



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET FEASIBILITY STUDY OF:
AFTON AVENUE**

A MARKET FEASIBILITY STUDY OF:

AFTON

2201 Afton Avenue
Richmond, Virginia 23113

Effective Date: February 26, 2019
Report Date: March 25, 2019

Prepared for:
Curtis Adams
Michaels Development
4315 50th Street, NW – Suite LL2
Washington, DC 20016

Prepared by:
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**NOVOGRADAC
& COMPANY** LLP®
CERTIFIED PUBLIC ACCOUNTANTS

March 25, 2019

Curtis Adams
Michaels Development
4315 50th Street, NW – Suite LL2
Washington, DC 20016

Re: Market Study for Afton

Dear Mr. Adams:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Richmond, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We have not performed any other services in the past three years for the Subject property.

The purpose of this market study is to assess the viability of the renovation of an existing 40-unit public housing project through the use of Low Income Housing Tax Credit (LIHTC) equity. The Subject was built in 1980 and has not had any major renovations since completion. The Subject will be restricted to 50 percent of the AMI, and all of the units will operate with Project Based Rental Assistance (PBRA) through the Rental Assistance Demonstration (RAD) program. As such, tenants will pay 30 percent of their income towards rent. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

It should be noted that the Subject and Oscar E. Stovall Place (sister property) are being combined into one application for funding purposes for Virginia Housing Development Authority (VHDA). The purpose of this report is for submission to VHDA for application purposes.

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

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

Novogradac & Company LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA) and this study meets VHDA requirements. The NCHMA certification and checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located.

MR. CURTIS ADAMS
MICHAELS DEVELOPMENT COMPANY
MARCH 25, 2019
PAGE 2

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

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

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

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

Respectfully submitted,
Novogradac & Company LLP



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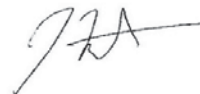
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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- Subject Site Description:** The Subject is located at 2301 Afton Avenue, Richmond, Virginia 23224.
- Surrounding Land Uses:** The Subject site is located in south Richmond in the Bellemeade neighborhood. To the north of the Subject are single-family homes in average condition. East of the Subject are single-family homes in average condition and light industrial uses in average condition. South of the Subject is Graystone Place Apartments, which is a 135-unit LIHTC property offering one and two-bedroom units at 60 percent of AMI. Even though this property does not offer units at 50 percent of AMI, we utilized Graystone Place Apartments as a comparable property within this report, as we believe the rents being achieved at this property are relevant to the Subject given its close proximity. Furthermore, the strong occupancy at this property points to the feasibility of the Subject neighborhood to sustain affordable housing at higher AMI levels. West of the Subject are single-family homes and retail uses in average condition. The Subject site is rated as “Car-Dependent” by Walk Score with a score of 39, indicating that most errands require a car. The nearest bus stop is located less than one block from the Subject on the corner of Afton Avenue and Lynhaven Avenue. This stop is serviced by the 87 bus, which provides access to downtown Richmond.
- Subject Property Description:** Afton Apartments, the Subject, is an existing 40-unit public housing property, operated by the Richmond Redevelopment & Housing Authority (RRHA). The Subject consists of ten two-story garden-style buildings. The Subject was built in 1980 and has not had any major renovations since completion. The Subject will be renovated under the Low Income Housing Tax Credit (LIHTC) program. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.
- Current Rents:** The Subject currently operates as public housing, owned and managed by the RRHA. All units operate with subsidy where tenants pay 30 percent of their income towards rent. According to the rent roll dated February 13, 2019, the Subject is 98.5 percent occupied, with one vacant unit.

CURRENT RENTS

Unit Type	Number of Units	Vacant Units	Minimum Paid Rent	Maximum paid Rent	Average Tenant Paid Rent
2BR / 1BA	18	0	\$50	\$510	\$137
3BR / 2BA	14	1	\$50	\$968	\$248
4BR / 2BA	7	0	\$50	\$725	\$310
5BR / 2BA	1	0	\$321	\$321	\$321
Total	40	1			

Rent Roll dated 2/13/2019

Proposed Renovations:

It should be noted that the full scope of renovation has not yet been determined because the client is waiting on a Capital Needs Assessment. However, the following are contemplated as part of the renovation: the installation of Luxury Vinyl Tile (LVT) with a hardwood veneer in the living rooms of all units, the addition of dishwashers in all units, upgrades to unit interiors, and upgrades to the playground. The hard costs are estimated by the client to be approximately \$50,000 per unit.

Proposed Rents:

The following table details proposed rents for the Subject's units. The Subject's units will be renovated with LIHTC and restricted to households earning 50 percent of AMI or less. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject's units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents
<i>@50% (Project Based Rental Assistance - PBRA)</i>							
2BR / 1BA	834	18	\$653	\$0	\$653	\$936	\$1,067
3BR / 1BA	933	14	\$863	\$0	\$863	\$1,081	\$1,421
4BR / 1.5BA	1,204	7	\$1,053	\$0	\$1,053	\$1,207	\$1,713
5BR / 1.5BA	1,230	1	\$1,210	\$0	\$1,210	\$1,331	n/a
		40					

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

Target Household Income Levels:

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
@50% (PBRA)		
2BR	\$0	\$37,450
3BR	\$0	\$44,950
4BR	\$0	\$48,300
5BR	\$0	\$51,600

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
@50%		
2BR	\$32,091	\$37,450
3BR	\$37,063	\$44,950
4BR	\$41,383	\$48,300
5BR	\$45,634	\$51,600

Economy

Employment in the PMA is concentrated in the healthcare/social assistance, educational services, and retail trade industries, which collectively comprise 37.7 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The MSA economy mimicked the nation economy during the recession, suffering a 4.6 percent employment contraction compared to a 4.8 percent decline across the overall nation. However, employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.3 percent, compared to 1.9 percent across the overall nation. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

Primary Market Area

The Subject property is located in Richmond, Virginia. The PMA is generally defined as the James River to the north, Interstate 95 to the east, Bells Road/Virginia State Route 161 to the south, and Virginia State Route 161 and Virginia State Route 686 to the west. This area was defined based on interviews with local market participants and local property managers. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. The PMA encompasses 11.3 square miles and an approximate drive time zone of 15 minutes.

The Richmond, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of the counties of Amelia, Caroline, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King William, New Kent, Powhatan, Prince George, and Sussex; and the independent cities Richmond, Petersburg, Hopewell, and Colonial Heights.

Demographic Data

The population in the PMA increased by 11.5 percent between 2000 and 2018, compared to the 23.8 percent increase in the regional MSA and 17.5 percent increase across the overall nation. The percentage of renter

households in the PMA increased between 2000 and 2018, and is estimated to be 60.9 percent as of 2018. This is significantly more than the estimated 33 percent of renter households across the overall nation. As of 2018, the median income in the PMA is significantly below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 33 percent of the national median income in 2000 to 57 percent in 2018. The percentage of rent over-burdened households - defined as households with shelter costs exceeding 35 percent of gross income - is exceptionally elevated in the PMA at 48.8 percent, compared to only 39.5 percent across the overall nation. Overall, the combination of a large share of rent-overburdened households, and rising population and income levels, bodes well for future demand for multifamily housing.

Vacancy

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

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Graystone Place Apartments	LIHTC	135	1	0.7%
Highland Grove*	LIHTC/ Market	128	0	0.0%
Lincoln Mews Apartments*	LIHTC	245	5	2.0%
Southpointe Landing*	LIHTC	192	3	1.6%
The Townes At River South	LIHTC	161	0	0.0%
American Tobacco Center*	Market	157	3	1.9%
James River Villas	Market	224	7	3.1%
Lakefield Mews*	Market	395	19	4.8%
Meadowbrook Apartments*	Market	477	10	2.1%
The Villas At Oakland Chase*	Market	180	1	0.6%
The Vinings At Iron Bridge*	Market	258	33	12.8%
Total LIHTC		861	9	1.0%
Total Market Rate		1,691	73	4.3%
Overall Total		2,552	82	3.2%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 12.8 percent, with an overall weighted average of 3.2 percent. The managers at two of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 1.0 percent, well below the 4.3 percent average reported by the market rate properties. The average LIHTC vacancy rate of 1.0 percent is considered exceptionally low, and indicative of supply constrained conditions. Excluding The Vining at Iron Bridge, all of the market rate properties reported vacancy rates of 4.8 percent or lower. The Vinings At Iron Bridge reported the highest vacancy at 12.8 percent. The contact at the property was unable to provide a reason for this elevated vacancy; as such, we believe the elevated vacancy rate is due to poor management, as the remaining comparables report significantly lower vacancy rates. It should also be noted that James River Villas and Graystone Place Apartments are located within the Subject’s immediate neighborhood and are both performing well.

According to the most recent rent roll for the Subject dated February 13, 2019, the Subject is 98.5 percent occupied with one vacant unit. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately five percent as subsidized or without subsidy.

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

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	0BR	1BR	2BR	3BR	4BR	5BR	Overall
Graystone Place Apartments	LIHTC	-	5.0%	0.0%	-	-	-	0.7%
Highland Grove	LIHTC/ Market	-	-	-	-	-	-	0.0%
Lincoln Mews Apartments	LIHTC	-	-	-	-	-	-	2.0%
Southpointe Landing	LIHTC	-	-	0.0%	9.4%	-	-	1.6%
The Townes At River South	LIHTC	-	-	-	-	-	-	0.0%
American Tobacco Center	Market	0.0%	1.1%	3.1%	0.0%	-	-	1.9%
James River Villas	Market	-	4.8%	2.7%	4.8%	-	-	3.1%
Lakefield Mews	Market	-	6.0%	4.7%	0.0%	-	-	4.8%
Meadowbrook Apartments	Market	-	-	-	-	14.3%	-	2.1%
The Villas At Oakland Chase	Market	-	-	-	-	-	-	0.6%
The Vinings At Iron Bridge	Market	-	-	-	-	-	-	12.8%

The Subject consists of two, three, and four-bedroom units. Vacancy rates of the surveyed comparables for two-bedroom units range from zero to 4.7 percent, averaging 2.1 percent. Vacancy rates for three-bedroom units range from zero to 9.4 percent, averaging 3.5 percent, and four-bedroom units range from zero to 14.3 percent, averaging 7.1 percent. Overall, the vacancy rates in the market are low, which indicates that those comparables that do have high vacancy rates for some unit types may be because they have a small overall number of units at that specific bedroom type. According to the most recent rent roll for the Subject dated February 13, 2019, the Subject is 98.5 percent occupied with one vacant unit. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Absorption

It should be noted that the Subject is an existing stabilized property that will be renovated with tenants in place. We were able to obtain absorption information for four properties located within Richmond. None of the surveyed comparable properties were able to report absorption information.

ABSORPTION

Property Name	City	Tenancy	Rent	Year	Total Units	Absorption
The Village At Westlake	Richmond	Family	Market	2018	252	42
The Lofty	Richmond	Family	Market	2015	33	7
Hatcher Tobacco Flats	Richmond	Family	LIHTC	2015	152	43
Shockoe Valley View Apartments	Richmond	Family	Market	2014	238	30

The comparable absorption comparables reported absorption rates ranging from seven to 42 units, averaging 30 units per month. The Subject is currently fully occupied and renovations will occur with tenants in place. If the Subject were hypothetically vacant, we estimate the Subject as proposed and absent subsidy will experience an absorption rate of 20 units per month, indicating an absorption period of two months.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units is 1.1 percent as proposed and 4.1 percent absent subsidy.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 1.1 percent as proposed and 3.6 percent absent subsidy for the first year of operation as a LIHTC property. This suggests that the Subject

will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 3,415 units of demand in the first year of the Subject’s operation as proposed and approximately 700 units of demand in the first year of the Subject’s operation absent subsidy. The Subject’s units will need to accommodate 38 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate- LIHTC Units As Proposed	1.1%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	4.1%
Project Wide Absorption Period (Months) As Proposed	2 months
Project Wide Absorption Period (Months) Absent Subsidy	2 months

*These figures include 37 subsidized units. For the purposes of this analysis, we have assumed these units will not operate with subsidy.

This is a low capture rate and indicative of ample demand for the Subject. It should be noted this analysis is hypothetical as the Subject is subsidized.

Strengths

- The Subject will be in good condition once renovated.
- The vacancy rate for the LIHTC/mixed income comparable properties is 1.0 percent and for the market rate comparables in 4.3 percent. As of the rent roll dated February 13, 2019, the Subject is 98.5 percent occupied with one vacant unit. This indicates a supply-constrained demand, especially for low-income housing, which bodes well for the Subject.
- The majority of the LIHTC comparable properties reported extensive waiting lists.
- The Subject is located in close proximity to public transportation options, services, and amenities.
- The Subject has low capture rates and penetration rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject’s two and three-bedroom unit sizes are below the surveyed average, but are within the comparable range. The Subject’s four-bedroom unit size is below the surveyed average and is the smallest four-bedroom unit size in the market. Graystone Place Apartments and James River Villas offer similar bedroom sizes compared to the Subject. Graystone Place Apartments is currently 99 percent occupied and keeps an extensive waiting list. James River Villas is currently 97 percent occupied. We considered the Subject’s unit sizes in our determination of achievable rents.
- The Subject offers limited in-unit and property amenities when compared to the comparable properties. We considered the Subject’s limited amenities in our achievable rent determination.

Recommendations

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

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:	Novogradac & Company LLP performed a comprehensive market study of the multifamily rental market in the Richmond, Virginia area relative to Afton, an existing public housing development. The Subject was built in 1980 and has not had any major renovations since being built. The Subject's renovations will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject's units. Therefore, tenants will continue to pay 30 percent of their income towards rent.
Developer/Client Information:	Michaels Development Company.
Intended Use and Users of the Report:	The report will be submitted to the Virginia Housing Development Authority (VHDA) for application purposes. The intended user of the report is VHDA.
Scope of the Report:	<ul style="list-style-type: none">▪ Inspecting the site of the to-be-renovated Subject and its general location.▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.▪ Investigating the general economic health and conditions of the rental market.▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.▪ Reviewing relevant public records and contacting appropriate public agencies.▪ Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.▪ Establishing the Subject's Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject site was most recently inspected by Bob Edwards on February 26, 2019, which shall be the effective date of this report.
Primary Contact for the Report:	Kelly Gorman (Kelly.Gorman@novoco.com; 732-623-7005) and Scott Hutter (Scott.Hutter@novoco.com; 562-256-3573).

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

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

Subject Property Description:

Afton, the Subject, is an existing 40-unit public housing property, operated by the Richmond Redevelopment & Housing Authority (RRHA). The Subject consists of ten two-story garden-style buildings. The Subject was built in 1980 and has not had any major renovations since completion. The Subject’s renovations will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

It should be noted that the Subject and Oscar E. Stovall Place are being combined into one application for funding purposes for Virginia Housing Development Authority (VHDA). However, we have written two independent Market Studies for the properties.

Construction Type:

The Subject is an existing public housing development to be renovated with funding under the LIHTC and RAD programs.

Occupancy Type:

The Subject targets family households.

Current Rents:

The Subject currently operates as a public housing development, operated by the RRHA. As such, tenants in these units pay 30 percent of their income towards rent. As of the rent roll dated February 13, 2019, the Subject is 98.5 percent occupied with one vacant unit.

CURRENT RENTS

Unit Type	Number of Units	Vacant Units	Minimum Paid Rent	Maximum paid Rent	Average Tenant Paid Rent
2BR / 1BA	18	0	\$50	\$510	\$137
3BR / 2BA	14	1	\$50	\$968	\$248
4BR / 2BA	7	0	\$50	\$725	\$310
5BR / 2BA	1	0	\$321	\$321	\$321
Total	40	1			

Rent Roll dated 2/13/2019

Proposed Renovations:

It should be noted that the full scope of renovation has not yet been determined because the client is waiting on a Capital Needs Assessment. However, the following are contemplated as part of the renovation: the installation of

Luxury Vinyl Tile (LVT) with a hardwood veneer in the living rooms of all units, the addition of dishwashers in all units, upgrades to unit interiors, and upgrades to the playground. The hard costs are estimated by the client to be approximately \$50,000 per unit.

Proposed Rents:

The following table details proposed rents for the Subject’s units. The Subject’s units will be renovated with LIHTC and restricted to households earning 50 percent of AMI or less. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents	
<i>@50% (Project Based Rental Assistance - PBRA)</i>								
2BR / 1BA	834	18	\$653	\$0	\$653	\$936	\$1,067	
3BR / 1BA	933	14	\$863	\$0	\$863	\$1,081	\$1,421	
4BR / 1.5BA	1,204	7	\$1,053	\$0	\$1,053	\$1,207	\$1,713	
5BR / 1.5BA	1,230	1	\$1,210	\$0	\$1,210	\$1,331	n/a	
		40						

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

Assisted Housing Program:

All 40 units will operate with Project Based Rental Assistance through the RAD program.

Construction Date:

The property was originally constructed in 1980.

Target Household Income Levels:

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
<i>@50% (PBRA)</i>		
2BR	\$0	\$37,450
3BR	\$0	\$44,950
4BR	\$0	\$48,300
5BR	\$0	\$51,600

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@50%	
2BR	\$32,091	\$37,450
3BR	\$37,063	\$44,950
4BR	\$41,383	\$48,300
5BR	\$45,634	\$51,600

Utility Structure:

Tenants at the Subject are not responsible for any utilities. The landlord pays gas heat, central air conditioning, general electric, gas cooking, gas water heating, cold water, sewer, and trash expenses. The comparable properties' utility structures are illustrated in the respective property summaries and are adjusted appropriately to account for differences relative to the Subject, based on the Virginia Housing Development Authority's utility allowance, effective January 1, 2019.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	2BR	3BR	4BR	5BR
Heating - Electric	Landlord	\$21	\$24	\$27	\$31
Cooking - Electric	Landlord	\$8	\$10	\$13	\$15
Other Electric	Landlord	\$28	\$36	\$44	\$52
Air Conditioning	Landlord	\$11	\$15	\$18	\$22
Water Heating - Electric	Landlord	\$17	\$20	\$24	\$27
Water	Landlord	\$35	\$54	\$73	\$93
Sewer	Landlord	\$52	\$75	\$99	\$122
Trash	Landlord	\$19	\$19	\$19	\$19
TOTAL - Paid By Landlord		\$191	\$253	\$317	\$381
TOTAL - Paid By Tenant		\$0	\$0	\$0	\$0

Source: Virginia Housing Development Agency, effective January 2019

Unit Mix:

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

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
2BR / 1BA	18	834	15,012
3BR / 1BA	14	933	13,062
4BR / 1.5BA	7	1,204	8,428
5BR / 1.5BA	1	1,230	1,230
TOTAL	40		37,732

Net Leasable Area:

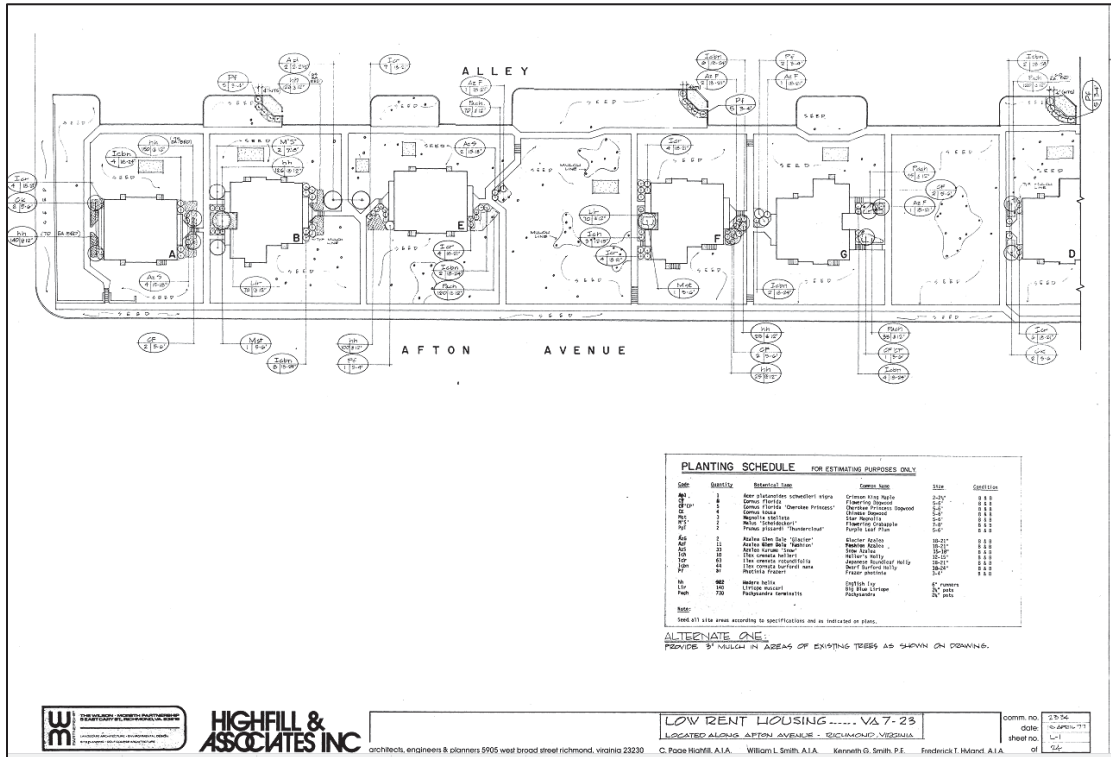
Approximately 37,732 square feet.

Unit Amenities:

The Subject offers coat closets, blinds, refrigerator/oven, dishwashers, luxury vinyl tiles, and window air conditioning in terms of in-unit amenities.

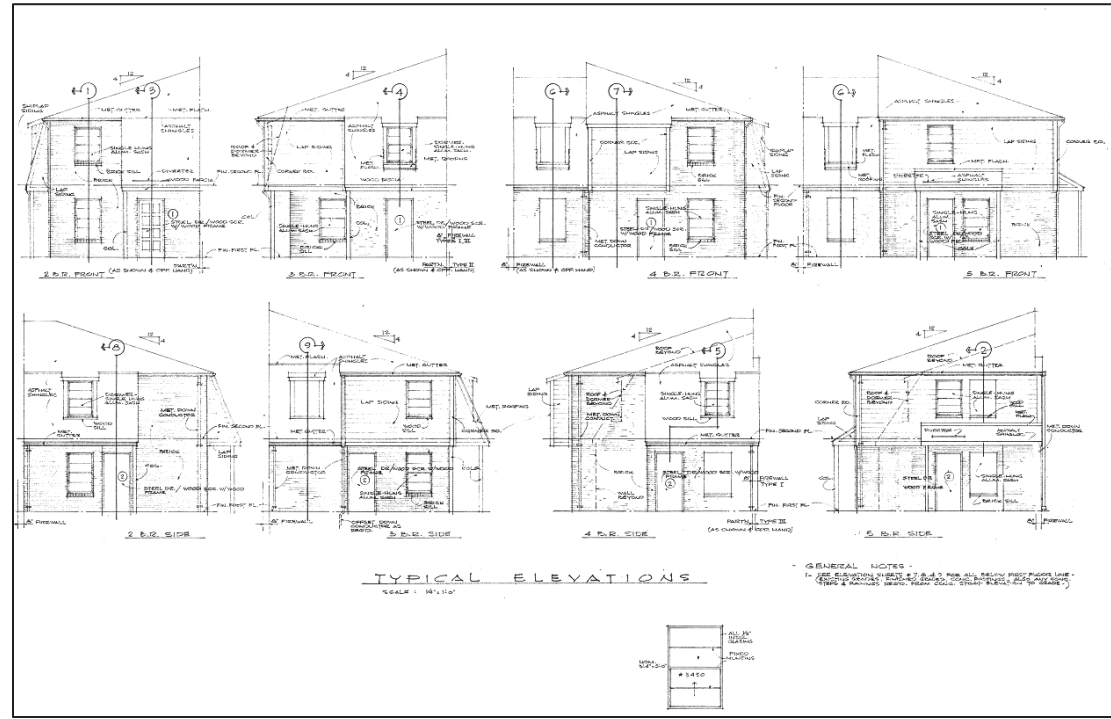
Common Area Amenities:	The Subject offers a playground, basketball court, and on-site manager in terms of common area amenities.
Parking:	The Subject offers 44 off-street parking spaces, which equates to approximately 1.1 spaces per unit. There is no fee for parking. Street parking is available along Afton Avenue. The nearest bus stop is 0.2 miles from the Subject on Afton Avenue.
Number of Stories and Buildings:	The Subject consists of ten two-story garden-style buildings.
Americans with Disabilities Act of 1990:	We assume the property does not have any violations of the Americans with Disabilities Act of 1990.
Quality of Construction Condition And Deferred Maintenance:	As a newly renovated property, the Subject will not suffer from deferred maintenance. We assume the Subject will be renovated in a timely manner with quality construction.
Functional Utility:	We reviewed and inspected the Subject's floor plans and determined them to be market oriented.
Conclusion:	The Subject property will be a newly renovated 40-unit subsidized property. The Subject will exhibit good condition upon completion of renovations.
Architect:	Highfill & Associated Inc.
Site and Architectural Plans:	A copy of the site and architectural plans are available on the following pages and in the addenda of this report.

Subject Site Plan



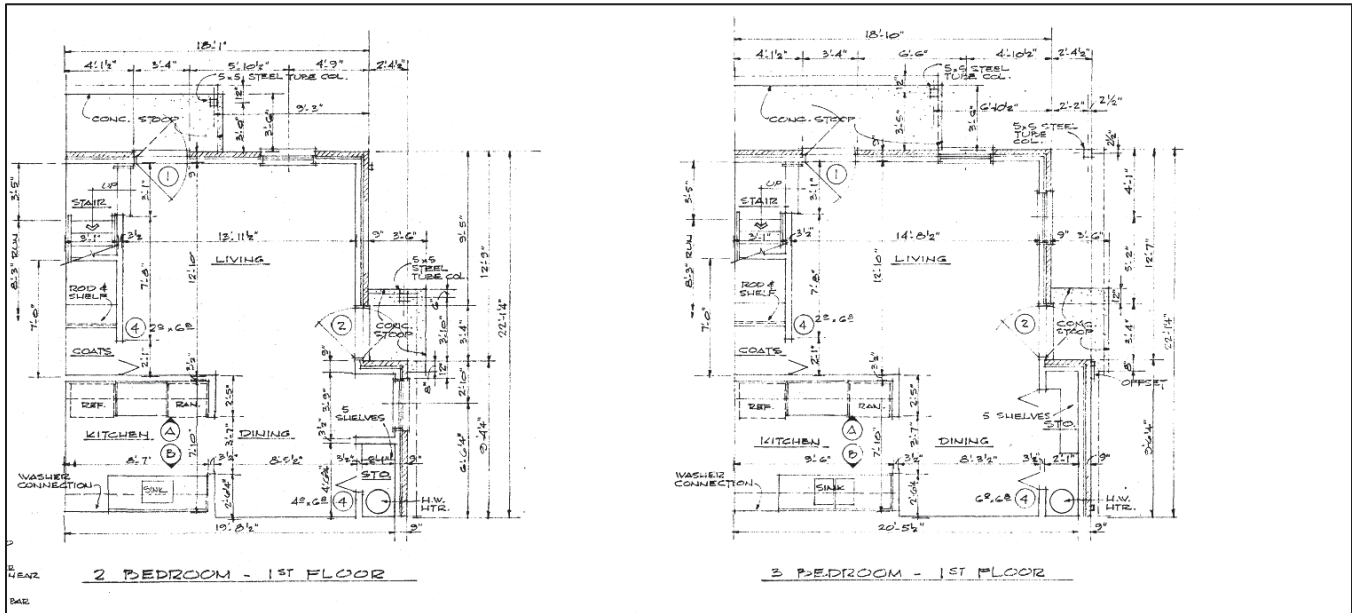
Source: Sponsor, March 2019

Subject Elevations

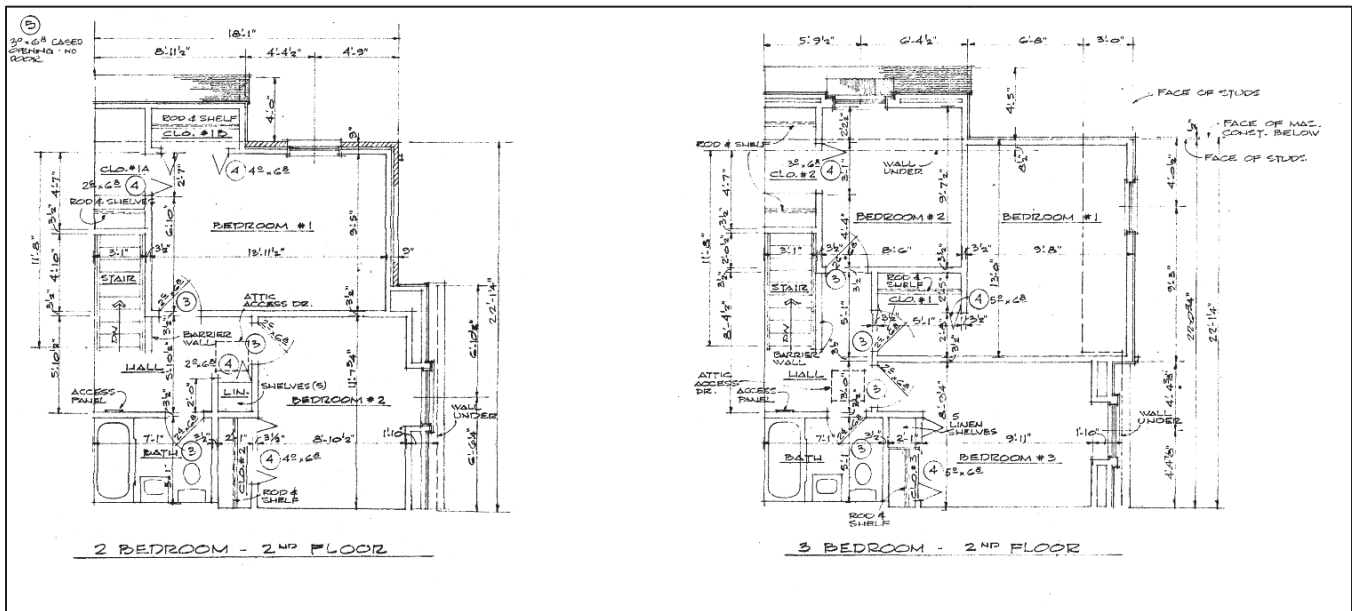


Source: Sponsor, March 2019

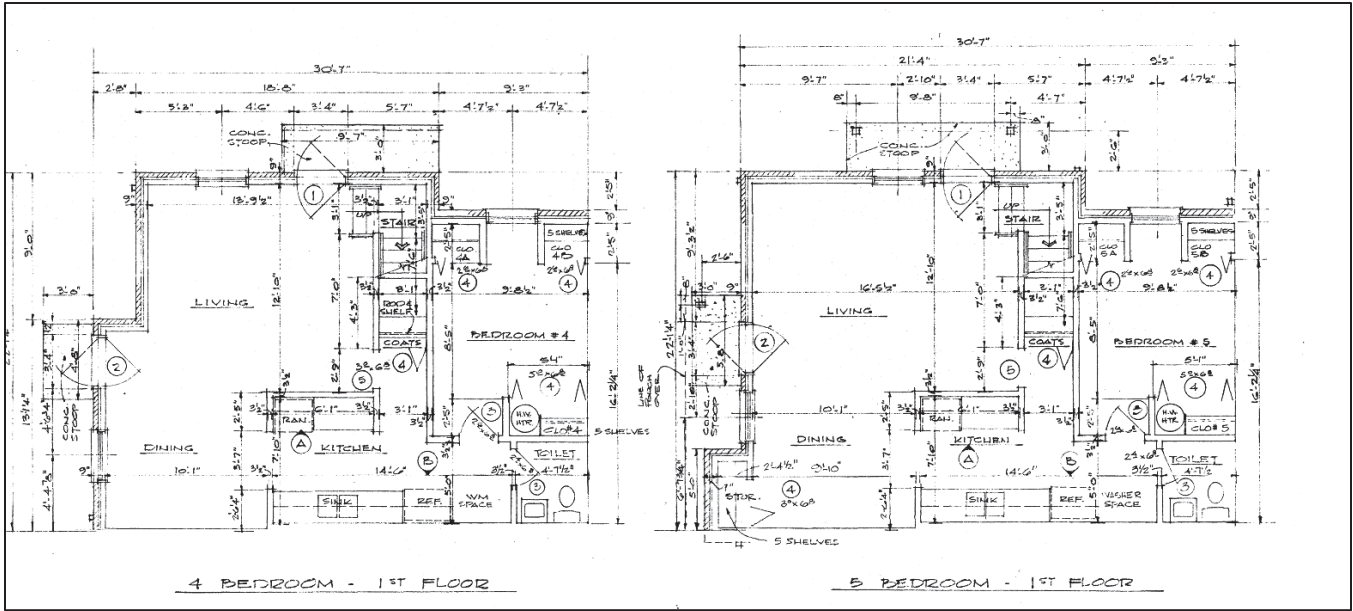
Subject Floor Plans



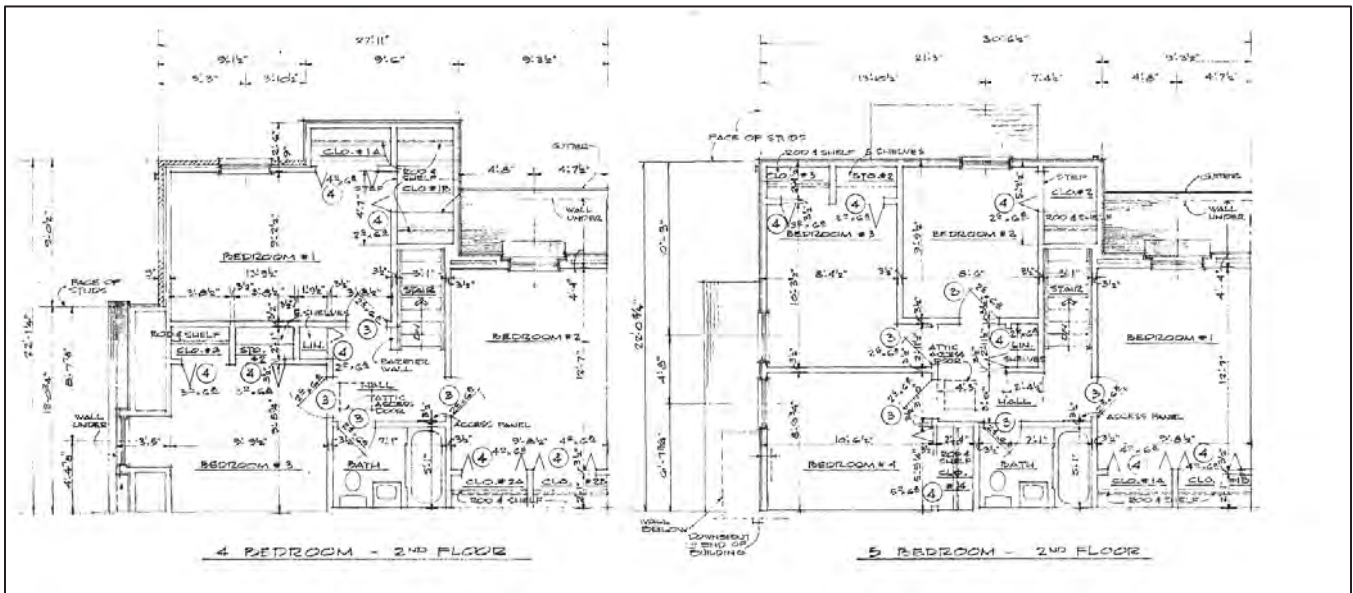
Source: Sponsor, March 2019




Source: Sponsor, March 2019



Source: Sponsor, March 2019



Source: Sponsor, March 2019

Afton Avenue												
Location	2301 Afton Avenue Richmond, VA 23224											
Units	40											
Vacant Units	1											
Vacancy Rate	2.50%											
Type	Garden (2 stories)											
Year Built / Renovated	1980 / 2019											
Utilities												
A/C	included – window				Other Electric				included			
Cooking	included – electric				Water				included			
Water Heat	included – electric				Sewer				included			
Heat	included – electric				Trash Collection				included			
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
2	1	Garden □	18	834	653	0	@50% (PBRA)	-	-	-	-	
3	1	Garden □	14	933	863	0	@50% (PBRA)	-	-	-	-	
4	1.5	Garden □	7	1204	1053	0	@50% (PBRA)	-	-	-	-	
5	1.5	Garden □	1	1230	1210	0	@50% (PBRA)	-	-	-	-	
Amenities												
In-Unit	Blinds				Security				Intercom (Buzzer)			
	Coat Closet								Limited Access			
	Dishwasher								Video Surveillance			
	Oven											
	Refrigerator											
	Washer/Dryer hookup											
Property	Basketball Court				Premium				none			
	Off-Street Parking											
	On-Site Management											
	Playground											
Services	none				Other				none			

D. LOCATION

LOCATION:

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



Source: Google Earth, February 2019

Subject Site Description:

The Subject is located at 2301 Afton Avenue in Richmond, Virginia 23224. It should be noted the parcel includes a portion of Afton Avenue.

Size:

The Subject site is approximately 4.60 acres, or approximately 200,376 square feet, according to the City of Richmond Real Estate Assessor.

Shape:

The Subject parcel is rectangular in shape.

Frontage:

The Subject site has frontage along the north side of Afton Avenue, the east side of Lynnhaven Avenue, and the south and west sides of an unnamed alley.

Topography: The Subject site is level.

Utilities: All utilities are provided to the site.

Visibility/Views: The Subject is set back from Afton Avenue and has limited visibility. Views consist of single-family homes in average condition to the north and west, vacant wooded land to the east, and Graystone Place Apartments, a 135-unit LIHTC property in average condition that is used as a comparable property in this report, to the south. The surroundings uses are in average condition. Overall, views are considered average.

Surrounding Uses: The Subject is located in south Richmond in the Bellemeade neighborhood. The Subject site is rated as “Car-Dependent” by Walk Score with a score of 39, indicating that most errands require a car. The following depicts the surrounding uses of the Subject.



View from Subject's rear parking area looking north



Single-family home north of the Subject across Lynnhaven Avenue

North: Directly north of the Subject are single-family homes in average condition. Farther north across Royal Avenue is Oak Grove Elementary School, a house of worship, and the Bellemeade Community Center.



Bellemeade Road one block south of the Subject looking east



Light industrial east of Subject

East: Directly east of the Subject are single-family homes in average condition. Farther east across Bellemeade Road are light industrial uses including an equipment rental agency, a roofing supply company, and welder.



Lynnhaven Avenue looking south towards Subject



Graystone Place Apartments (LIHTC) across Afton Avenue from the Subject

South: Directly south of the Subject is Graystone Place Apartments, which is a 135 unit LIHTC property offering one and two-bedroom units at 60 percent of AMI. Even though this property does not offer units at 50 percent of AMI, we utilized Graystone Place Apartments as a comparable property within this report, as we believe the rents being achieved at this property are relevant to the Subject given its proximity to the property. Furthermore, the strong occupancy at this property points to the feasibility of the Subject neighborhood to sustain affordable housing at higher AMI levels. Further south of the Subject is vacant land, a house of worship, the Richmond Fire Station, and James River Villas. James River Villas is a 224-unit market rate property offering one, two, and three-bedroom units, which we utilized as a comparable property within this report.



Bellemeade Road one block south of the Subject looking west



Retail use west of Subject

West: Directly west of the Subject are single-family homes in average condition. Farther west across Columbia Street are Gene’s Supermarket, an auto body store, and light industrial uses including a paper supply company and packaging company.

Access and Traffic Flow:

The Subject is accessible from Afton Avenue and Lynhaven Avenue, both of which are lightly trafficked two-lane residential roads. Afton Avenue traverses west to U.S. Route 301, and is a dead end to the east. Lynhaven Avenue traverses south to Bellemeade Road, a four-lane arterial road, and north to Royall Avenue, a moderately trafficked two-lane road. Additionally, access to Interstate 95 is provided 1.0 miles east of the Subject. Overall, access and traffic flow are considered good.

Layout and Curb Appeal:

The Subject consists of ten two-story garden-style buildings. The Subject has visibility along Afton Avenue and Lynhaven Avenue.

Drainage:

Appears adequate; however, no specific tests were performed.

Soil and Subsoil Conditions:

We have not been provided with an environmental report. We are not experts in this field and assume the site is adequate for development.

Environmental Assessment:

We have not been provided with an environmental report. Further analysis is beyond the scope of this report. Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter.

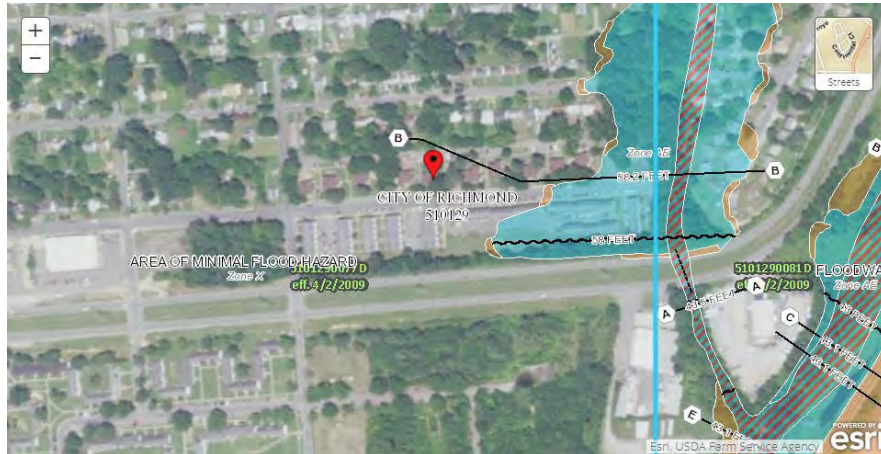
Detrimental Influences:

No detrimental influences were identified.

Flood Plain:

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 51087C0225C, dated December

2007, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which has a .02 percent annual chance floodplains. The eastern portion of the parcel is in blue. The blue sections of the map represent special flood hazard areas. We assume the Subject has flood insurance if necessary. Novogradac & Company LLP does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report.

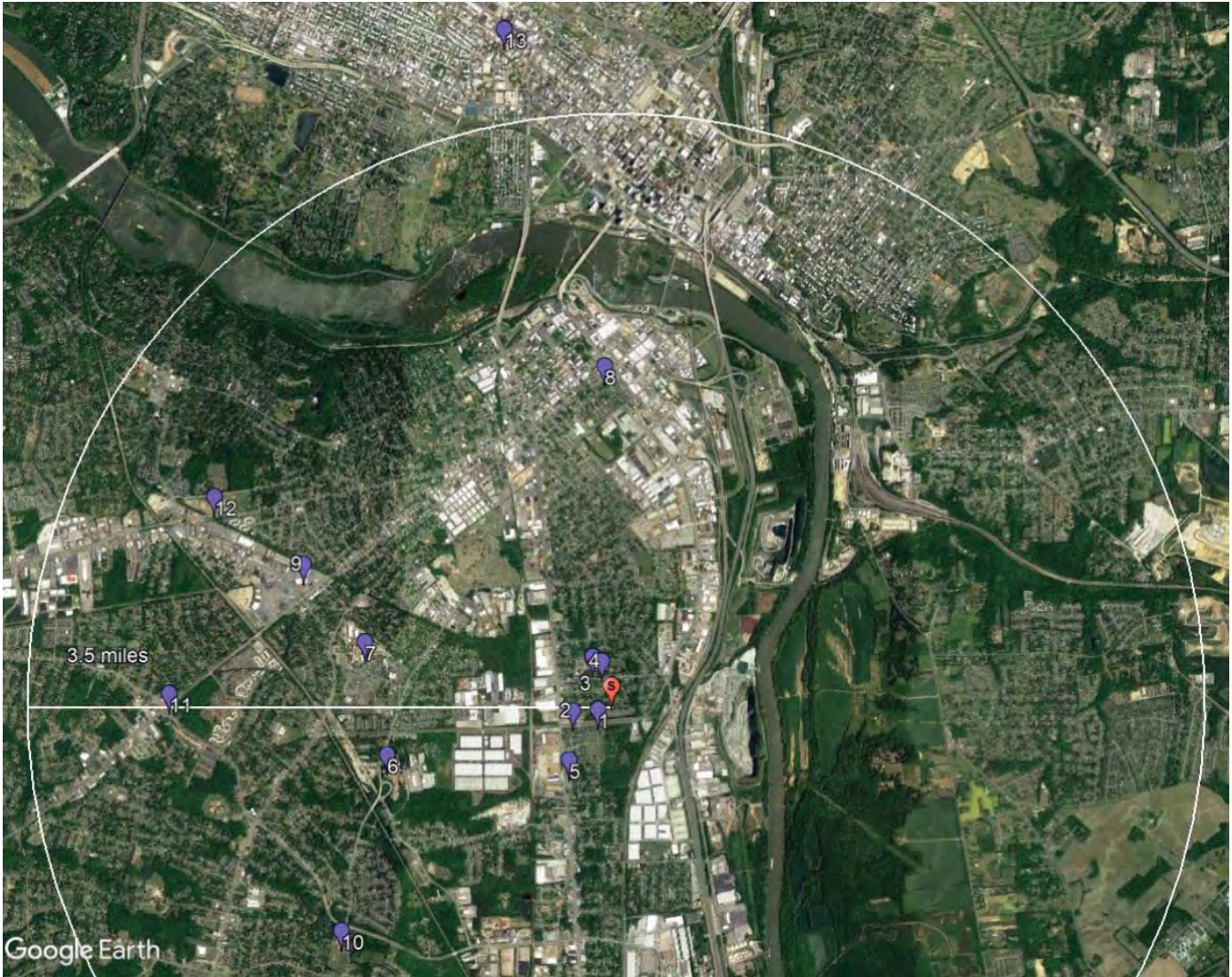


Source: FEMA Flood Map Service Center, February 2019

Locational Amenities:

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

LOCALITIONAL AMENITIES		
Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop	0.1 miles
2	Gene's Supermarket	0.2 miles
3	Oak Grove Elementary School	0.3 miles
4	Park	0.3 miles
5	Fire Department	0.4 miles
6	United States Postal Service	1.4 miles
7	Hunter Holmes McGuire Medical Center	1.5 miles
8	Police Department	2.0 miles
9	Wells Fargo Bank	2.0 miles
10	Thomas C Boushall Middle School	2.1 miles
11	Walgreens Pharmacy	2.6 miles
12	George Wythe High School	2.7 miles
13	Walmart	4.0 miles



Source: Google Earth, January 2019

Public Transportation:

The Greater Richmond Transit Company (GRTC) provides fixed-route bus service to residents of Richmond. The nearest bus stop is located 0.2 miles from the Subject on Afton Avenue and is serviced by the 87 bus route. The 87 bus route typically runs every 15 minutes and travels from Downtown Richmond to Southside Richmond. Regular one-way adult fare is \$1.50; children, disabled, and seniors are eligible for a discounted fare of \$0.75.

Crime Statistics:

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

	PMA	Richmond, VA Metropolitan Statistical Area
Total Crime*	207	103
Personal Crime*	267	100
Murder	605	198
Rape	161	89
Robbery	359	124
Assault	226	88
Property Crime*	199	104
Burglary	183	89
Larceny	201	110
Motor Vehicle Theft	220	87

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

*Unweighted aggregations

The table above illustrates the crime risk as an index where 100 represents the national average. Indices above 100 are above the national average, and indices below 100 are below the national average. Total crime risk indices in the PMA are more than double the national average, and above the surrounding MSA. Both geographic areas feature crime risk indices above the overall nation. The Subject does not currently offer any security features. The client has not provided a scope of post renovation security features and therefore we assumed no changes will be made to security amenities post renovation. The upcoming Supply Section of this report provides a more detailed analysis of crime risk indices on a 0.5 mile basis.

Conclusion:

The high occupancy rates seen at Graystone Place Apartments and James River Villas provides support for the fact that the Subject’s neighborhood appears to be a good location for a multifamily development. The majority of the local amenities are located within approximately three miles of the Subject. The Subject is located in a mixed-use neighborhood. The Subject is a compatible use within the existing neighborhood.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Typical Subject building from Afton Avenue looking north



Typical Subject building from Afton Avenue looking north



Typical Subject building from Afton Avenue looking northwest



Typical Subject buildings from Afton Avenue looking north



Typical Subject buildings from interior of site



Typical Subject building



Typical Subject building



Typical Subject buildings from interior of site



Typical Subject building



Subject buildings and rear parking area



View of rear parking area looking west



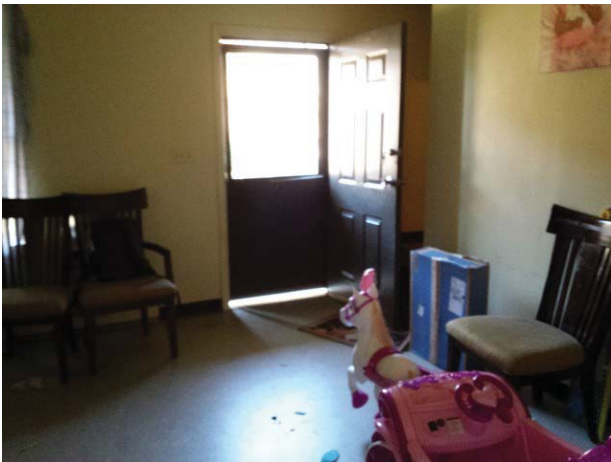
View of rear parking area looking east



Alternative view of rear parking area



Typical building entrance area



Typical living area – occupied unit



Typical living area – vacant unit



Typical kitchen – occupied unit



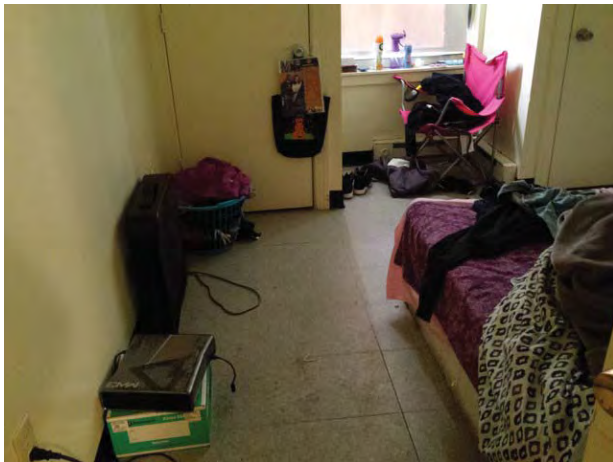
Typical kitchen – vacant unit



Typical interior stairway – vacant unit



Typical interior stairway – vacant unit



Typical bedroom – occupied unit



Typical bedroom – vacant unit



Typical bathroom – occupied unit



Typical bathroom – vacant unit



Playground area



Basketball court at the terminus of Afton Avenue



View along Afton Avenue looking east (Subject on left)



View along Afton Avenue looking east (Subject on right)



Graystone Place Apartments (LIHTC) across Afton Avenue from the Subject



Graystone Place Apartments (LIHTC) across Afton Avenue from the Subject



Graystone Place Apartments (LIHTC) across Afton Avenue from the Subject



View from Subject looking south towards Afton Avenue and Graystone Place



View from Subject's rear parking area looking north



View from Subject's rear parking area looking north



View from Subject's rear parking area looking north



View from Subject's rear parking area looking north



Single-family home north of the Subject across Lynnhaven Avenue



Single-family home along Warwick Avenue to the northwest of Subject



Single-family homes along Warwick Avenue to the north of Subject



Single-family homes along Warwick Avenue to the north of Subject



Single-family home along Warwick Avenue to the north of Subject



Single-family home along Warwick Avenue to the north of Subject



House or worship along Warwick Avenue to the north of Subject



Lynnhaven Avenue looking south towards Subject



Bellemeade Road one block south of the Subject looking east



Bellemeade Road one block south of the Subject looking west



Retail use at Bellemeade Road and U.S. Route 1 (Jefferson Davis Highway)



Light industrial use along U.S. Route 1 to the west of Subject



U.S. Route 1 looking north from Afton Avenue



U.S. Route 1 looking south from Afton Avenue

E. MARKET AREA DEFINITION

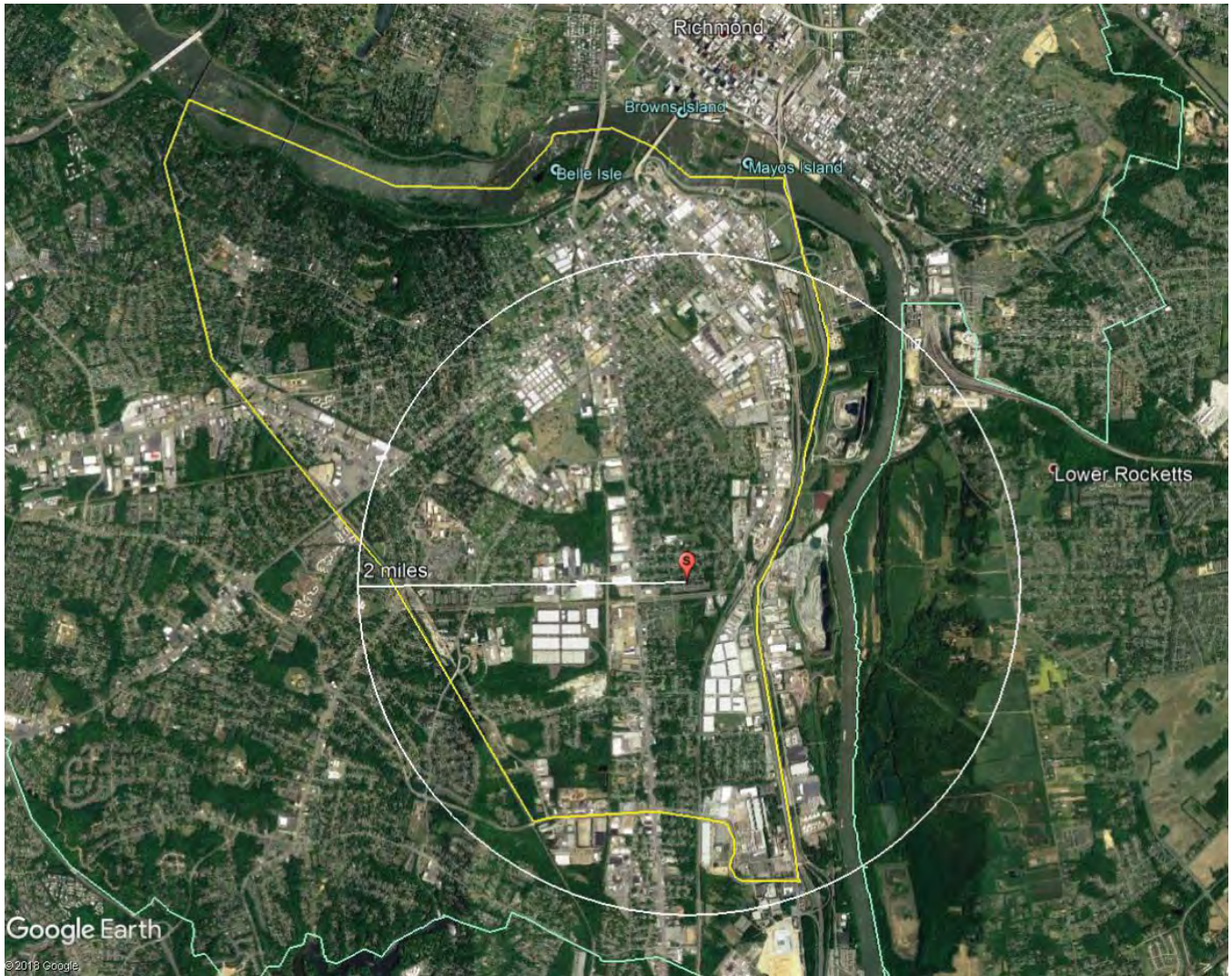
MARKET AREA

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

The Subject property is located in Richmond, Virginia. The PMA is generally defined as the James River to the north, Interstate 95 to the east, Bells Road/Virginia State Route 161 to the south, and Virginia State Route 161 and Virginia State Route 686 to the west. This area was defined based on interviews with local market participants and local property managers. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. The PMA encompasses 11.3 square miles and an approximate drive time zone of 15 minutes.

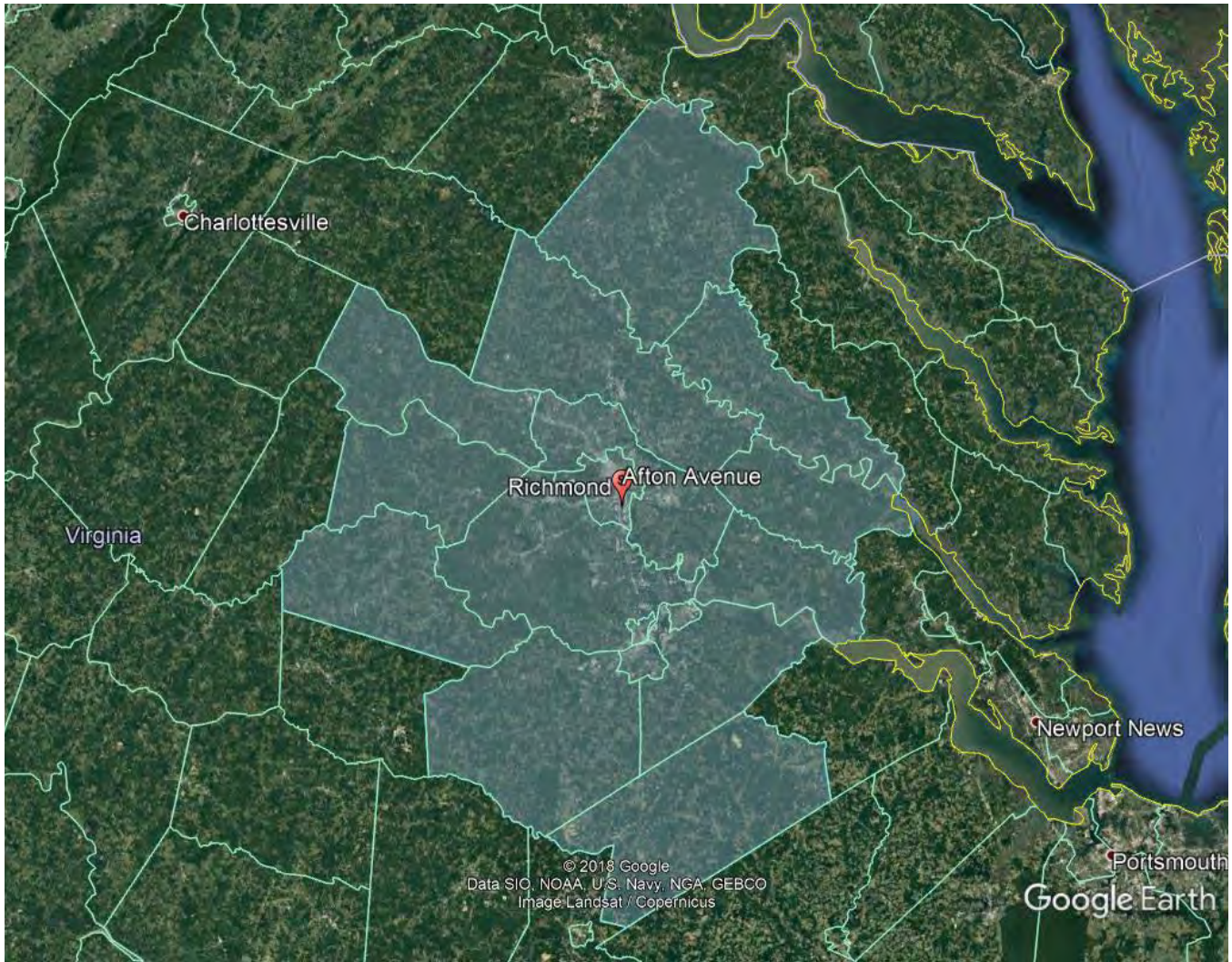
The Richmond, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of the counties of Amelia, Caroline, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King William, New Kent, Powhatan, Prince George, and Sussex; and the independent cities Richmond, Petersburg, Hopewell, and Colonial Heights. Maps outlining the general PMA boundaries as well as the MSA can be found on the following pages.

Primary Market Area Map



Source: Google Earth, February 2019

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, February 2019

F. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The following sections will provide an analysis of the economic and demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Richmond, VA Metropolitan Statistical Area (MSA) are areas of growth or contraction.

Employment by Industry

The following chart illustrates employment by industry as of 2018.

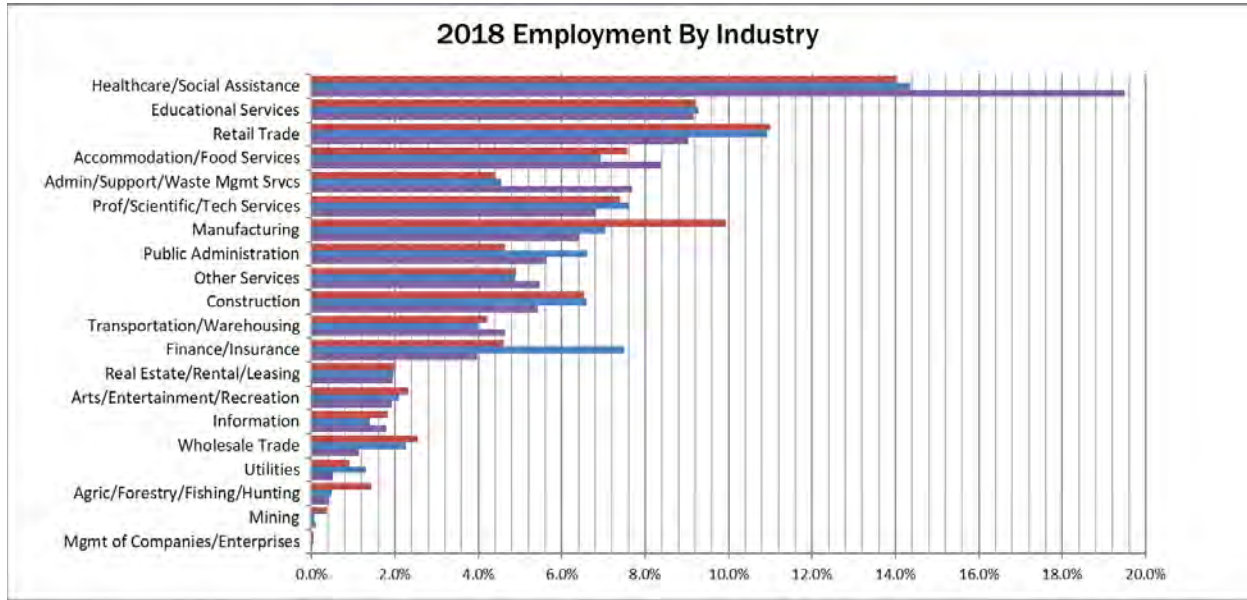
2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	3,032	19.5%	22,154,439	14.0%
Educational Services	1,424	9.2%	14,568,337	9.2%
Retail Trade	1,404	9.0%	17,381,607	11.0%
Accommodation/Food Services	1,302	8.4%	11,958,374	7.6%
Admin/Support/Waste Mgmt Svcs	1,193	7.7%	6,943,459	4.4%
Prof/Scientific/Tech Services	1,059	6.8%	11,673,939	7.4%
Manufacturing	1,000	6.4%	15,694,985	9.9%
Public Administration	876	5.6%	7,345,537	4.7%
Other Services	851	5.5%	7,758,801	4.9%
Construction	844	5.4%	10,333,928	6.5%
Transportation/Warehousing	723	4.7%	6,660,099	4.2%
Finance/Insurance	618	4.0%	7,284,572	4.6%
Real Estate/Rental/Leasing	303	1.9%	3,165,171	2.0%
Arts/Entertainment/Recreation	299	1.9%	3,672,444	2.3%
Information	280	1.8%	2,881,691	1.8%
Wholesale Trade	177	1.1%	4,028,405	2.6%
Utilities	82	0.5%	1,433,069	0.9%
Agric/Forestry/Fishing/Hunting	64	0.4%	2,273,158	1.4%
Mining	16	0.1%	591,596	0.4%
Mgmt of Companies/Enterprises	0	0.0%	87,511	0.1%
Total Employment	15,547	100.0%	157,891,122	100.0%

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

Employment in the PMA is concentrated in the healthcare/social assistance, educational services, and retail trade industries, which collectively comprise 37.7 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Enrollment at the University of Richmond dropped to its lowest numbers in in the past decade in 2018, contracting by seven percent since 2009. Enrollment dropped from 4,023 total students in 2017 to 4,002 total students in 2018. Enrollment at Virginia Commonwealth University dropped to its lowest numbers in the past decade in 2017, with enrollment shrinking by four percent since 2009. However, enrollment increased slightly from 31,036 total students in 2017 to 31,076 total students in 2018. Despite the contractions in enrollment, there have been no significant recent layoffs at these educational institutions. Relative to the overall nation, the PMA features comparatively greater employment in the healthcare/social assistance, admin/support/waste management services, and

public administration industries. Conversely, the PMA is underrepresented in the manufacturing, retail trade, and wholesale trade industries.



Growth by Industry

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

2000-2018 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2018		2000-2018	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	1,746	13.8%	3,032	19.5%	1,286	4.1%
Educational Services	801	6.3%	1,424	9.2%	623	4.3%
Retail Trade	1,225	9.6%	1,404	9.0%	179	0.8%
Accommodation/Food Services	1,003	7.9%	1,302	8.4%	299	1.7%
Admin/Support/Waste Mgmt Svcs	812	6.4%	1,193	7.7%	381	2.6%
Prof/Scientific/Tech Services	657	5.2%	1,059	6.8%	402	3.4%
Manufacturing	1,517	11.9%	1,000	6.4%	-517	-1.9%
Public Administration	808	6.4%	876	5.6%	68	0.5%
Other Services	732	5.8%	851	5.5%	119	0.9%
Construction	707	5.6%	844	5.4%	137	1.1%
Transportation/Warehousing	529	4.2%	723	4.7%	194	2.0%
Finance/Insurance	766	6.0%	618	4.0%	-148	-1.1%
Real Estate/Rental/Leasing	242	1.9%	303	1.9%	61	1.4%
Arts/Entertainment/Recreation	270	2.1%	299	1.9%	29	0.6%
Information	260	2.0%	280	1.8%	20	0.4%
Wholesale Trade	488	3.8%	177	1.1%	-311	-3.5%
Utilities	89	0.7%	82	0.5%	-7	-0.4%
Agric/Forestry/Fishing/Hunting	11	0.1%	64	0.4%	53	26.8%
Mining	8	0.1%	16	0.1%	8	5.6%
Mgmt of Companies/Enterprises	26	0.2%	0	0.0%	-26	-5.6%
Total Employment	12,697	100.0%	15,547	100.0%	2,850	1.2%

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

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

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

Total employment in the PMA increased at an annualized rate of 1.2 percent between 2000 and 2018. The industries which expanded most substantially during this period include healthcare/social assistance, educational services, and prof/scientific/tech services. Conversely, the manufacturing, wholesale trade, and finance/insurance sectors experienced the least growth. Overall, we view the lessening reliance on the volatile manufacturing sector, and concurrent rise in healthcare-related employment as a positive aspect of the local economy.

Major Employers

The following table details the largest federal and private employers according to the Greater Richmond Partnership.

MAJOR EMPLOYERS - RICHMOND, VA

Employer Name	Industry	# of Employees
Capital One Financial Corp.	Finance	11,252
Virginia Commonwealth University Health System	Healthcare	9,313
HCA Virginia Health System	Healthcare	7,628
Bon Secours Richmond	Healthcare	7,136
Dominion Virginia Power	Utilities	5,433
SunTrust Banks Inc.	Finance	3,810
Altria Group Inc.	Producing, Marketing	3,800
Amazon.com	Online Retail	3,800
Wells Fargo	Finance	2,902
Anthem Blue Cross and Blue Shield	Insurance	2,655
United Parcel Service	Package Distribution	2,490
Bank of America	Finance	1,921
Federal Reserve Bank of Richmond	Finance	1,882
Markel Corporation	Insurance	1,846
DowDuPont	Conglomerate	1,800
Verizon Communications	Telecommunications	1,700
University of Richmond	Education	1,578
General Dynamics Corp.	Call Center	1,450
CarMax Inc.	Auto Sales	1,306
Southside Regional Medical	Healthcare	1,280
AdvanSix	Manufacturing	1,177
Estes Express Lines	Trucking, Air Freight	1,102
Genworth Financial Inc.	Insurance	1,037
Kings Dominion	Entertainment	1,000

Source: Greater Richmond Partnership, February 2019

Richmond’s largest employers are primarily in the finance and healthcare sectors. Employers in the finance or healthcare sector make up six of the top ten largest employers in Richmond, and are the top two largest employers.

Employment Expansion/Contractions

In January 2019, we spoke with Betty-Anne Teter, Programs Administrator, with the Department of Economic Development in regards to economic development in Richmond. According to Ms. Teter, there are several areas in Richmond that are the focus of economic development, primarily through adaptive re-use projects. The following details were provided by Ms. Teter.

- The Greater Richmond Transit Company (GRTC) recently completed construction of the GRT Pulse, a high capacity rapid transit system that services a 7.6-mile route along Broad Street and Main Street, from Rocketts Landing to Willow Lawn in Henrico County. The project is projected to expand to an additional 500 new daily riders, and to increase bus efficiency by 63 percent. Bus fares will remain stable and the hours of operation will be from 5:30 am to 11:30 pm.

- Owens & Minor, a global healthcare service company, moved into a 90,000 square foot space in Riverfront Plaza. This opening is expected to create over 300 new permanent positions in upcoming years.
- Stone Brewing Company invested over \$70 million to build a new brewery and restaurant location in 2017. The restaurant is still in the planning phases and was estimated to create over 250 part and full-time jobs when full production capacity is reached.
- Martin Agency made a \$15 million investment in early 2017, which included a 45,000 square-foot expansion. The expansion is estimated to have added 175 full-time jobs.
- CoStar, a commercial real estate information data company, opened a regional office along the James River in 2017. At full capacity, the facility is expected to house around 732 employees.
- ICMA-RC, a financial service firm, relocated 100 jobs and created an additional 100 jobs in Downtown Richmond in 2017.
- Blue Bee Cider, LLC relocated and expanded its cider production in Richmond in 2016. The company will invest more than \$1 million to renovate a historic building and triple its cider production.
- Relay Foods, food processor, invested \$750,000 and hired 100 full-time employees during 2016 and 2017.
- AvePoint Inc., a technology consultant firm, invested \$1.5 million to establish an operation in Richmond, creating 100 new full-time jobs. Founded in 2011, AvePoint Inc. serves over 14,000 organizations and three million Office 365 users globally.
- Acqueous Solutions, a water purification organization, invested \$2.1 million and created 50 new full-time positions in 2016.
- AuthX Consulting, a technology consultant firm, relocated and expanded its headquarters to the Richmond area. The move is projected to add 80 full-time employees to the area.
- Thermal Gradient, a developer of molecular diagnostic systems, relocated its operations to the Richmond area in 2016. The relocation is projected to add 45 full-time employees to the Richmond area.
- Minacs, an IT business solutions consultant, has opened a second IT center in the Richmond area and plans to add 200 full-time positions. The company, headquartered in India, also added 150 part-time positions in 2016. Minacs employs 21,000 experts in 35 centers globally.
- Dominion Virginia Power, a utilities provider, is planning to develop three large-scale solar projects totaling 400 megawatts of electricity. The project is projected to be completed and operational by 2020. Combined, these solar facilities will power 100,000 households. The construction for this project will create 960 full and part-time jobs and provide a \$74 million economic investment.

The following table illustrates the WARN notices from 2017 to 2019 year-to-date for Richmond.

WARN NOTICES - RICHMOND, VA

Company Name	Jobs Affected	Layoff Date
	2019	
Spectrum Pharmaceuticals	2	2/13/2019
Signify Health	132	1/18/2019
Total	134	
	2018	
Crothall Healthcare	139	11/15/2018
Southeast Services Corporation	134	11/29/2018
DAL Global Services, LLC	92	8/6/2018
Tailored Brands	64	6/29/2018
Farm Fresh	84	3/16/2018
Sam's Club	163	3/16/2018
Taylor Communications	50	2/16/2018
Total	726	
	2017	
Land-O-Sun Dairies LLC	71	10/7/2017
Martin's Store	248	8/9/2017
Martin's Store	92	7/17/2017
Martin's Store	237	7/10/2017
Dollar Express	11	6/30/2017
Martin's Store	109	6/23/2017
Bebe Stores, Inc.	10	5/27/2017
Martin's Store	155	2/6/2017
Riverside Pace	37	2/3/2017
Total	970	
Grand Total	1,830	

Source: Virginia Employment Commission, February 2019

As shown, there have been 1,830 layoffs in Richmond since 2017. However, this represents less than one percent of the workforce in the MSA.

Employment and Unemployment Trends

The table below illustrates the total employment and unemployment rates for the MSA and nation.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

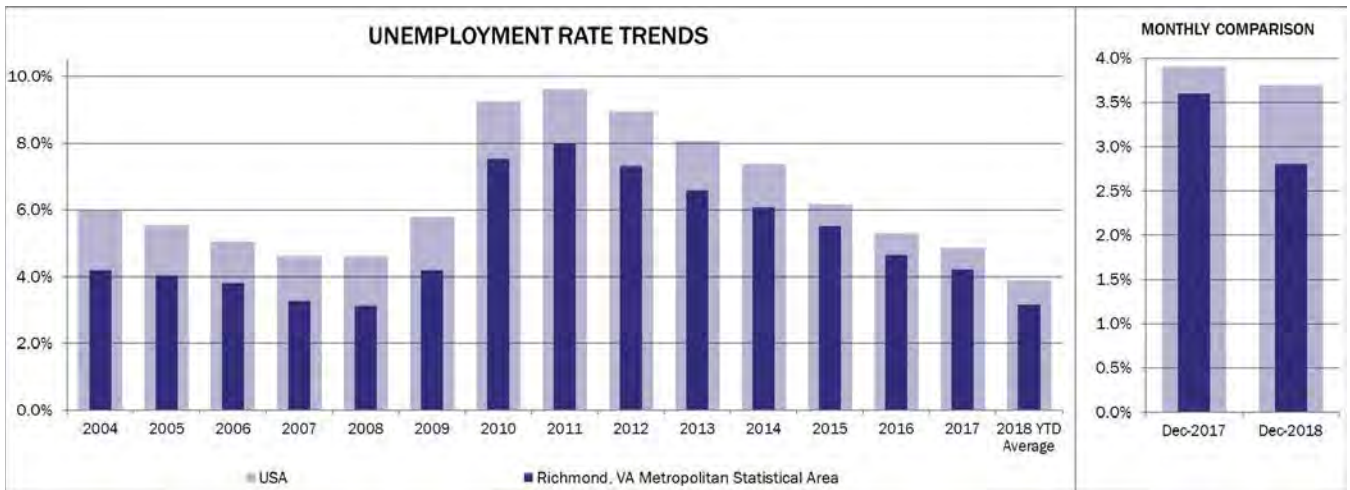
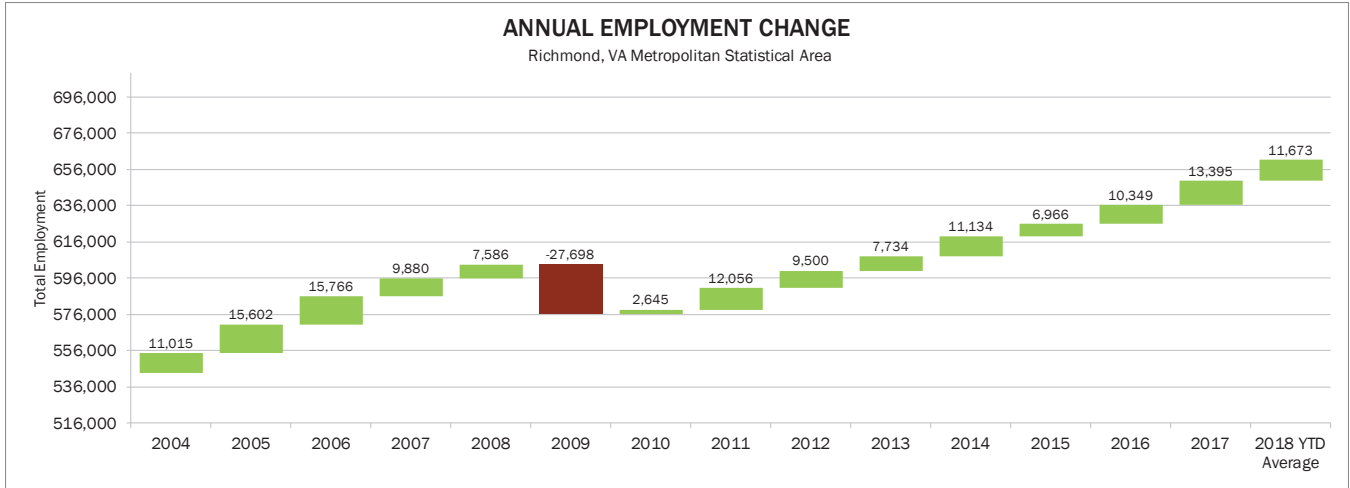
Year	Richmond, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	540,043	-	4.1%	-	136,485,000	-	5.8%	-
2003	543,701	0.7%	4.2%	0.1%	137,736,000	0.9%	6.0%	0.2%
2004	554,715	2.0%	4.0%	-0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	570,317	2.8%	3.8%	-0.2%	141,730,000	1.8%	5.1%	-0.5%
2006	586,083	2.8%	3.3%	-0.5%	144,427,000	1.9%	4.6%	-0.5%
2007	595,963	1.7%	3.1%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	603,549	1.3%	4.2%	1.1%	145,363,000	-0.5%	5.8%	1.2%
2009	575,851	-4.6%	7.5%	3.3%	139,878,000	-3.8%	9.3%	3.5%
2010	578,496	0.5%	8.0%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	590,551	2.1%	7.3%	-0.7%	139,869,000	0.6%	9.0%	-0.7%
2012	600,051	1.6%	6.6%	-0.7%	142,469,000	1.9%	8.1%	-0.9%
2013	607,785	1.3%	6.1%	-0.5%	143,929,000	1.0%	7.4%	-0.7%
2014	618,919	1.8%	5.5%	-0.5%	146,305,000	1.7%	6.2%	-1.2%
2015	625,885	1.1%	4.7%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	636,234	1.7%	4.2%	-0.5%	151,436,000	1.7%	4.9%	-0.4%
2017	649,629	2.1%	3.9%	-0.3%	153,337,000	1.3%	4.4%	-0.5%
2018 YTD Average*	661,302	1.8%	3.2%	-0.8%	155,761,000	1.6%	3.9%	-0.4%
Dec-2017	645,440	-	3.6%	-	153,602,000	-	3.9%	-
Dec-2018	660,541	2.3%	2.8%	-0.8%	156,481,000	1.9%	3.7%	-0.2%

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

*2018 data is through December

Prior to the national recession, average employment growth in the MSA performed similar to the nation. Annual job growth in the MSA slightly outpaced the nation in four of the five years between 2003 and 2007. Comparatively speaking, the MSA economy performed similar during the recession. Total MSA employment contracted by 4.6 percent (2008-2009), compared to the 4.8 percent decline reported by the overall nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.3 percent, compared to 1.9 percent across the overall nation.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. The local labor market performed similar to the overall nation during the recession, as the rate of unemployment increased by 4.9 percentage points, compared to a 5.0 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 2.8 percent, lower than the current national unemployment rate of 3.7 percent. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.



Wages by Occupation

The following table illustrates the wages by occupation for the Richmond, VA MSA.

RICHMOND, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2017 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	638,840	\$23.61	\$49,110
Management Occupations	26,830	\$59.73	\$124,240
Legal Occupations	6,670	\$51.19	\$106,480
Computer and Mathematical Occupations	22,770	\$41.74	\$86,820
Architecture and Engineering Occupations	8,840	\$38.28	\$79,620
Business and Financial Operations Occupations	46,480	\$35.55	\$73,950
Healthcare Practitioners and Technical Occupations	40,420	\$34.96	\$72,710
Life, Physical, and Social Science Occupations	4,800	\$31.43	\$65,370
Arts, Design, Entertainment, Sports, and Media Occupations	7,580	\$24.42	\$50,790
Education, Training, and Library Occupations	35,910	\$24.15	\$50,230
Installation, Maintenance, and Repair Occupations	25,060	\$23.16	\$48,160
Community and Social Service Occupations	11,080	\$22.27	\$46,320
Construction and Extraction Occupations	27,060	\$20.61	\$42,870
Sales and Related Occupations	69,770	\$20.11	\$41,830
Protective Service Occupations	18,590	\$20.01	\$41,610
Production Occupations	28,890	\$18.89	\$39,290
Office and Administrative Support Occupations	105,390	\$17.59	\$36,580
Transportation and Material Moving Occupations	42,780	\$16.39	\$34,090
Farming, Fishing, and Forestry Occupations	880	\$15.54	\$32,330
Healthcare Support Occupations	14,840	\$13.99	\$29,110
Personal Care and Service Occupations	21,430	\$12.45	\$25,910
Building and Grounds Cleaning and Maintenance Occupations	20,280	\$12.37	\$25,740
Food Preparation and Serving Related Occupations	52,500	\$11.01	\$22,900

Source: Department Of Labor, Occupational Employment Statistics, 5/2017, retrieved 2/2019

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$11.01 per hour. The highest average hourly wage, of \$59.73, is for those in management occupations. Qualifying income for the Subject's affordable units will range between \$0 and \$51,600 under the proposed scenario. Absent subsidy, qualifying incomes will range from \$32,091 and \$51,600. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

Commuting Patterns

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

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	265	1.7%
Travel Time 5-9 min	1,071	7.0%
Travel Time 10-14 min	2,592	16.8%
Travel Time 15-19 min	3,101	20.1%
Travel Time 20-24 min	3,213	20.9%
Travel Time 25-29 min	1,292	8.4%
Travel Time 30-34 min	2,272	14.7%
Travel Time 35-39 min	341	2.2%
Travel Time 40-44 min	143	0.9%
Travel Time 45-59 min	294	1.9%
Travel Time 60-89 min	556	3.6%
Travel Time 90+ min	267	1.7%
Weighted Average	24 minutes	

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

As shown in the preceding table, the weighted average commute time in the PMA is approximately 24 minutes, and the drive time zone of the PMA is approximately 15 minutes. More than 66 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, educational services, and retail trade industries, which collectively comprise 37.7 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The MSA economy mimicked the nation economy during the recession, suffering a 4.6 percent employment contraction compared to a 4.8 percent decline across the overall nation. However, employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.3 percent, compared to 1.9 percent across the overall nation. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

G. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

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

POPULATION

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	31,099	-	1,055,637	-	281,038,168	-
2010	31,439	0.1%	1,208,101	1.4%	308,745,538	1.0%
2018	34,662	1.2%	1,307,000	1.0%	330,088,686	0.8%
2023	36,427	1.0%	1,376,412	1.1%	343,954,683	0.8%

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

Historical population growth in the PMA trailed the MSA between 2000 and 2010. However, population growth in the broader MSA exceeded the nation by 0.4 percent during the same time period. Population growth in the PMA accelerated between 2010 and 2018, and grew at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decline to 1.0 percent through 2023, similar to the MSA and slightly above the overall nation.

HOUSEHOLDS

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	12,608	-	408,927	-	105,403,008	-
2010	12,971	0.3%	468,515	1.5%	116,716,296	1.1%
2018	14,299	1.2%	505,753	1.0%	124,110,017	0.8%
2023	15,079	1.1%	530,342	1.0%	128,855,931	0.8%

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

Historical household growth in the PMA trailed the MSA between 2000 and 2010. Although PMA growth also trended below the nation, household growth in the broader MSA exceeded the nation by 0.4 percent during the same time period. Household growth in the PMA accelerated between 2010 and 2018, and grew at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 1.1 percent through 2023, similar to the MSA and slightly above the overall nation.

Population by Age

POPULATION BY AGE IN 2018

Age Cohort	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	2,548	7.4%	73,046	5.6%	19,968,445	6.0%
5-9	2,397	6.9%	78,114	6.0%	20,460,473	6.2%
10-14	2,159	6.2%	82,045	6.3%	20,877,164	6.3%
15-19	1,930	5.6%	84,192	6.4%	21,084,688	6.4%
20-24	2,512	7.2%	89,638	6.9%	22,646,440	6.9%
25-29	2,767	8.0%	92,687	7.1%	23,557,337	7.1%
30-34	2,613	7.5%	86,290	6.6%	22,355,094	6.8%
35-39	2,343	6.8%	84,576	6.5%	21,419,362	6.5%
40-44	2,116	6.1%	80,307	6.1%	19,879,801	6.0%
45-49	2,058	5.9%	85,262	6.5%	20,736,487	6.3%
50-54	2,222	6.4%	89,386	6.8%	21,395,762	6.5%
55-59	2,318	6.7%	93,480	7.2%	22,375,085	6.8%
60-64	2,143	6.2%	84,522	6.5%	20,552,366	6.2%
65-69	1,630	4.7%	72,147	5.5%	17,874,849	5.4%
70-74	1,076	3.1%	51,392	3.9%	13,196,470	4.0%
75-79	755	2.2%	33,696	2.6%	9,064,776	2.7%
80-84	489	1.4%	21,779	1.7%	6,007,164	1.8%
85+	586	1.7%	24,441	1.9%	6,636,923	2.0%
Total	34,662	100.0%	1,307,000	100.0%	330,088,686	100.0%

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

POPULATION BY AGE IN 2023 ESTIMATE

Age Cohort	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	2,668	7.3%	76,152	5.5%	20,712,703	6.0%
5-9	2,449	6.7%	78,661	5.7%	20,686,037	6.0%
10-14	2,306	6.3%	83,719	6.1%	21,356,683	6.2%
15-19	2,105	5.8%	87,993	6.4%	21,696,066	6.3%
20-24	2,494	6.8%	86,718	6.3%	21,612,571	6.3%
25-29	2,755	7.6%	89,504	6.5%	22,724,609	6.6%
30-34	2,674	7.3%	96,837	7.0%	24,574,306	7.1%
35-39	2,431	6.7%	92,334	6.7%	23,129,515	6.7%
40-44	2,395	6.6%	88,883	6.5%	21,944,713	6.4%
45-49	2,099	5.8%	82,118	6.0%	19,928,478	5.8%
50-54	2,145	5.9%	87,252	6.3%	20,822,718	6.1%
55-59	2,174	6.0%	88,641	6.4%	21,014,806	6.1%
60-64	2,247	6.2%	90,928	6.6%	21,745,623	6.3%
65-69	1,897	5.2%	80,867	5.9%	19,744,824	5.7%
70-74	1,395	3.8%	65,536	4.8%	16,251,664	4.7%
75-79	980	2.7%	46,252	3.4%	11,695,481	3.4%
80-84	596	1.6%	27,683	2.0%	7,323,303	2.1%
85+	617	1.7%	26,334	1.9%	6,990,583	2.0%
Total	36,427	100.0%	1,376,412	100.0%	343,954,683	100.0%

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

General Household Income Distribution

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

HOUSEHOLD INCOME PMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,980	13.8%	1,932	12.8%	-10	-0.5%
\$10,000-19,999	1,948	13.6%	1,924	12.8%	-5	-0.2%
\$20,000-29,999	2,125	14.9%	2,063	13.7%	-12	-0.6%
\$30,000-39,999	1,825	12.8%	1,817	12.0%	-2	-0.1%
\$40,000-49,999	1,459	10.2%	1,545	10.2%	17	1.2%
\$50,000-59,999	1,203	8.4%	1,213	8.0%	2	0.2%
\$60,000-74,999	1,035	7.2%	1,261	8.4%	45	4.4%
\$75,000-99,999	1,149	8.0%	1,297	8.6%	30	2.6%
\$100,000-124,999	655	4.6%	785	5.2%	26	4.0%
\$125,000-149,999	346	2.4%	454	3.0%	22	6.2%
\$150,000-199,999	292	2.0%	379	2.5%	17	6.0%
\$200,000+	282	2.0%	409	2.7%	25	9.0%
Total	14,299	100.0%	15,079	100.0%		

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

HOUSEHOLD INCOME SMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	31,397	6.2%	30,494	5.7%	-181	-0.6%
\$10,000-19,999	40,530	8.0%	39,032	7.4%	-300	-0.7%
\$20,000-29,999	43,053	8.5%	41,676	7.9%	-275	-0.6%
\$30,000-39,999	44,542	8.8%	43,614	8.2%	-186	-0.4%
\$40,000-49,999	44,569	8.8%	43,853	8.3%	-143	-0.3%
\$50,000-59,999	41,533	8.2%	41,881	7.9%	70	0.2%
\$60,000-74,999	52,310	10.3%	54,304	10.2%	399	0.8%
\$75,000-99,999	65,585	13.0%	68,989	13.0%	681	1.0%
\$100,000-124,999	47,909	9.5%	51,857	9.8%	790	1.6%
\$125,000-149,999	31,860	6.3%	36,606	6.9%	949	3.0%
\$150,000-199,999	30,436	6.0%	36,452	6.9%	1,203	4.0%
\$200,000+	32,029	6.3%	41,584	7.8%	1,911	6.0%
Total	505,753	100.0%	530,342	100.0%		

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

Annual household income levels will range from \$0 to \$51,600 as proposed and \$32,091 to \$51,600 absent subsidy.

General Household Size Distribution

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

Year	AVERAGE HOUSEHOLD SIZE					
	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.46	-	2.49	-	2.59	-
2010	2.25	-0.8%	2.49	0.0%	2.58	-0.1%
2018	2.28	0.1%	2.51	0.1%	2.59	0.1%
2023	2.27	-0.1%	2.53	0.1%	2.61	0.1%

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

The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2023.

General Household Tenure

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

Year	TENURE PATTERNS PMA			
	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-
2000	5,945	47.2%	6,663	52.8%
2018	5,587	39.1%	8,712	60.9%
2023	5,998	39.8%	9,081	60.2%

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 60.9 percent as of 2018. This is more than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2023.

General Renter Household Income Distribution

The following table illustrates total renter household income distribution.

RENTER HOUSEHOLD INCOME						
Income Cohort	PMA					
	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,568	18.0%	1,521	16.7%	-9	-0.6%
\$10,000-19,999	1,544	17.7%	1,529	16.8%	-3	-0.2%
\$20,000-29,999	1,579	18.1%	1,524	16.8%	-11	-0.7%
\$30,000-39,999	1,114	12.8%	1,115	12.3%	0	0.0%
\$40,000-49,999	1,014	11.6%	1,059	11.7%	9	0.9%
\$50,000-59,999	607	7.0%	669	7.4%	12	2.0%
\$60,000-74,999	421	4.8%	559	6.2%	28	6.6%
\$75,000-99,999	450	5.2%	523	5.8%	15	3.2%
\$100,000-124,999	150	1.7%	184	2.0%	7	4.5%
\$125,000-149,999	105	1.2%	152	1.7%	9	9.0%
\$150,000-199,999	66	0.8%	92	1.0%	5	7.9%
\$200,000+	94	1.1%	154	1.7%	12	12.8%
Total	8,712	100.0%	9,081	100.0%		

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

In the previous tables, the percentage of renter occupied households was applied to the total number of households in each income level. As illustrated, the largest concentrations of renter households fall into the lowest four cohorts.

Household Size Distribution

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

PMA HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2018		2023	
	Total	Percent	Total	Percent	Total	Percent
1 persons	4,172	33.1%	5,021	35.1%	5,317	35.3%
2 persons	3,775	29.9%	4,260	29.8%	4,487	29.8%
3 persons	2,129	16.9%	2,309	16.1%	2,435	16.1%
4 persons	1,399	11.1%	1,384	9.7%	1,446	9.6%
5+ persons	1,133	9.0%	1,325	9.3%	1,394	9.2%
Total	12,608	100.0%	14,299	100.0%	15,079	100.0%

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

As of 2018, the majority of households in the PMA consist of one and two persons.

Renter Household Size Distribution

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2018		2023	
	Total	Percent	Total	Percent	Total	Percent
1 persons	2,410	36.2%	3,366	38.6%	3,540	39.0%
2 persons	1,693	25.4%	2,253	25.9%	2,340	25.8%
3 persons	1,089	16.3%	1,323	15.2%	1,366	15.0%
4 persons	741	11.1%	850	9.8%	875	9.6%
5+ persons	730	11.0%	920	10.6%	960	10.6%
Total	6,663	100.0%	8,712	100.0%	9,081	100.0%

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

Historically, the majority of renter households in the PMA have consisted of one and two-person households. In 2018, approximately 65 percent of renter-households were one or two-persons. The percentage of three-person and larger renter households has declined since 2000, but the number of three-person and larger households has increased.

Median Household Income Levels

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

Year	MEDIAN HOUSEHOLD INCOME					
	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$14,660	-	\$47,743	-	\$44,872	-
2018	\$31,958	6.5%	\$62,592	1.7%	\$58,100	1.6%
2023	\$37,256	3.3%	\$71,959	3.0%	\$65,727	2.6%

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

As of 2018, the median income in the PMA is significantly below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 33 percent of the national median income in 2000 to 55 percent in 2018. The overall rise in median income levels reflects a market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. According to ESRI demographic projections, annualized PMA growth is expected to decline significantly to 3.3 percent through 2023, which is slightly above projected growth in the MSA and nation.

Rent Overburdened Households

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

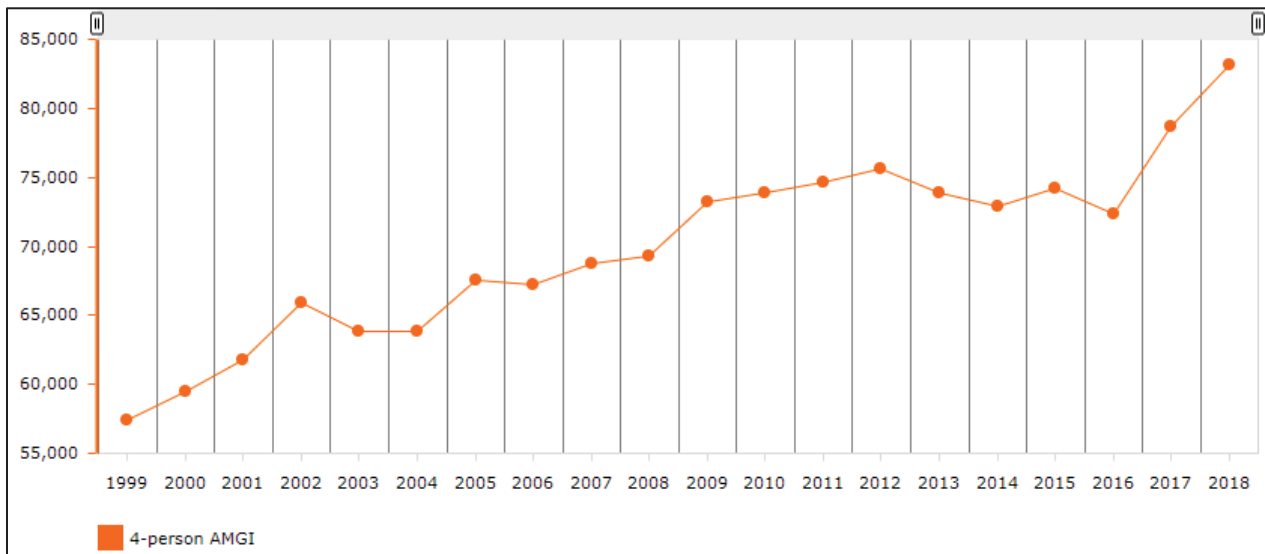
RENT OVERBURDENED						
Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2018	4,004	48.8%	62,906	39.2%	16,657,755	39.5%

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

As illustrated, the percentage of rent overburdened households in the PMA is above the MSA and the nation.

Area Median Income

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



Source: Novogradac & Company, LLP, February 2019

Overall, the AMI has increased by an average of 2.0 percent annually between 1999 and 2018. Over 84 percent of counties in the country experienced an increase in AMI in 2018, and this is also true of the City of Richmond. The AMI in Richmond reached a record high in 2018. The following chart illustrates the annual growth in AMI over the past five years.

RICHMOND CITY AMI GROWTH (2013 - 2018)

Year	2013	2014	2015	2016	2017	2018
AMI	\$73,900	\$72,900	\$74,200	\$72,400	\$78,700	\$83,200
Percentage	-2.2%	-1.4%	1.8%	-2.4%	8.7%	6.2%

The Subject is 100 percent subsidized; therefore, future rent increases will not be directly dependent upon future increases in the AMI.

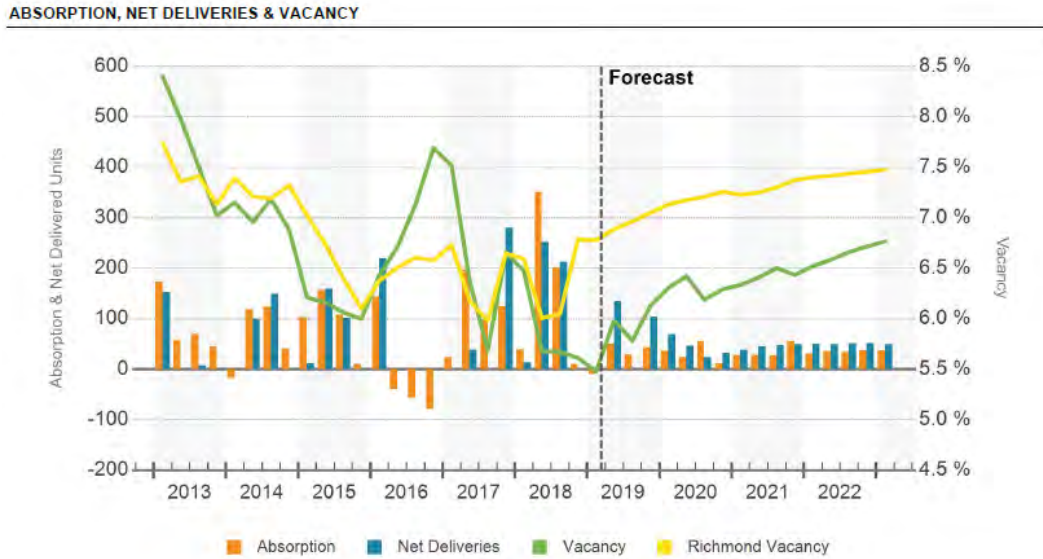
Conclusion

The population in the PMA increased by 11.5 percent between 2000 and 2018, compared to the 23.8 percent increase in the regional MSA and 17.5 percent increase across the overall nation. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 60.9 percent as of 2018. This is significantly more than the estimated 33 percent of renter households across the overall nation. As of 2018, the median income in the PMA is significantly below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 33 percent of the national median income in 2000 to 57 percent in 2018. The percentage of rent over-burdened households - defined as households with shelter costs exceeding 35 percent of gross income - is exceptionally elevated in the PMA at 48.8 percent, compared to only 39.5 percent across the overall nation. Overall, the combination of a large share of rent-overburdened households, and rising population and income levels, bodes well for future demand for multifamily housing.

