



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Wellesley
51 Wellesley Drive
Newport News, Virginia 23606

Prepared For

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

Authorized User

Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220

Effective Date

October 13, 2022

Job Reference Number

22-514 JP

Intended Users of Market Study

Community Housing Partners Corporation

448 Depot Street NE
Christiansburg, VA 24073

Wellesley Commons Apartments, LLC

4915 Radford Avenue, Suite 300
Richmond, VA 23230

CHP Wellesley Commons Apartments, LLC

4915 Radford Avenue, Suite 300
Richmond, VA 23230

VCDC Equity Fund 26, LLC

1840 West Broad Street, Suite 200
Richmond, VA 23220

VAHM, L.L.C.

1840 West Broad Street, Suite 200
Richmond, VA 23220

Atlantic Union Bank

105 Arbor Drive
Christiansburg, VA 24073

Virginia Housing Development Authority

601 Belvidere Street
Richmond, VA 23220

DHCD

600 East Main Street, #300
Richmond, VA 23210

Market Study Certification

NCHMA Certification

This certifies that Sidney McCrary, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the subject site in Newport News, Virginia. Further, the information contained in this report is true and accurate as of October 13, 2022.

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

Virginia Housing Certification

I affirm the following:

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

Certified:



Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: October 13, 2022



Sidney McCrary

Market Analyst

sidneym@bowennational.com

Date: October 13, 2022



Patrick M. Bowen

President/Market Analyst

Bowen National Research

155 E. Columbus St., Suite 220

Pickerington, OH 43147

(614) 833-9300

patrickb@bowennational.com

Date: October 13, 2022

Certificate of Professional Designation

This certificate verifies that

Patrick Bowen
Bowen National Research

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



Formerly known as
NCAHMA

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

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



A handwritten signature in black ink, appearing to read "Thomas Amdur".

Thomas Amdur
President, NCHMA

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I. Introduction

A. PURPOSE

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

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

C. SOURCES

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

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

D. REPORT LIMITATIONS

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

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

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II. Executive Summary

Based on the findings contained in this report, it is our opinion that a market exists for the renovations to the existing Wellesley Commons (to be renamed Wellesley) rental property in Newport News, Virginia utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program. The following points support this conclusion:

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

Project Description

The proposed project involves the renovation of the 40-unit Wellesley Commons (to be renamed Wellesley) apartment property located at 51 Wellesley Drive in Newport News, Virginia. Built in 1997, the project operates under the HUD Section 202 program, with all units receiving a direct subsidy and targeting senior households ages 62 and older. The subsidy allows tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a waiting list of up to one year in length for the next available unit, although four units are currently offline due to the anticipated renovations.

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

Site Evaluation

The subject site is Wellesley Commons, an existing 40-unit government-subsidized property restricted to seniors located at 51 Wellesley Drive in the central portion of Newport News, Virginia. The subject site is located within a mixed-use portion of Newport News with surrounding land uses primarily consisting of multifamily homes, single-family homes and retail uses. All of the structures surrounding the subject site appear to be in good condition. The subject site is comprised of a three-story building that maintains frontage along Wellesley Drive, which borders the site to the north. There are clear views of the site from this aforementioned roadway. The subject site derives access from Wellesley Drive, which is a lightly traveled roadway that borders the site to the south. The light traffic in the site area allows for convenient ingress and egress. Shopping centers, dining, recreation, a fire department and an emergency medical center are among the community services within 2.0 miles of the site. Services

for seniors are offered through Peninsula Agency on Aging and a senior center is approximately 7.0 miles from the site. Overall, the site's surrounding land uses and proximity to community services are expected to continue to contribute to its marketability.

Primary Market Area (PMA)

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Newport News Site PMA includes the eastern portion of Newport News, Virginia. The boundaries of the Site PMA include Lucas Creek, Old Lucas Creek Road, Denbigh Boulevard, State Route 143, Brick Kiln Boulevard, Providence Boulevard, Commonwealth Drive and the Newport News city limits to the north; the Newport News city limits to the east; U.S. Highway 17/U.S. Highway 258/State Route 32 to the south; and the Warwick River to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in *Section IV*, beginning on page *IV-9*.

Demographic Trends

Both the population and household bases within the Newport News Site PMA are projected to experience slight declines between 2022 and 2027. Despite these declines, senior households age 65 and older are projected to increase by 905 (8.8%) during the same time frame. In addition, senior renters age 62 and older earning less than \$35,000 (generally the incomes targeted at the site) are projected to comprise 40.6% of all senior renters in 2027. Based on the preceding analysis, a large base of senior households will continue to exist in the market to support the subject project. Detailed demographic trends are included in *Section IV*, beginning on page *IV-11*.

Economic Trends

Based on data provided by the U.S. Department of Labor, the area was negatively impacted by the COVID-19 pandemic, which caused many local businesses to shut down in an attempt to mitigate the spread of the coronavirus. In 2020, the Newport News employment base declined by 5,635 jobs, or 6.4%, and its unemployment rate more than doubled, increasing by nearly four percentage points. Specifically, between March and May 2020, the *monthly* unemployment rate within the city spiked by nearly 11 percentage points; however, the city's *monthly* unemployment rate has been trending downward since and was 4.4% in August of 2022. In addition, the employment base has increased by 1.8% thus far in 2022 (through August) and has regained many of the jobs lost during the peak of the pandemic. These are good indications that the local economy is recovering well from the impact of the pandemic. This, in turn, will continue to create a stable environment for the local housing market. Detailed economic trends are included in *Section IV*, beginning on page *IV-21*.

Overall Rental Housing Market Conditions

We identified and personally surveyed 32 conventional housing projects containing a total of 6,377 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.8%. Note, however that this includes a market-rate property undergoing renovations and currently reporting 72 vacant units that have recently become available for rent. Excluding this property, the market-rate segment has a combined occupancy rate of 97.4%, and the overall market has a combined occupancy rate of **97.9%**, a very good rate for rental housing. Each rental housing segment surveyed is summarized as follows:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	17	4,440	184	95.9%
Market-rate/Tax Credit	2	337	11	96.7%
Tax Credit	8	1,175	8	99.3%
Tax Credit/Government-Subsidized	3	355	2	99.4%
Government-Subsidized	2	70	0	100.0%
Total	32	6,377	205	96.8%

As illustrated in the preceding table, all rental properties surveyed are performing at good occupancy levels and it can be concluded that the Newport News rental housing market is performing well. This is especially true among affordable rental product surveyed, as such properties are operating with few vacant units.

Competitive/Comparable Tax Credit Analysis

The subject project will target senior (age 62 and older) households earning up to 50% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. In addition, the subject project will also operate with a direct subsidy available to all units. For the purposes of this analysis, however, we only select comparable *non-subsidized* LIHTC properties, as these properties provide the most accurate representation of achievable non-subsidized Tax Credit rents within the Newport News market.

Within the Site PMA, we identified and surveyed a total of three age-restricted LIHTC properties which offer non-subsidized units in the Newport News market. Although two of these properties offer different income levels and/or unit sizes than those offered at the subject site, we have included these properties in our comparable/competitive analysis as they will likely have some competitive overlap with the subject project. Due to the limited supply of age-restricted LIHTC product in the market, we have also included four general-occupancy (family) Tax Credit properties that offer unit types similar to those proposed for the subject project, in terms of project size (total units) and/or age.

These seven comparable LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the *Field Survey of Conventional Rentals*.

Map I.D.	Project Name	Quality Rating	Nbhd. Rating	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Wellesley	B	B	1997 / 2023	40	100.0%	-	1 Year	Seniors 62+; 50% AMHI & PBRA
2	801 Main Senior	B+	B	2017	44	100.0%	4.9 Miles	52 HH	Seniors 55+; 40%, 50%, & 60% AMHI & PBV/PBRA
6	Auburn Pointe Apts.	C+	B-	1976 / 1997	275	100.0%	5.3 Miles	10 HH	Families; 50% & 60% AMHI
11	Forrest Landing Apts.	B	B	2010	184	100.0%	3.1 Miles	34 HH	Families; 60% AMHI
12	Great Oak	B-	B	1978 / 2008	143	100.0%	3.5 Miles	300 HH	Seniors 62+; 40% & 50% AMHI & Sec 8
25	River Trace	C	C	1978 / 1993	56	100.0%	4.2 Miles	None	Families; 50% & 60% AMHI
26	Sharps Landing	B+	B	1973 / 2012	270	97.0%	2.9 Miles	None	Families; 60% AMHI
27	Silver Hill at the Arboretum	B	B+	1996	95*	95.8%	2.8 Miles	None	Seniors 55+; 60% AMHI

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

The seven comparable LIHTC projects have a combined occupancy rate of 98.9%, a strong rate for affordable housing. In fact, five of these projects are fully occupied and four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will continue to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		Studio	One-Br.	Two-Br.	Three-Br.	
Site	Wellesley	-	*\$769/50% (40)	-	-	-
2	801 Main Senior	-	\$770/40% (2/0) \$780/50% (1/0) ^\$985/50% (8/0)	\$902/40% (4/0) \$1,070/50% (21/0) \$1,151/60% (8/0)	-	None
6	Auburn Pointe Apts.	-	\$902/50% (10/0) \$924/60% (56/0)	\$1,172/60% (177/0)	\$1,399/60% (32/0)	None
11	Forrest Landing Apts.	-	\$1,112-\$1,115/60% (36/0)	\$1,323-\$1,325/60% (103/0)	\$1,528-\$1,544/60% (45/0)	None
12	Great Oak	-	^\$1,028/40% (18/0) ^\$1,028/50% (122/0)	\$721/50% (3/0)	-	None
25	River Trace	-	\$759/50% (6/0) \$789/60% (10/0)	\$887/50% (16/0) \$962/60% (24/0)	-	None
26	Sharps Landing	-	\$1,084/60% (22/1)	\$1,299/60% (248/7)	-	None
27	Silver Hill at the Arboretum	\$810/60% (15/1)	\$1,016/60% (40/2)	\$1,147-\$1,215/60% (40/1)	-	None

*Five units with rents restricted to 40% AMHI

^Subsidized units (tenants pay a portion of their income towards rent and not the rent illustrated in the table)

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

Comparable/Competitive Tax Credit Summary

The seven comparable LIHTC projects have a combined occupancy rate of 98.9%, a strong rate for affordable housing. In fact, five of these projects are fully occupied and four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will continue to accommodate a portion of this unmet demand.

The proposed subject gross rent will generally be the lowest when compared to the LIHTC rents targeting similar income levels within the market. Regardless, the subject project will continue to operate with a subsidy, allowing tenants of the project to pay only a portion of their income towards rent. Although among the smallest, the subject property will offer generally competitive unit sizes (square feet) and a competitive amenities package. The subject's current occupancy rate of 100.0% further illustrates that the subject project is marketable. Based on the preceding factors, the subject project is considered marketable as proposed, especially when considering the inclusion of a subsidy.

Perception of Value

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

Bedroom Type	Proposed Collected Rent (50% AMHI)	Achievable Market Rent	Market Rent Advantage
One-Br.	\$656	\$1,140	42.5%

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject's proposed Tax Credit rents, which represent market rent advantages of 42.5%, are considered appropriate and should represent significant values within the Newport News market. It is also important to reiterate that the subject project will operate with a project-based subsidy available to all units. Thus, the units at the property will represent an even greater value than that reflected by the market rent advantage in the preceding table, as tenants will pay only 30% of their income towards rent, rather than the proposed rent evaluated throughout this report.

Capture Rate Estimates

The following is a summary of our demand calculations:

Demand Component	Overall LIHTC with Subsidy	Overall LIHTC Only
Net Demand	622	388
Proposed Units	40	40
Proposed Units / Net Demand	40 / 622	40 / 388
Capture Rate	= 6.4%	= 10.3%

Overall, the capture rates of 6.4% when considering the retention of a subsidy and 10.3% in the unlikely scenario the project operates strictly under LIHTC guidelines are considered very low and easily achievable. These low capture rates illustrate that there will be a significant base of age- and income-qualified support for the subject project.

Penetration Rate

The 134 existing and proposed age-restricted Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$21,630 to \$37,400. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, the penetration rate is summarized in the following table.

	Market Penetration
Number of LIHTC Units (Proposed and Existing)	174
Age- and Income-Eligible Households – 2023	/ 897
Overall Market Penetration Rate	= 19.4%

It is our opinion that the 19.4% penetration rate for the LIHTC units, both existing and proposed, is low and achievable.

Absorption Projections

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

Subsidized

Assuming the subject project retains its subsidy on all units but is entirely vacated, we estimate that the 40 subject units can achieve a stabilized occupancy of 93% within three months of re-opening. This is based on a monthly absorption rate of approximately 12 units per month.

Tax Credit

Assuming the subject project operated exclusively under the LIHTC program and was completely vacated, it is likely that the subject project would reach a stabilized occupancy within five months, reflective of an absorption rate of eight units per month.

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

III. Project Description

Project Name:	Wellesley
Location:	51 Wellesley Drive, Newport News, Virginia 23606
Census Tract:	317.01
Target Market:	Senior Age 62+
Construction Type:	Renovation of Existing Development
Funding Source:	LIHTC

The proposed project involves the renovation of the 40-unit Wellesley Commons (to be renamed Wellesley) apartment property located at 51 Wellesley Drive in Newport News, Virginia. Built in 1997, the project operates under the HUD Section 202 program, with all units receiving a direct subsidy and targeting senior households ages 62 and older. The subsidy allows tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a waiting list of up to one year in length for the next available unit, although four units are currently offline due to the anticipated renovations.

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

Proposed Unit Configuration										
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Contract Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
40	One-Br.	1.0	Garden	524-540	*50%	\$585	\$656	\$113	\$769	\$876
40	Total									

Source: Community Housing Partners

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

*Five units with rents restricted to 40% AMHI

The maximum allowable LIHTC gross rent of \$876 is the programmatic limits for units targeting households earning up to 50% of AMHI. However, this limit would only apply in the unlikely scenario that the property ceased to operate with a project-based subsidy.

Building/Site Information	
Residential Buildings:	One (1) three-story building
Building Style:	Elevator-served
Community Space:	Integrated throughout
Acres:	1.6

Construction Timeline	
Original Year Built:	1997
Renovation Start:	January 2023
Begin Preleasing:	In-place renovation
Renovation End:	December 2023

Unit Amenities		
• Electric Range	• Controlled Access/Key Fob	• Composite Flooring
• Refrigerator	• Central Air Conditioning	• Window Blinds
• Emergency Call System	• Dishwasher	

Community Amenities		
• Laundry Room	• On-Site Management	• Clubhouse/Community Room
• Community Kitchen	• Elevator	• CCTV/Cameras
• Library	• Gazebo/Pavilion	• Fitness Center
• Grilling Area	• Social Services	• Surface Parking Lot (40 Spaces)

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

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

*FOUR UNITS CURRENTLY OFFLINE DUE TO ANTICIPATED RENOVATIONS

PLANNED RENOVATION:

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

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



FLOOR AND SITE PLAN REVIEW:

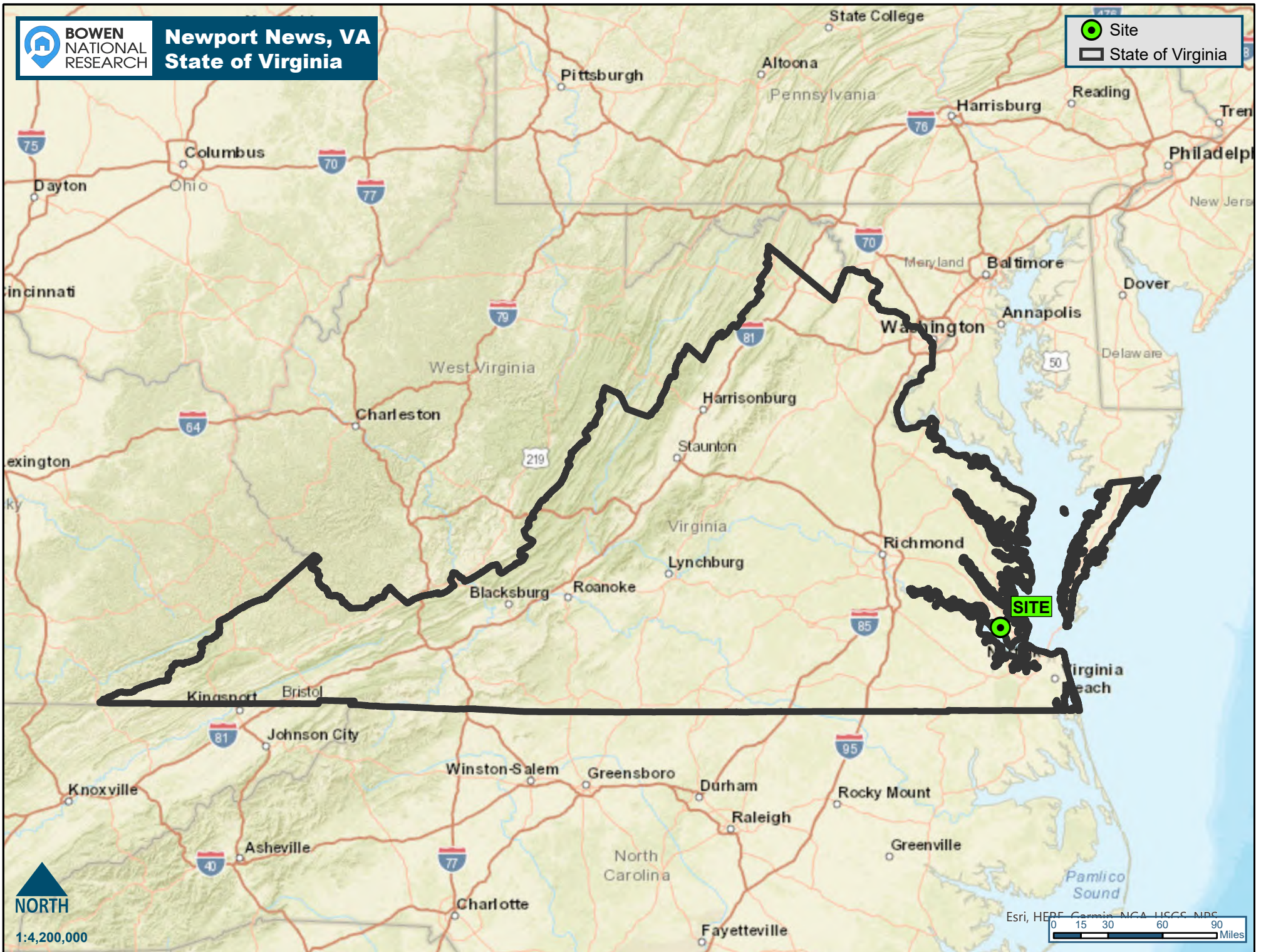
Floor and site plans were not provided for the subject project for review at the time this report was prepared. However, we conducted an on-site visit and evaluation of unit interiors of select units, the exterior of the subject building and property grounds. Based on our evaluation, the subject floor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

