



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

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

Prepared For

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

Authorized User

Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220

Effective Date

October 12, 2022

Job Reference Number

22-515 JP

Intended Users of Market Study

Community Housing Partners Corporation

448 Depot Street NE
Christiansburg, VA 24073

Holly Court Senior Apartments, LLC

4915 Radford Avenue, Suite 300
Richmond, VA 23230

CHP Holly Court Senior Apartments, LLC

4915 Radford Avenue, Suite 300
Richmond, VA 23230

VCDC Equity Fund 26, LLC

1840 West Broad Street, Suite 200
Richmond, VA 23220

VAHM, L.L.C.

1840 West Broad Street, Suite 200
Richmond, VA 23220

Atlantic Union Bank

105 Arbor Drive
Christiansburg, VA 24073

Virginia Housing Development Authority

601 Belvidere Street
Richmond, VA 23220

DHCD

600 East Main Street, #300
Richmond, VA 23210

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 subject site in Kilmarnock, Virginia. Further, the information contained in this report is true and accurate as of October 12, 2022.


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:



Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: October 12, 2022



Sidney McCrary

Market Analyst

sidneym@bowernational.com

Date: October 12, 2022



Patrick M. Bowen

President/Market Analyst

Bowen National Research

155 E. Columbus St., Suite 220

Pickerington, OH 43147

(614) 833-9300

patrickb@bowernational.com

Date: October 12, 2022

Certificate of Membership

Bowen National Research
Is a Member Firm in Good Standing of



Formerly known as
NCAHMA

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

Designation Maintained By
Patrick Bowen

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

Table of Contents

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

I. Introduction

A. PURPOSE

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

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

C. SOURCES

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

- The 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.

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

II. Executive Summary

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

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

Project Description

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

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

Site Evaluation

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

Primary Market Area (PMA)

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Kilmarnock Site PMA includes Kilmarnock, Irvington, and White Stone, as well as outlying portions of unincorporated areas of Lancaster County and Northumberland County in Virginia. The boundaries of the Site PMA generally include Monaskon Road, White Chapel Road, Courthouse Road and Davis Mill Road to the north; Chesapeake Bay to the east; Chesapeake Bay to the south; and Chesapeake Bay to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in *Section IV*, beginning on page *IV-18*.

Demographic Trends

Both the population and household bases within the Kilmarnock Site PMA are projected to experience slight declines between 2022 and 2027. Despite these declines, senior households age 75 and older are projected to increase by 191 (13.9%) during the same time frame. In addition, senior renters age 62 and older earning less than \$35,000 (generally the incomes targeted at the site) are projected to comprise 42.5% of all senior renters in 2027. Based on the preceding analysis, a sufficient base of senior households will continue to exist in this rural market to support the subject project. Detailed demographic trends are included in *Section IV*, beginning on page *IV-10*.

Economic Trends

Based on data provided by the U.S. Department of Labor, the area was negatively impacted by the COVID-19 pandemic, which caused many local businesses to shut down in an attempt to mitigate the spread of the coronavirus. In 2020, the Lancaster County employment base declined by 266 jobs, or 5.1%, and its unemployment rate increased by more than three percentage points. Specifically, between March and April 2020, the *monthly* unemployment rate within the county increased by nearly six percentage points; however, the county's *monthly* unemployment rate has been trending downward since and was 3.1% in August of 2022. In addition, the employment base has increased by 8.2% thus far in 2022 (through August) and has regained all of the jobs lost during the peak of the pandemic. These are good indications that the local economy is recovering well from the impact of the pandemic. This, in turn, will continue to create a stable environment for the local housing market. Detailed economic trends are included in *Section IV*, beginning on page *IV-20*.

Overall Rental Housing Market Conditions

Due to the rural nature of the Site PMA, we identified and personally surveyed just five conventional housing projects containing a total of 154 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 100.0%, an excellent rate for rental housing. The surveyed rental developments within the market broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	28	0	100.0%
Tax Credit/Government-Subsidized	2	44	0	100.0%
Government-Subsidized	2	82	0	100.0%
Total	5	154	0	100.0%

As the preceding illustrates, we identified and surveyed just five rental housing projects in the rural Site PMA, most of which offer affordable units. The renovations to the subject site will preserve an affordable rental housing product that is in high demand, all properties offering affordable units are 100.0% occupied, most of which maintain a waiting list.

Competitive/Comparable Tax Credit Analysis

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

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

Map I.D.	Project Name	Quality Rating	Nbhd. Rating	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Holly Court	B+	B	1996 / 2009 & 2023	40	100.0%	-	1 Year	Seniors 62+; 50% AMHI & Section 202
901	Auburn Pointe Apts.	C+	B-	1976 / 1997	275	100.0%	51.0 Miles	10 HH	Families; 50% & 60% AMHI
902	Checed Warwick Senior Apts.	B+	B	2005	48	100.0%	50.7 Miles	100 HH	Seniors 55+; 40%, 50%, & 60% AMHI
905	King's Ridge Apts.	B-	B	1996	182	99.5%	49.0 Miles	1 & 3-Br: 2 HH	Families; 60% AMHI
906	Lexington Commons Apts.	B+	B	1996	132	100.0%	51.7 Miles	1-Br: 6-12 Months	Seniors 55+; 60% AMHI

900 Map IDs are located outside the Site PMA

Occ. – Occupancy

Nbhd. – Neighborhood

HH - Households

The four comparable LIHTC projects have a combined occupancy rate of 99.8%, a strong rate for affordable housing. In fact, three of these projects are fully occupied and all four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the region. The subject project will continue to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Holly Court	*\$647/50% (40)	-	-	-
901	Auburn Pointe Apts.	\$886/50% (10/0) \$908/60% (56/0)	\$1,157/60% (177/0)	\$1,382/60% (32/0)	None
902	Checed Warwick Senior Apts.	\$608/40% (3/0) \$738/50% (15/0)	\$712/40% (2/0) \$847/50% (20/0) \$907/60% (8/0)	-	None
905	King's Ridge Apts.	\$1,066/60% (32/0)	\$1,281/60% (94/1)	\$1,490/60% (56/0)	None
906	Lexington Commons Apts.	\$1,027/60% (32/0)	\$1,303/60% (100/0)	-	None

900 Map IDs are located outside the Site PMA

*Five units with rents restricted to 40% AMHI

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

Competitive/Comparable Tax Credit Analysis

The four comparable LIHTC projects have a combined occupancy rate of 99.8%, a strong rate for affordable housing. In fact, three of these projects are fully occupied and all four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the region. The subject project will continue to accommodate a portion of this unmet demand.

The proposed subject gross rent will generally be the lowest when compared to the LIHTC rents targeting similar income levels within the region. Regardless, the subject project will continue to operate with a subsidy, allowing tenants of the project to pay only a portion of their income towards rent and not the gross rent detailed throughout this report. Although offering the smallest unit sizes and an inferior amenities package, the subject property is expected to be marketable, which is further evidenced by the subject's current 100.0% occupancy rate and waiting list. Based on the preceding factors, the subject project is considered very marketable as proposed, especially when considering the inclusion of a subsidy.

Perception of Value

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

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$537	\$995	46.0%

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 Tax Credit rent, which represents a market rent advantage of 46.0%, is considered appropriate and should represent a significant value within the Kilmarnock market. It is also important to reiterate that the subject project will operate with a project-based subsidy available to all units. Thus, the units at the property will represent an even greater value than that reflected by the market rent advantage in the preceding table, as tenants will pay only 30% of their income towards rent, rather than the proposed rent evaluated throughout this report.

Capture Rate Estimates

The following is a summary of our demand calculations:

Demand Component	Overall LIHTC with Subsidy	Overall LIHTC Only
Net Demand	130	46
Proposed Units	40	40
Proposed Units / Net Demand	40 / 130	40 / 46
Capture Rate	= 30.8%	= 87.0%

Overall, the capture rate of 30.8% when considering the retention of a subsidy is considered achievable in this rural market. In the unlikely event the project-based subsidy was not secured, and the property had to operate *exclusively* under the LIHTC program, the subject project's capture rate is 87.0%, which is considered high, although it is expected that this is an achievable capture rate based on the lack of non-subsidized age-restricted LIHTC product in this market. However, it must be noted that due to this higher capture rate, the project would likely experience a slower than typical absorption in this unlikely non-subsidized scenario.

Regardless, given the subject project is fully occupied and most (if not all) tenants are expected to remain at the project following renovations, the subject project has an effective capture rate of 0.0%.

Penetration Rate

As stated throughout this report, there are non-subsidized LIHTC units within the Site PMA. The income-eligible range for the planned Tax Credit units is \$19,410 to \$32,200. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, the penetration rate is summarized in the following table.

	Market Penetration
Number of LIHTC Units (Proposed and Existing)	40
Income-Eligible Households – 2023	/ 115
Overall Market Penetration Rate	= 34.8%

It is our opinion that the 34.8% penetration rate for the LIHTC units at the site is considered acceptable in this rural market.

Absorption Projections

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

Subsidized

Assuming the subject project retains its subsidy on all units but is entirely vacated, we estimate that the 40 subject units can achieve a stabilized occupancy of 93% within three to four months of re-opening. This is based on a monthly absorption rate of approximately 10 units per month.

Tax Credit

Assuming the subject project operated exclusively under the LIHTC program and was completely vacated, it is likely that the subject project would reach a stabilized occupancy within seven months, reflective of an absorption rate of five units per month. Note that this slower than typical absorption rate in this unlikely scenario is primarily due to the high capture rate assuming the project operates strictly as a LIHTC property.

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

III. Project Description

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

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

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

Proposed Unit Configuration										
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Contract Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
35	One-Br.	1.0	Garden	529	*50%/S202	\$511	\$537	\$110	\$647	\$754
40	Total									

Source: Community Housing Partners

AMHI – Area Median Household Income (Lancaster County, VA; 2022)

S202 – Section 202

*Five units with rent restricted to 40% of AMHI

The maximum allowable LIHTC gross rent of \$754 is the programmatic limit for units targeting households earning up to 50% of AMHI. However, this limit would only apply in the unlikely scenario that the property ceased to operate with a project-based subsidy.

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

Construction Timeline	
Original Year Built:	1996 (renovated 2009)
Renovation Start:	December 2022
Begin Preleasing:	In-place renovation
Renovation End:	December 2023

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

Community Amenities		
• Laundry Room	• On-Site Management	• Clubhouse/Community Room
• Community Kitchen	• CCTV/Cameras	• Gazebo/Pavilion
• Grilling Area	• Social/Supportive Services	• Surface Parking Lot (55 Spaces)

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

Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
40	0	100.0%	1 Year

PLANNED RENOVATION:

The subject property is expected to include the following renovations. Note that this is not an exhaustive summary of renovations.

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



FLOOR AND SITE PLAN REVIEW:

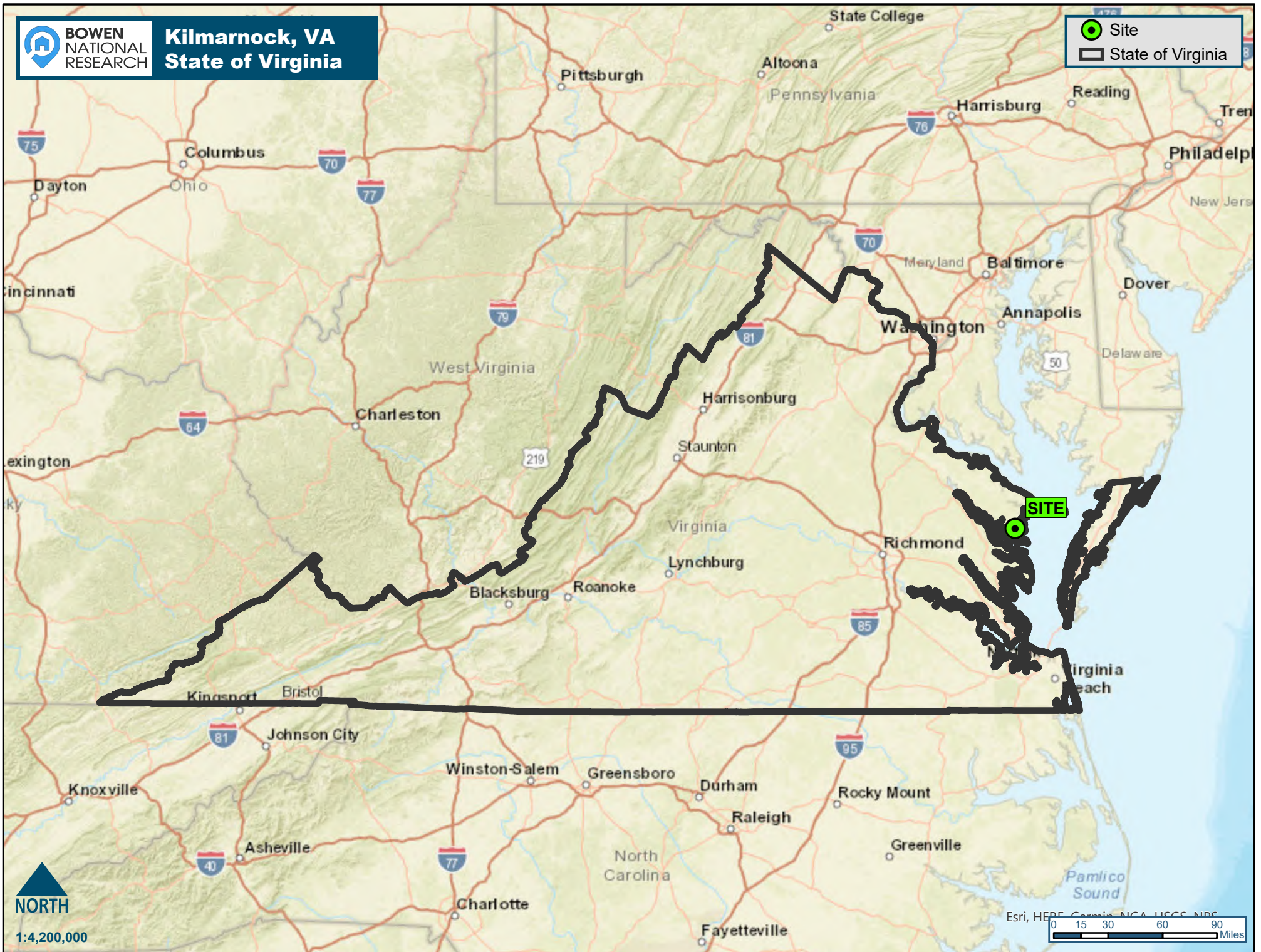
Floor and site plans were not provided for the subject project for review at the time this report was prepared. However, we conducted an on-site visit and evaluation of unit interiors of select units, the exterior of the subject building and property grounds. Based on our evaluation, the subject floor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

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



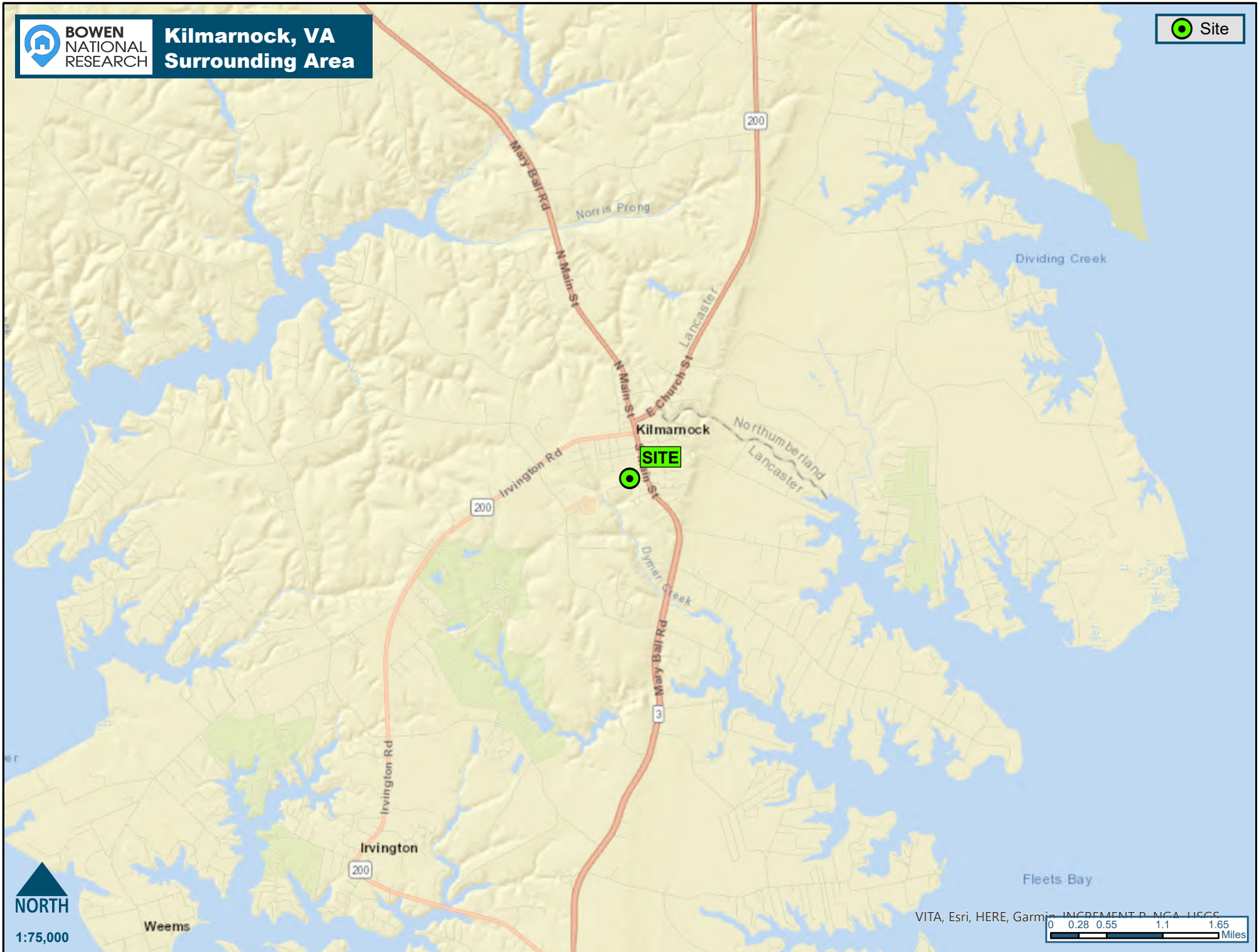
Kilmarnock, VA State of Virginia

 Site
 State of Virginia





Kilmarnock, VA Surrounding Area



1:75,000

Weems

Irvington

SITE

Kilmarnock

Fleets Bay

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



Kilmarnock, VA
Site Neighborhood

Legend
Site Area



1:3,000



IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is the existing Holly Court rental property located at 201 Wiggins Avenue in the south-central portion of Kilmarnock, Virginia. Located within Lancaster County, the subject site is approximately 55.0 miles northeast of Williamsburg, Virginia and approximately 71.0 miles east of Richmond, Virginia. Sidney McCrary, an employee of Bowen National Research, inspected the site on October 12, 2022.

