



REAL PROPERTY **RESEARCH** GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

Market Feasibility Analysis

Riverside Station Apartments

Norfolk, Virginia

Prepared for:

Curlew Apts. II, L.P.

Effective Date: February 6, 2020

Site Inspection: February 6, 2020





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EXECUTIVE SUMMARY

Real Property Research Group, Inc. (RPRG) has been retained by Curlew Apts. II, L.P. (Client) to conduct a market feasibility study for a proposed new construction multifamily rental community to be located at 5786 Sellger Drive, 5827 Curlew Drive, and 5845 Curlew Drive in Norfolk, Virginia. The rental community will include 236 apartments, all of which will target households with incomes at or below 40 percent, 50 percent, 60 percent, 70 percent, and 80 percent of the Area Median Income (AMI) – with a weighted average of 59.8 percent AMI - although 23 units (9.7 percent) will have project-based rental subsidies. A portion of the community, 120 units (51 percent), will be financed with equity raised from the sale of nine percent Low Income Housing Tax Credits, while the remaining 116 units (49 percent) will be financed with four percent Low Income Housing Tax Credits and tax-exempt bond financing.

The subject of this report, Riverside Station Apartments II, is that portion of the proposed rental community that includes the second 116-unit phase financed with equity raised from the sale of four percent Low Income Housing Tax Credits and tax-exempt bond financing.

This analysis has been conducted and formatted in accordance with the 2020 Market Study Guidelines of the Virginia Housing Development Authority (VHDA) and the guidelines of the National Council of Housing Market Analysts (NCHMA). The intended use of this report is to accompany applications to VHDA for four percent (competitive) Low-Income Housing Tax Credits.

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

Unit	Units	Income Level	Rent Subsidy	Net Unit Size	Contract Rent (1)	Utility Allowance	Gross Rent
9% LIHTC							
1BR/1BA	3	40%	Sect 8	694	\$465	\$97	\$560
1BR/1BA	4	50%		694	\$605	\$97	\$700
1BR/1BA	4	70%		694	\$800	\$97	\$945
1BR/1BA	3	80%		694	\$800	\$97	\$995
2BR/2BA	12	40%	Sect 8	967	\$550	\$122	\$671
2BR/2BA	26	50%		967	\$720	\$122	\$841
2BR/2BA	26	70%		967	\$1,000	\$122	\$1,121
2BR/2BA	12	80%		967	\$1,000	\$122	\$1,216
3BR/2BA	8	40%	Sect 8	1,166	\$630	\$151	\$776
3BR/2BA	8	50%		1,166	\$825	\$151	\$971
3BR/2BA	7	70%		1,166	\$1,150	\$151	\$1,299
3BR/2BA	7	80%		1,166	\$1,150	\$151	\$1,399
Subtotal/Avg	120				\$837	\$126	\$981
4% LIHTC							
1BR/1BA	22	60%		694	\$775	\$97	\$840
2BR/2BA	64	60%		967	\$900	\$122	\$1,011
3BR/2BA	30	60%		1,166	\$1,025	\$151	\$1,169
Subtotal/Avg	116				\$909	\$126	\$1,020
Grand Total	236						

(1) Contract rents include trash collection.

Source: Curlew Apts. II, L.P.



Based on our research, including a site visit on February 6, 2020, we arrived at the following findings:

- **Site:** Located in a neighborhood with a vibrant mix of commercial, institutional, and residential uses, the subject site affords good access to public transportation and employment opportunities and is within roughly five miles of downtown Norfolk. The plan to reposition the subject parcel of land to a high quality, affordable rental property will benefit the local community. The subject is situated between a commercial node to the northwest and residential neighborhoods to the southeast. Commercial, retail, and light industrial facilities are located along the eastern (northbound) portion of Military Highway and south of I-264. Single-family residential neighborhoods are located east and south of the subject site extending to Elizabeth River and I-64. The site is along the Tide Light Rail line, roughly one half mile east of the Military Highway Station light rail stop. For those residents with private vehicles, the site affords easy access to the region's major commuting routes, most particularly Military Highway and I-264. The subject's location near the Military Highway corridor provides numerous opportunities for convenience and comparison retail shopping. Nearby retail nodes in Norfolk, Virginia Beach, and Chesapeake offer residents all of the necessary community amenities within a short drive. The region's largest concentration of retail amenities is along the Military Highway corridor centered on Military Circle Mall, two miles north of the subject site. The subject site is appropriate for affordable multifamily rental housing.

- **Economic Analysis:** Norfolk represents a primary economic engine for the Hampton Roads region. The city's unemployment rate has consistently declined since 2010, while At-Place Employment has fluctuated with growth rates slowing in recent years. The Norfolk labor force has expanded steadily the last two years after ticking down from 2012 through 2016. The city attained unemployment rates below the national average rates from 2009 to 2013 before trending slightly higher. Recently, Norfolk's unemployment rate has improved significantly, dropping below the national rate. Norfolk's most recent annual average unemployment rate of 3.6 percent in 2018 represents a significant drop from the recession-era high of 8.8 percent in 2010 and is lower than the 3.9 percent national rate. Unemployment has continued to improve through the first nine months of 2019, with the citywide unemployment rate falling to 3.5 percent.

The subject's market area is commuter-oriented with one fifth (20.6 percent) of Riverside Market Area workers reporting average commute times of 15 minutes or less as of 2014-2018, while 41.8 percent commuted 15 to 24 minutes and 33.8 percent commuted 25 or more minutes. Norfolk At-Place Employment has fluctuated during the last ten years ranging from 143,168 jobs in 2007 to 142,754 job in 2018. After falling to a low of 134,424 jobs in 2014, job growth averaged almost 2,100 jobs per year through 2018, though most of these gains took place in 2017. At-Place Employment decreased by 1,450 jobs during the first two quarters of 2019, though this may reflect seasonality and cannot be compared to annual trend. Norfolk's economy is concentrated among four economic sectors; more than one out of every four citywide jobs (27.3 percent) are within the Government sector, followed by Education Health (16.4 percent), Trade-Transportation-Utilities (15.5 percent), and Professional-Business (13.7 percent).

- **Demographic Analysis:** The Riverside Market Area's household base increased at a steady pace between 2000 and 2020, with continued household growth projected for the next five years. The Riverside Market Area added a net of over 2,000 households, representing growth of 7.9 percent, from 2010 to 2020. As of 2020, an estimated 27,605 households reside in the Riverside Market Area. Based on Esri trends, RPRG projects that the market area will add households at an average net rate of 0.6 percent (175 households) per year between 2020 and 2025. Two fifths (39.3 percent) of households in the Riverside Market Area are renters as of



2020. Over one third (35.9 percent) of market area renters as of 2020 are estimated to be below the age of 35, and renter households between the ages of 35 and 54 account for 34.3 percent of all renter households within the market area. These are the households who are most likely to be permanent renters, renting more out of necessity than lifestyle preference. The estimated 2020 median household income in the Riverside Market Area is \$66,512, roughly eight percent lower than the South Hampton Roads overall median household income of \$72,489. The primary market area's median renter household earns \$47,480 per year. Over one third (36.9 percent) of the market area's renters have annual incomes below \$35,000. Over one third (35.2 percent) of all renter households residing in the Riverside Market Area have rent burdens of 40 percent or higher; 44.1 percent have rent burdens of 35 percent or higher. This excludes those households who reside in subsidized rent situations as their housing expenses are capped at 30 percent of their income.
- **Competitive Housing Analysis:** The market area competitive multifamily stock is divided into three categories for ease of comparison: Upper Tier market rate; Lower Tier market rate; and Affordable/Tax Credit. Low vacancies reported in RPRG's survey of the tax credit rental communities indicate the affordable rental market in the Riverside Market Area is tight, pointing to its ability to support the proposed subject apartments. The multifamily rental housing stock is of older vintage with the market area average year built of 1981. As of our survey, 55 of the 5,119 units were reported vacant, yielding an overall vacancy rate of 1.1 percent. Among the Upper Tier market rate communities, the vacancy rate is 2.7 percent. The Lower Tier market rate communities reported an overall vacancy rate of 0.8 percent, while the tax credit communities are all fully occupied. The low vacancy rates for most market area communities are indicative of a tight rental market.
 - The effective rents for Upper Tier one-bedroom units average \$1,238 (\$1.47 per square foot); the two-bedroom units average \$1,507 (\$1.32 per square foot); and the three-bedroom units average \$1,749 (\$1.28 per square foot). The Lower Tier rental communities are generally older (40+ years) but several have been renovated in recent years or are in the process of renovating units. The effective rents for Lower Tier market rate one-bedroom apartments average \$857 (\$1.10 per square foot); two-bedroom units average \$954 (\$1.01 per square foot); and three-bedroom units average \$1,144 (\$0.95 per square foot). Only four income-restricted communities (non-deeply subsidized) are currently in the Riverside Market Area; all operate under LIHTC guidelines. Effective rents for affordable one-bedroom apartments average \$684 (\$0.97 per square foot); two-bedroom units average \$798 (\$0.83 per square foot); and three-bedroom units average \$926 (\$0.80 per square foot).
 - RPRG did not identify any pipeline communities in the market area.
 - **Net Demand:** The results of this derivation of rental demand indicate that the market will have excess demand for 275 units of rental housing over the next three years. A number of factors support the estimation of excess demand for multifamily units including low vacancy rates and steady absorption paces experienced by communities in and near the market area.
 - **Effective Demand – Affordability/Capture and Penetration:** RPRG judges that the overall renter capture rate of 3.4 percent and tax credit renter capture rate of 4.9 percent for those units without project-based subsidies is readily achievable, particularly since the proposed apartments will be the newest and most attractive affordable rental community within the market area. In the hypothetical situation where the subject loses its subsidies, the overall capture rate of 4.7 percent is also achievable. RPRG considers the calculated penetration rate for the tax credit units of 15.8 percent of income-restricted renter households to be reasonable within the context of the Riverside Market Area Market Area. In essence, our analysis suggests that the most directly competitive rental units will need to capture less than one out of every



six income-qualified renter households. Both the capture and penetration rates are well within a reasonable and achievable range, with or without subsidies.

- **VHDA Demand Methodology:** RPRG considers the key captures rates for Riverside Station Apartments to be both reasonable and readily achievable, particularly since the project's overall capture rate is just over eight percent. For those units without rental subsidies, the capture rate is just slightly higher at 12.1 percent. Taking into consideration all these factors, we have conservatively estimated an overall project lease up pace of roughly 12 to 14 months, reflecting an average absorption pace of 16 to 18 units per month. According to Norfolk and Virginia Beach planning officials, affordable housing is a dire need throughout the cities, including the subject neighborhood. In addition, property managers at market area tax credit communities report high demand among lower-income households with consistently long wait lists at all tax credit communities.
- **Target Market:** The groups most likely to reside at the subject's income restricted units include individuals working in service sectors such as retail, leisure and hospitality, or in civilian positions associated with the numerous military installations in the area. Other persons likely to reside at the subject project include government or contract workers; local public servants such as firefighters, police officers, and teachers; and early career workers in the professional-business, financial activities, information, and health sectors. It is also possible that military personnel posted to the Hampton Roads region would find the subject's apartments to be an attractive housing alternative to on-base housing.

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

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

- **Structure Type:** Most competitive Lower Tier market rate and income-restricted rental communities include two- and three- story garden buildings. The subject will have three- and four-story garden buildings, consistent with the market area's rental housing dynamics.
- **Project Size:** The surveyed rental communities within the market area range in size from 13 to 480 units, with an average size of 183 units. Although the 236-unit Riverside Station Apartments will be larger than the income-restricted average of 148 units, it is smaller than the Upper Tier average and within the competitive range. The subject's size will appropriately allow it to provide on-site management and services similar to other market area rental communities.
- **Unit Distribution:** The subject will offer one-bedroom units (15 percent); two-bedroom units (59 percent); and three-bedroom units (25 percent). The subject's unit distribution is similar to the distribution of units in the other tax credit rental properties where one-bedroom units account for 12.5 percent of all units; two-bedroom units account for 65.5 percent; and three-bedroom units account for 22.1 percent of the supply. The proposed unit distribution positions the subject to target a wide variety of households, including single-person households, couples, roommates, single parent households and families. We believe that the proposed unit distribution is reasonable within the context of the directly competitive rental supply.
- **Income Targeting:** The subject's income targeting is as follows: 23 units (10 percent) will address households with incomes at or below 40 percent of AMI; 38 units (16 percent) will address households with incomes at or below 50 percent of AMI; 116 units (49 percent) will target households with incomes at or below 60 percent of AMI; 37 units (16 percent) will target



- households with incomes at or below 70 percent of AMI; and 22 units (9 percent) will target household with incomes at or below 80 percent of AMI. The subject's weighted average income target is 59.8 percent of AMI. RPRG's penetration analysis indicates that all of the subject's units as well as those existing and future units without rental subsidies address less than one out of six (15.8 percent) of all income-qualified households.
- **Unit Size:** The proposed net unit sizes for Riverside Station Apartments are 694 net square feet for one-bedroom units; 967 net square feet for two-bedroom units; and 1,166 net square feet for three-bedroom units. Average useable/heated unit sizes will be 760 square feet for one-bedroom units; the two-bedroom units will average 1,047 square feet; and the three-bedroom units will average 1,256 square feet. The subject's unit sizes are generally comparable to or larger than the directly competitive affordable and Lower Tier rental supply within the market area. Additionally, the units are planned with an open and modern floor plan. We believe that the size of the subject's units will be marketable and will be directly competitive with the other rental units in the multifamily supply, with a competitive advantage in some cases.
 - **Number of Bathrooms:** All of the subject's one-bedroom units will have one full bathroom, while the two- and three-bedroom units will have two bathrooms. Within the directly competitive tax credit rental supply, only Pickett Farms and Quill offer two baths for all two- and three-bedroom units. As a result, the availability of two baths in these units is viewed as a competitive advantage.
 - **Kitchen Features:** All unit kitchens at Riverside Station Apartments will include features not typically found in the affordable rental supply, such as a microwave and garbage disposal. Additionally, the fact that the units will have energy-efficient and modern appliances is also a positive feature.
 - **Laundry:** The developer intends to equip all units at Riverside Station Apartments with full-size washers and dryers. As in-unit washer/dryers are only available at eight of 24 Lower Tier or tax credit communities, this feature is considered to provide the subject with a competitive advantage.
 - **Other Unit Features:** Units at Riverside Station Apartments will have carpeted bedrooms and living areas and attractive vinyl plank flooring in the kitchen, living area, hallway, and bath. Carpeting is the primary flooring material throughout the market. All of the subject's units will have private outdoor space with either a patio or balcony. This is also a desirable feature that is appreciated by tenants and not always available in the competitive supply.
 - **Utilities Included in Rent:** The developer proposes to include trash removal costs in monthly rents in Riverside Station Apartments, leaving tenants responsible for paying all other utility bills. This is the same utility situation as the two newest market area tax credit communities, Picket Farms and Quill. The trend in newer rental communities is to include only trash collection as it places more responsibility on tenants and promotes energy conservation. The subject will also offer free Wi-Fi in each unit, providing a competitive advantage in some cases.
 - **Common Area Amenities:** The developer intends to provide a significant offering of common area amenities at the subject, including clubhouse with community meeting space, a fitness center, an outdoor swimming pool, playground, and sports field. The proposed slate of amenities would position the subject community similar to or exceeding most market rate properties in the primary market area. Clubhouses/community rooms, fitness centers, and outdoor pools are available at all Upper Tier market area communities but are less available among Lower Tier communities. The proposed amenity slate is considered to be a competitive advantage in many cases.



- **Parking:** The subject will have free surface parking which is consistent with the other rental communities. We do not believe that other parking options are necessary in the Riverside Market Area. As such, surface parking is not considered to be either an advantage or disadvantage within this market area but comparable to what is currently available.

Price Position/Rents: The tax credit rents proposed for Riverside Station Apartments are at or below the allowable maximums, given the assumed utility allowances of \$97 for one-bedroom units; \$122 for two-bedroom units; and \$151 for three-bedroom units. The subject's rents are quite reasonable when viewed in the context of both the market rate and affordable rental supply, given the rental community's new construction, unit features and finishes, and strong amenity package.

Absorption Estimate: In estimating an absorption pace for the subject community, we consider recent absorption activity in the market in addition to demand and supply factors. As mentioned previously, only one rental community has opened within the past five years. 525 Historic Kempsville, an Upper Tier community, opened in August 2016 with a rolling delivery of three phases through December 2017. The property manager reported an average absorption rate of 15 units per month, though delays in unit delivery reduced lease up paces.

To provide some context we obtained absorption history for two tax credit communities in the secondary market area; both are within three miles northeast of the subject site in Virginia Beach:

- **Baker Woods** opened in May 2015 and was fully leased as of October 2015, with an average absorption pace of 19 units per month. However, the lease up pace is a reflection of when the buildings were released for occupancy rather than market interest. Prior to opening, this community had an interest list of over 400 households.
- **Summer Haven** opened in March 2017 with a significant number of pre-leased units. All 54 units were fully leased by June 2017 for an average absorption pace of 19 units per month, and the community now reports an extensive wait list.

The demand for these apartments was very strong and the lease up pace is actually a reflection of when the buildings and units were released for occupancy rather than market interest. Both Baker Woods and Summer Haven currently maintain extensive pre-qualified wait lists. We note that no pipeline projects were identified in the market area, and the subject community will be the first income-restricted community delivered to the market in seven years. With this consideration and given the fact that almost three fourths of the subject's units will target households with incomes at or below 60 percent of AMI, we conservatively estimate an absorption pace of 16 to 18 units per month. Assuming this absorption pace, we would expect that the subject would attain stabilized occupancy in approximately 12 to 14 months.

Impact on Existing Market: RPRG does not anticipate that the subject will have an adverse impact on the existing rental market. The overall vacancy rate for the income-restricted rental communities within the market area is very low at 1.1 percent. Additionally, the subject's VHDA capture rate for all units is 8.3 percent while the capture rate for those units without rental subsidies is 12.1 percent. Both are reasonable and achievable. Importantly, the overall penetration rate for the income-restricted units is very low at 11.6 percent.



I. INTRODUCTION

A. Overview of Subject

Riverside Station Apartments is a proposed new construction multifamily rental community to be located at 5786 Sellger Drive and 5827/5845 Curlew Drive in the Norfolk, Virginia. The rental community will include two phases totaling 236 rental units, all of which will be income-restricted in accordance with the Department of Housing and Urban Development's 2019 median household income for the Virginia Beach-Norfolk-Newport News-VA-NC MSA (Table 1).

Phase I will consist of 120 apartments (56 percent) to be financed, in part, with equity raised from the sale of nine percent Low Income Housing Tax Credits. Phase II will include 116 units (44 percent) to be financed with four percent Low Income Housing Tax Credits and tax-exempt bond financing. The project will be developed in two phases but constructed simultaneously.

This report is intended to be submitted as part of an application for four percent Low Income Housing Tax Credits for the 116 rental units planned for Phase II.

B. Purpose

The purpose of this study is to perform a market feasibility report and analysis. This report examines the subject site, the economic context of the jurisdiction in which the site is located, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of net demand and effective demand (affordability/penetration analyses). In accordance with Virginia Housing Development Authority's 2020 Market Study Guidelines, both net and effective demand will include all of the subject's units proposed for both phases of development.

C. Format of Report

The report format is Comprehensive. Accordingly, the market study addresses all required items set forth in the 2020 Market Study Guidelines of the Virginia Housing Development Authority (VHDA). Furthermore, the market analyst has considered the recommended model content and market study index of the National Council of Housing Market Analysts (NCHMA).

D. Client, Intended User, and Intended Use

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

E. Applicable Requirements

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

- VHDA's 2020 Market Study Guidelines.
- NCHMA's Model Content Standards and Market Study Checklist.



Table 1 HUD Rent & Income Limits

HUD 2019 Median Household Income											
Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area		\$79,300									
Very Low Income for 4 Person Household		\$39,650									
2019 Computed Area Median Gross Income		\$79,300									
Utility Allowance:											
		1 Bedroom	\$97								
		2 Bedroom	\$122								
		3 Bedroom	\$151								
Household Income Limits by Household Size:											
Household Size	30%	40%	50%	60%	70%	80%	100%	120%	150%		
1 Person	\$16,680	\$22,240	\$27,800	\$33,360	\$38,920	\$44,480	\$55,600	\$66,720	\$83,400		
2 Persons	\$19,050	\$25,400	\$31,750	\$38,100	\$44,450	\$50,800	\$63,500	\$76,200	\$95,250		
3 Persons	\$21,420	\$28,560	\$35,700	\$42,840	\$49,980	\$57,120	\$71,400	\$85,680	\$107,100		
4 Persons	\$23,790	\$31,720	\$39,650	\$47,580	\$55,510	\$63,440	\$79,300	\$95,160	\$118,950		
5 Persons	\$25,710	\$34,280	\$42,850	\$51,420	\$59,990	\$68,560	\$85,700	\$102,840	\$128,550		
6 Persons	\$27,600	\$36,800	\$46,000	\$55,200	\$64,400	\$73,600	\$92,000	\$110,400	\$138,000		
Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom):											
Persons	# Bed-rooms	30%	40%	50%	60%	70%	80%	100%	120%	150%	
1	0	\$16,680	\$22,240	\$27,800	\$33,360	\$38,920	\$44,480	\$55,600	\$66,720	\$83,400	
1.5	1	\$17,865	\$23,820	\$29,775	\$35,730	\$41,685	\$47,640	\$59,550	\$71,460	\$89,325	
3	2	\$21,420	\$28,560	\$35,700	\$42,840	\$49,980	\$57,120	\$71,400	\$85,680	\$107,100	
4.5	3	\$24,750	\$33,000	\$41,250	\$49,500	\$57,750	\$66,000	\$82,500	\$99,000	\$123,750	
6	4	\$27,600	\$36,800	\$46,000	\$55,200	\$64,400	\$73,600	\$92,000	\$110,400	\$138,000	
LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom):											
# Persons		40%		50%		60%		70%		80%	
		Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
1 Bedroom		\$595	\$498	\$744	\$647	\$893	\$796	\$1,042	\$945	\$1,191	\$1,094
2 Bedroom		\$714	\$592	\$892	\$770	\$1,071	\$949	\$1,249	\$1,127	\$1,428	\$1,306
3 Bedroom		\$825	\$674	\$1,031	\$880	\$1,237	\$1,086	\$1,443	\$1,292	\$1,650	\$1,499

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

F. Scope of Work

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

- Please refer to Appendix 2 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Ethan Reed, Senior Analyst for Real Property Research Group, Inc., conducted a visit to the subject site, its immediate neighborhood, and wider primary market area on February 6, 2020.
- RPRG gathered primary information through field and phone interviews with rental community leasing agents and property managers. In the course of research, we obtained information on proposed developments through interviews with Paula Shea of the Norfolk Planning Department; Kim Dotson, City of Virginia Beach Department of Planning; Andrew Friedman, City of Virginia Beach Department of Housing and Neighborhood Preservation; and Janene Taylor-Smith of the Norfolk Redevelopment & Housing Authority.
- All information obtained is incorporated in the appropriate section(s) of this report.



G. Report Limitations

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

H. Other Pertinent Remarks

None.

II. PROJECT DESCRIPTION

A. Project Overview

Riverside Station Apartments is a proposed Low Income Housing Tax Credit (LIHTC) multifamily rental community to be located at 5786 Sellger Drive, 5827 Curlew Drive, and 5845 Curlew Drive in Norfolk, Virginia. The rental community will include 236 apartments and associated community amenities. The project will have two separate financing structures. Phase I will consist of 120 rental units and the clubhouse/swimming pool to be constructed on a 5.8-acre site. These apartments will be financed, in part, with equity raised from the sale of nine percent (competitive) tax credits. Phase II, the subject of this report, will include the remaining 116 units to be constructed on a 4.0-acre site with equity proceeds from the sale of four percent (non-competitive) tax credits and tax-exempt bond financing. The developer for Phase I is Curlew I Developers, LLC, and the developer for Phase II is Curlew Apts. II, L.P. (to be formed). Figure 1 illustrates the initial conceptual rendering for the proposed apartment buildings.

Figure 1 Building Rendering, Riverside Station Apartments



Source: Curlew Apts. II, L.P.

B. Project Type and Target Market

Riverside Station Apartments will be a general occupancy multifamily rental complex that will target low- and moderate-income renter households. The project will have two separate financing structures but will be constructed as one project. Of the 236 apartments, 23 units (9.7 percent) will have project-based Section 8 rental subsidies and the remaining 213 units (90.3 percent) will require that tenants pay the contract rent or have their own Housing Choice voucher. These 236 rental units will include a broad range of target incomes with units restricted to households with incomes at 40 percent, 50 percent, 60 percent, 70 percent, and 80 percent of Area Median Income (AMI) for the Virginia Beach-Norfolk-Newport News-VA-NC MSA, with a total LIHTC weighted average income-restriction of 59.8 percent AMI, as adjusted for household size. The 120 units at Riverside Station Apartments Phase I will be financed, in part, with nine percent (competitive) tax credits. The 116 units in Phase II will be financed with equity raised from the sale of four percent (non-competitive) tax credits and tax-exempt bond financing. With a unit mix of one-, two- and three-bedroom units, the community will target a range of renter households, including single-person households, couples, roommates, and families with as many as six persons.

C. Building Types and Placement

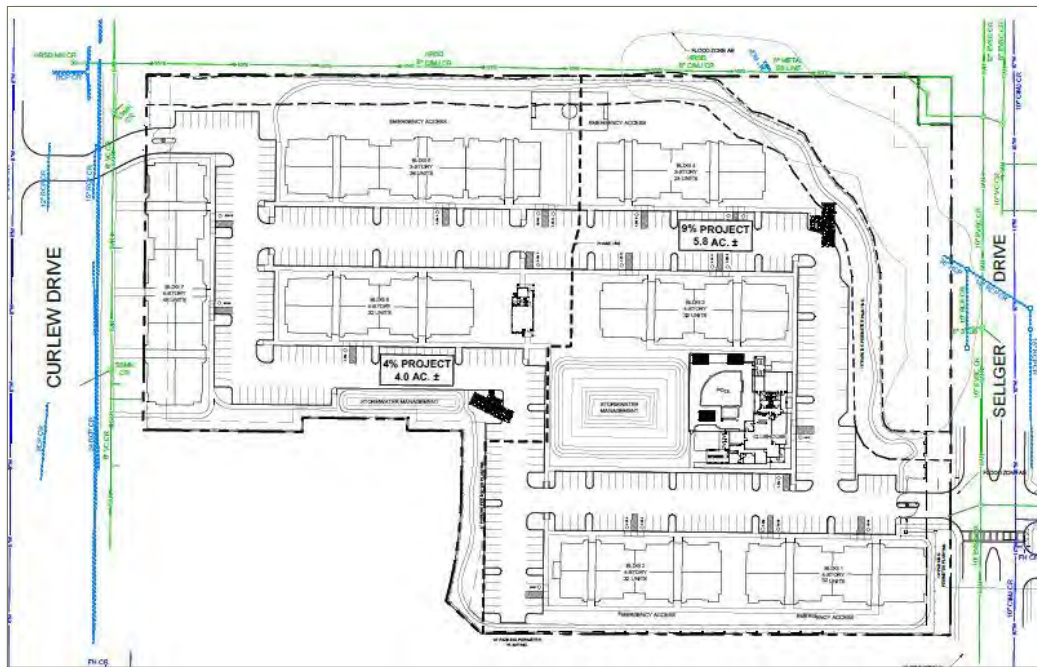
The proposed Riverside Station Apartments will consist of two components to be financed with tax credits. The nine percent LIHTC component will include three (3) four-story open stairwell residential buildings and one (1) three-story residential building with associated parking on a 5.8-

acre site (Figure 2). This portion of the subject site will include the community's clubhouse with outdoor swimming pool, and associated surface parking.

The subject project component financed with four percent tax credits will be located on a 4.0-acre site and will include one (1) three-story and two (2) four-story open stairwell residential buildings with a total of 116 units.

The main entrance into the rental community will be from the north side of Sellger Drive, just east of Military Highway with an additional entrance from the south side of Curlew Drive.

Figure 2 Site Plan, Riverside Station Apartments



Source: Curlew Apts. II, L.P.

D. Detailed Project Description

1. Project Description

Riverside Station Apartments will include a total of 236 one-, two-, and three-bedroom units. All of the apartments and community amenities will be constructed as one project, although with two different financing structures. From a renter perspective, there will be no visible distinction between the portion of the rental community financed with nine percent tax credits compared with the portion financed with four percent tax credits. Table 2 summarizes the proposed project's two components based upon financing structure as well as their associated unit distribution, income targeting, unit sizes, net rents, and utility allowances.



Table 2 Unit Distribution, Unit Sizes and Net Rents, Riverside Station Apartments

Unit	Units	Income Level	Rent Subsidy	Net Unit Size	Contract Rent (1)	Utility Allowance	Gross Rent
9% LIHTC							
1BR/1BA	3	40%	Sect 8	694	\$465	\$97	\$560
1BR/1BA	4	50%		694	\$605	\$97	\$700
1BR/1BA	4	70%		694	\$800	\$97	\$945
1BR/1BA	3	80%		694	\$800	\$97	\$995
2BR/2BA	12	40%	Sect 8	967	\$550	\$122	\$671
2BR/2BA	26	50%		967	\$720	\$122	\$841
2BR/2BA	26	70%		967	\$1,000	\$122	\$1,121
2BR/2BA	12	80%		967	\$1,000	\$122	\$1,216
3BR/2BA	8	40%	Sect 8	1,166	\$630	\$151	\$776
3BR/2BA	8	50%		1,166	\$825	\$151	\$971
3BR/2BA	7	70%		1,166	\$1,150	\$151	\$1,299
3BR/2BA	7	80%		1,166	\$1,150	\$151	\$1,399
Subtotal/Avg	120				\$837	\$126	\$981
4% LIHTC							
1BR/1BA	22	60%		694	\$775	\$97	\$840
2BR/2BA	64	60%		967	\$900	\$122	\$1,011
3BR/2BA	30	60%		1,166	\$1,025	\$151	\$1,169
Subtotal/Avg	116				\$909	\$126	\$1,020
Grand Total	236						

(1) Contract rents include trash collection.

Source: Curlew Apts. II, L.P.

In both phases of Riverside Station Apartments, the proposed one-bedroom units will have one bathroom while the two- and three-bedroom units will have two full bathrooms. For both phases, the one-bedroom units will average 694 net square feet; two-bedroom units will average 967 net square feet; and three-bedroom units will average 1,166 net square feet. Average useable/heated unit sizes will be 760 square feet for one-bedroom units; the two-bedroom units will average 1,047 square feet; and the three-bedroom units will average 1,256 square feet. The monthly net rents at Riverside Station Apartments will include the cost of trash removal. The other utility costs, including general electricity, electric-fueled hot water, cooking, heating and cooling, will be the direct responsibility of future tenants. The proposed utility allowances are as follows: \$97 for one-bedroom units; \$122 for two-bedroom units; and \$151 for three-bedroom units. The community will include unrestricted free surface parking.

While most units in both phases will require that tenants pay a contract rent or utilize their own Housing Choice voucher, 23 units (9.7 percent) will have project-based Section 8 rental subsidies. These units will be located in the portion of the community financed with nine percent tax credits (first phase).

All units at Riverside Station Apartments will be equipped with electric range, refrigerator with an icemaker, dishwasher, microwave, range hood, and garbage disposal (Table 3). Kitchen appliances will have standard finishes. The kitchens will have laminate countertops and will feature breakfast bars with an open floor design.



