NEED AND DEMAND ANALYSIS

FOR THE ESTATES AT BANK STREET APARTMENTS

IN

FRANKLIN, VIRGINIA

Prepared for
The Estates at Bank Street, LP
for submission to
the Virginia Housing Development Authority

VHDA Application: 2018 - C - 41

As of February 3, 2018

T Ronald Brown: Research & Analysis
P.O. Box 1294
Cary, NC 27512-1294

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A. EXECUTIVE SUMMARY

The following provides a brief summary of each of the major sections in the market analysis.

The site of the proposed development is on Banks Street, at Morton Street in southern Franklin.

The proposed project will comprise the construction of 24 new housing units: 16 three- bedroom units and eight four-or-more-bedroom units, with 12 units targeted to households with incomes up to 50 percent of the median and 12 units targeted at 60 percent of the median, and therefore qualify the units for low income housing tax credit status.

In 2011, a total of 4,096 persons were employed in the City of Franklin. In 2016 the number was 4,411. This represents a net increase of 318 jobs over that period - a 7.8 percent increase - although employment did decrease between 2015 and 2016.

For the City of Franklin, the current unemployment rate is 5.9 percent, down from 6.7 percent the previous year. The rate was above 10 percent between 2009 and 2011, having been as low as 4.3 percent in 2006.

The market area for the proposed development is defined as the City of Franklin and immediately adjacent portions of Southampton County, Isle of Wight County, and the City of Suffolk.

The population of the market area is projected to decrease from 21,693 in 2010, to 21,599 in 2017, and to 21,591 in 2021. The number of households is projected to increase, from 8,614 in 2010 to 8,643 in 2017, to 8,675 in 2021.

There are several apartment complexes serving the Franklin area. These are typically subsidized and made available to low and very low income households. The latter include properties financed by HUD and USDA/ Rural Development. Additionally, there are some older, established, market rate properties. There are no unsubsidized tax credit projects for family renters in the area.

The total potential need for tax credit units such as is proposed in the Franklin area by 2021 is calculated to be for 223 units. Given the calculated need, the proposed 24-unit development amounts to 10.8 percent of the need, as calculated.

Consideration of the overall capture rate (10.8 percent), the (4.0 percent) affordability analysis capture and (4.0 percent) penetration rate, suggest that the proposed development is marketable, as proposed. The 24 three- and four-or more bedroom units combined amount to 34.3 percent of the demand for those units, by number of bedrooms. These translate to an effective capture rate of 27.1 percent, given that five units will be rent-assisted.

Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated six-month period, or more. It is expected that given the nature of the project - and its orientation as a rent-to-own property, that the initial absorption period could be extended as the developer identifies qualified participants. Pre-marketing will curtail this process and is recommended. It should be noted that once the property is absorbed, it can expect to maintain high occupancy levels.

The proposed development should not have a negative impact on existing housing.

B. INTRODUCTION AND SCOPE OF WORK

This report is a professional market analysis of the need and demand for the proposed development.

The report is prepared for the Estates at Bank Street, LP, for submission to the Virginia Housing Development Authority. This report is an updated version of our 2017 report for this project.

The report is designed to satisfy the underwriting criteria of the reviewing agency for which it was performed, and the conclusions, based on the results of our research, experience, and expertise reflect the predicted ability of the project, as presented to us, to meet or exceed that reviewing agency's guidelines. Thus, a positive conclusion does not necessarily imply that the project would be found to be feasible or successful under different underwriting standards, and this study does not necessarily incorporate generally accepted professional market study standards and elements pre-empted by the guidelines set out by the reviewing agency.

The report was completed using professional market techniques. The findings of this study are predicated upon the assumption that the proposed development, as presented to us, will be located at the site described in the report, that it will be funded through the program under which it was prepared, and within the stated projection period.

Further, the findings are based on the assumption that once funded, the complex will be well-designed, well-marketed, and professionally managed.

The site of the proposed apartments was visited on February 3, 2018 (having been originally visited on February 12, 2017).

The site was visited by T. Ronald Brown.

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis. The President of the firm is T. Ronald Brown. Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland. He has 30 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last three decades or so, Mr. Brown has produced more than 3,000 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown is responsible for the analysis and write-up of this report – performing the role of both analyst and author.

To the best of our knowledge, this report is an accurate representation of market conditions. While due care and professional housing market study techniques were used, no guarantee is made of the findings.

It is stated that we do not have, nor will have in the future, any material interest in the proposed development, and that there is no identity of interest between us and the party for whom the project was prepared. Further, we state that the payment of the fee is not contingent upon a favorable conclusion, nor approval of the project by any agency before or after the fact. The payment of the fee does not include payment for testimony nor further consultation.

Submitted, and attested to, by:

T. Ronald Brown

T. Ronald Brown, President
T. Ronald Brown: Research & Analysis
P.O. Box 1294
Cary, North Carolina 27512-1294
919. 233.0670 or 919.612.5328

Date: March 12, 2018

C. PROJECT DESCRIPTION

The Estates at Bank Street will comprise 24 units -16 three-bedroom units and eight four- or more-bedroom units. The project is new construction.

The project is to be configured as follows:

	Units	sq. ft	Rent	Targeting*
3 bedroom/2 bath	3	1,285	$652**	less than 50 percent ***
3 bedroom/2 bath	2	1,285	$652**	less than 50 percent
3 bedroom/2 bath	3	1,285	$433	less than 50 percent
3 bedroom/2 bath	4	1,294	$433	less than 50 percent
3 bedroom/2 bath	4	1,294	$578	less than 60 percent
4+ bedroom/3 bath	8	1,896	$700	less than 60 percent

* percentage of area median income
** rent-assisted
*** affordable at 40% of area median

Of the 24 unit total, there will be 12 units targeted to households with incomes up to 50 percent of the median and 12 units targeted at 60 percent of the median, and therefore qualify the units for low income housing tax credit status.

Utilities (excluding trash collection) will be paid by the tenant - utility allowances are: $292 for the three--bedroom units and $370 for the five–bedroom units.

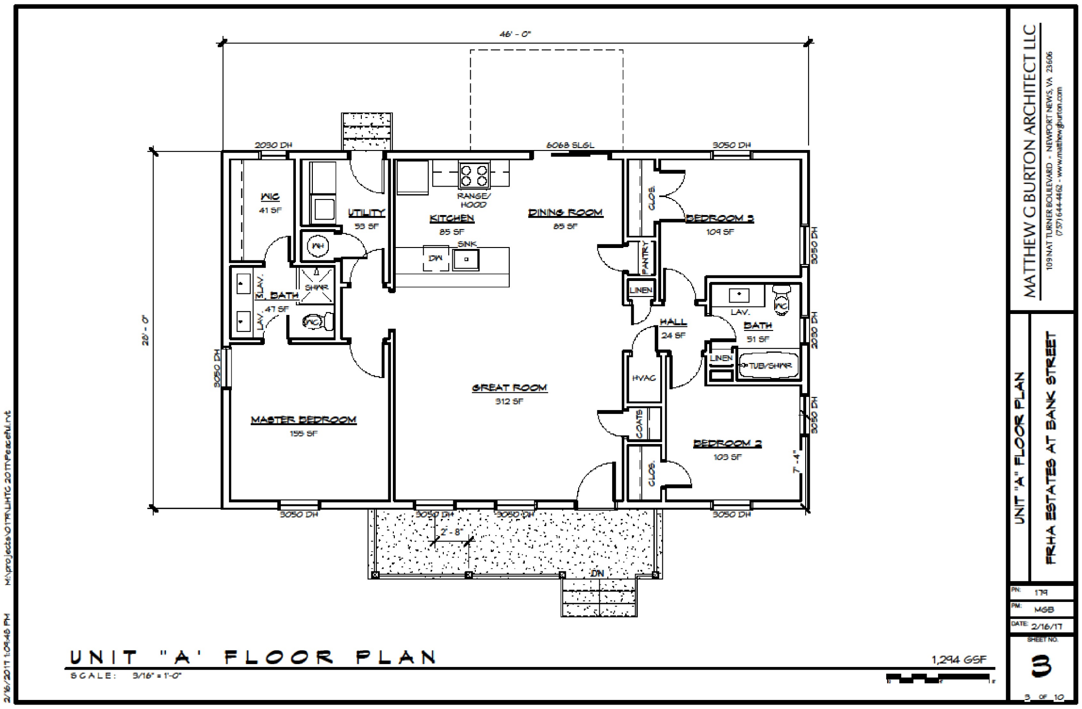
The property will feature a 24 single, detached, units - with a mix of one and two-story units and will have a brick and hardi-plank exterior.

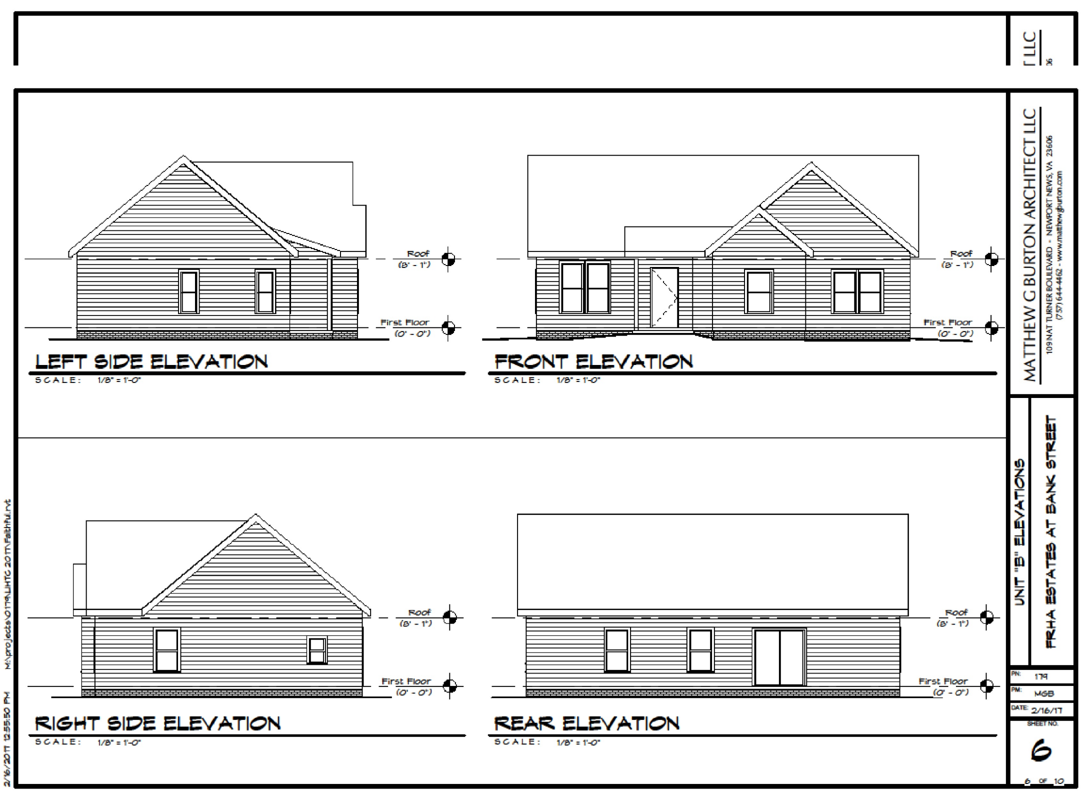
There are two parking spaces per unit.

