



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET FEASIBILITY STUDY OF:
THE HEIGHTS AT
JACKSON VILLAGE**

A MARKET FEASIBILITY STUDY OF:

THE HEIGHTS AT JACKSON

VILLAGE

Northeast of US-1 and Old Telegraph Road Intersection
Fredericksburg, Spotsylvania County, Virginia 22407

Effective Date: March 11, 2019
Report Date: June 16, 2019

Prepared for:
Mr. RJ Pasquesi
KCG Development
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Assignment Code: 10189886

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June 16, 2019

Mr. RJ Pasquesi
KCG Development
11555 N Meridian Street, Suite 400
Carmel, IN 46032

Re: Market Study - Application for The Heights at Jackson Village, located in Fredericksburg, Virginia

Dear Mr. Pasquesi:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Fredericksburg, Virginia area relative to the above-referenced proposed Low-Income Housing Tax Credit (LIHTC) age-restricted project. We have not performed any services relating to this project in the past three years.

The purpose of this market study is to assess the viability of The Heights at Jackson Village, a proposed LIHTC age-restricted property. The Subject will offer 187 units restricted to senior households ages 55 and above at 60 percent of the Area Median Income (AMI) or less. The client 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 VHDA. This report conforms to VHDA guidelines and no others for simplicity. Furthermore, this document conforms to the prescribed format VHDA stipulates. Another user may find the format not useful.

The scope of this report meets the 2019 market study requirements of the VHDA, including the following:

- Inspecting the Subject, and its general location.
- Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.
- Investigating the general economic health and conditions of the multifamily rental market.
- Estimating the number of income-eligible households and performing an analysis of relevant demographic demand for the Subject.
- Analyzing the economic and social conditions in the market area, in relation to the project.
- Establishing the Subject's Primary and Secondary Market Area(s), if applicable.
- Surveying competing projects, both LIHTC and market-rate.

Novogradac & Company LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). The NCHMA certification and checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located. It should be noted that this report generally conforms to these requirements, but departs in areas as required by VHDA.

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. 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 AND CONCLUSIONS

The Heights at Jackson Village (“Subject”) is a proposed age-restricted LIHTC development that will consist of 187 high-quality affordable age-restricted housing units for seniors 55 and older in Fredericksburg, Virginia. The Subject will offer 187 one- and two-bedroom age-restricted units to low-income senior households earning 60 percent of the Area Median Income (AMI) or less. The Subject site will be located northeast of the US-1 and Old Telegraph Road intersection in Fredericksburg, Spotsylvania County, Virginia 22407. The Subject is not technically located in the city of Fredericksburg; however, it uses a Fredericksburg mailing address and this is common for unincorporated areas of Spotsylvania County. We have been asked to evaluate the Subject as proposed. Once placed in service, the Subject will offer 187 residential units restricted to senior households earning 60 percent of AMI or less. The Subject will give preference to income-eligible senior and veteran households. Construction is anticipated to begin in September 2019 with anticipated completion in March 2022.

As proposed, the Subject will offer 111 one- and 76 two-bedroom residential units contained in two five-story midrise residential buildings with elevator service, in addition to one single-story clubhouse/leasing office. The Subject’s buildings will be constructed of masonry and fiber cement exteriors. The following table details the proposed unit mix and rent structure for the proposed Subject.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents
				@60%			
1BR / 1BA	650	111	\$1,261	\$104	\$1,365	\$1,365	\$1,698
2BR / 1BA	850	76	\$1,506	\$132	\$1,638	\$1,638	\$2,123
Total		187					

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

Once placed in service, the the Subject will restrict all 187 units to senior households aged 55 and over earning 60 percent of AMI or less. The proposed LIHTC rents for units at 60 percent AMI are set at the 2019 maximum allowable levels for all unit types.

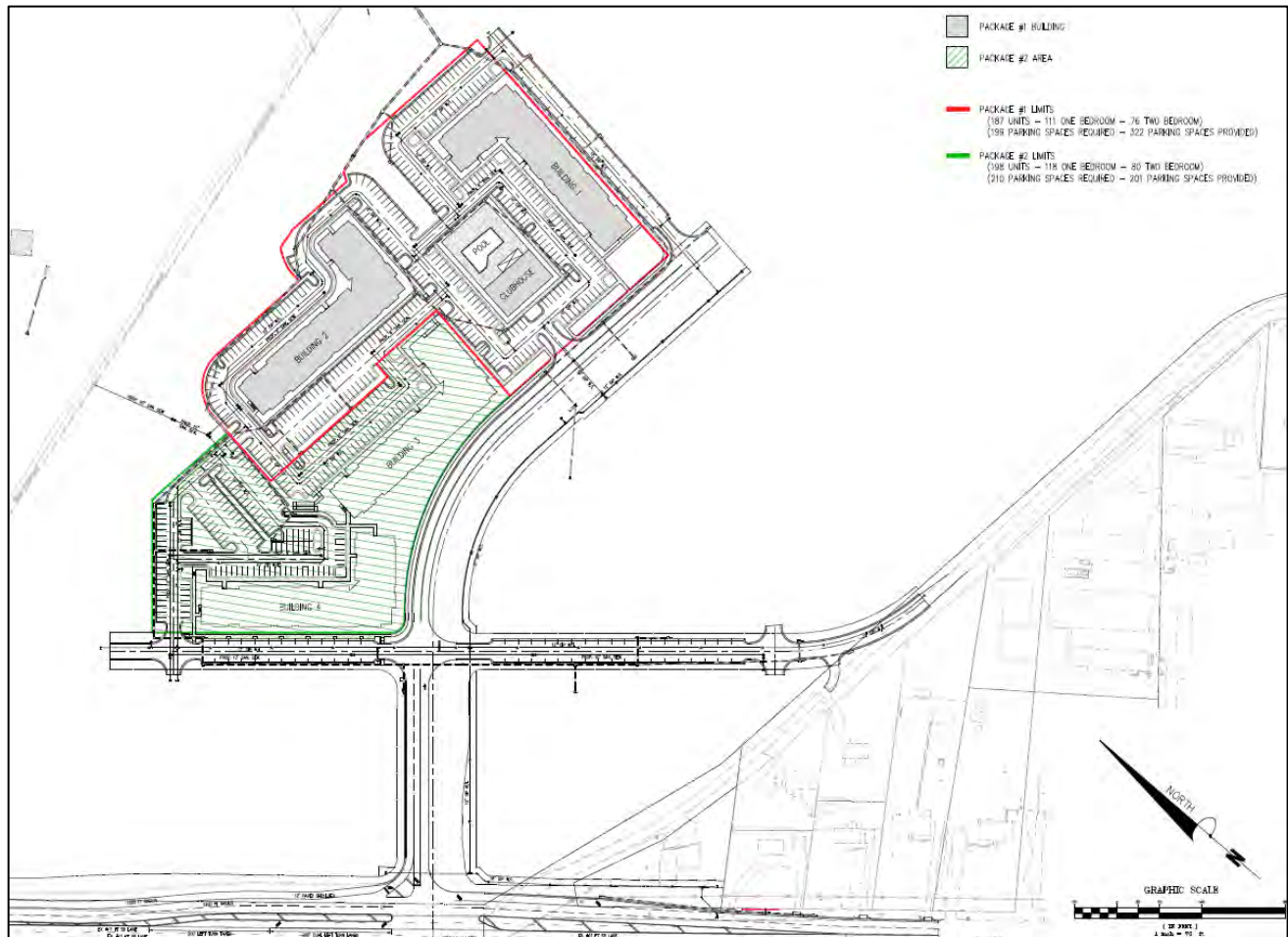
Surrounding Land Uses:

The Subject site is located in the Massaponax neighborhood, a mixed-use area approximately six miles south of downtown Fredericksburg. The Subject site will consist of a portion of a larger 8.4-acre parcel at the intersection of US-1 and Old Telegraph Road, that will later include both Phase I (Subject) and Phase II of the planned development.

Land uses to the west include undeveloped wooded land, followed by US-1, a major north/south highway. Land use north of the Subject site consists of The Allure at Jefferson, a multifamily use currently under construction, followed by Cosner’s Corner, a retail shopping center with more than 75 restaurants and stores. Land use immediately east of the Subject site consists of vacant undeveloped wooded land, followed by Spotsylvania Regional Medical Center, a prominent general hospital in the area. Land use immediately south of the Subject site consists of single-family homes in fair to good condition, a light industrial use, followed by Orchard Place At Jackson Village I and II, two LIHTC multifamily properties that were utilized as comparables in this report. Land use west of the Subject includes an automotive oriented use, undeveloped wooded land, and various retail and commercial uses. Farther west is Virginia Heritage Plantations, a single-family community with houses ranging in price from \$339,900 to \$465,000.

Site Description:

Based on a preliminary site layout of the Subject, provided by the client, the Subject site will have an irregular shape. Access to the Subject will be provided via a newly constructed roadway extending eastward beginning slightly north of the intersection of US-1 and Old Telegraph Road. The proposed Subject site is currently undeveloped wooded land with gently rolling topography. Further, the proposed plans include an additional new north/south roadway that will run along the development’s western boundary, parallel to US-1, providing a secondary means of access to Old Telegraph Road less than 0.2-mile south of the Subject. A map of the site layout, including both phases of the development, is provided below. The Subject (Phase I) is outlined in red in the following map.



Scope of Construction:

The Subject will be new construction and will be improved with two five-story midrise residential buildings with elevator service, in addition to one single-story clubhouse/leasing office. The Subject’s buildings will be constructed of masonry and fiber cement exteriors. It should be noted that construction costs for the development of the Subject were not provided by the client.

Target Household Income Levels:

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

55+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
1BR	\$40,950	\$58,260
2BR	\$49,140	\$58,260

Economic Conditions

Major employers in Spotsylvania County and Fredericksburg City region are primarily concentrated within the healthcare, public administration, educational services, and retail sectors, which is similar to the most heavily concentrated sectors in the PMA. As of December 2018, the unemployment rate in the MSA was reported to be 2.9 percent, which is lower than the nation and below the December 2017 unemployment rate of 3.3 percent. Overall, it appears the MSA was affected by the recent national recession, but recovered far more quickly than the nation, with unemployment remaining relatively low. It should be noted that due to the smaller total employment pool in the MSA, employment variations appear more significant on a percentage basis.

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 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 PMA encompasses 197 square miles and an approximate drive time zone of 20 minutes.

The Subject property is located six miles south of downtown Fredericksburg, Virginia. The PMA is generally defined as the city of Fredericksburg, the eastern portion of Spotsylvania, and areas of northern Caroline County, Virginia. The PMA boundaries are defined as U.S Highway 3, Interstate 95, and Warrenton Road to the north, Fredericksburg Turnpike and Muddy Creek to the east, State Routes 606 and 208 to the south, and Lake Anna Parkway, Old Block House Lane, and Gordon Road to the west. The PMA was defined based on our conversations with local market participants, including property managers, as well as our physical inspection of the market. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro area. We have estimated that 15 percent of the Subject’s tenants will come from outside of these boundaries.

Demographic Data

The PMA is an area of population and household growth among both the general population and households with senior head households ages 55 and older. The PMA and MSA have shown moderate to strong population and household growth figures over the last decade among both demographic groups of analysis. Population and household growth among seniors in the PMA, MSA, and nation is expected to increase at an annual rate above the general population relatively stable through 2023. The PMA and MSA have both exhibited annual population growth rates that exceeded the nation. Approximately 45.2 percent of senior renter households 55 and older in the PMA have annual incomes below \$59,999 as of 2018. The Subject will set-aside all 187 units for senior households earning 60 percent AMI or less. The Subject will target senior households ages 55 and over earning incomes ranging from \$40,950 to \$58,260, per the 2019 minimum allowable income for one-bedroom units at 60 percent of AMI. As a result, a considerable amount of senior renter households in the PMA will be income eligible to reside at the Subject. With a growing number of senior renters ages 55 and older in the PMA and a large percentage of those renters with low to moderate incomes, coupled with an aging housing stock, we project that there will be substantial demand for new or renovated affordable housing units.

Vacancy Levels

The following table summarizes overall weighted vacancy levels at the surveyed properties.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Crestview Apartments	LIHTC	Family	180	1	0.6%
Kings Crest Senior Apartments	LIHTC	Senior	100	1	1.0%
New Post Apartments	LIHTC	Family	102	5	4.9%
Orchard Ridge At Jackson Village	LIHTC	Family	169	0	0.0%
Orchard Ridge At Jackson Village II	LIHTC	Family	62	6	9.7%
Overlook Terrace	LIHTC	Family	72	1	1.4%
Abberly At Southpoint	Market	Family	280	6	2.1%
Evergreens At Smith Run	Market	Senior	130	5	3.8%
Silver Collection At Cosner's Corner	Market	Family	274	27	9.9%
Station Square At Cosner's Corner	Market	Family	380	27	7.1%
The Allure At Jefferson	Market	Family	48	6	12.5%
Total LIHTC			685	14	2.0%
Total Market Rate			1,112	71	6.4%
Overall Total			1,797	85	4.7%

The comparables reported vacancy rates ranging from zero to 12.5 percent, with a weighted average of 4.7 percent overall. The average vacancy rate reported by the affordable comparables was two percent, which is significantly below the 6.4 percent average reported by the market rate properties. Excluding the reported vacancy rate of Orchard Ridge at Jackson Village II which is nearing the end of its lease-up phase, the weighted vacancy rate among the LIHTC comparables is 1.2 percent. Orchard Ridge at Jackson Village reported 100 percent occupancy and maintains a waiting list for one- and three-bedroom unit types. Two of the remaining affordable comparables (Crestview Apartments and Kings Crest Senior Apartments) reported respective vacancy rates of 0.6 and one percent, each with only one vacant unit. All of the market rate properties (excluding The Allure at Jefferson) reported vacancy rates of 9.9 percent or lower. As previously noted, The Allure at Jefferson, which reported 12.5 percent vacancy, is still under construction but is leasing units as residential buildings come online, with 48 completed units and six vacant. The property will consist of 338 total units once complete. Based on the low vacancy rates of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately three percent or less once complete and stabilized.

Vacancy By Bedroom

The following table illustrates vacancy by bedroom type for the comparable properties surveyed. Two properties were unable to breakout vacancy by unit types.

VACANCY BY BEDROOM TYPE						
Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Crestview Apartments	LIHTC	Family	0.0%	0.0%	2.1%	0.6%
Kings Crest Senior Apartments	LIHTC	Senior	0.0%	2.1%	-	1.0%
New Post Apartments	LIHTC	Family	0.0%	-	-	4.9%
Orchard Ridge At Jackson Village	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Orchard Ridge At Jackson Village II	LIHTC	Family	N/Av	N/Av	N/Av	9.7%
Overlook Terrace	LIHTC	Family	0.0%	2.8%	0.0%	1.4%
Abberly At Southpoint	Market	Family	4.2%	0.6%	0.0%	2.1%
Evergreens At Smith Run	Market	Senior	6.4%	0.9%	-	3.8%
Silver Collection At Cosner's Corner	Market	Family	9.2%	10.6%	8.3%	9.9%
Station Square At Cosner's Corner	Market	Family	1.1%	12.5%	10.8%	7.1%
The Allure At Jefferson	Market	Family	N/Av	N/Av	N/Av	12.5%
Average Vacancy			2.3%	3.7%	3.5%	

The Subject will consist of 187 one- and two-bedroom age-restricted LIHTC units. The weighted average vacancy rates are detailed beneath each bedroom type in the above table. As illustrated, the vacancy rates as reported by bedroom type in the market are low, and five LIHTC comparables reported zero vacant one-bedroom units and two reported full occupancy for two-bedroom units. This bodes well for the Subject's proposed unit types. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing multifamily properties in the market.

Historical Vacancy Levels

HISTORICAL VACANCY									
#	Property Name	Program	Total Units	YOC	2015 Q1	2016 Q4	2018 Q2	2019 Q1	2019 Q2
1	Crestview Apartments	LIHTC	180	2000	2.20%	2.20%	0.60%	0.60%	0.60%
2	Kings Crest Senior Apartments	LIHTC	100	1999	N/Av	N/Av	0.00%	1.00%	1.00%
3	New Post Apartments	LIHTC	102	2017	-	-	78.40%	6.90%	4.90%
4	Orchard Ridge At Jackson Village	LIHTC	169	2018	-	-	N/Av	18.90%	0.00%
5	Orchard Ridge At Jackson Village II	LIHTC	62	2019	-	-	-	22.58%	9.70%
6	Overlook Terrace	LIHTC	72	2016	-	48.60%	N/A	N/A	1.40%
7	Abberly At Southpoint	Market	280	2016	-	N/Av	6.40%	0.70%	2.10%
8	Evergreens At Smith Run	Market	130	2003	N/Av	N/Av	3.10%	2.30%	3.80%
9	Silver Collection At Cosner's Corner	Market	274	2016	-	-	N/A	5.80%	9.90%
10	Station Square At Cosner's Corner	Market	380	2013	N/Av	1.80%	1.10%	1.80%	7.10%
11	The Allure At Jefferson	Market	48	2019	-	-	-	29.20%	12.50%

As illustrated in the table above, the vacancy rates (where available) at the LIHTC comparable properties have remained relatively low since 2016. Overlook Terrace and New Post Apartments were constructed in 2016 and 2017, respectively, and as such, exhibited elevated vacancy rates at the time of their initial survey during their lease-up phases. New Post Apartments exhibited a rapid rate of absorption through 2018 and early 2019, as illustrated by subsequent vacancy rates of 6.9 percent (Q1 2019) and 4.9 percent (Q2 2019). Currently, this property reported 4.9 percent vacancy, with five units preleased and a waiting list. Orchard Ridge at Jackson Village was completed in May 2018 and is currently 100 percent occupied. This property, as well as Orchard Ridge at Jackson Village II reported a waiting list for its one- and three-bedroom unit types. Orchard Ridge at Jackson Village II is in its absorption period and currently has six vacant units with 9.7 percent vacancy, according to the manager. As illustrated above, vacancy rates at the comparable properties are improvements over, or consistent with, our previous interviews. This indicates consistent demand for rental housing in the market, even with an influx of new supply.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible senior renter households. When viewing total income-eligible senior renter households, the calculation for the LIHTC units at 60 percent AMI is 16.7 percent, as proposed.

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 senior renter households that are rent-overburdened (paying over 40 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 62.8 percent for the first year of operation. This suggests that the Subject will need to capture a fraction of the available demand in its first year of operation in order to stabilize.

This calculation illustrates that there are approximately 1,122 units of demand in the first year of the Subject’s operation as a LIHTC property. The Subject’s units will need to accommodate 177 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 - LIHTC Units As Proposed	16.7%
Project Wide Absorption Period (months) As Proposed	6 months

This is a moderate capture rate and indicative of ample demand for the Subject.

Strengths

- The Subject will be new construction, offering excellent age and condition and will be in slightly superior to superior to the majority of the comparables upon completion in 2022.
- The Subject will offer similar to superior in-unit amenities and similar to superior property amenities compared to the majority of the surveyed comparables.
- The Subject will offer a desirable unit mix of one- and two-bedrooms targeting senior-households of one- to three-person households, considered a competitive advantage in the PMA with the limited number of comparable senior LIHTC properties of similar quality and age.
- The average vacancy rate reported by the affordable comparables was 1.2 percent (excluding Orchard Ridge at Jackson Place II, which is at the end of its lease-up phase). Average vacancy among market rate properties is 6.4 percent. This indicates a supply-constrained demand, especially for low-income housing, which bodes well for the Subject.
- The majority of the LIHTC comparable properties reported extensive waiting lists for all unit types and LIHTC comparable property managers reported significant potential applicant traffic, ranging from 50 to 200 inquiries per week. Additionally, anecdotal evidence and conversations with property managers indicated high demand for senior affordable housing in the area; notably, our conversations pointed out the expanded market area from which properties in Fredericksburg draw tenants and that potential senior tenants could possibly be drawn from areas ranging from Washington D.C to Richmond, Virginia.
- The Subject site is conveniently located near shopping areas and readily accessible by public transportation options, services, and amenities.
- The Subject has moderate capture rates and penetration rates, indicating that there is ample demand for additional senior affordable housing in the market.

Weaknesses

- The Subject's unit sizes are similar to slightly inferior to a majority of the comparables. However, based on the proposed senior tenancy, we believe the unit sizes are functional and will be well accepted in the market.
-

Recommendations

In general, we believe there is demand in the marketplace for the Subject. We recommend achievable LIHTC rents of **\$1,225** and **\$1,425** for the Subject's one- and two-bedroom units at 60 percent of the AMI, respectively. Our concluded LIHTC rents are slightly below the developer's proforma rents but in line with and slightly above the LIHTC comparables that reported achieving maximum allowable levels. Additionally, the market has reported strong occupancy rates among surveyed comparables, extensive waiting lists for affordable senior housing, and strong absorption rates for recently completed or under construction multifamily properties.

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

B. INTRODUCTION AND SCOPE OF

Novogradac & Company LLP has performed a comprehensive market study of the multifamily rental market in the Fredericksburg, Virginia area relative to The Heights at Jackson Village, a proposed LIHTC age-restricted senior development. We have not performed any services on this project in the past three years.

W O R K

INTRODUCTION AND SCOPE OF WORK

Report Description:

Developer/Client Information: KCG Development.

Intended Use and Users of the Report: The report will be submitted to the Virginia Housing Development Authority (VHDA) for application purposes. The intended users of the report are VHDA and KCG Development.

Scope of the Report:

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

Effective Date: The Subject site was inspected by Sebastian Abrigo on March 11, 2019, which shall be the effective date of this report.

Primary Contact for the Report: Brad Weinberg, MAI, CRE (Brad.Weinberg@novoco.com);
Lindsey Sutton (Lindsey.Sutton@novoco.com);
Jennifer Stapelfeld (Jennifer.Stapelfeld@novoco.com);

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

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

Site Description:

Based on a preliminary site layout of the Subject, provided by the client, the Subject site will have an irregular shape. Access to the Subject will be provided via a newly constructed roadway extending eastward beginning slightly north of the intersection of US-1 and Old Telegraph Road. The proposed Subject site is currently undeveloped wooded land with gently rolling topography. Further, the proposed plans include an additional new north/south roadway that will run along the development's western boundary, parallel to US-1, providing a secondary means of access to Old Telegraph Road less than 0.2-mile south of the Subject.

Construction Type:

The Subject will be new construction.

Occupancy Type:

The Subject's 187 rental homes will be reserved for residents 55 and older who earn 60 percent or less of the area median income. The Subject will give preference to income-eligible senior and veteran households.

Proposed Rents:

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

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Max Allowable Gross Rent	2019 HUD Fair Market Rents
				@60%			
1BR / 1BA	650	111	\$1,261	\$104	\$1,365	\$1,365	\$1,698
2BR / 1BA	850	76	\$1,506	\$132	\$1,638	\$1,638	\$2,123
Total		187					

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

Once placed in service, the Subject will restrict all of its 187 units to senior households age 55 and over earning 60 percent of AMI or less. The proposed rents are set at the 2019 maximum allowable LIHTC level at the 60 percent AMI set-aside for all units.

Assisted Housing Program:

To our knowledge based on information provided by the client none of the Subject's units will operate with rental assistance.

Construction Date:

Construction will commence in September 2019 and is projected to be completed in March 2022.

Target Household Income Levels:

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

55+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
1BR	\$40,950	\$58,260
2BR	\$49,140	\$58,260

Utility Structure:

Tenants at the Subject will be responsible for electric cooking, electric hot water, electric heat and central air-conditioning, other electric, cold water, and sewer expenses. Trash removal expenses will be paid by the landlord. The comparable properties' utility structures are illustrated in the respective property summaries and are adjusted appropriately to account for differences relative to the Subject, based on the one-exposed wall utility allowances provided by the Virginia Housing Development Authority (VHDA), effective July 1, 2018.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR
Heating - Electric	Tenant	\$25	\$32
Cooking - Electric	Tenant	\$4	\$5
Other Electric	Tenant	\$14	\$18
Air Conditioning	Tenant	\$7	\$9
Water Heating - Electric	Tenant	\$13	\$16
Water	Tenant	\$23	\$30
Sewer	Tenant	\$27	\$35
Trash	Landlord	\$12	\$12
TOTAL - Paid By Landlord		\$12	\$12
TOTAL - Paid By Tenant		\$113	\$145
TOTAL - Paid By Tenant Provided by Developer		\$104	\$132
DIFFERENCE		92%	91%

Source: VHDA, effective 7/2018

Based on preliminary utility allowance estimates for the Subject dated May 15, 2019, performed by Viridian and provided by the client, the Subject's project-specific utility allowances are \$104 and \$132 for the one- and two-bedroom units, respectively. The VHDA utility allowances were utilized to adjust the comparable properties with differing utility structures to the Subject's utility structure for an "apples-to-apples" comparison. A copy of the preliminary utility allowance is included in Addendum E of this report.

Unit Mix:

The following table illustrates the Subject's proposed unit mix and unit sizes, as provided by the developer:

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	111	650	72,150
2BR / 1BA	76	850	64,600
Total	187		136,750

Unit Amenities:	<p>The Subject's units will offer affordable units with a competitive amenity package with high-quality finishes and fixtures. The proposed unit amenities will include a balcony/patio, blinds, central air-conditioning, carpet flooring, ceiling fans, coat closets, walk-in closets, washer/dryer hookups, and exterior storage units. Kitchen amenities will offer E-Star energy-efficient appliances, including dishwashers, refrigerators, and ovens, as well as a garbage disposal, microwave, kitchen pantry, and breakfast bar. Additionally, the Subject will include bookshelves and a reading alcove in each residential unit. offer a balcony/patio, blinds, central air-conditioning, carpeting, ceiling fans, coat closets, washer/dryer hookups and exterior storage units. Kitchen amenities will include all E-Star energy-efficient appliances, including dishwashers, refrigerators, and ovens, as well as a garbage disposal, microwave, and kitchen pantry. Additionally, the Subject will include bookshelves and a reading alcove in each residential unit. Overall, the Subject's in-unit amenity package will be considered similar to slightly inferior to the surveyed comparables.</p>
Common Area Amenities:	<p>Upon completion, the Subject's common area amenities will include a business center/computer lab, clubhouse, resident lounge/community room, as well as elevator service in each residential building. Further, the Subject will offer Wi-Fi internet service in common areas, central laundry facilities, on-site management, off-street parking, fitness center, swimming pool, dog park with a watering station, a community workshop, leasable exterior storage units, and a courtyard with a picnic pavilion, fireplace, and recreational outdoor spaces. Courtyard and recreational areas will include a bocce ball court, community garden, pergola, and small pond/water feature with "green space" landscaping. It should be noted that the Subject's community amenities will be shared with The Heights at Jackson Village II - the second phase of the development, as proposed.</p>
Parking:	<p>The Subject will offer approximately 322 off-street parking spaces, which equates to approximately 1.72 spaces per unit. Parking is included in the cost of rent.</p>
Number of Stories and Buildings:	<p>Upon completion, the Subject site will be improved with two five-story midrise residential buildings with elevator service, in addition to one single-story clubhouse/leasing office.</p>
Americans with Disabilities Act of 1990:	<p>As new construction, we assume the property will not have any violations of the Americans with Disabilities Act of 1990.</p>
Quality of Construction Condition and Deferred Maintenance:	<p>We anticipate that the Subject will be constructed using good-quality materials.</p>
Functional Utility:	<p>Based upon our review of the site plan, as well as the site inspection and local interviews, we believe the Subject will be functional upon completion. Copies of the site plan can be found in the <i>Addenda</i> of this report. It should be noted we requested, but were not provided with, the Subject's proposed floor plans.</p>

Conclusion:

We have reviewed the development scheme and it appears the Subject will not suffer from functional or physical obsolescence and will provide good utility for its intended use, upon completion.

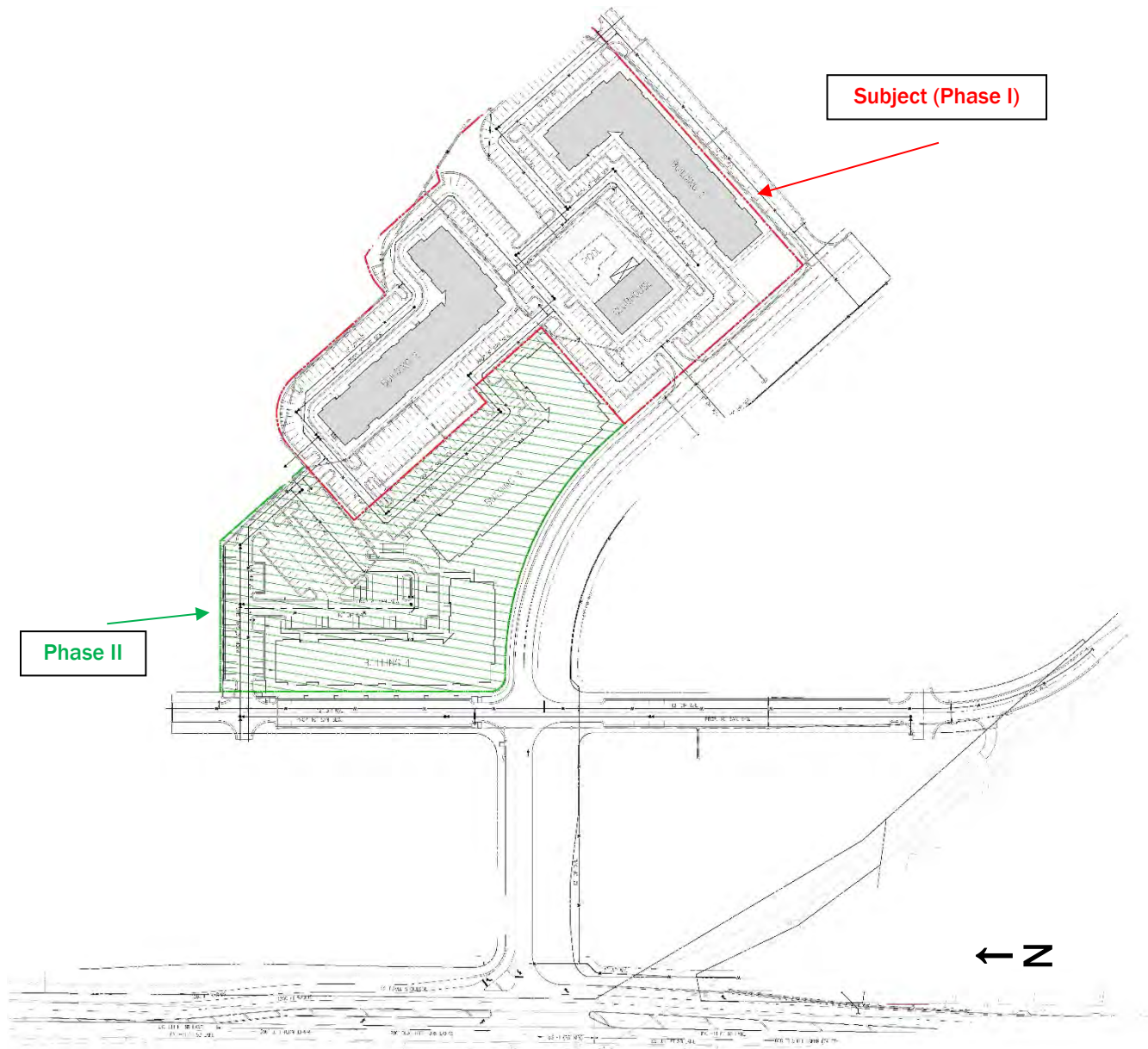
Architect:

Winks Snowa Architects

Site and Architectural Plans:

Based upon our review of the site plan, as well as the site inspection and local interviews, we believe the Subject will be functional upon completion. It should be noted we requested, but were not provided with, the Subject's proposed floor plans. A copy of the site plan and elevator for the Subject is available on the following page and in the addenda of this report.

Subject Site Plan



Subject Elevation



PROPERTY PROFILE REPORT

The Heights At Jackson Village I

Effective Rent Date	3/11/2019
Location	9200 Old Telegraph Road Fredericksburg, VA 22407 Spotsylvania County
Distance	N/A
Units	187
Vacant Units	N/A
Vacancy Rate	N/A
Type	Midrise (age-restricted) (5 stories)
Year Built/Renovated	2022 (Proposed)
Marketing Began	2021 (Proposed)
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Seniors, Veterans, Disabled/Elderly
Contact Name	N/A
Phone	N/A



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
1	1	Midrise (5 stories)	111	650	\$1,261	\$0	@60%	N/A	N/A	N/A	yes	None
2	1	Midrise (5 stories)	76	850	\$1,506	\$0	@60%	N/A	N/A	N/A	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,261	\$0	\$1,261	\$0	\$1,261
2BR / 1BA	\$1,506	\$0	\$1,506	\$0	\$1,506

The Heights At Jackson Village I, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Video Surveillance	
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup	Walk-In Closets		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Bocce Ball Court, Dog Park Area,
Courtyard	Elevators		
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Recreation Areas		
Sport Court	Swimming Pool		
	Wi-Fi		

Comments

The Heights at Jackson Village I is a proposed LIHTC age-restricted development that will offer 111 one- and 76 two-bedroom units restricted to senior households earning 60 percent of AMI or less. The property is Phase I of a two-part senior development. Apartments will be marketed to active seniors ages 55 and above, veterans, and empty nesters desiring to downsize. The one- and two-bedroom units have utility allowances of \$104 and \$132, respectively. The proposed LIHTC rents at 60% AMI are set at the 2019 maximum allowable LIHTC rent levels.

Common area amenities will include a business center/computer lab, clubhouse, resident lounge/community room, as well as elevator service in each residential building. Further, the Subject will offer central laundry facilities, on-site management, off-street parking, fitness center, swimming pool, dog park with a watering station, a community workshop, leasable exterior storage units, and a courtyard with a picnic pavilion, fireplace, and recreational outdoor spaces. Courtyard and recreational areas will include a bocce ball court, community garden, pergola, and small pond/water feature with "green space" landscaping. Based on information provided by the developer, the property will offer 322 off-street parking spaces included in rent.

The property will share its amenities with The Heights at Jackson Village II, the proposed second phase of the planned development.

