

A MARKET FEASIBILITY STUDY OF:

**MILLER'S REST**

**APARTMENTS**

**PHASE III**

**A MARKET FEASIBILITY STUDY OF:**

# **MILLER'S REST APARTMENTS PHASE III**

6100 Old Mill Road  
Lynchburg, Virginia 24502

Effective Date: February 15, 2023  
Report Date: March 8, 2023

Prepared for:  
Austin Pittman  
Development Manager  
The Lawson Companies  
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Virginia Beach, VA 23462

Prepared by:  
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March 8, 2023

Austin Pittman  
Development Manager  
The Lawson Companies  
373 Edwin Drive  
Virginia Beach, VA 23462

Re: Market Study - Application for proposed Miller's Rest Apartments Phase III, located in Lynchburg, VA.

Dear Austin Pittman:

At your request, Novogradac & Company LLP, doing business under the brand name Novogradac Consulting ("Novogradac") has performed a market study of the multifamily rental market in the Lynchburg, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We previously completed market studies for Miller's Rest I in February 2020 and Miller's Rest II in December 2020, as well as a market conditions letter for Miller's Rest II - 4% in August 2021.

The purpose of this market study is to assess the viability of the proposed new construction of Miller's Rest Apartments Phase III (Subject), a proposed new construction development. The Subject will consist of 80 one, two, and three-bedroom units restricted at 30, 40, 50, and 60 percent of the area median income (AMI). Additionally, eight units at 40 of AMI will have Section 8 Project-based Vouchers (PBV). The Subject will be new construction with an anticipated 15-month construction timeframe starting December 2023.

Note that the Subject will be located adjacent east of Miller's Rest Apartments Phase I, a proposed 80-unit LIHTC development restricted at 40, 50, and 60 percent of the AMI as well as Millers Rest Apartments Phase II, a proposed 115-unit LIHTC development will offer one, two, and three-bedroom units at 30,40, 50 and 60 percent of AMI. Phase I is currently under construction with an anticipated completion date of April 2023, while Phase II was allocated LIHTC funding in 2021 and is expected to be completed in November 2023. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Virginia Housing, including the following:

- Inspecting the site of the proposed Subject, and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.
- Investigating the general economic health and conditions of the multifamily rental market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income-eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary and Secondary Market Area(s), if applicable.
- Surveying competing projects, both LIHTC and market-rate.

Novogradac adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). The NCHMA certification and checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located.

AUSTIN PITTMAN  
THE LAWSON COMPANIES  
MARCH 8, 2023

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

The Lawson Companies is the client in this engagement and intended user of this report. Furthermore, Virginia Housing is an authorized user of this market study and Virginia Housing may rely on representations made herein. As our client, the Lawson Companies owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

The Stated Purpose of this assignment is for application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,  
Novogradac



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# **A. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

- Subject Site Description:** The Subject will be located at 6100 Old Mill Road in Lynchburg, Virginia 24502.
- Surrounding Land Uses:** The Subject will be located in a mixed-use neighborhood southwest of Downtown Lynchburg. The Subject site is rated as “Car Dependent” by Walk Score with a score of nine, indicating that almost all errands require a car. Note that the Subject site is located adjacent northeast of the site for Miller’s Rest Apartments I, a proposed 80-unit LIHTC development, and adjacent east of the site for Miller’s Rest Apartments II, a proposed 115-unit LIHTC development. Miller’s Rest I and II represent the first and second phases of the larger Miller’s Rest development, which includes the Subject. Land use to the north of the Subject consists of vacant wooded land, followed further north by single-family homes in good condition. Land uses east of the Subject consist of vacant wooded land, followed by single-family homes in good condition. Uses south consist of vacant land, followed further south by multifamily properties and commercial uses. Multifamily properties south of the Subject include Old Mill Townhomes, a 156-unit, market rate development offering one through four-bedroom units, which has been excluded from our analysis due to its inferior condition to the proposed Subject (the property is 94.9 percent occupied and operates with a waiting list); Mill’s Crossing, a 72-unit market rate property offering one and two-bedroom units which that has been included as a comparable in our analysis; and Mill Woods Apartments, a 128-unit Section 8 property that has been excluded due to its subsidized tenancy. Land use west and southwest of the Subject consist of the sites for Miller’s Rest Phase I and II, which are currently under construction. Farther west is vacant wooded land, followed by commercial properties and educational uses. Overall, the majority of surrounding land uses are in average to good condition.
- Subject Property Description:** Novogradac has performed a comprehensive market study of the multifamily rental market in the Lynchburg, Virginia area relative to Miller’s Rest Apartments III, a proposed new construction development. Construction of the Subject will begin in December 2023 and is expected to last for 15 months. Following construction, the Subject’s units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, eight of the units at 40 percent of AMI will operate with Project-based Vouchers (PBV). As such, tenants in these units will pay 30 percent of their income towards rent. The proposed LIHTC and contract rents are set slightly below the maximum allowable levels. The Subject will consist of a four-story, walk-up building design with four one, two, and three-bedroom units. The Subject will offer a total of 120 parking spaces, which will equate to a parking ratio of 1.5 spaces per unit. Overall, the parking offered at the Subject is reasonable.

We previously completed market studies for Miller's Rest I in February 2020 and Miller's Rest II in December 2020, as well as a market conditions letter for Miller's Rest II - 4% in August 2021. Miller's Rest I and II are part of the larger Miller's Rest development, which includes the Subject. Miller's Rest I is a proposed 80-unit LIHTC development offering one, two, and three-bedroom units at 40, 50, and 60 percent of AMI, with 8 units at 40 percent of AMI operating with PBV. The property is expected to be completed in April 2023. Miller's Rest II is a proposed 115-unit LIHTC development offering one, two, and three-bedroom at 30, 40, 50, and 60 percent of AMI. Note five units at 40 and 50 percent of AMI will operate with Project-based Vouchers (PBV). The property was awarded LIHTC funding in 2021. The property is currently under construction and is expected to be completed in November 2023.

**Proposed Rents:**

The following table details proposed rents for the Subject's units.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2023 HUD Fair Market Rents	
@30%								
1BR / 1BA	703	2	\$328	\$115	\$443	\$444	\$819	
2BR / 2BA	948	4	\$385	\$147	\$532	\$533	\$930	
3BR / 2BA	1,177	2	\$443	\$172	\$615	\$615	\$1,264	
@40% (Section 8)								
1BR / 1BA	703	2	\$476	\$115	\$591	\$592	\$819	
2BR / 2BA	948	4	\$563	\$147	\$710	\$711	\$930	
3BR / 2BA	1,177	2	\$648	\$172	\$820	\$821	\$1,264	
@50%								
1BR / 1BA	703	5	\$624	\$115	\$739	\$740	\$819	
2BR / 2BA	948	14	\$740	\$147	\$887	\$888	\$930	
3BR / 2BA	1,177	5	\$853	\$172	\$1,025	\$1,026	\$1,264	
@60%								
1BR / 1BA	703	7	\$772	\$115	\$887	\$888	\$819	
2BR / 1BA	948	26	\$918	\$147	\$1,065	\$1,066	\$930	
3BR / 2BA	1,177	7	\$1,058	\$172	\$1,230	\$1,231	\$1,264	
		<b>80</b>						

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject's proposed LIHTC rents are set slightly below the maximum allowable levels.

**Target Household Income Levels:**

Based on the proposed restrictions, the range of annual household income levels is depicted below.

**FAMILY INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
	Income	Income	Income	Income	Income	Income	Income	Income
	@30%		@40% (Section 8)		@50%		@60%	
1BR	\$15,223	\$18,960	\$0	\$25,280	\$25,371	\$31,600	\$30,446	\$37,920
2BR	\$18,274	\$21,330	\$0	\$28,440	\$30,446	\$35,550	\$36,549	\$42,660
3BR	\$21,086	\$25,590	\$0	\$34,120	\$35,177	\$42,650	\$42,206	\$51,180

**FAMILY INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
	Income	Income	Income	Income	Income	Income	Income	Income
	@30%		@40%		@50%		@60%	
1BR	\$15,223	\$18,960	\$20,297	\$25,280	\$25,371	\$31,600	\$30,446	\$37,920
2BR	\$18,274	\$21,330	\$24,377	\$28,440	\$30,446	\$35,550	\$36,549	\$42,660
3BR	\$21,086	\$25,590	\$28,149	\$34,120	\$35,177	\$42,650	\$42,206	\$51,180

Economic Conditions

Employment in the PMA is concentrated in the educational services, healthcare/social assistance, and manufacturing industries, which collectively comprise 43.9 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Employment in the MSA declined sharply by 5.5 percent in 2020 amid the pandemic, below the nation. From December 2021 to December 2022, employment in the MSA increased at an annualized rate of 2.0 percent, compared to a similar growth recorded across the nation. The national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. As of December 2022, the unemployment rate in the MSA is 2.9 percent, compared to the current national unemployment rate of 3.3 percent. Overall, the MSA economy continues to recover from the effects of the pandemic.

Primary Market Area

The Subject property is located in Lynchburg, Virginia. The PMA is generally defined as the city of Lynchburg. The PMA boundaries are: Richmond Highway and the James River to the northeast; State Route 24 to the southeast and south; Blackwater Road and State Route 706 to the west; and Forest Road and Boonsboro Road to the east. The PMA was determined based on input from area property managers. Management at the majority of the rent comparables noted that most of their tenants originate from within the city of Lynchburg. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries.

The Lynchburg, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA), which includes the cities of Lynchburg and Bedford, as well as Bedford, Campbell, Amherst, and Appomattox Counties

Demographic Data

Since 2000, PMA population and households have grown overall. Furthermore, both population and households are expected to grow through 2027. As of 2022, approximately 67.6 percent of renter households within the PMA have annual incomes below \$50,000, compared to 60.0 percent in the MSA. As proposed, the incomes for the Subject will range from \$0 to \$51,180. With a large percentage of renters with low income, we project that there will be substantial demand for new construction affordable housing units.

Vacancy

The following table illustrates vacancy rates at the comparable properties.

**OVERALL VACANCY**

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Jobbers Overall Apartments	LIHTC	Family	44	0	0.0%
Timber Ridge Apartments I	LIHTC	Family	96	3	3.1%
Timber Ridge Apartments II	LIHTC	Family	72	1	1.4%
Vistas At Dreaming Creek	LIHTC/ Market	Family	176	2	1.1%
Eleven 25	Market	Family	228	0	0.0%
Grand Vistas Apartments	Market	Family	104	2	1.9%
Legacy At Linden Park	Market	Family	408	3	0.7%
Logans Landing	Market	Family	173	0	0.0%
Mill's Crossing	Market	Family	144	9	6.2%
The Overlook At Stonemill	Market	Family	216	5	2.3%
Wyndhurst Villas	Market	Family	150	2	1.3%
<b>Total LIHTC</b>			<b>388</b>	<b>6</b>	<b>1.5%</b>
<b>Total Market Rate</b>			<b>1,423</b>	<b>21</b>	<b>1.5%</b>
<b>Overall Total</b>			<b>1,811</b>	<b>27</b>	<b>1.5%</b>

\*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 6.2 percent, with an average of 1.5 percent. The average vacancy rate reported by the affordable comparables was 1.5 percent, while the average vacancy rate reported by the market rate comparables was 1.5 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate at a vacancy rate of 5.0 percent or less.

**VACANCY BY BEDROOM TYPE**

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Jobbers Overall Apartments	LIHTC	Family	-	0.0%	0.0%	0.0%
Timber Ridge Apartments I	LIHTC	Family	0.0%	3.3%	4.2%	3.1%
Timber Ridge Apartments II	LIHTC	Family	0.0%	2.4%	0.0%	1.4%
Vistas At Dreaming Creek	LIHTC/ Market	Family	0.0%	0.7%	6.3%	1.1%
Eleven 25	Market	Family	-	-	-	0.0%
Grand Vistas Apartments	Market	Family	9.1%	0.0%	0.0%	1.9%
Legacy At Linden Park	Market	Family	1.5%	0.0%	1.4%	0.7%
Logans Landing	Market	Family	-	-	-	0.0%
Mill's Crossing	Market	Family	-	-	-	6.2%
The Overlook At Stonemill	Market	Family	3.7%	2.0%	2.4%	2.3%
Wyndhurst Villas	Market	Family	-	1.8%	0.0%	1.3%

\*Located outside of the PMA

The Subject will consist of one, two, and three-bedroom units. Three comparables were unable to provide vacancy by bedroom type. Among the remaining comparables, vacancy rates in the market for one-bedroom units range from zero to 9.7 percent, from zero to 3.3 percent for the two-bedroom units, and from zero to 6.3

percent for the three-bedroom. Further, the average vacancy by bedroom type was 2.4, 1.3, and 1.8 percent for the one, two, and three-bedroom comparable units, respectively. Overall, the vacancy rates in the market are stable. Given the projected household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Absorption

Only one of the comparable properties, Eleven 25, was able to report recent absorption data. For support, we have listed recent absorption data for other properties in the Subject’s general broader market as follows.

**ABSORPTION**

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Eleven 25	Market	Family	2018	160	20
Carlton Views	LIHTC	Family	2017	54	18
Treesdale Apartments	LIHTC	Family	2012	88	11

\*Comparable property; the property will add an additional 40 units, which are not included in the total unit count

The properties leased-up at rates ranging from 11 to 20 units per month, with an average of 16 units per month. Note that Eleven 25 staggered the opening of its units by building, which each contain 20 units. The property has opened and leased eight buildings for a total of 160 units. The contact noted that each building leased in approximately one month, indicating an absorption pace of 20 units per month. Based on the performance of recently-opened properties in the region, we have estimated that the Subject would absorb approximately 15 units per month, for an absorption period of approximately five to six months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 0.5 percent “As Proposed” scenario and 0.8 percent in the “Absent Subsidy” scenario.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This annual Novoco capture rate is 1.1 percent for the first year of operation as a LIHTC property “As Proposed.” Additionally, the annual Novoco capture rate is 1.5 percent for the first year of operation as a LITHC property “Absent Subsidy.” This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 7,126 and 4,931 units of demand in the first year of the Subject’s operation after completion, “As Proposed” and “Absent Subsidy” respectively. The Subject’s units will need to accommodate 76 total units of demand in order to stabilize at 95 percent occupancy, if hypothetically vacant. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

The Virginia Housing net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table.

Project Wide Capture Rate - All Units*	1.7%
Project Wide Absorption Period (Months)	5-6 months

This capture rate is below the overall Novoco capture rate both As Proposed and Absent Subsidy. The capture rate is considered low and indicative of adequate demand for the Subject.

Strengths

- The Subject will be new construction and will be among the newest multifamily developments in the market. Upon completion, the property will be similar to slightly superior to the comparable properties in terms of condition.
- Vacancy rates among the LIHTC properties range from zero to 1.5 percent, with an average of 1.5 percent. The LIHTC comparables reported very low vacancy, indicating strong demand for affordable housing in the market.
- The Subject site is located in close proximity to many services, public transportation, and retailers.

Weaknesses

- The Subject will offer a four-story, walk-up design, with access only from the first floor and no elevator service. The Subject and its first two phases will be the first multifamily properties to offer this design in the market. Jobbers Overall Apartments offers a three-story, elevator-serviced design, which will be superior to the Subject. Nine of the comparable properties offer two and three-story, garden-style units, and one comparable - Vistas at Dreaming Creek - offers a four-story, garden-style design.

Note that Vistas at Dreaming Creek has ground level access from both the first and second floors of their buildings, as the property is built into a hill. Tenants can park and enter the building from either the first or second floor and walk up the stairs to the fourth floor. Management at the Vistas at Dreaming Creek explained that it is somewhat common for tenants to walk up three flights of stairs and there have been no issues with occupancy nor complaints made by tenants regarding living on the fourth floor.

We also discussed units on higher floors with the contact at Legacy at Linden Park. The contact at this property noted that the property has never had issues filling units on the third floor of the development. Furthermore, he maintained that if the property were to offer fourth floor walk-up units, there would be no issue in filling these units. Tenants at Legacy at Linden Park are more concerned with good management, upkeep of property amenities, and general maintenance of the property. The remaining comparable properties featuring three-stories were unable to comment on the feasibility of additional stories in garden-style buildings. However, none of the comparable properties reported discounted rents on third-story units. Therefore, we believe that the Subject's proposed design will be marketable.

Recommendations

In general, we believe there is demand in the marketplace for the Subject. The Subject will be accessible via Old Mill Road. Note that Old Mill Road extends beyond current map illustrations (via Google). Therefore, the property will have limited direct frontage along the northern portion of Old Mill Road. We assume marketing signage will be made available along Old Mill Road. We recommend no other changes for the Subject property.



## **B. INTRODUCTION AND SCOPE OF WORK**

## INTRODUCTION AND SCOPE OF WORK

### Report Description:

Novogradac has performed a comprehensive market study of the multifamily rental market in the Lynchburg, Virginia area relative to Miller's Rest Apartments III, a proposed new construction development. Construction of the Subject will begin in December 2023 and is expected to last for 15 months. Following construction, the Subject's units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, eight of the units at 40 percent of AMI will operate with Project-based Vouchers (PBV). As such, tenants in these units will pay 30 percent of their income towards rent. The proposed LIHTC and contract rents are set slightly below the maximum allowable levels. The Subject will consist of a four-story, walk-up building design with four one, two, and three-bedroom units. The Subject will offer a total of 120 parking spaces, which will equate to a parking ratio of 1.5 spaces per unit. Overall, the parking offered at the Subject is reasonable.

We previously completed market studies for Miller's Rest I in February 2020 and Miller's Rest II in December 2020, as well as a market conditions letter for Miller's Rest II - 4% in August 2021. Miller's Rest I and II are part of the larger Miller's Rest development, which includes the Subject. Miller's Rest I is a proposed 80-unit LIHTC development offering one, two, and three-bedroom units at 40, 50, and 60 percent of AMI, with 8 units at 40 percent of AMI operating with PBV. The property is expected to be completed in April 2023. Miller's Rest II is a proposed 115-unit LIHTC development offering one, two, and three-bedroom at 30, 40, 50, and 60 percent of AMI. Note five units at 40 and 50 percent of AMI will operate with Project-based Vouchers (PBV). The property was awarded LIHTC funding in 2021. The property is currently under construction and is expected to be completed in November 2023.

### Developer/Client Information:

Lawson Realty Corporation.

### Intended Use and Users of the Report:

The report will be submitted to the Virginia Housing for application purposes. The intended user of the report is Virginia Housing.

### Scope of the Report:

- Inspecting the site of the to-be-developed Subject and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.
- Investigating the general economic health and conditions of the rental market.
- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.
- Reviewing relevant public records and contacting appropriate public agencies.

- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary Market Area, if applicable.
- Surveying competing projects, both LIHTC and market-rate.

**Effective Date:**

The Subject site was most recently inspected by Jacob Ball on February 15, 2023, which shall be the effective date of this report.

**Primary Contact for the Report:**

David Boisture, ASA, CRE (David.Boisture@novoco.com) and K. David Adamescu (David.Adamescu@novoco.com).

## **C. PROJECT DESCRIPTION**

## PROJECT DESCRIPTION

The project description will discuss the physical features of the Subject property, as well as its current and proposed unit mix and rents.

### Subject Property Description:

Novogradac has performed a comprehensive market study of the multifamily rental market in the Lynchburg, Virginia area relative to Miller's Rest Apartments III, a proposed new construction development. Construction of the Subject will begin in December 2023 and is expected to last for 15 months. Following construction, the Subject's units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, eight of the units at 40 percent of AMI will operate with Project-based Vouchers (PBV). As such, tenants in these units will pay 30 percent of their income towards rent. The Subject will consist of a four-story, walk-up building design with four one, two, and three-bedroom units. The Subject will offer a total of 120 parking spaces, which will equate to a parking ratio of 1.5 spaces per unit. Overall, the parking offered at the Subject is reasonable.

We previously completed market studies for Miller's Rest I in February 2020 and Miller's Rest II in December 2020, as well as a market conditions letter for Miller's Rest II - 4% in August 2021. Miller's Rest I and II are part of the larger Miller's Rest development, which includes the Subject. Miller's Rest I is a proposed 80-unit LIHTC development offering one, two, and three-bedroom units at 40, 50, and 60 percent of AMI, with 8 units at 40 percent of AMI operating with PBV. The property is expected to be completed in April 2023. Miller's Rest II is a proposed 115-unit LIHTC development offering one, two, and three-bedroom at 30, 40, 50, and 60 percent of AMI. Note five units at 40 and 50 percent of AMI will operate with Project-based Vouchers (PBV). The property was awarded LIHTC funding in 2021. The property is currently under construction and is expected to be completed in November 2023.

### Construction Type:

The Subject is a proposed four-story, garden-style, walk-up new construction LIHTC/PBV development to be constructed with funding under the LIHTC program.

### Occupancy Type:

The Subject targets family households.

### Proposed Rents:

The following table details the proposed rents for the Subject's units.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2023 HUD Fair Market Rents
@30%							
1BR / 1BA	703	2	\$328	\$115	\$443	\$444	\$819
2BR / 2BA	948	4	\$385	\$147	\$532	\$533	\$930
3BR / 2BA	1,177	2	\$443	\$172	\$615	\$615	\$1,264
@40% (Section 8)							
1BR / 1BA	703	2	\$476	\$115	\$591	\$592	\$819
2BR / 2BA	948	4	\$563	\$147	\$710	\$711	\$930
3BR / 2BA	1,177	2	\$648	\$172	\$820	\$821	\$1,264
@50%							
1BR / 1BA	703	5	\$624	\$115	\$739	\$740	\$819
2BR / 2BA	948	14	\$740	\$147	\$887	\$888	\$930
3BR / 2BA	1,177	5	\$853	\$172	\$1,025	\$1,026	\$1,264
@60%							
1BR / 1BA	703	7	\$772	\$115	\$887	\$888	\$819
2BR / 1BA	948	26	\$918	\$147	\$1,065	\$1,066	\$930
3BR / 2BA	1,177	7	\$1,058	\$172	\$1,230	\$1,231	\$1,264
		<b>80</b>					

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject's proposed LIHTC rents are set slightly below the maximum allowable levels.

**Assisted Housing Program:**

Of the 80 total units, eight will operate with Project Based Voucher subsidies.

**Construction Date:**

Construction of the Subject will begin in December 2023 and is expected to last for 15 months.

**Target Household Income Levels:**

Based on the proposed restrictions, the range of annual household income levels is depicted below.

**FAMILY INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40% (Section 8)		@50%		@60%	
1BR	\$15,223	\$18,960	\$0	\$25,280	\$25,371	\$31,600	\$30,446	\$37,920
2BR	\$18,274	\$21,330	\$0	\$28,440	\$30,446	\$35,550	\$36,549	\$42,660
3BR	\$21,086	\$25,590	\$0	\$34,120	\$35,177	\$42,650	\$42,206	\$51,180

**FAMILY INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$15,223	\$18,960	\$20,297	\$25,280	\$25,371	\$31,600	\$30,446	\$37,920
2BR	\$18,274	\$21,330	\$24,377	\$28,440	\$30,446	\$35,550	\$36,549	\$42,660
3BR	\$21,086	\$25,590	\$28,149	\$34,120	\$35,177	\$42,650	\$42,206	\$51,180

**Utility Structure:**

The tenant will be responsible for electric cooking, heating, hot water, and other electric expenses, as well as water and sewer expenses. The landlord will be responsible for trash expenses and common area amenities. The Subject utilizes project-specific utility allowances, which are \$115, \$147, and \$172 for its one, two, and three-bedroom units, respectively. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from the Virginia Housing, effective July 1, 2022, the most recent available schedule. It should be noted that the developer's project-specific utility allowance which differs from the total tenant-paid utilities listed below.

**HOUSING AUTHORITY UTILITY ALLOWANCE**

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating - Electric	Tenant	\$32	\$41	\$51
Cooking - Electric	Tenant	\$5	\$6	\$8
Other Electric	Tenant	\$19	\$24	\$30
Air Conditioning	Tenant	\$9	\$12	\$14
Water Heating - Electric	Tenant	\$16	\$21	\$25
Water	Tenant	\$28	\$36	\$44
Sewer	Tenant	\$32	\$41	\$50
Trash	Landlord	\$14	\$14	\$14
<b>TOTAL - Paid By Landlord</b>		<b>\$14</b>	<b>\$14</b>	<b>\$14</b>
<b>TOTAL - Paid By Tenant</b>		<b>\$141</b>	<b>\$181</b>	<b>\$222</b>
<b>TOTAL - Paid By Tenant Provided by Developer</b>		<b>\$115</b>	<b>\$147</b>	<b>\$172</b>
<b>DIFFERENCE</b>		<b>82%</b>	<b>81%</b>	<b>77%</b>

Source: Virginia Housing, July 2022

**Unit Mix:**

The following table illustrates the Subject's unit mix and size:

**UNIT MIX AND SQUARE FOOTAGE**

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	16	703	11,248
2BR / 2BA	48	948	45,504
3BR / 2BA	16	1,177	18,832
<b>TOTAL</b>	<b>80</b>		<b>75,584</b>

**Net Leasable Area:**

Approximately 75,548 square feet as outlined in the table above.

**Unit Amenities:**

The Subject's units will offer a balcony/patio, blinds, coat closets, central a/c, carpeting, ceiling fans, walk-in closets, and washer/dryer hookups. Appliances will include a dishwasher, range/oven, and refrigerator. Washers and dryers will be available for rent for \$50 per month.

**Common Area Amenities:**

The subject will feature a clubroom, onsite management, a playground, recreation areas, and off-street parking.

**Parking:**

The Subject will offer a total of 120 parking spaces, which will equate to a parking ratio of 1.50 spaces per unit. Overall, the parking offered at the Subject is reasonable.

**Number of Stories and Buildings:**

The Subject will offer a four-story, walk-up design, with access only from the first floor. The Subject, as well as



Phase I and Phase II of the development, will be the first multifamily properties to offer this design in the market. However, through conversations with area property managers, we have determined that this proposed design will be marketable.

**Americans with Disabilities Act of 1990:**

We assume the property will not have any violations of the Americans with Disabilities Act of 1990.

**Quality of Construction Condition and Deferred Maintenance:**

We expect the Subject to be constructed using good-quality materials. As new construction, the Subject will not suffer from deferred maintenance and will be in excellent condition.

**Functional Utility:**

We have reviewed the Subject's floor plans and determined them to be reasonable. Note that the one-bedroom unit sizes are slightly below the comparable range of unit sizes. However, Timber Ridge I and II offers the next smallest one-bedroom unit in the market (744 sq. ft.). Timber Ridge I is currently 96.9 percent occupied and Timber Ridge II is 98.6 percent occupied, indicating their unit sizes are accepted in the market. Based on the overall stable vacancy rate among comparables, we believe that the Subject's unit sizes are reasonable and will be accepted in the market.

**Conclusion:**

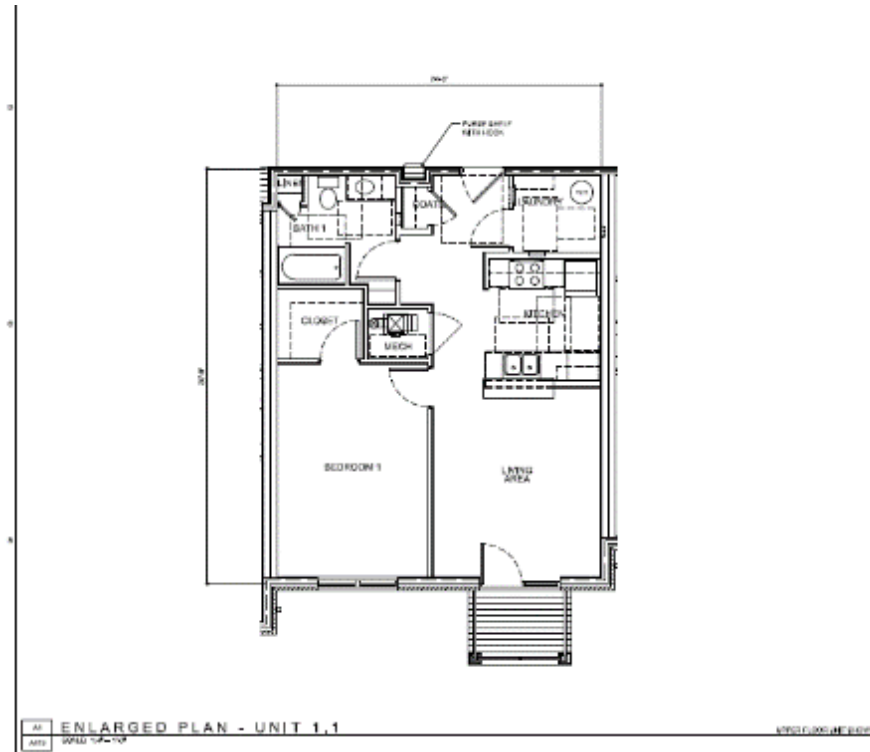
The Subject property is a proposed 80-unit LIHTC development and will be in excellent condition following construction. As new construction with market-oriented floor plans, the Subject will not suffer from functional obsolescence and will provide good utility for its intended use. Additionally, the Subject will be amongst the newest supply in the market and will be generally similar to superior to the existing supply.

**Site Plans:**

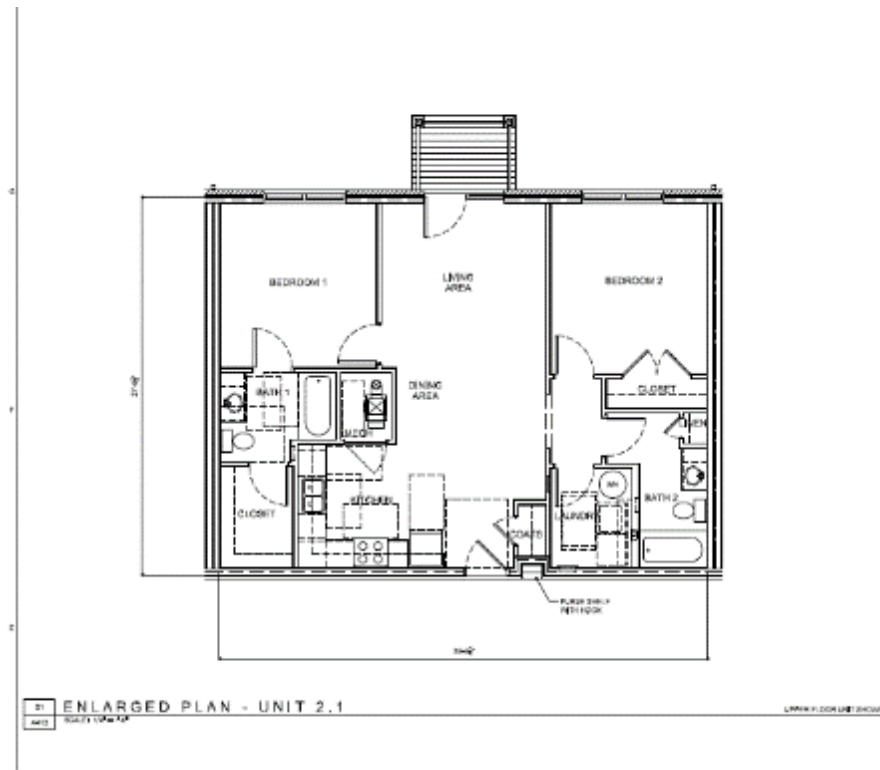
We have reviewed the Subject's floor plans and the overall site plan and determined them to be market-oriented.



