



**BOWEN  
NATIONAL  
RESEARCH**

# Market Feasibility Analysis

Choice Neighborhood V-Downtown  
2518 Washington Avenue, 123 28th Street & 150 29th Street  
Newport News, Virginia 23607

*Prepared For*

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*Authorized User*

Virginia Housing  
601 South Belvidere Street  
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*Effective Date*

February 14, 2023

*Job Reference Number*

23-137 JW

# Market Study Certification

## NCHMA Certification

This certifies that Sidney McCrary, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Newport News, Virginia. Further, the information contained in this report is true and accurate as of February 14, 2023.

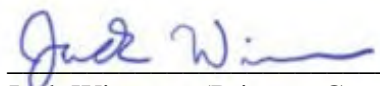
Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee for the preparation of the market study. However, no contingency fees exist between our firm and the client.

## Virginia Housing Certification

I affirm the following:

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

Certified:



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Date: February 14, 2023

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# Certificate of Membership

**Bowen National Research**  
Is a Member Firm in Good Standing of



Formerly known as  
NCAHMA

National Council of Housing Market Analysts  
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**Designation Maintained By**  
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**Membership Term**  
7/1/2022 to 6/30/2023



A handwritten signature in blue ink that reads 'Kaitlyn Snyder'.

**Kaitlyn Snyder**  
Managing Director, NH&RA

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# I. Introduction

## A. PURPOSE

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

## B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

### **C. SOURCES**

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

- The 2010 and 2020 Census on Housing
- American Community Survey
- ESRI
- Applied Geographic Solutions
- U.S. Department of Labor
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- U.S. Department of Housing and Urban Development (HUD)

### **D. REPORT LIMITATIONS**

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

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

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## II. Executive Summary

*Based on the findings contained in this report, it is our opinion that a market exists for the development of the proposed Choice Neighborhood V-Downtown rental community in Newport News, Virginia utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program.* The following points support this conclusion:

### Project Description

Choice Neighborhood V-Downtown involves the new construction of 73 apartments at 2518 Washington Avenue and surrounding parcels in Newport News. The project will target family (general-occupancy) households earning up to 30%, 40%, 50% and 60% of Area Median Household Income (AMHI) under the LIHTC program. Additionally, 25 units within the subject development will operate under the HUD Section 8 program and 29 units will operate as unrestricted market-rate. The proposed project is expected to be complete by August 2026. Additional details of the subject project can be found in Section III - *Project Description* of this report.

### Site Evaluation

The subject site currently consists of a parking lot in the southern portion of downtown Newport News. The site is located within an established, mixed-use area, surrounded by residential dwellings, commercial/office buildings, a school, the James River, retail shopping, dining options, convenience stores, shipping/manufacturing facilities and various small businesses, with all existing structures in fair to good condition. Visibility of the site will be unobstructed for motorists traveling along all surrounding roadways and, therefore, is considered good. Access to and from the site is also considered good, given its proximity of U.S. Highway 60, State Routes 143 and 351 and Interstate 694 and the availability of scheduled public transportation within walking distance, as operated by Hampton Roads Transit. The site is located within proximity of several community services, many of which are within walking distance. Overall, we consider the site's location and proximity to community services to have a positive effect on its marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in Section IV - *Area Analysis*.

### Primary Market Area (PMA)

The Newport News Site PMA includes southern portions of Newport News and Hampton. Specifically, the boundaries of the Site PMA include Museum Drive, Boundary Road, Warwick Boulevard, Harpersville Road, Hampton Roads Center Parkway and Interstate 64 to the north; Lasalle Avenue to the east; Hampton Roads Bay to the south; and the James River to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in Section IV, beginning on page IV-9.

### Demographic Trends

Both the population and household bases within the Newport News Site PMA are projected to decline between 2023 and 2028, a trend which has generally been consistent since 2010. Nonetheless, households under the age of 65, which is expected to be the primary age cohort of potential renters at the general-occupancy subject project, comprise more than 71.0% of all households in 2023 and are anticipated to comprise nearly 68.0% of all households by 2028. Nearly half of all households are renters in 2023 and the 18,699 renter households projected for 2028 illustrate a deep base of renter support. Nearly 62.0% of all renter households are projected to earn below \$50,000 in 2028. Based on the preceding analysis, a large base of lower-income renter households will continue to exist in the market during this time period. Detailed demographic trends are included in Section IV, beginning on page IV-11.

### Economic Trends

The Newport News economy generally experienced growth between 2012 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the Newport News employment base declined by 5,635 jobs, or 6.4%, and its *annual* unemployment rate increased by over five percentage points. Specifically, between February and April 2020, the *monthly* unemployment rate within the city spiked by nearly 11 percentage points. On a positive note, the local economy has improved since 2020, experiencing job growth and a declining unemployment rate. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable. Detailed economic trends are included in Section IV, beginning on page IV-15.

### Overall Rental Housing Market Conditions

We identified and personally surveyed 32 conventional housing projects containing a total of 6,110 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.7%, a good rate for rental housing. Each rental housing segment surveyed is summarized as follows:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	12	3,413	191	94.4%
Tax Credit	10	1,406	13	99.1%
Tax Credit/Government-Subsidized	7	742	0	100.0%
Market-rate/Tax Credit/Government-Subsidized	1	60	0	100.0%
Government-Subsidized	2	489	0	100.0%
Total	32	6,110	204	96.7%

Each rental housing segment surveyed within the market are performing at good occupancy levels at or above 94.4%. In fact, all affordable rental housing segments surveyed are performing at occupancy levels of at least 99.1%, illustrating that pent-up demand likely exists for additional affordable rental housing within the Site PMA. The subject project will be able to accommodate a portion of this unmet demand.

**Tax Credit Property Disclosure:** In addition to the 18 properties surveyed that offer Tax Credit units, we identified 14 additional properties within the Site PMA that operate, at least partially, under the LIHTC program that we were unable to survey at the time of this report. The known details of these projects based on previous surveys conducted by Bowen National Research in the Newport News area and from our review of the state Tax Credit allocation list are summarized in the following table:

Name	Location	Total Units	Target Population
Chestnut Square	800 Dana Rae Ct., Newport News	40	Family; Tax Credit
Jefferson Brookville (A)	815 28th St., Newport News	8	Family; Subsidized & Tax Credit
Jefferson Brookville (B)	2701 Jefferson Ave., Newport News	12	Family; Subsidized & Tax Credit
Jefferson Brookville (C)	2501 Jefferson Ave., Newport News	30	Family; Subsidized & Tax Credit
Lofts at Jefferson	558 28th St., Newport News	14	Family; Subsidized Tax Credit
Medical Arts Senior Apts.	2901 West Ave., Newport News	20	Senior; Tax Credit
Monterey	603 Lasalle Ave., Hampton	40	Family; Tax Credit
Newport Harbour Apts.	2325 Madison Ave., Newport News	200	Family; Subsidized Tax Credit
Orcutt Village Townhomes II	1031 34th St., Newport News	40	Family; Subsidized Tax Credit
Orcutt Village Townhomes III	900 36th St., Newport News	30	Family; Subsidized Tax Credit
Snowden Senior Apts.	1115 Briarfield Rd., Newport News	68	Senior; Tax Credit
Spratley House Apts.	651 25th St., Newport News	50	Senior; Subsidized Tax Credit
Warwick SRO	2410 West Ave., Newport News	88	Homeless; Subsidized Tax Credit
Wilbert & Effie Ashe Manor	900 36th St., Newport News	50	Senior; Subsidized Tax Credit

It is believed that these projects we were unable to survey offer a total of 208 non-subsidized Tax Credit units, which have been considered in our penetration rate estimates illustrated later in this section.

#### Competitive/Comparable Tax Credit Analysis

The proposed subject project will target family (general-occupancy) households earning up to 30%, 40%, 50% and 60% of AMHI under the LIHTC program. In addition, the subject project will also operate under the HUD Section 8 program with a direct subsidy available to 25 units. For the purpose of this analysis, however, we only select comparable *non-subsidized* LIHTC properties, as these properties provide the most accurate representation of achievable non-subsidized Tax Credit rents within the Newport News market. The subject development will also offer 31 market-rate units, which will be evaluated later in this section.

Within the Site PMA, we identified and surveyed a total of 13 general-occupancy LIHTC properties which offer non-subsidized units in the Newport News market. Of these 13 LIHTC properties, we have selected the eight most comparable communities to the site based on newness, design and/or unit types offered. These eight LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Quality Rating	Nbhd. Rating	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	<b>B+*</b>	<b>B</b>	<b>2026</b>	<b>44**</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 30%, 40%, 50% &amp; 60% AMHI &amp; Section 8</b>
3	Ada Park	B+	B	2018	42	100.0%	6.6 Miles	22 HH	Families; 50% & 60% AMHI
5	Brennan Pointe I	B+	B-	2016	44	100.0%	0.7 Miles	50 HH	Families; 40%, 50%, & 60% AMHI
6	Brennan Pointe II	B+	B-	2018	38**	100.0%			Families; 50%, & 60% AMHI
13	Heritage Forest I & II	B+	C	2012	248	100.0%	2.3 Miles	5 HH	Families; 40% & 60% AMHI
18	Noland Green	B	B-	2011***	49**	100.0%	0.3 Miles	12 HH	Families; 50% AMHI
30	Waterford Pointe	B+	B	1993 / 2014	120	100.0%	7.7 Miles	200 HH	Families; 60% AMHI
31	Westover Station Apts.	B	B	1991	108	100.0%	3.5 Miles	4 HH	Families; 60% AMHI
32	Whittaker Place Apts.	B	B-	2019***	59**	100.0%	1.7 Miles	20 HH	Families; 40% & 60% AMHI

Nbhd. – Neighborhood

Occ. – Occupancy

HH – Households

\*Anticipated quality

\*\* (Non-subsidized) Tax Credit units only

\*\*\* Adaptive reuse

The eight most comparable LIHTC projects surveyed have a combined occupancy rate of 100.0%, all of which maintain a waiting list, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The gross rents for the most comparable LIHTC projects and the proposed/programmatic LIHTC rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the table on the following page.

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)			
Map I.D.	Project Name	Studio	One-Br.	Two-Br.	Three-Br.
	<b>Choice Neighborhood V-Downtown</b>	-	\$526*/30% (1) \$701*/40% (3) \$876*/50% (1) \$1,052/60% (3)	\$631*/30% (3) \$842*/40% (4) \$1,052*/50% (10) \$1,263/60% (10)	\$729*/30% (1) \$972*/40% (1) \$1,215*/50% (1) \$1,458/60% (6)
3	Ada Park	-	-	\$1,008/50% (21/0) \$1,173/60% (9/0)	\$1,360/60% (12/0)
5	Brennan Pointe I	-	-	\$842/40% (3/0) \$1,052/50% (18/0) \$1,263/60% (7/0)	\$977/40% (2/0) \$1,220/50% (11/0) \$1,463/60% (3/0)
6	Brennan Pointe II	-	-	\$1,052/50% (10/0) \$1,263/60% (14/0)	\$1,220/50% (7/0) \$1,463/60% (7/0)
13	Heritage Forest I & II	-	\$742/40% (10/0) \$1,093/60% (24/0)	\$894/40% (16/0) \$1,315/60% (146/0)	\$1,534/60% (52/0)
18	Noland Green	-	\$753/50% (10/0)	\$885/50% (30/0)	\$1,010/50% (9/0)
30	Waterford Pointe	-	\$1,099/60% (9/0)	\$1,321/60% (66/0)	\$1,533/60% (45/0)
31	Westover Station Apts.	-	\$1,088/60% (36/0)	\$1,292/60% (72/0)	-
32	Whittaker Place Apts.	\$622/40% (2/0) \$882/60% (10/0)	\$659/40% (4/0) \$959/60% (33/0)	\$782/40% (2/0) \$1,142/60% (8/0)	-

\*2022 maximum allowable LIHTC gross rent

The proposed/programmatic subject gross rents, ranging from \$526 to \$1,458, will generally be within the range of LIHTC rents offered at the comparable LIHTC projects surveyed for similar unit types. Given that all comparable LIHTC projects are fully occupied and maintain a waiting list and the fact that the subject rents are competitively positioned, they are considered appropriate.

#### Comparable Tax Credit Summary

The eight comparable general-occupancy LIHTC properties have a combined occupancy rate of 100.0% and each maintains a waiting list. The proposed subject project is expected to help alleviate a portion of this pent-up demand for additional general-occupancy LIHTC product. The subject's proposed/programmatic gross Tax Credit rents, unit sizes (square feet) and amenities package are competitively positioned. Based on the preceding factors, the subject project is considered very marketable as proposed.

## Competitive/Comparable Market-Rate Analysis

Considering the proposed project will offer 31 market-rate units, we have also provided a comparable market-rate analysis to assess the competitiveness of these units. We identified five comparable market-rate properties within the Site PMA, which are summarized in the following table, along with the subject site:

Map I.D.	Project Name	Quality Rating	Nbhd. Rating	Year Built/Renovated	Units	Occupancy Rate	Distance to Site	Rent Special
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	<b>B+*</b>	<b>B</b>	<b>2026</b>	<b>29**</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	Abbington at Northampton	B+	B	1982 / 2013	567	98.9%	5.0 Miles	None
11	Hampstead Heath Luxury Homes	B	B	1977 / 2006	101	100.0%	6.1 Miles	None
16	Liberty	A	B	2013	197	94.9%	0.3 Miles	None
22	Riverlands Apts.	B	B	1992 / 2000	404	100.0%	3.4 Miles	None
29	Walker Place Apts.	B-	B-	2021***	31	100.0%	0.4 Miles	None

\*Anticipated quality

\*\*Market-rate units only

\*\*\*Adaptive reuse

The five selected market-rate projects have a combined total of 1,300 units with an overall occupancy rate of 98.8%, a very strong rate for rental housing. A total of three of these projects are 100.0% occupied, illustrating that pent-up demand likely exists for additional market-rate rental housing within the Site PMA. The subject project will be able to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent (Number of Units/Vacancies)		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	<b>\$1,431 (6)</b>	<b>\$1,610 (23)</b>	<b>-</b>
2	Abbington at Northampton	\$1,392-\$1,446 (241/1)	\$1,457-\$1,552 (231/1)	\$1,914-\$1,984 (95/4)
11	Hampstead Heath Luxury Homes	-	\$1,697-\$1,888 (65/0)	\$1,766-\$2,225 (36/0)
16	Liberty	\$1,523 (85/7)	\$1,843 (104/3)	\$2,675 (8/0)
22	Riverlands Apts.	\$1,069 (192/0)	\$1,227 (200/0)	\$1,581 (12/0)
29	Walker Place Apts.	\$1,473 (29/0)	\$1,913 (2/0)	-

The subject's proposed gross market-rate rents of \$1,431 and \$1,610 for a one- and two-bedroom unit, respectively, will be within the range of rents offered at the comparable market-rate rental properties surveyed and, therefore, are considered competitively positioned.

## Perception of Value

Based on HUD Rent Comparability Grids in Section VI, the subject's achievable market rents and corresponding market rent advantages are summarized in the following table:

Bedroom Type	% AMHI	Proposed/Programmatic Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	30%	\$445*	\$1,370	67.5%
	40%	\$620*		54.7%
	50%	\$795*		42.0%
	60%	\$971		29.1%
	Market	\$1,350		1.5%
Two-Br.	30%	\$521*	\$1,720	69.7%
	40%	\$732*		57.4%
	50%	\$942*		45.2%
	60%	\$1,153		33.0%
	Market	\$1,500		12.8%
Three-Br.	30%	\$585*	\$1,905	69.3%
	40%	\$828*		56.5%
	50%	\$1,071*		43.8%
	60%	\$1,314		31.0%

\*Maximum allowable gross rent less tenant-paid utilities

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject's proposed/programmatic Tax Credit rents, which represent market rent advantages of between 29.1% and 69.7%, are considered appropriate and should represent substantial values within the Newport News market. It is also important to reiterate that the subject project will operate with a project-based Section 8 subsidy available to 25 units. Thus, many of the units at the property will represent an even greater value than that reflected by the market rent advantages in the preceding table, as these tenants will pay only 30% of their income towards rent, rather than the proposed rents evaluated throughout this report. Additionally, the subject's market-rate rents are anticipated to represent good values to renters, as they also represent positive rent advantages. This will contribute to the subject's marketability.

## Capture Rate Estimates

The following is a summary of our demand calculations:

Demand Component	30% AMHI (\$18,034-\$30,300)	40% AMHI (\$24,034-\$40,400)	50% AMHI (\$30,034-\$50,500)	60% AMHI (\$36,069-\$60,600)	Overall LIHTC (\$18,034-\$60,600)	Market-Rate (\$60,601+)*
Net Demand	1,322	1,705	2,204	2,368	4,143	2,179
Proposed Units	5	8	12	19	44	29
Proposed Units / Net Demand	5 / 1,322	8 / 1,705	12 / 2,204	19 / 2,368	44 / 4,143	29 / 2,179
<b>Capture Rate</b>	<b>= 0.4%</b>	<b>= 0.5%</b>	<b>= 0.5%</b>	<b>= 0.8%</b>	<b>= 1.1%</b>	<b>= 1.3%</b>

\*Excludes larger (four-person+) household sizes

Overall, the capture rates by targeted income level are considered very low and easily achievable, ranging from 0.4% to 1.3%. The overall LIHTC capture rate of 1.1% is also considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development. Note that the subject project's overall capture rate (Tax Credit and market-rate) is **1.2%** ( $73 / 6,322 = 1.2\%$ ). Further, considering that a subsidy will be available on the units set aside at 30%, 40% and 50% of AMHI, their respective capture rates will be much lower than those illustrated in the preceding table, as these units will be able to accommodate households with little to no income.

Penetration Rate

The 2,065 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$18,034 to \$65,100. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be an estimated 9,711 renter households with eligible incomes in 2026. The 2,109 existing, planned and proposed subject Tax Credit units represent a penetration rate of 21.7% of the 9,711 income-eligible renter households, which is summarized in the following table:

	Market Penetration
Number of LIHTC Units (Existing, Planned & Proposed)	2,109
Income-Eligible Renter Households – 2026	/ 9,711
Overall Market Penetration Rate	= 21.7%

It is our opinion that the 21.7% penetration rate for the LIHTC units, existing, planned and proposed subject, is low and achievable.

*Please note that penetration rates are not provided for market-rate units.*

Absorption Projections

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 44 LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in less than three months of opening. This absorption rate is based on an average monthly absorption rate of 15 units per month. It is anticipated that the subject's 29 market-rate units will stabilize in less than two months. Note that these absorption projections assume the proposed project will operate with a subsidy available to 25 of the units. In the unlikely scenario the subject project did not operate with a subsidy available to 25 units, the proposed project will likely experience an extended absorption period of less than six months, which is reflective of an absorption rate of 12 units per month.



These absorption projections assume an August 2026 opening date. A different opening date, particularly during the winter months and holiday season, may have a slowing impact on the subject's initial absorption potential. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, unit design, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

### III. Project Description

Project Name:	<b>Choice Neighborhood V-Downtown</b>
Location:	2518 Washington Avenue, 123 28th Street & 150 29th Street Newport News, Virginia 23607
Census Tract:	301.00
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 73-unit Choice Neighborhood V-Downtown rental community at 2518 Washington Avenue and surrounding parcels in Newport News, Virginia. The project will target family (general-occupancy) households earning up to 30%, 40%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, 25 units within the subject development will operate under the HUD Section 8 program and 29 units will operate as unrestricted market-rate. The proposed project is expected to be complete by August 2026. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
1	One-Br.	1.0	Garden	650	30%/S8	\$1,036	\$81	\$1,117	\$526
3	One-Br.	1.0	Garden	650	40%/S8	\$1,036	\$81	\$1,117	\$701
1	One-Br.	1.0	Garden	650	50%/S8	\$1,036	\$81	\$1,117	\$876
3	One-Br.	1.0	Garden	650	60%	\$971	\$81	\$1,052	\$1,052
6	One-Br.	1.0	Garden	650	Market	\$1,350	\$81	\$1,431	-
3	Two-Br.	1.5	Garden	1,012*	30%/S8	\$1,202	\$110	\$1,312	\$631
4	Two-Br.	1.5	Garden	1,012*	40%/S8	\$1,202	\$110	\$1,312	\$842
10	Two-Br.	1.5	Garden	1,012*	50%/S8	\$1,202	\$110	\$1,312	\$1,052
10	Two-Br.	1.5	Garden	1,012*	60%	\$1,153	\$110	\$1,263	\$1,263
23	Two-Br.	1.5	Garden	1,012*	Market	\$1,500	\$110	\$1,610	-
1	Three-Br.	2.0	Garden	1,325	30%/S8	\$1,700	\$144	\$1,844	\$729
1	Three-Br.	2.0	Garden	1,325	40%/S8	\$1,700	\$144	\$1,844	\$972
1	Three-Br.	2.0	Garden	1,325	50%/S8	\$1,700	\$144	\$1,844	\$1,215
6	Three-Br.	2.0	Garden	1,325	60%	\$1,314	\$144	\$1,458	\$1,458
73	Total								

Source: Pennrose Properties, LLC

AMHI – Area Median Household Income (Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area; 2022)

S8 – Section 8

\*Average

*The maximum allowable LIHTC gross rents ranging from \$526 to \$1,215 are the programmatic limits for units targeting households earning up to 30%, 40% and 50% of AMHI. However, these limits would only apply in the unlikely scenario that the property did not operate with a project-based subsidy. Nonetheless, as the proposed contract rents under the Section 8 program are above these maximum allowable limits, we have evaluated these unit types assuming maximum allowable LIHTC rent limits throughout this report.*

Building/Site Information	
Residential Buildings:	One (1) four-story building
Building Style:	Elevator-served
Community Space:	Integrated throughout

Construction Timeline	
Construction Start:	June 2025
Begin Preleasing:	May 2026
Construction End:	August 2026

Unit Amenities		
• Electric Range	• Washer/Dryer Hookups	• Carpet/Tile/Composite Flooring
• Refrigerator	• Central Air Conditioning	• Window Blinds
• Dishwasher	• Patio/Balcony	• Controlled Access/Key Fob

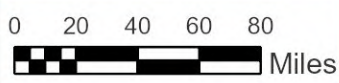
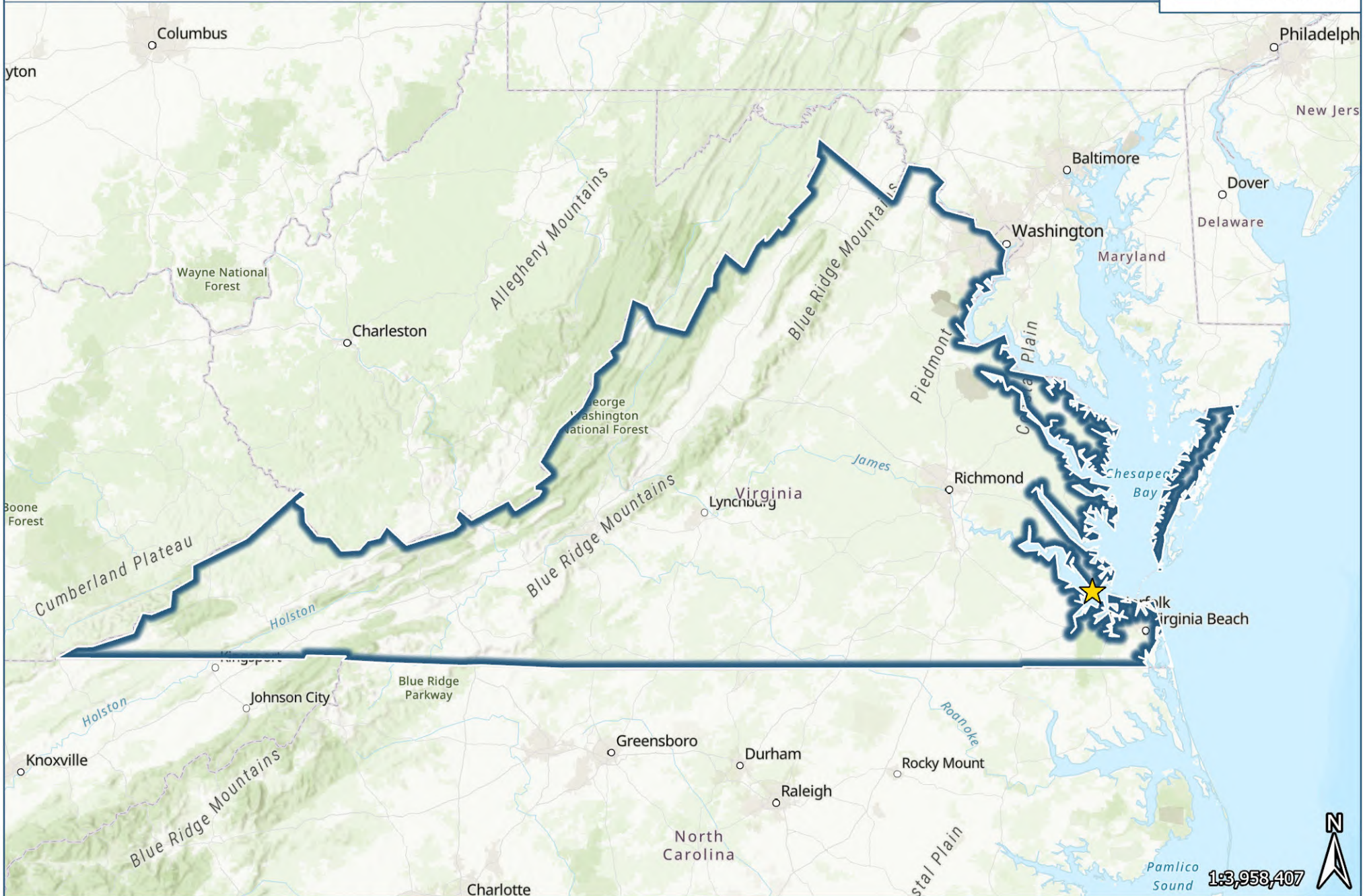
Community Amenities		
• Clubhouse/Community Room	• On-Site Management	• Elevator
• Common Area Wi-Fi	• Fitness Center	• Playground
• Health Screenings	• Social Service Coordinator	• Surface Parking Lot
• CCTV/Cameras	• Parking Garage	

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

### FLOOR AND SITE PLAN REVIEW:

Floor and site plans for the proposed project were not available for review at the time this report was prepared. Based on our evaluation of information provided to our firm, however, the proposed unit sizes will be competitive with those offered at the comparable properties surveyed within the Primary Market Area (PMA). The units will come equipped with washer/dryer hookups, a dishwasher and a patio/balcony, which will appeal to the targeted population. Further, the proposed amenities package will also be competitive with those offered at the comparable projects within the market. The proposed development will not lack any amenities that would have an adverse impact on its marketability. Overall, we believe the subject project will be appropriately positioned within the market, assuming the layout of the site and floor plans are marketable.