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



Newport News, VA State of Virginia

 Site
 State of Virginia

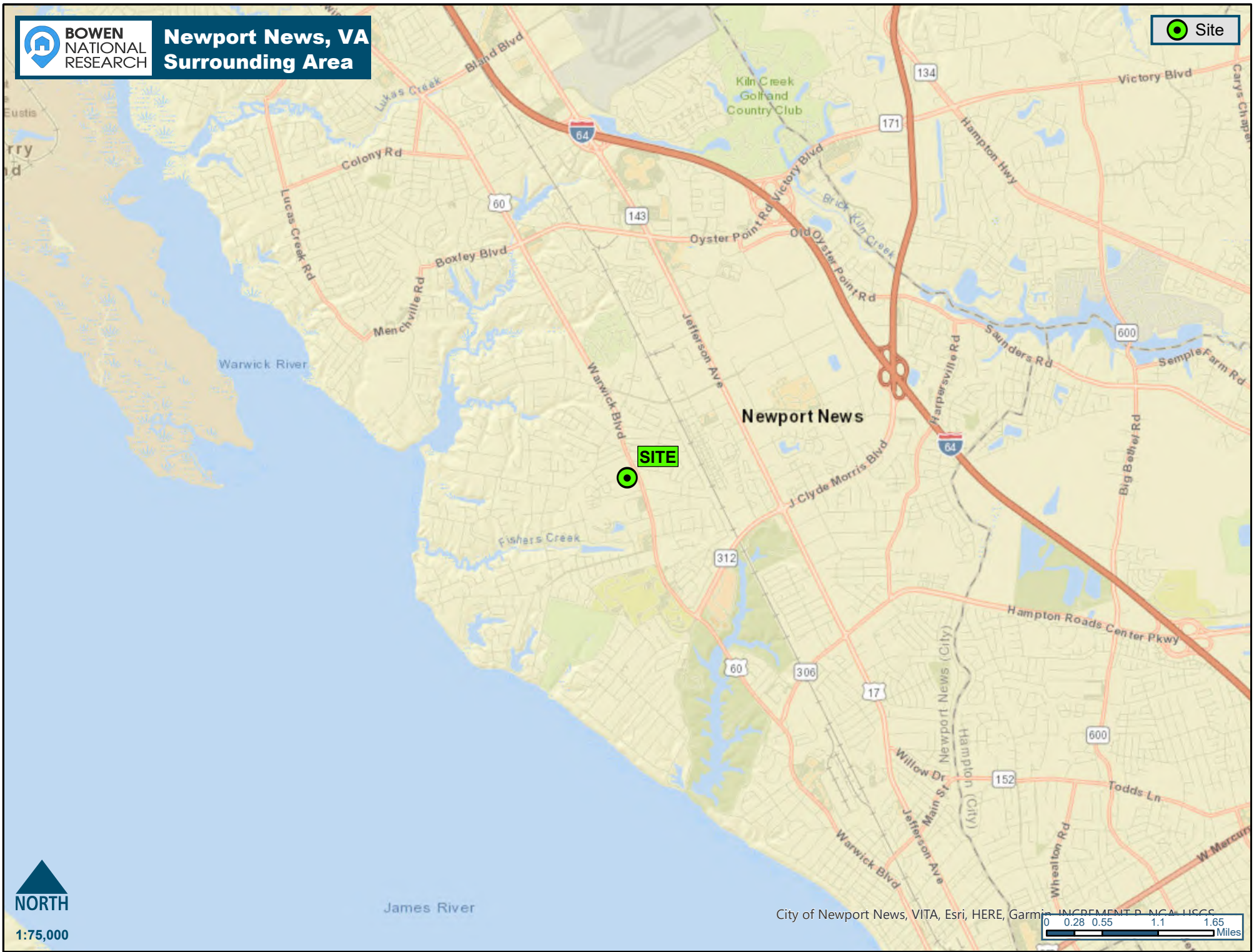


1:4,200,000

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



Newport News, VA Surrounding Area



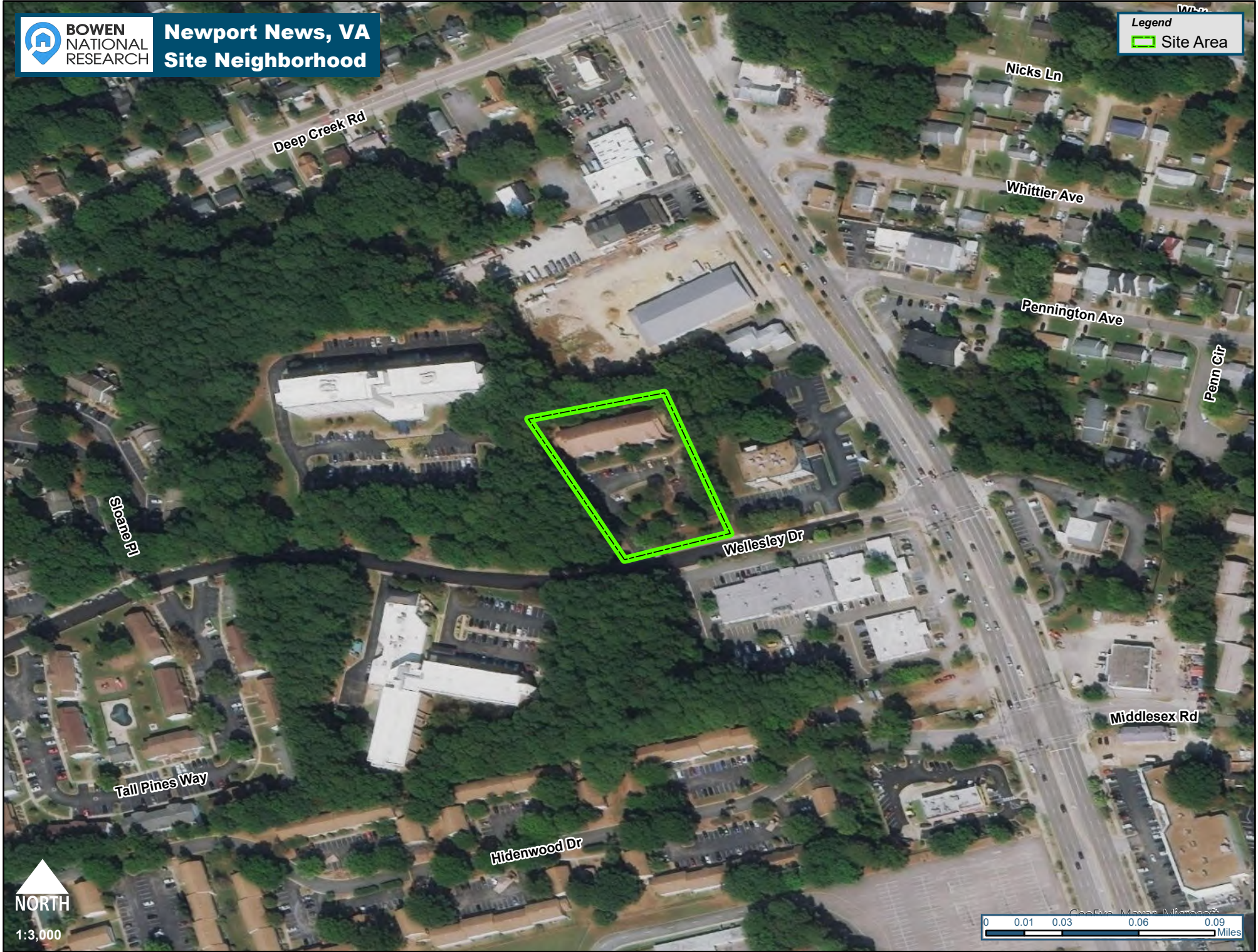
1:75,000

City of Newport News, VITA, Esri, HERE, Garmin, INCREMENT P, NOAA, USGS
0 0.28 0.55 1.1 1.65 Miles



Newport News, VA Site Neighborhood

Legend
Site Area



NORTH
1:3,000

0 0.01 0.03 0.06 0.09 Miles

IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is Wellesley Commons, an existing 40-unit government-subsidized property restricted to seniors located at 51 Wellesley Drive in the central portion of Newport News, Virginia. Newport News is approximately 27.0 miles northwest of Norfolk, Virginia. Sidney McCrary, an employee of Bowen National Research, inspected the site on October 13, 2022.

2. SURROUNDING LAND USES

The subject site is located within a mixed-use portion of Newport News with surrounding land uses primarily consisting of multifamily homes, single-family homes and retail uses. Adjacent land uses are detailed as follows:

North -	The northern boundary is defined by a tree line, which buffers the site from commercial/retail businesses in good condition. Business and services continue north along Warwick Boulevard (U.S. Highway 60), an arterial roadway with moderate traffic patterns. Single-family homes and commercial/retail uses extend north along this aforementioned roadway.
East -	The eastern boundary is defined by a tree line and a three-story office building in good condition. Warwick Boulevard (U.S. Highway 60) and single-family homes in good condition extend farther east of the site.
South -	The southern boundary is defined by Wellesley Drive, a residential roadway with light traffic. A professional development/training building is situated southeast of the site and Hiddenwood Retirement Community is situated southwest of the site. Both of these buildings appear to be in good condition. Various businesses extend south of the site, as well as Todd Stadium and a middle school.
West -	The western boundary is defined by Pinecroft, a government-subsidized community restricted to seniors that is in good condition. Multifamily homes and single-family homes in good condition extend farther west of the site.

The subject site is Wellesley Commons, an existing three-story senior community. A thin tree line borders the site to the north, east and west. Additional surrounding land uses include local businesses, office buildings, additional rental communities and single-family homes. The majority of buildings located throughout the site area were observed to be in good condition. Overall, the subject property fits well with the surrounding land uses and they should continue to contribute to the marketability of the site. Photographs of the site can be found in *Section X* of this report.

3. VISIBILITY AND ACCESS

The subject site is comprised of a three-story building that maintains frontage along Wellesley Drive, which borders the site to the north. There are clear views of the site from this aforementioned roadway. A thin tree line borders the site in all other directions, and existing buildings are also present to the north, east and west. While visibility of the subject building may be limited from these directions, signage is present along the site's southern boundary. It should also be noted that this limited visibility has not impacted the site's occupancy rate, as evidenced by the subject's 100.0% occupancy rate. Overall, visibility of the site is considered good.

The subject site derives access from Wellesley Drive, which is a lightly traveled roadway that borders the site to the south. The light traffic in the site area allows for convenient ingress and egress. Hampton Roads Transit (HRT) provides fixed-route public transportation throughout the area and the nearest bus stop is situated 0.2 mile east of the site. This transportation service also provides an on-call paratransit service for those unable to ride the fixed-route bus; a trip costs \$3.50. On-demand transportation for seniors is also available via Peninsula Agency on Aging. In addition to being conveniently accessed, the subject site is also within proximity of area arterial roadways, as Warwick Boulevard (U.S. Highway 60), State Route 43 and U.S. Highway 17 are accessed within 3.0 miles of the site. Overall, access to and from the subject site is considered good.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (miles)
Major Highways	U.S. Highway 60	0.1 East
	State Route 143	1.8 Northeast
	U.S. Highway 17	2.5 Southeast
Public Bus Stop	Peninsula Agency on Aging	On-Demand
	HRT Paratransit	On-Demand
	Hampton Roads Transit	0.2 East
Major Employers/ Employment Centers	Christopher Newport University	0.7 South
	Riverside Regional Medical Center	1.8 Southeast
Convenience Store	7-Eleven	0.6 Southeast
	7-Eleven	0.9 North
	7-Eleven	1.2 Southeast
Grocery	Food Lion	0.8 South
	Harris Teeter	0.9 Southeast
	Lidl	2.1 Northeast
Discount Department Store	Dollar Tree	3.0 Southeast
Shopping Center/Mall	Hiddenwood Shopping Center	0.8 South
	Marketplace at Techcenter	3.0 North
	Patrick Henry Mall	3.6 North
Hospital	Commonwealth Family Practice	1.1 Northwest
	Peninsula Health Center	1.6 Southeast
	Riverside Regional Medical Center	1.8 Southeast
Police	Newport News Police Department	3.7 Southeast
Fire	Newport News Fire Station No. 10	0.5 Southeast
Post Office	U.S. Post Office	0.8 South
Bank	Old Point National Bank	2.3 Northeast
	Wells Fargo Bank	2.4 Northeast
	Fulton Bank	2.4 Northeast
	BB&T	3.3 East
Senior Center	Peninsula Agency on Aging	3.2 East
	Hilton Senior Center	6.6 Southeast
Recreational Facilities	Ferguson Center for the Arts	1.3 South
	Abbitt Planetarium	2.6 Southeast
Gas Station	7-Eleven	0.6 Southeast
	Mobil	0.9 North
	Exxon	1.2 Southeast
Pharmacy	Hiddenwood Pharmacy	0.8 South
	Harris Teeter Pharmacy	0.9 Southeast
	Walgreens	2.5 Southeast
Restaurant	McDonalds	0.3 Southeast
	Little Caesars Pizza	0.3 Southeast
	Wendy's	0.5 Southeast
Church	Open Door Baptist Church	0.4 North
	Christ United Methodist Church	0.5 West
	St. Stephens Episcopal Church	1.0 South
Park	Deer Park	3.1 Southeast
Library	Main Street Library	4.1 Southeast

A significant number of essential community services can be accessed within 2.0 miles of the subject site. Many of these services are located along, or can be accessed from, Warwick Boulevard, an arterial roadway accessed 0.1 mile east of the site. Area services can also be accessed using Hampton Roads Transit, which provides a fixed-route bus service and an on-call paratransit service. The closet fixed-route stop is located 0.2 mile east of the subject site.

Within the Warwick Road service corridor are multiple restaurants, churches, gas stations, medical facilities and shopping centers, including Hiddenwood Shopping Center 0.8 mile south. This includes Food Lion, Hiddenwood Pharmacy, a U.S. Post Office, and several restaurants. The closest Newport News Fire Station is within 1.0 south along this road, as is Harris Teeter grocery store and pharmacy and Christopher Newport University. In addition, Riverside Regional Medical Center is located 1.8 miles southeast of the site.

The nearest Newport News Police Department is 3.7 miles southeast. Multiple banks area roughly 2.0 miles to the north, and further north is Marketplace at Techcenter and the Patrick Henry Mall. Facilities for seniors in the surrounding area include Penninsula Agency on Aging, which offers nutrition services and transportation for those 60 years of age and older, wellness classes and additional support. The Hilton Senior Center is located 6.6 miles southeast of the site.

5. OVERALL SITE EVALUATION

The subject site is Wellesley Commons, an existing 40-unit government-subsidized property restricted to seniors located at 51 Wellesley Drive in the central portion of Newport News, Virginia. The subject site is located within a mixed-use portion of Newport News with surrounding land uses primarily consisting of multifamily homes, single-family homes and retail uses. All of the structures surrounding the subject site appear to be in good condition. The subject site is comprised of a three-story building that maintains frontage along Wellesley Drive, which borders the site to the north. There are clear views of the site from this aforementioned roadway. The subject site derives access from Wellesley Drive, which is a lightly traveled roadway that borders the site to the south. The light traffic in the site area allows for convenient ingress and egress. Shopping centers, dining, recreation, a fire department and an emergency medical center are among the community services within 2.0 miles of the site. Services for seniors are offered through Peninsula Agency on Aging and a senior center is approximately 7.0 miles from the site. Overall, the site's surrounding land uses and proximity to community services are expected to continue to contribute to its marketability.

6. CRIME ISSUES

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

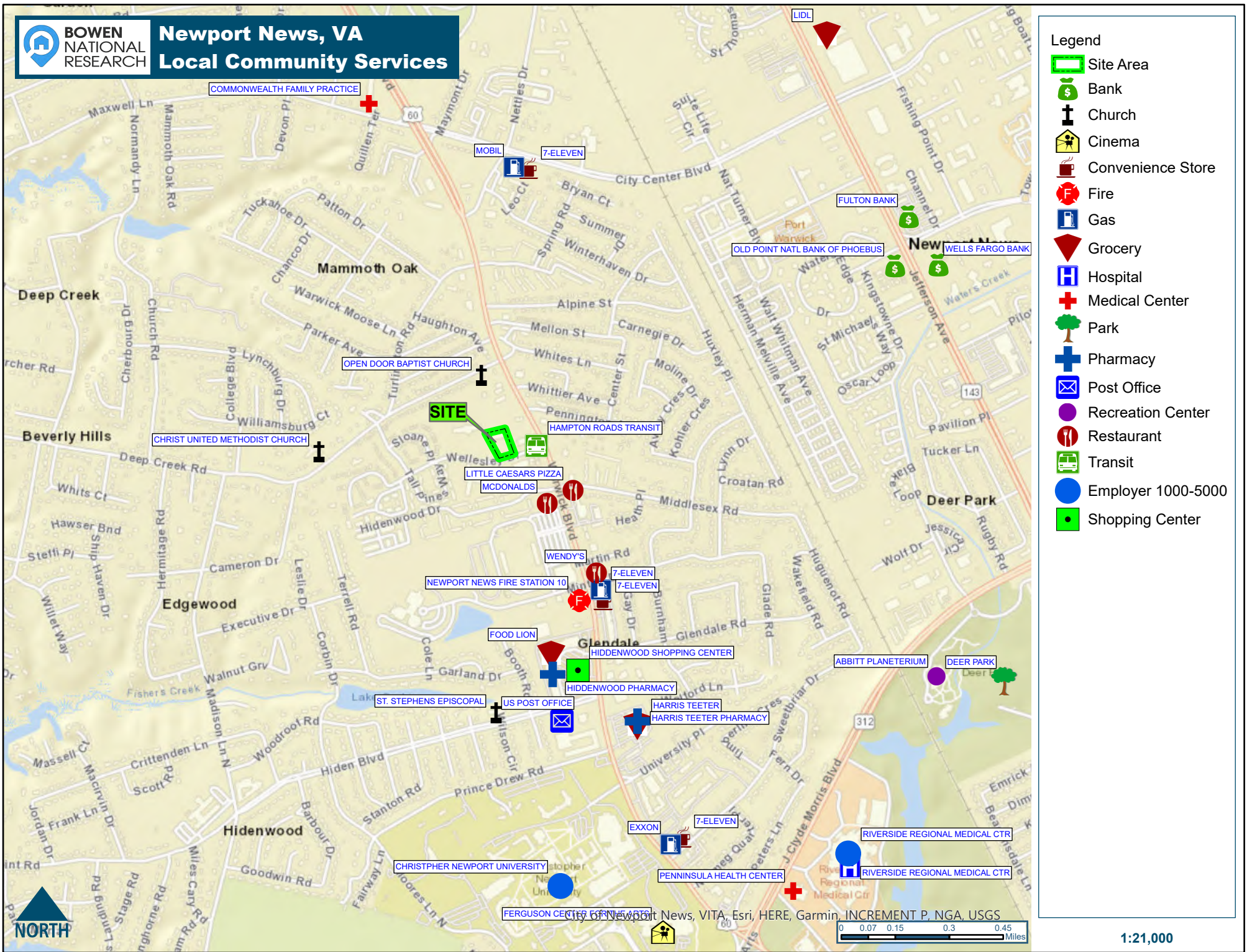
Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability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

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

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



Newport News, VA Local Community Services



- ### Legend
- Site Area
 - Bank
 - Church
 - Cinema
 - Convenience Store
 - Fire
 - Gas
 - Grocery
 - Hospital
 - Medical Center
 - Park
 - Pharmacy
 - Post Office
 - Recreation Center
 - Restaurant
 - Transit
 - Employer 1000-5000
 - Shopping Center



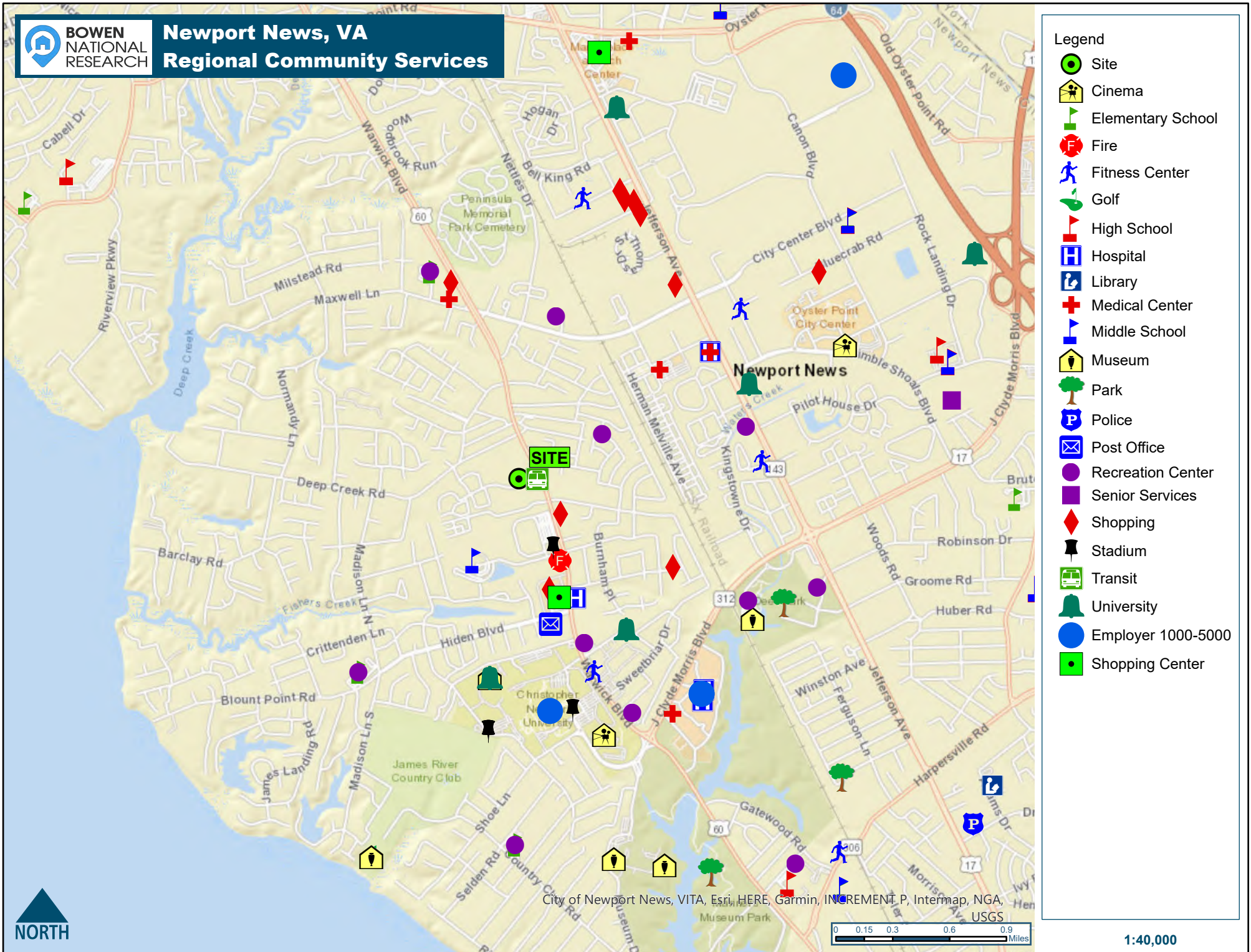
City of Newport News, VITA, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



