



REAL PROPERTY **RESEARCH** GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

Market Feasibility Analysis

PABP Apartments Phase I

Norfolk, Virginia

Prepared for:

PABP Apartments L.P.

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EXECUTIVE SUMMARY

PABP Apartments L.P. has retained Real Property Research Group, Inc. (RPRG) to conduct a market feasibility study for a proposed new construction multifamily rental community to be located at 1140 Princess Anne Road in Norfolk, Virginia. The rental community will include 118 apartments, all of which will target households with incomes at or below 40 percent, 50 percent, and 60 percent of the Area Median Income (AMI), although 7 units (5.9 percent) will have project-based rental subsidies. A portion of the community, 70 units (59 percent), will be financed with equity raised from the sale of nine percent Low Income Housing Tax Credits, while the remaining 48 units (41 percent) will be financed with four percent Low Income Housing Tax Credits and tax-exempt bond financing.

The subject of this report, PABP Apartments, is that portion of the proposed rental community that includes the first 70-unit phase financed with equity raised from the sale of nine percent Low Income Housing Tax Credits.

This analysis has been conducted and formatted in accordance with the 2019 Market Study Guidelines of the Virginia Housing Development Authority (VHDA) and the guidelines of the National Council of Housing Market Analysts (NCHMA). The intended use of this report is to accompany applications to VHDA for nine percent (competitive) Low-Income Housing Tax Credits.

The following summarizes the subject's project's proposed unit distribution, average unit sizes, net rents, utility allowances, and income targeting:

Unit	Units	Income Level	Rent Subsidy	Net Unit Size	Contract Rent (1)	Utility Allowance	Gross Rent
9% LIHTC							
1BR/1BA	3	40%	Sect 8	705	\$458	\$99	\$557
1BR/1BA	3	50%		705	\$600	\$99	\$699
1BR/1BA	6	60%		733	\$740	\$99	\$839
2BR/2BA	4	40%	Sect 8	951	\$540	\$131	\$671
2BR/2BA	19	50%		967	\$707	\$131	\$838
2BR/2BA	19	60%		971	\$876	\$131	\$1,007
3BR/2BA	6	50%		1,173	\$810	\$161	\$971
3BR/2BA	10	60%		1,173	\$1,005	\$161	\$1,166
Subtotal/Avg	70				\$782	\$132	\$915
4% LIHTC							
1BR/1BA	9	60%		733	\$740	\$99	\$839
2BR/2BA	27	60%		967	\$876	\$131	\$1,007
3BR/2BA	12	60%		1,173	\$1,005	\$161	\$1,166
Subtotal/Avg	48				\$883	\$134	\$1,016
Grand Total	118						

(1) Contract rents include trash collection.

Source: PABP Apartments L.P.

Based on our research, including a site visit on January 21, 2019, we arrived at the following findings:



- **Site:** Located in a neighborhood transitioning from suburban residential uses to Downtown Norfolk with a vibrant mix of commercial, institutional, and residential uses nearby, the subject site affords good access to public transportation, employment opportunities and neighborhood services. The plan to reposition the subject parcel of land to a high quality, affordable rental property will benefit the local community. Surrounding land uses include modest single-family homes, schools, churches, and light commercial uses. The site has excellent visibility and accessibility along the north side of Princess Anne Drive, a primary west-east thoroughfare extending through much of central Norfolk. Pedestrian access is excellent at the subject site with sidewalks available along all adjacent streets at the subject site, connecting to the surrounding neighborhoods' sidewalk network and providing convenient access to nearby schools and neighborhood services. The subject's location near Norfolk's Downtown District and Ghent District provide convenient access to retail, cultural, and community amenities including grocery stores, schools, and community centers. The nearby rail line and light commercial facilities are common throughout regional neighborhoods and are considered only a slight detractor, but not impacting the viability of the subject community. The subject site is appropriate for affordable multifamily rental housing.
- **Economic Analysis:** Norfolk is a primary economic engine for the Hampton Roads region. The city's unemployment rate has consistently declined since 2010, while At-Place Employment has fluctuated with growth rates slowing in recent years. The Norfolk labor force has expanded steadily the last two years after dipping in 2015. The city's unemployment rates fell below the national average rates from 2009 to 2013 before trending slightly higher. Norfolk's most recent annual average unemployment rate of 4.7 percent in 2017 represents a significant drop from the recession-era high of 8.8 percent in 2010 but is almost one percentage point higher than the 3.8 percent statewide rate and 30 basis points higher than the 4.4 percent national rate. Unemployment has improved through September 2018, with the citywide unemployment rate falling to 3.8 percent.

The subject's market area is commuter-oriented with over one fifth (21.2 percent) of PABP Market Area workers reporting average commute times of 15 minutes or less each way as of 2013-2017, while 35.2 percent commuted 15 to 24 minutes and 30.5 percent commuted 25 or more minutes. Norfolk's At-Place Employment has fluctuated during the last ten years ranging from 143,168 jobs in 2007 to 141,914 job in 2017. After falling to a low of 134,424 jobs in 2014, job growth averaged almost 7,500 jobs per year through 2017, though most of these gains took place in 2016. At-Place Employment increased by 665 jobs during the first two quarters of 2018. Norfolk experienced rising employment growth rates from 2014 to 2016, but citywide employment growth fell below the national growth rate in 2017. Norfolk's economy is concentrated among four economic sectors; more than one out of every four citywide jobs (27.3 percent) are within the Government sector, followed by Education Health (17.5 percent), Trade-Transportation-Utilities (15.4 percent), and Professional-Business (13.6 percent).

- **Demographic Analysis:** The PABP Market Area's household base increased at a steady pace between 2000 and 2019, with continued household growth projected for the next five years. The PABP Market Area added a net of 1,711 households, representing growth of 5.5 percent, between 2010 and 2019. As of 2019, an estimated 32,814 households reside in the PABP Market Area. Based on Esri trends, RPRG projects that the market area will add households at an average net rate of 0.5 percent (177 households) per year between 2019 and 2024. Households in the PABP Market Area have a higher propensity to rent than in Norfolk. The PABP Market Area's renter percentage is 60.7 percent in 2019. RPRG projects renter households to contribute 80.3 percent of net household growth over the next five years. Over two fifths (41.9 percent) of market area renters as of 2019 are estimated to be below the age of 35, and renter households between the ages of 35 and 54 account for 29 percent of all



renter households within the market area. These are the households who are most likely to be permanent renters, renting more out of necessity than lifestyle preference. The estimated 2019 median household income in the PABP Market Area is \$46,601 per year, 2.6 percent lower than the Norfolk overall median household income of \$47,854. The market area's median renter household earns \$33,189 per year. Over half (52.1 percent) of the market area's renters have annual incomes below \$35,000. Over two fifths (41.4 percent) of all renter households residing in the PABP Market Area have rent burdens of 40 percent or higher; 47.8 percent have rent burdens of 35 percent or higher. This excludes those households who reside in subsidized rent situations as their housing expenses are capped at 30 percent of their income.

- **Competitive Housing Analysis:** The market area competitive multifamily stock is divided into three categories for ease of comparison: Upper Tier market rate; Lower Tier market rate; and Affordable/Tax Credit. Low vacancies reported in RPRG's survey of the tax credit rental communities indicate the affordable rental market in the PABP Market Area is tight, pointing to its ability to support the proposed subject apartments. The multifamily rental housing stock is moderately aged with the market area average year built of 1996. As of our survey, 150 of the 4,660 stabilized units were reported vacant, yielding an overall stabilized vacancy rate of 3.2 percent. The tax credit communities have a vacancy rate of only 1.0 percent. However, all reported vacant tax credit units were at Mission College which reported a lengthy wait list and those units would be leased within the week. Two Lower Tier and One Upper Tier community are in lease up; including the vacant units at these communities, the market area overall vacancy rate is still low at 4.4 percent. The low vacancy rates for most market area communities are indicative of a tight rental market among all three market tiers.

The effective rents for Upper Tier one-bedroom units average \$1,332 (\$1.86 per square foot); the two-bedroom units average \$1,746 (\$1.60 per square foot); and the three-bedroom units average \$2,242 (\$1.62 per square foot). The effective rents for Lower Tier market rate one-bedroom apartments average \$980 (\$1.40 per square foot); two-bedroom units average \$1,101 (\$1.16 per square foot); and three-bedroom units average \$1,306 (\$1.04 per square foot). Only three income-restricted communities (non-deeply subsidized) are currently in the PABP Market Area; all operate under LIHTC guidelines. Effective rents for affordable one-bedroom apartments average \$760 (\$1.16 per square foot); two-bedroom units average \$837 (\$0.97 per square foot); and three-bedroom units average \$997 (\$0.83 per square foot).

RPRG identified eight near term projects totaling 602 units expected to be placed in service in the next three years and six long term projects totaling 588 units less likely to be placed in service in the next three years.

- **Net Demand:** The results of the Derivation of Net Demand analysis indicate that the market will be in balance with a net excess supply of seven units of rental housing over the next three years beyond the subject and all pipeline communities. We note that several of the pipeline projects have a history of delays, and plans may change or be further delayed in the future. Additionally, most projects will have exclusively market rate units targeting upper-income households and will not compete directly with the subject's affordable units.
- **Effective Demand – Affordability/Capture and Penetration:** Assuming a 35 percent rent burden, the subject's units without rental subsidies would need to capture 2.4 percent of the 4,685 income-qualified renter households as of 2021 to lease all 111 non-subsidized units. Including the 7 units with project-based rental subsidies, the overall renter capture rate declines to 1.0 percent.



The overall renter penetration rate is calculated to be very low at 13.2 percent, including all income-restricted units without subsidies currently operating and planned for the market area. RPRG considers these capture and penetration rates to be readily achievable, particularly given the subject's proposed modern design, unit finishes, and extensive community amenities.

- **VHDA Demand Methodology:** Given a calculated net demand of 5,410 households, the 118-unit PABP Apartments would need to capture 2.2 percent of income-qualified renter households per the demand methodology mandated by VHDA. For those units without project-based rental subsidies, the capture rate is 6.0 percent. We believe these capture rates to be reasonable and achievable.
- **Target Market:** The groups most likely to reside at the subject's income restricted units include individuals working in service sectors such as retail, leisure and hospitality, or in civilian positions associated with the numerous military installations in the area. Other persons likely to reside at the subject project include government or contract workers; local public servants such as firefighters, police officers, and teachers; and early career workers in the professional-business, financial activities, information, and health sectors. It is also possible that military personnel posted to the Hampton Roads region would find the subject's apartments to be an attractive housing alternative to on-base housing.

With one-, two- and three-bedroom units, the proposed community would have the capacity to serve single-person households, married and unmarried couples, roommate households, and single- and dual-parent families with as many as four children.

Considered in the context of the competitive environment, the relative position of the proposed PABP Apartments is as follows:

- **Structure Type:** Structure types among the most competitive Lower Tier market rate and income-restricted rental communities are varied including two- and three- story garden buildings, duplexes, townhomes, adaptive reuse, and mid-rise buildings. The subject will have three-story garden buildings, consistent with the subject's lower-density neighborhood (compared to the more dense urban area of Downtown Norfolk). This structure type is comparable to those among the market area's tax credit communities and does not provide an advantage or disadvantage.
- **Project Size:** The surveyed rental communities within the market area range in size from 13 to 300 units, with an average size of 140 units. The 118-unit PABP Apartments will be smaller than the income-restricted average of 130 units, but will appropriately provide on-site management and services similar to other market area rental communities.
- **Unit Distribution:** The subject will offer one-bedroom units (18 percent); two-bedroom units (58 percent); and three-bedroom units (24 percent). The subject's unit distribution includes a larger weighting of two-bedroom units compared to the Lower Tier average but a slightly lower weighting of two-bedroom units compared to the market area tax credit average. The proposed unit distribution positions the subject to target a wide variety of households, including single-person households, couples, roommates, single parent households and families. We believe that the proposed unit distribution is reasonable within the context of the directly competitive rental supply.
- **Income Targeting:** The subject's income targeting is as follows: 7 units (6 percent) will address households with incomes at or below 40 percent of AMI; 28 units (24 percent) will address households with incomes at or below 50 percent of AMI; and 83 units (70 percent) will target households with incomes at or below 60 percent of AMI. RPRG's penetration analysis indicates



- that all of the subject's units as well as those existing and future units without rental subsidies address less than one out of eight (12 percent) of all income-qualified households.
- **Unit Size:** The proposed unit sizes for PABP Apartments average 725 square feet for one-bedroom units; 967 square feet for two-bedroom units; and 1,172 square feet for the three-bedroom units. The subject's unit sizes are generally comparable to or larger than the directly competitive affordable and Lower Tier rental supply within the market area. Additionally, the units are planned with an open and modern floor plan. We believe that the size of the subject's units will be marketable and will be directly competitive with (or superior to) the other rental units in the multifamily supply.
 - **Number of Bathrooms:** All of the subject's one-bedroom units will have one full bathroom, while the two- and three-bedroom units will have two bathrooms. None of the tax credit communities offer two baths for all two-bedroom units. As a result, the availability of two baths in these units is viewed as a slight competitive advantage.
 - **Kitchen Features:** All unit kitchens at PABP Apartments will include features not typically found in the affordable rental supply, such as upgraded countertops, a microwave, and garbage disposal. Additionally, the fact that the units will have black energy-efficient and modern appliances is also a positive feature.
 - **Laundry:** The developer intends to equip all units at PABP Apartments with full-size washer and dryer connections. Among the market area's three tax credit communities, one includes in-unit washer/dryers, one includes washer/dryers in select units, and the remaining community has no in-unit laundry options. Six of the 15 Lower Tier communities have no in-unit laundry options. In-unit laundry connections are appropriate for the subject's target market.
 - **Other Unit Features:** Units at PABP Apartments will have carpeted bedrooms and attractive vinyl flooring in the living areas and kitchen. Carpeting is the primary flooring material among tax credit communities. Most of the subject's units will have private outdoor space with either a patio or balcony. This is also a desirable feature that is appreciated by tenants and not always available in the competitive supply.
 - **Utilities Included in Rent:** The developer proposes to include trash removal costs in monthly rents in PABP Apartments, leaving tenants responsible for paying all other utility bills. Wi-Fi internet capability will also be provided for each Phase I unit at no charge. The trend among newer market area communities is to not include any utilities in the rent; six Lower Tier and 11 Upper Tier communities do not include any utilities in the rent.
 - **Common Area Amenities:** The developer intends to provide a significant offering of common area amenities at the subject, including a clubhouse with community meeting space and free Wi-Fi, business center, a fitness center, grilling station, a playground, and a tot lot. The proposed slate of amenities would position the subject community above all tax credit communities and similar to or exceeding most Lower Tier market rate properties in the market area. The proposed amenity slate is considered to be a competitive advantage in many cases.
 - **Parking:** The subject will have free surface parking which is consistent with the other tax credit communities. Many communities in the Downtown and Ghent Districts do not offer free parking options. As such, free surface parking is considered an advantage in some cases.

Price Position/Rents: The tax credit rents proposed by the developer for PABP Apartments are at or below the allowable maximums for all unit types, given the assumed utility allowances of \$99 for one-bedroom units; \$131 for two-bedroom units; and \$161 for three-bedroom units. The proposed rents are considered to be reasonable when viewed within the context of the directly competitive rental supply.



Absorption Estimate: In estimating an absorption pace for the subject community, we consider recent absorption activity in the market in addition to demand and supply factors. As mentioned previously, none of the tax credit properties have been constructed in the past ten years. Several Upper Tier and Lower Tier market rate rental communities have opened within the past three years. Known absorption details are as follows:

- **Icon**, a 269-unit Upper Tier adaptive reuse community, was placed in service December 2017 and reached stabilization as of July 2018, for an average absorption rate of 38 units per month.
- **Brightleaf**, a smaller Upper Tier community, was placed in service August 2017 and reached full occupancy in January 2018, for an average absorption rate of 18 units per month.
- **The Edge** opened in July 2017 and achieved 68 percent leased as of April 2018, for an average absorption pace of 16 units per month. Through the second half of 2018, lease-up stalled with management issues, and a new manager took over in January 2019.
- **First Colony Flats** placed 79 units in service in March 2018 and completed lease up as of June 2018 for an average absorption rate of 26 units per month.
- **Museum Apartments** placed 48 units in service in September 2018 and had leased 36 units as of our January 2019 survey for an average absorption rate of nine units per month, though the leasing staff reported delays in delivering units slowing the absorption pace.
- **Savoy Apartments** placed 48 units in service in the second week of January 2019 and leased six units as of the last week of January 2019.

Market rate communities report average absorption rates ranging from nine to 38 units per month. We note many of these communities were in lease up simultaneously with one or several additional communities. The affordable nature of the subject community will likely result in higher absorption rates than those reported by market rate communities. The subject community will be the first income-restricted community delivered to the market in 17 years with the exception of St. Paul Apartments which is expected to deliver March 2019. St. Paul Apartments will likely complete at least a substantial portion of lease up prior to the subject delivering, but we consider the possibility of the subject leasing up simultaneously with 630 Tidewater. With these considerations, we conservatively estimate an absorption pace of 14 to 16 units per month. Assuming this absorption pace, we would expect that the subject would attain stabilized occupancy in approximately 7 to 8 months.

Impact on Existing Market: RPRG does not anticipate that the subject will have an adverse impact on the existing rental market. The overall vacancy rate for the income-restricted rental communities within the market area is very low at 1.0 percent. Additionally, the subject's VHDA capture rate for all units is 2.2 percent while the capture rate for those units without rental subsidies is 6.0 percent. Both are reasonable and achievable. Importantly, the overall penetration rate for the income-restricted units is very low at 13.2 percent.



I. INTRODUCTION

A. Overview of Subject

PABP Apartments is a proposed new construction multifamily rental community to be located at 1140 Princess Anne Road in Norfolk, Virginia. The rental community will include two phases totaling 118 rental units, all of which will be income-restricted in accordance with the Department of Housing and Urban Development's 2018 median household income for the Virginia Beach-Norfolk-Newport News-VA-NC MSA (Table 1).

Phase I will consist of 70 apartments (59 percent) to be financed, in part, with equity raised from the sale of nine percent Low Income Housing Tax Credits. Phase II will include 48 units (41 percent) to be financed with four percent Low Income Housing Tax Credits and tax-exempt bond financing. The project will be developed in two phases, but constructed simultaneously.

This report is intended to be submitted as part of an application for nine percent Low Income Housing Tax Credits for the 70 rental units planned for Phase I.

B. Purpose

The purpose of this study is to perform a market feasibility report and analysis. This report examines the subject site, the economic context of the jurisdiction in which the site is located, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of net demand and effective demand (affordability/penetration analyses). In accordance with Virginia Housing Development Authority's 2019 Market Study Guidelines, both net and effective demand will include all of the subject's units proposed for both phases of development.

C. Format of Report

The report format is Comprehensive. Accordingly, the market study addresses all required items set forth in the 2019 Market Study Guidelines of the Virginia Housing Development Authority (VHDA). Furthermore, the market analyst has considered the recommended model content and market study index of the National Council of Housing Market Analysts (NCHMA).

D. Client, Intended User, and Intended Use

PABP Apartments L.P. is Real Property Research Group's (RPRG's) Client for this market study. Along with the Client, the Intended Users are representatives of VHDA and potential investors. The subject report will be submitted to VHDA as part of an application for nine percent (competitive) tax credits. A separate report will be submitted to VHDA as part of an application for four percent (non-competitive) tax credits.

E. Applicable Requirements

This market study will conform to the requirements of the following:

- VHDA's 2019 Market Study Guidelines.
- NCHMA's Model Content Standards and Market Study Checklist.



Table 1 HUD Rent & Income Limits

HUD 2018 Median Household Income												
Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area		\$75,000										
Very Low Income for 4 Person Household		\$37,500										
2018 Computed Area Median Gross Income		\$75,000										
Utility Allowance:												
		1 Bedroom		\$99								
		2 Bedroom		\$131								
		3 Bedroom		\$161								
Household Income Limits by Household Size:												
Household Size	30%	40%	50%	60%	80%	100%	120%	150%	200%			
1 Person	\$15,750	\$21,000	\$26,250	\$31,500	\$42,000	\$52,500	\$63,000	\$78,750	\$105,000			
2 Persons	\$18,000	\$24,000	\$30,000	\$36,000	\$48,000	\$60,000	\$72,000	\$90,000	\$120,000			
3 Persons	\$20,250	\$27,000	\$33,750	\$40,500	\$54,000	\$67,500	\$81,000	\$101,250	\$135,000			
4 Persons	\$22,500	\$30,000	\$37,500	\$45,000	\$60,000	\$75,000	\$90,000	\$112,500	\$150,000			
5 Persons	\$24,300	\$32,400	\$40,500	\$48,600	\$64,800	\$81,000	\$97,200	\$121,500	\$162,000			
6 Persons	\$26,100	\$34,800	\$43,500	\$52,200	\$69,600	\$87,000	\$104,400	\$130,500	\$174,000			
Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom):												
Persons	# Bed-rooms	30%	40%	50%	60%	80%	100%	120%	150%	200%		
1	0	\$15,750	\$21,000	\$26,250	\$31,500	\$42,000	\$52,500	\$63,000	\$78,750	\$105,000		
1.5	1	\$16,875	\$22,500	\$28,125	\$33,750	\$45,000	\$56,250	\$67,500	\$84,375	\$112,500		
3	2	\$20,250	\$27,000	\$33,750	\$40,500	\$54,000	\$67,500	\$81,000	\$101,250	\$135,000		
4.5	3	\$23,400	\$31,200	\$39,000	\$46,800	\$62,400	\$78,000	\$93,600	\$117,000	\$156,000		
6	4	\$26,100	\$34,800	\$43,500	\$52,200	\$69,600	\$87,000	\$104,400	\$130,500	\$174,000		
LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom):												
# Persons	30%		40%		50%		60%		80%			
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net		
1 Bedroom	\$421	\$322	\$562	\$463	\$703	\$604	\$843	\$744	\$1,125	\$1,026		
2 Bedroom	\$506	\$375	\$675	\$544	\$843	\$712	\$1,012	\$881	\$1,350	\$1,219		
3 Bedroom	\$585	\$424	\$780	\$619	\$975	\$814	\$1,170	\$1,009	\$1,560	\$1,399		

Source: U.S. Department of Housing and Urban Development

F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

- Please refer to Appendix 2 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Ethan Reed, Senior Analyst for Real Property Research Group, Inc., conducted a visit to the subject site, its immediate neighborhood, and wider primary market area on January 21, 2019.
- RPRG gathered primary information through field and phone interviews with rental community leasing agents and property managers. In the course of research, we obtained information on proposed developments through interviews with Paula Shea of the Norfolk Planning Department and Janene Taylor-Smith of the Norfolk Redevelopment & Housing Authority.
- All information obtained is incorporated in the appropriate section(s) of this report.



G. Report Limitations

The conclusions reached in a market feasibility analysis are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix 1 of this report.

H. Other Pertinent Remarks

None.

II. PROJECT DESCRIPTION

A. Project Overview

PABP Apartments is a proposed Low Income Housing Tax Credit (LIHTC) multifamily rental community to be located at 1140 Princess Anne Road in Norfolk, Virginia. The rental community will include 118 apartments and associated community amenities. The project will have two separate financing structures. Phase I, the subject of this report, will consist of 70 rental units and the clubhouse/swimming pool to be constructed on a 2.07-acre site. These apartments will be financed, in part, with equity raised from the sale of nine percent (competitive) tax credits. Phase II will include the remaining 48 units to be constructed on a 1.38-acre site with equity proceeds from the sale of four percent (non-competitive) tax credits and tax-exempt bond financing. The developer for Phase I and Phase II is PABP Apartments L.P. Figure 1 illustrates the conceptual rendering for the proposed apartment buildings.

Figure 1 Building Rendering, PABP Apartments



Source: PABP Apartments L.P.

B. Project Type and Target Market

PABP Apartments will be a general occupancy multifamily rental complex that will target low- and moderate-income renter households. The project will have two separate financing structures, but will be constructed as one project. Of the 118 apartments, 7 units (5.9 percent) will have project-based Section 8 rental subsidies and the remaining 111 units (94.1 percent) will require that tenants pay the contract rent or have their own Housing Choice voucher. These 111 rental units will include a broad range of target incomes with units restricted to households with incomes at 40 percent, 50 percent, and 60 percent of Area Median Income (AMI) for the Virginia Beach-Norfolk-Newport News-VA-NC MSA, as adjusted for household size. The 70 units at PABP Apartments Phase I will be financed, in part, with nine percent (competitive) tax credits. The remaining 48 units in an additional phase will be financed with equity raised from the sale of four percent (non-competitive) tax credits and tax-exempt bond financing. With a unit mix of one-, two- and three-bedroom units, the community will target a range of renter households, including single-person households, couples, roommates, and families with as many as six persons.

C. Building Types and Placement

The proposed PABP Apartments will consist of two components to be financed with tax credits. The nine percent LIHTC component will be financed with nine percent tax credits and will include two (2) three-story open stairwell residential buildings with associated parking on a 2.07-acre site

(Figure 2). This portion of the subject site will include the community’s clubhouse with outdoor grilling station, tot lot, and associated surface parking. One building will be along the southern portion of the site fronting Princess Anne Road and the second building will be along the southeastern portion of the site fronting Courtney Avenue.

A second project component financed with four percent tax credits will be located on a 1.38-acre site and will include one (1) three-story open stairwell residential building with a total of 48 units as well as a playground and adjacent parking. This building will be along the site’s northeast portion fronting Courtney Avenue.

The main entrance into the rental community will be from the west side of Courtney Avenue, just north of Princess Anne Road.

Figure 2 Site Plan, PABP Apartments



Source: PABP Apartments L.P.

D. Detailed Project Description

1. Project Description

PABP Apartments will include a total of 118 one-, two-, and three-bedroom units. All of the apartments and community amenities will be constructed as one project, although with two different financing structures. From a renter perspective, there will be no visible distinction between the portion of the rental community financed with nine percent tax credits compared with the portion financed with four percent tax credits. Table 2 summarizes the proposed project’s two components based upon financing structure as well as their associated unit distribution, income targeting, unit sizes, net rents, and utility allowances.

**Table 2 Unit Distribution, Unit Sizes and Net Rents, PABP Apartments**

Unit	Units	Income Level	Rent Subsidy	Net Unit Size	Contract Rent (1)	Utility Allowance	Gross Rent
9% LIHTC							
1BR/1BA	3	40%	Sect 8	705	\$458	\$99	\$557
1BR/1BA	3	50%		705	\$600	\$99	\$699
1BR/1BA	6	60%		733	\$740	\$99	\$839
2BR/2BA	4	40%	Sect 8	951	\$540	\$131	\$671
2BR/2BA	19	50%		967	\$707	\$131	\$838
2BR/2BA	19	60%		971	\$876	\$131	\$1,007
3BR/2BA	6	50%		1,173	\$810	\$161	\$971
3BR/2BA	10	60%		1,173	\$1,005	\$161	\$1,166
Subtotal/Avg	70				\$782	\$132	\$915
4% LIHTC							
1BR/1BA	9	60%		733	\$740	\$99	\$839
2BR/2BA	27	60%		967	\$876	\$131	\$1,007
3BR/2BA	12	60%		1,173	\$1,005	\$161	\$1,166
Subtotal/Avg	48				\$883	\$134	\$1,016
Grand Total	118						

(1) Contract rents include trash collection.

Source: PABP Apartments L.P.

In both phases of PABP Apartments, the proposed one-bedroom units will have one bathroom while the two- and three-bedroom units will have two full bathrooms. For Phase I, the one-bedroom units will average 719 square feet; the two-bedroom units will average 967 square feet; and the three-bedroom units will be 1,173 square feet. Phase II unit sizes will be 733 square feet for one-bedroom units, 967 square feet for two-bedroom units, and 1,173 square feet for three-bedroom units. The monthly net rents at PABP Apartments will include the cost of trash removal. The other utility costs, including general electricity, electric-fueled hot water, cooking, heating and cooling, will be the direct responsibility of future tenants. The proposed utility allowances are as follows: \$99 for one-bedroom units; \$131 for two-bedroom units; and \$161 for three-bedroom units. The site will include unrestricted free surface parking, and free cable and Wi-Fi internet service will be provided to each Phase I unit at no charge.

While most units in the initial phase (as well as in the second phase) will require that tenants pay a contract rent or utilize their own Housing Choice voucher, 7 units (5.9 percent) will have project-based Section 8 rental subsidies. These units will be located in the portion of the community financed with nine percent tax credits (PABP Apartments I).

All units at PABP Apartments will be equipped with electric range, refrigerator with an icemaker, dishwasher, microwave, range hood, and garbage disposal (Table 3). Kitchen appliances will be black energy-efficient appliances. The kitchens will have upgraded counters and will feature breakfast bars with an open floor design.

All units will have central air conditioning, 9-foot ceiling heights, and full-size laundry connections. The units will have vinyl plank flooring in the living areas and kitchens with carpeting in the



bedrooms. Most units will have private patios or balconies and window coverings, and ten percent (18 units) will be made accessible.

Common area amenities which will be available to all residents will include a furnished clubhouse with on-site management, fitness room, business center, grilling stations, and playground.

2. Other Proposed Uses

In addition to the proposed Phase I apartment buildings and surface parking, the Phase I buildings and associated clubhouse will be constructed simultaneously with PABP Apartments II. The existing commercial structure on the subject site will be demolished prior to the subject’s construction.

Table 3 Salient Project Information, PABP Apartments I

Unit Features	Community Amenities
<ul style="list-style-type: none"> • Upgraded countertops • Energy Efficient appliances and fixtures • Refrigerator, dishwasher, microwave, range/oven, and garbage disposal • Vinyl plank and carpet flooring • Large vanities, walk-in closets, and ceiling fans • Open floor design • Washer/dryer connections • Patio/balcony (most units) 	<ul style="list-style-type: none"> • Community center • Fitness center • Business center • Outdoor grilling station • Playground • Perimeter fencing

3. Zoning and Government Review

The site recently received approval to be re-zoned from CA (Courtney Avenue) to MF-AC (Multi-Family-Apartment Complex). The proposed use is allowable for this site.

4. Proposed Timing of Development

The developer intends to begin construction in early 2020. All of the subject’s units are scheduled to be delivered by December 2021. The developer will engage in pre-leasing, likely beginning 60 days prior to the delivery of the first units.



III. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The subject site is along the north side of Princess Anne Drive extending to the south side of Goff Street, between Tidewater Drive and Park Avenue in Norfolk, Virginia (Map 1). The site is along the eastern edge of downtown Norfolk.

2. Size, Shape and Topography

The targeted combined acreage of 3.45 acres (2.07 acres for the section financed with nine percent tax credits and 1.38 acres for the section financed with four percent tax credits) is rectangular in shape. The site's overall topography is flat.

3. Existing Uses

As observed during RPRG's recent site visit on January 21, 2019, the subject site is currently improved with a warehouse along the northern portion of the site, scheduled to be demolished prior to the subject's construction (Figure 3).

Map 1 Site Location

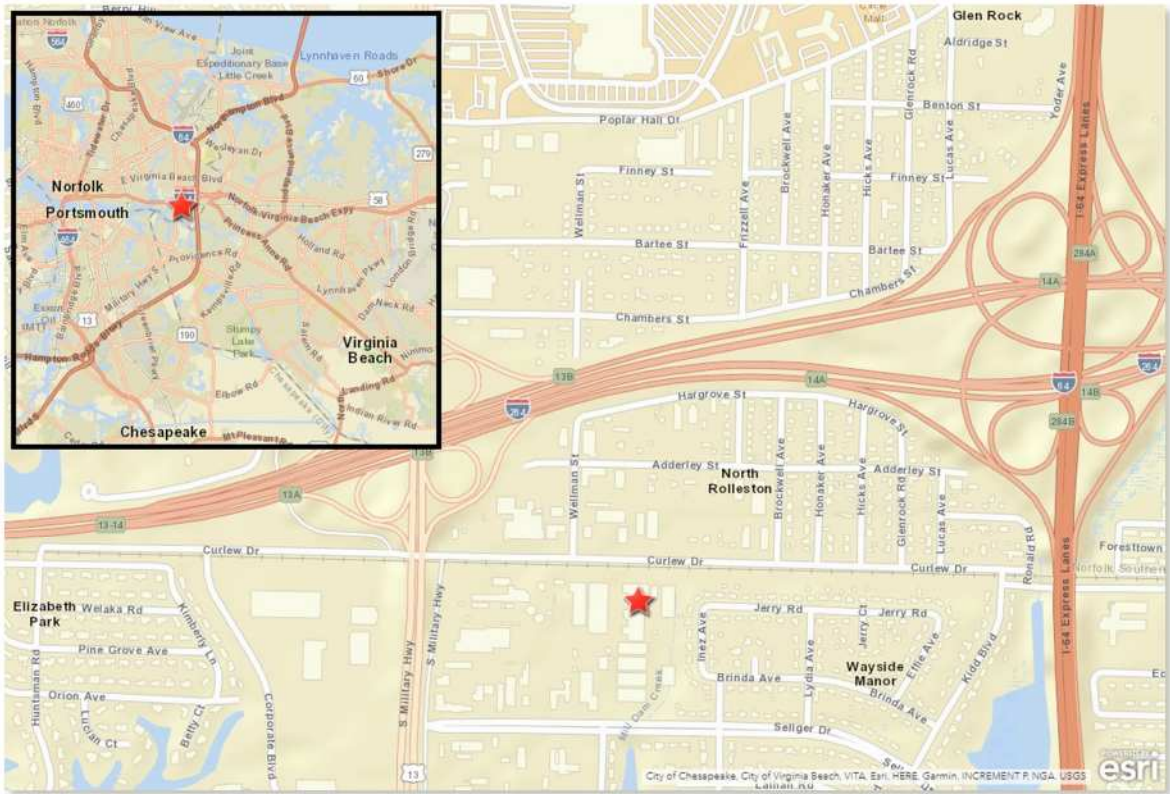


Figure 3 Views of Subject Site



View of site facing northeast from Princess Anne Road



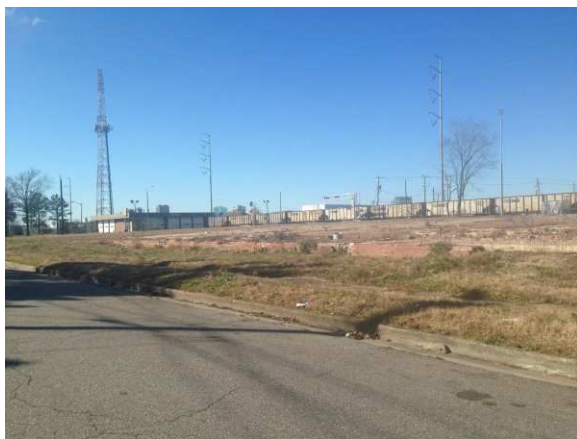
Southern boundary facing west along Princess Anne Road



View of site facing west from Courtney Avenue



Eastern boundary facing north along Courtney Avenue



View of site facing southwest from Courtney Avenue



Improvements scheduled for demolition within northern portion of site

4. General Description of Land Uses Near the Subject Site

The subject neighborhood marks a transition from residential neighborhoods to the east and north to more dense development consistent with a central-city urban area to the west. Land uses surrounding the subject site include single-family residential, light commercial, and institutional.

Single-family homes in the neighborhood directly east of the subject site represent a wide variety of ages and values, ranging from homes built in the early 1900's and selling in the low \$100,000's to infill new construction homes selling in the mid-\$200,000's according to online real estate data provider Trulia. Commercial uses border the subject site to the north and west including a recycling facility and an active railroad line running along the subject's western boundary. B.T. Washington High School is south of the subject site with the high school's football stadium adjacent to the subject along the south side of Princess Anne Road. A church is adjacent to the subject site to the east and light commercial uses are along Princess Anne Road further east. The uses further west are associated with the Downtown District and Ghent District of Norfolk, a vibrant, dense, pedestrian-friendly, mixed-use environment. The nearby rail line and light commercial facilities are common throughout regional neighborhoods and are considered only a slight detractor, but not impacting the viability of the subject community.

5. Specific Identification of Land Uses Surrounding the Subject Site

The land uses directly bordering the subject site are as follows and are presented in Figure 4:

- **North:** A commercial facility and single-family homes along Goff Street to the northeast and single-family homes to the northwest along Barraud Avenue
- **East:** Modest single-family homes, Jerusalem Apostolic Christian Church
- **South:** B.T. Washington High School football stadium and school campus, small commercial buildings
- **West:** Norfolk Southern Railroad, recycling facility, small commercial buildings.

Figure 4 Views of Surrounding Land Uses



Church east of subject site along Princess Anne Road



Single-family homes east of subject site along Courtney Avenue



B.T. Washington High School campus south of subject site



Commercial facility north of subject site



Single-family homes north of site along Goff Street



Recycling facility west of subject site

B. Neighborhood Analysis

The subject is within Norfolk’s Bruces Park neighborhood, a transitional area moving from suburban residential areas to the east to denser urban development associated with Norfolk’s Downtown District and Ghent District to the west. Princess Anne Road proceeds approximately one mile west of the subject site to the emerging NEON arts district, situated between the Ghent District and Downtown District.