2. SURROUNDING LAND USES

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

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

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

3. VISIBILITY AND ACCESS

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

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

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (miles)
Major Highways	State Route 3 (South Main Street)	0.2 East
	State Route 200 (Irvington Road)	0.5 North
Public Bus Stop	Bay Transit	0.7 North
Major Employers/ Employment Centers	Rappahannock General Hospital	2.0 West
	Walmart Supercenter	2.1 North
Convenience Store	Marathon	0.1 East
	Exxon/Little Sue Food Center	0.7 North
	BP/Fast Mart	1.4 North
	Star Express	1.8 North
Grocery	Tri-Star Supermarket	0.7 North
	Food Lion	1.4 North
	Walmart Supercenter	2.1 North
Discount Department Store	Dollar Tree	1.9 North
	Walmart Supercenter	2.1 North
	Dollar General	4.7 South
Shopping Center/Mall	Lancaster Square	1.4 North
	The Shoppes at Kilmarnock	2.1 North
Hospital	Rappahannock General Hospital	2.0 West
Police	Kilmarnock Police Department	0.6 North
Fire	Kilmarnock Volunteer Fire Department	0.8 North
Post Office	U.S. Post Office	1.0 North
Bank	Virginia Commonwealth Bank	0.5 North
	Chesapeake Bank	0.8 North
	Atlantic Bank	1.1 North
Senior Center	Lancaster Active Lifestyle Center	0.5 South

(Continued)

Community Services	Name	Driving Distance From Site (miles)
Recreational/Gym Facilities	Northern Neck Family YMCA	1.8 West
	BodyFit	4.5 South
Gas Station	Marathon	0.1 East
	Exxon/Little Sue Food Center	0.7 North
	BP/Fast Mart	1.4 North
	Citigo	1.8 North
Pharmacy	Anchor Pharmacy	0.6 North
	Main Street Pharmacy	1.1 North
	CVS	1.7 North
Restaurant	Lee's Restaurant	0.6 North
	Chao Phraya Thai	0.6 North
	Savannah Joe's	0.6 North
Church	Kilmarnock Seventh Day Adventist	0.2 East
	Grace Episcopal	0.3 North
Library	Lancaster Community Library	0.9 Northeast
Park	Kilmarnock Town Centre Park	0.9 North

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

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

5. OVERALL SITE EVALUATION

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

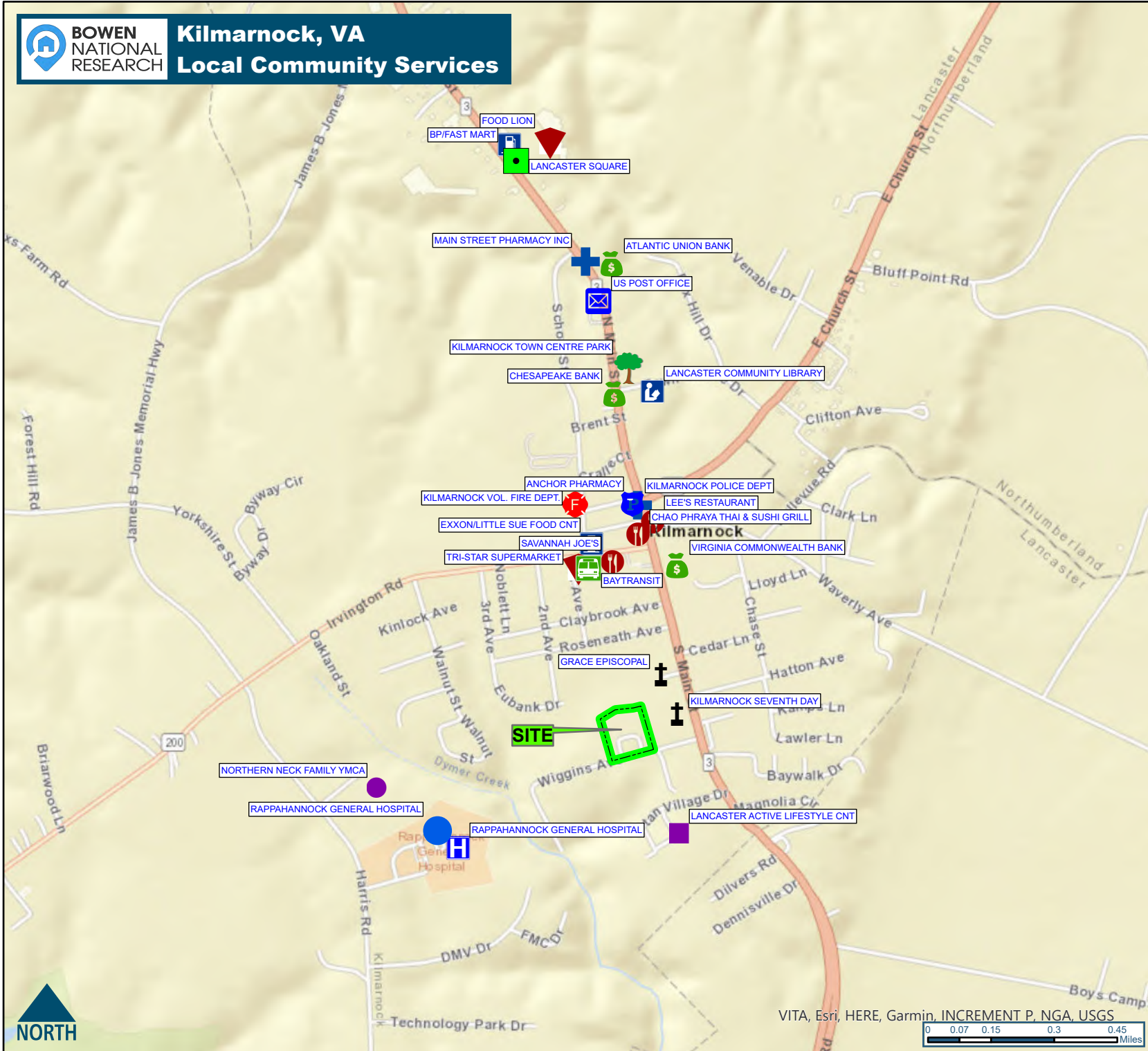
6. CRIME ISSUES

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

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

Considering the map detailing local crime indexes within the area illustrated later in this section, the subject site is located within a portion of the Kilmarnock Site PMA that has a crime index of between 51 and 100. This is at or below the national average of 100, as well as most areas of Kilmarnock. Additionally, all rental communities surveyed within the immediate area are performing at high occupancy levels, illustrating that crime is not a factor in the Kilmarnock rental housing market. As such, the perception of crime within the immediate area is not expected to have a negative impact on the subject's continued marketability.

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



Legend

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



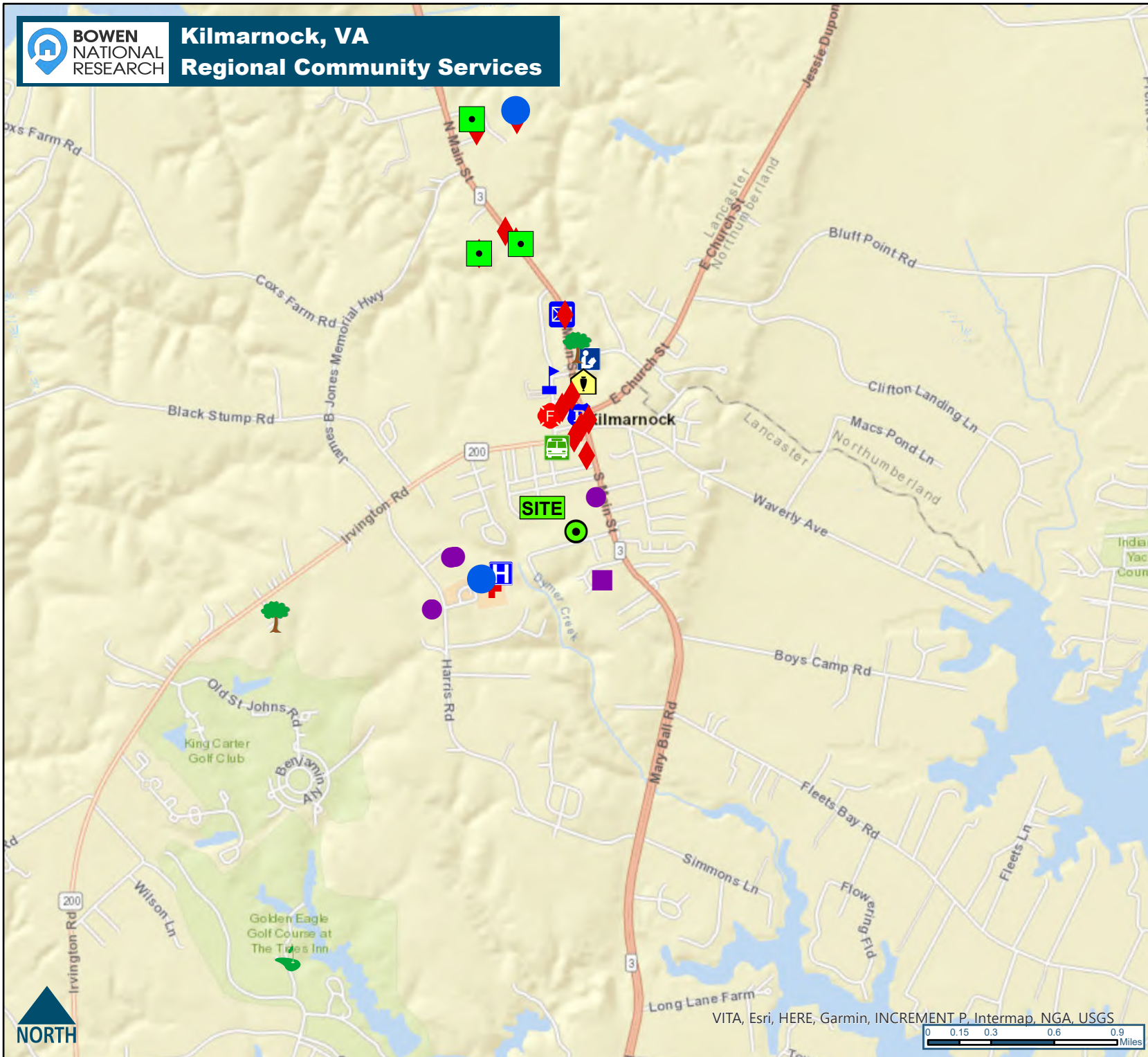
VITA, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



1:20,000



Kilmarnock, VA Regional Community Services



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



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

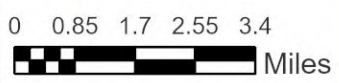
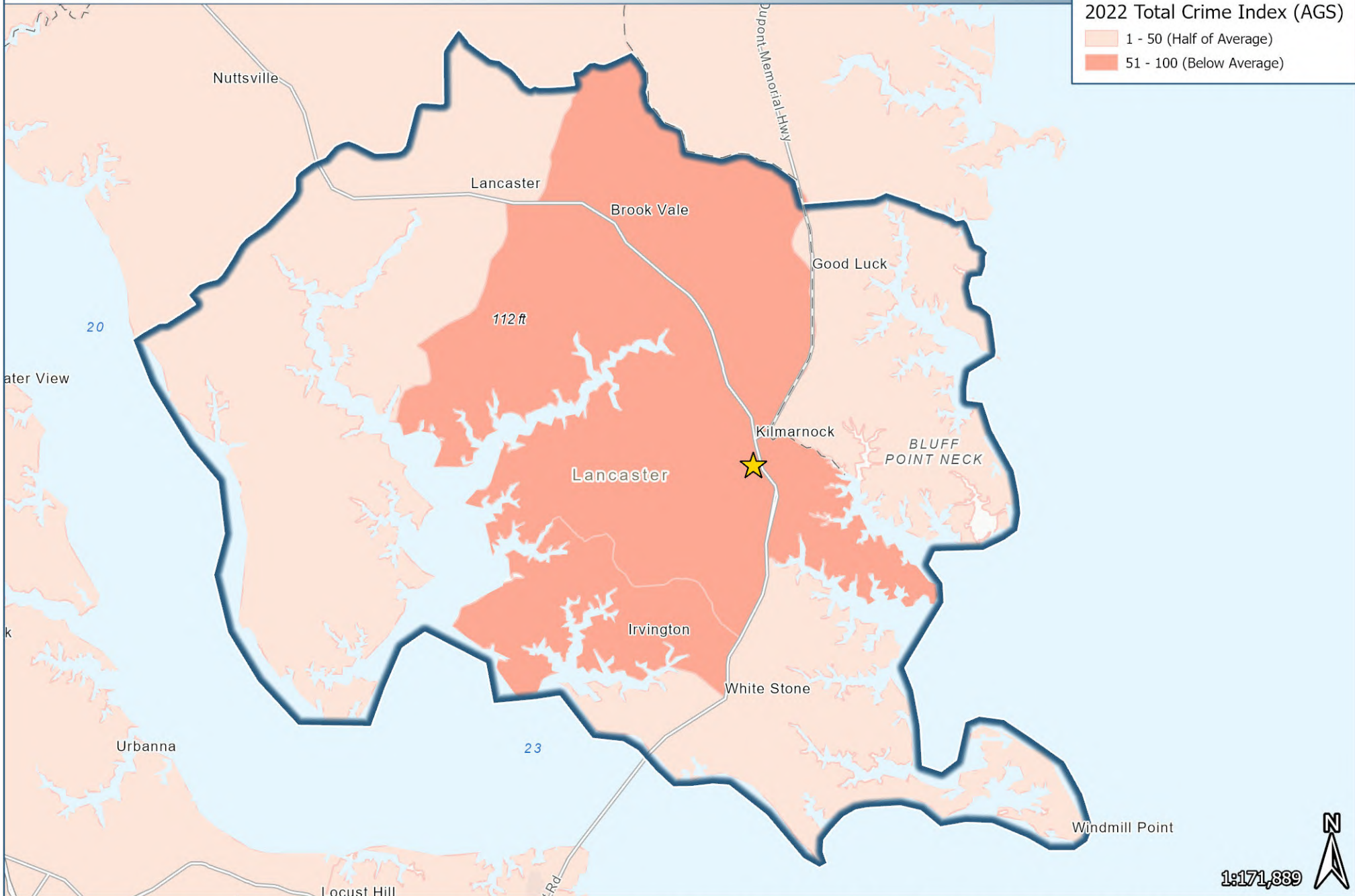


1:40,000

★ Site
— PMA

2022 Total Crime Index (AGS)

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)



This work is licensed under the Esri Master License Agreement. View Summary | View Terms of Use Permitted use of this data is covered in the DATA section of the Esri Master Agreement (E204CW) and these supplemental terms. Important Note: This item requires an ArcGIS Online organizational subscription or an ArcGIS Developer account and consumes credits. To access this item, you'll need to do one of the following: Sign in with an account that is a member of an organizational subscription Sign in with a

B. PRIMARY MARKET AREA DELINEATION

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

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

- Melissa Forsythe, Property Manager at Holly Court Apartments (subject site), a government-subsidized property restricted to seniors, confirmed the Site PMA. Ms. Forsythe stated that the majority of support for the subject project has originated from within the boundaries of the Site PMA. Ms. Forsythe added that most of the tenants that reside at the property have moved from other rental properties located within the immediate area and the property does not receive significant support from areas outside the Site PMA.
- Connie Spence, Community Manager at Indian Creek (Map ID 2), a Tax Credit and government-subsidized property in the Site PMA, stated that many of the property's tenants are from the general Kilmarnock area or from within the immediate surrounding areas of Lancaster County, confirming the boundaries of the Site PMA.