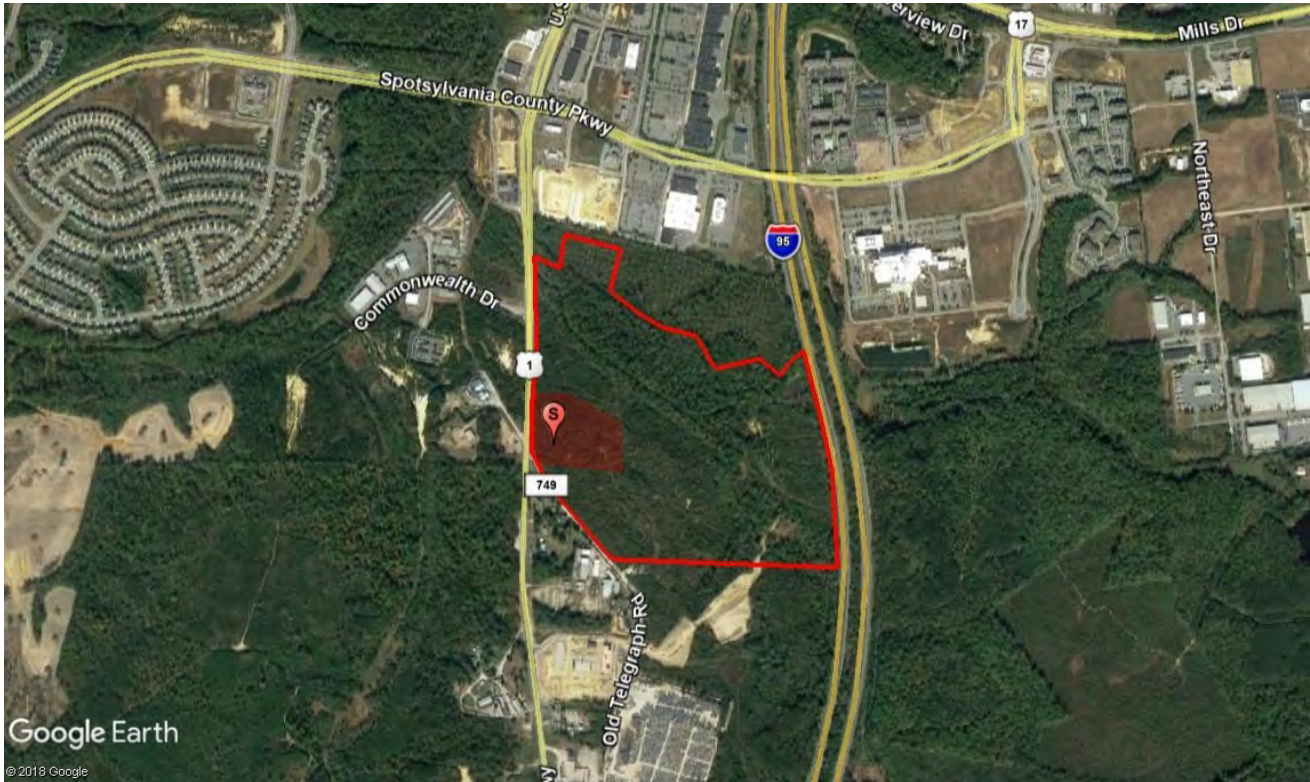
Photos



D. LOCATION

LOCATION

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow. The following map illustrates the general location of the proposed Subject site in relation to the entire parcel, based on information provided by the client.



Subject Site Location:

The Subject is a proposed age-restricted rental development to be located slightly south of Fredericksburg, Virginia. The Subject site will be located northeast of the US-1 and Old Telegraph Road intersection in Fredericksburg, Spotsylvania County, Virginia 22407. No address is currently assigned to the property based on information provided by the client.

Size:

According to the client, the Subject’s lot size is approximately 8.4 acres, or 225,889 square feet. It should be noted the Subject site is a portion of parcel 36-2-1, which contains a total of 118.17 acres, according to the Spotsylvania County Office of Real Estate Assessment.

Shape:

The site is irregular in shape.

Frontage:

The Subject site has frontage along the west side of US-1 and limited frontage along the north side of Old Telegraph Road.

Topography:

The Subject site consists of gently rolling topography.

Utilities:

All utilities are already provided to the site. Each apartment will be individually metered.

Visibility/Views:

The Subject site is located in a mixed-use area approximately six miles south of downtown Fredericksburg. The Subject will be visible from US-1, which is also referred to as Jefferson Davis Highway. The Subject site will have limited visibility from Old Telegraph Road from the south. Views to the north of the Subject site will primarily consist of wooded, vacant land, followed by The Allure at Jefferson, a multifamily use currently under construction and Cosner's Corner, a retail shopping center with more than 75 restaurants and stores. Views to the east of the Subject site will consist of vacant land. The Spotsylvania Regional Medical Center is visible northeast of the Subject site. Views south of the Subject site will primarily consist single-family homes in fair to good condition, followed by Orchard Place II, a recently constructed LIHTC multifamily property that was excluded from our analysis due to the inability to contact property management. Views to the west of the Subject site, across US-1, consist of PAL Used Tires, a commercial use, followed by additional vacant land. Additionally, farther west, views consist of Greenfield Senor Living of Spotsylvania, an assisted living facility in good condition. Overall, the Subject will have good visibility and offer average views.

Surrounding Uses:

The Subject site is located in the Massaponax neighborhood, a mixed-use area approximately six miles south of downtown Fredericksburg. The Subject site will consist of a portion of a larger 8.4-acre parcel and will be bound by US Highway I to the west, with surrounding land uses to the north and east consisting of undeveloped wooded land. Land use farther north of the Subject site consists of The Allure at Jefferson, a multifamily use currently under construction, followed by Cosner's Corner, a retail shopping center with more than 75 restaurants and stores. Land use immediately east of the Subject site consists of vacant undeveloped wooded land, followed by Spotsylvania Regional Medical Center, a prominent general hospital in the area. Land use immediately south of the Subject site consists of single-family homes in fair to good condition, a light industrial use, followed by Orchard Place At Jackson Village, a recently constructed LIHTC multifamily property that was utilized as a comparable in this report. Land use west of the Subject includes PAL Used Tires, a commercial use, followed by undeveloped wooded land, and various retail and commercial uses. Farther west of the Subject site Greenfield Senor Living of Spotsylvania, an assisted living facility in good condition, followed by Virginia Heritage Plantations, a single-family home community with homes ranging in price from \$339,900 to \$465,000. Pictures of surrounding uses are included below.



Typical single-family home near Subject



Typical single-family home near Subject



The Allure at Jefferson
Multifamily use under construction north of Subject



Orchard Place At Jackson Village
Recently completed multifamily use south of Subject



View NE of the Subject site



Spotsylvania Regional Medical Center NE of the Subject site

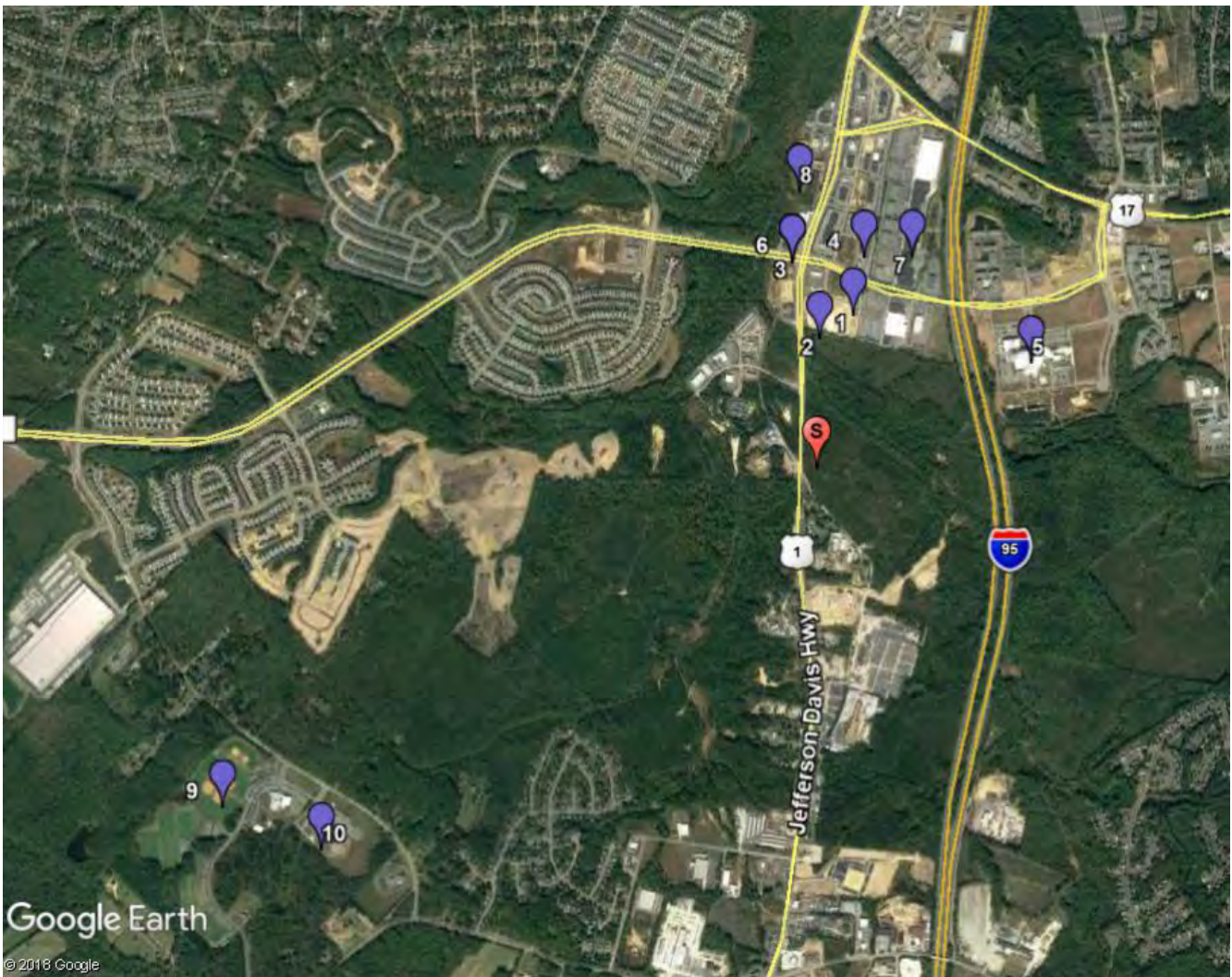
Access and Traffic Flow:	The Subject will be accessible from the east side of US-1. Based on a site plan provided by the carpet, it appears a private residential roadway will be constructed east of US-1. US-1 is a lightly trafficked four-lane road that provides north/south access throughout Fredericksburg. Approximately 0.5 mile north of the Subject site, US-1 provides access to Interstate 95, which provides access north to Washington D.C and south to Richmond, Virginia. Overall, access and traffic flow are considered average. The development of the Subject will enhance economic activity to surrounding retail and commercial business without burdening existing traffic flow.
Layout and Curb Appeal:	The Subject site appears to have a functional layout based upon our review of the site plan and inspection of the property. Upon completion, the Subject will offer good curb appeal. The proposed Subject site is currently wooded, undeveloped land. The Subject site will be improved with two five-story midrise residential buildings with elevator service, in addition to one single-story clubhouse/leasing office. Based on site plans provided by the client, the Subject will offer a function layout for its intended use and excellent curb appeal.
Drainage:	Appears adequate, however, no specific tests were performed. Further, we are not experts 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:	Novogradac did not perform an environmental report, as this is beyond the scope of work. We have not been provided with an environmental report. We are not experts in this field and assume the site is adequate for development.
Detrimental Uses:	There were no detrimental influences identified at the time of inspection.
Flood Plain:	According to Flood Insights and Flood Insurance Rate Map Community Panel Number 5103080200C, dated February 1998, 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.

Locational Amenities

The following tables and corresponding maps illustrate the Subject's proximity to necessary services. Map numbers correspond with the *Locational Amenities Maps*, presented below and on the following page.

LOCATIONAL AMENITIES #1

Map #	Service or Amenity	Distance from Subject (Crow)
1	BB&T Bank/ATM	0.5 miles
2	Publix Supermarket	0.5 miles
3	FRED Bus Stop	0.7 miles
4	Dollar King	0.7 miles
5	Spotsylvania Regional Medical Center	0.7 miles
6	CVS Pharmacy	0.7 miles
7	Cosner's Corner Shopping Mall	0.7 miles
8	Goodwill Retail Store	0.9 miles
9	Ron Rosner Family YMCA	1.7 miles
10	Patriot Park	1.8 miles

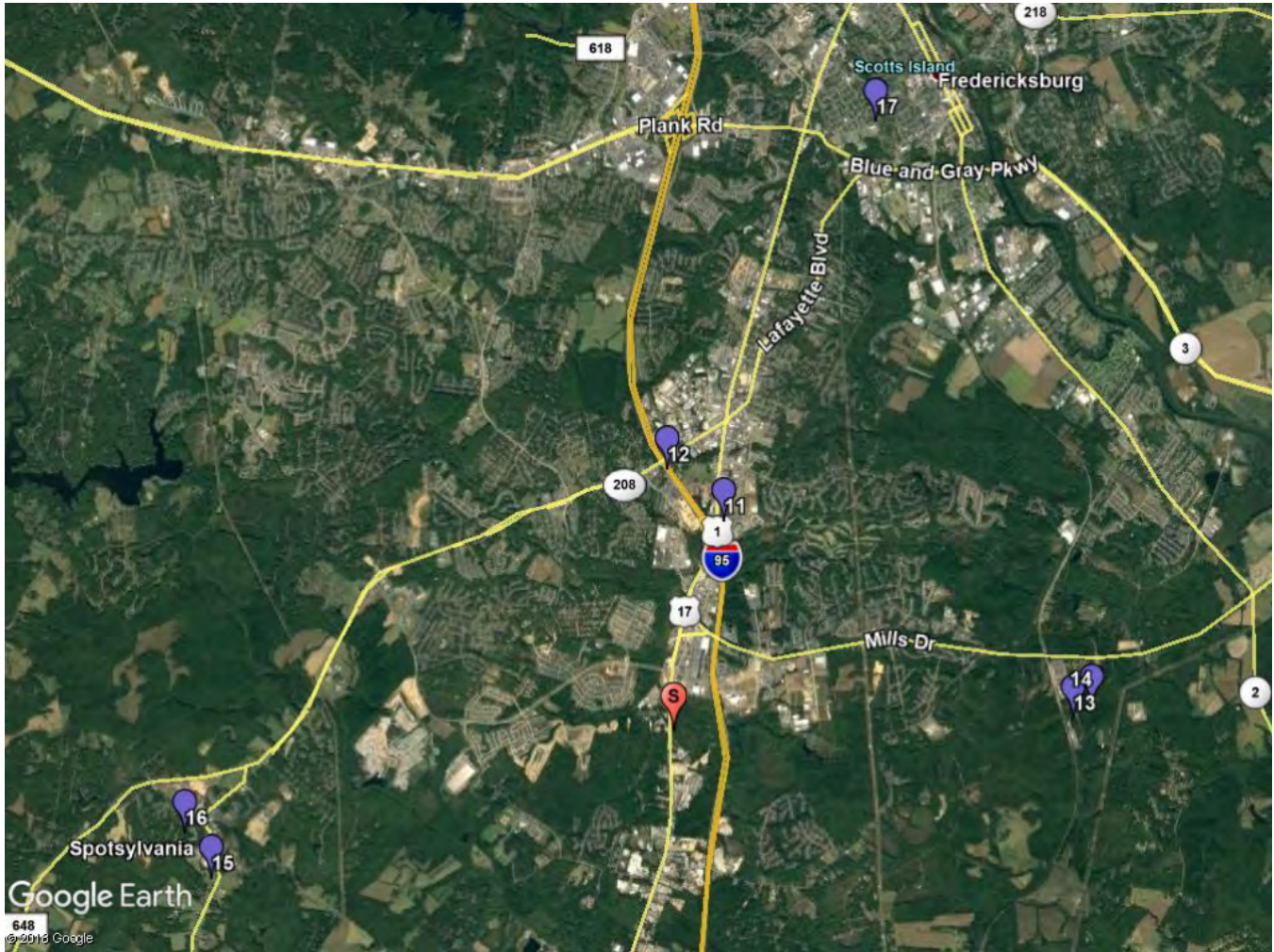


Google Earth

© 2018 Google

LOCATIONAL AMENITIES #2

Map #	Service or Amenity	Distance from Subject (Crow)
11	Spotsylvania Sheriff's Department	2.3 miles
12	VDOT Houser Dr Park & Ride	2.7 miles
13	VRE Rail Station - Spotsylvania	3.8 miles
14	Fire Station #11	4.0 miles
15	Central Rappahannock Public Library	4.5 miles
16	U.S. Post Office	4.7 miles
17	University of Mary Washington	6.3 miles



Public Transportation:

Bus Service: The Fredericksburg Regional Transit (FRED) provides bus service throughout Fredericksburg and Spotsylvania County. The nearest bus station to the Subject is located less than one mile north of the Subject, next to Cosner's Corner. A regular service adult fare is \$1.25, and monthly and yearly passes are \$50 and \$250, respectively. Children ride for free.

Light Rail: The Virginia Regional Express (VRE) is a commuter rail service along the I-66 and I-95 corridors that provides access from Virginia suburbs such as Richmond and Fredericksburg to Alexandria, and Washington D.C. Operations are Monday through Friday, with

northbound routes every 15 minutes from 5:00 am to 9:25 am. The Subject is located 3.8 miles west of the Spotsylvania VRE Rail Station and 2.7 miles south of the VDOT Park & Ride, which provides shuttle service to the VRE Rail Station in downtown Fredericksburg.

Crime Statistics:

The following tables show crime statistics from 2018 for the PMA and the surrounding MSA.

2018 CRIME INDICES

	PMA	Washington-Arlington-Alexandria, DC-VA-MD-WV MSA
Total Crime*	44	100
Personal Crime*	31	110
Murder	51	141
Rape	50	74
Robbery	23	147
Assault	32	96
Property Crime*	46	99
Burglary	29	70
Larceny	53	104
Motor Vehicle Theft	27	140

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

*Unweighted aggregations

Total crime risk indices in the PMA are less than half the national average and the MSA. The MSA features crime risk indices similar to the overall nation. The Subject's security features include limited access and intercom systems, which appear market oriented.

Conclusion:

The Subject site is located in a mixed-use neighborhood. Access to groceries, pharmacy, public transportation and shopping are good. The Subject's location is considered average. The neighborhood is well-suited for this type of senior housing. The Subject will enhance the existing neighborhood, as proposed.

Photographs of Subject Site – March 11, 2019



SUBJECT SITE



SUBJECT SITE



SUBJECT SITE



SUBJECT SITE



SUBJECT SITE TOPOGRAPHY



SUBJECT SITE TOPOGRAPHY



VIEW FROM SUBJECT SITE SOUTH ON US HIGHWAY I



VIEW FROM SUBJECT SITE NORTH ON US HIGHWAY I



VIEW SOUTHEAST ON OLD TELEGRAPH RD FROM SUBJECT



VIEW NORTHWEST ON OLD TELEGRAPH RD FROM SUBJECT



ORCHARD RIDGE AT JACKSON VILLAGE PHASE II –
MULTIFAMILY USE SOUTH OF SUBJECT



THE ALLURE AT JEFFERSON - MULTIFAMILY USE UNDER
CONSTRUCTION NORTH OF SUBJECT



SINGLE-FAMILY HOME IN SUBJECT'S NEIGHBORHOOD



SINGLE-FAMILY HOMES IN SUBJECT'S NEIGHBORHOOD



TYPICAL RETAIL USE IN SUBJECT'S NEIGHBORHOOD



TYPICAL COMMERCIAL USE IN SUBJECT'S NEIGHBORHOOD



GROCERY STORE NORTH OF SUBJECT IN COSNER'S CORNER



SPOTSYLVANIA MEDICAL CENTER NE OF SUBJECT SITE

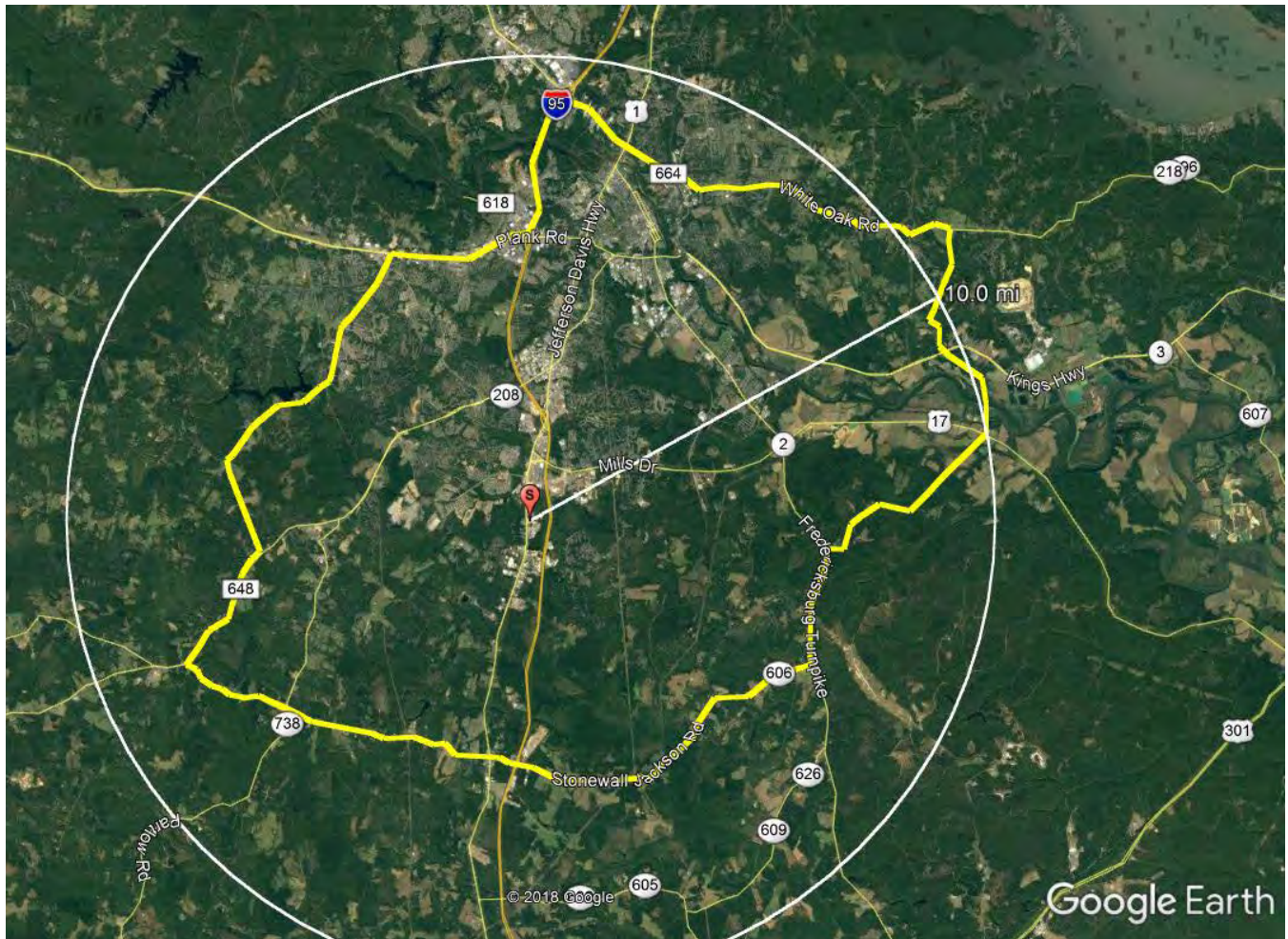
E. MARKET AREA DEFINITION

MARKET AREA

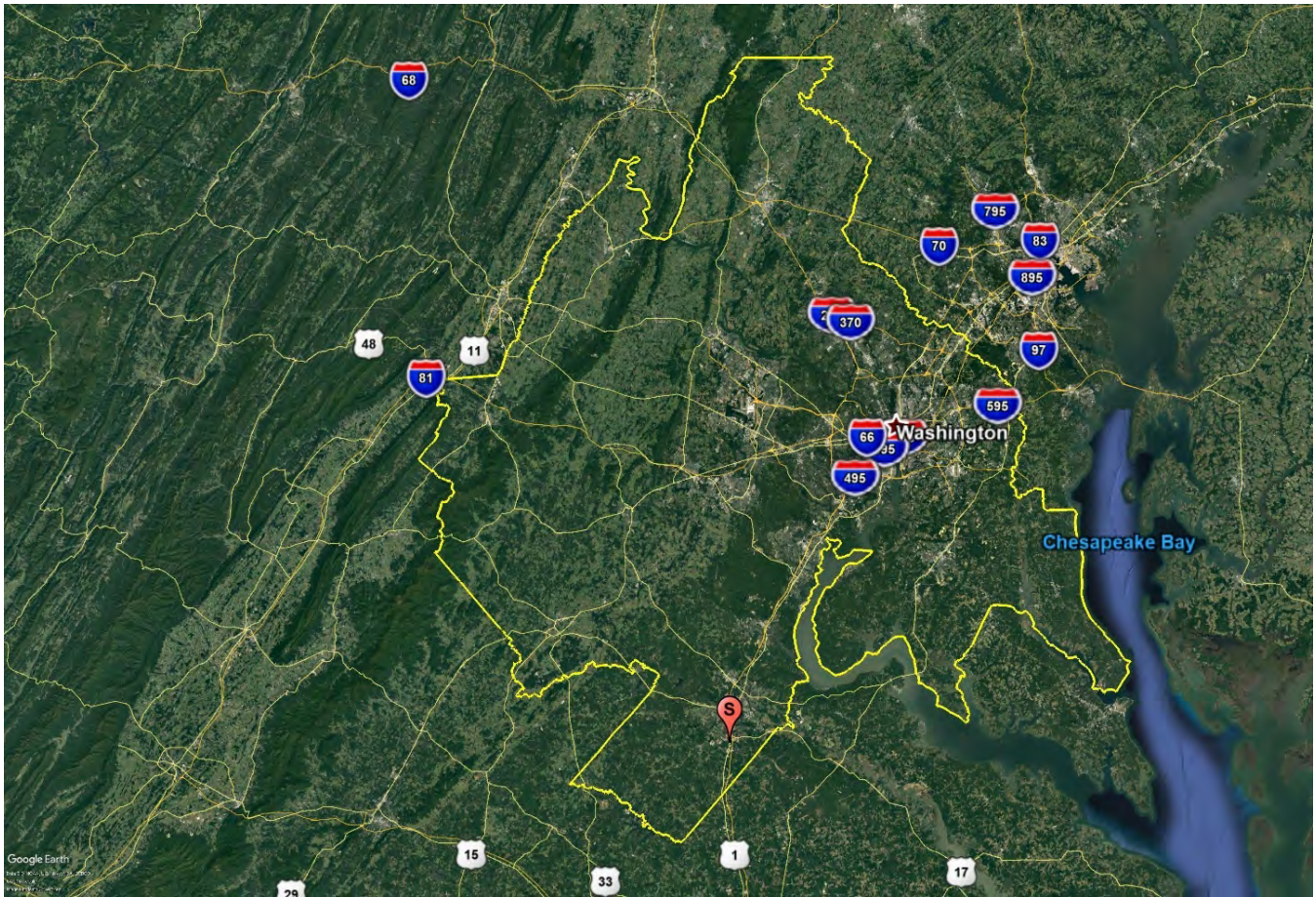
For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where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

The Primary Market Area (PMA) for the Subject is generally defined as the city of Fredericksburg, the eastern portion of Spotsylvania, and areas of northern Caroline County. The PMA boundaries are defined as U.S Highway 3, Interstate 95, and Warrenton Road to the north, Fredericksburg Turnpike and Muddy Creek to the east, State Routes 606 and 208 to the south, and Lake Anna Parkway, Old Block House Lane, and Gordon Road to the west. The PMA was defined based on our conversations with local market participants including property managers, as well as our physical inspection of the market. We believe that additional support will be generated from areas outside of the established PMA and have estimated a leakage of approximately 15 percent. The PMA encompasses 197 square miles and an approximate drive-time zone of 20 minutes. The SMA (Secondary Market Area) is defined as the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA), which consists of 15 counties in three states and encompasses a total of 6,297 square miles. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends.

Primary Market Area Map



Metropolitan Statistical Area (MSA) Map



F. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The following sections will provide an analysis of the economic and demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA (SMA) are areas of growth or contraction.

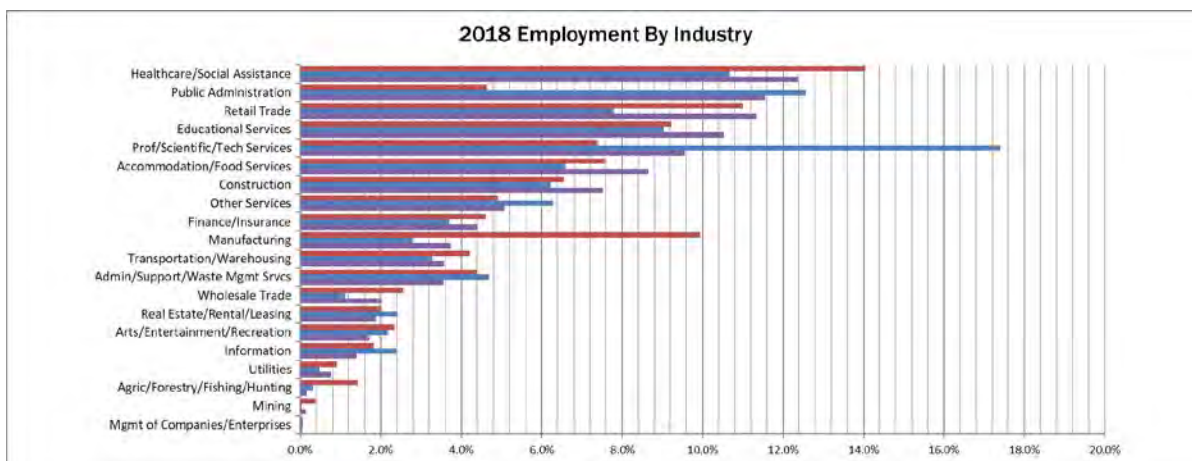
Employment by Industry

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
Healthcare/Social Assistance	7,778	12.4%	22,154,439	14.0%
Public Administration	7,265	11.6%	7,345,537	4.7%
Retail Trade	7,132	11.3%	17,381,607	11.0%
Educational Services	6,616	10.5%	14,568,337	9.2%
Prof/Scientific/Tech Services	6,005	9.6%	11,673,939	7.4%
Accommodation/Food Services	5,441	8.7%	11,958,374	7.6%
Construction	4,727	7.5%	10,333,928	6.5%
Other Services	3,183	5.1%	7,758,801	4.9%
Finance/Insurance	2,774	4.4%	7,284,572	4.6%
Manufacturing	2,351	3.7%	15,694,985	9.9%
Transportation/Warehousing	2,248	3.6%	6,660,099	4.2%
Admin/Support/Waste Mgmt Svcs	2,239	3.6%	6,943,459	4.4%
Wholesale Trade	1,258	2.0%	4,028,405	2.6%
Real Estate/Rental/Leasing	1,179	1.9%	3,165,171	2.0%
Arts/Entertainment/Recreation	1,081	1.7%	3,672,444	2.3%
Information	884	1.4%	2,881,691	1.8%
Utilities	480	0.8%	1,433,069	0.9%
Agric/Forestry/Fishing/Hunting	101	0.2%	2,273,158	1.4%
Mining	86	0.1%	591,596	0.4%
Mgmt of Companies/Enterprises	30	0.0%	87,511	0.1%
Total Employment	62,858	100.0%	157,891,122	100.0%

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

Employment in the PMA is concentrated in the healthcare/social assistance, public administration, and retail trade industries, which collectively comprise 35.3 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile and prone to contraction during economic downturns. However, the PMA has a significant share of employment in healthcare and public administration industries, which historically offer greater stability during recessionary periods. Relative to the nation, the PMA features comparatively greater employment in the public administration, prof/scientific/tech services, and educational services industries. Conversely, the PMA is underrepresented in the manufacturing, healthcare/social assistance, and agric/forestry/fishing/hunting industries.



Growth by Industry

The following table illustrates the change in total employment by sector from 2000 to 2018 in the PMA.

2000-2018 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2018		2000-2018	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	3,533	8.2%	7,778	12.4%	4,245	6.7%
Public Administration	5,009	11.7%	7,265	11.6%	2,256	2.5%
Retail Trade	5,659	13.2%	7,132	11.3%	1,473	1.4%
Educational Services	3,981	9.3%	6,616	10.5%	2,635	3.7%
Prof/Scientific/Tech Services	3,231	7.5%	6,005	9.6%	2,774	4.8%
Accommodation/Food Services	2,842	6.6%	5,441	8.7%	2,599	5.1%
Construction	3,641	8.5%	4,727	7.5%	1,086	1.7%
Other Services	1,968	4.6%	3,183	5.1%	1,215	3.4%
Finance/Insurance	3,043	7.1%	2,774	4.4%	-269	-0.5%
Manufacturing	2,391	5.6%	2,351	3.7%	-40	-0.1%
Transportation/Warehousing	1,434	3.3%	2,248	3.6%	814	3.2%
Admin/Support/Waste Mgmt Svcs	1,430	3.3%	2,239	3.6%	809	3.1%
Wholesale Trade	1,504	3.5%	1,258	2.0%	-246	-0.9%
Real Estate/Rental/Leasing	724	1.7%	1,179	1.9%	455	3.5%
Arts/Entertainment/Recreation	669	1.6%	1,081	1.7%	412	3.4%
Information	1,241	2.9%	884	1.4%	-357	-1.6%
Utilities	495	1.2%	480	0.8%	-15	-0.2%
Agric/Forestry/Fishing/Hunting	133	0.3%	101	0.2%	-32	-1.3%
Mining	57	0.1%	86	0.1%	29	2.8%
Mgmt of Companies/Enterprises	2	0.0%	30	0.0%	28	77.8%
Total Employment	42,987	100.0%	62,858	100.0%	19,871	2.6%

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

*Industry data current as of 2010. Other projections current as of 2018.

* Change in percentage is calculated as a rate of change by industry.

Total employment in the PMA increased at an annualized rate of 2.6 percent between 2000 and 2017. The industries which expanded most substantially during this period include healthcare/social assistance, prof/scientific/tech services, and educational services. Conversely, the information, finance/insurance, and wholesale trade sectors experienced the least growth.

Major Employers

The following table details the 20 largest employers in the Fredericksburg area. It should be noted that the specific number of employees at each firm or institution was unavailable.

