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CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET FEASIBILITY STUDY OF:
CAMBRIDGE
SQUARE**

A MARKET FEASIBILITY STUDY OF:

CAMBRIDGE SQUARE

Located At:
1805 NW Whipple Drive
Blacksburg, Montgomery County, Virginia 24060

Effective Date: January 10, 2019
Report Date: January 28, 2019

Prepared for:
PJ Hornik
Southport Financial Services, Inc.
5403 W Gray Street
Tampa, FL 33609

Client Code: SFS600-093

Prepared by:
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January 28, 2019

PJ Hornik
Southport Financial Services, Inc.
5403 W Gray Street
Tampa, FL 33609

Re: Market Study of Cambridge Square
1805 NW Whipple Drive,
Blacksburg, Montgomery County, Virginia 24060

Dear Mr. Hornik:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Blacksburg, Virginia area relative to the above-referenced Section 8 project. We have previously performed a preliminary rent analysis on the property that is the Subject of this report, effective May 28, 2018, and have performed two Rent Comparability Studies on the property that is the Subject of this report, effective July 6, 2018 and are completing an appraisal and RCS concurrently with this report.

The purpose of this market study is to assess the viability of Cambridge Square ("Subject"). The Subject is an existing 40-unit multifamily Section 8 property that will be renovated with LIHTC funding. The property will offer 40 subsidized two, three, and four-bedroom units restricted to 60 percent of the Area Median Income (AMI), or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the 2019 market study requirements of the Virginia Housing Development Authority (VHDA) and conforms to VHDA guidelines. In addition to the addressee, additional users of this report include VHDA.

The National Council of Housing Market Analysts (NCHMA) is a professional organization chartered to promote the development of high quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report generally conforms to those standards. Any slight modifications or departures from those standards are considered incidental and result from the specific market study requirements of VHDA. The scope of the study is based on agreed upon procedures as outlined in the engagement letter and as summarized as follows:

- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- In-person inspection of the Subject property.
- Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.
- Investigating the general economic health and conditions of the rental market.
- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.
- Reviewing relevant public records and contacting appropriate public agencies.
- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary Market Area, if applicable.
- Surveying competing projects, both LIHTC and market-rate.

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

Southport Financial Services, Inc. is the client in this engagement and intended user of this report. As our client Southport Financial Services, Inc. owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the

original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

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

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners. Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

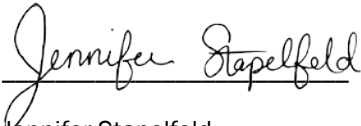
Respectfully submitted,
Novogradac & Company LLP



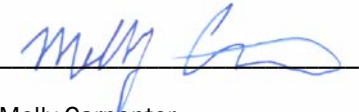
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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The Subject is an existing 40-unit Section 8 rental development known as Cambridge Square. The Subject consists of 16 two-, 16 three-, and eight four-bedroom units contained in five two-story townhome-style buildings and one single-story leasing office/maintenance storage shed. Additionally, two of the Subject's units are handicapped accessible, which are contained in single-story apartments. The Subject's buildings were originally built in 1979 and are constructed with wood siding exterior, a masonry block frame, and gabled, asphalt-shingled roofs. The Subject is located at 1805 NW Whipple Drive in Blacksburg, Virginia 24060. The Subject currently benefits from a 20-year term HAP contract (#VA36HO27090) that covers all 40 of the Subject's units. The most recent HAP contract rent increase went into effect on August 6, 2017. As of the date of our inspection, the Subject was 100 percent occupied and maintains a waiting list of 11 households.

The Subject is proposing renovations with LIHTC equity. Following rehabilitation, all of the Subject units will continue to receive Project-Based Section 8 rental assistance and will also be restricted to households earning 60 percent of AMI, or less. The renovations are anticipated to begin in the third quarter of 2019. Additionally, according to the client, the Subject is applying for a Chapter 15 mark-up-to-market restructuring of the current Section 8 contract.

The Subject is located in the northeastern portion of Blacksburg, in a primarily residential neighborhood consisting of single-family homes in average to good condition, a mobile home park in fair to average condition, multifamily uses ranging from fair to excellent condition, retail and commercial uses, and vacant wooded land. Land use to the north, east, and west of the Subject consist of single-family homes in average to good condition. Immediately north of the Subject are single-family homes in fair to average condition, followed by wooded land and Primrose Park, a public use. Land use to the east consists of single-family homes in fair to average condition, followed by vacant, undeveloped land. Further east land uses consist of retail and commercial uses, and multifamily uses. Additionally, land use east consists of Maple Ridge Townhomes, a multifamily property that was excluded from our analysis due to per-bedroom rents. To the south of the Subject, land use consists of 1711 Apartments, a market rate development that was excluded from our analysis due to an incomparable unit mix, followed by single-family homes in good condition. Further south is Moog Components Group, an industrial use. Further west of the Subject is a mobile-home residential community known as Blacksburg Estates, which exhibits average condition overall, followed by two recently completed new-construction multifamily properties – Fieldstone Apartments and Fieldstone Senior Apartments, the former of which we have utilized as a LIHTC comparable in our analysis. The majority of retail and commercial uses are concentrated along N Main Street to the east and south of the Subject. Overall, the majority of surrounding land uses are in average to excellent. The Subject's proposed rents are detailed in the following table.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Monthly Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	% of LIHTC Maximum Allowable Gross Rent	2018 Fair Market Rent
<i>60% AMI</i>								
2BR/1BA	855	16	\$845	\$98	\$943	\$943	100.0%	\$869
3BR/1.5BA	1,174	16	\$971	\$118	\$1,089	\$1,089	100.0%	\$1,256
4BR/2BA	1,333	8	\$1,067	\$148	\$1,215	\$1,215	100.0%	\$1,526
Total		40						

Note (1) Utility allowance based on Subject's HUD Rent Schedule, (eff. 8/06/2017)

In general, we believe there is demand in the marketplace for the Subject as conceived. Based on the comparable data, we believe the proposed rental rates are not achievable at the maximum allowable levels. The Subject offers a significant market rent advantage. Overall, we believe there is demand for the Subject.

Strengths

- As a newly renovated property, the Subject will exhibit similar to slightly superior condition relative to the majority of the comparable properties.
- The Subject's projected LIHTC rents represent a discount to the achievable market rents.

- The LIHTC vacancy at the comparable properties is 5.0 percent, which suggests a stable market for affordable housing.
- The Subject primarily offers a townhouse design for a majority of its units, which will offer appeal to family renters.

Weaknesses

- The Subject’s unit sizes are at a market disadvantage to the average unit sizes at the comparables.

Capture Rates - VHDA:

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

Project Wide Capture Rate - Section 8 Units	5.0%
Project Wide Capture Rate - LIHTC Units	3.2%
Project Wide Absorption Period (Months)	3 months

Recommendations

- In general, we believe there is demand in the marketplace for the Subject as proposed. Additionally, the market has reported strong occupancy rates and waiting lists. The Subject will be well-positioned in the market. As a newly renovated property, the Subject will be in generally superior condition to most of the comparable properties. The market exhibits strong demand for affordable housing, with limited vacancy and strong absorption rates at LIHTC properties that have opened in the past three to four years. Further, the comparable LIHTC properties reported an overall average vacancy rate of five percent. Based on the performance of the comparable properties, we expect the Subject to operate with an annual vacancy and collection loss of five percent, or less. Based on the comparable data, we believe the proposed rental rates are not achievable at the maximum allowable levels. Thus, we have concluded to achievable LIHTC rents of **\$825, \$900, and \$1,025** for the Subject’s two-, three-, and four-bedroom units, respectively, at the 60 percent AMI levels. The Subject’s rents offer significant market rent advantages. Overall, we believe there is demand for the Subject.

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

The purpose of this market study is to assess the viability of Cambridge Square (“Subject”). The Subject is an existing 40-unit multifamily Section 8 property that will be renovated with LIHTCs. Tenants at the Subject pay 30 percent of their income towards rent under the Section 8 subsidy. The property will offer 40 subsidized units restricted to 60 percent of the Area Median Income (AMI), or less. The sponsor has indicated that this report is being submitted to the Virginia Housing Development Authority (VHDA) for application purposes. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the 2019 market study requirements of the Virginia Housing Development Authority (VHDA) and conforms to VHDA guidelines. In addition to the addressee, additional users of this report include VHDA.

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- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- In-person inspection of the Subject property.
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- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.
- Reviewing relevant public records and contacting appropriate public agencies.
- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject’s Primary Market Area, if applicable.
- Surveying competing projects, both LIHTC and market-rate.

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Location: The Subject site is located at 1805 NW Whipple Drive, Blacksburg, Virginia 24060.

Site Description: The Subject site consists of approximately 3.86 acres, or 168,124 square feet. The Subject has good visibility from its northern and eastern boundaries along Givens Lane and Whipple Drive.

Aerial Photo:



Source: Google Earth, January 2019

Proposed Rents and Unit Mix: The following table details the proposed rents and unit mix for the Subject. The utility allowance will remain the same for the Subject as renovated.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Monthly Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	% of LIHTC Maximum Allowable Gross Rent	2018 Fair Market Rent
				<i>60% AMI</i>				
2BR/1BA	855	16	\$845	\$98	\$943	\$943	100.0%	\$869
3BR/1.5BA	1,174	16	\$971	\$118	\$1,089	\$1,089	100.0%	\$1,256
4BR/2BA	1,333	8	\$1,067	\$148	\$1,215	\$1,215	100.0%	\$1,526
Total		40						

Note (1) Utility allowance based on Subject's HUD Rent Schedule, (eff. 8/06/2017)

Following rehabilitation and the allocation of new LIHTCs, all of the Subject units will continue to receive Project-Based Section 8 rental assistance and

will also be restricted to households earning 60 percent of AMI, or less. The proposed rents are set at the 2018 maximum allowable rents.

Target Population:

The units will be rent restricted to households earning 60 percent of AMI, or less. All units will operate with full Section 8 subsidy, wherein tenants pay 30 percent of their income towards rent.

Utility Structure:

Tenants are responsible for all electric expenses, which include general electric, electric cooking, electric water heating, and electric heating. The property covers cold water, sewer and trash expenses. Following the renovations, the utility structure will remain the same. The Subject currently utilizes a project-specific utility allowance of \$98, \$118, and \$148 for its two-, three-, and four-bedroom units, respectively. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from the Virginia Housing Development Authority, effective July 1, 2018.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	2BR	3BR	4BR
Heating - Electric	Tenant	\$34	\$41	\$51
Cooking - Electric	Tenant	\$5	\$6	\$7
Other Electric	Tenant	\$18	\$22	\$28
Air Conditioning	Tenant	\$9	\$12	\$15
Water Heating - Electric	Tenant	\$16	\$20	\$25
Water	Landlord	\$30	\$36	\$46
Sewer	Landlord	\$35	\$43	\$55
Trash	Landlord	\$12	\$12	\$12
TOTAL - Paid By Landlord		\$77	\$91	\$113
TOTAL - Paid By Tenant		\$82	\$101	\$126
TOTAL - Paid By Tenant Per HUD Rent Schedule 8/2017		\$98	\$118	\$148
DIFFERENCE		122%	164%	118%

Source: Blacksburg Dept. of Social Services and VHDA, effective 7/2018

Unit Mix:

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

UNIT MIX AND SQUARE FOOTAGE

Unit Type	# of Units	Unit Size (SF)	Net Rentable Area
2BR/1BA	16	855	13,680
3BR/1.5BA	16	1,174	18,784
4BR/2BA	8	1,333	10,664
Total	40		43,128

Net Rentable Area:

Approximately 43,128 square feet as outlined in the table above.

Unit Amenities:

The Subject's units currently offer a balcony/patio, blinds, carpeting, refrigerators, range/oven, central air conditioning, coat closet, exterior storage, and washer/dryer hookups. Microwaves, dishwashers, and washer/dryer appliances will be installed in all units post renovation. Further, laminate/vinyl flooring will be replaced and installed.

Common Area Amenities:

The Subject's property features include a basketball court, central laundry, off-street parking, on-site management, and a playground. It should be noted that based on information from the property manager at the time of inspection, management plans to convert the area currently being used as a maintenance shop into a community room. No other new common area amenities are proposed with the renovations.

Security Features:	The Subject does not offer any security features.
Parking:	The Subject features off-street parking to its tenants at no additional cost. There are approximately 77 surface parking spaces, which equates to a parking ratio of approximately 1.9 spaces per unit. Overall, the parking offered at the Subject is reasonable given its tenancy and proximity to public transportation.
Number of Stories:	The Subject consists of 16 two-, 16 three-, and eight four-bedroom units contained in five two-story townhome-style buildings and one single-story leasing office/maintenance storage shed. Additionally, two of the Subject's units are handicapped accessible, which are contained in single-story apartments.
Date of Construction:	The Subject was originally built in 1979. Renovations are scheduled to commence in July 2019 and be completed in July 2020.
Construction Details:	<p>The scope of renovations will include, but not be limited to the following:</p> <ul style="list-style-type: none">• Replace/upgrade kitchen appliances;• New kitchen and bathroom cabinets and counter tops;• Addition of in-unit microwaves and dishwashers;• Addition of in-unit washer/dryer appliances;• Replace/update bathroom and kitchen plumbing fixtures;• Update site lighting fixtures/features;• Patch/repair asphalt pavement, sidewalks, and walkways;• New roofs; New HVAC systems;• Replace front doors and install new sliding doors;• Replace property and patio fencing;• Replace/update in-unit finishes; Install laminate/vinyl planking and upgrade tile flooring;• Upgrade common areas including hallways and on-site management office.• Create new community area out of existing maintenance shed; <p>The total renovation hard costs are estimated to be \$1,680,360, or \$42,009 per unit. The construction timeline is anticipated to be 12 months, starting in July 2019, with an anticipated completion date of July 2020. Renovations are expected to occur with tenants in place to limit tenant disruption.</p>
Assisted Housing Program:	The Subject currently benefits from a 20-year term HAP contract (#V A36H027090) that covers all 40 of the Subject's units. The most recent HAP contract rent increase went into effect on August 6, 2017. Additionally, according to the client, the Subject is applying for a Chapter 15 mark-up-to-market restructuring of the current Section 8 contract.
Target Population and Occupancy Type:	The Subject will be set-aside for low to moderate-income tenants restricted to households earning 60 percent of the AMI or less. Based on the unit mix and proposed rent levels, the qualified annual incomes for the Subject's units will range from \$0 to \$48,600 as a Section 8 property and \$32,331 to \$48,600 as a LIHTC property absent subsidy.
Americans with Disabilities Act of 1990:	We assume the property does not have any violations of the Americans with Disabilities Act of 1990.
Quality of Construction Condition and Deferred Maintenance:	We assume the Subject will be renovated in a timely manner consistent with

the information provided, using average-quality materials in a professional manner.

Functional Utility:

We reviewed plans for the Subject property and inspected the property; the unit sizes and layout appear functional and market-oriented. The Subject's floor plans are included in the proceeding pages.

Conclusion:

The Subject will be a newly renovated Section 8 and LIHTC property and will exhibit good condition upon completion of renovations. The renovation of the Subject is expected to be an improvement to the existing neighborhood.

PROPERTY PROFILE REPORT

Cambridge Square

Effective Rent Date	1/10/2019
Location	1805 Nw Whipple Dr Blacksburg, VA 24060 Montgomery County
Distance	N/A
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	1979 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Primarily families
Contact Name	Lynn Bibey
Phone	540-953-1870



Market Information

Program	Section 8
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within 30 days
Annual Chg. in Rent	Increase 1 to 2%
Concession	None
Waiting List	Yes; 11 Households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Townhouse (2 stories)	16	855	\$845	\$0	@60% (Section 8)	Yes	0	0.0%	yes	None
3	1.5	Townhouse (2 stories)	16	1,174	\$971	\$0	@60% (Section 8)	Yes	0	0.0%	yes	None
4	2	Townhouse (2 stories)	8	1,333	\$1,067	\$0	@60% (Section 8)	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$845	\$0	\$845	\$0	\$845
3BR / 1.5BA	\$971	\$0	\$971	\$0	\$971
4BR / 2BA	\$1,067	\$0	\$1,067	\$0	\$1,067

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Recreation Areas		

Comments

Cambridge Square is in existing Section 8 property consisting of 40 units. The developer is proposing significant renovations with LIHTC equity in 2020, where all units will be restricted at the 60% AMI level. The proposed LIHTC rents are detailed in the rent matrix and are set at the maximum allowable levels, with utility allowances of \$98, \$118, and \$148 for the two-, three-, and four-bedroom units, respectively. As of the effective date of the profile, the property was fully occupied and maintained a waiting list of 11 households.

Trend Report

Vacancy Rates

2Q18	1Q19
N/A	0.0%

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$845	\$0	\$845	\$845

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$971	\$0	\$971	\$971

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,067	\$0	\$1,067	\$1,067

Trend: Comments

2Q18 N/A

1Q19 Cambridge Square is in existing Section 8 property consisting of 40 units. The developer is proposing significant renovations with LIHTC equity in 2020, where all units will be restricted at the 60% AMI level. The proposed LIHTC rents are detailed in the rent matrix and are set at the maximum allowable levels, with utility allowances of \$98, \$118, and \$148 for the two-, three-, and four-bedroom units, respectively. As of the effective date of the profile, the property was fully occupied and maintained a waiting list of 11 households.

Photos



D. LOCATION

LOCATION

Description of the Site

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



Source: Google Earth, retrieved January 2019

- Size:** The Subject site consists of approximately 3.86 acres, or 168,124 square feet.
- Shape:** The Subject site is irregular in shape.
- Frontage:** The Subject has frontage along the south side of Givens Lane and the west side of Whipple Drive.
- Topography:** The site is slightly sloping to level.
- Utilities:** All utilities are available to the site.
- Visibility/Views:** The Subject has good visibility from its northern and eastern boundaries along Givens Lane and Whipple Drive. The Subject is located in a residential neighborhood with generally limited traffic. To the north, east, and west of the Subject, views consist of single-family homes in average to good condition. Views south of the Subject consist of 1711 Apartments, a market rate multifamily development that offers four-bedroom units. Additional views to the west consist of Blacksburg Estates, a mobile-home residential community park, which exhibits fair to average condition overall. Overall, visibility is considered good, and views are considered average.

Surrounding Uses:

The Subject is located in the northeastern portion of Blacksburg, in a primarily residential neighborhood consisting of single-family homes in average to good condition, a mobile home park in fair to average condition, multifamily uses ranging from fair to excellent condition, retail and commercial uses, and vacant wooded land. Land use to the north, east, and west of the Subject consist of single-family homes in average to good condition. Immediately north of the Subject are single-family homes in fair to average condition, followed by wooded land and Primrose Park, a public use. Land use to the east consists of single-family homes in fair to average condition, followed by vacant, undeveloped land. Further east land uses consist of retail and commercial uses, and multifamily uses. Retail and commercial uses to the east, along N Main Street, include Baseline Solar Solutions, Aztec Rentals, and LewisGale Physicians Internal Medicine. Additionally, land use east consists of Maple Ridge Townhomes, a multifamily property that was excluded from our analysis due to per-bedroom rents. To the south of the Subject, land use consists of 1711 Apartments, a market rate development that was excluded from our analysis due to an incomparable unit mix, followed by single-family homes in good condition. Further south is Moog Components Group, an industrial use. Further west of the Subject is a mobile-home residential community known as Blacksburg estates, which exhibits average condition overall, followed by two recently completed new-construction multifamily properties – Fieldstone Apartments and Fieldstone Senior Apartments, the former of which we have utilized as a LIHTC comparable in our analysis. The majority of retail and commercial uses are concentrated along N Main Street to the east and south of the Subject. Overall, the majority of surrounding land uses are in average to excellent.

Access and Traffic Flow:

The Subject site is accessible via Whipple Drive, which is accessible via N Main Street 0.2 miles to the south. N Main Street connects to Interstate 460 approximately 5.3 miles to the south. Interstate 460 provides access throughout central Virginia, and connects to Interstate 81 approximately 2.9 miles south. Interstate 81 is a major highway providing access to Roanoke and Knoxville, TN, approximately 42 miles east and 235 miles southwest, respectively. The Subject has frontage along the west side of Whipple Drive and the south side of Givens Lane. Overall, access is considered good.

Layout and Curb Appeal:

Based on our inspection, the Subject has a functional layout for its intended use and offers average curb appeal. The following table summarizes various characteristics of the Subject site.

SUMMARY OF SUBJECT SITE	
Visibility	Good
Views	Average
Access/Traffic Flow	Good
Layout/Curb Appeal	Average

Drainage:

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

Soil and Subsoil Conditions:

Novogradac did not perform any soil and subsoil test upon inspection of the site, as this is beyond the scope of work. We have not been provided with a

soil and subsoil report. We are not experts in this field and assume the soil is adequate for development.

Environmental Assessment:

We requested but were not provided with a Phase I Environmental Report for the Subject. During our inspection, we walked the grounds of the Subject and the rear of the building and observed no obvious signs of detrimental environmental conditions. However, Novogradac and Company LLP does not have expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions.

Flood Plain:

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 5101270018C, dated September 2009, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the .02 percent annual chance floodplains. Novogradac & Company LLP does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report.



Source: www.FEMA.gov

Proximity to Adverse Conditions:

At the time of the site inspection, there were no detrimental influences observed that would adversely impact the marketability of the Subject.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



SUBJECT SIGNAGE



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR AND PARKING LOT



VIEW FROM SUBJECT NORTH ON WHIPPLE DRIVE NW



VIEW FROM SUBJECT SOUTH ON WHIPPLE DRIVE NW



BUS STOP IN FRONT OF SUBJECT



SUBJECT INTERSECTION



LEASING OFFICE/MAINTENANCE SHED AT SUBJECT



ON-SITE MANAGEMENT OFFICE



SUBJECT MAILBOXES



SUBJECT ACCESSIBLE PARKING AND SIGNAGE



TYPICAL UNIT ENTRY



TYPICAL STAIRCASE



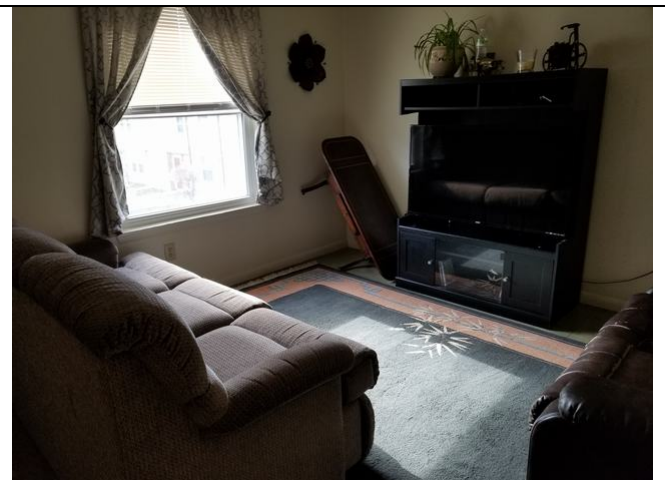
TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL LIVING ROOM



