



**NOVOGRADAC
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CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET FEASIBILITY STUDY OF:
CECELIA HOUSE**

A MARKET FEASIBILITY STUDY OF:

CECELIA HOUSE

Southwest of Intersection of Sigler Road and Aiken Drive
Vint Hill, Fauquier County, Virginia 20187

Effective Date: February 15, 2019
Report Date: March 7, 2019

Prepared for:
Ari Severe
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TM Associates, Inc.
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March 7, 2019

Ari Severe
Executive Vice President of Finance
TM Associates, Inc.
1375 Piccard Drive, Suite 150
Rockville, MD 20850

Re: Market Study - Application for Cecelia House, located in Vint Hill, Fauquier County, Virginia

Dear Mr. Severe:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Vint Hill, Fauquier County, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project.

The purpose of this market study is to assess the viability of the proposed 75-unit senior LIHTC project restricted to senior households aged 62 or older. The Subject property will be part of a larger overall development that will be constructed in two phases. The first phase (Cecelia House) will consist of 75 units restricted to senior households aged 62 and over earning 30, 50, and 60 percent of the AMI, or less. This phase will be financed with 9% Low Income Housing Tax Credits and is the Subject of this report. The second phase (Cecelia House II) will consist of 50 units restricted to senior households aged 62 and over earning 60 percent of the AMI or less, and will be financed with 4% tax-exempt bonds. Both phases of the overall development will occupy the same parcel. We are concurrently preparing a market study for the 4% Cecelia House II.

The Virginia Housing Development Authority (VHDA) requires separate market studies for each phase of a development financed with 9% tax credits and 4% tax-exempt bonds. As such, the first phase of the Subject development (Cecelia House) is the Subject of this report, and a full analysis of the second phase (Cecelia House II) will be submitted under separate cover. Note that VHDA also requires a combined demand analysis to be submitted with each report. This report contains both an individual demand analysis for the 75 units at the Subject (Cecelia House) and a combined analysis assuming all 125 units at the overall development (Cecelia House and Cecelia House II).

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

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

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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.

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.

TM Associates, Inc. is the client in this engagement and intended user of this report. As our client, TM Associates, Inc. owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

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

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

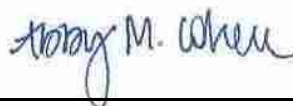
Respectfully submitted,
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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- Subject Site Description:** The Subject site is located southwest of the intersection of Aiken Drive and Sigler Road in Vint Hill, Fauquier County, Virginia.
- Surrounding Land Uses:** The Subject site is located in central Vint Hill. North of the Subject site, uses include a hotel and commercial uses in average to good condition. To the east, there is wooded land, as well as single-family homes in good condition. To the south, there is vacant wooded land. To the west, there is the former Vint Hill Farms Station barracks, which are currently vacant and exhibit fair condition. The barracks were proposed to be redeveloped as part of the Vint Hill Village redevelopment plan, which was withdrawn in late 2017. According to the Fauquier County Office of Community Development, there are no additional redevelopment plans for the site at this time. While we consider the vacant barracks to be a potentially detrimental influence, we believe it will be mitigated by strong demand for affordable rental housing in the broader market, as well as the type and quality of other surrounding uses.
- Subject Property Description:** The Subject, Cecelia House, will be a newly-constructed senior LIHTC development restricted to households aged 62 and over earning 30, 50 and 60 percent of the AMI, or less. Construction on the Subject is anticipated to begin in June 2019 with completion in June 2020. The Subject will consist of 75 one and two-bedroom units contained in one, four-story, elevator-serviced midrise building that will be in excellent condition upon completion. The Subject will be partially financed with 9% Low Income Housing Tax Credits. The Subject will be part of an overall development that will contain an additional building (Cecelia House II) that will be partially financed with tax-exempt bonds and will consist of 50 one and two-bedroom units restricted to senior households earning 60 percent of the AMI, or less. The second phase of the Subject development is beyond the scope of this report. The overall Subject development will offer 160 off-street parking spaces, or 1.28 parking spaces per unit.
- Proposed Rents:** The following table details the proposed rents for the Subject's units.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents	
@30%								
1BR / 1BA	959	6	\$534	\$125	\$659	\$659	\$1,454	
2BR / 1BA	1,237	2	\$641	\$150	\$791	\$791	\$1,665	
@50%								
1BR / 1BA	959	21	\$974	\$125	\$1,099	\$1,099	\$1,454	
2BR / 1BA	1,237	9	\$1,168	\$150	\$1,318	\$1,318	\$1,665	
@60%								
1BR / 1BA	959	26	\$1,194	\$125	\$1,319	\$1,319	\$1,454	
2BR / 1BA	1,237	11	\$1,432	\$150	\$1,582	\$1,582	\$1,665	
		75						

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

All of the Subject’s proposed rents will be set at the maximum allowable LIHTC rents.

Target Household Income Levels:

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

62+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
@30%						
1BR	\$19,770	\$28,140	\$32,970	\$46,900	\$39,570	\$56,280
2BR	\$23,730	\$28,140	\$39,540	\$46,900	\$47,460	\$56,280

Economic Conditions

Employment in the PMA is concentrated in the professional/scientific/technological services, public administration, healthcare/social assistance, and retail sectors, which collectively comprise 48.7 percent of local employment. The large share of employment in the public administration and healthcare industries in the PMA is notable as these industry is historically stable, and exhibit greater resilience during economic downturns. This was evident during the recession, when total employment in the MSA fell by only 1.8 percent, compared to a 4.8 percent decline across the nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2010, four years prior to the 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 nation. Given that total employment in the MSA surpassed its pre-recessionary levels, local employment growth is strong and the macroeconomic conditions may lead to wage increases for workers, the Washington D.C. metropolitan region has fully recovered and entered into an expansionary phase. The strong macroeconomic indicators bode well for demand at the Subject, as proposed.

Primary Market Area

The Subject property is located in Vint Hill, Virginia. The PMA is generally defined as Hopewell and Sudley Roads to the north, Sudley Road and Nokesville Road to the east and southeast, Casanova Road, Meetze Road, and Arlington Boulevard to the south, and Blantyre Road to the west. This area was defined based on interviews with local market participants and local property managers. Management at the majority of the rent comparables noted that the majority of their tenants originate from all over northern Virginia. We therefore

consider it reasonable to estimate that approximately 20 percent of the Subject’s tenants will originate from outside of the PMA boundaries.

The Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of Frederick, Montgomery, Calvert, Charles and Prince George’s Counties in Maryland; Washington, DC; Arlington, Clarke, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford and Warren Counties in Virginia; Jefferson County in West Virginia; and the independent cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park in Virginia.

Demographic Data

The PMA has historically experienced strong senior population and household growth, exceeding growth in the MSA and nation. The proportion of senior renter households in the PMA exceeds the national average of 15 percent, and the number of senior renter households is projected to increase through 2023. As of 2018, the median income in the PMA is above the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the nation during this time period. In particular, median income in the PMA rose from 70 percent of the national median income in 2000 to 112 percent in 2018. Overall, the combination of rising senior population and household income levels bodes well for future demand for multifamily housing.

Vacancy

The following table summarizes overall weighted vacancy levels at the surveyed properties. Note that Abberly Avera is currently under construction, with 34 units complete out of a total 336 units. We deducted the 302 under-construction units from our vacancy rate analysis.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Highland Commons	LIHTC	Family	96	0	0.0%
Moffett Manor	LIHTC	Senior	98	0	0.0%
Oaks Of Wellington*	LIHTC/ Market	Senior	130	1	0.8%
Park Place Senior Apartments*	LIHTC	Senior	148	1	0.7%
Somerset Pointe I & II	LIHTC	Family	276	1	0.4%
The Oaks Apartments	LIHTC	Senior	111	2	1.8%
Warrenton Manor	LIHTC/ Section 8	Senior	98	1	1.0%
Abberly Avera**	Market	Family	34	5	14.7%
Masons Keepe	Market	Family	270	17	6.3%
Somerhill Farms	Market	Family	140	2	1.4%
The Point At Manassas	Market	Family	575	21	3.7%
Van Metre Barrington Park*	Market	Family	148	2	1.4%
Wellington Place At Olde Town*	Market	Family	372	4	1.1%
Total LIHTC			886	6	0.7%
Total Market Rate			1,610	51	3.2%
Overall Total			2,496	57	2.3%

*Located outside of the PMA

**302 under-construction units deducted from total.

As illustrated above, the majority of the LIHTC comparable properties exhibit vacancy rates under one percent, indicating a supply-constrained market for affordable housing. The majority of the market-rate comparable properties reported low to moderate vacancy rates. The contact at Abberly Avera reported that the five vacant, completed units are pre-leased. The contact at Masons Keepe attributed the elevated vacancy rate to a seasonal lull in demand, and stated that the property typically operates at a higher occupancy rate. Finally,

the contact at The Point at Manassas reported that three vacant units are pre-leased, and the contact at Van Metre Barrington Park reported that both vacant units at that property are pre-leased. Overall, demand for rental housing in the Subject’s market is strong, and we anticipate that the Subject will operate with a vacancy rate of five percent or less upon stabilization.

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

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Highland Commons	LIHTC	Family	-	0.0%	0.0%	0.0%
Moffett Manor	LIHTC	Senior	0.0%	0.0%	-	0.0%
Oaks Of Wellington	LIHTC/ Market	Senior	0.0%	1.0%	-	0.8%
Park Place Senior Apartments	LIHTC	Senior	5.6%	0.0%	-	0.7%
Somerset Pointe I & II	LIHTC	Family	0.0%	0.7%	0.0%	0.4%
The Oaks Apartments	LIHTC	Senior	1.1%	5.6%	-	1.8%
Warrenton Manor	LIHTC/ Section 8	Senior	1.4%	0.0%	-	1.0%
Abberly Avera	Market	Family	-	-	-	91.1%
Masons Keepe	Market	Family	3.3%	7.1%	-	6.3%
Somerhill Farms	Market	Family	-	-	-	1.4%
The Point At Manassas	Market	Family	0.0%	4.3%	0.0%	3.7%
Van Metre Barrington Park	Market	Family	-	-	-	1.4%
Wellington Place At Olde Town	Market	Family	0.7%	2.0%	0.0%	1.1%

The Subject will consist of one and two-bedroom units. Vacancy rates in the market for one-bedroom units range from zero to 5.6 percent, averaging 1.1 percent, and the vacancy rates for two-bedroom units range from zero to 7.1 percent, averaging 3.0 percent. Overall, the vacancy rates in the market are low to moderate. This supports that there is demand for additional rental housing in the market. We believe the Subject will not negatively impact the existing properties in the market.

Absorption

We were able to obtain absorption from one comparable property, Abberly Avera. We extended our search to include all recently-constructed properties in Fauquier and Prince William counties, illustrated in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year	Total Units	Absorption Pace
Abberly Avera	Market	Family	2018	34	9
Kensington Place I	Market	Family	2014	129	32
Shorehaven Apartments	Market	Family	2013	240	34
Arcadia Run Apartments	Market	Family	2013	312	10

The properties in the table above experienced absorption paces ranging from nine to 34 units per month, with total absorption periods ranging from four to 31 months. Abberly Avera is the most recently-constructed property. However, the Subject will be affordable, and the affordable comparable properties in our analysis reported strong demand as indicated by low vacancy rates and waiting lists. As such, we believe that the Subject would experience a faster absorption pace than Abberly Avera. We conclude to an absorption pace of 15 units per month for the proposed Subject, which equates to a total absorption period of eight months.

Demand – Subject Only (Cecelia House)

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units indicates a capture rate of 12.5 percent.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 30.7 percent, indicating that there are 233 units of demand in the PMA in the first year of the Subject’s operation. This capture rate is reasonable and indicates adequate demand in the market for the Subject’s proposed units.

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 Absent Subsidy	10.7%
Project Wide Absorption Period (Months) Absent Subsidy	5 months

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

Demand – Overall Subject Development (Cecelia House and Cecelia House II)

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units indicates a capture rate of 20.8 percent.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 42.1 percent, indicating that there are 283 units of demand in the PMA in the first year of the Subject’s operation. While this is an elevated capture rate, it indicates adequate demand in the market for the Subject’s proposed units.

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 Absent Subsidy	16.6%
Project Wide Absorption Period (Months) Absent Subsidy	8 months

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

Strengths

- The Subject will be in excellent condition upon completion, with slightly superior to superior amenities to the majority of the comparable properties.
- The weighted average vacancy rate of the LIHTC comparable properties is less than one percent, indicating a supply-constrained market for affordable housing.
- The Subject will offer some of the largest one and two-bedroom unit sizes in the market.
- The senior LIHTC comparable properties reported short to moderate waiting lists.
- Two of the comparable LIHTC properties reported achieving the maximum allowable rents. Based on low vacancy rates and waiting lists, we believe the remainder are not testing the maximum allowable rents.
- The Subject will be located in a PMA that is experiencing substantial senior population and household growth.
- The Subject will be located in a desirable location based on median household incomes and median rents, as well as crime risk indices.
- The Subject has moderate capture rates, indicating additional demand for affordable senior rental housing such as the Subject.

Weaknesses

- The Subject site is located adjacent to the vacant former Vint Hill Farms Station barracks, which are currently vacant and exhibit fair condition. The barracks were proposed to be redeveloped as part of the Vint Hill Village redevelopment plan, which was withdrawn in late 2017. According to the Fauquier County Office of Community Development, there are no additional redevelopment plans for the site at this time. While we consider the vacant barracks to be a potentially detrimental influence, we believe it will be mitigated by strong demand for affordable rental housing in the broader market, as well as the type and quality of other surrounding uses.

Recommendations

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

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:	Novogradac & Company LLP has performed a comprehensive market study of the multifamily rental market in the Fauquier County, Virginia area relative to Cecelia House, a proposed senior LIHTC development. The Subject will be a newly-constructed senior LIHTC development restricted to households aged 62 and over earning 30, 50 and 60 percent of the AMI, or less. Construction on the Subject is anticipated to begin in June 2019 with completion in June 2020. The Subject will consist of 75 one and two-bedroom units contained in one, four-story, elevator-serviced midrise building that will be in excellent condition upon completion. The Subject will be partially financed with 9% Low Income Housing Tax Credits. The Subject will be part of an overall development that will contain an additional building (Cecelia House II) that will be partially financed with tax-exempt bonds and will consist of 50 one and two-bedroom units restricted to senior households earning 60 percent of the AMI, or less. The second phase of the Subject development is beyond the scope of this report. The overall Subject development will offer 160 off-street parking spaces, or 1.28 parking spaces per unit.
Developer/Client Information:	TM Associates, Inc.
Intended Use and Users of the Report:	The report will be submitted to the Virginia Housing Development Authority (VHDA) for application purposes. The intended user of the report is VHDA.
Scope of the Report:	<ul style="list-style-type: none">▪ 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 senior 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.▪ Providing a brief analysis of the economic and social conditions in the market area, in relation to the proposed project.▪ Establishing the Subject's Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject site was most recently inspected by Ben Torpey on February 15, 2019, which shall be the effective date of this report.
Primary Contact for the Report:	H. Blair Kincer, MAI, CRE (Blair.Kincer@novoco.com) and Abby Cohen (Abby.Cohen@novoco.com).

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

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

Subject Property Description:

The Subject, Cecelia House, will be a newly-constructed senior LIHTC development restricted to households aged 62 and over earning 30, 50 and 60 percent of the AMI, or less. Construction on the Subject is anticipated to begin in June 2019 with completion in June 2020. The Subject will consist of 75 units financed with 9% Low Income Housing Tax Credits. Of the 75 units, eight units will be restricted to 30 percent of the AMI, 30 units will be restricted to 50 percent of the AMI and 37 units will be restricted to the 60 percent of AMI. Of these, there will be 53 one-bedroom units and 22 two-bedroom units. The Subject will consist of one, four-story, elevator-serviced midrise-style building that will be in excellent condition upon completion.

The Subject will be part of a larger development that will include a second phase (Cecelia House II) to be partially financed with 4% tax-exempt bonds. The second phase of the Subject development will consist of 50 one and two-bedroom units restricted to senior households age 62 and over earning 60 percent of the AMI, or less. Analysis of the second phase of the Subject development is beyond the scope of the report. The overall Subject development will offer 160 off-street parking spaces, or 1.28 parking spaces per unit.

Construction Type:

The Subject will be a newly constructed LIHTC property.

Occupancy Type:

The Subject will target senior households aged 62 and over.

Proposed Rents:

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

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents	
@30%								
1BR / 1BA	959	6	\$534	\$125	\$659	\$659	\$1,454	
2BR / 1BA	1,237	2	\$641	\$150	\$791	\$791	\$1,665	
@50%								
1BR / 1BA	959	21	\$974	\$125	\$1,099	\$1,099	\$1,454	
2BR / 1BA	1,237	9	\$1,168	\$150	\$1,318	\$1,318	\$1,665	
@60%								
1BR / 1BA	959	26	\$1,194	\$125	\$1,319	\$1,319	\$1,454	
2BR / 1BA	1,237	11	\$1,432	\$150	\$1,582	\$1,582	\$1,665	
		75						

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

All of the Subject’s proposed rents will be set at the maximum allowable LIHTC rents.

Construction Date: Construction on the Subject is anticipated to begin in June 2019 with completion in June 2020.

Target Household Income Levels: Based on the proposed restrictions, the range of annual household income levels is depicted below.

62+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$19,770	\$28,140	\$32,970	\$46,900	\$39,570	\$56,280
2BR	\$23,730	\$28,140	\$39,540	\$46,900	\$47,460	\$56,280

Utility Structure: Tenants at the Subject are responsible for water, sewer, electric heat, electric water heating, electric cooking, central air conditioning, and general electricity expenses. The landlord pays for trash expenses. 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 Virginia Housing Development Authority’s utility allowance, effective July 1, 2018.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR
Heating - Electric	Tenant	\$26	\$34
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		\$114	\$147
TOTAL - Paid By Tenant Provided by Developer		\$125	\$150
DIFFERENCE		110%	102%

Source: Virginia Housing Development Authority, effective 7/2018

Unit Mix: The following table illustrates the Subject’s unit mix and size:

UNIT MIX AND SQUARE FOOTAGE

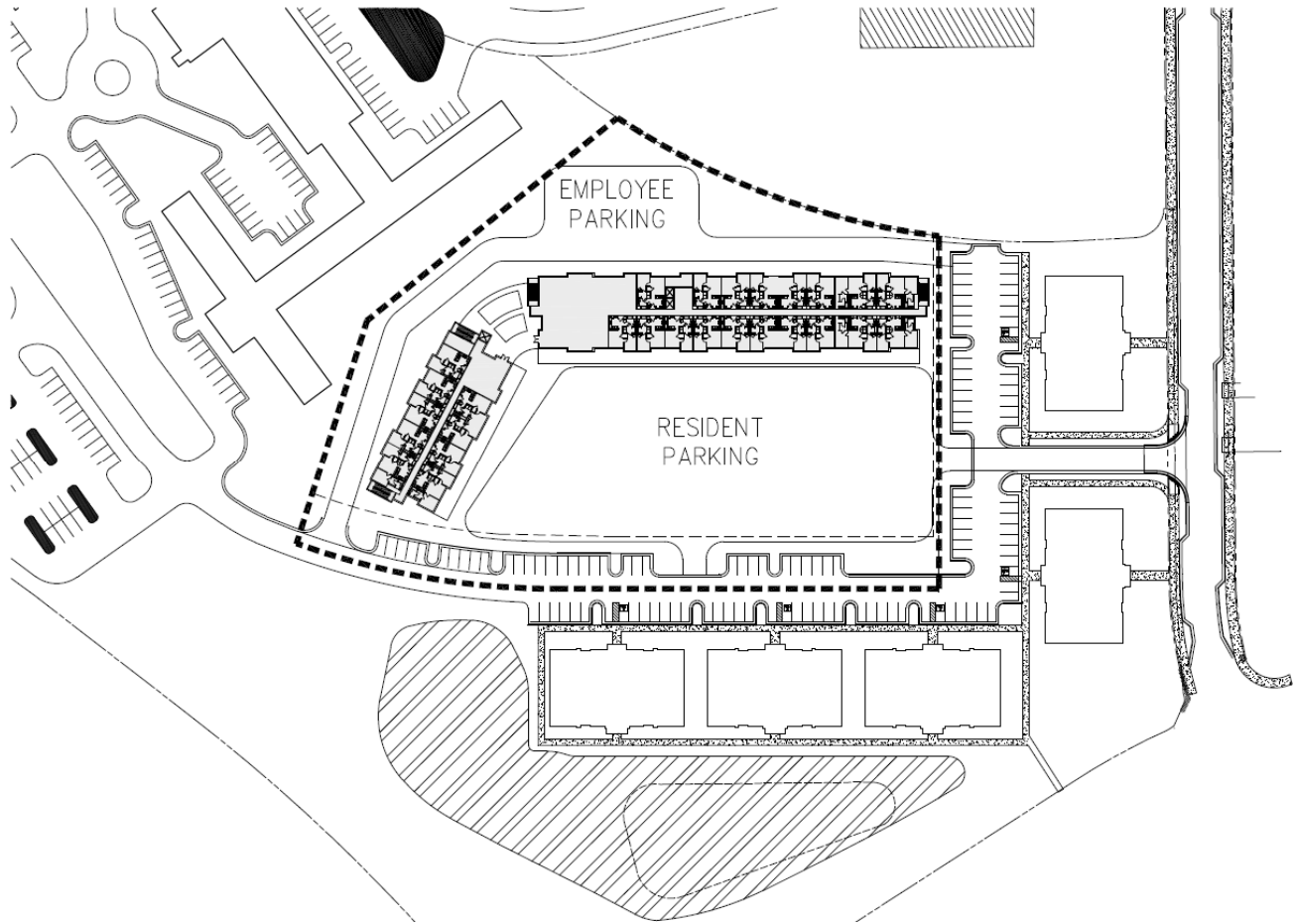
Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	53	959	50,827
2BR / 1BA	22	1,237	27,214
TOTAL	75		78,041

- Net Leasable Area:** Approximately 78,041 square feet.
- Unit Amenities:** The Subject will offer in-unit alarms, patio/balconies, drapes/blinds, cable/satellite/internet included with rent, carpeting, vinyl wood flooring, granite counter tops, central air conditioning, coat closets, walk-in closets, handrails, pull cords, refrigerator, icemaker, range/oven, dishwasher, garbage disposal, microwave, trash compactor and washer/dryers in terms of in-unit amenities.
- Common Area Amenities:** The Subject will offer an Amazon delivery box, adult educational classes, transportation, activity coordinator, library, a meal program, controlled access, concierge, video surveillance, a business center, computer lab, clubhouse, exercise facility, on-site management and picnic area on-site manager in terms of common area amenities.
- Parking:** The overall Subject development will offer 160 off-street parking spaces, which equates to approximately 1.28 spaces per unit assuming the overall development's 125 units. There is no fee for parking. We expect the number of parking spaces to be adequate for the Subject's intended senior tenant base.
- Number of Stories and Buildings:** The Subject will consist of one, four-story, elevator-serviced midrise-style building.
- Americans with Disabilities Act of 1990:** We assume the property will not have any violations of the Americans with Disabilities Act of 1990.
- Quality of Construction Condition and Deferred Maintenance:** As it will be new construction, the Subject will not suffer from deferred maintenance. We assume the Subject will be completed in a timely manner with quality materials.
- Functional Utility:** We have reviewed the Subject's floor plans and determined them to be reasonable and market-oriented.
- Conclusion:** The Subject property will be a newly constructed 75-unit senior LIHTC development. The Subject will exhibit excellent condition upon completion.
- Architect:** Miner Feinstein Architects.

Site and Architectural Plans:

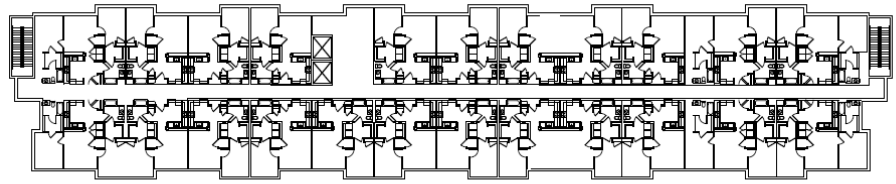
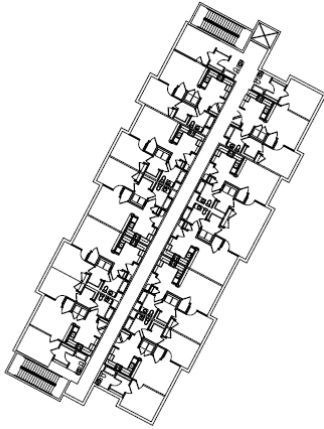
A copy of the site and architectural plans are available on the following pages and in the addenda of this report.

Subject Site Plan



Source: Sponsor, January 2019

Subject Floor Plans



TYPICAL FLOOR

Source: Sponsor, January 2019

Cecelia House

Location SW of Aiken Drive and Sigler Road
Vint Hill, VA 20187

Units 75

Type Midrise (4 stories)

Year Built / Renovated 2020 / n/a

Tenant Characteristics Seniors 62+



Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Midrise (4 stories)	6	959	\$754	\$0	@30%	n/a	N/A	N/A	Yes
1	1	Midrise (4 stories)	21	959	\$974	\$0	@50%	n/a	N/A	N/A	Yes
1	1	Midrise (4 stories)	26	959	\$1,194	\$0	@60%	n/a	N/A	N/A	Yes
2	1	Midrise (4 stories)	2	1,237	\$905	\$0	@30%	n/a	N/A	N/A	Yes
2	1	Midrise (4 stories)	9	1,237	\$1,168	\$0	@50%	n/a	N/A	N/A	Yes
2	1	Midrise (4 stories)	11	1,237	\$1,432	\$0	@60%	n/a	N/A	N/A	Yes

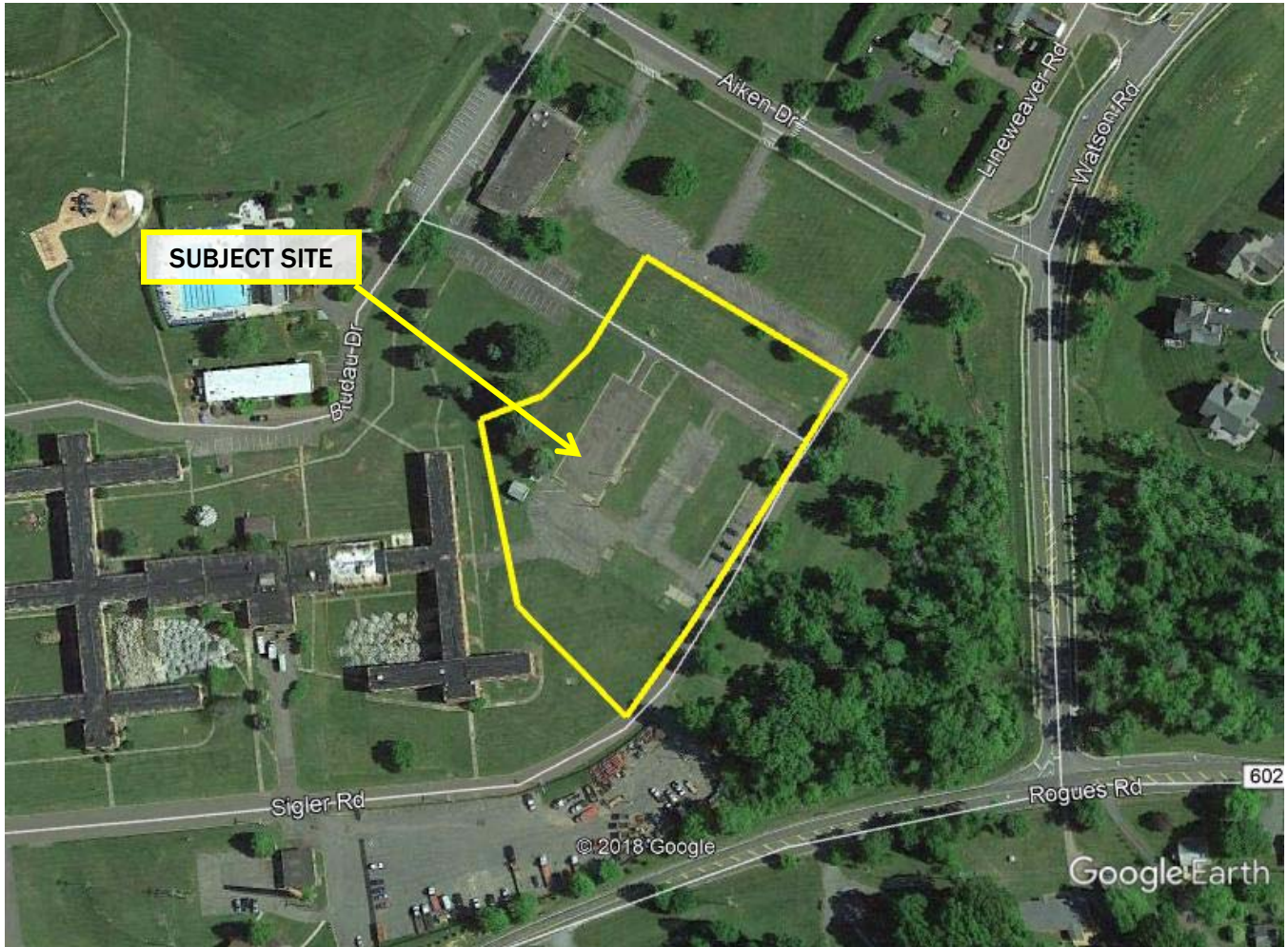
Amenities

In-Unit	Balcony/Patio Blinds Cable/Satellite/Internet Carpet/Hardwood Carpeting Central A/C Coat Closet Dishwasher Garbage Disposal Hand Rails Microwave Oven Pull Cords Refrigerator Walk-In Closet Washer/Dryer Washer/Dryer hookup	Security	In-Unit Alarm Intercom (Buzzer) Limited Access Perimeter Fencing Video Surveillance
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Concierge Exercise Facility Off-Street Parking On-Site Management Picnic Area Wi-Fi	Premium	Delivered Hot Lunches
Services	Adult Education Shuttle Service	Other	Library, activity coordinator, Amazon delivery box

D. LOCATION

LOCATION

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



Source: Google Earth, February 2019

Subject Site Description:

The Subject will be located southwest of the intersection of Aiken Drive and Sigler Road in Vint Hill, Fauquier County, Virginia 20187.

Size:

The Subject site is approximately 3.2 acres.

Shape:

The site is generally irregular in shape.

Frontage:

The Subject site has frontage along Aiken Drive, Sigler Road and Bludau Drive.

Topography:

The Subject site is level.

Utilities:

All utilities are provided to the site.

Visibility/Views:

The Subject is located at the southwest corner of the intersection of Aiken Drive and Sigler Road. To the north, views consist of The Inn at Vint Hill and a single-family home in good condition. To the east, views consist of vacant wooded land. To the south and west views consist of the former Vint Hill Farms Station barracks, which are currently vacant. Vint Hill Farms Station was deactivated in 1997. There was a proposal to include the barracks in the Vint Hill Village redevelopment plan, which was put on hold in September 2017. According to the Fauquier County Department of Community Development, development plans for the building are unknown at this time. This building exhibits fair condition, and other surrounding uses include single-family homes and commercial uses in average to good condition. While the type and condition of surrounding uses indicates a minimal influence from the vacant barracks, we nonetheless believe that the barracks present a potentially negative influence on the proposed Subject. To the west, views consist of the Larry Weeks Community Pool, The Vint Hill Theater and The Village Green park and sports fields. Overall, views are considered average.

Surrounding Uses:

The Subject site is rated as “Car-Dependent” by WalkScore with a score of 18, and is not considered walkable. The following pictures depict the surrounding uses of the Subject.



Intersection of Sigler Road and Aiken Drive



Vint Hill Craft Winery

North: North of the Subject site, across Aiken Drive is The Inn at Vint Hill and a single-family home in good condition. Farther north is the Vint Hill Craft Winery and the Cold War Museum. Past the Cold War Museum is the Old Bust Head Brewery and retail uses, followed by Vint Hill Farms. Beyond Vint Hill Farms, several blocks north of the Subject, is the Vint Hill FAA Air Traffic Control Center.