A full-size washer/dryer will be provided in each unit. All units will have central air conditioning and 8-foot ceiling heights. The units will have vinyl plank flooring in the hallways, living areas, kitchen, and baths and carpet in the bedrooms. The units will have private patios or balconies and window coverings, and 5.9 percent (14 units) will be made accessible.

Common area amenities, available to residents of both phases, will include a furnished clubhouse with on-site management, fitness room, swimming pool with pool deck seating areas, playground, and sports field.

2. Other Proposed Uses

In addition to the proposed Phase I apartment buildings and surface parking, the Phase I buildings and associated clubhouse with outdoor pool will be constructed simultaneously with the subject Phase II (4 percent tax credit phase). The existing commercial structures on the subject site will be demolished prior to the subject’s construction.

Table 3 Salient Project Information, Riverside Station Apartments

Unit Features	Community Amenities
<ul style="list-style-type: none"> • Upgraded laminate countertops • Energy Efficient appliances and fixtures • Refrigerator, dishwasher, microwave, range/oven, and garbage disposal • Vinyl and carpet flooring • Large vanities, walk-in closets, and ceiling fans • Open floor design • Washer/dryer • Patio/balcony 	<ul style="list-style-type: none"> • Community center • Fitness center • Swimming pool • Deck seating areas • Playground • Perimeter fencing • Walking trails • Sports field

3. Zoning and Government Review

The site recently received approval to be re-zoned from I-L (Industrial-Light) and I-G (Industrial General) to TOD-Support (Transit-Oriented-Development – Support). The proposed use is allowable for this site.

4. Proposed Timing of Development

The developer intends to begin construction by early 2021. All of the subject’s units are scheduled to be delivered by mid-2022. The developer will engage in pre-leasing, likely beginning 120 days prior to the delivery of the first units.



III. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The subject site is along the north side of Sellger Drive extending to the south side of Curlew Drive, between Military Highway and I-64 in Norfolk, Virginia (Map 1). The site is along the Tide Light Rail line, roughly one half mile east of the Military Highway Station light rail stop.

2. Size, Shape and Topography

The targeted combined acreage of 9.8 acres (5.8 acres for the section financed with nine percent tax credits and 4.0 acres for the section financed with four percent tax credits) is generally rectangular in shape. The site’s overall topography is flat.

3. Existing Uses

As observed during RPRG’s recent site visit on February 6, 2020, the subject site is currently improved with a warehouse/distribution facility, scheduled to be demolished prior to the subject’s construction (Figure 3).

Map 1 Site Location

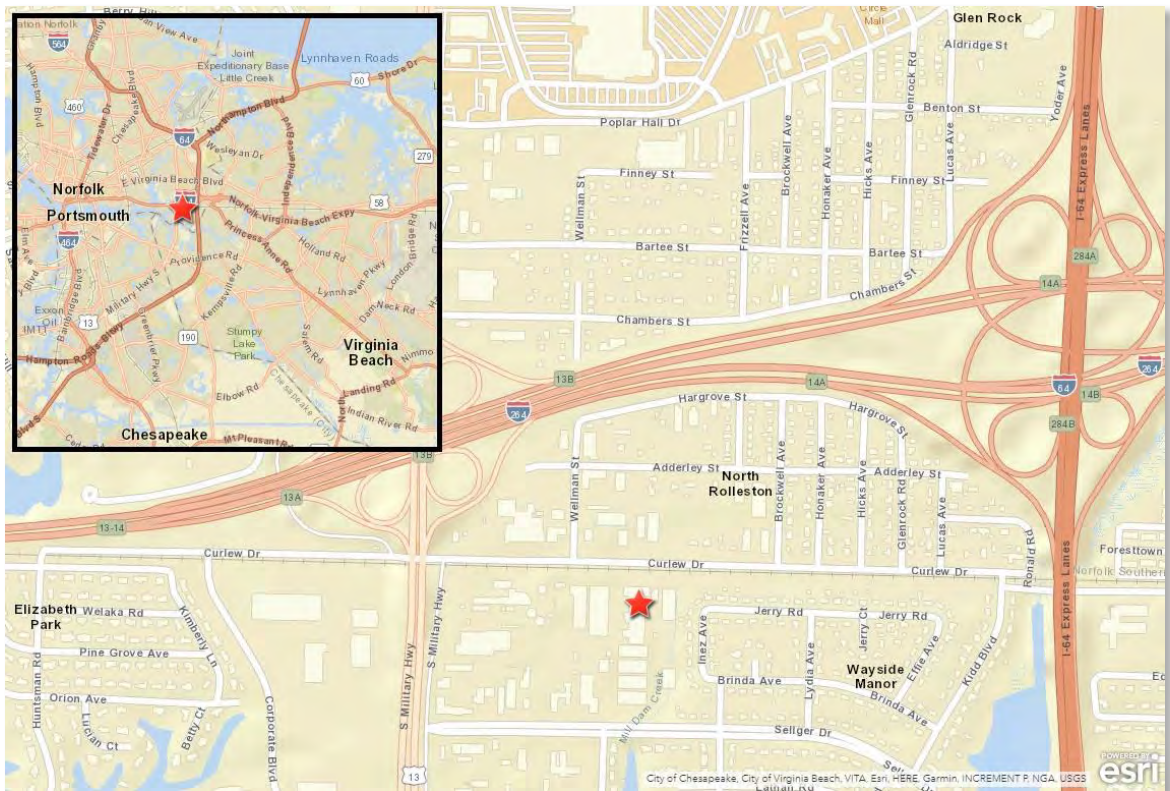


Figure 3 Views of Subject Site



View of site facing southwest from Curlew Drive



View of site facing south from Curlew Drive



Subject's northern boundary facing east along Curlew Drive



Subject site facing south from Curlew Drive



View of site facing north from Sellger Drive



Subject southern boundary facing east along Sellger Drive

4. General Description of Land Uses Near the Subject Site

The areas near the subject site include a variety of uses, including commercial, light industrial, institutional, and residential uses. The Military Highway corridor is roughly one block west of the subject site and I-264 is two blocks north. The subject is situated between a commercial node to the northwest and residential neighborhoods to the southeast. Commercial, retail, and light industrial facilities are located along the eastern (northbound) portion of Military Highway and south of I-264. Single-family residential neighborhoods are located east and south of the subject site extending to Elizabeth River and I-64. These neighborhoods are well-established with modest homes generally well maintained. Riverside Baptist Church is adjacent to the subject's western boundary, fronting Sellger Drive. Several additional churches are along Sellger Drive or South Military Highway.

5. Specific Identification of Land Uses Surrounding the Subject Site

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

- **North:** Commercial facilities, a single-family neighborhood further northeast
- **East:** Modest single-family homes
- **South:** Modest single-family homes, Aldersgate United Methodist Church to the southwest along Sellger Drive.
- **West:** Riverside Baptist Church, a warehouse, further west beyond Military Highway along Curlew Drive is the Military Highway Station light rail stop.

The subject site is along the Tide Light Rail line with the nearest stop at the Military Highway Station one half mile west of the subject site. Curlew Drive extends west below the Military Highway overpass, providing pedestrian access to the Military Highway Station. The commercial uses adjacent to the subject site are all light commercial/industrial with some outdoor storage. Though some large trucks travel along adjacent streets, no excessive noise or detracting uses were observed at the time of site visit, and the developer plans perimeter fencing and landscaping to screen adjacent commercial uses.

Figure 4 Views of Surrounding Land Uses



Commercial uses and church southwest of site along Sellger Drive



Single family homes east of subject site



Warehouse north of subject site along Curlew Drive



Commercial facilities west of subject site along Curlew Drive



Eastern boundary of subject site facing north



Commercial facility northeast of subject site along Curlew Drive

B. Neighborhood Analysis

The subject site is located in Norfolk, Virginia, a popular tourist destination and vibrant community within the Greater Hampton Roads metropolitan area. The subject is located directly southwest of the I-64 and I-264 interchange, and two miles south of a primary retail node centered at Military Circle Mall.

The surrounding area includes the southeast portion of Norfolk (known as the Military Highway district), portions of western Virginia Beach and a small portion of northeast Chesapeake. Neighborhoods throughout the area are generally low- to middle-income with some affluent subdivisions. The region's largest concentration of retail amenities is along the Military Highway corridor centered on Military Circle Mall, two miles north of the subject site. The new Norfolk Premium Outlets are located further north as well. The Norfolk Industrial Park is to the northwest, marking a transition to Norfolk's Downtown District. Neighborhoods to the northeast transition to downtown Virginia Beach. Residents living in this portion of the South Hampton Roads region have access to both urban and suburban settings with numerous employment opportunities and convenient access to the region's recreational amenities.



The subject site is located just south of I-264, a major east-west interstate that connects much of the South Hampton Roads region including Virginia Beach, Norfolk, Chesapeake, and Portsmouth. The subject site is also located near the Military Highway corridor, an important commercial corridor for Norfolk and Chesapeake. This roadway leads directly to key retail nodes and employment centers to the north.

The subject site is positioned at the transition from single-family residential neighborhoods to the east and a commercial node to the west and south along the Military Highway corridor. Residential neighborhoods to the east include River Forrest Shores, Wayside Manor, and Easton Place neighborhoods. Homes in these neighborhoods were generally built in the 1950's and 1960's and were recently selling in the low to mid \$200,000's according to real estate data provider, Trulia.

C. Site Visibility and Accessibility

1. Visibility

The subject site spans the interior of an entire block fronting the south side of Curlew Drive and the north side of Sellger Drive. As both thoroughfares provide moderate vehicular traffic, the subject will have good visibility, with signage potentially increasing visibility from nearby Military Highway.

2. Vehicular Access

Vehicular access to the subject site will be from the south side of Curlew Drive and north side of Sellger Drive. The subject's general neighborhood is well connected to both local and regional thoroughfares. Curlew extends east beyond I-64 connecting to retail and neighborhood services along major intersections. Military Highway, directly west of the subject site, is a major north-south route that connects to several of the important east-west roadways, including I-264 to the north. The east-west highway Interstate 264 is accessible less than one mile north of the site. Interstate 464 is accessible to the southwest across the Berkley Bridge, and travels southbound into Chesapeake. Meanwhile, I-264 continues west via the Downtown Tunnel into Portsmouth. Eastbound I-264 crosses into Virginia Beach, beyond the interchange with Interstate 64.

3. Availability of Public Transit

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

The region's light rail system, The Tide, links key activity nodes in and near Downtown Norfolk, including the Eastern Virginia Medical Center, Civic Plaza, the MacArthur Center, Harbor Park, and Norfolk State University. Military Highway Station provides access to The Tide Light Rail line within one half mile from the subject site.

Additionally, an HRT bus stop serving Routes 15 and 23 is located one half mile south of the subject site at Corporate Boulevard and Military Highway.



4. Availability of Inter Regional Transit

Amtrak has service from the rail station adjacent to Harbor Park in Norfolk at 280 Park Avenue, 5.1 miles west of the subject site. The Norfolk station has service along Amtrak's Northeast Regional route which links to other major cities on the East Coast, including Washington, D.C., Philadelphia, New York, and Boston. Greyhound Bus also has a station in downtown Norfolk at 701 Monticello Avenue, 5.8 miles to the west.

Norfolk International Airport is located at 2200 Norview Avenue, 4.8 miles north of the site. American Airlines, Delta Air Lines, Southwest Airlines and United Airlines offer daily flights into and out of Norfolk International. Destinations that can be reached via non-stop service from Norfolk International include Washington, DC, Baltimore, Philadelphia, New York, Charlotte, Atlanta, Boston, Detroit, Chicago, Nashville, Jacksonville, Orlando, Tampa, Miami, Houston, Dallas, Minneapolis, and Las Vegas.

5. Pedestrian Access

Sidewalks are available along both sides of Sellger Drive at the subject site. In the immediate vicinity of the subject site, sidewalks are along South Military Highway extending to Curlew Drive, and sidewalks extend along Curlew Drive to the west. The subject site is along the Tide Light Rail line with the nearest stop at the Military Highway Station one half mile west of the subject site. Curlew Drive extends west below the Military Highway overpass, providing pedestrian access to the Military Highway Station light rail stop.

6. Accessibility Improvements Under Construction and Planned

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

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

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

D. Public Safety

The Norfolk Police Department, which is responsible for the subject site's neighborhood, is located 3.4 miles to the northwest at 3661 E. Virginia Beach Boulevard. The subject is located roughly 1.5 miles from Norfolk Fire Rescue Station Number 4 located at 5909 Poplar Hall Drive. Emergency responders should thus generally be able to reach the subject site quickly when needed.

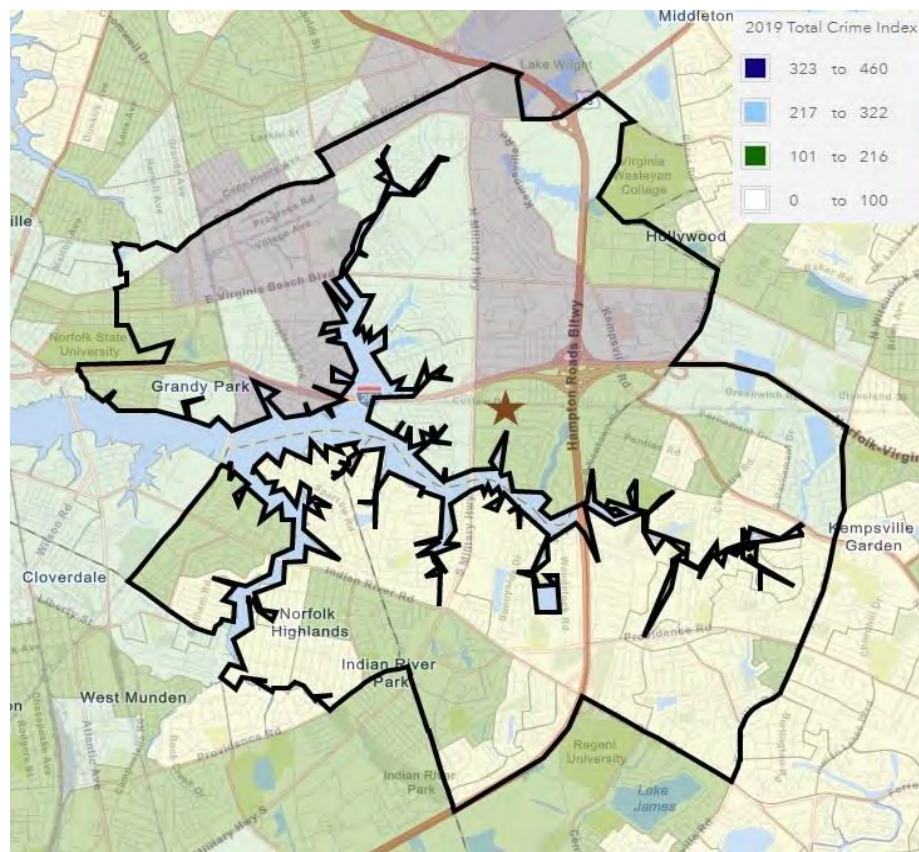
In order to gauge the topic of crime in the vicinity of the subject site, RPRG considered CrimeRisk data provided by Applied Geographic Solutions (AGS). CrimeRisk is an index that measures the relative risk of crime compared to a national average at the narrow geographic level of U.S. Census

block groups. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the Federal Bureau of Investigations (FBI) under the Uniform Crime Reporting (UCR) program. The UCR program tracks violent crimes (murder, forcible rape, robbery, and aggravated assault) and property crimes (burglary, larceny-theft, auto theft, and arson).

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

Map 2 displays the 2019 CrimeRisk index for the block groups near the subject site. The relative risk is displayed in gradations from light yellow (least risk) to deep purple (most risk). The block groups that contain the subject site and immediately adjacent parcels are shaded green and light yellow, indicative of an overall lower level of crime. Inspections of the subject site and surrounding neighborhood as well as interviews with local property managers indicate crime or the perception of crime are not expected to negatively impact the subject site.

Map 2 Total Crime Index by Block Group





E. Residential Support Network

1. Key Facilities and Services near the Subject Site

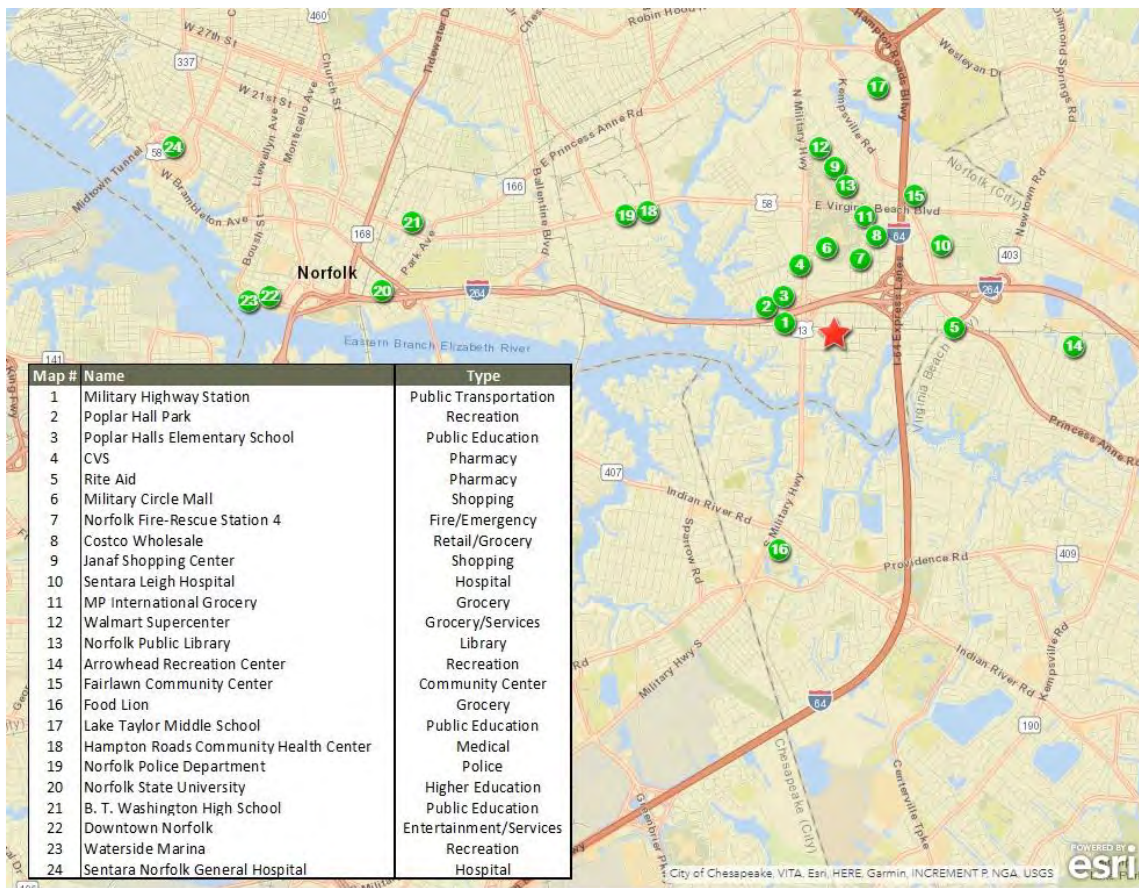
The appeal of a residential community is based in part on its proximity to facilities and services that are required on a day-to-day basis. Key facilities and services and their distances from the subject site are listed in Table 4 and the locations of those facilities are plotted on Map 3.

Table 4 Key Facilities and Services Near Subject Site

Establishment	Type	Address	Distance (Miles) From Subj.
Military Highway Station	Public Transportation	5600-5524 Curlew Dr	0.5
Poplar Hall Park	Recreation	N Military Hwy	0.7
Poplar Halls Elementary School	Public Education	5523 Pebble Ln	1.0
CVS	Pharmacy	471 N Military Hwy	1.0
Rite Aid	Pharmacy	5795 Princess Anne Rd	1.1
Military Circle Mall	Shopping	880 N Military Hwy	1.5
Norfolk Fire-Rescue Station 4	Fire/Emergency	5909 Poplar Hall Dr	1.5
Costco Wholesale	Retail/Grocery	850 Glenrock Rd	1.7
Janaf Shopping Center	Shopping	5900 E Virginia Beach Blvd	1.8
Sentara Leigh Hospital	Hospital	830 Kempsville Rd	1.8
MP International Grocery	Grocery	5957 E Virginia Beach Blvd	1.9
Walmart Supercenter	Grocery/Services	1170 N Military Hwy	2.1
Norfolk Public Library	Library	5900 E Virginia Beach Blvd	2.2
Arrowhead Recreation Center	Recreation	5400 Parliament Dr	2.2
Fairlawn Community Center	Community Center	1014 Kempsville Rd	2.3
Food Lion	Grocery	880 S. Military Hwy	2.9
Lake Taylor Middle School	Public Education	1380 Kempsville Rd	2.9
Hampton Roads Community Health Center	Medical	3755 E Virginia Beach Blvd	3.1
Norfolk Police Department	Police	3661 E Virginia Beach Blvd	3.4
Norfolk State University	Higher Education	700 Park Ave	4.7
B. T. Washington High School	Public Education	1111 Park Ave	5.0
Downtown Norfolk	Cultural/Entertainment/Services	Waterside Drive	5.5
Waterside Marina	Recreation	333 Waterside Dr	5.9
Sentara Norfolk General Hospital	Hospital	600 Gresham Dr	7.3

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

Map 3 Neighborhood Amenities



2. Essential Services

a) Health Care

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

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



- Additional healthcare amenities near the subject site include Sentara Long Term Care, Virginia Eye Consultants, NowCare, and RB Comprehensive Dentistry.

b) Education

Norfolk Public Schools serve roughly 32,000 students with over 2,500 teachers. The school system includes over 45 total schools: 31 elementary schools, 9 middle schools, and 5 high schools, as well as additional specialty schools. Students residing at the subject site would attend Fairlawn Elementary (2.5 miles from the subject site), Lake Taylor Middle School (2.9 miles), and B.T. Washington High School (5.0 miles).

Compared to other schools in the school system reporting school scores, Fairlawn Elementary ranked 24th of 31 elementary schools; Lake Taylor Middle School ranked 8th of 9 middle schools; and B.T. Washington High ranked 5th of 5 high schools (Table 5). Norfolk’s average school scores are below the state-wide averages.

Table 5 Norfolk Schools, Test Scores

Elementary Schools					Middle Schools				
VSLA - 2019					VSLA - 2019				
Rank	Elementary Schools	Grade 5 English	Grade 5 Math	Grade 5 Composite	Rank	Middle Schools	Grade 8 English	Grade 8 Math	Grade 8 Composite
1	Academy for Discovery at Lakewood	92.0%	95.0%	93.5%	1	Crossroads Elementary	72.0%	90.0%	81.0%
2	Tarrallton Elementary	88.0%	98.0%	93.0%	2	Academy for Discovery at Lakewood	90.0%	69.0%	79.5%
3	Larrymore Elementary	86.0%	92.0%	89.0%	3	Ghent K-8	78.0%	79.0%	78.5%
4	Larchmont Elementary	87.0%	90.0%	88.5%	4	Northside Middle	63.0%	77.0%	70.0%
5	Walter Herron Taylor Elementary	83.0%	92.0%	87.5%	5	Blair Middle	64.0%	67.0%	65.5%
20	Granby Elementary	70.0%	53.0%	61.5%	6	Norview Middle	66.0%	63.0%	64.5%
21	Tidewater Park Elementary	60.0%	63.0%	61.5%	7	Azalea Gardens Middle	55.5%	66.0%	60.8%
22	Little Creek Elementary	58.0%	61.0%	59.5%	8	Lake Taylor Middle	45.0%	76.0%	60.5%
23	Camp Allen Elementary	73.0%	43.0%	58.0%	9	William H. Ruffner Middle	37.0%	56.0%	46.5%
24	Fairlawn Elementary	60.0%	55.0%	57.5%	Norfolk County Average				
25	Chesterfield Academy Elementary	47.0%	47.0%	47.0%	Virginia Average				
26	St. Helena Elementary	49.0%	41.0%	45.0%	High Schools				
27	Lindenwood Elementary	54.0%	30.0%	42.0%	EOC - 2019				
28	Richard Bowling Elementary	38.0%	46.0%	42.0%	Rank	High Schools	Reading	Algebra II	Composite
29	James Monroe Elementary	34.0%	44.0%	39.0%	1	Matthew Fontaine Maury High	87.0%	90.0%	88.5%
30	Southside STEM Academy at Campostella	36.0%	38.0%	37.0%	2	Granby High	79.0%	85.0%	82.0%
31	Jacox Elementary	19.0%	23.0%	21.0%	3	Norview High	76.0%	88.0%	82.0%
Norfolk County Average					4	Lake Taylor High	73.0%	89.0%	81.0%
Virginia Average					5	Booker T Washington High	67.0%	84.0%	75.5%
					Norfolk County Average				
					Virginia Average				

Source: Virginia Department of Education

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

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



3. Shopping

Convenience shopping in this portion of Norfolk and Virginia Beach is primarily located along Military Highway. Small retailers and neighborhood service providers are located directly southeast of the subject site along Military Highway. The nearest full service grocery store, Food Lion, is located less than three miles south of the subject site at Military Highway and Indian River Road. MP International Grocery is two miles north of the subject along Military Highway, and a retail node including Arrowhead Shopping Center and Family Dollar is one mile east of the subject at Curlew Drive/Newtown Road and Kempsville Road.

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

4. Recreational and Other Community Amenities

Neighborhoods surrounding the subject site include multiple recreational amenities. Arrowhead Recreation Center is roughly two miles east of the subject at 5400 Parliament Drive offering multiple athletic fields and year-round organized sports. Fairlawn Community Center is two miles north of the subject site at 1014 Kempsville Road offering multi-purpose rooms, indoor athletic courts, a fitness center, playground, outdoor athletic fields, a community kitchen, and an arts/crafts room.

Numerous entertainment and cultural amenities are within downtown Norfolk, five miles northwest of the subject site. Downtown Norfolk's recreational and cultural amenities include Scope Arena, Chrysler Hall, the Hurrah Players Perry Family Theatre, the Norfolk Police & Fire Museums, and Moses Myers House. The revitalized Waterside District includes 135,000 square feet of retail, event, and public space overlooking the Elizabeth River. Harbor Park Stadium, home of the Norfolk Tides minor league baseball team, is adjacent to downtown Norfolk along I-264. The police department, fire station, and the local library are all located within three miles of the site.

F. Overall Site Conclusions

The subject site is appropriate for affordable multifamily rental housing. The Military Highway Tide Light Rail Station is within a half-mile from the subject site providing convenient public transportation for area residents. The subject site is conveniently located near primary transportation thoroughfares providing local and regional access to neighborhood services and employment centers. One of the largest concentrations of retail centered at Military Highway Mall is less than two miles north of the subject site, and a variety of retail and neighborhood services are within a short drive. Adjacent land uses include single-family homes to the east and south of the subject site with a warehouse to the west and commercial facilities to the north. The Tide light rail line runs adjacent to the subject's northern boundary along Curlew Drive; none are considered to be detracting land uses impacting the viability of the subject community.



IV. ECONOMIC CONTEXT

A. Introduction

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

B. Resident Unemployment

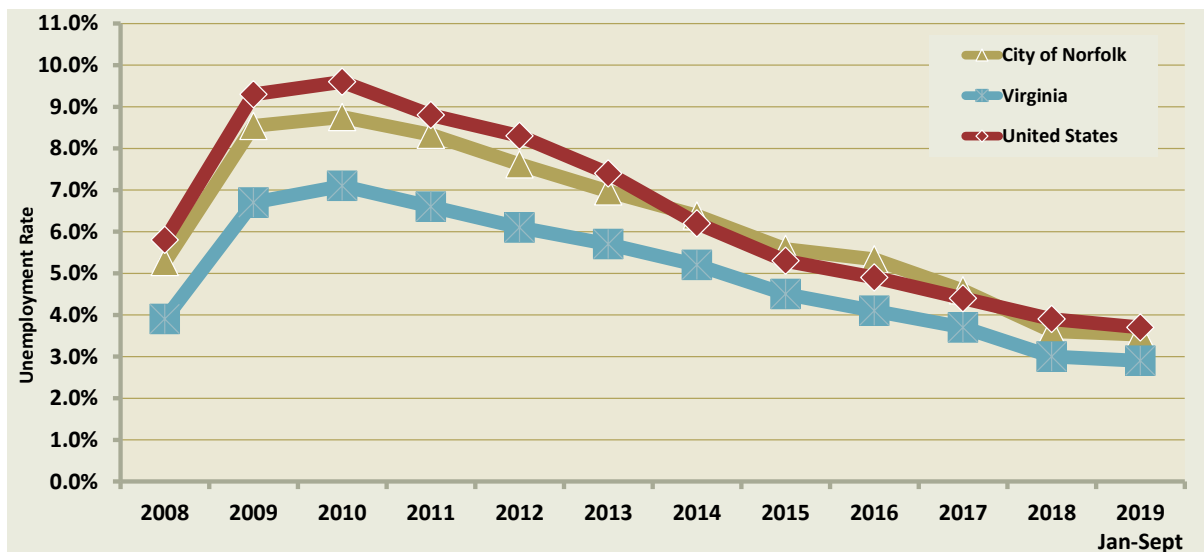
The Norfolk labor force has expanded during the last two years after declining from 2012 through 2016 (Table 6). The city’s labor force reached 111,524 workers in 2018, two percent lower than the historic high reached in 2011. Through the first nine months of 2019, the recent expansion has accelerated. The number of employed working residents increased by 17,178 (19 percent) from 2009 through 2018, and the number of unemployed workers declined by 59 percent from 9,843 in 2010 to 4,028 unemployed residents as of 2018. The city attained unemployment rates below the national average rates from 2009 to 2013 before trending slightly higher. Recently, Norfolk’s unemployment rate has improved significantly, dropping below the national rate. Norfolk’s most recent annual average unemployment rate of 3.6 percent in 2018 represents a significant drop from the recession-era high of 8.8 percent in 2010 and is lower than the 3.9 percent national rate. Unemployment has continued to improve through the first nine months of 2019, with the citywide unemployment rate falling to 3.5 percent.

Table 6 Labor Force and Unemployment Rates, Norfolk

Annual Unemployment Rates - Not Seasonally Adjusted

Annual Unemployment	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Jan-Sept
Labor Force	100,847	98,751	112,449	112,932	112,848	112,762	111,971	110,498	110,200	111,550	111,524	113,104
Employment	95,534	90,318	102,606	103,527	104,251	104,905	104,820	104,330	104,318	106,431	107,496	109,114
Unemployment	5,313	8,433	9,843	9,405	8,597	7,857	7,151	6,168	5,882	5,119	4,028	3,990
Unemployment Rate												
City of Norfolk	5.3%	8.5%	8.8%	8.3%	7.6%	7.0%	6.4%	5.6%	5.3%	4.6%	3.6%	3.5%
Virginia	3.9%	6.7%	7.1%	6.6%	6.1%	5.7%	5.2%	4.5%	4.1%	3.7%	3.0%	2.9%
United States	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%

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





C. Commuting Patterns

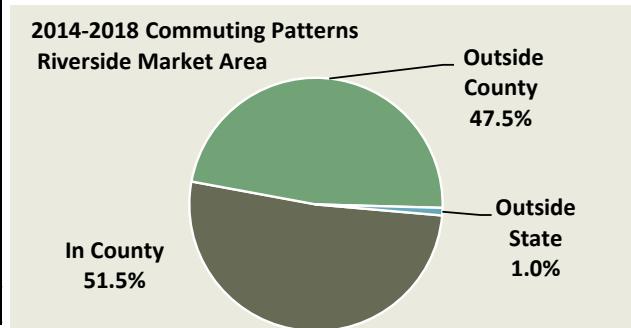
Norfolk is one of the economic engines of the large and economically diverse Hampton Roads region, which is also comprised of the municipalities of Chesapeake, Portsmouth, Virginia Beach, Hampton and Newport News, among others. The economic integration of the Hampton Roads region is demonstrated by reference to commuting patterns for residents of the primary market area for the subject project – labeled the Riverside Market Area and defined in the next section. Data from the 2014 to 2018 American Community Survey (ACS) show that only 51.5 percent of all market area workers were employed in their jurisdiction of residence, while 47.5 percent commuted to another Virginia municipality (Table 7). Only one percent of employed market area residents work outside Virginia.