TYPICAL LIVING ROOM



TYPICAL KITCHEN



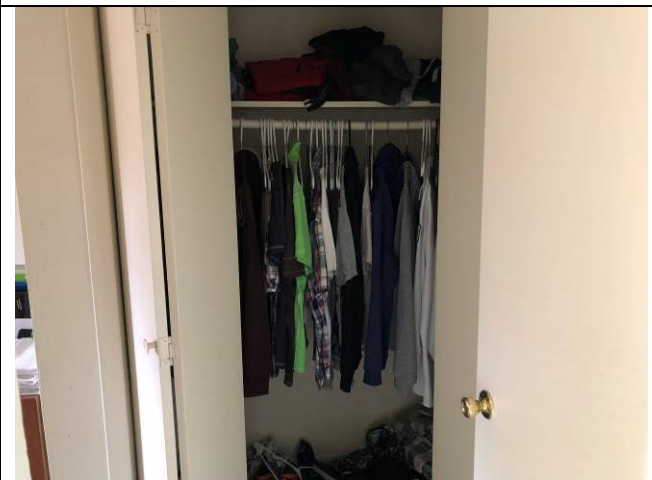
TYPICAL KITCHEN



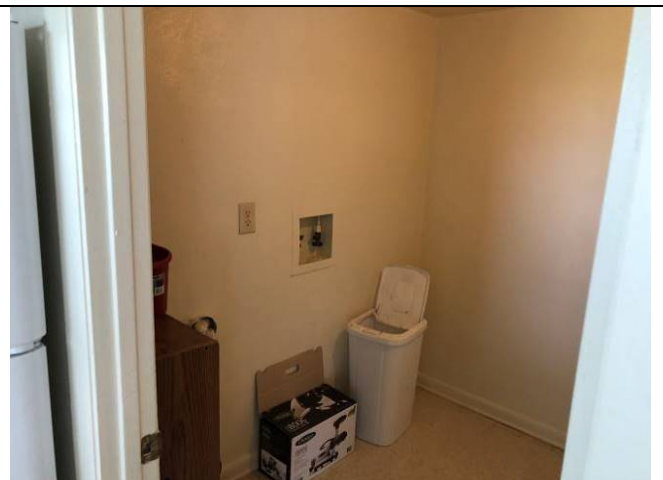
TYPICAL BATHROOM



TYPICAL BATHROOM



TYPICAL CLOSET



TYPICAL LAUNDRY ROOM



TYPICAL DINING ROOM



TYPICAL PATIO AND EXTERIOR STORAGE



SUBJECT MAINTENANCE SHOP



SUBJECT PLAYGROUND



TYPICAL SINGLE-FAMILY HOME IN SUBJECT NEIGHBORHOOD



TYPICAL SINGLE-FAMILY HOME IN SUBJECT NEIGHBORHOOD



RETAIL USE NEAR SUBJECT



RETAIL USE NEAR SUBJECT



TYPICAL COMMERCIAL USE NEAR SUBJECT



1711 APARTMENTS MULTIFAMILY SOUTH OF SUBJECT



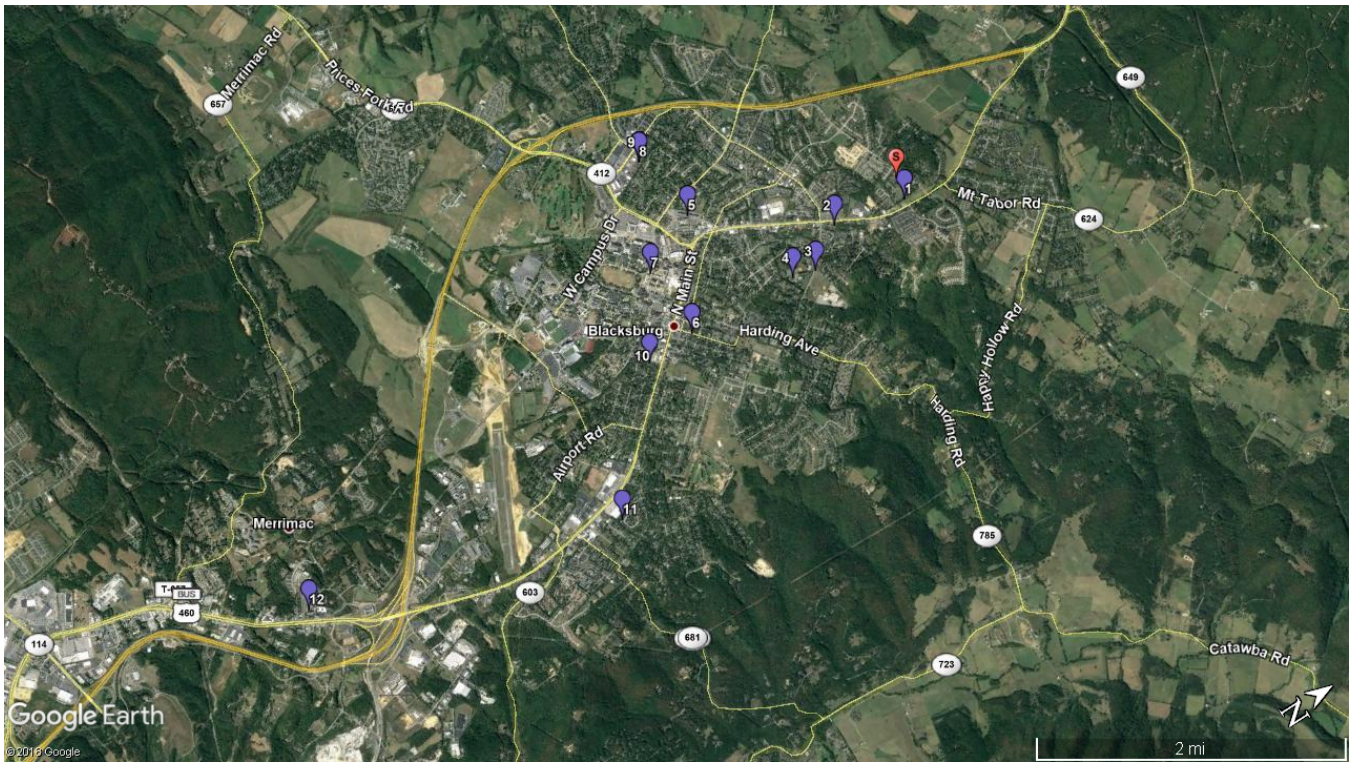
VIEW NORTH OF MARKET RATE TOWNHOMES UNDER CONSTRUCTION ACROSS FROM SUBJECT



STUDENT HOUSING UNDER CONSTRUCTION NEAR SUBJECT

Proximity to Local Services:

The Subject is located in close proximity to services including area retail, medical facilities, and schools. The distances of various services from the Subject and a map of the locations are provided following.



LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject
1	Whipple/Givens Bus Stop	<0.1 mile
2	Food Lion Grocery Store	0.5 mile
3	Blacksburg Community Center	0.9 mile
4	Old Blacksburg High School	1 mile
5	Blacksburg Municipal Park	1.3 miles
6	Gilbert Linkous Elementary	1.8 miles
7	Blacksburg Fire Department	1.9 miles
8	Virginia Tech University	2 miles
9	Blacksburg Police Department	2.3 miles
10	Wells Fargo Bank	2.5 miles
11	U.S. Post Office	2.5 miles
12	Dollar Tree	3.7 miles
13	LewisGale Hospital Montgomery	7.3 miles

Crime Statistics

The following tables show crime statistics from 2017 for the PMA. The table below depicts crime indices in the PMA in comparison to that of the MSA and the nation. A crime index below 100 is below the national average and anything over 100 is above the nation’s crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime rate of 200 would be twice that of the national average.

2018 CRIME INDICES

	PMA	Blacksburg-Christiansburg-Radford,
Total Crime*	57	62
Personal Crime*	31	34
Murder	63	69
Rape	70	76
Robbery	14	15
Assault	35	38
Property Crime*	60	66
Burglary	44	48
Larceny	70	77
Motor Vehicle Theft	23	25

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

*Unweighted aggregations

As the previous table illustrates, crime indices in the PMA are below the MSA and significantly below the nation as a whole. The Subject’s does not offer any security features, similar to eight of the comparables. The majority of the surveyed properties do not offer security features. Coupled with the low overall crime index in the PMA, the lack of security features offered by the Subject and the market does not appear to impact the marketability of the Subject. We believe the Subject is competitive in the market in terms of security features.

Public Transportation

Blacksburg Transit provides public transit services within the Town of Blacksburg via seven local bus routes that operate Monday through Friday from 7:00 AM to 12:45 AM, with extended hours to 2:45 AM on Saturdays. Fares are \$0.50 for one-way rides to the general public, children under three years ride for free, and monthly passes are available for \$8 per month. Adults ages 65 and older and passengers with a Blacksburg Transit Disability Card ride for a discounted fare of \$0.25 for one-way rides. The closest bus stop is located directly in front of the Subject’s complex on Whipple Drive, providing great public transit access to the town of Blacksburg. This bus stop is serviced by the Progress B and Main Street North routes, which provide access to downtown Blacksburg, Virginia Tech University, and East Main Street.

Conclusion

The Subject is located in primarily residential neighborhood within Blacksburg city limits, which consists of single-family homes in fair to good condition, multifamily uses, vacant wooded land, public uses, and commercial/retail uses in fair to excellent condition. Access to public transportation, groceries, pharmacy, and shopping is convenient. Overall, the Subject’s location is considered good. The neighborhood is well suited for this type of affordable multifamily housing.

E.MARKET AREA DEFINITION

MARKET AREA DEFINITION

Primary Market Area

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

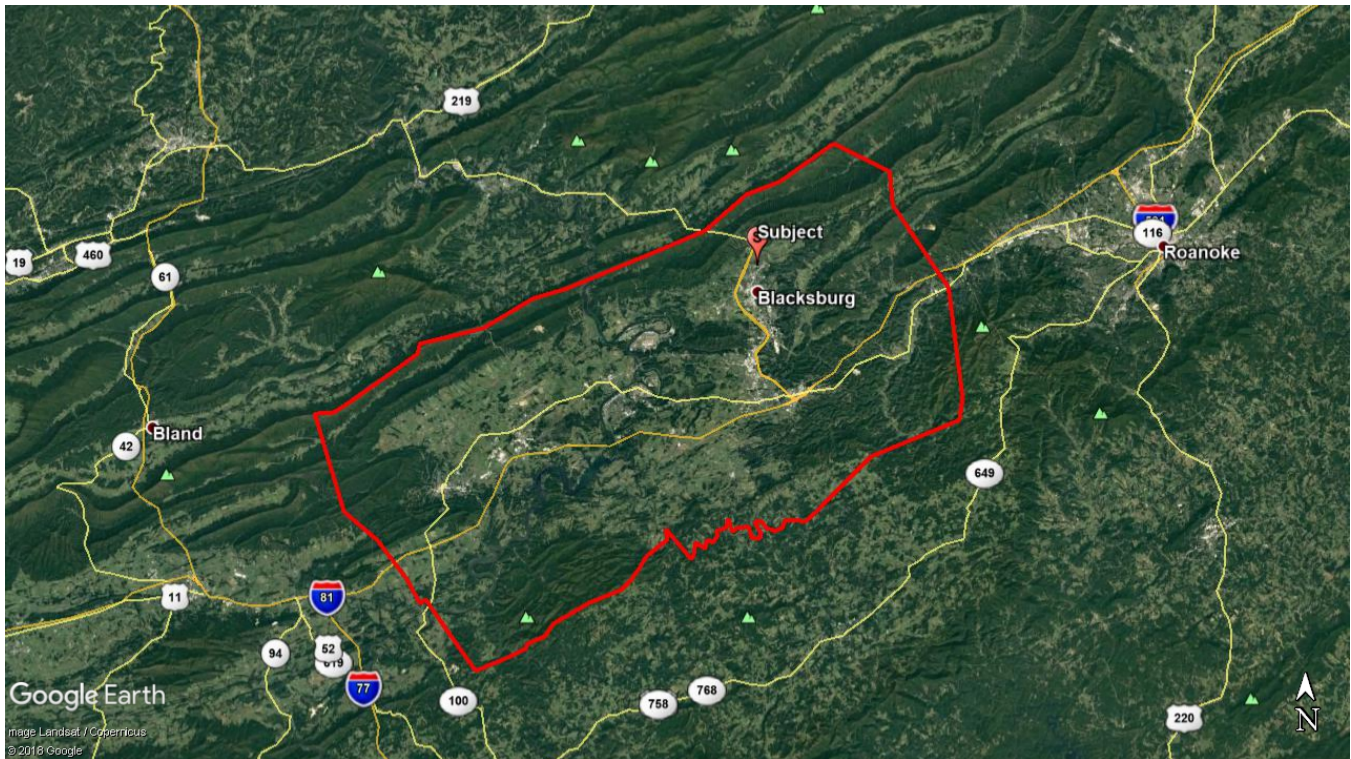
The Subject property is located in Blacksburg, Virginia. The boundaries of the PMA are defined below:

- North:** Pulaski and Montgomery County lines
- South:** Pulaski and Montgomery County lines
- East:** Montgomery County line
- West:** Pulaski County line

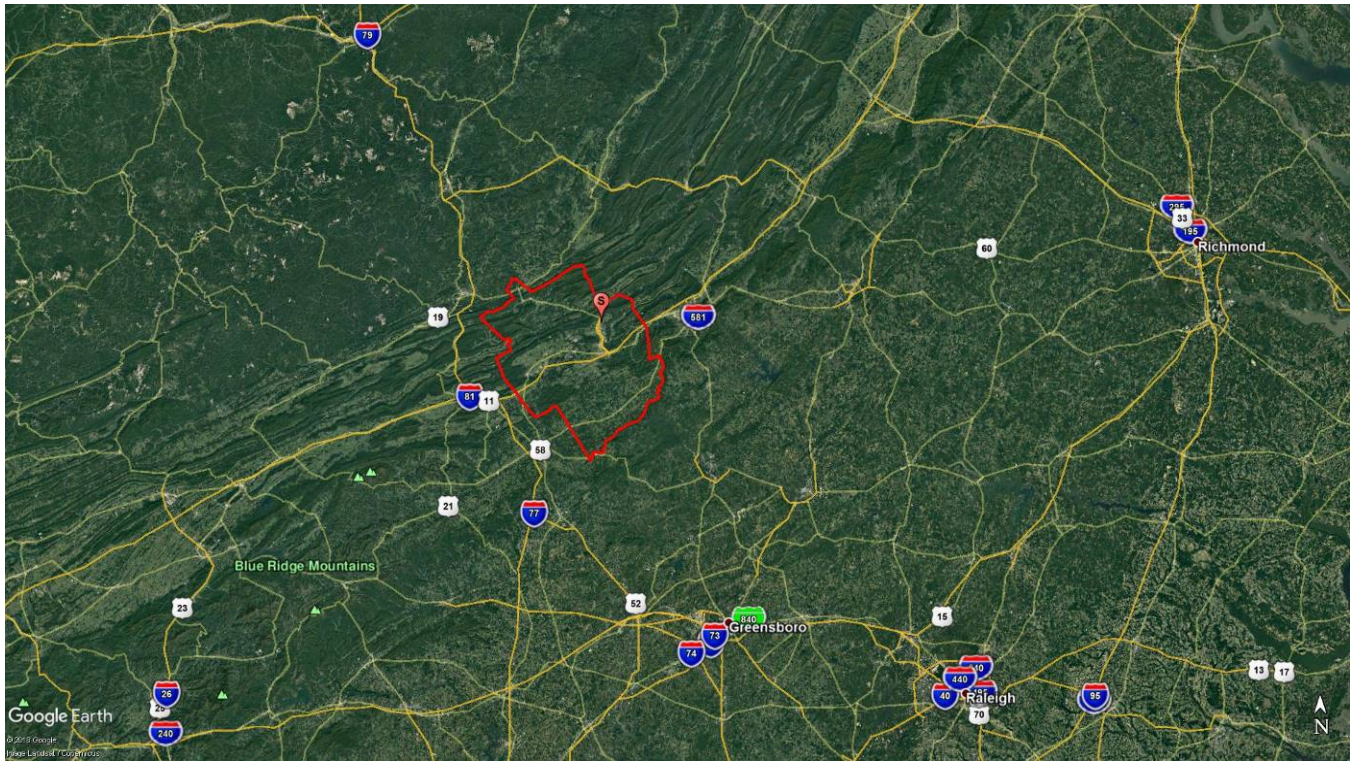
The PMA was determined based on input from area property managers, including the manager at the Subject property.

Per VHDA guidelines, analysts are not to include secondary or tertiary markets. In this case, we have conservatively defined the PMA for a multifamily development (also per specific VHDA guidance) and the secondary market area is simply presented as a source of comparison to the PMA.

Primary Market Area (PMA) Map



Secondary Market Area (SMA) Map



F.EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The town of Blacksburg has a strong and diverse economy that is concentrated within the education, healthcare, manufacturing, government, retail trade sectors, and arts/entertainment/recreation sectors. Virginia Tech, a large research public university, is the largest employer in the town of Blacksburg. The other largest employers offered in Blacksburg are diverse and are represented in the education, healthcare, and manufacturing sectors. Blacksburg is an independent city and is surrounded by Montgomery and Pulaski Counties. As of the 2010 census, the population in Blacksburg was 44,563.

Employment and Unemployment Trends

The table below illustrates the total employment and unemployment rates for the Blacksburg-Christiansburg-Blacksburg, VA MSA and nation as of October 2018.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

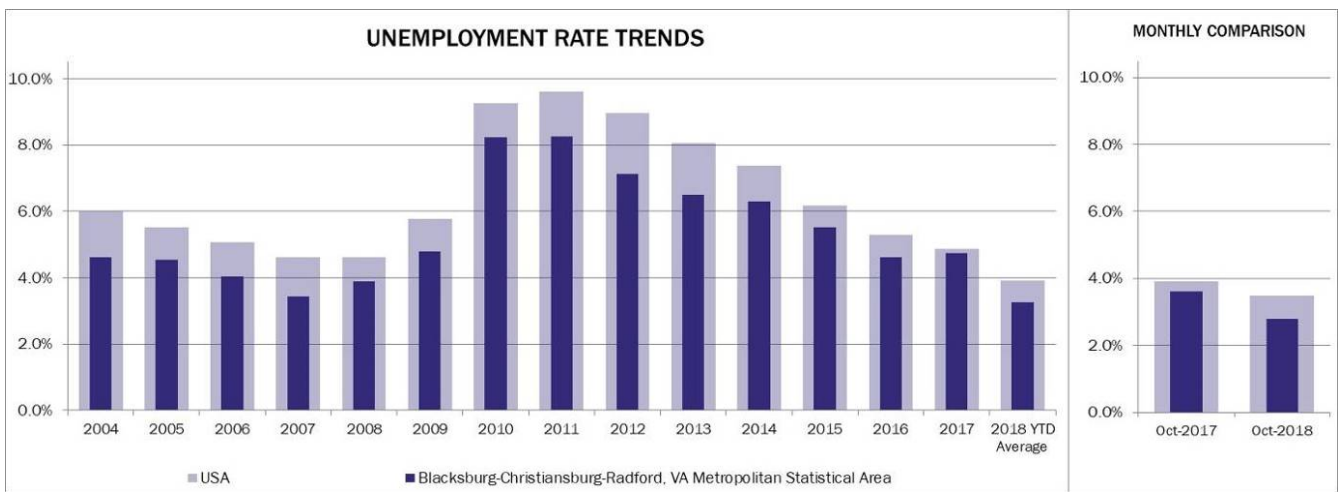
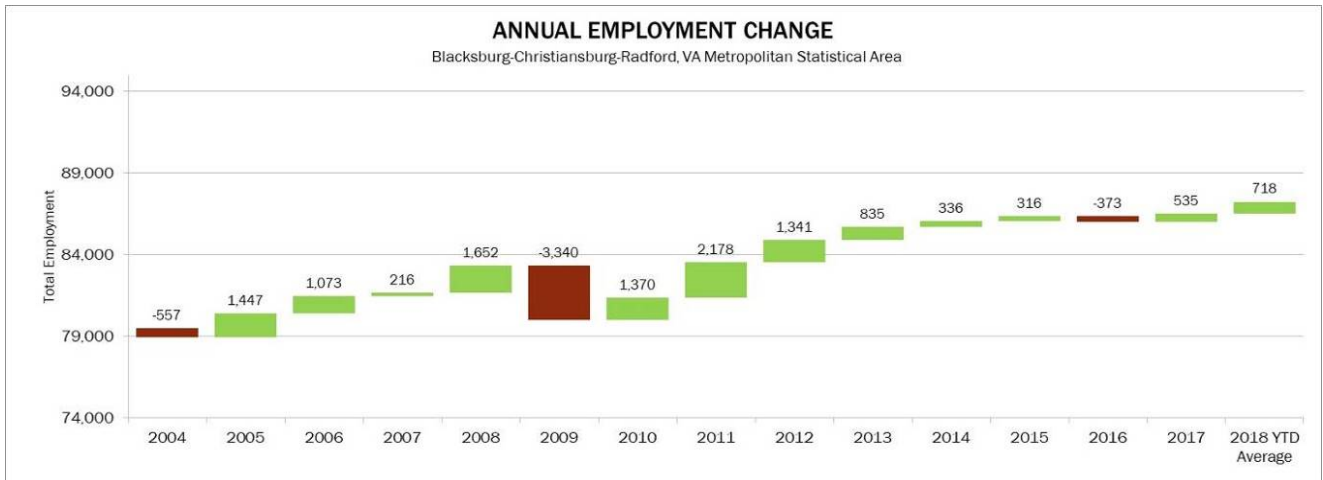
Year	Blacksburg-Christiansburg-Radford, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	77,117	-	4.9%	-	136,485,000	-	5.8%	-
2003	79,505	3.1%	4.6%	-0.3%	137,736,000	0.9%	6.0%	0.2%
2004	78,947	-0.7%	4.6%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	80,394	1.8%	4.1%	-0.5%	141,730,000	1.8%	5.1%	-0.5%
2006	81,467	1.3%	3.4%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	81,683	0.3%	3.9%	0.5%	146,047,000	1.1%	4.6%	0.0%
2008	83,335	2.0%	4.8%	0.9%	145,363,000	-0.5%	5.8%	1.2%
2009	79,995	-4.0%	8.2%	3.4%	139,878,000	-3.8%	9.3%	3.5%
2010	81,365	1.7%	8.3%	0.0%	139,064,000	-0.6%	9.6%	0.3%
2011	83,543	2.7%	7.1%	-1.1%	139,869,000	0.6%	9.0%	-0.7%
2012	84,884	1.6%	6.5%	-0.6%	142,469,000	1.9%	8.1%	-0.9%
2013	85,719	1.0%	6.3%	-0.2%	143,929,000	1.0%	7.4%	-0.7%
2014	86,055	0.4%	5.5%	-0.8%	146,305,000	1.7%	6.2%	-1.2%
2015	86,371	0.4%	4.6%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	85,998	-0.4%	4.7%	0.1%	151,436,000	1.7%	4.9%	-0.4%
2017	86,533	0.6%	4.3%	-0.5%	153,337,000	1.3%	4.4%	-0.5%
2018 YTD Average*	87,250	0.8%	3.3%	-1.0%	155,695,545	1.5%	3.9%	-0.4%
Oct-2017	87,083	-	3.6%	-	154,223,000	-	3.9%	-
Oct-2018	89,547	2.8%	2.8%	-0.8%	156,952,000	1.8%	3.5%	-0.4%

Source: U.S. Bureau of Labor Statistics, January 2019

*2018 data is through October

Prior to the national recession, average employment growth in the MSA generally trailed the nation. Annual job growth in the MSA lagged the nation in all but two years between 2003 and 2007. Comparatively speaking, the MSA economy performed well during the recession. Total MSA employment contracted by only 4.0 percent (2008-2009), less than the 4.8 percent decline reported by the overall nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2011, three years prior to the overall nation. More recently, average employment growth in the MSA lagged the nation in every year since 2012. As of October 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.8 percent, compared to 1.8 percent across the overall nation.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. Unemployment in the MSA reached a historic low in 2006, a year before the overall nation. The local labor market demonstrated relative strength during the recession, as the rate of unemployment increased by only 4.4 percentage points, compared to a 5.0 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 2.8 percent, lower than the current national unemployment rate of 3.5 percent. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.



Employment by Industry

The following table depicts employment by industry in the Primary Market Area (PMA) and the nation.

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	16,522	24.1%	14,568,337	9.2%
Retail Trade	7,947	11.6%	17,381,607	11.0%
Manufacturing	7,628	11.1%	15,694,985	9.9%
Accommodation/Food Services	7,462	10.9%	11,958,374	7.6%
Healthcare/Social Assistance	6,983	10.2%	22,154,439	14.0%
Prof/Scientific/Tech Services	4,435	6.5%	11,673,939	7.4%
Other Services	2,825	4.1%	7,758,801	4.9%
Construction	2,813	4.1%	10,333,928	6.5%
Public Administration	2,428	3.5%	7,345,537	4.7%
Admin/Support/Waste Mgmt Svcs	1,942	2.8%	6,943,459	4.4%
Finance/Insurance	1,460	2.1%	7,284,572	4.6%
Transportation/Warehousing	1,359	2.0%	6,660,099	4.2%
Arts/Entertainment/Recreation	1,216	1.8%	3,672,444	2.3%
Real Estate/Rental/Leasing	978	1.4%	3,165,171	2.0%
Information	897	1.3%	2,881,691	1.8%
Wholesale Trade	729	1.1%	4,028,405	2.6%
Utilities	384	0.6%	1,433,069	0.9%
Agric/Forestry/Fishing/Hunting	367	0.5%	2,273,158	1.4%
Mining	46	0.1%	591,596	0.4%
Mgmt of Companies/Enterprises	27	0.0%	87,511	0.1%
Total Employment	68,448	100.0%	157,891,122	100.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

Employment in the PMA is concentrated in the educational services, retail trade, and manufacturing industries, which collectively comprise 46.9 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the educational services industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the educational services, accommodation/food services, and manufacturing industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, finance/insurance, and construction industries.

Major Employers

The following table illustrates the major employers in the city of Blacksburg.

MAJOR EMPLOYERS - BLACKSBURG, VA

Employer	Industry	Number Of Employees
Virginia Tech	Education	1,000+
Dish Network	Support Services	1,000+
Moog Inc.	Manufacturing	1,000+
Alliant Techsystems Inc.	Wholesale	1,000+
Montgomery County School Board	Education	1,000+
Montgomery Regional Hospital	Healthcare	500-999
Lexington Rowe Furniture	Manufacturing	500-999
Carilion New River Valley Medical Center	Healthcare	500-999
Town of Blacksburg	Government	250-499
County of Montgomery	Government	250-499
New River Valley Community Services	Social Assistance	250-499
Kroger	Retail Trade/Grocer	250-499

Source: Montgomery County Dept. of Economic Development, Novogradac & Company, January 2019

The largest employers in the town of Blacksburg are within the education, healthcare, manufacturing, government, and retail trade sectors. The large portion of major employers in the healthcare and government sectors provides a stable employment base for a large portion of the workforce. The major employers in the area provide employment for a broad range of workers, spanning hi-tech, skilled, and service occupations.

Employment Contraction/Expansion

We consulted the Virginia Employment Commission's Worker Adjustment and Retraining Notification (WARN) filings to determine the reported contractions within the Western Virginia Region, which includes the counties of Roanoke, Montgomery, Radford City, Pulaski, Franklin, Wythe, and surrounding areas from 2016 to 2019 YTD. The notices are summarized in the table below.

