



**BOWEN
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RESEARCH**

Market Feasibility Analysis

King Street Roanoke
3339 King Street Northeast
Roanoke, Roanoke City, Virginia 24012

Prepared For

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Authorized User

Virginia Housing
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Effective Date

January 18, 2023

Job Reference Number

22-617 JP

Market Study Certification

NCHMA Certification

This certifies that Tanja Hairston, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Roanoke, Virginia. Further, the information contained in this report is true and accurate as of January 18, 2023.

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

Virginia Housing Certification

I affirm the following:

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

Certified:

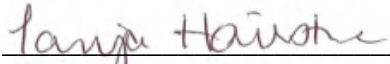


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Certificate of Membership

Bowen National Research
Is a Member Firm in Good Standing of



Formerly known as
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Membership Term
7/1/2022 to 6/30/2023



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

Kaitlyn Snyder
Managing Director, NH&RA

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I. Introduction

A. PURPOSE

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

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

C. SOURCES

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

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

D. REPORT LIMITATIONS

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

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

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 development of the proposed King Street Roanoke rental community in Roanoke, Virginia utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program. The following points support this conclusion:

Project Description

The subject project involves the new construction of the 46-unit King Street Roanoke rental community at 3339 King Street Northeast in Roanoke, Virginia. The project will target general-occupancy (family) households earning up to 40%, 50%, 60% and 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Eight (8) of the units within the subject development will receive project-based vouchers (PBV). The entire proposed project is expected to be complete in May of 2025. Additional details of the subject project can be found in *Section III - Project Description* of this report.

Site Evaluation

The subject site is a 6.701-acre parcel of undeveloped land located at 3339 King Street Northeast in the eastern portion of Roanoke, Virginia. The site is situated within an established, mixed-use area of Roanoke, with many of the surrounding land uses consisting of residential dwellings. Visibility of the subject site is considered limited as views of the site will be obstructed from motorists traveling on both King Street Northeast (west of site) and U.S. Highway 460 (north of site). However, the three-story design of the subject project is also expected to contribute to the site's overall visibility, as it will be one of the tallest structures in the immediate area. Although a detailed site plan was unavailable at the time of this report, it is anticipated that the subject site's entryway will be located along the western border of the site from the roadway currently used as the entryway for Springtree Rehabilitation & Health Care Center, or from Springtree Drive Northeast, both of which are lightly traveled roadways. The light vehicular traffic experienced on these aforementioned roadways is expected to allow for convenient ingress and egress. Many community services are located within 2.0 miles of the subject site, some of which are also within walking distance of the site. The subject site's proximity to major highways and arterial roadways enhances accessibility to many community services. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in *Section IV - Area Analysis*.

Primary Market Area (PMA)

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Roanoke Site PMA includes northern and eastern portions of Roanoke, as well as Vinton and southern portions of Hollins, Virginia. The boundaries of the Site PMA generally include State Route 117 (Peters Creek Road Northwest), U.S. Highway 11 and Roanoke County to the north; Roanoke County and Blue Ridge Parkway to the east; Blue Ridge Parkway, Roanoke River and Roanoke limits to the south; and Interstate 581, U.S. Highway 460 (Orange Avenue Northwest), Cove Road Northwest, Hershberger Road Northwest, Aviation Drive Northwest, Municipal Road Northwest, State Route 118 (Airport Road Northwest) and State Route 117 (Peters Creek Road Northwest) to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in *Section IV*, beginning on page IV-9.

Demographic Trends

Both the population and household bases within the Roanoke Site PMA are generally projected to remain stable between 2022 and 2027. In addition, the 25 to 64 age cohort, which is expected to be the primary age cohort of potential renters at the general-occupancy subject project, comprise 65.7% of all households in 2022. Although renters are projected to decrease between 2022 and 2027, the nearly 12,000 renters projected for 2027 illustrate that a significant base of support will exist for the subject development. Based on the preceding analysis, a large base of renter households will continue to exist in the market during this time period. Detailed demographic trends are included in *Section IV*, beginning on page IV-11.

Economic Trends

The Roanoke economy generally experienced growth between 2013 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the employment base declined by 2,616 jobs, or 5.4%, and its *annual* unemployment rate increased by nearly five percentage points. Specifically, between February and April 2020, the *monthly* unemployment rate within the county spiked by ten percentage points. On a positive note, the local economy has been improving since 2020, experiencing job growth and a declining unemployment rate. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which account for approximately 28.0% of the market's labor force and provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable. Detailed economic trends are included in *Section IV*, beginning on page IV-15.

Overall Rental Housing Market Conditions

We identified and personally surveyed 17 conventional housing projects containing a total of 2,431 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 98.1%, an excellent rate for rental housing. Each rental housing segment surveyed is summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	8	1,701	42	97.5%
Market-Rate/Government-Subsidized	1	108	0	100.0%
Tax Credit	1	192	4	97.9%
Tax Credit/Government-Subsidized	3	162	0	100.0%
Government-Subsidized	4	268	0	100.0%
Total	17	2,431	46	98.1%

All rental housing segments surveyed are performing at a high level as each reports an overall occupancy rate of 97.5% or higher. This is a clear indication of strong demand for rental product of all types in this market. In addition, note that there are only four vacant units among the affordable rental housing segments surveyed. This is a good indication of high and likely pent-up demand for affordable rental product such as that proposed at the site.

Comparable/Competitive Tax Credit Analysis

We identified and surveyed two properties that operate under the Tax Credit program and offer non-subsidized Tax Credit units targeting general-occupancy (family) households, similar to that proposed at the subject site. Considering these two properties offer similar unit types targeting similar income levels, they are considered comparable to the subject development and have been included in our comparable analysis.

Due to the lack of comparable Tax Credit product surveyed in the Site PMA, we identified and surveyed three additional rental communities that offer non-subsidized Tax Credit units outside the Site PMA in the surrounding Roanoke, Salem and Cave Spring, Virginia areas. These three projects located outside the Site PMA target general-occupancy (family) households earning up to 60% of AMHI and are considered comparable to the proposed project. Note that although Salem Commons and Woodridge Apartments are located in areas that are slightly inferior to that of the Site PMA, we have included these properties in our comparable analysis. These five comparable properties and the subject site are summarized in the following table:

Map I.D.	Project Name	Quality Rating	Nbhd. Rating	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	King Street Roanoke	-	-	2025	46	-	-	-	Families; 40%, 50%, 60% & 80% AMHI & PBV
2	Afton Gardens	B-	B	1967 / 2002	108	100.0%	4.0 Miles	6-12 Months	Families; 60% AMHI & Section 8
15	Peters Creek I, II, III	B+	B+	1994 / 2015	192	97.9%	9.6 Miles	None	Families; 50% & 60% AMHI
901	Everett	B+	B	1973 / 2006	404*	99.5%	9.5 Miles	None	Families; 60% AMHI
903	Salem Commons	B	B	1988 / 1999	88	100.0%	8.1 Miles	12 HH	Families; 60% AMHI
904	Woodridge Apts.	B	B	1972 / 1992	48*	100.0%	6.7 Miles	None	Families; 60% AMHI

900 Map IDs are located outside the Site PMA

Occ. – Occupancy; Nbhd. – Neighborhood; HH – Households; * Tax Credit units only

The five comparable LIHTC projects have a combined occupancy rate of 99.3% and two of the five properties maintain a waiting list for the next available units. This is a clear indication of high and pent-up demand within the market and region and the development of the subject project will alleviate a portion of this pent-up 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	King Street Roanoke	\$648/40% (5)*^	\$904/50% (2)^ \$971/50% (10) \$1,165/60% (8) \$1,354/80% (4)	\$1,122/50% (1)*^ \$1,122/50% (6) \$1,347/60% (6) \$1,579/80% (4)	-
2	Afton Gardens	-	\$1,080/60% (104/0)^ \$1,229/60% (4/0)	-	None
15	Peters Creek I, II, III	-	\$1,041/50% (66/1) \$1,235/60% (66/2)	\$1,209/50% (30/0) \$1,434/60% (30/1)	None
901	Everett	\$1,042/60% (80/0)	\$1,001/60% (56/0) \$1,018/60% (212/2)	\$1,170/60% (56/0)	None
903	Salem Commons	-	\$965/60% (40/0) \$1,020/60% (24/0)	\$1,155/60% (24/0)	None
904	Woodridge Apts.	\$847/60% (29/0)	\$935/60% (14/0)	\$1,030/60% (5/0)	None

900 Map IDs are located outside the Site PMA

*Maximum allowable LIHTC rent (contract rent exceeds maximum allowable); ^Subsidized; tenant pays only portion of income towards rent

The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are within the range of the rents being achieved at the comparable LIHTC properties in the market and region targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 31 years newer than the original year built of the comparable properties utilized in this analysis, although all have been renovated since being built. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60%) are considered achievable as proposed.

Considering the subject’s proposed gross LIHTC rents at the 80% of AMHI income level are only slightly higher than some of the 60% of AMHI rents being achieved at the comparable LIHTC properties, they are considered appropriately positioned. This is expected to ensure that these higher income level units will be perceived as a value in the market.

Additionally, the subject project will be the only LIHTC rental community within the market to offer units set aside at 40% and 80% of AMHI. This will also position the subject at a market advantage, as it will provide an affordable rental housing alternative to low- and moderate-income renters within the Roanoke Site PMA that are currently underserved.

Comparable/Competitive Tax Credit Summary

The five comparable LIHTC projects have a combined occupancy rate of 99.3% and two of the five properties maintain a waiting list for the next available units. This is a clear indication of high and pent-up demand within the market and region and the development of the subject project will alleviate a portion of this pent-up demand.

The subject’s proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are within the range of the rents being achieved at the comparable LIHTC properties in the market and region targeting similar income levels. As such, it is expected that the subject’s proposed gross LIHTC rents for these income levels (40%, 50% and 60%) are considered achievable as proposed. Considering the subject’s proposed gross LIHTC rents at the 80% of AMHI income level are only slightly higher than some of the 60% of AMHI rents being achieved at the comparable LIHTC properties, they are considered appropriately positioned. Based on the rent positioning of the subject site, as well as the competitive unit sizes and competitive amenities package, the subject site is expected to be marketable as proposed.

Perception of Value

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

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	40%/PBV	\$519*	\$1,180	56.0%
Two-Br.	50%/PBV	\$750	\$1,420	47.2%
Two-Br.	50%	\$817	\$1,420	42.5%
Two-Br.	60%	\$1,011	\$1,420	28.8%
Two-Br.	80%	\$1,200	\$1,420	15.5%
Three-Br.	50%/PBV	\$943*	\$1,665	43.4%
Three-Br.	50%	\$943	\$1,665	43.4%
Three-Br.	60%	\$1,168	\$1,665	29.9%
Three-Br.	80%	\$1,400	\$1,665	15.9%

*Maximum allowable collected LIHTC rent (contract rent exceeds maximum allowable)

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set at least 10.0% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. While units targeting households at higher income levels such as 80% of AMHI often do not need to represent a market rent advantage of 10.0% to be perceived a value, it is often recommended that such units/rents represent a positive rent advantage to ensure it is perceived as a value to low-income renters.

As detailed in the preceding table, the subject rents represent market rent advantages ranging from 15.5% to 56.0%, depending upon unit type and income level. Thus, the subject rents, even those at the higher 80% AMHI levels, will represent significant values within the Roanoke Site PMA.

Capture Rate Estimates

The following is a summary of our demand calculations for the subject site as proposed, as well as in the unlikely scenario that the project did not operate with a subsidy.

As Proposed (With PBV)						
Demand Component	40% AMHI / PBV (\$0-27,640)	50% AMHI / PBV (\$0-46,650)	50% AMHI (\$30,994 - \$46,650)	60% AMHI (\$39,943 - \$55,980)	80% AMHI (\$46,423 - \$74,640)	Overall LIHTC w/ Subsidy (\$0-\$74,640)
Net Demand	1,075	2,155	588	522	865	2,516
Proposed Units	5	3	16	14	8	46
Proposed Units / Net Demand	5 / 1,075	3 / 2,155	16 / 588	14 / 522	8 / 865	46 / 2,516
Capture Rate	= 0.5%	= 0.1%	= 2.7%	= 2.7%	= 0.9%	= 1.8%

LIHTC Only (Without PBV)					
Demand Component	40% AMHI (\$22,217 - \$27,640)	50% AMHI (\$30,994 - \$46,650)	60% AMHI (\$39,943 - \$55,980)	80% AMHI (\$46,423 - \$74,640)	Overall LIHTC Only (\$22,217-\$74,640)*
Net Demand	211	588	522	865	1,653
Proposed Units	5	19	14	8	46
Proposed Units / Net Demand	5 / 211	19 / 588	14 / 522	8 / 865	46 / 1,653
Capture Rate	= 2.4%	= 3.2%	= 2.7%	= 0.9%	= 2.8%

*Excludes those earning between \$27,641 and \$30,993 due to gap in affordability levels

The capture rates by targeted income level assuming the project operates with a subsidy available to some units are considered low and easily achievable, ranging from 0.1% to 2.7%, with an overall capture rate of 1.8%. In the unlikely scenario the subject operates without a subsidy, the capture rates by income level range from 0.9% to 3.2% and the overall capture rate is 2.8%. These capture rates are all considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development, regardless of scenario.

Penetration Rate

The 268 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing, planned and subject Tax Credit units is \$22,217 to \$74,640. The following table summarizes the market penetration rate for the subject project, based on data contained in the Demographic Characteristics and Trends section of this report.

	Market Penetration
Number of LIHTC Units (Planned, Existing & Subject)	314
Income-Eligible Renter Households – 2025	/ 5,663
Overall Market Penetration Rate	= 5.5%

It is our opinion that the 5.5% penetration rate for the LIHTC units, existing, planned and proposed subject, is very low and easily achievable.

Absorption Projections

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 46 LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in approximately three months of opening. This absorption period is based on an average monthly absorption rate of approximately 14 units per month. More specific to the units offered at the site, it is anticipated that the subsidized units at the site will experience the fastest absorption, with the non-subsidized units requiring the full three-month absorption period.

These absorption projections assume a 2025 opening date. An earlier/later opening date may have a slowing impact on the initial absorption of the subject project. Further, these absorption projections assume that the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

III. Project Description

Project Name:	King Street Roanoke
Location:	3339 King Street Northeast, Roanoke, Virginia 24012
Census Tract:	6.02
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 46-unit King Street Roanoke rental community at 3339 King Street Northeast in Roanoke, Virginia. The project will target general-occupancy (family) households earning up to 40%, 50%, 60% and 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Eight (8) of the units within the subject development will receive project-based vouchers (PBV). The entire proposed project is expected to be complete in May of 2025. Additional details of the subject development are summarized as follows:

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
5	One-Br.	1.0	Garden	711	40%/PBV	\$600	\$129	\$729	\$648
2	Two-Br.	2.0	Garden	953	50%/PBV	\$750	\$154	\$904	\$971
10	Two-Br.	2.0	Garden	953	50%	\$817	\$154	\$971	\$971
8	Two-Br.	2.0	Garden	953	60%	\$1,011	\$154	\$1,165	\$1,165
4	Two-Br.	2.0	Garden	953	80%	\$1,200	\$154	\$1,354	\$1,554
1	Three-Br.	2.0	Garden	1,115	50%/PBV	\$950	\$179	\$1,129	\$1,122
6	Three-Br.	2.0	Garden	1,115	50%	\$943	\$179	\$1,122	\$1,122
6	Three-Br.	2.0	Garden	1,115	60%	\$1,168	\$179	\$1,347	\$1,347
4	Three-Br.	2.0	Garden	1,115	80%	\$1,400	\$179	\$1,579	\$1,796
46	Total								

Source: Community Housing Partners

AMHI - Area Median Household Income (Roanoke, VA HUD Metro FMR Area; 2022)

PBV – Project-Based Vouchers

Note that tenants residing within the eight units with PBV will effectively pay up to 30% of their adjusted gross household income towards gross rent due to the presence of the subsidy. The maximum allowable LIHTC gross rents of \$648 to \$1,122 are the programmatic limits for units targeting households earning up to 40% and 50% of AMHI. However, these limits would only apply in the unlikely scenario that the property did not to operate with a project-based subsidy. Nonetheless, as some of the proposed contract rent exceeds these maximum allowable limits, we have evaluated these unit types assuming maximum allowable LIHTC rent limits throughout this report.

Building/Site Information	
Residential Buildings:	Two (3) three-story buildings
Building Style:	Walk-up
Community Space:	Integrated throughout
Acres:	6.701

Construction Timeline	
Original Year Built:	Not Applicable
Construction Start:	March 2024
Begin Preleasing:	February 2025
Construction End:	May 2025

Unit Amenities		
• Electric Range	• Washer/Dryer Hookups	• Composite Flooring
• Refrigerator	• Central Air Conditioning	• Window Blinds
• Dishwasher	• Walk-In Closet	• In-Unit Wi-Fi

Community Amenities		
• Bike Racks/Storage	• Business/Computer Center	• Clubhouse/Community Room
• Common Area Wi-Fi	• On-Site Management	• Playground
• CCTV/Cameras	• Social Services Package*	• Surface Parking Lot

*Includes a childcare subsidy and annual telehealth evaluation

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				



FLOOR AND SITE PLAN REVIEW:

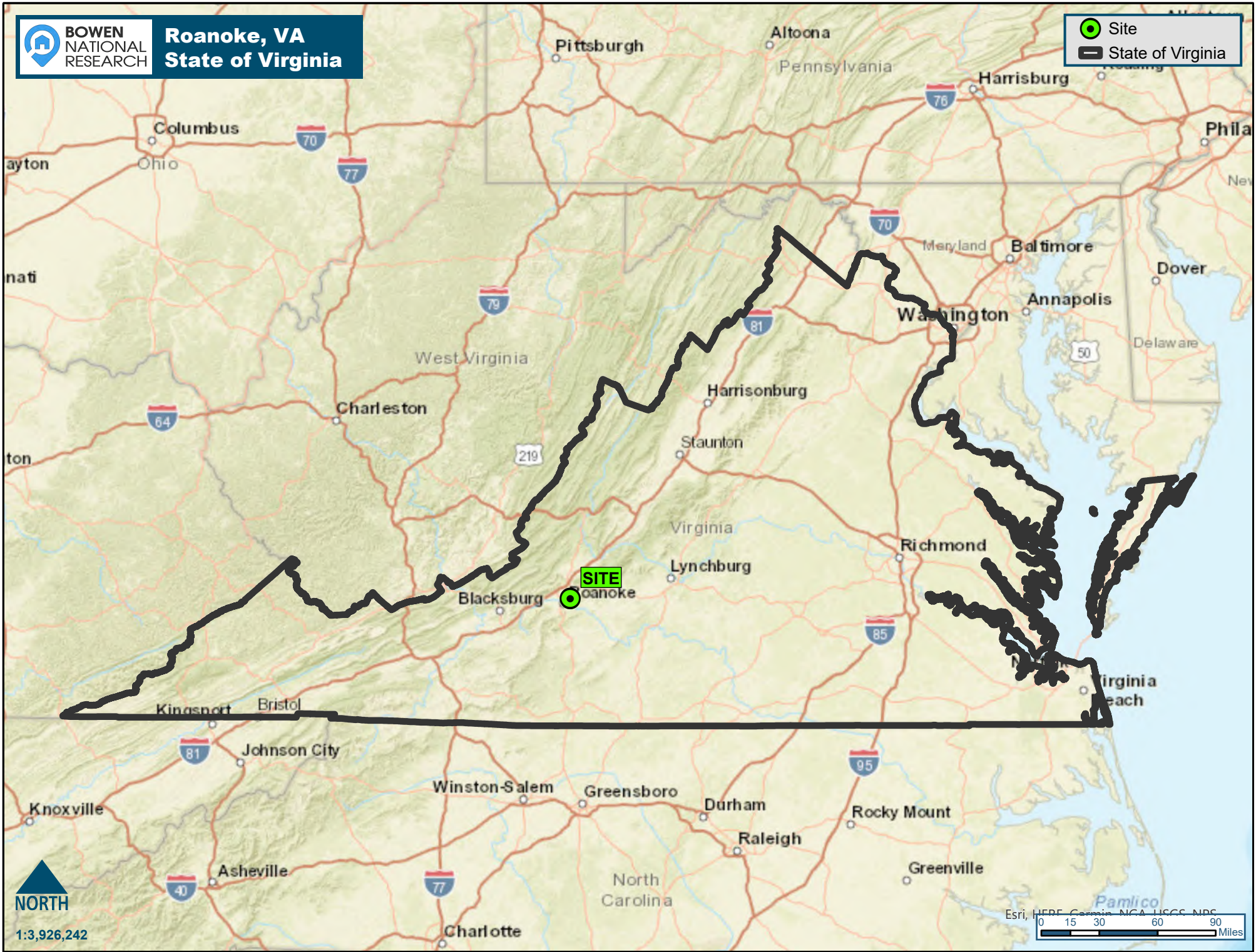
Floor and site plans were provided and reviewed at the time this market study was issued. Based on these plans, as well as an in-depth analysis of comparable Tax Credit and market-rate housing projects, the proposed unit designs are considered appropriate for the market. The proposed development will offer marketable unit sizes, based on square footage, as well as in-unit washer/dryer connections, dishwashers, walk-in closets and various community spaces that are considered desirable to the targeted population. Overall, we believe the subject site will be appropriately positioned within the Roanoke market, assuming the floorplans are marketable.