MAJOR EMPLOYERS
FREDERICKSBURG CITY COUNTY

#	Employer Name	Industry	#	Employer Name	Industry
1	Mary Washington Hospital	Healthcare	11	Best Buy	Retail Trade
2	University of Mary Washington	Educational Services	12	Rehab Hospital of Fredericksburg	Healthcare
3	City of Fredericksburg	Public Administration	13	OS Restaurant Services, Inc.	Food Supplier
4	Medicorp Health System	Healthcare	14	Lowe's Home Centers, Inc.	Distribution
5	Fredericksburg City Public Schools	Public Administration	15	Favor TechConsulting, LLC	Professional Services
6	WalMart	Retail Trade	16	Global Dimensions LLC	B2B Educational Services
7	Wegmans Store #07	Retail Trade	17	BH Media Group	Media Publishing
8	Snowden Services Inc	Environmental Services	18	Postal Service	Mail Delivery Services
9	Rappahannock Regional Jail	Public Jail Services	19	Morrison Crothall Support	Healthcare
10	Rappahannock Area Community Board	Social Services	20	Red Lobster & The Olive Garden	Food Services

Source: Virginia Employment Commission, Economic Information & Analytics, retrieved March 2019

The area's major employers are primarily concentrated within the retail trade, food services, healthcare, and public administration industries. We believe that the diverse industries represented by major employers provide stability to the local economy.

Employment Expansion/Contractions

We also researched Worker Adjustment and Retraining Notification (WARN) notices as provided by the Virginia Employment Commission to determine which businesses have decreased employment within the city of Fredericksburg. The following table illustrates these job losses from January 2014 through 2019 YTD

WARN LISTINGS CITY OF FREDERICKSBURG 2014-2018

Company	Industry	Employees Affected	Layoff Date
Advance Digestive Care	Healthcare Services	40	9/1/2018
Printpack, Inc.	Manufacturing	155	10/2/2015
Intuit	Finance	159	9/15/2014
Total		354	

Source: Virginia Employment Commission, retrieved March 2019

As shown, there have only been three warn listings, totaling 354 layoffs, in the city of Fredericksburg since 2014. This represents less than one percent of the workforce in the PMA and is a good indicator of a steady economy.

We have conducted additional research to determine business expansions within the Fredericksburg area. According to the Fredericksburg Economic Development Authority's website:

- Sustainable Power Group, also known as sPower, announced in February 2019 its plans to install more than 1.8 million solar panels on a 6,300-acre plot in Spotsylvania County. sPower has agreements to sell the electricity generated from the solar panels to companies such as Apple, Microsoft, and the University of Richmond. The county's planning department recommends the project, and according to a fiscal impact study conducted by Mangum Economics, the project would provide 10 megawatts of electricity to county schools, produce \$21 million in new tax revenue, and create more than 843 jobs during its operation.

Employment and Unemployment Trends

The table below illustrates the total workforce, total employed, and unemployment rate for the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA from 2002 to December 2018 (most recent available) with comparisons between December 2017 to December 2018.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

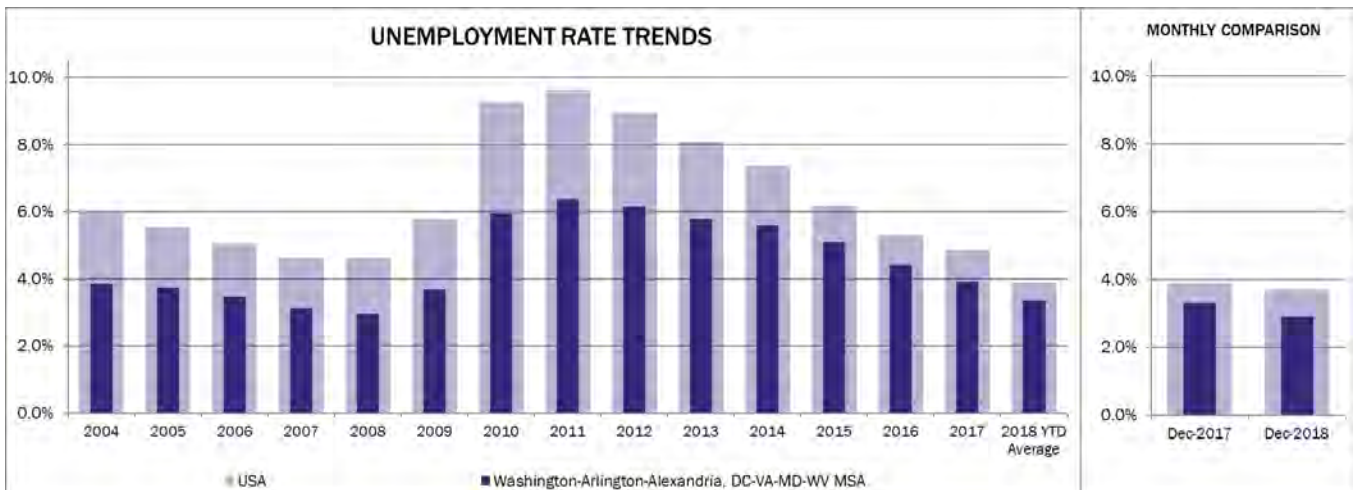
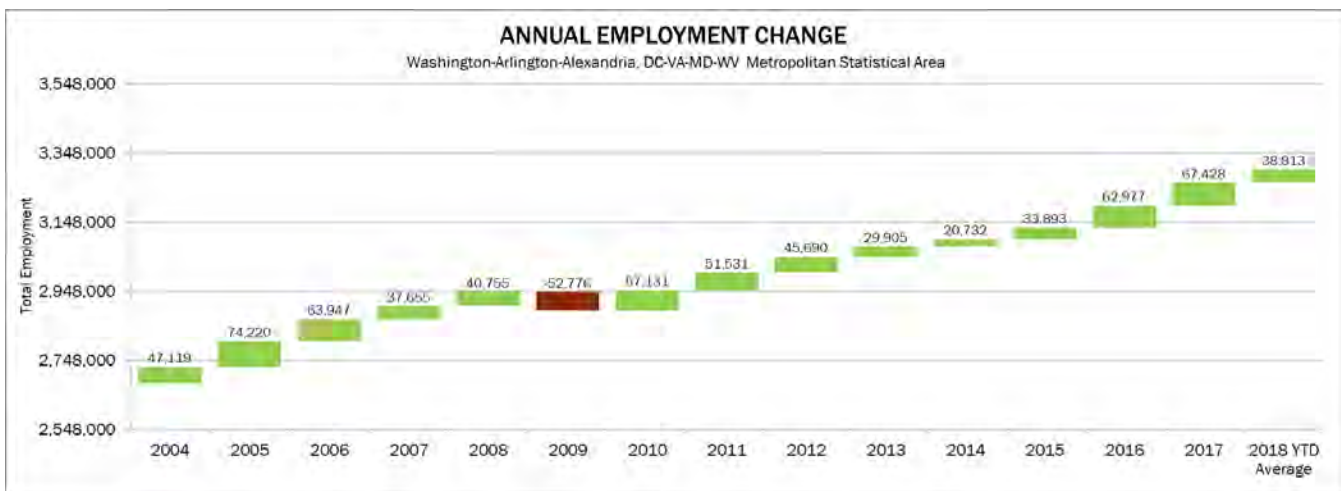
Year	Washington-Arlington-Alexandria, DC-VA-MD-WV MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	2,659,121	-	4.0%	-	136,485,000	-	5.8%	-
2003	2,682,624	0.9%	3.9%	-0.1%	137,736,000	0.9%	6.0%	0.2%
2004	2,729,743	1.8%	3.7%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	2,803,963	2.7%	3.5%	-0.3%	141,730,000	1.8%	5.1%	-0.5%
2006	2,867,910	2.3%	3.1%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	2,905,565	1.3%	3.0%	-0.2%	146,047,000	1.1%	4.6%	0.0%
2008	2,946,320	1.4%	3.7%	0.7%	145,363,000	-0.5%	5.8%	1.2%
2009	2,893,543	-1.8%	6.0%	2.3%	139,878,000	-3.8%	9.3%	3.5%
2010	2,950,674	2.0%	6.4%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	3,002,205	1.7%	6.2%	-0.2%	139,869,000	0.6%	9.0%	-0.7%
2012	3,047,895	1.5%	5.8%	-0.4%	142,469,000	1.9%	8.1%	-0.9%
2013	3,077,800	1.0%	5.6%	-0.2%	143,929,000	1.0%	7.4%	-0.7%
2014	3,098,533	0.7%	5.1%	-0.5%	146,305,000	1.7%	6.2%	-1.2%
2015	3,132,426	1.1%	4.4%	-0.7%	148,833,000	1.7%	5.3%	-0.9%
2016	3,195,403	2.0%	3.9%	-0.5%	151,436,000	1.7%	4.9%	-0.4%
2017	3,262,831	2.1%	3.7%	-0.2%	153,337,000	1.3%	4.4%	-0.5%
2018 YTD Average*	3,301,644	1.2%	3.4%	-0.3%	155,761,000	1.6%	3.9%	-0.4%
Dec-2017	3,262,077	-	3.3%	-	153,602,000	-	3.9%	-
Dec-2018	3,300,985	1.2%	2.9%	-0.4%	156,481,000	1.9%	3.7%	-0.2%

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

*2018 data is through December

Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in four of the five years between 2003 and 2007. Comparatively speaking, the MSA economy performed well during the recession. Total MSA employment contracted by only 1.8 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 2010, four years prior to the overall nation. Since 2012, average employment growth in the MSA trailed the nation in all but two years. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 1.2 percent, compared to 1.9 percent across the overall nation.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. The local labor market demonstrated relative strength during the recession, as the rate of unemployment increased by only 3.4 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 2.9 percent, lower than the current national unemployment rate of 3.7 percent. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.



Wages by Occupation

The following table illustrates the wages by occupation for the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA.

WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV MSA - 2ND QTR 2017 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	2,490,690	\$33.12	\$68,880
Legal Occupations	62,290	\$69.52	\$144,610
Management Occupations	193,260	\$69.16	\$143,840
Computer and Mathematical Occupations	189,120	\$50.36	\$104,750
Architecture and Engineering Occupations	49,000	\$48.84	\$101,580
Life, Physical, and Social Science Occupations	47,670	\$48.77	\$101,450
Business and Financial Operations Occupations	255,890	\$44.61	\$92,780
Healthcare Practitioners and Technical Occupations	105,760	\$43.29	\$90,040
Arts, Design, Entertainment, Sports, and Media Occupations	63,270	\$37.47	\$77,930
Education, Training, and Library Occupations	155,330	\$31.04	\$64,560
Community and Social Service Occupations	32,030	\$27.79	\$57,810
Protective Service Occupations	77,480	\$27.37	\$56,930
Installation, Maintenance, and Repair Occupations	74,340	\$25.91	\$53,880
Construction and Extraction Occupations	91,120	\$24.09	\$50,100
Sales and Related Occupations	209,650	\$21.53	\$44,780
Office and Administrative Support Occupations	323,710	\$21.35	\$44,400
Transportation and Material Moving Occupations	108,190	\$20.06	\$41,720
Production Occupations	39,920	\$19.88	\$41,360
Farming, Fishing, and Forestry Occupations	1,850	\$18.17	\$37,790
Healthcare Support Occupations	46,000	\$16.18	\$33,660
Personal Care and Service Occupations	71,320	\$14.94	\$31,080
Building and Grounds Cleaning and Maintenance Occupations	84,570	\$14.47	\$30,110
Food Preparation and Serving Related Occupations	208,910	\$12.88	\$26,780

Source: Department Of Labor, Occupational Employment Statistics, 5/2017, retrieved 3/2019

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 \$12.88 per hour. The highest average hourly wage, of \$69.52, is for those in legal occupations. Qualifying income for the Subject's affordable units will range between \$40,950 and \$58,260 as proposed. 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 the Subject's tenant base will consist of a mix ranging from low-wage part-time employees to high-skilled professionals. Additionally, as the Subject will target active seniors and veterans, we expect some tenants to still be employed full-time, while some might be reliant on social security as income.

Commuting Patterns

Fredericksburg is an outlying submarket in the D.C. metro, and is roughly equidistant from Washington D.C. and Richmond, Virginia. It is heavily populated by commuters who travel by car, bus, or rail to employment centers in D.C., Northern Virginia, and Richmond. The chart below shows the travel time to work for the PMA according to US Census data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	# of Commuters	(%) Percentage
Travel Time < 5 min	1,180	2.1%
Travel Time 5-9 min	4,017	7.1%
Travel Time 10-14 min	6,295	11.1%
Travel Time 15-19 min	9,500	16.8%
Travel Time 20-24 min	7,346	13.0%
Travel Time 25-29 min	3,277	5.8%
Travel Time 30-34 min	4,385	7.7%
Travel Time 35-39 min	1,432	2.5%
Travel Time 40-44 min	1,863	3.3%
Travel Time 45-59 min	4,909	8.7%
Travel Time 60-89 min	7,480	13.2%
Travel Time 90+ min	4,992	8.8%
Weighted Average	37 minutes	

Source: US Census 2018, Novogradac & Company, LLP March 2019

As shown in the preceding table, the weighted average commute time in the PMA is approximately 37 minutes, and the drive time zone of the PMA is approximately 20 minutes. More than 63 percent of PMA commuters travel under 34 minutes, indicating many households work in, or just outside, the local area. The average commute time across the overall nation is approximately 28 minutes. As the Subject will target active seniors and veteran households, we believe the Subject’s tenants may work locally part-time, having a shorter commute time than the weighted average, or may still be in the workforce and have a commute into the greater metro.

Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, public administration, and retail trade industries, which collectively comprise 35.3 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has significant share of employment in the healthcare and public administration industries, which are historically known to offer greater stability during recessionary periods. The MSA economy performed well during the recession, suffering only a 1.8 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 2010, four years prior to the overall nation. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 1.2 percent, compared to 1.9 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

DEMOGRAPHIC CHARACTERISTICS

The table below illustrates population and household trends in the PMA, Washington-Arlington-Alexandria, DC-VA-MD-WV MSA, and nation from 2000 through 2023.

POPULATION

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	84,538	-	4,837,251	-	281,038,168	-
2010	111,919	3.2%	5,636,232	1.7%	308,745,538	1.0%
2018	124,458	1.4%	6,196,188	1.2%	330,088,686	0.8%
2023	133,060	1.4%	6,558,844	1.2%	343,954,683	0.8%

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

HOUSEHOLDS

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	31,016	-	1,815,141	-	105,403,008	-
2010	40,004	2.9%	2,094,048	1.5%	116,716,296	1.1%
2018	44,186	1.3%	2,290,757	1.1%	124,110,017	0.8%
2023	47,239	1.4%	2,420,003	1.1%	128,855,931	0.8%

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

Historical population growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced population growth greater than the overall nation during the same time period. Population growth in the PMA slowed significantly between 2010 and 2018, however, increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 1.4 percent through 2023, slightly above the MSA and above the overall nation. Historical household growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced household growth greater than the overall nation during the same time period. Household growth in the PMA slowed significantly between 2010 and 2018, however, increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 1.4 percent through 2023, slightly above the MSA and above the overall nation.

Population and Household Trends (55+)

SENIOR POPULATION, 55+

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	14,542	-	848,010	-	59,204,560	-
2010	22,475	5.5%	1,198,819	4.1%	76,750,713	3.0%
2018	30,040	4.1%	1,603,779	4.1%	95,707,633	3.0%
2023	33,584	2.4%	1,799,039	2.4%	104,766,284	1.9%

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

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	9,069	-	514,960	-	36,433,877	-
2010	13,491	4.9%	715,779	3.9%	45,892,723	2.6%
2018	17,323	3.4%	898,078	3.1%	55,492,459	2.5%
2023	20,443	3.6%	1,050,180	3.4%	61,334,359	2.1%

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

Historical senior population growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced population growth of seniors 55 and older greater than the overall nation during the same time period.

Senior population growth in the PMA slowed between 2010 and 2018 and grew at a rate similar to the MSA. According to ESRI demographic projections, annualized population growth of seniors ages 55 and over is expected to increase at an average rate of 2.4 percent annually through 2023, similar to the MSA and above the overall nation. Historical senior household growth in the PMA exceeded the MSA and nation between 2000-2010 and 2010-2018. According to ESRI demographic projections, annualized PMA growth of senior households 55 and over is projected to increase slightly and stabilize at an average increase of 3.6 percent annually through 2023, and will remain slightly above the MSA and above the overall nation.

Population by Age

POPULATION BY AGE IN 2018

Age Cohort	PMA		MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	8,081	6.5%	370,961	6.0%	19,968,445	6.0%
5-9	8,410	6.8%	394,167	6.4%	20,460,473	6.2%
10-14	8,675	7.0%	405,674	6.5%	20,877,164	6.3%
15-19	9,041	7.3%	382,703	6.2%	21,084,688	6.4%
20-24	9,176	7.4%	392,474	6.3%	22,646,440	6.9%
25-29	9,377	7.5%	462,199	7.5%	23,557,337	7.1%
30-34	8,831	7.1%	469,460	7.6%	22,355,094	6.8%
35-39	8,477	6.8%	456,209	7.4%	21,419,362	6.5%
40-44	8,017	6.4%	414,414	6.7%	19,879,801	6.0%
45-49	8,217	6.6%	422,049	6.8%	20,736,487	6.3%
50-54	8,116	6.5%	422,099	6.8%	21,395,762	6.5%
55-59	7,685	6.2%	419,548	6.8%	22,375,085	6.8%
60-64	6,533	5.2%	361,525	5.8%	20,552,366	6.2%
65-69	5,485	4.4%	297,036	4.8%	17,874,849	5.4%
70-74	4,023	3.2%	209,323	3.4%	13,196,470	4.0%
75-79	2,658	2.1%	135,992	2.2%	9,064,776	2.7%
80-84	1,739	1.4%	85,943	1.4%	6,007,164	1.8%
85+	1,917	1.5%	94,412	1.5%	6,636,923	2.0%
Total	124,458	100.0%	6,196,188	100.0%	330,088,686	100.0%

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

POPULATION BY AGE IN 2023 ESTIMATE

Age Cohort	PMA		MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	8,717	6.6%	392,993	6.0%	20,712,703	6.0%
5-9	8,816	6.6%	394,403	6.0%	20,686,037	6.0%
10-14	9,054	6.8%	406,353	6.2%	21,356,683	6.2%
15-19	9,503	7.1%	398,328	6.1%	21,696,066	6.3%
20-24	8,952	6.7%	382,758	5.8%	21,612,571	6.3%
25-29	9,162	6.9%	466,931	7.1%	22,724,609	6.6%
30-34	10,703	8.0%	524,826	8.0%	24,574,306	7.1%
35-39	9,772	7.3%	498,835	7.6%	23,129,515	6.7%
40-44	9,030	6.8%	466,781	7.1%	21,944,713	6.4%
45-49	7,900	5.9%	409,518	6.2%	19,928,478	5.8%
50-54	7,866	5.9%	418,079	6.4%	20,822,718	6.1%
55-59	7,462	5.6%	405,700	6.2%	21,014,806	6.1%
60-64	7,224	5.4%	393,782	6.0%	21,745,623	6.3%
65-69	6,069	4.6%	334,795	5.1%	19,744,824	5.7%
70-74	5,019	3.8%	265,228	4.0%	16,251,664	4.7%
75-79	3,613	2.7%	184,245	2.8%	11,695,481	3.4%
80-84	2,139	1.6%	110,885	1.7%	7,323,303	2.1%
85+	2,058	1.5%	104,404	1.6%	6,990,583	2.0%
Total	133,059	100.0%	6,558,844	100.0%	343,954,683	100.0%

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

General Household Income Distribution

The following table illustrates household income distribution in the PMA and MSA for the general population.

HOUSEHOLD INCOME PMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,002	4.5%	2,031	4.3%	6	0.3%
\$10,000-19,999	2,791	6.3%	2,861	6.1%	14	0.5%
\$20,000-29,999	3,221	7.3%	3,267	6.9%	9	0.3%
\$30,000-39,999	3,323	7.5%	3,341	7.1%	4	0.1%
\$40,000-49,999	3,516	8.0%	3,565	7.5%	10	0.3%
\$50,000-59,999	3,032	6.9%	3,311	7.0%	56	1.8%
\$60,000-74,999	4,506	10.2%	4,745	10.0%	48	1.1%
\$75,000-99,999	6,566	14.9%	6,898	14.6%	66	1.0%
\$100,000-124,999	4,973	11.3%	5,396	11.4%	85	1.7%
\$125,000-149,999	3,436	7.8%	3,846	8.1%	82	2.4%
\$150,000-199,999	3,694	8.4%	4,162	8.8%	94	2.5%
\$200,000+	3,126	7.1%	3,816	8.1%	138	4.4%
Total	44,186	100.0%	47,239	100.0%		

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

HOUSEHOLD INCOME SMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	97,257	4.2%	98,230	4.1%	195	0.2%
\$10,000-19,999	104,198	4.5%	106,327	4.4%	426	0.4%
\$20,000-29,999	119,511	5.2%	121,694	5.0%	437	0.4%
\$30,000-39,999	129,958	5.7%	132,709	5.5%	550	0.4%
\$40,000-49,999	137,771	6.0%	140,954	5.8%	637	0.5%
\$50,000-59,999	140,672	6.1%	144,835	6.0%	833	0.6%
\$60,000-74,999	206,542	9.0%	212,668	8.8%	1,225	0.6%
\$75,000-99,999	296,551	12.9%	309,151	12.8%	2,520	0.8%
\$100,000-124,999	259,165	11.3%	271,723	11.2%	2,512	1.0%
\$125,000-149,999	197,056	8.6%	211,902	8.8%	2,969	1.5%
\$150,000-199,999	258,039	11.3%	277,970	11.5%	3,986	1.5%
\$200,000+	344,037	15.0%	391,840	16.2%	9,561	2.8%
Total	2,290,757	100.0%	2,420,003	100.0%		

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

Senior (55+) Household Income Distribution

The following table illustrates household income distribution in the PMA and MSA for the senior population aged 55 and above.

HOUSEHOLD INCOME PMA 55+

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	726	4.2%	837	4.1%	22	3.1%
\$10,000-19,999	1,363	7.9%	1,531	7.5%	34	2.5%
\$20,000-29,999	1,633	9.4%	1,835	9.0%	40	2.5%
\$30,000-39,999	1,440	8.3%	1,618	7.9%	36	2.5%
\$40,000-49,999	1,440	8.3%	1,659	8.1%	44	3.0%
\$50,000-59,999	1,236	7.1%	1,484	7.3%	50	4.0%
\$60,000-74,999	1,539	8.9%	1,796	8.8%	51	3.3%
\$75,000-99,999	2,351	13.6%	2,723	13.3%	74	3.2%
\$100,000-124,999	1,627	9.4%	1,942	9.5%	63	3.9%
\$125,000-149,999	1,367	7.9%	1,673	8.2%	61	4.5%
\$150,000-199,999	1,316	7.6%	1,631	8.0%	63	4.8%
\$200,000+	1,285	7.4%	1,714	8.4%	86	6.7%
Total	17,323	100.0%	20,443	100.0%		

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

HOUSEHOLD INCOME SMA 55+

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	44,348	4.9%	48,880	4.7%	906	2.0%
\$10,000-19,999	58,875	6.6%	64,691	6.2%	1,163	2.0%
\$20,000-29,999	57,012	6.3%	63,880	6.1%	1,374	2.4%
\$30,000-39,999	56,930	6.3%	64,616	6.2%	1,537	2.7%
\$40,000-49,999	54,339	6.1%	62,432	5.9%	1,619	3.0%
\$50,000-59,999	53,896	6.0%	62,349	5.9%	1,691	3.1%
\$60,000-74,999	78,312	8.7%	90,512	8.6%	2,440	3.1%
\$75,000-99,999	107,480	12.0%	125,919	12.0%	3,688	3.4%
\$100,000-124,999	89,398	10.0%	105,011	10.0%	3,123	3.5%
\$125,000-149,999	70,279	7.8%	84,194	8.0%	2,783	4.0%
\$150,000-199,999	92,336	10.3%	110,292	10.5%	3,591	3.9%
\$200,000+	134,873	15.0%	167,404	15.9%	6,506	4.8%
Total	898,078	100.0%	1,050,180	100.0%		

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

Annual household income levels will range from \$40,950 to \$58,260 for the Subject’s senior LIHTC units at 60 percent of AMI, as proposed.

General Household Size Distribution

The following table is a summary of the household size distribution in the PMA, MSA and nation.

AVERAGE HOUSEHOLD SIZE

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.63	-	2.61	-	2.59	-
2010	2.72	0.3%	2.64	0.1%	2.58	-0.1%
2018	2.75	0.1%	2.66	0.1%	2.59	0.1%
2023	2.75	0.0%	2.67	0.1%	2.61	0.1%

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

The average household size in the PMA is larger than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable through 2023 and will remain above that of the surrounding MSA and overall nation.

General Household Tenure

The table below shows the breakdown of senior households ages 55 and above by tenure within the Subject’s PMA.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	21,286	68.6%	9,730	31.4%
2018	29,883	67.6%	14,303	32.4%
2023	32,352	68.5%	14,887	31.5%

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

The preceding table details household tenure patterns among the general population (non-senior) in the PMA since 2000. The percentage of general renter households in the PMA remained relatively stable between 2000 and 2018, and is estimated to be 32.4 percent as of 2018. This is similar to the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of general renter households in the PMA is expected to remain relatively stable through 2023 and increase by approximately 584 renter households.

Senior (55+) Household Tenure

The table below shows the breakdown of senior households ages 55 and above by tenure within the Subject’s PMA.

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	6,881	75.9%	2,188	24.1%
2018	12,981	74.9%	4,342	25.1%
2023	15,280	74.7%	5,163	25.3%

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of senior renter households in the PMA slightly increased between 2000 and 2018, and is estimated to be 25.1 percent as of 2018. This is below to the estimated 33 percent of renter households across the overall nation. The percentage of owner-occupied senior households is projected to decrease slightly through 2023, which bodes well for senior rental housing of all types, such as the Subject. According to ESRI demographic projections, the percentage of senior renter households in the PMA is expected to remain generally stable through 2023, with an increase of approximately 821 senior renter households in terms of number of units.

General Renter Household Income Distribution

The following tables illustrate the renter household income distribution among the general population in the PMA and MSA from 2018 and 2023.

RENTER HOUSEHOLD INCOME

Income Cohort	2018		PMA		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,273	8.9%	1,265	8.5%	-2	-0.1%		
\$10,000-19,999	1,746	12.2%	1,747	11.7%	0	0.0%		
\$20,000-29,999	1,602	11.2%	1,575	10.6%	-5	-0.3%		
\$30,000-39,999	1,488	10.4%	1,450	9.7%	-8	-0.5%		
\$40,000-49,999	1,742	12.2%	1,669	11.2%	-15	-0.8%		
\$50,000-59,999	1,225	8.6%	1,364	9.2%	28	2.3%		
\$60,000-74,999	1,563	10.9%	1,671	11.2%	22	1.4%		
\$75,000-99,999	1,801	12.6%	1,890	12.7%	18	1.0%		
\$100,000-124,999	602	4.2%	722	4.8%	24	4.0%		
\$125,000-149,999	489	3.4%	556	3.7%	13	2.7%		
\$150,000-199,999	443	3.1%	540	3.6%	19	4.4%		
\$200,000+	329	2.3%	438	2.9%	22	6.6%		
Total	14,303	100.0%	14,887	100.0%				

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

RENTER HOUSEHOLD INCOME

Income Cohort	2018		MSA		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	65,579	7.6%	65,197	7.3%	-76	-0.1%		
\$10,000-19,999	63,587	7.4%	63,606	7.1%	4	0.0%		
\$20,000-29,999	69,664	8.1%	69,127	7.7%	-107	-0.2%		
\$30,000-39,999	73,785	8.6%	73,252	8.2%	-107	-0.1%		
\$40,000-49,999	73,722	8.5%	73,557	8.2%	-33	0.0%		
\$50,000-59,999	70,042	8.1%	70,972	8.0%	186	0.3%		
\$60,000-74,999	97,079	11.3%	97,945	11.0%	173	0.2%		
\$75,000-99,999	116,340	13.5%	120,178	13.5%	768	0.7%		
\$100,000-124,999	80,167	9.3%	84,872	9.5%	941	1.2%		
\$125,000-149,999	51,301	5.9%	56,154	6.3%	971	1.9%		
\$150,000-199,999	51,563	6.0%	57,648	6.5%	1,217	2.4%		
\$200,000+	49,491	5.7%	59,599	6.7%	2,022	4.1%		
Total	862,320	100.0%	892,107	100.0%				

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

As illustrated in the table above, the largest concentrations of renter households in the PMA are in the \$75,000 to \$99,999 income cohort, followed by both the \$10,000 to \$19,999 and \$40,000 to \$49,999 income cohorts which contain 12.2 percent of households in the PMA by income distribution.

Senior (55+) Renter Household Income Distribution

The following tables illustrate total renter household income distribution for the senior population aged 55 and above.

RENTER HOUSEHOLD INCOME 55+

Income Cohort	2018		PMA		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	407	9.4%	454	8.8%	9	2.3%		
\$10,000-19,999	641	14.8%	715	13.8%	15	2.3%		
\$20,000-29,999	467	10.8%	523	10.1%	11	2.4%		
\$30,000-39,999	433	10.0%	467	9.0%	7	1.6%		
\$40,000-49,999	371	8.5%	409	7.9%	8	2.0%		
\$50,000-59,999	371	8.5%	467	9.0%	19	5.2%		
\$60,000-74,999	327	7.5%	406	7.9%	16	4.8%		
\$75,000-99,999	360	8.3%	436	8.4%	15	4.2%		
\$100,000-124,999	260	6.0%	320	6.2%	12	4.6%		
\$125,000-149,999	228	5.3%	309	6.0%	16	7.1%		
\$150,000-199,999	259	6.0%	341	6.6%	16	6.3%		
\$200,000+	218	5.0%	316	6.1%	20	9.0%		
Total	4,342	100.0%	5,163	100.0%				

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

RENTER HOUSEHOLD INCOME 55+

Income Cohort	2018		MSA		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	23,590	10.2%	25,777	9.6%	437	1.9%		
\$10,000-19,999	28,537	12.3%	31,210	11.7%	535	1.9%		
\$20,000-29,999	22,357	9.6%	24,936	9.3%	516	2.3%		
\$30,000-39,999	20,169	8.7%	22,782	8.5%	523	2.6%		
\$40,000-49,999	16,951	7.3%	19,408	7.3%	491	2.9%		
\$50,000-59,999	15,666	6.7%	18,172	6.8%	501	3.2%		
\$60,000-74,999	21,179	9.1%	24,334	9.1%	631	3.0%		
\$75,000-99,999	23,367	10.1%	27,122	10.2%	751	3.2%		
\$100,000-124,999	17,483	7.5%	20,645	7.7%	632	3.6%		
\$125,000-149,999	12,915	5.6%	15,614	5.8%	540	4.2%		
\$150,000-199,999	14,449	6.2%	17,424	6.5%	595	4.1%		
\$200,000+	15,547	6.7%	19,750	7.4%	841	5.4%		
Total	232,210	100.0%	267,174	100.0%				

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

As illustrated in the table above, the largest concentrations of senior renter households in the PMA are within the \$10,000 to \$19,999 income cohort, followed by the income cohorts from \$20,000 to \$39,999, two of the three lowest income cohorts. Based on HISTA data, all income cohorts are expected to experience positive annual growth, on average, in percentage terms from 2018 to 2023, which bodes well for affordable housing, such as the Subject.

Household Size Distribution

The tables below show the breakdown of family and senior (55+) households by the number of persons in the household within the Subject’s PMA.

PMA HOUSEHOLD SIZE DISTRIBUTION						
	2000		2018		2023	
Household Size	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	7,113	22.9%	10,277	23.3%	10,997	23.3%
2 persons	9,834	31.7%	13,488	30.5%	14,388	30.5%
3 persons	5,746	18.5%	7,902	17.9%	8,485	18.0%
4 persons	5,051	16.3%	6,697	15.2%	7,092	15.0%
5+ persons	3,272	10.5%	5,822	13.2%	6,277	13.3%
Total	31,016	100.0%	44,186	100.0%	47,239	100.0%

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

PMA HOUSEHOLD SIZE DISTRIBUTION 55+						
	2000		2018		2023	
Household Size	Total Households	Percent	Total Households	Percent	Total	Percent
1 persons	3,334	36.8%	5,905	34.1%	6,885	33.7%
2 persons	4,352	48.0%	7,279	42.0%	8,510	41.6%
3 persons	759	8.4%	2,442	14.1%	2,925	14.3%
4 persons	384	4.2%	928	5.4%	1,185	5.8%
5+ persons	240	2.6%	769	4.4%	938	4.6%
Total	9,069	100.0%	17,323	100.0%	20,443	100.0%

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

Historically, the majority of renter households in the PMA have consisted of one and two-person households. The Subject will target one to five-person senior households. Through 2023, the number of one to five-person households with a senior householder aged 55 and above is projected to significantly increase by 3,120 housing units, through 2023. The projected household size composition of senior households in the PMA is a positive indicator for the Subject’s units.

Renter Household Size Distribution

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
	2000		2018		2023	
Household Size	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	3,392	34.9%	5,072	35.5%	5,382	36.2%
2 persons	3,016	31.0%	3,818	26.7%	3,862	25.9%
3 persons	1,355	13.9%	2,047	14.3%	2,112	14.2%
4 persons	1,132	11.6%	1,705	11.9%	1,776	11.9%
5+ persons	835	8.6%	1,661	11.6%	1,755	11.8%
Total	9,730	100.0%	14,303	100.0%	14,887	100.0%

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION 55+						
	2000		2018		2023	
Household Size	Total Households	Percent	Total Households	Percent	Total	Percent
1 persons	1,374	62.8%	2,483	57.2%	2,894	56.1%
2 persons	651	29.8%	1,045	24.1%	1,256	24.3%
3 persons	59	2.7%	328	7.6%	376	7.3%
4 persons	65	3.0%	155	3.6%	244	4.7%
5+ persons	39	1.8%	331	7.6%	393	7.6%
Total	2,188	100.0%	4,342	100.0%	5,163	100.0%

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

Historically, the majority of renter households in the PMA have consisted of one and two-person households, which is expected to continue through 2023. In 2018, approximately 62 percent of renter households were one or two-person, compared to 84 percent for senior renter households of the same size. The Subject will offer one and two-bedroom units, which bodes well for the increasing percentage of four-person households expected in the PMA through 2023.

Median Household Income Levels

The tables below illustrate the median household income for general and senior households in the PMA, the MSA and the nation from 2000 through 2023.

MEDIAN HOUSEHOLD INCOME						
Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$39,962	-	\$66,823	-	\$44,872	-
2018	\$76,148	5.0%	\$99,481	2.7%	\$58,100	1.6%
2023	\$85,621	2.5%	\$108,919	1.9%	\$65,727	2.6%

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

MEDIAN HOUSEHOLD INCOME (AGES 55-64)						
Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2018	\$83,279	-	\$112,605	-	\$65,469	-
2023	\$97,710	3.5%	\$131,468	3.4%	\$86,507	6.4%

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

As of 2018, the median income in the PMA is below the surrounding MSA among the general and senior populations, and both areas of analysis are above the nation as a whole. Median household income growth in the PMA exceeded the MSA and overall nation between 2000 and 2018 for the general population. It should be noted that median household income data prior to 2018 is unavailable for seniors aged 55 and above. Income growth among senior households in the PMA is projected to increase at a rate slightly above the MSA and below the overall nation from 2018 to 2023. 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 slow significantly to 2.5 percent on average through 2023, which is below the projected growth in the PMA for senior households.