Downtown Norfolk is a vibrant, dense, pedestrian-friendly, mixed-use environment. The Downtown district is relatively compact and walkable, spreading roughly ten blocks from north to south and between six and eight blocks from east to west. Downtown Norfolk’s largest retail destination is the MacArthur Center, one of the region’s largest retail destinations located less than two miles west of the subject including department stores, a variety of retailers, and dining establishments.

The central Norfolk region (west and east of the subject site) has several projects either recently completed or currently underway including The Main, a \$164 million public-private investment project which opened in 2017. It offers a 300-room Hilton hotel, three full-service restaurants and a 105,000-square-foot conference center. In addition, Norfolk’s Waterside Festival Marketplace



recently completed extensive renovations. Developer Buddy Gadams recently converted the 24-story Bank of America office building into a mixed-use project including luxury apartments (Icon at City Walk), a ground-floor restaurant, and a fitness facility. Movement Mortgage also recently announced plans to bring more than 800 jobs to the former J.C. Penney building at Military Circle, and Simon Property Group recently completed the \$75 million Norfolk Premium Outlets at the former Lake Wright Golf Course. Additionally, planning continues for a potential expansion of The Tide light rail into Virginia Beach.

West of the subject site is the St. Paul's Quadrant, an area planned for redevelopment by the City and the Norfolk Redevelopment and Housing Authority. The St. Paul's Area Plan envisions the St. Paul's Quadrant redeveloped with a dense, mixed-use, and pedestrian-friendly development pattern that would seamlessly integrate the currently underutilized district into Downtown. The new St. Paul's Apartments, a LIHTC community currently under construction, is a key component of this redevelopment effort.

Neighborhoods throughout the area are generally low- to middle-income with some affluent subdivisions. A large concentration of retail amenities is five miles east of the subject along the Military Highway corridor centered on Military Circle Mall. The new Norfolk Premium Outlets are located further northeast as well. Residents living in this portion of the South Hampton Roads region have access to both urban and suburban settings with numerous employment opportunities and convenient access to the region's recreational amenities.

Approximately 83,000 active military are stationed in the Hampton Roads region. The massive Naval Station Norfolk is the heart of the military network in the region. The base occupies 4,300 acres and is the largest naval complex in the world, according to its website. The facility is home to aircraft and ships ranging from submarines to aircraft carriers. The Norfolk Naval Shipyard in Portsmouth is itself a sizable facility, covering 800 acres and featuring four miles of waterfront. The military will continue to play a vital role in the economy of Norfolk and in the surrounding jurisdictions into the foreseeable future.

C. Site Visibility and Accessibility

1. Visibility

The subject site is along the north side of Princess Anne Drive, a primary west-east thoroughfare extending through much of central Norfolk. As this thoroughfare provides moderate to heavy vehicular traffic, the subject will have good visibility.

2. Vehicular Access

Ingress and egress to the subject site will be from Courtney Avenue, an interior neighborhood street with light traffic. No problems are anticipated for ingress/egress at the subject site. The site is well-integrated into the surface road network and highway network of Norfolk and the wider Hampton Roads region. Princess Anne Drive extends west of the subject site connecting to Tidewater Boulevard, a primary north-south thoroughfare, and beyond to downtown Norfolk. The east-west highway Interstate 264 is accessible less than one mile south of the site. Interstate 464 is accessible further southwest across the Berkley Bridge, and travels southbound into the City of Chesapeake. Meanwhile, I-264 continues west via the Downtown Tunnel into the City of Portsmouth. Eastbound I-264 crosses into Virginia Beach to the east, beyond an interchange with Interstate 64. The subject site has convenient vehicular access to major retail and employment centers throughout Norfolk as well as throughout the Hampton Roads region.



3. Availability of Public Transit

Hampton Roads Transit (HRT) is the primary provider of mass transit services to the citizens of Norfolk. The other regional cities incorporated within the HRT transit network are Chesapeake, Portsmouth, Virginia Beach, Hampton, and Newport News. Most of the HRT transit routes are bus routes, though the system also includes a trolley in Virginia Beach and a paddlewheel ferry that links downtown Portsmouth and downtown Norfolk. The subject site is within a quarter mile of an HRT bus stop.

The region's light rail system, The Tide, links key activity nodes in and near Downtown Norfolk, including the Eastern Virginia Medical Center, Civic Plaza, the MacArthur Center, Harbor Park, and Norfolk State University. Monticello Station, a Greyhound Bus Stop, and the new Downtown Norfolk Transit Center are located within two miles of the subject site. Local routes 1, 2, 3, 4, 6, 8, 9, 11, 13, 18, 20 and 45, plus MAX Routes 960 and 961 all stop at this station. Monday through Saturday with service provided between roughly 5:00 am and 12:00 midnight. Two HRT bus stops are conveniently located within one block of the subject site at Hanson Avenue and Princess Anne Road as well as at Tidewater Drive and Princess Anne Road – serving Routes 23 and 8.

4. Availability of Inter Regional Transit

Amtrak has service from the rail station adjacent to Harbor Park in Norfolk at 280 Park Avenue, 1.5 miles south of the subject site. The Norfolk station has service along Amtrak's Northeast Regional route which links to other major cities on the East Coast, including Washington, D.C., Philadelphia, New York, and Boston. Greyhound Bus also has a station in downtown Norfolk at 701 Monticello Avenue, 1.3 miles to the west.

Norfolk International Airport is located at 2200 Norview Avenue, 5.3 miles north of the site. American Airlines, Delta Air Lines, Southwest Airlines and United Airlines offer daily flights into and out of Norfolk International. Destinations that can be reached via non-stop service from Norfolk International include Washington, DC, Baltimore, Philadelphia, New York, Charlotte, Atlanta, Boston, Detroit, Chicago, Nashville, Jacksonville, Orlando, Tampa, Miami, Houston, Dallas, Minneapolis, and Las Vegas.

5. Pedestrian Access

Pedestrian access is excellent at the subject site. Sidewalks are available along all adjacent streets at the subject site, connecting to the surrounding neighborhoods' sidewalk network and providing convenient access to nearby schools and neighborhood services.

6. Accessibility Improvements Under Construction and Planned

Through site visit observations, a review of the Virginia Department of Transportation's (VDOT) Fiscal Years current Six-Year Improvement Program and a review of their website, RPRG assessed whether any capital improvement projects impacting road, transit, or pedestrian access to the subject site are currently underway or likely to commence in the next few years.

The I-64/I-264 Interchange Improvements Project is the most significant transportation improvement project in the area. Upon completion, this project will enhance accessibility in the area surrounding the subject site; the interchange is four miles southeast of the subject site. The I-64/I-264 Interchange Improvements Phase I is nearing completion with additional phases planned to provide additional capacity, reduce daily congestion, and improve safety and traffic operations in the corridor.



Similarly, numerous VDOT road projects are either underway or under study to mitigate traffic congestion throughout the entire Hampton Roads region. Some of these projects include the replacement of bridges throughout the region, the widening of roads and improvements in intersections, the construction of a new I-564 intermodal connector, among others.

D. Public Safety

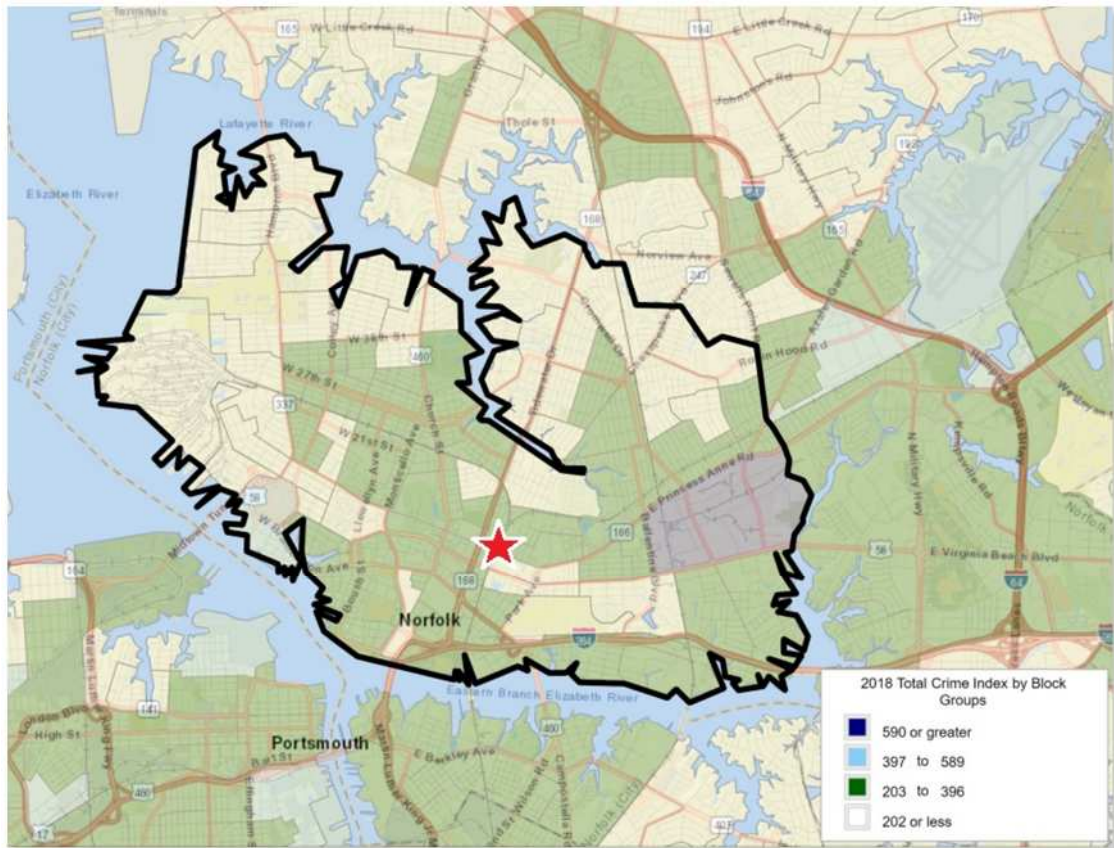
The Norfolk Police Department, which is responsible for the subject site's neighborhood, is located 2.1 miles to the east at 3661 E. Virginia Beach Boulevard. The subject is located roughly 1.1 miles from Norfolk Fire Rescue Station Number 1 located at 450 St Pauls Boulevard. Emergency responders should thus generally be able to reach the subject site quickly when needed.

In order to gauge the topic of crime in the vicinity of the subject site, RPRG considered CrimeRisk data provided by Applied Geographic Solutions (AGS). CrimeRisk is an index that measures the relative risk of crime compared to a national average at the narrow geographic level of U.S. Census block groups. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the Federal Bureau of Investigations (FBI) under the Uniform Crime Reporting (UCR) program. The UCR program tracks violent crimes (murder, forcible rape, robbery, and aggravated assault) and property crimes (burglary, larceny-theft, auto theft, and arson).

Based on modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the block-group level. Aggregate indexes have been prepared as a total crime index (as well as separately for violent and property crimes in accordance with the reporting procedures used in the UCR reports). An index value of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. In considering the indexes, note that they are not weighted, such that a murder is weighted no more heavily than a purse snatching. The indexes provide a useful measure of the relative overall crime risk in an area but are most useful when considered in conjunction with other measures.

Map 2 displays the 2018 CrimeRisk index for the block groups near the subject site. The relative risk is displayed in gradations from light yellow (least risk) to deep purple (most risk). The block groups that contain the subject site and immediately adjacent parcels are shaded green and light yellow, indicative of an overall lower level of crime. Inspections of the subject site and surrounding neighborhood as well as interviews with local property managers indicate crime or the perception of crime are not expected to negatively impact the subject site.

Map 2 Total Crime Index by Block Group



E. Residential Support Network

1. Key Facilities and Services near the Subject Site

The appeal of a residential community is based in part on its proximity to facilities and services that are required on a day-to-day basis. Key facilities and services and their distances from the subject site are listed in Table 4 and the locations of those facilities are plotted on Map 3.



Table 4 Key Facilities and Services Near Subject Site

Establishment	Type	Address	Driving Distance (miles)
BT Washington High School	Education	322 Shirley Ave.	0.3
Goff Street Park	Recreation	1305 Maltby Ave.	0.3
Park Avenue Market	Grocery	1024 Park Ave	0.5
Foodbank of Southeastern Virginia	Community	800 Tidewater Dr	0.5
Jocax Elementary School	Education	543 E Olney Rd.	0.6
Save-A-Lot	Grocery	720 Church St	0.9
Norfolk Fire Department	Fire/Emergency	450 St Pauls Blvd	1.1
Scope Arena	Large Event Venue	201 E. Brambleton Ave.	1.3
Chrysler Hall	Live Performance Venue	215 St. Paul's Blvd.	1.3
Norfolk State University	Higher Education	700 Park Ave.	1.3
Granby Theater	Nightlife Venue	421 Granby St.	1.5
Granby Street Retail Corridor	Dining, Shopping & Services	B/t Charlotte & Main St.	1.5
Harbor Park	Baseball Stadium	150 Park Ave.	1.5
Harris Teeter	Grocery	1320 Colonial Ave.	1.6
Hurrah Players	Cultural	420 Bank St.	1.6
Downtown Norfolk Transit Center	Transportation	434 St Pauls Blvd.	1.6
Norfolk Main Library	Public Library	250 E. Plume St.	1.7
MacArthur Pharmacy	Pharmacy	261 Granby St.	1.7
Tidewater Community College	Higher Education	300 Granby St.	1.7
MacArthur Center (Nordstrom, Dillard's, Regal Cinemas 18, Kinkead's Seafood)	Retail, Dining, Entertainment	300 Monticello Ave.	1.8
Ruffner Middle School	Education	730 Spotswood Ave.	2.0
Childrens Hospital of the Kings Daughters	Hospital	601 Childrens Ln.	2.0
Sentara Norfolk General	Hospital	600 Gresham Dr.	2.0
Norfolk Police Department	Police	3661 E Virginia Beach Blvd	2.1
Hampton Roads Naval Museum/Nauticus	Cultural	1 Waterside Dr.	2.1

Source: Field and Internet Research, Real Property Research Group, Inc.



Map 3 Neighborhood Amenities



2. Essential Services

a) Health Care

The subject site has good access to nearby healthcare services necessary for the health and well-being of residents choosing to rent at the subject:

- **Sentara Norfolk General Hospital:** Located two miles northwest of the subject, the 525-bed Sentara Norfolk General Hospital (a Level I Trauma Center) is part of a larger medical campus including the 112-bed Sentara Heart Hospital, 206-bed Children’s Hospital of the King’s Daughters, and Eastern Virginia Medical School. The four facilities in effect form one large campus bounded by Brambleton Avenue, Colley Avenue and Hampton Boulevard. The campus is typically regarded as the preeminent destination for medical services in the Hampton Roads region.
- **Sentara Leigh Hospital:** One of the region’s primary full-service hospitals located at 830 Kempsville Road, less than five miles to the southeast of the subject site. Sentara Leigh Hospital has 250 inpatient beds as well as outpatient services and an emergency room. Sentara Norfolk General Hospital is undergoing a five-year, \$199 million expansion and modernization project.



- Additional healthcare amenities near the subject site include CommuniCare Family Health Center, JenCare Senior Medical Center, Associates in Pediatric Care, and Konikoff Family Dentistry.

b) Education

Norfolk Public Schools serve roughly 32,000 students with over 2,500 teachers. The school system includes over 45 total schools: 31 elementary schools, 9 middle schools, and 5 high schools, as well as additional specialty schools. Students residing at the subject site would attend Jacox Elementary School (0.6 mile from the subject site), Ruffner Middle School (one mile), and B.T. Washington High School (0.3 mile).

Compared to other schools in the school system reporting school scores, Ruffner Middle School ranked 8th of 9 middle schools, and B.T. Washington High ranked 5th of 5 high schools (Table 5). Jacox Elementary School did not receive a reported assessment in 2018. Norfolk’s average school scores are below the state-wide averages.

Table 5 Norfolk Schools, Test Scores

Elementary Schools					Middle Schools				
VSLA - 2018					VSLA - 2018				
Rank	Elementary Schools	Grade 5		Composite	Rank	Middle Schools	Grade 8		Composite
		English	Math				English	Math	
1	Sewells Point Elementary	90.0%	97.0%	93.5%	1	Crossroads Elementary	75.0%	95.0%	85.0%
2	Larchmont Elementary	90.0%	87.0%	88.5%	2	Ghent K-8	77.0%	82.0%	79.5%
3	Tarrallton Elementary	94.0%	81.0%	87.5%	3	Academy for Discovery at Lakewood	85.0%	73.0%	79.0%
4	Mary Calcott Elementary School	86.0%	88.0%	87.0%	4	Northside Middle	67.0%	79.0%	73.0%
5	Larrymore Elementary	87.0%	86.0%	86.5%	5	Norview Middle	67.0%	79.0%	73.0%
20	Little Creek Elementary	66.0%	59.0%	62.5%	6	Blair Middle	68.0%	73.0%	70.5%
21	Ocean View Elementary	63.0%	62.0%	62.5%	7	Azalea Gardens Middle	65.0%	55.0%	60.0%
22	Tanners Creek Elementary	68.0%	55.0%	61.5%	8	William H. Ruffner Middle	43.0%	55.0%	49.0%
23	Sherwood Forest Elementary	65.0%	49.0%	57.0%	9	Lake Taylor Middle	47.0%	43.0%	45.0%
24	Coleman Place Elementary	56.0%	57.0%	56.5%	County Average		66.0%	70.4%	68.2%
25	Chesterfield Academy Elementary	54.0%	59.0%	56.5%	State Average		77.0%	71.0%	74.0%
26	St. Helena Elementary	57.0%	47.0%	52.0%					
27	Tidewater Park Elementary	50.0%	50.0%	50.0%					
28	Lindenwood Elementary	62.0%	36.0%	49.0%					
29	Southside STEM Academy at Compost	40.0%	22.0%	31.0%					
30	Jacox Elementary	37.0%	22.0%	29.5%					
31	James Monroe Elementary	21.0%	19.0%	20.0%					
County Average		63.9%	57.4%	60.6%					
State Average		80.0%	77.0%	78.5%					

High Schools				
EOC - 2018				
Rank	High Schools	Reading	Algebra II	Composite
1	Matthew Fontaine Maury High	87.0%	96.0%	91.5%
2	Granby High	80.0%	90.0%	85.0%
3	Norview High	83.0%	85.0%	84.0%
4	Lake Taylor High	74.0%	92.0%	83.0%
5	Booker T Washington High	70.0%	61.0%	65.5%
County Average		78.8%	84.8%	81.8%
State Average		87.0%	86.0%	86.5%

Source: Virginia Department of Education

The closest institutions of higher learning to the subject site include Tidewater Community College in downtown Norfolk and Norfolk State University (NSU) located one mile southeast of the subject site. NSU enrolls over 6,800 students in a wide number of Bachelor degree programs, 18 Master’s level degree programs and several Doctoral degree programs. NSU is well known throughout the region for its schools of Education, Liberal Arts, Science and Technology, Social Work and Business/Entrepreneurship.

An additional major public university – Old Dominion University (ODU) – is five miles northwest of the subject. Old Dominion University (ODU) enrolls nearly 20,000 undergraduate students in 70 bachelor’s degree programs. More than 5,000 graduate students are enrolled in ODU’s 54 master’s degree programs and 42 doctoral programs. The major colleges include Arts and Letters, Business and Public Administration, Education, Engineering and Technology, Health Sciences and Sciences.



3. Shopping

Retail amenities are extensive throughout the subject neighborhood. The closest supermarket to the site is a Save-A-Lot located within walking distance from the subject site along Church Street. A variety of smaller markets are located near the subject site as well.

Downtown Norfolk's largest retail destination is the MacArthur Center, an indoor shopping mall with two high-end department store anchors (Nordstrom and Dillard's), an 18-screen Regal Cinemas movie theater complex, and a Barnes & Noble bookstore that serves the needs of Tidewater Community College students and staff as well as the general public. In-line retailers at the mall include many desirable national chains (such as Abercrombie & Fitch, Ann Taylor, Apple, Aveda, The Body Shop, Banana Republic, Express, Coldwater Creek, Eddie Bauer, and Brookstone), personal services establishments, and restaurants. In total, the MacArthur Center is home to more than 140 retail establishments. The MacArthur Center lies approximately two miles west of the subject site along Monticello Avenue.

An additional large concentration of retail in the area is five miles east of the subject along Military Highway centered at Military Circle Mall. Although this center has recently lost its major anchor department stores, it still includes Ross Dress-for-Less and a Cinemark multiplex movie theater. This location is being considered for a large-scale redevelopment. The nearby J.A.N.F. Shopping Yard is a one million-square-foot strip center with several major retailers, such as BJ's, TJ Maxx, Petco, and Costco, among others.

4. Recreational and Other Community Amenities

Neighborhoods surrounding the subject site include multiple recreational amenities. Huntersville Community Center is only one half mile northwest of the subject at 830 Goff Street offering multi-purpose rooms, indoor athletic courts, a fitness center, playground, outdoor athletic fields, a community kitchen, and an arts/crafts room.

The subject's location offers proximity to several downtown Norfolk recreational and cultural amenities including Scope Arena, Chrysler Hall, the Hurrah Players Perry Family Theatre, the Norfolk Police & Fire Museums, and Moses Myers House. Granby Street is Downtown Norfolk's traditional "shopping street", occupied with restaurants and entertainment-oriented venues at street level. The revitalized Waterside District, along the south side of the Downtown District, includes 135,000 square feet of retail, event, and public space overlooking the Elizabeth River. Harbor Park Stadium, home of the Norfolk Tides minor league baseball team, is located 1.5 miles southeast from the subject site along I-264. The police department, fire station, and the local library are all located within two miles of the site.

F. Overall Site Conclusions

The subject site is appropriate for affordable multifamily rental housing. Pedestrian access is excellent with schools, a community center, and multiple neighborhood services within a short walk. The subject site is conveniently located near primary transportation thoroughfares providing local and regional access to neighborhood services and employment centers in central and downtown Norfolk. A variety of retail and neighborhood services are within a short drive including a grocery store less than one mile from the subject site. Adjacent land uses include single-family homes to the east and north of the subject site with a commercial facility to the north and commercial facilities to the west. A Norfolk Southern rail line runs adjacent to the subject's western boundary, through rail lines are common throughout regional residential neighborhoods and are considered only a slight detractor, not impacting the viability of the subject community.



IV. ECONOMIC CONTEXT

A. Introduction

This section focuses on economic trends and conditions in Norfolk, the jurisdiction in which the proposed PABP Apartments is located. For purposes of comparison, we also discuss economic trends in the Commonwealth of Virginia and the nation.

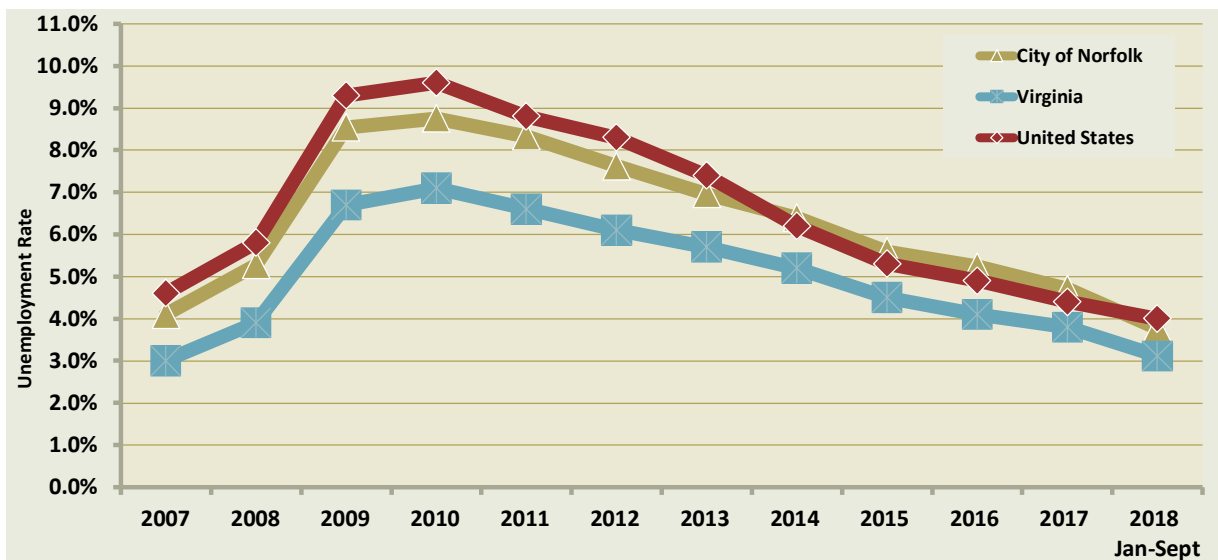
B. Resident Unemployment

The Norfolk labor force has expanded steadily the last two years after dipping in 2015 (Table 6). The city’s labor force reached 110,941 workers in 2017, two percent lower than the historic high reached in 2011, and has continued expanding through the first three quarters of 2018. The number of unemployed workers was reduced by 47 percent from 9,843 in 2010 to 5,216 unemployed residents as of 2017. The city attained unemployment rates below the national average rates from 2009 to 2013 before trending slightly higher. Norfolk’s most recent annual average unemployment rate of 4.7 percent in 2017 represents a significant drop from the recession-era high of 8.8 percent in 2010 but is almost one percentage point higher than the 3.8 percent statewide rate and 30 basis points higher than the 4.4 percent national rate. Unemployment has improved through September 2018, with the citywide unemployment rate falling to 3.8 percent.

Table 6 Labor Force and Unemployment Rates, Norfolk

Annual Unemployment	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 Jan-Sept
Labor Force	99,742	100,847	98,751	112,449	112,932	112,848	112,742	112,175	110,394	110,644	110,941	112,146
Employment	95,656	95,534	90,318	102,606	103,527	104,251	104,889	105,002	104,221	104,850	105,725	107,919
Unemployment	4,086	5,313	8,433	9,843	9,405	8,597	7,853	7,173	6,173	5,794	5,216	4,228
Unemployment Rate												
City of Norfolk	4.1%	5.3%	8.5%	8.8%	8.3%	7.6%	7.0%	6.4%	5.6%	5.2%	4.7%	3.8%
Virginia	3.0%	3.9%	6.7%	7.1%	6.6%	6.1%	5.7%	5.2%	4.5%	4.1%	3.8%	3.1%
United States	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%	4.4%	4.0%

Source: U.S. Department of Labor, Bureau of Labor Statistics





C. Commuting Patterns

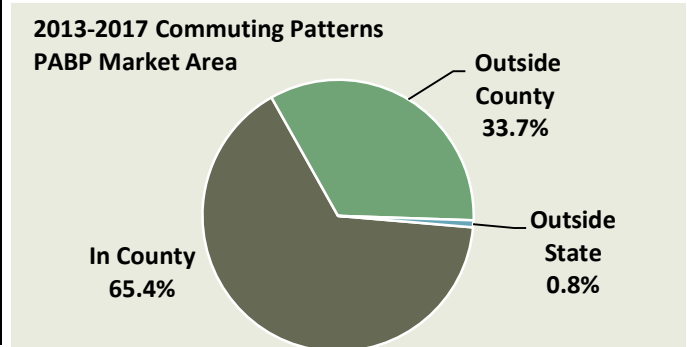
Norfolk is one of the economic engines of the large and economically diverse Hampton Roads region, which is also comprised of the municipalities of Chesapeake, Portsmouth, Virginia Beach, Hampton and Newport News, among others. The economic integration of the Hampton Roads region is demonstrated by reference to commuting patterns for residents of the primary market area for the subject project – labeled the PABP Market Area and defined in the next section. Data from the 2013 to 2017 American Community Survey (ACS) show that 65.4 percent of all market area workers were employed in Norfolk, while 33.7 percent commuted to another Virginia municipality (Table 7). Less than one percent of employed market area residents work outside Virginia.

Just under one third (30.8 percent) of PABP Market Area workers reported average commute times of 15 minutes or less each way as of 2013-2017, while 35.2 percent commuted 15 to 24 minutes and 30.5 percent commuted 25 or more minutes.

Table 7 2013-2017 Commutation Data, PABP Market Area

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	39,764	96.5%	Worked in state of residence:	40,870	99.2%
Less than 5 minutes	1,550	3.8%	Worked in county of residence	26,963	65.4%
5 to 9 minutes	4,963	12.0%	Worked outside county of residence	13,907	33.7%
10 to 14 minutes	6,183	15.0%	Worked outside state of residence	338	0.8%
15 to 19 minutes	7,911	19.2%	Total	41,208	100%
20 to 24 minutes	6,589	16.0%			
25 to 29 minutes	2,637	6.4%			
30 to 34 minutes	5,223	12.7%			
35 to 39 minutes	642	1.6%			
40 to 44 minutes	740	1.8%			
45 to 59 minutes	1,423	3.5%			
60 to 89 minutes	1,072	2.6%			
90 or more minutes	831	2.0%			
Worked at home	1,444	3.5%			
Total	41,208				

Source: American Community Survey 2013-2017



Source: American Community Survey 2013-2017

D. At-Place Employment

1. Trends in Total At-Place Employment

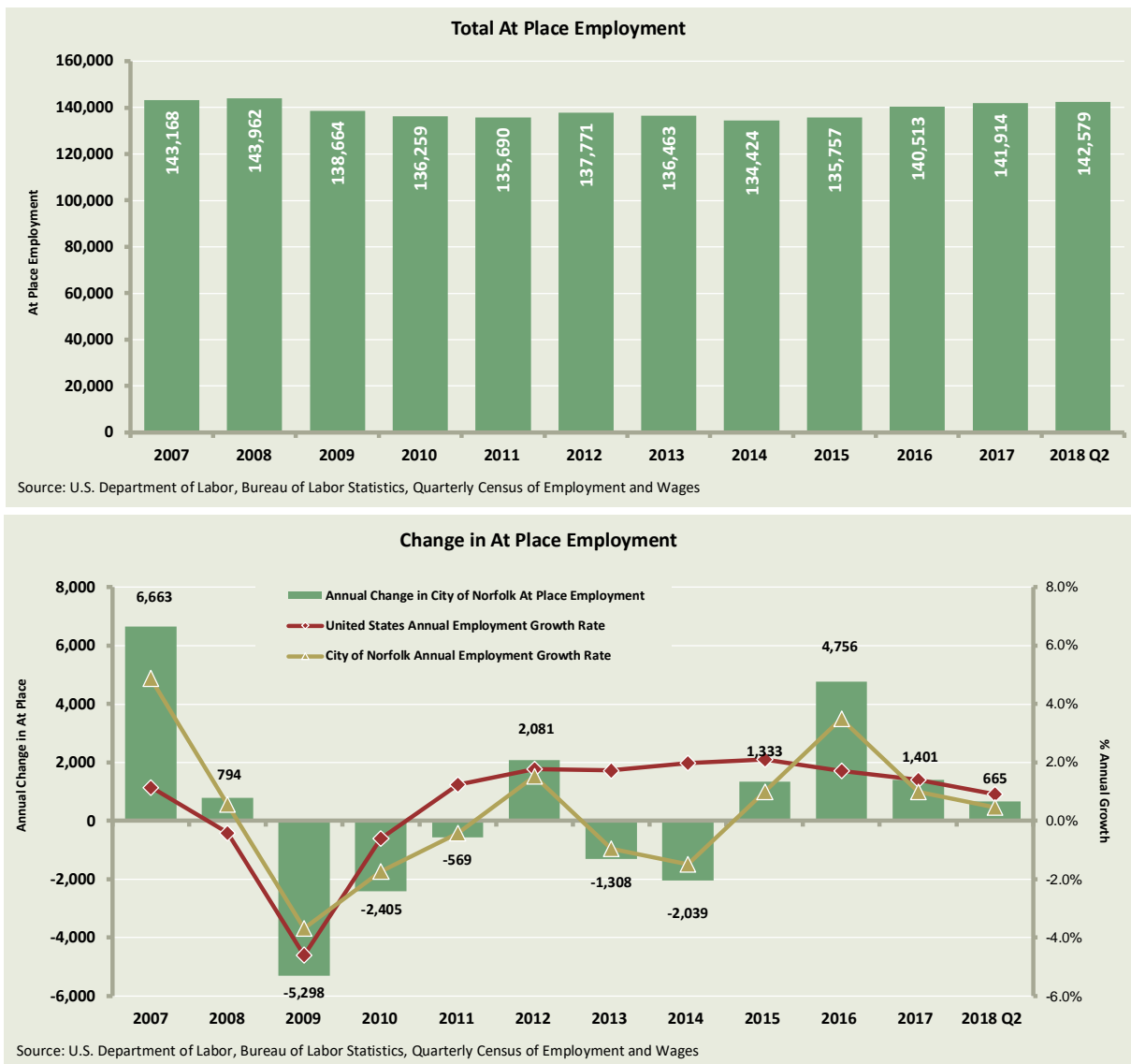
Norfolk At-Place Employment has fluctuated during the last ten years ranging from 143,168 jobs in 2007 to 141,914 job in 2017 (Figure 5). After falling to a low of 134,424 jobs in 2014, job growth averaged almost 7,500 jobs per year through 2017, though most of these gains took place in 2016. At-Place Employment increased by 665 jobs during the first two quarters of 2018.



As illustrated by the trend lines in the bottom portion of Figure 5, Norfolk experienced rising employment growth rates from 2014 to 2016, but citywide employment growth fell below the national growth rate in 2017.

When we evaluate the At-Place Employment data and the labor force data together, we find that the city of Norfolk and its employers provide jobs for many workers living in other jurisdictions throughout the Hampton Roads region. As of 2017, the number of jobs based in the city of Norfolk outnumbered the city’s employed resident labor force by approximately 31,000. Furthermore, this situation may not fully account for all economic activity in Norfolk since active duty military employment – a major sector of the Norfolk economy – is not included in the Bureau of Labor Statistics data utilized here. Also, given the interdependence between many of the jurisdictions which comprise the Hampton Roads region, there are employment relocations/transfers between nearby municipalities which may also be influencing the At-Place Employment data.

Figure 5 Trends in Total At-Place Employment





2. At-Place Employment by Industry Sector

Norfolk’s At-Place Employment is heavily weighted toward local, state and federal government with this economic sector representing over one out of every four (27.3 percent) jobs in the city as of the second quarter of 2018 (Figure 6). The concentration of government jobs locally exceeds the national proportion of 15.1 percent. Education-Health is Norfolk’s second largest economic sector and is responsible for 17.5 percent of local employment. The largest job sector nationally – Trade-Transportation-Utilities – is the third largest job sector in Norfolk, representing 15.4 percent of all employment. The generally well-paying and white-collar Professional-Business, Financial Activities, and Information sectors contribute similar percentages of jobs compared to national proportions. The goods producing sectors of Manufacturing and Construction account for only 7.5 percent of Norfolk’s job base, while contributing 13.5 percent nationally.

Figure 6 Total Employment by Sector, 2nd Quarter 2018

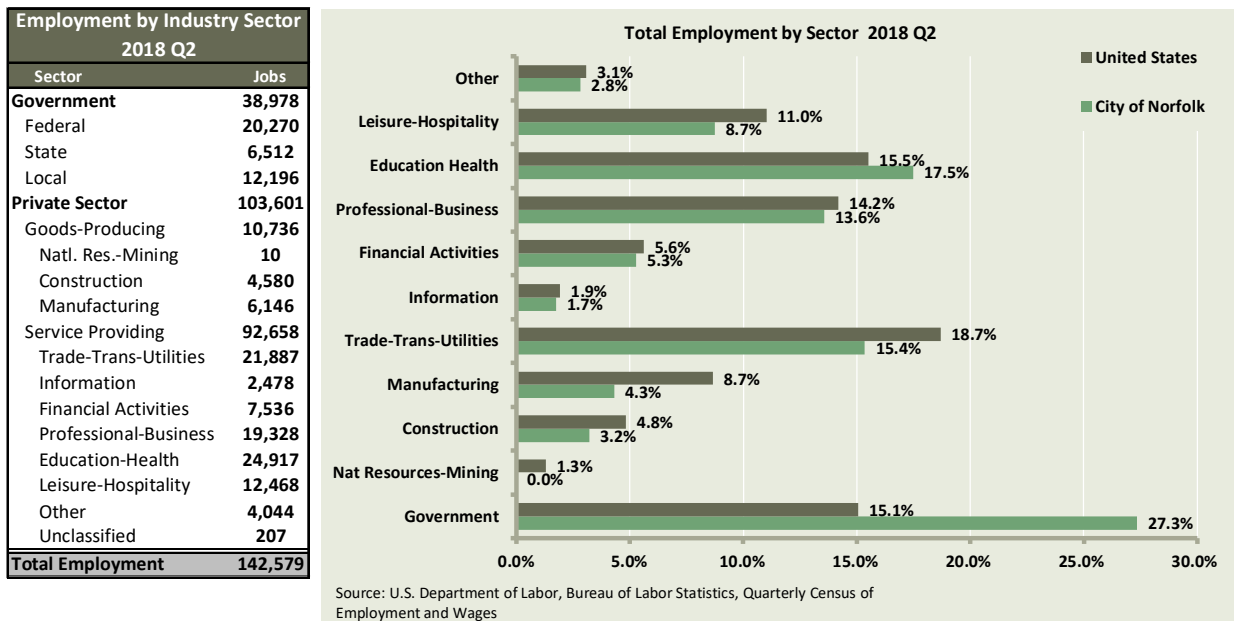


Figure 7 details annualized employment change by economic sector within Norfolk and the United States between 2011 and 2018 (Q2). Among eleven industry sectors, eight added jobs over the last seven years. The Government and Construction sectors had the largest expansions with a net increase of 8.3 percent and 8.4 percent, respectively. The Other sector, including several miscellaneous sectors, increased by 7.7 percent, while Professional-Business and Leisure-Hospitality grew by 7.9 percent and 5.3 percent, respectively. All other sectors experienced either minimal growth or contraction. Although the Natural Resources-Mining sector declined by 16.7 percent, the economic impact was in fact nominal as this sector represents the smallest sector among the Norfolk employment base.