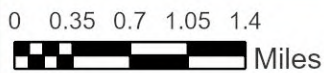
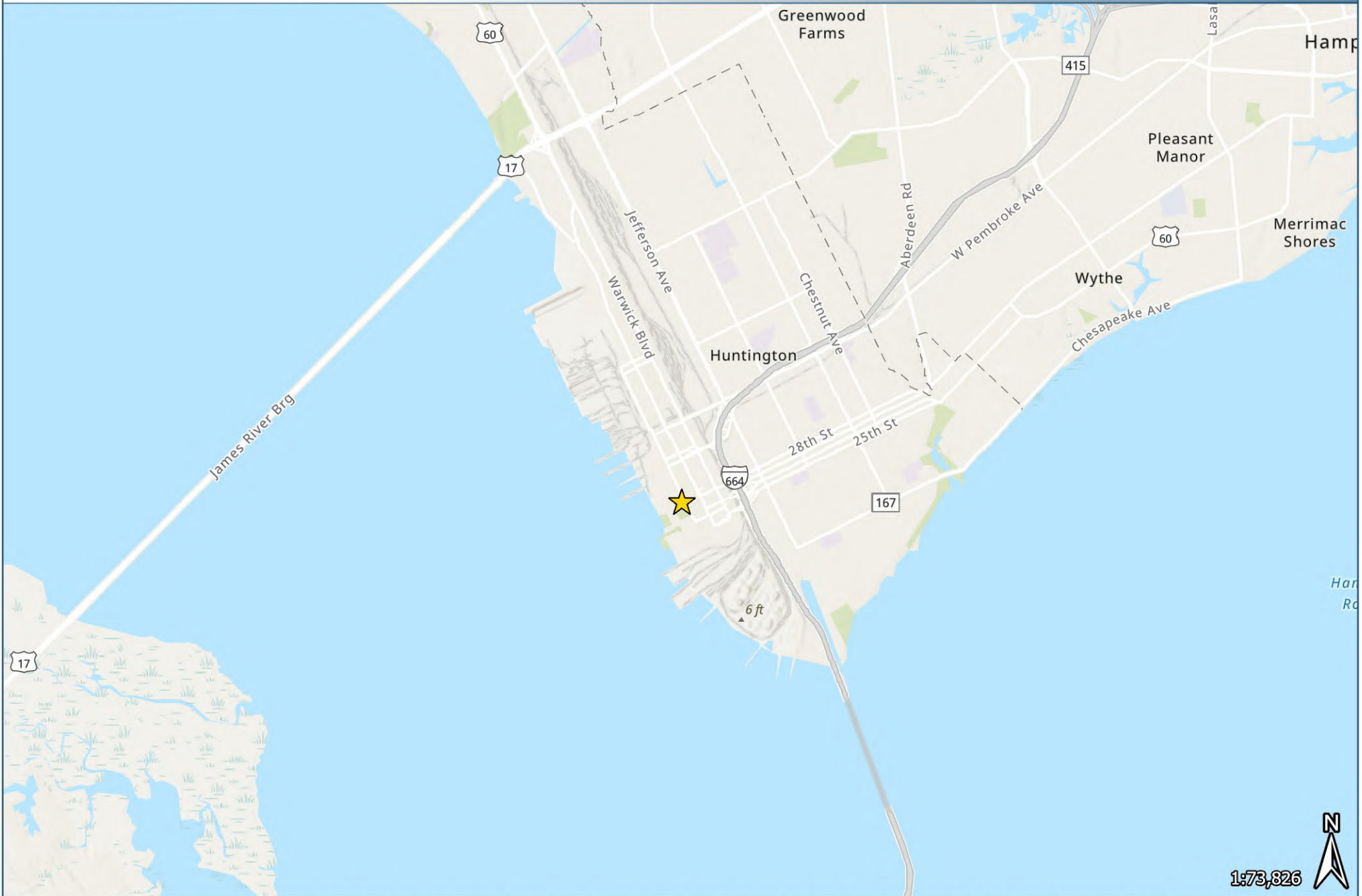
A state map, an area map and a site neighborhood map are on the following pages.



VGIN, Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, Esri, USGS  
Additional Source(s): Bowen National Research

1:3,958,407







## IV. Area Analysis

### A. SITE DESCRIPTION AND EVALUATION

#### 1. LOCATION

The proposed subject site currently consists of a parking lot located at 2815 Washington Avenue and surrounding parcels within the southern portion of downtown Newport News, Virginia. The proposed subject site is also approximately 19.0 miles northwest of Norfolk, Virginia. The subject site visit and corresponding fieldwork were completed during the week of February 13, 2023.

#### 2. SURROUNDING LAND USES

The proposed subject site is situated within an established, mixed-use area. Surrounding land uses include residential dwellings, commercial/office buildings, a school, the James River, retail shopping, dining options, convenience stores, shipping/manufacturing facilities and various small businesses. Adjacent land uses are detailed as follows:

<b>North -</b>	The northern site boundary is defined by 29 <sup>th</sup> Street, a two-lane, one-way road travelling eastbound with light to moderate vehicular traffic, followed by the Dominion Outreach Worship Center in good condition. Continuing north are a four-story parking garage, the Apprentice School and the Liberty rental community, all of which are in good condition. Farther north are shipping/manufacturing facilities, dining options, convenience stores and single-family homes.
<b>East -</b>	The eastern site boundary is defined by Washington Avenue, a two-lane road with light to moderate vehicular traffic. Continuing east are a parking garage, commercial/office buildings and the Trinity United Methodist Church, all of which are in fair to good condition. Small businesses and dining options located inside the New Port News Shipbuilding border Huntington Avenue/U.S. Highway 60, a three-lane, one-way road travelling southbound with light to moderate vehicular traffic. A parking garage, the Noland Green rental community, undeveloped land, railroad tracks and Interstate 694 are located farther east.
<b>South -</b>	The southern site boundary is defined by 28 <sup>th</sup> Street, a two-lane road with light to moderate vehicular traffic, followed by Superblock Park. Continuing south are the Newport News Sheriff's Office, a parking garage and a U.S. Post Office. Farther south are additional office/government buildings, the Warwick SRO rental community and shipping/manufacturing facilities.

<b>West -</b>	The western site boundary is defined by an office building, parking lot, Four Seasons Pizzeria and the Mini Market convenience store, followed by West Avenue, a two-lane roadway with light to moderate traffic. Continuing west are multifamily communities and commercial/office buildings in fair to good condition, followed by the James River.
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The subject site is situated within an established, mixed-use area in the downtown area of Newport News and is considered conducive to residential housing. Notably, the proximity to community services, dining options, retail shopping, parks, and arterial roadways will likely contribute to the marketability of the subject site. The existing residential and commercial/retail structures within the immediate site neighborhood were observed to be in fair to good condition. Overall, the subject property fits well with the surrounding land uses and they should contribute to its marketability. Photographs of the site can be found in Section X of this report.

### **3. VISIBILITY AND ACCESS**

The subject site will be unobstructed from view of passerby traffic along all surrounding roadways. The expected traffic increases during peak commute times due to the site's downtown location and the anticipated four-story design, will also have a positive impact on site visibility. Overall, visibility of the site is considered good.

While a site plan was not provided at the time this report was issued, it is anticipated that the site's main access point will be from Washington Avenue. As noted, this roadway consists of light to moderate traffic patterns and ingress/egress will be convenient, with clear lines of sight provided in both directions of travel. The subject site is also within proximity of area arterial roadways, such as U.S. Highway 60, State Routes 143 and 351 and Interstate 694, which all can be accessed within 1.3 miles. Lastly, scheduled public transportation services are also available within walking distance of the site, operated by Hampton Roads Transit. Overall, access to and from the site is also considered good.



#### 4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (miles)
Major Highways	U.S. Highway 60 State Route 143 Interstate 694 State Route 351	0.1 East 0.6 East 0.8 East 1.3 Northeast
Public Bus Stop	Hampton Roads Transit	Adjacent East
Major Employers/ Employment Centers	U.S. Postal Service Newport News Juvenile Detention Center Huntington Ingalls Industries Walmart Supercenter	0.2 South 0.3 Southeast 0.4 South 3.6 North
Convenience Store	Mini Market Navy Exchange Mini Mart 7-Eleven	0.1 West 0.3 Northeast 0.7 East
Grocery	Food Tiger Piggly Wiggly	0.9 Southeast 1.1 Northeast
Discount Department Store	Family Dollar Dollar General Walmart Supercenter	0.7 Northeast 0.9 East 3.6 North
Shopping Center/Mall	Southeast Shopping Center The Plaza at Newmarket	0.9 East 3.5 North
Schools: Elementary Middle/Junior High High	John Marshall Elementary School BT Washington Middle School Heritage High School	1.2 West 2.0 Northeast 2.6 Northeast
Hospital	Hampton Roads Specialty Hospital Riverside Regional Medical Center	2.8 East 6.8 North
Police	Newport News Police Department South Precinct	1.0 Northeast
Fire	Newport News Fire Station 1	0.5 North
Post Office	U.S. Postal Service	0.2 South
Bank	BayPort Credit Union	1.3 North
Recreational Facilities	Julius Conn Gym Huntington Hall MWR Library & Gym Doris Miller Community Center An Achievable Dream Tennis Courts	0.2 Northeast 0.3 Northeast 1.2 Northeast 1.5 Southeast
Gas Station	7-Eleven Fast & Easy Gas Station	0.7 East 0.9 Northeast
Pharmacy	Southeast Community Pharmacy Walmart Pharmacy	0.9 East 3.6 North
Restaurant	Four Seasons Pizzeria Greenyard Grill Eddie's	0.1 West 0.2 North 0.2 Northwest
Day Care	The Eagles Nest Learning Center	1.1 Northeast
Community Center	Hampton Newport News Community Center	0.1 South
Church	Dominion Outreach Worship Center Trinity United Methodist Church Full Gospel Kingdom Church	Adjacent North 0.1 East 0.2 North
Park	Superblock Park Victory Landing Park King-Lincoln Park	Adjacent South 0.4 Southwest 1.8 Southeast

As the preceding table illustrates, many community services are within 1.0 mile of the proposed subject site, some of which are also within walking distance, including employment opportunities, convenience stores, grocery and discount shopping, a shopping center, pharmacy, restaurants, churches and recreational opportunities.

Public safety services are provided by the Newport News Police Department South District, located 1.0 mile northeast of the site, and Newport News Fire Station 1, located 0.5 mile to the north. All applicable attendance schools are within 2.6 miles. The nearest medical facility is Hampton Roads Specialty Hospital, located 2.8 miles from the subject site. The nearest full-service hospital is the Riverside Regional Medical Center located within 6.8 miles.

Overall, the availability and proximity to community services are expected to have a positive impact on the subject's marketability.

## **5. OVERALL SITE EVALUATION**

The subject site currently consists of a parking lot in the southern portion of downtown Newport News. The site is located within an established, mixed-use area, surrounded by residential dwellings, commercial/office buildings, a school, the James River, retail shopping, dining options, convenience stores, shipping/manufacturing facilities and various small businesses, with all existing structures in fair to good condition. Visibility of the site will be unobstructed for motorists traveling along all surrounding roadways and, therefore, is considered good. Access to and from the site is also considered good, given its proximity of U.S. Highway 60, State Routes 143 and 351 and Interstate 694 and the availability of scheduled public transportation within walking distance, as operated by Hampton Roads Transit. The site is located within proximity of several community services, many of which are within walking distance. Overall, we consider the site's location and proximity to community services to have a positive effect on its marketability.

## 6. CRIME ISSUES

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

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

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

The following table illustrates the crime risk indexes for the Primary Market Area (PMA) and the city of Newport News:



















	Crime Risk Index	
	PMA	Newport News
<b>Total Crime Index</b>	<b>153</b>	<b>121</b>
<b>Personal Crime Index</b>	<b>157</b>	<b>132</b>
Murder	434	246
Rape	91	99
Robbery	176	114
Assault	155	142
<b>Property Crime Index</b>	<b>152</b>	<b>119</b>
Burglary	116	93
Larceny	165	128
Motor Vehicle Theft	126	100

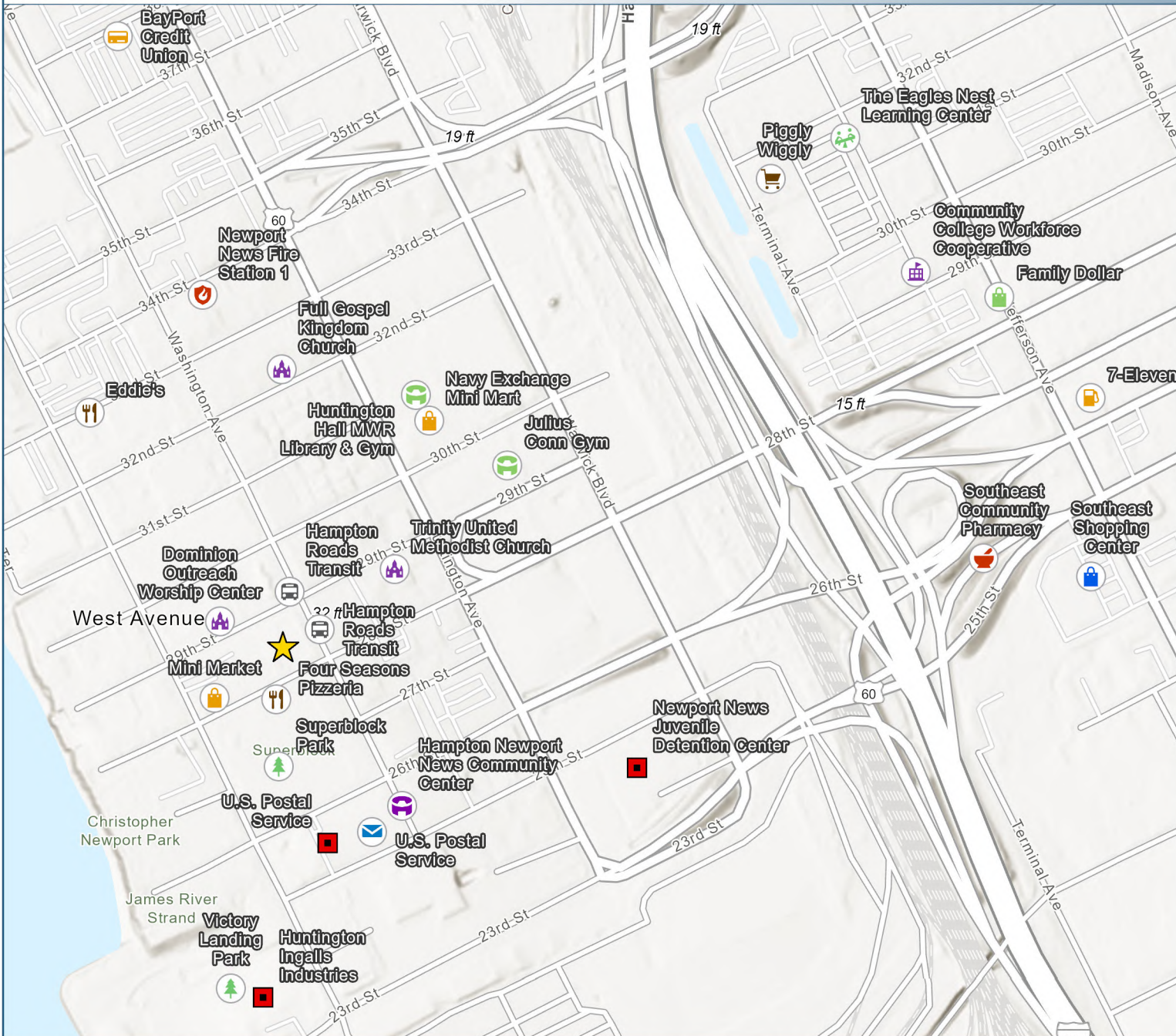
Source: Applied Geographic Solutions, FBI, ESRI

As the preceding illustrates, the crime risk index within the PMA (153) is higher than that reported for the city of Newport News (121) as a whole. These aforementioned crime indexes are above the national average of 100; however, this is typical for a densely populated urban area, such as the Newport News market. In addition, the subject project will include an on-site management office, secured access and CCTV, features which typically deter crime. Regardless, most properties surveyed in the area report high occupancy rates, a good indication that crime has not adversely impacted rental properties in this market.

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

**Community Services**

-  Major Employers/Employment Centers
-  Fire
-  Post Office
-  Pharmacy
-  Gas Station
-  Public Bus Stop
-  Bank
-  Day Care
-  Schools, College/University
-  Park
-  Recreational Facility
-  Community Center
-  Church
-  Restaurant
-  Grocery
-  Convenience Store
-  Discount Department Store
-  Shopping Center/Mall




























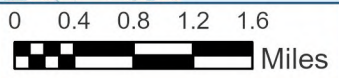
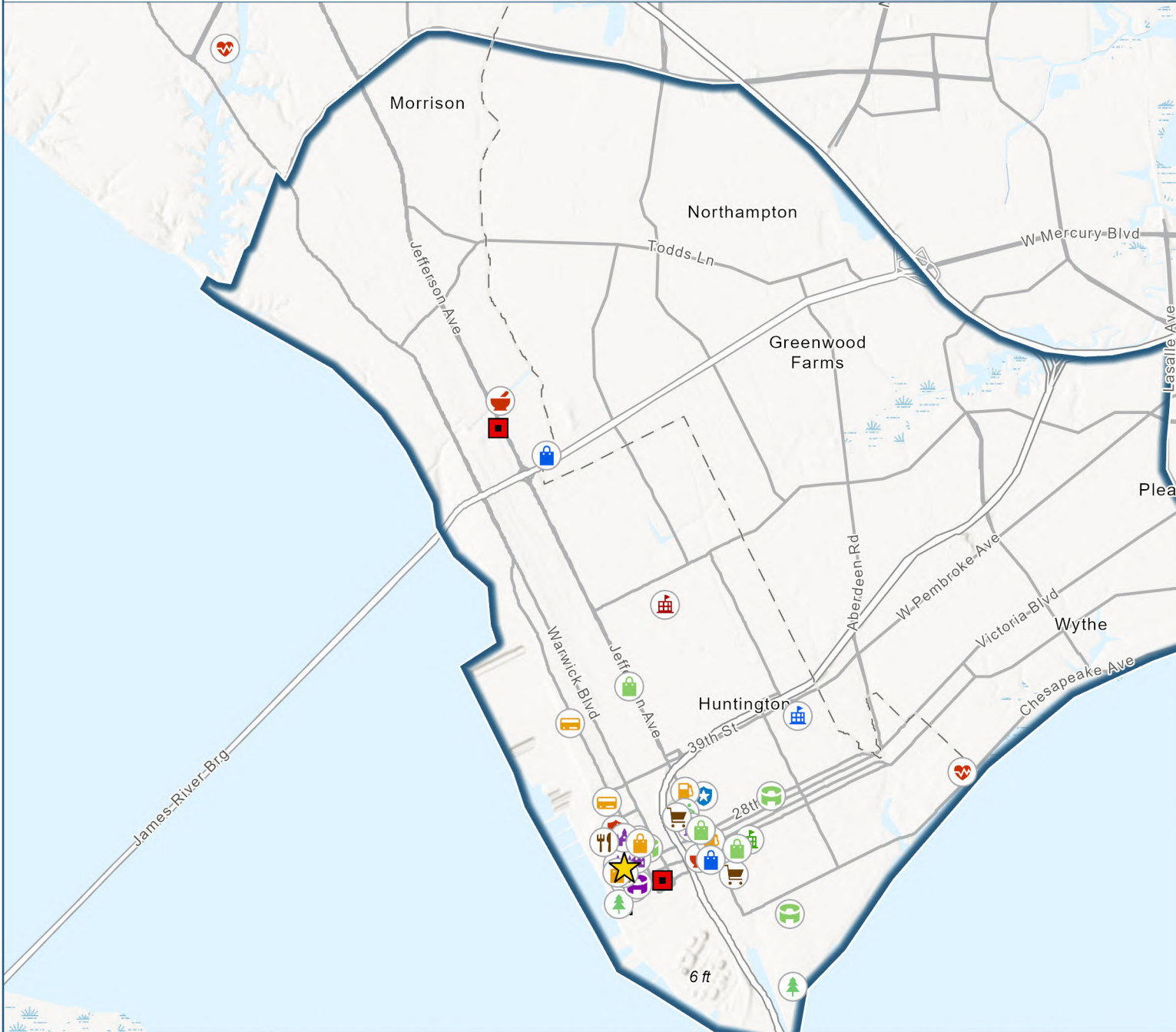
Site



