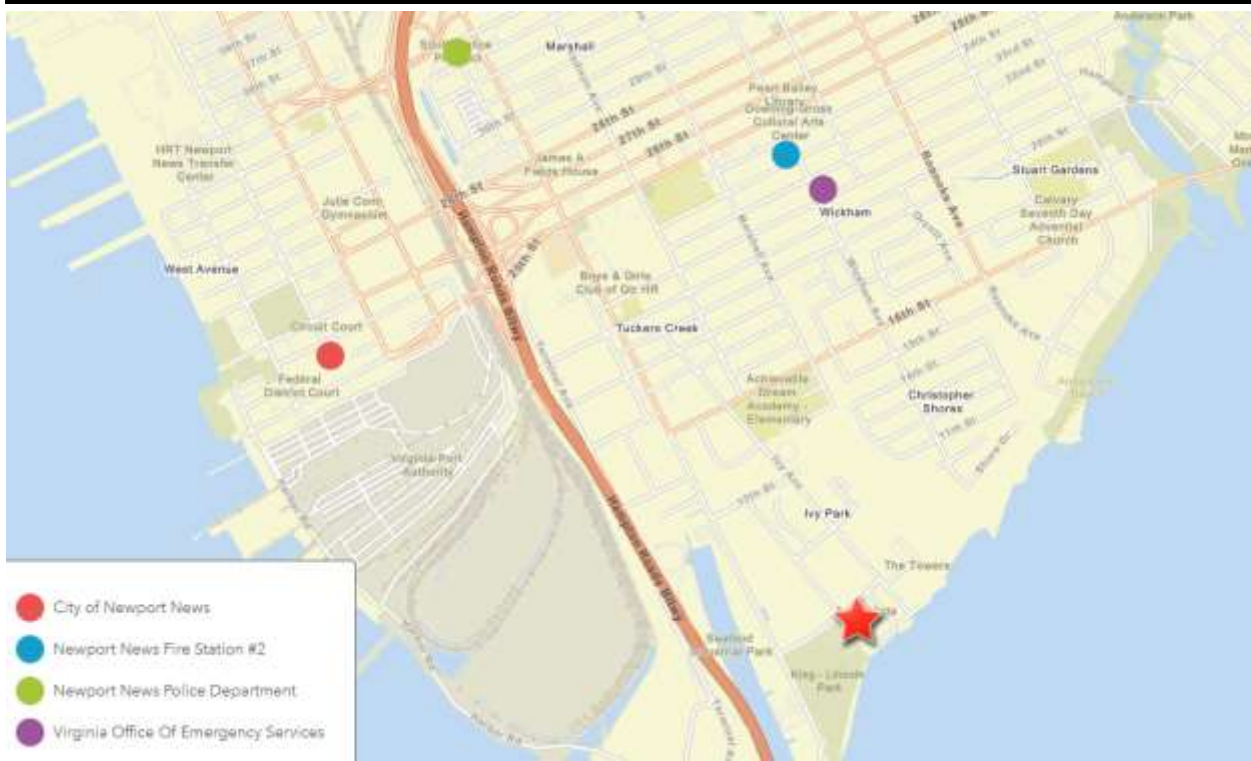
HOUSES OF WORSHIP

Service	Distance From Site (in Miles)
Agape Hands Cathedral Church	0.6
House of Refuge Worship Center	0.8
Gospel Spreading Church	0.9
United Bibleway Temple	0.9
The United House of Prayer for All People	0.9
St Timothy Church of Christ	1.0
Mt Moriah RZUA Church	1.1
Zion Baptist Church	1.1
Tabernacle Baptist Church East End	1.2
Triumph Pentecostal Church of Deliverance	1.4

Aqua Vista Apartments
 646 Aqua Vista Drive
 Newport News, Virginia 23607

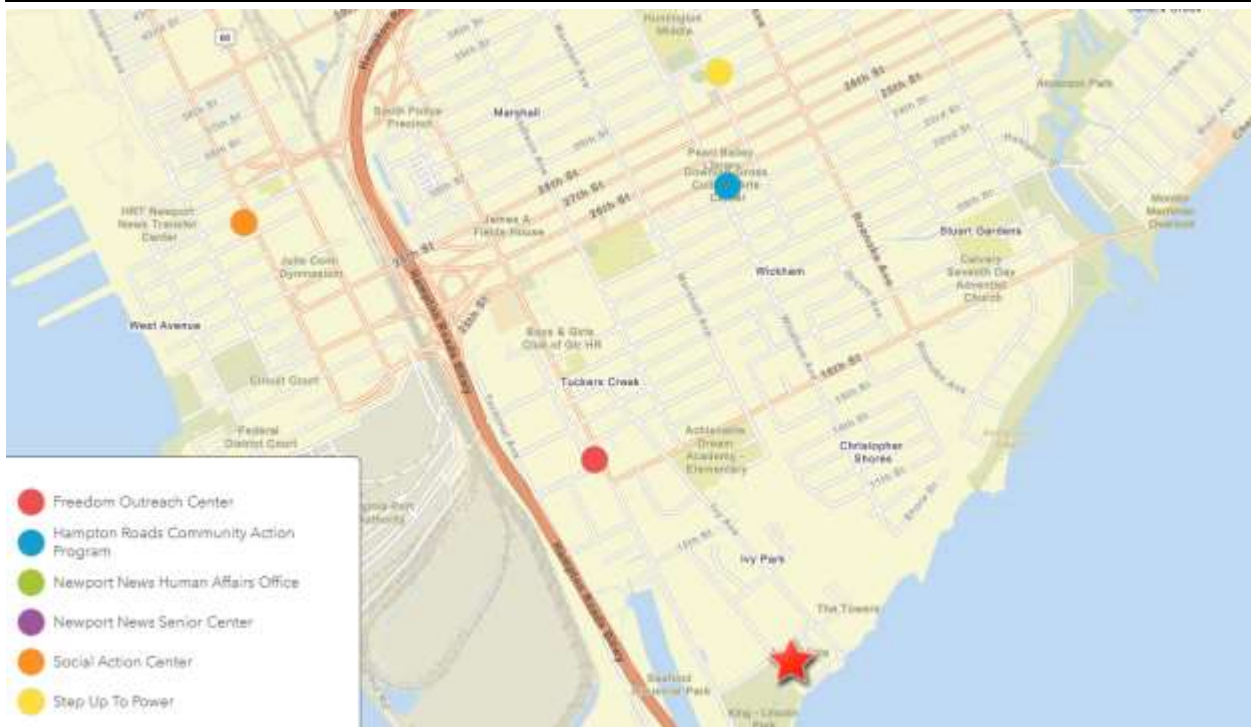


POST OFFICES	
Service	Distance From Site (in Miles)
United States Postal Service	2.0



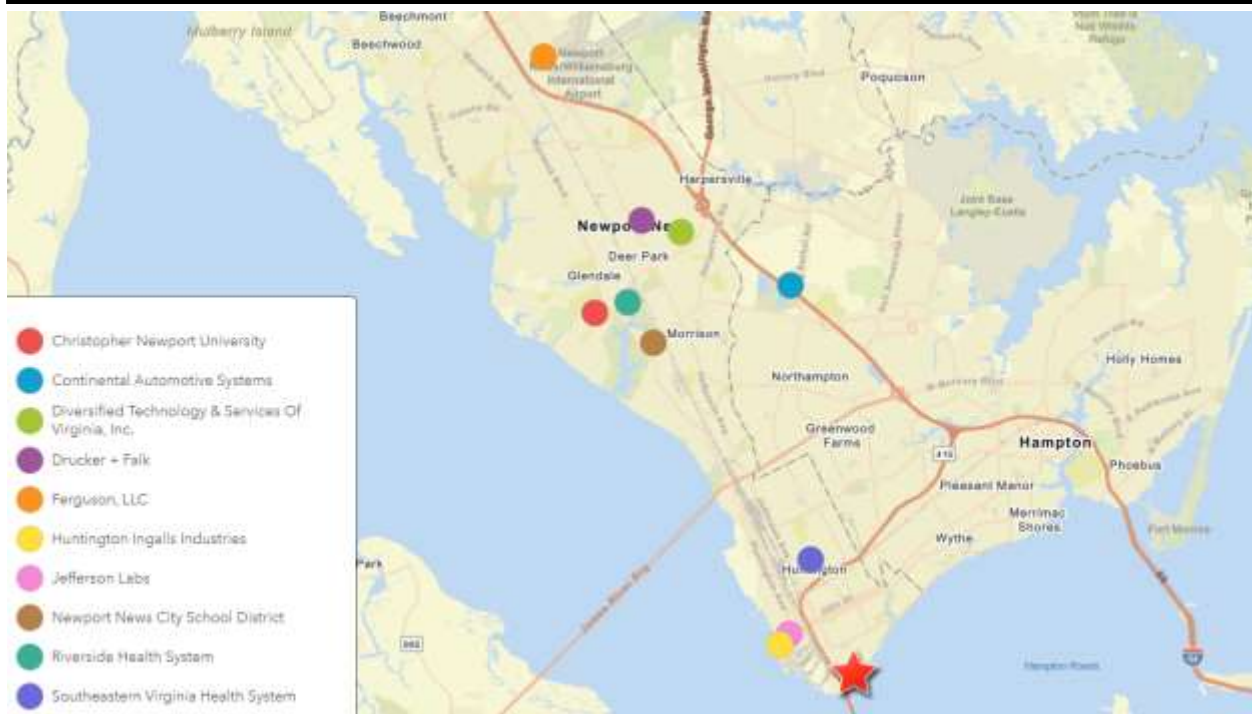
PUBLIC SAFETY/GOVERNMENT

Service	Distance From Site (in Miles)
Virginia Office Of Emergency Services	1.6
Newport News Police Department	1.7
Newport News Fire Station #2	1.7
City of Newport News	1.9



SOCIAL SERVICES

Service	Distance From Site (in Miles)
Freedom Outreach Center	0.8
Newport News Human Affairs Office	1.7
Hampton Roads Community Action Program	1.7
Step Up To Power	2.1
Social Action Center	2.3
Newport News Senior Center	3.0



MAJOR EMPLOYERS

Service	Distance From Site (in Miles)
Jefferson Labs	1.9
Huntington Ingalls Industries	2.3
Southeastern Virginia Health System	2.8
Newport News City School District	7.9
Christopher Newport University	8.5
Riverside Health System	8.7
Drucker + Falk	9.3
Continental Automotive Systems	10.9
Diversified Technology & Services Of Virginia, Inc.	13.5
Ferguson, LLC	16.3



Competing Properties Map



As renovated, the subject will have both Section 8 and LIHTC restrictions at 60 percent AMI. Therefore, the above income-restricted units will directly compete with the subject's units.



Summary of Site Strengths and Weaknesses

Strengths – The site has average visibility and access. The subject is close to employment centers, healthcare services, government and public services. In addition, the subject has excellent access to public transportation. Furthermore, the subject's location provides easy access to major thoroughfares and many recreation and shopping opportunities.

Weaknesses – The site has no apparent weaknesses.

MARKET AREA



Delineation of Market Area

Following is a list of considerations used when determining the market area:

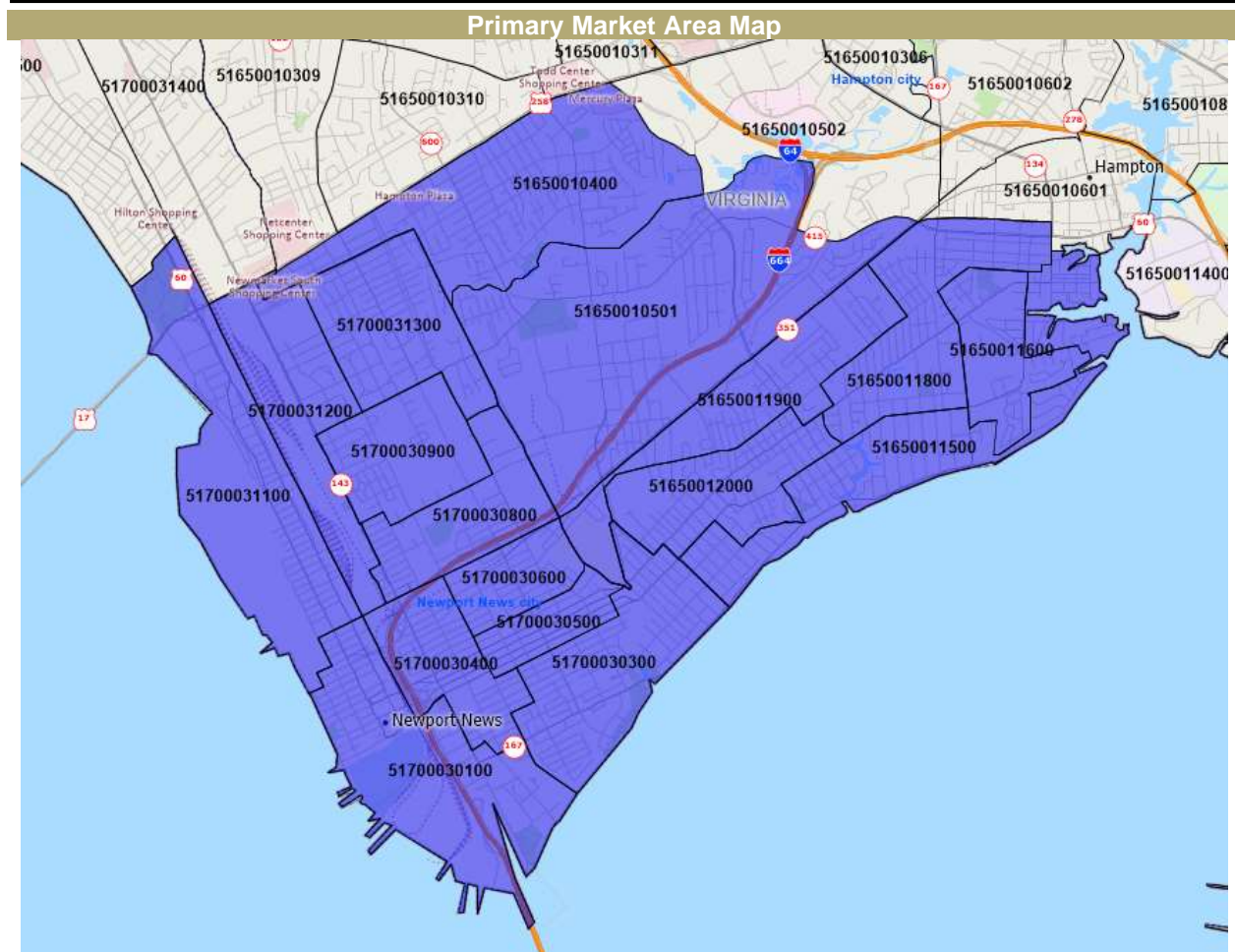
- **Population and Households Counts:** The number of households in a market area is directly proportionate to its geographic size within an individual market. Total householders residing in a market area can greatly influence demand calculations.
- **General Demographics:** The socio-economic composition of a market area including income, household size and tenure can be largely influenced by the erroneous inclusion or exclusions of non-comparable areas.
- **Demand:** Too large of a market may result in overstating demand for a proposed development. Conversely, too conservative of a market area may discount the demand for new product, especially if a lack of quality housing currently exists.
- **Supply Analysis:** While a larger market area generally includes higher household totals, it likewise may include a higher number of directly comparable units. If using demand methodologies that net out recently constructed and comparable rental units from the demand estimate, the increase in the number of comparable units can outweigh the increase in demand.
- **Competitive Stock:** The existing rental stock surveyed for a market study is dependent on the number of rental properties in a given market and therefore the boundaries of a primary market area. If existing developments are going to be used as “comparables”, they should be located in the primary market area, if possible.
- **Attainable Rents:** If the market area includes non-comparable areas, the analysis may use comparables projects that suggest that a project can achieve rents that area significantly higher or lower than the rents its micro location will support.
- **Location of Competitive Properties:** A primary consideration in defining a market area is identifying those locations that offer alternative opportunities to a potential renter for a subject site. The managers of existing comparable properties near the site are excellent sources in determining those competitive locations.
- **Accessibility:** Available transportation linkages including both traffic arteries and mass transit options can influence the size of the market. Mass transit can have a significant impact on projects addressing very low income households for which transportation options may be limited.
- **Natural Boundaries:** Natural boundaries including rivers and mountains can restrict the movement within a market due to a lack of accessibility.
- **Housing Project Characteristics:** The availability of a unique structure type such as a high rise may alter the typical draw of a potential project.
- **Market Perceptions:** Whether grounded in reality or not, market perceptions can be a significant determinant of market area boundaries. Social stigmas often exist within sub-markets, with residents from one side of a submarket may not move to a close by neighborhood, regardless of housing opportunities. The construction of a new, attractive rental community may not necessarily relieve this perception.
- **Commuting Patterns:** The time spent commuting and employment destination could often reveal distinct patterns. High percentages of workers with long commutes or working in neighboring counties are often indicators of a lack of affordable housing options near employment centers.
- **Target Market:** Proposed developments targeting a special needs population such as seniors generally draw from a larger geographic region. Given the smaller pool of qualified householders, the location and quantity of comparable stock is of additional importance. An acceptable market area for a family oriented rental community will often be too conservative for a rental community targeting senior rental householders.
- **Jurisdictional Boundaries:** Differences in the quality and services provided by school districts, municipalities, or counties often influence consumer location choices.
- **Local Agency Service Boundaries:** The geographic areas covered by local agencies, such as housing authorities, senior citizen centers, community-based organizations, or churches can be a strong indicator of market area boundaries, especially when the project has a community-based sponsor or co-sponsor.



-
- Non-Geographic Factors: Employees who might be expected to reside in a development as a result of planned or existing job opportunities and special needs households who are served by a multi-jurisdictional agency that covers communities that are clearly distinct market areas.

The determination of the market area is based on the boundaries between governmental units. In such a method, county, division or city boundaries become the boundaries of the market area. The determination of the market area is based on the boundaries between governmental units. In such a method, county, division or city boundaries become the boundaries of the market area. The primary market area for the subject consists of the following census tracts in Hampton City: 0104.00, 0105.01, 0115.00, 0116.00, 0118.00, 0119.00 and 0120.00; and the following census tracts in Newport News City: 0301.00, 0303.00, 0304.00, 0305.00, 0306.00, 0608.00, 0309.00, 0311.00, 0312.00 and 0313.00. The market area has the following boundaries: North – CSXT/Amtrak Railroads, U.S. Highway 258, State Highway 415, Southwest Branch Back River, Interstate 664, State Highway 415, State Highway 134 and Whiting Street; South – Hampton Roads and James River; East – Hampton Roads; and West – James River.

The analysis was conducted using only the demographics data from the primary market area. However, according to the market study guidelines for Virginia Housing, a secondary or tertiary market area was also determined. The secondary market area is defined as Fairfax County.



EMPLOYMENT AND ECONOMY



Employment and Economy

The economy of Newport News is based on accommodation/food services; educational services; health care/social assistance services; professional, scientific and technical services; and public administration sectors. Each of these categories has experienced reasonable growth within the past few years.

Unemployment in the City of Newport News reached a high of 8.6 percent in 2020 and was at its lowest in 2019 with 3.4 percent. The rate for the City of Newport News in May 2022 was 4.1 percent. The number employed has decreased an average of 0.2 percent since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR NEWPORT NEWS					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	90,822	83,062	91.5%	7,760	8.5%
2011	90,550	83,192	91.9%	7,358	8.1%
2012	89,872	83,269	92.7%	6,603	7.3%
2013	90,463	84,482	93.4%	5,981	6.6%
2014	90,995	85,403	93.9%	5,592	6.1%
2015	89,143	84,369	94.6%	4,774	5.4%
2016	88,936	84,452	95.0%	4,484	5.0%
2017	89,790	85,701	95.4%	4,089	4.6%
2018	89,443	86,228	96.4%	3,215	3.6%
2019	90,560	87,466	96.6%	3,094	3.4%
2020	89,574	81,831	91.4%	7,743	8.6%
2021	86,364	81,527	94.4%	4,837	5.6%
2022**	86,510	82,976	95.9%	3,534	4.1%

* Data based on place of residence.

**Preliminary - based on monthly data through May 2022

Source: U.S. Bureau of Labor Statistics

The State of Virginia reached a high of 7.3 percent in 2010 and was at its lowest point in 2019 with 2.8 percent. The rate for the State of Virginia in May 2022 was 3.0 percent. The number employed has increased 0.5 percent per year since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR VIRGINIA					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	4,163,293	3,858,466	92.7%	304,827	7.3%
2011	4,205,184	3,929,008	93.4%	276,176	6.6%
2012	4,217,529	3,967,151	94.1%	250,378	5.9%
2013	4,238,377	4,002,057	94.4%	236,320	5.6%
2014	4,258,856	4,040,908	94.9%	217,948	5.1%
2015	4,233,981	4,048,081	95.6%	185,900	4.4%
2016	4,254,348	4,084,822	96.0%	169,526	4.0%
2017	4,352,977	4,193,290	96.3%	159,687	3.7%
2018	4,384,657	4,255,213	97.0%	129,444	3.0%
2019	4,455,815	4,332,647	97.2%	123,168	2.8%
2020	4,368,772	4,097,860	93.8%	270,912	6.2%
2021	4,267,656	4,100,803	96.1%	166,853	3.9%
2022**	4,344,221	4,214,642	97.0%	129,579	3.0%

* Data based on place of residence.

**Preliminary - based on monthly data through May 2022

Source: U.S. Bureau of Labor Statistics



According to the U.S. Bureau of Labor Statistics, unemployment trends for Newport News are slightly higher than to the unemployment trends for the State of Virginia.

CHANGE IN TOTAL EMPLOYMENT FOR NEWPORT NEWS				
PERIOD	NUMBER		PERCENT	
	TOTAL	ANNUAL	TOTAL	ANNUAL
2010-2015	1,307	261	1.6%	0.3%
2015-2020	(2,842)	(568)	-3.4%	-0.7%

Source: U.S. Bureau of Labor Statistics

The changes in employment since 2010 by time period are listed in the above table. The data shows that the number of persons employed in Newport News increased an average of 0.2 percent per year between 2010 and 2020.

RECENT CHANGES IN EMPLOYMENT FOR NEWPORT NEWS			
YEAR	NUMBER EMPLOYED	ANNUAL CHANGE	% OF LABOR FORCE UNEMPLOYED
2015	84,369	(1,034)	5.4%
2016	84,452	83	5.0%
2017	85,701	1,249	4.6%
2018	86,228	527	3.6%
2019	87,466	1,238	3.4%
2020	81,527	(5,939)	5.6%

Source: U.S. Bureau of Labor Statistics

The previous tables show the changes in employment and percent unemployed since 2015. The unemployment rate for Newport News has fluctuated from 3.4 percent to 5.6 percent since 2015.

Major Employers

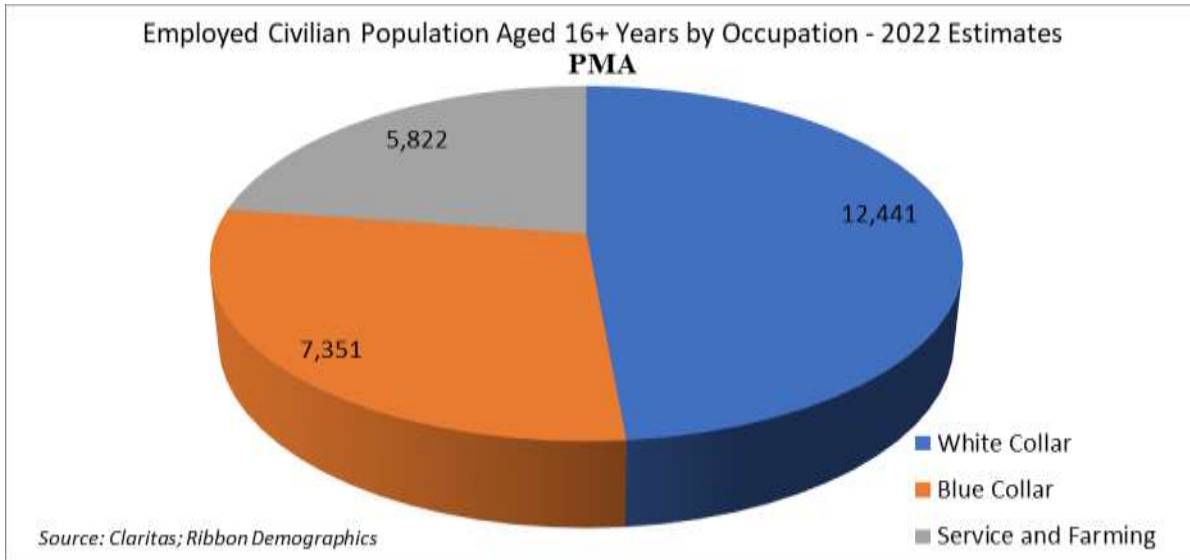
Major employers for the City of Newport News and the industry are shown in the following table:

MAJOR EMPLOYERS		
Name	Product/Service	Total Employees
Huntington Ingalls Industries	Aerospace & Defense	23,000
Ferguson, LLC	Building Materials	12,530
Riverside Health System	Healthcare	9,000
Newport News City School District	Education	5,000
Christopher Newport University	Education	922
Drucker + Falk	Professional Services	705
Jefferson Labs	Laboratory	700
Virginia Health Services	Healthcare	611
Daily Press	Information	575
Diversified Technology & Services Of Virginia, Inc.	Technology	547
Continental Automotive Systems	Manufacturing	525
Hall/Mileone Autogroup	Retail	330

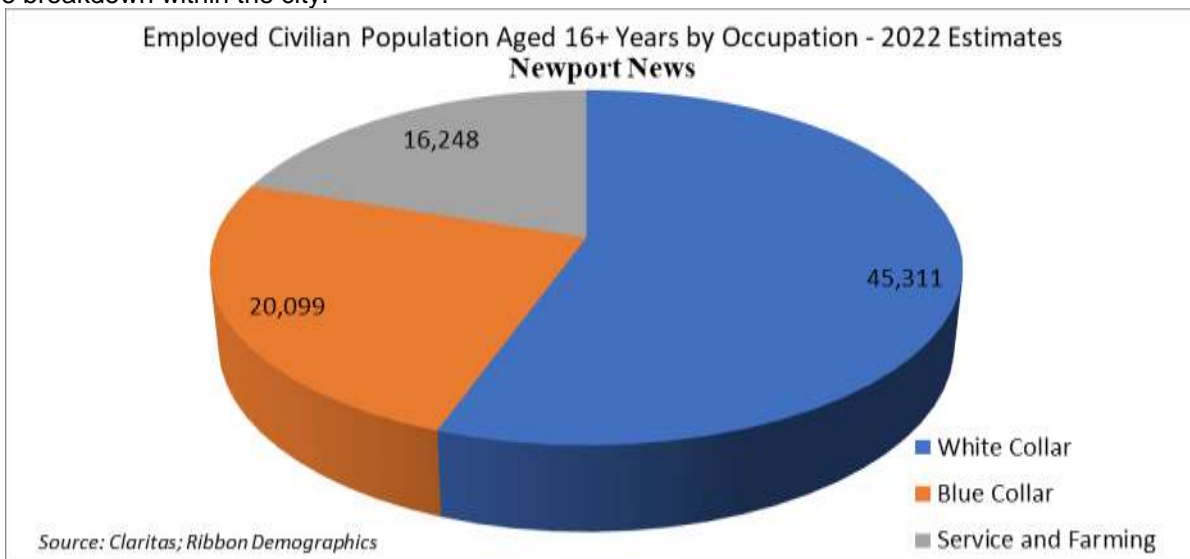
Source: Virginia Business.com & Zippia.com



The majority of the civilian population within the market area are employed in white collar jobs though a significant portion are also employed in service and farming and blue collar positions. The following pie chart shows the breakdown within the market area.