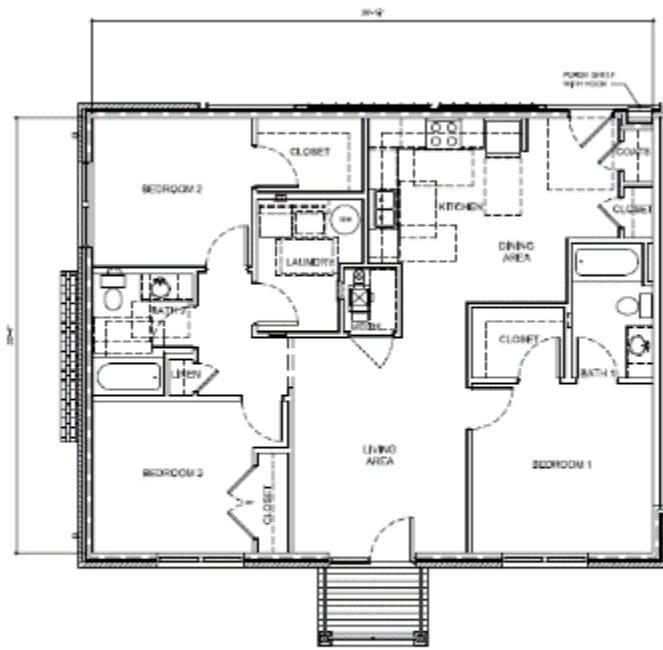
Subject Floor Plans



Source: Sponsor, February 2023



Source: Sponsor, February 2023



ENLARGED PLAN - UNIT 3.1

Source: Sponsor, February 2023

**MILLER'S REST APARTMENTS III – LYNCHBURG, VIRGINIA – MARKET STUDY**

**Miller's Rest III**

Comp #                      Subject  
 Location                      6100 Old Mill Road  
    Lynchburg, VA 24502  
    Lynchburg County  
 Units                              80  
 Type                                Garden  
    (4 stories)  
 Year Built / Renovated        2025



**Utilities**

A/C	not included – central	Other Electric	not included
Cooking	not included – electric	Water	not included
Water Heat	not included – electric	Sewer	not included
Heat	not included – electric	Trash Collection	included

**Unit Mix (face rent)**

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (4 stories)	2	703	\$328	\$0	@30%	n/a	N/A	N/A	yes
1	1	Garden (4 stories)	2	703	\$476	\$0	@40% (Section 8)	n/a	N/A	N/A	yes
1	1	Garden (4 stories)	5	703	\$624	\$0	@50%	n/a	N/A	N/A	yes
1	1	Garden (4 stories)	7	703	\$772	\$0	@60%	n/a	N/A	N/A	yes
2	2	Garden (4 stories)	4	948	\$385	\$0	@30%	n/a	N/A	N/A	yes
2	2	Garden (4 stories)	4	948	\$563	\$0	@40% (Section 8)	n/a	N/A	N/A	yes
2	2	Garden (4 stories)	14	948	\$740	\$0	@50%	n/a	N/A	N/A	yes
2	2	Garden (4 stories)	26	948	\$918	\$0	@60%	n/a	N/A	N/A	yes
3	2	Garden (4 stories)	2	1,177	\$442	\$0	@30%	n/a	N/A	N/A	yes
3	2	Garden (4 stories)	2	1,177	\$648	\$0	@40% (Section 8)	n/a	N/A	N/A	yes
3	2	Garden (4 stories)	5	1,177	\$853	\$0	@50%	n/a	N/A	N/A	yes
3	2	Garden (4 stories)	7	1,177	\$1,058	\$0	@60%	n/a	N/A	N/A	yes

**Amenities**

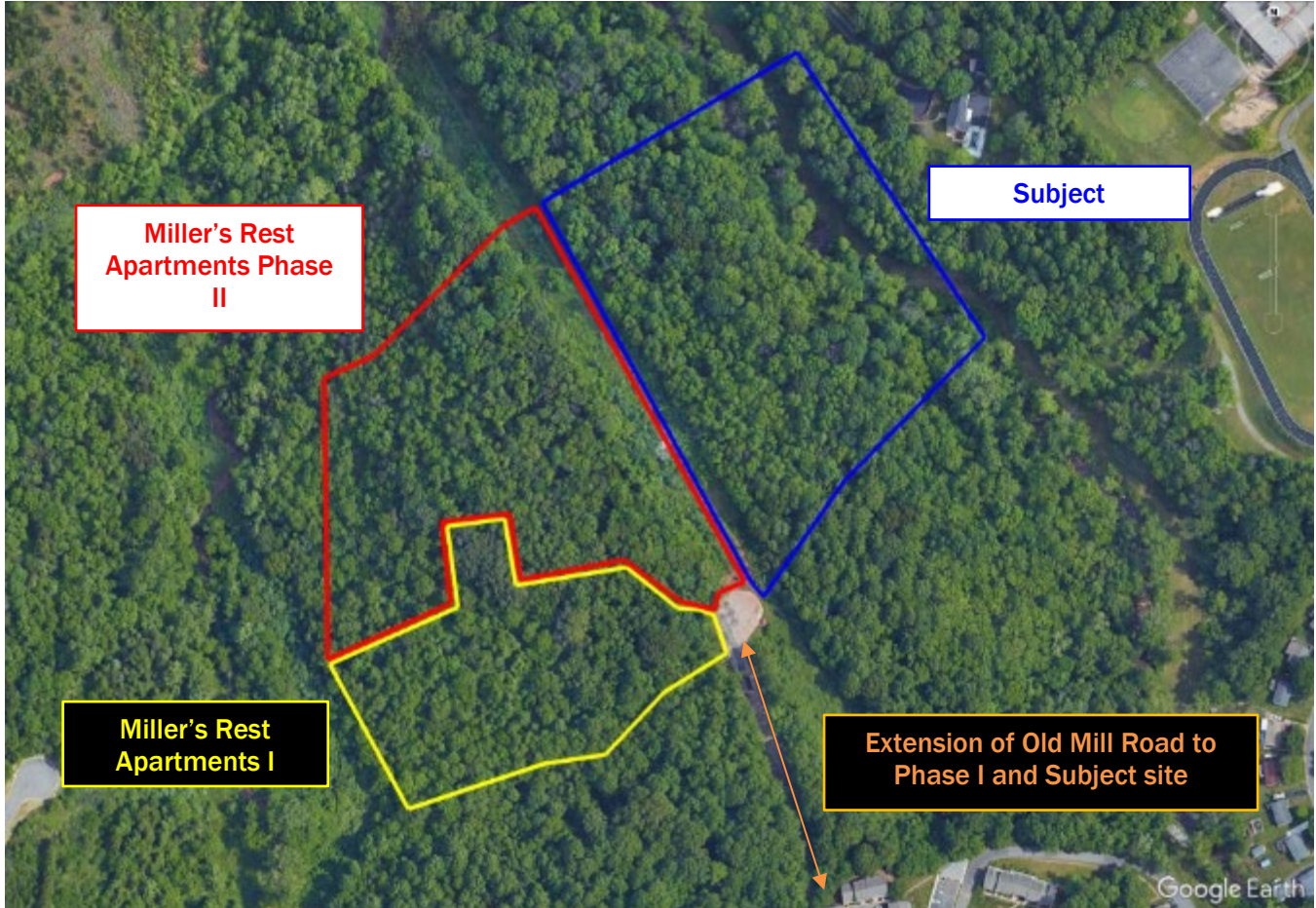
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Perimeter Fencing Video Surveillance
Property	Recreational Area Clubhouse/Meeting Room/Community Room Off-Street Parking On-Site Management Playground	Premium	none
Services	none	Other	none

## **D. LOCATION**



**LOCATION**

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow.



Source: Google Earth, February 2023. Note that Old Mill Road extends north through wooded area.

**Subject Site Description:**

The Subject will be located at 6100 Old Mill Road in Lynchburg, Virginia 24502. Note that the Subject and Miller's Rest Apartments will utilize the same entry point.

**Size:**

The Subject site consists of 9.98 acres, or 434,728.8 square feet site.

**Shape:**

The overall site is generally irregular in shape.

**Frontage:**

The Subject will be accessible via Old Mill Road. Note that Old Mill Road extends beyond map illustrations (via Google). Therefore, the property will have limited direct frontage along the northern portion of Old Mill Road. We assume marketing signage will be made available along Old Mill Road.

**Topography:** The Subject site slopes downhill to the northeast and east.

**Utilities:** All utilities are provided to the site.

**Visibility/Views:** The Subject site has minimal visibility from Old Mill Road. View to the west consist of the sites for Phase I and II of the Subject. Views in all remaining directions consist of vacant wooded land. Overall, visibility and views are considered average.

**Surrounding Uses:** The Subject will be located in a mixed-use neighborhood southwest of Downtown Lynchburg. The Subject site is rated as “Car Dependent” by Walk Score with a score of nine, indicating that almost all errands require a car. Note that the Subject site is located adjacent northeast of the site for Miller’s Rest Apartments I, a proposed 80-unit LIHTC development, and adjacent east of the site for Miller’s Rest Apartments II, a proposed 115-unit LIHTC development. Miller’s Rest I and II represent the first and second phases of the larger Miller’s Rest development, which includes the Subject.



Single-family homes north of Subject site



Single-family homes north of Subject site

North: Land use to the north consists of vacant wooded land, followed further north by single-family homes in good condition.





View of Subject site facing southeast



View of Subject facing southeast

East: Land uses east of the Subject consist of vacant wooded land, followed by single-family homes in good condition.



Old Mill Townhomes (excluded) south of Subject site



Mill's Crossing (comparable property) south of Subject site

South: Uses south consist of vacant land, followed further south by multifamily properties and commercial uses. Multifamily properties south of the Subject include Old Mill Townhomes, a 156-unit, market rate development offering one through four-bedroom units, which has been excluded from our analysis due to its inferior condition to the proposed Subject (the property is 94.9 percent occupied and operates with a waiting list); Mill's Crossing, a 72-unit market rate property offering one and two-bedroom units which has been included as a comparable in our analysis; and Mill Woods Apartments, a 128-unit Section 8 property that has been excluded due to its subsidized tenancy.



Commercial Property in Subject neighborhood



View of Millers Rest Phase I (west of Subject)

West: Land use west and southwest of the Subject consist of the sites for Miller's Rest Phase I and II, which are currently under construction. Farther west is vacant wooded land, followed by commercial properties and educational uses.

**Access and Traffic Flow:**

The Subject will be accessible via Old Mill Road, which is a two-lane, lightly traveled residential road that provides access to Graves Mill Road to the south. Note that Old Mill Road extends beyond map illustrations (via Google). Graves Mill Road is moderately trafficked two-lane road traversing north and south through southwestern Lynchburg. Graves Mill Road provides access to the Lynchburg Expressway approximately 1.0 mile southeast of the site. The Lynchburg expressway provides access northwest to Lexington, VA, and northeast through to Downtown Lynchburg. Overall, traffic in the Subject's immediate area is considered light, and access is considered average.

**Layout and Curb Appeal:**

Based on our review of the floor plans provided by the developer, the Subject will have a functional layout and good curb appeal.

**Drainage:**

Appears adequate, however, no specific tests were performed. Further, Novogradac is not an expert in this field and cannot opine on this issue.

**Soil and Subsoil Conditions:**

Novogradac did not perform any soil and subsoil tests upon inspection of the site, as this is beyond the scope of work. We have not been provided with a soil and subsoil report. We are not experts in this field and assume the soil is adequate for development.

**Detrimental Influences:**

Note that there are electrical lines that run along the western portion of the Subject site as well as the eastern portion of the site for Phase II. However, the lines run southeast through

Old Mill Townhomes and along the site for Mill Woods Apartments. Both multifamily developments reported no issues with the electrical lines, and both reported stabilized occupancies. Therefore, we maintain the lines do not represent a detrimental influence. No other potential detrimental influences were identified.

**Flood Plain:**

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 51019C0240D, dated September 2010, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the .02 percent annual chance floodplains. Novogradac does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report.

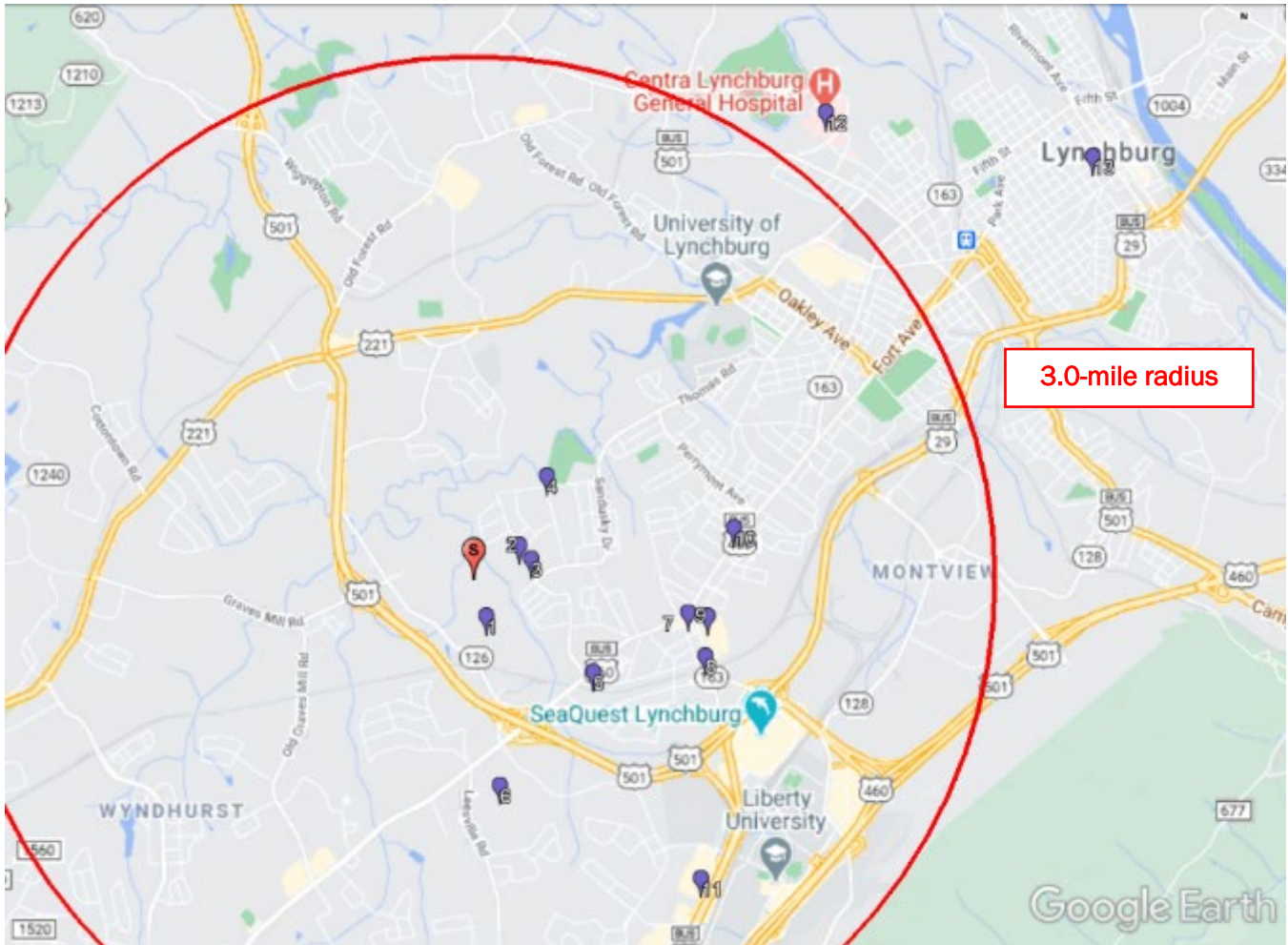


Source: FEMA Flood Map Service Center, February 2023

**Locational Amenities:**

The following table and map illustrate the Subject's proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below.





Source: Google Earth, February 2023

**LOCATIONAL AMENITIES**

Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop 91	0.2 miles
2	Sandusky Elementary School	0.3 miles
3	Sandusky Middle School	0.3 miles
4	Sandusky Park	0.7 miles
5	U.S. Post Office	0.9 miles
6	Heritage High School	1.2 miles
7	CVS Pharmacy	1.2 miles
8	Bank of America	1.4 miles
9	Kroger	1.4 miles
10	Lynchburg Fire Station 3	1.5 miles
11	Walmart Supercenter	2.2 miles
12	Centra Lynchburg General Hospital	3.3 miles
13	Lynchburg Police Station	4.3 miles

**Public Transportation:**

Greater Lynchburg Transit Company operates a series of bus routes in the greater Lynchburg area. The closest stop, Bus Stop 91, is served by the Route 6 bus line and is located 0.2 miles from the Subject site along Old Mill Road. It provides access to the River Ridge Mall Lynchburg approximately 2.7 miles southeast.

**Crime Statistics:**

The following tables show crime statistics from 2022 for the PMA.

**2022 CRIME INDICES**

	PMA	Lynchburg, VA Metropolitan Statistical Area
<b>Total Crime*</b>	<b>80</b>	<b>61</b>
<b>Personal Crime*</b>	<b>80</b>	<b>58</b>
Murder	77	70
Rape	79	65
Robbery	60	39
Assault	90	66
<b>Property Crime*</b>	<b>79</b>	<b>61</b>
Burglary	62	51
Larceny	90	68
Motor Vehicle Theft	41	31

Source: Esri Demographics 2022, Novogradac, February 2023

The table above illustrates the crime risk as an index where 100 represents the national average. Indices above 100 are above the national average, and indices below 100 are below the national average. Total, personal, and property crime indices in the PMA are above that of the MSA, but below the nation. The Subject will offer a courtesy patrol. Four of the comparable properties offer some form of security feature, while the remaining comparables do not offer security features. We believe that the Subject's security features will be competitive and market oriented.

**Conclusion:**

The Subject's neighborhood appears to be a good location for a multifamily development. The majority of the local amenities are located within approximately 4.3 miles of the Subject. The Subject is located in a mixed-use neighborhood with multifamily housing, commercial and retail uses, and multifamily homes. The Subject is a compatible use within the existing neighborhood.

**PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD**



View of Subject site facing east



View of Subject site facing northeast



View of Subject site facing east



View of Subject site facing southeast



View of Millers Rest Phase I (west of Subject)



View of Millers Rest Phase I (west of Subject)





View north along Old Mill Road



View south along Old Mill Road



Mill Wood Apartments (excluded) south of Subject



Old Mill Townhomes (excluded) south of Subject



Mill's Crossing Apartments (comparable) south of Subject



Recreation center in Subject neighborhood



Event center in Subject neighborhood



Offices in Subject neighborhood



Commercial property in Subject neighborhood



Commercial property in Subject neighborhood



U.S. Marine Corps Reserve Center



Single-family home in Subject neighborhood





Single-family home in Subject neighborhood



Single-family home in Subject neighborhood

## **E. MARKET AREA DEFINITION**

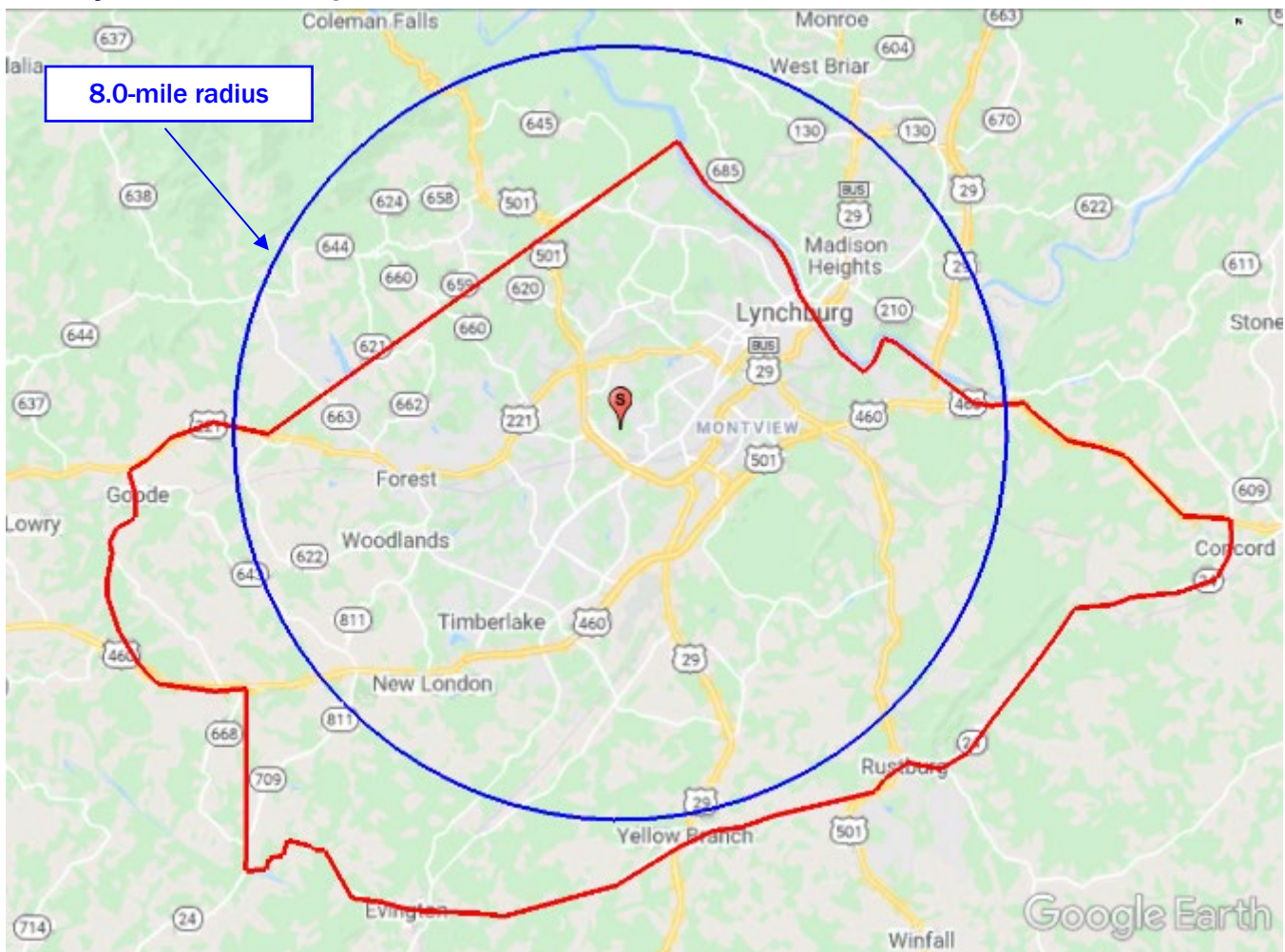
## MARKET AREA

For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

The Subject property is located in Lynchburg, Virginia. The PMA is generally defined as the city of Lynchburg. The PMA boundaries are: Richmond Highway and the James River to the northeast; State Route 24 to the southeast and south; Blackwater Road and State Route 706 to the west; and Forest Road and Boonsboro Road to the east. The PMA was determined based on input from area property managers. Management at the majority of the rent comparables noted that most of their tenants originate from within the city of Lynchburg. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries.

The Lynchburg, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA), which includes the cities of Lynchburg and Bedford, as well as Bedford, Campbell, Amherst, and Appomattox Counties.

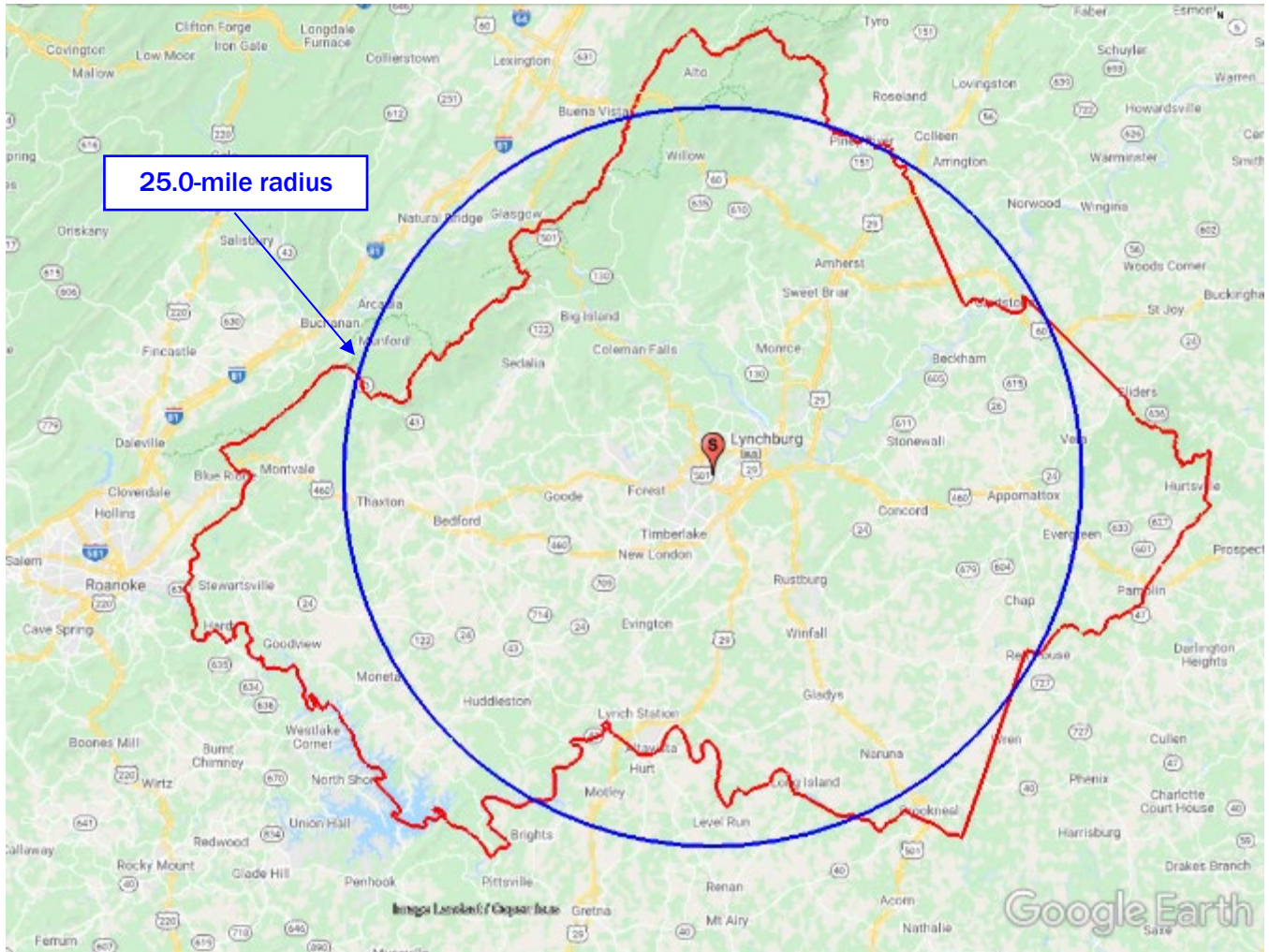
### Primary Market Area Map



Source: Google Earth, February 2023



### Metropolitan Statistical Area (MSA) Map



Source: Google Earth, February 2023

# **F. EMPLOYMENT AND ECONOMY**

## ECONOMIC ANALYSIS

The Lynchburg area has a diverse economy that has employment concentrated in the healthcare/social assistance, professional/scientific/technical services, and retail trade sectors. Additionally, Lynchburg is a primarily residential area that benefits from its close proximity to the state capital, Richmond.

### Employment by Industry

The following chart illustrates employment by industry as of 2022.

**2022 EMPLOYMENT BY INDUSTRY**

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	10,472	16.2%	14,659,582	9.0%
Healthcare/Social Assistance	10,377	16.0%	23,506,187	14.5%
Manufacturing	7,563	11.7%	15,599,642	9.6%
Retail Trade	7,251	11.2%	17,507,949	10.8%
Prof/Scientific/Tech Services	4,366	6.7%	13,016,941	8.0%
Accommodation/Food Services	4,135	6.4%	10,606,051	6.5%
Construction	3,757	5.8%	11,547,924	7.1%
Other Services	3,417	5.3%	7,599,442	4.7%
Public Administration	2,450	3.8%	7,945,669	4.9%
Admin/Support/Waste Mgmt Svcs	2,307	3.6%	6,232,373	3.8%
Finance/Insurance	2,140	3.3%	7,841,074	4.8%
Transportation/Warehousing	1,812	2.8%	8,951,774	5.5%
Information	1,042	1.6%	3,018,466	1.9%
Wholesale Trade	1,039	1.6%	4,005,422	2.5%
Arts/Entertainment/Recreation	958	1.5%	2,872,222	1.8%
Real Estate/Rental/Leasing	786	1.2%	3,251,994	2.0%
Utilities	523	0.8%	1,362,753	0.8%
Agric/Forestry/Fishing/Hunting	263	0.4%	1,885,413	1.2%
Mining	57	0.1%	581,692	0.4%
Mgmt of Companies/Enterprises	4	0.0%	97,694	0.1%
<b>Total Employment</b>	<b>64,719</b>	<b>100.0%</b>	<b>162,090,264</b>	<b>100.0%</b>

Source: Esri Demographics 2022, Novogradac, February 2023

Employment in the PMA is concentrated in the educational services, healthcare/social assistance, and manufacturing industries, which collectively comprise 43.9 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. It should be noted that educational services are a historically stable industry; however, there is significant uncertainty about the stability of the educational services industry, given the increase in remote learning. Relative to the overall nation, the PMA features comparatively greater employment in the educational services, manufacturing, and healthcare/social assistance industries. Conversely, the PMA is underrepresented in the construction finance/insurance, transportation/warehousing, and industries.

## Manufacturing Sector Trends

In recent years, manufacturing in the U.S. has grown at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Unfortunately, U.S. manufacturing has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

U.S. manufacturing output growth is expected to increase modestly through 2023. According to Statista.com manufacturing in the U.S. is projected to amount to 18.1 trillion in revenues in 2023. Additionally, growth is projected at 0.18 percent into 2025. According to a January 2023 report from the Bureau of Labor Statistics, the manufacturing industry added an average of 30,000 jobs per month in 2022. Further, employment levels in manufacturing have recovered to above pre-COVID 19 levels.

Although recent employment growth in the U.S. manufacturing sector bodes well for the MSA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 10 percent of the U.S. economy and as a major source of employment for the MSA manufacturing employment should continue to be monitored closely.

The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2000.

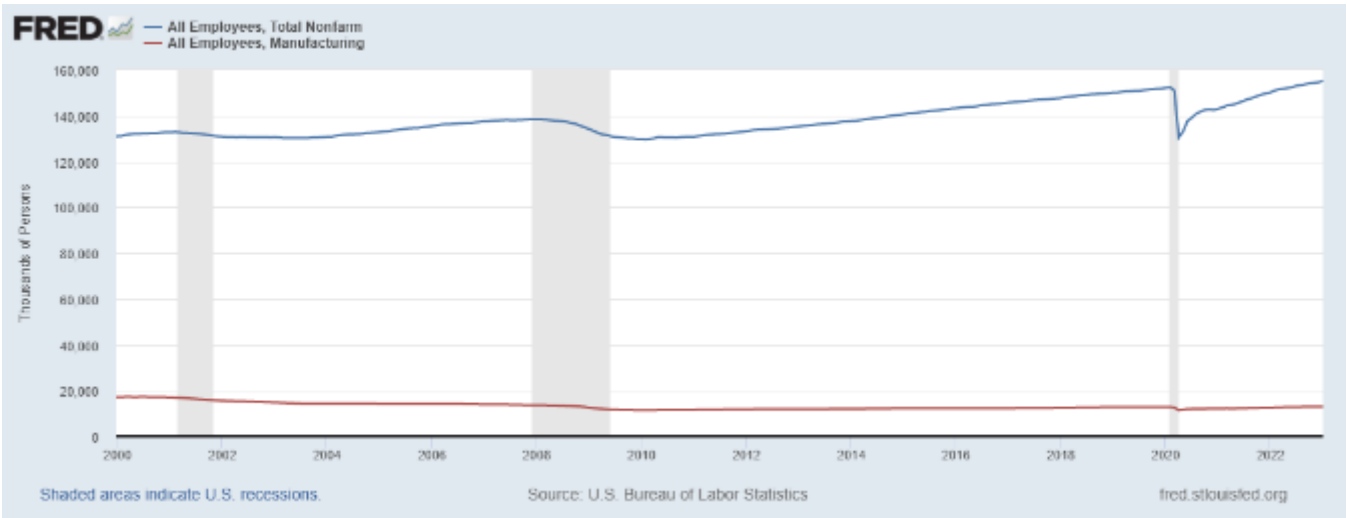


Source: Federal Reserve Bank of St. Louis, 2/2023.

Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.



Source: Federal Reserve Bank of St. Louis, 2/2023.  
 Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

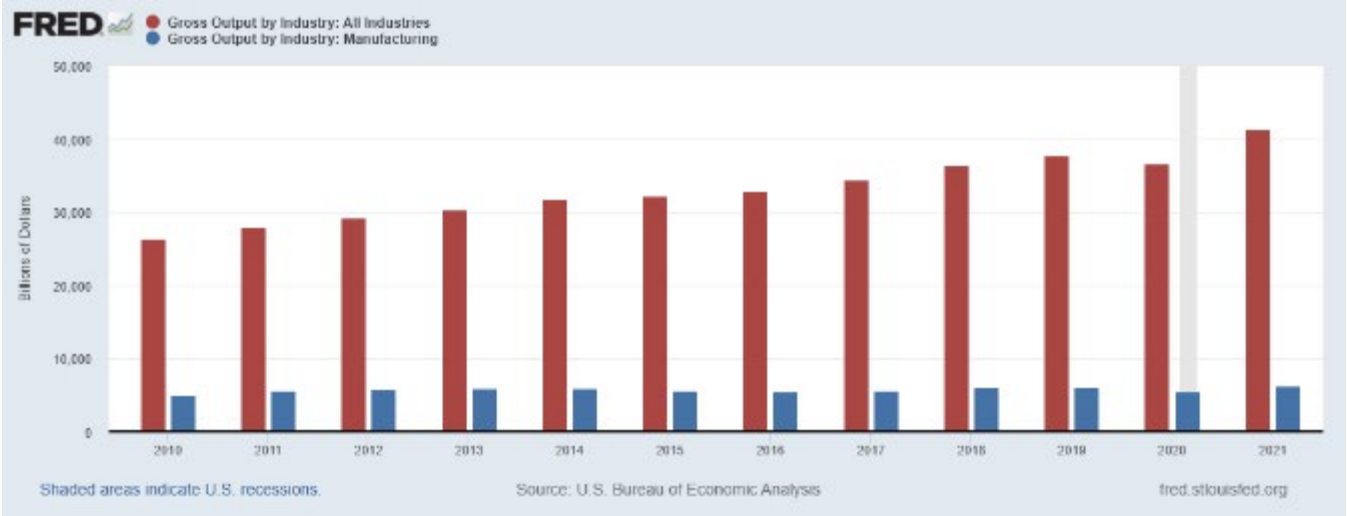


Source: Federal Reserve Bank of St. Louis, 2/2023.  
 Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

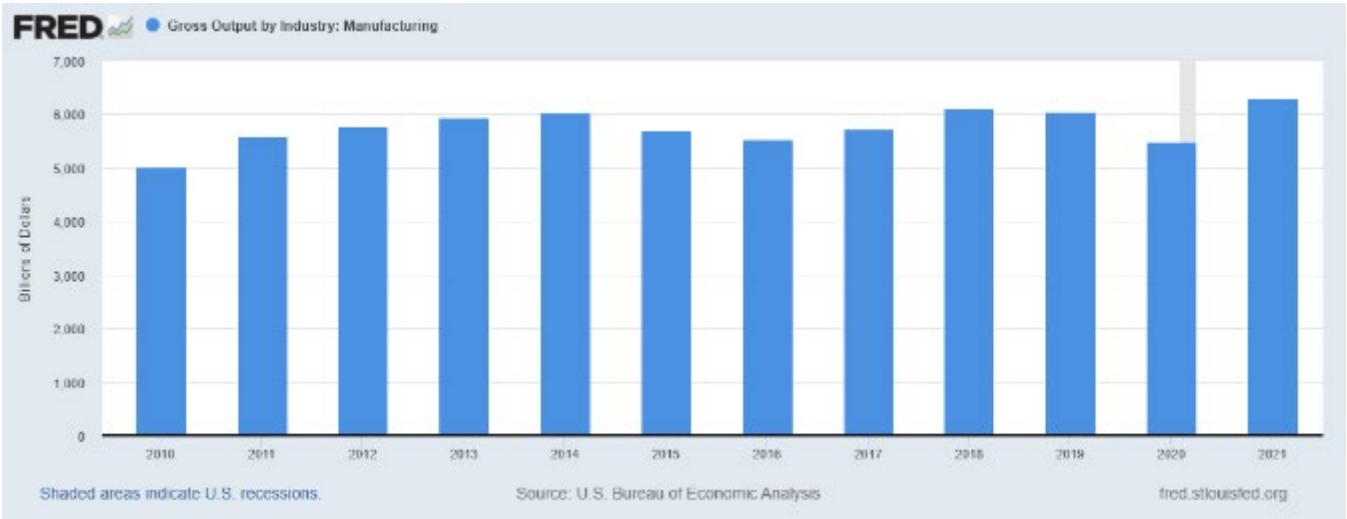
Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the most recent recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. Since the COVID pandemic, total employment in non-farm industries has steady increased, though the manufacturing sector has experienced a slower recovery than other non-farm industries.