View east from the Subject site



Single-family home east of the Subject site

East: East of the Subject site, across Sigler Road is vacant wooded land. Further east, across Watson Road is single-family home development in excellent condition. Beyond the single-family homes is vacant wooded land.



View south of the Subject site



Vacant building south of the Subject site

South: Immediately south and southwest of the Subject site is the former Vint Hill Farms Station barracks, which is currently vacant and exhibits fair condition. Vint Hill Farms Station was deactivated in 1997. According to the Fauquier County Office of Community Development, the barracks were proposed to be included in the Vint Hill Village redevelopment plan, which was withdrawn in late 2017. At this time, there are no additional redevelopment plans for the site according to the Fauquier County Office of Community Development. While we consider the vacant barracks to be a potentially detrimental influence, we believe it will be mitigated by strong demand for affordable rental housing in the market as well as the type and condition of other surrounding uses. Further south, across Sigler Road is the office of Infocus, a marketing company. Past Infocus Marketing are single family homes in average condition and vacant wooded land. Beyond the vacant wooded land, several blocks south of the Subject site is Kettle Run High School.



View west from the Subject site of the Larry Weeks Community Pool

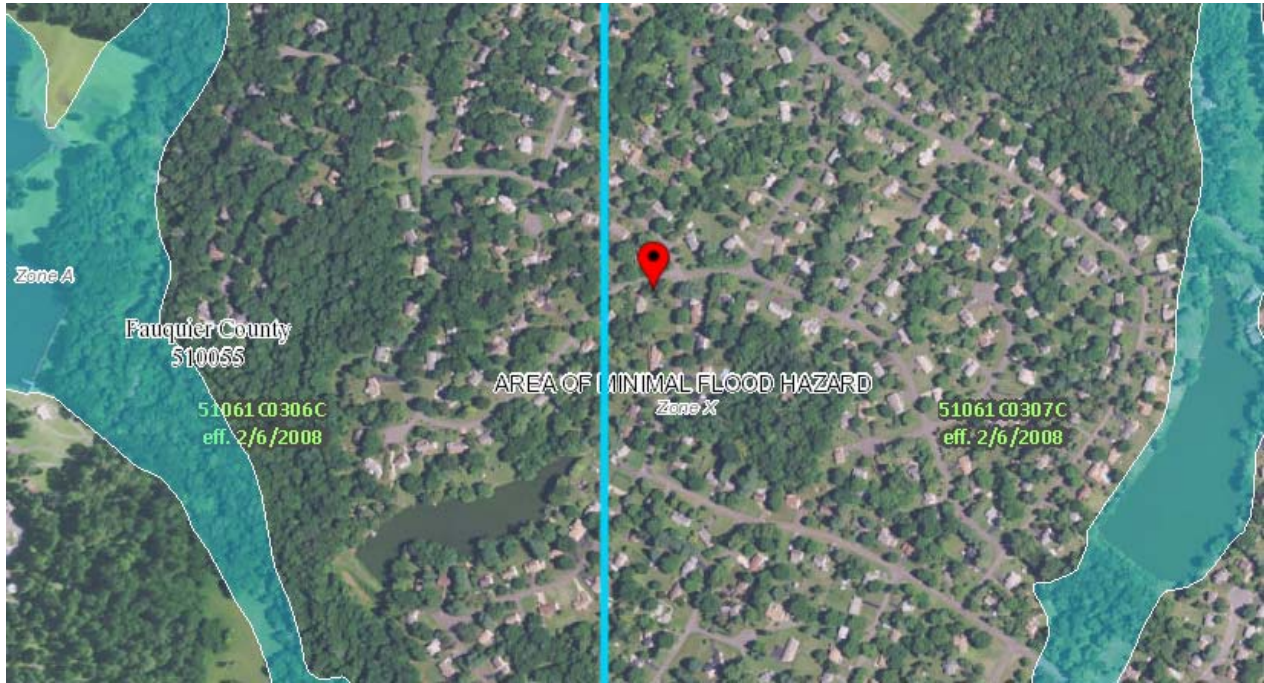


Village Green Community Center west of the Subject site

West: Immediately west of the Subject site, across Bludau Road is the Larry Weeks Community Pool. Further west are Village Green Park, sports fields, the Vint Hill Theater and The Vint Hill Village Green Community Center. Beyond the community center are retail uses including Vint Hill Coffee. Past the retail uses is the Vint Hill Economic Development Authority. Further west is vacant wooded land.

Access and Traffic Flow:	The Subject will be accessible from Aiken Drive via an access road. Aiken Drive is a lightly-trafficked, two-lane street that intersects with Farm Station Road less than 500 feet northeast of the Subject site. Farm Station Road is a moderately-trafficked, two-lane thoroughfare. The Subject site is located approximately 2.9 miles south of US Highway 15/Lee Highway, which provides access to Washington, DC to the east and Warrenton and Culpepper, VA to the west and southwest. Access and traffic flow are average.
Layout and Curb Appeal:	The Subject will consist of two four-story midrise-style buildings and 160 off-street parking spaces. The Subject site is situated on Sigler Road and will have visibility on Aiken Drive, Bludau Road and Sigler Road. The Subject will be newly constructed and will exhibit excellent curb appeal.
Drainage:	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.
Soil and Subsoil Conditions:	We have not been provided with an environmental report. We are not experts in this field and assume the site is adequate for development.
Environmental Assessment:	We have not been provided with an environmental report. Further analysis is beyond the scope of this report. Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter.
Detrimental Influences:	The former Vint Hill Farms Station barracks are located adjacent southwest of the Subject site. Vint Hill Farms Station was deactivated in 1997, and the barracks are currently vacant and in fair condition. While the site of the barracks was previously proposed for redevelopment as part of the Vint Hill Village master plan, the redevelopment plans were withdrawn in late 2017. According to the Fauquier County Office of Community Development, there are no other plans currently in place. Other surrounding uses include single-family homes, commercial uses, and a community pool, which exhibit average to good condition and appear occupied and maintained. Additionally, demand for affordable rental housing in the Subject's broader market appears strong. While the vacant barracks present a detrimental influence, we believe it will be mitigated by strong demand for affordable senior rental housing in the market and the type and quality of other surrounding uses. No other potential detrimental influences were identified.
Flood Plain:	According to Flood Insights and Flood Insurance Rate Map Community Panel Number 51047C0075C, dated June 2007, the Subject site is located in Zone X. Zone X is defined

as an area outside 500-year floodplain, which is determined to be outside the .02 percent annual chance floodplains. Novogradac & Company LLP does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report.



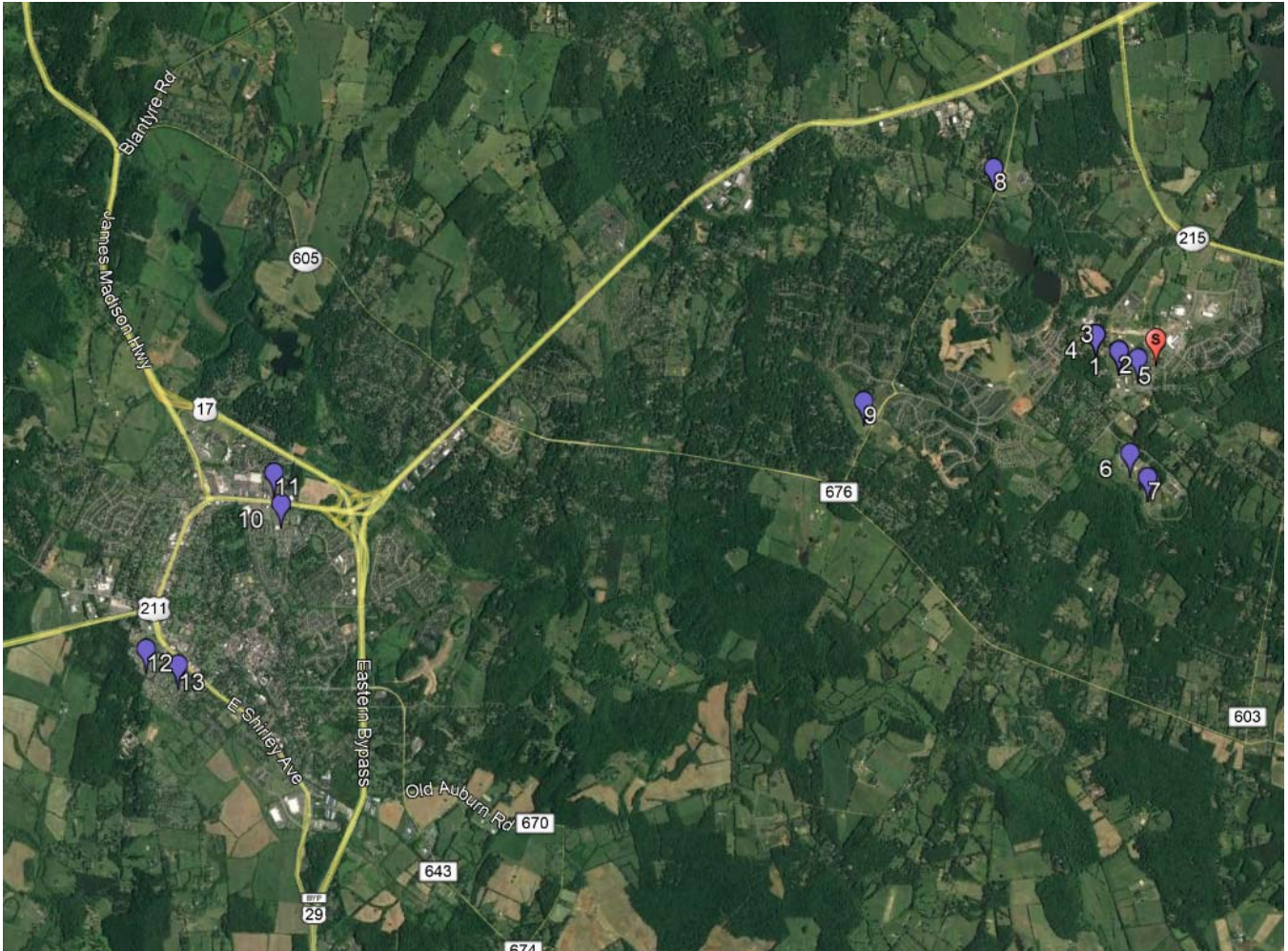
Source: FEMA Flood Map Service Center, February 2019

Locational Amenities:

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

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Driving)
1	Vint Hill Village Green Park	0.1 miles
2	Vint Hill Village Green Community Center	0.1 miles
3	UVA Community Credit Union	0.2 miles
4	Post Office	0.2 miles
5	Larry Weeks Community Pool	0.4 miles
6	Kettle Run High School	1.2 miles
7	Greenville Elementary School	1.6 miles
8	New Baltimore Volunteer Fire & Rescue	1.9 miles
9	Auburn Middle School	2.2 miles
10	CVS Pharmacy	7.2 miles
11	Giant Food	7.3 miles
12	Fauquier Hospital	8.9 miles
13	Warrenton Police Department	9.3 miles



Source: Google Earth, February 2019

Public Transportation:

There is no fixed-route public transportation in Vint Hill, VA.

Crime Statistics:

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

2018 CRIME INDICES

	PMA	Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area
Total Crime*	54	100
Personal Crime*	43	110
Murder	40	141
Rape	55	74
Robbery	40	147
Assault	43	96
Property Crime*	55	99
Burglary	55	70
Larceny	54	104
Motor Vehicle Theft	71	140

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

*Unweighted aggregations

The table above illustrates the crime risk as an index where 100 represents the national average. Indices above 100 are above the national average, and indices below 100 are below the national average. Total crime risk in the PMA is substantially below the national average and the crime risk in the MSA. The risk of personal and property crime in the PMA are also significantly below that in the MSA and the nation. The Subject will offer video surveillance, which is similar to the majority of the comparables. We believe that the Subject’s proposed security features are market-oriented.

Conclusion:

The Subject’s neighborhood appears to be a good location for a multifamily development. All of the local amenities are located within 10 miles of the Subject. Additionally, there are various restaurants and entertainment venues in Vint Hill. The Subject is located in a primarily residential and agricultural neighborhood, with the majority of the immediate uses consisting of residential uses, agricultural uses and commercial uses. The Subject is a compatible use within the existing neighborhood.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



Single-family home development east of the Subject site



Single-family home development east of the Subject site



Single-family home development east of the Subject site



Single-family home development east of the Subject site



Single-family home development east of the Subject site



Single-family home development east of the Subject site



V



Infocus Marketing southwest of Subject site



Vint Hill Theater west of the Subject site



The Inn at Vint Hill north of the Subject site



Fauquier County WSA west of Subject site



Vint Hill Coffee west of Subject site



Village Green Community Center west of Subject site



Village Green Community Center west of Subject site



Village Green Community Center sports fields



Economic Development Authority west of the Subject site



Vint Hill Winery north of Subject site



Vint Hill Winery north of Subject site



Old Bust Head Brewery north of the Subject site



Farm Station Cafe north of the Subject site



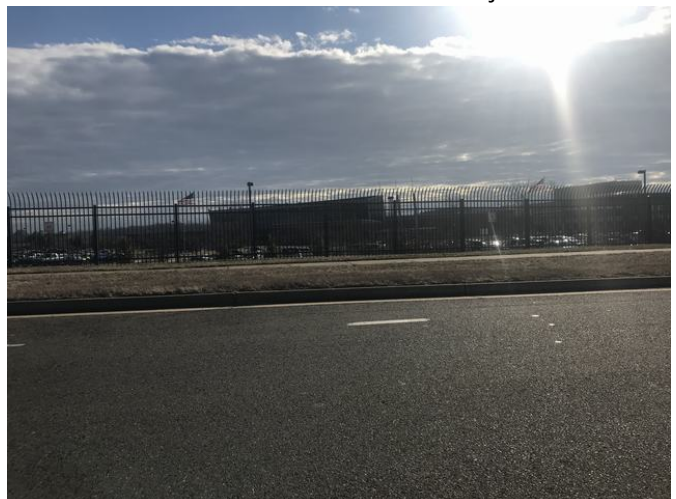
Retail uses north of the Subject site



Civil War Museum north of the Subject site



Commercially zoned land for sale near the Subject site



FAA Air Traffic Control Center north of the Subject site

E. MARKET AREA DEFINITION

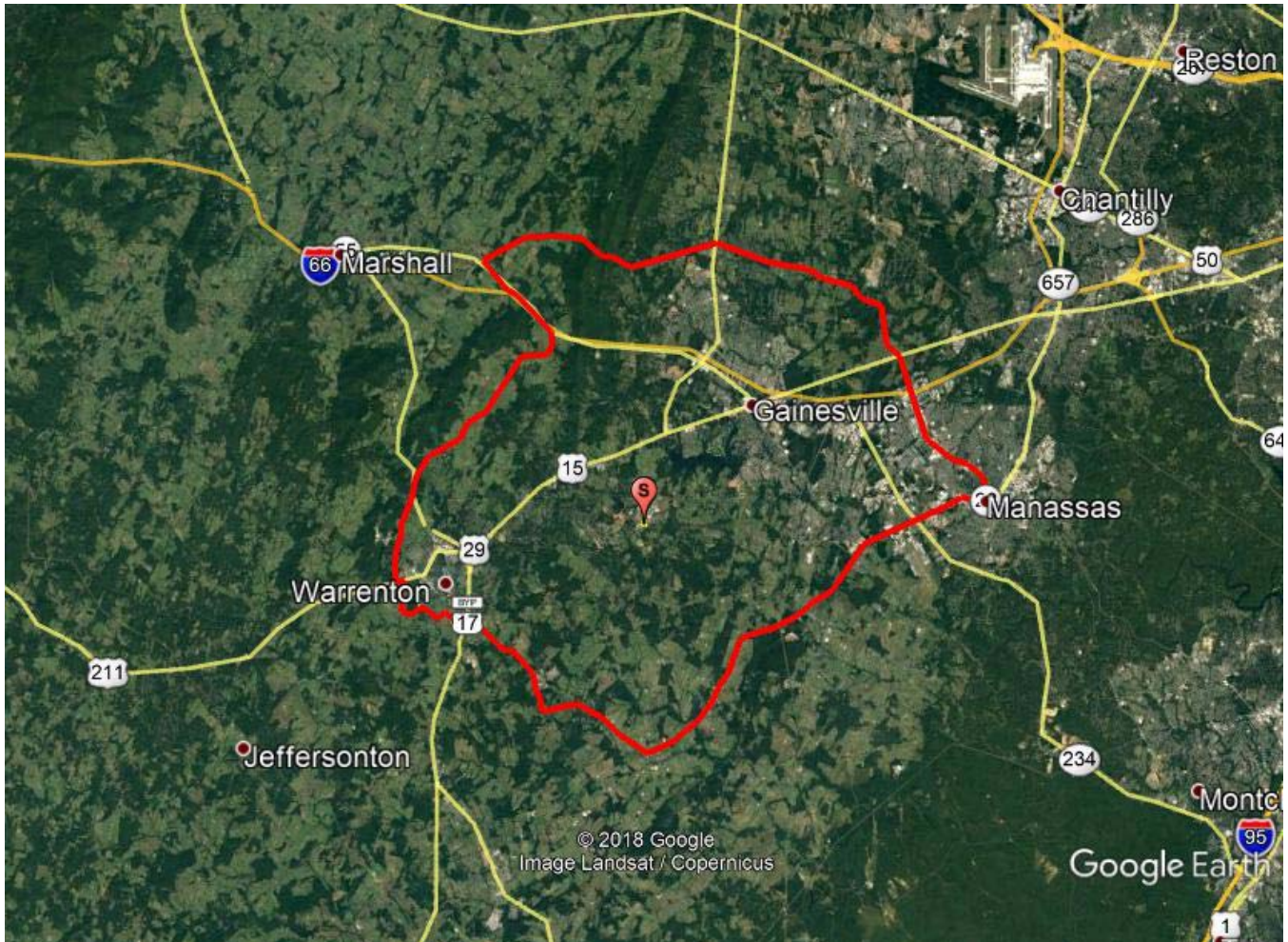
MARKET AREA

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 Subject property is located in Vint Hill, Virginia. The PMA is generally defined as Hopewell and Sudley Roads to the north, Sudley Road and Nokesville Road to the east and southeast, Casanova Road, Meetze Road, and Arlington Boulevard to the south, and Blantyre Road to the west. This area was defined based on interviews with local market participants and local property managers. Management at the majority of the rent comparables noted that the majority of their tenants originate from all over northern Virginia. We therefore consider it reasonable to estimate that approximately 20 percent of the Subject’s tenants will originate from outside of the PMA boundaries.

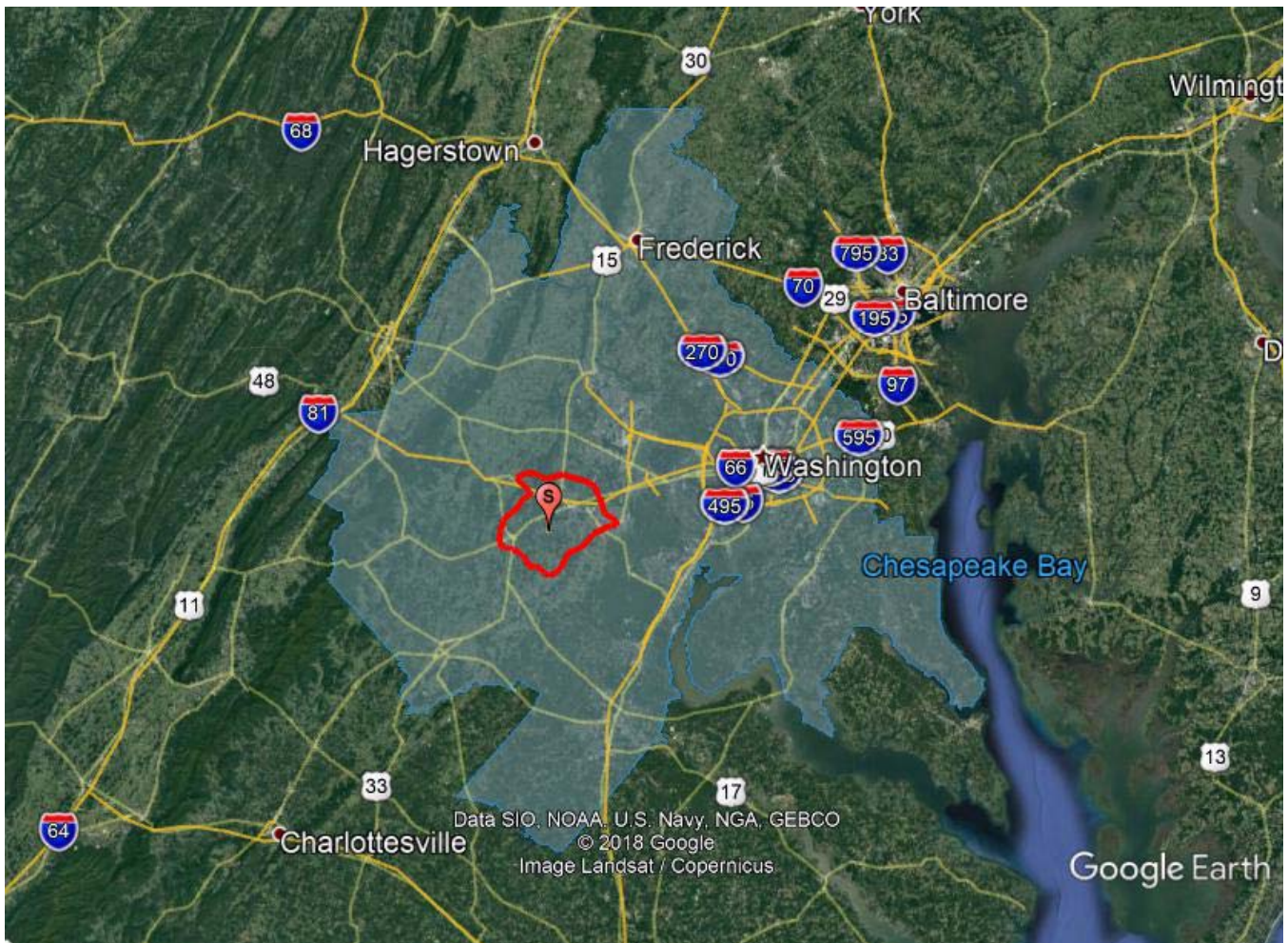
The Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of Frederick, Montgomery, Calvert, Charles and Prince George’s Counties in Maryland; Washington, DC; Arlington, Clarke, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford and Warren Counties in Virginia; Jefferson County in West Virginia; and the independent cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park in Virginia. Maps outlining the general PMA boundaries as well as the MSA can be found on the following pages.

Primary Market Area Map



Source: Google Earth, February 2019

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, February 2019

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 Metropolitan Statistical Area (MSA) are areas of growth or contraction.

Employment by Industry

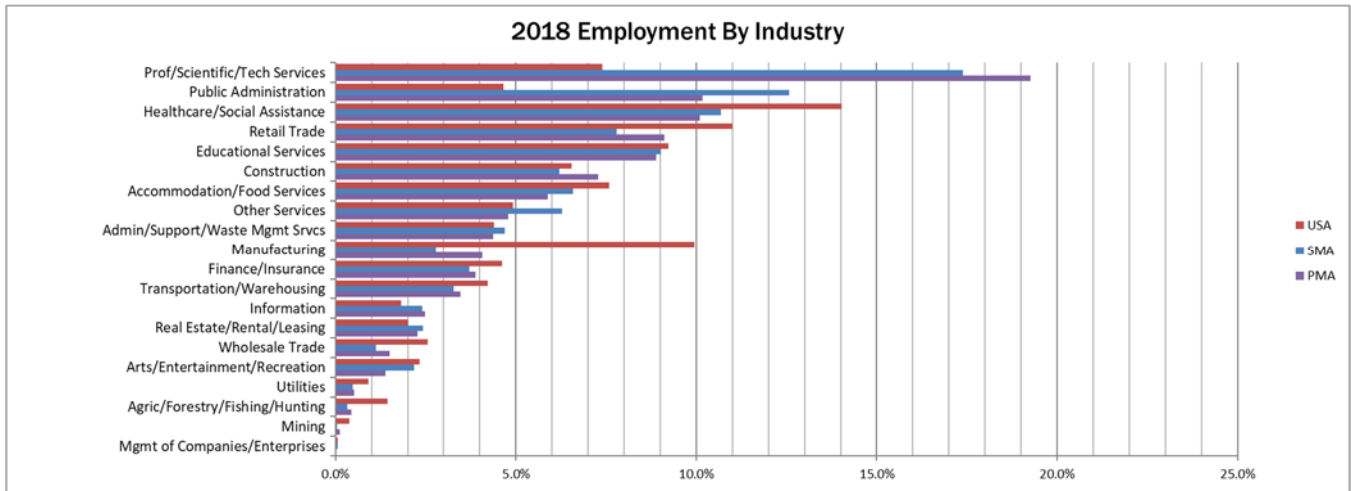
The following chart illustrates employment by industry as of 2018.

2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Prof/Scientific/Tech Services	15,041	19.3%	11,673,939	7.4%
Public Administration	7,942	10.2%	7,345,537	4.7%
Healthcare/Social Assistance	7,882	10.1%	22,154,439	14.0%
Retail Trade	7,122	9.1%	17,381,607	11.0%
Educational Services	6,945	8.9%	14,568,337	9.2%
Construction	5,678	7.3%	10,333,928	6.5%
Accommodation/Food Services	4,600	5.9%	11,958,374	7.6%
Other Services	3,734	4.8%	7,758,801	4.9%
Admin/Support/Waste Mgmt Svcs	3,419	4.4%	6,943,459	4.4%
Manufacturing	3,172	4.1%	15,694,985	9.9%
Finance/Insurance	3,036	3.9%	7,284,572	4.6%
Transportation/Warehousing	2,702	3.5%	6,660,099	4.2%
Information	1,942	2.5%	2,881,691	1.8%
Real Estate/Rental/Leasing	1,772	2.3%	3,165,171	2.0%
Wholesale Trade	1,163	1.5%	4,028,405	2.6%
Arts/Entertainment/Recreation	1,083	1.4%	3,672,444	2.3%
Utilities	396	0.5%	1,433,069	0.9%
Agric/Forestry/Fishing/Hunting	349	0.4%	2,273,158	1.4%
Mining	86	0.1%	591,596	0.4%
Mgmt of Companies/Enterprises	19	0.0%	87,511	0.1%
Total Employment	78,083	100.0%	157,891,122	100.0%

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

Employment in the PMA is concentrated in the professional/scientific/technological services, public administration, healthcare/social assistance, and retail sectors, which collectively comprise 48.7 percent of local employment. The large share of employment in the public administration and healthcare industries are notable as these industries are historically stable, and exhibit greater resilience during economic downturns. Relative to the nation, the PMA features comparatively greater employment in the professional/scientific/technological services, public administration, and construction industries. Conversely, the PMA is underrepresented in the manufacturing, healthcare/social assistance, and accommodation/food services 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
Prof/Scientific/Tech Services	3,973	12.5%	15,041	19.3%	11,068	15.5%
Public Administration	2,884	9.1%	7,942	10.2%	5,058	9.7%
Healthcare/Social Assistance	2,583	8.1%	7,882	10.1%	5,299	11.4%
Retail Trade	3,554	11.2%	7,122	9.1%	3,568	5.6%
Educational Services	2,251	7.1%	6,945	8.9%	4,694	11.6%
Construction	3,283	10.3%	5,678	7.3%	2,395	4.1%
Accommodation/Food Services	1,398	4.4%	4,600	5.9%	3,202	12.7%
Other Services	1,500	4.7%	3,734	4.8%	2,234	8.3%
Admin/Support/Waste Mgmt Svcs	1,080	3.4%	3,419	4.4%	2,339	12.0%
Manufacturing	2,022	6.4%	3,172	4.1%	1,150	3.2%
Finance/Insurance	1,173	3.7%	3,036	3.9%	1,863	8.8%
Transportation/Warehousing	1,438	4.5%	2,702	3.5%	1,264	4.9%
Information	1,931	6.1%	1,942	2.5%	11	0.0%
Real Estate/Rental/Leasing	673	2.1%	1,772	2.3%	1,099	9.1%
Wholesale Trade	1,019	3.2%	1,163	1.5%	144	0.8%
Arts/Entertainment/Recreation	488	1.5%	1,083	1.4%	595	6.8%
Utilities	269	0.8%	396	0.5%	127	2.6%
Agric/Forestry/Fishing/Hunting	252	0.8%	349	0.4%	97	2.1%
Mining	24	0.1%	86	0.1%	62	14.4%
Mgmt of Companies/Enterprises	1	0.0%	19	0.0%	18	100.0%
Total Employment	31,796	100.0%	78,083	100.0%	46,287	8.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 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 8.1 percent between 2000 and 2018, a substantial rate of growth illustrative of the MSA’s resiliency during the most recent economic downturn. The industries which expanded most substantially during this period include professional/scientific/technology

services, accommodation/food services, administrative/waste management services, educational services, and healthcare/social assistance. No sectors experienced contractions during this period.

Major Employers

The following table details the largest employers in Fauquier County, according to the Virginia Employment Commission.

**MAJOR EMPLOYERS
FAUQUIER COUNTY**

Employer Name	Industry
Fauquier County School Board	Education
Fauquier Health System	Healthcare
County of Fauquier	Public Administration
U.S. Department of Transportation	Public Administration
Walmart	Retail Trade
Town of Warrenton	Public Administration
Food Lion	Retail Trade/Grocery
Airlie Foundation	Hospitality
Blue Ridge Orthopaedic Associates	Healthcare
Smith Midland Corporation	Manufacturing
County Chevrolet, Peugeot	Car Dealership
The Home Depot	Retail Trade
Warrenton Operations, LLC	Healthcare/Social Assistance
Lord Fairfax Community College	Education
The Fauquier Bank	Finance
Insperity	Professional Services
Harris Teeter Supermarkets	Retail Trade/Grocery
General Excavation	Construction
Highland School	Education

Source: Virginia Employment Commission, February 2019

The largest employers in Fauquier County represent a diverse mixture of industries. The largest employers operate in the education, healthcare, public administration and retail trade sectors.

Employment Expansion/Contractions

We researched layoffs and closures in Fauquier County from January 2017 through December 2018. There were zero Worker Adjustment and Retraining Notification (WARN) filings over the past two years, according to the Virginia Employment Commission.

An important factor underlying the depth of demand for rental units of all types is the level of employment expansion and contraction in a region. While Fauquier County has a healthy economy, many residents commute to work in Prince William and Arlington counties, as well as Washington, DC. According to the Arlington Economic Development Department, there have been several recent expansions:

- Nestle USA, the world's largest food and beverage company, relocated its U.S. headquarters from California to Arlington. The process was completed in 2018 and added 750 jobs, half of which are new hires.
- Nestlé will invest an additional \$5 million to relocate Gerber from New Jersey to join its U.S. headquarters in Arlington's Rosslyn neighborhood. Gerber is expected to occupy 23,392 square feet of office space in Rosslyn's 1812 North Moore address, creating a total of 150 new jobs. The process will be complete by the end of 2019.
- In December 2018, March of Dimes chose Arlington as its new home after a competitive bid process to relocate its current headquarters from New York. The organization will occupy approximately 28,000 square feet of office space at 1550 Crystal Drive in Crystal City and create 80 new jobs.
- In November 2018, Amazon chose Arlington as one half of its new headquarters. Amazon will invest approximately \$2.5 billion to establish a new headquarters in National Landing, which will create more than 25,000 high paying jobs and occupy four million square feet of energy-efficient office space with the opportunity to expand to eight million square feet over the next 12 years.