3. Major Private Employers

Table 8 lists Hampton Roads area major employers. Four of the 20 employers are located in Norfolk and five employers have locations throughout the region. Eight of the largest employers are in the areas of Education/Healthcare and six are in the area of Government.



Figure 7 Employment Change by Sector, 2011 – 2nd Quarter 2018

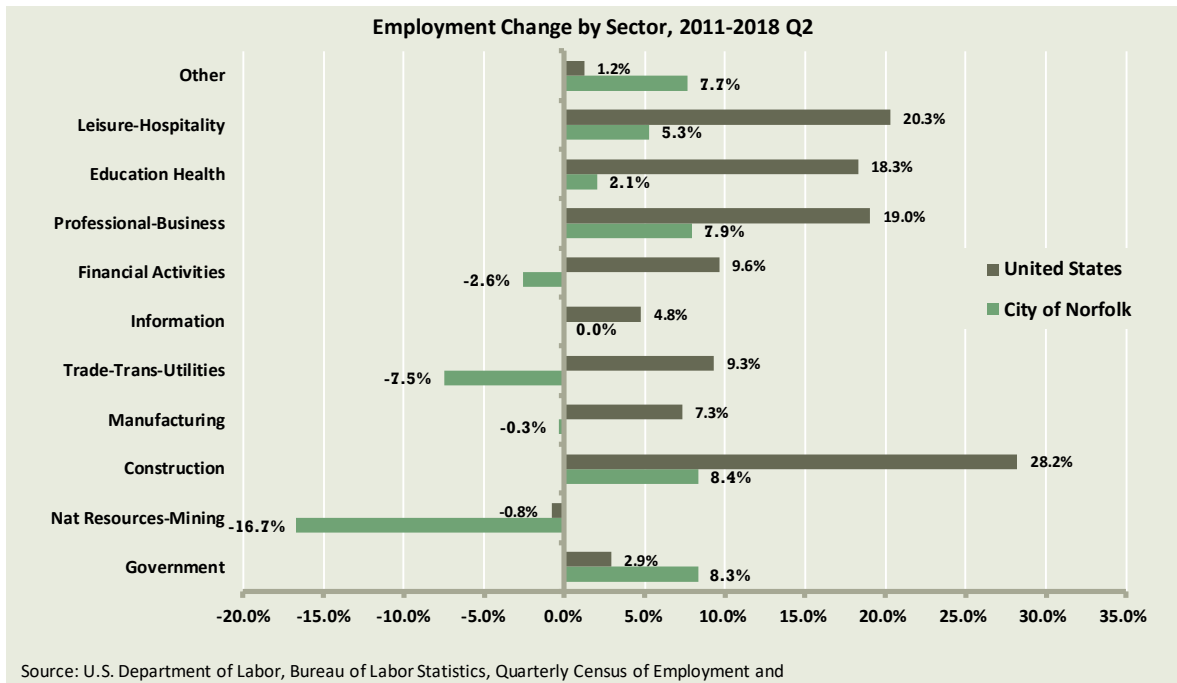


Table 8 Largest Employers in the Hampton Roads Region, 2017

Rank	Name	Sector	Locality	Employment
1	U.S. Department of Defense	Government	Various Locations	1000+
2	Huntington Ingalls Industries, Inc.	Manufacturing	Newport News	1000+
3	Sentara Healthcare	Health	Norfolk	1000+
4	City of Virginia Beach Schools	Education	Virginia Beach	1000+
5	Wal Mart	Trade Retail	Various Locations	1000+
6	Riverside Regional Medical Center	Health	Newport News	1000+
7	City of Virginia Beach	Government	Virginia Beach	1000+
8	Chesapeake City Public School Board	Education	Chesapeake	1000+
9	Norfolk City School Board	Education	Norfolk	1000+
10	City of Norfolk	Government	Norfolk	1000+
11	Food Lion	Trade Retail	Various Locations	1000+
12	Newport News Public Schools	Education	Newport News	1000+
13	City of Newport News	Government	Newport News	1000+
14	City of Chesapeake	Government	Chesapeake	1000+
15	Farm Fresh	Trade Retail	Various Locations	1000+
16	Old Dominion University, Norfolk	Education	Norfolk	1000+
17	Busch Entertainment Corp.	Leisure-Hospitality	Williamsburg	1000+
18	Anthem	Financial Activity	Various Locations	1000+
19	City of Hampton	Government	Hampton	1000+
20	College of William and Mary	Education	Williamsburg	1000+

Source: Virginia Labor Market Information

E. Wage Trends

The average annual wage in 2017 for Norfolk was \$53,576 (Table 9). Norfolk’s average annual pay was five percent lower than the statewide average wage of \$56,506 and three percent lower than



the national average annual wage of \$55,375. The average annual wage throughout Norfolk increased every year but one from 2010 to 2017.

Table 9 Average Annual Wage

	2010	2011	2012	2013	2014	2015	2016	2017
City of Norfolk	\$45,742	\$46,567	\$47,888	\$47,875	\$49,449	\$52,396	\$52,790	\$53,576
Virginia	\$49,651	\$50,657	\$51,646	\$51,918	\$52,929	\$54,276	\$54,836	\$56,506
United States	\$46,751	\$48,043	\$49,289	\$49,804	\$51,361	\$52,942	\$53,621	\$55,375

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 8 compares the average annual wage by economic sector for Norfolk and the United States as of 2017. The average annual wage in the city lagged the average annual wage nationally in every sector except Education-Health with an average annual wage of \$51,277 compared to a national average annual wage of \$49,199 in this sector. Among the city’s most significant sectors, Government has an average wage of \$58,683, Trade-Transportation-Utilities averaged \$44,979, and Professional-Business averaged \$62,077 throughout the city.

Figure 8 Annualized Wage Data by Sector



F. Economic Conclusions and Projections

Norfolk represents a primary economic engine for the Hampton Roads region. The city’s unemployment rate has consistently declined since 2010, while At-Place Employment has fluctuated with growth rates slowing in recent years. Local economic development officials project steady job growth in the near future. Norfolk’s economy is concentrated among four economic sectors (Government, Education Health, Trade-Transportation-Utilities, and Professional-Business) with average wages generally lagging national averages.



V. HOUSING MARKET AREA

A. Introduction

The primary market area for any new residential community is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive housing alternatives are located. In defining the primary market area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

B. Delineation of Market Area

The key factor driving RPRG's primary market area definition is the subject's central Norfolk location just east of the Downtown District and Ghent District. Residents of the neighborhoods throughout the primary market area can reach Downtown within a short drive or transit trip via arterial roadways such as Virginia Beach Boulevard, Tidewater Drive, Granby Street, and Hampton Boulevard. Downtown Norfolk and neighborhoods to the north and northwest such as historic Ghent and those near Old Dominion University are among the city's most desirable residential locations. Meanwhile, neighborhoods spreading to the east of Downtown near the subject site are typically more modest, drawing low- to middle-income households. As the subject site lies within the transitional area just east of Downtown Norfolk, with a mix of densities and development characteristics, all surrounding neighborhoods are considered comparable and competitive to the subject neighborhood.

The southernmost segment of the city of Norfolk – comprised of the neighborhoods of Berkley and Campostella – is located across the Elizabeth River from the remainder of the city. RPRG excluded Berkley and Campostella from the PABP Market Area Market Area as it is more oriented to Chesapeake City. Similarly, the northern portion of the city was excluded from the PABP Market Area Market Area due to the more solid orientation of the northern neighborhoods to activity nodes other than Downtown Norfolk – such as Norfolk Naval Station and the Chesapeake Bay waterfront.

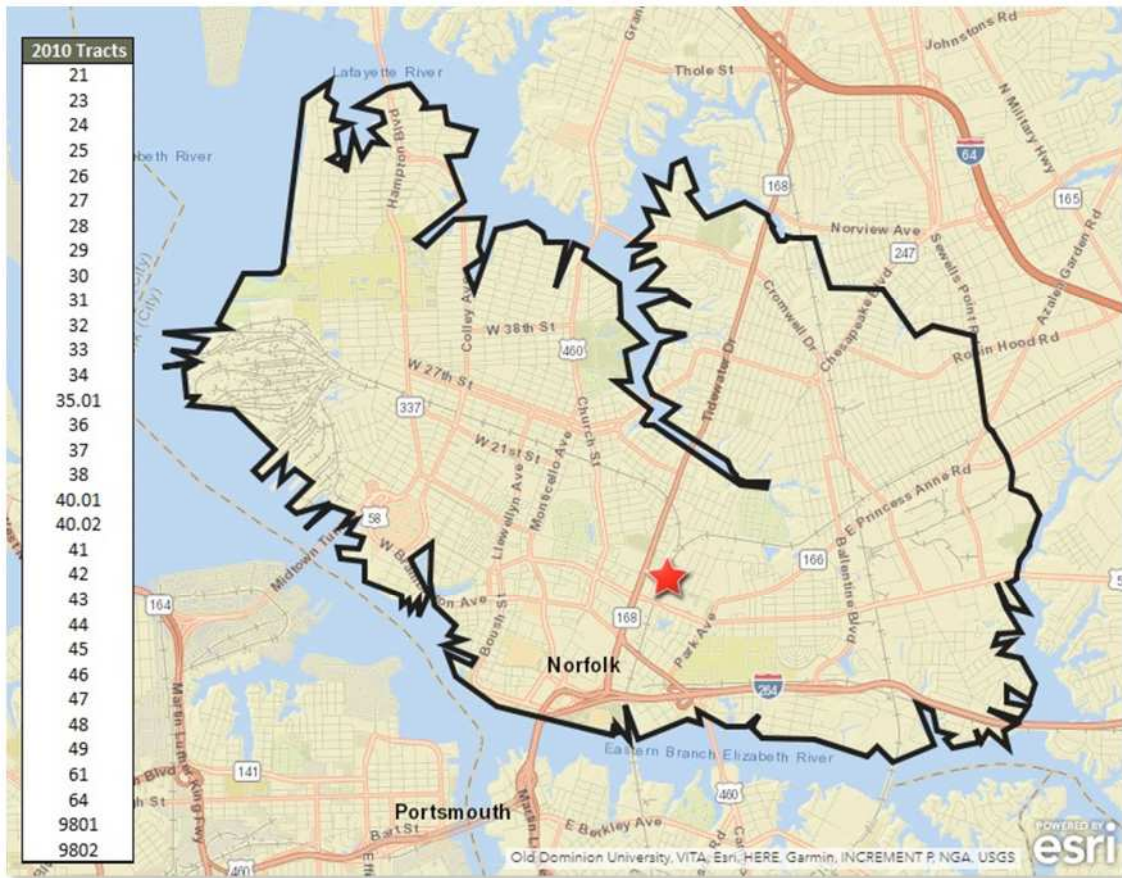
The approximate boundaries of the PABP Market Area and their distances from the subject site for PABP Apartments are as follows:

- **North:** The Lafayette River and Wayne Creek (2.1 miles)
- **East:** Sewells Point Road and the Elizabeth River (2.1 miles).
- **South:** Elizabeth River (0.9 miles)
- **West:** Elizabeth River (3.8 miles)

As appropriate for this analysis, RPRG compares and contrasts the PABP Market Area with Norfolk, considered to be the secondary market area for PABP Apartments.



Map 4 PABP Market Area





VI. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the PABP Market Area and the wider Norfolk region using the following data sources:

- The U.S. Census Bureau's 2000 and 2010 Census of Population and Housing
- The U.S. Census Bureau's American Community Survey for the years 2013 through 2017
- 2019 estimates and 2024 projections by Census tract from Esri, which incorporate 2010 Census data. Esri is a national vendor of demographic data
- Data on permits for new residential units in Norfolk, compiled by the U.S. Census Bureau

In considering population and household trends moving forward from the 2010 Census, RPRG utilized Esri estimates and projections.

B. Trends in Population and Households

1. Recent Past Trends

At the time of the 2000 Census, 79,607 persons and 30,641 households resided in the PABP Market Area (Table 10). Based on the 2010 Census, the population of the PABP Market Area stood at 103,483 in 2010, reflecting a 2.7 percent increase since 2000. Esri projects that population totals have decreased between 2010 and 2019. However, this is inconsistent with observed growth trends and Esri's household estimates. Much of Esri's estimate likely has to do with the large increase reported in the 2010 census – which may be a data anomaly – as well as reported group quarters, as the market area accounts for 35 percent of the city's population, but 86 percent of its 32,780 persons in group quarters. However, the population growth between 2000 (79,607) and 2019 (88,087) is a reasonable 10 percent, or 446 people and 0.6 percent annually. The market area's 2010 household base of 31,103 reflected an annual increase of 0.1 percent versus the 2000 base.

Based on Esri data, RPRG estimates that the market area's household base grew by 190 persons (0.6 percent) per year from 2010 to 2019. The estimated population and household totals for the PABP Market Area as of 2019 are 88,087 persons and 32,814 households. For Norfolk, RPRG estimates that the population and household bases each increased by 0.4 percent annually between 2010 and 2019.

2. Projected Trends

Based on Esri data, RPRG projects that the PABP Market Area will continue to experience steady net population increases at an average annual rate of 0.4 percent, or 398 persons per year over the next five years. The market area's household base will expand by a net of 177 households (0.5 percent) per year through 2024. Norfolk is projected to experience similar annual growth of 0.3 percent in both the population and household base through 2024.

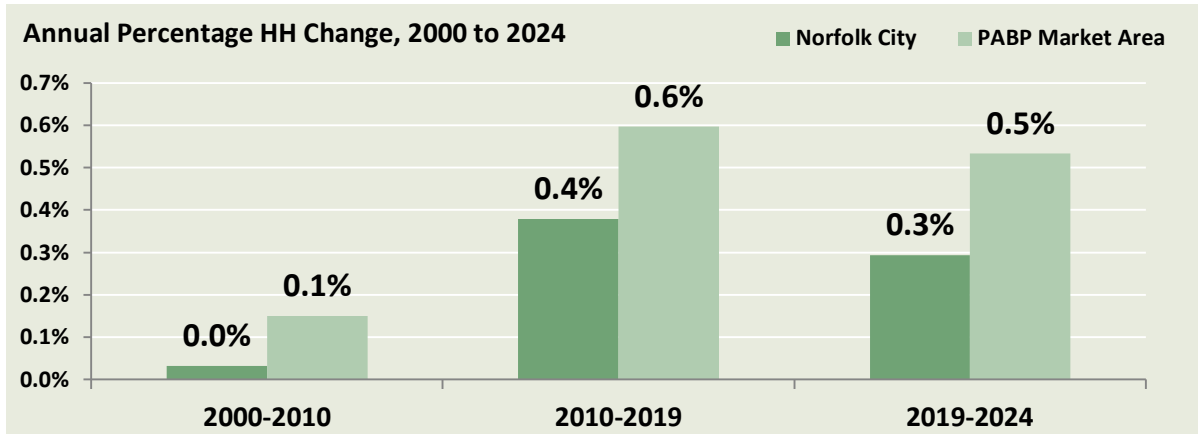


Table 10 Population and Household Trends, 2000 to 2024

		Norfolk City				PABP Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	234,403					79,607				
2010	242,803	8,400	3.6%	840	0.4%	103,483	23,876	30.0%	2,388	2.7%
2019	250,624	7,821	3.2%	869	0.4%	88,087	-15,396	-14.9%	-1,711	-1.8%
2024	253,975	3,351	1.3%	670	0.3%	90,078	1,991	2.3%	398	0.4%

		Norfolk City				PABP Market Area				
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	86,210					30,641				
2010	86,485	275	0.3%	28	0.0%	31,103	462	1.5%	46	0.1%
2019	89,478	2,993	3.5%	333	0.4%	32,814	1,711	5.5%	190	0.6%
2024	90,798	1,320	1.5%	264	0.3%	33,698	884	2.7%	177	0.5%

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.



3. Building Permit Trends

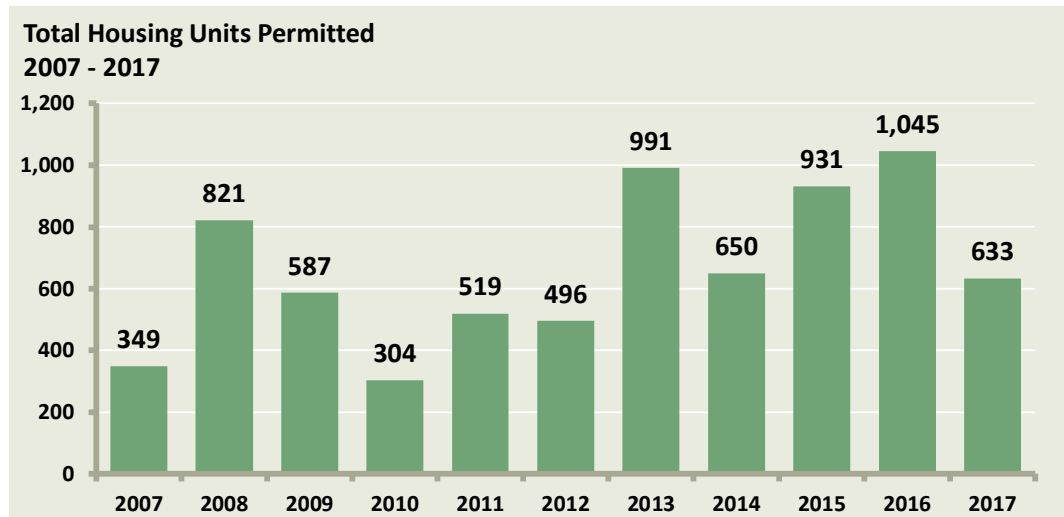
Building permit trends across Norfolk show increased development activity from 2010 through 2017 (Table 11). The city has averaged 666 units permitted annually from 2007 through 2017. Permit activity trends indicate accelerated growth throughout the city over the last five years, with an annual average of 850 units permitted since 2013. From 2007 through 2017, multifamily units accounted for 51 percent of the new residential supply.



Table 11 Building Permits for New Residential Units, Norfolk

Norfolk City													
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-2017	Annual Average
Single Family	313	257	165	171	225	311	389	393	405	378	429	3,436	312
Two Family	20	4	4	12	2	2	0	0	2	80	12	138	13
3 - 4 Family	0	0	3	0	0	0	0	0	4	0	0	7	1
5+ Family	16	560	415	121	292	183	602	257	520	587	192	3,745	340
Total	349	821	587	304	519	496	991	650	931	1,045	633	7,326	666

Source: U.S. Census Bureau, C-40 Building Permit Reports.



C. Demographic Characteristics

1. Age Distribution and Household Type

The median age in the PABP Market Area is 31, one year older than the median age of 30 for residents of Norfolk (Table 12). Young adults comprise a lower percentage of the primary market area’s population than that of the Norfolk population – 28.3 percent versus 30.9 percent. Adults ages 35 to 61 account for 29.2 percent of the populations in the PABP Market Area and 28.6 percent in Norfolk. Senior citizens aged 62 and older make up 16 percent of the market area’s population, a larger proportion compared to the 15.2 percent share in Norfolk. Children and youth under age 20 comprise just over one-quarter of the population in both areas.

According to the 2010 Census, single householders accounted for roughly one-third (32.5 percent) of the households in the PABP Market Area and 31.1 percent of the households throughout Norfolk as of 2010 (Table 13). In the primary market area, 11.3 percent of households fell into the ‘non-family without children’ category, a designation that includes roommate living arrangements and unmarried couples. The percentage of households with children in the PABP Market Area (30.3 percent) is slightly lower than the percentage of households with children throughout Norfolk (31.6 percent).



Table 12 2019 Age Distribution

2019 Age Distribution	Norfolk City		PABP Market Area	
	#	%	#	%
Children/Youth	63,634	25.4%	23,323	26.5%
Under 5 years	15,475	6.2%	5,277	6.0%
5-9 years	14,464	5.8%	5,010	5.7%
10-14 years	13,376	5.3%	4,806	5.5%
15-19 years	20,319	8.1%	8,230	9.3%
Young Adults	77,420	30.9%	24,941	28.3%
20-24 years	35,016	14.0%	10,683	12.1%
25-34 years	42,405	16.9%	14,258	16.2%
Adults	71,570	28.6%	25,760	29.2%
35-44 years	28,553	11.4%	9,927	11.3%
45-54 years	24,859	9.9%	9,185	10.4%
55-61 years	18,158	7.2%	6,648	7.5%
Seniors	38,000	15.2%	14,063	16.0%
62-64 years	7,782	3.1%	2,849	3.2%
65-74 years	17,589	7.0%	6,567	7.5%
75-84 years	8,536	3.4%	3,233	3.7%
85 and older	4,092	1.6%	1,414	1.6%
TOTAL	250,624	100%	88,087	100%
Median Age	30		31	

Source: Esri; RPRG, Inc.

2019 Age Distribution

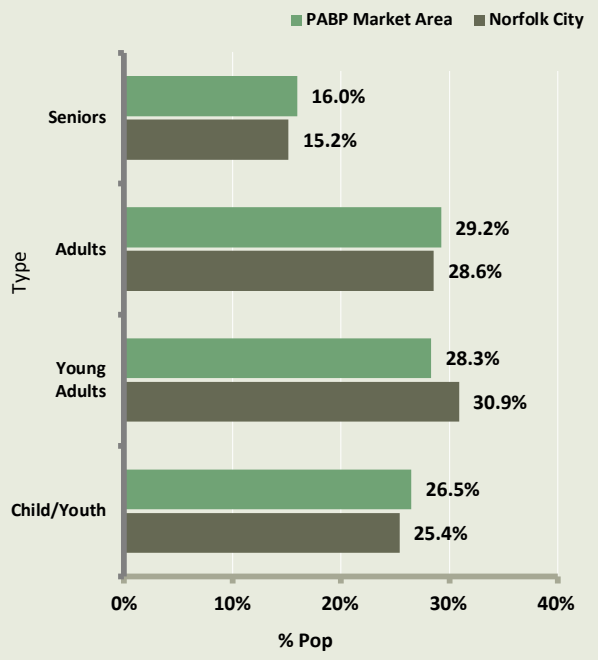
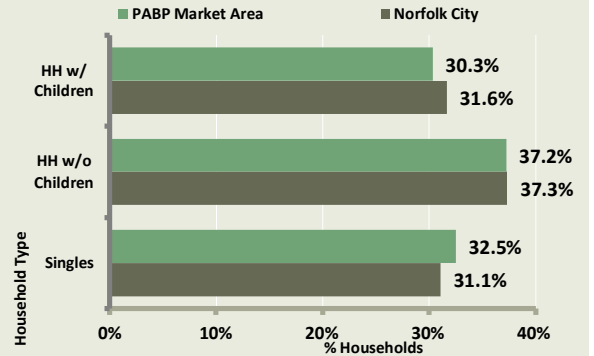


Table 13 2010 Households by Household Type

2010 Households by Household Type	Norfolk City		PABP Market Area	
	#	%	#	%
Married w/Children	13,023	15.1%	3,993	12.8%
Other w/ Children	14,340	16.6%	5,439	17.5%
Households w/ Children	27,363	31.6%	9,432	30.3%
Married w/o Children	16,549	19.1%	5,281	17.0%
Other Family w/o Children	7,227	8.4%	2,763	8.9%
Non-Family w/o Children	8,492	9.8%	3,528	11.3%
Households w/o Children	32,268	37.3%	11,572	37.2%
Singles	26,854	31.1%	10,099	32.5%
Total	86,485	100%	31,103	100%

Source: 2010 Census; RPRG, Inc.

2010 Households by Household Type



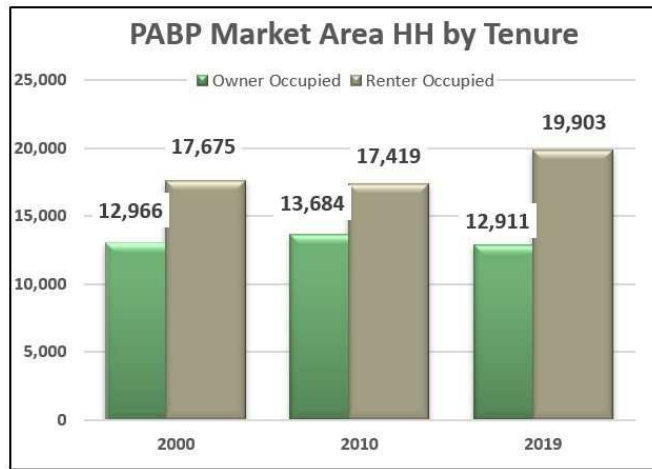


D. Households by Tenure

1. Recent Past Trends

Households in the PABP Market Area have a higher propensity to rent than in Norfolk. The number of renter households in the PABP Market Area increased from 17,419 in 2010 to 19,903 in 2019 for a net increase of 2,484 renter households or 14.3 percent¹ (Figure 9). By comparison, the number of owner households in the market area decreased by 5.7 percent during the same period, from 13,684 to 12,911.

Figure 9 PABP Market Area HH by Tenure, 2000 to 2019



The PABP Market Area’s renter percentage of 60.7 percent in 2019 is higher than the city’s 58.5 percent (Table 14). The last column of Table 14 (blue shaded) quantifies the market area’s net growth by tenure over the past nine years; renter households contributed all of the market area’s net household growth over this period.

2. Projected Trends

Esri projects the renter household growth in the market area to slow significantly over the next five years despite an increase in overall household growth and little owner-occupied development planned in the market area. This projection is a significant departure from past trends and Esri’s previous estimates/projections. Esri changed its methodology for determining household tenure in its most recent² data release to include national multi-family property data from Axiometrics in addition to other changes³. Esri’s new methodology is producing significant deviations from recent past trends that are inconsistent with verified construction and lease-up activity in many markets across the United States, including the PABP Market Area.

As detailed in Table 15, Esri projects renter households to increase by only 300 households over the next five years or annual growth of roughly 60 renter households; the market area added an average of 276 renter households per year over the past nine years. This decrease in renter household growth is not supported by current development activity, which includes primarily multi-family rental development. As detailed in subsequent portions of this report, 928 new multifamily rental units have been occupied in the market area since 2015, an average annual renter increase of 232 units over the last four years; the market area’s multi-family stock’s vacancy rate remains low despite this recent absorption. Esri’s projected slowing of renter household growth is not supported by any local data.

¹ Based on change from 2010 Census counts and Esri’s 2019 Estimate

² July 2018 Release

³ Correspondence with Douglas Skuta or Esri on 7/27/18



Table 14 Households by Tenure, 2000-2018

Norfolk City	2000		2010		2019		Change 2010-2019				% of Change 2010 - 2019
	Housing Units		Housing Units		Housing Units		Total Change		Annual Change		
	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	39,238	45.5%	39,252	45.4%	37,104	41.5%	-2,148	-5.5%	-239	-0.6%	-71.8%
Renter Occupied	46,972	54.5%	47,233	54.6%	52,374	58.5%	5,141	10.9%	571	1.2%	171.8%
Total Occupied	86,210	100%	86,485	100%	89,478	100%	2,993	3.5%	333	0.4%	100%
Total Vacant	8,206		8,533		9,440						
TOTAL UNITS	94,416		95,018		98,918						

PABP Market Area	2000		2010		2019		Change 2010-2019				% of Change 2010 - 2019
	Housing Units		Housing Units		Housing Units		Total Change		Change		
	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	12,966	42.3%	13,684	44.0%	12,911	39.3%	-773	-5.7%	-86	-0.6%	-45.2%
Renter Occupied	17,675	57.7%	17,419	56.0%	19,903	60.7%	2,484	14.3%	276	1.5%	145.2%
Total Occupied	30,641	100%	31,103	100%	32,814	100%	1,711	5.5%	190	0.6%	100%
Total Vacant	2,956		3,372		3,758						
TOTAL UNITS	33,597		34,475		36,572						

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

Based on RPRG’s research including an analysis of demographic and multi-family trends, we project renter households to contribute 80.3 percent of net household growth over the next five years. We derived this percentage by averaging the 2019 renter percentage (60.7 percent) with the renter-share of net household growth over the past nine years (estimated at 100 percent). This projection is conservative as it reflects an average annual increase of only 142 renter households per year when the market area has added an average of 232 units over the last four years.

Table 15 Households by Tenure, 2019-2024

PABP Market Area	2019		2024 Esri HH by Tenure		Esri Change by Tenure	
	#	%	#	%	#	%
Owner Occupied	12,911	39.3%	13,495	40.0%	584	66.1%
Renter Occupied	19,903	60.7%	20,203	60.0%	300	33.9%
Total Occupied	32,814	100%	33,698	100%	884	100%
Total Vacant	3,717		3,653			
TOTAL UNITS	36,531		37,351			

PABP Market Area	2019		2024 RPRG HH by Tenure		RPRG Change by Tenure	
	#	%	#	%	#	%
Owner Occupied	12,911	39.3%	13,085	38.8%	174	19.7%
Renter Occupied	19,903	60.7%	20,613	61.2%	710	80.3%
Total Occupied	32,814	100%	33,698	100%	884	100%
Total Vacant	3,717		3,653			
TOTAL UNITS	36,531		37,351			

Source: Esri, RPRG, Inc.



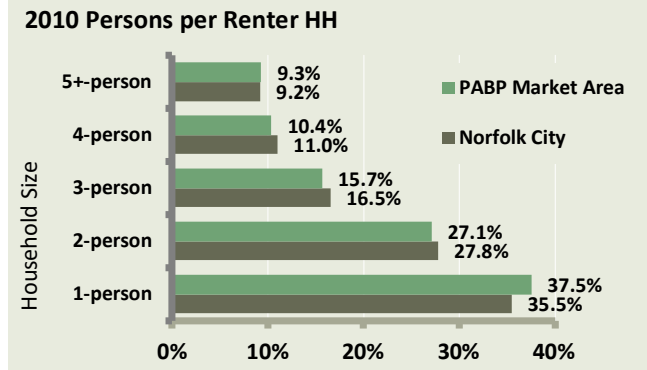
3. Renter Household Characteristics

One-person and two-person households collectively accounted for 64.6 percent of the renter households in the PABP Market Area as of the 2010 Census (Table 16). Throughout Norfolk, 63.2 percent of renter households contained one or two people. Renter households with three to four members accounted for one-quarter (26.1 percent) of all renter households in the market area and 27.5 percent in Norfolk. Renter households make up 9.3 percent of the market area.

Table 16 Renter Households by Household Size

Renter Occupied	Norfolk City		PABP Market Area	
	#	%	#	%
1-person hhld	16,750	35.5%	6,538	37.5%
2-person hhld	13,109	27.8%	4,721	27.1%
3-person hhld	7,814	16.5%	2,733	15.7%
4-person hhld	5,206	11.0%	1,808	10.4%
5+-person hhld	4,354	9.2%	1,619	9.3%
TOTAL	47,233	100%	17,419	100%

Source: 2010 Census

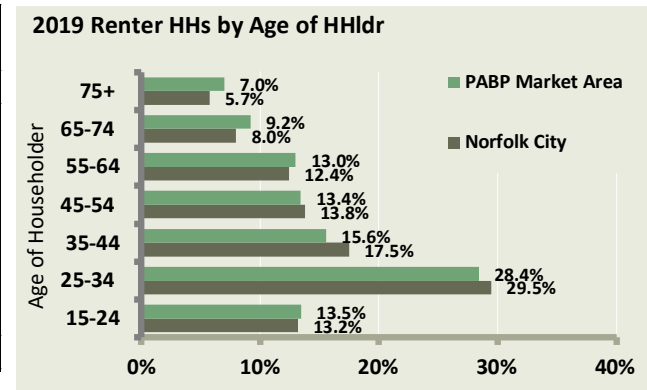


The PABP Market Area has a slightly lower proportion of younger renters than does Norfolk (Table 17). Over two fifths (41.9 percent) of market area renters as of 2019 are estimated to be below the age of 35 while 42.6 percent are represented throughout Norfolk. Renter households between the ages of 35 and 54 account for 29 percent of all renter households within the market area and 31.2 percent of renters in Norfolk. These are the households who are most likely to be permanent renters, renting more out of necessity than lifestyle preference. Seniors aged 55 and older represent 29.1 percent of all renters within the market area and 26.1 percent of all households in the city.

Table 17 Renter Households by Age of Householder

Renter Households	Norfolk City		PABP Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	6,889	13.2%	2,677	13.5%
25-34 years	15,432	29.5%	5,656	28.4%
35-44 years	9,157	17.5%	3,096	15.6%
45-54 years	7,205	13.8%	2,674	13.4%
55-64 years	6,518	12.4%	2,585	13.0%
65-74 years	4,176	8.0%	1,827	9.2%
75+ years	2,998	5.7%	1,388	7.0%
Total	52,374	100%	19,903	100%

Source: Esri, Real Property Research Group, Inc.





E. Income Characteristics

The PABP Market Area is a moderate-income market with incomes on average less than incomes throughout Norfolk (Table 18). Based on income projections from Esri, RPRG estimates the median annual household income in the PABP Market Area at \$46,601 per year, 2.6 percent lower than the Norfolk overall median household income of \$47,854. Roughly 30 percent market area households have annual incomes below \$25,000 while 23.2 percent have incomes between \$25,000 and \$50,000. Roughly 16 percent of market area households earn between \$50,000 and \$75,000, and the highest income households, i.e., those with incomes of \$75,000 or more, account for the remaining 31.2 percent of all households within the market area.

Table 18 2019 Household Income

Estimated 2019 Household Income		Norfolk City		PABP Market Area	
		#	%	#	%
less than	\$15,000	13,162	14.7%	6,027	18.4%
	\$15,000	9,946	11.1%	3,765	11.5%
	\$24,999	9,875	11.0%	3,206	9.8%
	\$34,999	13,718	15.3%	4,407	13.4%
	\$49,999	16,283	18.2%	5,173	15.8%
	\$74,999	9,910	11.1%	3,151	9.6%
	\$99,999	9,323	10.4%	3,538	10.8%
	\$149,999	7,262	8.1%	3,546	10.8%
	Over				
Total		89,478	100%	32,814	100%
Median Income		\$47,854		\$46,601	

Source: Esri; Real Property Research Group, Inc.

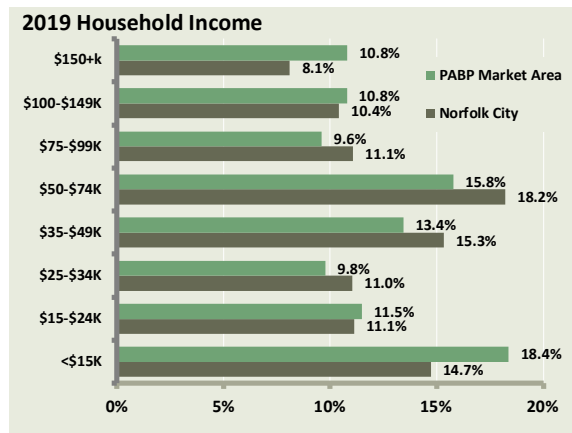
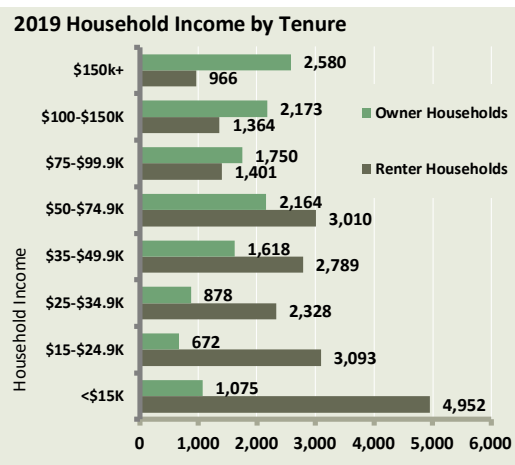


Table 19 presents distributions of 2019 household incomes for renter and homeowner households in the PABP Market Area. Based on income estimate data from the 2013-2017 ACS, Esri income projections, and RPRG’s household estimates, the median annual income among the market area’s renter households as of 2019 is estimated at \$33,189. The median income of homeowner households in the PABP Market Area (\$75,688) is more than double the median renter income. Over half (52.1 percent) of the market area’s renters have annual incomes below \$35,000. Roughly 29 percent earn between \$35,000 and \$75,000, while the remaining 18.7 percent have incomes of \$75,000 or more.