WARN LISTINGS WESTERN VIRGINIA REGION (2016 - 2019 YTD)

Company	Industry	City	Employees Affected	Layoff Date
Ammar's, Inc.	Retail Trade	Bluefield	97	10/2/2018
Ammar's, Inc.	Retail Trade	Pulaski	28	10/2/2018
Ammar's, Inc.	Retail Trade	Galax	30	10/2/2018
Avante	Healthcare Services	Roanoke	78	5/31/2018
Dish Network	Telecommunications	Christiansburg	570	5/15/2018
Walmart-Roanoke #3618	Retail Trade	Roanoke	72	1/8/2018
Shaw Industries Group, Inc.	Manufacturing	Stuart	166	10/31/2017
Cardinal Logistics Management Corp	Professional Services	Salem	69	12/2/2017
JCPenney	Retail Trade	Roanoke	72	7/31/2017
LSC Communications	Commercial Printing	Salem	140	7/23/2017
FreightCar America, Inc.	Transportation	Roanoke	364	4/24/2017
Volvo Group Trucks Operations	Transportation	Dublin	519	2/13/2016
Chubb	Insurance	Salem	71	12/31/2016
Nordson Corporation	Manufacturing	Pulaski	146	5/1/2017
HSN	Retail Trade	Roanoke	257	8/10/2016
Total			2,679	

Source: Virginia Employment Commission, retrieved January 2019

As illustrated, there have been 15 WARN notices impacting 2,679 workers in the Western Virginia Region area since 2016. Taken in context with the size of the local labor markets and the business expansions outlined below, this is a

relatively small number of documented layoffs within the past three years and can be considered an indicator of a generally healthy local economy.

Employment Expansion/Contractions

We attempted to contact the City of Blacksburg’s Office of Economic Development regarding any new employment expansions or contractions in the area. However, as of the date of this report, our calls and emails had not been returned. Further, we researched the Montgomery County Office of Economic Development website and various online articles for additional expansions in the region. Our findings are detailed below.

- Oran Safety Glasses (OSG), a manufacturer of specialty glass for buses, military vehicles, and trains, will invest \$4.45 million to expand its manufacturing operation in Montgomery County. This expansion will create 55 new jobs for the area.

Wages by Occupation

The following table illustrates the mean hourly and annual wages for various occupations in the Blacksburg-Christiansburg-Blacksburg, VA MSA; information at the PMA level was not available.

BLACKSBURG-CHRISTIANSBURG-RADFORD, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2017 AREA

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	69,280	\$20.66	\$42,960
Management Occupations	2,170	\$50.99	\$106,070
Legal Occupations	230	\$37.05	\$77,070
Architecture and Engineering Occupations	1,150	\$34.75	\$72,280
Computer and Mathematical Occupations	1,460	\$33.68	\$70,050
Business and Financial Operations Occupations	2,560	\$33.54	\$69,770
Healthcare Practitioners and Technical Occupations	3,370	\$30.43	\$63,300
Life, Physical, and Social Science Occupations	1,000	\$27.27	\$56,710
Arts, Design, Entertainment, Sports, and Media Occupations	760	\$24.02	\$49,960
Community and Social Service Occupations	1,290	\$19.51	\$40,590
Installation, Maintenance, and Repair Occupations	2,860	\$18.90	\$39,310
Production Occupations	8,740	\$18.33	\$38,130
Construction and Extraction Occupations	2,270	\$18.30	\$38,050
Protective Service Occupations	1,490	\$17.43	\$36,260
Office and Administrative Support Occupations	9,340	\$15.01	\$31,220
Sales and Related Occupations	6,470	\$14.48	\$30,110
Transportation and Material Moving Occupations	3,550	\$14.05	\$29,230
Healthcare Support Occupations	1,260	\$13.73	\$28,550
Farming, Fishing, and Forestry Occupations	140	\$13.36	\$27,780
Personal Care and Service Occupations	2,040	\$12.19	\$25,360
Building and Grounds Cleaning and Maintenance Occupations	2,050	\$12.18	\$25,340
Food Preparation and Serving Related Occupations	6,970	\$10.62	\$22,090
Education, Training, and Library Occupations	8,120	n/A	n/A

Source: Department Of Labor, Occupational Employment Statistics, 5/2017, retrieved 1/2019

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$10.62 per hour. The highest average hourly wage, of \$50.99, is for those in management occupations. Qualifying income for the Subject's affordable units will range between \$0 and \$48,600 under the proposed scenario. Absent subsidy, qualifying incomes of the Subject's tenants will range from \$32,331 to \$48,600. This encompasses a significant amount of the employment based on wages in the area.

An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base. An element not reflected in the wage rate data is that many positions represent part-time employment, and the starting rates are typically lower than mean wage rates. Household income data shown later in this report demonstrates a significant number of households within the region have earnings of less than \$30,000.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to US Census data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	2,546	3.9%
Travel Time 5-9 min	11,188	17.0%
Travel Time 10-14 min	14,020	21.3%
Travel Time 15-19 min	11,870	18.0%
Travel Time 20-24 min	8,837	13.4%
Travel Time 25-29 min	3,815	5.8%
Travel Time 30-34 min	5,375	8.2%
Travel Time 35-39 min	1,625	2.5%
Travel Time 40-44 min	1,499	2.3%
Travel Time 45-59 min	2,447	3.7%
Travel Time 60-89 min	1,754	2.7%
Travel Time 90+ min	954	1.4%
Weighted Average	21 minutes	

Source: US Census 2018, Novogradac & Company, LLP January 2018

As shown in the preceding table, the weighted average commute time in the PMA is approximately 21 minutes. More than 73 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the educational services, retail trade, and manufacturing industries, which collectively comprise 46.9 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the educational services industry, which is historically known to exhibit greater stability during recessionary periods. The MSA economy performed well during the recession, suffering only a 4 percent employment contraction, compared to a 4.8 percent decline across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2011, three years prior to the overall nation. As of October 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.8 percent, compared to 1.8 percent across the overall nation. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

G. DEMOGRAPHIC CHARACTERISTICS

General Population and Household Trends

The following tables illustrate general population and households in the PMA, the SMA and the nation from 2000 through 2023.

POPULATION

Year	PMA		Blacksburg-Christiansburg- Blacksburg, VA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	134,627	-	164,773	-	281,038,168	-
2010	145,688	0.8%	178,237	0.8%	308,745,538	1.0%
2018	153,091	0.6%	186,332	0.6%	330,088,686	0.8%
2023	157,000	0.5%	190,580	0.5%	343,954,683	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

HOUSEHOLDS

Year	PMA		Blacksburg-Christiansburg- Blacksburg, VA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	51,448	-	64,062	-	105,403,008	-
2010	56,530	1.0%	70,154	1.0%	116,716,296	1.1%
2018	59,061	0.5%	72,946	0.5%	124,110,017	0.8%
2023	60,511	0.5%	74,471	0.4%	128,855,931	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

Historical population growth in the PMA remained relatively stable between 2000 and 2010. Population growth in the PMA slowed between 2010 and 2018, and was similar to the MSA. Growth in both geographic areas remained below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.5 percent through 2023, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the nation. Historical household growth in the PMA remained relatively stable between 2000 and 2010. Household growth in the PMA slowed between 2010 and 2018, and was similar to the MSA. Growth in both geographic areas remained below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.5 percent through 2023, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the nation.

Average Household Size

The following table is a summary of the average household size in the PMA, the MSA and the nation from 2000 through 2023. This table includes households of all ages.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Blacksburg-Christiansburg- Radford, VA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.36	-	2.37	-	2.59	-
2010	2.33	-0.1%	2.34	-0.1%	2.58	-0.1%
2018	2.36	0.1%	2.36	0.1%	2.59	0.1%
2023	2.36	0.1%	2.37	0.1%	2.61	0.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

As shown in the previous table, the household size in the PMA remained stable from 2000 to 2018. Additionally, the average household size in the PMA is similar to the MSA and both are slightly below the average household size of the overall nation, at 2.59. The PMA is projected to increase at a similar rate to the surrounding MSA and the nation through 2023.

Median Household Income Levels

The following table illustrates the median household income for all households in the PMA, the SMA, and the nation from 2000 through 2023.

MEDIAN HOUSEHOLD INCOME

Year	PMA		Blacksburg-Christiansburg-Blacksburg, VA MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$21,237	-	\$30,924	-	\$44,872	-
2018	\$45,426	6.2%	\$46,096	2.7%	\$58,100	1.6%
2023	\$51,736	2.8%	\$52,653	2.8%	\$65,727	2.6%

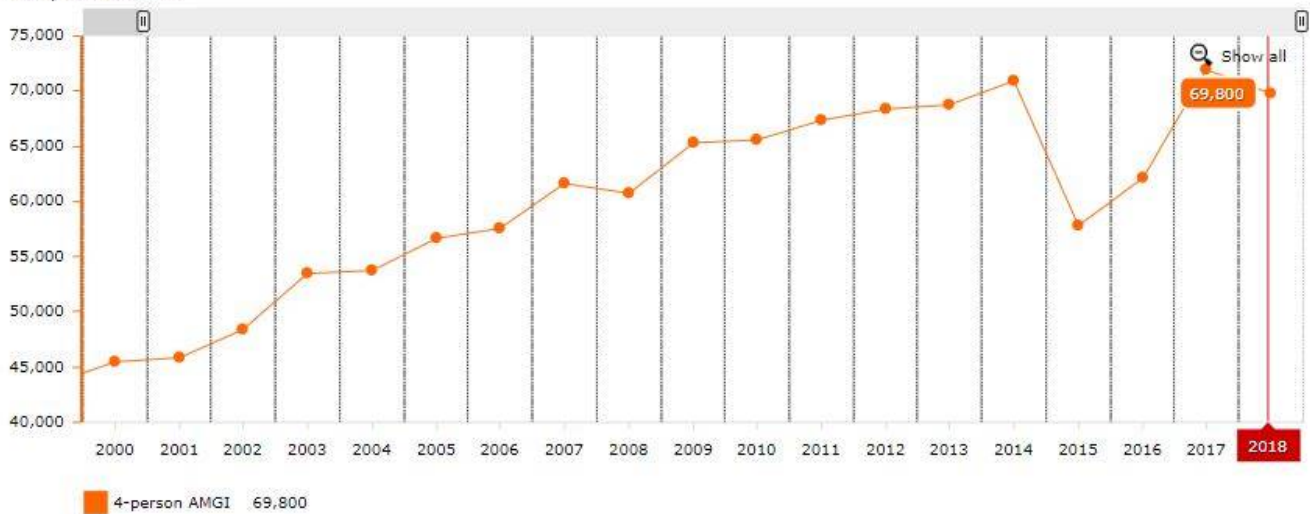
Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

As of 2018, the median income in the PMA is similar the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 47 percent of the national median income in 2000 to 78 percent in 2018. The overall rise in median income levels reflects a market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. According to ESRI demographic projections, annualized PMA growth is expected to decline significantly to 2.8 percent through 2023, similar to the MSA, but above the overall nation.

Area Household Income Levels

The following chart illustrates the area median gross income (AMGI) of a four-person household in Montgomery County between 2007 and 2018.

chart by amcharts.com

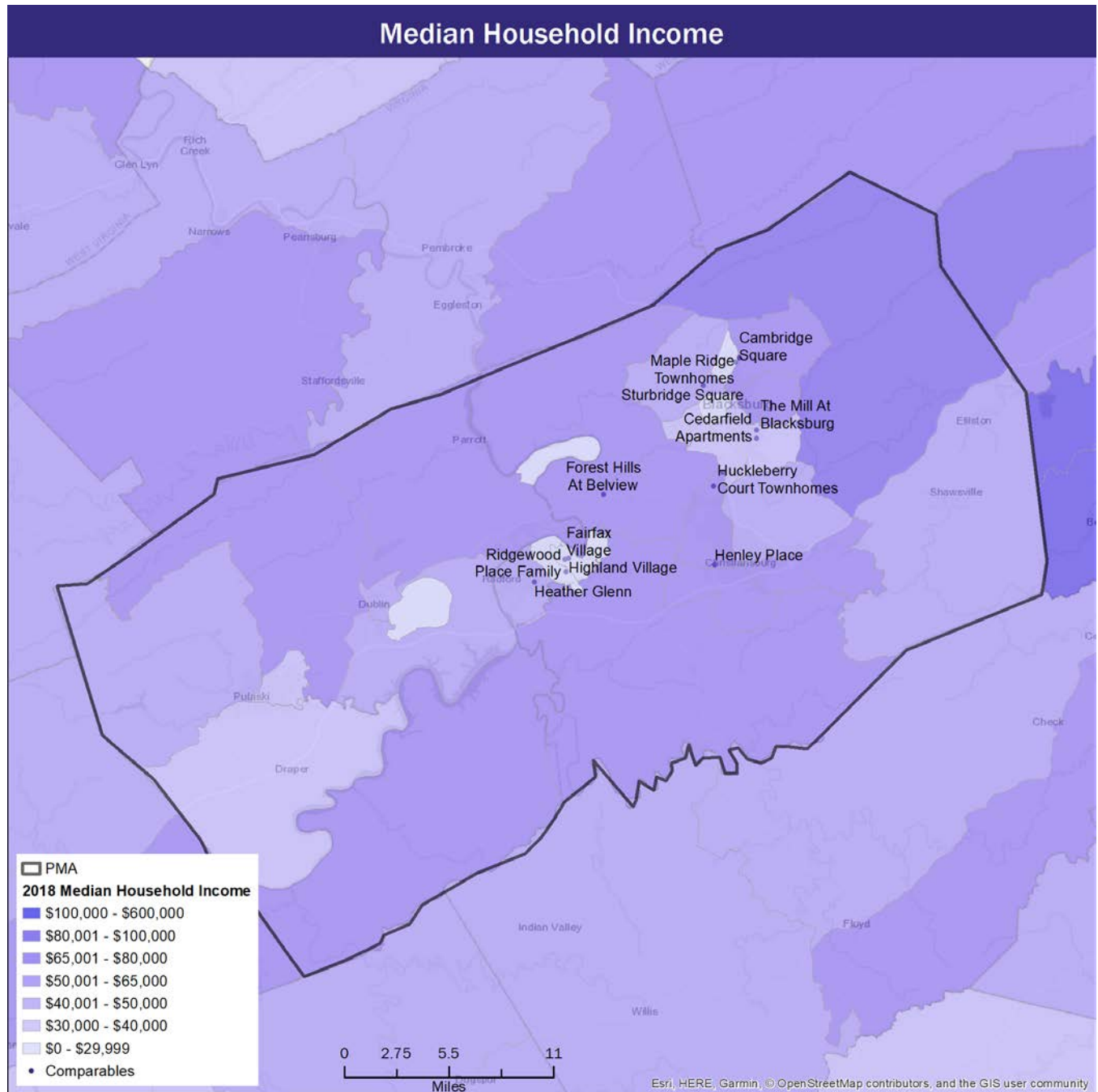


Average Increase (AMGI): 2.5%/year

Source: Novogradac & Company LLP, January 2019

Overall, the AMI in Montgomery County has increased by an average of 2.5 percent annually between 2000 and 2018. The chart above illustrates that the AMI in Montgomery County has generally increased since 2008, with the exception of 2015 and 2018. As of 2018, the AMI in the county is \$69,800. In 2013, the AMI decreased in approximately 84 percent of counties nationwide based on a HUD methodological change. Montgomery County was not affected by this methodology change, and instead, increased in 2013 and 2014. However, these increases were subsequently followed by a significant decrease in 2015, where the AMI declined 18.5 percent. Further, it should be noted that the AMI in Montgomery County increased in 2016 and reached its highest AMI level in 2017 at \$71,900. However, the AMI experienced a slight decrease in 2018 and is currently 3.4 percent from its peak. The Subject’s proposed rents are set at the 2018 maximum allowable levels; therefore, rent increases will be dependent on AMI growth.

The following map illustrates median household income throughout the PMA for the Subject and the rent comparables as of 2018.



Household Income Distribution

The following tables illustrate the household income distribution for the PMA and SMA for 2018 and 2023.

HOUSEHOLD INCOME PMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	7,435	12.6%	7,234	12.0%	-40	-0.5%
\$10,000-19,999	7,455	12.6%	7,217	11.9%	-48	-0.6%
\$20,000-29,999	6,427	10.9%	6,471	10.7%	9	0.1%
\$30,000-39,999	5,654	9.6%	5,452	9.0%	-40	-0.7%
\$40,000-49,999	5,884	10.0%	5,895	9.7%	2	0.0%
\$50,000-59,999	4,742	8.0%	4,764	7.9%	4	0.1%
\$60,000-74,999	5,341	9.0%	5,532	9.1%	38	0.7%
\$75,000-99,999	5,875	9.9%	6,269	10.4%	79	1.3%
\$100,000-124,999	4,044	6.8%	4,404	7.3%	72	1.8%
\$125,000-149,999	2,239	3.8%	2,589	4.3%	70	3.1%
\$150,000-199,999	1,922	3.3%	2,243	3.7%	64	3.3%
\$200,000+	2,043	3.5%	2,441	4.0%	80	3.9%
Total	59,061	100.0%	60,511	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, January 2019

HOUSEHOLD INCOME SMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	8,256	11.3%	7,991	10.7%	-53	-0.6%
\$10,000-19,999	9,095	12.5%	8,711	11.7%	-77	-0.8%
\$20,000-29,999	8,019	11.0%	7,976	10.7%	-9	-0.1%
\$30,000-39,999	6,916	9.5%	6,666	9.0%	-50	-0.7%
\$40,000-49,999	7,382	10.1%	7,245	9.7%	-27	-0.4%
\$50,000-59,999	6,241	8.6%	6,187	8.3%	-11	-0.2%
\$60,000-74,999	6,992	9.6%	7,244	9.7%	50	0.7%
\$75,000-99,999	7,575	10.4%	8,082	10.9%	101	1.3%
\$100,000-124,999	5,124	7.0%	5,590	7.5%	93	1.8%
\$125,000-149,999	2,805	3.8%	3,295	4.4%	98	3.5%
\$150,000-199,999	2,155	3.0%	2,638	3.5%	97	4.5%
\$200,000+	2,386	3.3%	2,846	3.8%	92	3.9%
Total	72,946	100.0%	74,471	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, January 2019

As of 2018, approximately 36.1 percent of households within the PMA have annual incomes below \$30,000. Through 2023, the percentage of low-income households earning less than \$30,000 annually is projected to decline slightly to 34.6 percent.

Conclusion

The PMA is an area of mild population and household growth. Through 2023, the population in the PMA and SMA are both projected to increase at an annual rate of 0.5 percent. As of 2018, approximately 54.3 percent of renter households within the PMA have annual incomes below \$30,000. Through 2023, the percentage of low-income renter households is projected to decline slightly; however, 52.4 percent of renter households within the PMA will still earn less than \$30,000 annually. Although this percentage is decreasing, the need for affordable housing is still evident as over 50 percent of renter households earn less than \$30,000 annually. The income limitations for the Subject will range from \$32,331 to \$48,600. Based on the mild population growth and relatively stable percentage of renter households projected in the PMA, the large percentage of renters with low incomes, coupled with an aging housing stock, we can project that there will continue to be substantial demand for new or renovated affordable housing units within the PMA.

H. COMPETITIVE ENVIRONMENT

SUPPLY ANALYSIS

Tenure Patterns

The table below shows the breakdown of households by tenure within the Subject's PMA.

Household Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	30,426	59.1%	21,022	40.9%
2018	31,710	53.7%	27,351	46.3%
2023	33,091	54.7%	27,420	45.3%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

As of 2018, approximately 46.3 percent of households in the PMA reside in renter-occupied housing units. Through 2023, the percentage of renter-occupied housing units in the PMA is projected to slightly decrease, while the number of renter-occupied housing units is projected to increase by approximately 69 units.

Renter Household Size Distribution

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION

Household Size	2000		2018		2023	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	7,134	33.9%	9,980	36.5%	10,037	36.6%
2 persons	6,552	31.2%	8,218	30.0%	8,165	29.8%
3 persons	3,859	18.4%	4,872	17.8%	4,903	17.9%
4 persons	2,747	13.1%	3,264	11.9%	3,275	11.9%
5+ persons	730	3.5%	1,017	3.7%	1,040	3.8%
Total	21,022	100.0%	27,351	100.0%	27,420	100.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

Historically, the majority of renter households in the PMA have consisted of one and two-person households. The Subject will target three, four, and five-person households. Through 2023, the number of three, four, and five-person renter households is projected to slightly increase, while the percentage of three, four, and five-person renter households is expected to remain relatively stable during the same time period. The projected increase in total number of renter households, and the household size composition of renter households in the PMA is a positive indicator for the Subject's affordable rental units.

Building Permits

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

BUILDING PERMITS: MONTGOMERY COUNTY 2000 - 2018*

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	15	0	0	15
2001	16	0	0	16
2002	55	0	40	95
2003	55	4	5	64
2004	30	0	26	56
2005	20	0	52	72
2006	19	0	46	65
2007	20	0	0	20
2008	13	0	6	19
2009	11	0	0	11
2010	15	0	15	30
2011	8	0	35	43
2012	8	0	5	13
2013	14	0	80	94
2014	10	0	0	10
2015	4	0	0	4
2016	11	4	0	15
2017	15	3	10	28
2018*	0	0	0	0
Total	339	11	320	670
Average*	18	1	17	35

*YTD, preliminary

**Excludes 2018 data

Source: US Census Bureau Building Permits, January 2018

As illustrated in the previous table, building permits for residential units in Montgomery County have been generally evenly split between single-family homes and multifamily dwellings with five or more units. It should be noted that reporting of permit data by the county to the census is done on a voluntary basis.

Age of Housing Stock

The age of the area housing stock is presented in the following table:

HOUSING STOCK BY YEAR BUILT

	PMA	Percentage
Built 2005 or later	1,262	2.0%
Built 2000 to 2004	9,716	15.4%
Built 1990 to 1999	10,112	16.1%
Built 1980 to 1989	9,943	15.8%
Built 1970 to 1979	12,577	20.0%
Built 1960 to 1969	6,460	10.3%
Built 1950 to 1959	4,701	7.5%
Built 1940 to 1949	3,649	5.8%
Built 1939 or earlier	4,471	7.1%
Total Housing Units	62,891	100.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2019

Of the housing stock in the PMA, 69.3 percent was constructed after 1970, with the largest percentage built between 1970 and 1979, followed by housing stock built between 1990 and 1999. Further, the PMA exhibits a mix of relatively older housing stock along with new housing stock, as 17.5 percent of the housing stock was built in 2000 or later. The data does not reflect condition, which oftentimes is well-maintained through ongoing maintenance. The field inspection of the area reflects a varied housing stock, generally in fair to average condition.

Description of Property Types Surveyed

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

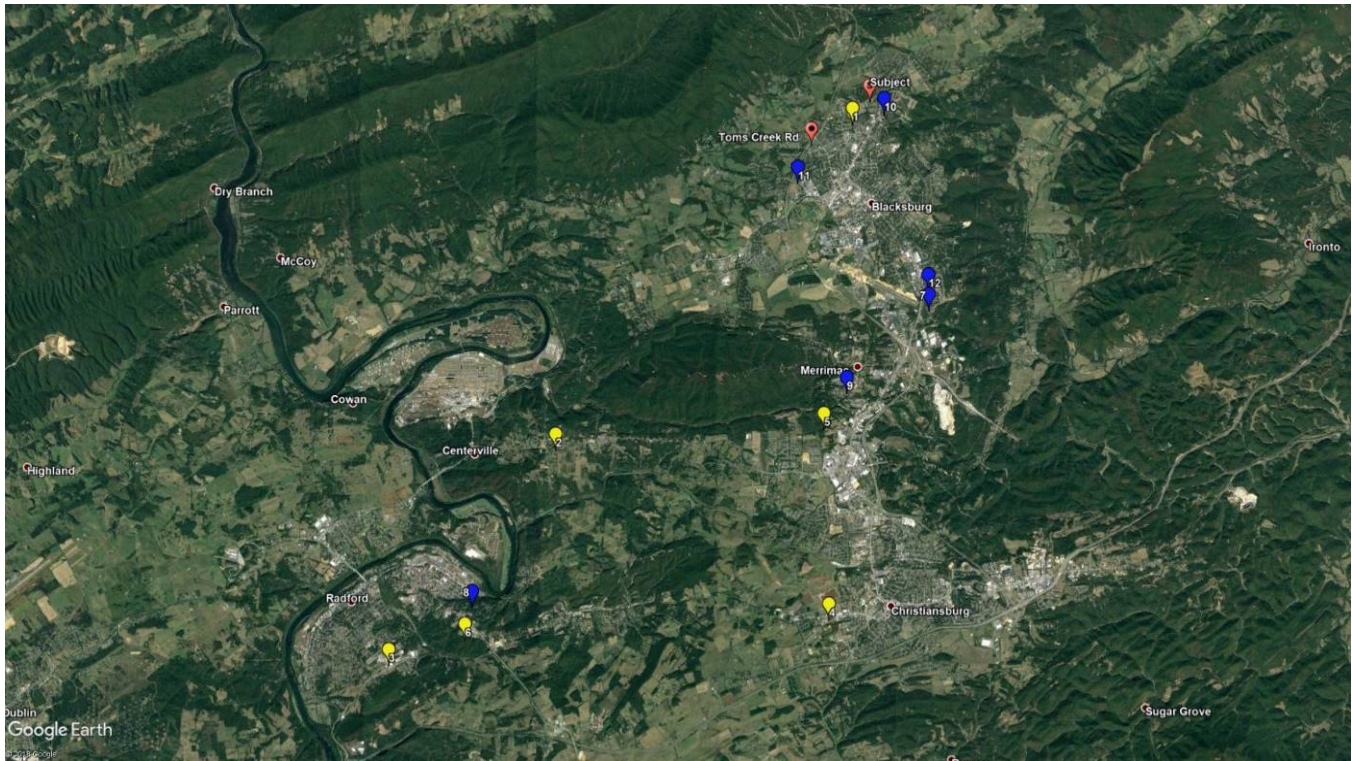
To evaluate the competitive position of the Subject, we surveyed a total of 1,304 units in 11 rental properties that are all located within the PMA. The LIHTC data is considered fair. We included six affordable developments in our analysis, three of which offer rents at the 60 percent of AMI level, and the remaining three offer rents at the 40 and 50 percent of AMI levels. The market rate data in Blacksburg is considered good, thus we expanded our search to nearby cities and have included five market rate properties located within 9.7 miles from the Subject site, all of which are located within the PMA. Overall, we believe the availability of data is adequate to support our conclusions.