We also researched expansions and openings in Prince William County via the Prince William County Economic Development Department:

- The United States Tennis Association (USTA) will build a new headquarters and tennis facility on 46 acres at Innovation Park, approximately 10.8 miles from the Subject site. The new facility is anticipated to create 42 new jobs and bring over \$15 million in investment. The facility will be constructed in phases, with a final completion date of December 2021.
- Dulles Glass and Mirror, Inc. expanded its operations and also opened a new headquarters in Manassas, approximately 10.4 miles from the Subject site. The expansion and relocation represents a \$7.5 million investment, and is anticipated to create 40 new jobs over a five-year term. The new headquarters opened in December 2017.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2002 to December 2018.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	<u>Washington-Arlington-Alexandria, DC-VA-MD-WV</u>			<u>USA</u>		
	<u>Metropolitan Statistical Area</u>					
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2002	2,659,121	-	-18.5%	136,485,000	-	-11.0%
2003	2,682,624	0.9%	-17.8%	137,736,000	0.9%	-10.2%
2004	2,729,743	1.8%	-16.3%	139,252,000	1.1%	-9.2%
2005	2,803,963	2.7%	-14.1%	141,730,000	1.8%	-7.6%
2006	2,867,910	2.3%	-12.1%	144,427,000	1.9%	-5.8%
2007	2,905,565	1.3%	-10.9%	146,047,000	1.1%	-4.8%
2008	2,946,320	1.4%	-9.7%	145,363,000	-0.5%	-5.2%
2009	2,893,543	-1.8%	-11.3%	139,878,000	-3.8%	-8.8%
2010	2,950,674	2.0%	-9.6%	139,064,000	-0.6%	-9.3%
2011	3,002,205	1.7%	-8.0%	139,869,000	0.6%	-8.8%
2012	3,047,895	1.5%	-6.6%	142,469,000	1.9%	-7.1%
2013	3,077,800	1.0%	-5.7%	143,929,000	1.0%	-6.1%
2014	3,098,533	0.7%	-5.0%	146,305,000	1.7%	-4.6%
2015	3,132,426	1.1%	-4.0%	148,833,000	1.7%	-2.9%
2016	3,195,403	2.0%	-2.1%	151,436,000	1.7%	-1.2%
2017	3,262,831	2.1%	0.0%	153,337,000	1.3%	0.0%
2018 YTD Average*	3,301,644	1.2%	-	155,761,000	1.6%	-
Dec-2017	3,262,077	-	-	153,602,000	-	-
Dec-2018	3,300,985	1.2%	-	156,481,000	1.9%	-

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

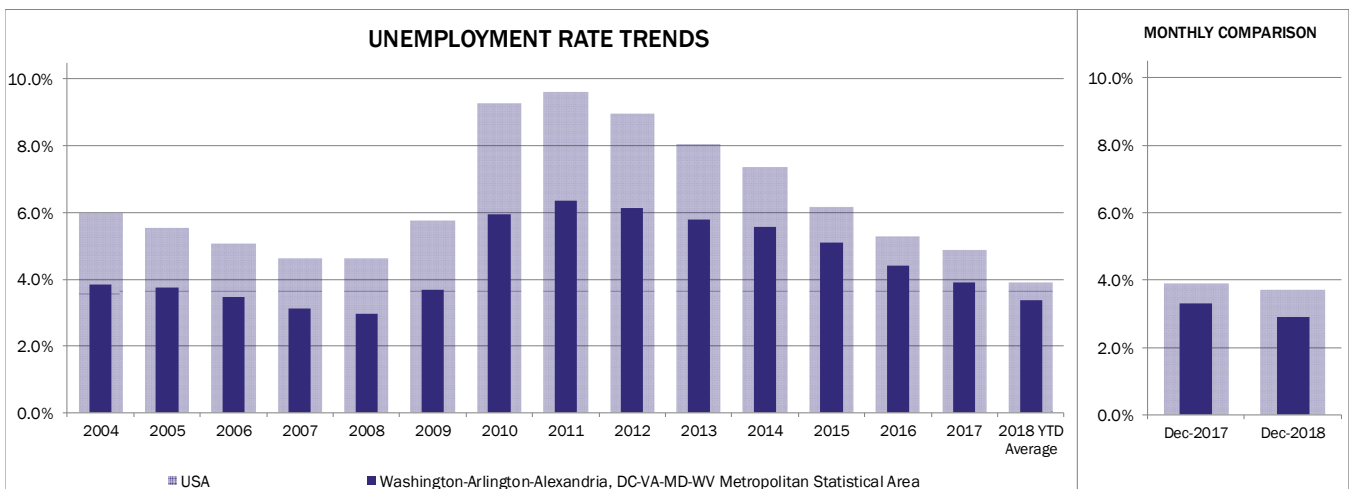
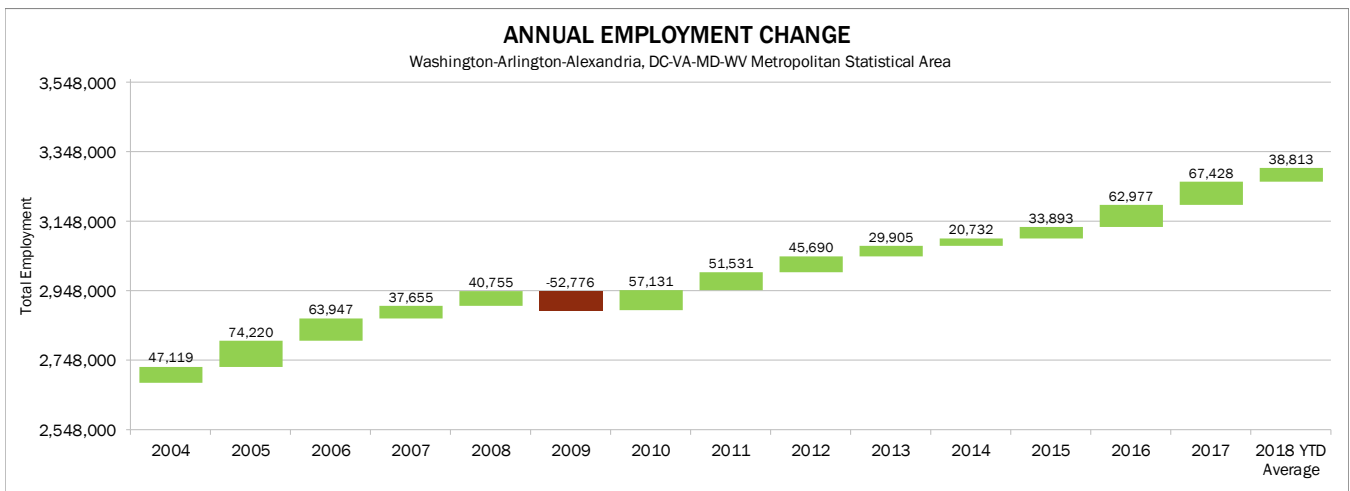
UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	<u>Washington-Arlington-Alexandria, DC-VA-MD-WV</u>			<u>USA</u>		
	<u>Metropolitan Statistical Area</u>					
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2002	4.0%	-	1.0%	5.8%	-	1.4%
2003	3.9%	-0.1%	0.9%	6.0%	0.2%	1.6%
2004	3.7%	-0.1%	0.8%	5.5%	-0.5%	1.2%
2005	3.5%	-0.3%	0.5%	5.1%	-0.5%	0.7%
2006	3.1%	-0.4%	0.2%	4.6%	-0.5%	0.3%
2007	3.0%	-0.2%	0.0%	4.6%	0.0%	0.3%
2008	3.7%	0.7%	0.7%	5.8%	1.2%	1.4%
2009	6.0%	2.3%	3.0%	9.3%	3.5%	4.9%
2010	6.4%	0.4%	3.4%	9.6%	0.3%	5.3%
2011	6.2%	-0.2%	3.2%	9.0%	-0.7%	4.6%
2012	5.8%	-0.4%	2.8%	8.1%	-0.9%	3.7%
2013	5.6%	-0.2%	2.6%	7.4%	-0.7%	3.0%
2014	5.1%	-0.5%	2.1%	6.2%	-1.2%	1.8%
2015	4.4%	-0.7%	1.5%	5.3%	-0.9%	0.9%
2016	3.9%	-0.5%	1.0%	4.9%	-0.4%	0.5%
2017	3.7%	-0.2%	0.7%	4.4%	-0.5%	0.0%
2018 YTD Average*	3.4%	-0.3%	-	3.9%	-0.4%	-
Dec-2017	3.3%	-	-	3.9%	-	-
Dec-2018	2.9%	-0.4%	-	3.7%	-0.2%	-

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

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 nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2010, four years prior to the 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 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 nation. Since 2012, the MSA generally experienced a lower unemployment rate compared to the nation. According to the most recent labor statistics, the unemployment rate in the MSA is 2.9 percent, 80 basis points lower than the current national unemployment rate of 3.7 percent. Given that total employment in the MSA surpassed its pre-recessionary levels, local employment growth is strong and the macroeconomic conditions may lead to wage increases for workers, the Washington D.C. metropolitan region has fully recovered and entered into an expansionary phase. The strong macroeconomic indicators bode well for demand at the Subject, as proposed.



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 METROPOLITAN STATISTICAL AREA - 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 2/2019

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 \$26,370 and \$56,280. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

Commuting Patterns

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

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	981	1.5%
Travel Time 5-9 min	4,332	6.6%
Travel Time 10-14 min	5,541	8.5%
Travel Time 15-19 min	6,781	10.4%
Travel Time 20-24 min	5,221	8.0%
Travel Time 25-29 min	2,518	3.9%
Travel Time 30-34 min	6,531	10.0%
Travel Time 35-39 min	1,758	2.7%
Travel Time 40-44 min	3,319	5.1%
Travel Time 45-59 min	10,273	15.8%
Travel Time 60-89 min	12,122	18.6%
Travel Time 90+ min	5,804	8.9%
Weighted Average	44 minutes	

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

As shown in the preceding table, the weighted average commute time in the PMA is approximately 44 minutes. Only 38 percent of PMA commuters travel under 24 minutes, indicating many households work outside of the PMA, likely in the nearby city of Washington D.C. The average commute time across the nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the professional/scientific/technological services, public administration, healthcare/social assistance, and retail sectors, which collectively comprise 48.7 percent of local employment. The large share of employment in the public administration and healthcare industries in the PMA is notable as these industry is historically stable, and exhibit greater resilience during economic downturns. This was evident during the recession, when total employment in the MSA fell by only 1.8 percent, compared to a 4.8 percent decline across the nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2010, four years prior to the 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 nation. Given that total employment in the MSA surpassed its pre-recessionary levels, local employment growth is strong and the macroeconomic conditions may lead to wage increases for workers, the Washington D.C. metropolitan region has fully recovered and entered into an expansionary phase. The strong macroeconomic indicators bode well for demand at the Subject, as proposed.

G. DEMOGRAPHIC CHARACTERISTICS

Demographic Characteristics

The table below illustrates population and household trends in the PMA, the MSA, and the nation from 2000 through 2023.

POPULATION

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual	Number	Annual
2000	59,606	-	4,837,251	-	281,038,168	-
2010	126,274	11.2%	5,636,232	1.7%	308,745,538	1.0%
2018	147,267	2.0%	6,196,188	1.2%	330,088,686	0.8%
2023	159,971	1.7%	6,558,844	1.2%	343,954,683	0.8%

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

HOUSEHOLDS

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual	Number	Annual
2000	21,467	-	1,815,141	-	105,403,008	-
2010	41,988	9.6%	2,094,048	1.5%	116,716,296	1.1%
2018	48,080	1.8%	2,290,757	1.1%	124,110,017	0.8%
2023	51,918	1.6%	2,420,003	1.1%	128,855,931	0.8%

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

As the tables illustrate, the PMA and MSA are experiencing moderate population and household growth, following a period of rapid growth from 2000 to 2018. Through 2023, population and household growth in the PMA and MSA are projected to slow but remain moderate, with growth rates above the nation. Over this period, the PMA will continue to experience greater growth than the MSA.

Population by Age

POPULATION BY AGE IN 2018

Age Cohort	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	10,858	7.4%	370,961	6.0%	19,968,445	6.0%
5-9	12,173	8.3%	394,167	6.4%	20,460,473	6.2%
10-14	12,031	8.2%	405,674	6.5%	20,877,164	6.3%
15-19	9,644	6.5%	382,703	6.2%	21,084,688	6.4%
20-24	6,940	4.7%	392,474	6.3%	22,646,440	6.9%
25-29	8,435	5.7%	462,199	7.5%	23,557,337	7.1%
30-34	10,129	6.9%	469,460	7.6%	22,355,094	6.8%
35-39	12,041	8.2%	456,209	7.4%	21,419,362	6.5%
40-44	11,193	7.6%	414,414	6.7%	19,879,801	6.0%
45-49	11,012	7.5%	422,049	6.8%	20,736,487	6.3%
50-54	9,788	6.6%	422,099	6.8%	21,395,762	6.5%
55-59	8,528	5.8%	419,548	6.8%	22,375,085	6.8%
60-64	7,043	4.8%	361,525	5.8%	20,552,366	6.2%
65-69	6,247	4.2%	297,036	4.8%	17,874,849	5.4%
70-74	4,765	3.2%	209,323	3.4%	13,196,470	4.0%
75-79	3,029	2.1%	135,992	2.2%	9,064,776	2.7%
80-84	1,828	1.2%	85,943	1.4%	6,007,164	1.8%
85+	1,584	1.1%	94,412	1.5%	6,636,923	2.0%
Total	147,268	100.0%	6,196,188	100.0%	330,088,686	100.0%

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

POPULATION BY AGE IN 2023 ESTIMATE

Age Cohort	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	11,816	7.4%	392,993	6.0%	20,712,703	6.0%
5-9	12,676	7.9%	394,403	6.0%	20,686,037	6.0%
10-14	12,156	7.6%	406,353	6.2%	21,356,683	6.2%
15-19	10,373	6.5%	398,328	6.1%	21,696,066	6.3%
20-24	7,023	4.4%	382,758	5.8%	21,612,571	6.3%
25-29	8,873	5.5%	466,931	7.1%	22,724,609	6.6%
30-34	12,441	7.8%	524,826	8.0%	24,574,306	7.1%
35-39	13,421	8.4%	498,835	7.6%	23,129,515	6.7%
40-44	12,522	7.8%	466,781	7.1%	21,944,713	6.4%
45-49	10,341	6.5%	409,518	6.2%	19,928,478	5.8%
50-54	9,745	6.1%	418,079	6.4%	20,822,718	6.1%
55-59	8,795	5.5%	405,700	6.2%	21,014,806	6.1%
60-64	8,156	5.1%	393,782	6.0%	21,745,623	6.3%
65-69	6,981	4.4%	334,795	5.1%	19,744,824	5.7%
70-74	5,957	3.7%	265,228	4.0%	16,251,664	4.7%
75-79	4,255	2.7%	184,245	2.8%	11,695,481	3.4%
80-84	2,476	1.5%	110,885	1.7%	7,323,303	2.1%
85+	1,965	1.2%	104,404	1.6%	6,990,583	2.0%
Total	159,972	100.0%	6,558,844	100.0%	343,954,683	100.0%

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

General Household Income Distribution

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

HOUSEHOLD INCOME PMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	757	1.6%	804	1.5%	9	1.2%
\$10,000-	1,529	3.2%	1,576	3.0%	9	0.6%
\$20,000-	1,876	3.9%	2,078	4.0%	40	2.2%
\$30,000-	2,567	5.3%	2,647	5.1%	16	0.6%
\$40,000-	2,307	4.8%	2,484	4.8%	35	1.5%
\$50,000-	2,543	5.3%	2,707	5.2%	33	1.3%
\$60,000-	3,958	8.2%	4,193	8.1%	47	1.2%
\$75,000-	6,211	12.9%	6,693	12.9%	96	1.6%
\$100,000-	6,265	13.0%	6,593	12.7%	66	1.0%
\$125,000-	5,347	11.1%	5,746	11.1%	80	1.5%
\$150,000-	7,463	15.5%	8,105	15.6%	128	1.7%
\$200,000+	7,257	15.1%	8,292	16.0%	207	2.9%
Total	48,080	100.0%	51,918	100.0%		

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

HOUSEHOLD INCOME MSA

Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area

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, February 2019

Annual household income levels will range from \$26,370 to \$56,280 for the Subject's units.

General Household Size Distribution

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

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual	Number	Annual Change
2000	2.73	-	2.61	-	2.59	-
2010	2.98	0.9%	2.64	0.1%	2.58	-0.1%
2018	3.04	0.3%	2.66	0.1%	2.59	0.1%
2023	3.06	0.1%	2.67	0.1%	2.61	0.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 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 along with the MSA and the nation through 2023.

General Household Tenure

The following table is a summary of the tenure patterns of the housing stock in the PMA.

Year	TENURE PATTERNS PMA			
	Owner-Occupied Units	Percentage Owner- Occupied	Renter-Occupied Units	Percentage Renter- Occupied
2000	15,708	73.2%	5,759	26.8%
2018	36,508	75.9%	11,572	24.1%
2023	39,880	76.8%	12,038	23.2%

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA declined slightly between 2000 and 2018, and is estimated to be 24.1 percent as of 2018. This is less than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to decrease through 2023. However, the number of renter households will increase, indicating continued demand for rental housing in the Subject’s market.

General Renter Household Income Distribution

The following table illustrates total renter household income distribution.

Income Cohort	RENTER HOUSEHOLD INCOME					
	PMA					
	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	333	2.9%	363	3.0%	6	1.8%
\$10,000-19,999	750	6.5%	752	6.2%	0	0.1%
\$20,000-29,999	932	8.1%	1,002	8.3%	14	1.5%
\$30,000-39,999	1,512	13.1%	1,501	12.5%	-2	-0.1%
\$40,000-49,999	969	8.4%	1,007	8.4%	8	0.8%
\$50,000-59,999	1,028	8.9%	1,069	8.9%	8	0.8%
\$60,000-74,999	1,406	12.2%	1,398	11.6%	-2	-0.1%
\$75,000-99,999	1,620	14.0%	1,732	14.4%	22	1.4%
\$100,000-124,999	1,005	8.7%	1,042	8.7%	7	0.7%
\$125,000-149,999	648	5.6%	675	5.6%	5	0.8%
\$150,000-199,999	713	6.2%	774	6.4%	12	1.7%
\$200,000+	656	5.7%	723	6.0%	13	2.0%
Total	11,572	100.0%	12,038	100.0%		

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

In the previous tables, the percentage of renter occupied households was applied to the total number of households in each income level. As illustrated, the largest concentrations of renter households fall into the \$60,000 to \$124,999 income cohorts. The Subject’s residents will need to earn between \$26,370 to \$56,280. Approximately 38.5 percent of renter households earn between \$20,000 and \$59,999.

SENIOR POPULATION AND HOUSEHOLDS

The Subject will target senior households aged 62 and over. The following tables illustrate the population and household growth trends in the PMA, MSA, and nation from 1990 through 2018, as well as projections through 2023.

Year	SENIOR POPULATION, 62+					
	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	5,789	-	538,548	-	41,431,899	-
2010	14,406	14.9%	736,803	3.7%	50,358,738	2.2%
2018	21,679	6.1%	1,039,621	5.0%	65,111,602	3.6%
2023	26,528	4.5%	1,235,826	3.8%	75,053,229	3.1%

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

As seen in the previous table, senior population growth in the PMA was very strong, and outpaced growth in the MSA and nation from 2010 to 2018. Through 2023, senior population growth in the PMA is expected to slow, yet remain strong and exceed MSA and national growth. The continued strong growth of the senior demographic in the PMA indicates sizeable demand for the Subject’s age-restricted units.

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 62+

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	3,360	-	333,959	-	26,183,427	-
2010	7,699	12.9%	431,502	2.9%	30,451,595	1.6%
2018	11,169	5.5%	577,338	4.1%	38,109,323	3.0%
2023	13,834	4.8%	695,505	4.1%	43,303,850	2.7%

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

As seen in the previous table, senior household growth in the PMA was strong and outpaced growth in the MSA and nation from 2010 to 2018. Through 2023, senior household growth in the PMA is anticipated to accelerate, and to remain above the senior household growth rates in the MSA and nation. The continued strong growth of the senior demographic in the PMA indicates sizeable demand for the Subject’s age-restricted units.

Senior Population Outlook

The table below illustrates senior population and household trends in the PMA, MSA, and nation from 2000 through 2023

POPULATION 50-64

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual Change</i>
2000	8,640	-	743,119	-	41,816,260	-
2010	19,303	12.3%	1,046,374	4.1%	58,780,854	4.1%
2018	25,359	3.8%	1,203,172	1.8%	64,323,213	1.1%
2023	26,696	1.1%	1,217,561	0.2%	63,583,147	-0.2%

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

The number of adults ages 50 to 64 has increased significantly since 2010. This is due to the aging of the baby boomer cohort. The number of adults ages 50 to 64 will continue to increase through 2023, indicating additional future demand for age-restricted housing.

Senior Household Income Distribution

The following tables illustrate senior household income distribution in 2018 and 2023 in the PMA and MSA.

HOUSEHOLD INCOME PMA 62+

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	341	3.1%	397	2.9%	11	3.3%
\$10,000-19,999	657	5.9%	766	5.5%	22	3.3%
\$20,000-29,999	653	5.8%	819	5.9%	33	5.1%
\$30,000-39,999	752	6.7%	866	6.3%	23	3.0%
\$40,000-49,999	829	7.4%	980	7.1%	30	3.6%
\$50,000-59,999	706	6.3%	885	6.4%	36	5.1%
\$60,000-74,999	1,134	10.2%	1,350	9.8%	43	3.8%
\$75,000-99,999	1,412	12.6%	1,761	12.7%	70	4.9%
\$100,000-124,999	1,167	10.4%	1,448	10.5%	56	4.8%
\$125,000-149,999	1,003	9.0%	1,246	9.0%	49	4.8%
\$150,000-199,999	1,122	10.0%	1,445	10.4%	65	5.8%
\$200,000+	1,393	12.5%	1,871	13.5%	96	6.9%
Total	11,169	100.0%	13,834	100.0%		

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

HOUSEHOLD INCOME SMA 62+

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	31,732	5.5%	36,048	5.2%	863	2.7%
\$10,000-19,999	47,816	8.3%	53,540	7.7%	1,145	2.4%
\$20,000-29,999	44,024	7.6%	50,560	7.3%	1,307	3.0%
\$30,000-39,999	42,016	7.3%	49,016	7.0%	1,400	3.3%
\$40,000-49,999	39,276	6.8%	46,503	6.7%	1,445	3.7%
\$50,000-59,999	37,732	6.5%	45,079	6.5%	1,469	3.9%
\$60,000-74,999	53,454	9.3%	63,905	9.2%	2,090	3.9%
\$75,000-99,999	68,642	11.9%	83,478	12.0%	2,967	4.3%
\$100,000-124,999	53,504	9.3%	65,353	9.4%	2,370	4.4%
\$125,000-149,999	40,065	6.9%	49,920	7.2%	1,971	4.9%
\$150,000-199,999	49,619	8.6%	61,862	8.9%	2,449	4.9%
\$200,000+	69,458	12.0%	90,241	13.0%	4,157	6.0%
Total	577,338	100.0%	695,505	100.0%		

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

Senior Household Tenure

The following tables illustrate the tenure patterns for seniors in the PMA for the years 2000 and 2018, as well as the projected tenure patterns for the year 2023.

PMA TENURE PATTERNS OF SENIORS 62+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	2,701	80.4%	659	19.6%
2018	8,877	79.5%	2,292	20.5%
2023	11,165	80.7%	2,669	19.3%

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

Owner-occupied housing units dominate the housing market in the PMA. Nationally, approximately 15 percent of senior households are renters and 85 percent of senior households are owners. The PMA has a slightly higher percentage of renter households than the nation as a whole. Through 2023, while the proportion of senior renter households is projected to decrease slightly, the number of senior renter households is projected to increase.

Senior Renter Household Income Distribution

The following tables illustrate total renter household income distribution.

RENTER HOUSEHOLD INCOME 62+

Income Cohort	PMA					
	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	147	6.4%	171	6.4%	5	3.3%
\$10,000-19,999	316	13.8%	354	13.3%	8	2.4%
\$20,000-29,999	212	9.2%	262	9.8%	10	4.7%
\$30,000-39,999	191	8.3%	197	7.4%	1	0.6%
\$40,000-49,999	142	6.2%	169	6.3%	5	3.8%
\$50,000-59,999	185	8.1%	224	8.4%	8	4.2%
\$60,000-74,999	227	9.9%	243	9.1%	3	1.4%
\$75,000-99,999	222	9.7%	265	9.9%	9	3.9%
\$100,000-124,999	145	6.3%	178	6.7%	7	4.6%
\$125,000-149,999	172	7.5%	193	7.2%	4	2.4%
\$150,000-199,999	182	7.9%	217	8.1%	7	3.8%
\$200,000+	151	6.6%	196	7.3%	9	6.0%
Total	2,292	100.0%	2,669	100.0%		

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

RENTER HOUSEHOLD INCOME 62+

Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area						
Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	16,375	10.6%	18,385	10.1%	402	2.5%
\$10,000-19,999	22,631	14.6%	25,158	13.8%	505	2.2%
\$20,000-29,999	16,394	10.6%	18,697	10.3%	461	2.8%
\$30,000-39,999	13,846	8.9%	15,958	8.8%	422	3.1%
\$40,000-49,999	11,368	7.3%	13,409	7.4%	408	3.6%
\$50,000-59,999	10,198	6.6%	12,193	6.7%	399	3.9%
\$60,000-74,999	13,441	8.7%	15,830	8.7%	478	3.6%
\$75,000-99,999	14,516	9.4%	17,284	9.5%	554	3.8%
\$100,000-124,999	10,424	6.7%	12,625	6.9%	440	4.2%
\$125,000-149,999	7,804	5.0%	9,649	5.3%	369	4.7%
\$150,000-199,999	8,378	5.4%	10,373	5.7%	399	4.8%
\$200,000+	9,371	6.1%	12,199	6.7%	566	6.0%
Total	154,746	100.0%	181,760	100.0%		

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

Depicted above, approximately 44.0 percent of renter households in the PMA aged 62 and over have incomes less than \$50,000 annually. The large share of low-income renter households is a positive indicator for the Subject’s proposed affordable units.

Household Size Distribution

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

PMA HOUSEHOLD SIZE DISTRIBUTION 62+

Household Size	2000		2018		2023	
	Total	Percent	Total	Percent	Total	Percent
1 persons	1,090	32.4%	3,238	29.0%	3,850	27.8%
2 persons	1,667	49.6%	5,207	46.6%	6,202	44.8%
3 persons	422	12.6%	1,581	14.2%	2,104	15.2%
4 persons	93	2.8%	641	5.7%	925	6.7%
5+ persons	88	2.6%	502	4.5%	753	5.4%
Total	3,360	100.0%	11,169	100.0%	13,834	100.0%

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

As of 2018, approximately 75.6 percent of households aged 62 and over in the PMA consist of one and two persons.

Renter Household Size Distribution

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION 62+

Household Size	2000		2018		2023	
	Total	Percent	Total	Percent	Total	Percent
1 persons	394	59.8%	1,140	49.7%	1,323	41.6%
2 persons	209	31.7%	563	24.6%	635	26.4%
3 persons	44	6.7%	302	13.2%	343	14.3%
4 persons	9	1.4%	126	5.5%	153	7.7%
5+ persons	3	0.5%	161	7.0%	215	9.9%
Total	659	100.0%	2,292	100.0%	2,669	100.0%

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

Historically, the majority of senior renter households in the PMA have consisted of one and two-person households. In 2018, approximately 74.3 percent of renter households age 62 and over consisted of one or two persons.

Median Household Income Levels

The table below illustrates median household income levels in the PMA, the MSA, and the nation from 2000 through 2023. Note that this is based on data for all household sizes and is independent of the calculation of AMI.

MEDIAN HOUSEHOLD INCOME

Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual	Amount	Annual Change
2000	\$46,160	-	\$66,823	-	\$44,872	-
2018	\$111,693	7.8%	\$99,481	2.7%	\$58,100	1.6%
2023	\$122,195	1.9%	\$108,919	1.9%	\$65,727	2.6%

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

As of 2018, the median income in the PMA is above the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 70 percent of the national median income in 2000 to 112 percent in 2018. The overall rise in median income levels reflects a market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. According to ESRI demographic projections, annualized PMA growth is expected to decline significantly to 1.9 percent through 2023, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the nation.

Rent Overburdened Households

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

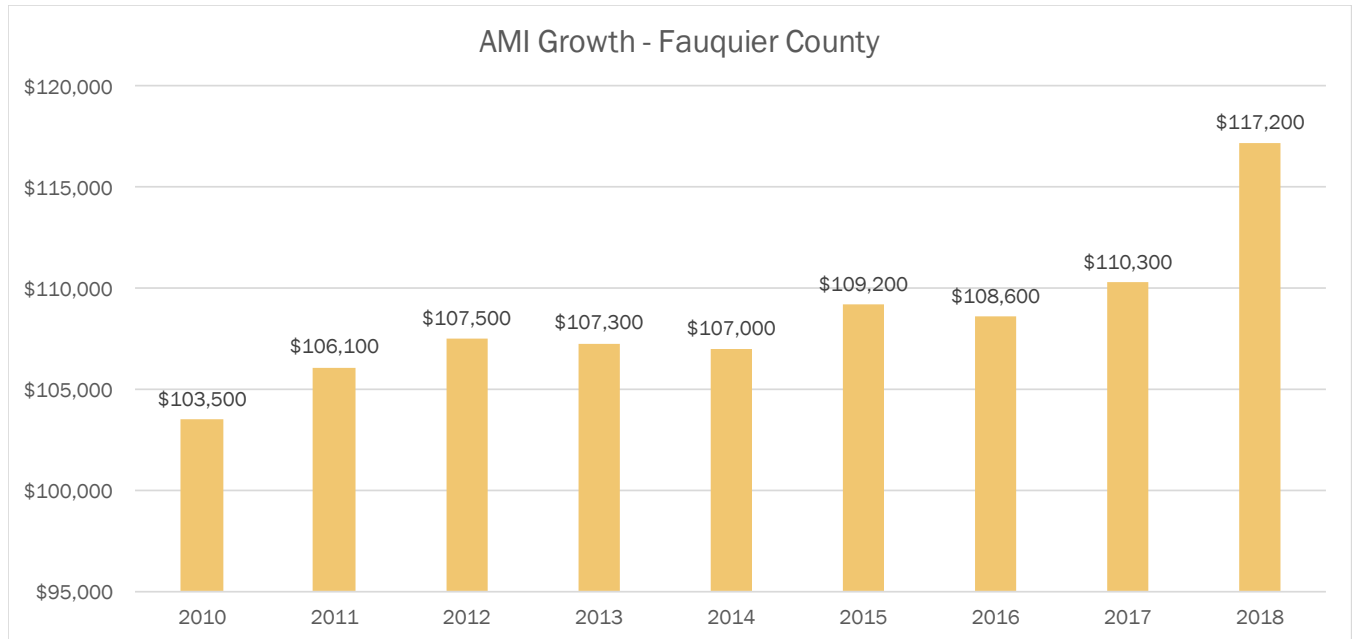
Year	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2018	3,751	36.2%	289,106	36.9%	16,657,755	39.5%

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

The incidence of rent-overburdened households is lower in the PMA relative to the MSA and nation.

Area Median Income

For Section 42 LIHTC rent determination purposes, the AMI is used. The following chart illustrates the AMI level for a four-person household in Fauquier County.



Source: Novogradac & Company, LLP, February 2019

Overall, the AMI increased at an annual rate of 1.7 percent between 2010 and 2018. Over 84 percent of counties in the nation experienced an increase in AMI in 2018. This was also true in Fauquier County, which reached a record high AMI level in 2018. Rising AMI levels bode well for future rent growth at affordable developments, such as the proposed Subject.

FAUQUIER COUNTY AMI GROWTH (2013-2018)

Year	2013	2014	2015	2016	2017	2018
AMI	\$107,300	\$107,000	\$109,200	\$108,600	\$110,300	\$117,200
Percentage	-0.2%	-0.3%	2.1%	-0.5%	1.6%	6.4%

All of the Subject's proposed rents for its LIHTC units are set below the maximum allowable levels; therefore, rent increases for the Subject's units will not be directly dependent upon future increases in the AMI.