1:21,000



Newport News, VA Regional Community Services



- Legend**
- Site
 - Cinema
 - Elementary School
 - Fire
 - Fitness Center
 - Golf
 - High School
 - Hospital
 - Library
 - Medical Center
 - Middle School
 - Museum
 - Park
 - Police
 - Post Office
 - Recreation Center
 - Senior Services
 - Shopping
 - Stadium
 - Transit
 - University
 - Employer 1000-5000
 - Shopping Center



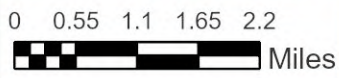
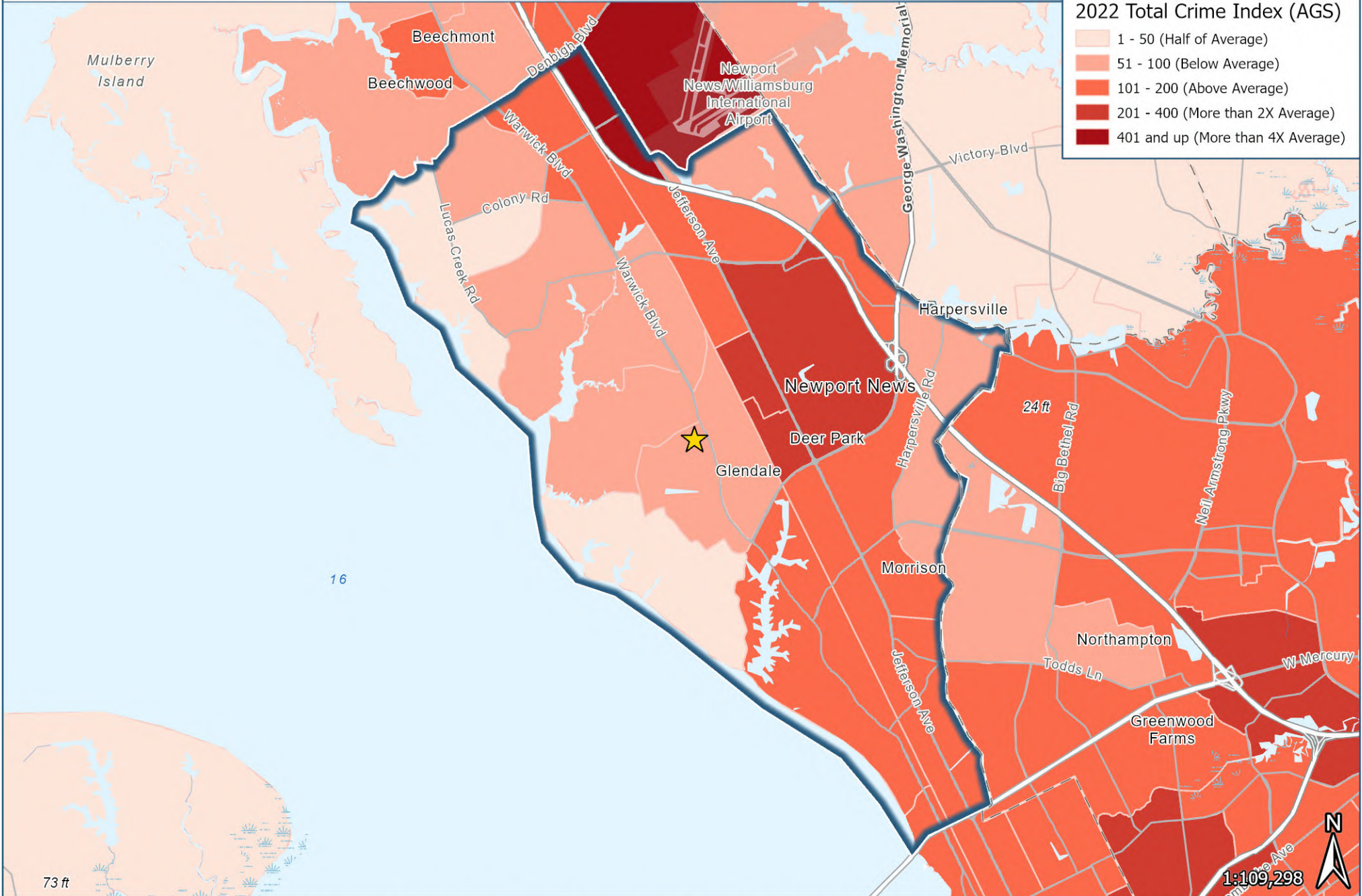
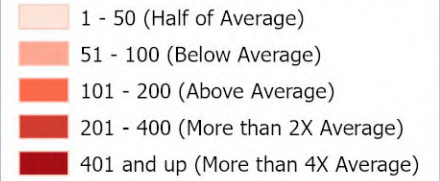
City of Newport News, VITA, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



1:40,000



2022 Total Crime Index (AGS)



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B. PRIMARY MARKET AREA DELINEATION

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

The Newport News Site PMA includes the eastern portion of Newport News, Virginia. The boundaries of the Site PMA include Lucas Creek, Old Lucas Creek Road, Denbigh Boulevard, State Route 143, Brick Kiln Boulevard, Providence Boulevard, Commonwealth Drive and the Newport News city limits to the north; the Newport News city limits to the east; U.S. Highway 17/U.S. Highway 258/State Route 32 to the south; and the Warwick River to the west.

- Jackie Black is the Property Manager at Wellesley Commons (subject site). Ms. Black confirmed the boundaries of the Site PMA, stating that many of her residents have moved in from the surrounding neighborhoods of the city that are encompassed within the Site PMA. Ms. Black added that many come from living with their children or other family members and that the property does not typically receive support from the Hampton or Northampton areas.
- Natasha Arrington is the Property Manager at Huntington Village (Map ID 14) a recently built Tax Credit property located within the Site PMA. Ms. Arrington confirmed the boundaries of the Site PMA after viewing the Site PMA map, stating that most of the support for this property originates from within the boundaries of the Site PMA.

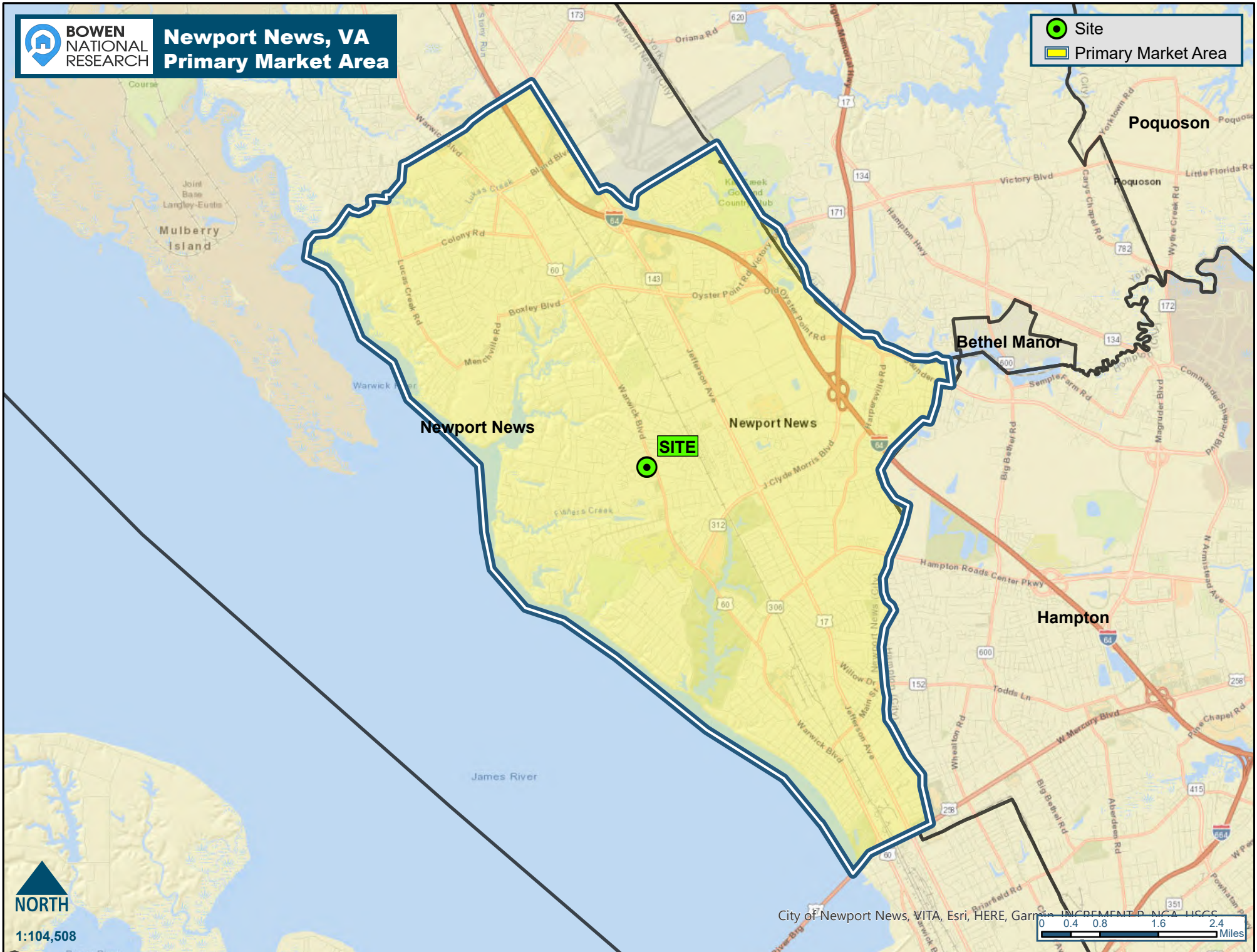
A small portion of support may originate from some of the outlying areas of Newport News and suburban communities in the area; we have not, however, considered any secondary market area in this report. Confirmed by the property manager at the subject site, additional portions of Newport News and surrounding localities were excluded from the Site PMA boundaries as it was determined that these areas are not expected to generate significant support for the subject site.

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



Newport News, VA Primary Market Area

- Site
- Primary Market Area



NORTH
1:104,508

City of Newport News, VITA, Esri, HERE, Garmin, INCREMENTAL, NGA, USGS
0 0.4 0.8 1.6 2.4 Miles

C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION TRENDS

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

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

	Year			
	2010 (Census)	2020 (Census)	2022 (Estimated)	2027 (Projected)
Population	93,401	98,438	98,291	97,464
Population Change	-	5,037	-147	-827
Percent Change	-	5.4%	-0.1%	-0.8%

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

The Newport News Site PMA population base increased by 5,037 between 2010 and 2020. This represents a 5.4% increase over the 2010 population, or an annual rate of 0.5%. Between 2020 and 2022, the population declined by 147, or 0.1%. It is projected that the population will decrease by 827, or 0.8%, between 2022 and 2027. These trends are indicative of a generally stable population base.

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

Population by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	23,963	25.7%	23,712	24.1%	23,281	23.9%	-431	-1.8%
20 to 24	9,649	10.3%	8,438	8.6%	8,400	8.6%	-38	-0.5%
25 to 34	14,127	15.1%	15,157	15.4%	13,556	13.9%	-1,601	-10.6%
35 to 44	11,195	12.0%	12,751	13.0%	13,784	14.1%	1,033	8.1%
45 to 54	13,405	14.4%	10,699	10.9%	10,517	10.8%	-182	-1.7%
55 to 64	9,658	10.3%	11,674	11.9%	10,529	10.8%	-1,145	-9.8%
65 to 74	5,938	6.4%	8,803	9.0%	9,414	9.7%	611	6.9%
75 & Older	5,467	5.9%	7,054	7.2%	7,978	8.2%	924	13.1%
Total	93,401	100.0%	98,291	100.0%	97,464	100.0%	-827	-0.8%

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, the senior population age 65 and older is projected to increase by 1,535, or 9.7%, between 2022 and 2027. This age group is the primary group of current and potential support for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

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

	Year			
	2010 (Census)	2020 (Census)	2022 (Estimated)	2027 (Projected)
Households	37,865	41,219	41,363	41,254
Household Change	-	3,354	144	-109
Percent Change	-	8.9%	0.3%	-0.3%
Average Household Size	2.41	2.38	2.28	2.27

Source: Bowen National Research, ESRI, Census

Within the Newport News Site PMA, households increased by 3,354 (8.9%) between 2010 and 2020. Between 2020 and 2022, households increased by 144 or 0.3%. By 2027, there will be 41,254 households, a decrease of 109 households, or 0.3% from 2022 levels. This is a decrease of approximately 36 households annually over the next five years. These trends are indicative of a generally stable demographic base.

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

Households by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	3,138	8.3%	2,930	7.1%	2,995	7.3%	65	2.2%
25 to 34	7,222	19.1%	7,834	18.9%	7,052	17.1%	-782	-10.0%
35 to 44	6,220	16.4%	7,188	17.4%	7,700	18.7%	512	7.1%
45 to 54	7,768	20.5%	6,187	15.0%	6,066	14.7%	-121	-2.0%
55 to 64	5,833	15.4%	6,889	16.7%	6,199	15.0%	-690	-10.0%
65 to 74	3,867	10.2%	5,617	13.6%	5,940	14.4%	323	5.8%
75 & Older	3,817	10.1%	4,720	11.4%	5,302	12.9%	582	12.3%
Total	37,865	100.0%	41,363	100.0%	41,254	100.0%	-109	-0.3%

Source: Bowen National Research, ESRI, Census

Between 2022 and 2027, the greatest growth among household age groups is projected to be among those ages 65 and over, increasing by 905 (8.8%). This projected growth among senior households indicates that there will be an increasing need for housing for seniors in the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	20,533	54.2%	21,233	51.3%	21,498	52.1%
Renter-Occupied	17,325	45.8%	20,130	48.7%	19,756	47.9%
Total	37,858	100.0%	41,363	100.0%	41,254	100.0%

Source: Bowen National Research, ESRI, Census

In 2022, homeowners occupied 51.3% of all occupied housing units, while the remaining 48.7% were occupied by renters.

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

Tenure 55+	2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent
Owner-Occupied	12,245	71.1%	12,477	71.5%
Renter-Occupied	4,981	28.9%	4,964	28.5%
Total	17,226	100.0%	17,441	100.0%

Source: Bowen National Research, ESRI, Census

A total of 4,981 (28.9%) of all households age 55 and older within the Site PMA were renters in 2022. Senior renters age 55 and older are projected to generally remain stable between 2022 and 2027.

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

Tenure 62+	2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent
Owner-Occupied	8,021	71.9%	8,173	72.4%
Renter-Occupied	3,133	28.1%	3,122	27.6%
Total	11,154	100.0%	11,295	100.0%

Source: Bowen National Research, ESRI, Census

A total of 3,133 (28.1%) of all households age 62 and older within the Site PMA were renters in 2022. Similar to trends projected for those age 55 and older, senior renters age 62 and older are projected to generally remain stable between 2022 and 2027.

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

Persons per Renter Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	8,264	41.1%	8,529	43.2%	265	3.2%
2 Persons	5,726	28.4%	5,659	28.6%	-67	-1.2%
3 Persons	3,127	15.5%	2,899	14.7%	-228	-7.3%
4 Persons	1,745	8.7%	1,481	7.5%	-264	-15.1%
5+ Persons	1,268	6.3%	1,188	6.0%	-80	-6.3%
Total	20,130	100.0%	19,756	100.0%	-374	-1.9%

Source: Bowen National Research, ESRI, Census

Persons per Owner Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	5,062	23.8%	5,177	24.1%	115	2.3%
2 Persons	8,897	41.9%	9,384	43.7%	487	5.5%
3 Persons	3,564	16.8%	3,523	16.4%	-41	-1.2%
4 Persons	2,182	10.3%	1,902	8.8%	-280	-12.8%
5+ Persons	1,528	7.2%	1,512	7.0%	-16	-1.0%
Total	21,233	100.0%	21,498	100.0%	265	1.2%

Source: Bowen National Research, ESRI, Census

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

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

Persons per Renter Household 55+	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	2,688	54.0%	2,750	55.4%	63	2.3%
2 Persons	1,479	29.7%	1,460	29.4%	-20	-1.3%
3 Persons	814	16.3%	754	15.2%	-60	-7.4%
Total	4,981	100.0%	4,964	100.0%	-17	-0.3%

Source: Bowen National Research, ESRI, Census

Persons per Owner Household 55+	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	3,057	14.4%	3,122	14.5%	65	2.1%
2 Persons	5,565	26.2%	5,892	27.4%	327	5.9%
3 Persons	3,623	17.1%	3,464	16.1%	-159	-4.4%
Total	12,245	100.0%	12,477	100.0%	232	1.9%

Source: Bowen National Research, ESRI, Census

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

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

Persons per Renter Household 62+	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,670	53.3%	1,708	54.7%	39	2.3%
2 Persons	938	30.0%	924	29.6%	-14	-1.5%
3 Persons	525	16.7%	490	15.7%	-35	-6.7%
Total	3,133	100.0%	3,122	100.0%	-11	-0.3%

Source: Bowen National Research, ESRI, Census

Persons per Owner Household 62+	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	2,013	9.5%	2,065	9.6%	52	2.6%
2 Persons	3,663	17.3%	3,857	17.9%	193	5.3%
3 Persons	2,345	11.0%	2,251	10.5%	-93	-4.0%
Total	8,021	100.0%	8,173	100.0%	152	1.9%

Source: Bowen National Research, ESRI, Census

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

3. INCOME TRENDS

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

Household Income	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	3,874	10.2%	3,676	8.9%	2,936	7.1%
\$15,000 - \$24,999	3,938	10.4%	3,125	7.6%	2,635	6.4%
\$25,000 - \$34,999	3,361	8.9%	2,969	7.2%	2,642	6.4%
\$35,000 - \$49,999	5,701	15.1%	5,600	13.5%	5,198	12.6%
\$50,000 - \$74,999	8,679	22.9%	8,595	20.8%	8,197	19.9%
\$75,000 - \$99,999	5,384	14.2%	6,318	15.3%	6,630	16.1%
\$100,000 - \$149,999	4,471	11.8%	6,418	15.5%	6,890	16.7%
\$150,000 & Higher	2,457	6.5%	4,662	11.3%	6,127	14.9%
Total	37,865	100.0%	41,363	100.0%	41,254	100.0%
Median Income	\$60,967		\$65,449		\$72,173	

Source: Bowen National Research, ESRI, Census

In 2022, the median household income is estimated to be \$65,449. By 2027, it is projected that the median household income will be \$72,173, an increase of 10.3% over 2022.

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

Household Income (55+)	2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent
Less Than \$15,000	1,410	8.2%	1,114	6.4%
\$15,000 - \$24,999	1,127	6.5%	938	5.4%
\$25,000 - \$34,999	1,119	6.5%	986	5.7%
\$35,000 - \$49,999	2,027	11.8%	1,865	10.7%
\$50,000 - \$74,999	3,329	19.3%	3,166	18.2%
\$75,000 - \$99,999	2,828	16.4%	2,971	17.0%
\$100,000 - \$149,999	3,063	17.8%	3,317	19.0%
\$150,000 & Higher	2,323	13.5%	3,081	17.7%
Total	17,226	100.0%	17,441	100.0%
Median Income	\$72,004		\$85,931	

Source: Bowen National Research, ESRI

In 2022, the median household income is estimated to be \$72,004. By 2027, it is projected that the median household income will be \$85,931, an increase of 19.3% over 2022.