H. COMPETITIVE ENVIRONMENT

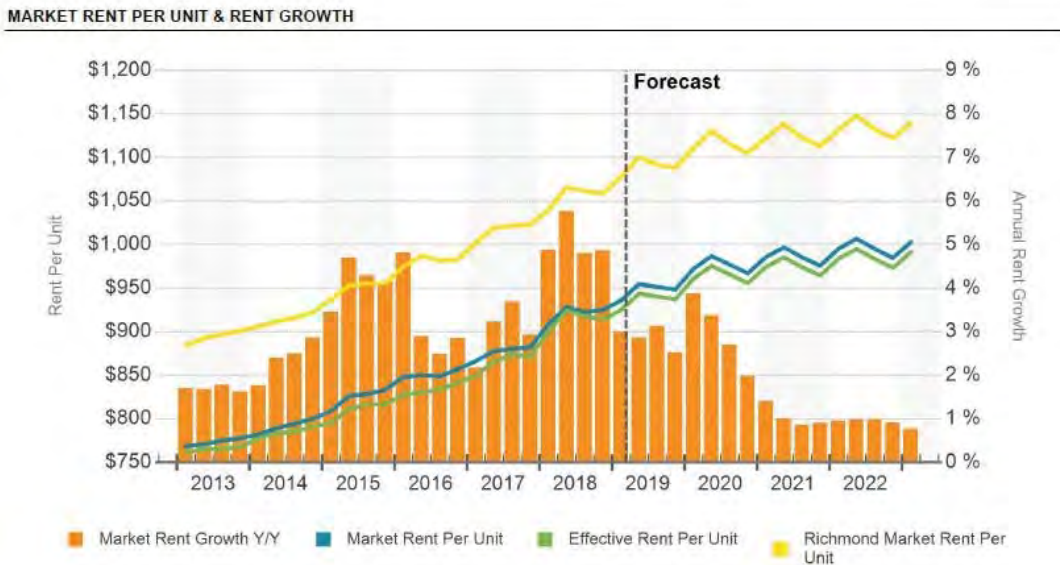
HOUSING SUMMARY

We consulted a CoStar report for the South Richmond submarket to gather information on the local apartment rental market. The following chart illustrates vacancy in the green line.



Source: Costar, February 2019

According to CoStar, the vacancy rate in the submarket is currently at 5.5 percent. The vacancy rate is expected to increase to 6.8 percent over the next five years, as net deliveries are expected to increase. However, a majority of the properties coming online are market rate properties, and will target higher household incomes when compared to the Subject.



Source: Costar, February 2019

Asking rent growth is illustrated in the orange bars in the previous chart. According to CoStar, average rent growth in the South Richmond submarket was 4.9 percent in 2018. Over the next five years, rent growth in the submarket is expected to average 1.3 percent per year.

Age of Housing Stock

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

HOUSING STOCK BY YEAR BUILT						
	PMA		Richmond, VA Metropolitan Statistical Area		USA	
Built 2005 or later	273	1.8%	12,868	2.5%	2,573,002	1.9%
Built 2000 to 2004	895	5.8%	81,388	15.7%	19,705,347	14.8%
Built 1990 to 1999	573	3.7%	81,014	15.7%	18,762,073	14.1%
Built 1980 to 1989	694	4.5%	82,896	16.0%	18,355,676	13.7%
Built 1970 to 1979	2,306	14.8%	82,497	16.0%	20,901,765	15.7%
Built 1960 to 1969	2,012	13.0%	52,440	10.1%	14,563,783	10.9%
Built 1950 to 1959	2,809	18.1%	51,767	10.0%	14,255,447	10.7%
Built 1940 to 1949	2,004	12.9%	22,791	4.4%	6,954,604	5.2%
Built 1939 or earlier	3,963	25.5%	49,131	9.5%	17,458,151	13.1%
Total Housing Units	15,529	100.0%	516,792	100.0%	133,529,848	100.0%

Source: US Census American Community Estimates, February 2019

As illustrated in the previous table, the majority of the housing stock in the Subject’s PMA was built between 1940 and 1980, similar to the Subject.

Substandard Housing

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

SUBSTANDARD HOUSING			
Year	PMA	Richmond, VA Metropolitan Statistical Area	USA
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
2018	0.28%	2.06%	1.70%

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

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

Building Permits

The following table depicts building activity from 2000 through 2018 for City of Richmond.

BUILDING PERMITS: CITY OF RICHMOND 2000 - 2018				
Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	194	76	0	270
2001	181	3	99	283
2002	169	35	312	516
2003	285	68	142	495
2004	327	0	71	398
2005	525	3	226	754
2006	497	18	214	729
2007	362	0	202	564
2008	257	0	101	358
2009	141	0	220	361
2010	150	0	457	607
2011	98	3	242	343
2012	221	0	619	840
2013	134	4	711	849
2014	220	0	331	551
2015	278	4	241	523
2016	304	10	196	510
2017	328	10	979	1,317
2018*	274	0	270	544
Total	4,945	234	5,633	10,812
Average	260	12	296	569

Source: US Census Bureau Building Permits, March 2019

The preceding table indicates that local permit issuance peaked in 2005, several years prior to the national recession. Permit volume declined by 55 percent during the recession, reaching a low in 2011. Permit issuance rose in three out of seven years between 2011 and 2017. The most recent years with finalized data indicate construction activity increased by 158.2 percent between 2016 and 2017, and reached a new post-recession record. Additionally, the share of overall permit issuance attributable to large-scale multifamily projects increased to 65.3 percent between 2010 and 2017, a significant increase from only 29.6 percent between 2000 and 2007.

Rent/Buy Analysis

All of the Subject’s units will benefit from additional rental subsidy so tenants will pay no more than 30 percent of their income towards rent. Therefore, we do not expect homeownership to be competitive with the Subject’s units, and have not conducted a rent/buy analysis.

SURVEY OF COMPARABLE PROPERTIES

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

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

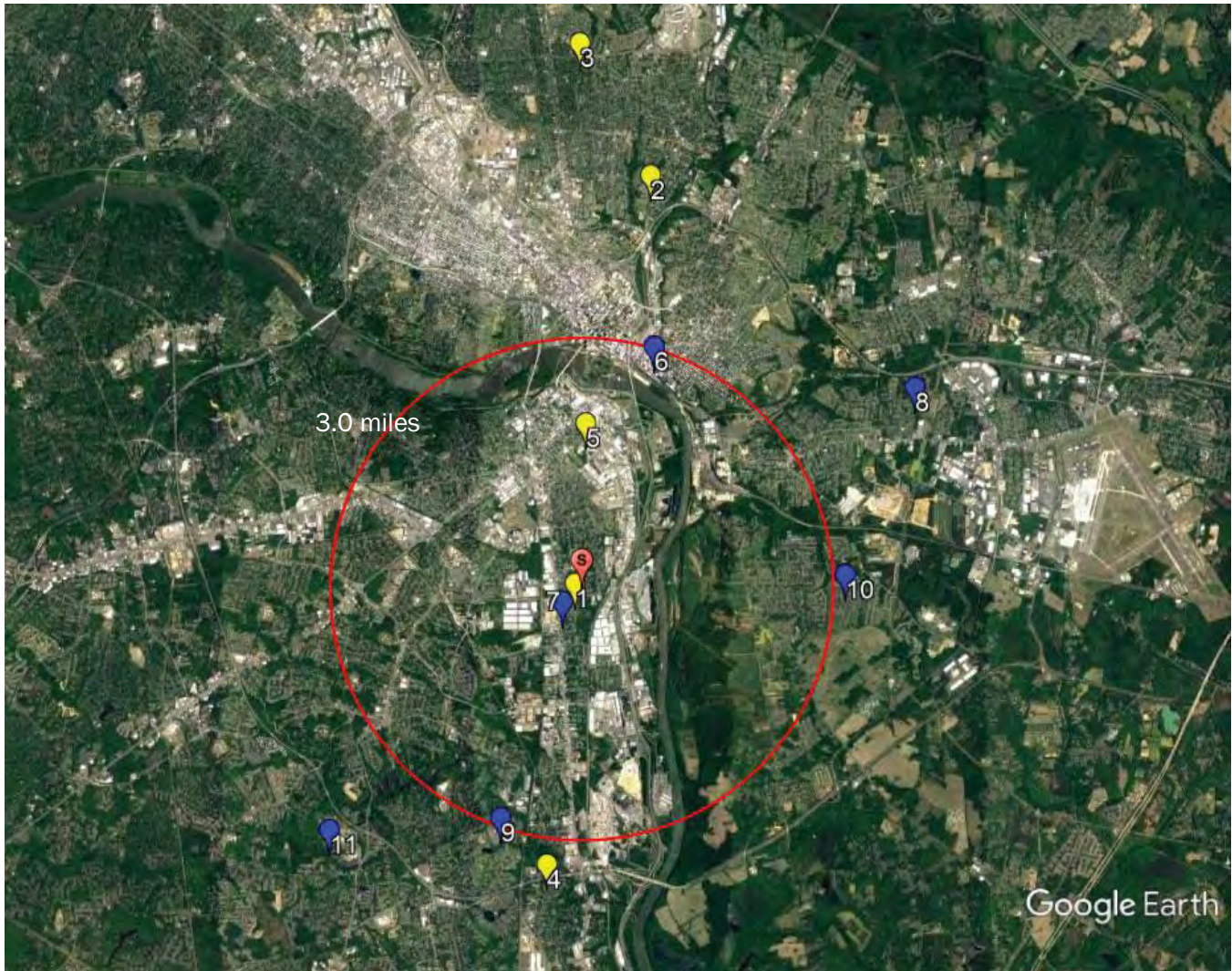
To evaluate the competitive position of the Subject, we surveyed a total of 2,179 units in nine rental properties. The LIHTC data is considered good. We included three affordable developments located between 0.1 and 3.4 miles from the Subject site, one of which is located outside the PMA (Southpointe Landing). The market rate data is considered good. We included six market rate properties located between 0.3 and 4.6 miles from the Subject site, five of which are located outside the PMA (American Tobacco Center, Lakefield Mews, Meadowbrook Apartments, The Villas At Oakland Chase, and The Vinings At Iron Bridge). We included these market rate properties located outside of the PMA due to their larger unit sizes, which are present at the Subject, but not common within the Subject’s PMA. Overall, we believe the availability of data is adequate to support our conclusions.

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

EXCLUDED LIST			
Property Name	Rent Structure	Tenancy	Reason for Exclusion
Ashton Square	Market	Family	Unable to contact
Communities At Southwood	Market	Family	Better comparables available
Midlothian Village Apts	Section 8	Family	Subsidized
Charnwood Forest	Section 8	Family	Subsidized
Lafayette Gardens	Section 8	Family	Subsidized
James River Apartments	Section 8	Family	Subsidized
Chicago Manor	LIHTC	Family	Dissimilar unit mix
Norcroft	LIHTC	Senior	Dissimilar tenancy
Dunston Manor	LIHTC	Family	Dissimilar unit mix
Charnwood Forest Ldha	LIHTC	Senior	Dissimilar tenancy
Maury Park	LIHTC	Senior	Dissimilar tenancy
Village South Townhomes	LIHTC	Family	Dissimilar AMI restriction
Swansboro Apts	LIHTC	Family	Dissimilar unit mix
South Gate	LIHTC	Family	Dissimilar unit mix
Imani Mews	LIHTC	Family	Dissimilar unit mix
Mcguire Park	LIHTC	Family	Unable to contact
New Manchester Flats Ix	LIHTC	Family	Dissimilar AMI restriction
Old Manchester Plaza I	LIHTC	Family	Unable to contact
City View Place	LIHTC	Family	Dissimilar unit mix
Belle Summit	LIHTC	Family	Unable to contact
Miller Lofts	LIHTC	Family	Dissimilar AMI restriction

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

Comparable Rental Property Map



Source: Google Earth, February 2019

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Afton Avenue	Richmond	LIHTC/PBRA	Family	-
1	Graystone Place Apartments	Richmond	LIHTC	Family	0.1 miles
2	Highland Grove*	Richmond	LIHTC/ Market	Family	4.9 miles
3	Lincoln Mews Apartments*	Richmond	LIHTC	Family	6.4 miles
4	Southpointe Landing*	Richmond	LIHTC	Family	3.4 miles
5	The Townes At River South	Richmond	LIHTC	Family	1.9 miles
6	American Tobacco Center*	Richmond	Market	Family	2.9 miles
7	James River Villas	Richmond	Market	Family	0.3 miles
8	Lakefield Mews*	Richmond	Market	Family	4.6 miles
9	Meadowbrook Apartments*	Richmond	Market	Family	3.0 miles
10	The Villas At Oakland Chase*	Richmond	Market	Family	3.1 miles
11	The Vinings At Iron Bridge*	Richmond	Market	Family	4.2 miles

*Located outside PMA

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Afton Avenue 2301 Afton Avenue Richmond, VA 23224 Richmond County	-	Garden 2-stories 1980 / 2019 Family	@50% (Project Based Rental Assistance - PBRA)	2BR / 1BA 3BR / 1BA 4BR / 1.5BA 5BR / 1.5BA	18 14 7 1	45.0% 35.0% 17.5% 2.5%	834 933 1,204 1,230	@50% (Project Based Rental Assistance - PBRA) @50% (Project Based Rental Assistance - PBRA) @50% (Project Based Rental Assistance - PBRA) @50% (Project Based Rental Assistance - PBRA)	\$653 \$863 \$1,053 \$1,210	N/A N/A N/A N/A	N/A N/A N/A N/A	0 1 0 0	0.0% 7.1% 0.0% 0.0%
1	Graystone Place Apartments 2394 Afton Avenue Richmond, VA 23224 Richmond City County	0.1 miles	Various 1-stories 1987 / 2004 Family	@60%	1BR / 1BA 2BR / 1BA 2BR / 1BA	20 57 58	14.8% 42.2% 43.0%	609 722 722	@60% @60% @60%	\$575 \$585 \$675	No No No	Yes Yes Yes	1 0 0	5.0% 0.0% 0.0%
						<u>135</u>							1	0.7%
2	Highland Grove 1132 Dove Street Richmond, VA 23222 Richmond County	4.9 miles	Townhouse 2-stories 2013 / n/a Family	@50%, Market	1BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2.5BA	N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A	947 1,056 1,056 1,115 1,371 1,371 1,513	@50% @50% Market @50% @50% Market @50%	\$632 \$839 \$902 \$839 \$988 \$1,128 \$988	Yes Yes N/A No Yes N/A Yes	No No N/A No No N/A No	0 0 0 0 0 0 0	N/A N/A N/A N/A N/A N/A N/A
						<u>128</u>							0	0.0%
3	Lincoln Mews Apartments 4101 North Avenue Richmond, VA 23222 Richmond City County	6.4 miles	Various 1-stories 1963 / 2010 Family	@40%, @50%, @60%	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 3BR / 1.5BA 3BR / 1.5BA 3BR / 1.5BA 3BR / 2BA 3BR / 2BA 4BR / 2BA 4BR / 2BA	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	605 605 605 800 800 746 746 893 893 893 1,178 1,178 1,507 1,507	@40% @50% @60% @40% @50% @60% @50% @40% @50% @60% @50% @60% @50% @60%	\$495 \$640 \$780 \$590 \$730 \$940 \$745 \$950 \$680 \$885 \$1,080 \$900 \$1,095 \$950 \$1,095	No No No No No No No No No No No No No No	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A
						<u>245</u>							5	2.0%
4	Southpointe Landing 6110 Crickwood Drive Richmond, VA 23234 Chesterfield County	3.4 miles	Garden 2-stories 1972 / 1988 Family	@50%, @60%	2BR / 1BA 2BR / 1BA 3BR / 1.5BA	94 66 32	49.0% 34.4% 16.7%	976 976 1,304	@50% @60% @60%	\$785 \$891 \$1,039	Yes No No	No No No	0 0 3	0.0% 0.0% 9.4%
						<u>192</u>							3	1.6%
5	The Townes At River South 214 E 9th Street Richmond, VA 23224 Richmond City County	1.9 miles	Various 2-stories 2001 / 2004 Family	@50%	2BR / 1.5BA 2BR / 1.5BA 3BR / 2.5BA 3BR / 2.5BA 4BR / 3.5BA 4BR / 3.5BA	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A	985 985 1,202 1,202 1,529 1,529	@50% @50% @50% @50% @50% @50%	\$785 \$800 \$899 \$920 \$995 \$1,020	Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0	N/A N/A N/A N/A N/A N/A
						<u>161</u>							0	0.0%
6	American Tobacco Center 119 N 20th Street Richmond, VA 23223 Richmond City County	2.9 miles	Midrise 5-stories 1912 / 2005 Family	Market	0BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 3BA	1 87 N/A N/A 64 N/A 5	0.6% 55.4% N/A N/A 40.8% N/A 3.2%	452 622 844 400 1,019 1,238 1,209	Market Market Market Market Market Market Market	\$950 \$1,150 \$1,300 \$1,000 \$1,687 \$2,087 \$2,459	N/A N/A N/A N/A N/A N/A N/A	No No No No No No No	0 1 0 0 2 0 0	0.0% 1.2% N/A N/A 3.1% N/A 0.0%
						<u>157</u>							3	1.9%
7	James River Villas 2506 Atwell Drive Richmond, VA 23234 Richmond County	0.3 miles	One-story 1-stories 1947 / 2005/2018 Family	Market	1BR / 1BA 2BR / 1BA 3BR / 1BA	21 182 21	9.4% 81.3% 9.4%	552 672 792	Market Market Market	\$675 \$862 \$1,024	N/A N/A N/A	No No No	1 5 1	4.8% 2.8% 4.8%
						<u>224</u>							7	3.1%
8	Lakefield Mews 4431 Lakefield Mews Drive Richmond, VA 23231 Henrico County	4.6 miles	Various 2-stories 1989 / 2013 Family	Market	1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1.5BA 2BR / 2.5BA 3BR / 2BA	75 8 84 134 78 16	19.0% 2.0% 21.3% 33.9% 19.8% 4.1%	644 790 852 1,220 1,154 1,334	Market Market Market Market Market Market	\$855 \$1,125 \$1,352 \$1,297 \$1,307 \$1,789	N/A N/A N/A N/A N/A N/A	No No No No No No	5 0 4 5 5 0	6.7% 0.0% 4.8% 3.7% 6.4% 0.0%
						<u>395</u>							19	4.8%
9	Meadowbrook Apartments 5314 Whetstone Road Richmond, VA 23234 Chesterfield County	3.0 miles	Various 2-stories 1971 / n/a Family	Market	1BR / 1BA 2BR / 1BA 2BR / 1.5BA 3BR / 2.5BA 4BR / 2BA	N/A N/A N/A N/A N/A	N/A N/A N/A N/A 2.9%	512 812 1,024 1,536 1,276	Market Market Market Market Market	\$792 \$852 \$890 \$1,271 \$1,356	N/A N/A N/A N/A N/A	No No No No No	2 2 2 2 2	N/A N/A N/A N/A 14.3%
						<u>477</u>							10	2.1%
10	The Villas At Oakland Chase 6416 Oak Front Court Richmond, VA 23231 Henrico County	3.1 miles	Garden 3-stories 2006 / n/a Family	Market	2BR / 2BA 3BR / 2BA	N/A N/A	N/A N/A	1,000 1,200	Market Market	\$1,020 \$1,304	N/A N/A	No No	1 0	N/A N/A
						<u>180</u>							1	0.6%
11	The Vinings At Iron Bridge 5500 Vining Drive Richmond, VA 23234 Chesterfield County	4.2 miles	Garden 3-stories 1998 / n/a Family	Market	1BR / 1BA 2BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	78 60 42 42 36	30.2% 23.3% 16.3% 16.3% 14.0%	778 971 957 1,034 1,351	Market Market Market Market Market	\$959 \$1,166 \$1,226 \$1,276 \$1,563	N/A N/A N/A N/A N/A	No No No No No	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A
						<u>258</u>							33	12.8%

Location

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Afton Avenue	Richmond	Family	LIHTC/PBRA	-	\$21,708	\$110,700	\$838	180	39	13.8%	60.8%
1	Graystone Place Apartments	Richmond	Family	LIHTC	0.1 miles	\$22,291	\$110,700	\$838	180	42	14.5%	60.3%
2	Highland Grove*	Richmond	Family	LIHTC/ Market	4.9 miles	\$31,593	\$122,300	\$890	185	41	19.6%	44.3%
3	Lincoln Mews Apartments*	Richmond	Family	LIHTC	6.4 miles	\$34,974	\$122,300	\$890	181	57	6.8%	63.8%
4	Southpointe Landing*	Richmond	Family	LIHTC	3.4 miles	\$44,586	\$154,700	\$944	73	12	14.1%	47.5%
5	The Townes At River South	Richmond	Family	LIHTC	1.9 miles	\$31,257	\$110,700	\$838	265	74	19.8%	63.4%
6	American Tobacco Center*	Richmond	Family	Market	2.9 miles	\$52,685	\$147,000	\$858	248	92	9.1%	77.3%
7	James River Villas	Richmond	Family	Market	0.3 miles	\$25,356	\$154,700	\$944	180	44	14.9%	61.3%
8	Lakefield Mews*	Richmond	Family	Market	4.6 miles	\$39,177	\$173,600	\$936	141	49	2.3%	65.0%
9	Meadowbrook Apartments*	Richmond	Family	Market	3.0 miles	\$51,420	\$154,700	\$944	84	3	11.5%	38.4%
10	The Villas At Oakland Chase*	Richmond	Family	Market	3.1 miles	\$76,174	\$173,600	\$936	94	9	1.0%	23.6%
11	The Vinings At Iron Bridge*	Richmond	Family	Market	4.2 miles	\$41,172	\$154,700	\$944	61	19	13.7%	50.5%

*Located outside of the PMA

The Subject site is located in a residential neighborhood in the southern portion of Richmond in the Bellemeade neighborhood. Surrounding uses consist of single-family homes and multifamily apartments, as well as light industrial uses in average condition. Weaknesses of the Subject's location include a low median household income level, a low median home value, a low median rent level, and limited walkability. The Subject's location is designated 'Car-Dependent' by Walk Score with a score of 39, and is not considered walkable.

The affordable properties are located between 0.1 and 6.4 miles from the Subject site. The LIHTC comparables are generally in neighborhoods considered similar to slightly superior to the Subject's location. Exceptions include Lincoln Mews Apartments and Southpointe Landing, which generally offer higher median income levels, lower vacancy rates, and higher median home values, and are considered superior to the Subject's neighborhood

The market rate developments are located between 0.3 and 4.6 miles from the Subject site. The neighborhoods surrounding the market rate comparables vary in quality, ranging from similar to superior relative to the Subject's location. The neighborhoods surrounding American Tobacco Center, Lakefield Mews, Meadowbrook Apartments, The Villas At Oakland Chase, and The Vinings At Iron Bridge generally offer higher median income levels, lower vacancy rates, higher median home values, higher median rents, and greater walkability, and are considered broadly superior to the Subject's location. On balance, we believe the neighborhood surrounding James River Villas is similar to the Subject's location.

Age, Condition, and Design

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

	Subject	Graystone Place Apartments	Highland Grove	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	James River Villas	Lakefield Mews	Meadowbrook Apartments	The Villas At Oakland Chase	The Vinings At Iron Bridge
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Building												
Property Type	Garden	Various	Townhouse	Various	Garden	Various	Midrise	One-story	Various	Various	Garden	Garden
# of Stories	2-stories	1-stories	2-stories	1-stories	2-stories	2-stories	5-stories	1-stories	2-stories	2-stories	3-stories	3-stories
Year Built	1980	1987	2013	1963	1972	2001	1912	1947	1989	1971	2006	1998
Year Renovated	2019	2004	n/a	2010	1988	2004	2005	2005/2018	2013	n/a	n/a	n/a
Elevators	no	no	no	no	no	no	yes	no	no	no	no	no

The Subject was originally built in 1980, and will be a newly renovated, and will exhibit good condition. The comparable properties were constructed or converted to multifamily use between 1912 and 2006. The

majority of comparables exhibit condition ranging from slightly inferior to slightly superior relative to the proposed Subject. Highland Grove is the most recently constructed comparable in 2013, and is considered superior to the Subject. The Townes At River South and The Villas At Oakland, which were constructed as recently as 2006, and renovated as recently as 2004. These properties are considered slightly superior to the proposed Subject. Graystone Place Apartments, American Tobacco Center, James River Villas, and Lakefield Mews were constructed or renovated between 1972 and 2013, and exhibit similar condition relative to the proposed Subject.

The proposed Subject will offer a two-story garden style design, similar to three of the comparable properties. American Tobacco Center offers a midrise elevator design and is considered slightly superior to the Subject. However, four of the comparables feature a mixture of designs. Graystone Place Apartments, The Townes At River South, Lakefield Mews, and Meadowbrook Apartments offer a mixture of garden and townhouse style units. The garden-style units at these comparables are considered similar to the Subject, while the townhouse units are considered superior. We considered the Subject's design and condition in our determination of achievable rents.

Unit Size

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

UNIT SIZE COMPARISON

Bedroom Type	2BR	3BR	4BR	5BR
Subject	834	933	1,204	1,230
Average	962	1,237	1,445	N/A
Min	672	792	1,276	N/A
Max	1,238	1,536	1,529	N/A
Advantage/Disadvantage	-15%	-33%	-20%	N/A

The Subject's two and three-bedroom unit sizes are below the surveyed average but are within the comparable range. The Subject's four-bedroom unit size is below the surveyed average and are the smallest four-bedroom in the market. None of the surveyed comparables offer five bedroom units. Graystone Place Apartments and James River Villas offer similar bedroom sizes compared to the Subject. Graystone Place Apartments is currently 99 percent occupied and keeps an extensive waiting list. James River Villas is currently 97 percent occupied. We have taken into account the Subject's unit sizes in our determination of achievable rents. The following table ranks the Subject's unit sizes to the unit sizes at the comparable properties.

SQUARE FOOTAGE RANKING COMPARISON

Two-Bedroom One Bath		Three-Bedroom One Bath		Four-Bedroom One and a Half Bath		Five-Bedroom One and a Half Bath	
Property Name	Size	Property Name	Size	Property Name	Size	Property Name	Size
American Tobacco Center (Market)(2BA)	1,238	Meadowbrook Apartments (Market)(2.5BA)	1,536	The Townes At River South (@50%)(3.5BA)	1,529	Afton Avenue (@50%)	1,230
Lakefield Mews (Market)(1.5BA)	1,220	The Vinings At Iron Bridge (Market)(2BA)	1,351	The Townes At River South (@50%)(3.5BA)	1,529		
Lakefield Mews (Market)(2.5BA)	1,154	Lakefield Mews (Market)(2BA)	1,334	Meadowbrook Apartments (Market)(2BA)	1,276		
The Vinings At Iron Bridge (Market)(2BA)	1,034	Southpointe Landing (@60%)(1.5BA)	1,304	Afton Avenue (@50%)	1,204		
Meadowbrook Apartments (Market)(1.5BA)	1,024	American Tobacco Center (Market)(3BA)	1,209				
American Tobacco Center (Market)(2BA)	1,019	The Townes At River South (@50%)(2.5BA)	1,202				
The Villas At Oakland Chase (Market)(2BA)	1,000	The Townes At River South (@50%)(2.5BA)	1,202				
The Townes At River South (@50%)(1.5BA)	985	The Villas At Oakland Chase (Market)(2BA)	1,200				
The Townes At River South (@50%)(1.5BA)	985	Afton Avenue (@50%)	933				
Southpointe Landing (@60%)	976	James River Villas (Market)	792				
Southpointe Landing (@50%)	976						
The Vinings At Iron Bridge (Market)	971						
The Vinings At Iron Bridge (Market)(2BA)	957						
Lakefield Mews (Market)	852						
Afton Avenue (@50%)	834						
Meadowbrook Apartments (Market)	812						
Graystone Place Apartments (@50%)	722						
Graystone Place Apartments (@60%)	722						
James River Villas (Market)	672						

Utility Structure

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

Subject	Graystone Place Apartments	Highland Grove	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC	LIHTC	LIHTC
Tenancy	Family	Family	Family	Family	Family
Utility Structure					
Cooking	no	no	no	no	no
Water Heat	no	no	no	no	no
Heat	no	no	no	no	no
Other Electric	no	no	no	no	no
Water	yes	yes	no	yes	yes
Sewer	yes	yes	no	yes	yes
Trash	yes	yes	yes	yes	yes

Subject	American Tobacco Center	James River Villas	Lakefield Mews	Meadowbrook Apartments	The Villas At Oakland Chase	The Vinings At Iron Bridge
Rent Structure	LIHTC/PBRA	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family
Utility Structure						
Cooking	no	no	no	yes	no	no
Water Heat	no	no	no	yes	no	no
Heat	no	no	no	yes	no	no
Other Electric	no	no	no	no	no	no
Water	yes	no	no	yes	no	no
Sewer	yes	no	no	yes	yes	no
Trash	yes	yes	yes	yes	yes	yes

In-Unit Amenities

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

Subject	Graystone Place Apartments	Highland Grove	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	James River Villas	Lakefield Mews	Meadowbrook Apartments	The Villas At Oakland Chase	The Vinings At Iron Bridge
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Unit Amenities											
Balcony/Patio	no	no	yes	yes	no	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	yes	no	no	no	no	yes	no	no	yes
Coat Closet	yes	yes	yes	no	yes	no	yes	no	no	no	no
Exterior Storage	no	no	no	no	yes	yes	no	no	no	no	yes
Fireplace	no	no	no	no	no	yes	no	no	no	no	yes
Vaulted Ceilings	no	no	no	no	no	yes	no	no	no	no	yes
Walk-In Closet	no	no	yes	no	no	yes	yes	no	no	yes	yes
Window A/C	yes	no	no	no	no	no	no	no	no	no	no
Washer/Dryer	no	no	no	no	yes	yes	yes	no	no	no	yes
W/D Hookup	yes	no	yes	no	yes	yes	yes	yes	yes	yes	yes
Kitchen											
Dishwasher	yes	no	yes	no	yes	yes	yes	yes	yes	yes	yes
Disposal	no	no	yes	no	yes	yes	yes	yes	yes	yes	yes
Microwave	no	no	yes	no	no	yes	no	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notable unit amenities the Subject offers include washer/dryer hook-ups and dishwashers. The majority of the surveyed comparables offer unit amenities ranging from slightly superior to superior relative to the Subject. These properties offer features such as central air conditioning, disposals, balconies/patios, walk-in closets, washer/dryers, microwaves, and exterior storage, none of which are included in the Subject's proposed amenity scheme. The amenity packages offered by Graystone Place Apartments and The Townes At River South are considered slightly superior to the Subject. Overall, we believe the Subject's proposed unit amenities will continue to be competitive in the market.

Property Amenities

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

Subject	Graystone Place Apartments	Highland Grove	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	James River Villas	Lakefield Mews	Meadowbrook Apartments	The Villas At Oakland Chase	The Vinings At Iron Bridge
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Community											
Business Center	no	no	yes	no	no	yes	yes	no	no	yes	no
Community Room	no	no	no	no	yes	no	no	yes	yes	yes	yes
Central Laundry	no	yes	no	yes	no	yes	no	yes	yes	yes	yes
On-Site Mgmt	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation											
Basketball Court	yes	no	no	no	no	no	no	no	no	no	no
Exercise Facility	no	no	yes	no	no	yes	no	no	no	yes	yes
Playground	yes	yes	no	no	yes	no	yes	yes	yes	yes	yes
Swimming Pool	no	no	no	no	yes	yes	no	yes	yes	yes	yes
Picnic Area	no	no	no	no	yes	no	yes	yes	yes	no	no
Tennis Court	no	no	no	no	no	no	no	no	no	no	yes
Recreational Area	no	no	no	no	no	no	no	yes	no	no	no
Volleyball Court	no	no	no	no	no	no	no	yes	no	no	no
WiFi	no	no	no	no	no	yes	no	no	no	no	no

Notable property amenities the Subject offers include basketball courts and a playground. The majority of the surveyed comparables offer property amenities ranging from slightly superior to superior relative to the Subject. These properties offer features such as a swimming pool, a community room, garages, a business center, and a fitness center, none of which are included in the Subject's proposed amenity scheme. The amenity packages of Graystone Place Apartments, Southpointe Landing, The Townes At River South, and James River Villas offer features that are considered similar to the Subject. Overall, we believe the Subject's property amenities will continue to be competitive in the market.

Security Features

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

SECURITY AMENITIES												
Subject	Graystone Place Apartments	Highland Grove	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	James River Villas	Lakefield Mews	Meadowbrook Apartments	The Villas At Oakland Chase	The Vinings At Iron Bridge	
Crime Risk Index	180	180	185	181	73	265	248	180	141	84	94	61
Security												
In-Unit Alarm	no	no	no	no	no	no	no	no	no	no	no	yes
Intercom (Buzzer)	no	no	no	no	no	no	yes	no	no	no	no	no
Intercom (Phone)	no	no	no	no	no	no	yes	no	no	yes	no	no
Limited Access	no	no	no	no	no	no	yes	no	no	no	no	no
Patrol	no	yes	no	yes	yes	no	no	yes	no	yes	no	no
Video Surveillance	no	no	no	no	no	no	yes	no	no	no	no	no

The Subject does not currently offer any security features. The client has not provided a scope of post renovation security features and therefore we assumed no changes will be made to security amenities post renovation.

Parking

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

Subject	Graystone Place Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	James River Villas	Lakefield Mews	Meadowbrook Apartments	The Villas At Oakland Chase	The Vinings At Iron Bridge	
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	
Walk Score	39	42	12	74	92	44	49	3	9	19
Parking										
Carport	no	no	no	no	no	no	no	no	no	yes
Carport Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30
Garage	no	no	no	no	yes	no	no	no	yes	yes
Garage Fee	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$0	\$50	\$85
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject offers 44 off-street parking spaces, which equates to approximately 1.1 spaces per unit. Street parking is available along Afton Avenue. The nearest bus stop is 0.2 miles from the Subject on Afton Avenue. All of the comparable properties offer sufficient off-street parking and several offer garage or carport parking for an additional fee ranging from \$30 to \$100 per month. However, as these properties charge additional fees for covered parking, we believe the parking at all of the comparables are similar to the Subject.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Tenant Makeup

The Subject currently operates as a public housing property; therefore, vouchers are not utilized. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS		
Property Name	Rent Structure	Housing Choice Voucher Tenants
Graystone Place Apartments	LIHTC	15%
Highland Grove	LIHTC/ Market	6%
Lincoln Mews Apartments	LIHTC	17%
Southpointe Landing	LIHTC	0%
The Townes At River South	LIHTC	50%
American Tobacco Center	Market	N/A
James River Villas	Market	0%
Lakefield Mews	Market	0%
Meadowbrook Apartments	Market	0%
The Villas At Oakland Chase	Market	0%
The Vinings At Iron Bridge	Market	0%

The comparable properties reported voucher usage ranging from zero to 50 percent. None of the market rate properties reported voucher usage. Five of the LIHTC properties reported voucher usage, with an average utilization of 17.6 percent. The highest voucher usage was reported by The Townes At River South, a 161-unit LIHTC property located 1.9 miles north of the Subject. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately 20 percent.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER		
Property Name	Rent Structure	Annual Turnover
Graystone Place Apartments	LIHTC	35%
Highland Grove	LIHTC/ Market	12%
Lincoln Mews Apartments	LIHTC	25%
Southpointe Landing	LIHTC	38%
The Townes At River South	LIHTC	10%
American Tobacco Center	Market	25%
James River Villas	Market	35%
Lakefield Mews	Market	11%
Meadowbrook Apartments	Market	30%
The Villas At Oakland Chase	Market	27%
The Vinings At Iron Bridge	Market	33%
Average Turnover		26%

The comparables reported turnover rates ranging from ten to 38 percent, with an overall average of 25.5 percent. The LIHTC comparables operate with an average turnover rate of 24 percent, which was similar to the 26.8 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate a turnover rate of approximately 25 percent.

Vacancy Levels

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

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Graystone Place Apartments	LIHTC	135	1	0.7%
Highland Grove*	LIHTC/ Market	128	0	0.0%
Lincoln Mews Apartments*	LIHTC	245	5	2.0%
Southpointe Landing*	LIHTC	192	3	1.6%
The Townes At River South	LIHTC	161	0	0.0%
American Tobacco Center*	Market	157	3	1.9%
James River Villas	Market	224	7	3.1%
Lakefield Mews*	Market	395	19	4.8%
Meadowbrook Apartments*	Market	477	10	2.1%
The Villas At Oakland Chase*	Market	180	1	0.6%
The Vinings At Iron Bridge*	Market	258	33	12.8%
Total LIHTC		861	9	1.0%
Total Market Rate		1,691	73	4.3%
Overall Total		2,552	82	3.2%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 12.8 percent, with an overall weighted average of 3.2 percent. The managers at two of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 1.0 percent, well below the 4.3 percent average reported by the market rate properties. The average LIHTC vacancy rate of 1.0 percent is considered exceptionally low, and indicative of supply constrained conditions. Excluding The Vining at Iron Bridge, all of the market rate properties reported vacancy rates of 4.8 percent or lower. The Vinings At Iron Bridge reported the highest vacancy at 12.8 percent. The contact at the property was unable to provide a reason for this elevated vacancy; as such, we believe the elevated vacancy rate is due to poor management, as the remaining comparables report significantly lower vacancy rates. It should also be noted that James River Villas and Graystone Place Apartments are located within the Subject's immediate neighborhood and are both performing well.

According to the most recent rent roll for the Subject dated February 13, 2019, the Subject is 98.5 percent occupied with one vacant unit. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately five percent as subsidized or without subsidy.

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

VACANCY BY BEDROOM TYPE								
Property Name	Rent Structure	0BR	1BR	2BR	3BR	4BR	5BR	Overall
Graystone Place Apartments	LIHTC	-	5.0%	0.0%	-	-	-	0.7%
Highland Grove	LIHTC/ Market	-	-	-	-	-	-	0.0%
Lincoln Mews Apartments	LIHTC	-	-	-	-	-	-	2.0%
Southpointe Landing	LIHTC	-	-	0.0%	9.4%	-	-	1.6%
The Townes At River South	LIHTC	-	-	-	-	-	-	0.0%
American Tobacco Center	Market	0.0%	1.1%	3.1%	0.0%	-	-	1.9%
James River Villas	Market	-	4.8%	2.7%	4.8%	-	-	3.1%
Lakefield Mews	Market	-	6.0%	4.7%	0.0%	-	-	4.8%
Meadowbrook Apartments	Market	-	-	-	-	14.3%	-	2.1%
The Villas At Oakland Chase	Market	-	-	-	-	-	-	0.6%
The Vinings At Iron Bridge	Market	-	-	-	-	-	-	12.8%

The Subject consists of two, three, and four-bedroom units. Vacancy rates of the surveyed comparables for two-bedroom units range from zero to 4.7 percent, averaging 2.1 percent. Vacancy rates for three-bedroom units range from zero to 9.4 percent, averaging 3.5 percent, and four-bedroom units range from zero to 14.3 percent, averaging 7.1 percent. Overall, the vacancy rates in the market are low, which indicates that those comparables that do have high vacancy rates for some unit types may be because they have a small overall number of units at that specific bedroom type. According to the most recent rent roll for the Subject dated February 13, 2019, the Subject is 98.5 percent occupied with one vacant unit. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Concessions

None of the other comparable properties are offering concessions at this time. The Subject is not currently offering a concession, and we do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate.

Waiting Lists

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

WAITING LIST		
Property Name	Rent Structure	Waiting List Length
Graystone Place Apartments	LIHTC	Five households in length
Highland Grove	LIHTC/ Market	None
Lincoln Mews Apartments	LIHTC	Five households in length
Southpointe Landing	LIHTC	None
The Townes At River South	LIHTC	Over one year in length
American Tobacco Center	Market	None
James River Villas	Market	None
Lakefield Mews	Market	None
Meadowbrook Apartments	Market	None
The Villas At Oakland Chase	Market	None
The Vinings At Iron Bridge	Market	None

Three of the five LIHTC and mixed income properties are offering waiting lists. The contact at Southpointe Landing stated the property historically maintains a small waiting list of five to ten households, but at the time of our interview they had recently purged the waiting list. None of the market rate comparables reported maintaining a waiting list. Given the low vacancy rates among the LIHTC comparables and existence of waiting lists, we expect the Subject would maintain a waiting list as proposed and absent subsidy.

Absorption

It should be noted that the Subject is an existing stabilized property that will be renovated with tenants in place. We were able to obtain absorption information for four properties located within Richmond. None of the surveyed comparable properties were able to report absorption information.

ABSORPTION						
Property Name	City	Tenancy	Rent	Year	Total Units	Absorption
The Village At Westlake	Richmond	Family	Market	2018	252	42
The Lofty	Richmond	Family	Market	2015	33	7
Hatcher Tobacco Flats	Richmond	Family	LIHTC	2015	152	43
Shockoe Valley View Apartments	Richmond	Family	Market	2014	238	30

The comparable absorption comparables reported absorption rates ranging from seven to 42 units, averaging 30 units per month. The Subject is currently fully occupied and renovations will occur with tenants in place. If the Subject were hypothetically vacant, we estimate the Subject as proposed and absent subsidy will experience an absorption rate of 20 units per month, indicating an absorption period of two months.

Rental Rate Increases

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

Property Name	Rent Structure	Rent Growth
Graystone Place Apartments	LIHTC	None
Highland Grove	LIHTC/ Market	None
Lincoln Mews Apartments	LIHTC	Three to seven percent
Southpointe Landing	LIHTC	Increased one to four percent
The Townes At River South	LIHTC	No change to increased two percent
American Tobacco Center	Market	Decreased three percent to increased three percent
James River Villas	Market	Increased five percent
Lakefield Mews	Market	N/A
Meadowbrook Apartments	Market	Increased five to seven percent
The Villas At Oakland Chase	Market	Increased four to seven percent
The Vinings At Iron Bridge	Market	None

Several of the comparable properties reported rent growth over the past year. According to Costar, the average rent growth in the South Richmond submarket was 3.5 percent in 2018 and is expected to slow over the next five years to 0.3 percent. We anticipate that the Subject absent subsidy would be able to achieve regular rental rate increases of one to two percent, although within the limits of LIHTC maximum allowable rent guidelines.

Reasonability of Rents

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

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents
<i>@50% (Project Based Rental Assistance - PBRA)</i>							
2BR / 1BA	834	18	\$653	\$0	\$653	\$936	\$1,067
3BR / 1BA	933	14	\$863	\$0	\$863	\$1,081	\$1,421
4BR / 1.5BA	1,204	7	\$1,053	\$0	\$1,053	\$1,207	\$1,713
5BR / 1.5BA	1,230	1	\$1,210	\$0	\$1,210	\$1,331	n/a
		40					

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

Comparable LIHTC Rents

The Subject will be restricted to 50 percent of the AMI, and all of the units will operate with Project Based Rental Assistance (PBRA) through the Rental Assistance Demonstration (RAD) program. As such, the proposed rents at the Subject are contract rents provided by HUD. If the Subject were to lose its subsidy, the Subject’s

units would be restricted to families earning 50 percent of AMI or less. The following table illustrates the Subject’s rents compared to the LIHTC rents of the comparable LIHTC properties. The rents have been adjusted for variance in utilities as well as concessions, if applicable.

LIHTC RENT COMPARISON @50%

Property Name	2BR	3BR	4BR	5BR	Rents at Max?
Afton Avenue	\$653	\$863	\$1,053	\$1,210	No
LIHTC Maximum Rent (Net)	\$936	\$1,081	\$1,207	\$1,331	
Highland Grove	\$839	\$988	-	-	Yes
Lincoln Mews Apartments	\$745	\$900	\$950	-	No
Southpointe Landing	\$785	-	-	-	Yes
The Townes At River South	\$800	\$920	\$1,020	-	Yes
Average	\$792	\$936	\$985	-	
Achievable LIHTC Rent	\$936	\$1,081	\$1,207	\$1,331	

Three of the four LIHTC comparable properties reported achieving the maximum allowable rents at 50 percent of AMI. Lincoln Mews Apartments was the only property who reported not achieving the maximum allowable rents. The property is operated by Better Housing Coalition, which is a nonprofit development and rents are purposefully kept below the maximum allowable level. It should be noted that any difference between the LIHTC maximum allowable rental levels and property specific maximum allowable rental levels is assumed to be caused by different property specific utility allowances.

Most Similar LIHTC

Based upon the overall comparison ratings, the Subject will be most similar to Highland Grove and The Townes At River South.

Highland Grove was built in 2013 offering a slightly superior condition compared to the anticipated condition of the Subject, post renovation. The contact at Highland Grove reported rents at the 50 percent of AMI are achieving the maximum allowable rents. The property is located 4.9 miles north of the Subject in a location considered similar to the Subject. Highland Grove offers balconies/patios, hardwood flooring, central air conditioning, walk-in closets, disposals, a business center, and a fitness center, all of which the Subject lacks. However, the Subject offers a basketball court and a playground, neither of which are offered by Highland Grove. The in-unit and property amenity packages offered by Highland Grove are both considered superior relative to the Subject’s amenities. Highland Grove offers superior two and three-bedroom unit sizes compared to the Subject. Overall, once renovations completed, the Subject will be inferior to Highland Grove.

The Townes At River South was built in 2001 offering a similar condition compared to the Subject, post renovation. The contact at The Townes At River South reported achieving rents at the maximum allowable level. The property is located 1.9 miles north of the Subject in a location considered similar compared to the Subject, as the Subject’s location offers a higher median home value, median rent, and lower crime risk compared to The Townes At River South. The Townes At River South offers balconies/patios, central air conditioning, walk-in closets, and disposals, all of which the Subject lacks. On balance, we believe the in-unit and property amenity packages offered by The Townes At River South to be slightly superior and similar relative to the Subject, respectively. The Townes At River South offers superior two, three, and four-bedroom units compared to the Subject. Overall, once renovations are completed, the Subject will be slightly inferior to The Townes at River South.

The Subject is considered inferior and slightly inferior to the most comparable LIHTC properties analyzed above. However, the LIHTC rents at the 50 percent of the AMI offer an advantage over our achievable market rents. As mentioned previously, we have utilized Graystone Place Apartments as a comparable property, as we believe the rents being achieved at this property are relevant to the Subject given its proximity to the

property. However, this comparable offers slightly inferior amenities, and unit sizes when compared to the Subject. Furthermore, the strong occupancy at this property points to the feasibility of the Subject neighborhood to sustain affordable housing at higher AMI levels. Therefore, we believe the Subject will be able to achieve the maximum allowable rents at 50 percent of AMI.

Achievable Market Rents

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
2BR / 1BA	@50% (PBRA)	\$936	\$775	\$2,000	\$1,162	\$1,100	15%
3BR / 1BA	@50% (PBRA)	\$1,081	\$895	\$2,330	\$1,413	\$1,500	28%
4BR / 1.5BA	@50% (PBRA)	\$1,207	\$1,420	\$1,420	\$1,420	\$1,625	26%
5BR / 1.5BA	@50% (PBRA)	\$1,331	\$0	\$0	\$0	\$1,700	22%

The Subject’s proposed LIHTC rents at all AMI levels are below the achievable market rents and offer an advantage of 15 to 28 percent over the achievable market rents. The Subject will be considered most similar to Meadowbrook Apartments and Laurel Pines Apartments.

Meadowbrook Apartments is a 477-unit, development located 3.0 miles south of the Subject site, in a neighborhood considered superior relative to the Subject's location. The property was built in 1971, and currently exhibits slightly inferior condition relative to the Subject, which was built in 1980 and will be newly renovated. Meadowbrook Apartments offers balconies/patios, central air conditioning, disposals, on-site management, and a swimming pool, all of which the proposed Subject will lack. However, the Subject will offer basketball courts, which is not provided by Meadowbrook Apartments. The in-unit and property amenity packages offered by Meadowbrook Apartments are both considered superior relative to the Subject's amenities. In overall terms, we believe the Subject will be a similar product relative to the Meadowbrook Apartments. The manager at Meadowbrook Apartments reported a low vacancy rate of 2.1 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with Meadowbrook Apartments.

SUBJECT COMPARISON TO MEADOWBROOK APARTMENTS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Meadowbrook Apartments Rent	Square Feet	Meadowbrook Apartments RPSF
2BR / 1BA	\$1,100	834	\$1.32	\$852	812	\$1.05
3BR / 1BA	\$1,500	933	\$1.61	\$1,271	1,536	\$0.83
4BR / 1.5BA	\$1,625	1,204	\$1.35	\$1,356	1,276	\$1.06
5BR / 1.5BA	\$1,700	1,230	\$1.38	-	-	-

American Tobacco Center is a 157-unit, midrise elevator-serviced development located 2.9 miles north of the Subject site, in a neighborhood considered superior relative to the Subject's location. This property was constructed in 1912 and renovated in 2005. We consider the condition of this property similar relative to the Subject, which was built in 1980 and will be newly renovated. The manager at American Tobacco Center reported a low vacancy rate of 1.9 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with American Tobacco Center. American Tobacco Center offers

balconies/patios, central air conditioning, disposals, exterior storage, vaulted ceilings, fireplaces, in-unit washer/dryers, on-site management, community room, exercise facility and a swimming pool, all of which the proposed Subject will lack. However, the Subject will offer basketball courts, which is not provided by American Tobacco Center. The in-unit and property amenity packages offered by American Tobacco Center are both considered superior relative to the Subject's amenities. In overall terms, we believe the Subject will be a inferior product relative to the American Tobacco Center. The manager at American Tobacco Center reported a low vacancy rate of 1.9 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with American Tobacco Center.

SUBJECT COMPARISON TO AMERICAN TOBACCO CENTER

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	American Tobacco Center Rent	Square Feet	American Tobacco Center RPSF
2BR / 1BA	\$1,100	834	\$1.32	\$1,687	1,019	\$1.66
3BR / 1BA	\$1,500	933	\$1.61	\$2,459	1,209	\$2.03

To supplement the lack of available market rate data in the market, we have included classified listings for four and five-bedroom units in the area. These are included in the following table.

CLASSIFIED LISTINGS

Unit Type	Building Type	Location	Rent	Size (SF)	Rent PSF	Notes
4BR						
4br/2ba	Single-family	1513 Porter Street	\$1,695	3,070	\$0.55	Good condition, off-street parking, no utilities included
4br/1ba	Single-family	4421 Stonewall Avenue	\$1,650	1,500	\$1.10	Good condition, no utilities included
4br/1ba	Single-family	5115 Forest Hill Avenue	\$1,500	1,200	\$1.25	Good condition, garage parking, no utilities included
Average			\$1,615	1,923	\$0.97	
5BR						
5br/3ba	Single-family	2130 Holding Pond Lane	\$1,795	2,400	\$0.75	Good condition, garage parking, fireplace, no utilities included
5br/1ba	Single-family	1607 Gunn Street	\$1,495	1,600	\$0.93	Average condition, fireplace, no utilities included
5br/2ba	Single-family	1609 West Carry Street	\$2,500	1,640	\$1.52	Good condition, no utilities included
Average			\$1,930	1,880	\$1.07	

Source: Zillow, Hotpads, March 2019

As illustrated in the previous table, the average four and five-bedroom units for single-family home rentals in the Subject's area are above the Subject's achievable market rents. A majority of these properties offer good condition, garage parking, and fireplaces, and private backyards. Overall, we believe the Subject's achievable market rents for its four and five-bedroom are below the surveyed classified listings.

Summary Evaluation

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. Strengths of the Subject will include its good condition. Weaknesses include its small unit sizes and limited amenities package. However, the market exhibits strong demand for affordable housing, with vacancy rates ranging from zero to 1.0 percent among the LIHTC units. The majority of the LIHTC comparables reported extensive waiting lists. Vacancy at the Subject is expected to be no more than three percent over the long term. Based on the comparable data, we believe the proposed LIHTC rental rates are achievable. The Subject will continue to be well-accepted in the market as a LIHTC property.

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

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

Introduction

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

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

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

Capture Rate Determination

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

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

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

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

The Subject property is located in the Bellemeade neighborhood of Richmond, Virginia. The PMA is generally defined as Interstate 66 and Washington Boulevard to the north, Arlington Boulevard and South Washington Boulevard to the east, Columbia Pike to the south, and Leesburg Pike to the west. This area was defined based on interviews with local market participants and local property managers. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries.

Demographic Information

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

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

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

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who have reached the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data that includes only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Richmond, VA
AMI for four person household:	\$83,200
Tenancy (Family vs Senior):	Family
Affordability percentage:	35 percent
Leakage:	10 percent

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

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	
	Minimum Allowable Income	Maximum Allowable Income
	@50% (Project Based Rental Assistance - PBRA)	
2BR	\$0	\$37,450
3BR	\$0	\$44,950
4BR	\$0	\$48,300
5BR	\$0	\$51,600

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	
	Minimum Allowable Income	Maximum Allowable Income
	@50%	
2BR	\$32,091	\$37,450
3BR	\$37,063	\$44,950
4BR	\$41,383	\$48,300
5BR	\$45,634	\$51,600

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

RENTER HOUSEHOLD INCOME

Income Cohort	PMA					
	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,568	18.0%	1,521	16.7%	-9	-0.6%
\$10,000-19,999	1,544	17.7%	1,529	16.8%	-3	-0.2%
\$20,000-29,999	1,579	18.1%	1,524	16.8%	-11	-0.7%
\$30,000-39,999	1,114	12.8%	1,115	12.3%	0	0.0%
\$40,000-49,999	1,014	11.6%	1,059	11.7%	9	0.9%
\$50,000-59,999	607	7.0%	669	7.4%	12	2.0%
\$60,000-74,999	421	4.8%	559	6.2%	28	6.6%
\$75,000-99,999	450	5.2%	523	5.8%	15	3.2%
\$100,000-124,999	150	1.7%	184	2.0%	7	4.5%
\$125,000-149,999	105	1.2%	152	1.7%	9	9.0%
\$150,000-199,999	66	0.8%	92	1.0%	5	7.9%
\$200,000+	94	1.1%	154	1.7%	12	12.8%
Total	8,712	100.0%	9,081	100.0%		

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

Step Three – Income Distribution

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

FAMILY INCOME DISTRIBUTION 2018 - AS PROPOSED

Income Cohort	Total Renter Households	@50% (Project Based Rental Assistance - PBRA)		
		cohort	% in	# in
\$0-9,999	1,568	9,999	100.0%	1,568
\$10,000-19,999	1,544	9,999	100.0%	1,544
\$20,000-29,999	1,579	9,999	100.0%	1,579
\$30,000-39,999	1,114	9,999	100.0%	1,114
\$40,000-49,999	1,014	9,999	100.0%	1,014
\$50,000-59,999	607	1,601	16.0%	97
\$60,000-74,999	421			
\$75,000-99,999	450			
\$100,000-124,999	150			
\$125,000-149,999	105			
\$150,000-199,999	66			
\$200,000+	94			
Total	8,712		79.4%	6,916

FAMILY INCOME DISTRIBUTION 2018 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@50%		
		cohort	% in	# in
\$0-9,999	1,568			
\$10,000-19,999	1,544			
\$20,000-29,999	1,579			
\$30,000-39,999	1,114	7,907	79.1%	881
\$40,000-49,999	1,014	9,999	100.0%	1,014
\$50,000-59,999	607	1,601	16.0%	97
\$60,000-74,999	421			
\$75,000-99,999	450			
\$100,000-124,999	150			
\$125,000-149,999	105			
\$150,000-199,999	66			
\$200,000+	94			
Total	8,712		22.9%	1,992

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

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

Step Five – Unit Size Appropriate

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

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

HOUSEHOLD DISTRIBUTION		
1 BR	90%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
2 BR	10%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	60%	Of three-person households in 2BR units
	30%	Of four-person households in 2BR units
3 BR	40%	Of three-person households in 3BR units
	40%	Of four-person households in 3BR units
	25%	Of five-person households in 3BR units
4 BR	30%	Of four-person households in 4BR units
	25%	Of five-person households in 4BR units
5 BR	50%	Of five-person households in 5BR units

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

Step Six – Capture Rate by Bedroom Mix

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

CAPTURE RATE ANALYSIS BY UNIT TYPE

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

50 Percent of AMI Demand – As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	38.6%	3,366
2 persons	25.9%	2,253
3 persons	15.2%	1,323
4 persons	9.8%	850
5+ persons	10.6%	920
Total	100.0%	8,712

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,366	x	2,672
2 persons	2,253	x	1,789
3 persons	1,323	x	1,050
4 persons	850	x	675
5+ persons	920	x	730
Total	8,712		6,916

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	2,531
3BR	873
4BR	385
5BR	365
Total	4,154

Capture Rate Analysis - @50% (Project Based Rental Assistance - PBRA) - As Proposed

	Developer's Unit Mix	Capture Rate
2BR	18	0.71%
3BR	14	1.60%
4BR	7	1.82%
5BR	1	0.27%
Total/Overall	40	0.96%

Adjusted for Leakage from Outside of the PMA

10%

2BR	18	0.64%
3BR	14	1.44%
4BR	7	1.64%
5BR	1	0.25%
Total/Overall	40	0.87%

50 Percent of AMI Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	38.6%	3,366
2 persons	25.9%	2,253
3 persons	15.2%	1,323
4 persons	9.8%	850
5+ persons	10.6%	920
Total	100.0%	8,712

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,366	x 22.9%	770
2 persons	2,253	x 22.9%	515
3 persons	1,323	x 22.9%	303
4 persons	850	x 22.9%	194
5+ persons	920	x 22.9%	210
Total	8,712		1,992

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	729
3BR	251
4BR	111
5BR	105
Total	1,196

Capture Rate Analysis - @50% Absent Subsidy

	Developer's Unit Mix	Capture Rate
2BR	18	2.47%
3BR	14	5.57%
4BR	7	6.31%
5BR	1	0.95%
Total/Overall	40	3.34%

Adjusted for Leakage from Outside of the PMA

10%

2BR	18	2.22%
3BR	14	5.01%
4BR	7	5.68%
5BR	1	0.86%
Total/Overall	40	3.01%

ANNUAL CAPTURE RATE ANALYSIS

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

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

Population/Household Change

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

Additions to Supply

According to the Virginia Housing Development Authority, between 2016 and January 2019, there have been four projects allocated tax credits within the PMA. The details on these properties are presented below.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units
American Tobacco Lofts	2016	LIHTC	Family	291	0
Belt Atlantic	2018	LIHTC	Family	214	0
New Manchester Flats	2018	LIHTC	Family	104	52
SPA Lofts	2018	LIHTC	Family	139	139
				748	191

Source: Virginia Housing Development Authority, February 2019

- American Tobacco Lofts was allocated tax credits in 2016, for the acquisition and rehab of American Tobacco Lofts. The construction of the property is a \$60 million conversion of the American Tobacco Center and the development of a total of 291 apartments in in two phases. The first phase of 135 apartments is currently under construction. The second Phase of the remaining 156 units are expected to be completed in mid-2020. The units are restricted to families earning 60 percent or less of AMI and 23 of the units are set aside for artists. Due to the property not offering competitive AMI levels to the Subject, we have not deducted these units from our *Demand* analysis.
- Belt Atlantic was allocated tax credits in 2018. The property is currently known as Midlothian Village Apartments, which will undergo a \$9.7 million renovation and a name change. The property currently offers 214 project based subsidized units and the subsidy is expected to continue post renovation. A development scope or timeline was not available. Since the Midlothian Village is currently built and stabilized we have not deducted the properties units from our *Demand* analysis.
- New Manchester Flats was allocated tax credits in 2018 for the development of an additional phase of the existing Manchester Flats mixed-use project. Manchester Flats is an existing mixed-tenancy property offering 172 units for families earning between 40 and 60 percent of AMI, as well as market rate units. The developer was allocated tax credits 2018 for the development of an additional 104 units on parcel of land across the street from the current location. The property is currently under construction with expected completion in April 2019. A detailed scope of the properties unit mix has not been made available at this time. However, the plans call for a four-story building with one and two-bedroom units. Due to the property offering two-bedroom units, we have considered these units to be competitive with the Subject. We estimate that half of the proposed units at this property will be two-bedroom units, and thus competitive with the Subject.

- SPA Lofts was allocated tax credits in 2018 for the development of 139 LIHTC units. At the time of this report no additional details on unit mix or renovation timeline were made available. We assumed all 139 units at SPA Lofts will be restricted to tenants earning 50 percent of AMI and deducted these units from our *Demand* analysis.

Therefore, we removed 191 under construction units that are expected to be competitive with the Subject from our *Demand Analysis*.

Annual Demand Table – As Proposed

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2018		8,712
Increase in Number of Renter Households		369
Number of Renter Households in 2023		9,081
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		60.9%
Percentage of Income-Qualified Renter Households		79.4%
Number of Income-Qualified Renter Households		6,916
Percentage of Rent-Overburdened		48.8%
Existing Income-Qualified Renter Household Turnover		3,374
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		74
Percentage of Income-Qualified Renter Households		79.4%
New Rental Income Qualified Households		59
<i>Capture Rate Analysis</i>		
Number of Units in Subject		40
Occupied Units at Subject With Vacancy of:	5%	38
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		3,433
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		3,814
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	1,110	
Total Demand after Competition (Turnover and Growth)		3,415
Yielded Annual Capture Rate of Available Demand in 2019		1.1%

The yielded capture rate is approximately 1.1 percent of available demand per annum, for the Subject’s units as proposed, which is low and indicative of strong demand.

Annual Demand Table – Absent Subsidy

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2018		8,712
Increase in Number of Renter Households		369
Number of Renter Households in 2023		9,081
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		60.9%
Percentage of Income-Qualified Renter Households		22.9%
Number of Income-Qualified Renter Households		1,992
Percentage of Rent-Overburdened		48.8%
Existing Income-Qualified Renter Household Turnover		972
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		74
Percentage of Income-Qualified Renter Households		22.9%
New Rental Income Qualified Households		17
<i>Capture Rate Analysis</i>		
Number of Units in Subject		40
Occupied Units at Subject With Vacancy of:	5%	38
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		989
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		1,099
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	790	
Total Demand after Competition (Turnover and Growth)		700
Yielded Annual Capture Rate of Available Demand in 2019		5.4%

The yielded capture rate is approximately 5.4 percent of available demand per annum, for the Subject’s units absent the subsidy, which is low and indicative of strong demand. It should be noted this analysis is hypothetical as the Subject is subsidized.

VHDA DEMAND ANALYSIS

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

There are currently eight vacant income restricted units among the affordable inventory in the PMA that are competitive with the Subject. The three vacant units at Southpointe Landing and the one vacant unit at New Manchester Flats are restricted at the 60 percent AMI level. The two vacant units at City View Place is restricted at the 50 percent AMI level, similar to the Subject. Belle Summit and Imani Mews both reported one vacant unit at the 50 percent of AMI level. The following table details the AMI distribution of the planned developments and developments currently under construction, as well as vacant units, in the PMA.

AMI DISTRIBUTION FOR PLANNED DEVELOPMENTS AND VACANT UNITS

Property Name	40% AMI Units	50% AMI Units	60% AMI Units	Total Unit
Planned and Under Construction				
American Tobacco Lofts	0	0	291	291
Belt Atlantic	0	0	0	214
New Manchester Flats	0	52	0	104
SPA Lofts	0	139	0	139
Vacant Units				
City View Place	0	2	n/a	32
Belle Summit	0	1	n/a	50
Southpointe Landing	n/a	0	3	192
The Townes At River South	n/a	0	n/a	161
Village South Townhomes	n/a	0	n/a	121
Imani Mews	0	1	n/a	68
New Manchester Flats	0	0	1	41
Total	0	4	4	665

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

Income Restrictions	Up to 50% absent subsidy (min. income to max	Up to 50% with subsidy (min. income to max
New Rental Households	84	293
+		
Existing Households - Overburdened	972	3,374
+		
Existing Households -Substandard Housing	6	9
+		
Senior Households - Likely to Covert to Rental Housing	n/a	n/a
+		
Qualified Tenants- To Remain After Renovation	37	37
TOTAL DEMAND	1,099	3,713
-		
Supply (includes directly comparable vacant units or in pipeline in PMA)	195	195
NET DEMAND	904	3,518
PROPOSED UNITS	37	37
CAPTURE RATE	4.1%	1.1%
ABSORPTION PERIOD	2 months	2 months

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

Project Wide Capture Rate- LIHTC Units As Proposed	1.1%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	4.1%
Project Wide Absorption Period (Months) As Proposed	2 months
Project Wide Absorption Period (Months) Absent Subsidy	2 months

*These figures include 37 subsidized units. For the purposes of this analysis, we have assumed these units will not operate with subsidy.

Capture Rate and VHDA Conclusion

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units is 1.1 percent as proposed and 4.1 percent absent subsidy.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a

far more conservative annual capture rate. This annual Novoco capture rate is 1.1 percent as proposed and 3.6 percent absent subsidy for the first year of operation as a LIHTC property. This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 3,415 units of demand in the first year of the Subject’s operation as proposed and approximately 700 units of demand in the first year of the Subject’s operation absent subsidy. The Subject’s units will need to accommodate 38 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate- LIHTC Units As Proposed	1.1%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	4.1%
Project Wide Absorption Period (Months) As Proposed	2 months
Project Wide Absorption Period (Months) Absent Subsidy	2 months

*These figures include 37 subsidized units. For the purposes of this analysis, we have assumed these units will not operate with subsidy.

This is a low capture rate and indicative of ample demand for the Subject. It should be noted this analysis is hypothetical as the Subject is subsidized.

PENETRATION RATE ANALYSIS

Per VHDA guidelines, we also performed a penetration rate analysis for the Subject’s units as proposed and absent subsidy, as illustrated in the following tables.

PENETRATION RATE - As Proposed	
Number of Proposed Competitive Affordable Units in the PMA	191
	+
Number of Existing Competitive Family Affordable Units in the PMA	1,110
	+
Number of Proposed Affordable Units at the Subject	40
	=
Total	1,341
	/
Income Eligible Households - All AMI Levels	6,916
	=
Overall Penetration Rate - Market Focus (NCHMA)	19.4%

PENETRATION RATE - Absent Subsidy	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	191
	+
Number of Existing Competitive Family <i>LIHTC</i> Units in the PMA	790
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	40
	=
Total	1,021
	/
Income Eligible Households - All AMI Levels	1,992
	=
Overall Penetration Rate - Market Focus (NCHMA)	51.3%

The overall penetration rate is derived by taking the number of *LIHTC* units proposed or under construction within the PMA, combined with the number of existing *LIHTC* units, and the number of the Subject’s units divided by the number of income eligible households.

Existing affordable housing projects in the PMA will not be adversely affected by the proposed renovations of the Subject property. A survey of comparable affordable *LIHTC* rental housing developments in the area demonstrates significant demand for quality rental units. The following table illustrates the *LIHTC* properties within the PMA that offer similar unit types and AMI levels, and are family oriented.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive 2br-5br <i>LIHTC</i> Units @50%	Competitive 2br-5br Subsidized Units
Midlothian Village Apts	Section 8	Family	216	0	216
Lafayette Gardens	<i>LIHTC</i>	Family	104	96	0
James River Apartments	Section 8	Family	104	0	104
Chicago Manor	<i>LIHTC</i>	Family	74	0	0
Norcroft	<i>LIHTC</i>	Senior	109	0	0
Dunston Manor	<i>LIHTC</i>	Family	102	0	0
Maury Park	<i>LIHTC</i>	Senior	45	0	0
Village South Townhomes	<i>LIHTC</i>	Family	121	121	0
Swansboro Apts	<i>LIHTC</i>	Family	62	0	0
Imani Mews	<i>LIHTC</i>	Family	148	54	0
New Manchester Flats	<i>LIHTC</i>	Family	172	0	0
City View Place	<i>LIHTC</i>	Family	32	28	0
Belle Summit	<i>LIHTC</i>	Family	50	36	0
Miller Lofts	<i>LIHTC</i>	Family	197	0	0
Graystone Place Apartments*	<i>LIHTC</i>	Family	135	0	0
The Townes At River South*	<i>LIHTC</i>	Family	161	161	0
Highland Grove	<i>LIHTC</i>	Family	128	71	0
Lincoln Mews Apartments	<i>LIHTC</i>	Family	245	157	0
Southpointe Landing	<i>LIHTC</i>	Family	192	66	0
Totals			2,397	790	320

*Comparable Property

We were able to obtain absorption information for four properties located within Richmond. The surveyed comparable properties were not able to report absorption information.

ABSORPTION

Property Name	City	Rent	Year	Total Units	Absorption
The Village At Westlake	Richmond	Market	2018	252	42
The Lofty	Richmond	Market	2015	33	7
Hatcher Tobacco Flats	Richmond	LIHTC	2015	152	43
Shockoe Valley View Apartments	Richmond	Market	2014	238	30

The comparable absorption comparables reported absorption rates ranging from seven to 42 units, averaging 30 units per month. The Subject is currently fully occupied and renovations will occur with tenants in place. If the Subject were hypothetically vacant, we estimate the Subject as proposed will experience an absorption rate of 20 units per month, indicating an absorption period of two months. Absent subsidy, we estimate the Subject would experience an absorption rate of 15 units per month, indicating an absorption period of two to three months.

Rent conclusions were provided in Section H.

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

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

INTERVIEWS

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

Richmond Housing Authority

According to Ms. Grubb with the Housing Choice Voucher program at the Richmond Redevelopment and Housing Authority, there are approximately 3,273 vouchers allotted to the Richmond area. Ms. Grubb was unable to provide the number of Housing Choice Vouchers that have been issued but reported that the waiting list has been closed since April 2005. Ms. Grubb reported that there is high demand for affordable housing in Richmond. There are no plans to reopen the waiting list in the near future. The current payment standards are as follows:

PAYMENT STANDARDS	
Unit Type	Standard
Two-Bedroom	\$1,067
Three-Bedroom	\$1,421

Source: Richmond Housing Authority, effective January 2017

All of the Subject’s units benefit from the Section 8 contract and tenants will continue to pay 30 percent of their income towards rent and vouchers will not be necessary for these units.

Planning Discussion

The following table illustrates proposed and under construction multifamily developments in the PMA according to Costar.

PLANNED DEVELOPMENT					
Property Name	Rent Structure	Tenancy	Total Units	Construction Status	Distance to Subject
1406 Bainbridge St	Market	Family	9	Proposed	1.9 miles
4800 Forest Hill Ave	Market	Family	16	Under Construction	3.4 miles
Building A	Market	Family	13	Under Construction	2.2 miles
Building B	Market	Family	11	Under Construction	2.2 miles
Building C	Market	Family	13	Under Construction	2.2 miles
Building D	Market	Family	104	Under Construction	2.2 miles
Building E	Market	Family	20	Under Construction	2.2 miles
Manchester on the James	Market	Family	200	Proposed	2.3 miles
Manchester Park	Market	Family	33	Under Construction	2.2 miles
Muse Apartments	Market	Family	47	Proposed	2.2 miles
New Manchester Lofts	Market	Family	104	Proposed	1.8 miles
Port City - Phase 1	Market	Family	135	Under Construction	1.2 miles
Port RVA Phase II	Market	Family	102	Proposed	2.2 miles
South Falls	Market	Family	481	Proposed	2.4 miles
Totals			1,732		

Source: CoStar, February 2019

According to Costar, there are 14 proposed or under construction multifamily developments in the PMA. All of these properties are market rate units, and we do not expect them to be competitive with the Subject. As seen previously, the vacancy rate in the submarket is currently at 5.5 percent. The vacancy rate is expected to increase to 6.8 percent over the next five years, as net deliveries are expected to increase. However, as seen in the table above, a majority of the properties coming online are market rate properties, and will target higher household incomes when compared to the Subject.

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

According to the Virginia Housing Development Authority, between 2016 and January 2019, there have been four projects allocated tax credits within the PMA. The details on these properties are presented below.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units
American Tobacco Lofts	2016	LIHTC	Family	291	0
Belt Atlantic	2018	LIHTC	Family	214	0
New Manchester Flats	2018	LIHTC	Family	104	52
SPA Lofts	2018	LIHTC	Family	139	139
				748	191

Source: Virginia Housing Development Authority, February 2019

- American Tobacco Lofts was allocated tax credits in 2016, for the acquisition and rehab of American Tobacco Lofts. The construction of the property is a \$60 million conversion of the American Tobacco Center and the development of a total of 291 apartments in in two phases. The first phase of 135 apartments is currently under construction. The second Phase of the remaining 156 units are expected to be completed in mid-2020. The units are restricted to families earning 60 percent or less of AMI and 23 of the units are set aside for artists. Due to the property not offering competitive AMI levels to the Subject, we have not deducted these units from our *Demand* analysis.
- Belt Atlantic was allocated tax credits in 2018. The property is currently known as Midlothian Village Apartments, which will undergo a \$9.7 million renovation and a name change. The property currently offers 214 project based subsidized units and the subsidy is expected to continue post renovation. A development scope or timeline was not available. Since the Midlothian Village is currently built and stabilized we have not deducted the properties units from our *Demand* analysis.
- New Manchester Flats was allocated tax credits in 2018 for the development of an additional phase of the existing Manchester Flats mixed-use project. Manchester Flats is an existing mixed-tenancy property offering 172 units for families earning between 40 and 60 percent of AMI, as well as market rate units. The developer was allocated tax credits 2018 for the development of an additional 104 units on parcel of land across the street from the current location. The property is currently under construction with expected completion in April 2019. A detailed scope of the properties unit mix has not been made available at this time. However, the plans call for a four-story building with one and two-bedroom units. Due to the property offering two-bedroom units, we have considered these units to be competitive with the Subject. We estimate that half of the proposed units at this property will be two-bedroom units, and thus competitive with the Subject.
- SPA Lofts was allocated tax credits in 2018 for the development of 139 LIHTC units. At the time of this report no additional details on unit mix or renovation timeline were made available. We assumed all 139 units at SPA Lofts will be restricted to tenants earning 50 percent of AMI and deducted these units from our *Demand* analysis.

Therefore, we removed 191 under construction units that are expected to be competitive with the Subject from our *Demand Analysis*.

K. ANALYSIS/CONCLUSIONS

Recommendations

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

Demand Summary

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

Project Wide Capture Rate- LIHTC Units As Proposed	1.1%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	4.1%
Project Wide Absorption Period (Months) As Proposed	2 months
Project Wide Absorption Period (Months) Absent Subsidy	2 months

*These figures include 37 subsidized units. For the purposes of this analysis, we have assumed these units will not operate with subsidy.

Additionally, the overall penetration rate for the Subject is 6.7 percent as proposed and 67.9 percent absent subsidy. It should be noted that the penetration rate analysis we have derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). Overall, the derived penetration rate for the Subject is considered reasonable.

Strengths and Weaknesses of the Subject

Strengths

- The Subject will be in good condition once renovated.
- The vacancy rate for the LIHTC/mixed income comparable properties is 1.0 percent and for the market rate comparables in 4.3 percent. As of the rent roll dated February 13, 2019, the Subject is 98.5 percent occupied with one vacant unit. This indicates a supply-constrained demand, especially for low-income housing, which bodes well for the Subject.
- The majority of the LIHTC comparable properties reported extensive waiting lists.
- The Subject is located in close proximity to public transportation options, services, and amenities.
- The Subject has low capture rates and penetration rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject's two and three-bedroom unit sizes are below the surveyed average, but are within the comparable range. The Subject's four-bedroom unit size is below the surveyed average and is the smallest four-bedroom unit size in the market. Graystone Place Apartments and James River Villas offer similar bedroom sizes compared to the Subject. Graystone Place Apartments is currently 99 percent occupied and keeps an extensive waiting list. James River Villas is currently 97 percent occupied. We considered the Subject's unit sizes in our determination of achievable rents.
- The Subject offers limited in-unit and property amenities when compared to the comparable properties. We considered the Subject's limited amenities in our achievable rent determination.

Absorption Estimate

We were able to obtain absorption information for four properties located within Richmond. The surveyed comparable properties were not able to report absorption information.

ABSORPTION

Property Name	City	Rent	Year	Total Units	Absorption
The Village At Westlake	Richmond	Market	2018	252	42
The Lofty	Richmond	Market	2015	33	7
Hatcher Tobacco Flats	Richmond	LIHTC	2015	152	43
Shockoe Valley View Apartments	Richmond	Market	2014	238	30

The comparable absorption comparables reported absorption rates ranging from seven to 42 units, averaging 30 units per month. The Subject is currently fully occupied and renovations will occur with tenants in place. If the Subject were hypothetically vacant, we estimate the Subject as proposed will experience an absorption rate of 20 units per month, indicating an absorption period of two months. Absent subsidy, we estimate the Subject would experience an absorption rate of 15 units per month, indicating an absorption period of two to three months.

L. OTHER REQUIREMENTS

1. I have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by VHDA.
4. Neither I nor anyone at my firm has any interest in the proposed development or a relationship with the ownership entity.
5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing VHDA or in any way acting for, at the request of, or on behalf of VHDA.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.



Robert Edwards
Senior Analyst

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ADDENDUM B
Subject Property and Neighborhood Photographs

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Typical Subject building from Afton Avenue looking north



Typical Subject building from Afton Avenue looking north



Typical Subject building from Afton Avenue looking northwest



Typical Subject buildings from Afton Avenue looking north



Typical Subject buildings from interior of site



Typical Subject building



Typical Subject building



Typical Subject buildings from interior of site



Typical Subject building



Subject buildings and rear parking area



View of rear parking area looking west



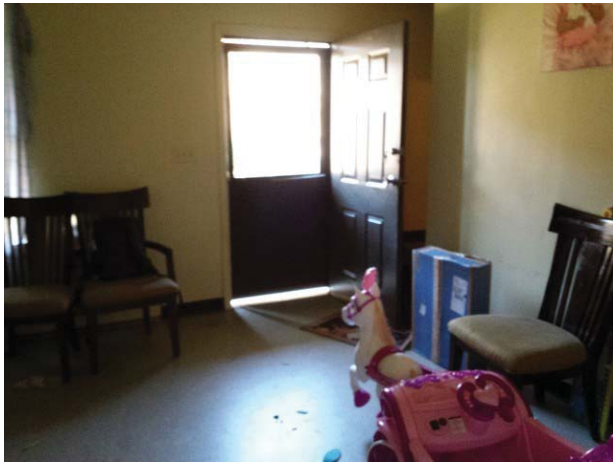
View of rear parking area looking east



Alternative view of rear parking area



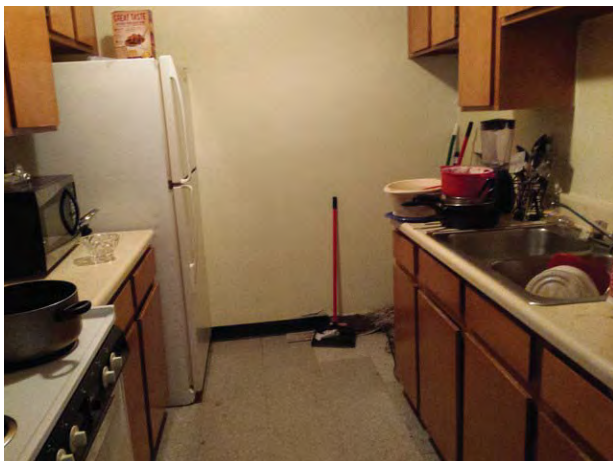
Typical building entrance area



Typical living area - occupied unit



Typical living area - vacant unit



Typical kitchen - occupied unit



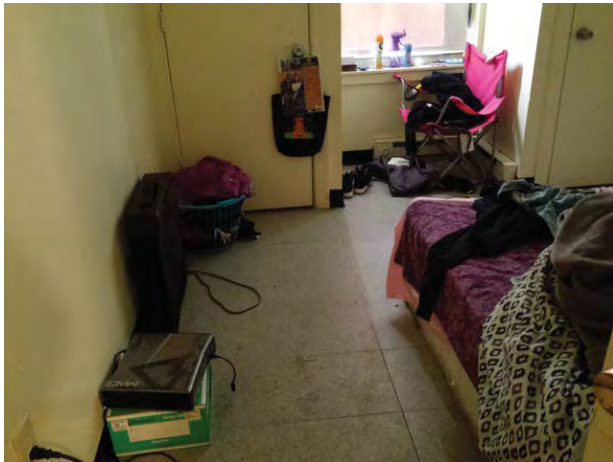
Typical kitchen - vacant unit



Typical interior stairway - vacant unit



Typical interior stairway - vacant unit



Typical bedroom - occupied unit



Typical bedroom - vacant unit



Typical bathroom - occupied unit



Typical bathroom - vacant unit



Playground area



Basketball court at the terminus of Afton Avenue



View along Afton Avenue looking east (Subject on left)



View along Afton Avenue looking east (Subject on right)



Graystone Place Apartments (LIHTC) across Afton Avenue from the Subject



Graystone Place Apartments (LIHTC) across Afton Avenue from the Subject



Graystone Place Apartments (LIHTC) across Afton Avenue from the Subject



View from Subject looking south towards Afton Avenue and Graystone Place



View from Subject's rear parking area looking north



View from Subject's rear parking area looking north



View from Subject's rear parking area looking north



View from Subject's rear parking area looking north



Single-family home north of the Subject across
Lynnhaven Avenue



Single-family home along Warwick Avenue to the
northwest of Subject



Single-family homes along Warwick Avenue to the
north of Subject



Single-family homes along Warwick Avenue to the
north of Subject



Single-family home along Warwick Avenue to the north
of Subject



Single-family home along Warwick Avenue to the north
of Subject



House or worship along Warwick Avenue to the north of Subject



Lynnhaven Avenue looking south towards Subject



Bellemeade Road one block south of the Subject looking east



Bellemeade Road one block south of the Subject looking west



Vacant retail bulding at Bellemeade Road and U.S. Route 1 (Jefferson Davis Highway)



Industrial use along U.S. Route 1 to the west of Subject



U.S. Route 1 looking north from Afton Avenue



U.S. Route 1 looking south from Afton Avenue

ADDENDUM C
Subject Matrices and Property Profiles

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Afton Avenue 2301 Afton Avenue Richmond, VA 23224 Richmond County	-	Garden 2-stories 1980 / 2019 Family	@50% (Project Based Rental Assistance - PBRA)	2BR / 1BA 3BR / 1BA 4BR / 1.5BA 5BR / 1.5BA	18 14 7 1	45.0% 35.0% 17.5% 2.5%	834 933 1,204 1,230	@50% (Project Based Rental Assistance - PBRA) @50% (Project Based Rental Assistance - PBRA) @50% (Project Based Rental Assistance - PBRA) @50% (Project Based Rental Assistance - PBRA)	\$653 \$863 \$1,053 \$1,210	N/A N/A N/A N/A	N/A N/A N/A N/A	0 1 0 0	0.0% 7.1% 0.0% 0.0%
1	Graystone Place Apartments 2394 Afton Avenue Richmond, VA 23224 Richmond City County	0.1 miles	Various 1-stories 1987 / 2004 Family	@60%	1BR / 1BA 2BR / 1BA 2BR / 1BA	20 57 58	14.8% 42.2% 43.0%	609 722 722	@60% @60% @60%	\$575 \$585 \$675	No No No	Yes Yes Yes	1 0 0	5.0% 0.0% 0.0%
						<u>135</u>							1	0.7%
2	Highland Grove 1132 Dove Street Richmond, VA 23222 Richmond County	4.9 miles	Townhouse 2-stories 2013 / n/a Family	@50%, Market	1BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2.5BA	N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A	947 1,056 1,056 1,115 1,371 1,371 1,513	@50% @50% Market @50% @50% Market @50%	\$632 \$839 \$902 \$839 \$988 \$1,128 \$988	Yes Yes N/A No Yes N/A Yes	No No N/A No No N/A No	0 0 0 0 0 0 0	N/A N/A N/A N/A N/A N/A N/A
						<u>128</u>							0	0.0%
3	Lincoln Mews Apartments 4101 North Avenue Richmond, VA 23222 Richmond City County	6.4 miles	Various 1-stories 1963 / 2010 Family	@40%, @50%, @60%	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 3BR / 1.5BA 3BR / 1.5BA 3BR / 1.5BA 3BR / 2BA 3BR / 2BA 4BR / 2BA 4BR / 2BA	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	605 605 605 800 800 746 746 893 893 893 1,178 1,178 1,507 1,507	@40% @50% @60% @40% @50% @60% @50% @40% @50% @60% @50% @60% @50% @60%	\$495 \$640 \$780 \$590 \$730 \$940 \$745 \$950 \$680 \$885 \$1,080 \$900 \$1,095 \$950 \$1,095	No No No No No No No No No No No No No No	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A
						<u>245</u>							5	2.0%
4	Southpointe Landing 6110 Crickwood Drive Richmond, VA 23234 Chesterfield County	3.4 miles	Garden 2-stories 1972 / 1988 Family	@50%, @60%	2BR / 1BA 2BR / 1BA 3BR / 1.5BA	94 66 32	49.0% 34.4% 16.7%	976 976 1,304	@50% @60% @60%	\$785 \$891 \$1,039	Yes No No	No No No	0 0 3	0.0% 0.0% 9.4%
						<u>192</u>							3	1.6%
5	The Townes At River South 214 E 9th Street Richmond, VA 23224 Richmond City County	1.9 miles	Various 2-stories 2001 / 2004 Family	@50%	2BR / 1.5BA 2BR / 1.5BA 3BR / 2.5BA 3BR / 2.5BA 4BR / 3.5BA 4BR / 3.5BA	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A	985 985 1,202 1,202 1,529 1,529	@50% @50% @50% @50% @50% @50%	\$785 \$800 \$899 \$920 \$995 \$1,020	Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0	N/A N/A N/A N/A N/A N/A
						<u>161</u>							0	0.0%
6	American Tobacco Center 119 N 20th Street Richmond, VA 23223 Richmond City County	2.9 miles	Midrise 5-stories 1912 / 2005 Family	Market	0BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 3BA	1 87 N/A N/A 64 N/A 5	0.6% 55.4% N/A N/A 40.8% N/A 3.2%	452 622 844 400 1,019 1,238 1,209	Market Market Market Market Market Market Market	\$950 \$1,150 \$1,300 \$1,000 \$1,687 \$2,087 \$2,459	N/A N/A N/A N/A N/A N/A N/A	No No No No No No No	0 1 0 0 2 0 0	0.0% 1.2% N/A N/A 3.1% N/A 0.0%
						<u>157</u>							3	1.9%
7	James River Villas 2506 Atwell Drive Richmond, VA 23234 Richmond County	0.3 miles	One-story 1-stories 1947 / 2005/2018 Family	Market	1BR / 1BA 2BR / 1BA 3BR / 1BA	21 182 21	9.4% 81.3% 9.4%	552 672 792	Market Market Market	\$675 \$862 \$1,024	N/A N/A N/A	No No No	1 5 1	4.8% 2.8% 4.8%
						<u>224</u>							7	3.1%
8	Lakefield Mews 4431 Lakefield Mews Drive Richmond, VA 23231 Henrico County	4.6 miles	Various 2-stories 1989 / 2013 Family	Market	1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1.5BA 2BR / 2.5BA 3BR / 2BA	75 8 84 134 78 16	19.0% 2.0% 21.3% 33.9% 19.8% 4.1%	644 790 852 1,220 1,154 1,334	Market Market Market Market Market Market	\$855 \$1,125 \$1,352 \$1,297 \$1,307 \$1,789	N/A N/A N/A N/A N/A N/A	No No No No No No	5 0 4 5 5 0	6.7% 0.0% 4.8% 3.7% 6.4% 0.0%
						<u>395</u>							19	4.8%
9	Meadowbrook Apartments 5314 Whetstone Road Richmond, VA 23234 Chesterfield County	3.0 miles	Various 2-stories 1971 / n/a Family	Market	1BR / 1BA 2BR / 1BA 2BR / 1.5BA 3BR / 2.5BA 4BR / 2BA	N/A N/A N/A N/A N/A	N/A N/A N/A N/A 2.9%	512 812 1,024 1,536 1,276	Market Market Market Market Market	\$792 \$852 \$890 \$1,271 \$1,356	N/A N/A N/A N/A N/A	No No No No No	2 2 2 2 2	N/A N/A N/A N/A 14.3%
						<u>477</u>							10	2.1%
10	The Villas At Oakland Chase 6416 Oak Front Court Richmond, VA 23231 Henrico County	3.1 miles	Garden 3-stories 2006 / n/a Family	Market	2BR / 2BA 3BR / 2BA	N/A N/A	N/A N/A	1,000 1,200	Market Market	\$1,020 \$1,304	N/A N/A	No No	1 0	N/A N/A
						<u>180</u>							1	0.6%
11	The Vinings At Iron Bridge 5500 Vining Drive Richmond, VA 23234 Chesterfield County	4.2 miles	Garden 3-stories 1998 / n/a Family	Market	1BR / 1BA 2BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	78 60 42 42 36	30.2% 23.3% 16.3% 16.3% 14.0%	778 971 957 1,034 1,351	Market Market Market Market Market	\$959 \$1,166 \$1,226 \$1,276 \$1,563	N/A N/A N/A N/A N/A	No No No No No	N/A N/A N/A N/A N/A	N/A N/A N/A N/A 12.8%
						<u>258</u>							33	12.8%

PROPERTY PROFILE REPORT

Graystone Place Apartments

Effective Rent Date	2/07/2019
Location	2394 Afton Avenue Richmond, VA 23224 Richmond City County
Distance	0.1 miles
Units	135
Vacant Units	1
Vacancy Rate	0.7%
Type	Various
Year Built/Renovated	1987 / 2004
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kingsley Apartments
Tenant Characteristics	Families from the local area
Contact Name	Ashley Johnson
Phone	804-658-1885



Market Information

Program	@60%
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes, five households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	20	609	\$575	\$0	@60%	Yes	1	5.0%	no	None
2	1	Townhouse (2 stories)	57	722	\$585	\$0	@60%	Yes	0	0.0%	no	None
2	1	Townhouse (2 stories)	58	722	\$675	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$575	\$0	\$575	\$0	\$575
2BR / 1BA	\$585 - \$675	\$0	\$585 - \$675	\$85	\$670 - \$760

Amenities

In-Unit	Security	Services
Blinds Central A/C Oven Carpeting Coat Closet Refrigerator	Patrol	None
Property	Premium	Other
Central Laundry Playground Off-Street Parking(\$0.00)	None	None

Graystone Place Apartments, continued

Comments

The two-bedroom units with a higher rent have a small backyard area. The contact noted overall occupancy has fluctuated sharply during the past year which is caused by delinquent accounts and evictions. A short waiting list with five applicants is maintained at this time.

Graystone Place Apartments, continued

Trend Report

Vacancy Rates

3Q16	2Q17	3Q18	1Q19
N/A	0.0%	0.0%	0.7%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$535	\$0	\$535	\$535
2017	2	0.0%	\$535	\$0	\$535	\$535
2018	3	0.0%	\$535	\$0	\$535	\$535
2019	1	5.0%	\$575	\$0	\$575	\$575

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$535 - \$590	\$0	\$535 - \$590	\$620 - \$675
2017	2	0.0%	\$565 - \$585	\$0	\$565 - \$585	\$650 - \$670
2018	3	0.0%	\$565 - \$585	\$0	\$565 - \$585	\$650 - \$670
2019	1	0.0%	\$585 - \$675	\$0	\$585 - \$675	\$670 - \$760

Trend: Comments

3Q16 N/A

2Q17 The contact reported a waiting list of two to four households, depending on the unit type. The two-bedroom units with a higher rent have a backdoor.

3Q18 The two-bedroom units with a higher rent have a backdoor.

1Q19 The two-bedroom units with a higher rent have a small backyard area. The contact noted overall occupancy has fluctuated sharply during the past year which is caused by delinquent accounts and evictions. A short waiting list with five applicants is maintained at this time.

Photos



PROPERTY PROFILE REPORT

Highland Grove

Effective Rent Date	11/14/2018
Location	1132 Dove Street Richmond, VA 23222 Richmond County
Distance	4.9 miles
Units	128
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Monique
Phone	804.477.7504



Market Information

Program	@50%, Market
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	6%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	N/A	947	\$632	\$0	@50%	No	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	1,056	\$752	\$0	@50%	No	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	1,056	\$815	\$0	Market	N/A	0	N/A	N/A	None
2	2	Townhouse (2 stories)	N/A	1,115	\$752	\$0	@50%	No	0	N/A	yes	None
3	2	Townhouse (2 stories)	N/A	1,371	\$859	\$0	@50%	No	0	N/A	yes	None
3	2	Townhouse (2 stories)	N/A	1,371	\$999	\$0	Market	N/A	0	N/A	N/A	None
3	2.5	Townhouse (2 stories)	N/A	1,513	\$859	\$0	@50%	No	0	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$632	\$0	\$632	\$0	\$632	2BR / 1.5BA	\$815	\$0	\$815	\$172	\$987
2BR / 1.5BA	\$752	\$0	\$752	\$172	\$924	3BR / 2BA	\$999	\$0	\$999	\$234	\$1,233
2BR / 2BA	\$752	\$0	\$752	\$172	\$924						
3BR / 2BA	\$859	\$0	\$859	\$234	\$1,093						
3BR / 2.5BA	\$859	\$0	\$859	\$234	\$1,093						

Highland Grove, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Off-Street Parking(\$0.00)

Exercise Facility
On-Site Management

Premium

None

Other

None

Comments

The contact had no additional comments.

Highland Grove, continued

Trend Report

Vacancy Rates

2Q15	1Q16	2Q18	4Q18
N/A	0.0%	3.1%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$550	\$0	N/A	N/A
2016	1	N/A	\$550	\$0	\$550	\$550
2018	2	N/A	\$632	\$0	\$632	\$632
2018	4	N/A	\$632	\$0	\$632	\$632

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$650	\$0	N/A	N/A
2016	1	N/A	\$650	\$0	\$650	\$822
2018	2	N/A	\$752	\$0	\$752	\$924
2018	4	N/A	\$752	\$0	\$752	\$924

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$660	\$0	N/A	N/A
2016	1	N/A	\$660	\$0	\$660	\$832
2018	2	N/A	\$752	\$0	\$752	\$924
2018	4	N/A	\$752	\$0	\$752	\$924

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$759	\$21	\$738	\$972
2016	1	N/A	\$759	\$0	\$759	\$993
2018	2	N/A	\$859	\$0	\$859	\$1,093
2018	4	N/A	\$859	\$0	\$859	\$1,093

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$750	\$21	\$729	\$963
2016	1	N/A	\$750	\$0	\$750	\$984
2018	2	N/A	\$859	\$0	\$859	\$1,093
2018	4	N/A	\$859	\$0	\$859	\$1,093

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$815	\$0	\$815	\$987
2018	4	N/A	\$815	\$0	\$815	\$987

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$999	\$0	\$999	\$1,233
2018	4	N/A	\$999	\$0	\$999	\$1,233

Trend: Comments

2Q15 N/A

1Q16 The contact could not provide absorption information. This property does accept Housing Choice Vouchers, however only five households are currently using them.

2Q18 The contact could not provide absorption information.

4Q18 The contact had no additional comments.

Photos



PROPERTY PROFILE REPORT

Lincoln Mews Apartments

Effective Rent Date	11/16/2018
Location	4101 North Avenue Richmond, VA 23222 Richmond City County
Distance	6.4 miles
Units	245
Vacant Units	5
Vacancy Rate	2.0%
Type	Various (2 stories)
Year Built/Renovated	1963 / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	North Oak, North Court Apartments
Tenant Characteristics	Mix of families and single parent households from Richmond
Contact Name	Kiki
Phone	804-321-6225



Market Information

Program	@40%, @50%, @60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	17%
Leasing Pace	Within two weeks
Annual Chg. in Rent	See notes
Concession	None
Waiting List	Yes, 5 HH

Utilities

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

Lincoln Mews Apartments, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	N/A	605	\$495	\$0	@40%	Yes	N/A	N/A	no	None
1	1	Townhouse (2 stories)	N/A	605	\$640	\$0	@50%	Yes	N/A	N/A	no	None
1	1	Townhouse (2 stories)	N/A	605	\$780	\$0	@60%	Yes	N/A	N/A	no	None
2	1	Garden (2 stories)	N/A	800	\$590	\$0	@40%	Yes	N/A	N/A	no	None
2	1	Garden (2 stories)	N/A	800	\$730	\$0	@50%	Yes	N/A	N/A	no	None
2	1	Garden (2 stories)	N/A	800	\$940	\$0	@60%	Yes	N/A	N/A	no	None
2	1.5	Townhouse (2 stories)	N/A	746	\$745	\$0	@50%	Yes	N/A	N/A	no	None
2	1.5	Townhouse (2 stories)	N/A	746	\$950	\$0	@60%	Yes	N/A	N/A	no	None
3	1.5	Townhouse (2 stories)	N/A	893	\$680	\$0	@40%	Yes	N/A	N/A	no	None
3	1.5	Townhouse (2 stories)	N/A	893	\$885	\$0	@50%	Yes	N/A	N/A	no	None
3	1.5	Townhouse (2 stories)	N/A	893	\$1,080	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Townhouse (2 stories)	N/A	1,178	\$900	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Townhouse (2 stories)	N/A	1,178	\$1,095	\$0	@60%	Yes	N/A	N/A	no	None
4	2	Townhouse (2 stories)	N/A	1,507	\$950	\$0	@50%	Yes	N/A	N/A	no	None
4	2	Townhouse (2 stories)	N/A	1,507	\$1,095	\$0	@60%	Yes	N/A	N/A	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$495	\$0	\$495	\$0	\$495	1BR / 1BA	\$640	\$0	\$640	\$0	\$640
2BR / 1BA	\$590	\$0	\$590	\$85	\$675	2BR / 1BA	\$730	\$0	\$730	\$85	\$815
3BR / 1.5BA	\$680	\$0	\$680	\$105	\$785	2BR / 1.5BA	\$745	\$0	\$745	\$85	\$830
						3BR / 1.5BA	\$885	\$0	\$885	\$105	\$990
						3BR / 2BA	\$900	\$0	\$900	\$105	\$1,005
						4BR / 2BA	\$950	\$0	\$950	\$126	\$1,076

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$780	\$0	\$780	\$0	\$780
2BR / 1BA	\$940	\$0	\$940	\$85	\$1,025
2BR / 1.5BA	\$950	\$0	\$950	\$85	\$1,035
3BR / 1.5BA	\$1,080	\$0	\$1,080	\$105	\$1,185
3BR / 2BA	\$1,095	\$0	\$1,095	\$105	\$1,200
4BR / 2BA	\$1,095	\$0	\$1,095	\$126	\$1,221

Amenities

In-Unit

Balcony/Patio
Carpeting
Oven

Blinds
Central A/C
Refrigerator

Security

Patrol

Services

Afterschool Program
Tutoring

Property

Central Laundry
On-Site Management

Off-Street Parking(\$0.00)
Playground

Premium

None

Other

Community Center

Comments

The contact was unable to provide vacancy or wait list by bedroom type but stated they currently have five households on their wait list. Rents increased approximately three to seven percent at the beginning of 2018.