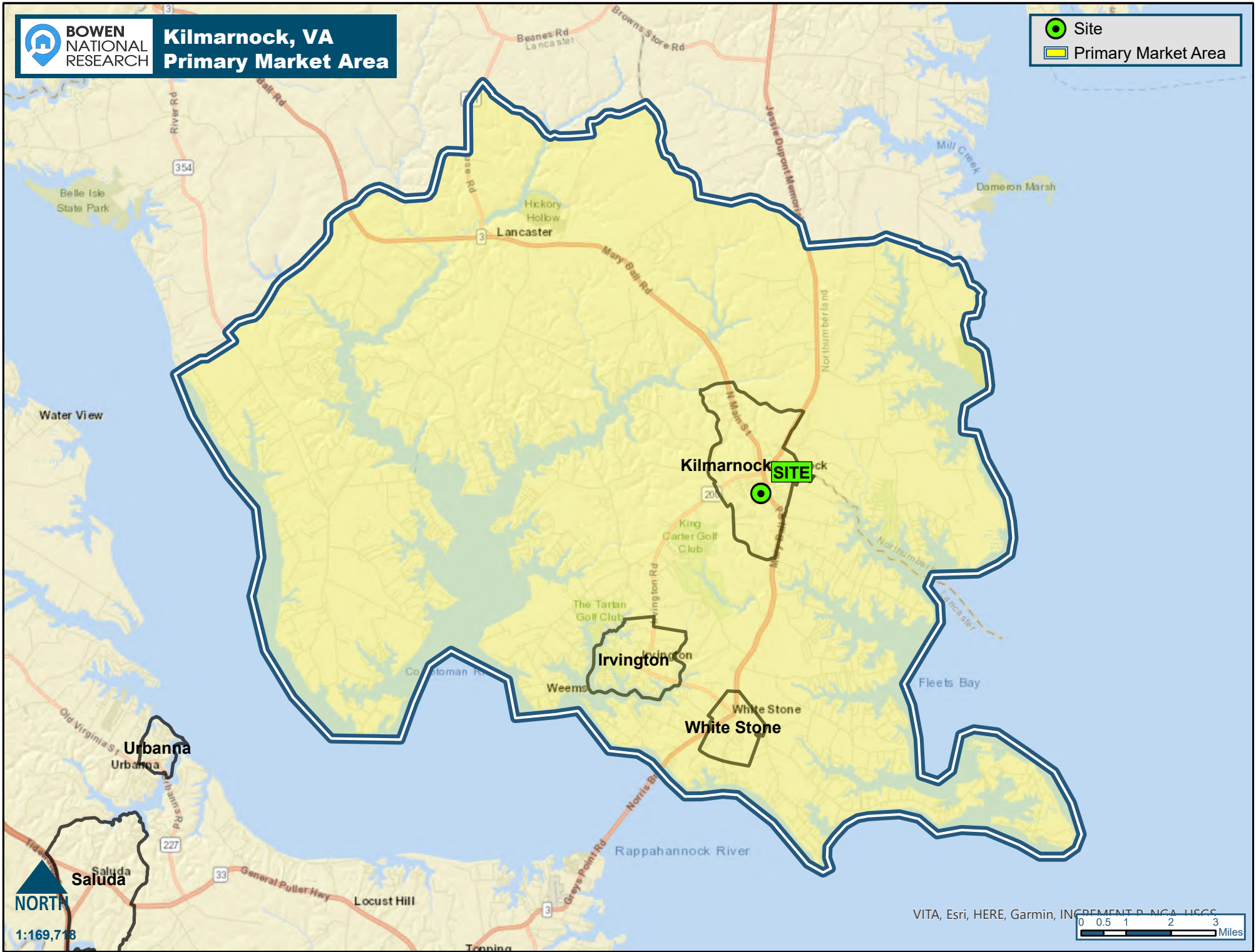
A small portion of support may originate from some of the outlying areas of the Site PMA; we have not, however, considered any secondary market area in this report.

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



Kilmarnock, VA Primary Market Area

 Site
 Primary Market Area



C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION 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%.

The Site PMA population bases for 2010, 2020, 2022 (estimated), and 2027 (projected) are summarized as follows:

	Year			
	2010 (Census)	2020 (Census)	2022 (Estimated)	2027 (Projected)
Population	11,042	10,531	10,360	10,241
Population Change	-	-511	-171	-119
Percent Change	-	-4.6%	-1.6%	-1.1%

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

The Kilmarnock Site PMA population base declined by 511 between 2010 and 2020. This represents a 4.6% decline over the 2010 population, or an annual rate of 1.3%. Between 2020 and 2022, the population declined by 171, or 1.6%. It is projected that the population will decrease by 119, or 1.1%, between 2022 and 2027.

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

Population by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	1,901	17.2%	1,502	14.5%	1,458	14.2%	-44	-2.9%
20 to 24	406	3.7%	321	3.1%	284	2.8%	-37	-11.5%
25 to 34	735	6.7%	783	7.6%	671	6.6%	-112	-14.3%
35 to 44	889	8.1%	776	7.5%	852	8.3%	76	9.8%
45 to 54	1,536	13.9%	1,031	10.0%	980	9.6%	-51	-4.9%
55 to 64	1,960	17.8%	1,737	16.8%	1,484	14.5%	-253	-14.6%
65 to 74	1,814	16.4%	2,167	20.9%	2,167	21.2%	0	0.0%
75 & Older	1,801	16.3%	2,041	19.7%	2,343	22.9%	302	14.8%
Total	11,042	100.0%	10,360	100.0%	10,241	100.0%	-119	-1.1%

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, more than 57.0% of the population is expected to be age 55 and older in 2022. This age group is the primary group of continued and potential support for the subject site and likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

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

	Year			
	2010 (Census)	2020 (Census)	2022 (Estimated)	2027 (Projected)
Households	5,172	5,117	5,049	5,023
Household Change	-	-55	-68	-26
Percent Change	-	-1.1%	-1.3%	-0.5%
Average Household Size	2.2	2.1	2.01	1.99

Source: Bowen National Research, ESRI, Census

Within the Kilmarnock Site PMA, households decreased by 55 (1.1%) between 2010 and 2020. Between 2020 and 2022, households decreased by 68 or 1.3%. By 2027, there will be 5,023 households, a decrease of 26 households, or 0.5% under 2022 levels. This is a decrease of approximately nine (9) households annually over the next five years. These trends are indicative of a generally stable demographic base.

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

Households by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	98	1.9%	71	1.4%	63	1.3%	-8	-11.3%
25 to 34	319	6.2%	330	6.5%	286	5.7%	-44	-13.3%
35 to 44	483	9.3%	416	8.2%	451	9.0%	35	8.4%
45 to 54	830	16.0%	552	10.9%	522	10.4%	-30	-5.4%
55 to 64	1,104	21.3%	974	19.3%	821	16.3%	-153	-15.7%
65 to 74	1,121	21.7%	1,328	26.3%	1,313	26.1%	-15	-1.1%
75 & Older	1,217	23.5%	1,378	27.3%	1,569	31.2%	191	13.9%
Total	5,172	100.0%	5,049	100.0%	5,023	100.0%	-26	-0.5%

Source: Bowen National Research, ESRI, Census

Between 2022 and 2027, the greatest growth among household age groups is projected to be among those ages 75 and over, increasing by 191 (13.9%). This projected growth among senior households indicates that there will be an increasing need for housing for seniors in the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	4,061	78.5%	3,957	78.4%	3,968	79.0%
Renter-Occupied	1,111	21.5%	1,092	21.6%	1,055	21.0%
Total	5,172	100.0%	5,049	100.0%	5,023	100.0%

Source: Bowen National Research, ESRI, Census

In 2022, homeowners occupied 78.4% of all occupied housing units, while the remaining 21.6% were occupied by renters.

Households by tenure for those age 55 and older in 2022 (estimated) and 2027 (projected) are distributed as follows:

Tenure (55+)	2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent
Owner-Occupied	3,035	82.5%	3,029	81.8%
Renter-Occupied	645	17.5%	674	18.2%
Total	3,680	100.0%	3,703	100.0%

Source: Bowen National Research, ESRI, Census

A total of 645 (17.5%) of all households age 55 and older within the Site PMA were renters in 2022. Senior renters are projected to increase by 29, or 4.5%, between 2022 and 2027.

Households by tenure for those age 62 and older in 2022 (estimated) and 2027 (projected) are distributed as follows:

Tenure (62+)	2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent
Owner-Occupied	2,264	81.4%	2,259	80.7%
Renter-Occupied	516	18.6%	539	19.3%
Total	2,780	100.0%	2,798	100.0%

Source: Bowen National Research, ESRI, Census

A total of 516 (18.6%) of all households age 62 and older within the Site PMA were renters in 2022. Senior renters are projected to increase by 23, or 4.5%, between 2022 and 2027.

The household sizes by tenure within the Kilmarnock Site PMA, based on the 2022 estimates and 2027 projections, were distributed as follows:

Persons per Renter Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	486	44.5%	456	43.2%	-30	-6.2%
2 Persons	374	34.2%	407	38.6%	33	8.8%
3 Persons	90	8.2%	65	6.2%	-25	-27.8%
4 Persons	92	8.4%	89	8.4%	-3	-3.3%
5+ Persons	50	4.6%	38	3.6%	-12	-24.0%
Total	1,092	100.0%	1,055	100.0%	-37	-3.4%

Source: Bowen National Research, ESRI, Census

Persons per Owner Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,321	33.4%	1,450	36.5%	129	9.8%
2 Persons	1,924	48.6%	1,886	47.5%	-38	-2.0%
3 Persons	374	9.4%	338	8.5%	-36	-9.6%
4 Persons	234	5.9%	228	5.7%	-6	-2.6%
5+ Persons	104	2.6%	66	1.7%	-38	-36.7%
Total	3,957	100.0%	3,968	100.0%	11	0.3%

Source: Bowen National Research, ESRI, Census

As shown in the preceding table, the majority of renters are comprised of one- and two-person households, which are the targeted household sizes at the site.

The household sizes by tenure for age 55 and older within the Site PMA, based on the 2022 estimates and 2027 projections, were distributed as follows:

Persons per Renter Household 55+	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	317	49.2%	310	46.1%	-7	-2.2%
2 Persons	284	44.0%	329	48.9%	46	16.1%
3+ Persons	44	6.9%	34	5.1%	-10	-22.8%
Total	645	100.0%	674	100.0%	29	4.4%

Source: Bowen National Research, ESRI, Census

Persons per Owner Household 55+	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,058	26.7%	1,146	28.9%	88	8.3%
2 Persons	1,524	38.5%	1,486	37.4%	-38	-2.5%
3+ Persons	453	11.4%	397	10.0%	-56	-12.3%
Total	3,035	100.0%	3,029	100.0%	-6	-0.2%

Source: Bowen National Research, ESRI, Census

The one-bedroom units offered at the subject site are expected to continue to accommodate one- and two-person senior renters, which comprised the majority of all senior renter households in the market, based on size.

The household sizes by tenure for age 62 and older within the Site PMA, based on the 2022 estimates and 2027 projections, were distributed as follows:

Persons per Renter Household 62+	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	259	50.1%	252	46.8%	-6	-2.4%
2 Persons	226	43.8%	262	48.7%	36	16.1%
3 Persons	32	6.1%	24	4.5%	-8	-23.7%
Total	516	100.0%	539	100.0%	23	4.4%

Source: Bowen National Research, ESRI, Census

Persons per Owner Household 62+	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	787	19.9%	856	21.6%	69	8.8%
2 Persons	1,158	29.3%	1,125	28.3%	-33	-2.8%
3 Persons	319	8.1%	279	7.0%	-40	-12.6%
Total	2,264	100.0%	2,259	100.0%	-4	-0.2%

Source: Bowen National Research, ESRI, Census

Similar to the age 55 and older household sizes tables previously illustrated, the one-bedroom units offered at the subject site are expected to continue to accommodate one- and two-person senior renters, which comprised the majority of all senior renter households in the market, based on size.

3. INCOME TRENDS

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

Household Income	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	575	11.1%	411	8.1%	327	6.5%
\$15,000 - \$24,999	615	11.9%	556	11.0%	476	9.5%
\$25,000 - \$34,999	738	14.3%	355	7.0%	382	7.6%
\$35,000 - \$49,999	862	16.7%	723	14.3%	735	14.6%
\$50,000 - \$74,999	1,140	22.0%	601	11.9%	548	10.9%
\$75,000 - \$99,999	475	9.2%	661	13.1%	589	11.7%
\$100,000 - \$149,999	457	8.8%	641	12.7%	667	13.3%
\$150,000 & Higher	309	6.0%	1,101	21.8%	1,300	25.9%
Total	5,172	100.0%	5,049	100.0%	5,023	100.0%
Median Income	\$45,379		\$69,945		\$79,796	

Source: Bowen National Research, ESRI, Census

In 2022, the median household income is estimated to be \$69,945. By 2027, it is projected that the median household income will be \$79,796, an increase of 14.1% over 2022.

The distribution of households (age 55 and older) by income within the Kilmarnock Site PMA is summarized as follows:

Household Income (55+)	2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent
Less Than \$15,000	310	8.4%	251	6.8%
\$15,000 - \$24,999	384	10.4%	338	9.1%
\$25,000 - \$34,999	265	7.2%	286	7.7%
\$35,000 - \$49,999	503	13.7%	517	14.0%
\$50,000 - \$74,999	410	11.2%	378	10.2%
\$75,000 - \$99,999	481	13.1%	435	11.8%
\$100,000 - \$149,999	470	12.8%	492	13.3%
\$150,000 & Higher	857	23.3%	1,006	27.2%
Total	3,680	100.0%	3,703	100.0%
Median Income	\$73,007		\$84,282	

Source: Bowen National Research, ESRI

In 2022, the median household income is estimated to be \$73,007. By 2027, it is projected that the median household income will be \$84,282, an increase of 15.4% over 2022.

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

Household Income (62+)	2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent
Less Than \$15,000	232	8.3%	188	6.7%
\$15,000 - \$24,999	300	10.8%	264	9.4%
\$25,000 - \$34,999	200	7.2%	216	7.7%
\$35,000 - \$49,999	387	13.9%	400	14.3%
\$50,000 - \$74,999	315	11.3%	287	10.3%
\$75,000 - \$99,999	361	13.0%	328	11.7%
\$100,000 - \$149,999	352	12.7%	369	13.2%
\$150,000 & Higher	634	22.8%	747	26.7%
Total	2,780	100.0%	2,798	100.0%
Median Income	\$71,578		\$81,747	

Source: Bowen National Research, ESRI

In 2022, the median household income is estimated to be \$71,578. By 2027, it is projected that the median household income will be \$81,747, an increase of 14.2% over 2022.