Excluded properties include, but are not limited to the properties located in the following table.

EXCLUDED LIST			
Property Name	Rent Structure	Tenancy	Reason for Exclusion
Maple Ridge Townhomes	Market	Students	Incomparable Tenancy/Per Bedroom Rents
Roanoke Street Apartments	Market	Students	Incomparable Tenancy/Per Bedroom Rents
Sturbridge Square	Market	Students	Incomparable Tenancy/Per Bedroom Rents
Ellett Road Community Apartments	Section 8	Disabled	Subsidized Rents/Incomparable Tenancy
Lantern Ridge Apartments	Section 8	Family	Subsidized Rents
New River House	Section 8	Elderly	Subsidized Rents/Incomparable Tenancy
Trolinger House	Section 8	Elderly	Subsidized Rents/Incomparable Tenancy
Apartments Heights	Market	Students	Incomparable Tenancy/Per Bedroom Rents
Fieldstone Senior Apartments	LIHTC	Elderly	Restricted Rents/Incomparable Tenancy
Arbors Apartments	Market	Family	Incomparable Unit Mix
Fox Run & Hethwood Apartments	Market	Family	Unable to Contact
1711 Apartments	Market	Family	Incomparable Unit Mix

Detailed matrices describing the individual competitive properties, as well as the Subject, are provided in the addenda of this report. A map illustrating the location of the Subject in relation to the comparable properties follows.

Comparable Properties Map



COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Cambridge Square	Blacksburg	Section 8	-
1	Fieldstone Apartments	Blacksburg	LIHTC	0.4 miles
2	Forest Hills At Belview	Radford	LIHTC	7.8 miles
3	Heather Glen	Radford	LIHTC	12.4 miles
4	Henley Place	Christiansburg	LIHTC	8.5 miles
5	Huckleberry Court Townhomes	Christiansburg	LIHTC	5.3 miles
6	Ridgewood Place Family	Radford	LIHTC	11.3 miles
7	Cedarfield Apartments	Blacksburg	Market	3.3 miles
8	Highland Village	Radford	Market	10.7 miles
9	Highlands At Huckleberry Ridge	Blacksburg	Market	4.6 miles
10	The Mill At Blacksburg	Blacksburg	Market	3.0 miles
11	The Reserve At Knollwood	Blacksburg	Market	3.4 miles

CAMBRIDGE SQUARE – BLACKSBURG, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Cambridge Square 1805 Nw Whipple Dr Blacksburg, VA 24060 Montgomery County	-	Townhouse 2-stories 1979 / 2020 Family	Section 8	2BR / 1BA	16	40.0%	855	@60% (Section 8)	\$845	Yes	Yes	0	0.0%
					3BR / 1.5BA	16	40.0%	1,174	@60% (Section 8)	\$971	Yes	Yes	0	0.0%
					4BR / 2BA	8	20.0%	1,333	@60% (Section 8)	\$1,067	Yes	Yes	0	0.0%
						40								
1	Fieldstone Apartments 401 Givens Lane Blacksburg, VA 24141 Montgomery County	0.4 miles	Garden 3-stories 2017 / n/a Family	@60%	2BR / 2BA	60	71.4%	1,009	@60%	\$893	N/A	No	3	5.0%
					3BR / 2BA	6	7.1%	1,176	@60%	\$1,028	N/A	No	0	0.0%
					3BR / 2BA	18	21.4%	1,189	@60%	\$1,028	N/A	No	0	0.0%
					84							3	3.6%	
2	Forest Hills At Belview 3226 Peppers Ferry Road NW Radford, VA 24141 Montgomery County	7.8 miles	Various 1-stories 2011 / n/a Family	@40%, @50%	1BR / 1BA	7	10.0%	707	@40%	\$454	No	Yes	N/A	N/A
					1BR / 1BA	7	10.0%	709	@50%	\$587	No	Yes	N/A	N/A
					2BR / 1.5BA	16	22.9%	980	@50%	\$697	No	Yes	N/A	N/A
					2BR / 1.5BA	10	14.3%	1,011	@50%	\$697	No	Yes	N/A	N/A
					3BR / 2BA	6	8.6%	1,123	@50%	\$757	No	Yes	N/A	N/A
					3BR / 2BA	14	20.0%	1,161	@50%	\$757	No	Yes	N/A	N/A
					70							8	11.4%	
3	Heather Glen 1700 Wadsworth Street Radford, VA 24141 Radford County	12.4 miles	Townhouse 2-stories 2004 / n/a Family	@40%, @50%	1BR / 1.5BA	2	5.0%	1,029	@40%	\$477	No	Yes	0	0.0%
					2BR / 2.5BA	2	5.0%	1,350	@40%	\$578	No	Yes	0	0.0%
					3BR / 2.5BA	36	90.0%	1,438	@50%	\$743	No	Yes	2	5.6%
					40							2	5.0%	
4	Henley Place 1020-1150 Beaver Drive Christiansburg, VA 24073 Montgomery County	8.5 miles	Townhouse 1-stories 2006 / n/a Family	@50%, @60%	2BR / 2.5BA	9	22.0%	1,656	@50%	\$680	No	Yes	0	0.0%
					3BR / 2.5BA	27	65.9%	2,253	@60%	\$890	No	Yes	1	3.7%
					4BR / 2.5BA	5	12.2%	2,582	@60%	\$1,005	No	Yes	0	0.0%
						41								1
5	Huckleberry Court Townhomes 501-599 Virginian Drive Christiansburg, VA 24073 Montgomery County	5.3 miles	Townhouse 2-stories 2005 / n/a Family	@50%, @60%	2BR / 2.5BA	12	24.0%	1,185	@50%	\$680	No	Yes	0	0.0%
					3BR / 2.5BA	27	54.0%	1,366	@60%	\$764	No	Yes	1	3.7%
					4BR / 2.5BA	11	22.0%	1,939	@60%	\$834	No	Yes	0	0.0%
					50							1	2.0%	
6	Ridgewood Place Family 100 Ridgewood Lane Radford, VA 24141 Radford County	11.3 miles	Garden 3-stories 2002 / n/a Family	@50%	2BR / 2BA	8	25.0%	1,072	@50%	\$645	No	No	0	0.0%
					3BR / 2BA	24	75.0%	1,304	@50%	\$715	No	No	1	4.2%
					32							1	3.1%	
7	Cedarfield Apartments 200 Old Cedarfield Drive Blacksburg, VA 24060 Montgomery County	3.3 miles	Lowrise 2-stories 1993 / n/a Family	Market	1BR / 1BA	4	3.8%	652	Market	\$913	N/A	Yes	0	0.0%
					1BR / 1BA	16	15.1%	792	Market	\$976	N/A	Yes	0	0.0%
					2BR / 1BA	12	11.3%	869	Market	\$1,032	N/A	Yes	0	0.0%
					2BR / 2BA	36	34.0%	992	Market	\$1,115	N/A	Yes	0	0.0%
					2BR / 2.5BA	6	5.7%	1,280	Market	\$1,365	N/A	Yes	0	0.0%
					106							0	0.0%	
8	Highland Village 400 Robey Street Radford, VA 24141 Radford County	10.7 miles	Garden 3-stories 1984 / n/a Family	Market	1BR / 1BA	37	17.1%	340	Market	\$392	N/A	Yes	0	0.0%
					1.5BR / 1BA	60	27.7%	546	Market	\$497	N/A	Yes	0	0.0%
					1.5BR / 1BA	6	2.8%	654	Market	\$632	N/A	Yes	0	0.0%
					2BR / 1BA	34	15.7%	654	Market	\$725	N/A	Yes	0	0.0%
					2.5BR / 1BA	20	9.2%	754	Market	\$765	N/A	Yes	0	0.0%
					2.5BR / 1BA	37	17.1%	860	Market	\$795	N/A	Yes	0	0.0%
					3BR / 2BA	2	0.9%	1,280	Market	\$1,313	N/A	Yes	0	0.0%
	21	9.7%	1,280	Market	\$1,597	N/A	Yes	0	0.0%					
					217						0	0.0%		
9	Highlands At Huckleberry Ridge 535 Blackrock Drive Blacksburg, VA 24060 Montgomery County	4.6 miles	Garden 2-stories 2015 / n/a Family	Market	1BR / 1BA	20	8.1%	918	Market	\$1,127	N/A	No	0	0.0%
					1.5BR / 1BA	20	8.1%	1,216	Market	\$1,207	N/A	No	0	0.0%
					2BR / 2BA	94	38.1%	1,209	Market	\$1,252	N/A	No	1	1.1%
					2.5BR / 2BA	60	24.3%	1,506	Market	\$1,371	N/A	No	0	0.0%
					53	21.5%	1,363	Market	\$1,440	N/A	No	0	0.0%	
					247						1	0.4%		
10	The Mill At Blacksburg 1811 Grayland Street Blacksburg, VA 24060 Montgomery County	3.0 miles	Garden 3-stories 1968 / 2013 Family	Market	1BR / 1BA	53	33.1%	535	Market	\$799	N/A	No	0	0.0%
					2BR / 1BA	54	33.8%	780	Market	\$839	N/A	No	1	1.9%
					3BR / 1BA	53	33.1%	1,025	Market	\$1,065	N/A	No	0	0.0%
					160							1	0.6%	
11	The Reserve At Knollwood 2401 Pamela Way Blacksburg, VA 24060 Montgomery County	3.4 miles	Garden 3-stories 2013 / n/a Family	Market	1BR / 1BA	N/A	N/A	691	Market	\$1,129	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	1,076	Market	\$1,466	N/A	Yes	0	N/A
					3BR / 3BA	N/A	N/A	1,182	Market	\$1,871	N/A	Yes	0	N/A
					111							0	0.0%	

CAMBRIDGE SQUARE – BLACKSBURG, VIRGINIA – MARKET STUDY

AMENITY MATRIX

Subject-Cambridge Square	Fieldstone Apartments	Forest Hills At Belview	Heather Glen	Henley Place	Huckleberry Court Townhomes	Ridgewood Place Family	Cedarfield Apartments	Highland Village	Highlands At Huckleberry Ridge	The Mill At Blacksburg	The Reserve At Knollwood	
LIHTC/Section 8	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	
Building												
Property Type	TH	Garden	Various	Townhouse	Townhouse	Townhouse	Garden	Lowrise	Garden	Garden	Garden	Garden
# of Stories	2-stories	3-stories	1-stories	2-stories	1-stories	2-stories	3-stories	2-stories	3-stories	2-stories	3-stories	3-stories
Year Built	1979	2017	2011	2004	2006	2005	2002	1993	1984	2015	1968	2013
Year Renovated	2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2013	n/a
Utility Structure												
Cooking	no	no	no	no	no	no	no	no	yes	no	no	no
Water Heat	no	no	no	no	no	no	no	no	yes	no	no	no
Heat	no	no	no	no	no	no	no	no	yes	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	yes	yes	yes	yes	yes	no	yes	no	yes	no
Sewer	yes	no	yes	yes	yes	yes	yes	no	yes	no	yes	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Unit Amenities												
Balcony/Patio	yes	no	yes	yes	yes	yes	yes	no	no	yes	no	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Hardwood	no	no	no	no	no	no	no	no	no	no	no	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Ceiling Fan	no	no	no	yes	yes	yes	yes	yes	no	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no
Exterior Storage	yes	no	no	no	no	no	yes	yes	no	no	no	no
Fireplace	no	no	no	no	no	no	no	no	no	yes	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	yes	no	no
Walk-In Closet	no	yes	yes	yes	yes	yes	no	yes	no	yes	no	no
Wall A/C	no	no	no	no	no	no	no	no	no	no	yes	no
Window A/C	no	no	no	no	no	no	no	yes	no	no	no	no
Washer/Dryer	yes	yes	yes	yes	yes	yes	no	no	yes	yes	no	yes
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Kitchen												
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	no	yes	yes	yes	yes	no	yes	no	yes	no	yes
Microwave	yes	no	no	no	no	no	no	yes	no	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Community												
Business Center	no	no	no	no	no	no	no	no	no	yes	no	no
Community Room	yes	yes	yes	no	no	no	yes	no	no	yes	yes	yes
Central Laundry	no	yes	no	no	no	no	yes	no	yes	no	yes	no
On-Site Mgmt	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	no
Recreation												
Basketball Court	yes	no	no	no	no	no	no	yes	yes	no	yes	no
Exercise Facility	no	yes	no	no	no	no	no	no	no	yes	no	yes
Playground	yes	no	yes	no	no	yes	yes	no	no	yes	no	no
Swimming Pool	no	no	no	no	no	no	no	no	yes	yes	yes	yes
Picnic Area	no	no	yes	no	no	yes	yes	yes	yes	no	yes	no
Recreational Area	no	no	no	no	no	no	no	yes	no	no	no	no
Volleyball Court	no	no	no	no	no	no	no	yes	yes	no	yes	no
WiFi	no	yes	no	no	no	no	no	no	no	no	no	no
Shuttle Service	no	no	no	no	no	no	no	no	yes	no	no	no
Security												
Intercom (Buzzer)	no	no	no	no	no	no	no	yes	no	no	no	no
Limited Access	no	no	no	no	no	no	no	yes	no	no	no	no
Patrol	no	no	no	yes	no	no	no	no	no	no	no	no
Perimeter Fencing	no	no	no	yes	no	no	no	no	no	no	no	no
Video Surveillance	no	no	yes	no	no	no	no	no	no	no	no	no
Parking												
Carport Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Garage	no	no	no	yes	yes	no	no	no	no	yes	no	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$140	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

CAMBRIDGE SQUARE – BLACKSBURG, VIRGINIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	1,158	Weighted Occupancy:	98.4%		
	Market Rate	841	Market Rate	99.8%		
	Tax Credit	317	Tax Credit	95.0%		
	Two-Bedroom One Bath Property	Average	Three-Bedroom One and a Half Bath Property	Average	Four-Bedroom Two Bath Property	
					Average	
RENT	The Reserve At Knollwood (Market)(2BA)	\$1,466	The Reserve At Knollwood (Market)(3BA)	\$1,871	Highland Village (Market)	\$1,597
	Cedarfield Apartments (Market)(2.5BA)	\$1,365	Cedarfield Apartments (Market)(2.5BA)	\$1,639	Cambridge Square (@60%)	\$1,067
	Highlands At Huckleberry Ridge (Market)(2BA)	\$1,252	Highlands At Huckleberry Ridge (Market)(2BA)	\$1,440	Henley Place (@60%)(2.5BA)	\$1,005
	Cedarfield Apartments (Market)(2BA)	\$1,115	Highland Village (Market)(2BA)	\$1,313	Forest Hills At Belview (@50%)	\$870
	Cedarfield Apartments (Market)	\$1,032	The Mill At Blacksburg (Market)(1BA)	\$1,065	Forest Hills At Belview (@50%)	\$870
	Fieldstone Apartments (@60%)(2BA)	\$893	Fieldstone Apartments (@60%)(2BA)	\$1,028	Huckleberry Court Townhomes (@60%)(2.5BA)	\$834
	Cambridge Square (@60%)	\$845	Fieldstone Apartments (@60%)(2BA)	\$1,028		
	The Mill At Blacksburg (Market)	\$839	Cambridge Square (@60%)	\$971		
	Highland Village (Market)	\$725	Henley Place (@60%)(2.5BA)	\$890		
	Forest Hills At Belview (@50%)(1.5BA)	\$697	Huckleberry Court Townhomes (@60%)(2.5BA)	\$764		
	Forest Hills At Belview (@50%)(1.5BA)	\$697	Henley Place (@60%)(2BA)	\$757		
	Huckleberry Court Townhomes (@50%)(2.5BA)	\$680	Forest Hills At Belview (@50%)(2BA)	\$757		
	Henley Place (@50%)(2.5BA)	\$680	Heather Glen (@50%)(2.5BA)	\$743		
	Ridgewood Place Family (@50%)(2BA)	\$645	Ridgewood Place Family (@50%)(2BA)	\$715		
	Heather Glen (@40%)(2.5BA)	\$578				
SQUARE FOOTAGE	Henley Place (@50%)(2.5BA)	1,656	Henley Place (@60%)(2.5BA)	2,253	Henley Place (@60%)(2.5BA)	2,582
	Heather Glen (@40%)(2.5BA)	1,350	Cedarfield Apartments (Market)(2.5BA)	1,444	Huckleberry Court Townhomes (@60%)(2.5BA)	1,939
	Cedarfield Apartments (Market)(2.5BA)	1,280	Heather Glen (@50%)(2.5BA)	1,438	Cambridge Square (@60%)	1,333
	Highlands At Huckleberry Ridge (Market)(2BA)	1,209	Huckleberry Court Townhomes (@60%)(2.5BA)	1,366	Highland Village (Market)	1,280
	Huckleberry Court Townhomes (@50%)(2.5BA)	1,185	Highlands At Huckleberry Ridge (Market)(2BA)	1,363	Forest Hills At Belview (@50%)	1,247
	The Reserve At Knollwood (Market)(2BA)	1,076	Ridgewood Place Family (@50%)(2BA)	1,304	Forest Hills At Belview (@50%)	1,244
	Ridgewood Place Family (@50%)(2BA)	1,072	Highland Village (Market)(2BA)	1,280		
	Forest Hills At Belview (@50%)(1.5BA)	1,011	Fieldstone Apartments (@60%)(2BA)	1,189		
	Fieldstone Apartments (@60%)(2BA)	1,009	The Reserve At Knollwood (Market)(3BA)	1,182		
	Cedarfield Apartments (Market)(2BA)	992	Fieldstone Apartments (@60%)(2BA)	1,176		
	Forest Hills At Belview (@50%)(1.5BA)	980	Cambridge Square (@60%)	1,174		
	Cedarfield Apartments (Market)	869	Forest Hills At Belview (@50%)(2BA)	1,161		
	Cambridge Square (@60%)	855	Forest Hills At Belview (@50%)(2BA)	1,123		
	The Mill At Blacksburg (Market)	780	The Mill At Blacksburg (Market)(1BA)	1,025		
	Highland Village (Market)	654				
RENT PER SQUARE FOOT	The Reserve At Knollwood (Market)(2BA)	\$1.36	The Reserve At Knollwood (Market)(3BA)	\$1.58	Highland Village (Market)	\$1.25
	Cedarfield Apartments (Market)	\$1.19	Cedarfield Apartments (Market)(2.5BA)	\$1.14	Cambridge Square (@60%)	\$0.80
	Cedarfield Apartments (Market)(2BA)	\$1.12	Highlands At Huckleberry Ridge (Market)(2BA)	\$1.06	Forest Hills At Belview (@50%)	\$0.70
	Highland Village (Market)	\$1.11	The Mill At Blacksburg (Market)(1BA)	\$1.04	Forest Hills At Belview (@50%)	\$0.70
	The Mill At Blacksburg (Market)	\$1.08	Highland Village (Market)(2BA)	\$1.03	Huckleberry Court Townhomes (@60%)(2.5BA)	\$0.43
	Cedarfield Apartments (Market)(2.5BA)	\$1.07	Fieldstone Apartments (@60%)(2BA)	\$0.87	Henley Place (@60%)(2.5BA)	\$0.39
	Highlands At Huckleberry Ridge (Market)(2BA)	\$1.04	Fieldstone Apartments (@60%)(2BA)	\$0.86		
	Cambridge Square (@60%)	\$0.99	Cambridge Square (@60%)	\$0.83		
	Fieldstone Apartments (@60%)(2BA)	\$0.89	Forest Hills At Belview (@50%)(2BA)	\$0.67		
	Forest Hills At Belview (@50%)(1.5BA)	\$0.71	Forest Hills At Belview (@50%)(2BA)	\$0.65		
	Forest Hills At Belview (@50%)(1.5BA)	\$0.69	Huckleberry Court Townhomes (@60%)(2.5BA)	\$0.56		
	Ridgewood Place Family (@50%)(2BA)	\$0.60	Ridgewood Place Family (@50%)(2BA)	\$0.55		
	Huckleberry Court Townhomes (@50%)(2.5BA)	\$0.57	Heather Glen (@50%)(2.5BA)	\$0.52		
	Heather Glen (@40%)(2.5BA)	\$0.43	Henley Place (@60%)(2.5BA)	\$0.40		
	Henley Place (@50%)(2.5BA)	\$0.41				

PROPERTY CHARACTERISTICS

Following are relevant characteristics of comparable properties surveyed:

Location

The Subject is located in Blacksburg in a primarily residential neighborhood consisting of single- and multifamily residences, and limited public uses. Further, the Subject has good access to public transportation. The following table compares the Subject to comparable properties.

LOCATION COMPARISON SUMMARY

#	Property Name	City	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Cambridge Square	Blacksburg	Section 8	-	\$34,847	\$278,500	\$905	50	41	11.1%	58.7%
1	Fieldstone Apartments	Blacksburg	LIHTC	0.4 miles	\$35,000	\$278,500	\$905	50	41	4.88%	58.7%
2	Forest Hills At Belview	Radford	LIHTC	7.8 miles	\$57,500	\$158,700	\$713	57	1	13.2%	26.7%
3	Heather Glen	Radford	LIHTC	12.4 miles	\$36,272	\$158,700	\$713	67	12	5.5%	57.2%
4	Henley Place	Christiansburg	LIHTC	8.5 miles	\$55,743	\$180,300	\$775	88	9	7.1%	38.7%
5	Huckleberry Court Townhomes	Christiansburg	LIHTC	5.3 miles	\$53,451	\$180,300	\$775	66	16	6.4%	43.2%
6	Ridgewood Place Family	Radford	LIHTC	11.3 miles	\$35,000	\$158,700	\$713	64	23	4.9%	60.0%
7	Cedarfield Apartments	Blacksburg	Market	3.3 miles	\$39,202	\$278,500	\$905	57	43	7.4%	64.6%
8	Highland Village	Radford	Market	10.7 miles	\$35,008	\$158,700	\$713	64	40	4.5%	61.2%
9	Highlands At Huckleberry Ridge	Blacksburg	Market	4.6 miles	\$40,793	\$278,500	\$905	63	14	7.1%	53.5%
10	The Mill At Blacksburg	Blacksburg	Market	3.0 miles	\$41,081	\$278,500	\$905	54	57	6.9%	64.0%
11	The Reserve At Knollwood	Blacksburg	Market	3.4 miles	\$39,202	\$278,500	\$905	57	43	7.4%	64.6%

Overall, the Subject's location is generally similar to the majority of the comparables located in Blacksburg in terms of median home value and crime indices. In terms of median rent, the Subject is superior to a majority of the comparables. However, the Subject's location is inferior in terms of household income compared to four of the comparables. Additionally, the Subject is slightly superior to superior in terms of walk score and generally similar in terms of percentage of renters when compared the majority of the comparables. Overall, the Subject is considered generally similar to slightly superior to the comparables.

Size, Age and Condition

The Subject was constructed in 1979 and is in average condition. Following renovations, the Subject will be considered in good condition.

Highlands at Huckleberry Ridge was constructed in 2015, exhibiting excellent condition, superior to the Subject "as is" and slightly superior to the Subject "as renovated." The Reserve at Knollwood was constructed in 2013 and based on our site inspection is considered superior to the Subject "as is" and slightly superior to the Subject "as renovated." Cedarfield Apartments and Highland Village were built between 1993 and 2013, exhibiting average condition, similar to the Subject "as is" and inferior to the Subject "as renovated." The remaining comparable, The Mill at Blacksburg was built in 1968 and reported renovations in 2013. However, based on our inspection, this property is considered to be in average condition and similar to the Subject "as is" and inferior to the Subject "as renovated."

The LIHTC properties range in size from 32 to 84 units, with an average development size of 53 units, while the market rate developments range from 106 to 247 units, with an average development size of 168 units. The Subject falls within the range of development size for LIHTC properties, but below the range of development size for the market rate properties. However, there is no distinct correlation between property size and rental rates.

Unit Size

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

UNIT SIZE COMPARISON – ALL COMPARABLES

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/Disadvantage
2BR	855	654	1,656	1,049	-18%
3BR	1,174	1,025	2,253	1,309	-10%
4BR	1,333	1,244	2,582	1,603	-17%

UNIT SIZE COMPARISON – LIHTC COMPARABLES

Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/Disadvantage
2BR	855	980	1,656	1,180	-28%
3BR	1,174	1,123	2,253	1,376	-15%
4BR	1,333	1,244	2,582	1,753	-24%

The Subject offers two-, three-, and four-bedroom units, which are below the average unit sizes of the comparables. The Subject’s unit sizes provide a disadvantage between ten to 18 percent when compared to all of the comparables, and a slightly larger disadvantage between 15 to 28 percent when compared to just the LIHTC properties. Further, the Subject’s two-bedroom unit size is below the range in unit sizes when compared to the LIHTC comparables. Overall, the Subject’s unit sizes are considered similar to inferior to the majority of the comparables, resulting in a slight competitive disadvantage.

Unit Amenities

The Subject’s units currently offer a balcony/patio, blinds, carpeting, refrigerators, range/oven, central air conditioning, coat closet, exterior storage, and washer/dryer hookups. Microwaves, dishwashers, and washer/dryer appliances will be installed in all units post renovation. Further, laminate/vinyl flooring will be replaced and installed. For a detailed comparison between the Subject and the comparables, please refer to the amenity matrix at the beginning of this section of the report. Regarding in-unit amenities, the Subject is considered slightly inferior to the majority of LIHTC comparables, and generally inferior to the market rate comparables. We believe that the unit amenities are and will remain competitive.