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



Roanoke, VA State of Virginia

 Site
 State of Virginia



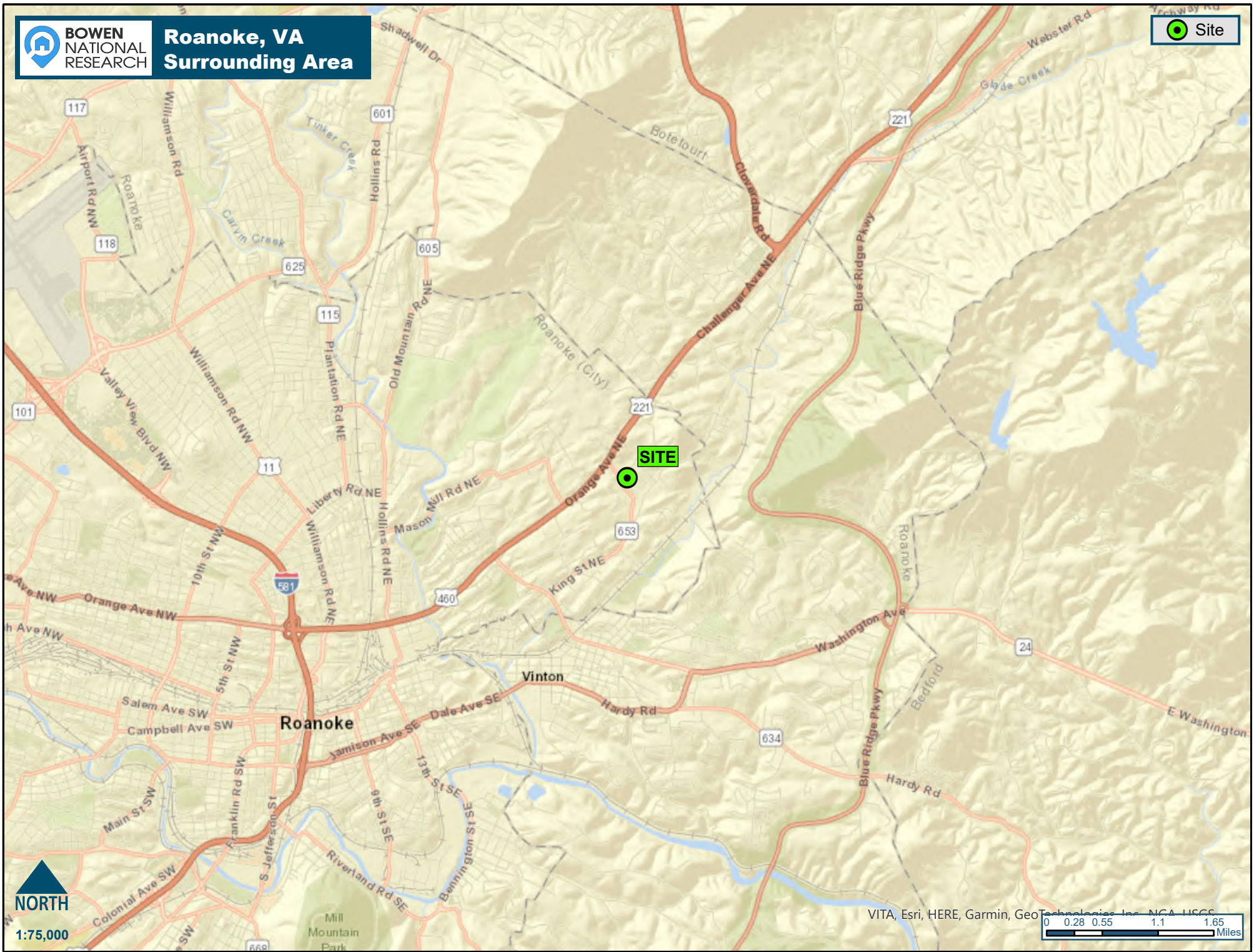
1:3,926,242

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



Roanoke, VA Surrounding Area

Site



1:75,000

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc, NGA, USGS
0 0.28 0.55 1.1 1.65 Miles



Roanoke, VA Site Neighborhood

Legend

Site Area



1:4,285

Map: Microsoft
0 0.02 0.04 0.09 0.13
Miles

IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is a 6.701-acre parcel of undeveloped land located at 3339 King Street Northeast in the eastern portion of Roanoke, Virginia. Located within Roanoke, the site is approximately 40.0 miles east of Blacksburg, Virginia and 53.0 miles west of Lynchburg, Virginia. The site was visited during the week of January 16, 2023.

2. SURROUNDING LAND USES

The subject site is situated within an established, mixed-use area in the eastern portion of Roanoke. Surrounding land uses primarily consist of retail land uses and residential dwellings. Adjacent land uses are detailed as follows:

North -	The northern boundary is defined by Springtree Drive Northeast, a residential roadway with light traffic. A shopping center, a single-family home, and retail establishments situated along U.S. Highway 460, a moderately traveled arterial roadway, extend farther north of the site.
East -	The eastern boundary is defined by a tree line and single-family homes in fair to good condition. Single-family homes and wooded land extend east of the site to Parkway Church on the Mountain.
South -	The southern boundary is defined by Springtree Rehabilitation & Health Care Center. Wooded land and residential dwellings in fair to good condition extend farther south of the site.
West -	The western boundary is defined by the entryway for Springtree Rehabilitation & Health Care Center. Wooded land extends west of the site, followed by Glade Creek (Map ID 9) and Hickory Woods Apartments (Map ID 10), market-rate properties in good condition. Undeveloped land extends west of the site along U.S. Highway 460.

The subject site is situated within an established, mixed-use area of eastern Roanoke and is considered conducive to residential housing. Notably, the proximity to community services, dining options, retail shopping, and arterial roadways will likely contribute to the marketability of the subject site. The existing residential and retail structures within the immediate site neighborhood were observed to be in good condition and are not expected to adversely impact the overall marketability of the proposed subject site. Photographs of the site can be found in *Section X* of this report.

3. VISIBILITY AND ACCESS

Visibility of the subject site is considered limited as views of the site will be obstructed from motorists traveling on both King Street Northeast (west of site) and U.S. Highway 460 (north of site). However, the three-story design of the subject project is also expected to contribute to the site’s overall visibility, as it will be one of the tallest structures in the immediate area. Promotional signage placed along King Street Northeast and/or U.S. Highway 460 would significantly enhance the overall visibility of the subject site. Overall, visibility is considered fair.

Although a detailed site plan was unavailable at the time of this report, it is anticipated that the subject site’s entryway will be located along the western border of the site from the roadway currently used as the entryway for Springtree Rehabilitation & Health Care Center, or from Springtree Drive Northeast, both of which are lightly traveled roadways. The light vehicular traffic experienced on these aforementioned roadways is expected to allow for convenient ingress and egress. In addition to being conveniently accessed, the subject site is also within proximity of area arterial roadways, as U.S. Highway 460 and Interstate 581 are both accessed within approximately 3.0 miles of the site. Public transportation is also offered throughout the area via Valley Metro and the nearest bus stop is located 0.25 miles west of the site, along U.S. Highway 460. The availability of affordable public transportation within walking distance of the subject site is considered beneficial to the targeted low-income population at the site. Overall, accessibility of the 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	U.S. Highway 460	0.3 West
	Interstate 581	3.3 Southwest
Public Bus Stop	Valley Metro	0.25 West
Major Employers/ Employment Centers	Cooper Industries	1.2 North
	Advance Auto Parts Distribution Center	1.5 North
	Walmart Supercenter	2.4 Northeast
	Carilion Roanoke Memorial Hospital	5.3 Southwest
Convenience Store	BP/Apple Market	0.3 Northwest
	Exxon/Food Mart	1.0 Northeast
	BP	1.1 Southeast
Grocery	Kroger	1.5 Northeast
	Walmart Supercenter	2.4 Northeast
	Food Lion	4.7 Northwest
Discount Department Store	Dollar Tree	0.4 Northwest
	Dollar General	1.5 Southwest
	Walmart Supercenter	2.4 Northeast

(Continued)

Community Services	Name	Driving Distance From Site (miles)
Shopping Center/Mall	Shopping Center with Planet Fitness Market Square East Orange Plaza Shopping Center	0.2 West 0.5 Northeast 1.5 Southwest
Schools: Elementary Middle/Junior High High	Fallon Park Elementary John P. Fishwick Middle William Fleming High	3.1 Southwest 3.8 Southwest 7.1 West
Hospital	Carilion Roanoke Memorial Hospital	5.3 Southwest
Police	Vinton Police	2.0 South
Fire	Roanoke Fire Station #14	0.9 Southwest
Post Office	U.S. Post Office	1.9 South
Bank	BB&T Bank Wells Fargo Bank SunTrust Bank	0.5 North 0.5 North 0.7 North
Recreational/Gym Facilities	Planet Fitness Big Lick Crossfit Bonsack Recreation Center	0.3 Northwest 2.2 Northeast 2.7 Northeast
Gas Station	BP/Apple Market Exxon/Food Mart BP	0.3 Northwest 1.0 Northeast 1.1 Southeast
Pharmacy	Kroger Pharmacy Walmart Pharmacy CVS	1.5 Northeast 2.4 Northeast 2.7 South
Restaurant	Waffle House Denny's Pho Saigon	0.3 Northwest 0.3 Northwest 0.5 Northwest
Day Care	Honey Tree Early Learning Center Creative Kids Child Care Center Children Castle Early Learning	0.7 North 1.0 North 1.1 Northeast
Community Center	Keystone Community Center Presbyterian Community Center	2.8 Southwest 3.3 Southwest
Church	Parkway House of Prayer Parkway Church on the Mountain	0.5 South 0.8 Northeast
Library	Vinton Public Library	2.0 South
Park	Vinyard Park West Fallon Park	1.0 South 3.0 Southwest

As the preceding table illustrates, many community services are located within 2.0 miles of the subject site, some of which are also within walking distance of the site. Notably, a BP (gas station), Apple Market (convenience store), BB&T Bank, Kroger (grocery store and pharmacy), Creative Kids Child Care Center, Pho Saigon (restaurant), Dollar Tree, and Vinyard Park West are all located within 2.0 miles of the subject site. The subject site's proximity to major highways and arterial roadways enhances accessibility to many community services. It is also of note that the Valley Metro provides fixed-route public transportation offering affordable transportation services throughout Roanoke, with the nearest bus stop being located 0.25 miles west of the site.

Public safety services are provided by the Vinton Police Department, located 2.0 miles south of the site and Roanoke Fire Station #14, located 0.9 miles southwest of the subject site. The nearest full-service hospital is the Carilion Roanoke Memorial Hospital located 5.3 miles southwest of the site, which offers a full range of services including emergency services. Overall, the subject site's proximity to community services is expected to positively contribute to its overall marketability.

5. OVERALL SITE EVALUATION

The subject site is a 6.701-acre parcel of undeveloped land located at 3339 King Street Northeast in the eastern portion of Roanoke, Virginia. The site is situated within an established, mixed-use area of Roanoke, with many of the surrounding land uses consisting of residential dwellings. Visibility of the subject site is considered limited as views of the site will be obstructed from motorists traveling on both King Street Northeast (west of site) and U.S. Highway 460 (north of site). However, the three-story design of the subject project is also expected to contribute to the site's overall visibility, as it will be one of the tallest structures in the immediate area. Although a detailed site plan was unavailable at the time of this report, it is anticipated that the subject site's entryway will be located along the western border of the site from the roadway currently used as the entryway for Springtree Rehabilitation & Health Care Center, or from Springtree Drive Northeast, both of which are lightly traveled roadways. The light vehicular traffic experienced on these aforementioned roadways is expected to allow for convenient ingress and egress. Many community services are located within 2.0 miles of the subject site, some of which are also within walking distance of the site. The subject site's proximity to major highways and arterial roadways enhances accessibility to many community services. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability.

6. CRIME ISSUES

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

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

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

The following table summarizes crime risk indexes for both the Site PMA and Roanoke (city).











	Crime Risk Index	
	PMA	Roanoke (city)
Total Crime Index	125	162
Personal Crime Index	72	97
Murder	119	218
Rape	98	94
Robbery	51	98
Assault	74	95
Property Crime Index	134	173
Burglary	84	114
Larceny	153	195
Motor Vehicle Theft	82	118

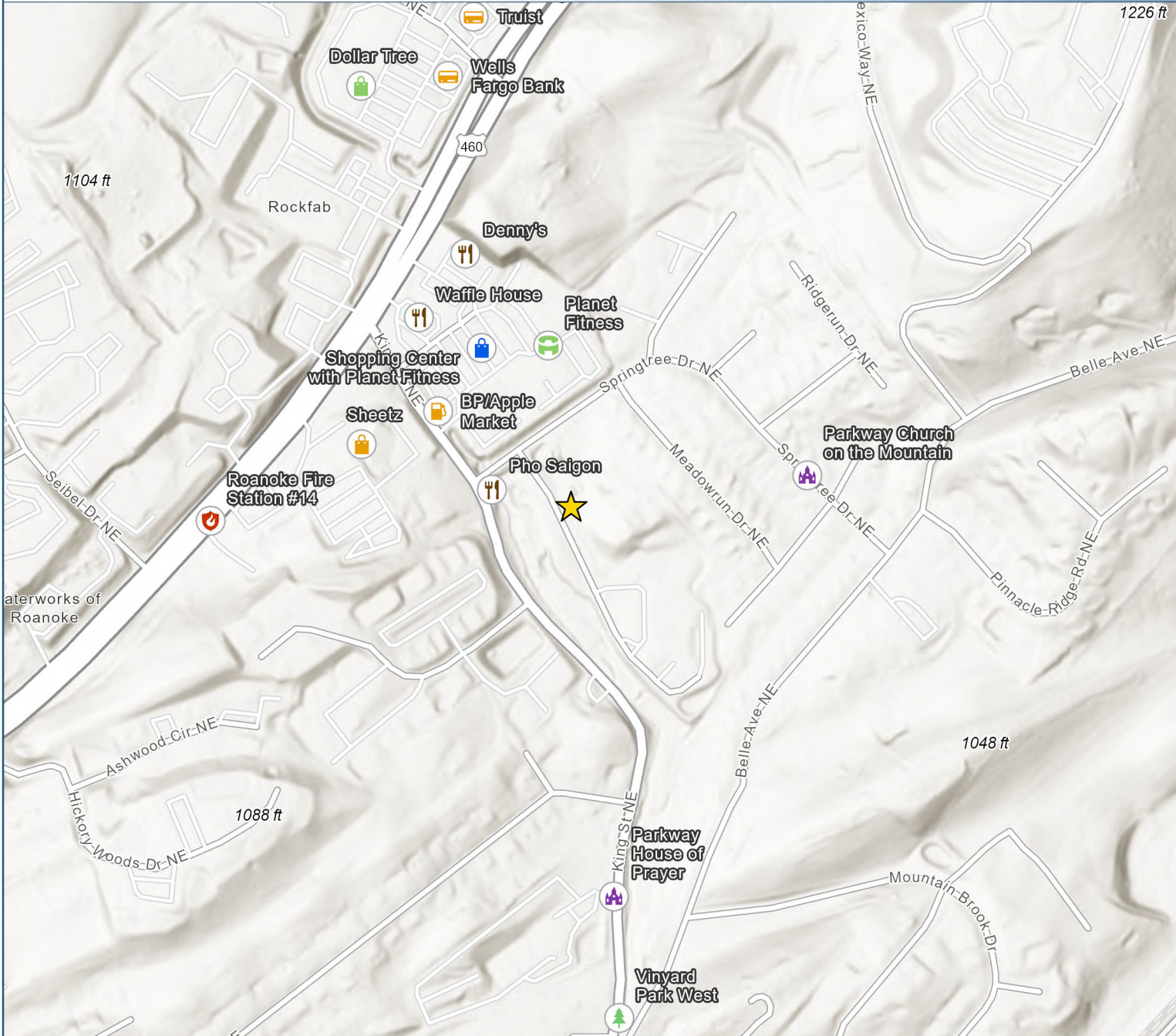
Source: Applied Geographic Solutions, FBI, ESRI

The crime risk index within the Site PMA (125) is below that of Roanoke City (162) and both are above that of the nation (100). However, the perception of crime within the Site PMA, particularly within the immediate area, has not had an adverse impact on marketability, as evidenced by the high occupancy rates reported within the Site PMA, as well as among the three properties near the subject site (Christian Village of Western Virginia, Glade Creek and Hickory Woods Apartments). In addition, the subject site includes amenities such as on-site management and security cameras, features which likely enhance the perception of safety at the property. Overall, it is not anticipated that the elevated crime rate within the neighborhood will have a significant adverse impact on the site's marketability.