Lincoln Mews Apartments, continued

Trend Report

Vacancy Rates

1Q14	2Q15	2Q18	4Q18
6.9%	8.2%	4.1%	2.0%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$495	\$0	\$495	\$495
2018	4	N/A	\$495	\$0	\$495	\$495

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$590	\$0	\$590	\$675
2018	4	N/A	\$590	\$0	\$590	\$675

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$680	\$0	\$680	\$785
2018	4	N/A	\$680	\$0	\$680	\$785

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$560	\$8	\$552	\$552
2015	2	N/A	\$600	\$0	\$600	\$600
2018	2	N/A	\$640	\$0	\$640	\$640
2018	4	N/A	\$640	\$0	\$640	\$640

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$635	\$8	\$627	\$712
2015	2	N/A	\$665	\$0	\$665	\$750
2018	2	N/A	\$745	\$0	\$745	\$830
2018	4	N/A	\$745	\$0	\$745	\$830

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$625	\$8	\$617	\$702
2015	2	N/A	\$650	\$0	\$650	\$735
2018	2	N/A	\$730	\$0	\$730	\$815
2018	4	N/A	\$730	\$0	\$730	\$815

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$785	\$8	\$777	\$882
2015	2	N/A	\$800	\$0	\$800	\$905
2018	2	N/A	\$885	\$0	\$885	\$990
2018	4	N/A	\$885	\$0	\$885	\$990

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$835	\$8	\$827	\$932
2015	2	N/A	\$850	\$0	\$850	\$955
2018	2	N/A	\$900	\$0	\$900	\$1,005
2018	4	N/A	\$900	\$0	\$900	\$1,005

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$925	\$8	\$917	\$1,043
2015	2	N/A	\$950	\$0	\$950	\$1,076
2018	2	N/A	\$950	\$0	\$950	\$1,076
2018	4	N/A	\$950	\$0	\$950	\$1,076

Lincoln Mews Apartments, continued

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$585	\$8	\$577	\$577
2015	2	N/A	\$675	\$0	\$675	\$675
2018	2	N/A	\$780	\$0	\$780	\$780
2018	4	N/A	\$780	\$0	\$780	\$780

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$660	\$8	\$652	\$737
2015	2	N/A	\$695	\$0	\$695	\$780
2018	2	N/A	\$950	\$0	\$950	\$1,035
2018	4	N/A	\$950	\$0	\$950	\$1,035

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$650	\$8	\$642	\$727
2015	2	N/A	\$685	\$0	\$685	\$770
2018	2	N/A	\$940	\$0	\$940	\$1,025
2018	4	N/A	\$940	\$0	\$940	\$1,025

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$850	\$8	\$842	\$947
2015	2	N/A	\$865	\$0	\$865	\$970
2018	2	N/A	\$1,080	\$0	\$1,080	\$1,185
2018	4	N/A	\$1,080	\$0	\$1,080	\$1,185

3BR / 1BA

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

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$950	\$8	\$942	\$1,047
2015	2	N/A	\$950	\$0	\$950	\$1,055
2018	2	N/A	\$1,095	\$0	\$1,095	\$1,200
2018	4	N/A	\$1,095	\$0	\$1,095	\$1,200

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$960	\$8	\$952	\$1,078
2015	2	N/A	\$1,000	\$0	\$1,000	\$1,126
2018	2	N/A	\$1,095	\$0	\$1,095	\$1,221
2018	4	N/A	\$1,095	\$0	\$1,095	\$1,221

Trend: Comments

1Q14	The property manager acknowledged that the vacancy rate was slightly elevated, and hopes that the current concession will decrease the vacancy rate soon.
2Q15	The contact reported most of the vacancies are concentrated in the two- and three-bedroom units. She noted occupancy has ranged from 90 to 94 percent during the past year.
2Q18	The contact was unable to provide vacancy or wait list by bedroom type but stated they currently have five households on their wait list.
4Q18	The contact was unable to provide vacancy or wait list by bedroom type but stated they currently have five households on their wait list. Rents increased approximately three to seven percent at the beginning of 2018.

Photos



PROPERTY PROFILE REPORT

Southpointe Landing

Effective Rent Date	2/25/2019
Location	6110 Cricklewood Drive Richmond, VA 23234 Chesterfield County
Distance	3.4 miles
Units	192
Vacant Units	3
Vacancy Rate	1.6%
Type	Garden (2 stories)
Year Built/Renovated	1972 / 1988
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Meadow Brook, Regency Lake.
Tenant Characteristics	N/A
Contact Name	Kris
Phone	804-271-6324



Market Information

Program	@50%, @60%
Annual Turnover Rate	38%
Units/Month Absorbed	N/A
HCV Tenants	13%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 1-4%
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	94	976	\$785	\$0	@50%	No	0	0.0%	yes	None
2	1	Garden (2 stories)	66	976	\$891	\$0	@60%	No	0	0.0%	no	None
3	1.5	Garden (2 stories)	32	1,304	\$1,039	\$0	@60%	No	3	9.4%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$785	\$0	\$785	\$85	\$870	2BR / 1BA	\$891	\$0	\$891	\$85	\$976
						3BR / 1.5BA	\$1,039	\$0	\$1,039	\$105	\$1,144

Southpointe Landing, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Oven
Washer/Dryer

Carpeting
Coat Closet
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Clubhouse/Meeting Room/Community
On-Site Management
Swimming Pool

Off-Street Parking(\$0.00)
Picnic Area

Premium

None

Other

None

Comments

The manager reported that the property maintains a waiting list at times, but currently does not. The manager reported that the elevated turnover rate is due primarily to evictions, and that the property typically does not have trouble filling vacant units. Washers and dryers are available for rent at a rate of \$40 per month.

Southpointe Landing, continued

Trend Report

Vacancy Rates

2Q13	1Q15	3Q15	1Q19
0.0%	0.5%	1.0%	1.6%

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$635	\$0	\$635	\$720
2015	1	0.0%	\$730	\$0	\$730	\$815
2015	3	0.0%	\$745	\$0	\$745	\$830
2019	1	0.0%	\$785	\$0	\$785	\$870

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$809	\$0	\$809	\$914
2015	1	0.0%	\$875	\$0	\$875	\$980
2015	3	0.0%	\$920	\$0	\$920	\$1,025
2019	1	9.4%	\$1,039	\$0	\$1,039	\$1,144

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$655	\$0	\$655	\$740
2015	1	1.5%	\$755	\$0	\$755	\$840
2015	3	3.0%	\$775	\$0	\$775	\$860
2019	1	0.0%	\$891	\$0	\$891	\$976

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$809	\$0	\$809	\$914
2015	1	0.0%	\$875	\$0	\$875	\$980
2015	3	0.0%	\$920	\$0	\$920	\$1,025
2019	1	9.4%	\$1,039	\$0	\$1,039	\$1,144

Trend: Comments

2Q13 N/A

1Q15 The property currently maintains a waiting list of 10 households. The majority of households on the waiting list are for two-bedroom units; however, the manager reported that demand is also strong for three-bedroom units and the property rarely has any three-bedroom vacancies. The manager reported that there is strong demand for more affordable housing. Washers and dryers are available for rent at a rate of \$40 per month.

3Q15 The property currently maintains a waiting list; however, the manager could not provide its length. The manager reported that there is strong demand for more affordable housing. Washers and dryers are available for rent at a rate of \$40 per month.

1Q19 The manager reported that the property maintains a waiting list at times, but currently does not. The manager reported that the elevated turnover rate is due primarily to evictions, and that the property typically does not have trouble filling vacant units. Washers and dryers are available for rent at a rate of \$40 per month.

PROPERTY PROFILE REPORT

The Townes At River South

Effective Rent Date	2/21/2019
Location	214 E 9th Street Richmond, VA 23224 Richmond City County
Distance	1.9 miles
Units	161
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	2001 / 2004
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Village South
Tenant Characteristics	Families from the city of Richmond. Many working in service industries or manual labor jobs
Contact Name	Property Manager
Phone	804-232-1800



Market Information

Program	@50%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Within one week
Annual Chg. in Rent	No increase to increased 2%
Concession	None
Waiting List	Yes, 1 to 2 years

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	N/A	985	\$785	\$0	@50%	Yes	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	985	\$800	\$0	@50%	Yes	0	N/A	yes	None
3	2.5	Garden (2 stories)	N/A	1,202	\$899	\$0	@50%	Yes	0	N/A	yes	None
3	2.5	Townhouse (2 stories)	N/A	1,202	\$920	\$0	@50%	Yes	0	N/A	yes	None
4	3.5	Garden (2 stories)	N/A	1,529	\$995	\$0	@50%	Yes	0	N/A	yes	None
4	3.5	Townhouse (2 stories)	N/A	1,529	\$1,020	\$0	@50%	Yes	0	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$785 - \$800	\$0	\$785 - \$800	\$85	\$870 - \$885
3BR / 2.5BA	\$899 - \$920	\$0	\$899 - \$920	\$105	\$1,004 - \$1,025
4BR / 3.5BA	\$995 - \$1,020	\$0	\$995 - \$1,020	\$126	\$1,121 - \$1,146

The Townes At River South, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking(\$0.00)
Playground

Premium

None

Other

None

Comments

The manager reported that all units are achieving the maximum allowable LIHTC rents. The townhouses have lower rents due to higher utility allowances.

The Townes At River South, continued

Trend Report

Vacancy Rates

4Q16	2Q17	3Q18	1Q19
1.2%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$735 - \$751	\$0	\$735 - \$751	\$820 - \$836
2017	2	N/A	\$678 - \$789	\$0	\$678 - \$789	\$763 - \$874
2018	3	N/A	\$775 - \$800	\$0	\$775 - \$800	\$860 - \$885
2019	1	N/A	\$785 - \$800	\$0	\$785 - \$800	\$870 - \$885

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$842 - \$861	\$0	\$842 - \$861	\$947 - \$966
2017	2	N/A	\$877 - \$904	\$0	\$877 - \$904	\$982 - \$1,009
2018	3	N/A	\$899 - \$920	\$0	\$899 - \$920	\$1,004 - \$1,025
2019	1	N/A	\$899 - \$920	\$0	\$899 - \$920	\$1,004 - \$1,025

4BR / 3.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$931 - \$954	\$0	\$931 - \$954	\$1,057 - \$1,080
2017	2	N/A	\$958 - \$1,000	\$0	\$958 - \$1,000	\$1,084 - \$1,126
2018	3	N/A	\$975 - \$1,020	\$0	\$975 - \$1,020	\$1,101 - \$1,146
2019	1	N/A	\$995 - \$1,020	\$0	\$995 - \$1,020	\$1,121 - \$1,146

Trend: Comments

4Q16	The property manager stated that garden homes include a washer/dryer hookup, which explains variation in rents between garden and townhome units.
2Q17	The property manager stated that garden homes include a washer/dryer hookup, which explains variation in rents between garden and townhome units. The contact could not disclose a unit mix breakdown.
3Q18	The manager reported that all units are achieving the maximum allowable LIHTC rents. The townhouses have lower rents due to higher utility allowances.
1Q19	N/A

Photos



PROPERTY PROFILE REPORT

American Tobacco Center

Effective Rent Date	2/25/2019
Location	119 N 20th Street Richmond, VA 23223 Richmond City County
Distance	2.9 miles
Units	157
Vacant Units	3
Vacancy Rate	1.9%
Type	Midrise (5 stories)
Year Built/Renovated	1912 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Bobber Flats, Canal Walk
Tenant Characteristics	Some medical students
Contact Name	Barbara
Phone	804-377-9900



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	Decreased 3% to increased 4%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (5 stories)	1	452	\$950	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	87	622	\$1,150	\$0	Market	No	1	1.1%	N/A	AVG*
1	1	Midrise (5 stories)	0	844	\$1,300	\$0	Market	No	0	N/A	N/A	HIGH*
1	1	Midrise (5 stories)	0	400	\$1,000	\$0	Market	No	0	N/A	N/A	LOW*
2	2	Midrise (5 stories)	64	1,019	\$1,600	\$0	Market	No	2	3.1%	N/A	AVG*
2	2	Midrise (5 stories)	0	1,238	\$2,000	\$0	Market	No	0	N/A	N/A	HIGH*
2	2	Midrise (5 stories)	0	800	\$1,200	\$0	Market	No	0	N/A	N/A	LOW*
3	3	Midrise (5 stories)	5	1,209	\$2,330	\$0	Market	No	0	0.0%	N/A	AVG*
3	3	Midrise (5 stories)	0	1,317	\$2,900	\$0	Market	No	0	N/A	N/A	HIGH*
3	3	Midrise (5 stories)	0	1,100	\$1,759	\$0	Market	No	0	N/A	N/A	LOW*

Trend Report

Vacancy Rates

1Q16	4Q16	2Q17	1Q19
3.9%	3.3%	0.6%	1.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$878 - \$1,261	\$17	\$861 - \$1,244	\$861 - \$1,244
2016	4	N/A	\$878 - \$1,261	\$17	\$861 - \$1,244	\$861 - \$1,244
2017	2	0.0%	\$950 - \$1,259	\$0	\$950 - \$1,259	\$950 - \$1,259
2019	1	1.1%	\$1,000 - \$1,300	\$0	\$1,000 - \$1,300	\$1,000 - \$1,300

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,206 - \$1,600	\$17	\$1,189 - \$1,583	\$1,361 - \$1,755
2016	4	N/A	\$1,206 - \$1,600	\$17	\$1,189 - \$1,583	\$1,361 - \$1,755
2017	2	1.6%	\$1,254 - \$2,059	\$0	\$1,254 - \$2,059	\$1,426 - \$2,231
2019	1	3.1%	\$1,200 - \$2,000	\$0	\$1,200 - \$2,000	\$1,372 - \$2,172

2BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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3BR / 2.5BA

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

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

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,576 - \$2,091	\$0	\$1,576 - \$2,091	\$1,810 - \$2,325
2016	4	N/A	\$1,648 - \$2,091	\$0	\$1,648 - \$2,091	\$1,882 - \$2,325
2017	2	0.0%	\$1,759 - \$2,900	\$0	\$1,759 - \$2,900	\$1,993 - \$3,134
2019	1	0.0%	\$1,759 - \$2,900	\$0	\$1,759 - \$2,900	\$1,993 - \$3,134

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$891 - \$1,218	\$0	\$891 - \$1,218	\$891 - \$1,218
2016	4	N/A	\$891 - \$1,218	\$0	\$891 - \$1,218	\$891 - \$1,218
2017	2	0.0%	\$950	\$0	\$950	\$950
2019	1	0.0%	\$950	\$0	\$950	\$950

Trend: Comments

- 1Q16** Contact noted that the property does not accept Section 8 Vouchers. The contact also noted that the property does keep a general waiting list for all unit types and is currently at three households.
- 4Q16** Contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The property is currently offering a concession of \$200 off one and two-bedroom units. The contact noted that the concessions are not typical, and will only continue until the remaining vacant units are leased.
- 2Q17** Contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The contact noted that the average turnover is about 25 percent, but is seasonal for the property.
- 1Q19** The contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The contact noted that the average turnover is about 25 percent, but is seasonal for the property. The contact reported that rent rates can be subject to change daily. Utilities include cable and internet.

Photos



PROPERTY PROFILE REPORT

James River Villas

Effective Rent Date	1/31/2019
Location	2506 Atwell Drive Richmond, VA 23234 Richmond County
Distance	0.3 miles
Units	224
Vacant Units	7
Vacancy Rate	3.1%
Type	One-story
Year Built/Renovated	1947 / 2005/2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Greystone Place; Timbercreek; Kingly Ones
Tenant Characteristics	Majority are small families from the area
Contact Name	Courtney
Phone	804-231-9368



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 5% during 2018
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	21	552	\$675	\$0	Market	No	1	4.8%	N/A	None
2	1	One-story	182	672	\$775	\$0	Market	No	5	2.7%	N/A	None
3	1	One-story	21	792	\$895	\$0	Market	No	1	4.8%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	\$0	\$675
2BR / 1BA	\$775	\$0	\$775	\$172	\$947
3BR / 1BA	\$895	\$0	\$895	\$234	\$1,129

James River Villas, continued

Amenities

In-Unit

Balcony/Patio
Central A/C
Dishwasher
Oven
Walk-In Closet
Washer/Dryer hookup

Blinds
Coat Closet
Garbage Disposal
Refrigerator
Washer/Dryer

Security

Patrol

Services

None

Property

Business Center/Computer Lab
On-Site Management
Playground

Off-Street Parking(\$0.00)
Picnic Area

Premium

None

Other

None

Comments

The property was FKA Jefferson Trace and is under new ownership since March of 2018. Minor upgrades were done during 2018 with new tile flooring and new carpet in the bedrooms as well as fresh paint. Deferred maintenance fixes to the exterior were done as well. All units include washer and dryer appliances.

James River Villas, continued

Trend Report

Vacancy Rates

2Q17	3Q17	4Q17	1Q19
10.3%	7.6%	6.2%	3.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	9.5%	\$599	\$0	\$599	\$599
2017	3	9.5%	\$599	\$0	\$599	\$599
2017	4	4.8%	\$615	\$0	\$615	\$615
2019	1	4.8%	\$675	\$0	\$675	\$675

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	10.4%	\$660	\$0	\$660	\$832
2017	3	7.1%	\$660	\$0	\$660	\$832
2017	4	6.6%	\$685	\$0	\$685	\$857
2019	1	2.7%	\$775	\$0	\$775	\$947

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	9.5%	\$820	\$0	\$820	\$1,054
2017	3	9.5%	\$820	\$0	\$820	\$1,054
2017	4	4.8%	\$835	\$0	\$835	\$1,069
2019	1	4.8%	\$895	\$0	\$895	\$1,129

Trend: Comments

2Q17	This property does not accept Housing Choice Vouchers. The contact reported that the vacancy rate has typically been closer to five percent throughout the past year.
3Q17	N/A
4Q17	This property does not accept Housing Choice Vouchers. The contact reported occupancy rates have ranged between 92 and 95 percent so far in 2017. No concessions have been offered during that time.
1Q19	The property was FKA Jefferson Trace and is under new ownership since March of 2018. Minor upgrades were done during 2018 with new tile flooring and new carpet in the bedrooms as well as fresh paint. Deferred maintenance fixes to the exterior were done as well. All units include washer and dryer appliances.

Photos



PROPERTY PROFILE REPORT

Lakefield Mews

Effective Rent Date	2/27/2019
Location	4431 Lakefield Mews Drive Richmond, VA 23231 Henrico County
Distance	4.6 miles
Units	395
Vacant Units	19
Vacancy Rate	4.8%
Type	Various (2 stories)
Year Built/Renovated	1989 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Majority families
Contact Name	Debbie
Phone	804-222-7777



Market Information

Program	Market
Annual Turnover Rate	11%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	14-24 days
Annual Chg. in Rent	Decreased 24% to increased 12%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	75	644	\$855	\$0	Market	No	5	6.7%	N/A	None
1	1	Garden (2 stories)	8	790	\$1,125	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	84	852	\$1,265	\$0	Market	No	4	4.8%	N/A	None
2	1.5	Townhouse (2 stories)	134	1,154	\$1,210	\$0	Market	No	5	3.7%	N/A	None
2	2.5	Townhouse (2 stories)	78	1,220	\$1,220	\$0	Market	No	5	6.4%	N/A	None
3	2	Garden (2 stories)	16	1,334	\$1,660	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$855 - \$1,125	\$0	\$855 - \$1,125	\$0	\$855 - \$1,125
2BR / 1BA	\$1,265	\$0	\$1,265	\$172	\$1,437
2BR / 1.5BA	\$1,210	\$0	\$1,210	\$172	\$1,382
2BR / 2.5BA	\$1,220	\$0	\$1,220	\$172	\$1,392
3BR / 2BA	\$1,660	\$0	\$1,660	\$234	\$1,894

Lakefield Mews, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven
Washer/Dryer hookup

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator

Security

None

Services

None

Property

Car Wash
Central Laundry
On-Site Management
Playground
Swimming Pool

Clubhouse/Meeting Room/Community
Off-Street Parking(\$0.00)
Picnic Area
Recreation Areas
Volleyball Court

Premium

None

Other

Dog Park

Comments

The property utilizes a LRO pricing system, and rents change daily. The property does not accept Housing Choice Vouchers.

Lakefield Mews, continued

Trend Report

Vacancy Rates

2Q17	4Q17	3Q18	1Q19
4.1%	4.3%	0.8%	4.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$835 - \$915	\$0	\$835 - \$915	\$835 - \$915
2017	4	N/A	\$915	\$0	\$915	\$915
2018	3	N/A	\$1,125	\$0	\$1,125	\$1,125
2019	1	6.0%	\$855 - \$1,125	\$0	\$855 - \$1,125	\$855 - \$1,125

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$1,140	\$0	\$1,140	\$1,312
2017	4	N/A	\$1,220	\$0	\$1,220	\$1,392
2018	3	N/A	\$1,100	\$0	\$1,100	\$1,272
2019	1	3.7%	\$1,210	\$0	\$1,210	\$1,382

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$1,125	\$0	\$1,125	\$1,297
2017	4	N/A	\$1,020	\$0	\$1,020	\$1,192
2018	3	N/A	\$1,130	\$0	\$1,130	\$1,302
2019	1	4.8%	\$1,265	\$0	\$1,265	\$1,437

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$1,130	\$0	\$1,130	\$1,302
2017	4	N/A	\$1,080	\$0	\$1,080	\$1,252
2018	3	N/A	\$1,215	\$0	\$1,215	\$1,387
2019	1	6.4%	\$1,220	\$0	\$1,220	\$1,392

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$1,230	\$0	\$1,230	\$1,464
2017	4	N/A	\$1,230	\$0	\$1,230	\$1,464
2018	3	N/A	\$1,660	\$0	\$1,660	\$1,894
2019	1	0.0%	\$1,660	\$0	\$1,660	\$1,894

Trend: Comments

2Q17	The property does not accept Housing Choice Vouchers. The property uses LRO pricing system for its rents.
4Q17	The property utilizes a LRO pricing system, and rents change daily. The contact could not provide a unit breakdown by bedroom type. The property does not accept Housing Choice Vouchers.
3Q18	N/A
1Q19	The property utilizes a LRO pricing system, and rents change daily. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Meadowbrook Apartments

Effective Rent Date	3/20/2019
Location	5314 Whetstone Road Richmond, VA 23234 Chesterfield County
Distance	3 miles
Units	477
Vacant Units	10
Vacancy Rate	2.1%
Type	Various (2 stories)
Year Built/Renovated	1971 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mix of young couples and families from the area and other parts of VA
Contact Name	Gracie
Phone	804.275.1740



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One-three weeks
Annual Chg. in Rent	Increased 5%-7%
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	N/A	512	\$817	\$0	Market	No	2	N/A	N/A	None
2	1	Garden	N/A	812	\$923	\$0	Market	No	2	N/A	N/A	None
2	1.5	Townhouse	N/A	1,024	\$961	\$0	Market	No	2	N/A	N/A	None
3	2.5	Townhouse	N/A	1,276	\$1,350	\$0	Market	No	2	N/A	N/A	None
4	2	Garden	14	1,536	\$1,445	\$0	Market	No	2	14.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$817	\$0	\$817	\$0	\$817
2BR / 1BA	\$923	\$0	\$923	\$39	\$962
2BR / 1.5BA	\$961	\$0	\$961	\$39	\$1,000
3BR / 2.5BA	\$1,350	\$0	\$1,350	\$51	\$1,401
4BR / 2BA	\$1,445	\$0	\$1,445	\$62	\$1,507

Meadowbrook Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Blinds
Central A/C
Garbage Disposal
Refrigerator

Security

Intercom (Phone)
Patrol

Services

None

Property

Central Laundry
On-Site Management
Playground

Off-Street Parking(\$0.00)
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The contact reported overall occupancy rates have fluctuated sharply during the past year but have been stable remaining above 95 percent for the past two months.

Meadowbrook Apartments, continued

Trend Report

Vacancy Rates

3Q07	3Q11	4Q17	1Q19
5.2%	8.6%	1.5%	2.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$540	\$0	\$540	\$540
2011	3	N/A	\$560	\$0	\$560	\$560
2017	4	N/A	\$710	\$0	\$710	\$710
2019	1	N/A	\$817	\$0	\$817	\$817

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$690 - \$720	\$0	\$690 - \$720	\$729 - \$759
2011	3	N/A	\$710 - \$740	\$0	\$710 - \$740	\$749 - \$779
2017	4	N/A	\$870	\$0	\$870	\$909
2019	1	N/A	\$961	\$0	\$961	\$1,000

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$670	\$0	\$670	\$709
2011	3	N/A	\$685 - \$695	\$0	\$685 - \$695	\$724 - \$734
2017	4	N/A	\$828	\$0	\$828	\$867
2019	1	N/A	\$923	\$0	\$923	\$962

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$780 - \$825	\$0	\$780 - \$825	\$831 - \$876
2011	3	N/A	\$800 - \$845	\$0	\$800 - \$845	\$851 - \$896
2017	4	N/A	\$1,003	\$0	\$1,003	\$1,054
2019	1	N/A	\$1,350	\$0	\$1,350	\$1,401

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$1,175	\$0	\$1,175	\$1,237
2019	1	14.3%	\$1,445	\$0	\$1,445	\$1,507

Trend: Comments

3Q07	Ranges for the two- and three-bedroom townhomes depend on if they have washer and dryer hook-ups in the units, as well as how many entrances they have. The lower end of the ranges do not have washer and dryer hook-ups in the units and only have one entrance. The high end of the range represents a unit with separate frontdoor and backdoor entrance ways, along with washer and dryer hookups. The property manager estimated that the typical occupancy for the complex is 97 percent. The property manager stated that when one and three-bedroom units become available they are filled very quickly, as there is more demand for those unit types. Two-bedroom units usually take between two and three weeks to fill. The property does not accept the Housing Choice Vouchers.
3Q11	The contact reported that vacancies are high due to job relocations, home buying, and the area still facing economic recession.
4Q17	The contact reported overall occupancy rates have fluctuated sharply during the past year but have been stable remaining above 95 percent for the past two months.
1Q19	N/A

PROPERTY PROFILE REPORT

The Villas At Oakland Chase

Effective Rent Date	2/25/2019
Location	6416 Oak Front Court Richmond, VA 23231 Henrico County
Distance	3.1 miles
Units	180
Vacant Units	1
Vacancy Rate	0.6%
Type	Garden (3 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Courtney
Phone	804-222-7770



Market Information

Program	Market
Annual Turnover Rate	27%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 4-7%
Concession	See comments
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	N/A	1,000	\$985	\$0	Market	No	1	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,200	\$1,250	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$985	\$0	\$985	\$120	\$1,105
3BR / 2BA	\$1,250	\$0	\$1,250	\$159	\$1,409

The Villas At Oakland Chase, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Garbage Disposal
Oven
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Central Laundry
On-Site Management
Swimming Pool

Clubhouse/Meeting Room/Community
Garage(\$50.00)
Off-Street Parking(\$0.00)
Playground

Premium

None

Other

None

Comments

This property does not accept Housing Choice Vouchers. The contact could not estimate the breakdown by unit type. Management offers a five percent discount off rent for preferred employers including Sun Trust Bank employees and members of the military. Including both the garage and surface parking spaces, there are approximately two parking spaces per unit. The one vacant two-bedroom unit has already been pre-leased.

The Villas At Oakland Chase, continued

Trend Report

Vacancy Rates

2Q16	1Q19
0.0%	0.6%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$905	\$0	\$905	\$1,025
2019	1	N/A	\$985	\$0	\$985	\$1,105

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	2	N/A	\$1,095	\$0	\$1,095	\$1,254
2019	1	N/A	\$1,250	\$0	\$1,250	\$1,409

Trend: Comments

- 2Q16** This property does not accept Housing Choice Vouchers. The contact could not estimate the breakdown by unit type. Management offers a five percent discount off rent for preferred employers including Sun Trust Bank employees and members of the military. Including both the garage and surface parking spaces, there are approximately two parking spaces per unit.
- 1Q19** This property does not accept Housing Choice Vouchers. The contact could not estimate the breakdown by unit type. Management offers a five percent discount off rent for preferred employers including Sun Trust Bank employees and members of the military. Including both the garage and surface parking spaces, there are approximately two parking spaces per unit. The one vacant two-bedroom unit has already been pre-leased.

Photos



PROPERTY PROFILE REPORT

The Vinings At Iron Bridge

Effective Rent Date	1/30/2019
Location	5500 Vining Drive Richmond, VA 23234 Chesterfield County
Distance	4.2 miles
Units	258
Vacant Units	33
Vacancy Rate	12.8%
Type	Garden (3 stories)
Year Built/Renovated	1998 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Winchester Green
Tenant Characteristics	Singles, couples and small families from the Richmond area
Contact Name	Erin
Phone	804-743-0777



Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks.
Annual Chg. in Rent	None
Concession	None.
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	78	778	\$959	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	60	971	\$1,079	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	42	957	\$1,139	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	42	1,034	\$1,189	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	36	1,351	\$1,434	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$959	\$0	\$959	\$0	\$959
2BR / 1BA	\$1,079	\$0	\$1,079	\$172	\$1,251
2BR / 2BA	\$1,139 - \$1,189	\$0	\$1,139 - \$1,189	\$172	\$1,311 - \$1,361
3BR / 2BA	\$1,434	\$0	\$1,434	\$234	\$1,668

The Vinings At Iron Bridge, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Garbage Disposal
Oven
Vaulted Ceilings
Washer/Dryer

Blinds
Central A/C
Exterior Storage
Fireplace
Microwave
Refrigerator
Walk-In Closet
Washer/Dryer hookup

Security

In-Unit Alarm

Services

None

Property

Car Wash
Clubhouse/Meeting Room/Community
Garage(\$85.00)
Off-Street Parking(\$0.00)
Playground
Tennis Court

Carport(\$30.00)
Exercise Facility
Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

Putting greens

Comments

The contact reported higher vacancy is typical at the property following the during and right after the holiday season. She noted occupancy rates tend to improve with the start of the spring season. The property is 90 percent preleased at this time. No major recent renovations reported and the contact stated the property is well maintained.

The Vinings At Iron Bridge, continued

Trend Report

Vacancy Rates

4Q10	3Q11	4Q17	1Q19
2.7%	9.3%	7.4%	12.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$835	\$0	\$835	\$835
2011	3	N/A	\$835	\$0	\$835	\$835
2017	4	3.8%	\$854	\$0	\$854	\$854
2019	1	N/A	\$959	\$0	\$959	\$959

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	8.3%	\$975	\$0	\$975	\$1,147
2011	3	N/A	\$975	\$0	\$975	\$1,147
2017	4	8.3%	\$1,034	\$0	\$1,034	\$1,206
2019	1	N/A	\$1,079	\$0	\$1,079	\$1,251

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	2.4%	\$1,020 - \$1,070	\$0	\$1,020 - \$1,070	\$1,192 - \$1,242
2011	3	N/A	\$1,020 - \$1,070	\$0	\$1,020 - \$1,070	\$1,192 - \$1,242
2017	4	9.5%	\$1,034 - \$1,249	\$0	\$1,034 - \$1,249	\$1,206 - \$1,421
2019	1	N/A	\$1,139 - \$1,189	\$0	\$1,139 - \$1,189	\$1,311 - \$1,361

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	4	0.0%	\$1,240	\$0	\$1,240	\$1,474
2011	3	N/A	\$1,240	\$0	\$1,240	\$1,474
2017	4	8.3%	\$1,374	\$0	\$1,374	\$1,608
2019	1	N/A	\$1,434	\$0	\$1,434	\$1,668

Trend: Comments

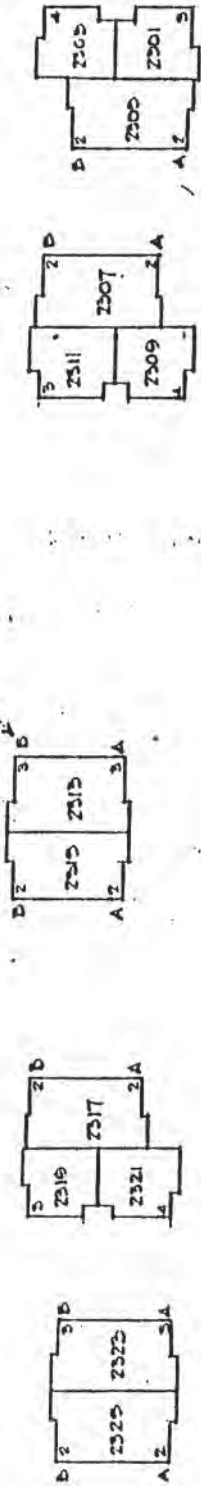
4Q10	Management reported that the rents have increased since the last survey of the property. Management reported that the property does not accept the Housing Choice Voucher and that there are no concessions being offered.
3Q11	Management reported that the rents have not changed since the previous update in October 2010. Vacancies were high because of recent job relocations and move-outs, numerous tenants are purchasing own homes instead of renting. Management also mentioned that water and sewer are not included in the rent figures, tenants are sent a bill every month.
4Q17	N/A
1Q19	The contact reported higher vacancy is typical at the property following the during and right after the holiday season. She noted occupancy rates tend to improve with the start of the spring season. The property is 90 percent preleased at this time. No major recent renovations reported and the contact stated the property is well maintained.

ADDENDUM D
Site and Floor Plans

AVENUE

ALLEY

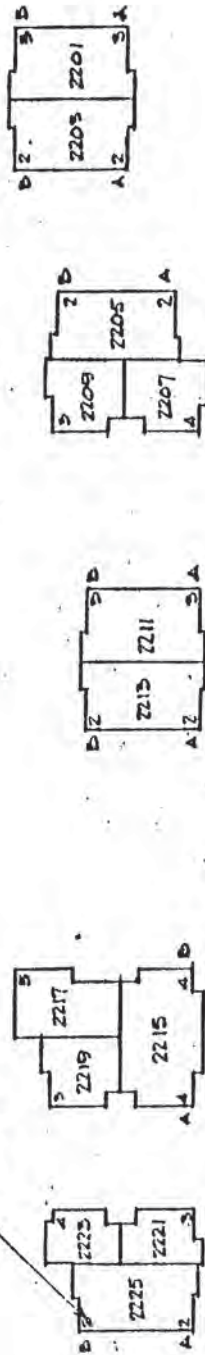
UNIT IDENTIFICATION



AFTON AVENUE

ALLEY

NUMBER OF BEDROOMS



AFTON AVENUE

← WESTHEAD COUNTY

TUAXTON CT.

AFTON MULTI-FAMILY HOUSING
 VA 7-23
 HIGHFILL SMITH ARCHITECTS
 RICHMOND VIRGINIA

ADDENDUM E
Utility Allowance

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP APARTMENTS_ 5 Units and Over

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type APARTMENT UNITS 5 AND OVER UNITS PER BUILDING		Date (mm/dd/yyyy) 1/1/2019							
Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	7	8	11	15	18	22	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	14	16	21	24	27	31	0	0	0	0
HEATING BOTTLED GAS	61	71	82	92	102	112	0	0	0	0
HEATING NATURAL GAS	19	22	25	28	32	35	0	0	0	0
HEATING OIL	42	49	56	63	70	77	0	0	0	0
OTHER ELECTRIC	17	20	28	36	44	52	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0
SEWER	34	37	52	75	99	122	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	21	23	35	54	73	93	0	0	0	0
WATER HEATING BOTTLED GAS	21	25	36	47	58	70	0	0	0	0
WATER HEATING ELECTRIC	11	13	17	20	24	27	0	0	0	0
WATER HEATING NATURAL GAS	7	8	11	15	18	22	0	0	0	0
WATER HEATING OIL_OTHER	15	17	25	33	40	48	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP Low Rise Apt 2-4 units

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type LowRise Apt 2-4 Units		Date (mm/dd/yyyy) 1/1/2019							
Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	8	9	13	17	21	24	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	20	23	27	31	36	41	0	0	0	0
HEATING BOTTLED GAS	98	115	123	131	139	147	0	0	0	0
HEATING NATURAL GAS	30	36	38	41	43	46	0	0	0	0
HEATING OIL	67	79	85	90	96	101	0	0	0	0
OTHER ELECTRIC	21	25	34	44	54	63	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0
SEWER	34	37	52	75	99	122	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	21	23	35	54	73	93	0	0	0	0
WATER HEATING BOTTLED GAS	27	31	45	59	73	87	0	0	0	0
WATER HEATING ELECTRIC	14	16	21	25	29	33	0	0	0	0
WATER HEATING NATURAL GAS	8	10	14	18	23	27	0	0	0	0
WATER HEATING OIL_OTHER	18	22	31	41	50	60	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVF DUPLEXS_ROWHOUSES_TOWNHOUSES

Locality HOUSING CHOICE VOUCHER PROGRAM		Unit Type ROW HOUSES_TOWNHOUSES									Date (mm/dd/yyyy) 1/1/2019
Utility or Service	Monthly Dollar Allowances										
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR	
AIR CONDITIONING	7	8	14	20	26	32	0	0	0	0	
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0	
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0	
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0	
Electric Fee	7	7	7	7	7	7	0	0	0	0	
Electric Resistance	20	23	27	31	36	41	0	0	0	0	
HEATING BOTTLED GAS	80	94	106	118	130	142	0	0	0	0	
HEATING NATURAL GAS	25	29	33	36	40	44	0	0	0	0	
HEATING OIL	55	64	73	81	89	98	0	0	0	0	
OTHER ELECTRIC	22	26	36	46	56	66	0	0	0	0	
OTHER_NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0	
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0	
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0	
SEWER	34	37	52	75	99	122	0	0	0	0	
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0	
WATER	21	23	35	54	73	93	0	0	0	0	
WATER HEATING BOTTLED GAS	27	31	45	59	73	87	0	0	0	0	
WATER HEATING ELECTRIC	14	16	21	25	29	32	0	0	0	0	
WATER HEATING NATURAL GAS	8	10	14	18	23	27	0	0	0	0	
WATER HEATING OIL_OTHER	18	22	31	41	50	60	0	0	0	0	

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP DETACHED

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type Single Family/Detach		Date (mm/dd/yyyy) 1/1/2019							
Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	5	6	14	23	31	40	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	29	34	37	40	45	49	0	0	0	0
HEATING BOTTLED GAS	87	102	117	131	146	160	0	0	0	0
HEATING NATURAL GAS	27	32	36	41	45	50	0	0	0	0
HEATING OIL	60	70	80	90	100	110	0	0	0	0
OTHER ELECTRIC	25	30	41	53	65	76	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0
SEWER	34	37	52	75	99	122	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	21	23	35	54	73	93	0	0	0	0
WATER HEATING BOTTLED GAS	27	31	45	59	73	87	0	0	0	0
WATER HEATING ELECTRIC	14	16	21	25	28	32	0	0	0	0
WATER HEATING NATURAL GAS	8	10	14	18	23	27	0	0	0	0
WATER HEATING OIL_OTHER	18	22	31	41	50	60	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

ADDENDUM F
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

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

V. Real Estate Assignments – Examples

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

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

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
KELLY MCNANY GORMAN**

I. Education

Virginia Tech, Blacksburg, VA
Bachelor of Arts in Urban Affairs and Planning

II. Professional Experience

Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Asset Manager, Housing Opportunities Commission of Montgomery County, MD
Senior Real Estate Analyst, Novogradac & Company LLP
Acquisitions Associate, Kaufman & Broad Multi-Housing Group, Inc. (KBMH)

III. Certifications, Professional Training and Continuing Education

Licensed Certified General Appraiser, CT License #RCG.0001437
Licensed Certified General Appraiser, NJ License #42RG00245500
Licensed Certified General Appraiser, NY License #46000051239
Licensed Certified General Appraiser, PA License #GA004390

Attended and presented at tax credit application training sessions and seminars, valuation of GP Interest sessions, numerous conferences and classes in real estate valuation, finance, asset management and affordable housing development using tax credits and tax exempt financing.

IV. Real Estate Assignments – Examples

A representative sample of Asset Management, Market Study, Due Diligence and Valuation Engagements includes the following:

- Managed and conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Managed and conducted market studies and appraisals of various LIHTC, affordable and market rate properties for numerous clients. The subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, operating expense and demand analysis. Appraisals included various value scenarios including hypothetical land value as if vacant, insurable value, value of LIHTC, abatements and PILOTs, below market debt, ground leases, value of historic credits, etc. Work has been national in scope.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.

- Provided appraisals and market studies for a variety of properties types located throughout the United States. The reports provided included a variety of property types including vacant land, multifamily rental properties, retail buildings, etc.
- Managed a portfolio of ten multifamily properties with a total of over 2,000 units. Portfolio a range of property types including an historic property, garden style, luxury high rise, two senior independent living and one assisted living facility. Responsible for the management, oversight, financial analysis and financial reporting. Coordinated the preparation of property operating budgets, capital budgets and long range plans. Monitored compliance with regulations, policies and procedures. Completed special property management projects consisting of research and reporting. Analyzed property management financial statements and multifamily rental markets surveys.
- Managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations. Recommendations included a workout for one of the 16 assets.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of property condition and deferred maintenance, security issues, signage, marketing strategy and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assess how the property compares to competition. Analyzed operating expense results.

NMTC Consulting Assignments

Performed investment due diligence for a variety of NMTC transactions.

- Performed loan consulting engagements in which GoVal provided opinions regarding whether third party lenders would reasonably lend to NMTC projects based upon deal structure and likelihood of repayment. These engagements involved the analysis of sources of collateral, sources of repayment and reviewing transaction documents, surveying lenders and examining the deal structure.
- Oversaw an analysis of NMTC activity analyzing sizing and recommending strategies for a NMTC investor. Engagement consisted of compilation of NMTC award data from CDFI by location, CDE type, year, award amount and conduct interviews with market participants to better understand investment objectives and competitor activity.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Scott J. Hutter

I. Education

Georgetown University, Washington, DC
Master of Science in Real Estate, *summa cum laude*

UMBC, Baltimore, MD
Bachelor of Arts in Political Science, *cum laude*

II. Professional Experience

Real Estate Manager, *The Novogradac Group*, August 2015-Present
Real Estate Development Analyst, *TTR Sotheby's Realty*, August 2014-August 2015
Real Estate Marketing Sales Territory Manager, *CoStar Group*, July 2013-August 2014

III. Real Estate Assignments

- Drafted appraisals and market studies on a wide variety of properties including multifamily developments, assisted living facilities, hotel, office, medical office, retail, industrial, mixed-use properties, vacant land, and proposed new construction.
- Performed site inspections, and conducted in-depth property, economic research, market data research, expense analyses, and revenue projections.
- Performed market studies on multifamily properties, specializing with the Low-Income Housing Tax Credit program.
- Performed analyses on multifamily properties that are HUD subsidized or operated under the USDA Rural Development program.
- Created Argus models for office, medical office, retail, and industrial properties
- Conducted valuations of General Partnership and Limited Partnership Interests
- Conducted valuations of subordinated debt for LIHTC properties with irregular debt terms.

IV. Professional Training

Advanced Income Capitalization, Appraisal Institute, 2018
General Appraiser Report Writing and Case Studies, Appraisal Institute, 2018
Quantitative Analysis, Appraisal Institute, 2018
General Appraiser Income Approach Part I, Appraisal Institute, 2018
General Appraiser Income Approach Part II, Appraisal Institute, 2018
General Appraiser Report Writing and Case Studies, Appraisal Institute, 2018
15-Hour National USPAP Equivalent, Appraisal Institute, 2017
Basic Appraisal Procedures, Appraisal Institute, 2017
Basic Appraisal Principals, Appraisal Institute, 2017
Real Estate Finance, Statistics, and Valuation Modeling, Appraisal Institute, 2017
General Appraiser Market Analysis and Highest and Best Use, Appraisal Institute, 2017
General Appraiser Sales Comparison Approach, 2017
General Appraiser Site Valuation and Cost Approach, 2017
Market Analysis for Commercial Real Estate, CCIM Institute, 2017
Certificate in Business and Commercial Lending, American Bankers Association, 2017
Argus Enterprise Training- Valuation and Portfolio Analysis, Kahr Real Estate, 2016
Interest Based Negotiations, CCIM Institute, 2016
Pro Forma Fundamentals Certificate, Urban Land Institute (ULI), 2015
Washington, DC Real Estate License, DC Real Estate Commission, 2015

STATEMENT OF PROFESSIONAL QUALIFICATIONS

James F. Mitman

I. Education

Boston College, Chestnut Hill, MA
Bachelor of Science in Business with a concentration in Marketing
Bachelor of Arts in Sociology

II. Professional Experience

Junior Analyst, Novogradac & Company LLP, July 2013 – 2016
Analyst, Novogradac & Company LLP, December 2016 – Present

III. Real Estate Assignments

A representative sample of work on various types of projects:

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Connor Mattoon

I. Education

University of San Diego – San Diego, CA
Bachelor of Science in Business Administration, Real Estate

II. Professional Experience

Junior Analyst, *Novogradac & Company LLP* – October 2017 - Present
Intern, *Auctus Capital Partners*, March 2017- August 2017
Intern, *KPMG*, January 2016- May 2016

III. Research Assignments

A representative sample of work on various types of projects:

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

ADDENDUM G
NCHMA Certification and Checklist



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

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

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

James Mitman
Analyst

NCHMA Market Study Index

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

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

NCHMA Market Study Index

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

		Section(s)
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	VI
32	Affordability analysis with capture rate	VI
33	Penetration rate analysis with capture rate	VI
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	V
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	V
36	Precise statement of key conclusions	I
37	Market strengths and weaknesses impacting project	I
38	Product recommendations and/or suggested modifications to subject	I
39	Discussion of subject property's impact on existing housing	V
40	Discussion of risks or other mitigating circumstances impacting subject	V
41	Interviews with area housing stakeholders	V
Other Requirements		
42	Certifications	Addenda
43	Statement of qualifications	Addenda
44	Sources of data not otherwise identified	N/A



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET FEASIBILITY STUDY OF:
BAINBRIDGE
APARTMENTS**

A MARKET FEASIBILITY STUDY OF:

BAINBRIDGE APARTMENTS

2802-2808 Bainbridge Street
Richmond, Virginia 23225

101 – 107 West 34th Street and 3311 Moody Avenue
Richmond, Virginia 23225

102 West 33rd Street
Richmond, Virginia 23225

Effective Date: February 26, 2019
Report Date: March 27, 2019

Prepared for:
Curtis Adams
Michaels Development
4315 50th Street, NW – Suite LL2
Washington, DC 20016

Prepared by:
Novogradac & Company LLP
4416 East-West Highway Suite 200
Bethesda, MD 20814
240-235-1701





March 27, 2019

Curtis Adams
Michaels Development
4315 50th Street, NW – Suite LL2
Washington, DC 20016

Re: Market Study for Bainbridge, located in Richmond, Virginia

Dear Mr. Adams:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Richmond, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We have not performed any other services in the past three years for the Subject property.

The purpose of this market study is to assess the viability of the existing 18-unit public housing project. It will be a newly renovated property that will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject was built in 1971 and has not had any major renovations since completion. The Subject will be restricted to 50 percent of the AMI, and all of the units will operate with Project Based Rental Assistance (PBRA) through the Rental Assistance Demonstration (RAD) program. As such, tenants will pay 30 percent of their income towards rent. The Subject consists of three scattered sites located within 0.6 miles of each other. As the property offers the most units at the Bainbridge Street location, we have shown this address as the primary address for the Subject. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

It should be noted that the Subject, Randolph Apartments, and Fulton (sister properties) are being combined into one application for funding purposes for Virginia Housing Development Authority (VHDA). However, we have written three independent Market Studies for the properties. The purpose of this report is for submission to VHDA for application purposes.

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

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

Novogradac & Company LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA) and this study meets VHDA requirements. The NCHMA certification and

MR. CURTIS ADAMS
MICHAELS DEVELOPMENT COMPANY
MARCH 27, 2019
PAGE 2

checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located.

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

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

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

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

Respectfully submitted,
Novogradac & Company LLP



Blair Kincer, MAI, CRE, LEED Green Associate
Partner
Blair.Kincer@Novoco.com



Kelly Gorman
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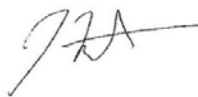
MR. CURTIS ADAMS
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MARCH 27, 2019
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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Subject Site Description: The Subject site is located at 2808 Bainbridge Street, 101 – 107 West 34th Street, and 102 West 33rd Street in Richmond, Virginia 23225.

Surrounding Land Uses: Bainbridge Apartments is a scattered site. For the purposes of the neighborhood analysis, 2802 – 2808 Bainbridge Street will be used as the primary address. The Subject site is located southwest of downtown Richmond in the Swansboro neighborhood. To the north of the Subject is Carter Jones Park, a public park that has open grass recreational areas, baseball fields, and tennis courts. To the east of the Subject are single-family homes in average to good condition and Melvin A Fox Manor, which is a subsidized senior housing property owned and operated by the Richmond Redevelopment and Housing Authority (RRHA). As this property is subsidized and restricted to senior tenants, we have not used this property as a comparable within the report. To the south and west of the Subject are single-family homes in average to good condition. The Subject site is rated as “Somewhat Walkable” by Walk Score with a score of 64, indicating some errands can be accomplished by foot. The nearest bus stop to the Subject is located adjacent to the Subject on the corner of Bainbridge Street and West 29th Street. This bus stop is serviced by the 2C bus route, which travels from Northside Richmond, through Downtown Richmond, and to Southside Richmond.

Subject Property Description: Bainbridge Apartments, the Subject, is an existing 18-unit public housing property, operated by the Richmond Redevelopment & Housing Authority (RRHA). The Subject consists of nine two-story garden-style buildings on three different sites located within 0.6 miles of each other. The Subject was built in 1971 and has not had any major renovations since completion. The Subject’s renovations will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

Current Rents: The Subject currently operates as public housing, owned and managed by Richmond Redevelopment & Housing Authority. All units operate with subsidy where tenants pay 30 percent of their income towards rent. As of the rent roll dated February 13, 2019, the Subject is 89 percent occupied with two vacant units.

CURRENT RENTS

Unit Type	Number of Units	Vacant Units	Minimum Paid Rent	Maximum Paid Rent	Average Paid Rent
3BR/2BA	18	2	\$50	\$866	\$213
	18	2			

Rent Roll dated 2/13/19

Proposed Renovations: It should be noted that the full scope of renovation has not yet been determined because the client is waiting on a Capital Needs

Assessment. However, the following are contemplated as part of the renovation: the installation of Luxury Vinyl Tile (LVT) with a hardwood veneer in the living rooms of all units, the addition of dishwashers in all units, upgrades to unit interiors, and upgrades to the playground. The hard costs are estimated by the client to be approximately \$50,000 per unit.

Proposed Rents:

The following table details proposed rents for the Subject’s units. The Subject’s units will be renovated with LIHTC and restricted to households earning 50 percent of AMI or less. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents
<i>@50% (Project Based Rental Assistance - PBRA)</i>							
3BR / 2BA	900	18	\$928	\$0	\$928	\$1,081	\$1,421
		18					

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

Target Household Income Levels:

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>@50% (PBRA)</i>	
3BR	\$0	\$44,950

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>@50%</i>	
3BR	\$37,063	\$44,950

Economic Conditions

Employment in the PMA is concentrated in the healthcare/social assistance, educational services, and retail trade industries, which collectively comprise 37.7 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The MSA economy mimicked the nation economy during the recession, suffering a 4.6 percent employment contraction compared to a 4.8 percent decline across the overall nation. However, employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.3 percent, compared to 1.9 percent across the overall nation. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

Primary Market Area

The Subject property is located in Richmond, Virginia. The PMA is generally defined as James River to the north, Interstate 95 to the east, Bells Road/Virginia State Route 161 to the south, and Virginia State Route 161 and Virginia State Route 686 to the west. This area was defined based on interviews with local market

participants and local property managers, including management at the Subject. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. The PMA encompasses 11.3 square miles and an approximate drive time zone of 15 minutes.

The Richmond, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of the independent cities of Richmond, Colonial Heights, Hopewell, and Petersburg, as well as Amelia, Charles City, Caroline, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, New Kent, King William, Powhatan, Prince George, and Sussex Counties.

Demographic Data

The population in the PMA increased by 11.5 percent between 2000 and 2018, compared to the 23.8 percent increase in the regional MSA and 17.5 percent increase across the overall nation. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 60.9 percent as of 2018. This is significantly more than the estimated 33 percent of renter households across the overall nation. As of 2018, the median income in the PMA is significantly below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 33 percent of the national median income in 2000 to 57 percent in 2018. The percentage of rent over-burdened households - defined as households with shelter costs exceeding 35 percent of gross income - is elevated in the PMA at 48.8 percent, compared to only 39.5 percent across the overall nation. Overall, the combination of a large share of rent-overburdened households, and rising population and income levels, bodes well for future demand for affordable multifamily housing.

Vacancy

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

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Delmont Village*	LIHTC	94	2	2.1%
Fieldcrest Apartments*	LIHTC	38	1	2.6%
Graystone Place Apartments	LIHTC	135	1	0.7%
Highland Grove*	LIHTC/ Market	128	0	0.0%
Southpointe Landing*	LIHTC	192	3	1.6%
The Townes At River South	LIHTC	161	0	0.0%
Village South Townhomes	LIHTC	296	0	0.0%
American Tobacco Center*	Market	157	3	1.9%
Cedar Broad*	Market	204	12	5.9%
James River Villas	Market	224	7	3.1%
Lofts At Trolley Station	Market	46	5	10.9%
Terraces At Manchester	Market	148	12	8.1%
Total LIHTC		1,044	7	0.7%
Total Market Rate		779	39	5.0%
Overall Total		1,823	46	2.5%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 10.9 percent, with an overall weighted average of 2.5 percent. Managers at three of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.7 percent, well below the 5.0 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.7 percent is considered exceptionally low, and indicative of supply constrained conditions. All of the market rate properties reported

vacancy rates of 5.9 percent or lower, excluding Lofts at Trolley Station and Terraces at Manchester. Lofts at Trolley Station was recently transferred to a new management company, which gave notices to several tenants for eviction. Typically, we have seen this property operate at a vacancy rate of 5.4 percent or below. Management at Terraces at Manchester was unable to comment on their higher than average vacancy rate. However, this property has a 2.5-star rating on ApartmentRatings.com, and a one-star rating on RentLingo.com. As such, we believe the high vacancy rate at this property is due to poor management, and is thus an anomaly compared to the remaining comparables. Based on the performance of the LIHTC comparables, we expect the Subject will operate a vacancy rate of approximately three percent upon completion of renovation.

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

VACANCY BY BEDROOM TYPE						
Property Name	Rent Structure	OBR	1BR	2BR	3BR	Overall
Delmont Village	LIHTC	-	-	1.6%	3.1%	2.1%
Fieldcrest Apartments	LIHTC	-	-	3.6%	0.0%	2.6%
Graystone Place Apartments	LIHTC	-	5.0%	0.0%	-	0.7%
Highland Grove	LIHTC/ Market	-	-	-	-	0.0%
Southpointe Landing	LIHTC	-	-	0.0%	9.4%	1.6%
The Townes At River South	LIHTC	-	-	-	-	0.0%
Village South Townhomes	LIHTC	-	0.0%	0.0%	0.0%	0.0%
American Tobacco Center	Market	0.0%	1.1%	3.1%	0.0%	1.9%
Cedar Broad	Market	-	7.1%	3.6%	0.0%	5.9%
James River Villas	Market	-	4.8%	2.7%	4.8%	3.1%
Lofts At Trolley Station	Market	-	0.0%	12.8%	-	10.9%
Terraces At Manchester	Market	-	-	-	-	8.1%

The Subject consists of three-bedroom units. Vacancy rates in the market for three-bedroom units range from zero to 9.4 percent, averaging 2.5 percent. Overall, the vacancy rates in the market are typically low, which indicates that those comparables that do have high vacancy rates for some unit types may be because they have a small overall number of units at that specific bedroom type. This supports that there is demand for additional rental housing in the market. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Absorption

We were unable to obtain absorption information from any of the recently comparable properties. Therefore, we searched the MSA for properties that could provide absorption information. The following table details our findings.

ABSORPTION					
Property Name	Rent	Year	Total Units	Absorption	
The Village At Westlake	Market	2018	252	42	
The Bosco	Market	2016	73	12	
Iron Bridge Road Apartments	LIHTC	2016	80	40	
Waverly Place	Market	2015	78	6	
The Lofty	Market	2015	33	7	
Hatcher Tobacco Flats	LIHTC	2015	152	43	
Colony At Centerpointe	Market	2015	255	21	

We obtained absorption data from seven family properties, located between 1.5 and 50 miles from the Subject site. These properties reported absorption rates ranging from six to 43 units per month, with an overall average of 24.4 units per month. Overall, we expect the Subject will experience an absorption rate of 18 units per

month. This equates to an absorption period of approximately one month, if the Subject needed to be reabsorbed.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units is 6.1 percent absent subsidy and 0.6 percent as proposed.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 0.5 percent as proposed and 5.4 percent absent subsidy for the first year of operation as a LIHTC property. This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 3,201 units of demand in the first year of the Subject’s operation as proposed and approximately 436 units of demand in the first year of the Subject’s operation absent subsidy. The Subject’s units will need to accommodate 17 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate- LIHTC Units As Proposed	0.6%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	6.1%
Project Wide Absorption Period (Months) As Proposed	1 month
Project Wide Absorption Period (Months) Absent Subsidy	1 month

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

Strengths

- The Subject will be in good condition once renovated.
- The vacancy rate for the LIHTC comparable properties is 0.7 percent and for the market rate comparables in 5.0 percent. This indicates a supply-constrained demand, especially for low-income housing, which bodes well for the Subject.
- The Subject is located in close proximity to public transportation options, services, and amenities.
- The Subject has low capture rates and penetration rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject’s three-bedroom unit size is on the low end of the comparable range. Village South Townhomes and James River Villas offer similar unit sizes compared to the Subject. Village South

Townhomes is currently 100 percent occupied and is achieving maximum allowable rents at 60 percent of AMI. James River Villas is currently 97 percent occupied. Therefore, we believe the Subject's unit sizes will continue to be accepted in the market.

- The Subject offers limited in-unit and property amenities when compared to the comparable properties. We considered the Subject's limited amenities in our achievable rent determination.

Recommendations

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

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:	Novogradac & Company LLP has performed a comprehensive market study of the multifamily rental market in the Richmond, Virginia area relative to Bainbridge Apartments, an existing public housing development. The Subject was built in 1971 and has not had any major renovations since being built. The Subject's renovations will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject's units. Therefore, tenants will continue to pay 30 percent of their income towards rent.
Developer/Client Information:	Michaels Development Company.
Intended Use and Users of the Report:	The report will be submitted to the Virginia Housing Development Authority (VHDA) for application purposes. The intended user of the report is VHDA.
Scope of the Report:	<ul style="list-style-type: none">▪ Inspecting the site of the to-be-developed Subject and its general location.▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.▪ Investigating the general economic health and conditions of the senior rental market.▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.▪ Reviewing relevant public records and contacting appropriate public agencies.▪ Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.▪ Establishing the Subject's Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject site was most recently inspected by Bob Edwards on February 26, 2019, which shall be the effective date of this report.
Primary Contact for the Report:	Kelly Gorman (Kelly.Gorman@novoco.com; 732-623-7005) and Scott Hutter (Scott.Hutter@novoco.com; 562-256-3573).

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

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

Subject Property Description:

Bainbridge Apartments, the Subject, is an existing 18-unit public housing property, operated by the Richmond Redevelopment & Housing Authority (RRHA). The Subject consists of nine two-story garden-style buildings. The Subject was built in 1971 and has not had any major renovations since completion. The Subject’s renovations will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

It should be noted that the Subject, Randolph Apartments, and Fulton are being combined into one application for funding purposes for Virginia Housing Development Authority (VHDA). However, we have written three independent Market Studies for the properties.

Construction Type:

The Subject is an existing public housing development to be renovated with funding under the LIHTC and RAD programs, with subsidy on all units.

Occupancy Type:

The Subject targets family households.

Current Rents:

The Subject currently operates as a public housing development, operated by the RRHA. As such, tenants in these units pay 30 percent of their income towards rent. As of the rent roll dated February 13, 2019, the Subject is 89 percent occupied with two vacant units.

CURRENT RENTS

Unit Type	Number of Units	Vacant Units	Minimum Paid Rent	Maximum Paid Rent	Average Paid Rent
3BR/2BA	18	2	\$50	\$866	\$213
	18	2			

Rent Roll dated 2/13/19

Proposed Renovations:

It should be noted that the full scope of renovation has not yet been determined because the client is waiting on a Capital Needs Assessment. However, the following are contemplated as part of the renovation: the installation of Luxury Vinyl Tile (LVT) with a hardwood veneer in the living rooms of all units, the addition of dishwashers in all units, upgrades to unit interiors, and upgrades to the playground.

The hard costs are estimated by the client to be approximately \$50,000 per unit.

Proposed Rents:

The following table details proposed rents for the Subject’s units. The Subject’s units will be renovated with LIHTC and restricted to households earning 50 percent of AMI or less. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents
<i>@50% (Project Based Rental Assistance - PBRA)</i>							
3BR / 2BA	900	18 18	\$928	\$0	\$928	\$1,081	\$1,421

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

Assisted Housing Program:

All 18 units will operate with Project Based Rental Assistance through the RAD program wherein tenants pay 30 percent of their income towards rent.

Construction Date:

The Subject was originally constructed in 1971. Renovation of the Subject is expected to begin in Summer 2020 and be completed in Summer 2021.

Target Household Income Levels:

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
<i>@50% (PBRA)</i>		
3BR	\$0	\$44,950

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
<i>@50%</i>		
3BR	\$37,063	\$44,950

Utility Structure:

Tenants at the Subject are not responsible for any utilities. The comparable properties’ utility structures are illustrated in the respective property summaries and are adjusted appropriately to account for differences relative to the

Subject, based on the Virginia Housing Development Authority’s utility allowance, effective January 1, 2019.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	3BR
Heating - Gas	Landlord	\$28
Cooking - Gas	Landlord	\$6
Other Electric	Landlord	\$36
Air Conditioning	Landlord	\$15
Water Heating - Gas	Landlord	\$15
Water	Landlord	\$54
Sewer	Landlord	\$75
Trash	Landlord	\$19
TOTAL - Paid By Landlord		\$248
TOTAL - Paid By Tenant		\$0

Source: Virginia Housing Development Authority, effective January 2019

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

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
3BR / 2BA	18	900	16,200
TOTAL	18		16,200

Net Leasable Area: Approximately 16,200 square feet.

Unit Amenities: The Subject offers blinds, hardwood flooring, ovens, and refrigerators in terms of in-unit amenities. Upon renovation, the Subject will add dishwashers to all units.

Common Area Amenities: The Subject does not offer any common area amenities. Upon renovation, no common area amenities are expected to be added.

Parking: According to the site plans, the Subject offers approximately 18 off-street spaces, which equates to 1.0 spaces per unit. There is no fee for parking. Though the parking ratio is low, the Subject is in an urban area, and is located within close proximity to bus lines.

Number of Stories and Buildings: The Subject consists of nine two-story garden-style buildings within three scattered sites located 0.6 miles from each other.

Americans with Disabilities Act of 1990: We assume the property does not have any violations of the Americans with Disabilities Act of 1990.

Quality of Construction Condition and Deferred Maintenance: As newly renovated, the Subject will not suffer from deferred maintenance. We assume the Subject will be renovated in a timely manner with quality construction.

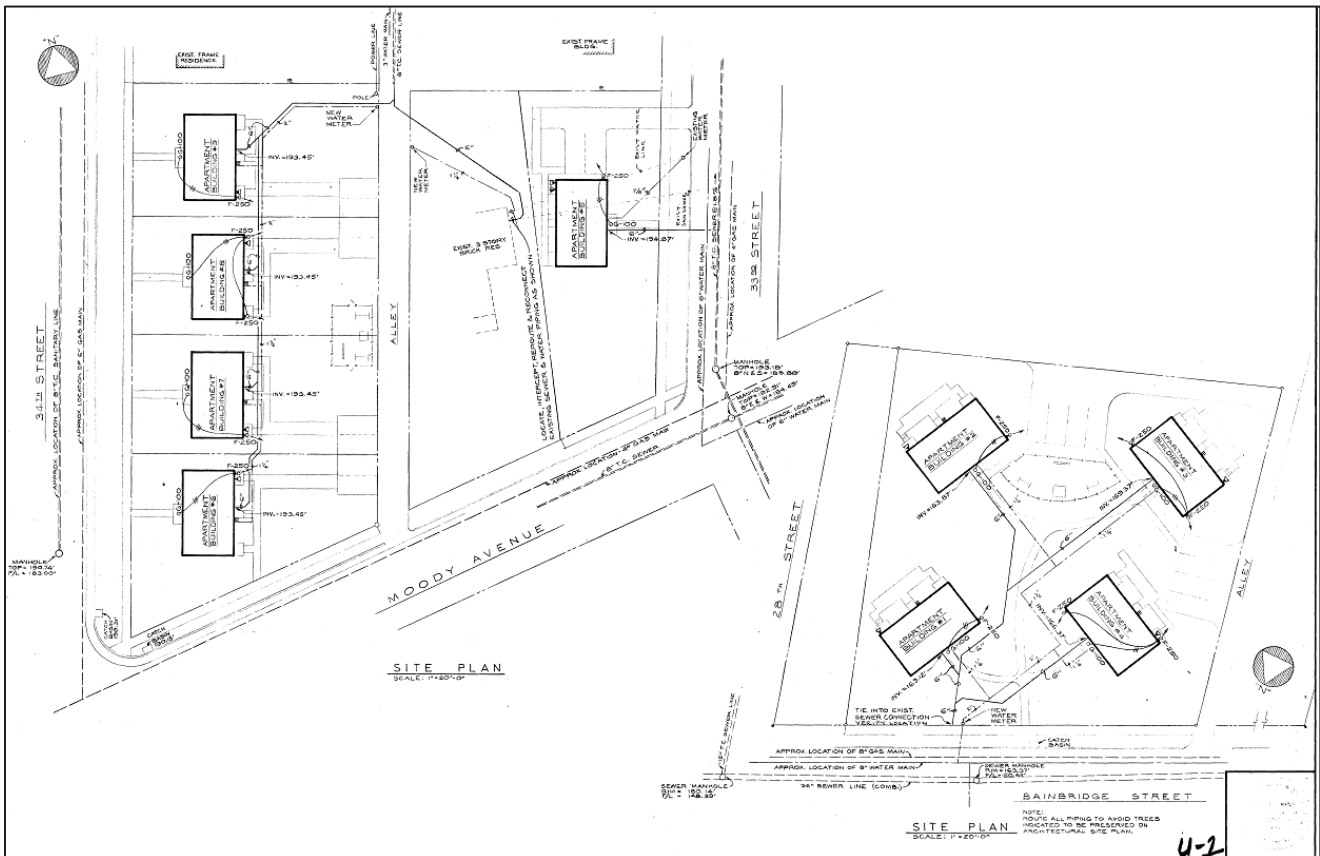
Functional Utility: We reviewed and inspected the Subject’s floor plans and determined them to be reasonable.

Conclusion: The Subject property will be a newly renovated 18-unit LIHTC/RAD development. The Subject will exhibit good condition upon completion of renovations.

Architect: G. Richard Brown and Thomas A. Gresham Associated Architects.

Site and Architectural Plans: A copy of the site and architectural plans are available on this page, and in the addenda of this report.

Subject Site Plan



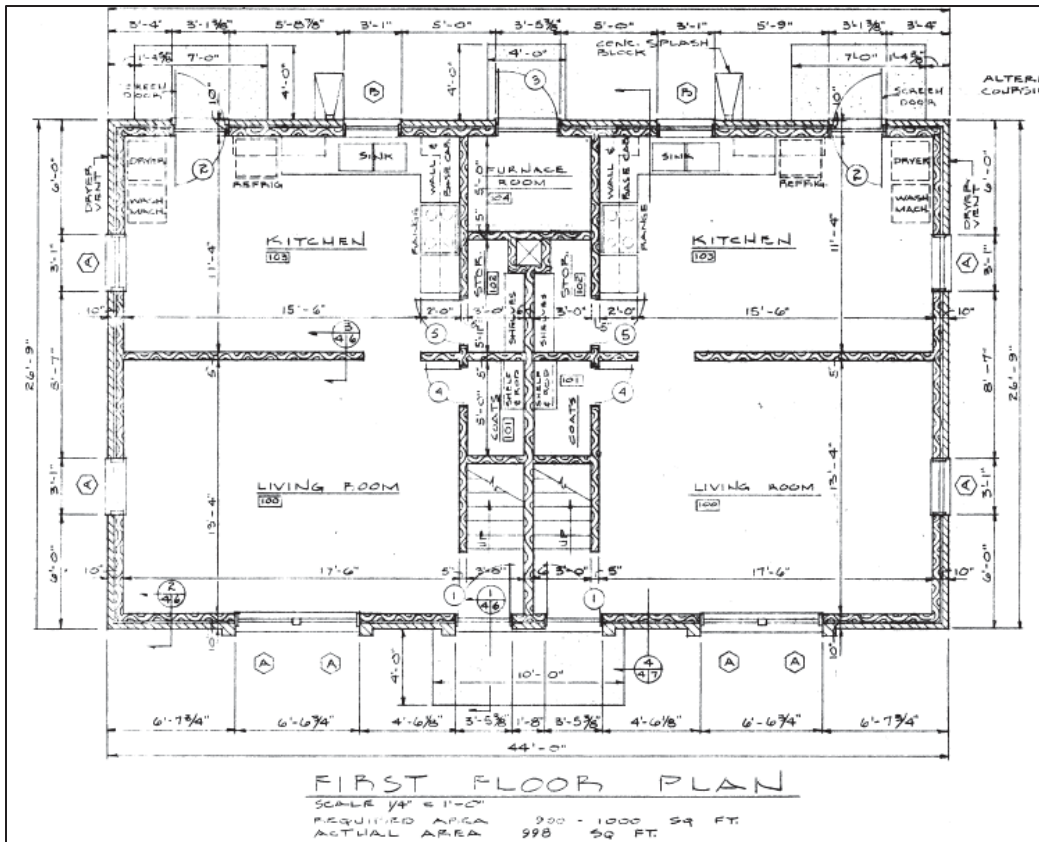
Source: Sponsor, March 2019

Subject Elevations

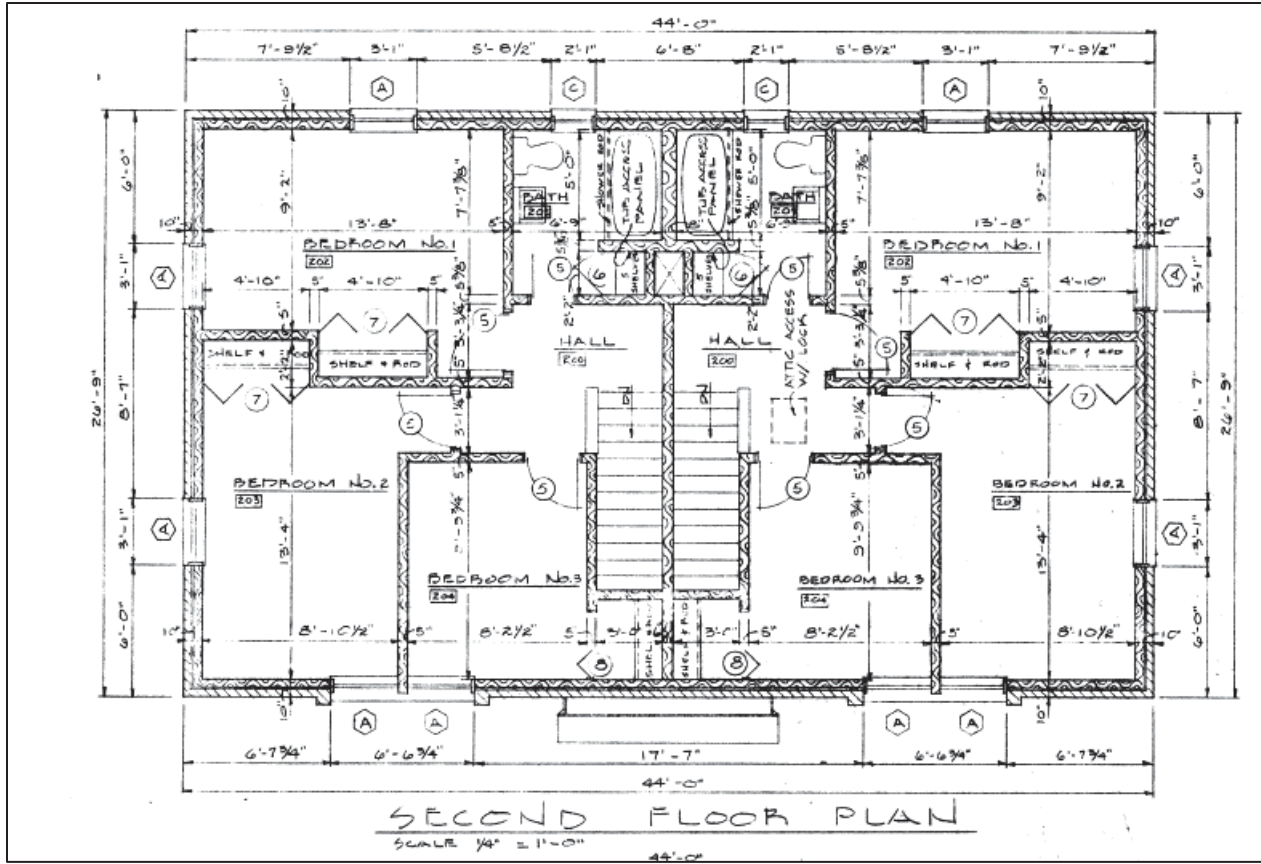


Source: Sponsor, March 2019

Subject Floor Plans



Source: Sponsor, March 2019



Source: Sponsor, March 2019

Bainbridge Apartments												
Location		2808 Bainbridge Street Richmond, VA 23225										
Units		18										
Type		Garden (2 stories)										
Year Built / Renovated		1971/2021										
Utilities												
A/C		included – window				Other Electric			included			
Cooking		included – gas				Water			included			
Water Heat		included – gas				Sewer			included			
Heat		included – gas				Trash Collection			included			
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
3	2	Garden (2 stories)	18	900	\$928	\$0	Market	-	2	11.10%	-	
Amenities												
In-Unit		Blinds Hardwood Flooring Dishwasher Oven Refrigerator				Security			none			
Property Services		Off-Street Parking none				Premium Other			none none			

D. LOCATION

LOCATION

The location of an apartment community can have a substantial negative or positive impact upon the performance, safety and appeal of the property. The following site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow, etc. The Subject is outlined below in yellow. The Subject is a scattered site at three different locations, two of which are on the same map. The third location is located 0.6 miles east of the other two. The property at 2802 – 2808 Bainbridge Street will be used as the primary address. 2802 – 2808 Bainbridge Street has eight units, the same amount of units at 101 – 107 W 34th Street and 3311 Moody Avenue, but the parcel on Bainbridge Street has a higher acreage.





Source: Google Earth, March 2019

Subject Site Description and Size: The Subject is located is located at three scattered sites.

SUBJECT SITE DESCRIPTION AND SIZE

Address	Number of Units	Size (AC)	Size (SF)
101 - 107 W 34th Street and 3311 Moody St	8	0.71	31,058
102 W 33rd St	2	0.23	10,149
2802 - 2808 Bainbridge St	8	0.77	33,498

Shape: The sites are generally irregular in shape.

Frontage: 101 - 107 West 34th Street and 3311 Moody Avenue has frontage on west side of an unnamed alley, the north side of Moody Avenue, and the east side of West 34th Street. 102 West 33rd Street has frontage on the west side of West 33rd Street, the north side of Moody Avenue, and the east side of an unnamed alley. 2802 - 2808 Bainbridge Street has frontage along the south side of Bainbridge Street, the west side of West 28th Street, and the south and east sides of two unnamed alleys.

Topography:

The Subject sites are level.

Utilities:

All utilities are provided to the sites.

Visibility/Views:

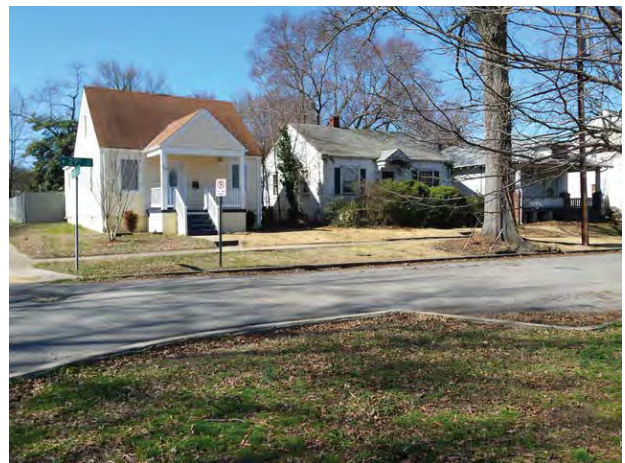
The Subject at 101 – 107 West 34th Street and 3311 Moody Avenue is visible from West 34th Street and Moody Avenue, and has average visibility. Views consist of single-family homes in average condition to the north, east, south, and west. The surroundings uses are in average condition. Overall, views are considered average. The Subject at 102 West 33rd Street is visible from West 33rd Street and Moody Avenue, and has average visibility. Views consist of single-family homes in average condition to the north, east, south, and west. The surroundings uses are in average condition. Overall, views are considered average. The Subject at 2802 – 2808 Bainbridge Street is visible from Bainbridge Street and West 28th Street and has average visibility. Views consist of single-family homes in average condition to the north, east, south, and west, and Carter Jones Park to the north. The surroundings uses are in average condition. Overall, views are considered average.

Surrounding Uses:

Bainbridge Apartments is a scattered site property. For the purposes of the neighborhood analysis, 2802 – 2808 Bainbridge Street will be used as the primary address when calculating distances from neighborhood amenities. The two remaining sites are both 0.6 miles away from the site located on Bainbridge Street and share the same neighborhood amenities. The Subject is located south of downtown Richmond in the Swansboro neighborhood. The Subject site is rated as “Somewhat Walkable” by Walk Score with a score of 64, indicating that some errands can be accomplished by foot.



Carter Jones Park north of Subject



Single-family homes north of Subject

North: Land use to the north of the Subject consists of single-family homes in average condition, and Carter Jones Park which includes two baseball fields, three tennis courts, and a basketball court. Further north are three houses of worship, and Reedy Creek Trail, which borders the James River.



Bainbridge Street looking east (Subject on the right)



Single-family homes east of Subject

East: Land use to the east consists of single-family homes in average condition and Melvin A Fox Manor apartments in average condition. Melvin A Fox Manor is a subsidized senior property and we excluded the property from our comparable properties list. Further east is Saint Francis Home, a senior property in average condition.



View south from Subject towards single-family homes along Barry Street



Single-family homes in the Subject's neighborhood

South: Land use to the south consists of single-family homes in average condition. Further south are several commercial uses in average condition along Hull Street. These commercial uses include Family Dollar, auto repair shops, and a seafood market. Just beyond these commercial uses is a self-storage facility, a cemetery in average condition, and light industrial use in average condition including a furniture manufacturer, and a scaffolding distributor.



View of Subject from Bainbridge Street looking west



Single-family home along Bainbridge Street to the west of Subject

West: Land use to the west consists single-family homes in average condition. Further west is Swansboro Elementary School, Swansboro Community Center, and several houses of worship. On the corner of Forest Hill Avenue and Semmes Avenue are several local restaurants, a cafe, a convenience store, and several commercial uses in average condition including an antique store, and a bicycle shop. The corner of Forest Hill Avenue and Semmes Avenue also borders Forest Hill Park.

Access and Traffic Flow:

The Subject sites at 101 – 107 West 34th Street and 3311 Moody Avenue, and 102 West 33rd Street are accessible from West 33rd Street, Moody Avenue, West 34th Street, and an unnamed alley. West 33rd Street and West 34th Street both traverse north to Forest Hill Avenue. West 33rd Street traverses south to Midlothian Turnpike, which turns into U.S. Route 60. Moody Avenue traverses east and west to lightly trafficked roads, which connect to both Forest Hill Avenue and Midlothian Turnpike. Additionally, access to Interstate 95 is provided 2.3 miles east of the Subject. The Subject at 2802 – 2808 Bainbridge Street is accessible from Bainbridge Street, a lightly trafficked two-lane residential road, and West 28th Street, a lightly trafficked alley. Bainbridge Street turns into Forest Hill Avenue 0.1 miles to the west, which is an arterial road that connects with both Westover Hills Boulevard and Powhite Parkway. West 28th Street is an alley that traverses south to Barry Street, which is also an alley. Additionally, access to Interstate 95 is provided 1.8 miles east of the Subject. Overall, access and traffic flow are considered good.

Layout and Curb Appeal:

The Subject consists of nine two-story garden-style buildings. The Subject will be newly renovated and exhibit good curb appeal.

Drainage:

We have not been provided with an environmental report. We are not experts in this field and assume the soil is adequate for development.

Soil and Subsoil Conditions:

We have not been provided with a soil and subsoil report. We are not experts in this field and assume the site is adequate for development.

Environmental Assessment:

We have not been provided with an environmental report. Further analysis is beyond the scope of this report. Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter.

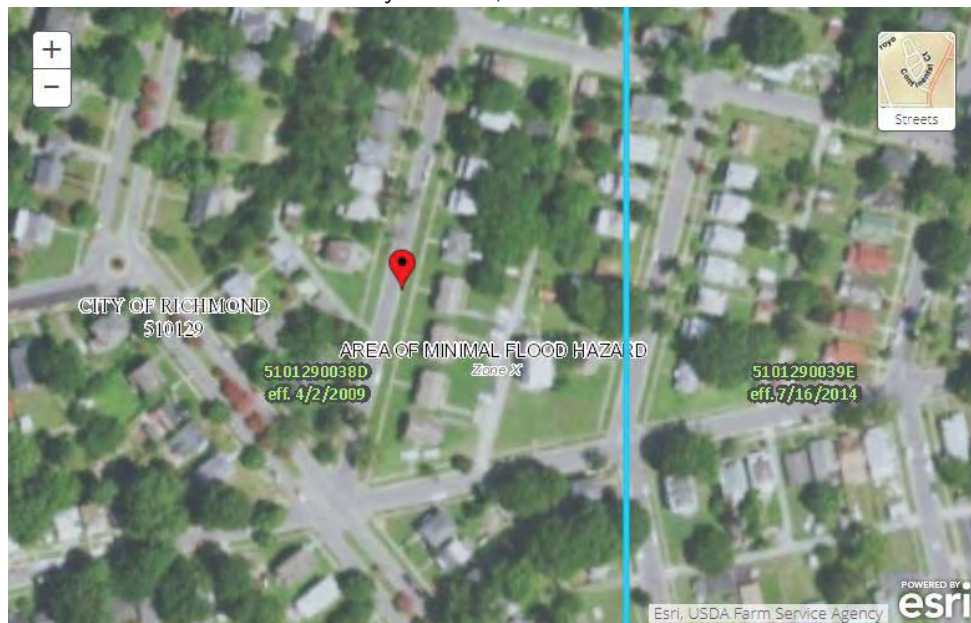
Detrimental Influences:

No detrimental influences were identified.

Flood Plain:

According to the FEMA Flood Map Service Center Community Panel Number 5101290038D, effective on 04/02/2009, the Subject sites at 101 – 107 West 34th Street and 3311 Moody Avenue, and 102 West 33rd Street are located in Zone X and are located in an area that is not in a flood zone. Further analysis is beyond the scope of this report. Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter. According to the FEMA Flood Map Service Center Community Panel Number 5101290039E, effective on 7/16/2014, the Subject site at 2802 – 2808 Bainbridge Street is located in Zone X and is located in an area that is not in a flood zone. Further analysis is beyond the scope of this report. Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter.

101 – 107 West 34th Street and 3311 Moody Avenue, and 102 West 33rd Street:



Source: FEMA Flood Map Service Center, March 2019

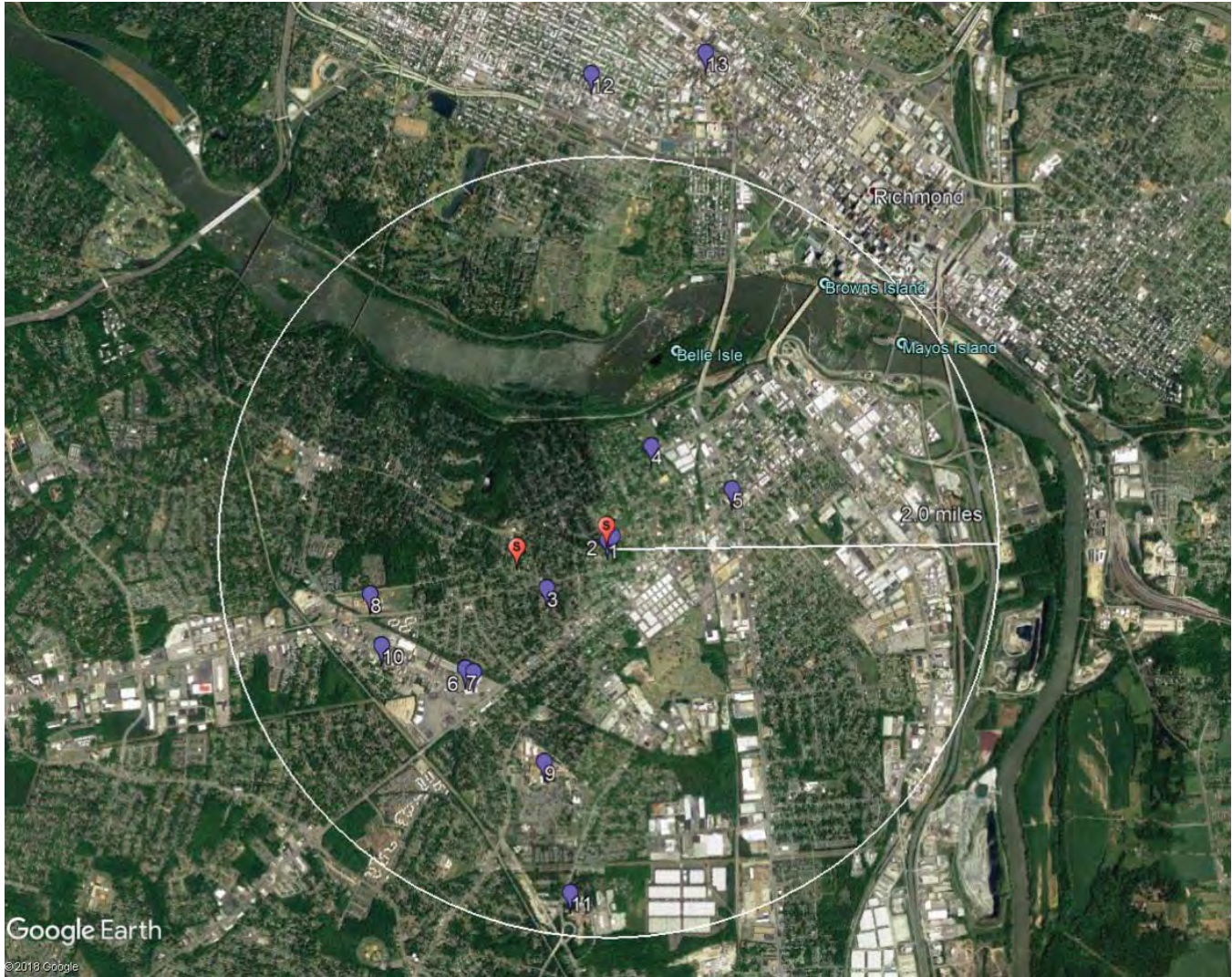
2802 – 2808 Bainbridge Street:



Source: FEMA Flood Map Service Center, March 2019

Locational Amenities:

The following table and map illustrate the Subject’s proximity to necessary services. For the purposes of this table and map, 2802 – 2808 Bainbridge Street will be used as the primary location. Map numbers correspond with the *Locational Amenities Map*, presented below.



Source: Google Earth, March 2019

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop	<0.1 miles
2	Carter Jones Park	<0.1 miles
3	Swansboro Elementary School	0.4 miles
4	Fire Department	0.5 miles
5	Rite Aid Pharmacy	0.7 miles
6	Wells Fargo Bank	1.0 miles
7	Save-A-Lot (grocery)	1.0 miles
8	George Wuthe High School	1.2 miles
9	Hunter Holmes McGuire Medical Center	1.2 miles
10	Police Department	1.3 miles
11	United States Postal Service	1.8 miles
12	Binford Middle School	2.4 miles
13	Walmart	2.5 miles

Public Transportation:

The Greater Richmond Transit Company (GRTC) provides fixed-route bus service to residents of Richmond. The nearest bus stop is located immediately in front of the Subject on Bainbridge Street, and is serviced by the 2C bus route. The 2C bus route typically runs every 30 minutes and travels from Northside Richmond, through Downtown Richmond, and to Southside Richmond. Regular one-way adult fare is \$1.50; children, disabled, and seniors are eligible for a discounted fare of \$0.75.

Crime Statistics:

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

2018 CRIME INDICES

	PMA	Richmond, VA Metropolitan Statistical Area
Total Crime*	207	103
Personal Crime*	267	100
Murder	605	198
Rape	161	89
Robbery	359	124
Assault	226	88
Property Crime*	199	104
Burglary	183	89
Larceny	201	110
Motor Vehicle Theft	220	87

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

*Unweighted aggregations

The table above illustrates the crime risk as an index where 100 represents the national average. Indices above 100 are above the national average, and indices below 100 are below the national average. Total crime risk indices in the PMA are more than double the national average, and above the surrounding MSA. Both geographic areas feature crime risk indices above the overall nation. The Subject does not currently offer any security features. The client has not provided a scope of post renovation security features and therefore have assumed no changes will be made to security amenities post renovation. The upcoming Supply Section of this report provides a more detailed analysis of crime risk indices on a 0.5 mile basis.

Conclusion:

The Subject’s neighborhood appears to be a good location for a multifamily development. The majority of the local amenities are located within approximately three miles of the Subject. The Subject is located in a primarily residential and retail neighborhood, with the majority of the immediate uses consisting of single-family and multifamily residential uses. The Subject is a compatible use within the existing neighborhood.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject from Bainbridge Street looking southeast



Subject from Bainbridge Street looking southeast



Alternative view of Subject from Bainbridge Street



Alternative view of Subject from Bainbridge Street



Subject buildings from West 34th Street looking east



Subject from Moody Avenue and West 34th Street



Subject from West 33rd Street looking northwest



Typical Subject building (right side of photo) from Moody Avenue looking north



View Subject from Moody Avenue looking west



Rear of typical Subject buildings



Rear of typical Subject buildings



Typical Subject building



Typical Subject building and parking area



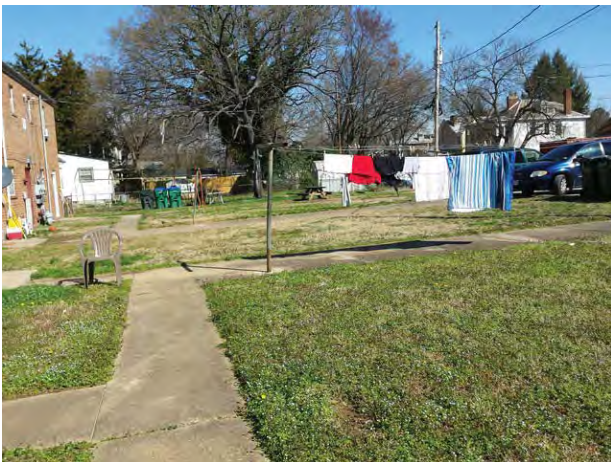
Rear of typical Subject building



Subject building with boarded-up unit and parking area



Alley along Subject site



Rear yard area



Rear parking area



Typical living area – occupied unit



Typical living area – vacant unit



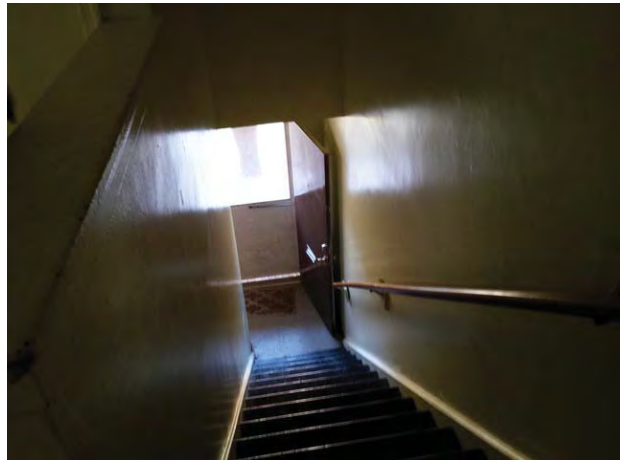
Typical kitchen – occupied unit



Typical kitchen – vacant unit



Typical dining area – occupied unit



Typical interior stairway – occupied unit



Typical bedroom – occupied unit



Typical bedroom – vacant unit



Typical bathroom – occupied unit



Typical bathroom – vacant unit



Typical exterior utility closet



View from Subject towards single-family homes along Barry Street



Bainbridge Street looking east (Subject on the right)



Bainbridge Street looking west



Fire station along Bainbridge Street to the west of Subject



Single-family home along Bainbridge Street to the west of Subject



Athletic fields across Bainbridge Street from Subject



Single-family homes along West 29th Street to the north of Subject



Single-family homes along Bainbridge Street to the east of Subject



Single-family homes along West 29th Street to the southwest of Subject



Single-family homes along Midlothian Turnpike to the southwest of Subject



View along West 34th looking south (Subject on left)



View along West 34th looking north



Single-family homes across West 34th Street from the Subject



Single-family homes along West 34th Street immediately north of Subject



View towards Moody Avenue from Subject site



Vacant building (under rehabilitation to the rear of Subject site along Moody Avenue)



Alternative view of vacant building (under rehabilitation to the rear of Subject site)



View along Moody Avenue looking east



View of Subject from Moody Avenue looking west



Single-family homes along West 33rd Street to the east of Subject



Single-family homes along Dundee Avenue to the south of Subject



Single-family homes along Dundee Avenue to the southwest of Subject



Single-family homes along Dundee Avenue to the southwest of Subject

E. MARKET AREA DEFINITION

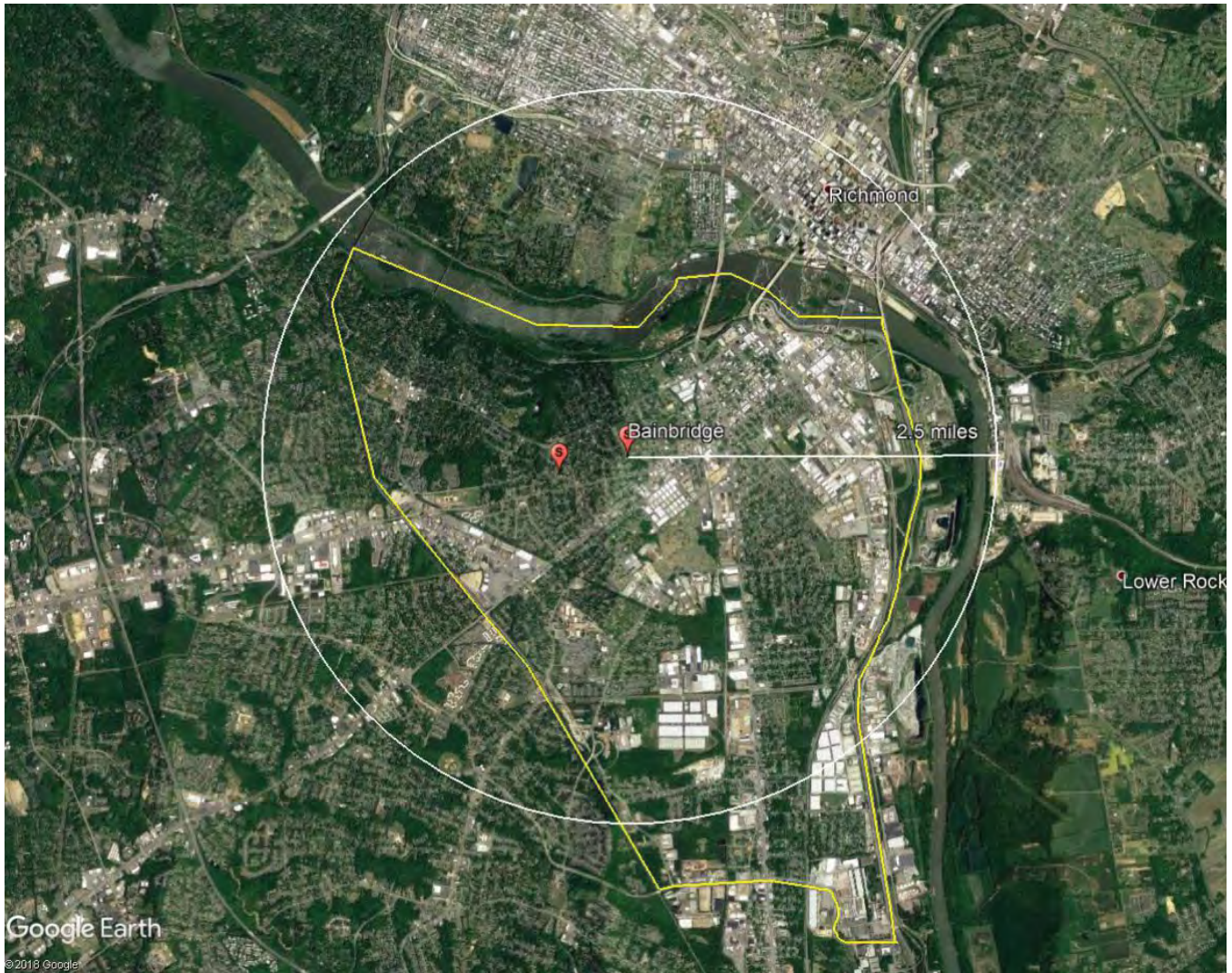
MARKET AREA

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

The Subject property is located in Richmond, Virginia. The PMA is generally defined as James River to the north, Interstate 95 to the east, Bells Road/Virginia State Route 161 to the south, and Virginia State Route 161 and Virginia State Route 686 to the west. This area was defined based on interviews with local market participants and local property managers, including management at the Subject. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. The PMA encompasses 11.3 square miles and an approximate drive time zone of 15 minutes.