Conclusion

The PMA has historically experienced strong senior population and household growth, exceeding growth in the MSA and nation. The proportion of senior renter households in the PMA exceeds the national average of 15 percent, and the number of senior renter households is projected to increase through 2023. As of 2018, the median income in the PMA is above the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the nation during this time period. In particular, median income in the PMA rose from 70 percent of the national median income in 2000 to 112 percent in 2018. Overall, the combination of rising senior population and household income levels bodes well for future demand for multifamily housing.

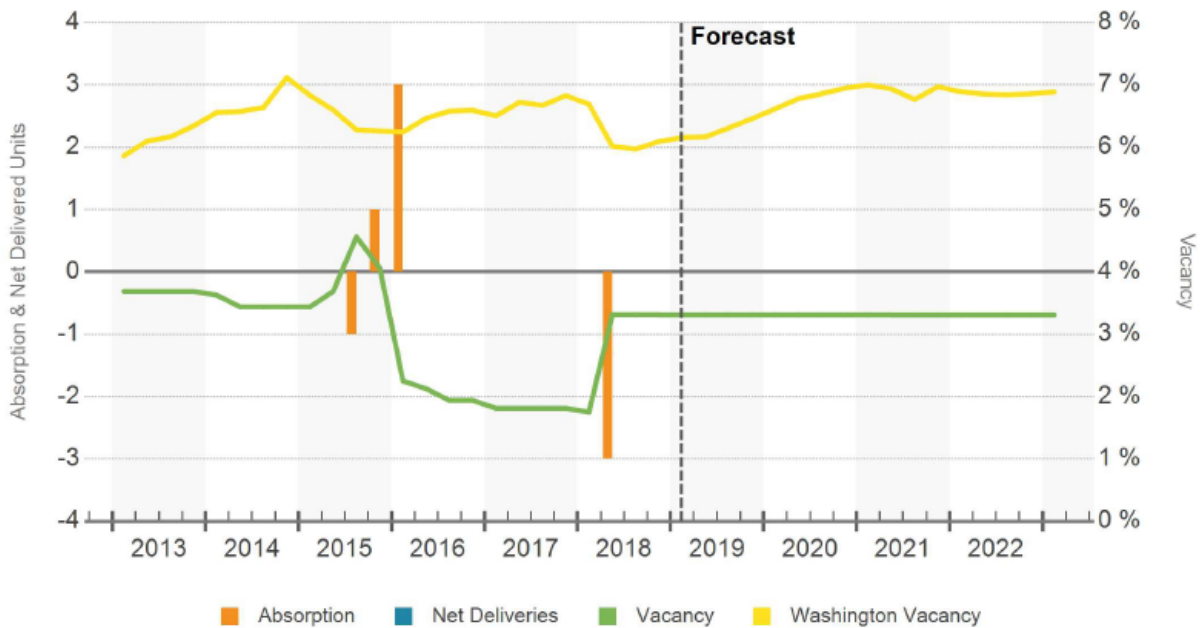
H. COMPETITIVE ENVIRONMENT

HOUSING SUMMARY

According to CoStar as of February 2019, there are currently 160 existing multifamily units within the Subject’s Fauquier County submarket. The current vacancy rate in the submarket is 3.3 percent and over the past five years has averaged 2.9 percent. The vacancy rate in the submarket is expected to remain static through 2023. There are no additions to supply expected through 2023. Given the persistent low vacancy rates and lack of multifamily housing in the county, there should be sizable demand for the Subject as proposed. This bodes well for continued growth in the submarket.

Fauquier County Submarket

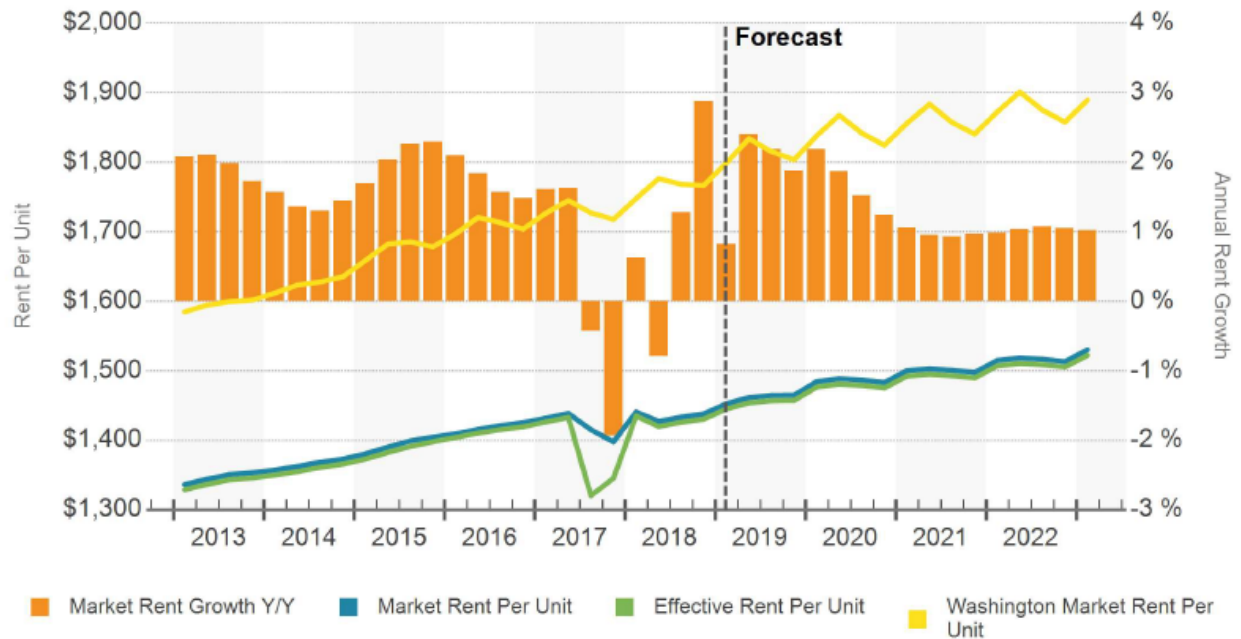
ABSORPTION, NET DELIVERIES & VACANCY



Source: Costar, February 2019

As vacancy rates in the submarket fluctuated over the past several years, rent growth has positive but modest. Rent growth was positive from 2013 through late 2017, averaging approximately 2 percent year-over-year increases in rent growth. In late 2017, the submarket began experiencing marginal decreases in rent growth. In mid-2018, rent growth became positive once again and finished the year strong with almost three percent year-over-year rent growth in the fourth quarter. Market rent has increased approximately 11 percent in the submarket since 2013. Rent growth is expected to remain positive through 2023.

MARKET RENT PER UNIT & RENT GROWTH



Source: Costar, February 2019

Age of Housing Stock

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

HOUSING STOCK BY YEAR BUILT

	PMA		Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan		USA	
Built 2005 or later	2,656	5.7%	57,052	2.5%	2,573,002	1.9%
Built 2000 to 2004	21,487	46.2%	353,430	15.4%	19,705,347	14.8%
Built 1990 to 1999	8,600	18.5%	332,994	14.5%	18,762,073	14.1%
Built 1980 to 1989	6,112	13.1%	376,002	16.4%	18,355,676	13.7%
Built 1970 to 1979	3,607	7.7%	340,670	14.9%	20,901,765	15.7%
Built 1960 to 1969	1,533	3.3%	287,385	12.5%	14,563,783	10.9%
Built 1950 to 1959	881	1.9%	225,332	9.8%	14,255,447	10.7%
Built 1940 to 1949	337	0.7%	120,836	5.3%	6,954,604	5.2%
Built 1939 or earlier	1,345	2.9%	197,686	8.6%	17,458,151	13.1%
Total Housing Units	46,558	100.0%	2,291,387	100.0%	133,529,848	100.0%

Source: US Census American Community Estimates, February 2019

As illustrated in the previous table, the majority of the housing stock in the Subject’s PMA was built between 1990 and 2004.

Substandard Housing

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

SUBSTANDARD HOUSING			
Year	PMA	Washington-Arlington-Alexandria DC-VA-MD-WV MSA	USA
	Percentage	Percentage	Percentage
2018	2.00%	1.12%	1.70%

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

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

Building Permits

The following table depicts building activity from 2000 through 2018 for Fauquier County.

BUILDING PERMITS: FAUQUIER COUNTY 2000 - 2018*				
Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	533	0	0	533
2001	727	4	108	839
2002	707	0	0	707
2003	800	0	0	800
2004	703	0	0	703
2005	706	0	0	706
2006	506	0	194	700
2007	289	0	15	304
2008	105	0	0	105
2009	106	0	0	106
2010	151	0	0	151
2011	169	0	0	169
2012	166	0	0	166
2013	268	0	0	268
2014	267	0	0	267
2015	200	0	0	200
2016	295	0	30	325
2017	380	0	0	380
2018*	274	0	0	274
Total	7,352	4	347	7,703
Average*	387	0	18	405

*YTD, preliminary

Source: US Census Bureau Building Permits, February 2019

As illustrated in the previous table, 95.5 percent of the residential building permits issued in Fauquier County over the past 18 years are single-family duplex permits. Only 4.5 percent of all building permits over the last 18 years have been for five or more family (multifamily) permits.

Rent/Buy Analysis

All of the Subject's units will be restricted to seniors age 62 and older. Therefore, we do not expect homeownership to be competitive with the Subject's units, and have not conducted a rent/buy 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, 2,798 units in 13 rental properties were surveyed. The availability of LIHTC data is considered good. While there are no LIHTC properties located in Vint Hill, we included seven LIHTC comparable properties located within 13.5 miles of the Subject site. Two LIHTC comparable properties are located outside of the PMA. Five LIHTC comparable properties target a similar senior tenancy to the proposed Subject, and two target a family tenancy. The availability of market-rate data is also good. We included six market-rate comparable properties located within 11.4 miles of the Subject site, four of which are within the PMA boundaries. We believe all of the LIHTC and market-rate comparable properties are located within a reasonable distance of the Subject site, and therefore provide adequate data points to support our conclusions.

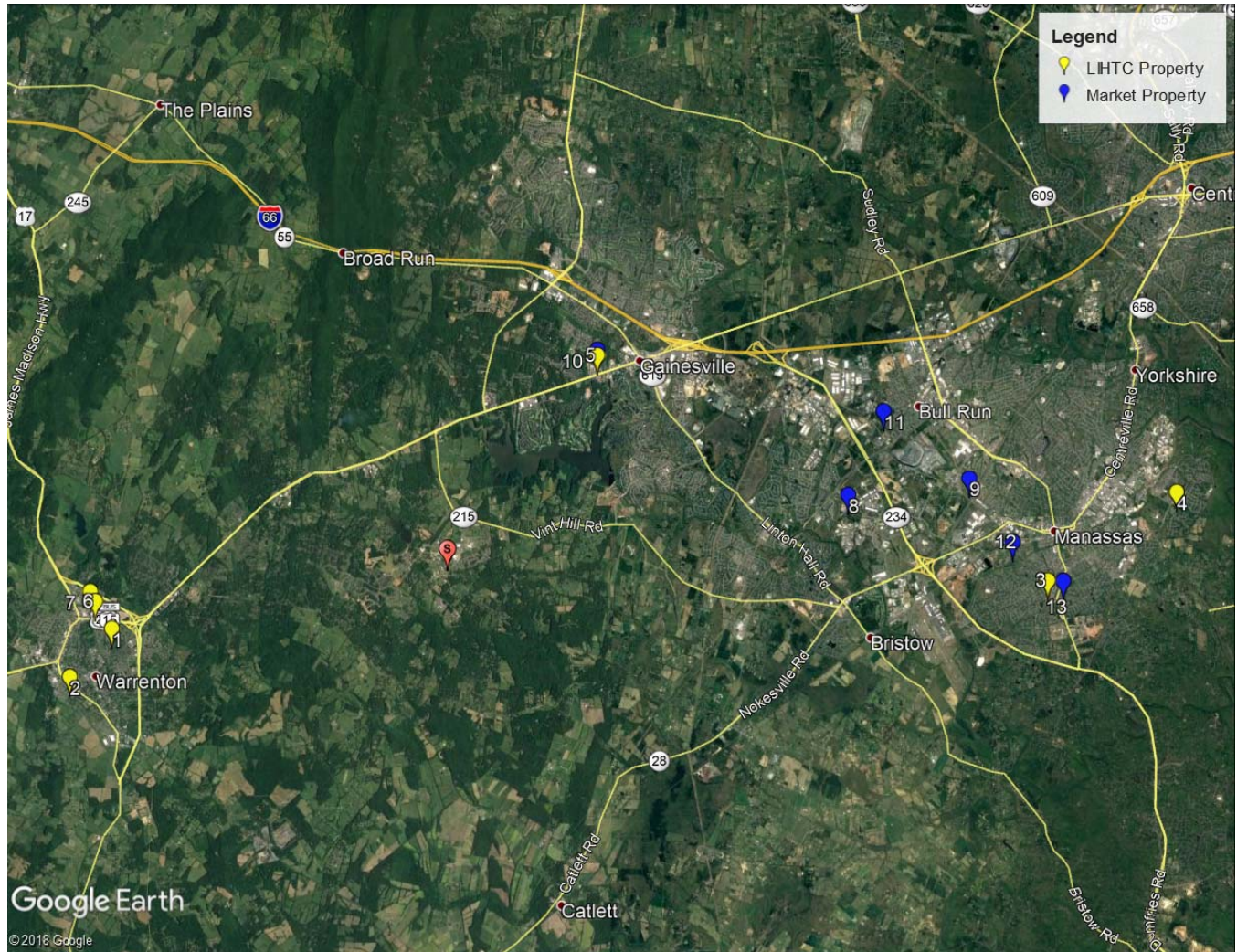
Excluded properties include, but are not limited to the properties located in the following table.

EXCLUDED LIST

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Hunt Country Manor	LIHTC	Family	Tenancy
Broad Pointe	LIHTC	Family	Tenancy
Regency Place	LIHTC	Family	Tenancy
Academy Hill	Market	Family	More comparable properties
The Regency Apartment Homes	Market	Family	Could not contact
Arcadia Run	Market	Family	Could not contact

Detailed matrices describing the individual competitive properties, as well as the proposed 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



Source: Google Earth, February 2019

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Cecelia House	Vint Hill	@30%, @50%, @60%	Senior	-
1	Highland Commons	Warrenton	@50%, @60%	Family	5.9 miles
2	Moffett Manor	Warrenton	@60%	Senior	6.9 miles
3	Oaks Of Wellington*	Manassas	@60%, Market	Senior	11.1 miles
4	Park Place Senior Apartments*	Manassas Park	@60%	Senior	13.5 miles
5	Somerset Pointe I & II	Gainesville	@60%	Family	4.6 miles
6	The Oaks Apartments	Warrenton	@50%, @60%	Senior	6.1 miles
7	Warrenton Manor	Warrenton	@40% (Section 8), @50%, @50% (Section 8), @60%	Senior	6.2 miles
8	Abberly Avera	Manassas	Market	Family	7.6 miles
9	Masons Keep	Manassas	Market	Family	9.8 miles
10	Somerhill Farms	Gainesville	Market	Family	4.7 miles
11	The Point At Manassas	Manassas	Market	Family	8.5 miles
12	Van Metre Barrington Park*	Manassas	Market	Family	10.5 miles
13	Wellington Place At Olde Town*	Manassas	Market	Family	11.4 miles

*Located outside PMA

CECELIA HOUSE – VINT HILL, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Cecelia House 215 Alken Drive Vint Hill, VA 20187 Fauquier County	-	Lowrise 4-stories 2020 / n/a Senior	@30%, @50%, @60%	1BR / 1BA	6	8.0%	959	@30%	\$534	Yes	N/A	N/A	N/A
					1BR / 1BA	21	28.0%	959	@50%	\$974	Yes	N/A	N/A	N/A
					1BR / 1BA	26	34.7%	959	@60%	\$1,194	Yes	N/A	N/A	N/A
					2BR / 1BA	2	2.7%	1,237	@30%	\$641	Yes	N/A	N/A	N/A
					2BR / 1BA	9	12.0%	1,237	@50%	\$1,168	Yes	N/A	N/A	N/A
					2BR / 1BA	11	14.7%	1,237	@60%	\$1,432	Yes	N/A	N/A	N/A
					75							N/A	N/A	
1	Highland Commons 12 Walker Drive, #104 Warrenton, VA 20186 Fauquier County	5.9 miles	Garden 3-stories 1996 / n/a Family	@50%, @60%	2BR / 1BA	24	25.0%	877	@50%	\$1,167	Yes	Yes	0	0.0%
					2BR / 2BA	48	50.0%	1,010	@60%	\$1,431	Yes	Yes	0	0.0%
					3BR / 2BA	24	25.0%	1,178	@60%	\$1,643	Yes	Yes	0	0.0%
					96							0	0.0%	
2	Moffett Manor 115 Manor Court Warrenton, VA 20186 Fauquier County	6.9 miles	Lowrise 3-stories 2006 / n/a Senior	@60%	1BR / 1BA	53	54.1%	636	@60%	\$900	No	Yes	0	0.0%
					2BR / 1.5BA	45	45.9%	970	@60%	\$935	No	Yes	0	0.0%
					98								0	0.0%
3	Oaks Of Wellington 10240 Hendley Road Manassas, VA 20110 Prince William County	11.1 miles	Lowrise 3-stories 2003 / n/a Senior	@60%, Market	1BR / 1BA	19	14.6%	610	@60%	\$1,196	Yes	Yes	0	0.0%
					1BR / 1BA	14	10.8%	663	@60%	\$1,196	Yes	Yes	0	0.0%
					2BR / 1BA	26	20.0%	842	@60%	\$1,422	Yes	Yes	0	0.0%
					2BR / 1BA	15	11.5%	843	Market	\$1,810	N/A	No	1	6.7%
					2BR / 1BA	4	3.1%	891	Market	\$1,810	N/A	No	0	0.0%
					2BR / 1BA	3	2.3%	907	Market	\$1,810	N/A	No	0	0.0%
					2BR / 1BA	39	30.0%	922	Market	\$1,810	N/A	No	0	0.0%
					2BR / 2BA	2	1.5%	902	Market	\$1,910	N/A	No	0	0.0%
					8	6.2%	980	Market	\$1,910	N/A	No	0	0.0%	
					130							1	0.8%	
4	Park Place Senior Apartments 9659 Manassas Dr Manassas Park, VA 20111 Prince William County	13.5 miles	Various 4-stories 2003 / n/a Senior	@60%	1BR / 1BA	9	6.1%	610	@60%	\$1,001	No	Yes	0	0.0%
					1BR / 1BA	9	6.1%	782	@60%	\$1,011	No	Yes	1	11.1%
					2BR / 1BA	53	35.8%	872	@60%	\$1,115	No	Yes	0	0.0%
					2BR / 1BA	53	35.8%	1,012	@60%	\$1,205	No	Yes	0	0.0%
					2BR / 1.5BA	24	16.2%	925	@60%	\$1,285	Yes	Yes	0	0.0%
					148							1	0.7%	
5	Somerset Pointe I & II 14701 Deming Drive Gainesville, VA 20155 Prince William County	4.6 miles	Garden 3-stories 2001 / n/a Family	@60%	1BR / 1BA	90	32.6%	761	@60%	\$1,160	Yes	No	0	0.0%
					2BR / 2BA	138	50.0%	1,026	@60%	\$1,387	Yes	No	1	0.7%
					3BR / 2BA	48	17.4%	1,215	@60%	\$1,598	Yes	No	0	0.0%
										276				
6	The Oaks Apartments 305 Oak Springs Drive Warrenton, VA 20186 Fauquier County	6.1 miles	Lowrise 2-stories 1996/2001 / n/a Senior	@50% @60%	1BR / 1BA	23	20.7%	600	@50%	\$785	Yes	Yes	0	0.0%
					1BR / 1BA	70	63.1%	600	@60%	\$785	No	Yes	1	1.4%
					2BR / 1BA	1	0.9%	1,000	@50%	\$902	Yes	Yes	0	0.0%
					2BR / 1BA	2	1.8%	1,000	@60%	\$902	No	Yes	1	50.0%
					2BR / 2BA	15	13.5%	1,100	@60%	\$902	No	Yes	0	0.0%
					111							2	1.8%	
7	Warrenton Manor 663 Hastings Lane Warrenton, VA 22186 Fauquier County	6.2 miles	Lowrise 4-stories 1982 / 2016 Senior	@40% (Section 8), @50%, @50% (Section 8), @60%	0BR / 1BA	3	3.1%	412	@40% (Section 8)	\$950	N/A	No	0	0.0%
					0BR / 1BA	13	13.3%	412	@50% (Section 8)	\$950	N/A	No	0	0.0%
					1BR / 1BA	7	7.1%	527	@40% (Section 8)	\$1,015	N/A	No	0	0.0%
					1BR / 1BA	7	7.1%	678	@50%	\$875	No	No	0	0.0%
					1BR / 1BA	45	45.9%	527	@50% (Section 8)	\$1,015	N/A	No	0	0.0%
					1BR / 1BA	11	11.2%	678	@60%	\$875	No	No	1	9.1%
					2BR / 2BA	4	4.1%	794	@50%	\$1,000	No	No	0	0.0%
					2BR / 2BA	8	8.2%	794	@60%	\$1,000	No	No	0	0.0%
					98								1	1.0%

CECELIA HOUSE – VINT HILL, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Cecelia House 215 Alken Drive Vint Hill, VA 20187 Fauquier County		Lowrise 4-stories 2020 / n/a Senior	@30%, @50%, @60%	1BR / 1BA	6	8.0%	959	@30%	\$534	Yes	N/A	N/A	N/A
					1BR / 1BA	21	28.0%	959	@50%	\$974	Yes	N/A	N/A	N/A
					1BR / 1BA	26	34.7%	959	@60%	\$1,194	Yes	N/A	N/A	N/A
					2BR / 1BA	2	2.7%	1,237	@30%	\$641	Yes	N/A	N/A	N/A
					2BR / 1BA	9	12.0%	1,237	@50%	\$1,168	Yes	N/A	N/A	N/A
					2BR / 1BA	11	14.7%	1,237	@60%	\$1,432	Yes	N/A	N/A	N/A
						75								
8	Abberly Avera 11601 Hokie Stone Loop Manassas, VA 20109 Prince William County	7.6 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	N/A	N/A	613	Market	\$1,250	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	754	Market	\$1,469	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	756	Market	\$1,383	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	757	Market	\$1,383	N/A	No	N/A	N/A
					1BR / 1.5BA	N/A	N/A	768	Market	\$1,435	N/A	No	N/A	N/A
					1BR / 1.5BA	N/A	N/A	827	Market	\$1,501	N/A	No	N/A	N/A
					1BR / 1.5BA	N/A	N/A	902	Market	\$1,517	N/A	No	N/A	N/A
					1BR / 1.5BA	N/A	N/A	1,002	Market	\$1,582	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,097	Market	\$1,583	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,102	Market	\$1,706	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,112	Market	\$1,676	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,201	Market	\$1,747	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,254	Market	\$1,804	N/A	No	N/A	N/A
	336											306	91.1%	
9	Masons Keepe 9000 Landings Drive Manassas, VA 20109 Prince William County	9.8 miles	Garden 3-stories 2004 / n/a Family	Market	1BR / 1BA	24	8.9%	759	Market	\$1,620	N/A	No	2	8.3%
					1.5BR / 1BA	36	13.3%	865	Market	\$1,743	N/A	No	0	0.0%
					2BR / 2BA	66	24.4%	1,086	Market	\$1,683	N/A	No	5	7.6%
					2BR / 2BA	54	20.0%	1,181	Market	\$1,876	N/A	No	5	9.3%
					2BR / 2BA	60	22.2%	1,032	Market	\$1,490	N/A	No	5	8.3%
					2.5BR / 2BA	30	11.1%	1,322	Market	\$2,115	N/A	No	0	0.0%
	270											17	6.3%	
10	Somershill Farms 7351 Yountville Drive Gainesville, VA 20155 Prince William County	4.7 miles	Garden 3-stories 2007 / n/a Family	Market	1BR / 1BA	N/A	N/A	888	Market	\$1,600	N/A	No	0	N/A
					1BR / 1BA	N/A	N/A	946	Market	\$1,675	N/A	No	1	N/A
					1BR / 1BA	N/A	N/A	786	Market	\$1,535	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	1,111	Market	\$1,850	N/A	No	2	N/A
					2BR / 2BA	N/A	N/A	1,187	Market	\$1,895	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,070	Market	\$1,785	N/A	No	N/A	N/A
					3BR / 2BA	N/A	N/A	1,390	Market	\$2,125	N/A	Yes	0	N/A
					3BR / 2BA	N/A	N/A	1,447	Market	\$2,300	N/A	Yes	0	N/A
					3BR / 2BA	N/A	N/A	1,273	Market	\$1,950	N/A	Yes	0	N/A
	140											2	1.4%	
11	The Point At Manassas 11212 Chatterly Loop Manassas, VA 20109 Prince William County	8.5 miles	Garden 3-stories 2000 / n/a Family	Market	1BR / 1BA	23	4.0%	837	Market	\$1,433	N/A	No	0	0.0%
					2BR / 2BA	208	36.2%	1,121	Market	\$1,787	N/A	No	7	3.4%
					2BR / 2BA	208	36.2%	1,076	Market	\$1,682	N/A	No	7	3.4%
					2.5BR / 2BA	74	12.9%	1,312	Market	\$1,892	N/A	No	7	9.5%
					3BR / 2BA	62	10.8%	1,329	Market	\$2,112	N/A	No	0	0.0%
	575											21	3.7%	
12	Van Metre Barrington Park 10367 Leighton Place Manassas, VA 20110 Manassas County	10.5 miles	Various 3-stories 2008 / n/a Family	Market	1BR / 1BA	N/A	N/A	715	Market	\$1,352	N/A	No	0	N/A
					1BR / 1BA	N/A	N/A	760	Market	\$1,397	N/A	No	1	N/A
					1BR / 1BA	N/A	N/A	670	Market	\$1,272	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	736	Market	\$1,577	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	762	Market	\$1,577	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	818	Market	\$1,652	N/A	No	0	N/A
					2BR / 2.5BA	N/A	N/A	1,324	Market	\$1,922	N/A	No	1	N/A
					3BR / 2BA	N/A	N/A	1,331	Market	\$2,112	N/A	No	0	N/A
					3BR / 2.5BA	N/A	N/A	1,494	Market	\$2,112	N/A	No	0	N/A
	148											2	1.4%	
13	Wellington Place At Olde Town 10303 7th Regiment Drive Manassas, VA 20110 Manassas County	11.4 miles	Garden 2-stories 1987 / n/a Family	Market	0BR / 1BA	20	5.4%	537	Market	\$1,303	N/A	No	0	0.0%
					0BR / 1BA	20	5.4%	537	Market	\$1,148	N/A	No	0	0.0%
					1BR / 1BA	40	10.8%	622	Market	\$1,397	N/A	No	0	0.0%
					1BR / 1BA	30	8.1%	735	Market	\$1,447	N/A	No	1	3.3%
					1BR / 1BA	40	10.8%	622	Market	\$1,341	N/A	No	0	0.0%
					1BR / 1BA	30	8.1%	735	Market	\$1,371	N/A	No	0	0.0%
					2BR / 1BA	40	10.8%	870	Market	\$1,532	N/A	No	1	2.5%
					2BR / 2BA	56	15.1%	955	Market	\$1,581	N/A	No	1	1.8%
					2BR / 2BA	38	10.2%	1,008	Market	\$1,768	N/A	No	1	2.6%
					2BR / 2BA	38	10.2%	1,008	Market	\$1,618	N/A	No	N/A	N/A
					2BR / 2.5BA	14	3.8%	1,182	Market	\$1,797	N/A	No	0	0.0%
3BR / 3BA	6	1.6%	1,400	Market	\$1,912	N/A	No	0	0.0%					
	372											4	1.1%	

Location

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Cecelia House	Vint Hill	Senior	LIHTC	-	\$130,873	\$395,100	\$1,485	45	12	5.0%	5.0%
1	Highland Commons	Warrenton	Family	LIHTC	5.9 miles	\$0	\$350,500	\$1,162	0	0	0.0%	0.0%
2	Moffett Manor	Warrenton	Senior	LIHTC	6.9 miles	\$89,747	\$350,500	\$1,162	80	45	6.7%	35.5%
3	Oaks Of Wellington*	Manassas	Senior	LIHTC/ Market	11.1 miles	\$89,811	\$284,600	\$1,331	76	57	3.2%	39.1%
4	Park Place Senior Apartments*	Manassas Park	Senior	LIHTC	13.5 miles	\$101,205	\$294,900	\$1,415	50	50	6.8%	39.4%
5	Somerset Pointe I & II	Gainesville	Family	LIHTC	4.6 miles	\$91,284	\$422,500	\$2,008	104	54	0.6%	40.8%
6	The Oaks Apartments	Warrenton	Senior	LIHTC	6.1 miles	\$74,669	\$350,500	\$1,162	65	60	5.3%	39.3%
7	Warrenton Manor	Warrenton	Senior	LIHTC/ Section 8	6.2 miles	\$0			0	0	0.0%	0.0%
8	Abberly Avera	Manassas	Family	Market	7.6 miles	\$109,319	\$234,600	\$1,424	93	8	0.1%	46.0%
9	Masons Keepe	Manassas	Family	Market	9.8 miles	\$60,669	\$234,600	\$1,424	83	14	5.6%	55.5%
10	Somerhill Farms	Gainesville	Family	Market	4.7 miles	\$89,930	\$422,500	\$2,008	104	51	0.5%	42.5%
11	The Point At Manassas	Manassas	Family	Market	8.5 miles	\$68,479	\$234,600	\$1,424	56	22	6.2%	67.9%
12	Van Metre Barrington Park*	Manassas	Family	Market	10.5 miles	\$96,269	\$284,600	\$1,331	64	47	0.8%	48.4%
13	Wellington Place At Olde Town*	Manassas	Family	Market	11.4 miles	\$87,351	\$284,600	\$1,331	72	51	2.7%	46.4%

*Located outside of the PMA

All of the comparables are located within 13.5 miles of the Subject. The majority of the comparable properties are located within the PMA boundaries. We consider the comparables to be located within a reasonable distance of the Subject site, and to occupy the same general market area as the proposed Subject. The differences in locations including surrounding uses, crime, median incomes, walkability, and school district will determine the Subject’s location in comparison to the surveyed comparables.

The Subject’s location features a higher median household income than all of the comparable properties’ locations, and a higher median home value and median rent than the majority of the comparables’ locations. While the Subject’s neighborhood features the lowest crime index of all the comparable properties, it also features a lower Walk Score than all of the comparable properties’ locations, except Abberly Avera and Masons Keepe. Overall, we consider the Subject’s location to be slightly superior to the majority of the comparable properties’ locations, based on median household income levels, median rents, and crime indices. The Subject will offer a similar location to Somerset Pointe I and II, and Somerhill Farms.

Age, Condition, and Design

The following table illustrates the Subject’s design and condition in comparison to the comparable properties.