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

Community Services

-  Fire
-  Gas Station
-  Bank
-  Park
-  Recreational Facility
-  Church
-  Restaurant
-  Convenience Store
-  Discount Department Store
-  Shopping Center/Mall





























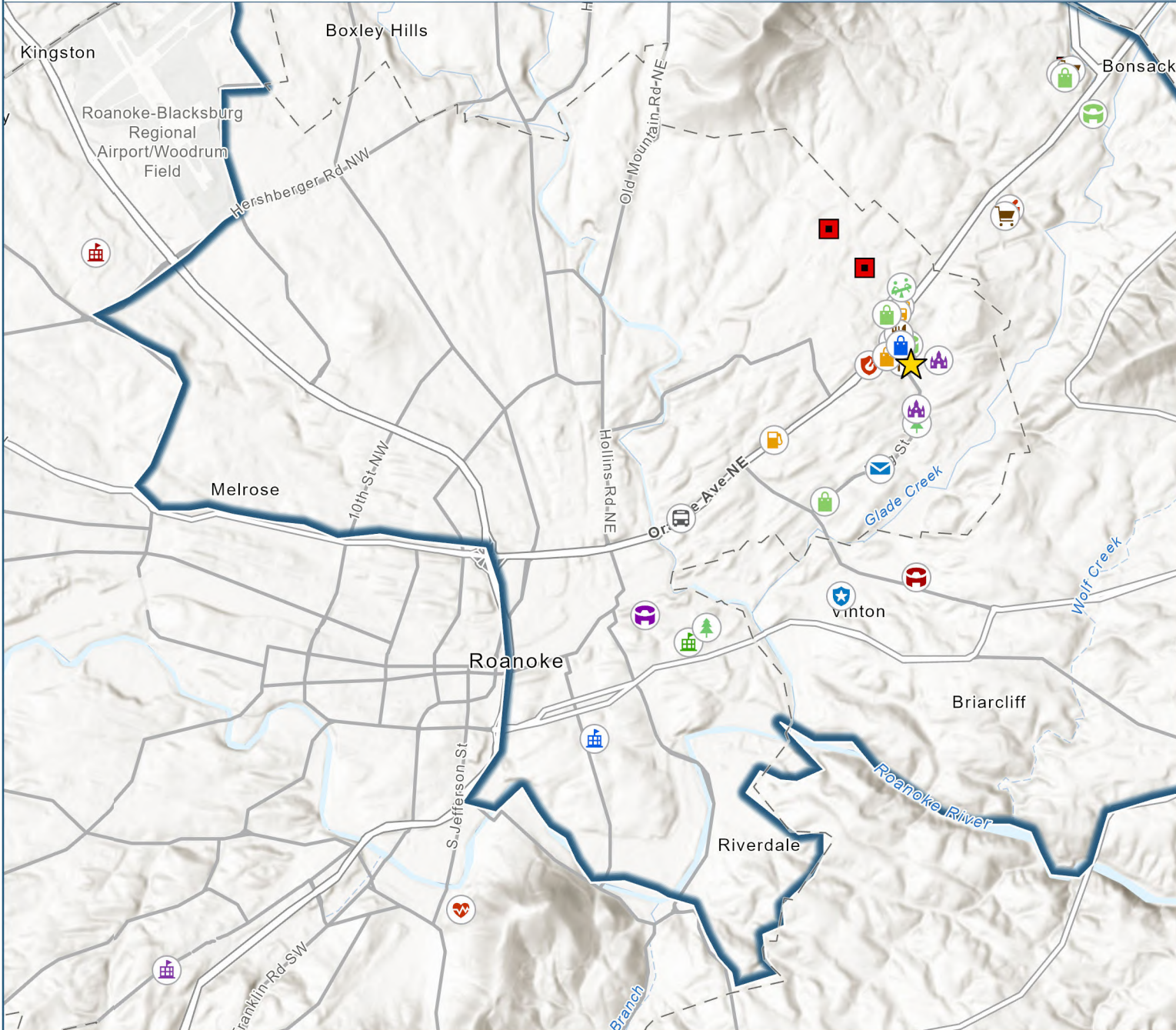
Site



PMA

Community Services

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



0 0.35 0.7 1.05 1.4

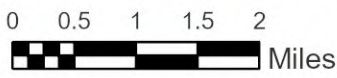
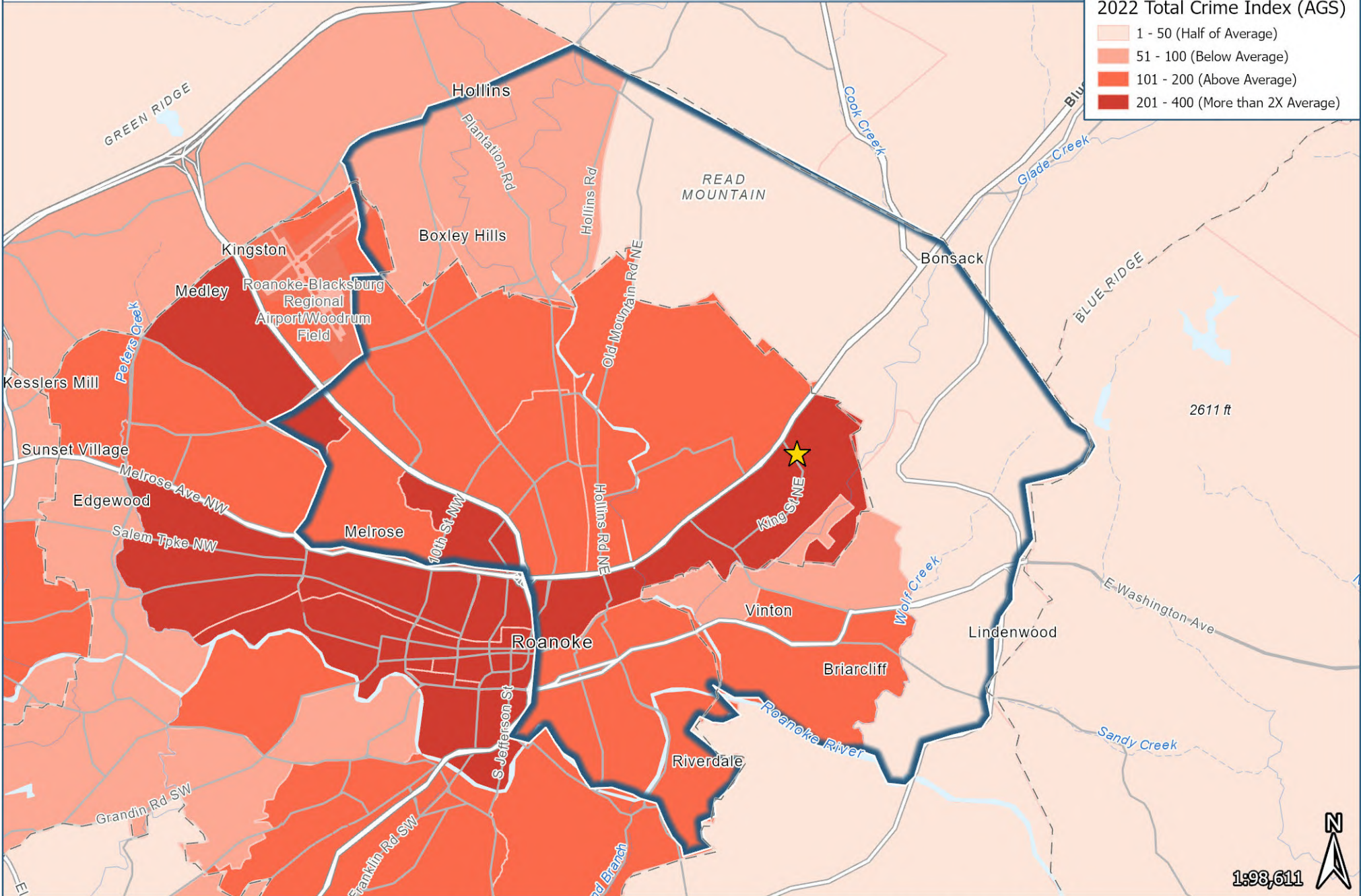


Esri, NASA, NGA, USGS, FEMA, VGIN, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA
 Additional Source(s): Bowen National Research

★ Site
— PMA

2022 Total Crime Index (AGS)

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)



B. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Roanoke Site PMA was determined through interviews with 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 Roanoke Site PMA includes northern and eastern portions of Roanoke, as well as Vinton and southern portions of Hollins, Virginia. The boundaries of the Site PMA generally include State Route 117 (Peters Creek Road Northwest), U.S. Highway 11 and Roanoke County to the north; Roanoke County and Blue Ridge Parkway to the east; Blue Ridge Parkway, Roanoke River and Roanoke limits to the south; and Interstate 581, U.S. Highway 460 (Orange Avenue Northwest), Cove Road Northwest, Hershberger Road Northwest, Aviation Drive Northwest, Municipal Road Northwest, State Route 118 (Airport Road Northwest) and State Route 117 (Peters Creek Road Northwest) to the west.

- Kaitlyn Desilvey, Property Manager at Flats at Rutgers (Map ID 7), a market-rate rental property community in the Roanoke Site PMA, confirmed the boundaries of the Site PMA. Ms. Desilvey stated that the majority of support for this property originates from within the boundaries of the Site PMA and she anticipates that the subject site would likely receive the most support from within these boundaries.
- Nicole Brown, Leasing Agent at Bent Creek Apartments & Townhomes (Map ID 3), a market-rate rental community in the Site PMA, confirmed the boundaries of the Site PMA. Ms. Brown stated that the majority of the applicants at this property are from within the boundaries of the Site PMA, especially from Vinton and Kenwood, due to the large number of low-income renters in these areas, and that the subject site will likely receive support from the same areas, thus confirming the Site PMA.

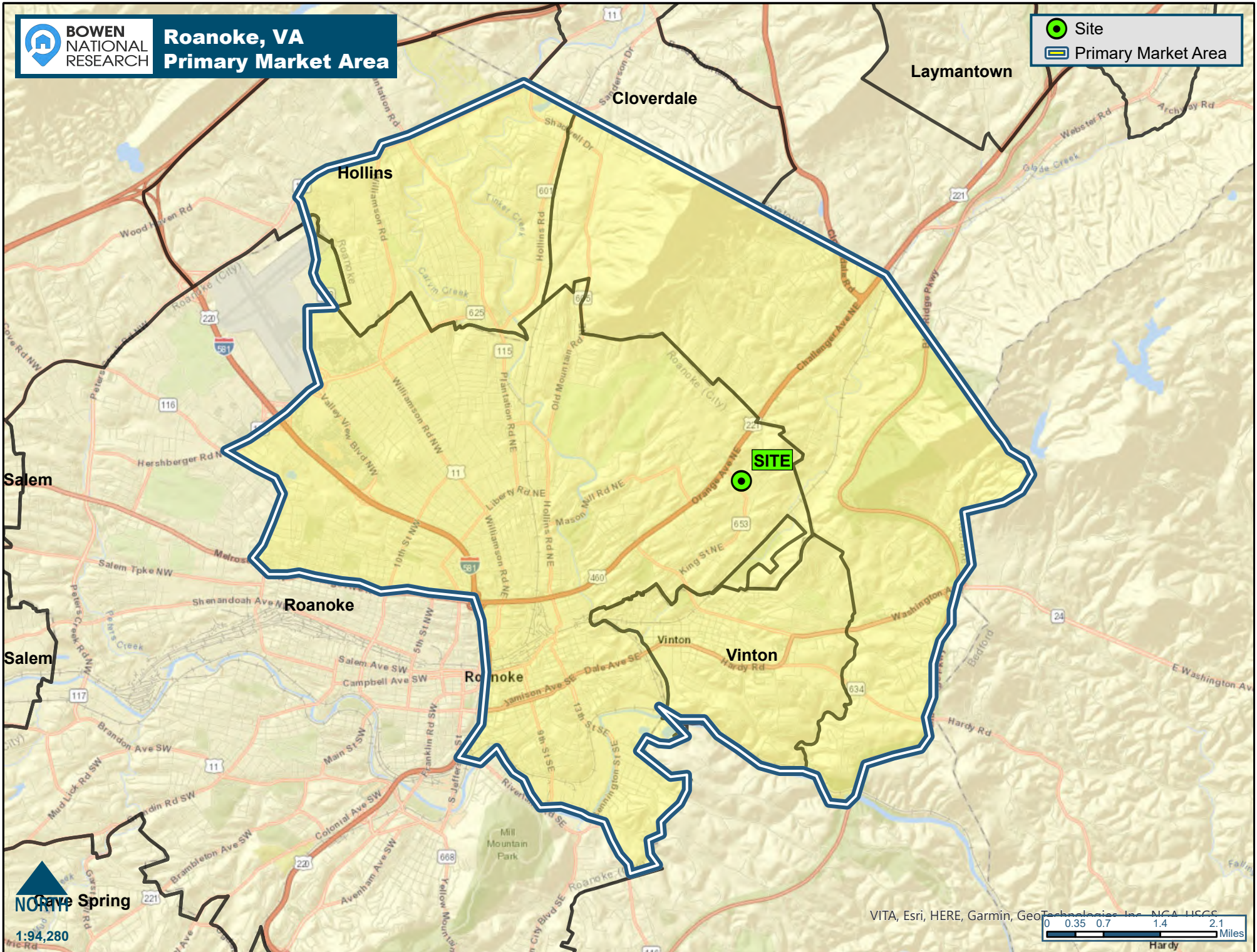
A small portion of support may originate from some of the outlying areas of the Site PMA and suburban communities in the area; we have not, however, considered any secondary market area in this report.

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



Roanoke, VA Primary Market Area

- Site
- Primary Market Area



NORTH
1:94,280

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc, NGA, USGS
 0 0.35 0.7 1.4 2.1 Miles

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	68,456	69,607	70,193	69,891
Population Change	-	1,151	586	-302
Percent Change	-	1.7%	0.8%	-0.4%

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

The Roanoke Site PMA population base increased by 1,151 between 2010 and 2020. This represents a 1.7% increase over the 2010 population, or an annual rate of 0.2%. Between 2020 and 2022, the population increased by 586, or 0.8%. It is projected that the population will decrease by 302, or 0.4%, 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	17,073	24.9%	16,341	23.3%	16,343	23.4%	2	0.0%
20 to 24	4,182	6.1%	3,879	5.5%	3,783	5.4%	-96	-2.5%
25 to 34	9,292	13.6%	9,289	13.2%	8,563	12.3%	-726	-7.8%
35 to 44	9,196	13.4%	9,062	12.9%	9,120	13.0%	58	0.6%
45 to 54	9,809	14.3%	8,639	12.3%	8,442	12.1%	-197	-2.3%
55 to 64	8,564	12.5%	9,041	12.9%	8,497	12.2%	-544	-6.0%
65 to 74	5,181	7.6%	7,747	11.0%	7,921	11.3%	174	2.2%
75 & Older	5,158	7.5%	6,195	8.8%	7,220	10.3%	1,025	16.5%
Total	68,456	100.0%	70,193	100.0%	69,891	100.0%	-302	-0.4%

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, more than 51% of the population is expected to be between 25 and 64 years old in 2022. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

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

	Year			
	2010 (Census)	2020 (Census)	2022 (Estimated)	2027 (Projected)
Households	28,541	29,134	29,398	29,323
Household Change	-	593	264	-75
Percent Change	-	2.1%	0.9%	-0.3%
Average Household Size	2.3	2.34	2.35	2.34

Source: Bowen National Research, ESRI, Census

Within the Roanoke Site PMA, households increased by 593 (2.1%) between 2010 and 2020. Between 2020 and 2022, households increased by 264, or 0.9%. By 2027, there will be 29,323 households, a decrease of 75 households, or 0.3% from 2022 levels. This is a decrease of approximately 15 households annually over the next five years. These trends are indicative of a generally stable household 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	1,281	4.5%	1,097	3.7%	1,131	3.9%	34	3.1%
25 to 34	4,445	15.6%	4,312	14.7%	3,961	13.5%	-351	-8.1%
35 to 44	4,982	17.5%	4,824	16.4%	4,828	16.5%	4	0.1%
45 to 54	5,579	19.5%	4,777	16.2%	4,658	15.9%	-119	-2.5%
55 to 64	5,306	18.6%	5,405	18.4%	5,037	17.2%	-368	-6.8%
65 to 74	3,390	11.9%	4,937	16.8%	5,021	17.1%	84	1.7%
75 & Older	3,558	12.5%	4,045	13.8%	4,688	16.0%	643	15.9%
Total	28,541	100.0%	29,398	100.0%	29,323	100.0%	-75	-0.3%

Source: Bowen National Research, ESRI, Census

As previously discussed, the primary age group of potential renter support for the subject project is expected to be the 25 to 64 age group. Notably, this age cohort is estimated to comprise 65.7% of all households in 2022.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	17,760	62.2%	17,171	58.4%	17,466	59.6%
Renter-Occupied	10,781	37.8%	12,227	41.6%	11,857	40.4%
Total	28,541	100%	29,398	100.0%	29,323	100.0%

Source: Bowen National Research, ESRI, Census

In 2022, homeowners occupied 58.4% of all occupied housing units, while the remaining 41.6% were occupied by renters. Although renters are projected to decrease between 2022 and 2027, the nearly 12,000 renters projected for 2027 illustrate that a significant base of support will exist for the subject development.

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

Persons per Owner Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	4,813	28.0%	4,989	28.6%	176	3.6%
2 Persons	6,718	39.1%	6,924	39.6%	206	3.1%
3 Persons	2,676	15.6%	2,667	15.3%	-9	-0.3%
4 Persons	1,691	9.8%	1,592	9.1%	-99	-5.9%
5+ Persons	1,272	7.4%	1,294	7.4%	22	1.7%
Total	17,171	100.0%	17,466	100.0%	295	1.7%

Source: Bowen National Research, ESRI, Census

Persons per Renter Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	4,696	38.4%	4,509	38.0%	-187	-4.0%
2 Persons	3,565	29.2%	3,614	30.5%	49	1.4%
3 Persons	1,795	14.7%	1,709	14.4%	-86	-4.8%
4 Persons	1,170	9.6%	1,092	9.2%	-78	-6.7%
5+ Persons	1,001	8.2%	933	7.9%	-68	-6.8%
Total	12,227	100.0%	11,857	100.0%	-370	-3.0%

Source: Bowen National Research, ESRI, Census

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

3. INCOME TRENDS

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

Household Income	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	4,404	15.4%	3,869	13.2%	3,191	10.9%
\$15,000 - \$24,999	3,404	11.9%	3,065	10.4%	2,764	9.4%
\$25,000 - \$34,999	4,040	14.2%	2,658	9.0%	2,499	8.5%
\$35,000 - \$49,999	4,992	17.5%	3,900	13.3%	3,533	12.0%
\$50,000 - \$74,999	5,381	18.9%	6,090	20.7%	5,834	19.9%
\$75,000 - \$99,999	3,512	12.3%	3,551	12.1%	3,739	12.8%
\$100,000 - \$149,999	2,098	7.4%	4,231	14.4%	4,912	16.8%
\$150,000 & Higher	710	2.5%	2,034	6.9%	2,852	9.7%
Total	28,541	100.0%	29,398	100.0%	29,323	100.0%
Median Income	\$42,279		\$54,955		\$61,463	

Source: Bowen National Research, ESRI, Census

In 2022, the median household income is estimated to be \$54,955. By 2027, it is projected that the median household income will be \$61,463, an increase of 11.8% from 2022.