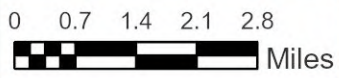
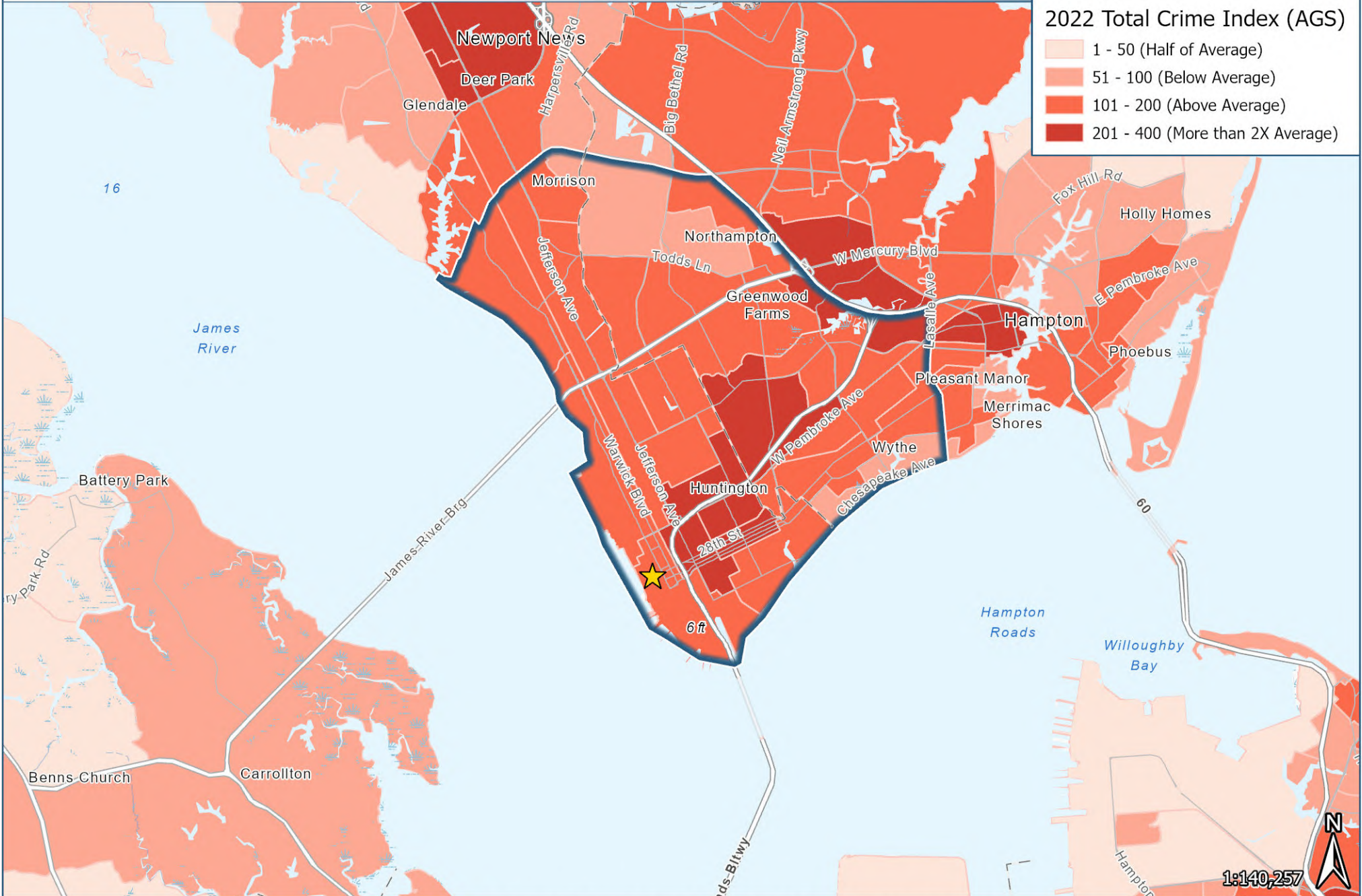
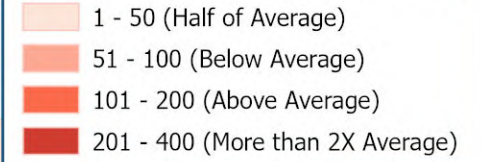
PMA

**Community Services**

-  Major Employers/Employment Centers
-  Hospital/Medical Center
-  Police
-  Fire
-  Post Office
-  Pharmacy
-  Gas Station
-  Public Bus Stop
-  Bank
-  Day Care
-  Schools, Elementary
-  Schools, Middle/Junior High
-  Schools, High
-  Schools, College/University
-  Park
-  Recreational Facility
-  Community Center
-  Church
-  Restaurant
-  Grocery
-  Convenience Store
-  Discount Department Store
-  Shopping Center/Mall



**2022 Total Crime Index (AGS)**



## **B. PRIMARY MARKET AREA DELINEATION**

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Newport News Site PMA was determined through interviews with area leasing and real estate agents and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

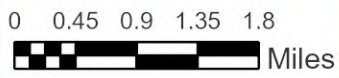
The Newport News Site PMA includes southern portions of Newport News and Hampton. Specifically, the boundaries of the Site PMA include Museum Drive, Boundary Road, Warwick Boulevard, Harpersville Road, Hampton Roads Center Parkway and Interstate 64 to the north; Lasalle Avenue to the east; Hampton Roads Bay to the south; and the James River to the west.

Ms. Nixon, Property Manager for Shell Garden Apartments (Map ID 24), a Tax Credit property located within Hampton, confirmed the boundaries of the Site PMA. Ms. Nixon explained that most of her property's tenants are from the Hampton and Newport News areas and expects that a new affordable rental housing development within the downtown area of Newport News will experience similar trends.

Janice Cobb, Property Manager for Tidewater Senior Apartment Living (Map ID 28), an age-restricted Tax Credit property within Hampton, also confirmed the boundaries of the Site PMA. Ms. Cobb stated that approximately 90% of her property's tenants are from the nearby areas of Hampton and Newport News.

A small portion of support may originate from some of the outlying areas of Newport News and suburban communities in the area; we have not, however, considered any secondary market area in this report. Additional areas of Newport News were excluded from the Site PMA boundaries due to their distance from the subject site area and their existing proximity to rental housing and community services.

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





### C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

*The following demographic data relates to the Site PMA. It is important to note that not all estimates/projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the estimates/projections do not vary more than 1.0%.*

#### 1. POPULATION TRENDS

The Site PMA population bases for 2010, 2020, 2023 (estimated), and 2028 (projected) are summarized as follows:

	Year			
	2010 (Census)	2020 (Census)	2023 (Estimated)	2028 (Projected)
Population	97,596	95,557	94,327	93,318
Population Change	-	-2,039	-1,230	-1,009
Percent Change	-	-2.1%	-1.3%	-1.1%

Source: 2010 & 2020 Census; ESRI; Bowen National Research

The Newport News Site PMA population base declined by 2,039 between 2010 and 2020. This represents a 2.1% decline from the 2010 population base, or an annual rate of 0.2%. Between 2020 and 2023, the population base declined by 1,230, or 1.3%. It is projected that the population base will decrease by 1,009, or 1.1%, between 2023 and 2028.

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

Population by Age	2010 (Census)		2023 (Estimated)		2028 (Projected)		Change 2023-2028	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	26,471	27.1%	22,278	23.6%	21,747	23.3%	-531	-2.4%
20 to 24	7,532	7.7%	6,547	6.9%	6,332	6.8%	-215	-3.3%
25 to 34	13,000	13.3%	13,728	14.6%	12,540	13.4%	-1,188	-8.7%
35 to 44	11,562	11.8%	11,651	12.4%	12,604	13.5%	953	8.2%
45 to 54	15,347	15.7%	10,404	11.0%	10,139	10.9%	-265	-2.5%
55 to 64	11,313	11.6%	12,441	13.2%	10,841	11.6%	-1,600	-12.9%
65 to 74	6,722	6.9%	9,964	10.6%	10,752	11.5%	788	7.9%
75 & Older	5,651	5.8%	7,317	7.8%	8,360	9.0%	1,043	14.3%
<b>Total</b>	<b>97,596</b>	<b>100.0%</b>	<b>94,327</b>	<b>100.0%</b>	<b>93,318</b>	<b>100.0%</b>	<b>-1,009</b>	<b>-1.1%</b>

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, over 51.0% of the population is expected to be between 25 and 64 years old in 2023. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

## 2. HOUSEHOLD TRENDS

Household trends within the Newport News Site PMA are summarized as follows:

	Year			
	2010 (Census)	2020 (Census)	2023 (Estimated)	2028 (Projected)
Households	39,526	40,053	39,800	39,640
Household Change	-	527	-253	-160
Percent Change	-	1.3%	-0.6%	-0.4%
Average Household Size	2.46	2.42	2.31	2.30

Source: Bowen National Research, ESRI, Census

Within the Newport News Site PMA, households increased by 527, or 1.3%, between 2010 and 2020. Between 2020 and 2023, households decreased by 253, or 0.6%. By 2028, there will be 39,640 households, a decrease of 160 households, or 0.4%, from 2023. This is a decrease of approximately 32 households annually over the next five years.

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

Households by Age	2010 (Census)		2023 (Estimated)		2028 (Projected)		Change 2023-2028	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	2,657	6.7%	2,015	5.1%	1,963	5.0%	-52	-2.6%
25 to 34	6,405	16.2%	6,632	16.7%	6,044	15.2%	-588	-8.9%
35 to 44	6,270	15.9%	6,315	15.9%	6,796	17.1%	481	7.6%
45 to 54	8,719	22.1%	5,832	14.7%	5,675	14.3%	-157	-2.7%
55 to 64	6,946	17.6%	7,466	18.8%	6,478	16.3%	-988	-13.2%
65 to 74	4,497	11.4%	6,508	16.4%	6,965	17.6%	457	7.0%
75 & Older	4,033	10.2%	5,022	12.6%	5,713	14.4%	691	13.8%
<b>Total</b>	<b>39,526</b>	<b>100.0%</b>	<b>39,800</b>	<b>100.0%</b>	<b>39,640</b>	<b>100.0%</b>	<b>-160</b>	<b>-0.4%</b>

Source: Bowen National Research, ESRI, Census

Between 2023 and 2028, the greatest growth among household age groups is projected to be among those ages 75 and older. While households under the age of 65 are projected to decline overall during the same timeframe, they are still anticipated to represent nearly 68.0% of all households in 2028. This illustrates that there will be a larger base of age-appropriate households to support the subject development.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2023 (Estimated)		2028 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	21,339	54.0%	20,607	51.8%	21,061	53.1%
Renter-Occupied	18,188	46.0%	19,193	48.2%	18,579	46.9%
<b>Total</b>	<b>39,527</b>	<b>100%</b>	<b>39,800</b>	<b>100.0%</b>	<b>39,640</b>	<b>100.0%</b>

Source: Bowen National Research, ESRI, Census

In 2023, homeowners occupied 51.8% of all occupied housing units, while the remaining 48.2% were occupied by renters. The share of renters is considered typical for an urban market, such as the Newport News Site PMA, and represents a deep base of potential renter support in the market for the subject development.

The household sizes by tenure within the Newport News Site PMA, based on the 2023 estimates and 2028 projections, were distributed as follows:

Persons per Owner Household	2023 (Estimated)		2028 (Projected)		Change 2023-2028	
	Households	Percent	Households	Percent	Households	Percent
1 Person	6,428	31.2%	7,012	33.3%	584	9.1%
2 Persons	7,239	35.1%	7,324	34.8%	85	1.2%
3 Persons	3,356	16.3%	3,336	15.8%	-20	-0.6%
4 Persons	2,175	10.6%	2,104	10.0%	-71	-3.3%
5+ Persons	1,408	6.8%	1,285	6.1%	-123	-8.7%
<b>Total</b>	<b>20,607</b>	<b>100.0%</b>	<b>21,061</b>	<b>100.0%</b>	<b>454</b>	<b>2.2%</b>
Persons per Renter Household	2023 (Estimated)		2028 (Projected)		Change 2023-2028	
	Households	Percent	Households	Percent	Households	Percent
1 Person	7,494	39.0%	7,545	40.6%	51	0.7%
2 Persons	5,111	26.6%	4,940	26.6%	-171	-3.3%
3 Persons	3,144	16.4%	2,951	15.9%	-193	-6.1%
4 Persons	1,867	9.7%	1,712	9.2%	-155	-8.3%
5+ Persons	1,577	8.2%	1,431	7.7%	-146	-9.3%
<b>Total</b>	<b>19,193</b>	<b>100.0%</b>	<b>18,579</b>	<b>100.0%</b>	<b>-614</b>	<b>-3.2%</b>

Source: Bowen National Research, ESRI, Census

The one- through three-bedroom units proposed at the subject site are expected to generally house up to five-person households. As such, the subject project will be able to accommodate virtually all renter households in the market, based on household size.

### 3. INCOME TRENDS

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

Household Income	2010 (Census)		2023 (Estimated)		2028 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	6,404	16.2%	5,068	12.7%	4,187	10.6%
\$15,000 - \$24,999	5,197	13.1%	3,979	10.0%	3,474	8.8%
\$25,000 - \$34,999	4,792	12.1%	3,612	9.1%	3,046	7.7%
\$35,000 - \$49,999	6,649	16.8%	6,373	16.0%	6,007	15.2%
\$50,000 - \$74,999	7,835	19.8%	7,718	19.4%	7,975	20.1%
\$75,000 - \$99,999	4,393	11.1%	5,155	13.0%	5,518	13.9%
\$100,000 - \$149,999	2,985	7.6%	4,530	11.4%	4,955	12.5%
\$150,000 & Higher	1,270	3.2%	3,356	8.4%	4,471	11.3%
<b>Total</b>	<b>39,526</b>	<b>100.0%</b>	<b>39,800</b>	<b>100.0%</b>	<b>39,640</b>	<b>100.0%</b>
Median Income	\$42,601		\$52,798		\$59,726	

Source: Bowen National Research, ESRI, Census

In 2023, the median household income is estimated to be \$52,798. By 2028, it is projected that the median household income will be \$59,726, an increase of 13.1% from 2023.

The following tables illustrate renter household income by household size for 2020, 2023 and 2028 for the Newport News Site PMA:

Renter Households	2020 (ACS)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	2,285	899	541	199	216	4,138
\$15,000 - \$24,999	1,566	627	418	162	163	2,936
\$25,000 - \$34,999	1,084	614	405	190	176	2,469
\$35,000 - \$49,999	1,275	1,196	586	514	296	3,866
\$50,000 - \$74,999	744	1,007	763	462	301	3,275
\$75,000 - \$99,999	224	531	288	193	308	1,542
\$100,000 - \$149,999	168	254	222	209	133	985
\$150,000 & Higher	116	85	38	32	73	343
<b>Total</b>	<b>7,464</b>	<b>5,213</b>	<b>3,260</b>	<b>1,960</b>	<b>1,664</b>	<b>19,554</b>

Source: ESRI, Bowen National Research

Renter Households	2023 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	2,148	803	475	171	183	3,780
\$15,000 - \$24,999	1,518	575	377	143	142	2,755
\$25,000 - \$34,999	1,041	558	363	166	152	2,280
\$35,000 - \$49,999	1,317	1,160	559	476	271	3,782
\$50,000 - \$74,999	831	1,046	777	456	292	3,401
\$75,000 - \$99,999	263	575	305	198	311	1,650
\$100,000 - \$149,999	202	281	240	218	137	1,079
\$150,000 & Higher	173	113	49	39	88	461
<b>Total</b>	<b>7,494</b>	<b>5,111</b>	<b>3,144</b>	<b>1,867</b>	<b>1,577</b>	<b>19,188</b>

Source: ESRI, Bowen National Research

Renter Households	2028 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	1,920	674	388	133	140	3,302
\$15,000 - \$24,999	1,454	505	323	117	114	2,513
\$25,000 - \$34,999	983	484	306	134	121	2,027
\$35,000 - \$49,999	1,373	1,112	522	426	237	3,671
\$50,000 - \$74,999	947	1,097	795	448	281	3,568
\$75,000 - \$99,999	314	633	327	204	315	1,794
\$100,000 - \$149,999	248	318	265	231	143	1,205
\$150,000 & Higher	248	151	63	49	108	619
<b>Total</b>	<b>7,535</b>	<b>4,974</b>	<b>2,990</b>	<b>1,743</b>	<b>1,460</b>	<b>18,699</b>

Source: ESRI, Bowen National Research

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

## Demographic Summary

Both the population and household bases within the Newport News Site PMA are projected to decline between 2023 and 2028, a trend which has generally been consistent since 2010. Nonetheless, households under the age of 65, which is expected to be the primary age cohort of potential renters at the general-occupancy subject project, comprise more than 71.0% of all households in 2023 and are anticipated to comprise nearly 68.0% of all households by 2028. Nearly half of all households are renters in 2023 and the 18,699 renter households projected for 2028 illustrate a deep base of renter support. Nearly 62.0% of all renter households are projected to earn below \$50,000 in 2028. Based on the preceding analysis, a large base of lower-income renter households will continue to exist in the market during this time period.

### **D. LOCAL ECONOMIC PROFILE AND ANALYSIS**

#### **1. LABOR FORCE PROFILE**

The labor force within the Newport News Site PMA is based primarily in one sector. Manufacturing dominates the market comprising approximately 54.0% of the Site PMA labor force. Employment in the Newport News Site PMA, as of 2022, was distributed as follows:

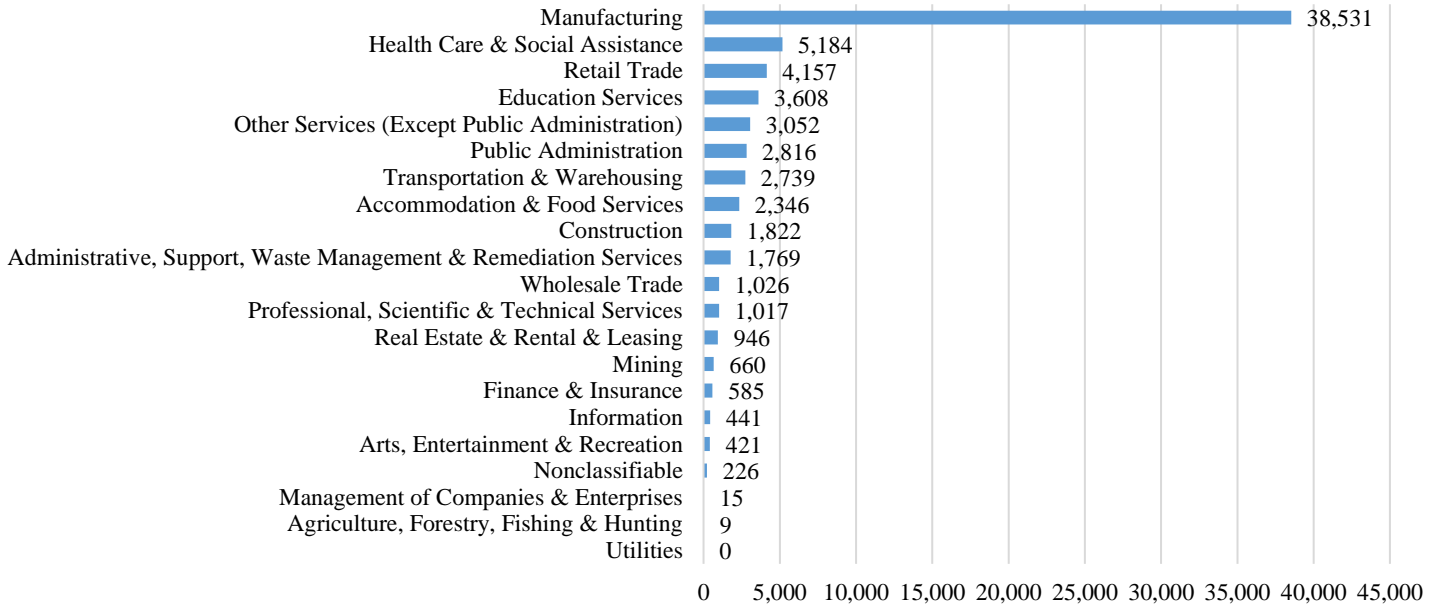
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	1	< 0.1%	9	< 0.1%	9
Mining	2	0.1%	660	0.9%	330
Utilities	0	0.0%	0	0.0%	0
Construction	150	6.1%	1,822	2.6%	12
Manufacturing	80	3.3%	38,531	54.0%	482
Wholesale Trade	73	3.0%	1,026	1.4%	14
Retail Trade	399	16.3%	4,157	5.8%	10
Transportation & Warehousing	83	3.4%	2,739	3.8%	33
Information	44	1.8%	441	0.6%	10
Finance & Insurance	81	3.3%	585	0.8%	7
Real Estate & Rental & Leasing	160	6.5%	946	1.3%	6
Professional, Scientific & Technical Services	130	5.3%	1,017	1.4%	8
Management of Companies & Enterprises	4	0.2%	15	0.0%	4
Administrative, Support, Waste Management & Remediation Services	76	3.1%	1,769	2.5%	23
Education Services	76	3.1%	3,608	5.1%	47
Health Care & Social Assistance	188	7.7%	5,184	7.3%	28
Arts, Entertainment & Recreation	41	1.7%	421	0.6%	10
Accommodation & Food Services	160	6.5%	2,346	3.3%	15
Other Services (Except Public Administration)	496	20.2%	3,052	4.3%	6
Public Administration	76	3.1%	2,816	3.9%	37
Nonclassifiable	130	5.3%	226	0.3%	2
<b>Total</b>	<b>2,450</b>	<b>100.0%</b>	<b>71,370</b>	<b>100.0%</b>	<b>29</b>

Source: Bowen National Research, ESRI, Census

E.P.E.- Average Employees Per Establishment

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

## Total Employment by Industry



Typical wages by job category for the Virginia Beach-Norfolk-Newport News, Virginia-North Carolina Metropolitan Statistical Area (MSA) are compared with the state of Virginia in the following table:

Typical Wage by Occupation Type		
Occupation Type	MSA	Virginia
Management Occupations	\$71,644	\$86,982
Business And Financial Occupations	\$64,662	\$79,492
Computer And Mathematical Occupations	\$80,599	\$101,948
Architecture And Engineering Occupations	\$82,250	\$91,391
Community And Social Service Occupations	\$46,721	\$47,562
Art, Design, Entertainment, Sports, and Media Occupations	\$40,644	\$50,373
Healthcare Practitioners and Technical Occupations	\$59,684	\$62,062
Healthcare Support Occupations	\$25,736	\$25,438
Protective Service Occupations	\$48,869	\$54,227
Food Preparation and Serving Related Occupations	\$15,080	\$14,943
Building And Grounds Cleaning and Maintenance Occupations	\$21,082	\$22,369
Personal Care and Service Occupations	\$19,327	\$19,079
Sales And Related Occupations	\$29,519	\$31,683
Office And Administrative Support Occupations	\$34,034	\$36,507
Construction And Extraction Occupations	\$40,594	\$39,747
Installation, Maintenance and Repair Occupations	\$49,429	\$49,448
Production Occupations	\$41,102	\$38,983
Transportation Occupations	\$36,320	\$37,617
Material Moving Occupations	\$24,475	\$24,872

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

As the preceding table illustrates, most occupational types within the MSA have generally similar typical wages as the state of Virginia's typical wages.

The ten largest employers within the Newport News area are summarized as follows. Note that specific employment numbers were not available at the time this report was issued.

Employer Name	Business Type
Huntington Ingalls Industries	Transportation Equipment Manufacturing
Riverside Regional Medical Center	Health Care and Social Assistance
Newport News Public Schools	Educational Services
U.S. Department of Defense	National Security and International Affairs
City of Newport News	Government
Ferguson Enterprises Inc.	Wholesale Trade
Christopher Newport University	Educational Services
U.S. Department of Army and Air Force	Military
Canon	Chemical Manufacturing
Walmart	Retail Trade

Source: Hampton Roads Alliance (May 2022)

Despite multiple attempts to contact local economic representatives regarding the health of the area’s employment base, a response was not received at the time this report was issued. The following, however, are summaries of some recent and notable economic development activity within the Newport News area via extensive online research:

Project Name	Investment	Job Creation	Scope of Work/Details
<b>Tech Center Development</b>	\$450 million	6,000	W. M. Jordan Company and Jefferson Labs constructing 100-acre master planned, mixed-use development in three phases; Phases I and II, Tech Center Marketplace and Venture Apartments, were completed in 2015 and 2017, respectively; Phase III, the Tech Center Research Park, was under construction as of March 2023; ECD 2025; Project is expected to create \$810 million in additional revenue for city of Newport News.
<b>Huntington Ingalls (HII Mechanical) - Newport News Shipbuilding Ballistic Missile Project</b>	\$750 million	1,000	HII Mechanical partnered with Electric Boat to manufacture new fleet of ballistic missile submarines in Newport News in 2021 for the United States Navy; Job creation through 2025. (2,120 additional jobs have been created with prior expansions from HII Mechanical over past four years).
<b>Mühlbauer Inc. Expansion</b>	\$9 million	34	The world’s leading automated machinery manufacturer announced plans to expand its operations into Newport News in May 2022.