Rent Overburdened Households

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

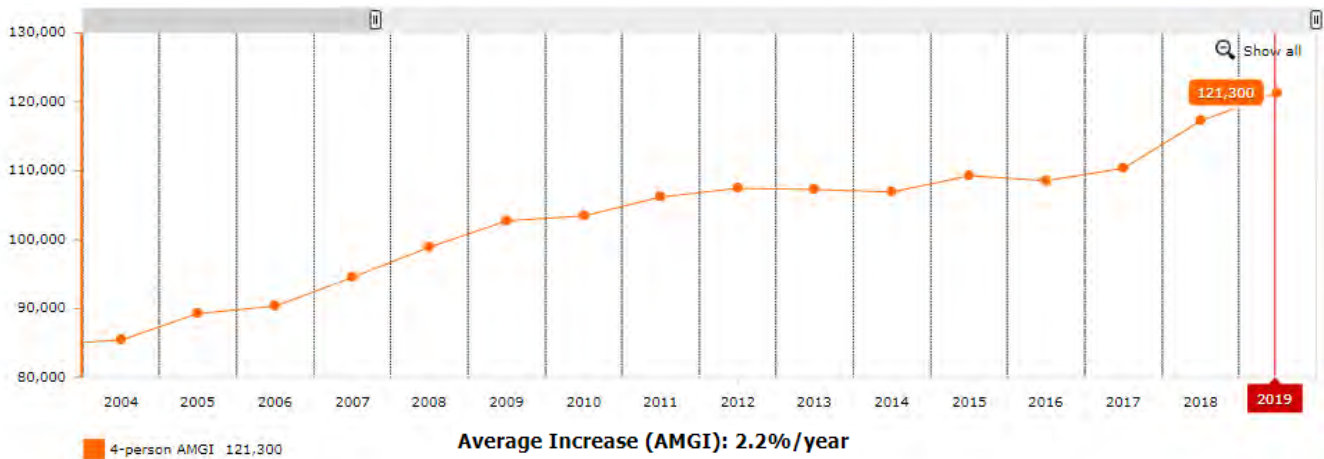
RENT OVERBURDENED						
Year	PMA		MSA		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2018	6,135	40.3%	289,106	36.9%	16,657,755	39.5%

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

The percentage of rent-overburdened households in the PMA is above the MSA and is generally similar to, but slightly above, the percentage of rent-overburdened households in the nation. The prevalence of rent-overburdened households in the MSA is below the overall nation.

2019 Area Median Income – Spotsylvania County, Virginia

For Section 42 LIHTC rent determination purposes, the HUD AMI is used. It should be noted that the HUD AMI differs from the median household income illustrated previously. HUD uses the Area Median Income in metropolitan and non-metropolitan areas to calculate income limits for eligibility in a variety of housing programs. HUD estimates the AMI for an area in the current year and adjusts that amount for different household sizes so that household incomes may be expressed as a percentage of the area median income. The following chart illustrates the AMI level for a four-person household in Spotsylvania County from 2004 through 2019.



Overall, the AMI has increased by an average of 2.2 percent annually between 2005 and 2019. The AMI in Spotsylvania County peaked in 2019, indicating that no properties will be held harmless at higher rent and income limits than the Subject, which are proposed to have rents set at the 2019 maximum allowable levels for all unit types at the 60 percent AMI level. As detailed later in the Supply Section, it should be noted that based on the rents at the majority of the comparable properties, the maximum 2018 rents being achieved by Orchard Ridge at Jackson Village I & II, as well as comments from property managers, we believe that rents at the 2018 maximum LIHTC rent levels are currently achievable in the market. Based on the fact that if the Subject was completed as of the effective date of this report, we believe it could achieve the 2018 maximum allowable rents. Moreover, rents slightly below the 2019 allowable LIHTC rent levels appear achievable for the Subject. Therefore, rent increases for the Subject’s units will be dependent upon future increases in the AMI, as well as market conditions. The following chart illustrates the change in AMI over the past five years.

SPOTSYLVANIA COUNTY AMI GROWTH (2014-2019)

Year	2014	2015	2016	2017	2018	2019
AMI	\$107,000	\$109,200	\$108,600	\$110,300	\$117,200	\$121,300
Percentage	-0.3%	2.1%	-0.5%	1.6%	6.3%	3.5%

Conclusion

The general population in the PMA increased by 47.2 percent between 2000 and 2018, compared to the 106.6 percent increase for the senior population 55 and over in the PMA during the same time period. The percentage of renter households in the PMA remained relatively stable between 2000 and 2018, and is estimated to be 32.4 and 25.1 percent for the general and senior populations, respectively, as of 2018. As of 2018, the median income in the PMA is below the surrounding MSA. Median household income growth in the PMA exceeded the MSA and overall nation between 2000 and 2018 for the general population. It should be noted that median household income data prior to 2018 is unavailable for seniors aged 55 and above. Income growth among senior households in the PMA is projected to increase at a rate slightly above the MSA and below the overall nation from 2018 to 2023. Annualized PMA growth of senior households 55 and over is projected to increase slightly and stabilize at an average increase of 3.6 percent annually through 2023, which will remain slightly above the MSA and above the overall nation. Overall, the combination of rising population and household income levels among the senior population bodes well for future demand for multifamily senior housing.

H. COMPETITIVE ENVIRONMENT

HOUSING SUMMARY

We consulted a CoStar first quarter of 2019 market report for the Fredericksburg, Virginia submarket of the Washington D.C metro area to gather information on the local apartment rental market. The following table provides an overview of the Fredericksburg submarket, as provided by CoStar.

KEY INDICATORS

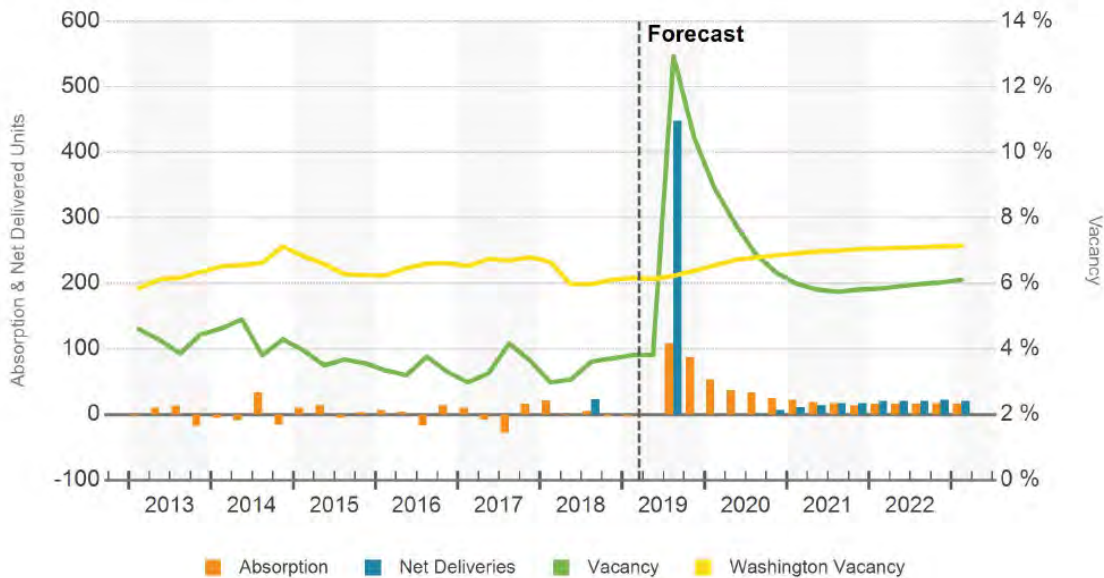
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	1,008	4.1%	\$1,382	\$1,381	1	0	448
3 Star	1,668	3.2%	\$1,119	\$1,100	1	0	0
1 & 2 Star	418	5.6%	\$1,034	\$1,002	(5)	0	0
Submarket	3,094	3.8%	\$1,232	\$1,220	(3)	0	448

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.7%	4.5%	6.6%	6.9%	2000 Q4	3.0%	2001 Q3
Absorption Units	2	52	104	465	2011 Q1	(21)	2003 Q2
Delivered Units	23	54	132	483	2011 Q4	0	2018 Q2
Demolished Units	0	0	3	0	2018 Q4	0	2018 Q4
Asking Rent Growth (YOY)	3.5%	2.0%	1.5%	6.7%	2015 Q3	-3.3%	2003 Q2
Effective Rent Growth (YOY)	3.2%	2.0%	1.4%	7.8%	2015 Q2	-3.4%	2003 Q2
Sales Volume	\$50.6 M	\$22.2M	N/A	\$127.2M	2016 Q2	\$0	2013 Q2

Source: CoStar, March 2019

The following chart illustrates absorption, deliveries, and vacancy from 2013 to 2023. The submarket's vacancy is presented by the green line in the chart below.

ABSORPTION, NET DELIVERIES & VACANCY

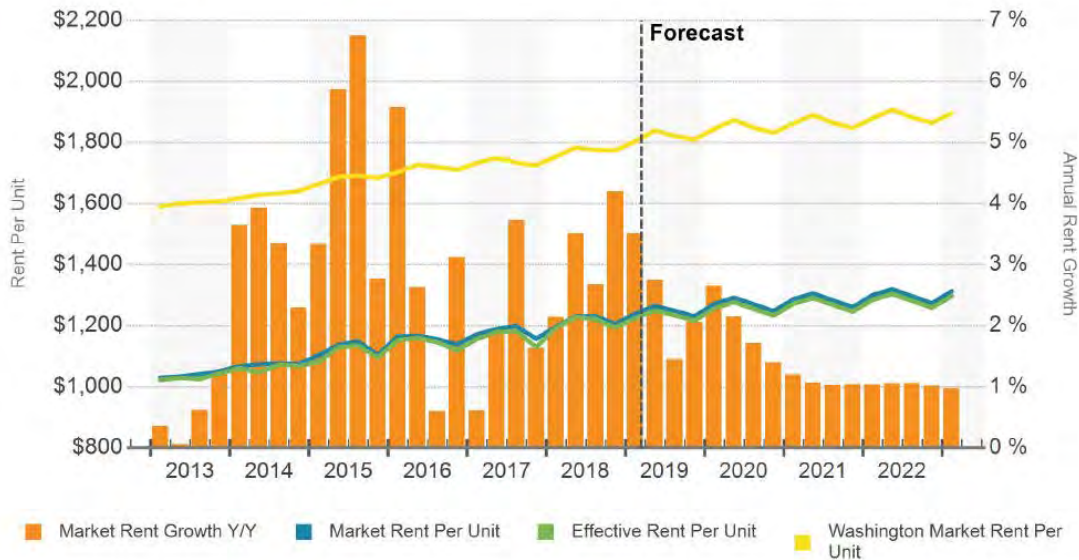


Source: CoStar, March 2019

According to CoStar, the Fredericksburg submarket is one of the most stable submarkets in the metropolitan area, with vacancy rates near an all-time low at 3.8 percent (2019 YTD) due to the limited additions to new supply over the past several years. The vacancy rate is expected to spike to 10.4 percent during 2019 due to an expected increase in supply.

Most notably, The Allure at Jefferson is a multifamily property currently under construction one-third of a mile north of the Subject site, and is expected to deliver 338 one-, two-, and three-bedroom market rate units by July 2019. Based on our recent conversation with this property as of March 2019 there are currently 17 occupied units in the first completed 24-unit building, with plans to lease units as the remaining buildings are completed. Two other multifamily properties, Liberty Place and 514 Sophia St, are expected to deliver 65 new multifamily units between November 2019 and March 2020. However, vacancy is expected to stabilize in 2020 with a forecasted vacancy rate of 6.3 percent, which will remain stable through 2023.

MARKET RENT PER UNIT & RENT GROWTH

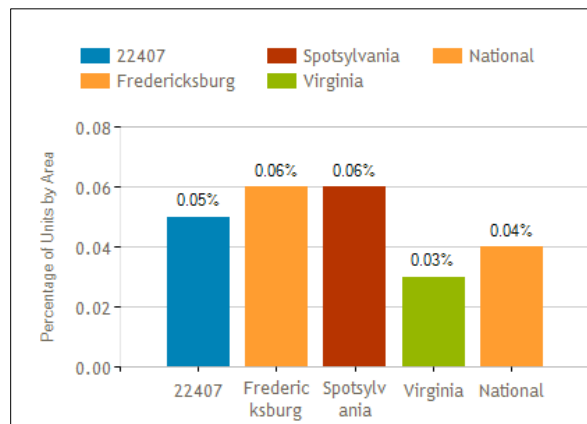


Source: CoStar, March 2019

Asking rent growth is illustrated in the orange bars in the above chart. According to CoStar, average rent growth in the Fredericksburg submarket peaked in 2015 at 6.7 percent. Through 2023, rent growth in the submarket is expected to average 1.5 percent annually, given the new additions to supply expected to come online in the next few years.

Housing Foreclosures

The following chart depicts the percentage of units by area currently in some stage of foreclosure within the Subject’s zip code, Fredericksburg, Virginia and the nation for comparison purposes.



Source: RealtyTrac.com, March 2019

According to RealtyTrac.com, “there are currently 45 properties in the Subject’s zip code (22407) that are in some stage of foreclosure (default, auction or bank owned), while the number of homes listed for sale on RealtyTrac is 159. In February, the number of properties that received a foreclosure filing in 22407 was 9% lower than the previous month

and 29% lower than the same time last year. Overall, the Subject's zip code is experiencing lower foreclosure rate than the surrounding city and county, and is above the state of Virginia and the overall nation.

Age of Housing Stock

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

AGE OF HOUSING STOCK IN PMA		
Years	Number of Units	Percent of Housing Stock
Built 2005 or later	1,672	3.8%
Built 2000 to 2004	10,428	23.6%
Built 1990 to 1999	9,891	22.4%
Built 1980 to 1989	8,380	19.0%
Built 1970 to 1979	6,640	15.0%
Built 1960 to 1969	2,221	5.0%
Built 1950 to 1959	1,803	4.1%
Built 1940 to 1949	861	1.9%
Built 1939 or earlier	2,317	5.2%
Total	44,213	100.0%

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

The data demonstrates that the existing housing stock in the PMA consists of approximately 50.3 percent of structures constructed prior to 1989 and 49.7 percent of those are post-1990 deliveries, indicating a significant amount of new supply in this area. However, only 3.8 percent of the existing housing stock was constructed since 2005 indicating the Subject will be superior to a majority of the housing stock in the PMA, once complete. The data above does not reflect condition, which oftentimes is depicted through well-maintained developments through ongoing maintenance. The field inspection of the area reflects a range of average to excellent condition for the housing stock in the Subject's immediate neighborhood.

Substandard Housing

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

Year	SUBSTANDARD HOUSING		
	PMA	Washington-Arlington-Alexandria, DC-VA-MD-WV MSA	USA
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
2018	1.23%	1.12%	1.70%

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

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

Building Permits

The following table depicts building activity from 2000 through 2018 for Spotsylvania County, Virginia. It should be noted that data for the city of Fredericksburg was unavailable.

BUILDING PERMITS: SPOTSYLVANIA COUNTY 2000 - 2018*

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	1,460	0	0	1,460
2001	1,903	0	250	2,153
2002	1,651	0	0	1,651
2003	1,596	0	220	1,816
2004	1,290	0	129	1,419
2005	1,511	0	154	1,665
2006	1,174	0	92	1,266
2007	580	0	8	588
2008	131	0	0	131
2009	258	0	0	258
2010	254	0	0	254
2011	248	0	0	248
2012	300	0	0	300
2013	362	0	0	362
2014	375	0	0	375
2015	390	0	0	390
2016	420	0	0	420
2017	689	0	270	959
2018*	640	0	540	1,180
Total	15,232	0	1,663	16,895
Average*	802	0	88	889

*YTD, preliminary

Source: US Census Bureau Building Permits, March 2019

The preceding table indicates that local permit issuance peaked in 2001, well before the onset of the national recession. Permit volume declined by 94 percent during the recession, reaching a low in 2008. Permit issuance rose in seven out of ten years between 2008 and 2017. The most recent years with finalized data indicate construction activity increased by 128.3 percent between 2016 and 2017, and reached a new post-recession record.

Planning Discussion

We attempted to contact the Spotsylvania County Planning Department to gather information on new development located within the Subject’s PMA. As of the writing of this report, our calls have not been returned; however, we have collected information on new developments online and have also consulted CoStar to gather information on planned or under construction developments in the PMA. The following table illustrates multifamily projects in the PMA according to CoStar and our internet research. As detailed on the following page, additional developments have been allocated LIHTC in the PMA within recent years and we have provided more details on these projects in our discussion of LIHTC Competition.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
The Allure at Jefferson	Market	Family	338	0	Under Construction	0.4 miles
514 Sophia St	Market	Family	14	0	Proposed	6.6 miles
Liberty Place Multifamily	Market	Family	51	0	Proposed	6.6 miles
Totals			403	0		

Source: CoStar, March 2019

- **The Allure at Jefferson** is an under construction 338-unit midrise development that will offer one, two, and three-bedroom market rate units for families. Given its family-oriented tenancy, we do not expect it to be competitive with the Subject. We contacted this survey for absorption information and the contact reported that as of June

2019, there are two completed buildings totaling 48 units, with 42 units currently leased, equating to 87.5 percent occupancy of the existing operation.

- **514 Sophia St** is a proposed 14-unit market rate development that we do not expect to be competitive with the Subject when complete.
- **Liberty Place Multifamily** is a proposed low-rise project that would offer 51 market rate units for family households. Given its targeted tenancy, we do not expect it to be competitive with the Subject once completed.

LIHTC Competition / Recent and Proposed Construction

According to the Virginia Housing Development Authority, between 2015 and February 2019, there have been seven projects allocated tax credits within the PMA. The details on these properties are presented below.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Distance to Subject
Orchard Ridge at Jackson Village II	2018	LIHTC	Family	76	0	0.3 mile
Orchard Ridge at Jackson Village	2017	LIHTC	Family	169	0	0.3 mile
New Post	2016	LIHTC	Family	102	0	6.2 miles
Keswick	2017	LIHTC	Family	120	0	5.3 miles
Keswick II	2017	LIHTC	Family	116	0	5.3 miles
Keswick Senior	2016	LIHTC	Senior	100	100	5.3 miles
Wicklow Square	2015	LIHTC	Family	96	0	7.0 miles
Totals				779	100	

Source: VHDA, March 2019

- **Orchard Ridge at Jackson Village Phase II** is a multifamily development located 0.3-mile north of the Subject site. The property is in the lease-up process and is almost to a stabilized occupancy. We have utilized this development as a rent comparable. This property was awarded LIHTC funding in 2018. We do not believe this property will compete with the Subject once complete due to differing tenancies.
- **Orchard Ridge at Jackson Village** is a 169-unit multifamily development that was awarded LIHTC funding in 2017 and was completed in May 2018. The property is fully occupied and maintains a waitlist list. We have utilized this development as a rent comparable. It should be noted that none of the units at this property have been deducted from our demand analysis based on its targeted family tenancy.
- **New Post Apartments** was allocated tax credits in 2016 for 102 affordable units. It is an existing project built in 2017, and we have utilized this property as a rent comparable. The property offers one, two, and three-bedroom units at 40, 50, and 60 percent of AMI. Given that this property is existing and targets families, its units will not be removed from our demand analysis.
- **Keswick** and **Keswick II** are the first and second phases of the Keswick planned community located 5.3 miles southwest of the proposed Subject site. Both properties were allocated LIHTC in 2017; Keswick is currently under construction, while construction on Keswick II is expected to begin construction soon after the completion of Keswick. Together, these properties will offer a total of 236 units targeted to families; as such we do not believe these properties will compete with the Subject based on differing tenancy.
- **Keswick Senior Apartments** is a 100-unit new construction senior development that was allocated LIHTC in 2017 and is currently under construction. The property will offer 100 one- and two-bedroom units to seniors at the 40, 50, and 60 percent AMI levels. The timeline of completing construction was unclear; however, upon completion, we expect the 50 one- and two-bedroom units at the 60 percent set aside to compete with the Subject once completed, as it will target a similar senior tenancy. Thus, we have deducted 50 units from our demand analysis.
- **Wicklow Square** was allocated tax credits in 2015 for the new construction of 96 studio, one, two, and three-bedroom units restricted to 60 percent of AMI. Given that this property is existing and targets families, its units will not be deducted from our demand analysis.

SURVEY OF COMPARABLE PROPERTIES

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

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

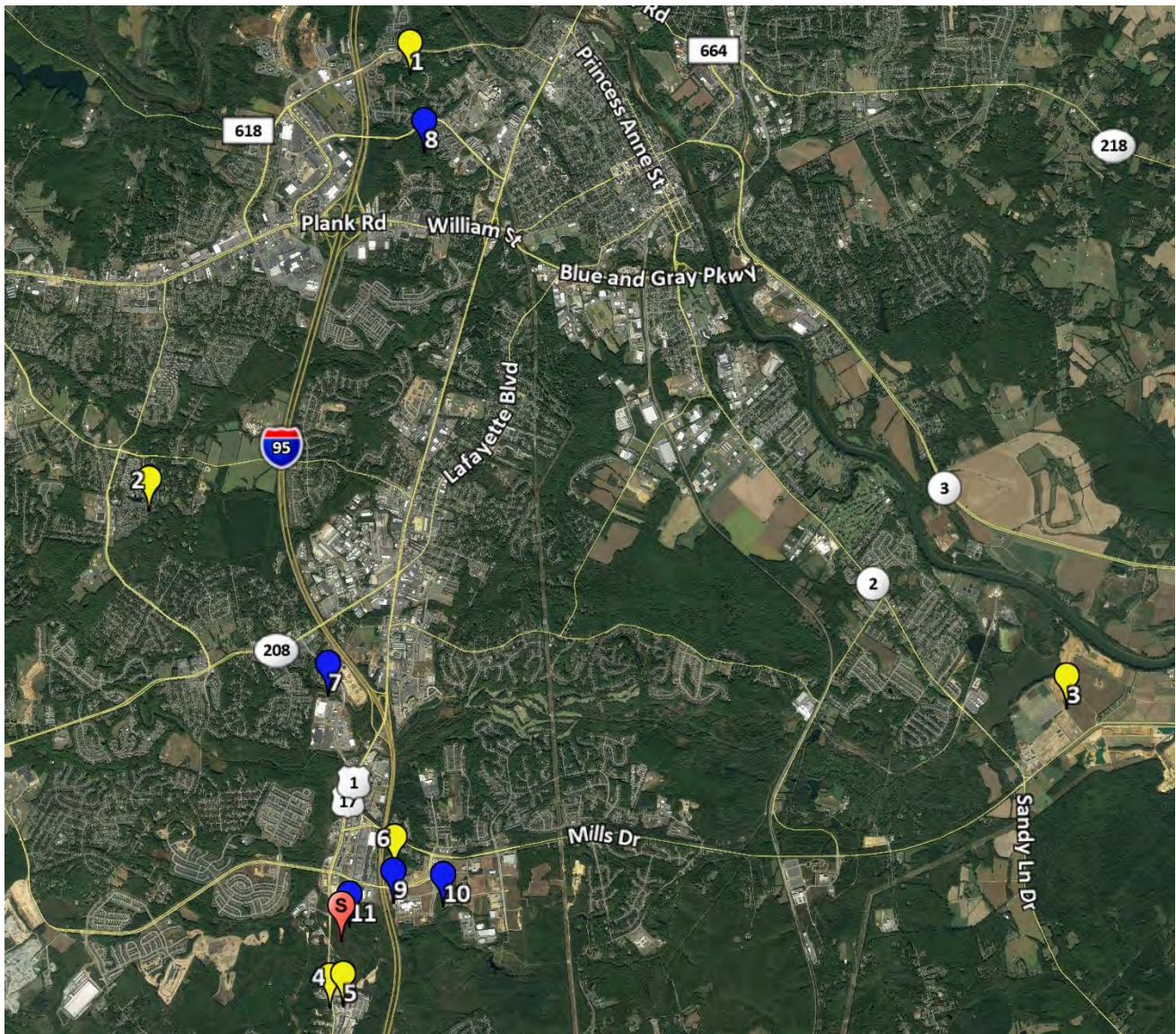
To evaluate the competitive position of the Subject, we surveyed a total of 1,925 units in 11 rental properties. The LIHTC data is considered good. We included six affordable developments located between 0.3 and 7.2 miles from the Subject site, all of which are located within the PMA. The market rate data is considered average based on the limited number of senior market rate developments in the area. We included five market rate properties located between 0.4 and 6.6 miles from the Subject site, and all five are located within the PMA. Out of the 11 rent comparables utilized in our analysis, one LIHTC and one market rate comparable are age-restricted properties, similar to the proposed Subject. 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
Greens Of Salem Run	LIHTC	Family	Unable to Contact
Madonna House at Belmont	LIHTC	Senior	Incomparable Condition/Closer Comparable Utilized
Meadows at Salem Run I & II	LIHTC	Senior	Incomparable Condition/Closer Comparable Utilized
Salem Fields Apartments	LIHTC	Family	Incomparable Unit Mix
Townsend Square	LIHTC	Family	Incomparable Unit Mix
Western Circle	LIHTC	Family	Closer Comparable Utilized
Wicklow Square	LIHTC	Family	Closer Comparable Utilized
Alexander Heights	Market	Senior	Unable to Contact/Closer Comparable Utilized
Cardinal Village	Market	Senior	Inclusive Development/Assisted Living Facility
Seasons at Celebrate	Market	Family	Outside of PMA/Closer Comparable Utilized
Asbury Manor	Section 8	Senior	Subsidized Rents
Piedmont Drive Group Home	Section 8	Disabled	Subsidized Rents
Stonewall Estates Group Home	Section 8	Disabled	Subsidized Rents

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 Rental Property Map



COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	The Heights At Jackson Village I	Fredericksburg	LIHTC	Senior	-
1	Crestview Apartments	Fredericksburg	LIHTC	Family	7.2 miles
2	Kings Crest Senior Apartments	Fredericksburg	LIHTC	Senior	3.9 miles
3	New Post Apartments	Fredericksburg	LIHTC	Family	6.2 miles
4	Orchard Ridge At Jackson Village	Fredericksburg	LIHTC	Family	0.3 miles
5	Orchard Ridge At Jackson Village II	Fredericksburg	LIHTC	Family	0.3 miles
6	Overlook Terrace	Fredericksburg	LIHTC	Family	0.9 miles
7	Abberly At Southpoint	Fredericksburg	Market	Family	2.2 miles
8	Evergreens At Smith Run	Fredericksburg	Market	Senior	6.6 miles
9	Silver Collection At Cosner's Corner	Fredericksburg	Market	Family	0.7 miles
10	Station Square At Cosner's Corner	Fredericksburg	Market	Family	1.0 miles
11	The Allure At Jefferson	Fredericksburg	Market	Family	0.4 miles

SUMMARY MATRIX - LIHTC COMPARABLES

Comp #	Property Name	Distance	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate		
Subject	The Heights At Jackson Village 9200 Old Telegraph Road Fredericksburg, VA 22407 Spotsylvania County	-	Midrise 5-stories 2022 / n/a Senior	@60%	1BR / 1BA	111	59.4%	650	@60%	\$1,261	Yes	N/A	N/A	N/A		
					2BR / 1BA	76	40.6%	850	@60%	\$1,506	Yes	N/A	N/A	N/A		
						187									N/A	N/A
1	Crestview Apartments 100 Crestview Way Fredericksburg, VA 22401 Fredericksburg County	7.2 miles	Garden 3-stories 2000 / 2018 Family	@60%	1BR / 1BA	24	13.3%	863	@60%	\$1,189	No	No	0	0.0%		
					2BR / 2BA	108	60.0%	988	@60%	\$1,234	No	No	0	0.0%		
					3BR / 2BA	48	26.7%	1,128	@60%	\$1,420	No	No	1	2.1%		
						180									1	0.6%
2	Kings Crest Senior Apartments 11500 Kings Crest Court Fredericksburg, VA 22407 Spotsylvania County	3.9 miles	Lowrise 3-stories 1999 / n/a Senior	@50%	1BR / 1BA	52	52.0%	564	@50%	\$872	No	Yes	0	0.0%		
					2BR / 1BA	48	48.0%	803	@50%	\$1,061	No	Yes	1	2.1%		
						100									1	1.0%
3	New Post Apartments 2000 Liberty Loop Fredericksburg, VA 22408 Spotsylvania County	6.2 miles	Garden 3-stories 2017 / n/a Family	@40%, @50%, @60%	1BR / 1BA	11	10.8%	700	@40%	\$712	No	Yes	0	0.0%		
					1BR / 1BA	2	2.0%	700	@50%	\$868	No	Yes	0	0.0%		
					1BR / 1BA	5	4.9%	700	@60%	\$968	No	Yes	0	0.0%		
					2BR / 2BA	23	22.6%	975	@50%	\$1,004	No	Yes	N/A	N/A		
					2BR / 2BA	25	24.5%	975	@60%	\$1,080	No	Yes	N/A	N/A		
					3BR / 2BA	16	15.7%	1,100	@50%	\$1,116	No	Yes	N/A	N/A		
						20	19.6%	1,100	@60%	\$1,193	No	Yes	N/A	N/A		
						102									5	4.9%
4	Orchard Ridge At Jackson Village 9121 Jefferson Davis Highway Fredericksburg, VA 22407 Spotsylvania County	0.3 miles	Midrise 4-stories 2018 / n/a Family	@60%	1BR / 1BA	38	22.5%	790	@60%	\$1,125	Yes	Yes	0	0.0%		
					2BR / 2BA	124	73.4%	1,088	@60%	\$1,350	Yes	No	0	0.0%		
					3BR / 2BA	7	4.1%	1,402	@60%	\$1,650	Yes	Yes	0	0.0%		
						169									0	0.0%
5	Orchard Ridge At Jackson Village II 4900 Orchard Ridge Drive Fredericksburg, VA 22407 Spotsylvania County	0.3 miles	Midrise 4-stories 2019 / n/a Family	@60%	1BR / 1BA	18	29.0%	790	@60%	\$1,125	Yes	Yes	N/A	N/A		
					2BR / 2BA	41	66.1%	1,088	@60%	\$1,350	Yes	No	N/A	N/A		
					3BR / 2BA	3	4.8%	1,402	@60%	\$1,650	Yes	Yes	N/A	N/A		
						62									6	9.7%
6	Overlook Terrace 4540 Lookout Lane Fredericksburg, VA 22408 Spotsylvania County	0.9 miles	Garden 3-stories 2016 / n/a Family	@50%	1BR / 1BA	12	16.7%	917	@50%	\$930	No	Yes	0	0.0%		
					2BR / 2BA	36	50.0%	1,126	@50%	\$1,098	No	Yes	1	2.8%		
					3BR / 2BA	24	33.3%	1,399	@50%	\$1,228	No	Yes	0	0.0%		
						72									1	1.4%

THE HEIGHTS AT JACKSON VILLAGE – FREDERICKSBURG, VA – MARKET STUDY

SUMMARY MATRIX - MARKET RATE COMPARABLES

Comp #	Property Name	Distance	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
7	Abberly At Southpoint 10500 Abberly Village Lane Fredericksburg, VA 22407 Spotsylvania County	2.2 miles	Midrise 4-stories 2016 Family	Market	1BR / 1BA	56	20.0%	807	Market	\$1,348	n/a	Yes	2	3.6%
					1BR / 1BA	4	1.4%	813	Market	\$1,443	n/a	Yes	0	0.0%
					1BR / 1BA	56	20.0%	907	Market	\$1,341	n/a	Yes	3	5.4%
					1BR / 1.5BA	2	0.7%	1,199	Market	\$1,751	n/a	Yes	0	0.0%
					2BR / 2BA	7	2.5%	1,101	Market	\$1,551	n/a	Yes	0	0.0%
					2BR / 2BA	56	20.0%	1,194	Market	\$1,659	n/a	Yes	0	0.0%
					2BR / 2BA	32	11.4%	1,279	Market	\$1,714	n/a	Yes	0	0.0%
					2BR / 2BA	22	7.9%	1,454	Market	\$1,834	n/a	Yes	1	4.6%
					2BR / 2.5BA	21	7.5%	1,327	Market	\$1,789	n/a	Yes	0	0.0%
					2.5BR / 2BA	18	6.4%	1,496	Market	\$2,025	n/a	Yes	0	0.0%
					3BR / 2BA	6	2.1%	1,496	Market	\$2,092	n/a	Yes	0	0.0%
					280							6	2.1%	
8	Evergreens At Smith Run 2700 Cowan Boulevard Fredericksburg, VA 22401 Fredericksburg County	6.6 miles	Midrise 4-stories 2003 Senior	Market	1BR / 1BA	34	26.2%	754	Market	\$1,355	n/a	No	2	5.9%
					1BR / 1BA	N/A	N/A	787	Market	\$1,640	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	721	Market	\$1,070	n/a	No	N/A	N/A
					1.5BR / 1BA	13	10.0%	956	Market	\$1,454	n/a	No	1	7.7%
					1.5BR / 1BA	N/A	N/A	997	Market	\$1,555	n/a	No	N/A	N/A
					1.5BR / 1BA	N/A	N/A	914	Market	\$1,352	n/a	No	N/A	N/A
					2BR / 2BA	67	51.5%	1,093	Market	\$1,745	n/a	No	2	3.0%
					2BR / 2BA	N/A	N/A	1,012	Market	\$1,524	n/a	No	N/A	N/A
					2.5BR / 2BA	162	124.6%	1,176	Market	\$1,794	n/a	No	0	0.0%
					2.5BR / 2BA	N/A	N/A	1,327	Market	\$2,123	n/a	n/a	N/A	N/A
					2.5BR / 2BA	N/A	N/A	1,024	Market	\$1,465	n/a	n/a	N/A	N/A
					130						5	3.8%		
9	Silver Collection At Cosner's Corner 9500 Silver Collection Circle Fredericksburg, VA 22408 Spotsylvania County	0.7 miles	Garden 3-stories 2016 Family	Market	1BR / 1BA	36	13.1%	706	Market	\$1,268	n/a	n/a	5	13.9%
					1BR / 1BA	72	26.3%	721	Market	\$1,273	n/a	n/a	5	6.9%
					1BR / 1BA	12	4.4%	834	Market	\$1,427	n/a	n/a	1	8.3%
					2BR / 2BA	18	6.6%	1,122	Market	\$1,470	n/a	n/a	1	5.6%
					2BR / 2BA	48	17.5%	1,140	Market	\$1,424	n/a	n/a	5	10.4%
					2BR / 2BA	36	13.1%	1,154	Market	\$1,465	n/a	n/a	6	16.7%
					2BR / 2BA	36	13.1%	1,199	Market	\$1,520	n/a	n/a	3	8.3%
					2BR / 2.5BA	4	1.5%	1,459	Market	\$2,208	n/a	n/a	0	0.0%
					3BR / 2BA	12	4.4%	1,398	Market	\$2,089	n/a	n/a	1	8.3%
										274				
10	Station Square At Cosner's Corner 9419 Cumberland Drive Fredericksburg, VA 22408 Spotsylvania County	1.0 miles	Garden 3-stories 2013 Family	Market	1BR / 1BA	16	4.2%	746	Market	\$1,365	n/a	No	0	0.0%
					1BR / 1BA	71	18.7%	780	Market	\$1,317	n/a	No	1	1.4%
					1BR / 1BA	17	4.5%	803	Market	\$1,385	n/a	No	0	0.0%
					1BR / 1BA	28	7.4%	819	Market	\$1,317	n/a	No	0	0.0%
					1BR / 1BA	1	0.3%	861	Market	\$1,380	n/a	No	0	0.0%
					1BR / 1BA	42	11.1%	995	Market	\$1,545	n/a	No	1	2.4%
					2BR / 2BA	118	31.1%	1,174	Market	\$1,485	n/a	No	2	1.7%
					2BR / 2BA	38	10.0%	1,199	Market	\$1,525	n/a	No	17	44.7%
					2BR / 2BA	12	3.2%	1,233	Market	\$1,565	n/a	No	2	16.7%
					3BR / 2BA	26	6.8%	1,300	Market	\$1,900	n/a	No	3	11.5%
					3BR / 2BA	11	2.9%	1,514	Market	\$2,155	n/a	No	1	9.1%
					380						27	7.1%		
11	The Allure At Jefferson 4660 Monroe St Fredericksburg, VA 22407 Spotsylvania County	0.4 miles	Midrise 3-stories 2019 Family	Market	1BR / 1BA	n/a	n/a	854	Market	\$1,302	n/a	n/a	n/a	n/a
					1BR / 1BA	n/a	n/a	941	Market	\$1,402	n/a	n/a	n/a	n/a
					2BR / 2BA	n/a	n/a	1,062	Market	\$1,527	n/a	n/a	n/a	n/a
					2BR / 2BA	n/a	n/a	1,079	Market	\$1,562	n/a	n/a	n/a	n/a
					2BR / 2BA	n/a	n/a	1,107	Market	\$1,597	n/a	n/a	n/a	n/a
					3BR / 2BA	n/a	n/a	1,311	Market	\$1,862	n/a	n/a	n/a	n/a
					48						6	12.5%		