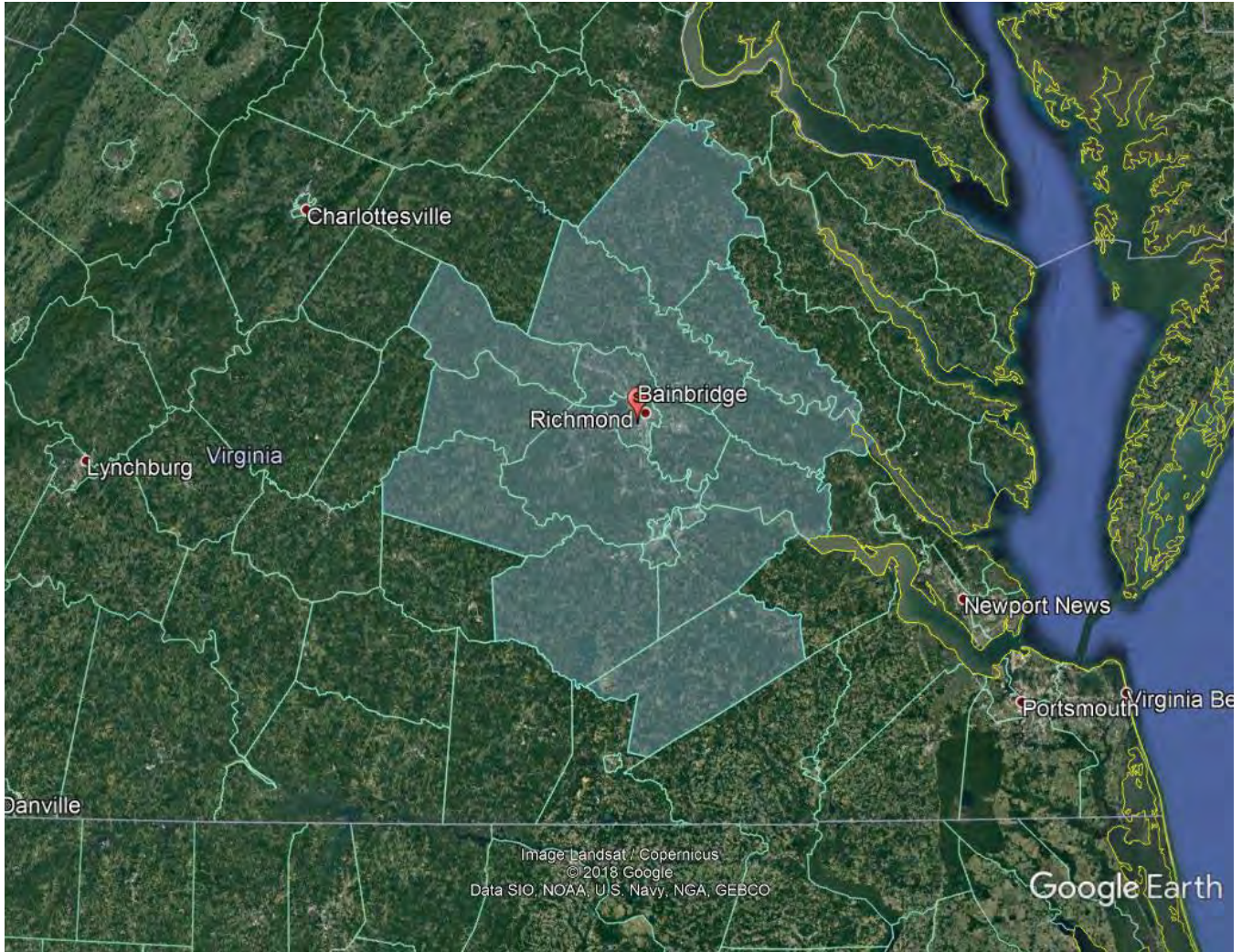
The Richmond, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of the independent cities of Richmond, Colonial Heights, Hopewell, and Petersburg, as well as Amelia, Charles City, Caroline, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, New Kent, King William, Powhatan, Prince George, and Sussex Counties. Maps outlining the general PMA boundaries as well as the MSA can be found on the following pages.

Primary Market Area Map



Google Earth
©2018 Google
Source: Google Earth, March 2019

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, March 2019

F. EMPLOYMENT AND ECONOMY

The following sections will provide an analysis of the economic and demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Richmond, VA Metropolitan Statistical Area (MSA) are areas of growth or contraction.

Employment by Industry

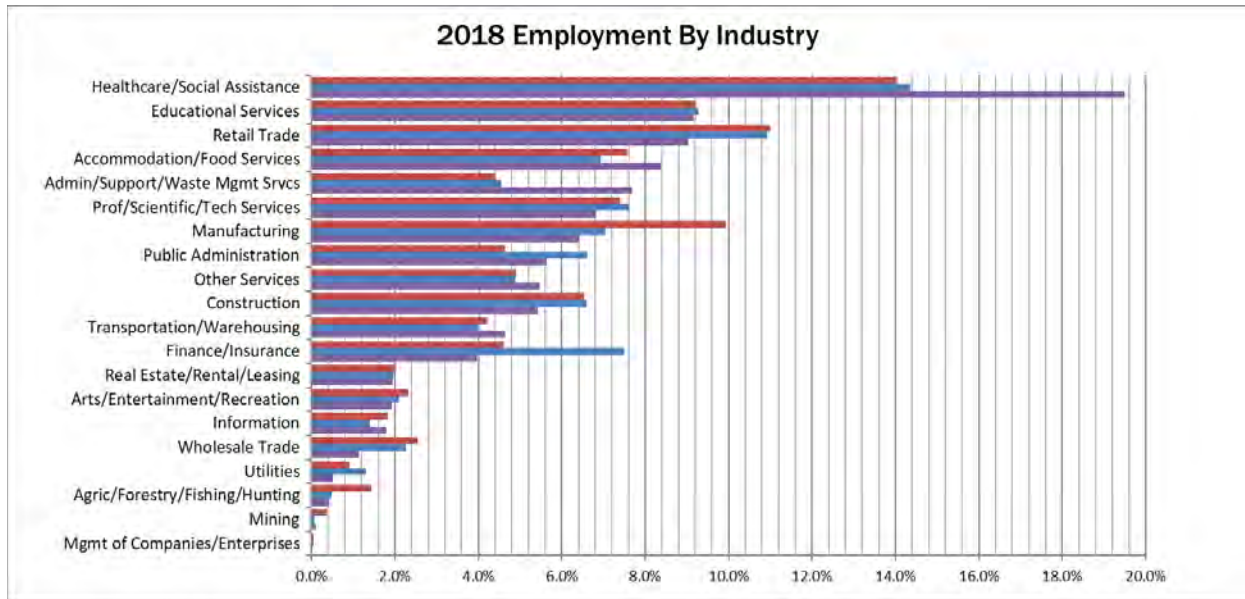
The following chart illustrates employment by industry as of 2018.

2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	3,032	19.5%	22,154,439	14.0%
Educational Services	1,424	9.2%	14,568,337	9.2%
Retail Trade	1,404	9.0%	17,381,607	11.0%
Accommodation/Food Services	1,302	8.4%	11,958,374	7.6%
Admin/Support/Waste Mgmt Svcs	1,193	7.7%	6,943,459	4.4%
Prof/Scientific/Tech Services	1,059	6.8%	11,673,939	7.4%
Manufacturing	1,000	6.4%	15,694,985	9.9%
Public Administration	876	5.6%	7,345,537	4.7%
Other Services	851	5.5%	7,758,801	4.9%
Construction	844	5.4%	10,333,928	6.5%
Transportation/Warehousing	723	4.7%	6,660,099	4.2%
Finance/Insurance	618	4.0%	7,284,572	4.6%
Real Estate/Rental/Leasing	303	1.9%	3,165,171	2.0%
Arts/Entertainment/Recreation	299	1.9%	3,672,444	2.3%
Information	280	1.8%	2,881,691	1.8%
Wholesale Trade	177	1.1%	4,028,405	2.6%
Utilities	82	0.5%	1,433,069	0.9%
Agric/Forestry/Fishing/Hunting	64	0.4%	2,273,158	1.4%
Mining	16	0.1%	591,596	0.4%
Mgmt of Companies/Enterprises	0	0.0%	87,511	0.1%
Total Employment	15,547	100.0%	157,891,122	100.0%

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

Employment in the PMA is concentrated in the healthcare/social assistance, educational services, and retail trade industries, which collectively comprise 37.7 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Enrollment at the University of Richmond dropped to its lowest numbers in in the past decade in 2018, contracting by seven percent since 2009. Enrollment dropped from 4,023 total students in 2017 to 4,002 total students in 2018. Enrollment at Virginia Commonwealth University dropped to its lowest numbers in the past decade in 2017, with enrollment shrinking by four percent since 2009. However, enrollment increased slightly from 31,036 total students in 2017 to 31,076 total students in 2018. Despite the contractions in enrollment, there have been no significant recent layoffs at these educational institutions. Relative to the overall nation, the PMA features comparatively greater employment in the healthcare/social assistance, admin/support/waste management services, and public administration industries. Conversely, the PMA is underrepresented in the manufacturing, retail trade, and wholesale trade industries.



Growth by Industry

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

2000-2018 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2018		2000-2018	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	1,746	13.8%	3,032	19.5%	1,286	4.1%
Educational Services	801	6.3%	1,424	9.2%	623	4.3%
Retail Trade	1,225	9.6%	1,404	9.0%	179	0.8%
Accommodation/Food Services	1,003	7.9%	1,302	8.4%	299	1.7%
Admin/Support/Waste Mgmt Svcs	812	6.4%	1,193	7.7%	381	2.6%
Prof/Scientific/Tech Services	657	5.2%	1,059	6.8%	402	3.4%
Manufacturing	1,517	11.9%	1,000	6.4%	-517	-1.9%
Public Administration	808	6.4%	876	5.6%	68	0.5%
Other Services	732	5.8%	851	5.5%	119	0.9%
Construction	707	5.6%	844	5.4%	137	1.1%
Transportation/Warehousing	529	4.2%	723	4.7%	194	2.0%
Finance/Insurance	766	6.0%	618	4.0%	-148	-1.1%
Real Estate/Rental/Leasing	242	1.9%	303	1.9%	61	1.4%
Arts/Entertainment/Recreation	270	2.1%	299	1.9%	29	0.6%
Information	260	2.0%	280	1.8%	20	0.4%
Wholesale Trade	488	3.8%	177	1.1%	-311	-3.5%
Utilities	89	0.7%	82	0.5%	-7	-0.4%
Agric/Forestry/Fishing/Hunting	11	0.1%	64	0.4%	53	26.8%
Mining	8	0.1%	16	0.1%	8	5.6%
Mgmt of Companies/Enterprises	26	0.2%	0	0.0%	-26	-5.6%
Total Employment	12,697	100.0%	15,547	100.0%	2,850	1.2%

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

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

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

Total employment in the PMA increased at an annualized rate of 1.2 percent between 2000 and 2018. The industries which expanded most substantially during this period include healthcare/social assistance, educational services, and prof/scientific/tech services. Conversely, the manufacturing, wholesale trade, and finance/insurance sectors experienced the least growth. Overall, we view the lessening reliance on the volatile manufacturing sector, and concurrent rise in healthcare-related employment as a positive aspect of the local economy.

Major Employers

The following table details the largest federal and private employers according to the Greater Richmond Partnership.

MAJOR EMPLOYERS - RICHMOND, VA

Employer Name	Industry	# of Employees
Capital One Financial Corp.	Finance	11,252
Virginia Commonwealth University Health System	Healthcare	9,313
HCA Virginia Health System	Healthcare	7,628
Bon Secours Richmond	Healthcare	7,136
Dominion Virginia Power	Utilities	5,433
SunTrust Banks Inc.	Finance	3,810
Altria Group Inc.	Producing, Marketing	3,800
Amazon.com	Online Retail	3,800
Wells Fargo	Finance	2,902
Anthem Blue Cross and Blue Shield	Insurance	2,655
United Parcel Service	Package Distribution	2,490
Bank of America	Finance	1,921
Federal Reserve Bank of Richmond	Finance	1,882
Markel Corporation	Insurance	1,846
DowDuPont	Conglomerate	1,800
Verizon Communications	Telecommunications	1,700
University of Richmond	Education	1,578
General Dynamics Corp.	Call Center	1,450
CarMax Inc.	Auto Sales	1,306
Southside Regional Medical	Healthcare	1,280
AdvanSix	Manufacturing	1,177
Estes Express Lines	Trucking, Air Freight	1,102
Genworth Financial Inc.	Insurance	1,037
Kings Dominion	Entertainment	1,000

Source: Greater Richmond Partnership, February 2019

Richmond's largest employers are primarily in the finance and healthcare sectors. Employers in the finance or healthcare sector make up six of the top ten largest employers in Richmond, and are the top two largest employers.

Employment Expansion/Contractions

In January 2019, we spoke with Betty-Anne Teter, Programs Administrator, with the Department of Economic Development in regards to economic development in Richmond. According to Ms. Teter, there are several areas in Richmond that are the focus of economic development, primarily through adaptive re-use projects. The following details were provided by Ms. Teter.

- The Greater Richmond Transit Company (GRTC) recently completed construction of the GRT Pulse, a high capacity rapid transit system that services a 7.6-mile route along Broad Street and Main Street, from Rocketts Landing to Willow Lawn in Henrico County. The project is projected to expand to an additional 500 new daily riders, and to increase bus efficiency by 63 percent. Bus fares will remain stable and the hours of operation will be from 5:30 am to 11:30 pm.
- Owens & Minor, a global healthcare service company, moved into a 90,000 square foot space in Riverfront Plaza. This opening is expected to create over 300 new permanent positions in upcoming years.
- Stone Brewing Company invested over \$70 million to build a new brewery and restaurant location in 2017. The restaurant is still in the planning phases and was estimated to create over 250 part and full-time jobs when full production capacity is reached.
- Martin Agency made a \$15 million investment in early 2017, which included a 45,000 square-foot expansion. The expansion is estimated to have added 175 full-time jobs.
- CoStar, a commercial real estate information data company, opened a regional office along the James River in 2017. At full capacity, the facility is expected to house around 732 employees.
- ICMA-RC, a financial service firm, relocated 100 jobs and created an additional 100 jobs in Downtown Richmond in 2017.
- Blue Bee Cider, LLC relocated and expanded its cider production in Richmond in 2016. The company will invest more than \$1 million to renovate a historic building and triple its cider production.
- Relay Foods, food processor, invested \$750,000 and hired 100 full-time employees during 2016 and 2017.
- AvePoint Inc., a technology consultant firm, invested \$1.5 million to establish an operation in Richmond, creating 100 new full-time jobs. Founded in 2011, AvePoint Inc. serves over 14,000 organizations and three million Office 365 users globally.
- Acqueous Solutions, a water purification organization, invested \$2.1 million and created 50 new full-time positions in 2016.
- AuthX Consulting, a technology consultant firm, relocated and expanded its headquarters to the Richmond area. The move is projected to add 80 full-time employees to the area.
- Thermal Gradient, a developer of molecular diagnostic systems, relocated its operations to the Richmond area in 2016. The relocation is projected to add 45 full-time employees to the Richmond area.
- Minacs, an IT business solutions consultant, has opened a second IT center in the Richmond area and plans to add 200 full-time positions. The company, headquartered in India, also added 150 part-time positions in 2016. Minacs employs 21,000 experts in 35 centers globally.
- Dominion Virginia Power, a utilities provider, is planning to develop three large-scale solar projects totaling 400 megawatts of electricity. The project is projected to be completed and operational by 2020. Combined, these solar facilities will power 100,000 households. The construction for this project will create 960 full and part-time jobs and provide a \$74 million economic investment.

The following table illustrates the WARN notices from 2017 to 2019 year-to-date for Richmond.

WARN NOTICES - RICHMOND, VA

Company Name	Jobs Affected	Layoff Date
	2019	
Spectrum Pharmaceuticals	2	2/13/2019
Signify Health	132	1/18/2019
Total	134	
	2018	
Crothall Healthcare	139	11/15/2018
Southeast Services Corporation	134	11/29/2018
DAL Global Services, LLC	92	8/6/2018
Tailored Brands	64	6/29/2018
Farm Fresh	84	3/16/2018
Sam's Club	163	3/16/2018
Taylor Communications	50	2/16/2018
Total	726	
	2017	
Land-O-Sun Dairies LLC	71	10/7/2017
Martin's Store	248	8/9/2017
Martin's Store	92	7/17/2017
Martin's Store	237	7/10/2017
Dollar Express	11	6/30/2017
Martin's Store	109	6/23/2017
Bebe Stores, Inc.	10	5/27/2017
Martin's Store	155	2/6/2017
Riverside Pace	37	2/3/2017
Total	970	
Grand Total	1,830	

Source: Virginia Employment Commission, February 2019

As shown, there have been 1,830 layoffs in Richmond since 2017. However, this represents less than one percent of the workforce in the MSA.

Employment and Unemployment Trends

The table below illustrates the total employment and unemployment rates for the MSA and nation.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

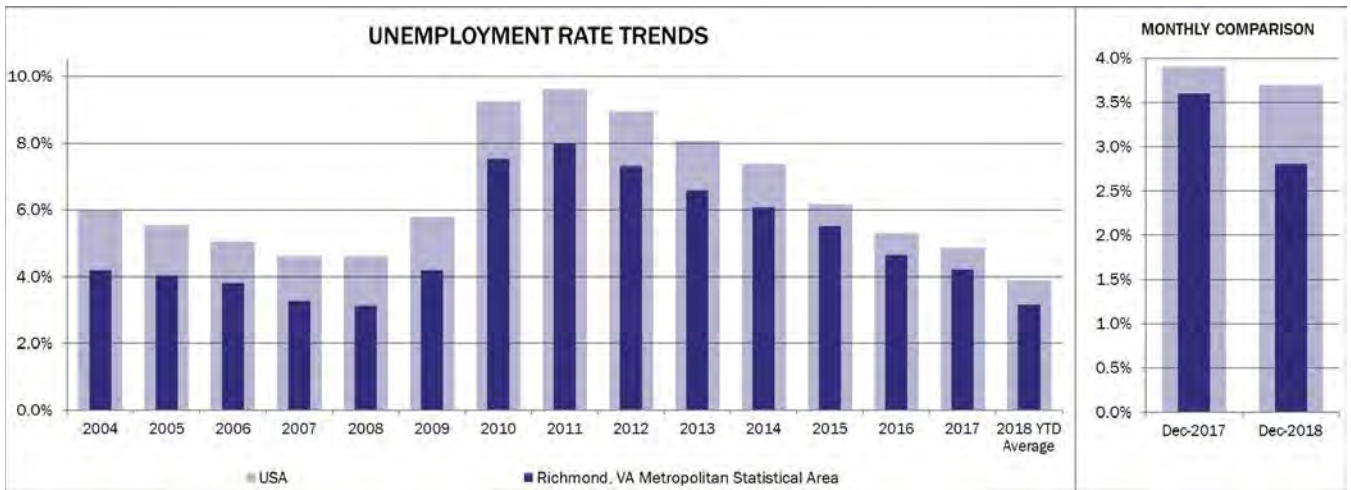
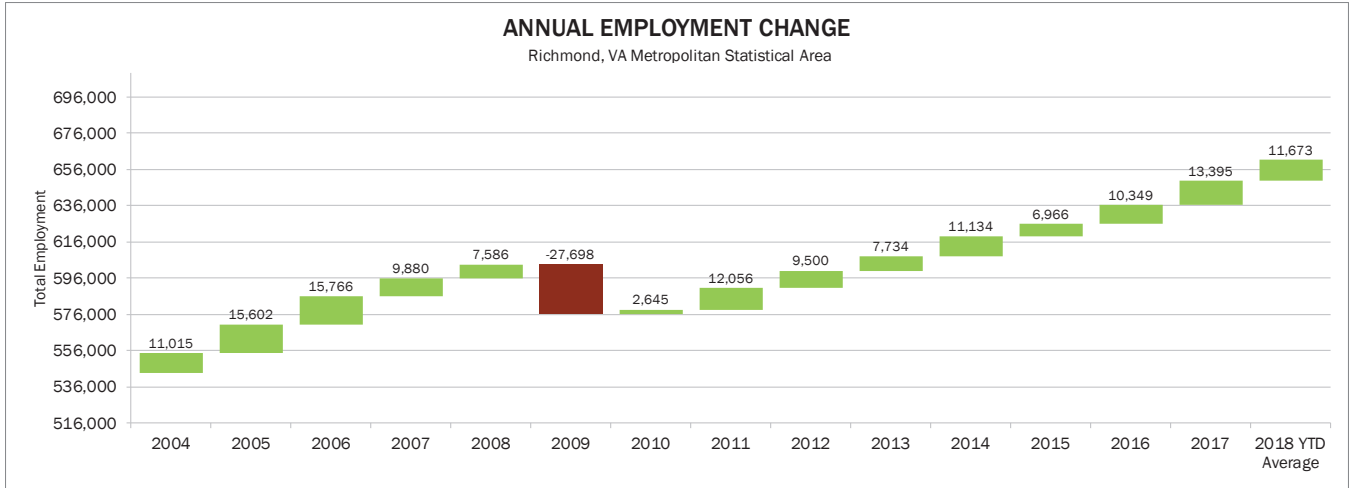
Year	Richmond, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	540,043	-	4.1%	-	136,485,000	-	5.8%	-
2003	543,701	0.7%	4.2%	0.1%	137,736,000	0.9%	6.0%	0.2%
2004	554,715	2.0%	4.0%	-0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	570,317	2.8%	3.8%	-0.2%	141,730,000	1.8%	5.1%	-0.5%
2006	586,083	2.8%	3.3%	-0.5%	144,427,000	1.9%	4.6%	-0.5%
2007	595,963	1.7%	3.1%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	603,549	1.3%	4.2%	1.1%	145,363,000	-0.5%	5.8%	1.2%
2009	575,851	-4.6%	7.5%	3.3%	139,878,000	-3.8%	9.3%	3.5%
2010	578,496	0.5%	8.0%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	590,551	2.1%	7.3%	-0.7%	139,869,000	0.6%	9.0%	-0.7%
2012	600,051	1.6%	6.6%	-0.7%	142,469,000	1.9%	8.1%	-0.9%
2013	607,785	1.3%	6.1%	-0.5%	143,929,000	1.0%	7.4%	-0.7%
2014	618,919	1.8%	5.5%	-0.5%	146,305,000	1.7%	6.2%	-1.2%
2015	625,885	1.1%	4.7%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	636,234	1.7%	4.2%	-0.5%	151,436,000	1.7%	4.9%	-0.4%
2017	649,629	2.1%	3.9%	-0.3%	153,337,000	1.3%	4.4%	-0.5%
2018 YTD Average*	661,302	1.8%	3.2%	-0.8%	155,761,000	1.6%	3.9%	-0.4%
Dec-2017	645,440	-	3.6%	-	153,602,000	-	3.9%	-
Dec-2018	660,541	2.3%	2.8%	-0.8%	156,481,000	1.9%	3.7%	-0.2%

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

*2018 data is through December

Prior to the national recession, average employment growth in the MSA performed similar to the nation. Annual job growth in the MSA slightly outpaced the nation in four of the five years between 2003 and 2007. Comparatively speaking, the MSA economy performed similar during the recession. Total MSA employment contracted by 4.6 percent (2008-2009), compared to the 4.8 percent decline reported by the overall nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.3 percent, compared to 1.9 percent across the overall nation.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. The local labor market performed similar to the overall nation during the recession, as the rate of unemployment increased by 4.9 percentage points, compared to a 5.0 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 2.8 percent, lower than the current national unemployment rate of 3.7 percent. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.



Wages by Occupation

The following table illustrates the wages by occupation for the Richmond, VA MSA.

RICHMOND, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2017 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	638,840	\$23.61	\$49,110
Management Occupations	26,830	\$59.73	\$124,240
Legal Occupations	6,670	\$51.19	\$106,480
Computer and Mathematical Occupations	22,770	\$41.74	\$86,820
Architecture and Engineering Occupations	8,840	\$38.28	\$79,620
Business and Financial Operations Occupations	46,480	\$35.55	\$73,950
Healthcare Practitioners and Technical Occupations	40,420	\$34.96	\$72,710
Life, Physical, and Social Science Occupations	4,800	\$31.43	\$65,370
Arts, Design, Entertainment, Sports, and Media Occupations	7,580	\$24.42	\$50,790
Education, Training, and Library Occupations	35,910	\$24.15	\$50,230
Installation, Maintenance, and Repair Occupations	25,060	\$23.16	\$48,160
Community and Social Service Occupations	11,080	\$22.27	\$46,320
Construction and Extraction Occupations	27,060	\$20.61	\$42,870
Sales and Related Occupations	69,770	\$20.11	\$41,830
Protective Service Occupations	18,590	\$20.01	\$41,610
Production Occupations	28,890	\$18.89	\$39,290
Office and Administrative Support Occupations	105,390	\$17.59	\$36,580
Transportation and Material Moving Occupations	42,780	\$16.39	\$34,090
Farming, Fishing, and Forestry Occupations	880	\$15.54	\$32,330
Healthcare Support Occupations	14,840	\$13.99	\$29,110
Personal Care and Service Occupations	21,430	\$12.45	\$25,910
Building and Grounds Cleaning and Maintenance Occupations	20,280	\$12.37	\$25,740
Food Preparation and Serving Related Occupations	52,500	\$11.01	\$22,900

Source: Department Of Labor, Occupational Employment Statistics, 5/2017, retrieved 2/2019

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$11.01 per hour. The highest average hourly wage, of \$59.73, is for those in management occupations. Qualifying income for the Subject's affordable units will range between \$0 and \$44,950 under the proposed scenario. Absent subsidy, qualifying incomes will range from \$37,063 and \$44,950. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

Commuting Patterns

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

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	265	1.7%
Travel Time 5-9 min	1,071	7.0%
Travel Time 10-14 min	2,592	16.8%
Travel Time 15-19 min	3,101	20.1%
Travel Time 20-24 min	3,213	20.9%
Travel Time 25-29 min	1,292	8.4%
Travel Time 30-34 min	2,272	14.7%
Travel Time 35-39 min	341	2.2%
Travel Time 40-44 min	143	0.9%
Travel Time 45-59 min	294	1.9%
Travel Time 60-89 min	556	3.6%
Travel Time 90+ min	267	1.7%
Weighted Average	24 minutes	

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

As shown in the preceding table, the weighted average commute time in the PMA is approximately 24 minutes, and the drive time zone of the PMA is approximately 15 minutes. More than 66 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, educational services, and retail trade industries, which collectively comprise 37.7 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The MSA economy mimicked the nation economy during the recession, suffering a 4.6 percent employment contraction compared to a 4.8 percent decline across the overall nation. However, employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.3 percent, compared to 1.9 percent across the overall nation. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

G. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

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

POPULATION

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	31,099	-	1,055,637	-	281,038,168	-
2010	31,439	0.1%	1,208,101	1.4%	308,745,538	1.0%
2018	34,662	1.2%	1,307,000	1.0%	330,088,686	0.8%
2023	36,427	1.0%	1,376,412	1.1%	343,954,683	0.8%

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

Historical population growth in the PMA trailed the MSA between 2000 and 2010. However, population growth in the broader MSA exceeded the nation by 0.4 percent during the same time period. Population growth in the PMA accelerated between 2010 and 2018, and grew at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decline to 1.0 percent through 2023, similar to the MSA and slightly above the overall nation.

HOUSEHOLDS

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	12,608	-	408,927	-	105,403,008	-
2010	12,971	0.3%	468,515	1.5%	116,716,296	1.1%
2018	14,299	1.2%	505,753	1.0%	124,110,017	0.8%
2023	15,079	1.1%	530,342	1.0%	128,855,931	0.8%

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

Historical household growth in the PMA trailed the MSA between 2000 and 2010. Although PMA growth also trended below the nation, household growth in the broader MSA exceeded the nation by 0.4 percent during the same time period. Household growth in the PMA accelerated between 2010 and 2018, and grew at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 1.1 percent through 2023, similar to the MSA and slightly above the overall nation.

Population by Age

POPULATION BY AGE IN 2018

Age Cohort	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	2,548	7.4%	73,046	5.6%	19,968,445	6.0%
5-9	2,397	6.9%	78,114	6.0%	20,460,473	6.2%
10-14	2,159	6.2%	82,045	6.3%	20,877,164	6.3%
15-19	1,930	5.6%	84,192	6.4%	21,084,688	6.4%
20-24	2,512	7.2%	89,638	6.9%	22,646,440	6.9%
25-29	2,767	8.0%	92,687	7.1%	23,557,337	7.1%
30-34	2,613	7.5%	86,290	6.6%	22,355,094	6.8%
35-39	2,343	6.8%	84,576	6.5%	21,419,362	6.5%
40-44	2,116	6.1%	80,307	6.1%	19,879,801	6.0%
45-49	2,058	5.9%	85,262	6.5%	20,736,487	6.3%
50-54	2,222	6.4%	89,386	6.8%	21,395,762	6.5%
55-59	2,318	6.7%	93,480	7.2%	22,375,085	6.8%
60-64	2,143	6.2%	84,522	6.5%	20,552,366	6.2%
65-69	1,630	4.7%	72,147	5.5%	17,874,849	5.4%
70-74	1,076	3.1%	51,392	3.9%	13,196,470	4.0%
75-79	755	2.2%	33,696	2.6%	9,064,776	2.7%
80-84	489	1.4%	21,779	1.7%	6,007,164	1.8%
85+	586	1.7%	24,441	1.9%	6,636,923	2.0%
Total	34,662	100.0%	1,307,000	100.0%	330,088,686	100.0%

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

POPULATION BY AGE IN 2023 ESTIMATE

Age Cohort	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	2,668	7.3%	76,152	5.5%	20,712,703	6.0%
5-9	2,449	6.7%	78,661	5.7%	20,686,037	6.0%
10-14	2,306	6.3%	83,719	6.1%	21,356,683	6.2%
15-19	2,105	5.8%	87,993	6.4%	21,696,066	6.3%
20-24	2,494	6.8%	86,718	6.3%	21,612,571	6.3%
25-29	2,755	7.6%	89,504	6.5%	22,724,609	6.6%
30-34	2,674	7.3%	96,837	7.0%	24,574,306	7.1%
35-39	2,431	6.7%	92,334	6.7%	23,129,515	6.7%
40-44	2,395	6.6%	88,883	6.5%	21,944,713	6.4%
45-49	2,099	5.8%	82,118	6.0%	19,928,478	5.8%
50-54	2,145	5.9%	87,252	6.3%	20,822,718	6.1%
55-59	2,174	6.0%	88,641	6.4%	21,014,806	6.1%
60-64	2,247	6.2%	90,928	6.6%	21,745,623	6.3%
65-69	1,897	5.2%	80,867	5.9%	19,744,824	5.7%
70-74	1,395	3.8%	65,536	4.8%	16,251,664	4.7%
75-79	980	2.7%	46,252	3.4%	11,695,481	3.4%
80-84	596	1.6%	27,683	2.0%	7,323,303	2.1%
85+	617	1.7%	26,334	1.9%	6,990,583	2.0%
Total	36,427	100.0%	1,376,412	100.0%	343,954,683	100.0%

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

General Household Income Distribution

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

HOUSEHOLD INCOME PMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,980	13.8%	1,932	12.8%	-10	-0.5%
\$10,000-19,999	1,948	13.6%	1,924	12.8%	-5	-0.2%
\$20,000-29,999	2,125	14.9%	2,063	13.7%	-12	-0.6%
\$30,000-39,999	1,825	12.8%	1,817	12.0%	-2	-0.1%
\$40,000-49,999	1,459	10.2%	1,545	10.2%	17	1.2%
\$50,000-59,999	1,203	8.4%	1,213	8.0%	2	0.2%
\$60,000-74,999	1,035	7.2%	1,261	8.4%	45	4.4%
\$75,000-99,999	1,149	8.0%	1,297	8.6%	30	2.6%
\$100,000-124,999	655	4.6%	785	5.2%	26	4.0%
\$125,000-149,999	346	2.4%	454	3.0%	22	6.2%
\$150,000-199,999	292	2.0%	379	2.5%	17	6.0%
\$200,000+	282	2.0%	409	2.7%	25	9.0%
Total	14,299	100.0%	15,079	100.0%		

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

HOUSEHOLD INCOME SMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	31,397	6.2%	30,494	5.7%	-181	-0.6%
\$10,000-19,999	40,530	8.0%	39,032	7.4%	-300	-0.7%
\$20,000-29,999	43,053	8.5%	41,676	7.9%	-275	-0.6%
\$30,000-39,999	44,542	8.8%	43,614	8.2%	-186	-0.4%
\$40,000-49,999	44,569	8.8%	43,853	8.3%	-143	-0.3%
\$50,000-59,999	41,533	8.2%	41,881	7.9%	70	0.2%
\$60,000-74,999	52,310	10.3%	54,304	10.2%	399	0.8%
\$75,000-99,999	65,585	13.0%	68,989	13.0%	681	1.0%
\$100,000-124,999	47,909	9.5%	51,857	9.8%	790	1.6%
\$125,000-149,999	31,860	6.3%	36,606	6.9%	949	3.0%
\$150,000-199,999	30,436	6.0%	36,452	6.9%	1,203	4.0%
\$200,000+	32,029	6.3%	41,584	7.8%	1,911	6.0%
Total	505,753	100.0%	530,342	100.0%		

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

Annual household income levels will range from \$0 to \$44,950 as proposed and \$37,063 to \$44,950 absent subsidy.

General Household Size Distribution

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

Year	AVERAGE HOUSEHOLD SIZE					
	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.46	-	2.49	-	2.59	-
2010	2.25	-0.8%	2.49	0.0%	2.58	-0.1%
2018	2.28	0.1%	2.51	0.1%	2.59	0.1%
2023	2.27	-0.1%	2.53	0.1%	2.61	0.1%

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

The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2023.

General Household Tenure

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

Year	TENURE PATTERNS PMA		Renter- Occupied Units	Percentage Renter-
	Owner- Occupied Units	Percentage Owner-Occupied		
2000	5,945	47.2%	6,663	52.8%
2018	5,587	39.1%	8,712	60.9%
2023	5,998	39.8%	9,081	60.2%

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 60.9 percent as of 2018. This is more than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2023.

General Renter Household Income Distribution

The following table illustrates total renter household income distribution.

RENTER HOUSEHOLD INCOME						
Income Cohort	PMA					
	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,568	18.0%	1,521	16.7%	-9	-0.6%
\$10,000-19,999	1,544	17.7%	1,529	16.8%	-3	-0.2%
\$20,000-29,999	1,579	18.1%	1,524	16.8%	-11	-0.7%
\$30,000-39,999	1,114	12.8%	1,115	12.3%	0	0.0%
\$40,000-49,999	1,014	11.6%	1,059	11.7%	9	0.9%
\$50,000-59,999	607	7.0%	669	7.4%	12	2.0%
\$60,000-74,999	421	4.8%	559	6.2%	28	6.6%
\$75,000-99,999	450	5.2%	523	5.8%	15	3.2%
\$100,000-124,999	150	1.7%	184	2.0%	7	4.5%
\$125,000-149,999	105	1.2%	152	1.7%	9	9.0%
\$150,000-199,999	66	0.8%	92	1.0%	5	7.9%
\$200,000+	94	1.1%	154	1.7%	12	12.8%
Total	8,712	100.0%	9,081	100.0%		

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

In the previous tables, the percentage of renter occupied households was applied to the total number of households in each income level. As illustrated, the largest concentrations of renter households fall into the lowest four cohorts.

Household Size Distribution

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

PMA HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2018		2023	
	Total	Percent	Total	Percent	Total	Percent
1 persons	4,172	33.1%	5,021	35.1%	5,317	35.3%
2 persons	3,775	29.9%	4,260	29.8%	4,487	29.8%
3 persons	2,129	16.9%	2,309	16.1%	2,435	16.1%
4 persons	1,399	11.1%	1,384	9.7%	1,446	9.6%
5+ persons	1,133	9.0%	1,325	9.3%	1,394	9.2%
Total	12,608	100.0%	14,299	100.0%	15,079	100.0%

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

As of 2018, the majority of households in the PMA consist of one and two persons.

Renter Household Size Distribution

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION							
		2000		2018		2023	
Household Size	Total	Percent	Total	Percent	Total	Percent	
1 persons	2,410	36.2%	3,366	38.6%	3,540	39.0%	
2 persons	1,693	25.4%	2,253	25.9%	2,340	25.8%	
3 persons	1,089	16.3%	1,323	15.2%	1,366	15.0%	
4 persons	741	11.1%	850	9.8%	875	9.6%	
5+ persons	730	11.0%	920	10.6%	960	10.6%	
Total	6,663	100.0%	8,712	100.0%	9,081	100.0%	

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

Historically, the majority of renter households in the PMA have consisted of one and two-person households. In 2018, approximately 65 percent of renter-households were one or two-persons. The percentage of three-person and larger renter households has declined since 2000, but the number of three-person and larger households has increased.

Median Household Income Levels

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

MEDIAN HOUSEHOLD INCOME						
Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$14,660	-	\$47,743	-	\$44,872	-
2018	\$31,958	6.5%	\$62,592	1.7%	\$58,100	1.6%
2023	\$37,256	3.3%	\$71,959	3.0%	\$65,727	2.6%

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

As of 2018, the median income in the PMA is significantly below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 33 percent of the national median income in 2000 to 55 percent in 2018. The overall rise in median income levels reflects a market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. According to ESRI demographic projections, annualized PMA growth is expected to decline significantly to 3.3 percent through 2023, which is slightly above projected growth in the MSA and nation.

Rent Overburdened Households

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

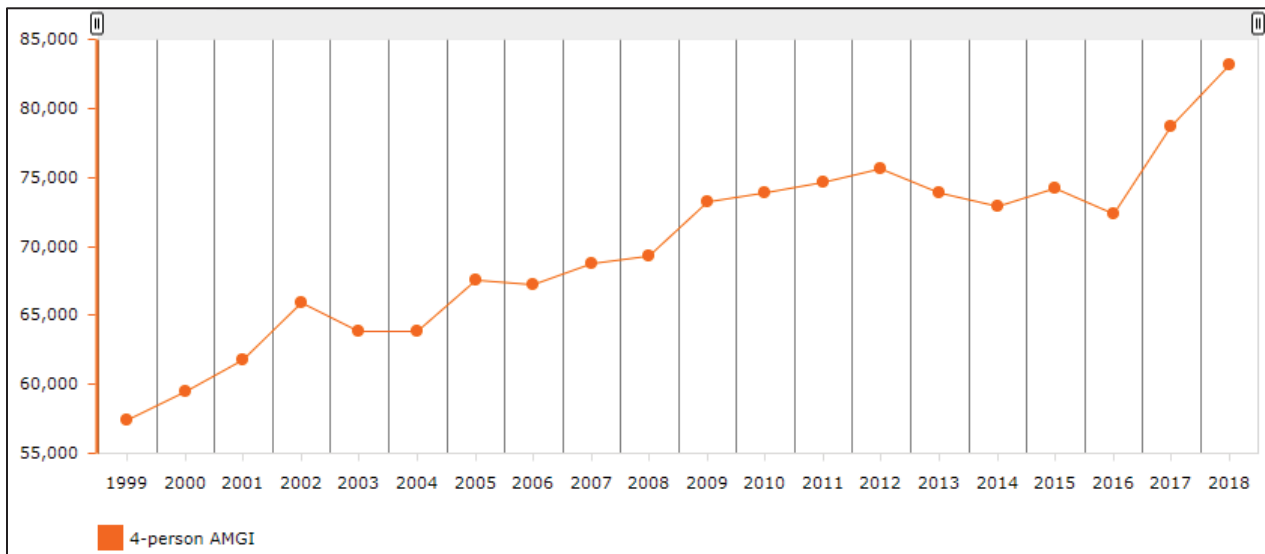
RENT OVERBURDENED						
Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2018	4,004	48.8%	62,906	39.2%	16,657,755	39.5%

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

As illustrated, the percentage of rent overburdened households in the PMA is above the MSA and the nation.

Area Median Income

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



Source: Novogradac & Company, LLP, February 2019

Overall, the AMI has increased by an average of 2.0 percent annually between 1999 and 2018. Over 84 percent of counties in the country experienced an increase in AMI in 2018, and this is also true of the City of Richmond. The AMI in Richmond reached a record high in 2018. The following chart illustrates the annual growth in AMI over the past five years.

RICHMOND CITY AMI GROWTH (2013 - 2018)

Year	2013	2014	2015	2016	2017	2018
AMI	\$73,900	\$72,900	\$74,200	\$72,400	\$78,700	\$83,200
Percentage	-2.2%	-1.4%	1.8%	-2.4%	8.7%	6.2%

The Subject is 100 percent subsidized; therefore, future rent increases will not be directly dependent upon future increases in the AMI.

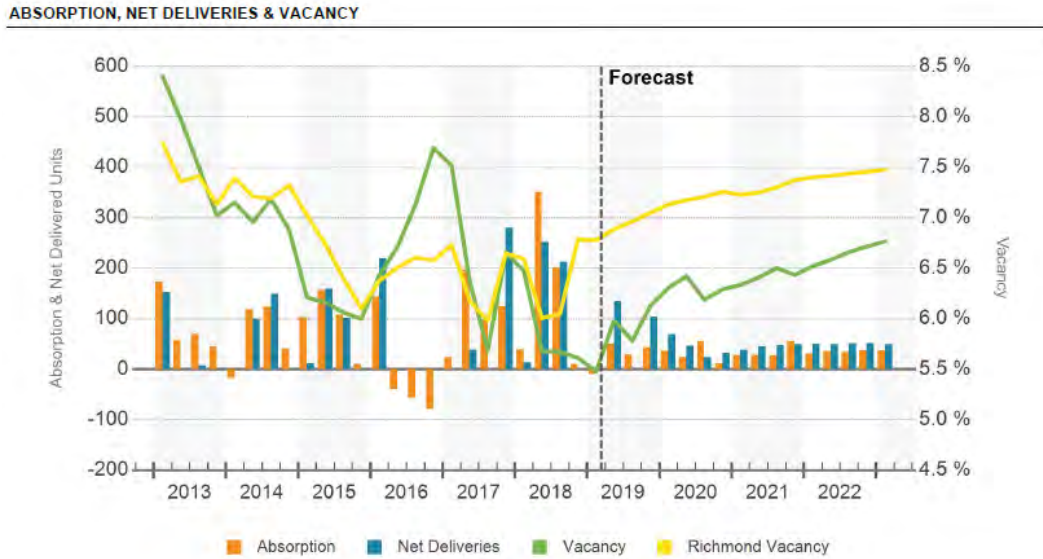
Conclusion

The population in the PMA increased by 11.5 percent between 2000 and 2018, compared to the 23.8 percent increase in the regional MSA and 17.5 percent increase across the overall nation. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 60.9 percent as of 2018. This is significantly more than the estimated 33 percent of renter households across the overall nation. As of 2018, the median income in the PMA is significantly below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 33 percent of the national median income in 2000 to 57 percent in 2018. The percentage of rent over-burdened households - defined as households with shelter costs exceeding 35 percent of gross income - is elevated in the PMA at 48.8 percent, compared to only 39.5 percent across the overall nation. Overall, the combination of a large share of rent-overburdened households, and rising population and income levels, bodes well for future demand for affordable multifamily housing.

H. COMPETITIVE ENVIRONMENT

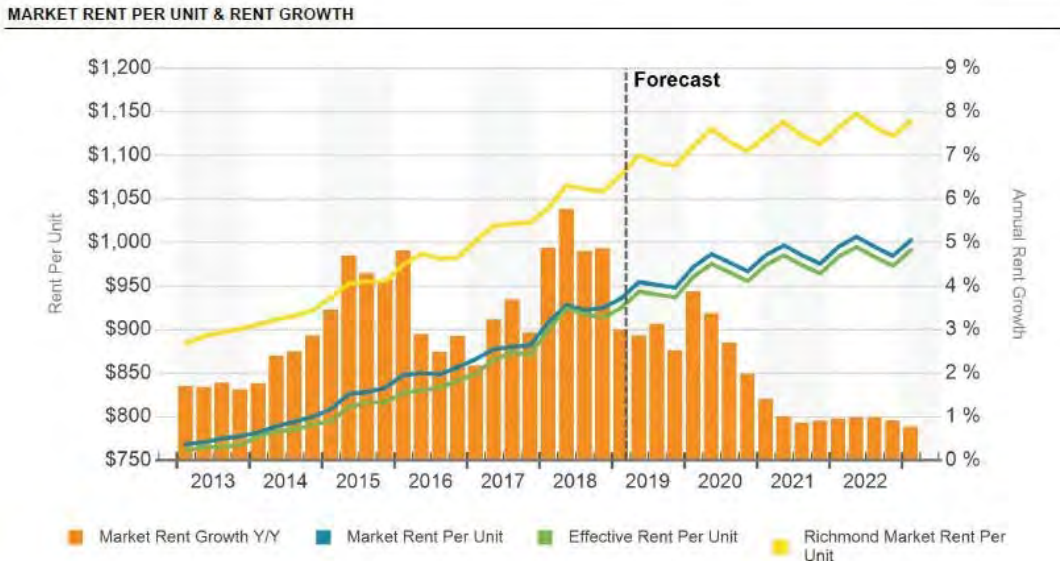
HOUSING SUMMARY

We consulted a CoStar report for the South Richmond submarket to gather information on the local apartment rental market. The following chart illustrates vacancy in the green line.



Source: Costar, February 2019

According to CoStar, the vacancy rate in the submarket is currently at 5.5 percent. The vacancy rate is expected to increase to 6.8 percent over the next five years, as net deliveries are expected to increase. However, a majority of the properties coming online are market rate properties, and will target higher household incomes when compared to the Subject.



Source: Costar, February 2019

Asking rent growth is illustrated in the orange bars in the previous chart. According to CoStar, average rent growth in the South Richmond submarket was 4.9 percent in 2018. Over the next five years, rent growth in the submarket is expected to average 1.3 percent per year.

Age of Housing Stock

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

HOUSING STOCK BY YEAR BUILT						
	PMA		Richmond, VA Metropolitan Statistical Area		USA	
Built 2005 or later	273	1.8%	12,868	2.5%	2,573,002	1.9%
Built 2000 to 2004	895	5.8%	81,388	15.7%	19,705,347	14.8%
Built 1990 to 1999	573	3.7%	81,014	15.7%	18,762,073	14.1%
Built 1980 to 1989	694	4.5%	82,896	16.0%	18,355,676	13.7%
Built 1970 to 1979	2,306	14.8%	82,497	16.0%	20,901,765	15.7%
Built 1960 to 1969	2,012	13.0%	52,440	10.1%	14,563,783	10.9%
Built 1950 to 1959	2,809	18.1%	51,767	10.0%	14,255,447	10.7%
Built 1940 to 1949	2,004	12.9%	22,791	4.4%	6,954,604	5.2%
Built 1939 or earlier	3,963	25.5%	49,131	9.5%	17,458,151	13.1%
Total Housing Units	15,529	100.0%	516,792	100.0%	133,529,848	100.0%

Source: US Census American Community Estimates, February 2019

As illustrated in the previous table, the majority of the housing stock in the Subject’s PMA was built between 1940 and 1980, similar to the Subject.

Substandard Housing

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

SUBSTANDARD HOUSING			
Year	PMA	Richmond, VA Metropolitan Statistical Area	USA
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
2018	0.28%	2.06%	1.70%

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

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

Building Permits

The following table depicts building activity from 2000 through 2018 for City of Richmond.

BUILDING PERMITS: CITY OF RICHMOND 2000 - 2018				
Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	194	76	0	270
2001	181	3	99	283
2002	169	35	312	516
2003	285	68	142	495
2004	327	0	71	398
2005	525	3	226	754
2006	497	18	214	729
2007	362	0	202	564
2008	257	0	101	358
2009	141	0	220	361
2010	150	0	457	607
2011	98	3	242	343
2012	221	0	619	840
2013	134	4	711	849
2014	220	0	331	551
2015	278	4	241	523
2016	304	10	196	510
2017	328	10	979	1,317
2018*	274	0	270	544
Total	4,945	234	5,633	10,812
Average	260	12	296	569

Source: US Census Bureau Building Permits, March 2019

The preceding table indicates that local permit issuance peaked in 2005, several years prior to the national recession. Permit volume declined by 55 percent during the recession, reaching a low in 2011. Permit issuance rose in three out of seven years between 2011 and 2017. The most recent years with finalized data indicate construction activity increased by 158.2 percent between 2016 and 2017, and reached a new post-recession record. Additionally, the share of overall permit issuance attributable to large-scale multifamily projects increased to 65.3 percent between 2010 and 2017, a significant increase from only 29.6 percent between 2000 and 2007.

Rent/Buy Analysis

All of the Subject’s units benefit from additional rental subsidy so tenants will pay no more than 30 percent of their income towards rent. Therefore, we do not expect homeownership to be competitive with the Subject’s units, and have not conducted a rent/buy analysis.

SURVEY OF COMPARABLE PROPERTIES

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

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

To evaluate the competitive position of the Subject, 1,823 units in 12 rental properties were surveyed in depth. The availability of LIHTC data is considered fair. We included seven LIHTC comparables, two of which only offer 60 percent of AMI units, but have been included as they are located within close proximity of the Subject, and we believe add value and insight to our discussion of achievable rents. A total of three of the LIHTC comparables are located within the Subject’s PMA. The availability of market rate data is considered good. We included five market rate comparables, and all but one are located within the Subject’s PMA. Overall, we believe the availability of data is adequate to support our conclusions.

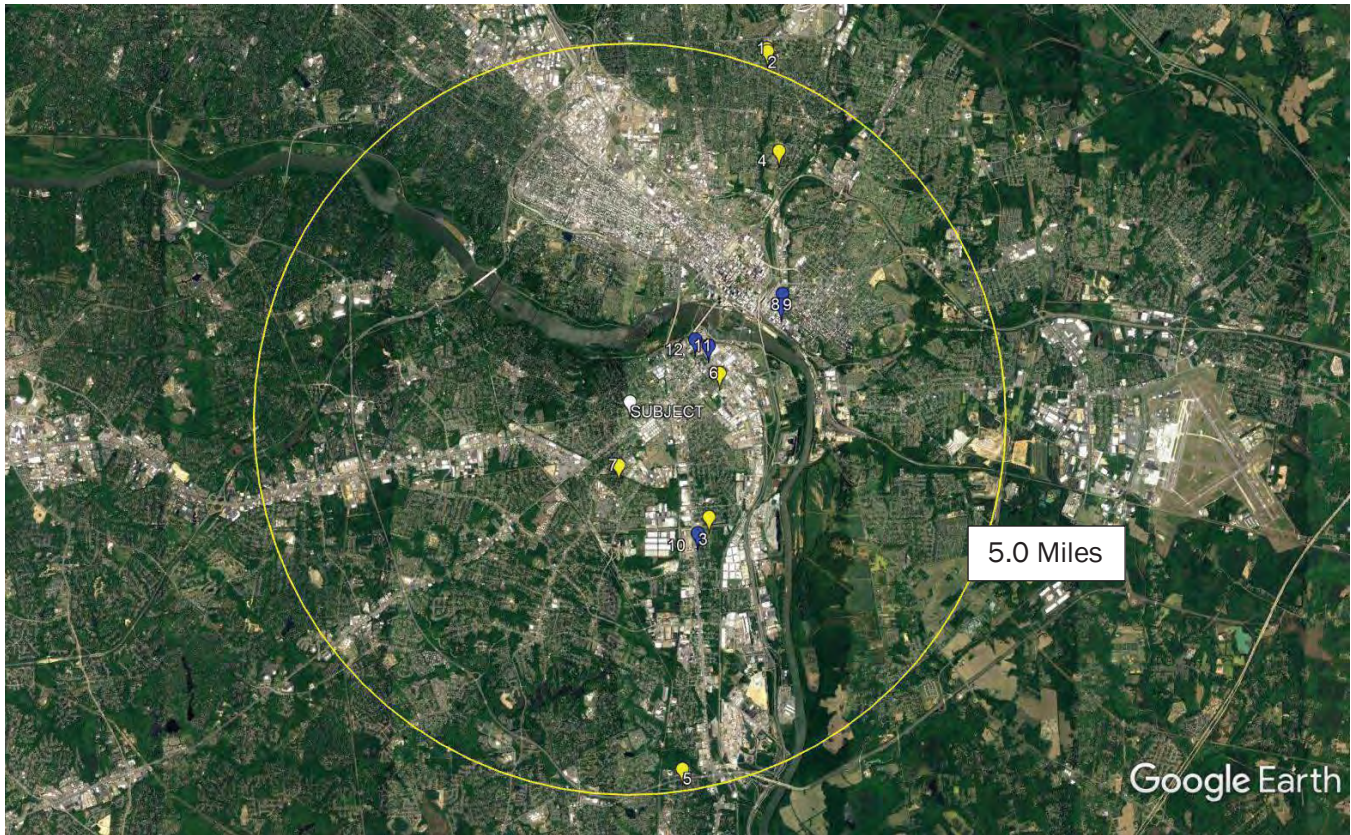
Excluded properties include, but are not limited to the properties located in the following table.

EXCLUDED LIST

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Belle Summit	LIHTC	Family	Unable to Contact
Charnwood Forest	Section 8	Family	Subsidized
Chicago Manor	LIHTC	Family	Differing AMI Levels
City View Place	LIHTC	Family	Unable to Contact
Dunston Manor	LIHTC	Family	Differing AMI Levels
Imani Mews & Retail Center	LIHTC	Family	Unable to Contact
James River Apartments	Section 8	Senior/Disabled	Subsidized/Tenancy
Lafayette Gardens	Section 8	Family	Subsidized
Maury Park	LIHTC	Senior	Tenancy
Mcguire Park	LIHTC	Family	Unable to Contact
Melvin A Fox Manor	Section 8	Senior	Subsidized/Tenancy
Midlothian Village Apts	Section 8	Family	Subsidized
Miller Lofts	LIHTC	Family	Differing AMI Levels
New Manchester Flats Ix	LIHTC	Family	Differing AMI Levels
Norcroft	LIHTC	Senior	Tenancy
Old Manchester Plaza I	LIHTC	Family	Unable to Contact
South Gate	LIHTC	Family	Unable to Contact
Swansboro Apts	LIHTC	Family	Differing AMI Levels
2000 Riverside	Market	Family	Dissimilar Unit Types
Abbingdon Hills	Market	Family	Dissimilar Unit Types
Aden Park	Market	Family	Unable to Contact
Ashley Park Apartments	Market	Family	Dissimilar Unit Types
Bramblewood Estates	Market	Family	Unable to Contact
Chateau De Ville Apartments	Market	Family	Dissimilar Unit Types
Element At Stonebridge	Market	Family	Dissimilar Unit Types
Glenway Greens Apartments	Market	Family	Unable to Contact
Reserve South Apartments	Market	Family	Unable to Contact
Somerset Glen	Market	Family	Dissimilar Unit Types
St. Johns Wood Apartments	Market	Family	Unable to Contact
Sterling Beaufont Apartments	Market	Family	Unable to Contact
The Crossings At Bramblewood	Market	Family	Unable to Contact
The Park At Forest Hill	Market	Family	Dissimilar Unit Types
The Village At Westlake	Market	Family	Unable to Contact

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

Comparable Rental Property Map



Source: Google Earth, March 2019

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Bainbridge	Richmond	@50% (PBRA)	-
1	Delmont Village*	Richmond	@50%	5.0 miles
2	Fieldcrest Apartments*	Richmond	@50%	5.0 miles
3	Graystone Place Apartments	Richmond	@60%	1.9 miles
4	Highland Grove*	Richmond	@50%, Market	3.9 miles
5	Southpointe Landing*	Richmond	@50%, @60%	4.9 miles
6	The Townes At River South	Richmond	@50%	1.3 miles
7	Village South Townhomes	Richmond	@60%	0.9 miles
8	American Tobacco Center*	Richmond	Market	2.4 miles
9	Cedar Broad*	Richmond	Market	2.5 miles
10	James River Villas	Richmond	Market	2.0 miles
11	Lofts At Trolley Station	Richmond	Market	1.3 miles
12	Terraces At Manchester	Richmond	Market	1.2 miles

*Located outside PMA

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Bainbridge 2808 Bainbridge Street Richmond, VA 23225 Richmond County	-	Garden 2-stories 1971 / 2021 Family	@50% (Project Based Rental Assistance - PRA)	3BR / 2BA	18	100.0%	900	@50% (Project Based Rental Assistance - PRA)	\$928	N/A	N/A	2	11.1%
1	Delmont Village 3716 Delmont Street Richmond, VA 23222 Henrico County	5.0 miles	Garden 2-stories 2006 / n/a Family	@50%	2BR / 1BA 2BR / 2BA 3BR / 2BA	18 44 32	19.2% 46.8% 34.0%	654 890 1,091	@50% @50% @50%	\$857 \$917 \$1,079	No No No	No No No	1 0 1	5.6% 0.0% 3.1%
2	Fieldcrest Apartments 3711 Delmont Richmond, VA 23222 Henrico County	5.0 miles	Townhouse 2-stories 2007 / N/A Family	@50%	2BR / 1.5BA 3BR / 2.5BA	28 10	73.7% 26.3%	1,155 1,342	@50% @50%	\$865 \$1,030	No No	Yes Yes	1 0	3.6% 0.0%
3	Graystone Place Apartments 2394 Afton Avenue Richmond, VA 23224 Richmond City County	1.9 miles	Various 2-stories 1987 / 2004 Family	@60%	1BR / 1BA 2BR / 1BA 2BR / 1BA	20 57 58	14.8% 42.2% 43.0%	609 722 722	@60% @60% @60%	\$636 \$665 \$755	No No No	Yes Yes Yes	1 0 0	5.0% 0.0% 0.0%
4	Highland Grove 1132 Dove Street Richmond, VA 23222 Richmond County	3.9 miles	Townhouse 2-stories 2013 / n/a Family	@50%, Market	1BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2.5BA	N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A	947 1,056 1,056 1,115 1,371 1,371 1,513	@50% @50% Market @50% @50% Market @50%	\$753 \$919 \$982 \$919 \$1,088 \$1,228 \$1,088	Yes Yes N/A Yes Yes N/A Yes	No No N/A No No N/A No	0 0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
5	Southpointe Landing 6110 Cricklewood Drive Richmond, VA 23234 Chesterfield County	4.9 miles	Garden 2-stories 1972 / 1988 Family	@50%, @60%	2BR / 1BA 2BR / 1BA 3BR / 1.5BA	94 66 32	49.0% 34.4% 16.7%	976 976 1,304	@50% @60% @60%	\$865 \$971 \$1,139	Yes No No	No No No	0 0 3	0.0% 0.0% 9.4%
6	The Townes At River South 214 E 9th Street Richmond, VA 23224 Richmond City County	1.3 miles	Various 2-stories 2001 / 2004 Family	@50%	2BR / 1.5BA 2BR / 1.5BA 3BR / 2.5BA 3BR / 2.5BA 4BR / 3.5BA 4BR / 3.5BA	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A	985 985 1,202 1,202 1,529 1,529	@50% @50% @50% @50% @50% @50%	\$865 \$880 \$999 \$1,020 \$1,115 \$1,140	Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
7	Village South Townhomes 3450 Maury Street Richmond, VA 23224 County	0.9 miles	Various 2-stories 1947 / 2005 Family	@60%	1BR / 1BA 2BR / 1BA 2BR / 1.5BA 3BR / 1BA	16 246 18 16	5.4% 83.1% 6.1% 5.4%	675 850 912 1,000	@60% @60% @60% @60%	\$731 \$816 \$877 \$1,139	Yes Yes Yes Yes	Yes Yes Yes Yes	0 0 0 0	0.0% 0.0% 0.0% 0.0%
8	American Tobacco Center 119 N 20th Street Richmond, VA 23223 Richmond City County	2.4 miles	Midrise 5-stories 1912 / 2005 Family	Market	0BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 3BA 3BR / 3BA 3BR / 3BA	1 87 N/A N/A 64 N/A N/A 5 N/A N/A	0.6% 55.4% N/A N/A 40.8% N/A N/A 3.2% N/A N/A	452 622 844 400 1,019 1,238 800 1,209 1,317 1,100	Market Market Market Market Market Market Market Market Market Market	\$1,058 \$1,271 \$1,421 \$1,121 \$1,767 \$2,167 \$1,367 \$2,559 \$3,129 \$1,988	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	No No No No No No No No No No	0 1 0 0 2 0 0 0 0 0	0.0% 1.2% 0.0% 0.0% 3.1% 0.0% 0.0% 0.0% 0.0% 0.0%
9	Cedar Broad 1820 E Broad Street Richmond, VA 23223 Henrico County	2.5 miles	Midrise 5-stories 2011 / n/a Family	Market	1BR / 1BA 2BR / 2BA 3BR / 2.5BA	140 56 8	68.6% 27.5% 3.9%	547 774 1,073	Market Market Market	\$1,219 \$1,569 \$1,861	N/A N/A N/A	Yes Yes Yes	10 2 0	7.1% 3.6% 0.0%
10	James River Villas 2506 Atwell Drive Richmond, VA 23234 Richmond County	2.0 miles	One-story 1-stories 1947 / 2005/2018 Family	Market	1BR / 1BA 2BR / 1BA 3BR / 1BA	21 182 21	9.4% 81.3% 9.4%	552 672 792	Market Market Market	\$796 \$942 \$1,124	N/A N/A N/A	No No No	1 5 1	4.8% 2.8% 4.8%
11	Lofts At Trolley Station 212 West 7th Street Richmond, VA 23224 Richmond County	1.3 miles	Lowrise 2-stories 1920 / 2008 Family	Market	1BR / 1BA 2BR / 1BA 2BR / 2BA	7 3 36	15.2% 6.5% 78.3%	645 729 844	Market Market Market	\$988 \$1,169 \$1,397	N/A N/A N/A	Yes No No	0 0 5	0.0% 0.0% 13.9%
12	Terraces At Manchester 800 Semmes Ave Richmond, VA 23224 Richmond County	1.2 miles	Highrise 10-stories 2015 / n/a Family	Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA	N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A	733 1,201 465 760 770 742 975 1,594 735	Market Market Market Market Market Market Market Market Market	\$1,411 \$1,711 \$1,156 \$1,627 \$1,740 \$1,590 \$2,118 \$3,580 \$1,675	N/A N/A N/A N/A N/A N/A N/A N/A N/A	Yes Yes Yes Yes Yes Yes Yes Yes Yes	4 0 0 0 0 0 8 0 0	N/A 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
						148							12	8.1%

Location

LOCATION COMPARISON SUMMARY

#	Property Name	City	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Bainbridge	Richmond	@50% (Project Based Rental Assistance - PBRA)	-	\$39,223	\$195,200	\$873	233	64	13.5%	42.7%
1	Delmont Village*	Richmond	LIHTC	5.0 miles	\$28,156	\$122,300	\$890	191	59	8.6%	52.7%
2	Fieldcrest Apartments*	Richmond	LIHTC	5.0 miles	\$28,620	\$122,300	\$890	191	59	9.1%	51.6%
3	Graystone Place Apartments	Richmond	LIHTC	1.9 miles	\$22,291	\$110,700	\$838	180	42	14.5%	60.3%
4	Highland Grove*	Richmond	LIHTC/ Market	3.9 miles	\$31,593	\$122,300	\$890	185	37	19.6%	44.3%
5	Southpointe Landing*	Richmond	LIHTC	4.9 miles	\$44,586	\$154,700	\$944	73	12	14.1%	47.5%
6	The Townes At River South	Richmond	LIHTC	1.3 miles	\$31,257	\$110,700	\$838	265	74	19.8%	63.4%
7	Village South Townhomes	Richmond	LIHTC	0.9 miles	\$26,030	\$110,700	\$838	220	50	14.7%	55.0%
8	American Tobacco Center*	Richmond	Market	2.4 miles	\$52,685	\$147,000	\$858	248	92	9.1%	77.3%
9	Cedar Broad*	Richmond	Market	2.5 miles	\$51,245	\$147,000	\$858	231	90	10.3%	76.3%
10	James River Villas	Richmond	Market	2.0 miles	\$25,356	\$154,700	\$944	180	44	14.9%	61.3%
11	Lofts At Trolley Station	Richmond	Market	1.3 miles	\$31,126	\$110,700	\$838	260	72	19.3%	64.0%
12	Terraces At Manchester	Richmond	Market	1.2 miles	\$30,291	\$110,700	\$838	214	60	18.9%	64.8%

*Located outside of the PMA

The Subject site is located in a primarily residential neighborhood, in the southern portion of Richmond in the Swansboro neighborhood. Surrounding uses consist of single-family homes, multifamily properties, and retail properties exhibiting good to average condition. Strengths of the Subject's location include high median home value. The Subject's location is designated 'Somewhat Walkable' by Walk Score with a score of 64, indicating some errands can be accomplished on foot.

The affordable properties are located between 0.9 and 5.0 miles from the Subject site. The LIHTC comparables are generally in neighborhoods ranging from slightly inferior to inferior relative to the Subject's location. These locations generally exhibit lower median home values, lower median income levels, and less walkability compared to the Subject's location. One exception is the location of Southpointe Landing, which offers higher median household income and lower area vacancy, and is considered superior to the Subject's neighborhood.

The market rate developments are located between 1.2 and 2.5 miles from the Subject site. The market rate comparables are generally in neighborhoods ranging from slightly inferior to inferior relative to the Subject's location. These locations generally exhibit lower median home values, lower median income levels, and higher area vacancy compared to the Subject's location. Exceptions include American Tobacco Center and Cedar Broad, which offer greater walkability.

Age, Condition, and Design

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

	Subject	Delmont Village	Fieldcrest Apartments	Graystone Place Apartments	Highland Grove	Southpointe Landing	The Townes At River South	Village South Townhomes	American Tobacco Center	Cedar Broad	James River Villas	Lofts At Trolley Station	Terraces At Manchester
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC	LIHTC	LIHTC/	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Building													
Property Type	Garden	Garden	Townhouse	Various	Townhouse	Garden	Various	Various	Midrise	Midrise	One-story	Lowrise	Highrise
# of Stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	5-stories	5-stories	1-stories	2-stories	10-stories
Year Built	1971	2006	2007	1987	2013	1972	2001	1947	1912	2011	1947	1920	2015
Year Renovated	2021	n/a	N/A	2004	n/a	1988	2004	2005	2005	n/a	2005/2018	2008	n/a
Elevators	no	no	no	no	no	no	no	no	yes	yes	no	no	yes
Courtyard	no	no	no	no	no	no	no	no	yes	no	no	no	no

The Subject was built in 1971 and will be newly renovated, and will exhibit good condition upon completion of renovations. The comparable properties were constructed between 1912 and 2015. The majority of comparables exhibit condition ranging from slightly inferior to inferior relative to the newly renovated Subject.

Exceptions include Highland Grove, Cedar Broad, and Terraces At Manchester, which were constructed between 2011 and 2015. These properties exhibit excellent condition, and are considered slightly superior to the proposed Subject. Delmont Village, Fieldcrest Apartments, James River Villas, and Lofts At Trolley Station were constructed or renovated between 2005 and 2008, and exhibit similar condition relative to the proposed Subject.

The Subject offers a two-story garden style design, similar to two of the comparable properties. Terraces At Manchester offers a highrise design, American Tobacco Center and Cedar Broad are midrise developments, Lofts At Trolley Station offers a lowrise design, and are all considered slightly superior to the Subject. However, three of the comparables feature a mixture of designs. Graystone Place Apartments, The Townes At River South, and Village South Townhomes offer a mixture of garden and townhouse style units. The townhouse-style units at these properties are considered superior to the Subject’s design, while the garden-style units are considered similar. We considered the Subject’s design and condition in our determination of achievable rents.

Unit Size

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

UNIT SIZE COMPARISON	
Bedroom Type	3BR
Subject	900
Average	1,206
Min	792
Max	1,513
Advantage/Disadvantage	-34%

The Subject’s three-bedroom unit size is on the low end of the comparable range. Village South Townhomes and James River Villas offer similar unit sizes compared to the Subject. Village South Townhomes is currently 100 percent occupied and is achieving maximum allowable rents at 60 percent of AMI. James River Villas is currently 97 percent occupied. Therefore, we believe the Subject’s unit sizes will continue to be accepted in the market. We considered the Subject’s unit sizes in our determination of achievable rents. The following table ranks the Subject’s unit sizes to the unit sizes at the comparable properties.

SQUARE FOOTAGE RANKING COMPARISON

Three-Bedroom Two Bath	
Property Name	Size
Highland Grove (@50%)(2.5BA)	1,513
Highland Grove (@50%)	1,371
Highland Grove (Market)	1,371
Fieldcrest Apartments (@50%)(2.5BA)	1,342
American Tobacco Center (Market)(3BA)	1,317
Southpointe Landing (@60%)(1.5BA)	1,304
American Tobacco Center (Market)(3BA)	1,209
The Townes At River South (@50%)(2.5BA)	1,202
The Townes At River South (@50%)(2.5BA)	1,202
American Tobacco Center (Market)(3BA)	1,100
Delmont Village (@50%)	1,091
Cedar Broad (Market)(2.5BA)	1,073
Village South Townhomes (@60%)(1BA)	1,000
Bainbridge (@50%)	900
James River Villas (Market)(1BA)	792

Utility Structure

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

Subject	Delmont Village	Fieldcrest Apartments	Graystone Place Apartments	Highland Grove	Southpointe Landing	The Townes At River South	Village South Townhomes	American Tobacco Center	Cedar Broad	James River Villas	Lofts At Trolley Station	Terraces At Manchester
Rent Structure	Market	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Utility Structure												
Cooking	yes	no	no	no	no	no	no	no	no	no	no	no
Water Heat	yes	no	no	no	no	no	no	no	no	no	no	no
Heat	yes	no	no	no	no	no	no	no	no	no	no	no
Other Electric	yes	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	yes	yes	no	yes	yes	no	no	no	yes	yes
Sewer	yes	no	yes	yes	no	yes	yes	no	no	no	yes	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

In-Unit Amenities

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

Subject	Delmont Village	Fieldcrest Apartments	Graystone Place Apartments	Highland Grove	Southpointe Landing	The Townes At River South	Village South Townhomes	American Tobacco Center	Cedar Broad	James River Villas	Lofts At Trolley Station	Terraces At Manchester
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Unit Amenities												
Balcony/Patio	no	no	yes	no	yes	no	yes	no	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	yes	no	yes	no	yes	yes
Carpeting	no	yes	yes	yes	no	yes	yes	no	no	no	no	no
Hardwood	yes	no	no	no	yes	no	no	yes	yes	no	no	yes
Central A/C	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	no	no	yes	no	no	no	yes	no	yes	yes
Coat Closet	no	no	no	yes	yes	yes	yes	no	no	yes	yes	yes
Exterior Storage	no	no	no	no	no	yes	no	yes	no	no	no	no
Fireplace	no	no	no	no	no	no	no	yes	no	no	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	yes	no	no	yes	no
Walk-In Closet	no	no	no	yes	no	yes	no	yes	no	yes	no	no
Wall A/C	yes	no	no	no	no	no	no	no	no	no	no	no
Window A/C	no	no	no	no	no	no	no	no	no	no	no	no
Washer/Dryer	no	no	yes	no	no	no	no	yes	yes	yes	yes	yes
W/D Hookup	no	yes	yes	no	yes	yes	yes	no	yes	yes	yes	yes
Kitchen												
Dishwasher	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes
Microwave	no	no	no	no	yes	no	no	yes	yes	no	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notable in-unit amenities the Subject will offer includes dishwashers upon renovation. The majority of the surveyed comparables offer superior unit amenities relative to the Subject. These properties offer features such as central air conditioning, disposals, balconies/patios, washer/dryers, microwaves, hardwood flooring, walk-in closets, and complimentary internet, none of which are included in the Subject's amenity scheme. The comparables generally superior amenities have been taken into consideration in our determination of achievable rents.

Property Amenities

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

Subject	Delmont Village	Fieldcrest Apartments	Graystone Place Apartments	Highland Grove	Southpointe Landing	The Townes At River South	Village South Townhomes	American Tobacco Center	Cedar Broad	James River Villas	Lofts At Trolley Station	Terraces At Manchester
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Community												
Business Center	no	no	no	yes	no	no	no	yes	yes	yes	no	no
Community Room	no	yes	yes	no	yes	no	no	yes	yes	no	no	yes
Central Laundry	no	yes	no	yes	no	yes	yes	no	no	no	no	no
On-Site Mgmt	no	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Recreation												
Basketball Court	no	no	no	no	no	no	no	no	yes	no	no	no
Exercise Facility	no	no	no	yes	no	no	no	yes	yes	no	no	yes
Playground	no	yes	yes	yes	no	yes	no	no	no	yes	no	no
Swimming Pool	no	no	no	no	yes	no	no	yes	no	no	no	yes
Picnic Area	no	no	no	no	yes	no	no	no	no	yes	no	yes
Recreational Area	no	no	no	no	no	no	no	no	no	no	no	yes
WiFi	no	no	no	no	no	no	no	yes	yes	no	yes	no

The Subject lacks any noteworthy community amenities. The majority of the surveyed comparables offer superior property amenities relative to the Subject. These properties offer features such as on-site management, a community room, a playground, a fitness center, a business center, garages, WiFi, and a swimming pool, none of which are included in the Subject's proposed amenity scheme.

Security Features

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

Subject	Delmont Village	Fieldcrest Apartments	Graystone Place Apartments	Highland Grove	Southpointe Landing	The Townes At River South	Village South Townhomes	American Tobacco Center	Cedar Broad	James River Villas	Lofts At Trolley Station	Terraces At Manchester	
Crime Risk Index	233	191	191	180	185	73	265	220	248	231	180	260	214
Security													
In-Unit Alarm	no	no	no	no	no	no	yes	no	yes	no	yes	no	
Intercom (Buzzer)	no	no	no	no	no	no	no	yes	yes	no	yes	yes	
Intercom (Phone)	no	no	no	no	no	no	no	yes	no	no	no	no	
Limited Access	no	no	no	no	no	no	no	yes	yes	no	yes	yes	
Patrol	no	no	no	yes	yes	no	yes	no	no	yes	no	yes	
Perimeter Fencing	no	yes	no	no	no	no	no	no	no	no	no	no	
Video Surveillance	no	yes	no	no	no	no	no	yes	no	no	no	no	

According to ESRI Demographic data, crime risk indices in the Subject's location are well above the national average. The Subject does not currently offer any security features. The client has not provided a scope of post renovation security features and therefore have assumed no changes will be made to security amenities post renovation. A majority of the comparables offer zero to three security amenities, similar to the Subject. It is noteworthy that Fieldcrest Apartments, Graystone Place Apartments, Highland Grove, Southpointe Landing, The Townes At River South, and James River Villas all offer one or fewer security features.

Parking

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

	Subject	Delmont Village	Fieldcrest Apartments	Graystone Place Apartments	Highland Grove	Southpointe Landing	The Townes At River South	Village South Townhomes	American Tobacco Center	Cedar Broad	James River Villas	Lofts At Trolley Station	Terraces At Manchester
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Walk Score	64	59	59	42	37	12	74	50	92	90	44	72	60
Parking													
Carport	no	no	no	no	no	no	no	no	no	yes	no	no	no
Carport Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85	\$0	\$0	\$0
Garage	no	no	no	no	no	no	no	no	yes	yes	no	no	yes
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$0	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes

The Subject offers 18 off-street parking spaces, which equates to approximately 1.0 spaces per unit. Furthermore, ample street parking and public transportation is available in the Subject’s immediate neighborhood. All of the comparable properties offer sufficient off-street parking. American Tobacco Center and Cedar Broad offer garage parking for an additional fee of \$100 per month. We considered the Subject’s parking offerings in our achievable rent determination.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Tenant Makeup

The Subject currently operates as a public housing property; therefore, vouchers are not utilized. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS

Property Name	Rent Structure	Housing Choice Voucher Tenants
Delmont Village	LIHTC	20%
Fieldcrest Apartments	LIHTC	12%
Graystone Place Apartments	LIHTC	15%
Highland Grove	LIHTC/ Market	6%
Southpointe Landing	LIHTC	13%
The Townes At River South	LIHTC	50%
Village South Townhomes	LIHTC	10%
American Tobacco Center	Market	0%
Cedar Broad	Market	0%
James River Villas	Market	0%
Lofts At Trolley Station	Market	0%
Terraces At Manchester	Market	0%

The comparable properties reported voucher usage ranging from zero to 50 percent. None of the market rate properties reported voucher usage. All of the LIHTC properties reported voucher usage, with an average utilization rate of 18 percent. The highest voucher usage was reported by The Townes At River South, a 161-unit LIHTC property located 1.3 miles east of the Subject. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately 20 percent, if the Subject were to lose subsidy.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER		
Property Name	Rent Structure	Annual Turnover
Delmont Village	LIHTC	22%
Fieldcrest Apartments	LIHTC	18%
Graystone Place Apartments	LIHTC	35%
Highland Grove	LIHTC/ Market	12%
Southpointe Landing	LIHTC	38%
The Townes At River South	LIHTC	10%
Village South Townhomes	LIHTC	8%
American Tobacco Center	Market	25%
Cedar Broad	Market	25%
James River Villas	Market	35%
Lofts At Trolley Station	Market	20%
Terraces At Manchester	Market	10%
Average Turnover		22%

The comparables reported turnover rates ranging from eight to 38 percent, with an overall average of 22 percent. The LIHTC comparables operate with an average turnover rate of 20 percent, which was slightly below the 23 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate a turnover rate of approximately 20 percent upon renovation.

Vacancy Levels

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

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Delmont Village*	LIHTC	94	2	2.1%
Fieldcrest Apartments*	LIHTC	38	1	2.6%
Graystone Place Apartments	LIHTC	135	1	0.7%
Highland Grove*	LIHTC/ Market	128	0	0.0%
Southpointe Landing*	LIHTC	192	3	1.6%
The Townes At River South	LIHTC	161	0	0.0%
Village South Townhomes	LIHTC	296	0	0.0%
American Tobacco Center*	Market	157	3	1.9%
Cedar Broad*	Market	204	12	5.9%
James River Villas	Market	224	7	3.1%
Lofts At Trolley Station	Market	46	5	10.9%
Terraces At Manchester	Market	148	12	8.1%
Total LIHTC		1,044	7	0.7%
Total Market Rate		779	39	5.0%
Overall Total		1,823	46	2.5%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 10.9 percent, with an overall weighted average of 2.5 percent. Managers at three of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.7 percent, well below the 5.0 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.7 percent is considered

exceptionally low, and indicative of supply constrained conditions. All of the market rate properties reported vacancy rates of 5.9 percent or lower, excluding Lofts at Trolley Station and Terraces at Manchester. Lofts at Trolley Station was recently transferred to a new management company, which gave notices to several tenants for eviction. Typically, we have seen this property operate at a vacancy rate of 5.4 percent or below. Management at Terraces at Manchester was unable to comment on their higher than average vacancy rate. However, this property has a 2.5-star rating on ApartmentRatings.com, and a one-star rating on RentLingo.com. As such, we believe the high vacancy rate at this property is due to poor management, and is thus an anomaly compared to the remaining comparables. Based on the performance of the LIHTC comparables, we expect the Subject will operate a vacancy rate of approximately three percent upon completion of renovation.

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

VACANCY BY BEDROOM TYPE						
Property Name	Rent Structure	OBR	1BR	2BR	3BR	Overall
Delmont Village	LIHTC	-	-	1.6%	3.1%	2.1%
Fieldcrest Apartments	LIHTC	-	-	3.6%	0.0%	2.6%
Graystone Place Apartments	LIHTC	-	5.0%	0.0%	-	0.7%
Highland Grove	LIHTC/ Market	-	-	-	-	0.0%
Southpointe Landing	LIHTC	-	-	0.0%	9.4%	1.6%
The Townes At River South	LIHTC	-	-	-	-	0.0%
Village South Townhomes	LIHTC	-	0.0%	0.0%	0.0%	0.0%
American Tobacco Center	Market	0.0%	1.1%	3.1%	0.0%	1.9%
Cedar Broad	Market	-	7.1%	3.6%	0.0%	5.9%
James River Villas	Market	-	4.8%	2.7%	4.8%	3.1%
Lofts At Trolley Station	Market	-	0.0%	12.8%	-	10.9%
Terraces At Manchester	Market	-	-	-	-	8.1%

The Subject consists of three-bedroom units. Vacancy rates in the market for three-bedroom units range from zero to 9.4 percent, averaging 2.5 percent. Overall, the vacancy rates in the market are typically low, which indicates that those comparables that do have high vacancy rates for some unit types may be because they have a small overall number of units at that specific bedroom type. This supports that there is demand for additional rental housing in the market. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Historical Vacancy Levels

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

HISTORICAL VACANCY								
#	Property Name	Program	Total Units	2016 Q1	2016 Q4	2017 Q2	2017 Q3	2019 Q1
1	Delmont Village	LIHTC	94	0.00%	0.00%	N/A	N/A	N/A
2	Fieldcrest Apartments	LIHTC	38	0.00%	N/A	N/A	N/A	N/A
3	Graystone Place Apartments	LIHTC	135	N/A	N/A	0.00%	N/A	0.70%
4	Highland Grove	LIHTC/ Market	128	0.00%	N/A	N/A	N/A	N/A
5	Southpointe Landing	LIHTC	192	N/A	N/A	N/A	N/A	1.60%
6	The Townes At River South	LIHTC	161	N/A	1.20%	0.00%	N/A	0.00%
7	Village South Townhomes	LIHTC	296	N/A	N/A	4.10%	N/A	0.00%
8	American Tobacco Center	Market	157	3.90%	3.30%	0.60%	N/A	1.90%
9	Cedar Broad	Market	204	N/A	0.00%	1.50%	2.00%	5.90%
10	James River Villas	Market	224	N/A	N/A	10.30%	7.60%	3.10%
11	Lofts At Trolley Station	Market	46	4.30%	N/A	5.40%	0.00%	10.90%
12	Terraces At Manchester	Market	148	20.30%	N/A	N/A	2.00%	8.10%

As seen in the table above, all but three of the comparables have remained generally stable or decreased vacancy rates over the past few years. This bodes well for the Subject's market.

Concessions

None of the comparable are currently offering concessions. We do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate upon renovations.

Waiting Lists

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

WAITING LIST		
Property Name	Rent Structure	Waiting List Length
Delmont Village	LIHTC	None
Fieldcrest Apartments	LIHTC	None
Graystone Place Apartments	LIHTC	Yes, five households
Highland Grove	LIHTC/ Market	None
Southpointe Landing	LIHTC	None
The Townes At River South	LIHTC	Yes, 1 to 2 years
Village South Townhomes	LIHTC	None
American Tobacco Center	Market	None
Cedar Broad	Market	None
James River Villas	Market	None
Lofts At Trolley Station	Market	None
Terraces At Manchester	Market	None

Two of the LIHTC properties reported a waiting list. Some of the local property managers of the affordable developments reported that there is strong demand in the market for affordable housing but they did not keep waiting lists. Given the low vacancy rates among the LIHTC comparables, we believe that the Subject could maintain a waiting list as a stabilized LIHTC property.

Absorption

It should be noted that the Subject is an existing stabilized property that will be renovated with tenants in place. We were unable to obtain absorption information from any of the recently comparable properties. Therefore, we searched the MSA for properties that could provide absorption information. The following table details our findings.

ABSORPTION				
Property Name	Rent	Year	Total Units	Absorption
The Village At Westlake	Market	2018	252	42
The Bosco	Market	2016	73	12
Iron Bridge Road Apartments	LIHTC	2016	80	40
Waverly Place	Market	2015	78	6
The Lofty	Market	2015	33	7
Hatcher Tobacco Flats	LIHTC	2015	152	43
Colony At Centerpointe	Market	2015	255	21

We obtained absorption data from seven family properties, located between 1.5 and 50 miles from the Subject site. These properties reported absorption rates ranging from six to 43 units per month, with an overall average of 24.4 units per month. Overall, we expect the Subject will experience an absorption rate of 18 units per month. This equates to an absorption period of approximately one month, if the Subject needed to be reabsorbed.

Rental Rate Increases

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

RENT GROWTH		
Property Name	Rent Structure	Rent Growth
Delmont Village	LIHTC	Increase of one to two percent
Fieldcrest Apartments	LIHTC	Increased 2-3%
Graystone Place Apartments	LIHTC	None
Highland Grove	LIHTC/ Market	None
Southpointe Landing	LIHTC	Increased 1-4%
The Townes At River South	LIHTC	No increase to increased 2%
Village South Townhomes	LIHTC	Increased 2-8%
American Tobacco Center	Market	Decreased 3% to increased 4%
Cedar Broad	Market	Decreased 5% to increased 5%
James River Villas	Market	Increased 5% during 2018
Lofts At Trolley Station	Market	Increased two to three percent
Terraces At Manchester	Market	No increase to increased 12%

Several of the comparable properties reported rent growth over the past year, while two properties reported decreases in rent. According to Costar, the average rent growth in the South Richmond submarket was 4.9 percent in 2018 and is expected to slow over the next five years to 0.4 percent. We anticipate that the Subject absent subsidy would be able to achieve regular rental rate increases of two percent, although within the limits of LIHTC maximum allowable rent guidelines.

Reasonability of Rents

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

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents
@50% (Project Based Rental Assistance - PBRA)							
3BR / 2BA	900	18	\$928	\$0	\$928	\$1,081	\$1,421
		18					

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

Comparable LIHTC Rents

The Subject’s proposed LIHTC rents are set below the maximum allowable level. The following table illustrates the Subject’s LIHTC rents compared to the LIHTC rents of the comparable LIHTC properties. The rents have been adjusted for variance in utilities, as well as concessions, if applicable.

LIHTC RENT COMPARISON @50%			
Property Name	Tenancy	3BR	Rents at Max?
Bainbridge	Family	\$928	No
LIHTC Maximum Rent (Net)		\$1,081	
Delmont Village	Family	\$1,079	No
Fieldcrest Apartments	Family	\$1,030	No
Highland Grove	Family	\$1,088	Yes
The Townes At River South	Family	\$1,020	Yes
Average		\$1,054	
Achievable LIHTC Rent		\$1,081	

Of the properties offering three-bedroom units at 50 percent of AMI, Highland Grove and The Townes At River South reported achieving maximum allowable rents at 50 percent AMI. It should be noted that any difference between the LIHTC maximum allowable rental levels and property specific maximum allowable rental levels is assumed to be caused by different property specific utility allowances.

Most Similar LIHTC

Based upon the overall comparison ratings, the Subject will be most similar to The Townes At River South and Highland Grove.

The Townes at River South is a 161-unit garden and townhome-style development located 0.9 miles east of the Subject site, in a neighborhood considered slightly inferior relative to the Subject's location. The property was built in 2001, and currently exhibits slightly superior condition relative to the Subject as renovated, which was built in 1971 and will be renovated in 2021. The Townes at River South offers balcony/patios, and microwaves, and central laundry, all of which the Subject lacks. The in-unit and property amenity packages offered by The Townes At River South are both considered slightly superior relative to the Subject's amenities. This comparable offers superior two and three-bedroom unit sizes. In overall terms, we believe the Subject is a similar product relative to The Townes at River South upon renovation. The manager at The Townes at River South reported a occupancy rate of 100 percent, indicating the current rents are well accepted in the market.

Highland Grove is a 128-unit townhome-style development located 3.5 miles north of the Subject site, in a neighborhood considered slightly similar relative to the Subject's location. The property was built in 2013, and currently exhibits superior condition relative to the Subject as renovated, which was built in 1971 and will be renovated in 2021. Highland Grove offers balcony/patios, walk-in closets, garbage disposals, microwaves, business center, and exercise facility, all of which the Subject lacks. The in-unit and property amenity packages offered by The Townes At River South are both considered slightly superior relative to the Subject's amenities. This comparable offers superior two and three-bedroom unit sizes. In overall terms, we believe the Subject is a similar product relative to Highland Grove upon renovation. The manager at Highland Grove reported an occupancy rate of 100 percent, indicating the current rents are well accepted in the market.

We believe the Subject will be able to achieve the maximum allowable rents at 50 percent of AMI, similar to the rents seen at Highland Grove and The Townes at River South.

Achievable Market Rents

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Achievable	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
3BR / 2BA	@50% (PBRA)	\$1,081	\$1,124	\$2,559	\$1,693	\$1,500	28%

The Subject’s proposed LIHTC rents at 50 percent are below the achievable market rents and offer an advantage of 28 percent over the achievable market rents. The Subject will be considered most similar to Cedar Broad Apartments and James River Apartments.

Cedar Broad is a 204-unit, midrise development located 2.1 miles northeast of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. The property was built in 2011, and currently exhibits slightly superior condition relative to the Subject, which was built in 1971 and will be newly renovated. The manager at Cedar Broad reported a low vacancy rate of 5.9 percent, indicating the current rents are well accepted in the market. Cedar Broad offers balconies/patios, washer/dryers, microwaves, a business center, a community room, basketball courts, a fitness center, carports, and garages, all of which the Subject lacks. The in-unit and property amenity packages offered by Cedar Broad are both considered superior relative to the Subject's amenities. In overall terms, we believe the Subject is an inferior product relative to the Cedar Broad. Therefore, we concluded to rents below Cedar Broad. The following table compares the Subject with Cedar Broad.

SUBJECT COMPARISON TO CEDAR BROAD

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Cedar Broad Rent	Square Feet	Cedar Broad RPSF
3BR / 2BA	\$1,500	900	\$1.20	\$1,861	1,073	\$1.73

James River Villas is a 224-unit, development located 2.0 miles southeast of the Subject site, in a neighborhood considered slightly inferior relative to the Subject's location. This property was constructed in 1947. We consider the condition of this property inferior relative to the Subject, which was built in 1971 and will be newly renovated. The manager at James River Villas reported a low vacancy rate of 3.1 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with James River Villas. James River Villas offers central air conditioning, walk-in closets, washer/dryers, disposals, a business center, and a playground, all of which the Subject lacks. The Subject offers no notable amenities not already offered by James River Villas. The in-unit and property amenity packages offered by James River Villas are both considered superior relative to the Subject's amenities. The Subject offers superior three-bedroom unit sizes. It should also be noted that the three bedroom unit at James River Villas offer one bathroom. In overall terms, we believe the Subject is a slightly superior product relative to the James River Villas. Therefore, we concluded to rents above James River Villas. The following table compares the Subject with James River Villas.

SUBJECT COMPARISON TO JAMES RIVER VILLAS

Unit Type	Subject Achievable LIHTC Rent	Square Feet	Subject RPSF	James River Villas Rent	Square Feet	James River Villas RPSF
3BR / 2BA	\$1,500	900	\$1.67	\$1,124	792	\$1.42

Summary Evaluation

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. Strengths of the Subject will include its good condition. Weaknesses include its small three-bedroom unit sizes and limited amenities package. However, the market exhibits strong demand for affordable housing, with vacancy rates ranging from zero to 2.6 percent among the LIHTC units. Vacancy at the Subject is expected to be no more than three percent over the long term. Based on the comparable data, we believe the proposed LIHTC rental rates are achievable. The Subject will continue to be well-accepted in the market as a LIHTC property.

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

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

Introduction

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

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

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

Capture Rate Determination

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

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

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

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

The Subject property is located in Richmond, Virginia. The PMA is generally defined as James River to the north, Interstate 95 to the east, Bells Road/Virginia State Route 161 to the south, and Virginia State Route 161 and Virginia State Route 686 to the west. This area was defined based on interviews with local market participants and local property managers, including management at the Subject. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. The PMA encompasses 11.3 square miles and an approximate drive time zone of 15 minutes.

Demographic Information

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

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

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

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who have reached the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data that includes only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Richmond, VA
AMI for four person household:	\$83,200
Tenancy (Family vs Senior):	Family
Affordability percentage:	35 percent
Leakage:	10 percent

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

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@50% (PBRA)	
3BR	\$0	\$44,950

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@50%	
3BR	\$37,063	\$44,950

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

RENTER HOUSEHOLD INCOME

Income Cohort	PMA					
	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,568	18.0%	1,521	16.7%	-9	-0.6%
\$10,000-19,999	1,544	17.7%	1,529	16.8%	-3	-0.2%
\$20,000-29,999	1,579	18.1%	1,524	16.8%	-11	-0.7%
\$30,000-39,999	1,114	12.8%	1,115	12.3%	0	0.0%
\$40,000-49,999	1,014	11.6%	1,059	11.7%	9	0.9%
\$50,000-59,999	607	7.0%	669	7.4%	12	2.0%
\$60,000-74,999	421	4.8%	559	6.2%	28	6.6%
\$75,000-99,999	450	5.2%	523	5.8%	15	3.2%
\$100,000-124,999	150	1.7%	184	2.0%	7	4.5%
\$125,000-149,999	105	1.2%	152	1.7%	9	9.0%
\$150,000-199,999	66	0.8%	92	1.0%	5	7.9%
\$200,000+	94	1.1%	154	1.7%	12	12.8%
Total	8,712	100.0%	9,081	100.0%		

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

Step Three – Income Distribution

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

FAMILY INCOME DISTRIBUTION 2018 - AS PROPOSED

Income Cohort	Total Renter Households	@50% (Project Based Rental Assistance - PBRA)		
		cohort overlap	% in cohort	# in cohort
\$0-9,999	1,568	9,999	100.0%	1,568
\$10,000-19,999	1,544	9,999	100.0%	1,544
\$20,000-29,999	1,579	9,999	100.0%	1,579
\$30,000-39,999	1,114	9,999	100.0%	1,114
\$40,000-49,999	1,014	4,951	49.5%	502
\$50,000-59,999	607			
\$60,000-74,999	421			
\$75,000-99,999	450			
\$100,000-124,999	150			
\$125,000-149,999	105			
\$150,000-199,999	66			
\$200,000+	94			
Total	8,712		72.4%	6,307

FAMILY INCOME DISTRIBUTION 2018 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@50%		
		cohort overlap	% in cohort	# in cohort
\$0-9,999	1,568			
\$10,000-19,999	1,544			
\$20,000-29,999	1,579			
\$30,000-39,999	1,114	2,936	29.4%	327
\$40,000-49,999	1,014	4,951	49.5%	502
\$50,000-59,999	607			
\$60,000-74,999	421			
\$75,000-99,999	450			
\$100,000-124,999	150			
\$125,000-149,999	105			
\$150,000-199,999	66			
\$200,000+	94			
Total	8,712		9.5%	829

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

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

Step Five – Unit Size Appropriate

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

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

HOUSEHOLD DISTRIBUTION		
3 BR	40%	Of three-person households in 3BR units
	40%	Of four-person households in 3BR units
	50%	Of five-person households in 3BR units

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

Step Six – Capture Rate by Bedroom Mix

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

CAPTURE RATE ANALYSIS BY UNIT TYPE

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

50 Percent of AMI Demand – As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	38.6%	3,366
2 persons	25.9%	2,253
3 persons	15.2%	1,323
4 persons	9.8%	850
5+ persons	10.6%	920
Total	100.0%	8,712

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,366	x	2,437
2 persons	2,253	x	1,631
3 persons	1,323	x	958
4 persons	850	x	615
5+ persons	920	x	666
Total	8,712		6,307

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
3BR	962
Total	962

Capture Rate Analysis - @50% (Project Based Rental Assistance - PBRA) - As Proposed

	Developer's Unit Mix	Capture Rate
3BR	18	1.87%
Total/Overall	18	1.87%
<i>Adjusted for Leakage from Outside of the PMA</i>		10%
3BR	18	1.68%
Total/Overall	18	1.68%

50 Percent of AMI Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	38.6%	3,366
2 persons	25.9%	2,253
3 persons	15.2%	1,323
4 persons	9.8%	850
5+ persons	10.6%	920
Total	100.0%	8,712

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	3,366	x	9.5%	320
2 persons	2,253	x	9.5%	214
3 persons	1,323	x	9.5%	126
4 persons	850	x	9.5%	81
5+ persons	920	x	9.5%	88
Total	8,712			829

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
3BR	127
Total	127

Capture Rate Analysis - @50% Absent Subsidy

	Developer's Unit Mix	Capture Rate
3BR	18	14.23%
Total/Overall	18	14.23%
<i>Adjusted for Leakage from Outside of the PMA</i>		<i>10%</i>
3BR	18	12.81%
Total/Overall	18	12.81%

ANNUAL CAPTURE RATE ANALYSIS

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

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

Population/Household Change

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

Additions to Supply

According to the Virginia Housing Development Authority, between 2016 and January 2019, there have been four projects allocated tax credits within the PMA. The details on these properties are presented below.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units
American Tobacco Lofts	2016	LIHTC	Family	291	0
Belt Atlantic	2018	LIHTC	Family	214	0
New Manchester Flats	2018	LIHTC	Family	104	0
SPA Lofts	2018	LIHTC	Family	139	139
				748	139

Source: Virginia Housing Development Authority, March 2019

- American Tobacco Lofts was allocated tax credits in 2016, for the acquisition and rehab of American Tobacco Lofts. The construction of the property is a \$60 million conversion of the American Tobacco Center and the development of a total of 291 apartments in in two phases. The first phase of 135 apartments is currently under construction. The second Phase of the remaining 156 units are expected to be completed in mid-2020. The units are restricted to families earning 60 percent or less of AMI and 23 of the units are set aside for artists. Due to the property not offering competitive AMI levels to the Subject, we have not deducted these units from our *Demand* analysis.
- Belt Atlantic was allocated tax credits in 2018. The property is currently known as Midlothian Village Apartments, which will undergo a \$9.7 million renovation and a name change. The property currently offers 214 project based subsidized units and the subsidy is expected to continue post renovation. A development scope or timeline was not available. Since the Midlothian Village is currently built and stabilized we have not deducted the properties units from our *Demand* analysis.
- New Manchester Flats was allocated tax credits in 2018 for the development of an additional phase of the existing Manchester Flats mixed-use project. Manchester Flats is an existing mixed-tenancy property offering 172 units for families earning between 40 and 60 percent of AMI, as well as market rate units. The developer was allocated tax credits 2018 for the development of an additional 104 units on parcel of land across the street from the current location. The property is currently under construction with expected completion in April 2019. A detailed scope of the properties unit mix has not been made available at this time. However, the plans call for a four-story building with one and two-bedroom units. Due to property not offering three-bedroom units, we have not considered these units to be competitive with the Subject.

- SPA Lofts was allocated tax credits in 2018 for the development of 139 LIHTC units. At the time of this report no additional details on unit mix or renovation timeline were made available. We conservatively assumed all 139 units at SPA Lofts will be restricted to tenants earning 50 percent of AMI and deducted these units from our *Demand* analysis.

Therefore, we removed 139 under construction units that are expected to be competitive with the Subject from our *Demand Analysis*.

Annual Demand Table – As Proposed

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2018		8,712
Increase in Number of Renter Households		369
Number of Renter Households in 2023		9,081
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		60.9%
Percentage of Income-Qualified Renter Households		72.4%
Number of Income-Qualified Renter Households		6,307
Percentage of Rent-Overburdened		48.8%
Existing Income-Qualified Renter Household Turnover		3,077
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		74
Percentage of Income-Qualified Renter Households		72.4%
New Rental Income Qualified Households		53
<i>Capture Rate Analysis</i>		
Number of Units in Subject		18
Occupied Units at Subject With Vacancy of:	5%	17
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		3,130
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		3,478
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	139	
Total Demand after Competition (Turnover and Growth)		3,339
Yielded Annual Capture Rate of Available Demand in 2019		0.5%

The yielded capture rate is approximately 0.5 percent of available demand per annum, for the Subject’s units as proposed, which is low and indicative of strong demand.