Common Area Amenities

The Subject’s property currently features include a basketball court, off-street parking, on-site management, and a playground. It should be noted that based on information from the property manager at the time of inspection, management plans to convert the area currently being used as a maintenance shop into a community room. No other new common area amenities proposed with the renovations. For a detailed comparison between the Subject and the comparables, please refer to the amenity matrix at the beginning of this section of the report. Regarding community amenities, the Subject is considered superior to the majority of LIHTC comparables, and slightly superior to the market rate comparables. Nonetheless, we believe that the common area amenities are and will remain sufficiently competitive as an affordable property.

Security Features

According to ESRI Demographic data, crime risk indices in the Subject's location are below the national average. The Subject does not offer any security amenities. A majority of the comparables offer zero to two security amenities. Based on the historical performance of the Subject and the demographic data, we believe the Subject will remain competitive.

Utility Structure

The tenant is responsible for all electric expenses, including general electric, electric cooking, electric water heating, and electric heating. The property covers cold water, sewer trash, and common area amenities expenses. The Subject currently utilizes a project-specific utility allowance of \$98, \$118, and \$148 for its two-, three-, and four-bedroom units, respectively. There are no proposed changes to the utility structure post-renovation. The utility structure varies among the comparable properties; we have adjusted the comparables’ rents in accordance with the utility schedule obtained from the Blacksburg Department of Social Services and VHDA, effective July 1, 2018.

Parking

The Subject features off-street parking to its tenants at no additional cost. There are approximately 77 surface parking spaces, which equates to a parking ratio of approximately 1.9 spaces per unit. Overall, the parking offered at the Subject is reasonable given its tenancy and proximity to public transportation. All of the comparable properties offer free off-street parking, similar to the Subject. In addition, there is one comparable that offers garage parking for an additional fee of \$140 per month. The Subject will be considered similar to the majority of the comparables in terms of parking.

MARKET CHARACTERISTICS

Following are relevant market characteristics for comparable properties surveyed.

Vacancy Levels

The following table details vacancy levels at comparable properties.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Fieldstone Apartments	LIHTC	Family	84	3	3.6%
Forest Hills At Belview	LIHTC	Family	70	8	11.4%
Heather Glen	LIHTC	Family	40	2	5.0%
Henley Place	LIHTC	Family	41	1	2.4%
Huckleberry Court Townhomes	LIHTC	Family	50	1	2.0%
Ridgewood Place Family	LIHTC	Family	32	1	3.1%
Cedarfield Apartments	Market	Family	106	0	0.0%
Highland Village	Market	Family	217	0	0.0%
Highlands At Huckleberry Ridge	Market	Family	247	1	0.4%
The Mill At Blacksburg	Market	Family	160	1	0.6%
The Reserve At Knollwood	Market	Family	111	0	0.0%
Total LIHTC			317	16	5.0%
Total Market Rate			841	2	0.2%
Overall Total			1,158	18	1.6%

The comparables reported vacancy rates ranging from zero to 11.4 percent, with an overall weighted average of 1.6 percent. The average vacancy rate reported by the LIHTC comparables was five percent, which is above the average vacancy rate reported by the market rate properties. The contact for Forest Hills at Belview indicated a seasonally lower occupancy rate based on recent evictions following the holidays, and that the property is actively using the current waiting list to fill the vacant units. Additionally, the contacts for both Heather Glenn and Henley Place reported the current vacancies have applications pending approval. The market rate properties reported vacancy rates of 0.4 percent or lower. Three LIHTC and four market rate properties maintain waiting lists ranging from three months to one year. Based on the performance of the comparable properties, we expect the Subject to operate with an annual vacancy and collection loss of five percent, or less.

The following table details vacancy by bedroom type for the comparable properties surveyed:

VACANCY BY BEDROOM TYPE							
Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	4BR	Overall
Fieldstone Apartments	LIHTC	Family	-	5.0%	0.0%	-	3.6%
Forest Hills At Belview	LIHTC	Family	-	-	-	-	11.4%
Heather Glen	LIHTC	Family	0.0%	0.0%	5.6%	-	5.0%
Henley Place	LIHTC	Family	-	0.0%	3.7%	0.0%	2.4%
Huckleberry Court Townhomes	LIHTC	Family	-	0.0%	3.7%	0.0%	2.0%
Ridgewood Place Family	LIHTC	Family	-	0.0%	4.2%	-	3.1%
Cedarfield Apartments	Market	Family	0.0%	0.0%	0.0%	-	0.0%
Highland Village	Market	Family	0.0%	0.0%	0.0%	0.0%	0.0%
Highlands At Huckleberry Ridge	Market	Family	0.0%	0.6%	0.0%	-	0.4%
The Mill At Blacksburg	Market	Family	0.0%	1.9%	0.0%	-	0.6%
The Reserve At Knollwood	Market	Family	-	-	-	-	0.0%

Concessions

None of the comparables reported offering rent concessions at the time of interview. We do not expect the Subject will need to rely on concessions to maintain a stabilized occupancy.

Turnover

The following table details turnover rates at comparable properties that were able to report data. We were unable to obtain turnover information from one LIHTC and four market rate comparables.

TURNOVER			
Property Name	Rent Structure	Tenancy	Annual Turnover
Fieldstone Apartments	LIHTC	Family	N/A
Forest Hills At Belview	LIHTC	Family	25%
Heather Glen	LIHTC	Family	5%
Henley Place	LIHTC	Family	10%
Huckleberry Court Townhomes	LIHTC	Family	10%
Ridgewood Place Family	LIHTC	Family	38%
Cedarfield Apartments	Market	Family	N/A
Highland Village	Market	Family	24%
Highlands At Huckleberry Ridge	Market	Family	N/A
The Mill At Blacksburg	Market	Family	N/A
The Reserve At Knollwood	Market	Family	50%
Average Turnover			23%

It should be noted that we were unable to obtain turnover data for four of the 11 surveyed properties (Cedarfield Apartments, Highlands At Huckleberry Ridge, Sturbridge Square, and The Mill At Blacksburg). The remaining comparables reported turnover rates ranging from five to 50 percent, with an overall average of 23.1 percent. The LIHTC comparables operate with an average turnover rate of 17.6 percent, which was less than half the 37 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate a turnover rate of approximately 25 percent or less going forward.

Waiting Lists

The following table illustrates the waiting lists offered at the comparable properties included in our survey.

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Fieldstone Apartments	LIHTC	Family	None
Forest Hills At Belview	LIHTC	Family	Yes, 10HH
Heather Glen	LIHTC	Family	Yes, 6-12 months
Henley Place	LIHTC	Family	Yes; 3-6 months
Huckleberry Court Townhomes	LIHTC	Family	Yes, 6 months
Ridgewood Place Family	LIHTC	Family	First come, first serve. Typically no WL maintained.
Cedarfield Apartments	Market	Family	Yes, for August move in
Highland Village	Market	Family	Yes - Undisclosed
Highlands At Huckleberry Ridge	Market	Family	None
The Mill At Blacksburg	Market	Family	No
The Reserve At Knollwood	Market	Family	Yes, for fall semester leasing

Overall, five affordable properties maintain a waiting list, ranging from three months to one year, indicating unmet demand in the Subject's market for affordable housing. Further, three market rate comparables maintain waiting lists. The Subject currently maintains a waiting list consisting of 65 households. We believe the Subject will be able to continue to maintain a waiting list post-renovation.

Rental Rate Increases

The following table illustrates rent growth at the comparables.

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Fieldstone Apartments	LIHTC	Family	0
Forest Hills At Belview	LIHTC	Family	None
Heather Glen	LIHTC	Family	Increased
Henley Place	LIHTC	Family	Increased 2%
Huckleberry Court Townhomes	LIHTC	Family	None
Ridgewood Place Family	LIHTC	Family	None
Cedarfield Apartments	Market	Family	Increase 1 to 3%
Highland Village	Market	Family	None reported
Highlands At Huckleberry Ridge	Market	Family	None
The Mill At Blacksburg	Market	Family	Increased 3%-4%
The Reserve At Knollwood	Market	Family	Increased 2.8% up to 25%

Four of the LIHTC comparable properties reported stable rents, one reported a two percent rental increase, and one reported an increase but was unable to report the rent growth over the past year. Additionally, Ridgewood Place Family will increase asking rents for its two- and three-bedroom units by \$25 in March of 2019, equating to increases of 3.7 and 3.2 percent, respectively. Two of the market rate comparables reported stable rents, two reported moderate rent growth ranging from one to four percent over the past year, while the contact for The Reserve at Knollwood reported 2.8 to 25 percent increase in rents. The Subject's proposed rents are set at the maximum allowable LIHTC levels. As a result, rental rate increases will be dependent on increases in the AMI. Based on the performance of the comparables, and assuming healthy AMI growth, we believe the Subject would be able to achieve moderate rent growth of one to two percent within the confines of the rent and income limits.

Absorption Estimate

According to our rent survey and the analysis of affordable housing demand, the demand for housing of all types is strong. We were able to obtain absorption information from three of the surveyed LIHTC comparable properties. Thus, we expanded our search for absorption data to include Roanoke and nearby counties, which is detailed following.

ABSORPTION						
Property Name	Rent	Tenancy	Year	Total Units	Absorption	
Fieldstone Senior Apts	LIHTC	Senior	2018	60	10	
The Fieldstone*	LIHTC	Family	2017	84	16.8	
Forest Hills At Belview*	LIHTC	Family	2011	70	11	
Dara Heights Apartments	LIHTC	Family	2008	48	16	
Heather Glen*	LIHTC	Family	2004	40	2	
Sedona	Market	Family	2013	271	20	
The View At Liberty Center	Market	Family	2014	257	21	
LIHTC Average				60	11	
Market Average				264	21	
Overall Average				119	14	

*Utilized as rental comparable

Based on the information above, we estimate that the Subject would reach a stabilized occupancy within three months, at an absorption rate of approximately 15 units per month, in the event that it needed to reabsorb its tenancy. It should be noted that the Subject is currently operating at a stabilized occupancy; thus, this analysis is hypothetical. Further, the proposed renovations will occur with minimal disruption to tenants. Therefore, we do not believe that there will be a need for any significant reabsorption of units.

Affordable Properties in the PMA

We do not believe the Subject will adversely affect existing affordable housing projects in the PMA. A survey of comparable affordable LIHTC rental housing developments in the area demonstrate substantial excess demand for quality rental units.

AFFORDABLE HOUSING IN THE PMA

Property Name	Program	Total Units	LIHTC Units	Tenancy
Bradley's Ridge Apartments	Section 8	58	0	Senior/Disabled
Fairfax Village	Section 8	40	0	Family
Christiansburg Bluff	Section 8	120	0	Family
Lantern Ridge Apts	Section 8	120	93	Family
Linden Green Aka Old Farm Village li	Section 8	84	0	Family
Meadowview Apartments	Section 8	98	0	Family
Melinda's Melody	Section 8	48	0	Senior/Disabled
New River House	Section 8	42	0	Family
Parkview Of Blacksburg	Section 8	13	0	Senior/Disabled
Riverbend Apts	Section 8	60	0	Family
Trolinger House	Section 8	102	0	Family
Washington Square Apartments	Section 8	120	0	Family
Willow Woods	Section 8	144	0	Family
Cedar Crest I	LIHTC	26	26	Family
Cedar Crest li	LIHTC	24	24	Family
Fieldstone Family Apartments*	LIHTC	84	84	Family
Fieldstone Senior	LIHTC	60	60	Senior
Cedar Crest lii	LIHTC	28	28	Family
Forest Hills At Belview*	LIHTC	70	70	Family
Heather Glen Apts*	LIHTC	40	40	Family
Henley Place*	LIHTC	41	41	Family
High Meadows	LIHTC	60	60	Family
Huckleberry Court Townhouses*	LIHTC	50	50	Family
Hunting Hills	LIHTC	12	12	Family
Landings	LIHTC	18	18	Family
Laurel Woods (Pulaski)	LIHTC	46	46	Family
Linden Green	LIHTC	84	84	Family
Meadowview	LIHTC	98	98	Family
New River Gardens	LIHTC	48	48	Family
New River Gardens li	LIHTC	44	44	Family
New River Overlook	LIHTC	40	40	Senior
Plaza Apts	LIHTC	36	36	Family
Pulaski Village	LIHTC	44	44	Senior
Ridgewood Place*	LIHTC	32	32	Family
Ridgewood Place Seniors	LIHTC	40	40	Senior
Smokey Ridge	LIHTC	52	52	Family
Sunvalley	LIHTC	24	24	Family
Willow Woods Preservation	LIHTC	139	139	Family

*Denoted property used as a rent comparable.

Reasonability of Rents

The tables below illustrate the Subject’s proposed asking rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Monthly Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	% of LIHTC Maximum Allowable Gross Rent	2018 Fair Market Rent
				<i>60% AMI</i>				
2BR/1BA	855	16	\$845	\$98	\$943	\$943	100.0%	\$869
3BR/1.5BA	1,174	16	\$971	\$118	\$1,089	\$1,089	100.0%	\$1,256
4BR/2BA	1,333	8	\$1,067	\$148	\$1,215	\$1,215	100.0%	\$1,526
Total		40						

Note (1) Utility allowance based on Subject’s HUD Rent Schedule, (eff. 8/06/2017)

Comparable LIHTC Rents

Following rehabilitation and the allocation of Low Income Housing Tax Credits (LIHTCs), all of the Subject units will continue to receive Project-Based Section 8 rental assistance and will also be restricted to households earning 60 percent of AMI, or less. The proposed rents are set at the 2018 maximum allowable rents. The following tables illustrate the Subject’s rents compared to the LIHTC rents of the comparable properties surveyed. The rents have been adjusted for variances in utilities.

LIHTC RENT COMPARISON @60%

Property Name	County	Tenancy	2BR	3BR	4BR	Rents at Max?
Fairfax Village	Radford	Family	\$843	\$923	\$1,066	Yes
LIHTC Maximum Rent (Net)	Radford city		\$843	\$923	\$1,066	
LIHTC Maximum Rent (Net)	Montgomery		\$843	\$923	\$1,066	
Fieldstone Apartments	Montgomery	Family	\$893	\$1,028	-	Yes
Henley Place	Montgomery	Family	-	\$890	\$1,005	No
Huckleberry Court Townhomes	Montgomery	Family	-	\$764	\$834	No
Average			\$893	\$894	\$920	
Achievable LIHTC Rent			\$825	\$900	\$1,025	

Only one of the comparable properties, Fieldstone Apartments, reported rents at the maximum allowable levels. However, this comparable appears to be achieving rents above the maximum allowable, which could be due to a project-specific utility allowance. The remaining comparables appear to be just below the maximum allowable levels. Additionally, two comparables, Ridgewood Place Family and Heather Glen, are located within the town of Blacksburg, similar to the Subject, and are restricted to households at the 40 and 50 percent of AMI levels, which are lower than the Subject’s proposed LIHTC rents. These two comparables also reported current rents below maximum allowable levels at both set asides, but indicated high demand for affordable units in the area and maintain waiting lists, indicating they may not be testing the market in terms of rents.

The Subject’s current Section 8 rents are below the proposed LIHTC rents. Further, all of the Subject’s tenants would be subject to the new LIHTC rents, post-renovation, if the Section 8 rental assistance were hypothetically no longer be in place. Due to the vacancy rates among the comparables, as well as the market data indicating lengthy waiting lists for the majority of the comparables, indicates that the current rents do not appear to be testing the market. However, the Subject and surrounding areas are heavily populated with students attending various universities and this population does not qualify to live at a LIHTC property under Section 42 code. Thus, it appears that the market seasonality due to the local universities also has impacted achievable LIHTC rents at the affordable developments in the area. However, the most recently constructed property did report maximum allowable rents and only three vacant units, indicating maximum allowable rents may be achievable in the market for new construction developments.

However, given the Subject will be renovated, we believe that rents slightly below the maximum allowable levels are attainable and supported by the market. Thus, we have concluded to rents of **\$825**, **\$900**, and **\$1,025** for the two-, three-, and four-bedroom units, respectively, for the Subject’s proposed rents at 60 percent AMI.

Achievable Market Rent – As Is

In summary, our estimated achievable market rents for the Subject as is are \$925, \$1,275, and \$1,600 for the Subject’s two-, three-, and four-bedroom units as is, respectively.

Achievable Market Rent

The maximum achievable market rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market-rate projects in the area. Novogradac & Company concluded that the Subject will be competitive with the market-rate competition and achievable rents are within the market rental range. Achievable rents represent net market-rate rent levels that we believe a project of the Subject’s condition and quality could reasonably achieve.

The following table illustrates our estimates of the Subject’s achievable market rents post renovations.

CAMBRIDGE SQUARE - 'AS RENOVATED' RENTS

Unit Type	Total Units	# of Section 8 Units	Unit Size (Sq. Ft.)	Estimated Market Rent - "As Renovated"	\$/Sq. Ft.
2BR/1BA	16	16	855	\$1,080	\$1.26
3BR/1.5BA	16	16	1,174	\$1,430	\$1.22
4BR/2BA	8	8	1,333	\$1,755	\$1.32
Total	40	40			

Note (1) Utility allowance based on Subject’s HUD Rent Schedule, (eff. 8/06/2017)

The following table illustrates the Subject’s achievable LIHTC rents compared to the market:

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
2 BR	@60% (Section 8)	\$825	\$965	\$1,271	\$1,088	\$1,080	24%
3 BR	@60% (Section 8)	\$900	\$1,270	\$1,721	\$1,473	\$1,430	37%
4 BR	@60% (Section 8)	\$1,025	\$1,515	\$2,023	\$1,764	\$1,755	42%

We completed rent adjustment grids to conclude to achievable market rents. The grids are found on the following pages:

More significant adjustments are explained as follows:

Structure

The Subject's units are structured as two-story townhome-style units, with the exception of two two-bedroom units that are contained in single-story apartments. The Subject's townhome design is considered a slightly superior design to garden and walk-up style design, which all of the comparables offer. Our experience with properties nation-wide indicates that townhouse units are typically considered more desirable and more expensive than garden-style, walkup units. As such, we applied a \$25 upward adjustment to all comparables in the two, three and four-bedroom grids.

Condition Adjustment

The Subject will be in good condition post renovation. Three of the comparables are in average condition and are considered slightly inferior to the Subject, while Highlands at Huckleberry Ridge and The Reserve at Knollwood are both in excellent condition, considered superior to the Subject's condition. Thus, a downward adjustment of \$200 was applied to the two comparables in excellent condition in the as is grids. The following table and analysis details the methods used to calculate these adjustments.

CONDITION ADJUSTMENT				
Property Name	Condition	2BR	3BR	4BR
The Mill at Blacksburg	Average	\$874	\$1,145	\$1,360
Cedarfield Apartments	Average	\$997	\$1,479	\$1,771
Highland Village	Average	\$810	\$1,283	\$1,642
Mean Rent (Average Condition)		\$894	\$1,302	\$1,591
The Reserve At Knollwood	Excellent	\$1,316	\$1,766	\$2,068
Highlands at Huckleberry	Excellent	\$1,067	\$1,315	\$1,602
Mean Rent (Excellent Condition)		\$1,192	\$1,541	\$1,835
Difference Average vs. Excellent		\$298	\$238	\$244

Therefore, we relied on the range of differences of the comparable units in making our adjustments. This is a small sample size and likely does not illustrate the true market premium for developments average and excellent conditions. Thus, we supplemented this analysis with conversations with local property managers and applied a negative \$200 adjustment to the comparables in excellent condition.

The table below illustrates the effect of renovation on market rate properties located in the central and western regions of Virginia.

RENOVATED UNIT PRICE INCREASED			
Property Name	City	Rent Increase	Notes
Fairfield Crossing	Falls Church, VA	\$75	Renovations include new flooring, paint, finishes, kitchens, and lighting.
Banbury Lake Village Apartments	Virginia Beach, VA	\$100	Renovations include new cabinets, appliances, new in-unit flooring.
The Ashby at McLean	McLean, VA	\$85 - \$175	Updated kitchen appliances, new bathroom fixtures, new flooring.
The Birches	Chesapeake, VA	\$94	Renovations include new kitchen cabinetry, new countertops, replaced appliances, new in-unit flooring.

As seen above, rents increased \$75 to \$175, post renovations. According to property managers we have interviewed, the amount of increase is dependent on the scope of work with the most significant increases occurring when amenities are added, and improvements are made to the unit interiors and common areas that the residents use on a daily basis. It is clear that improved condition commands a significant premium. Based upon the Subject's scope of work, we believe an increase of \$100 per unit, post renovation is reasonable for the Subject. Therefore, a rent differential of \$100 is reasonable and conservative for the Subject's two-, three-, and four-bedroom units for condition. Additionally, we have accounted for the additional amenities that will be added including a community center,

washer/dryer appliances, and a dishwasher for a net post renovation increase of \$155 over our concluded as is market rents.

Therefore an upward adjustment of \$100 is applied to the comparables in average condition, and a negative \$100 adjustment was applied to the comparables in excellent condition in the as renovated grids. Post-renovation the Subject will be in good condition. The total renovation hard costs are estimated to be approximately \$42,636 per unit. We have estimated the Subject’s achievable as renovated market rents within the range of the comparables and generally similar to the adjusted surveyed average. The Subject is slightly superior to slightly inferior to the comparables. As such, equal consideration to the adjusted rents of the comparables when determining an achievable renovated market rent.

Bedroom Adjustment

Highland Village is the only comparable that offers four-bedroom units. A bedroom adjustment was applied to the four comparables that offer three-bedroom units and were utilized in the four-bedroom rent grids. The following table details the differential in rents for bedrooms among the comparables.

SUPPORT FOR BEDROOM ADJUSTMENT

Property Name	Unit Type	Effective Rent	Rent / SF	Value of Extra SF	Value of Bedroom
Cedarfield Apartments	2BR/2.5BA	\$1,300	\$1.02	\$44	\$216
	3BR/2.5BA	\$1,560	\$1.08		
	Difference	\$260	\$1.59		
Highland Village	1BR/1BA	\$435	\$1.28	\$94	\$251
	2BR/1BA	\$780	\$1.19		
	Difference	\$345	\$1.10		
Highland Village	1.5BR/1BA	\$540	\$0.99	\$57	\$223
	2.5BR/1BA	\$820	\$1.09		
	Difference	\$280	\$1.35		
Highland Village	1.5BR/1BA	\$540	\$0.99	\$78	\$232
	2.5BR/1BA	\$850	\$0.99		
	Difference	\$310	\$0.99		
Highland Village	1.5BR/1BA	\$675	\$1.03	\$51	\$124
	2.5BR/1BA	\$850	\$0.99		
	Difference	\$175	\$0.85		
Highland Village	3BR/2BA	\$1,380	\$1.08	\$0	\$300
	4BR/2BA	\$1,680	\$1.31		
	Difference	\$300	-		
Highlands At Huckleberry Ridge	2BR/2BA	\$1,175	\$0.97	\$38	\$136
	3BR/2BA	\$1,349	\$0.99		
	Difference	\$174	\$1.13		
The Mill At Blacksburg	2BR/1BA	\$839	\$1.08	\$64	\$162
	3BR/1BA	\$1,065	\$1.04		
	Difference	\$226	\$0.92		
Average					\$206

As illustrated, the differential for bedrooms ranges from \$124 to \$300. We concluded to a value of \$200, and have applied adjustments accordingly in the rent grids.

Bathroom Adjustment

The Subject offers one bath in its two-bedroom units, similar to three of the comparables. Two comparables offers two baths. The Subject offers 1.5 baths in its three-bedroom units, similar to none of the comparables, which offer a range from one to three bathrooms. Only one comparable, Highland Village, offers four-bedroom units; and of the comparables, is one of two comparables that offer two baths. The remaining comparables offer one, 2.5, and three baths. To determine the value of a bathroom, we conducted an analysis on the value of a bathroom in the market. The following tables detail our findings.

Value of Bathroom				
Cedarfield Apartments				
Unit Type	Rent	SF	Rent/SF	
2BR/1BA	\$1,032	869	\$1.19	
2BR/2BA	\$1,115	992	\$1.12	
<i>Calculation of Value</i>				
1. Diff. in SF of 2BR/ 2.5BA and 2BR/1.5BA / 4	=	30.75		
2. Additional SF x RPSF of larger unit	=	\$34.56		
3. Diff. in rent for 2BR/ 2.5BA and 2BR/1.5BA - SF value	=	\$48		
Value of additional bathroom		\$48		

Value of Bathroom				
Highlands at Huckleberry Ridge				
Unit Type	Rent	SF	Rent/SF	
2BR/1BA	\$1,127	918	\$1.23	
2BR/2BA	\$1,252	1209	\$1.04	
<i>Calculation of Value</i>				
1. Diff. in SF of 2BR/ 2.5BA and 2BR/1.5BA / 4	=	72.75		
2. Additional SF x RPSF of larger unit	=	\$75.34		
3. Diff. in rent for 2BR/ 2.5BA and 2BR/1.5BA - SF value	=	\$50		
Value of additional bathroom		\$50		

The differential for a full bath ranges from \$48 to \$50. Based on the tight range for the value of a bathroom in the Subject’s market, we have valued a full bath at \$50 and a half bath at \$25 and have applied adjustments accordingly.

Square Footage Adjustment

The Subject and the comparable properties vary in square footage. Most market observers agree that with all other variables being equal, a larger unit is more desirable than a smaller unit. However, typically the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function (i.e. a 600 square foot two-bedroom functions similarly to a 700 square foot two-bedroom) reflective of economies of scale. In other words, there is a diminishing return of value for additional square footage, as each additional square foot does not necessarily equal additional functional utility. Matched pairs are the preferred methods to use for derivation of an adjustment. However, no matched pairs were available in the market. Therefore, we have applied a market standard that has been observed in similar markets as follows: the square foot difference between the Comparable and the Subject is divided by four and then multiplied by the rent per square foot of the Comparable. In other words, we estimate that the additional square footage is worth approximately 25 percent of the rent per square foot in comparison to the base square footage. It should be noted that we capped the square footage adjustment at \$100.