ECD – Estimated Completion Date

### Infrastructure

Project Name	Scope of Work	Status	Investment
<b>James River Strand Project</b>	Adding amenities to Christopher Newport Park, construction of a new amphitheater, building a multi-use walkway, and stabilizing the shoreline of the James River.	Broke ground September 2022; ECD December 2023	\$7 million
<b>Transportation Center Project</b>	Replacing Amtrak train station in Newport News with multi-modal transportation center; Three phases.	Phase I completed in 2021, Phases II and III ECD late 2022	\$47 million
<b>Oyster Point Ramp Access Improvements</b>	VDOT widening I-64 eastbound on-ramps at Oyster Point Road and J. Clyde Morris Boulevard to two lanes and enhancing safety.	Broke ground January 2023; ECD summer 2024	\$4 million

ECD – Estimated Completion Date

WARN (layoff notices)

WARN Notices were reviewed in February 2023 and according to the Virginia Employment Commission, there have been no WARN notices reported for Newport News over the past 12 months.

**2. EMPLOYMENT TRENDS**

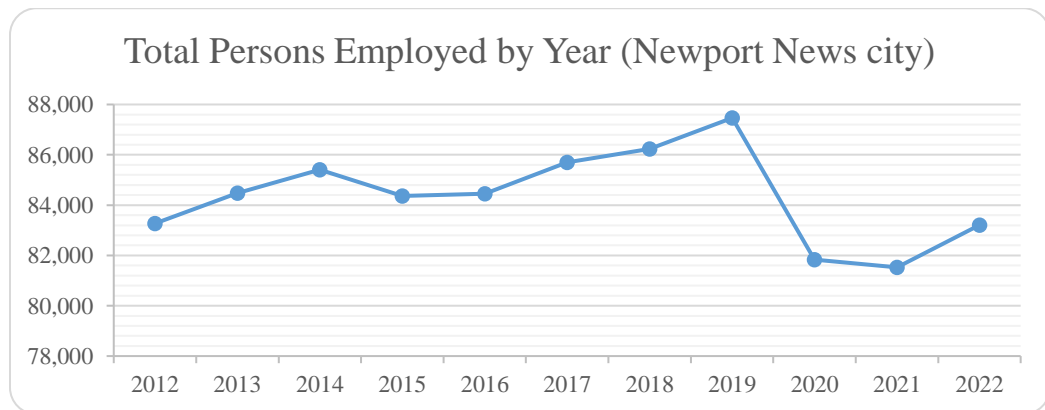
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the city/county in which the site is located.

The employment base has decreased by 3.5% over the past five years in Newport News, while the state of Virginia decreased by 0.8%. Total employment reflects the number of employed persons who live within the city/county.

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

Year	Total Employment					
	Newport News		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2012	83,269	-	3,967,151	-	142,469,000	-
2013	84,482	1.5%	4,002,057	0.9%	143,929,000	1.0%
2014	85,403	1.1%	4,040,908	1.0%	146,305,000	1.7%
2015	84,369	-1.2%	4,048,081	0.2%	148,833,000	1.7%
2016	84,452	0.1%	4,084,822	0.9%	151,436,000	1.7%
2017	85,701	1.5%	4,193,290	2.7%	153,337,000	1.3%
2018	86,228	0.6%	4,255,213	1.5%	155,761,000	1.6%
2019	87,466	1.4%	4,332,647	1.8%	157,538,000	1.1%
2020	81,831	-6.4%	4,097,860	-5.4%	147,795,000	-6.2%
2021	81,527	-0.4%	4,100,803	0.1%	152,581,000	3.2%
2022	83,212	2.1%	4,220,792	2.9%	158,291,000	3.7%

Source: Bureau of Labor Statistics



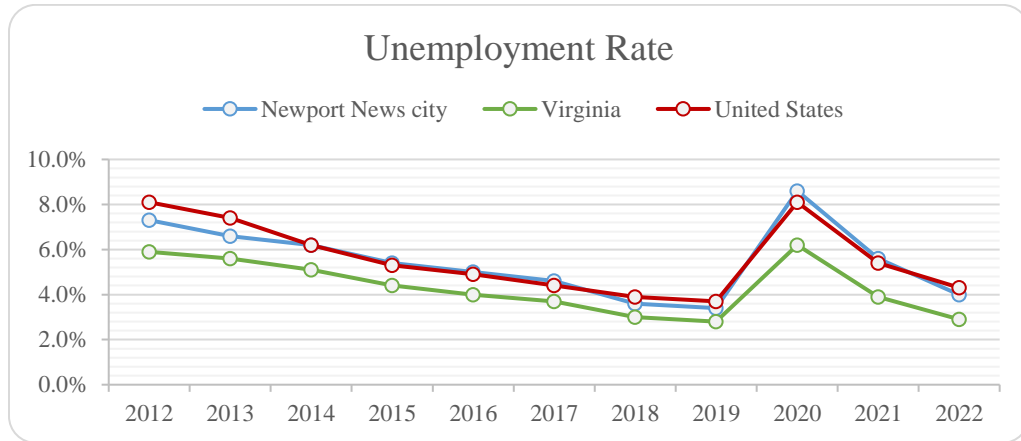


As the preceding illustrates, the Newport News employment base generally experienced growth between 2012 and 2019. Between 2019 and 2020, the city’s employment base decreased by 6.4% as the result of the COVID-19 pandemic. On a positive note, the local economy has improved since, as the city’s employment base increased by 1.7% through the end of 2022.

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

Year	Unemployment Rate		
	Newport News	Virginia	United States
2012	7.3%	5.9%	8.1%
2013	6.6%	5.6%	7.4%
2014	6.2%	5.1%	6.2%
2015	5.4%	4.4%	5.3%
2016	5.0%	4.0%	4.9%
2017	4.6%	3.7%	4.4%
2018	3.6%	3.0%	3.9%
2019	3.4%	2.8%	3.7%
2020	8.6%	6.2%	8.1%
2021	5.6%	3.9%	5.4%
2022	4.0%	2.9%	4.3%

Source: Department of Labor, Bureau of Labor Statistics



Between 2012 and 2019, the *annual* unemployment rate within Newport News declined by nearly four percentage points, then increased by over five percentage points between 2019 and 2020 as the result of the COVID-19 pandemic. Similar to employment trends, the unemployment rate within the city has improved since, declining by nearly five percentage points through the end of 2022.

The following table illustrates the city's monthly unemployment rate since January 2020:

Monthly Unemployment Rate – Newport News					
Month	Rate	Month	Rate	Month	Rate
2020		2021		2022	
January	3.7%	January	6.9%	January	4.8%
February	3.3%	February	6.7%	February	4.3%
March	3.7%	March	6.4%	March	3.9%
April	14.2%	April	5.8%	April	3.7%
May	13.0%	May	5.8%	May	4.1%
June	13.0%	June	6.2%	June	4.0%
July	12.7%	July	5.7%	July	4.0%
August	10.7%	August	5.6%	August	4.4%
September	8.8%	September	5.0%	September	3.7%
October	7.4%	October	4.6%	October	3.7%
November	6.6%	November	4.3%	November	4.0%
December	6.3%	December	4.0%	December	3.5%

Source: Department of Labor, Bureau of Labor Statistics

The *monthly* unemployment rate in the city increased by nearly 11 full percentage points between February and April 2020 due to the COVID-19 pandemic. However, monthly unemployment has since declined to a rate of 3.5% as of December 2022.

In-place employment reflects the total number of jobs within the city/county regardless of the employee's city/county of residence. The following illustrates the total in-place employment base for Newport News:

In-Place Employment Newport News			
Year	Employment	Change	Percent Change
2012	96,261	-	-
2013	97,302	1,041	1.1%
2014	98,179	877	0.9%
2015	97,536	-643	-0.7%
2016	96,225	-1,311	-1.3%
2017	97,754	1,529	1.6%
2018	101,887	4,133	4.2%
2019	103,520	1,633	1.6%
2020	99,479	-4,041	-3.9%
2021	100,381	902	0.9%
2022*	100,329	-52	-0.1%

Source: Department of Labor, Bureau of Labor Statistics

\*Through June

Data for 2021, the most recent year that year-end figures are available, indicates in-place employment in Newport News to be 123.1% of the total Newport News employment. This means that Newport News has more employed persons coming to the city from other cities/counties for work (daytime employment) than those who both live and work there.

### 3. ECONOMIC FORECAST

The Newport News economy generally experienced growth between 2012 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the Newport News employment base declined by 5,635 jobs, or 6.4%, and its *annual* unemployment rate increased by over five percentage points. Specifically, between February and April 2020, the *monthly* unemployment rate within the city spiked by nearly 11 percentage points. On a positive note, the local economy has improved since 2020, experiencing job growth and a declining unemployment rate. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable.

### 4. COMMUTING PATTERNS

The following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	33,000	75.5%
Carpooled	3,638	8.3%
Public Transit	2,293	5.2%
Walked	1,471	3.4%
Motorcycle	32	0.1%
Bicycle	288	0.7%
Other Means	566	1.3%
Worked at Home	2,425	5.5%
<b>Total</b>	<b>43,713</b>	<b>100.0%</b>

Source: Bowen National Research, ESRI

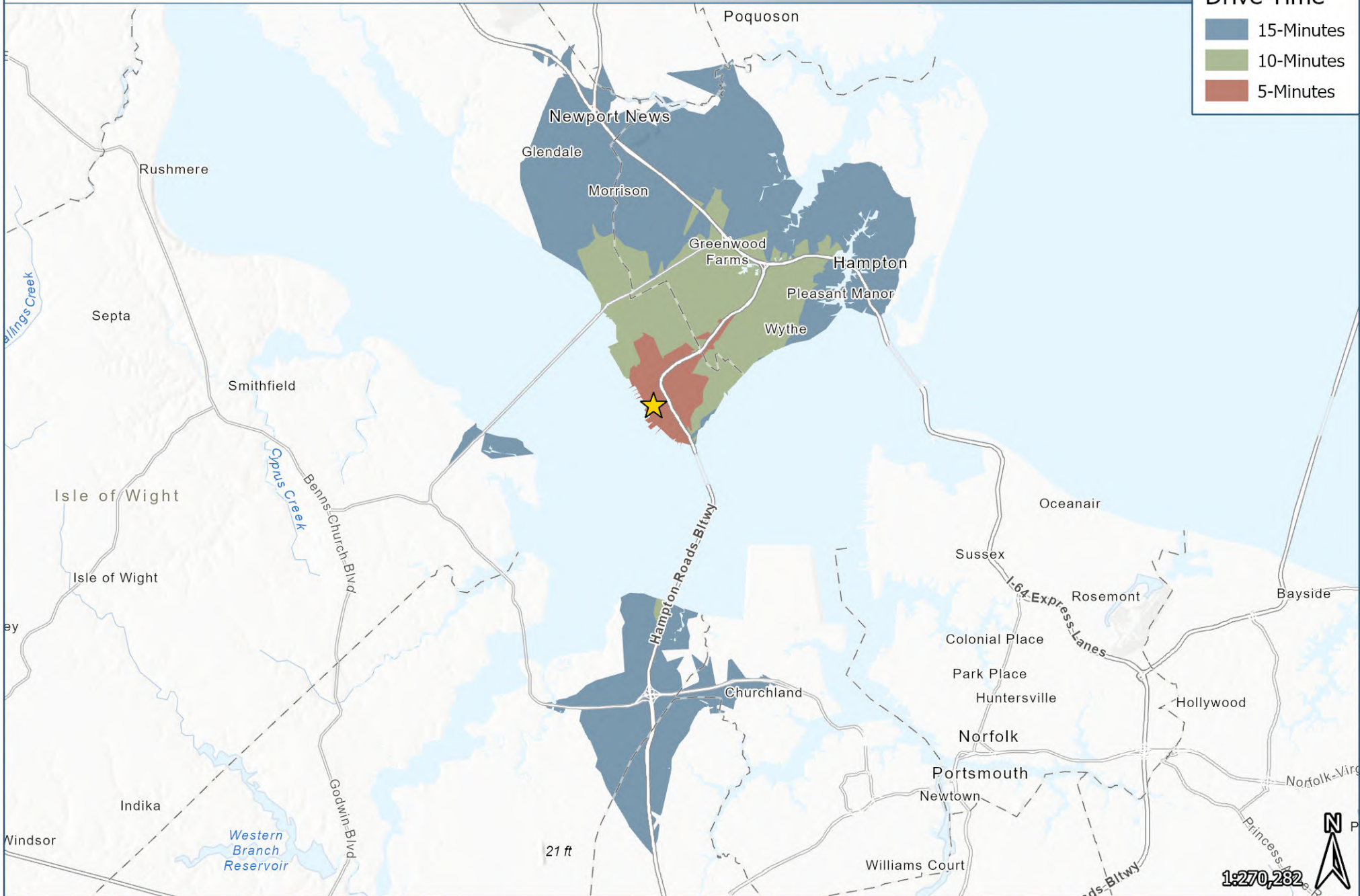
Over 75.0% of all workers drove alone, 8.3% carpooled, and 5.2% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	13,241	31.9%
15 – 29 Minutes	16,180	38.9%
30 – 44 Minutes	7,166	17.2%
45 – 59 Minutes	1,865	4.5%
60 + Minutes	3,116	7.5%
<b>Total</b>	<b>41,568</b>	<b>100.0%</b>

Source: Bowen National Research, ESRI

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 15-minute drive to most of the area's largest employers, which should contribute to its marketability. A drive-time map for the subject site is on the following page.



## V. Rental Housing Analysis (Supply)

### A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Newport News Site PMA in 2010 and 2023, are summarized in the following table:

Housing Status	2010 (Census)		2023 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	39,527	91.5%	39,800	90.3%
Owner-Occupied	21,339	54.0%	20,607	51.8%
Renter-Occupied	18,188	46.0%	19,193	48.2%
Vacant	3,660	8.5%	4,270	9.7%
Total	43,186	100.0%	44,070	100.0%

Source: 2010 Census, ESRI, Bowen National Research

Based on a 2023 update of the 2010 Census, of the 44,070 total housing units in the market, 9.7% were vacant. In 2023, it was estimated that homeowners occupied 51.8% of all occupied housing units, while the remaining 48.2% were occupied by renters. The share of renters is considered typical for an urban market, such as the Newport News Site PMA, and the 19,193 renter households estimated in 2023 represent a deep base of potential support for the subject project.

#### Conventional Apartments

We identified and personally surveyed 32 conventional housing projects containing a total of 6,110 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.7%, a good rate for rental housing. Each rental housing segment surveyed is summarized as follows:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	12	3,413	191	94.4%
Tax Credit	10	1,406	13	99.1%
Tax Credit/Government-Subsidized	7	742	0	100.0%
Market-rate/Tax Credit/Government-Subsidized	1	60	0	100.0%
Government-Subsidized	2	489	0	100.0%
Total	32	6,110	204	96.7%

Each rental housing segment surveyed within the market are performing at good occupancy levels at or above 94.4%. In fact, all affordable rental housing segments surveyed are performing at occupancy levels of at least 99.1%, illustrating that pent-up demand likely exists for additional affordable rental housing within the Site PMA. The subject project will be able to accommodate a portion of this unmet demand.

**Tax Credit Property Disclosure:** In addition to the 18 properties surveyed that offer Tax Credit units, we identified 14 additional properties within the Site PMA that operate, at least partially, under the Low-Income Housing Tax Credit (LIHTC) program that we were unable to survey at the time of this report. The known details of these projects based on previous surveys conducted by Bowen National Research in the Newport News area and from our review of the state Tax Credit allocation list are summarized in the following table:

Name	Location	Total Units	Target Population
Chestnut Square	800 Dana Rae Ct., Newport News	40	Family; Tax Credit
Jefferson Brookville (A)	815 28th St., Newport News	8	Family; Subsidized & Tax Credit
Jefferson Brookville (B)	2701 Jefferson Ave., Newport News	12	Family; Subsidized & Tax Credit
Jefferson Brookville (C)	2501 Jefferson Ave., Newport News	30	Family; Subsidized & Tax Credit
Lofts at Jefferson	558 28th St., Newport News	14	Family; Subsidized Tax Credit
Medical Arts Senior Apts.	2901 West Ave., Newport News	20	Senior; Tax Credit
Monterey	603 Lasalle Ave., Hampton	40	Family; Tax Credit
Newport Harbour Apts.	2325 Madison Ave., Newport News	200	Family; Subsidized Tax Credit
Orcutt Village Townhomes II	1031 34th St., Newport News	40	Family; Subsidized Tax Credit
Orcutt Village Townhomes III	900 36th St., Newport News	30	Family; Subsidized Tax Credit
Snowden Senior Apts.	1115 Briarfield Rd., Newport News	68	Senior; Tax Credit
Spratley House Apts.	651 25th St., Newport News	50	Senior; Subsidized Tax Credit
Warwick SRO	2410 West Ave., Newport News	88	Homeless; Subsidized Tax Credit
Wilbert & Effie Ashe Manor	900 36th St., Newport News	50	Senior; Subsidized Tax Credit

It is believed that these projects we were unable to survey offer a total of 208 non-subsidized Tax Credit units, which have been considered in our penetration rate estimates illustrated later in Section VII – *Capture Rate* of this report.

The following table summarizes the breakdown of market-rate and non-subsidized Tax Credit units surveyed within the Site PMA.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	16	0.5%	0	0.0%	\$1,161
One-Bedroom	1.0	1,070	31.3%	60	5.6%	\$1,179
Two-Bedroom	1.0	1,140	33.3%	74	6.5%	\$1,227
Two-Bedroom	1.5	177	5.2%	22	12.4%	\$1,374
Two-Bedroom	2.0	472	13.8%	12	2.5%	\$1,608
Two-Bedroom	2.5	65	1.9%	0	0.0%	\$1,888
Three-Bedroom	1.0	225	6.6%	10	4.4%	\$1,552
Three-Bedroom	1.5	3	0.1%	0	0.0%	\$1,616
Three-Bedroom	2.0	41	1.2%	0	0.0%	\$1,766
Three-Bedroom	2.5	182	5.3%	13	7.1%	\$1,984
Three-Bedroom	3.0	8	0.2%	0	0.0%	\$2,675
Four-Bedroom	1.5	20	0.6%	0	0.0%	\$1,644
<b>Total Market-rate</b>		<b>3,419</b>	<b>100.0%</b>	<b>191</b>	<b>5.6%</b>	-

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	12	0.7%	0	0.0%	\$882
One-Bedroom	1.0	189	11.0%	1	0.5%	\$959
Two-Bedroom	1.0	890	51.9%	12	1.3%	\$1,020
Two-Bedroom	1.5	148	8.6%	0	0.0%	\$1,263
Two-Bedroom	2.0	202	11.8%	0	0.0%	\$1,315
Three-Bedroom	1.5	80	4.7%	0	0.0%	\$1,149
Three-Bedroom	2.0	143	8.3%	0	0.0%	\$1,533
Four-Bedroom	1.5	50	2.9%	0	0.0%	\$1,289
<b>Total Tax Credit</b>		<b>1,714</b>	<b>100.0%</b>	<b>13</b>	<b>0.8%</b>	-

As the preceding table illustrates, the median gross Tax Credit rents are lower than the corresponding median gross market-rate rents. As such, Tax Credit product likely represents good values to low-income renters within the Newport News Site PMA. This is further evidenced by the low combined vacancy rate of 0.8% among all non-subsidized Tax Credit units surveyed within the market.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	10	2,059	3.4%
1970 to 1979	3	856	12.5%
1980 to 1989	2	751	2.4%
1990 to 1999	3	632	0.0%
2000 to 2009	1	140	0.0%
2010 to 2014	2	445	2.2%
2015	0	0	-
2016	1	44	0.0%
2017	1	36	0.0%
2018	2	80	0.0%
2019	1	59	0.0%
2020	0	0	-
2021	1	31	0.0%
2022 to 2023*	0	0	-

\*As of February

The non-subsidized rental properties surveyed built before 1990 contain the highest number of vacancies, while virtually no vacancies exist among the rental properties surveyed built/developed since 1990 (none of which are located among the properties surveyed built since 2016). As such, it can be concluded that a slight correlation exists between age and vacancies within the market. This also demonstrates that newer rental properties have been very well received within the Newport News Site PMA, which will bode very well in the demand of the subject units.



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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	197	5.1%
B+	1	567	1.1%
B	6	1,361	6.7%
B-	3	451	4.7%
C+	2	843	7.5%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	6	528	0.0%
B	6	810	0.2%
B-	2	250	4.4%
C+	1	126	0.0%

Vacancies are the highest among the non-subsidized rental properties surveyed with quality ratings of a “B” or lower, while minimal vacancies generally exist among higher quality rental product. As such, there also appears to be a slight correlation between appearance and vacancies within the Newport News rental housing market. On a positive note, as it is anticipated that the subject project will be of high quality once completed, this will have a very positive impact on its marketability.

Government-Subsidized

We identified and surveyed ten rental communities that offer government-subsidized units within the Newport News Site PMA. Generally, these properties have few amenities, are older and offer small unit sizes (square feet). The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	2	0.4%	0	0.0%
One-Bedroom	1.0	137	28.1%	0	0.0%
Two-Bedroom	1.0	214	43.9%	0	0.0%
Two-Bedroom	1.5	51	10.5%	0	0.0%
Two-Bedroom	2.0	2	0.4%	0	0.0%
Three-Bedroom	1.0	24	4.9%	0	0.0%
Three-Bedroom	1.5	1	0.2%	0	0.0%
Three-Bedroom	2.0	55	11.3%	0	0.0%
Four-Bedroom	2.0	2	0.4%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>488</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	204	41.7%	0	0.0%
Two-Bedroom	1.0	237	48.5%	0	0.0%
Three-Bedroom	1.0	48	9.8%	0	0.0%
<b>Total Subsidized</b>		<b>489</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

All government-subsidized units surveyed are occupied and maintain a waiting list, illustrating that pent-up demand exists for very low-income rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

Additional information regarding the Newport News Site PMA apartment market is found in Section XII of this report.

## **B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES**

### Tax Credit

The proposed subject project will target family (general-occupancy) households earning up to 30%, 40%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. In addition, the subject project will also operate under the HUD Section 8 program with a direct subsidy available to 25 units. For the purpose of this analysis, however, we only select comparable *non-subsidized* LIHTC properties, as these properties provide the most accurate representation of achievable non-subsidized Tax Credit rents within the Newport News market. The subject development will also offer 31 market-rate units, which will be evaluated later in the report.