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

Renter Households	2020 (ACS)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	1,599	546	261	215	220	2,842
\$15,000 - \$24,999	988	380	270	166	106	1,912
\$25,000 - \$34,999	638	353	210	90	143	1,434
\$35,000 - \$49,999	695	405	179	210	182	1,670
\$50,000 - \$74,999	423	871	446	185	239	2,164
\$75,000 - \$99,999	213	511	202	286	71	1,281
\$100,000 - \$149,999	183	297	224	24	48	778
\$150,000 & Higher	33	182	38	26	17	296
Total	4,771	3,545	1,829	1,201	1,028	12,377

Source: ESRI, Bowen National Research

Renter Households	2022 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	1,514	511	241	198	204	2,668
\$15,000 - \$24,999	967	367	256	158	101	1,850
\$25,000 - \$34,999	635	347	202	87	139	1,410
\$35,000 - \$49,999	683	393	171	200	175	1,621
\$50,000 - \$74,999	428	868	436	181	235	2,148
\$75,000 - \$99,999	225	530	205	290	73	1,322
\$100,000 - \$149,999	204	325	239	26	52	847
\$150,000 & Higher	41	224	46	31	21	363
Total	4,696	3,565	1,795	1,170	1,001	12,229

Source: ESRI, Bowen National Research

Renter Households	2027 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	1,301	423	190	156	164	2,234
\$15,000 - \$24,999	914	335	221	137	89	1,696
\$25,000 - \$34,999	627	331	183	79	129	1,349
\$35,000 - \$49,999	654	363	150	175	157	1,499
\$50,000 - \$74,999	440	860	411	171	226	2,107
\$75,000 - \$99,999	255	578	213	301	77	1,424
\$100,000 - \$149,999	257	395	277	30	61	1,020
\$150,000 & Higher	62	330	65	43	30	530
Total	4,509	3,614	1,709	1,092	933	11,859

Source: ESRI, Bowen National Research

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

Demographic Summary

Both the population and household bases within the Roanoke Site PMA are generally projected to remain stable between 2022 and 2027. In addition, the 25 to 64 age cohort, which is expected to be the primary age cohort of potential renters at the general-occupancy subject project, comprise 65.7% of all households in 2022. Although renters are projected to decrease between 2022 and 2027, the nearly 12,000 renters projected for 2027 illustrate that a significant base of support will exist for the subject development. Based on the preceding analysis, a large base of renter households will continue to exist in the market during this time period.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

The labor force within the Roanoke Site PMA is based primarily in three sectors. Retail Trade (which comprises 20.7%), Accommodation & Food Services, and Health Care & Social Assistance comprise nearly 41.5% of the Site PMA labor force. Employment in the Roanoke Site PMA, as of 2022, was distributed as follows:

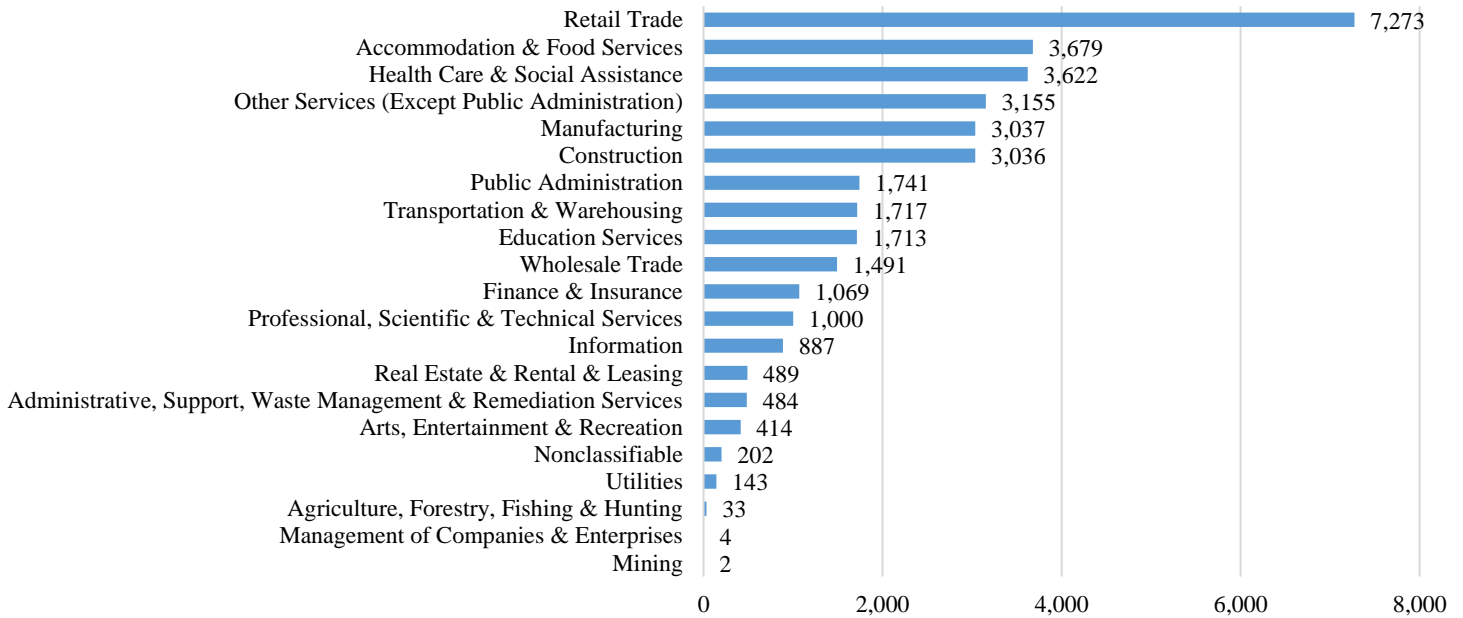
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	3	0.1%	33	0.1%	11
Mining	0	0.0%	2	0.0%	2
Utilities	4	0.2%	143	0.4%	36
Construction	148	6.5%	3,036	8.6%	21
Manufacturing	84	3.7%	3,037	8.6%	36
Wholesale Trade	93	4.1%	1,491	4.2%	16
Retail Trade	452	19.8%	7,273	20.7%	16
Transportation & Warehousing	82	3.6%	1,717	4.9%	21
Information	53	2.3%	887	2.5%	17
Finance & Insurance	135	5.9%	1,069	3.0%	8
Real Estate & Rental & Leasing	99	4.3%	489	1.4%	5
Professional, Scientific & Technical Services	134	5.9%	1,000	2.8%	7
Management of Companies & Enterprises	1	0.0%	4	0.0%	4
Administrative, Support, Waste Management & Remediation Services	77	3.4%	484	1.4%	6
Education Services	44	1.9%	1,713	4.9%	39
Health Care & Social Assistance	146	6.4%	3,622	10.3%	25
Arts, Entertainment & Recreation	42	1.8%	414	1.2%	10
Accommodation & Food Services	188	8.2%	3,679	10.5%	20
Other Services (Except Public Administration)	367	16.0%	3,155	9.0%	9
Public Administration	59	2.6%	1,741	4.9%	30
Nonclassifiable	78	3.4%	202	0.6%	3
Total	2,289	100.0%	35,191	100.0%	15

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 MSA are compared with the state of Virginia in the following table:

Typical Wage By Occupation Type		
Occupation Type	MSA	Virginia
Management Occupations	\$64,052	\$86,982
Business And Financial Occupations	\$60,236	\$79,492
Computer And Mathematical Occupations	\$75,058	\$101,948
Architecture And Engineering Occupations	\$75,365	\$91,391
Community And Social Service Occupations	\$43,023	\$47,562
Art, Design, Entertainment, Sports, and Media Occupations	\$42,657	\$50,373
Healthcare Practitioners And Technical Occupations	\$60,382	\$62,062
Healthcare Support Occupations	\$24,712	\$25,438
Protective Service Occupations	\$42,027	\$54,227
Food Preparation And Serving Related Occupations	\$12,433	\$14,943
Building And Grounds Cleaning And Maintenance Occupations	\$23,189	\$22,369
Personal Care And Service Occupations	\$15,797	\$19,079
Sales And Related Occupations	\$34,790	\$31,683
Office And Administrative Support Occupations	\$35,198	\$36,507
Construction And Extraction Occupations	\$37,111	\$39,747
Installation, Maintenance And Repair Occupations	\$46,724	\$49,448
Production Occupations	\$40,679	\$38,983
Transportation Occupations	\$39,952	\$37,617
Material Moving Occupations	\$25,479	\$24,872

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

Most typical wages in the MSA are slightly lower than the typical wages reported for Virginia.

The ten largest employers within the city of Roanoke are summarized as follows. Note that specific employment numbers were unavailable.

Employer Name	Business Type	Total Employed
Carilion Clinic	Health Care	10,000+
Wells Fargo Bank	Banking	1,000-2,999
HCA Health System	Health Care	1,000-2,999
Kroger	Regional Headquarters and Retail	1,000-2,999
Walmart	Retail	1,000-2,999
UPS	Logistics	1,000-2,999
WestRock	Manufacturing (Paperboard)	1,000-2,999
Altec Industries	Manufacturing (Transportation Equipment)	1,000-2,999
Ply Gem Windows	Manufacturing	1,000-2,999
Advance Auto	Retail and Office	500-999

Source: Roanoke Regional Partnership -Virginia Employment Commission, Quarterly Census of Employment and Wages, Dun & Bradstreet (2021)

According to a representative with the Roanoke Regional Partnership, the Roanoke area economy is growing. There have been eight companies that announced locating to or expanding in Roanoke over the past year. These companies are adding at least 435 new jobs to the area and some of the aforementioned companies include North American Specialty Laminations, GreenThumb Industries, Würth Revcar Fasteners, and Atlantic Constructors, Inc. There are also nine active expansions or relocations in the pipeline that are considered extremely viable but are still clandestine. The city has also received approximately \$2 million from the Virginia Business Ready Sites Program in 2022 to help continue to develop Roanoke’s industrial sites.

The following summarizes some recent and/or ongoing economic development projects within the Roanoke (city) and Roanoke County area as of the time of this analysis:

- A proposal to redevelop the American Viscose Plant into a mixed-use neighborhood on 75 acres with apartments, commercial spaces and industrial tenants was approved in January 2023. The project is being named Riverdale and is located in the area of Deaton Road Southeast. Plans include new construction, and the adaptive reuse of existing structures. The city is giving the developer \$10 million toward buying and the clean up the property, and the developer has committed to invest \$50 million at the site within 17 years. The clean up the site will take the next year or so, and then development construction will begin. The total number of apartments has not been determined.

An additional developer received approval in January 2023 for a mixed-use project with 768 market-rate apartments and five acres of commercial space.

- Carilion Clinic announced the expansion of Roanoke Memorial Hospital in May 2019. Plans call for the construction of two new buildings for emergency care, cardiovascular care, and behavioral health, as well as the demolition of the former behavioral health building to construct a new parking garage and pedestrian skyway. Construction of the \$300 million project is currently underway and is estimated to be completed by 2025.
- Lowe's built a 60,000-square-foot warehouse and distribution center in Roanoke County's Valley Tech Park that opened in September 2022. The \$11 million development is expected to create 70 new jobs.
- In December 2021, the Virginia Tech Corporate Research Center announced partnerships Johnson & Johnson and with Montgomery County, the City of Roanoke, and Carilion Clinic to construction new shared lab facilities. The \$1.1 million project is partially funded through GO Virginia and will cover the construction of a turnkey facility with 25 wet and dry lab spaces, with later plans to build a larger facility in Roanoke. No construction timeline for either project was available at the time of our research.

Infrastructure:

- There is an expansion project of Interstate 81. An additional lane will be added in both directions between mile markers 136.6 and 141.8. The project started in 2022 on the inside and outside shoulders along a five-mile section of both northbound and southbound Interstate 81 in Roanoke County and the city of Salem. The shoulder strengthening is a part of \$179 million design-build project to widen both directions of Interstate 81 between mile markers 136.6 and 141.8 from two to three lanes. The expected completion is early 2026.
- Reconstruction of interchange at Route 220 and Route 419 (Electric Road) to create a Diverging Diamond Interchange (DDI); Sidewalk and bicycle lane construction, and traffic light changes. Preliminary engineering is underway and construction is expected to be completed in 2024. This is a \$17.5 million investment.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed January 26, 2023, and according to the Virginia Employment Commission there have been no WARN notices reported for Roanoke City 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.

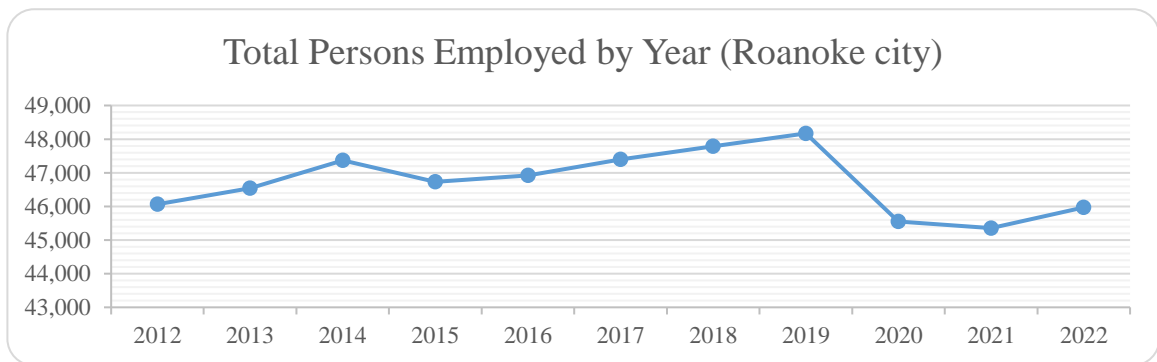
Excluding 2022, the employment base has decreased by 4.3% over the past five years in Roanoke city, while the state of Virginia decreased by 2.2%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Roanoke city		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2012	46,064	-	3,967,151	-	142,469,000	-
2013	46,540	1.0%	4,002,057	0.9%	143,929,000	1.0%
2014	47,364	1.8%	4,040,908	1.0%	146,305,000	1.7%
2015	46,728	-1.3%	4,048,081	0.2%	148,833,000	1.7%
2016	46,924	0.4%	4,084,822	0.9%	151,436,000	1.7%
2017	47,397	1.0%	4,193,290	2.7%	153,337,000	1.3%
2018	47,784	0.8%	4,255,213	1.5%	155,761,000	1.6%
2019	48,170	0.8%	4,332,647	1.8%	157,538,000	1.1%
2020	45,554	-5.4%	4,097,860	-5.4%	147,795,000	-6.2%
2021	45,355	-0.4%	4,100,803	0.1%	152,581,000	3.2%
2022*	45,966	1.3%	4,220,792	2.9%	158,238,000	3.7%

Source: Bureau of Labor Statistics

*Through November

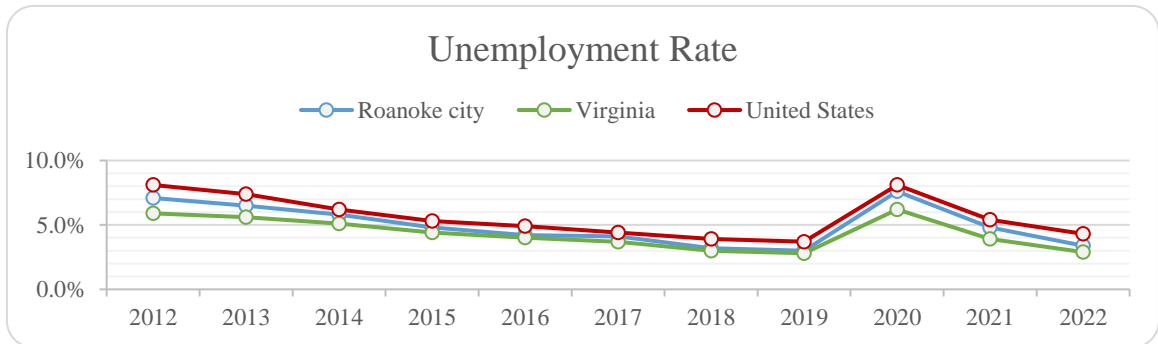


As the preceding illustrates, the Roanoke City employment base generally experienced growth between 2012 and 2019. However, in 2020, the city’s employment base declined by 5.4% as the result of the COVID-19 pandemic. Notably, the employment base has improved by 412 jobs, or 0.9% since 2020 and through November of 2022, a good indication that the local economy is recovering.

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

Year	Unemployment Rate		
	Roanoke city	Virginia	United States
2012	7.1%	5.9%	8.1%
2013	6.5%	5.6%	7.4%
2014	5.8%	5.1%	6.2%
2015	4.8%	4.4%	5.3%
2016	4.2%	4.0%	4.9%
2017	4.1%	3.7%	4.4%
2018	3.2%	3.0%	3.9%
2019	3.0%	2.8%	3.7%
2020	7.6%	6.2%	8.1%
2021	4.8%	3.9%	5.4%
2022*	3.4%	2.9%	4.3%

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



Between 2012 and 2019, the unemployment rate within Roanoke declined by more than four percentage points, then increased by nearly five percentage points in 2020 as the result of the COVID-19 pandemic. Similar to employment trends, the unemployment rate within the city has since and is at a rate of 3.4% (through November 2022), similar to unemployment rates experienced before the impact of the pandemic.

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

Monthly Unemployment Rate – Roanoke city					
Month	Rate	Month	Rate	Month	Rate
2020		2021		2022	
January	3.2%	January	6.0%	January	4.1%
February	2.9%	February	5.8%	February	3.5%
March	3.3%	March	5.5%	March	3.2%
April	12.9%	April	4.9%	April	3.0%
May	12.0%	May	5.0%	May	3.4%
June	11.6%	June	5.4%	June	3.4%
July	11.1%	July	5.0%	July	3.4%
August	9.4%	August	4.9%	August	3.7%
September	7.4%	September	4.3%	September	2.9%
October	6.4%	October	4.4%	October	3.1%
November	5.9%	November	3.5%	November	3.4%
December	5.5%	December	3.3%		

Source: Department of Labor, Bureau of Labor Statistics

The *monthly* unemployment rate in the city increased by ten full percentage points between February and April 2020 due to the COVID-19 pandemic. However, *monthly* unemployment has since declined to a rate of 3.4% through November 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 Roanoke city.

Year	In-Place Employment Roanoke city		
	Employment	Change	Percent Change
2012	66,193	-	-
2013	66,969	776	1.2%
2014	66,992	23	0.0%
2015	66,795	-197	-0.3%
2016	67,358	563	0.8%
2017	66,383	-975	-1.4%
2018	66,361	-22	0.0%
2019	65,803	-558	-0.8%
2020	61,814	-3,989	-6.1%
2021	62,715	901	1.5%
2022*	63,189	474	0.8%

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2021, the most recent year that year-end figures are available, indicates in-place employment in Roanoke City to be 138.3% of the total Roanoke City employment. This means that Roanoke City has more employed persons coming to the city/county from other cities/counties for work (daytime employment) than those who both live and work there.

3. ECONOMIC FORECAST

The Roanoke economy generally experienced growth between 2013 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the employment base declined by 2,616 jobs, or 5.4%, and its *annual* unemployment rate increased by nearly five percentage points. Specifically, between February and April 2020, the *monthly* unemployment rate within the county spiked by ten percentage points. On a positive note, the local economy has been improving since 2020, experiencing job growth and a declining unemployment rate. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which account for approximately 28.0% of the market's labor force and provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable.

4. COMMUTING PATTERNS

The following is a distribution of commuting patterns for Site PMA:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	26,577	81.2%
Carpooled	2,042	6.2%
Public Transit	509	1.6%
Walked	806	2.5%
Motorcycle	27	0.1%
Bicycle	8	0.0%
Other Means	337	1.0%
Worked at Home	2,413	7.4%
Total	32,719	100.0%

Source: Bowen National Research, ESRI

More than 81.0% of all workers drove alone, 6.2% carpooled, and 1.6% used public transportation. Given the subject site serves low-income households and is within walking distance from a public bus stop, we anticipate a higher than normal share of site residents' use of 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	6,220	20.5%
15 – 29 Minutes	13,784	45.4%
30 – 44 Minutes	8,432	27.8%
45 – 59 Minutes	565	1.9%
60 + Minutes	1,334	4.4%
Total	30,335	100.0%

Source: Bowen National Research, ESRI

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 20-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.