The majority of the civilian population within the city are employed in white collar jobs though a significant portion are also employed in service and farming and blue collar positions. The following pie chart shows the breakdown within the city.





Place of Work Employment

The following chart shows the number of people employed in different sectors of the market area economy in 2022.

Employed Civilian Population Aged 16+ Years by Industry		
<i>Current Year Estimates - 2022</i>		
PMA		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	2,155	8.4%
Administrative/Support/Waste Management	1,861	7.3%
Agriculture/Forestry/Fishing/Hunting/Mining	10	0.0%
Arts/Entertainment/Recreation	225	0.9%
Construction	1,490	5.8%
Educational Services	2,567	10.0%
Finance/Insurance/Real Estate/Rent/Lease	1,172	4.6%
Health Care/Social Assistance	3,352	13.1%
Information	347	1.4%
Management of Companies and Enterprises	18	0.1%
Manufacturing	3,639	14.2%
Other Services Except Public Administration	1,039	4.1%
Professional/Scientific/Technical Services	1,179	4.6%
Public Administration	1,395	5.4%
Retail Trade	3,360	13.1%
Transportation/Warehousing/Utilities	1,493	5.8%
Wholesale Trade	312	1.2%
Total:	25,614	100.0%

Source: Claritas; Ribbon Demographics



The following chart shows the number of people employed in different sectors of the city economy in 2022.

Employed Civilian Population Aged 16+ Years by Industry		
Current Year Estimates - 2022		
Newport News		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	8,113	9.9%
Administrative/Support/Waste Management	4,158	5.1%
Agriculture/Forestry/Fishing/Hunting/Mining	145	0.2%
Arts/Entertainment/Recreation	1,472	1.8%
Construction	4,602	5.6%
Educational Services	8,130	10.0%
Finance/Insurance/Real Estate/Rent/Lease	2,822	3.5%
Health Care/Social Assistance	10,601	13.0%
Information	1,002	1.2%
Management of Companies and Enterprises	82	0.1%
Manufacturing	10,523	12.9%
Other Services Except Public Administration	3,549	4.3%
Professional/Scientific/Technical Services	4,522	5.5%
Public Administration	5,849	7.2%
Retail Trade	10,186	12.5%
Transportation/Warehousing/Utilities	4,083	5.0%
Wholesale Trade	1,819	2.2%
Total:	81,658	100.0%

Source: Claritas; Ribbon Demographics

The above charts show the number of people employed in different sectors of the Newport News and market area economy in 2022. According to interviews conducted by the analyst, employers in the area indicate that the area economy should remain stable in the next two to five years.

Future Employment Trends

The first case of COVID-19 was diagnosed in the United States on January 21, 2020, in the State of Washington. Since that date, COVID-19 spread rapidly throughout the U.S. The CDC warned that widespread transmission of the disease could force a large number of people to seek hospitalization, overloading the healthcare system. Therefore, on March 19, 2020, the government advised against gatherings of more than 10 people. Additionally, state and local authorities made the decision to prohibit large-scale gatherings.

Also, many cities and most states imposed lockdown measures of different scopes and severity in order to attempt to contain the number of people infected. These lockdown measures placed limits on where people could travel, work and shop away from their homes. These measures had a significant impact on the economic conditions in cities and counties throughout the country. In March 2020, the U.S. Congress passed a \$2 trillion COVID-19 aid package in an attempt to ease the economic impact of the coronavirus pandemic.

While the federal and state governments have attempted to mitigate the economic impact by lowering interest rates, providing financial relief and paid sick leave for workers quarantined, providing small



business loans to businesses affected by the pandemic, deferring tax payments without penalty and temporarily suspending all government foreclosures and evictions, the result of the pandemic would likely be a recession and potentially a depression if conditions did not improve quickly.

As of December 13, 2021, citizens in the country began receiving the COVID-19 vaccinations. As the vaccinations were dispersed, many states began re-opening in stages, if not entirely. As of April 26, 2021, there have been a total of 32,994,369 cases in the country and approximately 61.8 percent of the total population have received at least one vaccination. Furthermore, approximately 39.7 percent of the population have been fully vaccinated.

According to the Virginia Employment Commission, the following Worker Adjustment and Retraining Notifications (W.A.R.N.) notices issued for Newport News since January 2020.

W.A.R.N. NOTICES			
Company	City	Employees Lost	Layoff Date
TitleMax of Virginia, Inc	Newport News	55	1/16/2021
Avis Budget Group	Newport News	86	9/4/2020
Bloomin' Brands	Newport News	201	3/21/2020
Bloomin' Brands	Newport News	319	3/21/2020
Bloomin' Brands	Newport News	524	3/21/2020
Take 5 Oil Change-Driven Brands Shared	Newport News	42	3/22/2020
Continental	Newport News	6	2/7/2020
Total:		1,233	

Source: Virginia Employment Commission

According to Priscilla Green, Economic Director of the Newport News Economic Development Authority, The city has remained economically stable throughout the COVID-19 pandemic. The possibility for future impacts on tax revenues do exist; however, the actual extent at this point is unknown. She also reported that there have been no closures or layoffs in the city. Furthermore, Ms. Green stated that the city has several projects underway or planned. She also reported that there have been several new and/or expanding businesses within the city in the last year including, but are not limited to, the following:

- Bourbon Micro-Distillery To Open Downtown announced it will open a new location in a 30,000-square-foot building near Newport News Shipbuilding.
- The first building of the new Tech Center Research Park recently opened and is 94 percent leased. The 81,600 square foot building is the first of ten planned for the 50-acre research park located on the intersection of Jefferson Avenue and Hogan Drive. Building One of the three building planned. Major tenants in the building include Gather, ivWatch, LLC and ITA International.
- The new Brooks Crossing Innovation and Opportunity Center opened in the Southeast Community. The company focuses on workforce development and STEM education outreach.
- S23, a new company to the area recently began construction. Once construction is complete, the company plans to employ 332 employees.
- A groundbreaking ceremony was recently held for the new Ferguson Enterprises' headquarters campus to be built in the City Center. The company announced it anticipated bring 1,400 new jobs to the area.
- Printpack Inc. announced the company's plans for a \$25-million expansion to its rigid packaging operation in the Industrial Park of Newport News.
- Davis Boat Works, Inc., recently announced expansion plans that will create an additional 25 full-time skilled and management positions.

Due to the new and expanding businesses, decreasing unemployment and lack of layoffs and closures in the city, it is believed that the economic outlook for the area will remain stable for the next two to five years.



Wages

The preliminary average annual wage of employees in Newport News was \$56,213 in 2021. Wages have been increasing 3.5 percent per year.

AVERAGE ANNUAL WAGE BY SECTOR			
INDUSTRY	2020	2021**	% INCREASE
Agriculture, Forestry and Fisheries	N/A*	N/A*	N/A*
Mining	\$49,507	\$50,203	1.4%
Construction	\$65,445	\$66,531	1.7%
Manufacturing	\$73,132	\$74,960	2.5%
Transportation and Warehousing	N/A*	N/A*	N/A*
Utilities	N/A*	N/A*	N/A*
Wholesale Trade	\$65,842	\$68,168	3.5%
Retail Trade	\$31,270	\$32,841	5.0%
Leisure and Hospitality	\$18,903	\$21,605	14.3%
Education and Health Services	\$55,607	\$58,837	5.8%
Professional and Business Services	\$68,199	\$70,935	4.0%
Financial Activities	\$55,634	\$60,285	8.4%
Information	\$78,591	\$76,345	-2.9%
Other Services	\$30,222	\$33,578	11.1%
Public Administration (Local Government)	\$59,170	\$60,268	1.9%

Source: U.S. Bureau of Labor Statistics

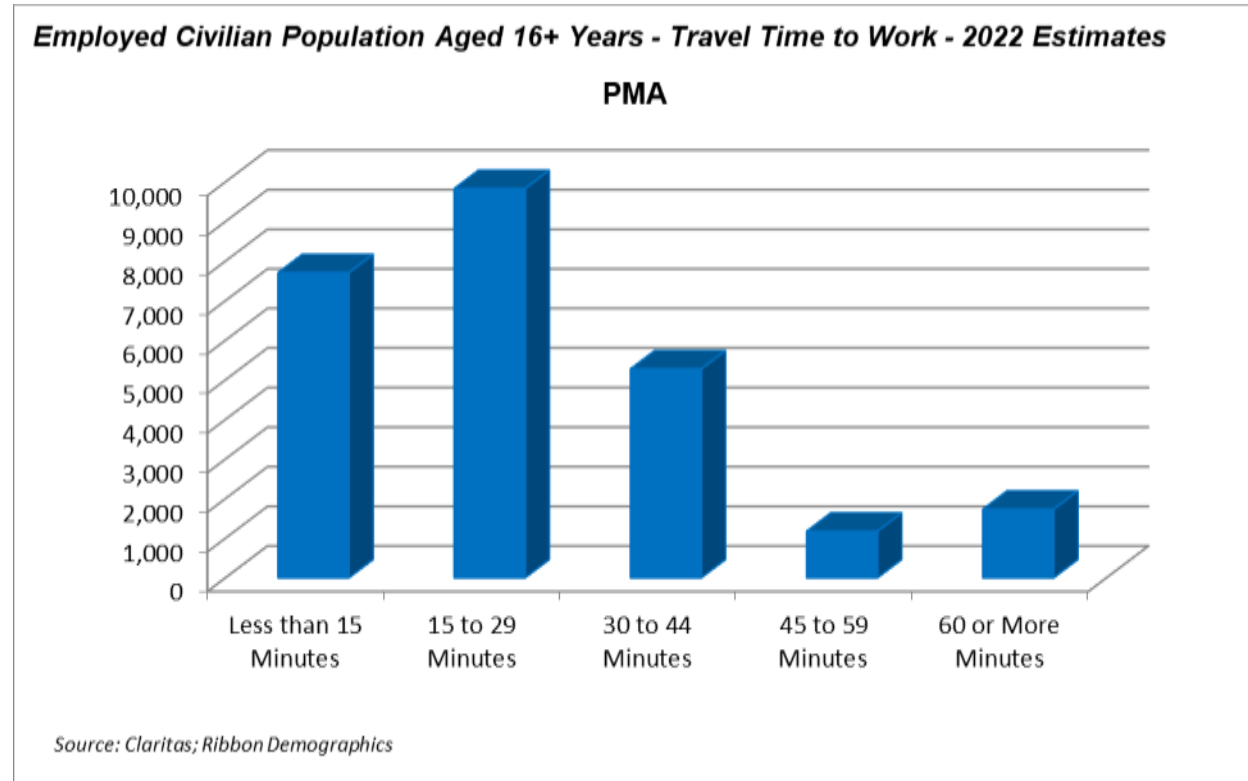
*Data was not available.

**Preliminary Data



Employment Outside the County

In 2022, for residents employed in market area, the travel time to work from the site is less than 30 minutes. For the majority of those employed in other parts of the town, the travel time would be within 30 minutes. According to the chart below, 30.0 percent have a travel time of less than 15 minutes; 38.2 percent have a travel time of 15 to 29 minutes; and 31.8 percent have a travel time of over 30 minutes. This relatively low travel time indicates that the subject site is in an area in close proximity to employment centers.



Summary of Employment Trends in Market Area

Households who have between one and five persons and have annual incomes below \$60,600 are potential tenants for the subject’s rehabilitated LIHTC units when considering the current subsidies. Without considering subsidies, households who have between one and five persons and have annual incomes between \$36,069 and \$60,600 are potential tenants for the LIHTC units at the subject property. Major employers shown on Page 64 are included in the retail trade; leisure and hospitality; education and health services; healthcare; financial activities; and other services sectors. The available employment is well-suited to the targeted population of the proposed development.

DEMOGRAPHIC CHARACTERISTICS



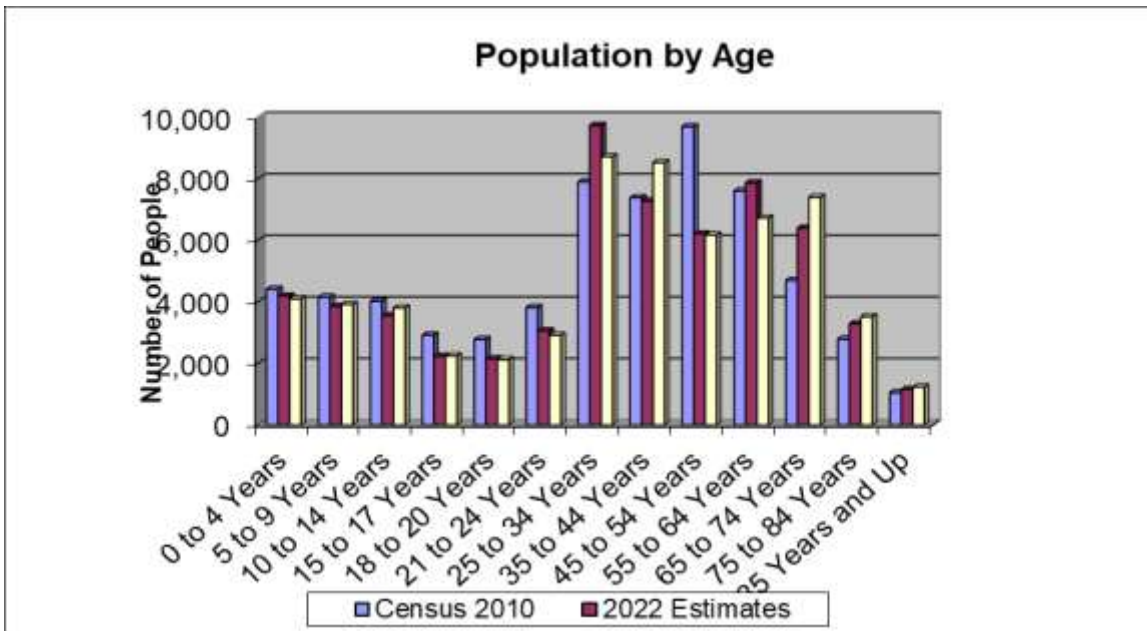
Population and Households Trends and Analysis

The housing Market Area for the rehabilitated units is an area in which people could locate their residences and have fairly equal access to the same job market, community services and amenities and be in the socio-economic community they choose.

The primary market area for the subject consists of the following census tracts in Hampton City: 0104.00, 0105.01, 0115.00, 0116.00, 0118.00, 0119.00 and 0120.00; and the following census tracts in Newport News City: 0301.00, 0303.00, 0304.00, 0305.00, 0306.00, 0608.00, 0309.00, 0311.00, 0312.00 and 0313.00. The market area has the following boundaries: North – CSXT/Amtrak Railroads, U.S. Highway 258, State Highway 415, Southwest Branch Back River, Interstate 664, State Highway 415, State Highway 134 and Whiting Street; South – Hampton Roads and James River; East – Hampton Roads; and West – James River.

Population by Age & Sex												
PMA												
Census 2010				Current Year Estimates - 2022				Five Year Projections - 2027				
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total	
0 to 4 Years	2,273	2,138	4,411	0 to 4 Years	2,137	2,054	4,191	0 to 4 Years	2,083	2,014	4,097	
5 to 9 Years	2,172	1,981	4,153	5 to 9 Years	1,993	1,860	3,853	5 to 9 Years	2,020	1,896	3,916	
10 to 14 Years	2,090	1,929	4,019	10 to 14 Years	1,843	1,712	3,555	10 to 14 Years	1,954	1,847	3,801	
15 to 17 Years	1,504	1,414	2,918	15 to 17 Years	1,172	1,061	2,233	15 to 17 Years	1,192	1,051	2,243	
18 to 20 Years	1,438	1,342	2,780	18 to 20 Years	1,151	999	2,150	18 to 20 Years	1,159	962	2,121	
21 to 24 Years	1,871	1,945	3,816	21 to 24 Years	1,656	1,405	3,061	21 to 24 Years	1,584	1,327	2,911	
25 to 34 Years	3,662	4,238	7,900	25 to 34 Years	4,903	4,831	9,734	25 to 34 Years	4,484	4,233	8,717	
35 to 44 Years	3,481	3,903	7,384	35 to 44 Years	3,402	3,875	7,277	35 to 44 Years	4,109	4,417	8,526	
45 to 54 Years	4,564	5,124	9,688	45 to 54 Years	2,858	3,350	6,208	45 to 54 Years	2,841	3,326	6,167	
55 to 64 Years	3,558	4,042	7,600	55 to 64 Years	3,588	4,279	7,867	55 to 64 Years	3,004	3,718	6,722	
65 to 74 Years	2,024	2,673	4,697	65 to 74 Years	2,801	3,597	6,398	65 to 74 Years	3,236	4,164	7,400	
75 to 84 Years	1,066	1,724	2,790	75 to 84 Years	1,344	1,945	3,289	75 to 84 Years	1,485	2,029	3,514	
85 Years and Up	<u>305</u>	<u>744</u>	<u>1,049</u>	85 Years and Up	<u>373</u>	<u>780</u>	<u>1,153</u>	85 Years and Up	<u>402</u>	<u>828</u>	<u>1,230</u>	
Total	30,008	33,197	63,205	Total	29,221	31,748	60,969	Total	29,553	31,812	61,365	
62+ Years	n/a	n/a	10,499	62+ Years	n/a	n/a	13,202	62+ Years	n/a	n/a	14,240	
Median Age:			37.2	Median Age:			37.3	Median Age:			38.4	

Source: Claritas; Ribbon Demographics



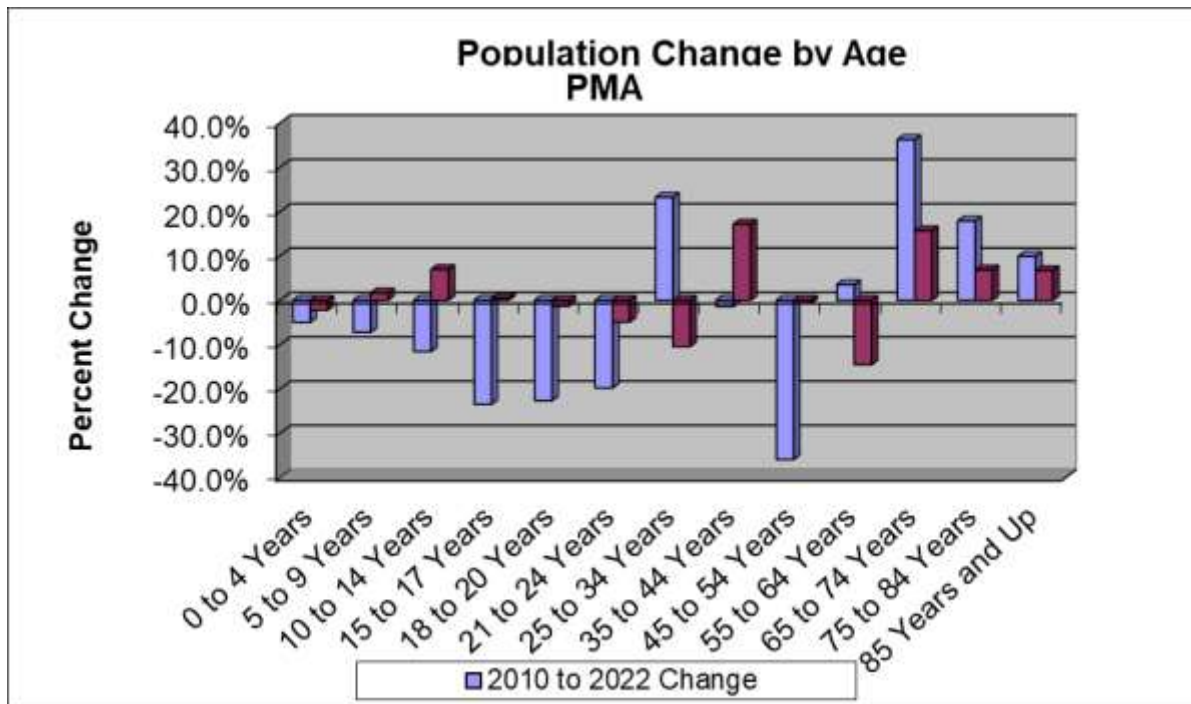
Source: Claritas; Ribbon Demographics



In 2000, this geographic market area contained an estimated population of 65,469. The population in 2010 in the market area decreased 3.5 percent to 63,205. In 2022, the population in this market area decreased 3.5 percent to 60,969. However, it is projected that between 2022 and 2027, population in the market area will increase 0.6 percent to 61,365. Population estimates and projections are based on the most recent data from Claritas and Ribbon Demographics. The data was produced during the COVID-19 pandemic. At this time, there are no estimated changes due to the virus. However, the long-term economic impact on any region is unknown at this time. The short-term economic impact has been relatively minor. However, it is possible the population growth could be impacted by the COVID-19 if there are long-term economic impacts in the area. The following tables show the population change by age in the market area.