Within the Site PMA, we identified and surveyed a total of 13 general-occupancy LIHTC properties which offer non-subsidized units in the Newport News market. Of these 13 LIHTC properties, we have selected the eight most comparable communities to the site based on newness, design and/or unit types offered. These eight LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Quality Rating	Nbhd. Rating	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	<b>B+*</b>	<b>B</b>	<b>2026</b>	<b>44**</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 30%, 40%, 50% &amp; 60% AMHI &amp; Section 8</b>
3	Ada Park	B+	B	2018	42	100.0%	6.6 Miles	22 HH	Families; 50% & 60% AMHI
5	Brennan Pointe I	B+	B-	2016	44	100.0%	0.7 Miles	50 HH	Families; 40%, 50%, & 60% AMHI
6	Brennan Pointe II	B+	B-	2018	38**	100.0%			Families; 50%, & 60% AMHI
13	Heritage Forest I & II	B+	C	2012	248	100.0%	2.3 Miles	5 HH	Families; 40% & 60% AMHI
18	Noland Green	B	B-	2011***	49**	100.0%	0.3 Miles	12 HH	Families; 50% AMHI
30	Waterford Pointe	B+	B	1993 / 2014	120	100.0%	7.7 Miles	200 HH	Families; 60% AMHI
31	Westover Station Apts.	B	B	1991	108	100.0%	3.5 Miles	4 HH	Families; 60% AMHI
32	Whittaker Place Apts.	B	B-	2019***	59**	100.0%	1.7 Miles	20 HH	Families; 40% & 60% AMHI

Nbhd. – Neighborhood

Occ. – Occupancy

HH – Households

\*Anticipated quality

\*\* (Non-subsidized) Tax Credit units only

\*\*\* Adaptive reuse

The eight most comparable LIHTC projects surveyed have a combined occupancy rate of 100.0%, all of which maintain a waiting list, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	Choice Neighborhood V-Downtown	-	\$526*/30% (1) \$701*/40% (3) \$876*/50% (1) \$1,052/60% (3)	\$631*/30% (3) \$842*/40% (4) \$1,052*/50% (10) \$1,263/60% (10)	\$729*/30% (1) \$972*/40% (1) \$1,215*/50% (1) \$1,458/60% (6)
3	Ada Park	-	-	\$1,008/50% (21/0) \$1,173/60% (9/0)	\$1,360/60% (12/0)
5	Brennan Pointe I	-	-	\$842/40% (3/0) \$1,052/50% (18/0) \$1,263/60% (7/0)	\$977/40% (2/0) \$1,220/50% (11/0) \$1,463/60% (3/0)
6	Brennan Pointe II	-	-	\$1,052/50% (10/0) \$1,263/60% (14/0)	\$1,220/50% (7/0) \$1,463/60% (7/0)
13	Heritage Forest I & II	-	\$742/40% (10/0) \$1,093/60% (24/0)	\$894/40% (16/0) \$1,315/60% (146/0)	\$1,534/60% (52/0)
18	Noland Green	-	\$753/50% (10/0)	\$885/50% (30/0)	\$1,010/50% (9/0)
30	Waterford Pointe	-	\$1,099/60% (9/0)	\$1,321/60% (66/0)	\$1,533/60% (45/0)
31	Westover Station Apts.	-	\$1,088/60% (36/0)	\$1,292/60% (72/0)	-
32	Whittaker Place Apts.	\$622/40% (2/0) \$882/60% (10/0)	\$659/40% (4/0) \$959/60% (33/0)	\$782/40% (2/0) \$1,142/60% (8/0)	-

\*2022 maximum allowable LIHTC gross rent

The proposed/programmatic subject gross rents, ranging from \$526 to \$1,458, will generally be within the range of LIHTC rents offered at the comparable LIHTC projects surveyed for similar unit types. Given that all comparable LIHTC projects are fully occupied and maintain a waiting list and the fact that the subject rents are competitively positioned, they are considered appropriate.

The following table identifies the comparable LIHTC properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
3	Ada Park	42	N/A	-
5	Brennan Pointe I	44	4	9.1%
6	Brennan Pointe II	38*	12	31.6%
13	Heritage Forest I & II	248	N/A	-
18	Noland Green	49*	30	61.2%
30	Waterford Pointe	120	60	50.0%
31	Westover Station Apts.	108	54	50.0%
32	Whittaker Place Apts.	59*	4	6.8%
Total		418	164	39.2%

\*Non-subsidized Tax Credit units only

N/A – Not Available (units not included in total)

There are approximately 164 Voucher holders residing at the comparable LIHTC properties within the market that provided such information. This comprises 39.2% of these 418 non-subsidized LIHTC units. This is considered a moderate share of Voucher support and indicates that the subject development can likely rely on Voucher support in its non-subsidized units. In addition, nearly 61.0% of the non-subsidized Tax Credit units among these comparable LIHTC properties are occupied by tenants which are paying the gross rents at these properties and indicate that the gross rents currently offered are achievable within the Newport News market and will serve as accurate benchmarks with which to compare the subject project.

The unit sizes (square footage) and number of bathrooms included in each of the comparable LIHTC unit types surveyed in the market are compared with the subject development in the tables on the following page.

Map I.D.	Project Name	Square Footage			
		Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	-	<b>650</b>	<b>1,012*</b>	<b>1,325</b>
3	Ada Park	-	-	884	1,100
5	Brennan Pointe I	-	-	1,130	1,560
6	Brennan Pointe II	-	-	883	1,130
13	Heritage Forest I & II	-	720	1,035	1,222
18	Noland Green	-	525 - 565	685 - 740	885
30	Waterford Pointe	-	624	818	1,006 - 1,023
31	Westover Station Apts.	-	661	870	-
32	Whittaker Place Apts.	411 - 468	480 - 755	860 - 992	-

\*Average

Map I.D.	Project Name	Number of Baths			
		Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	-	<b>1.0</b>	<b>1.5</b>	<b>2.0</b>
3	Ada Park	-	-	2.0	2.0
5	Brennan Pointe I	-	-	1.5	2.0
6	Brennan Pointe II	-	-	1.5	2.0
13	Heritage Forest I & II	-	1.0	2.0	2.0
18	Noland Green	-	1.0	1.5	1.5 - 2.0
30	Waterford Pointe	-	1.0	1.5	2.0
31	Westover Station Apts.	-	1.0	1.0	-
32	Whittaker Place Apts.	1.0	1.0	2.0	-

The subject project will be very competitive with the comparable LIHTC projects surveyed in terms of square feet and number of bathrooms included in each bedroom type.

The following tables compare the appliances and the unit and project amenities of the subject site with those offered at the comparable Tax Credit properties surveyed in the market.

Tax Credit Unit Amenities by Map ID									
	Site*	3	5	6	13	18	30	31	32
Appliances	Dishwasher	X	X	X	X	X	X	X	X
	Disposal		X	X	X	X		X	X
	Microwave			X	X	X			X
	Range	X	X	X	X	X	X	X	X
	Refrigerator	X	X	X	X	X	X	X	X
	W/D Hookup	X	X	X	X	X		X	X
	W/D					X		X	O
	No Appliances								
Unit Amenities	AC-Central	X	X	X	X	X	X	X	X
	AC-Other								
	Balcony/ Patio/ Sunroom	X			S	X		X	
	Basement								
	Ceiling Fan						X	X	S
	Controlled Access	X					X		X
	E-Call System								
	Furnished								
	Walk-In Closet					X		S	X
	Window Treatments	X	X	X	X	X	X	X	X
Flooring	Carpet	X	X	X	X	X	X	X	X
	Ceramic Tile	X							
	Hardwood						X		
	Finished Concrete								X
	Composite/Vinyl/Laminate	X	X	X	X	X		X	X
Upgraded	Premium Appliances						X		
	Premium Countertops						X		X
	Premium Cabinetry						X		X
	Premium Fixtures						X		
	High/Vaulted Ceilings								X
	Oversized Windows								
Parking	Attached Garage								
	Detached Garage								
	Street Parking								
	Surface Lot	X	X	X	X	X	X	X	X
	Carpport								
	Property Parking Garage	X							
	No Provided Parking								

◆ - Senior Property

\* Proposed Site(s): Choice Neighborhood V-

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

\*\* Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID									
	Site*	3	5	6	13	18	30	31	32
	Bike Racks / Storage								X
	Computer/Business Center				X	X	X		X
	Car Care **								
	Community Garden								
Community	Multipurpose Room	X	X	X	X				X
	Chapel								
	Community Kitchen		X		X				
	Dining Room - Private								
	Dining Room - Public								
	Rooftop Terrace								
	Concierge Service **								
	Convenience Amenities **				X				
	Covered Outdoor Area **								
	Elevator	X		X	X		X		X
Laundry Room		X	X	X		X			
On-Site Management	X	X	X	X	X	X	X	X	X
Pet Care **					X				X
Recreation	Basketball								
	Bocce Ball								
	Firepit								
	Fitness Center	X			X	X	X		
	Grilling Area					X	X	X	X
	Game Room - Billiards								
	Walking Path								
	Hot Tub								
	Library								
	Media Room / Theater								
	Playground	X	X	X	X	X	X		
	Putting Green								
	Racquetball								
	Shuffleboard								
	Swimming Pool - Indoor								
	Swimming Pool - Outdoor					X		X	
Tennis									
Volleyball									
Security	CCTV	X	X	X	X	X	X	X	X
	Courtesy Officer				X		X		X
	Security Gate				X				
	Social Services **	X							
	Storage - Extra						X		
	Common Space WiFi	X							

◆ - Senior Property

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

\* Proposed Site(s): Choice Neighborhood V-

\*\* Details in Comparable Property Profile Report

The proposed amenity package for the subject project is very competitive with those offered among the comparable general-occupancy LIHTC properties, both in terms of unit and project amenities. The subject property does not appear to lack any key amenities that would adversely impact its marketability as a LIHTC property within the Newport News Site PMA. This is particularly true when considering the high occupancy rates maintained at the comparable properties and the available Section 8 subsidy to be provided at the subject project.

#### Comparable/Competitive Tax Credit Summary

The eight comparable general-occupancy LIHTC properties have a combined occupancy rate of 100.0% and each maintains a waiting list. The proposed subject project is expected to help alleviate a portion of this pent-up demand for additional general-occupancy LIHTC product. The subject's proposed/programmatic gross Tax Credit rents, unit sizes (square feet) and amenities package are competitively positioned. Based on the preceding factors, the subject project is considered very marketable as proposed.

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



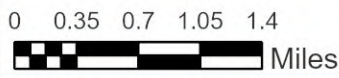
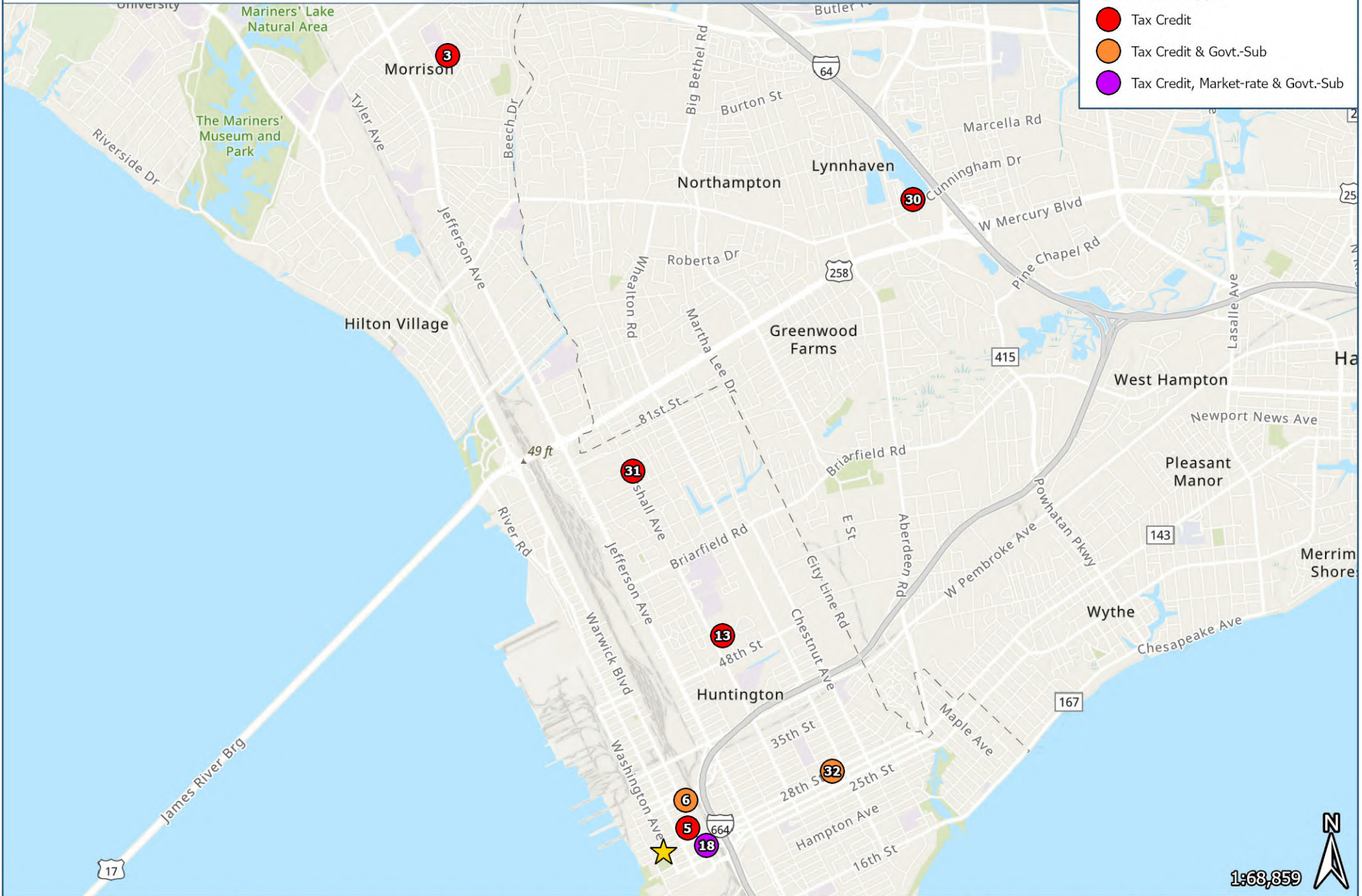


Apartment Type

Red circle: Tax Credit

Orange circle: Tax Credit & Govt.-Sub

Purple circle: Tax Credit, Market-rate & Govt.-Sub



City of Newport News, VGIN, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, Esri, NASA, NGA, USGS, FEMA  
 Additional Source(s): Bowen National Research



Market-Rate

Considering the proposed project will offer 31 market-rate units, we have also provided a comparable market-rate analysis to assess the competitiveness of these units. We identified five comparable market-rate properties within the Site PMA, which are summarized in the following table, along with the subject site:

Map I.D.	Project Name	Quality Rating	Nbhd. Rating	Year Built/ Renovated	Units	Occupancy Rate	Distance to Site	Rent Special
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	<b>B+*</b>	<b>B</b>	<b>2026</b>	<b>29**</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	Abbington at Northampton	B+	B	1982 / 2013	567	98.9%	5.0 Miles	None
11	Hampstead Heath Luxury Homes	B	B	1977 / 2006	101	100.0%	6.1 Miles	None
16	Liberty	A	B	2013	197	94.9%	0.3 Miles	None
22	Riverlands Apts.	B	B	1992 / 2000	404	100.0%	3.4 Miles	None
29	Walker Place Apts.	B-	B-	2021***	31	100.0%	0.4 Miles	None

\*Anticipated quality  
 \*\*Market-rate units only  
 \*\*\*Adaptive reuse

The five selected market-rate projects have a combined total of 1,300 units with an overall occupancy rate of 98.8%, a very strong rate for rental housing. A total of three of these projects are 100.0% occupied, illustrating that pent-up demand likely exists for additional market-rate rental housing within the Site PMA. The subject project will be able to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent (Number of Units/Vacancies)		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	<b>\$1,431 (6)</b>	<b>\$1,610 (23)</b>	<b>-</b>
2	Abbington at Northampton	\$1,392-\$1,446 (241/1)	\$1,457-\$1,552 (231/1)	\$1,914-\$1,984 (95/4)
11	Hampstead Heath Luxury Homes	-	\$1,697-\$1,888 (65/0)	\$1,766-\$2,225 (36/0)
16	Liberty	\$1,523 (85/7)	\$1,843 (104/3)	\$2,675 (8/0)
22	Riverlands Apts.	\$1,069 (192/0)	\$1,227 (200/0)	\$1,581 (12/0)
29	Walker Place Apts.	\$1,473 (29/0)	\$1,913 (2/0)	-

The subject’s proposed gross market-rate rents of \$1,431 and \$1,610 for a one- and two-bedroom unit, respectively, will be within the range of rents offered at the comparable market-rate rental properties surveyed and, therefore, are considered competitively positioned.

The unit sizes (square footage) and number of bathrooms included in each of the comparable market-rate unit types surveyed in the market are compared with the subject development in the following tables:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	<b>650</b>	<b>1,012*</b>	<b>-</b>
2	Abbington at Northampton	638 - 736	845 - 924	1,085
11	Hampstead Heath Luxury Homes	-	1,332	1,250 - 1,724
16	Liberty	543 - 566	825 - 848	1,106 - 1,130
22	Riverlands Apts.	557 - 597	757 - 900	1,196 - 1,275
29	Walker Place Apts.	850 - 950	1,200	-

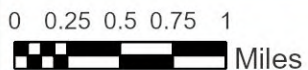
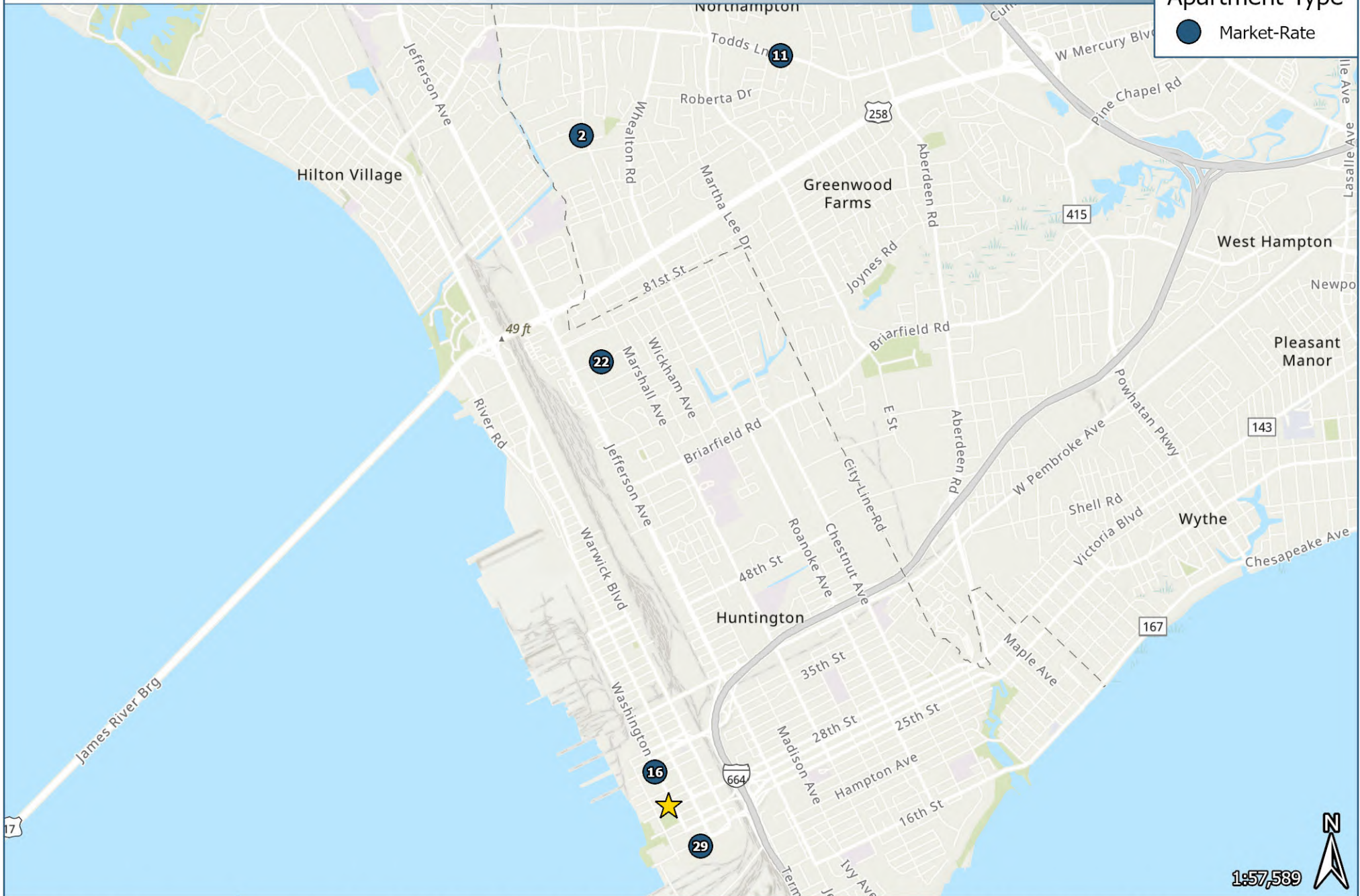
\*Average

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	<b>1.0</b>	<b>1.5</b>	<b>-</b>
2	Abbington at Northampton	1.0	2.0	2.5
11	Hampstead Heath Luxury Homes	-	2.5	2.0 - 2.5
16	Liberty	1.0	2.0	3.0
22	Riverlands Apts.	1.0	1.0	2.0
29	Walker Place Apts.	1.0	2.0	-

The subject project will also be very competitive with the comparable market-rate projects surveyed in terms of square feet and the number of bathrooms included in each bedroom type.

Note that a further evaluation of the subject's amenities package compared to those offered at the selected market-rate projects is provided later in Section VI – *Achievable Market Rent Analysis* of this report.

A map depicting the location of the most comparable market-rate properties is included on the following page.



### **C. PLANNED MULTIFAMILY DEVELOPMENT**

Based on interviews with local planning/building representatives, extensive online research, and the observations of our analyst while in the field, it was determined there are various rental projects currently in the development pipeline within the Site PMA, which are summarized as follows:

- The former John H. Ridley Place (Ridley Place Apartments), located at 600 Ridley Circle in Newport News, was a 259-unit Public Housing community that was demolished by the Newport News Redevelopment and Housing Authority (NNRHA) in February 2022. Plans call for the construction of 487 new units, including affordable units, moderate-income and market-rate rental homes, and some for-sale homes to create the Marshall - Ridley Choice Neighborhood. Former tenants of Ridley Place Apartments received Vouchers to obtain new housing and have been relocated. The location of the Marshall - Ridley Choice Neighborhood is 39th Street to the north, Hampton Roads Harbor to the south, Interstate 664 to the west, and Marshall Avenue and the former Chase Bag property to the east. The authority has obtained Tax Credits to finance more of the remaining 406 additional new housing units proposed at Ridley Place in 2021. Phases I to IV are summarized below:
  - The Lift & Rise on Jefferson (formally known as Carrier Point I), part of the Marshall - Ridley Choice Neighborhood redevelopment, will involve the new construction of 43 one-, two- and three-bedroom units at 2812 Jefferson Avenue and 612 29th Street in Newport News. The project will target family (general-occupancy) households and will be developed utilizing funding from the LIHTC program and 37 units will target those earning up to 30%, 40%, 50% and 60% of AMHI. The remaining six units will operate as unrestricted market-rate. Additionally, 17 units will operate with project-based Section 8 Voucher assistance. The project was allocated LIHTC funding in 2020 and ground was broken for the project in June 2021. The project was expected to be complete by December 2022; however, based on the observations of our analyst while in the field, this project was not yet move-in ready.
  - The Lift & Rise on Jefferson II (formally known as Carrier Point II), also part of the Marshall - Ridley Choice Neighborhood redevelopment, will involve the new construction of 38 one-, two- and three-bedroom units at 2700 Jefferson Avenue. The project will be developed utilizing funding from the LIHTC program and 34 units will target those earning up to 30%, 50%, 60%, 70% and 80% AMHI. The remaining four units will operate as market-rate. Additionally, 21 units will operate with project-based Section 8 Voucher assistance. The project was allocated 4% LIHTC Bond funding in 2019 and ground was broken for the project in February 2022. This phase is expected to be complete by late 2024.