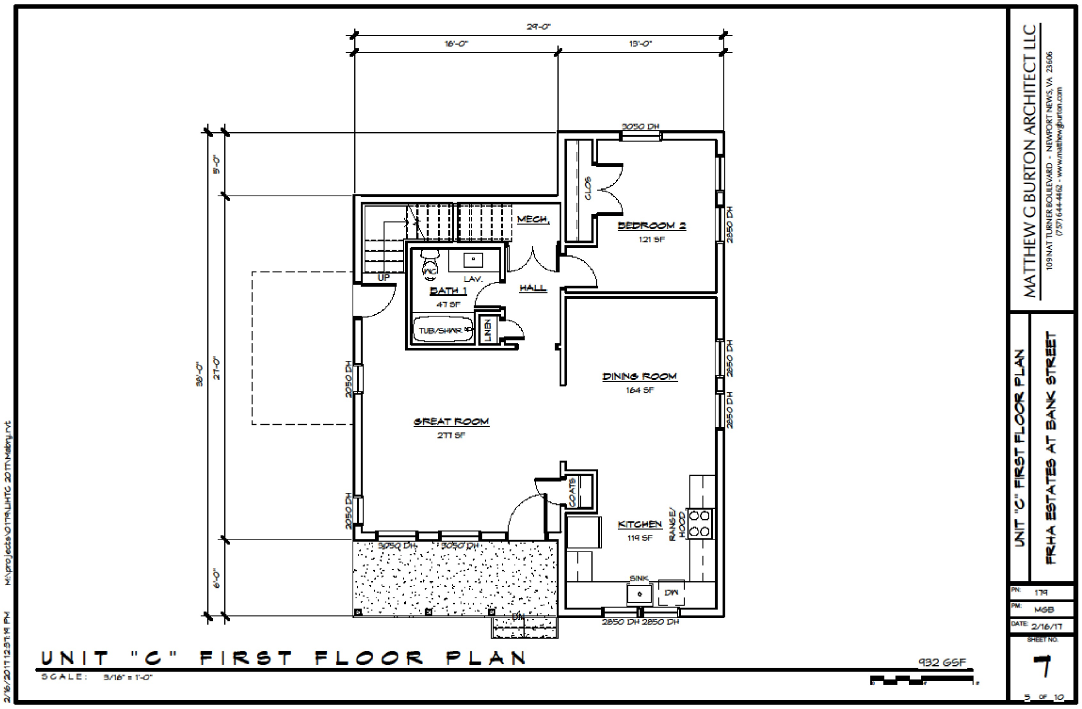
Representative architectural drawings are set out on the following page.

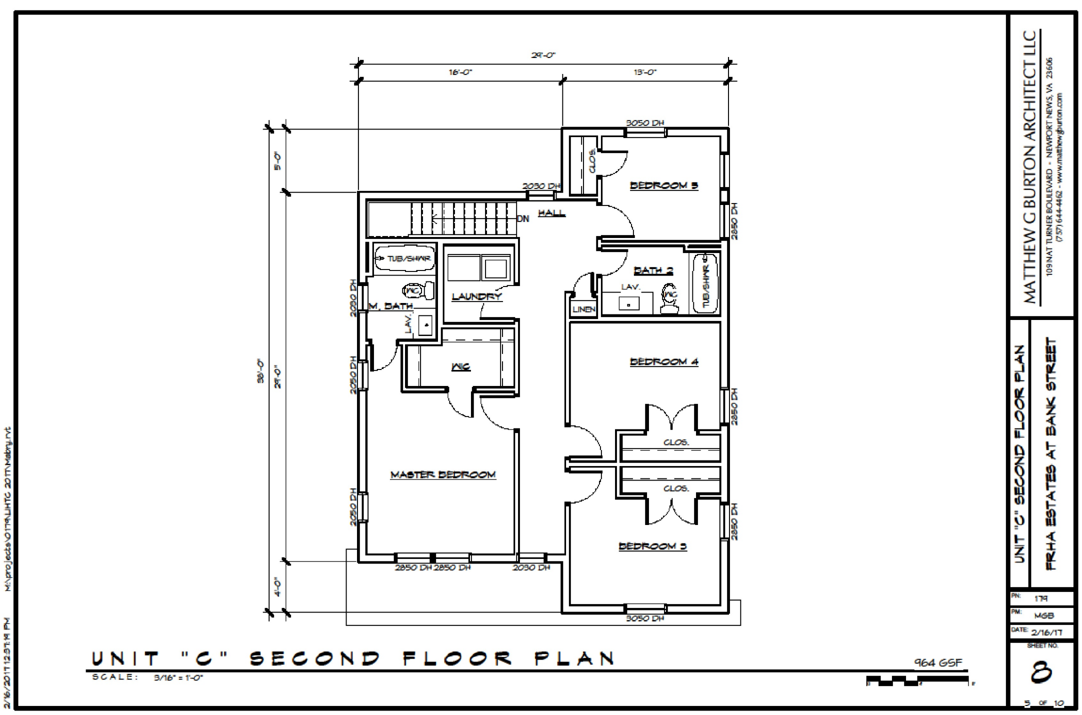
It is expected that the construction program would commence in January 2019 and would be completed by the end of the year, or earlier.

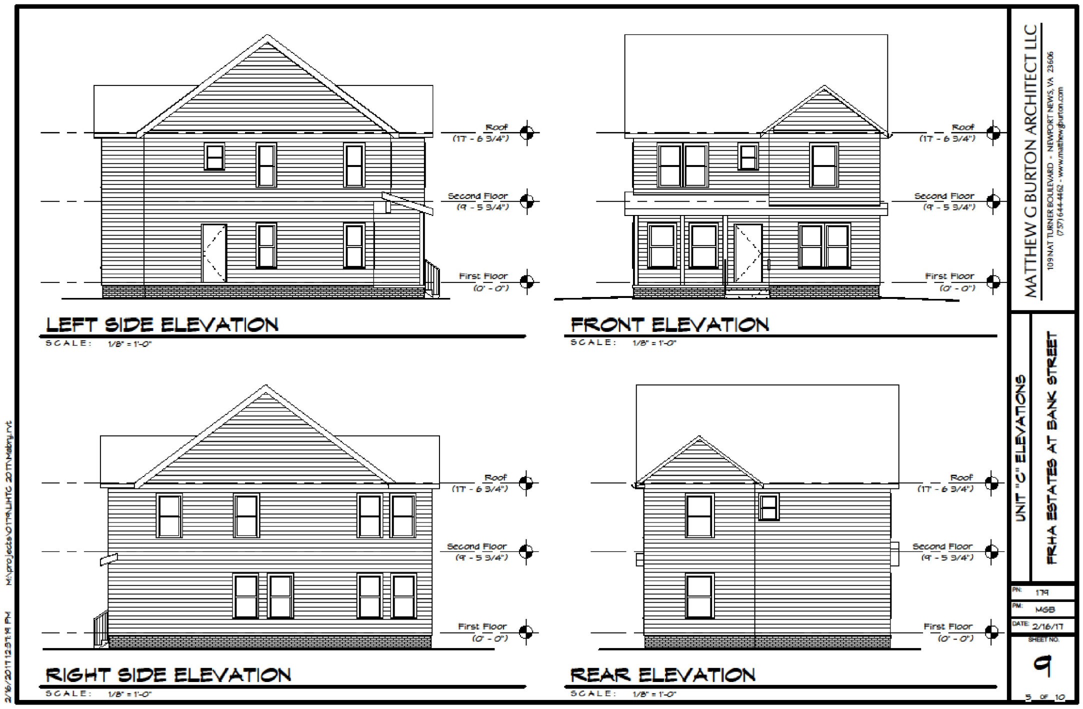
It is understood that the property will be developed under a rent-to-own program, and it is assumed that potential purchasers will have access to home-owner education services and other assistance, as necessary and appropriate.


46' - 0"
28' - 0"
WIC
41 SF
UTILITY
33 SF
KITCHEN
85 SF
DINING ROOM
85 SF
BEDROOM 3
109 SF
BATH
47 SF
HALL
24 SF
BATH
51 SF
GREAT ROOM
312 SF
MASTER BEDROOM
155 SF
BEDROOM 2
103 SF
UNIT "A" FLOOR PLAN
SCALE: 3/16" = 1'-0"
1,294 GSF
MATTHEW C BURTON ARCHITECT LLC
UNIT "A" FLOOR PLAN
FRHA ESTATES AT BANK STREET
2/16/17
3


LEFT SIDE ELEVATION
SCALE: 1/8" = 1'-0"
FRONT ELEVATION
SCALE: 1/8" = 1'-0"
RIGHT SIDE ELEVATION
SCALE: 1/8" = 1'-0"
REAR ELEVATION
SCALE: 1/8" = 1'-0"
Roof
First Floor
MATTHEW C BURTON ARCHITECT LLC
UNIT "B" ELEVATIONS
FRHA ESTATES AT BANK STREET
2/16/17
6


29'-0"
16'-0"
13'-0"
3050 DH
CLOS.
BEDROOM 2
121 SF
MECH.
2850 DH
LAV.
BATH 1
47 SF
HALL
UP
TUB/SHWR
LINEN
DINING ROOM
164 SF
2850 DH
2850 DH
2050 DH
GREAT ROOM
271 SF
COATS
KITCHEN
119 SF
RANGE/HOOD
2050 DH
3050 DH
3050 DH
SINK
DW
2850 DH 2850 DH
5'-0"
27'-0"
38'-0"
6'-0"
UNIT "C" FIRST FLOOR PLAN
SCALE: 3/16" = 1'-0"
932 GSF
MATTHEW C BURTON ARCHITECT LLC
UNIT "C" FIRST FLOOR PLAN
FRHA ESTATES AT BANK STREET
179
MGB
2/16/17
7


29'-0"
16'-0"
13'-0"
3050 DH
CLOS.
BEDROOM 3
2030 DH
HALL
DN
2850 DH
TUB/SHWR
M. BATH
LAV.
LAUNDRY
BATH 2
LAV.
LINEN
TUB/SHWR
WIC
BEDROOM 4
2850 DH
CLOS.
CLOS.
MASTER BEDROOM
BEDROOM 5
2050 DH
2050 DH
2050 DH
2850 DH
2850 DH 2850 DH
2030 DH
3050 DH
5'-0"
29'-0"
38'-0"
4'-0"
UNIT "C" SECOND FLOOR PLAN
SCALE: 3/16" = 1'-0"
964 GSF
MATTHEW C BURTON ARCHITECT LLC
UNIT "C" SECOND FLOOR PLAN
FRHA ESTATES AT BANK STREET
179
MGB
2/16/17
8


LEFT SIDE ELEVATION
SCALE: 1/8" = 1'-0"
FRONT ELEVATION
SCALE: 1/8" = 1'-0"
RIGHT SIDE ELEVATION
SCALE: 1/8" = 1'-0"
REAR ELEVATION
SCALE: 1/8" = 1'-0"
Roof (17' - 6 3/4")
Second Floor (9' - 5 3/4")
First Floor (0' - 0")
MATTHEW C BURTON ARCHITECT LLC
UNIT "C" ELEVATIONS
FRHA ESTATES AT BANK STREET
DATE: 2/16/17
9

D. LOCATION

The site of the proposed development is on Banks Street, at Morton Street in southern Franklin. The site was formerly occupied by public housing units. Adjacent properties include the Dorchester Square apartments, single-family homes, a cemetery, and the Morton Elementary School. The site is flat and has been cleared.