Washer/Dryer

The Subject offers in-unit washer and dryer hookups. Post-renovations, washer/dryer appliances will be offered in all of the Subject’s units. Three of the comparables offer in-unit washer/dryer appliances, one offers washer/dryer hookups and central laundry, and The Mill At Blacksburg offers central laundry only. We have used a cost/benefit methodology to determine the level of adjustment for in-unit washers and dryers. If a household does three loads of laundry a week, for \$3.00 per load, the cost would be approximately \$36 per month. This indicates approximately a \$35 value to in-unit washer and dryer appliances. We have valued central laundry and washer/dryer hookups at \$10 each and applied downward adjustments to all of the comparables based on the respective amenities offered.

Pool/Recreation Areas

The Subject offers a playground and basketball court. Cedarfield Apartments and Highlands at Huckleberry Ridge offer a swimming pool, exercise facility, and playground. Highland Village and The Mill at Blacksburg both offer a swimming pool, picnic area, and basketball court. The Reserve at Knollwood offers a swimming pool, and exercise facility. We valued a pool at \$10 and the remaining amenities at \$5 each and have applied adjustments accordingly. Additionally, based on information from the property manager at the time of inspection, management plans to convert the area currently being used as a maintenance shop into a community room post renovation. Three comparables offer a

community room similar to the Subject, and a negative \$10 adjustment was applied to the two comparables that do not offer this amenity.

Conclusions and Recommendations

The Subject will be newly renovated, and upon completion, will exhibit good condition. The surveyed properties exhibit inferior to slightly superior condition relative to the proposed Subject. The market exhibits stable demand for affordable housing, with limited vacancy and strong absorption rates at LIHTC properties that have opened in the past three to four years. As a stabilized property, we expect the Subject to operate with an annual vacancy and collection loss of five percent, or less. As detailed in our analysis of LIHTC rents at 60 percent of AMI, we do not believe that maximum allowable rents are achievable at present. Further, recent rent growth in the market indicates that rental rate increases of 1.0 to 2.0 percent annually are achievable within the confines of LIHTC program requirements. Our estimated achievable market rents for the Subject are **\$1,080**, **\$1,430** and **\$1,755** for the two, three and four-bedroom units respectively.

I. AFFORDABILITY ANALYSIS/DEMAND ANALYSIS

DEMAND ANALYSIS

Introduction

The Subject will be a newly renovated 40-unit LIHTC and Section 8 development. The Subject offers 16 two-, 16 ten-, and eight four-bedroom units rent and income restricted to 60 percent of AMI. We calculated the number of income-eligible residents in this section of the analysis. LIHTC rents are based upon a percentage of the AMI, adjusted for household size and utilities. HUD estimates the relevant income levels, with annual updates. Rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its income at the appropriate AMI levels. Household size for developments is assumed to be 1.5 person per bedroom for LIHTC rent calculation purposes. To assess the likely number of tenants in the market area eligible to live in the Subject, we used Census information as provided by ESRI Business Information Solutions.

Primary Market Area Defined

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

The Subject site is located in Blacksburg, Montgomery County, Virginia. The boundaries of the PMA are defined as the Pulaski and Montgomery County lines to the north and south, the Montgomery County line to the east, and the Pulaski County line to the west. The PMA encompasses approximately 728 square miles and was primarily devised based on our conversations with local property managers on the area that potential tenants for the project are likely drawn.

Income-Eligible Calculations

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

First, we estimate the Subject’s minimum and maximum income levels for the LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. For Montgomery County, the 2018 AMI is \$69,800 for a four-person household. Maximum incomes are set at the maximum 60 percent of AMI level(s). Minimum income levels were calculated based on the assumption that lower-income households should pay no more than 35 percent of their income towards rent. The minimum income levels absent subsidy, are calculated from the gross achievable LIHTC rents.

FAMILY INCOME LIMITS - AS PROPOSED			FAMILY INCOME LIMITS - ABSENT SUBSIDY		
Unit Type	Minimum Allowable Income	Maximum Allowable Income	Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60% (Section 8)			@60%	
2BR	\$0	\$37,740	2BR	\$32,331	\$37,740
3BR	\$0	\$45,240	3BR	\$37,337	\$45,240
4BR	\$0	\$48,600	4BR	\$41,657	\$48,600

Often, lower-income households pay a higher percentage of gross income toward housing costs. Therefore, we used 35 percent for LIHTC calculations in the LIHTC scenario. Secondly, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject site.

RENTER HOUSEHOLD INCOME

Income Cohort	2018		PMA 2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,291	23.0%	6,045	22.0%	-49	-0.8%
\$10,000-19,999	5,202	19.0%	5,010	18.3%	-38	-0.7%
\$20,000-29,999	3,359	12.3%	3,320	12.1%	-8	-0.2%
\$30,000-39,999	2,915	10.7%	2,859	10.4%	-11	-0.4%
\$40,000-49,999	2,842	10.4%	2,863	10.4%	4	0.1%
\$50,000-59,999	2,125	7.8%	2,182	8.0%	11	0.5%
\$60,000-74,999	1,534	5.6%	1,637	6.0%	21	1.3%
\$75,000-99,999	1,259	4.6%	1,380	5.0%	24	1.9%
\$100,000-124,999	651	2.4%	728	2.7%	15	2.4%
\$125,000-149,999	426	1.6%	473	1.7%	9	2.2%
\$150,000-199,999	399	1.5%	484	1.8%	17	4.3%
\$200,000+	348	1.3%	439	1.6%	18	5.2%
Total	27,351	100.0%	27,420	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, January 2019

Third, we combine the allowable income range with the income distribution analysis in order to determine the number of potential income-qualified households. In some cases, the LIHTC income-eligible band overlaps with more than one census income range. In those cases, the prorated share of more than one census range will be calculated. This provides an estimate of the total number of households that are income-eligible. This also derives an estimate of the percentage of the households that are income-eligible, illustrated by AMI threshold.

FAMILY INCOME DISTRIBUTION 2018

Income Cohort	Total Renter Households	@60% (Section 8)			@60% Absent Subsidy		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	6,291	9,999	100.0%	6,291			
\$10,000-19,999	5,202	9,999	100.0%	5,202			
\$20,000-29,999	3,359	9,999	100.0%	3,359			
\$30,000-39,999	2,915	9,999	100.0%	2,915	7,668	76.7%	2,235
\$40,000-49,999	2,842	8,600	86.0%	2,444	8,600	86.0%	2,444
\$50,000-59,999	2,125						
\$60,000-74,999	1,534						
\$75,000-99,999	1,259						
\$100,000-124,999	651						
\$125,000-149,999	426						
\$150,000-199,999	399						
\$200,000+	348						
Total	27,351		73.9%	20,211		17.1%	4,680

Demand Analysis One - Capture Rate Analysis by Unit Type

In order to determine demand for the proposed unit mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for the 60 percent of AMI level.

The by-unit-type breakdown illustrates an adequate demand, when considered on a by-bedroom-type basis. We added a 10 percent adjustment factor to compensate for a potential tenancy originating from outside the PMA.

The distribution of households by unit type is dependent on the following assumptions.

HOUSEHOLD DISTRIBUTION		
2 BR	70%	Of one-person households in 2BR units
	60%	Of two-person households in 2BR units
	20%	Of three-person households in 2BR units
3 BR	40%	Of two-person households in 3BR units
	50%	Of three-person households in 3BR units
	60%	Of four-person households in 3BR units
4 BR	50%	Of five-person households in 3BR units
	30%	Of three-person households in 4BR units
	40%	Of four-person households in 4BR units
	50%	Of five-person households in 4BR units

60 Percent of AMI Demand-Section 8

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.5%	9,980
2 persons	30.0%	8,218
3 persons	17.8%	4,872
4 persons	11.9%	3,264
5+ persons	3.7%	1,017
Total	100.0%	27,351

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,980	x 73.9%	7,375
2 persons	8,218	x 73.9%	6,073
3 persons	4,872	x 73.9%	3,600
4 persons	3,264	x 73.9%	2,412
5+ persons	1,017	x 73.9%	752
Total	27,351		20,211

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	9,526
3BR	6,052
4BR	2,421
Total	17,999

Capture Rate Analysis - @60% (Section 8) - As Proposed

	Developer's Unit Mix	Capture Rate
2BR	16	0.17%
3BR	16	0.26%
4BR	8	0.33%
Total/Overall	40	0.22%

Adjusted for Leakage from Outside of the PMA

10%

2BR	16	0.15%
3BR	16	0.24%
4BR	8	0.30%
Total/Overall	40	0.20%

60 Percent of AMI Demand-Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.5%	9,980
2 persons	30.0%	8,218
3 persons	17.8%	4,872
4 persons	11.9%	3,264
5+ persons	3.7%	1,017
Total	100.0%	27,351

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,980	x 17.1%	1,708
2 persons	8,218	x 17.1%	1,406
3 persons	4,872	x 17.1%	834
4 persons	3,264	x 17.1%	558
5+ persons	1,017	x 17.1%	174
Total	27,351		4,680

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	2,206
3BR	1,401
4BR	560
Total	4,168

Capture Rate Analysis - @60% Absent Subsidy

	Developer's Unit Mix	Capture Rate
2BR	16	0.73%
3BR	16	1.14%
4BR	8	1.43%
Total/Overall	40	0.96%

Adjusted for Leakage from Outside of the PMA

10%

2BR	16	0.65%
3BR	16	1.03%
4BR	8	1.28%
Total/Overall	40	0.86%

Annual Demand Table

ANNUAL DEMAND - AS PROPOSED

Calculation	PMA
Number of Renter Households in 2018	27,351
Increase in Number of Renter Households	69
Number of Renter Households in 2023	27,420
<i>Existing Demand</i>	
Percentage of Total Households that are Renter	46.3%
Percentage of Income-Qualified Renter Households	73.9%
Number of Income-Qualified Renter Households	20,211
Percentage of Rent-Overburdened	44.0%
Existing Income-Qualified Renter Household Turnover	8,894
<i>New Income-Qualified Demand, Stated Annually</i>	
Increase in Renter Households per Annum	14
Percentage of Income-Qualified Renter Households	73.9%
New Rental Income Qualified Households	10
<i>Capture Rate Analysis</i>	
Number of Units in Subject	40
Occupied Units at Subject With Vacancy of: 5%	38
Units Pre-Leased	0
Total Demand (Turnover and Growth) from within PMA	8,904
Portion Originating within PMA	90%
Total Demand (Turnover and Growth) from within PMA	9,894
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0
Total Demand after Competition (Turnover and Growth)	9,894
Yielded Annual Capture Rate of Available Demand in 2018	0.4%

Annual Demand Table

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2018		27,351
Increase in Number of Renter Households		69
Number of Renter Households in 2023		27,420
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		46.3%
Percentage of Income-Qualified Renter Households		17.1%
Number of Income-Qualified Renter Households		4,680
Percentage of Rent-Overburdened		44.0%
Existing Income-Qualified Renter Household Turnover		2,060
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		14
Percentage of Income-Qualified Renter Households		17.1%
New Rental Income Qualified Households		2
<i>Capture Rate Analysis</i>		
Number of Units in Subject		40
Occupied Units at Subject With Vacancy of:	5%	38
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		2,062
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		2,291
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		2,291
Yielded Annual Capture Rate of Available Demand in 2018		1.7%

VHDA Demand Table

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

We determined that there are no proposed competitive LIHTC units in the PMA, along with 16 vacant units at the comparable LIHTC properties considered directly competitive with the Subject's LIHTC units.

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

DEMAND AND NET DEMAND		
	Up to 60% Section 8 (\$0 - \$48,600)	Up to 60% Absent Subsidy (\$32,331 - \$48,600)
Demand from New Rental Households	-2	-4
+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	816	1,252
+	+	+
Demand from Existing Renter Households - Substandard Housing	8	12
=	=	=
Sub Total	821	1,260
Demand from Existing Households - Likely to Convert to Rental Housing	0	0
TOTAL DEMAND	821	1,260
-	-	-
Supply (Includes directly comparable vacant units or in pipeline in PMA)	16	16
= Net Demand	805	1,244
Proposed Units	40	40
Capture Rate	5.0%	3.2%
Absorption Period	3 months	3 months

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

Project Wide Capture Rate - Section 8 Units	5.0%
Project Wide Capture Rate - LIHTC Units	3.2%
Project Wide Absorption Period (Months)	3 months

Conclusion

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. In terms of total income-eligible renter households, the calculation illustrates capture rates of 0.20 percent and 0.86 percent at the 60 percent of AMI levels, with and without the subsidy respectively.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject's first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 5.0 percent and 3.2 percent for the first year of operation as a Section 8 and LIHTC property, respectively. This suggests that the Subject will need to capture only a fraction of the available demand in its

first year of operation in order to stabilize, if vacant. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates there are approximately 805 units and 1,244 units of net demand in the first year of the Subject’s operation following renovations, as proposed and absent subsidy, respectively. The Subject’s units will need to accommodate 38 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate - Section 8 Units	5.0%
Project Wide Capture Rate - LIHTC Units	3.2%
Project Wide Absorption Period (Months)	3 months

This is a low capture rate and indicative of adequate demand for the Subject. We do not believe the additional supply will harm other VHDA properties as the capture rates are low and the vacancy is low.

Penetration Rate Analysis

Per VHDA guidelines, we also performed a penetration rate analysis for the Subject’s units, as seen in the following table.

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive Affordable Units in the PMA	0
	+
Number of Existing Competitive Family Affordable Units in the PMA	233
	+
Number of Proposed Affordable Units at the Subject	40
	=
Total	273
	/
Income Eligible Households - All AMI Levels	20,211
	=
Overall Penetration Rate - Market Focus (NCHMA)	1.4%

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	0
	+
Number of Existing Competitive Family <i>LIHTC</i> Units in the PMA	233
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	40
	=
Total	273
	/
Income Eligible Households - All AMI Levels	4,680
	=
Overall Penetration Rate - Market Focus (NCHMA)	5.8%

The overall penetration rate is derived by taking the number of affordable units proposed or under construction within the PMA, combined with the number of proposed LIHTC units, and the number of the Subject’s units divided by the number of income eligible households. As detailed in the supply analysis, there are no proposed LIHTC developments within the PMA to remove from the previous calculations. The following table illustrates the existing affordable properties in the PMA.

AFFORDABLE HOUSING IN THE PMA

<i>Property Name</i>	<i>Program</i>	<i>Total Units</i>	<i>LIHTC Units</i>	<i>Tenancy</i>
Bradley's Ridge Apartments	Section 8	58	0	Senior/Disabled
Fairfax Village	Section 8	40	0	Family
Christiansburg Bluff	Section 8	120	0	Family
Lantern Ridge Apts	Section 8	120	93	Family
Linden Green Aka Old Farm Village li	Section 8	84	0	Family
Meadowview Apartments	Section 8	98	0	Family
Melinda's Melody	Section 8	48	0	Senior/Disabled
New River House	Section 8	42	0	Family
Parkview Of Blacksburg	Section 8	13	0	Senior/Disabled
Riverbend Apts	Section 8	60	0	Family
Trolinger House	Section 8	102	0	Family
Washington Square Apartments	Section 8	120	0	Family
Willow Woods	Section 8	144	0	Family
Cedar Crest I	LIHTC	26	26	Family
Cedar Crest li	LIHTC	24	24	Family
Fieldstone Family Apartments*	LIHTC	84	84	Family
Fieldstone Senior	LIHTC	60	60	Senior
Cedar Crest lii	LIHTC	28	28	Family
Forest Hills At Belview*	LIHTC	70	70	Family
Heather Glen Apts*	LIHTC	40	40	Family
Henley Place*	LIHTC	41	41	Family
High Meadows	LIHTC	60	60	Family
Huckleberry Court Townhouses*	LIHTC	50	50	Family
Hunting Hills	LIHTC	12	12	Family
Landings	LIHTC	18	18	Family
Laurel Woods (Pulaski)	LIHTC	46	46	Family
Linden Green	LIHTC	84	84	Family
Meadowview	LIHTC	98	98	Family
New River Gardens	LIHTC	48	48	Family
New River Gardens li	LIHTC	44	44	Family
New River Overlook	LIHTC	40	40	Senior
Plaza Apts	LIHTC	36	36	Family
Pulaski Village	LIHTC	44	44	Senior
Ridgewood Place*	LIHTC	32	32	Family
Ridgewood Place Seniors	LIHTC	40	40	Senior
Smokey Ridge	LIHTC	52	52	Family
Sunvalley	LIHTC	24	24	Family
Willow Woods Preservation	LIHTC	139	139	Family

**Denotes property used as a rent comparable.*

The overall penetration rate for the market is 1.4 percent and 5.8 percent with and without subsidy, respectively. The penetration rate analysis we presented is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). This penetration rate is considered reasonable.

Absorption Estimate

According to our rent survey and the analysis of affordable housing demand, the demand for housing of all types is strong. We were able to obtain absorption information from three of the surveyed LIHTC comparable properties. Thus, we expanded our search for absorption data to include Roanoke and nearby counties, which is detailed following.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption
Fieldstone Senior Apts	LIHTC	Senior	2018	60	10
The Fieldstone*	LIHTC	Family	2017	84	16.8
Forest Hills At Belview*	LIHTC	Family	2011	70	11
Dara Heights Apartments	LIHTC	Family	2008	48	16
Heather Glen*	LIHTC	Family	2004	40	2
Sedona	Market	Family	2013	271	20
The View At Liberty Center	Market	Family	2014	257	21
LIHTC Average				60	11
Market Average				264	21
Overall Average				119	14

*Utilized as rental comparable

Absorption rates at the comparables range from 12 to 32 units per month with an average of 17 units per month. The Subject is fully occupied and renovations will take place with the tenants in place. We believe that the Subject, if vacant, would lease at a rate of approximately 15 to 20 units per month for a total absorption period of approximately three months.

Rent conclusions were provided in Section F.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject.

J. LOCAL PERSPECTIVE OF RENTAL HOUSING AND HOUSING ALTERNATIVES

INTERVIEWS/DISCUSSION

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

Housing Connections

According to Mr. Brett Radar, Executive Director of Housing Connection’s Housing Choice Voucher program, there are approximately 921 vouchers allotted to the public housing authority, which is responsible for the voucher program in Craig, Floyd, Giles, Montgomery, and Pulaski Counties. Mr. Radar indicated that 854 of the total vouchers allotted are currently in use, while 88 have been issued to tenants that are currently seeking appropriate housing before they expire. Mr. Radar reported that there is high demand for affordable housing in Blacksburg and the waiting list has been closed since January 10, 2017. Mr. Radar reported there is ample difficulty for some voucher holders to find suitable housing based on the substantial number of student-housing projects and landlords unaccepting of vouchers. The Subject’s proposed rents are below the gross payment standards, effective January 1, 2019, which are detailed on the following page.

VOUCHER PAYMENT STANDARDS

Unit Type	Payment Standard	Subject's Current Rents	Subject's Proposed LIHTC Rents
2BR	\$974	\$640	\$845
3BR	\$1,417	\$741	\$971
4BR	\$1,716	\$806	\$1,067

The Subject’s current and proposed gross rents are below the current payment standards, indicating residents will not need to pay additional rent out of pocket to reside in the Subject’s units. As of the date of our inspection, the Subject was 100 percent occupied and maintains a waiting list of 11 households.

Montgomery County Planning and Development Department

We attempted to contact the Montgomery County Planning and Development Department regarding new multifamily developments in the Subject’s rental market. However, as of the date of this report, our calls have not been returned. Additionally, we have utilized CoStar’s New Construction Listings in order to gather additional information on proposed, planned, under construction, or recently completed multifamily development within the Subject’s PMA. We do not believe any of the multifamily properties planned or under construction in the pipeline will directly compete with the Subject based on their student-based tenancy, or lack of affordable units. Our findings are detailed in the table below.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
Terrace View	Market	Student	1,054	0	Proposed	9.8 miles
Stadium View	Market	Student	77	0	Proposed	9.5 miles
Adams at Peppers Ferry II	Market	Family	156	0	Under Construction	6.4 miles
Highlands at Huckleberry Ridge II	Market	Family	100	0	Under Construction	7.6 miles
Totals			1,387	0		

Source: CoStar, January 2019

LIHTC Competition / Recent and Proposed Construction

According to the Virginia Housing Development Authority (VHDA), two developments have received LIHTC allocations within the Subject’s PMA since 2016. The details of these allocations is listed below.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Distance to Subject
New River Gardens I	2018	LIHTC	Family	48	48	3.1 miles
Bluegrass Apartments	2016	LIHTC	Elderly	39	39	15 miles
Total				87	87	

Source: Virginia Housing Development Authority , January 2019

- New River Gardens I, an existing multifamily LIHTC development, was allocated new LIHTC funding in 2018 for its rehabilitation. New River Gardens I consists of 48 one-bedroom units and was originally constructed in 1992. The development is located within an Opportunity Zone, approximately three miles west of the Subject. However, due to its incomparable unit mix, and current stabilized operations, we do not believe the development will be directly competitive with the Subject, post renovation.
- Bluegrass Apartments is an existing historic preservation project that was significantly renovated and rehabilitated with LIHTC in 2000 for the rehabilitation of the existing building into 39 one-bedroom units set aside for senior tenants earning 50 percent of AMI or below. The development received an additional LIHTC allocation in 2016 for new renovations. Based on the targeted tenancy and unit mix of Bluegrass Apartments, we do not find it to be directly competitive with the Subject.

K. ANALYSIS/CONCLUSIONS

ANALYSIS/CONCLUSIONS

In general, we believe there is demand in the marketplace for the Subject as conceived. However, based on the comparable data, and given the Subject will be renovated, we believe that rents slightly below the maximum allowable levels are attainable and supported by the market. Thus, we have concluded to rents of **\$825**, **\$900**, and **\$1,025** for the two-, three-, and four-bedroom units, respectively, for the Subject’s proposed rents at 60 percent AMI.

Strengths

- As a newly renovated property, the Subject will exhibit superior condition relative to the majority of the comparable properties.
- The Subject’s projected LIHTC rents represent a discount to the achievable market rents.
- The LIHTC vacancy at the comparable properties is 5.0 percent, which suggests a stable market for affordable housing.
- The Subject primarily offers a townhouse design for a majority of its units, which will offer appeal to family renters.

Weaknesses

- The Subject’s unit sizes are at a market disadvantage to the average unit sizes at the comparables.

Capture Rates - VHDA:

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

Project Wide Capture Rate - Section 8 Units	5.0%
Project Wide Capture Rate - LIHTC Units	3.2%
Project Wide Absorption Period (Months)	3 months

These are low capture rates and are indicative of adequate demand for the Subject.

Conclusions/Recommendations

- In general, we believe there is demand in the marketplace for the Subject. Additionally, the market has reported strong occupancy rates and waiting lists. The Subject will be well-positioned in the market as a newly renovated property, and will be in generally superior condition to most of the comparable properties. The market exhibits moderate to strong demand for affordable housing, with vacancy rates ranging from zero to 11.4 percent at the comparable LIHTC properties, with average vacancy rates of five percent or below. Vacancy and collection loss at the Subject is expected to be no more than five percent over the long term. Based on the comparable data, we believe the proposed rental rates are not achievable at the maximum allowable levels. The Subject offers a significant market rent advantage. Overall, we believe there is demand for the Subject.

L. OTHER REQUIREMENTS

I affirm the following:

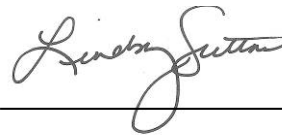
1. I (Molly Carpenter) have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by VHDA.
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 VHDA or in any way acting for, at the request of, or on behalf of VHDA.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.

This report was written according to the 2019 VHDA market study guidelines. The recommendations and conclusions are based solely on professional opinion and best efforts.