Rent Comparability Grid

Unit Type: 1BR / 1BA – Midrise – 650-SF

OMB Approval # 2502-0507 (exp. 04/30/2021)

Subject's FHA #:

Subject		Comp #7		Comp #8		Comp #9		Comp #10		Comp #11	
The Heights At Jackson Village		Abberly At Southpoint		Evergreens At Smith Run		Silver Collection At Cosner's Corner		Station Square At Cosner's Corner		The Allure At Jefferson	
Old Telegraph Road		10500 Abberly Village Lane		2700 Cowan Boulevard		9500 Silver Collection Circle		9419 Cumberland Drive		4660 Monroe Way	
Fredericksburg, Spotsylvania		Fredericksburg, Spotsylvania County, VA		Fredericksburg, Fredericksburg County, VA		Fredericksburg, Spotsylvania County, VA		Fredericksburg, Spotsylvania County, VA		Fredericksburg, Spotsylvania County, VA	
A. Rents Charged		Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
1	\$ Last Rent / Restricted?	\$1,348	N	\$1,405	N	\$1,256	N	\$1,353	N	\$1,290	N
2	Date Last Leased (mo/yr)	Jun-19		May-19		Apr-19		Apr-19		Jun-19	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	94.6%		94.1%		86.1%		100.0%		87.5%	
5	Effective Rent & Rent / sq. ft	\$1,348	\$1.67	\$1,405	\$1.86	\$1,256	\$1.78	\$1,353	\$1.81	\$1,290	\$1.51
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
6	Structure / Stories	E/5		E / 4		E / 4		G / 3	\$40	G / 3	\$40
7	Yr. Built / Yr. Renovated	2022		2016	\$45	2016		2013	\$15	2019	
8	Condition / Street Appeal	E		E	\$75	E		G	\$75	E	
9	Neighborhood	G		G	(\$10)	G		G		G	
10	Same Market? Miles to Subj.	Yes/2.2		Yes/6.6		Yes/0.7		Yes/1		Yes/0.4	
C. Unit Equipment / Amenities		Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
11	# Bedrooms	1		1		1		1		1	
12	# Bathrooms	1		1		1		1		1	
13	Unit Interior Sq. Ft.	650	(\$50)	807	(\$50)	754	(\$40)	706	(\$40)	854	(\$50)
14	Balcony / Patio	Y		Y		Y		Y		Y	
15	AC: Central / Wall	C		C		C		C		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M / D	\$5	D		M / D		M / D		M / D	
18	Washer / Dryer	L/HU	(\$25)	WD	(\$25)	WD	(\$25)	HU	(\$25)	WD	(\$25)
19	Floor Coverings	Y		Y		Y		Y		Y	
20	Window Coverings	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	WiFi		Y		N	\$15	N	\$15	N	\$15
22	Special Features	CF, WIC, Garbage Disposal		Granite Countertops	\$10	CF, Garbage Disposal, Outdoor Firepit		CF, Garbage Disposal	\$5	Garbage Disposal, Outdoor Firepit	\$5
23											
D. Site Equipment / Amenities		Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
24	Parking (\$ Fee)	L		C/G(\$0)	(\$50)	L/C(\$65)		L		L/G(\$99)	
25	Extra Storage	Y		N	\$20	Y(\$45)		N	\$20	Y	
26	Security	Y		Y		Y		Y		Y	
27	Clubhouse / Meeting Rooms	MR		MR		MR		MR		MR	
28	Pool / Recreation Areas	P/E/RRR/G	\$20	P/E/R	\$15	P/E/RRR	\$15	P/E/R	\$25	P/E/R	\$35
29	Business Ctr / Nhd Network	BC		BC		BC		BC		BC	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
33	Heat (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C		N/C	
35	Cooking (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	N/N		N/N	(\$50)	Y/Y		N/N		N/N	
39	Trash / Recycling	Y		Y		Y		N	\$12	N	\$12
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	(3)	4	(3)	5	(1)	6	(2)	3	(2)
41	Sum Adjustments B to D	\$55	(\$75)	\$150	(\$75)	\$95	(\$20)	\$175	(\$65)	\$55	(\$75)
42	Sum Utility Adjustments					\$12		\$12		\$12	
43	Net / Gross Adjustments B to E	(\$70)	\$180	\$25	\$275	\$87	\$127	\$122	\$252	(\$8)	\$142
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,278		\$1,430		\$1,343		\$1,475		\$1,282	
45	Adj Rent / Last rent		95%		102%		107%		109%		99%
46	Estimated Market Rent	\$1,450		\$2.23 Estimated Market Rent / Sq. Ft.							

3/11/2019

Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: [] Manually [X] Using HUD's Excel form

form HUD-92273-S8 (04/2002)

Rent Comparability Grid

Unit Type: 2BR / 1BA – Midrise – 850-SF

OMB Approval # 2502-0507 (exp. 04/30/2021)

Subject's FHA #:

Subject		Comp #7		Comp #8		Comp #9		Comp #10		Comp #11	
The Heights At Jackson Village		Abberly At Southpoint		Evergreens At Smith Run		Silver Collection At Cosner's Corner		Station Square At Cosner's Corner		The Allure At Jefferson	
Old Telegraph Road		10500 Abberly Village Lane		2700 Cowan Boulevard		9500 Silver Collection Circle		9419 Cumberland Drive		4660 Monroe Way	
Fredericksburg, Spotsylvania		Fredericksburg, Spotsylvania County, VA		Fredericksburg, Fredericksburg County, VA		Fredericksburg, Spotsylvania County, VA		Fredericksburg, Spotsylvania County, VA		Fredericksburg, Spotsylvania County, VA	
Data		Subject		Data		Data		Data		Data	
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$1,551	N	\$1,810	N	\$1,458	N	\$1,473	N	\$1,515	N
2	Date Last Leased (mo/yr)	Jun-19		May-19		Apr-19		Apr-19		Jun-19	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100.0%		97.0%		94.4%		98.3%		87.5%	
5	Effective Rent & Rent / sq. ft	\$1,551	\$1.41	\$1,810	\$1.66	\$1,458	\$1.30	\$1,473	\$1.25	\$1,515	\$1.43
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition											
6	Structure / Stories	E/5	E / 4	E / 4		G / 3	\$40	G / 3	\$40	E / 3	
7	Yr. Built / Yr. Renovated	2022	2016	2003	\$45	2016		2013	\$15	2019	
8	Condition / Street Appeal	E	E	G	\$75	E		G	\$75	E	
9	Neighborhood	G	G	E	(\$10)	G		G		G	
10	Same Market? Miles to Subj.		Yes/2.2	Yes/6.6		Yes/0.7		Yes/1		Yes/0.4	
C. Unit Equipment / Amenities											
11	# Bedrooms	2	2	2		2		2		2	
12	# Bathrooms	1	2	2	(\$25)	2	(\$25)	2	(\$25)	2	(\$25)
13	Unit Interior Sq. Ft.	850	1101	1012	(\$50)	1174	(\$60)	1062	(\$50)	1062	(\$50)
14	Balcony / Patio	Y	Y	Y		Y		Y		Y	
15	AC: Central / Wall	C	C	C		C		C		C	
16	Range / Refrigerator	R/F	R/F	R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M / D	D	M / D	\$5	M / D		M / D		M / D	
18	Washer / Dryer	L/HU	WD	WD	(\$25)	HU		WD	(\$25)	WD	(\$25)
19	Floor Coverings	Y	Y	Y		Y		Y		Y	
20	Window Coverings	Y	Y	Y		Y		Y		Y	
21	Cable / Satellite / Internet	WiFi	Y	N	\$15	N	\$15	N	\$15	N	\$15
22	Special Features	CF, WIC, Garbage Disposal	Granite Countertops	\$10		CF, Garbage Disposal, Outdoor Firepit		CF, Garbage Disposal	\$5	Garbage Disposal, Outdoor Firepit	\$5
23											
D. Site Equipment / Amenities											
24	Parking (\$ Fee)	L	C/G(\$0)	(\$50)		L/C(\$65)		L		L/G(\$99)	
25	Extra Storage	Y	N	\$20		Y(\$45)		N	\$20	Y	
26	Security	Y	Y	Y		Y		Y		Y	
27	Clubhouse / Meeting Rooms	MR	MR	MR		MR		MR		MR	
28	Pool / Recreation Areas	P/E/RRR/G	P/E/R	\$20		P/E/RRR	\$15	P/E/R	\$25	P/E/R	\$35
29	Business Ctr / Nbrhd Network	BC	BC	BC		BC		BC		BC	
30	Service Coordination	N	N	N		N		N		N	
31	Non-shelter Services	N	N	N		N		N		N	
32	Neighborhood Network	N	N	N		N		N		N	
E. Utilities											
33	Heat (in rent? / type)	N/E	N/E	N/E		N/E		N/E		N/E	
34	Cooling (in rent? / type)	N/C	N/C	N/C		N/C		N/C		N/C	
35	Cooking (in rent? / type)	N/E	N/E	N/E		N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E	N/E	N/E		N/E		N/E		N/E	
37	Other Electric	N	N	N		N		N		N	
38	Cold Water / Sewer	N/N	N/N	Y/Y	(\$65)	N/N		N/N		N/N	
39	Trash / Recycling	Y	Y	Y		N	\$12	N	\$12	N	\$12
F. Adjustments Recap											
40	# Adjustments B to D	4	(4)	4	(4)	5	(2)	6	(3)	3	(3)
41	Sum Adjustments B to D	\$55	(\$150)	\$150	(\$110)	\$95	(\$85)	\$175	(\$110)	\$55	(\$100)
42	Sum Utility Adjustments				(\$65)	\$12		\$12		\$12	
43	Net / Gross Adjustments B to E		Net	Gross		Net	Gross	Net	Gross	Net	Gross
		(\$95)	\$205	(\$25)	\$325	\$22	\$192	\$77	\$297	(\$33)	\$167
G. Adjusted & Market Rents											
44	Adjusted Rent (5 + 43)	\$1,456		\$1,785		\$1,480		\$1,550		\$1,482	
45	Adj Rent / Last rent		94%		99%		102%		105%		98%
46	Estimated Market Rent	\$1,650		\$1.91 Estimated Market Rent / Sq. Ft.							

3/11/2019

Date **Attached are explanations of:**

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form HUD-92273-S8 (04/2002)

Location

The Subject site is located in a mixed-use neighborhood roughly six miles south of downtown Fredericksburg. The affordable properties are located between 0.3 and 7.2 miles from the Subject site, and are generally in neighborhoods ranging from inferior to similar relative to the Subject's location in terms of median income, median rent and median home values. Although Crestview Apartments is located in an area that exhibits lower median incomes and median rents compared to the Subject's neighborhood, it is located closer to downtown Fredericksburg, offering superior walkability and proximity to local services and amenities. Therefore, Crestview Apartments offers a similar overall location as compared to the Subject when taking into account all points of analysis.

The market rate developments are located between 0.4 and 6.6 miles from the Subject site. The neighborhoods surrounding the market rate comparables vary in quality, ranging from inferior to generally similar relative to the Subject's location. The neighborhood surrounding Evergreens at Smith Run exhibits lower median incomes and median rents and is considered inferior to the Subject's location. The neighborhoods surrounding the remaining comparables offer inferior to slightly superior median incomes and median rents, and similar to superior median homes values and are therefore considered generally similar to the Subject in terms of location overall.

The following table illustrates median income, median rent, and median home values for the Subject and the comparables based on zip code.

LOCATION COMPARISON

No.	Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Rent Differential (vs Subject)
S	The Heights At Jackson Village I	22407	\$78,213	\$1,348	\$243,800	-
1	Crestview Apartments	22401	\$51,762	\$1,058	\$317,900	-27.4%
2	Kings Crest Senior Apartments	22407	\$78,213	\$1,348	\$243,800	0.0%
3	New Post Apartments	22408	\$82,803	\$1,340	\$255,900	-0.6%
4	Orchard Ridge At Jackson Village	22407	\$78,213	\$1,348	\$243,800	0.0%
5	Orchard Ridge At Jackson Village II	22407	\$78,213	\$1,348	\$243,800	0.0%
6	Overlook Terrace	22408	\$82,803	\$1,340	\$255,900	-0.6%
7	Abberly At Southpoint	22407	\$78,213	\$1,348	\$243,800	0.0%
8	Evergreens At Smith Run	22401	\$51,762	\$1,058	\$317,900	-27.4%
9	Silver Collection At Cosner's Corner	22408	\$82,803	\$1,340	\$255,900	-0.6%
10	Station Square At Cosner's Corner	22408	\$82,803	\$1,340	\$255,900	-0.6%
11	The Allure At Jefferson	22407	\$78,213	\$1,348	\$243,800	0.0%

Size, Age, Condition, and Design

	Subject	Crestview Apartments	Kings Crest Senior Apartments	New Post Apartments	Orchard Ridge At Jackson Village	Orchard Ridge At Jackson Village II	Overlook Terrace	Abberly At Southpoint	Evergreens At Smith Run	Silver Collection At Cosner's Corner	Station Square At Cosner's Corner	The Allure At Jefferson
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Senior	Family	Family	Family	Family	Family	Senior	Family	Family	Family
Building												
Property Type	Midrise	Garden	Lowrise	Garden	Midrise	Midrise	Garden	Midrise	Midrise	Garden	Garden	Midrise
# of Units	187	180	100	102	169	62	72	280	130	274	380	48
# of Stories	5-stories	3-stories	3-stories	3-stories	4-stories	4-stories	3-stories	4-stories	4-stories	3-stories	3-stories	3-stories
Year Built	2022	2000	1999	2017	2018	2019	2016	2016	2003	2016	2013	2019
Year Renovated	-	2018	-	-	-	-	-	-	-	-	-	-
Commercial	no	no	no	no	no	no	no	yes	no	no	no	no
Elevators	yes	no	yes	no	yes	yes	no	yes	yes	no	no	yes
Courtyard	yes	no	no	no	no	no	no	no	no	no	no	no

In terms of size, four LIHTC comparables offer a generally similar number of units compared to the Subject, which will offer 187 units, as proposed, while the remaining comparables are generally smaller than the Subject in terms of size. The market rate comparable range from smaller to larger than the Subject in terms of number of units. It should be noted that The Allure at Jefferson currently offers 48 units but is planned to offer a total of 338 market rate units once remaining buildings are completed. The senior properties are generally in line with the Subject in terms of size. We do not believe the size of the Subject will be problematic for absorption, especially among senior renter households based on conversations with local property managers and anecdotal evidence.

The Subject will be placed in service in 2022 and will be in excellent condition upon completion. The LIHTC properties were built or most recently renovated between 1999 and 2019. As noted, New Post Apartments and Orchard Ridge at Jackson Village II were constructed in 2017 and 2019, respectively, and will be most similar in terms of condition as the Subject, upon completion. Further, Crestview Apartments reported the start of renovations in 2018 and is considered

slightly inferior to the Subject. The market rate comparables were built or renovated between 2003 and 2019, and are in inferior to similar condition compared to the proposed Subject. The Allure at Jefferson is completing construction and is in excellent condition, considered similar to the Subject’s anticipated condition. However, based on the projected date of market entry in 2022, the Subject’s condition will be slightly superior to superior to the comparables once complete.

The Subject will offer five-story midrise design with elevator service, generally similar to six of the comparable properties which offer lowrise and midrise designs with elevator service. Based on the Subject’s targeted senior tenancy and the importance of elevator service, we believe the Subject is superior to the five garden-style comparables that do not offer this amenity. Further, we have considered the Subject’s design and condition in our determination of achievable rents.

Unit Size

The table below illustrates the unit sizes for the Subject compared to those at the comparable properties surveyed.

UNIT SIZE COMPARISON			UNIT SIZE COMPARISON - SENIOR PROPERTIES		
Bedroom Type	1BR	2BR	Bedroom Type	1BR	2BR
Subject	650	850	Subject	650	850
Average	825	1,154	Average	813	1,073
Min	564	803	Min	564	803
Max	1,199	1,496	Max	997	1,327
Advantage/Disadvantage	-21%	-26%	Advantage/Disadvantage	-20%	-21%

The Subject will offer one- and two-bedroom units with unit sizes of 650 and 850 square feet, respectively. The proposed unit sizes are within range and below the surveyed average for both unit types. This equates to unit size disadvantages of 21 and 26 percent when compared to all of the comparables. As compared to the two senior properties, the Subject’s unit sizes are larger than Kings Crest Senior Apartments and below the range of the unit sizes offered by Evergreens At Smith Run. It should be noted that the Subject’s proposed unit mix offers one bathroom in the two-bedroom units, similar only to Kings Crest Apartments. Kings Crest Senior Apartments, a senior LIHTC development built in 1999, offers smaller unit sizes compared to the Subject and is therefore slightly inferior in terms of unit sizes. However, Kings Crest Senior Apartments is 99 percent occupied, maintains a waiting list of 10 to 12 senior households, and reported turnover at 15 percent or less. Accordingly, this comparable is performing well in the market and the unit sizes do not appear to affect the property’s marketability to eligible senior tenants. Based on the above analysis, the Subject’s proposed unit sizes appear adequate for its senior tenancy. We have considered the Subject’s unit sizes in our market rent determinations. The following table ranks the Subject’s unit sizes to the unit sizes at the comparable properties.

SQUARE FOOTAGE RANKING COMPARISON				
One-Bedroom One Bath		Two-Bedroom One Bath		
Property Name	Size	Property Name	Size	
Abberly At Southpoint (Market)(1.5BA)	1,199	Silver Collection At Cosner's Corner (Market)(2.5BA)	1,459	
Station Square At Cosner's Corner (Market)	995	Abberly At Southpoint (Market)(2BA)	1,454	
The Allure At Jefferson (Market)	941	Abberly At Southpoint (Market)(2.5BA)	1,327	
Overlook Terrace (@50%)	917	Abberly At Southpoint (Market)(2BA)	1,279	
Abberly At Southpoint (Market)	907	Station Square At Cosner's Corner (Market)(2BA)	1,233	
Crestview Apartments (@60%)	863	Station Square At Cosner's Corner (Market)(2BA)	1,199	
Station Square At Cosner's Corner (Market)	861	Silver Collection At Cosner's Corner (Market)(2BA)	1,199	
The Allure At Jefferson (Market)	854	Abberly At Southpoint (Market)(2BA)	1,194	
Silver Collection At Cosner's Corner (Market)	834	Station Square At Cosner's Corner (Market)(2BA)	1,174	
Station Square At Cosner's Corner (Market)	819	Silver Collection At Cosner's Corner (Market)(2BA)	1,154	
Abberly At Southpoint (Market)	813	Silver Collection At Cosner's Corner (Market)(2BA)	1,140	
Abberly At Southpoint (Market)	807	Overlook Terrace (@50%)(2BA)	1,126	
Station Square At Cosner's Corner (Market)	803	Silver Collection At Cosner's Corner (Market)(2BA)	1,122	
Orchard Ridge At Jackson Village (@60%)	790	The Allure At Jefferson (Market)(2BA)	1,107	
Orchard Ridge At Jackson Village II (@60%)	790	Abberly At Southpoint (Market)(2BA)	1,101	
Evergreens At Smith Run (Market)	787	Evergreens At Smith Run (Market)(2BA)	1,093	
Station Square At Cosner's Corner (Market)	780	Orchard Ridge At Jackson Village (@60%)(2BA)	1,088	
Evergreens At Smith Run (Market)	754	Orchard Ridge At Jackson Village II (@60%)(2BA)	1,088	
Station Square At Cosner's Corner (Market)	746	The Allure At Jefferson (Market)(2BA)	1,079	
Silver Collection At Cosner's Corner (Market)	721	The Allure At Jefferson (Market)(2BA)	1,062	
Evergreens At Smith Run (Market)	721	Evergreens At Smith Run (Market)(2BA)	1,012	
Silver Collection At Cosner's Corner (Market)	706	Crestview Apartments (@60%)(2BA)	988	
New Post Apartments (@40%)	700	New Post Apartments (@50%)(2BA)	975	
New Post Apartments (@60%)	700	New Post Apartments (@60%)(2BA)	975	
New Post Apartments (@50%)	700	The Heights At Jackson Village (@60%)	850	
The Heights At Jackson Village (@60%)	650	Kings Crest Senior Apartments (@50%)	803	
Kings Crest Senior Apartments (@50%)	564			

Unit Amenities

The following table compares the Subject's in-unit amenities with comparable properties.

	Subject	Crestview Apartments	Kings Crest Senior Apartments	New Post Apartments	Orchard Ridge At Jackson Village	Orchard Ridge At Jackson Village II	Overlook Terrace	Abberly At Southpoint	Evergreens At Smith Run	Silver Collection At Cosner's Corner	Station Square At Cosner's Corner	The Allure At Jefferson
Rent Structure	LIHTC Senior	LIHTC Family	LIHTC Senior	LIHTC Family	LIHTC Family	LIHTC Family	LIHTC Family	Market Family	Market Senior	Market Family	Market Family	Market Family
Accessibility												
Pull Cords	no	no	yes	no	no	no	no	no	no	no	no	no
Unit Amenities												
Balcony/Patio	yes	yes	yes	no	no	no	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	no	yes
Hardwood	no	no	no	no	no	no	yes	no	no	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Ceiling Fan	yes	yes	no	yes	no	no	no	no	yes	yes	no	no
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	yes	yes	no	yes	yes	no	no	no	no	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	no	no	yes
Walk-In Closet	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	no
Washer/Dryer	no	yes	no	no	yes	yes	no	yes	yes	no	yes	yes
W/D Hookup	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen												
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Microwave	yes	no	no	yes	yes	yes	no	no	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject will offer affordable units with a competitive amenity package with high-quality finishes and fixtures. As proposed, the Subject's unit amenities will include a balcony/patio, blinds, central air-conditioning, carpet flooring, ceiling fans, coat closets, walk-in closets, washer/dryer hookups, and exterior storage units. Kitchen amenities will offer E-Star energy-efficient appliances, including dishwashers, refrigerators, and ovens, as well as a garbage disposal, microwave, kitchen pantry, and breakfast bar. Additionally, the Subject will include bookshelves and a reading alcove in each residential unit. Overall, the Subject's in-unit amenity package will be considered generally inferior to superior to the majority of the surveyed comparables.

Property Amenities

The following table compares the Subject's property amenities with comparable properties.

	Subject	Crestview Apartments	Kings Crest Senior Apartments	New Post Apartments	Orchard Ridge At Jackson Village	Orchard Ridge At Jackson Village II	Overlook Terrace	Abberly At Southpoint	Evergreens At Smith Run	Silver Collection At Cosner's Corner	Station Square At Cosner's Corner	The Allure At Jefferson
Rent Structure	LIHTC Senior	LIHTC Family	LIHTC Senior	LIHTC Family	LIHTC Family	LIHTC Family	LIHTC Family	Market Family	Market Senior	Market Family	Market Family	Market Family
Community												
Business Center	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Central Laundry	yes	no	yes	yes	no	no	no	no	no	no	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes
Recreation												
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Playground	no	yes	no	yes	yes	yes	yes	no	no	no	no	yes
Swimming Pool	yes	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Sport Court	yes	no	no	no	no	no	no	no	no	no	no	no
Sauna	no	no	no	no	no	no	no	no	no	yes	no	no
Theatre	no	no	yes	no	no	no	no	no	no	no	no	no
Recreational Area	yes	no	no	no	no	no	no	yes	no	yes	no	no
WiFi	yes	no	no	no	no	no	no	yes	no	no	no	no
Service Coordination	no	no	no	yes	no	no	no	no	no	no	no	no
Senior Services												
Hairdresser/Barber	no	no	yes	no	no	no	no	no	no	no	no	no

The Subject's common area amenities will include a business center/computer lab, clubhouse, resident lounge/community room, as well as elevator service in each residential building. Further, the Subject will offer Wi-Fi internet service in common areas, central laundry facilities, on-site management, off-street parking, 24/7 fitness center, swimming pool, dog park with a watering station, a community workshop, leasable exterior storage units, and a courtyard with a picnic pavilion, fireplace, and recreational outdoor spaces. The Subject's proposed courtyard and recreational areas will include a bocce ball court, community garden, pergola, and small pond/water feature with "green space" landscaping. Based on information provided by the developer, the Subject property will offer 322 off-street parking spaces included in rent. Overall, we expect the Subject's common area amenities to be generally superior to the LIHTC

comparables and similar to slightly superior to the market rate comparables. We believe the Subject’s proposed property amenities will be extremely competitive in the Subject’s market, especially given the targeted senior tenancy. It should be noted that the Subject’s proposed community amenities will be shared with The Heights at Jackson Village II - the second phase of the development.

Security Features

The following table compares the Subject’s security amenities with comparable properties.

	Subject	Crestview Apartments	Kings Crest Senior Apartments	New Post Apartments	Orchard Ridge At Jackson Village	Orchard Ridge At Jackson Village II	Overlook Terrace	Abberly At Southpoint	Evergreens At Smith Run	Silver Collection At Cosner’s Corner	Station Square At Cosner’s Corner	The Allure At Jefferson
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Senior	Family	Family	Family	Family	Family	Senior	Family	Family	Family
Security												
Intercom (Buzzer)	yes	no	yes	no	yes	yes	no	yes	yes	no	no	yes
Intercom (Phone)	no	no	no	no	yes	yes	no	no	yes	no	no	no
Limited Access	yes	no	yes	no	yes	yes	yes	yes	yes	no	yes	yes
Patrol	no	no	no	no	no	no	no	no	no	no	no	yes
Perimeter Fencing	no	no	no	no	no	no	no	yes	no	yes	yes	no
Video Surveillance	yes	no	no	yes	yes	no	no	no	no	no	no	no

The Subject will feature two midrise and elevator-serviced residential buildings that will offer intercoms, limited access and video surveillance. The majority of comparables offer at least one security feature. Once comparable (Crestview Apartments) offers no security features, and is therefore considered inferior to the proposed Subject. Additionally, the Subject’s midrise design with interior elevator service includes limited access points and interior corridors, which inherently provides an additional level of security to its tenants.

Parking

	Subject	Crestview Apartments	Kings Crest Senior Apartments	New Post Apartments	Orchard Ridge At Jackson Village	Orchard Ridge At Jackson Village II	Overlook Terrace	Abberly At Southpoint	Evergreens At Smith Run	Silver Collection At Cosner’s Corner	Station Square At Cosner’s Corner	The Allure At Jefferson
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Senior	Family	Family	Family	Family	Family	Senior	Family	Family	Family
Parking												
Carport	no	no	yes	no	no	no	no	yes	yes	no	no	no
Carport Fee	\$0	\$0	\$35	\$0	\$0	\$0	\$0	\$0	\$65	\$0	\$0	\$0
Garage	no	no	yes	no	no	no	no	yes	no	no	yes	no
Garage Fee	\$0	\$0	\$75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$99	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The Subject will offer approximately 322 surface parking spaces, which equates to approximately 1.72 spaces per unit. Off-street parking is included in the cost of rent for the Subject and all of the comparables. Further, three properties offer carports and three offer detached garages. Abberly At Southpoint reported offering carports and garage parking included in the cost of rent, considered superior to the Subject and all comparables. The remaining comparables that offer one or both of these amenities charge additional monthly fees ranging from \$35 to \$99 per month. The Subject appears competitive in terms of parking, while the properties with carports and/or garages offer a slight advantage.

Utility Structure

The following table details the Subject’s utility structure in comparison to the comparable properties. The utility conventions differ at the comparable properties; therefore, we have adjusted “base” or “asking” rents of the comparable properties to “net” rents, reflecting the Subject’s utility convention.

	Subject	Crestview Apartments	Kings Crest Senior Apartments	New Post Apartments	Orchard Ridge At Jackson Village	Orchard Ridge At Jackson Village II	Overlook Terrace	Abberly At Southpoint	Evergreens At Smith Run	Silver Collection At Cosner’s Corner	Station Square At Cosner’s Corner	The Allure At Jefferson
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Senior	Family	Family	Family	Family	Family	Senior	Family	Family	Family
Utility Structure												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	yes	yes	no	no	no	no	no	yes	no	no	no
Sewer	no	yes	yes	yes	no	no	no	no	yes	no	no	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no	no

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Tenant Makeup

The following table illustrates voucher usage at the comparables that were able to provide voucher data.

TENANTS WITH VOUCHERS			
Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Crestview Apartments	LIHTC	Family	12%
Kings Crest Senior Apartments	LIHTC	Senior	20%
New Post Apartments	LIHTC	Family	5%
Abberly At Southpoint	Market	Family	0%
Evergreens At Smith Run	Market	Senior	0%
Silver Collection At Cosner's Corner	Market	Family	0%
Station Square At Cosner's Corner	Market	Family	0%
The Allure At Jefferson	Market	Family	0%

The comparable properties reported voucher usage ranging from zero to 20 percent. None of the market rate properties reported voucher usage and four of the five contacts at market rate properties reported that Housing Choice Vouchers were not accepted. Three of the LIHTC properties reported voucher usage, with an average utilization of 12 percent. The highest voucher usage was reported by Kings Crest Senior Apartments, a 100-unit LIHTC property located 3.9 miles north of the Subject. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately 10 percent.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER			
Property Name	Rent Structure	Tenancy	Annual Turnover
Crestview Apartments	LIHTC	Family	20%
Kings Crest Senior Apartments	LIHTC	Senior	15%
New Post Apartments	LIHTC	Family	14%
Overlook Terrace	LIHTC	Family	15%
Abberly At Southpoint	Market	Family	34%
Evergreens At Smith Run	Market	Senior	10%
Silver Collection At Cosner's Corner	Market	Family	58%
Station Square At Cosner's Corner	Market	Family	28%
Average Turnover			24%

It should be noted that we were unable to obtain turnover data for three of the most recently completed surveyed comparables (Orchard Ridge at Jackson Village, Orchard Ridge at Jackson Village II, and The Allure at Jefferson). The remaining comparables reported turnover rates ranging from 10 to 58 percent, with an overall average of 24 percent. The LIHTC comparables operate with an average turnover rate of 16 percent, which is significantly lower than the 33 percent turnover rate reported by the market rate properties. Based on the performance of the LIHTC comparables and the lower rate of turnover associated with senior properties, we expect the Subject will operate a turnover rate of approximately 15 percent.

Vacancy Levels

The following table summarizes overall weighted vacancy levels at the surveyed properties.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Crestview Apartments	LIHTC	Family	180	1	0.6%
Kings Crest Senior Apartments	LIHTC	Senior	100	1	1.0%
New Post Apartments	LIHTC	Family	102	5	4.9%
Orchard Ridge At Jackson Village	LIHTC	Family	169	0	0.0%
Orchard Ridge At Jackson Village II	LIHTC	Family	62	6	9.7%
Overlook Terrace	LIHTC	Family	72	1	1.4%
Abberly At Southpoint	Market	Family	280	6	2.1%
Evergreens At Smith Run	Market	Senior	130	5	3.8%
Silver Collection At Cosner's Corner	Market	Family	274	27	9.9%
Station Square At Cosner's Corner	Market	Family	380	27	7.1%
The Allure At Jefferson	Market	Family	48	6	12.5%
Total LIHTC			685	14	2.0%
Total Market Rate			1,112	71	6.4%
Overall Total			1,797	85	4.7%

The comparables reported vacancy rates ranging from zero to 12.5 percent, with a weighted average of 4.7 percent overall. The average vacancy rate reported by the affordable comparables was two percent, which is significantly below the 6.4 percent average reported by the market rate properties. Excluding the reported vacancy rate of Orchard Ridge at Jackson Village II which is nearing the end of its lease-up phase, the weighted vacancy rate among the LIHTC comparables is 1.2 percent. Orchard Ridge at Jackson Village reported 100 percent occupancy and maintains a waiting list for one- and three-bedroom unit types. Two of the remaining affordable comparables (Crestview Apartments and Kings Crest Senior Apartments) reported respective vacancy rates of 0.6 and one percent, each with only one vacant unit. All of the market rate properties (excluding The Allure at Jefferson) reported vacancy rates of 9.9 percent or lower. As previously noted, The Allure at Jefferson, which reported 12.5 percent vacancy, is still under construction but is leasing units as residential buildings come online, with 48 completed units and six vacant. The property will consist of 338 total units once complete. Based on the low vacancy rates of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately three percent or less once complete and stabilized.