Over one fifth (20.6 percent) of Riverside Market Area workers reported average commute times of 15 minutes or less each way as of 2014-2018, while 41.8 percent commuted 15 to 24 minutes and 33.8 percent commuted 25 or more minutes.

Table 7 2014-2018 Commutation Data, Riverside Market Area

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	34,533	96.2%	Worked in state of residence:	35,555	99.0%
Less than 5 minutes	658	1.8%	Worked in county of residence	18,491	51.5%
5 to 9 minutes	2,327	6.5%	Worked outside county of residence	17,064	47.5%
10 to 14 minutes	4,416	12.3%	Worked outside state of residence	343	1.0%
15 to 19 minutes	7,198	20.1%	Total	35,898	100%
20 to 24 minutes	7,800	21.7%			
25 to 29 minutes	2,880	8.0%			
30 to 34 minutes	4,497	12.5%			
35 to 39 minutes	722	2.0%			
40 to 44 minutes	914	2.5%			
45 to 59 minutes	1,571	4.4%			
60 to 89 minutes	892	2.5%			
90 or more minutes	658	1.8%			
Worked at home	1,365	3.8%			
Total	35,898				

Source: American Community Survey 2014-2018



Source: American Community Survey 2014-2018

D. At-Place Employment

1. Trends in Total At-Place Employment

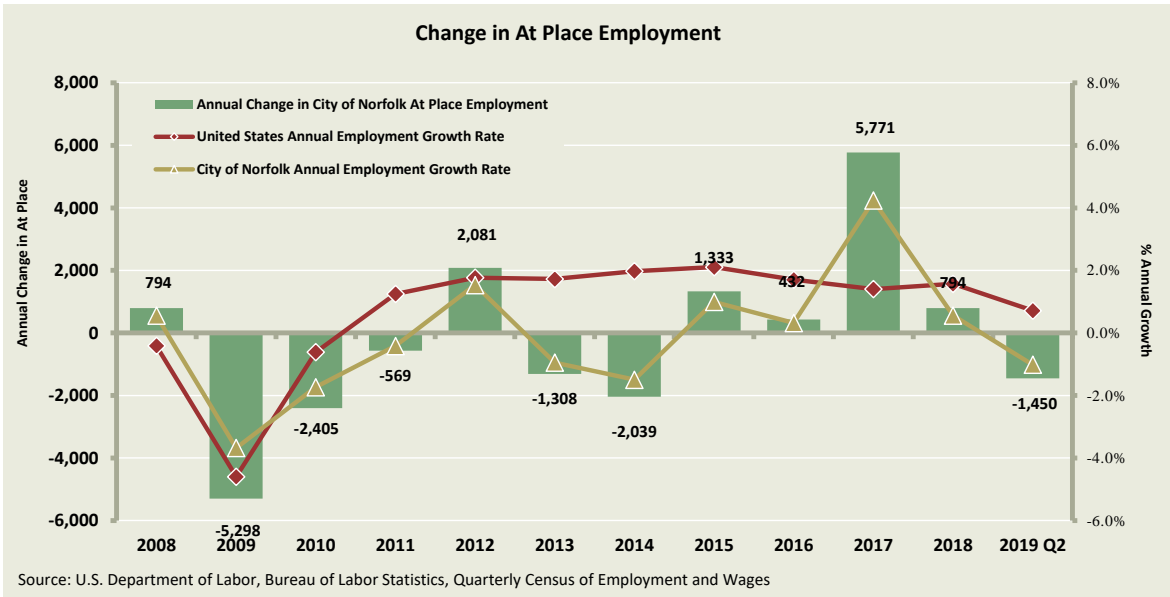
Norfolk At-Place Employment has fluctuated during the last ten years ranging from 143,168 jobs in 2007 to 142,754 job in 2018 (Figure 5). After falling to a low of 134,424 jobs in 2014, job growth averaged almost 2,100 jobs per year through 2018, though most of these gains took place in 2017. At-Place Employment decreased by 1,450 jobs during the first two quarters of 2019, though this may reflect seasonality and cannot be compared to annual trends.

As illustrated by the trend lines in the bottom portion of Figure 5, Norfolk annual employment growth rates generally trended below those of the nation except for 2017.



When we evaluate the At-Place Employment data and the labor force data together, we find that the city of Norfolk and its employers provide jobs for many workers living in other jurisdictions throughout the Hampton Roads region. As of 2018, the number of jobs based in the city of Norfolk outnumbered the city’s employed resident labor force by approximately 32,000. Furthermore, this situation may not fully account for all economic activity in Norfolk since active duty military employment – a major sector of the Norfolk economy – is not included in the Bureau of Labor Statistics data utilized here. Also, given the interdependence between many of the jurisdictions which comprise the Hampton Roads region, there are employment relocations/transfers between nearby municipalities which may also be influencing the At-Place Employment data.

Figure 5 Trends in Total At-Place Employment





2. At-Place Employment by Industry Sector

Norfolk’s At-Place Employment is heavily weighted toward local, state and federal government with this economic sector representing over one out of every four (27.3 percent) jobs in the city as of the second quarter of 2019 (Figure 6). The concentration of government jobs locally exceeds the national proportion of 14.9 percent. Education-Health is Norfolk’s second largest economic sector and is responsible for 16.4 percent of local employment. The largest job sector nationally – Trade-Transportation-Utilities – is the third largest job sector in Norfolk, representing 15.5 percent of all employment. The generally well-paying and white-collar Professional-Business, Financial Activities, and Information sectors contribute similar percentages of jobs compared to national proportions. The goods producing sectors of Manufacturing and Construction account for a combined 7.6 percent of Norfolk’s job base, while contributing 13.6 percent nationally.

Figure 6 Total Employment by Sector, 2nd Quarter 2019

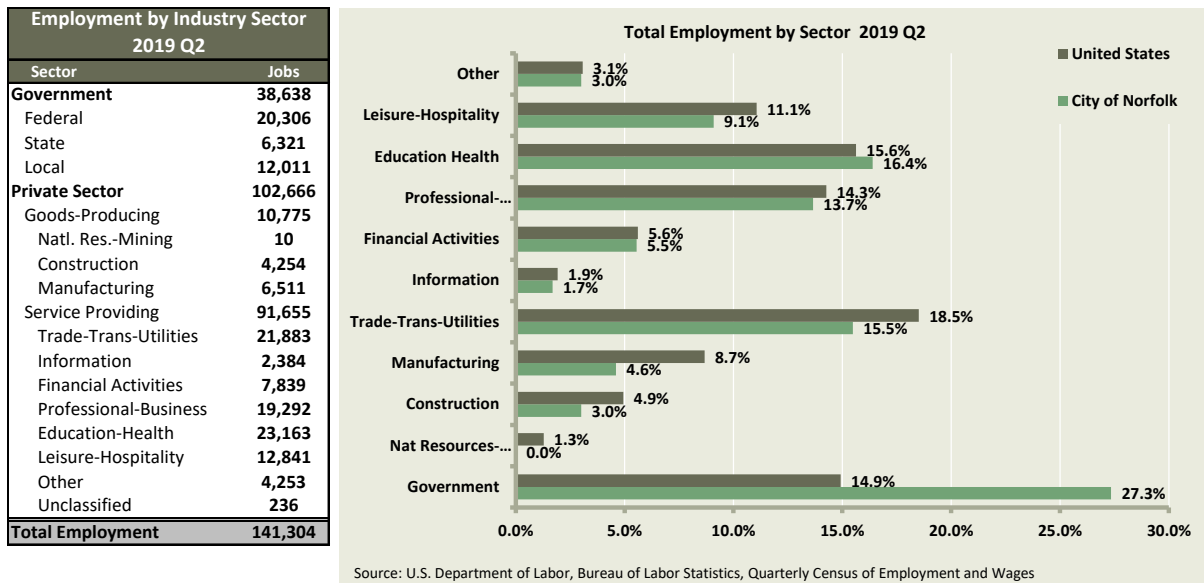


Figure 7 details annualized employment change by economic sector within Norfolk and the United States between 2011 and 2019 (Q2). Among eleven industry sectors, seven added jobs over the last seven years; no change was recorded in the Information sector. The largest expansions since 2011 were in the Leisure-Hospitality, Professional-Business, Government, and Other sectors. All other sectors experienced either minimal growth or contraction. Although the Natural Resources-Mining sector declined by 16.7 percent, the economic impact was in fact nominal as this sector represents the smallest sector among the Norfolk employment base.

3. Major Private Employers

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



Figure 7 Employment Change by Sector, 2011 – 2nd Quarter 2019 Q2

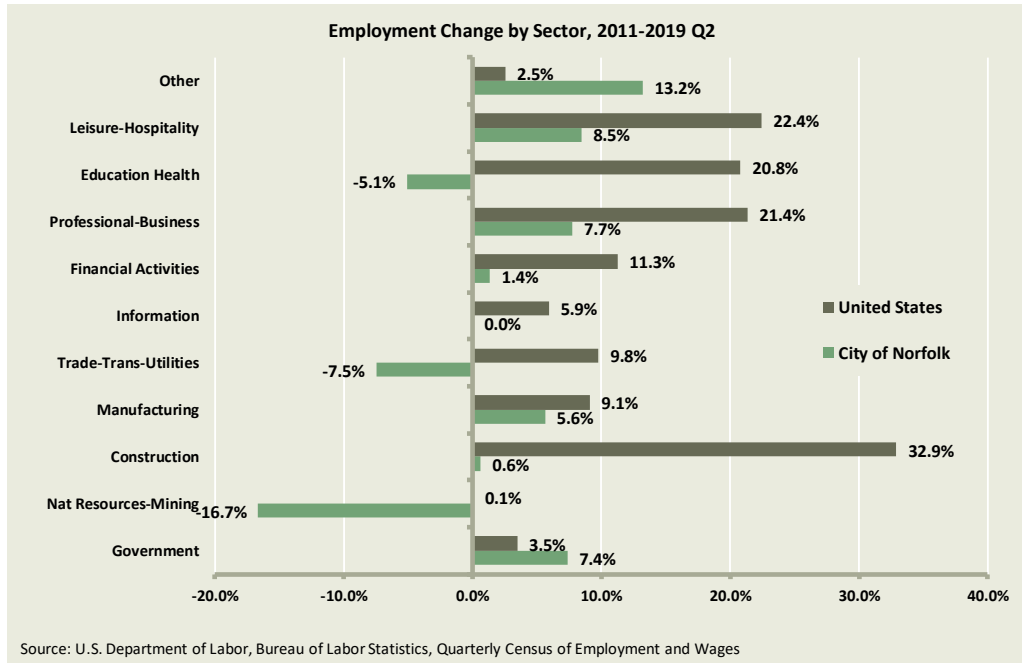


Table 8 Largest Employers in the Hampton Roads Region, 2018

Rank	Name	Sector	Employment
1	United States Federal Government	Government	50,000
2	Huntington Ingalls Industries, Inc.	Manufacturing	20,000
3	Sentra Healthcare	Healthcare	20,000
4	Virginia Beach City Public Schools	Education	12,000
5	Norfolk Naval Shipyard	Government	10,000
6	Riverside Health System	Healthcare	8,000
7	Chesapeake City Public Schools	Education	7,000
8	Norfolk City Public Schools	Education	7,000
9	Virginia Beach City Government	Government	7,000
10	Chesapeake City Government	Government	6,000
11	Norfolk City Government	Government	6,000
12	Dominion Enterprises	Information	5,700
13	Bon Secours Hampton Roads Health System	Healthcare	4,000
14	Old Dominion University	Education	4,000
15	Bank of America	Finance	3,600
16	Naval Medical Center Portsmouth	Healthcare	3,500
17	Portsmouth City Public Schools	Education	3,000
18	U.S Marine Repair/UDI	Manufacturing	2,570
19	Childrens Hospital of The King's Daughters	Healthcare	1,905
20	Landmark Communication	Communication	1,731

Source: Virginia Employment Commission

E. Wage Trends

The average annual wage in 2018 for Norfolk was \$55,569 (Table 9). Norfolk’s average annual pay was six percent lower than the statewide average wage of \$58,239 and three percent lower than



the national average annual wage of \$57,265. The average annual wage throughout Norfolk increased every year but one from 2010 to 2018.

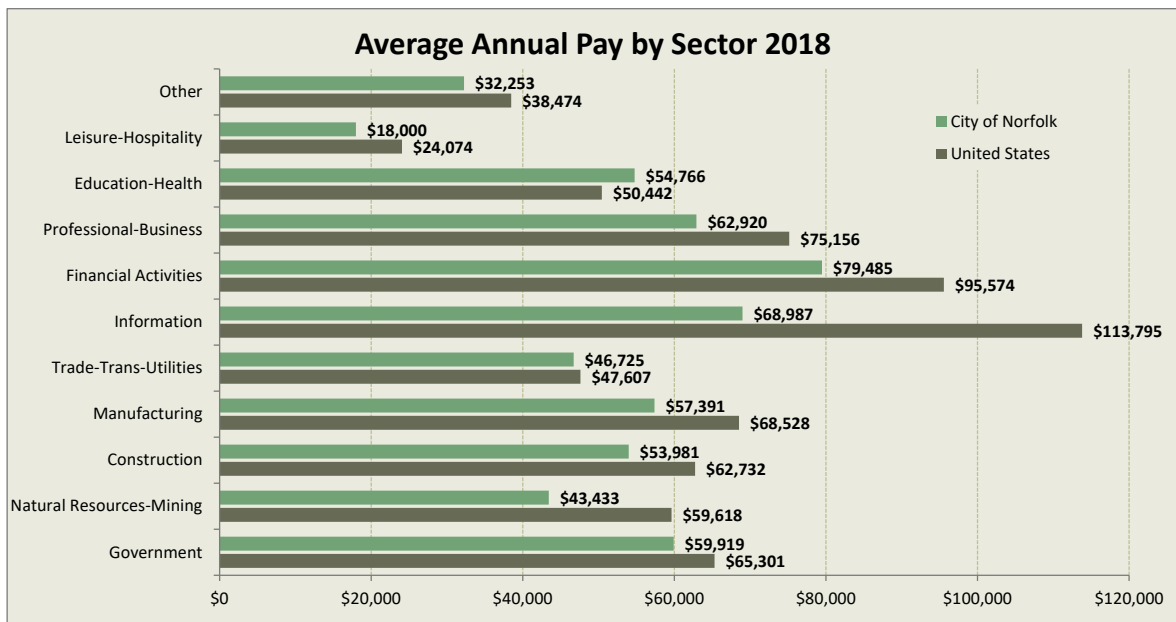
Table 9 Average Annual Wage

	2010	2011	2012	2013	2014	2015	2016	2017	2018
City of Norfolk	\$45,742	\$46,567	\$47,888	\$47,875	\$49,449	\$52,396	\$52,790	\$53,572	\$55,569
Virginia	\$49,651	\$50,657	\$51,646	\$51,918	\$52,929	\$54,276	\$54,836	\$56,503	\$58,239
United States	\$46,751	\$48,043	\$49,289	\$49,808	\$51,364	\$52,942	\$53,621	\$55,390	\$57,265

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

Figure 8 compares the average annual wage by economic sector for Norfolk and the United States as of 2018. The average annual wage in the city lagged the average annual wage nationally in every sector except Education-Health with an average annual wage of \$54,766 compared to a national average annual wage of \$50,442 in this sector. Among the city’s most significant sectors, Government has an average wage of \$59,919, Trade-Transportation-Utilities averaged \$46,725, and Professional-Business averaged \$62,920 throughout the city.

Figure 8 Annualized Wage Data by Sector



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

F. Economic Conclusions and Projections

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



V. HOUSING MARKET AREA

A. Introduction

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

B. Delineation of Market Area

The primary market area defined by RPRG to evaluate the proposed Riverside Station Apartments rental community is depicted in Map 4. The 21 census tracts comprising the primary market area are listed on the edge of the map. The primary market area will be referred to as the Riverside Market Area for the remainder of this report.

The Riverside Market Area includes the southeast portion of Norfolk as well as portions of eastern Virginia Beach and a small portion of northeast Chesapeake. Neighborhoods within these areas are generally consistent with the subject’s neighborhoods and include the most competitive multifamily communities. Beyond the northern, western, and eastern boundaries of the market area, the neighborhoods become more urban, and areas south of the market area are more associated with Chesapeake with more unique neighborhood characteristics.

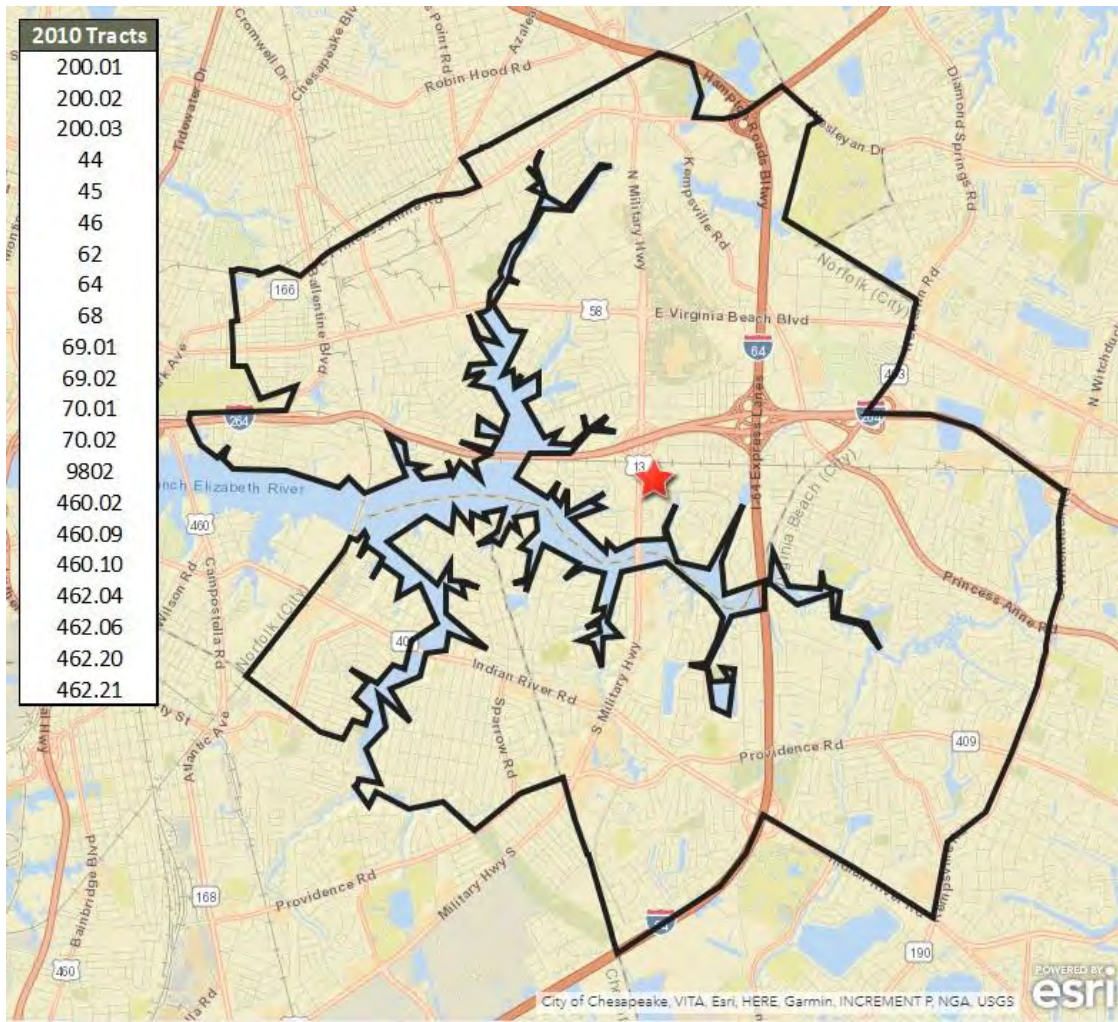
The approximate boundaries of the Riverside Market Area and their distances from the subject site are as follows:

- **North:** Princess Anne Rd, Cape Henry Ave (2.9 miles)
- **East:** Norfolk/Virginia Beach city limits, Newton Rd, Kempsville Rd (4.5 miles)
- **South:** Indian River Rd, I-64, Elizabeth River branch, Berkley Ave (2.9 miles)
- **West:** Norfolk Southern Railroad, Oaklawn Ave (3.0 miles)

As appropriate for this analysis, RPRG compares and contrasts the Riverside Market Area with the South Hampton Roads region including Norfolk, Virginia Beach, and Chesapeake. We consider the South Hampton Roads to be the secondary market area for Riverside Station Apartments demand estimates are based only on the Riverside Market Area.



Map 4 Riverside Market Area





VI. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Riverside Market Area and the wider South Hampton Roads region using the following data sources:

- The U.S. Census Bureau's 2000 and 2010 Census of Population and Housing
- The U.S. Census Bureau's American Community Survey for the years 2014 through 2018
- 2020 estimates and 2025 projections by Census tract from Esri, which incorporate 2010 Census data. Esri is a national vendor of demographic data
- Data on permits for new residential units in Norfolk, compiled by the U.S. Census Bureau

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

B. Trends in Population and Households

1. Recent Past Trends

At the time of the 2000 Census, 70,430 persons and 25,678 households resided in the Riverside Market Area (Table 10). Based on the 2010 Census, the population of the Riverside Market Area stood at 67,795 in 2010, reflecting a 3.7 percent decrease since 2000. The primary market area's 2010 household base of 25,575 reflected a decrease of 0.4 percent versus the 2000 base. Between 2000 and 2010, South Hampton Roads grew by 44,162 persons and 20,583 households. These overall increases translate to annual growth rates of 0.5 percent for population and 0.6 percent household growth. As of 2010, South Hampton Roads included 903,006 persons and 331,148 households.

Based on Esri data, RPRG projects that population and household totals have increased since 2010 and this trend will continue over the next five years. RPRG estimates that the primary market area's population grew by 528 persons (0.8 percent) per year and its household base grew by 203 households (0.8 percent) annually from 2010 to 2020. The estimated population and household totals for the Riverside Market Area as of 2020 are 73,079 persons and 27,605 households. The South Hampton Roads population and household bases each increased by 0.6 percent between 2010 and 2020.

2. Projected Trends

Based on Esri data, RPRG projects that the Riverside Market Area will continue to experience steady net population increases at an average rate of 0.6 percent, or 455 persons per year over the next five years. The market area's household base will expand by a net of 175 households (0.6 percent) per year through 2025. South Hampton Roads is projected to experience similar annual growth of 0.6 percent in both the population and household base through 2025.

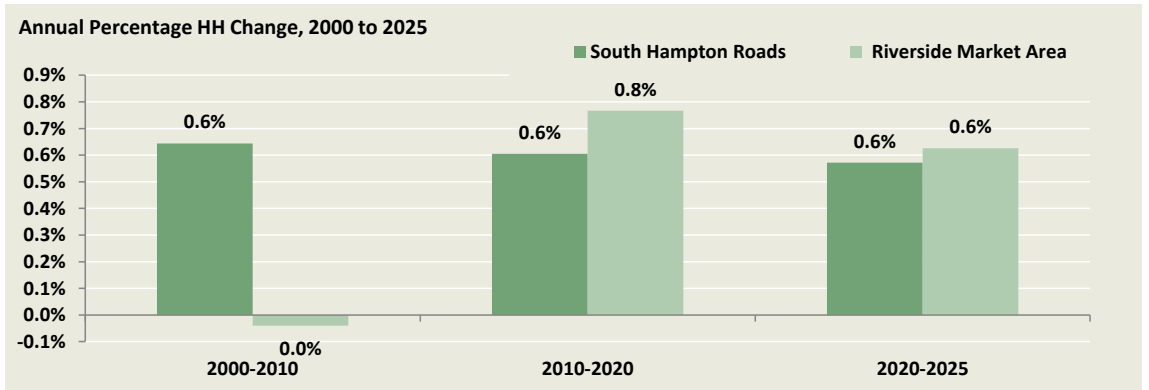


Table 10 Population and Household Trends, 2000 to 2025

		South Hampton Roads				Riverside Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	858,844					70,430				
2010	903,006	44,162	5.1%	4,416	0.5%	67,795	-2,635	-3.7%	-264	-0.4%
2020	961,990	58,984	6.5%	5,898	0.6%	73,079	5,284	7.8%	528	0.8%
2025	989,857	27,867	2.9%	5,573	0.6%	75,352	2,273	3.1%	455	0.6%

		South Hampton Roads				Riverside Market Area				
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	310,565					25,678				
2010	331,148	20,583	6.6%	2,058	0.6%	25,575	-103	-0.4%	-10	0.0%
2020	351,749	20,601	6.2%	2,060	0.6%	27,605	2,030	7.9%	203	0.8%
2025	361,912	10,163	2.9%	2,033	0.6%	28,479	874	3.2%	175	0.6%

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



3. Building Permit Trends

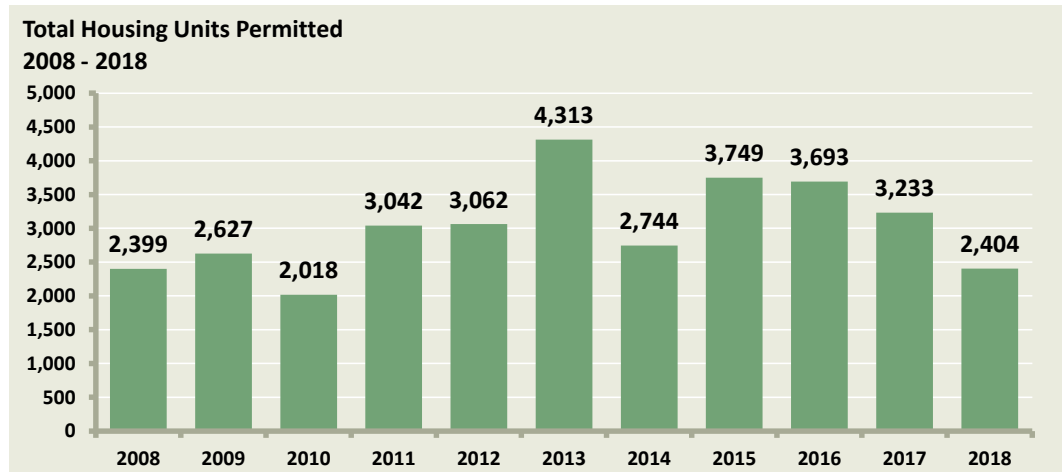
Building permit trends across South Hampton Roads show increased development activity from 2010 through 2018 (Table 11). The city has averaged 3,026 units permitted annually from 2008 through 2018. Permit activity trends indicate accelerated growth throughout the region from 2013 through 2017, with an annual average of 3,546 units permitted during this period. From 2008 through 2018, multifamily units accounted for 41 percent of the new residential supply.



Table 11 Building Permits for New Residential Units, South Hampton Roads

South Hampton Roads (Virginia Beach, Norfolk, and Chesapeake City)													
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-2018	Annual Average
Single Family	1,347	1,313	1,436	1,413	1,651	2,033	1,927	2,198	2,123	2,152	1,772	19,365	1,760
Two Family	56	6	24	4	28	6	0	8	82	12	2	228	21
3 - 4 Family	32	3	0	4	0	8	0	20	0	0	0	67	6
5+ Family	964	1,305	558	1,621	1,383	2,266	817	1,523	1,488	1,069	630	13,624	1,239
Total	2,399	2,627	2,018	3,042	3,062	4,313	2,744	3,749	3,693	3,233	2,404	33,284	3,026

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



C. Demographic Characteristics

1. Age Distribution and Household Type

The median age in the Riverside Market Area is 38, three years older than the median age of 35 for residents of the South Hampton Roads (Table 12). Young adults comprise a lower percentage of the primary market area’s population than that of the South Hampton Roads population – 20.2 percent versus 24.1 percent. Adults ages 35 to 61 account for one third of the populations in both the Riverside Market Area (33.6 percent) as well as South Hampton Roads (33.5 percent). Senior citizens aged 62 and older account for 21.9 percent of the primary market area’s population, a larger proportion compared to the 17.7 percent share in South Hampton Roads. Children and youth under age 20 comprise roughly one-quarter of the population in both areas.

According to the 2010 Census, the most common household type in the Riverside Market Area is multi-persons without children, comprising 41.5 percent of all market area households and 39.6 percent of all South Hampton Roads households. The percentage of households with children in the Riverside Market Area (35.3 percent) is similar to the 35.9 percent share in South Hampton Roads. Individuals living alone – a category that typically includes many young adults and seniors – accounted for almost one-quarter (23.2 percent) of the households in the Riverside Market Area, similar to the 24.5 percent of the households throughout South Hampton Roads (Table 13). Married households without children account for 26.4 percent of all households in the market area, and 6.2 percent of households fell into the ‘non-family without children’ category, a designation that includes roommate living arrangements and unmarried couples.



Table 12 2020 Age Distribution

2020 Age Distribution	South Hampton Roads		Riverside Market Area	
	#	%	#	%
Children/Youth	237,270	24.7%	17,812	24.4%
Under 5 years	57,453	6.0%	4,500	6.2%
5-9 years	57,509	6.0%	4,483	6.1%
10-14 years	58,519	6.1%	4,574	6.3%
15-19 years	63,789	6.6%	4,255	5.8%
Young Adults	231,898	24.1%	14,730	20.2%
20-24 years	81,694	8.5%	4,207	5.8%
25-34 years	150,203	15.6%	10,523	14.4%
Adults	322,108	33.5%	24,524	33.6%
35-44 years	124,832	13.0%	9,366	12.8%
45-54 years	114,978	12.0%	8,547	11.7%
55-61 years	82,298	8.6%	6,610	9.0%
Seniors	170,715	17.7%	16,012	21.9%
62-64 years	35,270	3.7%	2,833	3.9%
65-74 years	80,488	8.4%	7,326	10.0%
75-84 years	39,263	4.1%	4,089	5.6%
85 and older	15,693	1.6%	1,764	2.4%
TOTAL	961,990	100%	73,079	100%
Median Age	35		38	

Source: Esri; RPRG, Inc.