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

Household Income (62+)	2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent
Less Than \$15,000	913	8.2%	722	6.4%
\$15,000 - \$24,999	728	6.5%	607	5.4%
\$25,000 - \$34,999	717	6.4%	631	5.6%
\$35,000 - \$49,999	1,313	11.8%	1,207	10.7%
\$50,000 - \$74,999	2,167	19.4%	2,064	18.3%
\$75,000 - \$99,999	1,824	16.4%	1,920	17.0%
\$100,000 - \$149,999	2,027	18.2%	2,198	19.5%
\$150,000 & Higher	1,465	13.1%	1,947	17.2%
Total	11,154	100.0%	11,295	100.0%
Median Income	\$71,996		\$85,861	

Source: Bowen National Research, ESRI

In 2022, the median household income is estimated to be \$71,996. By 2027, it is projected that the median household income will be \$85,861, an increase of 19.3% over 2022.

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

Renter Households	2020 (ACS)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	1,792	600	315	103	91	2,901
\$15,000 - \$24,999	1,499	509	298	103	85	2,495
\$25,000 - \$34,999	1,025	495	286	121	91	2,017
\$35,000 - \$49,999	1,466	1,169	503	394	185	3,717
\$50,000 - \$74,999	1,330	1,523	1,012	550	290	4,704
\$75,000 - \$99,999	424	852	406	245	317	2,243
\$100,000 - \$149,999	341	434	334	284	146	1,538
\$150,000 & Higher	280	172	67	51	94	665
Total	8,158	5,753	3,218	1,851	1,300	20,280

Source: ESRI, Bowen National Research

Renter Households	2022 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	1,706	553	285	91	82	2,717
\$15,000 - \$24,999	1,456	478	274	92	77	2,378
\$25,000 - \$34,999	1,021	475	269	110	85	1,959
\$35,000 - \$49,999	1,498	1,147	482	365	175	3,667
\$50,000 - \$74,999	1,387	1,521	986	516	279	4,689
\$75,000 - \$99,999	467	892	413	239	318	2,328
\$100,000 - \$149,999	381	461	344	279	148	1,613
\$150,000 & Higher	348	200	75	54	103	779
Total	8,264	5,726	3,127	1,745	1,268	20,130

Source: ESRI, Bowen National Research

Renter Households	2027 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	1,490	436	211	60	59	2,257
\$15,000 - \$24,999	1,348	400	215	65	58	2,086
\$25,000 - \$34,999	1,011	426	226	82	69	1,814
\$35,000 - \$49,999	1,577	1,091	430	292	151	3,541
\$50,000 - \$74,999	1,529	1,516	922	431	252	4,651
\$75,000 - \$99,999	575	992	431	223	320	2,541
\$100,000 - \$149,999	482	528	369	267	154	1,801
\$150,000 & Higher	517	269	94	61	125	1,065
Total	8,529	5,659	2,899	1,481	1,188	19,756

Source: ESRI, Bowen National Research

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

Renter Households (55+)	2020 (ACS)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	642	148	74	864
\$15,000 - \$24,999	500	132	73	706
\$25,000 - \$34,999	321	140	70	531
\$35,000 - \$49,999	439	318	136	892
\$50,000 - \$74,999	433	368	277	1,077
\$75,000 - \$99,999	130	219	113	461
\$100,000 - \$149,999	120	111	78	309
\$150,000 & Higher	79	51	18	148
Total	2,663	1,487	838	4,988

Source: 2020 Census, ESRI, Bowen National Research

Renter Households (55+)	2022 (Estimated)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	610	136	67	814
\$15,000 - \$24,999	485	124	68	677
\$25,000 - \$34,999	319	135	65	520
\$35,000 - \$49,999	448	311	130	889
\$50,000 - \$74,999	451	367	270	1,087
\$75,000 - \$99,999	143	229	115	486
\$100,000 - \$149,999	134	117	80	332
\$150,000 & Higher	98	60	20	177
Total	2,688	1,479	814	4,981

Source: 2020 Census, ESRI, Bowen National Research

Renter Households (55+)	2027 (Projected)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	532	107	50	688
\$15,000 - \$24,999	448	104	53	604
\$25,000 - \$34,999	315	121	55	491
\$35,000 - \$49,999	470	295	116	881
\$50,000 - \$74,999	496	365	252	1,112
\$75,000 - \$99,999	175	254	119	549
\$100,000 - \$149,999	169	134	86	389
\$150,000 & Higher	145	80	24	249
Total	2,750	1,460	754	4,964

Source: 2020 Census, ESRI, Bowen National Research

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

Owner Households (55+)	2020 (ACS)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	506	121	38	665
\$15,000 - \$24,999	338	119	40	497
\$25,000 - \$34,999	366	201	73	641
\$35,000 - \$49,999	515	504	181	1,200
\$50,000 - \$74,999	638	1,014	664	2,316
\$75,000 - \$99,999	265	1,328	716	2,309
\$100,000 - \$149,999	216	1,246	1,191	2,653
\$150,000 & Higher	187	902	783	1,872
Total	3,031	5,435	3,687	12,152

Source: 2020 Census, ESRI, Bowen National Research

Owner Households (55+)	2022 (Estimated)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	459	106	32	597
\$15,000 - \$24,999	310	105	34	450
\$25,000 - \$34,999	350	184	65	599
\$35,000 - \$49,999	505	470	163	1,138
\$50,000 - \$74,999	652	977	612	2,241
\$75,000 - \$99,999	291	1,357	693	2,341
\$100,000 - \$149,999	245	1,308	1,178	2,732
\$150,000 & Higher	244	1,057	845	2,146
Total	3,057	5,565	3,623	12,245

Source: 2020 Census, ESRI, Bowen National Research

Owner Households (55+)	2027 (Projected)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	340	68	18	426
\$15,000 - \$24,999	242	71	21	334
\$25,000 - \$34,999	310	141	44	496
\$35,000 - \$49,999	482	386	117	984
\$50,000 - \$74,999	686	885	483	2,054
\$75,000 - \$99,999	356	1,432	635	2,423
\$100,000 - \$149,999	318	1,464	1,146	2,928
\$150,000 & Higher	387	1,445	1,000	2,832
Total	3,122	5,892	3,464	12,477

Source: 2020 Census, ESRI, Bowen National Research

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

Renter Households (62+)	2020 (ACS)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	413	92	46	551
\$15,000 - \$24,999	317	86	44	448
\$25,000 - \$34,999	191	95	43	329
\$35,000 - \$49,999	259	213	86	558
\$50,000 - \$74,999	278	227	174	679
\$75,000 - \$99,999	76	134	79	288
\$100,000 - \$149,999	72	71	52	195
\$150,000 & Higher	49	26	14	89
Total	1,654	944	539	3,137

Source: 2020 Census, ESRI, Bowen National Research

Renter Households (62+)	2022 (Estimated)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	393	84	42	519
\$15,000 - \$24,999	308	81	41	430
\$25,000 - \$34,999	190	91	41	322
\$35,000 - \$49,999	265	209	83	556
\$50,000 - \$74,999	290	226	170	686
\$75,000 - \$99,999	83	140	80	304
\$100,000 - \$149,999	80	76	53	209
\$150,000 & Higher	60	31	15	106
Total	1,670	938	525	3,133

Source: 2020 Census, ESRI, Bowen National Research

Renter Households (62+)	2027 (Projected)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	343	67	31	441
\$15,000 - \$24,999	285	68	32	385
\$25,000 - \$34,999	188	82	34	304
\$35,000 - \$49,999	279	198	74	551
\$50,000 - \$74,999	320	226	159	704
\$75,000 - \$99,999	103	156	84	342
\$100,000 - \$149,999	101	87	57	245
\$150,000 & Higher	90	41	19	150
Total	1,708	924	490	3,122

Source: 2020 Census, ESRI, Bowen National Research

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

Owner Households (62+)	2020 (ACS)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	333	81	24	438
\$15,000 - \$24,999	225	78	25	329
\$25,000 - \$34,999	238	137	46	421
\$35,000 - \$49,999	342	344	111	797
\$50,000 - \$74,999	407	702	419	1,529
\$75,000 - \$99,999	179	855	463	1,497
\$100,000 - \$149,999	135	853	776	1,764
\$150,000 & Higher	133	534	516	1,184
Total	1,993	3,586	2,382	7,960

Source: 2020 Census, ESRI, Bowen National Research

Owner Households (62+)	2022 (Estimated)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	302	71	20	393
\$15,000 - \$24,999	207	69	22	299
\$25,000 - \$34,999	228	126	41	394
\$35,000 - \$49,999	336	321	100	757
\$50,000 - \$74,999	416	677	387	1,481
\$75,000 - \$99,999	197	875	449	1,520
\$100,000 - \$149,999	153	897	768	1,818
\$150,000 & Higher	174	627	558	1,359
Total	2,013	3,663	2,345	8,021

Source: 2020 Census, ESRI, Bowen National Research

Owner Households (62+)	2027 (Projected)			
	1-Person	2-Person	3+Person	Total
Less Than \$15,000	225	45	11	281
\$15,000 - \$24,999	162	47	13	222
\$25,000 - \$34,999	202	96	28	326
\$35,000 - \$49,999	320	264	72	656
\$50,000 - \$74,999	439	615	306	1,360
\$75,000 - \$99,999	242	924	412	1,578
\$100,000 - \$149,999	199	1,005	749	1,953
\$150,000 & Higher	276	859	661	1,797
Total	2,065	3,857	2,251	8,173

Source: 2020 Census, ESRI, Bowen National Research

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

Demographic Summary

Both the population and household bases within the Newport News Site PMA are projected to experience slight declines between 2022 and 2027. Despite these declines, senior households age 65 and older are projected to increase by 905 (8.8%) during the same time frame. In addition, senior renters age 62 and older earning less than \$35,000 (generally the incomes targeted at the site) are projected to comprise 40.6% of all senior renters in 2027. Based on the preceding analysis, a large base of senior households will continue to exist in the market to support the subject project.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

The labor force within the Newport News Site PMA is based primarily in four sectors. Health Care & Social Assistance (which comprises 18.2%), Retail Trade, Professional, Scientific & Technical Services, and Accommodation & Food Services comprise over 55.1% of the Site PMA labor force. Employment in the Newport News Site PMA, as of 2022, was distributed as follows:

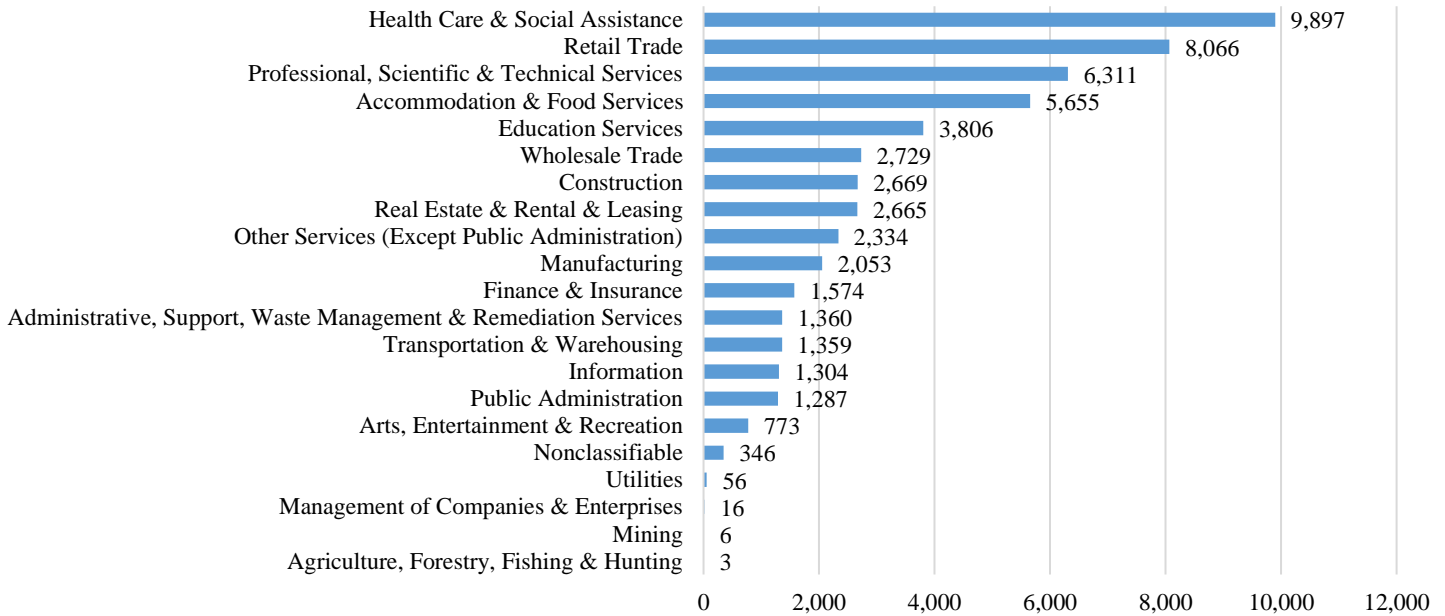
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	1	0.0%	3	0.0%	3
Mining	1	0.0%	6	0.0%	6
Utilities	2	0.1%	56	0.1%	28
Construction	211	5.8%	2,669	4.9%	13
Manufacturing	75	2.1%	2,053	3.8%	27
Wholesale Trade	61	1.7%	2,729	5.0%	45
Retail Trade	574	15.9%	8,066	14.9%	14
Transportation & Warehousing	31	0.9%	1,359	2.5%	44
Information	65	1.8%	1,304	2.4%	20
Finance & Insurance	219	6.0%	1,574	2.9%	7
Real Estate & Rental & Leasing	267	7.4%	2,665	4.9%	10
Professional, Scientific & Technical Services	369	10.2%	6,311	11.6%	17
Management of Companies & Enterprises	5	0.1%	16	0.0%	3
Administrative, Support, Waste Management & Remediation Services	124	3.4%	1,360	2.5%	11
Education Services	105	2.9%	3,806	7.0%	36
Health Care & Social Assistance	437	12.1%	9,897	18.2%	23
Arts, Entertainment & Recreation	63	1.7%	773	1.4%	12
Accommodation & Food Services	323	8.9%	5,655	10.4%	18
Other Services (Except Public Administration)	459	12.7%	2,334	4.3%	5
Public Administration	38	1.0%	1,287	2.4%	34
Nonclassifiable	192	5.3%	346	0.6%	2
Total	3,622	100.0%	54,269	100.0%	15

Source: Bowen National Research, ESRI, Census

E.P.E.- Average Employees Per Establishment

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

Total Employment by Industry



Typical wages by job category for the Virginia Beach-Norfolk-Newport News, VA-NC Metro Area are compared with the state of Virginia in the following table:

Typical Wage By Occupation Type		
Occupation Type	MSA	Virginia
Management Occupations	\$68,400	\$82,810
Business And Financial Occupations	\$60,456	\$75,304
Computer And Mathematical Occupations	\$77,060	\$96,987
Architecture And Engineering Occupations	\$80,125	\$88,024
Community And Social Service Occupations	\$44,117	\$45,264
Art, Design, Entertainment, Sports, and Media Occupations	\$37,053	\$48,060
Healthcare Practitioners And Technical Occupations	\$54,805	\$58,457
Healthcare Support Occupations	\$25,096	\$24,349
Protective Service Occupations	\$47,166	\$51,694
Food Preparation And Serving Related Occupations	\$14,293	\$14,603
Building And Grounds Cleaning And Maintenance Occupations	\$20,741	\$21,490
Personal Care And Service Occupations	\$18,186	\$17,690
Sales And Related Occupations	\$26,854	\$30,076
Office And Administrative Support Occupations	\$32,462	\$34,891
Construction And Extraction Occupations	\$38,244	\$37,792
Installation, Maintenance And Repair Occupations	\$45,991	\$46,689
Production Occupations	\$39,941	\$37,169
Transportation Occupations	\$33,419	\$35,036
Material Moving Occupations	\$22,324	\$23,155

Source: U.S. Department of Labor, Bureau of Statistics
MSA - Virginia Beach-Norfolk-Newport News, VA-NC Metro Area

As the preceding illustrates, most occupational types within the MSA have lower typical wages than Virginia’s typical wages.

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

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

Source: Hampton Roads Alliance (May 2022)

Despite multiple attempts, area economic development representatives were unable/unwilling to provide economic information at the time of this report. The following, however, are summaries of some recent and notable economic development activity within the Newport News area based on our research at the time of this analysis:

- Aery Aviation broke ground on the expansion of their Newport News headquarters with a new 60,000-square-foot facility in September 2021, investing \$15 million into the project. The expansion will create 211 jobs and is expected to be completed in late 2022.
- In April 2020, S23 Holdings, LLC and its affiliates announced plans to invest \$64.4 million and build a 17-acre industrial campus in Newport News for ship repair, manufacturing, and to rehabilitate two piers. This project will also involve building corporate offices on the waterfront property. This project will create 332 new jobs. The company closed on the site in September 2021, but it was unknown when the project would break ground at the time this report was issued.
- Huntington Ingalls Industries Mechanical (HII Mechanical) completed a \$20 million expansion of their headquarters in Oakland Industrial Park in Newport News in May 2018. The expansion added 52,000 square feet to their existing 66,000-square-foot building and created approximately 120 jobs. In June 2018, HII Mechanical’s Newport News Shipbuilding division announced plans to invest approximately \$8.7 million to expand its workforce by approximately 2,000 jobs through 2022. Huntington Ingalls-Newport News Shipbuilding also announced plans to work jointly with Connecticut-based Electric Boat to start

constructing a new fleet of ballistic missile submarines in 2021 for the United States Navy to replace the old ones. The Shipyard will invest over \$750 million in its facility for the project and is expected to create 1,000 jobs by 2025.

- The Tech Center at Oyster Point (expansion of Jefferson Lab) will be located in Newport News and is the second phase of a \$450 million mixed-use project. The project will include more than 250,000 square feet of retail, restaurants, Onelife Fitness, Whole Foods and the Venture Apartments. The Tech Center at Oyster Point will also include 1.1 million square feet of office space. In December 2016, Jefferson Lab was awarded \$2.1 million as part of a \$1 billion electron-ion collider project. The project is estimated to create more than 5,500 new jobs within the area, which would include construction jobs and skilled labor, over a ten-year period. Building One at Tech Center Research Park opened August 2019. The 80,000-square-foot building is one of many buildings that will be located at the 50-acre research park located at Jefferson Avenue and Hogan Drive in Newport News. Building one has co-working spaces with access to conference rooms with videoconferencing technology, printing and copying. The remaining master plan, which includes constructing ten buildings each ranging from 80,000 square feet to 100,000 square feet, was approved in June 2019. A second research building broke ground in June 2022. The completion date for the entire project was unavailable at the time this report was issued.

Infrastructure:

Infrastructure Projects			
Project Name	Scope of Work	Status	Investment
James River Strand Project	Adding amenities to Christopher Newport Park, construction of a new amphitheater, building a multi-use walkway, and the stabilizing the shoreline of the James River	Broke ground September 2022; ECD December 2023	\$7 million
Transportation Center Project	Replacing Amtrak train station in Newport News with multi-modal transportation center	Phase I completed in 2021, Phases II and III ECD late 2022	\$47 million

ECD – Estimated Completion Date

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed October 3, 2022, and according to the Virginia Employment Commission, there have been two WARN notices reported for Newport News City over the past 12 months. Below is a table summarizing these notices.

WARN Notices				
Company	Location	Jobs	Notice Date	Effective Date
The Logistics Company	Fort Eustis (Newport News)	47	1/7/2022	3/11/2022
The Logistics Company	Fort Eustis (Newport News)	45	10/8/2021	12/7/2021

2. EMPLOYMENT TRENDS

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

Excluding 2022, the employment base has decreased by 4.9% over the past five years in Newport News city, while the state of Virginia decreased by 2.2%. Total employment reflects the number of employed persons who live within the city/county.

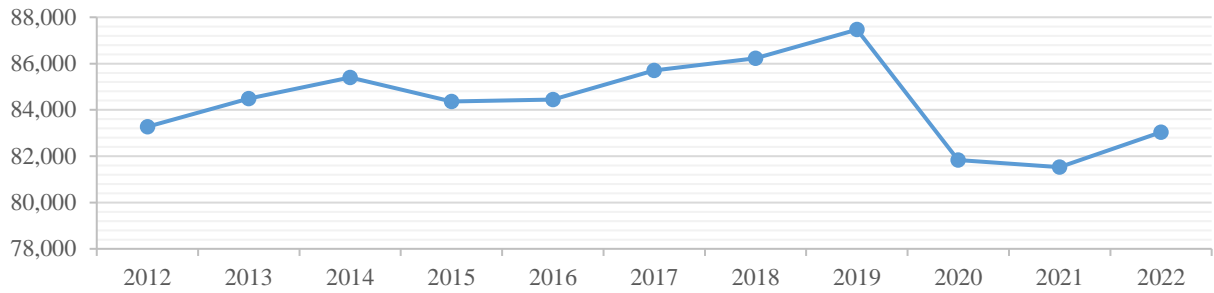
The following illustrates the total employment base for Newport News city, the state of Virginia, and the United States.