The following table illustrates vacancy by bedroom type for the comparable properties surveyed. Two properties were unable to breakout vacancy by unit types.

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Crestview Apartments	LIHTC	Family	0.0%	0.0%	2.1%	0.6%
Kings Crest Senior Apartments	LIHTC	Senior	0.0%	2.1%	-	1.0%
New Post Apartments	LIHTC	Family	0.0%	-	-	4.9%
Orchard Ridge At Jackson Village	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Orchard Ridge At Jackson Village II	LIHTC	Family	N/Av	N/Av	N/Av	9.7%
Overlook Terrace	LIHTC	Family	0.0%	2.8%	0.0%	1.4%
Abberly At Southpoint	Market	Family	4.2%	0.6%	0.0%	2.1%
Evergreens At Smith Run	Market	Senior	6.4%	0.9%	-	3.8%
Silver Collection At Cosner's Corner	Market	Family	9.2%	10.6%	8.3%	9.9%
Station Square At Cosner's Corner	Market	Family	1.1%	12.5%	10.8%	7.1%
The Allure At Jefferson	Market	Family	N/Av	N/Av	N/Av	12.5%
Average Vacancy			2.3%	3.7%	3.5%	

The Subject will consist of 187 one- and two-bedroom age-restricted LIHTC units. The weighted average vacancy rates are detailed beneath each bedroom type in the above table. As illustrated, the vacancy rates as reported by bedroom type in the market are low, and five LIHTC comparables reported zero vacant one-bedroom units and two reported full occupancy for two-bedroom units. This bodes well for the Subject's proposed unit types. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing multifamily properties in the market.

Historical Vacancy Levels

HISTORICAL VACANCY									
#	Property Name	Program	Total Units	YOC	2015 Q1	2016 Q4	2018 Q2	2019 Q1	2019 Q2
1	Crestview Apartments	LIHTC	180	2000	2.20%	2.20%	0.60%	0.60%	0.60%
2	Kings Crest Senior Apartments	LIHTC	100	1999	N/Av	N/Av	0.00%	1.00%	1.00%
3	New Post Apartments	LIHTC	102	2017	-	-	78.40%	6.90%	4.90%
4	Orchard Ridge At Jackson Village	LIHTC	169	2018	-	-	N/Av	18.90%	0.00%
5	Orchard Ridge At Jackson Village II	LIHTC	62	2019	-	-	-	22.58%	9.70%
6	Overlook Terrace	LIHTC	72	2016	-	48.60%	N/A	N/A	1.40%
7	Abberly At Southpoint	Market	280	2016	-	N/Av	6.40%	0.70%	2.10%
8	Evergreens At Smith Run	Market	130	2003	N/Av	N/Av	3.10%	2.30%	3.80%
9	Silver Collection At Cosner's Corner	Market	274	2016	-	-	N/A	5.80%	9.90%
10	Station Square At Cosner's Corner	Market	380	2013	N/Av	1.80%	1.10%	1.80%	7.10%
11	The Allure At Jefferson	Market	48	2019	-	-	-	29.20%	12.50%

As illustrated in the table above, the vacancy rates (where available) at the LIHTC comparable properties have remained relatively low since 2016. Overlook Terrace and New Post Apartments were constructed in 2016 and 2017, respectively, and as such, exhibited elevated vacancy rates at the time of their initial survey during their lease-up phases. New Post Apartments exhibited a rapid rate of absorption through 2018 and early 2019, as illustrated by subsequent vacancy rates of 6.9 percent (Q1 2019) and 4.9 percent (Q2 2019). Currently, this property reported 4.9 percent vacancy, with five units preleased and a waiting list. Orchard Ridge at Jackson Village was completed in May 2018 and is currently 100 percent occupied. This property, as well as Orchard Ridge at Jackson Village II reported a waiting list for its one- and three-bedroom unit types. Orchard Ridge at Jackson Village II is in its absorption period and currently has six vacant units with 9.7 percent vacancy, according to the manager. As illustrated above, vacancy rates at the comparable properties are improvements over, or consistent with, our previous interviews. This indicates consistent demand for rental housing in the market, even with an influx of new supply.

Concessions

None of the comparable properties utilized for this market study reported the use of concessions. Thus, we do not believe the Subject will need to offer rent concessions.

Waiting Lists

The following table details waiting lists at comparable properties.

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Crestview Apartments	LIHTC	Family	None
Kings Crest Senior Apartments	LIHTC	Senior	Yes 10-12 applicants
New Post Apartments	LIHTC	Family	Yes, unknown length.
Orchard Ridge At Jackson Village	LIHTC	Family	Yes, for 1BR and 3BR units
Orchard Ridge At Jackson Village II	LIHTC	Family	Yes for 1BR and 3BR units.
Overlook Terrace	LIHTC	Family	Yes, unknown length.
Abberly At Southpoint	Market	Family	Yes, five households
Evergreens At Smith Run	Market	Senior	No
Silver Collection At Cosner's Corner	Market	Family	Yes, unknown length.
Station Square At Cosner's Corner	Market	Family	None
The Allure At Jefferson	Market	Family	None

Four of the LIHTC comparables reported waiting lists, and two of the market rate comparables reported currently maintaining waiting lists. As a newly constructed property, we believe the Subject will operate with a low to moderate vacancy rate and will maintain a waiting list of income-eligible senior households, once operating at a stabilized occupancy.

Absorption

We obtained absorption information from the following developments.

ABSORPTION

Property Name	Rent	Tenancy	YOC	Total Units	Absorption (units/month)
The Allure At Jefferson	Market	Family	2019	48	17
Orchard Ridge At Jackson Village	LIHTC	Family	2018	169	12
Orchard Ridge At Jackson Village II	LIHTC	Family	2019	62	14
New Post Apartments	LIHTC	Family	2017	102	15
Overlook Terrace	LIHTC	Family	2016	72	12
Abberly At Southpoint	Market	Family	2016	280	13
Station Square At Cosner's Corner	Market	Family	2013	380	24

The comparable properties reported absorption paces ranging from 12 to 24 units per month, with an average of 15 units per month. Total absorption periods ranged from four to 22 months. The Subject will be most similar to Orchard Ridge at Jackson Village, Orchard Ridge at Jackson Village II and The Allure at Jefferson, and we anticipate that it would achieve a similar absorption pace of 15 units per month, for a total absorption period of 12 to 13 months. Additionally, all of the Subject's units will target senior households earning 60 percent of AMI or less, which we believe will facilitate a more rapid absorption based on demand for senior affordable housing, anecdotal evidence, and conversations with property managers.

Rental Rate Increases

The following table illustrates rental rate increases as reported by the comparable properties.

RENT GROWTH

Property Name	Rent Structure	Tenancy	Rent Growth
Crestview Apartments	LIHTC	Family	Increased three to four percent
Kings Crest Senior Apartments	LIHTC	Senior	Increased 2.4 percent for all units.
New Post Apartments	LIHTC	Family	Increased up to five percent
Orchard Ridge At Jackson Village	LIHTC	Family	Increased 1-2 percent for 2BR and 3BR units.
Orchard Ridge At Jackson Village II	LIHTC	Family	N/Av
Overlook Terrace	LIHTC	Family	Increased two to three percent.
Abberly At Southpoint	Market	Family	Decreased 19 percent to increased 23 percent.
Evergreens At Smith Run	Market	Senior	Fluctuate weekly
Silver Collection At Cosner's Corner	Market	Family	N/Av
Station Square At Cosner's Corner	Market	Family	Decreased one percent to increased seven percent.
The Allure At Jefferson	Market	Family	None

The majority of the LIHTC comparable properties experienced rent growth in the past year, all reported increases ranging from one to five percent annually. Orchard Ridge at Jackson Village increased their rents for two- and three-bedroom units at 60 percent AMI, equating to a 1.5 percent increase since our prior survey in March 2019. Rent growth among the market-rate comparable properties was more varied, with two comparable properties experiencing rent decreases in addition to rent increases. The properties utilizes Yieldstar pricing, where rents change daily, reported fluctuates in rents daily. According to CoStar, rent growth in the Fredericksburg submarket was 3.5 percent in 2018 and is expected to average 1.5 percent annually over the next five years. The Subject's proposed rents are set at the maximum allowable levels. We anticipate that the Subject would be able to achieve modest future rent growth of at least two percent annually, based on current and projected market conditions and increases in AMI.

Similarity Matrix

The following table ranks the amenities, location, age, and unit size of the properties surveyed as inferior, slightly inferior, similar, slightly superior, and superior. This will provide us with an overall picture of the market perception of the comparable properties in relation to the Subject.

SIMILARITY MATRIX

#	Property Name	Program	Tenancy	YOC	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Crestview Apartments	LIHTC	Family	2000	Slightly Inferior	Similar	Similar	Slightly Inferior	Similar	-10
2	Kings Crest Senior Apartments	LIHTC	Senior	1999	Slightly Inferior	Similar	Similar	Inferior	Slightly Inferior	-20
3	New Post Apartments	LIHTC	Family	2017	Slightly Inferior	Slightly Inferior	Slightly Inferior	Slightly Inferior	Similar	-20
4	Orchard Ridge At Jackson Village	LIHTC	Family	2018	Slightly Inferior	Slightly Inferior	Similar	Similar	Slightly Superior	-5
5	Orchard Ridge At Jackson Village II	LIHTC	Family	2019	Slightly Inferior	Slightly Inferior	Similar	Similar	Slightly Superior	-5
6	Overlook Terrace	LIHTC	Family	2016	Inferior	Slightly Inferior	Similar	Slightly Inferior	Superior	-10
7	Abberly At Southpoint	Market	Family	2016	Slightly Inferior	Slightly Inferior	Similar	Similar	Superior	0
8	Evergreens At Smith Run	Market	Senior	2003	Slightly Inferior	Similar	Slightly Superior	Inferior	Slightly Superior	-5
9	Silver Collection At Cosner's Corner	Market	Family	2016	Similar	Similar	Similar	Slightly Inferior	Slightly Superior	0
10	Station Square At Cosner's Corner	Market	Family	2013	Similar	Similar	Similar	Slightly Inferior	Superior	5
11	The Allure At Jefferson	Market	Family	2019	Slightly Inferior	Superior	Similar	Similar	Similar	5

*Inferior=-10, slightly inferior=-5, similar=0, slightly superior=5, superior=10.

Reasonability of Rents

Below is a table of the Subject's pro forma rents and unit mix. All of the proposed rents for the LIHTC units at 60 percent AMI are set at the 2019 maximum allowable levels.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Max Allowable Gross Rent	2019 HUD Fair Market Rents
@60%							
1BR / 1BA	650	111	\$1,261	\$104	\$1,365	\$1,365	\$1,698
2BR / 1BA	850	76	\$1,506	\$132	\$1,638	\$1,638	\$2,123
Total		187					

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

The following discussion and table is a comparison of the Subject's and comparable properties' rents. "Base Rents" are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an "apples-to-apples" comparison of rents. Additionally, differences in maximum allowable rents are likely attributed to differences in individual utility allowances and utility structures among comparables.

Orchard Ridge at Jackson Village is a 169-unit LIHTC property that offers one, two, and three-bedroom units at 60 percent of the AMI. The one and two-bedroom rental rates at this comparable property were reported at the maximum allowable levels, but are below the Subject's proposed one- and two-bedroom rents. Further, the comparable reported a waiting list for the one- and three-bedroom unit types and noted rent increases in the past six months. We believe the Subject should achieve superior rental rates to this property based on the following:

- The Subject will be located 0.3 miles from Orchard Ridge at Jackson Village, in a generally similar location. However, it should be noted that this comparable is located adjacent to a large automotive salvage yard. While

the Subject will be in proximity to the same salvage yard, it will be set back from Jefferson Davis Highway and therefore not directly adjacent.

- The Subject will exhibit excellent condition upon completion in 2022, which will be slightly superior to the condition of Orchard Ridge at Jackson Village, which was constructed in 2018.
- Orchard Ridge at Jackson Village offers unit sizes that are slightly superior to superior to the Subject’s proposed unit sizes. However, the Subject will target senior tenants and we do not believe the unit sizes at the Subject will provide a disadvantage to the performance of the Subject.
- Orchard Ridge at Jackson Village offers slightly inferior to inferior unit and property amenities to the proposed Subject, as it lacks a courtyard, balconies, common-area Wi-Fi, central laundry, outdoor recreational areas, a community workshop and garden, as well as exterior storage. All of these amenities will be offered at the Subject, as proposed, and are valuable amenities for the Subject’s targeted senior tenants.

Based on the above analysis, it is reasonable that the Subject’s achievable LIHTC rents are superior to the rents at this comparable. We believe the Subject could achieve rents above the current rents at Orchard Ridge at Jackson Village for one- and two-bedroom units at 60 percent AMI.

SUBJECT COMPARISON TO ORCHARD RIDGE AT JACKSON VILLAGE

Unit Type	Rent Level	Subject Pro Forma Rent	Square Feet	Subject RPSF	Orchard Ridge At Jackson Village Rent	Square Feet	Orchard Ridge At Jackson Village RPSF	Subject Rent Advantage
1BR / 1BA	@60%	\$1,261	650	\$1.94	\$1,125	790	\$1.42	-12.1%
2BR / 1BA	@60%	\$1,506	850	\$1.77	\$1,350	1,088	\$1.24	-11.6%

New Post Apartments is a 102-unit LIHTC property that offers one, two and three-bedroom units at 40, 50 and 60 percent of the AMI. The one- and two-bedroom 60 percent AMI rents at this property are below the Subject’s proposed rents. New Post Apartments exhibits 4.9 percent vacancy, but five vacant units are preleased and management maintains a waiting list. Additionally, this property is operated by a non-profit with a six to 12 month waiting list and the contact reported not pushing rents to maximum levels based on their mission to maintain affordable rents for their tenants. We believe the Subject should achieve rents significantly above this property based on the following:

- The Subject will be located in a slightly superior location to New Post Apartments’ neighborhood. The comparable property is located 6.2 miles east of the Subject and approximately six miles southeast of downtown Fredericksburg. The immediate location surrounding this comparable exhibits a generally similar median household income and a higher rate of vacant housing than the Subject’s location. Further, this comparable offers a WalkScore of zero, indicating no errands can be accomplished on foot, and the location is car-dependent.
- New Post Apartments was constructed in 2017 and currently exhibits excellent condition. The Subject will exhibit excellent condition upon completion in 2022 and will be considered superior to the condition of this comparable once complete.
- The Subject will offer generally similar one- and two-bedroom unit sizes to the comparable property. However, the Subject will target senior tenants and we do not believe the unit sizes at the Subject will provide a disadvantage to the performance of the Subject.
- New Post Apartments offers inferior in-unit and inferior property amenities to the proposed Subject, as it lacks elevators, a courtyard, balconies, common-area Wi-Fi, outdoor recreational areas, a community workshop and garden, exterior storage, and a recreation area/sport court. All of these amenities will be offered at the Subject, as proposed, and are valuable amenities for the Subject’s targeted senior tenants.

Therefore, we believe the Subject could achieve rents significantly above the current 60 percent rents at New Post Apartments for one- and two-bedroom units at 60 percent AMI.

SUBJECT COMPARISON TO NEW POST APARTMENTS

Unit Type	Rent Level	Subject Pro Forma Rent	Square Feet	Subject RPSF	New Post Apartments Rent	Square Feet	New Post Apartments RPSF	Subject Rent Advantage
1BR / 1BA	@60%	\$1,261	650	\$1.94	\$1,018	700	\$1.45	-23.9%
2BR / 1BA	@60%	\$1,506	850	\$1.77	\$1,145	975	\$1.17	-31.5%

Achievable Tax Credit Rents

The Subject will offer units targeting senior households aged 55 and above earning 60 percent of AMI, or less. The following table details the Subject’s pro forma rents at 60 percent of AMI in comparison to rents at the comparables. The developer has elected the date of initial application which indicates the Subject is eligible for 2019 rent and income limits. Therefore, we are referencing the 2019 maximum allowable rent limits and have also included the adjusted 2018 maximum rent limits for illustrative purposes.

LIHTC RENT COMPARISON @60%

Property Name	County	Tenancy	1BR	2BR	Rents at Max?
The Heights At Jackson Village (Subject)	Spotsylvania	Senior	\$1,261	\$1,506	Yes
2019 LIHTC Max Rent @60% (Net)	Spotsylvania		\$1,261	\$1,506	
2018 LIHTC Max Rent @60% (Net)	Spotsylvania		\$1,215	\$1,450	
Crestview Apartments	Fredericksburg	Family	\$1,189	\$1,234	No - Slightly Below
New Post Apartments	Spotsylvania	Family	\$968	\$1,080	No
Orchard Ridge At Jackson Village	Spotsylvania	Family	\$1,125	\$1,350	Yes
Orchard Ridge At Jackson Village II	Spotsylvania	Family	\$1,125	\$1,350	Yes
Average @60%			\$1,102	\$1,254	
Achievable LIHTC Rent			\$1,225	\$1,425	

The Subject’s pro forma rents at 60 percent of the AMI are set at the 2019 maximum allowable levels. Orchard Ridge at Jackson Village and Orchard Ridge at Jackson Village II, the two most recently constructed LIHTC properties reported their rents to be at the maximum allowable levels at the 60 percent set-aside. This comparable property is located 0.3 miles south of the Subject in a similar location, though it is located adjacent to a large automotive salvage yard. Orchard Ridge at Jackson Village I & II were built in 2018 and 2019, both currently exhibiting excellent condition, although we believe both properties will be slightly inferior to the Subject’s anticipated condition upon completion in 2022. These comparable properties offer slightly inferior unit and property amenities when compared to the proposed Subject. The Subject’s one and two-bedroom unit sizes will be slightly inferior to the comparable property’s one and two-bedroom unit sizes. However, the Subject will target senior tenants and based on the proposed tenancy, we do not believe the unit sizes at the Subject will provide a disadvantage to the performance of the Subject. None of the other comparable properties are achieving the 2019 maximum allowable rents at 60 percent AMI. We have taken into account the recently published 2019 rent and income limits and the fact that some of the LIHTC comparables have not tested maximum LIHTC rents in the market for the new 2019 limits.

After Orchard Ridge at Jackson Village I & II, Crestview Apartments is achieving the highest adjusted rents. This property noted that rents are kept slightly below max because the property requires renter’s insurance. This property’s one-bedroom rent appears to be near the maximum allowable level, while the two-bedroom units appear well below max. We consider Crestview Apartments to be in a similar location to the Subject overall. This property was renovated in 2018 and exhibits good overall condition, and will exhibit slightly inferior condition relative to the Subject’s anticipated condition upon completion in 2022. Crestview Apartments offers generally similar in-unit amenities to the proposed Subject, but slightly inferior to inferior property amenities, as it lacks elevators, a business center, courtyard, central laundry, common-area Wi-Fi, outdoor recreational areas, a community workshop and garden. All of these amenities will be offered at the Subject, as proposed, and are valuable amenities for which the Subject’s targeted senior tenants would pay a premium for. This comparable offers slightly superior unit sizes to the proposed Subject. However, the Subject will target senior tenants and we do not believe the proposed unit sizes will provide a disadvantage to the performance of the Subject. Further, Crestview Apartments exhibits 0.6 percent vacancy with one vacant unit. Overall, the Subject will offer a significantly superior product relative to Crestview Apartments which we believe warrants a premium over this comparables current rents in determination of our achievable LIHTC rents for the Subject’s units at 60 percent AMI.

The Subject will be superior to the remaining comparable properties, which exhibit vacancy rates ranging from 1.0 to 4.9 percent. The LIHTC comparable property managers reported significant potential applicant traffic, ranging from 50 to 200 inquiries per week. Additionally, anecdotal evidence and conversations with property managers indicated high demand for senior affordable housing in the area; notably, our conversations pointed out the expanded market area from which properties in Fredericksburg draw tenants and that potential senior tenants could possibly be drawn from areas ranging from Washington D.C to Richmond, Virginia. Overall, we believe that there is strong demand for affordable rental housing, as well as demand for additional senior housing units in the Subject’s market. Based on the rents at the majority of the comparable properties, the maximum 2018 rents reported by Orchard Ridge at Jackson Village I & II, as well as comments

from property managers, we believe that rents at the 2018 maximum LIHTC rent levels are currently achievable in the market. Based on the fact that if the Subject was completed as of the effective date of this report, we believe it could achieve the 2018 maximum allowable rents. Moreover, rents slightly below the 2019 allowable LIHTC rent levels appear achievable for the Subject. We conclude that the Subject’s pro forma one and two-bedroom rents are moderately elevated in terms of achievable rents in the current market, as proposed.

Based on the above, we therefore conclude to achievable one- and two-bedroom 60 percent of AMI LIHTC rents of **\$1,225** and **\$1,450** for the Subject’s one- and two-bedroom units, respectively. Our achievable LIHTC rents are significantly above the current rents at New Post Apartments, and above the current rents of Orchard Ridge at Jackson Village I & II. Further, our achievable LIHTC rents are slightly below both the developer’s pro forma rents and 2019 maximum allowable levels, but appear reasonable based on the superior quality of the anticipated Subject, once complete.

Achievable Market Rents

The maximum achievable market rents were determined by comparing the property amenities, unit features, location, condition, and unit sizes 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 its 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. We have made adjusted the rents at the comparable market rate properties in the previously displayed rent grids. The following table summarizes our conclusions.

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
1BR / 1BA	@60%	\$1,225	\$1,278	\$1,475	\$1,362	\$1,450	16%
2BR / 1BA	@60%	\$1,425	\$1,456	\$1,785	\$1,551	\$1,650	14%

Our concluded affordable rents at 60 percent AMI result in a rent advantage of 14 to 16 percent over achievable market rate rents.

Summary Evaluation of the Project

The Subject will be well-positioned in the market as proposed. As a newly constructed property with a market-entry date in 2022, the Subject will be in slightly superior to superior condition to all of the comparable properties. The market exhibits strong demand for affordable housing, with vacancy rates averaging two percent at the comparable LIHTC properties. Property managers reported heavy potential applicant traffic of between 50 and 200 inquiries per week, indicating demand for all types of affordable rental housing in the Subject’s market. Additionally, anecdotal evidence and conversations with property managers indicated high demand for senior affordable housing in the area; notably, our conversations pointed out the expanded market area from which properties in Fredericksburg draw tenants and that potential senior tenants could come from areas extending outside of the PMA, ranging from Washington D.C to Richmond, Virginia. Overall, we believe that there is strong demand for additional affordable senior rental housing in the Subject’s market and the Subject will be well accepted in the market as a recently constructed planned senior residential community with affordable rents and high-quality amenities and activities. Orchard Ridge at Jackson Village and Orchard Ridge at Jackson Village II, the two most recently constructed LIHTC properties reported their rents to be at the maximum allowable levels at the 60 percent set-aside. None of the other comparable properties are achieving the 2019 maximum allowable rents at 60 percent AMI. We have taken into account the recently published 2019 rent and income limits and the fact that some of the LIHTC comparables have not tested maximum LIHTC rents in the market for the new 2019 limits. As a newly constructed age-restricted LIHTC property entering the market in 2022, the proposed amenity package and planned development environment, as well the competitive advantage anticipated by the Subject as compared to the existing affordable supply, we conclude that the Subject’s pro forma one and two-bedroom rents are slightly elevated in the current market as proposed. Our achievable LIHTC rents are **\$1,225** and **\$1,425** for the Subject’s proposed one- and two-bedroom units at 60 percent AMI. These rents are slightly above the range of the LIHTC comparables, and offer a discount of seven to 10 percent over our estimated achievable market rents for the Subject. Overall, we believe that there is significant demand for new senior affordable housing in the Fredericksburg market. We believe that the Subject will be well-accepted in the market as a newly constructed age-restricted development at our achievable LIHTC rent levels, and that the Subject’s high-quality product will experience strong demand and facilitate a rapid absorption at the concluded rent levels.

I. AFFORDABILITY AND DEMAND ANALYSES, CAPTURE RATES AND PENETRATION RATES

AFFORDABILITY AND DEMAND ANALYSES, CAPTURE RATES, AND PENETRATION RATES

Introduction

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

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

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

Capture Rate Determination

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

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

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

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

Demographic Information

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

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

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

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who have reached the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data that includes households that are 55 years old and above. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Spotsylvania County, VA
2019 AMI for four-person household:	\$121,300
Tenancy (Family vs Senior):	Senior (55+)
Affordability percentage:	40 percent
Leakage:	15 percent

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

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

55+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
1BR	\$40,950	\$58,260
2BR	\$49,140	\$58,260

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

RENTER HOUSEHOLD INCOME 55+

Income Cohort	2018		PMA		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	407	9.4%	454	8.8%	9	2.3%		
\$10,000-19,999	641	14.8%	715	13.8%	15	2.3%		
\$20,000-29,999	467	10.8%	523	10.1%	11	2.4%		
\$30,000-39,999	433	10.0%	467	9.0%	7	1.6%		
\$40,000-49,999	371	8.5%	409	7.9%	8	2.0%		
\$50,000-59,999	371	8.5%	467	9.0%	19	5.2%		
\$60,000-74,999	327	7.5%	406	7.9%	16	4.8%		
\$75,000-99,999	360	8.3%	436	8.4%	15	4.2%		
\$100,000-124,999	260	6.0%	320	6.2%	12	4.6%		
\$125,000-149,999	228	5.3%	309	6.0%	16	7.1%		
\$150,000-199,999	259	6.0%	341	6.6%	16	6.3%		
\$200,000+	218	5.0%	316	6.1%	20	9.0%		
Total	4,342	100.0%	5,163	100.0%				

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

Step Three – Income Distribution

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

55+ INCOME DISTRIBUTION 2018

Income Cohort	Total Renter Households	@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	407						
\$10,000-19,999	641						
\$20,000-29,999	467						
\$30,000-39,999	433						
\$40,000-49,999	371	9,048	90.5%	336	9,048	90.5%	336
\$50,000-59,999	371	8,261	82.6%	307	8,261	82.6%	307
\$60,000-74,999	327						
\$75,000-99,999	360						
\$100,000-124,999	260						
\$125,000-149,999	228						
\$150,000-199,999	259						
\$200,000+	218						
Total	4,342		14.8%	642		14.8%	642

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

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

Step Five – Unit Size Appropriate

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

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

SENIOR HOUSEHOLD DISTRIBUTION		
1 BR	90%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
2 BR	10%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	20%	Of three-person households in 2BR units

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

Step Six – Capture Rate by Bedroom Mix

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

CAPTURE RATE ANALYSIS BY UNIT TYPE

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

60 Percent of AMI Demand (As Proposed)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	57.2%	2,483
2 persons	24.1%	1,045
3 persons	7.6%	328
4 persons	3.6%	155
5+ persons	7.6%	331
Total	100.0%	4,342

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,483	x	14.8%
2 persons	1,045	x	14.8%
3 persons	328	x	14.8%
4 persons	155	x	14.8%
5+ persons	331	x	14.8%
Total	4,342		642

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	251
2BR	297
Total	548

Capture Rate Analysis - @60%

	Developer's Unit Mix	Capture Rate
1BR	111	44.18%
2BR	76	25.60%
Total/Overall	187	34.12%

Adjusted for Leakage from Outside of the PMA

15%

1BR	111	37.55%
2BR	76	21.76%
Total/Overall	187	29.00%

All Units Demand

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	57.2%	2,483
2 persons	24.1%	1,045
3 persons	7.6%	328
4 persons	3.6%	155
5+ persons	7.6%	331
Total	100.0%	4,342

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,483	x 14.8%	367
2 persons	1,045	x 14.8%	155
3 persons	328	x 14.8%	49
4 persons	155	x 14.8%	23
5+ persons	331	x 14.8%	49
Total	4,342		642

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	251
2BR	297
Total	548

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	111	44.18%
2BR	76	25.60%
Total/Overall	187	34.12%

Adjusted for Leakage from Outside of the PMA

15%

1BR	111	37.55%
2BR	76	21.76%
Total/Overall	187	29.00%

ANNUAL CAPTURE RATE ANALYSIS

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

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

Population/Household Change

Population change as a result of new households moving in or out of the area: This was previously calculated, in the estimated population increase from 2018 to 2023. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted a March 2019 CoStar report, as well as the 2015 to 2019 Virginia Housing Development Authority lists of allocated tax credits. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA.

PLANNED DEVELOPMENT							
Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Year Allocated	Construction Status	Distance to Subject
Orchard Ridge at Jackson Village II	LIHTC	Family	76	0	2018	Lease-Up/Under Construction	0.3 mile
Orchard Ridge at Jackson Village	LIHTC	Family	169	0	2017	Complete	0.3 mile
New Post	LIHTC	Family	102	0	2016	Complete	6.2 miles
Keswick	LIHTC	Family	120	0	2017	Under Construction	5.3 miles
Keswick II	LIHTC	Family	116	0	2017	Under Construction	5.3 miles
Keswick Senior	LIHTC	Senior	100	50	2016	Under Construction	5.3 miles
Wicklow Square	LIHTC	Family	96	0	2015	Complete	7.0 miles
The Allure at Jefferson	Market	Family	338	0	n/a	Lease-Up/Under Construction	0.4 miles
514 Sophia St	Market	Family	14	0	n/a	Proposed	6.6 miles
Liberty Place Multifamily	Market	Family	51	0	n/a	Proposed	6.6 miles
Totals			1182	50			

- **Orchard Ridge at Jackson Village Phase II** is a multifamily development located 0.3-mile north of the Subject site. The property is in the lease-up process and is almost to a stabilized occupancy. We have utilized this development as a rent comparable. This property was awarded LIHTC funding in 2018. We do not believe this property will compete with the Subject once complete due to differing tenancies.
- **Orchard Ridge at Jackson Village** is a 169-unit multifamily development that was awarded LIHTC funding in 2017 and was completed in May 2018. The property is fully occupied and maintains a waitlist list. We have utilized this development as a rent comparable. It should be noted that none of the units at this property have been deducted from our demand analysis based on its targeted family tenancy.
- **New Post Apartments** was allocated tax credits in 2016 for 102 affordable units. It is an existing project built in 2017, and we have utilized this property as a rent comparable. The property offers one, two, and three-bedroom units at 40, 50, and 60 percent of AMI. Given that this property is existing and targets families, its units will not be removed from our demand analysis.
- **Keswick** and **Keswick II** are the first and second phases of the Keswick planned community located 5.3 miles southwest of the proposed Subject site. Both properties were allocated LIHTC in 2017; Keswick is currently under construction, while construction on Keswick II is expected to begin construction soon after the completion of Keswick. Together, these properties will offer a total of 236 units targeted to families; as such we do not believe these properties will compete with the Subject based on differing tenancy.
- **Keswick Senior Apartments** is a 100-unit new construction senior development that was allocated LIHTC in 2017 and is currently under construction. The property will offer 100 one- and two-bedroom units to seniors at the 40, 50, and 60 percent AMI levels. The timeline of completing construction was unclear; however, upon completion, we expect the 50 one- and two-bedroom units at the 60 percent set aside to compete with the Subject once completed, as it will target a similar senior tenancy. Thus, we have deducted 50 units from our demand analysis.

- **Wicklow Square** was allocated tax credits in 2015 for the new construction of 96 studio, one, two, and three-bedroom units restricted to 60 percent of AMI. Given that this property is existing and targets families, its units will not be deducted from our demand analysis.
- **The Allure at Jefferson** is an under construction 338-unit midrise development that will offer one, two, and three-bedroom market rate units for families. Given its family-oriented tenancy, we do not expect it to be competitive with the Subject. We contacted this survey for absorption information and the contact reported there is one completed 24-unit building with 17 units currently leased, which equates to a five percent rate of occupancy.
- **514 Sophia St** is a proposed 14-unit market rate development that we do not expect to be competitive with the Subject when complete.
- **Liberty Place Multifamily** is a proposed low-rise project that would offer 51 market rate units for family households. Given its targeted tenancy, we do not expect it to be competitive with the Subject once completed.

Therefore, we have removed 50 proposed or under construction units from our penetration analysis that are expected to compete with the Subject.

Annual Demand Table

ANNUAL DEMAND		
Calculation		PMA
Number of Renter Households in 2018		4,342
Increase in Number of Renter Households		821
Number of Renter Households in 2023		5,163
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		25.1%
Percentage of Income-Qualified Renter Households		14.8%
Number of Income-Qualified Renter Households		642
Percentage of Rent-Overburdened		40.3%
Existing Income-Qualified Renter Household Turnover		259
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		164
Percentage of Income-Qualified Renter Households		14.8%
New Rental Income Qualified Households		24
<i>Capture Rate Analysis</i>		
Number of Units in Subject		187
Occupied Units at Subject With Vacancy of:	5%	178
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		283
Portion Originating within PMA		85%
Total Demand (Turnover and Growth) from within PMA		333
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	50	
Total Demand after Competition (Turnover and Growth)		283
Yielded Annual Capture Rate of Available Demand in 2019		62.8%

The yielded capture rate is approximately 62.8 percent of available demand per annum for the Subject's units, as proposed.

VHDA DEMAND ANALYSIS

We have 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 property. The supply illustrates all proposed or under construction units in the PMA.

We have included the directly comparable vacant units at the comparable properties. There is currently one senior LIHTC property, with 100 LIHTC units as detailed previously in this report, in the PMA that are under construction or recently allocated that will be considered directly competitive with the Subject.

There are currently two vacant income restricted units among the affordable inventory in the PMA that are competitive with the Subject. The two vacant units at New Post Apartments are restricted at the 60 percent AMI level, similar to the Subject. The following table details the AMI distribution of the planned competitive developments and developments currently under construction, as well as vacant units, in the PMA.

Property Name	40% AMI Units	50% AMI Units	60% AMI Units	Total Units
<i>Planned & Under Construction</i>				
Keswick Senior Apartments	10	40	50	100
<i>Vacant Comparable Units</i>				
Kings Crest Senior Apts	0	1	0	100
New Post Apartments	0	3	2	102
Overlook Terrace	0	1	0	72
Total	0	5	2	274

The following table illustrates the resulting capture rates for demand currently existing in the PMA.

VHDA SENIOR DEMAND AND NET DEMAND

	60% As Proposed
New Rental Households	821
+	
Existing Households - Overburdened	259
+	
Existing Households - Substandard Housing	8
+	
Senior Households - Likely to Convert to Rental Housing	84
=	
TOTAL DEMAND	1,172
-	-
Supply (includes directly comparable vacant units or units in pipeline in PMA)	50
NET DEMAND	1,122
Proposed Units	187
Capture Rate	16.7%

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

Project Wide Capture Rate - LIHTC Units As Proposed	16.7%
Project Wide Absorption Period (months) As Proposed	6 months

Capture Rate and VHDA Conclusion

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible senior renter households. When viewing total income-eligible senior renter households, the calculation for the LIHTC units at 60 percent AMI is 16.7 percent, as proposed.