2020 Age Distribution

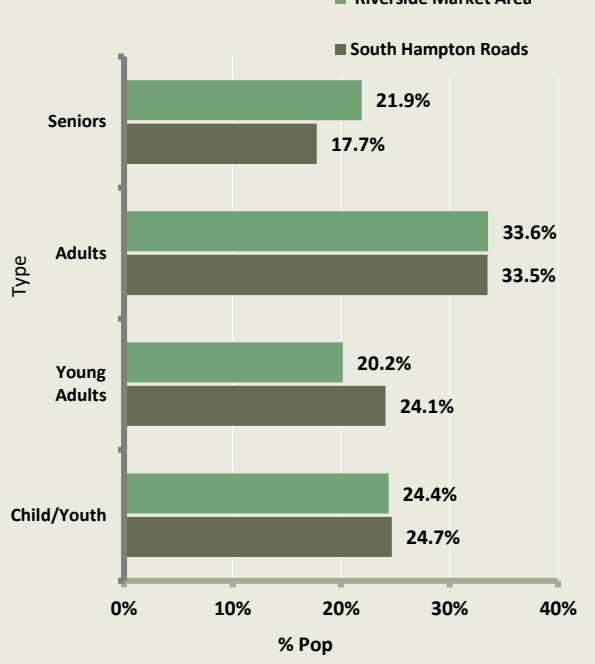
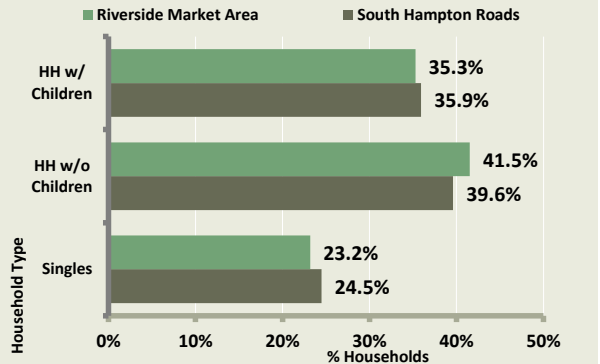


Table 13 2010 Households by Household Type

2010 Households by Household Type	South Hampton Roads		Riverside Market Area	
	#	%	#	%
Married w/Children	73,353	22.2%	4,996	19.5%
Other w/ Children	45,569	13.8%	4,028	15.7%
Households w/ Children	118,922	35.9%	9,024	35.3%
Married w/o Children	83,823	25.3%	6,760	26.4%
Other Family w/o Children	23,267	7.0%	2,276	8.9%
Non-Family w/o Children	24,057	7.3%	1,586	6.2%
Households w/o Children	131,147	39.6%	10,622	41.5%
Singles	81,079	24.5%	5,929	23.2%
Total	331,148	100%	25,575	100%

Source: 2010 Census; RPRG, Inc.

2010 Households by Household Type



2. Renter Household Characteristics

The market area has a similar renter percentage as South Hampton Roads. According to the 2000 Census, 36.1 percent of all households in the market area were renters (Table 14). By 2010, the proportion of renters in the market area ticked down to 35.8 percent, while the South Hampton Roads renter percentage increased to 38.1 percent.



The proportion of renters in the market area reversed trend during the last ten years, increasing to 39.3 percent, in line with the South Hampton Roads renter percentage. Over the next five years, Esri projects the renter percentage to tick down to 39.2 percent, though recent trends and development patterns point to increased renter households throughout the market area.

Table 14 2000-2025 Households by Occupancy Status

South Hampton Roads	2000		2010		2020		2025	
	#	%	#	%	#	%	#	%
Housing Units								
Owner Occupied	192,881	62.1%	205,143	61.9%	213,367	60.7%	223,619	61.8%
Renter Occupied	117,684	37.9%	126,005	38.1%	138,382	39.3%	138,293	38.2%
Total Occupied	310,565	100%	331,148	100%	351,749	100%	361,912	100%
Total Vacant	18,800		24,945		27,593		28,535	
TOTAL UNITS	329,365		356,093		379,342		390,447	

Riverside Market Area	2000		2010		2020		2025	
	#	%	#	%	#	%	#	%
Housing Units								
Owner Occupied	16,407	63.9%	16,414	64.2%	16,757	60.7%	17,326	60.8%
Renter Occupied	9,271	36.1%	9,161	35.8%	10,848	39.3%	11,153	39.2%
Total Occupied	25,678	100.0%	25,575	100.0%	27,605	100.0%	28,479	100.0%
Total Vacant	917		1,292		1,323		1,377	
TOTAL UNITS	26,595		26,867		28,928		29,856	

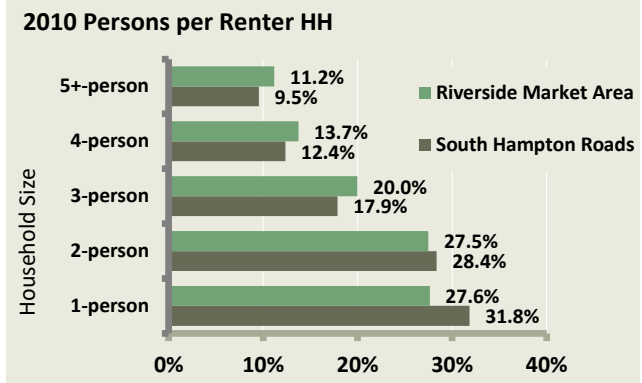
Source: 2000 Census; 2010 Census; Esri; RPRG, Inc.

One- and two-person households combined for 55.1 percent of the renter households in the Riverside Market Area and a greater proportion (60.2 percent) throughout South Hampton Roads, as of the 2010 Census (Table 15). Renter households with three to four members accounted for one-third (33.7 percent) of all renter households in the market area and 30.3 percent throughout the region. Renter households with five or more members were slightly more common in the market area (11.2 percent of renters) than throughout South Hampton Roads (9.5 percent).

Table 15 Renter Households by Household Size

Renter Occupied	South Hampton Roads		Riverside Market Area	
	#	%	#	%
1-person hhld	40,129	31.8%	2,532	27.6%
2-person hhld	35,744	28.4%	2,517	27.5%
3-person hhld	22,536	17.9%	1,829	20.0%
4-person hhld	15,563	12.4%	1,258	13.7%
5+-person hhld	12,033	9.5%	1,025	11.2%
TOTAL	126,005	100%	9,161	100%

Source: 2010 Census



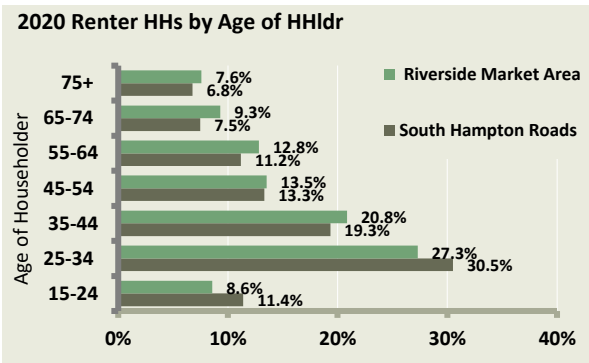


The Riverside Market Area has a slightly lower proportion of younger renters than does South Hampton Roads (Table 16). Over one third (35.9 percent) of market area renters as of 2020 are estimated to be below the age of 35 while 41.9 percent are represented throughout South Hampton Roads. Renter households between the ages of 35 and 54 account for 34.3 percent of all renter households within the market area and 32.6 percent of renters in South Hampton Roads. These are the households who are most likely to be permanent renters, renting more out of necessity than lifestyle preference. Seniors aged 55 and older represent 29.7 percent of all renters within the market area and one quarter of all households in the region.

Table 16 Renter Households by Age of Householder

Renter Households	South Hampton Roads		Riverside Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	15,770	11.4%	931	8.6%
25-34 years	42,221	30.5%	2,961	27.3%
35-44 years	26,760	19.3%	2,262	20.8%
45-54 years	18,433	13.3%	1,469	13.5%
55-64 years	15,474	11.2%	1,392	12.8%
65-74 years	10,337	7.5%	1,011	9.3%
75+ years	9,387	6.8%	823	7.6%
Total	138,382	100%	10,848	100%

Source: Esri, Real Property Research Group, Inc.



D. Income Characteristics

The Riverside Market Area is a moderate-income market with incomes on average less than incomes throughout South Hampton Roads (Table 17). Based on income projections from Esri, RPRG estimates the median annual household income in the Riverside Market Area at \$66,512, roughly eight percent lower than the South Hampton Roads overall median household income of \$72,489. Roughly 17 percent market area households have annual incomes below \$25,000 while 20 percent have incomes between \$25,000 and \$50,000. Another one fifth of market area households earn between \$50,000 and \$75,000, and the highest income households, i.e., those with incomes of \$75,000 or more, account for the remaining 43 percent of all households within the market area.

Table 17 2020 Household Income

Estimated 2020 Household Income	South Hampton Roads		Riverside Market Area	
	#	%	#	%
less than \$15,000	28,370	8.1%	2,383	8.6%
\$15,000 \$24,999	24,109	6.9%	2,243	8.1%
\$25,000 \$34,999	24,237	6.9%	2,101	7.6%
\$35,000 \$49,999	39,397	11.2%	3,396	12.3%
\$50,000 \$74,999	66,429	18.9%	5,570	20.2%
\$75,000 \$99,999	53,622	15.2%	4,164	15.1%
\$100,000 \$149,999	65,121	18.5%	5,320	19.3%
\$150,000 Over	50,462	14.3%	2,428	8.8%
Total	351,749	100%	27,605	100%
Median Income	\$72,489		\$66,512	

Source: Esri, Real Property Research Group, Inc.

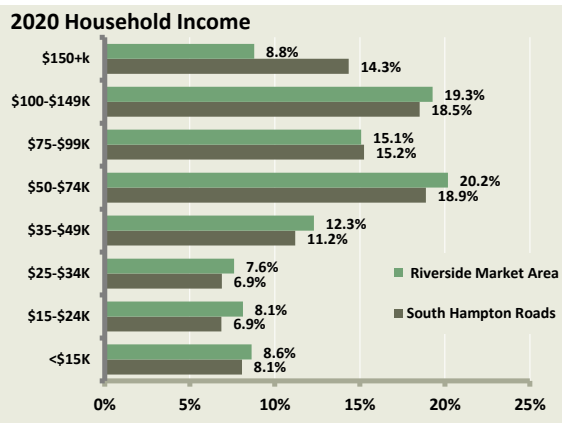
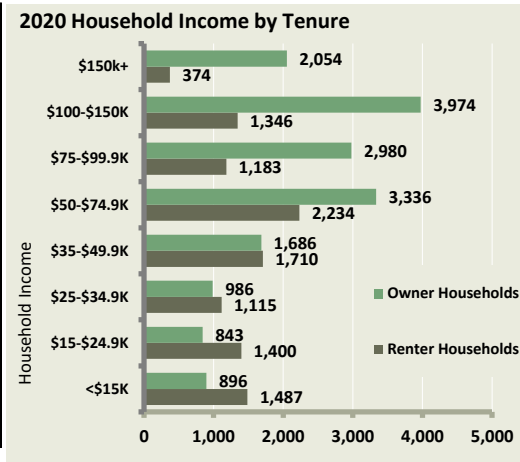




Table 18 presents distributions of 2020 household incomes for renter and homeowner households in the Riverside Market Area. Based on income estimate data from the 2014-2018 ACS, Esri income projections, and RPRG’s household estimates, the median annual income among the market area’s renter households as of 2020 is estimated at \$47,480. The median income of homeowner households in the Riverside Market Area (\$80,285) is 69 percent higher than the median renter income. Over one third (36.9 percent) of the market area’s renters have annual incomes below \$35,000. Roughly 37 percent earn between \$35,000 and \$75,000, while the remaining 26.8 percent have incomes of \$75,000 or more.

Table 18 2020 Household Income by Tenure

Estimated 2020 HH Income		Renter Households		Owner Households	
Riverside Market Area		#	%	#	%
less than \$15,000	\$15,000	1,487	13.7%	896	5.3%
\$15,000	\$24,999	1,400	12.9%	843	5.0%
\$25,000	\$34,999	1,115	10.3%	986	5.9%
\$35,000	\$49,999	1,710	15.8%	1,686	10.1%
\$50,000	\$74,999	2,234	20.6%	3,336	19.9%
\$75,000	\$99,999	1,183	10.9%	2,980	17.8%
\$100,000	\$149,999	1,346	12.4%	3,974	23.7%
\$150,000	over	374	3.4%	2,054	12.3%
Total		10,848	100%	16,757	100%
Median Income		\$47,480		\$80,285	



Source: American Community Survey 2014-2018 Estimates, RPRG, Inc.

E. Cost-Burdened Renter Households

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

Rent burden data from the 2014-2018 ACS highlights that lower-income renter households in the Riverside Market Area tend to pay a very high percentage of their monthly income toward housing costs (Table 19). Over one third (35.2 percent) of all renter households residing in the Riverside Market Area have rent burdens of 40 percent or higher; 44.1 percent have rent burdens of 35 percent or higher. The cost-burdened situation of many low- to moderate-income renter households is a primary indicator of a need for new affordable income- and rent-restricted rental housing in the primary market area. Additionally, 3.9 percent of the rental housing stock within the market area can be considered substandard, i.e., lacking complete plumbing facilities, or overcrowded with more than 1.0 occupants per room.



Table 19 Rent Burden by Household Income, 2014-2018, Riverside Market Area

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	229	2.2%
10.0 to 14.9 percent	713	6.9%
15.0 to 19.9 percent	1,151	11.2%
20.0 to 24.9 percent	1,173	11.4%
25.0 to 29.9 percent	1,291	12.6%
30.0 to 34.9 percent	889	8.7%
35.0 to 39.9 percent	869	8.5%
40.0 to 49.9 percent	816	7.9%
50.0 percent or more	2,609	25.4%
Not computed	527	5.1%
Total	10,267	100%
> 35% income on rent	4,294	44.1%
> 40% income on rent	3,425	35.2%

Source: American Community Survey 2014-2018

Substandardness	
Total Households	
Owner occupied:	
Complete plumbing facilities:	16,378
1.00 or less occupants per room	16,199
1.01 or more occupants per room	179
Lacking complete plumbing facilities:	36
Overcrowded or lacking plumbing	215
Renter occupied:	
Complete plumbing facilities:	10,267
1.00 or less occupants per room	9,862
1.01 or more occupants per room	405
Lacking complete plumbing facilities:	0
Overcrowded or lacking plumbing	405
Substandard Housing	620
% Total Stock Substandard	2.3%
% Rental Stock Substandard	3.9%



VII. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Riverside Market Area. We provide data regarding structure types, structure age, and home values from the 2014-2018 ACS. We then report the results of our survey of competitive rental communities in February 2020. Furthermore, we identify residential rental projects actively planned or that currently under construction, based on interviews with local government officials, on-line resources, and RPRG site visit observations.

B. Overview of Market Area Housing Stock

Among the renter-occupied housing stock of the Riverside Market Area, 49.1 percent is within multifamily structures of three or more units, as recorded in the 2014-2018 ACS (Table 20). Single-family detached structures comprise 29.8 percent of all market area rental units, and 16.4 percent are among single-family attached structures. Throughout South Hampton Roads, more renter-occupied units were in multi-family structures of 3+ units (54.7 percent) and fewer were in single-family detached homes (22.3 percent).

Table 20 Rental Dwelling Units by Structure Type

Structure Type	Owner Occupied				Renter Occupied			
	South Hampton Roads		Riverside Market Area		South Hampton Roads		Riverside Market Area	
	#	%	#	%	#	%	#	%
1, detached	167,038	80.9%	14,511	88.5%	30,042	22.3%	3,057	29.8%
1, attached	27,667	13.4%	1,462	8.9%	22,190	16.4%	1,686	16.4%
2	1,024	0.5%	0	0.0%	7,488	5.5%	378	3.7%
3-4	1,641	0.8%	183	1.1%	15,912	11.8%	1,170	11.4%
5-9	2,114	1.0%	58	0.4%	24,296	18.0%	1,868	18.2%
10-19	1,804	0.9%	54	0.3%	14,148	10.5%	712	6.9%
20+ units	2,458	1.2%	73	0.4%	19,458	14.4%	1,288	12.5%
Mobile home	2,832	1.4%	61	0.4%	1,469	1.1%	108	1.1%
TOTAL	206,578	100%	16,402	100%	135,003	100%	10,267	100%

Source: American Community Survey 2014-2018

The housing stock of the Riverside Market Area as observed during the 2014-2018 ACS was slightly older than in South Hampton Roads (Table 21). The median rental unit in the Riverside Market Area was constructed in 1976, four years older than the 1980 median year built of the South Hampton Roads rental stock. Homes built in the 1970's represent one quarter 24.3 percent of the market area's rental stock and 19.4 percent of South Hampton Roads. An additional 15.5 percent of market area rental units were built in the 1960's and 14.2 percent were built in the 1980's. Since 2000, only 14.9 percent of all market area renter units were placed in service, compared to 15.8 percent among all South Hampton Roads renter units. Owner occupied housing units are older in the market area, with a median year built if 1968 compared to 1981 throughout the region.



Table 21 Dwelling Units by Year Built

Year Built	Owner Occupied				Renter Occupied			
	South Hampton Roads		Riverside Market Area		South Hampton Roads		Riverside Market Area	
	#	%	#	%	#	%	#	%
2014 or later	3,555	1.7%	110	0.7%	1,986	1.5%	137	1.3%
2010 to 2013	5,585	2.7%	320	1.9%	4,412	3.3%	386	3.8%
2000 to 2009	22,467	10.9%	909	5.5%	14,985	11.1%	1,003	9.8%
1990 to 1999	30,628	14.8%	821	5.0%	19,256	14.3%	1,286	12.5%
1980 to 1989	47,137	22.8%	1,750	10.7%	27,057	20.0%	1,455	14.2%
1970 to 1979	32,726	15.8%	3,940	24.0%	26,252	19.4%	2,490	24.3%
1960 to 1969	24,470	11.8%	3,778	23.0%	15,903	11.8%	1,593	15.5%
1950 to 1959	22,952	11.1%	3,756	22.9%	11,290	8.4%	1,094	10.7%
1940 to 1949	7,934	3.8%	609	3.7%	6,185	4.6%	374	3.6%
1939 or earlier	9,144	4.4%	421	2.6%	7,751	5.7%	449	4.4%
TOTAL	206,598	100%	16,414	100%	135,077	100%	10,267	100%
MEDIAN YEAR BUILT	1981		1968		1980		1976	

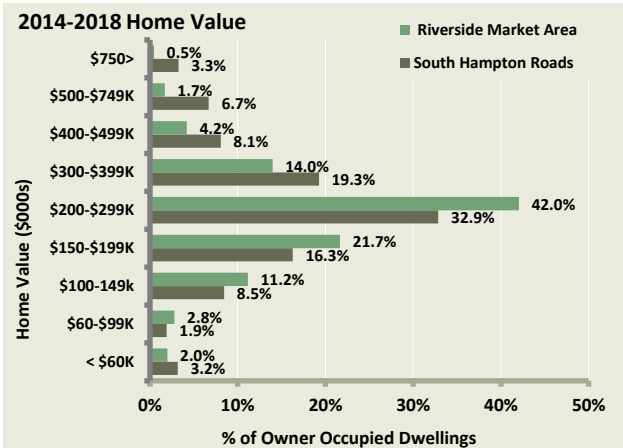
Source: American Community Survey 2014-2018

Per the 2014-2018 ACS, both the Riverside Market Area and South Hampton Roads offer moderately priced for-sale housing (Table 22). The median value across the owner-occupied housing stock in the market area was \$229,473. The median homeownership unit in South Hampton Roads as a whole was higher at \$261,345. Affordable homeownership opportunities in the Riverside Market Area are limited, as 4.8 percent of all housing units are valued at less than \$100,000 and 15.9 percent are valued at less than \$150,000.

Table 22 Value of Owner Occupied Housing Stock

2014-2018 Home Value	South Hampton Roads		Riverside Market Area	
	#	%	#	%
less than \$60,000	6,571	3.2%	326	2.0%
\$60,000 - \$99,999	3,956	1.9%	458	2.8%
\$100,000 - \$149,999	17,463	8.5%	1,833	11.2%
\$150,000 - \$199,999	33,657	16.3%	3,556	21.7%
\$200,000 - \$299,999	67,897	32.9%	6,901	42.0%
\$300,000 - \$399,999	39,799	19.3%	2,294	14.0%
\$400,000 - \$499,999	16,663	8.1%	691	4.2%
\$500,000 - \$749,999	13,867	6.7%	277	1.7%
\$750,000 over	6,725	3.3%	78	0.5%
Total	206,598	100%	16,414	100%
Median Value	\$261,345		\$229,473	

Source: American Community Survey 2014-2018





C. Survey of General Occupancy Rental Communities

1. Introduction

To gauge the status of the rental market within which the proposed subject would compete, RPRG surveyed 28 general occupancy rental communities in the Riverside Market Area in February 2020. Twenty-four properties offer strictly conventional market rate units; four communities are LIHTC properties, one of which includes both market rate and tax credit units.

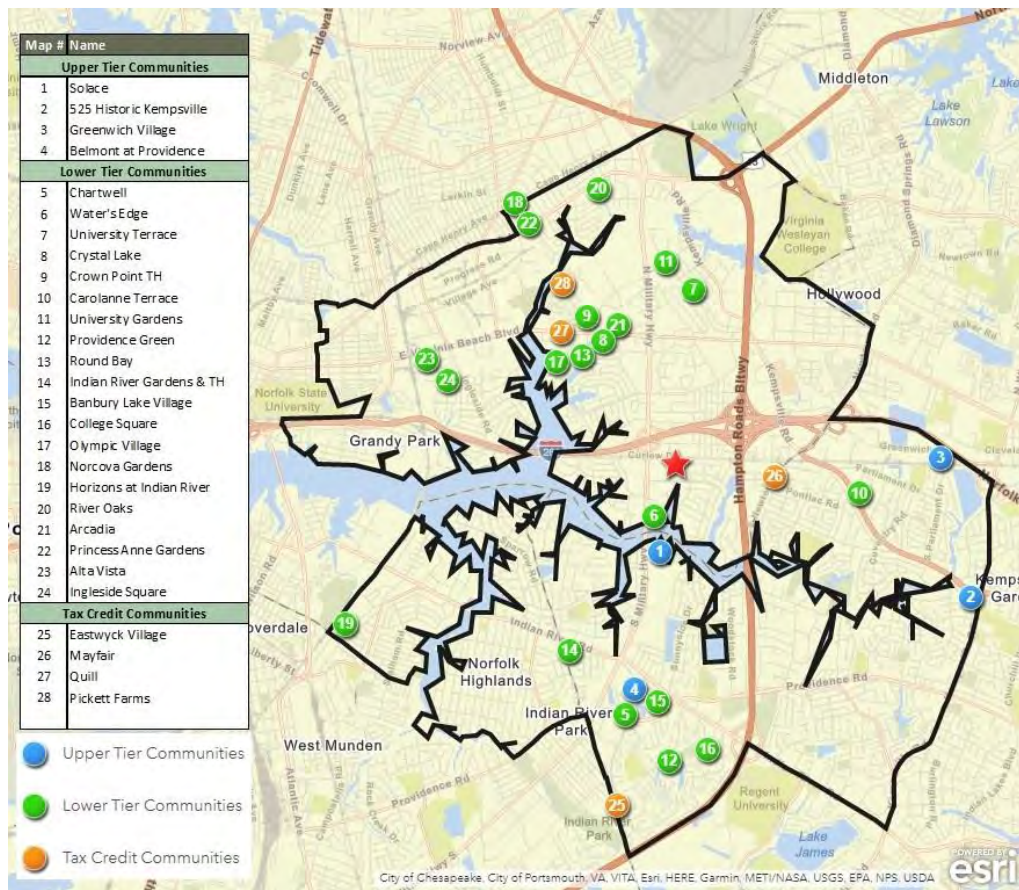
We have divided the rental communities into three categories for ease of comparison: Upper Tier market rate; Lower Tier market rate; and Affordable/Tax Credit. The four Upper Tier market rate communities represent the most modern and highest priced rental product available within the market area and typically offer an extensive community amenity package. The 20 Lower Tier market rate communities surveyed are lower priced, older communities which are generally more modest in the amenities available to residents. The Affordable/Tax Credit rental communities include older properties that have been purchased and renovated with tax credit equity as well as recent construction. These communities generally can offer a competitive (or even superior) product as the Lower Tier rental properties. We note that one income-restricted community, Mayfair Apartments, also has market rate units.

The detailed competitive survey excludes age-restricted senior rental properties; the market area includes a 132-unit LIHTC community restricted to householders aged 62 and older, Shorewood Cove. A separate discussion of rental communities with project-based rental subsidies will be presented later in this section. Profile sheets with detailed information on each surveyed general occupancy community, including photographs, are attached as Appendix 2.

2. Location

Map 5 shows the locations of the 28 surveyed competitive communities in relation to the subject site. Of the four rental communities with income-restricted units, none are in the subject's immediate vicinity. Mayfair is 1.2 miles east of the subject along Newtown Road, and Eastwyck Village is along the market area's southern border, four miles south of the subject site. The two remaining tax credit communities are in the northern portion of the market area, north of Virginia Beach Boulevard and west of Military Highway. Of the Upper Tier communities, two are south of the subject site along Military Highway and the remaining two are in the eastern portion of the market Area in Virginia Beach. Among the Lower Tier market rate communities, most are in Norfolk, north of the Elizabeth River, while six are within the southern portion of the market area.

Map 5 Competitive Rental Communities, Riverside Market Area



3. Age of Communities

The surveyed stock of general occupancy rental communities has an average year built of 1981 (Table 23). The Upper Tier market rate rental communities are relatively modern with an average year built of 2013, while the Lower Tier market rate communities are older with an average year built of 1972. Two Lower Tier properties have undergone significant renovations in 2008 and 2012. The market area's four tax credit communities were placed in service between 1974 and 2014 (Mayfair completed significant renovations since 1974 but an exact date is undetermined).

4. Structure Type

Garden-style buildings are the most common with 22 properties having this structure type. Generally, these communities have either two or three stories. All tax credit communities have exclusively garden buildings. The Upper Tier rental communities have a more varied structure type, including one adaptive reuse rental property, two communities with mid-rise buildings, and one garden community. The newest rental community, 525 Historic Kempsville, currently has a limited number of units in a former school building with additional phases including mid-rise buildings.



Table 23 Rental Communities Summary, Riverside Market Area

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
Upper Tier Communities										
1	Solace	2014		Mid Rise	250	12	4.8%	\$1,241	\$1,584	None
2	525 Historic Kempsville	2017		Adapt Reus	168	1	0.6%	\$1,370	\$1,556	None
3	Greenwich Village	2012		Mid Rise	224	10	4.5%	\$1,189	\$1,460	LRO; None
4	Belmont at Providence	2009		Gar	312	3	1.0%	\$1,173	\$1,450	None
Upper Tier Total					954	26	2.7%			
Upper Tier Average		2013			239			\$1,243	\$1,512	
Lower Tier Communities										
5	Chartwell	1976		Gar	192	0	0.0%	\$1,085	\$1,220	Daily Pricing; None
6	Water's Edge	1986		Gar	190	0	0.0%	\$1,010	\$1,210	None
7	University Terrace	1964		Gar	152	2	1.3%	\$979	\$1,171	None
8	Crystal Lake	1985		Gar	96	0	0.0%		\$1,098	None
9	Crown Point TH	1965	2012	TH	480	0	0.0%		\$1,047	None
10	Carolanne Terrace	1975		Gar	112	0	0.0%		\$1,200	None
11	University Gardens	1962		Gar	192	3	1.6%	\$858	\$1,046	None
12	Providence Green	1973		Gar	352	4	1.1%	\$948	\$1,018	None
13	Round Bay	1962		Gar	64	0	0.0%	\$832	\$1,023	None
14	Indian River Gardens & TH	1966	2008	Gar/TH	68	3	4.4%		\$1,007	LRO; None
15	Banbury Lake Village	1972		Gar	187	17	9.1%	\$906	\$998	None
16	College Square	1974		TH	282	0	0.0%		\$945	None
17	Olympic Village	1980		Gar	142	0	0.0%	\$839	\$944	None
18	Norcova Gardens	1968		Gar	40	0	0.0%	\$820	\$895	None
19	Horizons at Indian River	1965		Gar	480	0	0.0%		\$922	None
20	River Oaks	1975		Gar	100	0	0.0%		\$825	None
21	Arcadia	1986		Gar	82	0	0.0%		\$908	None
22	Princess Anne Gardens	1982		Gar	48	0	0.0%	\$675	\$795	None
23	Alta Vista	1960		Gar	13	0	0.0%		\$775	1 mo free
24	Ingleside Square	1956		Gar	300	0	0.0%	\$710	\$768	1 mo free
Lower Tier Total					3,572	29	0.8%			
Lower Tier Average		1972			179			\$878	\$991	
Tax Credit Communities										
25	Eastwyck Village*	1994		Gar	96	0	0.0%		\$935	None
26	Mayfair*	1974		Gar	197	0	0.0%	\$879	\$906	None
27	Quill*	2014		Gar	180	0	0.0%	\$645	\$756	None
28	Pickett Farms*	2014		Gar	120	0	0.0%	\$639	\$755	None
Tax Credit Total					593	0	0.0%			
Tax Credit Average		1999			148			\$721	\$838	
Total Average		1981 2010			5,119	55	1.1%			
					183			\$933	\$1,043	

(1) Rent is contract rent, and not adjusted for utilities or incentives (*) Tax Credit Community

Source: Phone Survey, RPRG, Inc. February 2020

5. Size of Communities

The 28 surveyed rental communities include 5,119 market rate and affordable units, with an overall average size of 183 units per community. The average size among the Upper Tier market rate rental communities is larger with 239 units, while the Lower Tier market rate communities have an average size of 179 unit. The tax credit communities are smaller with an average of 148 units.



6. Vacancy Rates

As of our survey, 55 of the 5,119 units were reported vacant, yielding a low overall vacancy rate of 1.1 percent. Among the Upper Tier market rate communities, the vacancy rate is 2.7 percent. The Lower Tier market rate communities reported an overall vacancy rate of 0.8 percent, while the tax credit communities are all fully occupied. The low vacancy rates for most market area communities are indicative of a tight rental market, given that 5.0 percent is a typical stabilized vacancy standard.

7. Rent Concessions

Among the 28 surveyed rental communities, only two market rate rental properties are advertising some leasing concessions, two Lower Tier communities are offering one month of free rent on select units. None of the tax credit communities are offering any leasing concessions.

8. Absorption History

As none of the tax credit properties have been constructed in the past four years, absorption history is unavailable for these communities. Only one Upper Tier market rate rental communities has opened within the past five years. 525 Historic Kempsville opened in August 2016 with a rolling delivery of three phases through December 2017. The property manager reported an average absorption rate of 15 units per month, though delays in unit delivery reduced lease up paces.

To provide additional context we obtained absorption history for two tax credit communities in the secondary market area; both are within three miles northeast of the subject site in Virginia Beach:

- **Baker Woods** opened in May 2015 and was fully leased as of October 2015, with an average absorption pace of 19 units per month. However, the lease up pace reflects when the buildings were released for occupancy rather than market interest. Prior to opening, this community had an interest list of over 400 households.
- **Summer Haven** opened in March 2017 with a significant number of pre-leased units. All 54 units were fully leased by June 2017 for an average absorption pace of 19 units per month, and the community now reports an extensive wait list.

D. Analysis of Rental Products and Pricing

1. Payment of Utility Costs

Among Upper Tier market rate communities, trash removal only is included in monthly rents at two communities, while tenants pay all utilities in the remaining properties (Table 24). Among the Lower Tier rental communities, five communities include only trash; five communities include water, sewer and trash; four include no utilities; and the remainder include various selections of included utilities. Among the four tax credit communities, one community includes water, sewer and trash; one property includes gas cooking as well as water, sewer and trash; while the two newest tax credit communities include only trash.