- Choice Neighborhood III-R, also known as Ridley North, also part of the Marshall - Ridley Choice Neighborhood redevelopment, is proposed to be built at 600 Ridley Circle in Newport News and will have 71 units of housing within 13 buildings, including townhomes, and apartments. The project will be developed utilizing funding from the LIHTC program and 58 units will target those earning up to 30%, 40%, 50% and 60% of AMHI. The remaining 13 units will operate as market-rate. Additionally, 34 units will operate with project-based Section 8 Voucher assistance. The project was allocated funding in 2020 and 2021. A construction timeline for this project was not available at the time this report was issued.
- Choice Neighborhood IV-R, also part of the Marshall - Ridley Choice Neighborhood redevelopment, is proposed to be located at 1515 Ivy Avenue in Newport News and will have 84 units of housing and mixed-use space. This will be considered the “downtown” portion of development. Phase IV will include nine buildings with 24 Tax Credit units financed with 9% LIHTC, 45 units will be Project-Based Section 8 with HAP and the remaining 15 units will be market-rate. The project was allocated funding in 2021.
- The Coile is a planned family LIHTC development that will consist of two four-story, elevator-served, midrise-style buildings at 80 29th Street and 311 33rd Street in Newport News. Each building will contain 31 two- and three-bedroom units. The units will be restricted to households earning up to 40%, 50%, and 70% of AMHI. Of the 62 total units, three (3) two-bedroom units restricted to 40% of AMHI and four three-bedroom units restricted at 50% will operate with project-based rental assistance and will target households with disabilities. The developer, Petersburg Community Development Corporation, Inc., was allocated Innovation LIHTC funding in 2020. According to city planners, this development was still seeking approval from the city as of February 2023.

All of the aforementioned rental projects within the development pipeline have received funding through the LIHTC program and will likely directly compete with the subject site. Therefore, these properties have been considered in our demand estimates included in Section VII.

#### **D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES**

The anticipated occupancy rates of the existing and surveyed comparable/competitive Tax Credit developments during the first year of occupancy at the subject property are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2026
3	Ada Park	100.0%	95.0% +
5	Brennan Pointe I	100.0%	95.0% +
6	Brennan Pointe II	100.0%	95.0% +
13	Heritage Forest I & II	100.0%	95.0% +
18	Noland Green	100.0%	95.0% +
30	Waterford Pointe	100.0%	95.0% +
31	Westover Station Apts.	100.0%	95.0% +
32	Whittaker Place Apts.	100.0%	95.0% +

The comparable/competitive LIHTC properties have a combined occupancy rate of 100.0%, all of which maintain a waiting list. This illustrates that pent-up demand exists for additional affordable rental housing within the Newport News Site PMA. Considering the depth of support (demand estimates) for the subject project and the existing properties, we do not anticipate the subject project having any adverse impact on future occupancy rates among existing comparable LIHTC product in the market. In fact, the subject property is expected to help alleviate a portion of the pent-up demand that exists for additional general-occupancy LIHTC product.

#### **E. BUY VERSUS RENT ANALYSIS**

According to ESRI, the median home value in the Site PMA was \$203,696. At an estimated interest rate of 5.89% and a 30-year term (and 95% LTV), the monthly mortgage for a \$203,696 home is \$1,434, including estimated taxes and insurance:

Buy Versus Rent Analysis	
Median Home Price – ESRI	\$203,696
Mortgaged Value = 95% Of Median Home Price	\$193,511
Interest Rate – Bankrate.Com	5.89%
Term	30
Monthly Principal & Interest	\$1,147
Estimated Taxes and Insurance*	\$287
<b>Estimated Monthly Mortgage Payment:</b>	<b>\$1,434</b>

\*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents at the subject property are well below the cost of a monthly mortgage for a typical home in the area. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

## VI. Achievable Market Rent Analysis

### A. INTRODUCTION

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

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

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

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

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

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



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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Choice Neighborhood V-Downtown</b>	<b>2026</b>	<b>73</b>	<b>-</b>	<b>14 (-)</b>	<b>50 (-)</b>	<b>9 (-)</b>
2	Abbingdon at Northampton	1982 / 2013	567	98.9%	241 (99.6%)	231 (99.6%)	95 (95.8%)
11	Hampstead Heath Luxury Homes	1977 / 2006	101	100.0%	-	65 (100.0%)	36 (100.0%)
16	Liberty	2013	197	94.9%	85 (91.8%)	104 (97.1%)	8 (100.0%)
22	Riverlands Apts.	1992 / 2000	404	100.0%	192 (100.0%)	200 (100.0%)	12 (100.0%)
29	Walker Place Apts.	2021*	31	100.0%	29 (100.0%)	2 (100.0%)	-

Occ. – Occupancy

\*Adaptive reuse

The five selected market-rate projects have a combined total of 1,300 units with an overall occupancy rate of 98.8%, a very strong rate for rental housing. This indicates that these projects have generally been very well received within the market and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development.

**Rent Comparability Grid**

Unit Type → **ONE-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Choice Neighborhood V-Downtown		Abbington at Northampton		Hampstead Heath Luxury Homes		Liberty		Riverlands Apts.		Walker Place Apts.	
2518 Washington Avenue, 123 28th Street, 150 29th Street		103 Kathann Dr.		1 Hampstead Heath Way		3201 Washington Ave		45 Riverlands Dr		208 23rd St	
Newport News, VA		Hampton, VA		Hampton, VA		Newport News, VA		Newport News, VA		Newport News, VA	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$1,269		\$1,499		\$1,350		\$925		\$1,300	
2	Date Surveyed	Feb-23		Feb-23		Feb-23		Feb-23		Feb-23	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		92%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,269	1.99	\$1,499	1.13	\$1,350	2.39	\$925	1.55	\$1,300	1.53
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	EE/4		TH/2,3		EE/4		WU/2,3		WU/3	
7	Yr. Built/Yr. Renovated	2026	\$28	1977/2006	\$34	2013	\$13	1992/2000	\$30	2021	\$5
8	Condition/Street Appeal	E	\$15	G	\$15	E		G	\$15	G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	1		2	(\$50)	1		1		1	
12	# Baths	1		2.5	(\$45)	1		1		1	
13	Unit Interior Sq. Ft.	650	\$5	1332	(\$272)	566	\$33	597	\$21	850	(\$80)
14	Patio/Balcony/Sunroom	Y		N	\$5	N	\$5	N	\$5	N	\$5
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		N/N	\$15	Y/Y	
18	Washer/Dryer	HU	(\$25)	HU		W/D	(\$25)	L	\$5	W/D	(\$25)
19	Floor Coverings	C/T/V		C/V		C/V		C/V		W	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y	\$3	N	\$3	Y		Y		Y	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
23	Ceiling Fan/Storage	N/N		Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	P-GAR		LOT/\$0	\$30	P-GAR		LOT/\$0	\$30	LOT/\$0	\$30
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	Y		Y		N	\$5
27	Community Space	Y	\$5	Y		Y		N	\$5	N	\$5
28	Pool/Recreation Areas	F	(\$10)	P/F/J	(\$13)	P/F/GR	(\$13)	P/F	(\$10)	N	\$5
29	Business/Computer Center	N	(\$3)	N		Y	(\$3)	N		N	
30	Grilling Area	N	(\$3)	N		Y	(\$3)	Y	(\$3)	N	
31	Playground	Y		Y		N	\$3	N	\$3	N	\$3
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/Y	\$25	N/N	\$25	N/N	\$25	N/N	\$25	N/N	\$25
39	Trash/Recycling	Y/N	\$29	Y/N		N/N	\$29	Y/N		N/N	\$29
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	8	5	7	6	5	6	10	3	9	4
41	Sum Adjustments B to D	\$101	(\$46)	\$102	(\$390)	\$64	(\$54)	\$139	(\$18)	\$83	(\$115)
42	Sum Utility Adjustments	\$54		\$25		\$54		\$25		\$54	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$109	\$201	(\$263)	\$517	\$64	\$172	\$146	\$182	\$22	\$252
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$1,378		\$1,236		\$1,414		\$1,071		\$1,322	
45	Adj Rent/Last rent		109%		82%		105%		116%		102%
46	Estimated Market Rent	\$1,370		\$2.11		← Estimated Market Rent/ Sq. Ft					

**Rent Comparability Grid**

Unit Type → **TWO-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Choice Neighborhood V-Downtown		Abbington at Northampton		Hampstead Heath Luxury Homes		Liberty		Riverlands Apts.		Walker Place Apts.	
2518 Washington Avenue, 123 28th Street, 150 29th Street		103 Kathann Dr.		1 Hampstead Heath Way		3201 Washington Ave		45 Riverlands Dr		208 23rd St	
Newport News, VA		Hampton, VA		Hampton, VA		Newport News, VA		Newport News, VA		Newport News, VA	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$1,309		\$1,499		\$1,630		\$1,043		\$1,700	
2	Date Surveyed	Feb-23		Feb-23		Feb-23		Feb-23		Feb-23	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		97%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,309	1.42	\$1,499	1.13	\$1,630	1.92	\$1,043	1.16	\$1,700	1.42
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	EE/4		TH/2,3		EE/4		WU/2,3		WU/3	
7	Yr. Built/Yr. Renovated	2026	\$28	1977/2006	\$34	2013	\$13	1992/2000	\$30	2021	\$5
8	Condition/Street Appeal	E	\$15	G	\$15	E		G	\$15	G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1.5	(\$15)	2.5	(\$30)	2	(\$15)	1	\$15	2	(\$15)
13	Unit Interior Sq. Ft.	1,012	\$30	1332	(\$110)	848	\$57	900	\$39	1200	(\$65)
14	Patio/Balcony/Sunroom	Y		N	\$5	N	\$5	N	\$5	N	\$5
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		N/N	\$15	Y/Y	
18	Washer/Dryer	HU	(\$25)	HU		W/D	(\$25)	L	\$5	W/D	(\$25)
19	Floor Coverings	C/T/V		C/V		C/V		C/V		W	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y	\$3	N	\$3	Y		Y		Y	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
23	Ceiling Fan/Storage	N/N		N/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	P-GAR	\$30	LOT/\$0	\$30	P-GAR		LOT/\$0	\$30	LOT/\$0	\$30
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	Y		Y		N	\$5
27	Community Space	Y	\$5	Y		Y		N	\$5	N	\$5
28	Pool/Recreation Areas	F	(\$10)	P/F/J	(\$13)	P/F/GR	(\$13)	P/F	(\$10)	N	\$5
29	Business/Computer Center	N	(\$3)	N		Y	(\$3)	N		N	
30	Grilling Area	N	(\$3)	N		Y	(\$3)	Y	(\$3)	N	
31	Playground	Y		Y		N	\$3	N	\$3	N	\$3
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/Y	\$36	N/N	\$36	N/N	\$36	N/N	\$36	N/N	\$36
39	Trash/Recycling	Y/N	\$29	Y/N		N/N	\$29	Y/N		N/N	\$29
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	8	6	7	5	5	7	11	3	9	5
41	Sum Adjustments B to D	\$126	(\$61)	\$102	(\$163)	\$88	(\$69)	\$172	(\$18)	\$83	(\$115)
42	Sum Utility Adjustments	\$65		\$36		\$65		\$36		\$65	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$130	\$252	(\$25)	\$301	\$84	\$222	\$190	\$226	\$33	\$263
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$1,439		\$1,474		\$1,714		\$1,233		\$1,733	
45	Adj Rent/Last rent		110%		98%		105%		118%		102%
46	Estimated Market Rent	\$1,720		\$1.70		← Estimated Market Rent/ Sq. Ft					

**Rent Comparability Grid**

Unit Type → **THREE-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Choice Neighborhood V-Downtown		Abbington at Northampton		Hampstead Heath Luxury Homes		Liberty		Riverlands Apts.		Walker Place Apts.	
2518 Washington Avenue, 123 28th Street, 150 29th Street		103 Kathann Dr.		1 Hampstead Heath Way		3201 Washington Ave		45 Riverlands Dr		208 23rd St	
Newport News, VA		Hampton, VA		Hampton, VA		Newport News, VA		Newport News, VA		Newport News, VA	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$1,719		\$1,535		\$2,415		\$1,350		\$1,700	
2	Date Surveyed	Feb-23		Feb-23		Feb-23		Feb-23		Feb-23	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	96%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,719	1.58	\$1,535	1.23	\$2,415	2.14	\$1,350	1.06	\$1,700	1.42
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	EE/4		WU/2,3		EE/4		WU/2,3		WU/3	
7	Yr. Built/Yr. Renovated	2026	\$28	1977/2006	\$34	2013	\$13	1992/2000	\$30	2021	\$5
8	Condition/Street Appeal	E	\$15	G	\$15	E		G	\$15	G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	3		3		3		3		2	\$50
12	# Baths	2	(\$15)	2		3	(\$30)	2		2	
13	Unit Interior Sq. Ft.	1325	\$88	1250	\$28	1130	\$72	1275	\$18	1200	\$46
14	Patio/Balcony/Sunroom	Y		N	\$5	N	\$5	N	\$5	N	\$5
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		N/N	\$15	Y/Y	
18	Washer/Dryer	HU	(\$25)	HU		W/D	(\$25)	HU/L	(\$5)	W/D	(\$25)
19	Floor Coverings	C/T/V		C/V		C/V		C/V		W	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y	\$3	N	\$3	Y		Y		Y	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
23	Ceiling Fan/Storage	N/N		N/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	P-GAR	\$30	LOT/\$0	\$30	P-GAR		LOT/\$0	\$30	LOT/\$0	\$30
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	Y		Y		N	\$5
27	Community Space	Y	\$5	N	\$5	Y		N	\$5	N	\$5
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$13)	P/F/GR	(\$13)	P/F	(\$10)	N	\$5
29	Business/Computer Center	N	(\$3)	Y	(\$3)	Y	(\$3)	N		N	
30	Grilling Area	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	N	
31	Playground	Y		Y		N	\$3	N	\$3	N	\$3
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/Y	\$49	N/N	\$49	N/N	\$49	N/N	\$49	N/N	\$49
39	Trash/Recycling	Y/N	\$29	N/N	\$29	N/N	\$29	Y/N	\$29	N/N	\$29
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	8	6	8	3	5	7	9	4	11	3
41	Sum Adjustments B to D	\$184	(\$61)	\$130	(\$23)	\$103	(\$84)	\$131	(\$23)	\$179	(\$35)
42	Sum Utility Adjustments	\$78		\$49		\$78		\$49		\$78	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$201	\$323	\$156	\$202	\$97	\$265	\$157	\$203	\$222	\$292
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$1,920		\$1,691		\$2,512		\$1,507		\$1,922	
45	Adj Rent/Last rent		112%		110%		104%		112%		113%
46	Estimated Market Rent	\$1,905	\$1.44 ←	Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, the subject’s achievable market rents and corresponding market rent advantages are summarized in the following table:

Bedroom Type	% AMHI	Proposed/Programmatic Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	30%	\$445*	\$1,370	67.5%
	40%	\$620*		54.7%
	50%	\$795*		42.0%
	60%	\$971		29.1%
	Market	\$1,350		1.5%
Two-Br.	30%	\$521*	\$1,720	69.7%
	40%	\$732*		57.4%
	50%	\$942*		45.2%
	60%	\$1,153		33.0%
	Market	\$1,500		12.8%
Three-Br.	30%	\$585*	\$1,905	69.3%
	40%	\$828*		56.5%
	50%	\$1,071*		43.8%
	60%	\$1,314		31.0%

\*Maximum allowable gross rent less tenant-paid utilities

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject’s proposed/programmatic Tax Credit rents, which represent market rent advantages of between 29.1% and 69.7%, are considered appropriate and should represent substantial values within the Newport News market. It is also important to reiterate that the subject project will operate with a project-based Section 8 subsidy available to 25 units. Thus, many of the units at the property will represent an even greater value than that reflected by the market rent advantages in the preceding table, as these tenants will pay only 30% of their income towards rent, rather than the proposed rents evaluated throughout this report. Additionally, the subject’s market-rate rents are anticipated to represent good values to renters, as they also represent positive rent advantages. This will contribute to the subject’s marketability.

**B. Rent Adjustment Explanations (Rent Comparability Grid)**

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
  
7. The subject project will be complete in 2026. Comparatively, the selected properties were built/developed between 1977 and 2021; however, some of these properties have been extensively renovated. We have adjusted the rents at the selected properties by \$1 per year of (effective) age difference to reflect the age of these properties.
  
8. It is anticipated that the proposed subject project will have an excellent quality finish/street appeal once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
  
11. Each of the selected market-rate properties offer two-bedroom units. However, not all of the selected properties offer one- or three-bedroom units, similar to the subject project. As such, we have used the two-bedroom units at the selected properties and applied a negative/positive adjustment of \$50 to reflect the lack or inclusion of an additional defined bedroom at the subject project as compared to this comparable property.
  
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
  
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar-for-dollar basis, we have used 25% of the average for this adjustment.

- 14.-23. The proposed subject project will offer a unit amenity package generally inferior to those offered at the selected properties. We have made numerous adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the subject property does offer.
- 24.-32. The proposed project will offer a comprehensive project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

## VII. Capture Rate Analysis

### A. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed subject project's potential.

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

The subject site is within the Virginia Beach-Norfolk-Newport News, Virginia-North Carolina HUD Metro FMR Area, which has a median four-person household income of \$93,500 for 2022. The subject property's LIHTC units will be restricted to households with incomes of up to 30%, 40%, 50% and 60% of AMHI. Note that the subject project will also offer market-rate units that will have no income restrictions. The following table summarizes the maximum allowable income by household size and income level:

Household Size	Targeted AMHI Maximum Allowable Income			
	30%	40%	50%	60%
One-Person	\$19,650	\$26,200	\$32,750	\$39,300
Two-Person	\$22,440	\$29,920	\$37,400	\$44,880
Three-Person	\$25,260	\$33,680	\$42,100	\$50,520
Four-Person	\$28,050	\$37,400	\$46,750	\$56,100
Five-Person	\$30,300	\$40,400	\$50,500	\$60,600
Six-Person	\$32,550	\$43,400	\$54,250	\$65,100

#### 1. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to generally house up to five-person households. As such, the maximum allowable income at the subject site is **\$60,600**.

#### 2. Minimum Income Requirements

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



The lowest programmatic LIHTC rent at the subject site is \$526 (maximum allowable rent for a one-bedroom unit at 30% of AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,312. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$18,034**.

Utilizing the same methodology, but assuming a lower rent-to-income ratio of 30% (typical of unrestricted market-rate product), the subject’s market-rate units require a minimum annual household income requirement of **\$57,240**. However, as this overlaps with the income requirements of the subject’s LIHTC units, we have conservatively assumed a minimum income requirement of \$60,601 (\$1 over the maximum allowable income for the subject’s LIHTC units) for the subject’s market-rate units.

**3. Income-Appropriate Range**

Based on the preceding analyses, the income-appropriate ranges by targeted income level are illustrated as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 30% of AMHI)	\$18,034	\$30,300
Tax Credit (Limited to 40% of AMHI)	\$24,034	\$40,400
Tax Credit (Limited to 50% of AMHI)	\$30,034	\$50,500
Tax Credit (Limited to 60% of AMHI)	\$36,069	\$60,600
<b>Overall Tax Credit</b>	<b>\$18,034</b>	<b>\$60,600</b>
<b>Market-Rate</b>	<b>\$60,601</b>	<b>-</b>

**B. CAPTURE RATE CALCULATIONS**

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

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

- 1. Demand from New Renter Households:** *Determine new units in the PMA based on projected rental household growth. The projected household base **must be** limited to the target group, age and income appropriate. Demand for each target group must be shown separately.*

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

a) **Over-burdened** *is defined by Virginia Housing as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 44.4% of renters within the market are considered to be cost-burdened.

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 5.6% of all households within the market are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

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

The subject project will not be restricted to seniors; therefore, we have not included this number in our demand calculations.

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

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

### C. DEMAND/CAPTURE RATE CALUCLATIONS

As discussed in *Section V*, we identified and surveyed eight directly comparable LIHTC projects in the Site PMA, all of which are 100.0% occupied. Therefore, there were no *existing* supply units considered in the demand analysis for the subject’s LIHTC units. However, note that are 260 general-occupancy Tax Credit units in the development pipeline that were considered as part of the capture rate calculations. Further, out of the 1,300 comparable market-rate units, 12 are vacant and directly comparable and have been factored in our demand analysis of the subject’s market-rate units. Note that there are 29 comparable market-rate units in the development pipeline. The unit breakdowns of these Tax Credit and market-rate units are illustrated in the following tables:

Map I.D.	Project Name	Year Allocated	LIHTC Units	Directly Comparable LIHTC Units* at Targeted AMHI (Vacant Units)			
				30% AMHI	40% AMHI	50% AMHI	60% AMHI
P/P	The Lift & Rise on Jefferson	2020	37	2	2	15	18
P/P	The Lift & Rise on Jefferson II	2020	34	2	-	19	4
P/P	Choice Neighborhood III-R	2021	58	5	1	24	28
P/P	Choice Neighborhood IV-R	2021	69	6	-	29	34
P/P	The Coile	2020	62		8	24	-

\*Directly comparable units are those that are of similar bedroom type and targeted income level as the subject site

P/P – Planned/Proposed

Directly Comparable Market Rate Units* by Bedroom (Vacant Units)					
Map I.D.	Project Name	Year Built / Renovated	Market-Rate Units	One-Br.	Two-Br.
2	Abbingtion at Northampton	1982 / 2013	567	241 (1)	231 (1)
11	Hampstead Heath Luxury Homes	1977 / 2006	101	-	65 (0)
16	Liberty	2013	197	85 (7)	104 (3)
22	Riverlands Apts.	1992 / 2000	404	192 (0)	200 (0)
29	Walker Place Apts.	2021**	31	29 (0)	2 (0)
P/P	The Lift & Rise on Jefferson	-	6	1	4
P/P	The Lift & Rise on Jefferson II	-	4	1	2
P/P	Choice Neighborhood III-R	-	13	2	8
P/P	Choice Neighborhood IV-R	-	15	4	7

\*Directly comparable units are those that are of similar bedroom type

\*\*Adaptive reuse

P/P – Planned/Proposed

These directly comparable vacant/pipeline Tax Credit and market-rate units have been subtracted from the total demand in the following analysis to determine the net demand.

Demand Component	30% AMHI (\$18,034- \$30,300)	40% AMHI (\$24,034- \$40,400)	50% AMHI (\$30,034- \$50,500)	60% AMHI (\$36,069- \$60,600)	Overall LIHTC (\$18,034- \$60,600)	Market-Rate (\$60,601+)*
Demand from New Rental Households (Income-Appropriate)	2,900 - 3,127 = -227	3,670 - 3,907 = -237	4,807 - 4,982 = -175	4,930 - 4,955 = -25	9,077 - 9,423 = -346	4,084 - 3,729 = 355
+						
Demand from Existing Households (Rent Overburdened)	3,127 x 44.4% = 1,389	3,907 x 44.4% = 1,735	4,982 x 44.4% = 2,212	4,955 x 44.4% = 2,200	9,423 x 44.4% = 4,184	3,729 X 44.4% = 1,656
+						
Demand from Existing Households (Renters in Substandard Housing)	3,127 x 5.6% = 175	3,907 x 5.6% = 218	4,982 x 5.6% = 278	4,955 x 5.6% = 277	9,423 x 5.6% = 526	3,729 X 5.6% = 209
+						
Demand from Existing Households (Elderly Homeowner Conversion)	N/A					
=						
Total Demand	1,337	1,716	2,315	2,452	4,364	2,220
-						
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	15	11	111	84	221	41
=						
Net Demand	1,322	1,705	2,204	2,368	4,143	2,179
Proposed Units	5	8	12	19	44	29
Proposed Units / Net Demand	5 / 1,322	8 / 1,705	12 / 2,204	19 / 2,368	44 / 4,143	29 / 2,179
<b>Capture Rate</b>	<b>= 0.4%</b>	<b>= 0.5%</b>	<b>= 0.5%</b>	<b>= 0.8%</b>	<b>= 1.1%</b>	<b>= 1.3%</b>
Total Absorption Period	< 1 Month	< 1 Month	< 1 Month	< 2 Months	< 3 Months	< 2 Months

\*Excludes larger (four-person+) household sizes

N/A-Not Applicable

Overall, the capture rates by targeted income level are considered very low and easily achievable, ranging from 0.4% to 1.3%. The overall LIHTC capture rate of 1.1% is also considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development. Note that the subject project's overall capture rate (Tax Credit and market-rate) is **1.2%** ( $73 / 6,322 = 1.2\%$ ). Further, considering that a subsidy will be available on the units set aside at 30%, 40% and 50% of AMHI, their respective capture rates will be much lower than those illustrated in the preceding table, as these units will be able to accommodate households with little to no income.