Changes in Population by Age & Sex									
PMA									
Estimated Change - 2010 to 2022					Projected Change - 2022 to 2027				
Age	Male	Female	Total Change	Percent Change	Age	Male	Female	Total Change	Percent Change
0 to 4 Years	-136	-84	-220	-5.0%	0 to 4 Years	-54	-40	-94	-2.2%
5 to 9 Years	-179	-121	-300	-7.2%	5 to 9 Years	27	36	63	1.6%
10 to 14 Years	-247	-217	-464	-11.5%	10 to 14 Years	111	135	246	6.9%
15 to 17 Years	-332	-353	-685	-23.5%	15 to 17 Years	20	-10	10	0.4%
18 to 20 Years	-287	-343	-630	-22.7%	18 to 20 Years	8	-37	-29	-1.3%
21 to 24 Years	-215	-540	-755	-19.8%	21 to 24 Years	-72	-78	-150	-4.9%
25 to 34 Years	1,241	593	1,834	23.2%	25 to 34 Years	-419	-598	-1,017	-10.4%
35 to 44 Years	-79	-28	-107	-1.4%	35 to 44 Years	707	542	1,249	17.2%
45 to 54 Years	-1,706	-1,774	-3,480	-35.9%	45 to 54 Years	-17	-24	-41	-0.7%
55 to 64 Years	30	237	267	3.5%	55 to 64 Years	-584	-561	-1,145	-14.6%
65 to 74 Years	777	924	1,701	36.2%	65 to 74 Years	435	567	1,002	15.7%
75 to 84 Years	278	221	499	17.9%	75 to 84 Years	141	84	225	6.8%
85 Years and Up	68	36	104	9.9%	85 Years and Up	29	48	77	6.7%
Total	-787	-1,449	-2,236	-3.5%	Total	332	64	396	0.6%
62+ Years	n/a	n/a	2,703	25.7%	62+ Years	n/a	n/a	1,038	7.9%

Source: Claritas; Ribbon Demographics



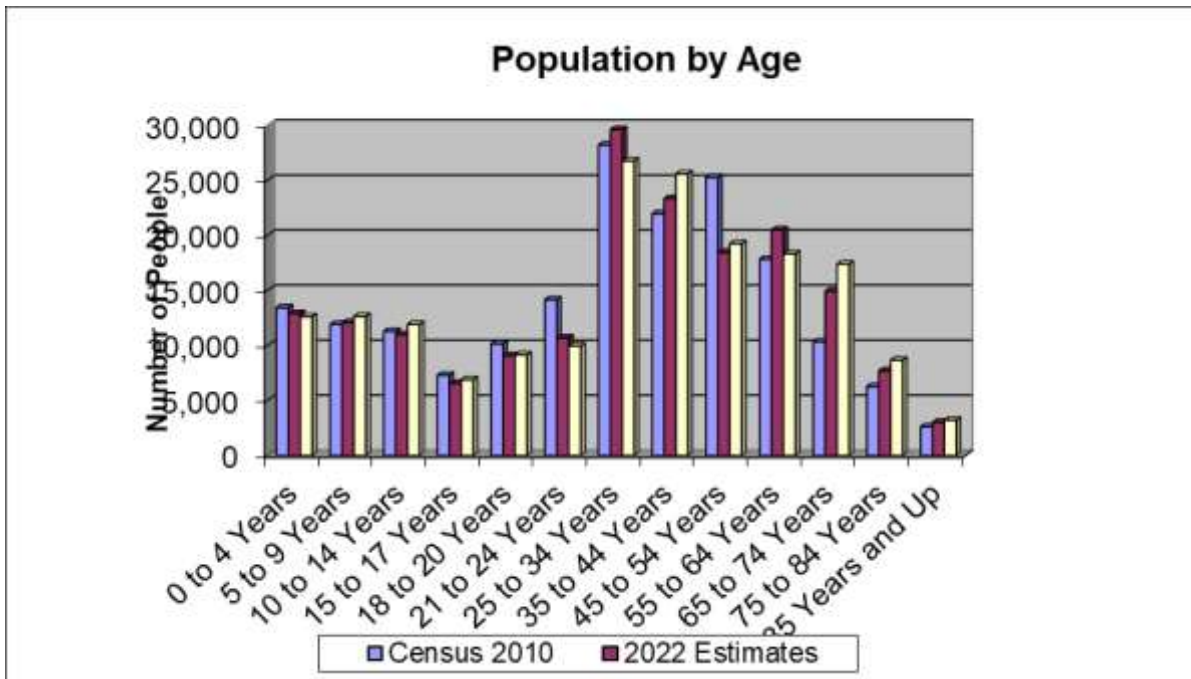
Source: Claritas; Ribbon Demographics



The total population in the market area has been fluctuating at a similar rate as the city. The following tables show the changes in population for the city.

Percent Population by Age & Sex Newport News												
Census 2010				Current Year Estimates - 2022				Five Year Projections - 2027				
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total	
0 to 4 Years	3.8%	3.6%	7.4%	0 to 4 Years	3.7%	3.5%	7.2%	0 to 4 Years	3.5%	3.4%	6.9%	
5 to 9 Years	3.4%	3.2%	6.6%	5 to 9 Years	3.4%	3.3%	6.7%	5 to 9 Years	3.6%	3.4%	6.9%	
10 to 14 Years	3.2%	3.1%	6.2%	10 to 14 Years	3.1%	3.0%	6.1%	10 to 14 Years	3.4%	3.2%	6.5%	
15 to 17 Years	2.0%	2.0%	4.0%	15 to 17 Years	1.8%	1.8%	3.6%	15 to 17 Years	1.9%	1.8%	3.8%	
18 to 20 Years	2.8%	2.8%	5.6%	18 to 20 Years	2.6%	2.4%	5.0%	18 to 20 Years	2.7%	2.4%	5.0%	
21 to 24 Years	4.0%	3.9%	7.8%	21 to 24 Years	3.1%	2.8%	5.9%	21 to 24 Years	2.9%	2.5%	5.5%	
25 to 34 Years	7.7%	7.9%	15.6%	25 to 34 Years	8.2%	8.2%	16.5%	25 to 34 Years	7.4%	7.3%	14.7%	
35 to 44 Years	5.8%	6.4%	12.2%	35 to 44 Years	6.4%	6.6%	13.0%	35 to 44 Years	6.9%	7.1%	14.0%	
45 to 54 Years	6.7%	7.3%	14.0%	45 to 54 Years	4.8%	5.5%	10.3%	45 to 54 Years	5.0%	5.5%	10.6%	
55 to 64 Years	4.6%	5.3%	9.9%	55 to 64 Years	5.3%	6.1%	11.4%	55 to 64 Years	4.6%	5.4%	10.0%	
65 to 74 Years	2.5%	3.2%	5.7%	65 to 74 Years	3.6%	4.7%	8.3%	65 to 74 Years	4.2%	5.3%	9.5%	
75 to 84 Years	1.3%	2.1%	3.5%	75 to 84 Years	1.7%	2.6%	4.3%	75 to 84 Years	1.9%	2.8%	4.8%	
85 Years and Up	0.4%	1.0%	1.4%	85 Years and Up	0.5%	1.2%	1.7%	85 Years and Up	0.5%	1.2%	1.8%	
Total	48.3%	51.7%	100.0%	Total	48.4%	51.6%	100.0%	Total	48.6%	51.4%	100.0%	
62+ Years	n/a	n/a	13.2%	62+ Years	n/a	n/a	17.6%	62+ Years	n/a	n/a	19.1%	

Source: Claritas; Ribbon Demographics



Source: Claritas; Ribbon Demographics



Housing Market

The demand for additional housing in a market area is a function of population growth, household formations and, also, a replacement of units lost through demolition and extreme obsolescence. Also, within the overall demand are segments of the market asking for more or less expense (related to income) and for ownership or rental.

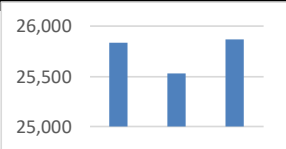

Some of the demand has been, or will be, satisfied by units which have been built, or will be built, by the time the project is renting. The difference between demand and supply, the residual, is the total market of which the project's market will be a share.

The "tenure" of existing housing will be examined first as a guide to the future proportion of ownership and rentals; then characteristics of the housing stock will be noted.

The most important analysis is that of demand, supply and residual demand which follows. Its product is the number of type rental units which will be demanded.

Tenure

The percentage of renters in the market area in 2022 is 49.1 percent, and the percentage of renters in the Newport News in 2022 is 49.5 percent. Household estimates and projections are based on the most recent data from Claritas and Ribbon Demographics. The data was produced during the COVID-19 pandemic. At this time, there are no estimated changes due to the virus. However, the long-term economic impact on any region is unknown at this time. The short-term economic impact has been relatively minor. However, it is possible the household growth could be impacted by the COVID-19 if there are long-term economic impacts in the area.

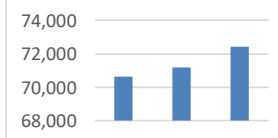
PMA		
Total Households		
Census 2010	25,836	
Current Year Estimates - 2022	25,534	
Five Year Projections - 2027	25,873	
Estimated Change - 2010 to 2022	-302	-1.2%
Projected Change - 2022 to 2027	339	1.3%
		
Average Household Size 2010	2.39	
Average Household Size 2022	2.33	
Average Household Size 2027	2.31	
		
Households by Tenure		
2010 Owner	13,196	51.1%
2010 Renter	12,640	48.9%
2022 Owner	13,004	50.9%
2022 Renter	12,530	49.1%
2027 Owner	13,168	50.9%
2027 Renter	12,705	49.1%

Source: Claritas; Ribbon Demographics



Newport News
Total Households

Census 2010	70,664	
Current Year Estimates - 2022	71,206	
Five Year Projections - 2027	72,449	
<i>Estimated Change - 2010 to 2022</i>	<i>542</i>	<i>0.8%</i>
<i>Projected Change - 2022 to 2027</i>	<i>1,243</i>	<i>1.7%</i>



Average Household Size 2010	2.45
Average Household Size 2022	2.41
Average Household Size 2027	2.40



Households by Tenure

2010 Owner	36,076	51.1%
2010 Renter	34,588	48.9%
2022 Owner	35,942	50.5%
2022 Renter	35,264	49.5%
2027 Owner	36,451	50.3%
2027 Renter	35,998	49.7%

Source: Claritas; Ribbon Demographics



Rent Overburdened Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2018 (the most recent data available), there were 5,705 renter-occupied households in the city with incomes greater than 30 percent and less than or equal to 50 percent that are considered rent overburdened. The rent overburdened households represent 86.2 percent of the households in the city with incomes greater than 30 percent and less than or equal to 50 percent. The percentage of rent-overburdened households was used in the demand analysis to calculate the number of households within the subject's income range that are rent-overburdened.

Income by Cost Burden (Renters only)	Cost burden > 30%	Cost burden > 50%	Total
Household Income <= 30% HAMFI	6,400	5,150	8,195
Household Income >30% to <=50% HAMFI	5,705	2,760	6,615
Household Income >50% to <=80% HAMFI	4,490	300	8,260
Household Income >80% to <=100% HAMFI	590	10	3,835
Household Income >100% HAMFI	385	65	8,380
Total	17,570	8,255	35,280

Source: CHAS 2014-2018 American Community Survey

Substandard Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2018 (the most recent data available), there were 18,445 renter-occupied households in the city with at least one of the four following housing problems: incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room and cost burden greater than 30 percent. This data includes rent-overburdened households which have already been addressed. Therefore, it is necessary to remove the rent-overburdened households from the data to determine the remaining substandard households. The previous table indicates there are 6,615 total rent overburdened households with incomes greater than 30 percent and less than or equal to 50 percent. These 6,615 households that were rent-overburdened were subtracted from the 18,445 households that are substandard. The result of 520 households represents 33.5 percent of the total renter households in the city. The percentage of substandard households was used in the demand analysis to calculate the number of households within the subject's income range that are considered substandard.

Housing Problems Overview	Owner	Renter	Total
Household Has At Least 1 of 4 Housing Problems	8,430	18,445	26,875
Household Has None of 4 Housing Problems or Cost Burden Not Available, No Other Problems	25,615	16,835	42,450
Total	34,045	35,280	69,325

Source: CHAS 2014-2018 American Community Survey



Income Eligibility Analysis

Renter Households

All Age Groups

Year 2022 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	1,056	463	233	271	134	2,157
\$10,000-20,000	1,005	386	358	187	126	2,062
\$20,000-30,000	919	512	161	167	135	1,894
\$30,000-40,000	593	269	318	207	77	1,464
\$40,000-50,000	579	436	301	46	193	1,555
\$50,000-60,000	256	192	181	117	130	876
\$60,000-75,000	298	145	151	103	151	848
\$75,000-100,000	216	163	110	47	143	679
\$100,000-125,000	119	59	47	72	69	366
\$125,000-150,000	81	80	24	23	45	253
\$150,000-200,000	69	36	11	7	19	142
\$200,000+	<u>104</u>	<u>39</u>	<u>29</u>	<u>32</u>	<u>30</u>	<u>234</u>
Total	5,295	2,780	1,924	1,279	1,252	12,530

Source: Claritas and Ribbon Demographics

Owner Households

All Age Groups

Year 2022 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	423	190	57	22	43	735
\$10,000-20,000	719	334	45	31	18	1,147
\$20,000-30,000	308	363	85	77	37	870
\$30,000-40,000	408	598	221	109	101	1,437
\$40,000-50,000	450	568	86	83	66	1,253
\$50,000-60,000	425	448	182	158	62	1,275
\$60,000-75,000	259	754	322	132	112	1,579
\$75,000-100,000	136	730	457	236	329	1,888
\$100,000-125,000	223	312	308	210	125	1,178
\$125,000-150,000	70	164	179	111	12	536
\$150,000-200,000	96	235	109	75	16	531
\$200,000+	<u>74</u>	<u>262</u>	<u>162</u>	<u>32</u>	<u>45</u>	<u>575</u>
Total	3,591	4,958	2,213	1,276	966	13,004

Source: Claritas and Ribbon Demographics



Renter Households						
All Age Groups						
Year 2027 Projections						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	1,044	401	214	262	132	2,053
\$10,000-20,000	938	359	352	189	111	1,949
\$20,000-30,000	914	485	169	147	126	1,841
\$30,000-40,000	565	249	281	182	68	1,345
\$40,000-50,000	593	419	302	47	194	1,555
\$50,000-60,000	289	199	163	123	126	900
\$60,000-75,000	340	149	163	102	157	911
\$75,000-100,000	253	193	124	56	142	768
\$100,000-125,000	156	73	49	76	83	437
\$125,000-150,000	127	121	44	36	42	370
\$150,000-200,000	106	57	27	13	23	226
\$200,000+	<u>160</u>	<u>54</u>	<u>50</u>	<u>49</u>	<u>37</u>	<u>350</u>
Total	5,485	2,759	1,938	1,282	1,241	12,705

Source: Claritas and Ribbon Demographics

Owner Households						
All Age Groups						
Year 2027 Projections						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	386	181	34	21	41	663
\$10,000-20,000	656	285	36	36	14	1,027
\$20,000-30,000	307	358	69	54	33	821
\$30,000-40,000	352	492	171	94	78	1,187
\$40,000-50,000	458	576	81	80	57	1,252
\$50,000-60,000	445	406	159	160	54	1,224
\$60,000-75,000	291	761	330	126	109	1,617
\$75,000-100,000	157	752	459	219	339	1,926
\$100,000-125,000	266	380	334	233	144	1,357
\$125,000-150,000	102	212	230	134	16	694
\$150,000-200,000	122	280	123	85	29	639
\$200,000+	<u>115</u>	<u>363</u>	<u>199</u>	<u>35</u>	<u>49</u>	<u>761</u>
Total	3,657	5,046	2,225	1,277	963	13,168

Source: Claritas and Ribbon Demographics



The subject's units are most suitable for households with two to five persons below \$60,600 when considering subsidies for the LIHTC units and between \$36,069 and \$60,600 without considering subsidies for the LIHTC units. Households with three to five persons and annual incomes between \$49,989 and \$80,800 will be eligible tenants for the three-bedroom market-rate unit. Income is a key characteristic in analyzing housing markets. The previous pages show household incomes for the Market Area for all renter and owner households in 2022 and 2027. However, this analysis is primarily concerned with target incomes of renters as shown in the following tables:

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITH SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,313	\$0	\$80,800	87.9%	11,014
All Unit Types (60%)	\$1,313	\$0	\$60,600	80.1%	10,042
All Unit Types (Market)	\$1,458	\$0	\$80,800	87.9%	11,014
1 BR (60%)	\$1,313	\$0	\$44,880	70.6%	5,698
2 BR (60%)	\$1,549	\$0	\$50,520	73.5%	3,456
3 BR (60%)	\$1,785	\$0	\$60,600	75.4%	3,358
3 BR (Market)	\$1,458	\$49,989	\$80,800	20.3%	3,817

Source: Claritas; Ribbon Demographics and HUD

INCOME-ELIGIBLE RENTER HOUSEHOLDS					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,052	\$36,069	\$80,800	32.0%	4,012
All Unit Types (60%)	\$1,052	\$36,069	\$60,600	24.3%	3,040
1 BR (60%)	\$1,052	\$36,069	\$44,880	10.3%	834
2 BR (60%)	\$1,263	\$43,303	\$50,520	10.9%	513
3 BR (60%)	\$1,458	\$49,989	\$60,600	10.0%	445
3 BR (Market)	\$1,458	\$49,989	\$80,800	20.3%	903

Source: Claritas; Ribbon Demographics and HUD

Target incomes for the different unit types are derived by the analyst. For the low end of the range, the lowest rent charged in an income limit (i.e., 60% AMI) for a unit is divided by 35 percent. The resulting number is then multiplied by 12 to derive an annual income ($\$1,052 / 35\% = \$3,006.71 \times 12 = \$36,069$). This process is based on the premise that a tenant should not pay more than 35 percent of his annual income on rent. However, the subject is an existing Section 8 and LIHTC development with subsidies for all units. The Section 8 contract will remain with the property once rehabilitation is complete. As a result, a tenant will never be required to pay more than 30 percent of their income towards rent, and there is no minimum income limit.

For the high end of the range, the analyst consults the income limits set by the state housing authority. If the largest unit in an income limit (i.e., 60% AMI) is a two-bedroom unit, the analyst utilizes the three-person households to find how many people could reside in that unit. The analyst then consults the state income limits to set the high end of the range (2 bedroom x 1.5 = 3 people/unit; therefore, the 60% 3-person maximum income would be used).

The following table shows the maximum income limits at each income level as determined by the U.S. Department of Housing and Urban Development.

LIHTC INCOME LIMITS		
Person in Households	60%	80%
1	\$39,300	\$52,400
2	\$44,880	\$59,840
3	\$50,520	\$67,360
4	\$56,100	\$74,800
5	\$60,600	\$80,800
6	\$65,100	\$86,800

Source: HUD

DEVELOPMENT-SPECIFIC DEMAND ANALYSIS



Sources of Demand

The potential tenants for the rehabilitated development include households who now live within the market area. It will appeal to potential tenants who have adequate incomes to pay the proposed rents and find the development more attractive in terms of price, unit features and project amenities than other available rental units. It also will attract households that the market area gains between now and when the development is ready for occupancy.

Required Unit Mix

The LIHTC program is based on the premise that no more than two persons will occupancy rental units. We expect that 10 percent of one-person households will occupy efficiency units. Ninety percent (90%) of one-person households and 25 percent of two-person households will occupy one-bedroom units. We expect that 75 percent of one-person household and 50 percent of two-person households will occupy two-bedroom units. We expect that 50 percent of three-person households, 90 percent of four-person households and 90 percent of households with five or more persons will occupy three-bedroom units. We expect that 10 percent of four-person households and 10 percent of households with five or more persons will occupy four-bedroom units.

The following table illustrates the ratio of units required by each household size. These occupancy patterns suggest that efficiency units should account for 4.2 percent of the renter housing demand; one-bedroom units should account for 43.6 percent; two-bedroom units should account for 24.3 percent; three-bedroom units should account for 25.9 percent, and units with four or more bedrooms should account for 2.0 percent of the renter housing demand in the market area.

RENTAL HOUSING DEMAND BY NUMBER OF BEDROOMS						
HOUSEHOLD SIZE	0 BR	1 BR	2 BR	3 BR	4 BR	TOTAL
1 Person	530	4,766	0	0	0	5,295
2 Persons	0	695	2,085	0	0	2,780
3 Persons	0	0	962	962	0	1,924
4 Persons	0	0	0	1,151	128	1,279
5 or More Persons	0	0	0	1,127	125	1,252
TOTAL	530	5,461	3,047	3,240	253	12,530
PERCENT	4.2%	43.6%	24.3%	25.9%	2.0%	100.0%

Source: Claritas; Ribbon Demographics

Eligible Households

Landlords evaluate a potential tenant's income and credit to decide if applicant can pay the required rents. Commercial underwriters and owners of conventional market rate developments generally require that the monthly contract rent should not exceed one-third of a tenant's income. This is increased to 35 percent for tenants in the LIHTC program.



The subject's units are most suitable for households with two to five persons below \$60,600 when considering subsidies for the LIHTC units and between \$36,069 and \$60,600 without considering subsidies for the LIHTC units. Households with three to five persons and annual incomes between \$49,989 and \$80,800 will be eligible tenants for the three-bedroom market-rate unit.

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITH SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,313	\$0	\$80,800	87.9%	11,014
All Unit Types (60%)	\$1,313	\$0	\$60,600	80.1%	10,042
All Unit Types (Market)	\$1,458	\$0	\$80,800	87.9%	11,014
1 BR (60%)	\$1,313	\$0	\$44,880	70.6%	5,698
2 BR (60%)	\$1,549	\$0	\$50,520	73.5%	3,456
3 BR (60%)	\$1,785	\$0	\$60,600	75.4%	3,358
3 BR (Market)	\$1,458	\$49,989	\$80,800	20.3%	3,817

Source: Claritas; Ribbon Demographics and HUD

INCOME-ELIGIBLE RENTER HOUSEHOLDS					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,052	\$36,069	\$80,800	32.0%	4,012
All Unit Types (60%)	\$1,052	\$36,069	\$60,600	24.3%	3,040
1 BR (60%)	\$1,052	\$36,069	\$44,880	10.3%	834
2 BR (60%)	\$1,263	\$43,303	\$50,520	10.9%	513
3 BR (60%)	\$1,458	\$49,989	\$60,600	10.0%	445
3 BR (Market)	\$1,458	\$49,989	\$80,800	20.3%	903

Source: Claritas; Ribbon Demographics and HUD

Penetration Rate

There are no planned developments in the market area. There are currently four vacant competing units in the market area. The subject is an existing Section 8 and LIHTC development that is currently 93 percent occupied with 10 vacant units. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the total affordable inventory would be five units. The chart below indicates a penetration rate of 0.4 percent for the market area when considering the subject's subsidies.

REQUIRED PENETRATION RATE - WITH SUBSIDY	
Income-Eligible Renter Households	11,014
Existing Vacant LIHTC Units	37
LIHTC Units Planned	0
Vacant Units in Subject	10
Total Inventory	47
Penetration Rate	0.4%

When considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, the penetration rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. The chart below indicates a penetration rate of 4.4 percent for the market area without considering the subject's subsidies and if all units were vacant.

REQUIRED PENETRATION RATE	
Income-Eligible Renter Households	4,012
Existing Vacant LIHTC Units	27
LIHTC Units Planned	0
Units in Subject	150
Total Inventory	177
Penetration Rate	4.4%



Demand Analysis – With Subsidies

The following table will contain the summary demand estimates for the units.

REQUIRED NET DEMAND - WITH SUBSIDY			
Income Restrictions:	All Units @ 60% (\$0- \$60,600)	All Units @ Market (\$49,989 - \$80,800)	Project Total (\$0 to \$80,800)
Demand from New Household Growth			
New Rental Households	56	14	62
Existing Households - Rent Overburdened			
	8,660	1,624	9,498
PLUS			
Existing Households - Substandard Housing	3,367	632	3,693
PLUS			
Existing Qualifying Tenants Likely to Remain After Renovation	139	1	150
EQUALS			
Total Demand	12,223	2,271	13,403
MINUS			
Supply (Includes Directly Comparable Vacant Units Completed or in Pipeline in the PMA)	93	42	135
EQUALS			
NET DEMAND	12,130	2,229	13,268
ABSORPTION PERIOD			
	N/A	N/A	N/A

*See Page 85 for absorption period explanation.

CAPTURE RATE BY INCOME LIMITS

Income Restrictions:	All Units @ 60% (\$0- \$60,600)	All Units @ Market (\$49,989 - \$80,800)	Project Total (\$0 to \$80,800)
All Units at Subject	1.2%	0.04%	1.1%
Vacant Units at Subject	0.1%	0.00%	0.08%



Demand Analysis Summary – With Subsidies

New Rental Households: The demand from new renter household growth is calculated by taking the new rental households projected between 2022 and 2027 divided by five years and then multiplying by two years (2024) since the rehabilitation will be complete in 2024. This resulted in a new renter household growth total of 70. The new renter household growth number of 70 was then multiplied by the percent of income qualified tenants in the market area ($70 \times 87.9\% = 62$). The subject will attract tenants with incomes below \$80,800. The percent of income qualified households can be seen on Page 83. The demand from new household growth is 62 for all units.

Existing Households – Rent Overburdened: The total number of income-eligible households is 11,014. The percent overburdened percentage of 86.2 percent determined on Page 77 was applied to this number to derive the existing households – rent overburdened shown on the demand chart on the previous page ($11,014 \times 86.2 = 9,498$). The number of rent overburdened households that are income-qualified is 9,498.

Existing Households – Substandard Housing: The total number of income-eligible households is 11,014. The percent of substandard households of 33.5 percent as determined on Page 77 was applied to this number to derive the substandard households as shown on the demand chart on the previous page ($11,014 \times 33.5 = 3,693$). The number of substandard households that are income-qualified is 3,693.

Existing Qualifying Tenants Likely to Remain After Renovation: The subject is an existing Section 8 and LIHTC development that is currently 93 percent occupied. As complete, the property will retain its subsidies for all units, as well as be 100 percent LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the subject's 140 occupied units were included.

Supply: There are 37 vacant Section 8 or LIHTC units and 32 three-bedroom market-rate units that will compete with the subject in the market area. According to Newport News and the Virginia Housing, there are three planned developments in the market area.

- Carrier I was awarded tax credits in 2020 for the construction of 43-unit family LIHTC and market complex. The complex offers 37 LIHTC units, and six market-rate units. The complex will offer one-, two- and three-units at 30, 40, 50 and 60 percent of the area median income. In addition, 17 units will be subsidized. Of the total units, the three one-bedroom units, 13 two-bedroom units and two three-bedroom units, set at 60 percent of the area median income will directly compete with the subject.
- Carrier II was awarded tax credits in 2019 for the construction of 38-unit family LIHTC and market-rate complex. The complex offers 34 LIHTC units, and four market-rate units. The complex will offer one-, two- and three-bedroom units at 30, 40, 50 and 60 percent of the area median income. In addition, 21 units will be subsidized. Of the total units, the nine one-bedroom units, two two-bedroom units and two three-bedroom units set at 60 percent of the area median income will directly compete with the subject.
- Spratley House was awarded tax credits in 2019 for the construction of 50-unit family LIHTC. The complex will offer one- and two-bedroom units at 40, 50 and 60 percent of the area median income. The complex's 17 one-bedroom and eight two-bedroom units set at 60 percent of the area median income will directly compete with the subject.