View of property

View of property

View of property

View from rear of property

View north on property

View across Banks Street from site

View north on Banks Street, at property

View south on Banks St., from opposite the site

The site is located on Banks Street, off South Street (US 258, business) in western Franklin. Access to the site is good.

Given the site location and its situation, the site is very visible.

Access from the site to major thoroughfares, shopping, and other services is relatively good.

The site is within one-third of one mile of South Street (US 258, business) - a major north-south route serving the area - and is within one half-mile of Southampton Parkway (US 58 and US 258, bypass) - the major east-west route.

The site is within one and three-fourth miles of the Southampton Square shopping center on Armory Drive which has a Food Lion grocery store and a Belk department store. The site is within two miles of a Wal-mart - located on Armory Drive, just east of its intersection with the Southampton Parkway.

The site is sixth-tenths of a mile from the Norton Elementary School, and is within one and three-fourth miles of the King Middle School, and is approximately two and two-third miles from the Franklin High School.

The Southampton memorial Hospital and associated medical services is located within three miles of the site, to the north of Franklin.

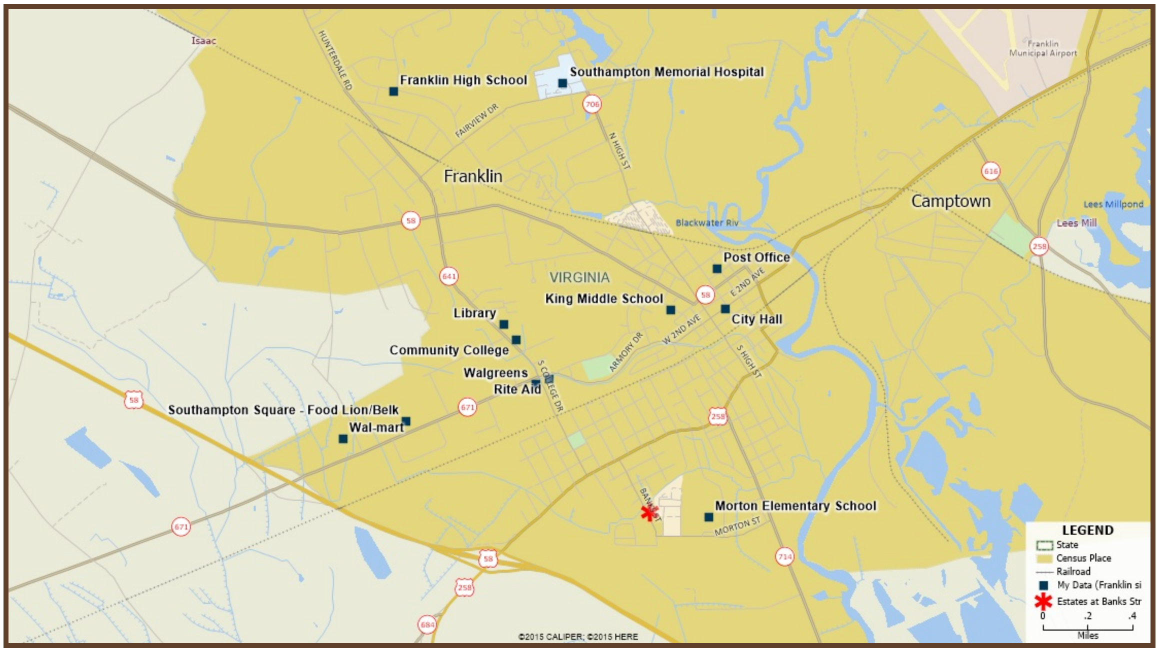
The site is within one and one-third miles the public library, and is within two miles of the government shopping, and other services located in the Franklin downtown area.

The following table illustrates the noteworthy community amenities serving the site and the (driving) distance to the site.

Table 1 - Distance to Neighborhood and Community Amenities

Category	Neighborhood/Community Amenity	Distance (miles)
Highways	US 58/Southampton Parkway	1.0
	South Street/US 258, business	0.3
Public Transportation	n/a	
Retail - Grocery	Food Lion	1.7
Retail - Other	Belk	1.7
	Wal-mart	2.0
Pharmacies	Rite- Aid	1.0
	Walgreens	1.0
Schools	Morton Elemenatry	0.6
	King Middle School	1.7
	Franklin High School	2.6
	Camp Community College	1.1
City Hall	City of Franklin	1.4
Post Office	Franklin Post Office	1.7
Library	Campbell Memorial	1.3
Hospital	Southampton Memorial	2.7

Source: T.Ronald Brown: Research & Analysis



Public transportation is not available locally.

Based on our observations during our site visit, there is no reason to expect that the risk of crime in this neighborhood would be greater or less than that for other parts of the market area.

There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location.

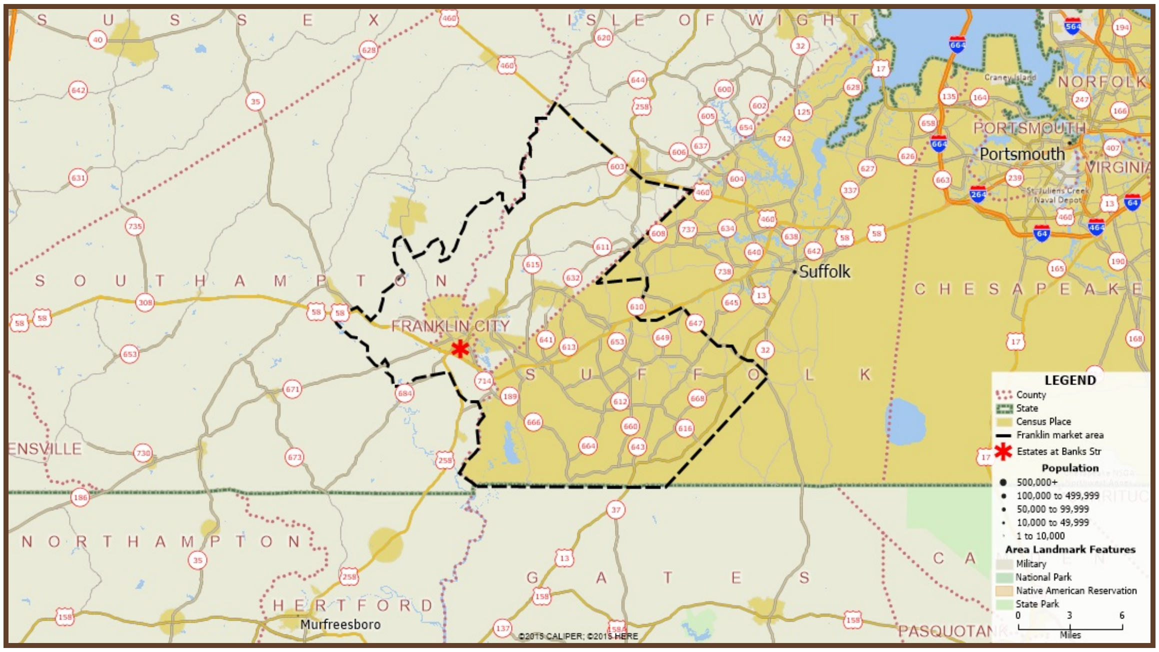
The site is considered marketable.

E. MARKET AREA DEFINITION

Market areas are defined on the basis of the consideration of many inter-related factors. These include consideration of the site location, consideration of socio-demographic characteristics of the area (tenure, income, rent-levels, etc.), local commuting patterns, physical (or other) boundaries, census geographies, and especially the location of comparable and/or potentially competing communities.

In communities such as county seats where that community is the county's largest community and is centrally located and can draw from the entire county, the county may be the market area. In circumstances where there are potentially competing communities in one county, the market area will be that part of the county (and, potentially, portions of adjacent counties) which the proposed development is most likely to draw from. Here, a combination of census county subdivisions (townships) may be used to define the market area. In urban or suburban markets, the market area will be areas adjacent to the site and will extend to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project. Here combinations of census county subdivisions (townships) or combinations of census tracts, may be used to define the market area.

Franklin is an independent City in south eastern Virginia. The market area for the proposed development is defined as the City of Franklin and immediately adjacent portions of Southampton County, Isle of Wight County, and the City of Suffolk (based on census tracts or county subdivisions). This area is focused on the site of the proposed development and extends to an approximately five-to-twelve mile rural hinterland. The market area, as defined, therefore is that which constitutes the area adjacent to the site of the proposed development and extends to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project.


LEGEND
County
State
Census Place
Franklin market area
Estates at Banks Str
Population
500,000+
100,000 to 499,999
50,000 to 99,999
10,000 to 49,999
1 to 10,000
Area Landmark Features
Military
National Park
Native American Reservation
State Park
Miles
FRANKLIN CITY
Suffolk
Portsmouth
Murfreesboro
S U S S E X
S O U T H A M P T O N
S U F F O L K
C H E S A P E A K E
N O R T H A M P T O N
H E R T F O R D
G A T E S
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F. EMPLOYMENT AND ECONOMY

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general.

Employment trends

Employment trends for the City of Franklin County are illustrated in the table, below. In 2011, a total of 4,096 persons were employed in the City. In 2016 the number was 4,414. This represents a net increase of 318 jobs over that period - a 7.8 percent increase - although employment did decrease between 2015 and 2016.

Table 2 - Total Employment

		Change over previous year	
		number	percent
2011	4,096		
2012	4,353	257	6.3
2013	4,384	31	0.7
2014	4,268	-116	-2.6
2015	4,517	249	5.8
2016	4,414	-103	-2.3

Source: Virginia Labor Market Information

Employment trends, by sector

Employment by sector for the City of Franklin is set out for 2006 and 2016 in Table 3. Here it is seen that the largest employment sectors in the area are retail trade and healthcare - each now accounting for 20 to 25 percent of total employment. Between 2006 and 2016 some sectors showed increases - such as for, again, retail trade and healthcare.