#### **D. PENETRATION RATE CALCULATIONS**

The 2,065 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$18,034 to \$65,100. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be an estimated 9,711 renter households with eligible incomes in 2026. The 2,109 existing, planned and proposed subject Tax Credit units represent a penetration rate of 21.7% of the 9,711 income-eligible renter households, which is summarized in the table on the following page.

	Market Penetration
Number of LIHTC Units (Existing, Planned & Proposed)	2,109
Income-Eligible Renter Households – 2026	/ 9,711
Overall Market Penetration Rate	= 21.7%

It is our opinion that the 21.7% penetration rate for the LIHTC units, existing, planned and proposed subject, is low and achievable.

*Please note that penetration rates are not provided for market-rate units.*

#### **E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS**

According to a representative with the Newport News Redevelopment and Housing Authority, there are approximately 3,074 Housing Choice Vouchers issued within the agency’s jurisdiction. However, it was also revealed that approximately 188 issued Vouchers are currently going unused, likely due to holders of these Vouchers being unable to locate/obtain a quality affordable rental housing unit that will accept the Voucher. There is a total of approximately 500 households currently on the waiting list for additional Vouchers. The waiting list is closed, and it is unknown when it will reopen. Annual turnover within the voucher program is estimated at 120 households. This reflects the continuing need for affordable housing alternatives and/or Housing Choice Voucher assistance.

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

Bedroom Type	2022 Payment Standards	Proposed/Programmatic Tax Credit Gross Rents (AMHI)
One-Bedroom	\$1,218	\$526* (30%) \$701* (40%) \$876* (50%) \$1,052 (60%)
Two-Bedroom	\$1,431	\$631* (30%) \$842* (40%) \$1,052* (50%) \$1,263 (60%)
Three-Bedroom	\$2,011	\$729* (30%) \$972* (40%) \$1,215* (50%) \$1,458 (60%)

\*Maximum allowable LIHTC gross rent

As the preceding table illustrates, all of the proposed/programmatic LIHTC gross rents at the site are below the local payment standards. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the demographic base of potential support for the proposed development and has been considered in our absorption projections.

**F. ABSORPTION PROJECTIONS**

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 44 LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in less than three months of opening. This absorption rate is based on an average monthly absorption rate of 15 units per month. It is anticipated that the subject's 29 market-rate units will stabilize in less than two months. Note that these absorption projections assume the proposed project will operate with a subsidy available to 25 of the units. In the unlikely scenario the subject project did not operate with a subsidy available to 25 units, the proposed project will likely experience an extended absorption period of less than six months, which is reflective of an absorption rate of 12 units per month.

These absorption projections assume an August 2026 opening date. A different opening date, particularly during the winter months and holiday season, may have a slowing impact on the subject's initial absorption potential. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, unit design, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

## VIII. Local Perspective (Interviews)

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

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

- Ms. Nixon, Property Manager for Shell Garden Apartments (Map ID 24), a Tax Credit property located in Hampton within the Site PMA, stated that most of her property's tenants need affordable housing due to low incomes and limited education. Her property's tenants utilize Housing Choice Vouchers to help with paying the rent that is already considered affordable by the housing authority. The need is growing as her property's waitlist has 30 households for the next available unit and she receives inquiries every day.
- Carolyn Powers, Housing Choice Voucher Program Manager for the Newport News Redevelopment and Housing Authority, stated that there is a need for affordable housing for families in Newport News.

## IX. Analysis & Conclusions

Based on the findings of this report, a market exists for the subject property and the project is considered marketable as proposed.

The proposed subject property will consist of the new construction of a 73-unit rental property. Note that 44 of these units will operate under the Tax Credit program (25 Section 8) and 29 units will operate as unrestricted market-rate units. The subject site neighborhood is generally comprised of well-maintained structures. The proposed site is also within proximity of numerous community services, as well as public transportation.

The subject property will offer general-occupancy units which will operate under the Tax Credit program, a product type that is clearly in high demand given the 100.0% occupancy rates and waiting lists maintained among many of the existing Tax Credit properties surveyed. The subject project will be very competitive in terms of rents, overall design and amenities offered. Note that while the subject's proposed Tax Credit rents are considered appropriate and marketable, 25 units at the property will also operate with a project-based Section 8 subsidy. This will require tenants of these units to pay only 30% of their income towards rent, rather than the programmatic LIHTC rents evaluated throughout the report. The available subsidy to be provided will further ensure the subject project represents a value within the Site PMA.

Although the overall population and household bases within the market are projected to slightly decline between 2023 and 2028, nearly 62.0% of all renter households are projected to earn below \$50,000 in 2028. The subject's overall Tax Credit capture rate of 1.1% is considered very low and further demonstrates a deep base of potential support for the subject project. The subject's market-rate capture rate is also low at 1.3%.

Considering the preceding factors and additional information contained within this report, the subject property is expected to help alleviate a portion of the pent-up demand for additional general-occupancy Tax Credit product in the market. The subject project is not expected to have any adverse impact on future occupancy rates among the existing comparable Tax Credit properties in the Newport News Site PMA. The subject property is considered competitive and marketable as proposed. We have no recommendations or modifications to the subject project at this time.



X.

## SITE PHOTOGRAPHS

Choice Neighborhood V-Downtown



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast

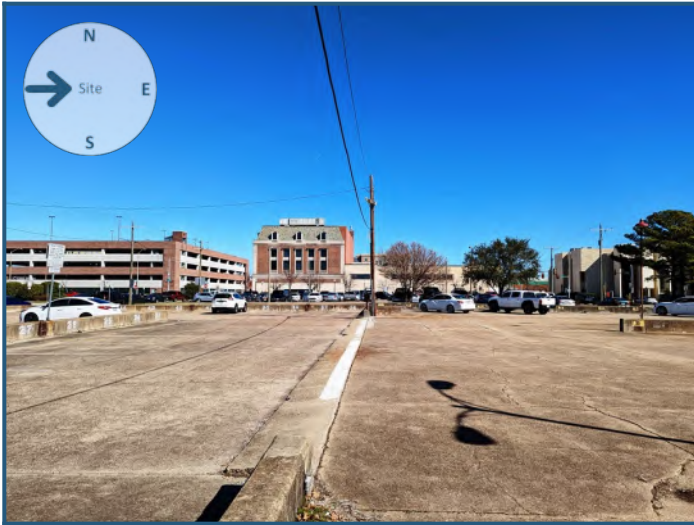


View of site from the south



View of site from the southwest

Choice Neighborhood V-Downtown



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site



Southeast view from site

Choice Neighborhood V-Downtown



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: West view of 28th Street

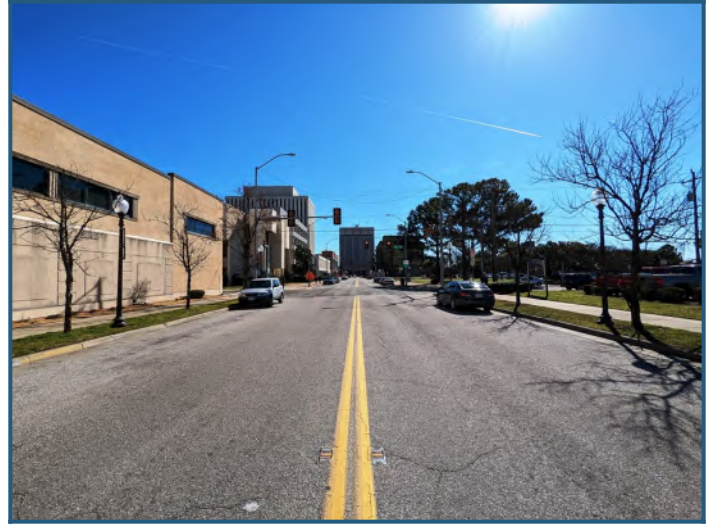


Streetscape: East view of 28th Street

Choice Neighborhood V-Downtown



Streetscape: North view of Washington Avenue



Streetscape: South view of Washington Avenue



Streetscape: West view of 29th Street



Streetscape: East view of 29th Street

XI.

COMPARABLE  
PROPERTY PROFILES

**2** Abbington at Northampton 5.0 miles to site



Address: 103 Kathann Dr., Hampton, VA 23605  
 Phone: (757) 826-4945      Contact: Galy  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 567      Year Built: 1982  
 Vacant Units: 6      \*AR Year:  
 Occupancy: 98.9%      Yr Renovated: 2013  
 Turnover:      Stories: 2  
 Waitlist: None  
 Rent Special: None

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

Notes: Rent range due to floor level; Rents change daily



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority  
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Cabinetry

Property Amenities: Business Center (Computer/Business Center); Car Care (Car Wash Area); Cafe / Coffee Bar; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	108	0	638	\$1.91 - \$1.99	\$1,219 - \$1,269	Market
1	1	T	133	1	736	\$1.66 - \$1.72	\$1,219 - \$1,269	Market
2	2	G	81	0	845 - 924	\$1.48 - \$1.42	\$1,249 - \$1,309	Market
2	2	T	150	1	916	\$1.35 - \$1.46	\$1,239 - \$1,334	Market
3	2.5	T	95	4	1,085	\$1.52 - \$1.58	\$1,649 - \$1,719	Market

\*Adaptive Reuse

\*DTS is based on drive time

**3** Ada Park 6.6 miles to site



Address: 674 Summer Day Ct, Newport News, VA 23601  
 Phone: (757) 265-1472 Contact: Mario  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 42 Year Built: 2018  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 3  
 Waitlist: 22 HH  
 Rent Special: None

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

Notes: Tax Credit



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Community Kitchen; Laundry Room; On-Site Management

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	21	0	884	\$0.90	\$795	50%
2	2	G	9	0	884	\$1.09	\$960	60%
3	2	G	12	0	1,100	\$1.00	\$1,100	60%

\*Adaptive Reuse

\*DTS is based on drive time



**5 Brennan Pointe I** 0.7 miles to site



Address: 3100 Warwick Blvd, Newport News, VA 23607  
 Phone: (757) 621-6406 Contact: Nakayla  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 44 Year Built: 2016  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 4 (w/Elev)  
 Waitlist: Shared; 50 HH  
 Rent Special: None

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

Notes: Tax Credit



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority  
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Multipurpose Room, Clubhouse/Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Playground); CCTV

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1.5	G	3	0	1,130	\$0.58	\$658	40%
2	1.5	G	18	0	1,130	\$0.77	\$868	50%
2	1.5	G	7	0	1,130	\$0.95	\$1,079	60%
3	2	G	2	0	1,560	\$0.48	\$746	40%
3	2	G	11	0	1,560	\$0.63	\$989	50%
3	2	G	3	0	1,560	\$0.79	\$1,232	60%

\*Adaptive Reuse

\*DTS is based on drive time

**6** Brennan Pointe II 0.7 miles to site



Address: 3150 Warwick Blvd, Newport News, VA 23607  
 Phone: (757) 621-6406 Contact: Nakayla  
 Property Type: Tax Credit, Government Subsidized  
 Target Population: Family  
 Total Units: 43 Year Built: 2018  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 4 (w/Elev)  
 Waitlist: Shared; 50 HH  
 Rent Special: None

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

Notes: Tax Credit (38 units); PBV/PBRA & Tax Credit (5 units)



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Multipurpose Room, Clubhouse/Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Playground); CCTV

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1.5	G	3	0	883	Subsidized	Subsidized	Subsidized
2	1.5	G	10	0	883	\$0.98	\$868	50%
2	1.5	G	14	0	883	\$1.22	\$1,079	60%
3	2	G	2	0	1,130	Subsidized	Subsidized	Subsidized
3	2	G	7	0	1,130	\$0.88	\$989	50%
3	2	G	7	0	1,130	\$1.09	\$1,232	60%

\*Adaptive Reuse

\*DTS is based on drive time

**11** **Hampstead Heath Luxury Homes** 6.1 miles to site



Address: 1 Hampstead Heath Way, Hampton, VA 23666  
 Phone: (757) 826-7776      Contact: Christie  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 101      Year Built: 1977  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated: 2006  
 Turnover:      Stories: 2,3  
 Waitlist: None  
 Rent Special: None

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

Notes: Rent range based on upgrades



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Fireplace; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Premium Cabinetry; Premium Fixtures

Property Amenities: On-Site Management; Recreation Areas (Fitness Center, Hot Tub, Playground, Outdoor Swimming Pool); WiFi

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2.5	T	65	0	1,332	\$1.13 - \$1.27	\$1,499 - \$1,690	Market
3	2	G	24	0	1,250 - 1,464	\$1.23 - \$1.29	\$1,535 - \$1,895	Market
3	2.5	T	12	0	1,724	\$1.04 - \$1.15	\$1,799 - \$1,989	Market

\*Adaptive Reuse

\*DTS is based on drive time

**13** Heritage Forest I & II 2.3 miles to site



Address: 901 Forest Lake Ct., Newport News, VA 23605  
 Phone: (757) 327-0627 Contact: Nicole  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 248 Year Built: 2012  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 2,3  
 Waitlist: 5 HH  
 Rent Special: None

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

Notes: Tax Credit



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority  
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room, Community Kitchen, Clubhouse/Community Room; Cafe / Coffee Bar; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool); CCTV, Courtesy Officer, Security Gate; Water Feature

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	10	0	720	\$0.83	\$598	40%
1	1	G	24	0	720	\$1.32	\$949	60%
2	2	G	16	0	1,035	\$0.69	\$710	40%
2	2	G	146	0	1,035	\$1.09	\$1,131	60%
3	2	G	52	0	1,222	\$1.07	\$1,303	60%

\*Adaptive Reuse

\*DTS is based on drive time

**16 Liberty** 0.3 miles to site



Address: 3201 Washington Ave, Newport News, VA 23602  
 Phone: (757) 928-1100      Contact: Erica  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 197      Year Built: 2013  
 Vacant Units: 10      \*AR Year:  
 Occupancy: 94.9%      Yr Renovated:  
 Turnover:      Stories: 4 (w/Elev)  
 Waitlist: None  
 Rent Special: None

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

Notes: Rents change daily

**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority  
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Premium Cabinetry

Property Amenities: Business Center (Computer/Business Center); Community Kitchen; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Game Room-Billiards, Outdoor Swimming Pool); CCTV

Parking Type: Street Parking; Parking Garage

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	85	7	543 - 566	\$2.49 - \$2.39	\$1,350	Market
2	2	G	104	3	825 - 848	\$1.98 - \$1.92	\$1,630	Market
3	3	G	8	0	1,106 - 1,130	\$2.18 - \$2.14	\$2,415	Market

\*Adaptive Reuse      \*DTS is based on drive time

**18** Noland Green 0.3 miles to site



Address: 2600 Warwick Blvd, Newport News, VA 23607  
 Phone: (757) 223-8774 Contact: Tiffany  
 Property Type: Tax Credit, Market Rate, Government Subsidized  
 Target Population: Family  
 Total Units: 60 Year Built: 1920 Ratings  
 Vacant Units: 0 \*AR Year: 2011 Quality: B  
 Occupancy: 100.0% Yr Renovated: Neighborhood: B-  
 Turnover: Stories: 4 (w/Elev) Access/Visibility: B-/B+  
 Waitlist: 12 HH  
 Rent Special: None

Notes: Tax Credit (49 units); Market-rate (6 units); HUD Section 8 & Tax Credit (5 units)



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

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

Unit Amenities: Dishwasher; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; Window Treatments; Flooring (Carpet, Hardwood)

Property Amenities: Business Center (Computer/Business Center); Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Playground); CCTV

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	1	0	525 - 565	Subsidized	Subsidized	Subsidized
1	1	G	10	0	525 - 565	\$1.25 - \$1.16	\$654	50%
1	1	G	1	0	525 - 565	\$1.49 - \$1.39	\$784	Market
2	1.5	G	2	0	685 - 740	Subsidized	Subsidized	Subsidized
2	1.5	G	30	0	685 - 740	\$1.11 - \$1.03	\$763	50%
2	1.5	G	2	0	685 - 740	\$1.33 - \$1.24	\$914	Market
3	1.5 - 2	G	2	0	885	Subsidized	Subsidized	Subsidized
3	1.5 - 2	G	9		885	\$0.97	\$861	50%
3	1.5 - 2	G	3	0	885 - 1,200	\$1.17 - \$0.86	\$1,034	Market

\*Adaptive Reuse

\*DTS is based on drive time

22 Riverlands Apts.

3.4 miles to site



Address: 45 Riverlands Dr, Newport News, VA 23605  
 Phone: (757) 380-5804 Contact: Louise  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 404 Year Built: 1992  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated: 2000  
 Turnover: Stories: 2,3  
 Waitlist: Yes  
 Rent Special: None

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

Notes: Rent range based on floorplan



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Cafe / Coffee Bar; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Outdoor Swimming Pool); CCTV, Courtesy Officer

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	192	0	557 - 597	\$1.66 - \$1.55	\$925	Market
2	1	G	200	0	757 - 900	\$1.38 - \$1.16	\$1,043	Market
3	2	G	12	0	1,196 - 1,275	\$1.13 - \$1.06	\$1,350	Market

\*Adaptive Reuse

\*DTS is based on drive time

**29 Walker Place Apts.** 0.4 miles to site



Address: 208 23rd St, Newport News, VA 23607  
 Phone: \_\_\_\_\_ Contact: Victor  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 31 Year Built: 1900  
 Vacant Units: 0 \*AR Year: 2021  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 3  
 Waitlist: None  
 Rent Special: None

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

Notes: Preleasing 09/2021



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority  
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Hardwood); Premium Appliances; Premium Countertops; Premium Fixtures; High/Vaulted Ceilings

Property Amenities: On-Site Management

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	29	0	850 - 950	\$1.53 - \$1.37	\$1,300	Market
2	2	G	2	0	1,200	\$1.42	\$1,700	Market

\*Adaptive Reuse

\*DTS is based on drive time



**30** Waterford Pointe 7.7 miles to site



Address: 105 E. Lakeshore Dr., Hampton, VA 23666  
 Phone: (757) 827-7900 Contact: Seneca  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 120 Year Built: 1993  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated: 2014  
 Turnover: Stories: 3  
 Waitlist: 200 HH  
 Rent Special: None

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

Notes: Tax Credit



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Range; Refrigerator; Central AC; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Premium Cabinetry; Premium Fixtures

Property Amenities: On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool); CCTV, Courtesy Officer; Extra Storage

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	9	0	624	\$1.53	\$955	60%
2	1.5	G	66	0	818	\$1.39	\$1,137	60%
3	2	G	45	0	1,006 - 1,023	\$1.29 - \$1.27	\$1,302	60%

\*Adaptive Reuse

\*DTS is based on drive time

**31 Westover Station Apts.** 3.5 miles to site



Address: 805 Roam Ct, Newport News, VA 23605  
 Phone: (757) 251-2587      Contact: Asha  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 108      Year Built: 1991  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 3  
 Waitlist: 4 HH  
 Rent Special: None

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

Notes: Tax Credit



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

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

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: On-Site Management; Recreation Areas (Grilling Area); CCTV

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	36	0	661	\$1.50	\$989	60%
2	1	G	72	0	870	\$1.34	\$1,170	60%

\*Adaptive Reuse

\*DTS is based on drive time

**32 Whittaker Place Apts. 1.7 miles to site**



Address: 1003 28th St., Newport News, VA 23607  
 Phone: (757) 782-2766 Contact: Jasmine  
 Property Type: Tax Credit, Government Subsidized  
 Target Population: Family  
 Total Units: 67 Year Built: 1915  
 Vacant Units: 0 \*AR Year: 2019  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 2,3,4 (w/Elev)  
 Waitlist: 20 HH  
 Rent Special: None

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

Notes: Tax Credit (59 units); PBV/PBRA & Tax Credit (8 units); Preleasing & opened 10/2019



**Features And Utilities**

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Finished Concrete); Premium Countertops; Premium Cabinetry; High/Vaulted Ceilings

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Multipurpose Room, Clubhouse/Community Room; Courtyard; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Grilling Area); CCTV, Courtesy Officer

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	2	0	411 - 468	\$1.31 - \$1.15	\$540	40%
0	1	G	10	0	411 - 468	\$1.95 - \$1.71	\$800	60%
0	1	G	2	0	411 - 468	Subsidized	Subsidized	Subsidized
1	1	G	4	0	480 - 755	\$1.17 - \$0.74	\$560	40%
1	1	G	33	0	480 - 755	\$1.79 - \$1.14	\$860	60%
1	1	G	4	0	480 - 755	Subsidized	Subsidized	Subsidized
2	2	G	2	0	860 - 992	\$0.77 - \$0.67	\$660	40%
2	2	G	8	0	860 - 992	\$1.19 - \$1.03	\$1,020	60%
2	2	G	2	0	860 - 962	Subsidized	Subsidized	Subsidized

\*Adaptive Reuse

\*DTS is based on drive time

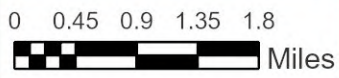
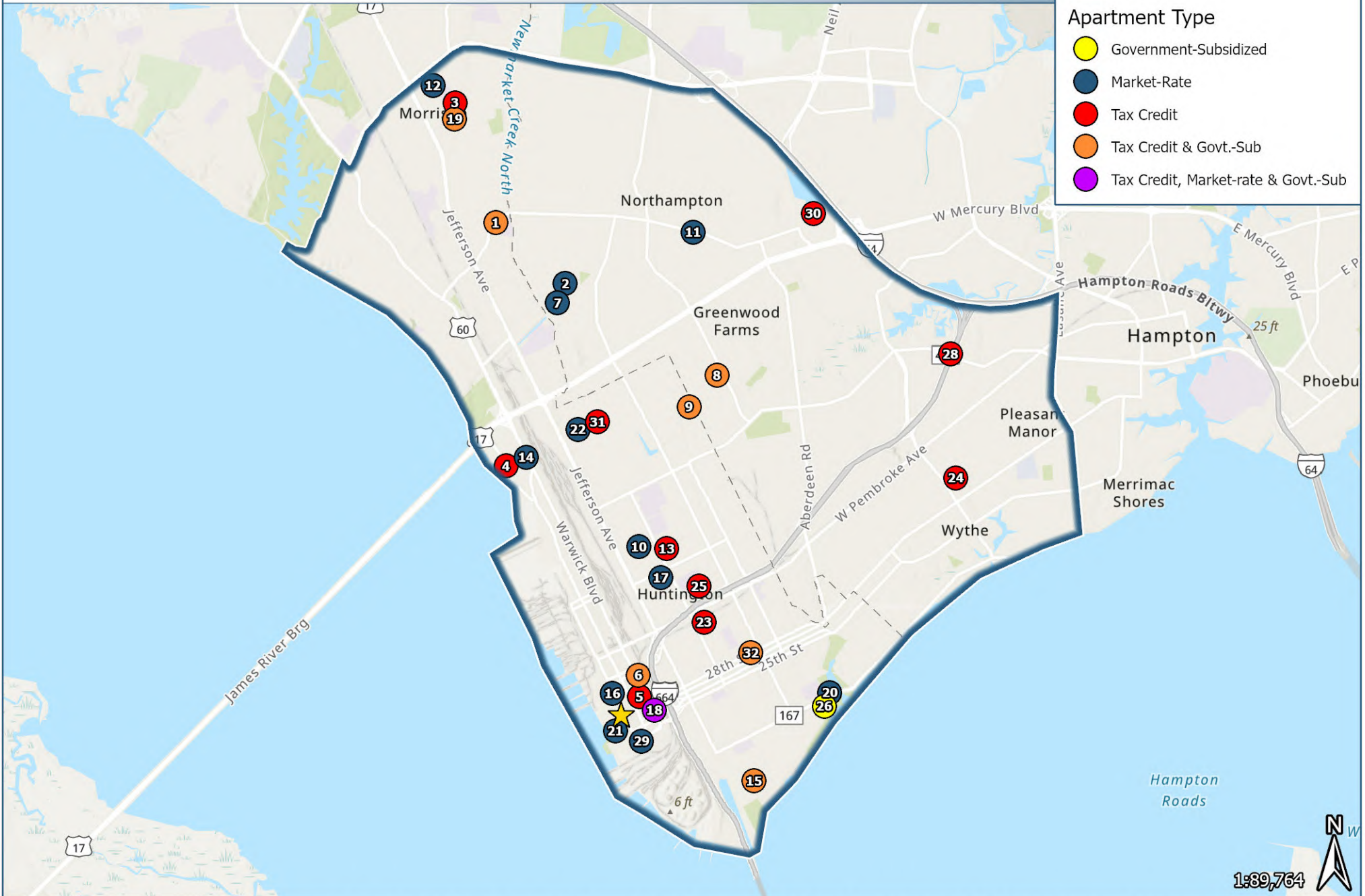
## XII.