Therefore, a 135 units were subtracted from the supply.



Total Net Demand and Conclusion: The market shows a net demand of 13,268 units for all units when considering subsidies. The subject is a Section 8 and LIHTC development that is currently 93 percent occupied. After rehabilitation, the property will retain its subsidies for the units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. The capture rate for the subject is 1.1 percent if entirely vacant, which is considered good. In addition, based on the occupancy rates of apartment complexes in the market area, the existing waiting lists, the projected population and household growth and the economic factors, it is believed that property will continue to be viable within the market area even if all units were vacant. Therefore, after researching the vacancy rates of the existing units in the area, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Absorption Period: The subject is an existing Section 8 and LIHTC development that is currently 93 percent occupied. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the subject property will not need to absorb any additional units once renovation is complete.



Demand Analysis – Without Subsidies

The following table will contain the summary demand estimates for the units without considering the subject's subsidies.

REQUIRED NET DEMAND - WITHOUT SUBSIDY			
	All Units @ 60% (\$36,069- \$60,600)	All Units @ Market (\$49,989 - \$80,800)	Project Total (\$36,069 to \$80,800)
Income Restrictions:			
Demand from New Household Growth			
New Rental Households	17	14	22
Existing Households - Rent Overburdened			
	2,622	1,624	3,460
PLUS			
Existing Households - Substandard Housing	1,020	632	1,345
PLUS			
Existing Qualifying Tenants Likely to Remain After Renovation	0	0	0
EQUALS			
Total Demand	3,659	2,270	4,828
MINUS			
Supply (Includes Directly Comparable Vacant Units Completed or in Pipeline in the PMA)	83	32	115
EQUALS			
NET DEMAND	3,576	2,238	4,713
ABSORPTION PERIOD			
	7-9 Months	1 Month	7-9 Months

*See Page 87 for absorption period explanation.

CAPTURE RATE BY INCOME LIMITS

	All Units @ 60% (\$36,069- \$60,600)	All Units @ Market (\$49,989 - \$80,800)	Project Total (\$36,069 to \$80,800)
Income Restrictions:			
All Units at Subject	4.2%	0.04%	3.2%



Demand Analysis Summary – Without Subsidies

New Rental Households: The demand from new renter household growth is calculated by taking the new rental households projected between 2022 and 2027 divided by five years and then multiplying by two years (2023) since the rehabilitation will be complete in 2023. This resulted in a new renter household growth total of 70. The new renter household growth number of 24 was then multiplied by the percent of income qualified tenants in the market area ($70 \times 32.0\% = 22$). The subject will attract tenants with incomes between \$36,069 and \$80,800. The percent of income qualified households can be seen on Page 83. The demand from new household growth is 22 for all units.

Existing Households – Rent Overburdened: The total number of income-eligible households is 4,012. The percent overburdened percentage of 86.2 percent determined on Page 77 was applied to this number to derive the existing households - rent overburdened shown on the demand chart on the previous page ($4,012 \times 86.2\% = 3,460$). The number of rent overburdened households that are income-qualified is 3,460.

Existing Households – Substandard Housing: The total number of income-eligible households is 4,012. The percent of substandard households as determined on Page 77 was applied to this number to derive the substandard households as shown on the demand chart on the previous page ($4,012 \times 33.5\% = 1,345$). The number of substandard households that are income-qualified is 1,345.

Existing Qualifying Tenants Likely to Remain After Renovation: The subject is an existing Section 8 and LIHTC development that is currently 93 percent occupied. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. However, when considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Currently, none of the existing tenants would continue to be income-qualified if the property were not subsidized. Therefore, no tenants are likely to remain after renovation when not considering subsidies.

Supply: There are 27 vacant LIHTC units and 32 three-bedroom market-rate units that will compete with the subject in the market area. According to Newport News and the Virginia Housing, there are three planned developments in the market area.

- Carrier I was awarded tax credits in 2020 for the construction of 43-unit family LIHTC and market complex. The complex offers 37 LIHTC units, and six market-rate units. The complex will offer one-, two- and three-units at 30, 40, 50 and 60 percent of the area median income. In addition, 17 units will be subsidized. Of the total units, the three one-bedroom units, 13 two-bedroom units and two three-bedroom units, set at 60 percent of the area median income will directly compete with the subject.
- Carrier II was awarded tax credits in 2019 for the construction of 38-unit family LIHTC and market-rate complex. The complex offers 34 LIHTC units, and four market-rate units. The complex will offer one-, two- and three-bedroom units at 30, 40, 50 and 60 percent of the area median income. In addition, 21 units will be subsidized. Of the total units, the nine one-bedroom units, two two-bedroom units and two three-bedroom units set at 60 percent of the area median income will directly compete with the subject.
- Spratley House was awarded tax credits in 2019 for the construction of 50-unit family LIHTC. The complex will offer one- and two-bedroom units at 40, 50 and 60 percent of the area median income. The complex's 17 one-bedroom and eight two-bedroom units set at 60 percent of the area median income will directly compete with the subject.

Therefore, a 115 units were subtracted from the supply.



Total Net Demand and Conclusion: The market shows a net demand of 4,713 units for all units without considering subsidies. The subject is an existing Section 8 and LIHTC development that is currently 93 percent occupied. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. However, when considering the property without subsidy, it is unlikely most of the current residents would remain income-qualified. The capture rate, without considering the subsidy, is 3.2 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Absorption Period: The subject is an existing Section 8 and LIHTC development that is currently 93 percent occupied. The property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the current residents will be income-eligible for the units once the renovation is complete. However, when considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, the absorption rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. The absorption level is typically based on the most recent multifamily developments. There were no recent affordable developments constructed in the market area for which lease up data was available. Therefore, the analyst also considered the opinions of apartment managers and local real estate agents, the current occupancy rates of the surveyed developments and the current waiting lists of the affordable developments, including the subject, confirmed in the market area. After considering all factors, it is estimated that the development could absorb 15 to 20 units per month, resulting in a 95 percent occupancy level within six to nine months.

Capture Rate Analysis

The following tables show the capture rates for the rehabilitated development both with and without considering subsidies.

CAPTURE RATE BY INCOME LIMITS			
Income Restrictions:	All Units @ 60% (\$0- \$60,600)	All Units @ Market (\$49,989 - \$80,800)	Project Total (\$0 to \$80,800)
All Units at Subject	1.2%	0.04%	1.1%
Vacant Units at Subject	0.1%	0.00%	0.08%

CAPTURE RATE BY INCOME LIMITS			
Income Restrictions:	All Units @ 60% (\$36,069- \$60,600)	All Units @ Market (\$49,989 - \$80,800)	Project Total (\$36,069 to \$80,800)
All Units at Subject	4.2%	0.04%	3.2%

The market shows a net demand of 13,268 households for all units when considering the Section 8 subsidy and a net demand of 4,713 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 and LIHTC development that is currently 93 percent occupied, with 10 vacant units. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 150 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 0.08 percent and is considered good. The capture rate, without



considering the subsidy, is 3.2 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

COMPETITIVE ENVIRONMENT



Housing Profile

Market Area Overview

The rental housing stock in the market area is comprised of single-family homes as well as market-rate and restricted apartment complexes. The majority of the housing stock was built in the 1940s and 1970s.

Housing Inventory

From 2010 through May 2022, permit-issuing jurisdictions in the Newport News reported a total of 3,828 single-family and multifamily dwelling permits. Multifamily units were estimated at 60.1 percent of the planned construction activity.

BUILDING PERMITS ISSUED			
YEAR	SINGLE-FAMILY	MULTIFAMILY	TOTAL
2010	129	59	188
2011	146	639	785
2012	161	126	287
2013	92	123	215
2014	109	221	330
2015	107	405	512
2016	120	112	232
2017	100	341	441
2018	124	0	124
2019	122	96	218
2020	160	0	160
2021*	106	0	106
2022*	53	177	230
TOTAL	1,529	2,299	3,828

**Preliminary Numbers through May 2022*

Source: SOCDS

Projects Planned or Under Construction

According to Newport News and the Virginia Housing, there are three planned developments in the market area.

- Carrier I was awarded tax credits in 2020 for the construction of 43-unit family LIHTC and market complex. The complex offers 37 LIHTC units, and six market-rate units. The complex will offer one-, two- and three-units at 30, 40, 50 and 60 percent of the area median income. In addition, 17 units will be subsidized. Of the total units, the three one-bedroom units, 13 two-bedroom units and two three-bedroom units, set at 60 percent of the area median income will directly compete with the subject.
- Carrier II was awarded tax credits in 2019 for the construction of 38-unit family LIHTC and market-rate complex. The complex offers 34 LIHTC units, and four market-rate units. The complex will offer one-, two- and three-bedroom units at 30, 40, 50 and 60 percent of the area median income. In addition, 21 units will be subsidized. Of the total units, the nine one-bedroom units, two two-bedroom units and two three-bedroom units set at 60 percent of the area median income will directly compete with the subject.
- Spratley House was awarded tax credits in 2019 for the construction of 50-unit family LIHTC. The complex will offer one- and two-bedroom units at 40, 50 and 60 percent of the area median income. The complex's 17 one-bedroom and eight two-bedroom units set at 60 percent of the area median income will directly compete with the subject.



The following developments have been awarded tax credits in the market area since 2017.

- The Towers was awarded tax credits in 2017 for the rehabilitation of an existing Section 8 140-unit family complex. The complex offers one- and two-bedroom units for families at 60 percent of the area median income. The development is 100 percent occupied and maintains a waiting list with 200 applicants. The property offers a similar unit type and contains similar rent restrictions. Therefore, the complex will directly compete with the subject.
- Lassiter Courts was awarded tax credits in 2017 for the rehabilitation of an existing LIHTC 100-unit family complex. The complex offers two-, three- and four-bedroom units for families at 60 percent of the area median income. The development is 100 percent occupied and maintains a waiting list; however, the contact was unable to disclose the current number of applicants. The property offers a similar unit type and contains similar rent restrictions. Therefore, the complex will directly compete with the subject.
- Newport Harbour Apartments was awarded tax credits in 2018 for the rehabilitation of an existing Section 8 200-unit family complex. The complex offers one-, two-, three- and four-bedroom units for families at 60 percent of the area median income. The development is 100 percent occupied and maintains a waiting list with 250 applicants. The property offers a similar unit type and contains similar rent restrictions. Therefore, the complex will directly compete with the subject.
- Soundview Townhomes was awarded tax credits in 2017 for the rehabilitation of existing Section 8 250-unit family complex. The complex offers one- and two-bedroom units for families at 60 percent of the area median income. The development is 100 percent occupied and maintains a one-year waiting list. The property offers a similar unit type and contains similar rent restrictions. Therefore, the complex will directly compete with the subject.
- Whittaker Place was awarded tax credits in 2018 for the rehabilitation of an existing LIHTC 69-unit family complex. The complex offers efficiency, one- and two-bedroom units for families at 50 and 60 percent of the area median income. The development is 98 percent occupied and maintains a waiting list with 71 applicants. The property offers a similar unit type and contains similar rent restrictions. Therefore, the complex will directly compete with the subject.

Unit Condition

The market area's rental housing stock is in varying condition. Overall, the developments are well maintained.



Housing Units

The following tables show significant characteristics of the market area's housing stock in 2022. According to Claritas and Ribbon Demographics, there are 28,917 total housing units in the market area, 25,534 of which are occupied. There are 13,004 owner-occupied households and 12,530 renter-occupied households for 2022. In addition, there are 3,383 total vacant housing units in the market area.

Housing Unit Summary Current Year Estimates - 2022		
PMA		
	Number	Percent
Housing Units	28,917	100.0%
Vacant Housing Units	3,383	11.7%
Renter-Occupied	12,530	49.1%
Owner-Occupied	13,004	50.9%
Total Occupied:	25,534	100.0%

Source: Claritas; Ribbon Demographics

Age of Rental Units

In 2022, there are 3,919 households constructed prior to 1939. According to Claritas and Ribbon Demographics, 1,608 households were built in 2010 or later.

Housing Units by Year Structure Built Current Year Estimates - 2022		
PMA		
Year	Number	Percent
2014 or Later	931	3.2%
2010 - 2013	677	2.3%
2000 - 2009	1,605	5.6%
1990 - 1999	1,576	5.5%
1980 - 1989	2,715	9.4%
1970 - 1979	4,004	13.8%
1960 - 1969	5,469	18.9%
1950 - 1959	4,419	15.3%
1940 - 1949	3,602	12.5%
1939 or Earlier	3,919	<u>13.6%</u>
Total:	28,917	100.0%

Source: Claritas; Ribbon Demographics



Unit Types

In 2022 there were 18,962 single-family housing units, 9,132 multifamily housing units and 823 mobile homes or other housing in the market area.

Housing Units by Units in Structure Current Year Estimates - 2022		
PMA		
Unit	Number	Percent
I Unit Detached	18,010	62.3%
I Unit Attached	952	3.3%
2 Units	784	2.7%
3 to 4 Units	1,853	6.4%
5 to 19 Units	4,757	16.5%
20 to 49 Units	518	1.8%
50 or More Units	1,220	4.2%
Mobile Home	754	2.6%
Other	69	0.2%
Total:	28,917	100.0%

Source: Claritas; Ribbon Demographics

Unit Size

The average size of the units in the surveyed developments is 752 square feet for one-bedroom units, 847 square feet for two-bedroom units and 1,137 square feet for three-bedroom units. The subject's unit sizes are larger than the average unit size. In addition, the subject and the comparables in the market area maintain high occupancy rates, and the majority of the affordable developments maintain waiting lists. The subject is currently 93 percent occupied. Consequently, it is believed the subject's existing unit sizes will continue to be competitive in this market.

AVERAGE APARTMENT SIZE OF COMPARABLE APARTMENTS					
Unit Type	COMPARABLES			Subject (SF)	Subject's Advantage
	Minimum (SF)	Maximum (SF)	Average (SF)		
1 BR	488	811	648	752	16.0%
2 BR	723	1,012	847	945	11.6%
3 BR	950	1,308	1,137	1,170	2.9%

Source: Gill Group Field Survey

Rental Vacancy Rates

According to RealtyRates.com Market Survey, the vacancy rate for the South Atlantic Region has fluctuated only slightly. For 2021, the vacancy rate ranged from 5.4 percent to 5.8 percent, with an average of 5.6 percent. The vacancy rate for the region for the second quarter of 2022 was 5.2 percent.

REALTY RATES MARKET SURVEY - REGIONAL VACANCY RATES			
QUARTER	2020	2021	2022
1st Quarter	6.0%	5.8%	5.3%
2nd Quarter	5.9%	5.6%	5.2%
3rd Quarter	5.7%	5.5%	---
4th Quarter	5.5%	5.4%	---

Source: RealtyRates.com Market Survey, South Atlantic Region



Vacancy Analysis

The vacancy rate for affordable housing units in the market area is 2.0 percent. The following table shows the vacancy rates for all affordable housing verified in the market area, including the subject.

AFFORDABLE HOUSING VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Aqua Vista Apartments	150	10	6.7%
Whittaker Place Apartments	69	1	1.4%
The Towers	140	3	2.1%
Admiral Pointe Apartments	208	0	0.0%
Stuart Gardens Apartments	491	10	2.0%
City Line Apartments	200	0	0.0%
Lassiter Courts Apartments	100	0	0.0%
Seven Oaks Apartments	202	4	2.0%
Westover Station Apartments	108	4	3.7%
Newport Harbour Apartments	200	5	2.5%
Totals	1,868	37	2.0%

The current vacancy rate in surveyed market-rate apartment complexes is 3.0 percent. The following table shows the vacancy rates for each conventional property verified in the area.

MARKET VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Riverlands Apartments	404	0	0.0%
New Hampton Commons	252	0	0.0%
St. James Terrace Apartments	100	4	4.0%
Signature Place Apartments	232	9	3.9%
Liberty Apartments Homes	197	8	4.1%
Peterson Place Apartments	40	0	0.0%
River Park Towers	190	10	5.3%
Lakeland Village Apartments	148	3	2.0%
Chestnut Arms Apartments	62	0	0.0%
Hilmar Apartments	32	0	0.0%
Huntington on the James	200	7	3.5%
Cottage Grove Apartments	553	33	6.0%
Tivoli Square Apartments	48	0	0.0%
Totals	2,458	74	3.0%

The market area has an overall rental vacancy rate of 2.6 percent. Of the 4,326 total units verified, 111 were vacant.

Lease Terms and Concessions

The typical lease is twelve months. At the time of the writing of this report, there were no properties offering any rental concessions.



Likely Impact of Rehabilitated Development on Rental Occupancy Rates

The proposed rehabilitation of the existing Section 8 family development will not have an adverse impact on the market area. Its one-, two- and three-bedroom units are suitable in the market. Therefore, it is believed the proposed rehabilitation of the development will not have an adverse impact on the market area.



Comparable Profile Pages

COMPARABLE APARTMENT RENTAL NO. 1



Property Type: LIHTC/Walk-Up
 Property Name: Whittaker Place
 Address: 1003 28th Street
 Newport News, VA 23607
 Verification: Jasmine, 757-782-2766
 July 13, 2022, By Telephone
 Distance From Subject: 2.0 Miles

Year Opening/Significant Renovation Amenities

1947/2019
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer, Dryer, Concrete, Blinds, Ceiling Fans, Clubhouse, Picnic Area, Dog Park, On-Site Management, On-Site Maintenance, Intercom Entry, Video Surveillance, Courtyard, Granite Countertops

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
Efficiency	14	0	469	\$800	\$75	\$875
1/1	42	0	488	\$860	\$90	\$950
1/1	1	0	591	\$860	\$90	\$950
1/1	1	1	698	\$860	\$90	\$950
2/2	11	0	837	\$1,020	\$110	\$1,130

Occupancy 99%
Total Units 69
No. of Buildings 1
Construction Type Brick
HVAC Central Elec/Central Elec
Stories 4
Waiting List 71 Applicants
Turnover Rate 36%
Absorption Rate N/A

Remarks

The property is designated for families at 50 and 60 percent of the area median income. There is a one- to two-month waiting list, and the annual turnover rate is 36 percent. The complex maintains a waiting list with 71 applicants. The complex was renovated in 2019 and included the repair and/or replacement of appliances flooring, painting, countertops and kitchen cabinets. The development offers a utility allowance of \$75 per month for efficiency units; \$90 per month for one-bedroom units; and \$110 per month for the two-bedroom units.



COMPARABLE APARTMENT RENTAL NO. 2



Property Type: Sec.8/LIHTC/Elevator
 Property Name: The Towers
 Address: 700 Waterfront Circle
 Newport News, VA 23607
 Verification: Management, 757-380-0851
 July 13, 2022, By Telephone
 Distance From Subject: 0.3 Miles

**Year Opening/Significant Renovation
 Amenities**

1976/2017
 Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Playground, BBQ
 Area, Laundry Facility, Courtyard, Intercom and Buzzer System,
 Security Guard (Part Time), Courtyard, On-Site Management, On-Site
 Maintenance

Utilities (Type/Responsibility)

Heat - Electric - Landlord
 Air Conditioning - Electric - Landlord
 Cooking - Electric - Landlord
 Hot Water - Electric - Landlord
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
1/1 (60%)	92	1	556	\$1,119	\$0	\$1,119
2/1 (60%)	48	2	749	\$1,323	\$0	\$1,323

Occupancy 98%
Total Units 140
No. of Buildings 19
Construction Type Concrete
HVAC Central Elec/Central Elec
Stories 11
Waiting List 200+ Applicants
Turnover Rate 32%
Absorption Rate N/A

Remarks

The property is designated for families at 60 percent of the area median income. The annual turnover rate is 32 percent. The complex maintains a waiting list with over 200 applicants. The contact was unable to disclose the scope of work for the renovation that occurred in 2017.



COMPARABLE APARTMENT RENTAL NO. 3



Property Type: Sec.8/LIHTC/Walk-Up
 Property Name: Admiral Pointe
 Address: 201 73rd Street
 Newport News, VA 23607
 Verification: Connie; 757-244-4414
 July 13, 2022, By Telephone
 Distance From Subject: 4.5 Miles

Year Opening/Significant Renovation Amenities

1945/2001
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Hardwood, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Picnic Area, Playground, Package Receiving, Laundry Facility, On-Site Management, On-Site Maintenance, Stainless Steel Appliances

Utilities (Type/Responsibility)

Heat - Gas - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Gas - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Unit Mix</u>		<u>Utility Allowance</u>	<u>Gross Rent</u>
			<u>Size SF</u>	<u>Collected Rent/Mo.</u>		
2/1 (60%)	62	0	825	\$777	\$113	\$890
2/1 (60%)	62	0	925	\$819	\$113	\$932

Occupancy 100%
Total Units 124
No. of Buildings 24
Construction Type Brick
HVAC Central Gas /Central Elec
Stories 2
Waiting List 1 Year
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for families at 60 percent of the area median income. The annual turnover rate was not disclosed. The complex maintains a one-year waiting list. The development offers a utility allowance of \$113 per month.



COMPARABLE APARTMENT RENTAL NO. 4



Property Type: Section 8/Garden/Townhouse
 Property Name: Stuart Gardens
 Address: 1326 Garden Drive
 Newport News, VA 23607
 Verification: Lisa, 575-245-5266
 July 13, 2022, By Telephone
 Distance From Subject: 1.7 Miles

Year Opening/Significant Renovation Amenities

1940
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Ceiling Fans, Patio, Picnic Area, Playground, Laundry Facility, On-Site Management, On-Site Maintenance

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
1/1	206	6	635	\$875	\$116	\$991
2/1	237	2	905	\$925	\$157	\$1,082
3/1	48	2	1,154	\$1,300	\$177	\$1,477

Occupancy 98%
Total Units 491
No. of Buildings 60
Construction Type Brick/Siding
HVAC Central Elec/Central Elec
Stories 1 & 2
Waiting List 2 Years
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for families. The annual turnover rate was not disclosed. The complex maintains an 18- to 24-month waiting list. The complex offers a utility allowance of \$116 per month for one-bedroom units; \$157 per month for two-bedroom units; and \$177 per month for three-bedroom units.



COMPARABLE APARTMENT RENTAL NO. 5



Property Type: Sec.8/Walk-Up/Townhouse
 Property Name: City Line Apartments
 Address: 155 Mytilene Drive
 Newport News, VA 23605
 Verification: Lana, 757-838-5553
 July 13, 2022, By Telephone
 Distance From Subject: 3.4 Miles

Year Opening/Significant Renovation Amenities

1976
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Ceiling Fans, Patio, Basketball Court, Laundry Facility, On-Site Management, On-Site Maintenance

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
1/1	100	0	623	\$919	Unknown	\$919
2/1	100	0	723	\$1,072	Unknown	\$1,072

Occupancy 100%
Total Units 200
No. of Buildings 18
Construction Type Brick/Siding
HVAC Central Elec/Central Elec
Stories 2
Waiting List 100 Applicants
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for families. The annual turnover rate was not disclosed. The complex maintains a waiting list with over 100 applicants.



COMPARABLE APARTMENT RENTAL NO. 6



Property Type: LIHTC/Townhouse
 Property Name: Lassiter Courts
 Address: 811 Taylor Avenue
 Newport News, VA 23607
 Verification: Jackie; 757-928-2690
 July 13, 2022, By Telephone
 Distance From Subject: 0.3 Miles

Year Opening/Significant Renovation Amenities

1997/2017
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Ceramic Tile, Blinds, Ceiling Fans, Patio, Picnic Area, Playground

Utilities (Type/Responsibility)

Heat - Electric - Landlord
 Air Conditioning - Electric - Landlord
 Cooking - Electric - Landlord
 Hot Water - Electric - Landlord
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
2/1 (60%)	33	0	1,012	\$850	\$207	\$825
3/2 (60%)	34	0	1,308	\$1,200	\$207	\$1,050
4/2 (60%)	33	0	1,736	\$1,500	\$249	\$1,450

Occupancy 100%
Total Units 100
No. of Buildings 14
Construction Type Siding/Brick
HVAC Central Elec/Central Elec
Stories 2
Waiting List Yes; Unknown #Applicants
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for families at 60 percent of the area median income. The annual turnover rate was not disclosed. The complex maintains a waiting list; however, it is currently closed. The utility allowance for the units is as follows: two-bedroom units - \$207; three-bedroom units - \$207; and four-bedroom units - \$249.



COMPARABLE APARTMENT RENTAL NO. 7



Property Type: LIHTC/Walk-Up
 Property Name: Seven Oaks Apartments
 Address: 869 36th Street,
 Newport News, VA 23607
 Verification: Jackie; 757-244-2214
 July 13, 2022,
 By Telephone
 Distance From Subject: 2.0 Miles

Year Opening/Significant Renovation Amenities

1964
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Playground, Laundry Facility, On-Site Management, On-Site Maintenance, Walking Trail

Utilities (Type/Responsibility)

Heat – Gas - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Gas - Tenant
 Hot Water - Gas - Tenant
 Cold Water - Tenant
 Sewer - Tenant
 Trash - Tenant

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1	10	3	650	\$560	\$149	\$709
1/1	192	1	811	\$650	\$149	\$799

Occupancy 98%
Total Units 202
No. of Buildings 13
Construction Type Brick
HVAC Central Gas/Central Elec
Stories 2
Waiting List 6-8 Months
Turnover Rate N/A
Absorption Rate N/A

Remarks

The complex is designated for families at 50 percent of the area median income. The annual turnover rate was not disclosed. The property maintains a six- to eight-month waiting list. The complex offers a utility allowance of \$149 per month.