Annual Demand Table – Absent Subsidy

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2018		8,712
Increase in Number of Renter Households		369
Number of Renter Households in 2023		9,081
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		60.9%
Percentage of Income-Qualified Renter Households		9.5%
Number of Income-Qualified Renter Households		829
Percentage of Rent-Overburdened		48.8%
Existing Income-Qualified Renter Household Turnover		404
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		74
Percentage of Income-Qualified Renter Households		9.5%
New Rental Income Qualified Households		7
<i>Capture Rate Analysis</i>		
Number of Units in Subject		18
Occupied Units at Subject With Vacancy of:	5%	17
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		411
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		457
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	139	
Total Demand after Competition (Turnover and Growth)		318
Yielded Annual Capture Rate of Available Demand in 2019		5.4%

The yielded capture rate is approximately 5.4 percent of available demand per annum, for the Subject’s units absent the subsidy, which is low and indicative of strong demand.

VHDA DEMAND ANALYSIS

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

We included the directly comparable vacant units at the comparable properties. There is currently one LIHTC property with 139 LIHTC units as detailed below, in the PMA that are under construction or recently allocated that will be considered directly competitive with the Subject.

There are currently eight vacant income restricted units among the affordable inventory in the PMA that are competitive with the Subject. The three vacant units at Southpointe Landing and the one vacant unit at New Manchester Flats are restricted at the 60 percent AMI level. The two vacant units at City View Place are restricted at the 50 percent AMI level, similar to the Subject. Belle Summit and Imani Mews both reported one vacant unit at the 50 percent of AMI level. The following table details the AMI distribution of the planned developments and developments currently under construction, as well as vacant units, in the PMA.

AMI DISTRIBUTION FOR PLANNED DEVELOPMENTS AND VACANT UNITS				
Property Name	40% AMI Units	50% AMI Units	60% AMI Units	Total Unit
Planned and Under Construction				
American Tobacco Lofts	0	0	291	291
Belt Atlantic	0	0	0	214
New Manchester Flats	0	0	0	104
SPA Lofts	0	139	0	139
Vacant Units				
City View Place	0	2	n/a	32
Belle Summit	0	1	n/a	50
Southpointe Landing	n/a	0	3	192
The Townes At River South	n/a	0	n/a	161
Village South Townhomes	n/a	0	n/a	121
Imani Mews	0	1	n/a	68
New Manchester Flats	0	0	1	41
Total	0	4	4	665

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

Income Restrictions	Up to 50% absent subsidy (min. income to max	Up to 50% with subsidy (min. income to max
New Rental Households	7	53
+		
Existing Households - Overburdened	404	3,077
+		
Existing Households -Substandard Housing	7	53
+		
Senior Households - Likely to Covert to Rental Housing	n/a	n/a
+		
Qualified Tenants- To Remain After Renovation	18	18
TOTAL DEMAND	436	3,201
-		
Supply (includes directly comparable vacant units or in pipeline in PMA)	139	139
NET DEMAND	297	3,062
PROPOSED UNITS	18	18
CAPTURE RATE	6.1%	0.6%
ABSORPTION PERIOD	1 month	1 month

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

Project Wide Capture Rate- LIHTC Units As Proposed	0.6%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	6.1%
Project Wide Absorption Period (Months) As Proposed	1 month
Project Wide Absorption Period (Months) Absent Subsidy	1 month

Capture Rate and VHDA Conclusion

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units is 6.1 percent absent subsidy and 0.6 percent as proposed.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 0.5 percent as proposed and 5.4 percent absent subsidy for the first year of operation as a LIHTC property. This suggests that the Subject

will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 3,201 units of demand in the first year of the Subject’s operation as proposed and approximately 436 units of demand in the first year of the Subject’s operation absent subsidy. The Subject’s units will need to accommodate 17 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate- LIHTC Units As Proposed	0.6%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	6.1%
Project Wide Absorption Period (Months) As Proposed	1 month
Project Wide Absorption Period (Months) Absent Subsidy	1 month

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

PENETRATION RATE ANALYSIS

Per VHDA guidelines, we also performed a penetration rate analysis for the Subject’s units as proposed and absent subsidy, as illustrated in the following tables.

PENETRATION RATE - As Proposed	
Number of Proposed Competitive Affordable Units in the PMA	139
	+
Number of Existing Competitive Family Affordable Units in the PMA	323
	+
Number of Proposed Affordable Units at the Subject	18
	=
Total	480
	/
Income Eligible Households - All AMI Levels	6,307
	=
Overall Penetration Rate - Market Focus (NCHMA)	7.6%

PENETRATION RATE - Absent Subsidy	
Number of Proposed Competitive 3br LIHTC Units in the PMA	139
	+
Number of Existing Competitive Family LIHTC Units in the PMA	230
	+
Number of Proposed LIHTC Units at the Subject	18
	=
Total	387
	/
Income Eligible Households - All AMI Levels	829
	=
Overall Penetration Rate - Market Focus (NCHMA)	46.7%

The overall penetration rate is derived by taking the number of LIHTC units proposed or under construction within the PMA, combined with the number of existing LIHTC units, and the number of the Subject’s units divided by the number of income eligible households. As previously discussed, two proposed/under construction developments are considered in our VHDA demand for a total of 139 proposed units.

Existing affordable housing projects in the PMA will not be adversely affected by the proposed renovations of the Subject property. A survey of comparable affordable LIHTC rental housing developments in the area demonstrates significant demand for quality rental units. The following table illustrates the LIHTC properties within the PMA that offer similar unit types and AMI levels, and are family oriented.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive 3br LIHTC Units @50%	Competitive Subsidized 3br Units
Midlothian Village Apts	Section 8	Family	216	0	93
Lafayette Gardens	LIHTC	Family	104	48	0
James River Apartments	Section 8	Senior	104	0	0
Chicago Manor	LIHTC	Family	74	0	0
Norcroft	LIHTC	Senior	109	0	0
Dunston Manor	LIHTC	Family	102	0	0
Maury Park	LIHTC	Senior	45	0	0
Village South Townhomes	LIHTC	Family	121	0	0
Swansboro Apts	LIHTC	Family	62	0	0
Imani Mews	LIHTC	Family	148	14	0
New Manchester Flats	LIHTC	Family	172	0	0
City View Place	LIHTC	Family	32	16	0
Belle Summit	LIHTC	Family	50	9	0
Miller Lofts	LIHTC	Family	197	0	0
Graystone Place Apartments*	LIHTC	Family	135	0	0
The Townes At River South*	LIHTC	Family	161	77	0
Highland Grove	LIHTC	Family	128	34	0
Lincoln Mews Apartments	LIHTC	Family	245	32	0
Southpointe Landing	LIHTC	Family	192	0	0
Totals			2,181	230	93

We were unable to obtain absorption information from any of the recently comparable properties. Therefore, we searched the MSA for properties that could provide absorption information. The following table details our findings.

ABSORPTION

Property Name	Rent	Year	Total Units	Absorption
The Village At Westlake	Market	2018	252	42
The Bosco	Market	2016	73	12
Iron Bridge Road Apartments	LIHTC	2016	80	40
Waverly Place	Market	2015	78	6
The Lofty	Market	2015	33	7
Hatcher Tobacco Flats	LIHTC	2015	152	43
Colony At Centerpointe	Market	2015	255	21

We obtained absorption data from seven family properties, located between 1.5 and 50 miles from the Subject site. These properties reported absorption rates ranging from six to 43 units per month, with an overall average of 24.4 units per month. Overall, we expect the Subject will experience an absorption rate of 18 units per month. This equates to an absorption period of approximately one month, if the Subject needed to be retenanted.

Rent conclusions were provided in Section H.

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

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

INTERVIEWS

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

Local Housing Authority Discussion

According to Ms. Grubb with the Housing Choice Voucher program at the Richmond Redevelopment and Housing Authority, there are approximately 3,273 vouchers allotted to the Richmond area. Ms. Grubb was unable to provide the number of Housing Choice Vouchers that have been issued but reported that the waiting list has been closed since April 2005. Ms. Grubb reported that there is high demand for affordable housing in Richmond. There are no plans to reopen the waiting list in the near future. The current payment standards are as follows:

PAYMENT STANDARDS

Unit Type	Standard
Three-Bedroom	\$1,421

Source: Virginia Redevelopment Housing Authority , effective January 2019

All of the Subject’s units benefit from the Section 8 contract and tenants will continue to pay 30 percent of their income towards rent and vouchers will not be necessary for these units.

Planning Discussion

We attempted to contact the Planning and Building Services department for the City of Richmond. However, as of the date of this report, our calls have not been returned. The following table illustrates proposed and under construction multifamily developments in the PMA according to Costar.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Construction Status	Distance to Subject
1406 Bainbridge St	Market	Family	9	Proposed	1.9 miles
4800 Forest Hill Ave	Market	Family	16	Under Construction	3.4 miles
Building A	Market	Family	13	Under Construction	2.2 miles
Building B	Market	Family	11	Under Construction	2.2 miles
Building C	Market	Family	13	Under Construction	2.2 miles
Building D	Market	Family	104	Under Construction	2.2 miles
Building E	Market	Family	20	Under Construction	2.2 miles
Manchester on the James	Market	Family	200	Proposed	2.3 miles
Manchester Park	Market	Family	33	Under Construction	2.2 miles
Muse Apartments	Market	Family	47	Proposed	2.2 miles
New Manchester Lofts	Market	Family	104	Proposed	1.8 miles
Port City - Phase 1	Market	Family	135	Under Construction	1.2 miles
Port RVA Phase II	Market	Family	102	Proposed	2.2 miles
South Falls	Market	Family	481	Proposed	2.4 miles
Totals			1,732		

Source: CoStar, February 2019

According to Costar, there are 14 proposed or under construction multifamily developments in the PMA. All of these properties are market rate units, and we do not expect them to be competitive with the Subject.

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

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units
American Tobacco Lofts	2016	LIHTC	Family	291	0
Belt Atlantic	2018	LIHTC	Family	214	0
New Manchester Flats	2018	LIHTC	Family	104	0
SPA Lofts	2018	LIHTC	Family	139	139
				748	139

Source: Virginia Housing Development Authority, March 2019

- American Tobacco Lofts was allocated tax credits in 2016, for the acquisition and rehab of American Tobacco Lofts. The construction of the property is a \$60 million conversion of the American Tobacco Center and the development of a total of 291 apartments in in two phases. The first phase of 135 apartments is currently under construction. The second Phase of the remaining 156 units are expected to be completed in mid-2020. The units are restricted to families earning 60 percent or less of AMI and 23 of the units are set aside for artists. Due to the property not offering competitive AMI levels to the Subject, we have not deducted these units from our *Demand* analysis.
- Belt Atlantic was allocated tax credits in 2018. The property is currently known as Midlothian Village Apartments, which will undergo a \$9.7 million renovation and a name change. The property currently offers 214 project based subsidized units and the subsidy is expected to continue post renovation. A development scope or timeline was not available. Since the Midlothian Village is currently built and stabilized we have not deducted the properties units from our *Demand* analysis.
- New Manchester Flats was allocated tax credits in 2018 for the development of an additional phase of the existing Manchester Flats mixed-use project. Manchester Flats is an existing mixed-tenancy property offering 172 units for families earning between 40 and 60 percent of AMI, as well as market rate units. The developer was allocated tax credits 2018 for the development of an additional 104 units on parcel of land across the street from the current location. The property is currently under construction with expected completion in April 2019. A detailed scope of the properties unit mix has not been made available at this time. However, the plans call for a four-story building with one and two-bedroom units. Due to property not offering three-bedroom units, we have not considered these units to be competitive with the Subject.
- SPA Lofts was allocated tax credits in 2018 for the development of 139 LIHTC units. At the time of this report no additional details on unit mix or renovation timeline were made available. We conservatively assumed all 139 10units at New Manchester Flats will be restricted to tenants earning 50 percent of AMI and deducted these units from our *Demand* analysis.

Therefore, we removed 139 under construction units that are expected to be competitive with the Subject from our *Demand Analysis*.

K. ANALYSIS/CONCLUSIONS

Recommendations

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

Demand Summary

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

Project Wide Capture Rate- LIHTC Units As Proposed	0.6%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	6.1%
Project Wide Absorption Period (Months) As Proposed	1 month
Project Wide Absorption Period (Months) Absent Subsidy	1 month

Additionally, the overall penetration rate for the Subject is 7.6 percent as proposed and 46.7 percent absent subsidy. It should be noted that the penetration rate analysis we derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). Overall, the derived penetration rate for the Subject is considered reasonable.

Strengths and Weaknesses of the Subject

Strengths

- The Subject will be in good condition once renovated.
- The vacancy rate for the LIHTC comparable properties is 0.7 percent and for the market rate comparables in 5.0 percent. This indicates a supply-constrained demand, especially for low-income housing, which bodes well for the Subject.
- The Subject is located in close proximity to public transportation options, services, and amenities.
- The Subject has low capture rates and penetration rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject’s three-bedroom unit size is on the low end of the comparable range. Village South Townhomes and James River Villas offer similar unit sizes compared to the Subject. Village South Townhomes is currently 100 percent occupied and is achieving maximum allowable rents at 60 percent of AMI. James River Villas is currently 97 percent occupied. Therefore, we believe the Subject’s unit sizes will continue to be accepted in the market.
- The Subject offers limited in-unit and property amenities when compared to the comparable properties. We considered the Subject’s limited amenities in our achievable rent determination.

Absorption Estimate

We were unable to obtain absorption information from any of the recently comparable properties. Therefore, we searched the MSA for properties that could provide absorption information. The following table details our findings.

ABSORPTION

Property Name	Rent	Year	Total Units	Absorption
The Village At Westlake	Market	2018	252	42
The Bosco	Market	2016	73	12
Iron Bridge Road Apartments	LIHTC	2016	80	40
Waverly Place	Market	2015	78	6
The Lofty	Market	2015	33	7
Hatcher Tobacco Flats	LIHTC	2015	152	43
Colony At Centerpointe	Market	2015	255	21

We obtained absorption data from seven family properties, located between 1.5 and 50 miles from the Subject site. These properties reported absorption rates ranging from six to 43 units per month, with an overall average of 24.4 units per month. Overall, we expect the Subject will experience an absorption rate of 18 units per month. This equates to an absorption period of approximately one month, if the Subject needed to be reabsorbed.

L. OTHER REQUIREMENTS

1. I have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by VHDA.
4. Neither I nor anyone at my firm has any interest in the proposed development or a relationship with the ownership entity.
5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing VHDA or in any way acting for, at the request of, or on behalf of VHDA.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.



Robert Edwards
Senior Analyst

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ADDENDUM B
Subject Property and Neighborhood Photographs

Photographs of Subject and Neighborhood



Subject from Bainbridge Street looking southeast



Subject from Bainbridge Street looking southeast



Alternative view of Subject from Bainbridge Street



Alternative view of Subject from Bainbridge Street



Subject buildings from West 34th Street looking east



Subject from Moody Avenue and West 34th Street



Subject from West 33rd Street looking northwest



Typical Subject building (right side of photo) from Moody Avenue looking north



View Subject from Moody Avenue looking west



Rear of typical Subject buildings



Rear of typical Subject buildings



Typical Subject building



Typical Subject building and parking area



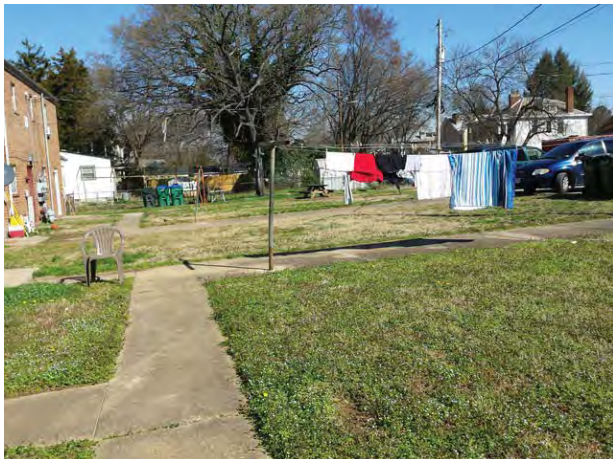
Rear of typical Subject building



Subject building with boarded-up unit and parking area



Alley along Subject site



Rear yard area



Rear parking area



Typical living area – occupied unit



Typical living area – vacant unit



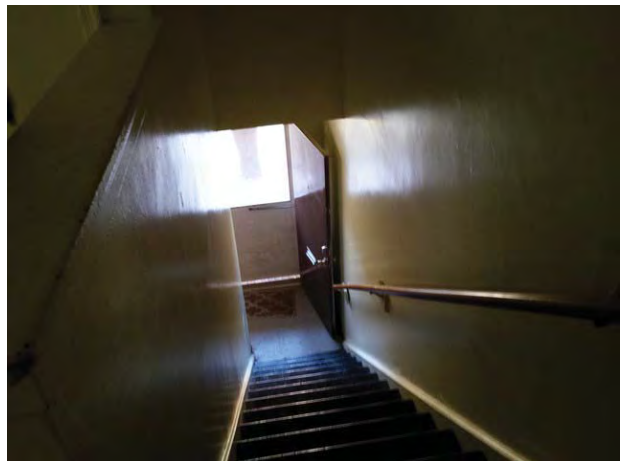
Typical kitchen – occupied unit



Typical kitchen – vacant unit



Typical dining area – occupied unit



Typical interior stairway – occupied unit



Typical bedroom – occupied unit



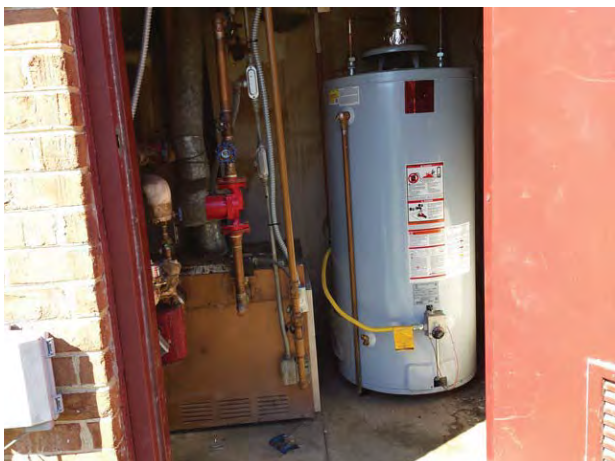
Typical bedroom – vacant unit



Typical bathroom – occupied unit



Typical bathroom – vacant unit



Typical exterior utility closet



View from Subject towards single-family homes along Barry Street



Bainbridge Street looking east (Subject on the right)



Bainbridge Street looking west



Fire station along Bainbridge Street to the west of Subject



Single-family home along Bainbridge Street to the west of Subject



Athletic fields across Bainbridge Street from Subject



Single-family homes along West 29th Street to the north of Subject



Single-family homes along Bainbridge Street to the east of Subject



Single-family homes along West 29th Street to the southwest of Subject



Single-family homes along Midlothian Turnpike to the southwest of Subject



View along West 34th looking south (Subject on left)



View along West 34th looking north



Single-family homes across West 34th Street from the Subject



Single-family homes along West 34th Street immediately north of Subject



View towards Moody Avenue from Subject site



Vacant building (under rehabilitation to the rear of Subject site along Moody Avenue)



Alternative view of vacant building (under rehabilitation to the rear of Subject site)



View along Moody Avenue looking east



View of Subject from Moody Avenue looking west



Single-family homes along West 33rd Street to the east of Subject



Single-family homes along Dundee Avenue to the south of Subject



Single-family homes along Dundee Avenue to the southwest of Subject



Single-family homes along Dundee Avenue to the southwest of Subject

ADDENDUM C
Subject Matrices and Property Profiles

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Bainbridge 2808 Bainbridge Street Richmond, VA 23225 Richmond County	-	Garden 2-stories 1971 / 2021 Family	@50% (Project Based Rental Assistance - PRA)	3BR / 2BA	18	100.0%	900	@50% (Project Based Rental Assistance - PRA)	\$928	N/A	N/A	2	11.1%
1	Delmont Village 3716 Delmont Street Richmond, VA 23222 Henrico County	5.0 miles	Garden 2-stories 2006 / n/a Family	@50%	2BR / 1BA 2BR / 2BA 3BR / 2BA	18 44 32	19.2% 46.8% 34.0%	654 890 1,091	@50% @50% @50%	\$857 \$917 \$1,079	No No No	No No No	1 0 1	5.6% 0.0% 3.1%
2	Fieldcrest Apartments 3711 Delmont Richmond, VA 23222 Henrico County	5.0 miles	Townhouse 2-stories 2007 / N/A Family	@50%	2BR / 1.5BA 3BR / 2.5BA	28 10	73.7% 26.3%	1,155 1,342	@50% @50%	\$865 \$1,030	No No	Yes Yes	1 0	3.6% 0.0%
3	Graystone Place Apartments 2394 Afton Avenue Richmond, VA 23224 Richmond City County	1.9 miles	Various 2-stories 1987 / 2004 Family	@60%	1BR / 1BA 2BR / 1BA 2BR / 1BA	20 57 58	14.8% 42.2% 43.0%	609 722 722	@60% @60% @60%	\$636 \$665 \$755	No No No	Yes Yes Yes	1 0 0	5.0% 0.0% 0.0%
4	Highland Grove 1132 Dove Street Richmond, VA 23222 Richmond County	3.9 miles	Townhouse 2-stories 2013 / n/a Family	@50%, Market	1BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2.5BA	N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A	947 1,056 1,056 1,115 1,371 1,371 1,513	@50% @50% Market @50% @50% Market @50%	\$753 \$919 \$982 \$919 \$1,088 \$1,228 \$1,088	Yes Yes N/A Yes Yes N/A Yes	No No N/A No No N/A No	0 0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
5	Southpointe Landing 6110 Cricklewood Drive Richmond, VA 23234 Chesterfield County	4.9 miles	Garden 2-stories 1972 / 1988 Family	@50%, @60%	2BR / 1BA 2BR / 1BA 3BR / 1.5BA	94 66 32	49.0% 34.4% 16.7%	976 976 1,304	@50% @60% @60%	\$865 \$971 \$1,139	Yes No No	No No No	0 0 3	0.0% 0.0% 9.4%
6	The Townes At River South 214 E 9th Street Richmond, VA 23224 Richmond City County	1.3 miles	Various 2-stories 2001 / 2004 Family	@50%	2BR / 1.5BA 2BR / 1.5BA 3BR / 2.5BA 3BR / 2.5BA 4BR / 3.5BA 4BR / 3.5BA	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A	985 985 1,202 1,202 1,529 1,529	@50% @50% @50% @50% @50% @50%	\$865 \$880 \$999 \$1,020 \$1,115 \$1,140	Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
7	Village South Townhomes 3450 Maury Street Richmond, VA 23224 County	0.9 miles	Various 2-stories 1947 / 2005 Family	@60%	1BR / 1BA 2BR / 1BA 2BR / 1.5BA 3BR / 1BA	16 246 18 16	5.4% 83.1% 6.1% 5.4%	675 850 912 1,000	@60% @60% @60% @60%	\$731 \$816 \$877 \$1,139	Yes Yes Yes Yes	Yes Yes Yes Yes	0 0 0 0	0.0% 0.0% 0.0% 0.0%
8	American Tobacco Center 119 N 20th Street Richmond, VA 23223 Richmond City County	2.4 miles	Midrise 5-stories 1912 / 2005 Family	Market	0BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 3BA 3BR / 3BA 3BR / 3BA	1 87 N/A N/A 64 N/A N/A 5 N/A N/A	0.6% 55.4% N/A N/A 40.8% N/A N/A 3.2% N/A N/A	452 622 844 400 1,019 1,238 800 1,209 1,317 1,100	Market Market Market Market Market Market Market Market Market Market	\$1,058 \$1,271 \$1,421 \$1,121 \$1,767 \$2,167 \$1,367 \$2,559 \$3,129 \$1,988	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	No No No No No No No No No No	0 1 0 0 2 0 0 0 0 0	0.0% 1.2% 0.0% 0.0% 3.1% 0.0% 0.0% 0.0% 0.0% 0.0%
9	Cedar Broad 1820 E Broad Street Richmond, VA 23223 Henrico County	2.5 miles	Midrise 5-stories 2011 / n/a Family	Market	1BR / 1BA 2BR / 2BA 3BR / 2.5BA	140 56 8	68.6% 27.5% 3.9%	547 774 1,073	Market Market Market	\$1,219 \$1,569 \$1,861	N/A N/A N/A	Yes Yes Yes	10 2 0	7.1% 3.6% 0.0%
10	James River Villas 2506 Atwell Drive Richmond, VA 23234 Richmond County	2.0 miles	One-story 1-stories 1947 / 2005/2018 Family	Market	1BR / 1BA 2BR / 1BA 3BR / 1BA	21 182 21	9.4% 81.3% 9.4%	552 672 792	Market Market Market	\$796 \$942 \$1,124	N/A N/A N/A	No No No	1 5 1	4.8% 2.8% 4.8%
11	Lofts At Trolley Station 212 West 7th Street Richmond, VA 23224 Richmond County	1.3 miles	Lowrise 2-stories 1920 / 2008 Family	Market	1BR / 1BA 2BR / 1BA 2BR / 2BA	7 3 36	15.2% 6.5% 78.3%	645 729 844	Market Market Market	\$988 \$1,169 \$1,397	N/A N/A N/A	Yes No No	0 0 5	0.0% 0.0% 13.9%
12	Terraces At Manchester 800 Semmes Ave Richmond, VA 23224 Richmond County	1.2 miles	Highrise 10-stories 2015 / n/a Family	Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA	N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A	733 1,201 465 760 770 742 975 1,594 735	Market Market Market Market Market Market Market Market Market	\$1,411 \$1,711 \$1,156 \$1,627 \$1,740 \$1,590 \$2,118 \$3,580 \$1,675	N/A N/A N/A N/A N/A N/A N/A N/A N/A	Yes Yes Yes Yes Yes Yes Yes Yes Yes	4 0 0 0 0 0 8 0 0	N/A 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
						18							2	11.1%
						94							2	2.1%
						38							1	2.6%
						135							1	0.7%
						128							0	0.0%
						192							3	1.6%
						161							0	0.0%
						296							0	0.0%
						157							3	1.9%
						204							12	5.9%
						224							7	3.1%
						46							5	10.9%
						148							12	8.1%

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

	Units Surveyed:	1,823
	Market Rate	779
	Tax Credit	1,044

Three-Bedroom Two Bath

	Property	Average
RENT	American Tobacco Center (Market)(3BA)	\$3,129
	American Tobacco Center (Market)(3BA)	\$2,559
	American Tobacco Center (Market)(3BA)	\$1,988
	Cedar Broad (Market)(2.5BA)	\$1,861
	Highland Grove (Market)	\$1,228
	Southpointe Landing (@60%)(1.5BA)	\$1,139
	Village South Townhomes (@60%)(1BA)	\$1,139
	James River Villas (Market)(1BA)	\$1,124
	Highland Grove (@50%)	\$1,088
	Highland Grove (@50%)(2.5BA)	\$1,088
	Delmont Village (@50%)	\$1,079
	Fieldcrest Apartments (@50%)(2.5BA)	\$1,030
	The Townes At River South (@50%)(2.5BA)	\$1,020
The Townes At River South (@50%)(2.5BA)	\$999	
	Bainbridge (@50%)	\$928

SQUARE FOOTAGE	Highland Grove (@50%)(2.5BA)	1,513
	Highland Grove (@50%)	1,371
	Highland Grove (Market)	1,371
	Fieldcrest Apartments (@50%)(2.5BA)	1,342
	American Tobacco Center (Market)(3BA)	1,317
	Southpointe Landing (@60%)(1.5BA)	1,304
	American Tobacco Center (Market)(3BA)	1,209
	The Townes At River South (@50%)(2.5BA)	1,202
	The Townes At River South (@50%)(2.5BA)	1,202
	American Tobacco Center (Market)(3BA)	1,100
	Delmont Village (@50%)	1,091
	Cedar Broad (Market)(2.5BA)	1,073
	Village South Townhomes (@60%)(1BA)	1,000
	Bainbridge (@50%)	900
	James River Villas (Market)(1BA)	792

RENT PER SQUARE FOOT	American Tobacco Center (Market)(3BA)	\$2.38	
	American Tobacco Center (Market)(3BA)	\$2.12	
	American Tobacco Center (Market)(3BA)	\$1.81	
	Cedar Broad (Market)(2.5BA)	\$1.73	
	James River Villas (Market)(1BA)	\$1.42	
	Village South Townhomes (@60%)(1BA)	\$1.14	
		Bainbridge (@50%)	\$1.03
	Delmont Village (@50%)	\$0.99	
	Highland Grove (Market)	\$0.90	
	Southpointe Landing (@60%)(1.5BA)	\$0.87	
	The Townes At River South (@50%)(2.5BA)	\$0.85	
	The Townes At River South (@50%)(2.5BA)	\$0.83	
	Highland Grove (@50%)	\$0.79	
Fieldcrest Apartments (@50%)(2.5BA)	\$0.77		
Highland Grove (@50%)(2.5BA)	\$0.72		

AMENITY MATRIX

	Subject	Delmont Village	Fieldcrest Apartments	Graystone Place Apartments	Highland Grove	Southpointe Landing	The Townes At River South	Village South Townhomes	American Tobacco Center	Cedar Broad	James River Villas	Lofts At Trolley Station	Terraces At Manchester
Rent Structure	LIHTC/PBRA	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Building													
Property Type	Garden	Garden	Townhouse	Various	Townhouse	Garden	Various	Various	Midrise	Midrise	One-story	Lowrise	Highrise
# of Stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	5-stories	5-stories	1-stories	2-stories	10-stories
Year Built	1971	2006	2007	1987	2013	1972	2001	1947	1912	2011	1947	1920	2015
Year Renovated	2021	n/a	N/A	2004	n/a	1988	2004	2005	2005	n/a	2005/2018	2008	n/a
Elevators	no	no	no	no	no	no	no	no	yes	yes	no	no	yes
Courtyard	no	no	no	no	no	no	no	no	yes	no	no	no	no
Utility Structure													
Cooking	yes	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	yes	no	no	no	no	no	no	no	no	no	no	no	no
Heat	yes	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	yes	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	yes	yes	no	yes	yes	no	no	no	no	yes	yes
Sewer	yes	no	yes	yes	no	yes	yes	no	no	no	no	yes	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Unit Amenities													
Balcony/Patio	no	no	yes	no	yes	no	yes	no	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	no	yes	no	yes	no	yes	yes
Carpeting	no	yes	yes	yes	no	yes	yes	no	no	no	no	no	no
Hardwood	yes	no	no	no	yes	no	no	yes	yes	yes	no	no	yes
Central A/C	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	no	no	yes	no	no	no	no	yes	no	yes	yes
Coat Closet	no	no	no	yes	yes	yes	yes	yes	no	no	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	yes	no	yes	no	no	no	no
Fireplace	no	no	no	no	no	no	no	no	yes	no	no	no	no
Skylights	no	no	no	no	no	no	no	no	no	no	no	yes	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	yes	no	no	yes	no
Walk-In Closet	no	no	no	no	yes	no	yes	no	yes	no	yes	no	no
Wall A/C	yes	no	no	no	no	no	no	no	no	no	no	no	no
Washer/Dryer	no	no	yes	no	no	yes	no	no	yes	yes	yes	yes	yes
W/D Hookup	no	yes	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes
Kitchen													
Dishwasher	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	no	yes	yes	yes	yes	yes	no	yes	yes	yes
Microwave	no	no	no	no	yes	no	no	yes	yes	yes	no	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community													
Business Center	no	no	no	no	yes	no	no	no	yes	yes	yes	no	no
Community Room	no	yes	yes	no	no	yes	no	no	yes	yes	no	no	yes
Central Laundry	no	yes	no	yes	no	no	yes	yes	no	no	no	no	no
On-Site Mgmt	no	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation													
Basketball Court	no	no	no	no	no	no	no	no	no	yes	no	no	no
Exercise Facility	no	no	no	no	yes	no	no	no	yes	yes	no	no	yes
Playground	no	yes	yes	yes	no	no	yes	no	no	no	yes	no	no
Swimming Pool	no	no	no	no	no	yes	no	no	yes	no	no	no	yes
Picnic Area	no	no	no	no	no	yes	no	no	no	no	yes	no	yes
Recreational Area	no	no	no	no	no	no	no	no	no	no	no	no	yes
WiFi	no	no	no	no	no	no	no	no	yes	yes	no	yes	no
Security													
In-Unit Alarm	no	no	no	no	no	no	no	yes	no	yes	no	yes	no
Intercom (Buzzer)	no	no	no	no	no	no	no	no	yes	yes	no	yes	yes
Intercom (Phone)	no	no	no	no	no	no	no	no	yes	no	no	no	no
Limited Access	no	no	no	no	no	no	no	no	yes	yes	no	yes	yes
Patrol	no	no	no	yes	no	yes	no	yes	no	no	yes	no	yes
Perimeter Fencing	no	yes	no	no	no	no	no	no	no	no	no	no	no
Video Surveillance	no	yes	no	no	no	no	no	no	yes	no	no	no	no
Parking													
Carport	no	no	no	no	no	no	no	no	no	yes	no	no	no
Carport Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85	\$0	\$0	\$0
Garage	no	no	no	no	no	no	no	no	yes	yes	no	no	yes
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$0	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes

PROPERTY PROFILE REPORT

Delmont Village

Effective Rent Date	11/12/2018
Location	3716 Delmont Street Richmond, VA 23222 Henrico County
Distance	5 miles
Units	94
Vacant Units	2
Vacancy Rate	2.1%
Type	Garden (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Fieldcrest Apartments, Winston Manor
Tenant Characteristics	Majority families
Contact Name	Samantha
Phone	804-329-1881



Market Information

Program	@50%
Annual Turnover Rate	22%
Units/Month Absorbed	25
HCV Tenants	20%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increase of one to two percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	18	654	\$690	\$0	@50%	No	1	5.6%	no	None
2	2	Garden (2 stories)	44	890	\$750	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (2 stories)	32	1,091	\$850	\$0	@50%	No	1	3.1%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$690	\$0	\$690	\$168	\$858
2BR / 2BA	\$750	\$0	\$750	\$168	\$918
3BR / 2BA	\$850	\$0	\$850	\$229	\$1,079

Delmont Village, continued

Amenities

In-Unit

Blinds
Central A/C
Garbage Disposal
Refrigerator

Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Security

Perimeter Fencing
Video Surveillance

Services

None

Property

Clubhouse/Meeting Room/Community
Off-Street Parking(\$0.00)
Playground

Central Laundry
On-Site Management

Premium

None

Other

None

Comments

Management does not maintain a wait list.

Delmont Village, continued

Trend Report

Vacancy Rates

1Q16	4Q16	2Q18	4Q18
0.0%	0.0%	6.4%	2.1%

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$525	\$0	\$525	\$693
2016	4	N/A	\$510	\$0	\$510	\$678
2018	2	11.1%	\$546	\$0	\$546	\$714
2018	4	5.6%	\$690	\$0	\$690	\$858

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$680	\$0	\$680	\$848
2016	4	N/A	\$675	\$0	\$675	\$843
2018	2	6.8%	\$729	\$0	\$729	\$897
2018	4	0.0%	\$750	\$0	\$750	\$918

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	\$770	\$0	\$770	\$999
2016	4	N/A	\$770	\$0	\$770	\$999
2018	2	3.1%	\$770	\$0	\$770	\$999
2018	4	3.1%	\$850	\$0	\$850	\$1,079

Trend: Comments

1Q16	The management company that manages this property does not maintain waiting lists at its properties; the contact attributed this to sufficiently high demand in the area so as to result in a waiting list hindering rather than facilitating faster leasing paces at properties. The contact reported a demand for more quality affordable housing in the area with an emphasis on quality suggesting that some affordable properties in the area are in need of renovation and under-perform newer and well maintained affordable developments. The next available unit will become available at the end of the second week of April. Rents are not at, but were reported to be close to, maximum allowable levels; the contact was unable to comment as to why the rents are below maximum allowable levels. The property never offers concessions as demand for LIHTC housing in the area is strong.
4Q16	The management company that manages this property does not maintain a waiting list at the property, and the contact attributed this to sufficiently high demand for affordable housing in the area. The next available unit will become available at the end of the second week of April. The rents are not at the maximum allowable levels; however, the contact was unable to comment as to why the rents are below maximum allowable levels.
2Q18	Management does not maintain a wait list.
4Q18	N/A

Photos



PROPERTY PROFILE REPORT

Fieldcrest Apartments

Effective Rent Date	11/13/2018
Location	3711 Delmont Richmond, VA 23222 Henrico County
Distance	5 miles
Units	38
Vacant Units	1
Vacancy Rate	2.6%
Type	Townhouse (2 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	1/15/2007
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Highland Grove, Lincoln Mews, Richfield
Tenant Characteristics	Most from north Richmond or south Richmond, very few from downtown; a couple from Churchill and one from Essex Village
Contact Name	Susan
Phone	804-228-3727



Market Information

Program	@50%
Annual Turnover Rate	18%
Units/Month Absorbed	7
HCV Tenants	12%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased 2-3%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	28	1,155	\$785	\$0	@50%	Yes	1	3.6%	no	None
3	2.5	Townhouse (2 stories)	10	1,342	\$930	\$0	@50%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$785	\$0	\$785	\$81	\$866
3BR / 2.5BA	\$930	\$0	\$930	\$100	\$1,030

Amenities

In-Unit	Security	Services
Balcony/Patio Carpeting Dishwasher Oven Washer/Dryer	Blinds Central A/C Garbage Disposal Refrigerator Washer/Dryer hookup	None
Property	Premium	Other
Clubhouse/Meeting Room/Community Playground	Off-Street Parking(\$0.00)	None

Fieldcrest Apartments, continued

Comments

The property maintains a wait list but the contact could not provide the length. Demand for affordable housing in the area was reported to be moderate to strong.

Fieldcrest Apartments, continued

Trend Report

Vacancy Rates

3Q11	1Q16	2Q18	4Q18
10.3%	0.0%	2.6%	2.6%

Trend: @50%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	15.8%	\$665	\$0	\$665	\$746
2016	1	0.0%	\$730	\$0	\$730	\$811
2018	2	3.6%	\$787	\$0	\$787	\$868
2018	4	3.6%	\$785	\$0	\$785	\$866

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	0.0%	\$775	\$0	\$775	\$875
2016	1	0.0%	\$825	\$0	\$825	\$925
2018	2	0.0%	\$888	\$0	\$888	\$988
2018	4	0.0%	\$930	\$0	\$930	\$1,030

Trend: Comments

3Q11	Contact stated the local rental market has been stable and that Fieldcrest Apartments have always done well. They complex is 4 years old and was built in 2007. The usually have a 3% annual turn over rate which equal 1 turn over a year. There is currently 3 vacancies due to 2 tenants being relocated and 1 buying a house. There is currently no concessions being offered and no waiting list.
1Q16	The waiting list has six households. The contact reported that the current performance - full with a waiting list - is typical for the property. The property never offers concessions. Demand for affordable housing in the area was reported to be moderate to strong.
2Q18	The property maintains a wait list but the contact could not provide the length. Demand for affordable housing in the area was reported to be moderate to strong.
4Q18	N/A

Photos



Graystone Place Apartments, continued

Comments

The two-bedroom units with a higher rent have a small backyard area. The contact noted overall occupancy has fluctuated sharply during the past year which is caused by delinquent accounts and evictions. A short waiting list with five applicants is maintained at this time.

Graystone Place Apartments, continued

Trend Report

Vacancy Rates

3Q16	2Q17	3Q18	1Q19
N/A	0.0%	0.0%	0.7%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$535	\$0	\$535	\$596
2017	2	0.0%	\$535	\$0	\$535	\$596
2018	3	0.0%	\$535	\$0	\$535	\$596
2019	1	5.0%	\$575	\$0	\$575	\$636

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$535 - \$590	\$0	\$535 - \$590	\$616 - \$671
2017	2	0.0%	\$565 - \$585	\$0	\$565 - \$585	\$646 - \$666
2018	3	0.0%	\$565 - \$585	\$0	\$565 - \$585	\$646 - \$666
2019	1	0.0%	\$585 - \$675	\$0	\$585 - \$675	\$666 - \$756

Trend: Comments

3Q16 N/A

2Q17 The contact reported a waiting list of two to four households, depending on the unit type. The two-bedroom units with a higher rent have a backdoor.

3Q18 The two-bedroom units with a higher rent have a backdoor.

1Q19 The two-bedroom units with a higher rent have a small backyard area. The contact noted overall occupancy has fluctuated sharply during the past year which is caused by delinquent accounts and evictions. A short waiting list with five applicants is maintained at this time.

Photos



PROPERTY PROFILE REPORT

Highland Grove

Effective Rent Date	11/14/2018
Location	1132 Dove Street Richmond, VA 23222 Richmond County
Distance	3.9 miles
Units	128
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Monique
Phone	804.477.7504



Market Information

Program	@50%, Market
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	6%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	N/A	947	\$632	\$0	@50%	No	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	1,056	\$752	\$0	@50%	No	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	1,056	\$815	\$0	Market	N/A	0	N/A	N/A	None
2	2	Townhouse (2 stories)	N/A	1,115	\$752	\$0	@50%	No	0	N/A	yes	None
3	2	Townhouse (2 stories)	N/A	1,371	\$859	\$0	@50%	No	0	N/A	yes	None
3	2	Townhouse (2 stories)	N/A	1,371	\$999	\$0	Market	N/A	0	N/A	N/A	None
3	2.5	Townhouse (2 stories)	N/A	1,513	\$859	\$0	@50%	No	0	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$632	\$0	\$632	\$121	\$753	2BR / 1.5BA	\$815	\$0	\$815	\$168	\$983
2BR / 1.5BA	\$752	\$0	\$752	\$168	\$920	3BR / 2BA	\$999	\$0	\$999	\$229	\$1,228
2BR / 2BA	\$752	\$0	\$752	\$168	\$920						
3BR / 2BA	\$859	\$0	\$859	\$229	\$1,088						
3BR / 2.5BA	\$859	\$0	\$859	\$229	\$1,088						

Highland Grove, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Off-Street Parking(\$0.00)

Exercise Facility
On-Site Management

Premium

None

Other

None

Comments

The contact had no additional comments.

Highland Grove, continued

Trend Report

Vacancy Rates

2Q15	1Q16	2Q18	4Q18
N/A	0.0%	3.1%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$550	\$0	N/A	N/A
2016	1	N/A	\$550	\$0	\$550	\$671
2018	2	N/A	\$632	\$0	\$632	\$753
2018	4	N/A	\$632	\$0	\$632	\$753

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$650	\$0	N/A	N/A
2016	1	N/A	\$650	\$0	\$650	\$818
2018	2	N/A	\$752	\$0	\$752	\$920
2018	4	N/A	\$752	\$0	\$752	\$920

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$660	\$0	N/A	N/A
2016	1	N/A	\$660	\$0	\$660	\$828
2018	2	N/A	\$752	\$0	\$752	\$920
2018	4	N/A	\$752	\$0	\$752	\$920

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$759	\$21	\$738	\$967
2016	1	N/A	\$759	\$0	\$759	\$988
2018	2	N/A	\$859	\$0	\$859	\$1,088
2018	4	N/A	\$859	\$0	\$859	\$1,088

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$750	\$21	\$729	\$958
2016	1	N/A	\$750	\$0	\$750	\$979
2018	2	N/A	\$859	\$0	\$859	\$1,088
2018	4	N/A	\$859	\$0	\$859	\$1,088

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$815	\$0	\$815	\$983
2018	4	N/A	\$815	\$0	\$815	\$983

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$999	\$0	\$999	\$1,228
2018	4	N/A	\$999	\$0	\$999	\$1,228

Trend: Comments

2Q15 N/A

1Q16 The contact could not provide absorption information. This property does accept Housing Choice Vouchers, however only five households are currently using them.

2Q18 The contact could not provide absorption information.

4Q18 The contact had no additional comments.

Photos



PROPERTY PROFILE REPORT

Southpointe Landing

Effective Rent Date	2/25/2019
Location	6110 Cricklewood Drive Richmond, VA 23234 Chesterfield County
Distance	4.9 miles
Units	192
Vacant Units	3
Vacancy Rate	1.6%
Type	Garden (2 stories)
Year Built/Renovated	1972 / 1988
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Meadow Brook, Regency Lake.
Tenant Characteristics	N/A
Contact Name	Kris
Phone	804-271-6324



Market Information

Program	@50%, @60%
Annual Turnover Rate	38%
Units/Month Absorbed	N/A
HCV Tenants	13%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 1-4%
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	94	976	\$785	\$0	@50%	No	0	0.0%	yes	None
2	1	Garden (2 stories)	66	976	\$891	\$0	@60%	No	0	0.0%	no	None
3	1.5	Garden (2 stories)	32	1,304	\$1,039	\$0	@60%	No	3	9.4%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$785	\$0	\$785	\$81	\$866	2BR / 1BA	\$891	\$0	\$891	\$81	\$972
						3BR / 1.5BA	\$1,039	\$0	\$1,039	\$100	\$1,139

Southpointe Landing, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Oven
Washer/Dryer

Carpeting
Coat Closet
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Clubhouse/Meeting Room/Community
On-Site Management
Swimming Pool

Off-Street Parking(\$0.00)
Picnic Area

Premium

None

Other

None

Comments

The manager reported that the property maintains a waiting list at times, but currently does not. The manager reported that the elevated turnover rate is due primarily to evictions, and that the property typically does not have trouble filling vacant units. Washers and dryers are available for rent at a rate of \$40 per month.

Southpointe Landing, continued

Trend Report

Vacancy Rates

2Q13	1Q15	3Q15	1Q19
0.0%	0.5%	1.0%	1.6%

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$635	\$0	\$635	\$716
2015	1	0.0%	\$730	\$0	\$730	\$811
2015	3	0.0%	\$745	\$0	\$745	\$826
2019	1	0.0%	\$785	\$0	\$785	\$866

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$809	\$0	\$809	\$909
2015	1	0.0%	\$875	\$0	\$875	\$975
2015	3	0.0%	\$920	\$0	\$920	\$1,020
2019	1	9.4%	\$1,039	\$0	\$1,039	\$1,139

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$655	\$0	\$655	\$736
2015	1	1.5%	\$755	\$0	\$755	\$836
2015	3	3.0%	\$775	\$0	\$775	\$856
2019	1	0.0%	\$891	\$0	\$891	\$972

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$809	\$0	\$809	\$909
2015	1	0.0%	\$875	\$0	\$875	\$975
2015	3	0.0%	\$920	\$0	\$920	\$1,020
2019	1	9.4%	\$1,039	\$0	\$1,039	\$1,139

Trend: Comments

2Q13 N/A

1Q15 The property currently maintains a waiting list of 10 households. The majority of households on the waiting list are for two-bedroom units; however, the manager reported that demand is also strong for three-bedroom units and the property rarely has any three-bedroom vacancies. The manager reported that there is strong demand for more affordable housing. Washers and dryers are available for rent at a rate of \$40 per month.

3Q15 The property currently maintains a waiting list; however, the manager could not provide its length. The manager reported that there is strong demand for more affordable housing. Washers and dryers are available for rent at a rate of \$40 per month.

1Q19 The manager reported that the property maintains a waiting list at times, but currently does not. The manager reported that the elevated turnover rate is due primarily to evictions, and that the property typically does not have trouble filling vacant units. Washers and dryers are available for rent at a rate of \$40 per month.

PROPERTY PROFILE REPORT

The Townes At River South

Effective Rent Date	2/21/2019
Location	214 E 9th Street Richmond, VA 23224 Richmond City County
Distance	1.3 miles
Units	161
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	2001 / 2004
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Village South
Tenant Characteristics	Families from the city of Richmond. Many working in service industries or manual labor jobs
Contact Name	Property Manager
Phone	804-232-1800



Market Information

Program	@50%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Within one week
Annual Chg. in Rent	No increase to increased 2%
Concession	None
Waiting List	Yes, 1 to 2 years

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	N/A	985	\$785	\$0	@50%	Yes	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	985	\$800	\$0	@50%	Yes	0	N/A	yes	None
3	2.5	Garden (2 stories)	N/A	1,202	\$899	\$0	@50%	Yes	0	N/A	yes	None
3	2.5	Townhouse (2 stories)	N/A	1,202	\$920	\$0	@50%	Yes	0	N/A	yes	None
4	3.5	Garden (2 stories)	N/A	1,529	\$995	\$0	@50%	Yes	0	N/A	yes	None
4	3.5	Townhouse (2 stories)	N/A	1,529	\$1,020	\$0	@50%	Yes	0	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$785 - \$800	\$0	\$785 - \$800	\$81	\$866 - \$881
3BR / 2.5BA	\$899 - \$920	\$0	\$899 - \$920	\$100	\$999 - \$1,020
4BR / 3.5BA	\$995 - \$1,020	\$0	\$995 - \$1,020	\$120	\$1,115 - \$1,140

The Townes At River South, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking(\$0.00)
Playground

Premium

None

Other

None

Comments

The manager reported that all units are achieving the maximum allowable LIHTC rents. The townhouses have lower rents due to higher utility allowances.

The Townes At River South, continued

Trend Report

Vacancy Rates

4Q16	2Q17	3Q18	1Q19
1.2%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$735 - \$751	\$0	\$735 - \$751	\$816 - \$832
2017	2	N/A	\$678 - \$789	\$0	\$678 - \$789	\$759 - \$870
2018	3	N/A	\$775 - \$800	\$0	\$775 - \$800	\$856 - \$881
2019	1	N/A	\$785 - \$800	\$0	\$785 - \$800	\$866 - \$881

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$842 - \$861	\$0	\$842 - \$861	\$942 - \$961
2017	2	N/A	\$877 - \$904	\$0	\$877 - \$904	\$977 - \$1,004
2018	3	N/A	\$899 - \$920	\$0	\$899 - \$920	\$999 - \$1,020
2019	1	N/A	\$899 - \$920	\$0	\$899 - \$920	\$999 - \$1,020

4BR / 3.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$931 - \$954	\$0	\$931 - \$954	\$1,051 - \$1,074
2017	2	N/A	\$958 - \$1,000	\$0	\$958 - \$1,000	\$1,078 - \$1,120
2018	3	N/A	\$975 - \$1,020	\$0	\$975 - \$1,020	\$1,095 - \$1,140
2019	1	N/A	\$995 - \$1,020	\$0	\$995 - \$1,020	\$1,115 - \$1,140

Trend: Comments

4Q16	The property manager stated that garden homes include a washer/dryer hookup, which explains variation in rents between garden and townhome units.
2Q17	The property manager stated that garden homes include a washer/dryer hookup, which explains variation in rents between garden and townhome units. The contact could not disclose a unit mix breakdown.
3Q18	The manager reported that all units are achieving the maximum allowable LIHTC rents. The townhouses have lower rents due to higher utility allowances.
1Q19	N/A

Photos



PROPERTY PROFILE REPORT

Village South Townhomes

Effective Rent Date	2/21/2019
Location	3450 Maury Street Richmond, VA 23224 County
Distance	0.9 miles
Units	296
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	1947 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Southwood, St. Jones Woods
Tenant Characteristics	Most of the tenants are from Richmond.
Contact Name	Jennifer
Phone	(804) 230-4004



Market Information

Program	@60%
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 2-8%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	675	\$610	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Townhouse	246	850	\$649	\$0	@60%	Yes	0	0.0%	yes	None
2	1.5	Townhouse	18	912	\$710	\$0	@60%	Yes	0	0.0%	yes	None
3	1	Townhouse	16	1,000	\$910	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$610	\$0	\$610	\$121	\$731
2BR / 1BA	\$649	\$0	\$649	\$168	\$817
2BR / 1.5BA	\$710	\$0	\$710	\$168	\$878
3BR / 1BA	\$910	\$0	\$910	\$229	\$1,139

Village South Townhomes, continued

Amenities

In-Unit

Blinds
Carpet/Hardwood
Coat Closet
Garbage Disposal
Oven

Cable/Satellite/Internet
Central A/C
Dishwasher
Microwave
Refrigerator

Security

In-Unit Alarm
Patrol

Services

Computer Tutoring

Property

Central Laundry
On-Site Management

Off-Street Parking(\$0.00)

Premium

None

Other

None

Comments

The contact stated that basic cable and internet are included in the rent. The property is formerly known as Holly Springs Apartments. The waiting list is two months long.

Village South Townhomes, continued

Trend Report

Vacancy Rates

1Q15	3Q16	2Q17	1Q19
5.4%	5.4%	4.1%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$579	\$0	\$579	\$700
2016	3	N/A	\$580	\$0	\$580	\$701
2017	2	31.2%	\$585	\$0	\$585	\$706
2019	1	0.0%	\$610	\$0	\$610	\$731

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$680	\$0	\$680	\$848
2017	2	0.0%	\$655	\$0	\$655	\$823
2019	1	0.0%	\$710	\$0	\$710	\$878

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	5.7%	\$679	\$0	\$679	\$847
2016	3	N/A	\$623	\$0	\$623	\$791
2017	2	2.0%	\$635	\$0	\$635	\$803
2019	1	0.0%	\$649	\$0	\$649	\$817

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	8.3%	\$855	\$0	\$855	\$1,084
2016	3	N/A	\$855	\$0	\$855	\$1,084

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	12.5%	\$888	\$0	\$888	\$1,117
2019	1	0.0%	\$910	\$0	\$910	\$1,139

Trend: Comments

1Q15 N/A

3Q16 The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of tenants who currently use them. The contact stated that basic cable and internet are included in the rent. The property was formerly known as Southgate Apartments. Management stated that the current vacancy rate has been typical over the past few years.

2Q17 The contact stated that basic cable and internet are included in the rent. The property is formerly known as Holly Springs Apartments.

1Q19 The contact stated that basic cable and internet are included in the rent. The property is formerly known as Holly Springs Apartments. The waiting list is two months long.

Photos



PROPERTY PROFILE REPORT

American Tobacco Center

Effective Rent Date	2/25/2019
Location	119 N 20th Street Richmond, VA 23223 Richmond City County
Distance	2.4 miles
Units	157
Vacant Units	3
Vacancy Rate	1.9%
Type	Midrise (5 stories)
Year Built/Renovated	1912 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Bobber Flats, Canal Walk
Tenant Characteristics	Some medical students
Contact Name	Barbara
Phone	804-377-9900



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	Decreased 3% to increased 4%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (5 stories)	1	452	\$950	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	87	622	\$1,150	\$0	Market	No	1	1.1%	N/A	AVG*
1	1	Midrise (5 stories)	0	844	\$1,300	\$0	Market	No	0	N/A	N/A	HIGH*
1	1	Midrise (5 stories)	0	400	\$1,000	\$0	Market	No	0	N/A	N/A	LOW*
2	2	Midrise (5 stories)	64	1,019	\$1,600	\$0	Market	No	2	3.1%	N/A	AVG*
2	2	Midrise (5 stories)	0	1,238	\$2,000	\$0	Market	No	0	N/A	N/A	HIGH*
2	2	Midrise (5 stories)	0	800	\$1,200	\$0	Market	No	0	N/A	N/A	LOW*
3	3	Midrise (5 stories)	5	1,209	\$2,330	\$0	Market	No	0	0.0%	N/A	AVG*
3	3	Midrise (5 stories)	0	1,317	\$2,900	\$0	Market	No	0	N/A	N/A	HIGH*
3	3	Midrise (5 stories)	0	1,100	\$1,759	\$0	Market	No	0	N/A	N/A	LOW*

Trend Report

Vacancy Rates

1Q16	4Q16	2Q17	1Q19
3.9%	3.3%	0.6%	1.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$878 - \$1,261	\$17	\$861 - \$1,244	\$982 - \$1,365
2016	4	N/A	\$878 - \$1,261	\$17	\$861 - \$1,244	\$982 - \$1,365
2017	2	0.0%	\$950 - \$1,259	\$0	\$950 - \$1,259	\$1,071 - \$1,380
2019	1	1.1%	\$1,000 - \$1,300	\$0	\$1,000 - \$1,300	\$1,121 - \$1,421

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,206 - \$1,600	\$17	\$1,189 - \$1,583	\$1,357 - \$1,751
2016	4	N/A	\$1,206 - \$1,600	\$17	\$1,189 - \$1,583	\$1,357 - \$1,751
2017	2	1.6%	\$1,254 - \$2,059	\$0	\$1,254 - \$2,059	\$1,422 - \$2,227
2019	1	3.1%	\$1,200 - \$2,000	\$0	\$1,200 - \$2,000	\$1,368 - \$2,168

2BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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3BR / 2.5BA

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

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

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,576 - \$2,091	\$0	\$1,576 - \$2,091	\$1,805 - \$2,320
2016	4	N/A	\$1,648 - \$2,091	\$0	\$1,648 - \$2,091	\$1,877 - \$2,320
2017	2	0.0%	\$1,759 - \$2,900	\$0	\$1,759 - \$2,900	\$1,988 - \$3,129
2019	1	0.0%	\$1,759 - \$2,900	\$0	\$1,759 - \$2,900	\$1,988 - \$3,129

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$891 - \$1,218	\$0	\$891 - \$1,218	\$999 - \$1,326
2016	4	N/A	\$891 - \$1,218	\$0	\$891 - \$1,218	\$999 - \$1,326
2017	2	0.0%	\$950	\$0	\$950	\$1,058
2019	1	0.0%	\$950	\$0	\$950	\$1,058

Trend: Comments

- 1Q16** Contact noted that the property does not accept Section 8 Vouchers. The contact also noted that the property does keep a general waiting list for all unit types and is currently at three households.
- 4Q16** Contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The property is currently offering a concession of \$200 off one and two-bedroom units. The contact noted that the concessions are not typical, and will only continue until the remaining vacant units are leased.
- 2Q17** Contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The contact noted that the average turnover is about 25 percent, but is seasonal for the property.
- 1Q19** The contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The contact noted that the average turnover is about 25 percent, but is seasonal for the property. The contact reported that rent rates can be subject to change daily. Utilities include cable and internet.

Photos



PROPERTY PROFILE REPORT

Cedar Broad

Effective Rent Date	2/25/2019
Location	1820 E Broad Street Richmond, VA 23223 Henrico County
Distance	2.5 miles
Units	204
Vacant Units	12
Vacancy Rate	5.9%
Type	Midrise (5 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Young professionals, students
Contact Name	Robin
Phone	(804) 855-1100



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	3 weeks
Annual Chg. in Rent	Decreased 5% to increased 5%
Concession	None
Waiting List	The property keeps a short waiting list if no units are available

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (5 stories)	140	547	\$1,098	\$0	Market	Yes	10	7.1%	N/A	AVG*
1	1	Midrise (5 stories)	0	555	\$1,137	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Midrise (5 stories)	0	538	\$1,059	\$0	Market	Yes	0	N/A	N/A	LOW
2	2	Midrise (5 stories)	56	774	\$1,402	\$0	Market	Yes	2	3.6%	N/A	AVG*
2	2	Midrise (5 stories)	0	792	\$1,445	\$0	Market	Yes	0	N/A	N/A	HIGH
2	2	Midrise (5 stories)	0	756	\$1,359	\$0	Market	Yes	0	N/A	N/A	LOW
3	2.5	Midrise (5 stories)	8	1,073	\$1,632	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,059 - \$1,137	\$0	\$1,059 - \$1,137	\$121	\$1,180 - \$1,258
2BR / 2BA	\$1,359 - \$1,445	\$0	\$1,359 - \$1,445	\$168	\$1,527 - \$1,613
3BR / 2.5BA	\$1,632	\$0	\$1,632	\$229	\$1,861

Cedar Broad, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Ceiling Fan
Oven
Washer/Dryer

Blinds
Carpet/Hardwood
Dishwasher
Microwave
Refrigerator
Washer/Dryer hookup

Security

In-Unit Alarm
Intercom (Buzzer)
Limited Access

Services

None

Property

Basketball Court
Carport(\$85.00)
Elevators
Garage(\$100.00)
On-Site Management

Business Center/Computer Lab
Clubhouse/Meeting Room/Community
Exercise Facility
Off-Street Parking(\$0.00)
Wi-Fi

Premium

View

Other

None

Comments

The contact noted that satellite, internet services, and alarm system are included in the rent. The range in rent depends on square footage, what floor the unit is on, whether a unit is a corner unit, and whether a unit has a balcony. Garage parking is \$100 per month, and off-street parking in the parking lot is \$85 per month. The contact reported that the rent changes daily.

Trend Report

Vacancy Rates

4Q16	2Q17	3Q17	1Q19
0.0%	1.5%	2.0%	5.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$981 - \$1,038	\$0	\$981 - \$1,038	\$1,102 - \$1,159
2017	2	1.4%	\$1,032 - \$1,038	\$0	\$1,032 - \$1,038	\$1,153 - \$1,159
2017	3	1.4%	\$1,022 - \$1,047	\$0	\$1,022 - \$1,047	\$1,143 - \$1,168
2019	1	7.1%	\$1,059 - \$1,137	\$0	\$1,059 - \$1,137	\$1,180 - \$1,258

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$1,336	\$0	\$1,336	\$1,504
2017	2	1.8%	\$1,300 - \$1,375	\$0	\$1,300 - \$1,375	\$1,468 - \$1,543
2017	3	3.6%	\$1,300 - \$1,375	\$0	\$1,300 - \$1,375	\$1,468 - \$1,543
2019	1	3.6%	\$1,359 - \$1,445	\$0	\$1,359 - \$1,445	\$1,527 - \$1,613

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$1,700	\$0	\$1,700	\$1,929
2017	2	0.0%	\$1,715	\$0	\$1,715	\$1,944
2017	3	0.0%	\$1,715	\$0	\$1,715	\$1,944
2019	1	0.0%	\$1,632	\$0	\$1,632	\$1,861

Trend: Comments

4Q16	The contact noted that cable and internet services are included in the rent.
2Q17	N/A
3Q17	N/A
1Q19	The contact noted that satellite, internet services, and alarm system are included in the rent. The range in rent depends on square footage, what floor the unit is on, whether a unit is a corner unit, and whether a unit has a balcony. Garage parking is \$100 per month, and off-street parking in the parking lot is \$85 per month. The contact reported that the rent changes daily.

Photos



PROPERTY PROFILE REPORT

James River Villas

Effective Rent Date	1/31/2019
Location	2506 Atwell Drive Richmond, VA 23234 Richmond County
Distance	2 miles
Units	224
Vacant Units	7
Vacancy Rate	3.1%
Type	One-story
Year Built/Renovated	1947 / 2005/2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Greystone Place; Timbercreek; Kingly Ones
Tenant Characteristics	Majority are small families from the area
Contact Name	Courtney
Phone	804-231-9368



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 5% during 2018
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	21	552	\$675	\$0	Market	No	1	4.8%	N/A	None
2	1	One-story	182	672	\$775	\$0	Market	No	5	2.7%	N/A	None
3	1	One-story	21	792	\$895	\$0	Market	No	1	4.8%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	\$121	\$796
2BR / 1BA	\$775	\$0	\$775	\$168	\$943
3BR / 1BA	\$895	\$0	\$895	\$229	\$1,124

James River Villas, continued

Amenities

In-Unit

Balcony/Patio
Central A/C
Dishwasher
Oven
Walk-In Closet
Washer/Dryer hookup

Blinds
Coat Closet
Garbage Disposal
Refrigerator
Washer/Dryer

Security

Patrol

Services

None

Property

Business Center/Computer Lab
On-Site Management
Playground

Off-Street Parking(\$0.00)
Picnic Area

Premium

None

Other

None

Comments

The property was FKA Jefferson Trace and is under new ownership since March of 2018. Minor upgrades were done during 2018 with new tile flooring and new carpet in the bedrooms as well as fresh paint. Deferred maintenance fixes to the exterior were done as well. All units include washer and dryer appliances.

James River Villas, continued

Trend Report

Vacancy Rates

2Q17	3Q17	4Q17	1Q19
10.3%	7.6%	6.2%	3.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	9.5%	\$599	\$0	\$599	\$720
2017	3	9.5%	\$599	\$0	\$599	\$720
2017	4	4.8%	\$615	\$0	\$615	\$736
2019	1	4.8%	\$675	\$0	\$675	\$796

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	10.4%	\$660	\$0	\$660	\$828
2017	3	7.1%	\$660	\$0	\$660	\$828
2017	4	6.6%	\$685	\$0	\$685	\$853
2019	1	2.7%	\$775	\$0	\$775	\$943

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	9.5%	\$820	\$0	\$820	\$1,049
2017	3	9.5%	\$820	\$0	\$820	\$1,049
2017	4	4.8%	\$835	\$0	\$835	\$1,064
2019	1	4.8%	\$895	\$0	\$895	\$1,124

Trend: Comments

2Q17	This property does not accept Housing Choice Vouchers. The contact reported that the vacancy rate has typically been closer to five percent throughout the past year.
3Q17	N/A
4Q17	This property does not accept Housing Choice Vouchers. The contact reported occupancy rates have ranged between 92 and 95 percent so far in 2017. No concessions have been offered during that time.
1Q19	The property was FKA Jefferson Trace and is under new ownership since March of 2018. Minor upgrades were done during 2018 with new tile flooring and new carpet in the bedrooms as well as fresh paint. Deferred maintenance fixes to the exterior were done as well. All units include washer and dryer appliances.

Photos



PROPERTY PROFILE REPORT

Lofts At Trolley Station

Effective Rent Date	2/27/2019
Location	212 West 7th Street Richmond, VA 23224 Richmond County
Distance	1.3 miles
Units	46
Vacant Units	5
Vacancy Rate	10.9%
Type	Lowrise (2 stories)
Year Built/Renovated	1920 / 2008
Marketing Began	5/01/2008
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Property manager
Phone	804-649-0591



Market Information

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	7	645	\$927	\$0	Market	Yes	0	0.0%	N/A	AVG*
1	1	Lowrise (2 stories)	0	787	\$1,034	\$0	Market	Yes	0	N/A	N/A	HIGH
1	1	Lowrise (2 stories)	0	502	\$819	\$0	Market	Yes	0	N/A	N/A	LOW
2	1	Lowrise (2 stories)	3	729	\$1,089	\$0	Market	No	0	0.0%	N/A	AVG*
2	1	Lowrise (2 stories)	0	730	\$1,114	\$0	Market	Yes	0	N/A	N/A	HIGH
2	1	Lowrise (2 stories)	0	728	\$1,064	\$0	Market	Yes	0	N/A	N/A	LOW
2	2	Lowrise (2 stories)	36	844	\$1,317	\$0	Market	No	5	13.9%	N/A	AVG*
2	2	Lowrise (2 stories)	0	884	\$1,364	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Lowrise (2 stories)	0	804	\$1,269	\$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$819 - \$1,034	\$0	\$819 - \$1,034	\$61	\$880 - \$1,095
2BR / 1BA	\$1,064 - \$1,114	\$0	\$1,064 - \$1,114	\$81	\$1,145 - \$1,195
2BR / 2BA	\$1,269 - \$1,364	\$0	\$1,269 - \$1,364	\$81	\$1,350 - \$1,445

Lofts At Trolley Station, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Vaulted Ceilings
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Skylights
Washer/Dryer

Security

In-Unit Alarm
Intercom (Buzzer)
Limited Access

Services

None

Property

On-Site Management

Wi-Fi

Premium

None

Other

None

Comments

Parking is available on site free of charge with one space per unit. The property is currently offering \$500 off first month's rent for the vacant two-bedroom two-bath units. Utilities include cable and internet.

Lofts At Trolley Station, continued

Trend Report

Vacancy Rates

3Q16	2Q17	3Q17	1Q19
0.0%	5.4%	0.0%	10.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$799	\$0	\$799	\$860
2017	2	0.0%	\$800	\$0	\$800	\$861
2017	3	0.0%	\$800	\$0	\$800	\$861
2019	1	0.0%	\$819 - \$1,034	\$0	\$819 - \$1,034	\$880 - \$1,095

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$1,099	\$0	\$1,099	\$1,180
2017	2	14.3%	\$1,200	\$0	\$1,200	\$1,281
2017	3	0.0%	\$1,100	\$0	\$1,100	\$1,181
2019	1	0.0%	\$1,064 - \$1,114	\$0	\$1,064 - \$1,114	\$1,145 - \$1,195

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$1,099	\$0	\$1,099	\$1,180
2017	2	0.0%	\$1,283	\$0	\$1,283	\$1,364
2017	3	0.0%	\$1,200	\$0	\$1,200	\$1,281

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$1,299	\$0	\$1,299	\$1,380
2017	2	5.6%	\$1,200	\$0	\$1,200	\$1,281
2017	3	0.0%	\$1,200	\$0	\$1,200	\$1,281
2019	1	13.9%	\$1,269 - \$1,364	\$0	\$1,269 - \$1,364	\$1,350 - \$1,445

Trend: Comments

3Q16	The unit mix was estimated by the contact. It is noted that the two-bedroom and two-and-a-half bathroom unit has a lower rent than a two-bedroom two-bathroom unit. Free Direct TV and internet access are available at no additional cost. Asking rents increased by \$30 for most unit types in January 2016. This property does not accept Housing Choice Vouchers.
2Q17	The contact reported that cable and internet are included in the rent. This property does not accept Housing Choice Vouchers. The contact stated that the vacancy rate is typical for the property.
3Q17	Parking is available on site free of charge with one space per unit.
1Q19	Parking is available on site free of charge with one space per unit. The property is currently offering \$500 off first month's rent for the vacant two-bedroom two-bath units. Utilities include cable and internet.

Photos



PROPERTY PROFILE REPORT

Terraces At Manchester

Effective Rent Date	2/27/2019
Location	800 Semmes Ave Richmond, VA 23224 Richmond County
Distance	1.2 miles
Units	148
Vacant Units	12
Vacancy Rate	8.1%
Type	Highrise (10 stories)
Year Built/Renovated	2015 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Amy
Phone	844-615-8171



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	16
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	No increase to increased 12%
Concession	No
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Highrise (10 stories)	N/A	733	\$1,350	\$0	Market	Yes	4	N/A	N/A	AVG*
1	1	Highrise (10 stories)	N/A	1,201	\$1,650	\$0	Market	Yes	0	N/A	N/A	HIGH*
1	1	Highrise (10 stories)	N/A	465	\$1,095	\$0	Market	Yes	0	N/A	N/A	LOW*
2	1	Highrise (10 stories)	N/A	760	\$1,547	\$0	Market	Yes	0	N/A	N/A	AVG*
2	1	Highrise (10 stories)	N/A	770	\$1,660	\$0	Market	Yes	0	N/A	N/A	HIGH*
2	1	Highrise (10 stories)	N/A	742	\$1,510	\$0	Market	Yes	0	N/A	N/A	LOW*
2	2	Highrise (10 stories)	N/A	975	\$2,038	\$0	Market	Yes	8	N/A	N/A	AVG*
2	2	Highrise (10 stories)	N/A	1,594	\$3,500	\$0	Market	Yes	0	N/A	N/A	HIGH*
2	2	Highrise (10 stories)	N/A	735	\$1,595	\$0	Market	Yes	0	N/A	N/A	LOW*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,095 - \$1,650	\$0	\$1,095 - \$1,650	\$61	\$1,156 - \$1,711
2BR / 1BA	\$1,510 - \$1,660	\$0	\$1,510 - \$1,660	\$81	\$1,591 - \$1,741
2BR / 2BA	\$1,595 - \$3,500	\$0	\$1,595 - \$3,500	\$81	\$1,676 - \$3,581

Terraces At Manchester, continued

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Dishwasher
Garbage Disposal
Oven
Washer/Dryer

Blinds
Carpet/Hardwood
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Security

Intercom (Buzzer)
Limited Access
Patrol

Services

None

Property

Clubhouse/Meeting Room/Community
Exercise Facility
On-Site Management
Recreation Areas

Elevators
Garage(\$0.00)
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The property operates under the Mixed-Use, Mixed-Income program, where 20 percent of units are restricted to households earning 80 percent of the AMI or less. These units do not have rent restrictions. All of these units with income restrictions are one-bedroom units. The property keeps a short waiting list for units with no vacancy.

Trend Report

Vacancy Rates

1Q16	3Q17	1Q19
20.3%	2.0%	8.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,070 - \$1,695	\$0	\$1,070 - \$1,695	\$1,131 - \$1,756
2017	3	N/A	\$1,070 - \$1,590	\$21	\$1,049 - \$1,568	\$1,110 - \$1,630
2019	1	N/A	\$1,095 - \$1,650	\$0	\$1,095 - \$1,650	\$1,156 - \$1,711

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,600 - \$1,800	\$0	\$1,600 - \$1,800	\$1,681 - \$1,881
2017	3	N/A	\$1,470 - \$1,710	\$21	\$1,449 - \$1,688	\$1,530 - \$1,770
2019	1	N/A	\$1,510 - \$1,660	\$0	\$1,510 - \$1,660	\$1,591 - \$1,741

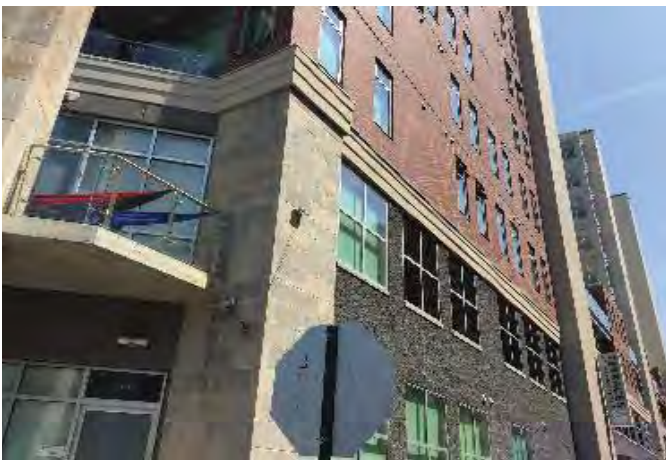
2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,500 - \$2,100	\$0	\$1,500 - \$2,100	\$1,581 - \$2,181
2017	3	N/A	\$1,480 - \$3,500	\$21	\$1,459 - \$3,478	\$1,540 - \$3,560
2019	1	N/A	\$1,595 - \$3,500	\$0	\$1,595 - \$3,500	\$1,676 - \$3,581

Trend: Comments

1Q16	This property was delivered in July 2015 and had leased 118 of 148 total units as of February 2016, equating to an approximate absorption rate of 16 units per month. There is insufficient operating data to determine a meaningful turnover ratio. The contact indicated that approximately 15 units are restricted at 80 percent of the AMI, but did not provide exact figures as to the number of affordable units, or a breakdown of the unit mixture. The rent ranges provided above correspond to market rents. Free cable and parking are provided at no additional cost. This property offers a number of luxury amenities including granite counter tops, a rooftop, dog park, and high end finishes inside the units. This is property does not accept Housing Choice Vouchers.
3Q17	The property operates under the Mixed-Use, Mixed-Income program, where 20 percent of units are restricted to households earning 80 percent of the AMI or less. These units do not have rent restrictions. All of these units with income restrictions are one-bedroom units.
1Q19	The property operates under the Mixed-Use, Mixed-Income program, where 20 percent of units are restricted to households earning 80 percent of the AMI or less. These units do not have rent restrictions. All of these units with income restrictions are one-bedroom units. The property keeps a short waiting list for units with no vacancy.

Photos



ADDENDUM D
Site and Floor Plans

FINISH SCHEDULE

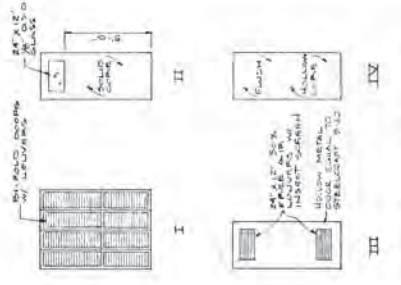
FLOOR	NO.	DESCRIPTION	QTY	UNIT	REMARKS
FIRST FLOOR	101	WOOD	4.46	PLAS	YES
	102	WOOD	4.46	PLAS	YES
	103	WOOD	4.46	PLAS	YES
	104	WOOD	4.46	PLAS	YES
	105	WOOD	4.46	PLAS	YES
	106	WOOD	4.46	PLAS	YES
	107	WOOD	4.46	PLAS	YES
	108	WOOD	4.46	PLAS	YES
	109	WOOD	4.46	PLAS	YES
	110	WOOD	4.46	PLAS	YES
SECOND FLOOR	201	WOOD	4.46	PLAS	YES
	202	WOOD	4.46	PLAS	YES
	203	WOOD	4.46	PLAS	YES
	204	WOOD	4.46	PLAS	YES
	205	WOOD	4.46	PLAS	YES
	206	WOOD	4.46	PLAS	YES
	207	WOOD	4.46	PLAS	YES
	208	WOOD	4.46	PLAS	YES
	209	WOOD	4.46	PLAS	YES
	210	WOOD	4.46	PLAS	YES

DOOR SCHEDULE

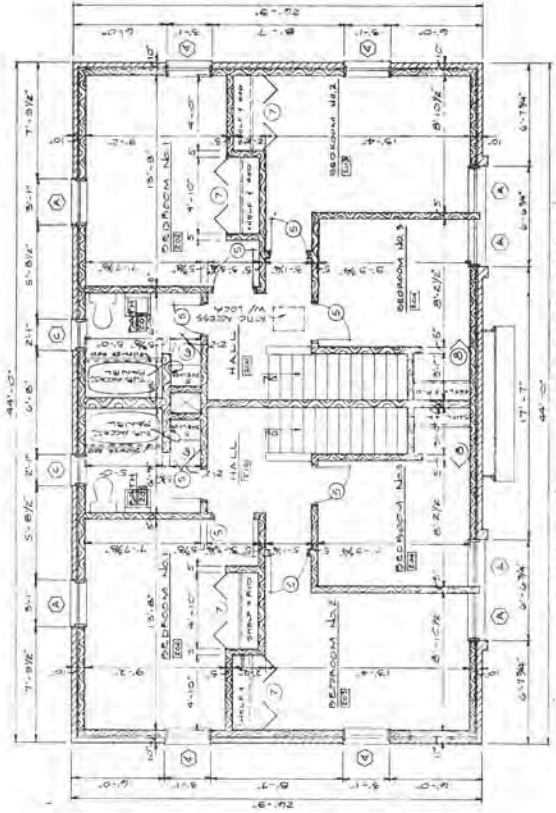
NO.	TYPE	SIZE	MATERIAL	FINISH	REMARKS
1	1	3'-0" X 6'-0"	WOOD	PLAS	REAR DOOR
2	2	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
3	3	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
4	4	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
5	5	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
6	6	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
7	7	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
8	8	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
9	9	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
10	10	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR

WINDOW SCHEDULE

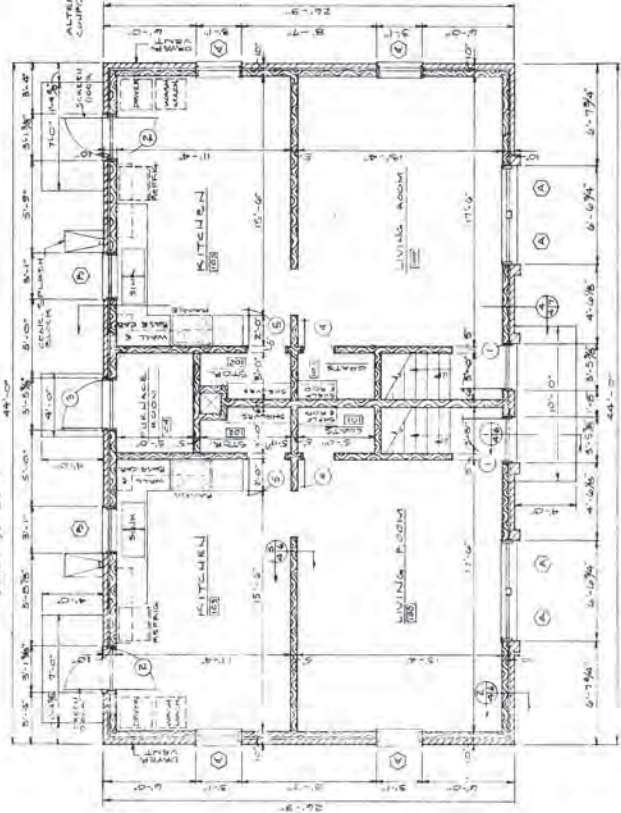
NO.	TYPE	SIZE	MATERIAL	FINISH	REMARKS
1	1	3'-0" X 6'-0"	WOOD	PLAS	REAR DOOR
2	2	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
3	3	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
4	4	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
5	5	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
6	6	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
7	7	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
8	8	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
9	9	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR
10	10	3'-0" X 6'-0"	WOOD	PLAS	BED ROOM DOOR



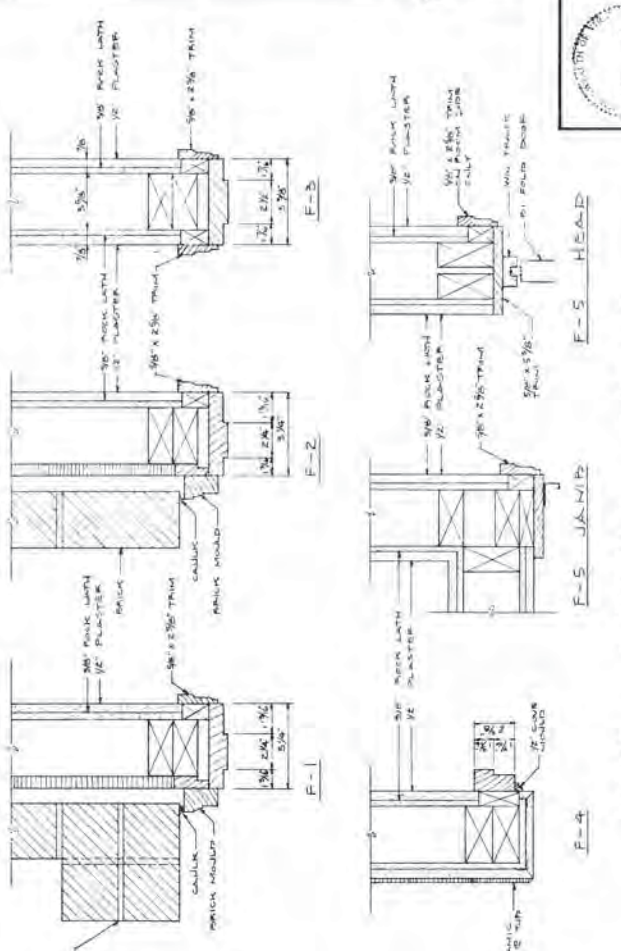
DOOR TYPES
NO SCALE



SECOND FLOOR PLAN
SCALE 1/8" = 1'-0"



FIRST FLOOR PLAN
SCALE 1/8" = 1'-0"



DOOR FRAME TYPES
SCALE 3/8" = 1'-0"



A-2

LOW RENT HOUSING PROGRAM

G. RICHARD BROWN ASSOCIATED
THOMAS A. GRESHAM ARCHITECTS
RICHMOND, VIRGINIA

DATE: 30 JUNE 1970

SCALE 1/8" = 1'-0"
REQUIRED AREA 998 - 1000 SQ. FT.
ACTUAL AREA 998 - 1000 SQ. FT.

RICHMOND, VA - 7-15 VIRGINIA

ADDENDUM E
Utility Allowance

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP APARTMENTS_ 5 Units and Over

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type APARTMENT UNITS 5 AND OVER UNITS PER BUILDING		Date (mm/dd/yyyy) 1/1/2019							
Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	7	8	11	15	18	22	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	14	16	21	24	27	31	0	0	0	0
HEATING BOTTLED GAS	61	71	82	92	102	112	0	0	0	0
HEATING NATURAL GAS	19	22	25	28	32	35	0	0	0	0
HEATING OIL	42	49	56	63	70	77	0	0	0	0
OTHER ELECTRIC	17	20	28	36	44	52	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0
SEWER	34	37	52	75	99	122	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	21	23	35	54	73	93	0	0	0	0
WATER HEATING BOTTLED GAS	21	25	36	47	58	70	0	0	0	0
WATER HEATING ELECTRIC	11	13	17	20	24	27	0	0	0	0
WATER HEATING NATURAL GAS	7	8	11	15	18	22	0	0	0	0
WATER HEATING OIL_OTHER	15	17	25	33	40	48	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP Low Rise Apt 2-4 units

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type LowRise Apt 2-4 Units		Date (mm/dd/yyyy) 1/1/2019							
Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	8	9	13	17	21	24	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	20	23	27	31	36	41	0	0	0	0
HEATING BOTTLED GAS	98	115	123	131	139	147	0	0	0	0
HEATING NATURAL GAS	30	36	38	41	43	46	0	0	0	0
HEATING OIL	67	79	85	90	96	101	0	0	0	0
OTHER ELECTRIC	21	25	34	44	54	63	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0
SEWER	34	37	52	75	99	122	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	21	23	35	54	73	93	0	0	0	0
WATER HEATING BOTTLED GAS	27	31	45	59	73	87	0	0	0	0
WATER HEATING ELECTRIC	14	16	21	25	29	33	0	0	0	0
WATER HEATING NATURAL GAS	8	10	14	18	23	27	0	0	0	0
WATER HEATING OIL_OTHER	18	22	31	41	50	60	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP DUPLEXS_ROWHOUSES_TOWNHOUSES

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type ROW HOUSES_TOWNHOUSES		Date (mm/dd/yyyy) 1/1/2019							
Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	7	8	14	20	26	32	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	20	23	27	31	36	41	0	0	0	0
HEATING BOTTLED GAS	80	94	106	118	130	142	0	0	0	0
HEATING NATURAL GAS	25	29	33	36	40	44	0	0	0	0
HEATING OIL	55	64	73	81	89	98	0	0	0	0
OTHER ELECTRIC	22	26	36	46	56	66	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0
SEWER	34	37	52	75	99	122	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	21	23	35	54	73	93	0	0	0	0
WATER HEATING BOTTLED GAS	27	31	45	59	73	87	0	0	0	0
WATER HEATING ELECTRIC	14	16	21	25	29	32	0	0	0	0
WATER HEATING NATURAL GAS	8	10	14	18	23	27	0	0	0	0
WATER HEATING OIL_OTHER	18	22	31	41	50	60	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP DETACHED

Locality HOUSING CHOICE VOUCHER PROGRAM		Unit Type Single Family/Detach		Date (mm/dd/yyyy) 1/1/2019						
Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	5	6	14	23	31	40	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	29	34	37	40	45	49	0	0	0	0
HEATING BOTTLED GAS	87	102	117	131	146	160	0	0	0	0
HEATING NATURAL GAS	27	32	36	41	45	50	0	0	0	0
HEATING OIL	60	70	80	90	100	110	0	0	0	0
OTHER ELECTRIC	25	30	41	53	65	76	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0
SEWER	34	37	52	75	99	122	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	21	23	35	54	73	93	0	0	0	0
WATER HEATING BOTTLED GAS	27	31	45	59	73	87	0	0	0	0
WATER HEATING ELECTRIC	14	16	21	25	28	32	0	0	0	0
WATER HEATING NATURAL GAS	8	10	14	18	23	27	0	0	0	0
WATER HEATING OIL_OTHER	18	22	31	41	50	60	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

ADDENDUM F
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

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

V. Real Estate Assignments – Examples

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

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

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
KELLY MCNANY GORMAN**

I. Education

Virginia Tech, Blacksburg, VA
Bachelor of Arts in Urban Affairs and Planning

II. Professional Experience

Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Asset Manager, Housing Opportunities Commission of Montgomery County, MD
Senior Real Estate Analyst, Novogradac & Company LLP
Acquisitions Associate, Kaufman & Broad Multi-Housing Group, Inc. (KBMH)

III. Certifications, Professional Training and Continuing Education

Licensed Certified General Appraiser, CT License #RCG.0001437
Licensed Certified General Appraiser, NJ License #42RG00245500
Licensed Certified General Appraiser, NY License #46000051239
Licensed Certified General Appraiser, PA License #GA004390

Attended and presented at tax credit application training sessions and seminars, valuation of GP Interest sessions, numerous conferences and classes in real estate valuation, finance, asset management and affordable housing development using tax credits and tax exempt financing.

IV. Real Estate Assignments – Examples

A representative sample of Asset Management, Market Study, Due Diligence and Valuation Engagements includes the following:

- Managed and conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Managed and conducted market studies and appraisals of various LIHTC, affordable and market rate properties for numerous clients. The subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, operating expense and demand analysis. Appraisals included various value scenarios including hypothetical land value as if vacant, insurable value, value of LIHTC, abatements and PILOTs, below market debt, ground leases, value of historic credits, etc. Work has been national in scope.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.

- Provided appraisals and market studies for a variety of properties types located throughout the United States. The reports provided included a variety of property types including vacant land, multifamily rental properties, retail buildings, etc.
- Managed a portfolio of ten multifamily properties with a total of over 2,000 units. Portfolio a range of property types including an historic property, garden style, luxury high rise, two senior independent living and one assisted living facility. Responsible for the management, oversight, financial analysis and financial reporting. Coordinated the preparation of property operating budgets, capital budgets and long range plans. Monitored compliance with regulations, policies and procedures. Completed special property management projects consisting of research and reporting. Analyzed property management financial statements and multifamily rental markets surveys.
- Managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations. Recommendations included a workout for one of the 16 assets.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of property condition and deferred maintenance, security issues, signage, marketing strategy and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assess how the property compares to competition. Analyzed operating expense results.

NMTC Consulting Assignments

Performed investment due diligence for a variety of NMTC transactions.

- Performed loan consulting engagements in which GoVal provided opinions regarding whether third party lenders would reasonably lend to NMTC projects based upon deal structure and likelihood of repayment. These engagements involved the analysis of sources of collateral, sources of repayment and reviewing transaction documents, surveying lenders and examining the deal structure.
- Oversaw an analysis of NMTC activity analyzing sizing and recommending strategies for a NMTC investor. Engagement consisted of compilation of NMTC award data from CDFI by location, CDE type, year, award amount and conduct interviews with market participants to better understand investment objectives and competitor activity.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Scott J. Hutter

I. Education

Georgetown University, Washington, DC
Master of Science in Real Estate, *summa cum laude*

UMBC, Baltimore, MD
Bachelor of Arts in Political Science, *cum laude*

II. Professional Experience

Real Estate Manager, *The Novogradac Group*, August 2015-Present
Real Estate Development Analyst, *TTR Sotheby's Realty*, August 2014-August 2015
Real Estate Marketing Sales Territory Manager, *CoStar Group*, July 2013-August 2014

III. Real Estate Assignments

- Drafted appraisals and market studies on a wide variety of properties including multifamily developments, assisted living facilities, hotel, office, medical office, retail, industrial, mixed-use properties, vacant land, and proposed new construction.
- Performed site inspections, and conducted in-depth property, economic research, market data research, expense analyses, and revenue projections.
- Performed market studies on multifamily properties, specializing with the Low-Income Housing Tax Credit program.
- Performed analyses on multifamily properties that are HUD subsidized or operated under the USDA Rural Development program.
- Created Argus models for office, medical office, retail, and industrial properties
- Conducted valuations of General Partnership and Limited Partnership Interests
- Conducted valuations of subordinated debt for LIHTC properties with irregular debt terms.

IV. Professional Training

Advanced Income Capitalization, Appraisal Institute, 2018
General Appraiser Report Writing and Case Studies, Appraisal Institute, 2018
Quantitative Analysis, Appraisal Institute, 2018
General Appraiser Income Approach Part I, Appraisal Institute, 2018
General Appraiser Income Approach Part II, Appraisal Institute, 2018
General Appraiser Report Writing and Case Studies, Appraisal Institute, 2018
15-Hour National USPAP Equivalent, Appraisal Institute, 2017
Basic Appraisal Procedures, Appraisal Institute, 2017
Basic Appraisal Principals, Appraisal Institute, 2017
Real Estate Finance, Statistics, and Valuation Modeling, Appraisal Institute, 2017
General Appraiser Market Analysis and Highest and Best Use, Appraisal Institute, 2017
General Appraiser Sales Comparison Approach, 2017
General Appraiser Site Valuation and Cost Approach, 2017
Market Analysis for Commercial Real Estate, CCIM Institute, 2017
Certificate in Business and Commercial Lending, American Bankers Association, 2017
Argus Enterprise Training- Valuation and Portfolio Analysis, Kahr Real Estate, 2016
Interest Based Negotiations, CCIM Institute, 2016
Pro Forma Fundamentals Certificate, Urban Land Institute (ULI), 2015
Washington, DC Real Estate License, DC Real Estate Commission, 2015

STATEMENT OF PROFESSIONAL QUALIFICATIONS

James F. Mitman

I. Education

Boston College, Chestnut Hill, MA
Bachelor of Science in Business with a concentration in Marketing
Bachelor of Arts in Sociology

II. Professional Experience

Junior Analyst, Novogradac & Company LLP, July 2013 – 2016
Analyst, Novogradac & Company LLP, December 2016 – Present

III. Real Estate Assignments

A representative sample of work on various types of projects:

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Connor Mattoon

I. Education

University of San Diego – San Diego, CA
Bachelor of Science in Business Administration, Real Estate

II. Professional Experience

Junior Analyst, *Novogradac & Company LLP* – October 2017 - Present
Intern, *Auctus Capital Partners*, March 2017- August 2017
Intern, *KPMG*, January 2016- May 2016

III. Research Assignments

A representative sample of work on various types of projects:

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

ADDENDUM G
NCHMA Certification and Checklist



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

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

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

James Mitman
Analyst

NCHMA Market Study Index

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

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

NCHMA Market Study Index

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

		Section(s)
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	VI
32	Affordability analysis with capture rate	VI
33	Penetration rate analysis with capture rate	VI
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	V
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	V
36	Precise statement of key conclusions	I
37	Market strengths and weaknesses impacting project	I
38	Product recommendations and/or suggested modifications to subject	I
39	Discussion of subject property's impact on existing housing	V
40	Discussion of risks or other mitigating circumstances impacting subject	V
41	Interviews with area housing stakeholders	V
Other Requirements		
42	Certifications	Addenda
43	Statement of qualifications	Addenda
44	Sources of data not otherwise identified	N/A



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

A MARKET FEASIBILITY STUDY OF: FULTON

A MARKET FEASIBILITY STUDY OF:

FULTON

1201 Admiral Gravelly Boulevard
Richmond, Virginia 23231

Effective Date: February 26, 2019
Report Date: March 25, 2019

Prepared for:
Curtis Adams
Michaels Development
4315 50th Street, NW – Suite LL2
Washington, DC 20016

Prepared by:
Novogradac & Company LLP
4416 East-West Highway Suite 200
Bethesda, MD 20814
240-235-1701





March 25, 2019

Curtis Adams
Michaels Development
4315 50th Street, NW – Suite LL2
Washington, DC 20016

Re: Market Study for Fulton, located in Richmond, Virginia

Dear Mr. Adams:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Richmond, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We have not performed any other services in the past three years for the Subject property.

The purpose of this market study is to assess the viability of the existing 64-unit public housing project. The Subject will be a newly renovated property that will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject was built in 1979 and has had no major renovations since construction. Upon renovation, the Subject will be restricted to 50 percent of the AMI, and all of the units will operate with Project Based Rental Assistance (PBRA) through the Rental Assistance Demonstration (RAD) program. As such, tenants will pay 30 percent of their income towards rent. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

It should be noted that the Subject, Bainbridge, and Randolph (sister properties), are being combined into one application for funding purposes for Virginia Housing Development Authority (VHDA). The purpose of this report is for submission to VHDA for application purposes.

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

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

Novogradac & Company LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA) and this study meets VHDA requirements. The NCHMA certification and checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located.

MR. CURTIS ADAMS
MICHAELS DEVELOPMENT COMPANY
MARCH 25, 2019
PAGE 2

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

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

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

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

Respectfully submitted,
Novogradac & Company LLP



Blair Kincer, MAI, CRE, LEED Green Associate
Partner
Blair.Kincer@Novoco.com

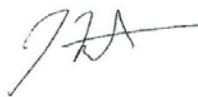


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MR. CURTIS ADAMS
MICHAELS DEVELOPMENT COMPANY
MARCH 25, 2019
PAGE 3



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Addendum E
Addendum F
Addendum G

A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Subject Site Description: The Subject site is located at 1201 Admiral Gravelly Boulevard in Richmond, Virginia 23231.

Surrounding Land Uses: The Subject is located southeast of downtown Richmond in the Fulton Hill neighborhood. The Subject site is rated as “Car-Dependent” by Walk Score with a score of 32, indicating that most errands require a car.

Land use to the north of the Subject consists of Gillies Creek Park and a house of worship. Within this park is a golf course, a baseball diamond, a BMX path, and a playground. Further north is the multifamily property Ashley Oaks Apartments in average condition, which offers 250 subsidized units. Due to Ashley Oaks Apartments being fully subsidized and having a senior and disabled tenancy, we excluded the property as a comparable.

Land use immediately to the west of the Subject consists of single-family homes in average to good condition. Further west and bordering James River is a rail yard, and light industrial uses in average condition, including a warehouse, a telecom company, and a brewery. Also bordering James River are several condominium buildings in excellent condition, including 210 Rock Residences, and Fall Line Condominiums. According to Zillow, two-bedroom condominiums at these properties range from \$325,000 to \$700,000.

Land use to the south consists of single-family homes in average condition, vacant wooded land, and Richmond Ropes, an outdoor activity center. Further south is Fulton Elementary School, and light industrial uses in average condition, including a demolition contractor, and a brewery. Wynwood Apartments, a multifamily property in average condition, is also south of the Subject. Wynwood Apartments offers 120 two-bedroom market rate units, which we utilized as a comparable property within this report. However, asking rents at this property are far below all other market rate properties, and it underperforms the market for unknown reasons. As such, we have not relied on this comparable in our rent conclusions.

Land use to the east consists of vacant wooded land, single-family homes in average condition. Further east is Carlisle Apartments in average condition, and commercial uses in average condition including a grocery store, dollar store, tire shop, and several restaurants. Carlisle Apartments is a market rate property offering 32 two-bedroom units. The property does not have full time management and we were unable to contact the property manager as of the date of this report. Therefore we excluded the property from our analysis.

Subject Property Description:

Fulton, the Subject, is an existing 64-unit public housing property, operated by the Richmond Redevelopment & Housing Authority (RRHA). The Subject consists of eight two-story garden-style buildings, and one one-story maintenance building. The Subject was built in 1979 and has not had any major renovations since completion. The Subject will be renovated under the Low Income Housing Tax Credit (LIHTC) program. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

Current Rents:

The Subject currently operates as public housing, owned and managed by the RRHA. All units operate with subsidy where tenants pay 30 percent of their income towards rent. According to the rent roll dated February 8, 2019, the Subject is 98.5 percent occupied, with one vacant unit.

CURRENT RENTS

Unit Type	Number of Units	Vacant Units	Minimum Paid Rent	Maximum Paid Rent	Average Paid Rent
2BR / 1BA	23	0	\$53	\$654	\$276
3BR / 2BA	22	0	\$50	\$746	\$268
4BR / 2BA	16	2	\$50	\$615	\$244
5BR / 2BA	3	0	\$50	\$141	\$105
Total	64	2			

Rent roll dated 2/8/2019

Proposed Renovations:

It should be noted that the full scope of renovation has not yet been determined because the client is waiting on a Capital Needs Assessment. However, the following are contemplated as part of the renovation: the installation of Luxury Vinyl Tile (LVT) with a hardwood veneer in the living rooms of all units, the addition of dishwashers in all units, upgrades to unit interiors, and upgrades to the playground. The hard costs are estimated by the client to be approximately \$50,000 per unit.