2. Parking

All surveyed rental communities incorporate on-site surface or structured parking at no charge to residents. Three market rate communities offer detached garages for monthly fees of up to \$150.



Table 24 Utility Arrangement and Unit Features, Riverside Market Area Communities

Community	Heat Type	Utilities Included in Rent					Dish-washer	Micro-wave	Parking	In-Unit Laundry	Storage	
		Heat	Hot Water	Cooking	Electric	Water						Trash
Subject Property	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	STD-Full	
Upper Tier Communities												
Solace	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	STD-Full	In Bldg/Fee
525 Historic Kempsville	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	STD-Full	
Greenwich Village	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	Surface	STD-Full	In Bldg/Fee
Belmont at Providence	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	Surface	STD-Full	STD-Unit
Lower Tier Communities												
Chartwell	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	N/A	Surface	Hook Ups	STD-Bldg
Water's Edge	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	STD-Full	STD-Unit
University Terrace	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	N/A	Surface	Select	N/A
Crystal Lake	Nat Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	N/A	Surface	STD-Full	STD-Bldg
Crown Point TH	Nat Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	N/A	Surface	Hook Ups	STD-Bldg
Carolanne Terrace	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	N/A	Surface	STD-Full	
University Gardens	Nat Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STD	N/A	Surface	Select	N/A
Providence Green	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	Surface	Hook Ups	In Bldg/Fee
Round Bay	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	N/A	In Bldg/Fee
Indian River Gardens & TH	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	N/A	Surface	Hook Ups	N/A
Banbury Lake Village	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	Select	STD-Unit
College Square	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	N/A	Surface	Hook Ups	STD-Unit
Olympic Village	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	N/A	Surface	STD-Full	N/A
Norcova Gardens	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	N/A	Surface	STD-Stack	N/A
Horizons at Indian River	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	N/A	Surface	Optional/Fee	N/A
River Oaks	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	N/A	Surface	N/A	N/A
Arcadia	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	N/A	Surface	STD-Stack	N/A
Princess Anne Gardens	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	N/A	Surface	N/A	N/A
Alta Vista	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	N/A	N/A	Surface	N/A	N/A
Ingleside Square	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Street	N/A	N/A
Tax Credit Communities												
Eastwyck Village	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	N/A	Surface	Hook Ups	STD-Unit
Mayfair	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	N/A	Surface	N/A	
Quill	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	STD-Full	
Pickett Farms	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	STD-Full	

Source: Phone Survey, RPRG, Inc. February 2020

3. Kitchen Features & Finishes

All unit kitchens at the surveyed rental communities are equipped with stoves/ranges and refrigerators; five Lower Tier market rate properties do not include dishwashers in units. Microwaves are available in all Upper Tier market rate properties and five Lower Tier communities. This feature is not available within the income-restricted tax credit rental supply. As expected, the Upper Tier market rate communities have the highest level of finish, including units with granite countertop, stainless steel appliances, laminate wood (or similar) flooring. The level of finish among the Lower Tier market rate and income-restricted rental supply is more basic, generally including laminated countertop and white appliances. Picket Farm and Quill, the newest tax credit rental communities, include black appliances and breakfast bars. Several properties report varying levels of renovation, upgrading unit features as well as building structures.

4. Other Unit Features & Finishes

All Upper Tier market rate communities have an in-unit washer/dryer. Nine Lower Tier communities have this feature in some or all units. Two tax credit communities, Quill and Pickett



Farms, include in-unit washer/dryers, while Eastwyck Village includes laundry connections and Mayfair has no in-unit laundry options. Private outdoor space in the form of patios or balconies is incorporated in some or all of the units at most rental communities. Other features that are available in some rental communities include fireplaces; extra storage; and unit alarms. All of the Upper Tier market rate communities include higher end finishes and extra features, such as high ceilings; designer fixtures; track or recessed lighting; built-in computer nooks, etc.

5. Community Amenities

As shown in Table 25, almost all of the surveyed rental communities in the Riverside Market Area incorporate common area amenities for the convenience or enjoyment of tenants. All of the Upper Tier market rate communities include a clubhouse (or dedicated community center space) with fitness center and outdoor swimming pool. Two of these communities have a business center and the garden-style community has a playground. The most typical common area amenity among the Lower Tier market rate communities is a swimming pool, available in 12 communities. A clubhouse or community room is available in four Lower Tier market rate properties and four include a fitness room.

Table 25 Community Amenities, Riverside Market Area Rental Communities

Nine Lower Tier properties have playgrounds available for residents, and four have tennis courts. Among the income-restricted rental supply, clubhouses/community rooms, swimming pools, and playgrounds are available in all communities. Mayfair is the only tax credit community without a fitness room, and both Quill and Picket Farms have gated entry. Other features available within some newer communities include outdoor grilling areas, dog parks, and walking trails.

Community	Clubhouse	Fitness Room	Pool	Hot Tub	Playground	Tennis Court	Business Center	Gated Entry
Subject Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Upper Tier Communities								
Solace	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
525 Historic Kempsville	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greenwich Village	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Belmont at Providence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lower Tier Communities								
Chartwell	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water's Edge	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
University Terrace	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crystal Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crown Point TH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carolanne Terrace	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
University Gardens	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Providence Green	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Round Bay	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indian River Gardens & TH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Banbury Lake Village	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
College Square	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Olympic Village	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Norcova Gardens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Horizons at Indian River	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
River Oaks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arcadia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Princess Anne Gardens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alta Vista	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ingleside Square	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tax Credit Communities								
Eastwyck Village	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayfair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quill	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pickett Farms	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Source: Phone Survey, RPRG, Inc. February 2020



6. Unit Distribution

RPRG obtained unit distribution details for 90 percent of all market area units; 76 percent of all Upper Tier units, 93 percent of all Lower Tier units; and 100 percent of all tax credit units (Table 26). The three Upper Tier communities reporting unit distributions are similarly split among one-bedroom units (47.9 percent) and two-bedroom units (48.2 percent). Lower Tier market rate communities are more heavily weighted towards two-bedroom units comprising 69.8 percent, while one-bedroom units make up only 12.1 percent and three-bedroom units account for 18.1 percent. The income-restricted rental supply also has a larger proportion of two-bedroom units (66.6 percent) with one-bedroom units comprising 12.7 percent and three-bedroom units representing 20.7 percent.

7. Unit Size

The average unit sizes for the surveyed Upper Tier market rate units are 842 square feet for the one-bedroom units; 1,143 square feet for two-bedroom units; and 1,363 square feet for three-bedroom units. The Lower Tier market rate units are slightly smaller in size across all unit types with average sizes of 779 square feet for the one-bedroom units; 943 square feet for the two-bedroom units; and 1,201 square feet for the three-bedroom units. Among the tax credit rental supply, units are either in line with or smaller than in the market rate properties with an average of 707 square feet for one-bedroom units; 961 square feet for two-bedroom units; and 1,156 square feet for three-bedroom units.

8. Unit Pricing

The rents listed in Table 26 are net or effective rents, as opposed to street or advertised rents. We applied downward adjustments to street rents to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where base rents only include trash collection expenses, the utility situation for the subject.

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

- One-bedroom rents averaging \$1,238 for 842 square feet, or \$1.47 per square foot.
- Two-bedroom rents averaging \$1,507 for 1,143 square feet, or \$1.32 per square foot.
- Three-bedroom rents averaging \$1,749 for 1,363 square feet, or \$1.28 per square foot.

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

- One-bedroom rents averaging \$857 for 779 square feet, or \$1.10 per square foot.
- Two-bedroom rents averaging \$954 for 943 square feet, or \$1.01 per square foot.
- Three-bedroom rents averaging \$1,144 for 1,201 square feet, or \$0.95 per square foot.

Among tax credit communities, the average effective rents are:

- One-bedroom rents averaging \$684 for 707 square feet, or \$0.97 per square foot.
- Two-bedroom rents averaging \$798 for 961 square feet, or \$0.83 per square foot.
- Three-bedroom rents averaging \$926 for 1,156 square feet, or \$0.80 per square foot.



Table 26 Unit Distribution, Size and Pricing, Riverside Market Area Communities

Community	Type	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
			Units	Rent (1)	SF [^]	Rent/SF	Units	Rent (1)	SF [^]	Rent/SF	Units	Rent (1)	SF [^]	Rent/SF
Subject Property - 40% AMI	Gar	23	3	\$465	760	\$0.61	12	\$550	1,047	\$0.53	8	\$630	1,256	\$0.50
Subject Property - 50% AMI	Gar	38	4	\$605	760	\$0.80	26	\$720	1,047	\$0.69	8	\$825	1,256	\$0.66
Subject Property - 60% AMI	Gar	116	22	\$775	760	\$1.02	64	\$900	1,047	\$0.86	30	\$1,025	1,256	\$0.82
Subject Property - 70% AMI	Gar	37	4	\$800	760	\$1.05	26	\$1,000	1,047	\$0.96	7	\$1,150	1,256	\$0.92
Subject Property - 80% AMI	Gar	22	3	\$800	760	\$1.05	12	\$1,000	1,047	\$0.96	7	\$1,150	1,256	\$0.92
Upper Tier Communities														
Solace	Mid Rise	250	131	\$1,231	890	\$1.38	119	\$1,574	1,289	\$1.22				
525 Historic Kempsville	Adpt. Reuse	168	62	\$1,360	935	\$1.46	88	\$1,546	1,069	\$1.45	16	\$1,886	1,476	\$1.28
Greenwich Village	Mid Rise	224		\$1,189	744	\$1.60		\$1,460	1,115	\$1.31				
Belmont at Providence	Gar	312	156	\$1,173	799	\$1.47	144	\$1,450	1,099	\$1.32	12	\$1,612	1,249	\$1.29
Upper Tier Total/Average		954		\$1,238	842	\$1.47		\$1,507	1,143	\$1.32		\$1,749	1,363	\$1.28
Upper Tier Unit Distribution		728	349				351				28			
Upper Tier % of Total		76.3%	47.9%				48.2%				3.8%			
Lower Tier Communities														
Chartwell	Gar	192	32	\$1,075	920	\$1.17	128	\$1,210	1,092	\$1.11	32	\$1,375	1,287	\$1.07
Water's Edge	Gar	190		\$985	642	\$1.53		\$1,180	910	\$1.30				
University Terrace	Gar	152	36	\$949	1,005	\$0.94	104	\$1,136	1,205	\$0.94	12	\$1,296	1,604	\$0.81
Crystal Lake	Gar	96					96	\$1,068	1,094	\$0.98				
Crown Point TH	TH	480					138	\$1,047	1,209	\$0.87	300	\$1,169	1,437	\$0.81
Carolanne Terrace	Gar	112					112	\$1,040	950	\$1.09				
University Gardens	Gar	192	68	\$838	765	\$1.10	131	\$1,021	969	\$1.05	12	\$1,160	1,404	\$0.83
Providence Green	Gar	352	72	\$948	912	\$1.04	266	\$1,018	1,101	\$0.93	14	\$1,284	1,269	\$1.01
Round Bay	Gar	64	20	\$817	729	\$1.12	40	\$1,008	1,000	\$1.01	4	\$1,103	1,050	\$1.05
Indian River Gardens & TH	Gar/TH	68					60	\$997	815	\$1.22	8	\$1,170	866	\$1.35
Banbury Lake Village	Gar	187	85	\$896	781	\$1.15	67	\$988	990	\$1.00	35	\$1,205	1,318	\$0.91
College Square	TH	282					190	\$935	1,000	\$0.94	92	\$1,115	1,180	\$0.94
Olympic Village	Gar	142	52	\$814	850	\$0.96	90	\$914	912	\$1.00				
Norcova Gardens	Gar	40	8	\$820	640	\$1.28	32	\$895	816	\$1.10				
Horizons at Indian River	Gar	480					416	\$887	740	\$1.20	64	\$984	920	\$1.07
River Oaks	Gar	100					100	\$815	875	\$0.93				
Arcadia	Gar	82					82	\$793	991	\$0.80				
Princess Anne Gardens	Gar	48		\$665	600	\$1.11		\$785	750	\$1.05				
Alta Vista	Gar	13					13	\$679	680	\$1.00				
Ingleside Square	Gar	300	27	\$626	720	\$0.87	246	\$674	770	\$0.87	27	\$724	880	\$0.82
Lower Tier Total/Average		3,572		\$857	779	\$1.10		\$954	943	\$1.01		\$1,144	1,201	\$0.95
Lower Tier Unit Distribution		3,311	400				2,311				600			
Lower Tier % of Total		92.7%	12.1%				69.8%				18.1%			
Tax Credit Communities														
Eastwyck Village-60%*	Gar	96					72	\$905	850	\$1.06	24	\$1,065	1,025	\$1.04
Mayfair-Market**^	Gar	122	22	875	682	\$1.28	75	895	900	\$0.99	25	1115	1112	\$1.00
Quill-60%*	Gar	91	14	\$763	720	\$1.06	59	\$894	1,035	\$0.86	18	\$1,017	1,222	\$0.83
Pickett Farms-60%*	Gar	60	9	\$753	720	\$1.05	39	\$894	1,035	\$0.86	12	\$1,017	1,222	\$0.83
Mayfair-60%*	Gar	25					20	\$885	900	\$0.98	5	\$985	1,112	\$0.89
Mayfair-50%*	Gar	32	6	\$775	682	\$1.14	21	\$800	900	\$0.89	5	\$960	1,112	\$0.86
Pickett Farms-40%*	Gar	60	9	\$475	720	\$0.66	39	\$556	1,035	\$0.54	12	\$625	1,222	\$0.51
Quill-40%*	Gar	89	13	\$465	720	\$0.65	58	\$556	1,035	\$0.54	18	\$625	1,222	\$0.51
Tax Credit Total/Average		575		\$684	707	\$0.97		\$798	961	\$0.83		\$926	1,156	\$0.80
Tax Credit Unit Distribution		575	73				383				119			
Tax Credit % of Total		100.0%	12.7%				66.6%				20.7%			
Total/Average		5,101		\$881	770	\$1.14		\$984	973	\$1.01		\$1,119	1,199	\$0.93
Unit Distribution		4,614	822				3,045				747			
% of Total		90.5%	17.8%				66.0%				16.2%			

(*) Tax Credit Community

(^) Useable/Published SF

Source: Phone Survey, RPRG, Inc. February 2020

(1) Rent is adjusted to include only incentives and trash collection

(^) Mayfair includes a small number of four-bedroom units



E. Subsidized Rental Communities & Housing Choice Voucher Statistics

RPRG did not identify any multifamily rental community within the market with project-based rental subsidies, commonly referred to as “deep” subsidy rental housing. Deep subsidy units include those where rental assistance is provided in the form of project-based Section 8 rent subsidies or other governmental programs, such as in public housing. In many subsidized arrangements, tenants pay an amount roughly equivalent to 30 percent of their income toward housing costs (rents plus utility costs), while the rent subsidy covers the remainder of the relevant housing costs.

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

The Department of Housing and Neighborhood Preservation with the City of Virginia Beach administers the Housing Choice Voucher (HCV) program for Virginia Beach residents. According to statistics provided by Andrew Friedman, Director, there are 2,059 vouchers. Of these, 1,959 (95.0 percent) are actively utilized at this time. The waiting list for the HCV program is extensive with roughly 10,000 active applications. Of these, the screening preference make-up is as follows: over 1,500 persons are homeless; 7,500 are comprised of families with children; 200 are elderly/disabled; and over 200 are veterans.

F. Derivation of Market Rent

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

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

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

The derivation of achievable rent calculations for the 60 percent of AMI units are displayed in Table 27, Table 28 and Table 29. The results of the calculations are summarized in Table 30. The assumptions used in the calculations are shown in Table 31.



Table 27 Market Rent Analysis – One-Bedroom Units

One Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Riverside Station	Water's Edge		Solace		Belmont at Providence		
5786 Sellger Dr, 5827/5845 Curlew Dr Norfolk, VA	390 S. Military Highway		400 S Military Highway		6324 Rockbrook Lane		
	Norfolk	VA	Norfolk	VA	Virginia Beach	VA	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent - 60% AMI	\$775	\$1,050	\$0	\$1,095	\$0	\$1,185	\$0
Utilities Included	T	W/S/T	(\$15)	T	\$0	None	\$10
Rent Concessions		None	\$0	None	\$0	None	\$0
Effective Rent	\$775	\$1,035		\$1,095		\$1,195	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/4	Garden/3	\$0	Mid/4	(\$25)	Garden/3	\$0
Year Built / Renovated	2022	1986	\$27	2014	\$6	2009	\$10
Quality/Street Appeal	Excellent	Average	\$20	Excellent	\$0	Excellent	\$0
Location	Average	Average	\$0	Average	\$0	Above Average	(\$10)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	1	1	\$0	1	\$0	1	\$0
Number of Bathrooms	1	1	\$0	1	\$0	1	\$0
Unit Interior Square Feet	760	684	\$19	789	(\$7)	798	(\$10)
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC Type:	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Washer / Dryer: In Unit	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Washer / Dryer: Hook-up	No	No	\$0	No	\$0	No	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Club House	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	Yes	Yes	\$0	Yes	\$0	Yes	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		3	0	1	2	1	2
Sum of Adjustments B to D		\$66	\$0	\$6	(\$32)	\$10	(\$20)
F. Total Summary							
Gross Total Adjustment		\$66		\$38		\$30	
Net Total Adjustment		\$66		(\$26)		(\$10)	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,101		\$1,069		\$1,185	
% of Effective Rent		106.4%		97.6%		99.2%	
Estimated Market Rent	\$1,118						
Rent Advantage \$	\$343						
Rent Advantage %	30.7%						



Table 28 Market Rent Analysis – Two-Bedroom Units

Two Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Riverside Station 5786 Sellger Dr, 5827/5845 Curlew Dr Norfolk, VA	Water's Edge		Solace		Belmont at Providence		
	390 S. Military Highway		400 S Military Highway		6324 Rockbrook Lane		
	Norfolk	VA	Norfolk	VA	Virginia Beach	VA	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent - 60% AMI	\$900	\$1,255	\$0	\$1,460	\$0	\$1,508	\$0
Utilities Included	T	W/S/T	(\$20)	T	\$0	None	\$10
Rent Concessions		None	\$0	None	\$0	None	\$0
Effective Rent	\$900	\$1,235		\$1,460		\$1,518	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/4	Garden/3	\$0	Mid/4	(\$25)	Garden/3	\$0
Year Built / Condition	2022	1986	\$27	2014	\$6	2009	\$10
Quality/Street Appeal	Excellent	Average	\$20	Excellent	\$0	Excellent	\$0
Location	Average	Average	\$0	Average	\$0	Above Average	(\$10)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	1,047	924	\$31	1,162	(\$29)	1,130	(\$21)
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)on	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Washer / Dryer: In Unit	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Washer / Dryer: Hook-ups	No	No	\$0	No	\$0	No	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Club House	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	Yes	Yes	\$0	Yes	\$0	Yes	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		3	0	1	2	1	2
Sum of Adjustments B to D		\$78	\$0	\$6	(\$54)	\$10	(\$31)
F. Total Summary							
Gross Total Adjustment		\$78		\$60		\$41	
Net Total Adjustment		\$78		(\$48)		(\$21)	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,313		\$1,412		\$1,497	
% of Effective Rent		106.3%		96.7%		98.6%	
Estimated Market Rent	\$1,407						
Rent Advantage \$	\$507						
Rent Advantage %	36.0%						



Table 29 Market Rent Analysis – Three-Bedroom Units

Three Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Riverside Station	Water's Edge		Solace		Belmont at Providence		
5786 Sellger Dr, 5827/5845 Curlew Dr Norfolk, VA	390 S. Military Highway		400 S Military Highway		6324 Rockbrook Lane		
	Norfolk	VA	Norfolk	VA	Virginia Beach	VA	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent - 60% AMI	\$1,025	\$1,255	\$0	\$1,715	\$0	\$1,612	\$0
Utilities Included	T	W/S/T	(\$25)	T	\$0	None	\$10
Rent Concessions		None	\$0	None	\$0	None	\$0
Effective Rent	\$1,025	\$1,230		\$1,715		\$1,622	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden/4	Garden/3	\$0	Mid/4	(\$25)	Garden/3	\$0
Year Built / Condition	2022	1986	\$27	2014	\$6	2009	\$10
Quality/Street Appeal	Excellent	Average	\$20	Excellent	\$0	Excellent	\$0
Location	Average	Average	\$0	Average	\$0	Above Average	(\$10)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	2	\$25	2	\$25	3	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	1,256	924	\$83	1,397	(\$35)	1,249	\$2
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Washer / Dryer: In Unit	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Washer / Dryer: Hook-ups	No	No	\$0	No	\$0	No	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Club House	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	Yes	Yes	\$0	Yes	\$0	Yes	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		4	0	2	2	2	1
Sum of Adjustments B to D		\$155	\$0	\$31	(\$60)	\$12	(\$10)
F. Total Summary							
Gross Total Adjustment		\$155		\$91		\$22	
Net Total Adjustment		\$155		(\$29)		\$2	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,385		\$1,686		\$1,624	
% of Effective Rent		112.6%		98.3%		100.1%	
Estimated Market Rent	\$1,565						
Rent Advantage \$	\$540						
Rent Advantage %	34.5%						



Table 30 Market Rent Advantage - Summary

	One Bedroom	Two Bedroom	Three Bedroom
40% AMI Units	Units	Units	Units
Subject Rent	\$465	\$550	\$630
Estimated Market Rent	\$1,118	\$1,407	\$1,565
Rent Advantage (\$)	\$653	\$857	\$935
Rent Advantage (%)	58.4%	60.9%	59.7%
	One Bedroom	Two Bedroom	Three Bedroom
50% AMI Units	Units	Units	Units
Subject Rent	\$605	\$720	\$825
Estimated Market Rent	\$1,118	\$1,407	\$1,565
Rent Advantage (\$)	\$513	\$687	\$740
Rent Advantage (%)	45.9%	48.8%	47.3%
	One Bedroom	Two Bedroom	Three Bedroom
60% AMI Units	Units	Units	Units
Subject Rent	\$775	\$900	\$1,025
Estimated Market Rent	\$1,118	\$1,407	\$1,565
Rent Advantage (\$)	\$343	\$507	\$540
Rent Advantage (%)	30.7%	36.0%	34.5%
	One Bedroom	Two Bedroom	Three Bedroom
70% AMI Units	Units	Units	Units
Subject Rent	\$800	\$1,000	\$1,150
Estimated Market Rent	\$1,118	\$1,407	\$1,565
Rent Advantage (\$)	\$318	\$407	\$415
Rent Advantage (%)	28.5%	28.9%	26.5%
	One Bedroom	Two Bedroom	Three Bedroom
80% AMI Units	Units	Units	Units
Subject Rent	\$800	\$1,000	\$1,150
Estimated Market Rent	\$1,118	\$1,407	\$1,565
Rent Advantage (\$)	\$318	\$407	\$415
Rent Advantage (%)	28.5%	28.9%	26.5%



Table 31 Market Rent Advantage – Adjustment Table

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

After adjustments, the estimated market rent for a one-bedroom unit is \$1,118, providing the subject’s 60 percent of AMI one-bedroom units with a market advantage of 30.7 percent. The estimated market rent for two-bedroom/two bath unit is \$1,407, resulting in the subject’s 60 percent of AMI units having a 36 percent rent advantage. The estimated market rent for three-bedroom/two bath unit is \$1,565, resulting in the subject’s 60 percent of AMI units having a 34.5 percent rent advantage. Market rent advantages among all other subject floorplans and income targets range from 26.5 percent for three-bedroom 70 or 80 percent AMI units to 60.9 percent for two-bedroom 40 percent AMI units.

G. Achievable Restricted Rents

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

As shown in Table 32, all of the maximum LIHTC rents are well below estimated adjusted market rents except for the 80 percent AMI units. Therefore, the maximum LIHTC rents are the achievable rents for all 40 to 70 percent AMI LIHTC units. Adjusted market rents are the achievable rents for all 80 percent AMI units as they are below maximum LIHTC rents. All proposed LIHTC rents for the subject are at or below the achievable rents.



Table 32 Achievable Tax Credit Rent

40% AMI Units	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
Estimated Market Rent	\$1,118	\$1,407	\$1,565
Less 10%	\$1,007	\$1,267	\$1,409
Maximum LIHTC Rent*	\$498	\$592	\$674
Achievable Rent	\$498	\$592	\$674
SUBJECT RENT	\$465	\$550	\$630
50% AMI Units			
50% AMI Units	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
Estimated Market Rent	\$1,118	\$1,407	\$1,565
Less 10%	\$1,007	\$1,267	\$1,409
Maximum LIHTC Rent*	\$647	\$770	\$880
Achievable Rent	\$647	\$770	\$880
SUBJECT RENT	\$605	\$720	\$825
60% AMI Units			
60% AMI Units	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
Estimated Market Rent	\$1,118	\$1,407	\$1,565
Less 10%	\$1,007	\$1,267	\$1,409
Maximum LIHTC Rent*	\$796	\$949	\$1,086
Achievable Rent	\$796	\$949	\$1,086
SUBJECT RENT	\$775	\$900	\$1,025
70% AMI Units			
70% AMI Units	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
Estimated Market Rent	\$1,118	\$1,407	\$1,565
Less 10%	\$1,007	\$1,267	\$1,409
Maximum LIHTC Rent*	\$945	\$1,127	\$1,292
Achievable Rent	\$945	\$1,127	\$1,292
SUBJECT RENT	\$800	\$1,000	\$1,150
80% AMI Units			
80% AMI Units	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
Estimated Market Rent	\$1,118	\$1,407	\$1,565
Less 10%	\$1,007	\$1,267	\$1,409
Maximum LIHTC Rent*	\$1,094	\$1,306	\$1,499
Achievable Rent	\$1,007	\$1,267	\$1,409
SUBJECT RENT	\$800	\$1,000	\$1,150

*Assumes utility allowances of \$97 1BR; \$122 2BR; \$151 avg 3BR

H. Proposed and Pipeline Rental Communities

RPRG pursued several avenues of research to identify residential rental projects that are actively being planned or that are currently under construction within the Riverside Market Area. In the course of research, we obtained information on proposed developments through interviews with Paula Shea, Principal Planner with the City of Norfolk; Kim Dotson, Development Services/Planning Department with the City of Virginia Beach; and the Planning Department for the City of



Chesapeake. We also accessed listings of projects that recently received or applied for allocations of Low-Income Housing Tax Credits from the Virginia Housing Development Authority (VHDA). Lastly, we relied upon previous work conducted in Norfolk and Virginia Beach over the past several years.

The pipeline communities are divided into two categories; near term and long term. Near term projects include those that are under construction and those that we believe have the greatest likelihood of delivering in the next three years. Near term projects are considered in our derivation of three-year rental demand in the market. Long term projects do not have financing secured, are on hold for the present, and/or have estimated delivery dates beyond the next three years. Long term projects also include those for which rezoning or site plan approval is still required.

Through our research, RPRG did not identify any near term or long term pipeline projects in the market area.



VIII. FINDINGS AND CONCLUSIONS

A. Key Findings

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

1. Site and Neighborhood Analysis

Located in a neighborhood with a vibrant mix of commercial, institutional, and residential uses, the subject site affords good access to public transportation and employment opportunities and is within roughly five miles of downtown Norfolk.

- The plan to reposition the subject parcel of land to a high quality, affordable rental property will benefit the local community. The subject is situated between a commercial node to the northwest and residential neighborhoods to the southeast. Commercial, retail, and light industrial facilities are located along the eastern (northbound) portion of Military Highway and south of I-264. Single-family residential neighborhoods are located east and south of the subject site extending to Elizabeth River and I-64.
- The site is along the Tide Light Rail line, roughly one half mile east of the Military Highway Station light rail stop. For those residents with private vehicles, the site affords easy access to the region's major commuting routes, most particularly Military Highway and I-264.
- The subject's location near the Military Highway corridor provides numerous opportunities for convenience and comparison retail shopping. Nearby retail nodes in Norfolk, Virginia Beach, and Chesapeake offer residents all of the necessary community amenities within a short drive. The region's largest concentration of retail amenities is along the Military Highway corridor centered on Military Circle Mall, two miles north of the subject site.
- The subject site is appropriate for affordable multifamily rental housing.

2. Economic Context

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

- The Norfolk labor force has expanded steadily the last two years after ticking down from 2012 through 2016. The city attained unemployment rates below the national average rates from 2009 to 2013 before trending slightly higher. Recently, Norfolk's unemployment rate has improved significantly, dropping below the national rate. Norfolk's most recent annual average unemployment rate of 3.6 percent in 2018 represents a significant drop from the recession-era high of 8.8 percent in 2010 and is lower than the 3.9 percent national rate. Unemployment has continued to improve through the first nine months of 2019, with the citywide unemployment rate falling to 3.5 percent.
- The subject's market area is commuter-oriented with one fifth (20.6 percent) of Riverside Market Area workers reporting average commute times of 15 minutes or less as of 2014-2018, while 41.8 percent commuted 15 to 24 minutes and 33.8 percent commuted 25 or more minutes.
- Norfolk At-Place Employment has fluctuated during the last ten years ranging from 143,168 jobs in 2007 to 142,754 job in 2018. After falling to a low of 134,424 jobs in 2014, job growth



averaged almost 2,100 jobs per year through 2018, though most of these gains took place in 2017. At-Place Employment decreased by 1,450 jobs during the first two quarters of 2019, though this may reflect seasonality and cannot be compared to annual trend.

- Norfolk's economy is concentrated among four economic sectors; more than one out of every four citywide jobs (27.3 percent) are within the Government sector, followed by Education Health (16.4 percent), Trade-Transportation-Utilities (15.5 percent), and Professional-Business (13.7 percent).

3. Demographic Analysis

The Riverside Market Area's household base increased at a steady pace between 2000 and 2020, with continued household growth projected for the next five years.

- The Riverside Market Area added a net of over 2,000 households, representing growth of 7.9 percent, from 2010 to 2020. As of 2020, an estimated 27,605 households reside in the Riverside Market Area. Based on Esri trends, RPRG projects that the market area will add households at an average net rate of 0.6 percent (175 households) per year between 2020 and 2025.
- Two fifths (39.3 percent) of households in the Riverside Market Area are renters as of 2020. Over one third (35.9 percent) of market area renters as of 2020 are estimated to be below the age of 35, and renter households between the ages of 35 and 54 account for 34.3 percent of all renter households within the market area. These are the households who are most likely to be permanent renters, renting more out of necessity than lifestyle preference.
- The estimated 2020 median household income in the Riverside Market Area is \$66,512, roughly eight percent lower than the South Hampton Roads overall median household income of \$72,489. The primary market area's median renter household earns \$47,480 per year. Over one third (36.9 percent) of the market area's renters have annual incomes below \$35,000.
- Over one third (35.2 percent) of all renter households residing in the Riverside Market Area have rent burdens of 40 percent or higher; 44.1 percent have rent burdens of 35 percent or higher. This excludes those households who reside in subsidized rent situations as their housing expenses are capped at 30 percent of their income.