The following tables illustrate renter household income for 2020, 2022 (estimated) and 2027 (projected) for the Site PMA:

Renter Households	2020 (ACS)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	105	31	6	14	6	162
\$15,000 - \$24,999	174	50	14	16	18	272
\$25,000 - \$34,999	27	23	4	2	5	62
\$35,000 - \$49,999	90	80	32	22	14	238
\$50,000 - \$74,999	28	39	18	28	5	119
\$75,000 - \$99,999	44	95	22	7	4	171
\$100,000 - \$149,999	12	26	2	2	1	44
\$150,000 & Higher	18	15	2	2	1	38
Total	498	361	100	93	55	1,107

Source: ESRI, Bowen National Research

Renter Households	2022 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	98	30	5	13	5	152
\$15,000 - \$24,999	167	50	12	15	16	260
\$25,000 - \$34,999	28	26	4	2	5	65
\$35,000 - \$49,999	92	86	30	23	13	244
\$50,000 - \$74,999	28	40	16	28	5	117
\$75,000 - \$99,999	42	95	19	7	4	166
\$100,000 - \$149,999	12	28	2	2	1	46
\$150,000 & Higher	19	18	2	2	1	42
Total	486	374	90	92	50	1,092

Source: ESRI, Bowen National Research

Renter Households	2027 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	81	28	3	11	3	126
\$15,000 - \$24,999	149	50	8	13	11	231
\$25,000 - \$34,999	31	33	3	2	4	73
\$35,000 - \$49,999	97	102	24	25	11	258
\$50,000 - \$74,999	27	42	11	27	4	111
\$75,000 - \$99,999	37	95	12	6	3	154
\$100,000 - \$149,999	12	33	2	2	1	50
\$150,000 & Higher	22	25	2	2	1	52
Total	456	407	65	89	38	1,055

Source: ESRI, Bowen National Research

The following tables illustrate renter household income for ages 55 and older in 2020, 2022 (estimated) and 2027 (projected) for the Site PMA:

Renter Households (55+)	2020 (ACS)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	90	14	3	107
\$15,000 - \$24,999	120	31	6	158
\$25,000 - \$34,999	15	17	2	34
\$35,000 - \$49,999	42	57	18	118
\$50,000 - \$74,999	17	29	8	53
\$75,000 - \$99,999	19	84	10	113
\$100,000 - \$149,999	5	23	1	29
\$150,000 & Higher	12	10	1	22
Total	320	266	48	634

Source: 2020 Census, ESRI, Bowen National Research

Renter Households (55+)	2022 (Estimated)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	85	14	2	102
\$15,000 - \$24,999	118	32	5	155
\$25,000 - \$34,999	16	20	2	38
\$35,000 - \$49,999	44	64	17	125
\$50,000 - \$74,999	17	30	7	54
\$75,000 - \$99,999	19	86	9	113
\$100,000 - \$149,999	5	25	1	32
\$150,000 & Higher	13	12	1	26
Total	317	284	44	645

Source: 2020 Census, ESRI, Bowen National Research

Renter Households (55+)	2027 (Projected)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	75	14	1	90
\$15,000 - \$24,999	111	34	4	149
\$25,000 - \$34,999	19	27	1	47
\$35,000 - \$49,999	49	80	15	144
\$50,000 - \$74,999	17	34	5	56
\$75,000 - \$99,999	18	91	6	114
\$100,000 - \$149,999	6	31	1	38
\$150,000 & Higher	16	18	1	35
Total	310	329	34	674

Source: 2020 Census, ESRI, Bowen National Research

The following tables illustrate owner household income by household size for age 55 and older for 2020, 2022 (estimated) and 2027 (projected) for the Site PMA:

Owner Households (55+)	2020 (ACS)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	278	43	13	334
\$15,000 - \$24,999	286	101	16	403
\$25,000 - \$34,999	130	104	22	256
\$35,000 - \$49,999	192	254	51	497
\$50,000 - \$74,999	97	209	118	424
\$75,000 - \$99,999	114	291	94	499
\$100,000 - \$149,999	71	274	116	461
\$150,000 & Higher	175	528	95	797
Total	1,343	1,805	523	3,671

Source: 2020 Census, ESRI, Bowen National Research

Owner Households (55+)	2022 (Estimated)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	175	25	9	208
\$15,000 - \$24,999	158	62	9	229
\$25,000 - \$34,999	123	85	19	226
\$35,000 - \$49,999	158	190	30	378
\$50,000 - \$74,999	83	172	101	356
\$75,000 - \$99,999	96	195	76	368
\$100,000 - \$149,999	73	252	113	438
\$150,000 & Higher	192	543	95	831
Total	1,058	1,524	453	3,035

Source: 2020 Census, ESRI, Bowen National Research

Owner Households (55+)	2027 (Projected)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	140	16	5	161
\$15,000 - \$24,999	138	44	7	189
\$25,000 - \$34,999	143	80	15	239
\$35,000 - \$49,999	176	171	25	373
\$50,000 - \$74,999	90	150	81	322
\$75,000 - \$99,999	100	164	57	321
\$100,000 - \$149,999	92	254	107	453
\$150,000 & Higher	266	606	99	971
Total	1,146	1,486	397	3,029

Source: 2020 Census, ESRI, Bowen National Research

The following tables illustrate renter household income for ages 62 and older in 2020, 2022 (estimated) and 2027 (projected) for the Site PMA:

Renter Households (62+)	2020 (ACS)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	70	11	2	83
\$15,000 - \$24,999	103	22	5	130
\$25,000 - \$34,999	12	13	2	27
\$35,000 - \$49,999	35	51	11	97
\$50,000 - \$74,999	13	23	6	42
\$75,000 - \$99,999	15	65	8	88
\$100,000 - \$149,999	4	18	1	23
\$150,000 & Higher	9	8	1	18
Total	261	212	35	507

Source: 2020 Census, ESRI, Bowen National Research

Renter Households (62+)	2022 (Estimated)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	66	11	2	80
\$15,000 - \$24,999	101	23	4	128
\$25,000 - \$34,999	13	15	1	30
\$35,000 - \$49,999	36	57	11	104
\$50,000 - \$74,999	13	24	6	42
\$75,000 - \$99,999	15	67	7	88
\$100,000 - \$149,999	4	20	1	25
\$150,000 & Higher	10	10	1	20
Total	259	226	32	516

Source: 2020 Census, ESRI, Bowen National Research

Renter Households (62+)	2027 (Projected)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	58	11	1	70
\$15,000 - \$24,999	95	24	3	122
\$25,000 - \$34,999	15	21	1	37
\$35,000 - \$49,999	40	71	9	121
\$50,000 - \$74,999	13	26	4	44
\$75,000 - \$99,999	14	71	4	89
\$100,000 - \$149,999	4	25	1	30
\$150,000 & Higher	12	14	1	27
Total	252	262	24	539

Source: 2020 Census, ESRI, Bowen National Research

The following tables illustrate owner household income by household size for age 62 and older for 2020, 2022 (estimated) and 2027 (projected) for the Site PMA:

Owner Households (62+)	2020 (ACS)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	207	32	10	250
\$15,000 - \$24,999	226	77	11	314
\$25,000 - \$34,999	96	82	15	193
\$35,000 - \$49,999	146	201	34	381
\$50,000 - \$74,999	65	174	87	326
\$75,000 - \$99,999	87	220	67	375
\$100,000 - \$149,999	54	212	79	345
\$150,000 & Higher	139	385	65	589
Total	1,021	1,382	370	2,772

Source: 2020 Census, ESRI, Bowen National Research

Owner Households (62+)	2022 (Estimated)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	194	30	8	232
\$15,000 - \$24,999	218	72	10	300
\$25,000 - \$34,999	103	82	14	200
\$35,000 - \$49,999	154	201	32	387
\$50,000 - \$74,999	67	167	81	315
\$75,000 - \$99,999	88	212	61	361
\$100,000 - \$149,999	60	215	78	352
\$150,000 & Higher	163	405	66	634
Total	1,046	1,384	350	2,780

Source: 2020 Census, ESRI, Bowen National Research

Owner Households (62+)	2027 (Projected)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	160	23	5	188
\$15,000 - \$24,999	198	59	8	264
\$25,000 - \$34,999	121	84	12	216
\$35,000 - \$49,999	172	201	27	400
\$50,000 - \$74,999	71	152	64	287
\$75,000 - \$99,999	90	193	45	328
\$100,000 - \$149,999	74	221	74	369
\$150,000 & Higher	224	454	69	747
Total	1,108	1,387	303	2,798

Source: 2020 Census, 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 Kilmarnock Site PMA are projected to experience slight declines between 2022 and 2027. Despite these declines, senior households age 75 and older are projected to increase by 191 (13.9%) during the same time frame. In addition, senior renters age 62 and older earning less than \$35,000 (generally the incomes targeted at the site) are projected to comprise 42.5% of all senior renters in 2027. Based on the preceding analysis, a sufficient base of senior households will continue to exist in this rural market to support the subject project.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

The labor force within the Kilmarnock Site PMA is based primarily in three sectors. Health Care & Social Assistance (which comprises 22.8%), Retail Trade, and Accommodation & Food Services comprise over 47.3% of the Site PMA labor force. Employment in the Kilmarnock Site PMA, as of 2022, was distributed as follows:

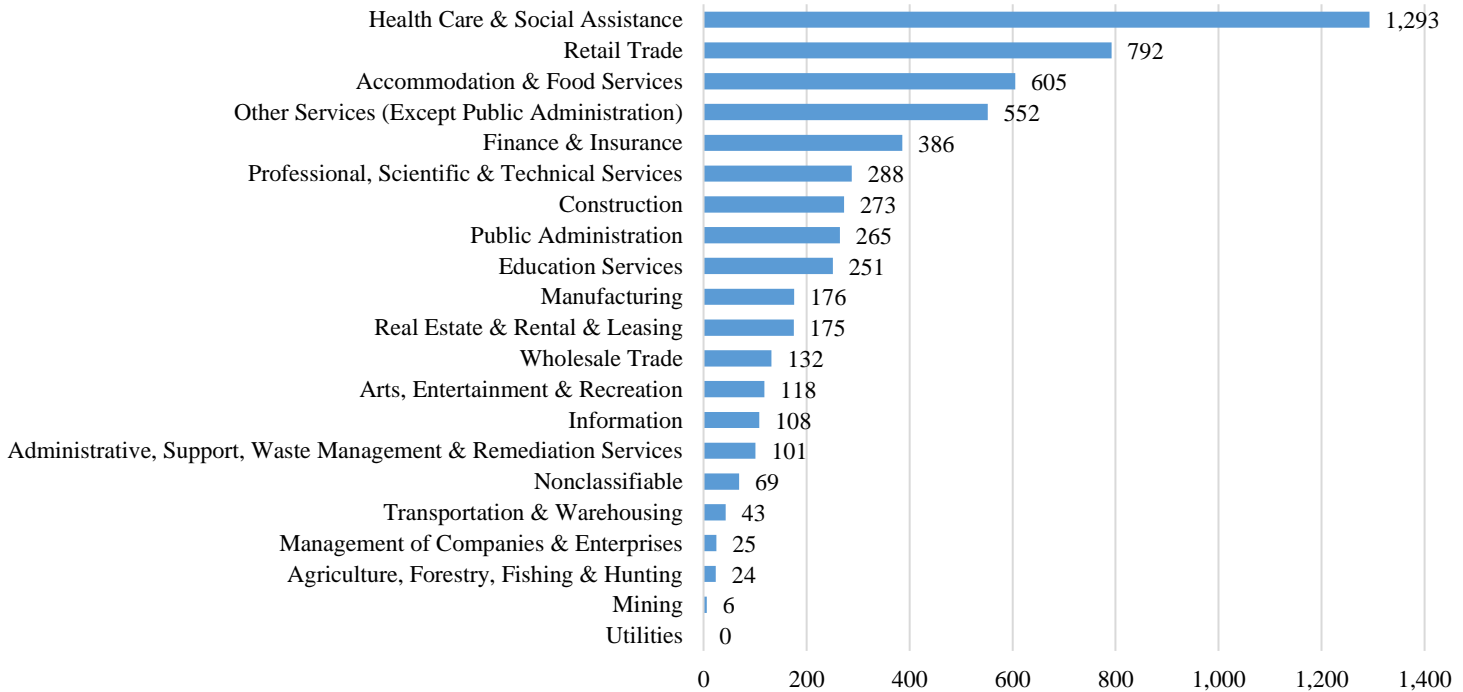
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	5	0.7%	24	0.4%	5
Mining	1	0.1%	6	0.1%	6
Utilities	0	0.0%	0	0.0%	0
Construction	48	7.1%	273	4.8%	6
Manufacturing	25	3.7%	176	3.1%	7
Wholesale Trade	17	2.5%	132	2.3%	8
Retail Trade	127	18.9%	792	13.9%	6
Transportation & Warehousing	9	1.3%	43	0.8%	5
Information	13	1.9%	108	1.9%	8
Finance & Insurance	33	4.9%	386	6.8%	12
Real Estate & Rental & Leasing	37	5.5%	175	3.1%	5
Professional, Scientific & Technical Services	57	8.5%	288	5.1%	5
Management of Companies & Enterprises	1	0.1%	25	0.4%	25
Administrative, Support, Waste Management & Remediation Services	19	2.8%	101	1.8%	5
Education Services	6	0.9%	251	4.4%	42
Health Care & Social Assistance	61	9.1%	1,293	22.8%	21
Arts, Entertainment & Recreation	13	1.9%	118	2.1%	9
Accommodation & Food Services	51	7.6%	605	10.6%	12
Other Services (Except Public Administration)	91	13.5%	552	9.7%	6
Public Administration	31	4.6%	265	4.7%	9
Nonclassifiable	29	4.3%	69	1.2%	2
Total	674	100.0%	5,682	100.0%	8

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 Lancaster County, Virginia are compared with the state of Virginia in the following table:

Typical Wage By Occupation Type		
Occupation Type	Lancaster County	Virginia
Management Occupations	\$67,143	\$82,810
Business And Financial Occupations	\$46,607	\$75,304
Computer And Mathematical Occupations	\$106,042	\$96,987
Architecture And Engineering Occupations	\$49,286	\$88,024
Community And Social Service Occupations	\$51,500	\$45,264
Art, Design, Entertainment, Sports, and Media Occupations	\$66,875	\$48,060
Healthcare Practitioners And Technical Occupations	\$71,326	\$58,457
Healthcare Support Occupations	\$27,120	\$24,349
Protective Service Occupations	\$43,315	\$51,694
Food Preparation And Serving Related Occupations	\$12,482	\$14,603
Building And Grounds Cleaning And Maintenance Occupations	\$17,903	\$21,490
Personal Care And Service Occupations	\$26,131	\$17,690
Sales And Related Occupations	\$31,068	\$30,076
Office And Administrative Support Occupations	\$32,300	\$34,891
Construction And Extraction Occupations	\$42,976	\$37,792
Installation, Maintenance And Repair Occupations	\$51,818	\$46,689
Production Occupations	\$35,793	\$37,169
Transportation Occupations	\$22,083	\$35,036
Material Moving Occupations	\$30,313	\$23,155

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

As the preceding illustrates, most occupational types within Lancaster County have similar typical wages than Virginia’s typical wages.

The 14 largest employers within the Lancaster County area are summarized in the following table.

Employer Name	Business Type	Total Employed
Bon Secours Health System, Inc.	Health Care	250-499
Rappahannock Westminster Canterbury	Nursing & Residential Care Facilities	250-499
Lancaster County School Board	Education	100-249
Walmart	General Retail	100-249
County of Lancaster	Government	100-249
Carter Creek Management	Accommodation	100-249
Chesapeake Bank	Financial Institution	50-99
Northern Neck Insurance Company	Insurance Company	50-99
Lighthouse Family Services	Ambulatory Health Care Services	50-99
United Parcel Service	Couriers & Messengers	50-99
Kilmarnock MCAP, LLC	Nursing & Residential Care Facilities	50-99
Rappahannock Entertainment Center	Recreation	50-99
Virginia Health Services, INC	Nursing & Residential Care Facilities	50-99
Food Lion	Grocery Retail	50-99

Source: Virginia Employment Commission (2nd Quarter 2022)

Despite multiple attempts, area economic development representatives were unable/unwilling to provide information regarding the current status of the local economy. The following are summaries of some recent and notable economic development activity within the Lancaster County area based on our research at the time of this analysis.

- A fire on Main Street in Kilmarnock, destroyed some small business locations and an apartment property. Following the fire, the community rallied with donations and support for their local businesses and several businesses were able to reopen.
- Bon Secours Rappahannock General Hospital is currently working on a renovation and expansion project. The \$15 million project includes a 910-foot-expansion and renovation of the 34,000-square-foot emergency department. Construction began in April 2022 and is expected to be complete in January 2023.
- The Façade Refreshment Program, part of the Virginia Refresh Grant program intended to enhance the curb appeal of local businesses, awarded \$2,500 to 37 Kilmarnock businesses. All refreshment work had a construction deadline of December 31, 2021.

- Improvements are currently underway for Lancaster County Schools in Lancaster. The new \$55 million middle-high school campus is estimated to open Fall of 2025. A \$9.4 million project was recently approved to transition the middle school into an elementary school. An Early Childhood Education Center for the Lancaster County School District is estimated to be complete in 2023.
- Announced in July 2022, Kilmarnock and 27 other communities are launching a new tourism program to bolster the local economy. The program will award \$15 million to over 200 local and regional tourism programs throughout the state to assist with developing the plans. The town of Kilmarnock received \$25,000 and the Irvington Business Association received \$5,000.
- Kilmarnock Planning Commission recently approved a rezoning application for Carousel Physical Therapy for an expansion. The expansion will involve the two adjacent properties and include a parking lot.

Infrastructure:

- Breezeline is currently under construction on a \$7.2 million, 150-mile project to extend the availability of fiber-optic broadband to more than 1,400 homes and businesses in Mathews, Caroline, Lancaster, and Middlesex counties. The project is expected to be completed in phases, with an estimated completion date of January 30, 2023.
- The Virginia Department of Transportation is currently conducting preliminary engineering activities to help design a bridge replacement for the Robert O. Norris Bridge between Lancaster and Middlesex counties. The research includes gathering soil samples from the riverbed and shoreline from Fall of 2022 through Spring of 2024. A budget of \$14 million has been approved for preliminary work. This project is a first step towards their Long-Term Plan which includes a \$390 million bridge replacement expected to begin in 2036.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on October 7, 2022, and according to the Virginia Employment Commission there have been no WARN notices reported for Kilmarnock in Lancaster County over the past 12 months.