COMPARABLE APARTMENT RENTAL NO. 8



Property Type: Section 8/Elevator
 Property Name: Westover Station Apartments
 Address: 805 Roam Court Newport News, VA 23605
 Verification: Michael; 757-251-2587
 July 13, 2022, By Telephone
 Distance From Subject: 4.2 Miles

Year Opening/Significant Renovation Amenities

1992
 Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups (Select), Carpet, Ceramic Tile, Blinds, Ceiling Fans (Select), Walk-In Closet, Coat Closet, Laundry Facility, On-Site Management, On-Site Maintenance

Utilities (Type/Responsibility)

Heat – Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1	36	1	661	\$989	\$60	\$1,049
2/1	24	3	870	\$1,077	\$90	\$1,260

Occupancy 96%
Total Units 108
No. of Buildings 2
Construction Type Brick/Siding
HVAC Central Elec/Central Elec
Stories 3
Waiting List 6-9 Months
Turnover Rate 25%
Absorption Rate N/A

Remarks

The LIHTC rents are set at 50 and 60 percent of the area median income. There is a six- to nine-month waiting list, and the annual turnover rate is approximately 25 percent. The complex offers a utility allowance of \$60 per month for one-bedroom units, and \$90 per month for two-bedroom units.



COMPARABLE APARTMENT RENTAL NO. 9



Property Type: Sec.8/LIHTC/Walk-Up
 Property Name: Newport Harbour Apartments
 Address: 2325 Madison Avenue
 Newport News, VA 23607
 Verification: Diona; 757-247-0303
 July 13, 2022, By Telephone
 Distance From Subject: 1.2 Miles

Year Opening/Significant Renovation Amenities

1977/2018
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Clubhouse, Meeting Room, Swimming Pool, Basketball Court, Laundry Facility, On-Site Management, On-Site Maintenance

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Type	No. of Units	No. Vacant	Unit Mix		Utility Allowance	Gross Rent
			Size SF	Collected Rent/Mo.		
1/1 (60%)	16	2	697	\$855	Unknown	\$855
2/2 (60%)	66	1	815	\$978	Unknown	\$978
3/2 (60%)	84	2	859	\$1,209	Unknown	\$1,209
4/2 (60%)	34	0	1,108	\$1,320	Unknown	\$1,320

Occupancy 97%
Total Units 200
No. of Buildings 26
Construction Type Siding
HVAC Central Elec /Central Elec
Stories 2
Waiting List 250+ Applicants
Turnover Rate 38%
Absorption Rate N/A

Remarks

The property is designated for families at 60 percent of the area median income. The annual turnover rate is 38 percent. The complex maintains a waiting list with over 250 applicants. The complex was renovated in 2018 and included the replacement of flooring, painting, countertops, kitchen cabinets, windows, roofing, siding and re-pavement of parking lot. The contact could not verify the utility allowance.



Restricted Comparable Properties Map





Competing Properties Map



As renovated, the subject will have both Section 8 and LIHTC restrictions at 60 percent AMI. Therefore, the above income-restricted units will directly compete with the subject's units.



Additional Developments

The market area also includes additional developments that were excluded from the analysis due to non-competitiveness or inability to verify information. The developments located in the market area that were excluded from the survey are noted as follows:

Medical Arts Senior Apartments - Newport News, VA - Elderly
Warwick - Newport News, VA - Elderly
Tidewater Senior Apartments - Newport News, VA – Elderly
Paula Maria Village Apartments - Newport News, VA – Elderly
Snowden Senior - Newport News, VA – Elderly

Market-Rate Properties (Not Comparable in Restrictions or Tenant Base)

Riverlands Apartments - Newport News, VA
Hampton Center Apartments - Newport News, VA
Hilton Village Townhomes - Newport News, VA
Signature Place Apartments - Newport News, VA
Liberty Apartment Homes - Newport News, VA
Meadow View Townhomes - Newport News, VA
Apartments of Merrimac - Newport News, VA
Carson Square Apartments - Newport News, VA
New Hampton Commons - Newport News, VA
Cambridge Apartments - Newport News, VA
Church Creek Apartments - Newport News, VA
Pinewood Apartments - Newport News, VA
Seaview Lofts - Newport News, VA
St. James Terrace Apartments - Newport News, VA
Huntington On The James Apartments - Newport News, VA
Westhampton Apartments - Newport News, VA
Mallory Apartments - Newport News, VA
Chestnut Arms Apartments - Newport News, VA
Colonial Landing Apartments - Newport News, VA
John Abbitt Apartments - Newport News, VA
Chandler's Wharf - Newport News, VA
Cottage Grove - Newport News, VA



Market Rent Analysis

The market analyst researched rental housing in the market area and identified several apartment communities in and around the market area of the subject. The analyst identified the market-rate communities in the area that would directly compete with the subject. These comparables were then compared to the subject and adjusted for differences in amenities. These differences include, but are not limited to, location, structure, condition, unit size, number of bedrooms, number of baths, unit amenities (range/oven, refrigerator, microwave, dishwasher, etc.), project amenities (parking, storage, clubhouse, meeting room, pool, recreation area, etc.) and utilities provided. The adjustments made were based on the experience of the analyst, interviews with local officials, apartment managers and residents and information received from third-party sources (rent-to-own facilities, utility providers and housing authorities.) Additional adjustments were also determined using paired rental analysis. The paired rental analysis ranges are determined by comparing comparables with different numbers of bedrooms and factoring out any other differences (amenities, utilities provided, etc.) The resulting difference is assumed to be attributable to the differing number of bedrooms. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected.



TWO-BEDROOM ADA UNITS (773 SF) – AS COMPLETE

One-Bedroom Units (752) – As Complete

OMB Approval # 2502-0507 (exp. 04/30/2021)

Rent Comparability Grid

Unit Type →

One-Bedroom

Subject's FHA #:

Insert Text

Subject		Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5	
Aqua Vista Apartments 646 Aqua Vista Drive Newport News, Virginia		Riverlands Apartments 45 Riverlands Drive Newport News, Virginia		New Hampton Commons 1482 West Queen Street Hampton, Virginia		St. James Terrace Apartments 85 29th Street Newport News, Virginia		Signature Place Apartments 101 Signature Way Hampton, Virginia		Liberty Apartment Homes 3201 Washington Avenue Newport News, Virginia	
Data		Data		Data		Data		Data		Data	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data		Data		Data		Data		Data	
1	\$ Last Rent / Restricted?	\$800		\$725		\$800		\$1,144		\$1,450	
2	Date Last Leased (mo/yr)	Jul-22		Jul-22		Jul-22		Jul-22		Jul-22	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100%		100%		96%		96%		96%	
5	Effective Rent & Rent/ sq. ft	\$800	\$1.44	\$725	\$1.17	\$800	\$1.45	\$1,144	\$1.48	\$1,450	\$2.56
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6	Structure / Stories	WU/3	WU/2	WU/2, T/2		WU/2		WU/3		E/4	(\$10)
7	Yr. Built/Yr. Renovated	1970/2023	1989	1973/1991	\$11	1916	\$30	1991/2010	\$11	2013	(\$13)
8	Condition /Street Appeal	G	A	A	\$300	A	\$300	G		G	
9	Neighborhood	A	A	A		A		A		A	
10	Same Market? Miles to Subj		Y/3.6	Y/4.1		Y/2.3		Y/5.9		Y/1.6	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11	# Bedrooms	1	1	1		1		1		1	
12	# Baths	1	1	1		1		1		1	
13	Unit Interior Sq. Ft.	752	557	620	\$50	550	\$75	774		566	\$65
14	Balcony/ Patio	N	Y	N	(\$5)	N		Y	(\$5)	N	
15	AC: Central/ Wall	C	C	C		W		C		C	
16	Range/ Refrigerator	RF	RF	RF		RF		RF		RF	
17	Microwave/ Dishwasher	M	N	D	(\$5)	M		D	(\$5)	MD	(\$10)
18	Washer/Dryer	L	L	L		L		WD	(\$25)	WD	(\$25)
19	Floor Coverings	V	C	C		C		C		C	
20	Window Coverings	B	B	B		B		B		B	
21	Cable/ Satellite/Internet	N	N	N		N		I	(\$10)	I	(\$10)
22	Special Features	ST	N	N	\$15	N	\$15	N	\$15	GC	(\$10)
D. Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24	Parking (\$ Fee)	L/0	L/0	L/0		L/0		L/0, G/150		L/0, G/0	(\$100)
25	Extra Storage	N	N	N		N		N		N	
26	Security	Y	Y	Y	(\$5)	N	\$5	Y	(\$5)	Y	(\$10)
27	Clubhouse/ Meeting Rooms	C	N	C	\$5	N	\$5	C		C	
28	Pool/ Recreation Areas	ER	PER	PR	\$5	PR	(\$15)	PER	(\$5)	PER	
29	Business Ctr / Nhbhd Netwk	BC	N	BC	\$5	N	\$5	BC		BC	
30	Service Coordination	Y	N	N	\$35	N	\$35	N	\$35	N	\$35
31	Non-shelter Services	N	N	N		N		N		N	
32	Neighborhood Networks	N	N	N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
33	Heat (in rent?/ type)	Y/G	N/E	N/E	\$56	N/E	\$56	N/E	\$56	N/E	\$56
34	Cooling (in rent?/ type)	Y/E	N/E	N/E	\$6	N/E	\$6	N/E	\$6	N/E	\$6
35	Cooking (in rent?/ type)	Y/G	N/E	N/E	\$5	N/G	\$3	N/E	\$5	N/E	\$5
36	Hot Water (in rent?/ type)	Y/G	N/E	N/E	\$26	N/G	\$36	N/E	\$26	N/E	\$26
37	Other Electric	Y	N	N	\$20	N	\$20	N	\$20	N	\$20
38	Cold Water/ Sewer	Y	N	Y	\$45	Y		N	\$45	N	\$45
39	Trash/ Recycling	Y	Y	Y		Y		Y		N	\$29
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
40	# Adjustments B to D	9	2	6	1	8	1	3	6	2	8
41	Sum Adjustments B to D	\$451	(\$10)	\$420	(\$5)	\$470	(\$15)	\$61	(\$55)	\$100	(\$188)
42	Sum Utility Adjustments	\$158	\$0	\$113	\$0	\$121	\$0	\$158	\$0	\$187	\$0
43	Net/ Gross Adjmts B to E	\$599	\$619	\$528	\$538	\$576	\$606	\$164	\$274	\$99	\$475
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,399		\$1,253		\$1,376		\$1,308		\$1,549	
45	Adj Rent/Last rent		175%		173%		172%		114%		107%
46	Estimated Market Rent	\$1,370	\$1.82	Estimated Market Rent/ Sq. Ft							

Janice S. Bishop

7/13/2022

Appraiser's Signature

Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared:

Manually

Using HUD's Excel form

form HUD-92273-S8 (04/2002)



Aqua Vista Apartments
Primary Unit Type – One-Bedroom Units (752 SF)

Please note: Minor adjustments in the \$5 to \$10 range are based on the appraiser’s evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: “For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent.”

A rent comparability grid was prepared for the primary unit type with 752 square feet. Comparable apartments used include the following: Riverlands Apartments (Comparable 1), New Hampton Commons (Comparable 2), St. James Terrace Apartments (Comparable 3), Signature Place Apartments (Comparable 4) and Liberty Apartment Homes (Comparable 5).

\$ Last Rent/Restricted – All of the units are currently rented at the rates shown on the grid. Rents range from \$725 to \$1450 per month. No unit used in this analysis has any rent restrictions.

Date Last Leased – The grid shows the effective date of the leases most recently signed. Effective dates are all July 2022. No adjustments were necessary.

Rent Concessions – The subject is not offering any concessions. None of the comparables are currently offering concessions. No adjustments were needed.

Occupancy for Unit Type – The subject’s current occupancy rate is 93 percent. The comparables’ occupancy rates range from 96 to 100 percent. No adjustments were needed.

Structure/Stories – The subject is located in three-story walk-up buildings. Comparables 1, 2, 3 and 4 are located in two- or three-story walk-up buildings. In addition, Comparable 3 also contains two-story townhome buildings. Comparable 5 contains a four-story elevator building. The units at Comparable 5 are easily accessible without having to utilize stairs. In elevator buildings, the units on all floors are easily accessible without having to utilize stairs. Therefore, it is the appraiser’s opinion that all units in elevator buildings would rent for a premium when compared to units not on the first floor in walk-up buildings. Due to the lack of market support for specific floor level pricing for walk-up apartment complexes versus elevator buildings, a nominal adjustment of \$10 per month was selected for comparable located in an elevator building.

Year Built/Year Renovated – The subject was built in 1970 and will be renovated. Comparable 1 was constructed in 1989, and Comparable 2 was built in 1973/1991. Comparable 3 was built in 1916. Comparable 4 was constructed in 1991/2010. Comparable 5 was built in 2013. To account for differences between date of construction/renovation for the subject and the comparables, an effective year built for all properties was determined. The effective year built considers the date of construction as well as any renovation made to the property and the significance of the renovation. The following table shows the effective year built and adjustment amounts determined for the subject and the comparables:

Property	Year Built	Effective Year Built	Adjustment
Subject	1970/2023	2000	-
1	1989	1989	\$11
2	1973/1991	1985	\$15
3	1916	1970	\$30
4	1991/2010	1989	\$11
5	2013	2013	-\$13



Adjustments for age differences are relatively subjective given that many properties will complete general upgrades to a property even if they do not complete an actual specific rehabilitation or renovation. In general, newer construction properties and recently renovated properties can command a higher rent than older or non-renovated properties. According to Appendix 9-1-2, Line 7: Year Built/Year Renovated of the Section 8 Renewal Policy Guide, an adjustment should typically be no more than \$5 or one percent of the comparable's unadjusted rent. The appraiser elected to adjust \$1 per effective year built of difference between the subject and the comparables in accordance with the Section 8 guide. No adjustments were made for comparables that have effective year built within five years of the effective year built determined for the subject.

Condition/Street Appeal – The subject has brick construction. The landscaping consists of grass, trees and shrubs. The subject will be rehabilitated and will be in good condition after the rehabilitation. As complete, Comparables 1, 2 and 3 will be inferior to the subject, and Comparables 4 and 5 will be similar. After considering all factors, Comparables 1, 2 and 3 were adjusted upward \$300 per month, based on the adjustment determined in the “as is” scenario. Comparables 4 and 5 were not adjusted since they will be considered similar to the subject.

Neighborhood – The subject's neighborhood is rated average, with easy access to all services available within the city limits. In order to determine if adjustments were needed for differences in location between the subject and the comparables, eleven factors were compared. Those factors include livability, amenities available, cost of living, crime factors, employment factors, housing factors, schools in the area, walkscore, population counts, median rent levels and median income levels. Based on the analysis, all comparables are located in the subject's neighborhood or in neighborhoods that are similar to the subject's. No adjustments were needed.

Same Market/Miles to Subject – All comparables are located in the same market area as the subject. No adjustment was needed.

of Bedrooms – The subject contains one-bedroom units. All comparables are similar. No adjustments were needed.

of Baths – The subject contains one bath in the units. All comparables are similar. No adjustments were needed.

Unit Interior Square Footage – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The



selected dollar per square foot for the units is \$0.36. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

Balcony/Patio – The subject does not contain these features. Comparables 2, 3 and 5 are similar to the subject. Comparables 1 and 4 contain balconies and/or patios and were adjusted downward \$5 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, the nominal adjustment was deemed reasonable.

AC: Central/Wall – The subject contains central air conditioning as do all comparables. No adjustments were needed.

Range/Refrigerator – The subject and all comparables contain both amenities. No adjustments were needed.

Microwave/Dishwasher – As complete, the subject will contain a microwave in the units. Comparable 1 does not contain either amenity. Comparable 3 is similar. Comparables 2 and 4 contains a dishwasher in the units. Comparable 5 contains both a microwave and dishwasher. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for microwaves. Dishwashers are more expensive and are more likely to factor into a tenant's decision on which unit to lease. Therefore, it was considered appropriate to adjust \$10 per month for dishwashers. As the subject contains microwaves, the comparables with both microwaves and dishwashers were adjusted \$5 per month (\$10 for dishwashers - \$5 for microwaves = \$5).

Washer/Dryer – The subject contains a laundry facility. Comparables 1, 2 and 3 are similar to the subject. Comparables 4 and 5 each contain a washer and dryer in the units. Units with these amenities provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Virginia Beach, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$42.63 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$30 per month. Laundry facilities on-site are valued at \$5 per month. Therefore, units with washers and dryers will rent for \$25 more per month than units in properties with laundry facilities (\$30 for washer/dryer - \$5 for laundry facility = \$25).

Floor Coverings – The subject contains vinyl floor coverings. All comparables contain carpet floor coverings. The market did not indicate a rent differential based on floor coverings. Therefore, no adjustments were needed.

Window Coverings – The subject and all comparables contain window coverings. No adjustment was needed.

Cable/Satellite/Internet – Neither the subject nor any comparable provides more than access to cable, satellite or internet services. However, Comparables 4 and 5 do provide common area Wi-Fi. Common area Wi-Fi is a convenience to the property. This feature is valuable to residents as it allows access to the Internet without having to deplete data from personal accounts which are typically accompanied by data caps and limits. There is no data for these features that could be extracted from the market area.



However, an adjustment was needed for the convenience of the on-site amenity. Therefore, an adjustment of \$10 was selected.

Special Features – As complete, the subject will contain a smart thermostat in the units. None of the comparables except Comparable 5 contain special features. Comparable 5 contains granite countertops. Special features such as granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up charge from the rent that would be charged if unit did not contain these features. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Virginia Beach, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$36.18 per month for premium countertops. After considering all factors, a \$25 adjustment was applied for the solid-surface countertops. Special features such as a smart thermostat will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for this feature. Typically, when this feature is included in the units, it is considered to be a luxury item, and units are assessed an up charge from the rent that would be charged if unit did not contain this feature. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Virginia Beach, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$31.46 per month for a smart thermostat. After considering all factors, a \$15 adjustment was deemed reasonable for Comparables 1, 2, 3 and 4. Comparable 5 was adjusted downward \$10 per month.

Parking – The subject and all comparables contain parking lots with no additional fee. Comparable 4 also contains garage parking for an additional \$150 per month, and Comparable 5 contains garage parking for no additional fee. Considering Comparable 4’s parking fee, Comparable 5 was adjusted downward \$100 per month.

Extra Storage – The subject does not contain extra storage. None of the comparables contain storage. No adjustments were needed.

Security – The subject contains video surveillance. No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex, particularly security that limits access to the building or grounds. All security features will provide added protection for residents at the properties. Limited access gates limit access to the grounds, while intercom/electronic entry limits access to the buildings. Therefore, properties with limited access gates and/or intercom/electronic entry are considered superior to properties with video surveillance and/or security patrol which do not limit access. Consequently, limited access gates and intercom/electronic entry are considered \$5 superior to video surveillance and security patrol. After considering all factors, the comparables were adjusted as indicated in the chart below.

Feature	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Limited Access Gate						
Intercom Entry		\$10			\$10	\$10
Video Surveillance	\$5					\$5
In-Home Alarms			\$5			
Total	\$5	\$10	\$5	\$0	\$10	\$15
Adjustment		-\$5	\$0	\$5	-\$5	-\$10

Clubhouse/Meeting Rooms – As complete, the subject will contain a clubhouse. Comparables 2, 4 and 5 will be similar to the subject. Comparables 1 and 3 do not contain any of these features. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties without these features were adjusted \$5 per feature compared to properties with any of these features.



Pool/Exercise Room/Recreation Areas – As complete, the subject will contain an exercise room, picnic area, dog park and community garden. Although there is little market data available concerning units with these features, the added amenities are an enhancement. Swimming pools are typically considered a more desirable feature than other recreation features. Therefore, a \$10 adjustment was determined for swimming pool, and a \$5 adjustment per feature was determined for each additional recreation area. After considering all factors, the comparables were adjusted as indicated in the chart below.

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool		\$10	\$10	\$10	\$10	\$10
Exercise Room	\$5	\$5			\$5	\$5
Picnic Area	\$5	\$5		\$5	\$5	
Playground			\$5			\$5
Volleyball Court				\$5		
Pet Park	\$5			\$5	\$5	\$5
Gazebo					\$5	
Sundeck			\$5	\$5		
Walking Trail				\$5		
River Views	\$5			\$5		
Community Garden	\$5					
Total	\$25	\$20	\$20	\$40	\$30	\$25
Adjustment		\$5	\$5	-\$15	-\$5	\$0

Business Center – As complete, the subject will contain a business center. Comparables 2, 4 and 5 will be similar to the subject. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties without these features were adjusted \$5 per feature compared to properties with any of these features.

Service Coordination – As complete, the subject will contain a service coordinator. The service coordinator will offer the following services: financial literacy education; English as a second language; health education seminars; computer training classes; partnership with local law enforcement to provide on-site social and interactive activities; arts/crafts and other recreational activities; on-site social events such as game nights, potlucks, sing-a-longs, movie nights, holiday celebrations, etc. These features are an enhancement to a facility as the support offered on-site helps residents who may be confused about what information is needed or where to go to gather that information. There is no market-based data available to determine an adjustment. However, the convenience of the service on-site is an enhancement to the facility. After considering all factors, a \$15 adjustment was warranted.

Non-Shelter Services – The subject does not contain these features. None of the comparables contain these features. No adjustment was needed.

Neighborhood Network – The subject does not contain this feature. None of the comparables contain this feature. No adjustment was needed.

Heat – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$56 for electric based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The Allowances for Tenant-Furnished Utilities and Other Services has an additional service charge of \$10 for electric. This service charge was added to the heating adjustments of \$46 for electric to determine total adjustments of \$56 for electric. The amount was substantiated through local utility providers.

Cooling – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$6 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.



Cooking – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$5 for electric and \$3 for gas based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Hot Water – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$26 for electric and \$36 for gas based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Other Electric – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$20 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Cold Water/Sewer – The subject provides cold water and sewer. Comparables 2 and 3 are similar to the subject. The remaining comparables do not provide these utilities and were adjusted upward \$45 per month based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Trash/Recycling – The subject provides this utility. Comparables 1, 2, 3 and 4 are similar to the subject. Comparable 5 does not provide these utilities and was adjusted upward \$29 per month based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Conclusion of Market Rent

The adjusted rents range from \$1253 to \$1549 per month. Market rent was selected giving consideration to all comparables. All comparables are similar in neighborhood and are located within the market area. Comparables 1, 2 and 3 are also similar in number of bedrooms. The appraiser concluded the market rent for the units as follows:

- **752 SF One-Bedroom Units - \$1,370 , or \$1.82 per square foot**



Two-Bedroom Units (945 SF) – As Complete

OMB Approval # 2502-0507 (exp. 04/30/2021)

Rent Comparability Grid

Unit Type →

Two-Bedroom

Subject's FHA #:

Insert Text

Subject		Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5	
Aqua Vista Apartments 646 Aqua Vista Drive Newport News, Virginia		Riverlands Apartments 45 Riverlands Drive Newport News, Virginia		New Hampton Commons 1482 West Queen Street Hampton, Virginia		St. James Terrace Apartments 85 29th Street Newport News, Virginia		Signature Place Apartments 101 Signature Way Hampton, Virginia		Liberty Apartment Homes 3201 Washington Avenue Newport News, Virginia	
Data		Data		Data		Data		Data		Data	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data		Data		Data		Data		Data	
\$ Last Rent / Restricted?		\$925		\$895		\$1,050		\$1,504		\$2,015	
Date Last Leased (mo/yr)		Jul-22		Jul-22		Jul-22		Jul-22		Jul-22	
Rent Concessions		N		N		N		N		N	
Occupancy for Unit Type		100%		100%		96%		96%		96%	
Effective Rent & Rent/ sq. ft.		\$925 \$1.22		\$895 \$1.08		\$1,050 \$1.31		\$1,504 \$1.62		\$2,015 \$2.38	
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		Data		Data		Data		Data		Data	
Structure / Stories		WU/3		WU/2, T/2		WU/2		WU/3		E/4 (\$10)	
Yr. Built/Yr. Renovated		1970/2023		1989 \$11		1973/1991 \$15		1916 \$30		1991/2010 \$11	
Condition /Street Appeal		G		A \$300		A \$300		G		G	
Neighborhood		A		A		A		A		A	
Same Market? Miles to Subj		Y/3.6		Y/4.1		Y/2.3		Y/5.9		Y/1.6	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
# Bedrooms		2		2		2		2		2	
# Baths		1		1		1.5 (\$10)		1		2 (\$20)	
Unit Interior Sq. Ft.		945		757 \$60		825 \$40		800 \$50		927 \$30	
Balcony/ Patio		N		Y (\$5)		N		Y (\$5)		N	
AC: Central/ Wall		C		C		C		C		C	
Range/ Refrigerator		RF		RF		RF		RF		RF	
Microwave/ Dishwasher		M		N \$5		D (\$5)		M		MD (\$10)	
Washer/Dryer		L		L		L		WD (\$25)		WD (\$25)	
Floor Coverings		V		C		C		C		C	
Window Coverings		B		B		B		B		B	
Cable/ Satellite/Internet		N		N		N		I (\$10)		I (\$10)	
Special Features		ST		N \$15		N \$15		N \$15		GC (\$10)	
D. Site Equipment/ Amenities		Data		Data		Data		Data		Data	
Parking (\$ Fee)		L/0		L/0		L/0		L/0, G/150		L/0, G/0 (\$100)	
Extra Storage		N		N		N		N		N	
Security		Y		Y (\$5)		Y		Y (\$5)		Y (\$10)	
Clubhouse/ Meeting Rooms		C		N \$5		C		C		C	
Pool/ Recreation Areas		ER		PER \$5		PR \$5		PR (\$15)		PER (\$5)	
Business Ctr / Nhdw Netwk		BC		N \$5		BC		N \$5		BC	
Service Coordination		Y		N \$35		N \$35		N \$35		N \$35	
Non-shelter Services		N		N		N		N		N	
Neighborhood Networks		N		N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
Heat (in rent?/ type)		Y/G		N/E \$58		N/E \$58		N/E \$58		N/E \$58	
Cooling (in rent?/ type)		Y/E		N/E \$7		N/E \$7		N/E \$7		N/E \$7	
Cooking (in rent?/ type)		Y/G		N/E \$5		N/E \$5		N/G \$3		N/E \$5	
Hot Water (in rent?/ type)		Y/G		N/E \$32		N/E \$32		N/G \$40		N/E \$32	
Other Electric		Y		N \$23		N \$23		N \$23		N \$23	
Cold Water/ Sewer		Y		N \$62		Y		N \$62		N \$62	
Trash/ Recycling		Y		Y		Y		Y		N \$29	
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
# Adjustments B to D		9		2		6		2		8	
Sum Adjustments B to D		\$441 (\$10)		\$410 (\$15)		\$445 (\$15)		\$61 (\$55)		\$65 (\$208)	
Sum Utility Adjustments		\$187 \$0		\$125 \$0		\$131 \$0		\$187 \$0		\$216 \$0	
Net/ Gross Adjmts B to E		Net		Gross		Net		Gross		Net	
		\$618 \$638		\$520 \$550		\$561 \$591		\$193 \$303		\$73 \$489	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent (5+ 43)		\$1,543		\$1,415		\$1,611		\$1,697		\$2,088	
Adj Rent/Last rent		167%		158%		153%		113%		104%	
Estimated Market Rent		\$1,580		\$1.67		←		←		←	

Garvin S. Hill

7/13/2022
Date

Appraiser's Signature

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: Manually Using HUD's Excel form form HUD-92273-S8 (04/2002)



Aqua Vista Apartments
Primary Unit Type – Two-Bedroom Units (945 SF)

Please note: Minor adjustments in the \$5 to \$10 range are based on the appraiser’s evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: “For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent.”