The following charts illustrate U.S. manufacturing gross output compared to that across all industries since 2010.



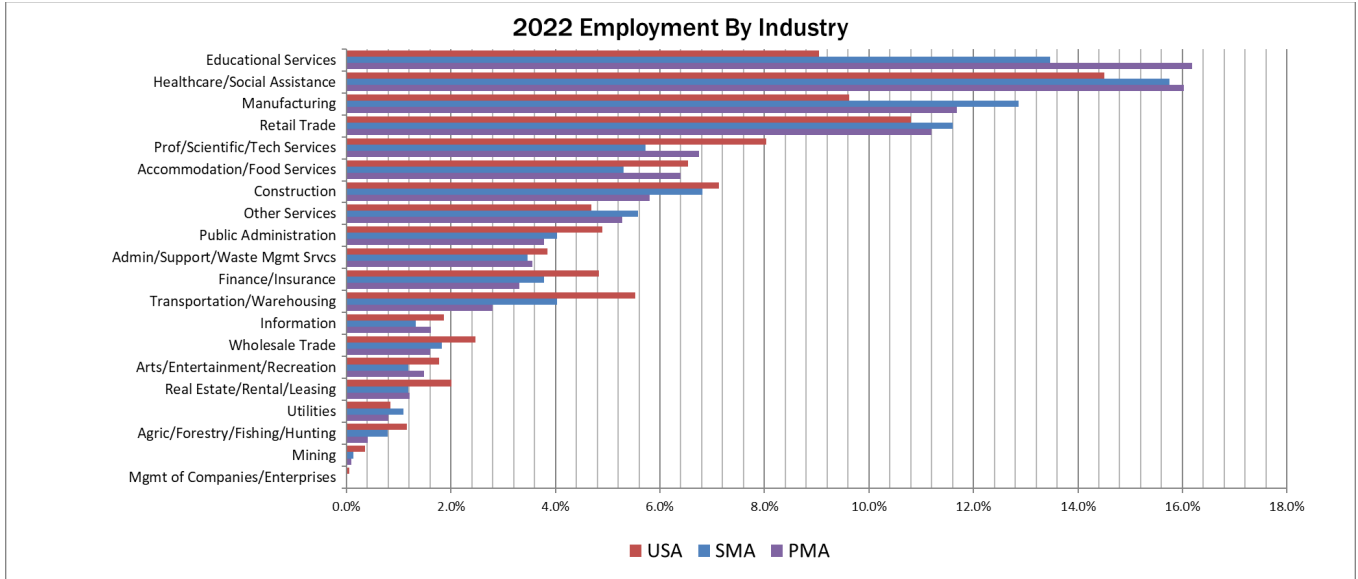


Source: Federal Reserve Bank of St. Louis, 3/2023.  
 Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 3/2023.  
 Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 17 percent of the gross output of all private industries and experienced five years of consistent growth starting in 2010. Manufacturing output also surpassed pre-recessionary output levels in 2020, one year following the most recent national recession. However, manufacturing output decreased for both 2015 and 2016.



**Growth by Industry**

The following table illustrates the change in total employment by sector from 2000 to 2022 in the PMA.

**2010-2022 CHANGE IN EMPLOYMENT - PMA**

Industry	2010		2022		2010-2022	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Educational Services	5,301	10.1%	10,472	16.2%	5,171	8.1%
Healthcare/Social Assistance	7,529	14.3%	10,377	16.0%	2,848	3.2%
Manufacturing	7,051	13.4%	7,563	11.7%	512	0.6%
Retail Trade	6,672	12.7%	7,251	11.2%	579	0.7%
Prof/Scientific/Tech Services	3,165	6.0%	4,366	6.7%	1,201	3.2%
Accommodation/Food Services	3,724	7.1%	4,135	6.4%	411	0.9%
Construction	4,007	7.6%	3,757	5.8%	-250	-0.5%
Other Services	3,086	5.9%	3,417	5.3%	331	0.9%
Public Administration	2,299	4.4%	2,450	3.8%	151	0.5%
Admin/Support/Waste Mgmt Svcs	1,932	3.7%	2,307	3.6%	375	1.6%
Finance/Insurance	1,988	3.8%	2,140	3.3%	152	0.6%
Transportation/Warehousing	1,644	3.1%	1,812	2.8%	168	0.9%
Information	933	1.8%	1,042	1.6%	109	1.0%
Wholesale Trade	1,261	2.4%	1,039	1.6%	-222	-1.5%
Arts/Entertainment/Recreation	382	0.7%	958	1.5%	576	12.6%
Real Estate/Rental/Leasing	629	1.2%	786	1.2%	157	2.1%
Utilities	375	0.7%	523	0.8%	148	3.3%
Agric/Forestry/Fishing/Hunting	470	0.9%	263	0.4%	-207	-3.7%
Mining	50	0.1%	57	0.1%	7	1.2%
Mgmt of Companies/Enterprises	11	0.0%	4	0.0%	-7	-5.3%
<b>Total Employment</b>	<b>52,509</b>	<b>100.0%</b>	<b>64,719</b>	<b>100.0%</b>	<b>12,210</b>	<b>1.9%</b>

Source: Esri Demographics 2022, Novogradac, February 2023

Total employment in the PMA increased at an annualized rate of 1.9 percent between 2010 and 2022. The industries which expanded most substantially during this period include educational services, healthcare/social assistance, and prof/scientific/tech services. Conversely, the wholesale trade, construction, and manufacturing sectors experienced the least growth.

## Major Employers

The following table details the major employers within the greater Lynchburg area. It is the most recent data available from the Lynchburg Regional Business Alliance.

MAJOR EMPLOYERS		
LYNCHBURG		
Employer Name	Industry	# Of Employees
Liberty University Schools	Educational Services	6,401
Centra Hospitals	Healthcare/Social Assitance	3,096
BWX Technologies, Inc.	Utilities/Manufacturing	2,500
Lynchburg City Schools	Educational Services	1,875
Shentel	Communications Services	1,605
City of Lynchburg	Public Administration	1,500
Barton Malow	Construction	1,076
Genworth Financial	Finance/Insurance	1,000
Southern Air, Inc.	Retail Trade	960
Horizon Behavioral Health	Healthcare/Social Assitance	830
J. Crew	Retail Trade	705
HARRIS Corporation, RF Communications Division	Utilities/Manufacturing	640
Kroger Office	Food Services	620
Meriwether-Godsey, Inc.	Food Services	543
University of Lynchburg	Educational Services	500
Mary Baldwin University, Roanoke Center	Educational Services	489
Delta Star, Inc.	Manufacturing	440
<b>Totals</b>		<b>24,780</b>

Source: Lynchburg Regional Business Alliance, Retrieved December 2023

As seen in the previous table, the largest employers within Lynchburg are concentrated in the education, health care, and utilities/manufacturing industries. The largest employer in Lynchburg, Liberty University, operates a residential campus in Lynchburg, as well as offering educational programs online. The University has approximately 13,000 resident students in the area. Additional employers in the region include a mix of retail trade, support, financial, insurance, and manufacturing companies.

**Employment Expansion/Contractions**

The table that follows on the next page lists business closures and layoffs within Lynchburg from 2020 to year-to-date 2023, according to Virginia Workforce Network’s Worker Adjustment and Retraining Notification (WARN) filings.

WARN LISTINGS LYNCHBURG, VA			
Company	Industry	Employees Affected	Layoff Date
Bluffwalk Center	Engineering	98	3/17/2020
Super Shoes	Retail	33	3/31/2020
Bloomin' Brands (Outback Steakhouse)	Hospitality/ Food accomodation	384	4/27/2020
TitleMax of Virginia, Inc. and TMX Finance of Virginia, Inc.	Finance	38	11/30/2020
<b>Total</b>		<b>553</b>	

Source: Virginia Employment Commission, retrieved February 2023

As seen in the previous table, there have been a total of 553 positions affected by WARN filings since 2020. It should be noted that WARN notices after January 1, 2020 are generally a result of the economic shutdown from COVID-19 and are expected to be temporary.

We attempted to contact the Lynchburg Economic Development Authority (EDA) for recent business expansion information. However, despite numerous messages our calls have not been returned. We conducted internet research regarding recent business expansions and contractions in the area and identified the following expansion announcements.

- BWX Technologies Inc., a manufacturer of nuclear energy components, announced in November 2021 that it plans to open a new research and development facility in Campbell County near Lynchburg. The facility is expected to create 97 new jobs when completed in 2023, and up to 150 additional employees will be relocated from the company's other locations in central Virginia.
- Thomasville, Georgia-based Flower Foods opened a new facility in March 2021 with a \$25 million investment to expand an old baking facility. The expansion created an estimated 15 jobs in the area.
- Bausch + Lomb plans to expand operations in Lynchburg over the next five years, according to a July 2020 report. The expansions should create over 79 jobs in the area.
- Star Hill Brewery opened a new location in Downtown Lynchburg in June 2020.
- Tessy Plastics expanded its operations in Lynchburg, VA in March 2018 with a \$9.2 million reinvestment of its existing facilities. The reinvestment created an estimated 34 jobs.
- Graham Packaging, a plastic packaging manufacturer, announced in November 2021 that it plans to expand its manufacturing plant located in Altavista, VA, south of Lynchburg. The expansion will open a new production line and is expected to create 12 new jobs.

## Employment and Unemployment Trends

The table below illustrates the total workforce, total employed, and unemployment rate for the Lynchburg, VA MSA from 2006 to 2022 (year to date) with comparisons between December 2021 to December 2022.

### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Lynchburg, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2006	114,942	-	3.6%	-	144,427,000	-	4.6%	-
2007	116,757	1.6%	3.7%	0.1%	146,047,000	1.1%	4.6%	0.0%
2008	119,253	2.1%	4.5%	0.8%	145,363,000	-0.5%	5.8%	1.2%
2009	113,664	-4.7%	7.6%	3.1%	139,878,000	-3.8%	9.3%	3.5%
2010	116,396	2.4%	8.0%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	116,344	0.0%	7.2%	-0.8%	139,869,000	0.6%	9.0%	-0.7%
2012	115,969	-0.3%	6.5%	-0.7%	142,469,000	1.9%	8.1%	-0.9%
2013	116,317	0.3%	6.1%	-0.4%	143,929,000	1.0%	7.4%	-0.7%
2014	117,397	0.9%	5.5%	-0.6%	146,305,000	1.7%	6.2%	-1.2%
2015	116,938	-0.4%	4.8%	-0.7%	148,833,000	1.7%	5.3%	-0.9%
2016	116,112	-0.7%	4.5%	-0.4%	151,436,000	1.7%	4.9%	-0.4%
2017	118,189	1.8%	4.2%	-0.2%	153,337,000	1.3%	4.4%	-0.5%
2018	119,433	1.1%	3.4%	-0.8%	155,761,000	1.6%	3.9%	-0.4%
2019	121,123	1.4%	3.2%	-0.2%	157,538,000	1.1%	3.7%	-0.2%
2020	114,464	-5.5%	6.0%	2.8%	147,795,000	-6.2%	8.1%	4.4%
2021	113,422	-0.9%	4.1%	-1.9%	152,581,000	3.2%	5.4%	-2.7%
2022 YTD Average*	116,079	2.3%	3.2%	-0.9%	158,291,083	3.7%	3.7%	-1.7%
Dec-2021	114,666	-	2.8%	-	155,732,000	-	3.7%	-
Dec-2022	117,004	2.0%	2.9%	0.1%	158,872,000	2.0%	3.3%	-0.4%

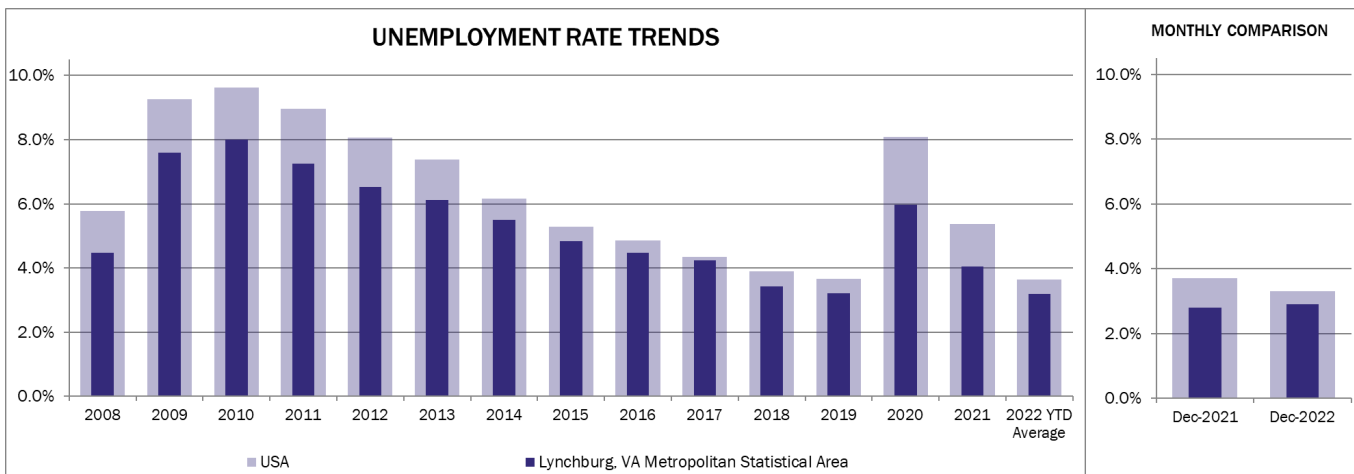
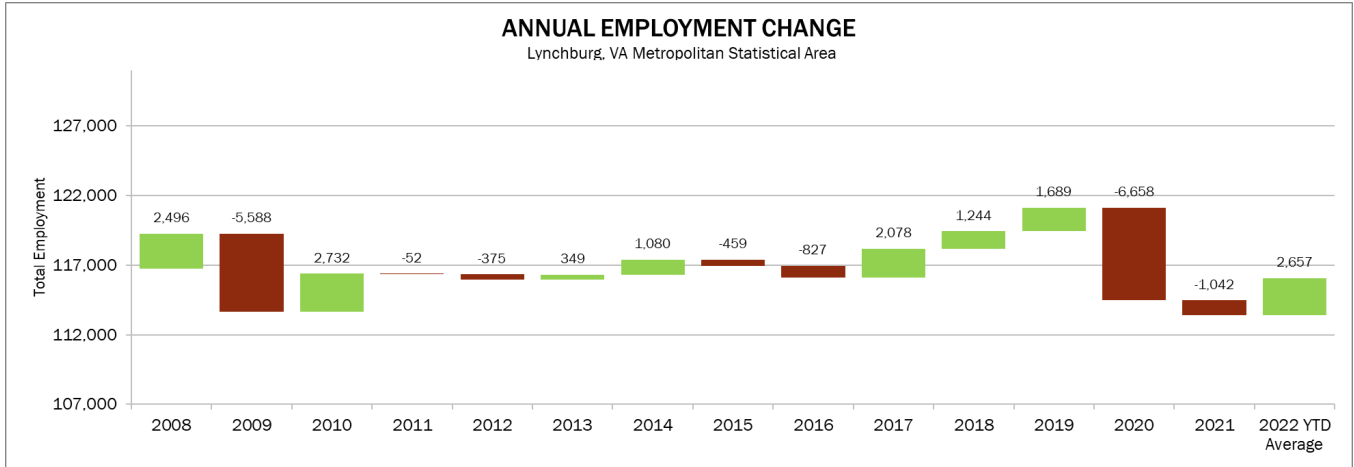
Source: U.S. Bureau of Labor Statistics, February 2023

\*2022 data is through October

Employment in the MSA recovered and surpassed pre-Great Recession levels in 2013, a year earlier than the nation. During the period preceding the onset of COVID-19 (2012 - 2019), job growth in the MSA was generally similar to the nation. Employment in the MSA declined sharply by 5.5 percent in 2020 amid the pandemic, below the nation. From December 2021 to December 2022, employment in the MSA increased at an annualized rate of 2.0 percent, compared to a similar growth recorded across the nation.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the Great Recession. The MSA unemployment rate increased by 2.8 percentage points in 2020 amid the pandemic, reaching a high of 6.0 percent. The national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. As of December 2022, the unemployment rate in the MSA is 2.9 percent, compared to the current national unemployment rate of 3.3 percent. Overall, the MSA economy continues to recover from the effects of the pandemic.

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## Wages by Occupation

The following table illustrates the wages by occupation for the Lynchburg, VA MSA.

### LYNCHBURG, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2021 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
<b>All Occupations</b>	<b>94,650</b>	<b>\$22.94</b>	<b>\$47,720</b>
Management Occupations	3,990	\$52.48	\$109,150
Architecture and Engineering Occupations	2,020	\$40.86	\$84,980
Healthcare Practitioners and Technical Occupations	6,490	\$39.76	\$82,700
Computer and Mathematical Occupations	1,960	\$39.40	\$81,940
Legal Occupations	370	\$38.30	\$79,660
Life, Physical, and Social Science Occupations	760	\$34.22	\$71,170
Business and Financial Operations Occupations	4,710	\$33.20	\$69,060
Arts, Design, Entertainment, Sports, and Media Occupations	890	\$23.85	\$49,610
Protective Service Occupations	2,100	\$23.40	\$48,660
Installation, Maintenance, and Repair Occupations	4,530	\$22.87	\$47,570
Educational Instruction and Library Occupations	5,290	\$22.32	\$46,420
Community and Social Service Occupations	2,050	\$21.54	\$44,790
Production Occupations	8,620	\$21.11	\$43,910
Construction and Extraction Occupations	4,290	\$20.99	\$43,660
Sales and Related Occupations	9,590	\$18.25	\$37,960
Farming, Fishing, and Forestry Occupations	200	\$18.12	\$37,690
Office and Administrative Support Occupations	11,790	\$17.71	\$36,840
Transportation and Material Moving Occupations	7,520	\$16.89	\$35,140
Personal Care and Service Occupations	1,600	\$14.07	\$29,270
Healthcare Support Occupations	4,470	\$13.71	\$28,510
Building and Grounds Cleaning and Maintenance Occupations	2,830	\$13.44	\$27,950
Food Preparation and Serving Related Occupations	8,570	\$12.03	\$25,010

Source: Department Of Labor, Occupational Employment Statistics, 5/2021, retrieved 2/2023

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$12.03 per hour. The highest average hourly wage, of \$52.48, is for those in management occupations. Qualifying income for the Subject's affordable units will range between \$0 and \$51,180. Additionally, the minimum income for the Subject will be \$15,223 absent subsidy. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.



## Commuting Patterns

The chart below shows the travel time to work for commuters in the PMA according to ESRI data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,845	3.2%
Travel Time 5-9 min	7,764	13.4%
Travel Time 10-14 min	12,334	21.2%
Travel Time 15-19 min	13,455	23.2%
Travel Time 20-24 min	9,392	16.2%
Travel Time 25-29 min	3,616	6.2%
Travel Time 30-34 min	4,474	7.7%
Travel Time 35-39 min	866	1.5%
Travel Time 40-44 min	374	0.6%
Travel Time 45-59 min	1,181	2.0%
Travel Time 60-89 min	1,896	3.3%
Travel Time 90+ min	903	1.6%
<b>Weighted Average</b>	<b>21 minutes</b>	

Source: US Census 2022, Novogradac, February 2023

As shown in the preceding table, the weighted average commute time in the PMA is approximately 21 minutes. More than 77 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

## Conclusion

Employment in the PMA is concentrated in the educational services, healthcare/social assistance, and manufacturing industries, which collectively comprise 43.9 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Employment in the MSA declined sharply by 5.5 percent in 2020 amid the pandemic, below the nation. From December 2021 to December 2022, employment in the MSA increased at an annualized rate of 2.0 percent, compared to a similar growth recorded across the nation. The national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. As of December 2022, the unemployment rate in the MSA is 2.9 percent, compared to the current national unemployment rate of 3.3 percent. Overall, the MSA economy continues to recover from the effects of the pandemic.

# **G. DEMOGRAPHIC CHARACTERISTICS**

## DEMOGRAPHIC CHARACTERISTICS

The following tables illustrate general population and households in the PMA, the MSA and the nation from 2000 through 2027.

### POPULATION

Year	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>
2000	106,109	-	211,459	-	281,250,431	-
2010	122,338	1.5%	252,634	1.9%	308,738,557	1.0%
2022	131,899	0.6%	262,377	0.3%	335,707,629	0.7%
2027	133,239	0.2%	263,675	0.1%	339,902,535	0.2%

Source: Esri Demographics 2022, Novogradac, February 2023

### HOUSEHOLDS

Year	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>
2000	41,205	-	82,214	-	105,409,443	-
2010	47,195	1.5%	99,563	2.1%	116,713,945	1.1%
2022	51,603	0.8%	105,459	0.5%	128,657,502	0.8%
2027	52,362	0.3%	106,373	0.2%	130,651,704	0.3%

Source: Esri Demographics 2022, Novogradac, February 2023

Historical population growth in the PMA trailed the MSA between 2000 and 2010. However, population growth in both the PMA and MSA exceeded the nation during the same time period. Population growth in the PMA slowed to 0.6 percent between 2010 and 2022, though it grew at a rate above the MSA and below the nation. According to ESRI demographic projections, annualized PMA growth is expected to grow at 0.2 percent annually through 2027, slightly above the MSA and similar to the nation.

Historical household growth in the PMA trailed the MSA between 2000 and 2010, though household growth in both the PMA and the MSA was above the nation. Household growth in the PMA slowed to 0.8 percent between 2010 and 2022, though it grew at a rate above the MSA, but similar to the nation. According to ESRI demographic projections, annualized PMA household growth is expected to grow at 0.3 percent annually through 2027, above the MSA and similar to the nation.

Population by Age

POPULATION BY AGE IN 2022

Age Cohort	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	6,799	5.2%	12,817	4.9%	19,580,019	5.8%
5-9	6,881	5.2%	13,690	5.2%	20,411,473	6.1%
10-14	6,862	5.2%	14,075	5.4%	20,839,679	6.2%
15-19	11,450	8.7%	18,259	7.0%	21,055,883	6.3%
20-24	11,893	9.0%	17,999	6.9%	21,848,030	6.5%
25-29	9,757	7.4%	17,205	6.6%	23,551,216	7.0%
30-34	9,381	7.1%	17,230	6.6%	23,308,636	6.9%
35-39	7,526	5.7%	14,893	5.7%	22,314,935	6.6%
40-44	6,714	5.1%	13,950	5.3%	20,743,218	6.2%
45-49	6,868	5.2%	14,905	5.7%	19,926,312	5.9%
50-54	7,125	5.4%	15,780	6.0%	20,454,889	6.1%
55-59	7,783	5.9%	17,929	6.8%	21,675,159	6.5%
60-64	8,170	6.2%	18,758	7.1%	21,428,828	6.4%
65-69	7,234	5.5%	16,919	6.4%	18,869,628	5.6%
70-74	6,255	4.7%	14,462	5.5%	15,359,741	4.6%
75-79	4,650	3.5%	10,499	4.0%	10,716,234	3.2%
80-84	3,130	2.4%	6,612	2.5%	6,733,098	2.0%
85+	3,422	2.6%	6,395	2.4%	6,890,651	2.1%
<b>Total</b>	<b>131,900</b>	<b>100.0%</b>	<b>262,377</b>	<b>100.0%</b>	<b>335,707,629</b>	<b>100.0%</b>

Source: Esri Demographics 2022, Novogradac, February 2023

POPULATION BY AGE IN 2027 ESTIMATE

Age Cohort	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	6,885	5.2%	12,799	4.9%	19,898,859	5.9%
5-9	6,809	5.1%	13,408	5.1%	20,152,006	5.9%
10-14	6,933	5.2%	14,354	5.4%	20,825,860	6.1%
15-19	11,364	8.5%	18,449	7.0%	20,919,994	6.2%
20-24	11,696	8.8%	16,968	6.4%	21,116,935	6.2%
25-29	8,327	6.2%	13,990	5.3%	21,677,245	6.4%
30-34	8,778	6.6%	16,226	6.2%	23,548,334	6.9%
35-39	9,119	6.8%	17,485	6.6%	23,760,715	7.0%
40-44	7,446	5.6%	15,206	5.8%	22,084,286	6.5%
45-49	6,878	5.2%	14,506	5.5%	20,517,210	6.0%
50-54	6,782	5.1%	14,983	5.7%	19,213,830	5.7%
55-59	6,951	5.2%	15,855	6.0%	19,822,473	5.8%
60-64	7,606	5.7%	17,649	6.7%	20,318,653	6.0%
65-69	7,787	5.8%	18,119	6.9%	19,946,030	5.9%
70-74	6,729	5.1%	15,532	5.9%	16,964,854	5.0%
75-79	5,669	4.3%	12,676	4.8%	13,118,889	3.9%
80-84	3,827	2.9%	8,422	3.2%	8,541,709	2.5%
85+	3,653	2.7%	7,048	2.7%	7,474,653	2.2%
<b>Total</b>	<b>133,239</b>	<b>100.0%</b>	<b>263,675</b>	<b>100.0%</b>	<b>339,902,535</b>	<b>100.0%</b>

Source: Esri Demographics 2022, Novogradac, February 2023

### General Household Income Distribution

The following tables illustrate the household income distribution for the PMA and MSA for 2020 and 2027.

#### HOUSEHOLD INCOME PMA

Income Cohort	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,679	7.1%	3,465	6.6%	-43	-1.2%
\$10,000-19,999	5,017	9.7%	4,681	8.9%	-67	-1.3%
\$20,000-29,999	5,381	10.4%	5,027	9.6%	-71	-1.3%
\$30,000-39,999	5,567	10.8%	5,128	9.8%	-88	-1.6%
\$40,000-49,999	4,981	9.7%	5,006	9.6%	5	0.1%
\$50,000-59,999	4,338	8.4%	4,249	8.1%	-18	-0.4%
\$60,000-74,999	5,157	10.0%	5,255	10.0%	20	0.4%
\$75,000-99,999	6,786	13.2%	6,812	13.0%	5	0.1%
\$100,000-	4,122	8.0%	4,644	8.9%	104	2.5%
\$125,000-	2,313	4.5%	2,819	5.4%	101	4.4%
\$150,000-	2,080	4.0%	2,480	4.7%	80	3.8%
\$200,000+	2,182	4.2%	2,796	5.3%	123	5.6%
<b>Total</b>	<b>51,603</b>	<b>100.0%</b>	<b>52,362</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, February 2023

#### HOUSEHOLD INCOME SMA

Income Cohort	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,509	6.2%	6,048	5.7%	-92	-1.4%
\$10,000-19,999	9,744	9.2%	8,828	8.3%	-183	-1.9%
\$20,000-29,999	10,302	9.8%	9,513	8.9%	-158	-1.5%
\$30,000-39,999	11,090	10.5%	10,077	9.5%	-203	-1.8%
\$40,000-49,999	9,462	9.0%	9,564	9.0%	20	0.2%
\$50,000-59,999	8,466	8.0%	8,139	7.7%	-65	-0.8%
\$60,000-74,999	11,464	10.9%	11,036	10.4%	-86	-0.7%
\$75,000-99,999	14,412	13.7%	14,552	13.7%	28	0.2%
\$100,000-	9,419	8.9%	10,312	9.7%	179	1.9%
\$125,000-	5,709	5.4%	6,720	6.3%	202	3.5%
\$150,000-	4,416	4.2%	5,724	5.4%	262	5.9%
\$200,000+	4,466	4.2%	5,860	5.5%	279	6.2%
<b>Total</b>	<b>105,459</b>	<b>100.0%</b>	<b>106,373</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, February 2023

As of 2022, approximately 47.7 percent of households within the PMA have annual incomes below \$50,000, compared to 44.7 percent for the MSA.

### General Household Size Distribution

The following table is a summary of the average household size in the PMA, the MSA and the nation from 2000 through 2027.

Year	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual Change
2000	2.44	-	2.47	-	2.59	-
2010	2.41	-0.1%	2.42	-0.2%	2.57	-0.1%
2022	2.34	-0.3%	2.37	-0.2%	2.55	-0.1%
2027	2.33	-0.1%	2.36	-0.1%	2.54	-0.1%

Source: Esri Demographics 2022, Novogradac, February 2023

As shown in the previous table, the average household size in the PMA decreased slightly from 2000 to 2022 and is projected to decrease through 2027. The average household size in the MSA has decreased from 2000 to 2022, though it is projected to remain the same through 2027. Overall, the average household size in the PMA is below that of the MSA and the nation, a trend which will continue through 2027.

### General Household Tenure

The following table illustrates the breakdown of households by tenure within the Subject's PMA.

Year	TENURE PATTERNS PMA			
	Owner-Occupied	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	28,076	68.1%	13,129	31.9%
2010	29,402	62.3%	17,793	37.7%
2022	31,048	60.2%	20,555	39.8%
2027	31,721	60.6%	20,641	39.4%

Source: Esri Demographics 2022, Novogradac, February 2023

As of 2022, approximately 39.8 percent of households in the PMA reside in renter-occupied housing units. Through 2027, the percentage and number of renter-occupied housing units is projected to increase.

### General Renter Household Income Distribution

The following tables illustrate the renter household income distribution for the PMA and MSA for 2020 and 2027.

#### RENTER HOUSEHOLD INCOME

Income Cohort	2022		PMA 2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,539	12.4%	2,390	11.6%	-30	-1.2%
\$10,000-19,999	3,238	15.8%	3,002	14.5%	-47	-1.5%
\$20,000-29,999	3,073	15.0%	2,889	14.0%	-37	-1.2%
\$30,000-39,999	2,823	13.7%	2,623	12.7%	-40	-1.4%
\$40,000-49,999	2,191	10.7%	2,300	11.1%	22	1.0%
\$50,000-59,999	1,415	6.9%	1,439	7.0%	5	0.3%
\$60,000-74,999	1,396	6.8%	1,486	7.2%	18	1.3%
\$75,000-99,999	2,018	9.8%	2,131	10.3%	23	1.1%
\$100,000-	747	3.6%	921	4.5%	35	4.7%
\$125,000-	337	1.6%	466	2.3%	26	7.7%
\$150,000-	362	1.8%	447	2.2%	17	4.7%
\$200,000+	416	2.0%	547	2.7%	26	6.3%
<b>Total</b>	<b>20,555</b>	<b>100.0%</b>	<b>20,641</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, February 2023

#### RENTER HOUSEHOLD INCOME

Income Cohort	2022		Lynchburg, VA Metropolitan Statistical Area 2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,631	11.9%	3,350	11.1%	-56	-1.5%
\$10,000-19,999	4,917	16.2%	4,459	14.8%	-92	-1.9%
\$20,000-29,999	4,326	14.2%	4,040	13.4%	-57	-1.3%
\$30,000-39,999	4,245	14.0%	3,875	12.8%	-74	-1.7%
\$40,000-49,999	2,944	9.7%	3,118	10.3%	35	1.2%
\$50,000-59,999	2,078	6.8%	2,030	6.7%	-10	-0.5%
\$60,000-74,999	2,244	7.4%	2,296	7.6%	10	0.5%
\$75,000-99,999	2,846	9.4%	3,008	10.0%	32	1.1%
\$100,000-	1,145	3.8%	1,354	4.5%	42	3.7%
\$125,000-	726	2.4%	901	3.0%	35	4.8%
\$150,000-	658	2.2%	826	2.7%	34	5.1%
\$200,000+	660	2.2%	937	3.1%	55	8.4%
<b>Total</b>	<b>30,420</b>	<b>100.0%</b>	<b>30,194</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, February 2023

As of 2022, approximately 67.6 percent of renter households within the PMA have annual incomes below \$50,000, compared to 66.0 percent of renter households in the MSA.