4. Competitive Housing Analysis

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

- The multifamily rental housing stock is of older vintage with the market area average year built of 1981. As of our survey, 55 of the 5,119 units were reported vacant, yielding an overall vacancy rate of 1.1 percent. Among the Upper Tier market rate communities, the vacancy rate is 2.7 percent. The Lower Tier market rate communities reported an overall vacancy rate of 0.8 percent, while the tax credit communities are all fully occupied. The low vacancy rates for most market area communities are indicative of a tight rental market.
- The effective rents for Upper Tier one-bedroom units average \$1,238 (\$1.47 per square foot); the two-bedroom units average \$1,507 (\$1.32 per square foot); and the three-bedroom units average \$1,749 (\$1.28 per square foot).



- The Lower Tier rental communities are generally older (40+ years) but several have been renovated in recent years or are in the process of renovating units. The effective rents for Lower Tier market rate one-bedroom apartments average \$857 (\$1.10 per square foot); two-bedroom units average \$954 (\$1.01 per square foot); and three-bedroom units average \$1,144 (\$0.95 per square foot).
- Only four income-restricted communities (non-deeply subsidized) are currently in the Riverside Market Area; all operate under LIHTC guidelines. Effective rents for affordable one-bedroom apartments average \$684 (\$0.97 per square foot); two-bedroom units average \$798 (\$0.83 per square foot); and three-bedroom units average \$926 (\$0.80 per square foot).
- RPRG did not identify any pipeline communities in the market area.

B. Derivation of Demand

1. Net Demand Methodology

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

The three-year period in question for this analysis is the period from February 2020 through February 2023. We restrict the analysis to a three-year period in part to avoid artificially inflating demand by incorporating demand that would not be created until well after the subject project was introduced to the market and in part due to the difficulty in accurately predicting the likely supply of competing rental units beyond the three-year period.

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

RPRG sums demand generated from three broad sources in order to arrive at 'Net Demand for New Rental Units' over the 2020 to 2023 period:

- **Projected Change in the Household Base.** Recall that in the Growth Trends section of this report, we presented projections of household change within the primary market area over the 2010 to 2025 period. We factor in three years' worth of the household change suggested by the annual rate of household growth or decline (2020 to 2023). Note that net household change incorporates growth or decline stemming from both organic changes within existing households (i.e. new household formation as children move out of their parents' homes,



divorces, roommates electing to begin renting separately) and household migration into and out of the market area.

- **Need for Housing Stock Upgrades.** Demand for new housing units within a primary market area is generated when the stock of available housing units ceases to meet the housing needs of households that wish to remain residents of that primary market. In such instances, the housing stock needs to be upgraded either through the renovation of existing units or the construction of new units. That a particular housing unit has ceased to meet the housing needs of a market area's households becomes evident in any number of ways, including:
 - **Physical Removal or Demolition.** Clearly, if a unit is demolished or otherwise physically removed from a market, it is no longer available to serve local households. Many factors contribute to the removal of housing units. Housing units are occasionally removed from any given market through disasters such as fires and various types of weather phenomenon. While such disasters occur somewhat randomly, the decision whether to repair or demolish a unit is based on the economic value of the property. Thus, a unit being permanently lost in a disaster should be correlated with factors such as its age, structure type, and physical condition. Demolitions can also be instigated through the loss of economic value or in response to a situation where vacant land has become more valuable than the land plus its existing structure. Based on American Housing Survey data, researchers have analyzed Components of Inventory Change (CINCH) (Table 33). CINCH data indicated that renter-occupied or vacant units were far more likely to be demolished than owner-occupied units; among renter-occupied and vacant units, single-family detached units were more likely to be demolished than multifamily units.
 - **Permanent Abandonment.** Housing units can be technically removed from the stock available to serve households without being physically removed. This happens when a housing unit's owner elects to permanently abandon the unit – due to obsolescence, overwhelming repair costs, or other factors – without going through the steps (and costs) of demolishing it. If a dilapidated unit was occupied up until the time of permanent abandonment, the former occupant represents a source of demand for other units in the area.
 - **Overcrowding.** As defined by the U.S. Census Bureau, a housing unit is classified as overcrowded if the household occupying the unit has more people than the housing unit has rooms. Particularly in markets with high housing costs, lower-income individuals and families are often driven into an overcrowded housing situation. Overcrowded households constitute pent-up demand for new housing units not typically captured in household growth projections; were two affordable units to become available, an overcrowded household would very likely split into two households and generate an additional net unit of housing demand.
 - **Mismatch between Household Incomes and Housing Stock Quality.** While permanent abandonment and overcrowding are two factors likely to lead to net new demand for affordable housing units, limited recent housing construction in a stable, long-established neighborhood can be an indicator of pent-up demand for new housing units serving middle- to upper-income households. Areas that exhibit this phenomenon are often downtown, inner city, or inner ring suburban locations that currently have – and have had for years – limited to no undeveloped land available for new housing construction/growth. When a neighborhood is stable in terms of overall household numbers but near the point of build-out for many years, many resident households develop a desire for a modern housing unit and the wherewithal to rent or purchase one, but have no stock of modern units from which to choose. Such households are 'under-housed' in that the quality of the housing stock in the area where they live (and wish to remain) does not match the type of



housing they demand and could afford. Such pent-up demand is rarely captured in public projections of household growth and is difficult to translate to specific calculations. However, this pent-up demand is a very real factor driving demand for new housing units in stable, established residential neighborhoods.

Table 33 Components of Inventory Change in Housing (CINCH)

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

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

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



2. Net Demand Calculation

Table 34 applies the discussion of sources of demand for new rental units to the Riverside Market Area. The steps in our Derivation of Demand analysis for the three-year period between February 2020 and February 2023 are as follows:

- Based on Esri trends, RPRG estimates that there are 27,619 households in the Riverside Market Area as of February 2020, a number that is projected to increase to 28,144 by February 2023. The Riverside Market Area is expected to add approximately 524 net households during the three-year period.
- Using national statistical observations from 2011 and 2013 CINCH data, Econometrica determined that the average annual loss of occupied housing units in the United States between 2011 and 2013 (for all reasons other than the moving of homes, particularly mobile homes) was 0.27 percent of the total occupied stock (See Table 33). This blended rate includes an annual loss of 0.47 percent of renter-occupied units and 0.18 percent of owner-occupied units. In the interest of conservatively estimating demand, we assume the lower blended rate of 0.27 percent rather than the higher renter-occupied rate of 0.47 percent. We determined the size of the housing stock in 2020, 2021, and 2022 via interpolation of household projections. Applying the removal rate over the three years in question, we estimate that 236 units are likely to be lost in the Riverside Market Area.
- Summing the net household increases from the number of units removed from the market, we calculate the net new demand for housing units of all types over the three-year period to be 760 units.
- According to Esri estimates, 39.3 percent of all market area households are renters as of 2020, projected to tick down slightly to 39.2 percent through 2025. Although recent trends and development patterns point to increased renter households, we conservatively apply Esri's projected three-year average renter percentage of 39.2 percent to new housing demand in the market area, yielding demand for 298 new rental units over the next three years.
- RPRG's survey of the general occupancy rental communities in the market area consisted of 5,119 units. Of these, 55 are currently vacant, yielding a 1.1 percent vacancy rate. No communities with deep subsidies were identified in the market area.
- Typically, it is assumed that a 5.0 percent vacancy rate is required to keep a rental market relatively fluid. There must be some number of quality units vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. Given the total competitive inventory of 5,119 units, 256 vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the 55 vacant units in the market from this number reveals a demand for 201 units at 5.0 percent vacancy. Thus, we add 201 units to demand.
- Summing demand from household change, projected unit removals, and the vacancy rate in the existing market, results in total demand for 499 new rental units in the market area over the next three years.
- Net demand for new rental units must be balanced against new rental stock likely to be added to the market area's inventory over this period. No pipeline projects were identified in addition to the subject's proposed 236 units among both phases.
- Subtracting 95 percent of these units (224) from the total demand of 499 units yields net excess demand for 275 rental units in the market area over the next three years.

Table 34 Derivation of Net Demand, Riverside Market Area

Demand			
<i>Projected Change in Household Base</i>			<i>Units</i>
February 2020 Households			27,619
February 2023 Households			28,144
Net Change in Households			524
	Housing	Removal	Units
Add: Units Removed from Housing Stock	Stock	Rate	Removed
2020 Housing Stock	28,928	0.27%	78
2021 Housing Stock	29,114	0.27%	79
2022 Housing Stock	29,299	0.27%	79
Total Units Removed from Housing Stock			236
New Housing Demand			760
Average Percent Renter Households over Analysis Period			39.2%
New Rental Housing Demand			298
Add: Multifamily Competitive Vacancy	Inventory		Vacant
Stabilized Multifamily Communities	5,119		55
Deep-Subsidy Multifamily Communities			
Communities Under Lease Up			
Total Competitive Inventory	5,119		55
Market Vacancy at 5%			256
Less: Current Vacant Units			-55
Vacant Units Required to Reach 5% Market Vacancy			201
Total Demand for New Rental Units			499
Planned Additions to the Supply			
		Total Units	95% Occupancy
Subject Property		236	224
Total New Rental Supply		236	224
Excess Demand for Rental Housing			275

Source: RPRG, Inc.

3. Conclusions on Net Demand

The results of this derivation of rental demand indicate that the market will have excess demand for 275 units of rental housing over the next three years. A number of factors support the estimation of excess demand for multifamily units including low vacancy rates and steady absorption paces experienced by communities in and near the market area.

C. Effective Demand – Affordability/Capture & Penetration Analyses

1. Methodology

Following our estimate of the depth of demand for net new rental units in the primary market area, we next test whether sufficient income-qualified households would be available to support the specific units at the subject property and properties in the same broad segment of the rental



market in terms of pricing. This analysis is conducted independently of the Net Demand Analysis as units at the subject property are likely to be filled by a combination of new households (either moving to or created in the market area) and existing households moving within the market area. The total demand – comprised of the net or incremental demand and the demand from existing households – is the relevant frame of reference for the analysis.

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

The first component of the Effective Demand analysis involves looking at total income and renter income among Riverside Market Area households for the target year. The developer projects that units at Riverside Station Apartments will be placed in service in 2022 and as such, 2022 is used as the target year for these analyses. RPRG calculated 2022 income distributions for total households and renter households based on RPRG household projections, income estimates from the 2014-2018 ACS, and income projections from Esri (Table 35).

Table 35 2022 Total and Renter Income Distribution, Riverside Market Area

Riverside Market Area		2022 Total Households		2022 Renter Households	
		#	%	#	%
less than	\$15,000	2,297	8.2%	1,459	13.3%
	\$15,000 \$24,999	2,114	7.6%	1,343	12.2%
	\$25,000 \$34,999	2,012	7.2%	1,087	9.9%
	\$35,000 \$49,999	3,270	11.7%	1,677	15.3%
	\$50,000 \$74,999	5,546	19.8%	2,265	20.6%
	\$75,000 \$99,999	4,325	15.5%	1,252	11.4%
	\$100,000 \$149,999	5,679	20.3%	1,463	13.3%
	\$150,000 Over	2,710	9.7%	425	3.9%
Total		27,954	100%	10,970	100%
Median Income		\$69,310		\$49,279	

Source: American Community Survey 2014-2018 Projections, RPRG, Inc.

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



The subject will include a broad range of target incomes with units restricted to households with incomes at 40 percent, 50 percent, 60 percent, 70 percent, and 80 percent of AMI, with a weighted average income restriction of 59.8 percent AMI, although 23 units will also have project-based rental subsidies so that these households could essentially have incomes as low as \$0. The household sizes assume 1.5 persons per bedroom for the one-, two-, and three-bedroom units.

2. Affordability Analysis

The steps in our Affordability Analysis for Riverside Station Apartments at the developer's proposed rents are as follows (Table 36). We note, per instructions from VHDA, that both components of the project (the units which are expected to be financed with nine percent tax credits and the units which are expected to be financed with four percent tax credits) are analyzed as one combined property. We further assume no minimum income for subsidized units.

- The overall shelter cost (gross rent) for a 60 percent two-bedroom unit at Riverside Station Apartments – the most numerous unit type at the subject – would be \$1,022 per month (\$900 rent plus a \$122 utility allowance for utility costs beyond those for trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that the 60 percent two-bedroom unit would be affordable to households earning at least \$35,040 per year. The projected number of primary market area renter households earning at least this amount in 2022 is 7,077.
- A household occupying a two-bedroom unit (assuming 1.5 persons/bedroom) and earning 60 percent of AMI for the Virginia Beach-Norfolk-Newport News-VA-NC MSA would have an income of up to \$42,840. According to the interpolated income distribution for 2022, there would be 6,205 renter households in the primary market area with incomes exceeding the upper income bound.
- Subtracting the 6,205 renter households with incomes above the 60 percent maximum income limit from the 7,077 renter households that could afford to rent this unit, we calculate that 872 renter households in the primary market area as of 2022 would be in the band of affordability for the subject's 60 percent two-bedroom units. Riverside Station Apartments would need to capture 7.3 percent of these income-qualified renter households to absorb all 64 of the 60 percent two-bedroom units.
- Following the same methodology, we tested the affordability of the remaining unit types at each of the income bands. The capture rates among income-qualified renter households for these distinct unit types by income band range from less than one percent (for all 40 percent and 80 percent AMI units) to 3.5 percent (for the two-bedroom units at 50 percent of AMI and one-bedroom 60 percent AMI units).
- The 213 tax credit units without project-based subsidies would need to capture 4.9 percent of the income-qualified renter households. This analysis conservatively assumes a minimum income of \$24,069 and excludes the minimum income for the 23 subsidized units. Including the 23 subsidized units with no minimum income, the subject's 236 units would need to capture 3.4 percent of all income-qualified renter households.
- As noted, all 23 of the 40 percent AMI units will have project-based rental subsidies. Should those subsidies be removed, those units will have to be filled with households that can afford the 40 percent AMI rents. Table 37 depicts the affordability calculation in the hypothetical situation where the subsidy is removed. Should that happen, the overall capture rate for the entire community increases to 4.7 percent of income qualified renter households.



Table 36 2022 Affordability Analysis for Riverside Station Apartments, Assuming 35% Rent Burden

40% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		3		12		8	
Net Rent		\$465		\$550		\$630	
Gross Rent		\$562		\$672		\$781	
Income Range (Min, Max)		no min\$ \$23,820		no min\$ \$28,560		no min\$ \$33,000	
Renter Households							
Range of Qualified Hhlds		10,970 8,327		10,970 7,781		10,970 7,299	
# Qualified Hhlds		2,644		3,189		3,672	
Renter HH Capture Rate		0.1%		0.4%		0.2%	

50% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		4		26		8	
Net Rent		\$605		\$720		\$825	
Gross Rent		\$702		\$842		\$976	
Income Range (Min, Max)		\$24,069 \$29,775		\$28,869 \$35,700		\$33,463 \$41,250	
Renter Households							
Range of Qualified Hhlds		8,293 7,649		7,748 7,003		7,248 6,383	
# Qualified Hhlds		644		745		866	
Renter HH Capture Rate		0.6%		3.5%		0.9%	

60% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		22		64		30	
Net Rent		\$775		\$900		\$1,025	
Gross Rent		\$872		\$1,022		\$1,176	
Income Range (Min, Max)		\$29,897 \$35,730		\$35,040 \$42,840		\$40,320 \$49,500	
Renter Households							
Range of Qualified Hhlds		7,636 7,000		7,077 6,205		6,487 5,461	
# Qualified Households		636		872		1,026	
Renter HH Capture Rate		3.5%		7.3%		2.9%	

70% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		4		26		7	
Net Rent		\$800		\$1,000		\$1,150	
Gross Rent		\$897		\$1,122		\$1,301	
Income Range (Min, Max)		\$30,754 \$41,685		\$38,469 \$49,980		\$44,606 \$57,750	
Renter Households							
Range of Qualified Hhlds		7,543 6,334		6,694 5,407		6,008 4,702	
# Qualified Households		1,209		1,287		1,305	
Renter HH Capture Rate		0.3%		2.0%		0.5%	

80% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		3		12		7	
Net Rent		\$800		\$1,000		\$1,150	
Gross Rent		\$897		\$1,122		\$1,301	
Income Range (Min, Max)		\$30,754 \$47,640		\$38,469 \$57,120		\$44,606 \$66,000	
Renter Households							
Range of Qualified Hhlds		7,543 5,668		6,694 4,760		6,008 3,955	
# Qualified Households		1,874		1,934		2,053	
Renter HH Capture Rate		0.2%		0.6%		0.3%	

Income Target	# Units	Renter Households = 10,970				
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
40% AMI	23	Income Households	no min\$ 10,970	\$33,000 7,299	3,672	0.6%
50% AMI	38	Income Households	\$24,069 8,293	\$41,250 6,383	1,910	2.0%
60% AMI	116	Income Households	\$29,897 7,636	\$49,500 5,461	2,175	5.3%
70% AMI	37	Income Households	\$30,754 7,543	\$57,750 4,702	2,840	1.3%
80% AMI	22	Income Households	\$30,754 7,543	\$66,000 3,955	3,588	0.6%
LIHTC Units (No Subsidy)	213	Income Households	\$24,069 8,293	\$66,000 3,955	4,338	4.9%
Total Units	236	Income Households	no min\$ 10,970	\$66,000 3,955	7,015	3.4%

Source: Income Projections, RPRG, Inc.



Table 37 2022 Affordability Analysis without the Subsidy

40% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		3		12		8	
Net Rent		\$465		\$550		\$630	
Gross Rent		\$562		\$672		\$781	
Income Range (Min, Max)		\$19,269	\$23,820	\$23,040	\$28,560	\$26,777	\$33,000
Renter Households							
Range of Qualified Hhlds		8,938	8,327	8,431	7,781	7,975	7,299
# Qualified Hhlds		611		650		676	
Renter HH Capture Rate		0.5%		1.8%		1.2%	

50% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		4		26		8	
Net Rent		\$605		\$720		\$825	
Gross Rent		\$702		\$842		\$976	
Income Range (Min, Max)		\$24,069	\$29,775	\$28,869	\$35,700	\$33,463	\$41,250
Renter Households							
Range of Qualified Hhlds		8,293	7,649	7,748	7,003	7,248	6,383
# Qualified Hhlds		644		745		866	
Renter HH Capture Rate		0.6%		3.5%		0.9%	

60% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		22		64		30	
Net Rent		\$775		\$900		\$1,025	
Gross Rent		\$872		\$1,022		\$1,176	
Income Range (Min, Max)		\$29,897	\$35,730	\$35,040	\$42,840	\$40,320	\$49,500
Renter Households							
Range of Qualified Hhlds		7,636	7,000	7,077	6,205	6,487	5,461
# Qualified Households		636		872		1,026	
Renter HH Capture Rate		3.5%		7.3%		2.9%	

70% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		4		26		7	
Net Rent		\$800		\$1,000		\$1,150	
Gross Rent		\$897		\$1,122		\$1,301	
Income Range (Min, Max)		\$30,754	\$41,685	\$38,469	\$49,980	\$44,606	\$57,750
Renter Households							
Range of Qualified Hhlds		7,543	6,334	6,694	5,407	6,008	4,702
# Qualified Households		1,209		1,287		1,305	
Renter HH Capture Rate		0.3%		2.0%		0.5%	

80% AMI	35% Rent Burden	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
		Min.	Max.	Min.	Max.	Min.	Max.
Number of Units		3		12		7	
Net Rent		\$800		\$1,000		\$1,150	
Gross Rent		\$897		\$1,122		\$1,301	
Income Range (Min, Max)		\$30,754	\$47,640	\$38,469	\$57,120	\$44,606	\$66,000
Renter Households							
Range of Qualified Hhlds		7,543	5,668	6,694	4,760	6,008	3,955
# Qualified Households		1,874		1,934		2,053	
Renter HH Capture Rate		0.2%		0.6%		0.3%	

Income Target	# Units	Renter Households = 10,970				
		Band of Qualified Hhlds		# Qualified Hh	Capture Rate	
40% AMI	23	Income Households	\$19,269 8,938	\$33,000 7,299	1,639	1.4%
50% AMI	38	Income Households	\$24,069 8,293	\$41,250 6,383	1,910	2.0%
60% AMI	116	Income Households	\$29,897 7,636	\$49,500 5,461	2,175	5.3%
70% AMI	37	Income Households	\$30,754 7,543	\$57,750 4,702	2,840	1.3%
80% AMI	22	Income Households	\$30,754 7,543	\$66,000 3,955	3,588	0.6%
Total Units	236	Income Households	\$19,269 8,938	\$66,000 3,955	4,983	4.7%

Source: Income Projections, RPRG, Inc.



3. Penetration Analysis

In order to provide further insight into the market dynamics, we have also conducted a Penetration Analysis (Table 38). The Penetration Analysis evaluates the capacity of the market area to serve the entire inventory of directly competitive rental units. Our analysis utilizes the same target date of 2022; the same 35 percent rent burden; and income levels as presented in the Affordability Analysis.

The steps in our Penetration Analysis for Riverside Station Apartments follow:

- Based on effective rents from RPRG's survey, the stock of existing rental units that would be closely competitive with the subject's 40 percent, 50 percent, 60 percent, 70 percent, and 80 percent of AMI units consists of a total of 575 units in the existing subsidized and affordable rental communities. No pipeline projects were identified in the market area in addition to the subject's proposed units. Although the subject does not have unsubsidized 40 percent AMI units, we include the 40 percent units at Quill and Pickett Farms to be conservative. Summing the existing units with the anticipated supply including the subject, the relevant stock of directly competitive one-bedroom, two-bedroom and three-bedroom units consists of 811 units. Of these, only 23 units have project-based rental subsidies (all at the subject).
- The range of household incomes employed in our analysis of those units without rental subsidies ranges from \$19,269 for Quill's 40 percent one-bedroom unit up to the maximum allowable household income for a three-bedroom unit at 80 percent of AMI (\$66,000). This analysis utilizes the subject's proposed utility allowances when calculating the minimum income required for the total housing cost as well as a 35 percent housing affordability ratio.
- As of 2022, an estimated 4,983 renter households in the primary market area will be in the band of affordability for the relevant income-restricted tax credit one-, two- and three-bedroom rental stock (non-subsidized). The existing and planned affordable (non-subsidized) supply would need to capture 15.8 percent of these renter households in order to reach full occupancy.
- We have repeated this analysis for all units within the competitive supply, including the units with project-based subsidies. The range of qualifying incomes expands from \$0 up to the three-bedroom maximum income at 80 percent of AMI. The total inventory of 811 units would need to be filled from the estimated 7,015 income-qualified renter households. This reflects an overall penetration rate of 11.6 percent.
- Should the subject's subsidies be removed, those units will have to be filled with households that can afford the 40 percent AMI rents. Table 39 depicts the penetration analysis calculation in the hypothetical situation where the subsidy is removed. Should that happen, the overall penetration rate increases to 16.3 percent of income qualified renter households.



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

40% Units (Subsidized)		40% Units		50% Units		60% Units		70/80% Units	
Competitive Units	Units	Competitive Units	Units	Competitive Units	Units	Competitive Units	Units	Competitive Units	Units
		Quill	89	Mayfair	32	Eastwyck Village	96	Mayfair	122
		Pickett Farms	60			Mayfair	25		
						Quill	91		
						Pickett Farms	60		
subtotal		subtotal	149	subtotal	32	subtotal	272	subtotal	122
Pipeline Units	Units	Pipeline Units	Units	Pipeline Units	Units	Pipeline Units	Units	Pipeline Units	Units
subtotal	0	subtotal	0	subtotal	0	subtotal	0	subtotal	0
Subject Property	Units	Subject Property	Units	Subject Property	Units	Subject Property	Units	Subject Property	Units
	23				38		116		59
Total	23	Total	149	Total	70	Total	388	Total	181

Income Target	Total Competitive Units	Renter Households = 10,970		# Qualified HHs	Penetration Rate
		One Bedroom	Three Bedroom		
Subsidized 40% Units	23	no min\$	\$33,000	3,672	0.6%
		10,970	7,299		
40% Units	149	\$19,269	\$33,000	1,639	9.1%
		8,938	7,299		
50% Units	70	\$24,069	\$41,250	1,910	3.7%
		8,293	6,383		
60% Units	388	\$29,486	\$49,500	2,220	17.5%
		7,681	5,461		
70/80% Units	181	\$30,754	\$66,000	3,588	5.0%
		7,543	3,955		
LIHTC Units (No Subsidy)	788	\$19,269	\$66,000	4,983	15.8%
		8,938	3,955		
Total Units	811	no min\$	\$66,000	7,015	11.6%
		10,970	3,955		



Table 39 Penetration Analysis without Subsidy

40% Units		50% Units		60% Units		70/80% Units	
Competitive Units	Units	Competitive Units	Units	Competitive Units	Units	Competitive Units	Units
Quill	89	Mayfair	32	Eastwyck Village	96	Mayfair	122
Pickett Farms	60			Mayfair	25		
				Quill	91		
				Pickett Farms	60		
subtotal	149	subtotal	32	subtotal	272	subtotal	122
Pipeline Units	Units	Pipeline Units	Units	Pipeline Units	Units	Pipeline Units	Units
subtotal	0	subtotal	0	subtotal	0	subtotal	0
Subject Property	Units	Subject Property	Units	Subject Property	Units	Subject Property	Units
	23		38		116		59
Total	172	Total	70	Total	388	Total	181

Income Target	Total Competitive Units	Renter Households = 10,970		# Qualified HHs	Penetration Rate
		Band of Qualified Hhlds			
		One Bedroom	Three Bedroom		
40% Units	172	\$19,269 8,938	\$33,000 7,299	1,639	10.5%
		One Bedroom	Three Bedroom		
50% Units	70	\$24,069 8,293	\$41,250 6,383	1,910	3.7%
		One Bedroom	Three Bedroom		
60% Units	388	\$29,486 7,681	\$49,500 5,461	2,220	17.5%
		One Bedroom	Three Bedroom		
70/80% Units	181	\$30,754 7,543	\$66,000 3,955	3,588	5.0%
		One Bedroom	Three Bedroom		
Total Units	811	\$19,269 8,938	\$66,000 3,955	4,983	16.3%

4. Conclusions on Affordability and Penetration

RPRG judges that the overall renter capture rate of 3.4 percent and tax credit renter capture rate of 4.9 percent for those units without project-based subsidies is readily achievable, particularly since the proposed apartments will be the newest and most attractive affordable rental community within the market area. In the hypothetical situation where the subject loses its subsidies, the overall capture rate of 4.7 percent is also achievable. RPRG considers the calculated penetration rate for the tax credit units of 15.8 percent of income-restricted renter households to be reasonable within the context of the Riverside Market Area Market Area. In essence, our analysis suggests that the most directly competitive rental units will need to capture less than one out of every six income-qualified renter households. Both the capture and penetration rates are well within a reasonable and achievable range, with or without subsidies.



D. VHDA Demand Methodology

1. VHDA Demand Analysis

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

- **Household Growth or Decline.** The household trend required by VHDA is the net increase or decrease in the number of income-qualified renter households in the primary market area between a base year of 2020 and a target year of 2023.
- **Cost Burdened Renters.** VHDA's second component of demand is cost burdened renters, a designation which is typically defined as those renter households paying more than 35 percent of household income for housing costs. To be conservative, RPRG uses the 2014-2018 ACS data on cost-burdened renter households presented earlier in Table 19 to estimate the percentage and number of income-qualified renters for the subject project that will be cost-burdened as of 2020 as defined by spending 40 percent of income on rent, or 35.2 percent of renters.
- **Renter Households in Substandard Housing.** VHDA's third component of demand accounts for income-qualified renter households living in substandard units, defined as overcrowded units (having 1.01 or more persons per room) and/or units lacking complete plumbing facilities. According to the 2014-2018 ACS, the percentage of renter households in the primary market area that lived in substandard conditions was 3.9 percent.
- **Existing Tenants Likely to Remain.** For projects that constitute the renovation of an existing property with current tenants, VHDA requests that analysts consider the percentage of current tenants that are likely to remain following the proposed renovation. Riverside Station Apartments will be a new construction project and, as such, VHDA's fourth component of demand is not relevant.

Table 40 outlines the detailed VHDA demand calculations for Riverside Station Apartments that stem from the three relevant demand components. Total demand available for the 236-unit proposed affordable project is expected to include 132 net new renter households, 2,439 cost-burdened households, and 274 households currently residing in substandard housing. The calculation thus yields a total demand for 2,845 additional units of rental housing serving the targeted income bands.



Table 40 VHDA Demand by Overall Income Targeting

<i>Income Target</i>	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	LIHTC Units (no subsidy)	Project Total
<i>Minimum Income Limit</i>	no min\$	\$24,069	\$29,897	\$30,754	\$30,754	\$24,069	no min\$
<i>Maximum Income Limit</i>	\$33,000	\$41,250	\$49,500	\$57,750	\$66,000	\$66,000	\$66,000
(A) Renter Income Qualification Percentage	33.5%	17.4%	19.8%	25.9%	32.7%	39.5%	63.9%
Demand from New Renter Households - <i>Calculation (C-B)*F*A</i>	69	36	41	53	67	81	132
+ Demand from Rent Overburdened HHs - <i>Calculation: B*E*F*A</i>	1,277	664	756	988	1,248	1,508	2,439
+ Demand from Substandard Housing - <i>Calculation B*D*F*A</i>	143	75	85	111	140	169	274
Total Income Qualified Renter Demand	1,489	775	882	1,152	1,455	1,759	2,845
Less: Comparable Vacant Units	0	0	0	0	0	0	0
Less: Comparable Pipeline Units	0	0	0	0	0	0	0
Net Demand	1,489	775	882	1,152	1,455	1,759	2,845
Subject Proposed Units	23	38	116	37	22	213	236
Capture Rate	1.5%	4.9%	13.1%	3.2%	1.5%	12.1%	8.3%

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2020 Households	27,605
C). 2023 Households	28,129
D). Substandard Housing (% of Rental Stock)	3.9%
E). Rent Overburdened (% of Renter Hhlds at >40%)	35.2%
F). Renter Percentage (% of all 2020 HHlds)	39.3%

Project Wide Capture Rate - LIHTC Units	12.1%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	8.3%
Project Wide Absorption Period (Months)	12-14 months

Comparable units that are presently available or that would likely be available constitute supply that must be subtracted from total VHDA demand to arrive at VHDA net demand. Based on our February 2020 competitive survey, no subsidized or income-restricted units were reported vacant in the affordable rental supply. Additionally, no pipeline projects were identified in the market area. Therefore, with no vacant existing or pipeline units, VHDA net demand totals 2,845 units.

Given net demand for 2,845 units, the 236-unit Riverside Station Apartments would need to capture 8.3 percent of income-qualified renter households per VHDA’s demand methodology. The 213 un-subsidized units would need to capture 12.1 percent of all income-qualified renter households.

Table 41 depicts the VHDA net demand analysis calculation in the hypothetical situation where the subsidy is removed. Should that happen, the overall capture rate increases to 11.7 percent of income qualified renter households.