Table 19 2019 Household Income by Tenure

Estimated 2019 HH Income		Renter Households		Owner Households	
PABP Market Area		#	%	#	%
less than	\$15,000	4,952	24.9%	1,075	8.3%
	\$15,000	3,093	15.5%	672	5.2%
	\$24,999	2,328	11.7%	878	6.8%
	\$34,999	2,789	14.0%	1,618	12.5%
	\$49,999	3,010	15.1%	2,164	16.8%
	\$74,999	1,401	7.0%	1,750	13.6%
	\$99,999	1,364	6.9%	2,173	16.8%
	\$149,999	966	4.9%	2,580	20.0%
	over				
Total		19,903	100%	12,911	100%
Median Income		\$33,189		\$75,688	

Source: American Community Survey 2013-2017 Estimates, RPRG, Inc.





F. Cost-Burdened Renter Households

‘Rent Burden’ is defined as the ratio of a household’s gross monthly housing costs – rent paid to landlords plus utility costs – to that household’s monthly income. VHDA requires that household rent burdens under the LIHTC program be no higher than 35 percent.

Rent burden data from the 2013-2017 ACS highlights that lower-income renter households in the PABP Market Area tend to pay a very high percentage of their monthly income toward housing costs (Table 20). Over two fifths (41.4 percent) of all renter households residing in the PABP Market Area have rent burdens of 40 percent or higher; 47.8 percent have rent burdens of 35 percent or higher. The cost-burdened situation of many low- to moderate-income renter households is a primary indicator of a need for new affordable income- and rent-restricted rental housing in the primary market area. Additionally, 3.6 percent of the rental housing stock within the market area can be considered substandard, i.e., lacking complete plumbing facilities, or overcrowded with more than 1.0 occupants per room.

Table 20 Rent Burden by Household Income, 2013-2017, PABP Market Area

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	868	4.6%
10.0 to 14.9 percent	1,042	5.6%
15.0 to 19.9 percent	1,787	9.6%
20.0 to 24.9 percent	1,813	9.7%
25.0 to 29.9 percent	2,161	11.6%
30.0 to 34.9 percent	1,552	8.3%
35.0 to 39.9 percent	1,128	6.0%
40.0 to 49.9 percent	1,654	8.9%
50.0 percent or more	5,648	30.2%
Not computed	1,025	5.5%
Total	18,678	100%
> 35% income on rent	8,430	47.8%
> 40% income on rent	7,302	41.4%

Source: American Community Survey 2013-2017

Substandardness	
Total Households	
Owner occupied:	
Complete plumbing facilities:	12,713
1.00 or less occupants per room	12,603
1.01 or more occupants per room	110
Lacking complete plumbing facilities:	13
Overcrowded or lacking plumbing	123
Renter occupied:	
Complete plumbing facilities:	18,599
1.00 or less occupants per room	18,007
1.01 or more occupants per room	592
Lacking complete plumbing facilities:	79
Overcrowded or lacking plumbing	671
Substandard Housing	794
% Total Stock Substandard	2.5%
% Rental Stock Substandard	3.6%



VII. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the PABP Market Area. We provide data regarding structure types, structure age, and home values from the 2013-2017 ACS. We then report the results of our survey of competitive rental communities in January 2019. Furthermore, we identify residential rental projects actively planned or that currently under construction, based on interviews with local government officials, on-line resources, and RPRG site visit observations.

B. Overview of Market Area Housing Stock

Based on the 2013-2017 ACS survey, multifamily structures (i.e., buildings with five or more units) accounted for half (49.6 percent) of the rental housing units in the PABP Market Area compared to 45.5 percent of rental housing in Norfolk (Table 21). Single-family dwelling units (attached and detached) account for 26.9 percent of the PABP Market Area’s rental housing units, a lower proportion than in the city where 31.1 percent of rental units are in single-family homes. Only 7.7 percent of owner-occupied housing units are among multifamily structures in the market area.

Table 21 Rental Dwelling Units by Structure Type

Structure Type	Owner Occupied				Renter Occupied			
	Norfolk City		PABP Market Area		Norfolk City		PABP Market Area	
	#	%	#	%	#	%	#	%
1, detached	33,178	87.6%	10,654	83.7%	10,635	21.5%	3,945	21.1%
1, attached	1,997	5.3%	746	5.9%	4,751	9.6%	1,083	5.8%
2	532	1.4%	250	2.0%	4,693	9.5%	2,143	11.5%
3-4	296	0.8%	69	0.5%	6,347	12.9%	2,120	11.4%
5-9	327	0.9%	124	1.0%	9,307	18.8%	2,611	14.0%
10-19	447	1.2%	299	2.3%	5,361	10.9%	2,022	10.8%
20+ units	847	2.2%	555	4.4%	7,801	15.8%	4,634	24.8%
Mobile home	230	0.6%	29	0.2%	496	1.0%	120	0.6%
TOTAL	37,854	100%	12,726	100%	49,391	100%	18,678	100%

Source: American Community Survey 2013-2017

With a median year built of 1963, renter-occupied housing units in the PABP Market Area are slightly older than those within all of Norfolk, which has a median year built of 1970 (Table 22). One quarter of market area rental housing units were built in the 1950’s and 1960’s with 28.2 percent of all rental housing units placed in service during this period. Roughly one quarter of market area rental housing units were built prior to 1940; 13.6 percent were placed in service since 2000. Owner-occupied structures are older in both the market area and Norfolk, with a median year built of 1952 and 1955, respectively.



Table 22 Dwelling Units by Year Built

Year Built	Owner Occupied				Renter Occupied			
	Norfolk City		PABP Market Area		Norfolk City		PABP Market Area	
	#	%	#	%	#	%	#	%
2014 or later	349	0.9%	124	1.0%	381	0.8%	100	0.5%
2010 to 2013	797	2.1%	243	1.9%	736	1.5%	336	1.8%
2000 to 2009	2,650	7.0%	1,320	10.4%	4,489	9.1%	2,107	11.3%
1990 to 1999	1,656	4.4%	674	5.3%	4,257	8.6%	1,210	6.5%
1980 to 1989	2,907	7.7%	1,113	8.7%	6,699	13.6%	1,611	8.6%
1970 to 1979	2,527	6.7%	779	6.1%	8,221	16.6%	2,420	13.0%
1960 to 1969	3,927	10.4%	876	6.9%	7,250	14.7%	2,380	12.7%
1950 to 1959	10,367	27.4%	1,564	12.3%	6,644	13.5%	2,240	12.0%
1940 to 1949	5,806	15.3%	1,554	12.2%	4,210	8.5%	1,501	8.0%
1939 or earlier	6,868	18.1%	4,479	35.2%	6,508	13.2%	4,773	25.6%
TOTAL	37,854	100%	12,726	100%	49,395	100%	18,678	100%
MEDIAN YEAR BUILT	1955		1952		1970		1963	

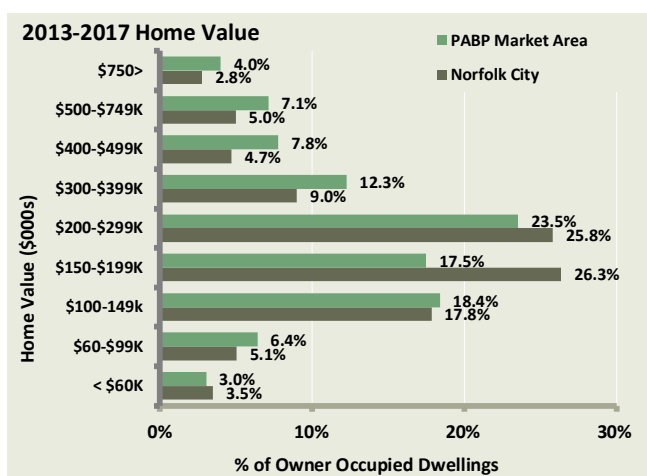
Source: American Community Survey 2013-2017

Per the 2013-2017 ACS, both the PABP Market Area and Norfolk offer moderately priced for-sale housing (Table 23). The median value across the owner-occupied housing stock in the market area was \$219,832. The median homeownership unit in Norfolk as a whole was lower at \$194,851. Affordable homeownership opportunities in the PABP Market Area are limited, as 9.4 percent of all housing units are valued at less than \$100,000.

Table 23 Value of Owner Occupied Housing Stock

2013-2017 Home Value	Norfolk City		PABP Market Area	
	#	%	#	%
less than \$60,000	1,315	3.5%	387	3.0%
\$60,000 - \$99,999	1,913	5.1%	816	6.4%
\$100,000 - \$149,999	6,752	17.8%	2,340	18.4%
\$150,000 - \$199,999	9,974	26.3%	2,226	17.5%
\$200,000 - \$299,999	9,768	25.8%	2,995	23.5%
\$300,000 - \$399,999	3,411	9.0%	1,559	12.3%
\$400,000 - \$499,999	1,787	4.7%	989	7.8%
\$500,000 - \$749,999	1,887	5.0%	906	7.1%
\$750,000 over	1,047	2.8%	508	4.0%
Total	37,854	100%	12,726	100%
Median Value	\$194,851		\$219,832	

Source: American Community Survey 2013-2017





C. Survey of General Occupancy Rental Communities

1. Introduction

In order to gauge the status of the rental market within which the proposed subject would compete, RPRG surveyed 35 general occupancy rental communities in the PABP Market Area in January 2019. Thirty-two properties offer strictly conventional market rate units and three communities are LIHTC properties, two of which include both market rate and tax credit units.

We have divided the rental communities into three categories for ease of comparison: Upper Tier market rate; Lower Tier market rate; and Affordable/Tax Credit. The 17 Upper Tier market rate communities represent the most modern and highest priced rental product available within the market area and typically offer an extensive community amenity package. The 15 Lower Tier market rate communities surveyed are lower priced communities which are generally more modest in the amenities and finishes available to residents, though some were recently placed in service. The Affordable/Tax Credit rental communities include older properties which were recently purchased and renovated with tax credit equity as well as one community constructed in 2004. We note that the market rate and income-restricted units in Broad Creek and Mission College are separately presented.

The detailed competitive survey excludes age-restricted senior rental properties. A separate discussion of rental communities with project-based rental subsidies will be presented later in this section. Profile sheets with detailed information on each surveyed general occupancy community, including photographs, are attached as Appendix 2.

2. Location

Map 5 shows the locations of the 35 surveyed competitive communities in relation to the subject site. Of the three rental communities with income-restricted units, Mission College and Broad Creek are within one mile east of the subject site. The remaining tax credit community, Villa Terrace, is almost two miles north of the subject along the Lafayette River. Most Upper Tier communities are west of the subject site in Downtown Norfolk or to the northwest in the Ghent District. Among the Lower Tier market rate communities, five are within Downtown Norfolk; four are to the northwest of the subject; and the remaining six Lower Tier communities are near the eastern or northeastern boundaries of the market area.

3. Age of Communities

The surveyed stock of general occupancy rental communities has an average year built of 1996 (Table 24). The Upper Tier market rate rental communities are relatively modern with an average year built of 2008, while the Lower Tier market rate communities are older with an average year built of 1984. Two Lower Tier properties have undergone significant renovations in 2000 and 2008. The market area's three tax credit communities were placed in service between 1970 and 2004.

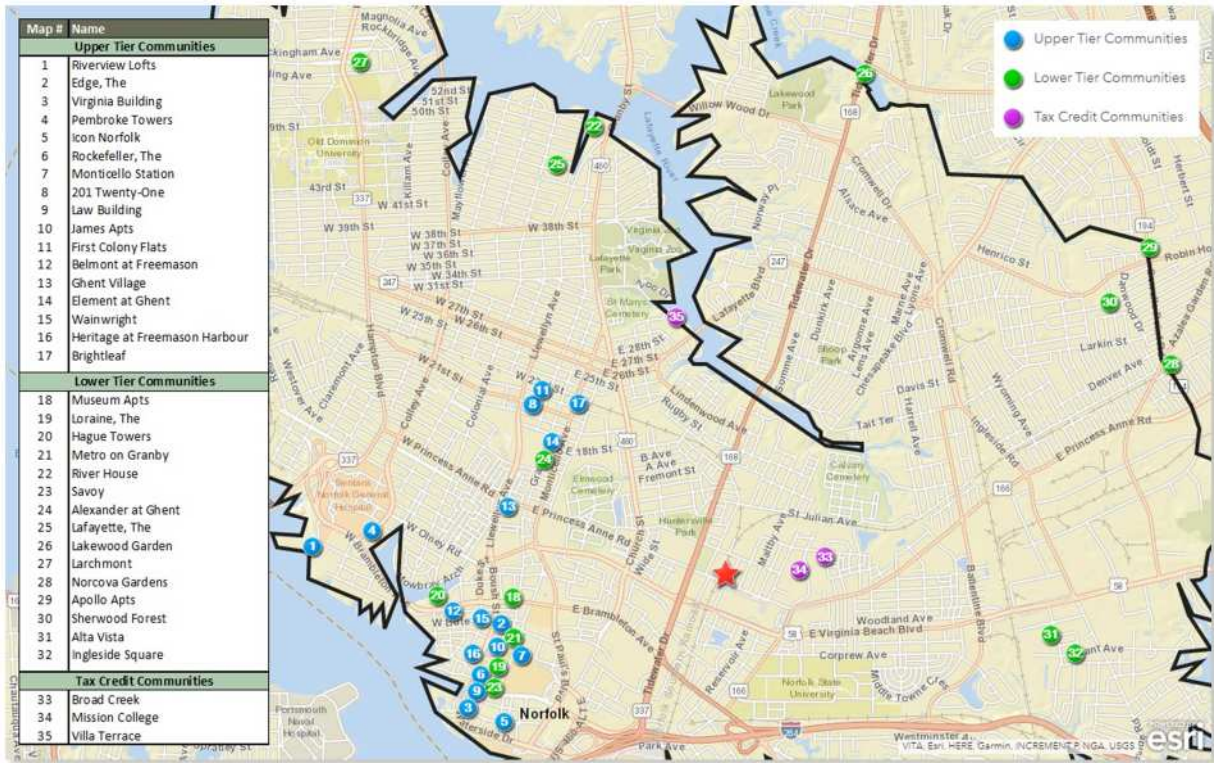
4. Structure Type

Market area communities have a variety of structure types. Mid-rise buildings are the most common in the market area with 17 properties having this structure type. Generally, these communities are located in the Downtown or Ghent Districts of Norfolk. Seven communities are adaptive reuse structures – also typically in the Downtown or Ghent areas. Lower density structures including garden, townhome, and duplex structures are more common in outer suburban portions of the market area. The newest market area communities are either mid-rise or



adaptive reuse communities. Among the three tax credit communities, one has garden buildings; one is a duplex community; and one has garden and townhome units.

Map 5 Competitive Rental Communities, PABP Market Area



5. Size of Communities

The 35 surveyed rental communities include 4,908 market rate and affordable units, with an overall average size of 140 units per community. The average size among the Upper Tier market rate rental communities is similar at 142 units, while the Lower Tier market rate communities have an average size of 140 units. The tax credit communities are smaller with an average of 130 units, though they range from 48 to 260 units.

6. Vacancy Rates

As of our survey, 150 of the 4,660 stabilized units were reported vacant, yielding an overall stabilized vacancy rate of 3.2 percent. Among the Upper Tier market rate communities, the stabilized vacancy rate is 4.1 percent. The Lower Tier market rate communities reported a stabilized vacancy rate of 2.7 percent, while the tax credit communities have a vacancy rate of only 1.0 percent. However, all reported vacant tax credit units were at Mission College which reported a lengthy wait list and expectations for those units to be leased within the week. Two Lower Tier and one Upper Tier community are in lease up; including the vacant units at these communities, the market area overall vacancy rate is still low at 4.4 percent. The low vacancy rates for most market area communities are indicative of a tight rental market, given that 5.0 percent is a typical stabilized vacancy standard.



Table 24 Rental Communities Summary, PABP Market Area

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
Upper Tier Communities										
1	Riverview Lofts	2012		Adpt Reuse	81	2	2.5%	\$1,503	\$2,129	None
2	Edge, The##	2017		Mid Rise	156	17	10.9%	\$1,420	\$2,100	\$300/move-in
3	Virginia Building	2015		Mid Rise	34	5	14.7%	\$1,220	\$1,900	None
4	Pembroke Towers	1964		High-Rise	168	4	2.4%	\$1,454	\$1,895	None
5	Icon Norfolk	2017		High Rise	269	0	0.0%	\$1,395	\$1,875	None
6	Rockefeller, The	2015	2018	Adpt Reuse	126	3	2.4%	\$1,354	\$1,863	None
7	Monticello Station	2011		Mid Rise	121	4	3.3%	\$1,396	\$1,822	Yieldstar; None
8	201 Twenty-One	2009		Mid Rise	225	9	4.0%	\$1,446	\$1,803	Reduced, select
9	Law Building	2015		Mid Rise	135	16	11.9%	\$1,245	\$1,773	None
10	James Apts	2014		Adpt Reuse	78	13	16.7%	\$1,473	\$1,715	None
11	First Colony Flats	2018		Adpt Reuse	79	0	0.0%	\$1,339	\$1,704	None
12	Belmont at Freemason	2009		Mid Rise	239	5	2.1%	\$1,362	\$1,700	Reduced, select
13	Ghent Village	1981	2009	Gar	140	2	1.4%	\$1,280	\$1,685	None/ LRO
14	Element at Ghent	2014		Mid Rise	164	3	1.8%	\$1,218	\$1,651	Daily Pricing; None
15	Wainwright	2013		Adpt Reuse	126	7	5.6%	\$1,471	\$1,650	None
16	Heritage at Freemason Harbour	1999		Mid Rise	185	10	5.4%	\$1,379	\$1,640	None
17	Brightleaf	2017		Mid Rise	88	9	10.2%	\$1,329	\$1,609	None
Sub-Total/Average		2008			2,414	109	4.5%	\$1,370	\$1,795	
Stabilized Sub-Total/Average					2,258	92	4.1%			
Lower Tier Communities										
19	Loraine, The	2016		Adpt Reuse	56	7	12.5%	\$1,273	\$1,600	None
20	Hague Towers	1964		High-Rise	256	0	0.0%	\$1,200	\$1,564	None
21	Metro on Granby	2014		Mid Rise	188	4	2.1%	\$1,312	\$1,555	None
18	Museum Apartments	2018		Mid Rise	48	12	25.0%	\$1,150	\$1,488	None
22	River House	2009		Mid Rise	194	4	2.1%	\$1,299	\$1,539	2BR \$500/1 mo
23	Savoy##	2019		Adpt Reuse	44	38	86.4%	\$1,273		None
24	Alexander at Ghent	2006		Mid Rise	268	4	1.5%	\$1,142	\$1,404	None
25	Lafayette, The	1963	2005	High Rise	168	5	3.0%	\$1,074	\$1,145	\$600/1st mo
26	Lakewood Gar	1979		Gar	92	0	0.0%	\$825	\$935	None
27	Larchmont	1938	2007	Gar	172	2	1.2%	\$775	\$890	None
28	Norcova Gars	1968		Gar	40	3	7.5%	\$795	\$868	1 mo free
29	Apollo Apts	1980		Gar	91	0	0.0%	\$742	\$837	None
30	Sherwood Forest	1964	2007	Gar	173	4	2.3%	\$738	\$820	None
31	Alta Vista	1960		Gar	13	1	7.7%		\$765	\$250 1st mo
32	Ingleside Square	1956		Gar	300	20	6.7%	\$700	\$745	\$250 1st mo
Sub-Total/Average		1984			2,103	104	4.9%	\$1,021	\$1,154	
Stabilized Sub-Total/Average					2,011	54	2.7%			
Tax Credit Communities										
33	Broad Creek**	2004		Duplex	48	0	0.0%	\$818	\$903	None
34	Mission College**	1990	2008	Gar/TH	260	4	1.5%	\$676	\$806	None
35	Villa Terrace**	1970	2000	Gar	83	0	0.0%		\$733	None
Sub-Total/Average		1988			391	4	1.0%	\$747	\$814	
Total/Average		1996			4,908	217	4.4%	\$1,184	\$1,444	
Stabilized Total/Average					4,660	150	3.2%			

(**) Tax Credit Communities (#) Communities in lease-up

Source: Field Survey, Real Property Research Group, Inc. January 2019.

(1) Rent is contract rent, and not adjusted for utilities or incentives



7. Rent Concessions

Among the 35 surveyed rental communities, only eight market rate rental properties are advertising some leasing concessions, ranging from reduced monthly rent up to one month of free rent. None of the tax credit communities are offering any leasing concessions.

8. Absorption History

As none of the tax credit properties have been constructed in the past ten years, absorption history is unavailable for these communities. Several Upper Tier and Lower Tier market rate rental communities have opened within the past three years. Known absorption details are as follows:

- **Icon**, a 269-unit Upper Tier adaptive reuse community, was placed in service December 2017 and reached stabilization as of July 2018, for an average absorption rate of 38 units per month.
- **Brightleaf**, a smaller Upper Tier community, was placed in service August 2017 and reached full occupancy in January 2018, for an average absorption rate of 18 units per month.
- **The Edge** opened in July 2017 and achieved 68 percent leased as of April 2018, for an average absorption pace of 16 units per month. Through the second half of 2018, lease-up stalled with management issues, and a new manager took over in January 2019.
- **First Colony Flats** placed 79 units in service in March 2018 and completed lease up as of June 2018 for an average absorption rate of 26 units per month.
- **Museum Apartments** placed 48 units in service in September 2018 and had leased 36 units as of our January 2019 survey for an average absorption rate of nine units per month, though the leasing staff reported delays in delivering units slowing the absorption pace.
- **Savoy Apartments** placed 48 units in service in the second week of January 2019 and leased six units as of the last week of January 2019.

D. Analysis of Rental Products and Pricing

1. Payment of Utility Costs

Among Upper Tier market rate communities, trash removal only is included in monthly rents at two communities; all utilities are included at three communities; and tenants pay all utilities at the remaining properties (Table 25). Among the Lower Tier rental communities, four communities include water, sewer, and trash; trash collection only is included at two communities; six include no utilities; and the remainder include various selections of included utilities. Among the three tax credit communities, all include water, sewer and trash in the base rent.

2. Parking

Most Upper Tier communities offer structured garage parking with monthly fees ranging from free to \$75. Lower Tier communities offer a variety of structured garage and surface parking options, while all three tax credit communities offer free surface parking.

3. Kitchen Features & Finishes

All unit kitchens at the surveyed rental communities are equipped with stoves/ranges and refrigerators; three Lower Tier market rate properties do not include dishwashers in units. Microwaves are available in all but one of the Upper Tier market rate properties and eight Lower Tier communities. This feature is not available within the income-restricted tax credit rental supply.



As expected, the Upper Tier market rate communities have the highest level of finish, including units with granite countertop, stainless steel appliances, laminate wood (or similar) flooring. Some higher-priced Lower Tier communities have a limited selection of upgraded features, while most Lower Tier market rate and income-restricted rental supply offer unit features which are more basic, generally including laminated countertop and white appliances. All three tax credit communities feature standard finishes including white appliances, laminate counters, and carpet.

Table 25 Utility Arrangement and Unit Features, PABP Market Area Communities

Community	Heat Type	Utilities Included in Rent						Dish-washer	Micro-wave	Parking	In-Unit Laundry	Storage
		Heat	Hot Water	Cooking	Electric	Water	Trash					
Subject	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	Hook Ups	
Upper Tier Communities												
Riverview Lofts	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Str. Garage	Std - Full	
Edge, The	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	In Bldg/Fee
Virginia Building	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	
Pembroke Towers	Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Str. Garage	N/A	N/A
Icon Norfolk	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	
Rockefeller, The	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	N/A	Str. Garage	Std - Stacked	
Monticello Station	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Str. Garage	Std - Full	Select
201 Twenty-One	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	In Bldg/Fee
Law Building	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	
James Apts	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	
First Colony Flats	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std - Full	
Belmont at Freemason	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	N/A
Ghent Village	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std - Full	Std - In Unit
Element at Ghent	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	In Bldg/Fee
Wainwright	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	
Heritage at Freemason Harbour	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Covered	Std	In Bldg/Fee
Brightleaf	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std - Full	
Lower Tier Communities												
Loraine, The	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	
Hague Towers	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	N/A	N/A
Metro on Granby	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	
River House	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std - Full	N/A
Savoy	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Street	Std - Full	
Alexander at Ghent	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	N/A
Lafayette, The	Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Select	N/A	Surface	N/A	Std - In Bldg
Lakewood Gar	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	Std - Full	N/A
Larchmont	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	N/A	Surface	N/A	In Bldg/Fee
Norcova Gars	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	N/A	Surface	Std - Stacked	N/A
Apollo Apts	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	N/A	Surface	Std - Full	N/A
Sherwood Forest	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	N/A	N/A
Alta Vista	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	N/A	Surface	N/A	N/A
Ingleside Square	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Street	N/A	N/A
Museum Apartments	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Str. Garage	Std - Full	
Tax Credit Communities												
Broad Creek	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	Std - Full	N/A
Mission College	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	Select	N/A
Villa Terrace	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	N/A	Surface	N/A	N/A

Source: Field Survey, Real Property Research Group, Inc. January 2019.

4. Other Unit Features & Finishes

All but one of the Upper Tier market rate communities have in-unit washer/dryers. Nine Lower Tier communities have this feature in some or all units. Among tax credit communities, Broad Creek includes in-unit washer/dryers, Mission College includes washer/dryers in some units, and Villa Terrace has no in-unit laundry options. Private outdoor space in the form of patios or balconies is incorporated in some or all of the units at the garden communities, but are limited among the mid-



rise and adaptive reuse communities. Other features that are available in some rental communities include fireplaces, extra storage, and unit alarms. Upper Tier market rate communities include higher end finishes and extra features, such as high ceilings, designer fixtures, track or recessed lighting, and built-in computer nooks.

5. Community Amenities

As shown in Table 26, almost all Upper Tier communities in the PABP Market Area incorporate common area amenities. Community amenities are less common among Lower Tier communities, and very limited at the three tax credit communities. Clubhouses/community rooms and fitness rooms are the most common Upper Tier market rate community, included at 13 and 15 communities, respectively. Swimming pools are included at seven Upper Tier communities and ten include business centers. The most typical common area amenity among the Lower Tier market rate communities is a clubhouse or fitness center, each available in seven communities. A swimming pool is available at two Lower Tier communities, and business centers are available at three communities. No Lower Tier properties have playgrounds or tennis courts. Among the income-restricted rental supply, Mission College is the only community to offer any community amenities, with a swimming pool and playground.

Table 26 Community Amenities, PABP Market Area Rental Communities

Community	Clubhouse	Fitness Room	Pool	Hot Tub	Sauna	Playground	Tennis Court	Business Center	Gated Entry
Subject	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Upper Tier Communities									
Riverview Lofts	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Edge, The	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Virginia Building	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pembroke Towers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Icon Norfolk	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rockefeller, The	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monticello Station	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
201 Twenty-One	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Law Building	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
James Apts	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
First Colony Flats	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Belmont at Freemason	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ghent Village	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Element at Ghent	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wainwright	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Heritage at Freemason Harbour	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Brightleaf	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lower Tier Communities									
Loraine, The	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hague Towers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Metro on Granby	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
River House	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Savoy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Alexander at Ghent	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lafayette, The	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lakewood Gar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Larchmont	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Norcova Gars	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Apollo Apts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sherwood Forest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alta Vista	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ingleside Square	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Museum Apartments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Credit Communities									
Broad Creek	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mission College	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Villa Terrace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. January 2019.



6. Unit Distribution

RPRG obtained unit distribution details for 83.7 percent of all market area units; 69.6 percent of all Upper Tier units, 97.9 percent of all Lower Tier units; and 100 percent of all tax credit units (Table 27). The Upper Tier communities reporting unit distributions are comprised of 9.0 percent efficiencies, 48.7 percent one-bedroom units, 35.5 percent two-bedroom units, and 6.8 percent three-bedroom units. Lower Tier market rate communities are more heavily weighted towards two-bedroom units comprising 51 percent, while studios account for 12.6 percent, one-bedroom units make up 32.9 percent and three-bedroom units account for 3.5 percent. The income-restricted rental supply also has a larger proportion of two-bedroom units (68.5 percent) with one-bedroom units comprising 12 percent and three-bedroom units representing 14.1 percent. Two tax credit communities also include four-bedroom units.

7. Unit Size

The average unit sizes for the surveyed Upper Tier market rate units are 517 square feet for efficiencies, 717 square feet for the one-bedroom units; 1,089 square feet for two-bedroom units; and 1,387 square feet for three-bedroom units. The Lower Tier market rate units are slightly smaller in size across all unit types with average sizes of 702 square feet for the one-bedroom units; 953 square feet for the two-bedroom units; and 1,255 square feet for the three-bedroom units. Among the tax credit rental supply, units are either in line with or smaller than in the market rate properties with an average of 656 square feet for one-bedroom units; 860 square feet for two-bedroom units; and 1,195 square feet for three-bedroom units.

8. Unit Pricing

The rents listed in Table 27 are net or effective rents, as opposed to street or advertised rents. We applied downward adjustments to street rents to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where base rents only include trash collection expenses, the utility situation for the subject.

Among Upper Tier market rate communities, the average effective rents are:

- One-bedroom rents averaging \$1,332 for 717 square feet, or \$1.86 per square foot.
- Two-bedroom rents averaging \$1,746 for 1,089 square feet, or \$1.60 per square foot.
- Three-bedroom rents averaging \$2,242 for 1,387 square feet, or \$1.62 per square foot.

Among Lower Tier market rate communities, the average effective rents are:

- One-bedroom rents averaging \$980 for 702 square feet, or \$1.40 per square foot.
- Two-bedroom rents averaging \$1,101 for 953 square feet, or \$1.16 per square foot.
- Three-bedroom rents averaging \$1,306 for 1,255 square feet, or \$1.04 per square foot.

Among tax credit communities, the average effective rents are:

- One-bedroom rents averaging \$760 for 656 square feet, or \$1.16 per square foot.
- Two-bedroom rents averaging \$837 for 860 square feet, or \$0.97 per square foot.
- Three-bedroom rents averaging \$997 for 1,195 square feet, or \$0.83 per square foot.



Table 27 Unit Distribution, Size and Pricing, PABP Market Area Communities

Community	Type	Total Units	Efficiency Units			One Bedroom Units				Two Bedroom Units				Three Bedroom Units				
			Units	Rent (1)	Rent/SF	Units	Rent (1)	Rent/SF	Units	Rent (1)	Rent/SF	Units	Rent (1)	Rent/SF				
Subject - 40%	Gar	7				3	\$458	705	\$0.65	4	\$540	951	\$0.57					
Subject - 50%	Gar	28				3	\$600	705	\$0.85	19	\$707	967	\$0.73	6	\$810	1,173	\$0.69	
Subject - 60%	Gar	83				15	\$740	733	\$1.01	46	\$876	971	\$0.90	22	\$1,005	1,173	\$0.86	
Upper Tier Communities																		
Edge, The	Mid Rise	156	39	\$1,141	523	\$2.18	39	\$1,395	655	\$2.13	39	\$2,075	1,057	\$1.96	39	\$2,460	1,208	\$2.04
Riverview Lofts	Adpt Reuse	81				43	\$1,353	685	\$1.97	38	\$1,922	1,041	\$1.85					
Virginia Building	Mid Rise	34		\$918	503	\$1.83		\$1,220	539	\$2.27		\$1,900	912	\$2.08				
Icon Norfolk	High Rise	269		\$1,133	472	\$2.40		\$1,395	667	\$2.09		\$1,875	1,019	\$1.84		\$3,475	1,511	\$2.30
Rockefeller, The	Adpt Reuse	126		\$1,131	524	\$2.16		\$1,354	783	\$1.73		\$1,863	1,126	\$1.65				
Monticello Station	Mid Rise	121				43	\$1,386	846	\$1.64	63	\$1,812	1,250	\$1.45	13	\$2,192	1,408	\$1.56	
201 Twenty-One	Mid Rise	225	22	\$1,226	741	\$1.65	138	\$1,451	887	\$1.64	65	\$1,808	1,218	\$1.48				
Law Building	Mid Rise	135		\$1,111	524	\$2.12		\$1,245	571	\$2.18		\$1,773	912	\$1.94				
Pembroke Towers	High-Rise	168	51	\$1,068	460	\$2.32	75	\$1,374	726	\$1.89	27	\$1,735	1,140	\$1.52	15	\$1,944	1,242	\$1.57
James Apts	Adpt Reuse	78	17	\$1,098	465	\$2.36	54	\$1,473	680	\$2.17	6	\$1,715	968	\$1.77	1	\$2,310	1,695	\$1.36
Ghent Village	Gar	140	4	\$1,098	569	\$1.93	24	\$1,270	804	\$1.58	102	\$1,675	1,254	\$1.34	10	\$1,785	1,334	\$1.34
Element at Ghent	Mid Rise	164				100	\$1,230	707	\$1.74	64	\$1,663	1,105	\$1.50					
Wainwright	Adpt Reuse	126	19	\$1,030	391	\$2.64	91	\$1,471	721	\$2.04	16	\$1,650	906	\$1.82				
Heritage at Freemason Harbour	Mid Rise	185				51	\$1,379	795	\$1.73	97	\$1,640	1,201	\$1.37	37	\$1,819	1,257	\$1.45	
Belmont at Freemason	Mid Rise	239				160	\$1,249	738	\$1.69	79	\$1,588	1,114	\$1.42					
First Colony Flats	Adpt Reuse	79					\$1,209	630	\$1.92		\$1,544	1,112	\$1.39					
Brightleaf	Mid Rise	88					\$1,199	754	\$1.59		\$1,449	1,180	\$1.23		\$1,954	1,440	\$1.36	
Sub-Total/Average		2,414		\$1,095	517	\$2.12		\$1,332	717	\$1.86		\$1,746	1,089	\$1.60		\$2,242	1,387	\$1.62
Unit Distribution		1,681	152				818				596			115				
% of Total		69.6%	9.0%				48.7%				35.5%			6.8%				
Lower Tier Communities																		
Loraine, The	Adpt Reuse	56	25	\$1,080	382	\$2.83	30	\$1,273	586	\$2.17	1	\$1,600	1,111	\$1.44				
Metro on Granby	Mid Rise	188	37	\$1,068	464	\$2.30	94	\$1,313	619	\$2.12	57	\$1,555	1,007	\$1.54				
Museum Apartments	Mid Rise	48				24	\$1,125	685	\$1.64	24	\$1,488	878	\$1.70					
River House	Mid Rise	194		\$1,226	547	\$2.24	45	\$1,289	825	\$1.56	131	\$1,487	1,160	\$1.28	18	\$1,941	1,369	\$1.42
Savoy	Adpt Reuse	44					\$1,273	550	\$2.31									
Alexander at Ghent	Mid Rise	268	62	\$1,017	670	\$1.52	74	\$1,147	725	\$1.58	120	\$1,409	1,083	\$1.30	12	\$1,720	1,324	\$1.30
Hague Towers	High-Rise	256	53	\$1,042	528	\$1.97	137	\$1,070	800	\$1.34	66	\$1,404	1,056	\$1.33				
Lafayette, The	High Rise	168	82	\$732	502	\$1.46	42	\$929	950	\$0.98	41	\$975	1,300	\$0.75	3	\$1,120	1,500	\$0.75
Larchmont	Gar	172				75	\$765	550	\$1.39	97	\$880	713	\$1.24					
Lakewood Gar	Gar	92				40	\$730	736	\$0.99	52	\$820	912	\$0.90					
Apollo Apts	Gar	91				24	\$717	638	\$1.12	67	\$807	851	\$0.95					
Norcova Gars	Gar	40				8	\$729	640	\$1.14	32	\$796	816	\$0.97					
Sherwood Forest	Gar	173				57	\$713	800	\$0.89	104	\$790	1,000	\$0.79	12	\$995	1,200	\$0.83	
Alta Vista	Gar	13								13	\$714	680	\$1.05					
Ingleside Square	Gar	300				27	\$654	720	\$0.91	246	\$694	770	\$0.90	27	\$754	880	\$0.86	
Sub-Total/Average		2,103		\$1,028	516	\$1.99		\$980	702	\$1.40		\$1,101	953	\$1.16		\$1,306	1,255	\$1.04
Unit Distribution		2,059	259				677				1,051			72				
% of Total		97.9%	12.6%				32.9%				51.0%			3.5%				
Tax Credit Communities																		
Broad Creek-Mkt	Duplex	19				4	\$850	748	\$1.14	6	\$973	992	\$0.98	9	\$1,147	1,370	\$0.84	
Broad Creek-60%**++	Duplex	29				7	\$800	748	\$1.07	11	\$865	992	\$0.87	10	\$999	1,370	\$0.73	
Mission College-Mkt++	Gar/TH	130				12	\$755	563	\$1.34	84	\$855	757	\$1.13	24	\$970	1,019	\$0.95	
Mission College-50%**++	Gar/TH	130				24	\$636	563	\$1.13	84	\$757	757	\$1.00	12	\$870	1,019	\$0.85	
Villa Terrace-50%**	Gar	83								83	\$733	800	\$0.92					
Sub-Total/Average		391					\$760	656	\$1.16		\$837	860	\$0.97		\$997	1,195	\$0.83	
Unit Distribution		391	0				47				268			55				
% of Total		100.0%	0.0%				12.0%				68.5%			14.1%				
Total/Average		4,908		\$1,070	517	\$2.07		\$1,126	704	\$1.60		\$1,369	1,004	\$1.36		\$1,674	1,303	\$1.28
Unit Distribution		4,110	411				1,542				1,915			242				
% of Total		83.7%	10.0%				37.5%				46.6%			5.9%				

(**) Tax Credit Communities

(1) Rent is adjusted to include only Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. January 2019.