Year	Total Employment					
	Newport News city		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2012	83,269	-	3,967,151	-	142,469,000	-
2013	84,482	1.5%	4,002,057	0.9%	143,929,000	1.0%
2014	85,403	1.1%	4,040,908	1.0%	146,305,000	1.7%
2015	84,369	-1.2%	4,048,081	0.2%	148,833,000	1.7%
2016	84,452	0.1%	4,084,822	0.9%	151,436,000	1.7%
2017	85,701	1.5%	4,193,290	2.7%	153,337,000	1.3%
2018	86,228	0.6%	4,255,213	1.5%	155,761,000	1.6%
2019	87,466	1.4%	4,332,647	1.8%	157,538,000	1.1%
2020	81,831	-6.4%	4,097,860	-5.4%	147,795,000	-6.2%
2021	81,527	-0.4%	4,100,803	0.1%	152,581,000	3.2%
2022*	83,032	1.8%	4,213,682	2.8%	157,966,000	3.5%

Source: Bureau of Labor Statistics

*Through August

Total Persons Employed by Year (Newport News city)



As the preceding illustrates, the Newport News employment base was increasing between 2012 and 2019. However, in 2020, the city’s employment base declined by 6.4% as a result of the COVID-19 pandemic. Notably, after experiencing declines in both 2020 and 2021, the employment base has increased by 1.8% thus far in 2022 (through August) and has regained many of the jobs lost during the peak of the pandemic.

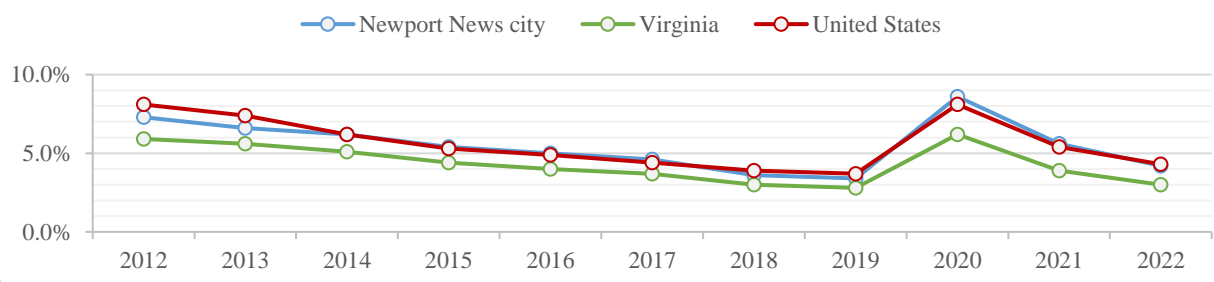
Unemployment rates for Newport News city, the state of Virginia, and the United States are illustrated as follows:

Year	Unemployment Rate		
	Newport News city	Virginia	United States
2012	7.3%	5.9%	8.1%
2013	6.6%	5.6%	7.4%
2014	6.2%	5.1%	6.2%
2015	5.4%	4.4%	5.3%
2016	5.0%	4.0%	4.9%
2017	4.6%	3.7%	4.4%
2018	3.6%	3.0%	3.9%
2019	3.4%	2.8%	3.7%
2020	8.6%	6.2%	8.1%
2021	5.6%	3.9%	5.4%
2022*	4.2%	3.0%	4.3%

Source: Department of Labor, Bureau of Labor Statistics

*Through August

Unemployment Rate



Between 2012 and 2019, the unemployment rate within Newport News remained low and declined by nearly four percentage points, then more than doubled in 2020 as a result of the COVID-19 pandemic. The unemployment rate has improved to a low rate of 4.2% through August of 2022, one of the lowest rates in the preceding ten years.

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

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

Source: Department of Labor, Bureau of Labor Statistics

The *monthly* unemployment rate in Newport News increased by nearly 11 full percentage points between March and April 2020 due to the COVID-19 pandemic. However, monthly unemployment has since declined to a rate of 4.4% through August 2022.

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

Year	In-Place Employment Newport News city		
	Employment	Change	Percent Change
2012	96,261	-	-
2013	97,302	1,041	1.1%
2014	98,179	877	0.9%
2015	97,536	-643	-0.7%
2016	96,225	-1,311	-1.3%
2017	97,754	1,529	1.6%
2018	101,887	4,133	4.2%
2019	103,520	1,633	1.6%
2020	99,479	-4,041	-3.9%
2021	100,381	902	0.9%
2022*	100,181	-200	-0.2%

Source: Department of Labor, Bureau of Labor Statistics

*Through March

Data for 2020, the most recent year that year-end figures are available, indicates in-place employment in Newport News to be 122.7% of the total city employment. This means that Newport News has more employed persons coming to the city/county from other cities/counties for work (daytime employment) than those who both live and work there.

3. ECONOMIC FORECAST

Based on data provided by the U.S. Department of Labor, the area was negatively impacted by the COVID-19 pandemic, which caused many local businesses to shut down in an attempt to mitigate the spread of the coronavirus. In 2020, the Newport News employment base declined by 5,635 jobs, or 6.4%, and its unemployment rate more than doubled, increasing by nearly four percentage points. Specifically, between March and May 2020, the *monthly* unemployment rate within the city spiked by nearly 11 percentage points; however, the city's *monthly* unemployment rate has been trending downward since and was 4.4% in August of 2022. In addition, the employment base has increased by 1.8% thus far in 2022 (through August) and has regained many of the jobs lost during the peak of the pandemic. These are good indications that the local economy is recovering well from the impact of the pandemic. This, in turn, will continue to create a stable environment for the local housing market.

4. COMMUTING PATTERNS

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

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	37,955	81.1%
Carpooled	4,161	8.9%
Public Transit	427	0.9%
Walked	1,339	2.9%
Motorcycle	86	0.2%
Bicycle	276	0.6%
Other Means	356	0.8%
Worked at Home	2,191	4.7%
Total	46,791	100.0%

Source: Bowen National Research, ESRI

Nearly 81% of all workers drove alone, 8.9% carpooled, and 0.9% used public transportation.

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

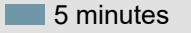
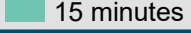
Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	13,091	29.2%
15 – 29 Minutes	18,210	40.6%
30 – 44 Minutes	8,184	18.2%
45 – 59 Minutes	3,142	7.0%
60 + Minutes	2,230	5.0%
Total	44,857	100.0%

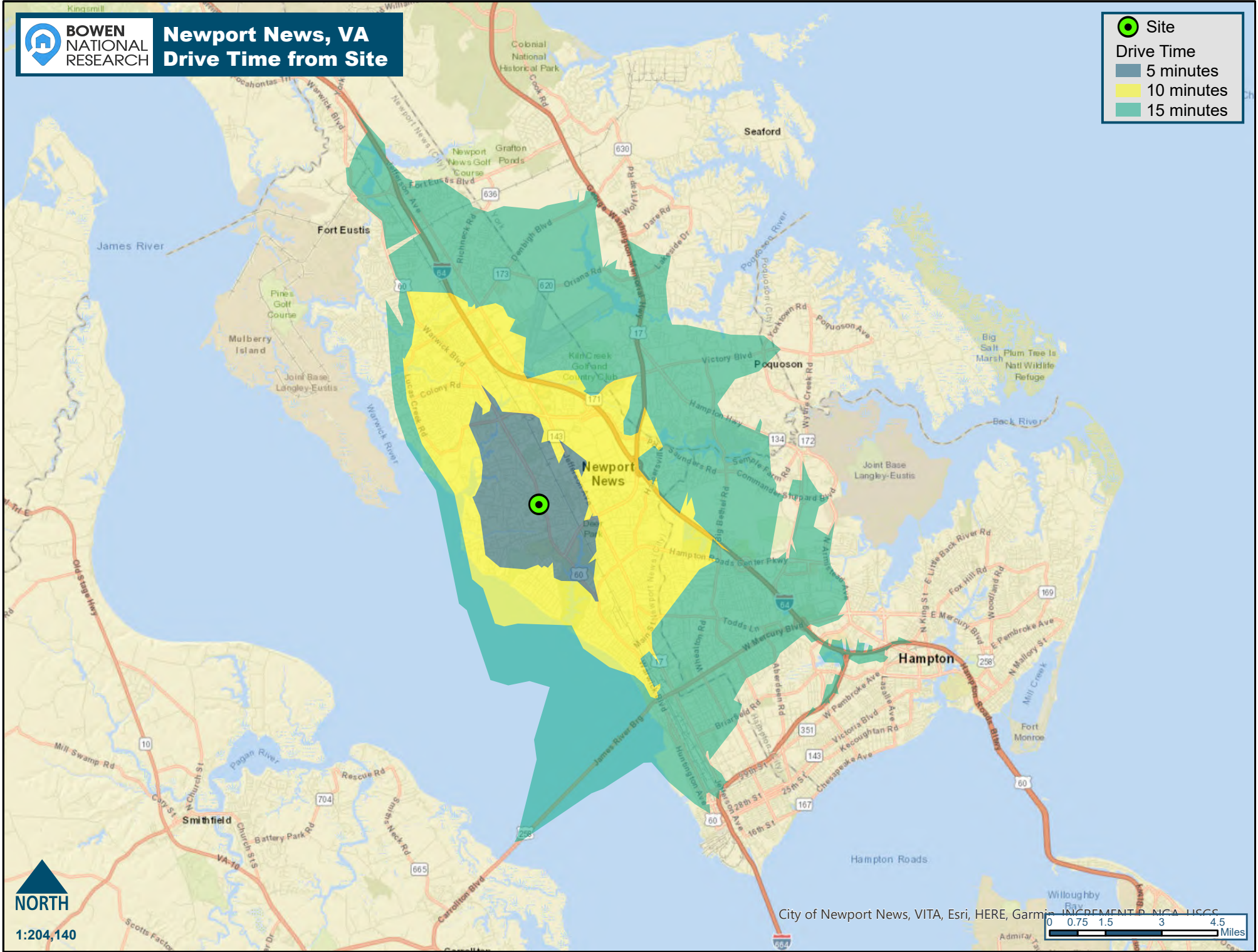
Source: Bowen National Research, ESRI


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



Newport News, VA Drive Time from Site

 Site
 Drive Time
 5 minutes
 10 minutes
 15 minutes




 NORTH
 1:204,140

City of Newport News, VITA, Esri, HERE, Garmin, INCORPORATED, NGA, USGS
 0 0.75 1.5 3 4.5 Miles

V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

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

Housing Status	2010 (Census)		2022 (Estimate)	
	Number	Percent	Number	Percent
Total-Occupied	37,858	93.8%	41,363	93.1%
Owner-Occupied	20,533	54.2%	21,233	51.3%
Renter-Occupied	17,325	45.8%	20,130	48.7%
Vacant	2,507	6.2%	3,061	6.9%
Total	40,372	100.0%	44,425	100.0%

Source: 2010 Census, ESRI, Bowen National Research

Based on a 2022 update of the 2010 Census, of the 37,858 total housing units in the market, 6.2% were vacant. In 2022, it was estimated that homeowners occupied 51.3% of all occupied housing units, while the remaining 48.7% were occupied by renters.

Conventional Apartments

We identified and personally surveyed 32 conventional housing projects containing a total of 6,377 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.8%. Note, however that this includes a market-rate property undergoing renovations and currently reporting 72 vacant units that have recently become available for rent. Excluding this property, the market-rate segment has a combined occupancy rate of 97.4%, and the overall market has a combined occupancy rate of **97.9%**, a very good rate for rental housing. Each rental housing segment surveyed is summarized as follows:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	17	4,440	184	95.9%
Market-rate/Tax Credit	2	337	11	96.7%
Tax Credit	8	1,175	8	99.3%
Tax Credit/Government-Subsidized	3	355	2	99.4%
Government-Subsidized	2	70	0	100.0%
Total	32	6,377	205	96.8%

As illustrated in the preceding table, all rental properties surveyed are performing at good occupancy levels and it can be concluded that the Newport News rental housing market is performing well. This is especially true among affordable rental product surveyed, as such properties are operating with few vacant units.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	72	1.6%	2	2.8%	\$1,529
One-Bedroom	1.0	1,181	25.6%	42	3.6%	\$1,489
One-Bedroom	1.5	62	1.3%	3	4.8%	\$1,652
Two-Bedroom	1.0	580	12.6%	70	12.1%	\$1,431
Two-Bedroom	1.5	456	9.9%	17	3.7%	\$1,462
Two-Bedroom	2.0	1,533	33.3%	34	2.2%	\$1,953
Three-Bedroom	1.0	48	1.0%	0	0.0%	\$1,828
Three-Bedroom	1.5	10	0.2%	0	0.0%	\$1,351
Three-Bedroom	2.0	461	10.0%	14	3.0%	\$2,149
Three-Bedroom	2.5	205	4.4%	7	3.4%	\$2,214
Total Market-Rate		4,608	100.0%	189	4.1%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	15	1.0%	1	6.7%	\$810
One-Bedroom	1.0	209	13.9%	4	1.9%	\$1,016
Two-Bedroom	1.0	290	19.2%	4	1.4%	\$1,119
Two-Bedroom	1.5	373	24.7%	4	1.1%	\$1,172
Two-Bedroom	2.0	443	29.4%	3	0.7%	\$1,299
Three-Bedroom	2.0	179	11.9%	0	0.0%	\$1,470
Total Tax Credit		1,509	100.0%	16	1.1%	-

As the preceding table illustrates, the median gross Tax Credit rents are lower than the corresponding median gross market-rate rents. As such, Tax Credit product likely represents good values to low-income renters within the Newport News Site PMA. This is further evidenced by the low combined vacancy rate of 1.1% among all non-subsidized Tax Credit units surveyed within the market.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	3	739	4.9%
1970 to 1979	8	1,630	6.8%
1980 to 1989	2	504	0.8%
1990 to 1999	5	921	1.3%
2000 to 2009	4	961	1.1%
2010 to 2014	3	670	4.2%
2015	0	0	0.0%
2016	1	288	1.0%
2017	1	36	0.0%
2018	2	272	0.0%
2019	0	0	0.0%
2020	0	0	0.0%
2021	1	96	0.0%
2022*	0	0	0.0%

*As of October

The highest vacancy rate by year built is among properties built between 1970 and 1979, however, this includes a property reporting 72 vacant units due to ongoing renovations and units recently becoming available. Nonetheless, all remaining non-subsidized properties broken out by age are performing well.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	252	2.8%
A-	5	1,262	2.1%
B+	3	659	1.2%
B	5	1,313	3.4%
B-	4	826	9.8%
C+	1	296	7.4%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	4	444	1.8%
B	4	485	1.2%
B-	2	123	0.0%
C+	2	401	0.5%
C	1	56	0.0%

Vacancies are the highest among market-rate properties surveyed with a quality rating of a "B-", however, this includes the aforementioned property that is undergoing renovations and reporting vacant units. In addition, the vacancy rate of 7.4% among the one property assigned a quality rating of "C+" is the next highest vacancy rate and this could indicate that quality is impacting vacancy rates in this market. Regardless, it is anticipated that the subject project will have a significantly improved quality/appearance upon completion of renovations, which will enhance its overall marketability.

Government-Subsidized

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

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	148	77.9%	0	0.0%
Two-Bedroom	1.0	42	22.1%	0	0.0%
Total Subsidized Tax Credit		190	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	70	100.0%	0	0.0%
Total Subsidized		70	100.0%	0	0.0%

All government-subsidized units surveyed are occupied, the majority of which maintain a waiting list, illustrating that pent-up demand exists for very low-income rental housing within the market.

Tax Credit Property Disclosure: In addition to the 13 properties surveyed that at least partially operate under the Tax Credit program, we identified two Tax Credit properties within the Site PMA that we were unable to survey at the time of this report. The known details of these projects based on previous surveys conducted by Bowen National Research in the Newport News area and from our review of the state Tax Credit allocation list are summarized in the following table:

Name	Location	Year Built/ Renovated	Tax Credit Units	Target Population
Berkley Village & Berkley West Apts.	800 & 900 Daphia Circle	2019	373	Seniors; Tax Credit & Section 8
Oyster Point	550 Bluepoint Terrace	1982 / 2014	96	Family; Tax Credit & Subsidy

Based on the preceding, it is believed that all the Tax Credit units that were unable to be surveyed also operate with a subsidy. Therefore, we have not included any additional units in our penetration rate analysis illustrated later in Section VII – *Capture Rate Analysis* of this report.

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

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

The subject project will target senior (age 62 and older) households earning up to 50% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. In addition, the subject project will also operate with a direct subsidy available to all units. For the purposes of this analysis, however, we only select comparable *non-subsidized* LIHTC properties, as these properties provide the most accurate representation of achievable non-subsidized Tax Credit rents within the Newport News market.

Within the Site PMA, we identified and surveyed a total of three age-restricted LIHTC properties which offer non-subsidized units in the Newport News market. Although two of these properties offer different income levels and/or unit sizes than those offered at the subject site, we have included these properties in our comparable/competitive analysis as they will likely have some competitive overlap with the subject project. Due to the limited supply of age-restricted LIHTC product in the market, we have also included four general-occupancy (family) Tax Credit properties that offer unit types similar to those proposed for the subject project, in terms of project size (total units) and/or age.

These seven comparable LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the *Field Survey of Conventional Rentals*.

Map I.D.	Project Name	Quality Rating	Nbhd. Rating	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Wellesley	B	B	1997 / 2023	40	100.0%	-	1 Year	Seniors 62+; 50% AMHI & PBRA
2	801 Main Senior	B+	B	2017	44	100.0%	4.9 Miles	52 HH	Seniors 55+; 40%, 50%, & 60% AMHI & PBV/PBRA
6	Auburn Pointe Apts.	C+	B-	1976 / 1997	275	100.0%	5.3 Miles	10 HH	Families; 50% & 60% AMHI
11	Forrest Landing Apts.	B	B	2010	184	100.0%	3.1 Miles	34 HH	Families; 60% AMHI
12	Great Oak	B-	B	1978 / 2008	143	100.0%	3.5 Miles	300 HH	Seniors 62+; 40% & 50% AMHI & Sec 8
25	River Trace	C	C	1978 / 1993	56	100.0%	4.2 Miles	None	Families; 50% & 60% AMHI
26	Sharps Landing	B+	B	1973 / 2012	270	97.0%	2.9 Miles	None	Families; 60% AMHI
27	Silver Hill at the Arboretum	B	B+	1996	95*	95.8%	2.8 Miles	None	Seniors 55+; 60% AMHI

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

The seven comparable LIHTC projects have a combined occupancy rate of 98.9%, a strong rate for affordable housing. In fact, five of these projects are fully occupied and four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will continue to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
2	801 Main Senior	44	11	25.0%
6	Auburn Pointe Apts.	275	N/A	-
11	Forrest Landing Apts.	184	92	50.0%
12	Great Oak	3*	0	0.0%
25	River Trace	56	N/A	-
26	Sharps Landing	270	180	66.7%
27	Silver Hill at the Arboretum	95*	25	26.3%
Total		596	308	51.7%

*Non-Subsidized Tax Credit units only
 N/A – Number not available (units not included in total)

There are a total of approximately 308 voucher holders residing at the comparable properties for which this information was available. This comprises 51.7% of the 596 total non-subsidized units offered among these properties. This is considered a moderate to high share of voucher support and indicates that non-subsidized LIHTC properties in this market likely rely on at least some support from voucher holders. Regardless, the subject project is entirely subsidized and would only be able to accommodate voucher holders in the unlikely scenario the subject project operates without a subsidy.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		Studio	One-Br.	Two-Br.	Three-Br.	
Site	Wellesley	-	*\$769/50% (40)	-	-	-
2	801 Main Senior	-	\$770/40% (2/0) \$780/50% (1/0) ^\$985/50% (8/0)	\$902/40% (4/0) \$1,070/50% (21/0) \$1,151/60% (8/0)	-	None
6	Auburn Pointe Apts.	-	\$902/50% (10/0) \$924/60% (56/0)	\$1,172/60% (177/0)	\$1,399/60% (32/0)	None
11	Forrest Landing Apts.	-	\$1,112-\$1,115/60% (36/0)	\$1,323-\$1,325/60% (103/0)	\$1,528-\$1,544/60% (45/0)	None
12	Great Oak	-	^\$1,028/40% (18/0) ^\$1,028/50% (122/0)	\$721/50% (3/0)	-	None
25	River Trace	-	\$759/50% (6/0) \$789/60% (10/0)	\$887/50% (16/0) \$962/60% (24/0)	-	None
26	Sharps Landing	-	\$1,084/60% (22/1)	\$1,299/60% (248/7)	-	None
27	Silver Hill at the Arboretum	\$810/60% (15/1)	\$1,016/60% (40/2)	\$1,147-\$1,215/60% (40/1)	-	None

*Five units with rents restricted to 40% AMHI

^Subsidized units (tenants pay a portion of their income towards rent and not the rent illustrated in the table)

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

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

Map I.D.	Project Name	Square Footage			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	Wellesley	-	524 – 540	-	-
2	801 Main Senior	-	560	700	-
6	Auburn Pointe Apts.	-	850	1,200	1,500
11	Forrest Landing Apts.	-	744 - 800	1,017 - 1,056	1,154 - 1,232
12	Great Oak	-	558	700	-
25	River Trace	-	598	759	-
26	Sharps Landing	-	653	883	-
27	Silver Hill at the Arboretum	418	531 - 733	631 - 747	-

Map I.D.	Project Name	Number of Baths			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	Wellesley	-	1.0	-	-
2	801 Main Senior	-	1.0	1.0	-
6	Auburn Pointe Apts.	-	1.0	1.5	2.0
11	Forrest Landing Apts.	-	1.0	2.0	2.0
12	Great Oak	-	1.0	1.0	-
25	River Trace	-	1.0	1.0	-
26	Sharps Landing	-	1.0	1.5 - 2.0	-
27	Silver Hill at the Arboretum	1.0	1.0	1.0	-

Although among the smallest, the subject's unit sizes are expected to continue to be marketable. This is especially true considering that the subject project is currently 100.0% occupied with a waiting list.