### Household Size Distribution

The table below shows the breakdown of households by number of persons in the household within the Subject's PMA.

PMA HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2022		2027	
	Total	Percent	Total	Percent	Total	Percent
1 persons	11,408	27.7%	15,802	30.6%	16,040	30.6%
2 persons	13,933	33.8%	17,508	33.9%	17,770	33.9%
3 persons	7,322	17.8%	8,469	16.4%	8,618	16.5%
4 persons	5,139	12.5%	5,813	11.3%	5,853	11.2%
5+ persons	3,403	8.3%	4,011	7.8%	4,081	7.8%
<b>Total</b>	<b>41,205</b>	<b>100.0%</b>	<b>51,603</b>	<b>100.0%</b>	<b>52,362</b>	<b>100.0%</b>

Source: Esri Demographics 2022, Novogradac, February 2023

As of 2022, the majority of households in the PMA consist of one and two persons.

### Renter Household Size Distribution

The table below shows the breakdown of renter households by number of persons in the household within the Subject's PMA.

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2022		2027	
	Total	Percent	Total	Percent	Total	Percent
1 persons	5,112	38.9%	8,945	43.5%	9,003	43.6%
2 persons	3,426	26.1%	5,277	25.7%	5,243	25.4%
3 persons	2,120	16.1%	2,965	14.4%	2,994	14.5%
4 persons	1,307	10.0%	1,778	8.6%	1,785	8.6%
5+ persons	1,164	8.9%	1,590	7.7%	1,616	7.8%
<b>Total</b>	<b>13,129</b>	<b>100.0%</b>	<b>20,555</b>	<b>100.0%</b>	<b>20,641</b>	<b>100.0%</b>

Source: Esri Demographics 2022, Novogradac, February 2023

Historically, the majority of renter households in the PMA have consisted of one and two-person households. In 2022, approximately 69.2 percent of renter-households were one or two-persons. The number of three-person and larger renter households has increased since 2000 and is projected to grow slightly through 2027.

### Median Household Income Levels

The following table illustrates the median household income for all households in the PMA, the MSA, and the nation from 2000 through 2027.

Year	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Amount	Annual	Amount	Annual	Amount	Annual Change
2000	\$36,117	-	\$40,603	-	\$44,290	-
2022	\$60,611	3.0%	\$60,652	2.2%	\$72,414	2.9%
2027	\$68,146	2.5%	\$69,415	2.9%	\$84,445	3.3%

Source: Esri Demographics 2022, Novogradac, February 2023



As of 2022, the median household income of the PMA is below the MSA and the nation. Through 2027, the PMA median household income is projected to increase at a lesser rate than the MSA and nation.

**Rent Overburdened Households**

The following table illustrates the percentage of households paying greater than 35 percent of their income towards housing in the PMA, the MSA, and the nation.

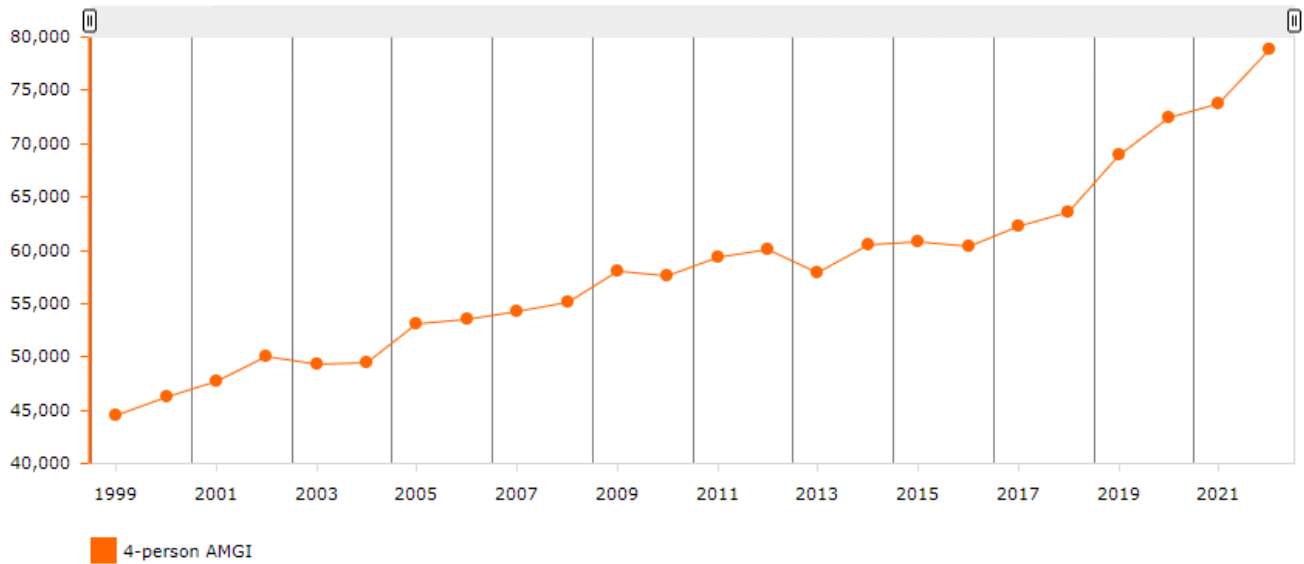
RENT OVERBURDENED						
Year	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2022	7,383	47.0%	10,549	43.6%	16,657,944	42.7%

Source: Esri Demographics 2022, Novogradac, February 2023

As illustrated, the percentage of rent overburdened households in the PMA is larger than the MSA and the nation.

**Area Median Income**

The following chart illustrates the area median gross income (AMGI) of a four-person household in the City of Lynchburg, MSA between 1999 and 2022.



**Average Increase (AMGI): 2.5%/year**

Source: Novogradac, February 2023

The AMI increased at an annual rate of 2.5 percent between 1999 and 2022. Over 84 percent of counties in the nation experienced an increase in AMI in 2017. This was also true in Lynchburg County, which also increased every year from 2018 to 2022 and is at peak level. Rising AMI levels bode well for future rent growth at affordable developments, such as the proposed Subject. The following table details the change in AMI over the past ten years.

LYNCHBURG CITY AMI GROWTH (2013-2022)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
AMI	\$57,900	\$60,500	\$60,800	\$60,300	\$62,300	\$63,600	\$68,900	\$72,400	\$73,700	\$78,900
Percentage Change	-3.7%	4.5%	0.5%	-0.8%	3.3%	2.1%	8.3%	5.1%	1.8%	7.1%

The Subject's proposed rents are set slightly below the maximum allowable levels. However, the Subject's rent increases will be dependent on future increases in AMI for the rents at 30, 50 and 60 percent of AMI, as well as rent increases in the market.

**Conclusion**

Since 2000, PMA population and households have grown overall. Furthermore, both population and households are expected to grow through 2027. As of 2022, approximately 67.6 percent of renter households within the PMA have annual incomes below \$50,000, compared to 60.0 percent in the MSA. As proposed, the incomes for the Subject will range from \$0 to \$51,180. With a large percentage of renters with low income, we project that there will be substantial demand for new construction affordable housing units.

## **H. COMPETITIVE ENVIRONMENT**

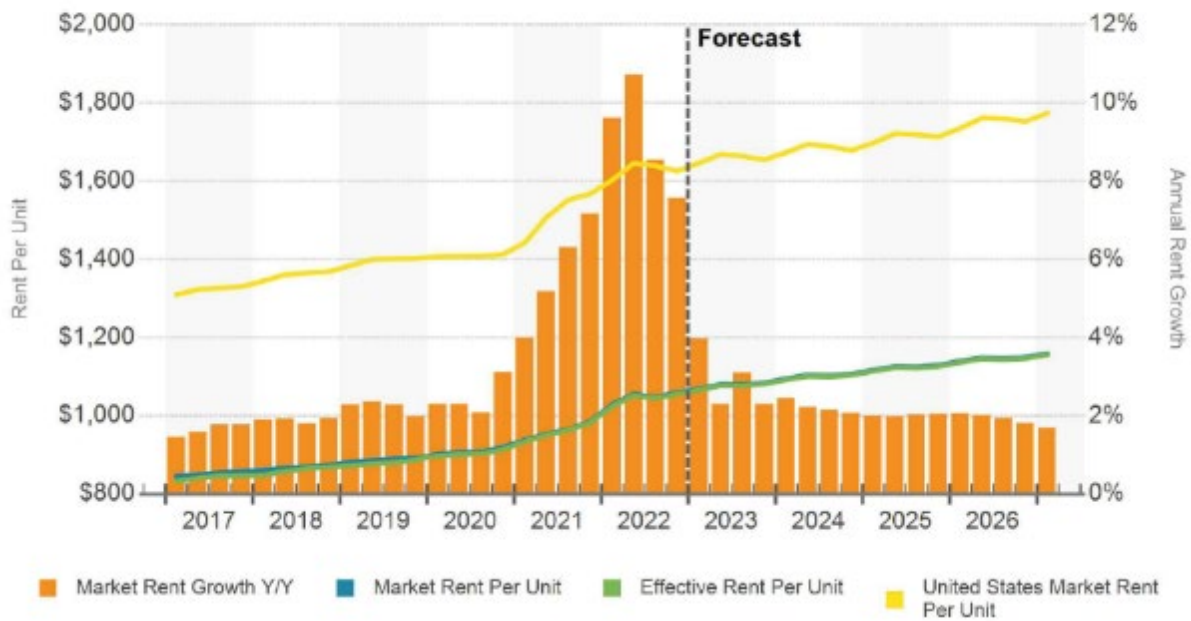
## HOUSING SUMMARY

Based on the first quarter 2023 report from CoStar, Lynchburg experienced an increase of 1.0 percentage point in vacancy rates between the third quarter of 2022 and first quarter of 2023.

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	3,034	2.2%	\$1,246	\$1,243	(5)	0	828
3 Star	3,843	7.2%	\$1,057	\$1,054	(15)	0	0
1 & 2 Star	2,846	4.0%	\$854	\$852	1	0	0
<b>Market</b>	<b>9,723</b>	<b>4.7%</b>	<b>\$1,062</b>	<b>\$1,059</b>	<b>(19)</b>	<b>0</b>	<b>828</b>

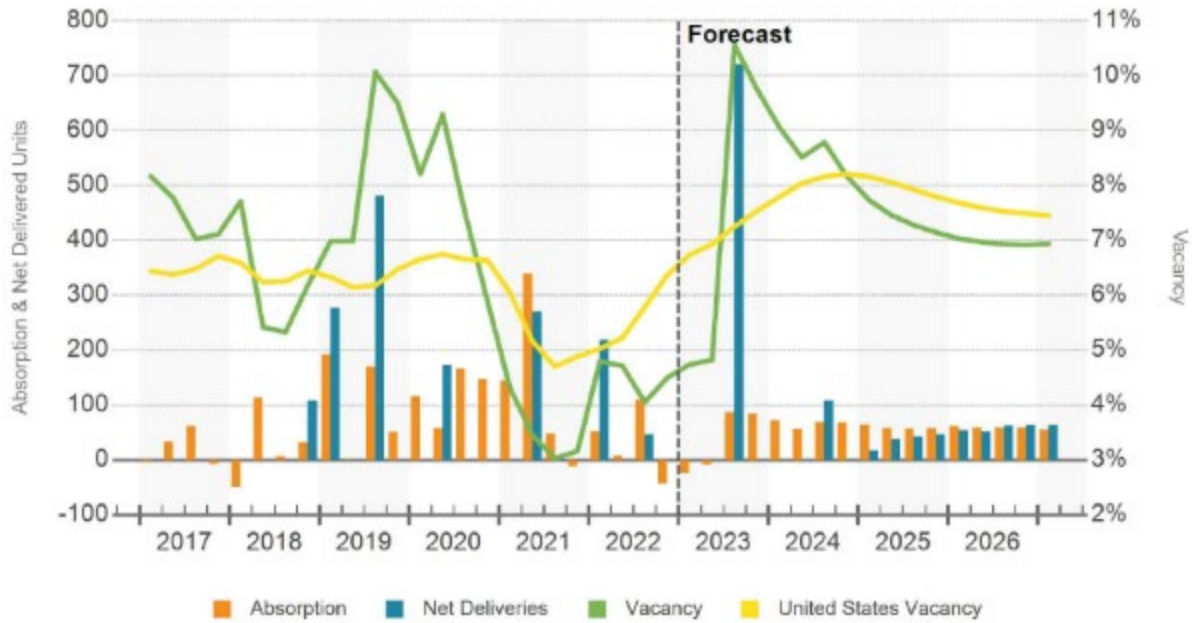
Source: CoStar, February 2023

### MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, February 2023

**ABSORPTION, NET DELIVERIES & VACANCY**



Source: CoStar, February 2023

As illustrated in the tables and charts above, the vacancy rate for the Lynchburg City submarket is currently 4.7 percent. The vacancy rate in the submarket is projected to increase above 10.0 percent through 2023, which coincides with the high number of net deliveries. However, vacancy rates are expected to decline through 2027. Average asking rents increased 2.1 percent over the last year and are expected to continue to increase through 2027.

**Age of Housing Stock**

The following table illustrate the age of the existing housing stock in the PMA.

**HOUSING STOCK BY YEAR BUILT**

	PMA		Lynchburg, VA Metropolitan Statistical		USA	
	Units	%	Units	%	Units	%
Built 2010 or later	1,937	3.7%	3,345	2.9%	3,772,330	2.8%
Built 2000 to 2009	7,476	14.1%	16,090	14.1%	18,872,283	14.1%
Built 1990 to 1999	7,037	13.3%	17,814	15.6%	19,229,676	14.4%
Built 1980 to 1989	6,759	12.7%	16,052	14.1%	18,484,475	13.8%
Built 1970 to 1979	9,410	17.7%	20,830	18.3%	20,811,073	15.6%
Built 1960 to 1969	6,398	12.1%	12,241	10.8%	14,506,264	10.9%
Built 1950 to 1959	5,169	9.7%	10,718	9.4%	14,087,506	10.5%
Built 1940 to 1949	2,492	4.7%	4,806	4.2%	6,658,408	5.0%
Built 1939 or earlier	6,376	12.0%	11,951	10.5%	17,184,482	12.9%
<b>Total Housing Units</b>	<b>53,054</b>	<b>100.0%</b>	<b>113,847</b>	<b>100.0%</b>	<b>133,606,497</b>	<b>100.0%</b>

Source: US Census American Community Estimates, February 2023

Of the housing stock in the PMA, 68.9 percent was constructed prior to 1990. The data does not reflect condition, as many properties can be well-maintained through ongoing maintenance. The field inspection of the area reflects a varied housing stock, generally in good condition.



### Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard.

SUBSTANDARD HOUSING			
Year	PMA	Lynchburg, VA Metropolitan Statistical Area	USA
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
2022	1.68%	1.47%	1.70%

Source: Esri Demographics 2022, Novogradac, February 2023

The percentage of residents living in substandard housing in the PMA is above that of the MSA and below the nation.

### Building Permits

Historical building permit information for Lynchburg, obtained from the U.S. Census Bureau, is presented in the following chart.

BUILDING PERMITS: LYNCHBURG COUNTY 2000-2022*				
Year	Single-family and Duplex	Three and Four- Family	Five or More Family	Total Units
2000	166	0	198	364
2001	278	8	0	286
2002	275	48	0	323
2003	395	0	0	395
2004	210	8	0	218
2005	471	0	25	496
2006	434	0	0	434
2007	396	0	104	500
2008	249	0	0	249
2009	125	0	0	125
2010	120	0	24	144
2011	61	0	0	61
2012	117	0	119	236
2013	152	0	0	152
2014	92	0	0	92
2015	77	3	201	281
2016	60	0	94	154
2017	108	0	48	156
2018	116	0	160	276
2019	40	0	290	330
2020	160	0	201	361
2021	103	0	40	143
2022*	96	0	115	211
<b>Total</b>	<b>4,301</b>	<b>67</b>	<b>1,619</b>	<b>5,987</b>
<b>Average*</b>	<b>187</b>	<b>3</b>	<b>70</b>	<b>260</b>

\*YTD

Source: US Census Bureau Building Permits, February 2023

As illustrated in the previous table, since 2000, approximately 73.0 percent of the residential units permitted in the city of Lynchburg have been single-family and duplex homes. Overall, single-family building permitting in Lynchburg have significantly outpaced multifamily permitting since 2000. Notably, however, the number of

multifamily permits has exceeded single-family permits in seven of the past ten years since 2022. We have identified three recently constructed multifamily properties, Eleven 25 and Mill's Crossing, that opened in 2018 and have constructed additional units since. Logans Landing opened in 2020. These properties offer market rate units and are utilized as comparable properties in our analysis. In total, these properties will offer approximately 534 units. Furthermore, through a CoStar search, we have identified 1,098 planned or under construction, market rate units within the PMA.

### Rent/Buy Analysis

We performed a rent/buy analysis for three-bedroom units at the Subject. Our inputs assume a three-bedroom home on www.zillow.com in the Subject's neighborhood with a purchase price of \$217,000 and an interest rate of 6.70 percent with a 10 percent down payment. This was compared to the cost to rent the Subject's three-bedroom proposed LIHTC units. This analysis indicates that with a monthly differential of \$558, it is slightly more affordable to rent from the Subject than to purchase a three-bedroom home in the Subject's neighborhood. As illustrated, the "cost of occupancy" category adds \$28,210 for the down payment and closing costs. The cash necessary for homeownership is still a barrier for many families. In general, first-time homebuyers have difficulty saving for a down payment. Furthermore, since the recession, higher standards for credit has made it more difficult than ever for buyers with less than perfect credit to obtain financing. For these reasons, we believe the Subject will face limited competition from homeownership.

RENT BUY ANALYSIS			
<b>Property Type:</b>	<b>Three-Bedroom Single Family Home</b>		
Sale Price	\$217,000		
Down Payment at 10%	\$21,700		
Mortgage Amount	\$195,300		
Current Interest Rate	6.70%		
<i>Homeownership Costs</i>		<i>Monthly</i>	<i>% of Home Value</i>
Mortgage Payment	\$1,260		\$15,123
Property Taxes	\$226	1.25%	\$2,713
Private Mortgage Insurance <sup>1</sup>	\$81	0.50%	\$977
Maintenance	\$362	2.00%	\$4,340
Utility Costs <sup>2</sup>	\$14		\$168
Tax Savings	-\$328		-\$3,933
<b>Cost Comparison</b>			
	<i>Monthly</i>	<i>Annual</i>	
Costs of Homeownership	\$1,616	\$19,386	
Cost of Renting At Subject	\$1,058	\$12,696	
<b>Differential</b>	<b>\$558</b>	<b>\$6,690</b>	
<b>Cost of Occupancy</b>			
<i>Homeownership</i>			
Closing Costs		3.0%	\$6,510
Down Payment at 10%		10.0%	\$21,700
<b>Total</b>			<b>\$28,210</b>
<i>Subject Rental</i>			
First Month's Rent	\$1,058		
Security Deposit	<u>\$1,058</u>		
<b>Total</b>	<b>\$2,116</b>		

(1) Based upon 0.50 percent of mortgage amount.

(2) Utility Costs Included in Rent at Subject

**Additions to Supply**

To determine the amount of competitive new supply entering the market, we consulted a December 2023 CoStar report and performed an internet search. We also attempted to contact the City of Lynchburg Planning Department regarding the development pipeline in the city. To date, our calls have not been returned. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject's PMA according to CoStar.

PLANNED DEVELOPMENT						
Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
1300 Campbell Ave	Market	Family	150	0	Proposed	3.3 miles
Logan's Landing II	Market	Family	120	0	Proposed	1.0 miles
Miller's Rest Apartments	LIHTC/Section 8	Family	80	80	Under Construction	0.0 miles
Rosedale Apartments	Market	Family	720	0	Under Construction	1.3 miles
Westyn Village	Market	Family	108	0	Under Construction	5.4 miles
<b>Totals</b>			<b>1,178</b>	<b>80</b>		

Source: CoStar, February 2023

As illustrated, there are five proposed developments in the PMA. However, four of these developments are market rate properties which will not be competitive with the Subject. Further, Miller's Rest Apartments, which was awarded LIHTC funding, is discussed in the next section.

According to the Virginia Housing website, there have been six properties allocated tax credits in the PMA since 2018.

RECENT LIHTC ALLOCATIONS IN PMA							
Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units As Proposed	Competitive Units Absent Subsidy	Distance to Subject
Florida Terrace	2022	LIHTC/Supportive Housing/Section 8	Family/Disabled	31	27	27	4.2 miles
Miller Rest Apartments II - 4%	2021	LIHTC	Family	75	75	75	0.0 miles
Miller Rest Apartments II-9%	2021	LIHTC/Section 8	Family	40	40	28	0.0 miles
Miller Rest Apartments	2020	LIHTC/Section 8	Family	80	80	72	0.0 miles
Waters at James Crossing	2020	LIHTC/Section 8	Family	288	288	11	4.4 miles
Burton Creek Apartments	2018	LIHTC/Section 8	Family	85	85	0	2.3 miles
				<b>599</b>	<b>595</b>	<b>213</b>	

Source: Virginia Housing, February 2023

- In 2022, tax credits were awarded to Florida Terrace, a proposed new construction 31-unit LIHTC/Supportive Housing/Section 8 development located 4.2 miles northeast of the Subject. Upon completion, the units will be LIHTC restricted at no more than 60 percent AMI, offering 20 one-bedroom and 11 two-bedroom units, where four units are designated to disabled tenancy. All 27 of the units that do not target a special needs tenancy will be competitive with the Subject's units.
- In 2021, tax credits were awarded to Millers Rest Apartments II-4% for the new construction of a 75-unit LIHTC development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with 75 units at 60 percent of AMI. Note this development represents a portion of the second phase of the Subject development. All of the property's units will be competitive with the Subject's units upon completion.
- In 2021, tax credits were awarded to Millers Rest Apartments II-9% for the new construction of a 40-unit LIHTC/Section 8 development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with four units at 30 percent, four units at 40 percent, 12 units at 50 percent and 20 units at 60 percent of AMI. Additionally, all 12 units will operate with subsidies. Note this development represents a portion of the second phase of the Subject development. Upon completion, 40 units will be competitive as proposed and 28 will be competitive absent subsidy.

- In 2020, tax credits were awarded to Miller's Rest Apartments I for new construction of an 80-unit LIHTC and Section 8 development offering one, two, and three-bedroom units. Upon completion the property will be LIHTC restricted with eight units at 40 percent, 32 units at 50 percent, and 40 units at 60 percent of AMI. Additionally, all eight units at 40 percent of AMI will operate with subsidies. Note that this development represents the first phase of the Subject development. The development is expected to be completed in April 2023. Upon completion, 80 units will be competitive as proposed and 72 will be competitive absent subsidy.
- In 2020, tax credits were awarded to rehabilitate Waters at James Crossing, an existing 288-unit LIHTC/Section 8 property located 4.4 miles northeast of the Subject. The property offers one, two and three-bedroom units restricted at 60 percent of AMI. All of the property's units are competitive with the proposed Subject's units. These units have been accounted for as existing competitive units.
- In 2018, tax credits were awarded to rehabilitate Burton Creek Apartments, an existing 85-unit LIHTC/Section 8 property, located 2.3 miles south of the Subject. The property offers two and three-bedroom units, restricted at 40, 50 and 60 percent of AMI. All of the property's units are competitive with the proposed Subject's units. These units have been accounted for as existing competitive units.

Note that Waters at James Crossing and Burton Creek Apartments are proposed for rehabilitation and will not add to the competitive supply in the market. Therefore, we have accounted for 222 units "As Proposed" and 202 units "Absent Subsidy", in our *Demand Analysis*.

## **SURVEY OF COMPARABLE PROPERTIES**

Comparable properties are examined on the basis of physical characteristics; i.e., building type, building age/quality, the level of common amenities, absorption rates, and similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the market.

### **Description of Property Types Surveyed/Determination of Number of Tax Credit Units**

To evaluate the competitive position of the Subject, we surveyed several market rate and LIHTC properties in depth. We have utilized four general tenancy LIHTC properties, one mixed-income property, and seven family market rate properties, all of which are located within the PMA. We also visited and surveyed other properties that were excluded from the market survey because they are not considered comparable to the Subject or would not participate in the survey.

The Subject will offer a four-story, walk-up design, with access only from the first floor. The Subject, as well as Phase I of the development, will be the first multifamily properties to offer this design in the market. Jobbers Overall Apartments offers a three-story, elevator-serviced design, which will be superior to the Subject. Nine of the comparable properties offer two and three-story, garden-style units, and one comparable - Vistas at Dreaming Creek - offers a four-story, garden-style design.

Note that Vistas at Dreaming Creek has ground level access from both the first and second floors of their buildings, as the property is built into a hill. Tenants can park and enter the building from either the first or second floor and walk up the stairs to the fourth floor. Management at the Vistas at Dreaming Creek explained that it is somewhat common for tenants to walk up three flights of stairs and there have been no issues with occupancy nor complaints made by tenants regarding living on the fourth floor.

We also discussed units on higher floors with the contact at Legacy at Linden Park. The contact at this property noted that the property has never had issues filling units on the third floor of the development. Furthermore, he maintained that if the property were to offer fourth floor walk-up units, there would be no issue in filling these units. Tenants at Legacy at Linden Park are more concerned with good management, upkeep of property amenities, and general maintenance of the property. The remaining comparable properties featuring three-stories were unable to comment on the feasibility of additional stories in garden-style buildings. However, none of the comparable properties reported discounted rents on third-story units. Therefore, we believe that the Subject's proposed design will be marketable.

Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general. The table following details affordable properties in the PMA.

Excluded properties include but are not limited to the properties located in the following table. Note there are three multifamily properties located within 0.1 miles of the Subject, which include Old Mill Townhomes, Mill's Crossing, and Mill Woods Apartments. Old Mill Townhomes is 156-unit, market rate development offering one through four-bedroom units. The property has been excluded from our analysis due to its inferior condition to the proposed Subject. However, the property is 95.1 percent occupied and maintains a waiting list on its one and three-bedroom units. Mill's Crossing is a 144-unit market rate property offering one and two-bedroom units. The property has been included as a comparable in our analysis. Finally, Mill Woods Apartments is a 128-unit Section 8 property that has been excluded due to its subsidized tenancy. However, the property is currently fully occupied and maintains a waiting list.

**EXCLUDED AFFORDABLE HOUSING IN THE PMA**

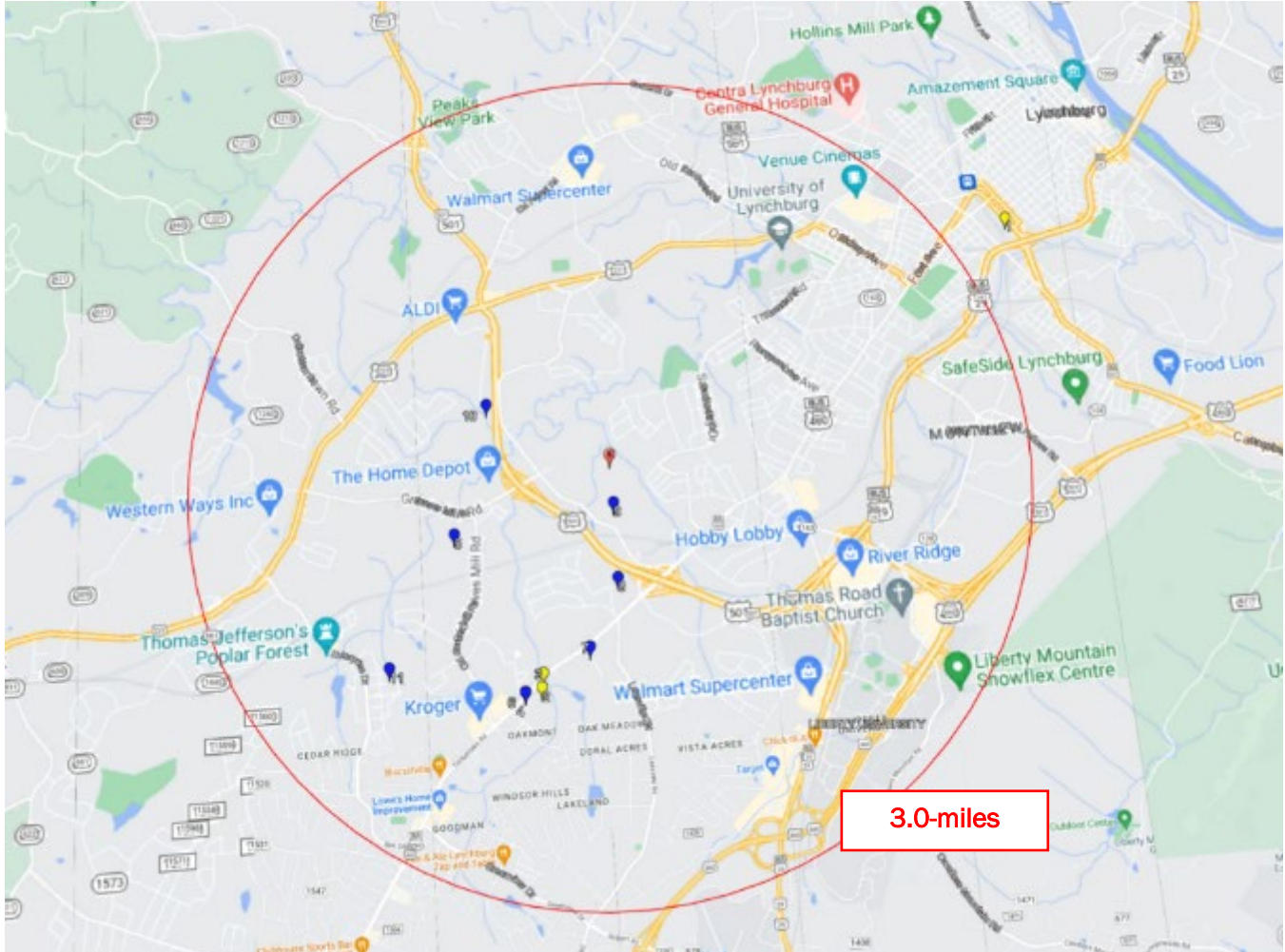
Property Name	Rent Structure	Tenancy	Units	Reason for Exclusion
Central City Homes	LIHTC	Family	34	Dissimilar Design (Single-Family Units)
College Hill Homes	LIHTC	Family	28	Dissimilar Design (Single-Family Units)
Kemper Lofts	LIHTC	Family	41	Could not contact for rental survey
Wesley Apartments	LIHTC	Senior	150	Dissimilar Tenancy
Jefferson House	LIHTC	Senior	101	Dissimilar Tenancy
Waters at James Crossing	LIHTC/ Section 8	Family	288	Could not contact for rental survey
Burton Creek Apartments	LIHTC/ Section 8	Family	85	Subsidized Tenancy
The Virginian	LIHTC/ Section 8	Family	100	Subsidized Tenancy
College Hill Townhouses	Section 8	Senior	90	Subsidized Tenancy
Frank Roane Apts.	Section 8	Family	26	Subsidized Tenancy
Hillcrest Elderly	Section 8	Family	103	Subsidized Tenancy
Mcgurk House	Section 8	Family	89	Subsidized Tenancy
Mill Woods Apts	Section 8	Family	128	Subsidized Tenancy
The Meadows	Section 8	Family	66	Subsidized Tenancy

**Comparable Rental Property Map**

A map illustrating the location of the Subject in relation to the comparable properties is located below. A summary table comparing the individual comparable properties with the proposed Subject and individual property profiles are also provided on the following page. We have also included an amenity comparison matrix and a rent and square footage ranking table.