(++) Broadcreek and Mission College include four-bedroom units as well



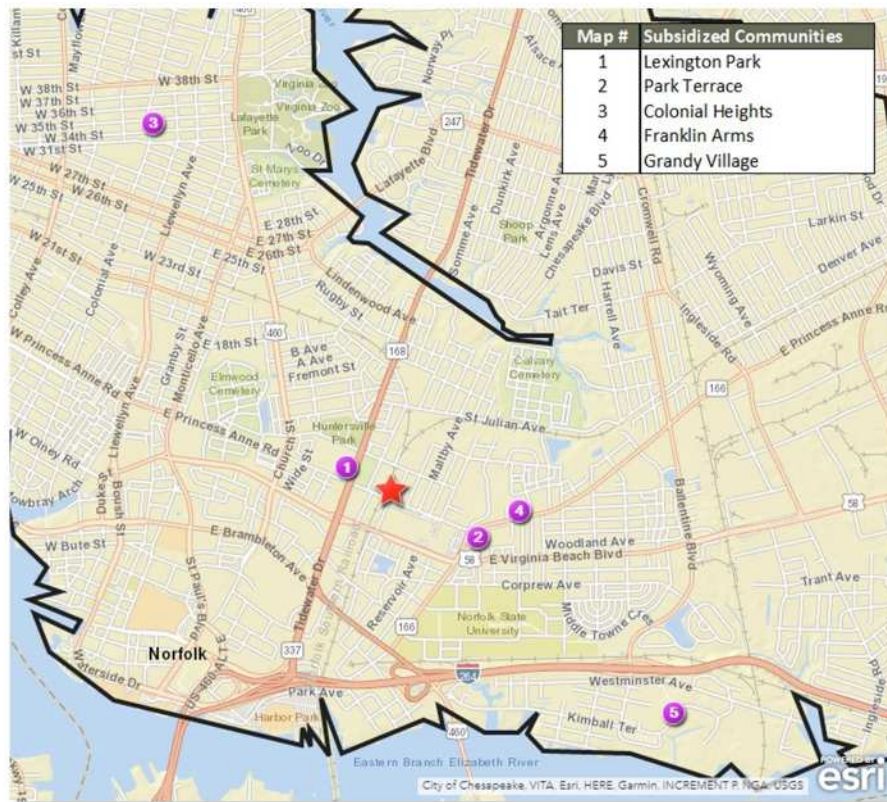
E. Subsidized Rental Communities & Housing Choice Voucher Statistics

RPRG identified five general occupancy multifamily rental communities totaling 764 units in the market area with project-based rental subsidies, commonly referred to as “deep” subsidy rental housing (Map 6). Deep subsidy units include those where rental assistance is provided in the form of project-based Section 8 rent subsidies or other governmental programs, such as in public housing. In many subsidized arrangements, tenants pay an amount roughly equivalent to 30 percent of their income toward housing costs (rents plus utility costs), while the rent subsidy covers the remainder of the relevant housing costs.

- **Lexington Park** is a 180-unit multifamily Section 8 rental community built in 1981 and located at 1225 Tidewater Drive, roughly one half mile west of the subject site. The leasing staff reported a wait list of two years for one-bedroom units, 6 to 12 months for two-bedroom units, and one year for three-bedroom units.
- **Park Terrace** is an 81-unit Section 8 rental community built in 1976 and located one half mile east of the subject site at 1120 Park Avenue. Leasing staff reported 57 two-bedroom units and 24 three-bedroom units with a wait list of over one year.
- **Colonial Heights** is a 40-unit multifamily Section 8 rental community located at 3412 Colonial Avenue, just over two miles northwest of the subject site. The leasing staff reported all units are general occupancy and distributed among 30 one-bedroom units and 10 two-bedroom units. According to the leasing staff, the waitlist spans 6 months to one year.
- **Franklin Arms/Marshall Manor** is a 100-unit multifamily Public Housing community owned and managed by the Norfolk Redevelopment and Housing Authority located at 2500 Princess Anne Road, roughly one mile east of the subject site. The community includes 88 one-bedroom units and 12 two-bedroom units. The leasing staff reported a waitlist of over six months.
- **Grandy Village** is a 363-unit multifamily Public Housing community owned and managed by the Norfolk Redevelopment and Housing Authority located at 3151 Kimball Terrace, just over two miles southeast of the subject site. The community was built over several phases starting in 1953, and the leasing staff reported a waitlist of 6 months to 1 year depending on floorplan.

In addition, the Norfolk Redevelopment and Housing Authority (NRHA) with the City of Norfolk administers the Housing Choice Voucher (HCV) program for Norfolk residents. According to the NRHA, the Housing Authority currently administers approximately 2,800 vouchers throughout the city, with over 8,000 people currently on a waiting status for their HCV Standard waitlist.

Map 6 Deeply Subsidized Rental Communities, PABP Market Area



F. Derivation of Market Rent

To better understand how the proposed contract rents for PABP Apartments compare with the surveyed rental market, the contract rents of comparable communities can be adjusted for differences in a variety of factors including curb appeal, structure age, square footage, the handling of utilities, and shared amenities. Market-rate communities are the most desirable comparables to be used in this type of analysis, as the use of market-rate communities allows RPRG to derive an estimate of market rent.

The purpose of this exercise is to determine whether the proposed LIHTC rents for the subject offer a value relative to market-rate rent levels within a given market area. The rent derived for bedroom type is not to be confused with an appraisal or rent comparability study (RCS) based approach, which is more specific as it compares specific models in comparable rental communities to specific floor plans at the subject and is used for income/expense analysis and valuation.

We elected to compare the units at the subject to the comparable floor plans at Alexander at Ghent, Ghent Village, and Museum Apartments. Once a particular floor plan’s market rent has been determined, it can be used to evaluate a.) whether or not the subject project has a rent advantage or disadvantage versus competing communities, and b.) the extent of that rent advantage or disadvantage.



The derivation of achievable rent calculations for the 60 percent of AMI units are displayed in Table 28, Table 29 and Table 30. The results of the calculations are summarized in Table 31. The assumptions used in the calculations are shown in Table 32.

Table 28 Market Rent Analysis – One-Bedroom Units

One Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Riverside Station 5827 & 5845 Curlew Drive Norfolk, VA	Alexander at Ghent 390 S. Military Highway Norfolk VA		Ghent Village 100 Westover Ave Norfolk VA		Museum Apartments 888 Magazine Ln Norfolk VA		
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent - 60% AMI	\$740	\$1,160	\$0	\$1,280	\$0	\$1,150	\$0
Utilities Included	T	None	\$10	T	\$0	None	\$10
Rent Concessions		None	\$0	None	\$0	None	\$0
Effective Rent	\$740	\$1,170		\$1,280		\$1,160	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/4	Mid/4	(\$25)	Gar/3	\$0	Mid/4	(\$25)
Year Built / Renovated	2021	2006	\$11	1981/2009	\$10	2018	\$2
Quality/Street Appeal	Excellent	Above Average	\$10	Above Average	\$10	Excellent	\$0
Location	Average	Above Average	(\$10)	Above Average	(\$10)	Above Average	(\$10)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	1	1	\$0	1	\$0	1	\$0
Number of Bathrooms	1	1	\$0	1	\$0	1	\$0
Unit Interior Square Feet	733	748	(\$4)	804	(\$18)	685	\$12
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	No	\$5
AC Type:	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Washer / Dryer: In Unit	No	Yes	(\$25)	Yes	(\$25)	Yes	(\$25)
Washer / Dryer: Hook-up	Yes	No	\$5	No	\$5	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Club House	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	No	Yes	(\$10)	Yes	(\$10)	No	\$0
Playground	Yes	No	\$5	No	\$5	No	\$5
Fitness Center	Yes	Yes	\$0	Yes	\$0	Yes	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		4	5	4	4	5	3
Sum of Adjustments B to D		\$31	(\$74)	\$30	(\$63)	\$29	(\$60)
F. Total Summary							
Gross Total Adjustment		\$105		\$93		\$89	
Net Total Adjustment		(\$43)		(\$33)		(\$31)	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,127		\$1,247		\$1,129	
% of Effective Rent		96.3%		97.4%		97.3%	
Estimated Market Rent	\$1,168						
Rent Advantage \$	\$428						
Rent Advantage %	36.6%						



Table 29 Market Rent Analysis – Two-Bedroom Units

Two Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Riverside Station 5827 & 5845 Curlew Drive Norfolk, VA	Alexander at Ghent		Ghent Village		Museum Apartments		
	390 S. Military Highway		100 Westover Ave		888 Magazine Ln		
	Norfolk	VA	Norfolk	VA	Norfolk	VA	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent - 60% AMI	\$876	\$1,360	\$0	\$1,685	\$0	\$1,425	\$0
Utilities Included	T	None	\$10	T	\$0	None	\$10
Rent Concessions		None	\$0	None	\$0	None	\$0
Effective Rent	\$876	\$1,370		\$1,685		\$1,435	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/4	Mid/4	(\$25)	Gar/3	\$0	Mid/4	(\$25)
Year Built / Condition	2021	2006	\$11	1981/2009	\$0	2018	\$2
Quality/Street Appeal	Excellent	Above Average	\$10	Above Average	\$10	Excellent	\$0
Location	Average	Above Average	(\$10)	Above Average	(\$10)	Above Average	(\$10)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	971	1,036	(\$16)	1,254	(\$71)	830	\$35
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	No	\$5
AC: (C)entral / (W)all / (N)on	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Washer / Dryer: In Unit	No	Yes	(\$25)	Yes	(\$25)	Yes	(\$25)
Washer / Dryer: Hook-ups	Yes	No	\$5	No	\$5	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Club House	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	No	Yes	(\$10)	Yes	(\$10)	No	\$0
Playground	Yes	No	\$5	No	\$5	No	\$5
Fitness Center	Yes	Yes	\$0	Yes	\$0	Yes	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		4	5	3	4	5	3
Sum of Adjustments B to D		\$31	(\$86)	\$20	(\$116)	\$52	(\$60)
F. Total Summary							
Gross Total Adjustment		\$117		\$136		\$112	
Net Total Adjustment		(\$55)		(\$96)		(\$8)	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,315		\$1,589		\$1,427	
% of Effective Rent		96.0%		94.3%		99.4%	
Estimated Market Rent	\$1,444						
Rent Advantage \$	\$568						
Rent Advantage %	39.3%						



Table 30 Market Rent Analysis – Three-Bedroom Units

Three Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Riverside Station 5827 & 5845 Curlew Drive Norfolk, VA	Alexander at Ghent		Ghent Village		Museum Apartments		
	390 S. Military Highway		100 Westover Ave		888 Magazine Ln		
	Norfolk	VA	Norfolk	VA	Norfolk	VA	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent - 60% AMI	\$1,005	\$1,715	\$0	\$1,795	\$0	\$1,550	\$0
Utilities Included	T	None	\$10	T	\$0	None	\$10
Rent Concessions		None	\$0	None	\$0	None	\$0
Effective Rent	\$1,005	\$1,725		\$1,795		\$1,560	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/4	Mid/4	(\$25)	Gar/3	\$0	Mid/4	(\$25)
Year Built / Condition	2021	2006	\$11	1981/2009	\$0	2018	\$2
Quality/Street Appeal	Excellent	Above Average	\$10	Above Average	\$10	Excellent	\$0
Location	Average	Above Average	(\$10)	Above Average	(\$10)	Above Average	(\$10)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	2	\$25	2	\$25	2	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	1,173	1,324	(\$38)	1,334	(\$40)	925	\$62
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	No	\$5
AC: (C)entral / (W)all / (N)on	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Washer / Dryer: In Unit	No	Yes	(\$25)	Yes	(\$25)	Yes	(\$25)
Washer / Dryer: Hook-ups	Yes	No	\$5	No	\$5	No	\$5
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Club House	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	No	Yes	(\$10)	Yes	(\$10)	No	\$0
Playground	Yes	No	\$5	No	\$5	No	\$5
Fitness Center	Yes	Yes	\$0	Yes	\$0	Yes	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		5	5	4	4	5	3
Sum of Adjustments B to D		\$56	(\$108)	\$45	(\$85)	\$79	(\$60)
F. Total Summary							
Gross Total Adjustment		\$164		\$130		\$139	
Net Total Adjustment		(\$52)		(\$40)		\$19	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,673		\$1,755		\$1,579	
% of Effective Rent		97.0%		97.8%		101.2%	
Estimated Market Rent	\$1,669						
Rent Advantage \$	\$664						
Rent Advantage %	39.8%						



Table 31 Market Rent Advantage - Summary

40% AMI Units	One Bedroom Units	Two Bedroom Units		
Subject Rent	\$458	\$540		
Estimated Market Rent	\$1,168	\$1,444		
Rent Advantage (\$)	\$710	\$904		
Rent Advantage (%)	60.8%	62.6%		
50% AMI Units				
50% AMI Units	One Bedroom Units	Two Bedroom Units	Three Bedroom Units	
Subject Rent	\$600	\$707	\$810	
Estimated Market Rent	\$1,168	\$1,444	\$1,669	
Rent Advantage (\$)	\$568	\$737	\$859	
Rent Advantage (%)	48.6%	51.0%	51.5%	
60% AMI Units				
60% AMI Units	One Bedroom Units	Two Bedroom Units	Three Bedroom Units	
Subject Rent	\$740	\$876	\$1,005	
Estimated Market Rent	\$1,168	\$1,444	\$1,669	
Rent Advantage (\$)	\$428	\$568	\$664	
Rent Advantage (%)	36.6%	39.3%	39.8%	

Table 32 Market Rent Advantage – Adjustment Table

Rent Adjustments Summary	
B. Design, Location, Condition	
Structure / Stories	
Year Built / Renovated	\$0.75
Quality/Street Appeal	\$10.00
Location	\$10.00
C. Unit Equipment / Amenities	
Number of Bedrooms	\$25.00
Number of Bathrooms	\$30.00
Unit Interior Square Feet	\$0.25
Balcony / Patio / Porch	\$5.00
AC Type:	\$5.00
Range / Refrigerator	\$25.00
Microwave / Dishwasher	\$5.00
Washer / Dryer: In Unit	\$25.00
Washer / Dryer: Hook-ups	\$5.00
D. Site Equipment / Amenities	
Parking (\$ Fee)	
Learning Center	\$10.00
Club House	\$10.00
Pool	\$10.00
Recreation Areas	\$5.00
Fitness Center	\$10.00



After adjustments, the estimated market rent for a one-bedroom unit is \$1,176, providing the subject’s 60 percent of AMI one-bedroom units with a market advantage of 36.6 percent. The estimated market rent for two-bedroom/two bath unit is \$1,460, resulting in the subject’s 60 percent of AMI units having a 39.3 percent rent advantage. The estimated market rent for three-bedroom/two bath unit is \$1,668, resulting in the subject’s 60 percent of AMI units having a 39.8 percent rent advantage. Market rent advantages among all other subject floorplans and income targets range from 48.6 percent for one-bedroom 50 percent AMI units to 62.6 percent for three-bedroom 40 percent AMI units.

G. Achievable Restricted Rents

The market rent derived above is an estimate of what a willing landlord might reasonably expect to receive, and a willing tenant might reasonably expect to pay for a unit at the subject. However, as a tax credit community, the maximum rent that a project owner can charge for a low-income unit is a gross rent based on bedroom size and applicable HUD’s median household income for the subject area. If these LIHTC maximum gross/net rents are below the market rent (adjusted downward by ten percent), then the maximum rents also function as the achievable rents for each unit type and income band. Conversely, if the adjusted market rents are below the LIHTC maximum rents, then the adjusted market rents (less ten percent) act as the achievable rents. Therefore, achievable rents are the lower of the market rent or maximum LIHTC rent.

As shown in Table 33, all of the maximum LIHTC rents are well below estimated adjusted market rents. Therefore, the maximum LIHTC rents are the achievable rents for all 40 to 60 percent AMI LIHTC units. All proposed LIHTC rents for the subject are at or below the achievable rents.

Table 33 Achievable Tax Credit Rent

	One Bedroom		Two Bedroom	
40% AMI Units	Units	Units	Units	Units
Estimated Market Rent	\$1,168	\$1,444		
Less 10%	\$1,051	\$1,299		
Maximum LIHTC Rent*	\$463	\$544		
Achievable Rent	\$463	\$544		
SUBJECT RENT	\$458	\$540		

	One Bedroom		Two Bedroom		Three Bedroom	
50% AMI Units	Units	Units	Units	Units	Units	Units
Estimated Market Rent	\$1,168	\$1,444	\$1,669			
Less 10%	\$1,051	\$1,299	\$1,502			
Maximum LIHTC Rent*	\$604	\$712	\$814			
Achievable Rent	\$604	\$712	\$814			
SUBJECT RENT	\$600	\$707	\$810			

	One Bedroom		Two Bedroom		Three Bedroom	
60% AMI Units	Units	Units	Units	Units	Units	Units
Estimated Market Rent	\$1,168	\$1,444	\$1,669			
Less 10%	\$1,051	\$1,299	\$1,502			
Maximum LIHTC Rent*	\$744	\$881	\$1,009			
Achievable Rent	\$744	\$881	\$1,009			
SUBJECT RENT	\$740	\$876	\$1,005			



H. Proposed and Pipeline Rental Communities

RPRG pursued several avenues of research to identify residential rental projects that are actively being planned or that are currently under construction within the PABP Market Area. In the course of research, we obtained information on proposed developments through interviews with Paula Shea, Principal Planner with the City of Norfolk and through interviews with local developers. We also accessed listings of projects that recently received or applied for allocations of Low-Income Housing Tax Credits from the Virginia Housing Development Authority (VHDA). Lastly, we relied upon previous work conducted in Norfolk over the past several years.

The pipeline communities are divided into two categories; near term and long term. Near term projects include those that are under construction and those that we believe have the greatest likelihood of delivering in the next three years. Near term projects are taken into account in our derivation of three-year rental demand in the market. Long term projects do not have financing secured, are on hold for the present, and/or have estimated delivery dates beyond the next three years. Long term projects also include those for which rezoning or site plan approval is still required. Through this research, RPRG identified eight near term projects totaling 602 units expected to be placed in service in the next three years and six long term projects totaling 588 units less likely to be placed in service in the next three years (Map 7).

Near Term

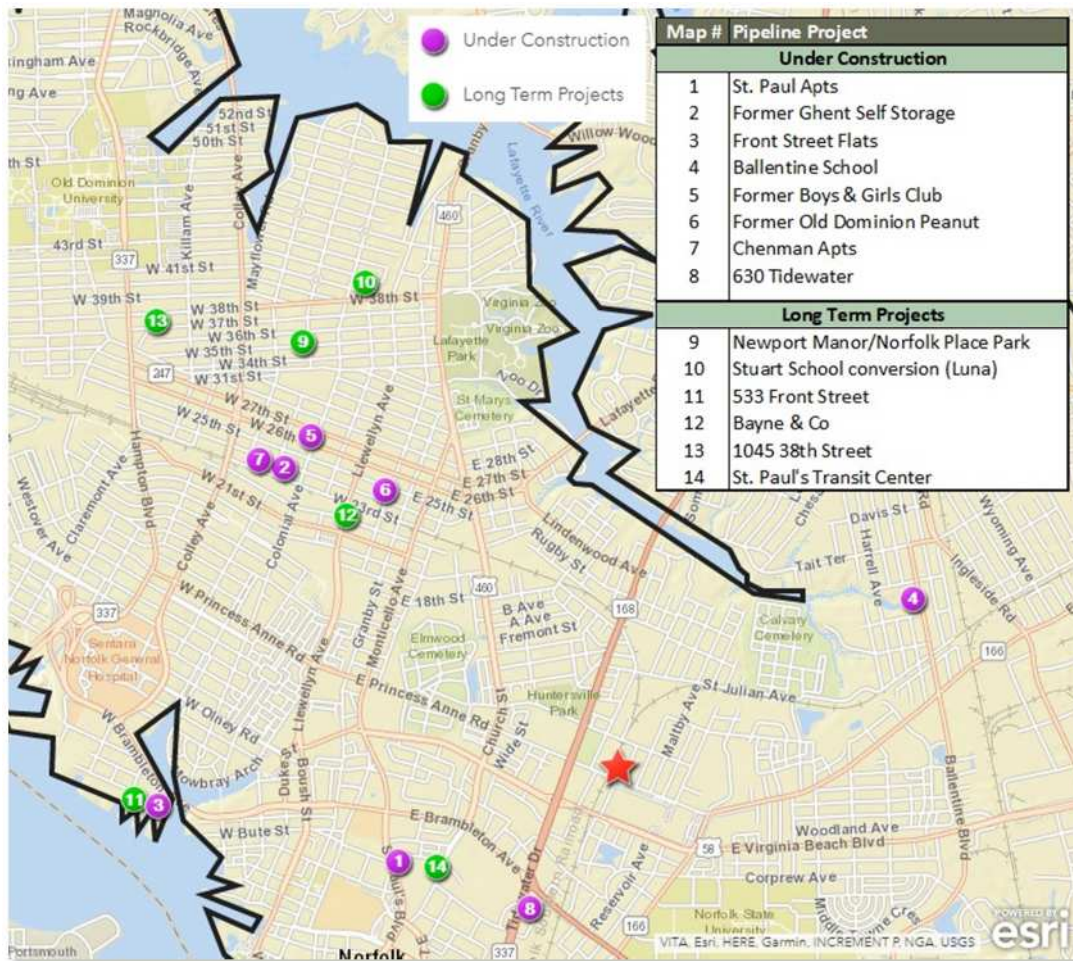
- **St. Paul Apartments:** S.L. Nusbaum is constructing 120 LIHTC units, targeting households with incomes at or below 40%, 50%, and 60% of AMI at the southeast corner of Wood Street and St. Paul Boulevard. Six units will be market rate. Unit mix includes one-, two- and three-bedroom units, and completion is expected by March 2019.
- **Former Ghent Self Storage:** Monument Companies has a 69-unit market rate project currently under construction at 529 W. 24th Street. The community is the adaptive reuse of a self-storage building.
- **Front Street Flats (519 Front Street):** Rockville Development is planning the adaptive reuse of the former Security Storage & Safe Deposit Co. building into a 57-unit market rate rental community. The project is currently under construction.
- **2415 Ballentine Blvd:** Luna Development is redeveloping the Ballentine School building into a 23-unit market rate community. The project is currently under construction with completion expected by early 2019.
- **Former Boys and Girls Club:** A 41-unit adaptive reuse project by Monument Companies is currently under construction at 2607 Colonial Avenue. All units are market rate targeting upper-income households.
- **Former Old Dominion Peanut:** An 84-unit adaptive reuse project by Monument Companies is currently under construction at 201 W. 25th Street. All units are market rate targeting upper-income households.
- **Chenman (619 W. 24th Street):** A 44-unit adaptive reuse project by Monument Companies is currently under construction. All units are market rate targeting upper-income households.
- **630 Tidewater Drive:** A 164-unit affordable community has been proposed by Lawson Development. Plans have been submitted to the City and the developer is planning to apply for Low Income Housing Tax Credits.

**Long Term**

- **435 Virginia Avenue:** Luna Development is planning an adaptive reuse project of the Stuart School building into a multifamily community along Virginia Avenue, but plans are preliminary, and details or timing have not been finalized.
- **533 Front Street:** Breeden Investments is planning a 258-unit luxury multifamily community. Initial plans included 35 studios, 116 one-bedroom units, 97 two-bedroom units, and 10 three-bedroom units. However, plans are now being revised and timing is undetermined.
- **1045 38th Street:** A 150-unit multifamily community is planned near Old Dominion University. Re-zoning is needed and timing and details are still being determined.
- **Newport Manor/Norfolk Place:** Hanson Co. is planning a 50-unit multifamily community at 608 35th Street. Although tax credits were awarded in 2016, plans have stalled and timing is undetermined.
- **Bayne & Co Apartments:** Monument Development is planning a 25-unit adaptive reuse project at 2202 Llewellyn Avenue. Plans are still preliminary and timing is undetermined.
- **St. Paul's Transit Center:** The Franklin Johnston Group, in partnership with Brinshore, proposed to build approximately 105 affordable apartments at the southwest corner of Fenchurch Street and Wood Street. Plans are preliminary and timing has not yet been determined.



Map 7 Pipeline Communities, PABP Market Area





VIII. FINDINGS AND CONCLUSIONS

A. Key Findings

Based on the preceding review of the subject project, its neighborhood surroundings, and economic, demographic and competitive housing trends in the PABP Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

Located in a neighborhood transitioning from suburban residential uses to Downtown Norfolk with a vibrant mix of commercial, institutional, and residential uses nearby, the subject site affords good access to public transportation, employment opportunities, and neighborhood services.

- The plan to reposition the subject parcel of land to a high quality, affordable rental property will benefit the local community. Surrounding land uses include modest single-family homes, schools, churches, and light commercial uses.
- The site has excellent visibility and accessibility along the north side of Princess Anne Drive, a primary west-east thoroughfare extending through much of central Norfolk. Pedestrian access is excellent at the subject site with sidewalks available along all adjacent streets at the subject site, connecting to the surrounding neighborhoods' sidewalk network and providing convenient access to nearby schools and neighborhood services
- The subject's location near Norfolk's Downtown District and Ghent District provide convenient access to retail, cultural, and community amenities including grocery stores, schools, and community centers.
- The nearby rail line and light commercial facilities are common throughout regional neighborhoods and are considered only a slight detractor, but not impacting the viability of the subject community.
- The subject site is appropriate for affordable multifamily rental housing.

2. Economic Context

Norfolk represents a primary economic engine for the Hampton Roads region. The city's unemployment rate has consistently declined since 2010, while At-Place Employment has fluctuated with growth rates slowing in recent years.

- The Norfolk labor force has expanded steadily the last two years after dipping in 2015. The city attained unemployment rates below the national average rates from 2009 to 2013 before trending slightly higher. Norfolk's most recent annual average unemployment rate of 4.7 percent in 2017 represents a significant drop from the recession-era high of 8.8 percent in 2010 but is almost one percentage point higher than the 3.8 percent statewide rate and 30 basis points higher than the 4.4 percent national rate. Unemployment has improved through September 2018, with the citywide unemployment rate falling to 3.8 percent.
- The subject's market area is commuter-oriented with over one fifth (21.2 percent) of PABP Market Area workers reporting average commute times of 15 minutes or less each way as of 2013-2017, while 35.2 percent commuted 15 to 24 minutes and 30.5 percent commuted 25 or more minutes.
- Norfolk's At-Place Employment has fluctuated during the last ten years ranging from 143,168 jobs in 2007 to 141,914 job in 2017. After falling to a low of 134,424 jobs in 2014, job growth averaged almost 7,500 jobs per year through 2017, though most of these gains took place in



2016. At-Place Employment increased by 665 jobs during the first two quarters of 2018. Norfolk experienced rising employment growth rates from 2014 to 2016, but citywide employment growth fell below the national growth rate in 2017.

- Norfolk's economy is concentrated among four economic sectors; more than one out of every four citywide jobs (27.3 percent) are within the Government sector, followed by Education Health (17.5 percent), Trade-Transportation-Utilities (15.4 percent), and Professional-Business (13.6 percent).

3. Demographic Analysis

The PABP Market Area's household base increased at a steady pace between 2000 and 2019, with continued household growth projected for the next five years.

- The PABP Market Area added a net of 1,711 households, representing growth of 5.5 percent, between 2010 and 2019. As of 2019, an estimated 32,814 households reside in the PABP Market Area. Based on Esri trends, RPRG projects that the market area will add households at an average net rate of 0.5 percent (177 households) per year between 2019 and 2024.
- Households in the PABP Market Area have a higher propensity to rent than in Norfolk. The PABP Market Area's renter percentage is 60.7 percent in 2019. RPRG projects renter households to contribute 80.3 percent of net household growth over the next five years. Over two fifths (41.9 percent) of market area renters as of 2019 are estimated to be below the age of 35, and renter households between the ages of 35 and 54 account for 29 percent of all renter households within the market area. These are the households who are most likely to be permanent renters, renting more out of necessity than lifestyle preference.
- The estimated 2019 median household income in the PABP Market Area is \$46,601 per year, 2.6 percent lower than the Norfolk overall median household income of \$47,854. The market area's median renter household earns \$33,189 per year. Over half (52.1 percent) of the market area's renters have annual incomes below \$35,000.
- Over two fifths (41.4 percent) of all renter households residing in the PABP Market Area have rent burdens of 40 percent or higher; 47.8 percent have rent burdens of 35 percent or higher. This excludes those households who reside in subsidized rent situations as their housing expenses are capped at 30 percent of their income.

4. Competitive Housing Analysis

The market area competitive multifamily stock is divided into three categories for ease of comparison: Upper Tier market rate; Lower Tier market rate; and Affordable/Tax Credit. Low vacancies reported in RPRG's survey of the tax credit rental communities indicate the affordable rental market in the PABP Market Area is tight, pointing to its ability to support the proposed subject apartments.

- The multifamily rental housing stock is moderately aged with the market area average year built of 1996. As of our survey, 150 of the 4,660 stabilized units were reported vacant, yielding an overall stabilized vacancy rate of 3.2 percent. The tax credit communities have a vacancy rate of only 1.0 percent. However, all reported vacant tax credit units were at Mission College which reported a lengthy wait list and those units would be leased within the week. Two Lower Tier and One Upper Tier community are in lease up; including the vacant units at these communities, the market area overall vacancy rate is still low at 4.4 percent. The low vacancy rates for most market area communities are indicative of a tight rental market among all three market tiers.



- The effective rents for Upper Tier one-bedroom units average \$1,332 (\$1.86 per square foot); the two-bedroom units average \$1,746 (\$1.60 per square foot); and the three-bedroom units average \$2,242 (\$1.62 per square foot).
- The effective rents for Lower Tier market rate one-bedroom apartments average \$980 (\$1.40 per square foot); two-bedroom units average \$1,101 (\$1.16 per square foot); and three-bedroom units average \$1,306 (\$1.04 per square foot).
- Only three income-restricted communities (non-deeply subsidized) are currently in the PABP Market Area; all operate under LIHTC guidelines. Effective rents for affordable one-bedroom apartments average \$760 (\$1.16 per square foot); two-bedroom units average \$837 (\$0.97 per square foot); and three-bedroom units average \$997 (\$0.83 per square foot).
- RPRG identified eight near term projects totaling 602 units expected to be placed in service in the next three years and six long term projects totaling 588 units less likely to be placed in service in the next three years.

B. Derivation of Demand

1. Net Demand Methodology

RPRG's Derivation of Demand calculation is intended to gauge whether sufficient demand from renter households would be available in the primary market area to absorb the number of units proposed for the subject PABP Apartments plus those units proposed at other pipeline rental communities that are expected to be brought online over a coming three-year period. The result of this analysis can be either a positive number (which shows the extent to which available demand for rental units would exceed available supply) or a negative number (which shows the extent to which available supply would exceed the number of units needed/demanded over the period in question). The closer the concluded number is to zero, the closer the rental market would be to an effective balance of supply and demand.

The three-year period in question for this analysis is the period from January 2019 through January 2022. We restrict the analysis to a three-year period in part to avoid artificially inflating demand by incorporating demand that would not be created until well after the subject project was introduced to the market and in part due to the difficulty in accurately predicting the likely supply of competing rental units beyond the three-year period.

RPRG's Derivation of Demand calculation is a gross analysis, meaning that the calculation balances the demand for new rental housing units of all types (i.e. luxury market-rate, more affordable market-rate, tax credit, rent-subsidized, and age-restricted) versus the upcoming supply of rental housing units of all types. The Derivation of Demand calculation is an incremental or net analysis, in that it focuses on the change in demand over the period in question as opposed to focusing on the market's total demand. Considerations such as household incomes and the floor plan types and proposed rents for the subject and other pipeline projects are not factored into the Derivation of Demand; rather, we address the interplay of these factors within the Affordability Analysis and Penetration Analysis in the next section of this report.

RPRG sums demand generated from three broad sources in order to arrive at 'Net Demand for New Rental Units' over the 2019 to 2022 period:

- **Projected Change in the Household Base.** Recall that in the Growth Trends section of this report, we presented projections of household change within the primary market area over the 2010 to 2024 period. We factor in three years' worth of the household change suggested

- by the annual rate of household growth or decline (2019 to 2022). Note that net household change incorporates growth or decline stemming from both organic changes within existing households (i.e. new household formation as children move out of their parents' homes, divorces, roommates electing to begin renting separately) and household migration into and out of the market area.
- **Need for Housing Stock Upgrades.** Demand for new housing units within a primary market area is generated when the stock of available housing units ceases to meet the housing needs of households that wish to remain residents of that primary market. In such instances, the housing stock needs to be upgraded either through the renovation of existing units or the construction of new units. That a particular housing unit has ceased to meet the housing needs of a market area's households becomes evident in any number of ways, including:
 - **Physical Removal or Demolition.** Clearly, if a unit is demolished or otherwise physically removed from a market, it is no longer available to serve local households. Many factors contribute to the removal of housing units. Housing units are occasionally removed from any given market through disasters such as fires and various types of weather phenomenon. While such disasters occur somewhat randomly, the decision whether to repair or demolish a unit is based on the economic value of the property. Thus, a unit being permanently lost in a disaster should be correlated with factors such as its age, structure type, and physical condition. Demolitions can also be instigated through the loss of economic value or in response to a situation where vacant land has become more valuable than the land plus its existing structure. Based on American Housing Survey data, researchers have analyzed Components of Inventory Change (CINCH) (Table 34). CINCH data indicated that renter-occupied or vacant units were far more likely to be demolished than owner-occupied units; among renter-occupied and vacant units, single-family detached units were more likely to be demolished than multifamily units.
 - **Permanent Abandonment.** Housing units can be technically removed from the stock available to serve households without being physically removed. This happens when a housing unit's owner elects to permanently abandon the unit – due to obsolescence, overwhelming repair costs, or other factors – without going through the steps (and costs) of demolishing it. If a dilapidated unit was occupied up until the time of permanent abandonment, the former occupant represents a source of demand for other units in the area.
 - **Overcrowding.** As defined by the U.S. Census Bureau, a housing unit is classified as overcrowded if the household occupying the unit has more people than the housing unit has rooms. Particularly in markets with high housing costs, lower-income individuals and families are often driven into an overcrowded housing situation. Overcrowded households constitute pent-up demand for new housing units not typically captured in household growth projections; were two affordable units to become available, an overcrowded household would very likely split into two households and generate an additional net unit of housing demand.
 - **Mismatch between Household Incomes and Housing Stock Quality.** While permanent abandonment and overcrowding are two factors likely to lead to net new demand for affordable housing units, limited recent housing construction in a stable, long-established neighborhood can be an indicator of pent-up demand for new housing units serving middle- to upper-income households. Areas that exhibit this phenomenon are often downtown, inner city, or inner ring suburban locations that currently have – and have had for years – limited to no undeveloped land available for new housing construction/growth. When a neighborhood is stable in terms of overall household numbers but near the point of build-out for many years, many resident households develop a desire for a modern



housing unit and the wherewithal to rent or purchase one, but have no stock of modern units from which to choose. Such households are ‘under-housed’ in that the quality of the housing stock in the area where they live (and wish to remain) does not match the type of housing they demand and could afford. Such pent-up demand is rarely captured in public projections of household growth and is difficult to translate to specific calculations. However, this pent-up demand is a very real factor driving demand for new housing units in stable, established residential neighborhoods.