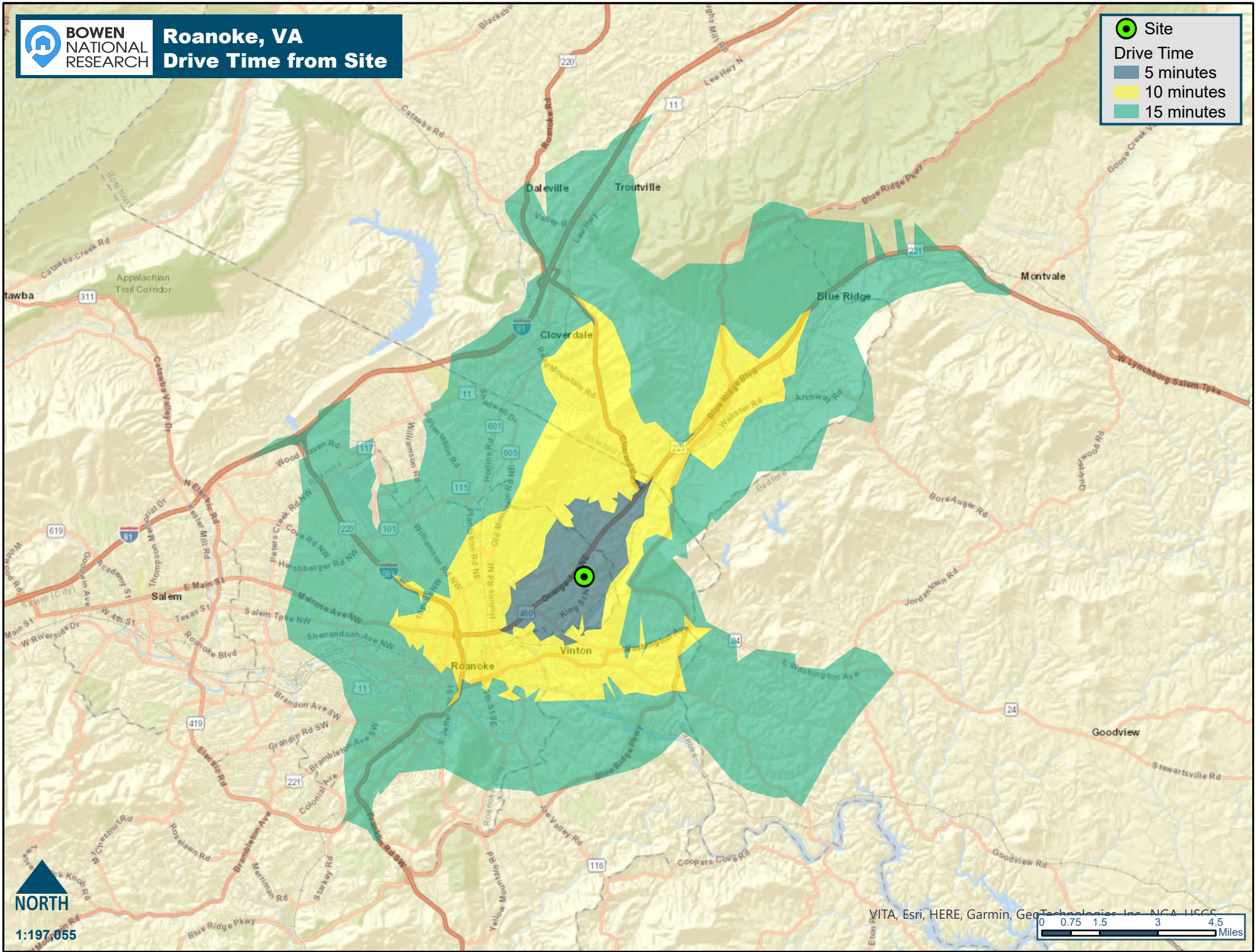


Roanoke, VA Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:197,055

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc, NGA, 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 Roanoke Site PMA in 2010 and 2022, are summarized in the following table:

Housing Status	2010 (Census)		2022 (Estimate)	
	Number	Percent	Number	Percent
Total-Occupied	28,541	92.1%	29,398	92.2%
Owner-Occupied	17,760	62.2%	17,171	58.4%
Renter-Occupied	10,781	37.8%	12,227	41.6%
Vacant	2,447	7.9%	2,480	7.8%
Total	30,988	100.0%	31,877	100.0%

Source: 2010 Census, ESRI, Bowen National Research

Based on a 2022 update of the 2010 Census, of the 31,877 total housing units in the market, 7.8% were vacant. In 2022, it was estimated that homeowners occupied 58.4% of all occupied housing units, while the remaining 41.6% were occupied by renters.

Conventional Apartments

We identified and personally surveyed 17 conventional housing projects containing a total of 2,431 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 98.1%, an excellent rate for rental housing. Each rental housing segment surveyed is summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	8	1,701	42	97.5%
Market-Rate/Government-Subsidized	1	108	0	100.0%
Tax Credit	1	192	4	97.9%
Tax Credit/Government-Subsidized	3	162	0	100.0%
Government-Subsidized	4	268	0	100.0%
Total	17	2,431	46	98.1%

All rental housing segments surveyed are performing at a high level as each reports an overall occupancy rate of 97.5% or higher. This is a clear indication of strong demand for rental product of all types in this market. In addition, note that there are only four vacant units among the affordable rental housing segments surveyed. This is a good indication of high and likely pent-up demand for affordable rental product such as that proposed at the site.

Tax Credit Property Disclosure:

In addition to the four properties surveyed that operate under the Tax Credit program, there is one additional Tax Credit property that we were unable to survey and therefore has been excluded from this analysis. This property, Autumn Ridge, is a Tax Credit property that is believed to target general-occupancy (family) households. Regardless, as management at this property was unable/unwilling to provide detailed property information at the time of this analysis, it has been excluded from this report. However, the 72 units at this property we were unable to survey have been included in penetration rate calculations in *Section VII*.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	591	33.6%	11	1.9%	\$1,294
Two-Bedroom	1.0	193	11.0%	2	1.0%	\$1,191
Two-Bedroom	1.5	206	11.7%	10	4.9%	\$1,599
Two-Bedroom	2.0	500	28.4%	15	3.0%	\$1,745
Three-Bedroom	1.5	55	3.1%	0	0.0%	\$1,982
Three-Bedroom	2.0	216	12.3%	4	1.9%	\$2,003
Total Market-rate		1,761	100.0%	42	2.4%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.0	4	2.0%	0	0.0%	\$1,229
Two-Bedroom	2.0	132	67.3%	3	2.3%	\$1,138
Three-Bedroom	2.0	60	30.6%	1	1.7%	\$1,322
Total Tax Credit		196	100.0%	4	2.0%	-

The market-rate units are 97.6% occupied and the Tax Credit units are 98.0% occupied, indicative of strong demand for each type of non-subsidized rental product in this market. Also note the median gross Tax Credit rents which are generally lower than the median gross rents reported for similar unrestricted market-rate units. These lower gross rents along with the 98.0% occupancy rate are good indications that non-subsidized Tax Credit product represents a significant value within the Roanoke Site PMA.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	2	39	0.0%
1970 to 1979	4	700	2.4%
1980 to 1989	1	216	1.9%
1990 to 1999	2	440	1.4%
2000 to 2009	1	240	1.7%
2010 to 2014	0	0	0.0%
2015 to 2019	1	322	4.7%
2020	0	0	0.0%
2021	0	0	0.0%
2022*	0	0	0.0%

*As of December

Vacancy rates do not exceed 4.7% among all non-subsidized rental product surveyed, broken out by age. As such, there does not appear to be a correlation between age and vacancy rates.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A-	1	322	4.7%
B+	2	488	1.2%
B	5	849	2.4%
B-	1	102	1.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	192	2.1%
B-	1	4	0.0%

As illustrated by the quality ratings assigned by our analyst, rental product in the Roanoke area is of generally good quality as the lowest quality rating assigned was "B-". In addition, vacancy rates do not exceed 4.7% among all non-subsidized properties, broken out by quality rating. Regardless, the subject project is expected to have an excellent quality finish upon completion which will enhance its marketability.

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
Two-Bedroom	1.0	104	65.8%	0	0.0%
Two-Bedroom	1.5	15	9.5%	0	0.0%
Two-Bedroom	2.0	12	7.6%	0	0.0%
Three-Bedroom	2.0	27	17.1%	0	0.0%
Total Subsidized Tax Credit		158	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	118	37.3%	0	0.0%
Two-Bedroom	1.0	104	32.9%	0	0.0%
Three-Bedroom	1.0	24	7.6%	0	0.0%
Three-Bedroom	1.5	16	5.1%	0	0.0%
Three-Bedroom	2.0	42	13.3%	0	0.0%
Four-Bedroom	2.0	12	3.8%	0	0.0%
Total Subsidized		316	100.0%	0	0.0%

The subsidized units, both with and without Tax Credits, are 100.0% occupied, demonstrating strong and likely pent-up demand for such product in the market. This is further indication of the ongoing demand for affordable rental product within the Roanoke Site PMA.

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

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

We identified and surveyed two properties that operate under the Tax Credit program and offer non-subsidized Tax Credit units targeting general-occupancy (family) households, similar to that proposed at the subject site. Considering these two properties offer similar unit types targeting similar income levels, they are considered comparable to the subject development and have been included in our comparable analysis.

Due to the lack of comparable Tax Credit product surveyed in the Site PMA, we identified and surveyed three additional rental communities that offer non-subsidized Tax Credit units outside the Site PMA in the surrounding Roanoke, Salem and Cave Spring, Virginia areas. These three projects located outside the Site PMA target general-occupancy (family) households earning up to 60% of AMHI and are considered comparable to the proposed project. Note that although Salem Commons and Woodridge Apartments are located in areas that are slightly inferior to that of the Site PMA, we have included these properties in our comparable analysis. These five comparable properties and the subject site are summarized in the following table.

Map I.D.	Project Name	Quality Rating	Nbhd. Rating	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	King Street Roanoke	-	-	2025	46	-	-	-	Families; 40%, 50%, 60% & 80% AMHI & PBV
2	Afton Gardens	B-	B	1967 / 2002	108	100.0%	4.0 Miles	6-12 Months	Families; 60% AMHI & Section 8
15	Peters Creek I, II, III	B+	B+	1994 / 2015	192	97.9%	9.6 Miles	None	Families; 50% & 60% AMHI
901	Everett	B+	B	1973 / 2006	404*	99.5%	9.5 Miles	None	Families; 60% AMHI
903	Salem Commons	B	B	1988 / 1999	88	100.0%	8.1 Miles	12 HH	Families; 60% AMHI
904	Woodridge Apts.	B	B	1972 / 1992	48*	100.0%	6.7 Miles	None	Families; 60% AMHI

900 Map IDs are located outside the Site PMA

Occ. – Occupancy; Nbhd. – Neighborhood; HH – Households; * Tax Credit units only

The five comparable LIHTC projects have a combined occupancy rate of 99.3% and two of the five properties maintain a waiting list for the next available units. This is a clear indication of high and pent-up demand within the market and region and the development of the subject project will alleviate a portion of this pent-up 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
2	Afton Gardens	108	4	3.7%
15	Peters Creek I, II, III	192	NA	-
901	Everett	404*	15	3.7%
903	Salem Commons	88	35	39.8%
904	Woodridge Apts.	48*	12	25.0%
Total		648	66	10.2%

*Tax Credit units only; NA – Number not available (units not included in total)

900 Map IDs are located outside the Site PMA

As the preceding table illustrates, there are a total of approximately 66 units that are occupied by Voucher holders among the four comparable LIHTC projects surveyed that provided such information. The 66 units occupied by Voucher holders comprise just 10.2% of these comparable units. This is considered a low share of Voucher support and considering nearly 90.0% of these comparable Tax Credit units are occupied by tenants which are not currently receiving rental assistance, the gross rents charged at the aforementioned projects in the market and region are achievable.

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	King Street Roanoke	\$648/40% (5)*^	\$904/50% (2)^ \$971/50% (10) \$1,165/60% (8) \$1,354/80% (4)	\$1,122/50% (1)*^ \$1,122/50% (6) \$1,347/60% (6) \$1,579/80% (4)	-
2	Afton Gardens	-	\$1,080/60% (104/0)^ \$1,229/60% (4/0)	-	None
15	Peters Creek I, II, III	-	\$1,041/50% (66/1) \$1,235/60% (66/2)	\$1,209/50% (30/0) \$1,434/60% (30/1)	None
901	Everett	\$1,042/60% (80/0)	\$1,001/60% (56/0) \$1,018/60% (212/2)	\$1,170/60% (56/0)	None
903	Salem Commons	-	\$965/60% (40/0) \$1,020/60% (24/0)	\$1,155/60% (24/0)	None
904	Woodridge Apts.	\$847/60% (29/0)	\$935/60% (14/0)	\$1,030/60% (5/0)	None

900 Map IDs are located outside the Site PMA

*Maximum allowable LIHTC rent (contract rent exceeds maximum allowable); ^Subsidized; tenant pays only portion of income towards rent

The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are within the range of the rents being achieved at the comparable LIHTC properties in the market and region targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 31 years newer than the original year built of the comparable properties utilized in this analysis, although all have been renovated since being built. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60%) are considered achievable as proposed.

Considering the subject's proposed gross LIHTC rents at the 80% of AMHI income level are only slightly higher than some of the 60% of AMHI rents being achieved at the comparable LIHTC properties, they are considered appropriately positioned. This is expected to ensure that these higher income level units will be perceived as a value in the market.

Additionally, the subject project will be the only LIHTC rental community within the market to offer units set aside at 40% and 80% of AMHI. This will also position the subject at a market advantage, as it will provide an affordable rental housing alternative to low- and moderate-income renters within the Roanoke Site PMA that are currently underserved.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market and 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	King Street Roanoke	711	953	1,115
2	Afton Gardens	-	750	-
15	Peters Creek I, II, III	-	1,000	1,320
901	Everett	641 - 665	906 - 1,137	1,255
903	Salem Commons	-	872 - 895	1,101
904	Woodridge Apts.	750	830	950

900 Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	King Street Roanoke	1.0	2.0	2.0
2	Afton Gardens	-	1.0	-
15	Peters Creek I, II, III	-	2.0	2.0
901	Everett	1.0	1.0 - 2.0	2.0
903	Salem Commons	-	1.5 - 2.0	2.0
904	Woodridge Apts.	1.0	1.0	1.0

900 Map IDs are located outside the Site PMA

The proposed development will offer competitive unit sizes, in terms of square footage and number of bathrooms offered, relative to the unit sizes offered at the comparable LIHTC developments within the market and region. Considering that all comparable LIHTC projects are reporting high occupancy rates and the subject's unit sizes will be within the range of the sizes offered, they are considered appropriate for the market. Notably, the additional bathroom to be included in the subject's two-bedroom units will improve the rent potential of this unit type, as only one of the comparable LIHTC properties includes two bathrooms in all two-bedroom units.

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

Tax Credit Unit Amenities by Map ID							
	Site*	2	15	901	903	904	
Appliances	Dishwasher	X	X	X	X	X	X
	Disposal				X	X	X
	Microwave						
	Range	X	X	X	X	X	X
	Refrigerator	X	X	X	X	X	X
	W/D Hookup	X		X	X	X	
	W/D				S		
	No Appliances						
Unit Amenities	AC-Central	X	X	X	X	X	X
	AC-Other						
	Balcony/ Patio/ Sunroom		X	X	X	X	S
	Basement						
	Ceiling Fan						S
	Controlled Access						
	E-Call System						
	Furnished						
	Walk-In Closet	X		X	X	X	
	Window Treatments	X	X	X	X	X	X
Flooring	Carpet		X	X	X	X	X
	Ceramic Tile						
	Hardwood						
	Finished Concrete						
	Composite/Vinyl/Laminate	X	X	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	X	X
	Carport						
	Property Parking Garage						
	No Provided Parking						

◆ - Senior Property

* Proposed Site(s): King Street Roanoke

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*	2	15	901	903	904	
	Bike Racks / Storage	X					
	Computer/Business Center	X					
	Car Care **						
	Community Garden						
Community	Multipurpose Room	X	X				
	Chapel						
	Community Kitchen						
	Dining Room - Private						
	Dining Room - Public						
	Rooftop Terrace						
	Concierge Service **						
	Convenience Amenities **						
	Covered Outdoor Area **						
	Elevator						
	Laundry Room		X	X	X	X	X
	On-Site Management	X	X	X	X	X	X
	Pet Care **						
Recreation	Basketball						
	Bocce Ball						
	Firepit						
	Fitness Center			X			
	Grilling Area		X	X		X	
	Game Room - Billiards						
	Walking Path						
	Hot Tub						
	Library						
	Media Room / Theater						
	Playground	X	X	X	X		
	Putting Green						
	Racquetball						
	Shuffleboard						
	Swimming Pool - Indoor						
	Swimming Pool - Outdoor			X	X	X	X
	Tennis						
Volleyball							
Security	CCTV	X	X	X			
	Courtesy Officer						
	Security Gate						
	Social Services **	X					
	Storage - Extra						
	Common Space WiFi	X					

◆ - Senior Property

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

* Proposed Site(s): King Street Roanoke

** Details in Comparable Property Profile Report

As the preceding tables illustrate, the subject project's amenities package is generally considered competitive with the amenities offered at the comparable LIHTC properties. Although it is worth noting that the subject project will be the only property among the comparable LIHTC properties that does not include a laundry room and one of few to not offer a swimming pool, this is not expected to prevent the subject project from being marketable. The subject project does not appear to be lacking any amenity that would hinder its ability to operate as a LIHTC project, however, lacking the previously mentioned amenities will impact the subject's ability to achieve rent premiums.

Comparable/Competitive Tax Credit Summary

The five comparable LIHTC projects have a combined occupancy rate of 99.3% and two of the five properties maintain a waiting list for the next available units. This is a clear indication of high and pent-up demand within the market and region and the development of the subject project will alleviate a portion of this pent-up demand.

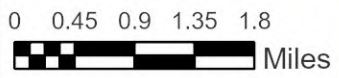
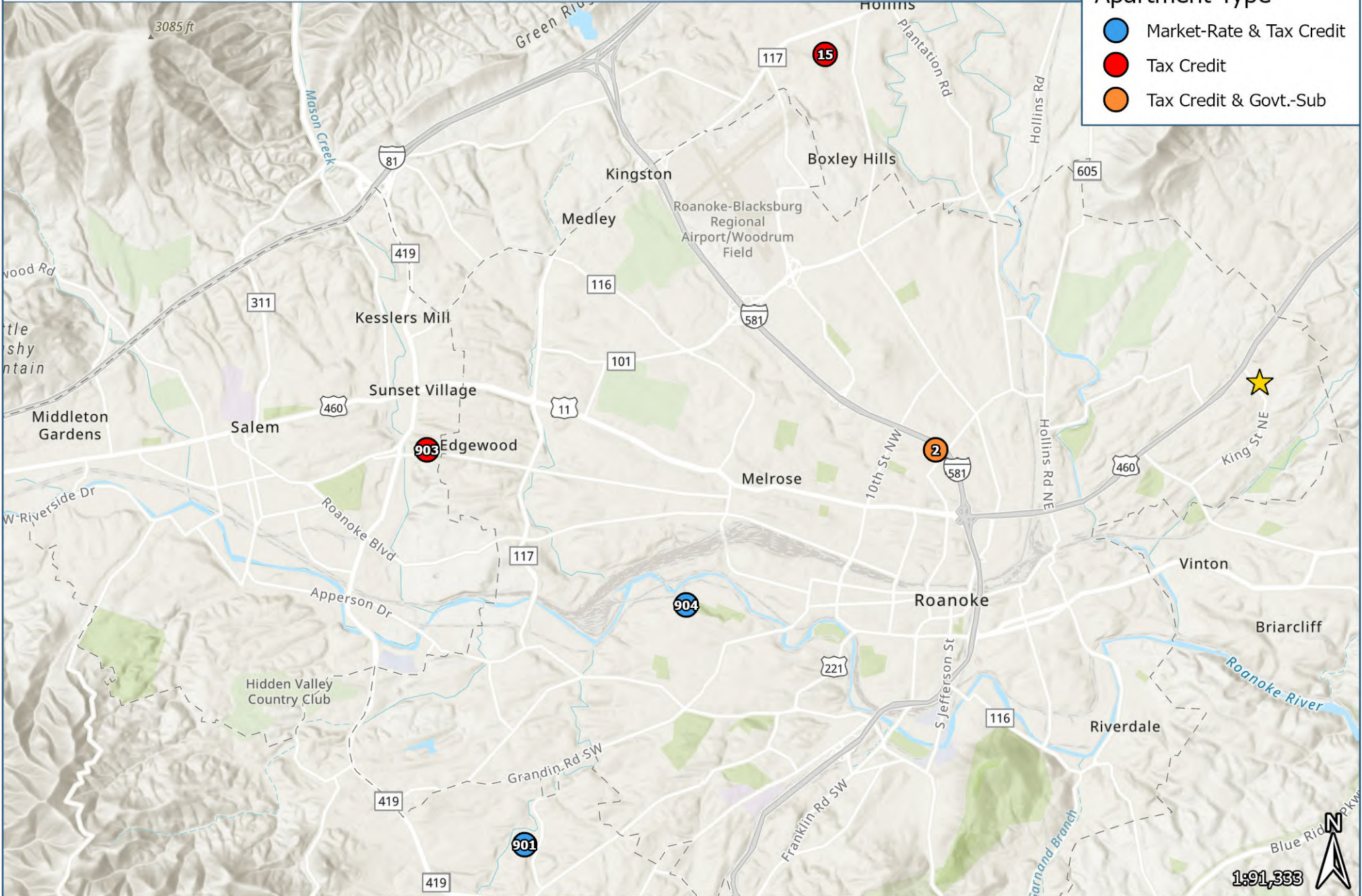
The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are within the range of the rents being achieved at the comparable LIHTC properties in the market and region targeting similar income levels. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60%) are considered achievable as proposed. Considering the subject's proposed gross LIHTC rents at the 80% of AMHI income level are only slightly higher than some of the 60% of AMHI rents being achieved at the comparable LIHTC properties, they are considered appropriately positioned. Based on the rent positioning of the subject site, as well as the competitive unit sizes and competitive amenities package, the subject site is expected to be marketable as proposed.