A rent comparability grid was prepared for the primary unit type with 945 square feet. Comparable apartments used include the following: Riverlands Apartments (Comparable 1), New Hampton Commons (Comparable 2), St. James Terrace Apartments (Comparable 3), Signature Place Apartments (Comparable 4) and Liberty Apartment Homes (Comparable 5).

\$ Last Rent/Restricted – All of the units are currently rented at the rates shown on the grid. Rents range from \$895 to \$2015 per month. No unit used in this analysis has any rent restrictions.

Date Last Leased – The grid shows the effective date of the leases most recently signed. Effective dates are all July 2022. No adjustments were necessary.

Rent Concessions – The subject is not offering any concessions. None of the comparables are currently offering concessions. No adjustments were needed.

Occupancy for Unit Type – The subject’s current occupancy rate is 93 percent. The comparables’ occupancy rates range from 96 to 100 percent. No adjustments were needed.

Structure/Stories – The subject is located in three-story walk-up buildings. Comparables 1, 2, 3 and 4 are located in two- or three-story walk-up buildings. In addition, Comparable 3 also contains two-story townhome buildings. Comparable 5 contains a four-story elevator building. The units at Comparable 5 are easily accessible without having to utilize stairs. In elevator buildings, the units on all floors are easily accessible without having to utilize stairs. Therefore, it is the appraiser’s opinion that all units in elevator buildings would rent for a premium when compared to units not on the first floor in walk-up buildings. Due to the lack of market support for specific floor level pricing for walk-up apartment complexes versus elevator buildings, a nominal adjustment of \$10 per month was selected for comparable located in an elevator building.

Year Built/Year Renovated – The subject was built in 1970 and will be renovated. Comparable 1 was constructed in 1989, and Comparable 2 was built in 1973/1991. Comparable 3 was built in 1916. Comparable 4 was constructed in 1991/2010. Comparable 5 was built in 2013. To account for differences between date of construction/renovation for the subject and the comparables, an effective year built for all properties was determined. The effective year built considers the date of construction as well as any renovation made to the property and the significance of the renovation. The following table shows the effective year built and adjustment amounts determined for the subject and the comparables:

Property	Year Built	Effective Year Built	Adjustment
Subject	1970/2023	2000	-
1	1989	1989	\$11
2	1973/1991	1985	\$15
3	1916	1970	\$30
4	1991/2010	1989	\$11
5	2013	2013	-\$13



Adjustments for age differences are relatively subjective given that many properties will complete general upgrades to a property even if they do not complete an actual specific rehabilitation or renovation. In general, newer construction properties and recently renovated properties can command a higher rent than older or non-renovated properties. According to Appendix 9-1-2, Line 7: Year Built/Year Renovated of the Section 8 Renewal Policy Guide, an adjustment should typically be no more than \$5 or one percent of the comparable's unadjusted rent. The appraiser elected to adjust \$1 per effective year built of difference between the subject and the comparables in accordance with the Section 8 guide. No adjustments were made for comparables that have effective year built within five years of the effective year built determined for the subject.

Condition/Street Appeal – The subject has brick construction. The landscaping consists of grass, trees and shrubs. The subject will be rehabilitated and will be in good condition after the rehabilitation. As complete, Comparables 1, 2 and 3 will be inferior to the subject, and Comparables 4 and 5 will be similar. After considering all factors, Comparables 1, 2 and 3 were adjusted upward \$300 per month, based on the adjustment determined in the “as is” scenario. Comparables 4 and 5 were not adjusted since they will be considered similar to the subject.

Neighborhood – The subject's neighborhood is rated average, with easy access to all services available within the city limits. In order to determine if adjustments were needed for differences in location between the subject and the comparables, eleven factors were compared. Those factors include livability, amenities available, cost of living, crime factors, employment factors, housing factors, schools in the area, walkscore, population counts, median rent levels and median income levels. Based on the analysis, all comparables are located in the subject's neighborhood or in neighborhoods that are similar to the subject's. No adjustments were needed.

Same Market/Miles to Subject – All comparables are located in the same market area as the subject. No adjustment was needed.

of Bedrooms – The subject contains two-bedroom units. All comparables are similar. No adjustments were needed.

of Baths – The subject contains one bath in the two-bedroom units. Comparables 1, 3 and 4 are similar. Comparable 2 contain one-and-one-half-baths in the two-bedroom units, and Comparable 5 contains two baths in the two-bedroom units. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. There was insufficient market data available for a paired analysis as the majority of properties in this market contain a similar number of baths. Therefore, \$10 half-bath and \$20 full bath per month adjustments were selected.

Unit Interior Square Footage – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined for each bedroom type. From these



results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the units is \$0.33. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

Balcony/Patio – The subject does not contain these features. Comparables 2, 3 and 5 are similar to the subject. Comparables 1 and 4 contain balconies and/or patios and were adjusted downward \$5 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, the nominal adjustment was deemed reasonable.

AC: Central/Wall – The subject contains central air conditioning as do all comparables. No adjustments were needed.

Range/Refrigerator – The subject and all comparables contain both amenities. No adjustments were needed.

Microwave/Dishwasher – As complete, the subject will contain a microwave in the units. Comparable 1 does not contain either amenity. All of the remaining comparables contain a dishwasher in the units. Comparable 5 also contains a microwave. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for microwaves. Dishwashers are more expensive and are more likely to factor into a tenant's decision on which unit to lease. Therefore, it was considered appropriate to adjust \$10 per month for dishwashers. As the subject contains microwaves, the comparables with both microwaves and dishwashers were adjusted \$5 per month (\$10 for dishwashers - \$5 for microwaves = \$5).

Washer/Dryer – The subject contains a laundry facility. Comparables 1, 2 and 3 are similar to the subject. Comparables 4 and 5 each contain a washer and dryer in the units. Units with a washer and dryer provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Virginia Beach, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$42.63 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$30 per month. Laundry facilities on-site are valued at \$5 per month. Therefore, units with washers and dryers will rent for \$25 more per month than units in properties with laundry facilities (\$30 for washer/dryer - \$5 for laundry facility = \$25).

Floor Coverings – The subject contains vinyl floor coverings. All comparables contain carpet floor coverings. The market did not indicate a rent differential based on floor coverings. Therefore, no adjustments were needed.

Window Coverings – The subject and all comparables contain window coverings. No adjustment was needed.



Cable/Satellite/Internet – Neither the subject nor any comparable provides more than access to cable, satellite or internet services. However, Comparables 4 and 5 do provide common area Wi-Fi. Common area Wi-Fi is a convenience to the property. This feature is valuable to residents as it allows access to the Internet without having to deplete data from personal accounts which are typically accompanied by data caps and limits. There is no data for these features that could be extracted from the market area. However, an adjustment was needed for the convenience of the on-site amenity. Therefore, an adjustment of \$10 was selected.

Special Features – As complete, the subject will contain a smart thermostat in the units. None of the comparables except Comparable 5 contain special features. Comparable 5 contains granite countertops. Special features such as granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up charge from the rent that would be charged if unit did not contain these features. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Virginia Beach, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$36.18 per month for premium countertops. After considering all factors, a \$25 adjustment was applied for the solid-surface countertops. Special features such as a smart thermostat will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for this feature. Typically, when this feature is included in the units, it is considered to be a luxury item, and units are assessed an up charge from the rent that would be charged if unit did not contain this feature. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Virginia Beach, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$31.46 per month for a smart thermostat. After considering all factors, a \$15 adjustment was deemed reasonable for Comparables 1, 2, 3 and 4. Comparable 5 was adjusted downward \$10 per month.

Parking – The subject and all comparables contain parking lots with no additional fee. Comparable 4 also contains garage parking for an additional \$150 per month, and Comparable 5 contains garage parking for no additional fee. Considering Comparable 4’s parking fee, Comparable 5 was adjusted downward \$100 per month.

Extra Storage – The subject does not contain extra storage. None of the comparables contain storage. No adjustments were needed.

Security – The subject contains video surveillance. No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex, particularly security that limits access to the building or grounds. All security features will provide added protection for residents at the properties. Limited access gates limit access to the grounds, while intercom/electronic entry limits access to the buildings. Therefore, properties with limited access gates and/or intercom/electronic entry are considered superior to properties with video surveillance and/or security patrol which do not limit access. Consequently, limited access gates and intercom/electronic entry are considered \$5 superior to video surveillance and security patrol. After considering all factors, the comparables were adjusted as indicated in the chart below.

Feature	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Limited Access Gate						
Intercom Entry		\$10			\$10	\$10
Video Surveillance	\$5					\$5
In-Home Alarms			\$5			
Total	\$5	\$10	\$5	\$0	\$10	\$15
Adjustment		-\$5	\$0	\$5	-\$5	-\$10



Clubhouse/Meeting Rooms – As complete, the subject will contain a clubhouse. Comparables 2, 4 and 5 will be similar to the subject. Comparables 1 and 3 do not contain any of these features. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties without these features were adjusted \$5 per feature compared to properties with any of these features.

Pool/Exercise Room/Recreation Areas – As complete, the subject will contain an exercise room, picnic area, dog park and community garden. Although there is little market data available concerning units with these features, the added amenities are an enhancement. Swimming pools are typically considered a more desirable feature than other recreation features. Therefore, a \$10 adjustment was determined for swimming pool, and a \$5 adjustment per feature was determined for each additional recreation area. After considering all factors, the comparables were adjusted as indicated in the chart below.

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool		\$10	\$10	\$10	\$10	\$10
Exercise Room	\$5	\$5			\$5	\$5
Picnic Area	\$5	\$5		\$5	\$5	
Playground			\$5			\$5
Volleyball Court				\$5		
Pet Park	\$5			\$5	\$5	\$5
Gazebo					\$5	
Sundeck			\$5	\$5		
Walking Trail				\$5		
River Views	\$5			\$5		
Community Garden	\$5					
Total	\$25	\$20	\$20	\$40	\$30	\$25
Adjustment		\$5	\$5	-\$15	-\$5	\$0

Business Center – As complete, the subject will contain a business center. Comparables 2, 4 and 5 will be similar to the subject. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties without these features were adjusted \$5 per feature compared to properties with any of these features.

Service Coordination – As complete, the subject will contain a service coordinator. The service coordinator will offer the following services: financial literacy education; English as a second language; health education seminars; computer training classes; partnership with local law enforcement to provide on-site social and interactive activities; arts/crafts and other recreational activities; on-site social events such as game nights, potlucks, sing-a-longs, movie nights, holiday celebrations, etc. These features are an enhancement to a facility as the support offered on-site helps residents who may be confused about what information is needed or where to go to gather that information. There is no market-based data available to determine an adjustment. However, the convenience of the service on-site is an enhancement to the facility. After considering all factors, a \$15 adjustment was warranted.

Non-Shelter Services – The subject does not contain these features. None of the comparables contain these features. No adjustment was needed.

Neighborhood Network – The subject does not contain this feature. None of the comparables contain this feature. No adjustment was needed.

Heat – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$58 for electric based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The Allowances for Tenant-Furnished Utilities and Other Services has an additional service charge of \$10 for electric. This service charge was added to



the heating adjustments of \$48 for electric to determine total adjustments of \$58 for electric. The amount was substantiated through local utility providers.

Cooling – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$7 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Cooking – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$5 for electric and \$3 for gas based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Hot Water – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$32 for electric and \$40 for gas based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Other Electric – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$23 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Cold Water/Sewer – The subject provides cold water and sewer. Comparables 2 and 3 are similar to the subject. The remaining comparables do not provide these utilities and were adjusted upward \$62 per month based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Trash/Recycling – The subject provides this utility. Comparables 1, 2, 3 and 4 are similar to the subject. Comparable 5 does not provide these utilities and was adjusted upward \$29 per month based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Conclusion of Market Rent

The adjusted rents range from \$1415 to \$2088 per month. Market rent was selected giving consideration to all comparables. All comparables are similar in neighborhood and are located within the market area. The appraiser concluded the market rent for the units as follows:

- **945 SF Two-Bedroom Units - \$1,580 , or \$1.67 per square foot**



Three-Bedroom Units (\$1.53 SF) – As Complete

OMB Approval # 2502-0507 (exp. 04/30/2021)

Rent Comparability Grid		Unit Type →	Three-Bedroom		Subject's FHA #:	Insert Text					
Subject	Data	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5					
Aqua Vista Apartments 646 Aqua Vista Drive Newport News, Virginia	on Subject	Riverlands Apartments 45 Riverlands Drive Newport News, Virginia	New Hampton Commons 1482 West Queen Street Hampton, Virginia	St. James Terrace Apartments 85 29th Street Newport News, Virginia	Signature Place Apartments 101 Signature Way Hampton, Virginia	Liberty Apartment Homes 3201 Washington Avenue Newport News, Virginia					
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1 \$ Last Rent / Restricted?		\$1,265		\$1,150		\$1,350		\$1,980		\$2,200	
2 Date Last Leased (mo/yr)		Jul-22		Jul-22		Jul-22		Jul-22		Jul-22	
3 Rent Concessions		N		N		N		N		N	
4 Occupancy for Unit Type		100%		100%		96%		96%		96%	
5 Effective Rent & Rent/ sq. ft		\$1,265	\$1.04	\$1,150	\$1.05	\$1,350	\$0.90	\$1,980	\$1.56	\$2,200	\$1.95
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	WU/3	WU/2		WU/2, T/2		WU/2		WU/3		E/4	(\$10)
7 Yr. Built/Yr. Renovated	1970/2023	1989	\$11	1973/1991	\$15	1916	\$30	1991/2010	\$11	2013	(\$13)
8 Condition /Street Appeal	G	A	\$300	A	\$300	A	\$300	G		G	
9 Neighborhood	A	A		A		A		A		A	
10 Same Market? Miles to Subj		Y/3.6		Y/4.1		Y/2.3		Y/5.9		Y/1.6	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	3	3		3		3		3		3	
12 # Baths	1	2	(\$20)	2	(\$20)	1		2	(\$20)	3	(\$40)
13 Unit Interior Sq. Ft.	1,170	1,216	(\$10)	1,100	\$20	1,500	(\$85)	1,270	(\$25)	1,130	\$10
14 Balcony/ Patio	N	Y	(\$5)	N		N		Y	(\$5)	N	
15 AC: Central/ Wall	C	C		C		W		C		C	
16 Range/ Refrigerator	RF	RF		RF		RF		RF		RF	
17 Microwave/ Dishwasher	M	N	\$5	D	(\$5)	M		D	(\$5)	MD	(\$10)
18 Washer/Dryer	L	L		L		L		WD	(\$25)	WD	(\$25)
19 Floor Coverings	V	C		C		C		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Cable/ Satellite/Internet	N	N		N		N		I	(\$10)	I	(\$10)
22 Special Features	ST	N	\$15	N	\$15	N	\$15	N	\$15	CC	(\$10)
23											
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	L/0	L/0		L/0		L/0		L/0, G/150		L/0, G/0	(\$100)
25 Extra Storage	N	N		N		N		N		N	
26 Security	Y	Y	(\$5)	Y		N	\$5	Y	(\$5)	Y	(\$10)
27 Clubhouse/ Meeting Rooms	C	N	\$5	C		N	\$5	C		C	
28 Pool/ Recreation Areas	ER	PER	\$5	PR	\$5	PR	(\$15)	PER	(\$5)	PER	
29 Business Ctr / Nhd Netwk	BC	N	\$5	BC		N	\$5	BC		BC	
30 Service Coordination	Y	N	\$35	N	\$35	N	\$35	N	\$35	N	\$35
31 Non-shelter Services	N	N		N		N		N		N	
32 Neighborhood Networks	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	Y/G	N/E	\$64	N/E	\$64	N/E	\$64	N/E	\$64	N/E	\$64
34 Cooling (in rent?/ type)	Y/E	N/E	\$9	N/E	\$9	N/E	\$9	N/E	\$9	N/E	\$9
35 Cooking (in rent?/ type)	Y/G	N/E	\$6	N/E	\$6	N/G	\$4	N/E	\$6	N/E	\$6
36 Hot Water (in rent?/ type)	Y/G	N/E	\$42	N/E	\$42	N/G	\$47	N/E	\$42	N/E	\$42
37 Other Electric	Y	N	\$28	N	\$28	N	\$28	N	\$28	N	\$28
38 Cold Water/ Sewer	Y	N	\$82	Y		Y		N	\$82	N	\$82
39 Trash/ Recycling	Y	Y		Y		Y		Y		N	\$29
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		8	4	6	2	7	2	3	8	2	9
41 Sum Adjustments B to D		\$381	(\$40)	\$390	(\$25)	\$395	(\$100)	\$61	(\$100)	\$45	(\$228)
42 Sum Utility Adjustments		\$231	\$0	\$149	\$0	\$152	\$0	\$231	\$0	\$260	\$0
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		\$572	\$652	\$514	\$564	\$447	\$647	\$192	\$392	\$77	\$533
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$1,837		\$1,664		\$1,797		\$2,172		\$2,277	
45 Adj Rent/Last rent			145%		145%		133%		110%		104%
46 Estimated Market Rent	\$1,790	\$1.53		Estimated Market Rent/ Sq. Ft							

[Signature]
 Appraiser's Signature
 7/13/2022
 Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: Manually Using HUD's Excel form form HUD-92273-S8 (04/2002)



Aqua Vista Apartments
Primary Unit Type – Three-Bedroom Units (1,170 SF)

Please note: Minor adjustments in the \$5 to \$10 range are based on the appraiser’s evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: “For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent.”

A rent comparability grid was prepared for the primary unit type with 1,170 square feet. Comparable apartments used include the following: Riverlands Apartments (Comparable 1), New Hampton Commons (Comparable 2), St. James Terrace Apartments (Comparable 3), Signature Place Apartments (Comparable 4) and Liberty Apartment Homes (Comparable 5).

\$ Last Rent/Restricted – All of the units are currently rented at the rates shown on the grid. Rents range from \$1150 to \$2200 per month. No unit used in this analysis has any rent restrictions.

Date Last Leased – The grid shows the effective date of the leases most recently signed. Effective dates are all July 2022. No adjustments were necessary.

Rent Concessions – The subject is not offering any concessions. None of the comparables are currently offering concessions. No adjustments were needed.

Occupancy for Unit Type – The subject’s current occupancy rate is 93 percent. The comparables’ occupancy rates range from 96 to 100 percent. No adjustments were needed.

Structure/Stories – The subject is located in three-story walk-up buildings. Comparables 1, 2, 3 and 4 are located in two- or three-story walk-up buildings. In addition, Comparable 3 also contains two-story townhome buildings. Comparable 5 contains a four-story elevator building. The units at Comparable 5 are easily accessible without having to utilize stairs. In elevator buildings, the units on all floors are easily accessible without having to utilize stairs. Therefore, it is the appraiser’s opinion that all units in elevator buildings would rent for a premium when compared to units not on the first floor in walk-up buildings. Due to the lack of market support for specific floor level pricing for walk-up apartment complexes versus elevator buildings, a nominal adjustment of \$10 per month was selected for comparable located in an elevator building.

Year Built/Year Renovated – The subject was built in 1970 and will be renovated. Comparable 1 was constructed in 1989, and Comparable 2 was built in 1973/1991. Comparable 3 was built in 1916. Comparable 4 was constructed in 1991/2010. Comparable 5 was built in 2013. To account for differences between date of construction/renovation for the subject and the comparables, an effective year built for all properties was determined. The effective year built considers the date of construction as well as any renovation made to the property and the significance of the renovation. The following table shows the effective year built and adjustment amounts determined for the subject and the comparables:

Property	Year Built	Effective Year Built	Adjustment
Subject	1970/2023	2000	-
1	1989	1989	\$11
2	1973/1991	1985	\$15
3	1916	1970	\$30
4	1991/2010	1989	\$11
5	2013	2013	-\$13

Adjustments for age differences are relatively subjective given that many properties will complete general upgrades to a property even if they do not complete an actual specific rehabilitation or renovation. In general, newer construction properties and recently renovated properties can command a higher rent



than older or non-renovated properties. According to Appendix 9-1-2, Line 7: Year Built/Year Renovated of the Section 8 Renewal Policy Guide, an adjustment should typically be no more than \$5 or one percent of the comparable's unadjusted rent. The appraiser elected to adjust \$1 per effective year built of difference between the subject and the comparables in accordance with the Section 8 guide. No adjustments were made for comparables that have effective year built within five years of the effective year built determined for the subject.

Condition/Street Appeal – The subject has brick construction. The landscaping consists of grass, trees and shrubs. The subject will be rehabilitated and will be in good condition after the rehabilitation. As complete, Comparables 1, 2 and 3 will be inferior to the subject, and Comparables 4 and 5 will be similar. After considering all factors, Comparables 1, 2 and 3 were adjusted upward \$300 per month, based on the adjustment determined in the “as is” scenario. Comparables 4 and 5 were not adjusted since they will be considered similar to the subject.

Neighborhood – The subject's neighborhood is rated average, with easy access to all services available within the city limits. In order to determine if adjustments were needed for differences in location between the subject and the comparables, eleven factors were compared. Those factors include livability, amenities available, cost of living, crime factors, employment factors, housing factors, schools in the area, walkscore, population counts, median rent levels and median income levels. Based on the analysis, all comparables are located in the subject's neighborhood or in neighborhoods that are similar to the subject's. No adjustments were needed.

Same Market/Miles to Subject – All comparables are located in the same market area as the subject. No adjustment was needed.

of Bedrooms – The subject contains three-bedroom units. All comparables are similar. No adjustments were needed.

of Baths – The subject contains one bath in the three-bedroom units. Comparables 1, 2 and 4 contain two baths in the three-bedroom units. Comparable 3 contains one-and-one-half-baths in the three-bedroom units, and Comparable 5 contains three baths in the three-bedroom units. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. There was insufficient market data available for a paired analysis as the majority of properties in this market contain a similar number of baths. Therefore, \$10 half-bath and \$20 full bath per month adjustments were selected.

Unit Interior Square Footage – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the



determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the units is \$0.26. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

Balcony/Patio – The subject does not contain these features. Comparables 2, 3 and 5 are similar to the subject. Comparables 1 and 4 contain balconies and/or patios and were adjusted downward \$5 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, the nominal adjustment was deemed reasonable.

AC: Central/Wall – The subject contains central air conditioning as do all comparables. No adjustments were needed.

Range/Refrigerator – The subject and all comparables contain both amenities. No adjustments were needed.