Proposed Rents:

The following table details proposed rents for the Subject’s units. The Subject’s units will be renovated with LIHTC and restricted to households earning 50 percent of AMI or less. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents	
<i>@50% (Project Based Rental Assistance - PBRA)</i>								
2BR / 1BA	743	23	\$693	\$0	\$693	\$936	\$1,067	
3BR / 2BA	977	22	\$928	\$0	\$928	\$1,081	\$1,421	
4BR / 2BA	1,095	16	\$1,106	\$0	\$1,106	\$1,207	\$1,713	
5BR / 2BA	1,180	3	\$1,285	\$0	\$1,285	\$1,331	n/a	
		64						

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

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
<i>@50% (PBRA)</i>		
2BR	\$0	\$37,450
3BR	\$0	\$44,950
4BR	\$0	\$48,300
5BR	\$0	\$51,600

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
<i>@50%</i>		
2BR	\$32,091	\$37,450
3BR	\$37,063	\$44,950
4BR	\$41,383	\$48,300
5BR	\$45,634	\$51,600

Economic Conditions

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and educational services industries, which collectively comprise 39.1 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The MSA economy performed well during the recession, suffering only a 4.6 percent employment contraction, compared to a 4.8 percent decline across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.3 percent, compared to 1.9 percent across the overall nation. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

Primary Market Area

The Subject property is located in Richmond, Virginia. The PMA is generally defined as Interstate 64 to the north, South Laburnum Avenue to the east, the railroad track along Almond Creek to the south, and James River and Interstate 95 to the west. This area was defined based on interviews with local market participants and local property managers, including management at the Subject. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. The PMA encompasses 10.5 square miles and an approximate drive time zone of 15 minutes.

Demographic Data

The population in the PMA increased by 13.7 between 2000 and 2018, compared to the 23.8 percent increase in the regional MSA and 17.5 percent increase across the overall nation. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 67.5 percent as of 2018. This is more than the estimated 33 percent of renter households across the overall nation. As of 2018, the median income in the PMA is below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 33 percent of the national median income in 2000 to 55 percent in 2018. Healthy population and household income growth bode well for future housing demand.

Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Highland Grove*	LIHTC/ Market	128	0	0.0%
Jefferson Townhouses	LIHTC	218	4	1.8%
Lincoln Mews Apartments*	LIHTC	245	5	2.0%
Southpointe Landing*	LIHTC	192	3	1.6%
The Townes At River South*	LIHTC	161	0	0.0%
American Tobacco Center	Market	157	3	1.9%
Honey Brook Apartments	Market	128	0	0.0%
Lakefield Mews	Market	395	19	4.8%
Laurel Pines Apartments	Market	120	4	3.3%
Meadowbrook Apartments*	Market	477	10	2.1%
Wynwood Apartments	Market	120	5	4.2%
Total LIHTC		944	12	1.3%
Total Market Rate		1,397	41	2.9%
Overall Total		2,341	53	2.3%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 4.2 percent, with an overall weighted average of 2.5 percent. Managers at two of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 1.3 percent, below the 2.9 percent average reported by the market rate properties. The average LIHTC vacancy rate of 1.3 percent is considered exceptionally low, and indicative of supply constrained conditions. All of the market rate properties reported vacancy rates of 4.8 percent or lower. The market rate comparable closest to the Subject, Wynwood Apartments, reported a vacancy rate of 4.2 percent. However, this percentage is well within stabilized levels, and within the market range. Based on the performance of the LIHTC comparables, we expect the Subject will operate a vacancy rate of approximately five percent upon completion of renovation.

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

VACANCY BY BEDROOM TYPE							
Property Name	Rent Structure	OBR	1BR	2BR	3BR	4BR	Overall
Highland Grove	LIHTC/ Market	-	-	-	-	-	0.0%
Jefferson Townhouses	LIHTC	-	2.5%	0.0%	6.4%	0.0%	1.8%
Lincoln Mews Apartments	LIHTC	-	-	-	-	-	2.0%
Southpointe Landing	LIHTC	-	-	0.0%	9.4%	-	1.6%
The Townes At River South	LIHTC	-	-	-	-	-	0.0%
American Tobacco Center	Market	0.0%	1.1%	3.1%	0.0%	-	1.9%
Honey Brook Apartments	Market	-	0.0%	0.0%	-	-	0.0%
Lakefield Mews	Market	-	6.0%	4.7%	0.0%	-	4.8%
Laurel Pines Apartments	Market	-	11.1%	0.0%	0.0%	-	3.3%
Meadowbrook Apartments	Market	-	-	-	-	14.3%	2.1%
Wynwood Apartments	Market	-	-	4.2%	-	-	4.2%

The Subject consists of two, three, four, and five-bedroom units. Vacancy rates in the market for two-bedroom units range from zero to 4.7 percent, averaging 1.7 percent, for three-bedroom units range from zero to 9.4 percent, averaging 3.2 percent, and for four-bedroom units range from zero to 14.3 percent, averaging 7.1 percent. Overall, the vacancy rates in the market are low, which indicates that those comparables that do have high vacancy rates for some unit types may be because they have a small overall number of units at that specific bedroom type. This supports that there is demand for additional rental housing in the market. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Absorption

It should be noted that the Subject is an existing stabilized property that will be renovated with tenants in place. We were unable to obtain absorption information from any of the recently comparable properties. Therefore, we searched the MSA for properties that could provide absorption information. The following table details our findings.

ABSORPTION						
Property Name	City	Rent	Year	Total Units	Absorption	
The Village At Westlake	Richmond	Market	2018	252	42	
The Bosco	Richmond	Market	2016	73	12	
Iron Bridge Road Apartments	Richmond	LIHTC	2016	80	40	
The Lofty	Richmond	Market	2015	33	7	
Hatcher Tobacco Flats	Richmond	LIHTC	2015	152	43	
Colony At Centerpointe	Richmond	Market	2015	255	21	

We obtained absorption data from six family properties, located between 0.5 and 20 miles from the Subject site. These properties reported absorption rates ranging from seven to 43 units per month, with an overall average of 27.5 units per month. Overall, we expect the Subject will experience an absorption rate of 20 units per month. This equates to an absorption period of approximately three months. It should be noted our absorption analysis is hypothetical, as the Subject is currently stabilized.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units is 2.1 percent as proposed and 0.8 percent absent subsidy.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is

based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 1.9 percent as proposed and 8.0 percent absent subsidy for the first year of operation as a LIHTC property. This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 3,150 units of demand in the first year of the Subject’s operation as proposed and approximately 757 units of demand in the first year of the Subject’s operation absent subsidy. The Subject’s units will need to accommodate 61 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate- LIHTC Units As Proposed	2.1%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	0.8%
Project Wide Absorption Period (Months) As Proposed	3 months
Project Wide Absorption Period (Months) Absent Subsidy	3 months

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

Strengths

- The Subject will be in good condition once renovated.
- The vacancy rate for the LIHTC comparable properties is 1.3 percent and for the market rate comparables is 2.9 percent. As of the rent roll dated February 8, 2019, the Subject is 98.5 percent occupied with two vacant units. This indicates a supply-constrained demand, especially for low-income housing, which bodes well for the Subject.
- The majority of the LIHTC comparable properties reported extensive waiting lists.
- The Subject is located in close proximity to public transportation options, services, and amenities.
- The Subject has low capture rates and penetration rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject’s two and three-bedroom unit sizes are below the surveyed average but are within the comparable range. The Subject’s four-bedroom unit size is below the surveyed average and is the smallest four-bedroom in the market. None of the surveyed comparables offer five bedroom units. Jefferson Townhomes offers similar two and three-bedroom unit sizes compared to the Subject. Jefferson Townhomes is currently 98 percent occupied and maintains a small waiting list.
- The Subject offers limited in-unit and property amenities when compared to the comparable properties. We considered the Subject’s limited amenities in our achievable rent determination.

Recommendations

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

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:	Novogradac & Company LLP performed a comprehensive market study of the multifamily rental market in the Richmond, Virginia area relative to Fulton, an existing public housing development. The Subject was built in 1979 and has not had any major renovations since being built. The Subject's renovations will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject's units. Therefore, tenants will continue to pay 30 percent of their income towards rent.
Developer/Client Information:	Michaels Development Company.
Intended Use and Users of the Report:	The report will be submitted to the Virginia Housing Development Authority (VHDA) for application purposes. The intended user of the report is VHDA.
Scope of the Report:	<ul style="list-style-type: none">▪ Inspecting the site of the to-be-renovated Subject and its general location.▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.▪ Investigating the general economic health and conditions of the rental market.▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.▪ Reviewing relevant public records and contacting appropriate public agencies.▪ Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.▪ Establishing the Subject's Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject site was most recently inspected by Bob Edwards on February 26, 2019, which shall be the effective date of this report.
Primary Contact for the Report:	Kelly Gorman (Kelly.Gorman@novoco.com; 732-623-7005) and Scott Hutter (Scott.Hutter@novoco.com; 562-256-3573).

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

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

Subject Property Description:

Fulton, the Subject, is an existing 64-unit public housing property, operated by the Richmond Redevelopment & Housing Authority (RRHA). The Subject consists of eight two-story garden-style buildings and one maintenance shed. The Subject was built in 1979 and has not had any major renovations since completion. The Subject’s renovations will be financed under the Low Income Housing Tax Credit (LIHTC) program. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

It should be noted that the Subject, Bainbridge, and Randolph, are being combined into one application for funding purposes for Virginia Housing Development Authority (VHDA). However, we have written three independent Market Studies for the properties.

Construction Type:

The Subject is an existing public housing development to be renovated with funding under the LIHTC and RAD programs.

Occupancy Type:

The Subject targets family households.

Current Rents:

The Subject currently operates as a public housing development, operated by the RRHA. As such, tenants in these units pay 30 percent of their income towards rent. As of the rent roll dated February 8, 2019, the Subject is 98.5 percent occupied with one vacant unit.

CURRENT RENTS

Unit Type	Number of Units	Vacant Units	Minimum Paid Rent	Maximum Paid Rent	Average Paid Rent
2BR / 1BA	23	0	\$53	\$654	\$276
3BR / 2BA	22	0	\$50	\$746	\$268
4BR / 2BA	16	2	\$50	\$615	\$244
5BR / 2BA	3	0	\$50	\$141	\$105
Total	64	2			

Rent roll dated 2/8/2019

Proposed Renovations:

It should be noted that the full scope of renovation has not yet been determined because the client is waiting on a Capital Needs Assessment. However, the following are contemplated as part of the renovation: the installation of Luxury Vinyl Tile (LVT) with a hardwood veneer in the living

rooms of all units, the addition of dishwashers in all units, upgrades to unit interiors, and upgrades to the playground. The hard costs are estimated by the client to be approximately \$50,000 per unit.

Proposed Rents:

The following table details proposed rents for the Subject’s units. The Subject’s units will be renovated with LIHTC and restricted to households earning 50 percent of AMI or less. The Subject will receive additional funding through the Rental Assistance Demonstration (RAD) program, which will maintain the current subsidy for all of the Subject’s units. Therefore, tenants will continue to pay 30 percent of their income towards rent.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents	
<i>@50% (Project Based Rental Assistance - PBRA)</i>								
2BR / 1BA	743	23	\$693	\$0	\$693	\$936	\$1,067	
3BR / 2BA	977	22	\$928	\$0	\$928	\$1,081	\$1,421	
4BR / 2BA	1,095	16	\$1,106	\$0	\$1,106	\$1,207	\$1,713	
5BR / 2BA	1,180	3	\$1,285	\$0	\$1,285	\$1,331	n/a	
		64						

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

Assisted Housing Program:

All 64 units will operate with Project Based Rental Assistance through the RAD program.

Construction Date:

The Subject was originally constructed in 1979. Renovation of the Subject is expected to begin in Summer 2020 and be completed in Summer 2021.

Target Household Income Levels:

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@50% (PBRA)	
2BR	\$0	\$37,450
3BR	\$0	\$44,950
4BR	\$0	\$48,300
5BR	\$0	\$51,600

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@50%	
2BR	\$32,091	\$37,450
3BR	\$37,063	\$44,950
4BR	\$41,383	\$48,300
5BR	\$45,634	\$51,600

Utility Structure:

Tenants at the Subject are not responsible for any utilities. The landlord pays electric heat, wall air conditioning, general electric, electric cooking, electric water heating, cold water, sewer, and trash expenses. The comparable properties' utility structures are illustrated in the respective property summaries and are adjusted appropriately to account for differences relative to the Subject, based on the Virginia Housing Development Authority's utility allowance, effective January 1, 2019.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	2BR	3BR	4BR	5BR
Heating - Electric	Landlord	\$21	\$24	\$27	\$31
Cooking - Electric	Landlord	\$8	\$10	\$13	\$15
Other Electric	Landlord	\$28	\$36	\$44	\$52
Air Conditioning	Landlord	\$11	\$15	\$18	\$22
Water Heating - Electric	Landlord	\$17	\$20	\$24	\$27
Water	Landlord	\$35	\$54	\$73	\$93
Sewer	Landlord	\$52	\$75	\$99	\$122
Trash	Landlord	\$19	\$19	\$19	\$19
TOTAL - Paid By Landlord		\$191	\$253	\$317	\$381
TOTAL - Paid By Tenant		\$0	\$0	\$0	\$0

Source: Virginia Housing Development Agency, effective January 2019

Unit Mix:

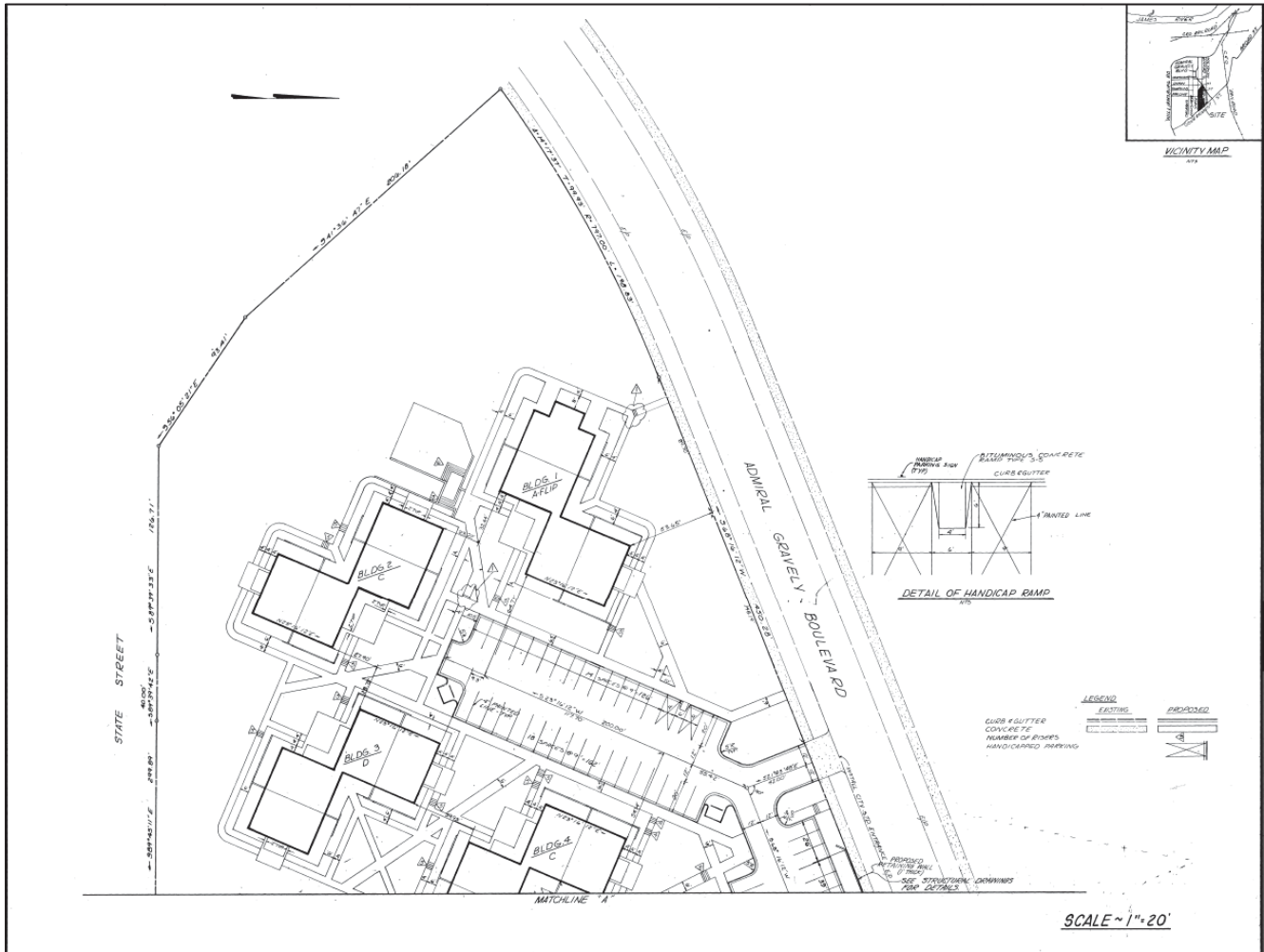
The following table illustrates the Subject's unit mix and size:

UNIT MIX AND SQUARE FOOTAGE

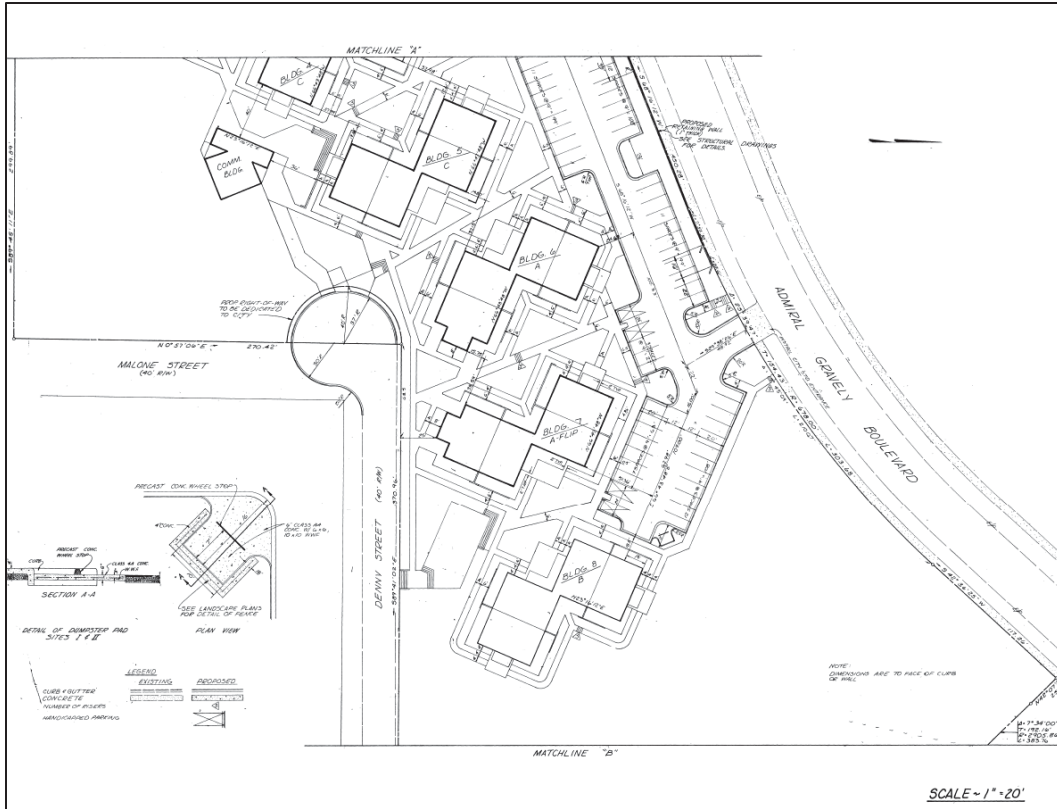
Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
2BR / 1BA	23	743	17,089
3BR / 1.5BA	22	977	21,494
4BR / 1.5BA	16	1,095	17,520
5BR / 1.5BA	3	1,180	3,540
TOTAL	64		59,643

- Net Leasable Area:** Approximately 59,643 square feet.
- Unit Amenities:** The Subject offers blinds, carpeting, exterior storage, window air conditioning, ovens, refrigerators, and washer/dryer hookups in terms of in-unit amenities. Dishwashers will also be added post renovation, and flooring will be switched to hardwood.
- Common Area Amenities:** The Subject offers a playground and on-site manager in terms of common area amenities. The Subject also offers a dedicated maintenance building for the storage of maintenance equipment and supplies. The Subject is not expected to add any common area amenities upon renovation.
- Parking:** According to the client provided site plan, the Subject offers 56 off-street parking spaces, which equates to 0.88 spaces per unit. There is no fee for parking. Though the parking ratio is low, the Subject is in an urban area, and is located within close proximity to bus lines.
- Number of Stories and Buildings:** The Subject consists of eight two-story garden-style buildings, and one one-story maintenance building.
- Americans with Disabilities Act of 1990:** We assume the property does not have any violations of the Americans with Disabilities Act of 1990.
- Quality of Construction Condition and Deferred Maintenance:** As newly renovated, the Subject will not suffer from deferred maintenance. We assume the Subject will be renovated in a timely manner with quality construction.
- Functional Utility:** We reviewed and inspected the Subject’s floor plans and determined them to be reasonable.
- Conclusion:** The Subject property will be a newly renovated 64-unit LIHTC/RAD development. The Subject will exhibit good condition upon completion of renovations.
- Architect:** Glave Newman Anderson
- Site and Architectural Plans:** A copy of the site and architectural plans are available on the following pages and in the addenda of this report.

Subject Site Plan

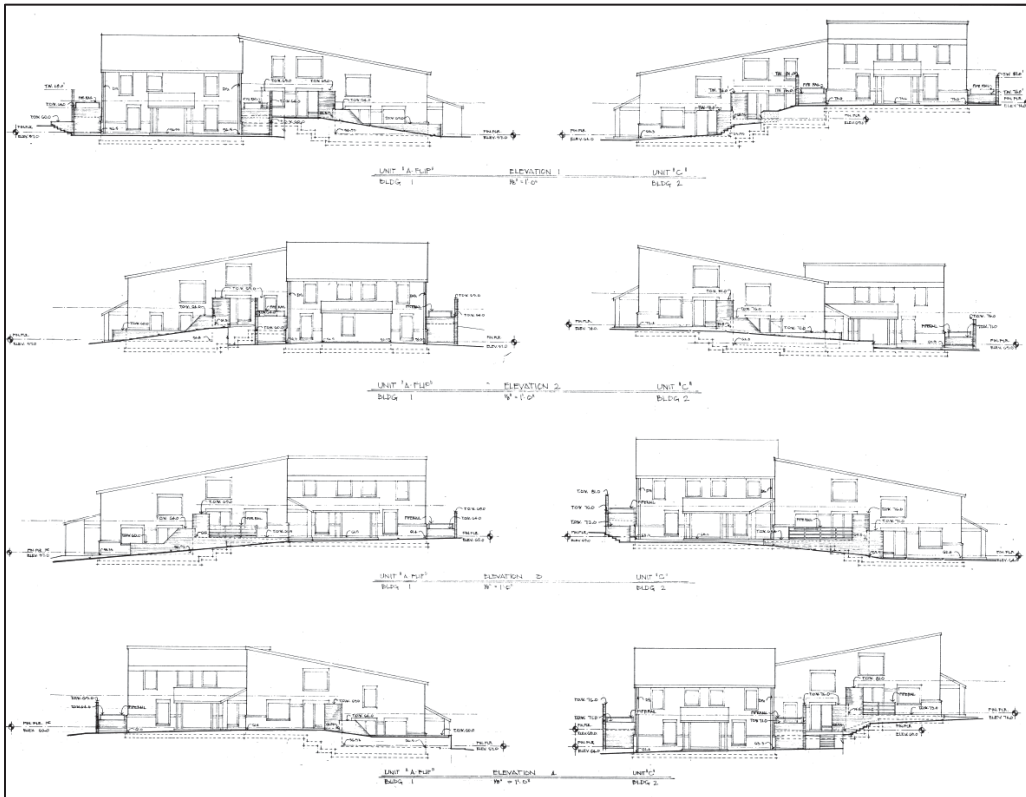


Source: Sponsor, March 2019



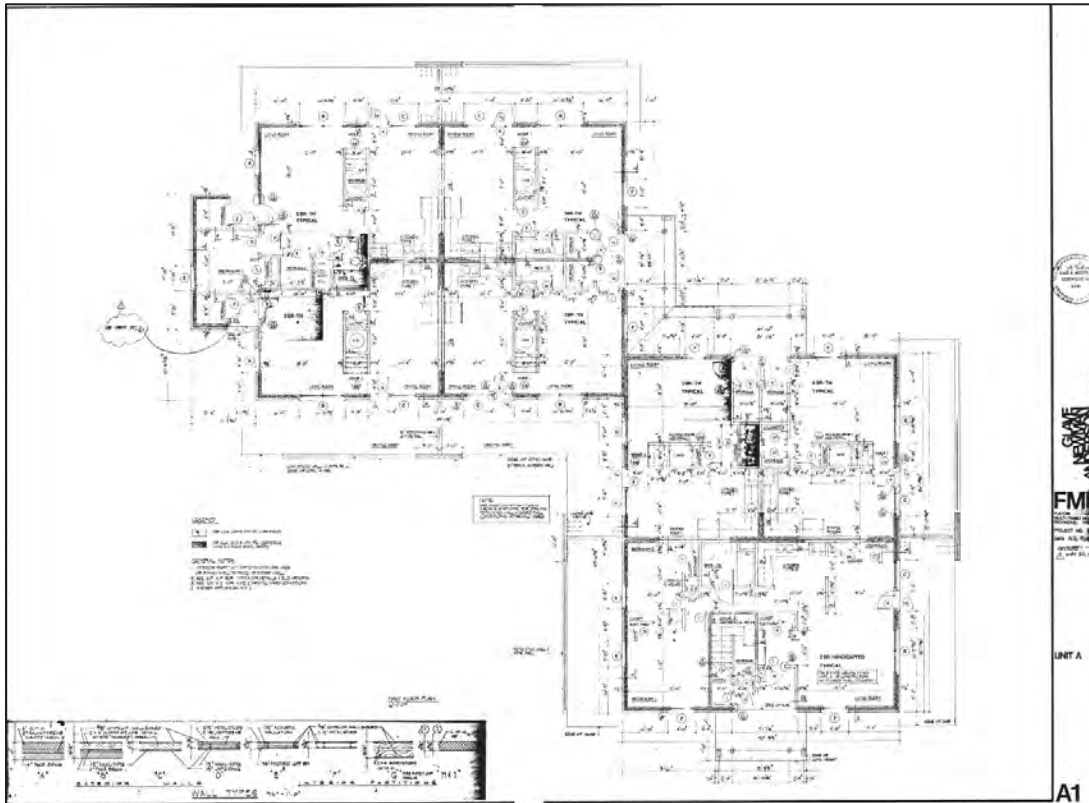
Source: Sponsor, March 2019

Subject Elevations

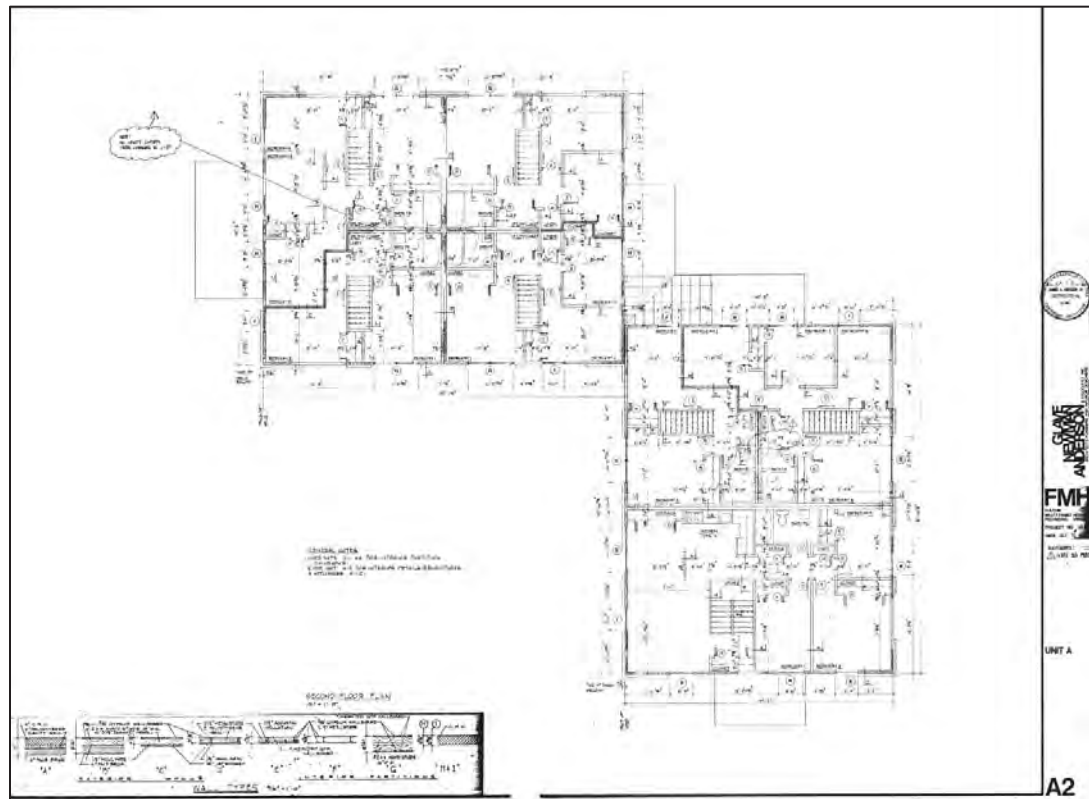


Source: Sponsor, March 2019


Subject Floor Plans



Source: Sponsor, March 2019



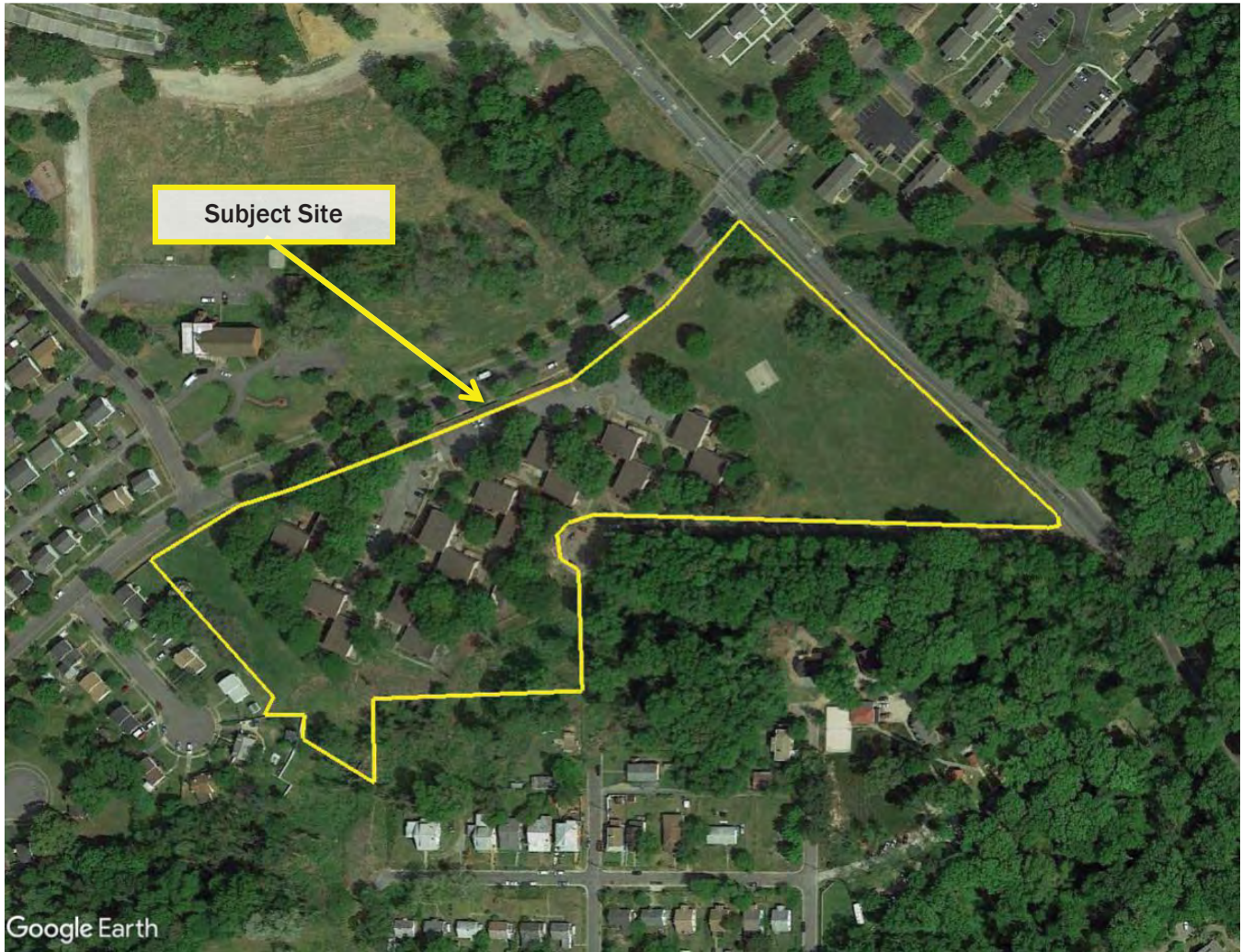
Source: Sponsor, March 2019

Fulton											
Location	1201 Admiral Gravelly Boulevard Richmond, VA 23231 Richmond County										
Units	64										
Type	Garden (2 stories)										
Year Built / Renovated	1979 / 2021										
Utilities											
A/C	included – wall			Other Electric			included				
Cooking	included – electric			Water			included				
Water Heat	included – electric			Sewer			included				
Heat	included – electric			Trash Collection			included				
Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession	Restriction	Waiting	Vacant	Vacancy	Max
2	1	Garden	23	743	\$693	\$0	@50% (PBRA)	-	-	-	-
3	1.5	Garden	22	977	\$928	\$0	@50% (PBRA)	-	-	-	-
4	1.5	Garden	16	1,095	\$1,106	\$0	@50% (PBRA)	-	-	-	-
5	1.5	Garden	3	1,180	\$1,285	\$0	@50% (PBRA)	-	-	-	-
Amenities											
In-Unit	Blinds			Security			Video Surveillance				
	Hardwood Flooring										
	Exterior Storage										
	Oven										
	Refrigerator										
	Dishwasher										
	Window A/C										
	Washer/Dryer hookup										
Property	Off-Street Parking			Premium			none				
	On-Site Management										
	Playground										
Services	none			Other			none				

D. LOCATION

LOCATION

The location of an apartment community can have a substantial negative or positive impact upon the performance, safety and appeal of the property. The following site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow, etc. The Subject is outlined below in yellow.



Source: Google Earth, March 2019

Subject Site Description:

The Subject is located at 1201 Admiral Gravelly Boulevard in Richmond, Virginia 23231.

Size:

The Subject site is approximately 10.05 acres, or approximately 437,550 square feet.

Shape:

The site is generally irregular in shape.

Frontage:

The Subject site has frontage along the south side of Admiral Gravelly Boulevard, the west side of Route 60, and the north side of Denny Street.

Topography:

The Subject site is level.

Utilities:

All utilities are provided to the site.

Visibility/Views:

The Subject is set back from Admiral Gravelly Boulevard and has good visibility. Views consist of a house of worship in average condition and Gillies Creek Park to the north, vacant land to the east, vacant wooded land, an outdoor recreation center, and single-family homes in average condition to the south, and vacant wooded land to the east, and single-family homes in average condition to the west. The surroundings uses are in average condition. Overall, views are considered average to good and visibility is conserved average.

Surrounding Uses:

The Subject is located southeast of downtown Richmond in the Fulton Hill neighborhood. The Subject site is rated as “Car-Dependent” by Walk Score with a score of 32, indicating that most errands require a car.



Gillies Creek Park north of Subject



View north from Subject along Admiral Gravelly Boulevard

North: Land use to the north of the Subject consists of Gillies Creek Park and a house of worship. Within this park is a golf course, a baseball diamond, a BMX path, and a playground. Further north is the multifamily property Ashley Oaks Apartments in average condition, which offers 250 subsidized units. Due to Ashley Oaks Apartments being fully subsidized and having a senior and disabled tenancy, we excluded the property as a comparable.



Ashley Oaks Apartments across from Subject



Subject land along Denny Lane to the east of Subject

East: Land use to the east consists of vacant wooded land, single-family homes in average condition. Further east is Carlisle Apartments in average condition, and commercial uses in average condition including a grocery store, dollar store, tire shop, and several restaurants. Carlisle Apartments is a market rate property offering 32 two-bedroom units. The property does not have full time management and we were unable to contact the property manager as of the date of this report. Therefore we excluded the property from our analysis.



Single-family homes along Carlise Avenue to the south of Subject



Commercial uses along Route 60 to the south of Subject

South: Land use to the south consists of single-family homes in average condition, vacant wooded land, and Richmond Ropes, an outdoor activity center. Additional uses south of the Subject include commercial and retail uses along Route 60. Further south is Fulton Elementary School, and light industrial use in average condition, including a demolition contractor, and a brewery. Wynwood Apartments, a multifamily property in average condition, is also south of the Subject. Wynwood Apartments offers 120 market rate units, which we utilized as a comparable property within this report. However, asking rents at this property are far below all other market rate properties, and it underperforms the market for unknown reasons. As such, we have not relied on this comparable in our rent conclusions.



Single-family home along Admiral Gravely Boulevard to the west of Subject



View along Admiral Gravely Boulevard looking west (Subject on left)

West: Land use immediately to the west of the Subject consists single-family homes in average to good condition. Further west and bordering James River is a rail yard, and light industrial use in average condition, including a warehouse, a telecom company, and a brewery. Also bordering James River are several condominium buildings in excellent condition, including 210 Rock Residences, and Fall Line Condominiums.

Access and Traffic Flow:

The Subject is accessible from Admiral Gravely Boulevard and Denny Street, both of which are lightly trafficked two-lane residential roads. Admiral Gravely Boulevard traverses west to Williamsburg Road, a four-lane arterial road, and east to Route 60, a moderately trafficked two-lane road. Denny Street traverses east to Route 60, and ends at the Subject to the west. Additionally, access to Interstate 95 is provided 2.5 miles north of the Subject. Overall, access and traffic flow are considered average.

Layout and Curb Appeal:

The Subject consists of eight two-story garden-style buildings, and one one-story maintenance building. The Subject has visibility along the south side of Admiral Gravely Boulevard, the west side of Route 60, and the north side of Denny Street.

Drainage:

Appears adequate; however, no specific tests were performed.

Soil and Subsoil Conditions:

We have not been provided with a soil report. We are not experts in this field and assume the site is adequate for development.

Environmental Assessment:

We have not been provided with an environmental report. Further analysis is beyond the scope of this report. Novogradac & Company LLP does not have expertise in this field and cannot opine on this matter.

Detrimental Influences:

No detrimental influences were identified.

Flood Plain:

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 51087C0145C, dated December 2007, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain. The orange section north of the Subject signifies an area of 0.2 percent annual chance flood hazard, and one percent annual chance flood with average depth less than one foot or with drainage areas of less than one square mile. We assume the Subject has flood insurance if necessary. Novogradac & Company LLP does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report.



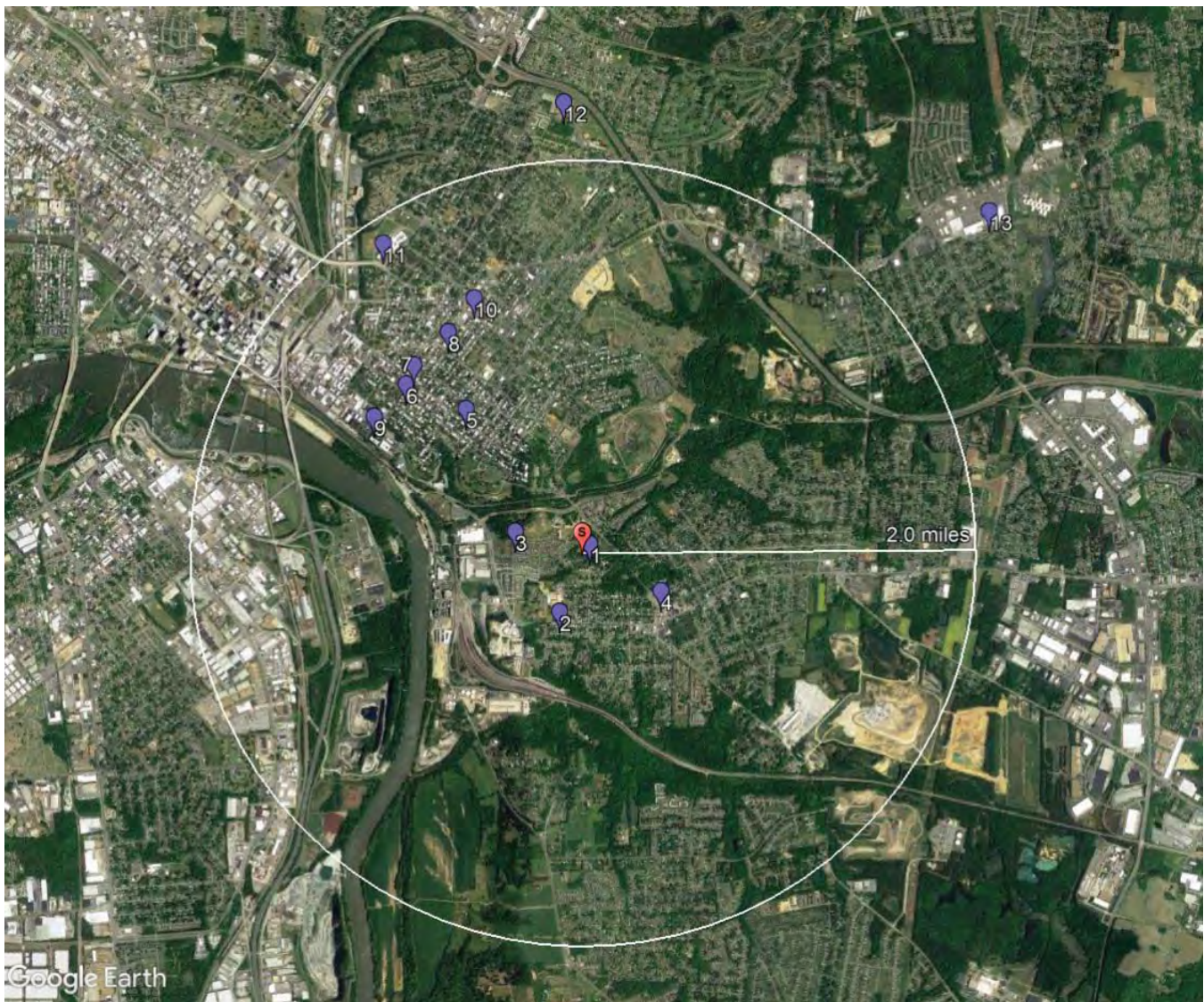
Source: FEMA Flood Map Service Center, March 2019

Locational Amenities:

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

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop	0.0 miles
2	Fire Department	0.4 miles
3	Gillies Creek Park	0.4 miles
4	Fine Food (grocery)	0.4 miles
5	Chimbrazo Elementary School	0.9 miles
6	SunTrust Bank	1.2 miles
7	U.S. Post Office	1.3 miles
8	Vernon J Harris Medical Center	1.3 miles
9	CVS Pharmacy	1.3 miles
10	Police Department	1.4 miles
11	Martin Luther King Jr Middle School	1.9 miles
12	Armstrong High School	2.2 miles
13	Walmart Supercenter	2.6 miles



Source: Google Earth, March 2019

Public Transportation:

The Greater Richmond Transit Company (GRTC) provides fixed-route bus service to residents of Richmond. The nearest bus stop is located immediately in front of the property on Admiral Gravelly Boulevard, and is serviced by the 4A bus route. The 4A bus route typically runs every 30 minutes and travels from Fulton Hill, through Downtown Richmond, and to Montrose Heights. Regular one-way adult fare is \$1.50; children, disabled, and seniors are eligible for a discounted fare of \$0.75.

Crime Statistics:

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

2018 CRIME INDICES

	PMA	Richmond, VA Metropolitan Statistical Area
Total Crime*	163	103
Personal Crime*	234	100
Murder	496	198
Rape	136	89
Robbery	338	124
Assault	189	88
Property Crime*	154	104
Burglary	156	89
Larceny	149	110
Motor Vehicle Theft	190	87

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

*Unweighted aggregations

Total crime risk indices in the PMA are modestly elevated relative to the national average and above the surrounding MSA. Both geographic areas feature crime risk indices above the overall nation. The Subject's security features include video surveillance. The upcoming Supply Section of this report provides a more detailed analysis of crime risk indices on a 0.5 mile basis.

Conclusion:

The Subject's neighborhood appears to be a good location for a multifamily development. The majority of the local amenities are located within approximately two miles of the Subject. The Subject is located in a primarily mixed-use neighborhood. The Subject is a compatible use within the existing neighborhood.

Photographs of Subject and Neighborhood



Typical Subject building



Typical Subject building



Typical Subject building



Typical Subject building



Typical Subject buildings from interior of site



Typical Subject building from interior of site



Typical Subject building from interior of site



Typical Subject building from parking area



Subject parking area



Subject parking area



Subject from Admiral Gravelly Boulevard looking south



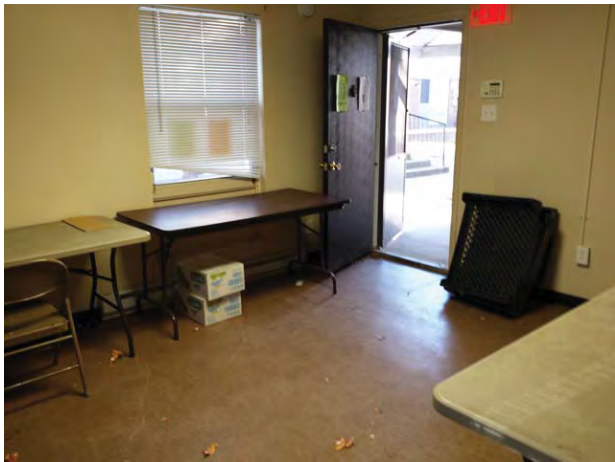
Mailbox area



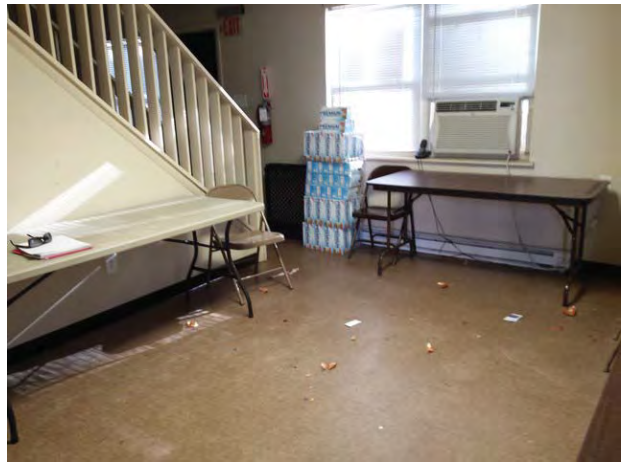
Maintenance building



Maintenance building interior



Community room interior



Community room interior



Typical patio area



Typical unit entrance area



Typical living area – occupied unit



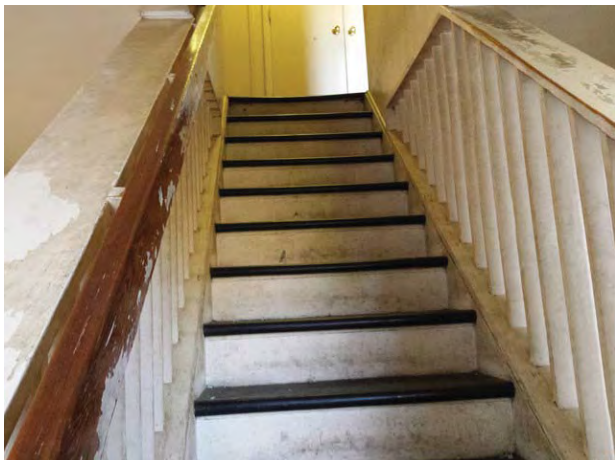
Typical living area – vacant unit



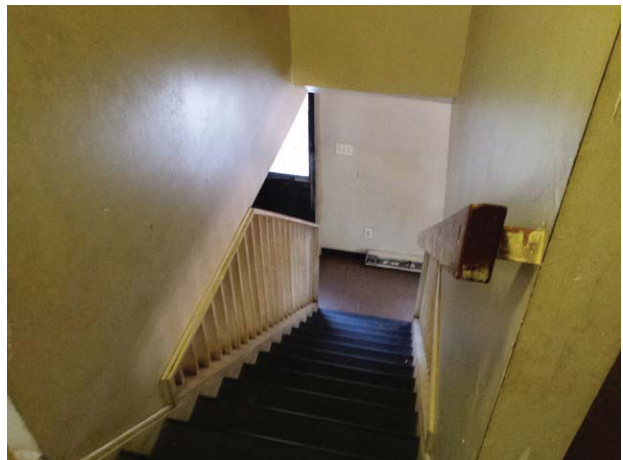
Typical kitchen – occupied unit



Kitchen undergoing make ready repairs



Typical interior stairway – vacant unit



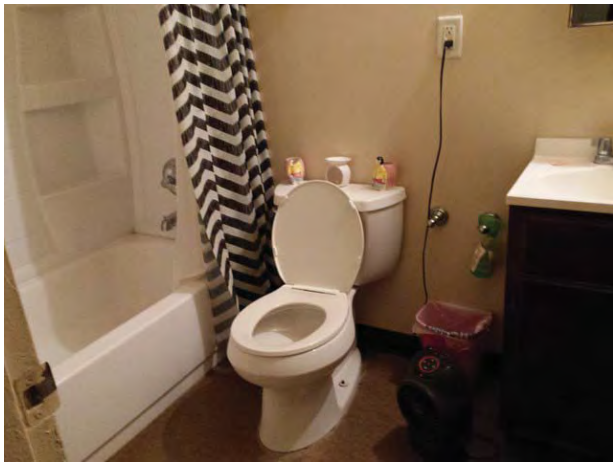
Typical interior stairway – vacant unit



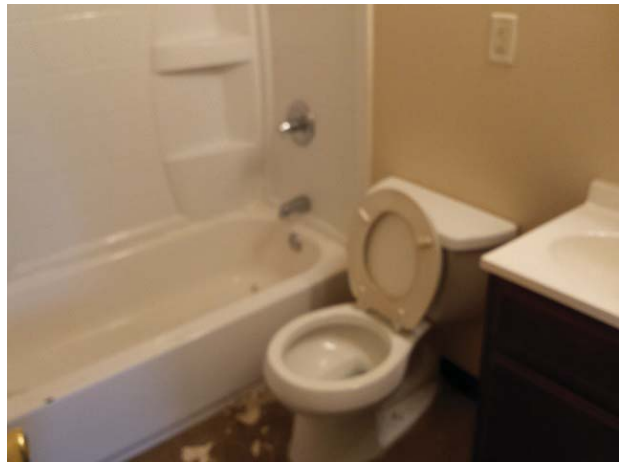
Typical bedroom – occupied unit



Typical bedroom – vacant unit



Typical bathroom – occupied unit



Typical bathroom – vacant unit



Playground area



View of vacant, wooded land to the south of Subject



View along Admiral Gravely Boulevard looking east
(Subject on right)



View along Admiral Gravely Boulevard looking west
(Subject on left)



View of Subject from Admiral Gravely Boulevard



Alternative view of Subject from Admiral Gravely
Boulevard



Alternative view of Subject from Admiral Gravely
Boulevard



House of worship across Admiral Gravely Boulevard
from Subject



Gillies Creek Park to the north of Subject



Gillies Creek Park to the north of Subject



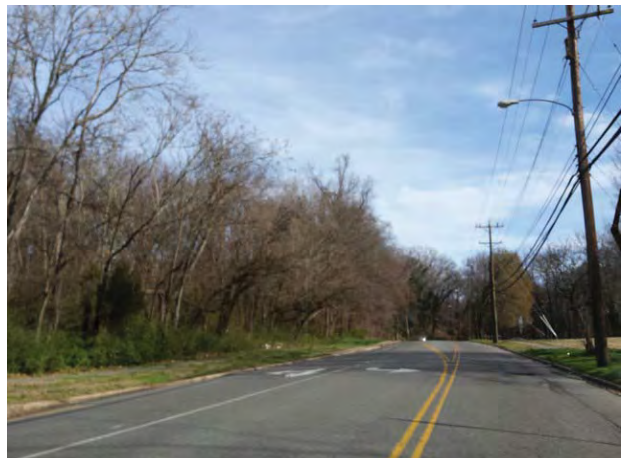
Subject land along Denny Lane to the east of Subject



Ashley Oaks Apartments across from Subject



Alternative view of Ashley Oaks Apartments



View along Route 60 looking south



Single-family homes along Old Nicholson Street to the northwest of Subject



Single-family homes along Warwick Avenue to the north of Subject



Single-family home along Whiting Circle to the west of Subject



Single-family home along Admiral Gravelly Boulevard to the west of Subject



Single-family homes along Carlise Avenue to the south of Subject



Single-family homes along Carlise Avenue to the south of Subject



Commercial uses along Route 60 to the south of Subject



Commercial uses along Route 60 to the south of Subject



Commercial uses along Route 60 to the south of Subject



Commercial uses along Route 60 to the south of Subject



Commercial uses along Route 60 to the south of Subject



The Carlise market rate apartment property to the south of the Subject along Carlise Avenue

E. MARKET AREA DEFINITION

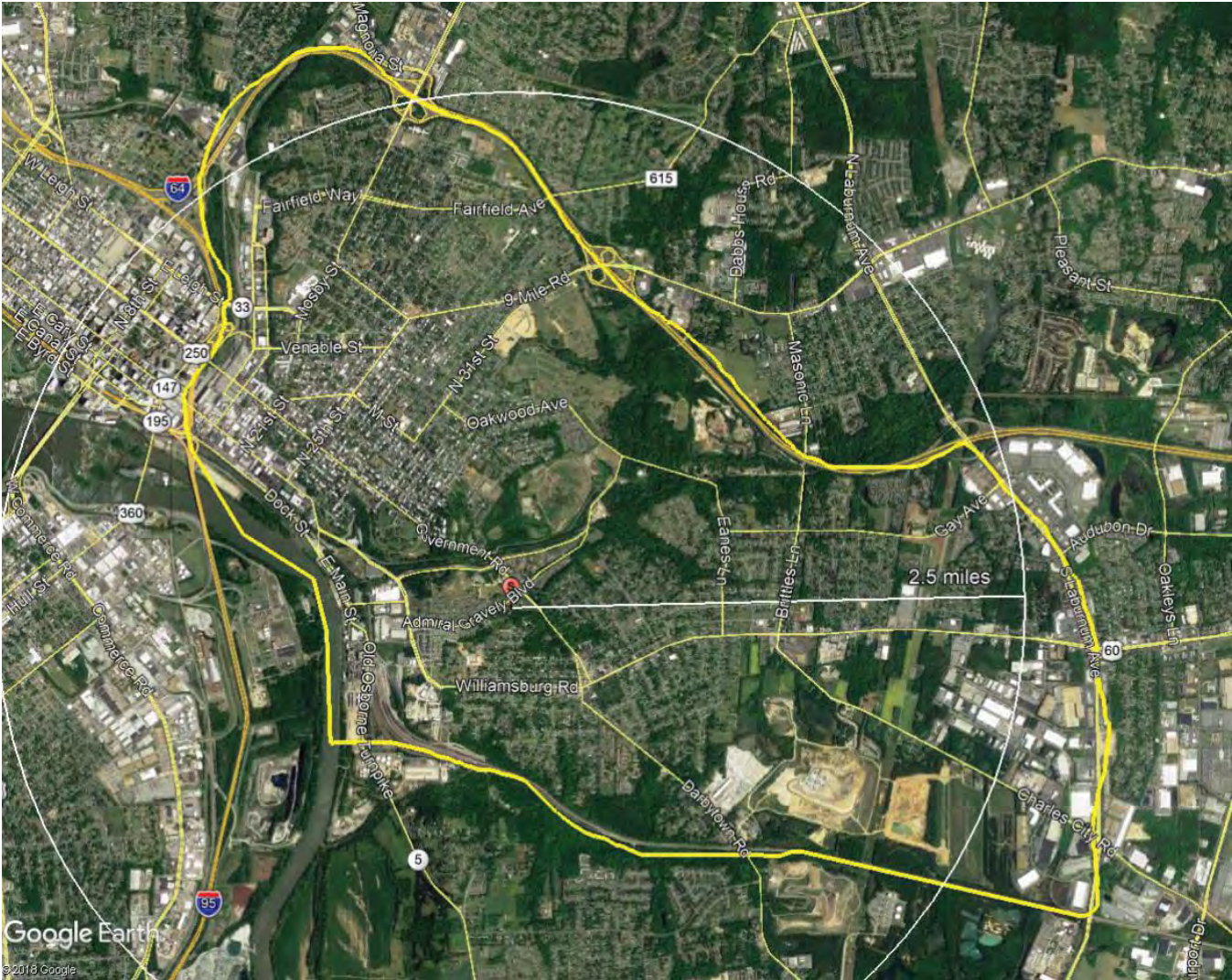
MARKET AREA

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

The Subject property is located in Richmond, Virginia. The PMA is generally defined as Interstate 64 to the north, South Laburnum Avenue to the east, the railroad track along Almond Creek to the south, and James River and Interstate 95 to the west. This area was defined based on interviews with local market participants and local property managers, including management at the Subject. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. The PMA encompasses 10.5 square miles and an approximate drive time zone of 15 minutes.

The Richmond, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA). The MSA consists of the independent cities of Richmond, Colonial Heights, Hopewell, and Petersburg, as well as Amelia, Charles City, Caroline, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, New Kent, King William, Powhatan, Prince George, and Sussex Counties. Maps outlining the general PMA boundaries as well as the MSA can be found on the following pages.

Primary Market Area Map



Source: Google Earth, March 2019

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, March 2019

F. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The following sections will provide an analysis of the economic and demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Richmond, VA Metropolitan Statistical Area (MSA) are areas of growth or contraction.

Employment by Industry

The following chart illustrates employment by industry as of 2018.

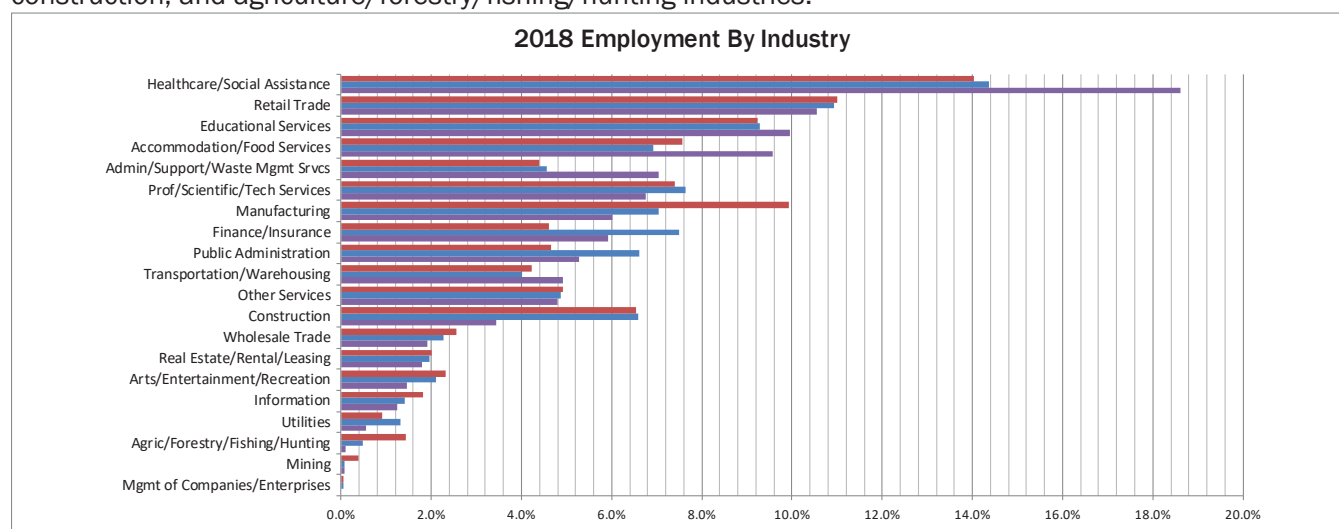
2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	3,226	18.6%	22,154,439	14.0%
Retail Trade	1,829	10.6%	17,381,607	11.0%
Educational Services	1,723	9.9%	14,568,337	9.2%
Accommodation/Food Services	1,656	9.6%	11,958,374	7.6%
Admin/Support/Waste Mgmt Svcs	1,219	7.0%	6,943,459	4.4%
Prof/Scientific/Tech Services	1,171	6.8%	11,673,939	7.4%
Manufacturing	1,040	6.0%	15,694,985	9.9%
Finance/Insurance	1,027	5.9%	7,284,572	4.6%
Public Administration	915	5.3%	7,345,537	4.7%
Transportation/Warehousing	853	4.9%	6,660,099	4.2%
Other Services	832	4.8%	7,758,801	4.9%
Construction	594	3.4%	10,333,928	6.5%
Wholesale Trade	332	1.9%	4,028,405	2.6%
Real Estate/Rental/Leasing	311	1.8%	3,165,171	2.0%
Arts/Entertainment/Recreation	252	1.5%	3,672,444	2.3%
Information	215	1.2%	2,881,691	1.8%
Utilities	96	0.6%	1,433,069	0.9%
Agric/Forestry/Fishing/Hunting	16	0.1%	2,273,158	1.4%
Mining	14	0.1%	591,596	0.4%
Mgmt of Companies/Enterprises	0	0.0%	87,511	0.1%
Total Employment	17,321	100.0%	157,891,122	100.0%

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

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and educational services industries, which collectively comprise 39.1 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Enrollment at the University of Richmond dropped to its lowest numbers in in the past decade in 2018, contracting by seven percent since 2009. Enrollment dropped from 4,023 total students in 2017 to 4,002 total students in 2018. Enrollment at Virginia Commonwealth University dropped to its lowest numbers in the past decade in 2017, with enrollment shrinking by four percent since 2009. However, enrollment increased slightly from 31,036 total students in 2017 to 31,076 total students in 2018. Despite the contractions in enrollment, there have been no significant recent layoffs at these educational institutions. Relative to the overall nation, the PMA features comparatively greater employment in the healthcare/social assistance, admin/support/waste management services, and

accommodation/food services industries. Conversely, the PMA is underrepresented in the manufacturing, construction, and agriculture/forestry/fishing/hunting industries.



Growth by Industry

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

2000-2018 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2018		2000-2018	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	1,705	13.2%	3,226	18.6%	1,521	5.0%
Retail Trade	1,307	10.1%	1,829	10.6%	522	2.2%
Educational Services	932	7.2%	1,723	9.9%	791	4.7%
Accommodation/Food Services	1,009	7.8%	1,656	9.6%	647	3.6%
Admin/Support/Waste Mgmt Svcs	658	5.1%	1,219	7.0%	561	4.7%
Prof/Scientific/Tech Services	478	3.7%	1,171	6.8%	693	8.1%
Manufacturing	1,425	11.0%	1,040	6.0%	-385	-1.5%
Finance/Insurance	788	6.1%	1,027	5.9%	239	1.7%
Public Administration	1,008	7.8%	915	5.3%	-93	-0.5%
Transportation/Warehousing	617	4.8%	853	4.9%	236	2.1%
Other Services	835	6.5%	832	4.8%	-3	0.0%
Construction	828	6.4%	594	3.4%	-234	-1.6%
Wholesale Trade	343	2.7%	332	1.9%	-11	-0.2%
Real Estate/Rental/Leasing	296	2.3%	311	1.8%	15	0.3%
Arts/Entertainment/Recreation	214	1.7%	252	1.5%	38	1.0%
Information	314	2.4%	215	1.2%	-99	-1.8%
Utilities	120	0.9%	96	0.6%	-24	-1.1%
Agric/Forestry/Fishing/Hunting	24	0.2%	16	0.1%	-8	-1.9%
Mining	2	0.0%	14	0.1%	12	33.3%
Mgmt of Companies/Enterprises	0	0.0%	0	0.0%	0	0.0%
Total Employment	12,903	100.0%	17,321	100.0%	4,418	1.9%

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

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

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

Total employment in the PMA increased at an annualized rate of 1.9 percent between 2000 and 2018. The industries which expanded most substantially during this period include healthcare/social assistance, educational services, and prof/scientific/tech services. Conversely, the manufacturing, construction, and information sectors experienced the least growth. Overall, we view the lessening reliance on the volatile manufacturing sector, and concurrent rise in healthcare-related employment as a positive aspect of the local economy.

Major Employers

The following table details the largest federal and private employers according to the Richmond Economic Development Department.

MAJOR EMPLOYERS - RICHMOND, VA

Employer Name	Industry	# of Employees
Capital One Financial Corp.	Finance	11,252
Virginia Commonwealth University Health System	Healthcare	9,313
HCA Virginia Health System	Healthcare	7,628
Bon Secours Richmond	Healthcare	7,136
Dominion Virginia Power	Utilities	5,433
SunTrust Banks Inc.	Finance	3,810
Altria Group Inc.	Producing, Marketing	3,800
Amazon.com	Online Retail	3,800
Wells Fargo	Finance	2,902
Anthem Blue Cross and Blue Shield	Insurance	2,655
United Parcel Service	Package Distribution	2,490
Bank of America	Finance	1,921
Federal Reserve Bank of Richmond	Finance	1,882
Markel Corporation	Insurance	1,846
DowDuPont	Conglomerate	1,800
Verizon Communications	Telecommunications	1,700
University of Richmond	Education	1,578
General Dynamics Corp.	Call Center	1,450
CarMax Inc.	Auto Sales	1,306
Southside Regional Medical	Healthcare	1,280
AdvanSix	Manufacturing	1,177
Estes Express Lines	Trucking, Air Freight	1,102
Genworth Financial Inc.	Insurance	1,037
Kings Dominion	Entertainment	1,000

Source: Greater Richmond Partnership, February 2019

Richmond’s largest employers are primarily in the finance and healthcare sectors. Employers in the finance or healthcare sector make up six of the top ten largest employers in Richmond, and are the top two largest employers.

Employment Expansion/Contractions

In January 2019, we spoke with Betty-Anne Teter, Programs Administrator, with the Department of Economic Development in regards to economic development in Richmond. According to Ms. Teter, there are several areas in Richmond that are the focus of economic development, primarily through adaptive re-use projects. The following details were provided by Ms. Teter.

- The Greater Richmond Transit Company (GRTC) recently completed construction of the GRT Puls, a high capacity rapid transit system that services a 7.6-mile route along Broad Street and Main Street, from Rocketts Landing to Willow Lawn in Henrico County. The project is projected to expand to an additional 500 new daily riders, and to increase bus efficiency by 63 percent. Bus fares will remain stable and the hours of operation will be from 5:30 am to 11:30 pm.
- Owens & Minor, a global healthcare service company, moved into a 90,000 square foot space in Riverfront Plaza. This opening is expected to create over 300 new permanent positions in upcoming years.
- Stone Brewing Company invested over \$70 million to build a new brewery and restaurant location in 2017. The restaurant is still in the planning phases and was estimated to create over 250 part and full-time jobs when full production capacity is reached.
- Martin Agency made a \$15 million investment in early 2017, which included a 45,000 square-foot expansion. The expansion is estimated to have added 175 full-time jobs.
- CoStar, a commercial real estate information data company, opened a regional office along the James River in 2017. At full capacity, the facility is expected to house around 732 employees.
- ICMA-RC, a financial service firm, relocated 100 jobs and created an additional 100 jobs in Downtown Richmond in 2017.
- Blue Bee Cider, LLC relocated and expanded its cider production in Richmond in 2016. The company will invest more than \$1 million to renovate a historic building and triple its cider production.
- Relay Foods, food processor, invested \$750,000 and hired 100 full-time employees during 2016 and 2017.
- AvePoint Inc., a technology consultant firm, invested \$1.5 million to establish an operation in Richmond, creating 100 new full-time jobs. Founded in 2011, AvePoint Inc. serves over 14,000 organizations and three million Office 365 users globally.
- Acqueous Solutions, a water purification organization, invested \$2.1 million and created 50 new full-time positions in 2016.
- AuthX Consulting, a technology consultant firm, relocated and expanded its headquarters to the Richmond area. The move is projected to add 80 full-time employees to the area.
- Thermal Gradient, a developer of molecular diagnostic systems, relocated its operations to the Richmond area in 2016. The relocation is projected to add 45 full-time employees to the Richmond area.
- Minacs, an IT business solutions consultant, has opened a second IT center in the Richmond area and plans to add 200 full-time positions. The company, headquartered in India, also added 150 part-time positions in 2016. Minacs employs 21,000 experts in 35 centers globally.
- Dominion Virginia Power, a utilities provider, is planning to develop three large-scale solar projects, totaling 400 megawatts of electricity. The project is projected to be completed and operational by 2020. Combined, these solar facilities will power 100,000 households. The construction for this project will create 960 full and part-time jobs and provide a \$74 million economic investment.

The following table illustrates the WARN notices from 2017 to 2019 year-to-date for Richmond.

WARN NOTICES - RICHMOND, VA

Company Name	Jobs Affected	Layoff Date
	2019	
Spectrum Pharmaceuticals	2	2/13/2019
Signify Health	132	1/18/2019
Total	134	
	2018	
Crothall Healthcare	139	11/15/2018
Southeast Services Corporation	134	11/29/2018
DAL Global Services, LLC	92	8/6/2018
Tailored Brands	64	6/29/2018
Farm Fresh	84	3/16/2018
Sam's Club	163	3/16/2018
Taylor Communications	50	2/16/2018
Total	726	
	2017	
Land-O-Sun Dairies LLC	71	10/7/2017
Martin's Store	248	8/9/2017
Martin's Store	92	7/17/2017
Martin's Store	237	7/10/2017
Dollar Express	11	6/30/2017
Martin's Store	109	6/23/2017
Bebe Stores, Inc.	10	5/27/2017
Martin's Store	155	2/6/2017
Riverside Pace	37	2/3/2017
Total	970	
Grand Total	1,830	

Source: Virginia Employment Commission, February 2019

Employment and Unemployment Trends

The table below illustrates the total employment and unemployment rates for the MSA and nation.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

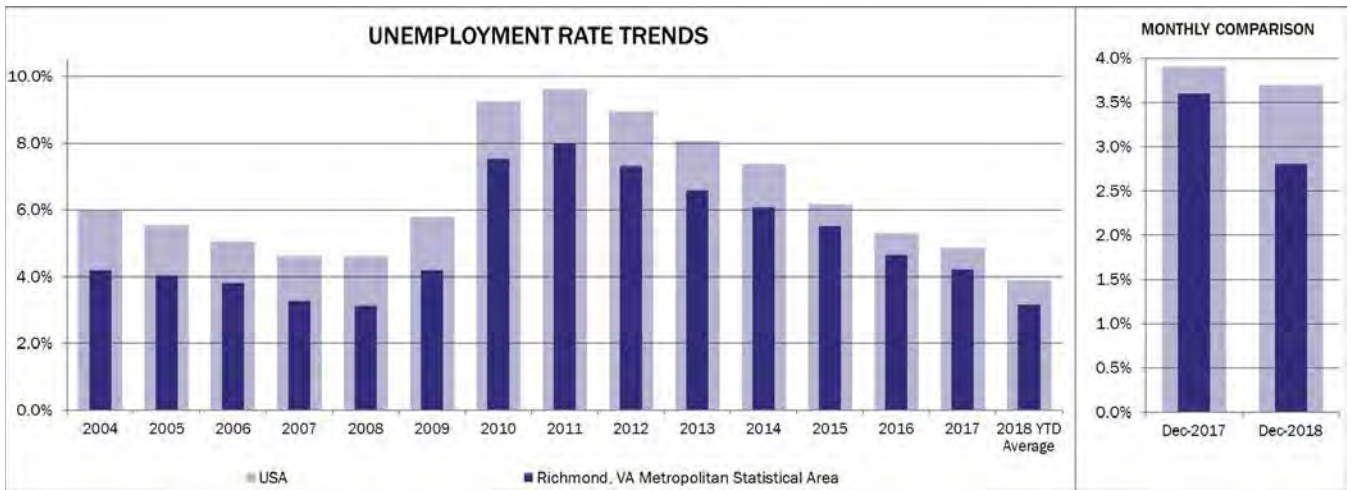
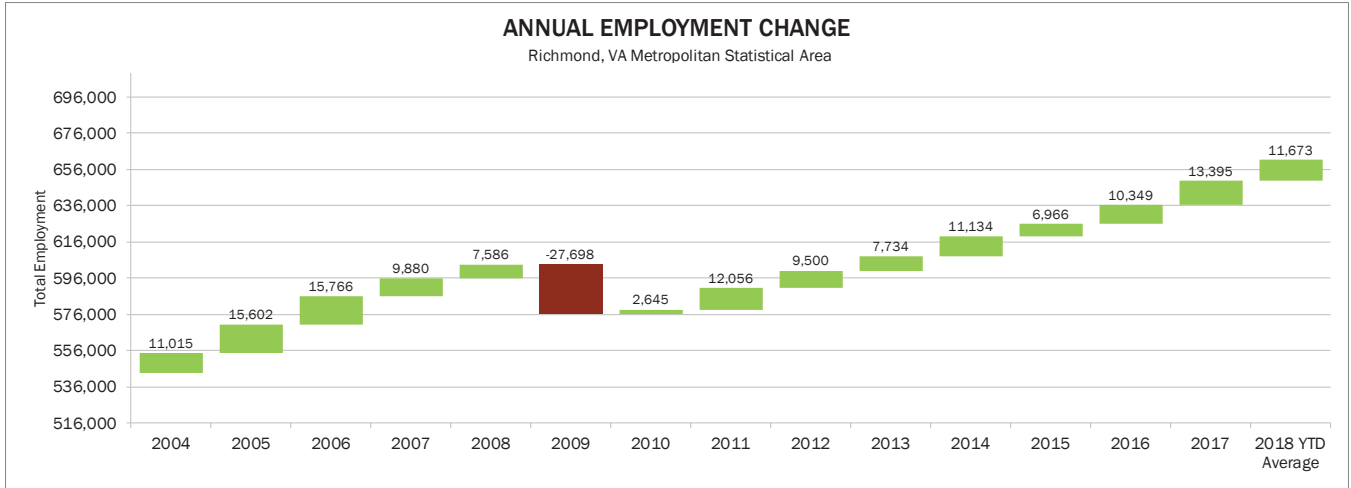
Year	Richmond, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	540,043	-	4.1%	-	136,485,000	-	5.8%	-
2003	543,701	0.7%	4.2%	0.1%	137,736,000	0.9%	6.0%	0.2%
2004	554,715	2.0%	4.0%	-0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	570,317	2.8%	3.8%	-0.2%	141,730,000	1.8%	5.1%	-0.5%
2006	586,083	2.8%	3.3%	-0.5%	144,427,000	1.9%	4.6%	-0.5%
2007	595,963	1.7%	3.1%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	603,549	1.3%	4.2%	1.1%	145,363,000	-0.5%	5.8%	1.2%
2009	575,851	-4.6%	7.5%	3.3%	139,878,000	-3.8%	9.3%	3.5%
2010	578,496	0.5%	8.0%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	590,551	2.1%	7.3%	-0.7%	139,869,000	0.6%	9.0%	-0.7%
2012	600,051	1.6%	6.6%	-0.7%	142,469,000	1.9%	8.1%	-0.9%
2013	607,785	1.3%	6.1%	-0.5%	143,929,000	1.0%	7.4%	-0.7%
2014	618,919	1.8%	5.5%	-0.5%	146,305,000	1.7%	6.2%	-1.2%
2015	625,885	1.1%	4.7%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	636,234	1.7%	4.2%	-0.5%	151,436,000	1.7%	4.9%	-0.4%
2017	649,629	2.1%	3.9%	-0.3%	153,337,000	1.3%	4.4%	-0.5%
2018 YTD Average*	661,302	1.8%	3.2%	-0.8%	155,761,000	1.6%	3.9%	-0.4%
Dec-2017	645,440	-	3.6%	-	153,602,000	-	3.9%	-
Dec-2018	660,541	2.3%	2.8%	-0.8%	156,481,000	1.9%	3.7%	-0.2%

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

*2018 data is through December

Prior to the national recession, average employment growth in the MSA performed similar to the nation. Annual job growth in the MSA slightly outpaced the nation in four of the five years between 2003 and 2007. Comparatively speaking, the MSA economy performed similar during the recession. Total MSA employment contracted by 4.6 percent (2008-2009), compared to the 4.8 percent decline reported by the overall nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.3 percent, compared to 1.9 percent across the overall nation.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. The local labor market performed similar to the overall nation during the recession, as the rate of unemployment increased by 4.9 percentage points, compared to a 5.0 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 2.8 percent, lower than the current national unemployment rate of 3.7 percent. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.



Wages by Occupation

The following table illustrates the wages by occupation for the Richmond, VA MSA.

RICHMOND, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2017 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	638,840	\$23.61	\$49,110
Management Occupations	26,830	\$59.73	\$124,240
Legal Occupations	6,670	\$51.19	\$106,480
Computer and Mathematical Occupations	22,770	\$41.74	\$86,820
Architecture and Engineering Occupations	8,840	\$38.28	\$79,620
Business and Financial Operations Occupations	46,480	\$35.55	\$73,950
Healthcare Practitioners and Technical Occupations	40,420	\$34.96	\$72,710
Life, Physical, and Social Science Occupations	4,800	\$31.43	\$65,370
Arts, Design, Entertainment, Sports, and Media Occupations	7,580	\$24.42	\$50,790
Education, Training, and Library Occupations	35,910	\$24.15	\$50,230
Installation, Maintenance, and Repair Occupations	25,060	\$23.16	\$48,160
Community and Social Service Occupations	11,080	\$22.27	\$46,320
Construction and Extraction Occupations	27,060	\$20.61	\$42,870
Sales and Related Occupations	69,770	\$20.11	\$41,830
Protective Service Occupations	18,590	\$20.01	\$41,610
Production Occupations	28,890	\$18.89	\$39,290
Office and Administrative Support Occupations	105,390	\$17.59	\$36,580
Transportation and Material Moving Occupations	42,780	\$16.39	\$34,090
Farming, Fishing, and Forestry Occupations	880	\$15.54	\$32,330
Healthcare Support Occupations	14,840	\$13.99	\$29,110
Personal Care and Service Occupations	21,430	\$12.45	\$25,910
Building and Grounds Cleaning and Maintenance Occupations	20,280	\$12.37	\$25,740
Food Preparation and Serving Related Occupations	52,500	\$11.01	\$22,900

Source: Department Of Labor, Occupational Employment Statistics, 5/2017, retrieved 2/2019

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$11.01 per hour. The highest average hourly wage, of \$59.73, is for those in management occupations. Qualifying income for the Subject's affordable units will range between \$0 and \$51,600 under the proposed scenario. Absent subsidy, qualifying incomes will range from \$32,091 and \$51,600. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

Commuting Patterns

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

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	102	0.7%
Travel Time 5-9 min	1,539	9.9%
Travel Time 10-14 min	1,982	12.7%
Travel Time 15-19 min	2,513	16.1%
Travel Time 20-24 min	3,999	25.7%
Travel Time 25-29 min	1,287	8.3%
Travel Time 30-34 min	2,350	15.1%
Travel Time 35-39 min	208	1.3%
Travel Time 40-44 min	347	2.2%
Travel Time 45-59 min	714	4.6%
Travel Time 60-89 min	319	2.0%
Travel Time 90+ min	218	1.4%
Weighted Average	24 minutes	

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

As shown in the preceding table, the weighted average commute time in the PMA is approximately 24 minutes, and the drive time zone of the PMA is approximately 15 minutes. More than 66 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and educational services industries, which collectively comprise 39.1 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The MSA economy performed well during the recession, suffering only a 4.6 percent employment contraction, compared to a 4.8 percent decline across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. As of December 2018, total employment in the MSA is at a post-recessionary record and increasing at an annualized rate of 2.3 percent, compared to 1.9 percent across the overall nation. Overall, the local economy appears to have fully recovered from the national recession and entered into an expansionary phase.

G. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

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

POPULATION

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	35,140	-	1,055,637	-	281,038,168	-
2010	35,828	0.2%	1,208,101	1.4%	308,745,538	1.0%
2018	39,954	1.4%	1,307,000	1.0%	330,088,686	0.8%
2023	42,376	1.2%	1,376,412	1.1%	343,954,683	0.8%

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

Historical population growth in the PMA trailed the MSA between 2000 and 2010. However, population growth in the broader MSA exceeded the nation by 0.5 percent during the same time period. Population growth in the PMA increased significantly between 2010 and 2018, and grew at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 1.2 percent through 2023, slightly above the MSA and above the overall nation.

HOUSEHOLDS

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	13,460	-	408,927	-	105,403,008	-
2010	14,863	1.0%	468,515	1.5%	116,716,296	1.1%
2018	16,744	1.5%	505,753	1.0%	124,110,017	0.8%
2023	17,894	1.4%	530,342	1.0%	128,855,931	0.8%

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

Historical household growth in the PMA trailed the MSA between 2000 and 2010. Although PMA growth also trended below the nation, household growth in the broader MSA exceeded the nation by 0.4 percent during the same time period. Household growth in the PMA accelerated between 2010 and 2018, and grew at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 1.4 percent through 2023, which is above projected growth in the MSA and nation.

Population by Age

POPULATION BY AGE IN 2018

Age Cohort	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	2,798	7.0%	73,046	5.6%	19,968,445	6.0%
5-9	2,649	6.6%	78,114	6.0%	20,460,473	6.2%
10-14	2,406	6.0%	82,045	6.3%	20,877,164	6.3%
15-19	2,215	5.5%	84,192	6.4%	21,084,688	6.4%
20-24	3,633	9.1%	89,638	6.9%	22,646,440	6.9%
25-29	4,443	11.1%	92,687	7.1%	23,557,337	7.1%
30-34	3,322	8.3%	86,290	6.6%	22,355,094	6.8%
35-39	2,620	6.6%	84,576	6.5%	21,419,362	6.5%
40-44	2,198	5.5%	80,307	6.1%	19,879,801	6.0%
45-49	2,150	5.4%	85,262	6.5%	20,736,487	6.3%
50-54	2,267	5.7%	89,386	6.8%	21,395,762	6.5%
55-59	2,546	6.4%	93,480	7.2%	22,375,085	6.8%
60-64	2,182	5.5%	84,522	6.5%	20,552,366	6.2%
65-69	1,611	4.0%	72,147	5.5%	17,874,849	5.4%
70-74	1,117	2.8%	51,392	3.9%	13,196,470	4.0%
75-79	771	1.9%	33,696	2.6%	9,064,776	2.7%
80-84	494	1.2%	21,779	1.7%	6,007,164	1.8%
85+	531	1.3%	24,441	1.9%	6,636,923	2.0%
Total	39,953	100.0%	1,307,000	100.0%	330,088,686	100.0%

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

POPULATION BY AGE IN 2023 ESTIMATE

Age Cohort	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	2,935	6.9%	76,152	5.5%	20,712,703	6.0%
5-9	2,605	6.1%	78,661	5.7%	20,686,037	6.0%
10-14	2,440	5.8%	83,719	6.1%	21,356,683	6.2%
15-19	2,392	5.6%	87,993	6.4%	21,696,066	6.3%
20-24	3,700	8.7%	86,718	6.3%	21,612,571	6.3%
25-29	4,470	10.5%	89,504	6.5%	22,724,609	6.6%
30-34	3,715	8.8%	96,837	7.0%	24,574,306	7.1%
35-39	2,906	6.9%	92,334	6.7%	23,129,515	6.7%
40-44	2,603	6.1%	88,883	6.5%	21,944,713	6.4%
45-49	2,193	5.2%	82,118	6.0%	19,928,478	5.8%
50-54	2,215	5.2%	87,252	6.3%	20,822,718	6.1%
55-59	2,349	5.5%	88,641	6.4%	21,014,806	6.1%
60-64	2,331	5.5%	90,928	6.6%	21,745,623	6.3%
65-69	1,928	4.5%	80,867	5.9%	19,744,824	5.7%
70-74	1,461	3.4%	65,536	4.8%	16,251,664	4.7%
75-79	997	2.4%	46,252	3.4%	11,695,481	3.4%
80-84	588	1.4%	27,683	2.0%	7,323,303	2.1%
85+	549	1.3%	26,334	1.9%	6,990,583	2.0%
Total	42,377	100.0%	1,376,412	100.0%	343,954,683	100.0%

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

General Household Income Distribution

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

HOUSEHOLD INCOME PMA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,886	17.2%	2,842	15.9%	-9	-0.3%
\$10,000-19,999	2,558	15.3%	2,541	14.2%	-3	-0.1%
\$20,000-29,999	1,833	10.9%	1,853	10.4%	4	0.2%
\$30,000-39,999	1,476	8.8%	1,570	8.8%	19	1.3%
\$40,000-49,999	1,510	9.0%	1,478	8.3%	-6	-0.4%
\$50,000-59,999	1,380	8.2%	1,473	8.2%	19	1.3%
\$60,000-74,999	1,365	8.2%	1,579	8.8%	43	3.1%
\$75,000-99,999	1,513	9.0%	1,692	9.5%	36	2.4%
\$100,000-124,999	846	5.1%	1,041	5.8%	39	4.6%
\$125,000-149,999	516	3.1%	663	3.7%	29	5.7%
\$150,000-199,999	447	2.7%	585	3.3%	28	6.2%
\$200,000+	414	2.5%	577	3.2%	33	7.9%
Total	16,744	100.0%	17,894	100.0%		

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

HOUSEHOLD INCOME MSA

Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	31,397	6.2%	30,494	5.7%	-181	-0.6%
\$10,000-19,999	40,530	8.0%	39,032	7.4%	-300	-0.7%
\$20,000-29,999	43,053	8.5%	41,676	7.9%	-275	-0.6%
\$30,000-39,999	44,542	8.8%	43,614	8.2%	-186	-0.4%
\$40,000-49,999	44,569	8.8%	43,853	8.3%	-143	-0.3%
\$50,000-59,999	41,533	8.2%	41,881	7.9%	70	0.2%
\$60,000-74,999	52,310	10.3%	54,304	10.2%	399	0.8%
\$75,000-99,999	65,585	13.0%	68,989	13.0%	681	1.0%
\$100,000-124,999	47,909	9.5%	51,857	9.8%	790	1.6%
\$125,000-149,999	31,860	6.3%	36,606	6.9%	949	3.0%
\$150,000-199,999	30,436	6.0%	36,452	6.9%	1,203	4.0%
\$200,000+	32,029	6.3%	41,584	7.8%	1,911	6.0%
Total	505,753	100.0%	530,342	100.0%		

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

Annual household income levels will range from \$32,091 to \$51,600 for the Subject's housing units absent subsidy.

General Household Size Distribution

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

Year	AVERAGE HOUSEHOLD SIZE					
	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.46	-	2.49	-	2.59	-
2010	2.25	-0.8%	2.49	0.0%	2.58	-0.1%
2018	2.28	0.1%	2.51	0.1%	2.59	0.1%
2023	2.27	-0.1%	2.53	0.1%	2.61	0.1%

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

The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2023.

General Household Tenure

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

Year	TENURE PATTERNS PMA			
	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	5,734	42.6%	7,726	57.4%
2018	5,436	32.5%	11,308	67.5%
2023	6,001	33.5%	11,893	66.5%

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 67.5 percent as of 2018. This is more than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2023.

General Renter Household Income Distribution

The following table illustrates total renter household income distribution.

Income Cohort	RENTER HOUSEHOLD INCOME					
	2018		PMA 2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,613	23.1%	2,592	21.8%	-4	-0.2%
\$10,000-19,999	2,045	18.1%	2,013	16.9%	-6	-0.3%
\$20,000-29,999	1,212	10.7%	1,194	10.0%	-4	-0.3%
\$30,000-39,999	1,003	8.9%	1,051	8.8%	10	1.0%
\$40,000-49,999	964	8.5%	923	7.8%	-8	-0.9%
\$50,000-59,999	823	7.3%	868	7.3%	9	1.1%
\$60,000-74,999	730	6.5%	893	7.5%	33	4.5%
\$75,000-99,999	865	7.6%	966	8.1%	20	2.3%
\$100,000-124,999	379	3.4%	482	4.1%	21	5.4%
\$125,000-149,999	238	2.1%	308	2.6%	14	5.9%
\$150,000-199,999	235	2.1%	303	2.5%	14	5.8%
\$200,000+	201	1.8%	300	2.5%	20	9.9%
Total	11,308	100.0%	11,893	100.0%		

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

In the previous tables, the percentage of renter occupied households was applied to the total number of households in each income level. As illustrated, the largest concentrations of renter households fall into the lowest four income cohorts. The Subject's residents will need to earn between \$0 to \$51,600 as proposed.

Household Size Distribution

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

Household Size	PMA HOUSEHOLD SIZE DISTRIBUTION					
	2000		2018		2023	
	Total	Percent	Total	Percent	Total	Percent
1 persons	4,245	31.5%	6,409	38.3%	6,927	38.7%
2 persons	3,862	28.7%	4,801	28.7%	5,132	28.7%
3 persons	2,454	18.2%	2,630	15.7%	2,779	15.5%
4 persons	1,592	11.8%	1,551	9.3%	1,629	9.1%
5+ persons	1,307	9.7%	1,353	8.1%	1,427	8.0%
Total	13,460	100.0%	16,744	100.0%	17,894	100.0%

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

As of 2019, the majority of households in the PMA consist of one and two persons.

Renter Household Size Distribution

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2018		2023	
	Total	Percent	Total	Percent	Total	Percent
1 persons	2,722	35.2%	4,891	43.3%	5,233	44.0%
2 persons	1,939	25.1%	2,911	25.7%	3,058	25.7%
3 persons	1,373	17.8%	1,663	14.7%	1,710	14.4%
4 persons	856	11.1%	963	8.5%	997	8.4%
5+ persons	836	10.8%	880	7.8%	895	7.5%
Total	7,726	100.0%	11,308	100.0%	11,893	100.0%

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

Historically, the majority of renter households in the PMA have consisted of one and two-person households. In 2019, approximately 69 percent of renter-households were one or two-persons. The number of three-person and larger renter households has declined since 2000.

Median Household Income Levels

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

Year	MEDIAN HOUSEHOLD INCOME					
	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$14,660	-	\$47,743	-	\$44,872	-
2018	\$31,958	6.5%	\$62,592	1.7%	\$58,100	1.6%
2023	\$37,256	3.3%	\$71,959	3.0%	\$65,727	2.6%

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

As of 2018, the median income in the PMA is below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 33 percent of the national median income in 2000 to 55 percent in 2018. The overall rise in median income levels reflects a market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. According to ESRI demographic projections, annualized PMA growth is expected to decline significantly to 3.3 percent through 2023, which is above projected growth in the MSA and nation.

Rent Overburdened Households

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

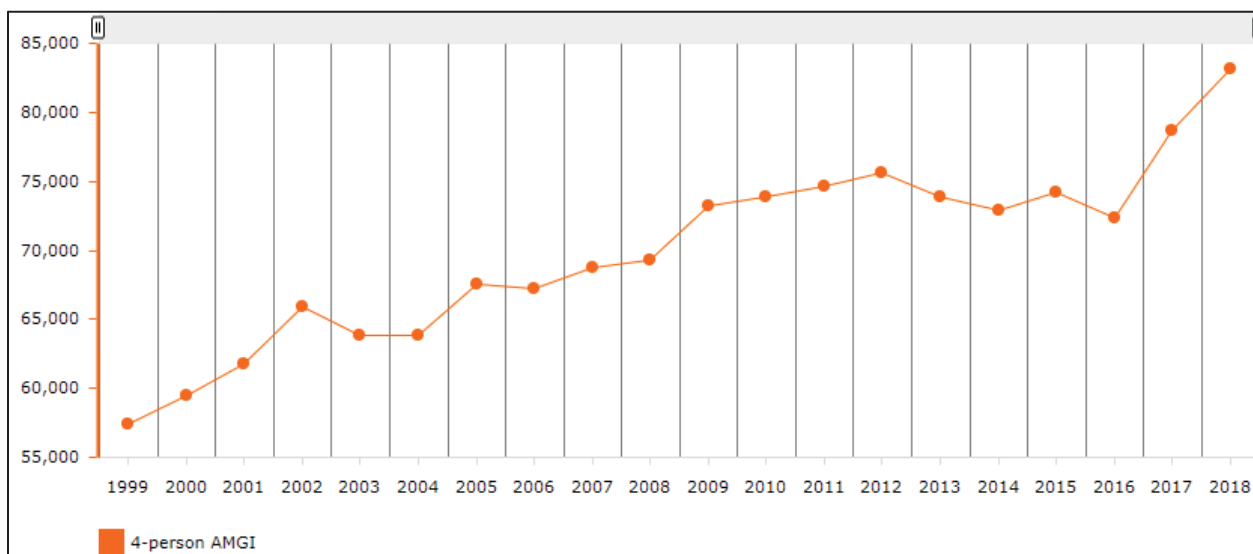
RENT OVERBURDENED						
Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2018	4,037	39.1%	62,906	39.2%	16,657,755	39.5%

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

The percentage of rent-overburdened households in the PMA is similar to the MSA. The prevalence of rent-overburdened households in both geographic areas is similar to the overall nation.

Area Median Income

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



Source: Novogradac & Company, LLP, March 2019

Overall, the AMI has increased by an average of 2.0 percent annually between 1999 and 2018. Over 84 percent of counties in the country experienced an increase in AMI in 2018, and this is also true of the City of Richmond. The AMI in Richmond reached a record high in 2018. The following chart illustrates the annual growth in AMI over the past five years.

RICHMOND CITY AMI GROWTH (2013 - 2018)

Year	2013	2014	2015	2016	2017	2018
AMI	\$73,900	\$72,900	\$74,200	\$72,400	\$78,700	\$83,200
Percentage	-2.2%	-1.4%	1.8%	-2.4%	8.7%	6.2%

The Subject is 100 percent subsidized; therefore, future rent increases will not be directly dependent upon future increases in the AMI.

Conclusion

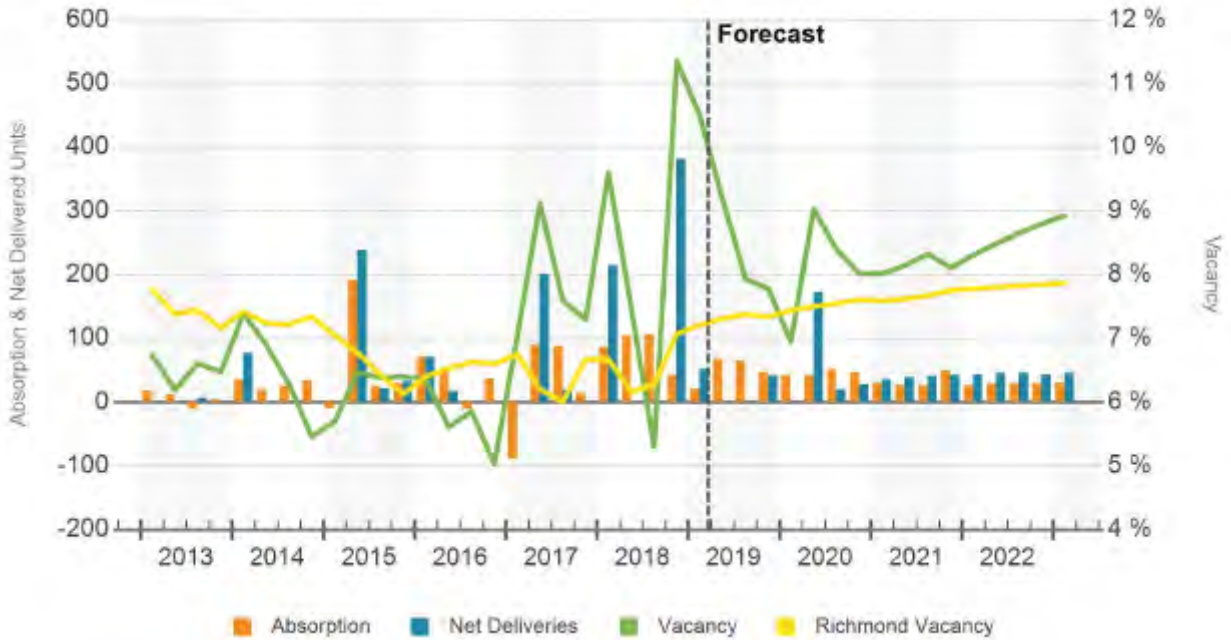
The population in the PMA increased by 13.7 between 2000 and 2018, compared to the 23.8 percent increase in the regional MSA and 17.5 percent increase across the overall nation. The percentage of renter households in the PMA increased between 2000 and 2018, and is estimated to be 67.5 percent as of 2018. This is more than the estimated 33 percent of renter households across the overall nation. As of 2018, the median income in the PMA is below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2018. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 33 percent of the national median income in 2000 to 55 percent in 2018. Healthy population and household income growth bode well for future housing demand.

H. COMPETITIVE ENVIRONMENT

HOUSING SUMMARY

We consulted a CoStar report for the East End submarket to gather information on the local apartment rental market. The following chart illustrates vacancy in the green line.