MILLER'S REST APARTMENTS III – LYNCHBURG, VIRGINIA – MARKET STUDY



Source: Google Earth, February 2023

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Millers Rest III	Lynchburg	@30%, @40% (Section 8), @50%, @60%	Family	-
1	Jobbers Overall Apartments	Lynchburg	@40%, @50%	Family	3.4 miles
2	Timber Ridge Apartments I	Lynchburg	@40%, @50%	Family	1.6 miles
3	Timber Ridge Apartments II	Lynchburg	@40%, @50%	Family	1.6 miles
4	Vistas At Dreaming Creek	Lynchburg	@60%, Market	Family	1.7 miles
5	Eleven 25	Lynchburg	Market	Family	1.2 miles
6	Grand Vistas Apartments	Lynchburg	Market	Family	1.7 miles
7	Legacy At Linden Park	Lynchburg	Market	Family	1.3 miles
8	Logans Landing	Lynchburg	Market	Family	0.8 miles
9	Mill's Crossing	Lynchburg	Market	Family	0.3 miles
10	The Overlook At Stonemill	Lynchburg	Market	Family	1.0 miles
11	Wyndhurst Villas	Lynchburg	Market	Family	2.1 miles

\*Located outside PMA

MILLER'S REST APARTMENTS III – LYNCHBURG, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Millers Rest III 6100 Old Mill Road Lynchburg, VA 24502 Lynchburg County		Garden 4-stories 2024 / n/a Family	@30%, @40% (Section 8), @50%, @60%	1BR / 1BA	2	2.5%	703	@30%	\$328	Yes	N/A	N/A	N/A
					1BR / 1BA	2	2.5%	703	@40% (Section 8)	\$476	Yes	N/A	N/A	N/A
					1BR / 1BA	5	6.3%	703	@50%	\$624	Yes	N/A	N/A	N/A
					1BR / 1BA	7	8.8%	703	@60%	\$772	Yes	N/A	N/A	N/A
					2BR / 2BA	4	5.0%	948	@30%	\$385	Yes	N/A	N/A	N/A
					2BR / 2BA	4	5.0%	948	@40% (Section 8)	\$563	Yes	N/A	N/A	N/A
					2BR / 2BA	14	17.5%	948	@50%	\$740	Yes	N/A	N/A	N/A
					2BR / 2BA	26	32.5%	948	@60%	\$918	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.5%	1,177	@30%	\$442	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.5%	1,177	@40% (Section 8)	\$648	Yes	N/A	N/A	N/A
					3BR / 2BA	5	6.3%	1,177	@50%	\$853	Yes	N/A	N/A	N/A
					3BR / 2BA	7	8.8%	1,177	@60%	\$1,058	Yes	N/A	N/A	N/A
					80							N/A	N/A	
1	Jobbers Overall Apartments 1423 & 1503 Kemper Street Lynchburg, VA 24501 Lynchburg County	3.4 miles	Lowrise 4-stories 1920 / 2012 Family	@40%, @50%	2BR / 2BA	3	6.8%	972	@40%	\$585	No	Yes	0	0.0%
					2BR / 2BA	17	38.6%	972	@50%	\$683	No	Yes	0	0.0%
					3BR / 2BA	2	4.6%	1,205	@40%	\$589	No	Yes	0	0.0%
					3BR / 2BA	22	50.0%	1,205	@50%	\$773	No	Yes	0	0.0%
					44							0	0.0%	
2	Timber Ridge Apartments I 7500 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.6 miles	Garden 3-stories 2009 / n/a Family	@40%, @50%	1BR / 1BA	3	3.1%	744	@40%	\$467	No	No	0	0.0%
					1BR / 1BA	9	9.4%	744	@50%	\$615	No	No	0	0.0%
					2BR / 2BA	6	6.3%	1,076	@40%	\$497	No	No	1	16.7%
					2BR / 2BA	54	56.3%	1,076	@50%	\$674	No	No	1	1.9%
					3BR / 2BA	1	1.0%	1,283	@40%	\$534	No	No	0	0.0%
					3BR / 2BA	23	24.0%	1,283	@50%	\$739	No	No	1	4.4%
					96							3	3.1%	
3	Timber Ridge Apartments II 7502 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.6 miles	Garden 3-stories 2009 / n/a Family	@40%, @50%	1BR / 1BA	2	2.8%	744	@40%	\$467	No	No	0	0.0%
					1BR / 1BA	10	13.9%	744	@50%	\$615	No	No	0	0.0%
					2BR / 2BA	4	5.6%	1,076	@40%	\$497	No	No	1	25.0%
					2BR / 2BA	38	52.8%	1,076	@50%	\$554	No	No	0	0.0%
					3BR / 2BA	2	2.8%	1,283	@40%	\$554	No	No	0	0.0%
					3BR / 2BA	16	22.2%	1,283	@50%	\$757	No	No	0	0.0%
					72							1	1.4%	
4	Vistas At Dreaming Creek 7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.7 miles	Garden 4-stories 2001 / n/a Family	@60%, Market	1BR / 1BA	8	4.6%	790	@60%	\$794	Yes	No	0	0.0%
					1BR / 1BA	8	4.6%	790	Market	\$1,015	N/A	No	0	0.0%
					2BR / 2BA	60	34.1%	960	@60%	\$937	Yes	No	0	0.0%
					2BR / 2BA	84	47.7%	950	Market	\$1,100	N/A	No	1	1.2%
					3BR / 2BA	8	4.6%	1,159	@60%	\$1,029	Yes	No	0	0.0%
					3BR / 2BA	8	4.6%	1,159	Market	\$1,150	N/A	No	1	12.5%
					176							2	1.1%	
5	Eleven 25 1125 Old Graves Mill Road Lynchburg, VA 24502 Lynchburg County	1.2 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	N/A	N/A	980	Market	\$1,099	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	1,355	Market	\$1,369	N/A	No	0	N/A
					3BR / 2BA	N/A	N/A	1,730	Market	\$1,699	N/A	No	0	N/A
										228				
6	Grand Vistas Apartments 7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.7 miles	Garden 3-stories 2008 / n/a Family	Market	1BR / 1BA	11	10.6%	965	Market	\$1,015	N/A	No	0	0.0%
					1.5BR / 1BA	11	10.6%	1,196	Market	\$1,070	N/A	No	2	18.2%
					2BR / 2BA	30	28.9%	1,263	Market	\$1,225	N/A	No	0	0.0%
					2.5BR / 2BA	30	28.9%	1,494	Market	\$1,250	N/A	No	0	0.0%
					3BR / 2BA	22	21.2%	1,421	Market	\$1,330	N/A	No	0	0.0%
					104							2	1.9%	
7	Legacy At Linden Park 1000 Misty Mountain Road Lynchburg, VA 24502 Lynchburg County	1.3 miles	Garden 3-stories 2008 / n/a Family	Market	1BR / 1BA	66	16.2%	826	Market	\$994	N/A	No	1	1.5%
					1BR / 1BA	66	16.2%	826	Market	\$954	N/A	No	1	1.5%
					2BR / 2BA	75	18.4%	1,053	Market	\$1,257	N/A	No	0	0.0%
					2BR / 2BA	54	13.2%	1,173	Market	\$1,309	N/A	No	0	0.0%
					2BR / 2BA	75	18.4%	1,022	Market	\$1,219	N/A	Yes	0	0.0%
					3BR / 2BA	72	17.7%	1,317	Market	\$1,684	N/A	No	1	1.4%
					408							3	0.7%	
8	Logans Landing 6343 Logans Ln Lynchburg, VA 24502 Lynchburg County	0.8 miles	Garden 4-stories 2020 / n/a Family	Market	1BR / 1BA	N/A	N/A	888	Market	\$1,132	N/A	N/A	0	N/A
					2BR / 1BA	N/A	N/A	1,086	Market	\$1,169	N/A	Yes	0	N/A
					2BR / 1BA	N/A	N/A	1,099	Market	\$1,209	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	1,260	Market	\$1,349	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	1,305	Market	\$1,379	N/A	Yes	0	N/A
					3BR / 2BA	N/A	N/A	1,420	Market	\$1,416	N/A	Yes	0	N/A
					173							0	0.0%	
9	Mill's Crossing 6231 Old Mill Road Lynchburg, VA 24502 Lynchburg County	0.3 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	N/A	N/A	755	Market	\$899	N/A	No	2	N/A
					1BR / 1BA	N/A	N/A	770	Market	\$949	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	1,109	Market	\$1,149	N/A	No	5	N/A
					2BR / 2BA	N/A	N/A	1,125	Market	\$1,199	N/A	No	0	N/A
					144							7	4.9%	
10	The Overlook At Stonemill 112 Stonemill Drive Lynchburg, VA 24502 Lynchburg County	1.0 miles	Garden 3-stories 2001 / n/a Family	Market	1BR / 1BA	27	12.5%	775	Market	\$1,159	N/A	No	1	3.7%
					2BR / 1BA	9	4.2%	925	Market	\$1,289	N/A	No	2	22.2%
					2BR / 2BA	138	63.9%	1,050	Market	\$1,389	N/A	No	1	0.7%
					3BR / 2BA	42	19.4%	1,210	Market	\$1,609	N/A	No	1	2.4%
					216							5	2.3%	
11	Wyndhurst Villas 301 Northwynd Circle Lynchburg, VA 24502 Lynchburg County	2.1 miles	Garden 3-stories 2006 / n/a Family	Market	2BR / 2BA	114	76.0%	970	Market	\$1,075	N/A	No	2	1.8%
					3BR / 2BA	36	24.0%	1,160	Market	\$1,200	N/A	No	0	0.0%
					150								2	1.3%

**Location**

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Millers Rest III	Lynchburg	Family	LIHTC/ Section 8	-	\$57,639	\$159,200	\$901	128	9	10.8%	58.9%
1	Jobbers Overall Apartments	Lynchburg	Family	LIHTC	3.4 miles	\$38,284	\$109,300	\$710	123	54	18.9%	54.1%
2	Timber Ridge Apartments I	Lynchburg	Family	LIHTC	1.6 miles	\$54,412	\$159,200	\$901	81	47	18.7%	55.7%
3	Timber Ridge Apartments II	Lynchburg	Family	LIHTC	1.6 miles	\$55,990	\$159,200	\$901	81	44	17.5%	51.1%
4	Vistas At Dreaming Creek	Lynchburg	Family	LIHTC/ Market	1.7 miles	\$56,275	\$159,200	\$901	81	51	23.7%	52.4%
5	Eleven 25	Lynchburg	Family	Market	1.2 miles	\$75,201	\$159,200	\$901	116	6	22.1%	42.0%
6	Grand Vistas Apartments	Lynchburg	Family	Market	1.7 miles	\$56,275	\$159,200	\$901	81	51	23.7%	52.4%
7	Legacy At Linden Park	Lynchburg	Family	Market	1.3 miles	\$53,936	\$159,200	\$901	81	32	15.6%	50.4%
8	Logans Landing	Lynchburg	Family	Market	0.8 miles	\$56,523	\$159,200	\$901	104	26	19.6%	30.4%
9	Mill's Crossing	Lynchburg	Family	Market	0.3 miles	\$57,201	\$159,200	\$901	115	14	10.7%	58.9%
10	The Overlook At Stonemill	Lynchburg	Family	Market	1.0 miles	\$65,964	\$159,200	\$901	128	6	4.5%	52.5%
11	Wyndhurst Villas	Lynchburg	Family	Market	2.1 miles	\$77,699	\$159,200	\$901	91	59	6.6%	34.5%

\*Located outside of the PMA

The Subject’s location has a lower median household income to three comparables, similar household income to seven comparables, and a superior household income to one comparables. Additionally, the Subject location offers similar to superior median home values and median rents. Crime indices in the neighborhood around the Subject are similar to higher than the comparables, and six comparables are located in areas with crime indices below national levels. Finally, the Subject location has a lower Walk Score than all but two of the comparables; however, all of the comparables are located in areas that require cars for some to all daily errands. Based on the locational data, Jobbers Overall Apartments appears to be located in an inferior area. However, the property is located on the edge of Downtown Lynchburg, which offers greater access to employment and retail. We maintain that the location of this comparable is similar to the Subject. The remaining comparables are located in generally similar areas to the Subject.

**Age, Condition, and Design**

The Subject will represent new construction and will be in excellent condition. Eleven 25, Mill’s Crossing, and Logans Landing were built in 2018, 2019 and 2020 respectively, and all exhibit excellent condition, similar to the Subject upon completion. The remaining nine comparables were built or renovated between 2001 and 2012 and represent good condition, slightly inferior to the Subject upon completion.

The LIHTC and mixed-income properties range in size from 44 to 176 units, with an average development size of 97 units, while the market rate developments range from 144 to 408 units, with an average development size of 203 units. The Subject is within the range of development sizes for LIHTC properties and below the range for market rate properties.

The Subject will offer a four-story, walk-up design, with access only from the first floor. The Subject, as well as Phase I and Phase II of the development, will be the first multifamily properties to offer this design in the market. Jobbers Overall Apartments offers a four-story, elevator-serviced design, which will be superior to the Subject. Nine of the comparable properties offer two and three-story, garden-style units, and two comparables - Vistas at Dreaming Creek and Logans Landing - offers a four-story, garden-style design.

Note that Vistas at Dreaming Creek has ground level access from both the first and second floors of their buildings, as the property is built into a hill. Tenants can park and enter the building from either the first or second floor and walk up the stairs to the fourth floor. Management at the Vistas at Dreaming Creek explained

that it is somewhat common for tenants to walk up three flights of stairs and there have been no issues with occupancy nor complaints made by tenants regarding living on the fourth floor.

We also discussed units on higher floors with the contact at Legacy at Linden Park. The contact at this property noted that the property has never had issues filling units on the third floor of the development. Furthermore, he maintained that if the property were to offer fourth floor walk-up units, there would be no issue in filling these units. Tenants at Legacy at Linden Park are more concerned with good management, upkeep of property amenities, and general maintenance of the property. The remaining comparable properties featuring three-stories were unable to comment on the feasibility of additional stories in garden-style buildings. However, none of the comparable properties reported discounted rents on third-story units. Therefore, we believe that the Subject's proposed design will be marketable.

**Unit Size**

The following table illustrates the unit sizes of the Subject and the comparable properties.

**UNIT SIZE COMPARISON**

Bedroom Type	1BR	2BR	3BR
<b>Subject</b>	<b>703</b>	<b>948</b>	<b>1,177</b>
Average	836	1,106	1,296
Min	744	925	1,159
Max	1,196	1,494	1,730
<b>Advantage/Disadvantage</b>	<b>-16%</b>	<b>-14%</b>	<b>-9%</b>

The Subject will offer one, two, and three-bedroom unit sizes that are below the average unit sizes of the comparables, though the two and three-bedroom unit sizes are within the range. Note that the one-bedroom unit sizes are slightly below the comparable range of unit sizes. However, Timber Ridge I and II offer the next smallest one-bedroom unit in the market (744 sq. ft.). Timber Ridge I is currently 96.9 percent occupied and Timber Ridge II is 98.6 percent occupied, indicating their unit sizes are accepted in the market. Based on the overall stable vacancy rate among comparables, we believe that the Subject's unit sizes are reasonable and will be accepted in the market. We have considered the Subject's unit sizes in our achievable rent determination.

**SQUARE FOOTAGE RANKING COMPARISON**

One Bedroom One Bath		Two Bedroom Two Bath		Three Bedroom Two Bath	
Property Name	Size	Property Name	Size	Property Name	Size
Eleven 25 (Market)	980	Eleven 25 (Market)	1,355	Eleven 25 (Market)	1,730
Grand Vistas Apartments (Market)	965	Logans Landing (Market)	1,305	Grand Vistas Apartments (Market)	1,421
Logans Landing (Market)	888	Grand Vistas Apartments (Market)	1,263	Logans Landing (Market)	1,420
Legacy At Linden Park (Market)	826	Logans Landing (Market)	1,260	Legacy At Linden Park (Market)	1,317
Legacy At Linden Park (Market)	826	Legacy At Linden Park (Market)	1,173	Legacy At Linden Park (Market)	1,317
Vistas At Dreaming Creek (Market)	790	Mill's Crossing (Market)	1,125	Timber Ridge Apartments I (@40%)	1,283
Vistas At Dreaming Creek (@60%)	790	Mill's Crossing (Market)	1,109	Timber Ridge Apartments II (@40%)	1,283
The Overlook At Stonemill (Market)	775	Logans Landing (Market)(1BA)	1,099	Timber Ridge Apartments II (@50%)	1,283
Mill's Crossing (Market)	770	Logans Landing (Market)(1BA)	1,086	Timber Ridge Apartments I (@50%)	1,283
Mill's Crossing (Market)	755	Timber Ridge Apartments I (@50%)	1,076	The Overlook At Stonemill (Market)	1,210
Timber Ridge Apartments I (@40%)	744	Timber Ridge Apartments II (@40%)	1,076	Jobbers Overall Apartments (@40%)	1,205
Timber Ridge Apartments I (@50%)	744	Timber Ridge Apartments II (@50%)	1,076	Jobbers Overall Apartments (@50%)	1,205
Timber Ridge Apartments II (@40%)	744	Timber Ridge Apartments I (@40%)	1,076	<b>Millers Rest III (@40%)</b>	<b>1,177</b>
Timber Ridge Apartments II (@50%)	744	Legacy At Linden Park (Market)	1,053	<b>Millers Rest III (@60%)</b>	<b>1,177</b>
<b>Millers Rest III (@50%)</b>	<b>703</b>	The Overlook At Stonemill (Market)	1,050	<b>Millers Rest III (@50%)</b>	<b>1,177</b>
<b>Millers Rest III (@30%)</b>	<b>703</b>	Legacy At Linden Park (Market)	1,022	<b>Millers Rest III (@30%)</b>	<b>1,177</b>
<b>Millers Rest III (@60%)</b>	<b>703</b>	Jobbers Overall Apartments (@50%)	972	Wynhurst Villas (Market)	1,160
<b>Millers Rest III (@40%)</b>	<b>703</b>	Jobbers Overall Apartments (@40%)	972	Vistas At Dreaming Creek (Market)	1,159
		Wynhurst Villas (Market)	970	Vistas At Dreaming Creek (@60%)	1,159
		Vistas At Dreaming Creek (@60%)	960		
		Vistas At Dreaming Creek (Market)	950		
		<b>Millers Rest III (@30%)</b>	<b>948</b>		
		<b>Millers Rest III (@60%)</b>	<b>948</b>		
		<b>Millers Rest III (@40%)</b>	<b>948</b>		
		<b>Millers Rest III (@50%)</b>	<b>948</b>		
		The Overlook At Stonemill (Market)(1BA)	925		

In-Unit Amenities

AMENITY MATRIX												
Subject	Jobbers Overall	Timber Ridge Apartments I	Timber Ridge Apartments	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At Stonemill	Wyndhurst Villas	
Rent Structure	LIHTC/	LIHTC	LIHTC	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	
<b>Building</b>												
Property Type	Garden	Lowrise	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden
# of Stories	4-stories	4-stories	3-stories	3-stories	4-stories	3-stories	3-stories	3-stories	4-stories	3-stories	3-stories	3-stories
Year Built	2024	1920	2009	2009	2001	2018	2008	2008	2020	2018	2001	2006
Year Renovated	n/a	2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Elevators	no	yes	no	no	no	no	no	no	yes	no	no	no
<b>Utility Structure</b>												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	yes	no	no	no	no	no	no	yes	no	no	no
Sewer	no	yes	no	no	no	no	no	no	no	no	no	no
Trash	yes	yes	yes	yes	yes	no	yes	no	yes	yes	no	yes
<b>Unit Amenities</b>												
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	yes	no	no	no	no	yes	no	no	no	no	no	no
Carpeting	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	yes	no	no	no	no	no	no	yes	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	no	no	no	yes	no	yes	no	yes	yes	no
Coat Closet	no	yes	yes	yes	yes	yes	yes	yes	no	no	no	yes
Exterior Storage	no	no	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Fireplace	no	no	no	no	no	yes	yes	no	no	no	no	no
Furnishing	no	no	no	no	no	no	no	no	yes	no	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	yes	no	no	yes
Walk-In Closet	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	no	yes	yes	yes	no	yes	yes	yes	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Kitchen</b>												
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject's units will offer balconies/patios, blinds, central a/c, walk-in closets, ceiling fans, and washer/dryer hookups. Appliances will include dishwashers, range/oven, and refrigerator. Regarding in-unit amenities, the Subject will not offer in-unit washer/dryers, which six comparables include. However, washer/dryer units will be available to rent at the Subject for \$50 per month. Timber Ridge I and II rent washer/dryer units for \$50 per month, though the contact could not provide utilization rates. Additionally, we researched pricing for washer/dryer rentals in the Lynchburg area. Rent-A-Center offers rent to own programs for washers at \$15 per week, and dryers at \$20 per week for a total of \$35 per week, paid out over a 72-week period. This equates to approximately \$155 per month (assuming 31 days in the month). The Subject does not offer rent-to-own options. However, the monthly price represents a significant discount over area rental rates. Furthermore, the Subject offers the convenience of renting from the property, as opposed to paying the cost of having washer/dryer units delivered. We believe that washer/dryer rentals for \$50 per month is appropriate. The Subject will not offer garbage disposals, which all of the comparables include. Overall, the Subject's unit-amenities are considered slightly superior to slightly inferior to the LIHTC and market rate comparables. We believe that the unit amenities will be competitive.



Property Amenities

PROPERTY AMENITIES												
Subject	Jobbers Overall	Timber Ridge	Timber Ridge	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At	Wyndhurst Villas	
Rent Structure	LIHTC/	LIHTC	LIHTC	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	
<b>Community</b>												
Business Center	no	yes	no	no	yes	yes	yes	yes	no	no	no	yes
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central Laundry	no	yes	yes	yes	no	no	no	yes	no	no	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Recreation</b>												
Exercise Facility	no	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Playground	yes	no	yes	yes	yes	yes	yes	no	no	no	yes	yes
Swimming Pool	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	no	no	no	no	no	no	yes	yes	no	yes	yes
Tennis Court	no	no	no	no	no	no	no	yes	no	no	no	no
Sauna	no	no	no	no	no	yes	no	no	no	no	no	no
Theatre	no	no	no	no	no	yes	no	yes	no	no	no	no
Recreational Area	yes	no	no	no	no	no	no	no	no	no	no	no
Volleyball Court	no	no	no	no	yes	no	no	no	no	no	no	no
WiFi	no	no	no	no	no	no	no	yes	no	no	no	no

The subject will feature a clubroom, onsite management, a playground, recreation areas, and off-street parking. For a detailed comparison between the Subject and the comparables, please refer to the amenity matrix in the addendum of this report. Regarding community amenities, the Subject is considered generally similar to superior to the LIHTC comparables, as well as the market rate comparables. We believe that the common area amenities will be competitive as an affordable property.

Security Features

SECURITY AMENITIES												
Subject	Jobbers Overall	Timber Ridge	Timber Ridge	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At	Wyndhurst Villas	
Rent Structure	LIHTC/	LIHTC	LIHTC	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	
Crime Index	128	123	81	81	81	116	81	81	104	115	128	91
<b>Security</b>												
In-Unit Alarm	no	no	no	no	no	no	no	yes	no	no	no	no
Intercom (Buzzer)	no	yes	no	no	yes	no	no	no	yes	no	no	no
Intercom (Phone)	no	no	no	no	no	no	no	no	no	no	no	no
Limited Access	no	yes	no	no	yes	no	no	no	yes	no	no	no
Patrol	yes	no	no	no	no	no	no	no	no	no	no	no

The Subject will offer a patrol. Only four of the comparables offer security features, such as an in-unit alarms, intercom system, and limited access. We believe that the security feature will be competitive within the market.

Utility Structure

UTILITIES												
Subject	Jobbers Overall	Timber Ridge	Timber Ridge	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At	Wyndhurst Villas	
Rent Structure	LIHTC/	LIHTC	LIHTC	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	
<b>Utility Structure</b>												
Cooking	no	no	no	no	no	no	no	no	no	no	no	
Water Heat	no	no	no	no	no	no	no	no	no	no	no	
Heat	no	no	no	no	no	no	no	no	no	no	no	
Other Electric	no	no	no	no	no	no	no	no	no	no	no	
Water	no	yes	no	no	no	no	no	yes	no	no	no	
Sewer	no	yes	no	no	no	no	no	no	no	no	no	
Trash	yes	yes	yes	yes	yes	no	yes	no	yes	yes	no	yes

The tenant is responsible for electric cooking, heating, hot water, and general electric expenses, as well as cold water and sewer expenses. The landlord is responsible for trash expenses and common area amenities. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from Virginia Housing, effective July 1, 2022.



**Parking**

**PARKING AMENITIES**

	Subject	Jobbers Overall	Timber Ridge	Timber Ridge	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At	Wyndhurst Villas
<b>Rent Structure</b>	LIHTC/	LIHTC	LIHTC	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	Market
<b>Tenancy</b>	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
<b>Walk Score</b>	9	54	47	44	51	6	51	32	26	14	6	59
<b>Parking</b>												
<b>Carport</b>	no	no	yes	yes	no	no	no	no	no	no	no	no
<b>Carport Fee</b>	n/a	\$0	\$20	\$20	\$0	n/a	\$0	\$0	n/a	\$0	\$0	\$0
<b>Garage</b>	no	no	yes	yes	yes	no	yes	yes	no	no	no	yes
<b>Garage Fee</b>	n/a	\$0	\$50	\$50	\$135	n/a	\$150	\$125	\$0	\$0	\$0	\$70
<b>Off-Street Parking</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Off-Street Fee</b>	n/a	\$0	\$0	\$0	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0

The Subject will offer a total of 120 parking spaces, which will equate to a parking ratio of 1.50 spaces per unit. Overall, the parking offered at the Subject is reasonable. Overall, the parking offered at the Subject is competitive, particularly given the proximity to public transportation. All of the comparable properties offer free off-street parking, similar to the Subject. The comparable properties were unable to provide specific parking ratios; however, most properties estimated that they offer between one and two spaces per unit. In addition, Timber Ridge I and II offers carport parking for \$20 per month and garage parking for \$50 per month. Four more comparables offer garage parking for fees ranging from \$70 to \$150 per month. The Subject will be considered similar to slightly inferior all of the comparables in terms of parking.

**MARKET CHARACTERISTICS**

Following are relevant market characteristics for the comparable properties surveyed.

**Turnover**

The following table details turnover rates at comparable properties.

<b>TURNOVER</b>			
<b>Property Name</b>	<b>Rent Structure</b>	<b>Tenancy</b>	<b>Annual Turnover</b>
Jobbers Overall Apartments	LIHTC	Family	11%
Timber Ridge Apartments I	LIHTC	Family	20%
Timber Ridge Apartments II	LIHTC	Family	20%
Vistas At Dreaming Creek	LIHTC/ Market	Family	31%
Eleven 25	Market	Family	18%
Grand Vistas Apartments	Market	Family	35%
Legacy At Linden Park	Market	Family	35%
Logans Landing	Market	Family	46%
Mill's Crossing	Market	Family	N/A
The Overlook At Stonemill	Market	Family	40%
Wyndhurst Villas	Market	Family	N/A
<b>Average Turnover</b>			<b>28%</b>

\*Located outside of the PMA

Turnover rates in the market range from 11 to 46 percent, with an average of 28 percent. The LIHTC properties averaged 21 percent turnover and the market rate properties averaged 35 percent turnover annually. Overall, we expect that the Subject will experience a turnover rate of 30 percent or less.

## Vacancy Levels

The following table illustrates vacancy rates at the comparable properties.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Jobbers Overall Apartments	LIHTC	Family	44	0	0.0%
Timber Ridge Apartments I	LIHTC	Family	96	3	3.1%
Timber Ridge Apartments II	LIHTC	Family	72	1	1.4%
Vistas At Dreaming Creek	LIHTC/ Market	Family	176	2	1.1%
Eleven 25	Market	Family	228	0	0.0%
Grand Vistas Apartments	Market	Family	104	2	1.9%
Legacy At Linden Park	Market	Family	408	3	0.7%
Logans Landing	Market	Family	173	0	0.0%
Mill's Crossing	Market	Family	144	9	6.2%
The Overlook At Stonemill	Market	Family	216	5	2.3%
Wyndhurst Villas	Market	Family	150	2	1.3%
<b>Total LIHTC</b>			<b>388</b>	<b>6</b>	<b>1.5%</b>
<b>Total Market Rate</b>			<b>1,423</b>	<b>21</b>	<b>1.5%</b>
<b>Overall Total</b>			<b>1,811</b>	<b>27</b>	<b>1.5%</b>

\*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 6.2 percent, with an average of 1.5 percent. The average vacancy rate reported by the affordable comparables was 1.5 percent, while the average vacancy rate reported by the market rate comparables was 1.5 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate at a vacancy rate of 5.0 percent or less.

VACANCY BY BEDROOM TYPE						
Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Jobbers Overall Apartments	LIHTC	Family	-	0.0%	0.0%	0.0%
Timber Ridge Apartments I	LIHTC	Family	0.0%	3.3%	4.2%	3.1%
Timber Ridge Apartments II	LIHTC	Family	0.0%	2.4%	0.0%	1.4%
Vistas At Dreaming Creek	LIHTC/ Market	Family	0.0%	0.7%	6.3%	1.1%
Eleven 25	Market	Family	-	-	-	0.0%
Grand Vistas Apartments	Market	Family	9.1%	0.0%	0.0%	1.9%
Legacy At Linden Park	Market	Family	1.5%	0.0%	1.4%	0.7%
Logans Landing	Market	Family	-	-	-	0.0%
Mill's Crossing	Market	Family	-	-	-	6.2%
The Overlook At Stonemill	Market	Family	3.7%	2.0%	2.4%	2.3%
Wyndhurst Villas	Market	Family	-	1.8%	0.0%	1.3%

\*Located outside of the PMA

The Subject will consist of one, two, and three-bedroom units. Three comparables were unable to provide vacancy by bedroom type. Among the remaining comparables, vacancy rates in the market for one-bedroom units range from zero to 9.7 percent, from zero to 3.3 percent for the two-bedroom units, and from zero to 6.3 percent for the three-bedroom. Further, the average vacancy by bedroom type was 2.4, 1.3, and 1.8 percent for the one, two, and three-bedroom comparable units, respectively. Overall, the vacancy rates in the market are stable. Given the projected household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

**Concessions**

None of the comparable are currently offering concessions. We do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate.

**Waiting Lists**

The following table illustrates the waiting lists reported at the comparable properties.

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Jobbers Overall Apartments	LIHTC	Family	Yes; ten households
Timber Ridge Apartments I	LIHTC	Family	None
Timber Ridge Apartments II	LIHTC	Family	None
Vistas At Dreaming Creek	LIHTC/ Market	Family	None
Eleven 25	Market	Family	None
Grand Vistas Apartments	Market	Family	None
Legacy At Linden Park	Market	Family	Yes; 2BR: 20 individuals
Logans Landing	Market	Family	yes; seven individuals
Mill's Crossing	Market	Family	None
The Overlook At Stonemill	Market	Family	Yes; unknown
Wyndhurst Villas	Market	Family	None

\*Located outside of the PMA

One of the four LIHTC properties maintain waiting lists, while three of the market rate comparables maintains a waiting list. Timber Ridge Apartments I and II are fully occupied, and the contact reported that the property receives a high number of daily inquiries. The property deliberately does not maintain a waiting list, though the contact noted that keeping a waiting list would be feasible. We anticipate that the Subject could maintain a waiting list to facilitate leasing upon turnover.

**Absorption**

Only one of the comparable properties, Eleven 25, was able to report recent absorption data. For support, we have listed recent absorption data for other properties in the Subject's general broader market as follows.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Eleven 25	Market	Family	2018	160	20
Carlton Views	LIHTC	Family	2017	54	18
Treesdale Apartments	LIHTC	Family	2012	88	11

\*Comparable property; the property will add an additional 40 units, which are not included in the total unit count

The properties leased-up at rates ranging from 11 to 20 units per month, with an average of 16 units per month. Note that Eleven 25 staggered the opening of its units by building, which each contain 20 units. The property has opened and leased eight buildings for a total of 160 units. The contact noted that each building leased in approximately one month, indicating an absorption pace of 20 units per month. Based on the performance of recently-opened properties in the region, we have estimated that the Subject would absorb approximately 15 units per month, for an absorption period of approximately five to six months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

## Rental Rate Increases

The following table illustrates the rent increases at the comparable properties.

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Jobbers Overall Apartments	LIHTC	Family	Increased 7 to 18 percent since 1Q 2022
Timber Ridge Apartments I	LIHTC	Family	Kept at 2021 Maximum
Timber Ridge Apartments II	LIHTC	Family	Kept at 2021 Maximum
Vistas At Dreaming Creek	LIHTC/ Market	Family	LIHTC: Kept at 2022 maximum M: Inc. 7 to 14%
Eleven 25	Market	Family	Increased 5 to 13% since 1Q 2022
Grand Vistas Apartments	Market	Family	Increased two to three percent
Legacy At Linden Park	Market	Family	Changes daily
Logans Landing	Market	Family	N/A
Mill's Crossing	Market	Family	Increased 10 to 15 percent
The Overlook At Stonemill	Market	Family	Increased 9 to 17% since 1Q 2022
Wyndhurst Villas	Market	Family	Increased 14 to 15 percent since 1Q 2022

\*Located outside of the PMA

One of the LIHTC comparables reported achieving rents at the 2022 maximum allowable levels, while two reported keeping rents at the 2021 maximum allowable levels. One LIHTC comparable reported rent increases, of seven to 18 percent for their LIHTC units. The market rate properties reported a mix of rent growth over the past year. We believe that slight to moderate annual rent growth within the allowable limits will be achievable.

### Reasonability of Rents

The table below illustrates the Subject’s rents and unit mix.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2023 HUD Fair Market Rents
@30%							
1BR / 1BA	703	2	\$328	\$115	\$443	\$444	\$819
2BR / 2BA	948	4	\$385	\$147	\$532	\$533	\$930
3BR / 2BA	1,177	2	\$443	\$172	\$615	\$615	\$1,264
@40% (Section 8)							
1BR / 1BA	703	2	\$476	\$115	\$591	\$592	\$819
2BR / 2BA	948	4	\$563	\$147	\$710	\$711	\$930
3BR / 2BA	1,177	2	\$648	\$172	\$820	\$821	\$1,264
@50%							
1BR / 1BA	703	5	\$624	\$115	\$739	\$740	\$819
2BR / 2BA	948	14	\$740	\$147	\$887	\$888	\$930
3BR / 2BA	1,177	5	\$853	\$172	\$1,025	\$1,026	\$1,264
@60%							
1BR / 1BA	703	7	\$772	\$115	\$887	\$888	\$819
2BR / 1BA	948	26	\$918	\$147	\$1,065	\$1,066	\$930
3BR / 2BA	1,177	7	\$1,058	\$172	\$1,230	\$1,231	\$1,264
		<b>80</b>					

Notes (1) Source of Utility Allowance provided by the Developer.

### Comparable LIHTC Rents

The following tables compare the Subject’s and the comparable properties’ rents. For the purposes of this market study, “Base Rents” are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. “Net rents” are rents adjusted for the cost of utilities (adjusted to the Subject’s convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an “apples-to-apples” comparison of rents. Additionally, it is important to note that we compared to concessured rent levels at the comparable properties. Note that some of the comparable property’s LIHTC rents appear to be above the maximum levels; however, these are the result of differing utility allowances at the comparables. The Subject will offer eight units with Project-Based Voucher subsidies. Were the Subject to lose its subsidy, these units would be restricted to 40 percent of AMI rents.