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

		Tax Credit Unit Amenities by Map ID							
		Site* ♦	2 ♦	6	11	12 ♦	25	26	27 ♦
Appliances	Dishwasher	X	X	X	X		X	X	
	Disposal		X	X	X		X	X	
	Microwave		X		X				
	Range	X	X	X	X	X	X	X	X
	Refrigerator	X	X	X	X	X	X	X	X
	W/D Hookup		X	X	X			X	
	W/D			O	X			X	
	No Appliances								
Unit Amenities	AC-Central	X	X	X	X	X	X	X	X
	AC-Other								
	Balcony/ Patio/ Sunroom					X	S	X	
	Basement								
	Ceiling Fan		X	S	S				
	Controlled Access	X	X						X
	E-Call System	X	X			X			X
	Furnished								
	Walk-In Closet		X		S			X	
	Window Treatments	X	X	X	X	X	X	X	X
			X	X	X	X	X	X	X
Flooring	Carpet		X	X	X	X	X	X	X
	Ceramic Tile								
	Hardwood								
	Finished Concrete								
	Composite/Vinyl/Laminate	X	X	X	X	X	X	X	X
Upgraded	Premium Appliances								
	Premium Countertops								
	Premium Cabinetry								
	Premium Fixtures								
	High/Vaulted Ceilings								
	Oversized Windows								
Parking	Attached Garage								
	Detached Garage								
	Street Parking								
	Surface Lot	X	X	X	X	X	X	X	X
	Carpport								
	Property Parking Garage								
	No Provided Parking								

♦ - Senior Property

* Proposed Site(s): Wellesley

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID									
	Site*◆	2 ◆	6	11	12◆	25	26	27◆	
		X		X				X	
		X							
Community	Multipurpose Room	X	X		X	X		X	X
	Chapel								
	Community Kitchen	X	X						
	Dining Room - Private								
	Dining Room - Public								
	Rooftop Terrace								
	Concierge Service **								
	Convenience Amenities **						X	X	
	Covered Outdoor Area **	X	X				X		
	Elevator	X	X					X	
Laundry Room	X	X	X		X	X		X	
On-Site Management	X	X	X	X	X	X	X	X	
Pet Care **		X		X					
Recreation	Basketball					X			
	Bocce Ball								
	Firepit								
	Fitness Center	X		X	X		X	X	
	Grilling Area	X	X	X		X	X	X	
	Game Room - Billiards							X	
	Walking Path								
	Hot Tub								
	Library	X							
	Media Room / Theater							X	
	Playground			X	X		X	X	
	Putting Green								
	Racquetball								
	Shuffleboard								
	Swimming Pool - Indoor								
	Swimming Pool - Outdoor			X	X			X	X
	Tennis								
Volleyball									
Security	CCTV	X			X				
	Courtesy Officer				X				
	Security Gate								
	Social Services **	X						X	
	Storage - Extra							O	
Common Space WiFi				X					

◆ - Senior Property

* Proposed Site(s): Wellesley

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

** Details in Comparable Property Profile Report

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

Comparable/Competitive Tax Credit Summary

The seven comparable LIHTC projects have a combined occupancy rate of 98.9%, a strong rate for affordable housing. In fact, five of these projects are fully occupied and four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will continue to accommodate a portion of this unmet demand.

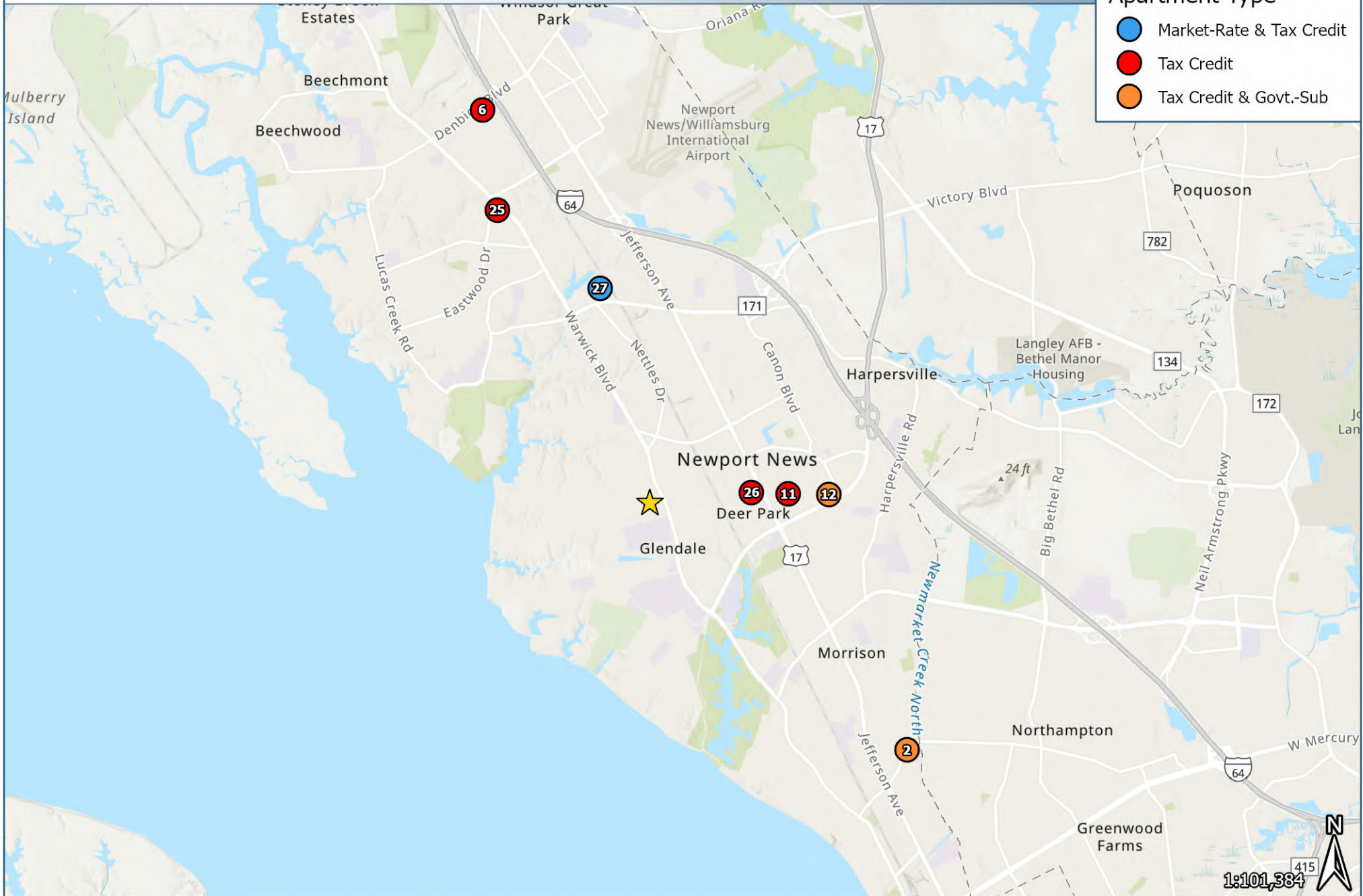
The proposed subject gross rent will generally be the lowest when compared to the LIHTC rents targeting similar income levels within the market. Regardless, the subject project will continue to operate with a subsidy, allowing tenants of the project to pay only a portion of their income towards rent. Although among the smallest, the subject property will offer generally competitive unit sizes (square feet) and a competitive amenities package. The subject's current occupancy rate of 100.0% further illustrates that the subject project is marketable. Based on the preceding factors, the subject project is considered marketable as proposed, especially when considering the inclusion of a subsidy.

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

★ Site

Apartment Type

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



C. PLANNED MULTIFAMILY DEVELOPMENT

Despite multiple attempts to contact local planning and building officials, they were unable/unwilling to provide information regarding rental housing projects in the development pipeline. However, based on extensive online research and the observations of our analyst while in the field, it was determined there are no rental housing projects in the development pipeline within the Site PMA.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2023
2	801 Main Senior	100.0%	95.0% +
6	Auburn Pointe Apts.	100.0%	95.0% +
11	Forrest Landing Apts.	100.0%	95.0% +
12	Great Oak	100.0%	95.0% +
25	River Trace	100.0%	95.0% +
26	Sharps Landing	97.0%	95.0% +
27	Silver Hill at the Arboretum	95.8%	95.0% +

The seven comparable LIHTC projects have a combined occupancy rate of 98.9%, a strong rate for affordable housing. In fact, five of these projects are fully occupied and four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. Considering the depth of support (demand estimates) for the subject project and the existing properties, we do not anticipate the subject project having any adverse impact on future occupancy rates among existing comparable LIHTC product in the market. In fact, the subject property is expected to continue to alleviate a portion of the pent-up demand that exists for additional LIHTC product.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value in the Site PMA was \$238,158. At an estimated interest rate of 5.9% and a 30-year term (and 95% LTV), the monthly mortgage for a \$226,250 home is \$1,764, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price – ESRI	\$238,158
Mortgaged Value = 95% Of Median Home Price	\$226,250
Interest Rate – Bankrate.Com	5.89%
Term	30
Monthly Principal & Interest	\$1,411
Estimated Taxes And Insurance*	\$353
Estimated Monthly Mortgage Payment:	\$1,764

* Estimated at 25% of principal and interest.

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

VI. Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

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

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

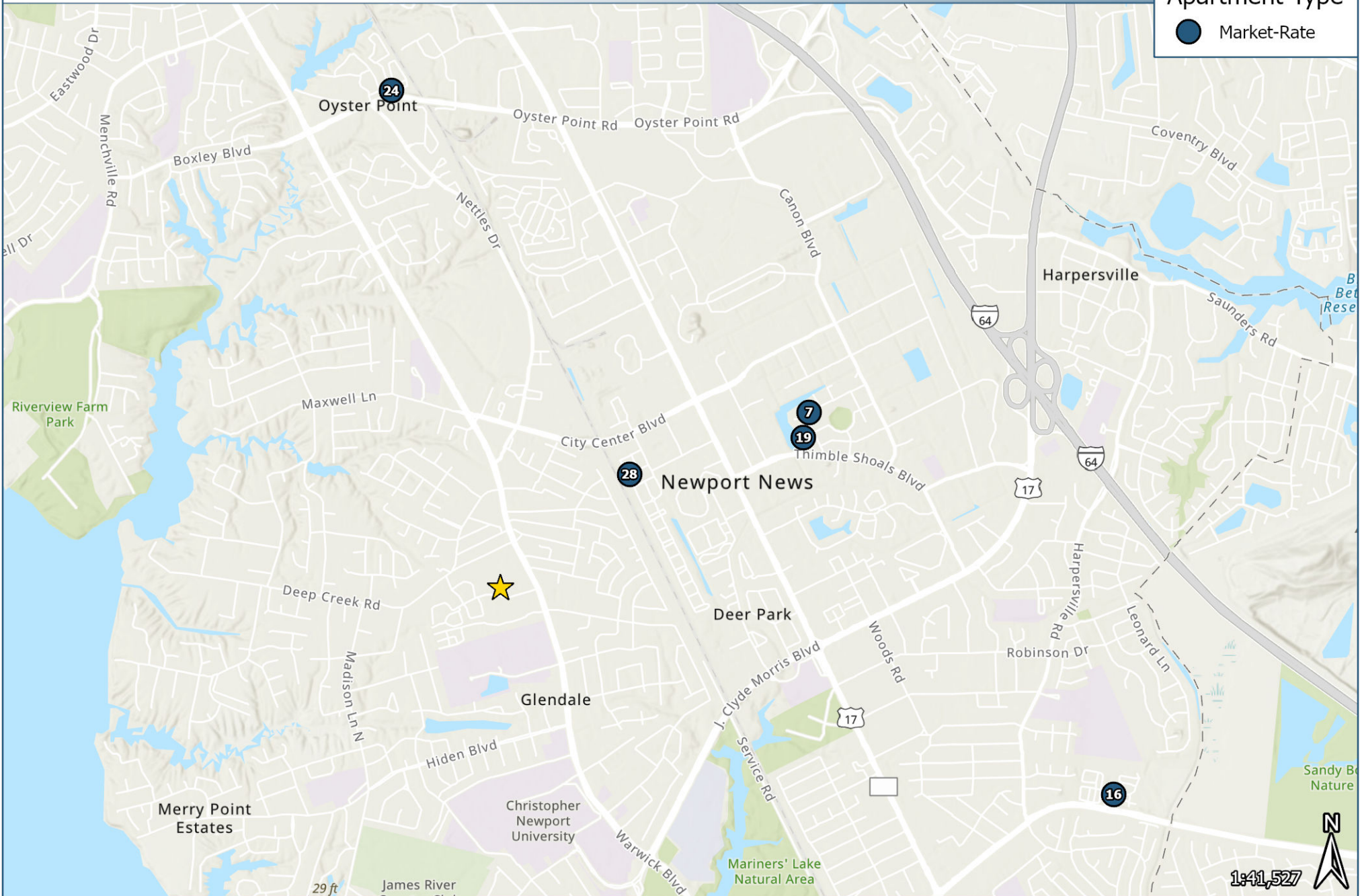
The proposed subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Wellesley	1997 / 2023	40	100.0%	40 (100.0%)	-	-
7	Belmont at City Center Apts.	2012	234	91.0%	94 (91.5%)	140 (90.7%)	-
16	Meridian Parkside Apts.	2008	308	97.4%	76 (96.1%)	172 (97.7%)	60 (98.3%)
19	Park Place	2005	363	99.2%	140 (99.3%)	202 (100.0%)	21 (90.5%)
24	Reserves at Arboretum	2009	143	100.0%	32 (100.0%)	87 (100.0%)	24 (100.0%)
28	Styron Square	2003	147	100.0%	30 (100.0%)	93 (100.0%)	24 (100.0%)

Occ. – Occupancy

The five selected market-rate projects have a combined total of 1,195 units with an overall occupancy rate of 97.3%. None of the comparable properties has an occupancy rate below 91.0%.

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



Rent Comparability Grid

Unit Type → **ONE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Wellesley		Belmont at City Center Apts.		Meridian Parkside Apts.		Park Place		Reserves at Arboretum		Styron Square	
51 Wellesley Drive		675 Town Center Dr		1400 Summit Ln.		675 Town Center Dr.		5000 Reserve Way		4100 William Styron Sq.	
Newport News, VA		Newport News, VA		Newport News, VA		Newport News, VA		Newport News, VA		Newport News, VA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,663		\$1,490		\$1,375		\$1,316		\$1,100	
2	Date Surveyed	Oct-22		Sep-22		Oct-22		Oct-22		Oct-22	
3	Rent Concessions	None		None		Yes (\$100)		None		None	
4	Occupancy for Unit Type	91%		96%		99%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,663	2.36	\$1,490	1.83	\$1,275	1.90	\$1,316	1.74	\$1,100	1.65
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	EE/3		EE/3,4		EE/4		WU/3		EE/4	
7	Yr. Built/Yr. Renovated	1997/2023		2012 (\$2)	\$2	2005 \$5		2009 \$1		2003 \$7	
8	Condition/Street Appeal	G		E (\$15)		E (\$15)		G		E (\$15)	
9	Neighborhood	G		E (\$10)		E (\$10)		G		E (\$10)	
10	Same Market?			Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	524	(\$87)	704 (\$87)	(\$87)	813 (\$139)	(\$139)	672 (\$71)	(\$71)	755 (\$111)	(\$111)
14	Patio/Balcony/Sunroom	N		N		N		N		N	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y	(\$5)	Y/Y (\$5)	(\$5)	Y/Y (\$5)	(\$5)	Y/Y (\$5)	(\$5)	Y/Y (\$5)	(\$5)
18	Washer/Dryer	L	(\$35)	W/D (\$35)	(\$35)	W/D (\$35)	(\$35)	W/D (\$35)	(\$35)	W/D (\$35)	(\$35)
19	Floor Coverings	V		C/V		C/T		C/T/V		C/T/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y		Y		Y		Y	\$3	Y	
22	Garbage Disposal	N	(\$5)	Y (\$5)	(\$5)	Y (\$5)	(\$5)	Y (\$5)	(\$5)	Y (\$5)	(\$5)
23	Ceiling Fan/E-Call System	N/Y		Y/N		N/N \$5		N/N \$5		Y/N	
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y		Y		Y		Y	\$5	Y	
27	Community Space	Y		Y		Y	\$5	Y		Y	
28	Pool/Recreation Areas	F	(\$10)	P/F (\$10)	(\$10)	P/F/GR/MT (\$16)	(\$16)	P/F/GR/MT (\$13)	(\$13)	P/F/GR/MT (\$16)	(\$16)
29	Business/Computer Center	N		N		N		Y	(\$3)	N	
30	Grilling Area/Storage	Y/N		Y/N		N/N \$3		Y/N		N/N \$3	
31	Library	Y	\$3	N \$3	\$3	N \$3	\$3	N \$3	\$3	N \$3	\$3
32	Social Services	Y	\$10	N \$10	\$10	N \$10	\$10	N \$10	\$10	N \$10	\$10
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		Y/Y (\$45)		N/N	
39	Trash/Recycling	Y/N		Y/N	\$29	Y/N	\$29	N/N	\$29	N/N	\$29
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	8	6	5	4	7	5	6	4	6
41	Sum Adjustments B to D	\$13	(\$169)	\$28	(\$200)	\$23	(\$154)	\$22	(\$175)	\$23	(\$138)
42	Sum Utility Adjustments			\$29			(\$45)	\$29		\$29	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$156)	\$182	(\$143)	\$257	(\$176)	\$222	(\$124)	\$226	(\$86)	\$190
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,507		\$1,347		\$1,099		\$1,192		\$1,014	
45	Adj Rent/Last rent		91%		90%		86%		91%		92%
46	Estimated Market Rent	\$1,140	\$2.18	← Estimated Market Rent/ Sq. Ft							

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

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

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$656	\$1,140	42.5%

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject’s proposed Tax Credit rents, which represent market rent advantages of 42.5%, are considered appropriate and should represent significant values within the Newport News market. It is also important to reiterate that the subject project will operate with a project-based subsidy available to all units. Thus, the units at the property will represent an even greater value than that reflected by the market rent advantage in the preceding table, as tenants will pay only 30% of their income towards rent, rather than the proposed rent evaluated throughout this report.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

7. Upon completion of renovations, the subject project will have an effective age of a project built in 2010. We have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the subject project will have an improved appearance, once renovations are complete. We have made adjustments for those properties that we consider to be of superior quality compared to the subject development.
9. Two of the selected properties are located in more desirable neighborhoods than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among these projects and the subject project.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package generally inferior to those offered at the selected properties. We have made numerous adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the subject property does offer.
- 24.-32. The proposed project offers a limited project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within the Virginia Beach-Norfolk-Newport News, Virginia-North Carolina HUD Metro FMR Area, which has a median four-person household income of \$93,500 for 2022. The subject property will be restricted to households with incomes of up to 50% of AMHI. The following table summarizes the maximum allowable income by household size and income level:

Household Size	Targeted AMHI Maximum Allowable Income
	50%
One-Person	\$32,750
Two-Person	\$37,400

1. Maximum Income Limits

The one-bedroom units offered at the subject site are expected to continue to house up to two-person senior households. As such, the maximum allowable income at the subject site is **\$37,400**.