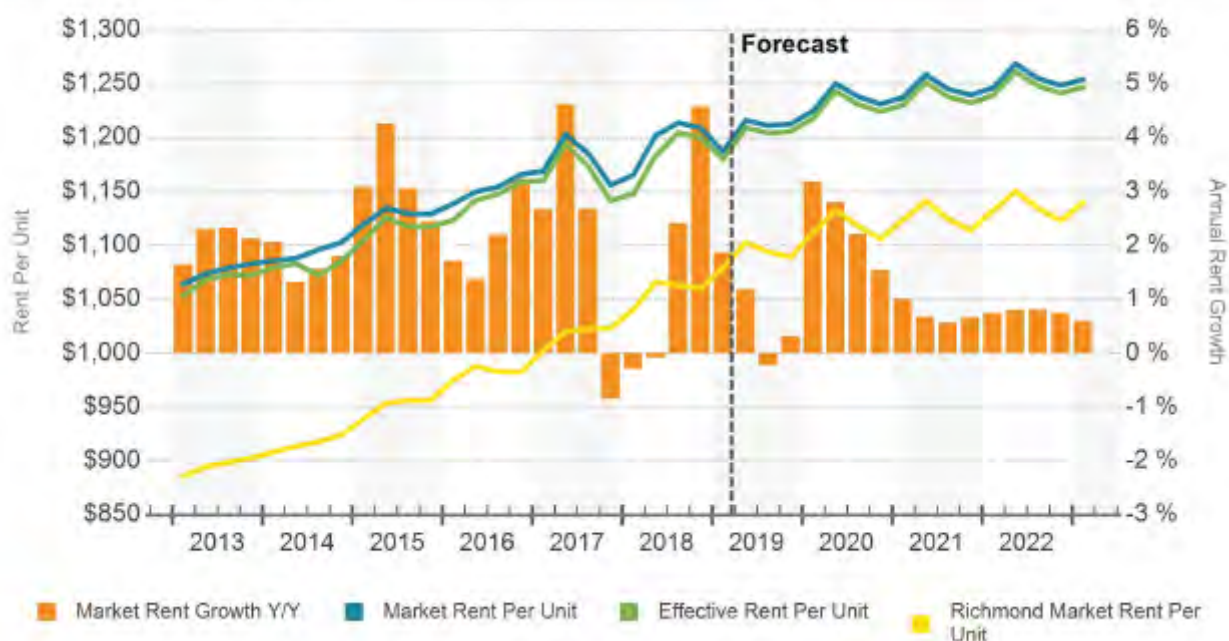
ABSORPTION, NET DELIVERIES & VACANCY



Source: Costar, February 2019

According to CoStar, the vacancy rate in the submarket is currently at 10.7 percent. The vacancy rate is expected to decrease to 8.5 percent over the next five years, as net deliveries are expected to decrease as properties recently completed are absorbed.

MARKET RENT PER UNIT & RENT GROWTH



Source: Costar, February 2019

Asking rent growth is illustrated in the orange bars in the previous chart. According to CoStar, average rent growth in the East End submarket was 1.5 percent in 2018. Over the next five years, rent growth in the submarket is expected to average 1.0 percent per year.

Age of Housing Stock

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

HOUSING STOCK BY YEAR BUILT

	PMA		Richmond, VA Metropolitan Statistical Area		USA	
Built 2005 or later	273	1.8%	12,868	2.5%	2,573,002	1.9%
Built 2000 to 2004	895	5.8%	81,388	15.7%	19,705,347	14.8%
Built 1990 to 1999	573	3.7%	81,014	15.7%	18,762,073	14.1%
Built 1980 to 1989	694	4.5%	82,896	16.0%	18,355,676	13.7%
Built 1970 to 1979	2,306	14.8%	82,497	16.0%	20,901,765	15.7%
Built 1960 to 1969	2,012	13.0%	52,440	10.1%	14,563,783	10.9%
Built 1950 to 1959	2,809	18.1%	51,767	10.0%	14,255,447	10.7%
Built 1940 to 1949	2,004	12.9%	22,791	4.4%	6,954,604	5.2%
Built 1939 or earlier	3,963	25.5%	49,131	9.5%	17,458,151	13.1%
Total Housing Units	15,529	100.0%	516,792	100.0%	133,529,848	100.0%

Source: US Census American Community Estimates, February 2019

As illustrated in the previous table, the majority of the housing stock in the Subject’s PMA was built between 1940 and 1980, similar to the Subject.

Substandard Housing

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

SUBSTANDARD HOUSING			
Year	PMA	Richmond, VA Metropolitan Statistical Area	USA
	Percentage	Percentage	Percentage
2018	1.24%	2.06%	1.70%

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

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

Building Permits

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

BUILDING PERMITS: RICHMOND CITY 2000 - 2018*				
Year	Single-family and Duplex	Three and Four- Family	Five or More Family	Total Units
2000	194	76	0	270
2001	181	3	99	283
2002	169	35	312	516
2003	285	68	142	495
2004	327	0	71	398
2005	525	3	226	754
2006	497	18	214	729
2007	362	0	202	564
2008	257	0	101	358
2009	141	0	220	361
2010	150	0	457	607
2011	98	3	242	343
2012	221	0	619	840
2013	134	4	711	849
2014	220	0	331	551
2015	278	4	241	523
2016	304	10	196	510
2017	328	10	979	1,317
2018*	274	0	270	544
Total	4,945	234	5,633	10,812
Average*	260	12	296	569

*YTD, preliminary

Source: US Census Bureau Building Permits, March 2019

The preceding table indicates that local permit issuance peaked in 2005, several years prior to the national recession. Permit volume declined by 55 percent during the recession, reaching a low in 2011. Permit issuance rose in three out of seven years between 2011 and 2017. The most recent years with finalized data indicate construction activity increased by 158.2 percent between 2016 and 2017, and reached a new post-recession record. Additionally, the share of overall permit issuance attributable to large-scale multifamily projects increased to 65.3 percent between 2010 and 2017, a significant increase from only 29.6 percent between 2000 and 2007.

Rent/Buy Analysis

All of the Subject’s units benefit from additional rental subsidy so tenants will pay no more than 30 percent of their income towards rent. Therefore, we do not expect homeownership to be competitive with the Subject’s units, and have not conducted a rent/buy analysis.

SURVEY OF COMPARABLE PROPERTIES

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

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

To evaluate the competitive position of the Subject, 2,341 units in 11 rental properties were surveyed in depth. The availability of LIHTC data is considered fair. We included five LIHTC comparables, one of which only offers 60 percent of AMI units, but has been included as it is located within close proximity of the Subject, and we believe adds value and insight to our discussion of achievable rents. The remaining LIHTC comparables are located outside of the Subject’s PMA, as similar affordable properties offering similar unit types and AMI levels are sparse in the Subject’s immediate area. The availability of market rate data is considered good. We included five market rate comparables, and all but one are located within the Subject’s PMA. Though Meadowbrook Apartments is located over five miles from the Subject, we included it as a comparable as it offers four-bedroom units, and we were unable to find any professionally run market-rate properties in the Subject’s PMA offering four-bedroom units. Overall, we believe the availability of data is adequate to support our conclusions.

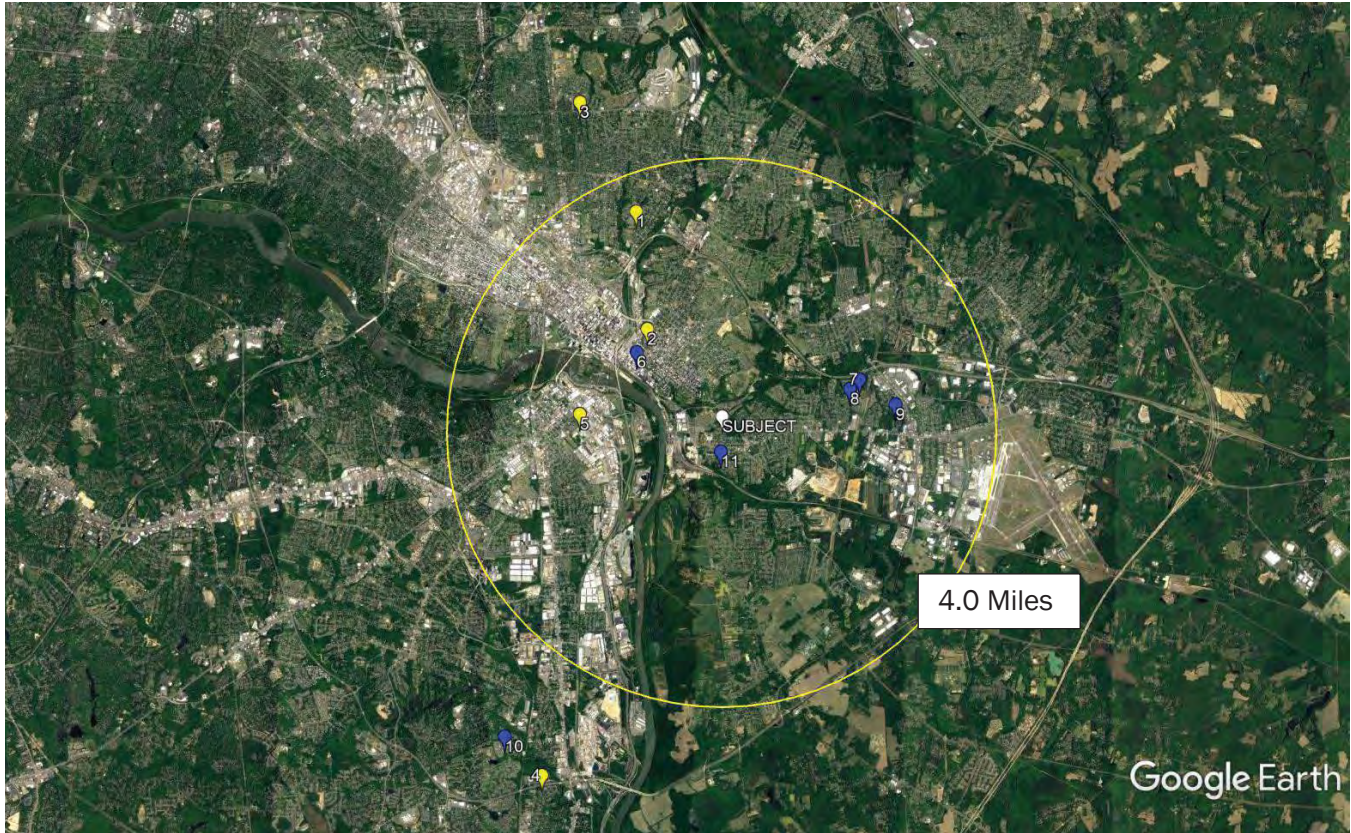
Excluded properties include, but are not limited to the properties located in the following table.

EXCLUDED LIST

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Ashley Oaks Apartments	Section 8	Disabled/Senior	Subsidized/Tenancy
Church Hill	Section 8	Family	Subsidized
City Ventures	LIHTC	Family	Unable to Contact
Glenns At Millers Lane	LIHTC	Family	Unable to Contact
Henrico Arms Apartments	Section 8	Family	Subsidized
Hilltop North Apts	LIHTC	Family	Unable to Contact
Independence House	Section 8	Senior/Disabled	Subsidized/Tenancy
Jackson Ward	Section 8	Family	Subsidized
Jefferson Mews	LIHTC	Family	Unable to Contact
Jefferson Townhouses	LIHTC	Family	Differing AMI Levels
Lawndale Farms	LIHTC	Family	Differing AMI Levels
Market Slip	LIHTC	Family	Differing Unit Types
Oliver Crossing Apartments	Section 8	Family	Subsidized
Springhill	LIHTC	Family	Unable to Contact
The Loft	Market	Family	Differing Unit Types
The Villas at Oakland Chase	Market	Family	More Comparable Properties
Tobacco Landing	LIHTC	Family	Differing Unit Types
Williamsburg Village	Section 8	Family	Subsidized

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

Comparable Rental Property Map



Source: Google Earth, March 2019

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Fulton	Richmond	@50% (Project Based Rental Assistance - PBRA)	-
1	Highland Grove*	Richmond	@50%, Market	3.2 miles
2	Jefferson Townhouses	Richmond	@60%	1.7 miles
3	Lincoln Mews Apartments*	Richmond	@40%, @50%, @60%	5.0 miles
4	Southpointe Landing*	Richmond	@50%, @60%	5.8 miles
5	The Townes At River South*	Richmond	@50%	2.1 miles
6	American Tobacco Center	Richmond	Market	1.6 miles
7	Honey Brook Apartments	Richmond	Market	2.1 miles
8	Lakefield Mews	Richmond	Market	1.9 miles
9	Laurel Pines Apartments	Richmond	Market	2.5 miles
10	Meadowbrook Apartments*	Richmond	Market	5.6 miles
11	Wynwood Apartments	Richmond	Market	0.5 miles

*Located outside PMA

FULTON – RICHMOND, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Fulton 1201 Admiral Gravelly Boulevard Richmond, VA 23231 Richmond County	-	Garden 2-stories 1979 / 2021 Family	@50% (Project Based Rental Assistance - PBRA)	2BR / 1BA	23	35.9%	743	@50% (Project Based Rental Assistance - PBRA)	\$693	N/A	N/A	N/A	N/A
					3BR / 1.5BA	22	34.4%	977	@50% (Project Based Rental Assistance - PBRA)	\$928	N/A	N/A	N/A	N/A
					4BR / 1.5BA	16	25.0%	1,095	@50% (Project Based Rental Assistance - PBRA)	\$1,106	N/A	N/A	N/A	N/A
					5BR / 1.5BA	3	4.7%	1,180	@50% (Project Based Rental Assistance - PBRA)	\$1,285	N/A	N/A	N/A	N/A
						64								
1	Highland Grove 1132 Dove Street Richmond, VA 23222 Richmond County	3.2 miles	Townhouse 2-stories 2013 / n/a Family	@50%, Market	1BR / 1BA	N/A	N/A	947	@50%	\$754	Yes	No	0	N/A
					2BR / 1.5BA	N/A	N/A	1,056	@50%	\$924	Yes	No	0	N/A
					2BR / 1.5BA	N/A	N/A	1,056	Market	\$987	N/A	N/A	0	N/A
					2BR / 2BA	N/A	N/A	1,115	@50%	\$924	Yes	No	0	N/A
					3BR / 2BA	N/A	N/A	1,371	@50%	\$1,093	Yes	No	0	N/A
					3BR / 2BA	N/A	N/A	1,371	Market	\$1,233	N/A	N/A	0	N/A
					3BR / 2.5BA	N/A	N/A	1,513	@50%	\$1,093	Yes	No	0	N/A
	128													
2	Jefferson Townhouses 1901 Venable Street Richmond, VA 23223 Richmond County	1.7 miles	Townhouse 2-stories 1975 / 2007 Family	@60%	1BR / 1BA	40	18.4%	620	@60%	\$802	No	No	1	2.5%
					2BR / 1BA	124	56.9%	770	@60%	\$936	No	Yes	0	0.0%
					3BR / 1BA	41	18.8%	920	@60%	\$1,129	No	No	3	7.3%
					3.5BR / 1BA	6	2.8%	1,106	@60%	\$1,159	No	No	0	0.0%
					4BR / 2BA	7	3.2%	1,176	@60%	\$1,298	No	No	0	0.0%
	218													
3	Lincoln Mews Apartments 4101 North Avenue Richmond, VA 23222 Richmond City County	5.0 miles	Various 2-stories 1963 / 2010 Family	@40%, @50%, @60%	1BR / 1BA	N/A	N/A	605	@40%	\$557	No	Yes	N/A	N/A
					1BR / 1BA	N/A	N/A	605	@50%	\$702	No	Yes	N/A	N/A
					1BR / 1BA	N/A	N/A	605	@60%	\$842	No	Yes	N/A	N/A
					2BR / 1BA	N/A	N/A	800	@40%	\$675	No	Yes	N/A	N/A
					2BR / 1BA	N/A	N/A	800	@50%	\$815	No	Yes	N/A	N/A
					2BR / 1BA	N/A	N/A	800	@60%	\$1,025	No	Yes	N/A	N/A
					2BR / 1.5BA	N/A	N/A	746	@50%	\$830	No	Yes	N/A	N/A
					2BR / 1.5BA	N/A	N/A	746	@60%	\$1,035	No	Yes	N/A	N/A
					3BR / 1.5BA	N/A	N/A	893	@40%	\$785	No	Yes	N/A	N/A
					3BR / 1.5BA	N/A	N/A	893	@50%	\$990	No	Yes	N/A	N/A
					3BR / 1.5BA	N/A	N/A	893	@60%	\$1,185	No	Yes	N/A	N/A
					3BR / 2BA	N/A	N/A	1,178	@50%	\$1,005	No	Yes	N/A	N/A
					3BR / 2BA	N/A	N/A	1,178	@60%	\$1,200	No	Yes	N/A	N/A
					4BR / 2BA	N/A	N/A	1,507	@50%	\$1,076	No	Yes	N/A	N/A
					4BR / 2BA	N/A	N/A	1,507	@60%	\$1,221	No	Yes	N/A	N/A
	245													
4	Southpointe Landing 6110 Crickewood Drive Richmond, VA 23234 Chesterfield County	5.8 miles	Garden 2-stories 1972 / 1988 Family	@50%, @60%	2BR / 1BA	94	49.0%	976	@50%	\$870	Yes	No	0	0.0%
					2BR / 1BA	66	34.4%	976	@60%	\$976	No	No	0	0.0%
					3BR / 1.5BA	32	16.7%	1,304	@60%	\$1,144	No	No	3	9.4%
	192													
5	The Townes At River South 214 E 9th Street Richmond, VA 23224 Richmond City County	2.1 miles	Various 2-stories 2001 / 2004 Family	@50%	2BR / 1.5BA	N/A	N/A	985	@50%	\$870	Yes	Yes	0	N/A
					2BR / 1.5BA	N/A	N/A	985	@50%	\$885	Yes	Yes	0	N/A
					3BR / 2.5BA	N/A	N/A	1,202	@50%	\$1,004	Yes	Yes	0	N/A
					3BR / 2.5BA	N/A	N/A	1,202	@50%	\$1,025	Yes	Yes	0	N/A
					4BR / 3.5BA	N/A	N/A	1,529	@50%	\$1,121	Yes	Yes	0	N/A
					4BR / 3.5BA	N/A	N/A	1,529	@50%	\$1,146	Yes	Yes	0	N/A
	161													
6	American Tobacco Center 119 N 20th Street Richmond, VA 23223 Richmond City County	1.6 miles	Midrise 5-stories 1912 / 2005 Family	Market	0BR / 1BA	1	0.6%	452	Market	\$1,059	N/A	No	0	0.0%
					1BR / 1BA	87	55.4%	622	Market	\$1,272	N/A	No	1	1.2%
					1BR / 1BA	N/A	N/A	844	Market	\$1,422	N/A	No	0	N/A
					1BR / 1BA	N/A	N/A	400	Market	\$1,122	N/A	No	0	N/A
					2BR / 2BA	64	40.8%	1,019	Market	\$1,772	N/A	No	2	3.1%
					2BR / 2BA	N/A	N/A	1,238	Market	\$2,172	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	800	Market	\$1,372	N/A	No	0	N/A
					3BR / 3BA	5	3.2%	1,209	Market	\$2,564	N/A	No	0	0.0%
					3BR / 3BA	N/A	N/A	1,317	Market	\$3,134	N/A	No	0	N/A
3BR / 3BA	N/A	N/A	1,100	Market	\$1,993	N/A	No	0	N/A					
	157													
7	Honey Brook Apartments 3500 Kings Drive Richmond, VA 23231 Henrico County	2.1 miles	Garden 3-stories 1980 / n/a Family	Market	1BR / 1BA	52	40.6%	675	Market	\$842	N/A	No	0	0.0%
					2BR / 1BA	38	29.7%	975	Market	\$920	N/A	No	0	0.0%
					2BR / 2BA	38	29.7%	975	Market	\$969	N/A	No	0	0.0%
	128													
8	Lakefield Mews 4431 Lakefield Mews Drive Richmond, VA 23231 Henrico County	1.9 miles	Various 2-stories 1989 / 2013 Family	Market	1BR / 1BA	75	19.0%	644	Market	\$977	N/A	No	5	6.7%
					1BR / 1BA	8	2.0%	790	Market	\$1,247	N/A	No	0	0.0%
					2BR / 1BA	84	21.3%	852	Market	\$1,437	N/A	No	4	4.8%
					2BR / 1.5BA	134	33.9%	1,154	Market	\$1,382	N/A	No	5	3.7%
					2BR / 2.5BA	78	19.8%	1,220	Market	\$1,392	N/A	No	5	6.4%
3BR / 2BA	16	4.1%	1,334	Market	\$1,894	N/A	No	0	0.0%					
	395													
9	Laurel Pines Apartments 4123 East Wood Harbor Court Richmond, VA 23231 Henrico County	2.5 miles	Garden 3-stories 1991 / n/a Family	Market	1BR / 1BA	18	15.0%	735	Market	\$1,036	N/A	No	4	22.2%
					1BR / 1BA	18	15.0%	755	Market	\$1,036	N/A	No	0	0.0%
					2BR / 1.5BA	36	30.0%	937	Market	\$1,196	N/A	No	0	0.0%
					2BR / 2BA	30	25.0%	956	Market	\$1,221	N/A	No	0	0.0%
					2BR / 2BA	6	5.0%	960	Market	\$1,251	N/A	No	0	0.0%
					3BR / 2BA	6	5.0%	1,131	Market	\$1,543	N/A	No	0	0.0%
3BR / 2BA	6	5.0%	1,149	Market	\$1,563	N/A	No	0	0.0%					
	120													
10	Meadowbrook Apartments 5314 Whetstone Road Richmond, VA 23234 Chesterfield County	5.6 miles	Various 2-stories 1971 / n/a Family	Market	1BR / 1BA	N/A	N/A	512	Market	\$804	N/A	No	2	N/A
					2BR / 1BA	N/A	N/A	812	Market	\$915	N/A	No	2	N/A
					2BR / 1.5BA	N/A	N/A	1,024	Market	\$953	N/A	No	2	N/A
					3BR / 2.5BA	N/A	N/A	1,276	Market	\$1,346	N/A	No	2	N/A
					4BR / 2BA	14	2.9%	1,536	Market	\$1,446	N/A	No	2	14.3%
	477													
11	Wynwood Apartments 1267 Nelson Street Richmond, VA 23231 Henrico County	0.5 miles	Garden 2-stories 1975 / n/a Family	Market	2BR / 1BA	120	100.0%	640	Market	\$835	N/A	No	5	4.2%
	120													

Location

LOCATION COMPARISON SUMMARY

#	Property Name	City	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Fulton	Richmond	LIHTC/PBRA	-	\$28,046	\$173,600	\$936	191	32	7.7%	49.0%
1	Highland Grove*	Richmond	LIHTC/ Market	3.2 miles	\$31,593	\$122,300	\$890	185	37	19.6%	44.3%
2	Jefferson Townhouses	Richmond	LIHTC	1.7 miles	\$42,602	\$147,000	\$858	226	79	12.4%	69.5%
3	Lincoln Mews Apartments*	Richmond	LIHTC	5.0 miles	\$34,974	\$122,300	\$890	181	57	6.8%	63.8%
4	Southpointe Landing*	Richmond	LIHTC	5.8 miles	\$44,586	\$154,700	\$944	73	12	14.1%	47.5%
5	The Townes At River South*	Richmond	LIHTC	2.1 miles	\$31,257	\$110,700	\$838	265	74	19.8%	63.4%
6	American Tobacco Center	Richmond	Market	1.6 miles	\$52,685	\$147,000	\$858	248	92	9.1%	77.3%
7	Honey Brook Apartments	Richmond	Market	2.1 miles	\$39,761	\$173,600	\$936	141	32	2.7%	63.5%
8	Lakefield Mews	Richmond	Market	1.9 miles	\$39,177	\$173,600	\$936	141	49	2.3%	65.0%
9	Laurel Pines Apartments	Richmond	Market	2.5 miles	\$39,730	\$173,600	\$936	137	52	1.6%	60.5%
10	Meadowbrook Apartments*	Richmond	Market	5.6 miles	\$51,420	\$154,700	\$944	84	3	11.5%	38.4%
11	Wynwood Apartments	Richmond	Market	0.5 miles	\$25,737	\$173,600	\$936	164	34	7.4%	48.1%

*Located outside of the PMA

The Subject site is located in a mixed-use neighborhood, in the eastern portion of Richmond. Surrounding uses consist of single-family homes, multifamily properties, commercial and retail properties, and light industrial uses, all in average condition. Weaknesses of the Subject's location include a low median household income level and limited walkability. The Subject's location is designated 'Car-Dependent' by Walk Score with a score of 32, and is not considered walkable.

The affordable properties are located between 1.7 and 5.8 miles from the Subject site. The LIHTC comparables are generally in neighborhoods similar relative to the Subject's location. These locations generally exhibit lower median home values and higher area vacancy compared to the Subject's location. Exceptions include Jefferson Townhouses and Southpointe Landing, which offer higher median income levels and greater walkability. On balance, the locations of Highland Grove and Lincoln Mews Apartments are considered similar to the Subject's neighborhood.

The market rate developments are located between 0.5 and 5.6 miles from the Subject site. The neighborhoods surrounding the market rate comparables vary in quality, ranging from similar to superior relative to the Subject's location. The neighborhoods surrounding American Tobacco Center, Honey Brook Apartments, Lakefield Mews, Laurel Pines Apartments, and Meadowbrook Apartments generally offer higher median income levels, lower vacancy rates, and greater walkability, and are considered broadly superior to the Subject's location. On balance, we believe the neighborhood surrounding Wynwood Apartments is similar to the Subject's location.

Age, Condition, and Design

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

	Subject	Highland Grove	Jefferson Townhouses	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	Honey Brook Apartments	Lakefield Mews	Laurel Pines Apartments	Meadowbrook Apartments	Wynwood Apartments
Rent Structure	LIHTC/PBRA Family	LIHTC/Family	LIHTC Family	LIHTC Family	LIHTC Family	LIHTC Family	Market Family	Market Family	Market Family	Market Family	Market Family	Market Family
Building												
Property Type	Garden	Townhouse	Townhouse	Various	Garden	Various	Midrise	Garden	Various	Garden	Various	Garden
# of Stories	2-stories	2-stories	2-stories	1-stories	2-stories	2-stories	5-stories	3-stories	2-stories	3-stories	2-stories	2-stories
Year Built	1979	2013	1975	1963	1972	2001	1912	1980	1989	1991	1971	1975
Year Renovated	2020	n/a	2007	2010	1988	2004	2005	n/a	2013	n/a	n/a	n/a
Commercial	no	no	no	no	no	no	no	no	no	no	no	no
Elevators	no	no	no	no	no	no	yes	no	no	no	no	no
Courtyard	no	no	no	no	no	no	yes	no	no	no	no	no

The Subject was built in 1979 and will be newly renovated, and will exhibit good condition. The comparable properties were constructed between 1912 and 2013. The majority of comparables exhibit condition ranging from slightly inferior to inferior relative to the renovated Subject. Exceptions include Highland Grove, which was built in 2013, and is considered slightly superior to the Subject, and Lakefield Mews, which was built in 1989 and renovated in 2013, and is considered similar compared to the renovated Subject.

The Subject offers a two-story garden style design, similar to four of the comparable properties. American Tobacco Center offers a midrise design and is considered slightly superior to the Subject. Four of the comparables feature a mixture of designs. Lincoln Mews Apartments, The Townes At River South, Lakefield Mews, and Meadowbrook Apartments offer a mixture of townhouse and garden style units. The townhouse-style units at these properties are considered superior to the Subject’s design, while the garden-style units are considered similar. We considered the Subject’s design and condition in our determination of achievable rents.

Unit Size

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

Bedroom Type	2BR	3BR	4BR	5BR
Subject	743	977	1,095	1,180
Average	940	1,177	1,464	N/A
Min	640	893	1,176	N/A
Max	1,238	1,513	1,536	N/A
Advantage/Disadvantage	-26%	-20%	-34%	N/A

The Subject’s two and three-bedroom unit sizes are below the surveyed average but are within the comparable range. The Subject’s four-bedroom unit size is below the surveyed average and is the smallest four-bedroom in the market. None of the surveyed comparables offer five bedroom units. Jefferson Townhouses offers similar two, three, and four-bedroom unit sizes compared to the Subject. Jefferson Townhomes is currently 98 percent occupied and maintains a small waiting list. Lincoln Mews offers similar two-bedroom unit sizes, and slightly superior three and four-bedroom unit sizes compared to the Subject. Lincoln Mews is currently 98 percent occupied and maintains a small waiting list. We have taken into account the Subject’s unit sizes in our determination of achievable rents. The following table ranks the Subject’s unit sizes to the unit sizes at the comparable properties.

SQUARE FOOTAGE RANKING COMPARISON

Two-Bedroom One Bath		Three-Bedroom One and a Half Bath		Four-Bedroom One and a Half Bath		Five-Bedroom One and a Half Bath	
Property Name	Size	Property Name	Size	Property Name	Size	Property Name	Size
American Tobacco Center (Market)(2BA)	1,238	Highland Grove (@50%)(2.5BA)	1,518	Meadowbrook Apartments (Market)(2BA)	1,536	Fulton (@50%)	1,180
Lakefield Mews (Market)(2.5BA)	1,220	Highland Grove (@50%)(2BA)	1,371	The Townes At River South (@50%)(3.5BA)	1,529		
Lakefield Mews (Market)(1.5BA)	1,154	Highland Grove (Market)(2BA)	1,371	The Townes At River South (@50%)(3.5BA)	1,529		
Highland Grove (@50%)(2BA)	1,115	Lakefield Mews (Market)(2BA)	1,334	Lincoln Mews Apartments (@50%)(2BA)	1,507		
Highland Grove (Market)(1.5BA)	1,056	American Tobacco Center (Market)(3BA)	1,317	Lincoln Mews Apartments (@60%)(2BA)	1,507		
Highland Grove (@50%)(1.5BA)	1,056	Southpointe Landing (@60%)	1,304	Jefferson Townhouses (@60%)(2BA)	1,176		
Meadowbrook Apartments (Market)(1.5BA)	1,024	Meadowbrook Apartments (Market)(2.5BA)	1,276	Fulton (@50%)	1,095		
American Tobacco Center (Market)(2BA)	1,019	American Tobacco Center (Market)(3BA)	1,209				
The Townes At River South (@50%)(1.5BA)	985	The Townes At River South (@50%)(2.5BA)	1,202				
The Townes At River South (@50%)(1.5BA)	985	The Townes At River South (@50%)(2.5BA)	1,202				
Southpointe Landing (@50%)	976	Lincoln Mews Apartments (@50%)(2BA)	1,178				
Southpointe Landing (@60%)	976	Lincoln Mews Apartments (@60%)(2BA)	1,178				
Honey Brook Apartments (Market)	975	Laurel Pines Apartments (Market)(2BA)	1,149				
Honey Brook Apartments (Market)(2BA)	975	Laurel Pines Apartments (Market)(2BA)	1,131				
Laurel Pines Apartments (Market)(2BA)	960	American Tobacco Center (Market)(3BA)	1,100				
Laurel Pines Apartments (Market)(2BA)	956	Fulton (@50%)	977				
Laurel Pines Apartments (Market)(1.5BA)	937	Jefferson Townhouses (@60%)(1BA)	920				
Lakefield Mews (Market)	852	Lincoln Mews Apartments (@40%)	893				
Meadowbrook Apartments (Market)	812	Lincoln Mews Apartments (@60%)	893				
Lincoln Mews Apartments (@40%)	800	Lincoln Mews Apartments (@50%)	893				
American Tobacco Center (Market)(2BA)	800						
Lincoln Mews Apartments (@50%)	800						
Lincoln Mews Apartments (@60%)	800						
Jefferson Townhouses (@60%)	770						
Lincoln Mews Apartments (@60%)(1.5BA)	746						
Lincoln Mews Apartments (@50%)(1.5BA)	746						
Fulton (@50%)	743						
Wynwood Apartments (Market)	640						

Utility Structure

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

	Subject	Highland Grove	Jefferson Townhouses	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	Honey Brook Apartments	Lakefield Mews	Laurel Pines Apartments	Meadowbrook Apartments	Wynwood Apartments
Rent Structure	LIHTC/PBRA	LIHTC/	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Utility Structure												
Cooking	yes	no	no	no	no	no	no	no	no	no	yes	no
Water Heat	yes	no	no	no	no	no	no	no	no	no	yes	no
Heat	yes	no	no	no	no	no	no	no	no	no	yes	no
Other Electric	yes	no	no	no	no	no	no	no	no	no	yes	no
Water	yes	no	no	yes	yes	yes	no	yes	no	no	yes	yes
Sewer	yes	no	no	yes	yes	yes	no	yes	no	no	yes	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes

In-Unit Amenities

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

	Subject	Highland Grove	Jefferson Townhouses	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	Honey Brook Apartments	Lakefield Mews	Laurel Pines Apartments	Meadowbrook Apartments	Wynwood Apartments
Rent Structure	LIHTC/PBRA	LIHTC/	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Unit Amenities												
Balcony/Patio	no	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	yes	no	no	no	no	no	no	no	no	no
Carpeting	no	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Hardwood	yes	yes	no	no	no	no	yes	no	no	no	no	no
Central A/C	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	yes	no	no	no	no	no	yes	yes	no	no	no
Coat Closet	no	yes	no	no	yes	yes	no	yes	no	no	no	yes
Exterior Storage	yes	no	no	no	no	no	yes	no	no	yes	no	no
Fireplace	no	no	no	no	no	no	yes	no	no	no	no	no
Vaulted Ceilings	no	no	no	no	no	no	yes	no	no	no	no	no
Walk-In Closet	no	yes	no	no	no	yes	yes	yes	no	no	no	no
Wall A/C	yes	no	no	no	no	no	no	no	no	no	no	no
Washer/Dryer	no	no	yes	no	yes	no	yes	no	no	no	no	no
W/D Hookup	yes	yes	yes	no	yes	yes	yes	no	yes	yes	yes	no
Kitchen												
Dishwasher	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	yes	yes	no	no	no	yes	no	yes	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notable unit amenities the Subject offers include exterior storage, and washer/dryer hook-ups. Upon completion of renovations, the Subject’s units will offer dishwashers. The majority of the surveyed comparables offer unit amenities ranging from slightly superior to superior relative to the Subject. These properties offer features such as central air conditioning, disposals, balconies/patios, walk-in closets, and

washer/dryers, none of which are included in the Subject's amenity scheme. Overall, we believe the Subject's proposed unit amenities will be competitive in the market.

Property Amenities

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

Subject	Highland Grove	Jefferson Townhouses	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	Honey Brook Apartments	Lakefield Mews	Laurel Pines Apartments	Meadowbrook Apartments	Wynwood Apartments	
Rent Structure	LIHTC/PBRA	LIHTC/	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	
Community												
Business Center	no	yes	no	no	no	no	yes	no	no	no	no	
Community Room	no	no	yes	no	yes	no	yes	no	yes	yes	no	
Central Laundry	no	no	no	yes	no	yes	no	yes	yes	yes	yes	
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	
Recreation												
Exercise Facility	no	yes	no	no	no	no	yes	no	no	yes	no	
Playground	yes	no	yes	yes	no	yes	no	yes	yes	yes	yes	
Swimming Pool	no	no	no	no	yes	no	yes	no	yes	yes	yes	
Picnic Area	no	no	no	no	yes	no	no	no	yes	no	no	
Tennis Court	no	no	no	no	no	no	no	no	no	yes	no	
Recreational Area	no	no	no	no	no	no	no	no	yes	no	no	
Volleyball Court	no	no	no	no	no	no	no	no	yes	no	no	
WiFi	no	no	yes	no	no	no	yes	no	no	no	no	

Notable property amenities the Subject offers include on-site management and a playground. The Subject will not add any community amenities post renovation. The majority of the surveyed comparables offer property amenities ranging from slightly superior to superior relative to the Subject. These properties offer features such as a swimming pool, a community room, and a fitness center, none of which are included in the Subject's amenity scheme. The amenity package at The Townes At River South offers features similar to the Subject. Overall, we believe the Subject's property amenities are competitive in the market.

Security Features

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

Subject	Highland Grove	Jefferson Townhouses	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	Honey Brook Apartments	Lakefield Mews	Laurel Pines Apartments	Meadowbrook Apartments	Wynwood Apartments	
Crime Risk Index	191	185	226	181	73	265	248	141	141	137	84	164
Security												
In-Unit Alarm	no	no	yes	no	no	no	no	no	no	no	no	
Intercom (Buzzer)	no	no	no	no	no	no	yes	no	no	no	no	
Intercom (Phone)	no	no	no	no	no	no	yes	no	no	yes	no	
Limited Access	no	no	yes	no	no	no	yes	no	no	no	no	
Patrol	no	no	no	yes	yes	no	no	no	no	no	yes	
Perimeter Fencing	no	no	yes	no	no	no	no	no	no	no	no	
Video Surveillance	yes	no	yes	no	no	no	yes	no	no	no	no	

According to ESRI Demographic data, crime risk indices in the Subject's location are modestly elevated relative to the national average. The Subject's security features include video surveillance. A majority of the comparables offer zero to four security amenities, similar to the Subject. Overall, the comparables security features range from inferior to similar compared to the Subject. As such, we believe the Subject's security amenities represent a comparative strength in the local market.

Parking

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

	Subject	Highland Grove	Jefferson Townhouses	Lincoln Mews Apartments	Southpointe Landing	The Townes At River South	American Tobacco Center	Honey Brook Apartments	Lakefield Mews	Laurel Pines Apartments	Meadowbrook Apartments	Wynwood Apartments
Rent Structure	LIHTC/PBRA	LIHTC/	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Walk Score	32	37	79	57	12	74	92	32	49	52	3	34
Parking												
Carport	no	no	no	no	no	no	no	no	no	no	no	no
Carport Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Garage	no	no	no	no	no	no	yes	no	no	no	no	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$0	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject offers 81 off-street parking spaces, which equates to approximately 1.3 spaces per unit. Furthermore, ample street parking is available in the Subject’s immediate neighborhood. All of the comparable properties offer sufficient off-street parking, and American Tobacco Center offers garage parking for an additional fee of \$100 per month. The Subject’s parking ratio is similar to what was observed in the market. Additionally, the Subject is proximate to public transportation options. We considered the Subject’s parking offerings in our achievable rent determination.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Tenant Makeup

The Subject currently operates as a public housing property; therefore, vouchers are not utilized. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS

Property Name	Rent Structure	Housing Choice Voucher Tenants
Highland Grove	LIHTC/ Market	6%
Jefferson Townhouses	LIHTC	32%
Lincoln Mews Apartments	LIHTC	17%
Southpointe Landing	LIHTC	13%
The Townes At River South	LIHTC	50%
American Tobacco Center	Market	N/A
Honey Brook Apartments	Market	5%
Lakefield Mews	Market	0%
Laurel Pines Apartments	Market	0%
Meadowbrook Apartments	Market	0%
Wynwood Apartments	Market	0%

The comparable properties reported voucher usage ranging from zero to 50 percent. Five of the LIHTC properties reported voucher usage, with an average utilization of 23.6 percent. The highest voucher usage was reported by The Townes At River South, a 161-unit LIHTC property located 2.1 miles west of the Subject. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately 25 percent absent subsidy, upon completion of renovations.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER		
Property Name	Rent Structure	Annual Turnover
Highland Grove	LIHTC/ Market	12%
Jefferson Townhouses	LIHTC	28%
Lincoln Mews Apartments	LIHTC	25%
Southpointe Landing	LIHTC	38%
The Townes At River South	LIHTC	10%
American Tobacco Center	Market	25%
Honey Brook Apartments	Market	19%
Lakefield Mews	Market	11%
Laurel Pines Apartments	Market	20%
Meadowbrook Apartments	Market	30%
Wynwood Apartments	Market	30%
Average Turnover		23%

The comparables reported turnover rates ranging from ten to 38 percent, with an overall average of 22.5 percent. The LIHTC comparables operate with an average turnover rate of 22.6 percent, which was similar to the 22.5 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate a turnover rate of approximately 25 percent upon completion of renovations.

Vacancy Levels

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

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Highland Grove*	LIHTC/ Market	128	0	0.0%
Jefferson Townhouses	LIHTC	218	4	1.8%
Lincoln Mews Apartments*	LIHTC	245	5	2.0%
Southpointe Landing*	LIHTC	192	3	1.6%
The Townes At River South*	LIHTC	161	0	0.0%
American Tobacco Center	Market	157	3	1.9%
Honey Brook Apartments	Market	128	0	0.0%
Lakefield Mews	Market	395	19	4.8%
Laurel Pines Apartments	Market	120	4	3.3%
Meadowbrook Apartments*	Market	477	10	2.1%
Wynwood Apartments	Market	120	5	4.2%
Total LIHTC		944	12	1.3%
Total Market Rate		1,397	41	2.9%
Overall Total		2,341	53	2.3%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 4.2 percent, with an overall weighted average of 2.5 percent. Managers at two of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 1.3 percent, below the 2.9 percent average reported by the market rate properties. The average LIHTC vacancy rate of 1.3 percent is considered exceptionally low, and indicative of supply constrained conditions. All of the market rate properties reported vacancy rates of 4.8

percent or lower. The market rate comparable closest to the Subject, Wynwood Apartments, reported a vacancy rate of 4.2 percent. However, this percentage is well within stabilized levels, and within the market range. Based on the performance of the LIHTC comparables, we expect the Subject will operate a vacancy rate of approximately five percent upon completion of renovation.

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

VACANCY BY BEDROOM TYPE							
Property Name	Rent Structure	0BR	1BR	2BR	3BR	4BR	Overall
Highland Grove	LIHTC/ Market	-	-	-	-	-	0.0%
Jefferson Townhouses	LIHTC	-	2.5%	0.0%	6.4%	0.0%	1.8%
Lincoln Mews Apartments	LIHTC	-	-	-	-	-	2.0%
Southpointe Landing	LIHTC	-	-	0.0%	9.4%	-	1.6%
The Townes At River South	LIHTC	-	-	-	-	-	0.0%
American Tobacco Center	Market	0.0%	1.1%	3.1%	0.0%	-	1.9%
Honey Brook Apartments	Market	-	0.0%	0.0%	-	-	0.0%
Lakefield Mews	Market	-	6.0%	4.7%	0.0%	-	4.8%
Laurel Pines Apartments	Market	-	11.1%	0.0%	0.0%	-	3.3%
Meadowbrook Apartments	Market	-	-	-	-	14.3%	2.1%
Wynwood Apartments	Market	-	-	4.2%	-	-	4.2%

The Subject consists of two, three, four, and five-bedroom units. Vacancy rates in the market for two-bedroom units range from zero to 4.7 percent, averaging 1.7 percent, for three-bedroom units range from zero to 9.4 percent, averaging 3.2 percent, and for four-bedroom units range from zero to 14.3 percent, averaging 7.1 percent. Overall, the vacancy rates in the market are low, which indicates that those comparables that do have high vacancy rates for some unit types may be because they have a small overall number of units at that specific bedroom type. This supports that there is demand for additional rental housing in the market. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Historical Vacancy Levels

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

HISTORICAL VACANCY							
#	Property Name	Total Units	2016 Q1	2016 Q2	2017 Q4	2018 Q3	2019 Q1
1	Highland Grove	128	0.00%	N/A	N/A	N/A	N/A
2	Jefferson Townhouses	218	N/A	N/A	N/A	N/A	1.80%
3	Lincoln Mews Apartments	245	N/A	N/A	N/A	N/A	N/A
4	Southpointe Landing	192	N/A	N/A	N/A	N/A	1.60%
5	The Townes At River South	161	N/A	N/A	N/A	0.00%	0.00%
6	American Tobacco Center	157	3.90%	N/A	N/A	N/A	1.90%
7	Honey Brook Apartments	128	N/A	0.00%	3.90%	0.00%	0.00%
8	Lakefield Mews	395	3.50%	0.80%	4.30%	0.80%	4.80%
9	Laurel Pines Apartments	120	0.80%	0.80%	9.20%	0.00%	3.30%
10	Meadowbrook Apartments	477	N/A	N/A	1.50%	N/A	2.10%
11	Wynwood Apartments	120	N/A	8.30%	N/A	N/A	4.17%

As seen in the table above, all but two of the comparables have remained generally stable or decreased vacancy rates over the past few years. This bodes well for the Subject’s market.

Concessions

one of the comparable properties are currently offering concessions. Meadowbrook Apartments is currently offering \$300 off the first month’s rent for all unit types. We do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate, as the affordable properties are well-occupied.

Waiting Lists

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

WAITING LIST		
Property Name	Rent Structure	Waiting List Length
Highland Grove	LIHTC/ Market	None
Jefferson Townhouses	LIHTC	None
Lincoln Mews Apartments	LIHTC	Yes, 5 HH
Southpointe Landing	LIHTC	None
The Townes At River South	LIHTC	Yes, 1 to 2 years
American Tobacco Center	Market	None
Honey Brook Apartments	Market	None
Lakefield Mews	Market	None
Laurel Pines Apartments	Market	None
Meadowbrook Apartments	Market	None
Wynwood Apartments	Market	None

Two of the LIHTC properties reported waiting lists. Some of the local property managers of the affordable developments reported that there is strong demand in the market for affordable housing and they did not keep waiting lists. Given the low vacancy rates among the LIHTC comparables, we believe that the Subject could maintain a waiting list as a stabilized LIHTC property.

Absorption

It should be noted that the Subject is an existing stabilized property that will be renovated with tenants in place. We were unable to obtain absorption information from any of the recently comparable properties. Therefore, we searched the MSA for properties that could provide absorption information. The following table details our findings.

ABSORPTION					
Property Name	City	Rent	Year	Total Units	Absorption
The Village At Westlake	Richmond	Market	2018	252	42
The Bosco	Richmond	Market	2016	73	12
Iron Bridge Road Apartments	Richmond	LIHTC	2016	80	40
The Lofty	Richmond	Market	2015	33	7
Hatcher Tobacco Flats	Richmond	LIHTC	2015	152	43
Colony At Centerpointe	Richmond	Market	2015	255	21

We obtained absorption data from six family properties, located between 0.5 and 20 miles from the Subject site. These properties reported absorption rates ranging from seven to 43 units per month, with an overall average of 27.5 units per month. Overall, we expect the Subject will experience an absorption rate of 20 units per month. This equates to an absorption period of approximately three months. It should be noted our absorption analysis is hypothetical, as the Subject is currently stabilized.

Rental Rate Increases

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

RENT GROWTH		
Property Name	Rent Structure	Rent Growth
Highland Grove	LIHTC/ Market	None
Jefferson Townhouses	LIHTC	None
Lincoln Mews Apartments	LIHTC	Increased 3-7%
Southpointe Landing	LIHTC	Increased 1-4%
The Townes At River South	LIHTC	Increased up to 2%
American Tobacco Center	Market	Decreased 3% to increased 4%
Honey Brook Apartments	Market	None
Lakefield Mews	Market	Decreased 24% to increased 12%
Laurel Pines Apartments	Market	Changes Daily
Meadowbrook Apartments	Market	Increased 5%-7%
Wynwood Apartments	Market	No increase

Several of the comparable properties reported rent growth over the past year. According to CoStar, average rent growth in the East End submarket was 1.5 percent in 2018. Over the next five years, rent growth in the submarket is expected to average 1.0 percent per year. We anticipate that the Subject absent subsidy would be able to achieve regular rental rate increases of one to two percent, although within the limits of LIHTC maximum allowable rent guidelines.

Reasonability of Rents

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

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2019 HUD Fair Market Rents	
<i>@50% (Project Based Rental Assistance - PBRA)</i>								
2BR / 1BA	743	23	\$693	\$0	\$693	\$936	\$1,067	
3BR / 2BA	977	22	\$928	\$0	\$928	\$1,081	\$1,421	
4BR / 2BA	1,095	16	\$1,106	\$0	\$1,106	\$1,207	\$1,713	
5BR / 2BA	1,180	3	\$1,285	\$0	\$1,285	\$1,331	n/a	
		64						

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

Comparable LIHTC Rents

The Subject will be restricted to 50 percent of the AMI, and all of the units will operate with Project Based Rental Assistance (PBRA) through the Rental Assistance Demonstration (RAD) program. As such, the proposed rents at the Subject are contract rents provided by HUD. If the Subject were to lose its subsidy, the Subject’s units would be restricted to families earning 50 percent of AMI or less. The following table illustrates the

Subject’s rents compared to the LIHTC rents of the comparable LIHTC properties. The rents have been adjusted for variance in utilities, as well as concessions, if applicable.

LIHTC RENT COMPARISON @50%							
Property Name	County	Tenancy	2BR	3BR	4BR	5BR	Rents at Max?
Fulton	Richmond	Family	\$693	\$928	\$1,106	\$1,285	No
LIHTC Maximum Rent (Net)	Richmond city		\$936	\$1,081	\$1,207	\$1,331	
LIHTC Maximum Rent (Net) (Chesterfield County)	Chesterfield		\$936	\$1,081	\$1,207	\$1,331	
Highland Grove	Richmond city	Family	\$924	\$1,093	-	-	Yes
Lincoln Mews Apartments	Richmond city	Family	\$830	\$1,005	\$1,076	-	No
Southpointe Landing	Chesterfield	Family	\$870	-	-	-	Yes
The Townes At River South	Richmond city	Family	\$885	\$1,025	\$1,146	-	Yes
Average			\$922	\$1,104	\$1,185	-	
Achievable LIHTC Rent			\$936	\$1,081	\$1,207	\$1,331	

Three of the four LIHTC comparable properties reported achieving the maximum allowable rents at 50 percent of AMI. Lincoln Mews Apartments was the only property who reported not achieving the maximum allowable rents. The property is operated by Better Housing Coalition, which is a nonprofit development and rents are purposefully kept below the maximum allowable level. It should be noted that any difference between the LIHTC maximum allowable rental levels and property specific maximum allowable rental levels is assumed to be caused by different property specific utility allowances.

Most Similar LIHTC

Based upon the overall comparison ratings, the Subject will be most similar to Highland Grove and The Townes At River South.

Highland Grove was built in 2013 offering a slightly superior condition compared to the anticipated condition of the Subject, post renovation. The contact at Highland Grove reported rents at the 50 percent of AMI are achieving the maximum allowable rents. The property is located 3.2 miles southwest of the Subject in a location considered similar to the Subject. Highland Grove offers balconies/patios, hardwood flooring, central air conditioning, walk-in closets, disposals, a business center, and a fitness center, all of which the Subject lacks. However, the Subject offers exterior storage and a playground, neither of which are offered by Highland Grove. The in-unit and property amenity packages offered by Highland Grove are both considered superior relative to the Subject's amenities. Highland Grove offers superior two and three-bedroom unit sizes compared to the Subject. Overall, once renovations completed, the Subject will be inferior to Highland Grove.

The Townes At River South was built in 2001 offering a similar condition compared to the Subject, post renovation. The contact at The Townes At River South reported achieving rents at the maximum allowable level. The property is located 2.1 miles west of the Subject in a location considered similar compared to the Subject, as the Subject’s location offers a higher median home value, median rent, and lower crime risk compared to The Townes At River South. The Townes At River South offers balconies/patios, central air conditioning, walk-in closets, and disposals, all of which the Subject lacks. On balance, we believe the in-unit and property amenity packages offered by The Townes At River South to be slightly superior and similar relative to the Subject, respectively. The Townes At River South offers superior two, three, and four-bedroom units compared to the Subject. Overall, once renovations are completed, the Subject will be slightly inferior to The Townes at River South.

The Subject is considered inferior and slightly inferior to the most comparable LIHTC properties analyzed above. However, the LIHTC rents at the 50 percent of the AMI offer an advantage over our achievable market rents. Therefore, we believe the Subject will be able to achieve the maximum allowable rents at 50 percent of AMI.

Achievable Market Rents

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
2BR / 1BA	@50% (Project Based Rental Assistance - PBRA)	\$936	\$735	\$2,172	\$1,245	\$1,100	15%
3BR / 1.5BA	@50% (Project Based Rental Assistance - PBRA)	\$1,081	\$1,233	\$3,134	\$1,909	\$1,200	10%
4BR / 1.5BA	@50% (Project Based Rental Assistance - PBRA)	\$1,207	\$1,446	\$1,446	\$1,446	\$1,400	14%
5BR / 1.5BA	@50% (Project Based Rental Assistance - PBRA)	\$1,331	N/A	N/A	N/A	\$1,500	11%

The Subject’s proposed LIHTC rents at all AMI levels are below the achievable market rents and offer an advantage of ten to 15 percent over the achievable market rents. The Subject will be considered most similar to Meadowbrook Apartments and Laurel Pines Apartments.

Meadowbrook Apartments is a 477-unit development located 5.6 miles southwest of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. The property was built in 1971, and currently exhibits inferior condition relative to the Subject, which was built in 1979 and will be renovated in 2021. Meadowbrook Apartments offers balconies/patios, central air conditioning, dishwashers, disposals, and a swimming pool, all of which the Subject lacks. However, the proposed Subject will offer exterior storage which is not offered by Meadowbrook Apartments. The in-unit and property amenity packages offered by Meadowbrook Apartments are both considered slightly superior relative to the Subject's amenities. In overall terms, we believe the Subject is a similar product relative to Meadowbrook Apartments. The manager at Meadowbrook Apartments reported a low vacancy rate of 2.1 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with Meadowbrook Apartments.

SUBJECT COMPARISON TO MEADOWBROOK APARTMENTS

Unit Type	Subject Market LIHTC Rent	Square Feet	Subject RPSF	Meadowbrook Apartments Rent	Square Feet	Meadowbrook Apartments RPSF
2BR / 1BA	\$1,050	743	\$1.41	\$915	812	\$1.13
3BR / 1.5BA	\$1,350	977	\$1.38	\$1,346	1,536	\$0.88
4BR / 1.5BA	\$1,500	1,095	\$1.37	\$1,446	1,276	\$1.13
5BR / 1.5BA	\$1,650	1,180	\$1.40	-	-	-

Laurel Pines Apartments is a 120-unit garden-style development located 2.5 miles east of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. The property was built in 1991, and currently exhibits inferior condition relative to the Subject, which was built in 1979 and will be renovated in 2021. Laurel Pines Apartments offers balconies/patios, central air conditioning, disposals, a community room, a fitness center, a swimming pool, and tennis courts, all of which the Subject lacks. The in-unit and property amenity packages offered by Laurel Pines Apartments are both considered superior relative to the Subject's amenities. The comparable also offers larger unit sizes compared to the Subject. In overall terms, we believe the Subject will be an inferior product relative to the Laurel Pines Apartments. The manager at Laurel Pines Apartments reported a low vacancy rate of 3.3 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with Laurel Pines Apartments.

SUBJECT COMPARISON TO LAUREL PINES APARTMENTS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Laurel Pines Apartments Rent	Square Feet	Laurel Pines Apartments RPSF
2BR / 1BA	\$1,050	743	\$1.41	\$1,196	937	\$1.28
3BR / 1.5BA	\$1,350	977	\$1.38	\$1,543	1,131	\$1.36
4BR / 1.5BA	\$1,500	1,095	\$1.37	-	-	-
5BR / 1.5BA	\$1,650	1,180	\$1.40	-	-	-

To supplement the lack of available market rate data in the market, we have included classified listings for four and five-bedroom units in the area. These are included in the following table.

CLASSIFIED LISTINGS

Unit Type	Building Type	Location	Rent	Size (SF)	Rent PSF	Notes
4BR						
4br/2ba	Single-family	1513 Porter Street	\$1,695	3,070	\$0.55	Good condition, off-street parking, no utilities included
4br/1ba	Single-family	4421 Stonewall Avenue	\$1,650	1,500	\$1.10	Good condition, no utilities included
4br/1ba	Single-family	5115 Forest Hill Avenue	\$1,500	1,200	\$1.25	Good condition, garage parking, no utilities included
Average			\$1,615	1,923	\$0.97	
5BR						
5br/3ba	Single-family	2130 Holding Pond Lane	\$1,795	2,400	\$0.75	Good condition, garage parking, fireplace, no utilities included
5br/1ba	Single-family	1607 Gunn Street	\$1,495	1,600	\$0.93	Average condition, fireplace, no utilities included
5br/2ba	Single-family	1609 West Carry Street	\$2,500	1,640	\$1.52	Good condition, no utilities included
Average			\$1,930	1,880	\$1.07	

Source: Zillow, Hotpads, March 2019

As illustrated in the previous table, the average four and five-bedroom units for single-family home rentals in the Subject’s area are above the Subject’s achievable market rents. A majority of these properties offer good condition, garage parking, and fireplaces, and private backyards. Overall, we believe the Subject’s achievable market rents for its four and five-bedroom are below the surveyed classified listings.

Summary Evaluation

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as conceived. Strengths of the Subject will include its good condition, post renovation. Weaknesses include its small unit sizes and limited amenities package. However, the market exhibits strong demand for affordable housing, with vacancy rates ranging from zero to 2.0 percent among the LIHTC units. The majority of the LIHTC comparables reported extensive waiting lists. Vacancy at the Subject is expected to be no more than three percent over the long term. Based on the comparable data, we believe the proposed LIHTC rental rates are achievable. The Subject will continue to be well-accepted in the market as a LIHTC property.

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

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

Introduction

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

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

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

Capture Rate Determination

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

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

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

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

The Subject property is located in Richmond, Virginia. The PMA is generally defined as Interstate 64 to the north, South Laburnum Avenue to the east, the railroad track along Almond Creek to the south, and James River and Interstate 95 to the west. This area was defined based on interviews with local market participants and local property managers, including management at the Subject. Management at the majority of the rent comparables noted that the majority of their tenants originate from within the greater metro. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries. The PMA encompasses 10.5 square miles and an approximate drive time zone of 15 minutes.

Demographic Information

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

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

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

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who have reached the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data that includes only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Richmond, VA
AMI for four person household:	\$83,200
Tenancy (Family vs Senior):	Family
Affordability percentage:	35 percent
Leakage:	10 percent

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

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

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@50% (PBRA)	
2BR	\$0	\$37,450
3BR	\$0	\$44,950
4BR	\$0	\$48,300
5BR	\$0	\$51,600

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@50%	
2BR	\$32,091	\$37,450
3BR	\$37,063	\$44,950
4BR	\$41,383	\$48,300
5BR	\$45,634	\$51,600

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

RENTER HOUSEHOLD INCOME

Income Cohort	PMA					
	2018		2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,613	23.1%	2,592	21.8%	-4	-0.2%
\$10,000-19,999	2,045	18.1%	2,013	16.9%	-6	-0.3%
\$20,000-29,999	1,212	10.7%	1,194	10.0%	-4	-0.3%
\$30,000-39,999	1,003	8.9%	1,051	8.8%	10	1.0%
\$40,000-49,999	964	8.5%	923	7.8%	-8	-0.9%
\$50,000-59,999	823	7.3%	868	7.3%	9	1.1%
\$60,000-74,999	730	6.5%	893	7.5%	33	4.5%
\$75,000-99,999	865	7.6%	966	8.1%	20	2.3%
\$100,000-124,999	379	3.4%	482	4.1%	21	5.4%
\$125,000-149,999	238	2.1%	308	2.6%	14	5.9%
\$150,000-199,999	235	2.1%	303	2.5%	14	5.8%
\$200,000+	201	1.8%	300	2.5%	20	9.9%
Total	11,308	100.0%	11,893	100.0%		

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

Step Three – Income Distribution

Third, we combine the allowable income bands with the income distribution analysis in order to determine the number of potential income-qualified households. The Cohort Overlap is defined as the income amount within income bands defined above that falls within the ESRI provided Income Cohort. The % in Cohort is simply the cohort overlap divided by the income cohort range (generally \$10,000). The # in Cohort is determined by

multiplying total renter households by the % in Cohort determination. In some cases the income-eligible band overlaps with more than one income cohort. In those cases, the cohort overlap for more than one income cohort will be calculated. The sum of these calculations provides an estimate of the total number of households that are income-eligible, both by AMI level and in total.

FAMILY INCOME DISTRIBUTION 2018 - AS PROPOSED

Income Cohort	Total Renter Households	@50% (Project Based Rental Assistance - PBRA)		
		<i>PrintStart</i>	<i>cohort</i>	<i>% in</i>
\$0-9,999	2,613	9,999	100.0%	2,613
\$10,000-19,999	2,045	9,999	100.0%	2,045
\$20,000-29,999	1,212	9,999	100.0%	1,212
\$30,000-39,999	1,003	9,999	100.0%	1,003
\$40,000-49,999	964	9,999	100.0%	964
\$50,000-59,999	823	1,601	16.0%	132
\$60,000-74,999	730			
\$75,000-99,999	865			
\$100,000-124,999	379			
\$125,000-149,999	238			
\$150,000-199,999	235			
\$200,000+	201			
Total	11,308		70.5%	7,969

FAMILY INCOME DISTRIBUTION 2018 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@50%		
		<i>cohort</i>	<i>% in</i>	<i># in</i>
\$0-9,999	2,613			
\$10,000-19,999	2,045			
\$20,000-29,999	1,212			
\$30,000-39,999	1,003	7,907	79.1%	793
\$40,000-49,999	964	9,999	100.0%	964
\$50,000-59,999	823	1,601	16.0%	132
\$60,000-74,999	730			
\$75,000-99,999	865			
\$100,000-124,999	379			
\$125,000-149,999	238			
\$150,000-199,999	235			
\$200,000+	201			
Total	11,308		16.7%	1,889

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

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

total number of renter households by person is information provided by ESRI and illustrated in the demographic discussion.

Step Five – Unit Size Appropriate

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

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

HOUSEHOLD DISTRIBUTION		
2 BR	10%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	60%	Of three-person households in 2BR units
3 BR	30%	Of four-person households in 2BR units
	40%	Of three-person households in 3BR units
	40%	Of four-person households in 3BR units
4 BR	25%	Of five-person households in 3BR units
	30%	Of four-person households in 4BR units
5 BR	25%	Of five-person households in 4BR units
	50%	Of five-person households in 5BR units

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

Step Six – Capture Rate by Bedroom Mix

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

CAPTURE RATE ANALYSIS BY UNIT TYPE

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

50 Percent of AMI Demand – As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.3%	4,891
2 persons	25.7%	2,911
3 persons	14.7%	1,663
4 persons	8.5%	963
5+ persons	7.8%	880
Total	100.0%	11,308

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,891	x	3,447
2 persons	2,911	x	2,051
3 persons	1,663	x	1,172
4 persons	963	x	679
5+ persons	880	x	620
Total	11,308		7,969

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	2,893
3BR	895
4BR	359
5BR	310
Total	4,456

Capture Rate Analysis - @50% (Project Based Rental Assistance - PBRA) - As Proposed

	Developer's Unit Mix	Capture Rate
2BR	23	0.80%
3BR	22	2.46%
4BR	16	4.46%
5BR	3	0.97%
Total/Overall	64	1.44%

Adjusted for Leakage from Outside of the PMA

10%

2BR	23	0.72%
3BR	22	2.21%
4BR	16	4.02%
5BR	3	0.87%
Total/Overall	64	1.29%

50 Percent of AMI Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2018

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.3%	4,891
2 persons	25.7%	2,911
3 persons	14.7%	1,663
4 persons	8.5%	963
5+ persons	7.8%	880
Total	100.0%	11,308

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,891	x	16.7%
2 persons	2,911	x	16.7%
3 persons	1,663	x	16.7%
4 persons	963	x	16.7%
5+ persons	880	x	16.7%
Total	11,308		1,889

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	686
3BR	212
4BR	85
5BR	73
Total	1,056

Capture Rate Analysis - @50% Absent Subsidy

	Developer's Unit Mix	Capture Rate
2BR	23	3.35%
3BR	22	10.37%
4BR	16	18.82%
5BR	3	4.08%
Total/Overall	64	6.06%

Adjusted for Leakage from Outside of the PMA

10%

2BR	23	3.02%
3BR	22	9.33%
4BR	16	16.94%
5BR	3	3.67%
Total/Overall	64	5.45%

ANNUAL CAPTURE RATE ANALYSIS

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

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

Population/Household Change

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

Additions to Supply

According to the Virginia Housing Development Authority, between 2016 and January 2019, there have been four projects allocated tax credits within the PMA. The details on these properties are presented below

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units
Church Hill North	2017	LIHTC/Public Housing	Family/Senior	105	60*
Glenwood Ridge	2017	LIHTC	Family	82	33
Goodwyn at Union Hill	2017	LIHTC	Family	52	52
Herod Seed	2017	LIHTC	Family	163	0
Total				402	85

Source: Virginia Housing Development Authority, March 2019

*Subsidized units

- Church Hill North** was allocated tax credits in 2017 for the development of the Church Hill North Development. Construction for the first phase started in November 2018 and is expected to be completed at the end of 2019. The first phase includes the development of 45 senior housing units and the development of 60 public housing units. The 60 public housing units will be for residents living in the Creighton Court Apartments, which is a public housing complex located directly east of the project site. Additional phases are planned for the project that will generate more than 250 new housing units, but no information has been disclosed on construction beyond the first 105 housing units. We considered the 60 public housing units to be competitive with the Subject and deducted these units from our *Demand* analysis.
- Glenwood Ridge** is a three-story new construction building containing 82 affordable units. The property will contain one, two, and three-bedroom units at 40, 50, and 60 percent of AMI. The property will offer a business center, a community room, an exercise facility, off-street parking, and on-site management. We deducted the 82 units at Glenwood Ridge from our *Demand* analysis.
- Goodwyn at Union Hill** is an apartment community that will see the rehabilitation of an existing three-story building, and the new construction of several two and three-story buildings, and one four-story building. The four-story building will contain the leasing office and a community clubhouse. The property will offer off-street parking and secured entrances. The property will offer one, two, and three-bedroom units restricted to 50 and 60 percent of AMI. We deducted the 52 units at Goodwyn at Union will from our *Demand* analysis.

- **Herod Seed** is an existing factory that will be rehabilitated into a multifamily property, along with the addition of new construction units. The property will contain 163 units in total at 60 percent of AMI. A construction timeline is not available at this time. Due to the properties units being restricted to tenants earning 60 percent of AMI, we have not deducted these units from our demand analysis.

Therefore, we have removed 145 under construction units that are expected to be competitive with the Subject from our *Demand Analysis* in the as proposed scenario, and 85 units in the absent subsidy scenario.

Annual Demand Table – As Proposed

ANNUAL DEMAND - AS PROPOSED		PMA
Calculation		
Number of Renter Households in 2018		11,308
Increase in Number of Renter Households		585
Number of Renter Households in 2023		11,893
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		67.5%
Percentage of Income-Qualified Renter Households		70.5%
Number of Income-Qualified Renter Households		7,969
Percentage of Rent-Overburdened		39.1%
Existing Income-Qualified Renter Household Turnover		3,114
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		117
Percentage of Income-Qualified Renter Households		70.5%
New Rental Income Qualified Households		83
<i>Capture Rate Analysis</i>		
Number of Units in Subject		64
Occupied Units at Subject With Vacancy of:	5%	61
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		3,197
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		3,552
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	402	
Total Demand after Competition (Turnover and Growth)		3,150
Yielded Annual Capture Rate of Available Demand in 2019		1.9%

The yielded capture rate is approximately 1.9 percent of available demand per annum, for the Subject’s units as proposed, which is low and indicative of strong demand.

Annual Demand Table – Absent Subsidy

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2018		11,308
Increase in Number of Renter Households		585
Number of Renter Households in 2023		11,893
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		67.5%
Percentage of Income-Qualified Renter Households		16.7%
Number of Income-Qualified Renter Households		1,889
Percentage of Rent-Overburdened		39.1%
Existing Income-Qualified Renter Household Turnover		738
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		117
Percentage of Income-Qualified Renter Households		16.7%
New Rental Income Qualified Households		20
<i>Capture Rate Analysis</i>		
Number of Units in Subject		64
Occupied Units at Subject With Vacancy of:	5%	61
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		758
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		842
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	85	
Total Demand after Competition (Turnover and Growth)		757
Yielded Annual Capture Rate of Available Demand in 2019		8.0%

The yielded capture rate is approximately 8.0 percent of available demand per annum, for the Subject’s units absent the subsidy, which is low and indicative of strong demand.

VHDA DEMAND ANALYSIS

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

We have included the directly comparable vacant units at the comparable properties. There are currently four LIHTC properties, with 402 total LIHTC units as detailed below, in the PMA that are under construction or recently allocated that will be considered directly competitive with the Subject. However, only 145 under construction units are expected to be competitive with the Subject in the as proposed scenario, and 85 units in the absent subsidy scenario.

There is currently one vacant income restricted unit among the affordable inventory in the PMA that are competitive with the Subject. The three vacant units at Southpointe Landing are restricted at the 60 percent AMI level. The one vacant unit at Tobacco Landing is restricted at the 50 percent AMI level, similar to the Subject. The following table details the AMI distribution of the planned developments and developments currently under construction, as well as vacant units, in the PMA.

PLANNED DEVELOPMENT

Property Name	40% AMI Units	50% AMI Units	60% AMI Units	Total Units
Planned and Under Construction				
Church Hill North	N/A	N/A	N/A	105
Glenwood Ridge	9	33	40	82
Goodwyn at Union Hill	N/A	52	N/A	52
Herod Seed	0	0	163	163
Vacant Units				
Southpointe Landing	N/A	0	3	192
Tobacco Landing	N/A	1	0	62
Market Slip	N/A	0	0	30
Total		1	3	284

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

Income Restrictions	Up to 50% absent subsidy (min. income to max	Up to 50% with subsidy (min. income to max
New Rental Households	7,969	1,889
+		
Existing Households - Overburdened	288	1,217
+		
Existing Households -Substandard Housing	9	39
+		
Senior Households - Likely to Covert to Rental Housing	n/a	n/a
+		
Qualified Tenants- To Remain After Renovation	64	64
TOTAL DEMAND	8,331	3,209
-		
Supply (includes directly comparable vacant units or in pipeline in PMA)	85	145
NET DEMAND	8,246	3,064
PROPOSED UNITS	64	64
CAPTURE RATE	0.8%	2.1%
ABSORPTION PERIOD	3 months	3 months

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

Project Wide Capture Rate- LIHTC Units As Proposed	2.1%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	0.8%
Project Wide Absorption Period (Months) As Proposed	3 months
Project Wide Absorption Period (Months) Absent Subsidy	3 months

Capture Rate and VHDA Conclusion

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units is 2.1 percent as proposed and 0.8 percent absent subsidy.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a far more conservative annual capture rate. This annual Novoco capture rate is 1.9 percent as proposed and 8.0 percent absent subsidy for the first year of operation as a LIHTC property. This suggests that the Subject

will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 3,150 units of demand in the first year of the Subject’s operation as proposed and approximately 757 units of demand in the first year of the Subject’s operation absent subsidy. The Subject’s units will need to accommodate 61 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate- LIHTC Units As Proposed	2.1%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	0.8%
Project Wide Absorption Period (Months) As Proposed	3 months
Project Wide Absorption Period (Months) Absent Subsidy	3 months

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

PENETRATION RATE ANALYSIS

Per VHDA guidelines, we also performed a penetration rate analysis for the Subject’s units as proposed and absent subsidy, as illustrated in the following tables.

PENETRATION RATE - As Proposed	
Number of Proposed Competitive Affordable Units in the PMA	145
	+
Number of Existing Competitive Family Affordable Units in the PMA	1,301
	+
Number of Proposed Affordable Units at the Subject	64
	=
Total	1,510
	/
Income Eligible Households - All AMI Levels	7,969
	=
Overall Penetration Rate - Market Focus (NCHMA)	18.9%

PENETRATION RATE - Absent Subsidy	
Number of Proposed Competitive LIHTC Units in the PMA	85
	+
Number of Existing Competitive Family LIHTC Units in the PMA	587
	+
Number of Proposed LIHTC Units at the Subject	64
	=
Total	736
	/
Income Eligible Households - All AMI Levels	1,889
	=
Overall Penetration Rate - Market Focus (NCHMA)	39.0%

The overall penetration rate is derived by taking the number of LIHTC units proposed or under construction within the PMA, combined with the number of existing LIHTC units, and the number of the Subject’s units divided by the number of income eligible households. As previously discussed, the proposed units at Glenwood Ridge and Goodwyn at Union Hill are considered in our VHDA demand for a total of 85 proposed units.

Existing affordable housing projects in the PMA will not be adversely affected by the proposed renovations of the Subject property. A survey of comparable affordable LIHTC rental housing developments in the area demonstrates significant demand for quality rental units. The following table illustrates the LIHTC properties within the PMA that offer similar unit types and AMI levels, and are family oriented.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive LIHTC Units @50%	Competitive Subsidized Units
Ashley Oaks Apartments	Section 8	Disabled/Senior	250	0	250
Church Hill	Section 8	Family	296	0	296
City Ventures	LIHTC	Family	28	0	0
Glenns At Millers Lane	LIHTC	Family	144	0	0
Henrico Arms Apartments	Section 8	Family	232	0	232
Hilltop North Apts	LIHTC	Family	159	0	0
Independence House	Section 8	Senior/Disabled	6	0	6
Jackson Ward	Section 8	Family	18	0	18
Jefferson Mews	LIHTC	Family	54	17	0
Lawndale Farms	LIHTC	Family	50	0	0
Market Slip	LIHTC	Family	30	6	0
Oliver Crossing Apartments	Section 8	Family	222	0	22
Tobacco Landing	LIHTC	Family	62	31	0
Williamsburg Village	Section 8	Family	140	0	140
Highland Grove	LIHTC	Family	128	80	0
Jefferson Townhouses	LIHTC	Family	245	76	0
Lincoln Mews Apartments	LIHTC	Family	245	122	0
Southpointe Landing	LIHTC	Family	192	94	0
The Townes At River South	LIHTC	Family	161	161	0
Totals			2,412	587	714

It should be noted that the Subject is an existing stabilized property that will be renovated with tenants in place. We were unable to obtain absorption information from any of the recently comparable properties.

Therefore, we searched the MSA for properties that could provide absorption information. The following table details our findings.

ABSORPTION					
Property Name	City	Rent	Year	Total Units	Absorption
The Village At Westlake	Richmond	Market	2018	252	42
The Bosco	Richmond	Market	2016	73	12
Iron Bridge Road Apartments	Richmond	LIHTC	2016	80	40
The Lofty	Richmond	Market	2015	33	7
Hatcher Tobacco Flats	Richmond	LIHTC	2015	152	43
Colony At Centerpointe	Richmond	Market	2015	255	21

We obtained absorption data from six family properties, located between 0.5 and 20 miles from the Subject site. These properties reported absorption rates ranging from seven to 43 units per month, with an overall average of 27.5 units per month. Overall, we expect the Subject will experience an absorption rate of 20 units per month. This equates to an absorption period of approximately three months. It should be noted our absorption analysis is hypothetical, as the Subject is currently stabilized.

Rent conclusions were provided in Section H.

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

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

INTERVIEWS

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

Local Housing Authority Discussion

According to Ms. Grubb with the Housing Choice Voucher program at the Richmond Redevelopment and Housing Authority, there are approximately 3,273 vouchers allotted to the Richmond area. Ms. Grubb was unable to provide the number of Housing Choice Vouchers that have been issued but reported that the waiting list has been closed since April 2005. Ms. Grubb reported that there is high demand for affordable housing in Richmond. There are no plans to reopen the waiting list in the near future. The current payment standards are as follows:

PAYMENT STANDARDS	
Unit Type	Standard
Two-Bedroom	\$1,067
Three-Bedroom	\$1,421

Source: Richmond Housing Authority, effective January 2017

All of the Subject’s units will benefit from the RAD contract and tenants will continue to pay 30 percent of their income towards rent and vouchers will not be necessary for these units.

Planning Discussion

We attempted to contact the Planning and Building Services department for the City of Richmond. However, as of the date of this report, our calls have not been returned. The following table illustrates proposed and under construction multifamily developments in the PMA according to Costar.

PLANNED DEVELOPMENT					
Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status
1100 N 30th St	Market	Family	13	0	Proposed
904-1020 Oliver Hill Way	Market	Family	163	0	Under Construction
Flats at 25th	Market	Family	42	0	Under Construction
Total			382	0	

Source: CoStar, January 2019

According to Costar, there are three proposed or under construction multifamily developments in the PMA. All of these properties are market rate units, and we do not expect them to be competitive with the Subject.

According to the Virginia Housing Development Authority, between 2016 and January 2019, there have been four projects allocated tax credits within the PMA. The details on these properties are presented below

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units
Church Hill North	2017	LIHTC/Public Housing	Family/Senior	105	60*
Glenwood Ridge	2017	LIHTC	Family	82	33
Goodwyn at Union Hill	2017	LIHTC	Family	52	52
Herod Seed	2017	LIHTC	Family	163	0
Total				402	85

Source: Virginia Housing Development Authority, March 2019

*Subsidized units

- **Church Hill North** was allocated tax credits in 2017 for the development of the Church Hill North Development. Construction for the first phase started in November 2018 and is expected to be completed at the end of 2019. The first phase includes the development of 45 senior housing units and the development of 60 public housing units. The 60 public housing units will be for residents living in the Creighton Court Apartments, which is a public housing complex located directly east of the project site. Additional phases are planned for the project that will generate more than 250 new housing units, but no information has been disclosed on construction beyond the first 105 housing units. We considered the 60 public housing units to be competitive with the Subject and deducted these units from our *Demand* analysis.
- **Glenwood Ridge** is a three-story new construction building containing 82 affordable units. The property will contain one, two, and three-bedroom units at 40, 50, and 60 percent of AMI. The property will offer a business center, a community room, an exercise facility, off-street parking, and on-site management. We deducted the 82 units at Glenwood Ridge from our *Demand* analysis.
- **Goodwyn at Union Hill** is an apartment community that will see the rehabilitation of an existing three-story building, and the new construction of several two and three-story buildings, and one four-story building. The four-story building will contain the leasing office and a community clubhouse. The property will offer off-street parking and secured entrances. The property will offer one, two, and three-bedroom units restricted to 50 and 60 percent of AMI. We deducted the 52 units at Goodwyn at Union Hill from our *Demand* analysis.
- **Herod Seed** is an existing factory that will be rehabilitated into a multifamily property, along with the addition of new construction units. The property will contain 163 units in total at 60 percent of AMI. A construction timeline is not available at this time. Due to the properties units being restricted to tenants earning 60 percent of AMI, we have not deducted these units from our demand analysis.

Therefore, we have removed 145 under construction units that are expected to be competitive with the Subject from our *Demand Analysis* in the as proposed scenario, and 85 units in the absent subsidy scenario.

K. ANALYSIS/CONCLUSIONS

Recommendations

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

Demand Summary

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

Project Wide Capture Rate- LIHTC Units As Proposed	2.1%
Project Wide Capture Rate- LIHTC Units Absent Subsidy*	0.8%
Project Wide Absorption Period (Months) As Proposed	3 months
Project Wide Absorption Period (Months) Absent Subsidy	3 months

Additionally, the overall penetration rate for the Subject is 18.9 percent as proposed and 39.0 percent absent subsidy. It should be noted that the penetration rate analysis we have derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). Overall, the derived penetration rate for the Subject is considered reasonable.

Strengths and Weaknesses of the Subject

Strengths

- The Subject will be in good condition once renovated.
- The vacancy rate for the LIHTC comparable properties is 1.3 percent and for the market rate comparables is 2.9 percent. As of the rent roll dated February 8, 2019, the Subject is 98.5 percent occupied with two vacant units. This indicates a supply-constrained demand, especially for low-income housing, which bodes well for the Subject.
- The majority of the LIHTC comparable properties reported extensive waiting lists.
- The Subject is located in close proximity to public transportation options, services, and amenities.
- The Subject has low capture rates and penetration rates, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject's two and three-bedroom unit sizes are below the surveyed average but are within the comparable range. The Subject's four-bedroom unit size is below the surveyed average and is the smallest four-bedroom in the market. None of the surveyed comparables offer five bedroom units. Jefferson Townhomes offers similar two and three-bedroom unit sizes compared to the Subject. Jefferson Townhomes is currently 98 percent occupied and maintains a small waiting list.
- The Subject offers limited in-unit and property amenities when compared to the comparable properties. We considered the Subject's limited amenities in our achievable rent determination.

Absorption Estimate

It should be noted that the Subject is an existing stabilized property that will be renovated with tenants in place. We were unable to obtain absorption information from any of the recently comparable properties. Therefore, we searched the MSA for properties that could provide absorption information. The following table details our findings.

ABSORPTION

Property Name	City	Rent	Year	Total Units	Absorption
The Village At Westlake	Richmond	Market	2018	252	42
The Bosco	Richmond	Market	2016	73	12
Iron Bridge Road Apartments	Richmond	LIHTC	2016	80	40
The Lofty	Richmond	Market	2015	33	7
Hatcher Tobacco Flats	Richmond	LIHTC	2015	152	43
Colony At Centerpointe	Richmond	Market	2015	255	21

We obtained absorption data from six family properties, located between 0.5 and 20 miles from the Subject site. These properties reported absorption rates ranging from seven to 43 units per month, with an overall average of 27.5 units per month. Overall, we expect the Subject will experience an absorption rate of 20 units per month. This equates to an absorption period of approximately three months. It should be noted our absorption analysis is hypothetical, as the Subject is currently stabilized.

L. OTHER REQUIREMENTS

1. I have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by VHDA.
4. Neither I nor anyone at my firm has any interest in the proposed development or a relationship with the ownership entity.
5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing VHDA or in any way acting for, at the request of, or on behalf of VHDA.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.



Robert Edwards
Senior Analyst

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ADDENDUM B
Subject Property and Neighborhood Photographs

Photographs of Subject and Neighborhood



Typical Subject building



Typical Subject building



Typical Subject building



Typical Subject building



Typical Subject buildings from interior of site



Typical Subject building from interior of site



Typical Subject building from interior of site



Typical Subject building from parking area



Subject parking area



Subject parking area



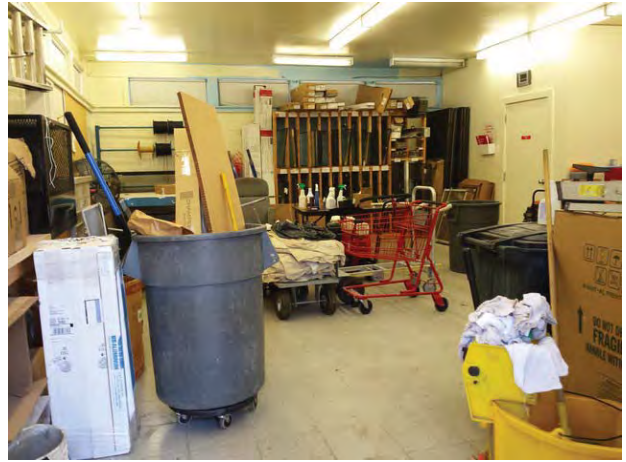
Subject from Admiral Gravelly Boulevard looking south



Mailbox area



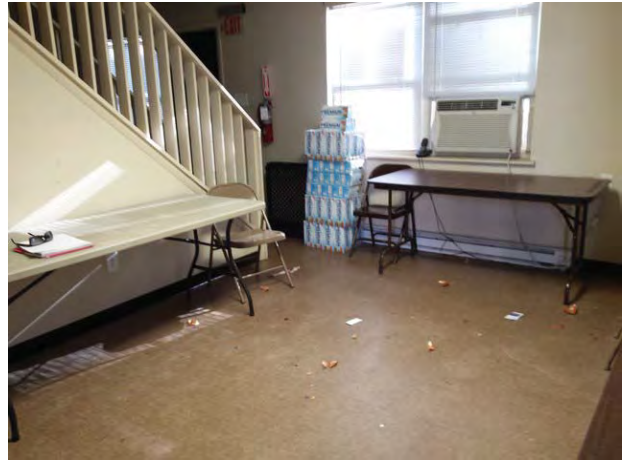
Maintenance building



Maintenance building interior



Community room interior



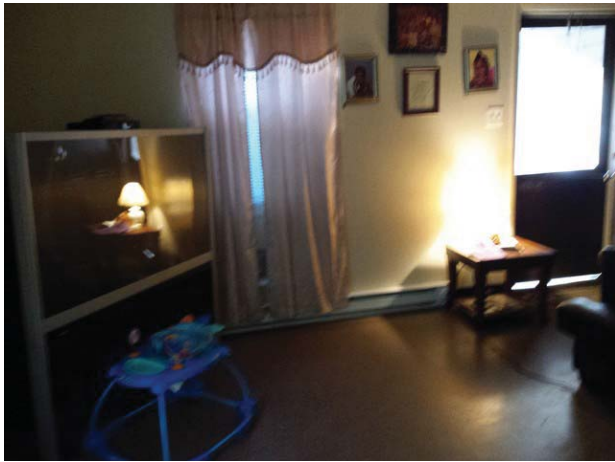
Community room interior



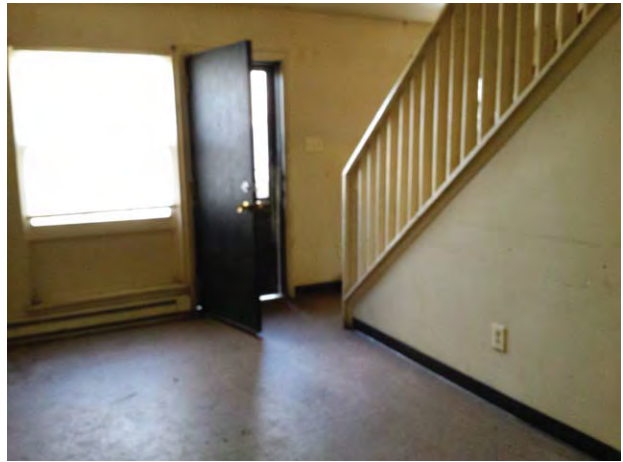
Typical patio area



Typical unit entrance area



Typical living area – occupied unit



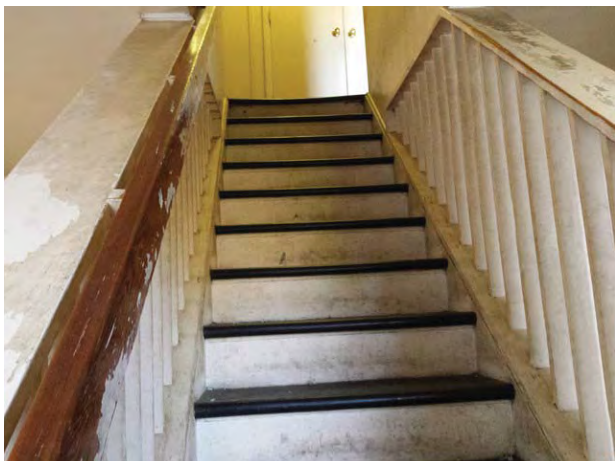
Typical living area – vacant unit



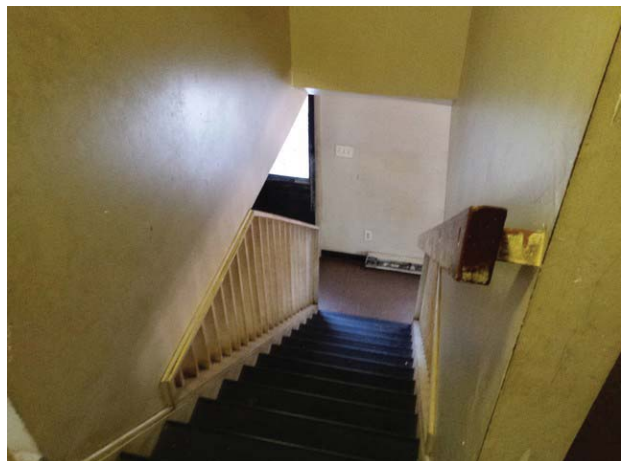
Typical kitchen – occupied unit



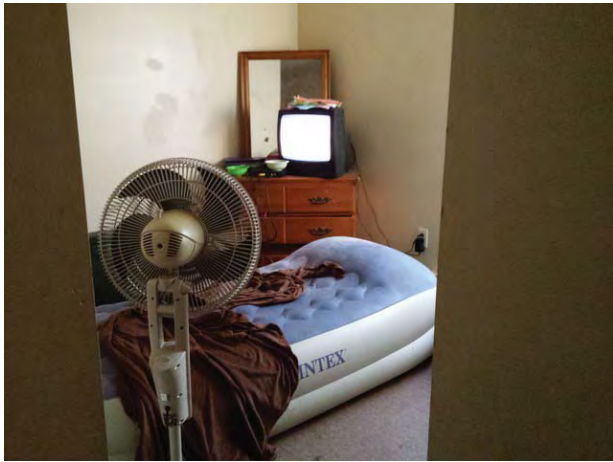
Kitchen undergoing make ready repairs



Typical interior stairway – vacant unit



Typical interior stairway – vacant unit



Typical bedroom – occupied unit



Typical bedroom – vacant unit



Typical bathroom – occupied unit



Typical bathroom – vacant unit



Playground area



View of vacant, wooded land to the south of Subject



View along Admiral Gravelly Boulevard looking east
(Subject on right)



View along Admiral Gravelly Boulevard looking west
(Subject on left)



View of Subject from Admiral Gravelly Boulevard



Alternative view of Subject from Admiral Gravelly
Boulevard



Alternative view of Subject from Admiral Gravelly
Boulevard



House of worship across Admiral Gravelly Boulevard
from Subject



Gillies Creek Park to the north of Subject



Gillies Creek Park to the north of Subject



Subject land along Denny Lane to the east of Subject



Ashley Oaks Apartments across from Subject



Alternative view of Ashley Oaks Apartments



View along Route 60 looking south



Single-family homes along Old Nicholson Street to the northwest of Subject



Single-family homes along Warwick Avenue to the north of Subject



Single-family home along Whiting Circle to the west of Subject



Single-family home along Admiral Gravelly Boulevard to the west of Subject



Single-family homes along Carlise Avenue to the south of Subject



Single-family homes along Carlise Avenue to the south of Subject



Commercial uses along Route 60 to the south of Subject



Commercial uses along Route 60 to the south of Subject



Commercial uses along Route 60 to the south of Subject



Commercial uses along Route 60 to the south of Subject



Commercial uses along Route 60 to the south of Subject



The Carlise market rate apartment property to the south of the Subject along Carlise Avenue

ADDENDUM C
Subject Matrices and Property Profiles

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Fulton 1201 Admiral Gravely Boulevard Richmond, VA 23231 Richmond County	-	Garden 2-stories 1979 / 2021 Family	@50% (Project Based Rental Assistance - PBRA)	2BR / 1BA 3BR / 1.5BA 4BR / 1.5BA 5BR / 1.5BA	23 22 16 3	35.9% 34.4% 25.0% 4.7%	743 977 1,095 1,180	@50% (Project Based Rental Assistance - PBRA) @50% (Project Based Rental Assistance - PBRA) @50% (Project Based Rental Assistance - PBRA) @50% (Project Based Rental Assistance - PBRA)	\$693 \$928 \$1,106 \$1,285	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A
						<u>64</u>							N/A	N/A
1	Highland Grove 1132 Dove Street Richmond, VA 23222 Richmond County	3.2 miles	Townhouse 2-stories 2013 / n/a Family	@50%, Market	1BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2.5BA	N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A	947 1,056 1,056 1,115 1,371 1,371 1,513	@50% @50% Market @50% @50% Market @50%	\$754 \$924 \$987 \$924 \$1,093 \$1,233 \$1,093	Yes Yes No Yes Yes No Yes	No No N/A No No N/A No	0 0 0 0 0 0 0	N/A N/A N/A N/A N/A N/A N/A
						<u>128</u>							0	0.0%
2	Jefferson Townhouses 1901 Venable Street Richmond, VA 23223 Richmond County	1.7 miles	Townhouse 2-stories 1975 / 2007 Family	@60%	1BR / 1BA 2BR / 1BA 3BR / 1BA 3.5BR / 1BA 4BR / 2BA	40 124 41 6 7	18.4% 56.9% 18.8% 2.8% 3.2%	620 770 920 1,106 1,176	@60% @60% @60% @60% @60%	\$802 \$936 \$1,129 \$1,159 \$1,298	No No No No No	No Yes No No No	1 0 3 0 0	2.5% 0.0% 7.3% 0.0% 0.0%
						<u>218</u>							4	1.8%
3	Lincoln Mews Apartments 4101 North Avenue Richmond, VA 23222 Richmond City County	5.0 miles	Various 2-stories 1963 / 2010 Family	@40%, @50%, @60%	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 3BR / 1.5BA 3BR / 1.5BA 3BR / 2BA 3BR / 2BA 4BR / 2BA 4BR / 2BA	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	605 605 605 800 800 800 746 746 893 893 1,178 1,178 1,507 1,507	@40% @50% @60% @40% @50% @60% @50% @60% @40% @50% @60% @50% @60%	\$557 \$702 \$842 \$675 \$815 \$1,025 \$830 \$1,035 \$785 \$990 \$1,185 \$1,005 \$1,200 \$1,076 \$1,221	No No No No No No No No No No No No No	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A
						<u>245</u>							5	2.0%
4	Southpointe Landing 6110 Cricklewood Drive Richmond, VA 23234 Chesterfield County	5.8 miles	Garden 2-stories 1972 / 1988 Family	@50%, @60%	2BR / 1BA 2BR / 1BA 3BR / 1.5BA	94 66 32	49.0% 34.4% 16.7%	976 976 1,304	@50% @60% @60%	\$870 \$976 \$1,144	Yes No No	No No No	0 0 3	0.0% 0.0% 9.4%
						<u>192</u>							3	1.6%
5	The Townes At River South 214 E 9th Street Richmond, VA 23224 Richmond City County	2.1 miles	Various 2-stories 2001 / 2004 Family	@50%	2BR / 1.5BA 2BR / 1.5BA 3BR / 2.5BA 3BR / 2.5BA 4BR / 3.5BA 4BR / 3.5BA	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A	985 985 1,202 1,202 1,529 1,529	@50% @50% @50% @50% @50% @50%	\$870 \$885 \$1,004 \$1,025 \$1,121 \$1,146	Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0	N/A N/A N/A N/A N/A N/A
						<u>161</u>							0	0.0%
6	American Tobacco Center 119 N 20th Street Richmond, VA 23223 Richmond City County	1.6 miles	Midrise 5-stories 1912 / 2005 Family	Market	0BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 3BA 3BR / 3BA 3BR / 3BA	1 87 N/A N/A 64 N/A 5 N/A N/A N/A	0.6% 55.4% N/A N/A 40.8% N/A 3.2% N/A N/A N/A	452 622 844 400 1,019 1,238 800 1,209 1,317 1,100	Market Market Market Market Market Market Market Market Market Market	\$1,059 \$1,272 \$1,422 \$1,122 \$1,772 \$2,172 \$1,372 \$2,564 \$3,134 \$1,993	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	No No No No No No No No No No	0 1 0 0 2 0 0 0 0 0	0.0% 1.2% N/A N/A 3.1% N/A N/A 0.0% N/A N/A
						<u>157</u>							3	1.9%
7	Honey Brook Apartments 3500 Kings Drive Richmond, VA 23231 Henrico County	2.1 miles	Garden 3-stories 1980 / n/a Family	Market	1BR / 1BA 2BR / 1BA 2BR / 2BA	52 38 38	40.6% 29.7% 29.7%	675 975 975	Market Market Market	\$842 \$920 \$969	N/A N/A N/A	No No No	0 0 0	0.0% 0.0% 0.0%
						<u>128</u>							0	0.0%
8	Lakefield Mews 4431 Lakefield Mews Drive Richmond, VA 23231 Henrico County	1.9 miles	Various 2-stories 1989 / 2013 Family	Market	1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1.5BA 2BR / 2.5BA 3BR / 2BA	75 8 84 134 78 16	19.0% 2.0% 21.3% 33.9% 19.8% 4.1%	644 790 852 1,154 1,220 1,334	Market Market Market Market Market Market	\$977 \$1,247 \$1,437 \$1,382 \$1,392 \$1,894	N/A N/A N/A N/A N/A N/A	No No No No No No	5 0 4 5 5 0	6.7% 0.0% 4.8% 3.7% 6.4% 0.0%
						<u>395</u>							19	4.8%
9	Laurel Pines Apartments 4123 East Wood Harbor Court Richmond, VA 23231 Henrico County	2.5 miles	Garden 3-stories 1991 / n/a Family	Market	1BR / 1BA 1BR / 1BA 2BR / 1.5BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	18 18 36 30 6 6 6	15.0% 15.0% 30.0% 25.0% 5.0% 5.0% 5.0%	735 755 937 956 960 1,131 1,149	Market Market Market Market Market Market Market	\$1,036 \$1,036 \$1,196 \$1,221 \$1,251 \$1,543 \$1,563	N/A N/A N/A N/A N/A N/A N/A	No No No No No No No	4 0 0 0 0 0 0	22.2% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%
						<u>120</u>							4	3.3%
10	Meadowbrook Apartments 5314 Whetstone Road Richmond, VA 23234 Chesterfield County	5.6 miles	Various 2-stories 1971 / n/a Family	Market	1BR / 1BA 2BR / 1BA 2BR / 1.5BA 3BR / 2.5BA 4BR / 2BA	N/A N/A N/A N/A 14	N/A N/A N/A N/A 2.9%	512 812 1,024 1,276 1,536	Market Market Market Market Market	\$804 \$915 \$953 \$1,346 \$1,446	N/A N/A N/A N/A N/A	No No No No No	2 2 2 2 2	N/A N/A N/A N/A 14.3%
						<u>477</u>							10	2.1%
11	Wynwood Apartments 1267 Nelson Street Richmond, VA 23231 Henrico County	0.5 miles	Garden 2-stories 1975 / n/a Family	Market	2BR / 1BA	120	100.0%	640	Market	\$835	N/A	No	5	4.2%
						<u>120</u>							5	4.2%

RENT AND SQUARE FOOTAGE RANKING--All rents adjusted for utilities and concessions extracted from the market.									
Units Surveyed:		2,341		Weighted Occupancy:		97.7%		Average	
Market Rate		1,397		Market Rate		97.4%		Average	
Tax Credit		944		Tax Credit		96.7%		Average	
Five-Bedroom One and a Half Bath									
Four-Bedroom One and a Half Bath									
Three-Bedroom One and a Half Bath									
Two-Bedroom One Bath									
RENT	Property	Average	Property	Average	Property	Average	Property	Average	Property
	American Tobacco Center (Market)(2BA)	\$2,172	American Tobacco Center (Market)(3BA)	\$3,134	Meadowbrook Apartments (Market)(2BA)	\$1,446	Fulton (@50%)	\$1,285	
	American Tobacco Center (Market)(2BA)	\$1,772	American Tobacco Center (Market)(3BA)	\$2,564	Jefferson Townhouses (@60%)(2BA)	\$1,298			
	Lakefield Mews (Market)	\$1,437	American Tobacco Center (Market)(3BA)	\$1,983	Jefferson Townhouses (@60%)(2BA)	\$1,221			
	Lakefield Mews (Market)(2.5BA)	\$1,392	American Tobacco Center (Market)(2BA)	\$1,894	Lincoln Mews Apartments (@60%)(2BA)	\$1,146			
	Lakefield Mews (Market)(1.5BA)	\$1,382	Lakefield Mews (Market)(2BA)	\$1,563	The Townes At River South (@50%)(3.5BA)	\$1,121			
	American Tobacco Center (Market)(2BA)	\$1,372	Laurel Pines Apartments (Market)(2BA)	\$1,543	Fulton (@50%)	\$1,106			
	Laurel Pines Apartments (Market)(2BA)	\$1,251	Laurel Pines Apartments (Market)(2BA)	\$1,346	Lincoln Mews Apartments (@50%)(2BA)	\$1,076			
	Laurel Pines Apartments (Market)(1.5BA)	\$1,196	Meadowbrook Apartments (Market)(2.5BA)	\$1,233					
	Lincoln Mews Apartments (@60%)(1.5BA)	\$1,035	Highland Grove (Market)(2.5BA)	\$1,200					
	Lincoln Mews Apartments (@60%)(1.5BA)	\$1,025	Lincoln Mews Apartments (@60%)(2BA)	\$1,185					
	Highland Grove (Market)(1.5BA)	\$987	Southpointe Landing (@60%)(1BA)	\$1,144					
	Southpointe Landing (@60%)(1.5BA)	\$976	Jefferson Townhouses (@60%)(1BA)	\$1,129					
	Honey Brook Apartments (Market)(2BA)	\$969	Highland Grove (@50%)(2.5BA)	\$1,093					
	Meadowbrook Apartments (Market)(1.5BA)	\$953	The Townes At River South (@50%)(2.5BA)	\$1,025					
	Highland Grove (@50%)(2BA)	\$924	Lincoln Mews Apartments (@50%)(2BA)	\$1,005					
	Honey Brook Apartments (Market)	\$920	The Townes At River South (@50%)(2.5BA)	\$1,004					
	Meadowbrook Apartments (Market)	\$915	Lincoln Mews Apartments (@50%)(2.5BA)	\$990					
	The Townes At River South (@50%)(1.5BA)	\$885	Fulton (@50%)	\$928					
	The Townes At River South (@50%)(1.5BA)	\$870	Lincoln Mews Apartments (@40%)(2BA)	\$785					
	Southpointe Landing (@50%)(1.5BA)	\$870							
	Wynwood Apartments (Market)	\$835							
	Lincoln Mews Apartments (@50%)(1.5BA)	\$830							
	Lincoln Mews Apartments (@50%)(1.5BA)	\$815							
	Fulton (@50%)	\$693							
	Lincoln Mews Apartments (@40%)(2BA)	\$675							
SQUARE FOOTAGE	Property	Average	Property	Average	Property	Average	Property	Average	Property
	American Tobacco Center (Market)(2BA)	1,238	Highland Grove (@50%)(2.5BA)	1,513	Meadowbrook Apartments (Market)(2BA)	1,536	Fulton (@50%)	1,180	
	Lakefield Mews (Market)(2.5BA)	1,220	Highland Grove (@50%)(2BA)	1,371	The Townes At River South (@50%)(3.5BA)	1,529			
	Lakefield Mews (Market)(1.5BA)	1,154	Highland Grove (Market)(2BA)	1,371	The Townes At River South (@50%)(3.5BA)	1,529			
	Highland Grove (@50%)(2BA)	1,115	Lakefield Mews (Market)(2BA)	1,334	Lincoln Mews Apartments (@50%)(2BA)	1,507			
	Highland Grove (Market)(1.5BA)	1,056	American Tobacco Center (Market)(3BA)	1,317	Lincoln Mews Apartments (@60%)(2BA)	1,507			
	Highland Grove (@50%)(1.5BA)	1,056	Southpointe Landing (@60%)(1BA)	1,304	Jefferson Townhouses (@60%)(2BA)	1,176			
	Meadowbrook Apartments (Market)(1.5BA)	1,024	Southpointe Landing (@60%)(2.5BA)	1,276	Fulton (@50%)	1,095			
	American Tobacco Center (Market)(2BA)	1,019	American Tobacco Center (Market)(3BA)	1,209					
	The Townes At River South (@50%)(1.5BA)	985	The Townes At River South (@50%)(2.5BA)	1,202					
	The Townes At River South (@50%)(1.5BA)	985	The Townes At River South (@50%)(2.5BA)	1,202					
	Southpointe Landing (@50%)(1.5BA)	976	Lincoln Mews Apartments (@50%)(2BA)	1,178					
	Southpointe Landing (@60%)(1.5BA)	976	Lincoln Mews Apartments (@60%)(2BA)	1,178					
	Honey Brook Apartments (Market)	975	Lincoln Mews Apartments (@60%)(2BA)	1,178					
	Honey Brook Apartments (Market)(2BA)	975	Laurel Pines Apartments (Market)(2BA)	1,149					
	Laurel Pines Apartments (Market)(2BA)	966	Laurel Pines Apartments (Market)(2BA)	1,131					
	Laurel Pines Apartments (Market)(2BA)	966	American Tobacco Center (Market)(3BA)	1,100					
	Laurel Pines Apartments (Market)(1.5BA)	937	Fulton (@50%)	977					
	Lakefield Mews (Market)	852	Jefferson Townhouses (@60%)(1BA)	920					
	Meadowbrook Apartments (Market)	812	Lincoln Mews Apartments (@40%)(2BA)	893					
	Lincoln Mews Apartments (@40%)(2BA)	800	Lincoln Mews Apartments (@60%)(2BA)	893					
	American Tobacco Center (Market)(2BA)	800	Lincoln Mews Apartments (@50%)(2BA)	893					
	Lincoln Mews Apartments (@50%)(2BA)	800							
	Lincoln Mews Apartments (@60%)(2BA)	800							
	Jefferson Townhouses (@60%)(1.5BA)	770							
	Lincoln Mews Apartments (@60%)(1.5BA)	746							
	Lincoln Mews Apartments (@60%)(1.5BA)	746							
	Fulton (@50%)	743							
	Wynwood Apartments (Market)	640							
RENT PER SQUARE FOOT	Property	Average	Property	Average	Property	Average	Property	Average	Property
	American Tobacco Center (Market)(2BA)	\$1.75	American Tobacco Center (Market)(3BA)	\$2.38	Jefferson Townhouses (@60%)(2BA)	\$1.10	Fulton (@50%)	\$1.09	
	American Tobacco Center (Market)(2BA)	\$1.74	American Tobacco Center (Market)(3BA)	\$2.12	Meadowbrook Apartments (Market)(2BA)	\$1.01			
	American Tobacco Center (Market)(2BA)	\$1.72	American Tobacco Center (Market)(3BA)	\$1.81	Lincoln Mews Apartments (@60%)(2BA)	\$0.81			
	Lakefield Mews (Market)	\$1.69	Lakefield Mews (Market)(2BA)	\$1.42	The Townes At River South (@50%)(3.5BA)	\$0.75			
	Lincoln Mews Apartments (@60%)(1.5BA)	\$1.39	Laurel Pines Apartments (Market)(2BA)	\$1.36	The Townes At River South (@50%)(3.5BA)	\$0.73			
	Wynwood Apartments (Market)	\$1.30	Laurel Pines Apartments (Market)(2BA)	\$1.36	Lincoln Mews Apartments (@50%)(2BA)	\$0.71			
	Laurel Pines Apartments (Market)(2BA)	\$1.30	Lincoln Mews Apartments (@60%)(2BA)	\$1.33					
	Lincoln Mews Apartments (@60%)(2BA)	\$1.28	Jefferson Townhouses (@60%)(1BA)	\$1.23					
	Laurel Pines Apartments (Market)(2BA)	\$1.28	Lincoln Mews Apartments (@50%)(2BA)	\$1.11					
	Laurel Pines Apartments (Market)(1.5BA)	\$1.22	Meadowbrook Apartments (Market)(2.5BA)	\$1.05					
	Jefferson Townhouses (@60%)(1.5BA)	\$1.20	Lincoln Mews Apartments (@60%)(2BA)	\$1.02					
	Lakefield Mews (Market)(1.5BA)	\$1.14	Fulton (@50%)	\$0.95					
	Lakefield Mews (Market)(2.5BA)	\$1.14	Highland Grove (Market)(2BA)	\$0.90					
	Meadowbrook Apartments (Market)	\$1.13	Lincoln Mews Apartments (@40%)(2BA)	\$0.88					
	Lincoln Mews Apartments (@50%)(1.5BA)	\$1.11	Southpointe Landing (@60%)(1BA)	\$0.88					
	Lincoln Mews Apartments (@50%)(1.5BA)	\$1.02	Lincoln Mews Apartments (@50%)(2BA)	\$0.85					
	Southpointe Landing (@60%)(1.5BA)	\$1.00	The Townes At River South (@50%)(2.5BA)	\$0.85					
	Honey Brook Apartments (Market)(2BA)	\$0.99	The Townes At River South (@50%)(2.5BA)	\$0.84					
	Honey Brook Apartments (Market)	\$0.94	Highland Grove (@50%)(2.5BA)	\$0.80					
	Highland Grove (Market)(1.5BA)	\$0.93	Highland Grove (@50%)(2.5BA)	\$0.72					
	Fulton (@50%)	\$0.93							
	Meadowbrook Apartments (Market)(1.5BA)	\$0.93							
	The Townes At River South (@50%)(1.5BA)	\$0.90							
	Southpointe Landing (@50%)(1.5BA)	\$0.89							
	The Townes At River South (@50%)(1.5BA)	\$0.88							
	Highland Grove (@50%)(1.5BA)	\$0.88							
	Lincoln Mews Apartments (@40%)(2BA)	\$0.84							
	Highland Grove (@50%)(2BA)	\$0.83							

PROPERTY PROFILE REPORT

Highland Grove

Effective Rent Date	11/14/2018
Location	1132 Dove Street Richmond, VA 23222 Richmond County
Distance	3.2 miles
Units	128
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Monique
Phone	804.477.7504



Market Information

Program	@50%, Market
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	6%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	N/A	947	\$632	\$0	@50%	No	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	1,056	\$752	\$0	@50%	No	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	1,056	\$815	\$0	Market	N/A	0	N/A	N/A	None
2	2	Townhouse (2 stories)	N/A	1,115	\$752	\$0	@50%	No	0	N/A	yes	None
3	2	Townhouse (2 stories)	N/A	1,371	\$859	\$0	@50%	No	0	N/A	yes	None
3	2	Townhouse (2 stories)	N/A	1,371	\$999	\$0	Market	N/A	0	N/A	N/A	None
3	2.5	Townhouse (2 stories)	N/A	1,513	\$859	\$0	@50%	No	0	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$632	\$0	\$632	\$122	\$754	2BR / 1.5BA	\$815	\$0	\$815	\$172	\$987
2BR / 1.5BA	\$752	\$0	\$752	\$172	\$924	3BR / 2BA	\$999	\$0	\$999	\$234	\$1,233
2BR / 2BA	\$752	\$0	\$752	\$172	\$924						
3BR / 2BA	\$859	\$0	\$859	\$234	\$1,093						
3BR / 2.5BA	\$859	\$0	\$859	\$234	\$1,093						

Highland Grove, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Off-Street Parking(\$0.00)

Exercise Facility
On-Site Management

Premium

None

Other

None

Comments

The contact had no additional comments.