### 30% AMI

#### LIHTC RENT COMPARISON @30%

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Millers Rest III	Lynchburg	Family	\$328	\$385	\$442	Yes
LIHTC Maximum Rent (Net)	Lynchburg		\$329	\$386	\$443	
Achievable LIHTC Rent	Lynchburg	Family	\$328	\$385	\$442	

The Subject’s proposed rents at 30 percent of the AMI are slightly below the 2022 maximum allowable levels. Following construction, the Subject will be in excellent condition. None of the comparable properties offer units at 30 percent of the AMI. However, 30 percent AMI rents are among the lowest in the market and offer a

substantial discount relative to market rents. Therefore, we have concluded to achievable 30 percent AMI rents at the maximum allowable levels.

**40% AMI**

**LIHTC RENT COMPARISON @40%**

	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Millers Rest III	Lynchburg	Family	\$476	\$563	\$648	Yes
<b>LIHTC Maximum Rent (Net)</b>	<b>Lynchburg</b>		<b>\$477</b>	<b>\$564</b>	<b>\$649</b>	
Jobbers Overall Apartments	Lynchburg	Family	-	\$585	\$589	No
Timber Ridge Apartments I	Lynchburg	Family	\$467	\$497	\$534	No
Timber Ridge Apartments II	Lynchburg	Family	\$467	\$497	\$554	No
<b>Average</b>			<b>\$467</b>	<b>\$526</b>	<b>\$559</b>	
<b>Achievable LIHTC Rent</b>	<b>Lynchburg</b>	<b>Family</b>	<b>\$477</b>	<b>\$564</b>	<b>\$649</b>	

**50% AMI**

**LIHTC RENT COMPARISON @50%**

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Millers Rest III	Lynchburg	Family	\$624	\$740	\$853	Yes
<b>LIHTC Maximum Rent (Net)</b>	<b>Lynchburg</b>		<b>\$625</b>	<b>\$741</b>	<b>\$854</b>	
Jobbers Overall Apartments	Lynchburg	Family	-	\$683	\$773	No
Timber Ridge Apartments I	Lynchburg	Family	\$615	\$674	\$739	No
Timber Ridge Apartments II	Lynchburg	Family	\$615	\$554	\$757	No
<b>Average</b>			<b>\$615</b>	<b>\$637</b>	<b>\$756</b>	
<b>Achievable LIHTC Rent</b>	<b>Lynchburg</b>	<b>Family</b>	<b>\$625</b>	<b>\$741</b>	<b>\$854</b>	

**60% AMI**

**LIHTC RENT COMPARISON @60%**

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Millers Rest III	Lynchburg	Family	\$772	\$918	\$1,058	Yes
<b>LIHTC Maximum Rent (Net)</b>	<b>Lynchburg</b>		<b>\$773</b>	<b>\$919</b>	<b>\$1,059</b>	
Vistas At Dreaming Creek	Lynchburg	Family	\$794	\$937	\$1,029	Yes
<b>Average</b>			<b>\$794</b>	<b>\$937</b>	<b>\$1,029</b>	
<b>Achievable LIHTC Rent</b>	<b>Lynchburg</b>	<b>Family</b>	<b>\$773</b>	<b>\$919</b>	<b>\$1,059</b>	

The Subject’s proposed rents at 30, 40, 50, and 60 percent of AMI are set slightly below the 2022 maximum allowable rents. One comparable property, Vistas at Dreaming Creek, reported rents at the 2022 maximum allowable levels. The remaining three comparables, reported rents below the maximum allowable levels for their units at 40 and 50 percent AMI. Management at Jobbers Overall Apartments reported that the property has historically been below the maximum allowable levels. The property incentivizes high occupancy and low turnover, as opposed to achieving high rents. However, the property is fully occupied and keeps a short waiting list, and management stated that higher rents would be achievable. Management at Timber Ridge Apartments I and II reported rents below the maximum allowable levels at 40 and 50 percent of AMI. Rents at the property are set at the 2021 maximum allowable levels. The property typically increases rents once annually at the beginning of each year and previously increased to the 2021 maximum levels at the beginning of 2022. However, the contact could not comment on when the annual rent increase is planned for the current year. Timber Ridge Apartments I and II are between 96.9 and 98.6 percent occupied. The property operates on a first-come, first-served basis, and the contact reported that the property receives a high number of daily



inquiries. Overall, the LIHTC vacancy rate is 1.5 percent, and one of the LIHTC properties reported full occupancy.

The Subject will be the most similar to Vistas at Dreaming Creek, upon completion. Vistas at Dreaming Creek is a 176-unit mixed-income property offering one, two, and three-bedroom garden-style units. The Subject will offer a generally similar design to this property, as well as a similar location. Vistas at Dreaming Creek was built in 2001 and is in good condition, slightly inferior to the Subject upon completion. Additionally, Vistas at Dreaming Creek offers slightly superior in-unit amenities, similar property amenities, and similar unit sizes. Overall, we believe that the Subject will be similar to this property, upon completion.

The Subject will offer washer/dryer hookups, which will be similar to all of the LIHTC comparables and slightly superior to the remaining LIHTC comparable. Generally, the Subject will offer slightly superior to slightly inferior in-unit amenities to the LIHTC comparables. Furthermore, the Subject will offer similar to superior property amenities, as the development will include recreational areas, and a playground, which most comparables do not offer. The Subject will be slightly superior in condition to the LIHTC comparables, which were built or renovated between 2001 and 2012 and exhibit good condition. Furthermore, we maintain that the Subject will be most similar to Vistas at Dreaming Creek, which is currently achieving maximum allowable rents on its 60 percent AMI units. Overall, given the high occupancy rates for affordable properties in the market, we believe the Subject would be able to achieve rents at the maximum allowable levels for its units at 30, 40, 50, and 60 percent of AMI.

**Achievable Market Rents**

The following table compares the Subject’s current rents to comparable market rate developments. Rents have been adjusted for differences in utility structure and concessions if applicable.

**SUBJECT COMPARISON TO MARKET RENTS**

Unit Type	Rent Level	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@30%	\$328	\$899	\$1,159	\$1,024	\$950	65%
1BR / 1BA	@40% (Section 8)	\$476	\$899	\$1,159	\$1,024	\$950	50%
1BR / 1BA	@50%	\$624	\$899	\$1,159	\$1,024	\$950	34%
1BR / 1BA	@60%	\$772	\$899	\$1,159	\$1,024	\$950	19%
2BR / 2BA	@30%	\$385	\$1,075	\$1,389	\$1,246	\$1,200	68%
2BR / 2BA	@40% (Section 8)	\$563	\$1,075	\$1,389	\$1,246	\$1,200	53%
2BR / 2BA	@50%	\$740	\$1,075	\$1,389	\$1,246	\$1,200	38%
2BR / 2BA	@60%	\$918	\$1,075	\$1,389	\$1,246	\$1,200	24%
3BR / 2BA	@30%	\$442	\$1,150	\$1,699	\$1,441	\$1,450	70%
3BR / 2BA	@40% (Section 8)	\$648	\$1,150	\$1,699	\$1,441	\$1,450	55%
3BR / 2BA	@50%	\$853	\$1,150	\$1,699	\$1,441	\$1,450	41%
3BR / 2BA	@60%	\$1,058	\$1,150	\$1,699	\$1,441	\$1,450	27%

The comparable market properties will be similar to superior to the proposed Subject, upon completion. The location of the Subject will be similar to the market rate comparable properties, and the condition of the Subject will be generally similar to superior to the market rate comparables. The Subject will offer generally inferior in-unit amenities, as it will not include in-unit washers and dryers or garbage disposals, and similar to inferior community amenities package in comparison to the market rate comparable properties. The Subject will offer competitive security features. The Subject’s two and three-bedroom unit sizes will be smaller than the average unit size; the one-bedroom unit sizes will be below the range of the comparable unit sizes, though we believe they will still be marketable. Overall, the Subject will be most similar to the Mill’s Crossing and Legacy at Linden Park.

**Mill's Crossing** offers one and two-bedroom market rate units. Management reported that the property was 93.8 percent occupied. The comparable, which was constructed in 2018, exhibits excellent condition and will be similar to the Subject's anticipated condition following construction. Mill's Crossing is located approximately 0.3 miles from the Subject in a similar location. The unit amenities at Mill's Crossing are slightly superior to the Subject, while the community amenities are slightly inferior. Mill's Crossing offers a garden-style, walk-up design, similar to the Subject's design. Additionally, the Subject's unit sizes will be slightly inferior to the units at the Mill's Crossing. Overall, relative to the Subject, the Mill's Crossing will be similar, and, therefore, we believe the Subject could achieve market rents similar to this comparable, as an unrestricted property.

**Legacy at Linden Park** offers one, two, and three-bedroom market rate units. Management reported that the property was 99.3 percent occupied. The comparable was constructed in 2008 and exhibits good condition, which will be slightly inferior to the Subject's anticipated condition following construction. Legacy at Linden Park is located approximately 1.3 miles from the Subject in a slightly superior location. In terms of amenities, the comparable will offer slightly superior unit amenities and similar community amenities. Legacy at Linden Park's garden-style, walk-up design will be similar to the Subject's design. The comparables' unit sizes will be slightly superior to superior to those of the Subject. Overall, we believe the Subject could achieve rents similar to this comparable as an unrestricted property.

The following tables compare the Subject's rents (Novoco achievable LIHTC rents) with the rents achieved at the Mill's Crossing and Legacy at Linden Park.

**SUBJECT COMPARISON TO MILL'S CROSSING**

Unit Type	Rent Level	Subject Pro Forma Rent	Square Feet	Subject RPSF	Mill's Crossing Rent	Square Feet	Mill's Crossing RPSF	Subject Rent Advantage
1BR / 1BA	@30%	\$328	703	\$0.47	\$899	755	\$1.19	64%
1BR / 1BA	@40% (Section 8)	\$476	703	\$0.68	\$899	755	\$1.19	47%
1BR / 1BA	@50%	\$624	703	\$0.89	\$899	755	\$1.19	31%
1BR / 1BA	@60%	\$772	703	\$1.10	\$899	755	\$1.19	14%
2BR / 2BA	@30%	\$385	948	\$0.41	\$1,149	1,109	\$1.04	66%
2BR / 2BA	@40% (Section 8)	\$563	948	\$0.59	\$1,149	1,109	\$1.04	51%
2BR / 2BA	@50%	\$740	948	\$0.78	\$1,149	1,109	\$1.04	36%
2BR / 2BA	@60%	\$918	948	\$0.97	\$1,149	1,109	\$1.04	20%

**SUBJECT COMPARISON TO LEGACY AT LINDEN PARK**

Unit Type	Rent Level	Subject Pro Forma Rent	Square Feet	Subject RPSF	Legacy At Linden Park Rent	Square Feet	Legacy At Linden Park RPSF	Subject Rent Advantage
1BR / 1BA	@30%	\$328	703	\$0.47	\$954	826	\$1.15	66%
1BR / 1BA	@40% (Section 8)	\$476	703	\$0.68	\$954	826	\$1.15	50%
1BR / 1BA	@50%	\$624	703	\$0.89	\$954	826	\$1.15	35%
1BR / 1BA	@60%	\$772	703	\$1.10	\$954	826	\$1.15	19%
2BR / 2BA	@30%	\$385	948	\$0.41	\$1,219	1,022	\$1.19	68%
2BR / 2BA	@40% (Section 8)	\$563	948	\$0.59	\$1,219	1,022	\$1.19	54%
2BR / 2BA	@50%	\$740	948	\$0.78	\$1,219	1,022	\$1.19	39%
2BR / 2BA	@60%	\$918	948	\$0.97	\$1,219	1,022	\$1.19	25%
3BR / 2BA	@30%	\$442	1,177	\$0.38	\$1,684	1,317	\$1.28	74%
3BR / 2BA	@40% (Section 8)	\$648	1,177	\$0.55	\$1,684	1,317	\$1.28	62%
3BR / 2BA	@50%	\$853	1,177	\$0.72	\$1,684	1,317	\$1.28	49%
3BR / 2BA	@60%	\$1,058	1,177	\$0.90	\$1,684	1,317	\$1.28	37%

The average market rate vacancy rate is 1.5 percent, which indicates a stable market. We have placed the Subject's achievable market rents slightly below the surveyed average rent in the market for the one, two and

three-bedroom units, and within the range of the comparable properties. The Subject's achievable market rate rent per square foot is similar to those of the market rate comparable properties. The Subject's achievable LIHTC rents at 30, 40, 50, and 60 percent of AMI represent advantages of 19 to 69 percent over the achievable market rents for the Subject's one, two, and three-bedroom units. The following table displays the concluded achievable market rents at the Subject.

**SUBJECT ACHIEVABLE MARKET RENTS**

Unit Type	Subject Achievable Market Rent	Square Feet	Subject Achievable RPSF
1BR / 1BA	\$950	703	\$1.35
2BR / 2BA	\$1,200	948	\$1.27
3 BR / 3BA	\$1,450	1168	\$1.24

**Summary Evaluation**

The Subject will be well-positioned in the market. As a newly constructed property, the Subject will be in generally similar to superior condition to the comparable properties. Vacancy rates among the LIHTC properties range from zero to 3.1 percent, with an average of 2.5 percent. Additionally, one of the LIHTC comparables reported no vacancies. Vacancy at the Subject is expected to be no more than five percent over the long term. Based on the comparable data, rental rates at the maximum allowable levels are achievable. Overall, the Subject will be well-accepted in the market as a LIHTC property.

**Impact on Existing Housing Stock**

All the data combined with interviews of real estate professionals demonstrate a continuing need for affordable housing over the foreseeable term. The comparables surveyed include a total of 1,811 units at 11 properties. The affordable properties in the area reported occupancy rates of 96.9 percent or higher, with one property reporting no vacancies. One of the LIHTC comparables reported maintaining waiting lists on their LIHTC units. Management at Timber Ridge I and II reported that the property receives a high number of daily inquiries. Further, the property deliberately does not maintain a waiting list, though the contact noted that keeping a waiting list would be feasible. Finally, the strong occupancy rates at the majority of the market rate projects in the PMA are evidence of a stable rental market and strong demand.

Our demand calculations illustrate a need for affordable housing in the area when we consider the Subject's achievable LIHTC rents. The existing and planned apartment developments will not hinder each other's ability to maintain high occupancy. Additionally, the construction of the property through the LIHTC program will have a positive impact on the surrounding neighborhood, and will not adversely affect the existing housing located in the PMA.

# **I. AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES AND PENETRATION RATES**

## AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES, AND PENETRATION RATES

### Introduction

When evaluating demand for a particular proposed development we rely primarily on two methods. These are a supply analysis and a demand analysis. The supply analysis focuses on satisfied demand and anecdotal reports from property managers and market participants regarding demand. We believe this evidence of demand is the most clear and reliable when measuring housing need in a market area. We explored that indication in the previous sections of this report.

This section focuses on analyzing demographic data to determine housing need. According to NCHMA model content standards there are two measurements used to evaluate demand based on the demographic data. The first measurement is termed the capture rate. NCHMA define Capture Rate as: “The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to fill the units. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area.”

The second measurement is the Penetration Rate, which has similarities to the capture rate. NCHMA defines Penetration Rate as “The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed within six months of the Subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*.”

### Capture Rate Determination

The following analysis will take the reader through a multi-step process in determining an appropriate capture rate for the Subject. Our analysis takes the entire population and distributes it by the following characteristics:

- 1) PMA Demography
- 2) Income Qualified
- 3) Renter Households
- 4) Unit Size Appropriate

The following text will examine each step through the process.

#### Step One – PMA Demography

### Primary Market Area Defined

For the purposes of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood-oriented” and are generally very reluctant to move from the area in which they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below-market rents. A certain percent of the Subject’s tenants are expected to hail from the PMA; demand estimates will be adjusted to reflect the potential for “leakage.”

The Subject property is located in Lynchburg, Virginia. The PMA is generally defined as the City of Lynchburg. The PMA boundaries are: Interstate 64, Interstate 564, and Terminal Boulevard to the north; Interstate 64 to the east; Interstate 264 to the south; and the Elizabeth River to the west. The PMA was determined based on input from area property managers.

## Demographic Information

The basic demographic information is based upon the definition of a primary market area (“PMA”) and an estimate of the characteristics of the people living within that geographic definition.

Demographic data originates from the Census and is compiled by a third-party data provider. Novogradac uses data provided by the ESRI Business Analyst. Business Analyst brings in data as produced by ESRI’s team of demographers. Sources include the US Census, American Community Survey, and other reputable sources. Housing characteristics are derived from several data sources, including construction data from Hanley Wood Market Intelligence, building permits from counties, the USPS, HUD, BLS, and the Census bureau. Owner and renter occupied units come from the Current Population Survey (BLS) and the Housing Vacancy Survey (Census). Data has been ground-truthed by ESRI staff and proven effective.

ESRI’s products have been used by almost all US federal agencies (including HUD and USDA) , top state level agencies, over 24,000 state and local governments worldwide, as well as many industry leading technology users—AT&T, Citrix, SAP, Oracle, Microsoft. ESRI produces timely updates based on new releases of data.

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who have reached the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data that includes only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

### Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	City of Lynchburg, VA
AMI for four-person household:	\$78,900
Tenancy (Family vs Senior):	Family
Affordability percentage:	35 percent
Leakage:	10 percent

To establish the number of income-eligible potential tenants for the Subject, the calculations are as follows:

First, we estimate the Subject’s minimum and maximum income levels (income bands) for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. This provides the upper end of the income band as illustrated below. However, the minimum income is not established by HUD and must be estimated. Often, lower-income families pay a higher percentage of gross income toward housing costs. The industry standard is 35 percent for LIHTC-only calculations for family-oriented properties. For senior properties this number increases to 40 percent based upon the nature of senior household economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the application percentage to determine an income level. For example, if a property has a one-bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent. *It should be noted that eight of the Subject’s units will operate with Project-Based Vouchers (PBV).*



**FAMILY INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40% (Section 8)		@50%		@60%	
1BR	\$15,223	\$18,960	\$0	\$25,280	\$25,371	\$31,600	\$30,446	\$37,920
2BR	\$18,274	\$21,330	\$0	\$28,440	\$30,446	\$35,550	\$36,549	\$42,660
3BR	\$21,086	\$25,590	\$0	\$34,120	\$35,177	\$42,650	\$42,206	\$51,180

**FAMILY INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$15,223	\$18,960	\$20,297	\$25,280	\$25,371	\$31,600	\$30,446	\$37,920
2BR	\$18,274	\$21,330	\$24,377	\$28,440	\$30,446	\$35,550	\$36,549	\$42,660
3BR	\$21,086	\$25,590	\$28,149	\$34,120	\$35,177	\$42,650	\$42,206	\$51,180

Second, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject property. This income distribution was illustrated previously in the demographic analysis section of this report.

**RENTER HOUSEHOLD INCOME**

Income Cohort	PMA					
	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,539	12.4%	2,390	11.6%	-30	-1.2%
\$10,000-19,999	3,238	15.8%	3,002	14.5%	-47	-1.5%
\$20,000-29,999	3,073	15.0%	2,889	14.0%	-37	-1.2%
\$30,000-39,999	2,823	13.7%	2,623	12.7%	-40	-1.4%
\$40,000-49,999	2,191	10.7%	2,300	11.1%	22	1.0%
\$50,000-59,999	1,415	6.9%	1,439	7.0%	5	0.3%
\$60,000-74,999	1,396	6.8%	1,486	7.2%	18	1.3%
\$75,000-99,999	2,018	9.8%	2,131	10.3%	23	1.1%
\$100,000-	747	3.6%	921	4.5%	35	4.7%
\$125,000-	337	1.6%	466	2.3%	26	7.7%
\$150,000-	362	1.8%	447	2.2%	17	4.7%
\$200,000+	416	2.0%	547	2.7%	26	6.3%
<b>Total</b>	<b>20,555</b>	<b>100.0%</b>	<b>20,641</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, February 2023

Step Three – Income Distribution

Third, we combine the allowable income bands with the income distribution analysis in order to determine the number of potential income-qualified households. The Cohort Overlap is defined as the income amount within income bands defined above that falls within the ESRI provided Income Cohort. The % in Cohort is simply the cohort overlap divided by the income cohort range (generally \$10,000). The # in Cohort is determined by multiplying total renter households by the % in Cohort determination. In some cases, the income-eligible band overlaps with more than one income cohort. In those cases, the cohort overlap for more than one income

cohort will be calculated. The sum of these calculations provides an estimate of the total number of households that are income-eligible, both by AMI level and in total.

FAMILY INCOME DISTRIBUTION 2022 - AS PROPOSED

Income Cohort	Total Renter Households	@30%			@40% (Section 8)			@50%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	2,539				9,999	100.0%	2,539						9,999	100.0%	2,539	
\$10,000-19,999	3,238	4,776	47.8%	1,547	9,999	100.0%	3,238						9,999	100.0%	3,238	
\$20,000-29,999	3,073	5,591	55.9%	1,718	9,999	100.0%	3,073	4,628	46.3%	1,422			9,999	100.0%	3,073	
\$30,000-39,999	2,823				4,121	41.2%	1,163	9,999	100.0%	2,823	9,553	95.5%	2,697	9,999	100.0%	2,823
\$40,000-49,999	2,191							2,651	26.5%	581	9,999	100.0%	2,191	9,999	100.0%	2,191
\$50,000-59,999	1,415										1,181	11.8%	167	1,181	11.8%	167
\$60,000-74,999	1,396															
\$75,000-99,999	2,018															
\$100,000-124,999	747															
\$125,000-149,999	337															
\$150,000-199,999	362															
\$200,000+	416															
<b>Total</b>	<b>20,555</b>		<b>15.9%</b>	<b>3,265</b>		<b>48.7%</b>	<b>10,013</b>		<b>23.5%</b>	<b>4,826</b>		<b>24.6%</b>	<b>5,055</b>		<b>68.3%</b>	<b>14,031</b>

FAMILY INCOME DISTRIBUTION 2022 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@30%			@40%			@50%			@60%			All Units			
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	
\$0-9,999	2,539																
\$10,000-19,999	3,238	4,776	47.8%	1,547											4,776	47.8%	1,547
\$20,000-29,999	3,073	5,591	55.9%	1,718	9,701	97.0%	2,981	4,628	46.3%	1,422				9,999	100.0%	3,073	
\$30,000-39,999	2,823				4,121	41.2%	1,163	9,999	100.0%	2,823	9,553	95.5%	2,697	9,999	100.0%	2,823	
\$40,000-49,999	2,191							2,651	26.5%	581	9,999	100.0%	2,191	9,999	100.0%	2,191	
\$50,000-59,999	1,415										1,181	11.8%	167	1,181	11.8%	167	
\$60,000-74,999	1,396																
\$75,000-99,999	2,018																
\$100,000-124,999	747																
\$125,000-149,999	337																
\$150,000-199,999	362																
\$200,000+	416																
<b>Total</b>	<b>20,555</b>		<b>15.9%</b>	<b>3,265</b>		<b>20.2%</b>	<b>4,145</b>		<b>23.5%</b>	<b>4,826</b>		<b>24.6%</b>	<b>5,055</b>		<b>47.7%</b>	<b>9,801</b>	

Step Four – Income Eligible - Renter Households by Number of People in Household

At this point we know how many income eligible renter households there are within the PMA by AMI level. Using that household figure, we have also calculated percentage of income eligible households to total households by AMI level (AMI percentage eligible). However, in order to provide a demand analysis by bedroom type the number of households must now be allocated to a bedroom mix. The first step in that process is to determine the number of income qualified renter households by the number of persons per household. This can be completed by applying the total number of rental households by person by the AMI percentage eligible. The total number of renter households by person is information provided by ESRI and illustrated in the demographic discussion.

Step Five – Unit Size Appropriate

Household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. Additionally, HUD assumes that one-person households are accommodated in one-bedroom units. For LIHTC income purposes, the actual size of the household is used.

The distribution of households by unit type is dependent on the following assumptions. This table has been developed by Novogradac as a result of market research.

HOUSEHOLD DISTRIBUTION		
<b>1 BR</b>	90%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
<b>2 BR</b>	10%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	60%	Of three-person households in 2BR units
	30%	Of four-person households in 2BR units
<b>3 BR</b>	40%	Of three-person households in 3BR units
	40%	Of four-person households in 3BR units
	50%	Of five-person households in 3BR units

The projected renter household demand by bedroom size can then be determined by applying these weightings to the number of income qualified renter households determined in Step Four.

Step Six – Capture Rate by Bedroom Mix

The capture rate is simply determined by dividing the number of units by unit type for the subject by the total number of qualified renter households for that unit type. This calculation is then adjusted for leakage to arrive at a final determination of capture rate by bedroom type and AMI level.

**CAPTURE RATE ANALYSIS BY UNIT TYPE**

In order to determine demand for the proposed market mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for all AMI levels.

**30% AMI Demand – As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,945
2 persons	25.7%	5,277
3 persons	14.4%	2,965
4 persons	8.6%	1,778
5+ persons	7.7%	1,590
<b>Total</b>	<b>100.0%</b>	<b>20,555</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,945	x	15.9%	1,421
2 persons	5,277	x	15.9%	838
3 persons	2,965	x	15.9%	471
4 persons	1,778	x	15.9%	282
5+ persons	1,590	x	15.9%	253
<b>Total</b>	<b>20,555</b>			<b>3,265</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,446
2BR	1,180
3BR	428
<b>Total</b>	<b>3,054</b>

*Capture Rate Analysis - @30% - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	2	0.14%
2BR	4	0.34%
3BR	2	0.47%
<b>Total/Overall</b>	<b>8</b>	<b>0.26%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	2	0.12%
2BR	4	0.31%
3BR	2	0.42%
<b>Total/Overall</b>	<b>8</b>	<b>0.24%</b>

**40% AMI Demand – As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,945
2 persons	25.7%	5,277
3 persons	14.4%	2,965
4 persons	8.6%	1,778
5+ persons	7.7%	1,590
<b>Total</b>	<b>100.0%</b>	<b>20,555</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,945	x	48.7%	4,358
2 persons	5,277	x	48.7%	2,571
3 persons	2,965	x	48.7%	1,444
4 persons	1,778	x	48.7%	866
5+ persons	1,590	x	48.7%	775
<b>Total</b>	<b>20,555</b>			<b>10,013</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	4,436
2BR	3,619
3BR	1,312
<b>Total</b>	<b>9,366</b>

*Capture Rate Analysis - @40% (Section 8) - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	2	0.05%
2BR	4	0.11%
3BR	2	0.15%
<b>Total/Overall</b>	<b>8</b>	<b>0.09%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	2	0.04%
2BR	4	0.10%
3BR	2	0.14%
<b>Total/Overall</b>	<b>8</b>	<b>0.08%</b>

**50% AMI Demand – As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,945
2 persons	25.7%	5,277
3 persons	14.4%	2,965
4 persons	8.6%	1,778
5+ persons	7.7%	1,590
<b>Total</b>	<b>100.0%</b>	<b>20,555</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,945	x	23.5%	2,100
2 persons	5,277	x	23.5%	1,239
3 persons	2,965	x	23.5%	696
4 persons	1,778	x	23.5%	417
5+ persons	1,590	x	23.5%	373
<b>Total</b>	<b>20,555</b>			<b>4,826</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	2,138
2BR	1,744
3BR	632
<b>Total</b>	<b>4,514</b>

*Capture Rate Analysis - @50% - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	5	0.23%
2BR	14	0.80%
3BR	5	0.79%
<b>Total/Overall</b>	<b>24</b>	<b>0.53%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	5	0.21%
2BR	14	0.72%
3BR	5	0.71%
<b>Total/Overall</b>	<b>24</b>	<b>0.48%</b>



**60% AMI Demand - As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,945
2 persons	25.7%	5,277
3 persons	14.4%	2,965
4 persons	8.6%	1,778
5+ persons	7.7%	1,590
<b>Total</b>	<b>100.0%</b>	<b>20,555</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,945	x	24.6%	2,200
2 persons	5,277	x	24.6%	1,298
3 persons	2,965	x	24.6%	729
4 persons	1,778	x	24.6%	437
5+ persons	1,590	x	24.6%	391
<b>Total</b>	<b>20,555</b>			<b>5,055</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	2,239
2BR	1,827
3BR	662
<b>Total</b>	<b>4,729</b>

*Capture Rate Analysis - @60% - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	7	0.31%
2BR	26	1.42%
3BR	7	1.06%
<b>Total/Overall</b>	<b>40</b>	<b>0.85%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	7	0.28%
2BR	26	1.28%
3BR	7	0.95%
<b>Total/Overall</b>	<b>40</b>	<b>0.76%</b>

All Unit Demand - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,945
2 persons	25.7%	5,277
3 persons	14.4%	2,965
4 persons	8.6%	1,778
5+ persons	7.7%	1,590
<b>Total</b>	<b>100.0%</b>	<b>20,555</b>

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,945	x	68.3%	6,106
2 persons	5,277	x	68.3%	3,602
3 persons	2,965	x	68.3%	2,024
4 persons	1,778	x	68.3%	1,214
5+ persons	1,590	x	68.3%	1,085
<b>Total</b>	<b>20,555</b>			<b>14,031</b>

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	6,216
2BR	5,071
3BR	1,838
<b>Total</b>	<b>13,124</b>

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	16	0.26%
2BR	48	0.95%
3BR	16	0.87%
<b>Total/Overall</b>	<b>80</b>	<b>0.61%</b>

Adjusted for Leakage from Outside of the PMA

10%

1BR	16	0.23%
2BR	48	0.85%
3BR	16	0.78%
<b>Total/Overall</b>	<b>80</b>	<b>0.55%</b>

**40% AMI Demand– Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,945
2 persons	25.7%	5,277
3 persons	14.4%	2,965
4 persons	8.6%	1,778
5+ persons	7.7%	1,590
<b>Total</b>	<b>100.0%</b>	<b>20,555</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,945	x	20.2%	1,804
2 persons	5,277	x	20.2%	1,064
3 persons	2,965	x	20.2%	598
4 persons	1,778	x	20.2%	359
5+ persons	1,590	x	20.2%	321
<b>Total</b>	<b>20,555</b>			<b>4,145</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,836
2BR	1,498
3BR	543
<b>Total</b>	<b>3,877</b>

*Capture Rate Analysis - @40% Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	2	0.11%
2BR	4	0.27%
3BR	2	0.37%
<b>Total/Overall</b>	<b>8</b>	<b>0.21%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	2	0.10%
2BR	4	0.24%
3BR	2	0.33%
<b>Total/Overall</b>	<b>8</b>	<b>0.19%</b>

**All Unit Demand – Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,945
2 persons	25.7%	5,277
3 persons	14.4%	2,965
4 persons	8.6%	1,778
5+ persons	7.7%	1,590
<b>Total</b>	<b>100.0%</b>	<b>20,555</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,945	x	47.7%	4,265
2 persons	5,277	x	47.7%	2,516
3 persons	2,965	x	47.7%	1,414
4 persons	1,778	x	47.7%	848
5+ persons	1,590	x	47.7%	758
<b>Total</b>	<b>20,555</b>			<b>9,801</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	4,342
2BR	3,542
3BR	1,284
<b>Total</b>	<b>9,167</b>

*Capture Rate Analysis - All Units Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	16	0.37%
2BR	48	1.36%
3BR	16	1.25%
<b>Total/Overall</b>	<b>80</b>	<b>0.87%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	16	0.33%
2BR	48	1.22%
3BR	16	1.12%
<b>Total/Overall</b>	<b>80</b>	<b>0.79%</b>

## ANNUAL CAPTURE RATE ANALYSIS

The following calculation derives an estimated market penetration rate based on per annum demand. This is an indication of the percentage of net demand penetration that the Subject must attract in order to reach stabilized occupancy. This measure essentially takes the available household demand searching for apartments in the market area and deducts competition in order to determine net demand available to the Subject. The table below outlines the analysis of this methodology.

The annual demand for rental housing depends upon the following factors:

### Population/Household Change

Population change as a result of new households moving in or out of the area: This was previously calculated, in the estimated population increase from 2022 to 2027. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

### Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted a December 2023 CoStar report and performed an internet search. We also attempted to contact the City of Lynchburg Planning Department regarding the development pipeline in the city. To date, our calls have not been returned. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject's PMA according to CoStar.

#### PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
1300 Campbell Ave	Market	Family	150	0	Proposed	3.3 miles
Logan's Landing II	Market	Family	120	0	Proposed	1.0 miles
Miller's Rest Apartments	LIHTC/Section 8	Family	80	80	Under Construction	0.0 miles
Rosedale Apartments	Market	Family	720	0	Under Construction	1.3 miles
Westyn Village	Market	Family	108	0	Under Construction	5.4 miles
<b>Totals</b>			<b>1,178</b>	<b>80</b>		

Source: CoStar, February 2023

As illustrated, there are five proposed developments in the PMA. However, four of these developments are market rate properties which will not be competitive with the Subject. Further, Miller's Rest Apartments, which was awarded LIHTC funding, is discussed in the next section.

According to the Virginia Housing website, there have been six properties allocated tax credits in the PMA since 2018.

#### RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units As Proposed	Competitive Units Absent Subsidy	Distance to Subject
Florida Terrace	2022	LIHTC/Supportive Housing/Section 8	Family/Disabled	31	27	27	4.2 miles
Miller Rest Apartments II - 4%	2021	LIHTC	Family	75	75	75	0.0 miles
Miller Rest Apartments II-9%	2021	LIHTC/Section 8	Family	40	40	28	0.0 miles
Miller Rest Apartments	2020	LIHTC/Section 8	Family	80	80	72	0.0 miles
Waters at James Crossing	2020	LIHTC/Section 8	Family	288	288	11	4.4 miles
Burton Creek Apartments	2018	LIHTC/Section 8	Family	85	85	0	2.3 miles
				<b>599</b>	<b>595</b>	<b>213</b>	

Source: Virginia Housing, February 2023

- In 2022, tax credits were awarded to Florida Terrace, a proposed new construction 31-unit LIHTC/Supportive Housing/Section 8 development located 4.2 miles northeast of the Subject. Upon

completion, the units will be LIHTC restricted at no more than 60 percent AMI, offering 20 one-bedroom and 11 two-bedroom units, where four units are designated to disabled tenancy. All 27 of the units that do not target a special needs tenancy will be competitive with the Subject's units.

- In 2021, tax credits were awarded to Millers Rest Apartments II-4% for the new construction of a 75-unit LIHTC development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with 75 units at 60 percent of AMI. Note this development represents a portion of the second phase of the Subject development. All of the property's units will be competitive with the Subject's units upon completion.
- In 2021, tax credits were awarded to Millers Rest Apartments II-9% for the new construction of a 40-unit LIHTC/Section 8 development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with four units at 30 percent, four units at 40 percent, 12 units at 50 percent and 20 units at 60 percent of AMI. Additionally, all 12 units will operate with subsidies. Note this development represents a portion of the second phase of the Subject development. Upon completion, 40 units will be competitive as proposed and 28 will be competitive absent subsidy.
- In 2020, tax credits were awarded to Miller's Rest Apartments I for new construction of an 80-unit LIHTC and Section 8 development offering one, two, and three-bedroom units. Upon completion the property will be LIHTC restricted with eight units at 40 percent, 32 units at 50 percent, and 40 units at 60 percent of AMI. Additionally, all eight units at 40 percent of AMI will operate with subsidies. Note that this development represents the first phase of the Subject development. The development is expected to be completed in April 2023. Upon completion, 80 units will be competitive as proposed and 72 will be competitive absent subsidy.
- In 2020, tax credits were awarded to rehabilitate Waters at James Crossing, an existing 288-unit LIHTC/Section 8 property located 4.4 miles northeast of the Subject. The property offers one, two and three-bedroom units restricted at 60 percent of AMI. All of the property's units are competitive with the proposed Subject's units. These units have been accounted for as existing competitive units.
- In 2018, tax credits were awarded to rehabilitate Burton Creek Apartments, an existing 85-unit LIHTC/Section 8 property, located 2.3 miles south of the Subject. The property offers two and three-bedroom units, restricted at 40, 50 and 60 percent of AMI. All of the property's units are competitive with the proposed Subject's units. These units have been accounted for as existing competitive units.

Note that Waters at James Crossing and Burton Creek Apartments are proposed for rehabilitation and will not add to the competitive supply in the market. Therefore, we have accounted for 222 units "As Proposed" and 202 units "Absent Subsidy", in our *Demand Analysis*.



**Annual Demand Table – As Proposed**

<b>ANNUAL DEMAND - AS PROPOSED</b>		
<b>Calculation</b>		<b>PMA</b>
<b>Number of Renter Households in 2022</b>		20,555
<b>Increase in Number of Renter Households</b>		86
<b>Number of Renter Households in 2027</b>		20,641
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		39.8%
Percentage of Income-Qualified Renter Households		68.3%
Number of Income-Qualified Renter Households		14,031
Percentage of Rent-Overburdened		47.0%
<b>Existing Income-Qualified Renter Household Turnover</b>		<b>6,601</b>
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		17
Percentage of Income-Qualified Renter Households		68.3%
<b>New Rental Income Qualified Households</b>		<b>12</b>
<i>Capture Rate Analysis</i>		
Number of Units in Subject		80
Occupied Units at Subject With Vacancy of:	5%	76
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		6,613
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		7,348
Less: Existing LIHTC Projects in Absorption Process (Number of Units)		222
<b>Total Demand after Competition (Turnover and Growth)</b>		<b>7,126</b>
<b>Yielded Annual Capture Rate of Available Demand in 2023</b>		<b>1.1%</b>

The yielded capture rate is approximately 1.1 percent of available demand per annum, for the Subject's units as proposed, which is low and indicative of strong demand.

**Annual Demand Table – Absent Subsidy**

<b>ANNUAL DEMAND - ABSENT SUBSIDY</b>		
<b>Calculation</b>		<b>PMA</b>
Number of Renter Households in 2022		20,555
Increase in Number of Renter Households		86
Number of Renter Households in 2027		20,641
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		39.8%
Percentage of Income-Qualified Renter Households		47.7%
Number of Income-Qualified Renter Households		9,801
Percentage of Rent-Overburdened		47.0%
<b>Existing Income-Qualified Renter Household Turnover</b>		<b>4,611</b>
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		17
Percentage of Income-Qualified Renter Households		47.7%
<b>New Rental Income Qualified Households</b>		<b>8</b>
<i>Capture Rate Analysis</i>		
Number of Units in Subject		80
Occupied Units at Subject With Vacancy of:	5%	76
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		4,619
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		5,133
Less: Existing LIHTC Projects in Absorption Process (Number of Units)		202
<b>Total Demand after Competition (Turnover and Growth)</b>		<b>4,931</b>
<b>Yielded Annual Capture Rate of Available Demand in 2023</b>		<b>1.5%</b>

The yielded capture rate is approximately 1.5 percent of available demand per annum, for the Subject's units absent the subsidy, which is low and indicative of strong demand.

## VIRGINIA HOUSING DEMAND ANALYSIS

We have also included the required demand table from the Virginia Housing market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject site. The supply illustrates all proposed or under construction units in the PMA.

For the following Virginia Housing demand analysis, we have considered all of the Subject's 80 proposed units. We have determined that there are 205 proposed competitive LIHTC units in the PMA, including three vacant units (at 40 and 50 percent of AMI) at the comparable LIHTC properties considered directly competitive with the Subject's LIHTC units.

Regarding sub-standard housing, U.S. Census information was referenced in regard to the general number of housing units lacking complete plumbing facilities in the City of Lynchburg. Of the total occupied housing units in the PMA, approximately 0.2 percent lacked adequate plumbing facilities.

The table below illustrates the resulting capture rates for demand currently proposed in PMA.

VIRGINIA HOUSING DEMAND ANALYSIS					
Income Restrictions	Up to 30% (min. income to max. income)	Up to 40% (min. income to max. income)	Up to 50% (min. income to max. income)	Up to 60% (min. income to max. income)	Project Total (min. income to max. income)
New Rental Households	3	3	4	4	14
+					
Existing Households - Overburdened	1,536	1,950	2,271	2,378	4,611
+					
Existing Households - Substandard Housing	55	70	81	85	164
+					
Senior Households - Likely to Convert to Rental Housing	0	0	0	0	0
+					
Existing Qualifying Tenants - to Remain After Renovation	0	0	0	0	0
<b>Total Demand</b>	<b>1,594</b>	<b>2,023</b>	<b>2,356</b>	<b>2,467</b>	<b>4,789</b>
-					
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	11	13	39	142	205
<b>Net Demand</b>	<b>1,583</b>	<b>2,010</b>	<b>2,317</b>	<b>2,325</b>	<b>4,584</b>
Proposed Units	8	8	24	40	80
<b>Capture Rate</b>	<b>0.5%</b>	<b>0.4%</b>	<b>1.0%</b>	<b>1.7%</b>	<b>1.7%</b>
Absorption Period	1 month	1 month	3-4 months	5-6 months	5-6 months

We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties. Our concluded capture rate and absorption period are shown in the table below.

Project Wide Capture Rate - All Units*	1.7%
Project Wide Absorption Period (Months)	5-6 months

**PENETRATION RATE ANALYSIS**

Per Virginia Housing guidelines, we also performed a penetration rate analysis for the Subject's units as proposed and absent subsidy, as illustrated in the following tables. Note that we have only considered existing one, two, and three-bedroom family units at 30, 40, 50, and 60 percent of AMI as competitive.

<b>PENETRATION RATE - As Proposed</b>	
Number of Proposed Competitive Affordable Units in the PMA	222
	+
Number of Existing Competitive Family Affordable Units in the PMA	1,167
	+
Number of Proposed Affordable Units at the Subject	80
	=
Total	1,469
	/
Income Eligible Households - All AMI Levels	14,031
	=
<b>Overall Penetration Rate</b>	<b>10.5%</b>

<b>PENETRATION RATE - Absent Subsidy</b>	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	202
	+
Number of Existing Competitive Family <i>LIHTC</i> Units in the PMA	485
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	80
	=
Total	767
	/
Income Eligible Households - All AMI Levels	9,801
	=
<b>Overall Penetration Rate</b>	<b>7.8%</b>

The overall penetration rate is derived by taking the number of *LIHTC* units proposed or under construction within the PMA, combined with the number of existing *LIHTC* units, and the number of the Subject's units divided by the number of income eligible households. The following table illustrates the *LIHTC* properties within the PMA that offer similar unit types and AMI levels and are family oriented.

Existing affordable housing projects in the PMA will not be adversely affected by the proposed renovations of the Subject property. A survey of comparable affordable LIHTC rental housing developments in the area demonstrates significant demand for quality rental units.

**EXISTING AFFORDABLE PROPERTIES IN PMA**

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units - As Proposed	Competitive Units - Absent Subsidy
Jobbers Overall Apartments*	LIHTC	Family	44	44	44
Timber Ridge Apartments I*	LIHTC	Family	96	96	96
Timber Ridge Apartments II*	LIHTC	Family	72	72	72
Central City Homes	LIHTC	Family	34	33	33
College Hill Homes	LIHTC	Family	28	22	22
Kemper Lofts	LIHTC	Family	41	41	41
Wesley Apartments	LIHTC	Senior	150	0	0
Jefferson House	LIHTC	Senior	101	0	0
Vistas At Dreaming Creek*	LIHTC/ Market	Family	176	76	76
Waters at James Crossing	LIHTC/ Section 8	Family	288	288	11
The Virginian	LIHTC/ Section 8	Family	100	90	90
College Hill Townhouses	Section 8	Senior	90	0	0
Frank Roane Apts.	Section 8	Family	26	25	0
Hillcrest Elderly	Section 8	Family	103	103	0
Mcgurk House	Section 8	Family	89	89	0
Mill Woods Apts	Section 8	Family	128	128	0
The Meadows	Section 8	Family	66	60	0
<b>Total</b>			<b>1,632</b>	<b>1,167</b>	<b>485</b>

\*Utilized as comparable properties

Only one of the comparable properties, Eleven 25, was able to report recent absorption data. For support, we have listed recent absorption data for other properties in the Subject’s general broader market as follows.

**ABSORPTION**

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Eleven 25	Market	Family	2018	160	20
Carlton Views	LIHTC	Family	2017	54	18
Treesdale Apartments	LIHTC	Family	2012	88	11

\*Comparable property; the property will add an additional 40 units, which are not included in the total unit count

The properties leased-up at rates ranging from 11 to 20 units per month, with an average of 16 units per month. Note that Eleven 25 staggered the opening of its units by building, which each contain 20 units. The property has opened and leased eight buildings for a total of 160 units. The contact noted that each building leased in approximately one month, indicating an absorption pace of 20 units per month. Based on the performance of recently-opened properties in the region, we have estimated that the Subject would absorb approximately 15 units per month, for an absorption period of approximately five to six months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well. Rent conclusions were provided in *Section H*.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject. The proposed rents appear to be achievable, and we do not believe the Subject will need to rely on voucher support or a project-based subsidy in the future.

**J. LOCAL PERSPECTIVES OF  
RENTAL HOUSING MARKET  
AND HOUSING  
ALTERNATIVES**



**INTERVIEWS**

In order to ascertain the need for housing and affordable housing in the Subject’s area, interviews were conducted with various local officials.

**Local Housing Authority Discussion**

We spoke with Ms. Lisa Reynolds of the Lynchburg Redevelopment and Housing Authority, who administers Section 8 Housing Choice Vouchers (HCV) in Lynchburg. Ms. Reynolds informed us that the Housing Authority waiting list was opened in December 2020 but is currently closed. Lynchburg is allocated 900 vouchers, of which 702 are in use. Furthermore, the HCV waiting list is over 400 applications. The payment standards for the Lynchburg Redevelopment and Housing Authority are as follows.

**PAYMENT STANDARDS**

Unit Type	Payment Standard
One-Bedroom	\$819
Two-Bedroom	\$930
Three-Bedroom	\$1,264

Source: Lynchburg Redevelopment & Housing Authority, Oct 1 2022

The payment standards are above the Subject’s proposed gross LIHTC rents, with the exception of the one and two-bedroom rents at 60 percent of AMI. Tenants in these units utilizing HCV may have to pay additional rent out of pocket.

**Planning Discussion**

To determine the amount of competitive new supply entering the market, we consulted a December 2023 CoStar report and performed an internet search. We also attempted to contact the City of Lynchburg Planning Department regarding the development pipeline in the city. To date, our calls have not been returned. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA according to CoStar.

**PLANNED DEVELOPMENT**

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
1300 Campbell Ave	Market	Family	150	0	Proposed	3.3 miles
Logan's Landing II	Market	Family	120	0	Proposed	1.0 miles
Miller's Rest Apartments	LIHTC/Section 8	Family	80	80	Under Construction	0.0 miles
Rosedale Apartments	Market	Family	720	0	Under Construction	1.3 miles
Westyn Village	Market	Family	108	0	Under Construction	5.4 miles
<b>Totals</b>			<b>1,178</b>	<b>80</b>		

Source: CoStar, February 2023

As illustrated, there are five proposed developments in the PMA. However, four of these developments are market rate properties which will not be competitive with the Subject. Further, Miller’s Rest Apartments, which was awarded LIHTC funding, is discussed in the next section.

According to the Virginia Housing website, there have been six properties allocated tax credits in the PMA since 2018.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units As Proposed	Competitive Units Absent Subsidy	Distance to Subject
Florida Terrace	2022	LIHTC/Supportive Housing/Section 8	Family/Disabled	31	27	27	4.2 miles
Miller Rest Apartments II - 4%	2021	LIHTC	Family	75	75	75	0.0 miles
Miller Rest Apartments II-9%	2021	LIHTC/Section 8	Family	40	40	28	0.0 miles
Miller Rest Apartments	2020	LIHTC/Section 8	Family	80	80	72	0.0 miles
Waters at James Crossing	2020	LIHTC/Section 8	Family	288	288	11	4.4 miles
Burton Creek Apartments	2018	LIHTC/Section 8	Family	85	85	0	2.3 miles
				<b>599</b>	<b>595</b>	<b>213</b>	

Source: Virginia Housing, February 2023

- In 2022, tax credits were awarded to Florida Terrace, a proposed new construction 31-unit LIHTC/Supportive Housing/Section 8 development located 4.2 miles northeast of the Subject. Upon completion, the units will be LIHTC restricted at no more than 60 percent AMI, offering 20 one-bedroom and 11 two-bedroom units, where 4 units are designated to disabled tenancy. All 27 of the units that do not target a special needs tenancy will be competitive with the Subject's units.
- In 2021, tax credits were awarded to Millers Rest Apartments II-4% for the new construction of a 75-unit LIHTC development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with 75 units at 60 percent of AMI. Note this development represents a portion of the second phase of the Subject development. All of the property's units will be competitive with the Subject's units upon completion.
- In 2021, tax credits were awarded to Millers Rest Apartments II-9% for the new construction of a 40-unit LIHTC/Section 8 development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with four units at 30 percent, four units at 40 percent, 12 units at 50 percent and 20 units at 60 percent of AMI. Additionally, all 12 units will operate with subsidies. Note this development represents a portion of the second phase of the Subject development. Upon completion, 40 units will be competitive as proposed and 28 will be competitive absent subsidy.
- In 2020, tax credits were awarded to Miller's Rest Apartments I for new construction of an 80-unit LIHTC and Section 8 development offering one, two, and three-bedroom units. Upon completion the property will be LIHTC restricted with eight units at 40 percent, 32 units at 50 percent, and 40 units at 60 percent of AMI. Additionally, all eight units at 40 percent of AMI will operate with subsidies. Note that this development represents the first phase of the Subject development. The development is expected to be completed in April 2023. Upon completion, 80 units will be competitive as proposed and 72 will be competitive absent subsidy.
- In 2020, tax credits were awarded to rehabilitate Waters at James Crossing, an existing 288-unit LIHTC/Section 8 property located 4.4 miles northeast of the Subject. The property offers one, two and three-bedroom units restricted at 60 percent of AMI. All of the property's units are competitive with the proposed Subject's units. These units have been accounted for as existing competitive units.
- In 2018, tax credits were awarded to rehabilitate Burton Creek Apartments, an existing 85-unit LIHTC/Section 8 property, located 2.3 miles south of the Subject. The property offers two and three-bedroom units, restricted at 40, 50 and 60 percent of AMI. All of the property's units are competitive with the proposed Subject's units. These units have been accounted for as existing competitive units.

Note that Waters at James Crossing and Burton Creek Apartments are proposed for rehabilitation and will not add to the competitive supply in the market. Therefore, we have accounted for 222 units "As Proposed" and 202 units "Absent Subsidy", in our *Demand Analysis*.

## **K. ANALYSIS/CONCLUSIONS**

**RECOMMENDATIONS**

In general, we believe there is demand in the marketplace for the Subject. We recommend no changes for the Subject property.

**Demand Summary**

We believe there is ample demand for the Subject. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate - All Units*	1.7%
Project Wide Absorption Period (Months)	5-6 months

Additionally, the overall penetration rate for the Subject is 1.7 percent. It should be noted that the penetration rate analysis we have derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). Overall, the derived penetration rate for the Subject is considered reasonable.

**Strengths and Weaknesses of the Subject**

Strengths

- The Subject will be new construction and will be among the newest multifamily developments in the market. Upon completion, the property will be similar to slightly superior to the comparable properties in terms of condition.
- Vacancy rates among the LIHTC properties range from zero to 1.5 percent, with an average of 1.5 percent. The LIHTC comparables reported very low vacancy, indicating strong demand for affordable housing in the market.
- The Subject site is located in close proximity to many services, public transportation, and retailers.

Weaknesses

- The Subject will offer a four-story, walk-up design, with access only from the first floor and no elevator service. The Subject and its first two Phases will be the first multifamily properties to offer this design in the market. Jobbers Overall Apartments offers a three-story, elevator-serviced design, which will be superior to the Subject. Nine of the comparable properties offer two and three-story, garden-style units, and one comparable - Vistas at Dreaming Creek - offers a four-story, garden-style design.

Note that Vistas at Dreaming Creek has ground level access from both the first and second floors of their buildings, as the property is built into a hill. Tenants can park and enter the building from either the first or second floor and walk up the stairs to the fourth floor. Management at the Vistas at Dreaming Creek explained that it is somewhat common for tenants to walk up three flights of stairs and there have been no issues with occupancy nor complaints made by tenants regarding living on the fourth floor.

We also discussed units on higher floors with the contact at Legacy at Linden Park. The contact at this property noted that the property has never had issues filling units on the third floor of the development. Furthermore, he maintained that if the property were to offer fourth floor walk-up units, there would be no issue in filling these units. Tenants at Legacy at Linden Park are more concerned with good management, upkeep of property amenities, and general maintenance of the property. The remaining comparable properties featuring three-stories were unable to comment on the feasibility of additional stories in garden-style buildings. However, none of the comparable properties reported discounted rents on third-story units. Therefore, we believe that the Subject's proposed design will be marketable.

**Absorption Estimate**

Only one of the comparable properties, Eleven 25, was able to report recent absorption data. For support, we have listed recent absorption data for other properties in the Subject’s general broader market as follows.

**ABSORPTION**

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Eleven 25	Market	Family	2018	160	20
Carlton Views	LIHTC	Family	2017	54	18
Treesdale Apartments	LIHTC	Family	2012	88	11

\*Comparable property; the property will add an additional 40 units, which are not included in the total unit count

The properties leased-up at rates ranging from 11 to 20 units per month, with an average of 16 units per month. Note that Eleven 25 staggered the opening of its units by building, which each contain 20 units. The property has opened and leased eight buildings for a total of 160 units. The contact noted that each building leased in approximately one month, indicating an absorption pace of 20 units per month. Based on the performance of recently-opened properties in the region, we have estimated that the Subject would absorb approximately 15 units per month, for an absorption period of approximately five to six months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

## **L. OTHER REQUIREMENTS**



Pursuant to Virginia Housing Requirements, we certify:

1. We 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 our knowledge the market can support the demand shown in this study. We understand that any misrepresentation in this statement may result in the denial of participation in the Low-Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.
4. No one at this firm has any interest in the proposed development or a relationship with the ownership entity.
5. No one at this firm, nor anyone acting on behalf of the firm in connection with the preparation of this report, has communicated to others that the firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for our services is not contingent on this development receiving a LIHTC reservation or allocation.
7. Evidence of our NCHMA membership is included.



K. David Adamescu  
Manager

March 8, 2023

Date

**ADDENDUM A**  
**Assumptions and Limiting Conditions**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the market analyst has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the market analyst did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or market study and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the market analyst. Nor shall the market analyst, firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the market study report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

**ADDENDUM B**  
**Subject Property and Neighborhood Photographs**

**PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD**



View of Subject site facing east



View of Subject site facing northeast



View of Subject site facing east



View of Subject site facing southeast



View of Millers Rest Phase I (west of Subject)



View of Millers Rest Phase I (west of Subject)





View north along Old Mill Road



View south along Old Mill Road



Mill Wood Apartments (excluded) south of Subject



Old Mill Townhomes (excluded) south of Subject



Mill's Crossing Apartments (comparable) south of Subject



Recreation center in Subject neighborhood



Event Center in Subject neighborhood



Offices in Subject neighborhood



Commercial Property in Subject neighborhood



Commercial property in Subject neighborhood



U.S. Marine Corps Reserve Center



Single-family home in Subject neighborhood





Single-family home in Subject neighborhood



Single-family home in Subject neighborhood

**ADDENDUM C**  
**Subject Matrices and Property Profile**

# PROPERTY PROFILE REPORT

## Jobbers Overall Apartments

Effective Rent Date	2/02/2023
Location	1423 & 1503 Kemper Street Lynchburg, VA 24501 Lynchburg County
Distance	3.4 miles
Units	44
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (4 stories)
Year Built/Renovated	1920 / 2012
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kemper Lofts, James Crossing
Tenant Characteristics	Majority families, some seniors
Contact Name	Sharmaine
Phone	434-847-0800



### Market Information

Program	@40%, @50%
Annual Turnover Rate	11%
Units/Month Absorbed	4
HCV Tenants	34%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 7 to 18 percent since 1Q 2022
Concession	None
Waiting List	Yes; ten households

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Lowrise (4 stories)	17	972	\$760	\$0	@50%	Yes	0	0.0%	no	None
2	2	Lowrise (4 stories)	3	972	\$662	\$0	@40%	Yes	0	0.0%	no	None
3	2	Lowrise (4 stories)	2	1,205	\$683	\$0	@40%	Yes	0	0.0%	no	None
3	2	Lowrise (4 stories)	22	1,205	\$867	\$0	@50%	Yes	0	0.0%	no	None

### Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$662	\$0	\$662	-\$77	\$585	2BR / 2BA	\$760	\$0	\$760	-\$77	\$683
3BR / 2BA	\$683	\$0	\$683	-\$94	\$589	3BR / 2BA	\$867	\$0	\$867	-\$94	\$773

## Jobbers Overall Apartments, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Covered Community Porch
Elevators	Central Laundry		
Off-Street Parking	On-Site Management		

### Comments

The property incentivizes high occupancy and low turnover, as opposed to achieving higher rents.

Photos





# PROPERTY PROFILE REPORT

## Timber Ridge Apartments I

Effective Rent Date	2/09/2023
Location	7500 Timberlake Road Lynchburg, VA 24502 Lynchburg County
Distance	1.6 miles
Units	96
Vacant Units	3
Vacancy Rate	3.1%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	6/01/2008
Leasing Began	6/01/2008
Last Unit Leased	5/31/2009
Major Competitors	Vistas at Dreaming Creek
Tenant Characteristics	Mixed tenancy
Contact Name	Lisa
Phone	434-237-3560



### Market Information

Program	@40%, @50%
Annual Turnover Rate	20%
Units/Month Absorbed	8
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	Kept at 2021 maximum
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	3	744	\$467	\$0	@40%	No	0	0.0%	no	None
1	1	Garden (3 stories)	9	744	\$615	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (3 stories)	6	1,076	\$497	\$0	@40%	No	1	16.7%	no	None
2	2	Garden (3 stories)	54	1,076	\$674	\$0	@50%	No	1	1.9%	no	None
3	2	Garden (3 stories)	1	1,283	\$534	\$0	@40%	No	0	0.0%	no	None
3	2	Garden (3 stories)	23	1,283	\$739	\$0	@50%	No	1	4.3%	no	None

### Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$467	\$0	\$467	\$0	\$467	1BR / 1BA	\$615	\$0	\$615	\$0	\$615
2BR / 2BA	\$497	\$0	\$497	\$0	\$497	2BR / 2BA	\$674	\$0	\$674	\$0	\$674
3BR / 2BA	\$534	\$0	\$534	\$0	\$534	3BR / 2BA	\$739	\$0	\$739	\$0	\$739

## Timber Ridge Apartments I, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Carport(\$20.00)	Clubhouse/Meeting Room/Community	None	None
Garage(\$50.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

### Comments

The contact was unable to comment on Housing Choice Voucher utilization at the property. Washers and dryers can be rented for an additional \$50 per month. The property has 22 garage units, though the utilization rate was not available.

Photos



# PROPERTY PROFILE REPORT

## Timber Ridge Apartments II

Effective Rent Date	2/09/2023
Location	7502 Timberlake Road Lynchburg, VA 24502 Lynchburg County
Distance	1.6 miles
Units	72
Vacant Units	1
Vacancy Rate	1.4%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	5/01/2009
Leasing Began	11/01/2009
Last Unit Leased	7/15/2010
Major Competitors	Vistas at Dreaming Creek
Tenant Characteristics	Mixed tenancy
Contact Name	Lisa
Phone	434-237-3560



### Market Information

Program	@40%, @50%
Annual Turnover Rate	20%
Units/Month Absorbed	8
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	Kept at 2021 maximum
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	2	744	\$467	\$0	@40%	No	0	0.0%	no	None
1	1	Garden (3 stories)	10	744	\$615	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (3 stories)	4	1,076	\$497	\$0	@40%	No	1	25.0%	no	None
2	2	Garden (3 stories)	38	1,076	\$554	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (3 stories)	2	1,283	\$554	\$0	@40%	No	0	0.0%	no	None
3	2	Garden (3 stories)	16	1,283	\$757	\$0	@50%	No	0	0.0%	no	None

### Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$467	\$0	\$467	\$0	\$467	1BR / 1BA	\$615	\$0	\$615	\$0	\$615
2BR / 2BA	\$497	\$0	\$497	\$0	\$497	2BR / 2BA	\$554	\$0	\$554	\$0	\$554
3BR / 2BA	\$554	\$0	\$554	\$0	\$554	3BR / 2BA	\$757	\$0	\$757	\$0	\$757

## Timber Ridge Apartments II, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Carport(\$20.00)	Clubhouse/Meeting Room/Community	None	None
Garage(\$50.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

### Comments

The contact was unable to comment on Housing Choice Voucher utilization at the property. Washers and dryers can be rented for an additional \$50 per month. The property has 22 garage units, though the utilization rate was not available.



Photos



# PROPERTY PROFILE REPORT

## Vistas At Dreaming Creek

Effective Rent Date	2/06/2023
Location	7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County
Distance	1.7 miles
Units	176
Vacant Units	2
Vacancy Rate	1.1%
Type	Garden (4 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Stone Mill, Willow Brook
Tenant Characteristics	Mixed local tenancy
Contact Name	Pam
Phone	434-582-4748



### Market Information

Program	@60%, Market
Annual Turnover Rate	31%
Units/Month Absorbed	N/A
HCV Tenants	24%
Leasing Pace	Three weeks to one month
Annual Chg. in Rent	LIHTC: Kept at 2022 max M: Inc. 7 to 14%
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	8	790	\$794	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden (4 stories)	8	790	\$1,015	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (4 stories)	60	960	\$937	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (4 stories)	84	950	\$1,100	\$0	Market	No	1	1.2%	N/A	None
3	2	Garden (4 stories)	8	1,159	\$1,029	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (4 stories)	8	1,159	\$1,150	\$0	Market	No	1	12.5%	N/A	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$794	\$0	\$794	\$0	\$794	1BR / 1BA	\$1,015	\$0	\$1,015	\$0	\$1,015
2BR / 2BA	\$937	\$0	\$937	\$0	\$937	2BR / 2BA	\$1,100	\$0	\$1,100	\$0	\$1,100
3BR / 2BA	\$1,029	\$0	\$1,029	\$0	\$1,029	3BR / 2BA	\$1,150	\$0	\$1,150	\$0	\$1,150



## Vistas At Dreaming Creek, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Exterior Storage(\$25.00)	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$135.00)		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		
Volleyball Court			

### Comments

This property is jointly managed with Grand Vistas Apartments, which offers only market rate units.

Photos



# PROPERTY PROFILE REPORT

## Eleven 25

Effective Rent Date	2/08/2023
Location	1125 Old Graves Mill Road Lynchburg, VA 24502 Lynchburg County
Distance	1.2 miles
Units	228
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Ashley
Phone	(434) 534-3052



### Market Information

Program	Market
Annual Turnover Rate	18%
Units/Month Absorbed	6
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 5 to 13% since 1Q 2022
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	980	\$1,085	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,355	\$1,355	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,730	\$1,685	\$0	Market	No	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,085	\$0	\$1,085	\$14	\$1,099
2BR / 2BA	\$1,355	\$0	\$1,355	\$14	\$1,369
3BR / 2BA	\$1,685	\$0	\$1,685	\$14	\$1,699

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	None	None
Cable/Satellite/Internet	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Off-Street Parking		
On-Site Management	Playground		
Sauna	Swimming Pool		
Theatre			

Comments

The property does not accept Housing Choice Vouchers.



Photos



# PROPERTY PROFILE REPORT

## Grand Vistas Apartments

Effective Rent Date	2/06/2023
Location	7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County
Distance	1.7 miles
Units	104
Vacant Units	2
Vacancy Rate	1.9%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	8/01/2008
Leasing Began	8/01/2008
Last Unit Leased	4/01/2009
Major Competitors	Vistas at Dreaming Creek
Tenant Characteristics	Mixture of local working professionals
Contact Name	Pam
Phone	434.582.4748



### Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	20
HCV Tenants	0%
Leasing Pace	Three weeks to one month
Annual Chg. in Rent	Increased two to three percent
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	11	965	\$1,015	\$0	Market	No	0	0.0%	N/A	None
1.5	1	Garden (3 stories)	11	1,196	\$1,070	\$0	Market	No	2	18.2%	N/A	None
2	2	Garden (3 stories)	30	1,263	\$1,225	\$0	Market	No	0	0.0%	N/A	None
2.5	2	Garden (3 stories)	30	1,494	\$1,250	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	22	1,421	\$1,330	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,015	\$0	\$1,015	\$0	\$1,015
1.5BR / 1BA	\$1,070	\$0	\$1,070	\$0	\$1,070
2BR / 2BA	\$1,225	\$0	\$1,225	\$0	\$1,225
2.5BR / 2BA	\$1,250	\$0	\$1,250	\$0	\$1,250
3BR / 2BA	\$1,330	\$0	\$1,330	\$0	\$1,330



## Grand Vistas Apartments, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$150.00)		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

### Comments

This property is jointly managed with Vistas At Dreaming Creek. The contact reported that the property accepts Housing Choice Vouchers but no tenants are utilizing them at this time.

Photos



# PROPERTY PROFILE REPORT

## Legacy At Linden Park

Effective Rent Date	2/03/2023
Location	1000 Misty Mountain Road Lynchburg, VA 24502 Lynchburg County
Distance	1.3 miles
Units	408
Vacant Units	3
Vacancy Rate	0.7%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Willowbrook, Walden Pond
Tenant Characteristics	Families and young professionals, college students
Contact Name	Austin
Phone	434-239-5006



### Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	Yes; 2BR: 20 individuals

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	66	826	\$980	\$0	Market	No	1	1.5%	N/A	HIGH*
1	1	Garden (3 stories)	66	826	\$940	\$0	Market	No	1	1.5%	N/A	LOW*
2	2	Garden (3 stories)	75	1,053	\$1,243	\$0	Market	No	0	0.0%	N/A	AVG*
2	2	Garden (3 stories)	54	1,173	\$1,295	\$0	Market	No	0	0.0%	N/A	HIGH*
2	2	Garden (3 stories)	75	1,022	\$1,205	\$0	Market	Yes	0	0.0%	N/A	LOW*
3	2	Garden (3 stories)	72	1,317	\$1,670	\$0	Market	No	1	1.4%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$940 - \$980	\$0	\$940 - \$980	\$14	\$954 - \$994
2BR / 2BA	\$1,205 - \$1,295	\$0	\$1,205 - \$1,295	\$14	\$1,219 - \$1,309
3BR / 2BA	\$1,670	\$0	\$1,670	\$14	\$1,684

## Legacy At Linden Park, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage(\$80.00)	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$125.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		
Tennis Court	Theatre		
Wi-Fi			

### Comments

The property accepts Housing Choice Vouchers, but the contact was unable to report the amount of tenants currently utilizing them. The property uses YieldStar and rents change daily.