Table 41 VHDA Demand by Overall Income Targeting, without subsidy

<i>Income Target</i>	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	LIHTC Units (no subsidy)	Project Total
<i>Minimum Income Limit</i>	\$19,269	\$24,069	\$29,897	\$30,754	\$30,754	\$24,069	\$19,269
<i>Maximum Income Limit</i>	\$33,000	\$41,250	\$49,500	\$57,750	\$66,000	\$66,000	\$66,000
(A) Renter Income Qualification Percentage	14.9%	17.4%	19.8%	25.9%	32.7%	39.5%	45.4%
Demand from New Renter Households - <i>Calculation (C-B)*F*A</i>	31	36	41	53	67	81	94
+ Demand from Rent Overburdened HHs - <i>Calculation: B*E*F*A</i>	570	664	756	988	1,248	1,508	1,733
+ Demand from Substandard Housing - <i>Calculation B*D*F*A</i>	64	75	85	111	140	169	194
Total Income Qualified Renter Demand	665	775	882	1,152	1,455	1,759	2,021
Less: Comparable Vacant Units	0	0	0	0	0	0	0
Less: Comparable Pipeline Units	0	0	0	0	0	0	0
Net Demand	665	775	882	1,152	1,455	1,759	2,021
Subject Proposed Units	23	38	116	37	22	213	236
Capture Rate	3.5%	4.9%	13.1%	3.2%	1.5%	12.1%	11.7%

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2020 Households	27,605
C). 2023 Households	28,129
D). Substandard Housing (% of Rental Stock)	3.9%
E). Rent Overburdened (% of Renter Hhlds at >40%)	35.2%
F). Renter Percentage (% of all 2020 HHlds)	39.3%

Table 42 calculates demand for the proposed subject’s three-bedroom units without any subsidies. In this analysis, we have applied a large family factor of 45 percent in order to reflect the proportion of three-person and larger households within the market area, as referenced in Table 15. The VHDA capture rate for this unit type is 4.5 percent.

Table 42 VHDA Three-Bedroom Demand (Without Subsidies)

Project Total	Three Bedroom Units
<i>Minimum Income Limit</i>	\$26,777
<i>Maximum Income Limit</i>	\$57,750
Renter Income Qualification Percentage	29.83%
Total Income Qualified Renter Demand	1,327
Large HH Size Adjustment (% renter 3+ person hhlds)	44.9%
Vacant and Comparable Units	0
Net Demand	1327
Proposed Units	60
Capture Rate	4.5%

2. Conclusions on VHDA Demand

RPRG considers the key captures rates for Riverside Station Apartments to be both reasonable and readily achievable, particularly since the project’s overall capture rate is just over eight percent. For those units without rental subsidies, the capture rate is just slightly higher at 12.1 percent. Taking into consideration all these factors, we have conservatively estimated an overall project lease up pace of roughly 12 to 14 months, reflecting an average absorption pace of 16 to 18 units per month. According to Norfolk and Virginia Beach planning officials, affordable housing is a dire need throughout the cities, including the subject neighborhood. In addition, property managers at market area tax credit communities report high demand among lower-income households with consistently long wait lists at all tax credit communities.



E. Target Markets

As indicated in the Effective Demand Analysis (Affordability/Capture & Penetration), the subject's income-restricted units without rental subsidies would serve households with incomes between \$24,069 and \$66,000. The groups most likely to reside at the subject's income restricted units include individuals working in service sectors such as retail, leisure and hospitality, or in civilian positions associated with the numerous military installations in the area. Other persons likely to reside at the subject project include government or contract workers; local public servants such as firefighters, police officers, and teachers; and early career workers in the professional-business, financial activities, information, and health sectors. It is also possible that military personnel posted to the Hampton Roads region would find the subject's apartments to be an attractive housing alternative to on-base housing.

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

F. Product Evaluation

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

- **Structure Type:** Most competitive Lower Tier market rate and income-restricted rental communities include two- and three- story garden buildings. The subject will have three- and four-story garden buildings, consistent with the market area's rental housing dynamics.
- **Project Size:** The surveyed rental communities within the market area range in size from 13 to 480 units, with an average size of 183 units. Although the 236-unit Riverside Station Apartments will be larger than the income-restricted average of 148 units, it is smaller than the Upper Tier average and within the competitive range. The subject's size will appropriately allow it to provide on-site management and services similar to other market area rental communities.
- **Unit Distribution:** The subject will offer one-bedroom units (15 percent); two-bedroom units (59 percent); and three-bedroom units (25 percent). The subject's unit distribution is similar to the distribution of units in the other tax credit rental properties where one-bedroom units account for 12.5 percent of all units; two-bedroom units account for 65.5 percent; and three-bedroom units account for 22.1 percent of the supply. The proposed unit distribution positions the subject to target a wide variety of households, including single-person households, couples, roommates, single parent households and families. We believe that the proposed unit distribution is reasonable within the context of the directly competitive rental supply.
- **Income Targeting:** The subject's income targeting is as follows: 23 units (10 percent) will address households with incomes at or below 40 percent of AMI; 38 units (16 percent) will address households with incomes at or below 50 percent of AMI; 116 units (49 percent) will target households with incomes at or below 60 percent of AMI; 37 units (16 percent) will target households with incomes at or below 70 percent of AMI; and 22 units (9 percent) will target household with incomes at or below 80 percent of AMI. The subject's weighted average income target is 59.8 percent of AMI. RPRG's penetration analysis indicates that all of the subject's units as well as those existing and future units without rental subsidies address less than one out of six (15.8 percent) of all income-qualified households.
- **Unit Size:** The proposed unit sizes for Riverside Station Apartments average 760 square feet for one-bedroom units; 1,047 square feet for two-bedroom units; and 1,256 square feet for the average three-bedroom units. The subject's unit sizes are generally comparable to or larger



- than the directly competitive affordable and Lower Tier rental supply within the market area. Additionally, the units are planned with an open and modern floor plan. We believe that the size of the subject's units will be marketable and will be directly competitive with the other rental units in the multifamily supply, with a competitive advantage in some cases.
- **Number of Bathrooms:** All of the subject's one-bedroom units will have one full bathroom, while the two- and three-bedroom units will have two bathrooms. Within the directly competitive tax credit rental supply, only Pickett Farms and Quill offer two baths for all two- and three-bedroom units. As a result, the availability of two baths in these units is viewed as a competitive advantage.
 - **Kitchen Features:** All unit kitchens at Riverside Station Apartments will include features not typically found in the affordable rental supply, such as a microwave and garbage disposal. Additionally, the fact that the units will have energy-efficient and modern appliances is also a positive feature.
 - **Laundry:** The developer intends to equip all units at Riverside Station Apartments with full-size washers and dryers. As in-unit washer/dryers are only available at eight of 24 Lower Tier or tax credit communities, this feature is considered to provide the subject with a competitive advantage.
 - **Other Unit Features:** Units at Riverside Station Apartments will have carpeted bedrooms and living areas and attractive vinyl plank flooring in the kitchen, living area, hallway, and bath. Carpeting is the primary flooring material throughout the market. All of the subject's units will have private outdoor space with either a patio or balcony. This is also a desirable feature that is appreciated by tenants and not always available in the competitive supply.
 - **Utilities Included in Rent:** The developer proposes to include trash removal costs in monthly rents in Riverside Station Apartments, leaving tenants responsible for paying all other utility bills. This is the same utility situation as the two newest market area tax credit communities, Pickett Farms and Quill. The trend in newer rental communities is to include only trash collection as it places more responsibility on tenants and promotes energy conservation. The subject will also offer free Wi-Fi in each unit, providing a competitive advantage in some cases.
 - **Common Area Amenities:** The developer intends to provide a significant offering of common area amenities at the subject, including clubhouse with community meeting space, a fitness center, an outdoor swimming pool, playground, and sports field. The proposed slate of amenities would position the subject community similar to or exceeding most market rate properties in the primary market area. Clubhouses/community rooms, fitness centers, and outdoor pools are available at all Upper Tier market area communities but are less available among Lower Tier communities. The proposed amenity slate is considered to be a competitive advantage in many cases.
 - **Parking:** The subject will have free surface parking which is consistent with the other rental communities. We do not believe that other parking options are necessary in the Riverside Market Area. As such, surface parking is not considered to be either an advantage or disadvantage within this market area but comparable to what is currently available.

G. Price Position

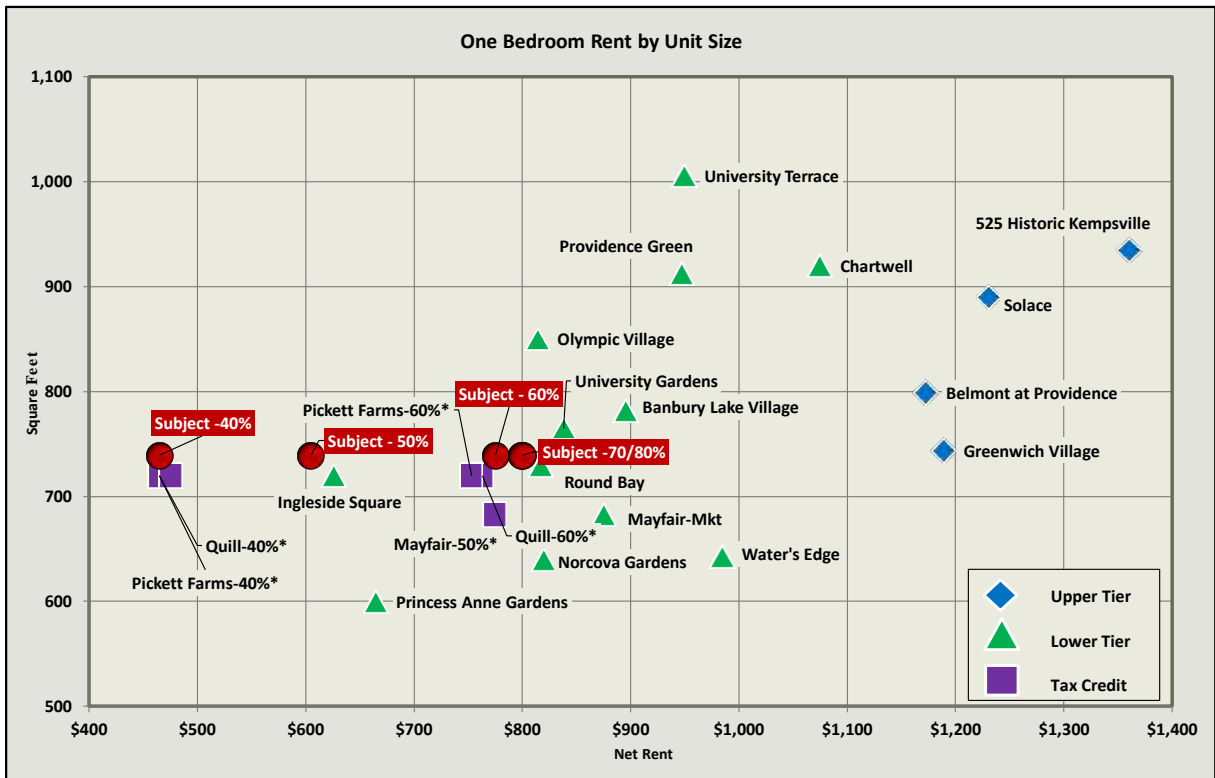
The tax credit rents proposed by the developer for Riverside Station Apartments are at or below the allowable maximums for all unit types, given the assumed utility allowances of \$97 for one-bedroom units; \$122 for two-bedroom units; and \$151 for three-bedroom units. The proposed

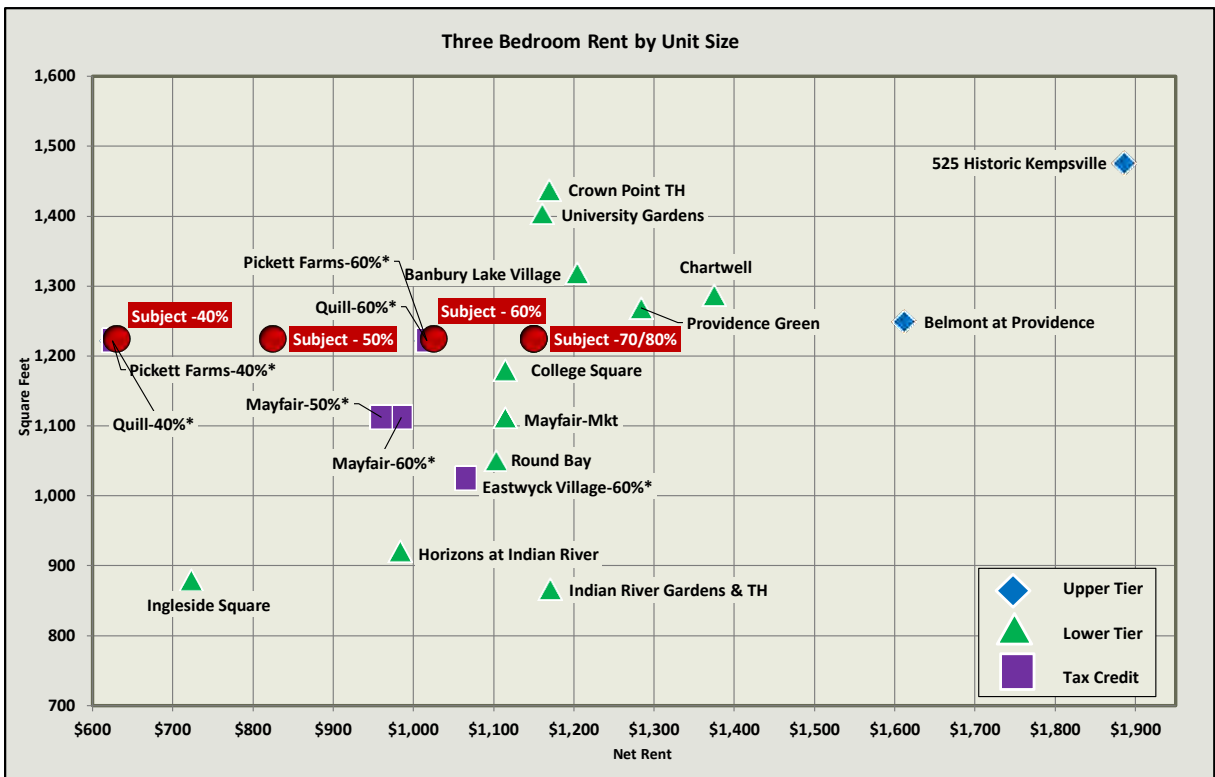
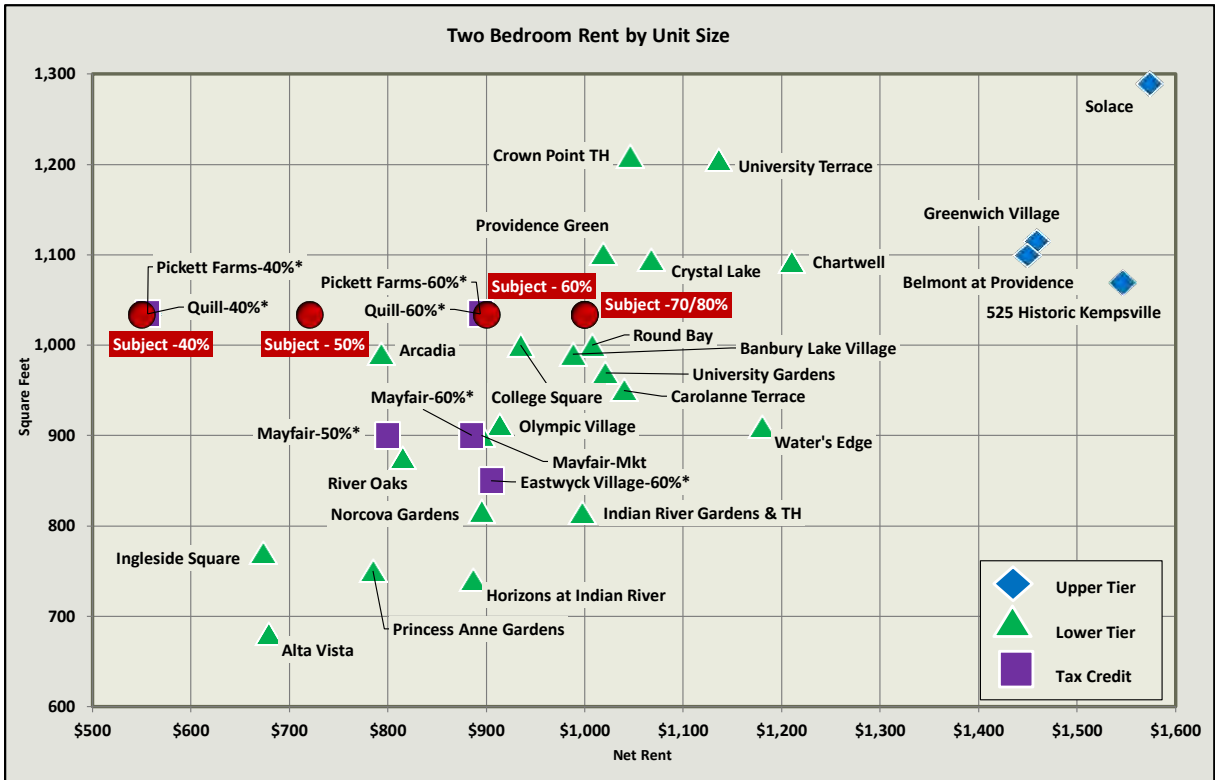


rents are considered to be reasonable when viewed within the context of the directly competitive rental supply.

The scatter charts indicate that the rents for the affordable rental supply are generally below those without income restrictions. Figure 9 provides a graphic representation of the competitive positions of the rents and square footages proposed for the subject's one-, two-, and three-bedroom units.

Figure 9 Price Position of Riverside Station Apartments







H. Absorption Estimate

In estimating an absorption pace for the subject community, we consider recent absorption activity in the market in addition to demand and supply factors. As mentioned previously, only one rental community has opened within the past five years. 525 Historic Kempsville, an Upper Tier community, opened in August 2016 with a rolling delivery of three phases through December 2017. The property manager reported an average absorption rate of 15 units per month, though delays in unit delivery reduced lease up paces.

To provide some context we obtained absorption history for two tax credit communities in the secondary market area; both are within three miles northeast of the subject site in Virginia Beach:

- **Baker Woods** opened in May 2015 and was fully leased as of October 2015, with an average absorption pace of 19 units per month. However, the lease up pace is a reflection of when the buildings were released for occupancy rather than market interest. Prior to opening, this community had an interest list of over 400 households.
- **Summer Haven** opened in March 2017 with a significant number of pre-leased units. All 54 units were fully leased by June 2017 for an average absorption pace of 19 units per month, and the community now reports an extensive wait list.

The demand for these apartments was very strong and the lease up pace is actually a reflection of when the buildings and units were released for occupancy rather than market interest. Both Baker Woods and Summer Haven currently maintain extensive pre-qualified wait lists. We note that no pipeline projects were identified in the market area, and the subject community will be the first income-restricted community delivered to the market in seven years. With this consideration and given the fact that almost three fourths of the subject's units will target households with incomes at or below 60 percent of AMI, we conservatively estimate an absorption pace of 16 to 18 units per month. Assuming this absorption pace, we would expect that the subject would attain stabilized occupancy in approximately 12 to 14 months.

I. Impact on Existing Market

RPRG does not anticipate that the subject will have an adverse impact on the existing rental market. The overall vacancy rate for the income-restricted rental communities within the market area is very low at 1.1 percent. Additionally, the subject's VHDA capture rate for all units is 8.3 percent while the capture rate for those units without rental subsidies is 12.1 percent. Both are reasonable and achievable. Importantly, the overall penetration rate for the income-restricted units is very low at 11.6 percent.

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

Handwritten signature of Ethan Reed in black ink.

Ethan Reed
Senior Analyst

Handwritten signature of Robert M. Lefenfeld in black ink.

Robert M. Lefenfeld
Founding Principal



IX. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

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

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



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

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



X. APPENDIX 2 RENTAL COMMUNITY PROFILES

525 Historic Kempsville

Multifamily Community Profile

525 Kempsville Road
Virginia Beach, VA 23464

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

168 Units 0.6% Vacant (1 units vacant) as of 2/10/2020

Opened in 2017



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$1,341	827	\$1.62	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	\$1,475	1,150	\$1.28	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$1,576	1,069	\$1.47	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$1,921	1,476	\$1.30	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Cable TV; Hardwood	
Select Units: Ceiling Fan; Patio/Balcony	
Optional(\$): --	
Security: Intercom; Keyed Bldg Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: Covered Spaces Fee: \$30
Property Manager: Ripley Heatwole Com Owner: --	

Comments

24 units in former school. Opened 8/16 leased up 1/17; 72 units opened mid 3/17, leased up 6/17; 72 opened 6/17
35 units preleased, leased up 12/17. Glass stove top, nickel hardware, built in wine racks, SS appl, granite counters, garden tubs in select units. Coffee bar, billiards, shuffleboard, & poolside grill. Unit mix: 62-1BR, 88-2BR, 16-3BR

Floorplans (Published Rents as of 2/10/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
chief/rollenston/arrowhea	Den	1	1	--	\$1,385	1,052	\$1.32	Market	2/10/20	0.6%	\$1,385	\$1,576	\$1,921
kempsville/woodstock /	--	1	1	--	\$1,433	1,086	\$1.32	Market	7/8/19	1.2%	\$1,372	\$1,558	\$1,901
kempsville w/den / Garde	Den	1	1	--	\$1,535	1,249	\$1.23	Market	5/1/19	0.6%	\$1,351	\$1,556	\$1,891
salem/tallwood / Garden	--	1	1	--	\$1,295	713	\$1.82	Market	1/16/19	1.2%	\$1,348	\$1,558	\$1,890
brandon / Garden	--	1	1	--	\$1,285	728	\$1.77	Market					
carraway/elizabeth / Gard	--	1	1	--	\$1,290	782	\$1.65	Market					
greenwich/dunmore/singl	--	2	2	--	\$1,540	1,074	\$1.43	Market	Opened: 8/1/2016				Months: 14.0
logan/princess anne / Ga	--	2	2	--	\$1,593	1,178	\$1.35	Market	Closed: 10/28/2017				11.2 units/month
centerville upper/centervi	--	2	2	--	\$1,535	957	\$1.60	Market					
kemp w/den / Garden	Den	3	2	--	\$1,845	1,417	\$1.30	Market					
farfield/providence/walke	--	3	2	--	\$1,947	1,536	\$1.27	Market					

Initial Absorption	
Opened: 8/1/2016	Months: 14.0
Closed: 10/28/2017	11.2 units/month

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

525 Historic Kempsville

VA810-024322

Alta Vista

Multifamily Community Profile

Scott Street @ Mangrove Avenue
Norfolk, VA 23502

Map Ref: VA SH 221 B4

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

13 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1960



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$709	680	\$1.04	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

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

Comments

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

Floorplans (Published Rents as of 2/7/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	13	\$775	680	\$1.14	Market	2/7/20	0.0%	--	\$709	--
									9/27/19	0.0%	--	\$706	--
									6/5/19	0.0%	--	\$706	--
									1/22/19	7.7%	--	\$744	--

Adjustments to Rent	
Incentives: 1 mo free	
Utilities in Rent: Heat Fuel: Electric	
Heat:	<input type="checkbox"/>
Cooking:	<input type="checkbox"/>
Wtr/Swr:	<input checked="" type="checkbox"/>
Hot Water:	<input type="checkbox"/>
Electricity:	<input type="checkbox"/>
Trash:	<input checked="" type="checkbox"/>

Alta Vista

VA710-009117

Arcadia

Multifamily Community Profile

5570 E. Virginia Beach Boulevard
Norfolk, VA 23502

Map Ref: VA SH 221 F3

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

82 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1986



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$823	991	\$0.83	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard: Ice Maker; In Unit Laundry (Stacked); Central A/C; Carpet	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Triple LLC Owner: --	

Comments

Parking is in assigned spaces. Electric hot water and cooking. White appl, laminate ct
Two of 84 units used as management office and maintenance shop.

Floorplans (Published Rents as of 2/7/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	51	\$925	1,000	\$.93	Market	2/7/20	0.0%	--	\$823	--
Garden	--	2	1	31	\$880	975	\$.90	Market	1/22/19	2.4%	--	\$798	--
									7/13/18	1.2%	--	\$787	--
									5/15/18	4.9%	--	\$798	--

Adjustments to Rent

Incentives:
None

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

Arcadia

VA710-009122

Banbury Lake Village

Multifamily Community Profile

6300 Blakely Square
Virginia Beach, VA 23464

CommunityType: Market Rate - General
Structure Type: 3-Story Garden

187 Units 9.1% Vacant (17 units vacant) as of 2/10/2020

Opened in 1972



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	45.5%	\$921	781	\$1.18	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	35.8%	\$1,018	990	\$1.03	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	18.7%	\$1,240	1,318	\$0.94	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input checked="" type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Central A/C; Patio/Balcony; Storage (In Unit); Carpet / Vinyl/Linoleum	
Select Units: Ice Maker; In Unit Laundry	
Optional(\$): --	
Security: Intercom	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Greenbriar Mgmt Owner: --	

Comments

Outdoor pool & children's pool. On-site pond/lake. Pavilion used by mgmt; no clubhouse rented to residents.
Deluxe/renovated units have Euro washer/dryer combo, granite counters & fridge w/ icemakers.
Std units have white appl, laminate counters & no W/D hookups. No admin/amenity fees. Vac w/ mgmt change

Floorplans (Published Rents as of 2/10/2020) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	64	\$885	754	\$1.17	Market	2/10/20	9.1%	\$921	\$1,018	\$1,240
Deluxe / Garden	--	1	1	4	\$985	754	\$1.31	Market	7/8/19	0.5%	\$901	\$998	\$1,320
J Premier / Garden	--	1	1	17	\$965	891	\$1.08	Market	5/9/19	1.1%	\$905	\$993	\$1,320
Garden	--	2	1	50	\$975	990	\$.98	Market	1/15/19	0.5%	\$921	\$1,008	\$1,220
Garden	--	2	2	17	\$1,065	990	\$1.08	Market					
Garden	--	3	2	35	\$1,215	1,318	\$.92	Market					

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

Belmont at Providence

Multifamily Community Profile

6324 Rockbrook Lane
Virginia Beach, VA 23464

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

312 Units 1.0% Vacant (3 units vacant) as of 2/7/2020

Opened in 2009



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	50.0%	\$1,198	799	\$1.50	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	46.2%	\$1,480	1,099	\$1.35	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	3.8%	\$1,647	1,249	\$1.32	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings; Storage (In Unit); Carpet / Ceramic	
Select Units: Ceiling Fan	
Optional(\$): --	
Security: Cameras	
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$99
Property Manager: KPM LLC Owner: --	

Comments

Pre-leasing began 11/1/09; 1st move-ins 12/21/09; 100% leased 8/16/10. Ceramic floor kitchens, foyers. Vinyl baths.

Grilling area. Pond trail. W/S/T fee is 1BR \$35; 2BR \$45; 3BR \$65. Black appl, laminate counters (SS/granite upgrades)

Storage closet in unit or on balcony. Game room.

Amenity Fee: \$ 150

Floorplans (Published Rents as of 2/7/2020) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Brookside / Garden	--	1	1	74	\$1,185	798	\$1.48	Market	2/7/20	1.0%	\$1,198	\$1,480	\$1,647
Callaway / Garden	--	1	1	82	\$1,162	800	\$1.45	Market	7/8/19	0.0%	\$1,125	\$1,389	\$1,552
Cypress / Garden	--	2	2	72	\$1,391	1,068	\$1.30	Market	4/29/19	0.0%	\$1,074	\$1,383	\$1,580
Magnolia / Garden	--	2	2	72	\$1,508	1,130	\$1.33	Market	1/15/19	1.9%	\$1,109	\$1,419	\$1,603
Huntington / Garden	--	3	2	12	\$1,612	1,249	\$1.29	Market	* Indicates initial lease-up.				

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Belmont at Providence

VA810-013038

Carolanne Terrace

Multifamily Community Profile

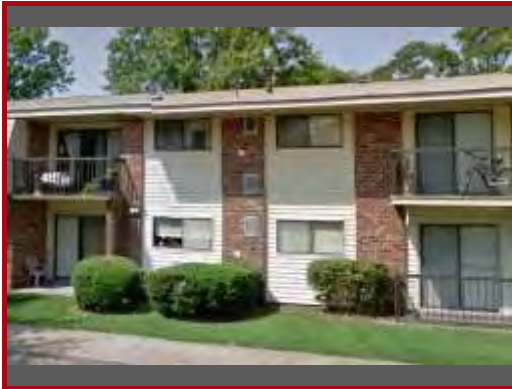
5528 Carolanne Ter
Virginia Beach, VA 23462

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

112 Units 0.0% Vacant (0 units vacant) as of 2/10/2020

Opened in 1975



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$1,070	950	\$1.13	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Carpet	
Select Units: --	
Optional(\$): --	
Security: Unit Alarms	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: B & W Properties Owner: --	

Comments

Next available unit will be in March.
All utilities included.

Floorplans (Published Rents as of 2/10/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	112	\$1,200	950	\$1.26	Market	2/10/20	0.0%	--	\$1,070	--
									1/15/19	0.0%	--	\$1,065	--

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

Carolanne Terrace

VA810-030036

Chartwell

Multifamily Community Profile

6464 Chartwell Drive
Virginia Beach, VA 23464

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

192 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1976



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	16.7%	\$1,100	920	\$1.20	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	66.7%	\$1,240	1,092	\$1.14	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	16.7%	\$1,410	1,287	\$1.10	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet / Vinyl/Linoleum						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: Lawson						
Owner: --						

Comments

All units have hookups for full-size washers/dryers. Can rent W/D for \$40 per month.
White appl, laminate counters. Only 1 3BR unit has been renovated. Only 3BR being renovated. 2s will be next.
Two playgrounds. Storage lockers outside on ground floor of buildings.

Floorplans (Published Rents as of 2/7/2020) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	1	1	32	\$1,085	920	\$1.18	Market	2/7/20	0.0%	\$1,100	\$1,240	\$1,410	
Garden	--	2	1.5	128	\$1,220	1,092	\$1.12	Market	7/8/19	2.6%	\$1,018	\$1,188	\$1,338	
Garden	--	3	2	32	\$1,385	1,287	\$1.08	Market	5/7/19	0.5%	\$910	\$1,190	\$1,333	
									1/15/19	4.2%	\$1,115	\$1,130	\$1,340	
Adjustments to Rent														
Incentives:														
Daily Pricing: None														
Utilities in Rent: Heat Fuel: Electric														
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>														
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>														

Chartwell

VA810-002224

College Square

Multifamily Community Profile

1012 Riviera Drive
Virginia Beach, VA 23464

Community Type: Market Rate - General

Structure Type: 2-Story Townhouse

282 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1974



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	67.4%	\$965	1,000	\$0.97	Elevator: <input type="checkbox"/>	Volleyball: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	32.6%	\$1,150	1,180	\$0.97	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit); Carpet / Vinyl/Linoleum						
Select Units: --						
Optional(\$): --						
Security: Gated Entry						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: \$0			Fee: --			
Property Manager: Haven Properties						
Owner: --						

Comments

No property-wide renovations; renovations as needed. Laundry hookups in all units. Mix of black/white appl. Laminate counters. 6 mo leases available. Surface parking is decal-controlled. Storage shed at rear of units.