Highland Grove, continued

Trend Report

Vacancy Rates

2Q15	1Q16	2Q18	4Q18
N/A	0.0%	3.1%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$550	\$0	N/A	N/A
2016	1	N/A	\$550	\$0	\$550	\$672
2018	2	N/A	\$632	\$0	\$632	\$754
2018	4	N/A	\$632	\$0	\$632	\$754

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$650	\$0	N/A	N/A
2016	1	N/A	\$650	\$0	\$650	\$822
2018	2	N/A	\$752	\$0	\$752	\$924
2018	4	N/A	\$752	\$0	\$752	\$924

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$660	\$0	N/A	N/A
2016	1	N/A	\$660	\$0	\$660	\$832
2018	2	N/A	\$752	\$0	\$752	\$924
2018	4	N/A	\$752	\$0	\$752	\$924

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$759	\$21	\$738	\$972
2016	1	N/A	\$759	\$0	\$759	\$993
2018	2	N/A	\$859	\$0	\$859	\$1,093
2018	4	N/A	\$859	\$0	\$859	\$1,093

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	N/A	\$750	\$21	\$729	\$963
2016	1	N/A	\$750	\$0	\$750	\$984
2018	2	N/A	\$859	\$0	\$859	\$1,093
2018	4	N/A	\$859	\$0	\$859	\$1,093

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$815	\$0	\$815	\$987
2018	4	N/A	\$815	\$0	\$815	\$987

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$999	\$0	\$999	\$1,233
2018	4	N/A	\$999	\$0	\$999	\$1,233

Trend: Comments

2Q15 N/A

1Q16 The contact could not provide absorption information. This property does accept Housing Choice Vouchers, however only five households are currently using them.

2Q18 The contact could not provide absorption information.

4Q18 The contact had no additional comments.

Photos



PROPERTY PROFILE REPORT

Jefferson Townhouses

Effective Rent Date 2/21/2019
Location 1901 Venable Street
Richmond, VA 23223
Richmond County
Distance 1.7 miles
Units 218
Vacant Units 4
Vacancy Rate 1.8%
Type Townhouse (2 stories)
Year Built/Renovated 1975 / 2007
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name Justine
Phone 804-643-1131



Market Information

Program @60%
Annual Turnover Rate 28%
Units/Month Absorbed 32
HCV Tenants 32%
Leasing Pace N/A
Annual Chg. in Rent N/A
Concession N/A
Waiting List None

Utilities

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

Jefferson Townhouses, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	40	620	\$680	\$0	@60%	No	1	2.5%	no	AVG*
1	1	Townhouse (2 stories)	0	620	\$685	\$0	@60%	No	0	N/A	no	HIGH
1	1	Townhouse (2 stories)	0	620	\$675	\$0	@60%	No	0	N/A	no	LOW
2	1	Townhouse (2 stories)	124	770	\$764	\$0	@60%	Yes	0	0.0%	no	AVG*
2	1	Townhouse (2 stories)	0	770	\$769	\$0	@60%	Yes	0	N/A	no	HIGH
2	1	Townhouse (2 stories)	0	765	\$759	\$0	@60%	Yes	0	N/A	no	LOW
3	1	Townhouse (2 stories)	41	920	\$895	\$0	@60%	No	3	7.3%	no	AVG*
3	1	Townhouse (2 stories)	0	920	\$900	\$0	@60%	No	0	N/A	no	HIGH
3	1	Townhouse (2 stories)	0	920	\$890	\$0	@60%	No	0	N/A	no	LOW
3.5	1	Townhouse (2 stories)	6	1,106	\$925	\$0	@60%	No	0	0.0%	no	AVG*
3.5	1	Townhouse (2 stories)	0	1,106	\$930	\$0	@60%	No	0	N/A	no	HIGH
3.5	1	Townhouse (2 stories)	0	1,106	\$920	\$0	@60%	No	0	N/A	no	LOW
4	2	Townhouse (2 stories)	7	1,176	\$1,000	\$0	@60%	No	0	0.0%	no	AVG*
4	2	Townhouse (2 stories)	0	1,176	\$1,005	\$0	@60%	No	0	N/A	no	HIGH
4	2	Townhouse (2 stories)	0	1,176	\$995	\$0	@60%	No	0	N/A	no	LOW

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$675 - \$685	\$0	\$675 - \$685	\$122	\$797 - \$807
2BR / 1BA	\$759 - \$769	\$0	\$759 - \$769	\$172	\$931 - \$941
3BR / 1BA	\$890 - \$900	\$0	\$890 - \$900	\$234	\$1,124 - \$1,134
3.5BR / 1BA	\$920 - \$930	\$0	\$920 - \$930	\$234	\$1,154 - \$1,164
4BR / 2BA	\$995 - \$1,005	\$0	\$995 - \$1,005	\$298	\$1,293 - \$1,303

Amenities

In-Unit

Balcony/Patio
Cable/Satellite/Internet
Central A/C
Garbage Disposal
Oven
Washer/Dryer

Blinds
Carpeting
Dishwasher
Microwave
Refrigerator
Washer/Dryer hookup

Security

In-Unit Alarm
Limited Access
Perimeter Fencing
Video Surveillance

Services

None

Property

Clubhouse/Meeting Room/Community
On-Site Management
Wi-Fi

Off-Street Parking(\$0.00)
Playground

Premium

None

Other

Free high-speed internet, free

Comments

The rent for units located next to the entrance of the property on Mosby Street are \$10 more than the units on the interior of the development, because tenants find the location of those units more desirable. Internet, cable, and alarm system are included in the utilities. There are currently two households on the waiting list for the two-bedroom unit.

Jefferson Townhouses, continued

Trend Report

Vacancy Rates

1Q06	2Q07	1Q19
N/A	N/A	1.8%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	1	N/A	\$500	\$0	\$500	\$622
2019	1	2.5%	\$675 - \$685	\$0	\$675 - \$685	\$797 - \$807

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	1	N/A	\$575	\$0	\$575	\$747
2019	1	0.0%	\$759 - \$769	\$0	\$759 - \$769	\$931 - \$941

3.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$920 - \$930	\$0	\$920 - \$930	\$1,154 - \$1,164

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	1	N/A	\$675	\$0	\$675	\$909
2019	1	7.3%	\$890 - \$900	\$0	\$890 - \$900	\$1,124 - \$1,134

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$995 - \$1,005	\$0	\$995 - \$1,005	\$1,293 - \$1,303

Trend: Comments

1Q06 N/A

2Q07 This property received a 2006 tax credit allocation for rehabilitation in 2006. Renovations began in December of 2006 and the first available units will be delivered at the end of May 2007. Interior renovations include new cabinets, bathrooms, adding washers and dryers in each unit, new dishwashers, stove, refrigerators, microwaves, refinished hardwood floors. Units will be wired for alarm systems, high speed internet and DirecTV, which will be included in the rent. The rents above reflect the "as renovated" property. Current management reported they have 268 units compared to the 218 listed previously. According to the current management, 58 units will remain as market rate units and confirmed that rents for these units will be lower than the LIHTC units.

1Q19 The rent for units located next to the entrance of the property on Mosby Street are \$10 more than the units on the interior of the development, because tenants find the location of those units more desirable. Internet, cable, and alarm system are included in the utilities. There are currently two households on the waiting list for the two-bedroom unit.

PROPERTY PROFILE REPORT

Lincoln Mews Apartments

Effective Rent Date	11/16/2018
Location	4101 North Avenue Richmond, VA 23222 Richmond City County
Distance	5 miles
Units	245
Vacant Units	5
Vacancy Rate	2.0%
Type	Various (2 stories)
Year Built/Renovated	1963 / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	North Oak, North Court Apartments
Tenant Characteristics	Mix of families and single parent households from Richmond
Contact Name	Kiki
Phone	804-321-6225



Market Information

Program	@40%, @50%, @60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	17%
Leasing Pace	Within two weeks
Annual Chg. in Rent	See notes
Concession	None
Waiting List	Yes, 5 HH

Utilities

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

Lincoln Mews Apartments, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	N/A	605	\$495	\$0	@40%	Yes	N/A	N/A	no	None
1	1	Townhouse (2 stories)	N/A	605	\$640	\$0	@50%	Yes	N/A	N/A	no	None
1	1	Townhouse (2 stories)	N/A	605	\$780	\$0	@60%	Yes	N/A	N/A	no	None
2	1	Garden (2 stories)	N/A	800	\$590	\$0	@40%	Yes	N/A	N/A	no	None
2	1	Garden (2 stories)	N/A	800	\$730	\$0	@50%	Yes	N/A	N/A	no	None
2	1	Garden (2 stories)	N/A	800	\$940	\$0	@60%	Yes	N/A	N/A	no	None
2	1.5	Townhouse (2 stories)	N/A	746	\$745	\$0	@50%	Yes	N/A	N/A	no	None
2	1.5	Townhouse (2 stories)	N/A	746	\$950	\$0	@60%	Yes	N/A	N/A	no	None
3	1.5	Townhouse (2 stories)	N/A	893	\$680	\$0	@40%	Yes	N/A	N/A	no	None
3	1.5	Townhouse (2 stories)	N/A	893	\$885	\$0	@50%	Yes	N/A	N/A	no	None
3	1.5	Townhouse (2 stories)	N/A	893	\$1,080	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Townhouse (2 stories)	N/A	1,178	\$900	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Townhouse (2 stories)	N/A	1,178	\$1,095	\$0	@60%	Yes	N/A	N/A	no	None
4	2	Townhouse (2 stories)	N/A	1,507	\$950	\$0	@50%	Yes	N/A	N/A	no	None
4	2	Townhouse (2 stories)	N/A	1,507	\$1,095	\$0	@60%	Yes	N/A	N/A	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$495	\$0	\$495	\$62	\$557	1BR / 1BA	\$640	\$0	\$640	\$62	\$702
2BR / 1BA	\$590	\$0	\$590	\$85	\$675	2BR / 1BA	\$730	\$0	\$730	\$85	\$815
3BR / 1.5BA	\$680	\$0	\$680	\$105	\$785	2BR / 1.5BA	\$745	\$0	\$745	\$85	\$830
						3BR / 1.5BA	\$885	\$0	\$885	\$105	\$990
						3BR / 2BA	\$900	\$0	\$900	\$105	\$1,005
						4BR / 2BA	\$950	\$0	\$950	\$126	\$1,076

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$780	\$0	\$780	\$62	\$842
2BR / 1BA	\$940	\$0	\$940	\$85	\$1,025
2BR / 1.5BA	\$950	\$0	\$950	\$85	\$1,035
3BR / 1.5BA	\$1,080	\$0	\$1,080	\$105	\$1,185
3BR / 2BA	\$1,095	\$0	\$1,095	\$105	\$1,200
4BR / 2BA	\$1,095	\$0	\$1,095	\$126	\$1,221

Amenities

In-Unit

Balcony/Patio
Carpeting
Oven

Blinds
Central A/C
Refrigerator

Security

Patrol

Services

Afterschool Program
Tutoring

Property

Central Laundry
On-Site Management

Off-Street Parking(\$0.00)
Playground

Premium

None

Other

Community Center

Comments

The contact was unable to provide vacancy or wait list by bedroom type but stated they currently have five households on their wait list. Rents increased approximately three to seven percent at the beginning of 2018.

Lincoln Mews Apartments, continued

Trend Report

Vacancy Rates

1Q14	2Q15	2Q18	4Q18
6.9%	8.2%	4.1%	2.0%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$495	\$0	\$495	\$557
2018	4	N/A	\$495	\$0	\$495	\$557

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$590	\$0	\$590	\$675
2018	4	N/A	\$590	\$0	\$590	\$675

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	N/A	\$680	\$0	\$680	\$785
2018	4	N/A	\$680	\$0	\$680	\$785

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$560	\$8	\$552	\$614
2015	2	N/A	\$600	\$0	\$600	\$662
2018	2	N/A	\$640	\$0	\$640	\$702
2018	4	N/A	\$640	\$0	\$640	\$702

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$635	\$8	\$627	\$712
2015	2	N/A	\$665	\$0	\$665	\$750
2018	2	N/A	\$745	\$0	\$745	\$830
2018	4	N/A	\$745	\$0	\$745	\$830

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$625	\$8	\$617	\$702
2015	2	N/A	\$650	\$0	\$650	\$735
2018	2	N/A	\$730	\$0	\$730	\$815
2018	4	N/A	\$730	\$0	\$730	\$815

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$785	\$8	\$777	\$882
2015	2	N/A	\$800	\$0	\$800	\$905
2018	2	N/A	\$885	\$0	\$885	\$990
2018	4	N/A	\$885	\$0	\$885	\$990

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$835	\$8	\$827	\$932
2015	2	N/A	\$850	\$0	\$850	\$955
2018	2	N/A	\$900	\$0	\$900	\$1,005
2018	4	N/A	\$900	\$0	\$900	\$1,005

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$925	\$8	\$917	\$1,043
2015	2	N/A	\$950	\$0	\$950	\$1,076
2018	2	N/A	\$950	\$0	\$950	\$1,076
2018	4	N/A	\$950	\$0	\$950	\$1,076

Lincoln Mews Apartments, continued

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$585	\$8	\$577	\$639
2015	2	N/A	\$675	\$0	\$675	\$737
2018	2	N/A	\$780	\$0	\$780	\$842
2018	4	N/A	\$780	\$0	\$780	\$842

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$660	\$8	\$652	\$737
2015	2	N/A	\$695	\$0	\$695	\$780
2018	2	N/A	\$950	\$0	\$950	\$1,035
2018	4	N/A	\$950	\$0	\$950	\$1,035

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$650	\$8	\$642	\$727
2015	2	N/A	\$685	\$0	\$685	\$770
2018	2	N/A	\$940	\$0	\$940	\$1,025
2018	4	N/A	\$940	\$0	\$940	\$1,025

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$850	\$8	\$842	\$947
2015	2	N/A	\$865	\$0	\$865	\$970
2018	2	N/A	\$1,080	\$0	\$1,080	\$1,185
2018	4	N/A	\$1,080	\$0	\$1,080	\$1,185

3BR / 1BA

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

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$950	\$8	\$942	\$1,047
2015	2	N/A	\$950	\$0	\$950	\$1,055
2018	2	N/A	\$1,095	\$0	\$1,095	\$1,200
2018	4	N/A	\$1,095	\$0	\$1,095	\$1,200

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	N/A	\$960	\$8	\$952	\$1,078
2015	2	N/A	\$1,000	\$0	\$1,000	\$1,126
2018	2	N/A	\$1,095	\$0	\$1,095	\$1,221
2018	4	N/A	\$1,095	\$0	\$1,095	\$1,221

Trend: Comments

1Q14	The property manager acknowledged that the vacancy rate was slightly elevated, and hopes that the current concession will decrease the vacancy rate soon.
2Q15	The contact reported most of the vacancies are concentrated in the two- and three-bedroom units. She noted occupancy has ranged from 90 to 94 percent during the past year.
2Q18	The contact was unable to provide vacancy or wait list by bedroom type but stated they currently have five households on their wait list.
4Q18	The contact was unable to provide vacancy or wait list by bedroom type but stated they currently have five households on their wait list. Rents increased approximately three to seven percent at the beginning of 2018.

Photos



PROPERTY PROFILE REPORT

Southpointe Landing

Effective Rent Date	2/25/2019
Location	6110 Cricklewood Drive Richmond, VA 23234 Chesterfield County
Distance	5.8 miles
Units	192
Vacant Units	3
Vacancy Rate	1.6%
Type	Garden (2 stories)
Year Built/Renovated	1972 / 1988
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Meadow Brook, Regency Lake.
Tenant Characteristics	N/A
Contact Name	Kris
Phone	804-271-6324



Market Information

Program	@50%, @60%
Annual Turnover Rate	38%
Units/Month Absorbed	N/A
HCV Tenants	13%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 1-4%
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	94	976	\$785	\$0	@50%	No	0	0.0%	yes	None
2	1	Garden (2 stories)	66	976	\$891	\$0	@60%	No	0	0.0%	no	None
3	1.5	Garden (2 stories)	32	1,304	\$1,039	\$0	@60%	No	3	9.4%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$785	\$0	\$785	\$85	\$870	2BR / 1BA	\$891	\$0	\$891	\$85	\$976
						3BR / 1.5BA	\$1,039	\$0	\$1,039	\$105	\$1,144

Southpointe Landing, continued

Amenities

In-Unit

Blinds
Central A/C
Dishwasher
Oven
Washer/Dryer

Carpeting
Coat Closet
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Clubhouse/Meeting Room/Community
On-Site Management
Swimming Pool

Off-Street Parking(\$0.00)
Picnic Area

Premium

None

Other

None

Comments

The manager reported that the property maintains a waiting list at times, but currently does not. The manager reported that the elevated turnover rate is due primarily to evictions, and that the property typically does not have trouble filling vacant units. Washers and dryers are available for rent at a rate of \$40 per month.

Southpointe Landing, continued

Trend Report

Vacancy Rates

2Q13	1Q15	3Q15	1Q19
0.0%	0.5%	1.0%	1.6%

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$635	\$0	\$635	\$720
2015	1	0.0%	\$730	\$0	\$730	\$815
2015	3	0.0%	\$745	\$0	\$745	\$830
2019	1	0.0%	\$785	\$0	\$785	\$870

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$809	\$0	\$809	\$914
2015	1	0.0%	\$875	\$0	\$875	\$980
2015	3	0.0%	\$920	\$0	\$920	\$1,025
2019	1	9.4%	\$1,039	\$0	\$1,039	\$1,144

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$655	\$0	\$655	\$740
2015	1	1.5%	\$755	\$0	\$755	\$840
2015	3	3.0%	\$775	\$0	\$775	\$860
2019	1	0.0%	\$891	\$0	\$891	\$976

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$809	\$0	\$809	\$914
2015	1	0.0%	\$875	\$0	\$875	\$980
2015	3	0.0%	\$920	\$0	\$920	\$1,025
2019	1	9.4%	\$1,039	\$0	\$1,039	\$1,144

Trend: Comments

2Q13 N/A

1Q15 The property currently maintains a waiting list of 10 households. The majority of households on the waiting list are for two-bedroom units; however, the manager reported that demand is also strong for three-bedroom units and the property rarely has any three-bedroom vacancies. The manager reported that there is strong demand for more affordable housing. Washers and dryers are available for rent at a rate of \$40 per month.

3Q15 The property currently maintains a waiting list; however, the manager could not provide its length. The manager reported that there is strong demand for more affordable housing. Washers and dryers are available for rent at a rate of \$40 per month.

1Q19 The manager reported that the property maintains a waiting list at times, but currently does not. The manager reported that the elevated turnover rate is due primarily to evictions, and that the property typically does not have trouble filling vacant units. Washers and dryers are available for rent at a rate of \$40 per month.

PROPERTY PROFILE REPORT

The Townes At River South

Effective Rent Date	2/21/2019
Location	214 E 9th Street Richmond, VA 23224 Richmond City County
Distance	2.1 miles
Units	161
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	2001 / 2004
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Village South
Tenant Characteristics	Families from the city of Richmond. Many working in service industries or manual labor jobs
Contact Name	Property Manager
Phone	804-232-1800



Market Information

Program	@50%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Within one week
Annual Chg. in Rent	No increase to increased 2%
Concession	None
Waiting List	Yes, 1 to 2 years

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	N/A	985	\$785	\$0	@50%	Yes	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	985	\$800	\$0	@50%	Yes	0	N/A	yes	None
3	2.5	Garden (2 stories)	N/A	1,202	\$899	\$0	@50%	Yes	0	N/A	yes	None
3	2.5	Townhouse (2 stories)	N/A	1,202	\$920	\$0	@50%	Yes	0	N/A	yes	None
4	3.5	Garden (2 stories)	N/A	1,529	\$995	\$0	@50%	Yes	0	N/A	yes	None
4	3.5	Townhouse (2 stories)	N/A	1,529	\$1,020	\$0	@50%	Yes	0	N/A	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$785 - \$800	\$0	\$785 - \$800	\$85	\$870 - \$885
3BR / 2.5BA	\$899 - \$920	\$0	\$899 - \$920	\$105	\$1,004 - \$1,025
4BR / 3.5BA	\$995 - \$1,020	\$0	\$995 - \$1,020	\$126	\$1,121 - \$1,146

The Townes At River South, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Central Laundry
On-Site Management

Off-Street Parking(\$0.00)
Playground

Premium

None

Other

None

Comments

The manager reported that all units are achieving the maximum allowable LIHTC rents. The townhouses have lower rents due to higher utility allowances.

The Townes At River South, continued

Trend Report

Vacancy Rates

4Q16	2Q17	3Q18	1Q19
1.2%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$735 - \$751	\$0	\$735 - \$751	\$820 - \$836
2017	2	N/A	\$678 - \$789	\$0	\$678 - \$789	\$763 - \$874
2018	3	N/A	\$775 - \$800	\$0	\$775 - \$800	\$860 - \$885
2019	1	N/A	\$785 - \$800	\$0	\$785 - \$800	\$870 - \$885

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$842 - \$861	\$0	\$842 - \$861	\$947 - \$966
2017	2	N/A	\$877 - \$904	\$0	\$877 - \$904	\$982 - \$1,009
2018	3	N/A	\$899 - \$920	\$0	\$899 - \$920	\$1,004 - \$1,025
2019	1	N/A	\$899 - \$920	\$0	\$899 - \$920	\$1,004 - \$1,025

4BR / 3.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	N/A	\$931 - \$954	\$0	\$931 - \$954	\$1,057 - \$1,080
2017	2	N/A	\$958 - \$1,000	\$0	\$958 - \$1,000	\$1,084 - \$1,126
2018	3	N/A	\$975 - \$1,020	\$0	\$975 - \$1,020	\$1,101 - \$1,146
2019	1	N/A	\$995 - \$1,020	\$0	\$995 - \$1,020	\$1,121 - \$1,146

Trend: Comments

4Q16	The property manager stated that garden homes include a washer/dryer hookup, which explains variation in rents between garden and townhome units.
2Q17	The property manager stated that garden homes include a washer/dryer hookup, which explains variation in rents between garden and townhome units. The contact could not disclose a unit mix breakdown.
3Q18	The manager reported that all units are achieving the maximum allowable LIHTC rents. The townhouses have lower rents due to higher utility allowances.
1Q19	N/A

Photos



PROPERTY PROFILE REPORT

American Tobacco Center

Effective Rent Date	2/25/2019
Location	119 N 20th Street Richmond, VA 23223 Richmond City County
Distance	1.6 miles
Units	157
Vacant Units	3
Vacancy Rate	1.9%
Type	Midrise (5 stories)
Year Built/Renovated	1912 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Bobber Flats, Canal Walk
Tenant Characteristics	Some medical students
Contact Name	Barbara
Phone	804-377-9900



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	Decreased 3% to increased 4%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (5 stories)	1	452	\$950	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	87	622	\$1,150	\$0	Market	No	1	1.1%	N/A	AVG*
1	1	Midrise (5 stories)	0	844	\$1,300	\$0	Market	No	0	N/A	N/A	HIGH*
1	1	Midrise (5 stories)	0	400	\$1,000	\$0	Market	No	0	N/A	N/A	LOW*
2	2	Midrise (5 stories)	64	1,019	\$1,600	\$0	Market	No	2	3.1%	N/A	AVG*
2	2	Midrise (5 stories)	0	1,238	\$2,000	\$0	Market	No	0	N/A	N/A	HIGH*
2	2	Midrise (5 stories)	0	800	\$1,200	\$0	Market	No	0	N/A	N/A	LOW*
3	3	Midrise (5 stories)	5	1,209	\$2,330	\$0	Market	No	0	0.0%	N/A	AVG*
3	3	Midrise (5 stories)	0	1,317	\$2,900	\$0	Market	No	0	N/A	N/A	HIGH*
3	3	Midrise (5 stories)	0	1,100	\$1,759	\$0	Market	No	0	N/A	N/A	LOW*

American Tobacco Center, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$950	\$0	\$950	\$109	\$1,059
1BR / 1BA	\$1,000 - \$1,300	\$0	\$1,000 - \$1,300	\$122	\$1,122 - \$1,422
2BR / 2BA	\$1,200 - \$2,000	\$0	\$1,200 - \$2,000	\$172	\$1,372 - \$2,172
3BR / 3BA	\$1,759 - \$2,900	\$0	\$1,759 - \$2,900	\$234	\$1,993 - \$3,134

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Dishwasher
Fireplace
Microwave
Refrigerator
Walk-In Closet
Washer/Dryer hookup

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Oven
Vaulted Ceilings
Washer/Dryer

Security

Intercom (Buzzer)
Intercom (Phone)
Limited Access
Video Surveillance

Services

None

Property

Business Center/Computer Lab
Courtyard
Exercise Facility
Off-Street Parking(\$0.00)
Swimming Pool

Clubhouse/Meeting Room/Community
Elevators
Garage(\$100.00)
On-Site Management
Wi-Fi

Premium

None

Other

Guest suite

Comments

The contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The contact noted that the average turnover is about 25 percent, but is seasonal for the property. The contact reported that rent rates can be subject to change daily. Utilities include cable and internet.

Trend Report

Vacancy Rates

1Q16	4Q16	2Q17	1Q19
3.9%	3.3%	0.6%	1.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$878 - \$1,261	\$17	\$861 - \$1,244	\$983 - \$1,366
2016	4	N/A	\$878 - \$1,261	\$17	\$861 - \$1,244	\$983 - \$1,366
2017	2	0.0%	\$950 - \$1,259	\$0	\$950 - \$1,259	\$1,072 - \$1,381
2019	1	1.1%	\$1,000 - \$1,300	\$0	\$1,000 - \$1,300	\$1,122 - \$1,422

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,206 - \$1,600	\$17	\$1,189 - \$1,583	\$1,361 - \$1,755
2016	4	N/A	\$1,206 - \$1,600	\$17	\$1,189 - \$1,583	\$1,361 - \$1,755
2017	2	1.6%	\$1,254 - \$2,059	\$0	\$1,254 - \$2,059	\$1,426 - \$2,231
2019	1	3.1%	\$1,200 - \$2,000	\$0	\$1,200 - \$2,000	\$1,372 - \$2,172

2BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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3BR / 2.5BA

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

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

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,576 - \$2,091	\$0	\$1,576 - \$2,091	\$1,810 - \$2,325
2016	4	N/A	\$1,648 - \$2,091	\$0	\$1,648 - \$2,091	\$1,882 - \$2,325
2017	2	0.0%	\$1,759 - \$2,900	\$0	\$1,759 - \$2,900	\$1,993 - \$3,134
2019	1	0.0%	\$1,759 - \$2,900	\$0	\$1,759 - \$2,900	\$1,993 - \$3,134

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$891 - \$1,218	\$0	\$891 - \$1,218	\$1,000 - \$1,327
2016	4	N/A	\$891 - \$1,218	\$0	\$891 - \$1,218	\$1,000 - \$1,327
2017	2	0.0%	\$950	\$0	\$950	\$1,059
2019	1	0.0%	\$950	\$0	\$950	\$1,059

Trend: Comments

- 1Q16** Contact noted that the property does not accept Section 8 Vouchers. The contact also noted that the property does keep a general waiting list for all unit types and is currently at three households.
- 4Q16** Contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The property is currently offering a concession of \$200 off one and two-bedroom units. The contact noted that the concessions are not typical, and will only continue until the remaining vacant units are leased.
- 2Q17** Contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The contact noted that the average turnover is about 25 percent, but is seasonal for the property.
- 1Q19** The contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The contact noted that the average turnover is about 25 percent, but is seasonal for the property. The contact reported that rent rates can be subject to change daily. Utilities include cable and internet.

Photos



PROPERTY PROFILE REPORT

Honey Brook Apartments

Effective Rent Date	2/21/2019
Location	3500 Kings Drive Richmond, VA 23231 Henrico County
Distance	2.1 miles
Units	128
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1980 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Lakefield Mews & Laurel Pines
Tenant Characteristics	Mixed tenancy, families and some seniors
Contact Name	Marcy
Phone	804-226-2600



Market Information

Program	Market
Annual Turnover Rate	19%
Units/Month Absorbed	0
HCV Tenants	5%
Leasing Pace	Within two weeks
Annual Chg. in Rent	N/A
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	52	675	\$780	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	38	975	\$835	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	38	975	\$884	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$780	\$0	\$780	\$62	\$842
2BR / 1BA	\$835	\$0	\$835	\$85	\$920
2BR / 2BA	\$884	\$0	\$884	\$85	\$969

Honey Brook Apartments, continued

Amenities

In-Unit

Balcony/Patio	Blinds
Carpeting	Central A/C
Coat Closet	Dishwasher
Garbage Disposal	Oven
Refrigerator	Walk-In Closet

Security

None

Services

None

Property

Central Laundry	Off-Street Parking(\$0.00)
On-Site Management	Playground

Premium

None

Other

None

Comments

This property does accept Housing Choice Vouchers. Water is a fixed amount set by the landlord. One bedroom units pay \$30 and two bedroom units pay \$40 per month. Rents shown are inclusive of water.

Honey Brook Apartments, continued

Trend Report

Vacancy Rates

4Q17	1Q18	3Q18	1Q19
3.9%	1.6%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	3.8%	\$730	\$0	\$730	\$792
2018	1	0.0%	\$730	\$0	\$730	\$792
2018	3	0.0%	\$730	\$0	\$730	\$792
2019	1	0.0%	\$780	\$0	\$780	\$842

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	5.3%	\$775	\$0	\$775	\$860
2018	1	2.6%	\$775	\$0	\$775	\$860
2018	3	0.0%	\$775	\$0	\$775	\$860
2019	1	0.0%	\$835	\$0	\$835	\$920

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	2.6%	\$814	\$0	\$814	\$899
2018	1	2.6%	\$814	\$0	\$814	\$899
2018	3	0.0%	\$814	\$0	\$814	\$899
2019	1	0.0%	\$884	\$0	\$884	\$969

Trend: Comments

4Q17	This property does not accept Housing Choice Vouchers.
1Q18	N/A
3Q18	N/A
1Q19	This property does accept Housing Choice Vouchers. Water is a fixed amount set by the landlord. One bedroom units pay \$30 and two bedroom units pay \$40 per month. Rents shown are inclusive of water.

Photos



PROPERTY PROFILE REPORT

Lakefield Mews

Effective Rent Date	2/27/2019
Location	4431 Lakefield Mews Drive Richmond, VA 23231 Henrico County
Distance	1.9 miles
Units	395
Vacant Units	19
Vacancy Rate	4.8%
Type	Various (2 stories)
Year Built/Renovated	1989 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Majority families
Contact Name	Debbie
Phone	804-222-7777



Market Information

Program	Market
Annual Turnover Rate	11%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	14-24 days
Annual Chg. in Rent	Decreased 24% to increased 12%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	75	644	\$855	\$0	Market	No	5	6.7%	N/A	None
1	1	Garden (2 stories)	8	790	\$1,125	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	84	852	\$1,265	\$0	Market	No	4	4.8%	N/A	None
2	1.5	Townhouse (2 stories)	134	1,154	\$1,210	\$0	Market	No	5	3.7%	N/A	None
2	2.5	Townhouse (2 stories)	78	1,220	\$1,220	\$0	Market	No	5	6.4%	N/A	None
3	2	Garden (2 stories)	16	1,334	\$1,660	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$855 - \$1,125	\$0	\$855 - \$1,125	\$122	\$977 - \$1,247
2BR / 1BA	\$1,265	\$0	\$1,265	\$172	\$1,437
2BR / 1.5BA	\$1,210	\$0	\$1,210	\$172	\$1,382
2BR / 2.5BA	\$1,220	\$0	\$1,220	\$172	\$1,392
3BR / 2BA	\$1,660	\$0	\$1,660	\$234	\$1,894

Lakefield Mews, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven
Washer/Dryer hookup

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator

Security

None

Services

None

Property

Car Wash
Central Laundry
On-Site Management
Playground
Swimming Pool

Clubhouse/Meeting Room/Community
Off-Street Parking(\$0.00)
Picnic Area
Recreation Areas
Volleyball Court

Premium

None

Other

Dog Park

Comments

The property utilizes a LRO pricing system, and rents change daily. The property does not accept Housing Choice Vouchers.

Lakefield Mews, continued

Trend Report

Vacancy Rates

2Q17	4Q17	3Q18	1Q19
4.1%	4.3%	0.8%	4.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$835 - \$915	\$0	\$835 - \$915	\$957 - \$1,037
2017	4	N/A	\$915	\$0	\$915	\$1,037
2018	3	N/A	\$1,125	\$0	\$1,125	\$1,247
2019	1	6.0%	\$855 - \$1,125	\$0	\$855 - \$1,125	\$977 - \$1,247

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$1,140	\$0	\$1,140	\$1,312
2017	4	N/A	\$1,220	\$0	\$1,220	\$1,392
2018	3	N/A	\$1,100	\$0	\$1,100	\$1,272
2019	1	3.7%	\$1,210	\$0	\$1,210	\$1,382

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$1,125	\$0	\$1,125	\$1,297
2017	4	N/A	\$1,020	\$0	\$1,020	\$1,192
2018	3	N/A	\$1,130	\$0	\$1,130	\$1,302
2019	1	4.8%	\$1,265	\$0	\$1,265	\$1,437

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$1,130	\$0	\$1,130	\$1,302
2017	4	N/A	\$1,080	\$0	\$1,080	\$1,252
2018	3	N/A	\$1,215	\$0	\$1,215	\$1,387
2019	1	6.4%	\$1,220	\$0	\$1,220	\$1,392

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	N/A	\$1,230	\$0	\$1,230	\$1,464
2017	4	N/A	\$1,230	\$0	\$1,230	\$1,464
2018	3	N/A	\$1,660	\$0	\$1,660	\$1,894
2019	1	0.0%	\$1,660	\$0	\$1,660	\$1,894

Trend: Comments

2Q17	The property does not accept Housing Choice Vouchers. The property uses LRO pricing system for its rents.
4Q17	The property utilizes a LRO pricing system, and rents change daily. The contact could not provide a unit breakdown by bedroom type. The property does not accept Housing Choice Vouchers.
3Q18	N/A
1Q19	The property utilizes a LRO pricing system, and rents change daily. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Laurel Pines Apartments

Effective Rent Date	2/21/2019
Location	4123 East Wood Harbor Court Richmond, VA 23231 Henrico County
Distance	2.5 miles
Units	120
Vacant Units	4
Vacancy Rate	3.3%
Type	Garden (3 stories)
Year Built/Renovated	1991 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Audubon Village I & II; 11 North
Tenant Characteristics	Mixed tenancy, families
Contact Name	Susan
Phone	804-222-3482



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Changes Daily
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	18	735	\$895	\$0	Market	No	4	22.2%	N/A	None
1	1	Garden (3 stories)	18	755	\$895	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Garden (3 stories)	36	937	\$1,005	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	30	956	\$1,030	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	6	960	\$1,060	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	6	1,131	\$1,290	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	6	1,149	\$1,310	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$895	\$0	\$895	\$141	\$1,036
2BR / 1.5BA	\$1,005	\$0	\$1,005	\$191	\$1,196
2BR / 2BA	\$1,030 - \$1,060	\$0	\$1,030 - \$1,060	\$191	\$1,221 - \$1,251
3BR / 2BA	\$1,290 - \$1,310	\$0	\$1,290 - \$1,310	\$253	\$1,543 - \$1,563

Laurel Pines Apartments, continued

Amenities

In-Unit

Balcony/Patio	Blinds
Carpeting	Central A/C
Dishwasher	Exterior Storage
Garbage Disposal	Oven
Refrigerator	Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting Room/Community	Exercise Facility
Central Laundry	Off-Street Parking(\$0.00)
On-Site Management	Playground
Swimming Pool	Tennis Court

Premium

None

Other

None

Comments

The contact provided an estimate of unit breakdown by bedroom type, and is reflected in the property profile. The property does not accept Housing Choice Vouchers. Renovations are ongoing as units turnover. It is a renovation of the overall apartment, but the prices are not different between renovated and non-renovated units. All units have a \$40/month option of leasing a washer/dryer in-unit.

Laurel Pines Apartments, continued

Trend Report

Vacancy Rates

1Q18	2Q18	3Q18	1Q19
5.8%	5.8%	0.0%	3.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	5.6%	\$850	\$0	\$850	\$991
2018	2	5.6%	\$850	\$0	\$850	\$991
2018	3	0.0%	\$895	\$0	\$895	\$1,036
2019	1	11.1%	\$895	\$0	\$895	\$1,036

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	0.0%	\$930	\$0	\$930	\$1,121
2018	2	0.0%	\$930	\$0	\$930	\$1,121
2018	3	0.0%	\$1,030	\$0	\$1,030	\$1,221
2019	1	0.0%	\$1,005	\$0	\$1,005	\$1,196

2BR / 1BA

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

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	8.3%	\$955 - \$960	\$0	\$955 - \$960	\$1,146 - \$1,151
2018	2	8.3%	\$955 - \$960	\$0	\$955 - \$960	\$1,146 - \$1,151
2018	3	0.0%	\$1,030 - \$1,060	\$0	\$1,030 - \$1,060	\$1,221 - \$1,251
2019	1	0.0%	\$1,030 - \$1,060	\$0	\$1,030 - \$1,060	\$1,221 - \$1,251

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	16.7%	\$1,190 - \$1,210	\$0	\$1,190 - \$1,210	\$1,443 - \$1,463
2018	2	16.7%	\$1,190 - \$1,210	\$0	\$1,190 - \$1,210	\$1,443 - \$1,463
2018	3	0.0%	\$1,290 - \$1,310	\$0	\$1,290 - \$1,310	\$1,543 - \$1,563
2019	1	0.0%	\$1,290 - \$1,310	\$0	\$1,290 - \$1,310	\$1,543 - \$1,563

Trend: Comments

1Q18 N/A

2Q18 The contact provided an estimate of unit breakdown by bedroom type, and is reflected in the property profile. The property utilizes YieldStar, and rents change daily. The property does not accept Housing Choice Vouchers. The unit count and sales price of \$10,558,000 has been confirmed by the buyer and costar.

3Q18 The contact provided an estimate of unit breakdown by bedroom type, and is reflected in the property profile. The property utilizes Yieldstar, and rents change daily. The property does not accept Housing Choice Vouchers.

1Q19 The contact provided an estimate of unit breakdown by bedroom type, and is reflected in the property profile. The property does not accept Housing Choice Vouchers. Renovations are ongoing as units turnover. It is a renovation of the overall apartment, but the prices are not different between renovated and non-renovated units. All units have a \$40/month option of leasing a washer/dryer in-unit.

Photos



PROPERTY PROFILE REPORT

Meadowbrook Apartments

Effective Rent Date	3/20/2019
Location	5314 Whetstone Road Richmond, VA 23234 Chesterfield County
Distance	5.6 miles
Units	477
Vacant Units	10
Vacancy Rate	2.1%
Type	Various (2 stories)
Year Built/Renovated	1971 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mix of young couples and families from the area and other parts of VA
Contact Name	Gracie
Phone	804.275.1740



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One-three weeks
Annual Chg. in Rent	Increased 5%-7%
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	N/A	512	\$817	\$0	Market	No	2	N/A	N/A	None
2	1	Garden	N/A	812	\$923	\$0	Market	No	2	N/A	N/A	None
2	1.5	Townhouse	N/A	1,024	\$961	\$0	Market	No	2	N/A	N/A	None
3	2.5	Townhouse	N/A	1,276	\$1,350	\$0	Market	No	2	N/A	N/A	None
4	2	Garden	14	1,536	\$1,445	\$0	Market	No	2	14.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$817	\$0	\$817	\$28	\$845
2BR / 1BA	\$923	\$0	\$923	\$39	\$962
2BR / 1.5BA	\$961	\$0	\$961	\$39	\$1,000
3BR / 2.5BA	\$1,350	\$0	\$1,350	\$51	\$1,401
4BR / 2BA	\$1,445	\$0	\$1,445	\$62	\$1,507

Meadowbrook Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Blinds
Central A/C
Garbage Disposal
Refrigerator

Security

Intercom (Phone)
Patrol

Services

None

Property

Central Laundry
On-Site Management
Playground

Off-Street Parking(\$0.00)
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The contact reported overall occupancy rates have fluctuated sharply during the past year but have been stable remaining above 95 percent for the past two months.

Meadowbrook Apartments, continued

Trend Report

Vacancy Rates

3Q07	3Q11	4Q17	1Q19
5.2%	8.6%	1.5%	2.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$540	\$0	\$540	\$568
2011	3	N/A	\$560	\$0	\$560	\$588
2017	4	N/A	\$710	\$0	\$710	\$738
2019	1	N/A	\$817	\$0	\$817	\$845

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$690 - \$720	\$0	\$690 - \$720	\$729 - \$759
2011	3	N/A	\$710 - \$740	\$0	\$710 - \$740	\$749 - \$779
2017	4	N/A	\$870	\$0	\$870	\$909
2019	1	N/A	\$961	\$0	\$961	\$1,000

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$670	\$0	\$670	\$709
2011	3	N/A	\$685 - \$695	\$0	\$685 - \$695	\$724 - \$734
2017	4	N/A	\$828	\$0	\$828	\$867
2019	1	N/A	\$923	\$0	\$923	\$962

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	N/A	\$780 - \$825	\$0	\$780 - \$825	\$831 - \$876
2011	3	N/A	\$800 - \$845	\$0	\$800 - \$845	\$851 - \$896
2017	4	N/A	\$1,003	\$0	\$1,003	\$1,054
2019	1	N/A	\$1,350	\$0	\$1,350	\$1,401

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$1,175	\$0	\$1,175	\$1,237
2019	1	14.3%	\$1,445	\$0	\$1,445	\$1,507

Trend: Comments

3Q07	Ranges for the two- and three-bedroom townhomes depend on if they have washer and dryer hook-ups in the units, as well as how many entrances they have. The lower end of the ranges do not have washer and dryer hook-ups in the units and only have one entrance. The high end of the range represents a unit with separate frontdoor and backdoor entrance ways, along with washer and dryer hookups. The property manager estimated that the typical occupancy for the complex is 97 percent. The property manager stated that when one and three-bedroom units become available they are filled very quickly, as there is more demand for those unit types. Two-bedroom units usually take between two and three weeks to fill. The property does not accept the Housing Choice Vouchers.
3Q11	The contact reported that vacancies are high due to job relocations, home buying, and the area still facing economic recession.
4Q17	The contact reported overall occupancy rates have fluctuated sharply during the past year but have been stable remaining above 95 percent for the past two months.
1Q19	N/A

PROPERTY PROFILE REPORT

Wynwood Apartments

Effective Rent Date	3/22/2019
Location	1267 Nelson Street Richmond, VA 23231 Henrico County
Distance	0.5 miles
Units	120
Vacant Units	5
Vacancy Rate	4.2%
Type	Garden (2 stories)
Year Built/Renovated	1975 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Families; 20 percent seniors
Contact Name	Gwen
Phone	804-222-2900



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	No increase
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	120	640	\$750	\$0	Market	No	5	4.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$750	\$0	\$750	\$85	\$835

Amenities

In-Unit	Security	Services
Blinds Central A/C Dishwasher Oven Carpeting Coat Closet Garbage Disposal Refrigerator	None	None
Property	Premium	Other
Central Laundry Playground Off-Street Parking(\$0.00) Swimming Pool	None	None

Comments

This property does not accept Housing Choice Vouchers.

Wynwood Apartments, continued

Trend Report

Vacancy Rates

1Q12	3Q13	2Q16	1Q19
5.0%	6.7%	8.3%	4.2%

Trend: Market

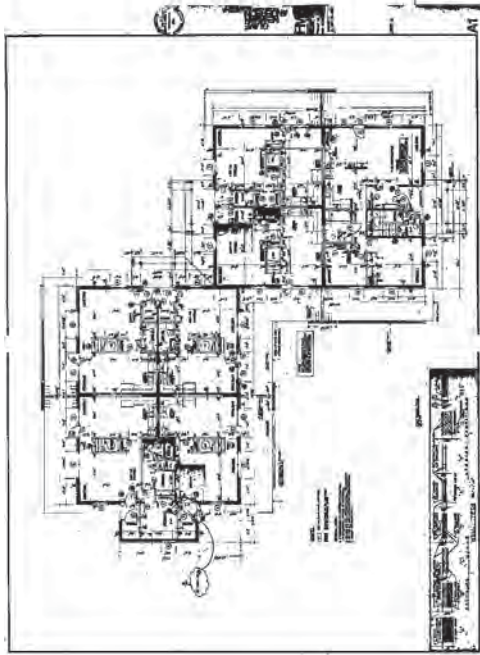
2BR / 1BA

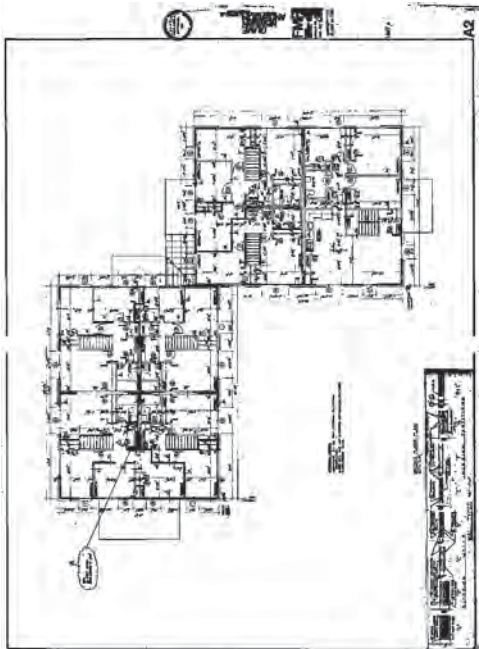
Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	1	5.0%	\$619	\$52	\$567	\$652
2013	3	6.7%	\$619	\$0	\$619	\$704
2016	2	8.3%	\$750	\$100	\$650	\$735
2019	1	4.2%	\$750	\$0	\$750	\$835

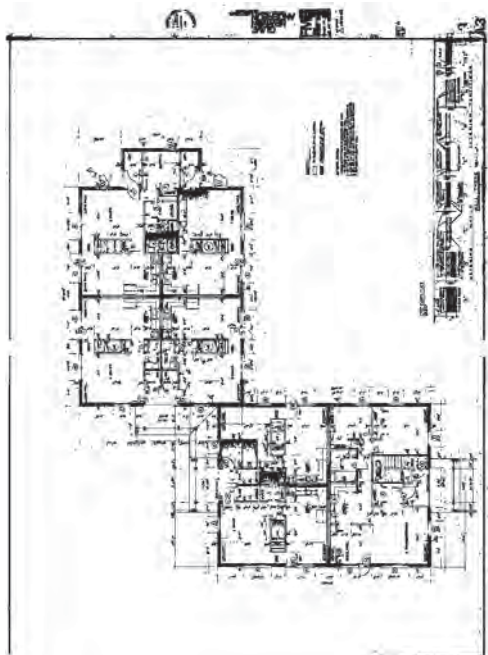
Trend: Comments

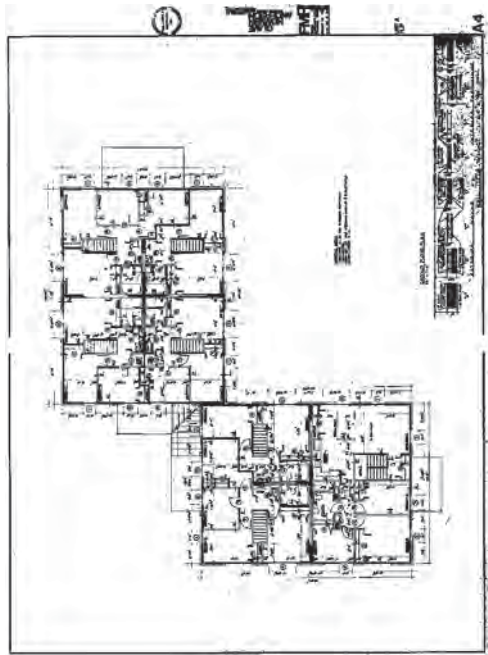
1Q12	Contact reported that demand in the area is strong.
3Q13	No additional comments.
2Q16	This property does not accept Housing Choice Vouchers. Management is offering \$100 off each month's rent if rent is paid on time.
1Q19	This property does not accept Housing Choice Vouchers.

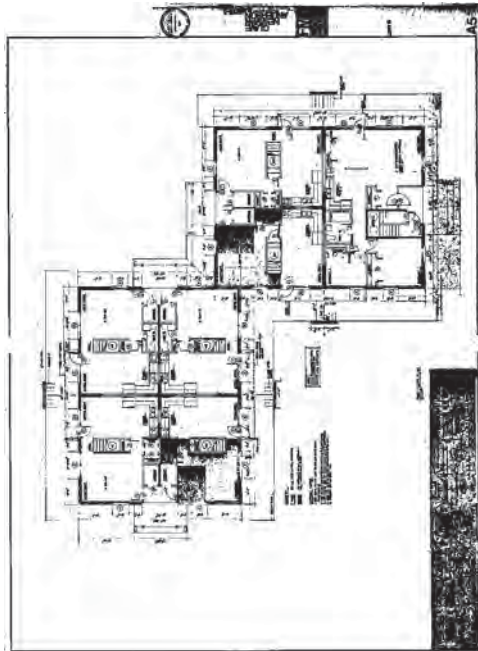
ADDENDUM D
Site and Floor Plans

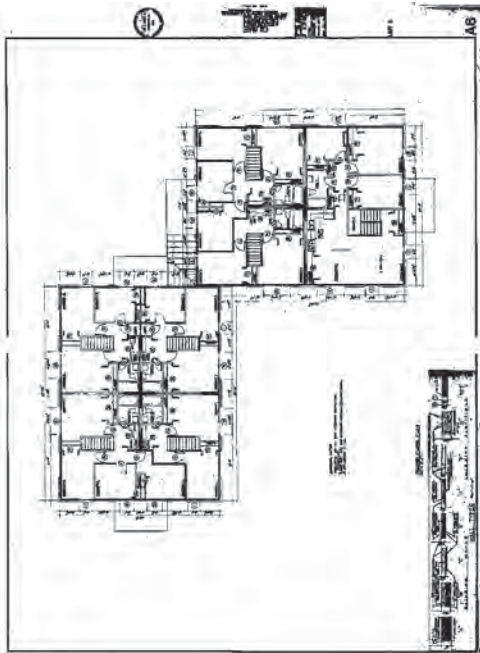


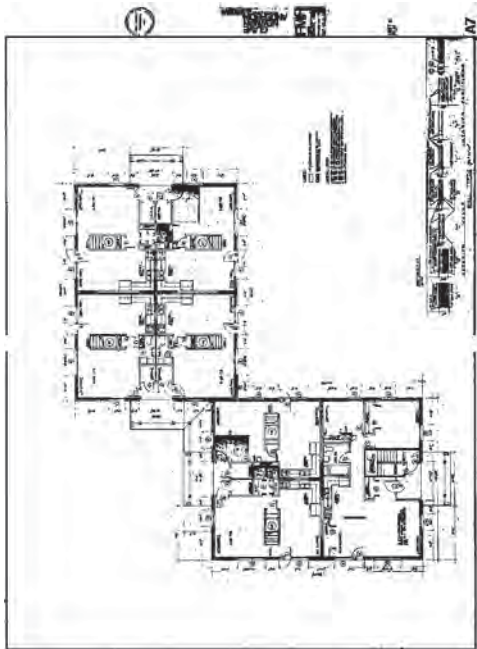


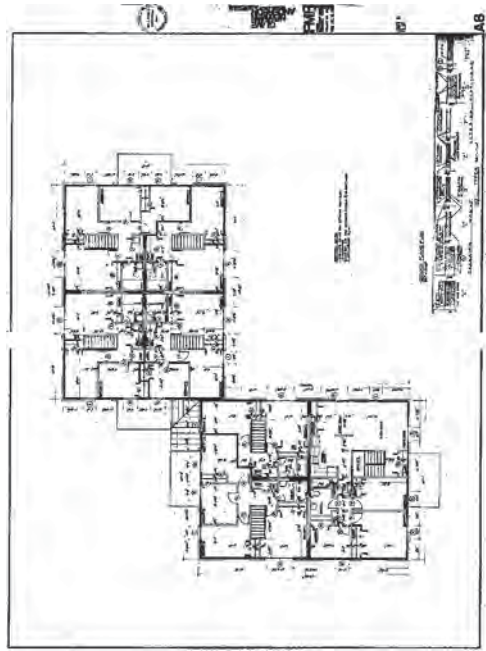










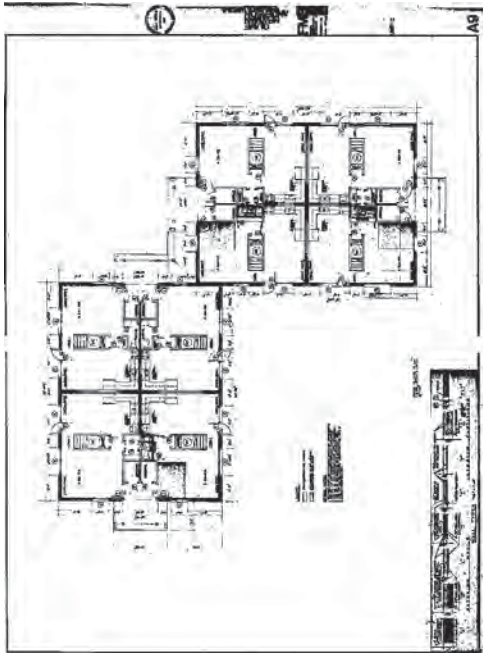


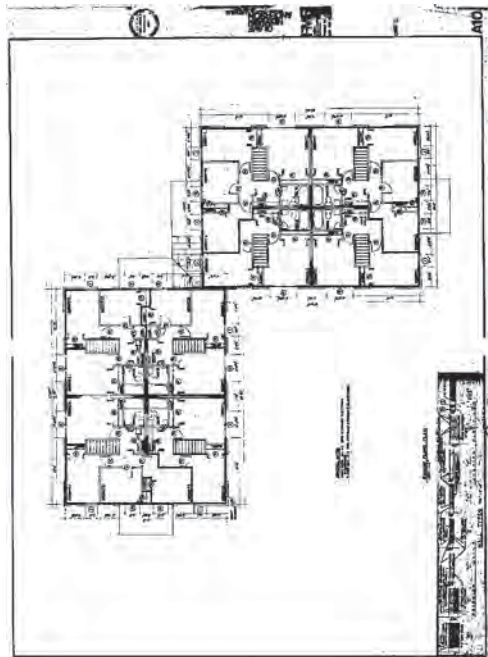
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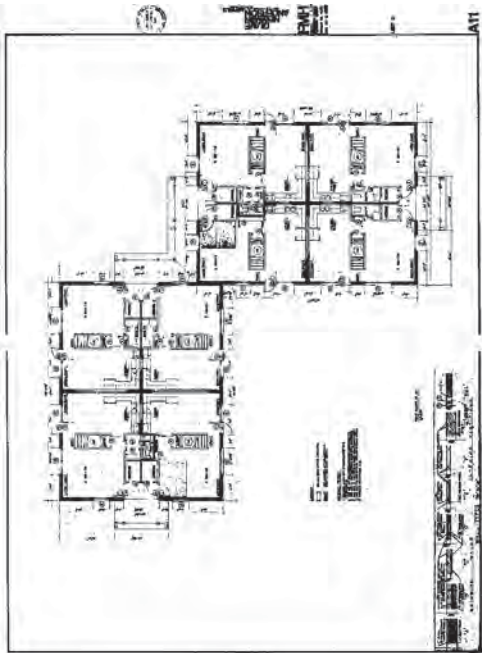
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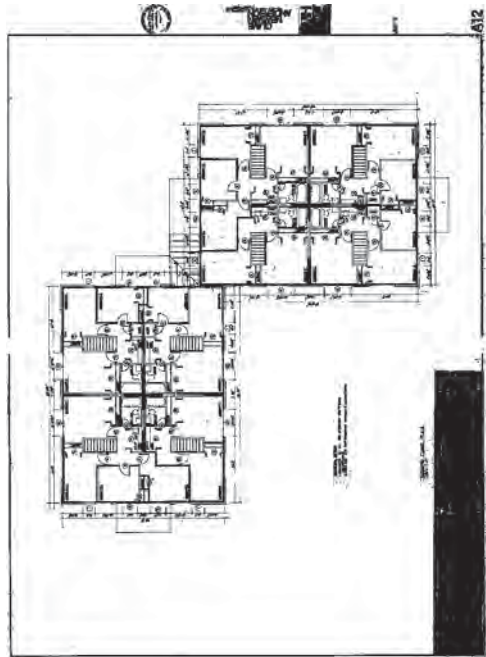
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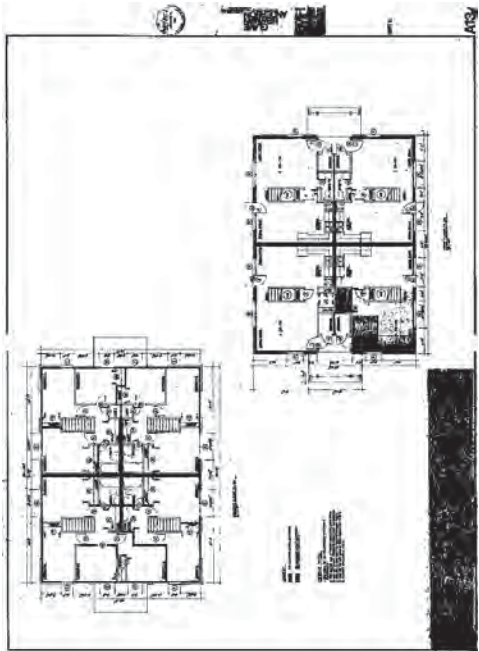


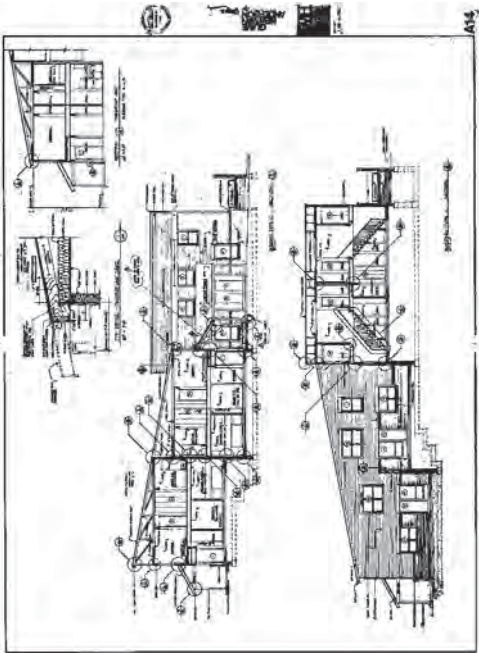


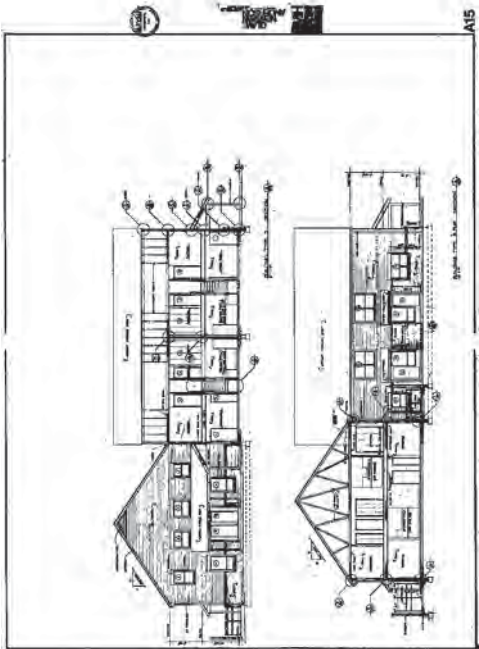


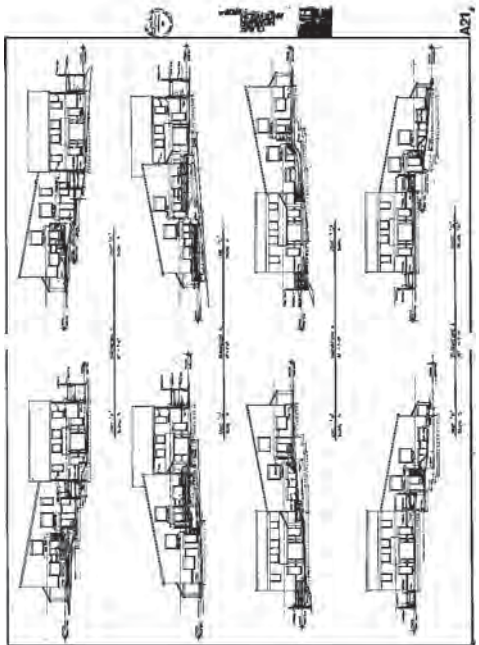


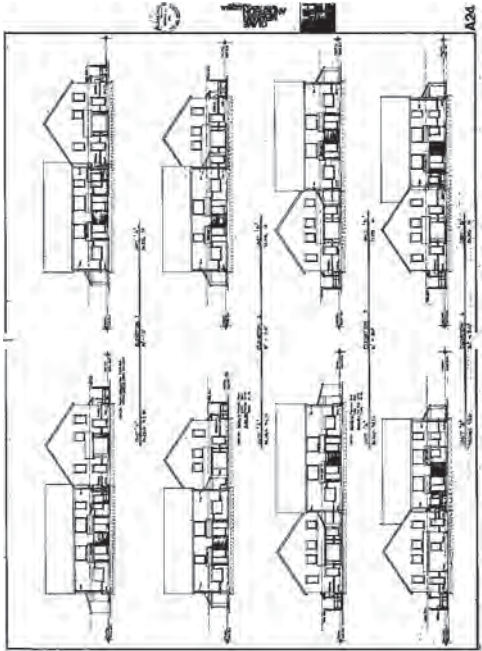




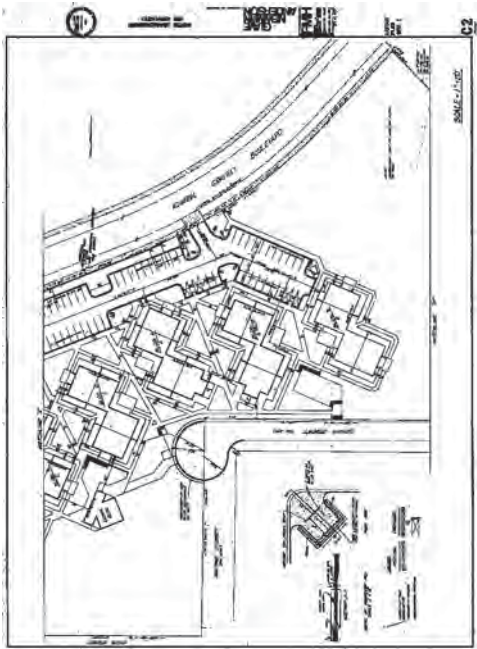




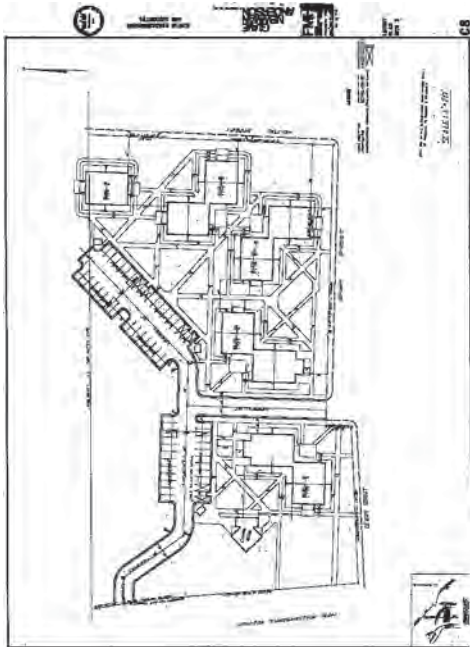


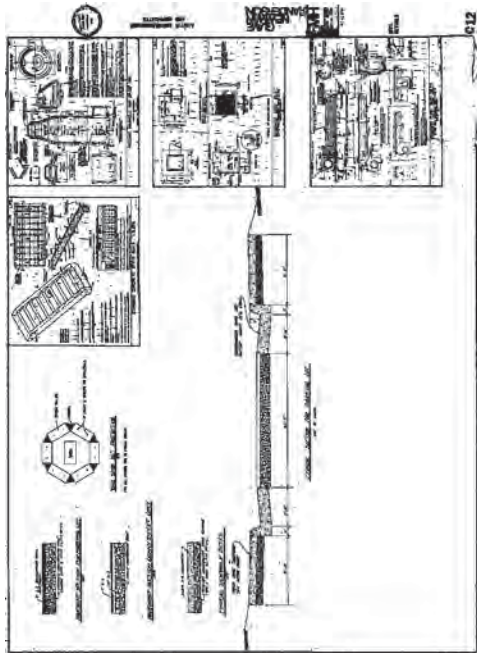


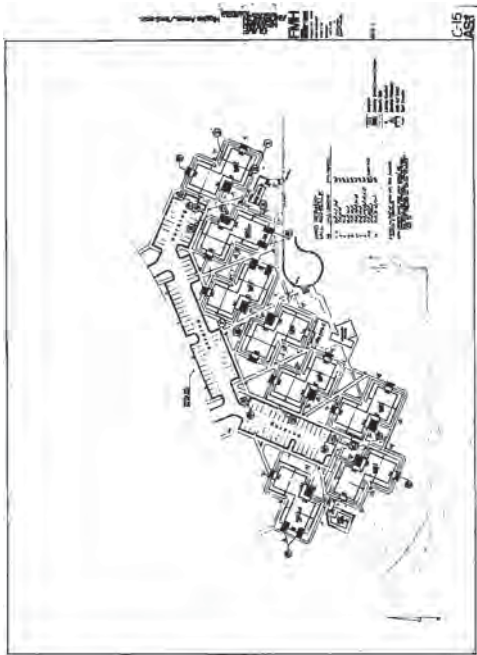


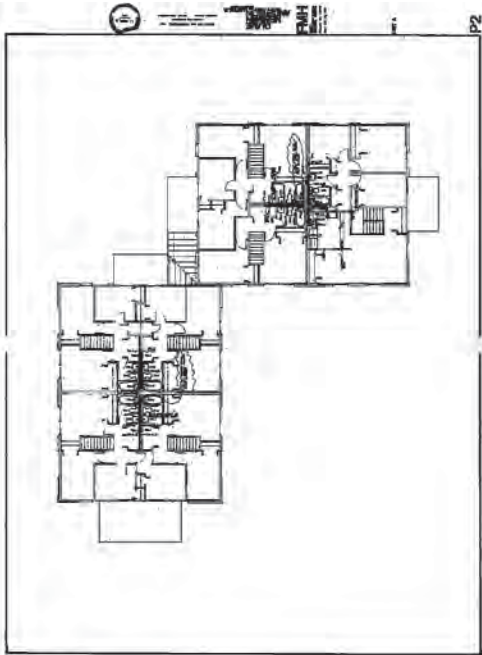






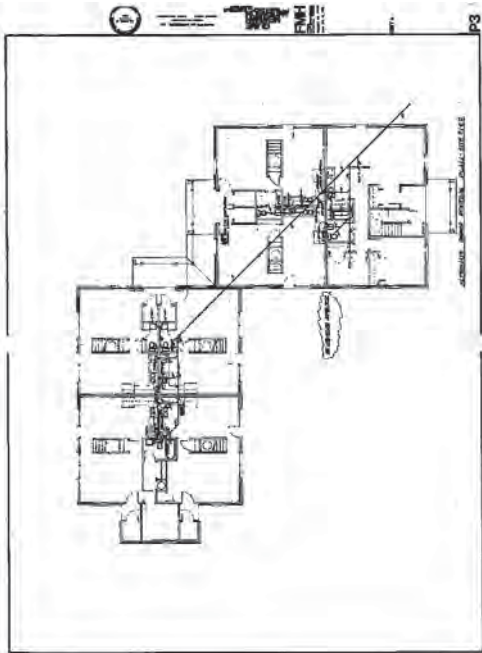


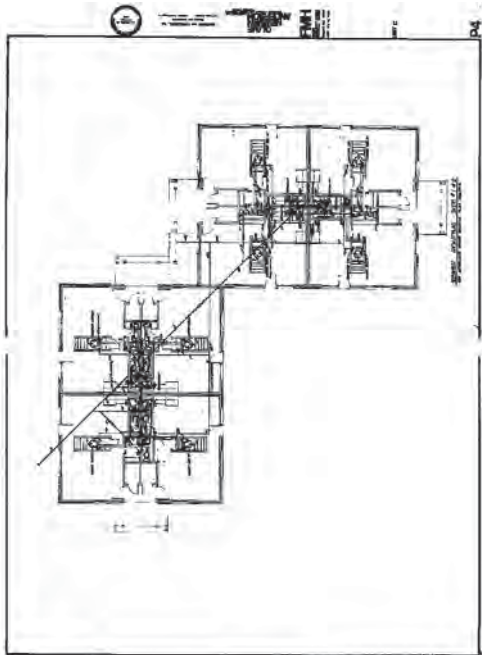


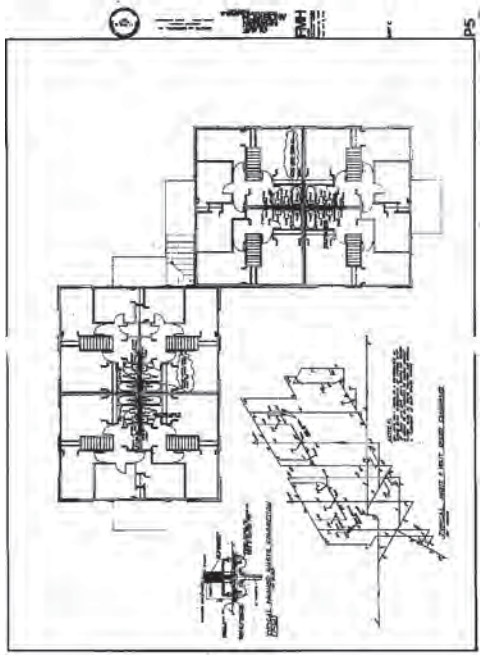


10
FLOOR PLAN
1:100

P2



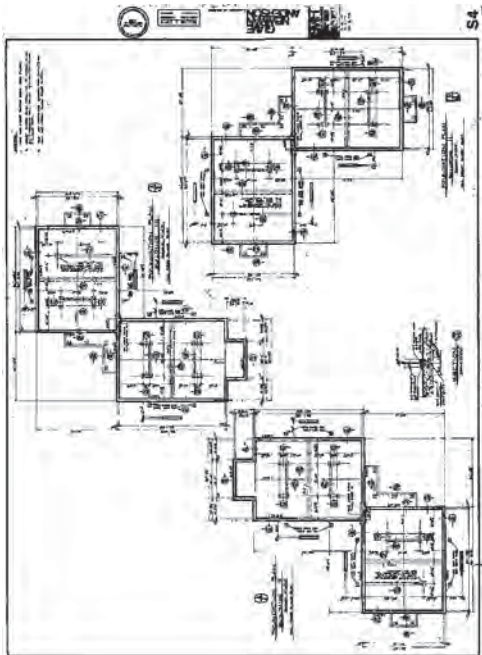


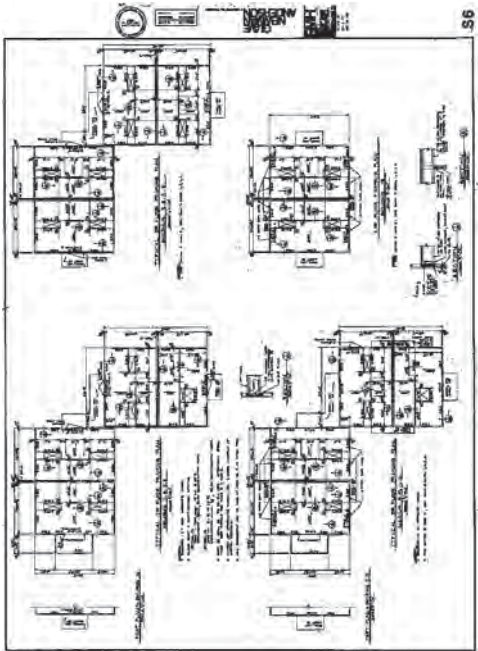


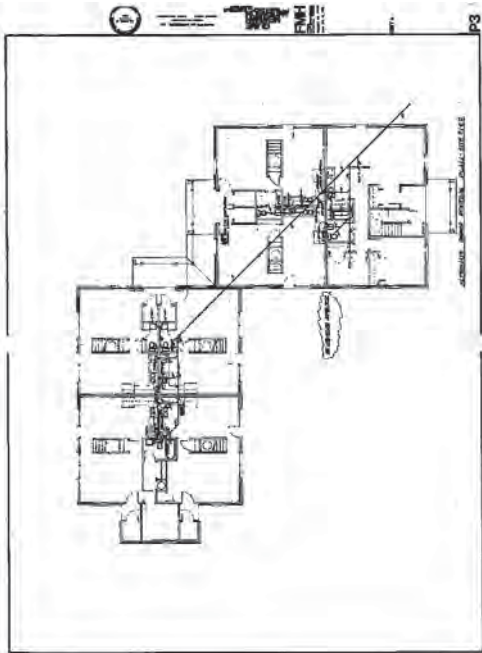
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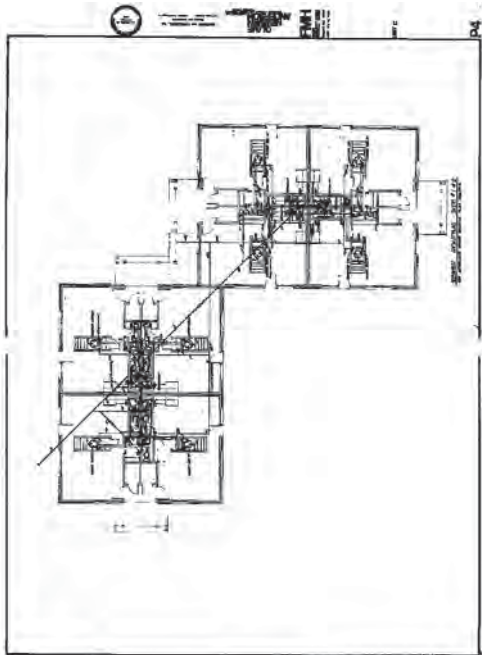
STAIRS
OFFICE
COMMON ROOM

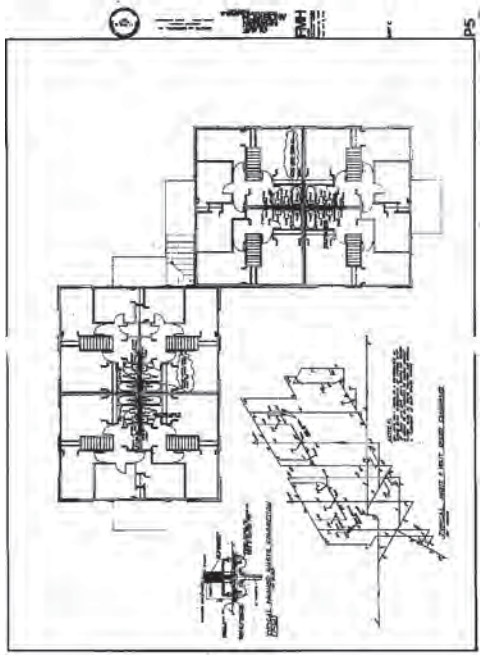
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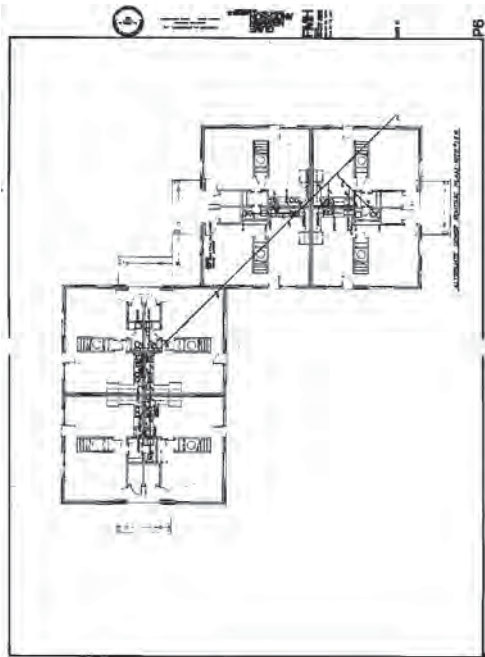


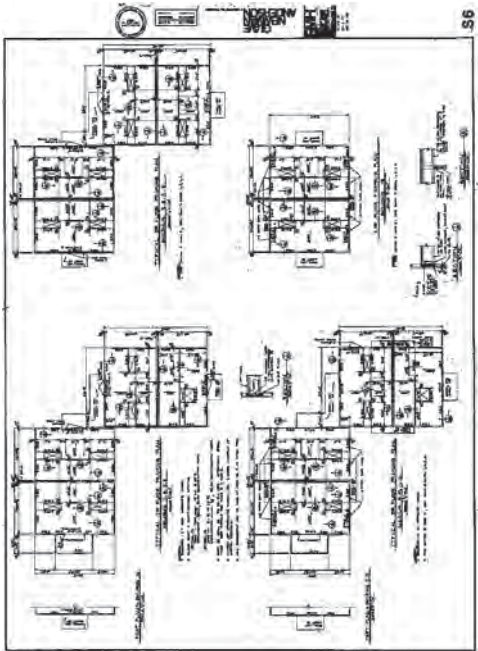












ADDENDUM E
Utility Allowance

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP APARTMENTS_ 5 Units and Over

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type APARTMENT UNITS 5 AND OVER UNITS PER BUILDING										Date (mm/dd/yyyy) 1/1/2019
Utility or Service	Monthly Dollar Allowances										
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR	
AIR CONDITIONING	7	8	11	15	18	22	0	0	0	0	
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0	
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0	
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0	
Electric Fee	7	7	7	7	7	7	0	0	0	0	
Electric Resistance	14	16	21	24	27	31	0	0	0	0	
HEATING BOTTLED GAS	61	71	82	92	102	112	0	0	0	0	
HEATING NATURAL GAS	19	22	25	28	32	35	0	0	0	0	
HEATING OIL	42	49	56	63	70	77	0	0	0	0	
OTHER ELECTRIC	17	20	28	36	44	52	0	0	0	0	
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0	
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0	
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0	
SEWER	34	37	52	75	99	122	0	0	0	0	
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0	
WATER	21	23	35	54	73	93	0	0	0	0	
WATER HEATING BOTTLED GAS	21	25	36	47	58	70	0	0	0	0	
WATER HEATING ELECTRIC	11	13	17	20	24	27	0	0	0	0	
WATER HEATING NATURAL GAS	7	8	11	15	18	22	0	0	0	0	
WATER HEATING OIL_OTHER	15	17	25	33	40	48	0	0	0	0	

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP Low Rise Apt 2-4 units

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type LowRise Apt 2-4 Units		Date (mm/dd/yyyy) 1/1/2019							
Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	8	9	13	17	21	24	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	20	23	27	31	36	41	0	0	0	0
HEATING BOTTLED GAS	98	115	123	131	139	147	0	0	0	0
HEATING NATURAL GAS	30	36	38	41	43	46	0	0	0	0
HEATING OIL	67	79	85	90	96	101	0	0	0	0
OTHER ELECTRIC	21	25	34	44	54	63	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0
SEWER	34	37	52	75	99	122	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	21	23	35	54	73	93	0	0	0	0
WATER HEATING BOTTLED GAS	27	31	45	59	73	87	0	0	0	0
WATER HEATING ELECTRIC	14	16	21	25	29	33	0	0	0	0
WATER HEATING NATURAL GAS	8	10	14	18	23	27	0	0	0	0
WATER HEATING OIL_OTHER	18	22	31	41	50	60	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP DUPLEXS_ROWHOUSES_TOWNHOUSES

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type ROW HOUSES_TOWNHOUSES		Date (mm/dd/yyyy) 1/1/2019							
Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	7	8	14	20	26	32	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	20	23	27	31	36	41	0	0	0	0
HEATING BOTTLED GAS	80	94	106	118	130	142	0	0	0	0
HEATING NATURAL GAS	25	29	33	36	40	44	0	0	0	0
HEATING OIL	55	64	73	81	89	98	0	0	0	0
OTHER ELECTRIC	22	26	36	46	56	66	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0
SEWER	34	37	52	75	99	122	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	21	23	35	54	73	93	0	0	0	0
WATER HEATING BOTTLED GAS	27	31	45	59	73	87	0	0	0	0
WATER HEATING ELECTRIC	14	16	21	25	29	32	0	0	0	0
WATER HEATING NATURAL GAS	8	10	14	18	23	27	0	0	0	0
WATER HEATING OIL_OTHER	18	22	31	41	50	60	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

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

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Office of Public and Indian Housing

Utility Allowance Schedule:

HCVP DETACHED

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type Single Family/Detach		Date (mm/dd/yyyy) 1/1/2019							
Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	5	6	14	23	31	40	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	13	15	0	0	0	0
COOKING NATURAL GAS	3	3	5	6	8	9	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	29	34	37	40	45	49	0	0	0	0
HEATING BOTTLED GAS	87	102	117	131	146	160	0	0	0	0
HEATING NATURAL GAS	27	32	36	41	45	50	0	0	0	0
HEATING OIL	60	70	80	90	100	110	0	0	0	0
OTHER ELECTRIC	25	30	41	53	65	76	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	15	15	15	15	15	15	0	0	0	0
RANGE AND MICROWAVE	14	14	14	14	14	14	0	0	0	0
REFRIGERATOR	17	17	17	17	17	17	0	0	0	0
SEWER	34	37	52	75	99	122	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	21	23	35	54	73	93	0	0	0	0
WATER HEATING BOTTLED GAS	27	31	45	59	73	87	0	0	0	0
WATER HEATING ELECTRIC	14	16	21	25	28	32	0	0	0	0
WATER HEATING NATURAL GAS	8	10	14	18	23	27	0	0	0	0
WATER HEATING OIL_OTHER	18	22	31	41	50	60	0	0	0	0

Actual Family Allowances To be used by the family to compute allowances. Complete below for the actual unit rented.	Utility or Service	per month cost
	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Other	
	Total	

ADDENDUM F
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

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

V. Real Estate Assignments – Examples

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

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

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
KELLY MCNANY GORMAN**

I. Education

Virginia Tech, Blacksburg, VA
Bachelor of Arts in Urban Affairs and Planning

II. Professional Experience

Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Asset Manager, Housing Opportunities Commission of Montgomery County, MD
Senior Real Estate Analyst, Novogradac & Company LLP
Acquisitions Associate, Kaufman & Broad Multi-Housing Group, Inc. (KBMH)

III. Certifications, Professional Training and Continuing Education

Licensed Certified General Appraiser, CT License #RCG.0001437
Licensed Certified General Appraiser, NJ License #42RG00245500
Licensed Certified General Appraiser, NY License #46000051239
Licensed Certified General Appraiser, PA License #GA004390

Attended and presented at tax credit application training sessions and seminars, valuation of GP Interest sessions, numerous conferences and classes in real estate valuation, finance, asset management and affordable housing development using tax credits and tax exempt financing.

IV. Real Estate Assignments – Examples

A representative sample of Asset Management, Market Study, Due Diligence and Valuation Engagements includes the following:

- Managed and conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Managed and conducted market studies and appraisals of various LIHTC, affordable and market rate properties for numerous clients. The subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, operating expense and demand analysis. Appraisals included various value scenarios including hypothetical land value as if vacant, insurable value, value of LIHTC, abatements and PILOTs, below market debt, ground leases, value of historic credits, etc. Work has been national in scope.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.

- Provided appraisals and market studies for a variety of properties types located throughout the United States. The reports provided included a variety of property types including vacant land, multifamily rental properties, retail buildings, etc.
- Managed a portfolio of ten multifamily properties with a total of over 2,000 units. Portfolio a range of property types including an historic property, garden style, luxury high rise, two senior independent living and one assisted living facility. Responsible for the management, oversight, financial analysis and financial reporting. Coordinated the preparation of property operating budgets, capital budgets and long range plans. Monitored compliance with regulations, policies and procedures. Completed special property management projects consisting of research and reporting. Analyzed property management financial statements and multifamily rental markets surveys.
- Managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations. Recommendations included a workout for one of the 16 assets.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of property condition and deferred maintenance, security issues, signage, marketing strategy and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assess how the property compares to competition. Analyzed operating expense results.

NMTC Consulting Assignments

Performed investment due diligence for a variety of NMTC transactions.

- Performed loan consulting engagements in which GoVal provided opinions regarding whether third party lenders would reasonably lend to NMTC projects based upon deal structure and likelihood of repayment. These engagements involved the analysis of sources of collateral, sources of repayment and reviewing transaction documents, surveying lenders and examining the deal structure.
- Oversaw an analysis of NMTC activity analyzing sizing and recommending strategies for a NMTC investor. Engagement consisted of compilation of NMTC award data from CDFI by location, CDE type, year, award amount and conduct interviews with market participants to better understand investment objectives and competitor activity.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Scott J. Hutter

I. Education

Georgetown University, Washington, DC
Master of Science in Real Estate, *summa cum laude*

UMBC, Baltimore, MD
Bachelor of Arts in Political Science, *cum laude*

II. Professional Experience

Real Estate Manager, *The Novogradac Group*, August 2015-Present
Real Estate Development Analyst, *TTR Sotheby's Realty*, August 2014-August 2015
Real Estate Marketing Sales Territory Manager, *CoStar Group*, July 2013-August 2014

III. Real Estate Assignments

- Drafted appraisals and market studies on a wide variety of properties including multifamily developments, assisted living facilities, hotel, office, medical office, retail, industrial, mixed-use properties, vacant land, and proposed new construction.
- Performed site inspections, and conducted in-depth property, economic research, market data research, expense analyses, and revenue projections.
- Performed market studies on multifamily properties, specializing with the Low-Income Housing Tax Credit program.
- Performed analyses on multifamily properties that are HUD subsidized or operated under the USDA Rural Development program.
- Created Argus models for office, medical office, retail, and industrial properties
- Conducted valuations of General Partnership and Limited Partnership Interests
- Conducted valuations of subordinated debt for LIHTC properties with irregular debt terms.

IV. Professional Training

Advanced Income Capitalization, Appraisal Institute, 2018
General Appraiser Report Writing and Case Studies, Appraisal Institute, 2018
Quantitative Analysis, Appraisal Institute, 2018
General Appraiser Income Approach Part I, Appraisal Institute, 2018
General Appraiser Income Approach Part II, Appraisal Institute, 2018
General Appraiser Report Writing and Case Studies, Appraisal Institute, 2018
15-Hour National USPAP Equivalent, Appraisal Institute, 2017
Basic Appraisal Procedures, Appraisal Institute, 2017
Basic Appraisal Principals, Appraisal Institute, 2017
Real Estate Finance, Statistics, and Valuation Modeling, Appraisal Institute, 2017
General Appraiser Market Analysis and Highest and Best Use, Appraisal Institute, 2017
General Appraiser Sales Comparison Approach, 2017
General Appraiser Site Valuation and Cost Approach, 2017
Market Analysis for Commercial Real Estate, CCIM Institute, 2017
Certificate in Business and Commercial Lending, American Bankers Association, 2017
Argus Enterprise Training- Valuation and Portfolio Analysis, Kahr Real Estate, 2016
Interest Based Negotiations, CCIM Institute, 2016
Pro Forma Fundamentals Certificate, Urban Land Institute (ULI), 2015
Washington, DC Real Estate License, DC Real Estate Commission, 2015

STATEMENT OF PROFESSIONAL QUALIFICATIONS

James F. Mitman

I. Education

Boston College, Chestnut Hill, MA
Bachelor of Science in Business with a concentration in Marketing
Bachelor of Arts in Sociology

II. Professional Experience

Junior Analyst, Novogradac & Company LLP, July 2013 – 2016
Analyst, Novogradac & Company LLP, December 2016 – Present

III. Real Estate Assignments

A representative sample of work on various types of projects:

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Connor Mattoon

I. Education

University of San Diego – San Diego, CA
Bachelor of Science in Business Administration, Real Estate

II. Professional Experience

Junior Analyst, *Novogradac & Company LLP* – October 2017 - Present
Intern, *Auctus Capital Partners*, March 2017- August 2017
Intern, *KPMG*, January 2016- May 2016

III. Research Assignments

A representative sample of work on various types of projects:

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

ADDENDUM G
NCHMA Certification and Checklist



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

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

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

James Mitman
Analyst

NCHMA Market Study Index

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

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

NCHMA Market Study Index

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

		Section(s)
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	VI
32	Affordability analysis with capture rate	VI
33	Penetration rate analysis with capture rate	VI
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	V
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	V
36	Precise statement of key conclusions	I
37	Market strengths and weaknesses impacting project	I
38	Product recommendations and/or suggested modifications to subject	I
39	Discussion of subject property's impact on existing housing	V
40	Discussion of risks or other mitigating circumstances impacting subject	V
41	Interviews with area housing stakeholders	V
Other Requirements		
42	Certifications	Addenda
43	Statement of qualifications	Addenda
44	Sources of data not otherwise identified	N/A