Photos







# PROPERTY PROFILE REPORT

## Logans Landing

Effective Rent Date	2/07/2023
Location	6343 Logans Ln Lynchburg, VA 24502 Lynchburg County
Distance	0.8 miles
Units	173
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (4 stories)
Year Built/Renovated	2020 / N/A
Marketing Began	N/A
Leasing Began	7/01/2021
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Kasey
Phone	804-336-3607



### Market Information

Program	Market
Annual Turnover Rate	46%
Units/Month Absorbed	14
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	N/A
Concession	None
Waiting List	yes; seven individuals

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	not included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	N/A	888	\$1,160	\$0	Market	N/A	0	N/A	N/A	None
2	1	Garden (4 stories)	N/A	1,086	\$1,205	\$0	Market	Yes	0	N/A	N/A	None
2	1	Garden (4 stories)	N/A	1,099	\$1,245	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,260	\$1,385	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,305	\$1,415	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (4 stories)	N/A	1,420	\$1,460	\$0	Market	Yes	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,160	\$0	\$1,160	-\$28	\$1,132
2BR / 1BA	\$1,205 - \$1,245	\$0	\$1,205 - \$1,245	-\$36	\$1,169 - \$1,209
2BR / 2BA	\$1,385 - \$1,415	\$0	\$1,385 - \$1,415	-\$36	\$1,349 - \$1,379
3BR / 2BA	\$1,460	\$0	\$1,460	-\$44	\$1,416

## Logans Landing, continued

### Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Dishwasher	Exterior Storage		
Furnishing	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	Sunroom, Game room
Exercise Facility	Off-Street Parking		
On-Site Management	Picnic Area		
Swimming Pool			

### Comments

The contact stated that the property accepts Housing Choice Vouchers, but could not provide the amount of tenants currently utilizing them.

Photos



# PROPERTY PROFILE REPORT

## Mill's Crossing

Effective Rent Date	2/06/2023
Location	6231 Old Mill Road Lynchburg, VA 24502 Lynchburg County
Distance	0.3 miles
Units	144
Vacant Units	7
Vacancy Rate	4.9%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Heather
Phone	833-712-3021



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 10 to 15 percent
Concession	One months free rent if signed by Feb. 28
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	755	\$899	\$0	Market	No	2	N/A	N/A	None
1	1	Garden (3 stories)	N/A	770	\$949	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,109	\$1,149	\$0	Market	No	5	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,125	\$1,199	\$0	Market	No	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$899 - \$949	\$0	\$899 - \$949	\$0	\$899 - \$949
2BR / 2BA	\$1,149 - \$1,199	\$0	\$1,149 - \$1,199	\$0	\$1,149 - \$1,199

## Mill's Crossing, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Off-Street Parking	On-Site Management		
Swimming Pool			

### Comments

The contact was unable to comment on Housing Choice Voucher utilization.



Photos





# PROPERTY PROFILE REPORT

## The Overlook At Stonemill

Effective Rent Date	2/07/2023
Location	112 Stonemill Drive Lynchburg, VA 24502 Lynchburg County
Distance	1 mile
Units	216
Vacant Units	5
Vacancy Rate	2.3%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Vistas at Dreaming Creek, Willowbrook
Tenant Characteristics	Mixed tenancy; many students.
Contact Name	Amanda
Phone	434-252-3851



### Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 9 to 17% since 1Q 2022
Concession	None
Waiting List	Yes; unknown

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	27	775	\$1,145	\$0	Market	No	1	3.7%	N/A	None
2	1	Garden (3 stories)	9	925	\$1,275	\$0	Market	No	2	22.2%	N/A	None
2	2	Garden (3 stories)	138	1,050	\$1,375	\$0	Market	No	1	0.7%	N/A	None
3	2	Garden (3 stories)	42	1,210	\$1,595	\$0	Market	No	1	2.4%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,145	\$0	\$1,145	\$14	\$1,159
2BR / 1BA	\$1,275	\$0	\$1,275	\$14	\$1,289
2BR / 2BA	\$1,375	\$0	\$1,375	\$14	\$1,389
3BR / 2BA	\$1,595	\$0	\$1,595	\$14	\$1,609

## The Overlook At Stonemill, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	View-\$10; Vaulted Ceiling-\$10;
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

### Comments

The contact stated the property does not accept Housing Choice Vouchers. The contact noted the property typically maintains occupancy of approximately 97 percent.

Photos



# PROPERTY PROFILE REPORT

## Wyndhurst Villas

Effective Rent Date	2/07/2023
Location	301 Northwynd Circle Lynchburg, VA 24502 Lynchburg County
Distance	2.1 miles
Units	150
Vacant Units	2
Vacancy Rate	1.3%
Type	Garden (3 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixture from area
Contact Name	Melissa
Phone	434-832-1151



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 14 to 15 percent since 1Q 2022
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	114	970	\$1,075	\$0	Market	No	2	1.8%	N/A	None
3	2	Garden (3 stories)	36	1,160	\$1,200	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,075	\$0	\$1,075	\$0	\$1,075
3BR / 2BA	\$1,200	\$0	\$1,200	\$0	\$1,200

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	Washer/dryer at \$30/mo.
Clubhouse/Meeting Room/Community Garage(\$70.00)	Exercise Facility		
On-Site Management	Off-Street Parking		
Playground	Picnic Area		
	Swimming Pool		

Comments

The contact could not comment on Housing Choice Voucher utilization.



Photos





**SUMMARY MATRIX**

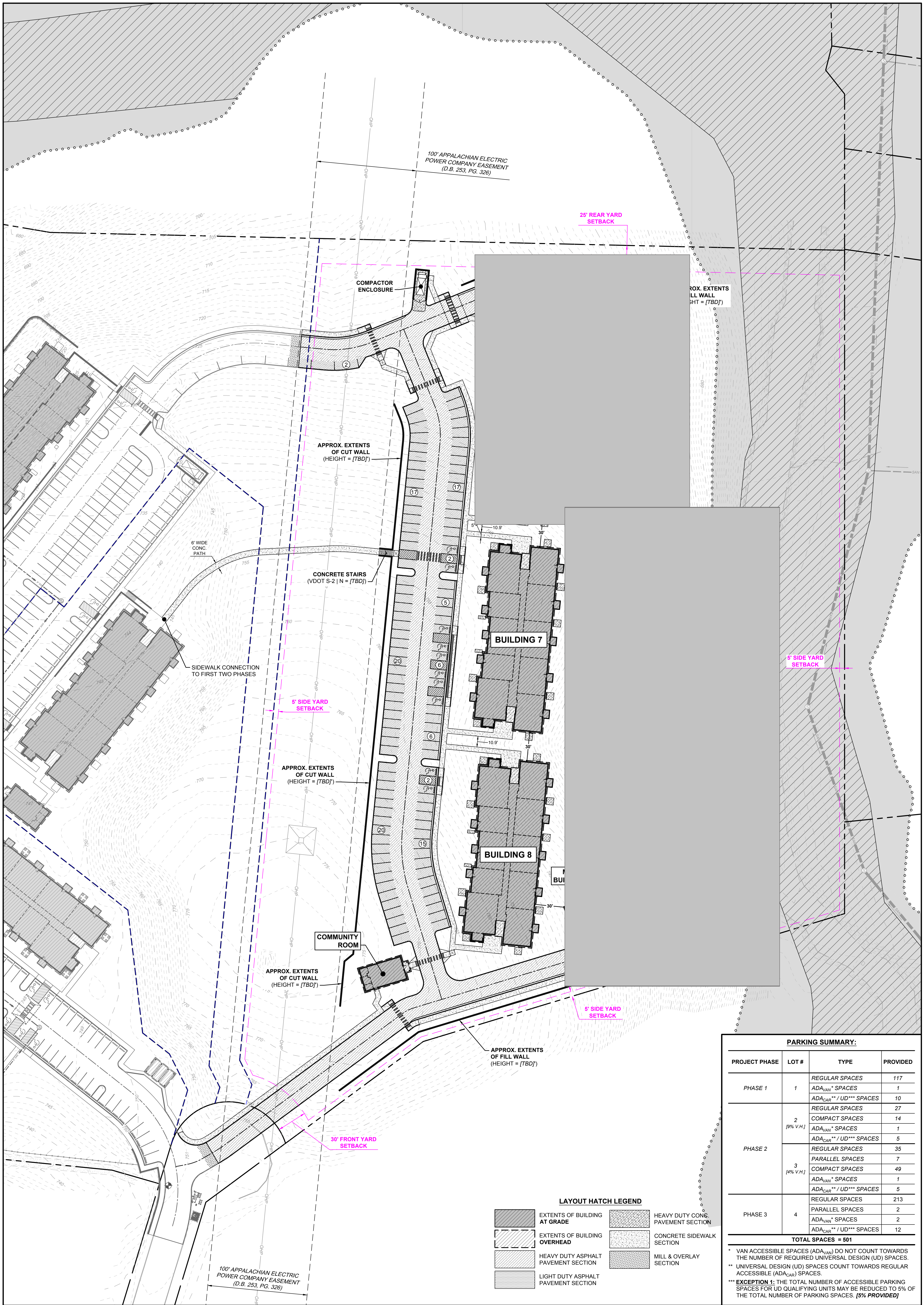
Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
<b>Subject</b>	Millers Rest III 6100 Old Mill Road Lynchburg, VA 24502 Lynchburg County	-	Garden 4-stories 2024 / n/a Family	@30%, @40% (Section 8), @50%, @60%	1BR / 1BA	2	2.5%	703	@30%	\$328	Yes	N/A	N/A	N/A
					1BR / 1BA	2	2.5%	703	@40% (Section 8)	\$476	Yes	N/A	N/A	N/A
					1BR / 1BA	5	6.3%	703	@50%	\$624	Yes	N/A	N/A	N/A
					1BR / 1BA	7	8.8%	703	@60%	\$772	Yes	N/A	N/A	N/A
					2BR / 2BA	4	5.0%	948	@30%	\$385	Yes	N/A	N/A	N/A
					2BR / 2BA	4	5.0%	948	@40% (Section 8)	\$563	Yes	N/A	N/A	N/A
					2BR / 2BA	14	17.5%	948	@50%	\$740	Yes	N/A	N/A	N/A
					2BR / 2BA	26	32.5%	948	@60%	\$918	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.5%	1,177	@30%	\$442	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.5%	1,177	@40% (Section 8)	\$648	Yes	N/A	N/A	N/A
					3BR / 2BA	5	6.3%	1,177	@50%	\$853	Yes	N/A	N/A	N/A
					3BR / 2BA	7	8.8%	1,177	@60%	\$1,058	Yes	N/A	N/A	N/A
										<u>80</u>				
1	Jobbers Overall Apartments 1423 & 1503 Kemper Street Lynchburg, VA 24501 Lynchburg County	3.4 miles	Lowrise 4-stories 1920 / 2012 Family	@40%, @50%	2BR / 2BA	3	6.8%	972	@40%	\$585	No	Yes	0	0.0%
					2BR / 2BA	17	38.6%	972	@50%	\$683	No	Yes	0	0.0%
					3BR / 2BA	2	4.6%	1,205	@40%	\$589	No	Yes	0	0.0%
					3BR / 2BA	<u>22</u>	50.0%	1,205	@50%	\$773	No	Yes	0	0.0%
					<u>44</u>							0	0.0%	
2	Timber Ridge Apartments I 7500 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.6 miles	Garden 3-stories 2009 / n/a Family	@40%, @50%	1BR / 1BA	3	3.1%	744	@40%	\$467	No	No	0	0.0%
					1BR / 1BA	9	9.4%	744	@50%	\$615	No	No	0	0.0%
					2BR / 2BA	6	6.3%	1,076	@40%	\$497	No	No	1	16.7%
					2BR / 2BA	54	56.3%	1,076	@50%	\$674	No	No	1	1.9%
					3BR / 2BA	1	1.0%	1,283	@40%	\$534	No	No	0	0.0%
					3BR / 2BA	<u>23</u>	24.0%	1,283	@50%	\$739	No	No	1	4.4%
					<u>96</u>							3	3.1%	
3	Timber Ridge Apartments II 7502 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.6 miles	Garden 3-stories 2009 / n/a Family	@40%, @50%	1BR / 1BA	2	2.8%	744	@40%	\$467	No	No	0	0.0%
					1BR / 1BA	10	13.9%	744	@50%	\$615	No	No	0	0.0%
					2BR / 2BA	4	5.6%	1,076	@40%	\$497	No	No	1	25.0%
					2BR / 2BA	38	52.8%	1,076	@50%	\$554	No	No	0	0.0%
					3BR / 2BA	2	2.8%	1,283	@40%	\$554	No	No	0	0.0%
					<u>16</u>	22.2%	1,283	@50%	\$757	No	No	0	0.0%	
					<u>72</u>							1	1.4%	
4	Vistas At Dreaming Creek 7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.7 miles	Garden 4-stories 2001 / n/a Family	@60%, Market	1BR / 1BA	8	4.6%	790	@60%	\$794	Yes	No	0	0.0%
					1BR / 1BA	8	4.6%	790	Market	\$1,015	N/A	No	0	0.0%
					2BR / 2BA	60	34.1%	960	@60%	\$937	Yes	No	0	0.0%
					2BR / 2BA	84	47.7%	950	Market	\$1,100	N/A	No	1	1.2%
					3BR / 2BA	8	4.6%	1,159	@60%	\$1,029	Yes	No	0	0.0%
					<u>8</u>	4.6%	1,159	Market	\$1,150	N/A	No	1	12.5%	
					<u>176</u>							2	1.1%	
5	Eleven 25 1125 Old Graves Mill Road Lynchburg, VA 24502 Lynchburg County	1.2 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	N/A	N/A	980	Market	\$1,099	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	1,355	Market	\$1,369	N/A	No	0	N/A
					3BR / 2BA	N/A	N/A	1,730	Market	\$1,699	N/A	No	0	N/A
					<u>228</u>							0	0.0%	
6	Grand Vistas Apartments 7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.7 miles	Garden 3-stories 2008 / n/a Family	Market	1BR / 1BA	11	10.6%	965	Market	\$1,015	N/A	No	0	0.0%
					1.5BR / 1BA	11	10.6%	1,196	Market	\$1,070	N/A	No	2	18.2%
					2BR / 2BA	30	28.9%	1,263	Market	\$1,225	N/A	No	0	0.0%
					2.5BR / 2BA	30	28.9%	1,494	Market	\$1,250	N/A	No	0	0.0%
					<u>22</u>	21.2%	1,421	Market	\$1,330	N/A	No	0	0.0%	
					<u>104</u>							2	1.9%	
7	Legacy At Linden Park 1000 Misty Mountain Road Lynchburg, VA 24502 Lynchburg County	1.3 miles	Garden 3-stories 2008 / n/a Family	Market	1BR / 1BA	66	16.2%	826	Market	\$994	N/A	No	1	1.5%
					1BR / 1BA	66	16.2%	826	Market	\$954	N/A	No	1	1.5%
					2BR / 2BA	75	18.4%	1,053	Market	\$1,257	N/A	No	0	0.0%
					2BR / 2BA	54	13.2%	1,173	Market	\$1,309	N/A	No	0	0.0%
					2BR / 2BA	75	18.4%	1,022	Market	\$1,219	N/A	Yes	0	0.0%
					<u>72</u>	17.7%	1,317	Market	\$1,684	N/A	No	1	1.4%	
					<u>408</u>							3	0.7%	
8	Logans Landing 6343 Logans Ln Lynchburg, VA 24502 Lynchburg County	0.8 miles	Garden 4-stories 2020 / n/a Family	Market	1BR / 1BA	N/A	N/A	888	Market	\$1,132	N/A	N/A	0	N/A
					2BR / 1BA	N/A	N/A	1,086	Market	\$1,169	N/A	Yes	0	N/A
					2BR / 1BA	N/A	N/A	1,099	Market	\$1,209	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	1,260	Market	\$1,349	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	1,305	Market	\$1,379	N/A	Yes	0	N/A
					<u>3BR / 2BA</u>	N/A	N/A	1,420	Market	\$1,416	N/A	Yes	0	N/A
					<u>173</u>							0	0.0%	
9	Mill's Crossing 6231 Old Mill Road Lynchburg, VA 24502 Lynchburg County	0.3 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	N/A	N/A	755	Market	\$899	N/A	No	2	N/A
					1BR / 1BA	N/A	N/A	770	Market	\$949	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	1,109	Market	\$1,149	N/A	No	5	N/A
					2BR / 2BA	N/A	N/A	1,125	Market	\$1,199	N/A	No	0	N/A
					<u>144</u>							7	4.9%	
10	The Overlook At Stonemill 112 Stonemill Drive Lynchburg, VA 24502 Lynchburg County	1.0 miles	Garden 3-stories 2001 / n/a Family	Market	1BR / 1BA	27	12.5%	775	Market	\$1,159	N/A	No	1	3.7%
					2BR / 1BA	9	4.2%	925	Market	\$1,289	N/A	No	2	22.2%
					2BR / 2BA	138	63.9%	1,050	Market	\$1,389	N/A	No	1	0.7%
					3BR / 2BA	<u>42</u>	19.4%	1,210	Market	\$1,609	N/A	No	1	2.4%
					<u>216</u>							5	2.3%	
11	Wyndhurst Villas 301 Northwynd Circle Lynchburg, VA 24502 Lynchburg County	2.1 miles	Garden 3-stories 2006 / n/a Family	Market	2BR / 2BA	114	76.0%	970	Market	\$1,075	N/A	No	2	1.8%
					3BR / 2BA	36	24.0%	1,160	Market	\$1,200	N/A	No	0	0.0%
					<u>150</u>							2	1.3%	

**AMENITY MATRIX**

	Subject	Jobbers Overall	Timber Ridge	Timber Ridge	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At	Wyndhurst Villas
<b>Rent Structure</b>	LIHTC/	LIHTC	LIHTC	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	Market
<b>Building</b>												
Property Type	Garden	Lowrise	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden
# of Stories	4-stories	4-stories	3-stories	3-stories	4-stories	3-stories	3-stories	3-stories	4-stories	3-stories	3-stories	3-stories
Year Built	2024	1920	2009	2009	2001	2018	2008	2008	2020	2018	2001	2006
Year Renovated	n/a	2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Elevators	no	yes	no	no	no	no	no	no	yes	no	no	no
<b>Utility Structure</b>												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	yes	no	no	no	no	no	no	yes	no	no	no
Sewer	no	yes	no	no	no	no	no	no	no	no	no	no
Trash	yes	yes	yes	yes	yes	no	yes	no	yes	yes	no	yes
<b>Unit Amenities</b>												
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	yes	no	no	no	no	yes	no	no	no	no	no	no
Carpeting	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	yes	no	no	no	no	no	no	yes	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	no	no	no	yes	no	yes	no	yes	yes	no
Coat Closet	no	yes	yes	yes	yes	yes	yes	yes	no	no	no	yes
Exterior Storage	no	no	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Fireplace	no	no	no	no	no	yes	yes	no	no	no	no	no
Furnishing	no	no	no	no	no	no	no	no	yes	no	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	yes	no	no	yes
Walk-In Closet	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	no	yes	yes	yes	no	yes	yes	yes	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Kitchen</b>												
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Community</b>												
Business Center	no	yes	no	no	yes	yes	yes	yes	no	no	no	yes
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central Laundry	no	yes	yes	yes	no	no	no	yes	no	no	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Recreation</b>												
Exercise Facility	no	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Playground	yes	no	yes	yes	yes	yes	yes	no	no	no	yes	yes
Swimming Pool	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	no	no	no	no	no	no	yes	yes	no	yes	yes
Tennis Court	no	no	no	no	no	no	no	yes	no	no	no	no
Sauna	no	no	no	no	no	yes	no	no	no	no	no	no
Theatre	no	no	no	no	no	yes	no	yes	no	no	no	no
Recreational Area	yes	no	no	no	no	no	no	no	no	no	no	no
Volleyball Court	no	no	no	no	yes	no	no	no	no	no	no	no
WiFi	no	no	no	no	no	no	no	yes	no	no	no	no
<b>Security</b>												
In-Unit Alarm	no	no	no	no	no	no	no	yes	no	no	no	no
Intercom (Buzzer)	no	yes	no	no	yes	no	no	no	yes	no	no	no
Limited Access	no	yes	no	no	yes	no	no	no	yes	no	no	no
Patrol	yes	no	no	no	no	no	no	no	no	no	no	no
<b>Parking</b>												
Carport	no	no	yes	yes	no	no	no	no	no	no	no	no
Carport Fee	n/a	\$0	\$20	\$20	\$0	n/a	\$0	\$0	n/a	\$0	\$0	\$0
Garage	no	no	yes	yes	yes	no	yes	yes	no	no	no	yes
Garage Fee	n/a	\$0	\$50	\$50	\$135	n/a	\$150	\$125	\$0	\$0	\$0	\$70
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	n/a	\$0	\$0	\$0	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0

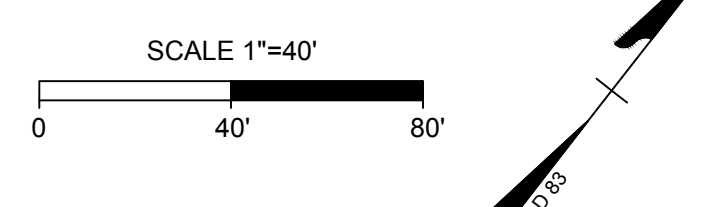
**ADDENDUM D**  
**Site and Floor Plans**





# SCHEMATIC LAYOUT EXHIBIT

Miller's Rest Phase 3 - November 7, 2022



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**ADDENDUM E**  
Utility Allowance

## Virginia Housing | Housing Choice Voucher Program

**Allowances for  
Tenant-Furnished Utilities  
and Other Services**

**Family Name:** \_\_\_\_\_  
**Unit Address:** \_\_\_\_\_

**Voucher Size\*:** \_\_\_\_\_ **Unit Bedroom Size\*:** \_\_\_\_\_

*\*Use smaller size to calculate tenant-supplied utilities and appliances.*

		<b>Unit Type: 1 Exposed Wall</b>				<b>Effective Date: 07/01/2022</b>			
<b>Utility</b>	<b>Usage</b>	Monthly Dollar Amount							
		<b>0 BR</b>	<b>1 BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>	<b>5 BR</b>	<b>6 BR</b>	<b>7BR</b>
<b>Appliance</b>	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
<b>Bottled Gas</b>	Cooking	\$11.00	\$15.00	\$19.00	\$23.00	\$29.00	\$34.00	\$38.00	\$42.00
	Home Heating	\$61.00	\$85.00	\$109.00	\$133.00	\$169.00	\$194.00	\$218.00	\$242.00
	Water Heating	\$27.00	\$37.00	\$48.00	\$58.00	\$74.00	\$85.00	\$95.00	\$106.00
<b>Electricity</b>	Cooking	\$4.00	\$5.00	\$6.00	\$8.00	\$10.00	\$11.00	\$13.00	\$14.00
	Cooling (A/C)	\$7.00	\$9.00	\$12.00	\$14.00	\$18.00	\$21.00	\$23.00	\$26.00
	Home Heating	\$23.00	\$32.00	\$41.00	\$51.00	\$64.00	\$74.00	\$83.00	\$92.00
	Other Electric	\$14.00	\$19.00	\$24.00	\$30.00	\$38.00	\$43.00	\$49.00	\$54.00
	Water Heating	\$12.00	\$16.00	\$21.00	\$25.00	\$32.00	\$37.00	\$41.00	\$46.00
<b>Natural Gas</b>	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00
	Home Heating	\$8.00	\$11.00	\$14.00	\$17.00	\$21.00	\$24.00	\$27.00	\$30.00
	Water Heating	\$3.00	\$4.00	\$5.00	\$7.00	\$8.00	\$10.00	\$11.00	\$12.00
<b>Oil</b>	Home Heating	\$43.00	\$60.00	\$77.00	\$95.00	\$120.00	\$138.00	\$155.00	\$172.00
	Water Heating	\$19.00	\$26.00	\$33.00	\$41.00	\$52.00	\$59.00	\$67.00	\$74.00
<b>Sewer</b>	Other	\$23.00	\$32.00	\$41.00	\$50.00	\$63.00	\$72.00	\$81.00	\$90.00
<b>Trash Collection</b>	Other	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
<b>Water</b>	Other	\$20.00	\$28.00	\$36.00	\$44.00	\$56.00	\$64.00	\$72.00	\$80.00
<b>UTILITY ALLOWANCE TOTAL:</b>		\$	\$	\$	\$	\$	\$	\$	\$



**ADDENDUM F**  
**Qualifications of Consultants**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## DAVID BOISTURE, ASA, CRE

### I. Education

Ohio University, Athens, Ohio  
Masters of Public Administration

Frostburg State University, Frostburg, Maryland  
Bachelor of Science in Political Science and Justice Studies

### II. Professional Experience

Partner, Novogradac & Company LLP  
Graduate Assistant, Institute for Local Government and Rural Development

### III. Professional Affiliation

Accredited Senior Appraiser of the American Society of Appraisers (ASA)  
Member, The Counselors of Real Estate (CRE)  
Designated Member of the National Council of Housing Market Analysts (NCHMA)  
LEED Green Associate

### IV. Professional Training

2020-2021 7-Hour National USPAP Update Course – February 2021  
Fundamentals of Economic Life Development – December 2020  
Renewable Energy Appraisals and Cost Segregation – Subject Matter Expert- November 2020  
Purchase Price Allocation and Cost Segregation Studies – October 2020  
Renewable Energy PPAs Risk and Valuation – April 2020  
Introduction to Cost Segregation – August 2019  
Aspects of Valuing Solar Installations – June 2019  
Machinery and Equipment Valuation – Advanced Topics and Report Writing, January 2017  
Machinery and Equipment Advanced Topics and Case Studies, November 2016  
Machinery and Equipment Valuation Methodology, September 2016  
Introduction to Machinery and Equipment Valuation, May 2016  
IRS Valuation Summit, October 2014  
Basic Appraisal Procedures, March 2014  
15-hour National USPAP Equivalent, March 2014  
Valuation of Solar Photovoltaic, February 2014  
Residential Solar Photovoltaic Leases: Market Value Dilemma, February 2014  
Basic Appraisal Principles, February 2014  
Wind Projects and Land Value, October 2012

## V. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, owners, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009. The valuations have been completed assuming completion of the assets, as is, and at various stages of development. Valuations also include various operating renewable energy development businesses.
- Completed analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include renewable energy projects involving the use of Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, asset management fees, various leasing-related payments, and overall master lease terms.
- Have managed and prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Have managed and assisted in appraisals of proposed new construction, rehabilitation, and existing Low- Income Housing Tax Credit properties, USDA Rural Development, HUD subsidized properties, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.
- Have managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines.
- Assisted in the review of Rent Comparability Studies for HUD Contract Administrators.
- Assisted in the HUD MAP Quality Control market study and appraisal reviews.

- Managed and assisted in the preparation of market studies for projects under the HUD Multifamily Accelerated Processing program. The market studies meet the requirements outlined in Chapter 7 of the HUD MAP Guide.
- Managed and assisted in appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. The appraisals meet the requirements outlined in Chapter 7 of the HUD MAP Guide.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in various appraisals for the US Army Corps of Engineers including Walter Reed Army Medical Center, proposed office site on the Enhanced Use Lease sites Y and Z at Fort Meade, proposed automobile testing facility at the Yuma Proving Grounds, proposed industrial park at Camp Navajo, and the National Geospatial-Intelligence Agency.
- Managed the preparation of Site Inspection Reports and Appraisals as the subcontractor to the Transaction Team Specialist hired by the Department of Housing and Urban Development to facilitate the design and sale of HUD's nonperforming Multifamily and Healthcare notes.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## K. DAVID ADAMESCU

### I. Education

The Ohio State University, Columbus, OH  
Masters of City and Regional Planning (MCRP)  
Bachelors of Arts, Economics

### II. Professional Experience

Manager, Novogradac & Company LLP  
Real Estate Analyst, Novogradac & Company LLP  
Project Director, VWB Research  
Field Analyst, The Danter Company

### III. Real Estate Assignments

A summary of assignments relating to market feasibility studies and appraisals includes:

- Written and supervised the production of over 1,000 rental housing market studies for projects located throughout 47 states as well as Puerto Rico and Virgin Islands. The preponderance of experience is with affordable housing developments, particularly those that operate with Section 42 Low-income Housing Tax Credit, HUD Section 8/202, and/or USDA Rural Development financing. Scope of analysis typically has included physical inspection of the property and market (have conducted over 400 property inspections throughout the United States and Puerto Rico), concept analysis, demographic and economic analysis, demand and absorption projections, comparable surveying, supply analysis and rent determination.
- Assisted in over 200 appraisals of multifamily rental housing, commercial office, and commercial retail properties. Analysis has included assisting with supply analysis and rent determination, operating expense analysis, capitalization rate determination, valuation utilizing the three approaches to value, insurable value estimation, and LIHTC equity valuation.
- Additional experience authoring market feasibility analyses for condominium housing, single-family housing, senior-oriented housing, seasonal housing, retail, office, golf course/marina resorts, and mixed-use developments.
- Conducted special research for highest and best use evaluations, the impact of “green” development principals on marketability, and seasonal housing dynamics.
- Reviewed third-party market studies and appraisals for investors in the secondary market.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## Robert McCarthy

### **I. Education**

The Ohio State University, Columbus, Ohio  
Bachelor of Science in Economics, Bachelor of Arts in Public Affairs

### **II. Professional Experience**

Senior Analyst, Novogradac & Company LLP, September 2022– Present  
Analyst, Novogradac & Company LLP, January 2020 – August 2022  
Junior Analyst, Novogradac & Company LLP, August 2017 – December 2019  
Regional Field Organizer, AARP Take a Stand Campaign, June 2016 – December 2016

### **III. Real Estate Assignments**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted with market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, rental rate analysis, competitive property surveying, and overall market analysis.
- Assisted with appraisals of new construction and existing LIHTC and market-rate properties, as well as solar farm developments.



# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## Jacob Ball

### I. Education

The Ohio State University, Columbus, Ohio  
Bachelor of Science in City and Regional Planning

### II. Professional Experience

Junior Analyst, Novogradac & Company LLP, August 2017 – December 2019  
Vogt Strategic Insights, Valuation Intern, January 2022 – May 2022

### III. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted with market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: rental rate analysis, competitive property surveying, and overall market analysis.
- Assisted with appraisals of new construction and existing LIHTC and market-rate properties, as well as solar farm developments.

**ADDENDUM G**  
**NCHMA Certification and Checklist**



Formerly known as  
National Council of Affordable  
Housing Market Analysts

#### NCHMA MEMBER CERTIFICATION

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

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

David Boisture, ASA, CRE  
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740.618.6302

## NCHMA Market Study Index

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing built with low income housing tax credits. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Components reported in the market study are indicated by a page number.

		Page Number(s)
<b>Executive Summary</b>		
1	Executive Summary	I
<b>Project Description</b>		
2	Proposed number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	I
3	Utilities (and utility sources) included in rent.	III
4	Project design description	II
5	Unit and project amenities; parking	V
6	Public programs included	I
7	Target population description	II
8	Date of construction/preliminary completion	II
9	If rehabilitation, existing unit breakdown and rents.	II
10	Reference to review/status of project plans	III
<b>Location and Market Area</b>		
11	Market area/secondary market area description	III
12	Concise description of the site and adjacent parcels	III
13	Description of site characteristics	III
14	Site photos/maps	III
15	Map of community services	III
16	Visibility and accessibility evaluation	III
17	Crime information	III
<b>Employment and Economy</b>		
18	Employment by industry	IV
19	Historical unemployment rate	IV
20	Area major employers	IV
21	Five-year employment growth	IV
22	Typical wages by occupation	IV
23	Discussion of commuting patterns of area workers	IV
<b>Demographic Characteristics</b>		
24	Population and household estimates and projections	IV
25	Area building permits	IV
26	Distribution of income	IV
27	Households by tenure	IV
<b>Competitive Environment</b>		
28	Comparable property profiles	V
29	Map of comparable properties	V
30	Comparable property photos	Add. B
31	Existing rental housing evaluation	V
32	Comparable property discussion	V

## NCHMA Market Study Index

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing built with low income housing tax credits. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Components reported in the market study are indicated by a page number.

		Page Number(s)
33	Area vacancy rates, including rates for Tax Credit and government-subsidized	VI
34	Comparison of subject property to comparable properties	VI
35	Availability of Housing Choice Vouchers	VI
36	Identification of waiting lists	VI
37	Description of overall rental market including share of market-rate and affordable properties	VI
38	List of existing a LIHTC properties	VI
39	Discussion of future changes in housing stock	VI
40	including homeownership	VI
41	Tax credit and other planned or under construction rental communities in market area	VI
<b>Analysis/Conclusions</b>		
42	Calculation and analysis of Capture Rate	VII
43	Calculation and analysis of Penetration Rate	VII
44	Evaluation of proposed rent levels	VII
45	Derivation of Achievable Market Rent and Market Advantage	VII
46	Derivation of Achievable Restricted Rent	VII
47	Precise statement of key conclusions	VII
48	Market strengths and weaknesses impacting project	VII
49	Recommendations and/or modification to project discussion	N/A
50	Discussion of subject property's impact on existing housing	VII
51	Absorption projection with issues impacting performance	VII
52	Discussion of risks or other mitigating circumstances impacting project	VII
53	Interviews with area housing stakeholders	V
<b>Other Requirements</b>		
54	Preparation date of report	Cover
55	Date of field work	Cover
56	Certifications	Add. F
57	Statement of qualifications	Add. E
58	Sources of data not otherwise identified	N/A
59	Utility allowance schedule	Add. D