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 senior renter households that are rent-overburdened (paying over 40 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 62.8 percent for the first year of operation. This suggests that the Subject will need to capture a fraction of the available demand in its first year of operation in order to stabilize.

This calculation illustrates that there are approximately 1,122 units of demand in the first year of the Subject’s operation as a LIHTC property. The Subject’s units will need to accommodate 177 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 - LIHTC Units As Proposed	16.7%
Project Wide Absorption Period (months) As Proposed	6 months

This is a moderate capture rate and indicative of ample demand for the Subject.

PENETRATION RATE ANALYSIS

The second calculation derives an estimated Penetration Rate. We calculate a Penetration Rate with a market focus. In this methodology, the Penetration Rate is calculated by totaling all existing and proposed (including the Subject) competitive affordable units within the PMA, and dividing by the total number of income eligible renter households. Penetration Rates are more difficult to calculate in urban areas with a significant volume of affordable housing, as it is difficult to obtain detailed information on all the true comparable properties that make up the supply and to obtain detail on the various AMI levels at the properties.

The table below illustrates the LIHTC properties in the PMA.

KNOWN LIHTC HOUSING IN THE PMA

Property Name	Program	Tenancy	Affordable Units	Competitive Units
Colonial Heights	LIHTC	Family	14	0
Courthouse Green	LIHTC	Family	40	0
Crestview Apartments*	LIHTC	Family	180	0
Enoch George Manor	LIHTC	Senior	60	60
Fall Hill Apts Ii	LIHTC	Family	150	0
Forest Village	LIHTC	Family	192	0
Greens Of Salem Run	LIHTC	Family	200	0
Hazel Hill	LIHTC	Family	145	0
Heritage Park I	LIHTC	Family	100	0
Heritage Park Ii	LIHTC	Family	96	0
Kings Crest*	LIHTC	Senior	99	99
Madonna House*	LIHTC	Senior	130	130
Meadows At Salem Run I & II*	LIHTC	Senior	180	180
New Post Apartments*	LIHTC	Family	102	0
Orchard Ridge at Jackson Village Phase I*	LIHTC	Family	169	0
Overlook Terrace	LIHTC	Family	72	0
Pines	LIHTC	Family	46	0
Riverview Of Fredericksburg	LIHTC	Family	96	0
Salem Run I	LIHTC	Family	160	0
Salem Run II	LIHTC	Family	108	0
Timber Ridge	LIHTC	Family	147	0
Timber Ridge Townhomes	LIHTC	Family	147	0
Townsend Square	LIHTC	Family	200	0
Valor East Apartments	LIHTC	Family	128	0
Weston Circle	LIHTC	Family	150	0
Wicklow Square	LIHTC	Family	95	0
Total			3,206	469

*Used as comparable

As shown in the income distribution previously, there are 1,122 income eligible senior renter households in the PMA for the Subject’s LIHTC units at 60 percent AMI. The Subject’s LIHTC units will need to attract approximately 6.3 percent of these households to achieve full occupancy.

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive LIHTC Units in the PMA	50
	+
Number of Proposed LIHTC Units at the Subject	187
	=
Total	237
	/
Income Eligible Households - All AMI Levels	642
	=
Overall Penetration Rate - Market Focus (NCHMA)	36.9%

After deductions for existing and proposed LIHTC units in the PMA, the resulting penetration rate is 36.9 percent. This penetration rate is considered moderately high.

Rent conclusions were provided in Section H.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject. The Novoco achievable market rents are reasonable and as an affordable senior property, the Subject will operate with a strong occupancy rate.

Conclusion

The demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates the following overall capture rates:

DEMAND CONCLUSION	
Calculation	As Proposed
@60%	29.0%
All Units	29.0%
Annual Demand	62.8%

The *Demand Analysis* illustrates demand for the Subject based on capture rates of income-eligible renter households. These capture rates are reasonable taking into account the other indications of demand such as low vacancy rates and waiting lists for multifamily and senior affordable comparable properties. The annual demand calculation indicates there are approximately 283 units of demand in the first year of the Subject's operation for the Subject as proposed. The Subject will need to accommodate 178 units of demand in order to stabilize at 95 percent occupancy. The demand analysis illustrates adequate demand for the Subject’s units. Additionally, the penetration rate is moderate and indicative of ample demand for additional affordable housing supply such as the proposed Subject.

J.ANALYSIS/CONCLUSIONS

Recommendations

In general, we believe there is demand in the marketplace for the Subject. We recommend achievable LIHTC rents of **\$1,225** and **\$1,425** for the Subject’s one- and two-bedroom units at 60 percent of the AMI, respectively. Our concluded LIHTC rents are slightly below the developer’s pro forma rents but in line with the LIHTC comparables that reported achieving maximum allowable levels. Additionally, the market has reported strong occupancy rates among surveyed comparables, extensive waiting lists for affordable housing, and strong absorption rates for recently completed or under construction multifamily properties.

Demand Summary

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

Project Wide Capture Rate - LIHTC Units As Proposed	16.7%
Project Wide Absorption Period (months) As Proposed	6 months

Additionally, the overall penetration rate for the market is 36.9 percent. The penetration rate analysis we have presented is conservative because it does not account for renter household growth and leakage (i.e. tenants originating outside of the PMA). This penetration rate is considered reasonable.

Strengths and Weaknesses of the Subject

Strengths

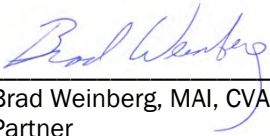
- The Subject will be new construction, offering excellent age and condition and will be in slightly superior to superior to the majority of the comparables upon completion in 2022.
- The Subject will offer similar to superior in-unit amenities and similar to superior property amenities compared to the majority of the surveyed comparables.
- The Subject will offer a desirable unit mix of one- and two-bedrooms targeting senior-households of one- to three-person households, considered a competitive advantage in the PMA with the limited number of comparable senior LIHTC properties of similar quality and age.
- The average vacancy rate reported by the affordable comparables was 1.2 percent (excluding Orchard Ridge at Jackson Place II, which is at the end of its lease-up phase). Average vacancy among market rate properties is 6.4 percent. This indicates a supply-constrained demand, especially for low-income housing, which bodes well for the Subject.
- The majority of the LIHTC comparable properties reported extensive waiting lists for all unit types and LIHTC comparable property managers reported significant potential applicant traffic, ranging from 50 to 200 inquiries per week. Additionally, anecdotal evidence and conversations with property managers indicated high demand for senior affordable housing in the area; notably, our conversations pointed out the expanded market area from which properties in Fredericksburg draw tenants and that potential senior tenants could possibly be drawn from areas ranging from Washington D.C to Richmond, Virginia.
- The Subject site is conveniently located near shopping areas and readily accessible by public transportation options, services, and amenities.
- The Subject has moderate capture rates and penetration rates, indicating that there is ample demand for additional senior affordable housing in the market.

Weaknesses

- The Subject’s unit sizes are similar to inferior to a majority of the comparables. However, based on the proposed senior tenancy, we believe the unit sizes are functional and will be well accepted in the market.

K. OTHER REQUIREMENTS


1. We have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of 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.



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June 16, 2019
Date

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ADDENDUM B
Subject Property and Neighborhood Photographs

The Heights At Jackson Village - Fredericksburg, VA

Source: Sebastian Abrigo, Analyst

Date: March 11, 2019



SUBJECT SITE



SUBJECT SITE



SUBJECT SITE



SUBJECT SITE



SUBJECT SITE TOPOGRAPHY



SUBJECT SITE TOPOGRAPHY

The Heights At Jackson Village - Fredericksburg, VA

Source: Sebastian Abrigo, Analyst

Date: March 11, 2019



VIEW FROM SUBJECT SITE SOUTH ON US HIGHWAY I



VIEW FROM SUBJECT SITE NORTH ON US HIGHWAY I



VIEW SOUTHEAST ON OLD TELEGRAPH RD FROM SUBJECT



VIEW NORTHWEST ON OLD TELEGRAPH RD FROM SUBJECT



**ORCHARD RIDGE AT JACKSON VILLAGE PHASE II -
MULTIFAMILY USE SOUTH OF SUBJECT**



**THE ALLURE AT JEFFERSON - MULTIFAMILY USE UNDER
CONSTRUCTION NORTH OF SUBJECT**

The Heights At Jackson Village - Fredericksburg, VA

Source: Sebastian Abrigo, Analyst

Date: March 11, 2019



SINGLE-FAMILY HOME IN SUBJECT'S NEIGHBORHOOD



SINGLE-FAMILY HOMES IN SUBJECT'S NEIGHBORHOOD



TYPICAL RETAIL USE IN SUBJECT'S NEIGHBORHOOD



TYPICAL COMMERCIAL USE IN SUBJECT'S NEIGHBORHOOD



GROCERY STORE NORTH OF SUBJECT IN COSNER'S CORNER



SPOTSYLVANIA MEDICAL CENTER NE OF SUBJECT SITE

ADDENDUM C
Subject Matrices and Property Profiles

PROPERTY PROFILE REPORT

Crestview Apartments

Effective Rent Date	3/22/2019
Location	100 Crestview Way Fredericksburg, VA 22401 Fredericksburg County
Distance	N/A
Units	180
Vacant Units	1
Vacancy Rate	0.6%
Type	Garden (3 stories)
Year Built/Renovated	2000 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Forest Village, Heritage Park
Tenant Characteristics	Most tenants are from outside of Fredericksburg; many teachers, service industry employees, some military
Contact Name	Jarumi
Phone	540-368-1303



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	12%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased three to four percent
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	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)	24	863	\$1,119	\$0	@60%	No	0	0.0%	no	None
2	2	Garden (3 stories)	108	988	\$1,279	\$0	@60%	No	0	0.0%	no	None
3	2	Garden (3 stories)	48	1,128	\$1,499	\$0	@60%	No	1	2.1%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,119	\$0	\$1,119	-\$50	\$1,069
2BR / 2BA	\$1,279	\$0	\$1,279	-\$65	\$1,214
3BR / 2BA	\$1,499	\$0	\$1,499	-\$79	\$1,420

Crestview Apartments, continued

Amenities

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

Comments

The contact reported that the property receives 150 inquiries per week, and that there is strong demand for affordable housing in the market. The contact reported renovations began in 2018 as units turnover. Rents in the profile reflect asking rents for renovated units. The property requires rental insurance of \$20 per month; when taking into account the monthly insurance amount the 1BR units appear to be at or near maximum allowable levels, while the remaining unit types are below max levels.

Crestview Apartments, continued

Trend Report

Vacancy Rates

4Q16	2Q18	1Q19	2Q19
2.2%	0.6%	0.6%	0.6%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	0.0%	\$1,059	\$0	\$1,059	\$1,009
2018	2	0.0%	\$1,079	\$0	\$1,079	\$1,029
2019	1	0.0%	\$1,119	\$0	\$1,119	\$1,069
2019	2	0.0%	\$1,119	\$0	\$1,119	\$1,069

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	2.8%	\$1,089	\$0	\$1,089	\$1,024
2018	2	0.9%	\$1,139	\$0	\$1,139	\$1,074
2019	1	0.0%	\$1,279	\$0	\$1,279	\$1,214
2019	2	0.0%	\$1,279	\$0	\$1,279	\$1,214

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	2.1%	\$1,329	\$0	\$1,329	\$1,250
2018	2	0.0%	\$1,359	\$0	\$1,359	\$1,280
2019	1	2.1%	\$1,499	\$0	\$1,499	\$1,420
2019	2	2.1%	\$1,499	\$0	\$1,499	\$1,420

Trend: Comments

4Q16	The contact reported that all four vacant units are pre-leased and that occupancy is typical. The property is currently undergoing minor renovations such as shower and light fixture upgrades.
2Q18	The contact reported that the vacant unit is pre-leased. The contact reported that rents are not at max because of renter's insurance. If the owner requires renter's insurance as a condition of occupancy then the monthly premium paid by the tenant must be included in the tenant's rent. In addition, the Owner may recommend a company to the tenant and if the premium of the owner's recommended company is \$15 per month that is the highest figure that the owner needs to use in the gross rent calculation. If the tenant obtains a higher insurance rate (i.e. \$20 premium) the owner may use their recommended companies' \$15 premium amount.
1Q19	The contact reported that the property receives 150 inquiries per week, and that there is strong demand for affordable housing in the market.
2Q19	The contact reported that the property receives 150 inquiries per week, and that there is strong demand for affordable housing in the market. The contact reported renovations began in 2018 as units turnover. Rents in the profile reflect asking rents for renovated units. The property requires rental insurance of \$20 per month; when taking into account the monthly insurance amount the 1BR units appear to be at or near maximum allowable levels, while the remaining unit types are below max levels.

Photos



PROPERTY PROFILE REPORT

Kings Crest Senior Apartments

Effective Rent Date	5/28/2019
Location	11500 Kings Crest Court Fredericksburg, VA 22407 Spotsylvania County
Distance	N/A
Units	100
Vacant Units	1
Vacancy Rate	1.0%
Type	Lowrise (age-restricted 55+)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Seniors 55+, from VA, MD, and DC area
Contact Name	Sally
Phone	(540) 891-9278



Market Information

Program	@50%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	1 week
Annual Chg. in Rent	2.4 percent
Concession	None
Waiting List	Yes 10-12 applicants

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- gas
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	Lowrise	52	564	\$922	\$0	@50%	Yes	0	0.0%	no	None
2	1	Lowrise	48	803	\$1,126	\$0	@50%	Yes	1	2.1%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$922	\$0	\$922	-\$75	\$847
2BR / 1BA	\$1,126	\$0	\$1,126	-\$97	\$1,029

Amenities

In-Unit	Security	Services
Balcony/Patio	Intercom (Buzzer)	None
Carpeting	Limited Access	
Dishwasher		
Oven		
Refrigerator		
Property	Premium	Other
Carport(\$35.00)	Hairdresser / Barber	None
Exercise Facility		
Off-Street Parking(\$0.00)		
Central Laundry		
Exterior Storage		

Comments

The contact reported slight rent increases since our prior survey in early 2019. The property maintains a waiting list with more than 12 applicants. Typical occupancy has remained above 96 percent in the past year, with typically low turnover.

Kings Crest Senior Apartments, continued

Trend Report

Vacancy Rates

1Q13	2Q18	1Q19	2Q19
2.0%	0.0%	1.0%	1.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$900	\$0	\$900	\$825
2019	1	0.0%	\$900	\$0	\$900	\$825
2019	2	0.0%	\$922	\$0	\$922	\$847

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,100	\$0	\$1,100	\$1,003
2019	1	2.1%	\$1,100	\$0	\$1,100	\$1,003
2019	2	2.1%	\$1,126	\$0	\$1,126	\$1,029

Trend: Comments

1Q13	The contact reported a waiting list with 10 to 12 applicants. Typical occupancy has remained between 96 and 100 percent during the past year.
2Q18	N/A
1Q19	N/A
2Q19	The contact reported slight rent increases since our prior survey in early 2019. The property maintains a waiting list with more than 12 applicants. Typical occupancy has remained above 96 percent in the past year, with typically low turnover.

Photos



PROPERTY PROFILE REPORT

New Post Apartments

Effective Rent Date	5/03/2019
Location	2000 Liberty Loop Fredericksburg, VA 22408 Spotsylvania County
Distance	N/A
Units	102
Vacant Units	5
Vacancy Rate	4.9%
Type	Garden (3 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	12/01/2017
Leasing Began	3/01/2018
Last Unit Leased	9/28/2018
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Samantha Powers
Phone	540-318-2971



Market Information

Program	@40%, @50%, @60%
Annual Turnover Rate	14%
Units/Month Absorbed	15
HCV Tenants	5%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased up to five percent
Concession	None
Waiting List	Yes, unknown length.

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	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	11	700	\$739	\$0	@40%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	2	700	\$895	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	5	700	\$995	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	23	975	\$1,039	\$0	@50%	Yes	N/A	N/A	no	None
2	2	Garden (3 stories)	25	975	\$1,115	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden (3 stories)	16	1,100	\$1,159	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Garden (3 stories)	20	1,100	\$1,236	\$0	@60%	Yes	N/A	N/A	no	None

New Post Apartments, continued

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$739	\$0	\$739	-\$27	\$712	1BR / 1BA	\$895	\$0	\$895	-\$27	\$868
						2BR / 2BA	\$1,039	\$0	\$1,039	-\$35	\$1,004
						3BR / 2BA	\$1,159	\$0	\$1,159	-\$43	\$1,116

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$995	\$0	\$995	-\$27	\$968
2BR / 2BA	\$1,115	\$0	\$1,115	-\$35	\$1,080
3BR / 2BA	\$1,236	\$0	\$1,236	-\$43	\$1,193

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Video Surveillance	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Playground		
Service Coordination			

Comments

The property receives 50 to 60 inquiries per week. The contact reported the rents were last increased a month ago (early-April) which increased all units \$40. She believes the rents are not set at the 2019 rent limits based on the recently published income limits, but stated the manager will likely change rents later in May based on the new changes. There is a strong demand for affordable housing in the market, particularly on one and two-bedroom units. According to the contact, demand is highest for one-bedroom units, and a waitlist of 15 households was reported for the units at 40% AMI. The five vacant units are two- and three-bedroom units. The property offers supportive services, including a food pantry and educational/social programs.

New Post Apartments, continued

Trend Report

Vacancy Rates

2Q16	2Q18	1Q19	2Q19
N/A	78.4%	6.9%	4.9%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$723	\$0	\$723	\$696
2018	2	N/A	\$699	\$0	\$699	\$672
2019	1	N/A	\$739	\$0	\$739	\$712
2019	2	0.0%	\$739	\$0	\$739	\$712

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$850	\$0	\$850	\$823
2018	2	N/A	\$855	\$0	\$855	\$828
2019	1	N/A	\$895	\$0	\$895	\$868
2019	2	0.0%	\$895	\$0	\$895	\$868

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$951	\$0	\$951	\$916
2018	2	N/A	\$735	\$0	\$735	\$700
2019	1	N/A	\$1,039	\$0	\$1,039	\$1,004
2019	2	N/A	\$1,039	\$0	\$1,039	\$1,004

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$1,100	\$0	\$1,100	\$1,057
2018	2	N/A	\$1,114	\$0	\$1,114	\$1,071
2019	1	N/A	\$1,159	\$0	\$1,159	\$1,116
2019	2	N/A	\$1,159	\$0	\$1,159	\$1,116

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$950	\$0	\$950	\$923
2018	2	N/A	\$975	\$0	\$975	\$948
2019	1	N/A	\$1,015	\$0	\$1,015	\$988
2019	2	0.0%	\$995	\$0	\$995	\$968

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$1,020	\$0	\$1,020	\$985
2018	2	N/A	\$1,070	\$0	\$1,070	\$1,035
2019	1	N/A	\$1,115	\$0	\$1,115	\$1,080
2019	2	N/A	\$1,115	\$0	\$1,115	\$1,080

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$1,175	\$0	\$1,175	\$1,132
2018	2	N/A	\$1,190	\$0	\$1,190	\$1,147
2019	1	N/A	\$1,235	\$0	\$1,235	\$1,192
2019	2	N/A	\$1,236	\$0	\$1,236	\$1,193

Trend: Comments

2Q16	N/A
2Q18	Contact claimed that rents had not changed since leasing began in March 2018. The contact could not give vacancy by unit type. The contact reported that there are six pre-leased units. The property accepts Housing Choice Vouchers.
1Q19	The property receives 50 to 60 inquiries per week. The rents are not set at maximum allowable levels and the contact reported maximum allowable rents are not attainable. There is a strong demand for affordable housing in the market, particularly on one and two-bedroom units. According to the contact, demand is highest for one-bedroom units. Five units are pre-leased.
2Q19	The property receives 50 to 60 inquiries per week. The contact reported the rents were last increased a month ago (early-April) which increased all units \$40. She believes the rents are not set at the 2019 rent limits based on the recently published income limits, but stated the manager will likely change rents later in May based on the new changes. There is a strong demand for affordable housing in the market, particularly on one and two-bedroom units. According to the contact, demand is highest for one-bedroom units, and a waitlist of 15 households was reported for the units at 40% AMI. The five vacant units are two- and three-bedroom units. The property offers supportive services, including a food pantry and educational/social programs.

Photos



PROPERTY PROFILE REPORT

Orchard Ridge At Jackson Village

Effective Rent Date	5/30/2019
Location	9121 Jefferson Davis Highway Fredericksburg, VA 22407 Spotsylvania County
Distance	N/A
Units	169
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (4 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	4/01/2018
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Carla
Phone	540-642-4055



Market Information

Program	@60%
Annual Turnover Rate	N/A
Units/Month Absorbed	12
HCV Tenants	N/A
Leasing Pace	Preleased
Annual Chg. in Rent	N/A
Concession	None
Waiting List	Yes, for 1BR and 3BR units

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	Midrise (4 stories)	38	790	\$1,125	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	124	1,088	\$1,350	\$0	@60%	No	0	0.0%	yes	None
3	2	Midrise (4 stories)	7	1,402	\$1,650	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,125	\$0	\$1,125	\$0	\$1,125
2BR / 2BA	\$1,350	\$0	\$1,350	\$0	\$1,350
3BR / 2BA	\$1,650	\$0	\$1,650	\$0	\$1,650

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Exterior Storage	Video Surveillance	
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	Dog park
Clubhouse/Meeting Room/Community	Elevators		
Exercise Facility	Off-Street Parking(\$0.00)		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

Property amenities include bike storage; dog park; clubhouse with gathering room, kitchen & 24/7 fitness center; outdoor swimming pool; and picnic/grilling area. The contact reported the property opened in April 2018 and was 81 percent occupied (approx. 32 vacant units) and 91 percent leased (17 pre-leased units) as of March 2019. As of May 2019, the property was fully occupied and reported achieving maximum rents for all unit types. A waiting list for the one and three-bedroom units was reported but the contact could not provide the length of the waiting list.

Trend Report

Vacancy Rates

4Q16	1Q19	2Q19
N/A	18.9%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$1,075	\$0	\$1,075	\$1,075
2019	1	N/A	\$1,100	\$0	\$1,100	\$1,100
2019	2	0.0%	\$1,125	\$0	\$1,125	\$1,125

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$1,300	\$0	\$1,300	\$1,300
2019	1	N/A	\$1,300	\$0	\$1,300	\$1,300
2019	2	0.0%	\$1,350	\$0	\$1,350	\$1,350

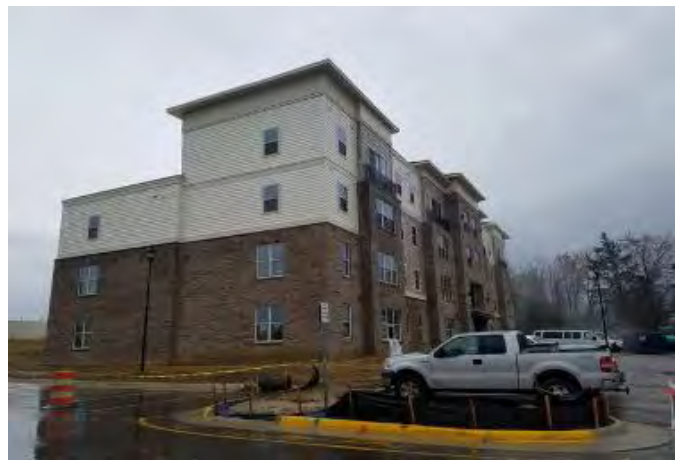
3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$1,450	\$0	\$1,450	\$1,450
2019	1	N/A	\$1,625	\$0	\$1,625	\$1,625
2019	2	0.0%	\$1,650	\$0	\$1,650	\$1,650

Trend: Comments

4Q16	The development will be comprised of four four-story buildings. The property's two and three-bedroom units will offer walk-in closets.
1Q19	Property amenities include bike storage; dog park; clubhouse with gathering room, kitchen & 24/7 fitness center; outdoor swimming pool; and picnic/grilling area. The contact reported the property opened in April 2018 and was 81 percent occupied (approx. 32 vacant units) and 91 percent leased (17 pre-leased units) as of March 2019. The contact reported maximum rents for all unit types, but was unable to provide vacancies per unit type. While rents are reported to be at the maximum allowable levels, they appear to be below the maximum allowable rents. A waiting list for the one and three-bedroom units was reported but the contact could not provide the length of the waiting list.
2Q19	Property amenities include bike storage; dog park; clubhouse with gathering room, kitchen & 24/7 fitness center; outdoor swimming pool; and picnic/grilling area. The contact reported the property opened in April 2018 and was 81 percent occupied (approx. 32 vacant units) and 91 percent leased (17 pre-leased units) as of March 2019. As of May 2019, the property was fully occupied and reported achieving maximum rents for all unit types. A waiting list for the one and three-bedroom units was reported but the contact could not provide the length of the waiting list.

Photos



PROPERTY PROFILE REPORT

Orchard Ridge At Jackson Village II

Effective Rent Date	5/30/2019
Location	4900 Orchard Ridge Drive Fredericksburg, VA 22407 Spotsylvania County
Distance	N/A
Units	62
Vacant Units	6
Vacancy Rate	9.7%
Type	Midrise (4 stories)
Year Built/Renovated	2019 / N/A
Marketing Began	N/A
Leasing Began	4/01/2018
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Generally families and some seniors
Contact Name	N/A
Phone	N/A



Market Information

Program	@60%
Annual Turnover Rate	N/A
Units/Month Absorbed	5.6
HCV Tenants	N/A
Leasing Pace	preleased to 2 weeks
Annual Chg. in Rent	N/A
Concession	None
Waiting List	Yes for 1BR and 3BR units.

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	Midrise (4 stories)	18	790	\$1,125	\$0	@60%	Yes	N/A	N/A	yes	None
2	2	Midrise (4 stories)	41	1,088	\$1,350	\$0	@60%	No	N/A	N/A	yes	None
3	2	Midrise (4 stories)	3	1,402	\$1,650	\$0	@60%	Yes	N/A	N/A	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,125	\$0	\$1,125	\$0	\$1,125
2BR / 2BA	\$1,350	\$0	\$1,350	\$0	\$1,350
3BR / 2BA	\$1,650	\$0	\$1,650	\$0	\$1,650

Orchard Ridge At Jackson Village II, continued

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Intercom (Buzzer)	None
Carpeting	Central A/C	Intercom (Phone)	
Coat Closet	Dishwasher	Limited Access	
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Off-Street Parking(\$0.00)		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

This property is the second phase of Orchard Ridge At Jackson Village - Residents have access to Phase I amenities, which include bike storage; dog park; clubhouse with gathering room, kitchen & 24/7 fitness center; outdoor swimming pool; and picnic/grilling area.

The contact reported Orchard Ridge At Jackson Village II opened in February 2019 with building construction ongoing. As of March 2019, the contact reported the property had 62 completed units and the final building will be completed in early June or July of 2019. The property was 77 percent occupied as of March 2019 (14/62 vacant); as of May 30, 2019 the property reported increased occupancy of 90.3 percent (6/62 vacant) and reported achieving maximum rents for all unit types. The contact could not report vacancy by unit type.

Once the final building comes online in June/July 2019, the property will offer 76 total units and will pull tenants on the waiting list for Phase I to lease the newly constructed units.

Orchard Ridge At Jackson Village II, continued

Trend Report

Vacancy Rates

2Q18	1Q19
N/A	9.7%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$1,075	\$0	\$1,075	\$1,075
2019	1	N/A	\$1,125	\$0	\$1,125	\$1,125

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$1,300	\$0	\$1,300	\$1,300
2019	1	N/A	\$1,350	\$0	\$1,350	\$1,350

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$1,450	\$0	\$1,450	\$1,450
2019	1	N/A	\$1,650	\$0	\$1,650	\$1,650

Trend: Comments

2Q18 Residents will have access to Phase I amenities, which include bike storage; dog park; clubhouse with gathering room, kitchen & 24/7 fitness center; outdoor swimming pool; and picnic/grilling area.

1Q19 This property is the second phase of Orchard Ridge At Jackson Village - Residents have access to Phase I amenities, which include bike storage; dog park; clubhouse with gathering room, kitchen & 24/7 fitness center; outdoor swimming pool; and picnic/grilling area.

The contact reported Orchard Ridge At Jackson Village II opened in February 2019 with building construction ongoing. As of March 2019, the contact reported the property had 62 completed units and the final building will be completed in early June or July of 2019. The property was 77 percent occupied as of March 2019 (14/62 vacant); as of May 30, 2019 the property reported increased occupancy of 90.3 percent (6/62 vacant) and reported achieving maximum rents for all unit types. The contact could not report vacancy by unit type.

Once the final building comes online in June/July 2019, the property will offer 76 total units and will pull tenants on the waiting list for Phase I to lease the newly constructed units.

Photos



PROPERTY PROFILE REPORT

Overlook Terrace

Effective Rent Date	6/04/2019
Location	4540 Lookout Lane Fredericksburg, VA 22408 Spotsylvania County
Distance	N/A
Units	72
Vacant Units	1
Vacancy Rate	1.4%
Type	Garden (3 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	6/01/2015
Leasing Began	1/01/2016
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Pam
Phone	540-642-1007



Market Information

Program	@50%
Annual Turnover Rate	15%
Units/Month Absorbed	12
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	2-3%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	12	917	\$930	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	36	1,126	\$1,098	\$0	@50%	Yes	1	2.8%	yes	None
3	2	Garden (3 stories)	24	1,399	\$1,228	\$0	@50%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$930	\$0	\$930	\$0	\$930
2BR / 2BA	\$1,098	\$0	\$1,098	\$0	\$1,098
3BR / 2BA	\$1,228	\$0	\$1,228	\$0	\$1,228

Overlook Terrace, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Off-Street Parking(\$0.00)		
On-Site Management	Playground		
Swimming Pool			

Comments

The property accepts Housing Choice Vouchers, but the contact could not estimate how many voucher holder tenants are at the property. The contact stated the property maintains a waiting list of six to eight months in length and typically preleases units as they become available. The contact noted there is no longer service coordination at the property. Further, the contact noted that rents are not at the maximum allowable levels but do believe they could be achieved. Washer and dryer appliances are available for a \$45 monthly fee. Trash utilities are included in rent for the Subject's tenants. The contact estimated that there are 1.5 parking spaces per unit. Washers and dryers can be rented for \$45 per month.

Overlook Terrace, continued

Trend Report

Vacancy Rates

1Q16	2Q19
48.6%	1.4%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$885	\$0	\$885	\$885
2019	2	0.0%	\$930	\$0	\$930	\$930

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,060	\$0	\$1,060	\$1,060
2019	2	2.8%	\$1,098	\$0	\$1,098	\$1,098

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,190	\$0	\$1,190	\$1,190
2019	2	0.0%	\$1,228	\$0	\$1,228	\$1,228

Trend: Comments

1Q16	This property is currently in lease-up. The contact stated that all of the units are complete and ready for occupancy: 37 are occupied, 13 are preleased, and the remaining 22 units are available to lease. Washers and dryers can be rented for \$45 per month. The property accepts Housing Choice Vouchers, but the contact could not estimate how many voucher holder tenants are at the property. The contact stated that while advertising began in June of 2015, marketing was stopped due to construction delays. Marketing resumed after the initial units were complete in January 2016. The contact estimated that there are 1.5 parking spaces per unit.
2Q19	The property accepts Housing Choice Vouchers, but the contact could not estimate how many voucher holder tenants are at the property. The contact stated the property maintains a waiting list of six to eight months in length and typically preleases units as they become available. The contact noted there is no longer service coordination at the property. Further, the contact noted that rents are not at the maximum allowable levels but do believe they could be achieved. Washer and dryer appliances are available for a \$45 monthly fee. Trash utilities are included in rent for the Subject's tenants. The contact estimated that there are 1.5 parking spaces per unit. Washers and dryers can be rented for \$45 per month.

Photos



PROPERTY PROFILE REPORT

Abberly At Southpoint

Effective Rent Date	6/04/2019
Location	10500 Abberly Village Lane Fredericksburg, VA 22407 Spotsylvania County
Distance	N/A
Units	280
Vacant Units	6
Vacancy Rate	2.1%
Type	Midrise (4 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	6/01/2016
Leasing Began	8/01/2016
Last Unit Leased	5/01/2018
Major Competitors	Allure at Jefferson, Station Square Apts, Silver
Tenant Characteristics	Tenants come from Fredericksburg and Northern VA
Contact Name	Allison
Phone	844-486-7482



Market Information

Program	Market
Annual Turnover Rate	34%
Units/Month Absorbed	13
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	See comments
Concession	N/A
Waiting List	Yes, five households. Contact also noted high demand for the 3BR/2BA units.

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	Midrise (4 stories)	56	807	\$1,348	\$0	Market	Yes	2	3.6%	N/A	None
1	1	Midrise (4 stories)	4	813	\$1,443	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	56	907	\$1,341	\$0	Market	Yes	3	5.4%	N/A	None
1	1.5	Midrise (4 stories)	2	1,199	\$1,751	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Midrise (4 stories)	7	1,101	\$1,551	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Midrise (4 stories)	56	1,194	\$1,659	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Midrise (4 stories)	32	1,279	\$1,714	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Midrise (4 stories)	22	1,454	\$1,834	\$0	Market	Yes	1	4.5%	N/A	None
2	2.5	Midrise (4 stories)	21	1,327	\$1,789	\$0	Market	Yes	0	0.0%	N/A	None
2.5	2	Midrise (4 stories)	18	1,496	\$2,025	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Midrise (4 stories)	6	1,496	\$2,092	\$0	Market	Yes	0	0.0%	N/A	None

Abberly At Southpoint, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,341 - \$1,443	\$0	\$1,341 - \$1,443	\$0	\$1,341 - \$1,443
1BR / 1.5BA	\$1,751	\$0	\$1,751	\$0	\$1,751
2BR / 2BA	\$1,551 - \$1,834	\$0	\$1,551 - \$1,834	\$0	\$1,551 - \$1,834
2BR / 2.5BA	\$1,789	\$0	\$1,789	\$0	\$1,789
2.5BR / 2BA	\$2,025	\$0	\$2,025	\$0	\$2,025
3BR / 2BA	\$2,092	\$0	\$2,092	\$0	\$2,092

Amenities

In-Unit	Security	Services
Balcony/Patio	Intercom (Buzzer)	None
Carpet/Hardwood	Limited Access	
Oven	Perimeter Fencing	
Washer/Dryer		
Property	Premium	Other
Business Center/Computer Lab	None	Dog park, Granite Countertops
Carport(\$0.00)		
Commercial/Retail		
Exercise Facility		
Off-Street Parking(\$0.00)		
Swimming Pool		

Comments

The property receives 50 inquiries per week and uses Yieldstar to set their rents. The property does not accept Housing Choice Vouchers.