Table 3 - Employment, by sector

	2006		2016		
	number	percent	number	percent	pct change
Accommodation and Food services	454	11.5	427	9.7	-5.9
Administrative and Waste services	76	1.9	n/a	n/a	n/a
Agriculture, Forestry, etc	n/a	n/a	9	0.2	n/a
Arts, Entertainment, Recreation	n/a	n/a	n/a	n/a	n/a
Construction	59	1.5	154	3.5	161.0
Educational services	465	n/a	n/a	n/a	n/a
Financial and Insurance	163	4.1	161	3.6	-1.2
Health Care and Social Assistance	927	23.4	1,098	24.9	18.4
Information	67	1.7	n/a	n/a	n/a
Management	59	1.5	n/a	n/a	n/a
Manufacturing	n/a	n/a	25	0.6	n/a
Other Services	219	5.5	212	4.8	-3.2
Professional and Technical services	87	2.2	116	2.6	33.3
Public Administration	208	5.3	197	4.5	-5.3
Real estate	50	1.3	35	0.8	-30.0
Retail trade	906	22.9	989	22.4	9.2
Transp. and Warehousing	43	1.1	43	n/a	n/a
Utilities	n/a	n/a	22	0.5	n/a
Wholesale trade	33	0.8	61	1.4	84.8
Total	3,961		4,414		11.4

Source: Virginia Labor Market Information

Unemployment trends

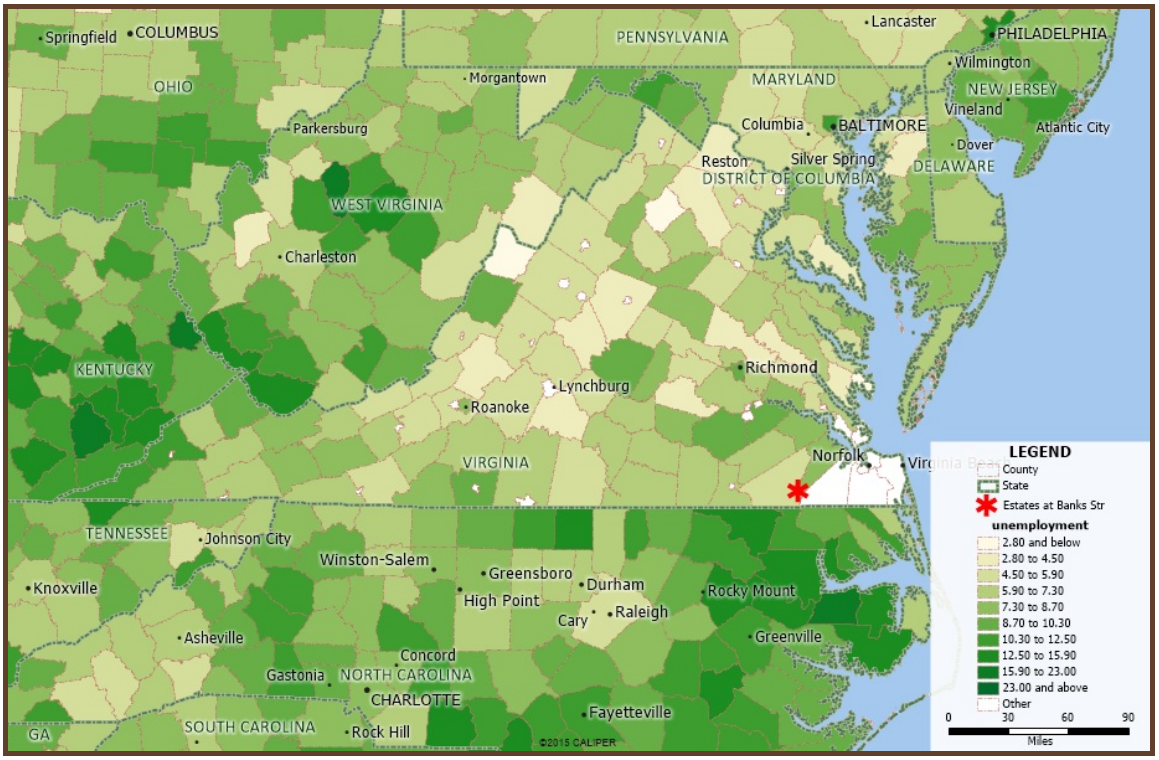
Unemployment trends for the City of Franklin are illustrated in the table, below. Rates for Virginia and for the U.S as a whole are also shown, for reference. Here it is seen that the current unemployment rate is 5.9 percent, down from 6.7 percent the previous year. The rate was 10 percent or more between 2009 and 2012, having been as low as 4.3 percent in 2006.

Table 4 - Unemployment trends

	Franklin	Virginia	U.S.
2006	4.3	3.1	4.6
2007	4.5	3.0	4.6
2008	6.3	3.9	5.8
2009	10.1	6.7	9.3
2010	12.6	7.1	9.6
2011	11.4	6.6	8.9
2012	10.0	6.0	8.1
2013	9.3	5.7	7.4
2014	7.9	5.2	6.2
2015	6.7	4.4	5.3
2016	5.9	4.0	4.9

Source: Bureau of Labor Statistics

Current levels of unemployment throughout Virginia are illustrated, below.



Major Employers

The major employers in the Franklin area are listed in Table 5, below. The Virginia Economic Development Partnership profile does not list numbers of employees - however, it is our understanding that the largest employers include the Community College, AEC, and the Southampton Memorial Hospital.

Table 5 - Major Employers

Employer Name	Product/Service
AEC Virginia	Seat belts
Atlantic Wood Industries	Wood products
Birdsong Peanuts	peanut processing
Paul D Camp Community College	Higher education
Deerfield Correctional Center	Correctional institution
Enviva	Wood pellets
Food Lion	Retail
Hubbard Peanut Company	Peanut processing
Meherrin Agriculture	Supplier of crop inputs
NAES	Energy
Ontime Staffing	Temp agency
Sdolenis	Chemicals
Southampton Memorial Hospital	Healthcare
Wal-mart	Retail

Source: Virginia Economic Development Partnership

Information form the Virginia Economic Development Partnership shows that a no job losses have been reported in recent years, nor have there been any announcements as to new jobs added.

The proposed development is not located in a market - such as a resort area - that would need housing for employees in such a specific market.

Earnings by occupation

Information on earnings by occupation is provided by the Virginia Economic Development Partnership. This information, for the Franklin area is set out in Table 6, below. Here, wages exhibit quite a wide variation.

Table 6 - Earnings by Occupation

	2006		2016		
	number	percent	number	percent	pct change
Accommodation and Food services	454	11.5	427	9.7	-5.9
Administrative and Waste services	76	1.9	n/a	n/a	n/a
Agriculture, Forestry, etc	n/a	n/a	9	0.2	n/a
Arts, Entertainment, Recreation	n/a	n/a	n/a	n/a	n/a
Construction	59	1.5	154	3.5	161.0
Educational services	465	n/a	n/a	n/a	n/a
Financial and Insurance	163	4.1	161	3.6	-1.2
Health Care and Social Assistance	927	23.4	1,098	24.9	18.4
Information	67	1.7	n/a	n/a	n/a
Management	59	1.5	n/a	n/a	n/a
Manufacturing	n/a	n/a	25	0.6	n/a
Other Services	219	5.5	212	4.8	-3.2
Professional and Technical services	87	2.2	116	2.6	33.3
Public Administration	208	5.3	197	4.5	-5.3
Real estate	50	1.3	35	0.8	-30.0
Retail trade	906	22.9	989	22.4	9.2
Transp. and Warehousing	43	1.1	43	n/a	n/a
Utilities	n/a	n/a	22	0.5	n/a
Wholesale trade	33	0.8	61	1.4	84.8
Total	3,961		4,414		11.4

Source: Virginia Economic Development Partnership

Commuting patterns

With respect to commuting, data from the American Community Survey, 35.0 percent of workers resident in Franklin were employed there. The average driving time to work for residents of Franklin was 25.4 minutes.

Table 7 - Commuting Data

	number	percent
Total Workers	3,433	100.0
Worked in Place of residence	1,202	35.0
Worked in County of residence	1,202	35.0
Worked outside Place of residence	2,231	65.0
Worked outside County of residence	2,231	65.0
Mean travel time to work (minutes)	25.4	

Source: 2012 to 2016 American Community Survey; T.Ronald Brown: Research & Analysis

Census data for commuting patterns for persons who live and/or work in the Franklin area are set out, below.

Here it is seen that many persons who work in Franklin commute into the City from, for example, Southampton County. Likewise, residents of Franklin commute to work in adjacent areas - such as Isle of Wight County and Southampton County and the cities of Portsmouth and Suffolk.

Table 8 - Commuting Patterns

Place of work	Place of Residence	Number of Workers
Franklin City	Franklin City	1,218
Franklin City	Isle of Wight County	229
Franklin City	Southampton County	1,849
Franklin City	Suffolk City	439
Isle of Wight County	Franklin City	370
Portsmouth City	Franklin City	246
Southampton County	Franklin City	331
Suffolk City	Franklin City	438

Source: US County to County Commuting Flows; T.Ronald Brown: Research & Analysis

While the local economy remains somewhat stable, the local economic conditions will not have a direct positive or negative impact on the subject property.

G. DEMOGRAPHIC CHARACTERISTICS

Population and Household Trends

In 2000, the population of the City of Franklin was 8,346, and in 2010 the population was recorded as 8,528. Population projections for Franklin are provided by the Virginia State Data Center. Based on these data, the population of that area is projected to be 8, 508 by 2017, and to be around 8,484 by 2021.

In 2000, the population of the market area was 19,973, and in 2010 the population was recorded as 21,693 Population projections for the market area are based on the average of several small area population projection techniques using sub-county area trends for 2000 to 2010 for each County/City, corrected for the official State Data Center numbers for each. Based on these data, the population of the area is projected to be 21,599 by 2017, and to be around 21,591 by 2021.

Information on population trends and changes between 2000 and 2021 are set out in Table 9, below.

Table 9- Population Trends

	Franklin	Market Area
2000	8,346	19,973
2010	8,582	21,693
2015	8,529	21,632
2016	8,519	21,617
2017	8,508	21,599
2018	8,498	21,581
2019	8,487	21,561
2020	8,477	21,540
2021	8,484	21,591
absolute change		
2000-2010	236	1,720
2010-2017	-74	-94
2017-2021	-24	-8
annual change		
2000-2010	24	172
2010-2017	-12	-16
2017-2021	-6	-2

Source: 2000 and 2010 Census; Virginia State Data Center; T.Ronald Brown: Research & Analysis

Projections of the number of households for the City of Franklin and for the market area are set out in Table 10 below.

In 2000, there were 3,384 households in Franklin and 3,530 in 2010. Based on the population projections set out, above, there will be around 3,536 households in 2017 and 3,545 in 2021.

There were 7,877 households in the market area in 2000 and 8,614 in 2010. Projections show around 8,643 and 8,675 households in 2017 and 2021, respectively.

Table 10 - Household Trends

	Franklin	Market Area
2000	3,384	7,877
2010	3,530	8,614
2015	3,534	8,637
2016	3,634	8,739
2017	3,536	8,643
2018	3,536	8,644
2019	3,537	8,646
2020	3,537	8,646
2021	3,545	8,675
absolute change		
2000-2010	146	737
2010-2017	6	29
2017-2021	9	32
annual change		
2000-2010	15	74
2010-2017	1	5
2017-2021	2	8

Source: 2000 Census and 2010 Census; T.Ronald Brown: Research & Analysis

Population and household characteristics

Age distribution

The distribution of the population, by age, for the City of Franklin and the market area is set out in Table 11, below. These data are from the 2010 Census. Here it is seen that the median age of the population of Franklin was 40.7 years.