2. EMPLOYMENT TRENDS

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

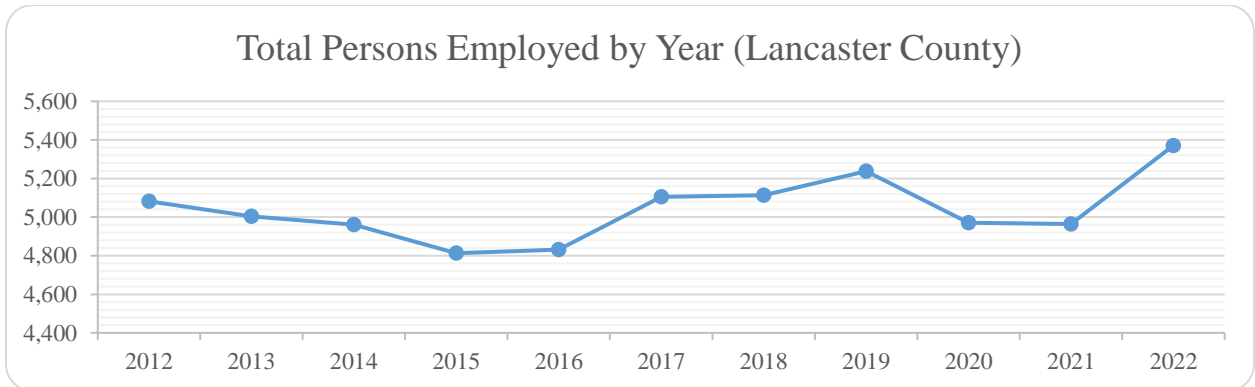
Excluding 2022, the employment base has decreased by 2.8% over the past five years in Lancaster County, while the state of Virginia decreased by 2.2%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Lancaster County		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2012	5,081	-	3,967,151	-	142,469,000	-
2013	5,003	-1.5%	4,002,057	0.9%	143,929,000	1.0%
2014	4,961	-0.8%	4,040,908	1.0%	146,305,000	1.7%
2015	4,813	-3.0%	4,048,081	0.2%	148,833,000	1.7%
2016	4,832	0.4%	4,084,822	0.9%	151,436,000	1.7%
2017	5,105	5.6%	4,193,290	2.7%	153,337,000	1.3%
2018	5,113	0.2%	4,255,213	1.5%	155,761,000	1.6%
2019	5,237	2.4%	4,332,647	1.8%	157,538,000	1.1%
2020	4,971	-5.1%	4,097,860	-5.4%	147,795,000	-6.2%
2021	4,964	-0.1%	4,100,803	0.1%	152,581,000	3.2%
2022*	5,371	8.2%	4,213,682	2.8%	158,081,000	3.6%

Source: Bureau of Labor Statistics

*Through August

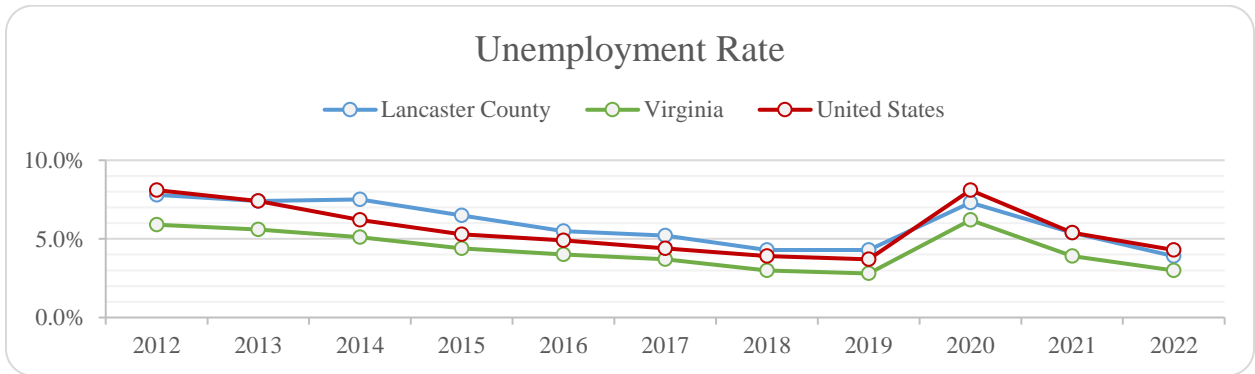


As the preceding illustrates, the Lancaster County employment base was increasing between 2015 and 2019. However, in 2020, the county's employment base declined by 5.1% as a result of the COVID-19 pandemic. Notably, after experiencing declines in both 2020 and 2021, the employment base has increased by 8.2% thus far in 2022 (through August) and has regained all of the jobs lost during the peak of the pandemic.

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

Year	Unemployment Rate		
	Lancaster County	Virginia	United States
2012	7.8%	5.9%	8.1%
2013	7.4%	5.6%	7.4%
2014	7.5%	5.1%	6.2%
2015	6.5%	4.4%	5.3%
2016	5.5%	4.0%	4.9%
2017	5.2%	3.7%	4.4%
2018	4.3%	3.0%	3.9%
2019	4.3%	2.8%	3.7%
2020	7.3%	6.2%	8.1%
2021	5.4%	3.9%	5.4%
2022*	3.9%	3.0%	4.3%

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



Between 2012 and 2019, the unemployment rate within Lancaster County remained low and declined by nearly four percentage points, then increased by three percentage points in 2020 as a result of the COVID-19 pandemic. The unemployment rate has improved to a low rate of 3.9% through August of 2022, the lowest rate in the preceding ten years.

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

Monthly Unemployment Rate – Lancaster County					
Month	Rate	Month	Rate	Month	Rate
2020		2021		2022	
January	6.5%	January	7.5%	January	5.4%
February	6.0%	February	8.4%	February	5.3%
March	6.4%	March	7.2%	March	4.5%
April	12.1%	April	6.0%	April	3.8%
May	9.6%	May	5.4%	May	3.3%
June	9.8%	June	5.3%	June	3.0%
July	8.4%	July	4.9%	July	2.9%
August	7.0%	August	4.6%	August	3.1%
September	6.1%	September	4.2%		
October	5.2%	October	3.6%		
November	5.0%	November	3.5%		
December	5.0%	December	3.7%		

Source: Department of Labor, Bureau of Labor Statistics

The *monthly* unemployment rate in Lancaster County increased by nearly six full percentage points between March and April 2020 due to the COVID-19 pandemic. However, monthly unemployment has since declined to a rate of 3.1% through August 2022.

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

Year	In-Place Employment Lancaster County		
	Employment	Change	Percent Change
2012	4,631	-	-
2013	4,553	-78	-1.7%
2014	4,499	-54	-1.2%
2015	4,443	-56	-1.2%
2016	4,509	66	1.5%
2017	4,530	21	0.5%
2018	4,522	-8	-0.2%
2019	4,616	94	2.1%
2020	4,372	-244	-5.3%
2021	4,375	3	0.1%
2022*	4,294	-81	-1.9%

Source: Department of Labor, Bureau of Labor Statistics

*Through March

Data for 2020, the most recent year that year-end figures are available, indicates in-place employment in Kilmarnock to be 88.1% of the total county employment. This means that Kilmarnock has more employed persons leaving the county to work in other counties than those who both live and work there.

3. ECONOMIC FORECAST

Based on data provided by the U.S. Department of Labor, the area was negatively impacted by the COVID-19 pandemic, which caused many local businesses to shut down in an attempt to mitigate the spread of the coronavirus. In 2020, the Lancaster County employment base declined by 266 jobs, or 5.1%, and its unemployment rate increased by more than three percentage points. Specifically, between March and April 2020, the *monthly* unemployment rate within the county increased by nearly six percentage points; however, the county's *monthly* unemployment rate has been trending downward since and was 3.1% in August of 2022. In addition, the employment base has increased by 8.2% thus far in 2022 (through August) and has regained all of the jobs lost during the peak of the pandemic. These are good indications that the local economy is recovering well from the impact of the pandemic. This, in turn, will continue to create a stable environment for the local housing market.

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	2,910	76.9%
Carpooled	308	8.1%
Public Transit	14	0.4%
Walked	45	1.2%
Motorcycle	0	0.0%
Bicycle	43	1.1%
Other Means	41	1.1%
Worked at Home	422	11.2%
Total	3,783	100.0%

Source: Bowen National Research, ESRI

Nearly 77.0% of all workers drove alone, 8.1% carpooled, and 0.4% 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	1,550	46.1%
15 – 29 Minutes	900	26.8%
30 – 44 Minutes	286	8.5%
45 – 59 Minutes	151	4.5%
60 + Minutes	474	14.1%
Total	3,361	100.0%

Source: Bowen National Research, ESRI

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

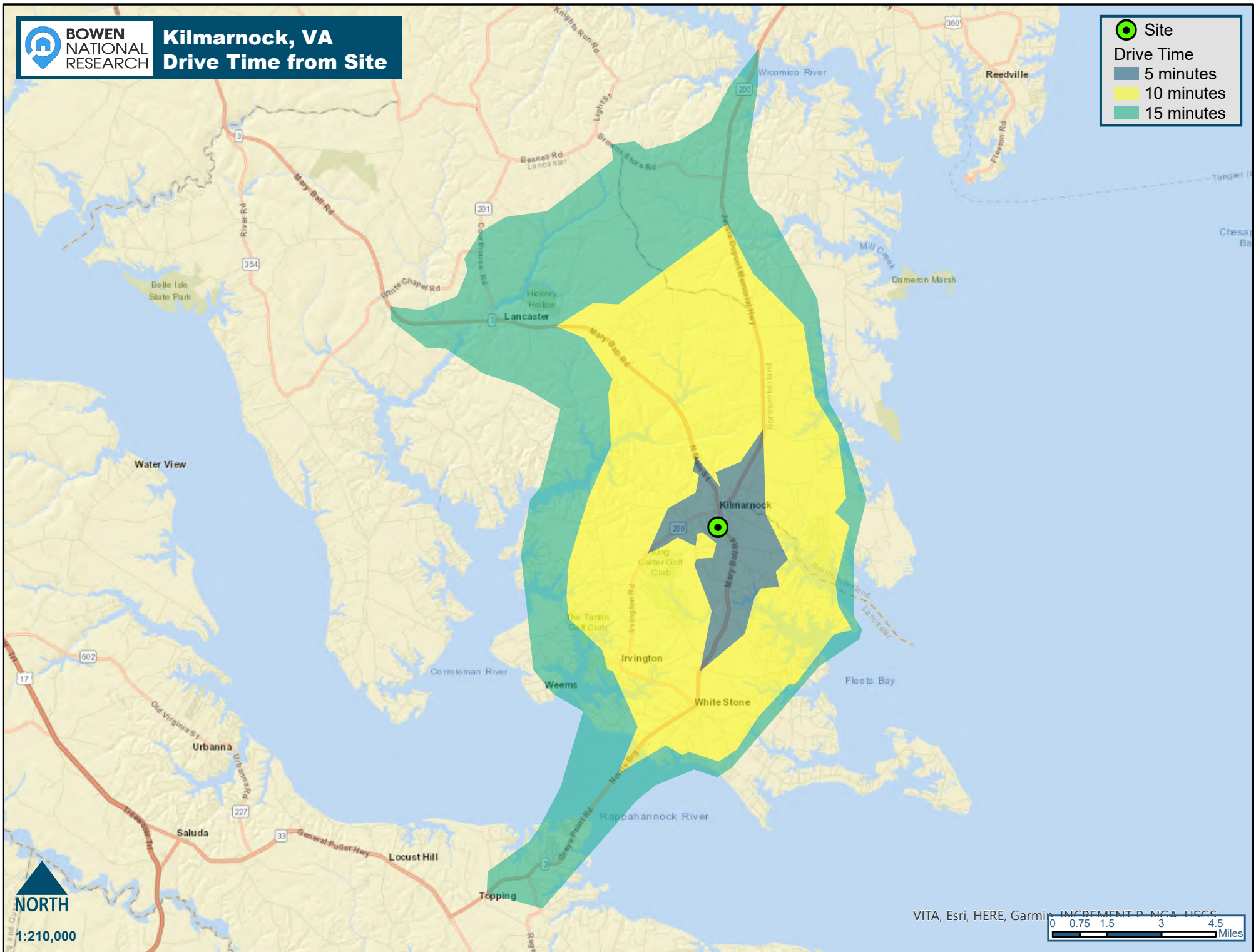


Kilmarnock, VA Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:210,000

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

V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Kilmarnock Site PMA in 2010 and 2022, are summarized in the following table:

Housing Status	2010 (Census)		2022 (Estimate)	
	Number	Percent	Number	Percent
Total-Occupied	5,172	70.7%	5,049	68.2%
Owner-Occupied	4,061	78.5%	3,957	78.4%
Renter-Occupied	1,111	21.5%	1,092	21.6%
Vacant	2,142	29.3%	2,358	31.8%
Total	7,314	100.0%	7,407	100.0%

Source: 2010 Census, ESRI, Bowen National Research

Based on a 2022 update of the 2010 Census, of the 7,407 total housing units in the market, 31.8% were vacant. Although this is a high share of vacant units, it is important to note that this includes vacation rentals and dilapidated/foreclosed properties. Regardless, we have conducted a field survey of conventional rentals to determine occupancy levels in the market.

Conventional Apartments

Due to the rural nature of the Site PMA, we identified and personally surveyed just five conventional housing projects containing a total of 154 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 100.0%, an excellent rate for rental housing. The surveyed rental developments within the market broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	28	0	100.0%
Tax Credit/Government-Subsidized	2	44	0	100.0%
Government-Subsidized	2	82	0	100.0%
Total	5	154	0	100.0%

As the preceding illustrates, we identified and surveyed just five rental housing projects in the rural Site PMA, most of which offer affordable units. The renovations to the subject site will preserve an affordable rental housing product that is in high demand, all properties offering affordable units are 100.0% occupied, most of which maintain a waiting list.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.0	8	28.6%	0	0.0%	\$1,079
Two-Bedroom	1.5	12	42.9%	0	0.0%	\$1,134
Two-Bedroom	2.0	7	25.0%	0	0.0%	\$1,284
Three-Bedroom	2.0	1	3.6%	0	0.0%	\$1,201
Total Market-rate		28	100.0%	0	0.0%	-

The market-rate units are 100.0% occupied and there are no non-subsidized Tax Credit units in the field survey of the Site PMA.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	0	0	0.0%
1980 to 1989	1	28	0.0%
1990 to 1999	0	0	0.0%
2000 to 2009	0	0	0.0%
2010 to 2014	0	0	0.0%
2015 to 2019	0	0	0.0%
2019	0	0	0.0%
2020	0	0	0.0%
2021	0	0	0.0%
2022*	0	0	0.0%

*As of October

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

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B	1	28	0.0%

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

Government-Subsidized

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

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	12	27.3%	0	0.0%
Two-Bedroom	1.0	32	72.7%	0	0.0%
Total Subsidized Tax Credit		44	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	82	100.0%	0	0.0%
Total Subsidized		82	100.0%	0	0.0%

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

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

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

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

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

Map I.D.	Project Name	Quality Rating	Nbhd. Rating	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Holly Court	B+	B	1996 / 2009 & 2023	40	100.0%	-	1 Year	Seniors 62+; 50% AMHI & Section 202
901	Auburn Pointe Apts.	C+	B-	1976 / 1997	275	100.0%	51.0 Miles	10 HH	Families; 50% & 60% AMHI
902	Checed Warwick Senior Apts.	B+	B	2005	48	100.0%	50.7 Miles	100 HH	Seniors 55+; 40%, 50%, & 60% AMHI
905	King's Ridge Apts.	B-	B	1996	182	99.5%	49.0 Miles	1 & 3-Br: 2 HH	Families; 60% AMHI
906	Lexington Commons Apts.	B+	B	1996	132	100.0%	51.7 Miles	1-Br: 6-12 Months	Seniors 55+; 60% AMHI

900 Map IDs are located outside the Site PMA

Occ. – Occupancy

Nbhd. – Neighborhood

HH - Households

The four comparable LIHTC projects have a combined occupancy rate of 99.8%, a strong rate for affordable housing. In fact, three of these projects are fully occupied and all four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the region. The subject project will continue to accommodate a portion of this unmet demand.