Microwave/Dishwasher – As complete, the subject will contain a microwave in the units. Comparable 1 does not contain either amenity. Comparable 3 contains a microwave in the units. All of the remaining comparables contain a dishwasher in the units. Comparable 5 also contains a microwave. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for microwaves. Dishwashers are more expensive and are more likely to factor into a tenant's decision on which unit to lease. Therefore, it was considered appropriate to adjust \$10 per month for dishwashers. As the subject contains microwaves, the comparables with both microwaves and dishwashers were adjusted \$5 per month (\$10 for dishwashers - \$5 for microwaves = \$5).

Washer/Dryer – The subject contains a laundry facility. Comparables 1, 2 and 3 are similar to the subject. Comparables 4 and 5 each contain a washer and dryer in the units. Units with a washer and dryer provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Virginia Beach, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$42.63 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$30 per month. Laundry facilities on-site are valued at \$5 per month. Therefore, units with washers and dryers will rent for \$25 more per month than units in properties with laundry facilities (\$30 for washer/dryer - \$5 for laundry facility = \$25).

Floor Coverings – The subject contains vinyl floor coverings. All comparables contain carpet floor coverings. The market did not indicate a rent differential based on floor coverings. Therefore, no adjustments were needed.

Window Coverings – The subject and all comparables contain window coverings. No adjustment was needed.

Cable/Satellite/Internet – Neither the subject nor any comparable provides more than access to cable, satellite or internet services. However, Comparables 4 and 5 do provide common area Wi-Fi. Common area Wi-Fi is a convenience to the property. This feature is valuable to residents as it allows access to the Internet without having to deplete data from personal accounts which are typically accompanied by data caps and limits. There is no data for these features that could be extracted from the market area. However, an adjustment was needed for the convenience of the on-site amenity. Therefore, an adjustment of \$10 was selected.



Special Features – As complete, the subject will contain a smart thermostat in the units. None of the comparables except Comparable 5 contain special features. Comparable 5 contains granite countertops. Special features such as granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up charge from the rent that would be charged if unit did not contain these features. The 2020 NMHC/Kingsley Apartment Resident Preferences Report for Virginia Beach, Virginia, the nearest metropolitan area, was consulted. According to the 2020 NMHC/Kingsley Apartment Resident Preferences Report, residents in the metropolitan area indicated they would expect a renter to pay \$36.18 per month for premium countertops. After considering all factors, a \$25 adjustment was applied for the solid-surface countertops. Special features such as a smart thermostat will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for this feature. Typically, when this feature is included in the units, it is considered to be a luxury item, and units are assessed an up charge from the rent that would be charged if unit did not contain this feature. The 2020 NMHC/Kingsley Apartment Resident Preferences Report for Virginia Beach, Virginia, the nearest metropolitan area, was consulted. According to the 2020 NMHC/Kingsley Apartment Resident Preferences Report, residents in the metropolitan area indicated they would expect a renter to pay \$31.46 per month for a smart thermostat. After considering all factors, a \$15 adjustment was deemed reasonable for Comparables 1, 2, 3 and 4. Comparable 5 was adjusted downward \$10 per month.

Parking – The subject and all comparables contain parking lots with no additional fee. Comparable 4 also contains garage parking for an additional \$150 per month, and Comparable 5 contains garage parking for no additional fee. Considering Comparable 4’s parking fee, Comparable 5 was adjusted downward \$100 per month.

Extra Storage – The subject does not contain extra storage. None of the comparables contain storage. No adjustments were needed.

Security – The subject contains video surveillance. No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex, particularly security that limits access to the building or grounds. All security features will provide added protection for residents at the properties. Limited access gates limit access to the grounds, while intercom/electronic entry limits access to the buildings. Therefore, properties with limited access gates and/or intercom/electronic entry are considered superior to properties with video surveillance and/or security patrol which do not limit access. Consequently, limited access gates and intercom/electronic entry are considered \$5 superior to video surveillance and security patrol. After considering all factors, Comparables 1 and 5 were considered were each adjusted downward \$5 for their superior security. Comparables 2, 3 and 4 were adjusted upward \$5 per month for the subject’s security.

Feature	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Limited Access Gate						
Intercom Entry		\$10			\$10	\$10
Video Surveillance	\$5					\$5
In-Home Alarms			\$5			
Total	\$5	\$10	\$5	\$0	\$10	\$15
Adjustment		-\$5	\$0	\$5	-\$5	-\$10

Clubhouse/Meeting Rooms – As complete, the subject will contain a clubhouse. Comparables 2, 4 and 5 will be similar to the subject. Comparables 1 and 3 do not contain any of these features. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties without these features were adjusted \$5 per feature compared to properties with any of these features.

Pool/Exercise Room/Recreation Areas – As complete, the subject will contain an exercise room, picnic rea, dog park and community garden. Although there is little market data available concerning units with these features, the added amenities are an enhancement. Swimming pools are typically considered a



more desirable feature than other recreation features. Therefore, a \$10 adjustment was determined for swimming pool, and a \$5 adjustment per feature was determined for each additional recreation area. After considering all factors, the comparables were adjusted as indicated in the chart below.

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool		\$10	\$10	\$10	\$10	\$10
Exercise Room	\$5	\$5			\$5	\$5
Picnic Area	\$5	\$5		\$5	\$5	
Playground			\$5			\$5
Volleyball Court				\$5		
Pet Park	\$5			\$5	\$5	\$5
Gazebo					\$5	
Sundeck			\$5	\$5		
Walking Trail				\$5		
River Views	\$5			\$5		
Community Garden	\$5					
Total	\$25	\$20	\$20	\$40	\$30	\$25
Adjustment		\$5	\$5	-\$15	-\$5	\$0

Business Center – As complete, the subject will contain a business center. Comparables 2, 4 and 5 will be similar to the subject. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties without these features were adjusted \$5 per feature compared to properties with any of these features.

Service Coordination – As complete, the subject will contain a service coordinator. The service coordinator will offer the following services: financial literacy education; English as a second language; health education seminars; computer training classes; partnership with local law enforcement to provide on-site social and interactive activities; arts/crafts and other recreational activities; on-site social events such as game nights, potlucks, sing-a-longs, movie nights, holiday celebrations, etc. These features are an enhancement to a facility as the support offered on-site helps residents who may be confused about what information is needed or where to go to gather that information. There is no market-based data available to determine an adjustment. However, the convenience of the service on-site is an enhancement to the facility. After considering all factors, a \$15 adjustment was warranted.

Non-Shelter Services – The subject does not contain these features. None of the comparables contain these features. No adjustment was needed.

Neighborhood Network – The subject does not contain this feature. None of the comparables contain this feature. No adjustment was needed.

Heat – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$64 for electric based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The Allowances for Tenant-Furnished Utilities and Other Services has an additional service charge of \$10 for electric. The service charge was added to the heating adjustments of \$54 for electric to determine total adjustments of \$64 for electric. The amount was substantiated through local utility providers.

Cooling – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$9 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Cooking – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$6 for electric and \$4 for gas based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.



Hot Water – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$42 for electric and \$47 for gas based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Other Electric – The subject provides this utility. The comparables do not provide this utility. Therefore, the comparables were adjusted upward \$28 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Cold Water/Sewer – The subject provides cold water and sewer. Comparables 2 and 3 are similar to the subject. The remaining comparables do not provide these utilities and were adjusted upward \$82 per month based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Trash/Recycling – The subject provides this utility. Comparables 1, 2, 3 and 4 are similar to the subject. Comparable 5 does not provide these utilities and was adjusted upward \$29 per month based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Newport News. The amount was substantiated through local utility providers.

Conclusion of Market Rent

The adjusted rents range from \$1664 to \$2277 per month. Market rent was selected giving consideration to all comparables. All comparables are similar in neighborhood and are located within the market area. The appraiser concluded the market rent for the units as follows:

- **1,170 SF Three-Bedroom Units - \$1,790 , or \$1.53 per square foot**



The developer is proposing affordable rents as follows: \$1,313, \$1,549, \$1,785 and \$1,458. The proposed rental rates are above the maximum allowable LIHTC rents. However, as all the units contain Section 8 rental subsidy, tenants will never be asked to pay more than 30 percent of their gross annual income for rent. Therefore, the proposed rents will be competitive within the market area.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	60	752	60%	\$1,052	\$1,313	N/A	\$1,313
2/1	60	945	60%	\$1,263	\$1,549	N/A	\$1,549
3/1	29	1,170	60%	\$1,458	\$1,785	N/A	\$1,785
3/1	1	1,170	Market	N/A	\$1,458	N/A	\$1,458



Evaluation of the Development

Project Design

Aqua Vista Apartments is comprised of ten three-story walk-up buildings containing 150 units. The buildings have concrete slab foundation and wood framing, with brick exteriors and asphalt shingle roofing. The complex was constructed in 1970 and will be rehabilitated. Landscaping is minimal and consists of grass, trees and shrubs. The property will not be a scattered site development.

Project Amenities

The property provides the following project amenities: laundry facility, on-site management and on-site maintenance area. Once rehabilitation is complete, the property will also contain a clubhouse, exercise room, picnic area with BBQ grills, dog park, community garden, business center, service coordinator and video surveillance. The subject's project amenities are competitive with the comparables in the market area.

Parking

The complex contains an open asphalt parking lot with 218 parking spaces. Therefore, the subject has a parking ratio 1.45 parking spaces per unit. The parking is sufficient for the development.

Unit Mix

The subject's unit mix of one-, two- and three-bedroom units are suitable in the market area.

Utilities

The subject contains forced air gas heating and central electric cooling. Cooking and hot water are gas. All utilities are provided by the landlord. This arrangement is superior when compared to the majority of the comparables in the market area.

Unit Amenities

Each unit contains the following amenities: refrigerator, range/oven, vinyl, wood composite and blinds. Once rehabilitation is complete, the units will also contain a microwave and smart thermostat. The unit amenities are competitive with the comparables in the market area.

Tenant Services

The subject will offer a Resident Service Coordinator. The Resident Service Coordinator Program is offered to support and link residents with appropriate community-based services. The service coordinator provides information on and arranges support from local foodbanks and charities and information on local, state and federal resources. In addition, the service coordinator assists with set up of needed services, assists with home visits, assists with completing forms or contacting organizations for various needs, etc. Furthermore, the subject property will offer additional services such as financial literacy education and classes; programs to assist residents with the learning of the English language; health education and nutrition seminars; computer training classes; on-site social and interactive activities with local law enforcement; recreation activities such as arts and crafts; on-site social events such as game nights, potlucks, movie nights and holiday celebrations. The subject is superior in tenant services when compared to the majority of the comparables in the market area.



Impact of Existing/Planned Rental Housing

The market area exhibits sufficient demand for the proposed rehabilitation of the existing property. Based on the occupancy level of the apartment complexes in the market area, the waiting lists, the projected population and household growth and the economic factors, it is believed that when the rehabilitation is completed, the property will have no adverse impact on the existing and/or planned market-rate rental housing properties in the market area.

Summary of Developments Strength and Weaknesses

Strengths

- The subject's site plan and design are competitive with the surveyed comparables.
- The development will be superior to most of the comparable developments in condition upon completion of the rehabilitation.
- The subject's current and proposed unit and project amenities will be competitive with the comparables in the market area.
- The subject's proposed LIHTC and Section 8 rents will provide a good value to prospective tenants.

Weaknesses

- There are no apparent weaknesses.

LOCAL PERSPECTIVE AND INTERVIEWS



Local Interviews

Newport News Zoning Department

According to Nyokia Hall, Director of Zoning Compliance with the Newport News Zoning Department, the subject site is zoned R-8, High Density Multiple Family Dwelling District. Therefore, the subject is a legal, conforming use. If the property were to be destroyed, the development could be reconstructed as is without any special permitting. Furthermore, Ms. Hall stated there is no limit to the number of permits that can be issued annually. She noted that the land around the subject is also zoned for both commercial and residential use. Ms. Hall reported that there have been a few new rental properties constructed; however, the city is in need of additional affordable housing as the majority of the new rental housing is market-rate. She also reported that the city is in the process of removing or demolishing some of the blighted housing in the area in preparation for new housing, especially around the subject's neighborhood. The phone number for the Newport News Zoning Department is 757-933-2111.

Newport News Economic Development Authority

According to Priscilla Green, Economic Director of the Newport News Economic Development Authority, The city has remained economically stable throughout the COVID-19 pandemic. The possibility for future impacts on tax revenues do exist; however, the actual extent at this point is unknown. She also reported that there have been no closures or layoffs in the city. Furthermore, Ms. Green stated that the city has several projects underway or planned. She also reported that there have been several new and/or expanding businesses within the city in the last year including, but are not limited to, the following:

- Bourbon Micro-Distillery To Open Downtown announced it will open a new location in a 30,000-square-foot building near Newport News Shipbuilding.
- The first building of the new Tech Center Research Park recently opened and is 94 percent leased. The 81,600 square foot building is the first of ten planned for the 50-acre research park located on the intersection of Jefferson Avenue and Hogan Drive. Building One of the three building planned. Major tenants in the building include Gather, ivWatch, LLC and ITA International.
- The new Brooks Crossing Innovation and Opportunity Center opened in the Southeast Community. The company focuses on workforce development and STEM education outreach.
- S23, a new company to the area recently began construction. Once construction is complete, the company plans to employ 332 employees.
- A groundbreaking ceremony was recently held for the new Ferguson Enterprises' headquarters campus to be built in the City Center. The company announced it anticipated bring 1,400 new jobs to the area.
- Printpack Inc. announced the company's plans for a \$25-million expansion to its rigid packaging operation in the Industrial Park of Newport News.
- Davis Boat Works, Inc., recently announced expansion plans that will create an additional 25 full-time skilled and management positions.

Due to the new and expanding businesses, decreasing unemployment and lack of layoffs and closures in the city, it is believed that the economic outlook for the area will remain stable for the next two to five years. The phone number for the Newport News Economic Development Authority is 757-926-8428.

Newport News Redevelopment & Housing Authority

According to Ms. Adkin, HCV Program Manager with the Newport News Redevelopment & Housing Authority, the authority covers the City of Newport News. The authority currently has 2,900 vouchers, with approximately 96 percent being allocated. She noted that the authority does maintain a waiting list with approximately 722 applicants. She noted that the waiting list is closed and the current housing stock is not sufficient to meet the current demand. Ms. Adkins reported that the bedroom types needed the most are two- and three-bedroom units for families. The phone number for the Newport News Redevelopment & Housing Authority 757-928-6068.

RECOMMENDATIONS AND CONCLUSIONS



Recommendations and Conclusions

Project Description

The subject, Aqua Vista Apartments, is an existing Section 8 development designated for families that contains 150 units, all of which are subsidized. The subject will undergo renovation. Once renovation is complete, the subject will retain its subsidies, as well as be a Low Income Housing Tax Credit multifamily development. The property is applying for an allocation of Low-Income Housing Tax Credits for 149 units, which will set the income eligibility to individuals earning 60 percent of the area median income or below and \$54,780 when considering subsidy and between \$32,606 and \$54,780 not considering any subsidy.

Aqua Vista Apartments is comprised of ten three-story walk-up buildings containing 150 units. The buildings have concrete slab foundation and wood framing, with brick exteriors and asphalt shingle roofing. The complex was constructed in 1970 and will be rehabilitated. Landscaping is minimal and consist of grass, trees and shrubs. The property will not be a scattered site development.

The following chart lists the subject's unit mix. The property has a total of 136,920 net rentable square feet.

Unit Type	# of Units	Square Feet	Total Square Footage
1/1	60	752	45,120
2/1	60	945	56,700
3/1	30	1,170	35,100
	150		136,920

The following chart lists the subject's existing unit distribution by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
1/1	60	752	\$910	N/A
2/1	60	945	\$1,066	N/A
3/1	30	1,170	\$1,319	N/A
	150			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	60	752	60%	\$1,052	\$1,313	N/A	\$1,313
2/1	60	945	60%	\$1,263	\$1,549	N/A	\$1,549
3/1	29	1,170	60%	\$1,458	\$1,785	N/A	\$1,785
3/1	1	1,170	Market	N/A	\$1,458	N/A	\$1,458

Since the subject will retain its Section 8 contract, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. However, tenants will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants be required to pay more than the maximum allowable LIHTC rent.

Income Averaging

The developer has not elected the income-averaging option.



Housing Profile

The rental housing stock in the market area is comprised of single-family homes and market-rate and subsidized/income-restricted apartment complexes. The current vacancy rate in surveyed subsidized/income-restricted apartment complexes is 2.0 percent. The current vacancy rate in surveyed market-rate apartment complexes is 3.0 percent.

The proposed rehabilitation of the existing Section 8 family development will not have an adverse impact on the market area. There were seven income-restricted developments confirmed in the market area. All of the properties have units with similar percent AMI and/or are subsidized. Therefore, all properties confirmed will compete with the subject. However, all developments maintain high occupancy rates and lengthy waiting lists from which the subject could draw residents. Therefore, it does not appear the market area is saturated with affordable housing.

Market Feasibility

The following tables show the capture rates for the rehabilitated development both with and without considering subsidies.

CAPTURE RATE BY INCOME LIMITS			
	All Units @ 60% (\$0- \$60,600)	All Units @ Market (\$49,989 - \$80,800)	Project Total (\$0 to \$80,800)
Income Restrictions:			
All Units at Subject	1.2%	0.04%	1.1%
Vacant Units at Subject	0.1%	0.00%	0.08%

CAPTURE RATE BY INCOME LIMITS			
	All Units @ 60% (\$36,069- \$60,600)	All Units @ Market (\$49,989 - \$80,800)	Project Total (\$36,069 to \$80,800)
Income Restrictions:			
All Units at Subject	4.2%	0.04%	3.2%

The market shows a net demand of 13,268 households for all units when considering the Section 8 subsidy and a net demand of 4,713 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 and LIHTC development that is currently 93 percent occupied, with 10 vacant units. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 150 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 0.08 percent and is considered good. The capture rate, without considering the subsidy, is 3.2 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.



Evaluation of Project

The subject is located at 646 Aqua Vista Drive. Therefore, the subject has good visibility and easy access. The subject's site plan and project design are similar to competing apartment developments. The subject's unit mix of one- two- and three-bedroom units are suitable in the market. The subject's current and proposed unit and project amenities will be competitive with the surveyed comparables, and the subject's rents will provide a good value to prospective tenants.

Positive/Negative Attributes

Strengths: The subject's location is comparable to other developments in the market area. Its current and proposed in-unit and common area amenities will be competitive with the other developments in the market area. When these factors are taken into consideration, the subject's rehabilitated units will provide a good value to prospective tenants.

Weaknesses: There are no apparent weaknesses.

Conclusions

The subject can retain its required share of the market area for the following reasons:

- The subject's design and amenities are competitive with other existing projects. Therefore, no modifications to the subject are necessary.
- Once rehabilitation is complete, the subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to gain through 2027, indicating a need for additional housing the market area. In addition, as all restricted properties confirmed maintain high occupancy rates and lengthy waiting lists, it appears the market is not oversaturated with affordable rental housing.
- Aqua Vista Apartments is an existing 150-unit Section 8 family development that will be rehabilitated. Once rehabilitation is complete, the subject will retain its subsidies for all units as well as be 100 percent LIHTC at 60 percent of the area median income. Due to the presence of the subsidies, tenants will never be required to pay more than 30 percent of their income towards rent and utilities. Therefore, the rehabilitated subject will continue to be a great asset to the area.
- The subject is currently 93 percent occupied. The rehabilitation of the subject will not displace any current residents. In addition, as the property will retain its subsidies, it is anticipated that all current tenants will remain income-qualified once rehabilitation is complete. Therefore, the subject will not need to absorb any additional units.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the proposed development is suitable for the market area. Given the current acceptable vacancy rates for affordable properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.

MARKET STUDY ANALYST STATEMENT OF EXPERIENCE



Qualifications of the Analyst

Gill Group is a nationwide marketing and real estate consulting firm specializing in market studies and real estate appraisals for low-income housing developments. For more than 30 years, Gill Group has been performing market research and appraisals on all types of properties. Primary data from field inspectors, analysts and appraisers is used. Our inspectors, analysts and appraisers personally inspect and examine every property included in the reports. Additional data is obtained from the U.S. Census Bureau, local public officials and reliable market data research companies such as ESRI Business Information Solutions. Gill Group's market studies have been used by clients in the Low Income Housing Tax Credit program and in obtaining and renewing state and federal subsidies for low-income housing developments and multifamily rental housing. Samuel T. Gill has been active in the U.S. Department of Housing and Urban Development's Multifamily Accelerated Processing (M.A.P.) and Mark-to-Market programs.



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OVERVIEW

Extensive multifamily experience over the past 25 years specializing in work for the Department of Housing and Urban Development (HUD), United States Department of Agriculture/Rural Development (USDA/RD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program including but not limited to, Section 8, Section 202, Section 236, Section 515 and Section 538 Programs. Additionally, extensive experience since inception of the Multifamily Accelerated Processing (MAP) Program of Sections 202/223(f), 232/223(f), 221(d)3, 221(d)4 and 223(f). Also, more than 20 years of experience with nursing homes, hotels and complicated commercial appraisal assignments.

ACCREDITATIONS

State Certified General Real Estate Appraiser

Alabama State License Number: G00548
Arizona State License Number: 31453
Colorado State License Number: CG40024048
Connecticut State License Number: RCG.0001276
District of Columbia License Number: GA11630
Georgia State License Number: 258907
Hawaii State License Number: CGA1096
Idaho State License Number: CGA-3101
Illinois State License Number: 153.0001384
Indiana State License Number: CG40200270
Iowa State License Number: CG02426
Kansas State License Number: G-1783
Louisiana State License Number: G1126
Maine State License Number: CG3635
Maryland State License Number: 32017
Michigan State License Number: 1201068069
Minnesota State License Number: 40186198
Mississippi State License Number: GA-624
Missouri State License Number: RA002563
Montana State License Number: REA-RAG-LIC-8530
Nebraska State License Number: CG2000046R
New York State License Number: 46000039864
North Carolina State License Number: A5519
North Dakota State License Number: CG-2601
Ohio State License Number: 448306
Oklahoma State License Number: 12524CGA
Oregon State License Number: C000793
Pennsylvania State License Number: GA001813R
South Carolina State License Number: 3976
Tennessee State License Number: 00003478
Texas State License Number: 1329698-G
Utah State License Number: 5510040-CG00
Virginia State License Number: 4001 015446
Washington State License Number: 1101018
West Virginia State License Number: CG358
Wisconsin State License Number: 1078-10
Wyoming State License Number: 479

Also received temporary licenses in the following states: Arkansas, California, Delaware, Florida, Kentucky, Massachusetts, Nevada, New Hampshire, New Jersey, New Mexico, Puerto Rico, Rhode Island, South Dakota, the U.S. Virgin Islands and Vermont.



**EXPERIENCE
(1991 TO PRESENT)**

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring and has worked with HUD in this capacity since inception. Completed approximately 350 appraisals assignments under this program.

Provider of HUD MAP and TAP appraisals and market studies for multiple lenders since its inception. Completed approximately 350 appraisal assignments under this program.

Contract MAP quality control reviewer and field inspector for CohnReznick and HUD. Have completed approximately 350 reviews under this program. Have completed approximately 100 field inspections under this program.

Currently approved state reviewer for HUD Rent Comparability Studies for Section 8 Renewals in Alabama, California, Connecticut, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, North Carolina, Oregon, Utah, Virgin Islands, Virginia, Washington, West Virginia and Wisconsin. Completed approximately 500 reviews under this program.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide. Completed approximately 400 rent comparability studies.

Provider of tax credit financing analysis and value of financing analysis. Completed approximately 300 appraisal assignments and market studies under this program.

Provider of multifamily appraisals under the RD 515 and 538 programs. Completed approximately 200 appraisal assignments under these programs.

Partial list of clients include: Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, CohnReznick, L.L.P., Group, Siegel Group, Signet Partners and Wachovia Securities.

**DEVELOPMENT/OWNERSHIP/
MANAGEMENT EXPERIENCE
(2006 TO PRESENT)**

For the past 10 years, he has owned three separate companies that develop, own and manage commercial, multifamily, residential, agricultural and vacant land properties.

In his portfolio are over 100,000 square feet of commercial space, over 1,000 units of multifamily, 200 acres of farmland, and 10 parcels of developable commercial and multifamily lots, all in the Midwest.

EDUCATION

Bachelor of Arts Degree

Southwest Missouri State University

Associate of Arts Degree

Three Rivers Community College



HUD/FHA Appraiser Training

Arkansas State Office

Multifamily Accelerated Processing Valuation (MAP)

U. S. Department of Housing and Urban Development

2nd Annual Multifamily Accelerated Processing Basic and Advanced Valuation (MAP)

U. S. Department of Housing and Urban Development

FHA Appraising Today

McKissock, Inc.

Texas USDA Rural Development Multifamily Housing Appraiser Training

Texas Rural Development

Kentucky USDA Rural Development Multifamily Housing Appraiser Training

Kentucky Rural Development

Financial Analysis of Income Properties

National Association of Independent Fee Appraisers

Income Capitalization

McKissock, Inc.

Introduction to Income Property Appraising

National Association of Independent Fee Appraisers

Concepts, Terminology & Techniques

National Association of Independent Fee Appraisers

Uniform Standards of Professional Appraisal Practice

Central Missouri State University

Appraisal of Scenic, Recreational and Forest Properties

University of Missouri-Columbia

Appraiser Liability

McKissock, Inc.

Appraisal Trends

McKissock, Inc.

Sales Comparison Approach

Hondros College

Even Odder: More Oddball Appraisals

McKissock, Inc.