Table 11 - Age Distribution

	Franklin		Market Area	
	number	percent	number	percent
Under 5 years	632	7.4	1,277	5.9
5 to 9 years	588	6.9	1,367	6.3
10 to 14 years	492	5.7	1,345	6.2
15 to 19 years	583	6.8	1,462	6.7
20 to 24 years	554	6.5	1,196	5.5
25 to 29 years	477	5.6	1,073	4.9
30 to 34 years	441	5.1	1,059	4.9
35 to 39 years	462	5.4	1,257	5.8
40 to 44 years	504	5.9	1,404	6.5
45 to 49 years	601	7.0	1,782	8.2
50 to 54 years	654	7.6	1,924	8.9
55 to 59 years	572	6.7	1,659	7.6
60 to 64 years	542	6.3	1,450	6.7
65 to 69 years	412	4.8	1,087	5.0
70 to 74 years	325	3.8	829	3.8
75 to 79 years	249	2.9	589	2.7
80 to 84 years	227	2.6	478	2.2
85 years and over	267	3.1	455	2.1
55 and older	2,594	30.2	6,547	30.2
65 and older	1,480	17.2	3,438	15.8
median	40.7		n/a	

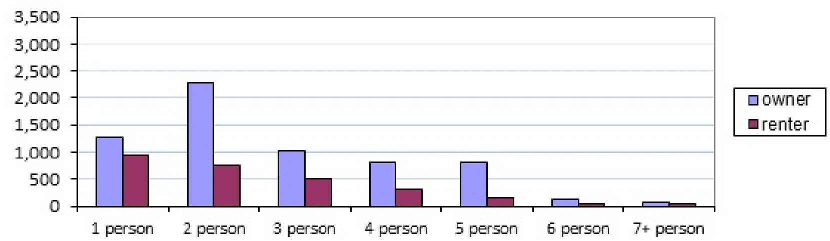
Source: 2010 Census; T.Ronald Brown: Research & Analysis

Household size

Table 12 below, sets out household size, by tenure, for households in Franklin and in the market area.

Table 12 - Household Size

	Franklin		Market Area	
	owner	renter	owner	renter
1 person	440	623	1,262	935
2 person	695	479	2,276	744
3 person	276	331	1,037	505
4 person	208	195	819	313
5 person	87	93	819	148
6 person	29	32	113	47
7+ person	19	23	71	35



Source: 2010 Census; T.Ronald Brown: Research & Analysis

Tenure

Table 13, below, sets out the number and proportion of owner and renter households for the City of Franklin and the market area. In the years beyond 2010, the tenure proportions are based on 2000 to 2010 tenure trends. In 2010, 50.3 percent of households in Franklin were renters and 31.7 percent of households in the market area were renters.

Table 13 - Tenure

Franklin			persons per	Owner-occupied		Renter-occupied	
	population	households	household	number	percent	number	percent
2000	8,346	3,384	2.47	1,818	53.7	1,566	46.3
2010	8,582	3,530	2.43	1,754	49.7	1,776	50.3
2017	8,983	3,727	2.41	1,755	47.1	1,972	52.9
2021	9,261	3,864	2.40	1,750	45.3	2,114	54.7

Market Area			persons per	Owner-occupied		Renter-occupied	
	population	households	household	number	percent	number	percent
2000	19,973	7,877	2.54	5,391	68.4	2,486	31.6
2010	21,693	8,614	2.52	5,887	68.3	2,727	31.7
2017	21,599	8,643	2.50	5,901	68.3	2,742	31.7
2021	21,591	8,675	2.49	5,919	68.2	2,756	31.8

Source: 2000 Census and 2010 Census; T.Ronald Brown: Research & Analysis

Income Distribution

The distribution of household incomes for the City of Franklin and the market area are set out in Table 14, below. These figures are taken from the 2012 to 2016 American Community Survey, and as such are subject to the limitations imposed by this source.

The median household income for Franklin is around $38,333.

Table 14 - Household Income

	Franklin		Market area	
	number	percent	number	percent
less than $10,000	274	7.9	589	7.2
$10,000 to $14,999	232	6.7	418	5.1
$15,000 to $19,999	392	11.4	553	6.8
$20,000 to $24,999	238	6.9	389	4.8
$25,000 to $29,999	293	8.5	508	6.2
$30,000 to $34,999	393	11.4	528	6.4
$35,000 to $39,999	228	6.6	564	6.9
$40,000 to $44,999	51	1.5	371	4.5
$45,000 to $49,999	121	3.5	282	3.4
$50,000 to $59,999	247	7.2	630	7.7
$60,000 to $74,999	266	7.7	894	10.9
$75,000 to $99,999	380	11.0	1,110	13.6
$100,000 to $124,999	83	2.4	488	6.0
$125,000 to $149,999	42	1.2	375	4.6
$150,000 to $199,999	109	3.2	316	3.9
$200,000 or more	104	3.0	173	2.1
median income	$38,333		n/a	

Source: 2012 to 2016 American Community Survey; T.Ronald Brown: Research & Analysis

Renter Income

The distribution of household incomes for renter households for the City of Franklin and the market area. are set out in Table 15, below. These figures are also taken from the 2012 to 2016 American Community Survey.

Table 15 - Household Income, Renter Households

	Franklin		Market area	
	number	percent	number	percent
less than $10,000	251	21.3	364	14.4
$10,000 to $19,999	416	35.2	564	22.4
$20,000 to $34,999	212	18.0	669	26.5
$35,000 to $49,999	35	3.0	369	14.6
$50,000 to $74,999	134	11.3	366	14.5
$75,000 to $99,999	102	8.6	114	4.5
$100,000 or more	31	2.6	77	3.1

Source: 2012 to 2016 American Community Survey; T.Ronald Brown: Research & Analysis

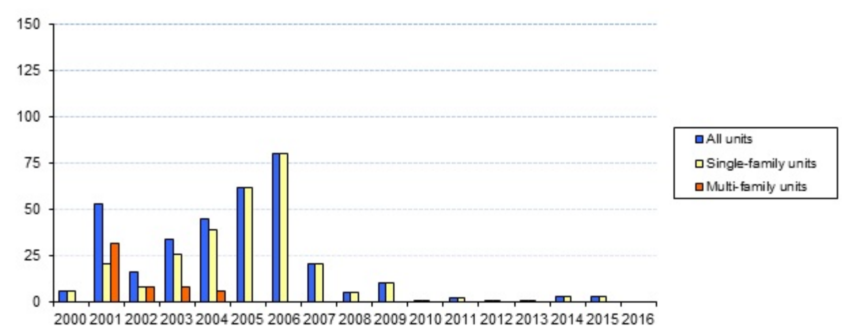
Building permit trends

Table 16 below gives details of residential construction in the City of Franklin since 2000. Where the data exist, it can be seen that a total of 343 units were added in throughout the City. Here it is seen that the volume of construction decreased from 2009. No data exist for the market area.

Table 16 - Residential Construction Since 2000

Franklin

	Total	single-family	multi-family
2000	6	6	0
2001	53	21	32
2002	16	8	8
2003	34	26	8
2004	45	39	6
2005	62	62	0
2006	80	80	0
2007	21	21	0
2008	5	5	0
2009	10	10	0
2010	1	1	0
2011	2	2	0
2012	1	1	0
2013	1	1	0
2014	3	3	0
2015	3	3	0
2016	0	0	0
Total	343	289	54



Source: Current Construction Reports, Bureau of the Census; T. Ronald Brown:Research & Analysis

H. COMPETITIVE ENVIRONMENT

There are several apartment complexes serving the Franklin area. These are typically subsidized and made available to low and very low income households. The latter include properties financed by HUD and USDA/ Rural Development. Additionally, there are some older, established, market rate properties. There are no unsubsidized tax credit projects for family renters in the area. These complexes were identified and surveyed, and where useful information was made available to us, this is presented, below.

There are two USDA-financed properties - Franklin South and Newport Village - and one HUD Section 8 property - Dorchester. Occupancy at each of these locations is also reported to be good - with waiting lists. It should be noted that at Dorchester, there are a total of 125 units - of which 30 have three-bedrooms and 25 have four bedrooms.

The Forest Pine Apartments were built between 1967 and 1999, and offer a total of 244 units. The one-bedroom units rent from $620 to $680, and the two bedroom units rent from $645 to $830. There are a total of 64 three bedroom units at this location - with rents reported to be in the $680 to $895 range. A total of two units are vacant at Forest Pine.

Meadow Ridge is another market rate property. Here there are 97 units, built in 1978. At this location, the one bedroom rents are from $790 to $795, and the two bedroom units range from $830 to $925. There are 20 three bedroom units of around 1,090 square feet which rent for $895 to 945. There are eight vacancies at this property - with typical occupancy reported to be in the 90 to 95 percent range.

The Housing Authority has three properties - Berkley Court ,Old Town Terrace, Pretlow Gardens. Berkley Court has 75 units, built in 1972. There is a mix of one- through five bedroom units which are fully rent-assisted. Old Town has 35 units: one-, two- and three-bedroom units, built in 1983. Pretlow Gardens has 40 units: one-, two- and three-bedroom units, built in 1983, also. As conventional public housing there are no set rents, rather, rents are based on income. Occupancy is reported to be good on an ongoing basis at each of these sites.

The are no new comparable rental communities funded or under construction.

Of the 84 units in these properties, one is vacant - a 98.8 percent occupancy level.

As noted, there are no unassisted tax credit-financed complexes for families in this area.

As a new three- and four or more bedroom property offering detached units as part of a rent-to-own program, it is unlikely that the proposed development will have any significant negative impact on the existing rental inventory in this area.

There are few comparable market rate apartment developments in the Franklin market area - however, both Forest Pine and Meadow Ridge do offer three-bedroom units. In order to try to establish some benchmark for determining market rents we surveyed additional market-rate family/non-elderly properties in adjacent communities. Here, these projects were in Suffolk. Information for the three bedroom units at these various additional properties are summarized below (as is the norm, there are no market rate complexes with four or more bedrooms).

Table 17 - Market Rate Properties

Property	Location	Year built	Three-bedroom rents
Beaman's Mill	Suffolk	2009	$1,185-1,280
Forest Pine	Franklin	1985	$645-900
Meadow Ridge	Franklin	1978	$895-945
Sadler Pond	Suffolk	1989	$985
Suffolk Station	Suffolk	1987	$900

Source: Apartment Managers; T. Ronald Brown: Research & Analysis

The location, rent levels, unit size, age, features, and amenities were analyzed in order to try to establish an estimate of market rent levels for the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around $829 for a three bedroom unit. Based on the relative values of three- and four-bedroom Fair Market Rents, the assumed market rent for four-or-more bedroom units at the subject is estimated to be $1,109.