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

★ Site

Apartment Type

- Market-Rate & Tax Credit
- Tax Credit
- Tax Credit & Govt.-Sub



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



C. PLANNED MULTIFAMILY DEVELOPMENT

Based on interviews with planning representatives that responded to our inquiries, extensive online research, and the observations of our analyst while in the field, it was determined there are four rental housing projects in the development pipeline within the Site PMA, which are summarized as follows:

- Lawson Building West is a four-story apartment project under construction located at 605 Campbell Ave SE in Roanoke. Plans for the property call for at least 24 market-rate apartments, an outdoor pool, and a rooftop terrace. Lawson Building West is projected to be completed in Spring 2023.
- In April 2019, the Roanoke City Council approved the proposed plans for Hershberger Meadows, a 203-unit market-rate apartment development at the intersection of Hershberger Road and Williamson Road in Roanoke. Seven Hills Investment Properties LLC is developing the project, along with Alam Design Group. Plans call for two- and three-story buildings with amenities including an outdoor pool, clubhouse, picnic areas, and walking paths. The project is estimated to cost \$25-\$30 million. The project was anticipated to be completed two years after groundbreaking, however, no further information regarding the construction timeline was available at the time of our research.
- A developer, TPB Enterprises, was approved in January 2023 for a mixed-use development located near 2913 Orange Avenue NE in Roanoke. Plans includes 768 market-rate apartments in 16 buildings, and five acres of commercial space. There will be one-, two-, and three-bedroom units with rents ranging from \$1,100 a month to \$1,800 a month. Some of the amenities included will be a clubhouse, gym, business center, co-working space, coffee bar, entertainment room, indoor bike storage, dog park, car charging stations and a pool. The project will be built in two phases. The first phase of six apartment buildings is estimated to be completed 2026, and then the construction of the remaining 10 buildings will begin.
- In January 2023 a proposal to transform the American Viscose Plant into a mixed-use neighborhood on 75 acres with apartments, commercial spaces and industrial tenants was approved. It is named Riverdale and is located on Deaton Road Southeast in Roanoke. Plans include new construction and adaptive reuse of existing structures. The city will give the developer \$10 million toward buying and cleaning up the property and the developer has committed to invest \$50 million on the site within 17 years. The clean up the site will take the next year or so, and then the development construction will begin. The total number of apartments planned for the site has not been determined.

None of the rental housing projects in the development pipeline are anticipated to offer affordable units. As such, the development of these projects is not expected to adversely impact the marketability of the site and no additional units have been included in our demand estimates in *Section VII*.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

The anticipated occupancy rates of the existing directly competitive non-subsidized Tax Credit developments surveyed *within the Site PMA* during the first year of occupancy at the subject project are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2025
2	Afton Gardens	100.0%	95.0%+
15	Peters Creek I, II, III	97.9%	95.0%+

The two comparable LIHTC projects *within the Site PMA* have a combined occupancy rate of 98.7% and one of the comparable properties maintains a waiting list for its next available units, illustrating that high demand exists for additional LIHTC product such as that proposed at the site. Given these strong occupancy levels and the fact that sufficient demographic support exists in the market for the subject development, as illustrated in Section VII - *Capture Rate Analysis*, it is not anticipated that the subject project will have any significant impact on the existing comparable LIHTC projects' marketability. It is expected that the comparable LIHTC projects will maintain occupancy levels at or above 95.0% during the subject development's first year of occupancy.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value in the Site PMA was \$174,171. At an estimated interest rate of 5.9% and a 30-year term (and 95% LTV), the monthly mortgage for a \$165,462 home is \$1,225, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price – ESRI	\$174,171
Mortgaged Value = 95% Of Median Home Price	\$165,462
Interest Rate – Bankrate.Com	5.89%
Term	30
Monthly Principal & Interest	\$980
Estimated Taxes And Insurance*	\$245
Estimated Monthly Mortgage Payment:	\$1,225

* Estimated at 25% of principal and interest.

In comparison, some of the collected Tax Credit rents at the subject property are similar to the cost of a monthly mortgage for a typical home in the area. However, it is unlikely that tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or would be able to afford the down payment on such a home. In addition, the subject project will include a comprehensive amenities package included in the cost of rent, which is not typically offered among for-sale product. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

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

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

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

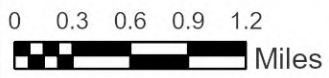
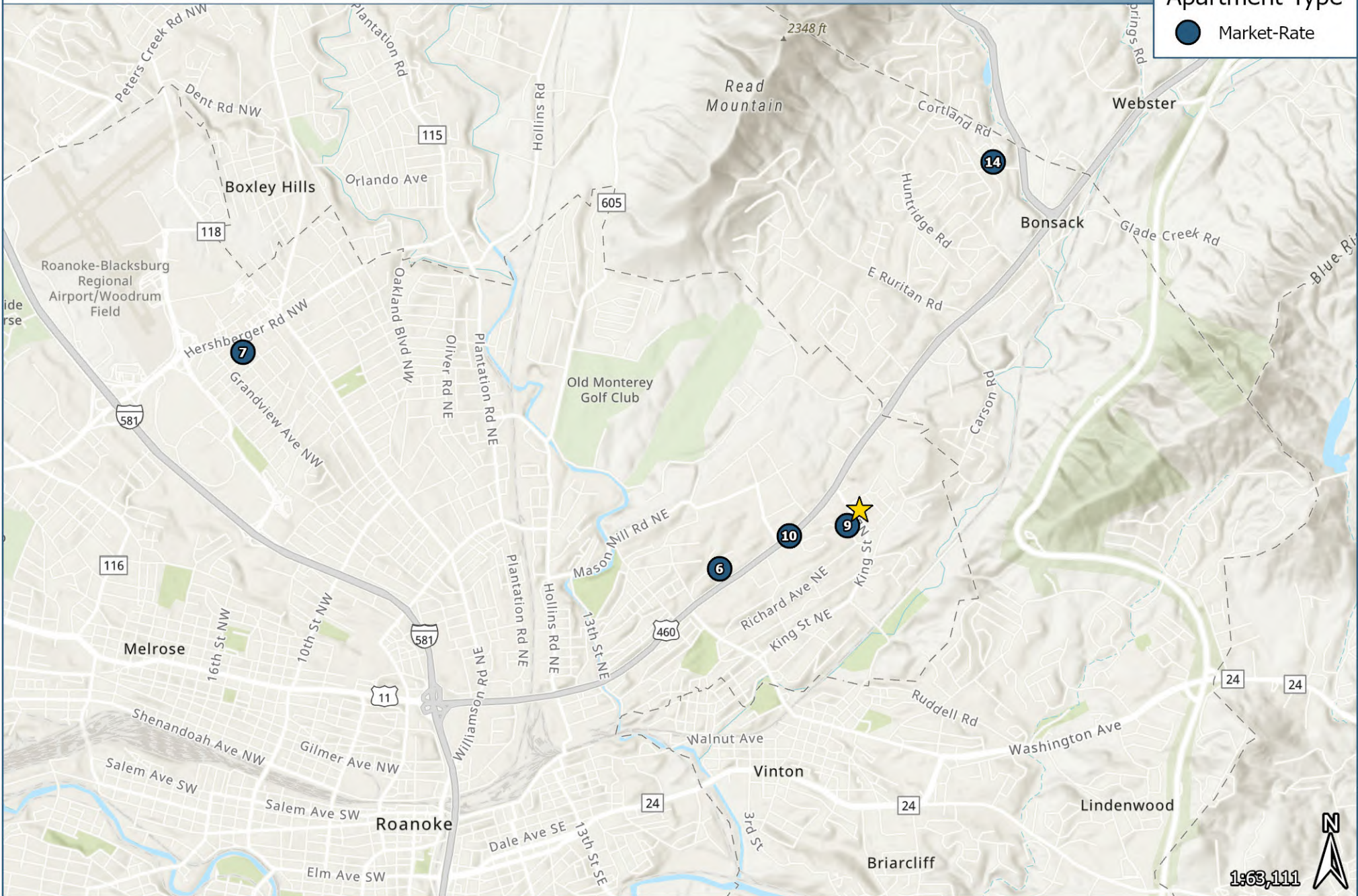
Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	King Street	2025	46	-	5 (-)	24 (-)	17 (-)
6	District Vue	2019	322	95.3%	96 (95.8%)	193 (95.3%)	33 (93.9%)
7	Flats at Rutgers	1972 / 2021	102 + 11*	99.0%	48 (100.0%)	36 (100.0%)	18 (94.4%)
9	Glade Creek	1998	248	99.2%	48 (100.0%)	138 (98.6%)	62 (100.0%)
10	Hickory Woods Apts.	1988 / 2021	216	98.1%	64 (96.9%)	109 (99.1%)	43 (97.7%)
14	Orchards Apts.	2002	240	98.3%	120 (99.2%)	60 (95.0%)	60 (100.0%)

Occ. – Occupancy

*Units under construction

The five selected market-rate projects have a combined total of 1,128 units with an overall occupancy rate of 97.7%, a strong rate for rental housing. This indicates that these projects have been well received within the market and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development. Preceding the Rent Comparability Grids 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	
King Street Roanoke		District Vue		Flats at Rutgers		Glade Creek		Hickory Woods Apts.		Orchards Apts.	
3339 King Street Northeast		2550 Orange Ave NE		4823 Rutgers St NW		3343 Glade Creek Blvd NE		3006 Hickory Woods Dr. NE		5360 Orchard Hill Dr.	
Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,209		\$1,109		\$1,320		\$1,300		\$1,099	
2	Date Surveyed	Jan-23		Jan-23		Jan-23		Jan-23		Jan-23	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	96%		100%		100%		97%		99%	
5	Effective Rent & Rent/ sq. ft	\$1,209	1.46	\$1,109	1.71	\$1,320	1.49	\$1,300	1.65	\$1,099	1.29
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2.5		WU/2,3		WU/3		WU/3	
7	Yr. Built/Yr. Renovated	2025	\$6	1972/2021	\$28	1998	\$27	1988/2021	\$20	2002	\$23
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
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.	711	(\$45)	648	\$24	886	(\$66)	788	(\$29)	852	(\$53)
14	Patio/Balcony/Sunroom	N	(\$5)	N		Y	(\$5)	Y	(\$5)	Y	(\$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)	N/Y		Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
18	Washer/Dryer	HU	(\$25)	L	\$5	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	In-Unit Wi-Fi	Y	\$25	N	\$25	N	\$25	N	\$25	N	\$25
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N	(\$3)	N		N		N		N	
22	Garbage Disposal	N	(\$5)	N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fan/Storage	N/N	(\$5)	N/N		Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	Y		Y	
27	Community Space	Y		N	\$5	Y		Y		Y	
28	Pool/Recreation Areas	N	(\$18)	P	(\$10)	P/F/S	(\$18)	P/F/T	(\$18)	F/S/T/WT/M	(\$27)
29	Business/Computer Center	Y	\$3	N	\$3	N	\$3	Y		Y	
30	Grilling Area	N	(\$3)	N		Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y		Y		Y		Y		Y	
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/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		Y/Y	(\$48)	N/N		N/N		N/N	
39	Trash/Recycling	Y/Y		Y/N		N/N		N/N		N/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	9	9	1	6	8	4	8	4	8
41	Sum Adjustments B to D	\$49	(\$114)	\$120	(\$10)	\$85	(\$132)	\$70	(\$95)	\$73	(\$128)
42	Sum Utility Adjustments				(\$48)						
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$65)	\$163	\$62	\$178	(\$47)	\$217	(\$25)	\$165	(\$55)	\$201
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,144		\$1,171		\$1,273		\$1,275		\$1,044	
45	Adj Rent/Last rent		95%		106%		96%		98%		95%
46	Estimated Market Rent	\$1,180		\$1.66		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
King Street Roanoke		District Vue		Flats at Rutgers		Glade Creek		Hickory Woods Apts.		Orchards Apts.	
3339 King Street Northeast		2550 Orange Ave NE		4823 Rutgers St NW		3343 Glade Creek Blvd NE		3006 Hickory Woods Dr. NE		5360 Orchard Hill Dr.	
Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,509		\$1,329		\$1,380		\$1,325		\$1,432	
2	Date Surveyed	Jan-23		Jan-23		Jan-23		Jan-23		Jan-23	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	95%		100%		99%		99%		95%	
5	Effective Rent & Rent/ sq. ft	\$1,509	1.52	\$1,329	1.65	\$1,380	1.19	\$1,325	1.32	\$1,432	1.56
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2.5		WU/2,3		WU/3		WU/3	
7	Yr. Built/Yr. Renovated	2025	\$6	1972/2021	\$28	1998	\$27	1988/2021	\$20	2002	\$23
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		1	\$30	2		2		2	
13	Unit Interior Sq. Ft.	953	(\$14)	806	\$53	1155	(\$72)	1001	(\$17)	918	\$13
14	Patio/Balcony/Sunroom	N	(\$5)	N		Y	(\$5)	Y	(\$5)	Y	(\$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)	N/Y		Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
18	Washer/Dryer	HU	(\$25)	L	\$5	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	In-Unit Wi-Fi	Y	\$25	N	\$25	N	\$25	N	\$25	N	\$25
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N	(\$3)	N		N		N		N	
22	Garbage Disposal	N	(\$5)	N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fan/Storage	N/N	(\$5)	N/N		Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
D. Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	Y		Y	
27	Community Space	Y		N	\$5	Y		Y		Y	
28	Pool/Recreation Areas	N	(\$18)	P	(\$10)	P/F/S	(\$18)	P/F/T	(\$18)	F/S/T/WT/M	(\$27)
29	Business/Computer Center	Y	\$3	N	\$3	N	\$3	Y		Y	
30	Grilling Area	N	(\$3)	N		Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities	Data	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/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		Y/Y	(\$66)	N/N		N/N		N/N	
39	Trash/Recycling	Y/Y		Y/N		N/N		N/N		N/N	
F. Adjustments Recap	Pos	Neg		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	9	10	1	6	8	4	8	5	7
41	Sum Adjustments B to D	\$49	(\$83)	\$179	(\$10)	\$85	(\$138)	\$70	(\$83)	\$86	(\$75)
42	Sum Utility Adjustments				(\$66)						
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$34)	\$132	\$103	\$255	(\$53)	\$223	(\$13)	\$153	\$11	\$161
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,475		\$1,432		\$1,327		\$1,312		\$1,443	
45	Adj Rent/Last rent		98%		108%		96%		99%		101%
46	Estimated Market Rent	\$1,420	\$1.49 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
King Street Roanoke		District Vue		Flats at Rutgers		Glade Creek		Hickory Woods Apts.		Orchards Apts.	
3339 King Street Northeast		2550 Orange Ave NE		4823 Rutgers St NW		3343 Glade Creek Blvd NE		3006 Hickory Woods Dr. NE		5360 Orchard Hill Dr.	
Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,809		\$1,549		\$1,580		\$1,590		\$1,699	
2	Date Surveyed	Jan-23		Jan-23		Jan-23		Jan-23		Jan-23	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	94%		94%		100%		98%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,809	1.37	\$1,549	1.73	\$1,580	1.20	\$1,590	1.38	\$1,699	1.64
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2.5		WU/2,3		WU/3		WU/3	
7	Yr. Built/Yr. Renovated	2025	\$6	1972/2021	\$28	1998	\$27	1988/2021	\$20	2002	\$23
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1115	(\$73)	894	\$79	1316	(\$72)	1156	(\$15)	1033	\$29
14	Patio/Balcony/Sunroom	N	(\$5)	N		Y	(\$5)	Y	(\$5)	N	
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)	N/Y		Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
18	Washer/Dryer	HU	(\$25)	L	\$5	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	In-Unit Wi-Fi	Y	\$25	N	\$25	N	\$25	N	\$25	N	\$25
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N	(\$3)	N		N		N		N	
22	Garbage Disposal	N	(\$5)	N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fan/Storage	N/N	(\$5)	N/N		Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
D. Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	Y		Y	
27	Community Space	Y		N	\$5	Y		Y		Y	
28	Pool/Recreation Areas	N	(\$18)	P	(\$10)	P/F/S	(\$18)	P/F/T	(\$18)	F/S/T/WT/M	(\$27)
29	Business/Computer Center	Y	\$3	N	\$3	N	\$3	Y		Y	
30	Grilling Area	N	(\$3)	N		Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities	Data	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/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		Y/Y	(\$84)	N/N		N/N		N/N	
39	Trash/Recycling	Y/Y		Y/N		N/N		N/N		N/N	
F. Adjustments Recap	Pos	Neg		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	9	9	1	6	8	4	8	5	6
41	Sum Adjustments B to D	\$49	(\$142)	\$175	(\$10)	\$85	(\$138)	\$70	(\$81)	\$102	(\$70)
42	Sum Utility Adjustments				(\$84)						
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$93)	\$191	\$81	\$269	(\$53)	\$223	(\$11)	\$151	\$32	\$172
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,716		\$1,630		\$1,527		\$1,579		\$1,731	
45	Adj Rent/Last rent		95%		105%		97%		99%		102%
46	Estimated Market Rent	\$1,665	\$1.49 ←	Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are summarized as follows:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	40%/PBV	\$519*	\$1,180	56.0%
Two-Br.	50%/PBV	\$750	\$1,420	47.2%
Two-Br.	50%	\$817	\$1,420	42.5%
Two-Br.	60%	\$1,011	\$1,420	28.8%
Two-Br.	80%	\$1,200	\$1,420	15.5%
Three-Br.	50%/PBV	\$943*	\$1,665	43.4%
Three-Br.	50%	\$943	\$1,665	43.4%
Three-Br.	60%	\$1,168	\$1,665	29.9%
Three-Br.	80%	\$1,400	\$1,665	15.9%

*Maximum allowable collected LIHTC rent (contract rent exceeds maximum allowable)

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set at least 10.0% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. While units targeting households at higher income levels such as 80% of AMHI often do not need to represent a market rent advantage of 10.0% to be perceived a value, it is often recommended that such units/rents represent a positive rent advantage to ensure it is perceived as a value to low-income renters.