	Subject	Highland Commons	Moffett Manor	Oaks Of Wellington	Park Place Senior Apartments	Somerset Pointe I & II	The Oaks Apartments	Warrenton Manor	Abberly Avera	Masons Keepe	Somerhill Farms	The Point At Manassas	Van Metre Barrington Park	Wellington Place At Olde Town
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/Market	LIHTC	LIHTC	LIHTC	LIHTC/Section 8	Market	Market	Market	Market	Market	Market
Building														
Property Type	Lowrise	Garden	Lowrise	Lowrise	Various	Garden	Lowrise	Lowrise	Garden	Garden	Garden	Garden	Various	Garden
# of Stories	4-stories	3-stories	3-stories	3-stories	4-stories	3-stories	2-stories	4-stories	3-stories	3-stories	3-stories	3-stories	3-stories	2-stories
Year Built	2020	1996	2006	2003	2003	2001	1996/2001	1982	2018	2004	2007	2000	2008	1987
Year Renovated	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2016	n/a	n/a	n/a	n/a	n/a	n/a
Elevators	yes	no	yes	yes	yes	no	yes	yes	yes	no	yes	no	no	no
Courtyard	no	no	no	no	yes	no	no	no	no	no	no	no	no	no

The Subject will be newly constructed and in excellent condition. Abberly Avera opened in late 2018 and exhibits excellent condition, similar to the proposed Subject. The Section 8 portion of Warrenton Manor was constructed in 1982 and renovated in 2016, and exhibits good condition, slightly inferior to the Subject’s anticipated condition. However, the LIHTC portion of that property was built in 2016 and exhibits excellent condition, similar to the Subject’s anticipated condition. Van Metre Barrington Park was constructed in 2008

and, based on our site inspection, exhibits good condition, slightly inferior to the Subject’s anticipated condition upon completion. The remaining comparable properties were constructed or renovated between 1987 and 2008 and exhibit average condition, inferior to the Subject’s anticipated condition upon completion.

The Subject will offer a four-story, elevator-serviced, midrise-style design that will be similar to the majority of the comparable properties. Van Metre Barrington Park offers townhouse units in addition to garden-style units, which are considered slightly more desirable than garden-style or midrise-style units. Somerset Pointe I and II, Masons Keepe, The Pointe at Manassas, and Wellington Place at Olde Towne offer walk-up, garden-style designs, which are less desirable for the Subject’s intended senior tenancy.

Unit Size

The following table summarizes unit sizes in the market area, and provides a comparison of the Subject’s unit size and the surveyed average unit sizes in the market.

UNIT SIZE COMPARISON		
Bedroom Type	1BR	2BR
Subject	959	1,237
Average	727	1,014
Min	527	736
Max	1,002	1,324
Advantage/Disadvantage	24%	18%

The Subject’s unit sizes will be larger than the majority of the comparable properties, and will offer advantages relative to the averages of the surveyed comparable properties. Overall, we believe that the Subject’s unit sizes will be accepted in the market, and are a strength. We take the Subject’s proposed unit sizes into consideration in our estimation of achievable rents.

SQUARE FOOTAGE RANKING COMPARISON

One-Bedroom One Bath		Two-Bedroom One Bath	
Property Name	Size	Property Name	Size
Abberly Avera (Market)(1.5BA)	1,002	Van Metre Barrington Park (Market)(2.5BA)	1,324
Cecelia House (@30%)	959	Abberly Avera (Market)(2BA)	1,254
Cecelia House (@50%)	959	Cecelia House (@30%)	1,237
Cecelia House (@60%)	959	Cecelia House (@50%)	1,237
Somerhill Farms (Market)	946	Cecelia House (@60%)	1,237
Abberly Avera (Market)(1.5BA)	902	Abberly Avera (Market)(2BA)	1,201
Somerhill Farms (Market)	888	Somerhill Farms (Market)(2BA)	1,187
The Point At Manassas (Market)	837	Wellington Place At Olde Town (Market)(2.5BA)	1,182
Abberly Avera (Market)(1.5BA)	827	Masons Keepe (Market)(2BA)	1,181
Somerhill Farms (Market)	786	The Point At Manassas (Market)(2BA)	1,121
Park Place Senior Apartments (@60%)	782	Abberly Avera (Market)(2BA)	1,112
Abberly Avera (Market)(1.5BA)	768	Somerhill Farms (Market)(2BA)	1,111
Somerset Pointe I & II (@60%)	761	Abberly Avera (Market)(2BA)	1,102
Van Metre Barrington Park (Market)	760	The Oaks Apartments (@60%)(2BA)	1,100
Masons Keepe (Market)	759	Abberly Avera (Market)(2BA)	1,097
Abberly Avera (Market)	757	Masons Keepe (Market)(2BA)	1,086
Abberly Avera (Market)	756	The Point At Manassas (Market)(2BA)	1,076
Abberly Avera (Market)	754	Somerhill Farms (Market)(2BA)	1,070
Wellington Place At Olde Town (Market)	735	Masons Keepe (Market)(2BA)	1,032
Wellington Place At Olde Town (Market)	735	Somerset Pointe I & II (@60%)(2BA)	1,026
Van Metre Barrington Park (Market)	715	Park Place Senior Apartments (@60%)	1,012
Warrenton Manor (@60%)	678	Highland Commons (@60%)(2BA)	1,010
Warrenton Manor (@50%)	678	Wellington Place At Olde Town (Market)(2BA)	1,008
Van Metre Barrington Park (Market)	670	Wellington Place At Olde Town (Market)(2BA)	1,008
Oaks Of Wellington (@60%)	663	The Oaks Apartments (@50%)	1,000
Moffett Manor (@60%)	636	The Oaks Apartments (@60%)	1,000
Wellington Place At Olde Town (Market)	622	Oaks Of Wellington (Market)(2BA)	980
Wellington Place At Olde Town (Market)	622	Moffett Manor (@60%)(1.5BA)	970
Abberly Avera (Market)	613	Wellington Place At Olde Town (Market)(2BA)	955
Oaks Of Wellington (@60%)	610	Park Place Senior Apartments (@60%)(1.5BA)	925
Park Place Senior Apartments (@60%)	610	Oaks Of Wellington (Market)	922
The Oaks Apartments (@50%)	600	Oaks Of Wellington (Market)	907
The Oaks Apartments (@60%)	600	Oaks Of Wellington (Market)(2BA)	902
Warrenton Manor (@50%)	527	Oaks Of Wellington (Market)	891
Warrenton Manor (@40%)	527	Highland Commons (@50%)	877
		Park Place Senior Apartments (@60%)	872
		Wellington Place At Olde Town (Market)	870
		Oaks Of Wellington (Market)	843
		Oaks Of Wellington (@60%)	842
		Van Metre Barrington Park (Market)(2BA)	818
		Warrenton Manor (@60%)(2BA)	794
		Warrenton Manor (@50%)(2BA)	794
		Van Metre Barrington Park (Market)	762
		Van Metre Barrington Park (Market)	736

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	Highland Commons	Moffett Manor	Oaks Of Wellington	Park Place Senior Apartments	Somerset Pointe I & II	The Oaks Apartments	Warrenton Manor	Abberly Avera	Masons Keepe	Somerhill Farms	The Point At Manassas	Van Metre Barrington Park	Wellington Place At Olde Town
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/Market	LIHTC	LIHTC	LIHTC	JHTC/ Section 8	Market	Market	Market	Market	Market	Market
Utility Structure														
Cooking	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no
Water Heat	no	no	no	yes	yes	no	yes	no	no	no	no	no	no	no
Heat	no	no	no	yes	yes	no	yes	no	no	no	no	no	no	no
Other Electric	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no
Water	no	yes	yes	yes	yes	yes	yes	no	no	no	no	no	no	no
Sewer	no	yes	yes	yes	yes	yes	yes	no	no	no	no	no	no	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no

In-Unit Amenities

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

	Subject	Highland Commons	Moffett Manor	Oaks Of Wellington	Park Place Senior Apartments	Somerset Pointe I & II	The Oaks Apartments	Warrenton Manor	Abberly Avera	Masons Keepe	Somerhill Farms	The Point At Manassas	Van Metre Barrington Park	Wellington Place At Olde Town
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/Market	LIHTC	LIHTC	LIHTC	LIHTC/Section 8	Market	Market	Market	Market	Market	Market
Accessibility														
Hand Rails	yes	no	no	yes	yes	no	no	no	no	no	no	no	no	no
Pull Cords	yes	no	no	yes	yes	no	no	yes	no	no	no	no	no	no
Unit Amenities														
Balcony/Patio	yes	yes	no	yes	yes	yes	no	no	yes	no	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	yes	no	no	yes	no	no	no	no	no	no	no	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	yes	no	no	no	no	no	no	no	yes	no	no	no	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	no	no	no	no	no	no	no	no	yes	no	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	no	no	no	no	no	yes	yes	no	yes
Fireplace	no	no	no	no	no	no	no	no	no	no	no	no	yes	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	no
Walk-In Closet	yes	yes	no	yes	yes	yes	no	no	yes	no	yes	yes	yes	yes
Washer/Dryer	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen														
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	no	no	no	yes	no	no	no	yes	no	yes	no	yes	yes
Oven	yes	yes	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	yes	yes

The Subject will offer free cable and internet access, which the majority of the comparable properties do not offer. The Subject will also offer hand rails and pull cords, which the majority of the comparable properties do not offer. Overall, the Subject will offer slightly superior to superior in-unit amenities to the majority of the comparable properties. The Subject will offer similar in-unit amenities to Oaks of Wellington, Somerhill Farms, The Point at Manassas, and Van Metre Barrington Park.

Property Amenities

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

	Subject	Highland Commons	Moffett Manor	Oaks Of Wellington	Park Place Senior Apartments	Somerset Pointe I & II	The Oaks Apartments	Warrenton Manor	Abberly Avera	Masons Keepe	Somerhill Farms	The Point At Manassas	Van Metre Barrington Park	Wellington Place At Olde Town
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/Market	LIHTC	LIHTC	LIHTC	LIHTC/Section 8	Market	Market	Market	Market	Market	Market
Community														
Business Center	yes	no	no	yes	no	yes	no	no	yes	yes	no	no	no	yes
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	no
Central Laundry	no	no	no	no	no	no	no	no	no	no	no	no	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Concierge	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
Recreation														
Basketball Court	no	no	no	no	no	no	no	no	no	no	no	no	yes	no
Exercise Facility	yes	yes	no	yes	yes	yes	no	no	yes	yes	yes	yes	no	yes
Playground	no	yes	no	no	no	yes	no	no	yes	yes	yes	yes	yes	yes
Swimming Pool	no	yes	no	yes	no	yes	no	no	yes	yes	yes	yes	no	yes
Picnic Area	yes	no	no	no	yes	no	no	no	yes	no	no	no	no	no
Tennis Court	no	yes	no	no	no	no	no	no	no	yes	no	no	no	no
Jacuzzi	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
Hot Tub	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
Theatre	no	no	no	no	yes	no	no	no	no	no	no	no	no	no
Recreational Area	no	no	no	no	yes	no	no	no	yes	no	no	no	yes	no
Volleyball Court	no	no	no	no	no	no	no	no	no	yes	no	no	no	no
WiFi	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
Adult Education	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
Shuttle Service	yes	no	no	no	no	no	no	no	no	no	no	no	no	no

The Subject will offer a concierge service, wi-fi access throughout the property, adult education classes, and shuttle services, which none of the comparable properties offer. The Subject will also offer a business center, and a picnic area, which the majority of the comparable properties lack. The majority of the comparables offer swimming pools, which the Subject will not offer. However, swimming pools are more desirable amenities for family properties than for senior properties, as illustrated by the fact that Oaks of Wellington is the only senior comparable that offers a swimming pool. Overall, the Subject will offer slightly superior to superior property amenities to all of the comparable properties.

Security Features

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

	Subject	Highland Commons	Moffett Manor	Oaks Of Wellington	Park Place Senior Apartments	Somerset Pointe I & II	The Oaks Apartments	Warrenton Manor	Abberly Avera	Masons Keepe	Somerhill Farms	The Point At Manassas	Van Metre Barrington Park	Wellington Place At Olde Town
Crime Risk Index	45	0	80	76	50	104	65	0	93	83	104	56	64	72
Security														
In-Unit Alarm	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
Intercom (Buzzer)	no	no	yes	yes	no	no	yes	yes	no	no	no	no	no	no
Intercom (Phone)	no	no	no	no	yes	no	no	no	no	no	no	yes	no	no
Limited Access	yes	no	yes	yes	yes	no	yes	yes	no	no	no	yes	no	yes
Video Surveillance	yes	no	yes	no	yes	no	no	no	no	no	no	no	no	no

The Subject will offer in-unit alarms, controlled access, and video surveillance in terms of security features. The Subject will be located in a neighborhood with a lower crime index than all of the comparable properties, many of which do not offer any security features. Overall, we consider the Subject’s proposed security features to be market-oriented.

Parking

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

	Subject	Highland Commons	Moffett Manor	Oaks Of Wellington	Park Place Senior Apartments	Somerset Pointe I & II	The Oaks Apartments	Warrenton Manor	Abberly Avera	Masons Keepe	Somerhill Farms	The Point At Manassas	Van Metre Barrington Park	Wellington Place At Olde Town
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/Market	LIHTC	LIHTC	LIHTC	LIHTC/Section 8	Market	Market	Market	Market	Market	Market
Parking														
Carport	no	no	no	yes	yes	no	no	no	no	no	no	no	no	no
Carport Fee	\$0	\$0	\$0	\$25	\$35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Garage	no	no	no	no	no	no	no	no	no	yes	no	no	yes	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$135	\$0	\$0	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject will offer 160 uncovered, off-street parking spaces, or 1.28 parking spaces per unit. We believe this amount of parking will be adequate to meet the needs of the Subject’s intended senior tenancy. All of the comparable properties offer off-street parking. Several comparable properties offer carport or garage parking spaces, for fees ranging from \$25 to \$135 per month. We consider the parking amenities at these properties to be slightly superior to the Subject’s proposed parking.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Tenant Makeup

The Subject will target senior households aged 62 and over. Four of the LIHTC comparable properties target senior households age 55 and over, with most tenants over the age of 70. The majority of the family comparable properties would not estimate the proportion of senior tenants, but reported demand originating primarily from northern Virginia. The table below illustrates voucher tenancy among the comparable properties.

TENANTS WITH VOUCHERS

Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Highland Commons	LIHTC	Family	16%
Moffett Manor	LIHTC	Senior	10%
Oaks Of Wellington	LIHTC/ Market	Senior	5%
Park Place Senior Apartments	LIHTC	Senior	22%
Somerset Pointe I & II	LIHTC	Family	15%
The Oaks Apartments	LIHTC	Senior	4%
Warrenton Manor	LIHTC/ Section 8	Senior	13%
Abberly Avera	Market	Family	0%
Masons Keepe	Market	Family	2%
Somerhill Farms	Market	Family	0%
The Point At Manassas	Market	Family	0%
Van Metre Barrington Park	Market	Family	1%
Wellington Place At Olde Town	Market	Family	0%

The Subject’s market exhibits low voucher tenancy, with weighted average voucher usage of seven percent. The LIHTC comparable properties reported comparatively higher voucher usage than the market-rate comparable properties, ranging from four to 22 percent with a weighted average of 12 percent. Based on the voucher usage reported among the LIHTC comparable properties, we anticipate that the Subject will operate with voucher usage of 15 percent or less.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER

Property Name	Rent Structure	Tenancy	Annual Turnover
Highland Commons	LIHTC	Family	40%
Moffett Manor	LIHTC	Senior	4%
Oaks Of Wellington	LIHTC/ Market	Senior	18%
Park Place Senior Apartments	LIHTC	Senior	7%
Somerset Pointe I & II	LIHTC	Family	22%
The Oaks Apartments	LIHTC	Senior	16%
Warrenton Manor	LIHTC/ Section 8	Senior	10%
Abberly Avera	Market	Family	N/A
Masons Keepe	Market	Family	18%
Somerhill Farms	Market	Family	33%
The Point At Manassas	Market	Family	30%
Van Metre Barrington Park	Market	Family	25%
Wellington Place At Olde Town	Market	Family	40%
Average Turnover			22%

The Subject’s market exhibits moderate turnover rates. Relative to the family and market-rate properties, the senior LIHTC properties exhibited comparatively lower turnover rates ranging from four to 18 percent. Turnover rates at senior properties are typically lower than at family properties, as units vacate only when residents pass away or move to assisted living facilities. As a senior property, we believe the Subject would experience an annual turnover rate of 15 percent or less upon stabilization.

Vacancy Levels

The following table summarizes overall weighted vacancy levels at the surveyed properties. Note that Abberly Avera is currently under construction, with 34 units complete out of a total 336 units. We deducted the 302 under-construction units from our vacancy rate analysis.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Highland Commons	LIHTC	Family	96	0	0.0%
Moffett Manor	LIHTC	Senior	98	0	0.0%
Oaks Of Wellington*	LIHTC/ Market	Senior	130	1	0.8%
Park Place Senior Apartments*	LIHTC	Senior	148	1	0.7%
Somerset Pointe I & II	LIHTC	Family	276	1	0.4%
The Oaks Apartments	LIHTC	Senior	111	2	1.8%
Warrenton Manor	LIHTC/ Section 8	Senior	98	1	1.0%
Abberly Avera**	Market	Family	34	5	14.7%
Masons Keepe	Market	Family	270	17	6.3%
Somerhill Farms	Market	Family	140	2	1.4%
The Point At Manassas	Market	Family	575	21	3.7%
Van Metre Barrington Park*	Market	Family	148	2	1.4%
Wellington Place At Olde Town*	Market	Family	372	4	1.1%
Total LIHTC			886	6	0.7%
Total Market Rate			1,610	51	3.2%
Overall Total			2,496	57	2.3%

*Located outside of the PMA

**302 under-construction units deducted from total.

As illustrated above, the majority of the LIHTC comparable properties exhibit vacancy rates under one percent, indicating a supply-constrained market for affordable housing. The majority of the market-rate comparable properties reported low to moderate vacancy rates. The contact at Abberly Avera reported that the five vacant, completed units are pre-leased. The contact at Masons Keepe attributed the elevated vacancy rate to a seasonal lull in demand, and stated that the property typically operates at a higher occupancy rate. Finally, the contact at The Point at Manassas reported that three vacant units are pre-leased, and the contact at Van Metre Barrington Park reported that both vacant units at that property are pre-leased. Overall, demand for rental housing in the Subject's market is strong, and we anticipate that the Subject will operate with a vacancy rate of five percent or less upon stabilization.

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

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Highland Commons	LIHTC	Family	-	0.0%	0.0%	0.0%
Moffett Manor	LIHTC	Senior	0.0%	0.0%	-	0.0%
Oaks Of Wellington	LIHTC/ Market	Senior	0.0%	1.0%	-	0.8%
Park Place Senior Apartments	LIHTC	Senior	5.6%	0.0%	-	0.7%
Somerset Pointe I & II	LIHTC	Family	0.0%	0.7%	0.0%	0.4%
The Oaks Apartments	LIHTC	Senior	1.1%	5.6%	-	1.8%
Warrenton Manor	LIHTC/ Section 8	Senior	1.4%	0.0%	-	1.0%
Abberly Avera	Market	Family	-	-	-	91.1%
Masons Keepe	Market	Family	3.3%	7.1%	-	6.3%
Somerhill Farms	Market	Family	-	-	-	1.4%
The Point At Manassas	Market	Family	0.0%	4.3%	0.0%	3.7%
Van Metre Barrington Park	Market	Family	-	-	-	1.4%
Wellington Place At Olde Town	Market	Family	0.7%	2.0%	0.0%	1.1%

The Subject will consist of one and two-bedroom units. Vacancy rates in the market for one-bedroom units range from zero to 5.6 percent, averaging 1.1 percent, and the vacancy rates for two-bedroom units range from zero to 7.1 percent, averaging 3.0 percent. Overall, the vacancy rates in the market are low to moderate. This supports that there is demand for additional rental housing in the market. We believe the Subject will not negatively impact the existing properties in the market.

Concessions

Abberly Avera is offering \$500 off the first month’s rent while it is in its initial absorption period. None of the other comparable properties reported offering concessions at this time. We do not anticipate that the Subject will need to offer concessions in order to achieve or maintain stabilized occupancy.

Waiting Lists

The following table illustrates the length of waiting lists reported at the comparable developments.

WAITING LIST

Property Name	Rent Structure	Tenancy	Waiting List Length
Highland Commons	LIHTC	Family	Yes, fewer than 10 households
Moffett Manor	LIHTC	Senior	Yes, three households
Oaks Of Wellington	LIHTC/ Market	Senior	Yes, 27 households
Park Place Senior Apartments	LIHTC	Senior	Yes, 10 households
Somerset Pointe I & II	LIHTC	Family	None
The Oaks Apartments	LIHTC	Senior	Yes, three households
Warrenton Manor	LIHTC/ Section 8	Senior	Interest list, unknown length
Abberly Avera	Market	Family	None
Masons Keepe	Market	Family	None
Somerhill Farms	Market	Family	Yes, one household for three-bedroom units
The Point At Manassas	Market	Family	None
Van Metre Barrington Park	Market	Family	None
Wellington Place At Olde Town	Market	Family	None

As illustrated above, five LIHTC comparable properties reported maintaining waiting lists. In addition, Warrenton Manor maintains an interest list for its unsubsidized units, and Somerhill Farms reported maintaining a short waiting list for its three-bedroom units. Demand for affordable housing in the market, particularly senior housing, appears strong. We anticipate that the Subject will operate with a low vacancy rate and will at times maintain a waiting list.

Absorption

We were able to obtain absorption from one comparable property, Abberly Avera. We extended our search to include all recently-constructed properties in Fauquier and Prince William counties, illustrated in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year	Total Units	Absorption Pace
Abberly Avera	Market	Family	2018	34	9
Kensington Place I	Market	Family	2014	129	32
Shorehaven Apartments	Market	Family	2013	240	34
Arcadia Run Apartments	Market	Family	2013	312	10

The properties in the table above experienced absorption paces ranging from nine to 34 units per month, with total absorption periods ranging from four to 31 months. Abberly Avera is the most recently-constructed property. However, the Subject will be affordable, and the affordable comparable properties in our analysis reported strong demand as indicated by low vacancy rates and waiting lists. As such, we believe that the Subject would experience a faster absorption pace than Abberly Avera. We conclude to an absorption pace of 15 units per month for the proposed Subject, which equates to a total absorption period of five months.

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
Highland Commons	LIHTC	Family	Increased two to three percent
Moffett Manor	LIHTC	Senior	Increased one to two percent
Oaks Of Wellington	LIHTC/ Market	Senior	None
Park Place Senior Apartments	LIHTC	Senior	Increased one to seven percent
Somerset Pointe I & II	LIHTC	Family	Increased five percent
The Oaks Apartments	LIHTC	Senior	None
Warrenton Manor	LIHTC/ Section 8	Senior	None
Abberly Avera	Market	Family	N/A
Masons Keepe	Market	Family	Increased up to 14 percent
Somerhill Farms	Market	Family	Decreased 20 percent to increased four percent
The Point At Manassas	Market	Family	Increased up to 20 percent
Van Metre Barrington Park	Market	Family	Increased up to 19 percent
Wellington Place At Olde Town	Market	Family	Increased up to five percent

Four of the LIHTC comparable properties reported achieving rent growth, ranging from one to seven percent. The majority of the market-rate comparable properties reported achieving significant rent growth in the past year, while Somerhill Farms reported experiencing a 20 percent rent decrease for a portion of its units, along with up to four percent rent growth for others. Abberly Avera is in its initial absorption period. The Subject's proposed rents are set at the maximum allowable levels. Therefore, rent growth will depend on AMI growth.

Reasonability of Rents

The following table is a comparison of the Subject's and comparable properties' rents. For the purposes of this market study, "Base Rents" are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property,

and help to provide an “apples-to-apples” comparison of rents. The table below illustrates the Subject’s rents and unit mix.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents	
@30%								
1BR / 1BA	959	6	\$534	\$125	\$659	\$659	\$1,454	
2BR / 1BA	1,237	2	\$641	\$150	\$791	\$791	\$1,665	
@50%								
1BR / 1BA	959	21	\$974	\$125	\$1,099	\$1,099	\$1,454	
2BR / 1BA	1,237	9	\$1,168	\$150	\$1,318	\$1,318	\$1,665	
@60%								
1BR / 1BA	959	26	\$1,194	\$125	\$1,319	\$1,319	\$1,454	
2BR / 1BA	1,237	11	\$1,432	\$150	\$1,582	\$1,582	\$1,665	
		75						

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

Comparable LIHTC Rents

The Subject’s proposed LIHTC rents are set at the maximum allowable level. None of the comparable properties offer units restricted to 30 percent of the AMI. However, the maximum allowable 30 percent of AMI rents are among the lowest in the market and offer a significant advantage over market rents. The Subject will offer a superior product to all of the LIHTC comparable properties, with superior unit sizes and condition, similar to superior location, and similar to superior amenities. We believe that the Subject’s proposed rents at the maximum allowable 30 percent of AMI level are therefore reasonable.

LIHTC RENT COMPARISON @30%

Property Name	County	Tenancy	1BR	2BR	Rents at Max?
Cecelia House	Fauquier	Senior	\$534	\$641	Yes
LIHTC Maximum Rent (Net)	Fauquier		\$534	\$641	
Achievable LIHTC Rent	-	-	\$534	\$641	Yes

The following table illustrates the Subject’s proposed rents at 50 percent of the AMI in comparison to the rents at the comparable properties.

LIHTC RENT COMPARISON @50%

Property Name	County	Tenancy	1BR	2BR	Rents at Max?
Cecelia House	Fauquier	Senior	\$974	\$1,168	Yes
LIHTC Maximum Rent (Net)	Fauquier		\$974	\$1,168	
Highland Commons	Fauquier	Family	-	\$1,167	Yes
The Oaks Apartments	Fauquier	Senior	\$785	\$902	No
Warrenton Manor	Fauquier	Senior	\$875	\$1,000	No
Average			\$830	\$1,023	
Achievable LIHTC Rent			\$974	\$1,168	Yes

Three comparable properties offer units restricted to 50 percent of the AMI. Highland Commons is the only comparable property that reported achieving the maximum allowable rents at 50 percent of the AMI. The Subject will be superior to this property, as it will exhibit superior condition with superior unit sizes, will be located in a slightly superior location, and will offer slightly superior in-unit amenities. Highland Commons exhibits zero percent vacancy, indicating that its two-bedroom rents are achievable in the market.

The Subject will be superior to Warrenton Manor. This property was constructed in 2016 and exhibits excellent condition, similar to the Subject’s anticipated condition. However, the Subject will offer superior in-unit and property amenities, superior unit sizes, and a superior location to Warrenton Manor. The contact at this property reported that there is an interest list of unknown length, indicating adequate demand for the property’s units. As there is only one vacant unit and an interest list, we believe Warrenton Manor is not testing the maximum allowable rents.

The Subject will offer a superior product to all of the LIHTC comparable properties in the table above. These properties exhibit no vacancy or low vacancy rates, and either maintain waiting lists or interest lists. Given demand for the comparable properties offering units at 50 percent of the AMI and the Subject’s anticipated superiority, we conclude that the subject’s proposed rents at the maximum allowable 50 percent of AMI level are reasonable and achievable.

LIHTC RENT COMPARISON @60%

Property Name	County	Tenancy	1BR	2BR	Rents at Max?
Cecelia House	Fauquier	Senior	\$1,194	\$1,432	Yes
LIHTC Maximum Rent (Net)	Fauquier		\$1,194	\$1,432	
LIHTC Maximum rent (Prince William County)	Prince William		\$1,194	\$1,432	
Highland Commons	Fauquier	Family	-	\$1,431	Yes
Moffett Manor	Fauquier	Senior	\$900	\$935	No
Oaks Of Wellington	Prince William	Senior	\$1,196	\$1,422	Yes
Park Place Senior Apartments	Prince William	Senior	\$1,011	\$1,285	No
Somerset Pointe I & II	Prince William	Family	\$1,160	\$1,387	Yes
The Oaks Apartments	Fauquier	Senior	\$785	\$902	No
Warrenton Manor	Fauquier	Senior	\$875	\$1,000	No
Average			\$988	\$1,195	
Achievable LIHTC Rent			\$1,194	\$1,432	Yes

Highland Commons, Oaks of Wellington, and Somerset Pointe I and II are the only comparable properties that reported achieving the maximum allowable LIHTC rents at 60 percent of the AMI. The Subject will be superior to these properties, based on its excellent condition, location, amenity package, and unit sizes. Highland Commons exhibits zero percent vacancy and maintains a short waiting list. Oaks of Wellington and Somerset Pointe I and II exhibit vacancy rates of less than one percent, and Oaks of Wellington maintains a waiting list, indicating that the maximum allowable rents are supported in the market at both family and senior properties.

The Subject will be superior to the remaining LIHTC comparable properties that are not achieving the maximum allowable 60 percent of AMI rents. The Subject will offer superior property amenities, condition, and unit sizes, slightly superior to superior in-unit amenities, and a slightly superior location to these three properties. All of these comparables exhibit low vacancy rates and maintain waiting lists or interest lists, indicating that they are not testing the maximum allowable rents. Given demand for these properties’ units and the Subject’s anticipated superiority, we conclude that the Subject’s proposed rents, which are at the maximum allowable 60 percent of AMI levels, are reasonable and achievable.

Most Similar LIHTC

Based upon the overall comparison ratings, the Subject will be most similar to Oaks of Wellington and Somerset Pointe I and II.

Oaks of Wellington is a 130-unit mixed-income senior development constructed in 2003, that is located Manassas, approximately 11.1 miles from the Subject site. This property offers one and two-bedroom units restricted to 60 percent of the AMI, as well as market-rate. Oaks of Wellington exhibits average condition, which will be inferior to the Subject’s anticipated excellent condition upon completion, and is located in a

slightly inferior location to the proposed Subject based on median household incomes and rents, crime risk indices, and walk scores. This comparable property offers a three-story, elevator-serviced, lowrise-style design, similar to the Subject’s proposed design. The Subject’s one and two-bedroom unit sizes will be superior to those at Oaks of Wellington. Oaks of Wellington offers an inferior property amenity package to the proposed Subject, as it lacks concierge service, a picnic area, common area wi-fi, and shuttle service, and a similar in-unit amenity package.

Somerset Pointe I and II is a 276-unit family LIHTC development constructed in 2001, that is located in Gainesville, approximately 4.6 miles from the Subject site. The property offers one, two and three-bedroom garden-style units restricted at 60 percent of AMI. Somerset Pointe I and II exhibits average condition, which will be inferior to the Subject’s anticipated excellent condition upon completion, and is located in a similar location based on median household incomes and rents, crime risk indices, and walk scores. The Subject will offer larger one and two-bedroom unit sizes than are offered at Somerset Pointe I and II, and will offer superior property amenities as well as slightly superior in-unit amenities to the comparable property. Overall, the Subject will be superior to Somerset Pointe I and II. The comparable property exhibits 0.4 percent vacancy but does not maintain a waiting list.

The Subject will be superior to properties achieving the maximum allowable 60 percent of AMI net rents. We believe this supports the achievability of the Subject’s proposed 60 percent of AMI rents, as well as its proposed 40 and 50 percent of AMI rents.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject’s rental rates are above the achievable market rents. The following table shows both market rent comparisons and achievable market rents.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@30%	\$534	\$1,250	\$1,675	\$1,448	\$1,350	60%
1BR / 1BA	@50%	\$974	\$1,250	\$1,675	\$1,448	\$1,350	28%
1BR / 1BA	@60%	\$1,194	\$1,250	\$1,675	\$1,448	\$1,350	12%
2BR / 1BA	@30%	\$641	\$1,490	\$1,922	\$1,737	\$1,650	61%
2BR / 1BA	@50%	\$1,168	\$1,490	\$1,922	\$1,737	\$1,650	29%
2BR / 1BA	@60%	\$1,432	\$1,490	\$1,922	\$1,737	\$1,650	13%

The Subject’s proposed LIHTC rents at all AMI levels are below the achievable market rents and offer an advantage of 12 to 60 percent over the achievable market rents. We conclude to achievable market rents for the Subject similar to the rents at Abberly Avera and below the rents at Somerhill Farms.

The Subject will be slightly superior to Abberly Avera, a 336-unit market-rate property that offers garden-style one, and two-bedroom units approximately 7.6 miles east of the Subject site, in a similar location based on median household incomes and rents, crime risk indices, and walk scores. This comparable property was constructed in 2018 and exhibits excellent condition, similar to the Subject’s anticipated condition upon completion. Abberly Avera offers similar one and two-bedroom unit sizes to the proposed Subject. This comparable property offers slightly inferior in-unit and property amenities to the proposed Subject. Abberly Avera is in its initial absorption period and exhibiting an absorption pace of nine units per month. As such, we believe the Subject would be able to achieve higher rents than the comparable as an unrestricted property. The following table illustrates the Subject’s achievable market rent in comparison to the rents at Abberly Avera.