Beaman's Pond

Sadler Pond

Suffolk Station

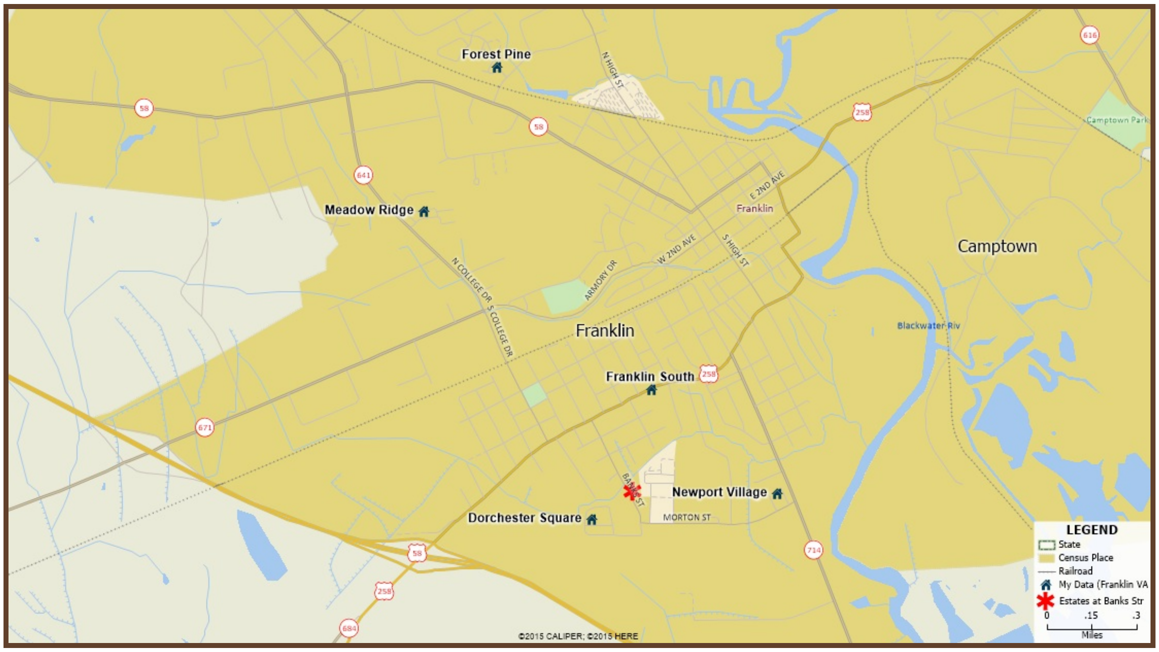
The various market area complexes surveyed are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Dorchester Square	HUD § 8	1970's	125	4	96.8
Forest Pine	conventional	1967-1999	244	7	97.1
Franklin South	USDA/RD	1987	32	2	93.8
Meadow Ridge	conventional	1978	97	10	89.7
Newport Village	USDA/RD	1985	48	3	93.8

	0 br/1ba			1 br/1ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Dorchester Square				20	n/a	boi
Forest Pine				16	768	$620-680
Franklin South				8	n/a	boi
Meadow Ridge				16	740	$790-795
Newport Village				116	n/a	boi

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Dorchester Square	50	n/a	boi			
Forest Pine	164	834-1,012	$645-830			
Franklin South	24	n/a	boi			
Meadow Ridge	20	940	$830-845	31	1,006-1,090	$850-925
Newport Village	32	n/a	nboi			

	3 br/1-1½ ba			3 br/2+ ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Dorchester Square	30	n/a	boi			
Forest Pine	64	1,085-1,127	$645-900			
Franklin South						
Meadow Ridge				20	1,090	$895-945
Newport Village						


Forest Pine
Meadow Ridge
Franklin
Franklin South
Newport Village
Dorchester Square
Camptown
Blackwater Riv
MORTON ST
N COLLEGE DR
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Dorchester Square

Location: Dorchester St., Franklin
Financing: HUD § 8
Year built: 1970's

Total units: 125
Rental assistance:
Typical occupancy: 100% (waiting list)

	1 br/1 ba	2 br/1 ba	3br/1½ ba	4br/1½ ba
Units:	20	50	30	25
Unit size (sq. ft.):	n/a	n/a	n/a	n/a
Contract rent:	$798	$923	$1,060	$1,229

Vacant units: 4, overall

Management Alpha Property Management (Graylin -757.562.4930 [1/9])

Utilities in rent: Water ☑ Sewer ☑ Trash ☑ Heat ☐ Electricity ☐

Amenities: Club House/fitness center ☐ Pool ☐ Tennis ☐ Playground ☑ Business Center ☐
Security gate ☐ Garages ☐ Laundry ☑
Appliances: Refrigerator ☑ Range/oven ☑ Microwave ☐ Dishwasher ☐ Disposal ☐
Washer/Dryer ☐ Washer/Dryer Hook-up ☐
Unit features: Blinds/Drapes ☑ Carpet ☑ AC ☑ Fireplaces ($) ☐ Patio/balconies ☐

Forest Pine

Location: 201 Forest Pine Road, Franklin
Year built: 1967-1999

Total units: 244
Typical occupancy: 94-97%

	1 br/1 ba	2 br/1-2 ba	3 br/1-2 ba
Units:	16	164	64
Unit size (sq. ft.):	768	834-1,012	1,085-1,127
Rent:	$620-680	$645-830	$645-900
Rent/sq. ft.:	$0.85	$0.80	$0.70

Vacant units: 7, overall

Management: Newport Management Company (Frenika - 757.562.2005 [1/9])
Telephone: on site ☑/ management ☐ site visit ☐ other ☐

Utilities in rent: Water/Sewer ☑ Trash ☑ Heat ☐ Electricity ☐

Amenities: Club House/Community Room ☐ Fitness center ☐ Pool ☑ Tennis ☐ Playground ☑
Business Center ☐ Security/ gate ☐ Garages ☐ Carport ☐ Laundry ☑

Unit features: Microwave ☐ Dishwasher ☑ Washer/Dryer ($) ☐ Washer/Dryer Hook-up ☐
Wood floor ☐ Fireplaces ($) ☐ Patios/balconies ☑

Franklin South

Location: South St., Franklin
Financing: USDA/RD § 515
Year built: 1987

Total units: 32
Rental assistance:
Typical occupancy: 90% (waiting list)

	1 br/1 ba	2 br/1 ba
Units:	8	24
Unit size (sq. ft.):	n/a	n/a
Basic rent:	$520	$560
Market rent:	$665	$735

Vacant units: 2, overall

Management TM Associates (Cynthia - 757.569.9706 [1/9])

Utilities in rent: Water ☑ Sewer ☑ Trash ☑ Heat ☐ Electricity ☐

Amenities: Club House/fitness center ☐ Pool ☐ Tennis ☐ Playground ☑ Business Center ☐
Security gate ☐ Garages ☐ Laundry ☑

Appliances: Refrigerator ☑ Range/oven ☑ Microwave ☐ Dishwasher ☐ Disposal ☐
Washer/Dryer ☐ Washer/Dryer Hook-up ☐

Unit features: Blinds/Drapes ☑ Carpet ☑ AC ☑ Fireplaces ($) ☐ Patio/balconies ☐

Meadow Ridge

Location: 340 N. College Drive, Franklin
Total units: 97
Year built: 1978
Typical occupancy: 90-95%

	1 br/1 ba	2 br/1 ba	2 br/2 ba	2 br/2 ba	3 br/2 ba
Units:	16	20	27	4	20
Unit size (sq. ft.):	740	940	1,006	1,090	1,090
Rent:	$790-795	$830-845	$850-860	$905-925	$895-945
Rent/sq. ft.:	$1.07	$0.89	$0.85	$0.84	$0.84

Vacant units: 10, overall

Management: Crestline Realty (Paula - 757.657.4421 [1/11])
Telephone: on site ☑/ management ☐ site visit ☐ other ☐

Utilities in rent: Water/Sewer ☐ Trash ☑ Heat ☐ Electricity ☐

Amenities: Club House/Community Room ☐ Fitness center ☐ Pool ☐ Tennis ☐ Playground ☑
Business Center ☐ Security/ gate ☐ Garages ☐ Carport ☐ Laundry ☑

Unit features: Microwave ☐ Dishwasher ☑ Washer/Dryer ($) ☐ Washer/Dryer Hook-up ☑
Wood floor ☐ Fireplaces ($) ☐ Patios/balconies ☑

Newport Village

Location: 106 Morton St., Franklin
Financing: USDA/RD § 515
Year built: 1985

Total units: 48
Rental assistance: 0
Typical occupancy: 99% (waiting list)

	1 br/1 ba	2 br/1 ba
Units:	16	32
Unit size (sq. ft.):	n/a	n/a
Basic rent:	$482	$541
Market rent:	$642	$716

Vacant units: 3, overall

Management TM Associates (Tanisha -757.562.0155 [1/9])

Utilities in rent: Water ☑ Sewer ☑ Trash ☑ Heat ☐ Electricity ☐

Amenities: Club House/fitness center ☐ Pool ☐ Tennis ☐ Playground ☑ Business Center ☐
Security gate ☐ Garages ☐ Laundry ☑

Appliances: Refrigerator ☑ Range/oven ☑ Microwave ☐ Dishwasher ☐ Disposal ☐
Washer/Dryer ☐ Washer/Dryer Hook-up ☐

Unit features: Blinds/Drapes ☑ Carpet ☑ AC ☑ Fireplaces ($) ☐ Patio/balconies ☐

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

Demand Analysis

The market for the proposed apartments is derived from two principal sources: the population and household growth market, and from existing households currently living in the area who could move to the project were it to be made available.

Income is a key variable in the analysis of housing markets. Of the 24 units proposed, 12 will be targeted to households with incomes up to 50 percent of the median, with 12 targeted at 60 percent of the median, and therefore qualify the apartments for low income housing tax credit status.

The maximum housing expenses for the proposed units are based on the above income limits and assume an average 1.5 persons per household and that renters will pay no more than 30 percent of their incomes on housing expenses (rent plus utilities).

Table 18 - Income Limits and Maximum Housing Costs

Income Limits

	40 percent	50 percent	60 percent
1 person	$15,600	$19,500	$23,400
2 person	$18,240	$22,800	$27,360
3 person	$20,520	$25,650	$30,780
4 person	$28,450	$28,450	$34,140
5 person	$24,600	$30,750	$36,900
6 person	$26,440	$33,050	$39,660
7 person	$28,240	$35,300	$42,360
8 person	$30,080	$37,600	$45,120

Maximum Housing Costs

	40 percent	50 percent	60 percent
3 bedroom	$592	$740	$888
4+ bedroom	$729	$911	$1,094

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are $292 and $370 for three-, and four-or-more bedroom units, respectively.

Information as to rents and income targeting, and qualifying income ranges are set out in Table 19, below. Here, the targeting and qualifying income ranges for the four-or-more bedroom units is based on a five bedroom unit, as proposed.