Table 34 Components of Inventory Change in Housing (CINCH)

A. Characteristics	C. Present in 2011	D. 2011 units present in 2013	2011 Unit change							TOTAL Lost to Stock	Total exclude MH	2011-13 Annual
			E. Change in characteristics	F. lost due to conversion /merger	G. house or mobile moved out	H. changed to non residential use	I. lost through demolition or disaster	J. badly damaged or condemned	K. lost in other ways			
Total Housing Stock	132,420	130,852		98	161	202	470	212	424	1,567	1,406	703
				0.07%	0.12%	0.15%	0.35%	0.16%	0.32%	1.18%	1.06%	0.53%
Occupancy												
Occupied units	114,907	105,864	8,313	58	99	68	238	59	207	729	630	315
				0.05%	0.09%	0.06%	0.21%	0.05%	0.18%	0.63%	0.55%	0.27%
Vacant	13,381	5,123	7,642	38	50	85	175	110	158	616	566	283
				0.28%	0.37%	0.64%	1.31%	0.82%	1.18%	4.60%	4.23%	2.11%
Seasonal	4,132	2,132	1,778	2	11	49	57	43	59	221	210	105
				0.05%	0.27%	1.19%	1.38%	1.04%	1.43%	5.35%	5.08%	2.54%
Region (All Units)												
Northeast	23,978	23,718		38	0	28	55	40	99	260	260	130
				0.16%	0.00%	0.12%	0.23%	0.17%	0.41%	1.08%	1.08%	0.54%
Midwest	29,209	28,849		14	28	49	117	56	95	359	331	166
				0.05%	0.10%	0.17%	0.40%	0.19%	0.33%	1.23%	1.13%	0.57%
South	50,237	49,526		29	120	75	235	94	159	712	592	296
				0.06%	0.24%	0.15%	0.47%	0.19%	0.32%	1.42%	1.18%	0.59%
West	28,996	28,759		17	13	50	63	23	71	237	224	112
				0.06%	0.04%	0.17%	0.22%	0.08%	0.24%	0.82%	0.77%	0.39%
Owner occupied												
	76,092	69,324	6,418	14	83	14	116	26	97	350	267	134
				0.02%	0.11%	0.02%	0.15%	0.03%	0.13%	0.46%	0.35%	0.18%
Renter occupied												
	38,815	31,181	7,253	45	16	54	122	33	110	380	364	182
				0.12%	0.04%	0.14%	0.31%	0.09%	0.28%	0.98%	0.94%	0.47%
Metro Status												
In Central Cities	37,400	36,974		49	3	70	124	67	112	425	422	211
				0.13%	0.01%	0.19%	0.33%	0.18%	0.30%	1.14%	1.13%	0.56%
In Suburbs	65,872	65,311		26	57	54	169	69	186	561	504	252
				0.04%	0.09%	0.08%	0.26%	0.10%	0.28%	0.85%	0.77%	0.38%
Outside Metro Area	29,148	28,567		23	101	78	177	76	125	580	479	240
				0.08%	0.35%	0.27%	0.61%	0.26%	0.43%	1.99%	1.64%	0.82%

Source: American Housing Survey, Components of Inventory Change 2011-2013; Prepared by Ecometrica, Inc. for U.S. Department of Housing & Urban Development Office of Policy Development & Research; April 2016. Note: Data in Thousands

- Competitive Multifamily Vacancy Rates.** The final source of demand that factors into RPRG’s calculation of demand for rental units is the observed vacancy rate in the primary market area’s competitive rental market. RPRG assumes that a 5.0 percent vacancy rate is required to keep a rental market relatively elastic. Elasticity in this context means that an adequate number of quality housing units are vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. When the market vacancy rate is below 5.0 percent, additional units are needed to ensure an adequate number of available units from which to choose. When the market vacancy rate is above 5.0 percent, the market has the capacity to absorb some additional demand (whereby that amount of demand would not need to be met through the development of new units).
- In considering competitive vacancy rates, we focus on multifamily units for several reasons. One of the primary reasons is that the scattered market in single-family homes, condominiums, and other properties is extremely fluid and cannot be relied upon to consistently serve renter households, since the inventory can convert to homeownership very quickly. We leave rent-

subsidized multifamily properties out of this calculation to avoid overestimating demand, as we know that the subsidized rental market is generally fully subscribed with waiting lists.

2. Net Demand Calculation

Table 35 applies the discussion of sources of demand for new rental units to the PABP Market Area. The steps in our Derivation of Demand analysis for the three-year period between January 2019 and January 2022 are as follows:

- Based on Esri trends, RPRG estimates that there are 32,814 households in the PABP Market Area as of January 2019, a number that is projected to increase to 33,344 households by January 2022. The PABP Market Area is expected to add approximately 530 net households during the three-year period.
- Using national statistical observations from 2011 and 2013 CINCH data, Econometrica determined that the average annual loss of occupied housing units in the United States between 2011 and 2013 (for all reasons other than the moving of homes, particularly mobile homes) was 0.27 percent of the total occupied stock (See Table 34). This blended rate includes an annual loss of 0.47 percent of renter-occupied units and 0.18 percent of owner-occupied units. In the interest of conservatively estimating demand, we assume the lower blended rate of 0.27 percent rather than the higher renter-occupied rate of 0.47 percent. We determined the size of the housing stock in 2019, 2020, and 2021 via interpolation of household projections. Applying the removal rate over the three years in question, we estimate that 298 units are likely to be lost in the PABP Market Area.
- Summing the net household increases from the number of units removed from the market, we calculate the net new demand for housing units of all types over the three-year period to be 828 units.
- RPRG projects 80.3 percent of all net new households in the market area over the next three years will be renters. Applying this renter percentage to new housing demand in the market area, yields demand for 665 new rental units over the next three years.
- RPRG's survey of the general occupancy rental communities in the market area consisted of 4,908 stabilized rental units. Of these, 217 are currently vacant. Five communities with deep subsidies were identified in the market area totaling 764 units (none were vacant), and communities in lease up total 248 units with 67 units vacant. The combined market area rental inventory totals 5,920 units with 284 units vacant.
- Typically, it is assumed that a 5.0 percent vacancy rate is required to keep a rental market relatively fluid. There must be some number of quality units vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. Given the total competitive inventory of 5,920 units, 296 vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the 284 vacant units in the market from this number reveals a demand for 12 units at 5.0 percent vacancy. Thus, we add 12 units to demand.
- Summing demand from household change, projected unit removals, and the vacancy rate in the existing market, results in total demand for 677 new rental units in the market area over the next three years.
- Net demand for new rental units must be balanced against new rental stock likely to be added to the market area's inventory over this period. Eight pipeline projects were identified in addition to the subject's proposed 118 units among both phases, combining for a total of 720 units.

- Subtracting 95 percent of these units (684) from the total demand of 677 units yields net excess supply of 7 rental units in the market area over the next three years.

Table 35 Derivation of Net Demand, PABP Market Area

Demand			
<i>Projected Change in Household Base</i>			Units
January 2019 Households			32,814
January 2022 Households			33,344
Net Change in Households			530
Add: Units Removed from Housing Stock	Housing Stock	Removal Rate	Units Removed
2019 Housing Stock	36,572	0.27%	99
2020 Housing Stock	36,729	0.27%	99
2021 Housing Stock	36,885	0.27%	100
Total Units Removed from Housing Stock			298
New Housing Demand			828
Average Percent Renter Households over Analysis Period			80.3%
New Rental Housing Demand			665
Add: Multifamily Competitive Vacancy	Inventory		Vacant
Stabilized Multifamily Communities	4,908		217
Deep-Subsidy Multifamily Communities	764		0
Communities Under Lease Up	248		67
Total Competitive Inventory			284
Market Vacancy at 5%			296
Less: Current Vacant Units			-284
Vacant Units Required to Reach 5% Market Vacancy			12
Total Demand for New Rental Units			677
Planned Additions to the Supply			
		Total Units	95% Occupancy
Subject - American Cigar Apts.		118	112
St. Paul (under construction, tax credit)		120	114
Former Ghent Self Storage (under construction)		69	66
Ballentine School (under construction)		23	22
Front Street Flats (under construction)		57	54
630 Tidewater (tax credit)		164	156
Former Boys & Girls Club (under construction)		41	39
Former Old Dominion Peanut (under construction)		84	80
Chenman Apts (under construction)		44	42
Total New Rental Supply		720	684
Excess Demand for Rental Housing			-7

Source: RPRG, Inc.

3. Conclusions on Net Demand

The results of this derivation of rental demand indicate that the market will be in balance with a net excess supply of seven units of rental housing over the next three years beyond the subject and all pipeline communities. All but one are currently under construction and likely to complete



at least substantial lease-up prior to the subject delivering. Additionally, three fourths of the projects will have exclusively market rate units targeting upper-income households and will not compete directly with the subject’s affordable units.

C. Effective Demand – Affordability/Capture & Penetration Analyses

1. Methodology

Following our estimate of the depth of demand for net new rental units in the primary market area, we next test whether sufficient income-qualified households would be available to support the specific units at the subject property and properties in the same broad segment of the rental market in terms of pricing. This analysis is conducted independently of the Net Demand Analysis as units at the subject property are likely to be filled by a combination of new households (either moving to or created in the market area) and existing households moving within the market area. The total demand – comprised of the net or incremental demand and the demand from existing households – is the relevant frame of reference for the analysis.

The Affordability/Capture Analysis tests the percentage of income-qualified households in the primary market area that the subject community must capture in order to achieve full occupancy. The Penetration Analysis tests the percentage of income-qualified households in the market area that the subject community and comparable competitive communities combined must capture in order to achieve full occupancy. The combination of the Net Demand, Affordability/Capture, and Penetration Analyses determines if the primary market area can support additional rental units and if sufficient households exist in the targeted income range to support the proposed units.

The first component of the Effective Demand analysis involves looking at total income and renter income among PABP Market Area households for the target year. The developer projects that units at PABP Apartments will be placed in service in 2021 and as such, 2021 is used as the target year for these analyses. RPRG calculated 2021 income distributions for total households and renter households based on RPRG household projections, income estimates from the 2013-2017 ACS, and income projections from Esri (Table 36).

Table 36 2021 Total and Renter Income Distribution, PABP Market Area

PABP Market Area	Total Households		Renter Households	
	#	%	#	%
less than \$15,000	5,765	17.4%	4,830	23.9%
\$15,000 - \$24,999	3,655	11.0%	3,062	15.2%
\$25,000 - \$34,999	3,118	9.4%	2,308	11.4%
\$35,000 - \$49,999	4,333	13.1%	2,796	13.9%
\$50,000 - \$74,999	5,206	15.7%	3,088	15.3%
\$75,000 - \$99,999	3,299	9.9%	1,496	7.4%
\$100,000 - \$149,999	3,854	11.6%	1,516	7.5%
\$150,000 - Over	3,937	11.9%	1,089	5.4%
Total	33,167	100%	20,186	100%
Median Income	\$49,003		\$34,533	

Source: American Community Survey 2013-2017 Projections, RPRG, Inc.

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to property owners and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household’s ‘gross rent burden’. For the Affordability/Capture and Penetration Analyses, RPRG employs a 35 percent gross rent burden. The 35 percent rent burden is the rent burden mandated by VHDA for use in evaluating proposed general occupancy LIHTC communities.

The subject will include a broad range of target incomes with units restricted to households with incomes at 40 percent, 50 percent, and 60 percent of AMI, although 8 units will also have project-based rental subsidies so that these households could essentially have incomes as low as \$0. The household sizes assume 1.5 persons per bedroom for the one-, two-, and three-bedroom units.

2. Affordability Analysis

The steps in our Affordability Analysis for PABP Apartments at the developer’s proposed rents are as follows (Table 37). We note, per instructions from VHDA, that both components of the project (the units which are expected to be financed with nine percent tax credits and the units which are expected to be financed with four percent tax credits) are analyzed as one combined property. We further assume no minimum income for subsidized units.

- The overall shelter cost (gross rent) for a 60 percent two-bedroom unit at PABP Apartments – the most numerous unit type at the subject – would be \$1,007 per month (\$876 rent plus a \$131 utility allowance for utility costs beyond those for trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that the 60 percent two-bedroom unit would be affordable to households earning at least \$34,526 per year. The projected number of primary market area renter households earning at least \$34,526 in 2021 is 10,095.
- A household occupying a two-bedroom unit (assuming 1.5 persons/bedroom) and earning 60 percent of AMI for the Virginia Beach-Norfolk-Newport News-VA-NC MSA would have an income of up to \$40,500. According to the interpolated income distribution for 2021, an estimated 8,960 renter households will reside in the primary market area with incomes exceeding the upper income bound.
- Subtracting the 8,960 renter households with incomes above the 60 percent maximum income limit from the 10,095 renter households that could afford to rent this unit, we calculate that 1,135 renter households in the primary market area as of 2021 would be in the band of affordability for the subject’s 60 percent two-bedroom units. PABP Apartments would need to capture 4.1 percent of these income-qualified renter households to absorb all 46 of the 60 percent two-bedroom units.
- Following the same methodology, we tested the affordability of the remaining unit types at each of the income bands. The capture rates among income-qualified renter households for these distinct unit types by income band range from less than one percent (for both 40 percent and two of the 50 percent AMI floorplans) to 1.7 percent (for the two-bedroom units at 50 percent of AMI and three-bedroom units at 60 percent of AMI).
- The 111 tax credit units without project-based subsidies would need to capture 2.4 percent of the income-qualified renter households. This analysis conservatively assumes a minimum income of \$23,966 and excludes the minimum income for the 7 subsidized units. Including the 7 subsidized units with no minimum income, the subject’s 118 units would need to capture 1.0 percent of all income-qualified renter households.



Table 37 2021 Affordability Analysis for PABP Apartments, Assuming 35% Rent Burden

Subsidized 40% AMI		35% Rent Burden		One Bedroom Units		Two Bedroom Units	
		Min.	Max.	Min.	Max.		
Number of Units		3		4			
Net Rent		\$458		\$540			
Gross Rent		\$557		\$671			
Income Range (Min, Max)		no min\$ \$22,500		no min\$ \$27,000			
Renter Households							
Range of Qualified Hhlds		20,186 13,059		20,186 11,832			
# Qualified Hhlds		7,127		8,354			
Renter HH Capture Rate		0.0%		0.0%			

50% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
Number of Units		3		19		6	
Net Rent		\$600		\$707		\$810	
Gross Rent		\$699		\$838		\$971	
Income Range (Min, Max)		\$23,966 \$28,125		\$28,731 \$33,750		\$33,291 \$39,000	
Renter Households							
Range of Qualified Hhlds		12,610 11,572		11,432 10,274		10,380 9,240	
# Qualified Hhlds		1,038		1,158		1,140	
Renter HH Capture Rate		0.3%		1.6%		0.5%	

60% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
Number of Units		15		46		22	
Net Rent/Gross Rent		\$740		\$876		\$1,005	
Gross Rent		\$839		\$1,007		\$1,166	
Income Range (Min, Max)		\$28,766 \$33,750		\$34,526 \$40,500		\$39,977 \$46,800	
Renter Households							
Range of Qualified Hhlds		11,425 10,274		10,095 8,960		9,058 7,786	
# Qualified Households		1,151		1,135		1,272	
Renter HH Capture Rate		1.3%		4.1%		1.7%	

Income Target	# Units	Renter Households = 20,186				
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
Subsidized 40% AMI	7	Income Households	no min\$ 20,186	\$27,000 11,832	8,354	0.1%
50% AMI	28	Income Households	\$23,966 12,610	\$39,000 9,240	3,231	0.9%
60% AMI	83	Income Households	\$28,766 11,425	\$46,800 7,786	3,460	2.4%
LIHTC Units (no subsidy)	111	Income Households	\$23,966 12,610	\$46,800 7,786	4,685	2.4%
Total Units	118	Income Households	no min\$ 20,186	\$46,800 7,786	12,400	1.0%

Source: Income Projections, RPRG, Inc.

3. Penetration Analysis

In order to provide further insight into the market dynamics, we have also conducted a Penetration Analysis (Table 38). The Penetration Analysis evaluates the capacity of the market area to serve the entire inventory of directly competitive rental units. Our analysis utilizes the same target date



of 2021; the same 35 percent rent burden; and income levels as presented in the Affordability Analysis. The steps in our Penetration Analysis for PABP Apartments follow:

- Based on effective rents from RPRG’s survey, the stock of existing rental units that would be closely competitive with the subject’s 40 percent, 50 percent, and 60 percent of AMI units consists of a total of 1,006 units in the existing subsidized and affordable rental communities. Two affordable pipeline projects totaling 284 units were identified in the market area in addition to the subject’s proposed units. Summing the existing units with the anticipated supply including the subject, the relevant stock of directly competitive one-bedroom, two-bedroom and three-bedroom units consists of 1,408 units. Of these, 771 units have project-based rental subsidies, including eight units at the subject.
- The range of household incomes employed in our analysis of those units without rental subsidies ranges from \$23,966 for the subject’s 50 percent one-bedroom unit up to the maximum allowable household income for a three-bedroom unit at 60 percent of AMI (\$46,800). This analysis utilizes the subject’s proposed utility allowances when calculating the minimum income required for the total housing cost as well as a 35 percent housing affordability ratio.
- As of 2021, an estimated 4,825 renter households in the market area will be in the band of affordability for the relevant income-restricted (non-subsidized) one-, two- and three-bedroom rental stock. The existing and planned affordable (non-subsidized) supply would need to capture 13.2 percent of these renter households in order to reach full occupancy.

Table 38 Penetration Analysis for PABP Apartments, Assuming 35% Rent Burden

Subsidized 40% Units		50% Units		60% Units	
Competitive Units	Units	Competitive Units	Units	Competitive Units	Units
Lexington Park	180	Mission College	130	Broad Creek	29
Park Terrace	81	Villa Terrace	83		
Colonial Heights	40				
Franklin Arms	100				
Grandy Village	363				
subtotal	764	subtotal	213	subtotal	29
Pipeline Units	Units	Pipeline Units	Units	Pipeline Units	Units
	0	St. Paul	64	St. Paul	56
				630 Tidewater	164
subtotal	0	subtotal	64	subtotal	220
Subject Property	Units	Subject Property	Units	Subject Property	Units
	7		28		83
Total	771	Total	305	Total	332

Income Target	Total Competitive Units	Renter Households = 20,186		# Qualified HHs	Penetration Rate
		Band of Qualified Hhlds			
		One Bedroom	Three Bedroom		
40% Units	771	no min\$ 20,186	\$27,000 11,832	8,354	9.2%
50% Units	305	\$23,966 12,610	\$39,000 9,240	3,371	9.0%
60% Units	332	\$28,848 11,406	\$46,800 7,786	3,620	9.2%
Non-Subsidized LIHTC Units	637	\$23,966 12,610	No Data \$46,800 7,786	4,825	13.2%
		Three Bedroom	One Bedroom		
Total Units	1,483	no min\$ 20,186	\$46,800 7,786	12,400	12.0%

- We have repeated this analysis for all units within the competitive supply, including the units with project-based subsidies. The range of qualifying incomes expands from \$0 up to the three-bedroom maximum income at 60 percent of AMI. The total inventory of 1,483 units would need to be filled from the estimated 12,400 income-qualified renter households. This reflects an overall penetration rate of 12.0 percent.

4. Conclusions on Affordability and Penetration

RPRG judges that the tax credit renter capture rate of 2.4 percent for those units without project-based subsidies is readily achievable, particularly since the proposed apartments will be the newest and most attractive affordable rental community within the market area. RPRG considers the calculated penetration rate for the tax credit units of 13.2 percent of income-restricted renter households to be reasonable within the context of the PABP Market Area Market Area. In essence, our analysis suggests that the most directly competitive rental units will need to capture less than one out of every eight income-qualified renter households. Both the capture and penetration rates are well within a reasonable and achievable range.

D. VHDA Demand Methodology

1. VHDA Demand Analysis

The Virginia Housing Development Authority (VHDA) mandates a particular demand methodology in evaluating applications for Low-Income Housing Tax Credits. VHDA opts for a need-driven demand methodology which factors the topics of cost-burdened renters and substandard rental housing into the demand equation. In this section, RPRG calculates demand according to the VHDA methodology for PABP Apartments. VHDA's demand methodology for general occupancy LIHTC projects such as the subject accounts for as many as four primary components of potential need/demand:

- **Household Growth or Decline.** The household trend required by VHDA is the net increase or decrease in the number of income-qualified renter households in the primary market area between a base year of 2018 and a target year of 2021.
- **Cost Burdened Renters.** VHDA's second component of demand is cost burdened renters, a designation which is typically defined as those renter households paying more than 35 percent of household income for housing costs. To be conservative, RPRG uses the 2013-2017 ACS data on cost-burdened renter households presented earlier in Table 20 to estimate the percentage and number of income-qualified renters for the subject project that will be cost-burdened as of 2019 as defined by spending 40 percent of income on rent, or 41.4 percent of renters.
- **Renter Households in Substandard Housing.** VHDA's third component of demand accounts for income-qualified renter households living in substandard units, defined as overcrowded units (having 1.01 or more persons per room) and/or units lacking complete plumbing facilities. According to the 2013-2017 ACS, the percentage of renter households in the primary market area that lived in substandard conditions was 3.6 percent.
- **Existing Tenants Likely to Remain.** For projects that constitute the renovation of an existing property with current tenants, VHDA requests that analysts consider the percentage of current tenants that are likely to remain following the proposed renovation. PABP Apartments will be a new construction project and, as such, VHDA's fourth component of demand is not relevant.

Table 39 outlines the detailed VHDA demand calculations for PABP Apartments that stem from the three relevant demand components. Total demand available for the 118-unit proposed affordable



project is expected to include 198 net new renter households, 5,061 cost-burdened households, and 440 households currently residing in substandard housing. The calculation thus yields a total demand for 5,698 additional units of rental housing serving the targeted income bands.

Table 39 VHDA Demand by Overall Income Targeting

Income Target	Subsidized			LIHTC Total	Project Total
	40% AMI	50% AMI	60% AMI		
Minimum Income Limit	no min\$	\$23,966	\$28,848	\$23,966	no min\$
Maximum Income Limit	\$27,000	\$46,800	\$46,800	\$46,800	\$46,800
(A) Renter Income Qualification Percentage	41.4%	16.0%	17.0%	23.2%	61.4%
Demand from New Renter Households - Calculation (C-B)*F*A	133	52	55	75	198
+ Demand from Rent Overburdened HHs - Calculation: B*E*F*A	3,410	1,319	1,404	1,912	5,061
+ Demand from Substandard Housing - Calculation B*D*F*A	296	115	122	166	440
Total Income Qualified Renter Demand	3,839	1,485	1,581	2,153	5,698
Less: Comparable Vacant Units	0	4	0	4	4
Less: Comparable Pipeline Units	0	64	220	284	284
Net Demand	3,839	1,417	1,361	1,865	5,410
Subject Proposed Units	7	28	83	111	118
Capture Rate	0.2%	2.0%	6.1%	6.0%	2.2%
Estimated Absorption Period					

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2019 Households	32,814
C). 2022 Households	33,344
D). Substandard Housing (% of Rental Stock)	3.6%
E). Rent Overburdened (% of Renter Hhlds at >40%)	41.4%
F). Renter Percentage (% of all 2019 HHLds)	60.7%

Project Wide Capture Rate - LIHTC Units	6.0%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	2.2%
Project Wide Absorption Period (Months)	7 to 8 mo.

Comparable units that are presently available or that would likely be available constitute supply that must be subtracted from total VHDA demand to arrive at VHDA net demand. Based on our January 2019 competitive survey, four 50 percent AMI units were reported vacant in the affordable rental supply. The near term pipeline consists of two LIHTC projects totaling 284 units. Subtracting the vacant existing and pipeline units, VHDA net demand totals 5,410 units.

Given net demand for 5,410 units, the 118-unit PABP Apartments would need to capture 2.2 percent of income-qualified renter households per VHDA’s demand methodology. The 111 unsubsidized units would need to capture 6.0 percent of all income-qualified renter households.

Table 40 calculates demand for the proposed subject’s three-bedroom units without any subsidies. In this analysis, we have applied a large family factor of 35 percent in order to reflect the proportion of three-person and larger households within the market area, as referenced in Table 16. The VHDA capture rate for this unit type is 6.6 percent.



Table 40 VHDA Three-Bedroom Demand (Without Subsidies)

Project Total	Three Bedroom Units
<i>Minimum Income Limit</i>	\$33,291
<i>Maximum Income Limit</i>	\$46,800
Renter Income Qualification Percentage	12.85%
Total Income Qualified Renter Demand	1,192
Large HH Size Adjustment (% renter 3+ person hhlds)	35%
Total Large HH Income Qualified Renter Demand	422
Vacant and Comparable Units	0
Net Demand	422
Proposed Units	28
Capture Rate	6.6%

2. Conclusions on VHDA Demand

RPRG considers the key captures rates for PABP Apartments to be both reasonable and readily achievable, particularly since the project’s overall capture rate is less than three percent. For those units without rental subsidies, the capture rate is still very low at 6.0 percent. Taking into consideration all of these factors, we have conservatively estimated an overall project lease up pace of roughly 7 to 8 months, reflecting an average absorption pace of 14 to 16 units per month. According to Norfolk planning officials, affordable housing is a dire need throughout the city, including the subject neighborhood. In addition, property managers at market area tax credit communities report high demand among lower-income households with consistently long wait lists at all tax credit communities.

E. Target Markets

As indicated in the Effective Demand Analysis (Affordability/Capture & Penetration), the subject’s income-restricted units without rental subsidies would serve households with incomes between \$23,966 and \$46,800. The groups most likely to reside at the subject’s income restricted units include individuals working in service sectors such as retail, leisure and hospitality, or in civilian positions associated with the numerous military installations in the area. Other persons likely to reside at the subject project include government or contract workers; local public servants such as firefighters, police officers, and teachers; and early career workers in the professional-business, financial activities, information, and health sectors. It is also possible that military personnel posted to the Hampton Roads region would find the subject’s apartments to be an attractive housing alternative to on-base housing.

With one-, two- and three-bedroom units, the proposed community would have the capacity to serve single-person households, married and unmarried couples, roommate households, and single- and dual-parent families with as many as four children.

F. Product Evaluation

Considered in the context of the competitive environment, the relative position of the proposed PABP Apartments is as follows:

- **Structure Type:** Structure types among the most competitive Lower Tier market rate and income-restricted rental communities are varied including two- and three- story garden buildings, duplexes, townhomes, adaptive reuse, and mid-rise buildings. The subject will have three-story garden buildings, consistent with the subject’s lower-density neighborhood

(compared to the more dense urban area of Downtown Norfolk). This structure type is comparable to those among the market area's tax credit communities and does not provide an advantage or disadvantage.

- **Project Size:** The surveyed rental communities within the market area range in size from 13 to 300 units, with an average size of 140 units. The 118-unit PABP Apartments will be smaller than the income-restricted average of 130 units, but will appropriately provide on-site management and services similar to other market area rental communities.
- **Unit Distribution:** The subject will offer one-bedroom units (18 percent); two-bedroom units (58 percent); and three-bedroom units (24 percent). The subject's unit distribution includes a larger weighting of two-bedroom units compared to the Lower Tier average but a slightly lower weighting of two-bedroom units compared to the market area tax credit average. The proposed unit distribution positions the subject to target a wide variety of households, including single-person households, couples, roommates, single parent households and families. We believe that the proposed unit distribution is reasonable within the context of the directly competitive rental supply.
- **Income Targeting:** The subject's income targeting is as follows: 7 units (6 percent) will address households with incomes at or below 40 percent of AMI; 28 units (24 percent) will address households with incomes at or below 50 percent of AMI; and 83 units (70 percent) will target households with incomes at or below 60 percent of AMI. RPRG's penetration analysis indicates that all of the subject's units as well as those existing and future units without rental subsidies address less than one out of eight (12 percent) of all income-qualified households.
- **Unit Size:** The proposed unit sizes for PABP Apartments average 725 square feet for one-bedroom units; 967 square feet for two-bedroom units; and 1,172 square feet for the three-bedroom units. The subject's unit sizes are generally comparable to or larger than the directly competitive affordable and Lower Tier rental supply within the market area. Additionally, the units are planned with an open and modern floor plan. We believe that the size of the subject's units will be marketable and will be directly competitive with (or superior to) the other rental units in the multifamily supply.
- **Number of Bathrooms:** All of the subject's one-bedroom units will have one full bathroom, while the two- and three-bedroom units will have two bathrooms. None of the tax credit communities offer two baths for all two-bedroom units. As a result, the availability of two baths in these units is viewed as a slight competitive advantage.
- **Kitchen Features:** All unit kitchens at PABP Apartments will include features not typically found in the affordable rental supply, such as upgraded countertops, a microwave, and garbage disposal. Additionally, the fact that the units will have black energy-efficient and modern appliances is also a positive feature.
- **Laundry:** The developer intends to equip all units at PABP Apartments with full-size washer and dryer connections. Among the market area's three tax credit communities, one includes in-unit washer/dryers, one includes washer/dryers in select units, and the remaining community has no in-unit laundry options. Six of the 15 Lower Tier communities have no in-unit laundry options. In-unit laundry connections are appropriate for the subject's target market.
- **Other Unit Features:** Units at PABP Apartments will have carpeted bedrooms and attractive vinyl flooring in the living areas and kitchen. Carpeting is the primary flooring material among tax credit communities. Most of the subject's units will have private outdoor space with either a patio or balcony. This is also a desirable feature that is appreciated by tenants and not always available in the competitive supply.

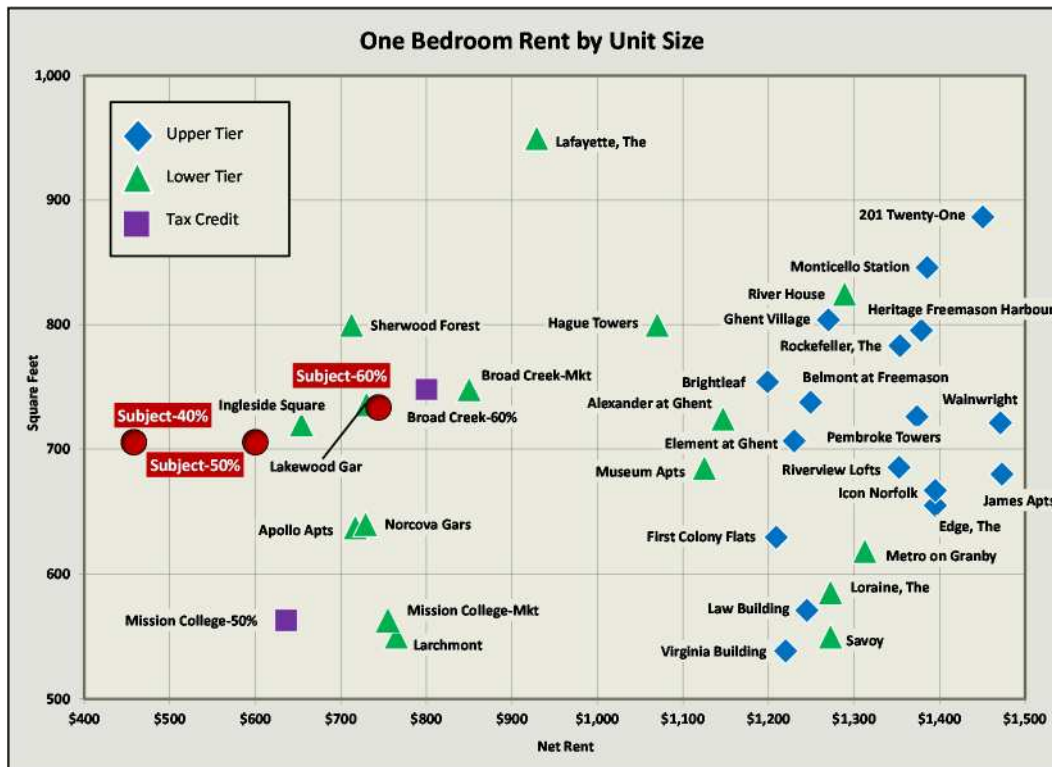


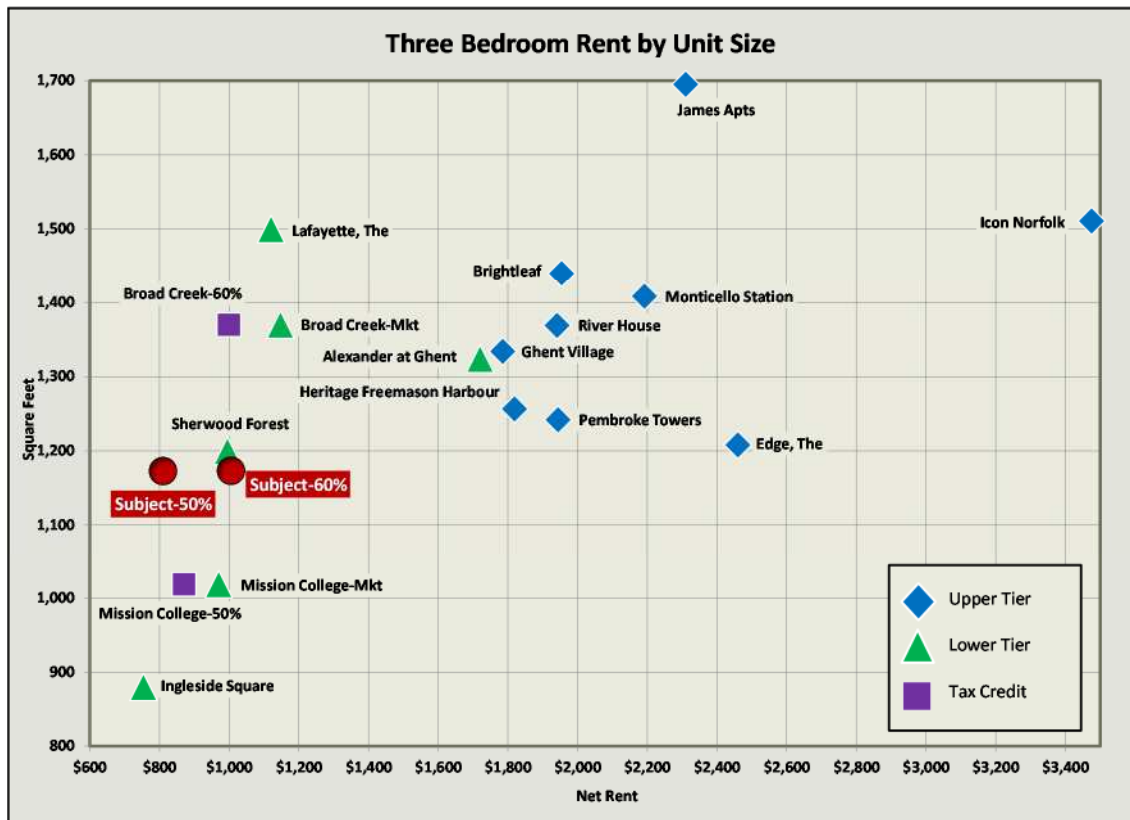
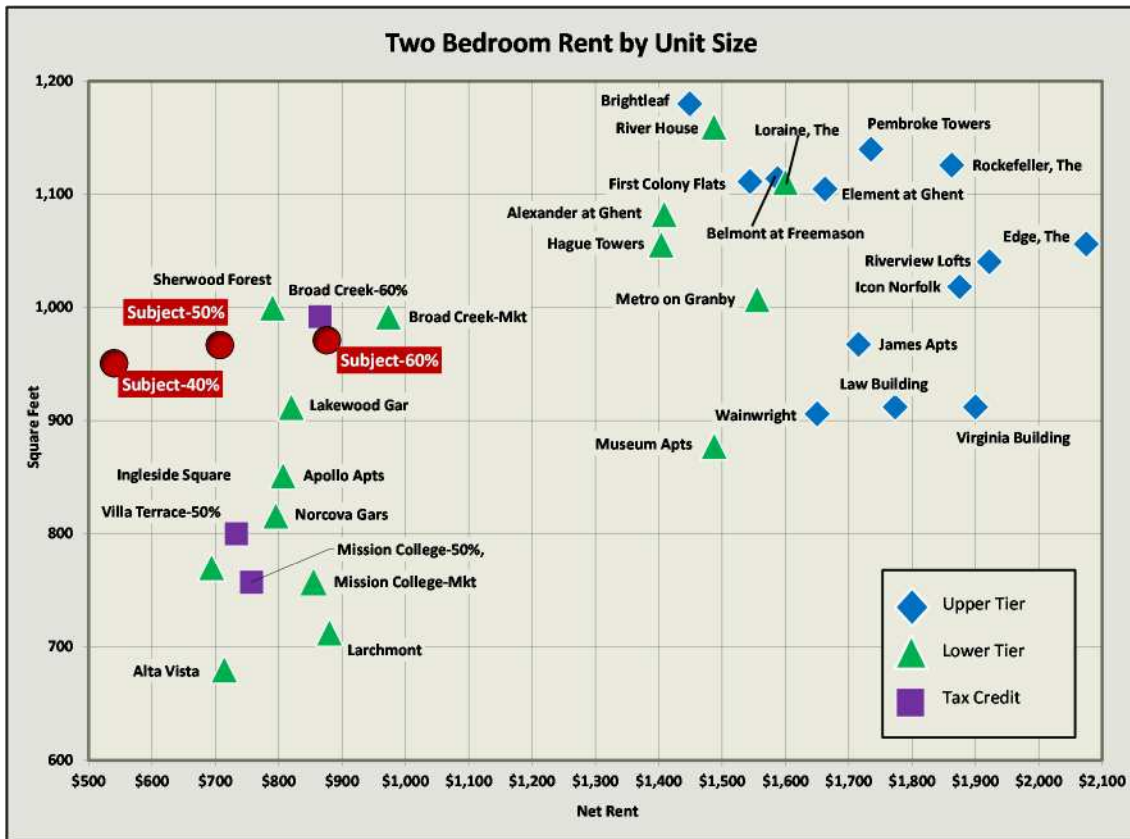
- Utilities Included in Rent:** The developer proposes to include trash removal costs in monthly rents in PABP Apartments, leaving tenants responsible for paying all other utility bills. Wi-Fi internet capability will also be provided for each Phase I unit at no charge. The trend among newer market area communities is to not include any utilities in the rent; six Lower Tier and 11 Upper Tier communities do not include any utilities in the rent.
- Common Area Amenities:** The developer intends to provide a significant offering of common area amenities at the subject, including a clubhouse with community meeting space and free Wi-Fi, business center, a fitness center, grilling station, a playground, and a tot lot. The proposed slate of amenities would position the subject community above all tax credit communities and similar to or exceeding most Lower Tier market rate properties in the market area. The proposed amenity slate is considered to be a competitive advantage in many cases.
- Parking:** The subject will have free surface parking which is consistent with the other tax credit communities. Many communities in the Downtown and Ghent Districts do not offer free parking options. As such, free surface parking is considered an advantage in some cases.