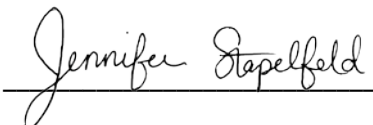
Respectfully submitted,
Novogradac & Company LLP



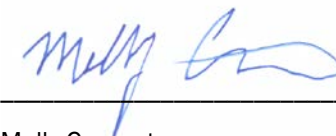
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ASSUMPTIONS AND LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ADDENDUM A

Statement of Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No 4206 – State of Kentucky
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1101008 – State of Washington
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value

H. Blair Kincer

Qualifications

Page 3

are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Á Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Á Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Á Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- Á In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Á Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

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; YbYfU'5ddfU]gYf'GU'Yg'7ca dUf]gcb'5ddfcUW'
; YbYfU'5ddfU]gYf'G]h'JU'i Uh]cb'UbX'7cgh'5ddfcUW'
9l dYfhK]hYgg'Zcf'7ca a YfV]U'5ddfU]gYfg'
7ca a YfV]U'5ddfU]gU'FYj]Yk'
FYU'9ghUH':]bUbW'GHUH]h]m]UbX'JU'i Uh]cb'A cXY']b['
; YbYfU'5ddfU]gYf' bV]ta Y'5ddfcUW' Dufh=
; YbYfU'5ddfU]gYf' bV]ta Y'5ddfcUW' Dufh=
; YbYfU'5ddfU]gYf'A Uf_Yh5bU'ng]g'UbX'<][\Ygh/ '6Yghl' gY'
6Ug]W5ddfU]gU' DfcW]Xi fYg'
6Ug]W5ddfU]gU' Df]bV]d'Yg'

F95@9GH5H9'5GG# BA 9BHG'

5'fydfYgYbU]h]j Y'gUa d'Y'cZk cf'_cb]j Uf]ci g'hmlYg'cZdfc'YV]h]g'
#Á A UbU[YX' UbX' V]ta d'YHYX' \i bXfYXg'cZ a Uf_Yh'gh] X]Yg' UbX' UddfU]gU'g' Zcf' d'fcdcgYX'
bYk' V]cbgfi V]h]cb' UbX' Yl]gh]b[' @ck' bV]ta Y' <ci g]b[' HUI' 7fYX]hž I G85' Fi fU'
8Yj Y'cda Ybhž GYV]h]cb' ; UbX' a Uf_Yh' fUH' a i 'h]ZJa]m UbX' U[Y!fYghf]V]h]X'
XYj Y'cda Ybhg' H.]g']bW] XYX' d'fcdYf]m]gV]h]Yb]b[gž a Uf_Yh'UbX'XYa c[fUd\]WUbU'ng]gž
V]ta dUfUV'Y' fYbh' gi f] Yngž gi dd'm UbX' XYa UbX' UbU'ng]gž XYh]fa]bU]cb' cZ a Uf_Yh'
fYbhgž Yl dYbgY' V]ta dUfUV']]m]UbU'ng]gž UbX' chYf' [YbYfU' a Uf_Yh'UbU'ng]g' D'fcdYf]m'
hmlYg']bW] XY' d'fcdcgYX' a i 'h]ZJa]nž U]ei]g]h]cb' k]h' fY\UV']]h]h]cbž \]ghcf]W
fY\UV']]h]h]cbž U]Udh]j Y'fyi gYž UbX'g]b['Y!ZJa]mXYj Y'cda Ybh'
#Á 7cbXi V]h' d\ng]W]]bgdYV]h]cbg' cZ gi VYV]h' d'fcdYf]h]Yg' UbX' V]ta dUfUV'Yg' hc' XYh]fa]bY'
V]cbX]h]cb' UbX' Yj U'i U]h']bXYdYbXYbhid\ng]W] V]cbX]h]cb' UggYgga Ybhg''
#Á 7ca d'YHY' U[YbV]h]UbX' <I 8' UddfU]gU'g'i g]b['hY' V]h]gh'UddfU]gU'ž]bV]ta Y' W]d]h]U]nUh]cb'
UddfU]gU'ž UbX'gU'Yg' V]ta dUf]gcb' UddfU]gU' Zcf' @ck' bV]ta Y' <ci g]b[' HUI' 7fYX]hž I G85'
Fi fU' 8Yj Y'cda Ybhž UbX' GYV]h]cb' , ' d'fcdYf]h]Yg' 5XX]h]cbU' Ugg][ba Ybhg' U'gc']bW] XY'
dUf]h]Yf]g\]d]j U'i Uh]cbg'UbX' V]ta a YfV]U' UbX'j U'i Uh]cb''
#Á DFYdUFYX' <I 8' A Uf_Yh]h]c! A Uf_Yh'fYbhV]ta dUfUV']]m]gh] X]Yg' Zcf' GYV]h]cb' , ' a i 'h]ZJa]m
XYj Y'cda Ybhg''

€Á DYfZcfa`j U`i Uhcbg`cZ; YbYfU`UbX#cf`@a`jHYX`DUfthYfg\,d`bHYfYgh`j b`U`fYU`YghUHY`
hfUbgUMVcbžUg`k`Y`Ug`@<H7`MUF`%`j U`i Uhcb`UbU`ng]g`"

€Á DfYdUFY` : U]f`A`Uf`_Yh`J`U`i`Y`UbU`ngYg`Zcf`gc`Uf`dUbY` `]bghU`Uhcbg`]b`VtbbYVcb`k`]h`
Z]bUbV]b[`UbX`gfi`Vh`f]b[`UbU`ngYg`dYfZcfa`YX`Zcf`j`Uf]ci`g`V]Ybng`" H`Y`fYdcfng`UfY`
i`gYX`VmV]Ybng`hc`Yj`U`i`Uh`k`]h`h`Y]f`Ux`]gcf`g`VfthU]b`hU`VtbgYei`YbVg`Udd`]VWY`hc`
ck`bYfg\,d`"5XX]h]cbU`nž`h`YgY`fYdcfng`VWb`VY`i`gYX`]b`VtbbYVcb`k`]h`Udd`]Vh]cb`Zcf`
h`Y` : YXYfU`[`fUbh]XYbh]ZYX`Ug`GYVcb`%`\$` `5a`Yf]VWb`FYVtj`YfmY`FY]bj`Ygha`Ybh5Vh`
cZ&\$\$-`UbX`h`Y`#7`ž`bX]b[`dfcWgg`"

€Á DYfZcfa` `a`Uf`_Yh`gh`X]Yg`UbX`UddfU]gU`g`Zcf`dfcdcgYX`UbX`Yl]gh]b[`a`i`h]ZUa`]m`
dfcdYfh]Yg`i`bXYf`h`Y`<l`8`A`5D`dfc[fUa`" H`YgY`fYdcfng`a`YYh`h`Y`fYei`]fYa`Ybng`
ci`h]bYX`]b`7`UdhYf`+`cZ`h`Y`<l`8`A`5D`;`i`]XY`Zcf`h`Y`&&%fXt(ž&&`fž`UbX`h`Y`@<H7`
D]`chDfc[fUa`"

€Á 7cbgi`h`k`]h` `YbXYfg`UbX`XYj`Y`cdYfg`UbX`Vta`d`YHY`j`U`i`Uhcb`Ugg][`ba`Ybng`Zcf`
XYj`Y`cda`Ybng`Vtbj`Yfh]b[`i`bXYf`h`Y`F58`dfc[fUa`"

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Jennifer Stapelfeld

EDUCATION

HAY: `cf]XU`GHUHY`I b]j Yfg]lm
➤ 6UWX`Ycf`cZGVWYbW`i `9Vtbc a]Mg/`GHUhg]Mg

PROFESSIONAL EXPERIENCE

Novogradac & Company, LLP

5bU`ng]h`8YWA VYf`&\$% `!`DFYgYbh
s] b]cf`5bU`ng]h`CVt`VYf`&\$%+ `i `8YWA VYf`&\$% `

- i 5gg]gh]b`UddfU]gU`g`c`dfcdcgYX`bYk`Vtbg]fi`V]cbz`fY`UV`]`hU]cbz`UbX`YI`]gh]b[`@ck`!`bVta`Y`<`ci`g]b[`HUI`7fYX]`hfb`<`H7E`a`i`h]ZJa`]`m]dfcdYfh]Yg`5bU`ng]g`]bW]`XYX`dfcdYfhmg]WY]Yb]b[`gZ`j`U`i`U]cb`UbU`ng]gZ`Wd]hU`]nU]cb`fUHY`UbU`ng]gZ`YI`dYbgY`Vta`dUFUV`]`]m`UbU`ng]gZ`XYHYfa`]bU]cb`cZa`Uf`YhfYbhgZ`UbX`[`YbYfU`a`Uf`YhUbU`ng]g`5gg]gh]cb`UddfU]gU`g`i`g]b[`h`Y`Vtgh`UddfU]WZ`]bVta`Y`Wd]hU`]nU]cb`UddfU]WZ`UbX`gU`Yg`Vta`dUf]gcb`UddfU]WZ`Zcf`a`i`h]ZJa`]`mXYj`Y`cda`Ybhg`"
- i DFYdUFY`a`Uf`Yh`gh`X]Yg`Zcf`dfcdcgYX`UbX`YI`]gh]b[`@<`H7Z`a`Uf`Yh`fUHYZ`<`CA`9`Z]bUbVWXZ`I`G85`Fi`fU`8Yj`Y`cda`YbhZ`UbX`<I`8`gi`Vg]X]nYX`dfcdYfh]Yg`cb`U`bU]cbU`VUg]g`5bU`ng]g`]bW]`XYg`dfcdYfhmg]WY]Yb]b[`gZa`Uf`YhUbU`ng]gZ`Vta`dUFUV`Y`fybhgi`fj`YngZ`XYa`UbX`UbU`ng]g`VUgYX`cb`h`Y`bi`a`VYf`cZ`]bVta`Y`ei`U`Z]YX`fybhYfg`]b`YUW`a`Uf`YfZ`gi`dd`m`UbU`ng]gZ`UbX`cdYfU]b[`YI`dYbgYg`UbU`ng]g`"
- i 7cbXi`Vtgi`d`ng]WU`]`]bgdYV]cbg`cZ`gi`V`YV]m`dfcdYfh]Yg`UbX`Vta`dUFUV`Y`dfcdYfh]Yg`hc`XYHYfa`]bY`VtBX]h]cb`UbX`Yj`U`i`UHY`]bXYdYbXYbh]d`ng]WU`VtBX]h]cb`UggYgga`Ybhg`"
- i 5bU`nmY` \]g]rcf]WUi`X]hYX`Z]bUbV]U`g]fUHYa`Ybhg`UbX`dfcdcgYX`cdYfU]b[`g]fUHYa`Ybhg`hc`XYHYfa`]bY`dfcdYfhm]YI`dYbgY`dfc`YV]cbg`"
- i DFYdUFY`<I`8`FYbh7ca`dUFUV`]`]m]Gh`X]Yg`Zcf`GYV]cb` `a`i`h]ZJa`]`mXYj`Y`cda`Ybhg`"

HAY`UbU`ng]h`Ug`VtBXi`VWX`fYgYUfVW`UbX`Vta`d`YHYX`Ugg][`ba`Ybhg`]b`h`Y`Zc`ck`]b[`g]fUHYg`UbX`I`"G`" `HYff]rcf]Yg` `

5f]rcbU`	A`]M][`Ub`	Gci`h`7Ufc`]bU`
7U`]Zcfb]U`	A`]gg]gg]dd]`	HYI`Ug`
8]gh]M]cZ7ci`a`V]U`	BYj`UXU`	I`hU`
:`cf]XU`	BYk`>YfgYm`	J]f[`]b]U`
;`Ycf[`]U`	BYk`M]f`_`	K`Ug`]b[`rcb`
=]bc]g`	Bcfh`7Ufc`]bU`	K`YghJ]f[`]b]U`
fbX]UbU`	Bcfh`8U`c]U`	K`na`]b[`
@ci`]g]UbU`	C\]c`	
A`Ufm]UbX`	CfY[`cb`	

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MOLLY CARPENTER

I. Education

University of Maryland, College Park – College Park, MD
Master of Community Planning

Iowa State University – Ames, IA
Bachelor of Science, Community and Regional Planning

II. Professional Experience

Junior Analyst, *Novogradac & Company LLP* – March 2018 – Present

Research Analyst, *Sage Computing* – June 2017 – March 2018

Intern, *Maryland Department of Housing and Community Development* – August 2016 – May 2017

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing markets studies of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and Housing Choice Voucher information.
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

ADDENDUM B

Data Sources

DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing, and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of proposed, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- Blacksburg Economic Development Department
- New River Valley Regional Commission
- Montgomery County Planning and Development Department
- Virginia Employment Commission
- Virginia Workforce Network
- ESRI, Business Information Solutions
- Ribbon Demographics
- CoStar Rental Market Report
- US Department of Commerce, Bureau of Labor Statistics
- Department of Housing and Urban Development (HUD)
- Virginia Housing Development Authority Utility Allowance
- VHDA Market Study Requirements, 2019

ADDENDUM C

NCHMA Certification and Checklist



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

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

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

Jennifer Stapelfeld
Analyst

ADDENDUM D

Utility Allowance Schedule



Virginia Housing Development Authority
Housing Choice Voucher Program

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

Family Name: _____ Unit Address: _____ _____ Voucher Size*: _____ Unit Bedroom Size*: _____ <i>*Use smaller size to calculate tenant-supplied utilities and appliances.</i>

		Unit Type: 2 Exposed Walls				Effective Date: 07/01/2018			
Utility	Usage	Monthly Dollar Amount							
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR
Appliance	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Bottled Gas	Cooking	\$8.00	\$11.00	\$14.00	\$18.00	\$22.00	\$26.00	\$29.00	\$32.00
	Home Heating	\$49.00	\$68.00	\$88.00	\$107.00	\$137.00	\$156.00	\$175.00	\$195.00
	Water Heating	\$20.00	\$28.00	\$36.00	\$44.00	\$56.00	\$64.00	\$72.00	\$80.00
Electricity	Cooking	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00
	Cooling (A/C)	\$5.00	\$7.00	\$9.00	\$12.00	\$15.00	\$17.00	\$19.00	\$21.00
	Home Heating	\$19.00	\$26.00	\$34.00	\$41.00	\$51.00	\$59.00	\$66.00	\$74.00
	Other Electric	\$10.00	\$14.00	\$18.00	\$22.00	\$28.00	\$32.00	\$36.00	\$40.00
	Water Heating	\$9.00	\$13.00	\$16.00	\$20.00	\$25.00	\$29.00	\$32.00	\$36.00
Natural Gas	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00
	Home Heating	\$11.00	\$14.00	\$18.00	\$22.00	\$28.00	\$32.00	\$36.00	\$40.00
	Water Heating	\$4.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$16.00
Oil	Home Heating	\$38.00	\$53.00	\$67.00	\$82.00	\$104.00	\$120.00	\$134.00	\$149.00
	Water Heating	\$16.00	\$22.00	\$28.00	\$34.00	\$43.00	\$50.00	\$56.00	\$62.00
Sewer	Other	\$20.00	\$27.00	\$35.00	\$43.00	\$55.00	\$62.00	\$70.00	\$78.00
Trash Collection	Other	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Water	Other	\$17.00	\$23.00	\$30.00	\$36.00	\$46.00	\$53.00	\$59.00	\$66.00
UTILITY ALLOWANCE TOTAL:		\$	\$	\$	\$	\$	\$	\$	\$

ADDENDUM E

Subject and Neighborhood Photographs

CAMBRIDGE SQUARE - BLACKSBURG, VIRGINIA
SOURCE: MOLLY CARPENTER, JUNIOR ANALYST
DATE: JANUARY 10, 2019



SUBJECT SIGNAGE



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR AND PARKING LOT



VIEW FROM SUBJECT NORTH ON WHIPPLE DRIVE NW



VIEW FROM SUBJECT SOUTH ON WHIPPLE DRIVE NW

CAMBRIDGE SQUARE - BLACKSBURG, VIRGINIA
SOURCE: MOLLY CARPENTER, JUNIOR ANALYST
DATE: JANUARY 10, 2019



BUS STOP IN FRONT OF SUBJECT



SUBJECT INTERSECTION



LEASING OFFICE/MAINTENANCE SHED AT SUBJECT



ON-SITE MANAGEMENT OFFICE



SUBJECT MAILBOXES



SUBJECT ACCESSIBLE PARKING AND SIGNAGE

CAMBRIDGE SQUARE - BLACKSBURG, VIRGINIA
SOURCE: MOLLY CARPENTER, JUNIOR ANALYST
DATE: JANUARY 10, 2019



TYPICAL UNIT ENTRY



TYPICAL STAIRCASE



TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL LIVING ROOM



TYPICAL LIVING ROOM

CAMBRIDGE SQUARE - BLACKSBURG, VIRGINIA
SOURCE: MOLLY CARPENTER, JUNIOR ANALYST
DATE: JANUARY 10, 2019



TYPICAL KITCHEN



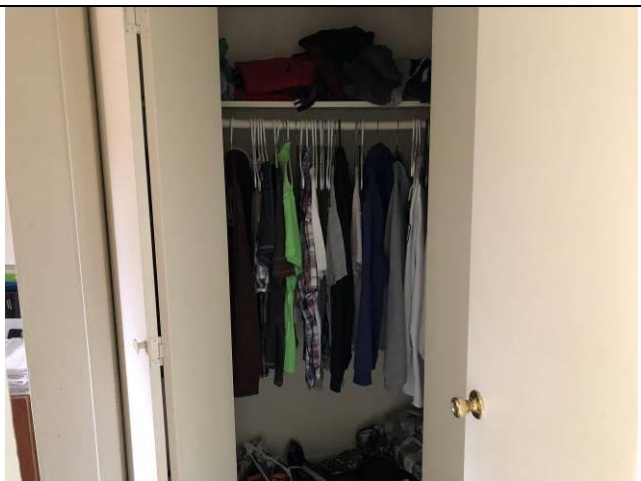
TYPICAL KITCHEN



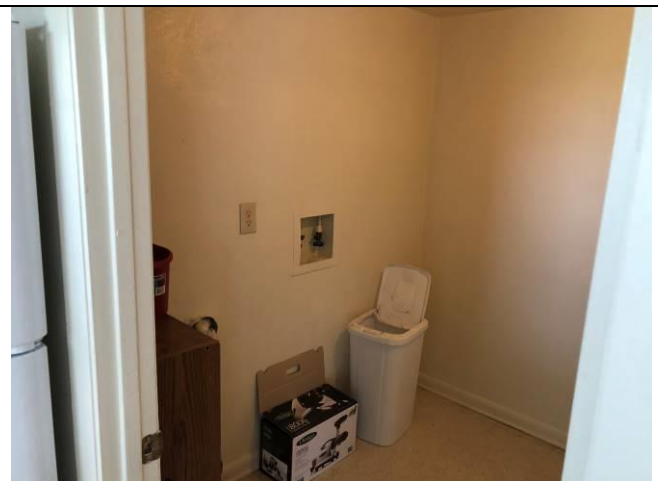
TYPICAL BATHROOM



TYPICAL BATHROOM



TYPICAL CLOSET



TYPICAL LAUNDRY ROOM

CAMBRIDGE SQUARE - BLACKSBURG, VIRGINIA
SOURCE: MOLLY CARPENTER, JUNIOR ANALYST
DATE: JANUARY 10, 2019



TYPICAL DINING ROOM



TYPICAL PATIO AND EXTERIOR STORAGE



SUBJECT MAINTENANCE SHOP



SUBJECT PLAYGROUND



TYPICAL SINGLE-FAMILY HOME IN SUBJECT NEIGHBORHOOD



TYPICAL SINGLE-FAMILY HOME IN SUBJECT NEIGHBORHOOD

CAMBRIDGE SQUARE - BLACKSBURG, VIRGINIA
SOURCE: MOLLY CARPENTER, JUNIOR ANALYST
DATE: JANUARY 10, 2019



RETAIL USE NEAR SUBJECT



RETAIL USE NEAR SUBJECT



TYPICAL COMMERCIAL USE NEAR SUBJECT



1711 APARTMENTS MULTIFAMILY SOUTH OF SUBJECT



VIEW NORTH OF MARKET RATE TOWNHOMES UNDER CONSTRUCTION ACROSS FROM SUBJECT



STUDENT HOUSING UNDER CONSTRUCTION NEAR SUBJECT

ADDENDUM F

Rent Profiles and Matrices

PROPERTY PROFILE REPORT

Fieldstone Apartments

Effective Rent Date	1/10/2019
Location	401 Givens Lane Blacksburg, VA 24060 Montgomery County
Distance	N/A
Units	84
Vacant Units	3
Vacancy Rate	3.6%
Type	Garden (3 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Lydia
Phone	540-605-8156



Market Information

Program	@60%
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	N/A
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	60	1,009	\$828	\$0	@60%	No	3	5.0%	N/A	None
3	2	Garden (3 stories)	6	1,176	\$949	\$0	@60%	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	18	1,189	\$949	\$0	@60%	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$828	\$0	\$828	\$65	\$893
3BR / 2BA	\$949	\$0	\$949	\$79	\$1,028

Fieldstone Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	Solarium, Black Appliances
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Wi-Fi		

Comments

This property completed construction in 2017 and is currently stabilized. The contact reported three vacant units that are currently available. There is no waiting list at this time. The contact was unable to provide absorption information.

Fieldstone Apartments, continued

Trend Report

Vacancy Rates

3Q15	1Q19
N/A	3.6%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$801	\$0	\$801	\$866
2019	1	5.0%	\$828	\$0	\$828	\$893

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$919	\$0	\$919	\$998
2019	1	0.0%	\$949	\$0	\$949	\$1,028

Trend: Comments

3Q15 Construction on the property is expected to begin in January 2016 and be completed in April 2017.

1Q19 This property completed construction in 2017 and is currently stabilized. The contact reported three vacant units that are currently available. There is no waiting list at this time. The contact was unable to provide absorption information.

Photos



PROPERTY PROFILE REPORT

Forest Hills At Belview

Effective Rent Date	1/07/2019
Location	3226 Peppers Ferry Road NW Radford, VA 24141 Montgomery County
Distance	N/A
Units	70
Vacant Units	8
Vacancy Rate	11.4%
Type	Various
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	12/12/2011
Last Unit Leased	6/30/2012
Major Competitors	None identified
Tenant Characteristics	Approximately 6% seniors
Contact Name	Hannah
Phone	540-639-1100



Market Information

Program	@40%, @50%
Annual Turnover Rate	25%
Units/Month Absorbed	11
HCV Tenants	50%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes, 10HH

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	7	707	\$454	\$0	@40%	Yes	N/A	N/A	no	None
1	1	One-story	7	709	\$587	\$0	@50%	Yes	N/A	N/A	no	None
2	1.5	One-story	16	980	\$697	\$0	@50%	Yes	N/A	N/A	no	None
2	1.5	Townhouse (2 stories)	10	1,011	\$697	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Townhouse (2 stories)	6	1,123	\$757	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Townhouse (2 stories)	14	1,161	\$757	\$0	@50%	Yes	N/A	N/A	no	None
4	2	Townhouse (2 stories)	6	1,244	\$870	\$0	@50%	Yes	N/A	N/A	no	None
4	2	Townhouse (2 stories)	4	1,247	\$870	\$0	@50%	Yes	N/A	N/A	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$454	\$0	\$454	\$0	\$454	1BR / 1BA	\$587	\$0	\$587	\$0	\$587
						2BR / 1.5BA	\$697	\$0	\$697	\$0	\$697
						3BR / 2BA	\$757	\$0	\$757	\$0	\$757
						4BR / 2BA	\$870	\$0	\$870	\$0	\$870

Forest Hills At Belview, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Off-Street Parking(\$0.00)	None	None
On-Site Management	Picnic Area		
Playground			

Comments

The contact indicated lower than typical occupancy rates are both seasonal and there were some recent evictions following the holidays. The property is actively using the current waiting list to fill the vacant units.

Forest Hills At Belview, continued

Trend Report

Vacancy Rates

3Q10	3Q15	1Q19
N/A	8.6%	11.4%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$423	\$0	\$423	\$423
2015	3	N/A	\$451	\$0	\$451	\$451
2019	1	N/A	\$454	\$0	\$454	\$454

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$545	\$0	\$545	\$545
2015	3	N/A	\$585	\$0	\$585	\$585
2019	1	N/A	\$587	\$0	\$587	\$587

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$654	\$0	\$654	\$654
2015	3	N/A	\$698	\$0	\$698	\$698
2019	1	N/A	\$697	\$0	\$697	\$697

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$751	\$0	\$751	\$751
2015	3	N/A	\$754	\$0	\$754	\$754
2019	1	N/A	\$757	\$0	\$757	\$757

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$825	\$0	\$825	\$825
2015	3	N/A	\$873	\$0	\$873	\$873
2019	1	N/A	\$870	\$0	\$870	\$870

Trend: Comments

3Q10	The Subject will consist of 13 one and two-story buildings that will have a brick and vinyl exterior.
3Q15	The contact indicated that the six vacancies are due to a recent series of evictions due to non-payment of rent. There are applications pending on all current vacancies from the waiting list, which contains approximately 20 households.
1Q19	The contact indicated lower than typical occupancy rates are both seasonal and there were some recent evictions following the holidays. The property is actively using the current waiting list to fill the vacant units.

Photos



PROPERTY PROFILE REPORT

Heather Glen

Effective Rent Date	1/07/2019
Location	1700 Wadsworth Street Radford, VA 24141 Radford County
Distance	N/A
Units	40
Vacant Units	2
Vacancy Rate	5.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	12/01/2003
Leasing Began	1/01/2004
Last Unit Leased	12/14/2008
Major Competitors	Cedar Crest Townhomes, Ridgewood Place
Tenant Characteristics	Mostly singles and families from the City of Radford
Contact Name	Jody
Phone	540-382-5058



Market Information

Program	@40%, @50%
Annual Turnover Rate	5%
Units/Month Absorbed	2
HCV Tenants	40%
Leasing Pace	1-2 Months
Annual Chg. in Rent	Increased
Concession	None
Waiting List	Yes, 6-12 months

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1.5	Townhouse (2 stories)	2	1,029	\$477	\$0	@40%	Yes	0	0.0%	no	None
2	2.5	Townhouse (2 stories)	2	1,350	\$578	\$0	@40%	Yes	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	36	1,438	\$743	\$0	@50%	Yes	2	5.6%	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1.5BA	\$477	\$0	\$477	\$0	\$477	3BR / 2.5BA	\$743	\$0	\$743	\$0	\$743
2BR / 2.5BA	\$578	\$0	\$578	\$0	\$578						

Heather Glen, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Garage(\$0.00)	Off-Street Parking(\$0.00)	None	None

Comments

Contact stated that property is typically at or near full occupancy. Both vacant units have applications pending approval. Some units offer attached garages at no additional charge and only the two- and three-bedroom units offer washer and dryer hook ups and appliances.