Table 19 - Income Targeting and Rents

proposed units and rent targeting

	40 percent	50 percent	60 percent	Total
3 bedroom	3	9	4	16
4+ bedroom	0	0	8	8
total	3	9	12	24

proposed units and income targeting

	40 percent	50 percent	60 percent	Total
3 bedroom	0	12	4	16
4+ bedroom	0	0	8	8
total	0	12	12	24

proposed rents

	40 percent	50 percent	60 percent
3 bedroom	$652	$652	$578
4+ bedroom			$700

proposed rents as a proportion (%) of maximum

	40 percent	50 percent	60 percent
3 bedroom	217.3	145.5	97.0
4+ bedroom			96.8

Source: Applicant; T Ronald Brown: Research & Analysis

As noted, three three-bedroom units will have rents targeted to be affordable at the 40 percent rent level, and nine three-bedroom units are targeted to be affordable at the 50 percent level (two of which are rent-assisted).

Housing expenses at the proposed apartments fall between 97 and 217 percent (assisted units) of the maximum levels.

Qualifying income ranges are a function of the income needed to afford the proposed units and the mandated upper income limits. There is no official lower income limit for the proposed apartments.

However, for the purposes of this report it is assumed that tenants will pay no more than 35 percent of their income on housing costs (rent and utilities). The upper limits are a function of household size - based on a standard of one and one-half persons per bedroom. The qualifying income limits for the four and more bedroom units is based on a five bedroom unit. Calculations for one- and two-bedroom units are based on the proposed rents level relative to the maximum allowable. Where the rents are above the maximum allowable, the maximum rent is used, except where a similar unit is available at a rent below the maximum, in which case that rent is used.

Table 20 - Qualifying Income Ranges

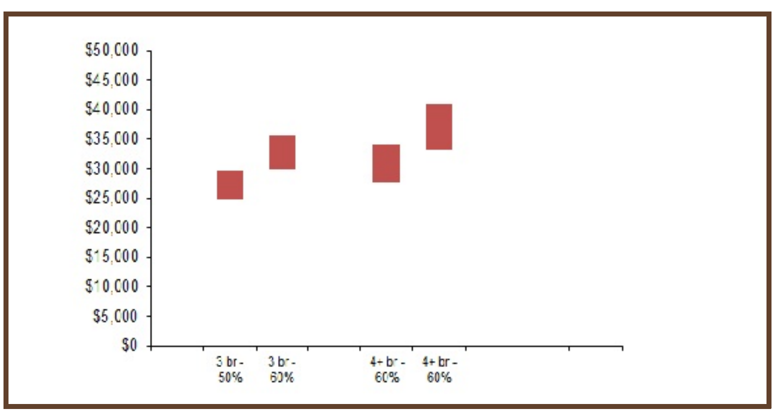
qualifying income ranges

	50 percent	
	lower	upper
3 bedroom	$24,857	$29,600
4+ bedroom	$27,737	$34,175

	60 percent	
	lower	upper
3 bedroom	$29,829	$35,520
4+ bedroom	$33,257	$41,010

Source: Applicant; T Ronald Brown: Research & Analysis

The previous table, and the graph below, show that there is some overlap between the target income ranges. Consequently, demand calculations need to address this.



The major variables to be examined are tenure and income. These data are no longer available from the Decennial Census. Nonetheless, data can be extrapolated from the most recent American Community Survey - again, subject the limitations of those data. These data, for the market area for the proposed complex, are set out below.

Table 21 - Household Income, Renter Households

	All Renters		Overburdened Renters	
Income	Number	Percentage	Number	Percentage
Up to $10,000	364	14.4	244	23.5
$10,000 - $19,999	564	22.4	459	44.3
$20,000 - $34,999	669	26.5	285	27.5
$35,000 - $50,000	369	14.6	42	4.1
$50,000 - $75,000	366	14.5	7	0.7
$75,000 - $100,000	114	4.5	0	0.0
$100,000 and over	77	3.1	0	0.0

Source: 2012 to 2016 American Community Survey; T.Ronald Brown: Research & Analysis

As noted, these data are necessarily from the American Community Survey and are based on the 5-year average for the period from 2012 to 2016 - and not for a specific year.

From this table it can be seen that 14.4 percent of the market area renter households have incomes less than $10,000 and a further 22.4 percent have incomes between $10,000 and $20,000. Around 26.5 percent of renters are seen to be in the $25,000 to $35,000 income range. Around 41 percent of all renters are rent-overburdened. This table also illustrates how rent-overburdened households are concentrated in the lower income groups.

Based on the income ranges set out in Table 19 and the income distribution set out in Table 20, it is found that around 8.6 percent of market area renter households qualify for units at 50 percent of the median, and the corresponding figure for units at the 60 percent level is 8.8 percent.

Projections of need and demand are based upon a 2017 to 2021 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the projections set out in Table 13 a total of 14 new rental units are needed between 2017 and 2021. A total of two units will be for households eligible for the proposed project (one of which will qualify at 50 percent of the median, and one will be at the 60 percent level.

Again, the market for the proposed apartments comprises not only demand from population and household growth, but also from existing renter households who would move to the new apartments were they made available. The extent to which any new development is able to attract a certain share of this market is largely a factor of several interrelated factors. These include the location of the development, the amenities it offers, the quality of design and the effectiveness of the development's marketing and management. That is, the perceived value of the community in terms of price, convenience, and life-stye.

Our calculations show that there will be a total of 470 renter households in the qualifying income range in the project market area - 236 at 50 percent of the median, and 244 households at the 60 percent level. These figures have to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, 49.5 percent of renters qualifying for assisted units are rent-overburdened. Likewise, 37.5 percent of those qualifying for unassisted units at 60 percent level, are rent-overburdened. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. This substandard housing component is based on an annual average rate of 0.9 percent of the rental housing stock. This rate is based on data from the HUD American Housing Survey publication "Components of Inventory Change:2007-2009" published in May 2011. Based on the number of rental units in the project market area, this translates to a need for an additional 17 units, total.

Total demand is therefore seen to amount to 223 units. These figures are based on a 2017 to 2021 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. No directly comparable projects have been added in the project market area over the projection period, nor have any been funded or are under construction. The net need is therefore for 223 units

The preceding calculations are summarized in the table on the following page.

Table 22 - Demand Calculations

		50 percent	60 percent	Total *
(i)	income eligible new renter households	1	1	2
(ii)	income eligible existing renter households	236	244	470
(iii)	existing households, likely to move	117	91	204
(iv)	need from obsolete housing	9	9	17
	Total demand *(i)+(iii)+(iv)*	127	101	223
	Supply	0	0	0
	Net demand	127	101	223

** Excluding gap/overlap*
note: totals may not add due to rounding

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. The latter is based on household size.

Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 26 percent of the total, two-bedroom units should account for 43 percent of the total, and three-bedroom units should account for 27 percent of the total with four- or more bedroom units accounting for 5 percent.

Here, where large units are proposed, the need for three- bedroom units is based on a share of three-person households (45 percent), a share of four person households (70 percent), and a share (75 percent) of five or more person households. The need for four-or more bedroom units is the remaining (30 percent) share of five or more person households. Based on these shares, the need for larger units will be restricted, given that there are relatively fewer large households in the market area, but that given that the proposed development will feature detached homes and that as such they will be relatively unique, it can be expected that they will likely prove more attractive that these shares might suggest, and that the four-or more units may similarly prove more attractive relative to the three-bedroom units, than the numbers would suggest. Thus, any capture rates derived on this basis should take that into account when being evaluated.

Capture rates are illustrated in the table on the following page.

Table 23 - Capture Rates

		50 percent	60 percent	Total*
Total demand				
	1 bedroom	33	26	57
	2 bedroom	54	43	95
	3 bedroom	34	27	60
	4+ bedroom	6	5	10
	Total	127	101	223
Supply				
	1 bedroom	0	0	0
	2 bedroom	0	0	0
	3 bedroom	0	0	0
	4+ bedroom	0	0	0
	Total	0	0	0
Net demand				
	1 bedroom	33	26	57
	2 bedroom	54	43	95
	3 bedroom	34	27	60
	4+ bedroom	6	5	10
	Total	127	101	223
Units proposed				
	1 bedroom	0	0	0
	2 bedroom	0	0	0
	3 bedroom	12	4	16
	4+ bedroom	0	8	8
	Total	12	12	24
Capture rates				
	1 bedroom	0.0%	0.0%	0.0%
	2 bedroom	0.0%	0.0%	0.0%
	3 bedroom	34.9%	14.6%	26.5%
	4+ bedroom	0.0%	170.5%	77.5%
	Total	9.5%	11.8%	10.8%

** Excluding gap/overlap*

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, the proposed 24-unit development amounts to 10.8 percent of the total net need.

The capture rate, by bedroom, is determined to be 26.5 percent for the 16 three-bedroom units, and 77.5 percent for the eight four- or more- bedroom units. The 24 three- and four-or more bedroom units combined amount to 34.3 percent of the demand for those units, by number of bedrooms. These translate to an effective capture rate of 27.1 percent, given that five units will be rent-assisted.

The 12 units at 50 percent of the median amount to 9.5 percent of demand at that target level, and the 12 units targeted at the 60 percent level amount to around 11.8 percent of demand at that level.

As noted above the proposed units will likely prove more attractive than these numbers suggest, all things considered - particularly the fact that they will be detached units..

These capture rates presented above are considered high, but not unreasonable for this property.

Affordability Analysis

Here, an affordability analysis addresses the total number of income eligible renter households in the market are relative to the size of the proposed development.

The minimum income is that associated with the rent for the least expensive unit offered, and the upper limit is based on the 60 percent limit (the highest target income range) for the largest unit size, by number of bedrooms. Here, the lower income is seen to be that for the proposed three-bedroom units that will be targeted to households at the 50 percent level. That is, $433 per month. Given a $292 utility allowance and a 35 percent rent-to-income ratio, the lower qualifying income is seen to be $24,857. The upper income is $41,010. Based on the income data set out in Table 20, there are found to be 600 renter households in that range. Thus, the proposed 24-unit development corresponds to a 4.0 percent affordability analysis capture rate.

Penetration rate.

A penetration rate is defined, for the purposes of this analysis, as the proportion of income-eligible households needed to fill the proposed development, plus those in existing competitive units, plus any in competitive units that are approved and funded for future development.

The lower income limit for this analysis is the income needed to afford the least expensive competitive unit in the market (or the rent for the least-expensive proposed unit, if lower), and the upper income limit is the upper income limit for the competitive units (or the proposed units, if higher). Our survey of the existing, competitive inventory, shows that there are no properties that are comparable to the proposed units. Thus, given the rents for the proposed development, the target income range for this market is that for the proposed development. That is, from $24,857 to $41,010. Thus, given that there are as, noted, 733 qualifying renter households in the market area. It is seen that 24 units are proposed, there are no comparable tax credit units, with none under construction or funded for future constructions. Thus the penetration rate - as defined - amounts to 4.0 percent.

Summary

Consideration of the capture rates set out in Table 22, the (4.0 percent) affordability analysis capture and (4.0 percent) penetration rate, suggest that the proposed development is marketable, as proposed.