G. Price Position

The tax credit rents proposed by the developer for PABP Apartments are at or below the allowable maximums for all unit types, given the assumed utility allowances of \$99 for one-bedroom units; \$131 for two-bedroom units; and \$161 for three-bedroom units. The proposed rents are considered to be reasonable when viewed within the context of the directly competitive rental supply. The scatter charts indicate that the rents for the affordable rental supply are generally below those without income restrictions. Figure 10 provides a graphic representation of the competitive positions of the rents and square footages proposed for the subject’s one-, two-, and three-bedroom units.

Figure 10 Price Position of PABP Apartments







H. Absorption Estimate

In estimating an absorption pace for the subject community, we consider recent absorption activity in the market in addition to demand and supply factors. As mentioned previously, none of the tax credit properties have been constructed in the past ten years. Several Upper Tier and Lower Tier market rate rental communities have opened within the past three years. Known absorption details are as follows:

- **Icon**, a 269-unit Upper Tier adaptive reuse community, was placed in service December 2017 and reached stabilization as of July 2018, for an average absorption rate of 38 units per month.
- **Brightleaf**, a smaller Upper Tier community, was placed in service August 2017 and reached full occupancy in January 2018, for an average absorption rate of 18 units per month.
- **The Edge** opened in July 2017 and achieved 68 percent leased as of April 2018, for an average absorption pace of 16 units per month. Through the second half of 2018, lease-up stalled with management issues, and a new manager took over in January 2019.
- **First Colony Flats** placed 79 units in service in March 2018 and completed lease up as of June 2018 for an average absorption rate of 26 units per month.
- **Museum Apartments** placed 48 units in service in September 2018 and had leased 36 units as of our January 2019 survey for an average absorption rate of nine units per month, though the leasing staff reported delays in delivering units slowing the absorption pace.
- **Savoy Apartments** placed 48 units in service in the second week of January 2019 and leased six units as of the last week of January 2019.

Market rate communities report average absorption rates ranging from nine to 38 units per month. We note many of these communities were in lease up simultaneously with one or several additional communities. The affordable nature of the subject community will likely result in higher absorption rates than those reported by market rate communities.

The subject community will be the first income-restricted community delivered to the market in 17 years except for St. Paul Apartments which is expected to deliver March 2019. St. Paul Apartments will likely complete at least a substantial portion of lease up prior to the subject delivering, but we consider the possibility of the subject leasing up simultaneously with 630 Tidewater. With these considerations, we conservatively estimate an absorption pace of 14 to 16 units per month. Assuming this absorption pace, we would expect that the subject would attain stabilized occupancy in approximately 7 to 8 months.



I. Impact on Existing Market

RPRG does not anticipate that the subject will have an adverse impact on the existing rental market. The overall vacancy rate for the income-restricted rental communities within the market area is very low at 1.0 percent. Additionally, the subject's VHDA capture rate for all units is 2.2 percent while the capture rate for those units without rental subsidies is 6.0 percent. Both are reasonable and achievable. Importantly, the overall penetration rate for the income-restricted units is very low at 13.2 percent.

We hope you find this analysis helpful in your decision making process.

Handwritten signature of Ethan Reed in black ink.

Ethan Reed
Senior Analyst

Handwritten signature of Robert M. Lefenfeld in black ink.

Robert M. Lefenfeld
Founding Principal



IX. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are no existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



X. APPENDIX 2 RENTAL COMMUNITY PROFILES

201 Twenty-One

Multifamily Community Profile

201 21st Street
Norfolk, VA 23517

Community Type: Market Rate - General

Structure Type: 4-Story Mid Rise

225 Units 4.0% Vacant (9 units vacant) as of 1/22/2019

Opened in 2009



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	9.8%	\$1,246	741	\$1.68	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	30.2%	\$1,265	777	\$1.63	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	31.1%	\$1,680	993	\$1.69	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	6.7%	\$1,680	1,253	\$1.34	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	22.2%	\$1,885	1,208	\$1.56	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input checked="" type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings; Carpet / Hardwood	
Select Units: --	
Optional(\$): --	
Security: Unit Alarms; Intercom; Keyed Bldg Entry	
Parking 1: Structured Garage Fee: \$0	Parking 2: Structured Garage Fee: \$30
Property Manager: Whitmore Mgmt. Owner: Roseland Property Company	

Comments

1.7 parking spaces/unit. 1 space included in rent. Add'l \$30/mo. 22 floor plans. Market is reason for high vacancy. Yoga room, theater, simulated golf, putting green, fire pit. Retail on-site. 1st hit 95% occ 11/15/10. Trash fee- \$15. French/Full Balc, 9ft+ ceiling, surround sound, laminate counters, stainless appl. Select: hardwood, roof terraces.

Floorplans (Published Rents as of 1/22/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Plans S1-S4 / Mid Rise -	--	Eff	1	22	\$1,218	741	\$1.64	Market	1/22/19	4.0%	\$1,476	\$1,838	--
Plans A1-A5,A8 / Mid Rise	--	1	1	68	\$1,235	777	\$1.59	Market	4/6/18	6.7%	\$1,478	\$1,911	--
Plans A6-A7 / Mid Rise -	Den	1	1	70	\$1,650	993	\$1.66	Market	10/30/17	0.4%	\$1,501	\$1,830	--
Plans B4-B6,B8 / Mid Ris	Den	2	2	50	\$1,850	1,208	\$1.53	Market	6/1/17	2.7%	\$1,371	\$1,619	--
Plans B1-B3,B7,B9-B10 /	--	2	2	15	\$1,645	1,253	\$1.31	Market	* Indicates initial lease-up.				

Adjustments to Rent

Incentives:
A7-Reduced rents

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Alexander at Ghent

Multifamily Community Profile

1600 Granby Street
Norfolk, VA 23510

Community Type: Market Rate - General

Structure Type: 4-Story Mid Rise

268 Units 1.5% Vacant (4 units vacant) as of 1/23/2019

Opened in 2006



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	23.1%	\$1,037	670	\$1.55	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	27.6%	\$1,172	725	\$1.62	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	44.8%	\$1,439	1,083	\$1.33	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	4.5%	\$1,755	1,324	\$1.33	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Carpet / Hardwood	
Select Units: Patio/Balcony; High Ceilings	
Optional(\$): --	
Security: Keyed Bldg Entry	
Parking 1: Structured Garage Fee: \$0	Parking 2: Structured Garage Fee: \$50
Property Manager: Fairfield Owner: --	

Comments

Stacked w/d in 565 sq ft 1BRs. Balcony/French Balcony. Select Units: walk-in closets, comp. stations. White appliances
Initially Bristol at Ghent. 1&2BRs: 1 structured space; 3BRs: 2; limited additional spaces \$50/mo. Laminate counters.
Billiards, 2 courtyards, dvd library, planned activities, grills, massage therapy room, internet café. \$15/trash fee.

Floorplans (Published Rents as of 1/23/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
James	rench Balcon	Eff	1	12	\$1,005	565	\$1.78	Market	1/23/19	1.5%	\$1,172	\$1,439	\$1,755
Hague	atio/Balcon	Eff	1	50	\$1,010	695	\$1.45	Market	4/6/18	4.1%	\$1,153	\$1,413	\$1,860
Colley	rench Balcon	1	1	12	\$1,065	565	\$1.88	Market	10/30/17	3.4%	\$1,287	\$1,399	\$1,835
Granby	rench Balcon	1	1	56	\$1,160	748	\$1.55	Market	7/18/17	1.1%	\$1,294	\$1,533	\$1,985
Harrison	rench Balcon	1	1	6	\$1,125	825	\$1.36	Market	* Indicates initial lease-up.				
Lockhaven	atio/Balcon	2	2	84	\$1,360	1,036	\$1.31	Market					
Monticello	atio/Balcon	2	2	36	\$1,505	1,192	\$1.26	Market					
Willoughby	atio/Balcon	3	2	12	\$1,715	1,324	\$1.30	Market					

Adjustments to Rent

Incentives:
none

Utilities in Rent: Heat Fuel: Electric
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Alexander at Ghent

VA710-009733

Alta Vista

Multifamily Community Profile

Scott Street @ Mangrove Avenue
Norfolk, VA 23502

Map Ref: VA SH 221 B4

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

13 Units 7.7% Vacant (1 units vacant) as of 1/22/2019

Opened in 1960



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$744	680	\$1.09	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard: Ice Maker; Vinyl/Linoleum / Carpet	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Ingleside Square	
Owner: --	

Comments

Both wall and window a/c units visible. Property is at the Scott/Mangrove intersection's southwest corner.
Approximately 14 parking spaces. Was Alta Vista. Same leasing office as Ingleside Square Apts.
Two 2-story buildings & one 1-story building.

Floorplans (Published Rents as of 1/22/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	13	\$765	680	\$1.13	Market	1/22/19	7.7%	--	\$744	--
									1/16/19	7.7%	--	\$722	--
									4/6/18	0.0%	--	\$760	--
									10/31/17	0.0%	--	\$755	--

Adjustments to Rent

Incentives:

\$250 for 1st mo rent

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Alta Vista

VA710-009117

Apollo Apts

Multifamily Community Profile

3044 Sewells Point Road
Norfolk, VA 23513

Community Type: Market Rate - General

Structure Type: 2-Story Garden

91 Units 0.0% Vacant (0 units vacant) as of 1/23/2019

Opened in 1980



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	23.1%	\$735	625	\$1.18	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	3.3%	\$790	725	\$1.09	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	73.6%	\$837	851	\$0.98	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: In Unit Laundry (Full Size); Central A/C; Carpet	
Select Units: ADA Access	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: KPM Owner: --	

Comments

Picnic area. Assigned parking spaces.

WL: 13 Pending applications

Floorplans (Published Rents as of 1/23/2019) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	21	\$735	625	\$1.18	Market	1/23/19	0.0%	\$742	\$837	--
Garden	Den	1	1	3	\$790	725	\$1.09	Market	4/6/18	1.1%	\$722	\$816	--
Standard / Garden	--	2	1	35	\$820	830	\$0.99	Market	10/30/17	1.1%	\$722	\$816	--
Large / Garden	--	2	1	32	\$855	875	\$0.98	Market	8/2/17	0.0%	\$722	\$816	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Belmont at Freemason

Multifamily Community Profile

260 York Street
Norfolk, VA 23510

Community Type: Market Rate - General

Structure Type: 7-Story Mid Rise

239 Units 2.1% Vacant (5 units vacant) as of 1/22/2019

Opened in 2009



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
One	60.3%	\$1,269	727	\$1.75	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	6.7%	\$1,322	836	\$1.58	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	33.1%	\$1,618	1,114	\$1.45	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; High Ceilings; Carpet / Ceramic	
Select Units: Patio/Balcony	
Optional(\$): --	
Security: Intercom; Keyed Bldg Entry	
Parking 1: Structured Garage Fee: \$0	Parking 2: -- Fee: --
Property Manager: KPM Owner: Kotarides Developers	

Comments

Building 2 (46): 8/15/09; Building 3 (82): 1/1/10; Building 4 (83): 4/1/10. 1BR:1 pkg space included, 2BR: 2 included.

Double sinks, 2BRs Full w/d, 1BRs full stacked. Conf. Room, game room. Granite counters, pantries. Stainless steel appliances, over-size cabinets. Adjacent YMCA. W/S/T Fee: 1BR \$35 2BR \$45

Amenity Fee: \$ 0

Floorplans (Published Rents as of 1/22/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
A1 / Mid Rise - Elevator	Patio/Balcony	1	1	14	\$1,310	702	\$1.87	Market	1/22/19	2.1%	\$1,274	\$1,618	--
A2 / Mid Rise - Elevator	--	1	1	81	\$1,355	722	\$1.88	Market	4/6/18	4.6%	\$1,119	\$1,504	--
A2A / Mid Rise - Elevator	Patio/Balcony	1	1	18	\$1,340	727	\$1.84	Market	10/30/17	3.8%	\$1,310	\$1,684	--
A3 / Mid Rise - Elevator	--	1	1	25	\$1,385	750	\$1.85	Market	9/29/17	1.7%	\$1,304	\$1,670	--
A3A / Mid Rise - Elevator	--	1	1	6	\$1,415	750	\$1.89	Market	* Indicates initial lease-up.				
A4 / Mid Rise - Elevator	Den	1	1	16	\$1,409	836	\$1.69	Market					
B2 / Mid Rise - Elevator	Patio/Balcony	2	2	40	\$1,659	1,065	\$1.56	Market					
B3 / Mid Rise - Elevator	--	2	2	11	\$1,445	1,120	\$1.29	Market					
B1 / Mid Rise - Elevator	--	2	2	28	\$1,859	1,182	\$1.57	Market					

Adjustments to Rent

Incentives:
\$50-\$225/monthly

Utilities in Rent: Heat Fuel: Electric
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Belmont at Freemason

VA710-012535

Brightleaf

Multifamily Community Profile

200 E. 22nd Street
Norfolk, VA 23517

Community Type: Market Rate - General

Structure Type: 3-Story Mid Rise

88 Units 10.2% Vacant (9 units vacant) as of 1/22/2019

Opened in 2017



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse:	<input type="checkbox"/> Pool-Outdr:
One	--	\$1,224	754	\$1.62	Comm Rm:	<input type="checkbox"/> Basketball:
One/Den	--	--	--	--	Centrl Lndry:	<input type="checkbox"/> Tennis:
Two	--	\$1,479	1,180	\$1.25	Elevator:	<input checked="" type="checkbox"/> Volleyball:
Two/Den	--	--	--	--	Fitness:	<input checked="" type="checkbox"/> CarWash:
Three	--	\$1,989	1,440	\$1.38	Hot Tub:	<input type="checkbox"/> BusinessCtr:
Four+	--	--	--	--	Sauna:	<input type="checkbox"/> ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; HighCeilings; Cable TV; Broadband Internet; Hardwood	
Select Units:	--
Optional(\$):	--
Security:	Gated Entry
Parking 1:	Free Surface Parking
Fee:	--
Parking 2:	--
Fee:	--
Property Manager:	Legend Property Gro
Owner:	--

Comments

Granite counters, ss appliances, polished concrete or wood floors, full w/d, high ceilings
All utilities included. Rents listed are starting rents. Cable & internet included.
Reached 95% by Jan 2018

Floorplans (Published Rents as of 1/22/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	--	\$1,329	754	\$1.76	Market	1/22/19	10.2%	\$1,224	\$1,479	\$1,989
Mid Rise - Elevator	--	2	2	--	\$1,609	1,180	\$1.36	Market	4/10/18	3.4%	\$1,254	\$1,670	\$2,040
Mid Rise - Elevator	--	3	2	--	\$2,149	1,440	\$1.49	Market	11/10/17*	31.8%	\$1,349	\$1,670	\$2,040

* Indicates initial lease-up.

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Broad Creek

Multifamily Community Profile

1343 Herbert Collins Way
Norfolk, VA 23504

Map Ref: VA SH 221 G7

CommunityType: LIHTC - General

Structure Type: 2-Story Duplex

48 Units 0.0% Vacant (0 units vacant) as of 1/23/2019

Opened in 2004



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	22.9%	\$818	748	\$1.09	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	35.4%	\$903	992	\$0.91	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	39.6%	\$1,069	1,370	\$0.78	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	2.1%	\$1,063	1,535	\$0.69	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Full Size); Central A/C; Carpet / Vinyl/Linoleum	
Select Units: Patio/Balcony	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: S.L. Nusbaum Owner: --	

Comments

4-bedroom unit is a detached home. Parking is surface or on street. No common area amenities. No central laundry. 300 total units (281 LIHTC, 19 market rate). Of these, 29 are just LIHTC and 252 are replacement public housing units 100+ hhlds on waiting list(1/19). Some 3BR LIHTC target <60% AMI.

Floorplans (Published Rents as of 1/23/2019) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program		Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	4	\$850	748	\$1.14	Market		1/23/19	0.0%	\$818	\$903	\$1,069
Garden	--	1	1	7	\$800	748	\$1.07	LIHTC/ 60%		4/11/18	0.0%	\$777	\$926	\$1,077
Duplex	--	2	1	6	\$973	992	\$0.98	Market		11/7/17	0.0%	\$767	\$916	\$1,069
Duplex	--	2	1	11	\$865	992	\$0.87	LIHTC/ 60%		6/22/17	0.0%	\$765	\$916	\$1,069
Duplex	--	3	2	9	\$1,147	1,370	\$0.84	Market						
Duplex	--	3	2	10	\$999	1,370	\$0.73	LIHTC/ 60%						
SF Detached	--	4	2	1	\$1,063	1,535	\$0.69	LIHTC/ 60%						

Adjustments to Rent	
Incentives: None	
Utilities in Rent: Heat Fuel: Gas	
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Edge, The

Multifamily Community Profile

450 Boush Street
Norfolk, VA 23510

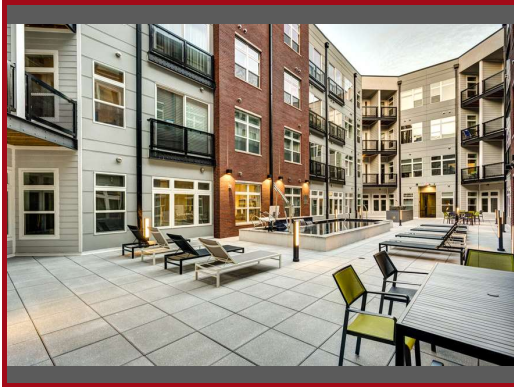
Community Type: Market Rate - General

Structure Type: 6-Story Mid Rise

139 Units

12.2% Vacant (17 units vacant) as of 1/23/2019

Opened in 2017



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	28.1%	\$1,161	523	\$2.22	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	28.1%	\$1,420	655	\$2.17	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	28.1%	\$2,105	1,057	\$1.99	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	28.1%	\$2,495	1,208	\$2.07	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Hardwood / Ceramic	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Structured Garage Fee: \$60	Parking 2: Structured Garage Fee: \$40
Property Manager: S.L. Nusbaum Realty Owner: --	

Comments

Private onsite parking garage, tanning beds, on-site bike storage, dog washing station, wood/tile flooring, SS

Started preleasing Summer 2017. Trash \$5.

City of Norfolk parking garage \$40/mo. Under new mgmt 1/23/19.

Floorplans (Published Rents as of 1/23/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	Eff	1	39	\$1,163	523	\$2.22	--	1/23/19*	12.2%	\$1,420	\$2,105	\$2,495
	--	1	1	39	\$1,420	655	\$2.17	--	4/11/18*	11.5%	\$1,347	\$1,710	\$2,384
	Loft	2	2	39	\$2,100	1,057	\$1.99	--	11/7/17*	35.3%	\$1,327	\$1,680	\$2,352
	--	3	2	39	\$2,485	1,208	\$2.06	--	7/20/17*	81.3%	\$1,343	\$1,853	\$2,430

* Indicates initial lease-up.

Adjustments to Rent

Incentives:

\$300/move-in

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Element at Ghent

Multifamily Community Profile

111 18th St
Norfolk, VA

Community Type: Market Rate - General

Structure Type: Mid Rise

164 Units 1.8% Vacant (3 units vacant) as of 1/24/2019

Opened in 2014



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	61.0%	\$1,255	707	\$1.78	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	39.0%	\$1,693	1,105	\$1.53	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Carpet / Hardwood	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Structured Garage Fee: \$35	Parking 2: Structured Garage Fee: \$50
Property Manager: Steel Head Mgt Owner: --	

Comments

Opened November 2014; Started leasing in October. Property reaching 95% leased in mid-Dec 2015

Fire pit, grilling stations poolside. SS appli., Granite CT.

Trash fee- \$22

Floorplans (Published Rents as of 1/24/2019) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Palladium / Mid Rise - Ele	--	1	1	32	\$1,154	611	\$1.89	Market	1/24/19	1.8%	\$1,255	\$1,693	--	
Argon / Mid Rise - Elevat	--	1	1	30	\$1,168	685	\$1.71	Market	4/6/18	6.1%	\$1,283	\$1,802	--	
Gallium / Mid Rise - Eleva	--	1	1	38	\$1,312	804	\$1.63	Market	11/3/17	2.4%	\$1,297	\$1,766	--	
Iridium / Mid Rise - Elevat	--	2	2	32	\$1,634	1,093	\$1.49	Market	6/1/17	1.2%	\$1,440	\$1,682	--	
Cobalt / Mid Rise - Elevat	--	2	2	32	\$1,668	1,117	\$1.49	Market	* Indicates initial lease-up.					

Adjustments to Rent

Incentives:

Daily Pricing; Discounted rates

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Element at Ghent

VA710-020728

First Colony Flats

Multifamily Community Profile

204 W 22nd Street
Norfolk, VA 23517

Community Type: Market Rate - General
Structure Type: 5-Story Adaptive Reuse

79 Units 0.0% Vacant (0 units vacant) as of 1/23/2019

Opened in 2018



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$1,234	630	\$1.96	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$1,574	1,112	\$1.42	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; High Ceilings; Cable TV; Broadband Internet; Hardwood / Concrete	
Select Units: --	
Optional(\$): --	
Security: Keyed Bldg Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Legend Prop Group Owner: --	

Comments

tall ceilings, granite counters, SS appliances, breakfast bars

Floorplans (Published Rents as of 1/23/2019) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	1	1	--	\$1,339	630	\$2.13	--	1/23/19	0.0%	\$1,234	\$1,574	--
	--	2	2	--	\$1,704	1,112	\$1.53	--	4/11/18*	34.2%	\$1,185	\$1,554	--

* Indicates initial lease-up.

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

First Colony Flats

VA710-028012

Ghent Village

Multifamily Community Profile

100 Westover Avenue
Norfolk, VA 23507

Map Ref: 220-D3

Community Type: Market Rate - General

Structure Type: 3-Story Garden

140 Units 1.4% Vacant (2 units vacant) as of 1/23/2019

Last Major Rehab in 2009 Opened in 1981



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	2.9%	\$1,118	569	\$1.96	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	17.1%	\$1,295	804	\$1.61	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	72.9%	\$1,705	1,254	\$1.36	Elevator: <input type="checkbox"/>	Volleyball: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	7.1%	\$1,820	1,334	\$1.36	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Storage (In Unit); Carpet / Vinyl/Linoleum	
Select Units: Fireplace; HighCeilings	
Optional(\$): --	
Security: Unit Alarms; Fence; Gated Entry; Patrol; Cameras	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Lawson Owner: --	

Comments

Laminate counters. White appliances. Fireplaces in 1BRs, 2nd & 3rd floor 2BRs, & 3BRs. 3 distinct 2BR floor plans.

Pond, gazebo, putting green, & outside storage. Kitchen renovations to all units in 2009 (cabinets, counters, floors).

Vacancies: 1-2BR; 1-1BR.

Amenity Fee: \$ 0

Floorplans (Published Rents as of 1/23/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	Eff	1	4	\$1,105	569	\$1.94	Market	1/23/19	1.4%	\$1,295	\$1,705	\$1,820
Garden	Fireplace	1	1	24	\$1,280	804	\$1.59	Market	4/6/18	0.7%	\$1,380	\$1,755	\$2,180
Garden	Fireplace	2	2	102	\$1,685	1,254	\$1.34	Market	10/30/17	1.4%	\$1,310	\$1,480	\$1,820
Garden	--	3	2	10	\$1,795	1,334	\$1.35	Market	6/22/17	1.4%	\$1,345	\$1,590	\$1,875

Adjustments to Rent

Incentives:

None/ LRO

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Ghent Village

VA710-002237

Hague Towers

Multifamily Community Profile

330 West Brambleton Avenue
Norfolk, VA 23510

Map Ref: 220-E4

CommunityType: Market Rate - General

Structure Type: 21-Story High-Rise

256 Units 0.0% Vacant (0 units vacant) as of 1/22/2019

Opened in 1964



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	20.7%	\$1,062	528	\$2.01	<input type="checkbox"/>	<input type="checkbox"/>
One	53.5%	\$1,095	800	\$1.37	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	25.8%	\$1,434	1,056	\$1.36	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input checked="" type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input checked="" type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Central A/C; Patio/Balcony; Cable TV; Carpet / Hardwood	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: JMG Realty	Owner: --

Comments

Laminate counters. Appliances varied (white, black and almond). Upgraded units are \$300 more.

Always ongoing renovations when tenants move out.

Indoor Pool. Several Penthouse units beginning at \$2,100 per month.

Amenity Fee: \$ 0

Floorplans (Published Rents as of 1/22/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
High Rise - Elevator	Studio	Eff	1	53	\$1,150	528	\$2.18	Market	1/22/19	0.0%	\$1,095	\$1,434	--
High Rise - Elevator	--	1	1	137	\$1,200	800	\$1.50	Market	4/6/18	5.9%	\$1,222	\$1,503	--
High Rise - Elevator	--	2	1	17	\$1,560	1,056	\$1.48	Market	10/31/17	0.0%	\$1,012	\$1,210	--
High Rise - Elevator	--	2	2	49	\$1,565	1,056	\$1.48	Market	6/14/17	2.7%	\$1,103	\$1,383	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Hague Towers

VA710-002238

Heritage at Freemason Harbour *Multifamily Community Profile*

200 College Place
Norfolk, VA 23510

Map Ref: 220-D4

CommunityType: Market Rate - General

Structure Type: 3-Story Mid Rise

185 Units 5.4% Vacant (10 units vacant) as of 1/23/2019

Opened in 1999



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	23.2%	\$1,370	766	\$1.79	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	4.3%	\$1,585	954	\$1.66	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	52.4%	\$1,670	1,201	\$1.39	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	20.0%	\$1,854	1,257	\$1.48	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Central A/C; Patio/Balcony; Berber Carpet / Ceramic	
Select Units: Ceiling Fan; Fireplace; HighCeilings	
Optional(\$): --	
Security: Unit Alarms; Keyed Bldg Entry	
Parking 1: Covered Spaces Fee: \$0	Parking 2: Free Surface Parking Fee: \$0
Property Manager: JRK Owner: --	

Comments

Bay window, comp. sta., pantry: opt. Stacked w/d 1BRs; Full-size 2/3BR. Laminate CT. White appl. 35 floor plans.
1BR added in 2011. Gated parking. 3rd/4th fl. High ceiling & FP. Global amenity fee \$15/mo. Trash fee- \$10. Storage \$30-\$70/mo. Formal Garden, latte bar, video club, dry cleaning services, monthly cont. bkfst. Vac: 2-1BR; 7-2BR; 1-3BR
Amenity Fee: \$ 250

Floorplans (Published Rents as of 1/23/2019) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	43	\$1,345	766	\$1.76	Market	1/23/19	5.4%	\$1,404	\$1,670	\$1,854
Mid Rise - Elevator	Den	1	1	8	\$1,560	954	\$1.64	Market	4/6/18	5.9%	\$1,348	\$1,610	\$1,735
Mid Rise - Elevator	--	2	2	97	\$1,640	1,201	\$1.37	Market	10/30/17	2.7%	\$1,321	\$1,595	\$1,735
Mid Rise - Elevator	--	3	2	37	\$1,819	1,257	\$1.45	Market	9/29/17	2.2%	\$1,179	\$1,453	\$1,505

Adjustments to Rent

Incentives:
\$199 App & Admin fees(Reg.\$300)

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Icon Norfolk

Multifamily Community Profile

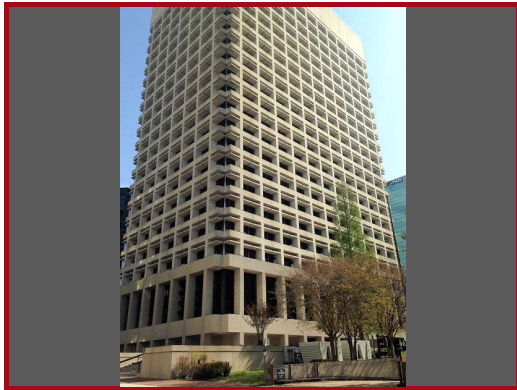
321 E Main Street
Norfolk, VA 23510

Community Type: Market Rate - General

Structure Type: 24-Story High Rise

269 Units Occupancy data not currently available

Opened in 2017



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	\$1,153	472	\$2.44	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	\$1,420	667	\$2.13	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$1,905	1,019	\$1.87	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$3,510	1,511	\$2.32	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C	
Select Units: --	
Optional(\$): --	
Security: Gated Entry	
Parking 1: Structured Garage Fee: \$56	Parking 2: -- Fee: --
Property Manager: Drucker & Falk Owner: --	

Comments

Art gallery, jazz café, lounge, rooftop deck, lounge, spa, media lounge, movie theater, wine vault w/ tasting room
Conference room, game room, library, tanning salon, grocery delivery, guest suites, usb outlets, ss app, quartz c-tops
Mixed use. Trash \$5. Rents listed are starting rents.

Floorplans (Published Rents as of 1/23/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	Eff	1	--	\$1,130	472	\$2.39	--	1/23/19	--	\$1,420	\$1,905	\$3,510
	--	1	1	--	\$1,395	667	\$2.09	--	4/11/18*	31.2%	\$1,640	\$2,196	\$3,614
	--	2	2	--	\$1,875	1,019	\$1.84	--	* Indicates initial lease-up.				
	--	3	2	--	\$2,400	1,200	\$2.00	--					
	--	3	2	--	\$4,550	1,822	\$2.50	--					

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Icon Norfolk

VA710-028013

Ingleside Square

Multifamily Community Profile

3515 Gatling Ave
Norfolk, VA 23502

Map Ref: VA SH 221 B5

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

300 Units

6.7% Vacant (20 units vacant) as of 1/16/2019

Opened in 1956



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	9.0%	\$679	720	\$0.94	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	82.0%	\$724	770	\$0.94	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	9.0%	\$789	880	\$0.90	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Microwave; Ice Maker; Window A/C; Carpet	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Street Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Ingleside Square	
Owner: --	

Comments

Community relies upon street parking. No on-site lots.
Mgmt said the high vacancies are "Normal". Not currently renovating.
6 out of 10 units are rehab units. Same leasing office as Alta Vista Apts.

Floorplans (Published Rents as of 1/16/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	27	\$700	720	\$0.97	Market	1/16/19	6.7%	\$662	\$704	\$763
Garden	--	2	1	246	\$745	770	\$0.97	Market	4/6/18	6.7%	\$690	\$735	\$800
Garden	--	3	1	27	\$810	880	\$0.92	Market	10/31/17	8.0%	\$690	\$735	\$800
									9/29/17	3.0%	\$675	\$720	\$785

Adjustments to Rent

Incentives:
\$250 for 1st mo rent

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Ingleside Square

VA710-009114

James Apts

Multifamily Community Profile

345 Granby St
Norfolk, VA

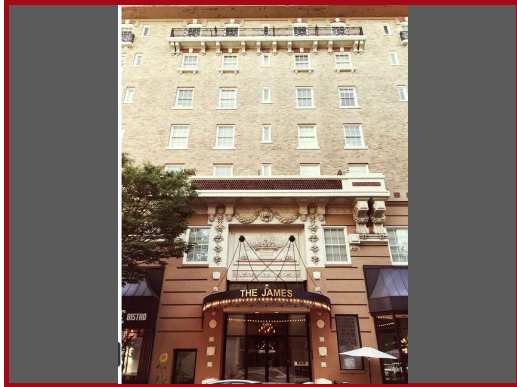
Community Type: Market Rate - General

Structure Type: Adaptive Reuse

78 Units

16.7% Vacant (13 units vacant) as of 1/24/2019

Opened in 2014



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	21.8%	\$1,118	465	\$2.41	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	69.2%	\$1,498	680	\$2.20	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	7.7%	\$1,745	968	\$1.80	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	1.3%	\$2,335	1,695	\$1.38	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; HighCeilings	
Select Units: Patio/Balcony	
Optional(\$): --	
Security: --	
Parking 1: Structured Garage Fee: \$51	Parking 2: -- Fee: --
Property Manager: Drucker & Falk Owner: --	

Comments

Opened 8/14/14; Started leasing July 2014; 13 units/month lease-up.

Same leasing office as The Loraine. Under new mgmt as of 2/19(S.L.Nusbaum) - reason for high vacancy

Parking garage- City of Norfolk.

Floorplans (Published Rents as of 1/24/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
High Rise - Elevator	--	Eff	1	10	\$990	406	\$2.44	Market	1/24/19	16.7%	\$1,498	\$1,745	\$2,335
High Rise - Elevator	--	Eff	1	7	\$1,244	549	\$2.27	Market	1/23/19	16.7%	--	--	--
High Rise - Elevator	--	1	1	25	\$1,437	589	\$2.44	Market	4/11/18	6.4%	\$1,404	\$1,724	\$2,335
High Rise - Elevator	--	1	1	24	\$1,477	747	\$1.98	Market	11/3/17	9.0%	\$1,363	\$1,618	\$2,185
High Rise - Elevator	Loft	1	1	5	\$1,632	819	\$1.99	Market					
High Rise - Elevator	Loft	2	2	1	\$1,917	1,050	\$1.83	Market					
High Rise - Elevator	--	2	2	5	\$1,675	951	\$1.76	Market					
High Rise - Elevator	--	3	2	1	\$2,300	1,695	\$1.36	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

James Apts

VA710-020729

Lafayette, The

Multifamily Community Profile

4601 Mayflower Rd
Norfolk, VA 23508

Community Type: Market Rate - General

Structure Type: 12-Story High Rise

168 Units 3.0% Vacant (5 units vacant) as of 1/23/2019

Last Major Rehab in 2005 Opened in 1963



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	48.8%	\$752	502	\$1.50	<input type="checkbox"/>	<input type="checkbox"/>
One	25.0%	\$954	950	\$1.00	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	24.4%	\$1,005	1,300	\$0.77	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	1.8%	\$1,155	1,500	\$0.77	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Disposal; Ice Maker; Ceiling Fan; Central A/C; Carpet / Hardwood	
Select Units: Dishwasher; Patio/Balcony	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: The Donaldson Grou Owner: --	

Comments

Parking controlled by issuance of decals. No balconies in small efficiency units. Dishwashers in 2BRs and 3BRs.
Standard 8-foot ceilings. Renovation completed in summer 2005 was an in-place renovation. Classic: White appl, carpet.
Upgraded: SS appl, wood-plank flr. 168 total units: renovating starting summer 2015. Trash fee- \$20

Floorplans (Published Rents as of 1/23/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Studio / High Rise - Eleva	--	Eff	1	78	\$854	500	\$1.71	Market	1/23/19	3.0%	\$954	\$1,005	\$1,155
Deluxe Studio / High Rise	--	Eff	1	4	\$920	550	\$1.67	Market	4/6/18	4.8%	\$1,005	\$1,320	\$1,335
High Rise - Elevator	--	1	1	42	\$1,074	950	\$1.13	Market	10/30/17	1.2%	\$1,035	\$1,103	\$1,370
Deluxe / High Rise - Eleva	--	2	2	--	\$1,425	1,300	\$1.10	Market	6/23/17	2.4%	\$935	\$1,015	\$1,425
High Rise - Elevator	--	2	2	41	\$1,145	1,300	\$.88	Market					
High Rise - Elevator	--	3	2	3	\$1,320	1,500	\$.88	Market					

Adjustments to Rent

Incentives:
\$600/1st mo

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Lafayette, The

VA710-009736

Lakewood Garden

Multifamily Community Profile

5656 Tidewater Drive
Norfolk, VA 23509

CommunityType: Market Rate - General
Structure Type: 2-Story Garden

92 Units 0.0% Vacant (0 units vacant) as of 1/22/2019

Opened in 1979



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	43.5%	\$755	736	\$1.03	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	56.5%	\$850	912	\$0.93	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; In Unit Laundry (Full Size); Central A/C; Carpet	
Select Units: ADA Access	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: KPM Owner: --	

Comments

Units can be modified per request for accessibility.
Dog run and picnic area. Assigned parking spaces.
New roofs put on in 2012.

Floorplans (Published Rents as of 1/22/2019) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	1	1	40	\$825	736	\$1.12	Market	1/22/19	0.0%	\$755	\$850	--	
Garden	--	2	1	52	\$935	912	\$1.03	Market	4/6/18	0.0%	\$729	\$835	--	
									10/30/17	1.1%	\$729	\$835	--	
									6/22/17	1.1%	\$729	\$835	--	

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Larchmont

Multifamily Community Profile

5504-A Monroe Place
Norfolk, VA 23508

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

172 Units 1.2% Vacant (2 units vacant) as of 1/22/2019

Last Major Rehab in 2007 Opened in 1938



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	43.6%	\$790	550	\$1.44	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	56.4%	\$910	713	\$1.28	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	

Features	
Standard: Hardwood / Carpet	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Thalhimer Owner: --	

Comments

A substantial rehabilitation process began at the community on April 1, 2007.
Mgmt would not disclose exact number of vacancies, said "we have a couple vacants".