Trend Report

Vacancy Rates

1Q08	4Q08	3Q10	1Q19
2.5%	5.0%	2.5%	5.0%

Trend: @40%

1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$349	\$0	\$349	\$349
2008	4	0.0%	\$398	\$0	\$398	\$398
2010	3	0.0%	\$422	\$0	\$422	\$422
2019	1	0.0%	\$477	\$0	\$477	\$477

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$414	\$0	\$414	\$414
2008	4	0.0%	\$474	\$0	\$474	\$474
2010	3	0.0%	\$503	\$0	\$503	\$503
2019	1	0.0%	\$578	\$0	\$578	\$578

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$475	\$0	\$475	\$475
2008	4	0.0%	\$525	\$0	\$525	\$525
2010	3	0.0%	\$556	\$0	\$556	\$556

Trend: @50%

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	3.1%	\$615	\$0	\$615	\$615
2008	4	6.2%	\$663	\$0	\$663	\$663
2010	3	3.1%	\$683	\$0	\$683	\$683
2019	1	5.6%	\$743	\$0	\$743	\$743

Trend: Comments

1Q08	Heather Glen is a LIHTC property offering one-, two- and three-bedroom units. The property is managed by Horizon Management. The LIHTC rents are only slightly well below the maximum allowable rent. The manager indicated that this is to ensure that rents remain below the maximum allowable LIHTC rent following adjustments for utilities and the potential resident income. The manager indicated that the market is slow, they used to have a waiting list, and no longer maintain one. Management stated that current decrease in traffic is due to the holidays and current weather. Rent are scheduled to increase by February 2008 to \$398 for 1,029 square feet; \$474 for 1,438 square feet; \$525 for 1,350 square feet at 40-percent AMI and \$663 for 1,350 square-feet at 50 percent AMI. The two-bedroom units come with vaulted ceilings. Units that include garages have washer/dryer hook-ups but units without garages have washer/dryers. There are 28 units with washer/dryers and 12 units with garages. The Radford Police patrol the development. The only concession offered is for resident referrals.
4Q08	Contact stated that one of the vacancies has an application currently on file. There was a 12% increase on the one and two-bedroom units, a nine percent increase on the three-bedroom unit at the 40% AMI level, and a seven percent increase on the three-bedroom unit at the 50% AMI level. Contact also stated that there were 20 households total on the waiting list.
3Q10	Contact stated that property was typically at or near full occupancy. The waiting list for units @40% AMI was between five to six households each. There was no waiting list for @50% AMI three-bedroom units and they were the hardest to fill based upon the fact that they represented the bulk of available units.
1Q19	Contact stated that property is typically at or near full occupancy. Both vacant units have applications pending approval. Some units offer attached garages at no additional charge and only the two- and three-bedroom units offer washer and dryer hook ups and appliances.

Photos



Comments

The contact estimated waiting times on the waiting list can vary from three to six months. She reported the current vacancy has an application pending approval.

Trend Report

Vacancy Rates

4Q08	3Q10	3Q15	1Q19
2.4%	0.0%	2.4%	2.4%

Trend: @50%

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$590	\$0	\$590	\$590
2010	3	0.0%	\$620	\$0	\$620	\$620
2015	3	N/A	\$620	\$0	\$620	\$620
2019	1	0.0%	\$680	\$0	\$680	\$680

Trend: @60%

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	3.7%	\$790	\$0	\$790	\$790
2010	3	0.0%	\$830	\$0	\$830	\$830
2015	3	N/A	\$830	\$0	\$830	\$830
2019	1	3.7%	\$890	\$0	\$890	\$890

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$890	\$0	\$890	\$890
2010	3	0.0%	\$945	\$0	\$945	\$945
2015	3	N/A	\$945	\$0	\$945	\$945
2019	1	0.0%	\$1,005	\$0	\$1,005	\$1,005

Trend: Comments

4Q08	Contact stated that the waiting list consists of 25 household?s total. There was a ten percent increase on the two-bedroom units, a five percent increase on the three-bedroom units, and an eight percent increase on the four-bedroom units. Contact also noted that the property started leasing in January of 2006 and became 100% occupied in August of 2006, which creates an absorption rate of five units per month.
3Q10	Contact stated that the waiting list consists of five to six households for two-bedroom units, two to three households for three-bedroom units and three to four households for four-bedroom units.
3Q15	The contact could not identify the number of households on waiting lists, but stated that waiting times are six months to one year for a two-bedroom unit, three months for a three-bedroom unit, and one month for a four-bedroom unit.
1Q19	The contact estimated waiting times on the waiting list can vary from three to six months. She reported the current vacancy has an application pending approval.

Photos



PROPERTY PROFILE REPORT

Huckleberry Court Townhomes

Effective Rent Date	1/07/2019
Location	501-599 Virginian Drive Christiansburg, VA 24073 Montgomery County
Distance	N/A
Units	50
Vacant Units	1
Vacancy Rate	2.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	11/01/2005
Leasing Began	12/01/2005
Last Unit Leased	10/01/2006
Major Competitors	Cedar Crest Townhomes, Ridgewood Place
Tenant Characteristics	Majority are singles and families from the county
Contact Name	Jody
Phone	540-382-5058



Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	5
HCV Tenants	30%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes, 6 months

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2.5	Townhouse (2 stories)	12	1,185	\$680	\$0	@50%	Yes	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	27	1,366	\$764	\$0	@60%	Yes	1	3.7%	no	None
4	2.5	Townhouse (2 stories)	11	1,939	\$834	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2.5BA	\$680	\$0	\$680	\$0	\$680	3BR / 2.5BA	\$764	\$0	\$764	\$0	\$764
						4BR / 2.5BA	\$834	\$0	\$834	\$0	\$834

Huckleberry Court Townhomes, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Off-Street Parking(\$0.00)	On-Site Management	None	None
Picnic Area	Playground		

Comments

The contact stated overall occupancy rates have remained stable during the past year. A short waiting list with a typical wait of six months was reported. Rents are not and haven't been at the maximum allowable for several years and the contact noted max rents would be too high for most tenants.

Huckleberry Court Townhomes, continued

Trend Report

Vacancy Rates

4Q08	3Q10	3Q15	1Q19
6.0%	4.0%	4.0%	2.0%

Trend: @50%

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$540	\$0	\$540	\$540
2010	3	0.0%	\$556	\$0	\$556	\$556
2015	3	N/A	\$545	\$0	\$545	\$545
2019	1	0.0%	\$680	\$0	\$680	\$680

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$835	\$0	\$835	\$835
2010	3	25.0%	\$860	\$0	\$860	\$860

Trend: @60%

2.5BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$655	\$0	\$655	\$655
2010	3	0.0%	\$675	\$0	\$675	\$675

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	11.1%	\$760	\$0	\$760	\$760
2010	3	3.7%	\$783	\$0	\$783	\$783
2015	3	N/A	\$783	\$0	\$783	\$783
2019	1	3.7%	\$764	\$0	\$764	\$764

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	4	0.0%	\$850	\$0	\$850	\$850
2010	3	0.0%	\$875	\$0	\$875	\$875
2015	3	N/A	\$875	\$0	\$875	\$875
2019	1	0.0%	\$834	\$0	\$834	\$834

4BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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Trend: Comments

4Q08	According to management, the property may start offering a concession of one month's free rent to fill the current vacant units. One of the three vacant units is pre-leased. The property is maintaining a waiting list with 15 households for two-bedroom units only. According to management the three-bedroom units are the most difficult to lease.
3Q10	The one vacant four-bedroom unit is pre-leased. The property is maintaining a waiting list with approximately four to six households for two and four-bedroom units only. According to management the three-bedroom units are the most difficult to lease.
3Q15	The two-bedroom units at this property range from \$545 to \$620 per month. The number of households on each waiting list could not be identified, but wait times are six months to one year for a two-bedroom unit, three months for a three-bedroom unit, and one month for a four-bedroom unit. The contact could not provide the annual turnover rate or the number of tenants utilizing Housing Choice Vouchers.
1Q19	The contact stated overall occupancy rates have remained stable during the past year. A short waiting list with a typical wait of six months was reported. Rents are not and haven't been at the maximum allowable for several years and the contact noted max rents would be too high for most tenants.

Photos



PROPERTY PROFILE REPORT

Ridgewood Place Family

Effective Rent Date	1/07/2019
Location	100 Ridgewood Lane Radford, VA 24141 Radford County Intersection: Auburn and Tyler Avenues
Distance	N/A
Units	32
Vacant Units	1
Vacancy Rate	3.1%
Type	Garden (3 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	New River Gardens, Willow Woods
Tenant Characteristics	Families from Radford, Montgomery, and Giles Counties
Contact Name	Cynthia
Phone	540.633.6166



Market Information

Program	@50%
Annual Turnover Rate	38%
Units/Month Absorbed	0
HCV Tenants	44%
Leasing Pace	One week
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	8	1,072	\$645	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (3 stories)	24	1,304	\$715	\$0	@50%	No	1	4.2%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$645	\$0	\$645	\$0	\$645
3BR / 2BA	\$715	\$0	\$715	\$0	\$715

Ridgewood Place Family, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Exterior Storage		
Ceiling Fan	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		

Comments

The contact reported the property typically operates on a first come, first served basis and does not maintain an official waiting list. She noted the property will keep an interest list of households actively looking to move but no application or deposits are required. The contact stated rents remained stable over the past year and are expected to increase \$25 for both the two- and three-bedroom units in March of 2019.

Ridgewood Place Family, continued

Trend Report

Vacancy Rates

2Q07	4Q07	3Q10	1Q19
9.4%	3.1%	0.0%	3.1%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	0.0%	\$455	\$0	\$455	\$455
2007	4	0.0%	\$455	\$0	\$455	\$455
2010	3	0.0%	\$485	\$0	\$485	\$485
2019	1	0.0%	\$645	\$0	\$645	\$645

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	12.5%	\$525	\$0	\$525	\$525
2007	4	4.2%	\$455	\$0	\$455	\$455
2010	3	0.0%	\$555	\$0	\$555	\$555
2019	1	4.2%	\$715	\$0	\$715	\$715

Trend: Comments

2Q07	The property was built on fill dirt and has some structural problems due to the shifting foundation, which has caused the three three-bedroom units to be taken off-line and remain vacant.
4Q07	Contact stated that in this area, there is a need for conventional housing. There are 6 people on the wait list.
3Q10	According to our interview, the waiting list had recently been purged and there were approximately four households waiting for each unit type. Our contact believed that the waiting list would increase quickly due to a high volume of potential tenants. There were 16 tenants residing at the property whose rents were subsidized through the Virginia Housing Development Authority.
1Q19	The contact reported the property typically operates on a first come, first served basis and does not maintain an official waiting list. She noted the property will keep an interest list of households actively looking to move but no application or deposits are required. The contact stated rents remained stable over the past year and are expected to increase \$25 for both the two- and three-bedroom units in March of 2019.

Photos



PROPERTY PROFILE REPORT

Cedarfield Apartments

Effective Rent Date	1/03/2019
Location	200 Old Cedarfield Drive Blacksburg, VA 24060 Montgomery County
Distance	9.5 miles
Units	106
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (2 stories)
Year Built/Renovated	1993 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mostly students
Contact Name	Jason
Phone	540-961-0500



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	0
HCV Tenants	0%
Leasing Pace	Pre-Lease to 2 weeks
Annual Chg. in Rent	Increase 1 to 3%
Concession	None
Waiting List	Yes, for August move in

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	4	652	\$863	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Lowrise (2 stories)	16	792	\$926	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Lowrise (2 stories)	12	869	\$967	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Lowrise (2 stories)	36	992	\$1,050	\$0	Market	Yes	0	0.0%	N/A	None
2	2.5	Lowrise (2 stories)	6	1,280	\$1,300	\$0	Market	Yes	0	0.0%	N/A	None
3	2.5	Lowrise (2 stories)	32	1,444	\$1,560	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$863 - \$926	\$0	\$863 - \$926	\$50	\$913 - \$976
2BR / 1BA	\$967	\$0	\$967	\$65	\$1,032
2BR / 2BA	\$1,050	\$0	\$1,050	\$65	\$1,115
2BR / 2.5BA	\$1,300	\$0	\$1,300	\$65	\$1,365
3BR / 2.5BA	\$1,560	\$0	\$1,560	\$79	\$1,639

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Window A/C	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Basketball Court	Off-Street Parking(\$0.00)	None	None
On-Site Management	Picnic Area		
Recreation Areas	Volleyball Court		

Comments

The contact provided limited information. A waiting list is currently maintained for August move ins but the length was not provided.

Trend Report

Vacancy Rates

2Q18	1Q19
0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$840 - \$940	\$0	\$840 - \$940	\$890 - \$990
2019	1	0.0%	\$863 - \$926	\$0	\$863 - \$926	\$913 - \$976

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$967	\$0	\$967	\$1,032

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,250	\$0	\$1,250	\$1,315
2019	1	0.0%	\$1,300	\$0	\$1,300	\$1,365

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,030	\$0	\$1,030	\$1,095
2019	1	0.0%	\$1,050	\$0	\$1,050	\$1,115

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,520	\$0	\$1,520	\$1,599
2019	1	0.0%	\$1,560	\$0	\$1,560	\$1,639

Trend: Comments

2Q18 No additional comments.

1Q19 The contact provided limited information. A waiting list is currently maintained for August move ins but the length was not provided.

Photos



PROPERTY PROFILE REPORT

Highland Village

Effective Rent Date	1/03/2019
Location	400 Robey Street Radford, VA 24141 Radford County
Distance	0.2 miles
Units	217
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1984 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Hunter's Ridge
Tenant Characteristics	90% are students
Contact Name	Heather
Phone	540-731-1336



Market Information

Program	Market
Annual Turnover Rate	24%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	None reported
Concession	None
Waiting List	Yes - Undisclosed

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	37	340	\$435	\$0	Market	Yes	0	0.0%	N/A	None
1.5	1	Garden (3 stories)	60	546	\$540	\$0	Market	Yes	0	0.0%	N/A	None
1.5	1	Garden (3 stories)	6	654	\$675	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	34	654	\$780	\$0	Market	Yes	0	0.0%	N/A	None
2.5	1	Garden (3 stories)	20	754	\$820	\$0	Market	Yes	0	0.0%	N/A	None
2.5	1	Garden (3 stories)	37	860	\$850	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	2	1,280	\$1,380	\$0	Market	Yes	0	0.0%	N/A	None
4	2	Garden (3 stories)	21	1,280	\$1,680	\$0	Market	Yes	0	0.0%	N/A	None

Highland Village, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$435	\$0	\$435	-\$41	\$394
1.5BR / 1BA	\$540 - \$675	\$0	\$540 - \$675	-\$41	\$499 - \$634
2BR / 1BA	\$780	\$0	\$780	-\$55	\$725
2.5BR / 1BA	\$820 - \$850	\$0	\$820 - \$850	-\$55	\$765 - \$795
3BR / 2BA	\$1,380	\$0	\$1,380	-\$67	\$1,313
4BR / 2BA	\$1,680	\$0	\$1,680	-\$83	\$1,597

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	Shuttle Service
Central A/C	Coat Closet		
Dishwasher	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Basketball Court	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Swimming Pool		
Volleyball Court			

Comments

The property maintains a waiting list for the 2019-2020 school year, since majority of the tenants are students. The contact was unsure of how many applicants were on the waitlist. The property does not charge by the bedroom but the majority of tenants are students and most leases run from August through July. Rents typically increase in July but there were not rent increases during the past year.

Trend Report

Vacancy Rates

3Q10	2Q18	4Q18	1Q19
0.0%	0.0%	0.0%	0.0%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	0.0%	\$540 - \$675	\$0	\$540 - \$675	\$499 - \$634
2019	1	0.0%	\$540 - \$675	\$0	\$540 - \$675	\$499 - \$634

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$385 - \$595	\$0	\$385 - \$595	\$344 - \$554
2018	2	0.0%	\$435 - \$675	\$0	\$435 - \$675	\$394 - \$634
2018	4	0.0%	\$435	\$0	\$435	\$394
2019	1	0.0%	\$435	\$0	\$435	\$394

2.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	0.0%	\$820 - \$850	\$0	\$820 - \$850	\$765 - \$795
2019	1	0.0%	\$820 - \$850	\$0	\$820 - \$850	\$765 - \$795

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$620 - \$670	\$0	\$620 - \$670	\$565 - \$615
2018	2	0.0%	\$780 - \$850	\$0	\$780 - \$850	\$725 - \$795
2018	4	0.0%	\$780	\$0	\$780	\$725
2019	1	0.0%	\$780	\$0	\$780	\$725

3.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$847	\$0	\$847	\$780
2018	2	0.0%	\$980	\$0	\$980	\$913
2018	4	0.0%	\$1,380	\$0	\$1,380	\$1,313
2019	1	0.0%	\$1,380	\$0	\$1,380	\$1,313

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	N/A	\$1,043	\$0	\$1,043	\$960
2018	2	0.0%	\$1,080	\$0	\$1,080	\$997
2018	4	0.0%	\$1,680	\$0	\$1,680	\$1,597
2019	1	0.0%	\$1,680	\$0	\$1,680	\$1,597

Trend: Comments

- 3Q10 In 1 and 2 bedroom units, all the utilities are paid. In the 3 and 4 bedroom units, tenants must pay all utilities except for trash collection. As such, we have added a utility allowance of \$127 and \$203 to the three and four-bedroom units, respectively, to account for the utility structure differences. This addition is based on the utility allowance provided by the Virginia Housing Development Authority. There were approximately 20 households on the overall waiting list.
- 2Q18 The property maintains an extensive waiting list; however, wait length was undisclosed.
- 4Q18 The property maintains a waiting list for the 2019-2020 school year, since majority of the tenants are students. The contact was unsure of how many applicants were on the waitlist.
- 1Q19 The property maintains a waiting list for the 2019-2020 school year, since majority of the tenants are students. The contact was unsure of how many applicants were on the waitlist. The property does not charge by the bedroom but the majority of tenants are students and most leases run from August through July. Rents typically increase in July but there were not rent increases during the past year.

Photos



PROPERTY PROFILE REPORT

Highlands At Huckleberry Ridge

Effective Rent Date	1/03/2019
Location	535 Blackrock Drive Blacksburg, VA 24060 Montgomery County
Distance	7.6 miles
Units	247
Vacant Units	1
Vacancy Rate	0.4%
Type	Garden (2 stories)
Year Built/Renovated	2015 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mix of local area professionals and some students at VT
Contact Name	Danielle
Phone	540-552-0826



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Varies
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	20	918	\$1,065	\$0	Market	No	0	0.0%	N/A	None
1.5	1	Garden (2 stories)	20	1,216	\$1,145	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	94	1,209	\$1,175	\$0	Market	No	1	1.1%	N/A	None
2.5	2	Garden (2 stories)	60	1,506	\$1,294	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	53	1,363	\$1,349	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,065	\$0	\$1,065	\$62	\$1,127
1.5BR / 1BA	\$1,145	\$0	\$1,145	\$62	\$1,207
2BR / 2BA	\$1,175	\$0	\$1,175	\$77	\$1,252
2.5BR / 2BA	\$1,294	\$0	\$1,294	\$77	\$1,371
3BR / 2BA	\$1,349	\$0	\$1,349	\$91	\$1,440

Highlands At Huckleberry Ridge, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$140.00)		
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Swimming Pool		

Comments

The contact reported the property is typically at or near 100 percent occupancy. She noted turnover tends to be higher during the summer months as many leases run through July. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and grad students residing at the property. Garages are priced between \$120 to \$140 based on size. The contact noted a second phase of the property with approximately an additional 100 units are under construction and expected to be completed in late March of 2019.

Highlands At Huckleberry Ridge, continued

Trend Report

Vacancy Rates

2Q18	1Q19
0.0%	0.4%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,145	\$0	\$1,145	\$1,207
2019	1	0.0%	\$1,145	\$0	\$1,145	\$1,207

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,045	\$0	\$1,045	\$1,107
2019	1	0.0%	\$1,065	\$0	\$1,065	\$1,127

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,294	\$0	\$1,294	\$1,371
2019	1	0.0%	\$1,294	\$0	\$1,294	\$1,371

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,200	\$0	\$1,200	\$1,277
2019	1	1.1%	\$1,175	\$0	\$1,175	\$1,252

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,349	\$0	\$1,349	\$1,440
2019	1	0.0%	\$1,349	\$0	\$1,349	\$1,440

Trend: Comments

2Q18	The contact reported the property is typically at 100 percent occupancy and currently there are four units on notice. She noted turnover tends to be higher during the summer months as many leases run through July. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and students residing at the property.
1Q19	The contact reported the property is typically at or near 100 percent occupancy. She noted turnover tends to be higher during the summer months as many leases run through July. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and grad students residing at the property. Garages are priced between \$120 to \$140 based on size. The contact noted a second phase of the property with approximately an additional 100 units are under construction and expected to be completed in late March of 2019.

Photos



PROPERTY PROFILE REPORT

The Mill At Blacksburg

Effective Rent Date	1/03/2019
Location	1811 Grayland Street Blacksburg, VA 24060 Montgomery County
Distance	9.7 miles
Units	160
Vacant Units	1
Vacancy Rate	0.6%
Type	Garden (3 stories)
Year Built/Renovated	1968 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mix of local area households and some students
Contact Name	Roxie
Phone	540-552-4272



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	Increased 3%-4%
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	53	535	\$799	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	54	780	\$839	\$0	Market	No	1	1.9%	N/A	None
3	1	Garden (3 stories)	53	1,025	\$1,065	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$799	\$0	\$799	\$0	\$799
2BR / 1BA	\$839	\$0	\$839	\$0	\$839
3BR / 1BA	\$1,065	\$0	\$1,065	\$0	\$1,065

The Mill At Blacksburg, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Coat Closet	Dishwasher		
Ceiling Fan	Microwave		
Oven	Refrigerator		
Wall A/C			
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management	Picnic Area		
Swimming Pool	Volleyball Court		

Comments

The contact reported a mix of mostly students at Virginia Tech as well as some local area households. The property does not charge rents by the bedroom. The majority of leases run from August through July.

Trend Report

Vacancy Rates

2Q18	1Q19
0.0%	0.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$770	\$0	\$770	\$770
2019	1	0.0%	\$799	\$0	\$799	\$799

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$839	\$0	\$839	\$839
2019	1	1.9%	\$839	\$0	\$839	\$839

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,065	\$0	\$1,065	\$1,065
2019	1	0.0%	\$1,065	\$0	\$1,065	\$1,065

Trend: Comments

2Q18	The contact reported a mix of local area households as well as students at Virginia Tech. The property does not charge rents by the bedroom.
1Q19	The contact reported a mix of mostly students at Virginia Tech as well as some local area households. The property does not charge rents by the bedroom. The majority of leases run from August through July.

Photos



PROPERTY PROFILE REPORT

The Reserve At Knollwood

Effective Rent Date	1/16/2019
Location	2401 Pamela Way Blacksburg, VA 24060 Montgomery County
Distance	9 miles
Units	111
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Smith Landing, Highlands at Huckleberry
Tenant Characteristics	Most are medical students, some families
Contact Name	Matt (Knollwood Properties)
Phone	540-961-0500



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 2.8% up to 25%
Concession	None
Waiting List	Yes, for fall semester leasing

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	691	\$1,079	\$0	Market	Yes	0	N/A	N/A	AVG*
1	1	Garden (3 stories)	N/A	715	\$1,087	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	667	\$1,071	\$0	Market	Yes	0	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	1,076	\$1,401	\$0	Market	Yes	0	N/A	N/A	AVG*
2	2	Garden (3 stories)	N/A	1,093	\$1,423	\$0	Market	Yes	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,058	\$1,379	\$0	Market	Yes	0	N/A	N/A	LOW
3	3	Garden (3 stories)	N/A	1,182	\$1,792	\$0	Market	Yes	0	N/A	N/A	AVG*
3	3	Garden (3 stories)	N/A	1,255	\$1,817	\$0	Market	Yes	0	N/A	N/A	HIGH
3	3	Garden (3 stories)	N/A	1,108	\$1,767	\$0	Market	Yes	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,071 - \$1,087	\$0	\$1,071 - \$1,087	\$50	\$1,121 - \$1,137
2BR / 2BA	\$1,379 - \$1,423	\$0	\$1,379 - \$1,423	\$65	\$1,444 - \$1,488
3BR / 3BA	\$1,767 - \$1,817	\$0	\$1,767 - \$1,817	\$79	\$1,846 - \$1,896

The Reserve At Knollwood, continued

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	None	None
Central A/C	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Off-Street Parking(\$0.00)	Swimming Pool		

Comments

This property was FKA Knollwood Reserve. The property typically stays fully occupied with low turnover during August through May with most turnover occurring during the summer months. Length of the current waiting list was not provided but those on the list are waiting for fall semester move ins.

Trend Report

Vacancy Rates

3Q15	2Q18	1Q19
0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$935 - \$950	\$0	\$935 - \$950	\$985 - \$1,000
2018	2	N/A	\$1,036 - \$1,061	\$0	\$1,036 - \$1,061	\$1,086 - \$1,111
2019	1	N/A	\$1,071 - \$1,087	\$0	\$1,071 - \$1,087	\$1,121 - \$1,137

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,208 - \$1,250	\$0	\$1,208 - \$1,250	\$1,273 - \$1,315
2018	2	N/A	\$1,245 - \$1,270	\$0	\$1,245 - \$1,270	\$1,310 - \$1,335
2019	1	N/A	\$1,379 - \$1,423	\$0	\$1,379 - \$1,423	\$1,444 - \$1,488

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$1,419 - \$1,466	\$0	\$1,419 - \$1,466	\$1,498 - \$1,545
2018	2	N/A	\$1,428 - \$1,438	\$0	\$1,428 - \$1,438	\$1,507 - \$1,517
2019	1	N/A	\$1,767 - \$1,817	\$0	\$1,767 - \$1,817	\$1,846 - \$1,896

Trend: Comments

3Q15	The contact could not comment on absorption information from 2013 to present. The property maintains waiting lists that are purged annually.
2Q18	This property was FKA Knollwood Reserve. The property contact reported 100 percent occupancy. The contact could not comment on absorption information from 2013 to present. The property maintains waiting lists that are purged annually.
1Q19	This property was FKA Knollwood Reserve. The property typically stays fully occupied with low turnover during August through May with most turnover occurring during the summer months. Length of the current waiting list was not provided but those on the list are waiting for fall semester move ins.

Photos