The 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
901	Auburn Pointe Apts.	275	N/A	-
902	Checed Warwick Senior Apts.	48	20	41.7%
905	King's Ridge Apts.	182	91	50.0%
906	Lexington Commons Apts.	132	40	30.3%
Total		362	151	41.7%

900 Map IDs are located outside the Site PMA

N/A – Number not available (units not included in total)

There are a total of approximately 151 voucher holders residing at the comparable properties for which this information was available. This comprises 41.7% of the 362 total non-subsidized units offered among these properties. This is considered a moderate share of voucher support and indicates that non-subsidized LIHTC properties in this market likely rely on at least some support from voucher holders. Regardless, the subject project is entirely subsidized and would only be able to accommodate voucher holders in the unlikely scenario the subject project operates without a subsidy.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Holly Court	*\$647/50% (40)	-	-	-
901	Auburn Pointe Apts.	\$886/50% (10/0) \$908/60% (56/0)	\$1,157/60% (177/0)	\$1,382/60% (32/0)	None
902	Checed Warwick Senior Apts.	\$608/40% (3/0) \$738/50% (15/0)	\$712/40% (2/0) \$847/50% (20/0) \$907/60% (8/0)	-	None
905	King's Ridge Apts.	\$1,066/60% (32/0)	\$1,281/60% (94/1)	\$1,490/60% (56/0)	None
906	Lexington Commons Apts.	\$1,027/60% (32/0)	\$1,303/60% (100/0)	-	None

900 Map IDs are located outside the Site PMA

*Five units with rents restricted to 40% AMHI

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

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Holly Court	529	-	-
901	Auburn Pointe Apts.	850	1,200	1,500
902	Checed Warwick Senior Apts.	766	1,030	-
905	King's Ridge Apts.	749	949	1,156
906	Lexington Commons Apts.	665	800	-

900 Map IDs are located outside the Site PMA

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

900 Map IDs are located outside the Site PMA

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

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

Tax Credit Unit Amenities by Map ID

	Site* ♦	901	902 ♦	905	906 ♦
Appliances	Dishwasher	X	X	X	
	Disposal		X	X	X
	Microwave				
	Range	X	X	X	X
	Refrigerator	X	X	X	X
	W/D Hookup	X	X	X	
	W/D		O		O
	No Appliances				
Unit Amenities	AC-Central	X	X	X	X
	AC-Other				
	Balcony/ Patio/ Sunroom	X		X	
	Basement				
	Ceiling Fan		S		X
	Controlled Access			X	X
	E-Call System	X		X	X
	Furnished				
	Walk-In Closet				
	Window Treatments	X	X	X	X
			X	X	X
Flooring	Carpet		X	X	X
	Ceramic Tile				
	Hardwood				
	Finished Concrete				
	Composite/Vinyl/Laminate	X	X	X	X
Upgraded	Premium Appliances				
	Premium Countertops				
	Premium Cabinetry				
	Premium Fixtures				
	High/Vaulted Ceilings				
	Oversized Windows				
Parking	Attached Garage				
	Detached Garage				
	Street Parking				
	Surface Lot	X	X	X	X
	Carport				
	Property Parking Garage				
	No Provided Parking				

♦ - Senior Property

* Proposed Site(s): Holly Court

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

	Site*◆	901	902◆	905	906◆
Bike Racks / Storage					
Computer/Business Center			X		X
Car Care **					
Community Garden					X
Community					
Multipurpose Room	X		X		X
Chapel					
Community Kitchen	X				
Dining Room - Private					
Dining Room - Public					
Rooftop Terrace					
Concierge Service **					
Convenience Amenities **					
Covered Outdoor Area **	X				
Elevator			X		X
Laundry Room	X	X	X	X	X
On-Site Management	X	X	X	X	X
Pet Care **					
Recreation					
Basketball					
Bocce Ball					
Firepit					
Fitness Center		X	X		X
Grilling Area	X	X		X	X
Game Room - Billiards					X
Walking Path			X		
Hot Tub					
Library			X		X
Media Room / Theater					X
Playground		X		X	
Putting Green					
Racquetball					
Shuffleboard					
Swimming Pool - Indoor					
Swimming Pool - Outdoor		X		X	
Tennis					
Volleyball					
Security					
CCTV	X		X	X	X
Courtesy Officer				X	
Security Gate					
Social Services **	X		X		X
Storage - Extra					O
Common Space WiFi					X

◆ - Senior Property

* Proposed Site(s): Holly Court

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

** Details in Comparable Property Profile Report

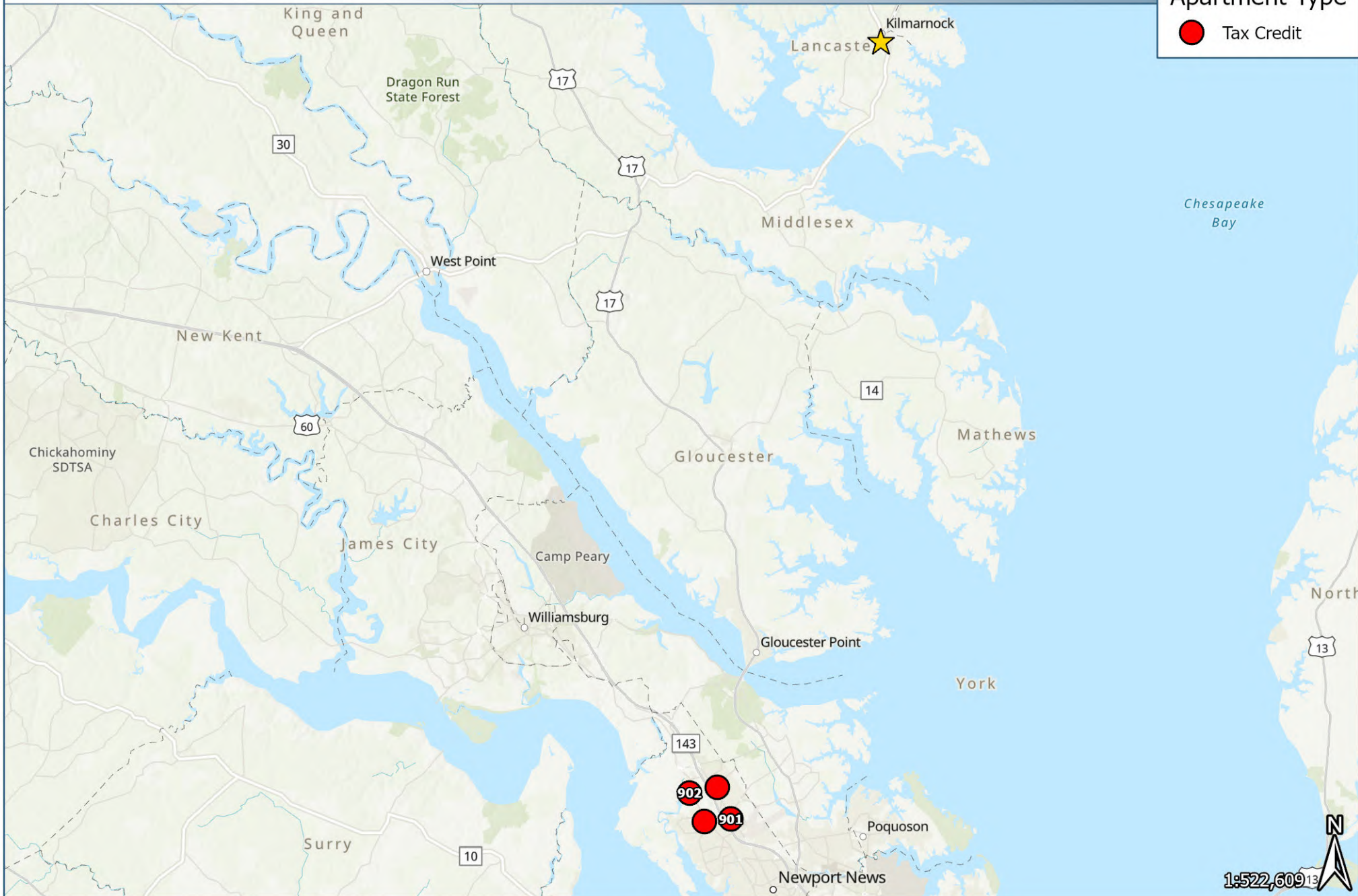
The proposed amenity package for the subject project is considered inferior to those offered among the comparable LIHTC properties, both in terms of unit and project amenities. However, the subject property does not appear to lack any key amenities that would adversely impact its marketability as an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

Comparable/Competitive Tax Credit Summary

The four comparable LIHTC projects have a combined occupancy rate of 99.8%, a strong rate for affordable housing. In fact, three of these projects are fully occupied and all four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the region. The subject project will continue to accommodate a portion of this unmet demand.

The proposed subject gross rent will generally be the lowest when compared to the LIHTC rents targeting similar income levels within the region. Regardless, the subject project will continue to operate with a subsidy, allowing tenants of the project to pay only a portion of their income towards rent and not the gross rent detailed throughout this report. Although offering the smallest unit sizes and an inferior amenities package, the subject property is expected to be marketable, which is further evidenced by the subject's current 100.0% occupancy rate and waiting list. Based on the preceding factors, the subject project is considered very marketable as proposed, especially when considering the inclusion of a subsidy.

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



Esri, CGIAR, USGS, VGIN, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research



C. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives, it was determined that there are two rental housing projects in the development pipeline within the Site PMA, which are summarized as follows:

- Village of North Kilmarnock, to be located north of Route 608 (Bluff Point Road) to Route 607 (Ditchley Road) and east of Route 200, is a proposed mixed-use development including residential, recreation, and commercial facilities. No further details were available at the time of this report.
- Nelson Creek, a proposed rental property to be located at 238, 246, and 256 Main Street in Kilmarnock, was approved in December 2021, however, no further details or a construction timeline were available at the time of this report.

None of the rental housing projects in the development pipeline within the Site PMA are expected to offer affordable units, and all of these projects are in the preliminary phases of development. As such, we have not included any additional units in our demand estimates in *Section VII* of this report.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

As stated throughout this report, there are no non-subsidized Tax Credit properties within the Site PMA. The two Tax Credit properties in the Site PMA that operate under the Tax Credit program also operate with a subsidy, both of which are 100.0% occupied with waiting lists. In addition, the four comparable LIHTC projects located outside the Site PMA, but within the region, have a combined occupancy rate of 99.8%, a strong rate for affordable housing. In fact, three of these projects are fully occupied and all four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the region. As such, it is not anticipated that the renovations to the subject site will adversely impact the occupancy rates of existing Tax Credit developments. In fact, the renovations to the subject project will preserve affordable rental product that is in high demand.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value in the Site PMA was \$273,689. At an estimated interest rate of 5.9% and a 30-year term (and 95% LTV), the monthly mortgage for a \$260,005 home is \$2,027, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price – ESRI	\$273,689
Mortgaged Value = 95% Of Median Home Price	\$260,005
Interest Rate – Bankrate.Com	5.89%
Term	30
Monthly Principal & Interest	\$1,622
Estimated Taxes And Insurance*	\$405
Estimated Monthly Mortgage Payment:	\$2,027

* Estimated at 25% of principal and interest.

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

VI. Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Holly Court	1996 / 2009 & 2023	40	100.0%	40 (100.0%)	-	-
903	Clairmont Apts.	2007	216	91.2%	36 (86.1%)	132 (90.9%)	48 (95.8%)
904	Courthouse Commons Apts. I & II	1981	23 + 1*	100.0%	2 (100.0%)	21 (100.0%)	-
907	Monticello at Powhatan	2000	267	95.9%	36 (97.2%)	72 (95.8%)	159 (95.6%)
908	Regency at Longhill Apts.	1986 / 2000	224	92.0%	18 (88.9%)	188 (92.6%)	18 (88.9%)
909	Steeplechase Apts.	1986 / 2006	220	100.0%	56 (100.0%)	140 (100.0%)	24 (100.0%)

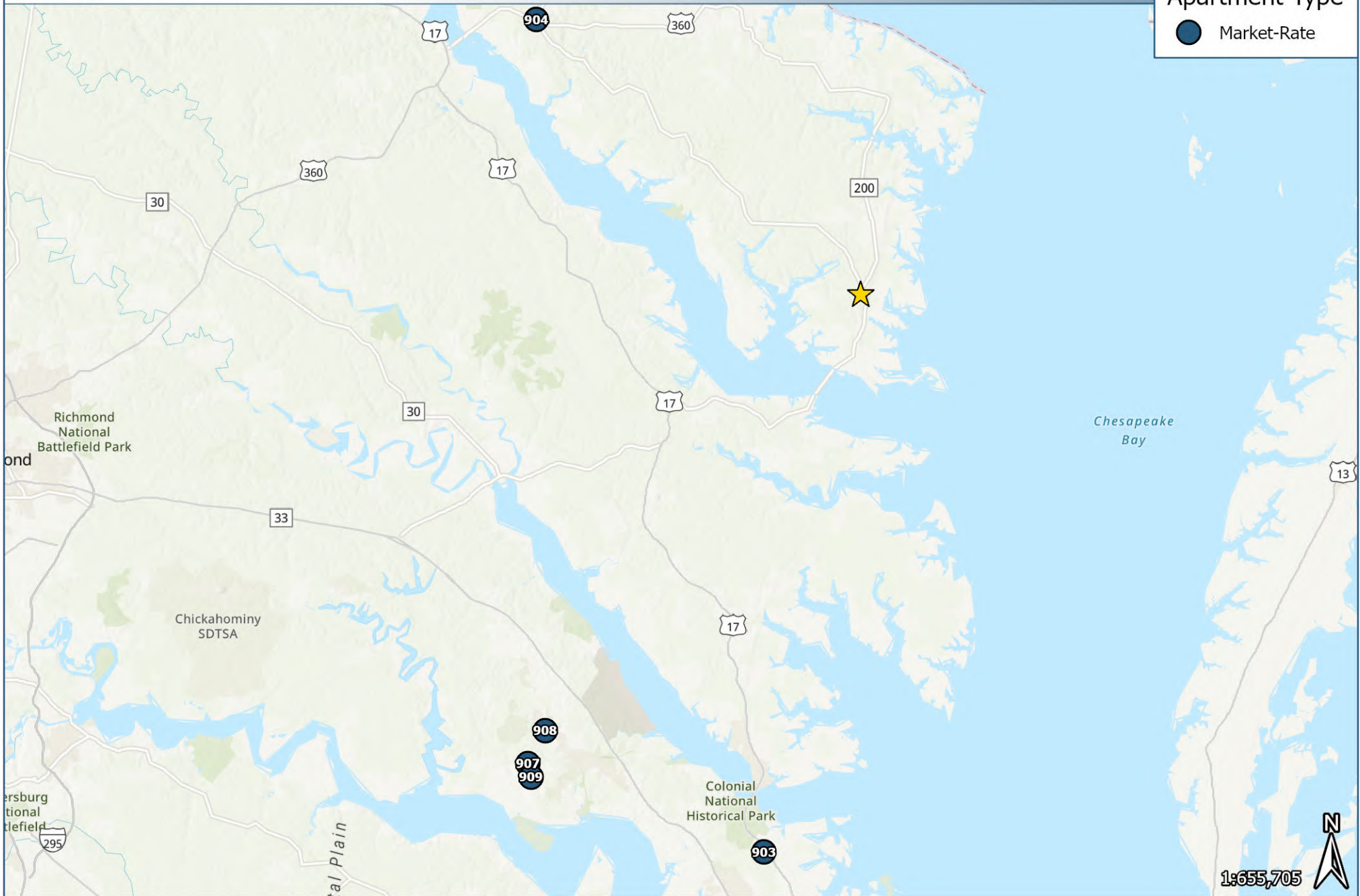
900 Map IDs are located outside the Site PMA

Occ. – Occupancy

*Units under construction

The five selected market-rate projects have a combined total of 950 units with an overall occupancy rate of 94.9%. None of the comparable properties has an occupancy rate below 91.2%.

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



Rent Comparability Grid

Unit Type → **ONE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Holly Court		Clairmont Apts.		Courthouse Commons Apts. I & II		Monticello at Powhatan		Regency at Longhill Apts.		Steeplechase Apts.	
201 Wiggins Avenue		100 Arcadia Lp.		260-264 Wallace St.		3500 Carriage House Way		5302 Lone Place Dr.		3700 W Steeplechase Way	
Kilmarnock, VA		Yorktown, VA		Warsaw, VA		Williamsburg, VA		Williamsburg, VA		Williamsburg, VA	
Data		Data		Data		Data		Data		Data	
on		on		on		on		on		on	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,612		\$850		\$1,699		\$1,380		\$1,346	
2	Date Surveyed	Oct-22		Oct-22		Oct-22		Oct-22		Oct-22	
3	Rent Concessions	Yes	(\$150)	None		None		None		None	
4	Occupancy for Unit Type	86%		100%		97%		89%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,462	1.83	\$850	0.94	\$1,699	1.89	\$1,380	1.97	\$1,346	1.98
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/1		WU/3		WU/2		WU/2,3		WU/2,3	
7	Yr. Built/Yr. Renovated	1996/2023		2007	\$3	1981	\$29	2000	\$10	1986/2000	\$17
8	Condition/Street Appeal	G		G		G		E	(\$15)	G	
9	Neighborhood	G		G		G		E	(\$10)	G	
10	Same Market?	No	(\$161)	No		No	(\$169)	No	(\$138)	No	(\$134)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	529	(\$117)	800	(\$117)	905	(\$162)	900	(\$160)	700	(\$74)
14	Patio/Balcony/Sunroom	Y		Y		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	N/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	HU	\$5	HU/L	(\$25)	W/D	(\$25)
19	Floor Coverings	V		C/T/V		C/W/V		C/V		C/W/T	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fan/E-Call System	N/Y	\$5	N/N	\$5	Y/N	\$5	Y/N	\$5	N/N	\$5
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y		Y		N	\$5	N	\$5	N	\$5
27	Community Space	Y		Y		N	\$5	Y		N	\$5
28	Pool/Recreation Areas	N	(\$15)	P/F	(\$15)	N		P/F/T	(\$18)	N	
29	Business/Computer Center	N		N		N		N		Y	(\$3)
30	Grilling Area/Storage	Y/N	(\$5)	Y/Y	(\$5)	N/N	\$3	N/Y	(\$2)	Y/Y	(\$5)
31	Library	N		N		N		N		N	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/G		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		Y/Y	(\$60)	N/N	
39	Trash/Recycling	Y/N		Y/N		N/N	\$14	Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	7	7	3	4	8	5	7	4	9
41	Sum Adjustments B to D	\$18	(\$333)	\$62	(\$172)	\$30	(\$381)	\$42	(\$270)	\$34	(\$277)
42	Sum Utility Adjustments			\$14					(\$60)		
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$315)	\$351	(\$96)	\$248	(\$351)	\$411	(\$288)	\$372	(\$243)	\$311
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,147		\$754		\$1,348		\$1,092		\$1,103	
45	Adj Rent/Last rent		78%		89%		79%		79%		82%
46	Estimated Market Rent	\$995	\$1.88	← Estimated Market Rent/ Sq. Ft							

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

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

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$537	\$995	46.0%

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 Tax Credit rent, which represents a market rent advantage of 46.0%, is considered appropriate and should represent a significant value within the Kilmarnock market. It is also important to reiterate that the subject project will operate with a project-based subsidy available to all units. Thus, the units at the property will represent an even greater value than that reflected by the market rent advantage in the preceding table, as tenants will pay only 30% of their income towards rent, rather than the proposed rent evaluated throughout this report.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants.