Floorplans (Published Rents as of 1/22/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	75	\$775	550	\$1.41	--	1/22/19	1.2%	\$790	\$910	--
Garden	--	2	1	97	\$890	713	\$1.25	--	4/11/18	--	\$765	\$885	--
									10/30/17	0.0%	\$765	\$885	--
									6/22/17	0.0%	\$765	\$885	--

Adjustments to Rent	
Incentives: None	
Utilities in Rent:	Heat Fuel: Electric
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Law Building

Multifamily Community Profile

145 Granby St
Norfolk, VA

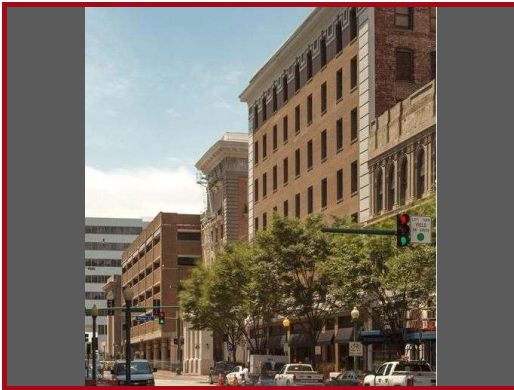
Community Type: Market Rate - General

Structure Type: Mid Rise

135 Units

11.9% Vacant (16 units vacant) as of 1/22/2019

Opened in 2015



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	\$1,131	524	\$2.16	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$1,270	571	\$2.22	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$1,803	912	\$1.98	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; HighCeilings; Hardwood	
Select Units:	--
Optional(\$):	--
Security:	Staffed Door(
Parking 1:	Structured Garage
Fee:	--
Parking 2:	--
Fee:	--
Property Manager:	S.L. Nusbaum
Owner:	--

Comments

Opening Feb 2015; started pre-leasing 12/1/14

Trash \$5

High vacancy due to new mgmt.

Floorplans (Published Rents as of 1/22/2019) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Baylor / Mid Rise - Elevat	--	Eff	1	--	\$1,005	360	\$2.80	Market	1/22/19	11.9%	\$1,270	\$1,803	--
Emory / Mid Rise - Elevat	--	Eff	1	--	\$1,015	394	\$2.58	Market	4/11/18	5.2%	\$1,338	\$1,803	--
Princeton/Harvard / Mid R	--	Eff	1	--	\$1,085	586	\$1.85	Market	11/7/17	2.2%	\$1,338	\$1,803	--
Yale / Mid Rise - Elevator	--	Eff	1	--	\$1,328	757	\$1.75	Market	7/18/17	3.7%	\$1,273	\$1,803	--
Syracuse / Mid Rise - Ele	--	1	1	--	\$1,133	479	\$2.37	Market	* Indicates initial lease-up.				
Cornell / Mid Rise - Elevat	--	1	1	--	\$1,238	489	\$2.53	Market					
Rutgers/Albany / Mid Rise	--	1	1	--	\$1,168	549	\$2.13	Market					
Tulane / Mid Rise - Elevat	--	1	1	--	\$1,176	560	\$2.10	Market					
Vanderbilt / Mid Rise - El	--	1	1	--	\$1,248	566	\$2.21	Market					
Duke / Mid Rise - Elevator	--	1	1	--	\$1,276	580	\$2.20	Market	Incentives: None				
Columbia / Mid Rise - Ele	--	1	1	--	\$1,341	619	\$2.17	Market	Utilities in Rent: Heat Fuel: Electric				
Stanford / Mid Rise - Elev	--	1	1	--	\$1,378	646	\$2.13	Market	Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>				
Dartmouth / Mid Rise - El	--	1	1	--	\$1,248	654	\$1.91	Market	Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input type="checkbox"/>				
Villanova / Mid Rise - Ele	--	2	2	--	\$1,773	912	\$1.94	Market					

Adjustments to Rent

Law Building

VA710-020730

Loraine, The

Multifamily Community Profile

245 Granby Street
Norfolk, VA 23510

Community Type: Market Rate - General
Structure Type: 7-Story Adaptive Reuse

56 Units 12.5% Vacant (7 units vacant) as of 1/24/2019

Opened in 2016



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	44.6%	\$1,100	382	\$2.88	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	53.6%	\$1,298	586	\$2.22	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	1.8%	\$1,630	1,111	\$1.47	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size)	
Select Units: --	
Optional(\$): --	
Security: Gated Entry	
Parking 1: Structured Garage Fee: \$51	Parking 2: -- Fee: --
Property Manager: Drucker & Falk Owner: --	

Comments

Former Tazewell Hotel. Opened in 9/2016, 88% leased as of 3/2017. Custom cabinets, wood grain plank flooring, hard surface counters. Same leasing office as James Apts. City of Norfolk parking garage. .
Under new mgmt as of 2/19(S.L.Nusbaum) - reason for high vacancy

Floorplans (Published Rents as of 1/24/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	Eff	1	25	\$1,077	382	\$2.82	--	1/24/19	12.5%	\$1,298	\$1,630	--
	--	1	1	30	\$1,273	586	\$2.17	--	4/11/18	3.6%	\$1,235	\$1,630	--
	--	2	2	1	\$1,600	1,111	\$1.44	--	11/3/17	3.6%	\$1,185	\$1,580	--
									6/14/17	8.9%	\$1,235	\$1,680	--
* Indicates initial lease-up.													
Adjustments to Rent													
Incentives: None													
Utilities in Rent: Heat Fuel: Electric													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input type="checkbox"/>													

Loraine, The

VA710-024704

Metro on Granby

Multifamily Community Profile

401 Granby Street
Norfolk, VA 23510

Community Type: Market Rate - General

Structure Type: 5-Story Mid Rise

188 Units 2.1% Vacant (4 units vacant) as of 1/22/2019

Opened in 2014



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	19.7%	\$1,088	464	\$2.34	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	50.0%	\$1,338	619	\$2.16	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	30.3%	\$1,585	1,007	\$1.57	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C	
Select Units: Patio/Balcony	
Optional(\$): --	
Security: --	
Parking 1: Structured Garage Fee: \$80	Parking 2: -- Fee: --
Property Manager: S.L.Nusbaum Owner: --	

Comments

3 buildings - Loft at Granby 49 units, 401 Granby 65 units & 416 Boush 71 units. 401 opened in 4/14 and 416 opened 8/14. Unit mix excludes lofts building which is only 1 & 2 bed.
plank flooring, rooftop garden, cyber café, dance studio, grill.

Floorplans (Published Rents as of 1/22/2019) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Mid Rise - Elevator	--	Eff	1	18	\$1,065	454	\$2.35	Market	1/22/19	2.1%	\$1,338	\$1,585	--	
Mid Rise - Elevator	--	Eff	1	19	\$1,065	474	\$2.25	Market	4/11/18	2.7%	\$1,334	\$1,772	--	
Mid Rise - Elevator	--	1	1	47	\$1,255	573	\$2.19	Market	11/7/17	1.6%	\$1,349	\$1,738	--	
Mid Rise - Elevator	--	1	1	47	\$1,370	664	\$2.06	Market	6/6/17	1.1%	\$1,270	\$1,769	--	
Mid Rise - Elevator	Loft	2	2	29	\$1,845	1,145	\$1.61	Market	* Indicates initial lease-up.					
Mid Rise - Elevator	--	2	2	28	\$1,255	865	\$1.45	Market						

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Mission College

Multifamily Community Profile

1300 Lead St.
Norfolk, VA 23504

Map Ref: VA SH 220 H3

Community Type: LIHTC - General

Structure Type: 3-Story Garden/TH

260 Units 1.5% Vacant (4 units vacant) as of 1/22/2019

Last Major Rehab in 2008 Opened in 1990



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	13.8%	\$676	563	\$1.20	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	64.6%	\$806	757	\$1.06	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	13.8%	\$937	1,019	\$0.92	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	7.7%	\$1,023	1,200	\$0.85	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Central A/C; Carpet / Vinyl/Linoleum	
Select Units: In Unit Laundry; ADA Access	
Optional(\$): --	
Security: Patrol; Lighting	
Parking 1: Free Surface Parking Fee: \$0	Parking 2: -- Fee: --
Property Manager: S.L. Nusbaum Owner: NRHA	

Comments

Waitlist-depends on the # of BRs. Laundry hookups in 3BR & 4BR. Patrol after 5pm. TH 2-story.
130-unit LIHTC renovation complete 12/31/08; 130-unit market-rate renovation complete 9/09. LIHTC 1990-2005; Market-rate 2005-2008. White appl, laminate counters. W/S/T included with TC rent, not market. Vacant: 4-2BR(TC)

Floorplans (Published Rents as of 1/22/2019) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	24	\$636	563	\$1.13	LIHTC/ 50%	1/22/19	1.5%	\$676	\$806	\$937
Garden	--	1	1	12	\$755	563	\$1.34	Market	4/6/18	2.3%	--	\$793	\$923
Garden	--	2	1	84	\$855	757	\$1.13	Market	10/30/17	0.8%	\$643	\$758	\$870
Garden	--	2	1	84	\$757	757	\$1.00	LIHTC/ 50%	6/23/17	4.6%	\$664	\$727	\$846
Garden	--	3	2	24	\$970	1,019	\$0.95	Market					
Garden	--	3	2	12	\$870	1,019	\$0.85	LIHTC/ 50%					
Townhouse	--	4	2.5	10	\$961	1,200	\$0.80	LIHTC/ 50%					
Townhouse	--	4	2.5	10	\$1,085	1,200	\$0.90	Market					

Adjustments to Rent

Incentives:
none

Utilities in Rent: Heat Fuel: Electric
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Monticello Station

Multifamily Community Profile

328 East Freemason Street
Norfolk, VA 23510

Community Type: Market Rate - General

Structure Type: 4-Story Mid Rise

121 Units 3.3% Vacant (4 units vacant) as of 1/22/2019

Opened in 2011



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	35.5%	\$1,411	846	\$1.67	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	48.8%	\$1,847	1,261	\$1.46	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	3.3%	\$1,775	1,085	\$1.64	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	10.7%	\$2,227	1,408	\$1.58	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	1.7%	\$2,613	1,610	\$1.62	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; High Ceilings; Carpet / Ceramic	
Select Units: Storage	
Optional(\$): --	
Security: Intercom; Keyed Bldg Entry	
Parking 1: Structured Garage Fee: \$50	Parking 2: -- Fee: --
Property Manager: SL Nusbaum Owner: --	

Comments

Ground floor commercial space (Buffalo Wild Wings), other space vacant. 23 floor plans. 1st building open 6/1/11; Last building 8/15/11. Stainless steel appl, granite counters. 4 grills. Storage \$45-\$100. Buildings surround Bank Street public garage, where spaces are \$50/mo. 3 CY, 1 w/ fire pit. Select balcony storage.

Floorplans (Published Rents as of 1/22/2019) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	1	1	43	\$1,396	846	\$1.65	Market	1/22/19	3.3%	\$1,411	\$1,842	\$2,227
Loft / Mid Rise - Elevator	Den	2	2	4	\$1,755	1,085	\$1.62	Market	4/10/18	5.8%	--	--	--
Mid Rise - Elevator	--	2	2	59	\$1,827	1,261	\$1.45	Market	10/30/17	1.7%	\$1,626	\$1,908	\$2,358
Mid Rise - Elevator	--	3	2	7	\$2,036	1,373	\$1.48	Market	10/2/17	2.5%	\$1,567	\$1,781	\$2,466
Loft / Mid Rise - Elevator	Den	3	3	6	\$2,396	1,450	\$1.65	Market	* Indicates initial lease-up.				
Loft / Mid Rise - Elevator	Den	4	3	2	\$2,583	1,610	\$1.60	Market					

Adjustments to Rent

Incentives:
Yieldstar; None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Monticello Station

VA710-016239

Museum Apts

Multifamily Community Profile

888 Magazine Ln
Norfolk, VA 23510

CommunityType: Market Rate - General

Structure Type: 4-Story Mid Rise

48 Units

25.0% Vacant (12 units vacant) as of 1/30/2019

Opened in 2018



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$1,165	685	\$1.70	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$1,508	878	\$1.72	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings; Vinyl/Linoleum	
Select Units: --	
Optional(\$): --	
Security: Keyed Bldg Entry; Cameras; Staffed Door(
Parking 1: Covered Spaces Fee: \$0	Parking 2: Structured Garage Fee: \$0
Property Manager: Museum Apts Owner: --	

Comments

Opened 9/18, started preleasing 6/18. SS appl, contemporary cabinetry, Quartz CT in kitchen & bath, breakfast bar, range, side by side refrigerator, wood-plank flrs, LED lighting, WIC, pantry/linen closets. Bike room, The Gallery Space & Courtyard. Free parking garage & covered parking. 1BRs & larger 2BRs are fully leased.

Floorplans (Published Rents as of 1/30/2019) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
LC1 / Mid Rise - Elevator	--	1	1	--	\$1,150	685	\$1.68	Market	1/30/19*	25.0%	\$1,165	\$1,508	--
LC2 / Mid Rise - Elevator	--	2	2	--	\$1,425	830	\$1.72	Market	* Indicates initial lease-up.				
LC3 / Mid Rise - Elevator	--	2	2	--	\$1,550	925	\$1.68	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Museum Apts

VA710-030122

Norcova Gardens

Multifamily Community Profile

2307 Norcova Avenue
Norfolk, VA 23513

Community Type: Market Rate - General

Structure Type: 2-Story Garden

40 Units 7.5% Vacant (3 units vacant) as of 1/22/2019

Opened in 1968



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	20.0%	\$754	640	\$1.18	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	80.0%	\$826	816	\$1.01	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	Elevator:	Volleyball:
Three	--	--	--	--	Fitness:	CarWash:
Four+	--	--	--	--	Hot Tub:	BusinessCtr:
					Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Stacked); Central A/C; Carpet / Vinyl/Linoleum	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking Fee: \$0	Parking 2: -- Fee: --
Property Manager: S.L. Nusbaum	Owner: --

Comments

No on-site management office; managed out of University Gardens.
Going through renovation. No wait list. Trash \$7.50
Select units have washer/dryer hookups. 39 units carpeted; 1 unit has hardwood floors.

Floorplans (Published Rents as of 1/22/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	Carpet	1	1	8	\$795	640	\$1.24	Market	1/22/19	7.5%	\$754	\$826	--
Garden	Carpet	2	1	32	\$868	816	\$1.06	Market	1/17/19	5.0%	\$745	\$826	--
									4/11/18	7.5%	\$793	\$873	--
									10/30/17	2.5%	\$793	\$873	--

Adjustments to Rent

Incentives:
Waiving App fee & 1 mo free

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Norcova Gardens

VA710-017324

Pembroke Towers

Multifamily Community Profile

601 Pembroke Avenue
Norfolk, VA 23507

Map Ref: 220-C3

CommunityType: Market Rate - General

Structure Type: 13-Story High-Rise

168 Units 2.4% Vacant (4 units vacant) as of 1/22/2019

Opened in 1964



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	30.4%	\$1,088	460	\$2.37	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	44.6%	\$1,349	726	\$1.86	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	16.1%	\$1,765	1,140	\$1.55	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	8.9%	\$1,979	1,242	\$1.59	Hot Tub: <input checked="" type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Central A/C; Patio/Balcony; HighCeilings; Cable TV; Carpet / Hardwood	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Paid Structured Fee: \$75	Parking 2: Free Surface Parking Fee: --
Property Manager: JMG Realty	Owner: --

Comments

All units: 9-foot ceilings. Fresh paint. Laminate counters. Newest appliances are black, others almond.
Garage under building. Now accept pets (\$250 deposit + \$25/mo)
College grad, med students, military. Vacants: 2-1BRs; 2-2BRs.

Floorplans (Published Rents as of 1/22/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
High Rise - Elevator	Studio	Eff	1	51	\$1,176	460	\$2.56	Market	1/22/19	2.4%	\$1,349	\$1,765	\$1,979
High Rise - Elevator	--	1	1	75	\$1,454	726	\$2.00	Market	4/6/18	4.8%	\$1,213	\$1,631	\$1,896
High Rise - Elevator	--	2	2	27	\$1,895	1,140	\$1.66	Market	10/30/17	0.6%	\$1,216	\$1,594	\$1,846
High Rise - Elevator	--	3	2	15	\$2,139	1,242	\$1.72	Market	6/14/17	3.0%	\$1,036	\$1,298	\$1,338

Adjustments to Rent	
Incentives:	None
Utilities in Rent:	Heat Fuel: Gas
Heat:	<input checked="" type="checkbox"/>
Hot Water:	<input checked="" type="checkbox"/>
Cooking:	<input checked="" type="checkbox"/>
Electricity:	<input checked="" type="checkbox"/>
Wtr/Swr:	<input checked="" type="checkbox"/>
Trash:	<input checked="" type="checkbox"/>

Pembroke Towers

VA710-002240

River House

Multifamily Community Profile

4253 Llewellyn Avenue
Norfolk, VA 23504

Community Type: Market Rate - General

Structure Type: 4-Story Mid Rise

194 Units 2.1% Vacant (4 units vacant) as of 1/22/2019

Opened in 2009



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	23.2%	\$1,314	825	\$1.59	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	67.5%	\$1,517	1,160	\$1.31	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	9.3%	\$1,976	1,369	\$1.44	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings; Carpet / Ceramic	
Select Units: --	
Optional(\$): --	
Security: Gated Entry; Intercom; Keyed Bldg Entry	
Parking 1: Free Surface Parking Fee: \$0	Parking 2: -- Fee: --
Property Manager: Franklin Johnston Gr Owner: --	

Comments

Creek View = \$50, River View = \$85, high ceiling = \$75. Stainless appls except black range. Composite counters.
Wired for ceiling fans. 9ft or vaulted ceilings. Window treatments. Patio chairs. B'fast bar or kitchen island.
Fire pits, gas grills, conference/poker room, coffee station, kayaks & bikes for res.

Floorplans (Published Rents as of 1/22/2019) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Haven / Mid Rise - Elevat	--	1	1	45	\$1,299	825	\$1.57	Market	1/22/19	2.1%	\$1,314	\$1,517	\$1,976
Elizabeth / Mid Rise - Ele	--	2	2	95	\$1,539	1,157	\$1.33	Market	4/6/18	3.6%	\$1,289	\$1,489	\$1,956
Sunset / Mid Rise - Elevat	--	2	2	36	\$1,539	1,167	\$1.32	Market	10/30/17	0.5%	\$1,314	\$1,559	\$1,956
Lafayette / Mid Rise - Elev	--	3	2	16	\$1,895	1,352	\$1.40	Market	5/30/17	1.5%	\$1,314	\$1,559	\$1,965
Point / Mid Rise - Elevato	--	3	2	2	\$2,399	1,506	\$1.59	Market	* Indicates initial lease-up.				

Adjustments to Rent

Incentives:
2BR \$500/1 mo; 1/2 off Amin fee

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

River House

VA710-012770

Riverview Lofts

Multifamily Community Profile

139 Riverview Avenue
Norfolk, VA 23510

Community Type: Market Rate - General
Structure Type: 3-Story Adaptive Reuse

81 Units 2.5% Vacant (2 units vacant) as of 1/23/2019

Opened in 2012



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	53.1%	\$1,378	685	\$2.01	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	46.9%	\$1,952	1,041	\$1.88	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; Cable TV; Broadband Internet; Hardwood	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Structured Garage Fee: \$0	Parking 2: Structured Garage Fee: \$100
Property Manager: Hillview Mgmt Owner: --	

Comments

Cable & internet is included in rent. Roof deck, grilling area, exposed ceilings, bike racks, solar shades.
Preleasing started in May 2012. Water View units generally \$100 to \$150 more than City View units.
Direct TV, Wifi & 1 parking space included in rent. No wait list. 2nd Parking space \$100.

Floorplans (Published Rents as of 1/23/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Adaptive Reuse	--	1	1	22	\$1,473	600	\$2.45	Market	1/23/19	2.5%	\$1,378	\$1,952	--
Adaptive Reuse	--	1	1	21	\$1,535	775	\$1.98	Market	4/6/18	4.9%	\$1,458	\$2,182	--
Adaptive Reuse	--	2	2	30	\$2,248	1,075	\$2.09	Market	10/30/17	0.0%	\$1,505	\$2,180	--
Adaptive Reuse	--	2	1	8	\$1,685	913	\$1.85	Market	9/29/17	0.0%	\$1,592	\$2,237	--

* Indicates initial lease-up.

Adjustments to Rent

Incentives:
none

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Rockefeller, The

Multifamily Community Profile

130 Brooke Avenue
Norfolk, VA 23510

Community Type: Market Rate - General
Structure Type: 6-Story Adaptive Reuse

126 Units 2.4% Vacant (3 units vacant) as of 1/29/2019

Last Major Rehab in 2018 Opened in 2015



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	\$1,151	524	\$2.20	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	\$1,379	783	\$1.76	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$1,893	1,126	\$1.68	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Stacked); Central A/C	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Structured Garage Fee: \$5	Parking 2: -- Fee: --
Property Manager: Drucker & Falk Owner: --	

Comments

rooftop deck, 1 free parking space in rent. \$5/mo trash.
white quartz counters, SS appliances, gray cabinets.
Phase 2 completed 3/1/18 leased 25 units in first month

Floorplans (Published Rents as of 1/29/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	Eff	1	--	\$1,128	524	\$2.15	Market	1/29/19	2.4%	\$1,379	\$1,893	--
Mid Rise - Elevator	--	1	1	--	\$1,278	681	\$1.88	Market	4/11/18*	13.5%	\$1,390	\$1,893	--
Mid Rise - Elevator	Loft	1	1	--	\$1,430	886	\$1.61	Market	11/7/17	0.8%	\$1,321	\$1,045	--
Mid Rise - Elevator	Loft	2	2	--	\$1,980	1,088	\$1.82	Market	7/18/17	2.4%	\$1,458	\$1,865	--
Mid Rise - Elevator	--	2	1.5	--	\$1,745	1,165	\$1.50	Market	* Indicates initial lease-up.				

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Savoy

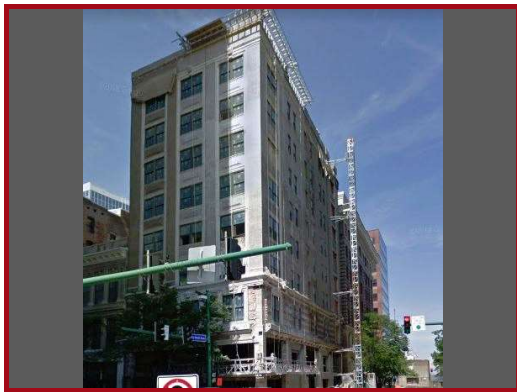
Multifamily Community Profile

161 Granby Street
Norfolk, VA 23510

Community Type: Market Rate - General
Structure Type: 9-Story Adaptive Reuse

44 Units 86.4% Vacant (38 units vacant) as of 1/30/2019

Opened in 2019



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	\$1,246	547	\$2.28	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	\$1,298	550	\$2.36	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	--	--	--	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Hardwood	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: -- Fee: --	Parking 2: -- Fee: --
Property Manager: S.L. Nusbaum Owner: --	

Comments

Adaptive Reuse of The Savoy Hotel 1907. SS app, Quartz CT, subway tile bckspsh, wide baseboards, double door closets, charcoal cabinetry, chevron bathrm flr tile. Rooftop lounge & courtyard w/grills. Amenities at The Law Bldg & VA Bldg. Clubhouse w/kitchen & billiards. Views of Elizabeth River & skyline.

Floorplans (Published Rents as of 1/30/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Pearl / High Rise - Elevat	--	Eff	1	--	\$1,038	378	\$2.74	Market	1/30/19*	86.4%	--	--	--
Onyx / High Rise - Elevat	--	Eff	1	--	\$1,125	458	\$2.46	Market	* Indicates initial lease-up.				
Topaz / High Rise - Elevat	--	Eff	1	--	\$1,350	668	\$2.02	Market					
Sapphire / High Rise - Ele	--	Eff	1	--	\$1,380	683	\$2.02	Market					
Ruby / High Rise - Elevat	--	1	1	--	\$1,080	407	\$2.65	Market					
Diamond / High Rise - Ele	--	1	1	--	\$1,285	540	\$2.38	Market					
Emerald / High Rise - Ele	--	1	1	--	\$1,300	575	\$2.26	Market					
Amber / High Rise - Eleva	--	1	1	--	\$1,425	678	\$2.10	Market					

Adjustments to Rent

Incentives:
—

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Sherwood Forest

Multifamily Community Profile

2803 Early St
Norfolk, VA 23513

Community Type: Market Rate - General

Structure Type: 2-Story Garden

173 Units 2.3% Vacant (4 units vacant) as of 1/23/2019

Last Major Rehab in 2007 Opened in 1964



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse:	<input type="checkbox"/> Pool-Outdr:
One	32.9%	\$738	800	\$0.92	Comm Rm:	<input type="checkbox"/> Basketball:
One/Den	--	--	--	--	Centrl Lndry:	<input checked="" type="checkbox"/> Tennis:
Two	60.1%	\$820	1,000	\$0.82	Elevator:	<input type="checkbox"/> Volleyball:
Two/Den	--	--	--	--	Fitness:	<input type="checkbox"/> CarWash:
Three	6.9%	\$1,030	1,200	\$0.86	Hot Tub:	<input type="checkbox"/> BusinessCtr:
Four+	--	--	--	--	Sauna:	<input type="checkbox"/> ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Carpet / Vinyl/Linoleum	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: BMR Investment	
Owner: --	

Comments

Many unit interiors renovated between 2007 & 2009; units were vacated & re-leased to facilitate.

One assigned parking space/unit, addl general parking.

3 laundry rooms. Trash/Sewer only included in rent

Floorplans (Published Rents as of 1/23/2019) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	1	1	57	\$738	800	\$0.92	Market	1/23/19	2.3%	\$738	\$820	\$1,030	
Garden	--	2	1	104	\$820	1,000	\$0.82	Market	4/10/18	5.2%	\$773	\$858	\$1,030	
Garden	--	3	1	12	\$1,030	1,200	\$0.86	Market	10/30/17	4.0%	\$713	\$795	\$1,005	
									6/21/17	2.9%	\$700	\$820	\$1,055	

Adjustments to Rent	
Incentives:	none
Utilities in Rent:	Heat Fuel: Gas
Heat:	<input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water:	<input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Sherwood Forest

VA710-012735

Villa Terrace

Multifamily Community Profile

2804 Waverly Way
Norfolk, VA 23504

CommunityType: LIHTC - General

Structure Type: 2-Story Garden

83 Units 0.0% Vacant (0 units vacant) as of 1/22/2019

Last Major Rehab in 2000 Opened in 1970



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$733	800	\$0.92	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	

Features	
Standard: Dishwasher; Disposal; Central A/C; Carpet / Vinyl/Linoleum	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Franklin Johnston Gr	Owner: --

Comments

Received LIHTC allocation for 81 units in 2001 competitive round.
No WL-First come first serve

Floorplans (Published Rents as of 1/22/2019) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	83	\$733	800	\$.92	LIHTC/ 50%	1/22/19	0.0%	--	\$733	--
									4/6/18	0.0%	--	\$733	--
									10/30/17	0.0%	--	\$733	--
									6/22/17	1.2%	--	\$733	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
 Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:

Virginia Building

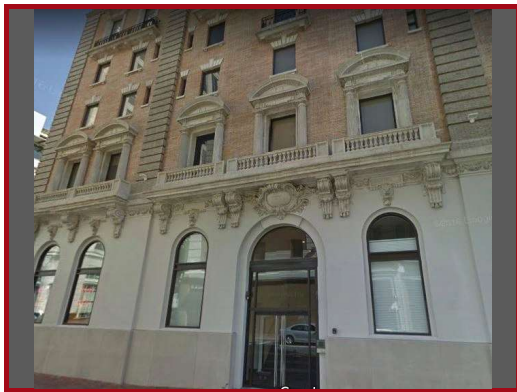
Multifamily Community Profile

131 Granby Street
Norfolk, VA 23510

CommunityType: Market Rate - General
Structure Type: Mid Rise

34 Units 14.7% Vacant (5 units vacant) as of 1/22/2019

Opened in 2015



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	\$938	503	\$1.86	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	\$1,245	539	\$2.31	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$1,930	912	\$2.12	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Detached Garage Fee: \$51	Parking 2: -- Fee: --
Property Manager: S.L. Nusbaum Owner: --	

Comments

Shares amenities with the Law Building
Trash \$5
High vacancy due to new mgmt.

Floorplans (Published Rents as of 1/22/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	Eff	1	--	\$915	503	\$1.82	Market	1/22/19	14.7%	\$1,245	\$1,930	--
	--	1	1	--	\$1,220	539	\$2.27	Market	4/11/18	0.0%	\$1,300	\$1,930	--
	--	2	2	--	\$1,900	912	\$2.08	Market	11/7/17	0.0%	\$1,300	\$1,930	--
									3/23/17	2.9%	\$1,270	\$1,930	--

Adjustments to Rent	
Incentives: None	
Utilities in Rent:	Heat Fuel: Electric
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input type="checkbox"/>

Virginia Building

VA710-023143

Wainwright

Multifamily Community Profile

229 West Bute Street
Norfolk, VA 23510

Community Type: Market Rate - General

Structure Type: Adaptive Reuse

126 Units 5.6% Vacant (7 units vacant) as of 1/23/2019

Opened in 2013



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	% Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	15.1%	\$1,050	391	\$2.69	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	72.2%	\$1,496	721	\$2.07	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	12.7%	\$1,680	906	\$1.85	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Features						
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; Hardwood						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Structured Garage Fee: \$40			Parking 2: Paid Surface Parking/On Fee: \$75			
Property Manager: Drucker & Falk Owner: --						

Comments

Granite counters, ss appliances glass backsplash, composite wood plank flooring. Trash \$5.
Sky lounge, rooftop grilling & dog park, cyber café. Opened 8/13; pre-leasing 4/13.
City of Norfolk parking garage across street \$40. On-site gated parking lot \$75.

Floorplans (Published Rents as of 1/23/2019) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Mid Rise - Elevator	--	Eff	1	10	\$980	346	\$2.83	Market	1/23/19	5.6%	\$1,496	\$1,680	--
Mid Rise - Elevator	--	Eff	1	9	\$1,080	440	\$2.45	Market	4/11/18	4.8%	\$1,567	\$1,736	--
Mid Rise - Elevator	--	1	1	79	\$1,450	698	\$2.08	Market	10/30/17	8.7%	\$1,393	\$1,766	--
Mid Rise - Elevator	Loft	1	1.5	12	\$1,610	877	\$1.84	Market	6/22/17	3.2%	\$1,382	\$1,736	--
Mid Rise - Elevator	--	2	2	16	\$1,650	906	\$1.82	Market					

Adjustments to Rent

Incentives:

1/2 off App & Admin fees

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:



XI. APPENDIX 3 NCHMA CERTIFICATION

This market study has been prepared by Real Property Research Group, Inc., a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects and Model Content Standards for the Content of Market Studies for Affordable Housing Projects. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and 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.

Real Property Research Group, Inc. is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Real Property Research Group, Inc. is an independent market analyst. No principal or employee of Real Property Research Group, Inc. has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies Real Property Research Group, Inc., the certification is always signed by the individual completing the study and attesting to the certification.

Real Property Research Group, Inc.



Bob Lefenfeld

Name

Founding Principal

Title

January 31, 2019

Date



XII. APPENDIX 4 NCHMA CHECKLIST

Introduction: The National Council of Housing Market Analysts provides a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. In cases where the item is not relevant, the author has indicated "N/A" or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

Component (*First occurring page is noted)		*Page(s)
Executive Summary		
1.	Executive Summary	VI
Project Summary		
2.	Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances	18
3.	Utilities (and utility sources) included in rent	19
4.	Project design description	16
5.	Unit and project amenities; parking	19
6.	Public programs included	16
7.	Target population description	16
8.	Date of construction/preliminary completion	19
9.	If rehabilitation, existing unit breakdown and rents	N/A
10.	Reference to review/status of project plans	19
Location and Market Area		
11.	Market area/secondary market area description	38
12.	Concise description of the site and adjacent parcels	20
13.	Description of site characteristics	20
14.	Site photos/maps	22
15.	Map of community services	20
16.	Visibility and accessibility evaluation	24
17.	Crime information	26
Employment and Economy		
18.	Employment by industry	35
19.	Historical unemployment rate	32



20.	Area major employers	35
21.	Five-year employment growth	33
22.	Typical wages by occupation	36
23.	Discussion of commuting patterns of area workers	33
Demographic Characteristics		
24.	Population and household estimates and projections	40
25.	Area building permits	41
26.	Distribution of income	46
27.	Households by tenure	46
Competitive Environment		
28.	Comparable property profiles	90
29.	Map of comparable properties	50
30.	Comparable property photos	90
31.	Existing rental housing evaluation	49
32.	Comparable property discussion	51
33.	Area vacancy rates, including rates for tax credit and government-subsidized communities	53
34.	Comparison of subject property to comparable properties	82
35.	Availability of Housing Choice Vouchers	16
36.	Identification of waiting lists	N/A
37.	Description of overall rental market including share of market-rate and affordable properties	53
38.	List of existing LIHTC properties	51
39.	Discussion of future changes in housing stock	59
40.	Discussion of availability and cost of other affordable housing options, including homeownership	50
41.	Tax credit and other planned or under construction rental communities in market area	59
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	77
43.	Calculation and analysis of Penetration Rate	78
44.	Evaluation of proposed rent levels	84
45.	Derivation of Achievable Market Rent and Market Advantage	59
46.	Derivation of Achievable Restricted Rent	65
47.	Precise statement of key conclusions	69



48.	Market strengths and weaknesses impacting project	70
49.	Recommendation and/or modification to project description	82, if applicable
50.	Discussion of subject property's impact on existing housing	87
51.	Absorption projection with issues impacting performance	86
52.	Discussion of risks or other mitigating circumstances impacting project	86, if applicable
53.	Interviews with area housing stakeholders	14
Certifications		
54.	Preparation date of report	Cover
55.	Date of field work	Cover
56.	Certifications	91
57.	Statement of qualifications	95
58.	Sources of data not otherwise identified	N/A
59.	Utility allowance schedule	N/A



XIII. APPENDIX 5 ANALYST RESUMES

TAD SCEPANIAK **Managing Principal**

Tad Scepianiak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm's research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low Income Housing Tax Credit (LIHTC) program and market-rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

Tad is National Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as Vice Chair and Co-Chair of Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

1. Low Income Tax Credit Rental Housing: Mr. Scepianiak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
2. Senior Housing: Mr. Scepianiak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.
3. Market Rate Rental Housing: Mr. Scepianiak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
4. Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia



ROBERT M. LEFENFELD
Founding Principal

Mr. Lefenfeld, Founding Principal of the firm, with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob provides input and guidance for the completion of the firm's research and analysis products. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively about residential real estate market analysis. Bob has created and teaches the market study module for the MBA HUD Underwriting course and has served as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He is the past National Chair of the National Council of Housing Market Analysts (NCHMA) and currently chairs its FHA Committee.

Areas of Concentration:

5. Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.
6. Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.
7. Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

Education:

Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.



ETHAN REED
Senior Analyst

Ethan Reed joined RPRG in 2016 where he focuses on rental market studies and community and economic analyses for development projects. Throughout his extensive career, Ethan has served in various analysis and advisory capacities in the residential and commercial real estate industry. Ethan's experience includes advising lenders, developers, homebuilders, investors, nonprofit organizations, and government agencies through market and property analysis, economic analysis, site selection, and marketing strategy.

Prior to joining RPRG, Ethan served as Senior Research Manager with CoStar Group, leading market research & analysis efforts as well as developing new research and analysis products & services for the commercial real estate industry. Ethan's additional experience includes directing regional research and marketing efforts for CBRE as well as providing valuation, analysis and advisory services for commercial and residential clients throughout Texas. Appraisal and consulting assignments have included, but are not limited to apartment complexes, for sale subdivisions, agricultural land, shopping centers, office, and industrial buildings. Valuations have been prepared on proposed, renovated, and existing structures.

Areas of Concentration:

1. Low Income Housing Tax Credits: Ethan prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations.
2. FHA Section 221(d)(4): Ethan prepares comprehensive feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multifamily Accelerated Processing (MAP) guidelines for market studies
3. Market and Product Advisory Analysis: Ethan provides detailed analysis of existing markets, product and pricing recommendations, and targeted marketing suggestions for developers and land owners in the preliminary stages of development.
4. Commercial Feasibility: Ethan conducts feasibility analyses of proposed commercial and industrial uses in the context of the existing marketplace.
5. New Markets Tax Credits: Ethan conducts community development and economic impact analyses to illustrate the impacts of development projects that utilize federally-regulated New Markets Tax Credits. Components of these reports include employment projections, local and regional economic impacts, and fiscal impacts on local governments

Education:

Masters of Business Administration; Liberty University
Bachelor of Science – Business Administration; University of Texas at Dallas



XIV. APPENDIX 6 VHDA CERTIFICATION

I affirm the following:

- 1.) I have made a physical inspection of the site and market area.
- 2.) The appropriate information has been used in the comprehensive evaluation of the need and demand for 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.

A handwritten signature in black ink, appearing to read 'E. Reed'.

Ethan Reed

Market Analyst

January 31, 2019

Date