Mortgage Fraud: A Dangerous Business

Hondros College

Private Appraisal Assignments

McKissock, Inc.

Construction Details & Trends

McKissock, Inc.

Condemnation Appraising Principles & Applications

Appraisal Institute

Michigan Law

McKissock, Inc.

Pennsylvania State Mandated Law

McKissock, Inc.



Valuing Real Estate in a Changing Market

National Association of Independent Fee Appraisers

Principles of Residential Real Estate Appraising

National Association of Independent Fee Appraisers

Real Estate Appraisal Methods

Southeast Missouri State University

Lead Inspector Training

The University of Kansas

Lead Inspector Refresher

Safety Support Services, Incorporated

Home Inspections: Common Defects in Homes

National Association of Independent Fee Appraisers

Heating and Air Conditioning Review

National Association of Independent Fee Appraisers

Professional Standards of Practice

National Association of Independent Fee Appraisers

Developing & Growing an Appraisal Practice – Virtual Classroom

McKissock, Inc.

The Appraiser as Expert Witness

McKissock, Inc.

Current Issues in Appraising

McKissock, Inc.

2011 ValExpo: Keynote-Valuation Visionaries

Van Education Center/Real Estate

Residential Report Writing

McKissock, Inc.

The Dirty Dozen

McKissock, Inc.

Risky Business: Ways to Minimize Your Liability

McKissock, Inc.

Introduction to Legal Descriptions

McKissock, Inc.

Introduction to the Uniform Appraisal Dataset

McKissock, Inc.

Mold Pollution and the Appraiser

McKissock, Inc.

Appraising Apartments: The Basics

McKissock, Inc.

Foundations in Sustainability: Greening the Real Estate and Appraisal Industries

McKissock, Inc.

Mortgage Fraud

McKissock, Inc.

The Nuts and Bolts of Green Building for Appraisers

McKissock, Inc.

The Cost Approach

McKissock, Inc.



Pennsylvania State Mandated Law for Appraisers

McKissock, Inc.

Michigan Appraisal Law

McKissock, Inc.

Modern Green Building Concepts

McKissock, Inc.

Residential Appraisal Review

McKissock, Inc.

Residential Report Writing: More Than Forms

McKissock, Inc.

2-4 Family Finesse

McKissock, Inc.

Appraisal Applications of Regression Analysis

McKissock, Inc.

Appraisal of Self-Storage Facilities

McKissock, Inc.

Supervisor-Trainee Course for Missouri

McKissock, Inc.

The Thermal Shell

McKissock, Inc.

Even Odder – More Oddball Appraisals

McKissock, Inc.

Online Data Verification Methods

Appraisal Institute

Online Comparative Analysis

Appraisal Institute

Advanced Hotel Appraising – Full Service Hotels

McKissock, Inc.

Appraisal of Fast Food Facilities

McKissock, Inc.

Appraisal Review for Commercial Appraisers

McKissock, Inc.

Exploring Appraiser Liability

McKissock, Inc.



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OVERVIEW	Extensive multifamily experience specializing in work for the Department of Housing and Urban Development (HUD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program. Also, many years of experience with nursing homes and typical commercial appraisals.
ACCREDITATIONS	MAI Designated Member of the Appraisal Institute State Certified General Real Estate Appraiser Missouri State License Number: 2002024410 Virginia State License Number: 4001016982 Maryland State License Number: 32198 Also regularly receives temporary licenses in the following states: Colorado, Florida, Hawaii, Minnesota, Oklahoma and Texas.
EDUCATION	Bachelor of Science Degree <i>Southeast Missouri State University</i> Associate of Arts Degree <i>Three Rivers Community College</i> Professional Standards of Practice <i>National Association of Independent Fee Appraisers</i> Introductions to Income Properties <i>National Association of Independent Fee Appraisers</i> Concepts, Terminology & Techniques <i>National Association of Independent Fee Appraisers</i> Financial Analysis of Income Properties <i>National Association of Independent Fee Appraisers</i> 1.4B Report Writing-Non Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> Principles of Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> 1.4A Report Writing-Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> Economics I <i>Three Rivers Community College</i> 1.4A Report Writing Non-Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> Advanced Highest & Best Use and Market Analysis <i>Appraisal Institute</i> Advanced Sales Comparison & Cost Approaches <i>Appraisal Institute</i> Advanced Income Capitalization <i>Appraisal Institute</i>



Report Writing & Valuation Analysis

Appraisal Institute

National USPA Update

McKissack

**EXPERIENCE
(1991 TO PRESENT)**

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring. Have worked with HUD in this capacity for several years.

Contract appraiser for Kentucky Housing Corporation for the eastern half of the State of Kentucky.

Provider of nursing home appraisals and hotel appraisals as well as typical commercial appraisals nationwide.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide.

Partial list of clients include: Boston Capital, Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, Reznick Group, Siegel Group, Signet Partners and Wachovia Securities.



Certificate of Professional Designation

This certificate verifies that

Samuel Todd Gill
Gill Group, Inc.

*Has completed NCHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*



Formerly known as
NCAHMA

National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
1/1/2022 to 12/31/2022



Thomas Amdur
President, NCHMA



We affirm that we have made a physical inspection of the site and market area. We also affirm that the appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units. To the best of our knowledge the market can support the demand shown in this study. We understand that any misrepresentations in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by the Virginia Housing. We also affirm that neither we nor anyone at our firm has any interest in the proposed development or relationship with the ownership entity. In addition, we affirm that neither we nor anyone at our firm nor anyone acting on behalf of our firm in connection with the preparation of this report has communication to others that my firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing. Finally, we affirm that compensation for our services is not contingent upon this development receiving a reservation or allocation of tax credits.

Samuel T. Gill
Market Analyst

Janice F. Gill, MAI
Market Analyst

Date: July 13, 2022

ADDENDUM A – DATA SOURCES

2000 U.S. Census
2010 U.S. Census
American Community Survey
Claritas; Ribbon Demographics (A nationally recognized demographics forecaster)
U.S. Bureau of Labor Statistics

Information used in the market study was obtained from various sources including: the U.S. Census Bureau, Ribbon Demographics, U.S. Bureau of Labor Statistics, interviews with local area and government officials and interview with local property owners or managers.

ADDENDUM B – MARKET STUDY TERMINOLOGY

Absorption Period

The period of time necessary for a newly constructed or renovated property to achieve the Stabilized Level of Occupancy. The Absorption Period begins when the first temporary or permanent certificate of occupancy is issued and ends when the last unit to reach the Stabilized Level of Occupancy has a signed lease. Assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is expected to begin should accompany all absorption estimates.

Absorption Rate

The average number of units rented each month during the Absorption Period.

Acceptable Rent Burden

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

Affordable Housing

Housing where the tenant household pays no more than 30 percent of its annual income on Gross Rent.

Amenity

Tangible or intangible benefits offered to a tenant at no fee (with the exception of day care), typically on-site recreational facilities or planned programs, services and activities.

Annual Demand

The total estimated demand present in the market in any one year for the type of units proposed. Annual demand estimates factor in tenure, tenant age, income restrictions, family size and turnover.

Area Median Income (AMI)

One-hundred percent of the gross median household income for a specific metropolitan statistical area, county or non-metropolitan area established annually by HUD.

Assisted Housing

Housing where the monthly costs to the tenants are subsidized by federal, state or other programs.

Attached Housing

Two or more dwelling units connected with party walls (e.g., townhouses or flats).

Basic Rent

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

Below Market Interest Rate Program (BMIR)

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

Capture Rate

The percentage of age, size, and income qualified renter households in the Primary Market Area that the property must capture to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the Primary Market Area. See Penetration Rate for rate for entire market area.

Census Tract

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

Central Business District (CBD)

The center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

Community Development Corporation (CDC)

Entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

Comparable Property

A market-rate or Affordable Housing property that is representative of the rental housing choices of the subject's Primary Market Area and that is similar in construction, size, amenities, or age. These Comparables and Competitives are generally used to derive market rent.

Competitive Property

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

Concession

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

Condominium

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

Contract Rent

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

Demand

An estimate of the total number of market households that have both the desire and the ability to obtain the product and/or services offered. These households must be of the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

Difficult Development Area (DDA)

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

Detached Housing

A freestanding dwelling unit, typically single-family, situated on its own lot.

Effective Rents

Market Rents less concessions.

Elderly or Senior Housing

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

Extremely Low Income

Person or household with income below 30 percent of Area Median Income adjusted for household size.

Fair Market Rent (FMR)

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

Family

A family consists of a householder (i.e., one who occupies or owns a house/head of a household) and one or more other persons living in the same household who are related to the householder by birth, marriage or adoption. Not all households contain families since a household may comprise a group of unrelated persons or one person living alone. (Source: U.S. Census)

Garden Apartments

Apartments in low-rise buildings (typically two to four stories) that feature low density, ample open-space around the buildings, and on-site parking.

Gross Rent

The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

High-rise

A residential building having more than ten stories.

Household

All the persons who occupy a housing unit as their usual place of residence. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. (Source: U.S. Census)

Household Trends

Changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.g., at marriage or separation) and decreasing average household size.

Housing Unit

House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program)

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

Housing Finance Agency (HFA)

State or local agencies responsible for financing housing and administering Assisted Housing programs.

HUD Section 8 Program

Federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenant's adjusted income.

HUD Section 202 Program

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

HUD Section 811 Program

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

HUD Section 236 Program

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

Income Band

The range of incomes of households that can pay a specific rent but do not have more income than is allowed by the Income Limits of a particular housing program. The minimum household income typically is based on a defined Acceptable Rent Burden percentage and the maximum typically is pre-defined by specific programmatic requirements or by general market parameters.

Income Limits

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

Infrastructure

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

Low Income

Person or household with gross household income below 80 percent of Area Median Income adjusted for household size.

Low Income Housing Tax Credit

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

Low Rise Building

A building with one to three stories.

Market Advantage

The difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property.

Market Analysis

A study of real estate market conditions for a specific type of property.

Market Area

A geographic area from which a property is expected to draw the majority of its residents.

Market Area, Primary (PMA)

The most likely geographic area from which a property would draw its support.

Market Area, Secondary (SMA)

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

Market Demand

The number of units required in a defined market area to accommodate demand (i.e., households that desire to improve the quality of their housing without significantly increasing their economic burden). Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining demand.

Market Feasibility Analysis

An analysis that determines whether a proposed development can attain its target rents, taking into account the development's characteristics (location, size, unit mix, design and amenities), the depth of its target market, and the strength of its appeal in comparison to other existing and planned options available to potential consumers.

Market Rent

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

Market Study

A comprehensive review of the housing market in a defined market area. A market study can be used to determine the demand for specific proposed development or to examine the overall condition of an area's housing market. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography. At a minimum, market studies include a review of location, economic conditions, demographics, and existing and proposed housing stock.

Marketability

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

Market Vacancy Rate – Physical

Average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same Market Area, excluding units in properties which are in the lease-up stage.

Market Vacancy Rate – Economic

Percentage of rent loss due to concessions and vacancies.

Metropolitan Statistical Area (MSA)

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

Mid-rise

A building with four to ten stories.

Mixed Income Property

An apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more Income Limits (i.e., Low Income Tax Credit property with income limits of 30, 50 and 60 percent).

Mobility

The ease with which people move from one location to another.

Moderate Income

Person or household with gross household income between 80 and 120 percent of Area Median Income adjusted for household size.

Move-Up Demand

An estimate of how many consumers are able and willing to relocate to more expensive or desirable units, such as tenants who move up from Class C properties to Class B; and Class B tenants that move up to Class A properties; and tenants that move from Class C and B properties to a new superior Low Income Tax Credit property. For purposes of demonstrating move-up demand both changes in Class Construction Type and changes in Quality Classification of five or more may be considered (Reference the Virginia State Board of Equalization Assessor's Handbook Section 531, January 2003, pages 4-5 for definitions of Class and Quality Classifications.)

Multifamily

Structures that contain two or more housing units.

Neighborhood

An area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

Net Rent (also referred to as Contract or Lease Rent)

Gross Rent less Tenant Paid Utilities.

Penetration Rate

The percentage of age and income qualified renter households in the Primary Market Area that live in all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. See Capture Rate for property specific rate.

Pent-up Demand

A market in which there is a scarcity of supply and vacancy rates are very low.

Population Trends

Changes in population levels for a particular area over a specific period of time – which is a function of the levels of births, deaths, and net migration.

Primary Market Area

See Market Area

Programmatic Rents

The proposed rents for a Tax Credit or other income restricted property relative to comparable market rate properties and rents being achieved at another Low Income Housing Tax Credit or other income restricted properties in the market. Can be no greater than maximum rents permitted by the Low Income Housing Tax Credit or other program regulations.

Project Based Rent Assistance

Rental assistance from a federal, state or local program that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Public Housing or Low Income Conventional Public Housing

HUD program administered by local (or regional) Housing Authorities which serves Low- and Very-Low Income Households with rent based on the same formula used for HUD Section 8 assistance.

Qualified Census Tract (QCT)

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

Redevelopment

The redesign or rehabilitation of existing properties.

Rent Burden

Contract Rent plus Tenant Paid Utilities divided by the gross monthly household income.

Rent Burdened Households

Households with rent burden above the level determined by the lender, investor or public program to be an acceptable rent-to-income ratio.

Restricted Rent

The maximum allowable rent under the restrictions of a specific housing program or subsidy.

Rural Development (RD) Market Rent

A monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an un-subsidized mortgage and provide an adequate return to the property owner. This rent is the maximum rent that a tenant can pay at an RD property.

Rural Development (RD) Program

Federal program which provides low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, whichever is the higher (but not exceeding the market rent). The Program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Saturation

The point at which there is no longer demand to support additional units.

Secondary Market Area

The portion of a market area that supplies additional support to an apartment property beyond that provided by the Primary Market Area.

Single-Family Housing

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

Special Needs Population

Specific market niche that is typically not catered to in a conventional apartment property. This population should exhibit certain criteria, which can be well defined, in order, for example, to assess the need and demand from this source. Examples of special needs populations include substance abusers, visually impaired person or persons with mobility limitations.

Stabilized Level of Occupancy

The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units. For TCAC projects these percentages are equal to a physical occupancy rate that will generate 90 percent of aggregate restricted rents for SRO and Special Needs units and generate 95 percent of aggregate restricted rents for all other types of units.

State Data Center (SDC)

A state agency or university facility identified by the governor of each state to participate in the U.S. Census Bureau's cooperative network for the dissemination of the census data.

Subsidy

Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's Contract Rent and the amount paid by the tenant toward rent.

Substandard Conditions

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

Target Income Band

The estimated Income Band from which the subject will likely draw tenants.

Target Population

Market niche a development will appeal or cater to. State agencies often use Target Population to refer to various income set asides, elderly v. family, etc.

Tenant

One who rents real property from another.

Tenant Paid Utilities

The cost of utilities necessary for the habitation of a dwelling unit, which are paid by the tenant. Tenant Paid Utilities do not include costs for telephone or cable service.

Tenure

The distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House)

Single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called a row house.

Turnover

An estimate of the number of housing units in a Market Area as a percentage of total housing units in the Market Area that will likely change occupants in any one year. Only turnover in the primary market area rental market (i.e., number of rental housing units as a percentage of total rental housing units that will likely change occupants) shall be considered for purposes of constructing demand estimates. See Vacancy Period.

Unmet Housing Need

New units required in the Market Area to accommodate household growth, homeless households, and housing in substandard conditions.

Unrestricted Rents

The recommended rents for the market rate units at a Mixed-Income Property.

Vacancy Period

The amount of time that an apartment remains vacant and available for rent.

Vacancy Rate – Economic

Maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The economic vacancy rate should be used exclusively for project rent proformas, and not for reporting the vacancy rate of rent comparables.

Vacancy Rate – Physical

The number of total habitable units that are vacant divided by the total number of units in the property. The physical vacancy rate shall be used when reporting comparable vacancy rates.

Very Low Income

Person or household whose gross household income does not exceed 50 percent of Area Median Income adjusted for household size.

Zoning

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

ADDENDUM C – NCHMA INDEX

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.

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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.

		Page Number(s)
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ADDENDUM D - SUBJECT INFO

Affordable Rent Roll
Property: Aqua Vista Apartments (sat)
 as of 6/30/2022

Property Apartment	Unit	Type	Unit #	Unit Name	Program	Contract No.	Start Date	Effective Date	Market Rent	Area Rent	Contract Rent	HOA Rent	Utility Rent	Tenant Rent	Utility Allowance	Optional Charges	1st Rent	2nd Rent
9484	415		1179	Sally Tamara	SN 0	5099000205	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9488	415		1179	Carlee Dawn	SN 0	5099000208	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9491	415		1179	Sabrina Marissa	SN 0	5099000209	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9492	415		1179	Paul Nicholas	SN 0	5099000210	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9496	415		1179	Carol Barbara	SN 0	5099000202	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9499	415		1179	Maria Coco	SN 0	5099000204	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9501	415		752	Heidi Crystal	SN 0	5099000206	08/01/2020	1/20	900	900	900	0	0	0	0	0	90	0
9502	415		752	Jacklyn Leahla	SN 0	5099000208	08/01/2020	1/20	900	900	900	0	0	0	0	0	90	0
9503	415		752	Wagner Mary	SN 0	5099000209	08/01/2020	1/20	900	900	900	0	0	0	0	0	90	0
9507	415		752	Heidi Paul	SN 0	5099000210	08/01/2020	1/20	900	900	900	0	0	0	0	0	90	0
9508	415		752	Steph Nicole	SN 0	5099000205	08/01/2020	1/20	900	900	900	0	0	0	0	0	90	0
9511	415		1179	Heather Gordon	SN 0	5099000203	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9526	415		1179	Spencer Allen	SN 0	5099000207	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9527	415		1179	Kevin Brian	SN 0	5099000208	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9529	415		1179	William Kyle	SN 0	5099000209	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9532	415		1179	Sabrina Jay	SN 0	5099000210	08/01/2020	1/20	1,200	1,200	1,200	0	0	0	0	0	120	0
9541	415		345	David Dorian	SN 0	5099000201	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9546	415		345	John Brian	SN 0	5099000202	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9547	415		345	Michelle Mary	SN 0	5099000203	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9549	415		345	William Brandon	SN 0	5099000204	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9549	415		345	David Andrew	SN 0	5099000205	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9550	415		345	John Paul	SN 0	5099000206	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9551	415		345	Michael	SN 0	5099000207	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9552	415		345	Stephan Van	SN 0	5099000208	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9553	415		345	Emma Tamara	SN 0	5099000209	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9554	415		345	Tanya Michelle	SN 0	5099000210	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9556	415		345	Joseph Lawrence	SN 0	5099000201	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9557	415		345	William Brian	SN 0	5099000202	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9558	415		345	William Brandon	SN 0	5099000203	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9559	415		345	John Paul	SN 0	5099000204	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9560	415		345	Michelle Mary	SN 0	5099000205	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9561	415		345	William Brandon	SN 0	5099000206	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9562	415		345	David Andrew	SN 0	5099000207	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9563	415		345	John Paul	SN 0	5099000208	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9564	415		345	Michelle Mary	SN 0	5099000209	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9565	415		345	William Brandon	SN 0	5099000210	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9566	415		345	John Paul	SN 0	5099000201	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9567	415		345	Michelle Mary	SN 0	5099000202	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9568	415		345	William Brandon	SN 0	5099000203	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9569	415		345	John Paul	SN 0	5099000204	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9570	415		345	Michelle Mary	SN 0	5099000205	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9571	415		345	William Brandon	SN 0	5099000206	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9572	415		345	David Andrew	SN 0	5099000207	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9573	415		345	John Paul	SN 0	5099000208	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9574	415		345	Michelle Mary	SN 0	5099000209	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9575	415		345	William Brandon	SN 0	5099000210	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9576	415		345	John Paul	SN 0	5099000201	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9577	415		345	Michelle Mary	SN 0	5099000202	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9578	415		345	William Brandon	SN 0	5099000203	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9579	415		345	John Paul	SN 0	5099000204	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9580	415		345	Michelle Mary	SN 0	5099000205	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9581	415		345	William Brandon	SN 0	5099000206	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9582	415		345	David Andrew	SN 0	5099000207	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9583	415		345	John Paul	SN 0	5099000208	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9584	415		345	Michelle Mary	SN 0	5099000209	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0
9585	415		345	William Brandon	SN 0	5099000210	08/01/2020	1/20	1,000	1,000	1,000	0	0	0	0	0	100	0

Affordable Rent Roll
Property: Aqua Vista Apartments (64)
 as of 7/25/2022

Property	Unit	Type	Unit #	Unit Name (Contract Name)	Program	Contract No.	Start Date	Market Rent	Basic Rent	Contract Rent	HO Rent	Utilities	Fees	Utilities	Other Fees	TOT	Notes
802	412	345	2	CALHO, CALHO	Sec 8	VA99000078	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	40	0
806	412	345	2	JAYSON, LIZBELL	Sec 8	VA99000080	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	75	0
808	412	345	2	DIJGI, MIRA	Sec 8	VA99000079	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	173	0
804	412	345	2	VIGLIT	Sec 8	VA99000081	08/15/11	1,000	0	1,000	0	0	0	0	0	0	0
809	412	345	2	JOHN, CHRISTOPHER	Sec 8	VA99000082	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	92	0
807	412	345	2	ROSEMARY, CHRISTOPHER	Sec 8	VA99000084	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	942	0
805	412	345	2	FRANCIS, WYNNE, ANN	Sec 8	VA99000083	09/11/11	1,000	1,000	1,000	0	1,200	0	0	0	130	0
803	412	345	2	HEALEY, DAVID	Sec 8	VA99000085	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	190	0
801	412	345	2	MARSH, PATRICK	Sec 8	VA99000086	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	25	0
800	412	352	1	JOHN, LARRY	Sec 8	VA99000089	08/15/11	700	700	700	0	840	0	0	0	102	0
808	411	352	1	GARY, DEBRA	Sec 8	VA99000088	11/06/11	800	800	800	0	960	0	0	0	130	0
802	411	352	1	CAROL, CAROL	Sec 8	VA99000087	08/15/11	800	800	800	0	960	0	0	0	190	0
800	411	352	1	COO, NINA	Sec 8	VA99000086	08/15/11	800	800	800	0	960	0	0	0	100	0
808	411	352	1	JANIS, FAYE	Sec 8	VA99000088	08/15/11	800	800	800	0	960	0	0	0	100	0
807	411	352	1	MARSH, LARINA	Sec 8	VA99000089	08/15/11	700	700	700	0	840	0	0	0	130	0
804	411	345	2	EDWARDS, STEVEN	Sec 8	VA99000085	11/15/11	1,000	1,000	1,000	0	1,200	0	0	0	110	0
800	412	345	2	RYAN, MARGIE	Sec 8	VA99000086	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	90	0
800	412	345	2	JOHN, JOAN	Sec 8	VA99000088	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	180	0
800	412	345	2	PAUL, DAVID	Sec 8	VA99000088	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	30	0
800	412	345	2	JOHN, THOMAS	Sec 8	VA99000082	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	30	0
804	412	345	2	SHARON, THOMAS	Sec 8	VA99000087	08/15/11	1,000	1,000	1,000	0	1,200	0	0	0	100	0
800	411	352	1	JEFF, JOHN	Sec 8	VA99000085	08/15/11	800	800	800	0	960	0	0	0	151	0
808	411	352	1	WILEY, PATTI	Sec 8	VA99000089	08/15/11	800	800	800	0	960	0	0	0	15	0
807	411	352	1	SONG, GIL	Sec 8	VA99000086	09/11/11	800	800	800	0	960	0	0	0	120	0
800	411	352	1	JOHN, BERNARD	Sec 8	VA99000088	11/12/11	800	800	800	0	960	0	0	0	100	0
808	411	352	1	HANCO, ANITA	Sec 8	VA99000086	08/15/11	800	800	800	0	960	0	0	0	100	0
808	411	352	1	JOHN, MICHAEL	Sec 8	VA99000089	08/15/11	800	800	800	0	960	0	0	0	100	0
Total				1,900				193,900	141,900	140,900	0	170,600	61,900	0	0	20,110	0

ADDENDUM E – FLOOD DATA

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANELS/OUT

SPECIAL FLOOD HAZARD AREAS

- With 1% Base Flood Elevation (BFE) Zone A, V, XZ
- With 5% Base Flood Elevation (BFE) Zone A, XZ, AO, AO, VE, XZ
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with average areas of less than one square mile. Zone X
- Areas Containing 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Note, Zone X
- Area with Flood Risk due to Levee Zone X

OTHER AREAS

- Area of Minimal Flood Hazard Zone X
- Effective ID MRs
- Area of Undeveloped Flood Hazard Zone X

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dam, or Retention Wall

OTHER FEATURES

- Areas Section with 1% Annual Chance
- Water Surface Boundary
- Coastal Terrace
- Base Flood Elevation Date (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Terrace Boundary
- Profile Boundary
- Hydrographic Feature

DIGITAL DATA AVAILABILITY

- Digital Data Available
- No Digital Data Available
- Unmapped

MAP PANELS

- The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is the version described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was updated on 7/8/2022 at 4:30 P.M. and does not reflect changes or information subsequent to this time and date. The NFHL and effective information may change or become superseded by revisions over time.

This map image is void if the site or place of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map coordinate data, continuity identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmapped areas cannot be used for regulatory purposes.