Abberly At Southpoint, continued

Trend Report

Vacancy Rates

2Q18	1Q19	2Q19
6.4%	0.7%	2.1%

Trend: Market

1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$1,577	\$0	\$1,577	\$1,577
2019	1	N/A	\$1,401	\$75	\$1,326	\$1,326
2019	2	0.0%	\$1,751	\$0	\$1,751	\$1,751

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$1,274 - \$1,354	\$0	\$1,274 - \$1,354	\$1,274 - \$1,354
2019	1	N/A	\$1,352 - \$1,419	\$71 - \$77	\$1,281 - \$1,342	\$1,281 - \$1,342
2019	2	4.3%	\$1,341 - \$1,443	\$0	\$1,341 - \$1,443	\$1,341 - \$1,443

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$1,916	\$0	\$1,916	\$1,916
2019	1	N/A	\$1,656	\$96	\$1,560	\$1,560
2019	2	0.0%	\$2,025	\$0	\$2,025	\$2,025

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$1,594	\$0	\$1,594	\$1,594
2019	1	N/A	\$2,100	\$133	\$1,967	\$1,967
2019	2	0.0%	\$1,789	\$0	\$1,789	\$1,789

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$1,502 - \$1,758	\$0	\$1,502 - \$1,758	\$1,502 - \$1,758
2019	1	N/A	\$1,401 - \$1,695	\$77 - \$99	\$1,324 - \$1,596	\$1,324 - \$1,596
2019	2	0.9%	\$1,551 - \$1,834	\$0	\$1,551 - \$1,834	\$1,551 - \$1,834

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$2,015	\$0	\$2,015	\$2,015
2019	1	N/A	\$2,196	\$141	\$2,055	\$2,055
2019	2	0.0%	\$2,092	\$0	\$2,092	\$2,092

Trend: Comments

2Q18	Uses rental software and rents change daily. Preleased at 98%
1Q19	The property receives 50 inquiries per week and uses Yieldstar to set their rents. There is a concession for prospective tenants offering \$500 as first month's rent on leases signed before April 2019. The property does not accept Housing Choice Vouchers. In the past year, rent changes have ranged from a 19 percent increase to a 23 percent increase. The majority of the unit types at the property experienced rent decreases.
2Q19	The property receives 50 inquiries per week and uses Yieldstar to set their rents. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Evergreens At Smith Run

Effective Rent Date	5/02/2019
Location	2700 Cowan Boulevard Fredericksburg, VA 22401 Fredericksburg County
Distance	N/A
Units	130
Vacant Units	5
Vacancy Rate	3.8%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Alexander Heights
Tenant Characteristics	Seniors 55+. 75% from Fredericksburg.
Contact Name	Betty
Phone	540.374.1544



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One to two months
Annual Chg. in Rent	Fluctuate weekly
Concession	None
Waiting List	No

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	Midrise (4 stories)	34	754	\$1,405	\$0	Market	No	2	5.9%	N/A	AVG*
1	1	Midrise (4 stories)	N/A	787	\$1,690	\$0	Market	No	N/A	N/A	N/A	HIGH*
1	1	Midrise (4 stories)	N/A	721	\$1,120	\$0	Market	No	N/A	N/A	N/A	LOW*
1.5	1	Midrise (4 stories)	13	956	\$1,504	\$0	Market	No	1	7.7%	N/A	AVG*
1.5	1	Midrise (4 stories)	N/A	997	\$1,605	\$0	Market	No	N/A	N/A	N/A	HIGH*
1.5	1	Midrise (4 stories)	N/A	914	\$1,402	\$0	Market	No	N/A	N/A	N/A	LOW*
2	2	Midrise (4 stories)	67	1,093	\$1,810	\$0	Market	No	2	3.0%	N/A	AVG*
2	2	Midrise (4 stories)	N/A	1,174	\$2,030	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Midrise (4 stories)	N/A	1,012	\$1,589	\$0	Market	No	N/A	N/A	N/A	LOW*
2.5	2	Midrise (4 stories)	162	1,176	\$1,859	\$0	Market	No	0	0.0%	N/A	AVG*
2.5	2	Midrise (4 stories)	N/A	1,327	\$2,188	\$0	Market	N/A	N/A	N/A	N/A	HIGH*
2.5	2	Midrise (4 stories)	N/A	1,024	\$1,530	\$0	Market	N/A	N/A	N/A	N/A	LOW*

Evergreens At Smith Run, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,120 - \$1,690	\$0	\$1,120 - \$1,690	-\$50	\$1,070 - \$1,640
1.5BR / 1BA	\$1,402 - \$1,605	\$0	\$1,402 - \$1,605	-\$50	\$1,352 - \$1,555
2BR / 2BA	\$1,589 - \$2,030	\$0	\$1,589 - \$2,030	-\$65	\$1,524 - \$1,965
2.5BR / 2BA	\$1,530 - \$2,188	\$0	\$1,530 - \$2,188	-\$65	\$1,465 - \$2,123

Amenities

In-Unit		Security	Services
Balcony/Patio		Intercom (Buzzer)	None
Carpeting	Blinds	Intercom (Phone)	
Dishwasher	Central A/C	Intercom (Video)	
Garbage Disposal	Ceiling Fan	Limited Access	
Oven	Microwave		
Washer/Dryer	Refrigerator		
	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Carport(\$65.00)	None	None
Elevators	Exercise Facility		
Off-Street Parking(\$0.00)	On-Site Management		
Picnic Area	Swimming Pool		

Comments

This property is an independent living facility and no additional services such as housekeeping or meals are included. Carports are available for \$65 per month and exterior storage is available for \$45 per month. The contact provided rent ranges for the available units, as the property offers 19 different floor plans and utilizes LRO pricing; rents fluctuate and change weekly. The property offers a mix of 101 one- and two-bedroom standard-style units and 175 one- and two-bedroom units that include dens or sunrooms. The reported rents reflect a range that is based on the unit floor plan and location within building (views of pool/courtyard). Additionally, the property contact noted that the turnover rate was very low indicating that tenants usually only left if they needed to move into an assisted living facility.

Evergreens At Smith Run, continued

Trend Report

Vacancy Rates

3Q18	4Q18	1Q19	2Q19
3.1%	0.0%	2.3%	3.8%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	N/A	\$1,402 - \$1,605	\$0	\$1,402 - \$1,605	\$1,352 - \$1,555

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,120 - \$1,690	\$0	N/A	N/A
2018	4	N/A	\$1,120 - \$1,615	\$0	\$1,120 - \$1,615	\$1,070 - \$1,565
2019	1	N/A	\$1,380 - \$1,615	\$0	\$1,380 - \$1,615	\$1,330 - \$1,565
2019	2	N/A	\$1,120 - \$1,690	\$0	\$1,120 - \$1,690	\$1,070 - \$1,640

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	N/A	\$1,530 - \$2,188	\$0	\$1,530 - \$2,188	\$1,465 - \$2,123

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,435 - \$2,510	\$0	N/A	N/A
2018	4	N/A	\$1,440 - \$2,085	\$0	\$1,440 - \$2,085	\$1,375 - \$2,020
2019	1	N/A	\$1,775 - \$2,185	\$0	\$1,775 - \$2,185	\$1,710 - \$2,120
2019	2	N/A	\$1,589 - \$2,030	\$0	\$1,589 - \$2,030	\$1,524 - \$1,965

Trend: Comments

3Q18	This property is an independent living facility and no additional services such as housekeeping or meals are included. There is currently a special of \$500 credit that tenants may use towards rent, storage, or parking, over the 12-month lease term for the vacant two-bedroom unit. Carports are available for \$65 per month and exterior storage is available for \$45 per month. The reported rents reflect a range that is based on the unit floor plan and location within building (views of pool/courtyard). Rents change weekly. Additionally, the property contact noted that the turnover rate was very low indicating that tenants usually only left if they needed to move into an assisted living facility.
4Q18	This property is an independent living facility and no additional services such as housekeeping or meals are included. Carports are available for \$65 per month and exterior storage is available for \$45 per month. The reported rents reflect a range that is based on the unit floor plan and location within building (views of pool/courtyard). Rents change weekly. Additionally, the property contact noted that the turnover rate was very low indicating that tenants usually only left if they needed to move into an assisted living facility.
1Q19	This property is an independent living facility and no additional services such as housekeeping or meals are included. Carports are available for \$65 per month and exterior storage is available for \$45 per month. The contact provided rent ranges as the property offers 19 different floor plans. The reported rents reflect a range that is based on the unit floor plan and location within building (views of pool/courtyard). Rents change weekly. Additionally, the property contact noted that the turnover rate was very low indicating that tenants usually only left if they needed to move into an assisted living facility.
2Q19	This property is an independent living facility and no additional services such as housekeeping or meals are included. Carports are available for \$65 per month and exterior storage is available for \$45 per month. The contact provided rent ranges for the available units, as the property offers 19 different floor plans and utilizes LRO pricing; rents fluctuate and change weekly. The property offers a mix of 101 one- and two-bedroom standard-style units and 175 one- and two-bedroom units that include dens or sunrooms. The reported rents reflect a range that is based on the unit floor plan and location within building (views of pool/courtyard). Additionally, the property contact noted that the turnover rate was very low indicating that tenants usually only left if they needed to move into an assisted living facility.

Photos



PROPERTY PROFILE REPORT

Silver Collection At Cosner's Corner

Effective Rent Date	4/26/2019
Location	9500 Silver Collection Circle Fredericksburg, VA 22408 Spotsylvania County
Distance	N/A
Units	274
Vacant Units	27
Vacancy Rate	9.9%
Type	Garden (3 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	1/01/2016
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Station Square, Abberly at South Point
Tenant Characteristics	Tenants from Fredericksburg and military personnel
Contact Name	Kristen
Phone	(540) 684-3758



Market Information

Program	Market
Annual Turnover Rate	58%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	N/A
Concession	None
Waiting List	Yes, unknown length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	36	706	\$1,256	\$0	Market	N/A	5	13.9%	N/A	None
1	1	Garden (3 stories)	72	721	\$1,261	\$0	Market	N/A	5	6.9%	N/A	None
1	1	Garden (3 stories)	12	834	\$1,415	\$0	Market	N/A	1	8.3%	N/A	None
2	2	Garden (3 stories)	18	1,122	\$1,458	\$0	Market	N/A	1	5.6%	N/A	None
2	2	Garden (3 stories)	48	1,140	\$1,412	\$0	Market	N/A	5	10.4%	N/A	None
2	2	Garden (3 stories)	36	1,154	\$1,453	\$0	Market	N/A	6	16.7%	N/A	None
2	2	Garden (3 stories)	36	1,199	\$1,508	\$0	Market	N/A	3	8.3%	N/A	None
2	2.5	Garden (3 stories)	4	1,459	\$2,196	\$0	Market	N/A	0	0.0%	N/A	None
3	2	Garden (3 stories)	12	1,398	\$2,077	\$0	Market	N/A	1	8.3%	N/A	None

Silver Collection At Cosner's Corner, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,256 - \$1,415	\$0	\$1,256 - \$1,415	\$12	\$1,268 - \$1,427
2BR / 2BA	\$1,412 - \$1,508	\$0	\$1,412 - \$1,508	\$12	\$1,424 - \$1,520
2BR / 2.5BA	\$2,196	\$0	\$2,196	\$12	\$2,208
3BR / 2BA	\$2,077	\$0	\$2,077	\$12	\$2,089

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpet/Hardwood	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Picnic Area		
Recreation Areas	Sauna		
Swimming Pool			

Comments

The property receives 150 inquiries per week and does not accept Housing Choice Vouchers. There is a salt water swimming pool on site, and pet spa with dog park. The contact reported demand comes from Fredericksburg, as well as outlying areas due to its proximity to Dahlgren military base. The staff is new and was unable to confirm when the first unit was delivered and when the property reached stabilized occupancy.

Silver Collection At Cosner's Corner, continued

Trend Report

Vacancy Rates

1Q19	2Q19
5.8%	9.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,300	\$0	\$1,300	\$1,312
2019	2	9.2%	\$1,256 - \$1,415	\$0	\$1,256 - \$1,415	\$1,268 - \$1,427

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$2,196	\$0	\$2,196	\$2,208

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,550	\$0	\$1,550	\$1,562
2019	2	10.9%	\$1,412 - \$1,508	\$0	\$1,412 - \$1,508	\$1,424 - \$1,520

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$2,230	\$0	\$2,230	\$2,242
2019	2	8.3%	\$2,077	\$0	\$2,077	\$2,089

Trend: Comments

1Q19	The property receives 150 inquiries per week and does not accept Housing Choice Vouchers. There is a salt water swimming pool on site, and pet spa with dog park. The contact reported demand comes from Fredericksburg, as well as outlying areas due to its proximity to Dahlgren military base. The staff is new and was unable to confirm when the first unit was delivered and when the property reached stabilized occupancy.
2Q19	N/A

Photos



PROPERTY PROFILE REPORT

Station Square At Cosner's Corner

Effective Rent Date	4/25/2019
Location	9419 Cumberland Drive Fredericksburg, VA 22408 Spotsylvania County
Distance	N/A
Units	380
Vacant Units	27
Vacancy Rate	7.1%
Type	Garden (3 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	12/01/2015
Last Unit Leased	5/01/2016
Major Competitors	Seasons at Celebrate Virginia
Tenant Characteristics	Diverse mix of families and individuals from all over the country
Contact Name	B
Phone	540-891-9200



Market Information

Program	Market
Annual Turnover Rate	28%
Units/Month Absorbed	24
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	See comments
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	16	746	\$1,353	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	71	780	\$1,305	\$0	Market	No	1	1.4%	N/A	None
1	1	Garden (3 stories)	17	803	\$1,373	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	28	819	\$1,305	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	1	861	\$1,368	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	42	995	\$1,533	\$0	Market	No	1	2.4%	N/A	None
2	2	Garden (3 stories)	118	1,174	\$1,473	\$0	Market	No	2	1.7%	N/A	None
2	2	Garden (3 stories)	38	1,199	\$1,513	\$0	Market	No	17	44.7%	N/A	None
2	2	Garden (3 stories)	12	1,233	\$1,553	\$0	Market	No	2	16.7%	N/A	None
3	2	Garden (3 stories)	26	1,300	\$1,888	\$0	Market	No	3	11.5%	N/A	None
3	2	Garden (3 stories)	11	1,514	\$2,143	\$0	Market	No	1	9.1%	N/A	None

Station Square At Cosner's Corner, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,305 - \$1,533	\$0	\$1,305 - \$1,533	\$12	\$1,317 - \$1,545
2BR / 2BA	\$1,473 - \$1,553	\$0	\$1,473 - \$1,553	\$12	\$1,485 - \$1,565
3BR / 2BA	\$1,888 - \$2,143	\$0	\$1,888 - \$2,143	\$12	\$1,900 - \$2,155

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpet/Hardwood	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	Two dog parks, outdoor fireplace
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$99.00)	Off-Street Parking(\$0.00)		
On-Site Management	Picnic Area		
Swimming Pool			

Comments

The contact reported all seven vacant units are preleased at this time. The property uses LRO pricing, and does not accept Housing Choice Vouchers. In the past year, rent growth ranged from a one percent decrease to a seven percent increase.

Station Square At Cosner's Corner, continued

Trend Report

Vacancy Rates

4Q16	2Q18	1Q19	2Q19
1.8%	1.1%	1.8%	7.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$1,238 - \$2,503	\$0	\$1,238 - \$2,503	\$1,250 - \$2,515
2018	2	N/A	\$1,098 - \$1,313	\$0	\$1,098 - \$1,313	\$1,110 - \$1,325
2019	1	N/A	\$1,133 - \$1,303	\$0	\$1,133 - \$1,303	\$1,145 - \$1,315
2019	2	1.1%	\$1,305 - \$1,533	\$0	\$1,305 - \$1,533	\$1,317 - \$1,545

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$1,333 - \$2,838	\$0	\$1,333 - \$2,838	\$1,345 - \$2,850
2018	2	N/A	\$1,448 - \$1,518	\$0	\$1,448 - \$1,518	\$1,460 - \$1,530
2019	1	N/A	\$1,538 - \$1,618	\$0	\$1,538 - \$1,618	\$1,550 - \$1,630
2019	2	12.5%	\$1,473 - \$1,553	\$0	\$1,473 - \$1,553	\$1,485 - \$1,565

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$2,403 - \$3,213	\$0	\$2,403 - \$3,213	\$2,415 - \$3,225
2018	2	N/A	\$1,658 - \$1,788	\$0	\$1,658 - \$1,788	\$1,670 - \$1,800
2019	1	N/A	\$1,748 - \$1,788	\$0	\$1,748 - \$1,788	\$1,760 - \$1,800
2019	2	10.8%	\$1,888 - \$2,143	\$0	\$1,888 - \$2,143	\$1,900 - \$2,155

Trend: Comments

4Q16	The contact reported that the property does not accept Housing Choice Vouchers. The garage fee ranges from \$99-\$149 depending on the garage size. The difference in the rent range depends on the length of the lease. Phase I was completed in 2012 and Phase II was completed in December 2015. The majority of the units in Phase II were fully leased by the end of February 2016 and all were all leased by the end of April 2016. Absorption information is based on Phase II.
2Q18	Rents are based on Yield Star. The contact reported that none of the units are pre-leased. The property does not accept Housing Choice Vouchers.
1Q19	The contact reported all seven vacant units are preleased at this time. The property does not accept Housing Choice Vouchers. In the past year, rent growth ranged from a one percent decrease to a seven percent increase.
2Q19	The contact reported all seven vacant units are preleased at this time. The property uses LRO pricing, and does not accept Housing Choice Vouchers. In the past year, rent growth ranged from a one percent decrease to a seven percent increase.

Photos



PROPERTY PROFILE REPORT

The Allure At Jefferson

Effective Rent Date	6/04/2019
Location	4660 Monroe St Fredericksburg, VA 22407 Spotsylvania County
Distance	N/A
Units	48
Vacant Units	6
Vacancy Rate	12.5%
Type	Midrise (3 stories)
Year Built/Renovated	2019 / N/A
Marketing Began	N/A
Leasing Began	3/01/2019
Last Unit Leased	N/A
Major Competitors	Silver Collection, Aberlee at Southpoint
Tenant Characteristics	None identified
Contact Name	Jessica
Phone	(540) 701-4583



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	17
HCV Tenants	0%
Leasing Pace	N/A
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	Midrise (3 stories)	N/A	854	\$1,290	\$0	Market	N/A	N/A	N/A	N/A	None
1	1	Midrise (3 stories)	N/A	941	\$1,390	\$0	Market	N/A	N/A	N/A	N/A	None
2	2	Midrise (3 stories)	N/A	1,062	\$1,515	\$0	Market	N/A	N/A	N/A	N/A	None
2	2	Midrise (3 stories)	N/A	1,079	\$1,550	\$0	Market	N/A	N/A	N/A	N/A	None
2	2	Midrise (3 stories)	N/A	1,107	\$1,585	\$0	Market	N/A	N/A	N/A	N/A	None
3	2	Midrise (3 stories)	N/A	1,311	\$1,850	\$0	Market	N/A	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,290 - \$1,390	\$0	\$1,290 - \$1,390	\$12	\$1,302 - \$1,402
2BR / 2BA	\$1,515 - \$1,585	\$0	\$1,515 - \$1,585	\$12	\$1,527 - \$1,597
3BR / 2BA	\$1,850	\$0	\$1,850	\$12	\$1,862

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Carpeting	Limited Access	
Central A/C	Coat Closet	Patrol	
Dishwasher	Exterior Storage		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Off-Street Parking(\$0.00)	Exercise Facility		
Picnic Area	On-Site Management		
Swimming Pool	Playground		

Comments

The first building was completed in March 2019 and the property has 48 units as of June 2019, 36 of which are occupied and 42 are leased. The property is expected to be fully completed in 2020 with 338 total units. It will include a total of 14 three-story and three/ four split level buildings with enclosed corridors as well as 42 garages, 18 detached garages and 142 storage spaces. The property does not accept Housing Choice Vouchers. Further, the contact reported that on-site garage parking spaces will be provided beginning in August 2019 and will be an additional \$99 monthly fee.

Trend Report

Vacancy Rates

1Q19	2Q19
29.2%	12.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,290	\$0	\$1,290	\$1,302
2019	2	N/A	\$1,290 - \$1,390	\$0	\$1,290 - \$1,390	\$1,302 - \$1,402

1BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,290	\$0	\$1,290	\$1,302

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,515	\$0	\$1,515	\$1,527
2019	2	N/A	\$1,515 - \$1,585	\$0	\$1,515 - \$1,585	\$1,527 - \$1,597

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,717	\$0	\$1,717	\$1,729
2019	2	N/A	\$1,850	\$0	\$1,850	\$1,862

Trend: Comments

- 1Q19 The first building was completed in March 2019 and the property has 24 units as of April 2019. 17 units are leased. The property expects an additional 24 units to be completed by May 2019, and the property as a whole will be completed in 2020. The property does not accept Housing Choice Vouchers.
- 2Q19 The first building was completed in March 2019 and the property has 48 units as of June 2019, 36 of which are occupied and 42 are leased. The property is expected to be fully completed in 2020 with 338 total units. It will include a total of 14 three-story and three/ four split level buildings with enclosed corridors as well as 42 garages, 18 detached garages and 142 storage spaces. The property does not accept Housing Choice Vouchers. Further, the contact reported that on-site garage parking spaces will be provided beginning in August 2019 and will be an additional \$99 monthly fee.

Photos



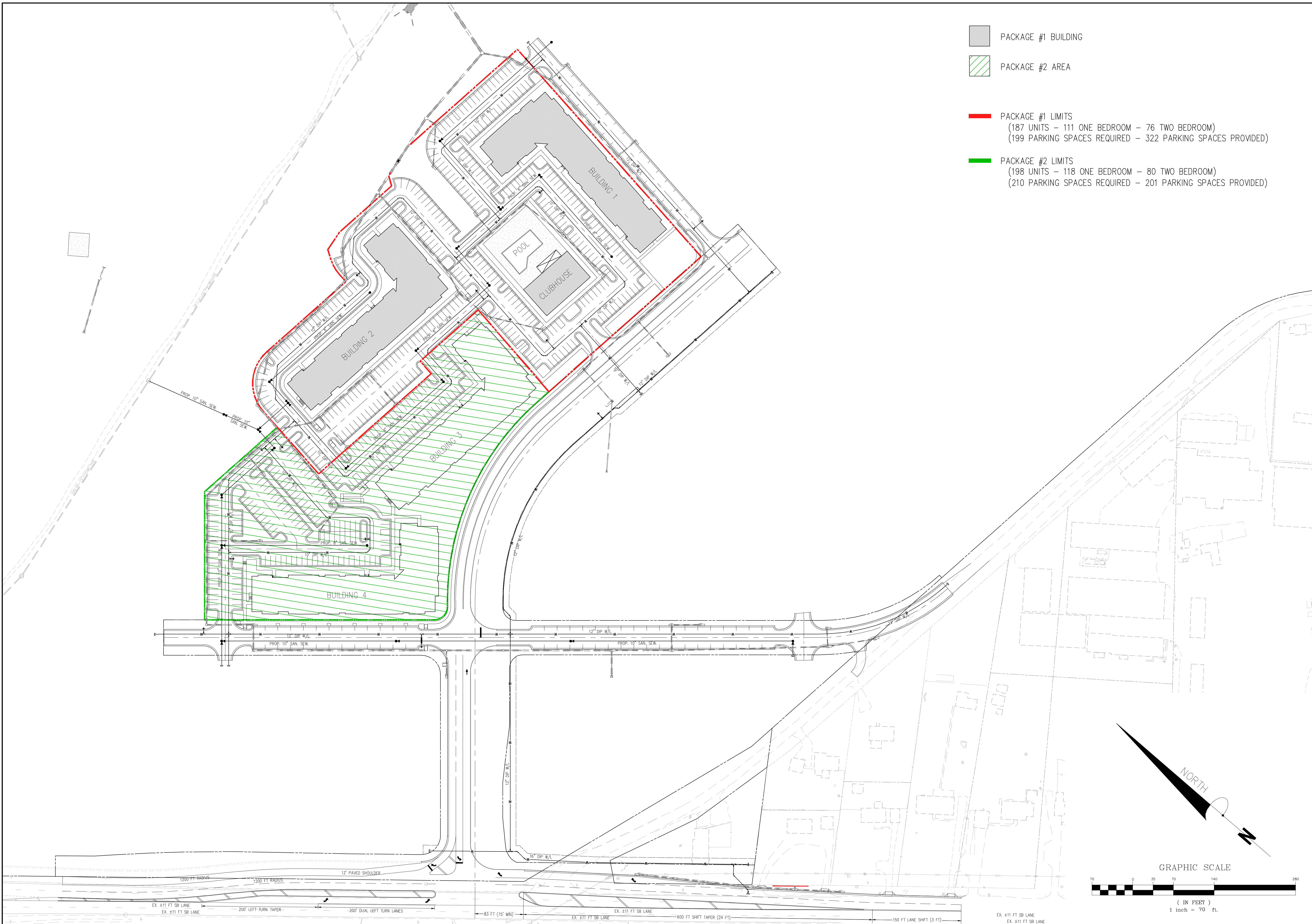
ADDENDUM D
Site and Floor Plans



THE HEIGHTS AT JACKSON VILLAGE
SPOTSYLVANIA COUNTY, VIRGINIA

FRONT ELEVATION
SCALE: 1/8"=1'-0"

DATE: MARCH 1, 2019 PROJECT #: 19-701 © 2019 EDWARD H. WINKS - JAMES D. SNOW ARCHITECTS, P.C.



- PACKAGE #1 BUILDING
- PACKAGE #2 AREA
- PACKAGE #1 LIMITS
 (187 UNITS - 111 ONE BEDROOM - 76 TWO BEDROOM)
 (199 PARKING SPACES REQUIRED - 322 PARKING SPACES PROVIDED)
- PACKAGE #2 LIMITS
 (198 UNITS - 118 ONE BEDROOM - 80 TWO BEDROOM)
 (210 PARKING SPACES REQUIRED - 201 PARKING SPACES PROVIDED)

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OVERALL EXHIBIT
 PRELIMINARY ENGINEERING
THE HEIGHTS @ JACKSON VILLAGE
 COURTLAND MAGISTERIAL DISTRICTS SPOTSYLVANIA COUNTY, VIRGINIA

COUNTY PROJECT NUMBER

PLAN STATUS

DATE	DESCRIPTION
AJH DESIGN	AJH DRAWN
	JRT CHKD
SCALE	H: 1"=70' V: N/A
JOB No.	5431-01-002
DATE	MARCH 2019
FILE No.	5431-D-MP-002

ADDENDUM E
Utility Allowance



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: 1 Exposed Wall				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	\$47.00	\$65.00	\$84.00	\$102.00	\$130.00	\$149.00	\$167.00	\$186.00
	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	\$11.00	\$14.00	\$16.00	\$18.00	\$20.00
	Home Heating	\$18.00	\$25.00	\$32.00	\$39.00	\$49.00	\$56.00	\$63.00	\$70.00
	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	\$10.00	\$13.00	\$17.00	\$21.00	\$27.00	\$30.00	\$34.00	\$38.00
	Water Heating	\$4.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$16.00
Oil	Home Heating	\$36.00	\$50.00	\$64.00	\$78.00	\$99.00	\$114.00	\$128.00	\$142.00
	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:		\$	\$	\$	\$	\$	\$	\$	\$



May 15, 2019

Stacy Kaplowitz
 KCG Development
 9333 N Meridian Street, Suite 230
 Indianapolis, IN 46260
stacy.kaplowitz@kcgcompanies.com

RE: Preliminary Utility Allowance for The Heights at Jackson Village I

Dear Ms. Kaplowitz,

Please see the following Preliminary Utility Allowance (UA) for The Heights at Jackson Village I located in Spotsylvania, Virginia. The electric projections were generated utilizing Rappahannock Electric Cooperative rates. Water and sewer projections were generated using Spotsylvania County rates. The utility rates are current within 90 days of the date of this letter. Below is a table depicting the highest UA by each bedroom type. Should you have any questions do not hesitate to contact me.

ENERGY STAR PRELIMINARY UA*			ALLOWANCES BY BEDROOM SIZE	
Utilities	Type of Utility	Paid by	1-bdr	2-bdr
Heating	Electric	Tenant	\$16	\$19
Air Conditioning	Electric	Tenant	\$7	\$9
Cooking	Electric	Tenant	\$6	\$7
Lighting	Electric	Tenant	\$25	\$31
Hot Water	Electric	Tenant	\$14	\$17
Water	-	Tenant	\$17	\$24
Sewer	-	Tenant	\$19	\$25
Trash	-	Owner	-	-
Total UA for costs paid by tenant			\$104	\$132
*Allowances only for application use for The Heights at Jackson Village I as an ENERGY STAR project using water fixtures with flow rates ≤ 1.28 gpf toilets, 2.0 gpm showerheads, 2.2 kitchen faucets, 1.5 gpm lavatory faucets.				

Sincerely,

Rob McRaney

Rob McRaney
 Business Relations Manager, Viridiant

ADDENDUM F
Qualifications of Consultants

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CVA, CRE

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)

Member, The Counselors of Real Estate (CRE)

Member, Urban Land Institute

Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628

State of California – Certified General Real Estate Appraiser, No. 27638

Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340

State of Florida – Certified General Real Estate Appraiser; No. RZ3249

State of Maine – Certified General Real Estate Appraiser, No. CG3435

State of Maryland – Certified General Real Estate Appraiser; No. 6048

Commonwealth of Massachusetts – Certified General Real Estate Appraiser; No. 103769

State of Michigan – Certified General Real Estate Appraiser, No. 1201074327

State of Nebraska – Certified General Real Estate Appraiser, No. CG2015008R

State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900

State of Ohio – Certified General Real Estate Appraiser; No. 2006007302

State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111

State of South Carolina – Certified General Real Estate Appraiser; No. 4566

III. Professional Experience

Partner, Novogradac & Company LLP

President, Capital Realty Advisors, Inc.

Vice President, The Community Partners Realty Advisory Services Group, LLC

President, Weinberg Group, Real Estate Valuation & Consulting

Manager, Ernst & Young LLP, Real Estate Valuation Services

Senior Appraiser, Joseph J. Blake and Associates

Senior Analyst, Chevy Chase F.S.B.

Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIREI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process," *Affordable Housing Finance*, March 2001

VI. Real Estate Assignments

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

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a "flat" rent, or an "income-based" rent. The flat rent is based on the "market rent", defined as the rent charged for a comparable unit in the private,

unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.

- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
LINDSEY SUTTON**

EDUCATION

Texas State University, Bachelor of Business Administration in Finance

LICENSING AND AFFILIATIONS

Certified General Real Estate Appraiser – State of Texas (TX 1380684-G)

Certified General Real Estate Appraiser – State of Washington (1102489)

Certified General Real Estate Appraiser – State of Colorado (CG.200001730)

Candidate for Designation in the Appraisal Institute

Member – Commercial Real Estate Women (CREW) Network

EXPERIENCE

Novogradac & Company LLP, Principal

Novogradac & Company LLP, Manager

Novogradac & Company LLP, Real Estate Analyst

Novogradac & Company LLP, Real Estate Researcher

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Report Writing and Case Studies

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

Expert Witness for Commercial Appraisers

Commercial Appraisal Review

Real Estate Finance Statistics and Valuation Modeling

General Appraiser Income Approach Part II

General Appraiser Income Approach Part I

General Appraiser Market Analysis and Highest & Best Use

Basic Appraisal Procedures

Basic Appraisal Principles

Advanced Hotel Appraising – Full Service Hotels

Basic Hotel Appraising – Limited Service Hotels

Appraisal of Assisted Living Facilities

REAL ESTATE ASSIGNMENTS

A representative sample of work on various types of projects:

- Managed and completed hundreds of market studies and appraisals for proposed new construction and existing Low Income Housing Tax Credit, USDA Rural Development, Section 8 and market rate multifamily and age-restricted developments. This included property screenings, market and demographic analysis, comparable rent surveys, supply and demand analysis, determination of market rents, expense comparability analysis, and other general market analysis. Property types include proposed multifamily, acquisition with rehabilitation, historic rehabilitation, adaptive reuse, and single-family development.

- Complete agency and HUD appraisals using the cost approach, income capitalization approach, and sales comparison approach for Low Income Housing Tax Credit, USDA Rural Development, and Section 8 properties. Additional assignments also include

partnership valuations and commercial land valuation.

- Prepared HUD Market-to-Market rent comparability studies for Section 8 multifamily developments.
- Perform valuations of General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Prepare Fair Market Value analyses for solar panel installations in connection with financing and structuring analyses performed for various clients. The reports are used by clients to evaluate with their advisors certain tax consequences applicable to ownership. Additionally, these reports can be used in connection with application for the Federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009 and the ITC funding process.
- Perform market studies and appraisals for proposed and existing multifamily properties under the HUD MAP program. These reports meet the requirements outlined in Chapter 7 of the HUD MAP Guide for the 221(d)4, 223(f), and the LIHTC Pilot Program.
- Consult with lenders and developers and complete valuation assignments for developments converting under the RAD program.
- Prepare valuations for unique redevelopment sites with mixed uses including a variety of commercial, multifamily, and recreational uses. Further, performing analysis and valuations for assisted living facilities for potential acquisition, hold or trade purposes.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Sebastian Abrigo

I. EDUCATION

Christopher Newport University, May 2016
Bachelor of Science – Finance

II. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP
Junior Analyst, November 2017 – Present

III. REAL ESTATE ASSIGNMENTS

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

- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Jennifer Stapelfeld

EDUCATION

The Florida State University

- Bachelor of Science – Economics & Statistics

PROFESSIONAL EXPERIENCE

Novogradac & Company, LLP

Analyst, December 2018 - Present

Junior Analyst, October 2017 – December 2018

- Assist in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit (LIHTC) multifamily properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis. Assist on appraisals using the cost approach, income capitalization approach, and sales comparison approach for multifamily developments.
- Prepare market studies for proposed and existing LIHTC, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis.
- Conducts physical inspections of subject properties and comparable properties to determine condition and evaluate independent physical condition assessments.
- Analyze historic audited financial statements and proposed operating statements to determine property expense projections.
- Prepare HUD Rent Comparability Studies for Section 8 multifamily developments.

The analyst has conducted research and completed assignments in the following states and U.S. Territories:

Arizona	Michigan	South Carolina
California	Mississippi	Texas
District of Columbia	Nevada	Utah
Florida	New Jersey	Virginia
Georgia	New York	Washington
Illinois	North Carolina	West Virginia
Indiana	North Dakota	Wyoming
Louisiana	Ohio	
Maryland	Oregon	

ADDENDUM G
NCHMA Certification and Checklist



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

This market study has been prepared by **Novogradac & 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

Jennifer.Stapelfeld@Novoco.com