2. Minimum Income Requirements

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

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

However, in the unlikely scenario that the units operate without a subsidy, the proposed LIHTC units will have a lowest gross rent of \$767. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$9,204. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of \$23,010.

3. Income-Appropriate Range

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit w/Subsidy Overall	\$0	\$37,400
Tax Credit Only Overall	\$23,010	\$37,400

B. CAPTURE RATE CALCULATIONS

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

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

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2022 as the base year and projecting forward to 2025, per Virginia Housing guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. In instances*

where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.

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

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 38.0% of households in the market are considered to be rent overburdened.

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), 6.5% of all households within the market are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

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

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

successful in attracting some senior homeowners, thus we believe a 5.0% homeowner conversion rate to be appropriate for this market.

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

This demand component was considered in our analysis.

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

C. DEMAND/CAPTURE RATE CALCULATIONS

As discussed in *Section V*, we identified and surveyed three comparable age-restricted LIHTC projects in the Site PMA, although only two of these projects are considered directly competitive, as they offer 50% of AMHI one-bedroom units. Among these projects, there are no vacant units among the same bedroom type (one-bedroom) and income level (50%) offered at the subject site. Additionally, there are no known age-restricted LIHTC properties currently in the development pipeline within the Newport News Site PMA. Based on the preceding factors, we have not considered any directly comparable/competitive supply units in our demand estimates.

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

Demand Component – Age 62+	Overall LIHTC with Subsidy
Demand From New Rental Households (Age- And Income-Appropriate)	$1,275 - 1,360 = -85$
+	
Demand From Existing Households (Rent Overburdened)	$1,360 \times 38.0\% = 518$
+	
Demand From Existing Households (Renters In Substandard Housing)	$1,360 \times 6.5\% = 89$
+	
Demand From Existing Households (Elderly Homeowner Conversion)	$1,207 \times 5.0\% = 60$
+	
Demand From Existing Households (Existing Qualifying Tenants Likely To Remain After Renovations)	40
=	
Total Demand	622
-	
Supply (Directly Comparable Vacant Units Completed Or In The Pipeline)	0
=	
Net Demand	622
Proposed Units	40
Proposed Units / Net Demand	$40 / 622$
Capture Rate	$= 6.4\%$
Total Absorption Period	3 Months

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

Demand Component – Age 55+	Overall LIHTC Only
Demand From New Rental Households (Age- And Income-Appropriate)	787 - 796 = -9
+	
Demand From Existing Households (Rent Overburdened)	796 x 38.0% = 303
+	
Demand From Existing Households (Renters In Substandard Housing)	796 x 6.5% = 52
+	
Demand From Existing Households (Elderly Homeowner Conversion)	871 x 5.0% = 44
+	
Demand From Existing Households (Existing Qualifying Tenants Likely To Remain After Renovations)	0
=	
Total Demand	390
-	
Supply (Directly Comparable Vacant Units Completed Or In The Pipeline)	0
=	
Net Demand	390
Proposed Units	40
Proposed Units / Net Demand	40 / 390
Capture Rate	= 10.3%
Total Absorption Period	5 Months

Overall, the capture rates of 6.4% when considering the retention of a subsidy and 10.3% in the unlikely scenario the project operates strictly under LIHTC guidelines are considered very low and easily achievable. These low capture rates illustrate that there will be a significant base of age- and income-qualified support for the subject project.

D. PENETRATION RATE CALCULATIONS

The 134 existing and proposed age-restricted Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$21,630 to \$37,400. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, the penetration rate is summarized in the following table.

	Market Penetration
Number of LIHTC Units (Proposed and Existing)	174
Age- and Income-Eligible Households – 2023	/ 897
Overall Market Penetration Rate	= 19.4%

It is our opinion that the 19.4% penetration rate for the LIHTC units, both existing and proposed, is low and achievable.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

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

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

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$1,218	\$767 (50%)

As the preceding table illustrates, the proposed LIHTC gross rents are below the local payment standard. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the demographic base of potential support for the proposed development in the unlikely scenario that the subject operates without a subsidy and has been considered in our absorption projections.

F. ABSORPTION PROJECTIONS

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

Subsidized

Assuming the subject project retains its subsidy on all units but is entirely vacated, we estimate that the 40 subject units can achieve a stabilized occupancy of 93% within three months of re-opening. This is based on a monthly absorption rate of approximately 12 units per month.

Tax Credit

Assuming the subject project operated exclusively under the LIHTC program and was completely vacated, it is likely that the subject project would reach a stabilized occupancy within five months, reflective of an absorption rate of eight units per month.

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

VIII. Local Perspective (Interviews)

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

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

- Carolyn Powers, Housing Choice Voucher Program Manager for the Newport News Redevelopment and Housing Authority, stated that there is a need for affordable housing for families in Newport News.
- Jacqueline (Jackie) Black, Property Manager at Wellesley Commons (subject site), stated that additional affordable housing is desperately needed in the Newport News area. Ms. Black also stated that many senior residents struggle to pay for rent due to being on a fixed income. Ms. Black has spoken with several tenants at her property stating that they were living with family prior to moving to Wellesley Commons because they couldn't afford to pay rent on their own. Ms. Black finally stated that more affordable housing is needed because rents increase every year, but incomes have not increased at similar rates.
- Natasha Arrington is the Property Manager at Huntington Village (Map ID 14), a recently built Tax Credit property. Ms. Arrington stated that the demand for affordable housing is increasing due to inflation and the high cost of living. Ms. Arrington also stated that her waiting list can range from 12 to 24 months before a unit becomes available. Ms. Arrington believes that any newly built affordable housing development would reach 100% occupancy quickly due to high demand.
- Travis Turney, Property Manager at Forrest Landing Apartments (Map ID 11), a comparable Tax Credit property, stated that there is a need for more affordable housing. Mr. Turney stated that the most notable reason for this need is the state of the economy. The cost of living has risen exponentially, to the extent that even many Tax Credit communities have become too expensive, especially for low-income individuals and families who are barely keeping their head above water as it is. Another reason she believes this need exists is because of Newport News' growing homeless population. Forrest Landing is operating at full occupancy, with 34 households on its waiting list. This reflects the demand for additional affordable housing in Newport News.

IX. Analysis & Conclusions

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

The subject development will consist of the renovation of the 40-unit Wellesley Commons, an existing government-subsidized property restricted to seniors age 62 and older that is currently 100.0% occupied with a waiting list of one year. Upon completion of renovations, the subject project will operate under the Tax Credit program and continue to offer a subsidy to all units. The subject site neighborhood is generally comprised of well-maintained structures. The proposed site is also within proximity of numerous community services, as well as public transportation.

The subject property will offer age-restricted units which will operate under the Tax Credit program, a product type that is clearly in high demand, as the seven comparable LIHTC projects have a combined occupancy rate of 98.9%, a strong rate for affordable housing. In fact, five of these projects are fully occupied and four properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will continue to accommodate a portion of this unmet demand. The proposed/programmatic subject gross rent will generally be the lowest when compared to the LIHTC rents targeting similar income levels within the market. Note that while the subject's proposed Tax Credit rent is considered appropriate and marketable, all units at the property will also operate with a project-based subsidy. This will allow tenants of these units to pay only 30% of their income towards rent, rather than the proposed rent evaluated throughout the report. The available subsidy to be provided will further ensure the subject project represents a value within the Site PMA.

Although the overall population and household bases within the market are projected to slightly decline between 2022 and 2027, senior households age 65 and older are projected to increase by 905 (8.8%) during this time. The subject's overall Tax Credit capture rate of 6.4% when considering the retention of a subsidy is considered very low and further demonstrates a deep base of potential support for the subject project.

Considering the preceding factors and additional information contained within this report, the subject property is expected to continue to help alleviate a portion of the pent-up demand for additional age-restricted Tax Credit product in the market. The subject project is not expected to have any adverse impact on future occupancy rates among the existing comparable Tax Credit properties in the Newport News Site PMA. The subject property is considered competitive and marketable as proposed.

We have no recommendations or modifications to the subject project at this time.

X.

SITE PHOTOGRAPHS

Wellesley Commons



Typical exterior of building



Entryway Signage



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast

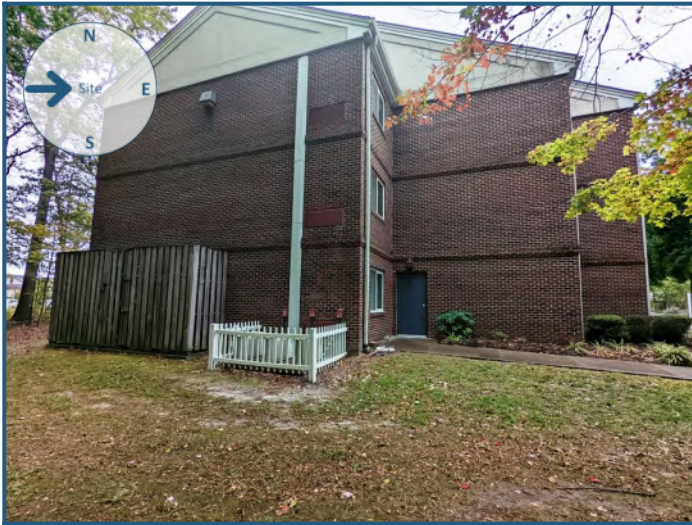
Wellesley Commons



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site

Wellesley Commons



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site

Wellesley Commons



Streetscape: East view of Wellesley Drive



Streetscape: West view of Wellesley Drive



Picnic Area



Laundry Facility



Community Room



Library

Wellesley Commons



Fitness Center



Community Room: Kitchen



One-Bedroom (Living Room)



One-Bedroom (Kitchen)



One-Bedroom (Bedroom - View A)



One-Bedroom (Bedroom - View B)

Wellesley Commons



One-Bedroom (Bathroom)

XI.

COMPARABLE
PROPERTY PROFILES

2 801 Main Senior 4.9 miles to site



Address: 801 Main St., Newport News, VA 23605
 Phone: (757) 873-2400 Contact: Jennifer
 Property Type: Tax Credit, Government Subsidized
 Target Population: Senior 55+
 Total Units: 44 Year Built: 2017
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1,2 (w/Elev)
 Waitlist: 52 HH
 Rent Special: None

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

Notes: Tax Credit (8 units); PBV & Tax Credit (36 units)

Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Business Center (Computer/Business Center); Community Gardens; Multipurpose Room, Community Kitchen, Clubhouse/Community Room; Pavilion/Gazebo; Elevator; Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Grilling Area)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	2	0	560	\$1.13	\$635	40%
1	1	G	8	0	560	Subsidized	Subsidized	Subsidized
1	1	G	1	0	560	\$1.15	\$645	50%
2	1	G	4	0	700	\$1.04	\$730	40%
2	1	G	21	0	700	\$1.28	\$898	50%
2	1	G	8	0	700	\$1.40	\$979	60%

*Adaptive Reuse

*DTS is based on drive time

6 Auburn Pointe Apts. 5.3 miles to site



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

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

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

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	10	0	850	\$0.94	\$803	50%
1	1	G	56	0	850	\$0.97	\$825	60%
2	1.5	G	177	0	1,200	\$0.88	\$1,050	60%
3	2	G	32	0	1,500	\$0.83	\$1,250	60%

*Adaptive Reuse

*DTS is based on drive time

7 Belmont at City Center Apts. 2.9 miles to site



Address: 675 Town Center Dr, Newport News, VA 23606
 Phone: (757) 320-5415 Contact: Jennifer (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 234 Year Built: 2012 Ratings
 Vacant Units: 21 *AR Year: Quality: A-
 Occupancy: 91.0% Yr Renovated: Neighborhood: A
 Turnover: Stories: 3,4 (w/Elev) Access/Visibility: B/A
 Waitlist: None
 Rent Special: None

Notes:



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Bike Racks / Storage; Clubhouse; Concierge Services (Package Receiving); Pavilion; Elevator; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Outdoor Swimming Pool); Security Gate; Extra Storage; WiFi

Parking Type: Surface Lot; Carport

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	94	8	704 - 893	\$2.36 - \$2.01	\$1,663 - \$1,793	Market
2	2	G	140	13	1,070 - 1,437	\$1.77 - \$1.59	\$1,895 - \$2,289	Market

*Adaptive Reuse

*DTS is based on drive time

11 Forrest Landing Apts. 3.1 miles to site



Address: 518 Purlieu Dr., Newport News, VA 23606
 Phone: (757) 327-0230 Contact: Torrey (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 184 Year Built: 2010
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: 34 HH
 Rent Special: None

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

Notes: Tax Credit; Rent range for newer phase



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room, Clubhouse/Community Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool); CCTV, Courtesy Officer; WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	36	0	744 - 800	\$1.30 - \$1.21	\$968 - \$971	60%
2	2	G	103	0	1,017 - 1,056	\$1.12 - \$1.08	\$1,139 - \$1,141	60%
3	2	G	45	0	1,154 - 1,232	\$1.12 - \$1.07	\$1,297 - \$1,313	60%

*Adaptive Reuse

*DTS is based on drive time

12 Great Oak 3.5 miles to site



Address: 1 Great Oak Cir., Newport News, VA 23606
 Phone: (757) 591-3282 Contact: Angela (By Phone)
 Property Type: Tax Credit, Government Subsidized
 Target Population: Senior 62+, Disabled
 Total Units: 143 Year Built: 1978
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2008
 Turnover: Stories: 1
 Waitlist: 300 HH
 Rent Special: None

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

Notes: Tax Credit (3 units); HUD Section 8 & Tax Credit (140 units)



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Electric, Heat (Electric), Hot Water (Electric), Cooking (Electric), Water, Sewer, Trash
 Unit Amenities: Range; Refrigerator; Central AC; E-Call System; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)
 Property Amenities: Multipurpose Room, Clubhouse/Community Room; Laundry Room; On-Site Management; Recreation Areas (Grilling Area)
 Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	18	0	558	Subsidized	Subsidized	Subsidized
1	1	G	122	0	558	Subsidized	Subsidized	Subsidized
2	1	G	3	0	700	\$1.03	\$721	50%

*Adaptive Reuse

*DTS is based on drive time

16 Meridian Parkside Apts. 4.6 miles to site



Address: 1400 Summit Ln., Newport News, VA 23601
 Phone: (757) 595-0118 Contact: Camillo
 Property Type: Market Rate
 Target Population: Family
 Total Units: 308 Year Built: 2008
 Vacant Units: 8 *AR Year:
 Occupancy: 97.4% Yr Renovated:
 Turnover: Stories: 3,4 (w/Elev)
 Waitlist: None
 Rent Special: None

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

Notes: Rents change daily



Features And Utilities

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

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

Property Amenities: Car Care (Car Wash Area); Cafe / Coffee Bar; Elevator; On-Site Management; Recreation Areas (Firepit, Fitness Center, Grilling Area, Game Room-Billiards, Media Room / Theater, Outdoor Swimming Pool); Courtesy Officer, Security Gate; Social Services (Parties / Picnics); Extra Storage; Water Feature

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	76	3	813 - 943	\$1.83 - \$1.58	\$1,490	Market
2	2	G	172	4	1,024 - 1,284	\$1.63 - \$1.30	\$1,665	Market
3	2	G	60	1	1,371 - 1,457	\$1.62 - \$1.52	\$2,215	Market

*Adaptive Reuse *DTS is based on drive time

19 Park Place 2.7 miles to site



Address: 675 Town Center Dr., Newport News, VA 23606
 Phone: (757) 594-9799 Contact: Chenise (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 363 Year Built: 2005
 Vacant Units: 3 *AR Year:
 Occupancy: 99.2% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: None
 Rent Special: Select units: \$100-\$300 off per month

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

Notes:



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

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

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

Property Amenities: Multipurpose Room, Clubhouse/Community Room; Elevator; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Game Room-Billiards, Outdoor Swimming Pool); Security Gate; Extra Storage; Water Feature

Parking Type: Street Parking; Surface Lot; Carport

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	140	1	672 - 988	\$2.05 - \$1.72	\$1,375 - \$1,696	Market
2	1 - 2	G	202	0	1,028 - 1,437	\$1.61 - \$1.45	\$1,658 - \$2,086	Market
3	2	G	21	2	1,267 - 1,584	\$1.43 - \$1.35	\$1,817 - \$2,140	Market

*Adaptive Reuse

*DTS is based on drive time

24 Reserves at Arboretum 2.8 miles to site



Address: 5000 Reserve Way, Newport News, VA 23602
 Phone: (757) 249-0641 Contact: Gerald
 Property Type: Market Rate
 Target Population: Family
 Total Units: 143 Year Built: 2009
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: None
 Rent Special: None

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

Notes:



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Multipurpose Room, Clubhouse/Community Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Game Room-Billiards, Media Room / Theater, Playground, Outdoor Swimming Pool); Extra Storage; WiFi

Parking Type: Detached Garage; Surface Lot; Carport

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	32	0	755 - 821	\$1.74 - \$1.60	\$1,316	Market
2	2	G	87	0	1,063 - 1,144	\$1.57 - \$1.45	\$1,664	Market
3	2	G	24	0	1,322	\$1.54	\$2,030	Market

*Adaptive Reuse

*DTS is based on drive time

25 River Trace 4.2 miles to site



Address: 100 River Trace Way, Newport News, VA 23602
 Phone: (757) 989-0710 Contact: Theresa
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 56 Year Built: 1978
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 1993
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

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

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	6	0	598	\$1.10	\$660	50%
1	1	G	10	0	598	\$1.15	\$690	60%
2	1	G	16	0	759	\$1.01	\$765	50%
2	1	G	24	0	759	\$1.11	\$840	60%

*Adaptive Reuse

*DTS is based on drive time

26 **Sharps Landing** 2.9 miles to site



Address: 126 Candlewood Way, Newport News, VA 23606
 Phone: (757) 706-3109 Contact: Tashina
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 270 Year Built: 1973
 Vacant Units: 8 *AR Year:
 Occupancy: 97.0% Yr Renovated: 2012
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

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

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

Property Amenities: Multipurpose Room, Clubhouse/Community Room; Cafe / Coffee Bar; Pavilion/Gazebo; On-Site Management; Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	22	1	653	\$1.44	\$940	60%
2	1.5 - 2	G	248	7	883	\$1.26	\$1,115	60%

*Adaptive Reuse

*DTS is based on drive time

27 Silver Hill at the Arboretum 2.8 miles to site



Address: 101 Arboretum Way, Newport News, VA 23602
 Phone: (757) 249-0005 Contact: Beth
 Property Type: Market Rate, Tax Credit
 Target Population: Senior 55+
 Total Units: 153 Year Built: 1996
 Vacant Units: 7 *AR Year:
 Occupancy: 95.4% Yr Renovated:
 Turnover: Stories: 3 (w/Elev)
 Waitlist: None
 Rent Special: None

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

Notes: Market-rate (58 units); Tax Credit (95 units)



Features And Utilities

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

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

Property Amenities: Multipurpose Room, Clubhouse/Community Room; Salon; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Game Room-Billiards, Media Room / Theater, Outdoor Swimming Pool); Social Services (Transportation); Extra Storage; Water Feature

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	15	1	418	\$1.69	\$708	60%
1	1	G	40	2	531 - 733	\$1.69 - \$1.23	\$898	60%
1	1	G	27	1	531 - 733	\$1.69 - \$1.34	\$898 - \$981	Market
2	1	G	40	1	631 - 747	\$1.61 - \$1.45	\$1,015 - \$1,083	60%
2	1	G	31	2	631 - 747	\$1.55 - \$1.37	\$981 - \$1,024	Market

*Adaptive Reuse

*DTS is based on drive time

28 Styron Square 1.9 miles to site



Address: 4100 William Styron Sq., Newport News, VA 23606
 Phone: (757) 596-8000 Contact: Regina (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 147 Year Built: 2003 Ratings
 Vacant Units: 0 *AR Year: Quality: A-
 Occupancy: 100.0% Yr Renovated: Neighborhood: A
 Turnover: Stories: 4 (w/Elev) Access/Visibility: A-/A
 Waitlist: 15 HH
 Rent Special: None

Notes: Rent range due to floorplan & unit location



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Bike Racks / Storage; Multipurpose Room, Clubhouse/Community Room; Concierge Services (Dry Cleaning); Cafe / Coffee Bar; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center); Courtesy Officer, Security Gate; Social Services (Parties / Picnics); Extra Storage; WiFi