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

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

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within the Lancaster County, VA MSA, which has a median four-person household income of \$81,200 for 2022. The subject property will be restricted to households with incomes of up to 50% of AMHI. The following table summarizes the maximum allowable income by household size and income level:

Household Size	Targeted AMHI Maximum Allowable Income
	50%
One-Person	\$28,150
Two-Person	\$32,200

1. Maximum Income Limits

The one-bedroom units offered at the subject site are expected to continue to house up to two-person senior households. As such, the maximum allowable income at the subject site is **\$32,200**.

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.

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

However, in the unlikely scenario that the units operate without a subsidy, the proposed LIHTC units will have a lowest gross rent of \$647. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,764. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of \$19,410.

3. Income-Appropriate Range

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit w/Subsidy Overall	\$0	\$32,200
Tax Credit Only Overall	\$19,410	\$32,200

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 demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2022 as the base year and projecting forward to 2025, per Virginia Housing guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. In instances where a significant number of proposed units (more than 20%) are comprised of three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 32.2% of households in the market are considered to be rent overburdened.

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), 0.0% 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.*

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

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

This demand component was considered in our analysis.

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

C. DEMAND/CAPTURE RATE CALCULATIONS

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

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

Demand Component – Age 62+	Overall LIHTC with Subsidy
Demand From New Rental Households (Age- And Income-Appropriate)	$223 - 229 = -6$
+	
Demand From Existing Households (Rent Overburdened)	$229 \times 32.2\% = 74$
+	
Demand From Existing Households (Renters In Substandard Housing)	$229 \times 0.0\% = 0$
+	
Demand From Existing Households (Elderly Homeowner Conversion)	$447 \times 5.0\% = 22$
+	
Demand From Existing Households (Existing Qualifying Tenants Likely To Remain After Renovations)	40
=	
Total Demand	130
-	
Supply (Directly Comparable Vacant Units Completed Or In The Pipeline)	0
=	
Net Demand	130
Proposed Units	40
Proposed Units / Net Demand	$40 / 130$
Capture Rate	$= 30.8\%$
Total Absorption Period	4 Months

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

Demand Component – Age 55+	Overall LIHTC Only
Demand From New Rental Households (Age- And Income-Appropriate)	115 - 115 = 0
+	
Demand From Existing Households (Rent Overburdened)	115 x 32.2% = 37
+	
Demand From Existing Households (Renters In Substandard Housing)	115 x 0.0% = 0
+	
Demand From Existing Households (Elderly Homeowner Conversion)	292 x 5.0% = 9*
+	
Demand From Existing Households (Existing Qualifying Tenants Likely To Remain After Renovations)	0
=	
Total Demand	46
-	
Supply (Directly Comparable Vacant Units Completed Or In The Pipeline)	0
=	
Net Demand	46
Proposed Units	40
Proposed Units / Net Demand	40 / 46
Capture Rate	= 87.0%
Total Absorption Period	7 Months

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

Overall, the capture rate of 30.8% when considering the retention of a subsidy is considered achievable in this rural market. In the unlikely event the project-based subsidy was not secured, and the property had to operate *exclusively* under the LIHTC program, the subject project’s capture rate is 87.0%, which is considered high, although it is expected that this is an achievable capture rate based on the lack of non-subsidized age-restricted LIHTC product in this market. However, it must be noted that due to this higher capture rate, the project would likely experience a slower than typical absorption in this unlikely non-subsidized scenario.

Regardless, given the subject project is fully occupied and most (if not all) tenants are expected to remain at the project following renovations, the subject project has an effective capture rate of 0.0%.

D. PENETRATION RATE CALCULATIONS

As stated throughout this report, there are non-subsidized LIHTC units within the Site PMA. The income-eligible range for the planned Tax Credit units is \$19,410 to \$32,200. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, the penetration rate is summarized in the following table.

	Market Penetration
Number of LIHTC Units (Proposed and Existing)	40
Income-Eligible Households – 2023	/ 115
Overall Market Penetration Rate	= 34.8%

It is our opinion that the 34.8% penetration rate for the LIHTC units at the site is considered acceptable in this rural market.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Virginia Housing Authority, there are approximately 66 Housing Choice Vouchers issued within the housing authority’s jurisdiction. However, it was also revealed by housing authority representatives that approximately three (3) 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 319 people currently on the waiting list for additional Vouchers. The waiting list is closed, and it is unknown when the waiting list will reopen. Annual turnover within the voucher program is estimated at five (5) 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. The local payment standards, as well as the proposed subject gross rents, are summarized in the following table:

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$890	\$647 (50%)

As the preceding table illustrates, the proposed LIHTC gross rent is below the local payment standard. 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 in the unlikely scenario that the subject operates without a subsidy and has been considered in our absorption projections.

F. ABSORPTION PROJECTIONS

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

Subsidized

Assuming the subject project retains its subsidy on all units but is entirely vacated, we estimate that the 40 subject units can achieve a stabilized occupancy of 93% within three to four months of re-opening. This is based on a monthly absorption rate of approximately 10 units per month.

Tax Credit

Assuming the subject project operated exclusively under the LIHTC program and was completely vacated, it is likely that the subject project would reach a stabilized occupancy within seven months, reflective of an absorption rate of five units per month. Note that this slower than typical absorption rate in this unlikely scenario is primarily due to the high capture rate assuming the project operates strictly as a LIHTC property.

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

VIII. Local Perspective (Interviews)

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

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

- Hunter LeClair, Assistant Director of Housing Services at Bay Aging, stated that there is definitely a need for more affordable housing for seniors in the area. Mr. LeClair cited a lack of rental units in the area impacting both families and seniors in the area, especially the low-income population. The area is lacking in appropriate rentals that meet affordable price ranges and this definitely includes seniors in the area.
- Melissa Forsythe, Property Manager at Holly Court Apartments (subject site), stated that more affordable housing is needed in Kilmarnock, specifically for the senior population. Ms. Forsythe also stated that the need is greater than the amount of housing that is currently available among affordable housing. Ms. Forsythe stated that this property recently suspended the use of a waiting list; however, they receive calls and walk-ins daily inquiring about availability. Ms. Forsythe also stated that she has noticed many seniors in the area leaving their homes and moving in with family because of the increasing cost of living and lack of affordable housing options.
- Connie Spence, Community Manager at Indian Creek (Map ID 2) a Tax Credit and government-subsidized property, stated that more affordable housing is needed in Kilmarnock. Ms. Spence also stated that many residents of Kilmarnock have low to moderate incomes and there is limited availability for such rental product. Ms. Spence added that the existing rental product in the area is typically 100.0% occupied and many potential tenants have to wait a year or longer for available units.
- According to Jan Sloan, Senior Program Compliance Officer with Virginia Housing Authority, there is a need for more affordable housing for seniors and more updated units for seniors in the Lancaster County area. Ms. Sloan stated that the Lancaster County area has limited rental housing in general and specified that they have limited rental housing for seniors.

IX. Analysis & Conclusions

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

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

Given the limited supply of affordable rental product in the Kilmarnock market, the subject project will continue to offer a housing alternative to low-income households that are likely underserved. As shown in the Capture Rate Analysis section of this report, the subsidized capture rate of 30.8% is considered moderate, yet achievable in this rural market. Considering the general lack of affordable age-restricted rental product in this market, it is anticipated that the subject development will attract a larger than typical share of age- and income-eligible households. Regardless, the subject project is currently 100.0% occupied with a waiting list and the existing tenants are expected to remain upon completion of renovations. In addition, the subject project will not be introducing any new units to the Kilmarnock market. Therefore, it is our opinion that the subject project will not have an impact on any existing rental developments within the Site PMA.

In the unlikely event the subject project was completely vacated and all units had to be re-rented, the subject project should reach a stabilized occupancy of 93.0% within approximately three to four months, assuming it operates with a subsidy. If the subject project lost its subsidy and had to operate exclusively under the LIHTC program, it is likely that the subject project would reach a stabilized occupancy within seven months, reflective of an absorption rate of five units per month. Note that this slower than typical absorption rate in this unlikely scenario is primarily due to the high capture rate assuming the project operates strictly as a LIHTC property.

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

X.

SITE PHOTOGRAPHS

Holly Court



Typical exterior of building



Entryway Signage



View of site from the north



View of site from the northeast



View of site from the east

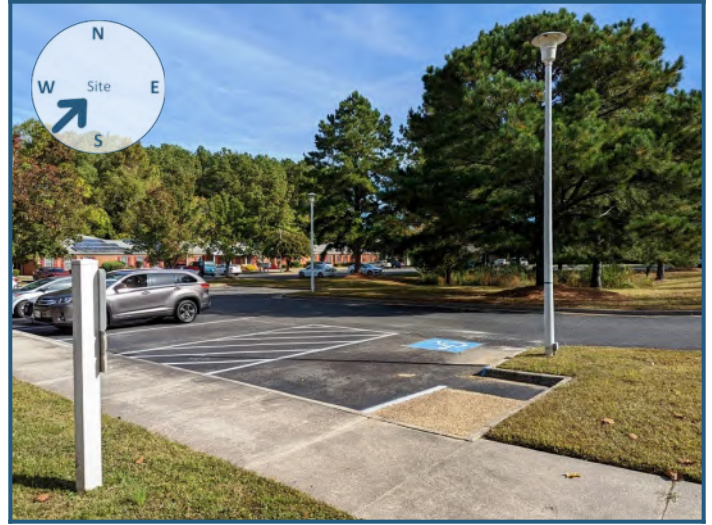


View of site from the southeast

Holly Court



View of site from the south



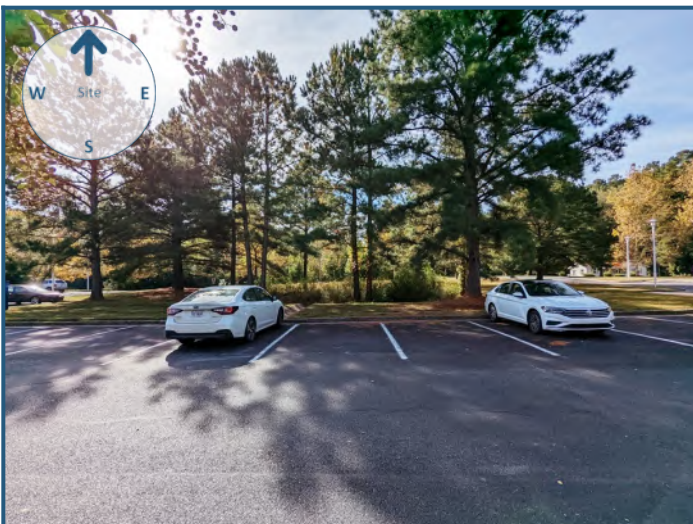
View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site

Holly Court



East view from site



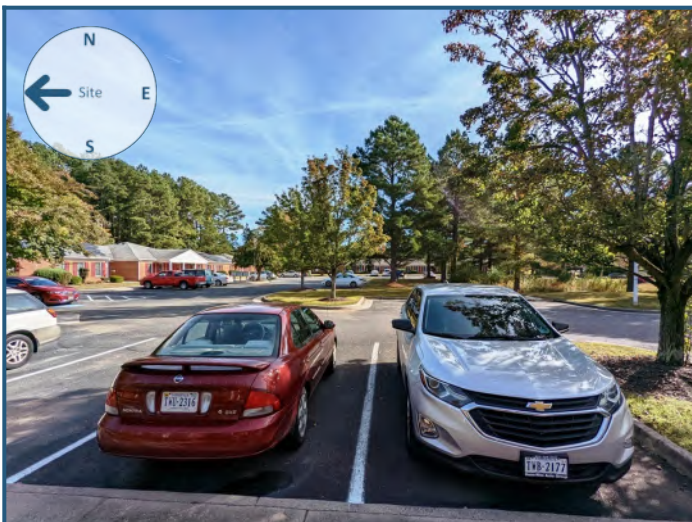
Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site

Holly Court



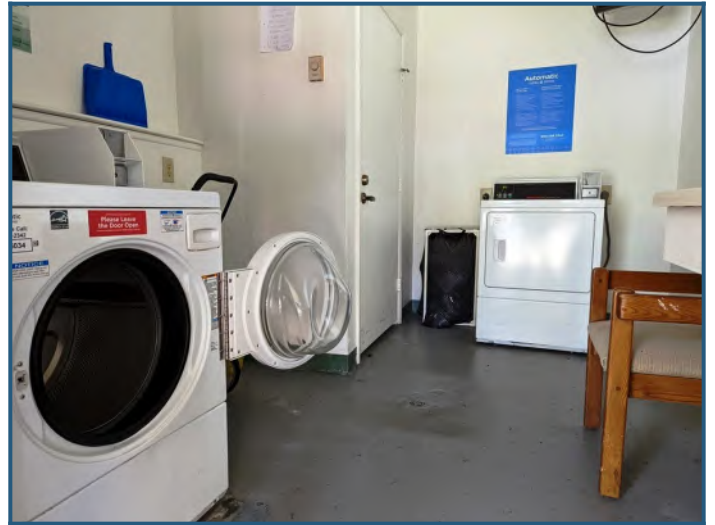
Streetscape: West view of Wiggins Avenue



Streetscape: East view of Wiggins Avenue



Picnic Area



Laundry Facility



Community Room



Community Room: Kitchen

Holly Court



One-Bedroom (Living Room)



One-Bedroom (Kitchen)



One-Bedroom (Bedroom - View A)



One-Bedroom (Bedroom - View B)



One-Bedroom (Bathroom)



One-Bedroom (Washer/Dryer Hook-up)

XI.