As detailed in the preceding table, the subject rents represent market rent advantages ranging from 15.5% to 56.0%, depending upon unit type and income level. Thus, the subject rents, even those at the higher 80% AMHI levels, will represent significant values within the Roanoke Site PMA.

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 tenant-paid utilities. The rents reported are typical and do not consider rent concessions or special promotions.
7. The subject project is expected to be completed in 2025. The selected properties were built between 1972 (renovated in 2021) and 2019. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect their ages.
8. It is anticipated that the proposed subject project will have an excellent overall appearance and quality/condition upon completion. We have made adjustments for those properties that we consider having an inferior quality compared to the subject development.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package slightly inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project and, in some cases, for features the subject project does offer.
- 24.-32. The proposed project will offer a generally inferior project amenities package relative to those offered at the selected market-rate developments. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

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

Under the Low-Income Housing Tax Credit (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 Roanoke, VA HUD Metro FMR Area, which has a median four-person household income of \$86,300 for 2022. The subject property will be restricted to households with incomes of up to 40%, 50%, 60% and 80% of AMHI. The following table summarizes the maximum allowable income by household size and income level:

Household Size	Targeted AMHI Maximum Allowable Income			
	40%	50%	60%	80%
One-Person	\$24,200	\$30,250	\$36,300	\$48,400
Two-Person	\$27,640	\$34,550	\$41,460	\$55,280
Three-Person	\$31,080	\$38,850	\$46,620	\$62,160
Four-Person	\$34,520	\$43,150	\$51,780	\$69,040
Five-Person	\$37,320	\$46,650	\$55,980	\$74,640

1. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to generally house up to five-person households. As such, the maximum allowable income at the subject site is **\$74,640**.

2. Minimum Income Requirements

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

The lowest proposed LIHTC rent at the subject site is \$648 (maximum allowable one-bedroom LIHTC rent at 40% of AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,776. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$22,217**.

3. Income-Appropriate Range

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit w/ PBV (Limited to 40% of AMHI)	\$0	\$27,640
Tax Credit w/ PBV (Limited to 50% of AMHI)	\$0	\$46,650
Tax Credit (Limited to 40% of AMHI)	\$22,217	\$27,640
Tax Credit (Limited to 50% of AMHI)	\$30,994	\$46,650
Tax Credit (Limited to 60% of AMHI)	\$39,943	\$55,980
Tax Credit (Limited to 80% of AMHI)	\$46,423	\$74,640
Overall Tax Credit w/ PBV	\$0	\$74,640
Overall Tax Credit*	\$22,217	\$74,640

*Excludes those earning between \$27,641 and \$30,993 due to gap in affordability levels

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 the anticipated year of completion of 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), 34.3% of income-appropriate renter households, depending upon income level, within 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), approximately 1.9% 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.

Not applicable; subject site is general-occupancy.

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

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

C. DEMAND/CAPTURE RATE CALUCLATIONS

As discussed earlier in Section V, four vacancies exist at the directly competitive LIHTC properties surveyed within the Site PMA. These four vacant units are summarized in the following table. Note that there are no allocated Tax Credit projects in the development pipeline to subtract from our demand estimates.

Map I.D.	Project Name	Year Built/ Renovated	LIHTC Units	Units At Targeted AMHI (Vacant Units)			
				40% AMHI	50% AMHI	60% AMHI	80% AMHI
15	Peters Creek I, II, III	1994 / 2015	192	0	1	3	0

The four vacant directly comparable units have been considered in the following demand analysis. Note that we have conservatively included only one- and two-person households for the 40% of AMHI capture rate estimates, as the subject site will only offer one-bedroom units at this income level. The following is a summary of our demand calculations for the subject project, both with and without a subsidy.

As Proposed (With PBV)						
Demand Component	40% AMHI / PBV (\$0-27,640)	50% AMHI / PBV (\$0-46,650)	50% AMHI (\$30,994 - \$46,650)	60% AMHI (\$39,943 - \$55,980)	80% AMHI (\$46,423 - \$74,640)	Overall LIHTC w/ Subsidy (\$0-\$74,640)
Demand from New Rental Households (Income-Appropriate)	3,383 - 3,618 = -235	6,740 - 7,187 = -447	1,752 - 1,824 = -72	1,546 - 1,601 = -55	2,462 - 2,504 = -42	7,574 - 7,921 = -347
+						
Demand from Existing Households (Rent Overburdened)	3,618 X 34.3% = 1,241	7,187 X 34.3% = 2,465	1,824 x 34.3% = 626	1,601 x 34.3% = 549	2,504 x 34.3% = 859	7,921 X 34.3% = 2,717
+						
Demand from Existing Households (Renters in Substandard Housing)	3,618 X 1.9% = 69	7,187 X 1.9% = 137	1,824 x 1.9% = 35	1,601 x 1.9% = 31	2,504 x 1.9% = 48	7,921 X 1.9% = 150
+						
Demand from Existing Households (Elderly Homeowner Conversion)	N/A					
=						
Total Demand	1,075	2,155	589	525	865	2,520
-						
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	0	0	1	3	0	4
=						
Net Demand	1,075	2,155	588	522	865	2,516
Proposed Units	5	3	16	14	8	46
Proposed Units / Net Demand	5 / 1,075	3 / 2,155	16 / 588	14 / 522	8 / 865	46 / 2,516
Capture Rate	= 0.5%	= 0.1%	= 2.7%	= 2.7%	= 0.9%	= 1.8%
Total Absorption Period	< 1 Month	< 1 Month	2 Months	3 Months	2 Months	3 Months

N/A-Not Applicable

LIHTC Only (Without Subsidy)					
Demand Component	40% AMHI (\$22,217 - \$27,640)	50% AMHI (\$30,994 - \$46,650)	60% AMHI (\$39,943 - \$55,980)	80% AMHI (\$46,423 - \$74,640)	Overall LIHTC Only (\$22,217- \$74,640)*
Demand from New Rental Households (Income-Appropriate)	613 - 630 = -17	1,752 - 1,824 = - 72	1,546 - 1,601 = - 55	2,462 - 2,504 = - 42	4,804 - 4,933 = -129
+					
Demand from Existing Households (Rent Overburdened)	630 X 34.3% = 216	1,824 x 34.3% = 626	1,601 x 34.3% = 549	2,504 x 34.3% = 859	4,933 x 34.3% = 1,692
+					
Demand from Existing Households (Renters in Substandard Housing)	723 X 1.9% = 12	1,824 x 1.9% = 35	1,601 x 1.9% = 31	2,504 x 1.9% = 48	4,933 x 1.9% = 94
+					
Demand from Existing Households (Elderly Homeowner Conversion)	N/A				
=					
Total Demand	211	589	525	865	1,657
-					
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	0	1	3	0	4
=					
Net Demand	211	588	522	865	1,653
Proposed Units	5	19	14	8	46
Proposed Units / Net Demand	5 / 211	19 / 588	14 / 522	8 / 865	46 / 1,653
Capture Rate	= 2.4%	= 3.2%	= 2.7%	= 0.9%	= 2.8%
Total Absorption Period	1 Month	2 Months	3 Months	2 Months	3 Months

*Excludes those earning between \$27,641 and \$30,993 due to gap in affordability levels

N/A-Not Applicable

The capture rates by targeted income level assuming the project operates with a subsidy available to some units are considered low and easily achievable, ranging from 0.1% to 2.7%, with an overall capture rate of 1.8%. In the unlikely scenario the subject operates without a subsidy, the capture rates by income level range from 0.9% to 3.2% and the overall capture rate is 2.8%. These capture rates are all considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development, regardless of scenario.

D. PENETRATION RATE CALCULATIONS

The 268 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing, planned and subject Tax Credit units is \$22,217 to \$74,640. The following table summarizes the market penetration rate for the subject project, based on data contained in the Demographic Characteristics and Trends section of this report.

	Market Penetration
Number of LIHTC Units (Planned, Existing & Subject)	314
Income-Eligible Renter Households – 2025	/ 5,663
Overall Market Penetration Rate	= 5.5%

It is our opinion that the 5.5% penetration rate for the LIHTC units, existing, planned and proposed subject, is very low and easily achievable.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Roanoke Redevelopment & Housing Authority, there are approximately 1,976 Housing Choice Vouchers issued within the housing authority’s jurisdiction. However, it was also revealed by housing authority representatives that approximately 150 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 4,500 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 90 households. This reflects the continuing need for affordable housing alternatives and/or Housing Choice Voucher assistance.

If the rents do not exceed the payment standards established by the local housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Roanoke Redevelopment and Housing Authority, 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	\$875	\$648 (40%/PBV)*
Two-Bedroom	\$1,079	\$904 (50%/PBV) \$971 (50%) \$1,165 (60%) \$1,354 (80%)
Three-Bedroom	\$1,480	\$1,122 (50%/PBV)* \$1,122 (50%) \$1,347 (60%) \$1,579 (80%)

*Maximum allowable gross LIHTC rent (contract rent exceeds maximum allowable)

As the preceding table illustrates, the proposed LIHTC gross rents set aside at 40% and 50% of AMHI, as well as some of the 60% of AMHI rents, are below the local payment standards. As such, the subject project will be able to rely on some support from Housing Choice Voucher holders. This will increase the demographic base of potential support for the proposed development and has been considered in our absorption projections.

F. ABSORPTION PROJECTIONS

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 46 LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in approximately three months of opening. This absorption period is based on an average monthly absorption rate of approximately 14 units per month. More specific to the units offered at the site, it is anticipated that the subsidized units at the site will experience the fastest absorption, with the non-subsidized units requiring the full three-month absorption period.

These absorption projections assume a 2025 opening date. An earlier/later opening date may have a slowing impact on the initial absorption of the subject project. Further, these absorption projections assume that the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

VIII. Local Perspective (Interviews)

We conducted numerous interviews with local sources familiar with the Roanoke 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:

- Michelle Thompson, Property Manager at Christian Village of Western Virginia, (Map ID 5) a government-subsidized rental community restricted to seniors age 62 and older, stated that there is a need for more affordable housing in the Roanoke area, as she receives a significant number of applicants daily. Ms. Thompson added that this property currently maintains a waiting list that is a duration of between two and three years, further illustrating the need for more affordable housing in the area.
- Kaitlyn Desilvey, Leasing Agent at Flats at Rutgers (Map ID 7), a comparable market-rate rental property in the Roanoke Site PMA, stated that there is a need for more affordable housing in the Roanoke area. Ms. Desilvey added that rents at this property have significantly increased in the previous years, resulting in low-income renters struggling to afford the rising market-rate rents.
- Nathan McClung, the Principal Planner for the town of Vinton stated that they are hoping to incentivize more mixed-use development projects in the near future. They recognize the need for workforce housing in Vinton and Roanoke, especially due to the incredibly low vacancy rates throughout their jurisdiction (and the Roanoke Valley) and the need for more available housing units. The area is densely populated and does not have a lot of land left to develop, however there is a lot of room for adaptive reuses of existing properties and a few large parcels where high density development (e.g. apartments, townhouses, etc.) is preferred.
- David Bustamante, the Executive Director of the Roanoke Redevelopment & Housing Authority stated the Roanoke Housing Market Analysis Study conducted by the city, and completed in December of 2021 and said that it states: “There is a projected deficit of 3,570 units, which means many extremely low-income households are having to spend more than is recommended on housing further exacerbating the housing affordability and cost burden challenges.” Mr. Bustamante went on to state that given the economy and the eviction moratorium he believes this number has increased in the last year. The issues are both the units are too expensive for the very

low and extremely low-income families in our community and that they are experiencing a unit deficit. And they currently have over 100 families searching for a unit via the Housing Choice Voucher program.

- Evangeline Richie, the Vice President of Housing for the Roanoke Redevelopment & Housing Authority stated that there is absolutely a need for more affordable housing in Roanoke. They still have 300 names on the waiting list from 2019 that when it was open that year, when they received 2,000 applications for vouchers. When they opened the waiting list in 2022, they received over 4,000 applications. The lack of affordable housing is greatly affecting single parent households, the disabled, and the elderly. There needs to be governmental legislative changes to fix the chronic lack of affordable housing across the entire country.

IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market exists for the 46 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be very competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. Notably, the proposed subject rents represent market rent advantages of between 15.5% and 56.0%, illustrating that they will likely represent excellent values to low- and moderate-income renters within the market.

Given that the comparable LIHTC developments surveyed within the market and region have a combined occupancy rate of 99.3%, some of which maintain waiting lists, the subject project will offer a housing alternative to low-income households that is in limited availability in the area. This is especially true, considering that the subject project will be the only LIHTC project in the market to offer units set aside at 40% and 80% of Area Median Household Income (AMHI). The subject project will provide an affordable rental housing alternative to very low- to moderate-income renter households that are currently underserved within the Roanoke Site PMA. This is expected to bode very well in the demand of the subject units.

As shown in the Capture Rate Analysis section of this report, with an overall capture rate of 1.8% of income-eligible renter households in the market (2.8% in the unlikely non-subsidized scenario), there is significant support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

X.

SITE PHOTOGRAPHS



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast



View of site from the south



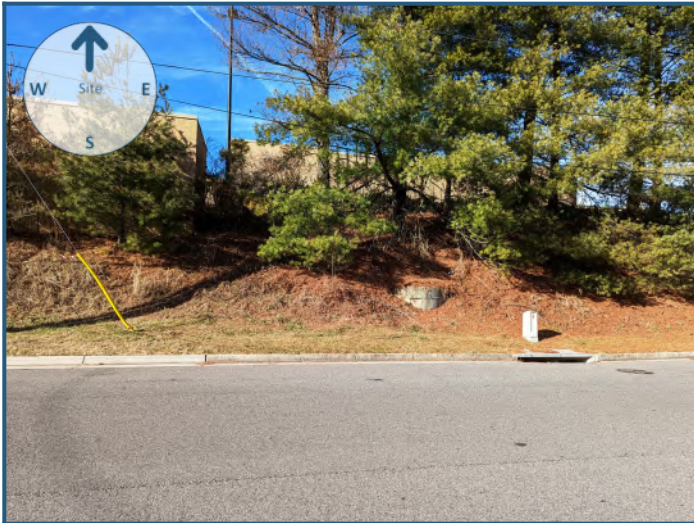
View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: Northeast view of Spring Street



Streetscape: Southwest view of Spring Street

XI.

COMPARABLE
PROPERTY PROFILES

2 Afton Gardens 4.0 miles to site



Address: 703 Hunt Ave NW, Roanoke, VA 24012
 Phone: (540) 362-4827 Contact: Brittany
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 108 Year Built: 1967
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2002
 Turnover: Stories: 2.5
 Waitlist: 6-12 mos
 Rent Special: None

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

Notes: Tax Credit (4 units); HUD Section 8 & Tax Credit (104 units)



Features And Utilities

Utility Schedule Provided by: Roanoke Redevelopment & Housing Authority

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

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

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Grilling Area, Playground); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1	G	104	0	750	Subsidized	Subsidized	Subsidized
2	1	G	4	0	750	\$1.41	\$1,059	60%

*Adaptive Reuse

*DTS is based on drive time

6 District Vue 1.4 miles to site



Address: 2550 Orange Ave NE, Roanoke, VA 24012
 Phone: (540) 507-2947 Contact: Jamoney
 Property Type: Market Rate
 Target Population: Family
 Total Units: 322 Year Built: 2019
 Vacant Units: 15 *AR Year:
 Occupancy: 95.3% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: None
 Rent Special: None

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

Notes: 1st units opened 11/2019; Last units opened 9/2022



Features And Utilities

Utility Schedule Provided by: Roanoke Redevelopment & Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Car Care (Car Wash Area); Multipurpose Room, Clubhouse/Community Room; Cafe / Coffee Bar; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Grilling Area, Media Room / Theater, Playground, Outdoor Swimming Pool); WiFi

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	96	4	758 - 830	\$1.58 - \$1.44	\$1,209	Market
2	2	G	193	9	991 - 1,003	\$1.51 - \$1.49	\$1,509	Market
3	2	G	33	2	1,319	\$1.36	\$1,809	Market

*Adaptive Reuse

*DTS is based on drive time

7 Flats at Rutgers 6.7 miles to site



Address: 4823 Rutgers St NW, Roanoke, VA 24012
 Phone: (540) 562-8777 Contact: Kaitlyn
 Property Type: Market Rate
 Target Population: Family
 Total Units: 102 Year Built: 1972
 Vacant Units: 1 *AR Year:
 Occupancy: 99.0% Yr Renovated: 2021
 Turnover: Stories: 2.5
 Waitlist: None
 Rent Special: Move-In: 50% off rent

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

Notes: 2 units under renovation; Higher rent for renovated units



Features And Utilities

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

Unit Amenities: Dishwasher; Range; Refrigerator; Central AC; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Cabinetry

Property Amenities: Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (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	48	0	648	\$1.32 - \$1.63	\$909 - \$1,109	Market
2	1	G	36	0	806	\$1.44 - \$1.57	\$1,229 - \$1,329	Market
3	2	G	18	1	894	\$1.37 - \$1.65	\$1,299 - \$1,549	Market

*Adaptive Reuse

*DTS is based on drive time

9 **Glade Creek** 0.2 miles to site



Address: 3343 Glade Creek Blvd NE, Roanoke, VA 24012
 Phone: (540) 985-4700 Contact: Chelsey
 Property Type: Market Rate
 Target Population: Family
 Total Units: 248 Year Built: 1998
 Vacant Units: 2 *AR Year:
 Occupancy: 99.2% Yr Renovated:
 Turnover: Stories: 2,3
 Waitlist: None
 Rent Special: None

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

Notes: Rent range due to renovations & upgrades; Rents change daily



Features And Utilities

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

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

Property Amenities: Car Care (Car Wash Area); On-Site Management; Recreation Areas (Firepit, Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool, Volleyball); WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	48	0	886 - 941	\$1.49 - \$2.59	\$1,320 - \$2,440	Market
2	2	G	138	2	1,155 - 1,178	\$1.19 - \$2.08	\$1,380 - \$2,450	Market
3	2	G	62	0	1,316 - 1,376	\$1.20 - \$1.82	\$1,580 - \$2,502	Market

*Adaptive Reuse

*DTS is based on drive time

10 Hickory Woods Apts. 0.7 miles to site



Address: 3006 Hickory Woods Dr. NE, Roanoke, VA 24012
 Phone: (540) 685-1570 Contact: Beka
 Property Type: Market Rate
 Target Population: Family
 Total Units: 216 Year Built: 1988
 Vacant Units: 4 *AR Year:
 Occupancy: 98.1% Yr Renovated: 2021
 Turnover: Stories: 3
 Waitlist: None
 Rent Special: None

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

Notes: Higher rent for renovated units; Rents change daily



Features And Utilities

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

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

Property Amenities: Car Care (Car Wash Area); Multipurpose Room, Clubhouse/Community Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool, Tennis); CCTV; WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	64	2	688 - 788	\$1.53 - \$1.65	\$1,050 - \$1,300	Market
2	2	G	109	1	901 - 1,001	\$1.20 - \$1.32	\$1,085 - \$1,325	Market
3	2	G	43	1	1,156	\$1.21 - \$1.38	\$1,395 - \$1,590	Market