SUBJECT COMPARISON TO ABBERLY AVERA

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Abberly Avera Rent	Square Feet	Abberly Avera RPSF	Subject Rent Advantage
1BR / 1BA	\$1,550	959	\$1.62	\$1,383	757	\$1.83	-12.1%
1BR / 1BA	\$1,550	959	\$1.62	\$1,383	757	\$1.83	-12.1%
1BR / 1BA	\$1,550	959	\$1.62	\$1,383	757	\$1.83	-12.1%
2BR / 1BA	\$1,850	1,237	\$1.50	\$1,804	1,254	\$1.44	-2.5%
2BR / 1BA	\$1,850	1,237	\$1.50	\$1,804	1,254	\$1.44	-2.5%
2BR / 1BA	\$1,850	1,237	\$1.50	\$1,804	1,254	\$1.44	-2.5%

Somerhill Farms is a 140-unit, market-rate property that offers one, two, and three-bedroom units approximately 4.6 miles northeast of the Subject site, in a similar location based on median household incomes and rents, crime risk indices, and walk scores. This comparable property was constructed in 2007 and exhibits average condition, inferior to the Subject’s anticipated excellent condition. Somerhill Farms offers similar one and two-bedroom unit sizes to the proposed Subject, similar in-unit amenities, and slightly inferior property amenities. This comparable property exhibits 1.4 percent vacancy and maintains a short waiting list for its three-bedroom units only. Overall, the Subject will be superior to Somerhill Farms. This property is achieving some of the highest rents in the market. We conclude that the Subject would be able to achieve similar rents to Somerhill Farms as an unrestricted property. The following table illustrates the Subject’s achievable market rent in comparison to the rents at Somerhill Farms.

SUBJECT COMPARISON TO SOMERHILL FARMS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Somerhill Farms Rent	Square Feet	Somerhill Farms RPSF	Subject Rent Advantage
1BR / 1BA	\$1,550	959	\$1.62	\$1,675	946	\$1.77	7.5%
1BR / 1BA	\$1,550	959	\$1.62	\$1,675	946	\$1.77	7.5%
1BR / 1BA	\$1,550	959	\$1.62	\$1,675	946	\$1.77	7.5%
2BR / 1BA	\$1,850	1,237	\$1.50	\$1,895	1,187	\$1.60	2.4%
2BR / 1BA	\$1,850	1,237	\$1.50	\$1,895	1,187	\$1.60	2.4%
2BR / 1BA	\$1,850	1,237	\$1.50	\$1,895	1,187	\$1.60	2.4%

Summary Evaluation

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. Strengths of the Subject will include its excellent condition, robust amenity package, and unit sizes. Vacancy rates among the LIHTC comparable properties are low, indicating a supply-constrained market for affordable senior rental housing. Based on the demand for affordable housing in the market and the Subject’s anticipated superiority over the majority of the existing competition, we conclude that the Subject’s proposed rents, which are set at the maximum allowable 30, 50, and 60 percent of AMI levels, are reasonable and achievable.

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

AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES, AND PENETRATION RATES – SUBJECT ONLY (CECELIA HOUSE)

Introduction

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

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

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

Capture Rate Determination

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

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

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

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

The Subject property is located in Vint Hill, Virginia. The PMA is generally defined as Hopewell and Sudley Roads to the north, Sudley Road and Nokesville Road to the east and southeast, Casanova Road, Meetze Road, and Arlington Boulevard to the south, and Blantyre Road to the west. This area was defined based on interviews with local market participants and local property managers. Management at the majority of the rent comparables noted that the majority of their tenants originate from all over northern Virginia. We therefore consider it reasonable to estimate that approximately 20 percent of the Subject’s tenants will originate from outside of the PMA boundaries.

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 only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Fauquier County, VA
AMI for four person household:	\$117,200
Tenancy (Family vs Senior):	Senior
Affordability percentage:	40 percent
Leakage:	20 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.

62+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$19,770	\$28,140	\$32,970	\$46,900	\$39,570	\$56,280
2BR	\$23,730	\$28,140	\$39,540	\$46,900	\$47,460	\$56,280

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

RENTER HOUSEHOLD INCOME 62+

Income Cohort	2018		PMA 2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	147	6.4%	171	6.4%	5	3.3%
\$10,000-19,999	316	13.8%	354	13.3%	8	2.4%
\$20,000-29,999	212	9.2%	262	9.8%	10	4.7%
\$30,000-39,999	191	8.3%	197	7.4%	1	0.6%
\$40,000-49,999	142	6.2%	169	6.3%	5	3.8%
\$50,000-59,999	185	8.1%	224	8.4%	8	4.2%
\$60,000-74,999	227	9.9%	243	9.1%	3	1.4%
\$75,000-99,999	222	9.7%	265	9.9%	9	3.9%
\$100,000-124,999	145	6.3%	178	6.7%	7	4.6%
\$125,000-149,999	172	7.5%	193	7.2%	4	2.4%
\$150,000-199,999	182	7.9%	217	8.1%	7	3.8%
\$200,000+	151	6.6%	196	7.3%	9	6.0%
Total	2,292	100.0%	2,669	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 households that are income-eligible, both by AMI level and in total.

62+ INCOME DISTRIBUTION 2018

Income Cohort	Total Renter Households	@30%			@50%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	147												
\$10,000-19,999	316	228	2.3%	7							228	2.3%	7
\$20,000-29,999	212	8,141	81.4%	173							8,141	81.4%	173
\$30,000-39,999	191				7,028	70.3%	134	428	4.3%	8	7,028	70.3%	134
\$40,000-49,999	142				6,901	69.0%	98	9,999	100.0%	142	9,999	100.0%	142
\$50,000-59,999	185							6,281	62.8%	116	6,281	62.8%	116
\$60,000-74,999	227												
\$75,000-99,999	222												
\$100,000-124,999	145												
\$125,000-149,999	172												
\$150,000-199,999	182												
\$200,000+	151												
Total	2,292		7.8%	180		10.1%	232		11.6%	266		24.97%	572

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

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

Step Five – Unit Size Appropriate

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

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

HOUSEHOLD DISTRIBUTION

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

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

Step Six – Capture Rate by Bedroom Mix

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

CAPTURE RATE ANALYSIS BY UNIT TYPE – SUBJECT ONLY (CECELIA HOUSE)

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

30 Percent of AMI Demand – Subject Only (Cecelia House)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	49.7%	1,140
2 persons	24.6%	563
3 persons	13.2%	302
4 persons	5.5%	126
5+ persons	7.0%	161
Total	100.0%	2,292

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,140	x	89
2 persons	563	x	44
3 persons	302	x	24
4 persons	126	x	10
5+ persons	161	x	13
Total	2,292		180

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	89
2BR	61
Total	151

Capture Rate Analysis - @30%

	Developer's Unit Mix	Capture Rate
1BR	6	6.72%
2BR	2	3.25%
Total/Overall	8	5.31%

Adjusted for Leakage from Outside of the PMA

20%

1BR	6	5.37%
2BR	2	2.60%
Total/Overall	8	4.24%

50 Percent of AMI Demand – Subject Only (Cecelia House)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	49.7%	1,140
2 persons	24.6%	563
3 persons	13.2%	302
4 persons	5.5%	126
5+ persons	7.0%	161
Total	100.0%	2,292

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,140	x	10.1%
2 persons	563	x	10.1%
3 persons	302	x	10.1%
4 persons	126	x	10.1%
5+ persons	161	x	10.1%
Total	2,292		232

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	115
2BR	79
Total	195

Capture Rate Analysis - @50%

	Developer's Unit Mix	Capture Rate
1BR	21	18.20%
2BR	9	11.34%
Total/Overall	30	15.40%

Adjusted for Leakage from Outside of the PMA

20%

1BR	21	14.56%
2BR	9	9.07%
Total/Overall	30	12.32%

60 Percent of AMI Demand – Subject Only (Cecelia House)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	49.7%	1,140
2 persons	24.6%	563
3 persons	13.2%	302
4 persons	5.5%	126
5+ persons	7.0%	161
Total	100.0%	2,292

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,140	x	11.6%
2 persons	563	x	11.6%
3 persons	302	x	11.6%
4 persons	126	x	11.6%
5+ persons	161	x	11.6%
Total	2,292		266

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	132
2BR	91
Total	223

Capture Rate Analysis - @60%

	Developer's Unit Mix	Capture Rate
1BR	26	19.65%
2BR	11	12.08%
Total/Overall	37	16.56%

Adjusted for Leakage from Outside of the PMA

20%

1BR	26	15.72%
2BR	11	9.67%
Total/Overall	37	13.25%

All Units Demand – Subject Only (Cecelia House)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	49.7%	1,140
2 persons	24.6%	563
3 persons	13.2%	302
4 persons	5.5%	126
5+ persons	7.0%	161
Total	100.0%	2,292

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,140	x	285
2 persons	563	x	141
3 persons	302	x	75
4 persons	126	x	31
5+ persons	161	x	40
Total	2,292		572

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	284
2BR	196
Total	480

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	53	18.64%
2BR	22	11.25%
Total/Overall	75	15.63%

Adjusted for Leakage from Outside of the PMA

		20%
1BR	53	14.91%
2BR	22	9.00%
Total/Overall	75	12.50%

ANNUAL CAPTURE RATE ANALYSIS – SUBJECT ONLY (CECELIA HOUSE)

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

According to the Virginia Housing Development Authority, between 2015 and January 2019, there have not been any properties allocated tax credits in the Subject's PMA. The second phase of the Subject development (Cecelia House II) will consist of 50 one and two-bedroom units restricted to senior households aged 62 and over earning 60 percent of the AMI, or less. We deducted these 50 units from our annual demand analysis.

Annual Demand Table – Subject Only (Cecelia House)

ANNUAL DEMAND		
Calculation		PMA
Number of Renter Households in 2018		2,292
Increase in Number of Renter Households		377
Number of Renter Households in 2023		2,669
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		20.5%
Percentage of Income-Qualified Renter Households		25.0%
Number of Income-Qualified Renter Households		572
Percentage of Rent-Overburdened		36.2%
Existing Income-Qualified Renter Household Turnover		207
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		75
Percentage of Income-Qualified Renter Households		25.0%
New Rental Income Qualified Households		19
<i>Capture Rate Analysis</i>		
Number of Units in Subject		75
Occupied Units at Subject With Vacancy of:	5%	71
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		226
Portion Originating within PMA		80%
Total Demand (Turnover and Growth) from within PMA		283
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	50	
Total Demand after Competition (Turnover and Growth)		233
Yielded Annual Capture Rate of Available Demand in 2019		30.7%

The yielded capture rate is approximately 30.7 percent of available demand per annum for the Subject’s units as proposed, which is moderate but nonetheless indicates demand for additional affordable senior rental housing in the Subject’s market.

VHDA DEMAND ANALYSIS – SUBJECT ONLY (CECELIA HOUSE)

We also included the required demand table from the VHDA market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject property. There are no proposed or under construction senior affordable properties in the PMA other than the second phase of the Subject development (Cecelia House II), which will consist of 50 one and two-bedroom units restricted to 60 percent of the AMI. We include the directly comparable vacant units at the comparable properties. There are two vacant units at The Oaks Apartments, which is located in the PMA. Both vacant units are restricted to 60 percent of the AMI. In addition, there is one vacant 60 percent of AMI unit at Warrenton Manor.

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

Income Restrictions	Up to 30% absent subsidy (min. income to max income)	Up to 50% absent subsidy (min. income to max income)	Up to 60% absent subsidy (min. income to max income)	Project Total absent subsidy (min. income to max. income)
New Rental Households	29	38	44	94
+				
Existing Households - Overburdened	65	84	96	207
+				
Existing Households - Substandard Housing	4	5	5	11
+				
Senior Households - Likely to Convert to Rental Housing	92	434	260	444
+				
TOTAL DEMAND	190	561	405	757
-				
Supply (includes directly comparable vacant units or in pipeline in PMA)	0	0	53	53
NET DEMAND	190	561	352	704
PROPOSED UNITS	8	30	37	75
CAPTURE RATE	4.2%	5.4%	10.5%	10.7%
ABSORPTION PERIOD	1 month	2 months	3 months	5 months

Property managers at the comparable properties reported that at least a portion of tenants were former homeowners, but none would estimate how many or what proportion of tenants. We estimated that 25 percent of income-qualified households would convert to renting from homeownership. 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 Absent Subsidy	10.7%
Project Wide Absorption Period (Months) Absent Subsidy	5 months

Capture Rate and VHDA Conclusion – Subject Only (Cecelia House)

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units indicates a capture rate of 12.5 percent.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 30.7 percent, indicating that there are 233 units of demand in the PMA in the first year of the Subject’s operation. This capture rate is reasonable and indicates adequate demand in the market for the Subject’s proposed units.

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 Absent Subsidy	10.7%
Project Wide Absorption Period (Months) Absent Subsidy	5 months

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

PENETRATION RATE ANALYSIS – SUBJECT ONLY (CECELIA HOUSE)

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

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive LIHTC Units in the PMA	50
	+
Number of Existing Competitive Senior LIHTC Units in the PMA	239
	+
Number of Proposed LIHTC Units at the Subject	75
	=
Total	364
	/
Income Eligible Households - All AMI Levels	572
	=
Overall Penetration Rate - Market Focus (NCHMA)	63.6%

The overall penetration rate is derived by taking the number of LIHTC units proposed or under construction within the PMA, combined with the number of existing LIHTC units, and the number of the Subject’s units divided by the number of income eligible households. The second phase of the Subject development (Cecelia House II) is the only proposed competitive development in the PMA. In addition, there are 239 existing competitive senior units in the PMA. The Subject’s penetration rate is moderate at 63.6 percent. Affordable senior properties in the area reported low vacancy rates and waiting lists. Overall, we believe that there is demand in the market to support additional affordable senior rental housing such as the proposed Subject.

We do not believe that existing senior housing projects in the PMA will be adversely affected by the Subject property.

The following table illustrates the LIHTC properties within the PMA that offer similar unit types and AMI levels, including family-oriented properties.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive LIHTC Units - 30% AMI	Competitive LIHTC Units - 50% AMI	Competitive LIHTC Units - 60% AMI	Total Competitive LIHTC Units
Warrenton Manor	LIHTC/Section 8	Senior	98	0	11	19	30
Moffett Manor	LIHTC	Senior	98	0	0	98	98
The Oaks Apartments	LIHTC	Senior	111	0	24	87	111
Highland Commons	LIHTC	Family	96	0	0	0	0
Hunt Country Manor	LIHTC	Family	55	0	0	0	0
Broad Pointe	LIHTC	Family	124	0	0	0	0
Regency Place	LIHTC	Family	124	0	0	0	0
Total				0	35	204	239

We were able to obtain absorption from one comparable property, Abberly Avera. We extended our search to include all recently-constructed properties in Fauquier and Prince William counties, illustrated in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year	Total Units	Absorption Pace
Abberly Avera	Market	Family	2018	34	9
Kensington Place I	Market	Family	2014	129	32
Shorehaven Apartments	Market	Family	2013	240	34
Arcadia Run Apartments	Market	Family	2013	312	10

The properties in the table above experienced absorption paces ranging from nine to 34 units per month, with total absorption periods ranging from four to 31 months. Abberly Avera is the most recently-constructed property. However, the Subject will be affordable, and the affordable comparable properties in our analysis reported strong demand as indicated by low vacancy rates and waiting lists. As such, we believe that the Subject would experience a faster absorption pace than Abberly Avera. We conclude to an absorption pace of 15 units per month for the proposed Subject, which equates to a total absorption period of five months.

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 a LIHTC property, the Subject will continue to operate with a strong occupancy rate.

AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES, AND PENETRATION RATES – COMBINED (CECELIA HOUSE I AND II)

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:

- 5) PMA Demography
- 6) Income Qualified
- 7) Renter Households
- 8) Unit Size Appropriate

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

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

The Subject property is located in Vint Hill, Virginia. The PMA is generally defined as Hopewell and Sudley Roads to the north, Sudley Road and Nokesville Road to the east and southeast, Casanova Road, Meetze Road, and Arlington Boulevard to the south, and Blantyre Road to the west. This area was defined based on interviews with local market participants and local property managers. Management at the majority of the rent comparables noted that the majority of their tenants originate from all over northern Virginia. We therefore consider it reasonable to estimate that approximately 20 percent of the Subject’s tenants will originate from outside of the PMA boundaries.

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 only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Fauquier County, VA
AMI for four person household:	\$117,200
Tenancy (Family vs Senior):	Senior
Affordability percentage:	40 percent
Leakage:	20 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.

62+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$19,770	\$28,140	\$32,970	\$46,900	\$39,570	\$56,280
2BR	\$23,730	\$28,140	\$39,540	\$46,900	\$47,460	\$56,280

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

RENTER HOUSEHOLD INCOME 62+

Income Cohort	2018		PMA 2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	147	6.4%	171	6.4%	5	3.3%
\$10,000-19,999	316	13.8%	354	13.3%	8	2.4%
\$20,000-29,999	212	9.2%	262	9.8%	10	4.7%
\$30,000-39,999	191	8.3%	197	7.4%	1	0.6%
\$40,000-49,999	142	6.2%	169	6.3%	5	3.8%
\$50,000-59,999	185	8.1%	224	8.4%	8	4.2%
\$60,000-74,999	227	9.9%	243	9.1%	3	1.4%
\$75,000-99,999	222	9.7%	265	9.9%	9	3.9%
\$100,000-124,999	145	6.3%	178	6.7%	7	4.6%
\$125,000-149,999	172	7.5%	193	7.2%	4	2.4%
\$150,000-199,999	182	7.9%	217	8.1%	7	3.8%
\$200,000+	151	6.6%	196	7.3%	9	6.0%
Total	2,292	100.0%	2,669	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 households that are income-eligible, both by AMI level and in total.

62+ INCOME DISTRIBUTION 2018

Income Cohort	Total Renter Households	@30%			@50%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	147												
\$10,000-19,999	316	228	2.3%	7							228	2.3%	7
\$20,000-29,999	212	8,141	81.4%	173							8,141	81.4%	173
\$30,000-39,999	191				7,028	70.3%	134	428	4.3%	8	7,028	70.3%	134
\$40,000-49,999	142				6,901	69.0%	98	9,999	100.0%	142	9,999	100.0%	142
\$50,000-59,999	185							6,281	62.8%	116	6,281	62.8%	116
\$60,000-74,999	227												
\$75,000-99,999	222												
\$100,000-124,999	145												
\$125,000-149,999	172												
\$150,000-199,999	182												
\$200,000+	151												
Total	2,292		7.8%	180		10.1%	232		11.6%	266		24.97%	572

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

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

Step Five – Unit Size Appropriate

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

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

HOUSEHOLD DISTRIBUTION

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

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

Step Six – Capture Rate by Bedroom Mix

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

CAPTURE RATE ANALYSIS BY UNIT TYPE – COMBINED (CECELIA HOUSE AND CECELIA HOUSE II)

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

30 Percent of AMI Demand – Combined (Cecelia House and Cecelia House II)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	49.7%	1,140
2 persons	24.6%	563
3 persons	13.2%	302
4 persons	5.5%	126
5+ persons	7.0%	161
Total	100.0%	2,292

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,140	x	89
2 persons	563	x	44
3 persons	302	x	24
4 persons	126	x	10
5+ persons	161	x	13
Total	2,292		180

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	89
2BR	61
Total	151

Capture Rate Analysis - @30%

	Developer's Unit Mix	Capture Rate
1BR	6	6.72%
2BR	2	3.25%
Total/Overall	8	5.31%

Adjusted for Leakage from Outside of the PMA

20%

1BR	6	5.37%
2BR	2	2.60%
Total/Overall	8	4.24%

50 Percent of AMI Demand – Combined (Cecelia House and Cecelia House II)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	49.7%	1,140
2 persons	24.6%	563
3 persons	13.2%	302
4 persons	5.5%	126
5+ persons	7.0%	161
Total	100.0%	2,292

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,140	x	10.1%
2 persons	563	x	10.1%
3 persons	302	x	10.1%
4 persons	126	x	10.1%
5+ persons	161	x	10.1%
Total	2,292		232

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	115
2BR	79
Total	195

Capture Rate Analysis - @50%

	Developer's Unit Mix	Capture Rate
1BR	21	18.20%
2BR	9	11.34%
Total/Overall	30	15.40%

Adjusted for Leakage from Outside of the PMA

20%

1BR	21	14.56%
2BR	9	9.07%
Total/Overall	30	12.32%

60 Percent of AMI Demand – Combined (Cecelia House and Cecelia House II)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	49.7%	1,140
2 persons	24.6%	563
3 persons	13.2%	302
4 persons	5.5%	126
5+ persons	7.0%	161
Total	100.0%	2,292

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,140	x	11.6%
2 persons	563	x	11.6%
3 persons	302	x	11.6%
4 persons	126	x	11.6%
5+ persons	161	x	11.6%
Total	2,292		266

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	132
2BR	91
Total	223

Capture Rate Analysis - @60%

	Developer's Unit Mix	Capture Rate
1BR	46	34.76%
2BR	41	45.03%
Total/Overall	87	38.95%

Adjusted for Leakage from Outside of the PMA

20%

1BR	46	27.81%
2BR	41	36.02%
Total/Overall	87	31.16%

All Units Demand – Combined (Cecelia House and Cecelia House II)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	49.7%	1,140
2 persons	24.6%	563
3 persons	13.2%	302
4 persons	5.5%	126
5+ persons	7.0%	161
Total	100.0%	2,292

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,140	x	285
2 persons	563	x	141
3 persons	302	x	75
4 persons	126	x	31
5+ persons	161	x	40
Total	2,292		572

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	284
2BR	196
Total	480

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	73	25.68%
2BR	52	26.58%
Total/Overall	125	26.05%

Adjusted for Leakage from Outside of the PMA

		20%
1BR	73	20.54%
2BR	52	21.27%
Total/Overall	125	20.84%

ANNUAL CAPTURE RATE ANALYSIS – COMBINED (CECELIA HOUSE AND CECELIA HOUSE II)

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

According to the Virginia Housing Development Authority, between 2015 and January 2019, there have not been any properties allocated tax credits in the Subject's PMA. We do not deduct any units from our annual demand analysis.

Annual Demand Table – Combined (Cecelia House and Cecelia House II)

ANNUAL DEMAND		
Calculation		PMA
Number of Renter Households in 2018		2,292
Increase in Number of Renter Households		377
Number of Renter Households in 2023		2,669
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		20.5%
Percentage of Income-Qualified Renter Households		25.0%
Number of Income-Qualified Renter Households		572
Percentage of Rent-Overburdened		36.2%
Existing Income-Qualified Renter Household Turnover		207
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		75
Percentage of Income-Qualified Renter Households		25.0%
New Rental Income Qualified Households		19
<i>Capture Rate Analysis</i>		
Number of Units in Subject		125
Occupied Units at Subject With Vacancy of:	5%	119
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		226
Portion Originating within PMA		80%
Total Demand (Turnover and Growth) from within PMA		283
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		283
Yielded Annual Capture Rate of Available Demand in 2019		42.1%

The yielded capture rate is approximately 42.1 percent of available demand per annum for the Subject’s units as proposed, which is moderate but nonetheless indicates demand for additional affordable senior rental housing in the Subject’s market.

VHDA DEMAND ANALYSIS – COMBINED (CECELIA HOUSE AND CECELIA HOUSE II)

We also included the required demand table from the VHDA market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject property. There are no proposed or under construction senior affordable properties in the PMA. We include the directly comparable vacant units at the comparable properties. There are two vacant units at The Oaks Apartments, which is located in the PMA. Both vacant units are restricted to 60 percent of the AMI. In addition, there is one vacant 60 percent of AMI unit at Warrenton Manor.

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

Income Restrictions	Up to 30% absent subsidy (min. income to max	Up to 50% absent subsidy (min. income to max	Up to 60% absent subsidy (min. income to max	Project Total absent subsidy(min. income to max.
New Rental Households	29	38	44	94
+				
Existing Households - Overburdened	65	84	96	207
+				
Existing Households -Substandard Housing	4	5	5	11
+				
Senior Households - Likely to Convert to Rental Housing	92	434	260	444
+				
TOTAL DEMAND	190	561	405	757
-				
Supply (includes directly comparable vacant units or in pipeline in PMA)	0	0	3	3
NET DEMAND	190	561	402	754
PROPOSED UNITS	8	30	87	125
CAPTURE RATE	4.2%	5.4%	21.7%	16.6%
ABSORPTION PERIOD	1 month	2 months	6 months	8 months

Property managers at the comparable properties reported that at least a portion of tenants were former homeowners, but none would estimate how many or what proportion of tenants. We estimated that 25 percent of income-qualified households would convert to renting from homeownership. 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 Absent Subsidy	16.6%
Project Wide Absorption Period (Months) Absent Subsidy	8 months

Capture Rate and VHDA Conclusion - Combined (Cecelia House and Cecelia House II)

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units indicates a capture rate of 20.8 percent.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 42.1 percent, indicating that there are 283 units of demand in the PMA in the first year of the Subject’s operation. While this is an elevated capture rate, it indicates adequate demand in the market for the Subject’s proposed units.

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 Absent Subsidy	16.6%
Project Wide Absorption Period (Months) Absent Subsidy	8 months

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

PENETRATION RATE ANALYSIS - COMBINED (CECELIA HOUSE AND CECELIA HOUSE II)

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

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive LIHTC Units in the PMA	0
	+
Number of Existing Competitive Senior LIHTC Units in the PMA	239
	+
Number of Proposed LIHTC Units at the Subject	125
	=
Total	364
	/
Income Eligible Households - All AMI Levels	572
	=
Overall Penetration Rate - Market Focus (NCHMA)	63.6%

The overall penetration rate is derived by taking the number of LIHTC units proposed or under construction within the PMA, combined with the number of existing LIHTC units, and the number of the Subject’s units divided by the number of income eligible households. As previously discussed, there are no planned or under construction senior affordable units that are directly competitive with the proposed Subject in the PMA. There are 239 competitive senior units in the PMA. The Subject’s combined penetration rate is moderate at 41.8 percent. Affordable senior properties in the area reported low vacancy rates and waiting lists. Overall, we believe that there is demand in the market to support additional affordable senior rental housing such as the

proposed Subject. We do not believe that existing senior housing projects in the PMA will be adversely affected by the Subject property.

The following table illustrates the LIHTC properties within the PMA that offer similar unit types and AMI levels, including family-oriented properties.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive LIHTC Units - 30% AMI	Competitive LIHTC Units - 50% AMI	Competitive LIHTC Units - 60% AMI	Total Competitive LIHTC Units
Warrenton Manor	LIHTC/Section 8	Senior	98	0	11	19	30
Moffett Manor	LIHTC	Senior	98	0	0	98	98
The Oaks Apartments	LIHTC	Senior	111	0	24	87	111
Highland Commons	LIHTC	Family	96	0	0	0	0
Hunt Country Manor	LIHTC	Family	55	0	0	0	0
Broad Pointe	LIHTC	Family	124	0	0	0	0
Regency Place	LIHTC	Family	124	0	0	0	0
Total				0	35	204	239

We were able to obtain absorption from one comparable property, Abberly Avera. We extended our search to include all recently-constructed properties in Fauquier and Prince William counties, illustrated in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year	Total Units	Absorption Pace
Abberly Avera	Market	Family	2018	34	9
Kensington Place I	Market	Family	2014	129	32
Shorehaven Apartments	Market	Family	2013	240	34
Arcadia Run Apartments	Market	Family	2013	312	10

The properties in the table above experienced absorption paces ranging from nine to 34 units per month, with total absorption periods ranging from four to 31 months. Abberly Avera is the most recently-constructed property. However, the Subject will be affordable, and the affordable comparable properties in our analysis reported strong demand as indicated by low vacancy rates and waiting lists. As such, we believe that the Subject would experience a faster absorption pace than Abberly Avera. We conclude to an absorption pace of 15 units per month, which equates to a total absorption period of eight months for the combined Subject (Cecelia House and Cecelia House II).

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 a LIHTC property, the Subject will continue to operate with a strong occupancy rate.

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

INTERVIEWS

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

Local Housing Authority Discussion

The Virginia Housing Development Agency (VHDA) has contracted the Rappahannock Rapidan Community Services (RRCS), a non-profit institution to administer its Housing Choice Voucher program in Fauquier County. We spoke with Ms. BobbiLee Downs, Rental Assistance Specialist with Rappahannock Rapidan Community Services. Ms. Downs reported RRCS administers the Housing Choice Voucher program for Culpeper, Madison, Fauquier, Rappahannock and Orange Counties. RRCS is authorized to issue 275 vouchers throughout the five counties, and all currently in use. Ms. Downs stated they will soon be authorized to issue an additional 15 vouchers specifically for non-elderly disabled persons. RRCS grants preference to the elderly, handicapped, disabled, homeless and folks who are working. The waiting list has been closed since 2008; however, there are only 14 people left on the list. Ms. Downs expects the waiting list will be opened sometime in 2019 for the first time in over a decade.

PAYMENT STANDARDS

Unit Type	Standard
Studio	\$1,654
One-Bedroom	\$1,717
Two-Bedroom	\$1,972
Three-Bedroom	\$2,588
Four-Bedroom	\$3,192
Five-Bedroom	\$3,670

Source: Virginia Housing Development Authority, effective 11/1/2017

The Subject is subsidized; therefore, vouchers will not be utilized. The payment standards are above the achievable LIHTC rents for all of the Subject’s units. Therefore, absent subsidy, tenants using vouchers will not have to pay additional rent out of pocket to reside at the Subject.

Planning Discussion

We consulted a CoStar new construction report from February 2019, and there are no proposed or under-construction market-rate properties located in the PMA. Warrenton Manor was allocated tax credit funding in 2014 for rehabilitation of 68 existing, project-based Section 8 units and the construction of 30 additional unsubsidized LIHTC units restricted to senior households earning 50 or 60 percent of the AMI, or less. This section of the property opened in 2016 and is considered as a comparable in our rental analysis. We deducted the 30 unsubsidized LIHTC units at Warrenton Manor from our penetration rate analysis. Additionally, the Subject will be part of a larger overall development that will consist of two buildings (Cecelia House and Cecelia House II). The second phase of the Subject development, Cecelia House II, will consist of 50 units restricted to senior households earning 60 percent of the AMI, or less. We deducted these 50 units from our penetration rate analysis for the Subject only (Cecelia House).

K. ANALYSIS/CONCLUSIONS

Recommendations

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

Demand Summary – Subject Only (Cecelia House)

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 Absent Subsidy	10.7%
Project Wide Absorption Period (Months) Absent Subsidy	5 months

Additionally, the penetration rate for the Subject only (Cecelia House) is 63.6 percent. This is moderate and indicates support for additional affordable housing such as the proposed Subject.

Demand Summary – Combined (Cecelia House and Cecelia House II)

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 Absent Subsidy	16.6%
Project Wide Absorption Period (Months) Absent Subsidy	8 months

Additionally, the penetration rate for the combined Subject (Cecelia House and Cecelia House II) is 63.6 percent. This is moderate and indicates support for additional affordable housing such as the proposed Subject.

Strengths and Weaknesses of the Subject

Strengths

- The Subject will be in excellent condition upon completion, with slightly superior to superior amenities to the majority of the comparable properties.
- The weighted average vacancy rate of the LIHTC comparable properties is less than one percent, indicating a supply-constrained market for affordable housing.
- The Subject will offer some of the largest one and two-bedroom unit sizes in the market.
- The senior LIHTC comparable properties reported short to moderate waiting lists.
- Two of the comparable LIHTC properties reported achieving the maximum allowable rents. Based on low vacancy rates and waiting lists, we believe the remainder are not testing the maximum allowable rents.
- The Subject will be located in a PMA that is experiencing substantial senior population and household growth.
- The Subject will be located in a desirable location based on median household incomes and median rents, as well as crime risk indices.

- The Subject has moderate capture rates, indicating additional demand for affordable senior rental housing such as the Subject.