# FIELD SURVEY OF CONVENTIONAL RENTALS



**Apartment Type**






- Government-Subsidized
- Market-Rate
- Tax Credit
- Tax Credit & Govt.-Sub
- Tax Credit, Market-rate & Govt.-Sub



Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	801 Main Senior	TGS	B+	2017	44	0	100.0%	5.3
2	Abbingtion at Northampton	MRR	B+	1982	567	6	98.9%	5.0
3	Ada Park	TAX	B+	2018	42	0	100.0%	6.6
4	Admiral Pointe	TAX	B	1943	204	2	99.0%	3.0
5	Brennan Pointe I	TAX	B+	2016	44	0	100.0%	0.7
6	Brennan Pointe II	TGS	B+	2018	43	0	100.0%	0.7
7	Cambridge Apts.	MRR	B	1972	465	79	83.0%	5.0
8	Century Plaza Apts.	TGS	C+	1972	120	0	100.0%	4.5
9	City Line	TGS	B-	1977	200	0	100.0%	4.5
10	Cottage Grove	MRR	C+	1945	553	35	93.7%	2.4
11	Hampstead Heath Luxury Homes	MRR	B	1977	101	0	100.0%	6.1
12	Harborstone Apts.	MRR	C+	1978	290	28	90.3%	6.7
13	Heritage Forest I & II	TAX	B+	2012	248	0	100.0%	2.3
14	Huntington on the James	MRR	B	1942	201	0	100.0%	2.9
15	Lassiter Courts Apts.	TGS	B-	1962	100	0	100.0%	1.7
16	Liberty	MRR	A	2013	197	10	94.9%	0.3
17	Meadow View	MRR	B-	1967	380	17	95.5%	2.1
18	Noland Green	TMG	B	1920	60	0	100.0%	0.3
19	Pebblestone Gardens	TGS	C+	1969	168	0	100.0%	6.6
20	Peterson Place	MRR	B-	1969	40	4	90.0%	2.3
21	River Park Tower	MRR	B	1988	184	12	93.5%	0.2
22	Riverlands Apts.	MRR	B	1992	404	0	100.0%	3.4
23	Seven Oaks	TAX	B-	1958	202	11	94.6%	1.6
24	Shell Garden Apartments	TAX	B-	1967	48	0	100.0%	4.9
25	Soundview Townhomes	TAX	B	1969	250	0	100.0%	2.4
26	Stuart Gardens I	GSS	C	1942	250	0	100.0%	2.3
27	Stuart Gardens II	GSS	C	1942	239	0	100.0%	2.3
28	Tidewater Senior Apartment Living	TAX	B	2002	140	0	100.0%	8.8
29	Walker Place Apts.	MRR	B-	1900	31	0	100.0%	0.4
30	Waterford Pointe	TAX	B+	1993	120	0	100.0%	7.7
31	Westover Station Apts.	TAX	B	1991	108	0	100.0%	3.5
32	Whittaker Place Apts.	TGS	B	1915	67	0	100.0%	1.7


\*Drive distance in miles


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


<p>1</p> 	<p><b>801 Main Senior</b> 801 Main St., Newport News, VA 23605</p> <p>Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 1,2 w/Elevator Year Built: 2017 BR: 1, 2 Vacant Units: 0 Waitlist: 52 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit (36 units); PBV &amp; Tax Credit (8 units)</p>	<p>Contact: Jennifer Phone: (757) 873-2400</p>
<p>2</p> 	<p><b>Abbington at Northampton</b> 103 Kathann Dr., Hampton, VA 23605</p> <p>Total Units: 567 UC: 0 Occupancy: 98.9% Stories: 2 Year Built: 1982 BR: 1, 2, 3 Vacant Units: 6 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2013 Rent Special: None Notes: Rent range due to floor level: Rents change daily</p>	<p>Contact: Galy Phone: (757) 826-4945</p>
<p>3</p> 	<p><b>Ada Park</b> 674 Summer Day Ct, Newport News, VA 23601</p> <p>Total Units: 42 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2018 BR: 2, 3 Vacant Units: 0 Waitlist: 22 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit</p>	<p>Contact: Mario Phone: (757) 265-1472</p>
<p>4</p> 	<p><b>Admiral Pointe</b> 201 73rd St., Newport News, VA 23607</p> <p>Total Units: 204 UC: 0 Occupancy: 99.0% Stories: 2 Year Built: 1943 BR: 2 Vacant Units: 2 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2002 Rent Special: None Notes: Tax Credit</p>	<p>Contact: Connie Phone: (757) 244-4414</p>
<p>5</p> 	<p><b>Brennan Pointe I</b> 3100 Warwick Blvd, Newport News, VA 23607</p> <p>Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2016 BR: 2, 3 Vacant Units: 0 Waitlist: Shared; 50 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit</p>	<p>Contact: Nakayla Phone: (757) 621-6406</p>


<p>✓ Comparable Property</p> <p>◆ Senior Restricted</p> <p>■ (MRR) Market-Rate</p> <p>■ (MRT) Market-Rate &amp; Tax Credit</p> <p>■ (MRG) Market-Rate &amp; Government-Subsidized</p> <p>■ (MIN) Market-Rate &amp; Income-Restricted (not LIHTC)</p>	<p>■ (MIG) Market-Rate, Income-Restricted (not LIHTC) &amp; Govt-Subsidized</p> <p>■ (TAX) Tax Credit</p> <p>■ (TGS) Tax Credit &amp; Government-Subsidized</p> <p>■ (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)</p> <p>■ (TIN) Tax Credit &amp; Income-Restricted (not LIHTC)</p> <p>■ (TMG) Tax Credit, Market-Rate &amp; Government-Subsidized</p>	<p>■ (TIG) Tax Credit, Income-Restricted (not LIHTC) &amp; Govt-Subsidized</p> <p>■ (INR) Income-Restricted (not LIHTC)</p> <p>■ (ING) Income-Restricted (not LIHTC) &amp; Government-Subsidized</p> <p>■ (GSS) Government-Subsidized</p> <p>■ (ALL) Tax Credit, Market-Rate, Govt-Subsidized &amp; Income-Restricted</p>
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6	<b>Brennan Pointe II</b> 3150 Warwick Blvd, Newport News, VA 23607	Contact: Nakayla Phone: (757) 621-6406
	Total Units: 43    UC: 0    Occupancy: 100.0%    Stories: 4    w/Elevator    Year Built: 2018 BR: 2, 3    Vacant Units: 0    Waitlist: Shared; 50 HH    AR Year:	
	Target Population: Family    Yr Renovated:	
	Rent Special: None	
	Notes: Tax Credit (38 units); PBV/PBRA & Tax Credit (5 units)	

7	<b>Cambridge Apts.</b> 5109 Goldsboro Dr, Newport News, VA 23605	Contact: Lacey Phone: (757) 838-6401
	Total Units: 465    UC: 0    Occupancy: 83.0%    Stories: 2    Year Built: 1972 BR: 1, 2, 3    Vacant Units: 79    Waitlist: None    AR Year:	
	Target Population: Family    Yr Renovated: 2004	
	Rent Special: None	
	Notes: Rent range based on unit amenities & upgraded kitchen	

8	<b>Century Plaza Apts.</b> 135 Lassiter Dr., Hampton, VA 23666	Contact: Kelly Phone: (757) 838-1816
	Total Units: 120    UC: 0    Occupancy: 100.0%    Stories: 1,2    Year Built: 1972 BR: 1, 2, 3    Vacant Units: 0    Waitlist: 117 HH    AR Year:	
	Target Population: Family    Yr Renovated: 2004	
	Rent Special: None	
	Notes: Tax Credit; HUD Section 8	

9	<b>City Line</b> 155 Mytilene Dr, Newport News, VA 23605	Contact: Stephanie Phone: (757) 838-5553
	Total Units: 200    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 1977 BR: 1, 2    Vacant Units: 0    Waitlist: 3-12 mos    AR Year:	
	Target Population: Family    Yr Renovated: 2006	
	Rent Special: None	
	Notes: Tax Credit; HUD Section 8	

10	<b>Cottage Grove</b> 614 Peninsula Dr, Newport News, VA 23605	Contact: Atira Phone: (757) 245-2879
	Total Units: 553    UC: 0    Occupancy: 93.7%    Stories: 1,2    Year Built: 1945 BR: 1, 2    Vacant Units: 35    Waitlist: None    AR Year:	
	Target Population: Family    Yr Renovated: 2009	
	Rent Special: None	
	Notes:	

<ul style="list-style-type: none"> <li> Comparable Property</li> <li> Senior Restricted</li> <li> (MRR) Market-Rate</li> <li> (MRT) Market-Rate &amp; Tax Credit</li> <li> (MRG) Market-Rate &amp; Government-Subsidized</li> <li> (MIN) Market-Rate &amp; Income-Restricted (not LIHTC)</li> </ul>	<ul style="list-style-type: none"> <li> (MIG) Market-Rate, Income-Restricted (not LIHTC) &amp; Govt-Subsidized</li> <li> (TAX) Tax Credit</li> <li> (TGS) Tax Credit &amp; Government-Subsidized</li> <li> (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)</li> <li> (TIN) Tax Credit &amp; Income-Restricted (not LIHTC)</li> <li> (TMG) Tax Credit, Market-Rate &amp; Government-Subsidized</li> </ul>	<ul style="list-style-type: none"> <li> (TIG) Tax Credit, Income-Restricted (not LIHTC) &amp; Govt-Subsidized</li> <li> (INR) Income-Restricted (not LIHTC)</li> <li> (ING) Income-Restricted (not LIHTC) &amp; Government-Subsidized</li> <li> (GSS) Government-Subsidized</li> <li> (ALL) Tax Credit, Market-Rate, Govt-Subsidized &amp; Income-Restricted</li> </ul>
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11	<b>Hampstead Heath Luxury Homes</b>		Contact: Christie		
	1 Hampstead Heath Way, Hampton, VA 23666		Phone: (757) 826-7776		
	Total Units:	101	UC:	0	
	Occupancy:	100.0%	Stories:	2,3	
	BR:	2, 3	Vacant Units:	0	
	Target Population:	Family	Waitlist:	None	
	Rent Special:	None	Year Built:	1977	
Notes:		Rent range based on upgrades		AR Year:	
				Yr Renovated:	2006



12	<b>Harborstone Apts.</b>		Contact: Valerie		
	761 Adams Dr, Newport News, VA 23601		Phone: (757) 595-0201		
	Total Units:	290	UC:	0	
	Occupancy:	90.3%	Stories:	2	
	BR:	0, 1, 2, 3	Vacant Units:	28	
	Target Population:	Family	Waitlist:	None	
	Rent Special:	None	Year Built:	1978	
Notes:				AR Year:	
				Yr Renovated:	1996


13	<b>Heritage Forest I &amp; II</b>		Contact: Nicole		
	901 Forest Lake Ct., Newport News, VA 23605		Phone: (757) 327-0627		
	Total Units:	248	UC:	0	
	Occupancy:	100.0%	Stories:	2,3	
	BR:	1, 2, 3	Vacant Units:	0	
	Target Population:	Family	Waitlist:	5 HH	
	Rent Special:	None	Year Built:	2012	
Notes:		Tax Credit		AR Year:	
				Yr Renovated:	

14	<b>Huntington on the James</b>		Contact: Ally		
	312 73rd St, Newport News, VA 23607		Phone: (757) 245-6913		
	Total Units:	201	UC:	0	
	Occupancy:	100.0%	Stories:	2	
	BR:	1, 2, 3	Vacant Units:	0	
	Target Population:	Family	Waitlist:	None	
	Rent Special:	None	Year Built:	1942	
Notes:		Rent range due to units facing or on the water		AR Year:	
				Yr Renovated:	2003


15	<b>Lassiter Courts Apts.</b>		Contact: Linette		
	811 C Taylor Ave, Newport News, VA 23607		Phone: (757) 928-2659		
	Total Units:	100	UC:	0	
	Occupancy:	100.0%	Stories:	1,2	
	BR:	2, 3, 4	Vacant Units:	0	
	Target Population:	Family	Waitlist:	Yes	
	Rent Special:	None	Year Built:	1962	
Notes:		Tax Credit; Public housing		AR Year:	
				Yr Renovated:	2020


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





16	<b>Liberty</b> 3201 Washington Ave, Newport News, VA 23602	Contact: Erica Phone: (757) 928-1100
	 <p>Total Units: 197 UC: 0 Occupancy: 94.9% Stories: 4 w/Elevator Year Built: 2013                  BR: 1, 2, 3 Vacant Units: 10 Waitlist: None AR Year:                  Target Population: Family Yr Renovated:                  Rent Special: None                  Notes: Rents change daily</p>	




17	<b>Meadow View</b> 4801 Marshall Ave, Newport News, VA 23607	Contact: Melissa Phone: (757) 245-0001
	 <p>Total Units: 380 UC: 20 Occupancy: 95.5% Stories: 2 Year Built: 1967                  BR: 1, 2, 3, 4 Vacant Units: 17 Waitlist: None AR Year:                  Target Population: Family Yr Renovated: 2017                  Rent Special: None                  Notes:</p>	


18	<b>Noland Green</b> 2600 Warwick Blvd, Newport News, VA 23607	Contact: Tiffany Phone: (757) 223-8774
	 <p>Total Units: 60 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 1920                  BR: 1, 2, 3 Vacant Units: 0 Waitlist: 12 HH AR Year: 2011                  Target Population: Family Yr Renovated:                  Rent Special: None                  Notes: Tax Credit (49 units); Market-rate (6 units); HUD Section 8 &amp; Tax Credit (5 units)</p>	


19	<b>Pebblestone Gardens</b> 621 Adams Dr, Newport News, VA 23601	Contact: Kim Phone: (757) 595-4399
	 <p>Total Units: 168 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1969                  BR: 2 Vacant Units: 0 Waitlist: 7 HH AR Year:                  Target Population: Family Yr Renovated: 2021                  Rent Special: None                  Notes: Tax Credit (126 units) PBV &amp; Tax Credit (42 units)</p>	


20	<b>Peterson Place</b> 1607 - 1631 Peterson Pl, Newport News, VA 23605	Contact: Shanelle Phone: (757) 245-0969
	 <p>Total Units: 40 UC: 0 Occupancy: 90.0% Stories: 1,2 Year Built: 1969                  BR: 2 Vacant Units: 4 Waitlist: None AR Year:                  Target Population: Family Yr Renovated:                  Rent Special: None                  Notes:</p>	


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


















21	River Park Tower 2601 West Ave, Newport News, VA 23607		Contact: David Phone: (757) 928-0000	
		Total Units: 184 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: \$200 off the 1st full months rent IF M/I before 2/28 Notes: Rents change daily	Occupancy: 93.5% Vacant Units: 12	Stories: 20 Waitlist: None






22	Riverlands Apts. 45 Riverlands Dr, Newport News, VA 23605		Contact: Louise Phone: (757) 380-5804	
		Total Units: 404 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Rent range based on floorplan	Occupancy: 100.0% Vacant Units: 0	Stories: 2,3 Waitlist: Yes

23	Seven Oaks 869 36th St, Newport News, VA 23607		Contact: Jackie Phone: (757) 244-2216	
		Total Units: 202 UC: 0 BR: 1, 2 Target Population: Family Rent Special: None Notes: Tax Credit	Occupancy: 94.6% Vacant Units: 11	Stories: 1,2 Waitlist: None

24	Shell Garden Apartments 2211 Shell Rd, Hampton, VA 23661		Contact: Ms. Nixon Phone: (757) 727-1119	
		Total Units: 48 UC: 0 BR: 2 Target Population: Family Rent Special: None Notes: Tax Credit	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: 30 HH


25	Soundview Townhomes 827 41st St, Newport News, VA 23607		Contact: Josh Phone: (757) 794-2596	
		Total Units: 250 UC: 0 BR: 1, 2, 3, 4 Target Population: Family Rent Special: None Notes: Tax Credit	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: 8 HH

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


<p>26</p> 	<p><b>Stuart Gardens I</b> 1326-C Garden Dr., Newport News, VA 23607</p> <p>Total Units: 250 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1942 BR: 1, 2, 3 Vacant Units: 0 Waitlist: Shared; 24 mos AR Year: Target Population: Family Yr Renovated: 1980 Rent Special: None Notes: HUD Section 8</p>	<p>Contact: Tonya Phone: (757) 245-5266</p>
<p>27</p> 	<p><b>Stuart Gardens II</b> 1326-C Garden Dr., Newport News, VA 23607</p> <p>Total Units: 239 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1942 BR: 1, 2, 3 Vacant Units: 0 Waitlist: Shared; 24 mos AR Year: Target Population: Family Yr Renovated: 1980 Rent Special: None Notes: HUD Section 8; Ten higher rent 1-br units are handicap accessible</p>	<p>Contact: Tonya Phone: (757) 245-5266</p>
<p>28</p> 	<p><b>Tidewater Senior Apartment Living</b> 1446 W. Queen St., Hampton, VA 23669</p> <p>Total Units: 140 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 2002 BR: 2 Vacant Units: 0 Waitlist: 30 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit</p>	<p>Contact: Janice Phone: (757) 265-1472</p>
<p>29</p> 	<p><b>Walker Place Apts.</b> 208 23rd St, Newport News, VA 23607</p> <p>Total Units: 31 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 1900 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: 2021 Target Population: Family Yr Renovated: Rent Special: None Notes: Preleasing 09/2021</p>	<p>Contact: Victor Phone:</p>
<p>30</p> 	<p><b>Waterford Pointe</b> 105 E. Lakeshore Dr., Hampton, VA 23666</p> <p>Total Units: 120 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 1993 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 200 HH AR Year: Target Population: Family Yr Renovated: 2014 Rent Special: None Notes: Tax Credit</p>	<p>Contact: Seneca Phone: (757) 827-7900</p>

<p>✓ Comparable Property</p> <p>◆ Senior Restricted</p> <p>■ (MRR) Market-Rate</p> <p>■ (MRT) Market-Rate &amp; Tax Credit</p> <p>■ (MRG) Market-Rate &amp; Government-Subsidized</p> <p>■ (MIN) Market-Rate &amp; Income-Restricted (not LIHTC)</p>	<p>■ (MIG) Market-Rate, Income-Restricted (not LIHTC) &amp; Govt-Subsidized</p> <p>■ (TAX) Tax Credit</p> <p>■ (TGS) Tax Credit &amp; Government-Subsidized</p> <p>■ (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)</p> <p>■ (TIN) Tax Credit &amp; Income-Restricted (not LIHTC)</p> <p>■ (TMG) Tax Credit, Market-Rate &amp; Government-Subsidized</p>	<p>■ (TIG) Tax Credit, Income-Restricted (not LIHTC) &amp; Govt-Subsidized</p> <p>■ (INR) Income-Restricted (not LIHTC)</p> <p>■ (ING) Income-Restricted (not LIHTC) &amp; Government-Subsidized</p> <p>■ (GSS) Government-Subsidized</p> <p>■ (ALL) Tax Credit, Market-Rate, Govt-Subsidized &amp; Income-Restricted</p>
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31	<b>Westover Station Apts.</b> 805 Roam Ct, Newport News, VA 23605	Contact: Asha Phone: (757) 251-2587
	Total Units: 108    UC: 0    Occupancy: 100.0%    Stories: 3    Year Built: 1991 BR: 1, 2    Vacant Units: 0    Waitlist: 4 HH    AR Year: Target Population: Family    Yr Renovated: Rent Special: None Notes: Tax Credit	



32	<b>Whittaker Place Apts.</b> 1003 28th St., Newport News, VA 23607	Contact: Jasmine Phone: (757) 782-2766
	Total Units: 67    UC: 0    Occupancy: 100.0%    Stories: 2,3,4    w/Elevator    Year Built: 1915 BR: 0, 1, 2    Vacant Units: 0    Waitlist: 20 HH    AR Year: 2019 Target Population: Family    Yr Renovated: Rent Special: None Notes: Tax Credit (59 units); PBV/PBRA & Tax Credit (8 units); Preleasing & opened 10/2019	

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

Source: Newport News Redevelopment and Housing Authority  
 Effective: 10/2021

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	40	46	52	54	67	78	43	50	55	58	72	84
	+Base Charge	17	17	17	17	17	17	17	17	17	17	17	17
	Bottled Gas	77	87	100	110	129	150	83	94	107	118	139	161
	Electric	30	35	48	57	77	93	32	38	52	61	83	100
	Heat Pump	23	26	36	42	58	70	24	28	39	46	62	75
	Oil	45	54	95	115	139	167	48	58	102	124	150	180
Cooking	Natural Gas	3	3	3	4	4	4	3	3	3	4	4	4
	Bottled Gas	6	7	8	9	10	10	6	7	8	9	10	10
	Electric	4	5	5	6	7	8	4	5	5	6	7	8
Other Electric	15	20	23	28	33	37	15	20	23	28	33	37	
+Base Charge	7	7	7	7	7	7	7	7	7	7	7	7	
Air Conditioning	5	6	7	9	11	12	5	7	8	10	11	13	
Water Heating	Natural Gas	14	17	21	28	35	42	14	17	21	28	35	42
	Bottled Gas	32	40	49	66	83	99	32	40	49	66	83	99
	Electric	21	26	32	42	53	64	21	26	32	42	53	64
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Water	19	20	26	33	39	44	19	20	26	33	39	44	
Sewer	24	25	36	49	58	68	24	25	36	49	58	68	
Trash Collection	29	29	29	29	29	29	29	29	29	29	29	29	
Internet*	20	20	20	20	20	20	20	20	20	20	20	20	
Cable*	20	20	20	20	20	20	20	20	20	20	20	20	
Alarm Monitoring*	0	0	0	0	0	0	0	0	0	0	0	0	

\* Estimated- not from source

## **XIII. Qualifications**

### **The Company**

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

### **Company Leadership**

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

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

### **Market Analysts**

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

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

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

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

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

**Tanja Hairston**, Market Analyst, has extensive property management experience in both the Midwest and northeastern United States. She has assisted low-income, veterans and homeless persons in securing affordable and permanent housing, administered HUD recertifications and reviewed Housing Choice Voucher applications. In addition, she has cultivated relationships with realtors, property managers and brokers. Ms. Hairston holds a Bachelor of Arts degree in Sociology from South Carolina State University.

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



**Andrew Lundell**, Market Analyst, has an experienced background in customer service and financial analysis. He has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Mr. Lundell has a Bachelor of Arts in Criminal Justice from Ohio University.

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

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

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

### **Research Staff**

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

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

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

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

## Addendum A – Member Certification & Checklist

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

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

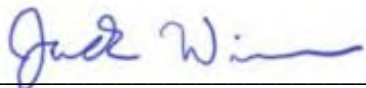


Patrick M. Bowen

President

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Date: February 14, 2023



Jack Wiseman (Primary Contact)

Market Analyst

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Date: February 14, 2023

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

## ADDENDUM-MARKET STUDY INDEX

### A. INTRODUCTION

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

### B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

### C. CHECKLIST

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

## CHECKLIST (Continued)

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

**CHECKLIST (Continued)**

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