Floorplans (Published Rents as of 2/7/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	1.5	190	\$945	1,000	\$0.95	Market	2/7/20	0.0%	--	\$965	\$1,150
Townhouse	--	3	1.5	92	\$1,125	1,180	\$0.95	Market	7/8/19	0.0%	--	\$975	\$1,150
									4/26/19	0.0%	--	\$975	\$1,150
									1/15/19	0.7%	--	\$975	\$1,150
Adjustments to Rent													
Incentives: None													
Utilities in Rent: Heat Fuel: Electric													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>													

College Square

VA810-017220

Crown Point TH

Multifamily Community Profile

5369 Wyngate Drive
Norfolk, VA 23502

Map Ref: VA SH 221 E3

CommunityType: Market Rate - General

Structure Type: 2-Story Townhouse

480 Units 0.0% Vacant (0 units vacant) as of 2/10/2020

Last Major Rehab in 2012 Opened in 1965



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	28.8%	\$1,077	1,209	\$0.89	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	62.5%	\$1,204	1,437	\$0.84	Hot Tub:	BusinessCtr:
Four+	8.8%	\$1,352	1,634	\$0.83	Sauna:	ComputerCtr:
					Playground:	<input checked="" type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Ice Maker; Ceiling Fan; In Unit Laundry (Hookups); Central A/C; Patio/Balcony; Hardwood / Vinyl/Linoleum	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: WHH Trice and Com	
Owner: --	

Comments

Storage: shed in yard. In midst of rolling renovations that include all new finishes/appliances. New pergo floors.
Laundry hookups all units. Management leases washers and dryers \$40 per month. No central laundry. White appliances

Floorplans (Published Rents as of 2/10/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	1	138	\$1,047	1,209	\$.87	Market	2/10/20	0.0%	--	\$1,077	\$1,204
Townhouse	--	3	1.5	300	\$1,169	1,437	\$.81	Market	1/15/19	2.7%	--	\$984	\$1,109
Townhouse	--	4	2	42	\$1,312	1,634	\$.80	Market	7/13/18	1.0%	--	\$1,095	\$1,121
									5/3/18	1.3%	--	\$1,035	\$1,155

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

Crown Point TH

VA710-009115

Crystal Lake

Multifamily Community Profile

5535 E. Virginia Beach Blvd
Norfolk, VA 23502

Map Ref: VA SH 221 F4

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

96 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1985



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$1,098	1,094	\$1.00	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	

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

Comments

Surface parking is in assigned spaces (many double-loaded spaces). Storage closet is on balconies.

Four 3-story & one 2-story buildings. WL-None. Vacancies: 1-standard.

Buildings have motel-like exterior breezeways.

Floorplans (Published Rents as of 2/7/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
standard / Garden	--	2	2	68	\$1,076	1,050	\$1.02	Market	2/7/20	0.0%	--	\$1,098	--
large / Garden	--	2	2	28	\$1,150	1,200	\$.96	Market	1/15/19	1.0%	--	\$1,045	--
									7/13/18	4.2%	--	\$1,045	--
									5/3/18	1.0%	--	\$1,045	--

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

Crystal Lake

VA710-009123

Eastwyck Village

Multifamily Community Profile

1201 Edenham Court
Virginia Beach, VA 23464

Community Type: LIHTC - General
Structure Type: 2-Story Garden

96 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1994



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	75.0%	\$935	850	\$1.10	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	25.0%	\$1,100	1,025	\$1.07	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit); Carpet / Vinyl/Linoleum	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Larrymore	
Owner: --	

Comments

Picnic area. College Square Neighborhood.
White appliances. Laminate countertops. Pet free.
Laundry hookups in all units. Storage closets on patios/balconies. Wait list: 2BR-5 hhlds, 3BR-3 hhlds.

Floorplans (Published Rents as of 2/7/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1.5	72	\$935	850	\$1.10	LIHTC/ 60%	2/7/20	0.0%	--	\$935	\$1,100
Garden	--	3	2	24	\$1,100	1,025	\$1.07	LIHTC/ 60%	4/26/19	0.0%	--	\$905	\$1,070
									1/15/19	0.0%	--	\$905	\$1,070
									2/5/18	0.0%	--	\$890	\$1,055

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

Eastwyck Village

VA810-017216

Greenwich Village

Multifamily Community Profile

5321 Greenwich Rd
Virginia Beach, VA 23462

CommunityType: Market Rate - General

Structure Type: 4-Story Mid Rise

224 Units 4.5% Vacant (10 units vacant) as of 2/10/2020

Opened in 2012



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$1,214	744	\$1.63	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$1,490	1,115	\$1.34	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Franklin Johnson Gr	
Owner: Reider Properties	

Comments

SS appliances, granite counters, walk-in closets. Stand up shower in 2nd bath. Master: dual sinks, soaking tub.

Laminate floor in kitchen. Dog park, fire pit.

Trash fee: \$10.

Floorplans (Published Rents as of 2/10/2020) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Soho / Mid Rise - Elevato	--	1	1	--	\$1,220	705	\$1.73	Market	2/10/20	4.5%	\$1,214	\$1,490	--
Hudson / Mid Rise - Elev	--	1	1	--	\$1,115	714	\$1.56	Market	1/15/19	0.0%	\$1,123	\$1,376	--
Chelsea / Mid Rise - Elev	--	1	1	--	\$1,233	813	\$1.52	Market	7/25/18	0.0%	\$1,167	\$1,477	--
Madison / Mid Rise - Elev	--	2	2	--	\$1,475	1,021	\$1.44	Market	5/8/18	2.7%	\$1,136	\$1,523	--
Carnegie / Mid Rise - Ele	--	2	2	--	\$1,399	1,097	\$1.28	Market					
Broadway / Mid Rise - Ele	--	2	2	--	\$1,399	1,097	\$1.28	Market					
Rockefeller / Mid Rise - E	--	2	2	--	\$1,565	1,243	\$1.26	Market					

Adjustments to Rent

Incentives:

LRO; None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Greenwich Village

VA810-020238

Horizons at Indian River

Multifamily Community Profile

2815 Indian River Road
Chesapeake, VA 23325

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

480 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1965



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	86.7%	\$917	740	\$1.24	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	Elevator:	Volleyball:
Three	13.3%	\$1,019	920	\$1.11	Fitness:	CarWash:
Four+	--	--	--	--	Hot Tub:	BusinessCtr:
					Sauna:	ComputerCtr:
					Playground:	<input checked="" type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Central A/C	
Select Units: Ceiling Fan; Patio/Balcony	
Optional(\$): In Unit Laundry (\$35.00)	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: SL Nusbaum Owner: --	

Comments

Formerly Cambridge Manor. HUD insured property. No wait list.
Extensive kitchen+bath renovation underway (new cabinets, appliances, floor, counter). Black appl, granite counters
Stackable washer can be hooked up to kitchen sink. No W/D hookups in units. Trash-\$6

Floorplans (Published Rents as of 2/7/2020) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Albemarle / Garden	--	2	1	416	\$922	740	\$1.25	Market	2/7/20	0.0%	--	\$917	\$1,019	
Drummond / Garden	--	3	1	64	\$1,029	920	\$1.12	Market	7/9/19	1.3%	--	\$904	\$995	
									1/15/19	0.0%	--	\$894	\$985	
									2/5/18	0.0%	--	\$834	\$970	

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

Horizons at Indian River

VA550-010823

Indian River Gardens & TH

Multifamily Community Profile

1008 Mineola Drive
Virginia Beach, VA 23464

CommunityType: Market Rate - General

Structure Type: 2-Story Garden/TH

68 Units 4.4% Vacant (3 units vacant) as of 2/7/2020

Last Major Rehab in 2008 Opened in 1966



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	88.2%	\$1,027	815	\$1.26	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	11.8%	\$1,205	866	\$1.39	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: Palms Associates						
Owner: --						

Comments

New windows & fencing in 2008. Upcoming replacement of roofs.
Laundry hookups in 8 townhouse units only. Assigned parking spaces.
Residents provided pool passes for pool at a sister property off-site.

Floorplans (Published Rents as of 2/7/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	1.5	8	\$1,250	1,104	\$1.13	Market	2/7/20	4.4%	--	\$1,027	\$1,205
Garden	--	2	1	52	\$970	770	\$1.26	Market	5/9/19	0.0%	--	\$1,003	\$1,015
Garden	--	3	1	8	\$1,180	866	\$1.36	Market	1/17/19	5.9%	--	\$962	\$1,140
									11/1/17	0.0%	--	\$951	\$945
Adjustments to Rent													
Incentives:													
LRO; None													
Utilities in Rent: Heat Fuel: Electric													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>													

Indian River Gardens & TH

VA810-012332

Ingleside Square

Multifamily Community Profile

3515 Gatling Ave
Norfolk, VA 23502

Map Ref: VA SH 221 B5

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

300 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1956



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	9.0%	\$651	720	\$0.90	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	82.0%	\$704	770	\$0.91	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	Elevator:	Volleyball:
Three	9.0%	\$759	880	\$0.86	Fitness:	CarWash:
Four+	--	--	--	--	Hot Tub:	BusinessCtr:
					Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

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

Comments

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

Floorplans (Published Rents as of 2/7/2020) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	1	1	27	\$710	720	\$0.99	Market	2/7/20	0.0%	\$651	\$704	\$759	
Garden	--	2	1	246	\$768	770	\$1.00	Market	9/27/19	0.0%	\$642	\$683	\$742	
Garden	--	3	1	27	\$828	880	\$0.94	Market	6/5/19	0.0%	\$642	\$683	\$742	
									1/16/19	6.7%	\$662	\$704	\$763	

Adjustments to Rent	
Incentives: 1 mo free	
Utilities in Rent: Heat Fuel: Gas	
Heat:	<input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water:	<input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Ingleside Square

VA710-009114

Mayfair

Multifamily Community Profile

5826 Newtown Arch
Virginia Beach, VA 23462

CommunityType: LIHTC - General
Structure Type: 2-Story Garden

197 Units 0.0% Vacant (0 units vacant) as of 2/10/2020

Opened in 1974



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	14.2%	\$874	682	\$1.28	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	58.9%	\$901	900	\$1.00	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	22.8%	\$1,108	1,112	\$1.00	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	3.0%	\$1,338	1,377	\$0.97	Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Central A/C; carpet	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Landmark Properties	
Owner: --	

Comments

Only Gas & Trash included w/Mkt units.
50% & 60%

Floorplans (Published Rents as of 2/10/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	6	\$800	682	\$1.17	LIHTC/ 50%	2/10/20	0.0%	\$874	\$901	\$1,108
Garden	--	1	1	22	\$900	682	\$1.32	Market	1/15/19	4.1%	\$844	\$825	\$1,051
Garden	--	2	1	75	\$925	900	\$1.03	Market	2/7/18	9.1%	\$723	\$820	\$950
Garden	--	2	1	20	\$915	900	\$1.02	LIHTC/ 60%	6/27/17	0.0%	\$716	\$805	\$971
Garden	--	2	1	21	\$830	900	\$.92	LIHTC/ 50%					
Garden	--	3	2	5	\$995	1,112	\$.89	LIHTC/ 50%					
Garden	--	3	2	5	\$1,020	1,112	\$.92	LIHTC/ 60%					
Garden	--	3	2	35	\$1,150	1,112	\$1.03	Market					
Garden	--	4	2	6	\$1,350	1,377	\$.98	Market					

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

Mayfair

VA810-002220

Norcova Gardens

Multifamily Community Profile

2307 Norcova Avenue
Norfolk, VA 23513

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

40 Units 0.0% Vacant (0 units vacant) as of 2/10/2020

Opened in 1968



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	20.0%	\$845	640	\$1.32	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	80.0%	\$925	816	\$1.13	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; In Unit Laundry (Stacked); Central A/C; Carpet / Vinyl/Linoleum						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: \$0			Fee: --			
Property Manager: S.L. Nusbaum						
Owner: --						

Comments

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

Floorplans (Published Rents as of 2/10/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	Carpet	1	1	8	\$820	640	\$1.28	Market	2/10/20	0.0%	\$845	\$925	--
Garden	Carpet	2	1	32	\$895	816	\$1.10	Market	10/7/19	2.5%	\$845	\$925	--
									6/11/19	2.5%	\$845	\$925	--
									1/22/19	7.5%	\$754	\$826	--
Adjustments to Rent													
Incentives: None													
Utilities in Rent: Heat Fuel: Electric													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input type="checkbox"/>													

Norcova Gardens

VA710-017324

Olympic Village

Multifamily Community Profile

815 Pecan Point Rd.
Norfolk, VA 23502

Map Ref: VA SH 221 E4

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

142 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1980



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	36.6%	\$839	850	\$0.99	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	63.4%	\$944	912	\$1.04	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	

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

Comments

All units have separate entrances.
Surface parking is in assigned spaces. 0 move in ready, 96.48% occupied 2/7/2020
No on-site laundry facility, due to availability of washers/dryers in units.

Floorplans (Published Rents as of 2/7/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	52	\$839	850	\$.99	Market	2/7/20	0.0%	\$839	\$944	--
Garden	--	2	1	90	\$944	912	\$1.04	Market	1/17/19	0.7%	\$739	\$829	--
									9/29/17	1.4%	\$724	\$899	--
									8/2/17	0.7%	\$799	\$899	--

Adjustments to Rent	
Incentives: \$20-\$50 off select units	
Utilities in Rent: Heat Fuel: Electric	
Heat:	<input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>
Hot Water:	<input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

Olympic Village

VA710-009119

Pickett Farms

Multifamily Community Profile

5400 Greenplain Rd
Norfolk, VA 23502

CommunityType: LIHTC - General
Structure Type: 3-Story Garden

120 Units 0.0% Vacant (0 units vacant) as of 2/10/2020

Opened in 2014



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	15.0%	\$654	720	\$0.91	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	65.0%	\$775	1,035	\$0.75	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	20.0%	\$881	1,222	\$0.72	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size)	
Select Units: --	
Optional(\$): --	
Security: Gated Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: The Franklin Johnsto Owner: --	

Comments

"Pointe at Picket Farms" includes 2 communities: Picket Farms and Quill
50% and 60% AMI; Wait list-20 ppl

Floorplans (Published Rents as of 2/10/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	9	\$500	720	\$.69	LIHTC/ 40%	2/10/20	0.0%	\$654	\$775	\$881
Garden	--	1	1	9	\$778	720	\$1.08	LIHTC/ 60%	1/15/19	0.0%	\$617	\$729	\$830
Garden	--	2	2	39	\$924	1,035	\$.89	LIHTC/ 60%	7/20/17	0.0%	\$609	\$719	\$816
Garden	--	2	2	39	\$586	1,035	\$.57	LIHTC/ 40%	7/19/17	0.0%	--	--	--
Garden	--	3	2	12	\$660	1,222	\$.54	LIHTC/ 40%					
Garden	--	3	2	12	\$1,052	1,222	\$.86	LIHTC/ 60%					

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

Pickett Farms

VA710-025488

Princess Anne Gardens

Multifamily Community Profile

4852 E. Princess Anne Rd
Norfolk, VA

CommunityType: **Market Rate - General**

Structure Type: **2-Story Garden**

48 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1982



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	\$690	600	\$1.15	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	--	\$815	750	\$1.09	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	Elevator:	Volleyball:
Three	--	--	--	--	Fitness:	CarWash:
Four+	--	--	--	--	Hot Tub:	BusinessCtr:
					Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard:	Central A/C
Select Units:	--
Optional(\$):	--
Security:	Patrol
Parking 1:	Free Surface Parking
Fee:	--
Parking 2:	--
Fee:	--
Property Manager:	Garden Mgmt Group
Owner:	--

Comments

Sister property to Twin Gardens Apts
Walk-in closets, mini blinds. High speed internet. Unit mix u/a

Floorplans (Published Rents as of 2/7/2020) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$675	600	\$1.13	Market	2/7/20	0.0%	\$690	\$815	--
Garden	--	2	1	--	\$795	750	\$1.06	Market	1/16/19	14.6%	\$710	\$765	--
									6/21/17	0.0%	\$690	\$745	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Princess Anne Gardens

VA710-025439

Providence Green

Multifamily Community Profile

1101 Craftsman Drive
Virginia Beach, VA 23464

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

352 Units 1.1% Vacant (4 units vacant) as of 2/10/2020

Opened in 1973



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	20.5%	\$973	912	\$1.07	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	44.3%	\$1,004	1,090	\$0.92	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	31.3%	\$1,112	1,116	\$1.00	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	4.0%	\$1,319	1,269	\$1.04	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Carpet / Vinyl/Linoleum						
Select Units: Patio/Balcony						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: \$0			Fee: --			
Property Manager: Drucker & Falk Mgmt						
Owner: --						

Comments

Laundry hookups in select units. Storage: \$20-\$25. Laminate counters, black appl
2 clubhouses, 2 pools, coin laundry in each bldg. New name 7/19 FKA Brookfield.
Still doing renovations. Trash \$6.71.

Amenity Fee: \$ 0

Floorplans (Published Rents as of 2/10/2020) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	72	\$948	912	\$1.04	Market	2/10/20	1.1%	\$973	\$1,048	\$1,319
Garden	--	2	2	156	\$974	1,090	\$.89	Market	7/8/19	2.6%	\$935	\$1,070	\$1,282
Den / Garden	Den	2	2	110	\$1,082	1,116	\$.97	Market	4/26/19	6.5%	\$823	\$1,008	\$1,253
Garden	--	3	2	6	\$1,110	1,190	\$.93	Market	1/15/19	8.0%	\$823	\$972	\$1,243
Garden	--	3	2	8	\$1,414	1,328	\$1.06	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Gas

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Providence Green

VA810-012331

Quill

Multifamily Community Profile

5354 E. Virginia Beach Blvd
Norfolk, VA 23502

CommunityType: LIHTC - General
Structure Type: 3-Story Garden

180 Units 0.0% Vacant (0 units vacant) as of 2/10/2020

Opened in 2014



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	15.0%	\$660	720	\$0.92	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	65.0%	\$776	1,035	\$0.75	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	20.0%	\$881	1,222	\$0.72	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size)	
Select Units: --	
Optional(\$): --	
Security: Gated Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: The Franklin Johnsto Owner: --	

Comments

"Pointe at Picket Farms" includes 2 communities: Picket Farms and Quill

50% and 60%; Wait list-1BR 4 ppl; 2BR 16 ppl; 3BR 4 ppl.

Floorplans (Published Rents as of 2/10/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	13	\$490	720	\$.68	LIHTC/ 40%	2/10/20	0.0%	\$660	\$776	\$881
Garden	--	1	1	14	\$788	720	\$1.09	LIHTC/ 60%	1/22/19	0.0%	\$618	\$730	\$834
Garden	--	2	2	59	\$924	1,035	\$.89	LIHTC/ 60%	7/20/17	0.0%	\$604	\$718	\$824
Garden	--	2	2	58	\$586	1,035	\$.57	LIHTC/ 40%					
Garden	--	3	2	18	\$660	1,222	\$.54	LIHTC/ 40%					
Garden	--	3	2	18	\$1,052	1,222	\$.86	LIHTC/ 60%					

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

© 2020 Real Property Research Group, Inc. (1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent (2) Published Rent is rent as quoted by management.

River Oaks

Multifamily Community Profile

1464 Gabriel Drive
Norfolk, VA 23502

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

100 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1975



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	100.0%	\$845	875	\$0.97	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

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

Comments

All electric utilities. Waitlist
Decal parking.
Some accessible units.

Floorplans (Published Rents as of 2/7/2020) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	100	\$825	875	\$.94	Market	2/7/20	0.0%	--	\$845	--
									5/2/19	0.0%	--	\$845	--
									1/23/19	3.0%	--	\$870	--
									7/26/18	4.0%	--	\$830	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

River Oaks

VA710-017319

Round Bay

Multifamily Community Profile

944 Round Bay Rd
Norfolk, VA 23502

Map Ref: VA SH 221 E4

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

64 Units 0.0% Vacant (0 units vacant) as of 2/7/2020

Opened in 1962



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	28.1%	\$835	718	\$1.16	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	3.1%	\$901	830	\$1.09	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	9.4%	\$968	898	\$1.08	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	53.1%	\$1,050	1,018	\$1.03	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	6.3%	\$1,138	1,050	\$1.08	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Central A/C; Patio/Balcony; Carpet						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: Larrymore Organizati						
Owner: --						

Comments

Gas for cooking & trash included in rent.
Surface parking is in assigned spaces. Storage facility available on site.
Picnic area. Shuffleboard. Gazebo. Kiddie Pool. No Waiting list.

Floorplans (Published Rents as of 2/7/2020) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	1	1	18	\$825	718	\$1.15	Market	2/7/20	0.0%	\$842	\$1,038	\$1,138	
Garden	Den	1	1	2	\$891	830	\$1.07	Market	1/17/19	1.6%	\$818	\$1,008	\$1,120	
Garden	Den	2	1	34	\$1,035	1,018	\$1.02	Market	8/2/17	3.1%	\$811	\$963	\$1,065	
Garden	--	2	1	6	\$953	898	\$1.06	Market	6/23/17	3.1%	\$811	\$963	\$1,065	
Garden	--	3	1.5	4	\$1,123	1,050	\$1.07	Market						

Adjustments to Rent

Incentives: **None**

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Round Bay

VA710-009118

Solace

Multifamily Community Profile

400 South Military Highway
Virginia Beach, VA 23464

Community Type: Market Rate - General

Structure Type: 4-Story Mid Rise

250 Units 4.8% Vacant (12 units vacant) as of 2/10/2020

Opened in 2014



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$1,256	890	\$1.41	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$1,604	1,289	\$1.24	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Window A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking Fee: --	Parking 2: Covered Spaces Fee: \$20
Property Manager: Drucker & Faulk	Owner: --

Comments

poolside kitchen with grills, dog park, TV lounge, yoga room. Premiums for waterview, floor, corner etc.

SS appl, ceramic tile, marble vanities, quartz counters.

Unit mix: 131-1BR, 119-2BR. Covered parking \$20-\$30. Trash \$5.

Floorplans (Published Rents as of 2/10/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Oasis-Balcony / Mid Rise	--	1	1	--	\$1,440	1,018	\$1.41	Market	2/10/20	4.8%	\$1,256	\$1,604	--
Oasis-Sunroom / Mid Ris	--	1	1	--	\$1,400	1,089	\$1.29	Market	7/9/19	4.0%	\$1,245	\$1,593	--
Blue Water / Mid Rise - EI	--	1	1	--	\$1,110	760	\$1.46	Market	5/9/19	2.0%	\$1,237	\$1,598	--
Emerge/Syn / Mid Rise -	--	1	1	--	\$1,205	789	\$1.53	Market	1/16/19	0.4%	\$1,190	\$1,531	--
Zen / Mid Rise - Elevator	--	1	1	--	\$1,095	789	\$1.39	Market	* Indicates initial lease-up.				
Balance-Balcony / Mid Ri	--	1	1	--	\$1,165	857	\$1.36	Market					
Balance-Sunroom / Mid R	--	1	1	--	\$1,270	926	\$1.37	Market					
Essence-Balcony / Mid Ri	--	2	2	--	\$1,460	1,162	\$1.26	Market					
Essence-Sunroom / Mid	--	2	2	--	\$1,465	1,234	\$1.19	Market					
Aqua / Mid Rise - Elevato	--	2	2	--	\$1,563	1,289	\$1.21	Market	Incentives: None				
Watervale-Balcony / Mid	Loft	2	2	--	\$1,645	1,324	\$1.24	Market	Utilities in Rent: Heat Fuel: Electric				
Reflection / Mid Rise - EI	--	2	2	--	\$1,655	1,328	\$1.25	Market	Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>				
Watervale-Sunroom / Mid	Loft	2	2	--	\$1,715	1,397	\$1.23	Market	Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Solace

VA810-020243

University Gardens

Multifamily Community Profile

5801 Lowery Road
Norfolk, VA 23502

Community Type: Market Rate - General

Structure Type: 2-Story Garden

192 Units 1.6% Vacant (3 units vacant) as of 2/10/2020

Opened in 1962



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	32.3%	\$852	750	\$1.14	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	3.1%	\$980	916	\$1.07	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	46.4%	\$1,043	932	\$1.12	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	21.9%	\$1,067	1,048	\$1.02	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	6.3%	\$1,195	1,404	\$0.85	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

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

Comments

On-site management office also handles University Terrace & Norcova Gardens. Amenities shared w/ University Terrace.
Enclosed breezeways. Washer/dryer hookups in select units. \$55 Hookups. \$40 W/D Fee
Gas stoves. Vacancies: 1-3BR

Floorplans (Published Rents as of 2/10/2020) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	61	\$845	750	\$1.13	Market	2/10/20	1.6%	\$863	\$1,051	\$1,195
Upgraded / Garden	--	1	1	1	\$955	750	\$1.27	Market	1/17/19	0.5%	\$912	\$1,063	\$1,290
Garden	Den	1	1	6	\$975	916	\$1.06	Market	7/20/18	1.0%	\$863	\$1,015	\$1,195
Garden	Den	2	1	19	\$1,135	1,032	\$1.10	Market	5/1/18	0.5%	\$788	\$1,031	\$1,146
Garden	Den	2	1	19	\$965	1,032	\$.94	Market					
Upgraded / Garden	Den	2	1.5	4	\$1,180	1,200	\$.98	Market					
Garden	--	2	1	65	\$1,010	932	\$1.08	Market					
Upgraded / Garden	--	2	1	24	\$1,115	932	\$1.20	Market					
Garden	--	3	1.5	6	\$1,140	1,207	\$.94	Market					
Upgraded / Garden	--	3	1.5	6	\$1,250	1,600	\$.78	Market					

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

University Gardens

VA710-017321

University Terrace

Multifamily Community Profile

Georgetown Road @ Prince Avenue
Norfolk, VA 23502

Community Type: Market Rate - General

Structure Type: 2-Story Garden

152 Units 1.3% Vacant (2 units vacant) as of 2/10/2020

Opened in 1964



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	23.7%	\$974	1,005	\$0.97	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	68.4%	\$1,166	1,205	\$0.97	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	7.9%	\$1,331	1,604	\$0.83	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

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

Comments

No on-site management office; managed out of University Gardens. Enclosed breezeways.
Amenities shared w/ adjoining University Gardens. Laundry hookups in select units. Gas stoves. No waiting list
\$55 Hookups. \$40 W/D Fee

Floorplans (Published Rents as of 2/10/2020) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	31	\$969	1,000	\$.97	Market	2/10/20	1.3%	\$974	\$1,166	\$1,331
Upgraded / Garden	--	1	1	1	\$995	1,000	\$1.00	Market	1/17/19	0.7%	\$990	\$1,166	\$1,322
Deluxe / Garden	--	1	1	4	\$1,055	1,048	\$1.01	Market	7/20/18	1.3%	\$949	\$1,055	\$1,322
Garden	--	2	2	71	\$1,197	1,200	\$1.00	Market	5/1/18	1.3%	\$872	\$983	\$1,208
Upgraded / Garden	--	2	1.5	22	\$1,055	1,200	\$.88	Market					
Deluxe / Garden	--	2	1.5	11	\$1,239	1,248	\$.99	Market					
Garden	--	3	2	7	\$1,329	1,600	\$.83	Market					
Upgraded / Garden	--	3	2	4	\$1,356	1,600	\$.85	Market					
Deluxe / Garden	--	3	2	1	\$1,369	1,648	\$.83	Market					

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

University Terrace

VA710-017322

Water's Edge

Multifamily Community Profile

390 S. Military Highway
Norfolk, VA 23502

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

190 Units 0.0% Vacant (0 units vacant) as of 1/16/2019

Opened in 1986



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	\$1,010	642	\$1.57	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	--	\$1,210	910	\$1.33	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Storage (In Unit); Carpet / Ceramic	
Select Units: Fireplace; HighCeilings	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: \$0	Parking 2: -- Fee: --
Property Manager: The Breeden Co Owner: --	

Comments

Faux granite countertops. White appliances in many units, black appliances in upgraded.
Unassigned permit parking. Vaulted ceilings in select units. More 2 BRs than 3BRs, unit mix unknown.

Floorplans (Published Rents as of 1/16/2019) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$969	600	\$1.62	Market	1/16/19	0.0%	\$1,013	\$1,167	--
Garden	Fireplace	1	1	--	\$1,050	684	\$1.54	Market	10/2/17	0.0%	\$1,013	\$1,166	--
Garden	--	2	1	--	\$1,165	895	\$1.30	Market	6/6/17	1.1%	\$1,013	\$1,089	--
Garden	Fireplace	2	2	--	\$1,255	924	\$1.36	Market	12/2/16	4.7%	\$905	\$985	--

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

Water's Edge

VA710-017312



XI. APPENDIX 3 NCHMA CERTIFICATION

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

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

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

Real Property Research Group, Inc.



Bob Lefenfeld

Name

Founding Principal

Title

February 6, 2020

Date



XII. APPENDIX 4 NCHMA CHECKLIST

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

Component (*First occurring page is noted)		*Page(s)
Executive Summary		
1.	Executive Summary	VI
Project Summary		
2.	Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances	6
3.	Utilities (and utility sources) included in rent	7
4.	Project design description	4
5.	Unit and project amenities; parking	7
6.	Public programs included	4
7.	Target population description	4
8.	Date of construction/preliminary completion	7
9.	If rehabilitation, existing unit breakdown and rents	N/A
10.	Reference to review/status of project plans	7
Location and Market Area		
11.	Market area/secondary market area description	25
12.	Concise description of the site and adjacent parcels	8
13.	Description of site characteristics	8
14.	Site photos/maps	10
15.	Map of community services	8
16.	Visibility and accessibility evaluation	12
17.	Crime information	13
Employment and Economy		
18.	Employment by industry	22
19.	Historical unemployment rate	19



20.	Area major employers	22
21.	Five-year employment growth	20
22.	Typical wages by occupation	23
23.	Discussion of commuting patterns of area workers	20
Demographic Characteristics		
24.	Population and household estimates and projections	27
25.	Area building permits	28
26.	Distribution of income	32
27.	Households by tenure	30
Competitive Environment		
28.	Comparable property profiles	77
29.	Map of comparable properties	36
30.	Comparable property photos	77
31.	Existing rental housing evaluation	35
32.	Comparable property discussion	37
33.	Area vacancy rates, including rates for tax credit and government-subsidized communities	39
34.	Comparison of subject property to comparable properties	70
35.	Availability of Housing Choice Vouchers	4
36.	Identification of waiting lists	N/A
37.	Description of overall rental market including share of market-rate and affordable properties	39
38.	List of existing LIHTC properties	37
39.	Discussion of future changes in housing stock	45
40.	Discussion of availability and cost of other affordable housing options, including homeownership	36
41.	Tax credit and other planned or under construction rental communities in market area	45
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	61
43.	Calculation and analysis of Penetration Rate	64
44.	Evaluation of proposed rent levels	71
45.	Derivation of Achievable Market Rent and Market Advantage	45
46.	Derivation of Achievable Restricted Rent	50
47.	Precise statement of key conclusions	53



48.	Market strengths and weaknesses impacting project	54
49.	Recommendation and/or modification to project description	70, if applicable
50.	Discussion of subject property's impact on existing housing	74
51.	Absorption projection with issues impacting performance	74
52.	Discussion of risks or other mitigating circumstances impacting project	74, if applicable
53.	Interviews with area housing stakeholders	2
Certifications		
54.	Preparation date of report	Cover
55.	Date of field work	Cover
56.	Certifications	78
57.	Statement of qualifications	82
58.	Sources of data not otherwise identified	N/A
59.	Utility allowance schedule	N/A



XIII. APPENDIX 5 ANALYST RESUMES

TAD SCEPANIAK **Managing Principal**

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

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

Areas of Concentration:

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

Education:

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



ROBERT M. LEFENFELD
Founding Principal

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

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

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

Areas of Concentration:

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

Education:

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



ETHAN REED
Senior Analyst

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

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

Areas of Concentration:

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

Education:

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



XIV. APPENDIX 6 VHDA CERTIFICATION

I affirm the following:

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

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

Ethan Reed

Market Analyst

February 6, 2020

Date