Weaknesses

- The Subject site is located adjacent to the vacant former Vint Hill Farms Station barracks, which are currently vacant and exhibit fair condition. The barracks were proposed to be redeveloped as part of the Vint Hill Village redevelopment plan, which was withdrawn in late 2017. According to the Fauquier County Office of Community Development, there are no additional redevelopment plans for the site at this time. While we consider the vacant barracks to be a potentially detrimental influence, we believe it will be mitigated by strong demand for affordable rental housing in the broader market, as well as the type and quality of other surrounding uses.

Absorption Estimate

We were able to obtain absorption from one comparable property, Abberly Avera. We extended our search to include all recently-constructed properties in Fauquier and Prince William counties, illustrated in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year	Total Units	Absorption Pace
Abberly Avera	Market	Family	2018	34	9
Kensington Place I	Market	Family	2014	129	32
Shorehaven Apartments	Market	Family	2013	240	34
Arcadia Run Apartments	Market	Family	2013	312	10

The properties in the table above experienced absorption paces ranging from nine to 34 units per month, with total absorption periods ranging from four to 31 months. Abberly Avera is the most recently-constructed property. However, the Subject will be affordable, and the affordable comparable properties in our analysis reported strong demand as indicated by low vacancy rates and waiting lists. As such, we believe that the Subject would experience a faster absorption pace than Abberly Avera. We conclude to an absorption pace of 15 units per month for the proposed Subject, which equates to a total absorption period of five months.

L. OTHER REQUIREMENTS

1. I have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit 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.



Mark Perlman
Market Analyst

February 25, 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

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



Single-family home development east of the Subject site



Single-family home development east of the Subject site



Single-family home development east of the Subject site



Single-family home development east of the Subject site



Single-family home development east of the Subject site



Single-family home development east of the Subject site



View southwest from the Subject site



Infocus Marketing southwest of Subject site



Vint Hill Theater west of the Subject site



The Inn at Vint Hill north of the Subject site



Fauquier County WSA west of Subject site



Vint Hill Coffee west of Subject site



Village Green Community Center west of Subject site



Village Green Community Center west of Subject site



Village Green Community Center sports fields



Economic Development Authority west of the Subject site



Vint Hill Winery north of Subject site



Vint Hill Winery north of Subject site



Old Bust Head Brewery north of the Subject site



Farm Station Cafe north of the Subject site



Retail uses north of the Subject site



Cold War Museum north of the Subject site



Commercially zoned land for sale near the Subject site



FAA Air Traffic Control Center north of the Subject site

ADDENDUM C
Subject Matrices and Property Profiles

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Cecelia House 215 Aiken Drive Vint Hill, VA 20187 Fauquier County	-	Lowrise 4-stories 2020 / n/a Senior	@30%, @50%, @60%	1BR / 1BA	6	8.0%	959	@30%	\$534	Yes	N/A	N/A	N/A
					1BR / 1BA	21	28.0%	959	@50%	\$974	Yes	N/A	N/A	N/A
					1BR / 1BA	26	34.7%	959	@60%	\$1,194	Yes	N/A	N/A	N/A
					2BR / 1BA	2	2.7%	1,237	@30%	\$641	Yes	N/A	N/A	N/A
					2BR / 1BA	9	12.0%	1,237	@50%	\$1,168	Yes	N/A	N/A	N/A
					2BR / 1BA	11	14.7%	1,237	@60%	\$1,432	Yes	N/A	N/A	N/A
					<u>75</u>							N/A	N/A	
1	Highland Commons 12 Walker Drive, #104 Warrenton, VA 20186 Fauquier County	5.9 miles	Garden 3-stories 1996 / n/a Family	@50%, @60%	2BR / 1BA	24	25.0%	877	@50%	\$1,167	Yes	Yes	0	0.0%
					2BR / 2BA	48	50.0%	1,010	@60%	\$1,431	Yes	Yes	0	0.0%
					3BR / 2BA	24	25.0%	1,178	@60%	\$1,643	Yes	Yes	0	0.0%
					<u>96</u>							0	0.0%	
2	Moffett Manor 115 Manor Court Warrenton, VA 20186 Fauquier County	6.9 miles	Lowrise 3-stories 2006 / n/a Senior	@60%	1BR / 1BA	53	54.1%	636	@60%	\$900	No	Yes	0	0.0%
					2BR / 1.5BA	45	45.9%	970	@60%	\$935	No	Yes	0	0.0%
					<u>98</u>								0	0.0%
3	Oaks Of Wellington 10240 Hendley Road Manassas, VA 20110 Prince William County	11.1 miles	Lowrise 3-stories 2003 / n/a Senior	@60%, Market	1BR / 1BA	19	14.6%	610	@60%	\$1,196	Yes	Yes	0	0.0%
					1BR / 1BA	14	10.8%	663	@60%	\$1,196	Yes	Yes	0	0.0%
					2BR / 1BA	26	20.0%	842	@60%	\$1,422	Yes	Yes	0	0.0%
					2BR / 1BA	15	11.5%	843	Market	\$1,810	N/A	No	1	6.7%
					2BR / 1BA	4	3.1%	891	Market	\$1,810	N/A	No	0	0.0%
					2BR / 1BA	3	2.3%	907	Market	\$1,810	N/A	No	0	0.0%
					2BR / 1BA	39	30.0%	922	Market	\$1,810	N/A	No	0	0.0%
					2BR / 2BA	2	1.5%	902	Market	\$1,910	N/A	No	0	0.0%
					2BR / 2BA	8	6.2%	980	Market	\$1,910	N/A	No	0	0.0%
					<u>130</u>							1	0.8%	
4	Park Place Senior Apartments 9659 Manassas Dr Manassas Park, VA 20111 Prince William County	13.5 miles	Various 4-stories 2003 / n/a Senior	@60%	1BR / 1BA	9	6.1%	610	@60%	\$1,001	No	Yes	0	0.0%
					1BR / 1BA	9	6.1%	782	@60%	\$1,011	No	Yes	1	11.1%
					2BR / 1BA	53	35.8%	872	@60%	\$1,115	No	Yes	0	0.0%
					2BR / 1BA	53	35.8%	1,012	@60%	\$1,205	No	Yes	0	0.0%
					2BR / 1.5BA	24	16.2%	925	@60%	\$1,285	Yes	Yes	0	0.0%
					<u>148</u>							1	0.7%	
5	Somerset Pointe I & II 14701 Deming Drive Gainesville, VA 20155 Prince William County	4.6 miles	Garden 3-stories 2001 / n/a Family	@60%	1BR / 1BA	90	32.6%	761	@60%	\$1,160	Yes	No	0	0.0%
					2BR / 2BA	138	50.0%	1,026	@60%	\$1,387	Yes	No	1	0.7%
					3BR / 2BA	48	17.4%	1,215	@60%	\$1,598	Yes	No	0	0.0%
										<u>276</u>				
6	The Oaks Apartments 305 Oak Springs Drive Warrenton, VA 20186 Fauquier County	6.1 miles	Lowrise 2-stories 1996/2001 / n/a Senior	@50%, @60%	1BR / 1BA	23	20.7%	600	@50%	\$785	Yes	Yes	0	0.0%
					1BR / 1BA	70	63.1%	600	@60%	\$785	No	Yes	1	1.4%
					2BR / 1BA	1	0.9%	1,000	@50%	\$902	Yes	Yes	0	0.0%
					2BR / 1BA	2	1.8%	1,000	@60%	\$902	No	Yes	1	50.0%
					2BR / 2BA	15	13.5%	1,100	@60%	\$902	No	Yes	0	0.0%
					<u>111</u>							2	1.8%	
7	Warrenton Manor 663 Hastings Lane Warrenton, VA 22186 Fauquier County	6.2 miles	Lowrise 4-stories 1982 / 2016 Senior	@40% (Section 8), @50%, @50% (Section 8), @60%	OBR / 1BA	3	3.1%	412	@40% (Section 8)	\$950	N/A	No	0	0.0%
					OBR / 1BA	13	13.3%	412	@50% (Section 8)	\$950	N/A	No	0	0.0%
					1BR / 1BA	7	7.1%	527	@40% (Section 8)	\$1,015	N/A	No	0	0.0%
					1BR / 1BA	7	7.1%	678	@50%	\$875	No	No	0	0.0%
					1BR / 1BA	45	45.9%	527	@50% (Section 8)	\$1,015	N/A	No	0	0.0%
					1BR / 1BA	11	11.2%	678	@60%	\$875	No	No	1	9.1%
					2BR / 2BA	4	4.1%	794	@50%	\$1,000	No	No	0	0.0%
					2BR / 2BA	8	8.2%	794	@60%	\$1,000	No	No	0	0.0%
					<u>98</u>							1	1.0%	

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Cecelia House 215 Aiken Drive Vint Hill, VA 20187 Fauquier County	-	Lowrise 4-stories 2020 / n/a Senior	@30%,@50%,@60%	1BR / 1BA	6	8.0%	959	@30%	\$534	Yes	N/A	N/A	N/A
					1BR / 1BA	21	28.0%	959	@50%	\$974	Yes	N/A	N/A	N/A
					1BR / 1BA	26	34.7%	959	@60%	\$1,194	Yes	N/A	N/A	N/A
					2BR / 1BA	2	2.7%	1,237	@30%	\$641	Yes	N/A	N/A	N/A
					2BR / 1BA	9	12.0%	1,237	@50%	\$1,168	Yes	N/A	N/A	N/A
					2BR / 1BA	11	14.7%	1,237	@60%	\$1,432	Yes	N/A	N/A	N/A
					<u>75</u>									
8	Abberly Avera 11601 Hokie Stone Loop Manassas, VA 20109 Prince William County	7.6 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	N/A	N/A	613	Market	\$1,250	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	754	Market	\$1,469	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	756	Market	\$1,383	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	757	Market	\$1,383	N/A	No	N/A	N/A
					1BR / 1.5BA	N/A	N/A	768	Market	\$1,435	N/A	No	N/A	N/A
					1BR / 1.5BA	N/A	N/A	827	Market	\$1,501	N/A	No	N/A	N/A
					1BR / 1.5BA	N/A	N/A	902	Market	\$1,517	N/A	No	N/A	N/A
					1BR / 1.5BA	N/A	N/A	1,002	Market	\$1,582	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,097	Market	\$1,583	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,102	Market	\$1,706	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,112	Market	\$1,676	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,201	Market	\$1,747	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,254	Market	\$1,804	N/A	No	N/A	N/A
<u>336</u>														
9	Masons Keepe 9000 Landings Drive Manassas, VA 20109 Prince William County	9.8 miles	Garden 3-stories 2004 / n/a Family	Market	1BR / 1BA	24	8.9%	759	Market	\$1,620	N/A	No	2	8.3%
					1.5BR / 1BA	36	13.3%	865	Market	\$1,743	N/A	No	0	0.0%
					2BR / 2BA	66	24.4%	1,086	Market	\$1,683	N/A	No	5	7.6%
					2BR / 2BA	54	20.0%	1,181	Market	\$1,876	N/A	No	5	9.3%
					2BR / 2BA	60	22.2%	1,032	Market	\$1,490	N/A	No	5	8.3%
					2.5BR / 2BA	30	11.1%	1,322	Market	\$2,115	N/A	No	0	0.0%
					<u>270</u>									
10	Somershill Farms 7351 Yountville Drive Gainesville, VA 20155 Prince William County	4.7 miles	Garden 3-stories 2007 / n/a Family	Market	1BR / 1BA	N/A	N/A	888	Market	\$1,600	N/A	No	0	N/A
					1BR / 1BA	N/A	N/A	946	Market	\$1,675	N/A	No	1	N/A
					1BR / 1BA	N/A	N/A	786	Market	\$1,535	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	1,111	Market	\$1,850	N/A	No	2	N/A
					2BR / 2BA	N/A	N/A	1,187	Market	\$1,895	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,070	Market	\$1,785	N/A	No	N/A	N/A
					3BR / 2BA	N/A	N/A	1,390	Market	\$2,125	N/A	Yes	0	N/A
					3BR / 2BA	N/A	N/A	1,447	Market	\$2,300	N/A	Yes	0	N/A
					3BR / 2BA	N/A	N/A	1,273	Market	\$1,950	N/A	Yes	0	N/A
<u>140</u>														
11	The Point At Manassas 11212 Chatterly Loop Manassas, VA 20109 Prince William County	8.5 miles	Garden 3-stories 2000 / n/a Family	Market	1BR / 1BA	23	4.0%	837	Market	\$1,433	N/A	No	0	0.0%
					2BR / 2BA	208	36.2%	1,121	Market	\$1,787	N/A	No	7	3.4%
					2BR / 2BA	208	36.2%	1,076	Market	\$1,682	N/A	No	7	3.4%
					2.5BR / 2BA	74	12.9%	1,312	Market	\$1,892	N/A	No	7	9.5%
					3BR / 2BA	62	10.8%	1,329	Market	\$2,112	N/A	No	0	0.0%
					<u>575</u>									
12	Van Metre Barrington Park 10367 Leighton Place Manassas, VA 20110 Manassas County	10.5 miles	Various 3-stories 2008 / n/a Family	Market	1BR / 1BA	N/A	N/A	715	Market	\$1,352	N/A	No	0	N/A
					1BR / 1BA	N/A	N/A	760	Market	\$1,397	N/A	No	1	N/A
					1BR / 1BA	N/A	N/A	670	Market	\$1,272	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	736	Market	\$1,577	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	762	Market	\$1,577	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	818	Market	\$1,652	N/A	No	0	N/A
					2BR / 2.5BA	N/A	N/A	1,324	Market	\$1,922	N/A	No	1	N/A
					3BR / 2BA	N/A	N/A	1,331	Market	\$2,112	N/A	No	0	N/A
3BR / 2.5BA	N/A	N/A	1,494	Market	\$2,112	N/A	No	0	N/A					
<u>148</u>														
13	Wellington Place At Olde Town 10303 7th Regiment Drive Manassas, VA 20110 Manassas County	11.4 miles	Garden 2-stories 1987 / n/a Family	Market	0BR / 1BA	20	5.4%	537	Market	\$1,303	N/A	No	0	0.0%
					0BR / 1BA	20	5.4%	537	Market	\$1,148	N/A	No	0	0.0%
					1BR / 1BA	40	10.8%	622	Market	\$1,397	N/A	No	0	0.0%
					1BR / 1BA	30	8.1%	735	Market	\$1,447	N/A	No	1	3.3%
					1BR / 1BA	40	10.8%	622	Market	\$1,341	N/A	No	0	0.0%
					1BR / 1BA	30	8.1%	735	Market	\$1,371	N/A	No	0	0.0%
					2BR / 1BA	40	10.8%	870	Market	\$1,532	N/A	No	1	2.5%
					2BR / 2BA	56	15.1%	955	Market	\$1,581	N/A	No	1	1.8%
					2BR / 2BA	38	10.2%	1,008	Market	\$1,768	N/A	No	1	2.6%
					2BR / 2BA	38	10.2%	1,008	Market	\$1,618	N/A	No	N/A	N/A
					2BR / 2.5BA	14	3.8%	1,182	Market	\$1,797	N/A	No	0	0.0%
					3BR / 3BA	6	1.6%	1,400	Market	\$1,912	N/A	No	0	0.0%
<u>372</u>														
												<u>306</u>	<u>91.1%</u>	
												<u>17</u>	<u>6.3%</u>	
												<u>2</u>	<u>1.4%</u>	
												<u>21</u>	<u>3.7%</u>	
												<u>2</u>	<u>1.4%</u>	
												<u>4</u>	<u>1.1%</u>	

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	2,798	Weighted Occupancy:	87.2%
	Market Rate	1,841	Market Rate	80.9%
	Tax Credit	957	Tax Credit	99.4%
One-Bedroom One Bath		Two-Bedroom One Bath		
Property	Average	Property	Average	
RENT				
Somerhill Farms (Market)	\$1,675	Van Metre Barrington Park (Market)(2.5BA)	\$1,922	
Masons Keepe (Market)	\$1,620	Oaks Of Wellington (Market)(2BA)	\$1,910	
Somerhill Farms (Market)	\$1,600	Oaks Of Wellington (Market)(2BA)	\$1,910	
Abberly Avera (Market)(1.5BA)	\$1,582	Somerhill Farms (Market)(2BA)	\$1,895	
Somerhill Farms (Market)	\$1,535	Masons Keepe (Market)(2BA)	\$1,876	
Abberly Avera (Market)(1.5BA)	\$1,517	Somerhill Farms (Market)(2BA)	\$1,850	
Abberly Avera (Market)(1.5BA)	\$1,501	Oaks Of Wellington (Market)	\$1,810	
Abberly Avera (Market)	\$1,469	Oaks Of Wellington (Market)	\$1,810	
Wellington Place At Olde Town (Market)	\$1,447	Oaks Of Wellington (Market)	\$1,810	
Abberly Avera (Market)(1.5BA)	\$1,435	Oaks Of Wellington (Market)	\$1,810	
The Point At Manassas (Market)	\$1,433	Abberly Avera (Market)(2BA)	\$1,804	
Van Metre Barrington Park (Market)	\$1,397	Wellington Place At Olde Town (Market)(2.5BA)	\$1,797	
Wellington Place At Olde Town (Market)	\$1,397	The Point At Manassas (Market)(2BA)	\$1,787	
Abberly Avera (Market)	\$1,383	Somerhill Farms (Market)(2BA)	\$1,785	
Abberly Avera (Market)	\$1,383	Wellington Place At Olde Town (Market)(2BA)	\$1,768	
Wellington Place At Olde Town (Market)	\$1,371	Abberly Avera (Market)(2BA)	\$1,747	
Van Metre Barrington Park (Market)	\$1,352	Abberly Avera (Market)(2BA)	\$1,706	
Wellington Place At Olde Town (Market)	\$1,341	Masons Keepe (Market)(2BA)	\$1,683	
Van Metre Barrington Park (Market)	\$1,272	The Point At Manassas (Market)(2BA)	\$1,682	
Abberly Avera (Market)	\$1,250	Abberly Avera (Market)(2BA)	\$1,676	
Oaks Of Wellington (@60%)	\$1,196	Van Metre Barrington Park (Market)(2BA)	\$1,652	
Oaks Of Wellington (@60%)	\$1,196	Wellington Place At Olde Town (Market)(2BA)	\$1,618	
Cecelia House (@60%)	\$1,194	Abberly Avera (Market)(2BA)	\$1,583	
Somerset Pointe I & II (@60%)	\$1,160	Wellington Place At Olde Town (Market)(2BA)	\$1,581	
Warrenton Manor (@40%)	\$1,015	Van Metre Barrington Park (Market)	\$1,577	
Warrenton Manor (@50%)	\$1,015	Van Metre Barrington Park (Market)	\$1,577	
Park Place Senior Apartments (@60%)	\$1,011	Wellington Place At Olde Town (Market)	\$1,532	
Park Place Senior Apartments (@60%)	\$1,001	Masons Keepe (Market)(2BA)	\$1,490	
Cecelia House (@50%)	\$974	Cecelia House (@60%)	\$1,432	
Moffett Manor (@60%)	\$900	Highland Commons (@60%)(2BA)	\$1,431	
Warrenton Manor (@50%)	\$875	Oaks Of Wellington (@60%)	\$1,422	
Warrenton Manor (@60%)	\$875	Somerset Pointe I & II (@60%)(2BA)	\$1,387	
The Oaks Apartments (@60%)	\$785	Park Place Senior Apartments (@60%)(1.5BA)	\$1,285	
The Oaks Apartments (@50%)	\$785	Park Place Senior Apartments (@60%)	\$1,205	
Cecelia House (@30%)	\$534	Cecelia House (@50%)	\$1,168	
		Highland Commons (@50%)	\$1,167	
		Park Place Senior Apartments (@60%)	\$1,115	
		Warrenton Manor (@60%)(2BA)	\$1,000	
		Warrenton Manor (@50%)(2BA)	\$1,000	
		Moffett Manor (@60%)(1.5BA)	\$935	
		The Oaks Apartments (@60%)(2BA)	\$902	
		The Oaks Apartments (@60%)	\$902	
		The Oaks Apartments (@50%)	\$902	
		Cecelia House (@30%)	\$641	
SQUARE FOOTAGE				
Abberly Avera (Market)(1.5BA)	1,002	Van Metre Barrington Park (Market)(2.5BA)	1,324	
Cecelia House (@30%)	959	Abberly Avera (Market)(2BA)	1,254	
Cecelia House (@50%)	959	Cecelia House (@30%)	1,237	
Cecelia House (@60%)	959	Cecelia House (@50%)	1,237	
Somerhill Farms (Market)	946	Cecelia House (@60%)	1,237	
Abberly Avera (Market)(1.5BA)	902	Abberly Avera (Market)(2BA)	1,201	
Somerhill Farms (Market)	888	Somerhill Farms (Market)(2BA)	1,187	
The Point At Manassas (Market)	837	Wellington Place At Olde Town (Market)(2.5BA)	1,182	
Abberly Avera (Market)(1.5BA)	827	Masons Keepe (Market)(2BA)	1,181	
Somerhill Farms (Market)	786	The Point At Manassas (Market)(2BA)	1,121	
Park Place Senior Apartments (@60%)	782	Abberly Avera (Market)(2BA)	1,112	
Abberly Avera (Market)(1.5BA)	768	Somerhill Farms (Market)(2BA)	1,111	
Somerset Pointe I & II (@60%)	761	Abberly Avera (Market)(2BA)	1,102	
Van Metre Barrington Park (Market)	760	The Oaks Apartments (@60%)(2BA)	1,100	
Masons Keepe (Market)	759	Abberly Avera (Market)(2BA)	1,097	
Abberly Avera (Market)	757	Masons Keepe (Market)(2BA)	1,086	
Abberly Avera (Market)	756	The Point At Manassas (Market)(2BA)	1,076	
Abberly Avera (Market)	754	Somerhill Farms (Market)(2BA)	1,070	
Wellington Place At Olde Town (Market)	735	Masons Keepe (Market)(2BA)	1,032	
Wellington Place At Olde Town (Market)	735	Somerset Pointe I & II (@60%)(2BA)	1,026	
Van Metre Barrington Park (Market)	715	Park Place Senior Apartments (@60%)	1,012	
Warrenton Manor (@60%)	678	Highland Commons (@60%)(2BA)	1,010	
Warrenton Manor (@50%)	678	Wellington Place At Olde Town (Market)(2BA)	1,008	
Van Metre Barrington Park (Market)	670	Wellington Place At Olde Town (Market)(2BA)	1,008	
Oaks Of Wellington (@60%)	663	The Oaks Apartments (@50%)	1,000	
Moffett Manor (@60%)	636	The Oaks Apartments (@60%)	1,000	
Wellington Place At Olde Town (Market)	622	Oaks Of Wellington (Market)(2BA)	980	
Wellington Place At Olde Town (Market)	622	Moffett Manor (@60%)(1.5BA)	970	
Abberly Avera (Market)	613	Wellington Place At Olde Town (Market)(2BA)	955	
Oaks Of Wellington (@60%)	610	Park Place Senior Apartments (@60%)(1.5BA)	925	
Park Place Senior Apartments (@60%)	610	Oaks Of Wellington (Market)	922	
The Oaks Apartments (@50%)	600	Oaks Of Wellington (Market)	907	
The Oaks Apartments (@60%)	600	Oaks Of Wellington (Market)(2BA)	902	
Warrenton Manor (@50%)	527	Oaks Of Wellington (Market)	891	
Warrenton Manor (@40%)	527	Highland Commons (@50%)	877	
		Park Place Senior Apartments (@60%)	872	
		Wellington Place At Olde Town (Market)	870	
		Oaks Of Wellington (Market)	843	
		Oaks Of Wellington (@60%)	842	
		Van Metre Barrington Park (Market)(2BA)	818	
		Warrenton Manor (@60%)(2BA)	794	
		Warrenton Manor (@50%)(2BA)	794	
		Van Metre Barrington Park (Market)	762	
		Van Metre Barrington Park (Market)	736	

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.

		Units Surveyed:	2,798	Weighted Occupancy:	87.2%
		Market Rate	1,841	Market Rate	80.9%
		Tax Credit	957	Tax Credit	99.4%
		One-Bedroom One Bath		Two-Bedroom One Bath	
		Property	Average	Property	Average
RENT PER SQUARE FOOT	Wellington Place At Olde Town (Market)		\$2.25	Oaks Of Wellington (Market)	\$2.15
	Wellington Place At Olde Town (Market)		\$2.16	Van Metre Barrington Park (Market)	\$2.14
	Masons Keepe (Market)		\$2.13	Oaks Of Wellington (Market)(2BA)	\$2.12
	Abberly Avera (Market)		\$2.04	Van Metre Barrington Park (Market)	\$2.07
	Wellington Place At Olde Town (Market)		\$1.97	Oaks Of Wellington (Market)	\$2.03
	Oaks Of Wellington (@60%)		\$1.96	Van Metre Barrington Park (Market)(2BA)	\$2.02
	Somerhill Farms (Market)		\$1.95	Oaks Of Wellington (Market)	\$2.00
	Abberly Avera (Market)		\$1.95	Oaks Of Wellington (Market)	\$1.96
	Warrenton Manor (@40%)		\$1.93	Oaks Of Wellington (Market)(2BA)	\$1.95
	Warrenton Manor (@50%)		\$1.93	Wellington Place At Olde Town (Market)	\$1.76
	Van Metre Barrington Park (Market)		\$1.90	Wellington Place At Olde Town (Market)(2BA)	\$1.75
	Van Metre Barrington Park (Market)		\$1.89	Oaks Of Wellington (@60%)	\$1.69
	Abberly Avera (Market)(1.5BA)		\$1.87	Somerhill Farms (Market)(2BA)	\$1.67
	Wellington Place At Olde Town (Market)		\$1.87	Somerhill Farms (Market)(2BA)	\$1.67
	Van Metre Barrington Park (Market)		\$1.84	Wellington Place At Olde Town (Market)(2BA)	\$1.66
	Abberly Avera (Market)		\$1.83	Wellington Place At Olde Town (Market)(2BA)	\$1.61
	Abberly Avera (Market)		\$1.83	Somerhill Farms (Market)(2BA)	\$1.60
	Abberly Avera (Market)(1.5BA)		\$1.81	The Point At Manassas (Market)(2BA)	\$1.59
	Oaks Of Wellington (@60%)		\$1.80	Masons Keepe (Market)(2BA)	\$1.59
	Somerhill Farms (Market)		\$1.80	The Point At Manassas (Market)(2BA)	\$1.56
	Somerhill Farms (Market)		\$1.77	Masons Keepe (Market)(2BA)	\$1.55
	The Point At Manassas (Market)		\$1.71	Abberly Avera (Market)(2BA)	\$1.55
	Abberly Avera (Market)(1.5BA)		\$1.68	Wellington Place At Olde Town (Market)(2.5BA)	\$1.52
	Park Place Senior Apartments (@60%)		\$1.64	Abberly Avera (Market)(2BA)	\$1.51
	Abberly Avera (Market)(1.5BA)		\$1.58	Abberly Avera (Market)(2BA)	\$1.45
	Somerset Pointe I & II (@60%)		\$1.52	Van Metre Barrington Park (Market)(2.5BA)	\$1.45
	Moffett Manor (@60%)		\$1.42	Masons Keepe (Market)(2BA)	\$1.44
	The Oaks Apartments (@60%)		\$1.31	Abberly Avera (Market)(2BA)	\$1.44
	The Oaks Apartments (@50%)		\$1.31	Abberly Avera (Market)(2BA)	\$1.44
	Park Place Senior Apartments (@60%)		\$1.29	Highland Commons (@60%)(2BA)	\$1.42
	Warrenton Manor (@60%)		\$1.29	Park Place Senior Apartments (@60%)(1.5BA)	\$1.39
	Warrenton Manor (@50%)		\$1.29	Somerset Pointe I & II (@60%)(2BA)	\$1.35
	Cecelia House (@60%)		\$1.25	Highland Commons (@50%)	\$1.33
	Cecelia House (@50%)		\$1.02	Park Place Senior Apartments (@60%)	\$1.28
	Cecelia House (@30%)		\$0.56	Warrenton Manor (@50%)(2BA)	\$1.26
			Warrenton Manor (@60%)(2BA)	\$1.26	
			Park Place Senior Apartments (@60%)	\$1.19	
			Cecelia House (@60%)	\$1.16	
			Moffett Manor (@60%)(1.5BA)	\$0.96	
			Cecelia House (@50%)	\$0.94	
			The Oaks Apartments (@50%)	\$0.90	
			The Oaks Apartments (@60%)	\$0.90	
			The Oaks Apartments (@60%)(2BA)	\$0.82	
			Cecelia House (@30%)	\$0.52	

PROPERTY PROFILE REPORT

Highland Commons

Effective Rent Date	2/21/2019
Location	12 Walker Drive, #104 Warrenton, VA 20186 Fauquier County
Distance	5.9 miles
Units	96
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1996 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Majority families; few seniors
Contact Name	Stephanie
Phone	(540) 341-7400



Market Information

Program	@50%, @60%
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	16%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increase of 10.3 to 12.8%
Concession	None
Waiting List	Yes, fewer than 10 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (3 stories)	24	877	\$1,232	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	48	1,010	\$1,496	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	24	1,178	\$1,722	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,232	\$0	\$1,232	-\$65	\$1,167	2BR / 2BA	\$1,496	\$0	\$1,496	-\$65	\$1,431
						3BR / 2BA	\$1,722	\$0	\$1,722	-\$79	\$1,643

Highland Commons, continued

Amenities

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

Comments

The contact reported that the majority of residents are family households, with some seniors, but could not elaborate on the proportion of senior tenants or the amount of demand from senior households.

Photos



PROPERTY PROFILE REPORT

Moffett Manor

Effective Rent Date	2/05/2019
Location	115 Manor Court Warrenton, VA 20186 Fauquier County
Distance	6.9 miles
Units	98
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Seniors age 55+, most are in their 70s
Contact Name	Jessica
Phone	(540) 341-8299



Market Information

Program	@60%
Annual Turnover Rate	4%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased one to two percent
Concession	None
Waiting List	Yes, three households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	53	636	\$950	\$0	@60%	Yes	0	0.0%	no	None
2	1.5	Lowrise (3 stories)	45	970	\$1,000	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$950	\$0	\$950	-\$50	\$900
2BR / 1.5BA	\$1,000	\$0	\$1,000	-\$65	\$935

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Garbage Disposal	Video Surveillance	
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Off-Street Parking(\$0.00)	On-Site Management		

Comments

The contact was unaware if rents are at the maximum allowable levels. The property is typically at 100 percent occupancy.

Photos





PROPERTY PROFILE REPORT

Oaks Of Wellington

Effective Rent Date	2/05/2019
Location	10240 Hendley Road Manassas, VA 20110 Prince William County
Distance	11.1 miles
Units	130
Vacant Units	1
Vacancy Rate	0.8%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Park Place Apartments, Quarry Station
Tenant Characteristics	55+, average age is mid to late 70's
Contact Name	Susie
Phone	703-365-8500



Market Information

Program	@60%, Market
Annual Turnover Rate	18%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within one month
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes, 27 households

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	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 (3 stories)	19	610	\$1,310	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	14	663	\$1,310	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	26	842	\$1,569	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	15	843	\$1,957	\$0	Market	No	1	6.7%	N/A	None
2	1	Lowrise (3 stories)	4	891	\$1,957	\$0	Market	No	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	3	907	\$1,957	\$0	Market	No	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	39	922	\$1,957	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	2	902	\$2,057	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	8	980	\$2,057	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,310	\$0	\$1,310	-\$114	\$1,196	2BR / 1BA	\$1,957	\$0	\$1,957	-\$148	\$1,809
2BR / 1BA	\$1,569	\$0	\$1,569	-\$148	\$1,421	2BR / 2BA	\$2,057	\$0	\$2,057	-\$148	\$1,909

Oaks Of Wellington, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Cable/Satellite/Internet	Carpeting	Limited Access	
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Hand Rails		
Oven	Pull Cords		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Carport(\$25.00)	Hairdresser / Barber	Washers and dryers in two-
Clubhouse/Meeting Room/Community	Elevators		
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		
Swimming Pool			

Comments

This property is encumbered with a LURA that requires at least 40 percent of the units to be restricted to households earning 60 percent of AMI or less until 2033. Washers and dryers are available in the two-bedroom units, only.