COMPARABLE
PROPERTY PROFILES

901 Auburn Pointe Apts. 51.0 miles to site



Address: 496 Catina Way, Newport News, VA 23608
 Phone: (757) 877-8880 Contact: Chantis (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 275 Year Built: 1976
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 1997
 Turnover: Stories: 2
 Waitlist: 10 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Virginia Housing

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

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

Property Amenities: Laundry Room; On-Site Management; 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	10	0	850	\$0.94	\$803	50%
1	1	G	56	0	850	\$0.97	\$825	60%
2	1.5	G	177	0	1,200	\$0.88	\$1,050	60%
3	2	G	32	0	1,500	\$0.83	\$1,250	60%

*Adaptive Reuse

*DTS is based on drive time

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



Address: 15313-15315 Warwick Blvd., Newport News, VA 23608
 Phone: (757) 833-5940 Contact: Marcella (By Phone)
 Property Type: Tax Credit
 Target Population: Senior 55+
 Total Units: 48 Year Built: 2005
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3 (w/Elev)
 Waitlist: 100 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Virginia Housing

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

Unit Amenities: Dishwasher; Disposal; Icemaker; Range; Refrigerator; Central AC; Controlled Access; E-Call System; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room, Clubhouse/Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Walking Path, Library); CCTV; Social Services (Parties / Picnics, Social Services Coordinator)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	3	0	766	\$0.69	\$525	40%
1	1	G	15	0	766	\$0.86	\$655	50%
2	1	G	2	0	1,030	\$0.59	\$605	40%
2	1	G	20	0	1,030	\$0.72	\$740	50%
2	1	G	8	0	1,030	\$0.78	\$800	60%

*Adaptive Reuse

*DTS is based on drive time

903 Clairmont Apts. 45.2 miles to site



Address: 100 Arcadia Lp., Yorktown, VA 23692
 Phone: (757) 988-8800 Contact: Wendy (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 216 Year Built: 2007
 Vacant Units: 19 *AR Year:
 Occupancy: 91.2% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: None
 Rent Special: Varies based on unit; \$150-325 off/month

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



Notes: Rent range due to floor level

Features And Utilities

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

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

Property Amenities: Multipurpose Room, Clubhouse/Community Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool); 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	36	5	800	\$1.99 - \$2.04	\$1,595 - \$1,628	Market
2	2	G	132	12	1,130	\$1.68 - \$1.73	\$1,895 - \$1,960	Market
3	2	G	48	2	1,280	\$1.64 - \$1.67	\$2,100 - \$2,132	Market

*Adaptive Reuse

*DTS is based on drive time

904 Courthouse Commons Apts. I & II 30.9 miles to site



Address: 260-264 Wallace St., Warsaw, VA 22572
 Phone: (804) 366-0408 Contact: Belinda (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 23 Year Built: 1981
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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

Notes:



Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: On-Site Management

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	T	2	0	905	\$0.94	\$850	Market
2	2	G	12	0	1,004	\$0.87	\$875	Market
2	1.5	T	9	0	1,005	\$0.87	\$875	Market

*Adaptive Reuse

*DTS is based on drive time

905 King's Ridge Apts. 49.0 miles to site



Address: 401 Jester Ct., Newport News, VA 23608
 Phone: (757) 989-0978 Contact: Jessica (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 182 Year Built: 1996
 Vacant Units: 1 *AR Year:
 Occupancy: 99.5% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 1-br; 3-br; 2 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Virginia Housing

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

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

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Grilling Area, Playground, 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	32	0	749	\$1.31	\$983	60%
2	2	G	94	1	949	\$1.24	\$1,174	60%
3	2	G	56	0	1,156	\$1.17	\$1,358	60%

*Adaptive Reuse

*DTS is based on drive time

906 Lexington Commons Apts. 51.7 miles to site



Address: 14534 Old Courthouse Way, Newport News, VA 23608
 Phone: (757) 989-5108 Contact: Ms. Walker (By Phone)
 Property Type: Tax Credit
 Target Population: Senior 55+
 Total Units: 132 Year Built: 1996
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3 (w/Elev)
 Waitlist: 1-br; 6-12 mos
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Virginia Housing

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

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	32	0	665	\$1.42	\$944	60%
2	1	G	100	0	800	\$1.50	\$1,196	60%

*Adaptive Reuse

*DTS is based on drive time

907 Monticello at Powhatan 57.4 miles to site



Address: 3500 Carriage House Way, Williamsburg, VA 23188
 Phone: (757) 220-0444 Contact: Ariana (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 267 Year Built: 2000
 Vacant Units: 11 *AR Year:
 Occupancy: 95.9% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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



Notes:

Features And Utilities

Utility Schedule Provided by: Virginia Housing
 Utility Type & Responsibility: 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 Countertops

Property Amenities: Multipurpose Room, Clubhouse/Community Room; Cafe / Coffee Bar; Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Outdoor Swimming Pool); Social Services (Parties / Picnics); Extra Storage; Water Feature; WiFi

Parking Type: Attached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	36	1	900	\$1.89	\$1,699	Market
2	2	G	72	3	1,240 - 1,370	\$1.52 - \$1.58	\$1,889 - \$2,164	Market
3	2	G	93	4	1,600	\$1.44	\$2,299	Market
3	2.5	T	66	3	1,700 - 1,900	\$1.58 - \$1.50	\$2,684 - \$2,859	Market

*Adaptive Reuse *DTS is based on drive time

908 Regency at Longhill Apts. 55.0 miles to site



Address: 5302 Lone Place Dr., Williamsburg, VA 23188
 Phone: (757) 229-8886 Contact: Gail (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 224 Year Built: 1986
 Vacant Units: 18 *AR Year:
 Occupancy: 92.0% Yr Renovated: 2000
 Turnover: Stories: 2,3
 Waitlist: None
 Rent Special: None

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

Notes:

Features And Utilities

Utility Schedule Provided by: Virginia Housing

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

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	18	2	700 - 916	\$1.89 - \$1.56	\$1,380 - \$1,480	Market
2	2	G	188	14	900 - 1,147	\$1.69 - \$1.42	\$1,590 - \$1,690	Market
3	2	G	18	2	1,339 - 1,439	\$1.38 - \$1.36	\$1,925 - \$2,025	Market

*Adaptive Reuse

*DTS is based on drive time

909 Steeplechase Apts. 57.3 miles to site



Address: 3700 W Steeplechase Way, Williamsburg, VA 23188
 Phone: (757) 253-2466 Contact: Mellisa (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 220 Year Built: 1986
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2006
 Turnover: Stories: 2,3
 Waitlist: 8 HH
 Rent Special: None

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

Notes:



Features And Utilities

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

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

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room, Clubhouse/Community Room; Cafe / Coffee Bar; Courtyard; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Grilling Area, Outdoor Swimming Pool); Social Services (Parties / Picnics); Extra Storage; WiFi

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	56	0	680 - 798	\$1.97 - \$1.74	\$1,346 - \$1,391	Market
2	1	G	68	0	870	\$1.80	\$1,571	Market
2	2	G	72	0	934 - 1,048	\$1.71 - \$1.54	\$1,601 - \$1,623	Market
3	2	G	24	0	1,073	\$1.83	\$1,971	Market

*Adaptive Reuse

*DTS is based on drive time

XII.

FIELD SURVEY OF CONVENTIONAL RENTALS



Site



PMA

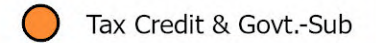
Apartment Type



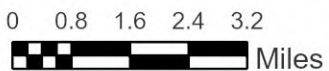
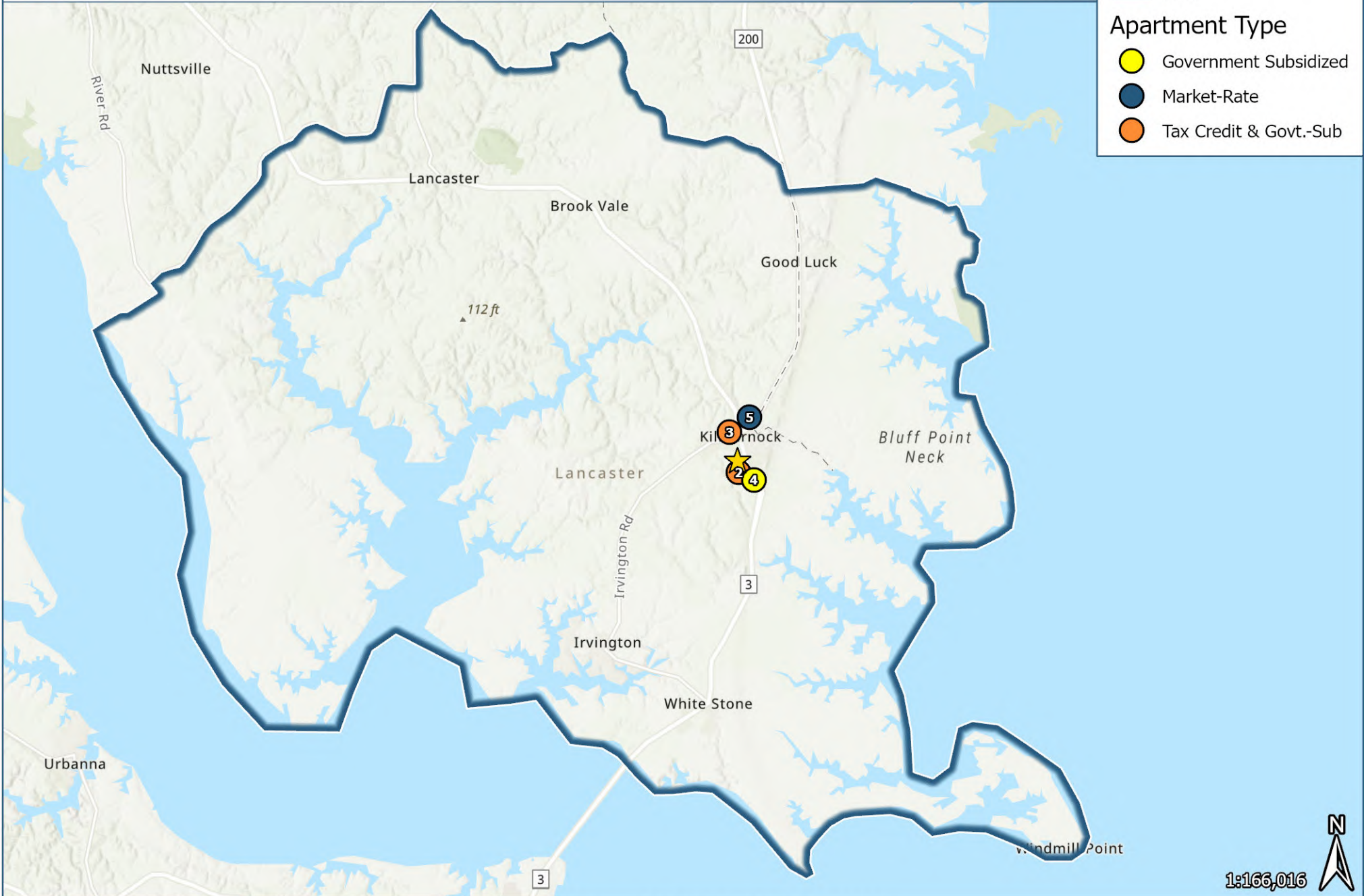
Government Subsidized



Market-Rate





















Tax Credit & Govt.-Sub





Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	Holly Court	GSS	B+	1996	40	0	100.0%	-
2	Indian Creek	TGS	B	1990	20	0	100.0%	0.1
3	Kilmarnock Village	TGS	B	1984	24	0	100.0%	0.8
4	Tartan Village I & II	GSS	B+	2004	42	0	100.0%	0.4
5	Town Centre Suites	MRR	B	1984	28	0	100.0%	1.0
901	Auburn Pointe Apts.	TAX	C+	1976	275	0	100.0%	51.0
902	Checed Warwick Senior Apts.	TAX	B+	2005	48	0	100.0%	50.7
903	Clairmont Apts.	MRR	B+	2007	216	19	91.2%	45.2
904	Courthouse Commons Apts. I & II	MRR	B	1981	23	0	100.0%	30.9
905	King's Ridge Apts.	TAX	B-	1996	182	1	99.5%	49.0
906	Lexington Commons Apts.	TAX	B+	1996	132	0	100.0%	51.7
907	Monticello at Powhatan	MRR	A	2000	267	11	95.9%	57.4
908	Regency at Longhill Apts.	MRR	B	1986	224	18	92.0%	55.0
909	Steeplechase Apts.	MRR	A-	1986	220	0	100.0%	57.3


*Drive distance in miles


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


















1	Holly Court 201 Wiggins Ave, Kilmarnock, VA 22482		Contact: Melissa Phone: (804) 435-7916	
		Total Units: 40 UC: 0 BR: 1 Target Population: Senior 62+ Rent Special: None Notes: HUD Section 8 & 202	Occupancy: 100.0% Vacant Units: 0	Stories: 1 Waitlist: 12 mos






2	Indian Creek 501 Southport Ln., Kilmarnock, VA 22482		Contact: Connie Phone: (804) 435-2997	
		Total Units: 20 UC: 0 BR: 1, 2 Target Population: Family Rent Special: None Notes: Tax Credit; RD 515, no RA	Occupancy: 100.0% Vacant Units: 0	Stories: 1,2 Waitlist: 12 mos


















3	Kilmarnock Village 89 School St, Kilmarnock, VA 22482		Contact: Connie Phone: (804) 435-2500	
		Total Units: 24 UC: 0 BR: 1, 2 Target Population: Family Rent Special: None Notes: Tax Credit; RD 515, has RA (23 units)	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: 12 mos










4	Tartan Village I & II 112 Shamrock Ct., Kilmarnock, VA 22482		Contact: Hunter Leclair Phone: (804) 435-8884	
		Total Units: 42 UC: 0 BR: 1 Target Population: Senior 62+, Special Needs, Disabled Rent Special: None Notes: HUD Section 202; Rent range for different phases	Occupancy: 100.0% Vacant Units: 0	Stories: 1 Waitlist: 60 HH


















5	Town Centre Suites 1 Fox Hill Dr, Kilmarnock, VA 22482		Contact: Sandra Phone: (804) 529-9505	
		Total Units: 28 UC: 0 BR: 2, 3 Target Population: Family Rent Special: None Notes:	Occupancy: 100.0% Vacant Units: 0	Stories: 1,2 Waitlist: 4 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	

901	Auburn Pointe Apts. 496 Catina Way, Newport News, VA 23608	Contact: Chantis Phone: (757) 877-8880
	Total Units: 275 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1976 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 10 HH AR Year: Target Population: Family Yr Renovated: 1997 Rent Special: None Notes: Tax Credit	
902	Checed Warwick Senior Apts. 15313-15315 Warwick Blvd., Newport News, VA 23608	Contact: Marcella Phone: (757) 833-5940
	Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 2005 BR: 1, 2 Vacant Units: 0 Waitlist: 100 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit	
903	Clairmont Apts. 100 Arcadia Lp., Yorktown, VA 23692	Contact: Wendy Phone: (757) 988-8800
	Total Units: 216 UC: 0 Occupancy: 91.2% Stories: 3 Year Built: 2007 BR: 1, 2, 3 Vacant Units: 19 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: Varies based on unit; \$150-325 off/month Notes: Rent range due to floor level	
904	Courthouse Commons Apts. I & II 260-264 Wallace St., Warsaw, VA 22572	Contact: Belinda Phone: (804) 366-0408
	Total Units: 23 UC: 1 Occupancy: 100.0% Stories: 2 Year Built: 1981 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	
905	King's Ridge Apts. 401 Jester Ct., Newport News, VA 23608	Contact: Jessica Phone: (757) 989-0978
	Total Units: 182 UC: 0 Occupancy: 99.5% Stories: 2 Year Built: 1996 BR: 1, 2, 3 Vacant Units: 1 Waitlist: 1-br; 3-br; 2 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit	

 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>906</p>	<p>Lexington Commons Apts. 14534 Old Courthouse Way, Newport News, VA 23608</p>	<p>Contact: Ms. Walker Phone: (757) 989-5108</p>
	<p>Total Units: 132 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 1996 BR: 1, 2 Vacant Units: 0 Waitlist: 1-br; 6-12 mos AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit</p>		
	<p>907</p>	<p>Monticello at Powhatan 3500 Carriage House Way, Williamsburg, VA 23188</p>	<p>Contact: Ariana Phone: (757) 220-0444</p>
	<p>Total Units: 267 UC: 0 Occupancy: 95.9% Stories: 2 Year Built: 2000 BR: 1, 2, 3 Vacant Units: 11 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p>		
	<p>908</p>	<p>Regency at Longhill Apts. 5302 Lone Place Dr., Williamsburg, VA 23188</p>	<p>Contact: Gail Phone: (757) 229-8886</p>
	<p>Total Units: 224 UC: 0 Occupancy: 92.0% Stories: 2,3 Year Built: 1986 BR: 1, 2, 3 Vacant Units: 18 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2000 Rent Special: None Notes:</p>		
	<p>909</p>	<p>Steeplechase Apts. 3700 W Steeplechase Way, Williamsburg, VA 23188</p>	<p>Contact: Mellisa Phone: (757) 253-2466</p>
	<p>Total Units: 220 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 1986 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 8 HH AR Year: Target Population: Family Yr Renovated: 2006 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	

Source: Virginia Housing
Effective: 07/2022

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	8	12	15	18	22	25	8	12	15	18	22	25
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	64	89	114	140	177	204	64	89	114	140	177	204
	Electric	24	34	43	54	67	78	24	34	43	54	67	78
	Heat Pump	0	0	0	0	0	0	0	0	0	0	0	0
	Oil	45	63	81	98	126	145	45	63	81	98	126	145
Cooking	Natural Gas	2	2	3	3	4	5	2	2	3	3	4	5
	Bottled Gas	11	15	19	23	29	34	11	15	19	23	29	34
	Electric	4	5	6	8	10	11	4	5	6	8	10	11
Other Electric		14	19	24	30	38	43	14	19	24	30	38	43
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
Air Conditioning		7	9	13	15	19	22	7	9	13	15	19	22
Water Heating	Natural Gas	3	4	5	7	8	10	3	4	5	7	8	10
	Bottled Gas	27	37	48	58	74	85	27	37	48	58	74	85
	Electric	12	16	21	25	32	37	12	16	21	25	32	37
	Oil	19	26	33	41	52	59	19	26	33	41	52	59
Water		20	28	36	44	56	64	20	28	36	44	56	64
Sewer		23	32	41	50	63	72	23	32	41	50	63	72
Trash Collection		14	14	14	14	14	14	14	14	14	14	14	14
Internet*													
Cable*													
Alarm Monitoring*													

* 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

patrickb@bowennational.com

Date: October 12, 2022



Jeff Peters

Market Analyst

jeffp@bowennational.com

Date: October 12, 2022

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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