J. LOCAL PERSPECTIVES OF RENTAL HOUSING

As part of the research for this market study, interviews were held with property managers, local government officials, and others with particular knowledge of the local housing market. The proposed development will offer and attractive, new, apartment complex - to be leased subject to the provisions of the Low Income Housing Tax Credit program. Property managers of existing complexes and/or other representatives of management companies were a potential source of information.

As noted, property managers are a major source of information for a project such as that proposed (their contact details are provided as part of the rental survey set out in the previous pages). It should be noted that as the proposed development will be somewhat unique, it is not a concept that local housing professionals are that familiar with. Graylin at Dorchester Square believes that the proposed development will be marketable. Likewise, Cynthia believes it is marketable, as long as the rents are not too high.

K. ANALYSIS/CONCLUSIONS

Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated six-month period, or more.

It is expected that given the nature of the project - and its orientation as a rent-to-own property, that the initial absorption period could be extended as the developer identifies qualified participants. Pre-marketing will curtail this process and is recommended. It should be noted that once the property is absorbed, it can expect to maintain high occupancy levels.

The proposed development should not have a negative impact on existing housing.

It is our recommendation that, based upon our analysis, the proposed apartments should be developed as proposed, and that the project should be awarded low income housing tax credits. This conclusion is based on our analysis of the economic and demographic criteria of the project market area as defined and on our project specific demand analysis and survey of the supply of rental housing in the market--as set out in the foregoing report and summarized in the Executive Summary.

L. OTHER REQUIREMENTS

Statement and signature

I affirm the following:

1. that I have made a physical inspection of the site and market area.

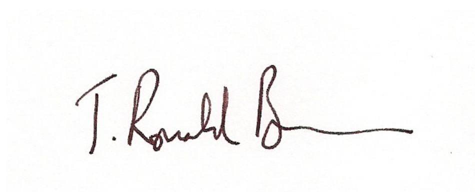
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.

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 the Virginia Housing Development Authority.

4. Neither I nor anyone at my firm has any interest in the proposed development or relationship with the ownership entity.

5. Neither I nor anyone at my firm nor anyone acting on behalf of 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 reservation or allocation of tax credits.



Market Analyst

Date March 12, 2018

As affirmed in the Scope of Work, there is no identity of interest between the analyst and the entity for which the report has been prepared.

Similarly, the recommendations and conclusions are based solely on the analyst's experience, opinion, and best efforts.

Analyst Qualifications

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis.

The President of the firm is T. Ronald Brown. He has 30 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last two decades or so, Mr. Brown has produced around 2,500 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland.

The firm has primary experience in market analysis for residential projects including both single-family homes and multi-family units (for sale and for rent). A significant proportion of the firm's business focuses on apartment market studies–for family renters and for elderly persons. These reports include conventionally financed projects (including HUD 221 (d) (4) projects), affordable housing (including low income tax credit financed projects) and subsidized housing.

Clients include for-profit developers, non-profit developers and community development corporations, state housing finance agencies, syndicators, and municipalities.

List of sources

Te foregoing reports contains information from a variety of sources - those sources (such as contact numbers for property interviews) are cited at the appropriate place in the report itself. The major sources of data include:

The U.S. Census - 2000 and 2010, and the American Community Survey (2012-2016)
Virginia Housing Development Authority
U.S. Department of HUD
U.S. Department of Agriculture
Virginia State Data Center/Weldon Cooper Center for Public Service
Virginia Employment Commission
Virginia Economic Development Partnership
City of Franklin
U.S. Bureau of Labor Statistics
HUDUSER (e.g., SOCDS building permits database)

Market study checklist

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MARKET STUDY TERMINOLOGY

Absorption period	The period of time necessary for a newly constructed or renovated property to achieve the *stabilized level of occupancy*. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the *stabilized level of occupancy* has a signed lease. Assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.
Absorption rate	The average number of units rented each month during the *absorption period*.
Acceptable *rent burden*	The rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.
Achievable Rents	See *Market Rent, Achievable Restricted Rent.*
Affordable housing	Housing affordable to low or very low-income tenants.
Amenity	Tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.
Annual demand	The total estimated demand present to the market in any one year for the type of units proposed.
Assisted housing	Housing where federal, state or other programs *subsidize* the monthly costs to the tenants.
Bias	A proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.
Capture rate	The percentage of age, size, and income qualified renter households in the *primary market area* that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. 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*. See also: penetration rate.

Comparable property	A property that is representative of the rental housing choices of the subject's *primary market area* and that is similar in construction, size, amenities, location, and/or age. Comparable and *competitive* properties are generally used to derive market rent and to evaluate the subject's position in the market.
Competitive property	A property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.
Comprehensive Market Study	NCHMA defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'
Concession	Discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).
Demand	The total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can included household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.
Effective rents	Contract rent less concessions.
Household trends	Changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.g. at marriage or separation), changes in average household size, and net *migration*.
Income band	The range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined *acceptable rent burden* percentage and the maximum typically is pre-defined by specific program requirements or by general market parameters.
Infrastructure	Services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

Market advantage	The difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property. *(market rent - proposed rent) / market rent * 100*
Market analysis	A study of real estate market conditions for a specific type of property.
Market area	See *primary market area*.
Market demand	The total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand. A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.
Market rent	The rent that an apartment, without rent or income restrictions or rent subsidies, would command in the *primary market area* considering its location, features and amenities. Market rent should be adjusted for *concessions* and owner paid utilities included in the rent.
Market study	A comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.
Marketability	The manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.
Market vacancy rate, economic	Percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.
Market vacancy rate, physical	Average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.
Migration	The movement of households into or out of an area, especially a *primary market area.*

Mixed income property	An apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50% and 60%).
Mobility	The ease with which people move from one location to another.
Move-up demand	An estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to newer tax credit properties.
Multi-family	Structures that contain more than two housing units.
Neighborhood	An area of a city or town with common demographic and economic features that distinguish it from adjoining areas.
Net rent (also referred to as contract rent or lease rent)	Gross rent less *tenant paid utilities.*
Penetration rate	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*. Funding agencies may require restrictions to the qualified Households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market * 100 See also: capture rate.
Pent-up demand	A market in which there is a scarcity of supply and vacancy rates are very low.
Population trends	Changes in population levels for a particular area over a specific period of time — which is a function of the level of births, deaths, and net *migration*.
Primary market area	A geographic area from which a property is expected to draw the majority of its residents.
Programmatic rents	See *restricted rents.*
Project based rent assistance	Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.
Redevelopment	The redesign or rehabilitation of existing properties.

Rent burden	gross rent divided by adjusted monthly household income.
Rent burdened households	Households with *rent burden* above the level determined by the lender, investor, or public program to be an acceptable rent-to-income ratio.
Restricted rent	The rent charged under the restrictions of a specific housing program or subsidy.
Restricted rent, Achievable	The rents that the project can attain taking into account both market conditions and rent in the *primary market area* and income restrictions.
Saturation	The point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.
Secondary market area	The portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.
Special needs population	Specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs populations include: substance abusers, visually impaired person or persons with mobility limitations.
Stabilized level of occupancy	The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.
Subsidy	Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's *contract rent* and the amount paid by the tenant toward rent.
Substandard conditions	Housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.
Target income band	The *income band* from which the subject property will draw tenants.
Target population	The market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.
Tenant paid utilities	The cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.
Turnover period	1. An estimate of the number of housing units in a market areas as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period. Housing units with new occupants / housing units * 100 2. The percent of occupants in a given apartment complex that move in one year.

Unmet housing need — New units required in the market area to accommodate household growth, homeless people, and housing in substandard conditions.

Unrestricted rents — Rents that are not subject to *restriction*.

Unrestricted units — Units that are not subject to any income or rent restrictions.

Vacancy period — The amount of time that an apartment remains vacant and available for rent.

Vacancy rate-economic vacancy rate - physical — Maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Other Terms

Area Median Income (AMI)	100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.
Attached housing	Two or more dwelling units connected with party walls (e.g. townhouses or flats).
Basic Rent	The maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.
Below Market Interest Rate Program (BMIR)	Program targeted to renters with income not exceeding 80% or area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract to subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.
Census Tract	A small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.
Central Business District (CBD)	The center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.
Community Development Corporation (CDC)	Entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.
Condominium	A form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract Rent	1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).
Difficult Development Area (DDA)	An area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.
Detached Housing	A freestanding dwelling unit, typically single-family, situated on its own lot.
Elderly or Senior Housing	Housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 805 of the units in each building are restricted for occupancy by Households where at least one Household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.
Extremely Low Income	Person or Household with income below 30% of Area Median Income adjusted for Household size.
Fair Market Rent (FMR)	The estimates established by HUD of the Gross rents (Contact rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.
Garden Apartments	Apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.
Gross Rent	the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.
High-rise	A residential building having more than ten stories.
Household	One or more people who occupy a housing unit as their usual place of residence.
Housing Unit	House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program	Federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible Households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.
Housing Finance Agency (HFA)	State or local agencies responsible for financing housing and administering Assisted Housing programs.
HUD Section 8 Program	Federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenants' adjusted income.
HUD Section 202 Program	Federal Program, which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.
HUD Section 811 Program	Federal program, which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.
HUD Section 236 Program	Federal program which provides interest reduction payments for loans which finance housing targeted to Households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of th their adjusted income. All rents are capped at a HUD approved market rent.
Income Limits	Maximum Household income by county or Metropolitan Statistical Area, adjusted for Household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes Income Limits each year for 30% median. Very Low Income (50%), and Low-Income (80%), for households with 1 through 8 people.

Low Income	Person or Household with gross Household Income below 80% of Area Median Income adjusted for Household size.
Low Income Housing Tax Credit	A program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.
Low Rise Building	A building with one to three stories.
Metropolitan Statistical Area (MSA)	A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.
Mid-rise	A building with four to ten stories.
Moderate Income	Person or Household with gross household income between 80 and 120 percent of area median income adjusted for Household size.
Public Housing or Low Income Conventional Public Housing	HUD program administered by local (or regional) Housing Authorities which serves Low- and Very-Low Income Households with rent based on the same formula used for HUD Section 8 assistance.
Qualified Census Tract (QCT)	Any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of Households have an income less than 60% of area Median Income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credits may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.
Rural Development (RD) Market Rent	A monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. This rent is the maximum rent that a tenant can pay at an RD Property.

Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program)	Federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The Program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.
Single-Family Housing	A dwelling unit, either attached or detached, designed for use by one Household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.
State Data Center (SDC)	A state agency or university facility identified by the governor of each state to participate in the Census bureau's cooperative network for the dissemination of the census data.
Tenant	One who rents real property from another.
Tenure	The distinction between owner-occupied and renter-occupied housing units.
Townhouse (or Row House)	Single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.
Very Low Income	Person or Household whose gross household income does not exceed 50% of Area Median Income adjusted for Household size.
Zoning	Classification and regulation of land by local governments according to use categories (zones); often also includes density designations.