Photos



PROPERTY PROFILE REPORT

Park Place Senior Apartments

Effective Rent Date	2/05/2019
Location	9659 Manassas Dr Manassas Park, VA 20111 Prince William County
Distance	13.5 miles
Units	148
Vacant Units	1
Vacancy Rate	0.7%
Type	Various (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	Forest Glen, Oaks of Wellington
Tenant Characteristics	Average tenant is aged 70 to 75, many are from out of state
Contact Name	Audrey
Phone	703-257-3455



Market Information

Program	@60%
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	22%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased one to seven percent
Concession	None
Waiting List	Yes, 10 households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	included -- gas
Heat	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	Midrise (4 stories)	9	610	\$1,090	\$0	@60%	Yes	0	0.0%	no	None
1	1	Midrise (4 stories)	9	782	\$1,100	\$0	@60%	Yes	1	11.1%	no	None
2	1	Midrise (4 stories)	53	872	\$1,230	\$0	@60%	Yes	0	0.0%	no	None
2	1	Midrise (4 stories)	53	1,012	\$1,320	\$0	@60%	Yes	0	0.0%	no	None
2	1.5	One-story	24	925	\$1,400	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,090 - \$1,100	\$0	\$1,090 - \$1,100	-\$89	\$1,001 - \$1,011
2BR / 1BA	\$1,230 - \$1,320	\$0	\$1,230 - \$1,320	-\$116	\$1,114 - \$1,204
2BR / 1.5BA	\$1,400	\$0	\$1,400	-\$116	\$1,284

Park Place Senior Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Phone)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Video Surveillance	
Hand Rails	Microwave		
Oven	Pull Cords		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Carport(\$35.00)	Clubhouse/Meeting Room/Community	None	None
Courtyard	Elevators		
Exercise Facility	Off-Street Parking(\$0.00)		
On-Site Management	Picnic Area		
Recreation Areas	Theatre		

Comments

The contact stated that there is an equal amount of demand for the one-bedroom units and two-bedroom units. Price difference is for difference in size.

Photos



PROPERTY PROFILE REPORT

Somerset Pointe I & II

Effective Rent Date	2/05/2019
Location	14701 Deming Drive Gainesville, VA 20155 Prince William County
Distance	4.6 miles
Units	276
Vacant Units	1
Vacancy Rate	0.4%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Somerhill Farms, Woodburn Apartments
Tenant Characteristics	Most tenants are from Gainesville & Manassas
Contact Name	Arista
Phone	(703) 753-7100



Market Information

Program	@60%
Annual Turnover Rate	22%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased five percent
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	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)	90	761	\$1,210	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	138	1,026	\$1,452	\$0	@60%	No	1	0.7%	yes	None
3	2	Garden (3 stories)	48	1,215	\$1,677	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,210	\$0	\$1,210	-\$50	\$1,160
2BR / 2BA	\$1,452	\$0	\$1,452	-\$65	\$1,387
3BR / 2BA	\$1,677	\$0	\$1,677	-\$79	\$1,598

Amenities

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

Comments

The contact would not estimate the proportion of senior tenants at the property. Some units have received new cabinetry over the past few years.

Photos



PROPERTY PROFILE REPORT

The Oaks Apartments

Effective Rent Date	2/05/2019
Location	305 Oak Springs Drive Warrenton, VA 20186 Fauquier County
Distance	6.1 miles
Units	111
Vacant Units	2
Vacancy Rate	1.8%
Type	Lowrise (age-restricted) (2 stories)
Year Built/Renovated	1996/2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Seniors age 55+; most are in their 70s, tenants are mostly from Warrenton
Contact Name	Stephanie
Phone	(540) 349-9725



Market Information

Program	@50%, @60%
Annual Turnover Rate	16%
Units/Month Absorbed	N/A
HCV Tenants	4%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes, three households

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- gas
Heat	included -- gas
Other Electric	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 (2 stories)	23	600	\$899	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (2 stories)	70	600	\$899	\$0	@60%	Yes	1	1.4%	no	None
2	1	Lowrise (2 stories)	1	1,000	\$1,049	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (2 stories)	2	1,000	\$1,049	\$0	@60%	Yes	1	50.0%	no	None
2	2	Lowrise (2 stories)	15	1,100	\$1,049	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$899	\$0	\$899	-\$114	\$785	1BR / 1BA	\$899	\$0	\$899	-\$114	\$785
2BR / 1BA	\$1,049	\$0	\$1,049	-\$148	\$901	2BR / 1BA	\$1,049	\$0	\$1,049	-\$148	\$901
						2BR / 2BA	\$1,049	\$0	\$1,049	-\$148	\$901

The Oaks Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Pull Cords	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	Hairdresser / Barber	None
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management			

Comments

The contact reported demand for affordable senior housing is strong.

Photos





PROPERTY PROFILE REPORT

Warrenton Manor

Effective Rent Date	2/21/2019
Location	663 Hastings Lane Warrenton, VA 22186 Fauquier County
Distance	6.2 miles
Units	98
Vacant Units	1
Vacancy Rate	1.0%
Type	Lowrise (age-restricted) (4 stories)
Year Built/Renovated	1982 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Seniors 55+, average age is over 70
Contact Name	Alice
Phone	540-349-1353



Market Information

Program	@40% (Section 8), @50%, @50% (Section 8),
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	13%
Leasing Pace	Within one month
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	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise (4 stories)	3	412	\$950	\$0	@40% (Section 8)	No	0	0.0%	N/A	None
0	1	Lowrise (4 stories)	13	412	\$950	\$0	@50% (Section 8)	No	0	0.0%	N/A	None
1	1	Lowrise (4 stories)	7	527	\$1,015	\$0	@40% (Section 8)	No	0	0.0%	N/A	None
1	1	Lowrise (4 stories)	7	678	\$875	\$0	@50%	No	0	0.0%	no	None
1	1	Lowrise (4 stories)	45	527	\$1,015	\$0	@50% (Section 8)	No	0	0.0%	N/A	None
1	1	Lowrise (4 stories)	11	678	\$875	\$0	@60%	No	1	9.1%	no	None
2	2	Lowrise (4 stories)	4	794	\$1,000	\$0	@50%	No	0	0.0%	no	None
2	2	Lowrise (4 stories)	8	794	\$1,000	\$0	@60%	No	0	0.0%	no	None

Photos



PROPERTY PROFILE REPORT

Abberly Avera

Effective Rent Date	2/05/2019
Location	11601 Hokie Stone Loop Manassas, VA 20109 Prince William County
Distance	7.6 miles
Units	336
Vacant Units	306
Vacancy Rate	91.1%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Tenants are from all over northern Virginia, would not disclose composition
Contact Name	Antonio
Phone	833-239-1250



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	9
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	\$500 off first month's rent
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

Photos



PROPERTY PROFILE REPORT

Masons Keep

Effective Rent Date	2/06/2019
Location	9000 Landings Drive Manassas, VA 20109 Prince William County
Distance	9.8 miles
Units	270
Vacant Units	17
Vacancy Rate	6.3%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Rosemary Ridge, Arcadia Run
Tenant Characteristics	Tenants from Manassas working in DC
Contact Name	Mike
Phone	703-530-8833



Market Information

Program	Market
Annual Turnover Rate	18%
Units/Month Absorbed	68
HCV Tenants	2%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased up to 14 percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	24	759	\$1,620	\$0	Market	No	2	8.3%	N/A	AVG*
1.5	1	Garden (3 stories)	36	865	\$1,743	\$0	Market	No	0	0.0%	N/A	HIGH*
2	2	Garden (3 stories)	66	1,086	\$1,683	\$0	Market	No	5	7.6%	N/A	AVG*
2	2	Garden (3 stories)	54	1,181	\$1,876	\$0	Market	No	5	9.3%	N/A	HIGH*
2	2	Garden (3 stories)	60	1,032	\$1,490	\$0	Market	No	5	8.3%	N/A	LOW*
2.5	2	Garden (3 stories)	30	1,322	\$2,115	\$0	Market	No	0	0.0%	N/A	AVG*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,620	\$0	\$1,620	\$0	\$1,620
1.5BR / 1BA	\$1,743	\$0	\$1,743	\$0	\$1,743
2BR / 2BA	\$1,490 - \$1,876	\$0	\$1,490 - \$1,876	\$0	\$1,490 - \$1,876
2.5BR / 2BA	\$2,115	\$0	\$2,115	\$0	\$2,115

Masons Keepe, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$135.00)		
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Swimming Pool		
Tennis Court	Volleyball Court		

Comments

The contact attributed elevated vacancy to a winter lull in demand. The contact reported the property typically operates at a higher occupancy. The contact reported the rent range is due to location on property, views and slightly remodeled units. The contact reported many tenants work at Lockheed Martin and Micron nearby.

Photos



PROPERTY PROFILE REPORT

Somerhill Farms

Effective Rent Date	2/05/2019
Location	7351 Yountville Drive Gainesville, VA 20155 Prince William County
Distance	4.7 miles
Units	140
Vacant Units	2
Vacancy Rate	1.4%
Type	Garden (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Lauren
Phone	703.754.8008



Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	See comments
Concession	None
Waiting List	Yes, one household for three-bedroom units

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	888	\$1,600	\$0	Market	No	0	N/A	N/A	AVG*
1	1	Garden (3 stories)	N/A	946	\$1,675	\$0	Market	No	1	N/A	N/A	HIGH*
1	1	Garden (3 stories)	N/A	786	\$1,535	\$0	Market	No	0	N/A	N/A	LOW*
2	2	Garden (3 stories)	N/A	1,111	\$1,850	\$0	Market	No	2	N/A	N/A	AVG*
2	2	Garden (3 stories)	N/A	1,187	\$1,895	\$0	Market	No	N/A	N/A	N/A	HIGH*
2	2	Garden (3 stories)	N/A	1,070	\$1,785	\$0	Market	No	N/A	N/A	N/A	LOW*
3	2	Garden (3 stories)	N/A	1,390	\$2,125	\$0	Market	Yes	0	N/A	N/A	AVG*
3	2	Garden (3 stories)	N/A	1,447	\$2,300	\$0	Market	Yes	0	N/A	N/A	HIGH*
3	2	Garden (3 stories)	N/A	1,273	\$1,950	\$0	Market	Yes	0	N/A	N/A	LOW*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,535 - \$1,675	\$0	\$1,535 - \$1,675	\$0	\$1,535 - \$1,675
2BR / 2BA	\$1,785 - \$1,895	\$0	\$1,785 - \$1,895	\$0	\$1,785 - \$1,895
3BR / 2BA	\$1,950 - \$2,300	\$0	\$1,950 - \$2,300	\$0	\$1,950 - \$2,300

Amenities

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

Comments

One-bedroom rents decreased significantly since our last interview in 2017, yet the contact reported rents increased over the past year. The property does not accept Housing Choice Vouchers. In the past year, rent changes have ranged from a 20 percent decrease to a four percent increase.

Photos



PROPERTY PROFILE REPORT

The Point At Manassas

Effective Rent Date	2/06/2019
Location	11212 Chatterly Loop Manassas, VA 20109 Prince William County
Distance	8.5 miles
Units	575
Vacant Units	21
Vacancy Rate	3.7%
Type	Garden (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Rosemary Ridge, Masons Keep
Tenant Characteristics	Influx of tenants from Arlington and Alexandria area
Contact Name	Justin
Phone	703-392-3515



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased up to 20 percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	23	837	\$1,433	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	208	1,121	\$1,787	\$0	Market	No	7	3.4%	N/A	AVG*
2	2	Garden (3 stories)	208	1,076	\$1,682	\$0	Market	No	7	3.4%	N/A	LOW*
2.5	2	Garden (3 stories)	74	1,312	\$1,892	\$0	Market	No	7	9.5%	N/A	HIGH*
3	2	Garden (3 stories)	62	1,329	\$2,112	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,433	\$0	\$1,433	\$0	\$1,433
2BR / 2BA	\$1,682 - \$1,787	\$0	\$1,682 - \$1,787	\$0	\$1,682 - \$1,787
2.5BR / 2BA	\$1,892	\$0	\$1,892	\$0	\$1,892
3BR / 2BA	\$2,112	\$0	\$2,112	\$0	\$2,112

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Phone)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Vaulted Ceilings	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		
Playground	Swimming Pool		

Comments

Trash removal is an additional \$12 per month charge, which is reflected in the profile's rents. The property does not accept Housing Choice Vouchers. Of the 21 vacant units, three are pre-leased. The property utilizes a LRO system, therefore rents change daily.

Photos



PROPERTY PROFILE REPORT

Van Metre Barrington Park

Effective Rent Date	2/11/2019
Location	10367 Leighton Place Manassas, VA 20110 Manassas County
Distance	10.5 miles
Units	148
Vacant Units	2
Vacancy Rate	1.4%
Type	Various (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Jennifer
Phone	703-272-2725



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	22
HCV Tenants	1%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased up to 19 percent
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	715	\$1,340	\$0	Market	No	0	N/A	N/A	AVG*
1	1	Garden (3 stories)	N/A	760	\$1,385	\$0	Market	No	1	N/A	N/A	HIGH*
1	1	Garden (3 stories)	N/A	670	\$1,260	\$0	Market	No	0	N/A	N/A	LOW*
2	1	Garden (3 stories)	N/A	736	\$1,565	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (3 stories)	N/A	762	\$1,565	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	818	\$1,640	\$0	Market	No	0	N/A	N/A	None
2	2.5	Townhouse	N/A	1,324	\$1,910	\$0	Market	No	1	N/A	N/A	AVG*
2	2.5	Townhouse	N/A	1,524	\$1,923	\$0	Market	No	0	N/A	N/A	HIGH
2	2.5	Townhouse	N/A	1,123	\$1,900	\$0	Market	No	0	N/A	N/A	LOW
3	2	Townhouse	N/A	1,331	\$2,100	\$0	Market	No	0	N/A	N/A	None
3	2.5	Townhouse	N/A	1,494	\$2,100	\$0	Market	No	0	N/A	N/A	None

Van Metre Barrington Park, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,260 - \$1,385	\$0	\$1,260 - \$1,385	\$12	\$1,272 - \$1,397
2BR / 1BA	\$1,565	\$0	\$1,565	\$12	\$1,577
2BR / 2BA	\$1,640	\$0	\$1,640	\$12	\$1,652
2BR / 2.5BA	\$1,900 - \$1,923	\$0	\$1,900 - \$1,923	\$12	\$1,912 - \$1,935
3BR / 2BA	\$2,100	\$0	\$2,100	\$12	\$2,112
3BR / 2.5BA	\$2,100	\$0	\$2,100	\$12	\$2,112

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Cable/Satellite/Internet	Carpet/Hardwood		
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Garage(\$0.00)	None	Dog park
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Recreation Areas		

Comments

Management utilizes an LRO system, therefore rents change daily. The contact reported the one-bedroom rents are higher than average due to lack of availability. Of the two vacant units, both are pre-leased.

Photos



PROPERTY PROFILE REPORT

Wellington Place At Olde Town

Effective Rent Date	2/06/2019
Location	10303 7th Regiment Drive Manassas, VA 20110 Manassas County
Distance	11.4 miles
Units	372
Vacant Units	4
Vacancy Rate	1.1%
Type	Garden (2 stories)
Year Built/Renovated	1987 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Bozzuto properties
Tenant Characteristics	None identified
Contact Name	Emanuel
Phone	703-361-8001



Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	Increased up to five percent
Concession	None
Waiting List	None

Utilities

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

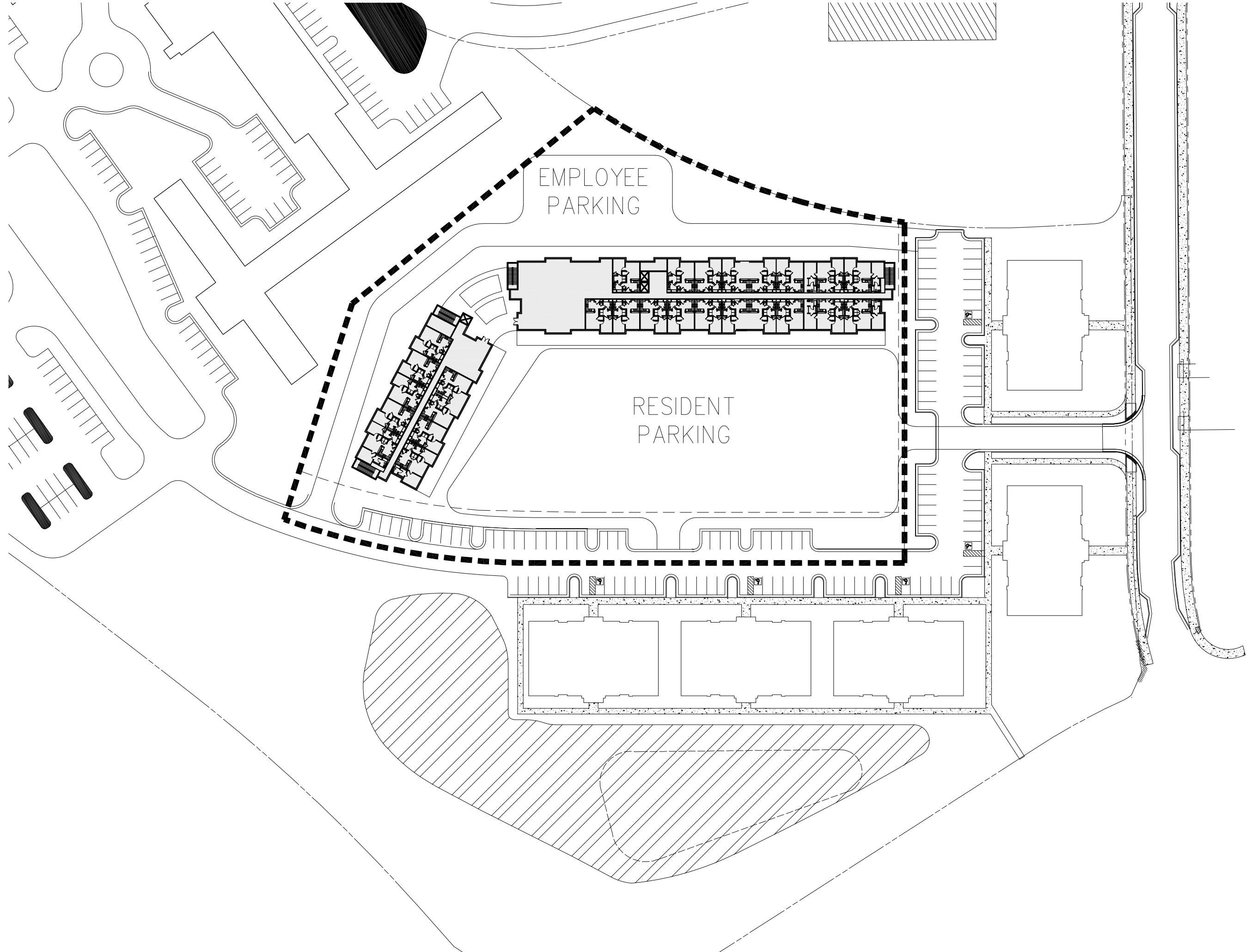
Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	20	537	\$1,291	\$0	Market	No	0	0.0%	N/A	HIGH*
0	1	Garden (2 stories)	20	537	\$1,136	\$0	Market	No	0	0.0%	N/A	LOW*
1	1	Garden (2 stories)	40	622	\$1,385	\$0	Market	No	0	0.0%	N/A	HIGH*
1	1	Garden (2 stories)	30	735	\$1,435	\$0	Market	No	1	3.3%	N/A	HIGH*
1	1	Garden (2 stories)	40	622	\$1,329	\$0	Market	No	0	0.0%	N/A	LOW*
1	1	Garden (2 stories)	30	735	\$1,359	\$0	Market	No	0	0.0%	N/A	LOW*
2	1	Garden (2 stories)	40	870	\$1,520	\$0	Market	No	1	2.5%	N/A	None
2	2	Garden (2 stories)	56	955	\$1,569	\$0	Market	No	1	1.8%	N/A	None
2	2	Garden (2 stories)	38	1,008	\$1,756	\$0	Market	No	1	2.6%	N/A	HIGH*
2	2	Garden (2 stories)	38	1,008	\$1,606	\$0	Market	No	N/A	N/A	N/A	LOW*
2	2.5	Garden (2 stories)	14	1,182	\$1,785	\$0	Market	No	0	0.0%	N/A	None
3	3	Garden (2 stories)	6	1,400	\$1,900	\$0	Market	No	0	0.0%	N/A	None

Photos

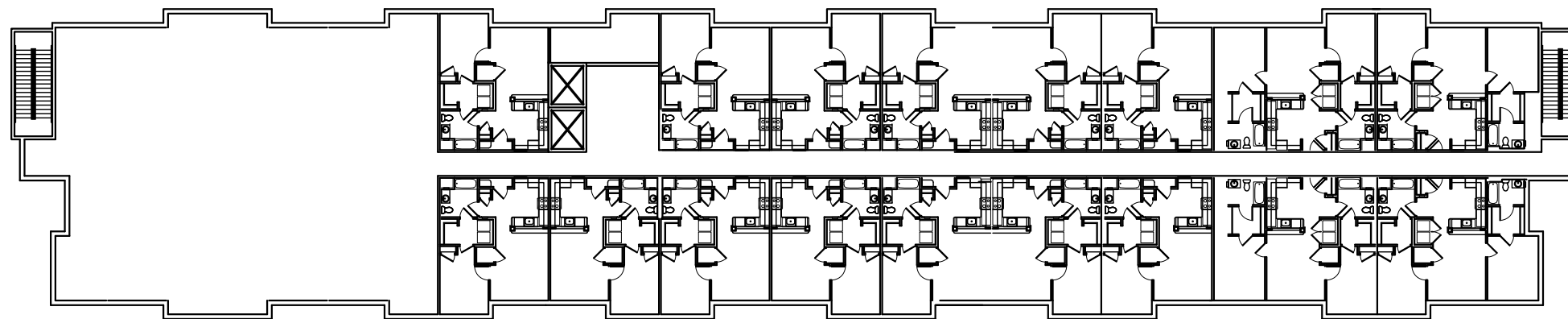
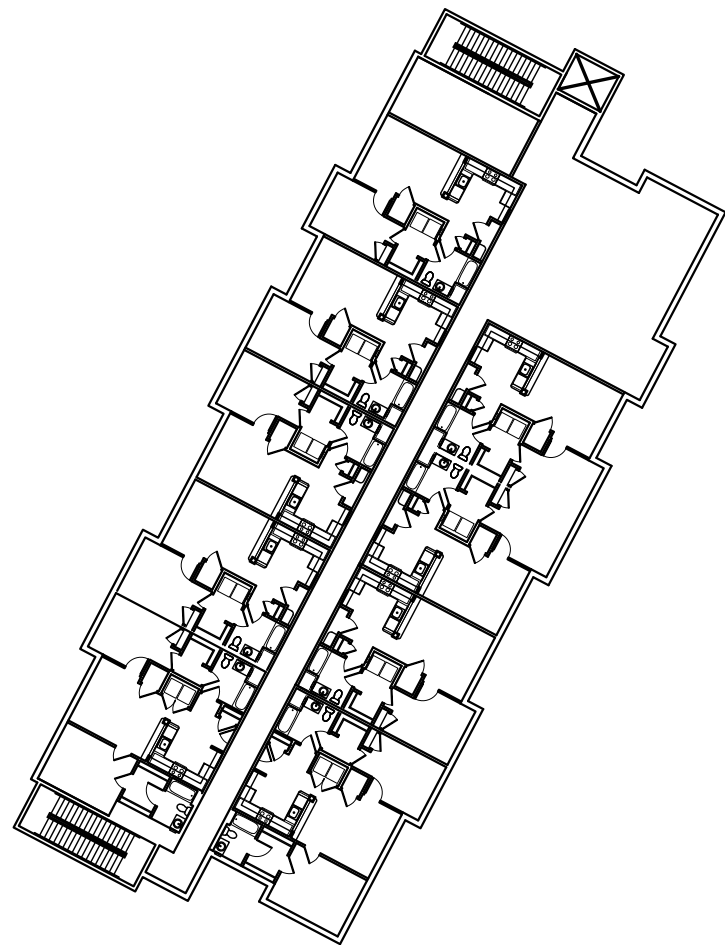


ADDENDUM D
Site and Floor Plans

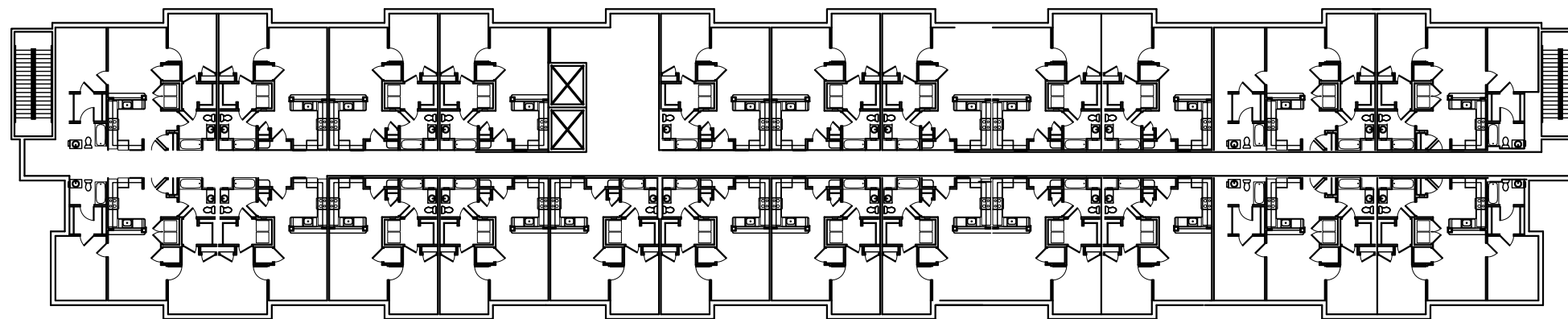
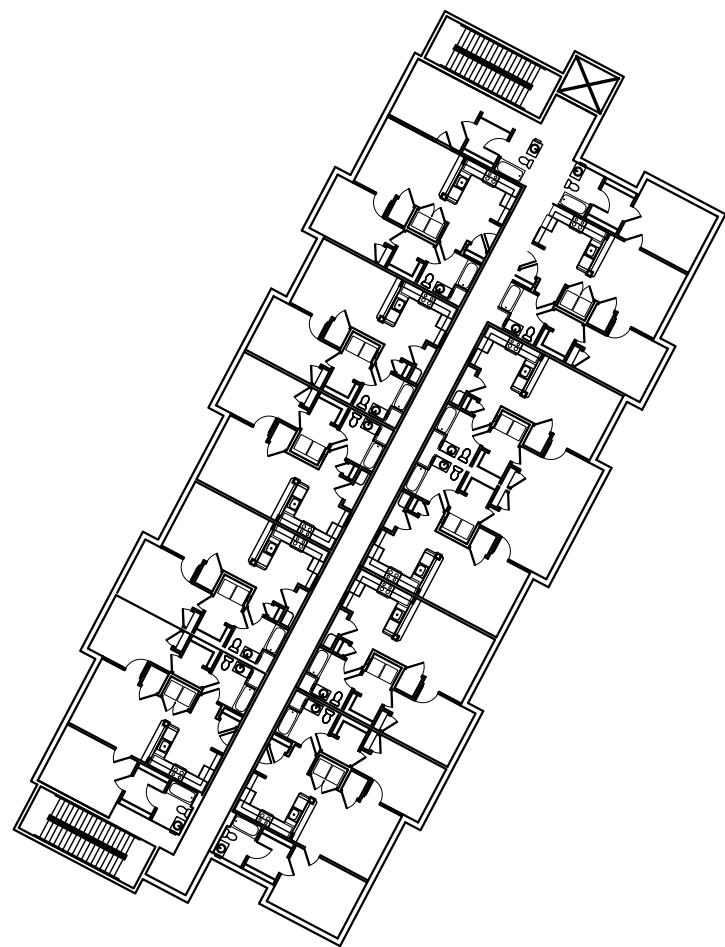


EMPLOYEE
PARKING

RESIDENT
PARKING



FIRST FLOOR



TYPICAL FLOOR

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

ADDENDUM F
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. NHCG-939 – State of New Hampshire
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

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

IV. Professional Training

Have presented at and attended various industry conferences regarding the HTC, RETC, NMTC and LIHTC and various market analysis and valuation issues.

Obtained the MAI designation in 1998, maintaining continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings: Commercial
- 3) Valuation of Sustainable Buildings: Residential

V. Real Estate Assignments – Examples

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

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

(LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487

Candidate for Designation in the Appraisal Institute
Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. Professional Training

7-Hour National USPAP Update for 2018-2019, February 2018
Appraisal of Land Subject to Ground Leases, December 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored "Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions," Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 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.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MARK PERLMAN

I. Education

University of Maryland School of Public Policy - College Park, MD
Master of Public Policy

Ohio State University – Columbus, OH
Bachelor of Arts, International Studies

II. Professional Experience

Analyst, Novogradac & Company LLP, December 2016 - Present

Junior Analyst, Novogradac & Company LLP August 2015 – December 2016

Research and Policy Associate, National Community Land Trust Network, August 2014 – July 2015

Examiner, Federal Housing Finance Agency, June 2013 – August 2014

Program Associate, Meridian International Center, July 2010 – July 2011

Community-Based Organization Advisor, US Peace Corps, May 2007 – July 2009

III. Research Assignments

A representative sample of work on various types of projects:

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS
Ben Torpey

I. Education

Radford University – College of Business & Economics
Bachelor of Science in Economics

II. Professional Experience

Novogradac & Company LLP – October 2018 – Present
Junior Analyst
Novogradac & Company LLP – July 2018 – September 2018
Junior Analyst Intern
New Frontier Financials – June 2015 – August 2015
Data Analyst Intern

III. Research Assignments

A representative sample of work on various types of projects:

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

ADDENDUM 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.

Mark Perlman
Analyst

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
Executive Summary		
1	Executive Summary	1
Scope of Work		
2	Scope of Work	transmittal letter
Project Description		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	2
4	Utilities (and utility sources) included in rent	13
5	Target market/population description	11
6	Project description including unit features and community amenities	14
7	Date of construction/preliminary completion	11
8	If rehabilitation, scope of work, existing rents, and existing vacancies	11-12
Location		
9	Concise description of the site and adjacent parcels	20
10	Site photos/maps	26
11	Map of community services	24
12	Site evaluation/neighborhood including visibility, accessibility, and crime	20-25
Market Area		
13	PMA description	32
14	PMA Map	32
Employment and Economy		
15	At-Place employment trends	35-41
16	Employment by sector	35
17	Unemployment rates	39
18	Area major employers/employment centers and proximity to site	37
19	Recent or planned employment expansions/reductions	38
Demographic Characteristics		
20	Population and household estimates and projections	44
21	Area building permits	54
22	Population and household characteristics including income, tenure, and size	44-49
23	For senior or special needs projects, provide data specific to target market	N/A
Competitive Environment		
24	Comparable property profiles and photos	Addendum C
25	Map of comparable properties	56
26	Existing rental housing evaluation including vacancy and rents	66-72
27	Comparison of subject property to comparable properties	55-72
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	54
29	Rental communities under construction, approved, or proposed	90-91
30	For senior or special needs populations, provide data specific to target market	N/A

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	74-87
32	Affordability analysis with capture rate	81-86
33	Penetration rate analysis with capture rate	86-87
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	88
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	70-72
36	Precise statement of key conclusions	93-94
37	Market strengths and weaknesses impacting project	93
38	Product recommendations and/or suggested modifications to subject	93
39	Discussion of subject property's impact on existing housing	88
40	Discussion of risks or other mitigating circumstances impacting subject	88
41	Interviews with area housing stakeholders	90-91
Other Requirements		
42	Certifications	96
43	Statement of qualifications	Addendum F
44	Sources of data not otherwise identified	Addendum D,E