Parking Type: Street Parking; Surface Lot; Carport

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	30	0	665 - 956	\$1.65 - \$1.46	\$1,100 - \$1,400	Market
2	2	G	93	0	1,002 - 1,289	\$1.40	\$1,400 - \$1,800	Market
3	2	G	24	0	1,192 - 1,235	\$1.43 - \$1.54	\$1,700 - \$1,900	Market

*Adaptive Reuse






*DTS is based on drive time

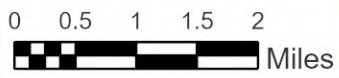
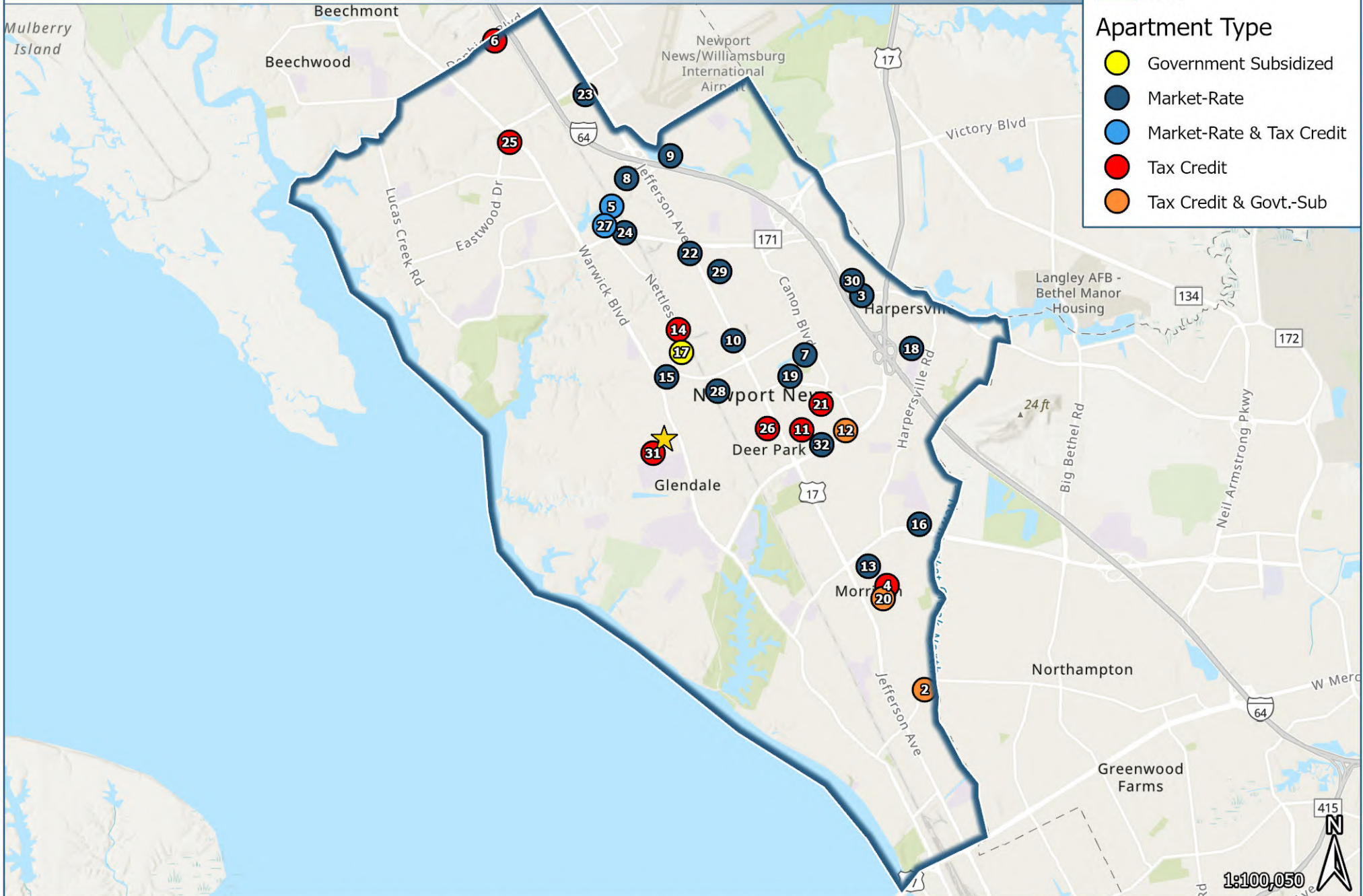
XII.

FIELD SURVEY OF CONVENTIONAL RENTALS

-  Site
-  PMA

Apartment Type

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




















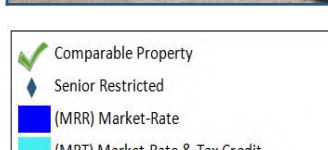
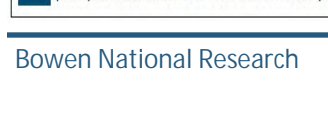
City of Newport News, VGIN, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, Esri, NASA, NGA, USGS, FEMA
 Additional Source(s): Bowen National Research




















Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	Wellesley Commons	GSS	B	1997	40	0	100.0%	-
2	801 Main Senior	TGS	B+	2017	44	0	100.0%	4.9
3	Abbingtion Landing	MRR	B	1968	517	34	93.4%	4.8
4	Ada Park	TAX	B+	2018	42	0	100.0%	4.3
5	Arboretum Place	MRT	B	1996	184	4	97.8%	2.9
6	Auburn Pointe Apts.	TAX	C+	1976	275	0	100.0%	5.3
7	Belmont at City Center Apts.	MRR	A-	2012	234	21	91.0%	2.9
8	Citizen Apts.	MRR	A-	2018	230	0	100.0%	4.3
9	Featherstone	MRR	B	1990	332	1	99.7%	5.2
10	Forest Lake at Oyster Point	MRR	B	1988	296	4	98.6%	2.2
11	Forrest Landing Apts.	TAX	B	2010	184	0	100.0%	3.1
12	Great Oak	TGS	B-	1978	143	0	100.0%	3.5
13	Harborstone Apts.	MRR	C+	1978	296	22	92.6%	4.4
14	Huntington Village	TAX	B+	2021	96	0	100.0%	1.4
15	Mariners Green	MRR	B-	1974	228	0	100.0%	1.0
16	Meridian Parkside Apts.	MRR	B+	2008	308	8	97.4%	4.6
17	Nettles Drive Senior Living	GSS	B-	2019	30	0	100.0%	1.3
18	Newport Lake	MRR	B-	1976	350	9	97.4%	5.0
19	Park Place	MRR	A-	2005	363	3	99.2%	2.7
20	Pebblestone Gardens	TGS	C+	1969	168	2	98.8%	4.4
21	Pilot House	TAX	B	1992	132	0	100.0%	3.1
22	Point at Tech Center Square	MRR	B+	1986	208	0	100.0%	3.5
23	Radius Urban	MRR	A	2012	252	7	97.2%	4.6
24	Reserves at Arboretum	MRR	B+	2009	143	0	100.0%	2.8
25	River Trace	TAX	C	1978	56	0	100.0%	4.2
26	Sharps Landing	TAX	B+	1973	270	8	97.0%	2.9
27	Silver Hill at the Arboretum	MRT	B	1996	153	7	95.4%	2.8
28	Styron Square	MRR	A-	2003	147	0	100.0%	1.9
29	Venture Apartments in Tech Center	MRR	A-	2016	288	3	99.0%	3.1
30	Waypoint at Oyster Point	MRR	B-	1969	96	0	100.0%	4.7
31	Wellesley Woods	TAX	B-	1996	120	0	100.0%	0.7
32	Woodlands at Oyster Point	MRR	B-	1978	152	72	52.6%	3.3


*Drive distance in miles

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


<p>1</p>	<p>Wellesley Commons 51 Wellesley Dr., Newport News, VA 23606</p>	<p>Contact: Jackie Phone: (757) 930-1566</p>
	<p>Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 1997 BR: 1 Vacant Units: 0 Waitlist: 12 mos AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: HUD Section 202</p>	
<p>2</p>	<p>801 Main Senior 801 Main St., Newport News, VA 23605</p>	<p>Contact: Jennifer Phone: (757) 873-2400</p>
	<p>Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 1,2 w/Elevator Year Built: 2017 BR: 1, 2 Vacant Units: 0 Waitlist: 52 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit (8 units); PBV & Tax Credit (36 units)</p>	
<p>3</p>	<p>Abbingtion Landing 961 Marcus Dr., Newport News, VA 23602</p>	<p>Contact: Jada Phone: (833) 277-2092</p>
	<p>Total Units: 517 UC: 0 Occupancy: 93.4% Stories: 2 Year Built: 1968 BR: 1, 2, 3 Vacant Units: 34 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2012 Rent Special: First full month free for three specific 3-BR units Notes: Rent range based on unit upgrades & floorplan</p>	
<p>4</p>	<p>Ada Park 674 Summer Day Ct, Newport News, VA 23601</p>	<p>Contact: Mario Phone: (757) 926-4811</p>
	<p>Total Units: 42 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2018 BR: 2, 3 Vacant Units: 0 Waitlist: 22 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Preleasing 8/2017, opened 2/2018, 100% occupied 3/2018</p>	
<p>5</p>	<p>Arboretum Place 201 Arboretum Way, Newport News, VA 23602</p>	<p>Contact: Avianna Phone: (757) 249-3152</p>
	<p>Total Units: 184 UC: 0 Occupancy: 97.8% Stories: 2,3 Year Built: 1996 BR: 1, 2, 3 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Market-rate (110 units); Tax Credit (74 units)</p>	


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





6	Auburn Pointe Apts. 496 Catina Way, Newport News, VA 23608	Contact: Chantis Phone: (757) 877-8880
	 <p>Total Units: 275 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1976 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 10 HH AR Year: Target Population: Family Yr Renovated: 1997 Rent Special: None Notes: Tax Credit</p>	



7	Belmont at City Center Apts. 675 Town Center Dr, Newport News, VA 23606	Contact: Jennifer Phone: (757) 320-5415
	 <p>Total Units: 234 UC: 0 Occupancy: 91.0% Stories: 3,4 w/Elevator Year Built: 2012 BR: 1, 2 Vacant Units: 21 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p>	

8	Citizen Apts. 301 Contintial Pkwy, Newport News, VA 23602	Contact: Natasha Phone: (757) 788-3270
	 <p>Total Units: 230 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2018 BR: 0, 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range due to unit location & floor level</p>	

9	Featherstone 702 Bellows Way, Newport News, VA 23602	Contact: Auintesse Phone: (855) 880-6281
	 <p>Total Units: 332 UC: 0 Occupancy: 99.7% Stories: 3 Year Built: 1990 BR: 1, 2, 3 Vacant Units: 1 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range due to upgrades & floor level</p>	

10	Forest Lake at Oyster Point 307 St. Thomas Dr., Newport News, VA 23606	Contact: Miranda Phone: (757) 249-1784
	 <p>Total Units: 296 UC: 0 Occupancy: 98.6% Stories: 2 Year Built: 1988 BR: 1, 2, 3 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range due to renovated units</p>	

<ul style="list-style-type: none"> Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none"> (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none"> (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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11	Forrest Landing Apts.		Contact: Torrey		
	518 Purlieu Dr., Newport News, VA 23606		Phone: (757) 327-0230		
	Total Units: 184	UC: 0	Occupancy: 100.0%	Stories: 3	Year Built: 2010
	BR: 1, 2, 3		Vacant Units: 0	Waitlist: 34 HH	AR Year:
	Target Population: Family				Yr Renovated:
	Rent Special: None				
	Notes: Tax Credit; Rent range for newer phase				



12	Great Oak		Contact: Angela		
	1 Great Oak Cir., Newport News, VA 23606		Phone: (757) 591-3282		
	Total Units: 143	UC: 0	Occupancy: 100.0%	Stories: 1	Year Built: 1978
	BR: 1, 2		Vacant Units: 0	Waitlist: 300 HH	AR Year:
	Target Population: Senior 62+, Disabled				Yr Renovated: 2008
	Rent Special: None				
	Notes: Tax Credit (3 units); HUD Section 8 & Tax Credit (140 units)				


13	Harborstone Apts.		Contact: Valerie		
	761 Adams Dr, Newport News, VA 23601		Phone: (757) 595-0201		
	Total Units: 296	UC: 0	Occupancy: 92.6%	Stories: 2	Year Built: 1978
	BR: 0, 1, 2, 3		Vacant Units: 22	Waitlist: None	AR Year:
	Target Population: Family				Yr Renovated: 1996
	Rent Special: None				
	Notes:				

14	Huntington Village		Contact: Natasha		
	12770 Nettles Dr, Newport News, VA 23606		Phone: (757) 904-1033		
	Total Units: 96	UC: 0	Occupancy: 100.0%	Stories: 3	Year Built: 2021
	BR: 2, 3		Vacant Units: 0	Waitlist: 6-12 mos	AR Year:
	Target Population: Family				Yr Renovated:
	Rent Special: None				
	Notes: Tax Credit				


15	Mariners Green		Contact: Cynthia		
	12711 Nettles Dr., Newport News, VA 23606		Phone: (757) 930-3333		
	Total Units: 228	UC: 0	Occupancy: 100.0%	Stories: 2	Year Built: 1974
	BR: 1, 2		Vacant Units: 0	Waitlist: 3 HH	AR Year:
	Target Population: Family				Yr Renovated:
	Rent Special: None				
	Notes: 2-br rent range due to renovations & units with W/D				

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





16	Meridian Parkside Apts. 1400 Summit Ln., Newport News, VA 23601	Contact: Camillo Phone: (757) 595-0118
	Total Units: 308 UC: 0 Occupancy: 97.4% Stories: 3,4 w/Elevator Year Built: 2008 BR: 1, 2, 3 Vacant Units: 8 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily	




17	Nettles Drive Senior Living 12752-12778 Nettles Dr., Newport News, VA 23606	Contact: Sandra Phone: (757) 930-8721
	Total Units: 30 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2019 BR: 1 Vacant Units: 0 Waitlist: 33 HH AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: HUD Section 202	








18	Newport Lake 173 Louise Dr., Newport News, VA 23601	Contact: Avianna Phone: (757) 595-3132
	Total Units: 350 UC: 0 Occupancy: 97.4% Stories: 2 Year Built: 1976 BR: 0, 1, 2, 3 Vacant Units: 9 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2015 Rent Special: None Notes:	

19	Park Place 675 Town Center Dr., Newport News, VA 23606	Contact: Chenise Phone: (757) 594-9799
	Total Units: 363 UC: 0 Occupancy: 99.2% Stories: 4 w/Elevator Year Built: 2005 BR: 1, 2, 3 Vacant Units: 3 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: Select units: \$100-\$300 off per month Notes:	


20	Pebblestone Gardens 621 Adams Dr, Newport News, VA 23601	Contact: Kim Phone: (757) 595-4399
	Total Units: 168 UC: 0 Occupancy: 98.8% Stories: 2 Year Built: 1969 BR: 2 Vacant Units: 2 Waitlist: 7 HH AR Year: Target Population: Family Yr Renovated: 2021 Rent Special: None Notes: Tax Credit (126 units) PBV & Tax Credit (42 units)	

<ul style="list-style-type: none"> Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none"> (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none"> (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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<p>21</p> 	<p>Pilot House 701 Brigstock Cir., Newport News, VA 23606</p> <p>Total Units: 132 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 1992 BR: 2, 3 Vacant Units: 0 Waitlist: 2 mos AR Year: Target Population: Family Yr Renovated: 2014 Rent Special: None Notes: Tax Credit</p>	<p>Contact: Shannon Phone: (757) 873-9780</p>
<p>22</p> 	<p>Point at Tech Center Square 128 Jefferson Point Ln., Newport News, VA 23602</p> <p>Total Units: 208 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1986 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p>	<p>Contact: Jennifer Phone: (757) 249-1850</p>
<p>23</p> 	<p>Radius Urban 900 Radius Way, Newport News, VA 23602</p> <p>Total Units: 252 UC: 0 Occupancy: 97.2% Stories: 4 w/Elevator Year Built: 2012 BR: 0, 1, 2, 3 Vacant Units: 7 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily</p>	<p>Contact: Amira Phone: (757) 875-5555</p>
<p>24</p> 	<p>Reserves at Arboretum 5000 Reserve Way, Newport News, VA 23602</p> <p>Total Units: 143 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2009 BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p>	<p>Contact: Gerald Phone: (757) 249-0641</p>
<p>25</p> 	<p>River Trace 100 River Trace Way, Newport News, VA 23602</p> <p>Total Units: 56 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1978 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: 1993 Rent Special: None Notes: Tax Credit</p>	<p>Contact: Theresa Phone: (757) 989-0710</p>

<p>✓ Comparable Property</p> <p>◆ Senior Restricted</p> <p>■ (MRR) Market-Rate</p> <p>■ (MRT) Market-Rate & Tax Credit</p> <p>■ (MRG) Market-Rate & Government-Subsidized</p> <p>■ (MIN) Market-Rate & Income-Restricted (not LIHTC)</p>	<p>■ (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized</p> <p>■ (TAX) Tax Credit</p> <p>■ (TGS) Tax Credit & Government-Subsidized</p> <p>■ (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)</p> <p>■ (TIN) Tax Credit & Income-Restricted (not LIHTC)</p> <p>■ (TMG) Tax Credit, Market-Rate & Government-Subsidized</p>	<p>■ (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized</p> <p>■ (INR) Income-Restricted (not LIHTC)</p> <p>■ (ING) Income-Restricted (not LIHTC) & Government-Subsidized</p> <p>■ (GSS) Government-Subsidized</p> <p>■ (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted</p>
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26	Sharps Landing 126 Candlewood Way, Newport News, VA 23606	Contact: Tashina Phone: (757) 706-3109
	Total Units: 270 UC: 0 Occupancy: 97.0% Stories: 2 Year Built: 1973 BR: 1, 2 Vacant Units: 8 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2012 Rent Special: None Notes: Tax Credit	




27	Silver Hill at the Arboretum 101 Arboretum Way, Newport News, VA 23602	Contact: Beth Phone: (757) 249-0005
	Total Units: 153 UC: 0 Occupancy: 95.4% Stories: 3 w/Elevator Year Built: 1996 BR: 0, 1, 2 Vacant Units: 7 Waitlist: None AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Market-rate (58 units); Tax Credit (95 units)	





28	Styron Square 4100 William Styron Sq., Newport News, VA 23606	Contact: Regina Phone: (757) 596-8000
	Total Units: 147 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2003 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 15 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range due to floorplan & unit location	


















29	Venture Apartments in Tech Center 685 Hogan Dr., Newport News, VA 23606	Contact: Gabby Phone: (757) 330-4092
	Total Units: 288 UC: 0 Occupancy: 99.0% Stories: 4,5 w/Elevator Year Built: 2016 BR: 0, 1, 2, 3 Vacant Units: 3 Waitlist: 6 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	

30	Waypoint at Oyster Point 1 Guenevere Ct., Newport News, VA 23602	Contact: Brittany Phone: (757) 595-1678
	Total Units: 96 UC: 3 Occupancy: 100.0% Stories: 2 Year Built: 1969 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 20 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: 3 units U/C due to fire	

<ul style="list-style-type: none"> Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none"> (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none"> (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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31	Wellesley Woods		Contact: JaKayla		
	600 Huntgate Cir., Newport News, VA 23606		Phone: (757) 249-5553		
		Total Units: 120 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 1996			
		BR: 2, 3 Vacant Units: 0 Waitlist: 3 HH AR Year:			
		Target Population: Family Yr Renovated:			
		Rent Special: None			
		Notes: Tax Credit			

32	Woodlands at Oyster Point		Contact: Rae		
	819 Forrest Dr, Newport News, VA 23606		Phone: (758) 930-5036		
		Total Units: 152 UC: 68 Occupancy: 52.6% Stories: 2 Year Built: 1978			
		BR: 1, 2, 3 Vacant Units: 72 Waitlist: None AR Year:			
		Target Population: Family Yr Renovated: 2022			
		Rent Special: None			
		Notes: 68 units under renovation, ECD 2024			

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

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

Monthly Dollar Allowances

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

* Estimated- not from source

XIII. Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

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

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

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

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

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

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

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

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

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

Research Staff

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

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

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

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

Addendum A – Member Certification & Checklist

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

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



Patrick M. Bowen

President

patrickb@bowennational.com

Date: October 13, 2022



Jeff Peters

Market Analyst

jeffp@bowennational.com

Date: October 13, 2022

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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