*Adaptive Reuse

*DTS is based on drive time

14 Orchards Apts. **3.0 miles to site**



Address: 5360 Orchard Hill Dr., Roanoke, VA 24019
 Phone: (540) 554-6759 Contact: Amy
 Property Type: Market Rate
 Target Population: Family
 Total Units: 240 Year Built: 2002
 Vacant Units: 4 *AR Year:
 Occupancy: 98.3% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: None
 Rent Special: None

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

Notes: Rents change daily



Features And Utilities

Utility Schedule Provided by: Roanoke Redevelopment & Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Car Care (Car Wash Area); Cafe / Coffee Bar; Pavilion/Gazebo; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Grilling Area, Walking Path, Media Room / Theater, Playground, Outdoor Swimming Pool, Tennis, Volleyball); Courtesy Officer; 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	120	1	852	\$1.29	\$1,099	Market
2	2	G	60	3	918	\$1.56	\$1,432	Market
3	2	G	60	0	1,033	\$1.64	\$1,699	Market

*Adaptive Reuse

*DTS is based on drive time

15 Peters Creek I, II, III 9.6 miles to site



Address: 7266 South Barrens Rd, Roanoke, VA 24019
 Phone: (540) 362-5851 Contact: Tonya
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 192 Year Built: 1994
 Vacant Units: 4 *AR Year:
 Occupancy: 97.9% Yr Renovated: 2015
 Turnover: Stories: 3
 Waitlist: None
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Roanoke Redevelopment & Housing Authority

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

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

Property Amenities: Multipurpose Room, Clubhouse/Community Room; 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
2	2	G	66	1	1,000	\$0.87	\$871	50%
2	2	G	66	2	1,000	\$1.07	\$1,065	60%
3	2	G	30	0	1,320	\$0.76	\$1,004	50%
3	2	G	30	1	1,320	\$0.93	\$1,229	60%

*Adaptive Reuse

*DTS is based on drive time

901 **Everett** 9.5 miles to site



Address: 4301 Garst Mill Rd, Cave Spring, VA 24018
 Phone: (540) 774-9546 Contact: Cynthia
 Property Type: Market Rate, Tax Credit
 Target Population: Family
 Total Units: 504 Year Built: 1973
 Vacant Units: 32 *AR Year:
 Occupancy: 93.7% Yr Renovated: 2006
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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

Notes: Market-rate (100 units); Tax Credit (404 units); Rent range for MRR 2-br TH includes W/D



Features And Utilities

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

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

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Outdoor Swimming Pool); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	80	0	641 - 665	\$1.44 - \$1.39	\$922	60%
1	1	G	20	10	641 - 665	\$1.46 - \$1.41	\$939	Market
2	1 - 2	G	212	2	906 - 1,028	\$0.95 - \$0.84	\$864	60%
2	1 - 2	G	40	20	906 - 1,028	\$1.14 - \$1.00	\$1,030	Market
2	1.5	T	56	0	1,137	\$0.74	\$847	60%
2	1.5	T	20	0	1,137	\$0.91 - \$0.97	\$1,029 - \$1,102	Market
3	2	G	56	0	1,255	\$0.79	\$992	60%
3	2	G	20	0	1,255	\$1.02	\$1,276	Market

*Adaptive Reuse

*DTS is based on drive time

903 Salem Commons 8.1 miles to site



Address: 1866 Salem Commons Ln, Salem, VA 24153
 Phone: (540) 344-3737 Contact: Angie
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 88 Year Built: 1988
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 1999
 Turnover: Stories: 2
 Waitlist: 12 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Roanoke Redevelopment & Housing Authority

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

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

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1.5	G	40	0	872	\$0.91	\$795	60%
2	2	G	24	0	895	\$0.95	\$850	60%
3	2	G	24	0	1,101	\$0.86	\$950	60%

*Adaptive Reuse

*DTS is based on drive time

904 Woodridge Apts. 6.7 miles to site



Address: 2251 Mountain View Terrace SW, Roanoke, VA 24015
 Phone: (540) 342-9115 Contact: Faye
 Property Type: Market Rate, Tax Credit
 Target Population: Family
 Total Units: 96 Year Built: 1972 Ratings
 Vacant Units: 0 *AR Year: 1992 Quality: B
 Occupancy: 100.0% Yr Renovated: Neighborhood: B
 Turnover: Stories: 2.5 Access/Visibility: B/B
 Waitlist: None
 Rent Special: None

Notes: Market-rate (48 units); Tax Credit (48 units)



Features And Utilities

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

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

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Grilling Area, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	29	0	750	\$0.95	\$715	60%
1	1	G	14	0	750	\$0.95	\$715	Market
2	1	G	14	0	830	\$0.92	\$765	60%
2	1	G	5	0	830	\$0.89	\$740	Market
3	1	G	5	0	950	\$0.87	\$825	60%
3	1	G	29	0	950	\$0.87	\$825	Market

*Adaptive Reuse *DTS is based on drive time

XII.

FIELD SURVEY OF CONVENTIONAL RENTALS



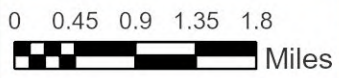
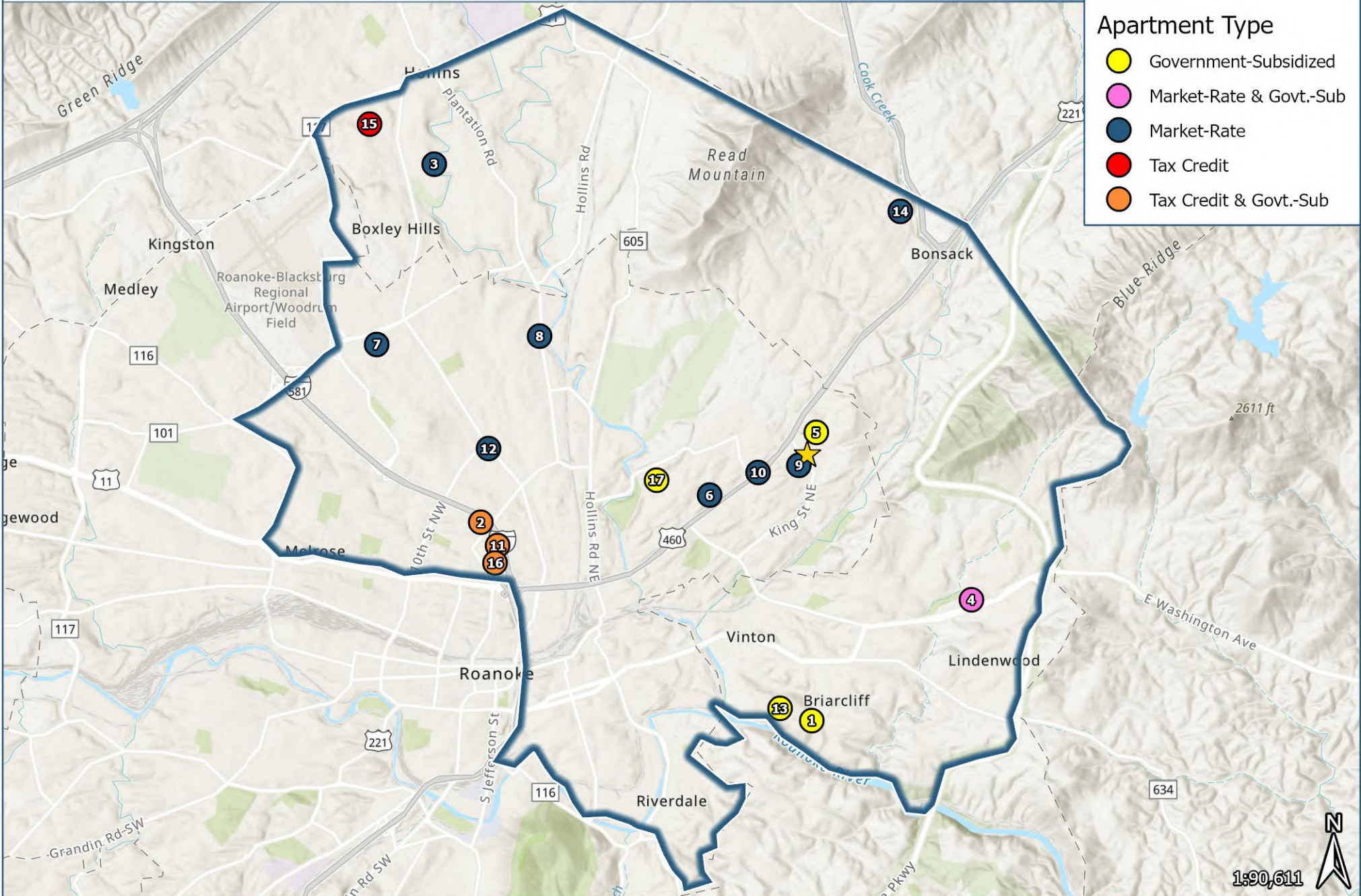
Site



PMA


















Apartment Type






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




















Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	A. Porter's Haven	GSS	B	2009	73	0	100.0%	3.5
2	Afton Gardens	TGS	B-	1967	108	0	100.0%	4.0
3	Bent Creek Apts. & Townhomes	MRR	B	1974	344	12	96.5%	7.2
4	Blue Ridge Manor	MRG	B	1974	108	0	100.0%	3.6
5	Christian Village of Western Virginia	GSS	B-	1997	45	0	100.0%	0.2
6	District Vue	MRR	A-	2019	322	15	95.3%	1.4
7	Flats at Rutgers	MRR	B-	1972	102	1	99.0%	6.7
8	Frontier Apts.	MRR	B	1972	194	4	97.9%	4.9
9	Glade Creek	MRR	B+	1998	248	2	99.2%	0.2
10	Hickory Woods Apts.	MRR	B	1988	216	4	98.1%	0.7
11	Hillcrest Heights	TGS	B	2007	24	0	100.0%	3.9
12	Lee Theater Lofts	MRR	B	1941	35	0	100.0%	4.3
13	Northhampton Apts.	GSS	B-	1984	50	0	100.0%	3.4
14	Orchards Apts.	MRR	B+	2002	240	4	98.3%	3.0
15	Peters Creek I, II, III	TAX	B+	1994	192	4	97.9%	9.6
16	Stepping Stone	TGS	B	2005	30	0	100.0%	3.7
17	Tinker Creek Manor Apts.	GSS	B	1970	100	0	100.0%	2.2
901	Everett	MRT	B+	1973	504	32	93.7%	9.5
902	Gramercy Row Apts.	MRR	B	2016	83	3	96.4%	3.8
903	Salem Commons	TAX	B	1988	88	0	100.0%	8.1
904	Woodridge Apts.	MRT	B	1972	96	0	100.0%	6.7


*Drive distance in miles

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


1	A. Porter's Haven 1702 Saunja Cir, Vinton, VA 24179	Contact: Patricia Phone: (540) 342-0131
	Total Units: 73 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2009 BR: 1 Vacant Units: 0 Waitlist: 24 mos AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: HUD Section 202	
2	Afton Gardens 703 Hunt Ave NW, Roanoke, VA 24012	Contact: Brittany Phone: (540) 362-4827
	Total Units: 108 UC: 0 Occupancy: 100.0% Stories: 2.5 Year Built: 1967 BR: 2 Vacant Units: 0 Waitlist: 6-12 mos AR Year: Target Population: Family Yr Renovated: 2002 Rent Special: None Notes: Tax Credit (4 units); HUD Section 8 & Tax Credit (104 units)	
3	Bent Creek Apts. & Townhomes 6525 Greenway Dr, Roanoke, VA 24019	Contact: Nicole Phone: (540) 366-8243
	Total Units: 344 UC: 0 Occupancy: 96.5% Stories: 2,3 Year Built: 1974 BR: 1, 2, 3 Vacant Units: 12 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range based on location & amenities; Rents change daily	
4	Blue Ridge Manor 101 Cottonwood Terr, Vinton, VA 24179	Contact: Alicia Phone: (540) 890-1291
	Total Units: 108 UC: 0 Occupancy: 100.0% Stories: 2.5 Year Built: 1974 BR: 2, 3 Vacant Units: 0 Waitlist: 6-24 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Market-rate (60 unit); HUD Section 8 (48 units)	
5	Christian Village of Western Virginia 3355 Village Ct NE, Roanoke, VA 24012	Contact: Michelle Phone: (540) 342-5232
	Total Units: 45 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1997 BR: 1 Vacant Units: 0 Waitlist: 24-36 mos AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: HUD Section 236	

 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	




6	District Vue 2550 Orange Ave NE, Roanoke, VA 24012	Contact: Jamoney Phone: (540) 507-2947
	 <p>Total Units: 322 UC: 0 Occupancy: 95.3% Stories: 3 Year Built: 2019 BR: 1, 2, 3 Vacant Units: 15 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: 1st units opened 11/2019; Last units opened 9/2022</p>	





7	Flats at Rutgers 4823 Rutgers St NW, Roanoke, VA 24012	Contact: Kaitlyn Phone: (540) 562-8777
	 <p>Total Units: 102 UC: 11 Occupancy: 99.0% Stories: 2.5 Year Built: 1972 BR: 1, 2, 3 Vacant Units: 1 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2021 Rent Special: Move-In: 50% off rent Notes: 2 units under renovation; Higher rent for renovated units</p>	








8	Frontier Apts. 4302 Plantation Rd NE, Roanoke, VA 24012	Contact: Christian Phone: (540) 366-4316
	 <p>Total Units: 194 UC: 0 Occupancy: 97.9% Stories: 2.5 Year Built: 1972 BR: 1, 2 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range due to renovations, den & floorplan</p>	





















9	Glade Creek 3343 Glade Creek Blvd NE, Roanoke, VA 24012	Contact: Chelsey Phone: (540) 985-4700
	 <p>Total Units: 248 UC: 0 Occupancy: 99.2% Stories: 2,3 Year Built: 1998 BR: 1, 2, 3 Vacant Units: 2 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range due to renovations & upgrades; Rents change daily</p>	


10	Hickory Woods Apts. 3006 Hickory Woods Dr. NE, Roanoke, VA 24012	Contact: Beka Phone: (540) 685-1570
	 <p>Total Units: 216 UC: 0 Occupancy: 98.1% Stories: 3 Year Built: 1988 BR: 1, 2, 3 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2021 Rent Special: None Notes: Higher rent for renovated units; Rents change daily</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	


11	Hillcrest Heights 1801 Dunbar St NW, Roanoke, VA 24012	Contact: Crystal Phone: (540) 983-9224
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2007 BR: 2, 3 Vacant Units: 0 Waitlist: 5 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; HUD Section 8	
12	Lee Theater Lofts 3162 Williamson Rd, Roanoke, VA 24012	Contact: Jason Phone: (540) 206-9779
	Total Units: 35 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1941 BR: 1 Vacant Units: 0 Waitlist: 50 HH AR Year: 2022 Target Population: Family Yr Renovated: Rent Special: None Notes: Opened 7/2022, 100% occupied 9/2022, no preleasing	
13	Northhampton Apts. 1541 Wyndham Dr, Vinton, VA 24179	Contact: Shaneta Phone: (540) 343-2871
	Total Units: 50 UC: 0 Occupancy: 100.0% Stories: 2,2.5 Year Built: 1984 BR: 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: HUD Section 8	
14	Orchards Apts. 5360 Orchard Hill Dr., Roanoke, VA 24019	Contact: Amy Phone: (540) 554-6759
	Total Units: 240 UC: 0 Occupancy: 98.3% Stories: 3 Year Built: 2002 BR: 1, 2, 3 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily	
15	Peters Creek I, II, III 7266 South Barrens Rd, Roanoke, VA 24019	Contact: Tonya Phone: (540) 362-5851
	Total Units: 192 UC: 0 Occupancy: 97.9% Stories: 3 Year Built: 1994 BR: 2, 3 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2015 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	

16	Stepping Stone 1710 Dunbar St NW, Roanoke, VA 24012		Contact: Crystal Phone: (540) 983-9224	
		Total Units: 30 UC: 0 BR: 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit; HUD Section 8	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: 5 HH


17	Tinker Creek Manor Apts. 2050 Tinker Dr NE, Roanoke, VA 24012		Contact: Marisa Phone: (540) 342-2333	
		Total Units: 100 UC: 0 BR: 2, 3, 4 Target Population: Family Rent Special: None Notes: HUD Section 8	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: 6-12 mos



901	Everett 4301 Garst Mill Rd, Cave Spring, VA 24018		Contact: Cynthia Phone: (540) 774-9546	
		Total Units: 504 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Market-rate (100 units); Tax Credit (404 units); Rent range for MRR 2-br TH includes W/D	Occupancy: 93.7% Vacant Units: 32	Stories: 2 Waitlist: None


902	Gramercy Row Apts. 206 Williamson Rd SE, Roanoke, VA 24013		Contact: Derek Phone: (540) 732-7808	
		Total Units: 83 UC: 0 BR: 1, 2 Target Population: Family Rent Special: None Notes:	Occupancy: 96.4% Vacant Units: 3	Stories: 3 Waitlist: None



903	Salem Commons 1866 Salem Commons Ln, Salem, VA 24153		Contact: Angie Phone: (540) 344-3737	
		Total Units: 88 UC: 0 BR: 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: 12 HH

<ul style="list-style-type: none"> Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none"> (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none"> (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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904	Woodridge Apts. 2251 Mountain View Terrace SW, Roanoke, VA 24015	Contact: Faye Phone: (540) 342-9115
	Total Units: 96 UC: 0 Occupancy: 100.0% Stories: 2.5 Year Built: 1972	
	BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: 1992	
	Target Population: Family Yr Renovated:	
	Rent Special: None	
	Notes: Market-rate (48 units); Tax Credit (48 units)	

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: Roanoke Redevelopment & Housing Authority
Effective: 10/2022

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	40	48	60	70	81	91	40	48	60	70	81	91
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	63	85	116	143	174	203	63	85	116	143	174	203
	Electric	33	45	62	77	95	110	33	45	62	77	95	110
	Heat Pump	21	29	40	50	62	72	21	29	40	50	62	72
	Oil	69	93	127	156	191	222	69	93	127	156	191	222
Cooking	Natural Gas	4	6	8	10	12	14	4	6	8	10	12	14
	Bottled Gas	13	18	23	28	36	41	13	18	23	28	36	41
	Electric	4	6	7	10	14	19	4	6	7	10	14	19
Other Electric	32	38	50	55	64	70	32	38	50	55	64	70	
+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0	
Air Conditioning	8	12	15	18	23	28	8	12	15	18	23	28	
Water Heating	Natural Gas	11	16	21	25	32	37	11	16	21	25	32	37
	Bottled Gas	33	46	59	72	91	104	33	46	59	72	91	104
	Electric	22	31	36	45	50	66	22	31	36	45	50	66
	Oil	39	55	71	86	110	126	39	55	71	86	110	126
Water	17	22	30	39	49	53	17	22	30	39	49	53	
Sewer	22	26	36	45	54	64	22	26	36	45	54	64	
Trash Collection	15	15	15	15	15	15	15	15	15	15	15	15	
Internet*	20	20	20	20	20	20	20	20	20	20	20	20	
Cable*	20	20	20	20	20	20	20	20	20	20	20	20	
Alarm Monitoring*	0	0	0	0	0	0	0	0	0	0	0	0	

* Estimated- not from source

XIII. Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

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

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

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

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

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

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

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

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

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

Research Staff

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

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

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

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

Addendum A – Member Certification & Checklist

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

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



Patrick M. Bowen

President

patrickb@bowennational.com

Date: January 18, 2023



Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: January 18, 2023

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

		Section (s)
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